UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS
FIRST SESSION

VOLUME 107—PART 11

JULY 31, 1961, TO AUGUST 10, 1961
(PAGES 14049 TO 15502)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1961

J
11
.R
V.107
pt. 11

DEPOSITED BY THE
UNITED STATES OF AMERICA

United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES

MONDAY, JULY 31, 1961

The House met at 12 o'clock noon.

Rev. Kenneth R. Arthur, First Methodist Church, Orbisonia, Pa., offered the following prayer:

O Lord, who hast called us to this hour of concern, and hast magnified the meaning of our assembling with Thy presence; hear us again as we pray, not because of the words we have to say, but rather because of our reasons for saying them.

Endow all these Members of the House of Representatives with a right understanding, clarity and purity of purpose, and sound speech. Grant unto them the vision of truth and justice, that by their counsel all men might work together to tighten the bonds of brotherhood. Instill within their hearts the commandment of love, that they may, with patience, do whatever is possible within them to remove suspicions and misunderstandings that lurk within the minds of those who unjustly accuse them. Be Thou their counselor and guide in these times that try their souls, that in all decisions, great and greater, they may discover that they have answered to Thy approval.

In the name of Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, July 27, 1961, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 2616. An act for the relief of Habib Mattar Nacol; and

H.R. 6514. An act for the relief of Dr. Louis Karel Dupre.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2203. An act to authorize the Secretary of the Interior to exchange certain property in Rocky Mountain National Park, Colo., and for other purposes;

H.R. 3279. An act to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes; and

H.R. 5518. An act to revise the boundaries of the Fort Raleigh National Historic Site in North Carolina, and for other purposes.

The message also announced that the Senate had passed bills, joint resolutions, and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 98. An act to authorize the Secretary of the Interior to provide water and sewage disposal facilities to the Medora area adjoining the Theodore Roosevelt National Memorial Park, N. Dak., and for other purposes;

S. 189. An act to increase the equipment maintenance allowance for rural carriers;

S. 203. An act to declare that the United States holds in trust for the pueblos of Santa Ana, Zia, Jemez, San Felipe, Santo Domingo, Cochiti, Isleta, and San Ildefonso certain public domain lands;

S. 344. An act to amend the Seneca Leasing Act of August 14, 1950 (64 Stat. 442);

S. 427. An act for the relief of Mardiros Budak and Armenuhi Maryam Budak;

S. 685. An act to amend the Coast and Geodetic Survey Commissioned Officers Act of 1948, as amended, and for other purposes;

S. 799. An act to amend the act of March 8, 1922, as amended, to extend its provisions to public sales;

S. 809. An act to authorize the transfer of a Bureau of Reclamation bridge across the Colorado River near Needles, Calif., to San Bernardino County, Calif., and Mohave County, Ariz.;

S. 888. An act to authorize the Secretary of the Interior to lease certain lands in the State of Utah to Joseph A. Workman;

S. 901. An act to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys, to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources, to authorize the construction of research and survey ships and laboratory facilities, to expedite oceanographic instrumentation, to assure systematic studies of effects of radioactive materials in marine environments, to enhance the public health and general welfare, and for other purposes;

S. 1012. An act to direct the Secretary of the Interior to adjudicate a claim of the Greif Brothers Cooperage Corporation to certain land in Marengo County, Ala.;

S. 1057. An act to provide for a National Portrait Gallery as a bureau of the Smithsonian Institution;

S. 1085. An act to provide for the disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes;

S. 1179. An act for the relief of Alicja Zakrezewska Gawowski;

S. 1335. An act for the relief of W. B. J. Martin;

S. 1488. An act to amend section 508 of title 28, United States Code, relating to attorneys' salaries;

S. 1501. An act to authorize the Secretary of the Interior to contract for the sale, operation, maintenance, repair, or relocation of Government-owned electric and telephone lines and other utility facilities used for the administration of the Bureau of Indian Affairs;

S. 1518. An act providing for the disposition of judgment funds of the Omaha Tribe of Indians;

S. 1540. An act to amend the law establishing the Indian revolving loan fund;

S. 1653. An act to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises;

S. 1655. An act to amend chapter 223 of title 18, United States Code, to permit the compelling of testimony under certain conditions and the granting of immunity in connection therewith;

S. 1656. An act to amend chapter 50 of title 18, United States Code, with respect to the transmission of bets, wagers, and related information;

S. 1657. An act to provide means for the Federal Government to combat interstate crime and to assist the States in the enforcement of their criminal laws by prohibiting the interstate transportation of wagering paraphernalia;

S. 1658. An act to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce;

S. 1665. An act to amend chapter 73 of title 18, United States Code, with respect to obstruction of investigations and inquiries;

S. 1674. An act to amend the Mineral Leasing Act for Acquired Lands (61 Stat. 913) with respect to the leasing of mineral deposits in which the United States owns a partial or future interest;

S. 1807. An act to authorize the disposition of land no longer needed for the Chilocco Indian Industrial School at Chilocco, Okla.;

S. 1815. An act to provide for one additional Assistant Secretary of Labor in the Department of Labor;

S. 1934. An act for the relief of Mrs. Chow Chui Ha;

S. 2016. An act to give to the Walker River Paiute Tribe the reserved minerals underlying its reservation;

S. 2034. An act to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions;

S. 2073. An act to authorize two additional Assistant Secretaries in the Department of Health, Education, and Welfare, and for other purposes;

S. 2087. An act to direct the Secretary of the Interior to convey certain lands and personal property to the State of Washington;

S. 2216. An act to authorize the transfer of three units of the Fort Belknap Indian irrigation project to the landowners within the project;

S. 2224. An act to grant minerals, including oil, gas, and other natural deposits, on

certain lands in the northern Cheyenne Indian Reservation, Mont., to certain Indians, and for other purposes;

S. 2241. An act to donate to the Jicarilla Apache Tribe of the Jicarilla Reservation, N. Mex., approximately 391.43 acres of federally owned land;

S. 2311. An act to authorize additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes;

S.J. Res. 76. Joint resolution authorizing the Secretary of the Interior during the calendar year 1962 to continue to deliver water to lands in certain irrigation districts in the State of Washington;

S.J. Res. 120. Joint resolution to authorize the President to order units and members in the Ready Reserve to active duty for not more than 12 months, and for other purposes;

S. Con. Res. 33. Concurrent resolution to print additional copies of an analysis entitled "The Pugwash Conferences"; and

S. Con. Res. 34. Concurrent resolution relative to the relationship of the United States with the Republic of China and communistic China.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1643) entitled "An act to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes, agrees to the conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. JOHNSTON, Mr. HOLLAND, Mr. EASTLAND, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. HICKENLOOPER to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina, and Mr. CARLSON, members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 62–3.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1962

Mr. STEED. Mr. Speaker, I ask unanimous consent to take from the Speaker's table and consider the bill (H.R. 7208) making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes, with Senate amendments thereto.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. STEED. Mr. Speaker, I ask unanimous consent that the House concur in the amendments of the Senate numbered 1 through 41, inclusive, and in amendments numbered 43 and 49; that the House disagrees to the amendments of the Senate numbered 42, 44, 45, 46, 47, 48, 50, 51, and 52; and that the House agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

The Chair hears none and appoints the following conferees:

Messrs. STEED, KIRWAN, CANNON, HORAN, and TABER.

AUTHORIZING THE PRESIDENT TO ORDER UNITS AND MEMBERS IN THE READY RESERVE TO ACTIVE DUTY

Mr. VINSON. Mr. Speaker, I ask unanimous consent that it may be in order to consider under the general rules of the House the resolution (S.J. Res. 120) to authorize the President to order units and members in the Ready Reserve to active duty for not more than 12 months, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. DEROUNIAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DEROUNIAN. Mr. Speaker, would it be in order to offer an amendment on page 2, after line 9 of the resolution?

The SPEAKER. Later, during consideration of the resolution.

Is there objection to the request of the gentleman from Georgia?

There was no objection.

TEMPORARY REDUCTION IN DUTY-FREE ALLOWANCE FOR RETURNING RESIDENTS

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 6611) to amend paragraph 1798(c)(2) of the Tariff Act of 1930 to reduce temporarily the exemption from duty enjoyed by returning residents, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 801)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6611) to amend paragraph 1798(c)(2) of the Tariff Act of 1930 to reduce temporarily the exemption from duty enjoyed by returning residents, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

W. D. MILLS,
CECIL R. KING,
THOS. J. O'BRIEN,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

HARRY F. BYRD,
ROBERT S. KERR,
RUSSELL B. LONG,
JOHN J. WILLIAMS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6611) to amend paragraph 1798(c)(2) of the Tariff Act of 1930 to reduce temporarily the exemption from duty enjoyed by returning residents, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House bill provides, in general, a temporary reduction from $500 to $100 in the amount of articles acquired abroad that a returning resident of the United States may bring into the United States exempt from duty, and in effect waives, in the case of articles acquired in the Virgin Islands of the United States, the 48-hour period which otherwise such resident generally must remain outside the United States before he is entitled to the exemption. The temporary reduction expires June 30, 1963.

Under the Senate amendments the $100 amount is changed to $200 for articles acquired in the Virgin Islands by a United States resident arriving directly or indirectly from the Virgin Islands, without regard to the 48-hour requirement. The amendments also operate to allow such a resident who has remained outside the United States for 48 hours or more an exemption of $200, not more than $100 of which shall have been acquired elsewhere than in the Virgin Islands.

The House recedes.

W. D. MILLS,
CECIL R. KING,
THOS. J. O'BRIEN,
N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

Mr. MILLS. Mr. Speaker, H.R. 6611, as passed by the House, provides a temporary reduction—from $500 to $100—in the amount of articles which a returning resident may bring back to the United States exempt from duty, and in effect waives, for articles acquired in the U.S. Virgin Islands, the 48-hour absence requirement which would otherwise have to be satisfied.

Under the Senate amendments, the $100 amount is changed to $200 only for articles purchased in the Virgin Islands also without regard to the 48-hour absence requirement. The amendments also operate to allow a U.S. resident who has remained outside the United States for more than 48 hours an exemption of $200, not more than $100 of which can consist of articles acquired elsewhere than in the Virgin Islands.

I urge adoption of the conference report.

Mr. WIDNALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WIDNALL. Mr. Speaker, it is with regret that I note that the conferees on H.R. 6611 agreed to the Senate amendment which would allow visitors to the Virgin Islands to bring in $200 worth of goods—double that of any other part of the Caribbean.

At no time has the position of the United States in the Caribbean been at a lower ebb than today. Yet in this conference report we have an example of how not to treat our friends in this strategic area. For sake of a few interested businessmen in the Virgin Islands, we are about to besmudge our record of just dealings with other countries.

The amount of tourist trade, and the role it plays in the economies of our island neighbors and friends is of course an important factor in the thinking of those who viewed the proposed U.S. position with some alarm. Yet, our Caribbean neighbors are not unaware of the problems which the United States faces in regard to our balance of trade position. They would, reluctantly, accept the loss to their economies with good grace but for the fact that the Virgin Islands will be the beneficiary of congressional favoritism at their expense. I urge the Members of this body to reject this political approach, and restore the confidence of our friends in the Caribbean in our country's image of fair play.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 123]

Ashley	Flynt	Norrell
Avery	Garland	Powell
Baker	Gray	Rabaut
Bass, Tenn.	Green, Oreg.	Roberts
Blatnik	Healey	Santangelo
Blitch	Hoffman, Ill.	Sisk
Cannon	Loser	Staggers
Carey	McSween	Tupper
Celler	McVey	Van Pelt
Dulski	Macdonald	Wickersham
Evins	Mason	Williams
Fino	Miller, N.Y.	

The SPEAKER. On this rollcall 400 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING THE PRESIDENT TO ORDER UNITS AND MEMBERS IN THE READY RESERVE TO ACTIVE DUTY

Mr. VINSON. Mr. Speaker I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of Senate Joint Resolution 120, to authorize the President to order units and members in the Ready Reserve to active duty for not more than 12 months, and for other purposes; and, pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours to be equally divided and controlled by the gentleman from Illinois [Mr. ARENDS], and myself.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of Senate Joint Resolution 120, with Mr. BOLLING in the chair.

The Clerk read the title of the resolution.

By unanimous consent the first reading of the resolution was dispensed with.

Mr. VINSON. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, this is a very, very important resolution. These are critical days in which we are living. Therefore, I respectfully request Members to endeavor to refrain from audible conversation while I lay before you the facts of this resolution.

Mr. Chairman, this resolution will implement a vital part of the President's recommendations with regard to increasing the strength of our Armed Forces.

It is a part, but an indispensable part, of our determined effort to prepare ourselves for whatever crisis may lie ahead for us.

The resolution, when enacted, will authorize the President to order units, and members of the Ready Reserve not assigned to units, to active duty for not more than 12 months. In addition, it will authorize the President to extend certain periods of obligated service that would otherwise expire between now and July 1, 1962, for a period of up to 1 year.

Let me state briefly the situation with regard to our present force structure.

Today, we have an Army of 14 divisions, made up of 11 combat divisions and 3 training divisions.

As of July 1, 1961, the Army contained 858,000 men, although its present authorized strength is 875,000. The President seeks to increase the authorized strength of the Army during this fiscal year to 1,008,000 men—an increase of 133,000.

The Army, today, is distributed throughout the world. Approximately half of our Army is in the United States and the other half is overseas.

We have five divisions in Europe, two in Korea, and one division split between Okinawa and Hawaii. There are six Army divisions in the United States. In addition, there are other combat units of regimental and battalion size.

At present, we have an Air Force of 825,000 men, consisting of 88 combat wings and 119 flying support squadrons.

The President proposes to increase the Air Force by 63,000 to 888,000.

The Navy today has a strength of 628,000, operating 817 ships, as well as vital shore establishments. The President proposes to increase the Navy's strength by 29,000, to a total of 657,000.

The Marine Corps, of course, is already in the process of increasing its strength from 175,000 to 190,000.

It has three combat divisions and three air wings. It has two divisions in the United States, and one division in the Pacific; and, with its new increase, will also have the nucleus of a fourth division.

As a result of previously authorized increases, and the proposed legislation, the total strength of our Armed Forces will be increased from 2,493,000 to 2,743,000.

Now, the purpose of this joint resolution is to provide authority until July 1, 1962, for the President to order not more than 250,000 members of the Ready Reserve to active duty for not more than 12 months. It would also authorize until July 1, 1962, the extension, for not more than 12 months, of enlistments, appointments, and other periods of obligated service which would otherwise expire before July 1, 1962.

At this point I would like to call the attention of the Members of the House to the fact that the strength of the Ready Reserve Forces of the United States, as of today, is 2,440,000 members.

In a national emergency proclaimed by the President, existing law permits as many as 1 million members of the Ready Reserve to be called up for active duty for as long as 24 months. Thus, it is apparent that the authority of section 1 of the joint resolution is in three respects more limited than the authority that the President would have should he proclaim an emergency.

First, not more than 250,000 members of the Ready Reserve may be ordered to active duty under the joint resolution, whereas the President could order 1 million under a declaration of national emergency.

Second, the period of active duty which may be required under the joint resolution is only 12 months. In the absence of the joint resolution, and proceeding under a declaration of emergency, the service could extend for 24 months, or twice as long as the service permitted under the joint resolution.

Third, the authority to order members of the Ready Reserve to active duty under the joint resolution extends only to July 1, 1962, whereas in a presidentially declared emergency, the authority for the ordering of the Ready Reserve to active duty would continue throughout the existence of such emergency.

The Reserve components of the Armed Forces are: First, the Army National Guard of the United States; second, the Army Reserves; third, the Naval Reserve; fourth, the Marine Corps Reserve; fifth, the Air National Guard of the United States; sixth, the Air Force Reserve; seventh, in case of a national emergency, the Coast Guard Reserve.

Each of these Reserve components is further divided into the Ready Reserve, the Standby Reserve, and the Retired Reserve. Only the Ready Reserve is affected by the joint resolution, or subject to call in the case of a Presidential declaration of emergency.

Members of the Ready Reserve are in this status as a result of the operation of law, or by personal choice. They have all had prior service of anywhere from 8 weeks to 4 years, or more. Many of them are seasoned combat veterans who have volunteered to remain members of the Ready Reserve.

Basically, the law imposes a Ready Reserve obligation of 5 years upon every person who enters the armed services. This can be met by serving on active duty, or by a combination of active duty and Reserve participation. Six-month trainees acquire a 7½-year Ready Reserve obligation.

There are, today, over 2,440,000 members of the Ready Reserve available for duty.

But the President is only seeking authority to order to active duty not more than 250,000 members of the Ready Reserve, although he may also, under the resolution, order reservists to active duty for training rather than order them to active duty with the Active Forces. I am advised that most of the calls of ready reservists will be unit calls, although some individuals not assigned to units will receive orders.

Certain Air National Guard tactical squadrons will be ordered to active duty, as well as some Air Force Reserve transport squadrons, and Navy antisubmarine warfare air squadrons.

The President has also stated that future draft calls will be doubled, and then tripled.

The President proposes to further increase the strength of the Armed Forces by approximately 225,000 persons during this fiscal year, and has requested additional funds for this purpose.

The House will recall that the Defense Appropriation bill provided funds for an increase of 25,000 in the Armed Forces. The total new increase, therefore, for this fiscal year is 250,000 men. These people will come from two principal sources.

Some will come from the Ready Reserve, under this resolution. These are men who have already been trained. The remainder will come from inductees and recruits, who require basic training.

Inductees, under the law, may not be sent out of the country unless they have had 4 months of training.

In that connection, I might add that I have been advised that no new training facility need be acquired to meet this accelerated training program.

This resolution is of particular interest to individuals throughout the Nation who may, in one manner or another, be affected by its implementation. Therefore, members of the Committee on Armed Services questioned the Secretary of Defense on the manner in which he proposes to increase the personnel strengths of the armed services. Secretary McNamara advised the committee that the following priority would be observed as much as possible in attempting to fulfill the increased personnel requirements of the armed services:

First. By encouraging voluntary reenlistments or voluntary extensions of enlistments.

Second. By recruiting.

Third. By the draft.

Fourth. By involuntary extension of enlistments, or by calling the Ready Reserve. Among the ready reservists, drill-paid reservists will be called normally prior to the nondrill-paid reservists.

This order of priority, in my judgment, appears most equitable.

Section 2 of the resolution gives the President the authority to extend enlistments, appointments, periods of active duty, periods of active duty for training, and periods of obligated service that expire between the time the resolution becomes law and July 1, 1962, for a period of up to 12 months.

We extended enlistments during the Korean conflict and during World War II, so this is not a new procedure.

Thus, under section 2 of the resolution, an individual whose enlistment is about to expire may possibly have his enlistment extended for a period of up to 12 months, particularly if he has a critical skill, or is in a key position and a trained replacement cannot be immediately obtained. Officers who have received training at Government expense, or who have other forms of obligated service may also be extended on active duty for up to 12 months.

In addition, this section would permit the President to extend periods of active duty for training.

You will note that the limitation of 250,000 members of the Ready Reserve who may be ordered to active duty under section 1 does not apply to ready reservists who may be ordered to active duty for training.

Thus, section 2 allows the President to order Ready Reserve units to longer periods of active duty for training than is now authorized by law.

For example, Ready Reserve units can be ordered to active duty for 17 days under existing law, but in order to improve their degree of readiness, it may be desirable to extend their active duty period of training for several days, or perhaps a week or more. It may be even necessary to order the same unit to active duty for training twice during the same fiscal year in order to improve its state of readiness. That is the reason why the language is flexible enough to permit reservists to be ordered to active duty for training for up to 12 months, although there is no intention of using this full period of time unless absolutely necessary.

However, it might be longer than 2 weeks, or 3 weeks, or even more, or it may only be for a few days.

All of these, of course, tie in with whatever the future may hold with regard to the state of readiness we wish to maintain during this crisis, or any other crisis that may take place during the fiscal year.

I might add that when reservists are ordered to active duty for training, they will be adequately protected with regard to their reemployment rights.

Now, Mr. Chairman, this explains what the joint resolution will authorize.

It is an indispensable part of the President's answer to the present unsettled state of world affairs.

It is America's answer to Khrushchev's threats.

It is our assurance to the world that we stand firm, determined, united, and ready to make whatever sacrifice is required to preserve our rights, our obligations, and our freedom.

Now, Mr. Chairman, I think we would be foolish indeed not to recognize the seriousness of the situation that exists today.

Those of you who recall 1939 can see a pattern taking form.

But, there is a difference—we are far better prepared today for armed conflict than we were in 1939 and that, together with the effects of this resolution, plus the other steps that have been taken by the President, may be the one vital difference that will disprove the concept that what is past is prologue.

The surest way to prevent war is to be prepared for it.

And this buildup in our Armed Forces proves conclusively, once again, that we must adopt a firm, unchanging, force figure and remain at that force figure for an indefinite period.

We must reach a force level in ships and manpower, planes and missiles, and we must maintain that force level so that we have the capacity to fight both a nuclear and nonnuclear war. We must be versatile in our capabilities.

Let me remind you that our total military strength has fluctuated during the period of time that I have served in this House from 179,000 in 1914, to 12,124,000 on May 31, 1945.

The peaks and valleys of the history of our military strength look like a profile of the Rocky Mountains.

On June 30, 1950, right after the invasion of South Korea, our Armed Forces were only 1,460,000 persons. In less than 1 year we went up to 3,250,000 to meet the Korean crisis. At the end of the Korean conflict, our strength dropped from 3,685,000 to 2,476,000 in June of 1960. Today, we have an armed force of 2,493,000, and we plan, during this fiscal year, to go to a force of 2,743,000.

I can only express the fervent hope that if the Berlin crisis should ease, no

one in this House, or in this administration, will advocate a reduction in force. If this is the strength figure necessary to maintain peace, then this is the strength we must maintain until the peace of the world is assured, beyond doubt.

Now, Mr. Chairman, the resolution before us today calls for an increase in our Armed Forces. The President proposes to increase our manpower in the Armed Forces by about 225,000 persons over and above the strength previously planned.

A part of this 225,000 will come from the Ready Reserve, which includes all of the Armed Forces and the National Guard, and a portion will come from increased draft calls, increased recruiting efforts, and from an extension of enlistments.

This resolution deals with the immediate needs of the Armed Forces. It permits the President to bring in trained individuals or to retain trained individuals, in order to immediately expand our Armed Forces and to bring up to strength our combat and technical units.

The resolution permits the President to order to active duty up to 250,000 members of the Ready Reserve, and present plans do not call for this many ready reservists to be called.

But, if the necessity arises, additional ready reservists can be called.

To make sure that those reservists will be in a high state of readiness, the resolution authorizes an extension of the periods of active duty for training that may be required of ready reservists.

This resolution is merely a part, but a very significant part, of our decision to enforce our rights in Berlin, and to impress upon the world, both friend and foe alike, that we have reached a point beyond which we will not yield.

This resolution, together with the other recommendations of the President, serves notice to the world that America will honor its obligation to the people of West Berlin, and that America stands behind its commitments.

This resolution signifies our willingness to make additional sacrifices in the cause of freedom.

But let no Member of this House, nor any citizen of America, be lulled into a sense of complacency that this may be the end of sacrifices.

This may be the first of many sacrifices yet to come. That decision, as the President so ably stated, will depend upon Moscow.

We will not be panicked into world extinction.

We have reached the point in the unfolding of world history where we are saying to the Soviet Union that our decision is made—we stand firm, determined, and united. We will not retreat from Berlin.

Together with our Allies, we will respect our obligations and insist upon our rights.

The onslaught of communism must be met by the determination of the free world.

This is America's answer.

Mr. ARENDS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the chairman of our committee has rather fully gone into a discussion of the details of this bill, so my statement will be more or less in general on this whole subject matter.

Mr. Chairman, this resolution to authorize the President to order units and members of the Ready Reserve to active duty comes before you with an unanimous report from our Committee on Armed Services. A like resolution passed the Senate unanimously. And I am confident that the House will likewise pass this resolution without a dissenting vote.

By this action we are stating emphatically to Mr. Khrushchev and his puppets, to our allies, and to the so-called neutrals—by this action we are emphasizing to the world that while we may have our political differences, we are one people fully united behind our President and Commander in Chief when our security is threatened. And as one people we have the will and the determination to take whatever steps may be necessary—to fight if need be—that we may continue to be free and secure. We love peace. We will continue to work and pray for peace. But we love freedom more.

The President has told us that the threat to our security is such that we must increase the size of our Armed Forces. The Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Joint Chiefs of Staff, have explained to our committee why this resolution is necessary.

It must be borne in mind that under existing law the President has the authority to order to active duty up to a million members of the Ready Reserve. He can exercise this authority by the simple declaration of a national emergency. But we are not preparing for war. We are merely preparing ourselves to defend ourselves against those who would make war. We are merely making certain that we can enforce our rights and meet any threat to man's right to be free, wherever and however that threat may arise. As important as the Berlin crisis is, it is only part of the worldwide struggle against the ruthless march of militant communism.

This resolution gives the people, through their Representatives in Congress, a voice in our defense preparations. We have examined our present defense needs, and we are here authorizing no more and no less than is necessary to meet these needs. The President has asked for no more and we shall give him no less.

If a national emergency were declared, the President could call 1 million members of the Ready Reserve to active duty. Under this resolution he can call only 250,000. The President has the emergency authority to provide that they serve for 2 years. Under this resolution the length of service is limited to 1 year. A national emergency would exist until the President declared otherwise. Under this resolution the authority granted would expire on July 1, 1962.

Thus, without panic or hysteria but with calm, careful planning, with a minimum of hardship on individuals and a minimum of impact on our normal pursuits, we propose by this resolution to proceed with a military buildup directed at shortages in our existing defense structure. When the Chairman of the Joint Chiefs of Staff was before our committee he said:

> The Armed Forces of the United States are the strongest we have ever maintained in a time of nominal peace.

Under President Eisenhower following the Korean conflict we have built up a national defense second to none, and the Chairman of the Joint Chiefs of Staff told our committee last Friday that "our basic strategy continues to be founded on our very powerful nuclear retaliatory capabilities." He states we are not changing our strategy. We are supplementing it. And, if need be, we will use our full power. Mr. Khrushchev and his puppets, whether they be in distant China or in next door Cuba, would be well advised to take this into account in all their calculations as to what we might do. It would be a miscalculation for Mr. Khrushchev to conclude that we would not dare use this devastating force. We say to Mr. Khrushchev, "don't dare us when freedom is at stake."

Admittedly, this defense buildup will necessitate personal sacrifices. But our young men in the Ready Reserve have readied themselves to answer their country's call.

And this defense buildup adds almost $3½ billion to our huge defense budget. This constitutes a burden on our economy. It is a burden on the taxpayers. But the American people are willing to make the sacrifice and bear the burden, provided—and this is an important proviso—provided our Government follow a firm policy on the domestic front against unnecessary, and nonessential spending.

It is axiomatic that we cannot be strong in a military sense without being strong in an economic sense. We cannot be strong on the foreign front and weak on the home front. We will support our President in his policy of firmness in dealing with the excesses of international communism. We ask the President to support us by a policy of firmness against the excesses of Government spending that enslave us with debts and taxes.

We will unanimously adopt this resolution and give our Commander in Chief the strength and support he needs. At the same time, we ask our President, who is also in command over our economic well-being to make certain that we have the economic strength needed for this long, hard pull in a united struggle, abroad and at home, against the enemies of freedom.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I want to join in the remarks of the gentleman from Illinois. I understand, however, that the Committee on Education and Labor of the House has reported a bill—to me this is inconceivable, knowing that we have this present emergency—known as the Youth Conservation Corps bill, which would enlist 12,000 young men

between the ages of 16 and 22 and cost over $300 million. This bill is now pending before the Committee on Rules of the House. I hope it does not see the light of day.

I certainly hope this inconsistency will be done away with. How we could consider this Youth Conservation Corps bill, which would take young men between the ages of 16 and 22 and would cost over $300 million, is something I cannot understand.

Mr. ARENDS. I thank the gentleman.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I have had the privilege of serving with the gentleman from Illinois on the Committee on Armed Services, and I have great respect for his patriotism and his ability. I am sure that he would not want the RECORD to stand with the implication that I, at least, got from his remarks, that he is supporting this measure only in the event that the President adopt certain domestic policies and programs to which the gentleman from Illinois subscribes. I am sure the gentleman from Illinois would want the RECORD clear that this resolution stands on its own feet and that his support of it is based on no commitment with regard to any other legislation but is directed solely toward resistance to the Soviet threat in Berlin; is that not correct?

Mr. ARENDS. I think my statement is very clear as to my intentions. As I mentioned in my opening statement, this resolution should be unanimously supported by the House. I, of course, support it.

Mr. STRATTON. I thank the gentleman.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Illinois.

Mr. MICHEL. I was somewhat distressed listening to the Chairman's discussion of the bill when he enumerated the priorities which would be used in calling up these men. Basically, as I recall the order: volunteers, recruiting, draftees, and finally Reserves. I was under the impression, after hearing the President's remarks, that the imminent threat to Berlin provoked this particular resolution, and if that is really the case, why not call up the Reserves who are ready and trained to go to bat now rather than call up additional draftees which will require at least a year of training in order to get into the field? Are we just building up a long-range military might here, or are we moving seriously to get forces together for an imminent threat to Berlin in the immediate future?

Mr. VINSON. The gentleman should bear in mind that by increasing the entire force, we will require reservists, we will require inductees, and we will require volunteers. We just cannot say that we will take 250,000 in the Reserve and not call in any draftees or not extend present enlistments. This is all one package. A large number of reservists will not be called up. Secretary McNamara, in testifying before the committee said, and this is copied from the record:

> First, we propose to obtain them through voluntary reenlistment.
>
> Secondly, through voluntary recruitment.
>
> Thirdly, through the draft.
>
> Fourthly, through extension of tours of duty and/or forcible call up from the Reserves.

In the latter case we propose to have two priority categories: First, call the paid Reserves, and secondly, the unpaid.

You need not worry. We are going to call Reserves, we are going to call for volunteers, and increase the draft. We are trying to increase the strength of our national defense. We just cannot say we will take this number or that number from one particular group.

Mr. MICHEL. I only wanted to say, since you mentioned the figure of combat Ready Reserves, of 2,440,000, that we are talking about a figure of 10 percent of the Ready Reserve, and it does not seem to me to be too big a percentage to call if they are really what we say they are—Ready Reserves.

It just appears to me, Mr. Chairman, that this gives indication of being an employment gimmick for the future rather than meeting what I thought was the need for an immediate beefing up of our military might to meet the threat to Berlin.

Mr. ARENDS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, of course, I understood the question asked by my colleague from New York [Mr. STRATTON], of the gentleman from Illinois [Mr. ARENDS]. To make it abundantly clear, the minority side of the House are going to vote for this resolution, as we did in the committee on Friday, with a firm heart and a firm conviction that we are going to back up the President in any attempt he is going to make now or in the future to offset any Communist aggression in Berlin or in any other part of the world.

But let me say this, Mr. Chairman. We were asked in the President's talk of last week to make sacrifices, as we were in many talks that he made during the course of this year. Of course, we must make sacrifices. The American people are way ahead on this. We are willing to make sacrifices. But again here, in this program, men who are in the service today are going to make an additional sacrifice by having their terms extended; and in addition 250,000 are going to be called into service, and they are going to make a sacrifice. But the cost of this is not to be borne by the generation of today. The cost of this is going to be borne by generations unborn, generations in the future, which is the case with many programs that have been passed by this Congress this year. The costs of those are not going to represent sacrifices by our generation today, but will be sacrifices that will have to be made by generations unborn, in the years to come. No one is being asked to pay for this today. So I cannot quite see what sacrifice is being asked of the American people today, except of those families whose sons are going to be affected by this legislation.

Mr. Chairman, there is one other point I would like to make, and I think it is a very serious one. We asked the question the other day in Committee on Armed Services with reference to these 250,000 men, whether additional numbers would be sent overseas to beef up our forces there. We are told that this is a possibility. We asked whether or not the dependents of these men were going to be sent overseas and we were told that if we did send additional numbers of men we would also send dependents overseas. Mr. Chairman, I say that this is ridiculous. If we are faced with a hot situation, if we are going to make sacrifices today, why not bring home the dependents, and not put ourselves in a position overseas where we can be blackmailed because of the hundreds of thousands of dependents of our servicemen over there. And then, we add insult to injury by saying that we are putting money in these other bills to provide transportation to send more dependents abroad. Just what are we doing? This is ridiculous.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Mr. Chairman, it is quite interesting to read the hearings to the House Armed Services Committee of last Friday, when we were considering this resolution. These matters were deleted from the hearings, the questions or interrogations that concerned the matter of dependents. I would like to know whether or not, when you talk about dependents, that is a classified subject.

Mr. BECKER. I do not believe it was classified or I would not have brought it out on the floor. It is a part of what we are doing here. It is a part of what we have been doing.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield further?

Mr. BECKER. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. The gentleman will recall that the gentleman from Pennsylvania put a question to the Secretary of Defense as to whether or not he had plans to bring the dependents back from Europe to the United States; and he said "No." Then the gentleman from Pennsylvania asked him, "Do you intend to permit dependents to accompany the military personnel who will be sent to Germany or West Berlin to beef up our forces?" And the answer was in the affirmative.

Mr. BECKER. That is correct.

Mr. VAN ZANDT. Our contention is, if this is an emergency, therefore we should not keep the dependents there who are there and should not send more over there.

Mr. BECKER. I agree with the gentleman from Pennsylvania.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield to my chairman.

Mr. VINSON. Does not the gentleman from New York [Mr. BECKER] and does not the gentleman from Pennsylvania [Mr. VAN ZANDT] know that in the appropriation bill now pending in the Senate committee there is money for bringing dependents home? And does not the House and does not the country know that this is a matter that is constantly before the Department of Defense, that it is being studied, and if necessary they will be brought home; and you know it, and I know it.

Mr. BECKER. I generally agree with my distinguished chairman. I have the highest admiration and respect for him. But I think it should be spelled out now, that we should bring these dependents home. We should not provide more money to send dependents overseas under any circumstances until this situation is cleared up.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Iowa.

Mr. GROSS. Whether this information is classified or not, the gentleman is asking a question that ought to be answered here this afternoon rather than, as the chairman said, studied some more.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield to the chairman.

Mr. VINSON. If the subject matter were not of serious importance, why did they put the money in the appropriation bill? They cannot do all this in 24 hours. We have got to get the money; first, they have asked for the money, and if a condition arises so that dependents would have to be brought back, the gentleman knows that they will be brought back.

Mr. BECKER. The circumstances that affect this bill were not evident at the time the appropriation bill was brought up.

Now the circumstances are different. Now it should be done. I might say that if the opportunity presented itself and it were germane to this joint resolution I would offer an amendment, but I am told it is not germane to this resolution and is not germane to the bill that will come up on Wednesday.

Mr. VAN ZANDT. The Secretary of Defense when he made the request for money to cover the cost of bringing back the dependents said, "We have no plans at this time to use this money."

Mr. BECKER. That is right. He also said on Friday that they intend to send more dependents over there.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Wisconsin.

Mr. LAIRD. The gentleman from Pennsylvania made the comment I wish to make. Secretary McNamara testified before the Appropriations Committee today that they had no plans for the use of the money that has been requested as far as the travel allowance for dependents is concerned.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Florida.

Mr. HALEY. I thoroughly agree with the gentleman's position. In the first place, I do not think these dependents should ever have been put into an exposed zone. I just wonder what the feeling of a man might be who would be called upon to destroy a community in which his own family was residing. The gentleman knows that would not be the right thing, and the man's morale certainly would not be that of a fighting man when you ask him to destroy his own family.

Mr. BECKER. I agree with the gentleman. I have blackmail in mind, also. The many thousands of women and children we have over there in any hot area are all the more reason that we may, as a Senator in the other body said, be put in the position of offering a compromise.

Now I want to finish my statement. As I said in the beginning, we the people of America are being asked by our President to make sacrifices today. I am positive the American people, knowing them as I do, are willing to make whatever sacrifices are necessary. But let us today, the people of today, make the sacrifices and not put all the burden on your grandchildren and my grandchildren in the America that lies ahead. Let us pay for the depressed areas now. Let us pay for public housing now, let us pay for Federal aid to education now. Let us have a tax bill, if we need $5 billion more under this kind of a bill, but let us not be shoving it off onto children in the future. That is the kind of sacrifice that Americans or any other country will understand.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. OSMERS].

Mr. OSMERS. Mr. Chairman, when the country faces a situation such as it faces today, any remarks about it probably should begin with the words, "Here we go again." Those of us that serve on the Committee on Armed Services under the distinguished gentleman from Georgia realize that during peacetime no matter what expenditures, or what sacrifices, we make they always seem too much, and in the event of war all of our preparations seem to have been far too little.

First, let me urge my colleagues in the House to give unanimous support to this resolution. Its passage will give concrete evidence that the country stands united behind our President with respect to the strong posture we must maintain with regard to Berlin. However, it should be pointed out that there is presently existing on the statute books amply authority for the President to declare a national emergency and to call to active duty the men that are covered by this resolution.

We have had Berlin crises since President Truman's administration. Mr. Truman said over this past weekend that Mr. Khrushchev was bluffing again about Berlin. Mr. Truman recalled that he had called his bluff back in the late forties with the dramatic Berlin airlift. President Eisenhower called the same bluff in 1957 and 1958 and now we are confronted with the 1961 version of the same old bluff.

Oddly enough, this present Berlin crisis, in my opinion, does not have its origin on the continent of Europe. This 1961 model Berlin crisis had its origin in the Bay of Pigs in Cuba. When we failed to prove there that we really meant business, we in effect invited Mr. Khrushchev to take the first opportunity available to call the bluff of the new administration. The indecisive actions in Laos, Cuba, and elsewhere that preceded the Vienna meeting, and something about that meeting itself, apparently led him to take the strong position that he has in connection with Berlin and East Germany.

In the hearing before the Armed Services Committee on this resolution, you will find questions of mine and answers by the Secretary of Defense with respect to the Nation's greatest defense needs today. It seems to me that it is not the sending of a few thousand more assorted Armed Forces personnel to Europe. It should be flatly stated that the passage of this resolution with respect to manpower, and the authorizations and appropriations in connection with it that will be considered by Congress later, will not produce the increase in conventional strength that would be necessary for us to be victorious on the mainland of Europe in a conventional war. The Nation's greatest and most urgent defense needs are for the earliest possible development of an antimissile missile and the means to protect the human body against radiation, fallout, and various forms of biological attack. Does anyone on earth doubt that the nation which first succeeds in developing an antimissile missile will rule the world? Is there anyone here in the House who doubts that?

The United States should spend all the money necessary to develop that type of defense, not only for the sake of our own security but for the preservation of civilization and the human race. According to the reply of the Secretary of Defense to my questions, those who now have the contracts for the Nike-Zeus program are of the opinion that nothing more can be done in this area. The Secretary himself seems to share that view. When the future of mankind is at stake as it is in the solution of the anti-missile-missile problem, in my judgment, such smugness and complacency on the part of anyone is dangerous in the extreme.

There are some who have expressed fear over the implications of the recent Moscow air show. Many are worrying about those three or four new types of Russian planes which appeared in pictures on the front pages of nearly every American newspaper.

Mr. Chairman, the few samples which participated in the flyover at Moscow are not the Russian planes that concern me. The ones which deeply trouble me are the six Mig-17's that flew over Castro's Communist Havana last week. Those 6 can easily grow to 60, and the 60 soon can be 600. What program do we have to keep those 6 Russian Mig's which are

a few miles from our shores, from soon numbering 600 instead of 6?

Mr. Chairman, we must support this resolution; we must as always stand united; politics must stop at the water's edge. The very fact that we are today discussing this matter should be an expensive lesson for the President and the Congress. Let us not forget again that, without a firm clear policy at all times, this Nation is headed for the gravest type of international blackmail and possible disaster.

Much of what has been said and written about the current Berlin crisis has dealt with the importance of impressing Mr. Khrushchev with our firmness and determination not to be pushed around. A rhetorical question which I asked at the committee hearing on this resolution illustrates how some of us feel about impressing Mr. Khrushchev. That question was this: Would Mr. Khrushchev not have been a great deal more impressed, if, instead of asking for this program, the President of the United States had sent this message to Castro:

> Bring that hijacked plane back to the airport in Miami in 48 hours or we will come and get it.

Thank you, Mr. Chairman.

Mr. ARENDS. Mr. Chairman, I yield myself such time as I may consume at this point.

Mr. Chairman, I take this additional time because Members not only on this side of the aisle but on the other side of the aisle as well have raised questions as to our basic strategy. Because of this I want to read into the RECORD a statement by the Chairman of the Joint Chiefs of Staff, made before our Armed Services Committee on last Friday. The question has been raised as to whether or not we are changing our concept of war, whether we are going to the conventional type of warfare from a nuclear type. In discussion before our committee the Chairman of the Joint Chiefs of Staff emphasized this point, which later we discussed. This is what he had to say:

> Thirdly, while most of the actions now proposed are intended to improve the readiness and increase the strength of our tactical ground, naval and air forces—with emphasis on their conventional or nonnuclear capabilities—the program also contemplates actions to enhance the credibility and effectiveness of our nuclear deterrent forces. The delay of the planned deactivation of B–47 wings and measures to place 50 percent of our manned bombers on ground alert should be clear evidence to the Soviets that our basic strategy continues to be founded on our very powerful nuclear retaliatory capabilities.

Mr. Chairman, that is the point I would like to now emphasize and which is troubling many of my colleagues. I think this statement of the Chairman of the Joint Chiefs of Staff is the only statement on which we have publicly to plan our thinking as to the future. This is a frank statement by the Chairman of the Joint Chiefs of Staff and I read it into the RECORD for the importance it should have.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield.

Mr. HALLECK. I would like to commend the gentleman for the statement he recently made and for his present statement. I, too shall support this resolution. As the gentleman knows, I am not a member of the Committee on the Armed Services of which he is the very able ranking Republican member. As minority leader, I did not know of these proposals until I heard the President's speech on television. I am not complaining about it. As far as I am concerned, that is perfectly all right. At the same time, while these statements we have had are reassuring, we might well have had a little more information as to how and where these additional forces would be used. But I do want to point out in amplification of what the gentleman has just said, as I have understood the testimony before the committee, this proposition now before us does not represent any change in the basic fundamental defense posture of the Nation as it has been developed in recent years. I wonder if the gentleman would corroborate that, since some have expressed concern at the emphasis placed on the buildup of ground forces.

Mr. ARENDS. I think the gentleman's statement is absolutely correct. I know of no defense policy that has been changed at all. The Chairman of the Joint Chiefs pointed this out. If circumstances require limited warfare or if circumstances require nuclear warfare, it will be met either way.

Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I believe this debate is an important occasion, because it is the basic question of the start of a new U. S. world policy. We must look and see whether we are dealing on an emergency basis, because if we are the President of the United States has the emergency powers under statute and the powers are adequate now without this resolution. If we are not dealing on an emergency basis, just what are we doing?

Well, we need a policy statement that typifies our U.S. posture and proposed procedure on world affairs. This resolution provides the forces but not the policy.

I am the Teddy Roosevelt type of Republican. Sometimes I get criticized for it. But I always admired the gentleman for his attitude, his firmness, his fairness, and his real ability. I like the statement very much that President Theodore Roosevelt made on September 2, 1901, at the Minnesota State Fair, when he quoted an old African proverb: "There is a homely adage which runs: 'Speak softly and carry a big stick; you will go far.' If the American Nation will speak softly and yet build and keep at a pitch of the highest training a thoroughly efficient Navy, the Monroe Doctrine will go far."

Teddy Roosevelt, however, did not say "Talk softly and wave a big stick" when something came up that he did not like. We must not respond to deadlines and adverse statements of position on world issues such as Berlin, by waving a stick, and in this case not too big a stick, when world policy is the field. I don't like this particular resolution nor the quick timing without serious and careful consideration being taken as to the long-time effect of such a military program at home and abroad. I believe I would have taken more time for patience and study, but I am not the President or Commander in Chief, so the policy is decided. But I do have the right as Congressman to say I doubt the wisdom of this quick change of basic U.S. world posture without adequate hearings on foreign policy before the policy committees of the House and the Senate.

I favored President Eisenhower's foreign policy right straight through for 8 years, as a member of the Committee on Foreign Affairs of the House, of which I was a member for 14 years, until this year. Previously I had backed President Truman on foreign policy, beginning with the Greek-Turkish aid and the Marshall plan. Patience and good policy formation are a team for all governments on domestic matters and foreign affairs.

The question comes at this particular time, as expressed by our former U.S. Defense Secretary, Jim Forrestal, whom I respected and liked very much. He said, "You know, when you go up on Capitol Hill and really stir them up, Congress gets excited and jumps off the end of the dock." He said further, "You go up and reassure them and they all go fishing." I think we in Congress are running a pretty high excitement with all these brave calls to arms, but are we not in danger of jumping off the dock, if we do not give the policy ample and serious study, and simply be patient and understanding? I think the peoples of the world might heave a sigh of relief, and help us make up our policy, and support us when we do. This is a unilateral U.S. policy, we must plainly understand, and not a free world joint plan. Will the peoples of the world feel we in Congress have given this grave step adequate study and full consideration? It makes me stop and wonder what it will lead to, and I am sure every peace-loving person in the world will question and have a sense of disquiet.

There must be some place at which we can look at this legislation and consider its effects on our allies, the neutrals, our opponents on the Berlin crisis, the drastic effects on our U.S. economy, and our Government budget. We should not just quickly run down and jump off the dock. You Congressmen should first look at basic policy and consider various peaceful and military alternatives. For example, there is an alternative. The policy could be instead of adding new men and increasing current abilities through taking equipment out of mothballs and simply expanding the number of current displays on a counter, that the United States could be adding increments, increasing the efficiency, firepower, and effectiveness of our present equipment, ships, planes, weapons, and so forth.

The overall increased efficiency and weapon, ship, and plane improvement would be my policy on a long-term basis with lasting worldwide advantages, and without the distinct threat of immedi-

ate military action the Kennedy plan inherently contains. What is the use of this recommended plan of buildup unless it be soon used? It is costly, and of no permanent benefit, so all an opponent has to do is finally postpone the deadline and make the very costs wear us down.

We must go slow on this policy because we are at present in an enormous arms race with one of the major powers. We should look carefully to see that we are not entering an arms race and a forces race. Are we at this particular juncture expanding the policy from an arms race to mean an arms race and a forces race?

If our opponents react in greater measures what do we do, react immediately, and so forth, and so forth? If Mr. Khrushchev does not increase his forces, what do our brave words on disarmament and peace mean to the world?

Everyone on this floor can rest assured that Russia, if this is the one the policy is aimed at and it is the policy of the administration really to use it, will not sit still. She will take retaliatory action just like the tariff reactions. We take an action and somebody else takes another action, and pretty soon we get retaliation as the basic method of policy. This is complete error in foreign policy. We must not abandon basic strength, security and peace and progress for all peoples as the foundation of U.S. foreign policy.

Under Eisenhower I do not believe he immediately jumped and reached for a holster and pistol when he made a broad statement of policy. My recommendation, such as it may be worth in my own experience, is that we have a little more patience, that when we take a firm position we do what is called disengage, and then wait—wait, be firm on basic principles, and wait. I am an optimist, and it sounds like a distant bell under these circumstances, but it is my firm belief that the world is not going to hell in a hay basket in 3 weeks, nor in 6 months. Remember, there is still talk, talk, talk and threats, exchanges, dire predictions, but darn little is actually happening and there is no shooting as we now approach another deadline that should be ignored, and ridiculed a little. If words were power, Castro would be in the sun, and Khrushchev in the shadow. The world must enjoy crises, it manufactures so many, so often. This may not make for serene living, but it certainly keeps up the interest. The history of our present day will be written in two words, "blank" and "emergency" and you just fill in the blank to suit the particular emergency you happen to be in at the time. If summit meetings lead so promptly to this current situation, let us try a meeting of ordinary people, or an exchange of Congressmen, they could not do worse.

I must say that Harry Truman did have patience. I must say he took firm stands. I like Harry Truman. Under the other President I have served under, Dwight D. Eisenhower likewise had patience and he likewise could stand firm. Let us have patience and stand on our basic principles—let us be firm without threat, either stated or inferred in a military forces and arms race. Let us work to remain strong on a continuing basis and the peoples of the world will respect us.

But, we must look at this military proposal this way. We should be advised if we are starting off this course of action, it cannot be half way. There is an old, old military adage, if you commit the Reserves, commit all the Reserves all at once and not piecemeal. If I have any criticism as to the form of this resolution, it is, first, that the situation is not declared to be an emergency by the President of the United States. Secondly, if it is a real emergency, and not a short show of force for a particular effect, the President has all the powers he needs under present legislation. Thirdly, it is expanding for an immediate purpose, where the money could better be spent on making more effective for the long run our weapons, our firepower, and adding increments to our planes, our ships, and our military equipment. This is a short-term expansion to increase size without improvement to fight brush fire size wars, and there are no brush fire size wars in sight. This is a certain nostalgia for Korea-type wars, or wars on various fronts in limited geographical areas in World War II style. Let us face it, the recommended buildup is nothing in facing any real possibility of a major conflict. This recommendation cannot possibly change the balance of power in Europe, the Mideast, the Far East, the Pacific, the Atlantic or any strategic area, among the great powers, or the smaller powers.

Another serious matter I would like to point out is this, there has not been one word said here of the effect on our young men and their families, their education and careers.

I would ask the chairman of the Committee on Armed Services, Mr. VINSON, and the ranking minority member, the gentleman from Illinois [Mr. ARENDS], a question. Are the provisions of the Soldiers and Sailors Civil Relief Act that was in effect during World War II and Korea now going to be in effect, to protect the enlistees, draftees, and reservists called to serve under this resolution? Do they continue in effect so that the young men with families who bought cars, who have taken on long mortgages and loan obligations, insurance policies, who have hospital bills, who have bought homes, furniture and appliances will be taken care of? What are you going to do? Are you just going to snatch these men away from civilian life and not protect the men and their families? Do they have the protection of this act? I insist that these young men and their families be adequately protected while they serve our country.

Mr. VINSON. I will say that that act does not come within the jurisdiction of the Committee on Armed Services; it comes within the jurisdiction of the Committee on Veterans' Affairs. But, my understanding and interpretation is that it applies right straight through.

Mr. FULTON. So if there is a disruption because of these 250,000 men being taken into the service, they, their obligations, homes are adequately taken care of and fully protected under present statutes?

Mr. VINSON. That is right.

Mr. FULTON. I want that made certain.

Mr. VINSON. As I pointed out, in the case of a reservist or anyone else called up, he does not lose his reemployment status.

Mr. FULTON. May I ask the chairman something further? There has been no declaration of an emergency, so we are not acting under emergency conditions on this legislation.

Mr. VINSON. That is correct. I pointed that out, too.

Mr. FULTON. When that is made clear, I cannot see why U.S. servicemen on active duty wherever they are, cannot have their families with them, and they should have them with them until there is a declaration of emergency. This authorization may go on for years, and rather than taking precipitous action to return to the United States, our servicemen's families, I think we should go slow on a policy of this basic nature.

I still remember when the Korean war came along. In some quarters they have since called it a war. I got up in the 6th or 7th row and I asked, "What are we getting into? Is this really a war?" I was assured by all sides, "Oh, no; we just have a police action. We are just starting off something and we will get through with this in a hurry." It was inferred it was more or less a routine action and a show of force. What are we getting into by our action in Congress today?

I would caution the House that when you are now in an arms race, be very careful when you adopt an arms race and a forces race as well. Be very careful.

Mr. ARENDS. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. PIRNIE].

Mr. PIRNIE. Mr. Chairman, the enactment of House Joint Resolution 505 is requested by our President to empower him to call up additional military personnel. He could have vested himself with complete authority by declaration of a national emergency but he has elected to limit his action to this specific recommendation to the Congress. It is our duty to promptly honor the request.

The crisis in which we are now involved creates another test of our judgment and our integrity of purpose. If the Soviets have interpreted any recent event as a sign of weakness or disunity in this country or among the nations of the free world, it is high time to set the record straight. The defenders of freedom are resolved to remain free. It is difficult to keep the spirit of our people at a perpetually high level throughout the months and years of the cold war, but let the threat become specific and they will rally with the same spirit of courage and sacrifice that gave us birth.

Let us make no mistake—the purpose to dominate the world prompts every Soviet move. It seeks to take advantage of our every weakness, be it political, economic, or military. It will use every technique to confuse or stampede us.

Therefore, in any emergency our own judgment and not Soviet tricks should

control our decisions. We must use our resources wisely and establish priorities of spending. Errors in economic judgment can have far greater impact than mistakes in military planning.

This resolution is designed to strengthen the hand of the President and to express our resolve to meet our responsibilities. It is a concrete manifestation of our determination to defend the principles upon which the freedoms of our people rest.

Mr. ARENDS. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. HALL].

Mr. HALL. Mr. Chairman, I rise in support of the pending resolution.

Mr. Chairman, in view of the national emergency, declared or otherwise, which now clearly exists as a result of the Berlin crisis, I am constrained to express my opinion on general policy matters which are the concern of our country.

It would seem that a time for delineation and redefinition of function and objectives is upon us.

Mr. Chairman, I am sorely frightened at the fearsome situation in which our Nation finds itself, accentuated by the Cuban, Berlin, and worldwide situations, and now the President's message. My deep and heartfelt concern involves the frustration and flurry of uncertainty, demonstrated by all concerned, whether it be DOD, Army, Navy, or Air Force, when certain questions are directed by the well oriented members of our Committee on Armed Services.

Even allowing for a period of uncertainty in a new administration, it would seem to me that in these troublesome times, there is lack of prior planning and definition of purpose in the armed services.

I well understand the reaction ever present between civilians and the military. I am concerned over Department of State control and influence over our leadership, especially military.

All military-minded people know that in this Republic the final word must be in the hands of the civilian. Nevertheless it is not proper, in an effort to streamline Government and the armed services, that we should have inserted a controversial military adviser—General Taylor—between the COMINCH, and the Department of Defense and Joint Chiefs of Staff setup, between the three Secretaries and their respective Chiefs of Staff; that emasculates long-range planning, causes turmoil, and destroys intelligent estimates of the situation, tactics, and strategy.

The essence of good defense is a strong offense, as we all know, and that is worthless unless a careful estimate of the situation that is kept current is effectuated by actual battle plans, including striking force and emergency reaction time to situations around the second bend in the road.

This is no time for blunders such as we have seen and been a party to in Cuba, and we must think of the strategy of the future; and then, of course, resolve ourselves into definitive action that will provide the wherewithal and outline the policy that will continue the tradition of our dynamic and forward-looking chairman and this committee.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I expect to support this legislation, but I am greatly concerned by the fact that nowhere in the resolution or in the accompanying report do I find any language dealing with priority in calling up the Ready Reserves.

I would like to ask the chairman of the committee if there is any language in the resolution or in the report which deals with priority in calling these individuals?

Mr. VINSON. I stated that Secretary McNamara informed the committee last Friday that his idea was to call from the paid reservists first and then the unpaid reservists.

Mr. GROSS. But there is nothing in the resolution nor in the hearings. Is that contained in the report on the bill?

Mr. VINSON. If the gentleman will yield, it should not be in the resolution. The resolution merely refers to reservists. Here is what he says:

> First, we propose to obtain—

And I put this in my remarks because I knew the House was deeply concerned about it and that the people were deeply concerned—

> we propose to obtain men through voluntary enlistments; second, through voluntary recruitment; third, through the draft; and fourth, through extensions of tours of duty; and in the latter case we propose, first call for the paid reservists and then the unpaid. That is the way we are going to call them up.

At least he hopes to be able to do that unless conditions might warrant a change.

Mr. GROSS. I want to see these ready reservists who have served the least to be called first if it is possible to do so, and I insist something should have been written in the report or in the resolution itself to provide for that.

Mr. VINSON. If the gentleman will yield further, I thought I covered it fully when I informed the House as to what the Secretray of Defense told the committee.

Mr. GROSS. With all due respect to the distinguished chairman of the committee, his words on the House floor are certainly not binding upon the Department of Defense.

Mr. VINSON. Mr. Chairman, I think the statement of the Secretary of Defense is binding upon himself, and at two different places I purposely put it in the RECORD.

Mr. GROSS. I sincerely hope the gentleman is right and I will be watching closely to see what happens under the call here authorized.

Mr. Chairman, on page 2 of the bill, section 2, it states as follows:

> Notwithstanding any other provision of law, until July 1, 1962, the President may authorize the Secretary of Defense to extend enlistments, appointments, periods of active duty, periods of active duty for training, periods of obligated service—

and then this shotgun provision—

> or other military status, in any component of an armed force or in the National Guard that expire before July 1, 1962, for not more than twelve months.

That is very broad and very sweeping. I will ask the chairman of the Armed Services Committee to explain the following: "or other military status."

It seems to me under that provision those given the authority can do almost anything by way of continuing service and continuing appointments.

Mr. VINSON. If the gentleman will yield further, it applies to anyone who is serving in any military capacity.

Mr. GROSS. Yes.

Mr. VINSON. But not over 12 months. It would be extended for 12 months.

Mr. GROSS. That is bound by the 12-month provision—to July 1, 1962?

Mr. VINSON. Of course it is. It cannot be extended over 12 months. It makes no difference what category or branch of service it should be.

Mr. GROSS. Mr. Chairman, while the chairman of the committee is on his feet, I would like to ask this question:

In the committee report it is stated that there are two U.S. Army divisions stationed in Korea.

What other country has a division of troops in Korea?

Mr. VINSON. I am sorry, but I am unable to give you that information. I can speak for this country, but I do not know what other countries have there.

Mr. GROSS. Is there any other country which has even one division or any part of a division of troops in Korea other than the South Koreans?

Mr. VINSON. I regret very much that I cannot enlighten the gentleman. I can enlighten the gentleman about the U.S. forces. If I keep posted on that, I have my hands full.

Mr. GROSS. Here we go increasing the armed services of this country to provide additional troops elsewhere in the world to take care of the obligations of other countries. Is not that about what we are up to here, among other things? Why should we be the only country that is a member of the so-called United Nations with 2 divisions in Korea, when other countries do not furnish a corporal's guard? We are carrying the load in South Korea. Make no mistake about it. That is the reason the chairman of the committee does not have an answer, because he knows no other country has a division or any part of a division of troops in South Korea. We are the dupes. We are paying all the bills and providing the manpower other than that supplied by the South Koreans themselves.

Mr. Chairman, the time has come to stop deceiving the American people into believing that the United Nations is making any real contribution toward holding the line against communism in Korea. For too long have our people been fed that tripe.

And, Mr. Chairman, I join with my colleagues who this afternoon have questioned the necessity for this legislation. If there is an emergency, President Kennedy ought to declare it as such. Under the powers already delegated to him he could then call up the Ready Reserves and take any other action he deemed

necessary by way of providing additional military manpower.

Neither does it make good sense to contend there is crisis involving Berlin and then talk of sending more dependents of military personnel into that area. If there is a crisis such as some people contend then the movement ought to be underway to withdraw the dependents already there rather than increase their numbers.

I propose to vote for this resolution and watch carefully what transpires for I have no way of knowing this afternoon whether a military crisis exists or whether this move is designed to help relieve unemployment.

SACRIFICES MUST BE MADE—YOU MAKE THEM—BUT ON THE HOMEFRONT A POLITICALLY MINDED ADMINISTRATION MAKES NONE

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, to meet the current threat of the Communists, we have already authorized the expenditure of something over $43 billion for national defense. A bill shortly to come before the House calls for an additional $3½ billion, and, because it is a national defense measure, we have no other course but to support it.

Taking office, the President, undoubtedly impressed by his responsibility, expressed the thought of every patriotic American when he said: "Ask not what your country can do for you: ask what you can do for your country."

With the Berlin and Cuban situations confronting him, the President again expressed the thinking of our people when he told us we could no longer compromise with, nor retreat from, the menace of the Communists who assert there is no God, that religion is a fraud, who state that they will "bury us" and conquer the world.

He then expressed the obvious necessity for whatever sacrifices were needed to maintain our individual freedom, our national independence and security.

He is calling upon Congress to impose a new and almost unbearable additional tax burden and sacrifices upon all of us.

He called upon Americans to forget their personal welfare, accept the draft, the probability of our youth again engaging in war on foreign soil under the command of foreign officers, to look forward without complaint to a surplus of disabled veterans, their dependents, and cheerfully for years to come meet the ever-increasing cost of another war.

In short, he demanded we forget our personal desires, our future hopes for ourselves and our children, bid farewell to kin, and without complaint support his every wish because he advised that was necessary if we are to survive as a free people. All that Americans will accept.

BUT A LOOK AT THE REST OF THE PICTURE

Does the President, the head of the most powerful political machine within memory, make any sacrifice of his or the machine's political power, neglect any opportunity to advance his party's future political fortunes?

Was the fright the President threw into us when he spoke the other night necessary? In another emergency, F.D.R. told us that "the only thing we have to fear is fear itself."

In 1948, when Communists threatened Greece, as today they threaten Berlin, we promptly gave munitions of war, military advice—the crisis faded.

When, in 1948, the Communists blockaded Berlin, the Air Force, under President Truman's directions, went over the Communist picket line, lifted 2,343,315,000 tons of food and coal into West Berlin.

President Truman sent our troops to Korea without congressional action.

When a similar emergency confronted us in 1958, President Eisenhower ordered the Marines into Lebanon.

Is an attempt being made to frighten us into accepting the President's vote-buying political program, which promises special benefits to so many, by making it a part of national defense legislation?

Has the New Frontier gone back to Harry Hopkins' 1936 program—Spend, tax, and elect? To Rex Tugwell's statement that private business must be made to disappear?

While making heartbreaking demands upon the American people, while calling upon each and all of us to make individual sacrifices, the President makes none in his social program, asks for legislative support for the political promises which put him in office.

Coupled with his demands which come to Congress for unquestioned support of his war efforts—which he will get—he makes not the slightest suggestion for even a momentary pause in vote-producing programs and policies which, if implemented, mean loss of individual freedom, economic disaster, and, it may be a situation which will enable Khrushchev to realize his ambition to "bury us," and that without a war.

Our giveaway foreign aid policies have failed to bring us helpful friends. The Democrats' vote-getting program, the appropriations needed to implement it, will ruin us here at home.

The President has not volunteered to sacrifice any part of his domestic program. He insisted upon the trip to the moon—the bill calls for more than a billion dollars. He demands appropriations for roadbuilding, for Federal aid to education, impacted areas, unemployment compensation, farm subsidies although storing the present surplus calls for more than a million dollars a day, legislation desired by labor organizations which will increase wages—delay, add to the cost of national defense, increased pay for Federal employees, funds for public housing, socialized medicine, a Peace Corps, foreign aid.

In short, nowhere has he suggested that we tighten our belts, pay less for desirable but at the moment unnecessary things.

Believe it or not, there is a limit to what we can do and, unless we use our resources wisely, we may fail. Appropriations standing alone will not win—may lose—a war.

Mr. ARENDS. Mr. Chairman, I yield such time as he may require to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, I rise in opposition to the resolution.

Mr. Chairman, once again it is apparent that the State Department and the administration are going to allow the Communist stooge in Cuba, Fidel Castro, to make us look ridiculous in the eyes of the world. There is no foundation in international law or in any moral code which would enable this bandit to employ the machinery of the United Nations to absolve his government of the crime of piracy and kidnapping. Yet, this is what he is attempting to do and our Department of State, through its silence, is abetting his conspiracy.

By what stretch of the imagination can Castro seek the jurisdiction of the United Nations in deciding what should be done with an American plane his government stole? To admit that the United Nations has jurisdiction in disposing of stolen U.S. property is to give up our sovereignty and to lose our right to protect American lives and property wherever they are threatened anywhere in the world.

This action is the same as if a burglar robbed your house and then ran to the police to accuse you of breaking the law because you demand that he give it back. The fact is that the Cuban Government participated in an act of piracy in the hijacking of this plane. It is guilty of kidnapping and holding prisoners, American citizens. We need no third party to follow a course that is clear and has been U.S. policy since the founding of our country, the protection of our citizens and their property.

Once again, I am asking the administration to stop fooling around with Castro, give him a reasonable number of hours to return the plane; if he refuses, take whatever steps necessary to get it back and at the same time bring about the return of or payment for the billion and a half dollars of American property stolen by the Castro regime.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, I think those of us who had the privilege of being on the committee certainly had a very strong feeling that there should be no doubt that this measure should pass. This is a measure which we all agreed upon in the committee, 100 percent. Those of us who heard the testimony, and that was all the committee, believed it necessary to give the President all the powers he needs to carry out the proposals he has made.

There have been some criticisms of this resolution. One is that this is not a war declaration. Of course, Congress has the procedures and the constitutional authority to declare war if it is necessary to declare war. If it is the purpose of the Members on either side of the House to bring in a resolution to declare war, then that should be the purpose of a resolution discussed on that basis. But that is not the purpose of the resolution here

today. So it seems to me that discussion about the international actions of our President leading to war or not leading to war is inappropriate on this resolution because this is not a declaration of war in any sense of the word.

Second, criticism was urged against this resolution because, it is said, this is not fiscally sound, that taxes are not made available to take care of the purposes of the resolution. Certainly everyone on both sides of the aisle would like to see additional funds made available to provide the money for this measure. There are a number of things the President has asked us to do, such as raising the postal rates and making certain changes in tax rates, and other things to bring about a stronger fiscal situation in the country. I favor many of these proposals, including the need to raise postal rates. But none of that is before us today.

Third, something adverse was said about this resolution because it is not specifically precise, because nothing was said about dependents; but that is not anything we can write in a resolution like this before the House today. This is a thing that is going to require administrative action. Administrative decision is involved as to whether or not we shall at the same time ask some young men to bring themselves and their families into the armed services, and say they may have the opportunity or responsibility of taking their families across the seas, and that others cannot. This is a thing which ties into the recruitment we have had underway for some time in our country, questions about people who are now overseas and will go overseas in the immediate future. I think it poor legislation to require our constituents to make unequal sacrifices when we can by administrative flexibilities achieve greater equality and fairness. It seems to me until an emergency is declared it is an appropriate thing that a great deal of these details should rest in the administrative hands of our Government.

Finally, in closing, I hope that our country and the world will see this resolution before us today not as a resolution for war but as a resolution for peace. Certainly, although our country is ready and willing to go into nuclear war or conventional war, if we are called upon to do so, it is the feeling of all of our Government officials, our President, and everyone in America, that we wish to see this envisioned as an effort to avoid trouble to our country and to the world. We seek to be more adequately prepared for war. History shows that when we have been less prepared, those are the times we have had to go to war. When international affairs occurred that required a strong position on our part, and when we were at the same time adequately prepared for war, instead of having war on the action we have felt compelled to take internationally, we have had peace. So today this is a very great measure for world peace, and it should be so construed, instead of being considered as a war resolution.

Mr. ALGER. Mr. Chairman, in opposing this resolution, I am not doing so from any lack of patriotism, or in any way calling for a weakening of our Armed Forces, or indicating a division in American unity against a common enemy. I firmly believe we cannot defeat communism in limited wars by trying to outnumber them in manpower. The only hope for ultimate victory is to rely upon our superior nuclear power for massive retaliation which will mean the complete destruction of the Soviet Union if they are so foolish as to force a war upon the world.

Giving the President almost unlimited, dictatorial powers to draft men may be misinterpreted by the rest of the world and the Soviets thinking we have changed from our policy of massive retaliation to one of putting out brush fires of the Communists' choosing. Any deviation from our policy of massive retaliation may mislead the Communists into starting a war they cannot win.

The Berlin situation has not changed. Khrushchev is merely repeating what he has threatened before. The President's speech does not change the fact that we must rely on a powerful nuclear force in winning any war the Reds start. What is needed now, right at this moment, is action to back up the strong words the President used in his address to the Nation. That action can be forthcoming by moving to recover American property seized by the Communists in Cuba and thus serve notice on the Soviet Union that we are prepared to fight for freedom here, in Berlin, or anywhere it is threatened, on our terms and under our rules and our choice of weapons.

Putting hundreds of thousands of young men on draft call unnecessarily at this time, merely serves to upset careers and families without reason. There will be no problem in securing the manpower we need when we need it without giving added dictatorial powers to the President in the absence of an emergency or actual war.

As a Member of this body, sworn to represent the people of my district and the Nation to the best of my ability, the only way I can emphasize my position for a military posture I think can win is to vote against this resolution. My "no" vote is actually an affirmative vote. It is a call upon the administration to reemphasize the buildup of our nuclear power and the policy of massive retaliation. It is a call for action to back up our strong words. The action needed to halt present Communist aggression instead of waiting on Khrushchev's pleasure in Berlin, and I repeat, the action needed is to free American property in Cuba.

In addition, and equally important, we need action on the domestic front in taking the steps necessary to maintain a solvent economy at home upon which we must build our defense posture. This means, not merely sacrifice on the part of the people, but sacrifice on the part of the Kennedy administration in cutting back on it's proposals for new programs, expanded welfare projects and higher and higher Federal spending. There is no point in giving the President unlimited power to call up our young men, asking them to sacrifice, when at the same time he has asked for more than $15 billion in new obligated authority over the Eisenhower proposals.

Mr. PELLY. Mr. Chairman, I rise to support House Joint Resolution 505, to give the President the authority he has requested to order units and members in the Ready Reserve to active duty for not more than 12 months.

Frankly, I doubt if ordering draft calls to be doubled and tripled in the coming months, as would be authorized by this bill, will make much, if any, impression on Mr. Khrushchev, or is the real solution for the Berlin crisis.

Let us face it—after the Cuba fiasco and Laos, I suspect the Communists will hardly change their policy or plans on account of this proposed increase of 29,000 and 63,000 men, respectively, in the active duty strength of the Navy and the Air Force.

When, as at present, the dependents of the members of our Armed Forces in Europe remain abroad and when we plan to send more families overseas in connection with a recent step-up in our NATO forces, I would not think that the Soviets consider the President's words either very serious or his strategy very sound.

But, Mr. Chairman, regardless of any doubts or criticism of the President's handling of this crisis, he is the Commander in Chief and we must give him our full support. So, when he requests more manpower, I will vote to give it to him. Right or wrong—the issue here is unity. What is important is that the Russians recognize from this resolution that the Congress solidly backs the President and that we join him in upholding our treaty rights in Berlin and thereby declare the unalterable intention of the United States to stand firm. More men in uniform is not the solution to Berlin. Rather, more votes is the answer—more votes for legislation like this—because this is what our leader says he needs. More votes to speak louder than the President's words, saying the Congress approves of the policy of no concession in defending our rights and our sacred honor.

Mr. JOHANSEN. Mr. Chairman, my vote for this resolution is my commitment to a policy of firmness—a somewhat more inclusive firmness than has thus far been described by the President of the United States.

I, of course, applaud his firm words regarding Berlin. I hope that the words will be matched with equally firm deeds and that the firmness will not be frittered away in subsequent negotiations on issues which ought not to be negotiated.

But I favor a great deal broader application of the principle of firmness.

I believe that there should be a firm—and prompt—policy of removing military dependents from the trouble area of Berlin and Germany.

I believe there should be a firm establishment of priorities of necessity and urgency with respect to Federal spending—especially in the domestic field where the social planners of this administration have been running riot.

I believe there should be a firm, showdown attitude taken toward the depredations of Fidel Castro—and I would vote for this resolution with substantially greater enthusiasm if I knew that it was

designed to implement such an attitude and policy.

I believe there should be a firm policy of sacrifice and austerity extended to the "bureaucracy as usual" boys who are drooling at the prospects of more and more Federal employment and more pay increases for all Federal employees.

I believe there should be firmness in fiscal policy—of a type which will have the courage to propose and vote additional taxes to offset mounting expenditures.

I favor firmness. I am voting for a policy firmness by supporting this resolution. But I respectfully serve notice that I emphatically believe the policy should not be limited to Mr. Khrushchev and his threats.

Mr. VINSON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the joint resolution for amendment.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, until July 1, 1962, the President may, without the consent of the persons concerned, order any unit, and any member not assigned to a unit organized to serve as a unit, in the Ready Reserve of an armed force to active duty for not more than twelve consecutive month. However, not more than two hundred and fifty thousand members of the Ready Reserve may be on active duty (other than for training), without their consent, under this section at any one time.

SEC. 2. Notwithstanding any other provision of law, until July 1, 1962, the President may authorize the Secretary of Defense to extend enlistments, appointments, periods of active duty, periods of active duty for training, periods of obligated service, or other military status, in any component of an armed force or in the National Guard that expire before July 1, 1962, for not more than twelve months.

Mr. DEROUNIAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask a question of the chairman of the Committee on Armed Services. I am disturbed over the recent charge by the chairman of the Committee on Education and Labor that according to his investigator there is some discrimination in the armed services of the United States because of race, creed, color, or national origin. Would the gentleman assure me that he will look into this on his own responsibility to make sure that this is not happening, or if it is, that immediate corrective measures will be taken through the President of the United States to assure equal status and equal treatment for all members of the armed services?

Mr. VINSON. In view of the question the distinguished gentleman from New York has propounded to me, as chairman of the Committee on Armed Services, I will advise you and advise the Members of the House and the public that I shall on tomorrow morning address a communication to the Secretary of Defense requesting information along the line of the gentleman's question to me and I will be delighted to give it to the public and I will be happy to send the gentleman a copy of the letter.

Mr. DEROUNIAN. I thank the gentleman.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, now that Congress is going to augment the military forces, I would like to call the attention of the Committee on Armed Services and the Members of the House to a report by the Manpower Utilization Subcommittee of which I am a member. The staff of our subcommittee, assisted by the General Accounting Office, visited 17 Defense Department activities in recent months and in practically every instance it was noted that the number of military personnel employed in each activity exceeded the authorization.

Our subcommittee found combat-trained military personnel employed as typists, chauffeurs, statisticians, tradesmen, and other work similar in nature to that performed by career civilian employees.

Here are some specific cases brought to our attention in recent weeks.

March Air Force Base: Utilities maintenance and repair section, 48 military have been added, civilians discharged, the military doing electrical work, plumbing, painting, and carpentry work.

Hill Air Force Base: In the motor pool, police, base, and transient maintenance and storage, 374 airmen have replaced civilian employees.

If we need additional military personnel, I think it is high time the Armed Services Committee got busy and found out why military are replacing civilian employees in jobs of this kind.

Warner-Robins air materiel area: In base and transient branch, 183 civilian employees being replaced by military.

Inspector General function, Air Force-wide: Career civilians working in this function are being replaced by 52 officers.

Medical historical unit of Army here in Washington has replaced career civilian historians with 14 officers to write histories.

Wright-Patterson Air Force Base: 52 airmen recently replaced building tradesmen at the housing projects; 22 civilian police were replaced by 36 airmen, and in the comptroller office at this same base 10 enlisted men replaced 10 civilian employees.

McConnell Air Force Base: In 3 years more than 200 civilians have been replaced by military personnel in such work areas as jet engine repair, maintenance of buildings and grounds, and the fire department.

Antisubmarine warfare facility at Yorktown, Va.: 19 military assigned to work normally performed by civilian employees.

The above cases are only a few that have been brought to our attention. The question, how many thousands of other cases are there scattered around the world? We do know that throughout the military departments, in most support-type jobs, there is a military chief and a civilian assistant. Our subcommittee calls this dual staffing and has repeatedly warned the military departments that excessive manpower requirements can and do result from this dual-supervisor procedure.

The Defense Department in its belt-tightening operation may well take a long and penetrating look into the use of able-bodied military people working at desks or with tradesmen tools in jobs comparable to our civilian economy.

Incidentally, if Congress adopts this resolution to step up the military manpower of this country, then the time has arrived to serve notice upon President Kennedy and his brother-in-law, R. Sargent Shriver, that there is no need for that boondoggle known as the Peace Corps. Let those so-called volunteers in the Peace Corps take their places in the draft lines and in the calls for Reserves.

Mr. VINSON. Mr. Chairman, I move that the Committee do now rise and report the resolution back to the House with the recommendation that the resolution be passed.

The motion was agreed to.

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (S.J. Res. 120) to authorize the President to order units and members in the Ready Reserve to active duty for not more than 12 months, and for other purposes, he reported the same back to the House with the recommendation that the resolution do pass.

Mr. VINSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the resolution.

Mr. VINSON. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 403, nays 2, not voting 32, as follows:

[Roll No. 124]

YEAS—403

Abbitt	Boland	Cook
Abernethy	Bolling	Cooley
Adair	Bolton	Corbett
Addabbo	Bonner	Corman
Addonizio	Bow	Cramer
Albert	Boykin	Cunningham
Alexander	Brademas	Curtin
Alford	Bray	Curtis, Mo.
Andersen, Minn.	Breeding	Daddario
	Brewster	Dague
Anderson, Ill.	Bromwell	Daniels
Andrews	Brooks, La.	Davis, James C.
Anfuso	Brooks, Tex.	
Arends	Broomfield	Davis, John W.
Ashbrook	Brown	Davis, Tenn.
Ashley	Broyhill	Dawson
Ashmore	Bruce	Delaney
Aspinall	Buckley	Dent
Auchincloss	Burke, Ky.	Denton
Avery	Burke, Mass.	Derounian
Ayres	Burleson	Derwinski
Bailey	Byrne, Pa.	Devine
Baldwin	Byrnes, Wis.	Diggs
Baring	Cahill	Dingell
Barrett	Carey	Dole
Barry	Casey	Dominick
Bass, N.H.	Cederberg	Donohue
Bates	Chamberlain	Dooley
Battin	Chelf	Dorn
Becker	Chenoweth	Dowdy
Beckworth	Chiperfield	Downing
Beermann	Church	Doyle
Belcher	Clancy	Durno
Bell	Clark	Dwyer
Bennett, Fla.	Coad	Edmondson
Bennett, Mich.	Cohelan	Elliott
Berry	Collier	Ellsworth
Betts	Colmer	Everett
Boggs	Conte	Fallon

Farbstein	Kowalski	Richlman
Fascell	Kunkel	Riley
Feighan	Kyl	Rivers, Alaska
Fenton	Laird	Rivers, S.C.
Findley	Landrum	Robison
Finnegan	Lane	Rodino
Fisher	Langen	Rogers, Colo.
Flood	Lankford	Rogers, Fla.
Fogarty	Latta	Rogers, Tex.
Ford	Lennon	Rooney
Forrester	Lesinski	Roosevelt
Fountain	Libonati	Rostenkowski
Frazier	Lindsay	Roudebush
Frelinghuysen	Lipscomb	Roush
Friedel	McCormack	Rousselot
Fulton	McCulloch	Rutherford
Gallagher	McDonough	Ryan
Garmatz	McDowell	St. George
Gary	McFall	St. Germain
Gathings	McIntire	Saund
Gavin	McMillan	Saylor
Giaimo	McVey	Schadeberg
Gilbert	MacGregor	Schenck
Glenn	Machrowicz	Scherer
Goodell	Mack	Schneebeli
Goodling	Madden	Schweiker
Granahan	Magnuson	Schwengel
Grant	Mahon	Scott
Gray	Mailliard	Scranton
Green, Pa.	Marshall	Seely-Brown
Griffin	Martin, Mass.	Selden
Griffiths	Martin, Nebr.	Shelley
Gross	Mathias	Sheppard
Gubser	Matthews	Shipley
Hagan, Ga.	May	Short
Hagen, Calif.	Meader	Shriver
Haley	Merrow	Sibal
Hall	Michel	Sikes
Halleck	Miller, Clem	Sisk
Halpern	Miller, George P.	Slack
Hansen		Smith, Calif.
Harding	Milliken	Smith, Iowa
Hardy	Mills	Smith, Miss.
Harris	Minshall	Smith, Va.
Harrison, Va.	Monagan	Spence
Harrison, Wyo.	Montoya	Springer
Harsha	Moore	Stafford
Harvey, Ind.	Moorehead, Ohio	Staggers
Harvey, Mich.		Stephens
Hays	Moorhead, Pa.	Stratton
Hébert	Morgan	Stubblefield
Hechler	Morris	Sullivan
Hemphill	Morse	Taber
Henderson	Mosher	Taylor
Herlong	Moss	Teague, Calif.
Hiestand	Moulder	Teague, Tex.
Hoeven	Multer	Thomas
Hoffman, Mich.	Murphy	Thompson, La.
Holifield	Murray	Thompson, N.J.
Holland	Natcher	Thompson, Tex.
Holtzman	Nelsen	Thomson, Wis.
Horan	Nix	Thornberry
Hosmer	Norblad	Toll
Huddleston	Nygaard	Tollefson
Hull	O'Brien, Ill.	Trimble
Ichord, Mo.	O'Brien, N.Y.	Tuck
Ikard, Tex.	O'Hara, Ill.	Udall
Inouye	O'Hara, Mich.	Ullman
Jarman	O'Konski	Utt
Jennings	Olsen	Vanik
Jensen	O'Neill	Van Pelt
Joelson	Osmers	Van Zandt
Johansen	Ostertag	Vinson
Johnson, Calif.	Passman	Wallhauser
Johnson, Md.	Patman	Walter
Johnson, Wis.	Pelly	Watts
Jonas	Perkins	Weaver
Jones, Ala.	Peterson	Weis
Jones, Mo.	Pfost	Westland
Judd	Philbin	Whalley
Karsten	Pike	Wharton
Karth	Pilcher	Whitener
Kastenmeier	Pillion	Whitten
Kearns	Pirnie	Wickersham
Kee	Poage	Widnall
Keith	Poff	Williams
Kelly	Price	Willis
Kilburn	Pucinski	Wilson, Calif.
Kilday	Quie	Wilson, Ind.
Kilgore	Rains	Winstead
King, Calif.	Randall	Wright
King, N.Y.	Ray	Yates
Kirwan	Reece	Young
Kitchin	Reifel	Younger
Kluczynski	Reuss	Zablocki
Knox	Rhodes, Ariz.	Zelenko
Kornegay	Rhodes, Pa.	

NAYS—2

Alger	Siler

NOT VOTING—32

Baker	Celler	Flynt
Bass, Tenn.	Curtis, Mass.	Garland
Blatnik	Dulski	Green, Oreg.
Blitch	Evins	Healey
Cannon	Fino	Hoffman, Ill.
Keogh	Miller, N.Y.	Roberts
King, Utah	Moeller	Santangelo
Loser	Morrison	Steed
McSween	Norrell	Tupper
Macdonald	Powell	
Mason	Rabaut	

So the joint resolution was passed.

The Clerk announced the following pairs:

Mr. Blatnik with Mr. Baker.
Mr. Celler with Mr. Tupper.
Mr. Loser with Mr. Miller of New York.
Mr. Keogh with Mr. Garland.
Mr. Macdonald with Mr. Curtis of Massachusetts.
Mr. Evins with Mr. Hoffman of Illinois.
Mr. Morrison with Mr. Mason.
Mr. Rabaut with Mr. Fino.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

ARMED FORCES, OATH OF ENLISTMENT

Mr. VINSON. Mr. Speaker, I ask unanimous consent to be permitted to file a supplemental report on the bill (H.R. 218) to provide that individuals enlisted into the Armed Forces of the United States shall take an oath to support and defend the Constitution of the United States, setting forth the correct language of the committee amendment. An error was made in the report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EMERGENCY FEED FOR LIVESTOCK

Mr. ALBERT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2197) to amend section 107(a)(3) of the Soil Bank Act, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 107(a)(3) of the Soil Bank Act, as amended, is further amended by adding at the end thereof the following: "The Secretary may, if he determines it necessary, permit the removal of hay from conservation reserve acreage adjacent to or nearby the disaster area for use in the disaster area, the value of such hay, as determined by the Secretary, being deducted from the annual payment applicable to such acreage. The authority of the Secretary to permit the removal of hay from conservation reserve acreage because of damage, hardship, or suffering caused by severe drought, flood, or other natural disaster shall expire on June 30, 1962. Any deduction made from conservation reserve payments because of any hay removal under this paragraph or because of grazing under section 107(a)(4) may, in the discretion of the Secretary, be reduced by an amount equal to any sums expended by the producer, but not to exceed one dollar per acre, for the purposes of grasshopper control operations on the acreage from which the hay is removed or which is grazed."

SEC. 2. Section 107(a)(4) of the Soil Bank Act is amended by adding at the end thereof the following: "Under the authority to permit grazing on conservation reserve acreage in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, the Secretary may, if he determines it necessary, permit the grazing of conservation reserve acreage adjacent to or nearby the disaster area by livestock normally maintained in the disaster area, the value of such grazing to be deducted from the annual payment applicable to such acreage."

SEC. 3. Section 407 of the Agricultural Act of 1949, as amended, is hereby amended by deleting the period at the end of the fifth sentence and adding to such sentence the following: "and shall make feed owned or controlled by it available at any price not less than 75 per centum of the current support price for such feed (or a comparable price if there is no current support price) for assistance in the preservation and maintenance of livestock in any area of the United States where, because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other catastrophe in such area, the President, pursuant to Public Law 875, Eighty-first Congress, determines that an emergency exists which warrants such assistance, such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for livestock owned by them."

SEC. 4. The amendments made by this Act shall be effective only until June 30, 1962.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That section 407 of the Agricultural Act of 1949, as amended, is hereby amended by deleting the period at the end of the fifth sentence and adding to such sentence the following: 'and shall make feed owned or controlled by it available at any price not less than 75 per centum of the current support price for such feed (or a comparable price if there is no current support price) for assistance in the preservation and maintenance of foundation herds of cattle (including producing dairy cattle), sheep, and goats, and their offspring, in any area of the United States where, because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other catastrophe in such areas, the Secretary determines that an emergency exists which warrants such assistance, such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for such livestock.'"

The committee amendment was agreed to.

The bill was ordered to be read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to amend section 407 of the Agricultural Act of 1949, as amended."

A motion to reconsider was laid on the table.

LIBERALIZATION OF IMMIGRATION LAWS

Mr. CONTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONTE. Mr. Speaker, I have today introduced a bill for the liberalization of our immigration laws.

During the 1960 Presidential campaign the standard bearers of the two major political parties stood by the platforms adopted by their respective party conventions on this subject. We all anticipated that the winning candidate would, in due course, submit to the Congress recommendations for the enactment of legislation to carry out his party pledge. My bill embodies the major provisions of the two party platform.

Those of us on this side of the aisle have been waiting in vain for the Democratic majority to act. It is time for action. The Democratic majority, which has been in control of the Congress for the past 6 years, ignored the pleas of President Eisenhower to liberalize our immigration laws. Why has not there been any effort by the majority party? Their party is pledged to do something. The American people expect the Congress to act. Here is an opportunity to carry out the promises made to them just a few months ago.

U.S. SHIP "ARIZONA" MEMORIAL

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 44) to authorize the appropriation of $200,000 for use toward the construction of a U.S. ship *Arizona* Memorial.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to authorize construction of a United States Ship Arizona Memorial at Pearl Harbor", approved March 15, 1958 (Public Law 85-344; 72 Stat. 36), is hereby amended by adding at the end thereof the following:

"SEC. 2. There is hereby authorized to be appropriated to the Secretary of the Navy, for use toward the construction of such memorial and museum, the sum of $150,000.

"SEC. 3. Such memorial and museum shall be maintained in honor and in commemoration of the members of the Armed Forces of the United States who gave their lives to their country during the attack on Pearl Harbor, Hawaii, on December 7, 1941."

Amend the title so as to read: "A bill to authorize the appropriation of $150,000 for use toward the construction of a United States Ship Arizona Memorial."

The SPEAKER pro tempore. The Clerk will report the committee amendments.

The Clerk read as follows:

On page 1, line 10, delete the figure "$200,000" and insert in lieu thereof the figure "$150,000".

On page 1, line 10, delete the quotation marks and beginning on the following line insert:

"SEC. 3. Such memorial and museum shall be maintained in honor and in commemoration of the members of the Armed Forces of the United States who gave their lives to their country during the attack on Pearl Harbor, Hawaii, on December 7, 1941."

Mr. RIVERS of South Carolina. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, H.R. 44 is a bill designed to authorize the appropriation of $150,000 to the U.S. Navy to permit the completion of the U.S.S. *Arizona* Memorial.

As Members of the House will recall, the 85th Congress by enactment of Public Law 344, provided the Secretary of the Navy with the necessary statutory authority to accept public contributions and perform other functions necessary to accomplish the design and construction of a memorial over the sunken hull of the U.S.S. *Arizona* at Pearl Harbor, Hawaii.

The House, in approving this legislation, indicated its desire to insure that a memorial would be erected on the site of the hull of the U.S.S. *Arizona* so as to provide a final and fitting tribute to the 1,102 personnel of the U.S.S. *Arizona* who gave their lives on that fateful day, December 7, 1941.

Today, almost 20 years after the infamous attack on Pearl Harbor, these bodies of these over 1,100 men from almost every State in the Union lie buried in the battered hull of the U.S.S. *Arizona*.

At this point, I would like to call attention to the Members of the House to the printed hearings on this bill which reflect a detailed listing of the names of each of these men who are entombed in the U.S.S. *Arizona*. This listing is broken down alphabetically by State and should enable the Members to identify friends or relatives among our service personnel who died on that infamous day in history.

At the time of the enactment of Public Law 344, which authorized the Secretary of the Navy to go forward with the campaign to solicit public contributions in support of this memorial, it was estimated that the cost of the completed memorial would be approximately $500,000. The supporters of the memorial were convinced that public contributions would be adequate to finance the construction proposed by Public Law 344 without the use of any Federal appropriated funds. However, today, despite the best efforts of the individuals connected with this project, the fund requires approximately $135,000 to permit completion of the memorial.

The Committee on Armed Services is unanimous in its opinion that the expenditure of Federal funds to complete this memorial is completely justified.

As I have indicated, this is the final resting place of more than 1,100 men from almost every State in the Union. If circumstances had permitted the removal of these bodies and their return to the mainland, in the ordinary course of events the Federal Government would have permitted the expenditure of a $250 burial allowance for each of these individuals.

It would have also permitted allowances for headstones, flags, and other benefits authorized by a grateful Nation. Therefore, it appears both appropriate and, in fact, essential that we assure the completion of an appropriate memorial or, if you will, headstone to mark this, their final resting place.

The members of the Committee on Armed Services are of the opinion that these men are entitled to this modicum of consideration as proposed by H.R. 44.

As originally introduced, the legislation would have authorized an appropriation of $200,000. However, testimony provided the committee indicated that a sum approximating $135,000 to $150,000 would be adequate to insure completion of the memorial by December 7, 1961. The committee, therefore, amended the bill to provide authorization for an appropriation not to exceed $150,000.

During committee debate on H.R. 44, it was pointed out that approximately 3,600 men died at Pearl Harbor on December 7, 1941. It was therefore considered fitting that Public Law 344 be amended to insure that the memorial constructed on the hull of the U.S.S. *Arizona* also include reference to these personnel not entombed on the U.S.S. *Arizona*, who, however, also died that day.

The legislation was therefore also amended to insure that this memorial would give proper recognition to all such personnel.

The Committee on Armed Services received testimony from many sources with respect to H.R. 44. Everyone was enthusiastically in support of the bill. Our committee is unaware of any opposition to this legislation.

I, therefore, recommend its unanimous approval by this body.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield.

Mr. GROSS. I wish to thank the gentleman from South Carolina [Mr. RIVERS], and the gentleman from Texas [Mr. TEAGUE], and any others who may have accepted the suggestion I made that this be made the War Memorial of the Pacific.

Mr. RIVERS of South Carolina. We are glad to accept it.

Mr. VAN ZANDT. Mr. Speaker, I move to strike out the last word and rise in support of H.R. 44.

As a member of the subcommittee that originally held hearings on this legislation, and as ranking minority member of the subcommittee, I concur wholeheartedly in the remarks made by my colleague and chairman on the Committee on Armed Services.

I cannot expand on the eloquent description of this bill and its justification already provided you. However, I would like to point out that the amendment to the legislation which would insure that this memorial will commemorate all our personnel who died at Pearl Harbor on December 7, 1941, was made on my motion.

I am sure that no Member of this body will quarrel with the desirability of insuring that the memorial intended for construction at the site of the U.S.S.

Arizona will in fact provide appropriate recognition of the great sacrifice made on December 7, 1941, by more than 3,600 men of our armed services.

The legislation would accomplish this by the addition of the following language:

SEC. 3. Such memorial and museum shall be maintained in honor and in commemoration of the members of the Armed Forces of the United States who gave their lives to their country during the attack on Pearl Harbor, Hawaii, on December 7, 1941.

Inclusion of this language in Public Law 344 will not, in any way, detract from the original purpose of the legislation as originally approved by the Congress. However, as is implicit in its language, it will preclude the possibility that the Congress by authorizing this memorial had ignored the ultimate sacrifice made by these other men who were killed on December 7, 1941, at Pearl Harbor.

I should also like to call the attention of the House to the fact that much impetus was given this legislation by the national representatives of the American Veterans of World War II and their national commander, Harold Russell.

Every other veterans organization that contacted the Committee on Armed Services indicated their strongest support for this legislation. In view of this unanimous agreement as to the merits of this measure, I urge the House to approve the bill as reported by the Committee on Armed Services unanimously.

Mr. HOFFMAN of Michigan. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, with another world war threatening us, it is well to remember some of the sacrifices that were made in another war.

When the U.S.S. *Arizona* was sent to the bottom at Pearl Harbor, it carried with it 1,102 of our Nation's fine young men.

Numbered among those who were entombed in the U.S.S. *Arizona* were three from the Fourth Congressional District of Michigan—Earl Wynne Lohman, of Hamilton, Allegan County; Frederick Purdy Amon, of Niles, Berrien County, and Benjamin Franklin Shively, of Three Rivers, St. Joseph County.

Earl Lohman's mother never recovered from her loss. She often wrote to learn if her son's body could be recovered and given burial in the home cemetery at Hamilton, Allegan County, Mich.

Over a period of years, we have received many letters from the mother of Benjamin Shively, seeking to recover her son's body so that she might bury at home all that remained of her son.

The relatives and friends of all were deeply concerned and grieved, not only because of the loss of the loved one, but because burial of these heroes could not be made in the home area.

It is well that we now take steps to complete this memorial.

As long ago as June of 1957, letters came to us, asking for support for a memorial. In August of 1957, John A. Burns, Delegate at Large from Hawaii, wrote us asking for support of H.R. 5809, a bill designed to authorize the construction of a U.S.S. *Arizona* Memorial at Pearl Harbor. It was favorably reported to the House.

Subsequently, came H.R. 44, introduced by the gentleman from Texas [Mr. TEAGUE] on January 3 of this year.

This memorial has long been overdue and perhaps, belatedly, it will give some consolation to the relatives and friends of those who made the supreme sacrifice so long ago.

It is hoped that it may remind us of the terrible suffering and losses which come with every war, no matter when nor where it occurs. Perhaps it will cause us to unify our efforts to avoid war, make unavoidable war as brief and with as little cost in suffering and in lives as possible.

Mr. McCORMACK. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, I congratulate the gentleman from South Carolina [Mr. RIVERS] and the members of his subcommittee for the prompt and favorable consideration that they extended to the pending bill to authorize the appropriation of $150,000 for use toward the construction of a U.S.S. *Arizona* Memorial.

As we know, the estimated cost of this memorial, as stated in Public Law 344, of the 85th Congress, was $500,000. Under Public Law 344 of the 85th Congress, authority was granted for the construction of this memorial from funds to be derived from public subscription and contributions. A remarkable job has been done in this respect, because approximately $352,800 has been contributed to date. The purpose of this bill is to authorize appropriation for the balance necessary to complete the memorial, and in the authorized amount of $150,000. The original bill, as introduced, authorized an appropriation up to $200,000, but the subscriptions from private sources have been such that the committee amended, reducing the authorized amount to $150,000, which is justified and in order.

This memorial, as stated in the committee report, is intended as a final and fitting tribute to the 1,102 personnel of the U.S.S. *Arizona*, who gave their lives on December 7, 1941, during the Japanese attack on Pearl Harbor, and who, today, lie entombed in its hull.

As a result of the passage of Public Law 344 of the 85th Congress, the Pacific War Memorial Commission, established for the purpose of promoting a public subscription campaign for this shrine, has raised over $300,000 in connection with which the State of Hawaii has appropriated $50,000 of this amount.

As stated in the committee report:

It is desirable and most appropriate that the memorial be completed for dedication by December 7, 1961, the 20th anniversary of the infamous attack on Pearl Harbor that precipitated our entry into World War II.

I want to congratulate all organizations and persons who have contributed toward this most desired objective, the establishment of the U.S.S. *Arizona* Memorial at Pearl Harbor; more particularly I want to congratulate the American Veterans of World War II, which organization, under the leadership of Harold Russell, its national commander, has played a most important part in raising the funds to date and in the consideration of this bill. Some 2 or 3 weeks ago, Harold Russell called to see me about early hearings on this bill, and I discussed the same with my dear friend from South Carolina [Mr. RIVERS] who is chairman of the subcommittee, and he arranged for immediate public hearing and his subcommittee unanimously reported this bill to the full Committee on Armed Services and the House Committee on Armed Services unanimously reported this bill out only a few weeks ago.

I sincerely hope that the Senate will act quickly on this bill so that, with the early approval of the same by President Kennedy, the amount necessary to complete the work on this memorial will be appropriated before this session is over.

Mr. TEAGUE of Texas. Mr. Speaker, on the tragic morning of December 7, 1941, 3,600 American soldiers, sailors, and marines were killed in the Japanese sneak attack on Pearl Harbor, Hawaii.

The U.S. battleship *Arizona* took the brunt of the bombing, receiving a direct hit. She exploded and sank with the bodies of 1,102 members of her crew.

This year will mark the 20th anniversary of this event. More than 3 years ago Congress authorized the Secretary of the Navy to construct a memorial shrine in tribute to these American men. This authorization was approved March 15, 1958. Preliminary work has moved forward under the competent direction of the Navy and the Pacific War Memorial Commission.

Of the estimated $500,000 required for construction of the memorial, approximately $360,000 has been raised. Over $250,000 was raised from public donations and $50,000 was appropriated by the Hawaiian Legislature. Recently, a benefit performance at Pearl Harbor by Elvis Presley netted $60,000 toward the U.S.S. *Arizona* fund.

The *Arizona* memorial fund is still $135,000 short. They exhausted their funds on July 1 of this year and, unless the Congress appropriates this money, the memorial will not be ready for dedication on December 7.

Mr. Speaker, so far as I know there is no country in the world before that has ever built a memorial to a defeat and, certainly, physically America was defeated at Pearl Harbor. Mentally and morally, America was brought to life at Pearl Harbor. Men on the *Arizona* represented 46 of our now 50 States. The free world can never afford another Pearl Harbor. If we are ever again caught unprepared there will be no ceremonies to be conducted by the survivors, for in my opinion, there will be no survivors.

Mr. Speaker, I hope the Congress will approve H.R. 44.

Mr. INOUYE. Mr. Speaker, the muddy bottom of Pearl Harbor and the rusty deteriorating hulk of the once mighty U.S.S. *Arizona* has served for nearly 20 years as the final resting place of 1,102 men. These men, crewmembers of the U.S.S. *Arizona*, were among the first to die for our country in World War II and yet to this date they have not been given a suitable marker for their common grave.

During the recently concluded 53d annual meeting of the Governors' conference held in Hawaii, the Governors were participants, at the site of the U.S.S. *Arizona*, in a simple ceremony to pay homage to the men of the *Arizona*. The paucity and inadequacy of the present memorial coupled with the realization of our country's eternal gratitude to the men lying beneath those waters prompted them, then and there, to call an extraordinary session and adopted a resolution urging this Congress to expedite the appropriation called for by H.R. 44. Tears were in the eyes of many as they voted on this resolution.

On March 15, 1958, Congress saw fit to enact Public Law 85–344, authorizing the construction of a U.S.S. *Arizona* Memorial. Its sponsors and supporters urged its enactment in order that these gallant men, killed on that fateful day of December 7, 1941, might have an appropriate memorial in their honor. The $500,000 needed to construct the memorial was to be raised through a nationwide fundraising campaign. No funds were to be appropriated from the Federal Treasury. Every penny to be used in building this shrine was to come from the hearts and generosity of our Nation's grateful people.

In 1959, the Hawaiian Legislature appropriated the sum of $50,000. Private individuals, military personnel, and numerous organizations throughout the country responded as well to the call for donations. The Elvis Presley benefit show recently concluded added another $62,000 to the cause and the State legislature again gave another $50,000.

As of this date, however, the fund to construct the memorial is still short the sum of $150,000. It is regrettable that the national subscription has not fulfilled the requirements.

I would like to say, in passing, however, that this failure to raise the needed $500,000 through public subscription does not in any way obscure the sincerity of those who believed it could be done. This was to be a national effort for a national cause. To the contrary, the Pacific War Memorial Commission and the Department of the Navy are deserving of commendation for their valiant and dedicated efforts in raising as much as they have. This, however, still leaves us without a memorial with which a grateful America may honor its gallant dead still aboard the U.S.S. *Arizona*.

In the light of all this and despite the fact that Public Law 85–344 was justified, among other things, that no Federal funds would be asked for the memorial's construction, I feel equally justified now in asking that this Congress approve the enactment of H.R. 44, thereby authorizing the appropriation of $150,000 so that by December 7, 1961—the 20th anniversary of the attack on Pearl Harbor—our men of the *Arizona* will have, dedicated in their memory, an appropriate and fitting memorial.

I do not believe that this is asking too much. The amount requested actually represents less than the $250 veterans burial allowance which would have been payable for each of the 1,102 still in the U.S.S. *Arizona* and whose remains have not and cannot be recovered. This is but a small amount which our Government is being asked to contribute and which will be added to that already contributed by our people.

The U.S.S. *Arizona* Memorial is by no means a Hawaiian project. The men entombed in its hold, if they could, would respond to a rollcall by States and 48 States would be represented—32 men from the State of Alabama, 9 men from the State of Connecticut, 31 men from the State of Michigan, 26 men from the State of Iowa, 82 men from the State of Texas, 4 men from the State of Wyoming, and so on down the line. So that our people may know where these 1,102 men came from, I would like to submit for the RECORD at this point, a U.S.S. *Arizona* casualty list showing the number of dead from each State.

While it is our primary intent to memorialize the men of the *Arizona*—to pay tribute and to acknowledge our gratitude for their supreme sacrifice—the *Arizona* memorial will serve also as our reminder and our inspiration never again to be caught unprepared. It is for the living as well as for our dead.

I am sure that my colleagues will agree with me that the time is long past for our Nation to bring to realization the expression of our appreciation to the men of the U.S.S. *Arizona*. The 20th year is about to go by and December 7, 1961, would be a fitting time for the memorial's dedication.

Casualty list U.S.S. "Arizona" Dec. 7, 1941

State	USN	USMC	Total
Alabama	30	2	32
Arkansas	23	0	23
Arizona	8	0	8
California	209	11	220
Colorado	25	0	25
Connecticut	9	0	9
Florida	10	0	10
Georgia	5	0	5
Idaho	10	1	11
Illinois	49	10	59
Indiana	24	1	25
Iowa	23	3	26
Kansas	21	1	22
Kentucky	21	1	22
Louisiana	22	4	26
Maryland	5	0	5
Massachusetts	8	0	8
Michigan	30	1	31
Minnesota	23	3	26
Mississippi	9	1	10
Missouri	45	6	51
Montana	8	0	8
Nebraska	16	2	18
Nevada	3	0	3
New Hampshire	3	0	3
New Jersey	10	1	11
New Mexico	7	0	7
New York	37	0	37
North Carolina	7	0	7
North Dakota	11	3	14
Ohio	40	2	42
Oklahoma	22	1	23
Oregon	18	2	20
Pennsylvania	23	0	23
Rhode Island	2	0	2
South Carolina	9	0	9
South Dakota	1	0	1
Tennessee	20	1	21
Texas	71	11	82
Utah	10	2	12
Vermont	2	0	2
Virginia	14	0	14
Washington	47	2	49
West Virginia	6	0	6
Wisconsin	12	2	14
Wyoming	3	1	4
District of Columbia	3	0	3
Guam	5	0	5
Hawaii	1	0	1
Philippine Islands	2	0	2
Canada	1	0	1

The SPEAKER pro tempore. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The SPEAKER pro tempore. The Clerk will report the amendment to the title.

The Clerk read as follows:

Amend the title so as to read: "A bill to authorize the appropriation of $150,000 for use toward the construction of a United States Ship *Arizona* Memorial."

Mr. RIVERS of South Carolina. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. RIVERS of South Carolina as a substitute for the committee amendment: "A bill to authorize the appropriation of $150,000 for use toward the construction of a United States Pacific War Memorial."

The substitute amendment was agreed to.

The amendment to the title, as amended by the substitute, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just acted upon.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

ANNOUNCEMENT

Mr. MOELLER. Mr. Speaker, on the last vote of the Military Organization Act, I am not recorded. I was unavoidably detained. If present, I would have voted "yea."

SUGAR

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. ROGERS] is recognized for 30 minutes.

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter and tables.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROGERS of Texas. Mr. Speaker, I rise today to address myself to the subject of sugar. I am sure that the American people are not fully aware of the great importance of this matter to them and to the economy of this country. I do not propose to appear as an expert on the subject, and I would assure all that I am seeking enlightenment; enlightenment that seems to have been obscured behind the clouds of complexities and

confusion. There are perhaps answers to many of the questions that have been asked on this subject and I think it is high time that these answers are produced. It seems to be the attitude of those who are in control of the sugar economy and who are reaping vast benefits therefrom, that the average American, and especially the American farmer, does not have sufficient intellect to understand the complexities involved, hence it would be a waste of time to try to explain. I do not challenge the sincerity of these self-appointed intellectual giants in reaching this conclusion, but I do vigorously challenge the soundness of the conclusion.

The American farmer has been the whipping boy of the metropolitan press too long. It is high time that the truth, the whole truth, and nothing but the truth be given to the public. Three times in my lifetime and the lifetimes of those who I am addressing the American farmer has been called upon to produce the food and fiber necessary to sustain this Nation and its ill-equipped allies in armed conflict. Three times the American farmer has met this challenge, without which there could not have been victory. And I daresay that if it had not been for the productive capacity and expansion potential, the Korean conflict might well have spread into a third world war. It is my understanding that in Russia the production of sufficient food and fiber to sustain three individuals requires the efforts of one individual on the farm. In this country, the efforts of 1 individual on a farm can sustain 20 individuals in other segments of the economy. This is a tribute to the ingenuity of a free individual in a free enterprise economy.

We are again hearing war talk on all sides, and the American farmer is again being looked to for the needs of this country and our allies both in the preparedness program and in the event of war if it occurs, and God forbid that it does occur. The American farmer stands ready, able, and willing to again support this Nation and our way of life with every ounce of vigor and ability at his command. He is willing not only to produce the crops that he has produced in the past, but he is most desirous of producing another crop that is vital in any preparedness or war effort; a crop which he has been denied the right to produce. I speak of sugar.

Now there may be some good reasons why this man who has contributed so much in the building of this Nation and in its preservation is refused the right to grow a crop which he can grow in abundance under any sound program, to which he would readily subscribe. If such reasons exist, he is entitled to know them in plain, understandable English, and I submit to you and to all Americans that the brushing aside of these men by simply telling them that the situation is too complex for them to understand is not satisfactory and is not acceptable.

Few people realize that this country is importing 45 percent of its sugar demands. In other words, if our domestic consumption is around 10 million tons, which it is, 4.5 million tons of that sugar, or almost half of it, comes in from foreign countries. Two-thirds of that 4.5 million tons, or approximately 3 million tons of that sugar, came from Cuba until relations between this country and Cuba were broken off. In other words, when we stopped buying these 3 million tons of sugar from Cuba, which is 30 percent of the domestic demands, it meant that this country was a potential customer for a whale of a lot of sugar from some source. It immediately occurred to the American farmer, and rightfully so, that he would have an opportunity to help fulfill the requirements of that demand. But, apparently the American farmer had failed to reckon with those in control of the sugar economy, because Mr. American Farmer was not only refused the opportunity to compete for any part of this market, he was absolutely denied this right and blocked from participating in it.

This is difficult for the American farmer to understand, and it is very difficult for me to understand. I had hoped that there would be an opportunity to discuss the matter at length before the extension of the Sugar Act, both in 1960 and 1961. However, on both occasions the matter dragged along until such time that it became an emergency measure that had to be passed without the debate or discussion usually accorded issues of such importance. In 1960 most of you will recall the hectic last few hours of the session when a limited extension of the Sugar Act was accomplished. You will also recall the same emergency situation during the present session and just prior to the expiration of the Sugar Act on March 31, 1961. It had been my understanding in 1960 that the entire sugar problem would be discussed during the early days of this session of the Congress, and I had looked forward with great anticipation to a full, complete, and informative production—a hearing that would produce adequate answers to the people of this country and would serve to solve the problems involved. However, my anticipations were in vain, and I again watched the sugar problem handled on an emergency basis which provided no time or opportunity for any of the questions to be answered. I have inquired at length from the Department of Agriculture on this subject and have received much good information, but no help whatever toward adjusting the problem to the benefit of the American farmer. In fact, we were told by the head of the Sugar Division that it was necessary to extend the Sugar Act approximately 2 months before its expiration in order to make it possible to provide an adequate supply of sugar to the American public. He told me that the time required to get sugar from Cuba was about 6 days; that the time required to obtain it from other areas able to provide it required from 4 to 6 weeks. He further stated that unless arrangements could be made for purchases so that they would be on the high seas at the time of the expiration of the Sugar Act it would be impossible to provide an adequate supply, without interruption, to the people of this country. In other words, any unusual interruption in the present sugar program, which, in effect, allocates 45 percent of our domestic needs to foreign producers, in gross discrimination against the American farmer, could and would result in a serious shortage of sugar to the American public. And I call to your mind the further proposition that this is a product which the American farmer can grow in abundance.

I said a moment ago that we are again listening to war talk. Let us take a look at what might happen if this world is again engulfed in conflict and, as I said before, may God forbid that this ever again occurs. In 1959 the production of sugar within the continental United States was less than 30 percent of our sugar requirements. That is true as to 1960 and will be true as to 1961. Approximately 1 million tons of sugar come from Hawaii and approximately 1 million tons come from Puerto Rico and the Virgin Islands, all of which is called domestic production and is included within the 55 percent of the domestic production. In other words, the American sugar farmers within the confines of the continental United States are producing less than 30 percent of our sugar requirements. It is my understanding that sugar is a war material because of its use and need in the manufacture of munitions and other areas of defense. If this is true, then we could reasonably assume that the demand for sugar in wartime or in a time of vigorous preparedness would be much greater than in peacetime. Hence, should the time come that shipments of sugar from Hawaii, Puerto Rico, and the Virgin Islands be blocked, this would mean that we would be able to produce much less than 30 percent of wartime requirements. Of course, we hear each day about the many, many Russian submarines. Whether this is true or not I do not know, but it seems that a story is going around concerning a Russian submarine that was playing around in the Atlantic Ocean and watching our recent astronaut operations. I think it is generally conceded that the Russians have quite a number of submarines, which would probably be most effective against shipping, regardless of the products involved, should a conflict start.

I would also call to the attention of this House that, according to the best estimates of experts, a sugar processing plant for processing beets requires approximately 15 to 18 months to install and get into operation. It would seem to me that this is a matter that should have been of great concern to this country several years ago, because none of our enemies would be willing to hold off until we had time to build the necessary facilities to meet our requirements. We made this same type of mistake with regard to minerals and metals and we are still making it. We have stockpiled strategic minerals and metals, but we have not stockpiled and we cannot stockpile sugar. The seriousness of this situation was again pointed up in a hearing before the Rules Committee just the other day when the statement was made by a witness that this country was being required to shop all over the world to get enough sugar to meet our demands since

the Cuban relations had been terminated. It would seem to me that this points up a very serious problem. If our lifeline of sugar is so shaky that we are virtually on a day-to-day or month-to-month basis, that fact alone is an indictment of the present sugar program and the methods being used to block production of sugar in this country.

Let us look for 1 minute to the 3 million tons formerly allocated to Cuba and see where it went. Now, remember in the first place the American farmer was denied the right to produce this sugar. In other words, the sugar taken away from Cuba under the law must be purchased from other foreign countries. This was one of the things that I objected to in the extension of the Sugar Act. I had prepared an amendment providing that this 3 million tons of sugar be so allocated that the American farmer would have the opportunity of producing at least a small portion of it. But we never got the opportunity to offer that amendment. Now, let us see where this sugar went and who got it. For the benefit of everyone, I insert herein a table which was furnished me at my request from the Department of Agriculture concerning the reallocation of the Cuban quota. I would suggest that all of you pay particular attention to these allocations:

Basic sugar quotas and reallocations of the Cuban quota, 1961, as of July 15, 1961

[Short tons, raw value]

Country and area	Basic quota under sec. 202 of the act	Allocations of the Cuban quota to other foreign countries under sec. 408 of the act		
		Pursuant to formula	By administrative discretion [1]	Total
	(1)	(2)	(3)	(4)
Domestic areas total	5,351,500			
Republic of the Philippines	980,000	490,731		490,731
Peru	121,507	544,870		544,870
Dominican Republic	111,157	[2] 222,723		[2] 222,723
Mexico	95,409	589,591		589,591
Nicaragua	17,471	25,897		25,897
Haiti	8,268	1,732	35,273	37,005
Netherlands	4,149	5,851		5,851
Taiwan	3,980	6,020	180,028	186,048
Panama	3,980	6,020		6,020
Costa Rica	3,968	6,032	20,250	26,282
Canada	631	1,266		1,266
United Kingdom	516	1,034		1,034
Belgium	182	1,453		1,453
Hong Kong	3	27		27
British Guiana and Federation of West Indies	84	673	265,250	265,923
El Salvador			12,000	12,000
Guatemala			17,000	17,000
Brazil			336,474	336,474
Ecuador			36,000	36,000
Colombia			46,000	46,000
French West Indies			75,000	75,000
Paraguay			5,000	5,000
India			225,000	225,000
Australia			90,000	90,000
Not authorized for purchase			[3] 50,000	50,000
Subtotal	6,702,805	1,903,920	1,393,275	3,297,195
Total Cuban quota	3,297,195			
Total U.S. requirements	10,000,000			

[1] The 1,343,275 tons allocated represents 618,174 tons of the proration for the Dominican Republic which was not authorized for purchase because the United States and that country were not in diplomatic relations, 3,794 tons of the proration for Canada and 3,101 of that for the United Kingdom which were not allocated because of the possible transshipment of Cuban sugar, and the quantities shown below that the respective quota countries are unable to supply within their prorations: Peru, 428,985; Mexico, 175,000; and Nicaragua, 114,131.

[2] The 222,723 tons were authorized for purchase and importation during the period January–March 1961, conditioned on payment to the U.S. Government by the importer of 2¼ cents per pound.

[3] The 50,000 tons is a portion of the proration for the Dominican Republic which has not been authorized for purchase.

Now you will be told, unquestionably, that these are only on a temporary basis and that they are being so employed in order to keep intact the Cuban quota; that the Cuban quota must be kept intact so that if a friendly government takes control we can restore the former Cuban quota to the new government. Even those who advocate this sort of approach will admit that there should be no reason to restore the full 3-million-ton quota to Cuba; that if a friendly government does take over and justification of a quota allocation is present, the first allocation should not be more than 2 million tons. It is this sort of reasoning and this sort of argument that have gotten the American farmer so completely confused. We have never asked that the Cuban quota be assigned to the American farmer. We have asked only that we be accorded fair treatment and given the opportunity to produce an appreciable amount of the sugar necessary for this country. I refer you to the table and you will see that British Guiana and the Federation of West Indies formerly enjoyed a basic quota of 84 tons. Under the formula for the reallocation of the Cuban quota, this was increased approximately eight times, to 673 tons. It was then further increased by more than 400 times by administrative discretion. This resulted in the assignment to British Guiana and the Federation of West Indies 265,250 tons. Now, I hope that British Guiana and the Federation of West Indies are friends of this country and I will do anything to support that friendship short of discrimination, and especially discrimination against the American farmer. One-half of the amount of sugar allocated to British Guiana and the Federation of West Indies would have provided the sugarbeet farmers of this country with 50,000 acres that would have been planted in sugarbeets which will probably be planted in surplus crops. It would have provided at least one sugar processing plant, at a cost of between $15 and $20 million, that would have provided much labor and much help to the community in which it would be constructed.

Now, mind you, this is less than 5 percent of the sugar formerly allocated to Cuba. Yet the American farmer was told that although he has to provide and pay the taxes necessary to keep this Government going and necessary to meet the requirements of defense, necessary to help out in the foreign aid program that goes to many of these countries, he is not allowed to have so much as one-twentieth of the opportunity to grow this sugar on his farm, with which to meet these demands.

In my opinion, there is no just and sound basis upon which to base this rank discrimination. If there is justification, let them come forward with it now. I doubt that they will. The lack of justification is rather conclusively proven by the fallacious arguments used by those presently in control of the sugar economy. For instance, the scare tactic is used. People from the metropolitan areas are told that production of sugar by American farmers would mean an increase in the price of sugar to the housewife. This argument is not only unsound, and absolutely fallacious, but it borders on intellectual dishonesty. Simple arithmetic would prove its falsity. Here is the picture. Three million tons were taken away from Cuba. This was sugar on which the American people were paying a subsidy of approximately 2 cents per pound above the world market. Now, the American farmer would have been satisfied if he had been authorized to produce only one-sixth of that amount, or 500,000 tons. In other words, the American farmer was willing to say, "Give us 500,000 tons and buy 2,500,000 tons from foreign countries, but at least give us a beggar's portion." The answer to the farmer was, "No, you cannot have any of it." Now, mind you, the 500,000 tons is approximately 5 percent or one-twentieth of the sugar requirements of this country. Let us assume that the sugar monopoly was generous and gave us the 500,000 tons. Let us further assume that the price of this 500,000 tons would be approximately 2 cents a pound higher than the Cuban sugar. That would mean that the American housewife would be required to pay 2 cents per pound more for 5 percent, or one-twentieth, of the sugar she uses next year.

Let us see how much she uses. According to simple arithmetic, the present per capita use of sugar in this country for all purposes—soft drinks, cookies, cakes, everything, including home use—is 100 pounds. So, one-twentieth of 100 is 5 pounds. Now it is 5 pounds of sugar for which, according to these scare artists, the American housewife is going to have to pay 2 cents per pound more. In other words, the worst possible thing

that could happen if all of the dire tragedies predicted by these scare monopolists should come true, it would cost the American housewife 10 cents next year for permitting the American farmer to grow a few sugarbeets. If she has a family of four people it would mean an increased cost for the entire year of 40 cents. Now, I submit to you that these are simple calculations with the use of simple arithmetic that was furnished me by the Department of Agriculture. And, I call to your attention that this is the extreme insofar as additional cost to the housewife is concerned. The fact is that the American housewife should buy sugar cheaper. Why? Because the 2,500,000 tons that would be left after permitting the American farmer to grow 500,000 tons, could be bought at world market prices, without having to pay Cuba the subsidy we had heretofore paid her. Hence, I submit that if only 500,000 tons of that foreign sugar was purchased at 2 cents below the Cuban price it would offset the 500,000 tons produced by American farmers at 2 cents above the Cuban price. And, if we had to pay the full Cuban price for the entire 2 million tons left, the price to the housewife would not need to be increased 1 penny. However, I think I can assure you that if that 2 million tons, or the 3 million tons, as far as that is concerned, is purchased at prices less than heretofore paid the Government of Cuba, I seriously doubt that any savings in those purchases will be passed along to the housewife of this country.

Now, this bunch uses another scare tactic on present domestic producers of sugar. They tell them that if the American farmer is allowed to grow any more sugar, it will upset the sugar market, break the sugar economy, and the price of sugar will take a nosedive. Mind you, both of these arguments are being made at the same time. Now that is another thing that is confusing the American farmer. How is it that the sugar economy is upset and the price of sugar takes a nosedive as far as the producer is concerned, but goes up as far as the housewife is concerned? That is a conclusion that certainly cannot be established by the application of simple arithmetic.

There is one other thing that I want to touch on before yielding to some of my colleagues who are vitally interested in this problem and vitally interested in the farmers of this country. Much has been said about a growth factor and many people do not understand just what is meant. The growth factor refers simply to this: Each year, the population of the United States increases. At the present time, it is increasing by approximately 3 million people annually. This population increase causes a corresponding increase in the demand for all products, including sugar. At the present time it is estimated that the sugar demand in 1962 will be approximately 150,000 tons more than it is in 1961. Now, under the Sugar Act, this increase in demand, or growth factor, is divided between domestic and foreign producers on a 55 to 45 ratio, although there have been deficits in a number of the foreign countries over the past several years, as well as some of our domestic areas. One hundred and fifty thousand tons of sugar means approximately 60,000 acres of sugarbeets; 60,000 acres of sugarbeets means approximately two sugar processing plants, at an estimated cost of $15 to $20 million per plant. Now, here is one plan that was advanced after the Cuban quota was suspended. It was proposed that 500,000 to 750,000 tons of the Cuban quota be allocated to continental domestic producers on a short-term basis of approximately 5 years; that during that 5-year period the entire growth factor be assigned to the domestic producers so that this foreign allocation could be recovered.

Now the fact is that approximately 200,000 tons would have been recovered by virtue of the growth factor before any additional sugar could have been produced in this country. This was due to the fact that it takes about 18 months to build a processing plant. You can readily see that if such a plan was adopted, no harm could possibly have come to anyone, but a great many benefits could have resulted for several segments of our own domestic economy. In the first instance, it would have permitted many farmers who are now growing surplus crops to have diverted surplus crop acreage to sugarbeets. In the second place, it would have provided the economic boost and assistance needed in many small communities throughout this country, especially in the rural areas. And, third, it would have provided some relief on the dollar outflow that was causing so much trouble and is still very dangerous in this country.

Now let me make it very clear that I am using sugarbeets as an example, and it is not my intention to be quoted by anyone as trying to gain additional acreage for sugarbeets in preference to sugarcane. Both cane and beets have their place in the domestic economy and both should receive fair and honest treatment and I would certainly support that philosophy.

Our pleas concerning the proposal I have just mentioned fell on deaf ears and we received no consideration whatever except some expressions of sympathy, which were appreciated but were of very little use in solving the problem.

Much more could be said on this subject and there is much more I would like to say, but I will conclude with this observation: If this country is to become self-sufficient in its sugar requirements to meet both its peacetime and its possible wartime needs, the time is already late. Preparations should have been made several years ago. Action should be had this year to get a sound and practical program moving. The facts are before us and should be recognized. The American farmer and the American people are entitled to full and complete answers as to why this has not been done and when its accomplishment can be expected.

Mr. MAHON. Will the gentleman yield?

Mr. ROGERS of Texas. I will be happy to yield to my distinguished colleague from Texas.

Mr. MAHON. Mr. Speaker, today some of us on the Committee on Appropriations have been listening to Mr. McNamara testify about the critical world situation. He is testifying at this moment downstairs before the committee. Now, it does seem to me that the point which my friend from Texas, Mr. ROGERS, makes in regard to the national defense aspects of this matter is valid in every respect. It is important and urgent that we increase the production of sugar in the continental United States in order that we may produce a greater percentage of our domestic requirements.

Mr. Speaker, I want to join with my friend from Texas, Mr. ROGERS, in urging that the Congress and the country become more alert to the problem which confronts us. It would be most unfortunate, in my judgment, when we next consider sugar legislation if we have to consider it in a hurry, as an emergency action, just prior to the expiration of the present law, June 30, 1962. We ought to take action if possible at this session. If this is impossible under the circumstance, then a sugar bill should be passed early next year in order that farmers and processors may know how to make plans.

Mr. Speaker, I do feel that the Committee on Agriculture will want to face up to this situation and will want to move as rapidly as it can. Some general hearings have already been held and I feel that members of the committee are going to do the best they can under the circumstances. I do hope we can get moving on this important matter.

Mr. Speaker, I realize the time of the gentleman from Texas [Mr. ROGERS] is limited and I shall later ask unanimous consent to revise and extend my remarks in the RECORD on this important subject at this point.

NEED FOR IMPROVED DOMESTIC PROGRAM

Mr. Speaker, I am in full support of the expansion of sugarbeet acreage in this country and particularly the extension of beet growing into areas that hitherto have been wholly or partially excluded. I have in mind such areas as the Texas Panhandle and South Plains and southwestern and western Oklahoma where the soil, climate, and water resources are very favorable to sugarbeet growing, and areas of New Mexico, Arizona, Kansas, and Missouri. There are other areas that have land and water conditions favorable to sugarbeet production. They will speak for themselves.

ECONOMIC IMPACT ON CONSUMER

There is no sound economic consideration that would stand against this expansion. We have the land and resources for this production and expansion.

It is true that it costs a little more to produce beet sugar in this country than to produce cane sugar in the tropical countries and islands that have been supplying much of this product. The same is true of nearly all of our

farm products. Cotton and wheat cost over 30 percent more to produce here than the world price. That is why it is necessary to subsidize these products in order to sell them on the world market.

The outlay of consumers for sugar is relatively a rather small item in the cost of living compared to other major items. The per capita consumption of sugar in this country is very steady and falls just short of 100 pounds per year. An increase of 2 cents per pound in the price of sugar would cost only $2 per year per capita. Even so, the housewife does not use nearly all the sugar consumed. Soft drinks, confections, ice cream, bakery products, and so forth, consume most of the sugar. During the period from 1955 to 1959 sugar sold in consumer packages represented only 34.3 percent of the total, or a little better than a third. Of the $2 increase per capita involved in a 2-cent increase in the price of sugar, only about 66 cents would be borne by the housewife for each member of the family.

Compared with the outlay for milk, bread, meat, and so forth, this is a small household expenditure. The average family budget in 1959 included an outlay of $267.40 for milk. Eggs cost $83.10. Meats of all kinds, $640. Compare these outlays with $12 per capita for sugar in all forms, per capita. A family of five would represent an outgo of $60 per year; but household use of sugar would be about a third of this, or $20.

It may be that the increase of beet sugar production is actually feared by some existing processors as threatening lower and not higher prices because of the sharper competition that such expansion might produce. It could be that the consumer might actually enjoy somewhat lower prices.

Sugar prices, I might add, have actually lagged behind most other food prices, measured from a base where 1947–49 equals 100. This may be verified by a reference to the Bureau of Labor Statistics Consumer Price Index.

Mr. Speaker, it should be clear that an expansion of the sugarbeet industry in this country has the greater weight of good economics behind it. When sugar is imported in the raw state—that is, 96° sugar—only the remaining refining process is performed in this country. The sugar is refined from raw stock to crystal sugar—that is, 100° sugar. No domestic land is utilized to grow the sugarcane from which the imported raw sugar comes. No farmworkers are hired in this country. No agricultural implements are utilized here; no fertilizer is used. All of this means a loss in local employment, and less business for the manufacturers of farm implements, fertilizer, and so forth.

The same may be said in favor of expanding sugarcane growing in this country as compared with importing raw sugar.

No one suggests that we should grow all our sugar requirements in this country but we could do considerably better than a mere 22 to 25 percent of it in the form of beet sugar, which is all we are doing.

INADEQUACY OF PRESENT LAW

The trouble now is that the existing law effectively prevents new growers in new areas and growers in areas that do not have a beet-sugar processing mill from planting additional acreage because of lack of a market. This exclusion, or virtual exclusion, results from the operation of the present Sugar Act. This act calls for apportionment of additional acreage on a historical basis. The big producing areas therefore get the lion's share of the acreage. New areas that have no record of production get nothing.

Time is an important factor. It requires 2 or 3 years to build a mill. The cost is from $12 to $15 million. Therefore, to get into business by 1963, at the earliest, calls for legislation in 1961, not in 1962 or 1963.

It has been the expressed policy of the House Agriculture Committee to take care of new growers. Their report in the act of 1956 said so very clearly. To date unfortunately this policy has not been implemented.

We have an example in the State of Texas of the harsh working of the present Sugar Act. In the South Plains-Panhandle area sugarbeets are grown with most gratifying results. The land and climate, and the irrigation that has been developed, combine to make beet growing an efficient use of land resources. This has been demonstrated both as to yield per acre and as to sugar content, for a period exceeding 10 years.

Yet the area is hog-tied so far as increasing its sugarbeet acreage is concerned. It has actually shrunk from about 2,200 acres to about 1,800 acres over a period of time. The trouble is that the sugarbeets must be shipped several hundred miles to a mill in Colorado for processing. Not only is this expensive but the pulp, which makes excellent cattle feed, is lost to the Texas area.

Why, it might be asked, grow sugarbeets rather than something else? Other crops have been grown and are still grown in the area of which I speak, notably grain sorghum, wheat, and cotton. These crops are, of course, in surplus supply. Sugarbeets are not in surplus supply. The time is ripe for substituting sugarbeets for some of our cotton and grain production.

Up to now, after three extensions of the Sugar Act within the past 13 months, nothing has been done of a final nature actually to change the Sugar Act to make it more equitable to the small growers and new growers, except in areas that already have processing mills.

NATIONAL DEFENSE ASPECTS

This is a long time to wait, too long a time to wait for action.

The present international situation makes it clear that we should become less dependent on offshore supplies of sugar. It is a well-known fact that sugar is a necessity. The recent experience with Cuba shows conclusively that dependence upon that source during two world wars does not mean that we can again place such heavy reliance on it.

Mr. Speaker, I am convinced that the better part of wisdom in our sugar policy lies in increasing domestic production. We need to produce a greater proportion of the sugar we consume. Equity and fairness demand that suitable new areas and new growers be given a chance to contribute their share.

I want to thank the gentleman for yielding to me. He has made a tremendous contribution to the cause of sugarbeet production in the United States.

Mr. ROGERS of Texas. Mr. Speaker, I appreciate the remarks of my friend from Texas [Mr. MAHON]. Everyone knows his great interest in this sugar problem, and the ability of the people in his area to grow sugarbeets, if they are allowed to do it.

Mrs. MAY. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentlewoman from Washington.

Mrs. MAY. I want to commend the gentleman from Texas for his interest and sound approach to this problem, and for bringing this matter to the floor of the House of Representatives.

There is another very important point that should not be overlooked. While the administration has apparently not been able to make up its collective mind about sugar policy, the Russians have not hesitated. The Russians have been building sugar factories. The Russians have been planting more sugarbeets. The Russians have, in fact, become the largest producers of sugar in the world. Moreover, through their control of Cuba and the satellite countries, the Communists now control one-third of the entire world's sugar supply. How will they use that control? To destroy markets? To cause a sugar shortage? We know only that the Communists will use their control of one-third of the world's sugar as an economic weapon.

Now, of course, we are all rightly concerned about Berlin and all the ramifications of the Berlin problem. The Congress is upholding the President in his courageous stand, as, I am sure, the entire Nation is upholding the President. But have the President's own executive departments thoroughly considered the full implications of that stand? Let me remind the Members that the first commodity to be rationed in time of war is sugar, and sugar is the last to go off the ration list. This was the case in World War II when we had a large sugar supply available to us only 90 miles from our shores, in Cuba.

Now we do not have that supply available to us. We are bringing sugar from foreign nations halfway around the globe, while the American farmer waits in vain for an administration announcement of administration sugar policy.

The surest source of sugar for Americans in this atomic age is sugar produced in the continental United States. Yet the Secretary of Agriculture says it is quite unlikely that the administration will say during this session of Congress whether this reliable source of sugar, the American farm, is or is not going to be permitted to produce more sugar.

What is the administration doing about it? The administration is carrying on discussions. We are assured that the Department of Agriculture is studying the situation. We are assured that the Department of State is studying the situation. We are assured that the Bureau of the Budget is studying the situation. How much longer must we wait for an announcement of policy? The Secretary of Agriculture says it is quite unlikely an announcement will be made during this session.

In this regard, as the gentleman from Texas has pointed out, review of the policies of the Sugar Act are far overdue, and have been for quite some time. Let me give some examples:

The Sugar Act of 1937 has been extended or reenacted nine times since its initial adoption. Of these extensions and reenactments, in only two instances did the House Committee on Agriculture actually state in its report that later review of the entire sugar question should or would take place. These were in 1960 and 1961.

In House Report No. 1746, 86th Congress, 2d session, June 6, 1960, the committee stated, in reference to the Sugar Act:

> The fact that the act is by this bill extended [only temporarily] is to be taken as an indication of congressional policy that this is not an appropriate time for another 4-year extension but that the whole act should be reviewed and reconsidered next year in the light of conditions in sugar-producing areas at that time.

And, in House Report No. 79, 87th Congress, 1st session, March 14, 1961, the committee stated:

> Amendments to the basic Sugar Act will be thoroughly considered in open hearings on the enactment of more permanent sugar legislation, which the chairman has stated will be scheduled as early as possible in May. At these hearings those interested in the various aspects of the Sugar Act will be given an opportunity to appear before the committee and express their points of view and the committee itself will have a full opportunity to integrate the various proposals into the act as a whole and reach a mature and informed decision on an amendment and extension of the act which will best serve the national interest.

At various times in the past statements have been made by Members of Congress relative to full hearings on the Sugar Act, but they have not been delivered with official committee approval.

For instance, during the debate on the extension of the bill in 1940, by the 76th Congress, Congressman Robinson, of Utah—not a member of the House Agriculture Committee—stated:

> We had thought that during this session we would be able to secure the passage of a bill that would solve the sugar problem. However, due to misunderstandings, divergent ideas, and many other causes we have been unable to report to the House a bill that would adequately solve the sugar problem. This bill is a mere stopgap and will save the sugar industry until Congress meets again when it can take up the problem with more facts and figures before it—more experience, and an entirely better understanding of the whole sugar situation. At that time we feel sure that a satisfactory bill will be enacted (86 CONGRESSIONAL RECORD 8729).

And, during consideration of the extension of the act in 1941, by the 77th Congress, Congressman Hope, of Kansas, ranking Republican on the House Agriculture Committee stated:

> Mr. Speaker, the complaint has been voiced this afternoon that the Committee on Agriculture did not give proper consideration and hearing to this legislation. The Committee on Agriculture has been considering the sugar question for the last 7 years. There are absolutely no new issues involved at this time or any reason why the committee should have conducted a hearing on this particular bill (87 CONGRESSIONAL RECORD 9294).

Also, in 1944, in the 78th Congress during consideration of the extension of the act, the following colloquy occurred between Congressman Robinson, of Utah, and Congressman Peterson, of Florida:

> Mr. ROBINSON of Utah. Is there any reason, if this bill should pass, why the gentleman or anyone else could not introduce a bill to accomplish the very purposes he wants to accomplish?
>
> Mr. PETERSON of Florida. We have tried repeatedly and each time what happens? The sugar bill drags along, and then they say, "we have to have a continuing resolution" (90 CONGRESSIONAL RECORD 5335).

Also, Congressman Flannagan, of Virginia, second ranking Democrat on the House Agriculture Committee, stated during the debate:

> There is no possibility of working out a sugar act by the time this act will expire, nor do I think there is any probability of working out a sugar act during the emergency (ibid., p. 5336).

In 1946, Congressman Flannagan, then chairman of the House Agriculture Committee, stated in reference to the extension of the Sugar Act:

> The urgency is that the Sugar Act will expire at the end of this year and there is a lot of confusion among the sugar industry as to what will be done. They have been trying to adjust their differences in order to agree on a bill, but they have been unable to agree and, in my opinion, there is no possibility of their getting together before the first of the year.
>
> The bill before us only extends the act 1 year in order to see if the different interests cannot get together and agree on a proper bill in the meantime (92 CONGRESSIONAL RECORD 7022).

The fact is that the longer the administration delays, the more difficult position we find ourselves in. To step up sugar production takes time. Nearly all beet processing factories in our Nation are now operating at or near capacity, and new factories will have to be built. They will not be built, however, until our policy is made known. We should be taking steps to encourage additional domestic production. We should be planning to stockpile sugar for civil defense emergency, such as is now being done with surplus grain.

Truly, the apparent administration position of no position at all is most difficult to understand.

Mr. ROGERS of Texas. I thank the gentlewoman and commend her for the great work she has done in this great sugar fight for fairness to the American citizen.

Mr. BREEDING. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Kansas.

Mr. BREEDING. Mr. Speaker, I want to congratulate the distinguished gentleman from Texas [Mr. ROGERS] for bringing the matter of an increased sugar quota for domestic producers to the attention of the House.

It seems to me, Mr. Speaker, that a strong case has been made by the gentleman from Texas [Mr. ROGERS] and others for letting our own sugarcane and sugarbeet producers provide a larger share of the sugar requirements of this Nation.

I am disappointed over the failure of the administration to make its recommendations for allocations of the quota to be included in future sugar legislation. I believe that if the administration waits until next year to make its position known, then Congress will have to act once more on this important legislation against a rapidly approaching deadline.

It seems to me that the Committee on Agriculture should complete hearings this year, report a bill, and file a report with the House before adjournment, so that the legislation can be considered soon after the next session convenes.

The State Department is rightfully concerned with our relations with other nations. They see the sugar quotas as an opportunity to influence or improve our relations with other nations. The role domestic producers might play in filling our total sugar needs is minor to them.

I say, Mr. Speaker, that our domestic producers should come first. There is absolutely no reason why we should not pass new legislation giving 50 percent of the Cuban quota to domestic producers. This would mean 25,000 additional acres or more for Kansas sugarbeet producers.

The legislation, which I introduced along with other interested Members, has been pending since early in the session. At hearings in May, spokesmen for domestic producers made out a strong case for the bill.

I would hate to see the State Department destroy all hope of obtaining this needed and justified legislation to benefit our domestic producers.

I would like to see the Agriculture Committee insist that the administration forward its proposals on sugar legislation at an early date. After all, it is the primary responsibility of the Congress to initiate and pass legislation. The suggestions of the Departments are not binding. I believe a majority of Members of the House would favor greater production for domestic producers.

Mr. BERRY. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from South Dakota.

Mr. BERRY. I thank the gentleman for taking this time on this very important subject. I would call the attention of the House to the comments I made on the overall agricultural bill, to be found on page 13778 of the RECORD, wherein I pointed out that these agricultural imports, including sugar, beef,

wool, tobacco, and all the rest, are the things that are causing our agricultural problems. We are taking land out of production, including renting under the soil bank, and we are taking it out of production under acreage set aside, just to make room for these foreign imports. Last year when I took this up with the Department of Agriculture they gave me the figure of 1,380,000 acres of the finest land in America that is taken out of production, and the taxpayers are required to pay either under the soil bank or set aside in order to permit this amount of sugar to be imported.

Mr. ROGERS of Texas. I thank the gentleman.

Mr. DORN. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to my good friend the gentleman from South Carolina.

Mr. DORN. Mr. Speaker, I would like to join with my distinguished colleague from Texas in endorsing his statement and endorsing his plan to help the American farmer. I do not have a sugarbeet in my district, but I think it is essential to the economy of this country and, particularly, to the farmer that at every opportunity we possibly can to give him the chance to grow and expand. Certainly, this is one instance where we can help the farmers of the United States of America. I endorse the gentleman's statement. Mr. Speaker, may I say this:

Every single country in the world, other than the United States, is increasing its acreage devoted to agricultural production. If we continue this trend, everlastingly and always putting the squeeze on the American farmer, as the gentlewoman from Washington just said, we will lose this cold war. You may just as well forget about this defense bill we passed a few minutes ago, if we are not going to give the farmers of this country something to do. Today, only 10 percent of the American people actually live on the farm. Mr. Speaker, this is tragic. This has tragic and far-reaching consequences from many angles—from the standpoint of delinquency, from the standpoint of sound government, from the standpoint of the economic situation.

So I think the remarks of the gentleman today are most timely. Let us give the American farmer a fair break. Let us give him these acres at least for sugar production and in that way increase the security of our country and help our economy. Let us give our farmers the opportunity they deserve.

Mr. Speaker, I thank and commend my colleague, the distinguished gentleman from Texas.

Mr. ROGERS of Texas. I thank my colleague.

Mr. LANGEN. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Minnesota.

Mr. LANGEN. Mr. Speaker, may I first take this opportunity to compliment the gentleman for the very excellent manner in which he has documented the problem that has confronted us for a period of years and on the eloquent manner in which he has presented the case of the farmer, not only in his own district but as conditions exist throughout the Nation in general. I should want to recognize and place some additional emphasis on the point the gentleman made so very well, in view of the critical world situation we are now facing and the possibility that we might have a shortage by virtue of the degree that we have had to expand the sources of our sugar supply because of the Cuban supply no longer being available to us. Most surely, Mr. Speaker, this is a significant point. In view of that, may I call to the attention of the House the degree to which the American farmer is able to relieve this situation. I should like to quote very briefly from a special study on sugar that was made for the Committee on Agriculture, dated February 14, 1961. I quote this paragraph because it refers directly to the area I represent. It reads as follows:

> In the Red River Valley, which is a major part of this region, net income per acre from sugarbeets under projected price relationships is greater than from grain crops except wheat. Further, wheat acreage is restricted by allotments and potato production is limited by available markets. Thus, under situation A, the acreage of sugarbeets in that area would increase by 1970 even with 25 percent lower gross income per ton.

Mr. Speaker, this indicates the potential of producing beets in the area even at a reduced income rate. Let me carry this point just one little step further because these three projections were made relative to price in this study, and if the price remains at the level at which it was in 1959, we would find that the production of sugarbeets throughout the Nation would be increased by a total of 95 percent. This is the potential that exists throughout the Nation in areas such as mine, and such as the gentleman from Texas represents, and many of the other areas throughout the United States. In view of that, certainly, it does not seem justified that we should consider running the risk of a shortage in the event of a major conflict. Surely, nobody, as the gentleman stated so emphatically, has any desire that such a conflict should occur. In view of the other steps we will have to take in order to meet this critical situation I feel we can well give serious consideration to this matter and I hope it may be done during this session of Congress, because it is imperative to the welfare of the Nation that action be taken.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. Mr. Speaker, I desire to add my voice to those who agree with the gentleman from Texas [Mr. ROGERS]. I speak the sentiment of several other colleagues from the Southwest. I think the time has come when the Sugar Act should be opened up to let in some new areas and new growers in the production of beet sugar; furthermore, old growers of sugarbeets should be in a position to get their sugarbeets refined when they increase their acreage.

Most of us know that these areas and growers have been denied the growing of sugarbeets by the operation of the Sugar Act itself. This act is generally regarded as having worked very well; but it has had the effect of creating a closed corporation, so to speak, or an exclusive club that no one but existing members could enjoy. No one who was not a member when the club was formed can now get in.

For the benefit of those who are not familiar with this legislation—and it is 5 years since the last revision of the act—let me give the example of Oklahoma. My district in the western and southwestern part of the State has a lot of irrigated land that is admirably suited to sugarbeet production. Much of said land has been taken out of wheat, cotton, and grain sorghums, yet we cannot get into the club. They are not about to open the doors. The present members or most of them like it better the way it is. They do not want it to get the least crowded.

Someone may say that there is no law prohibiting the growing of sugarbeets and that acreage control has been lifted. Both observations would be true in a literal sense; but that is not all there is to it. In order to become eligible for payments under the law, the regulations have to be complied with. That is how the law is enforced.

There would be no sense in growing sugarbeets in Oklahoma or anywhere else, such as parts of Texas, New Mexico, Arizona, Kansas, and so forth, if you cannot market the beets. Today there are no mills within economic shipping distance.

Very well, it might be argued, "Go ahead and build a mill or two mills or five mills, if you like. There is nothing to stop you. Acreage control has been lifted."

This would, of course, be no more than rubbing salt into the wound. Acreage control may be reinstituted at any time. It might be put back before a mill was completed; and then the mill would be a white elephant, or dead loss, because it would have no sugarbeets. The minute acreage allotment again went into effect, we would be back to the historic basis, unless the law were modified; and that would mean a zero number of acres for the whole State of Oklahoma. We would have a beet-sugar mill with no beet-sugar acreage to support it.

That is what all the complaint is about. Under the present law there is no way by which Oklahoma can become a beet-sugar growing area in any practical sense. It could become one only if someone were foolish enough to want to throw away every penny he put into sugarbeets.

Mr. Speaker, in all fairness the law should be changed. Not long ago the import quotas on oil were reopened in order to permit the admission of new qualified importers. The old importers were actually set back about 15 percent to make way for the new.

The Sugar Act has been in effect over 25 years. Except for new growers in old areas, where they could dispose of their beets to existing mills and where the historic acreage was large enough to permit sharing in the expansion that was necessary to meet the increasing

consumption of sugar, no one else has been able to get in, with a few special exceptions. If the law is not modified this exclusion, which is really contrary to the principle of free competition, will continue to prevail.

Mr. Speaker, the growth in our population every year assures an increased demand of about 150,000 tons. There is no good reason why this "growth factor" should be shared with sources outside this country, other than Puerto Rico and, of course, Hawaii. This growth could be utilized to open the way for the excluded and repressed areas—that is, areas that have been kept back because they had small acreage when the historic formula went into effect.

Beyond that it seems to me that some of the Cuban quota should be diverted to this country. Cuba has now shown herself to be an unreliable source of sugar for us. What is true of Cuba may happen elsewhere. While we can, we should reduce our dependence on foreign sugar as much as possible. This is actually a matter of national security.

Mr. Speaker, I can think of no better time than now. The source of sugar supply has been disrupted and a reapportionment is in order. This should be done as soon as possible before vested interests or what will be claimed as vested interests, are established.

I commend the gentleman from Texas for his vigorous leadership in his efforts to bring greater equity into the Sugar Act and make this country more secure in its sugar supply. He has an uphill course because many vested interests in the present order already exist, and, of course, they will be more than reluctant to make way for new areas to come into production. I do not blame them for this but their position does not justify the exclusion of those who should have an equal right to land use for sugarbeets with the existing members of the club.

Mr. Speaker, I hope that the House leadership will interest itself in this question and bring its influence to bear to the end that the question may be voted on in this session of Congress; we have been promised hearings over and over and over again, because time is a very important element. Several postponements adding up to years of delay have already occurred. This is contrary to the stated policy of the Sugar Act itself, which is to the effect that the interests of new growers be protected.

In addition to our colleagues who have spoken on this matter there are many other Members of Congress who feel as we do on this matter.

Someone may say there is no law prohibiting the growing of sugarbeets. While that observation may be true in a literal sense that is not all the story by any means, is it?

Mr. ROGERS of Texas. Let me answer the gentleman this way, he is eminently correct. Here is what happens. They tell the people of the country that the farmers can grow all the sugar they want to, but that is not the whole truth and nothing but the truth. The fact of the matter is that they know that cannot be done. It is the same as telling the farmers that they can grow all the Jimson weed they want to, but nobody wants to buy Jimson weed. The same with sugar, they can grow the sugar and produce it but they will have no place to sell it as long as you permit 45 percent of the domestic requirements for sugar to be brought in from foreign countries. As long as you do that you can rest assured that it will be brought in from foreign countries because it can be produced a lot cheaper, just like bicycles and other things can be bought in foreign markets. The people are not being told the whole truth when they are told that the farmer can produce all he wants to. It is unfair; grossly unfair.

Mr. WICKERSHAM. I thank the gentleman.

Mrs. MAY. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield.

Mrs. MAY. At this point I think it is also very important to point out that under present law the Secretary of Agriculture can reimpose acreage allotments and restrictions on our American sugar beet growers at any time. In view of this I don't see how the American farmer can feel that he has the freedom to produce all the sugar beets he desires.

The present extension of the Sugar Act runs out next July 1, as the Secretary of Agriculture knows. Because of this, there are a number of very important questions that American farmers are asking that pertain to the kind of a law they will have after July 1. They want to know what kind of acreages they will be permitted to plant this fall and next spring. They need to know that right now so they can make their farming plans.

The kind of questions the farmers are asking are, is Secretary Freeman going to cut beet acreage back next year? I have heard it argued that if the present law is not changed he will have to cut acreage. Others say he will not do this. What are the facts?

It would seem strange, indeed, and the height of folly if the Department of Agriculture should impose marketing restrictions on the American beet sugar industry this year, or impose acreage restrictions on the American sugarbeet farmer next year, while permitting hundreds of thousands of tons of extra foreign sugar, above and beyond our anticipated actual consumption, to go on our domestic market. Is the administration pursuing a deliberate policy of penalizing American farmers for the benefit of wealthy foreign sugar operators? Is this the reason for delay?

American farmers are asking, why should not domestic sugar producers have some of Cuba's quota? Why should domestic producers be restricted when the addition of only a small part of Cuba's quota would remedy the situation? Why do foreigners come first and American farmers come second?

I certainly agree with my distinguished colleague from Texas [Mr. ROGERS] that the uncertainties of this situation do not add up to meaning that the American farmer has the right to produce all the sugar he wants to.

Mr. ROGERS of Texas. That is an excellent statement and another factor that ought to be taken into consideration. It is information the American people are entitled to. No one will invest in a sugar-processing plant if acreage controls can be put back into effect and ruin the supply of the plant.

Mr. HARRISON of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Wyoming.

Mr. HARRISON of Wyoming. I want to commend the gentleman from Texas on his interesting discussion and on the valuable contribution he is making to the solution of this problem at this time. I come from a State that raises a great many sugarbeets. We, therefore, are very much interested along with other sugarbeet areas of the country in solving the problem. We feel, along with other interested people, that there should be a greater portion of sugar production allotted to the farmers of this country. We feel that it is time for the farmers to receive some consideration and be protected rather than to allow production to go to nations outside of this country.

We feel that we can produce the necessary sugar and that it will be of benefit to the economy of this country as well as to the farmers themselves.

I think the gentleman from Texas is to be congratulated on his efforts to meet this problem at the present time.

Mr. ROGERS of Texas. I thank the gentleman.

Mr. BREEDING. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield.

Mr. BREEDING. Mr. Speaker, I ask unanimous consent to revise and extend the remarks made previously in the colloquy with the gentleman from Texas.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MORRIS. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from New Mexico.

Mr. MORRIS. Mr. Speaker, the gentleman from Oklahoma touched on the point a minute ago about whether the farmers could grow sugarbeets. The gentleman from Texas said that they could grow them but could not sell the sugar. That is entirely true. The farmers of this country are in a position to produce a great deal more sugar but they are prevented from doing so by the allocation of a large part of our market to sugar produced in other countries.

A point to be brought out in this connection is that the consumers of this country reap no benefit from the imported sugar; they do not get their sugar any cheaper.

I ask unanimous consent to insert at this point in the RECORD a list of the continental refiners and importers of sugar into this country.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

(The matter referred to follows:)

CONTINENTAL REFINERIES

American Molasses Co., 120 Wall Street, New York, N.Y.

American Sugar Refining Co., 120 Wall Street, New York, N.Y.

J. Aron & Co., Inc., 336 Magazine Street, New Orleans, La.

California & Hawaiian Sugar Ref. Corp., 215 Market Street, San Francisco, Calif.

Colonial Sugar Co., Gramercy, La.

Henderson Sugar Refinery, Inc., Waterman Building, Post Office Box 1103, Mobile, Ala.

The South Coast Corp., Carondelet Building, New Orleans, La.

Imperial Sugar Co., Sugar Land, Tex.

Industrial Sugars, Inc., 3600 South First Street, St. Louis, Mo.

National Sugar Refining Co., 100 Wall Street, New York, N.Y.

Pepsi-Cola Co., 500 Park Avenue, New York, N.Y.

Refined Syrups & Sugars, Inc., Yonkers, N.Y.

Revere Sugar Refinery, 333 Medford Street, Charlestown, Mass.

Savannah Sugar Refining Corp., Post Office Box 339, Savannah, Ga.

Southdown, Inc., Suite 1221, Commerce Building, 821 Gravier Street, Post Office Box 910, New Orleans, La.

IMPORTERS

Dyer Sugar Associates, 120 Wall Street, New York, N.Y.

Farr, Whittlock & Co., 120 Wall Street, New York, N.Y.

Lamborn & Co., Inc., 99 Wall Street, New York, N.Y.

M. Golodetz & Co., 120 Wall Street, New York, N.Y.

Connell Rice & Sugar Co., Inc., 360 South Avenue, East Westerfield, N.J.

Lombard & Co., Inc., 99 Wall Street, New York, N.Y.

Lowry & Co., Inc., 99 Wall Street, New York, N.Y.

Sugar House, Inc., 99 Wall Street, New York, N.Y.

Minford & Co., 120 Wall Street, New York, N.Y.

Olavarria & Co., Inc., 79 Pine Street, New York, N.Y.

Christman & Co., 120 Wall Street, New York, N.Y.

H. H. Pike & Co., Inc., 120 Wall Street, New York, N.Y.

Mr. MORRIS. There are 12 importers who bring in $500 million worth of sugar and receive a premium price for it over the world market which amounts to about $250 million.

I wish also to call the attention of the House to the fact that it has never been shown that the people who work in the cane fields and the people who work in the cane mills in foreign countries receive any benefit from this quota premium.

If we increase the domestic production of sugar in this country by 20 percent, it would mean approximately 40,000 new jobs for our economy. It would reduce the outflow of our gold reserves. The tax on sugar, which is used to pay farmers for providing decent wages and reasonable hours for their workers over the years, has amounted to about $91 million in 1960. The payment to farmers amounted to $7 million, so we made a profit of $20 million. If you increase the domestic production 20 percent it would mean a profit to the Treasury of several million dollars.

To show what interest there is in the growing of domestic sugarbeets in this country, in 1960 the Department had applications for 189,442 new acres of sugarbeets. The Department allotted 17,282 acres.

Here is a report "Foreign Crops and Market" put out by the Department of Agriculture on June 29, 1961. On page 17 it is stated:

Sugar production soaring 1960 to 1961 season sets record.

But that is production in foreign countries, not in this country, yet we continue to pay a premium price for what we consume in this country and the domestic producers do not get the benefit of it.

There is one other point I want to touch on, and that is international relations. I am going to quote to you from a speech by Mr. Larry Myers, Director, Sugar Division, in the November 1960 sugar report.

When Congress amended the Sugar Act last summer to permit the reduction and reassignment of the Cuban quota, it took the trouble to adopt new terminology in an effort to emphasize that the quotas were not being taken away from Cuba on a permanent basis and that the countries to which the Cuban quota would be reassigned would not have a vested right to it in the future. Those efforts were appropriate and desirable. The fact remains, however, that when price premiums amount to as much as $150 million a year, vested interests are claimed automatically. All the arguments in the book will be put forth by producers desiring to sell at such premium prices. Regardless of the wishes of either Congress or the administrative agencies the vested interest arguments of new suppliers will become stronger as the period of time they supply our market increases.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Speaker, I have a special order following the gentleman from Texas for 40 minutes. I ask unanimous consent that he may use 10 minutes of that time now.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROGERS of Texas. Mr. Speaker, there are two points I want to make at this time. I know we could use a tremendous amount of additional time on this matter, but it is just not available.

One of the main points that should be driven home to the American people is this: There were 3 million tons of sugar coming from Cuba on which we were paying Cuba a subsidy. Now the powers that be, whoever they are, who control this sugar monopoly, have been telling stories to the American people that if the American farmer is allowed to grow any of this sugar it will increase the cost to the housewife; trying to scare them by the contention it would raise the cost of living index. I want to show you how unfair that is.

The average consumption of sugar by simple arithmetic is 100 pounds. Now, the American farmer has never asked for all of the 3 million tons of sugar that Cuba had, but by right he ought to have the privilege of participating in the growing of it. We would have been satisfied with 500,000 tons of sugar, which would be only one-sixth of the Cuban quota. It would be 5 percent of the domestic requirements in this country.

Let me show to the American housewife what they are doing about her on this thing.

If you take 5 percent or one-twentieth of 100 pounds, you get 5 pounds of sugar, do you not? Now, if you increase the cost of sugar by 2 cents a pound to the individual, I ask anybody from the first grade to the highest degree you can get if it will not add up to 10 cents a year.

Now, let me show you this. That is the worst thing that could happen, yet they deal in generalities. The fact of the matter is this, that we were paying Cuba a subsidy on that sugar. If 500,000 tons of that sugar was allocated to the American farmer, grown in this country, in place of a surplus crop, it could be offset by purchasing another 500,000 tons on the world market for 2 cents less than they were paying Cuba. Now, that would offset it and leave 2 millions tons of sugar for purchase on the world market at the lower price, which should mean a reduction in price to the housewives of America. Do you think she is going to get it? Of course she is not going to get it. They are buying cheap sugar all the time, but Mrs. Housewife does not get the benefit of it. We do not know whether it is coming from Cuba or not. The American farmer was told, "You cannot grow sugar that we are taking away from Cuba." Yet they increased British Guiana and the Federation of West Indies from 84 tons to 265,000 tons, over 400 times more than they would have been entitled to under the formula in effect after the sugar was taken away from Cuba.

Now I ask you if that is fair. Of course it is not.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from North Dakota.

Mr. SHORT. Mr. Speaker, I hesitate to take this time, but I want to commend the gentleman from Texas for bringing this subject before the Congress and taking this special order to bring this whole question out. The one thing that I want to point out here is that this is a very simple question, it seems to me, as to whether or not the American farmer shall produce not all but only a part of the sugar that we have formerly been securing from Cuba. I do not want to put any overemphasis on this matter of our being possibly faced with hostilities in the insecure situation in regard to our supply from foreign countries, but I do think that there are some very real, practical aspects of this very point that should be borne in mind. I hope the gentleman will put into the RECORD along with his prepared remarks where the United States is presently securing sugar that we formerly secured from Cuba.

Mr. ROGERS of Texas. That is in there, and it was prepared by the Department of Agriculture. I hope everybody reads it, not only in this House of Representatives but all across the United States of America.

Mr. MONTOYA. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to my friend, the gentleman from New Mexico.

Mr. MONTOYA. I thank the gentleman from Texas for yielding to me.

Certainly, I do want to give a word of commendation to the gentleman from Texas for taking the leadership in trying to alert the country and the Congress as to the need for desired legislation to increase the sugar production within our country. He has mentioned the defense needs for sugar production, but also there is an economic factor involved which I hope the gentleman has covered in his statement. And, while we do appreciate the impact of quotas in our foreign relations, it is my contention, as I know it is the contention of the gentleman from Texas, that with the increased consumption of sugar within the United States we can start a very healthy program of additional sugarbeet production within the United States without impairing our foreign relations at all.

Also in many areas of this country our agricultural economy has gone down tremendously. If we were to obtain additional sugarbeet acreage sanctioned by law we would be able to lift that economy and to give the farmers in the different localities brighter days to which they have been aspiring.

Mr. Speaker, the United States in the past has been too dependent upon imported sugar, particularly Cuban sugar. This has been brought home by the serious deterioration of our relations with Cuba under Castro. In wartime, moreover, when merchant shipping is subject to mortal danger from enemy forces, it is all the more important that we be as economically self-sufficient as possible in such an essential commodity as sugar.

Cane sugar and beet sugar are indistinguishable. Refined, they are an identical product. The United States, which already meets 25 percent of its sugar requirements with domestically produced beet sugar, possesses the land and industrial resources to expand greatly its beet sugar output. In time, provided existing legislative impediments are removed, sufficient additional beet sugar could be produced in the continental United States to replace the entire annual import of Cuban cane sugar on which we have depended until the recent suspension of the Cuban quota.

The permanent substitution of domestic beet sugar for Cuban cane sugar would be economic. It would directly benefit the farmers concerned and, through them, their communities as well as the transportation, merchandise and manufacturing interests doing business in and with the sugarbeet areas. If the United States adopted the policy of replacing with beet sugar the entire amount of sugar heretofore imported from Cuba, unquestionably sugarbeet crops would be not only expanded in present sugarbeet areas but also would be introduced in farming areas in the West.

Another aspect of beet sugar farming is that of national defense. Congress has repeatedly recognized the wisdom of producing a substantial portion of the sugar we need within the United States of America.

Production of sugar within the continental United States insures the availability of the product in times of military or other emergency without the use of scarce shipping, which is vulnerable to enemy attack in time of war. For a time in the early part of World War II, when the submarine menace was at its height, it was impossible to bring sugar from Puerto Rico or even Cuba.

A lessening of U.S. dependence on imported sugar would be of assistance in handling the Nation's adverse balance of international payments, which in the past 3 years has resulted in both a large and disturbing outflow of gold, and a growing total of foreign short-term dollar balances. These in turn constitute a potential claim against our remaining gold stock.

Our imports of Cuban cane sugar prior to the embargo totaled 3,200,000 tons a year. It would take 1,280,000 acres of sugarbeets to produce an equal yield of sugar at 2½ tons of beet sugar per acre.

The average U.S. sugarbeet crop per acre in 1959 and 1960 was 18¼ tons. Taking 18 tons per acre, 1,280,000 acres would produce 23,040,000 tons of beets. During the 5 years 1955 to 1959 the average price per short ton of sugarbeets was $13.81. At this price the sugarbeet harvest would yield a gross income to the farmers of some $318 million a year. This compares with the average f.o.b. cost of Cuban sugar imported into the United States in 1958 and 1959, $366 million.

To process this increment in U.S. sugarbeet production would require the construction of perhaps 51 new beet sugar factories, assuming for each such factory a supporting acreage of 25,000. If these factories cost an average of $15 million each, it would entail an investment of $765 million—a worthwhile piece of new business to the equipment manufacturers, construction firms and others concerned. Each sugar factory would create new jobs in a small, rural community.

The sugarbeet brings decided benefits to the soil where it is used in crop rotation. Substituted for less profitable crops, it adds directly to farm income. The beet sugar factories being located in the areas growing the beet, contribute to the economic support of smaller rural communities. The erection of the many factories which would be needed to process the sugarbeets required for such an expansion of our domestic sugar industry would give added business to many equipment manufacturers in industrial centers.

Indicative of the great interest which new producers are showing in the adjustment of continental quotas, including a larger percentage of future market increases for these areas, was their testimony at recent hearings before the House Committee on Agriculture. Farmers and their representatives expressed a strong desire to be given the opportunity to grow sugarbeets in order that they might be given permission to participate in the American sugar market. All they ask is that they be permitted to grow a nonsurplus crop and in some small way share in the former Cuban quota which since July of last year has been allocated entirely to foreign sugar producers.

It should be noted that New Mexico has a history of growing sugarbeets. Three years after the first beet factory was constructed in the United States and 11 years after the first experiment with sugarbeets, a petition was filed in 1841 with the Governor of the Province of New Mexico for a portion of land for the development of the culture of sugarbeets. As early as 1896, southern New Mexico operated a sugarbeet mill. The experiments which led to the breakthrough for the beet industry in growing the sugarbeet seed were conducted at New Mexico State University in Las Cruces, N. Mex.

Interest is high in New Mexico and I can assure you that today we have more than enough acreage ready to plant in sugarbeets to support a beet processing factory. Indeed, during the past years in experiments conducted in New Mexico the average per acre yield of sugar has been from 18 to 29 tons while the average for the Nation this last year was 17.2 tons.

The following reflects the number of new producers in sugarbeet areas for the years 1955 and 1960:

	Number of requests	Acres requested	Acres established
1955	1,716	58,719	13,210
1960	5,338	189,442	17,282

Clearly then, a new plant cannot depend on such an allocation since we are told that 25,000 acres would be the minimum amount needed to support a plant, more than the total new producer allotment for the entire United States. In other words, new plants will not be built unless a stable supply of beets are available. The stable supply cannot be established unless the sugarbeet can be marketed, and the farmer cannot market his commodity with a profit unless a processing plant is available to take his beets. A circle of impossibility for the new production area. Private industry will not build any new plants until they have the assurance that permanent acreage is available when restrictions are reimposed. In order to give reasonable assurance of at least sufficient acreage to guarantee the investment in a plant, it should be stipulated in the law that allocations made to new areas shall not be reduced below a minimum level required to utilize efficiently the processing plants developed. With such a provision, private industry would build the necessary facilities.

The agriculture economy of New Mexico is based, to a great extent, on the production of wheat and grain sorghums. In 1960 New Mexico planted 260,000 acres of wheat and 227,000 acres of grain sorghums.

Both of these commodities are in an overabundant supply and have created large surpluses that have tended to disrupt the commodity market.

The allotment of addtional sugarbeet acreage would provide the incentive to remove from production areas now de-

voted to the production of these grains and at the same time assure the country of an adequate domestic supply of sugar.

There is no doubt that you and many of our colleagues believe that our domestic sugar-producing areas should receive an opportunity to produce more sugar or establish new production as well as participate in the reallocation of Cuba's quota on an equal basis with those countries who import sugar into the United States. We have an opportunity to implement the President's policy of developing new frontiers. These frontiers are at our own back door where our prospective sugar farmers have been denied the right to grow and sell sugar within their own Nation to fulfill our domestic needs. We can add new jobs across the Nation, promote economic growth of our country, reduce the flow of gold from our Treasury, and raise the farm income which in the words of our President, has declined 25 percent in the last decade.

The granting of increased acreage allotments would enable our farmers to grow sufficient beets to justify the erection by investors of new sugar processing facilities. I urge you to give these American farmers the chance they deserve.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Mr. Speaker, I want to commend my colleague from Texas and join him in his remarks. I think the facts he has disclosed today will come as a shock to most people in America when they realize that the farmers of this country have not been allowed even to take up the natural increase in sugar consumption over and above the quota each year.

Mr. ROGERS of Texas. The people of the United States may assure themselves of this; every day that we delay passing proper sugar legislation so that this situation can be worked out in this country is going to delay our defense effort just that much longer because it is going to take a long time. The gentleman knows the situation we were in on strategic materials and metals. We are making the identical mistake in sugar.

Mr. SAYLOR. That is correct.

Mr. ROGERS of Texas. You can stockpile those materials, but you cannot stockpile sugar; or at least we have not done it.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Mr. Speaker, permit me to congratulate the gentleman from Texas for directing the attention of the House to the sugar problem. We in the great State of Colorado recognize that the production of sugar is of tremendous importance to the entire Nation, and particularly to our State. I want to emphasize that the question of allocation and the payments that have been made to the farmers and the acreage allotment are of tremendous interest throughout the United States. A solution to this problem should be had soon. I am hopeful that the Committee on Agriculture, notwithstanding certain announcements that have been made, will hold hearings and settle this problem so that the farmers of this Nation may produce this sugar and be on a firm basis in the future.

Again I commend the gentleman from Texas for bringing this matter to the attention of the House.

Mr. ROGERS of Texas. Mr. Speaker, I thank the gentleman and yield at this time to the gentleman from Colorado [Mr. DOMINICK].

Mr. DOMINICK. Mr. Speaker, I want to take these few brief moments to congratulate the gentlemen from Texas [Mr. ROGERS] for bringing to the floor of the House at this time the important and urgent question of sugar allocations and quotas. It so happens that I have been active in legislative phases of the Sugar Act for approximately 13 years and included in my district is Weld County which grows more sugarbeets than any other county in the country.

For 3 years sugar growers in my district and in the rest of the country—whether growing cane or sugarbeets—have been required to govern their operations on a year-to-year basis because of the fact that we have been unable to present to Congress for action a long-term sugar bill. It seems apparent to me that with the existing temporary extension of the Sugar Act due to expire in June 1962, the very least that this Congress can do at this time is to hold extensive hearings on proposals for a long-term act so that the various difficult problems involved in sugar legislation will be completely aired, as many of the points resolved as possible and the platform laid for immediate action on a long-term bill at the end of this session or the very beginning of the next session.

The gentleman from New Mexico referred to the world market. Truthfully speaking, there is no such thing as a world market. The phrase is used to cover surplus sugar from many countries which has not found a home and which must of necessity be sold at prices lower than those which are in existence where there is a sizable demand for the product. For such reason, it is apparent that the comments made by some bottlers and canners indicating that this Government is sharply subsidizing the domestic sugar industry at the exepnse of the consumer is simply not true. There are, however, problems of markets within this country. The northeast section of the country is a heavy consumption area and is the most difficult to supply with sugar grown from sugarbeets because of the freight rates and other transportation costs involved in getting the product from the areas where the beets are grown and processed to the northeast section. This problem must be taken into consideration in drafting long-term legislation.

At the present moment, however, it would appear that the administration has not established a definite domestic sugar program, and there is grave concern amongst many of us as to whether sufficient hearings will be held by the Agriculture Committee in order to establish the basis for prompt legislative action which is so badly needed. There are farmers in Colorado, Texas, New Mexico, Washington, North and South Dakota, Minnesota, and many other areas who are ready, willing, and able to produce sugarbeets if permitted under the terms of long-range legislation and there are sugarcane growers in the South who are equally willing to expand their efforts provided legislation is enacted permitting them to do so.

Sugar is a basic necessity of this country, and it should not be left to hang in limbo the way it has been for the past 3 years. I thank the gentleman from Texas for giving me the opportunity to speak on this important subject, and I certainly commend him for urging prompt action in order to resolve the problems which are apparent to both the consumers and the growers.

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CHENOWETH. Mr. Speaker, I wish to commend the gentleman from Texas on his splendid statement, and in calling the attention of the House to the need for increasing our domestic production of sugar.

Colorado is the second largest producer of beet sugar in the United States, and I am happy to represent a sugarbeet area. I have always contended that we should produce more of our sugar requirements, and become more independent so far as our sugar requirements are concerned.

I recall that when I first came to Congress in 1941 the Sugar Division in the Department of Agriculture had announced a reduction in the domestic sugarbeet acreage. Members of the sugarbeet States vigorously opposed this proposal. Within a few months we were in World War II and it was then no longer a question of reducing domestic beet acreage, but to find a way to produce more sugar in this country.

The Sugar Act has brought stability to our sugar situation and has been a most successful piece of legislation. I am anxious to see the act extended for a 5-year period and I am also anxious to see the beet-sugar quota substantially increased.

Mr. HEMPHILL. Mr. Speaker, I join my colleagues in commending and saluting Mr. ROGERS in the magnificent effort he is making in behalf of his country in connection with the sugar problems which plague us.

I share his views that America should produce far more of its own sugar and it is essential to the defense effort of this country that we do.

I can sympathize with this problem in his part of the country because we have a similar problem in our area in connection with our textiles. The policies of this Government, particularly the State Department, have been designed to hurt instead of help textile people just as they have been designed

to hurt instead of help the sugar producers in other areas of the country.

I am prepared to join him in any legislation he offers and I again commend him for his efforts.

Mr. REIFEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. REIFEL. Mr. Speaker, I too am extremely disappointed at the recent announcement by the Secretary of Agriculture that the administration will recommend no further sugar legislation in the current session of Congress. With the general farm bill now out of the way and with Congress not expected to adjourn until sometime in September, there is plenty of time to schedule hearings on the sugar bills introduced by a number of Members.

It appears that the administration is paying greater heed to the strong forces who would have us continue our dependence on foreign sources for our sugar supply in preference to greater reliance upon the American farmer.

On May 20, immediately following the testimony of domestic producers before the House Agriculture Committee, I wrote the Secretary of Agriculture and asked him his views on permitting increased sugar production in the domestic areas. His reply stated in part:

> While the aspirations of farmers in the beet area and in the mainland cane area for greater acreages are a matter of serious concern to the Department, consideration must also be given to the interests of other groups, including our refiners of raw cane sugar. These refiners have hundreds of millions of dollars invested in their plants, employ thousands of workers, and are largely dependent upon foreign raw sugar for their continued operation.

It seems evident from the recent announcement that the interests of the American farmer and the taxpayers of this Nation have been subordinated to the special interests of these Atlantic and Gulf State refiners.

The pleas of the domestic producer for a chance to get out of the business of producing surplus crops, for a chance to ease the burden on the taxpayer caused by costly storage programs, for a chance to help himself and improve his economic position while assuring the Nation of a stable sugar supply, have all been ignored.

He does not ask the administration to desert those foreign friends who depend heavily on the American market to use their sugar production. But he does find it hard to understand how this Nation can take away the entire sugar allotment from Castro's Cuba and then redistribute it among foreign nations without giving a single pound to the American farmer, who is beset by problems from all sides.

We are told that this administration is one that cares for the family farmer and wants to strengthen this facet of American agriculture. How better to do so than by encouraging the production of a crop like beet sugar, which is not in surplus, and which requires an intensified type of operation? The family farmers who are fast disappearing in my district and others across the land will not soon forget it if they are denied the modest opportunity they seek.

We decry the demise of the small town in rural areas and appropriate millions for rural area development programs. Then we turn around and deny to many rural areas the production of a crop which can stabilize farm income, keep the cash registers jingling in small towns and bring new industry.

I am hopeful that the Secretary of Agriculture will reconsider his decision to postpone action on this vital question. Effective long-range legislation is not likely to result in the midst of election year pressures next year, and again we will end up with nothing more than a stopgap program.

The American farmer has been treated shoddily and shamefully in the matter of sugar allotments. It is time this situation is corrected.

Mr. NYGAARD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. NYGAARD. Mr. Speaker, in the eastern part of North Dakota lies the tremendous Red River Valley offering some of the finest soil and growing conditions to be found anywhere in these United States. This valley is devoted entirely to dryland farming and present sugarbeet production in the area has shown that the combination of soil and climate can produce beets with an exceptionally high percentage of sugar.

Furthermore, because of the summer fallowing practiced in beet growing, Red River Valley sugarbeet production has the effect of taking 1 acre of land out of production for every acre producing beets, thus providing a huge displacement of crops such as barley, wheat, oats, and corn which are now in surplus.

While it is understandable that international relations must play an important part in the allotment of our production, it is only fair that a major portion of our sugar production should go to domestic producers. It is also highly important that any new sugar program be no less than 5 years in duration to assure both growers and processors of continuity

In my opinion, it will not be necessary to take acreage from old growers in order to allot acreage to new growers if a major portion of the growth factor can be distributed to new sugarbeet producers. There are in the Red River Valley a good many farmers with the means and ability to move into sugarbeet production. North Dakota farmers would like to be permitted to produce a fairer share of the Nation's sugar requirements and there is evidence that investment capital is available for the construction of new sugar factories if a permanent Sugar Act or a Sugar Act of at least 5 year's duration can offer some guarantee of continued production.

It has been pointed out before that North Dakota has lost the right to produce nearly 4 million acres of wheat under farm programs since 1932 while other States have gained considerable wheat acreage. Some farmers have been successful in replacing this lost acreage with other crops, but climatic and moisture conditions do not permit replacement with any wide variety of crops which are not now in surplus. Sugarbeets have proved to be among the most profitable cash crops in North Dakota on those farms which have been allowed acreage and, needless to say, many other farmers are interested in improving their own and the State's economic position through such crops as sugarbeets.

My remarks so far have pertained generally to the Red River Valley in North Dakota and Minnesota, with which I am most familiar. Similar statements could, I am sure, be made about other areas in the United States where there are wonderful opportunities to increase and expand sugarbeet production and thereby provide an increased income to agriculture. We heard this mentioned so many times on the floor of the House last Thursday when we were considering the farm legislation that was passed that day.

In this bill, the farmers of the Nation are called upon to reduce their acreage 20 percent in classes of feed grains and an additional 10 percent in wheat. This was found necessary to protect the economy of agriculture because of large surpluses of these commodities in Government-owned storage. However, the reverse is directly true of sugar production in the United States. Here the farmers are, actively ready, willing, and able to produce all of the sugar requirements of the United States but barred from doing so because of legislation which provides for imports of altogether too large a portion of our domestic needs. This deprives the American farmers of the economic position he could hold if he were given the freedom to produce.

This afternoon we passed House Resolution 505 authorizing the President of the United States to call Reserves to active duty, as well as to extend enlistments and terms of those presently serving in the Armed Forces. Wednesday we are going to consider H.R. 8353 which, added to the money already appropriated this year, will mean an expenditure of approximately $13½ billion for additional aircraft, missiles, and naval facilities.

These matters are for national defense. If we are to be properly fortified for national defense, one of the prime needs is for proper sources of foods for our Armed Forces and our citizens in order that they may carry an added load under such conditions. We are importing, in many instances from long distances, one of the vital portions of our food supply, namely, sugar. If this supply were to be cut off by the enemy, we would be left in a very serious supply condition.

Another point we must remember is that sugar is a vital ingredient in the manufacture and processing of explosives and ammunitions. This is another reason we should have an ade-

quate supply within the United States, an area over which we have control of the supply and availability.

In view of these points I have set forth, I feel it is of utmost importance that we immediately—and let me emphasize immediately—enact permanent legislation in order to avoid further delay, not only in providing this economic benefit to the farmers of this Nation, but moreover in assuring an adequate source of supply for feeding our people and manufacturing the munitions necessary to protect our Nation and the free world in case of an all-out crisis.

Mr. BEERMANN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEERMANN. Mr. Speaker, I commend the gentleman from Texas [Mr. ROGERS] for his statement.

As a member of the Committee on Agriculture from the State of Nebraska, I am extremely interested in the sugar problem.

In the past year, we have had to supplement sugar needs by purchasing from friendly nations, also sugar to replace the Cuban deficit. Wheatgrowers in Nebraska have attempted to amend the present law so that purchases of sugar from these foreign countries will be offset by purchase of our surplus wheat. Efforts to have such an amendment adopted have failed. Have we a positive assurance that our Department of State is making every effort to insure that this windfall sugar trade is a two-way street for America?

Does our Department of State have the same zeal to aid our farmers as it has to broadcast our aid? I, for one, would be much happier if the sharing of our sugar market would invite a like sharing of our surplus problem in the nations selling sugar to this country. If the State Department is not fully alert to this great need, I urge that the Congress adopt a quid pro quo policy.

Since the United States produces 55 percent of our sugar consumption and purchases 45 percent, it seems a very appropriate time to enlarge our domestic cane and beet sugar-producing acreage, and an excellent time for the Department of Agriculture to allocate sugar tonnage. Actually, the United States produces only 30 percent of its sugar consumption on the mainland; the remainder is produced in Hawaii; Puerto Rico, and the Virgin Islands.

We have many idle acres, and many acres on which surplus grains are being produced. By allotting additional sugarbeet acreage, the American public and the Department of Agriculture would be greatly relieved of some of its economic problems.

Also, the unemployment force could be cut down by enactment of long-term sugar legislation. It would relieve unemployment by encouraging the accompanying industries which are necessary to process the raw sugarbeets.

As presented in Senator CARL CURTIS' statement before the House Agriculture Committee on May 19, 1961, in just one irrigated area of Nebraska, we could produce 30,000 to 40,000 acres of sugarbeets annually. A good rotation of crops in Nebraska is alfalfa, corn, beans, and sugarbeets. So each family sized farm could raise sugarbeets on approximately one-fourth of its land each year. Because of the intensive type of farming necessary for raising sugarbeets—generally on farms from 80 to 100 acres—this crop would help preserve the family sized farm.

Long-term sugar legislation would first, provide an additional crop for the family sized farm in the irrigated areas; second, partially relieve the Agriculture Department of the many problems it has been working with, particularly the problem of certain grain surpluses, third, relieve the State Department of making so many delicate decisions as to the allocation of purchases of sugar; and fourth, relieve much unemployment.

FIRST COUNTY TO SECEDE

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Cheraw Chronicle, Cheraw, S.C., of July 27, 1961:

FIRST COUNTY TO SECEDE

(By W. B. Burch)

The following account of a meeting held at Chesterfield Courthouse as reported to the Charleston Mercury by one of its correspondents establishes the fact that Chesterfield County was the first county in the State to adopt a secession resolution:

"THE STATE OF PUBLIC FEELING IN CHESTERFIELD

"(Our Cheraw Correspondent)

"CHERAW, S.C., November 19, 1860.—Knowing the deep solicitude you and many of your readers feel in the movements of the people of the State at this momentous period, I have to inform you and them of the events in Chesterfield in the last few days.

"Last Thursday there was a parade for the upper battalion and there was quite a large turnout. After the parade the people were addressed by the Honorable J. W. Blakeney, our Senator, and Representatives Colonels McFarlan and Prince, and also by Col. Stephen Jackson. At the close of Colonel Jackson's speech he submitted the question of submission, or resistance by immediate secession to a vote of the battalion, and requested all in favor of the latter to advance four paces. The whole battalion advanced four paces, leaving not a solitary man for submission.

"The course of our senator and representatives was unanimously and most enthusiastically endorsed. Saturday last was parade day for the lower battalion. I had the pleasure of being present. The same speakers, with Maj. A. McQueen and F.M. McIver, addressed the people. The addresses were received with enthusiastic applause. After the speaking, the military spectators were requested, if they approved the action of the legislature in calling a convention, to make their approbation known by advancing four paces to the front. A unanimous forward movement was the response. Immediate separate secession and a southern Confederacy were vociferously demanded.

"At both the upper and lower battalion the lone-star flag graced the fields. This evening I returned from the courthouse, where one of the largest meetings ever assembled in the district was held today. The object of the meeting was to nominate candidates for delegates to the convention. The meeting was organized by the appointment of Hon. J. W. Blakeney as chairman.

"A committee of 24, 3 from each beat, were appointed to nominate a ticket. The committee retired, and after due deliberation returned, having unanimously agreed upon a ticket, and reported the following ticket: Hon. John A. Inglis, Col. Stephen Jackson, and Henry McIver, Esq. During the absence of the committee, the meeting was most ably addressed by Colonels Prince and MacFarlan. At the conclusion of Colonel MacFarlan's remarks, the committee made their report, whereupon the nominees were severally called out in the following order: Colonel Jackson, H. McIver, and Chancellor Inglis.

"All the nominees in the most emphatic language declared themselves in favor of immediate separate secession. The whole question was fully discussed in a clear and forcible manner and with a fervence and eloquence that could only have been inspired by a due sense of its vast importance. At the conclusion of the speeches of the nominees, the nominations were submitted to a vote of the meeting, and it was unanimously concurred in. The Honorable J. W. Blakeney, Col. Alfred M. Lowery, and Gen. E. B. C. Cash were then called upon to address the meeting.

"Their remarks, though brief, were to the point. They fully endorsed the action of the legislature in calling a convention, believing the immediate separate secession was the only remedy, and that nothing short of that could save the honor, and protect the rights and interests, of the State. The meeting was not only the largest and most enthusiastic, but also one of the most harmonious ever held in the district.

"The people included beardless youths and greyheaded grandfathers, all of whom were eager and interested listeners from an early hour in the day until a late hour in the evening, and for the first time in my recollection, a goodly number of the fair sex graced with their interesting presence, and encouraging smiles, a political meeting in Chesterfield district.

"The ticket nominated will certainly be elected without opposition. For talent, integrity and fairness of purpose it will not be surpassed by that of any other district. Our delegates will represent a district that is a unit in opposition to Black Republican domination, and in favor of immediate State secession. Indeed we have but one party in the district.

"A neatly gotten up flag of medium size, having on it a palmetto tree with a rattlesnake curled around it, with its rattles sprung and in the attitude of striking, a lone star in one corner, and the inscription—'Immediate State Action,' floated over the public square. After the adjournment of the meeting the whole concourse of ladies and gentlemen assembled under it and saluted it with three deafening cheers. Altogether it was one of Chesterfield's most glorious days—her citizens a unit in their stern resolve to resist to the death the domination of Black Republican fanaticism—to die free rather than to live slaves."

NO APOLOGY NEEDED

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Camden Chronicle, Camden, S.C., of July 28, 1961:

NO APOLOGY NEEDED

Communist rulers are sold on the idea that the total state can best organize social and material progress. Fired with dedication, they are aggressively and successfully selling communism in vast areas of the world where corruption and poverty drive people to desperation. The threat of military force encourages the uncommitted to listen, and discourages others from interfering.

A recent editorial in Life magazine expressed the opinion that, "The climax of the struggle with communism will come—soon. It has begun, and it is probable that in the present decade we shall either have negotiated our own surrender or communism will have become a disrupted, discredited, and disintegrating force. The time has come then for the United States to take its stand—unambiguously and implacably."

Military force is only part of the answer—barring miscalculation by one side or the other it may never be used. The United States, as the most powerful Western nation, has to fill the role of senior salesman—offering ideas and practical action in a direct hard-hitting attack on the problems which people face.

American enterprise, in the normal course of commercial development, has brought tangible advances to many of the world's underdeveloped areas.

A recent issue of U.S. News & World Report reviews achievements of private enterprise abroad. It tells the story of nine companies, whose operations span South America, Africa, and Asia. It says: "Working largely through local people, these companies have expanded from small beginnings into giant enterprises in their adopted areas. In the process they raised local living standards, helped to combat disease and illiteracy, created reservoirs of trained people. In short, they have done and are still doing many of the things that the new Peace Corps hopes to do.

"Altogether, more than 3,000 U.S. firms now operate abroad. They have added more than $42 billion worth of capital equipment to the basic wealth of their host countries.

"They add up to a Peace Corps that often has been more effective than U.S. Government aid, and far more impressive than any Russian aid." American companies overseas take U.S. know-how with them, presently employ more than 2 million people of whom fewer than 20,000 are from the United States. They pay $7 billion a year in wages and about $4½ billion in local taxes.

In concluding, U.S. News observes that "Russia has nothing to match this private Peace Corps of business firms, as they bring new wealth and social progress to remote areas."

Every American and our own Government should be proud of the strength and accomplishments of our private enterprise system. The American people must understand that Government can offer no individual security which they do not first pay for themselves. It can offer no safety from the drive of world communism unless it is backed by a majority of the American people, who take pride in their political heritage and have confidence in the free economic institutions which built this country and give us our strength.

America needs no apology and does not need to become a welfare state. But she does need a new spiritual force to match the Communist challenge—a new confidence and determination to sell the greatest gift she has; economic, social, and political progress based on individual freedom and opportunity.

BLOODY BATTLE FOR CAROLINIANS

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Camden Chronicle, Camden, S.C., of July 28, 1961:

THE FIRST BATTLE OF MANASSAS IS DESCRIBED IN A HISTORIC EPIC, THE PROPERTY OF A COLUMBIA LADY

(By Maxine S. Nettles)

Bloody battle for Carolinians—100-year-old Camden letter tells of First Manassas. (The State, Columbia, S.C., Sunday, July 23, 1961.)

The following has been received from Miss Elizabeth Doby English, of Columbia, by the editors:

"July 21 (Friday) was the 100th anniversary of the First Battle of Manassas, or Bull Run, as our northern friends call it.

"My mother's father, Capt. Alfred English Doby, was aide-de-camp to Gen. J. B. Kershaw and was engaged to Miss Elizabeth M. Kennedy, of Camden. She saved all of his dozens of letters written from the battlefields of Virginia, and the first of them is a vivid description of Manassas. Thinking it might be of interest to your readers, especially those in Camden, S.C., many of whose relatives are mentioned, I am enclosing a copy:

" 'MY DEAREST LIZZIE: Thank God I have once more the precious privilege of communing with you, after the many trials and dangers of a hard-fought battle. Yes, Lizzie, we have at last had a grand battle, perhaps the largest that was ever fought on this continent, and our exertions and bravery were crowned with a victory that was only equal to our efforts.

" 'I can almost positively assert that had it not been for the very opportune arrival of Colonel Kershaw's command, which consisted of Colonel Cash's regiment and his own, the day would have been lost, and our army cut to pieces. When we reached the field of battle, we saw hundreds of our men retiring, crying that we were ruined, that the battle was lost, and that nothing could save us from being cut up, if we advanced farther. But onward our gallant colonel led us, where there was not a single friend to be seen, but only the dense lines of our enemy.'

"CUNNING FAILS

" 'We first charged upon the celebrated Ellsworth Zouaves, who, finding it impossible to repel us, resorted to cunning to avoid our fury. They fell upon their faces and groaned, pretending to be either dead or wounded. Thus, we passed over them, thinking they were really shot down, but when we got some 30 or 40 yards beyond them, they fired upon us from the rear, and then they would tumble over again, resorting to the same deception, until our men, finding it out, either killed or captured every one of them.

" 'The next body we encountered were the regulars, who fought well, but could not stand a charge made upon their flank, by General Elzay's command. They then became panic stricken, and an indescribable rout ensued, during which we pursued for several miles, capturing immense quantities of artillery, wagons, horses, guns, stores, and prisoners.

" 'I cannot possibly give you the faintest conception of their confusion and fright. The last time we fired upon them with our artillery created such a panic among their artillery and wagons across a bridge they rushed upon each other so that the bridge was completely blocked up, causing them to abandon everything except their own personal safety.'

"PURSUIT ENDS

" 'Here our pursuit ended, by order of General Beauregard. I have not heard positively the casualties of the day. It is supposed that we lost about 1,000 killed and wounded, the enemy about 2,000 killed and wounded, and as many more prisoners, with several million dollars' worth of property.

" 'Poor little Willie Hardy was killed during the engagement. He was shot down by a concealed foe, while gallantly performing his duty. He was shot with a pistol, the ball passing through the neck, servering the main artery; he lived but a moment. I did not observe him when he fell, on account of his being under cover of the woods, where he was conducting Colonel Preston's regiment but a friend told me of his death immediately afterward, whereupon I went to obtain his body. When I found it, all covered with blood, his face disfigured, his eyes rolled in a gaze of death, I momentarily shuddered. I was almost paralyzed. I looked upon him for a few moments, then, dismounting, put him upon little Swannanoa, which was standing near his body when I found it, but finding that I could not carry his body that way, I took it upon my shoulders and bore it several hundred yards to a place of safety.'

"COMRADE'S BLOOD

" 'Good Heavens! Lizzie, my back was actually saturated with his blood! Never had I such feeling before, my own person stained with the blood of my dear little comrade. I covered his body with a few bushes and again entered battle, not dreaming that I, too, might possibly meet, in a few moments, that same sad fate. But a Something above seemed to have thrown an arm of protection around me, and I went through unhurt; one ball passed through my coat, but did not touch the skin.

" 'Poor DePass, I am afraid he is mortally wounded; several others from Camden were also wounded, and one killed. Colonel Hampton's legion was cut to pieces. Dick Manning was wounded, but not badly. General Beauregard had his horse killed under him by a bomb.

" 'General Scott's army was magnificently equipped, one of the finest armies, perhaps, that ever went into battle, but the manner in which we dismantled that army beggars all description. We would have pursued to Washington to witness the grand performance of their army, many of whom were captured and frightened to death by our advancing army.'

"PRISONERS

" 'Many of our men were held prisoners for some time by the Zouaves, among them Captains Richardson and Hoke, also the renowned Myers Moses, who, I am happy to say, stood fire better than I anticipated. The infernal Zouaves came near capturing me, also, but a little piece of strategy and presence of mind on my part eluded their grasp; viz, in the execution of an order I was thrown necessarily some distance from the regiment. Zouaves, perceiving this, rushed out from a thicket and drew their guns down on me, but one of them, thinking that I was a friend, instantly gave me their signal, which was the hand thrown across the nose. I immediately responded by giving their signal, which undoubtedly saved my life. They were subsequently captured and our men saved.

"'John acted with a great deal of gallantry, receiving one shot in the side, which only penetrated his clothing and bruised his skin. Zack and Joe also fought well, manifesting bravery and coolness; they were not hurt at all. Most of our Camden boys fought very well. Colonel Kershaw has proved himself an officer of ability as well as gallantry. I think he ought to be promoted.

"'There are many little incidents that would interest you, but I have not space or time to relate them now. I sent your father a telegram the day after the battle, thinking you all were under a burdensome anxiety about us, but I doubt very much whether he received it. I have not yet received any letter from you by mail, and have now given out all hope of ever hearing from you except through individuals.

"'I thank God, my darling Lizzie, for your sake, that I was protected from all harm during that disastrous and bloody battle. I doubt not but your constant and earnest prayers in my behalf shielded me from danger. God bless you, dearest Lizzie, may all of your prayers be answered, for they emanate from a heart, pure and chaste in its sentiments, and full of virtues that adorn an angel. Give my love and best wishes to your mother and father all the family.

"'I remain as ever,

"'Yours devotedly,

"'ALFRED.'"

NOTE.—The following information gives the full names of the persons mentioned in Captain Doby's letter:

Colonel Kershaw, later Gen. Joseph Brevard Kershaw, Camden, the father of Mrs. L. T. Baker of Columbia.

Colonel Cash: Col. E. B. C. Cash, 8th S.C.V., Camden.

Ellsworth Zouaves.

General Elzey: Gen. Arnold Elzey.

General Beauregard: Gen. G. T. Beauregard.

Willie Hardy: Camden.

Colonel Preston: Col. J. F. Preston.

Swannanoa: Hardy's horse.

DePass: William Lambert DePass, Sr., later major, Camden.

Colonel Hampton: Wade Hampton, later general.

Dick Manning.

General Scott: Gen. Winfield Scott, Federal general.

General Ewell: Gen. Richard S. Ewell.

Captain Richardson: John S. Richardson, Co. D., 2 S.C.V.

Captain Hoke: A. D. Hoke, Co. B., 2 S.C.V.

Myers Moses, a Camden man.

John: brother-in-law, John D. Kennedy, later brigadier general.

Zack: William Zack Leitner, later major, Camden, a cousin.

Joe: Joseph Dunlap, Camden, cousin.

Your father: Anthony MacM. Kennedy, Camden.

Your mother: Mrs. A. M. Kennedy (Sarah Ann Doby).

PROBLEMS OF SMALL BUSINESS

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, my research team at the State University of Iowa has conducted a study on the problems of small business. This study has been very interesting and worthwhile. It has pointed up the need for certain legislation which will help to resolve some of the problems facing small business.

Today there are about 4,666,000 businesses in the United States; in excess of 90 percent of them are small enterprises.

Small businesses are the red corpuscles of the American free enterprise system. The American free enterprise system fostered them. We must have, and if we do not have we must create, an atmosphere that will assure that they are kept healthy and vigorous and they must grow in numbers commensurate with the national growth that they have fostered and assured.

To assist owners and managers of small firms improve their management techniques, the Small Business Administration cosponsors management extension courses with universities and colleges across the country. These courses are carried on at virtually no expense to the taxpayers, and to date about 700 courses have been conducted at 275 or more educational institutions. More than 22,000 students mostly men and women from the business community have attended.

Also, as part of its management assistance activities, SBA publishes three series of leaflets for the benefit of small businessmen, these series have been and are available to all businesses. These are titled, "Management Aids for Small Manufacturers," "Technical Aids for Small Manufacturers," and "Small Marketers Aids." Distribution of SBA's aid leaflets has exceeded the 7 million mark.

Although much has been accomplished to foster and encourage small business enterprise and keep the doors of opportunity open to new businesses, there is urgent need for additional Government action directed at aiding small business firms to successfully solve their management and technical problems in this age of rapid change and keen competition.

The need for such action is clearly demonstrated by the results of private surveys which time after time indicate that 9 out of 10 business failures in this country are attributable to incompetent or inexperienced management.

Let us examine for a moment the business failures record during 1959.

More than 95 percent of the 4.7 million businesses in operation in the United States are small. Yet it is among this group that most failures, percentagewise and otherwise, occur. These failures represent an area where the financial burden of loss is most severe and often tragic. In 1959 the bulk of the failures was found in those business activities where small businesses are concentrated. For example, 39.6 percent of the failures occurred among the following industry groups:

	Number of failures
1. Eating and drinking places	1,334
2. Retail food and liquor group	1,113
3. Retail automotive group	1,015
4. Retail apparel and accessories	1,011
5. Lumber and lumber products—manufacturing	503
6. Textile mill products and apparel—manufacturing	420
7. Food and kindred products—manufacturing	176

More than 28 percent of the total money loss was suffered by investors in these unsuccessful firms.

Recent Dun & Bradstreet reports with respect to the business failure experience of the American economy reveal that in 1959 approximately 14,053 businesses failed with a $692,808,000 loss to creditors. Thus, of every 10,000 businesses in operation in 1959, 52 failed, with a consequent average loss of $49,300 each. More than 60 percent of these failures had liabilities of less than $25,000, a relatively small amount in this land of multi-million-dollar corporations.

In the aggregate, small business suffers by comparison with large- and medium-sized business when sales and profits are considered. Even at this time, when sales volumes generally are up, profits are down.

Since 1947 the annual rate of earnings on stockholders' equity has been consistently lower for manufacturing corporations with assets under $1 million than it has been for the larger ones. This may be attributed partly to the fact that industries in which small manufacturing corporations predominate, such as the textile, apparel, lumber and food groups, are characterized by relatively lower earnings. On the other hand, groups noted for large corporations, such as aircraft, electrical machinery, instruments, chemicals and drugs, and automobile manufacture, are characterized by relatively higher earnings. Nevertheless, when industry as a whole is considered, the earnings position of small manufacturing corporations has declined in the past decade. For these smaller corporations earnings before taxes in 1951 amounted to $2,027 million compared to $1,527 million last year—a drop of almost 25 percent. During the same period manufacturing corporations with over $1 million in assets increased their earnings from $25,592 million to $28,167 million, a 10-percent gain.

Obviously, as the bigs get bigger, the smalls have to struggle harder and harder just to stay even.

Despite the danger of failure or the prospect of small profit, the desire of thousands of men and women to enter the competitive business field is as strong as ever. This is reflected in the vigorous growth of our business population in recent months. During 1959 over 70,000 businesses were added to our growing business population. Virtually all of these were small with the greatest number of entries being made in the retail, service, and contract construction fields which are particularly characteristic of the small firm. Because Dun & Bradstreet tells us that over 57 percent of the firms which fail do so in the first 5 years, it is a paramount importance that these firms receive assistance by giving them a fairer opportunity to compete, have adequate credit, and easier opportunity to learn about and avoid the hazards that cause failure.

The program that I have presented in H.R. 8276 is designed to provide such assistance.

The general objective we are trying to achieve is to make it possible for a small

enterpriser to establish a business and operate it profitably, without fear of being squeezed out of the market. We must provide the small businessman the help he wants and needs.

What does the small businessman need?

Management help, aid, and assistance is a primary need of our small businessman today. Dun & Bradstreet tells us that over 44 percent of the business failures in 1959 can be attributed directly to the incompetence of management. Lack of sufficient, balanced managerial experience accounts for an additional 35 percent of the failures, while unfamiliarity with the product line adds another 12 percent to the record. Thus, over 90 percent of the failures in 1959 can be attributed to one or more phases of management incompetency or inexperience.

Despite efforts on the part of Small Business Administration officials and employees, which have produced substantive results, much more remains to be done. General Government experts can do only so much, and there are not enough of them to put more than a dent in a problem of such magnitude.

My bill will not only alleviate this problem, but will, I believe, resolve a large percent of the problem. My bill, if passed, will provide small business advisers operating out of the business centers in the United States and will be immediately available to the small businessman for on-the-spot consultation whenever problems arise. This adviser, using his skill, experience, and know-how, will provide sound management advice and technical assistance to any small businessman who seeks it.

He will have at his beck and call—on a when-actually-employed basis—the literally hundreds of retired, successful businessmen who are concerned with the economic prosperity of their local communities, and who would be willing and anxious to assist the adviser when he is faced with problems beyond his comprehension or competence. These retired men have been owners, managers, production specialists, and technicians who can give the technological aid so necessary for efficient operation of a plant or store; they have been financial specialists or operators who know how to raise and manage capital and operating funds; they have been marketing and distribution men who already have solved many of the mysteries of that important phase of business operation. Advisers, moreover, will have an intimate knowledge of Federal Government publications, technical bulletins and management aids, and sources of technical data. They will be able to help the small businessman exploit the almost limitless information resources already available, but of which he is presently unaware.

The Agricultural Extension Service is a fine example of what such an Extension Service can accomplish. The Agricultural Extension Service has given immense assistance to farmers. This assistance has been in the form of advice and information about how to perform certain operations, and how to perform them more efficiently. An especially important function of the Agricultural Extension Service is the management advice and counseling which it provides.

Undoubtedly, the advice and assistance which has been given to farmers by the Agricultural Extension Service has often meant the difference between success and failure in an operation.

One of the primary reasons, if not the primary reason, for the success of the Agricultural Extension Service is that it is a grassroots operation. That is, advice and information comes from individuals who are in the community and who are acquainted with the situation, problems, resources, and conditions in that area.

The Agricultural Extension Service is, in effect, an Extension Service for one facet of small business. It is my contention that this proven valuable service should be extended to all facets of small business.

There may be some in the business community who will be concerned about the extra cost involved in this legislation so I would like to point out that this bill does not propose a huge governmental spending program. The Extension Service would operate primarily through, and in cooperation with, existing community organizations, such as the chambers of commerce or as a department in that organization. The Federal Government would pay only the salary of each small business adviser; in order to qualify for the salary grant, which would be for one such adviser only, the community or organization would have to bear the remainder of the expenses in relation to the operation of the office.

In our enterprising Nation where such rapid advances in science and technology are being made, new products and processes appear almost daily. Of course, this leads to increased obsolescence of plants, equipment, and products. Unfortunately, the small businessman is unable to enjoy the fruits of this research and development. He cannot afford to undertake a research and development program on his own account. He has neither the time nor the ability to evaluate the profit potential of a product or process discovered and developed by someone else. In this regard he cannot hope to compete with a large concern. Here the small business adviser will be most helpful. He will direct the attention of the small businessman to new developments affecting the businessman's field of operations. He will make available information with respect to new products and processes that can be manufactured or employed by the businessman.

These small business advisers will be performing an important and useful service and eventually, I know, will become dependable, invaluable cogs in the machine we call our economy. Small business will benefit, and the American people as a whole will profit.

We know the value and importance of small business. We know, too, that small business needs some type of assistance. A huge Government spending program is neither needed, nor is it the answer. An extension service, operated on the grassroots level by individuals with a knowledge of the area and its problems as well as with a knowledge of small business operations, and providing information and advice on more efficient operations and management techniques, would, I think, be the answer to many, if not all, the problems of small business.

I think that it is imperative that this body give attention to the proposal to create a small business extension service.

AUTOMOBILE MANUFACTURERS AND MONEYLENDING

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, the distinguished gentleman from Michigan [Mr. MEADER] recently came to the defense of the practice of the automobile manufacturers in financing and insuring their own cars in a rather novel way. The gentleman from Michigan inserted in the RECORD a statement submitted to the House Judiciary Antitrust Subcommittee by the National Automobile Dealers Association opposing H.R. 71, a bill introduced by the gentleman from New York [Mr. CELLER] to take the automobile manufacturers out of the moneylending business.

I testified before the subcommittee, headed by the gentleman from New York, in favor of the bill on June 9. During that testimony and in remarks later on the floor, I questioned why neither the American Bankers Association nor the American Automobile Dealers Association had responded to invitations to testify. More than that, I pointed out that both groups should have been eager to testify because the proposed legislation is for the good of the business of their membership and is in the public interest.

Mr. Speaker, I want it clearly understood that nothing was heard from the Automobile Dealers Association until I criticized the group in a public committee hearing on June 9. Then, on June 30, the very last day of the subcommittee's hearings, the Automobile Dealers Association submitted a statement. A representative of the association could have appeared at the open hearing that day or earlier and submitted himself to questions. Although the gentleman from Michigan [Mr. MEADER] said they submitted a statement, they did not testify. There is a difference between testifying and submitting a statement.

Even the remarks the gentleman from Michigan placed in the RECORD admitted that the Automobile Dealers Association had been urged to appear before the subcommittee, but had failed to do so. But on the very last day, apparently at someone's prompting, the association slipped a statement into the subcommittee's file. This is what I would term an unusual approach to getting a statement, if considered by the National Automobile Dealers Association to be of importance before a congressional committee. It was hardly a dignified presentation in view of the importance of this great organization, the National Automobile

Dealers Association. It cannot be termed exactly a sneaky entree because it was done in broad daylight. I still wonder why the National Automobile Dealers Association failed to permit one of its officers to submit himself to questioning by the subcommittee. Can it be said there was something to fear? Surely, live testimony is more effective than some printed words on a piece of paper. That would be testifying.

The tenor of the remarks of the National Automobile Dealers Association and the gentleman from Michigan is that the automobile dealers are struggling for survival and must have help if they are to survive.

The National Automobile Dealers Association statement said:

> Last year the industry lost 2,500 dealers; nearly 300 dealers failed; 22 percent of dealers operated at a loss; and average operating profit before taxes as a percentage of total sales was 0.5 percent for the franchised dealer. In the first quarter of this year, nearly 40 percent of all franchised dealers operated at a loss; and the combined operating results before taxes for all franchised dealers average out to a loss of 0.2 percent on total sales.

Now, the gentleman from Michigan points out that all three of the largest automobile manufacturers—General Motors, Ford, and Chrysler—have operations in his district. One has a proving ground, another makes automobiles and trucks, and the third has parts plants, so the gentleman has some knowledge of the automobile industry and is closely associated with it.

He knows whether the automobile manufacturers have the interests of their dealers at heart, and whether they are concerned about the financial success of the dealers' operations.

If the manufacturers are so considerate of their dealers' prosperity, why did the gentleman omit entirely any reference to my remarks about how the manufacturers could be of genuine help to the dealers?

I propose that the manufacturers make low interest loans to their dealers to provide them with working capital to handle the financing themselves, with a requirement that the dealer, in turn, keep the interest rate low to the buyer. This would give the manufacturer some interest on the loan and also provide a modest profit for the dealer. In that way the local businessman, the dealer, would be making the profit. The money would go into a local bank and would be borrowed many times over by local businessmen to be plowed back and recycled within the economy of the local community. As it is now, the profit is drained from the local community by an absentee owner.

But, Mr. Speaker, the gentleman had no comment, I will state, except the dealer interest. The gentleman had no comment on my suggestion and he indicated no interest except a desire to keep the automobile manufacturers in the financing business which will permit them to have a double profit from the production of motorcars. The gentleman from Michigan did agree with me on one point—he must have wondered where the bankers were, too, because he said:

> I agree with the gentleman from Texas that the passage of H.R. 71, by preventing the automobile companies from competing in the automobile financing and insurance market, would redound to the benefit of the banks as well as the independent finance companies.

I hope the gentleman agrees with me that the health of any community depends on all of its local business institutions making a profit—the banks, the finance companies, automobile dealers—all of them. It cripples a community's economic health when the profits made by its business institutions are siphoned off by the faraway owners of one of the Nation's greatest industries.

Now I have the highest regard and the greatest respect for the gentleman from Michigan. I know something about the fine record he has made in the Congress. I know his interest, his demonstrated interest for the small businessman and small communities. I would like to invite his attention to this one fact—that I think there is no difference between us at all, and I doubt that there is really any difference if each of us understood the other's views as to exactly what we are trying to do. But, if there is any difference, I suggest it is this.

It is my contention that the community life and spirit in America is drying up because of absentee owned businesses in the towns and cities throughout America; that the stores are owned by absentee owners, or at least too many of them are owned by absentee owners; and that the profits of those stores and businesses go immediately to New York, Chicago, and other big cities, or to some other place and, thus, the local community is deprived of the use of those profits. Now I do not say we ought to have all small businesses. I know there is a place for big business in the United States. I do not oppose big business just because it is big. I only oppose big business when they throw their weight around so that by reason of their size they destroy their competitors and destroy the interest of the public.

Let us, for instance, consider an absentee-owned store and a locally owned store. The locally owned store's profits remain right there in that community. The profits go into a local bank. Under our banking laws, the credit can be expanded from $10 to $1, to $20 to $1 on every dollar of that profit that stays there. That helps the local community from $10 to $20 for every $1 that stays in that community. It helps everybody. It goes toward the progress and development of that community. It helps everybody.

But, consider the absentee-owned store across the street. They make money the same as the locally owned store. The money goes into the local banks and stays there 24 hours or 48 hours and then flies swiftly to New York. So that is seed corn money, we will say, and it is taking that seed corn out of that local community and flying it away and that community is forever deprived of their opportunity to use that seed corn money. There is the difference, if there is any difference between the gentleman from Michigan and myself. I feel that local ownership is the principal question involved. The question of competition will take care of itself. The banks compete with these financing companies. The financing companies have more financing companies building up every day, organizing to compete with them. The local State laws take care of the usurious interest that may be charged, if they attempt to charge usurious interest.

The State laws could take care of any excessive charges for insurance or any other purpose. In my view this service is a question of local ownership versus absentee ownership. If we do not do something like H.R. 71 provides, we are in effect permitting the charter by General Motors, Ford, and Chrysler, of a national system of banks for all purposes, genuine purposes they are performing banking functions all over the States. The difference is that the local finance company and the local bank keep the profits right there at home and forever that community gets the benefit and multiplies and expands, creates employment in that area. But whenever you permit those funds to fly out overnight to New York or other places you deprive these local communities of the benefit of those net profits and reserves in their local bank, and you cause those local towns and cities throughout America to dry up. There is no opportunity left in many of these towns for local people. When money is gone, people 35 and 40 years of age cannot get a job because the representative of the absentee owners say, "Well, my boss is in New York and I do not have the power to hire anybody over 35 or 40 years old." These employment opportunities are gone, opportunities to go into business are gone. The survival of America is involved in questions like this.

May I state to the gentleman that those of us—and all of us are interested in doing everything we can against communism—I believe it was Mr. Khrushchev who said one time, and he is pretty high up in the Communist cause, that as long as small business prospered and thrived in America, as long as each American owned a little piece of the country, communism would never get a foothold in America. And so right he is. As long as we have small businesses all over the country, millions and millions of businesses like that, we have a great bulwark of strength against communism or socialism in this country that we would not have if we permitted these absentee owners to drive out or drive into bankruptcy these local owners.

The bill H.R. 71 goes in the direction of encouraging local business locally controlled, locally operated, and locally owned. It helps everybody in the community and helps everybody in the Nation. So that is one of the main reasons that I am in favor of H.R. 71. It helps the local man, it helps to keep local profits at home and those local profits going into the local banks become a reserve upon which $10 to $20 in credit can be issued for development and progress of the entire community. That is the issue involved in this more than

anything else, and I suggest that that issue should be the paramount one in our consideration.

Of course, the gentleman from Michigan would like to imply that I want to protect the local banker from the competition of the captive automobile finance companies. Maybe he is right in part. I am anxious to protect the local bank from unfair competition from the giant auto companies. And I do not see how anyone can close his eyes to the terrific leverage these captive finance companies of the giant auto companies exercise.

Has it ever occurred to the gentleman from Michigan that these captive auto finance companies can defy overall national credit policy and place a squeeze on the local banks? Let me illustrate this by quoting from a very interesting article entitled "Competition, Credit Policies, and the Captive Finance Company," by Dr. Paul H. Banner, appearing in the May 1958 issue of the Quarterly Journal of Economics. Dr. Banner states:

> It may be to the competitive advantage of the parent to adopt policies at variance with monetary objectives and to be in a position to do so. If the Government, for example, is fostering credit restriction to limit business borrowings for inventory purposes, banks will more carefully review consumer credit applications and generally slow down their lending activities. If captive finance firms are the sources of credit for dealer inventories, pressures from the parent firm to continue lending may be too strong to resist even though further lending may be unprofitable. Independent market forces do not directly pass judgment on this demand for credit.

In other words, by operating its giant captive finance company, General Motors can defy the public interest and the national credit policy. Not only that, but it can utilize this as a device for knocking the local banker out of the automobile finance business.

I wonder if the gentleman from Michigan has also ever considered the power these captive finance companies can exercise to drive the local finance companies out of the automobile finance business. Let me quote again from Dr. Banner's article:

> It must always be remembered that the captive firm exists primarily to promote the sale of the parent firm's products. Not only may it not feel the usual profit incentives operating upon the independent firm, but knowing that these conditions exist it may take advantage of the situation to enhance the parent firm's market position. If the captive firm is to be used to further the parent firm's market position, it cannot allow itself to be limited by the same criteria as limit the independent firm.

In somewhat less elegant language, this means simply that the giant automobile companies can operate their finance companies with little or no profit at all simply to push automobile sales, with the effect of driving out all other financial institutions from this line of business.

We have seen that General Motors has been able to dominate the automobile industry and has used its captive finance company to further these ends. The terrific advantage it has had in using its captive finance company in squeezing out other automobile producers from the market is well known. So the giant automobile companies with their financing affiliates can squeeze at either end—they can squeeze against the few remaining independent automobile producers, or they can squeeze at the local level against independent financial institutions. At the same time they can defy national credit policy.

I submit this is too much power to leave in the hands of General Motors.

Although the American Bankers Association failed to testify before the House Judiciary Antitrust Subcommittee on H.R. 71 to prohibit automobile manufacturers from financing time sales of the automobiles they produce, an independent bankers association representative did appear in support of the bill.

I was aware that the IBA representative testified, but was unable until now to obtain a copy of his statement.

The following is his testimony:

Mr. Chairman and members of the committee, my name is R. L. Mullins. I am president of the Wolfe City National Bank of Wolfe City, Tex. Wolfe City is a small town of 1,500 people and located in the Fourth Congressional District of Texas.

I am also chairman of the legislative committee of the Independent Bankers Association of America, with its principal office in Sauk Centre, Minn. I am a past president of that organization and a member of its executive council.

I am here today to testify in support of H.R. 71, which bill, I believe, is referred to as the "Automobile Finance and Insurance Act of 1961." In April of this year, at a meeting of the executive council of the Independent Bankers Association, I mentioned this bill and told the council that I would likely testify about it, or that if I was unable to testify, someone representing the association should appear in support of the bill.

The Independent Bankers Association was organized some 30 years ago, for the express purpose of resisting monopolies in the field of banking. Our association is composed of about 6,000 community-owned community-centered and community-operated banks.

We represent the banks at the grassroots of the country. We have, through the years, consistently opposed branch banking, holding company banking and chain banking, maintaining that branch offices and/or holding company banks and chain banks are instances of absentee ownership which cannot serve the public as well as the community-owned banks, staffed by local people and with local boards of directors.

As might be expected, therefore, our sympathies, and sometimes our actual activities, extend to the small, independent businessman and his operations. This is especially true when he is in competition with large, corporate structures which do business on a national scale or, sometimes, on a regional or area scale. In this instance, we speak for the smaller banks which feel the competition from the automobile-manufacturer-owned finance companies. We also lend our support to the idea that the smaller finance companies which are not manufacturer-owned, along with the smaller banks and the local insurance agents, should have a fairer chance at financing and insuring automobile installment purchases.

In preparation for my testimony before your committee, I placed a number of telephone calls to my banker friends in several States and asked what had been their experience in the automobile finance field. I completed 15 or 16 of these calls and, while I found some difference of expression, I believe that I can reasonably summarize my findings as follows:

First. In recent years, the banks have been getting fewer and fewer automobile loans on new cars. Without exception, I was told that the keenest competition comes from General Motors Acceptance Corp. and franchised dealers who favor or solicit business for GMAC.

Second. The banks feel that the dealers are channeling them fewer and fewer loans because pressure is put on the local franchised dealer to put his time-payment sales through GMAC, or suffer some kind of penalty. This pressure is not, my informants think, direct or by threat. It is probably entirely by implication but it is, nevertheless, effective. More than one banker called the dealers "captives" of General Motors and GMAC. If a dealer chooses to route too much paper to a local bank or to a smaller finance company, he may suffer delays in delivery of much-needed cars.

Of course, there seems to have been lately no real scarcity of cars, as such, but a dealer may have cars on his floor which are not the color his customer wants or may not have the desired accessories or have too many accessories. When the need for a special color comes up, the dealer may find himself suffering an unusual delay, because he has not cooperated. One banker told me that a director of his bank was an automobile dealer and that even with this connection it was virtually impossible to get any of the dealer's paper. Another banker told me that in his town a purchaser could actually get a better deal by buying his new car on terms instead of paying cash because of the kickback. I cannot say how much such kickback is, but it has been suggested that it is 25 percent of the financing charge. Some bankers said that even with lower rates than that offered by GMAC, the papers still did not come to them. A 4½-percent bank rate versus a 6-percent GMAC rate would not get business in some localities because the dealer would still channel the paper through GMAC. Whether this is because the dealer shares in the charges or because of alleged pressure, or both, such placement of instalment paper goes on.

If I mention the General Motors-owned finance company mainly in this testimony and do not refer to other similarly owned companies, it is because (a) in some communities other companies are not presently a factor and (b) only one or two of my banker friends mentioned other companies in our conversation.

It is my opinion that the relationship between finance companies wholly owned by automobile manufacturing companies naturally tends to be monopolistic. It would run contrary to human nature for the two not to have some kind of alliance for getting business, one for the other.

If I might interpose my personal feeling about monopolies, I would say that it is unfair to just categorically say that everything big is bad; and, of course, everything that is big is certainly not monopolistic. However, I do feel that when big business gets to be giant business, and sometimes even before, it will bear watching. Sometimes it needs to be curbed. Vast accumulations of money, enormous sales volumes and/or the exchange of tremendous amounts of money (as in the purchases of supplies for a war effort)—all these things are an invitation to abuse. Management of big enterprises become enamored or enchanted with bigger sales figures, more return on capital investment, bigger general ledger figures, a better record for the board of directors; and in the rat race to become the biggest, or to show higher and higher gains each year, men sometimes fall into error. I believe that this was demonstrated recently in the unfortunate price-fixing scandals in the electrical

manufacturing business. I cite the incident to illustrate the pressure under which men associated with big business sometimes operate and which colors their thinking. Some of these men, I am sure, felt that they just had to do the things they did, in order to stay in the swim and make the grade. Their acts might be said to be part of a feeling that they must retain a kind of status within their industry, at all costs. The cost, of course, turned out to be heavy.

I am certainly not qualified to say whether there is a parallel between the relationship between the DuPont interests and General Motors, and the relationship between General Motors and General Motors Acceptance Corp. However, as a layman, I attach no little significance to the recent decision of the Supreme Court relating to the divestiture of GM stock by the DuPont interests. If there is a parallel situation, then the time would seem opportune for the enactment of H.R. 71. If the situation is not parallel, it is still much-needed legislation.

I shall be glad to go more into detail orally concerning my conversations with the various bankers when I called them in preparation for my appearance here, or to clarify any statement I have made herein.

To conclude, individually, and as spokesman for the Independent Bankers Association, I support H.R. 71. I feel that both General Motors and General Motors Acceptance Corp. are big enough by this time to stand on their individual feet and compete for business with local banks, local insurance agents and smaller finance companies without assistance or pressure of any kind. I believe that the connection between any automobile manufacturer and its wholly owned finance company tends to restrain free and open competition for automobile installment financing and the insurance of automobiles purchased on time, and is against the common interest.

The ABA membership consists principally of about 6,000 of the truly small independent banks of our country.

Mr. Speaker, there are cases where the American Bankers Association has supported legislation that has been helpful to both the big and little banks, but in my 33 years in Congress I do not know of a single instance where the ABA has actively supported legislation that would help only the smaller banks.

In other words, I make that statement, and if there is any contradiction of it, I would like for someone to contradict it. I say that in the 33 years I have been in the U.S. House of Representatives I have known many bills to be pending in this body that were supported by big business and opposed by little business, and some the other way around. But I have never known a time when there was a controversy in the House of Representatives between big business on the one side and little business on the other side, in this case big banks on one side and little banks on the other side, where the great American Bankers Association has ever one time taken the side of the small banks of the United States. If the gentleman knows of an instance where that is not true, I would like to know it. That same challenge goes to anybody in the Congress or in the United States of America. I do not believe they can point out one. I would like to see it myself.

When you talk to the American Bankers Association representatives about this, and I have, they start off by saying 95 percent of our members are small banks. I say, "Yes, I know they are, and I cannot understand why you go against them all the time." Of course in supporting banking legislation where small banks and big banks are all together, that is easy. I am talking about when big banks are on one side and small banks are on the other, I would like to know where they have ever one time taken the side of the little banks. I do not believe anybody will be able to point it out.

I might be mistaken, Mr. Speaker, and if I am I would like to be corrected. I would like to know of one case where the ABA has taken the side of little banks with the big banks on the other side.

I submit, Mr. Speaker, that the point here is local business, locally controlled, locally owned, where the profits from that business stay in the local community and stay in the local banks, become a surplus upon which credit equal to $10 to $20 on every dollar may be issued from now on out. It helps the progress and the development of the local community that much. Or whether we will encourage defeat of H.R. 71, encourage the establishment of a national branch banking system under Chrysler, Ford, and General Motors, and let them draw out the net profits from every community in America every night into Wall Street and deteriorate and seriously destroy community life and spirit throughout the United States.

I say that is the issue.

Permission having been granted I am extending my remarks to include a letter to the chairman of the board of the National Bank of Detroit. The gentleman from Michigan [Mr. MEADER], is inserting the letter I received from him.

It is as follows:

JULY 28, 1961.

Mr. DONALD F. VALLEY,
Chairman of the Board,
National Bank of Detroit,
Detroit, Mich.

DEAR MR. VALLEY: I have received your letter in which you take exceptions to my testimony in support of H.R. 71.

In your letter you state, "I was shocked at the cynicism implicit in your remark that you feel the banks should have joined in support of the bill because 'it would help their business.'" You overlooked one important part of my sentence. I will quote all of that sentence which I made in my speech of July 17. It is as follows: "This is a bill that would help their business and would be in the public interest."

My criticism was that since you could help the public generally, or the people, and at the same time help your own business, I could not see why the banks did not render what I consider to be real public service by testifying for this bill.

You have to draw upon your imagination to the straining point, I am sure, by stating in your letter that you considered my attack on the banks' silence as an implied attack on the free enterprise system. Certainly I was not attacking the private enterprise system.

Furthermore, the automobile dealers can testify as to my sincerity of purpose since I was the author of more than one law that aided them substantially during World War II and after World War II.

For your information, I am sending you a statement that I made at the White House a few days ago that contains more information about my fears concerning the present trend of monopolizing the business of the Nation into the hands of a few people in a few large cities.

Anyway, I appreciate your criticism. It is possible that you have an ax to grind in view of your connections and dealings with General Motors and GMAC. However, I shall assume that your criticisms are based upon the sincere desire of a good citizen to do what you believe to be in the public interest in making the criticisms.

Sincerely yours,

WRIGHT PATMAN.

I am also inserting a copy of my remarks at the White House, referred to by me in the letter, as follows:

This Nation is experiencing an economic crisis. Small towns, including, the family-sized farms and small businesses, represent the backbone of our country; they are being crushed. This situation is graphically illustrated by the sharp population drop in small towns and rural areas.

Local business is being threatened with destruction in many lines of activity carried on in the traditionally private enterprise way by local people. Local ownership is being replaced by absentee-owned businesses. The great American dream to own and operate independent businesses is evaporating. We are becoming more and more a nation of employees of the giant corporations remotely controlled.

Opportunities for people past 35 or 40 years of age to obtain jobs are less favorable and, in some areas, absolutely impossible. New small business opportunities for local people are no longer available as in the past. Decisions affecting local business are made in distant cities. Net profits made by absentee-owned business are taken out of the local communities, seriously hampering civic development. At the same time, local banks are not the depositories of locally produced profits which would provide reserves for expansion of many times the amount in credit which could be provided to local citizens for developing new businesses. This is causing community life and community spirit to deteriorate.

As people are forced to go to the large cities, they place a tremendous burden on community services, including hospitalization and education, with the consequence that greater and greater public assistance is required.

Looking into the foreseeable future, it is not in the interest of this Nation for the small towns, small businesses (including small banks), and small farmers to be destroyed. The big cities cannot carry the burdens and responsibilities that will be imposed by such concentrated populations. Many of them will be forced into a bankrupt position. The young men and young women of the future are entitled to better opportunities.

America's greatest bulwark against communism has always been the strength of its small businesses and small towns. The Communists recognize this. They are aware that they cannot get even a small foothold in our country so long as so many of our people operate and own businesses in the private enterprise way, and own their homes and farms. Small business is one of the greatest bastions of strength against communism.

Our New Frontier does not lie in the development of bigger and bigger cities and the concentration of more wealth into the hands of fewer and fewer businesses.

Our New Frontier must contemplate privately owned businesses, locally owned business, and moneymaking opportunities for people locally, ownership of farms by small farmers and the protection of the small towns and rural life of America.

The great insight of the President into these serious economic problems is widely

recognized by all Americans and his continuing efforts and cooperation in bettering the situation of small business are deeply appreciated.

PERSONAL EXPLANATION

Mr. DULSKI. Mr. Speaker, I was unavoidably prevented from voting on Senate Joint Resolution 120 on account of delay in reaching Washington because of airline trouble at Buffalo, N.Y., this morning. Had I been here, I would have voted "yea" on the bill authorizing the President to order up members of the Ready Reserve for an additional 12 months.

AUTOMOBILE FINANCING

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 30 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, the gentleman from Texas [Mr. PATMAN], who has just addressed the House, courteously called me this morning and advised me that he intended to make some remarks on the subject of automobile financing in which he intended to make some reference to statements I had made. I have listened to the gentleman's address with great care and some interest. I notice that he repeats again that the automobile dealers have failed to come forward in connection with H.R. 71——

Mr. PATMAN. Mr. Speaker, will the gentleman yield at that point?

Mr. MEADER. I yield to the gentleman from Texas.

Mr. PATMAN. I said they failed to testify, and I said the fact that they filed a statement was not testifying. That is the difference.

Mr. MEADER. I have no quarrel with the correction the gentleman desires to make in my expression, but I also, in my remarks made on the floor of the House on July 17, which appear on page 12738 of the RECORD of that day, inserted a colloquy between the gentleman from New York [Mr. CELLER], and myself, in which I urged that dealers, individual dealers, not their trade association, be called by the committee, by subpena, if necessary, because that was the source of the most accurate information on the critical issue raised by this legislation.

The critical issue is: Is it going to cost the consumer, the car purchaser, more to buy a car if you drive General Motors and Ford out of competition in automobile financing, or will it cost less? That is the critical issue. And, the one person who knows is the dealer who has to sell his paper. He can sell it to the local bank, he can sell it to the local finance company, he can sell it to the small finance company or the giant finance company.

When the gentleman from Texas speaks of absentee ownership, he speaks only of the automobile companies; he does not mention CIT, CCC & Associates, and other nationwide farflung financial giants. And, when they do business in a locality, they will be able to do so more easily if they do not have the competition from the motor vehicle finance companies. That money flows away to Wall Street just the same as it does in the case of GMAC.

Mr. PATMAN. Mr. Speaker, if the gentleman will yield further, you see my argument applies to them, too, but doubly so in the case of the automobile producers, because they have a captive situation that the others do not have.

Mr. MEADER. Well, that may be subject to another long argument, because I was just talking to a banker in my hometown the other day who told me he would send me the facts concerning a threat made to a dealer by an independent finance company that they would not floor-plan his cars any further unless they got more of his retail paper. So, apparently, the finance companies who are not under an injunction, such as the motor vehicle companies, are rather freer to use, let me say, more effective sales methods than those who are enjoined by the consent decree from coercing dealers in selling their time paper to their finance affiliates.

Let me come back once more to this matter of the money staying in the locality. The gentleman from Texas, I know, has a great reputation for being concerned about small business. He is chairman of the Committee on Small Business, and I think his committee has done a great deal of good. But, let me add, he is not any more concerned about the health and vigor of small business than the gentleman from Michigan who is addressing the House right now, and it is precisely for that reason that I am opposed to H.R. 71.

I must say to the gentleman from Texas that I started out these hearings with an open mind, and I wanted to get the truth about whether or not this was going to benefit the public and benefit production and employment in the motor vehicle industry, which is the largest manufacturing activity in my congressional district, as the gentleman has previously pointed out.

I must say that although we did not call dealers and did not have comparative rates in our record to the extent I would have liked, through contacts with dealers in my district and outside, I have received what to me is rather overwhelming evidence that the passage of H.R. 71, by prohibiting the manufacturers of motor vehicles from facilitating the sales of their products by financing time sales would be harmful to the consuming public in the purchase of automobiles. It would depress the automobile market and it would depress the automobile manufacturing industry which is very vital to the State of Michigan.

Mr. Speaker, now with respect to the banks, the big banks, I am not going to stand here and try to defend the American Bankers Association. That is not my interest whatever. If the gentleman has issued a challenge, he has issued it to the wrong man because I simply have not had the contact with banking legislation that the gentleman has had since he serves on the Banking and Currency Committee. I assume if the American Bankers Association knows about the gentleman's remarks it may take occasion to straighten him out on them.

Mr. Speaker, I do have a letter dated July 27, 1961, from the National Bank of Detroit, addressed to the gentleman from Texas [Mr. PATMAN]. I would like to ask the gentleman whether or not he has received that letter?

Mr. PATMAN. If the gentleman will yield, I have not only received it—I answered it. The gentleman in that letter says that I was appealing to them to help their own business by quoting something that I was supposed to have said in my testimony, but left out the main part of that very sentence. You know what he said: "This is a bill that would help their business." That is the part he quoted in that letter, but what I actually said was "This is a bill that would help their business and be in the public interest."

Mr. Speaker, that is the reason I could not understand why the bankers did not come forth and do something that would not only help their business but help the public interest at the same time.

Mr. MEADER. I think I shall read the letter to the gentleman from Texas, if he has no objection. It is from the National Bank of Detroit, and it is a very important statement. It expresses at least the opinion of one large bank in the State of Michigan.

Mr. PATMAN. Mr. Speaker, if the gentleman will yield, I will insert my reply to it in my statement.

Mr. MEADER. I would be glad to have the gentleman do that following this letter, if he would like to do so.

NATIONAL BANK OF DETROIT,
Detroit, Mich., July 27, 1961.

Hon. WRIGHT PATMAN,
House Office Building,
Washington, D.C.

MY DEAR CONGRESSMAN: I note in the CONGRESSIONAL RECORD of July 17 that you express puzzlement as to why banks, banking associations and the National Automobile Dealers Association have not been heard from in support of H.R. 71, which would prohibit General Motors and other automobile manufacturers from financing the sales of their automobiles.

As you must know by now, the National Automobile Dealers Association had submitted a statement in opposition to H.R. 71 prior to your July 17 address.

As far as the banks are concerned, I think Congressman MEADER accurately summed up their reaction when he reported they did not appear to consider the bill of immediate interest to them. I am impelled to write this letter because of the nature of your insinuations regarding the banks' silence, and your implied attack on the free enterprise system.

I was shocked at the cynicism implicit in your remark that you feel the banks should have joined in support of the bill because "it would help their business."

It is probably true that adoption of H.R. 71 would result in an increase of the banks' share of this particular form of business.

I might say parenthetically, Mr. Speaker, our record shows that of the outstanding $14 billion, or something of

that character, of automobile paper, the banks hold 46 percent of it. I am talking about retail paper.

The letter continues:

However, I have grave doubt that there would be any substantial benefit to banks in the long run. If the move resulted in a decrease in auto sales—as I think would be likely—the total effect would be harmful to banks as well as to the public at large.

As the leading bank in this automobile center, we have a large installment loan operation, the most important division of which is devoted to lending on automobiles. This includes loans made direct to car owners and automobile lien notes purchased direct from 331 new car dealers in the Detroit metropolitan area, including 118 dealers in General Motors cars. In this business we compete with no less than 6 finance companies operating on a national basis and 5 operating on a regional basis, as well as 18 banks and numerous other lending institutions.

We regard GMAC as a strong competitor, but a fair one. We feel that by providing a nationwide pool of credit, GMAC has held down the cost of auto financing for the average purchaser, and that the net result has been to enable more people to buy cars, to the benefit of labor, dealers, financial institutions, and the general economy.

From your remarks as printed in the CONGRESSIONAL RECORD, I gather that you believe the banks should be grateful to you and your colleagues for your efforts to prohibit automobile manufacturers from financing the sale of motor vehicles, and are puzzled at the banks' lack of gratitude.

I must admit that we would be happy to increase our portion of the automobile finance business. But we believe it is in our own interest—and in the interest of every American—that we achieve this through honorable competition rather than by special interest legislation.

Such an action by Congress would be no more constructive or desirable, we think, than if you were to legislate out of existence the bank across the street from us, the finance company down the block, and all the other organizations which vie with us to supply consumers with the means of enjoying the fruits of American production.

Sincerely yours,

D. F. VALLEY.

Mr. Speaker, the point on which the gentleman from Texas and I disagree is not whether we like to see a healthy small business, whether we like to see healthy communities, or whether we like to see profits stay in a community, and so forth. We do not have any quarrel about that. Where we disagee is whether this bill, this mechanism, would help the small fellow or hurt him. There are some 40,000 automobile dealers in this country. Most of them I think you would classify as small businessmen. I heard from one after another that if GMAC and Ford Motor Co. are driven out of business and they must look direct to the banks for first-class credit, or to these large finance companies which historically have been known as high rate companies, many of them will go out of business.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman states that the manufacturers want low rates for the purchasers of their cars, which, of course, is a commendable position for them to take. But if that is their only reason for low rates, why do not they help those dealers that are going broke, according to the gentleman's own statement? They are in an unhealthy spot. They are almost bankrupt all over the Nation. So instead of letting General Motors have the most lucrative part of their business, why does not General Motors help them carry on that lucrative part, which means that there is more money in installment paper in the form of profit than there is in the sale of the automobile itself. Why does not the gentleman attempt to answer my question that the manufacturers help the dealer at a low rate, with the understanding that the dealers will furnish it to the purchasers at a low rate? In that way the net profit in the community would stay at home and the manufacturers would have the assurance of low rates to the purchasers of their cars.

Mr. MEADER. That is a kind of question like "Why don't you stop beating your wife?" The truth of the matter is, the gentleman said I did not answer it in my speech on July 17, but that was not the point. The gentleman said the bankers and the dealers were silent. That is what I was talking about.

Now I will answer the gentleman about this question of financing the dealer by the motor company. Does not the gentleman know they do that precisely right now? I have a letter from a dealer in the vicinity of Washington which I have put in the record of our hearings. He happens to be a Chevrolet dealer. He was financed by the Chevrolet Motor Co., not just for floor planning but for his capital. He said in that letter that they did not urge him to finance his paper with GMAC. On the contrary they thought it would be advisable from his business point of view to have a variety of sources of credit. As a matter of fact, he does not finance with GMAC but some independent finance company in Delaware.

Mr. PATMAN. Will the gentleman yield so that we can get back on the track?

Mr. MEADER. Mr. Speaker, I decline to yield. I would like to go on. The General Motor Acceptance Corp. and the Ford Motor Credit Corp. provide financing for floor plans.

Mr. PATMAN. I am not talking about that.

Mr. MEADER. Well, they provide financing, wholesale financing, at a very, very low rate. Some of the large finance companies do the same thing. But they do not like that business nearly as much as the high rate retail paper and the banks do not like floor planning loans very well either.

Mr. PATMAN. Mr. Speaker, if the gentleman will yield, I must say that the gentleman does not understand me.

Obviously, he does not understand me because the gentleman is talking about direct loans to the dealer for automobile purchases from the manufacturer and floor plans and equipment and things like that. I am not talking about that at all. I am talking about another question. I wonder why the manufacturer does not furnish the local dealer credit for the purpose of establishing his own financial company so that the agent, the dealer, can handle his own financing company by getting interest at a low rate from the manufacturer of automobiles with the understanding that the rate to the purchaser of the car will be a low rate. Then the manufacturer will have the assurance that his purchaser of automobiles through the franchise dealer will get a low rate of interest, and then the franchise dealer who badly needs this lucrative business would have the profits and keep them in his local bank and, thus, help everybody.

Mr. MEADER. I do not know whether the gentleman from Texas knows any more about automobile financing than I do, but I do know this—that a great many, particularly the larger dealerships, do have their own finance companies. I happen to know Mr. Summerfield, former Postmaster General, who I believe is one of the largest Chevrolet dealers in the world in Flint, Mich. Mr. Summerfield told me he does not do business with GMAC but that he has his own finance company. I know that is true in a great many dealerships.

The instance I gave the gentleman of this Chevrolet dealer here in Silver Spring was that they did provide capital to help him get in business with a low rate loan—not GMAC, but another subsidiary of General Motors.

But be that as it may, the fact is because of the competition of these automobile finance companies, the rates have gone down. I think that is what these independents are afraid of. I believe they are not so worried about the banks who really have taken most of the business away from the independents.

They are afraid of the Ford Motor Credit Co. having entered the field, and there is testimony that since they entered the field, the rates have gone down. They are afraid that American Motors may do it and that Chrysler may do it, and that then they will not have the volume of business on which to charge the high rates that they have charged in the past. That is what they are worried about.

But who is going to pay those high rates? It is the consumer. It is going to discourage the sales of automobiles, and it will harm, I am convinced now, it will harm automotive employment in my congressional district and it will harm the State of Michigan. I just do not want to pass a law like H.R. 71 that everyone, from whom I can find out and who ought to know, says would be a harmful law.

I will say to the gentleman, I am going to insert an article in the RECORD, under leave to do so. I notice my friend, the gentleman from Michigan [Mr. LESINSKI] present on the floor. I hope he will not mind it if I put in the RECORD an article from Ford Facts of Saturday, July 22, 1961. Of course, the head of that union, Local 600 of the UAW, is Carl Stellato who had the temerity to oppose my friend from Michigan [Mr. LESINSKI] a couple of times unsuccessfully. But, at any rate this is what the Ford Facts of July 22 says on this automobile financing legislation:

AUTOMOBILE FINANCING LEGISLATION

There is presently pending in the House of Representatives of the U.S. Congress

legislation which would prohibit automobile manufacturers financing the sale of their products. A similar bill was introduced in the U.S. Senate in 1959. Our position at that time was that we opposed limiting the field of financing of consumer goods. Our position has not changed and we feel that the enactment of any legislation of this nature would increase the cost of automobiles by raising financing charges. We feel that the type of legislation which is now being proposed would leave the field of financing to cutthroat companies and fly-by-night outfits whose main objective would be to gouge the general public.

We feel that if the auto companies were in the financing field this would tend to keep financing charges down. We also feel that the auto companies would have a stake in their reputation with the general public and would be reluctant to add any additional cost to their products through any exorbitant financing charges.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman seems to try to make the point that the alternative would be higher rates. I do not agree with that at all. I agree with the gentleman that we should have rates just as low as possible, that we could have even lower rates if manufacturers were genuine and sincere in their desire to have the lowest interest rate possible for the persons who buy cars, if they would furnish the local dealer with credit, the money to use to have his own finance company and let the purchasers of those cars have money at a low rate of interest, even lower than we have ever had. That would be fine, wonderful. But it looks like the manufacturers want to make double profits, once from the sale of the car and equally as much if not more on financing that paper at the high rates of interest charged by these manufacturers' finance companies.

Mr. MEADER. Let me say to the gentleman that he did not sit through all the testimony as I did, and his statement simply does not comport with the record of the witnesses who appeared. For instance, there was criticism of the dealers made by finance companies that reserves were held for losses on cars repossessed, and so forth, and that money was turned back to the dealers, that was a charge made against GMAC.

The question of whether or not each little dealer could have his own finance company, and if he did whether or not he could manage the operation of the company is quite a different question.

If the gentleman will pardon me, not being an expert in the banking business, it seems to me that for the little dealer to finance his own cars, not being in that business, would be more expensive, that his overhead would be much greater proportionately than the overhead of a larger company. I do not believe it would lead to lower rates but rather would force them up. For every little dealer to finance his sales would actually cause rates to go up rather than to go down.

Mr. LESINSKI. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Michigan.

Mr. LESINSKI. The gentleman mentioned "Ford Facts." What the gentleman states is quite correct regarding financing by the dealer. As a member of the board of directors of a bank myself, I can say that financing car sales is like any health or other insurance, it has to be spread out over a large group. These operations have to be actuarily sound and a small dealer who does not sell many cars could lose money on that operation. Low interest rates would stimulate car sales such as banks provide for today.

Mr. MEADER. I thank the gentleman.

Mr. Speaker, I have received some additional letters from dealers and also a letter from another manufacturer. By the way, I do not know whether the gentleman from Texas realizes it, but there is another bill pending before our committee that would prevent any manufacturer from financing the sale of his product. Does the gentleman think that is proper legislation, to limit the manufacturer in disposing of his products by preventing him from financing sales?

If we pass such a bill in the case of automobiles, why would it not be equally in line to pass a bill applying to any other product? I do not know whether the gentleman has ever introduced legislation that would go across the board and prevent any manufacturer from financing his product, but that is the principle involved.

Mr. PATMAN. I believe in local ownership and leaving the profits at home; and as between absentee or locally owned and operated business I am in favor of the local owner.

Mr. MEADER. Of course, that is not the issue.

Mr. PATMAN. That is the only issue here.

Mr. MEADER. That is not the issue. The issue here is whether you are going to make the consumer pay more, whether you are going to run up the price of cars and depress the automobile market. That is the issue.

Mr. PATMAN. We have lots of ways of keeping costs down, but let us not get away from the ill effects produced by absentee owners. They should not be allowed to drain money from the community.

Mr. MEADER. The gentleman would simply prohibit these companies from financing their own products.

Mr. PATMAN. I will say the issue, so far as I am concerned, is between local ownership and absentee ownership and, as I say, I am on the side of local ownership because I do not want to see money drained away from American communities, the seed-corn money drained away from every little community. I think it is destructive to the community life of America. I hope the gentleman does not take the side of absentee ownership against local ownership.

Mr. MEADER. The gentleman from Michigan has made it clear, of course, that he is for the health and vigor of small business and small communities. It was precisely that interest which led me to seek membership on the Antitrust Subcommittee, because I think there are problems involving the economy of this country, but I do not want to do something that is harmful in the name of something that is good. That is what I am afraid H.R. 71 will do.

It would drive more dealers out of business, it would run up the cost of cars to the purchasers and would drive some people out of employment in Michigan.

Michigan has its troubles already, and I do not want to harm my State more by depressing the market for automobiles and making the cost of acquiring an automobile higher than it is today.

Mr. Speaker, as a part of my remarks I include a series of letters, as follows:

SUPERIOR EQUIPMENT CO.,
Ypsilanti, Mich., July 28, 1961.

HON. GEORGE MEADER,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR SIR: In response to your letter of June 30, 1961, we would go on record as opposing H.R. 71.

Since we sell only trucks and trailers, we are most familiar with this field. It is our observation that the entrance of manufacturers into the financing field has brought lower interest rates for many fleet users of trucks. It is interesting to note that while many businesses experienced a slight downturn recently, these attractive finance rates lured fleet users of vehicles to make considerable capital equipment expansion. This increased expenditure for capital goods has undoubtedly created many job opportunities.

Our sentiments are very well expressed by the National Automobile Dealers Association in their statement of June 30, 1961.

Thank you for giving us this opportunity to express our desires.

Respectfully,

G. J. STRAUB,
General Manager.

ROCKWELL MANUFACTURING CO.,
Pittsburgh Pa., July 25, 1961.

HON. GEORGE MEADER,
Committee on the Judiciary,
House Office Building,
Washington, D.C.

DEAR MR. MEADER: As you know, the bills mentioned below, if enacted into law, would prohibit manufacturers from maintaining facilities for the financing of sales of their products at either the wholesale or retail level.

While H.R. 71 and H.R. 783 apply to motor vehicle manufacturers, H.R. 835 applies to all manufacturers of any product sold in interstate or foreign commerce. This is very definitely discriminating legislation favoring unaffiliated finance companies by eliminating legitimate competition by manufacturers, thus giving such finance companies a monopoly position.

It appears to me that the financing of the sale of a manufacturer's own products is an inherent privilege in our free economy and this basic right should not be abrogated in favor of detailed control of individual corporations by special acts of Congress.

May I earnestly urge your opposition to this proposed legislation which will surely result in higher finance and insurance costs on those purchasers who cannot pay cash and who can least afford this additional burden.

Sincerely yours,

W. F. ROCKWELL, Jr.,
President.

SCOGGIN-DICKEY BUICK CO.,
Lubbock, Tex., July 24, 1961.

HON. GEORGE MEADER,
Washington, D.C.

DEAR MR. MEADER: I am writing you with reference to the H.R. 71 of which you are a committee member.

I am very concerned with reference to this bill, as I have been in the automobile business for 34 years and have done business with GMAC during this time. We have our own finance company at the present time and, of course, our dealings with GMAC are limited at the present.

During these 34 years, we have never dealt with a company that was fairer and more considerate of their customer than GMAC. There has never been any coercion of any manner during my experience with GMAC.

To disassociate GMAC from GM would be the greatest blow to the retail automobile dealers that could happen. It would also be a gross injustice to the general welfare of the public as a whole.

I earnestly ask your influence in prohibiting this bill from reaching the floor of the House.

Sincerely yours,

J. RAY DICKEY.

LEADER CHEVROLET,
West Springfield, Mass., July 27, 1961.

Hon. GEORGE MEADER,
Washington, D.C.

DEAR CONGRESSMAN MEADER: It is the unanimous opinion of all 102 members of our organization that H.R. 71 should be defeated, and I am writing on their behalf to ask you to lend your efforts to prevent its passage.

General Motors Acceptance Corp., with whom I have been doing business for 20 years, has been of inestimable benefit to the public. It believes that the best interests of everyone is served when the financing of an automobile is done honestly, fairly, and with a sincere desire to treat the customer well.

GMAC's devotion to these ideals has acted as a deterrent to other financing companies whose interests were purely selfish and who have sometimes given automobile purchasers treatment that was far from fair.

It is our firm belief that were General Motors Acceptance Corp. to be divorced from its association with General Motors Corp. and become an independent finance company that it would no longer serve as a deterrent, and we would find the automobile buying public treated with less and less consideration.

I have no ax to grind. I am not forced to use General Motors Acceptance Corp.; in fact, we divide our business between them and two local banks.

I respectfully request your efforts to prevent the passage of H.R. 71.

Very truly yours,

DAVID H. GLASS.

ADM. ARLEIGH A. BURKE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. STRATTON], is recognized for 20 minutes.

Mr. STRATTON. Mr. Speaker, today marks the final day in uniform for a distinguished American and a great sailor, the Chief of Naval Operations, Adm. Arleigh A. Burke, and I would not want to let this day pass, Mr. Speaker, without taking this moment to pay tribute to Admiral Burke and to call his manifold services to this country and to the defense of the free world to the attention of my colleagues and the people of America whom he has served so effectively over such a long and distinguished career.

May I say that in making these remarks, Mr. Speaker, I speak here not only as a member of the Committee on Armed Services of this distinguished body, but also as a member of the Naval Reserve—one who has had the opportunity, in other words, not only to oversee Admiral Burke's work from the high position of this House but also to serve under him in the greatest Navy in the world.

Mr. Speaker, those of us who are a part of the Navy and who have had a chance to serve in it in time of war as well as peace, have a very special kind of attachment to this great organization which involves a strong personal loyalty to and interest in the affairs of a service of which we are proud and honored to be a part. For this reason any development affecting the naval service is for those of us who have been privileged to wear its uniform a matter of great moment and concern. I am sure that a similar feeling applies to those who have served in our other armed forces, but my experience has been primarily in the Navy.

Now, Mr. Speaker, over the years, Chiefs of Naval Operation have come and gone. I have not had a chance to know too many of them personally, but I have known a few. However, I can say that in the long history of distinguished officers who have been in command of our naval forces and have filled this responsible position there is, in my judgment, none who has done a more outstanding job than Arleigh Burke. For one thing, his length of tenure has been unusual. Few men have served in this capacity for three successive terms. Those of us who have come to know Admiral Burke admire him for many things, among them his absolute integrity, his obvious and deep sincerity of purpose, his profound dedication to American principles of democracy and freedom, and, perhaps most of all, for his fighting heart which typifies so forcefully the finest tradition of an American in uniform.

Yet, Mr. Speaker, although Admiral Burke is a "regular" in the Navy in every sense of the word, that is, a proud graduate of the Naval Academy and one who wears his Academy ring with pride and distinction, there has not been, in my judgment, a Chief of Naval Operations who has given more of his time and attention to the reserve components of our Navy, the citizen soldiers who help round out the full fighting strength of this organization in time of crisis, than has been done by Admiral Burke. In particular, his periodic letters to members of the Reserve telling us about developments in the Navy and calling on us for understanding and support have done more, it seems to me, to maintain the interest and enthusiasm and loyalty of Reserve Forces than almost anything else Admiral Burke could have done. It often seems, Mr. Speaker, that in times of crises we have to fall back on our Reserve Forces in order to see this Nation through difficult days.

In fact today we have approved legislation which is likely to have this effect once again. I know the Navy will be ready to meet its obligation this year as it has always met its obligations in the past, and one of the reasons for this is the sympathetic attention which Admiral Burke, as a Navy Regular, has extended to its loyal reserves.

Admiral Burke can look back today on many achievements in his 6 years as Chief of Naval Operations. In a day when some amateur strategists found it fashionable to suggest that the era of naval power was in the past, Admiral Burke has waged a dogged and relentless fight to maintain this important arm of our national arsenal strong and ready. The Polaris submarine, which has profoundly altered our national strategy, is very largely a result of Admiral Burke's devotion and vision and enthusiastic support of dedicated officers like Admiral Rickover and Admiral Raborn who have seen development of this great weapon through to successful completion. In the same way, Admiral Burke has continued to fight for antisubmarine warfare ships, so as to give this Nation a flexible means of responding to Communist threats overseas rather than being frozen into a single type of nuclear missile response. Indeed it must be with a real sense of pride today, as Admiral Burke steps down from the heavy responsibility of his office, to know that events of the past few months have more than justified his confidence in the seapower point of view which he has so persistently and dedicatedly espoused.

But perhaps more than anything else, Mr. Speaker, Admiral Burke is respected and admired by his associates in and out of the naval service because of his rugged strength of character. He has imparted much of this ruggedness to the Navy which he has led so brilliantly for the past 6 years. In recent months he has also undertaken to try to impart this same kind of basic rugged American virtue to the men and women of the Nation as a whole, recognizing as many of us do, that the ultimate strength of America lies not in its weapons, even such effective ones as Admiral Burke has himself forged in the U.S. Navy, but rather in the character and strength of our individual citizens.

Communism, just over the weekend, has thrown down the gauntlet to America once again. We have been challenged to a contest of survival, and the Soviets have been so bold to suggest that victory is already theirs even without resort to arms because we in this country just do not have the stuff to survive. Well, Admiral Burke does not believe this line, I do not believe it, Mr. Speaker, and I do not think a lot of Americans believe it either. I do not think we are soft, and I do not think we have forsaken the rugged American virtues which brought this country into being 185 years ago and which later led to the development of this country and to its extension from one ocean to the other and even beyond them to Hawaii and Alaska. We have the strength to survive the threat of communism, Mr. Speaker, and we will not and we need not go down the road of softness and self-indulgence which led to the collapse of the Roman Empire in the face of the invading Huns. But we do need to be reminded once again, Mr. Speaker, of what we must do in order to survive

these threats. In this regard Admiral Burke has not only performed, but will in his period of retirement continue, I know, to perform, a most important and valuable service not just to the Navy but to the people of the United States of America in these days of crisis and moral, spiritual, and ideological struggle.

And so, on this occasion, Mr. Speaker, I am happy indeed to pay my tribute to Admiral Burke, to extend to him a warm "well done" for the services he has rendered to our Navy and our Nation, and to wish him the greatest of success in the expanded obligations which now lie ahead of him. I know that the President and the Congress will continue to want to avail themselves of his advice and counsel for many years to come.

Mr. Speaker, Admiral Burke is a native of Colorado. I had the privilege of serving the first year of my own naval service in Boulder, Colo., which is Admiral Burke's own hometown, a beautiful city, at the very spot where the plains meet the mountains in a dramatic and exciting bit of American scenery. The inspired slogan of the State of Colorado is, "Give me men to match my mountains."

The people of Colorado can be proud that they have given to America in Adm. Arleigh Burke a man whose rugged strength and integrity is hewn from the same rugged and solid strength as the mountains of Colorado, and he in turn can be proud to be a true son of this great State of spectacular and rugged American beauty so symbolic of the strength of our American way of life which the U.S. Navy is sworn to defend.

DECLARATION OF SUPPORT

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, in his Berlin statement on July 25, 1961, President Kennedy said that any man who does not bear the burdens of the Presidential office could not realize how heavy and constant are those burdens. He asked further for the help, advice, good will, support and prayers of all Americans.

I am proud to say that patriotic groups in my district have already expressed their support of the President in whatever course of action he may arrive at that will best serve the American people and our Nation. In May, just before his trip to Europe, and on a number of subsequent occasions, I requested an appointment with the President to personally present him with a declaration of support from the Sergeant Stanley Romanowski Post No. 6896, Veterans of Foreign Wars, Detroit, Mich. Having been unable to break the appointment barrier for this purpose, I am using this method to present to him and the public this declaration and to assure him and the world that our citizens stand with him in these trying days.

Following is the text of the declaration:

AN ASSOCIATION OF MEN WHO HAVE FOUGHT AMERICA'S FOREIGN WARS ON LAND AND SEA

To: The President, the White House, Washington, D.C.

Subject: Declaration of support.

From the members, Sergeant Stanley Romanowski Post No. 6896, VFW, Detroit, Mich.

MY DEAR MR. PRESIDENT: We, the members of the Sergeant Stanley Romanowski Post No. 6896, Veterans of Foreign Wars, the largest post in the State of Michigan, comprising a membership of close to 1,200 members, and as citizens of this, our country do hereby declare that—

We, as members of this post, who have served in two wars and the Korean conflict, and who have experienced the horrors of war, the sacrifices demanded of a human being, and have seen the waste of precious life that comes with an armed conflict and the suffering as a result of war, and that

We, as free people, enjoying the freedoms of the great Republic which we live in, abhor the thought of another war, wanting only to live in peace with our fellowman, realize that world conditions today are extremely dangerous, and that

We, understanding the tremendous pressure upon our President, the self-anguish he must be experiencing in wanting to do the right and proper acts on our behalf, and those looking to him for guidance and council, and that

We, knowing if the President has our assurances and our prayers that he will choose the proper path we must follow, will be better able to arrive at these decisions knowing that the citizens of the United States are firmly behind him, do hereby declare that

We, the members of this post, and as citizens, do solemnly promise and pledge our support to the President of the United States of America in whatever course of action he may arrive at that will best serve the American people and our Nation, and knowing this, we are ready to stand up and be counted as proud and loyal citizens of this Republic. We hope that this rededication of ourselves to our country and our President will give to him, the strength, and the wisdom to carry on this most tremendous battle that is now confronting our country.

This, Mr. President, is our declaration of support to you. We hope that in our small way, we may ease your burdens, knowing that the American people are behind you and that if it is necessary again to defend our beloved land, we are willing to fight for it and, yes, willing to die for what we believe in.

May God's blessing be with you and guide you in your deliberations and we, all in our own way, pray for your continued health and that of your family, and that the Lord reach down and give you, Mr. President, the courage and wisdom to lead our country and those other nations to a greater understanding and peace.

On behalf of the entire membership, we remain loyal and true citizens of this great land of ours.

Very respectfully yours,
Yours in comradeship,
DR. ROBERT REPPKE,
Post Commander.

BUDGETARY SACRIFICE DEFERRED TO THE FUTURE

Mr. KYL. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. HORAN] may extend his remarks at this point in the RECORD, and include extraneous matter and tables.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HORAN. Mr. Speaker, on last Wednesday, July 26, the Congress received from President Kennedy the fourth major set of revisions to the January budget of former President Eisenhower. On the spending side, all of them have been upward. The latest one further adds to the defense budget—and further adds to the deficit for the current fiscal year 1962. The fiscal year 1961 closed 30 days ago—$3.9 billion in the red. The President's current official forecast is a deficit of $5.3 billion for fiscal 1962—so that is at least $9.3 billion for the 2 years, with good basis for expecting it to go over $10 billion. Enactment of increased postage rates, for one thing, seems highly uncertain.

The President stresses sacrifices. And there is no doubt that the Congress and the people will bear every burden and make every sacrifice, financial and otherwise, for as long as necessary to defend our way of life. But we must not lose sight of where the financial burden is coming from. Contrary to the general impression, it comes more from nondefense spending. I am certain many find it disappointing that the President did not stress that important fact. If we are to avoid passing these recordbreaking deficits on to future generations then we must make some choices and set some priorities on current nondefense spending. The President has urged Congress to restrain itself from exceeding his budget requests as a guard against further inflation and destruction of world confidence in the dollar. In his national television and radio message on July 26, he said:

> We must keep down all expenditures not thoroughly justified in budget requests.

And he expressed his conviction:

> Every American wants to pay his fair share and not leave the burden of defending freedom entirely to those who bear arms.

To keep the record straight and demonstrate beyond dispute that these deficits—spending beyond income, and borrowing to make up the difference—are more the result of the President's requests for higher and higher nonmilitary spending than to the military necessities, I am including two tabulations of official budget figures. They are right up to date.

NEW OBLIGATING AUTHORITY

In this session of Congress, President Kennedy has so far requested new authority to obligate the Government, just for the 2 fiscal years 1961 and 1962, to the tune of $15,267 million above the Eisenhower budget recommendations. And of that total increase, only $5,708 million, or 37 percent, is for defense military functions, whereas $9,559 million, or 63 percent, is for other than defense military. I got those by merely adding up the budget revisions of March 24, March 28, May 25, and July 26. So it is clear that there is a tremendous

area of nonmilitary increases urged by the President in which he could, if he so chose, pare down to make room for the urgent additions for military preparedness. We simply cannot have our cake and eat it too—not without adding to the burden of future generations.

SPENDING AND DEFICITS

It takes a while for many of these added appropriation requests to result in actual spending, especially in military programs. The second table, also based on official executive reports and estimates, discloses the same situation—and the deficit spending—in terms of receipts and spending rather than appropriations.

The table strikes several comparisons. For example, in the year ended just last June 30, spending was $4,964 million above the year before—and well over half, $2,968 million had nothing to do with defense military functions.

Again, for fiscal 1962, the President proposes to spend $6,858 million above the January Eisenhower budget, but $3,128 million has nothing to do with defense military functions.

And the same 1962 spending proposals of President Kennedy are $11,184 million over the year 1960 which closed just a year ago, but again $5,759 million has nothing to do with defense military functions.

Mr. Speaker, the lead editorial in the July 26 issue of the Washington Evening Star put its finger on the nub of the question:

The added load may have to be borne for many years.

In this situation, it seems to us that at least two things are imperative. Our allies must assume their full share of the effort, despite the obvious reluctance of some to do so. And the Kennedy administration as well as the American people must be willing to give up or postpone expenditures on things which are not essential. True, Mr. Kennedy said last night that we must keep down all spending "not thoroughly justified in budget requests." He seems to think, however, that everything for which he has asked since taking office is justified, and he offers the easy assurance that "We can afford all these efforts." We disagree. As this Nation begins to prepare for the danger of war, it should be willing to cut back on those things which are not essential to this preparation. The more abundant life has great political appeal, but its maintenance is not compatible with the grim demands which Mr. Kennedy says are imposed upon us by the requirements of national survival.

Mr. Speaker, I would urge upon one and all the wisdom of this observation. We can spend ourselves to destruction.

TABLE 1.—*Summary of new authority to obligate the Government—Eisenhower and Kennedy budgets*

[NOTE.—In millions of dollars, and limited to amounts for the 2 years shown, thus excluding billions requested with respect to years beyond]

	New authority to obligate		Total Kennedy increase	
	Fiscal 1961	Fiscal 1962	Amount	Percent
1. Eisenhower budget totals (Jan. 16, 1961):				
(a) Defense, military functions	$41,308	$41,840		
(b) All other	40,760	39,027		
Eisenhower total	82,068	80,867		
2. Kennedy budget totals (Mar. 24 and 28, May 25, and July 26 messages):				
(a) Defense, military functions	41,371	47,485		
(b) All other	45,770	43,576		
Kennedy totals (thus far)	87,141	91,061		
3. Kennedy increases, divided as to—				
(a) Defense, military functions	+63	[1] +5,645	+$5,708	37
(b) All other	+5,010	+4,549	+9,559	63
Total Kennedy increases (thus far)	+5,073	+10,194	+15,267	100

[1] This classifies as "Defense, military functions," the $207,000,000 requested on July 26 for civil defense (under Defense Department), although civil defense has heretofore been classified in the budget as nonmilitary.

NOTE.—Final amounts actually submitted in specific budget estimate form may vary slightly, but probably not significantly, from estimated amounts shown.

TABLE 2.—*Summary of budget receipts, expenditures, and surplus or deficit—Eisenhower and Kennedy budgets*

[NOTE.—Amounts in millions of dollars]

Item	Actual fiscal 1960 (Eisenhower)	Fiscal 1961		Fiscal 1962		Comparisons			
		Eisenhower, Jan. 16, 1961 (estimate)	Actual (Kennedy)	Eisenhower, Jan. 16, 1961 (estimate)	Kennedy (latest estimate)	Actual, 1961 over 1960	Kennedy, 1962 over 1960	Kennedy, 1962 over 1961	Kennedy, 1962, June, Eisenhower, 1962
Budget receipts	$77,763	$79,024	$77,578	$82,333	[1] $82,433	−$185	+$4,670	+$4,855	−$100
Budget expenditures:									
(a) Defense, military functions	41,215	41,300	43,211	42,910	46,640	+1,996	+5,425	+3,429	+3,730
(b) All other	35,324	37,445	38,292	37,955	41,083	+2,968	+5,759	+2,791	+3,128
Total expenditures	76,539	78,945	81,503	80,865	[1] 87,723	+4,964	+11,184	+6,220	+6,858
Surplus (+) or deficit (−)	+1,224	+79	−3,925	+1,468	[1] −5,290	−5,149	−6,514	−1,365	−6,758

[1] Latest official executive estimates (July 26, 1961). Assumes, among several other things on which legislative action is pending, that postal rate increases will be adopted to produce some $741,000,000 added income for fiscal 1962.

FISCAL PRUDENCE AND ECONOMIC STRENGTH ARE ESSENTIAL TO A STRONG MILITARY POSTURE

Mr. KYL. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. BYRNES] may extend his remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, last Wednesday I spoke in this Chamber to commend the President for his statement of the previous evening made with respect to America's long-standing and undeviating determination that West Berlin shall remain free.

However, in supporting the administration's pledge of steadfastness in Berlin, I felt constrained to express regret that the President had failed to outline a more thoughtful course on the correlative issues of fiscal prudence and economic strength as coequal goals of, and essential to, a strong military posture. My remarks of July 26 appear on pages 13504–13505 of the CONGRESSIONAL RECORD for that date. This previously expressed reservation over the dangerous conflict between administration domestic and foreign policies stems from the fact that sharply increased defense expenditures imposed on a deficit budget

already bulging from too much nondefense spending would likely produce the self-defeating result of weakening our economy through debt and inflation.

My concern is that if we continue a policy of profligacy and indulgence in regard to a high level of Government deficit spending for nonessential programs while increasing defense costs, we will impair the economic capacity of our free enterprise economy to provide the stamina and vitality that are essential to sustained growth and enduring security for America. Higher defense expenditures without a cutback in those nondefense, nonessential programs previously recommended by the administration will increase money demand without increasing goods and services with the inevitable result that inflationary stresses will undermine our national strength.

In my floor remarks last Wednesday I said:

I am disappointed at the apparent decision of the President that, while we can periodically reappraise our defense expenditures upward, there is no need to reappraise his total legislative program in the light of new demands upon our fiscal resources * * * we would be reckless indeed if we did not realize that we now face a prospective deficit in the range of $7 to $10 billion. * * * The prudent man, the wise man, does not prepare for trouble ahead by loading himself down with new burdens and new commitments. He takes in his belt * * * not let it out.

I concluded by saying—

Let us show the world, and the men in the Kremlin, that our sinews are hard and our resolve is unflinching, not with words, but by our actions here at home.

Mr. Speaker, in his address to the Nation on July 25 the President expressly asked for advice and said, "I ask for your suggestions when you think we could do better." The Republican members of the Committee on Ways and Means accepted this expression by the President as being a sincere solicitation of help. Accordingly, those Republican Members who belong to that House committee charged with the responsibility of providing the tax wherewithal for financing Government and who have some knowledge of fiscal affairs wrote to the President in response to his request for advice. We wrote not as partisans seeking to advance a political interest but as Americans determined to do everything possible to strengthen the national interest. In our letter we pledged to "support those actions necessary to safeguard America against Communist threat or aggression." We went on in the letter to recommend and observe:

In the interest of assuring that * * * security-related considerations are predicated on a strong economic base, we * * * urge a review of present Government programs involving nondefense spending so that only those programs justified by a criterion of absolute essentiality will be allowed to go forward.

* * * * *

We are gravely concerned over * * * the totally inadequate consideration given to the fiscal aspects of your most recent defense spending recommendation in the context of the other spending recommendations you have previously submitted to the Congress.

* * * * *

As we face any crisis we must be concerned with the strength and stability of the national economic base on which any government program must rest. We cannot responsibly turn our backs on an $8 billion deficit with the vague hope and faint pretense that we will deal with it next year.

* * * * *

We believe that economic strength is a coequal of military strength in any long-range national undertaking. We are convinced that government domestic policy that would promote the hidden tax of inflation or would impose fiscal burdens beyond an endurable capacity should be avoided. We must shun unwise policies and nonessential programs or we will be subserving Communist objectives just as surely as would a policy of unilateral disarmament on our part.

We urge you to provide the leadership necessary to budget review by the executive and legislative branches of the Federal Government so that an attainable order of priority can be established in Government programs including programs now on the books and those proposed.

* * * * *

We reject the notion, which seems implicit in present policies, that the American people desire their Government to pursue the bankrupt route of "All This and Defense Too." The time is imminently at hand when we must determine our national needs and objectives in the light of stark realism that takes account of our willingness to pay, our ability to survive, and our resolve to win.

The shocking fact of the fiscal implication of your new defense proposals is not so much found in your failure to point the way to tax revenues to finance the new defense costs but instead is largely found in your apparent unwillingness to make any downward revision in pending proposals for optional nondefense spending so as to minimize the tax burden bequeathed to tomorrow. We cannot assume that tomorrow's problems will not demand full and unrestrained ufilization of tomorrow's resources. Before a tax increase becomes inescapable or inflation inevitable, a hard look at present spending recommendations must be undertaken. Dollars for defense must take precedence over spending for the unnecessary and we must adjust our Government affairs accordingly.

We recommend this course not in the sense of underestimating America's capability to provide for its national needs but in recognition of America's great capacity for sustainable progress within the sound framework of our free enterprise system served by a responsible government.

Mr. Speaker, after that letter was written the Democratic National Chairman, Mr. John M. Bailey, cast some doubt on the President's sincerity in requesting advice. This top Democrat and administration spokesman has strongly indicated that the administration is not interested in constructive advice or patriotic assistance but instead seeks only the rubber stamp approval of administration measures. In a formal press statement released this past Saturday which capped a headline "GOP Fights Progress," Mr. Bailey criticized the widespread, bipartisan endeavors to safeguard and strengthen our economy through cutbacks in nonessential spending in view of the proposed increased defense costs. He erroneously attempted to label this responsible course as an attack on "progress" and as partisan "obstruction."

Mr. Bailey irresponsibly set up rhetorically phrased political strawmen as purported issues so that he could wrongfully attribute exclusively to Republican sources the formidable opposition to the administration's commitment to "spending as usual" even though the President has told the Nation that the circumstances are anything but usual.

This confused and ill-advised administration spokesman in an apparent reference to members of the Republican Party is quoted in the press as saying—

Their latest tactic is nothing more than a sleazy effort to hide the blind opposition to social progress and human welfare, which has been the party's trademark in this century, behind a facade of economy and anticommunism.

Mr. Speaker, let me say that if it is "sleazy" and exclusively Republican to seek to protect the purchasing power of the wages and savings of our workers and aged against inflation; to insist that we pay our own way so that our children will not be saddled with our debts; to work to preserve fiscal integrity and freedom of economic opportunity; and to strive for a militarily strong America that is an economically strong America to withstand and win any cold or hot war, then, Mr. Bailey, I am guilty as charged and I apologize to no one for my culpability. Is it exclusively Republican and obstructing progress to be against inflation and for a sound budget, to favor essential government programs but resist bureaucratic meddling and experimentation through nonessential spending, and to believe that government should carefully husband the production and resources it demands of its citizens in taxes? If it is, then I am against what Mr. Bailey calls progress and I am proud to be in the ranks of the vast majority of Americans—Republican and Democrat alike—who support principles that Mr. Bailey has called Republican.

Mr. Speaker, the charge is implicit in Mr. Bailey's rabid diatribe that President Eisenhower neglected America's security. If Mr. Bailey desires to live in the past, I suggest he heed the facts and recognize that it was under the Eisenhower administration that for the first time in our history we maintained in peacetime a military preparedness capable of deterring aggression against our security. If Mr. Bailey really desires to examine that aspect of the past that bears on the present, I suggest he look to the preparedness void that preceded World War II and the Korean war, to the diplomatic bungling of the peace that enabled the Kremlin to enslave half of Europe and that awaited the "dust to settle" in once free China, and to the effect the recent campaign tactic of downgrading America may have had in encouraging Communist temerity and boldness.

But what I really suggest to Mr. Bailey is that he look with foresight to the job of peace and security that needs to be done; we can engage in politics in the fall of 1962. Mr. Speaker, the White House and Mr. Bailey should join in repudiating the latter's untimely indiscretion.

Mr. Speaker, I was gratified by the universality of editorial support that attended President Kennedy's reiteration of America's position as previously delineated by Presidents Truman and Eisenhower that the freedom of West Berlin was inviolate short of war. This editorial reaction must be persuasive evidence to Mr. Khrushchev that if war begins it will have begun in Moscow and that if war begins it will be fought in Moscow.

However, this editorial reaction should also be a persuasive indication to administration officials that the American people are not interested in a defense effort that imposes the sacrifice of our children while we go scot free because it is to be paid for with deficit dollars to be collected in taxes at some vague future time. The editorial advocacy of curtailing the nonessential nondefense items so we can afford the essential defense items was almost as widespread as was the support of the intent to stand firm.

In this connection and in the context of discussing the President's new defense proposals, the Washington Evening Star for July 26, 1961, said editorially:

In the face of the Soviet leader's threatful attitude, however, we are left with no alternative except to begin to prepare for the worst.

If all this serves to discourage Mr. Khrushchev from pulling the trigger it will have been money and effort well invested. But there should be no illusions. Even the limited preparatory measures outlined by the President will be felt by all Americans, especially those whose careers and family lives will will be disrupted. And this may be only the beginning, for Mr. Kennedy made it clear that he will not hesitate to ask for more if the situation takes a turn for the worse. Finally, this is not a short-range measure. It is evident that the intention is to build up American armed power and to maintain it at a higher level for an indefinite future. The added load may have to be borne for many years.

In this situation, it seems to us that at least two things are imperative. Our allies must assume their full share of the effort, despite the obvious reluctance of some to do so. And the Kennedy administration as well as the American people must be willing to give up or postpone expenditures on things which are not essential. True, Mr. Kennedy said last night that we must keep down all spending "not thoroughly justified in budget requests." He seems to think, however, that everything for which he has asked since taking office is justified, and he offers the easy assurance that "we can afford all these efforts." We disagree. As this Nation begins to prepare for the danger of war, it should be willing to cut back on those things which are not essential to this preparation. The more abundant life has great political appeal, but its maintenance is not compatible with the grim demands which Mr. Kennedy says are imposed upon us by the requirements of national survival.

The Christian Science Monitor of Thursday, July 27, 1961, editorialized in part:

Congress should examine every facet of this program for its necessity, appropriateness, and costs in relation to available alternatives. We wish the President had been more blunt and realistic about costs. * * * The sacrifices demanded by this program are not as wide or equal as they should be. * * * We believe a pay-as-you-go preparedness would provide not only more fiscal integrity but more impressive evidence of willingness to sacrifice. Action—especially the action of digging into every man's pocket—speaks louder than any words of resolution.

The New York Times commented in part as follows:

Congress should provide what is needed; but it should insist, too, upon elimination of all that is extraneous or luxurious or redundant. The overriding objective is—and must remain—combat effectiveness.

But clearly there are severe economic problems that may arise, even in the near future. The possible problem area that needs to be watched most closely for the present is the position of the dollar on world markets. The new rise in British interest rates may attract sizable amounts of short-term capital from this country to London. This, combined with the prospective increase in American defense spending abroad, might encourage another speculative raid against the dollar such as occurred last October.

A more serious area of concern, however, consists of the prospects further ahead. The possibility exists that Soviet moves may yet require far more drastic mobilization measures than those just announced. Alternatively, the economic stimulus supplied by the prospective large budgetary deficit for this fiscal year may bring us to a full employment situation comparatively quickly, with upward pressures on prices and wages, threatening a new inflationary spiral.

On either of these alternatives, or a combination of them, the appropriate economic policy would be quite the reverse of that which the President is now taking. But he clearly indicated that he is prepared to resort to either sharply increased taxation or direct controls or both should they be necessary under changed economic conditions. We trust that serious advance planning for any such eventuality is now vigorously in progress in Washington.

Mr. Speaker, the point raised in the Times editorial relative to the need to watch the position of the dollar on world markets is particularly urgent. The United States held at the end of May a total of $17.5 billion in gold stock. The legal gold reserve requirement to back up our currency then amounted to $11.3 billion. Foreign central banks and private interests at the end of May held $17.2 billion in U.S. dollar obligations which could be converted to a demand against U.S. gold virtually overnight if world confidence in the dollar is shaken or diluted by unwise domestic policies or adverse international developments. One need use only simple arithmetic to understand the seriousness of the problem and the gravity of its potential danger. Reduced purchasing power of the dollar caused by inflation would tend to create a flight from the dollar which would serve to deplete our gold supply. Such a consequence would serve well the objectives of the Communist imperialists to destroy the unity and vitality of the free world. If we do not act now to avoid inflation, economic controls may be inevitable, bureaucratic regimentation may be inescapable. Tomorrow may be too late to attempt to control the tide and be masters of the fiscal and economic course of our national affairs.

The New York Herald Tribune on July 27, 1961, commented on the need for "those next steps" to conduct our domestic affairs so as to give real meaning to our expanded defense endeavors. The editorial reads as follows:

There can be no doubt about President Kennedy's intention to live up to our pledges in West Berlin. Nor is there any doubt, among Republican and Democratic politicians and among the people, of the Nation's understanding of the President's message, and the Nation's support. Our legal rights will be defended. Our moral responsibilities will be met.

What we know less about is the degree of doubt, if any, remaining in the mind of Nikita Khrushchev. Certainly he could not escape sensing the conviction in the President's grave warning Tuesday night, nor could he be unmindful of the bipartisan backing it received. It is to the President's credit that in each paragraph he strained to close loopholes where doubt might creep in.

Mr. Kennedy's grim reminder of duty was the first step in our effort to emerge from this latest of Berlin crises peacefully—and honorably. But now there must be a second step, and it must be as convincing as the first if Khrushchev is to be made to realize that behind the obvious seriousness and sincerity of those who speak for America is the evidence of a truly sacrificial spirit among those whose taxes pay for the safety of America.

That should be an adjustment of the administration's domestic requirements to conform to the emergency on the international front.

Yesterday the President asked the Congress for $3.5 billion more in defense funds, and for more military manpower. And this, by the President's wise admission, is only the beginning if we are to keep faith with ourselves and our allies. We are telling the world that we have no thought of treating the cold war battlefield like a picnic ground.

Can all this be convincing, however, if the administration's domestic policies remain unchanged? Can this be convincing if subsidies to farmers, the yielding to pressures for large scale aid to education, expensive housing programs and other forms of Federal spending are continued on present scales? Can international trouble of unusual proportions be successfully met in the comfortable atmosphere of domestic business as usual?

Are we going to keep on talking about sacrifice, or are we going to sacrifice?

How the Kennedy administration answers these questions will determine the proportions of American muscle and determination in the eyes of Mr. Khrushchev.

President Kennedy's first step, his declaration of firmness, was vital to the honor of this country and the peace of the world. Reinforcing his leadership with further steps is equally essential.

Mr. Speaker, the Wall Street Journal for July 28, 1961, contained an editorial captioned "The Missing Ingredient" which discusses the need for retrenchment on domestic programs in America

if our defense endeavor is going to be successful. It is interesting to notice that the same edition had an editorial captioned "The Necessary Ingredient" which outlines the self-discipline imposed by Great Britain to correct the fiscal and economic problems presently confronting that country. Americans should heed the timely contrast in national policies pursued by the United States and Great Britain under somewhat similar circumstances as described in the two editorials which I will include in my remarks at this point.

THE MISSING INGREDIENT

The more one thinks about the President's speech, the more striking it is that with all his firmness on Berlin, there is no matching firmness about the ordering of this country's economic affairs. That, it seems to us, is the great missing ingredient.

The military must have, the President says, nearly $3.5 billion more, making a rise of $6 billion for the Pentagon alone just since January and adding up to defense appropriations of $47.5 billion this fiscal year. In consequence, the President foresees a budget deficit of $5 billion this year, on top of nearly $4 billion for the fiscal period just ended.

Very well; if that is what the military needs, that is what it needs. Yet it is important to note that in all the reviews of the Nation's defenses since January, little has turned up in the way of significant savings to offset the huge increases. This despite the fact that it is generally agreed a serious attack on military waste and duplication, quite apart from anything else, could save billions a year.

Nor is that the worst. The worst is that these new military billions come tumbling on top of a vast increase in spending for domestic political handouts and foreign aid. The President will not retreat on any of these things; on the contrary, he is constantly proposing new forms of non-essential spending. His program is austerity and sacrifice for the people, but no retrenching or discipline for the Government.

The upshot is our continuing dangerous deficit in international payments, our sharply spiraling Federal budget deficits, our rapidly rising public debt. All these developments are calculated to weaken our economy at a time when it needs all its strength. In addition, as though to guarantee the attrition of inflation, our current guardians of Government are enamored of cheap money.

Not that the President is unaware of these consequences. He speaks of higher taxes if necessary. He says he will not hesitate to demand "more control or other new powers"—an ominous hint of the wage, price and other economic regimentation which is so often the politician's answer to inflation.

Of course, the people will pay the higher taxes and accept the controls if they believe national security requires it. But by that very token they are entitled to ask the President if his approach is the wise, the realistic way to build the Nation's strength for the long struggle with communism. In wartime even the Government imposes austerity on itself; if the President is moving the people to acceptance of semiwar domestic conditions, why is he unwilling to sacrifice anything at all?

Well, it is often asked in presumed rebuttal to that question, Where would the Government start retrenching? The answers are so plain they should scarcely need citing. Much could quickly be saved out of foreign aid, to the benefit of that leaky enterprise. Billions could be squeezed from the absurdly proliferating subsidies to farmers, healthy veterans, housing, and all the rest.

Taking the spending budget as a whole, more than enough could be saved to cover any new defense needs. At the same time, austerity should be applied to the illusion of artificially easy money; there should be no fear of making the proper monetary moves against inflation.

A disposition to take such courageous measures would soon solve almost all the Government's domestic and foreign financial problems, renew confidence in the dollar at home and abroad, build budget surpluses and halt inflation; in sum, strengthen the economy. Then it would not be necessary to call for higher taxes and controls, except as a last resort.

The Government would demand austerity from the people, if necessary, only after it has applied austerity to its own ramshackle house; only after it had abandoned this frivolous attitude that anything goes, money doesn't mean anything, discipline and responsibility are for the birds.

With the rest of the Nation, we hope the President's tough talk is giving Khrushchev a good scare. But it would have been far more impressive to Khrushchev if the President had shown that this country is strengthening the economy that must support the arms. It would be infinitely better for the United States if he had not backed up foreign firmness with homefront flabbiness.

THE NECESSARY INGREDIENT

A number of items in Britain's new austerity program wouldn't appeal to Americans and, in fact, wouldn't be appropriate here. But at least when the British Government sees that it is spending too much, it does something about it.

The things it's doing include these: Some tax increases; a boost in the bank rate (comparable to our Federal Reserve discount rate, now 3 percent), from 5 to 7 percent; possible reductions in farm supports; and a 20-percent cut in foreign spending. By such means the British figure to boost exports, correct their international payments deficit, and avert inflation.

Though the tax increases will naturally bother Britons in the midst of their unprecedented prosperity, it should be noted that the new program as a whole is mainly a program of government austerity. It is the Government which is trying to curb the spending and the inflationary threat which the Government itself has allowed to grow.

Now we suppose many Americans, including those in Washington, have a certain regard for British coolness and commonsense. At any rate, the British have been through a few economic, as well as other, difficulties in their time, and this is by no means the first recent occasion when they have applied much the same remedy.

It has worked, too; timely Government retrenchment is one of the ways they have preserved their highly agreeable economic well-being in the years since they junked socialism. Certainly their experience is a refutation of the theory that it is politically impossible to cut back a government's spending.

So our politicians could do worse than take a look across the ocean. Our cousins have sense enough to know there must be an end to government frivolity before there can be any real strengthening of a nation. To be sure, it does take political courage.

The Chicago Tribune commented in part on the President's prescription of a national course of action as follows:

So, Mr. Kennedy is going to have little trouble imposing new sacrifices on the American people. What was notably lacking from his speech was any suggestion that he was willing to sacrifice any slightest element of his New Frontier program for the sake of national solvency and the common good.

He called for a sharp revision upward of a military program he had recommended to the Congress as adequate just a few months ago, when the conflicts over Berlin, Laos, the Congo, Cuba, and the rest were almost as clearly defined as they are today. But he did not call for a deficit-reducing downward revision of his estimates for the foreign aid that wins us no fast friends. In striking contrast, the British Government is threatening to withdraw troops from Germany in order to save expense, and plans to restrict foreign aid and investment programs.

Mr. Kennedy intends to retain all the voter-bribing subsidies that is the political essence of the New Frontier. Did he volunteer to cut down his raids on the Federal Treasury for housing, roadbuilding, farm payments, school support, and the other luxuries that could surely be dispensed with, at least in part, until the financial and military emergency is overcome?

No, indeed. Mr. Kennedy will not sacrifice a single purchased vote, a single pet scheme to advance his political fortunes. He pretended to speak with authority in saying that the growing prosperity of the Nation would so greatly increase tax revenues that no harm would result from adding $3½ billion to the appropriations. Nobody can be sure of that; but everyone can be certain that a busted Treasury and a resultant inflation will gravely hamper any nation's military efforts.

The President says there is no need now to raise taxes. Wait until next year, he argues, again disclosing his unwillingness to sacrifice any of his own popularity for the sake of the national welfare. Nobody wants to pay more taxes but if Mr. Kennedy will not economize on nonmilitary items and is determined to spend a lot more money, common prudence requires him to recommend new taxes now and to press for them with all the influence he can command, no matter how unpopular they may be.

In spite of the one-sided sacrifices he has called for, Mr. Kennedy can count upon the support of the American people. He has failed them but they will not allow that to alter their devotion to their country.

A sample of excerpts from other editorial comments around the Nation in regard to the need to support our defense effort by the pursuit of sane domestic policies follows:

New York Journal American: "But the administration and Congress have an equal obligation to lift an unnecessary burden from American taxpayers by cutting the cost of Government in many areas not vital to national security and welfare."

Rochester Times-Union: "Unfortunately, for all of his appeal to citizen sacrifices and a 'safe level' of deficit spending, Kennedy showed no sign that he intends to restrain his own political programs."

Cleveland Press: "The President's apparent conviction that expensive domestic programs need not be affected seems out of keeping with the general spirit of his remarks. The President's estimate of a $5 billion deficit this year may be optimistic. It could be billions more than that."

Columbus Dispatch: "We regret it as unfortunate that the President used that call as a springboard for propagandizing several controversial items in his domestic program now pending in Congress."

Mr. Speaker, this review of editorial comment conclusively establishes the fallacy and error in Democratic National Chairman John Bailey's political contention that the call for fiscal sanity and economic prudence during the military buildup in the months ahead is solely attributable to "Republican obstruction of progress." I submit that the call for responsibility and the willingness to sacrifice is more than just a political posture, it is the resolute conviction of the American people; the President and his advisers should recognize that fact.

The receipts and spending data applicable to the Government's present fiscal position leave no doubt that the Administration must respond to the public demand for leadership that shuns expediency and pursues sound principles. For example, the President in his address of last week estimated the increased spending he proposed would increase the deficit for fiscal year 1962 to $5 billion. His relatively optimistic estimate overlooks the budget projections of the staff of the Joint Committee on Internal Revenue Taxation which even before the $3.5 billion increase in defense spending was proposed predicted a deficit of $4.9 billion in the current fiscal year. The joint committee staff estimate is set forth in the following table:

TABLE 1.—*Receipts, expenditures, and surplus or deficit of the Federal Government, fiscal years 1960 and 1961 actual, fiscal year 1962 estimated*

[In billions]

	1960 actual	1961 actual[1]	1962 estimates	
			Staff	Administration
Receipts	$77.8	$77.6	$80.9	$81.4
Expenditures	76.5	81.5	[2]85.8	85.1
Surplus (+) or deficit (−)	+1.2	−3.9	−4.9	−3.7

[1] Preliminary.
[2] The administration of $85.1 billion increased by $0.7 billion for postal deficit, since postal rate increases have not yet been enacted.

NOTE.—Details may not add to totals because of rounding.

Mr. Speaker, since January 20, President Kennedy has proposed increases over the Eisenhower budget in new obligational authority totaling more than $15 billion for fiscal years 1961 and 1962. Budget surplus projected by President Eisenhower for these 2 fiscal years have, under the Kennedy administration, now become deficits of $3.9 billion realized for fiscal year 1961 and $5.3 billion projected for fiscal year 1962. With respect to the 1962 figure I would predict that its magnitude will more likely range between $7 to $10 billion. Mr. Speaker, the trend of the past 6 months provides little basis for assurance as to the wisdom of present leadership and policies with respect to the trend of our Nation's fiscal affairs. A comparison of the January budget submitted by President Eisenhower with the effect of changes by the current administration is set forth in table 2.

TABLE 2.—*Principal fiscal totals in Federal budgets, fiscal years 1961 and 1962* [1]

[Billions of dollars]

	1961		1962		Difference, J.F.K. versus January budget	
	January budget	J.F.K.	January budget	J.F.K.	1961	1962
Budget receipts	79.0	77.6	82.3	82.4	−1.4	+0.1
Budget expenditures	78.9	81.5	80.9	87.7	+2.6	+6.8
Budget surplus (+) or deficit (−)	+.1	−3.9	+1.5	−5.3	−4.0	−6.7
Trust fund receipts	24.2	[3] 23.8	25.2	25.7	−.4	+.5
Trust fund expenditures	24.1	23.2	25.2	26.7	−.9	+1.5
Trust fund surplus (+) or deficit (−)	+.1	+.6	----------	−1.0	+.5	−1.0
Receipts from the public [2]	99.0	97.1	103.1	103.3	−1.9	+.2
Payments to the public [2]	97.9	99.3	101.8	109.8	+1.4	+8.0
Excess of receipts (+) or payments (−)	+1.1	−2.1	+1.3	−6.5	−3.2	−7.8
New obligational authority	82.1	[4] 87.1	80.9	91.1	+5.0	+10.2

[1] 1961 and 1962 estimated in Eisenhower budget document in January and Kennedy revisions in March, May, and July.
[2] Budget and trust fund totals combined, minus intragovernmental transactions and minor items.
[3] Comparable with earlier estimates; actually reported figures different because of change in reporting method.
[4] Subject to later adjustment.

NOTE.—Detail in this table may not add to totals because of rounding.

In reviewing the foregoing table it should be noted that the bulk of the spending increases urged by the Kennedy administration were contained in messages to the Congress of March 28, 1961, and of May 25, 1961, prior to the defense recommendation of July 26. The first two spending measures provided for 66 percent of the proposed increases to be for nondefense purposes.

Mr. Speaker, it is urgent that we recognize that there can be no appropriation bill nor spending authorization—whether it has passed the Congress or is still pending in the committee—that can be held immune from the most searching scrutiny to determine whether it is susceptible to reduction or elimination as we strive to protect our Nation from fiscal chaos and economic boom and bust as we add to America's already considerable military might. No project can be sacred. We must spend only that which we must.

Mr. Speaker, I frankly do not share the same sanguine attitude that the President professes with respect to the essentiality of all the programs he has sent to the Congress. I think the Congress can cut the fiscal cloth to fit the Nation's pocketbook. I think Mr. Eisenhower was more than a little bit interested in the security and welfare of America when he proposed a balanced budget for fiscal year 1962 that involved almost $8 billion less spending than is now proposed.

Mr. Speaker, if our national security is in such peril that we must now approve billions more for defense, it is my contention that we must engage in genuine soul searching as to what we are willing to do to cut back on spending in other areas. Talking about spending is not enough, opposing debt is not enough—we must do something effective about spending and debt.

Mr. Speaker, the perceptive editorial analysis of the current budgetary and defense considerations have pointed the way that responsible leadership must pursue in restraining our proclivity for indulging in that which we cannot afford. It is the hope of every thoughtful American that the administration will reconsider its refusal to reexamine the need and priority of present spending proposals. If the administration will not join with the Congress in this endeavor, then the Congress must do it alone. The task must be done.

SUBCOMMITTEE ON ACCOUNTS, COMMITTEE ON HOUSE ADMINISTRATION

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent that the Subcommittee on Accounts of the Committee on House Administration be permitted to sit during general debate on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SUBCOMMITTEE ON ENROLLED BILLS AND THE LIBRARY

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent that the Subcommittee on Enrolled Bills and the Library of the Committee on House Administration be permitted to sit during general debate tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

HOUSE CONCURRENT RESOLUTION 351

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. GALLAGHER]

may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, on Wednesday of last week the House was scheduled to consider under unanimous-consent proceedings a resolution which specifically endorsed President Kennedy's strong stand on the issues involved in the problem of Germany and Berlin.

That resolution, House Concurrent Resolution 351, expressed the sense of this Congress that "the President's forthright reply to the Soviet aide memoire on Germany and Berlin expresses accurately the determination of the United States to take all necessary steps to defend its legal rights against unilateral Soviet abrogation."

House Concurrent Resolution 351 was approved unanimously by the Foreign Affairs Committee after endorsement by both the State Department and the White House. At the time the committee approved it, it was the only resolution expressly and specifically endorsing President Kennedy's reply, although several similar resolutions have since been introduced. The Committee on Foreign Affairs has been informed by the Department of State that it had reviewed the texts of the other resolutions and while they contained a great deal of helpful language, the Department would "definitely prefer to see the passage of House Concurrent Resolution 351."

Unfortunately, the real issue of whether or not this House shall endorse the President's position has been clouded by quibbling over words. The exercise of the parliamentary privilege to object has deprived the Members of this House of the opportunity to give a timely and firm endorsement of our President in this critical period. This, too, at a time when high Soviet officials have publicly belittled and derided American support for the President.

My distinguished colleague, whose objection washed out this opportunity to back up our President, has explained to the House in two separate speeches that he felt the wording of my resolution was too weak and his, better. May I respectfully emphasize that even though the gentleman's resolution was not introduced until approximately a week after my resolution, he did not see fit to incorporate the least reference to the President's reply to the Soviet aide memoire.

Mr. Speaker, may I also respectfully invite the attention of the House to page 13827 of the RECORD of Thursday, July 27, where my esteemed colleague from Ohio inserted a so-called comparison of political language of House Concurrent Resolution 351, House Concurrent Resolution 354, and President Kennedy's position. I would like to ask just one question, why was it not completely quoted? Was it because the missing words are "the President's forthright reply to the Soviet aide memoire on Germany and Berlin"? If they had not been deleted from this so-called comparison, they would have pointed out the real significance of the difference in the two resolutions—that mine specifically endorsed the President and the other ignored him.

I feel very strongly that President Kennedy's reply deserves our specific endorsement. It is a matter of deep regret to me that a failure to realize the exten to which U.S. policy is outlined in the President's paper may be responsible for a quibbling over words. Historians will accord our President's reply to the Soviet aide memoire an outstanding place among the truly great documents of our era. It is not only a clear and forthright statement of the U.S. position, it is a masterpiece of succinct and accurate expression. It summarizes every facet of the German and Berlin problem and sets forth U.S. policy on each of them.

The speech of my distinguished colleague on last Thursday bears the heading in capital letters on page 13826 of the RECORD "No Halfway Support for the President." If the so-called comparative chart is filled out with the missing words, it will immediately be clear that the description does not fit the resolution unanimously approved by the Foreign Affairs Committee and strongly endorsed by the Department of State.

INTERNATIONAL ADJUDICATION OF RIGHTS IN BERLIN

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. KOWALSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. KOWALSKI. Mr. Speaker, in his report to the Nation on the Berlin crisis delivered on July 25, 1961, President Kennedy stated:

> If anyone doubts the legality of our rights in Berlin, we are ready to have it submitted to international adjudication.

This offer to submit to adjudication is the single most important approach to the problem of resolving the Berlin crisis and all future disputes between nations.

President Kennedy's report is a historic speech. It marks the beginning of a new era in history, because it is based upon the law and it contemplates the application of great strength, if necessary, to enforce the law.

President Kennedy's position stands upon our legal right to be in Berlin, a right that is supported completely by the law and the facts. By offering to submit to international adjudication, the President is in effect saying that if we had no such legal right, we would not be entitled to enforce our position. Having that right, we will enforce it without reservation.

Mr. Speaker, the solution of disputes between nations in accordance with law is the greatest hope of mankind. If the Soviet Union would agree to submit to adjudication the question of each nation's legal rights in, and access to, Berlin, we would be on the road to world peace. If disputes like the Berlin crisis are not resolved in accordance with applicable law, they may be resolved ultimately by war. A war between nuclear powers means a nuclear holocaust. Our military buildup must, therefore, be one that we will never have to use, and our victory must come in a peaceful solution under law.

Let us stand strong, but let us first and foremost seek the peaceful solution.

Mr. Speaker, I have, therefore, today introduced a concurrent resolution declaring the sense of Congress that the President should, with all reasonable speed, submit to the International Court of Justice at The Hague the question of the legal rights of the United States and the Soviet Union in Berlin, and the Soviet Union should be invited to join in this legal proceeding. If the Soviet Union will not enter an appearance in the International Court of Justice, the United States should nevertheless proceed ex parte and seek an adjudication of the legal issues for the benefit of public opinion. In the alternative, if the Soviet Union would agree to submit to adjudication the aforementioned legal issues underlying the Berlin crisis, but would prefer to establish a special international tribunal to hear the case, then the President should agree to establish such a tribunal, the judges to be agreed upon by both nations, and to present the case to that special international tribunal.

Mr. Speaker, I urge the Members of both Houses of Congress to give serious consideration to this resolution.

Whereas the President of the United States, in his report to the Nation on the Berlin crisis as actually delivered on July 25, 1961, stated: "If anyone doubts the legality of our rights in Berlin, we are ready to have it submitted to international adjudication;" and

Whereas the solution of disputes between nations in accordance with law is the greatest hope of mankind; and

Whereas if the Soviet Union would agree to submit to adjudication the question of each nation's legal rights in, and access to, Berlin, we would be on the road to world peace; and

Whereas if disputes like the Berlin crisis are not resolved in accordance with applicable law, they may be resolved ultimately by war; and

Whereas a war between nuclear powers means a nuclear war; and

Whereas our military buildup must, therefore, be one that we will never have to use, and our victory must come in a peaceful solution under law: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should, with all reasonable speed, submit to the International Court of Justice at The Hague the question of the legal rights of the United States and the Soviet Union in Berlin, and the Soviet Union should be invited to join in this legal proceeding. If the Soviet Union will not enter an appearance in this proceeding in the International Court of Justice, the United States should nevertheless proceed ex parte and seek an adjudication of the legal issues for the benefit of public opinion; and be it further

Resolved, That in the alternative, if the Soviet Union would agree to submit to adjudication the aforementioned legal issues underlying the Berlin crisis, but would prefer to establish a special international tribunal to hear the case, then the President should

agree to establish such a tribunal, the judges to be agreed upon by both nations, and to present the case to that special international tribunal.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to Mr. LOSER (at the request of Mr. ALBERT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MEADER, for 30 minutes, today.

Mr. STRATTON, for 30 minutes, today.

Mr. HOLIFIELD, for 30 minutes, tomorrow.

Mr. JARMAN, for 30 minutes, on Wednesday next.

Mr. BAILEY, for 30 minutes, on Monday next.

Mr. ROOSEVELT, for 30 minutes, on Wednesday next.

Mr. YATES, (at the request of Mr. BOLLING), to address the House, for 30 minutes, today.

Mr. JARMAN, for 30 minutes, on Tuesday, August 8, 1961.

Mrs. WEIS (at the request of Mr. KYL), for 1 hour, on August 10.

Mr. GOODELL (at the request of Mr. KYL), for 1 hour, on August 3.

Mr. WIDNALL (at the request of Mr. KYL), for 1 hour, on August 9.

Mr. SCHWENGEL (at the request of Mr. KYL), for 30 minutes, on July 31.

Mr. CONTE (at the request of Mr. KYL), for 30 minutes, on August 1.

Mrs. DWYER (at the request of Mr. KYL), for 10 minutes, on August 2.

Mr. DERWINSKI (at the request of Mr. KYL), for 30 minutes, on August 3.

Mr. HALEY (at the request of Mr. WICKERSHAM), for 1 hour, on Thursday next.

Mr. YATES (at the request of Mr. WICKERSHAM), for 30 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BRADEMAS and to include extraneous matter.

Mr. MAHON (at the request of Mr. WICKERSHAM), his remarks in the House today, and to include extraneous matter.

Mr. BECKER.

(The following Members (at the request of Mr. KYL) and to include extraneous matter:)

Mr. FINO in two instances.

Mr. HALL.

Mr. ALGER.

Mr. UTT.

(The following Members (at the request of Mr. WICKERSHAM) and to include extraneous matter:)

Mr. BOYKIN.

Mr. KOWALSKI.

SENATE BILLS, JOINT RESOLUTION, AND CONCURRENT RESOLUTIONS REFERRED

Bills, a joint resolution, and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 98. An act to authorize the Secretary of the Interior to provide water and sewage disposal facilities to the Medora area adjoining the Theodore Roosevelt National Memorial Park, N. Dak., and for other purposes; to the Committee on Interior and Insular Affairs.

S. 189. An act to increase the equipment maintenance allowance for rural carriers; to the Committee on Post Office and Civil Service.

S. 203. An act to declare that the United States holds in trust for the pueblos of Santa Ana, Zia, Jemez, San Felipe, Santo Domingo, Cochiti, Islete, and San Ildefonso certain public domain lands; to the Committee on Interior and Insular Affairs.

S. 344. An act to amend the Seneca Leasing Act of August 14, 1950 (64 Stat. 442); to the Committee on Interior and Insular Affairs.

S. 427. An act for the relief of Mardiros Budak and Armenuhi Maryam Budak; to the Committee on the Judiciary.

S. 685. An act to amend the Coast and Geodetic Survey Commissioned Officers Act of 1948, as amended, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 799. An act to amend the act of March 8, 1922, as amended, to extend its provisions to public sales; to the Committee on Interior and Insular Affairs.

S. 888. An act to authorize the Secretary of the Interior to lease certain lands in the State of Utah to Joseph A. Workman; to the Committee on Interior and Insular Affairs.

S. 901. An act to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys, to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources, to authorize the construction of research and survey ships and laboratory facilities, to expedite oceanographic instrumentation, to assure systematic studies of effects of radioactive materials in marine environments, to enhance the public health and general welfare, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 1012. An act to direct the Secretary of the Interior to adjudicate a claim of the Greif Bros. Cooperage Corp. to certain land in Marengo County, Ala.; to the Committee on Interior and Insular Affairs.

S. 1057. An act to provide for a National Portrait Gallery as a bureau of the Smithsonian Institution; to the Committee on House Administration.

S. 1179. An act for the relief of Alicja Zakrezewska Gawkowski; to the Committee on the Judiciary.

S. 1335. An act for the relief of W. B. J. Martin; to the Committee on the Judiciary.

S. 1488. An act to amend section 508 of title 28, United States Code, relating to attorneys' salaries; to the Committee on the Judiciary.

S. 1501. An act to authorize the Secretary of the Interior to contract for the sale, operation, maintenance, repair, or relocation of Government-owned electric and telephone lines and other utility facilities used for the administration of the Bureau of Indian Affairs; to the Committee on Interior and Insular Affairs.

S. 1518. An act providing for the disposition of judgment funds of the Omaha Tribe of Indians; to the Committee on Interior and Insular Affairs.

S. 1540. An act to amend the law establishing the Indian revolving loan fund; to the Committee on Interior and Insular Affairs.

S. 1653. An act to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises; to the Committee on the Judiciary.

S. 1655. An act to amend chapter 223 of title 18, United States Code, to permit the compelling of testimony under certain conditions and the granting of immunity in connection therewith; to the Committee on the Judiciary.

S. 1656. An act to amend chapter 50 of title 18, United States Code, with respect to the transmission of bets, wagers, and related information; to the Committee on the Judiciary.

S. 1657. An act to provide means for the Federal Government to combat interstate crime and to assist the States in the enforcement of their criminal laws by prohibiting the interstate transportation of wagering paraphernalia; to the Committee on the Judiciary.

S. 1658. An act to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

S. 1665. An act to amend chapter 73 of title 18, United States Code, with respect to obstruction of investigations and inquiries; to the Committee on the Judiciary.

S. 1674. An act to amend the Mineral Leasing Act for Acquired Lands (61 Stat. 913) with respect to the leasing of mineral deposits in which the United States owns a partial or future interest; to the Committee on Interior and Insular Affairs.

S. 1807. An act to authorize the disposition of land no longer needed for the Chilocco Indian Industrial School at Chilocco, Okla.; to the Committee on Interior and Insular Affairs.

S. 1934. An act for the relief of Mrs. Chow Chui Ha; to the Committee on the Judiciary.

S. 2016. An act to give to the Walker River Paiute Tribe the reserved minerals underlying its reservation; to the Committee on Interior and Insular Affairs.

S. 2034. An act to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions; to the Committee on Interstate and Foreign Commerce.

S. 2073. An act to authorize two additional Assistant Secretaries in the Department of Health, Education, and Welfare, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 2087. An act to direct the Secretary of the Interior to convey certain lands and personal property to the State of Washington; to the Committee on Interior and Insular Affairs.

S. 2216. An act to authorize the transfer of three units of the Fort Belknap Indian irrigation project to the landowners within the project; to the Committee on Interior and Insular Affairs.

S. 2224. An act to grant minerals, including oil, gas, and other natural deposits, on certain lands in the northern Cheyenne Indian Reservation, Mont., to certain Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 2241. An act to donate to the Jicarilla Apache Tribe of the Jicarilla Reservation, N. Mex., approximately 391.43 acres of federally owned land; to the Committee on Interior and Insular Affairs.

S.J. Res. 76. Joint resolution authorizing the Secretary of the Interior during the

calendar year 1962 to continue to deliver water to lands in certain irrigation districts in the State of Washington; to the Committee on Interior and Insular Affairs.

S. Con. Res. 33. Concurrent resolution to print additional copies of an analysis entitled "The Pugwash Conferences"; to the Committee on House Administration.

S. Con. Res. 34. Concurrent resolution relative to the relationship of the United States with the Republic of China and communistic China; to the Committee on Foreign Afairs.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 498. An act to provide additional lands at, and change the name of, the Fort Necessity National Battlefield Site, Pa., and for other purposes;

H.R. 1593. An act to authorize the Secretary of the Interior to convey certain land in the Big Sandy Rancheria, Calif., and to accept other land in exchange therefor;

H.R. 2616. An act for the relief of Habib Mattar Nacol;

H.R. 6067. An act to provide for an appropriation of a sum not to exceed $35,000 with which to make a survey of a proposed national parkway from the Blue Ridge Parkway at Tennessee Bald or Beech Gap southwest and running into the State of Georgia;

H.R. 6346. An act to include Ackia Battleground National Monument, Miss., and Meriwether Lewis National Monument, Tenn., in the Natchez Trace Parkway, and to provide appropriate designations for them, and for other purposes;

H.R. 6514. An act for the relief of Dr. Louis Karel Dupre;

H.R. 6519. An act to provide additional lands for the Tupelo National Battlefield Site, Miss., and for other purposes;

H.R. 7042. An act to add certain federally owned land to the Lassen Volcanic National Park, in the State of California, and for other purposes; and

H.R. 7240. An act to authorize an exchange of lands at Wupatki National Monument, Ariz., to provide access to certain ruins in the monument, to add certain federally owned lands to the monument, and for other purposes.

ADJOURNMENT

Mr. WICKERSHAM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 14 minutes p.m.), the House adjourned until tomorrow, Tuesday, August 1, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1182. A letter from the Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report concerning agreements concluded during June 1961 under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.) as amended, pursuant to Public Law 85-128; to the Committee on Agriculture.

1183. A letter from the Secretary of the Army, transmitting a draft of a proposed bill entitled "A bill to amend title 10, United States Code, to permit disbursing officers of an armed force to entrust funds to other officers of an armed force"; to the Committee on Armed Services.

1184. A letter from the Chairman, Civil War Centennial Commission, transmitting the Fourth Annual Report of the Civil War Centennial Commission, pursuant to Public Law 85-305; to the Committee on the Judiciary.

1185. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard"; to the Committee on Merchant Marine and Fisheries.

1186. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend the Tariff Act of 1930 and certain related laws to provide for the restatement of the tariff classification provisions, and for other purposes"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to an order of the House of July 27, 1961, the following joint resolution and bill was reported on July 28, 1961:

Mr. VINSON: Committee on Armed Services. House Joint Resolution 505. Joint resolution to authorize the President to order units and members in the Ready Reserve to active duty for not more than 12 months, and for other purposes; without amendment (Rept. No. 816). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee on Armed Services. H.R. 8353. A bill to authorize additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes; without amendment (Rept. 817). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, pursuant to an order of the House of July 27, 1961, the following report was filed on July 28, 1961:

Mr. DAWSON: Committee on Government Operations. Report on availability of information from Federal departments and agencies (Rept. No. 818). Referred to the Committee on the Whole House on the State of the Union.

[*Submitted July 31, 1961*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee on Armed Services. Supplement report. H.R. 216. A bill to provide that individuals enlisted into the Armed Forces of the United States shall take an oath to support and defend the Constitution of the United States; without amendment (Rept. No. 782, pt. 2). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LIBONATI: Committee on the Judiciary. H.R. 6649. A bill for the relief of C. W. Jones; with amendment (Rept. No. 819). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H.R. 8395. A bill to amend section 1613 of title 38, United States Code, to provide that in determining the period within which a veteran must complete his program of education or training, the Administrator shall disregard periods during which the veteran was unable to pursue his program by reason of disability; to the Committee on Veterans' Affairs.

By Mrs. CHURCH:

H.R. 8396. A bill to amend the act of August 25, 1958, to extend that act for an additional 4-year period; to the Committee on Government Operations.

By Mr. CONTE:

H.R. 8397. A bill to amend the Immigration and Nationality Act so as to modernize and liberalize the quota system and provide for the admission of persecuted peoples, and for other purposes; to the Committee on the Judiciary.

By Mr. HARRIS:

H.R. 8398. A bill to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLAND:

H.R. 8399. A bill relating to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes; to the Committee on Education and Labor.

By Mr. MORGAN:

H.R. 8400. A bill to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes; to the Committee on Foreign Affairs.

By Mr. GEORGE P. MILLER:

H.R. 8401. A bill to authorize expanded programs of marine and aquatic biological research by the Smithsonian Institution, and for other purposes; to the Committee on House Administration.

By Mr. O'BRIEN of New York:

H.R. 8402. A bill to provide for the maintenance of the graves of former Presidents of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. O'HARA of Michigan:

H.R. 8403. A bill to subject to Federal income taxes the interest on State and local bonds issued to provide facilities for private business; to the Committee on Ways and Means.

By Mr. OLSEN:

H.R. 8404. A bill to authorize the Secretary of the Interior to contract for the sale, operation, maintenance, repair, or relocation of Government-owned electric and telephone lines and other utility facilities used for the administration of the Bureau of Indian Affairs; to the Committee on Interior and Insular Affairs.

By Mrs. ST. GEORGE:

H.R. 8405. A bill to amend title IV of the Social Security Act relating to relief work programs; to the Committee on Ways and Means.

By Mr. VINSON:

H.R. 8406. A bill to further amend Reorganization Plan No. 1 of 1958, as amended, in order to change the name of the office established under such plan, and for other purposes; to the Committee on Armed Services.

By Mr. ALGER:

H.R. 8407. A bill to limit and prevent certain concerted activities by labor organizations which interfere with or obstruct or impede the free production of goods for commerce or the free flow thereof in commerce, and for other purposes; to the Committee on Education and Labor.

By Mr. BATTIN:

H.R. 8408. A bill to define and declare exempt income of Indians and to permit Indians who are holders of beneficial interests of tribal lands or under patents of allocated and restricted lands, whether by original allotment, by inheritance, or as lessee of tribal or allocated and restricted Indian lands, to secure refunds of income taxes paid to the United States, on income from such lands which are exempt from Federal income tax; to the Committee on Ways and Means.

By Mr. BELL:

H.R. 8409. A bill to provide for the authorization of funds to be appropriated to the National Science Foundation; to the Committee on Science and Astronautics.

By Mr. HALPERN:

H.R. 8410. A bill to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

H.R. 8411. A bill to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises; to the Committee on the Judiciary.

H.R. 8412. A bill to amend chapter 50 of title 18, United States Code, with respect to the transmission of bets, wagers, and related information; to the Committee on the Judiciary.

H.R. 8413. A bill to provide means for the Federal Government to combat interstate crime and to assist the States in the enforcement of their criminal laws by prohibiting the interstate transportation of wagering paraphernalia; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas (by request):

H.R. 8414. A bill to amend section 5011 of title 38, United States Code, to clarify the authority of the Veterans' Administration to use its revolving supply fund for the repair and reclamation of personal property; to the Committee on Veterans' Affairs.

H.R. 8415. A bill to change the classes of persons eligible to receive payments of benefits withheld during the lifetime of deceased veterans while being furnished hospital or domiciliary care; to the Committee on Veterans' Affairs.

By Mr. ALGER:

H.J. Res. 512. Joint resolution proposing an amendment to the Constitution of the United States relating to the legal effect of certain treaties and other international agreements; to the Committee on the Judiciary.

By Mr. COLMER:

H. Con. Res. 361. Concurrent resolution supporting the President's declaration on Berlin; to the Committee on Foreign Affairs.

By Mr. KOWALSKI:

H. Con. Res. 362. Concurrent resolution on international adjudication of Berlin rights; to the Committee on Foreign Affairs.

By Mrs. ST. GEORGE:

H. Con. Res. 363. Concurrent resolution supporting the President's reply to the Soviet aide memoire on Germany and Berlin; to the Committee on Foreign Affairs.

By Mr. MORSE:

H. Res. 393. Resolution to authorize the House of Representatives to accept and place in the rotunda of the Old House Office Building a suitable bust of the Honorable JOSEPH W. MARTIN, JR., former Speaker of the House of Representatives; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. LIBONATI: House Resolution 114 adopted in the 72d General Assembly of the State of Illinois, relative to possible canalization of the Saline River and the Middle Fork of the Ohio River to Harrisburg by memorializing the Congress to authorize and direct the Army Corps of Engineers to make a full and complete investigation of the possibilities and to authorize sufficient funds so that said project can be completed as soon as possible; to the Committee on Public Works.

Also, House Joint Resolution 13 adopted in the 72d General Assembly of the State of Illinois, memorializing the Congress of the United States to extend GI education benefits to all veterans who have entered or who will enter military service on or after February 1, 1955, and that such educational benefits be extended as long as the provisions of the draft law shall exist; to the Committee on Veterans' Affairs.

By the SPEAKER: Memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States to extend GI education benefits to all veterans who have entered or who will enter military service on or after February 1, 1955, and that such educational benefits be extended as long as the provision of the draft law shall exist; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 8416. A bill for the relief of Aron Falshpan; to the Committee on the Judiciary.

By Mr. DOMINICK:

H.R. 8417. A bill for the relief of Mardiros Budak and Armenuhi Maryam Budak; to the Committee on the Judiciary.

By Mr. DOYLE:

H.R. 8418. A bill for the relief of David Chow (Chow Hsi Young) and Katharine S. M. Tsao Chow; to the Committee on the Judiciary.

By Mr. GARY:

H.R. 8419. A bill to provide for the presentation of medals to the officers and men of the Byrd arctic expedition of 1926; to the Committee on Armed Services.

By Mr. HOLLAND:

H.R. 8420. A bill for the relief of Cecylia Orszula Pulit; to the Committee on the Judiciary.

By Mr. JARMAN:

H.R. 8421. A bill for the relief of Graves M. Woolverton; to the Committee on the Judiciary.

By Mr. McCORMACK:

H.R. 8422. A bill for the relief of Sister M. Theophane (Jane Carroll); to the Committee on the Judiciary.

By Mr. O'HARA of Michigan:

H.R. 8423. A bill for the relief of Yee Lee, his wife, Chiemin Soun Lee, and their minor children, Shiuh Hwa Lee, Shiuh Kai Lee, and Shiuh Wuu Lee; to the Committee on the Judiciary.

H.R. 8424. A bill for the relief of Mrs. Evanthia Tawil; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

198. By the SPEAKER: Petition of Carlos P. Taitano, chairman, Territorial Party of Guam, Agana, Guam, petitioning consideration of their resolution with reference to amending the Organic Act of Guam so as to provide for a Territorial Deputy Representative from Guam in the U.S. House of Representatives; to the Committee on Interior and Insular Affairs.

199. Also, petition of R. J. Bordallo, chairman, Democratic-Popular Party of Guam, Agana, Guam, petitioning consideration of their resolution with reference to requesting the enactment of legislation granting Guam a Territorial Deputy in the House of Representatives; to the Committee on Interior and Insular Affairs.

SENATE

MONDAY, JULY 31, 1961

The Senate met at 12 o'clock noon, and was called to order by the President pro tempore.

Rev. George Richard Davis, D.D., minister, the National City Christian Church, Washington, D.C., offered the following prayer:

Our Father, we bow to recognize Thy presence, for Thou art here. Thou dost dwell in us, in each of us. Thou art concerned with the affairs of Thy children; and we art Thy children, not by our own merits, but Thou hast made and called us Thy children. The nations of the world are to become, one day, Thy kingdom. The cities of men are to become, one day, the city of God, the Holy City. Hence, we do not hesitate to call upon Thee for wisdom and guidance, in our human search for ways to reach Thy goals. One sparrow does not fall to the ground without Thy notice, and Thou hast said we are of much more value than many sparrows. Hear us, then, in our prayers. And we pray now especially for the dedicated men and women whose energy and efforts are expended from time to time in this place of great importance, the Senate of the United States.

Bless them in their personal lives and in their families. Bless them in their committee assignments and discussions. Bless them in their consultations and in their unavoidable compromises, and in their earnest desires to serve the Nation and the world.

In these dangerous and uncertain days, yet marvelous and thrilling times, grant our Senators, our chief officers of government, and all of us as free people, not only the necessary willingness, but also the anxious desire to be citizens of the 20th century.

Just now, as we hear once again the call to partial arms, teach us to remember just what it is we wish to defend, as we disrupt the lives, the plans, and the future of our people, particularly of our youth. We are not unaware of our real enemies without; and we wish to be strong, O God. But we wish also to be wise and good, and worthy of the ideals we loudly declare before the world. We have dared, our Father, to proclaim all men to be created free and equal, and endowed by God with certain rights, as well as obligations. Grant us, then, in this time of peril from within and without, the commonsense and religious idealism never to turn from the cry of

the hungry, the misery of the aged and sick, the sorrow of the disinherited, the claim of children for education and learning, the call of liberty for all. This we pray, so that we, in turn, do not lose the very values and priceless possessions which form the heart of all we claim to defend and seek as the heritage of all peoples everywhere.

We lift our voices humbly in the name and in the spirit of our Master and friend, who lived and lives forever that all might have life in abundance. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, July 29, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Alma L. Farrar, to be postmaster at Lillie, La., which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

CALL OF THE CALENDAR DISPENSED WITH

Mr. MANSFIELD. Mr. President, I ask unamimous consent that the call of the calendar, under rule VIII, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour, for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Foreign Relations was authorized to meet during the session of the Senate today.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON AGREEMENTS CONCLUDED UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, reporting, pursuant to law, on agreements concluded during June 1961, under title I of the Agricultural Trade Development and Assistance Act of 1954, with the Governments of Iran, Pakistan, Greece, United Arab Republic (Egypt), and Tunisia (with accompanying papers); to the Committee on Agriculture and Forestry.

EXTENSION OF AUTHORITY TO MAKE TEMPORARY APPOINTMENTS AND PROMOTIONS IN THE COAST GUARD

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard (with accompanying papers); to the Committee on Commerce.

PUBLICATIONS OF FEDERAL POWER COMMISSION

A letter from the Chairman, Federal Power Commission, Washington, D.C., transmitting, for the information of the Senate, a copy of its publications entitled "Map, Principal Natural Gas Pipelines in the United States, 1960," "Uniform System of Accounts Precribed for Public Utilities and Licensees, Class C," and "Uniform System of Accounts Prescribed for Public Utilities and Licensees, Class D" (with accompanying documents); to the Committee on Commerce.

REPORT OF CIVIL WAR CENTENNIAL COMMISSION

A letter from the Chairman, Civil War Centennial Commission, Washington, D.C., transmitting, pursuant to law, a report of that Commission, covering the period from March 1, 1960, through March 31, 1961 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Democratic-Popular Party of Guam, Agana, Guam, favoring the enactment of legislation granting Guam a Territorial Deputy in the House of Representatives of the United States; to the Committee on Interior and Insular Affairs.

The petition of Henry M. Henderson, of Fulton County, Ga., relating to the times, places, and manner of holding elections for Senators and Representatives; to the Committee on the Judiciary.

OCCUPATIONAL TRAINING, DEVELOPMENT, AND USE OF MANPOWER RESOURCES—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS (S. REPT. NO. 651)

Mr. CLARK. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 1991) relating to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes, and I submit a report thereon. I ask that the report be printed, together with the individual views of the Senator from Arizona [Mr. GOLDWATER].

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Pennsylvania.

NATIONAL DEFENSE EDUCATION ACT AMENDMENT OF 1961—REPORT OF A COMMITTEE—MINORITY AND INDIVIDUAL VIEWS (S. REPT. NO. 652)

Mr. MORSE. Mr. President, from the Committee on Labor and Public Welfare, I report an original bill to extend and improve the National Defense Education Act of 1958, and for other purposes, and I submit a report thereon. I ask unanimous consent that the report be printed, together with the joint minority views of Senators GOLDWATER and TOWER, and the individual views of Senators GOLDWATER and TOWER.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Oregon.

The bill (S. 2345) to extend and improve the National Defense Education Act of 1958, and for other purposes, reported by Mr. MORSE, was received, read twice by its title, and placed on the calendar.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Jonathan W. Daniels, of North Carolina, to be a member of the U.S. Advisory Commission on Information; and

Edmund A. Gullion, of Kentucky, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of the Congo.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AIKEN:

S. 2339. A bill for the relief of George Ross Hutchins; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 2340. A bill for the relief of Shunichi Aikawa; to the Committee on the Judiciary.

By Mr. FULBRIGHT:

S. 2341. A bill to provide (1) criminal penalties for the counterfeiting of phonograph records and (2) civil remedies for infringement of mechanical rights in copyrighted music; to the Committee on the Judiciary.

By Mr. BIBLE (for himself, Mr. MORSE, Mr. HARTKE, Mr. SMITH of Massachusetts, and Mr. BEALL):

S. 2342. A bill to provide an elected mayor, city council, a nonvoting delegate to the House of Representatives for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

(See the remarks of Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 2343. A bill to amend sections 1 and 5b of chapter V of the Life Insurance Act for the District of Columbia; to the Committee on the District of Columbia.

By Mr. JACKSON:

S. 2344. A bill for the relief of Miloye M. Sokitch; to the Committee on the Judiciary.

By Mr. MORSE:

S. 2345. A bill to extend and improve the National Defense Education Act of 1958, and for other purposes; placed on the calendar.

(See the remarks of Mr. MORSE when he reported the above bill, which appear under the heading "Reports of Committees.")

By Mr. BIBLE (by request):

S. 2346. A bill to amend the District of Columbia Unemployment Compensation Act, as amended; and

S. 2347. A bill to amend the District of Columbia Unemployment Compensation Act, as amended; to the Committee on the District of Columbia.

By Mr. CAPEHART:

S. 2348. A bill to provide for the increased use of agricultural products for industrial purposes; to the Committee on Agriculture and Forestry.

By Mr. MORTON (for himself and Mr. COOPER):

S. 2349. A bill to amend the act to promote the education of the blind, approved March 3, 1879, as amended, so as to authorize wider distribution of books and other special instruction materials for the blind, and to increase the appropriations authorized for this purpose, and to otherwise improve such act; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MORTON when he introduced the above bill, which appear under a separate heading.)

By Mr. SCOTT:

S. 2350. A bill for the relief of Chung Chi Yin; to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S. 2351. A bill to amend the joint resolution of July 14, 1960, enabling the United States to participate in the resettlement of certain refugees; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. CAPEHART (for himself, Mr McCLELLAN, Mr. RANDOLPH, and Mr. JOHNSTON):

S.J. Res. 121. Joint resolution to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm and define the rights of producers and resellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes; to the Committee on Commerce.

By Mr. McCLELLAN:

S.J. Res. 122. Joint resolution authorizing the President of the United States to designate the week of October 15, 1961, as the American Patent System Week; to the Committee on the Judiciary.

(See the remarks of Mr. McCLELLAN when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

DISAPPROVAL OF REORGANIZATION PLAN NO. 6 OF 1961

Mr. CAPEHART submitted the following resolution (S. Res. 188) to disagree to Reorganization Plan No. 6, which was referred to the Committee on Government Operations:

Resolved, That the Senate does not favor the Reorganization Plan Numbered 6 of 1961, transmitted to Congress by the President on June 12, 1961.

PROPOSED ESTABLISHMENT OF SELF-GOVERNMENT FOR THE DISTRICT OF COLUMBIA

Mr. BIBLE. Mr. President, I introduce, for appropriate reference, proposed legislation for appropriate reference, submitted to the Congress as President Kennedy's recommendations for establishment of self-government for the citizens of the District of Columbia.

Joining as cosponsors of this bill are the distinguished senior Senator from Oregon [Mr. MORSE], who has been in the forefront of the long fight for home rule here; the distinguished senior Senator from Maryland [Mr. BEALL], an ardent home rule advocate for many years; the junior Senator from Indiana [Mr. HARTKE], who so efficiently conducted hearings before his subcommittee on the home rule bill passed by the Senate during the 86th Congress; and the junior Senator from Massachusetts [Mr. SMITH], who this year has so capably handled key legislation for the Nation's Capital City.

I further ask unanimous consent that the bill lie on the table for 1 week to permit other interested Senators to join as cosponsors. I sincerely hope that my colleagues will join as sponsors of this bill and thereby reemphasize a keystone of democratic government—the right of the governed to vote for those who govern.

Mr. President, home rule legislation for the District of Columbia is not new to the Senate. Five times in the last 12 years the Senate has approved such legislation in some form. Each time the bill has failed of enactment. With the President of the United States a supporter of such legislation, not only when he was a Member of the House of Representatives, but also as a Member of the Senate, it is my belief that the opportunities for final enactment in this Congress are greatly enhanced. We must get on with the job.

Principally, the bill provides for an elected mayor, an elected council, and and elected nonvoting Delegate to the House of Representatives.

The District Council is given local legislative power, including taxing and borrowing power, subject to certain restrictions and to the overriding constitutionally given power of the Congress to repeal, amend, or initiate local legislation and to modify or revoke the charter itself under the terms of the legislative authority over the District of Columbia, granted to the Congress in the Constitution.

This delegation of authority relieves the Congress of the necessity of legislating in respect to matters of particular concern to the District—housekeeping and municipal matters, largely. Since the Federal interest must be protected in the Nation's Capital City—the Capital of all citizens of this country—the bill provides for a veto by the President of all acts passed by the Council.

In my years as a member and as Chairman of the Senate Committee on the District of Columbia, I believe I have learned something about this great city, whose problems are multiplied by its inability to govern itself.

The cornerstone of our American way of life lies in local self-government. The successes and failures, the ups and downs of self-government, are the foundations of democracy.

We may, in good faith, differ on a method of reaching the goal of some form of home rule for the District of Columbia. However, we must not differ on the principle itself.

If some form of self-government is wrong for the District of Columbia, then is it not equally wrong for every other great city or town or hamlet?

If the critics will come forward and point out the imperfections, and if we can negotiate them in a spirit of good faith and fair play, then the goal of success will be that much nearer.

I wish to make it clear that I am not wedded to any particular concept of self-government for the District of Columbia. However, I do believe that the Congress of the United States, in its widsdom, can and should fashion some form of home rule for the nearly 1 million citizens here who have no voice in their own government.

As a consistent supporter of both national suffrage and self-government for the District, I do not subscribe to the view that a little democracy is enough for the Nation's Capital City.

Earlier this year, the 23d amendment was ratified, giving to the citizens of the District the right to vote for President and Vice President of the United States. Home rule is the next step for that full measure of democracy which Washington, D.C., richly deserves.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the table as requested by the Senator from Nevada.

The bill (S. 2342) to provide an elected mayor, city council, and nonvoting Delegate to the House of Representatives for the District of Columbia, and for other purposes, introduced by Mr. BIBLE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the District of Columbia.

Mr. BIBLE. Mr. President the distinguished Senator from Alaska [Mr. GRUENING] has requested to be shown as a cosponsor of the bill, and I ask unanimous consent that he may do so.

The PRESIDENT pro tempore. Without objection, it is so ordered.

WIDER DISTRIBUTION OF BOOKS AND OTHER SPECIAL INSTRUCTION MATERIALS FOR THE BLIND

Mr. MORTON. Mr. President, on behalf of myself and my distinguished colleague from Kentucky [Mr. COOPER], I introduce, for appropriate reference, a bill to amend current law to enable the American Printing House for the Blind to make wider distribution of books and other special instruction materials for the blind.

Earlier in this session Senator COOPER and I introduced a bill, S. 361, the enactment of which was desired to improve the program under which the American Printing House for the Blind receives Federal assistance in providing books in braille and other educational aids for the instruction of blind schoolchildren.

Although the program is small in terms of the number of children served and the dollar cost, it has been invaluable in assisting the blind handicapped to become self-supporting and self-sustaining members of their communities.

Because of an honest and sincere difference of opinion among groups interested in education of the blind as to the best approach to program improvements, a compromise was recently reached by these organizations and agreement made on a revised bill. The bill I have just introduced is essentially S. 361 with two exceptions: First, it provides for an open-end authorization, rather than a ceiling of $1 million; and second, it authorizes the Department of Health, Education, and Welfare to prepare rules and regulations to administer the act.

I hope that the Senate Committee on Labor and Public Welfare will act on the compromise bill as quickly as possible so that a higher authorization will enable the program administrators to request a needed increase in funds through supplemental appropriation in fiscal 1962. The revised legislation is admittedly the first phase of a two-phase approach. The second phase consists of legislation to improve the system of distributing books and other aids, but this will not be worked out until early in the next session.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2349) to amend the act to promote the education of the blind, approved March 3, 1879, as amended, so as to authorize wider distribution of books and other special instruction materials for the blind, and to increase the appropriations authorized for this purpose, and to otherwise improve such act, introduced by Mr. MORTON (for himself and Mr. COOPER), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

RESETTLEMENT OF CERTAIN REFUGEES

Mr. FULBRIGHT. Mr. President, by request I introduce, for appropriate reference, a bill to amend the joint resolution of July 14, 1960, enabling the United States to participate in the resettlement of certain refugees; and for other purposes.

The proposed legislation has been requested by a letter from the President which was referred to the Committee on Foreign Relations. I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from the President, dated July 20, 1961, to the Vice President in regard to it.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 2351) to amend the joint resolution of July 14, 1960, enabling the United States to participate in the resettlement of certain refugees, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1 of the joint resolution of July 14, 1960 (74 Stat. 504) is hereby redesignated as section 1(a) and the following is added thereto:

"(b) The President is hereby authorized to continue membership for the United States in the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of refugees and migrants and to enhance the economic progress of the developing countries by providing for a coordinated supply of selected manpower, there are hereby authorized to be appropriated such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee and all necessary salaries and expenses incident to United States participation in the Committee;

"(c) There are hereby authorized to be appropriated such amounts as may be necessary from time to time (1) for contributions to the activities of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate or in behalf of whom he is exercising his good offices; and (2) for assistance to or in behalf of refugees, escapees, and selected persons from Communist-dominated or Communist-occupied areas, or to or in behalf of refugees, escapees, and selected persons from other areas, whenever the President shall determine that such assistance would be in the interest of the United States. Funds appropriated for the purposes of subsections (b) and (c) (1) and (2) of this Act shall remain available until expended.

"Of the funds made available for use under section 451 of the Act for International Development of 1961, not to exceed $10,000,000, may be used in any fiscal year in order to meet unexpected refugee and migration developments, when the President determines such use to be important to the national interest."

Add section 12, as follows:

"SEC. 12. (a) Unobligated and unexpended balances of funds made available under authority of the Mutual Security Act of 1954, as amended, and allocated or transferred for the purpose of providing assistance to or in behalf of refugees, migrants, escapees, and selected persons are hereby authorized to be continued available for such purposes and may be consolidated with appropriations authorized by subsections (b) and (c) of section 1.

"(b) The President may exercise any functions or authority conferred upon him by subsections (b) and (c) of section 1 of this Act through such agency or officer of the United States Government as he shall direct. The head of any agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions or authority, including, if he shall so specify, the authority to redelegate to any of his subordinates.

"(c) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of subsections (b) and (c) of section 1 of this Act. Such funds shall be available for obligation and expenditure for the purposes for which authorized in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred. Funds allocated or transferred pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

"(d) Whenever the President determines it to be in furtherance of the purposes of this Act, the functions authorized under subsections (b) and (c) of section 1 of this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951 (65 Stat. 7), as amended), regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

"(e) Except as otherwise specifically provided in this Act, the President may make loans, advances and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, government or government agency, whether within or without the United States, and international and intergovernmental organizations in furtherance of the purposes of this Act.

"(f) The President may accept and use in furtherance of the purposes of subsection (b) and (c) of section 1 of this Act money, funds, property, and services of any kind made available by gift, devise, bequest, grant or otherwise for such purpose.

"(g) Funds made available for the purposes of subsection (b) and (c) of section 1 of this Act shall be available for—

"(1) compensation, allowances and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purpose of this Act, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds as may be necessary to accomplish the purposes of this Act.

"(2) contracting with individuals for personal services abroad;

"(3) exchange of funds without regard to section 3651 of the Revised Statutes (31 U.S.C. 543), and loss by exchanges;

"(4) expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), not otherwise provided for;

"(5) expenses authorized by the Act of August 1, 1956 (70 Stat. 89–892) as amended; and

"(6) all other expenses determined by the President to be necessary to carry out the purposes of this Act.

"(h) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law contained in the Mutual Security Act of 1954 as amended, whether repealed or not, shall continue in full force and effect until modified by appropriate authority.

The letter presented by Mr. FULBRIGHT is as follows:

THE WHITE HOUSE,
JULY 20, 1961.

HON. LYNDON B. JOHNSON,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: For a number of years the continuing refugee and migration programs in which the United States participates have been authorized and funded by the Congress through the mutual security program. The precise objectives of all but one of these programs are not consonant with the philosophy and purposes of the proposed new foreign aid legislation. For this reason they have been excluded from the proposed Act for International Development. The decision not to include these programs in the proposed aid legislation in no way detracts from their importance or the conviction of this administration that they should be continued. I believe, however, that the statutory structure for them can be simplified and consolidated into one law. Accordingly, I transmit herewith for consideration by the Congress a draft of a bill which is designed to centralize the authority to conduct and to appropriate funds to support U.S. programs of assistance to refugees, escapees, migrants, and selected persons.

In transmitting the proposed legislation I should like to reemphasize the fact that refugee problems often develop initially as emergencies resulting from severe political or economic crises or from natural disasters. It is sound, therefore, to obtain a renewed and positive authorization from the Congress to support both the current programs now in operation, for which specific appropriation requests will be made, and such emergency programs as may be required in the future.

The proposed bill seeks authorization in support of the following principles:

1. The United States, consistent with the traditional humanitarian regard of the American people for the individual and for his right to a life of dignity and self-fulfillment, should continue to express in a practical way its concern and friendship for individuals in free-world countries abroad who are uprooted and unsettled as the result of political conditions or military action.

2. The successful reestablishment of refugees, who for political, racial, religious, or other reasons are unable or unwilling to return to their country of origin or of nationality under conditions of freedom, dignity, and self respect, is importantly related to free world political objectives. These objectives are: (a) continuation of the provisions of asylum and friendly assistance to the oppressed and persecuted; (b) the extension of hope and encouragement to the victims of communism and other forms of despotism, and the promotion of faith among the captive populations in the purposes and processes of freedom and democracy; (c) the exemplification by free citizens of free countries, through actions and sacrifices, of the fundamental humanitarianism which constitutes the basic difference between free and captive societies.

3. Some refugee problems are of such order of magnitude that they comprise an undue burden upon the economies of the countries harboring the refugees in the first instance, requiring international assistance to relieve such countries of these burdens.

4. It is important to assist in the movement of persons to developing countries in need of manpower—the most valuable asset of the free world. The contributions of the United States, together with other free nations, to international migration assistance programs, not only helps build and strengthen developing countries and thus the free world, but enlarges the opportunities of individuals to live useful, productive lives.

Consistent with the four principles just enumerated, the proposed bill provides authorization for continuation of U.S. membership in and contributions to the intergovernmental Committee for European Migration (ICEM) and for contributions to the Office of the United Nations High Commissioner for Refugees. It also includes a general authorization for the U.S. escapees program, the program for assisting Cuban refugees, and similar programs for refugees, escapees, and selected persons whom the President may determine from time to time should be helped in the interest of the United States. It does not make provision for assistance to such groups as refugees in Palestine, a program closely tied to problems of economic development in the Middle East, and for that reason included in the proposed foreign aid legislation.

The bill intends that the extension of U.S. assistance shall be in a form designed to meet the varying needs of particular refugee problems at home and abroad, i.e., through cash in dollars or local currencies, through surplus commodities, through loans, grants, or contracts, through international organizations, private voluntary organizations, or direct U.S. operations. It will be necessary to provide varying types of aid to meeting the varying needs which refugee situations present, including interim care, housing, welfare assistance, training, rehabilitation, job placement, local reestablishment, and oversea resettlement. Other technical provisions of the bill are designed to provide the necessary operational flexibility to meet the unusual and emergency features of refugee problems. There is also provision for a special emergency fund, subject to Presidential determination, to meet unexpected refugee and migration developments.

I am sure that the Congress shares with me and with the people of America our pride in the generous and successful efforts of the United States in helping the homeless and stateless victims of war and political oppression to live again as free men. The leadership which the United States has given to this great humane task has helped to generate wide participation by private citizens and governments in voluntary and international programs in behalf of the uprooted. It is altogether fitting that the United States should do this. From the earliest days of our history, this land has been a refuge for the oppressed and it is proper that we now, as descendants of refugees and immigrants, continue our long humanitarian tradition of helping those who are forced to flee to maintain their lives as individual, self-sufficient human beings in freedom, self-respect, dignity, and health. It is, moreover, decidedly to the political interests of the United States that we maintain and continue to enhance our prestige and leadership in this respect.

Great strides have been made in alleviating many of the world's refugee and migration problems. Through the efforts of the free world in its continued support of international assistance programs, with the added impetus of the World Refugee Year and of the improving European economy, many of the refugee camps in Europe have been closed and much has been done to improve the lot of thousands of other refugees in Europe who have been living in substandard conditions.

Yet millions of refugees are still in desperate want in many parts of the world and the foreboding atmosphere of political conditions and the oppression of communism gives continuing warning of more refugees to come. The United States must be prepared at all times to act promptly and effectively to help these new refugee groups as they emerge and to show our humanitarian concern for those who seek freedom as the unwilling and unfortunate victim of war and violence.

With the enactment by the Congress of the requisite authorization and appropriation legislation for these programs, the Department of State will continue its responsibilities for overseas refugee activities and the assistance programs for Cuban refugees in the United States will continue to be a responsibility of the Department of Health, Education, and Welfare.

I am confident that these proposals will be given the full and sympathetic support of the Congress. This country has always served as a lantern in the dark for those who love freedom but are persecuted, in misery, or in need. We must and will continue to show the friendship of the United States by doing our share in the compassionate task of helping those who are refugees today as were so many of our forefathers in the years past.

Sincerely,

JOHN F. KENNEDY.

DESIGNATION OF AMERICAN PATENT SYSTEM WEEK

Mr. McCLELLAN. Mr. President, by request, I introduce, for appropriate reference, a joint resolution to designate the week of October 15, 1961, as the American Patent System Week.

Mr. President, in support of the joint resolution I ask unanimous consent to have printed in the RECORD at this point a copy of a letter from the Secretary of Commerce to the Honorable LYNDON B. JOHNSON, President of the Senate, and a statement in support of the resolution.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the letter and statement will be printed in the RECORD.

The joint resolution (S.J. Res. 122) authorizing the President of the United States to designate the week of October 15, 1961, as the "American Patent System Week," introduced by Mr. McCLELLAN, was received, read twice by its title, and referred to the Committee on the Judiciary.

The letter and statement presented by Mr. McCLELLAN are as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C. July 19, 1961.

HON. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There are enclosed four copies of a draft resolution for the purpose of authorizing the Secretary of Commerce and the Commissioner of Patents and

such other persons or groups as they may designate to make suitable arrangements for an appropriate observance of the American patent system on the occasion of the 125th anniversary of the Patent Act of 1836, which occurred on July 4, 1961.

This act created the present examination system for granting patents and established the U.S. Patent Office as a separate and distinct bureau with a Commissioner of Patents as its head. It is expected that the three-millionth patent under the principles of this act will be granted in September 1961.

The patent grant has been a traditional incentive for the promotion of the useful arts thereby benefiting the welfare of the people of the United States and of the world. This function of the patent grant has assumed added significance in view of the present day necessity of maintaining the technological lead and increasing the rate of economic growth of the Nation. It appears proper, therefore, that the 125th anniversary of this act should be observed in a fitting manner.

The Department urges early congressional action to enable proper preparations to be made by October 18, 19, and 20, 1961, when it is contemplated the ceremonies of this celebration will be held.

We are advised by the Bureau of the Budget that no objection from the standpoint of the administration's program would be taken to the transmission of this draft joint resolution.

Sincerely yours,

EDWARD GUDEMAN,
Under Secretary of Commerce.

STATEMENT OF NEED FOR AND PURPOSE OF THE PROPOSED RESOLUTION

July 4, 1961, marked the 125th anniversary of the Patent Act of 1836, which created the present examination system for granting patents and which established the U.S. Patent Office as a separate and distinct bureau with a Commissioner of Patents as its head. It is expected that the three millionth patent under this act will be granted in September 1961.

The patent grant has been a traditional incentive for the promotion of the useful arts thereby benefiting the welfare of the people of the United States and the world. This function of the patent grant has assumed added significance in view of the present day necessity of maintaining the technological lead and increasing the rate of economic growth of this Nation.

It appears reasonable therefore, that this anniversary of this important Patent Act and the establishment of the U.S. Patent Office should be observed in a fitting manner. Accordingly, the Department of Commerce is proceeding with plans for an industrial exhibit of an educational value to the public, a series of seminars by industrialists, engineers, inventors, members of the patent profession and guests from foreign patent offices on the theme of the Patent System and the Modern Economy, tours of the Patent Office and discussions of patent office operational problems with foreign officials. The observance will include a banquet for approximately 1,400 persons. The Department of Commerce does not believe that an appropriation from the Congress is necessary and none is requested.

The resolution provides for the Secretary of Commerce and the Commissioner of Patents and such other persons or groups as they may designate to make suitable arrangements for an appropriate observance of this event which is so advantageous to this Nation and to other countries of the world.

A prime desire of the Department of Commerce is to place the American patent system and the U.S. Patent Office before the public with appropriate publicity. The encouragement of invention is essential to our welfare. It is felt that congressional recognition of the anniversary will help to make the people more keenly aware of the great part which the American patent system has played and is still playing in the continued development of our Nation.

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT—AMENDMENT

Mr. ENGLE submitted an amendment, intended to be proposed by him, to the bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce, which was referred to the Committee on Commerce and ordered to be printed.

NOTICE OF HEARING ON NOMINATION OF ANDREW A. CAFFREY TO BE U.S. DISTRICT JUDGE, DISTRICT OF MASSACHUSETTS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, August 8, 1961, at 11 a.m., in room 2228 New Senate Office Building, on the nomination of Andrew A. Caffrey, of Massachusetts, to be U.S. district judge for the district of Massachusetts—appointed during the last recess of the Senate.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nomination of W. Walton Butterworth, of Louisiana, to be the representative of the United States to the European communities, with the rank of Ambassador.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts of broadcast by him over radio station WGN, Chicago, Ill., on recommendations for Ideological Warfare Agency.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6611) to amend paragraph 1798 (c)(2) of the Tariff Act of 1930 to reduce temporarily the exemption from duty enjoyed by returning residents, and for other purposes.

The message also announced that the House concurred in the amendments of the Senate numbered 1 through 41, inclusive, and in amendments numbered 43 and 49 to the bill (H.R. 7208) making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes; that the House disagreed to the amendments of the Senate numbered 42, 44, 45, 46, 47, 48, 50, 51, and 52 to the bill; that the House agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEED, Mr. KIRWAN, Mr. CANNON, Mr. HORAN, and Mr. TABER were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 498. An act to provide additional lands at, and change the name of, the Fort Necessity National Battlefield Site, Pa., and for other purposes;

H.R. 1593. An act to authorize the Secretary of the Interior to convey certain land in the Big Sandy Rancheria, Calif., and to accept other land in exchange therefor;

H.R. 2616. An act for the relief of Habib Mattar Nacol;

H.R. 6067. An act to provide for an appropriation of a sum not to exceed $35,000 with which to make a survey of a proposed national parkway from the Blue Ridge Parkway at Tennessee Bald or Beech Gap southwest and running into the State of Georgia;

H.R. 6346. An act to include Ackia Battleground National Monument, Miss., and Meriwether Lewis National Monument, Tenn., in the Natchez Trace Parkway, and to provide appropriate designations for them, and for other purposes;

H.R. 6514. An act for the relief of Dr. Louis Karel Dupre;

H.R. 6519. An act to provide additional lands for the Tupelo National Battlefield Site, Miss., and for other purposes;

H.R. 7042. An act to add certain federally owned land to the Lassen Volcanic National Park, in the State of California, and for other purposes; and

H.R. 7240. An act to authorize an exchange of lands at Wupatki National Monument, Ariz., to provide access to certain ruins in the monument, to add certain federally owned lands to the monument, and for other purposes.

A QUIET, EFFECTIVE, AND DESERVEDLY POPULAR SENATE MAJORITY LEADER

Mr. GRUENING. Mr. President, in recent years a phrase to designate individuals who meet the highest approval of their colleagues and associates has come into use. Such a phrase refers to "a soldier's soldier," "a diplomat's diplo-

mat," "a surgeon's surgeon," or "a lawyer's lawyer," signifying, obviously, that those who have great knowledge of, and are well versed in a given field of human endeavor and both expert and specialized therein, bestow a special accolade on one of their peers for his expertise and his outstanding ability to meet their exacting standards of distinguished professional performance.

I think it appropriate that such a salute be accorded the senior Senator from Montana, MIKE MANSFIELD, our beloved majority leader. By perhaps a coincidence, deserved tributes to him in his role of majority leader, after 6 months in that position, have been published in two great newspapers. One was published in yesterday's New York Times; the article is entitled "How To Be a Leader Without Leading." It pays merited acclaim to the quietly effective and considerate way in which MIKE MANSFIELD accomplishes his arduous and important assignment. The other article on the same theme is entitled "The Mansfield Method." It was written by that able columnist, George Dixon, and was published this morning in the Washington Post.

I ask unanimous consent that both of these articles be printed at this point in the RECORD, as part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

HOW TO BE A LEADER WITHOUT LEADING—MIKE MANSFIELD ACCOMPLISHES IT IN THE SENATE, ESCHEWING INTRIGUE, THREATS, AND PRESSURES

(By Frederic W. Collins)

WASHINGTON.—MICHAEL J. MANSFIELD, of Montana, leader of the Democratic majority in the U.S. Senate and a principal legislative engineer of President Kennedy's program in Congress, is a rare study in the phenomenon of leadership. It may be said that he is tremendously effective without seeming to try. His special achievement is leading by developing an unbeatable followership, almost without recourse to naked devices of authority.

An episode of recent vintage tells a revealing story about MANSFIELD'S technique. When Astronaut Alan B. Shepard, Jr., of Derry, N.H., was being welcomed to Washington from space, MANSFIELD learned something that disturbed him. Senator STYLES BRIDGES, New Hampshire Republican, had been invited to the White House for the Shepard reception. Senator NORRIS COTTON, also a New Hampshire Republican, had not. MANSFIELD knew COTTON has a prospectively difficult reelection problem next year. When Shepard reached the Capitol for a second reception, COTTON was in the front row, put there by MANSFIELD, and was photographed with Shepard.

Afterward, COTTON took MANSFIELD'S hand and said, "Thank you, MIKE, I appreciate that." That afternoon, he voted with MANSFIELD (as did many other Republicans) for the controversial nomination of Julius C. Holmes as Ambassador to Iran, which the Republican leadership opposed. Everyone in the Senate, on both sides, knew of the Cotton episode. In the humid sentimentality of the Senate, MANSFIELD was credited with "correcting an injustice" against COTTON.

MANSFIELD'S principal asset, perhaps, is indiscriminate, nonpartisan considerateness, a generous distribution of quids without nailing down quos. Reluctant in authority, he remarks: "A leader can't do much leading. What magic could change a vote? On the basis of personal friendship and trust I might in a close situation get 5 or maybe 10 Senators to give me the benefit of the doubt—if they're not too firmly committed."

That a leader can lead without constant brilliance in generalship, mastery, intrigue, pressures, threats, coaxings, parliamentary acrobatics, or tireless use of some mysterious technique is a truth hard for most observers of the Senate to grasp. In some circumstances, it would be impossible. In MANSFIELD'S case, it is not only possible, but what actually happens.

MANSFIELD did not particularly want to be a leader and bowed to a genuine draft by his party colleagues and President Kennedy. He is far more interested in being an independent Senator. He feels that to an extent, his position as leader inhibits his prized freedom, because he is considered to be speaking for the White House instead of for himself, and every now and then he asserts his purely senatorial self.

A recent notable instance was his speech of June 14 suggesting that all Berlin be made a free city under international guarantees and protection—access to be guarded by international peace teams, freedom guaranteed by the NATO and Warsaw Pact countries. East and West Germany would join in underwriting the arrangement.

Some suspected this was a trial balloon launched by the Democratic leader at administration suggestion. There is no evidence to believe so and every reason to accept MANSFIELD'S insistence that the speech and the ideas were self-generated. In fact, they evolved from a speech he made in February 1959, during another climax in the Berlin crisis. That one, he acknowledged, brought "criticism little short of shocked disbelief." The latest stirred critics here and in West Germany and aroused the scorn of Richard M. Nixon.

The criticism leaves MANSFIELD unshaken in the belief that MANSFIELD the Senator can function as a person entirely separate from MANSFIELD the administration's leader in the Senate. The speech was consistent with his intense interest in foreign affairs, which surely outweighs his interest in legislative engineering (he is fourth in rank on the Foreign Relations Committee), and consistent with his conviction that it is part of his duty to stimulate discussion by advancing new ideas—as an independent Senator. He does not soldier on the job as leader. He simply insists upon performing it on his own terms.

MANSFIELD knows how he wants to lead because he knows how he can. Asked what instruments of authority he disposes, he replies, "None." "They think I can manipulate committee assignments," he says. "I don't. If there's a struggle, I give it to the steering committee to settle by secret ballot." He deliberately ceded to Vice President LYNDON JOHNSON some patronage, such as committee promotions and assignments on foreign junkets, which JOHNSON, when he was majority leader, delightedly used. It is asserted, however, that if MANSFIELD tells JOHNSON, "This is my choice and I want it," he gets it.

"I am one among my peers," says MANSFIELD. As he sees it, his assets have been built up through the years. He stresses a good relationship with the Republican minority leader, Senator EVERETT DIRKSEN. Their friendship dates back to House days. "Fair * * * never temperamental * * * no opportunism * * * no expediency," says DIRKSEN of MANSFIELD. "Outstanding * * * extremely cooperative and understanding * * * I couldn't have a better man across the aisle." He must depend, too, MANSFIELD goes on to say, on the confidence of Members, and on logic.

The factor of party loyalty to the President among Senators, which MANSFIELD can draw upon, is enormously helpful. Kennedy's program is going well in the Senate. The leadership is gaining increasing impetus just by winning. MANSFIELD gets credit and even stands a chance of going down in Senate history as one of the great leaders.

His greatest personal accomplishment as leader has been cooling off the fights on changing the cloture rule—a precondition of action on civil-rights measures. He shunted aside a platform commitment to force the change at the beginning of the session. His device was to promise that, as Rules Committee chairman, he will champion a three-fifths cloture vote, instead of the existing two-thirds requirement, and instead of the simple majority the hotspurs want. The prediction is that, on the showdown, he'll have his way.

It would be unrealistic to suppose that the prosecution of a legislative program can proceed without some politicking. That work, for MANSFIELD, is performed largely by Senator HUBERT HUMPHREY, of Minnesota, the deputy leader, or "whip." HUMPHREY loves the frenzied wheeling and dealing offstage. There have been rumors that he is getting bigger than his leader. HUMPHREY crosses his heart and denies it and MANSFIELD pays no attention. His own position in the party is very strong. To him, HUMPHREY'S work is part of a sensible division of labor.

Despite MANSFIELD'S depreciation of his own puissance, there are sound students of the Senate who regard a majority leader, when a man of his own party is in the White House, as occupying an echelon of political power in the United States third to that of the President and the Speaker of the House, and on a par with the Secretaries of State, Defense, and Treasury. He has no constitutional credentials at all, but his unwritten charter gives him almost absolute power over the scheduling of bills in the Senate, the scheduling of all its business, and primacy in the Steering Committee (committee assignments), the Policy Committee, and the full party conference.

With these, he can serve or obstruct the convenience and needs of all Senators, influence committee appointments, transfers, and promotions; exercise leverage on committees—and even committee chairmen—and dominate policy. He has great power at the White House and must be reckoned with there. With other congressional Democratic leaders, MANSFIELD has policy for breakfast with the President every Tuesday at 8:45 a.m. That is his formal opportunity for making his own and the Senate's views part of the administration's.

Of this part of his role, MANSFIELD says, "My job is to represent the Senate to the President, and the President to the Senate. I'm the Senate's agent, primarily. It's kind of a spot and one of the reasons I didn't want the job." (Another was his Catholicism. He thought a Catholic Senate leader for a Catholic President might be a bit too much. Kennedy overrode that objection.)

When he speaks of a "spot," MANSFIELD refers to the fact that the Senate is extremely jealous of its independence. It is always ready to charge a leader with being too solicitous of the President's position at the expense of the Senate's. A President is jealous the other way. Finding the precisely correct division of loyalty between the two is so difficult as to be sometimes impossible.

MANSFIELD uses his time efficiently, reaching his working office before the street doors of the Senate Office Building are officially opened. (He also has a small, ceremonial office in a corner of the Capitol.) He usually breakfasts in the cafeteria at 8 a.m. with Senator GEORGE AIKEN, the Vermont Republican, and if he is 5 minutes late, AIKEN asks, "What did you do this forenoon?"

MANSFIELD keeps his own desk cleared. He often has the mail opened, sorted, and partly answered by the time his staff is in. Likewise, he keeps the Senate's desk cleared, getting the Members home for dinner with

their wives. He is in great social demand, but rejects as many invitations as he accepts. Purposeless socializing seems to bore him, but taking a briefcase home does not. His daily schedule runs 15 or 16 hours.

It takes only minimum experience of the two to perceive that in the leadership, MANSFIELD is markedly different from his predecessor, LYNDON JOHNSON. The difference, however, is not as extreme as outward comparison—extrovert JOHNSON versus introvert MANSFIELD—would suggest. The difference is not that of fire and ice, but of fire and room temperature. "LYNDON ran and MIKE walks," says one old Senate hand, "but they both come out at about the same place. LYNDON'S geographic circumstances were different; as a Texas southerner he had to walk on more eggshells."

JOHNSON had to have a finger in everything; MANSFIELD uses other people's fingers as well as his own. JOHNSON always had to take credit, sometimes when he might have made a friend by yielding it; MANSFIELD never tries for credit. LYNDON had sparkle and was busy; MANSFIELD is still—but, also busy.

MANSFIELD does not exhibit conspicuously the parliamentary mastery on the floor nor the high talent in the politics of the small room that JOHNSON possessed. JOHNSON wrapped up all the powers and functions of leadership in himself. MANSFIELD concentrates on the floor and the higher politics of party direction, interparty accommodation, and policy formulation, leaving crasser details to accomplished operatives. His basic circumstances in the leadership are different from JOHNSON'S. MANSFIELD has a Democratic President. He isn't running for anything. So far, he has mostly had only to cultivate legislative ground JOHNSON had to break.

As an observed object, the 58-year-old MANSFIELD is almost completely colorless. He is slightly built. The hue of his suits would depress an undertaker. His hair is dark and only adequate as coverage. His face is almost as pale as his shirt front, where a dark tie lies like a shadow. His smile is only a slight defrosting. He never cracks jokes or slaps backs.

He reins himself in tight. Those who have seen him angry say the only sign is that he becomes even paler than usual; perhaps an unaccustomed "damn" passes his lips. He is not without a capacity for dislike, and the provocation may be odd. He still holds in contempt, it is said, an official of the Truman administration. The reason is that Mrs. Official babbled to MANSFIELD throughout dinner one night about all the foreign places she had visited with her husband and all the bargains she had brought back. The slightest trace of gravy on a public servant's vest disgusts and angers MANSFIELD.

MANSFIELD is hard working, well informed, and thoughtful. Even some of his warmest admirers, it must nevertheless be admitted, are still unsure as to his profundity, or lack thereof. His foreign policy comments, as, for example, those on Berlin, sometimes puzzle the experts both here and abroad. They feel that on occasion he does not think things through, employs wrong or inadequate data and too uncritically adopts staff material.

He prefers technical assistance to foreign economic aid, and that grates on some internationalists. He argues that the lion's share of economic aid is concentrated among regimes unpopular in most parts of today's world. At any rate, no one specifies profundity as a required attribute in a floor leader, and in fact, it is not common to the type.

But even those who think him less than perfect, like him, and will not speak or hear a hard word against him. There is a strong temptation to say that no one in Washington in the last two decades has been universally held in higher regard.

EX-VILLAGER

Senator MANSFIELD, a son of Irish immigrants, was born at 98 Perry Street in Greenwich Village in 1903, but has been a Montanan since the age of 3. He enlisted in the Navy in World War I—at 14—joined the Army after the war and then tried the Marine Corps, serving in the Philippines and China.

Back in Montana, he took on the drudging work of a mucker—a pick-and-shovel man—in the deep copper mines at Butte. After a spell at the Montana School of Mines, he worked underground as an assistant engineer. Surfacing, he shifted to liberal arts at Montana State University and, after filling a large gap between seventh grade and college, received both his high school and college diplomas in 1933. One year later it was MIKE MANSFIELD, M.A., teaching. He was a professor of Latin American and Far Eastern history at Montana State by the time he became a Congressman in 1942. He won his Senate seat in 1952.

In 1931 he married Maureen Hayes of Butte. They have one child, Anne, 22.

[From the Washington Post, July 31, 1961]

THE MANSFIELD METHOD

(By George Dixon)

A great many observers hereabouts are coming to the conclusion that MIKE MANSFIELD is just about the most effective majority leader the Senate has ever had. Harassed by disruptive influences which would have turned a lot of his predecessors livid, the man from Montana keeps as calm as a fellow can keep without becoming stagnant.

He feels he has suffered both a professional and personal defeat over the messing up of the school aid bill, but he refrains from post mortem accusations that might work against the rest of his legislative program.

MIKE MANSFIELD had a lot to live up to when he succeeded to the leadership from the relatively obscure post of Democratic whip. LYNDON B. JOHNSON had compiled an enviable record of effectiveness for himself. And MANSFIELD possessed little of the outward aggressiveness which was a trademark of the tall Texan who is now our Vice President.

LYNDON JOHNSON held the world's record for fast buttonholing. It was said of him that he could reach out and grab a lapel faster than the human eye could follow. Some Democratic Senators toyed with the idea of having their lapels enforced with steel struts.

MIKE MANSFIELD never mastered buttonholing or lapel-snagging. In fact, he never tried. His method of holding a fellow legislator long enough to give him a pitch never entailed physical detention.

There were those who predicted that the Missioner from Missoula would discover that the only way to keep a grasp on party adherents was by the coat collar. But the prophecy shows no signs of being fulfilled.

I think the Mansfield method was best described the other day by television commentator Joseph F. McCaffrey. Said Mr. McCaffrey solemnly:

"Majority Leader MANSFIELD is getting things done—and hasn't torn off a lapel yet."

For many years now, Senator MANSFIELD has made it a point to have breakfast as frequently as possible with Senator GEORGE D. AIKEN of Vermont. This isn't as odd a twosome as some might think, because AIKEN, while a Yankee Republican, represents the most liberal wing of the GOP.

MANSFIELD and AIKEN still carry on a game they started shortly after the first Eisenhower inauguration, but they've changed ends.

When they used to meet at breakfast—in the main Senate dining room, not the private chamber for Senators only—MANSFIELD would open the game by complaining to AIKEN:

"I can't get any information, or sense, out of any of your reactionary Republican Cabinet members. Why don't you ask them to answer my letters?"

Now they've changed ends, and AIKEN performs the kickoff. The Republican's matutinal greeting to the Democratic leader now is:

"I can't get any information, or sense, out of any of your New Frontier Cabinet members. Why don't you ask them to answer my letters?"

In the last couple of weeks, Senator AIKEN has added another play to the game. It involves Secretary of Labor Arthur J. Goldberg, who is probably innocent.

"I hear," AIKEN tells MANSFIELD mendaciously, "that Goldberg has put up a special bulletin board at Labor for Aiken letters. He calls it the Aiken board. He pins all my letters to it as prime examples of the kind of communications that should be ignored."

Mr. DIRKSEN. Mr. President, will the Senator from Alaska yield?

Mr. GRUENING. I yield with pleasure.

Mr. DIRKSEN. I concur fully in what the Senator from Alaska has said about our beloved majority leader, and I concur fully in all the encomiums about the distinguished majority leader. He is by all odds one of the most gracious, humble, and able men I have ever known. Since the majority leader and the minority leader must work together, I am certainly in a position to utter an informed opinion on this subject. I wish to state that I have never worked with anyone more able than he. To work with him is a very real pleasure. He always approaches every problem, every day, with a most understanding heart.

Mr. GRUENING. I thank my good friend, the minority leader, for his contribution, and for the expression of those sentiments, which I am sure are shared by every one of the Members of the Senate who has the privilege of working with our distinguished majority leader, MIKE MANSFIELD.

MILITARY CENSORSHIP—ADDRESS BY SENATOR GOLDWATER

Mr. TOWER. Mr. President, our distinguished colleague, the junior Senator from Arizona [Mr. GOLDWATER], delivered a most outstanding speech before the State convention of the American Legion, Department of Texas, at Houston, Tex., on July 28. His speech dealt with the matter of military censorship. I believe his speech should be brought to the attention of the Senate; therefore, I ask that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR BARRY GOLDWATER, REPUBLICAN, OF ARIZONA, TO A STATE CONVENTION OF THE AMERICAN LEGION, DEPARTMENT OF TEXAS, AT THE RICE HOTEL, HOUSTON, TEX., JULY 28, 1961

Commander Turner, honored guests, and fellow legionnaires, I am both honored and

proud to be with you today and to contribute what little I might to making this great convention in this great State an occasion memorable by its success. And my pride does not stem solely from the fact that I have been a member in good standing of the American Legion's Thunderbird Post No. 41 in Phoenix, Ariz., for the past 16 years. It goes beyond that to considerations such as our shared devotion to the freedom of mankind, our joint enthusiasm for the United States of America and our collective concern for the dangers and events which threaten the cause of freedom and our national interests. Let me say that I am proud to be a member of this great organization which maintains a high, unwavering brand of patriotism and makes no apology for its allegiance.

Now this is particularly important today. For there are influences at work which would like us to believe that patriotism is outdated; that devotion to country is of one piece with unrealistic isolationism; that to love one's national symbols and institutions is some species of treason to the United Nations.

And there are voices that urge "appeasement" and "accommodation" in our attitude toward international communism and whisper "I'd rather be Red than dead." There are, unfortunately, people among us who would crawl to Moscow on their hands and knees rather than run the risk of a shooting war with the enemies of freedom. These are the people who would play into the enemy's hands by assuring him that no matter what he does to overthrow freedom anywhere in the world we will not act from strength because it might mean war. And I would remind you today that such assurance is all that communism needs to take over the world—a guarantee of immunity.

There is a need today for extreme vigilance on the part of great patriotic organizations such as the American Legion. And there is a great need for open declarations by organizations such as ours which speak for men who know what it means to fight and risk death for their country. The Legion must never hesitate to make its voice heard and its weight felt for the development of sound policies in the conduct of our struggle with the forces that would enslave the world.

I believe that the American Legion has a special responsibility for helping the people of the United States understand the nature and extent of the challenge we face and for helping them to understand the consequences of trying to meet that challenge with halfhearted attempts to maintain something called peaceful coexistence.

Now I have already mentioned disquieting developments which we are witnessing in face of this global challenge. And today I want to devote some time in my remarks to one particular trend of events over which I believe your organization should have grave concern. I refer to the repeated and growing attacks being made on our military leaders and to the strenuous efforts being made to muzzle them and prevent them from telling their troops and the American people some of the facts which they should know.

These attacks on the men in uniform—particularly those in positions of responsibility and command—began early in the life of the new administration. They began with the censuring of some remarks prepared for delivery by Adm. Arleigh A. Burke, then Chief of Naval Operations. And this has set the pattern for repeated interference by civilian officials of the new administration into the realm of public utterances by our military leaders.

Another move came in the Congress of the United States when a member of the Senate Armed Services Committee attempted by innuendo to saddle the Joint Chiefs of Staff with blame for the Cuban invasion fiasco. This was an especially devious attack since the member in question emerged from an executive session of the committee and demanded the resignation of the Chairman of the Joint Chiefs. He left the erroneous inference that something had been revealed at the closed session which would warrant such a demand. Of course, the demand was not honored. It wasn't even taken seriously. But, it had the effect of undermining public confidence in the Joint Chiefs of Staff and our military leadership at a particularly critical time in our history. It served no purpose but to further confuse the entire Cuban situation which has never been clarified to the satisfaction of the American people. And, I would remind you that only the national administration can do this job—the job of assigning the responsibility for a chaotic, poorly planned, and totally inadequate venture. I don't believe it is sufficient for the President merely to say he was assuming all the responsibility and let it go at that.

Along this same line, it is now becoming popular in the National Government to investigate and censure military men who have any words of warning to say about Communist influences in American life. You men who have fought in wars must wonder what kind of struggle we are waging when it becomes a censurable offense to discuss the tactics of the enemy. Regardless of what the official policy might be, there can be no denying that communism is our enemy. Communism is our sworn enemy. It strives to take over and enslave the United States of America as well as the entire world. And against this backdrop it becomes not merely an arguable question of military etiquette whether we are to know every possible facet of the enemy's operation. It becomes a question of our national survival.

Even though our peril is great, we find a situation developing where military commanders are in danger of being charged with rightwing political theories if they have the temerity to call attention to our danger and point out the methods used most successfully by our enemies. One of our able generals already has been censured as the result of an investigation which disclosed that his—and I quote—"strong anti-Communist feeling frequently led his talks to become heated and intense with the use of excessively strong language."

Believe me, in the situation we face today our anticommunism better be strong or freedom will vanish from the face of the earth. What our attitude toward communism needs today is a lot more heat than many people in official positions are inclined to bring to this vital task. This is no pink tea we are engaged in—it is a grim battle to the death.

But, curiously enough, we find the Defense Department today threatening to crack down on cold war seminars held by military commanders to increase public awareness of the danger of the Communist menace. The ostensible reason for this action is a memorandum by Senator WILLIAM FULBRIGHT to the Secretary of Defense which complains about an emphasis in these seminars on the dangers of internal Communist infiltration. According to Senator FULBRIGHT—at least as his memorandum has been reported in the press—this emphasis is the result of what he calls "the virus of rightwing radicalism." I guess we are supposed to believe that emphasizing the danger of internal Communist infiltration is some kind of a crime. Or perhaps the idea is to foster the belief that there is no such danger; or that only persons of a particular shade of political opinion are concerned with such a danger. This, of course, does a grave injustice to the American people. Because the vast majority of the American people—of all political hues—are deeply concerned over the menace of Communist infiltration. And they should be concerned, for any relaxation of our national vigilance on this score could spell disaster, quick and certain disaster.

This is a problem which involves us all. It is not something that can be wished away by ascribing the primary emphasis on it to one area of political thought. The concern belongs to all groups and the threat applies to all groups. It is the legitimate worry of every honest American.

Now let me say that not even the War College is safe from attack in this strange campaign where the virility of a military man's patriotism is equated with so-called rightwing politics. Among other things suggested by the Fulbright memorandum is a request that the role of the National War College in providing on cold war problems be reviewed. The Senator would place special stress in this review on the relationship to the College of such private groups as the Foreign Policy Research Institute, the Institute for American Strategy and the Richardson Foundation.

My understanding is that Senator FULBRIGHT prepared his memorandum as chairman of the Senate Foreign Relations Committee. And I am happy to inform you that a Democratic member of the Senate Armed Services Committee, which has a more direct responsibility with the security of the Nation, has taken strong issue with the contents of that memorandum. My reference is to Senator STROM THURMOND of South Carolina who has described the memorandum as—let me quote—"a dastardly attempt to intimidate the commanders of U.S. Armed Forces and prevent those commanders from teaching their troops the nature of the menace of world communism."

But let me continue to quote from Senator THURMOND because I believe his views on this situation are of the utmost importance. Here is what he says:

"The principal source of strength of the United States lies in an understanding of our citizens of the principles of Government on which our country was founded and the vast gulf between these principles and the insidious nature of world communism. There is particular need for such an understanding by members of our Armed Forces, as is demonstrated by the fact that about 38 percent of the American troops captured by the Communists in Korea are reported to have given comfort to the enemy.

"The memorandum which originated within the Foreign Relations Committee of the Senate, according to press reports, charged that the military is teaching the troops that our defeats in the war against communism are the results of appeasement and a soft attitude by our Government. I hope the charge is correct for it refortifies my belief that our military officers do understand the threat from communism, and are giving their personnel the truth, and knowledge of the truth is the only means by which our troops can be equipped to combat effectively the Communist evil."

And, of course, the leaders of our Air Force have come in for more than a fair share of the recent attacks. These are the men, I would point out, who direct that part of our military might most feared by the Russians and most important to the United States. This is the military force that the Russians would like to disarm if we are ever foolish enough to enter into a disarmament agreement. However, the importance of the U.S. Air Force in the present balance of power throughout the world, has not discouraged some efforts to discredit its leaders and hold them up to ridicule as irresponsible warmongers.

Perhaps the most ridiculous, farfetched attack of this kind was made on Gen. Curtis LeMay, Air Force Chief of Staff. It was based on a published report that the General had told a Senator's wife that a nuclear war was inevitable within a certain period of time. Now as ridiculous as the source of this report was, General LeMay actually had to defend himself against the charge and

make it plain that he had never made any such statement.

If we aren't careful, our military men will become so busy defending themselves against trumped-up allegations they won't have time to devote to the vital and serious job of defending our ramparts.

I emphasize this situation today because it is assuming alarming proportions at a time when the President of the United States is placing heavier and heavier stress on the need for military preparations in connection with the Berlin crisis. This certainly is no time for any group, much less officials within the Government, to be acting in a way that results in downgrading the leaders of our military establishments.

But all you have to do is refer to your daily newspapers and your service publications to get a good idea of what is happening. Let me quote a few of them for you:

Here's one from the Aviation Daily for April 20, 1961, which says: "The trend toward one-man censorship and review of all information from the Pentagon continues to accelerate, with Assistant Secretary of Defense for Public Affairs, Arthur Sylvester, now ruling on virtually every item."

And from the Army, Navy, Air Force Journal of May 13, 1961. This says: "Professional military thought and expression is under attack at the Pentagon. Curiously, the assault on independent thinking and professional writing by career military men comes at a time when the Department of Defense and the White House are weighed heavily with academicians who have been in the forefront of the fight for freedom of thought and expression."

The Milwaukee Journal, on April 17, 1961, contains this attack on military men. And I quote: "The admirals and generals form pretty much a 'closed and mean union.' They are in positions of great power. Some of them tend to reject limitation on that power. They undermine official policy."

That's not all. Writer Thomas B. Ross, in the Chicago Sun-Times, of July 20, 1961, reports that Gen. Curtis LeMay is in the middle of new Pentagon controversy. And he adds this significant comment: "High-ranking Air Force officers and their friends in Congress are convinced that a dangerous movement is afoot to 'get' LeMay as a means of undermining a 'hard' line on Berlin."

Now, I suggest that if there is validity in censuring the remarks of our military leaders there is even more validity in censuring the remarks of some of our other high officials.

For example, when Adlai Stevenson returned from his quick trip through the Latin American countries he reported that any effort on our part to take strong action to rid Cuba of Communist rule would lose us friends in those countries. This kind of inaccurate reporting by an American official certainly could do with some censuring. My Latin American friends, and I have many of them in many countries of the Western Hemisphere, are asking why the greatest power in the world is acting like a frightened rabbit regarding Castro and his Communists.

Then the remark attributed to one of your fellow Texans that the issue now is "freedom or starvation" certainly should have received some upstairs attention, for the issue today is "freedom or slavery."

These officials who make such misleading remarks either don't know what they are saying, which I would like to believe, or they have been engulfed with the idea that, in a war with an enemy who has announced his intention to destroy you, we can win by appeasement and mollycoddling. And this is patently ridiculous.

Today, as never before, we must emphasize every facility which we possess to aid our cause in the great global struggle. Every free world statesman who ever tried to talk to a Communist has been forced to recognize a language barrier. Both sides may use the same words, but they have different meanings to each. So, while talks may sound as if some general agreement has been reached, it is not necessarily true.

This is a serious problem we have to solve. The Communists may not want to understand some of our words today, but we have something they do fully understand and which they respect. That one thing is our national strength. I mean our moral strength, and the military might to back it up. The job ahead of us is to keep that national strength so overwhelmingly powerful that the Communists will have to come to school to us to learn our meanings. They must come to learn that they cannot pervert the meaning of human dignity and turn it to their own vicious purposes.

And while we are teaching the Communists this lesson, we will keep order in the classroom with the mightiest and most versatile fighting force we have ever possessed. In an era of what would have once passed for peace, we have built a military capability greater than we have ever sent to war. True, we have fewer divisions under arms, and fewer ships and aircraft than we had at the peak of our power in World War II. But quality weapons and modern delivery systems add up to a firepower potential—yes, a destruction potential—far and away greater than we ever had to build for past wars. This is our strength in being.

This strength is fully capable of winning the decision in any war that might start in the near future, provided, of course, that such a war would be fought to win—and not under ground rules of timidity giving an enemy sanctuary beyond the Yalu, or any other such line.

If any potential enemy becomes an actual one in a shooting sense, we are going to have to go in and get him, wherever he may be. And we can get him. We can get him, as I said, in the near future.

What we have to do now is to be sure we can do it whenever it may be necessary.

And to make sure of this we need more than machines. We need men of ability and vision, and now is the time to attract and to hold such men in both the civilian and military communities. I have in mind people who will bring to their tasks the same level of professional qualifications, the same unswering loyalty, the same dedication to service as we see today in our Joint Chiefs of Staff and in our other military leaders.

Our national objectives are ill-served, as I have said, when the stature of these men is degraded. I deplore the attacks that have been made upon these men. We have always had in this country a haunting fear of a specter we label "militarism." And we have built elaborate organizations to protect ourselves against this specter. It is high time now that we recognize that our military forces are vital organs of the body politic as well as essential organs of our defense. As such they should be nourished and encouraged rather than attacked and intimidated.

In conclusion, I would remind you that the President has, in speaking of those nations who would make themselves our adversaries said:

"We must not tempt them with weakness. For only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed."

I am certain that every true American stands with the President in this, just as they do on the Berlin situation where he firmly restated our intention to stand up to the Communists. In this, I believe our President took the only stand that an American leader can take. And, I believe the American people are willing to make the sacrifice necessary to back it up. But this strong stand must be maintained with more than just words. There can be no pulling back. For, in this situation, if we take one backward step Europe will be lost.

Thank you.

NEW CRITERIA AND PROCEDURES NEEDED IN ADMINISTRATION OF AREA REDEVELOPMENT ACT

Mr. TOWER. Mr. President, the Area Redevelopment Administration, of the Department of Commerce, recently released the names of some 47 Texas counties designated as depressed or distressed areas eligible for assistance under the terms of the Area Redevelopment Act. This was done without prior consultation or knowledge of the business and civic leaders of these counties.

I strongly protest this action, Mr. President. I have received a flood of complaints from many of the counties affected. Typical is the reaction in Smith County, Tex., home of the thriving city of Tyler, which is prosperous and progressive. A very fine editorial in the Tyler Courier-Times-Telegraph points up a basic foible, not only in the area redevelopment program, but also in the notion—which seems to be prevalent in Washington these days—that it is the function of the Federal Government to impose heavy taxes on the citizenry and to redistribute the proceeds as the Government sees fit. The editorial is entitled "Distressing, Indeed," and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. TOWER. Mr. President, the people of east Texas are a dynamic people who, through individual enterprise and initiative, have made their area prosperous and productive. They are people of fierce native pride. They rightfully resent being held up before the Nation as a static, underdeveloped area in need of a Federal handout.

Mr. President, does it occur to the administrators that listing a community as "distressed" or "depressed" might undermine confidence in its economy, might discourage the establishment of new businesses, might create a climate conducive to recession?

I suggest that appropriate steps be taken immediately to change the criteria used and the procedures followed in the administration of the Area Redevelopment Act.

EXHIBIT 1

[From the Tyler (Tex.) Courier-Times-Telegraph of July 23, 1961]

DISTRESSING, INDEED

Where can we file suit for slander?

That might well summarize the reaction of Smith Countians to the news announced Saturday morning that our county is one of 47 Texas counties called distressed or depressed areas by the U.S. Department of Commerce.

This classification for the counties—42 of them in east Texas, including all our neighbors—makes us eligible for help from the taxpayers of all the United States in striving toward "economic development," according to Senator RALPH YARBOROUGH'S office.

Report of the action was on the same page of the Tyler Morning Telegraph, Saturday, with one story that showed the city of Tyler

leading all of east Texas in retail business activity and in purchasing power. On the same page, too, was another story showing that last week's building permits here reached $374,000—that's just 1 week, now, and for residences only.

And the announcement came less than 6 weeks after the week in which the selection of Tyler and Smith County for the location of two big new industries—Kelly-Springfield Tire Co. and the Kordite Co.—were announced.

Where the Department of Commerce received information that qualified Smith County as a "distressed area" is puzzling, indeed.

No, Uncle Sam, we are neither depressed nor distressed economically. We feel that Smith County is solving its own problems quite well, with the marriage of industry, attracted by local effort at local expense, to agriculture.

The only thing that distresses us is the fact that our Federal Government would be so willing to tap the taxpayers of the Nation to give us help that we don't need.

And it is distressing, indeed, to realize once again in a direct way how little Washington understands true conditions in our own country.

GEORGE MASON AND THE VIRGINIA BILL OF RIGHTS

Mr. ROBERTSON. Mr. President, in the CONGRESSIONAL RECORD of July 7, 1961, there was inserted by the distinguished junior Senator from Georgia [Mr. TALMADGE], an address I delivered at Shadwell, Va., the birthplace of Thomas Jefferson, and on the anniversary of his birth, entitled "The Origin and Meaning of Virginia's Declaration of Rights." In that speech I stated that George Mason was the author of that declaration, frequently referred to as the Virginia Bill of Rights, and that it contains 16 paragraphs, some of which I could not enumerate because of a time limitation.

In my July 4 speech I quoted from an outstanding constitutional authority, R. Carter Pittman, of Georgia. Today, I received from him a splendid article that he has written; it is entitled "George Mason, the Architect of Constitutional Liberty," and was reprinted in volume 7, No. 9, of the monthly report of Education Information, Inc., of Fullerton, Calif.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the 16 paragraphs of the Virginia Bill of Rights of June 12, 1776, and the article, by Mr. Pittman, on George Mason.

There being no objection, the Virginia Bill of Rights and the article were ordered to be printed in the RECORD, as follows:

THE VIRGINIA BILL OF RIGHTS, JUNE 12, 1776

The first unnumbered paragraph appearing in the Virginia Gazette was as follows:

"A declaration of rights made by the representatives of the good people of Virginia, assembled in full and free convention, which rights do pertain to them and their posterity, as the basis and foundation of government."

As it appeared in the Pennsylvania newspapers of June 6, 8, and 12, and in the Maryland Gazette of June 13, the committee draft appeared, not as in the Virginia Gazette, but was preceded by the following paragraph:

"The following declaration was reported to the convention by the committee appointed to prepare the same, and referred to the consideration of a committee of the whole convention, and, in the meantime, is ordered to be printed for the perusal of the members."

A bit of forgotten history is that the declaration, as "printed for the perusal of the members," was sent to newspapers throughout America and from thence to the four corners of the earth:

"1. That all men are by nature equally free and independent, and have certain inherent rights, of which, when they enter into a state of society, they cannot by any compact deprive or divest their posterity; namely, the enjoyment of life and liberty, with the means of acquiring and possessing property, and pursuing and obtaining happiness and safety.

"2. That all power is vested in, and consequently derived from, the people; that magistrates are their trustees and servants, and at all times amenable to them.

"3. That government is, or ought to be, instituted for the common benefit, protection, and security of the people, nation, or community; of all the various modes and forms of government, that is best which is capable of producing the greatest degree of happiness and safety, and is most effectually secured against the danger of maladministration; and that whenever any government shal be found inadequate or contrary to these purposes, a majority of the community hath an indubitable, unalienable, and indefeasible right to reform, alter, or abolish it in such manners as shall be judged most conducive to the public weal.

"4. That no man, or set of men, are entitled to exclusive or separate emoluments or privileges from the community, but in consideration of publick services; which, not being descendible, neither ought the offices of magistrate, legislator, or judge to be hereditary.

"5. That the legislative and executive powers of the state should be separate and distinct from the judiciary; and that the members of the two first may be restrained from oppression, by feeling and participating the burthens of the people, they should, at fixed periods, be reduced to a private station return into that body from which they were originally taken and the vacancies be supplied by frequent, certain and regular elections, in which all, or any part of the former members to be again eligible or ineligible, as the laws shall direct.

"6. That elections of members to serve as representatives of the people in assembly, ought to be free; and that all men having sufficient evidence of permanent common interest with, and attachment to the community, have the right of suffrage, and cannot be taxed or deprived of their property for publick uses, without their own consent, or that of their representatives so elected, nor bound by any law to which they have not, in like manner, assented for the publick good.

"7. That all power of suspending laws, or the execution of laws, by any authority without the consent of the representatives of the people, is injurious to their rights, and ought not to be exercised.

"8. That in all capital or criminal prosecutions a man hath a right to demand the cause and nature of his accusation, to be confronted with the accusers and witnesses, to call for evidence in his favour, and to a speedy trial by an impartial jury of his vicinage, without whose unanimous consent he cannot be found guilty; nor can he be compelled to give evidence against himself; that no man be deprived of his liberty, except by the law of the land or the judgment of his peers.

"9. That excessive bail ought not to be required, nor excessive fines imposed, nor cruel, and unusual punishments inflicted.

"10. That general warrants, whereby an officer or messenger may be commanded to search suspected places without evidence of a fact committed; or to seize any person or persons not named, or whose offence is not particularly described and supported by evidence, are grievous and oppressive, and ought not to be granted.

"11. That in controversies respecting property, and in suits between man and man, the ancient trial by jury is preferable to any other, and ought to be held sacred.

"12. That the freedom of the press is one of the great bulwarks of liberty, and can never be restrained but by despotick governments.

"13. That a well-regulated militia, composed of the body of the people trained to arms, is the proper, natural and safe defence of a free state; that standing armies in time of peace should be avoided as dangerous to liberty; and that in all cases the military should be under strict subordination to, and governed by, the civil power.

"14. That the people have a right to uniform government, and, therefore, that no government separate from, or independent of the government of Virginia, ought to be established within the limits thereof.

"15. That no free government, or the blessings of liberty, can be preserved to any people, but by a firm adherence to justice, moderation, temperance, frugality, and virtue, and by frequent recurrence to fundamental principles.

"16. That religion, or the duty which we owe to our Creator, and the manner of discharging it, can be directed only by reason and conviction, not by force or violence; and therefore all men are equally entitled to the free exercise of religion, according to the dictates of conscience; and that it is the mutual duty of all to practice Christian forbearance, love, and charity towards each other.

GEORGE MASON, THE ARCHITECT OF CONSTITUTIONAL LIBERTY

George Mason was born in 1725 on a neck of land jutting out into the Potomac River known as Dogue's Neck, named after the tribe of Dogue Indians that occupied that neck of land when Mason's ancestors settled there in the 1650's. On the south was the Potomac; on the west the Occoquon River; on the east Pohick Creek and Bay and on the north a narrowed neck, making a secluded peninsula principality.

Although his forefathers are listed in the literature of early Virginia as citizens of Northumberland, Westmoreland, Stafford, and Fairfax Counties, he, his father, and grandfather all lived on Dogue's Neck for near 150 years. At different times, it was a part of those four counties.

Mason became a member of the Ohio Co. in 1749 and was made its treasurer in 1750 and later its virtual controller. The Ohio Co. established and supplied Indian trading posts west of the Alleghenies and attempted to settle and reduce to occupancy the western part of Virginia within the bounds fixed by her royal charter. The Ohio Co. project contributed much to the extension of British and subsequently American control of the West. It was in connection with the business of the Ohio Co. that Washington became a fighting man and Mason a student of England's Constitution and Virginia's colonial charters. Mason was not a lawyer but after intensive tutoring by Scotch Presbyterians and others, he became a self-instructed constitutionalist and a learned expert in the science of government and politics. More great constitutional documents were produced by his pen than by that of any other one person in all recorded history. Usually providence fits times to the man, but in his case providence fit the man to the times. The times were those of transition from dependence on England to independence and self-government. A people that had broken its old fences had to erect new fences. The choice was between a government of laws and a government of flesh.

Mason was the neighbor and mentor of George Washington from Washington's early

manhood. When Washington became a member of the Virginia House of Burgesses, he called on Mason to write for him every State paper, every resolution, and every proposed bill that Washington was ever known to sponsor in Williamsburg. Washington was constantly within the perimeter of Mason's influence as a neighbor, as an adviser, as a comember of the vestry at Pohick Church and as a comember of the Fairfax County Court and the prerevolutionary Fairfax County committees.

Among the documents written for Washington by Mason, some of which may yet be found, in Mason's handwriting, among the Papers of Washington in the Library of Congress are a "Scheme for Replevying Goods Under Distress for Rent," written in December 1765; an "Address of the House of Burgesses to Governor Fauquier," written in 1765; the "Association," or nonimportation resolutions, which Washington pulled from his pocket at the Raleigh Tavern in Williamsburg in 1769 and which was adopted and signed with slight changes by members of the House of Burgesses after it was prorogued by the royal governor. Among those who sanctioned and signed Mason's document were Washington, Thomas Jefferson, Patrick Henry, R. H. Lee, and many other intellectual giants who served in the House of Burgesses at that time.

Mason wrote the celebrated "Fairfax County Resolves" which were unanimously adopted in July 1774 at a meeting in Alexandria of which George Washington was chairman. These famous resolves became the "Virginia Resolves" of August 1774, by way of Washington's pocket, and the vastly influential "Resolves of the Continental Congress," by way of other pockets, in October of the same year.

In January 1775 he wrote another "Fairfax County Resolve" which was adopted at a meeting of which Washington was again chairman. The resolves were widely published and the maxims set forth in them became bywords and revolutionary slogans of the colonists. Shortly thereafter Mason prepared a martial charter for the Fairfax Independent Company, of which Washington was placed in command. At Washington's request Mason prepared the Potomac River bill in 1775. It was designed to connect the Potomac with the headwaters of the Ohio River and join the West to eastern commerce, which finally culminated in the Chesapeake and Ohio Canal Co. It was originally introduced both in Maryland and in Virginia and was Washington's favorite project both before and after the Revolution. Other documents, too numerous to detail here, were drawn by Mason and handed to Washington for his use. Unlike some other Virginians of his day, Washington left many of the Mason documents among his papers and in Mason's handwriting, revealing who wrote them.

When Washington was put in command of the Continental Armies in 1775, Mason took his place in the Virginia Assembly. He wrote the committee draft of the Virginia Declaration of Rights which, after minor changes, was officially adopted on June 12, 1776. Jefferson used parts of it to make a preamble for the Declaration of Independence. Mason's original draft stands with Magna Carta and the English Bill of Rights of 1689 as one of the three most influential documents in the history of Anglo Saxon liberty. Freedom of religion, freedom of the press, freedom of speech, freedom of confrontation, freedom from self-incrimination, freedom from trial on summary accusations without the intervention of a grand jury, and freedom from summary searches without safeguards are a few of our cherished freedoms that first attained constitutional status by the pen of George Mason in the Virginia Declaration of Rights. Virginia's celebrated Declaration of Rights became the model for those of all other States, the French Declaration of 1789 and the Federal Bill of Rights adopted on December 15, 1791.

Immediately after preparing the Virginia declaration as "the basis and foundation" of free government in Virginia Mason prepared the outlines of Virginia's constitution which was adopted July 5, 1776. His Virginia constitution has influenced all other republican constitutions written since, anywhere else in the world.

Throughout the Revolution, Mason was in contact with Washington and was induced by Washington and his friends in Fairfax to serve several terms in the Virginia Assembly. At more than one session of Virginia's revolutionary assembly, Mason was the principal author of the major portion of the bills enacted into law. Many of them became foundation stones of American jurisprudence.

When it became apparent that the Federation of States under the Articles of Confederation was too loosely knit to serve the exigencies and purposes of the dis-United States in the Confederacy, ways and means were considered for resolving differences between the States so as to knit them more closely together as "United States" for the common good and general welfare.

Virginia and Maryland appointed delegates to a convention to meet at Alexandria in 1785 to discuss vexing questions of common interest largely with regard to navigation of the Potomac. This meeting was intimately related to the objectives of the old Potomac River bill. At that time "to ship" meant "to send by ship" and "commerce" was simply "navigation."

The Virginia Assembly named George Mason as a delegate. Mason owned plantations on both sides of the Potomac and was an extensive shipper who knew the problems to be solved, first hand. After meeting in Alexandria the delegates adjourned to Mt. Vernon where the convention continued its deliberations under the hospitable roof of George Washington who was intensely interested in the project. The findings, agreements, resolutions and recommendations of the Mt. Vernon Convention were composed, principally, and put into writing by George Mason. One item of agreement related to the boundary between Maryland and Virginia. It was the forerunner of the Annapolis Convention of 1786 and the Philadelphia Convention of 1787.

Mason was named to the Annapolis Convention but was unable to attend. He attended the Philadelphia Convention and was perhaps its most influential member until the last days of August 1787 when the delegates from the New England States traded with South Carolina and Georgia delegates to authorize the passage of navigation, or interstate comerce, laws by a simple majority of the Congress, as desired in New England, instead of a two-thirds majority, in return for continued and undisturbed traffic in human slavery for at least 20 years after the adoption of the Constitution, as insisted on by South Carolina and Georgia.

Mason lost his standing in Philadelphia as a result of that meretricious bargain. His brilliant mind became aflame. He refused to sign the Constitution precisely because it sanctioned human slavery, which he had publicly opposed all of his life, because it consolidated dangerous powers in the Central Government, and above all, because it contained no Bill of Rights. In his room at the Indian Queen he wrote his "Objections" to the Constitution on the back of his last printed draft. The first six words were soon to be heard in every hovel and on every frontier of America: "There is no declaration of rights."

It has recently come to light that Mason spent several days in Philadelphia after the convention adjourned, working with a minority of the Pennsylvania assembly in preparation for the historical battle for a Bill of Rights. Washington was sorely displeased over Mason's opposition and was never fully appeased. Mason was injured in an "accident" on his return home and was disgracefully abused by the merchants of Alexandria.

The original of George Washington's famous letter to James Madison of October 10, 1787, recently uncovered in New England, differs materially from Washington's Letter Book copy, which is the only one that has been printed. That letter, with the "Notes of Jasper Yeates" recently uncovered and not yet printed, when considered with well-known facts, prove conclusively that Mason's "Objections," and his original draft of the Virginia Declaration of Rights constituted the basis for the proposals of the Pennsylvania minority for a Bill of Rights, in December 1787. A minority at the Maryland convention adopted subsequently the same proposals. A majority in the Massachusetts convention also copied much from Mason.

Mason wrote the proposed Bill of Rights and proposed constitutional amendments adopted for proposal to the First Congress by the Virginia Convention. Mason was circulating the Virginia proposals 2 weeks before a committee was appointed by the convention to prepare such proposals. Only recently a copy of such proposals, sent to New York by Mason on June 9, 1788, was found among the "John Lamb Papers" in the New York Historical Society. The Virginia proposals were verable copies of Mason's in nearly every clause. Mason when named to the Bill of Rights committee pulled that historic document from his pocket in Richmond in 1788, as he did the Virginia Declaration of Rights in Williamsburg in 1776.

The New York Ratifying Convention adopted the same Mason proposals verbatim in many instances. So did North Carolina and Rhode Island.

When the committee, of which Madison was chairman, was appointed in the First Congress in 1789 to prepare a Bill of Rights in conformance with the proposals from the several States and the universal demands of the people, those finally agreed upon were substantially all extracted from Mason's original proposals and many of them in the exact language of Mason's original draft of Virginia's Declaration of Rights of 1776.

By a cruel irony it was principally Mason's bitter battle for a Bill of Rights that lost to him a deserved place at the pinnacle of American history. History's grand champion of the liberty and dignity of men was partially victorious over the proponents of dangerous Federal powers but in victory he forfeited the plaudits of a fickle world. His open antislavery pronouncements made him unpopular in his age also. Like a great mountain, he may be appreciated only in a long view.

Thomas Jefferson is often said to be the founder of the Democratic Party. It was actually founded in secret meetings attended by Mason, Eldridge Gerry, Luther Martin and others during the Constitutional Convention in Philadelphia. The purpose of their secret meetings was to devise ways and means to preserve the sovereignty of the States and the rights of men. George Mason continued the same fight in the Virginia Ratifying Convention that was lost in Philadelphia. Patrick Henry and James Monroe were among his lieutenants there. On June 9, 1788, Patrick Henry wrote from the Richmond Convention to Gen. John Lamb in New York:

"Col. George Mason has agreed to act as chairman of our republican society. His character I need not describe. He is every way fit."

Jefferson was in France in 1787 and 1788. He was not the founder but was the beneficiary of the republican society founded by

Mason and others. Jefferson was elected to the presidency as a republican proponent of the principles of Mason's republican society.

It was Mason who crystallized in our constitutional parchments the great principle that liberty is the gift of God—not government—and that the purpose of government is to protect that liberty—not destroy it. He knew, as Lord Acton later asserted, that "Power corrupts and absolute power corrupts absolutely." The principle of separation, or subdivision, of powers spelled out in Mason's Virginia Constitution is still history's most effective stumbling block for tyrants.

Mason was a modest and retiring man. Virginia elected him a delegate to the Continental Congress during the Revolution but he would not leave his eight little orphaned children. Virginia's Governor was seen to cry publicly when Mason was forced to state the reasons for his refusal to serve. He was elected as one of Virginia's U.S. Senators under the new Constitution and again declined.

James Madison described Mason as having "the greatest talents for debate of any man I have ever seen or heard speak." Patrick Henry called him "the greatest statesman I ever knew." Jefferson regarded him "the wisest man of his generation." John Esten Cooke referred to him as "one of the most remarkable men * * * of all countries and all times." Dr. Phillip Mazzei, the Italian philosopher and friend of Jefferson, said of him: "His is one of those strong, very rare intellects, which are created only by a special effort of nature," and yet, withal, America's greatest statesman is still her most forgotten man.

The Federal Bill of Rights was proposed by Congress for adoption by the States in 1789. Mason was pleased but not appeased. To Samuel Griffin he wrote on September 8, 1789:

"I have received much satisfaction from the (proposed) amendments. * * * With two or three further amendments, such as confining the Federal judiciary to admiralty and maritime jurisdiction, and to subjects merely Federal, fixing the mode of elections either in the Constitution itself (which I think would be preferable) or securing the regulation of them to the respective States, requiring more than a bare majority to make navigation and commercial laws, and appointing a constitutional amenable council to the President, and lodging with them most of the executive powers now vested in the Senate, I could cheerfully put my hand and heart to the new Government."

Thus, was summarized, in a few words, defects in the Constitution that have caused America's most tragic national controversies for 175 years. He pointed his finger unerringly at the very subjects of bitter controversy in 1960, and stated their cure. He saw beyond the hour to the ages.

Early in October 1792 George Mason was buried at the edge of an old field near Gunston Hall a few miles downstream from Mount Vernon. His body was placed as close to the side of Ann, the wife of his youth and mother of his children, as her tomb would permit. He wanted it that way, because his heart had been there anyway for 19 years.

After his will was probated the newspapers picked up and published a paragraph from it. It had been written in 1773, a few days after the death of Ann and a year before the fighting began at Lexington. That item is a testament that epitomized his life and mirrored the man:

"I recommend it to my sons from my own experience in life, to prefer the happiness of independence and a private station to the troubles and vexation of public business, but if either their own inclinations or the necessity of the times should engage them in public affairs, I charge them on a father's blessing never to let the motives of private interest or ambition induce them to betray, nor the terrors of poverty and disgrace, or the fear of danger or of death, deter them from asserting the liberty of their country and endeavoring to transmit to their posterity those sacred rights to which themselves were born."

Mason had no Boswell, named no disciples and wrote no autobiography. Abnegation of self was a cardinal tenet of his creed. His distinctive handwriting is often the sole proof of his authorship of many masterpieces in American constitutional history.

When and if all of his known writings are ever authoritatively published and evaluated it is not unlikely that at some remote time the American people may reappraise their heroes and institutions and agree with Mason's contemporaries, that "his intellect was created only by a special effort of nature."

A GREAT CENTER FOR RESEARCH—THE UNIVERSITY OF ALASKA

Mr. GRUENING. Mr. President, a great center of Arctic and sub-Arctic research has for some time been in the making at the University of Alaska. It is a land-grant college established by act of Congress in 1915, and is the farthest north center of higher education under the flag. It lies in the sub-Arctic, approximately 125 miles south of the Arctic Circle. It is the natural and most ideally qualified center for a far-reaching and expanding program in that extensive part of the world, of which so little has been known and in which, incidentally and pertinently, the Russians have made such great progress.

Much more will be said on this subject because of its great importance and it is gratifying to know that currently two important accessions to the University of Alaska as a great research center are in the making. Last week, the President signed the Interior appropriation bill, which contained in it a most gratifying item for a forest research products laboratory to be situated on the campus of the University of Alaska—a 2,000-acre campus, on which there is ample room for every conceivable facility dedicated to research in the far north.

This research laboratory, which will be operated by the Forest Service, has as its assignment the protection, conservation, and use of the vast acreage of timber that lies in interior Alaska. Some 200,000 square miles of interior Alaska are covered by timber—white spruce, black spruce, birch, aspen, tamarack, cottonwood, and willow. This lies outside of the two national forests located along the coast of Alaska—the Tongass National Forest, of some 16 million acres, which virtually coincides with the total area of southeastern Alaska, and the Chugach National Forest, of 4,800,000 acres farther north and farther west, which embraces the Prince William Sound area. These two national forests were established over half a century ago and the utilization of their timber resource has progressed with the establishment of two large pulp mills—one at Ketchikan and one at Sitka. But little has been done with the vast interior forests which are not under the control of the Forest Service but under the Bureau of Land Management. Little is known about the industrial and commercial potentials of this tremendous resource. It is gratifying to know that the erection of this building will be shortly underway and that the studies of this hitherto largely unutilized resource will be started. It will mean much for Alaska, for its university, and for the Nation.

Last week, also, the President signed the Federal Water Pollution Control Act, which provides that the Secretary of Health, Education, and Welfare shall establish, equip, and maintain field laboratories and research facilities. Six of these are designated, and one of them for the State of Alaska. It is the only State specifically designated for such a laboratory.

It is proper, and I believe desirable, that this important laboratory should likewise join the other disciplines which will be, and others which should be, under study at the University of Alaska. I could speak at great length of the potentials for research which are inherent in this institution, now fortunately under the dynamic presidency and enlightened guidance of Dr. William Ransom Wood. We shall come back to the subject repeatedly in the future, and I know that my colleague, Senator BARTLETT, as well as our colleague in the House, the gentleman from Alaska, Representative RALPH RIVERS, are keenly interested in amplifying and developing the research possibilities of this wonderful institution, whose geographical location is so uniquely appropriate for this development. Arctic and subarctic research as well as other research should be concentrated there.

In this connection, I ask unanimous consent that a news article in this morning's New York Times, entitled, "Alaska University Plans Arctic Research," be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALASKA U. PLANS ARCTIC RESEARCH—CENTER WILL HELP PREPARE FOR YEAR OF QUIET SUN

FAIRBANK, ALASKA, July 29.—America's northernmost university plans to establish an Arctic Research Center.

The center would unite the University of Alaska's various research programs and prepare the institution for participation in the International Year of the Quiet Sun, 1964–65.

An international research program similar to that of the recent International Geophysical Year will be carried on during the sun year. The university's Geophysical Institute is an international data center for the IGY.

Quiet sun years, when auroral and other disturbances are at a minimum, come in 11-year cycles.

Dr. C. T. Elvey, director of the 10-year-old Geophysical Institute, has been named the university's vice president for research and advanced studies. The position is new.

Dr. George Worthington Adams, head of the History Department at the Southern Illinois University, Carbondale, has been named academic vice president.

Announcement of the two appointments was made by Dr. William R. Wood, who is completing his first year as president of the University of Alaska. Dr. Wood came here last year from the academic vice-presidency of the University of Nevada at Reno.

EARLY INTEREST CITED

"The proposed Arctic Research Center stems from an early interest in Arctic research by the university's staff and board of regents," Dr. Elvey said. "In 1932–33,

the university was a major research station of the United States for the Second Polar Year and, of course, it took a most active part in the International Geophysical Year, 1957–58."

Dr. Elvey was a member of the national committee for the IGY. He is a member of the International Committee for Geophysics, which is making plans for the sun year.

"The board of regents as early as 1936 passed a resolution offering the facilities of the university for cooperative programs in Arctic research," Dr. Elvey said. "Again during the past year, the regents have expressed their interest in cooperating with the Federal Government in pursuing research in the Arctic and sub-Arctic regions."

The university's current research program includes cooperation with the U.S. Department of Agriculture in the operation of experimental farms at College, near Fairbanks, and at Palmer, in the Matanuska Valley.

At Point Barrow, the university operates the Arctic Research Laboratory in cooperation with the Office of Naval Research.

The university this year has created a Marine Institute for advanced reesarch in fisheries. Dr. Kenneth Stephenson McFarlane Rae has been named the first director.

The last Alaska State Legislature authorized the university to establish a basic research program in business, economics, and public administration.

SOVIET RECIPE FOR PIE IN THE SKY

Mr. KEATING. Mr. President, there can be no doubt that Soviet Premier Khrushchev told the Russian people what they wanted to hear—at least in general terms. Over the next two decades, he promised consumer goods equivalent to those now available in the West, adequate and satisfactory housing, lower taxes, increased welfare benefits, and a considerably shorter workweek for most Soviet employees. Communism would triumph, he declared, and the long-awaited withering away of the state would ensue within the next two decades.

Insofar as there is something for everyone in the new manifesto, it is comparable to some of the preelection campaign literature that circulates in this country. Like a lot of campaign literature, it also neglects to explain how these miracles are going to happen and who is going to pay for them. Khrushchev's present immediate campaign is to line up the Communist nations on his side rather than with the Chinese Communists. Both Khrushchev and the Chinese Communists share the ultimate aim of communising the whole world, but Khrushchev is becoming more subtle in his tactics, whereas Mao Tse-tung still threatens the world with nuclear weapons which, as far as we know, he does not yet possess. The manifesto is certainly Khrushchev's call to the other Communists to follow the leader—the Russian leader, not the Chinese. The line he offers may well be a lot more appealing to other Communists than Mao Tse-tung's program of starvation at home and aggression abroad.

But the real test of Khrushchev's pie in the sky will be the eating of it. It is an ironic coincidence that on the very day Khrushchev was preparing the Russians for prosperity and plenty, more than 2,000 refugees fled from Communist East Germany, a near record. These are the people who have heard Soviet promises before and know only too well what the reality is. Communist doubletalk does not fool them anymore.

What Khrushchev's words mean to the West is another question. In one breath he talks of peaceful coexistence with capitalist nations. In the next he speaks of cultivating ties with representatives of the proletariat throughout the world—in our language that means continuing to encourage subversion and the overthrow of non-Communist governments. The Communists have combined these two operations for 40 years now, and they have been successful only where the muskets of the Red Army were available to push out existing non-Communist governments.

Khrushchev was undoubtedly trying for propaganda impact throughout the world by his glowing picture of what communism will do in 20 years. At the moment, with refugees streaming out of East Germany, and Chinese and other peoples under Communist control starving for lack of a workable agriculture program, the world should observe not what the Communists are promising—for their promises have changed little over the years—but what they are actually doing—and that too has changed little over more than 40 years of totalitarianism, violence, and repression.

FREE ENTERPRISE AGRICULTURE PROVES BEST

Mr. KEATING. Mr. President, there are today people in Communist China who are actually starving to death. One of the basic problems of the underdeveloped countries of the world, even more than how to industrialize, is simply how to feed its populace and at the same time free some of its labor force for industrial development. The Soviets have been holding out the model of communism as the only road to a productive, industrial economy. It is interesting that two countries in Asia which have largely overcome the problem of a food shortage have done it, not by following the Communist pattern, but by organizing their agriculture economy along free enterprise lines. The New York Times in an editorial printed yesterday comments that Japan 10 years ago was a heavy importer of rice, and that today Japan's rice production exceeds her needs, and, in fact, disposing of surplus rice is a matter of real concern. The same is true of Formosa.

Mr. President, there is no question that a coordinated governmental policy is needed to achieve some measure of industrialization on the part of the presently underdeveloped nations of the world. The question is, more properly, What kind of policies are needed? The experiences just described indicate that these policies should be oriented toward creating incentives for individuals and toward according farmers and entrepreneurs an opportunity to do things for themselves.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks the above referred-to editorial from Sunday's New York Times. The success of free enterprise agriculture in Japan and Formosa will, I hope, be an object lesson to nations which are presently drawing up plans to meet their food and fiber needs and to strengthen and stimulate the agricultural sectors of their economies.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 30, 1961]

MEETING ASIA'S FOOD PROBLEM

The extraordinary increase in Japan's rice output—noted in the FAO Commodity Review—provides a conspicuous demonstration of the superiority of an agricultural system based on private ownership over the collectivized systems of Communist countries.

Ten years ago Japan was a heavy importer of rice and Japan's foreign-exchange expenditures on food were a major factor in a chronic foreign-trade deficit. Today Japan's rice production exceeds her needs, and in fact disposal of the surplus has become a problem. By contrast, lagging grain production is a perennial problem in the Communist bloc. This year the shortage of cereals is notably severe, particularly in Communist China and East Germany.

Taiwan is another Asian area that reinforces the lesson of Japan. There, following a land-reform program similar to that carried out in Japan and state sponsorship of improved methods of cultivation, per-acre yields paralleling Japan's have been achieved. A surplus is available for export despite a sharp annual increase in population.

Methods used in one country are not always suited to adoption in detail in another. But underdeveloped countries would do well to look to Japan, Taiwan and successful Western farm practices rather than to the collectivized Communist systems for which some still show an affinity.

CASTRO'S RED STORY

Mr. BRIDGES. Mr. President, we have not heard much of late from the commentators and others who 2 years ago insisted that Fidel Castro was not really a Communist but actually a dashing "Robin Hood." The Chicago Daily Tribune today carries an editorial summary of some of Castro's remarks on communism which I find quite valuable.

Two years ago Castro during his Washington visit announced that he was "going to return to Cuba to combat communism." On May 1, 1961, Castro announced that Cuba was "a socialist nation and that there would be no more elections."

As some of my colleagues who do not see the Tribune may want to have this summary for future reference purposes I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Chicago Daily Tribune]

CASTRO'S RED STORY

Fidel Castro's own words through the years tell a grim story of the deception, the insidious encroachment upon liberty, and finally the naked power he employed in fastening a Communist dictatorship upon Cuba.

Because there is a lesson here for all freemen, we present this chronology of his statements:

Nineteen hundred and fifty-seven (from a rebel camp in the Sierra Maestra)—"We want elections, but with one condition—truly free, democratic, impartial elections."

January 6, 1959 (after victory)—"The country should be ready for free elections next year."

February 28, 1959—"Elections should be delayed for about 2 years. We [the 26th of July movement] would be the overwhelming majority at this stage. It is in the best interests of the nation, therefore, if elections are held when political parties are fully developed."

April 16, 1959 (during Washington visit)—"My government stands for all those principles on which freedom and human rights are based."

April 19, 1959 (during Washington visit)—"I am going to return to Cuba to combat communism."

May 3, 1959—"Our ideas are not communistic. They are entirely our own."

July 13, 1959—"Whatever Communists are still in the army might be 1 or 2 out of every 100, and I don't allow them to engage in politics."

October 23, 1959—"If they want to call us Communists for what we are doing, then let them call us Communists."

November 30, 1959—"How long are we going to be in power? It is easy to answer—as long as you, the people, want our revolution in power, and I am sure you want us to continue indefinitely."

March 29, 1960 (UPI excerpt)—"Premier Fidel Castro declared war Tuesday on Cuba's anti-Communists, charging that they had 'weakened faith' in his revolutionary regime."

April 29, 1960 (excerpt from AP story on youth rally)—" 'Is the revolution going to last many years?' Castro asked. 'Yes,' roared the children."

August 24, 1960—"We will be friends of the Soviet Union and the Peoples Republic of [Red] China."

May 1, 1961 (AP excerpt)—"Prime Minister Fidel Castro tonight declared Cuba a socialist nation and said there would be no more elections."

July 27, 1961 (AP excerpts)—"Fidel Castro, assured of 'the armed help of the Soviet people,' announced tonight he will merge all Cuban organizations into 'the United Party of Cuba's Socialist Revolution.'

"Castro said that in Cuba's new society 'there must be only one interest—not interest of groups of classes, but collective interest.' "

PARTIAL TEXT OF COMMUNISTS' NEW PROGRAM

Mr. WILEY. Mr. President, Premier Khrushchev recently published a draft of a new program for Communist progress.

Purportedly, the recommendations represent one of the most fundamental edicts in Communist development since Lenin's program of 1919.

Because of its possible implications for peace and survival of the free world, this document, I believe, should be required reading—particularly for leaders of the non-Communist world.

Yesterday, the Washington Post published an article entitled "Partial Text of Communists' New Draft Program."

Fundamentally, this part of the text does two things:

First. Repeats the dogmas and distortions of communism's past policies; and

Second. Sounds like an out-of-luck politician making pie-in-the-sky promises to a restless, dissatisfied constituency, but gearing them far enough into the future so as to have little or no effect on present policies.

We recognize that Soviet wordpower often exceeds its achievement-power.

Nevertheless, we need to keep apprised, as well as we can, of Red efforts to further mobilize toward ultimate aims of world conquest.

For this reason, I ask unanimous consent to have the article from yesterday's Washington Post, entitled "Partial Text of Communists New Draft Program," printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 30, 1961]

PARTIAL TEXT OF COMMUNISTS' NEW DRAFT PROGRAM

Moscow, July 29.—Following are textual excerpts from the Soviet Communist Party's new draft program, as reported by the Tass news agency tonight:

"The present generation of Soviet people shall live under communism.

"Socialism has triumphed in the Soviet Union completely and finally. Within 2 decades the Communist society will on the whole be built in the U.S.S.R.

"The world capitalist system on the whole is ripe for the social revolution of the proletariat.

"To eliminate wars, to assert ever-lasting peace on earth, such is the historic mission of communism.

"The Soviet Union has consistently pursued, and will continue to pursue, the policy of peaceful coexistence of states with different social systems.

"Communism, which had once seemed a mere specter, became the greatest force in modern times, a type of society that is being built up over vast areas of the globe.

"The party regards the construction of communism in the U.S.S.R. as the Soviet peoples' great internationalist task, in keeping with the interests of the world Socialist system as a whole, and with the interests of the international proletariat and of all mankind.

"There is an accelerated creation of the material conditions that make possible the replacement of capitalist by Communist production relations; that is, the accomplishment of the social revolution which is the aim of the Communist Party, the politically conscious exponent of the class movement of the proletariat.

"Soviet experience has shown that the peoples are able to achieve socialism only as a result of the socialist revolution and the implementation of the dictatorship of the proletariat."

(At this point Tass starts coming unquoted but appears to be quoting direct from text.)

PLAN SINGLE STATE

"This experience has fully confirmed the fundamental principles of social revolution and Socialist construction, principles which are of universal significance despite certain specific features due to the historical conditions of Socialist construction in the Soviet Union, then in a hostile capitalist encirclement.

"Soviet experience has shown that the victory of the Socialist revolution alone provides all possibilities and conditions for the abolition of all national oppression, for the voluntary union of free and equal nations and nationalities in a single state.

"Soviet experience has shown that socialism and peace are inseparable. The might of socialism serves peace. Soviet experience has fully borne out the Marxist-Leninist theory that the Communist Party plays a decisive role in the formation and development of Socialist society.

"There exists in the world a Socialist society that is a reality and a science of Socialist construction that has been tested in practice. The high road to socialism has been paved and will be taken sooner or later by all peoples.

"The world Socialist system is a new type of economic and political relationship between countries. Its experience has confirmed the need for the closest unity of countries that fall away from capitalism, for united effort in the building of socialism and communism. The world Socialist system is advancing steadfastly toward decisive victory in its economic competition with capitalism. It will shortly surpass the world capitalist system in aggregate industrial and agricultural production.

"The magnificent edifice of the new world being built by the heroic labors of the free peoples on vast areas of Europe and Asia is a prototype of a new society, of the future of all mankind."

THIRD CRISIS STAGE

"World capitalism has now entered a new, third stage of a general crisis.

"The principal feature of this new stage is that its development was not due to a world war.

"The general crisis of capitalism finds expression in the following:

"The breakaway from capitalism of more and more countries; the weakening of the imperialist positions in the economic competition with socialism; the breakup of the imperialist colonial system; the intensification of imperialist contradictions with the development of state-monopoly capitalism and the growth of militarism;

"The mounting internal instability and decay of capitalist economy, evidenced by the increasing inability of capitalism to make use of the productive forces (low rates of production growth, periodic crises, continuous underloading of production plant, and chronic unemployment; the mounting struggle between labor and capital and acute intensification of contraditions within the world capitalist economy; and an unprecedented growth of political reaction in all spheres; rejection of bourgeois freedoms and establishment of Fascist and despotic regimes in a number of countries; and the profound crisis of bourgeois policy and ideology."

UNITED STATES CALLED EXPLOITER

"U.S. monopoly capital has become the biggest international exploiter. It is performing the function of a world gendarme. The economic, and with it the political and military center of imperialism, has shifted from Europe to the United States.

"The U.S. monopoly bourgeoisie is the mainstay of international reaction.

"The United States of America, the strongest capitalist power, is past its zenith and has entered the stage of decline. Imperialist countries such as Great Britain, France, Germany, and Japan have also lost their former power.

"The antagonism of labor and capital, the contradictions between the people and the monopolies, growing militarism, the breakup of the colonial system, contradictions between the imperialist countries, conflicts and contradictions between the young national states and the old colonial powers, and—most important of all—the precipitous growth of world socialism, are sapping and destroying imperialism, leading to its weakening and collapse.

"The proletarian revolution in a country, being part of the world Socialist Revolution, is accomplished by the working class of that country and the masses of its people.

"The revolution is not made to order. It cannot be imposed on the people from without.

"Together with the other Marxist-Leninist parties, the Communist Party of the Soviet union (CPSU) regards it as its internationalist duty to call on the peoples of all countries to prevent imperialist export of counterrevolution.

"Communists have never held that the road to revolution necessarily lies through wars between countries. The great objectives of the working class can be realized without world war. The working class and its vanguard, the Marxist-Leninist parties, prefer to achieve the transfer of power from the bourgeoisie to the proletariat by peaceful means, without civil war.

"Where the exploiting classes resort to violence against the people, the possibility of nonpeaceful transition to socialism should be borne in mind."

VARIED REVOLUTIONS

"While the principal inevitable processes of the Socialist revolution are common to all countries, the diversity of the national pecularities and traditions that have risen in the course of history creates specific conditions for the revolutionary process and for the variety of forms and rates of the proletariat's advent to power.

"This predetermines the possibility and necessity, in a number of countries, of transition stages in the struggle for the dictatorship of the proletariat, and a variety of forms of political organization of the society building socialism.

"But the transition from capitalism to socialism can come about only through revolution. However varied the forms of a new peoples state power in the period of Socialist construction, their essence will be the same: dictatorship of the proletariat.

"Revisionism, rightist opportunism, which is a reflection of bourgeois influence, is the chief danger within the Communist movement today.

"The ideology of revisionism is most fully embodied in the program of the League of Communists of Yugoslavia.

"Another danger is dogmatism and sectarianism, which cannot be reconciled with a creative development of revolutionary theory.

"The nationalism of an oppressed nation contains a general democratic element directed against oppression, and Communists support it because they consider it historically justified at a given stage.

"The joining of the efforts of the newly free peoples and of the peoples of the Socialist countries in the struggle against the war danger is a major factor for world peace.

"The CPSU considers fraternal alliance with the peoples who have thrown off colonial or semicolonial tyranny to be a cornerstone of its international policy."

A GRIM STRUGGLE

"A grim struggle is going on between two ideologies—Communist and bourgeois—in the world today. The new historic epoch has brought the revolutionary world outlook of the proletariat a genuine triumph. Bourgeois ideology is experiencing a grave crisis.

"The chief ideological and political weapon of imperialism is anticommunism. Rallied to this black banner today are all the enemies of social progress. Anticommunism is a reflection of the extreme decadence of bourgeois ideology.

"Monopoly capital endangers Fascist ideology, the ideology of extreme chauvinism and racism. Anticommunism is becoming the main instrument of reaction in its struggle against the democratic forces of Asia, Africa, and Latin America.

"The rightwing of social democracy has completely broken with Marxism and has put forward so-called democratic socialism against scientific socialism.

"Historical experience has shown the bankruptcy of both the ideology and the policy of social democracy.

"Anticommunism has brought social reformism to an ideological and political impasse. This is one of the main reasons for the crisis of social democracy."

SEEK END OF WAR

"To abolish war and establish everlasting peace on earth is a historical mission of communism.

"The important thing is to ward off a thermonuclear war, not to let it break out. This can be done by the present generation.

"Peaceful coexistence implies renunciation of war as a means of settling international disputes, and their solution by negotiation: Equality, mutual understanding, and trust between countries, consideration of mutual interests; noninterference in internal affairs, recognition of the right of every people to solve all the problems of their country by themselves; strict respect for the sovereignty and territorial integrity of all countries; promotion of economic and cultural cooperation on the basis of complete equality and mutual benefit.

"Peaceful coexistence serves as a basis for the peaceful competition between socialism and capitalism on an international scale and constitutes a specific form of class struggle between them."

INTERNATIONAL TASKS

"The CPSU advances the following tasks in the field of international relations:

"To use, together with the other Socialist countries, the peaceloving states and people, every means of preventing world war and providing conditions for the complete elimination of war from the life of Soviets.

"To pursue a policy of establishing sound international relations, and work for the disbanding of all military blocs opposing each other, the discontinuance of the cold war and the propaganda of enmity and hatred among the nations, and the abolition of all air, naval, rocket, and other military bases on foreign territory.

"To work for general and complete disarmament under strict international control.

"To strengthen relations of fraternal friendship and close cooperation with the countries of Asia, Africa, and Latin America which are fighting to attain or consolidate national independence, with all peoples and states that advocate the preservation of peace.

"To pursue an active and consistent policy of improving and developing relations with all capitalist countries with a view to safeguarding peace.

"To contribute in every way to military solidarity of all contingents and organizations of the international working class, which oppose the imperialist policy of war.

"Steadfastly to pursue a policy of consolidating all forces fighting against war.

"To be highly vigilant with regard to the aggressive circles which are intent on violating peace."

PROMISE A PARADISE

"Communism is a classless social system with one form of public ownership of the means of production and full social equality of all members of society under it, the all-round development of people will be accompanied by the growth of the productive forces through continuous progress in science and technology.

"All sources of public wealth will gush forth abundantly, and the great principle 'from each according to his ability, to each according to his needs' will be implemented.

" 'Communism is a highly organized society of free, socially conscious working people in which public self-government will be established, in which labor for the good of society will become the prime vital requirement of everyone, a necessity recognized by one and all, and the ability of each person will be employed to the greatest benefit of the people.'

"In the current decade (1961–70) the Soviet Union, in creating the material and technical basis of communism, will surpass the strongest and richest capitalist country, the United States of America, in production per head of population. The people's standard of living and their cultural and technical standards will improve substantially. Everyone will live in easy circumstances. All collective and state farms will become highly productive and profitable enterprises. The demand of Soviet people for well-appointed housing will, in the main, be satisfied. Hard physical work will disappear. The U.S.S.R. will become the country with the shortest workweek.

"In the next decade (1971–80) the material and technical basis of communism will be created and there will be an abundance of material and cultural benefits for the whole population. Soviet society will come close to a stage where it can introduce the principle of distribution according to needs, and there will be a gradual transition to one form of ownership—public ownership."

LIVING STANDARD GOALS

"The party sets the task of achieving in the Soviet Union a living standard higher than that of any of the capitalist countries.

"This task will be effected by:

"(a) Raising the individual payment of employees according to the quantity and quality of their work, coupled with a reduction of retail prices and the abolition of taxes paid by the population.

"(b) Increase of the public funds distributed among members of society, irrespective of the quantity and quality of their work, that is, free of charge (education, medical treatment, pensions, maintenance of children at children's institutions, transition to cost-free use of public amenities, etc.).

"The national income of the U.S.S.R. in the next 10 years will increase nearly 150 percent, and about 400 percent in 20 years. The real income per head of population will increase by more than 250 percent in 20 years.

"In the second decade material requisites will be created to complete the transition to the Communist principle of distribution according to need in the period to follow.

"In the coming 10 years the country will go over to a 6-hour working day with 1 day off a week, or a 34- to 36-hour working week with 2 days off, and in underground and harmful jobs to a 5-hour working day or a 30-hour, 5 day working week. The transition to a still shorter working week will be begun in the second decade."

ONE-WOMAN PEACE CORPS

Mr. DWORSHAK. Mr. President, a woman from Rexburg, Idaho, has provided all America with what I believe is the best illustration of what we need more of in our foreign relations program. While I agree that some foreign aid funds and military and technical assistance are needed, I think we have been placing too much reliance on buying friendship. Mrs. Maxine Adams Miller, a native of Rexburg, Idaho, is proof that interest in humanity, understanding, and kindness are the basic things that gain friends in foreign nations, just as they do in Idaho, Iowa, or Indiana.

As we prepare to discuss our foreign aid program, I hope that the story of

Mrs. Maxine Miller will be given serious consideration by every Member of Congress. She puts real meaning into any type of people-to-people program.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point excerpts from an article which appeared in the Tehran Journal on July 6, 1961. The article is a book review of Mrs. Miller's work, "Bright Blue Beads," which was reviewed by Julian Bharier and published in Tehran newspaper's foreign community news section, edited by John Sutherland.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

THOSE BRIGHT BLUE BEADS

(A book review)

Some say that they are made of volcanic lava; others say that they are baked from clay, but in the eyes of Maxine Miller they are made as a symbol of Iran, its people and its culture; rough but beautiful, seemingly fragile, yet indestructible.

Mrs. Miller, whose delightful book about an American family living in Iran, "Bright Blue Beads" has rocketed into the orbit of American bestsellers, is herself a delightful person. She has a crackerjack personality and a lively interest in everything around her. It was this real interest that made her want to discover Iran and take it to her heart when she came here in 1957 for a 2-years stay.

To many Americans, Iran is a "hardship posting," but Mrs. Miller shows how, with very little effort and a sense of humor, it can become a paradise of pleasure.

In her book, Maxine Miller, her husband Professor Miller, with their teenage children band together with a steady, helpful, and likable Iranian friend, Ali Azizi, and bounce through 2 years of heaven as they experience the strange normalities of a life in Persia.

There is trouble with taxis and bother with badjis; kindness in Kurdistan and bustle in the bazaar. The authoress has mixed them all together with sprightly humor and an uncanny perception as to what the reader wants to know.

Her publisher and some of America's biggest stores programed a vast publicity campaign. But the biggest sales promoter of all was the bright blue bead. The price of just one of these beads, which sell here at 10 rials a kilo and are used to put round the necks of donkeys, were made into necklaces and bracelets and put on key chains. Overnight they became goodluck charms. Everybody started carrying them.

The book, the writer, and the beads became famous. Every major book critic, usually an immovable force, found the book irresistible and gave it a wonderful writeup. There was no talk of the book not having a slant—sex or ugly American or primitive rites. The book was taken as it was meant to be taken—a lighthearted informative story for all the family to read.

American schools bought "Bright Blue Beads" as a textbook for their libraries. Schoolchildren soon learned more about Iran than they would ever learn in their geography lessons. Maxine Miller's book has done more to cement better relations between Iran and America than any goodwill mission will ever do. Mrs. Miller's book has made her into a one-woman peace corps.

TRIBUTES TO WALTER B. STULTS

Mr. SPARKMAN. Mr. President, I wish to say a word about a very able and distinguished public servant who has been functioning on Capitol Hill for a good many years, who will leave us at the end of the business today. I refer to Walter Stults, the staff director of the Select Committee on Small Business.

Walter Stults came with the committee in October 1950, only a few months after the committee was established. At that time he came from the office of Senator Bob Hendrickson of New Jersey. He came, really, as the minority representative on the committee.

At that time the staff director of the committee was Larry Henderson, who likewise claimed New Jersey as his home. When Larry Henderson left the committee in 1953, Walter Stults took the natural promotion to be staff director.

In that connection, Mr. President, I have often made the statement that the committee has functioned in a nonpartisan way. I have invited attention to the fact that each annual report has been unanimous. The fact that we have operated in a nonpartisan way is illustrated by the fact that even during all the Democratic years we have had a Republican staff director of that committee. However, Walter Stults did not operate as a Republican, nor did members of the committee operate in a partisan way. He has been a most able director, with initiative, imagination, and venturesomeness. He has been an able director of the staff. A great deal of the success which the committee has attained during these years results from the very fine and able way in which Walter Stults has managed the committee work.

Walter moves on—I suppose I can correctly say—to greener pastures in the job he will take over. I am sure the compensation will be much more than we can ever hope to pay here. I certainly wish him well.

Walter is not leaving the small business field. He will be connected with the small business investment company movement, which was established by an act of 1958. Today this movement holds, I believe, some 368 different companies throughout the United States.

We wish him well in his new work, and we of course shall expect to see him frequently around Capitol Hill as he continues to carry forward the banner of small business and to do what he can in behalf of small business.

Mr. SALTONSTALL and Mr. CASE of New Jersey addressed the Chair.

Mr. SPARKMAN. I yield first to the senior Republican on the committee, the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. SALTONSTALL. I thank the chairman of the committee.

Mr. President, I wish to join the Senator from Alabama, the chairman of the Select Committee on Small Business, in what he says about our administrator, Mr. Walter Stults, who is leaving us, unfortunately.

I have been a member of the Select Committee on Small Business since its inception. I have watched the committee develop. There never has been any partisanship that I can remember. Much of that is due to the work in recent years of Mr. Walter Stults.

Mr. Stults has been more than an administrator of the committee. He has been a guide. He has been a leader, really, in guiding and leading the members of the committee in the Senate through the work they had to do to make small business legislation satisfactory and to make the Government work effective and of assistance. He has an understanding of business generally. He has an understanding of the problems of small business.

As the Senator from Alabama has so well said, he has imagination and he knows how to organize a meeting and to conduct a meeting when Senators are presiding.

There has never been any partisanship in this committee. As the Senator from Alabama has said, all of our reports have been unanimous. This means that not only have the chairman of the committee and ranking minority member had to work out compromises, but also Mr. Stults has had to work out language which would make an effective report and at the same time be stated in words that all members could support, without a feeling of partisanship and without a feeling that the report went too far or not far enough.

I know he is going into small business work in Washington, D.C. I hope he will continue to be of assistance to the Senate committee in carrying forward that work. I congratulate him upon his new position, and I am sorry we are losing him.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the minority leader.

The PRESIDENT pro tempore. The time of the Senator from Alabama has expired.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that we may continue this discussion for such time as may be necessary to complete it.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Alabama may proceed for an additional 3 minutes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, I simply wish to identify myself with the statement made by the distinguished Senator from Alabama and also by the distinguished Senator from Massachusetts with respect to Walter Stults.

Small business is a rather sensitive area, when all is considered—what shall be embraced, finally, in the small business frame; how shall small business be treated; what guidelines shall be set down?

I have handled a great many applications in regard to small business loans. In every case, these loans have been wisely and prudently administered. I think that has mainly been true because the proper guidelines have always been set down. The language of the reports on legislation has been so clear that there could be no doubt about the intention and the meaning of the Congress in that field. Manifestly, credit for that

in large measure redounds to Walter Stults. I congratulate him also, and I wish him well in his new responsibility.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from New Jersey.

Mr. CASE of New Jersey. I thank my colleague for yielding, and I thank him even more for the recognition he has given to the great value and worth of a New Jersey citizen who has served in Washington for a number of years.

As the other Senators who have spoken have said, Walter Stults has rendered distinguished service. It gives those of us from New Jersey great pride to know we have been able to contribute another man of outstanding achievement and ability to the service of our country.

Walter Stults is really a unique person. He has given unique service in the job he has held so long and so very well. All of us in the Senate, I think, view with some dismay the prospect of not having Walter Stults with us, because to us and to the members of the staff he has been absolutely invaluable. He has rendered to our constituents service which can scarcely be duplicated, though I know the committee, with its fine nonpartisanship, objectivity, and devotion to the cause of small business, will continue to work in its fine tradition.

Walter has served us in the Senate, the Senate as a whole, our constituents, and members of the small business community. He has rendered, in doing this, great service to the country, in two ways, I think. He was able to develop for the use of the United States the services of innumerable small businesses which were essential both in the defense of the country and in its progress generally, and in doing so he has rendered a great service to our Nation. Beyond that, and in a more general sense perhaps, but no less important, he has made a unique and invaluable contribution to keeping free enterprise in this country going in an effective way. His work has contributed significantly to the continued strength of the land we love so well.

Walter Stults comes from a distinguished New Jersey family and he honors the name that he bears. All of us from his home State will wish him well as we who represent the State in the Senate are sorry to see him go.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield the floor.

Mr. BIBLE. I associate myself with the remarks which have been made about Walter Stults. I have known him ever since I first became a member of the committee, which was 4 or 5 years ago. The statements which have been made about him are absolutely true. He is a dedicated public servant. He is one of the most helpful men I have ever found on any committee, not only from the standpoint of guiding us in our committee action but also, as the Senator from New Jersey [Mr. CASE] has emphasized, because of his keen awareness of the problems of small business, not only on the east coast but elsewhere throughout the United States.

We shall also remember him for his willingness at all times to try to give to the constituents whom we represent information as to how they can become a little better acquainted with the mass of redtape sometimes encountered in the small business field. I, too, join in wishing him well in his new venture.

Mr. BARTLETT. Mr. President, I am happy to associate myself with what has been said this afternoon about Walter Stults. I associate myself with any remarks on the same subject that might be made after I have spoken, because I know that they would be by way of words of commendation. No other kind of treatment would be accorded Walter Stults as he prepares to leave the staff directorship of the Senate committee following a long, useful and most valuable service in the area of small business.

Although I have been a member of the Select Committee on Small Business only slightly more than 2 years, I have known Walter Stults longer than that. He is a gentleman, an able man, an understanding and intelligent man, and has always been most cooperative. Small business in this country has been aided materially by his work on the select committee, and I know that the measure of his contribution in this important and somewhat vital area will be enlarged as he leaves here to enter the field of private business. I wish him well.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement prepared by the distinguished Senator from Louisiana [Mr. LONG] relative to Walter Stults.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR RUSSELL B. LONG

For a number of years it has been my pleasure to work with Walter Stults, who has been serving with distinction as staff director of the Senate Select Committee on Small Business, of which I am a member. I take this means of adding my thanks for the many jobs he has done so well for small business and to wish him every success in his new assignment.

For some time I have been greatly concerned over the fate of American small business and I have reached the conclusion that unless they receive a helping hand from time to time, small businesses will become fewer and fewer and we will begin to recede faster and faster from the spirit of competition that has made this Nation great.

In my opinion the Small Business Committee has been making some definite strides in that direction and on innumerable occasions those steps have been guided by the energy and foresight of Walter Stults.

I am glad to know that Walter Stults will still be active in small business circles. We need his type of people more than ever today.

Mr. ENGLE. Mr. President, I am delighted to join my colleagues in saying a few words about Walter Stults. Mr. Stults has just resigned as staff director of the Senate Select Committee on Small Business, of which I am a member. He leaves the committee after 11 years, 7 of which were as its staff director. He served the committee under both Republican and Democratic chairmen—and in the spirit of the true public servant he gave each leadership his very best.

The members of the committee and the staff will miss Walter. They will miss the competence with which he ran the staff activities, and they will miss his friendly and engaging personality.

He is leaving the Small Business Committee, but he is not breaking his ties with the community of small business. As executive director of the National Association of Small Business Investment Companies, I am sure that Walter Stults will continue to dedicate himself to the problems and needs of the country's small businessmen. I wish him the very best of luck.

Mr. RANDOLPH. Mr. President, I am delighted to join Senator SPARKMAN, dedicated chairman of the Small Business Committee and other Senators in deserved tributes to Walter Stults.

It has been a privilege for me, as a member of this select committee, to work in the furtherance of effective programs to strengthen small business and industry in our country.

Mr. President, in this activity I have often had the counsel and helpful assistance of Walter Stults.

In his new duties, with an important trade group of small business investment companies, Mr. Stults will continue his consecration to sound legislation and adequate programs for the benefit of the vital small business community.

Mr. WILLIAMS of New Jersey. Mr. President, one of the Senate's most talented and conscientious staff members today leaves the Senate after 12 years to undertake heavy responsibilities in another area of endeavor. Walter Stults, staff director of the Senate Select Committee on Small Business, leaves us to accept a position as executive director of the National Association of Small Business Investment Companies. I join with Members of the Senate who have been privileged to work with Walter and the many, many people on the Hill who are sorry to lose his services. In my judgment, the exceptionally high quality of the staff work of the Small Business Committee is a testimonial to the talents of Walter Stults, and every page of the voluminous hearings and reports of that committee during the past years reflect his incisive mind; a mind so incisive, in fact, that I have occasionally found myself feeling sorry for procurement officers who have come face to face across the witness table with Walter Stults. He has scored some notable triumphs through those hearings with his rare ability to penetrate the professional jargon and the inconsequentialities and get to the heart of the matter. That candor and incisiveness are qualities which Walter Stults exhibits to his friends as well as those seated at the witness table, but it has never earned him anything less than the full admiration of those who know him. That sense of intellectual dedication is allied with a deep sincerity which I know will serve him well in the future. Surely the small business investment program and the companies which operate under that program can benefit from the leadership Walter Stults can provide. I know we will do our best here to make that program a more effective instrument of national policy, and

I know that Walter Stults in this responsible position will do much to provide the leadership that will help this program make a greater contribution to the economic vitality of the Nation. I know all of us in the Senate wish Walter Stults high success in the future and look forward to our continuing association with him on behalf of a vital segment of the small business community.

SACRIFICING FOR PREPAREDNESS

Mr. MILLER. Mr. President, last Wednesday I pointed out on the floor of the Senate that holding tightly to prudent fiscal standards, as advocated by the President, means actions—not words.

In the Thursday, July 27, issue of the Christian Science Monitor, there is a lead editorial entitled "Actions Louder Than Words" which, while complimenting the President on his policy statement on Berlin, calls for action by the President to equalize the sacrifices his program calls for. Particularly significant is the statement that—

Pay-as-you-go preparedness would provide not only more fiscal integrity but more impressive evidence of willingness to sacrifice.

I ask unanimous consent that this editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ACTIONS LOUDER THAN WORDS

The measures and money President Kennedy is requesting from Congress will be heard better in Moscow than even his eloquent report to the Nation. The immediate favorable response of the American people should remove any remaining possibility of miscalculation on Berlin. But Premier Khrushchev will feel its full impact only as resolution is translated into sacrifices.

Moreover, this effort should have meaning for the whole struggle with totalitarian expansionism, of which the threat at Berlin is only one striking example.

We believe the President wisely resisted pressures to declare a national emergency. But he has found the atmosphere of crisis manufactured in Moscow favorable to a very large military buildup. In such situations the tendency of Congress is to overrespond. At a time when genuine patriotism may be hard to distinguish from jingoism, opportunism, and self-interest among politicians, businessmen, and military spokesmen there is double need for courageous questioning.

Several of Mr. Kennedy's specific proposals seem to us well conceived to deal with the problems involved. This newspaper has some reservations about the jump in manpower—roughly 200,000 for all the services. We assume the authority to call up 250,000 reservists and to extend enlistments will be used with discretion. The general plan to build up nonnuclear capability agrees with views we have long held. As the President said, there is need for wider choices between humiliation and nuclear holocaust.

Measures and money to improve training, readiness, and mobility are plainly applicable to the situation. This includes beefing up air and sea lift. Halting the retirement of B–47 bombers and putting about 1,000 bombers on ground alert makes more sense than does a rush to build bomber fleets which could not be operational for years. Stepping up civilian defense also has merit.

Congress should examine every facet of this program for its necessity, appropriateness, and costs in relation to available alternatives. We wish the President had been more blunt and realistic about costs. He assumed that Congress will close tax loopholes and raise postal rates although Congress has shown no intention of doing so in any way that would dent deficits already in sight. He assumed that revenues from a recovering economy will wipe out nearly all the $5 to $6 billion jump in the defense bill ($3,454 million for this program alone).

It may be said that Congress would not approve the preparedness program if it were tied to postal increases and new taxes. But what does that mean? That there is plenty of stiff talk about standing up to the Communists but a shortage of "pocketbook courage"? Is Washington ready to draft additional soldiers from homes and businesses but unready to draft additional pennies from postage bills—or additional tax dollars from pockets?

The sacrifices demanded by this program are not as wide or equal as they should be. We think the President has done well to awaken Americans without evoking a hysteria of fear or hate. Yet we believe a pay-as-you-go preparedness would provide not only more fiscal integrity but more impressive evidence of willingness to sacrifice. Action—especially the action of digging into every man's pocket—speaks louder than any words of resolution.

Mr. MILLER. Also, Mr. President, in my speech of last Wednesday, I pointed out that sacrifice is a two-way street, and that the sacrifices being asked of the American people by our President should be matched by sacrifices on his part in his domestic spending program. In the Friday, July 28, issue of the Sioux City Journal, the lead editorial compliments the President on his statement of policy over Berlin, as I did, but also points out that "sacrifices can work two ways" and suggests that the administration make some sacrifices of its own, especially in the area of nondefense spending. I ask unanimous consent that this editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AN IMPRESSIVE MESSAGE FROM THE PRESIDENT

As President Kennedy delivered his address to the Nation earlier this week he seemed to be setting up a whole series of delicate balances with the implication that very little impact would tilt any one. As examples:

He asked for more defense money, but gave no hint as to whether much of it would be spent this year, or at some future time.

He asked for more manpower for the Army, Navy, and Air Force, but the totals requested were entirely too small to be regarded as mobilization.

He asked for more preparedness by way of increased draft calls, which suggests reserve strength as much as frontline strength.

He asked for more nonnuclear materiel, with no hint whatsoever of sword rattling.

The program, which Congress will give him quickly enough, assures our allies but does not provoke our enemies; it should impress neutral nations without alarming them; it tells the Communists frankly that we are serious about all phases of the world situation, which means that we are just as serious about world peace as we are about war. Finally, it tells the American people to brace their feet because trouble may be on the way, but to understand the Nation is not out looking for it.

To us, he seemed to be saying to the rest of the world that somebody else would have to disturb the balances and that this Nation would be ready, no matter the direction of the tilt.

The message was impressive. The hope is that nothing will happen to minimize any of its implications. Americans have heard the call for sacrifice before, and they have always answered as they will again.

But sacrifices can work two ways and we suggest the administration make one or two of its own, especially in the direction of high-flying domestic program cost increases, in view of the President's new program.

Mr. MILLER. Mr. President, during times when the value of our money is constantly shrinking and the cost of living is gradually, but relentlessly going up, there is a natural tendency on the part of many people to blame food prices as the cause of the squeeze on their paychecks and savings accounts and, in turn, to erroneously conclude that farmers are benefiting at their expense. They fail to understand that the prices farmers pay for their costs of production have gone up at an even greater rate than farm prices and that the farmers of America have been caught in a severe price-cost squeeze. In the June 6 issue of Look magazine there is a timely article by Mr. Fletcher Knebel which points out the fallacies or "myths," as he calls them, over the cost of food and the facts backing up the statement that these are myths. I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT YOU DON'T KNOW ABOUT LIVING COSTS

(By Fletcher Knebel)

Almost everybody uses, frets over, and talks about the Government's monthly Consumer Price Index, popularly known as the cost-of-living report. But almost nobody except economists and statisticians really understands it.

The price index has tremendous impact on American life. The wage rates of some of the largest union contracts are tied to it through escalator clauses. Thousands of labor negotiations are influenced by the index. Many preachers use it to prod salary increases from congregations. Some alimony payments change because of it. Long-term rental contracts are pegged to it. Even intricate Federal monetary and fiscal policies are swayed by the Consumer Price Index.

What is the truth about price rises in recent years? On these pages are some popular myths and the facts about our cost of living:

Myth: Groceries are the villain in the rising cost of living. A Gallup poll early this year showed that consumers consider food prices the most irritating element in the cost-of-living scale.

Fact: Since January 1953, food purchased for home consumption has risen 5 percent, while all consumer prices increased almost 12 percent. Restaurant meals, however, increased about 20 percent in the same period. Inflation might stroll with the man who eats at home, but it goes at a brisk trot for the man who eats out. Over a longer span, groceries since 1947–49 have risen 18 percent in price, while prices of the entire consumer index have risen 27 percent.

Myth: The increasingly large number of dollars most families spend at the grocery store each year indicates that food prices must be constantly rising.

Fact: People find it hard to believe that food prices have not risen steeply, because most of them are actually spending more dollars at the grocery store than ever before. But here are some of the reasons for that increased spending: They may be buying more and better-quality foods. They may be feeding a larger family and growing children. They may be buying many items at supermarkets that previously were bought elsewhere—items like hosiery, kitchen utensils, towels and other soft goods, cosmetics, drugs, light bulbs, cigarettes, magazines, toys, garden supplies, and dozens of other products. These items are added up at the check-out counter along with regular groceries and are paid for all together, so people may easily and mistakenly think of the total as a food bill reflecting supposedly higher food prices.

Myth: Increases in grocery-store food prices have outstripped wage increases.

Fact: Because hourly wage rates have risen faster than grocery-store food prices, the average American factory worker can buy a sample standard monthly market basket of foods with earnings from 38 hours of work, compared with 51 hours in 1952 and 61 hours in 1947. It is true that, during the 1940's, food prices did rise faster than many other prices, but this has not been the fact in the last decade.

Myth: The cost of living has doubled in the last decade.

Fact: Consumer prices have increased about 27 percent since 1947–49. But, despite these higher prices and increased taxes, the "real" spendable income of a factory worker with three dependents, for example, has increased 22 percent over the 1947–49 period. As a result, the factory worker's standard of living has improved, despite higher prices.

Myth: The Consumer Price Index records what is happening to everybody's cost of living across the country.

Fact: The index records the changes in prices of goods and services purchased only by city workers to maintain their level of living. It does not tell what is happening to the cost of living for farm families, for families making more than $10,000 a year after taxes and for large numbers of professional people. It may reflect changes in every man's cost of living, but it does not tabulate them precisely.

Myth: It costs about three times as much to live today as it did before World War II.

Fact: No major item in the Consumer Price Index has tripled since 1939. The largest increase has been in shoes, which have increased 179 percent in price since 1939. The smallest hike has been in gas and electricity charges, which have moved up less than 20 percent since 1939. The price index is about to undergo some major, although not fundamental, changes in the hands of Arnold E. Chase, chief of the prices and cost-of-living division of the Labor Department's Bureau of Labor Statistics. Next January, the Consumer Price Index, along with hundreds of other significant Government indexes, will shift to a new reference period for comparison. Your prices of January 1962, will be related to those you paid in the 3 years of 1957, 1958, and 1959. Currently, consumer prices are compared with those prevailing in 1947–49.

Then, in January 1964, the index will shift to a new market basket of items. Today's index, based on hundreds of consumer items, represents the buying habits of 1950, when the last Government survey was made. New products unheard of a decade ago are now routine purchases for the average family. The index must keep up with the times.

While inflation is a daily fact of life in this generation, it has failed to outpace the rise in real spendable income for most Americans. Much of the misunderstanding about the style in which we live arises, according to Chase, from a confusion of prices and levels of living.

"A family's income goes up, and it moves from a city apartment into a home in the country," Chase says. "Instead of a week at the seashore, it spends two. Instead of a used car, it owns a new one—and perhaps a boat. The man of the house complains that his cost of living has risen. Indeed, it has, but not nearly so much as his level of living."

Philosophers may argue whether these new standards bring a better life. At least, they bring a different life, involving the use of more goods and services by more people. But the Consumer Price Index records very little of this. It merely records the prices paid by city workers in the low- and middle-income brackets. This it will continue to do.

Mr. MILLER. Lest there be any doubt over the seriousness of the farm situation, Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article in the July 28 issue of the Waterloo Courier by Mr. Dan Perkes of the Associated Press, relative to the determination by the Department of Commerce that two of our Iowa counties are depressed areas, eligible for relief under the recent depressed areas legislation passed by Congress.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

APPANOOSE, MONROE DEPRESSED AREAS—TWO SOUTH IOWA COUNTIES GET U.S. AID—MAY ALLOW $100,000 FOR PROGRAM

(By Dan Perkes)

DES MOINES.—In the midst of Iowa's abundance, at least two southern Iowa counties are facing economic hardships.

Appanoose and Monroe Counties, which adjoin each other, have been designated as depressed areas by the U.S. Department of Commerce. This makes them eligible for Federal aid directed at creating permanent job opportunities.

The two counties will be able to apply for Federal grants and loans to attract new industry and carry out economic planning under the area redevelopment program set up by Congress last May.

The Iowa Development Commission said a county, to be eligible for Federal aid, must first submit an overall redevelopment program to the commission for approval and provide 10 percent in matching funds. The commission will administer the Federal program in Iowa.

AID HINGES ON NATIONAL NEED

Neither county has applied for funds yet, commission officials said this week. Both have indicated they intend to do so.

A commission spokesman said the Government might make available $100,000 to the two counties "but that depends on how many other counties across the Nation become eligible."

The purpose of the Federal program is to provide new and better opportunities in rural and urban areas where a large number of people are unemployed or operate small, marginal farms.

In setting up criteria for aid areas, commission officials said, the Federal Government looked for labor markets (generally urban areas with a persistent high level of unemployment and rural areas having the most serious problem of low income and inadequate farm levels of living in the Nation).

Federal officials recently asked the commission to list the four bottom counties in Iowa in relation to the criteria set up for aid.

In addition to Appanoose and Monroe, neighboring Decatur and Wayne Counties also were included. From the statistics provided, the Government designated Appanoose and Monroe as depressed areas.

COAL OUTPUT DROPS STEADILY

An economic boost for the two counties apparently has been long in coming.

Commission officials noted that coal production, once the mainstay industry of both counties, has been declining for 25 years. Few other industries were set up to fill the gap.

There also is considerable marginal agriculture land across southern Iowa. A severe drought in the mid-1950's plagued the area.

Appanoose and Monroe experienced a sharp decline in population during the last decade, as did some other southern Iowa counties.

Appanoose County had an 18.6 percent population decrease from 1950 to 1960—highest in the State. Its population of 19,683 in 1950 was reduced to 16,015 in 1960. During the same period, the county seat town of Centerville had a 13.1 percent decline—highest of any city in Iowa of more than 2,500 population.

Monroe County's population dropped from 11,814 in 1950 to 10,463 in 1960, a 11.4-percent loss. Nearby Ringgold County, however, had a 17-percent drop.

FARMS PRODUCE LOW INCOME

Many of the State's smaller, predominantly rural counties showed lesser declines, while the larger, industrialized areas continued to expand.

Commission officials gave these other reasons why Appanoose and Monroe—despite an economic buildup in many other areas of Iowa—have become economically distressed counties.

About 44.5 percent of all commercial farms in the two counties have gross sales below $5,000 a year—compared to the 18.9-percent average for the remainder of the State, according to the commission's latest available figures compiled in 1959 and 1960.

Only Davis County, with 50 percent, topped that. Other rural counties of similar makeup were considerably less, including Ringgold 30 percent; Allamakee 24 percent; Adams 22 percent; Tama 20 percent; Winnebago 18 percent; and Wright 12 percent.

One out of every 15 to 20 people in both counties is receiving public assistance, either through unemployment compensation or welfare relief funds.

Neither the Iowa Employment Security Commission nor the Iowa Development Commission was able to provide a breakdown on unemployment in the two counties.

RELIEF COSTS AT HIGH LEVEL

The per capita cost of annual public assistance is $48 in Appanoose County, $45 in Monroe—compared to the State average of $17 a year.

In Appanoose, 19.3 percent of the population is over 65 years of age; 16.3 percent in Monroe; 10 percent for the rest of the State.

One in every 22 children is receiving aid to dependent children payments in Appanoose County; 1 in every 19 in Monroe. The State average is 1 in every 33.

Recent figures on the State's per capita buying income show both counties rank at or near the bottom.

In Appanoose, effective buying income averaged $1,273; in Monroe $1,304 a year.

A comparison with other rural counties show Davis, with $1,410; Wright, $1,747; Ringgold, $1,466; Adams, $1,403; Winnebago, $1,635; Humboldt, $1,787, and Tama, $1,635. Allamakee, showed only $1,290.

The larger, more industrialized areas showed considerably higher effective buying income, including Black Hawk County, $1,945; Linn, $1,938; Polk, $2,034; Scott, $1,944; Pottawattamie, $1,698, and Woodbury, $1,868.

A total of 42.6 percent of all households in Appanoose County have an effective buying income of less than $2,500 a year. It is

35 percent in Monroe. Davis and Ringgold Counties are high on the list with 37.1 percent and 36.5 percent, respectively.

Wright has 21.2 percent; Adams, 33.1 percent; Winnebago, 24.4 percent; Humboldt, 22.3 percent; Tama, 26.3 percent, and Allamakee, 34.1 percent.

BLACK HAWK INCOME HIGHER

In Black Hawk County, by comparison, it is 14.5 percent; Linn, 17.6 percent; Polk, 15.8 percent; Pottawattamie, 20.7 percent; Scott, 14.9 percent; and Woodbury, 19 percent.

The announcement that Appanoose County has been designated a redevelopment area has met with mixed reaction there.

County business leaders look with favor on any Federal aid to brighten their economic picture, but they don't agree that Appanoose is a depressed area.

The county is fully aware of its problems, they say, and is working hard on them. "It is not seeking handouts as a mendicant area," they add.

Officials say the county presently has in operation an industrial group to expand job opportunities, a farm resources organization working on the farm problem, and various planning commissions to help find new ways to bolster that area's economy.

Iowa Development Commission officials said they plan to arrange a meeting with county officials, industrial and business leaders and other organizations to determine what must be done.

Mr. MILLER. The article points out that 44.5 percent of all commercial farms in these two counties have gross sales below $5,000 a year. Figures for other Iowa counties not designated as depressed areas are also shown. These figures should lay to rest any suggestions that Iowa farmers are deriving benefits at the expense of the general public in the cost of living increases.

A further point is to be made from this article and that is whether, in fact, the depressed areas legislation will do any good in these two counties, assuming they decide to come into the program. I believe that adequate counsel for improving farm practices already exists in such agencies as the Extension Service, the Soil Conservation Service, and the Farmers Home Administration; also that the main problem in the area of these two counties is one of water, and the Iowa Legislature has already taken steps to discover water sources which have not been tapped. If any outside Federal help is needed, it would seem that this might better be in the form of decentralization of our defense production plants in line with a policy approved years ago by our military and civil defense planners but implemented only on a very small scale thus far. The answer is not to superimpose another layer on the already overlapping Federal bureaucracy.

A TRIBUTE TO ADMIRAL ARLEIGH BURKE

Mr. DODD. Mr. President, tomorrow afternoon one of our great naval leaders, Adm. Arleigh Burke, retires, after 42 years of distinguished service to his country.

As Admiral Burke looks over his career he can well take pride in the many times he has been right on major decisions and the many times he has been forthright and courageous on controversial questions. High on the list of contributions to his country was his championing of the Polaris nuclear submarine concept during its early days when Admiral Rickover was going from office to office trying to get someone to back this program.

It is, I think, significant to all of us, therefore, that this man in summarizing his career at a press conference recently said this:

As I look back over my career, the biggest mistakes I have made occurred when I have conformed to what I believed to be something somebody else wanted without really having fought the fight.

The reason I conformed, usually, was because I did not know that they were not right. They could have been right.

If I were living my life again I would, I think, be more outspoken.

Few of us who have lived long in public life do not from time to time feel the same sentiment with a pang of regret, and it is a measure of Admiral Burke that one who has been so consistently outspoken and so consistently right should choose to speak in his farewell press conference of the times he thought he may have been wrong.

Admiral Burke said something else at that press conference which we may well take to heart. Speaking in reference to our relations with the Russians he said:

You can't sell a little part of your honor. You cannot sell part of your virtue. You can't give away one baby—throw the baby to the wolves and expect the wolves will not follow the sleigh. They'll keep coming on; they'll want the next baby and more and more; you can't succumb to blackmail.

I wish to add my remarks to so many others in paying tribute to this great American upon his retirement as Chief of Naval Operations. He will be sorely missed by the Navy and by all who have come to look to him for realistic, forthright leadership and counsel.

We may all rejoice that his retirement finds him vigorous and in good health and we may be certain that he will continue to serve his country with great distinction in the years ahead.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article from the Washington Star entitled "A Sailor's Farewell."

Mr. BRIDGES. Mr. President, as the Senator from Connecticut [Mr. DODD] has said, one of the great Americans of our time is about to retire to private life after a long and distinguished career in the service of his country. I refer, of course, to Adm. Arleigh Burke, the Chief of Naval Operations, who steps aside on Tuesday and turns over his command to Adm. George W. Anderson.

Mr. President, I have known Admiral Burke for a long time. I have cherished his friendship and I have admired his judgment, his courage, and his accomplishments. As he enters retirement, I hope he will consider the move as the beginning of a new career—one in which his valuable advice and counsel will be available to this country's leaders.

An excellent article by L. Edgar Prina recently appeared in the Washington Star under the title "A Sailor's Farewell—Burke Asks Willingness To Win." The article pays well-deserved tribute to Admiral Burke, and I am glad to join the Senator from Connecticut in requesting that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A SAILOR'S FAREWELL—BURKE ASKS WILLINGNESS TO WIN

(By L. Edgar Prina)

At 3 o'clock Tuesday afternoon, in the Naval Academy Field House in Annapolis, a 42-year-old contract of love—the one between Arleigh Burke and the U.S. Navy—expires.

For, at that time, the highly popular veteran of dozens of battles at sea and ashore will turn over his "command" as Chief of Naval Operations to Adm. George W. Anderson and retire to private life.

Arleigh Burke, a farm boy from Boulder, Colo., entered the Naval Academy in 1919 and has served his country and the Navy continuously ever since—

Through the "scrap-the-fleet" disarmament days of the twenties; the war against Japan as "31-Knot" Burke, leader of famed Destroyer Squadron 23; the "revolt of the admirals" against efforts to cut down naval aviation; the Korean truce talks in the tents at Panmunjom as Vice Admiral Joy's deputy and, finally, through 6 years as CNO and member of the Joint Chiefs of Staff—a record length of service in each instance.

DOGWOODS AND ANCHORS

In a farewell interview in his Pentagon office, the Admiral reminisced with enjoyment. When asked what he rated as his outstanding achievement as CNO, he first replied as if to fend the question.

"Planting those dogwood trees at the Naval Observatory and putting the anchors out front," he said with a smile.

Then he turned serious. There are, he said, these two areas in which the Navy has progressed sharply since 1955:

In weapons and equipment, such as surface-to-air guided missiles, the increased use of nuclear power for ship propulsion and the creation of the remarkable Polaris system, which wed the ballistic missile to the atomic submarine to give the Nation its most certain strategic deterrent.

The increased realization, by the public, by the Government and even by naval officers themselves, of the need for seapower in-being.

CITES LEBANON SESSION

The Admiral is quick to acknowledge that world events played the major part in this new awareness of the importance of American domination of that 70 percent of the globe that is salt water.

"The Lebanon and Formosa Strait crisis of 1958 were dramatic demonstrations of the application of American seapower," he said.

Admiral Burke has a well-deserved reputation for forthrightness. His critics, who are mostly bureaucrats, old or new, say he is "too" forthright. What does he think of such a suggestion?

"I have a lot of faults, but I don't believe outspokenness is one of them," he said. "I try to say things that I believe. I think perhaps I don't even do it enough. Other people don't do it enough. Perhaps people want to conform too much."

SORRY HE CONFORMED

The admiral, who is not too proud to admit mistakes, rapped his omnipresent pipe on an ashtray and continued:

"As I look back over my career, the biggest mistakes I have made occurred when I have conformed to what I believed to be something somebody else wanted without really having fought the fight.

"The reason I conformed, usually, was because I did not know that they were not right. They could have been right.

"If I were living my life again I would, I think, be more outspoken."

In addition to straightforwardness, Admiral Burke has two other outstanding attributes—personal integrity and a superlative skill in the exercise of leadership and in the use of authority.

The thing he perhaps has stressed most within the Navy during his three terms as CNO is the importance of integrity, whether it involves a personal promise of the submission of cost estimates on new weapons. He put it this way to this reporter:

"Integrity of its people is the most important thing to the Navy. It is not the weapons. It is not the equipment. It is not the training—important as these things are. It is downright, simple integrity. The Navy has it—that's why it gets better and better. It must never lose it no matter what the temptation."

Several years before he became CNO, the admiral wrote a short treatise on leadership. When President Eisenhower reached down, bypassing 93 admirals his senior, to make him Navy Chief, the husky destroyerman continued to practice what he preached.

Many are the times he pre-positioned task forces in trouble areas, assuring that American power was on hand either to keep the lid on or to prevent the situation from deteriorating further.

For example, he ordered a Marine battalion, which was en route home from duty in the Mediterranean, to turn around and rejoin the 6th Fleet days before Mr. Eisenhower decided to send troops ashore in Lebanon. The fleet, therefore, had three Marine battalions on hand instead of two.

HE GOT SHIPS MOVING

In the various crises in the Caribbean and in the Formosa Strait and Vietnam, Admiral Burke inevitably got the fleet into the danger area quickly—before the Pentagon announced that the Navy was being ordered to do it.

There is another area in which the Burke impress is deep. One of the first things he did on becoming CNO was to launch his own alliance for progress with Latin American navies.

He helped organize joint sea exercises called Operation Unitas. He invited the navy chiefs of Latin countries to Washington and to visit our Navy installations. He arranged to train some of their naval aviators. He began the exchange of midshipmen and junior officers "so that our people will have friends with their people over a period of years."

One thing concerns the admiral as he prepares to step down. This is the fear on the part of some Americans that we are going to drop behind the Russians.

"Perhaps it is because of a lack of will to continue to run this tough race," he added. "We must be willing to win and to put the effort into winning."

For dealing with the Russians, he had this warning:

"You can't sell a little part of your honor. You cannot sell part of your virtue. You can't give away one baby—throw the baby to the wolves and expect the wolves will not follow the sleigh. They'll keep coming on—they'll want the next baby and more and more—you can't succumb to blackmail."

Last week, when President Kennedy pinned the third Distinguished Service Medal on Admiral Burke, he said he knew of no American more devoted to his country and none "who more appropriately typifies the best qualities in the American serviceman."

The President added that the retiring CNO, who at 59 appears to be at the peak of his powers, would be "greatly missed." He did not overstate the case.

FISCAL PRUDENCE

Mr. BUSH. Mr. President, the President of the United States will have an opportunity today to back with deeds his words about the need for fiscal prudence in our National Government at a time we face heavy additional expenditures for defense.

Amendments to limit spending in nondefense appropriations bills to the amounts requested by President Kennedy himself have been proposed, and will be considered by the Senate later in the day.

I believe the country will be watching to see whether President Kennedy takes any action in support of those of us who are trying to help him achieve fiscal prudence in our Government, and have taken to heart his admonition in his May 25 message, as follows:

> If the budget now increased by the needs of our security is to be held to manageable proportions—if we are to preserve our fiscal integrity and world confidence in the dollar—it will be necessary to hold tightly to prudent fiscal standards.

In that message, President Kennedy appealed to Members of Congress—and I quote his words—"to refrain from adding funds or programs, desirable they may be, to the budget."

That appeal has been ignored in the two appropriations bills which will come before the Senate today. The amendments which have been submitted are intended to respond to the President's appeal to "hold tightly to prudent fiscal standards."

I respectfully express the hope that the White House will use its powers of persuasion to help bring about their adoption.

AN OPEN LETTER TO PREMIER KHRUSHCHEV

Mr. JOHNSTON. Mr. President, I wish to bring to the attention of the U.S. Senate an editorial entitled "Open Letter to a Bombastic Bum Regarding Berlin—and Burials," taken from the Anderson Independent of Thursday, July 27, which I think is most appropriate in view of the growing international crisis over Berlin and other aspects of our relations between the free and the enslaved Communist world.

This editorial takes on the form of a letter to the Russian Premier and is signed by the newspaper. I commend it to the reading of every Member of Congress and I especially hope the Russian representatives in this country will see that a copy of this CONGRESSIONAL RECORD is forwarded to Mr. Khrushchev.

The Anderson Independent in choice, plain language has laid it on the line and I heartily endorse the position of the Anderson Independent on this issue.

Mr. President, I ask that this editorial be printed in the body of the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OPEN LETTER TO A BOMBASTIC BUM REGARDING BERLIN—AND BURIALS

NIKITA KHRUSHCHEV,
The Kremlin,
Moscow, U.S.S.R.

SIR: The man in the White House quoted an ancient philosopher who said, "A man who causes fear cannot be free from fear."

He was referring to you.

As chief slob of the Soviet Union you have threatened the peace of the world by declaring you will take West Berlin.

You have demanded that the United States and its allies get out.

You have said that if they don't there's going to be big trouble.

How right you are.

The word is that you are afraid. You are afraid of your Chinese "comrades" and you are afraid if you don't start something you'll wind up very dead.

You will—along with millions of your enslaved peoples.

You have bragged you will "bury" the United States.

You have declared that the grandchildren of Americans will be Communists.

You have belched threats without end.

Maybe you believe these things. If you do, you are making a fatal mistake.

Maybe the message hasn't gotten through your thick bandit skull.

But the message came through emphatically enough Tuesday night for even you to understand it.

It came through—clear, cold, and concise.

The American people heard it.

The free world heard it.

It will get through to the peoples in that part of the world you Commies have enslaved.

The man in the White House in our country is a young man.

But this fellow Americans elected as their President and Commander in Chief in this time of the peril you and yours have brewed is a tough young man.

And he doesn't bluff.

What he said was simple enough.

He said the source of world tension and trouble is Moscow, not Berlin.

He said if war begins, it will have begun in your town—Moscow—and not Berlin.

He said the choice of war or peace is up to you and your bloody-handed clique.

He said—and get this—there will be no surrender.

He said Americans have given their word.

The solemn vow given West Berlin by Americans and their allies "in time of peace will not be broken in time of danger."

He said this is it. If, he stated, we are not true to our word there, all that we have achieved will mean nothing.

The President said: "We seek peace—but we shall not surrender."

Does that message come through?

Do you know what it means?

He said you have chosen West Berlin as the dueling ground.

It represents the testing place of Western courage and will.

Here, he said, in an area containing 2 million free people surrounded by a sea of Communist military might, is the focal point.

It is where solemn American pledges clash head on with imperialistic Communist ambitions.

The President told his fellow countrymen that as freemen "we are clear about what must be done—and we intend to do it."

He told them sacrifices will be required.

Courage, he said, and perseverance and hardship may be ahead but he reminded that

Americans have never flinched in the face of challenge. They never will.

He did not try to soft-soap his fellow citizens.

The President is deadly serious, Khrushchev, as are millions throughout this land.

Careers will be interrupted, husbands and sons will be called away, incomes will be reduced, and taxes may be increased.

In those homes there is concern. There is regret that family and business patterns face millions of individuals with abrupt changes.

But bear this in mind: There is no fear in the patriotic hearts of Americans. Concern, yes. Regret, yes. Fear? No.

What President Kennedy was telling you is that Americans are not afraid to die.

Does that surprise you?

Then you had better have your flunkies brush you up on the history of the United States of America.

You demand Berlin. You say you will "bury" the Americans if you do not have your way.

You have been told by the President of the United States that "we will not let panic shape our policy. Neither will we permit timidity to direct our program."

You have been warned that if you try to make Berlin the beginning of your "burial" campaign you will find yourself and system buried along with the rest of mankind—yours certainly.

You have opportunity to back away from the dueling ground. You are not hobbled.

The President said the United States always stands ready to discuss problems with any and all nations that are willing to talk—and listen—with reason. Here is what he said:

"If they have requests—not demands—we shall hear them.

"If they seek genuine understanding—not concessions of our rights—we shall meet with them."

But—and get this—he said the freedom of West Berlin is not negotiable. "We cannot negotiate with those who say 'What's mine is mine, what's your's is negotiable'."

President Kennedy concluded by telling his countrymen: "In meeting my responsibilities in these coming months as President, I need your good will and support—and above all your prayers."

Don't kid yourself, Khrushchev.

He has the good will, support, and the prayers of his fellow Americans of the same kind who, throughout history, have not hesitated in face of death if they see the tree of liberty can be saved only by being watered again with blood of freemen.

That message should be clear enough to sink into even your thick skull.

MIXING GUARD UNITS AN UNWISE PROPOSAL

Mr. STENNIS. Mr. President, the National Guard has been one of the Nation's strongest and most effective elements of our national defense, ready at a moment's call when the Nation needs a reserve booster.

The National Guard has been able to remain ready and effective because heretofore it has not been involved in a web of controversy growing out of the unwise nationwide push for racial integration.

One of the quickest and easiest ways to destroy totally the effective fighting strength of the National Guard is to get this fine organization embroiled in a useless and foolish fight about integration.

The South has written a glorious military history throughout the story of America, and the National Guard has always played a major role in that saga of events.

Rumbling and pressures have arisen on the national scene recently urging that Federal funds be withheld from all National Guard units whose ranks are not racially integrated.

Such a proposal is unwise and dangerous to our needed ready strength.

Assistant Secretary of Defense for Manpower, Carlisle P. Runge, was right when he pointed out the dangers of such attempts to integrate the National Guard.

Mr. President, the views I have expressed here are constructively and far more eloquently spelled out in an editorial from the Jackson (Miss.) Clarion-Ledger of July 27, 1961, and I ask unanimous consent that this editorial be included in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MIXING GUARD UNITS AN UNWISE PROPOSAL

In Washington, Pentagon officials are rightly concerned over a proposal by mixminded zealots that Federal funds be withheld from all National Guard units that fail to integrate racially. Military authorities generally agree that such an unwise move could reduce drastically the Guard's effectiveness.

The Defense Department's manpower chief, Assistant Secretary Carlisle P. Runge, stressed some important angles in his reply to the American Veterans Committee, a small leftwing group now demanding full integration of the National Guard.

Secretary Runge pointed out that complying with the AVC demand could mean the withdrawal of all Federal equipment and personnel support of the National Guard in segregated States, as well as the withholding of money for drills and other personnel services now paid for out of Federal funds.

Obviously, this could mean a serious deterioration of the effectiveness of the National Guard as a military force, especially in southern units and divisions.

The National Guard has been characterized by the United States as the first line of defense of this country. It would be a needless and foolish risk of national security to take any action that might for all practical purposes eliminate a substantial portion of the major reserve combat capability of our ground and air forces.

Secretary Runge is to be commended for his frankness and concern for America's best interests. Instead of agitating for unsound changes in the Military Establishment, the pinko American Veterans Committee could better spend its time opposing the subversive forces now working to impair national unity and security.

As a matter of fact, it is not beyond the realm of possibility that the AVC itself may have some degree of subversion within the organization's ranks. Certainly it would give aid and comfort to communism if mixminded meddlers were allowed to dictate our military policies, as the AVC seemingly advocates.

U.S. RELATIONS WITH NATIONALIST CHINA

Mr. BRIDGES. Mr. President, one of Nationalist China's most noted representatives has arrived in Washington for conferences with the President of the United States, and out of these meetings I hope there will result satisfactory assurances to our allies and friends on the island of Formosa that the United States will stand firm in its opposition to the admission of Red China to the United Nations.

On Friday, the U.S. Senate once again unanimously expressed its opposition to Red China's admission to the United Nations.

I am sure the White House conferences will cover a much larger area of matters of mutual interest to the United States and Nationalist China. It can be assumed that military matters will be one of the principal topics of conversation in view of the situation in Laos, Vietnam, and other hot spots in the Asiatic territory, as well as the current dangerous situations in Europe and Africa.

During World War II, the Japanese issued several peace feelers to the Chiang government and Chiang easily could have agreed and arranged a settlement very satisfactory to his government. But he remained steadfast in his loyalty to the United States and her allies in Europe and fought to the bitter end until Japan was defeated. We must not forget his government's determination to remain at our side until total victory was accomplished.

In the appearance here this week of Vice President and Premier Chen Cheng, the Nationalist China Government have a very able representative. His name and his ability as a military leader as well as an administrator have been widely known for many years.

Mr. President, a very fine article on our distinguished visitor appeared in the Washington Sunday Star on July 30. I believe that this article by William Glenn should be read by Americans and, for this reason, I ask unanimous consent that it be made a part of my remarks in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHEN VISIT SIGN OF TAIPEI WORRY

(By William Glenn)

TAIPEI.—Nationalist China is sending its personality boy—elder version—to Washington for some diplomatic fence mending. He arrives tomorrow for 3 days of talk with top U.S. officials.

Vice President and Premier Chen Cheng is not merely understudy to Chiang Kai-shek, but an outstanding figure in his own right.

Shrewd and sincere, his face perpetually wreathed in the Chinese smile of politeness, he is the most accessible of high Nationalist officials.

President Chiang is respected by most and venerated by some, but he is publicly aloof, so far above the tumbling multitudes that he is often called cold.

The Vice President, slight but extremely active, likes to mix it up with anybody; ministers, the press, ordinary citizens.

TOURED WITH JOHNSON

When Vice President LYNDON JOHNSON came to Taipei, Chen was his guide. Together, the two of them hit the alleys and byways, and gave their security people fits.

Just recently there was a supercabinet meeting to discuss important governmental changes, especially new directions in economic policy. Even before the leaders had

met, Chen ordered a press conference for afterward, and there reported the full proceedings to the people.

In addition to the Vice Presidency and the Premiership, Chen is president of the executive Yuan (administrative branch of the Government), and deputy director-general of the dominant Kuomintang Party.

Next to Chiang, he is the greatest of China's old soldiers. The 63-year-old former general was graduated from the Papoting Military Academy, and then held such posts as commander of the 18th army corps, the third route army, the sixth and ninth war areas, and chief of staff. He was governor of Hupeh Province from 1938 to 1944, and minister of war in 1944 and 1945.

HE STANDS HIS GROUND

When the pullback to Formosa came Chen was sent here as the island's Governor. He served in that post in 1949 and 1950, then became president of the Executive Yuan. He first was elected Vice President in 1954, and reelected in 1960.

Some have thought that a strong breeze could blow Chen away, and have sought to whip one up in discussion or negotiation. It has never worked. The Vice President always stands his ground and, usually, in his soft-spoken way, comes out on top.

He speaks no Engish other than polite phrases, but understands some. As with many Chinese, he has no quarrel with interpretation. In the Chinese view it gives time for thought on both sides. There is no concern about misunderstanding because Chinese interpreters usually are letter-perfect in the foreign language they are translating.

Chen, who is going to Washington as a result of an invitation from President Kennedy to Chiang, has been one of the principal Chinese spokesmen against U.S. recognition of Outer Mongolia and in opposition to any change in the Sino-American policy on Red China in the United Nations.

If the United States has any idea of trying to persuade the Nationalists to accept new directions in international affairs, President Kennedy and the State Department will find Chen a tough nut to crack.

DEPENDABLE MILITARY FORCE

He is a skilled negotiator, and is well aware of the value to America of China's 600,000-man army, its growing air force, and its small but capable navy.

With the Korean situation unstable and with Vietnam dangerously threatened, Nationalist China has the only large military establishment in free Asia that is entirely dependable.

Along with Chiang, the Vice President-Premier is a true believer in the proposition that the Nationalists will return to power on the mainland. For him, there is no alternative; life would not be worth living without such hope, and he speaks out on the subject at every opportunity.

With Chen will be Foreign Minister Shen Chang-huan, University of Michigan-educated administrator and diplomat who can speak as bluntly as the Vice President does softly.

SHEN IS OUTSPOKEN

He made headlines a few weeks ago by expressing doubt that the United States had the courage to fight for justice. The comment was primarily for domestic consumption, but it reflected deep-seated Nationalist fears that the United States might compromise on China issues.

Shen is only 47. As former chief secretary to Chiang, he has the President's ear and trust.

Chen and Shen will be a tough team and one of the most personable ones to descend upon Washington for a long time.

Better Sino-American relations will depend entirely on what the United States has to say about the decisions it has in mind for the crucial months just ahead.

For the Nationalists, there will be no retreat on two Chinas and probably none on Outer Mongolia.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there further morning business? If not, morning business is closed.

Mr. JOHNSTON. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be not charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

INDEPENDENT OFFICES APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE] designated "7-28-61." The time is under control.

Mr. HUMPHREY. How much time is there on the bill?

The PRESIDING OFFICER. There is no time on the bill.

Mr. HUMPHREY. That time is not limited?

The PRESIDING OFFICER. The time is limited on the amendment. Does the Senator from Minnesota yield himself time out of his side?

Mr. HUMPHREY. How much time is allotted on each side?

The PRESIDING OFFICER. Ninety minutes is allotted to each side.

Mr. HUMPHREY. I yield myself 10 minutes.

Mr. PROXMIRE. Mr. President, it is my understanding that under the unanimous-consent agreement I control the time in favor of the amendment. If the Senator from Minnesota wishes to take time in opposition, I think that would be all right. But if he wishes to have unanimous consent to speak for 10 minutes, taking the time out of my side's time, I would appreciate having 10 minutes from the other side.

Mr. HUMPHREY. I have no intention of taking 10 minutes of the time of the Senator from Wisconsin. I am opposed to his amendment.

Mr. DIRKSEN. Mr. President, I yield 10 minutes to the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Illinois.

KHRUSHCHEV'S PROPAGANDA

Mr. HUMPHREY. Mr. President, over the weekend the first shots were fired by the Kremlin in a massive new psychological warfare offensive against the United States.

It is no coincidence that Premier Khrushchev is attempting the same double play that he tried in 1958, during the last ultimatum on Berlin. This is the threat of military force on the one hand and, on the other, the unveiling of the most grandiose plans for Soviet economic expansion and for increases in the Communist standard of living.

In 1958, Khrushchev came up with his 7-year plan for economic development, within a month of his ultimatum on Berlin. Today, in 1961, he is again promising the Russian people a better day, and trying to convince his own people and the people of the uncommitted countries that only what he calls American militarism and American aggressiveness will stand in the way of the bold new world of Soviet communism.

Khrushchev goes on the full propaganda offensive with his announcement of a 20-year plan—an offensive designed to accomplish three goals: First, to paint the Soviet leadership as architects of a peaceful and better world, who can be frustrated only by the Americans and their allies; second, to rally his own people to additional sacrifices in the coming months and years ahead; third, to make it appear that American leadership is lagging in peaceful planning, and is concentrating only on stepping up the arms race.

At the same time, another and violent thrust of Khrushchev's propaganda offensive is being concentrated against our allies. There was a recent story out of London to the effect that Khrushchev had told the British Ambassador in Moscow, between the acts at the Bolshoi Theater, that the Berlin issue might result in a war with 200 million dead. It is quite credible. We have to expect that between now and December, the Soviet leader will wage a bitter campaign of intimidation of our allies. He will go so far as to say that possibly the United States and the Soviet Union might survive a nuclear war, but surely Western Europe would not.

Khrushchev hopes to be able to drive our allies away from us by making it look as if we in the United States are hellbent for war, and the only way out of such a catastrophe will be for the Western European allies to bring us to our senses. He knows that there is some uncertainty relating to the Berlin issue in London. He knows of the pacifist attitudes of some of the British and their deep concern over war. He also knows that the Scandinavian countries and most of the World War II allies are not too interested in a reunited Germany, and he has a feeling that the French really would not go to war over Berlin. The play will be to divide us from our allies and make the United States look like warmongers.

In the meantime, Khrushchev will continue to embroider on his theme of a Communist utopia, not only for the people of Russia but also for the benefit

of the people of Africa, Asia, and Latin America. We ought not to underestimate this psychological offensive. Its impact can be terrific. The very fact that they are so radical and farfetched makes Khrushchev's promises attractive. If they were reasonable, most people would pay little attention to them, because reasonable goals are now within the power of too many people to achieve. What will attract attention to Khrushchev's proposals is that they are so unreasonable, so unbelievable, so incredible. This is the Khrushchev shock treatment. Of course, he adds, it is all based upon peace. In other words, if his plans do not work out, Khrushchev will say it is only because the United States, a "capitalist, imperialist power," in Khrushchev's parlance, will have denied the Russian people and the people of the world the beautiful new world that he promises them. All of these plans for the next 20 years, Khrushchev says, are based upon peace, and he expounds at length about how the Soviets will do everything to avert war, particularly nuclear war.

So here is what we face: one psychological offensive to divide the United States from its allies, charging the United States with warlike aims and ambitions; another to appeal to the anti-German sentiment and fears of nuclear war in Western Europe and particularly in France and Britain; still another to challenge the imagination of the entire world with the 20-year program of the Soviet Union.

The United States is always the yardstick, the standard of measurement, and at the same time the "Devil." Khrushchev wants the Russian people to believe that if his plan fails, it is our fault, not his and not the Communist system. He tells the world that this beautiful utopia could be a reality if there is peace, and the Russians and the Soviets are dedicated to peace.

Khrushchev is giving the world lessons in psychological warfare. One day it is a threat. The next day it is the promise of a better life. One day it is an attack upon the United States, and the next day it is dividing the United States from its allies. The next day it is the charge that the United States is ready to make war; in fact, is driven by the desire to use military force. Then he paints the Soviet Union as going all-out to prevent war, to save the world from the catastrophe of nuclear war.

We should neither take Khrushchev's challenge lightly, nor should we even appear to do so—not even his fantastic 20-year plan. To hundreds of millions of people, who have nothing, his projection will be tremendously attractive.

We ought to let the world know that we welcome this kind of competition. And we must recognize that, whether we consider Khrushchev's goals fantastic or not, the Soviet leaders are capable of making a great drive toward those goals. And they will capitalize on every gain they make as a victory. Every failure will be attributed to the need to defend the Communist countries from military attack from the West. In other words, we face not only a propaganda offensive, but an economic competition that will be in deadly earnest.

Khrushchev would like nothing better than to have us dismiss his 20-year plan as mere propaganda. Nothing would suit him more than to find us going into a military buildup at the expense of strengthening our own economy and social structure. Nothing would so fit into his long-range program in the underdeveloped areas of the world, as an American obsession with military planning.

It is extraordinarily important that Americans understand that a military buildup—which I strongly support—must not be accomplished at the sacrifice of our domestic programs, nor at the sacrifice of our long-term foreign aid program to increase the living standards of the underdeveloped nations.

Our domestic programs—our housing, our agriculture, our health, our education programs, for example—are vital in the great struggle ahead. Those who are now so ready to shortchange the great programs of progress and reform in America in the name of national defense are failing to see the true nature of the struggle with communism.

We can afford both defense and progress. It is time for our Nation to recognize this fact, and to face the need to finance both.

To the moral challenge to the world which His Holiness, Pope John, has recently given the world, we now have added the bravado challenge of economic and social competition from a Soviet leadership which claims to be superior to the democracies in every respect.

The moral challenge is one that we can and should readily accept. It is right, it is moral, to work for the better life of people who have little or nothing.

We have the system, the modern, democratic society, whose goals are to meet man's material needs and at the same time to guard his fundamental liberties. We do not ask men to give up one for the other. We offer not bread alone.

The Communist challenge which has now resounded around the world should be met head on. It is a challenge which we should boldly, eagerly seek. Khrushchev has given us the opportunity to set forth, and to demonstrate, what a welfare and free society, based upon free institutions, can accomplish.

Cooperation and competition can outproduce communism. The modern democratic welfare state can submerge the efforts of communism—if we but choose to muster our strength and courage.

We should be ready to join the issue at once. Let us lay out our own long-range plans. Let us go on the offensive with our superior system, our superior programs, our superior management.

Let us set forth for the world our specific goals, our specific objectives—what do we intend to do, and how do we intend to accomplish it—what do we plan for ourselves, and what are we willing to plan with our allies and friends?

Where will the United States be, where will our allies of the West be, where will our friends in the developing nations be if they will join us to build schools, to train doctors, to raise farm production, to clear slums, to destroy poverty, hunger, disease, and ignorance?

They will be ahead, far, far ahead, of anything the Communist planners can accomplish. This is what we can say to the world, and this is what we must say to the world: That the democracies are ready to move forward in unison on all fronts, that while we will fight to protect ourselves, our drive for a better and peaceful world will never falter.

Though we arm, we also work. Though we spend new billions for weapons, we will not forget our basic purpose: to build, to create, to improve, to progress.

The democracies will defend themselves with arms if necessary. But the world must understand that the hope of the democracies is not for war, but for peace. It must understand that the strength of the democracies extends not only to our arms, but to our programs for a world in which there is both plenty and freedom.

The PRESIDING OFFICER. The time yielded to the Senator from Minnesota has expired.

Mr. HUMPHREY. Will the Senator from Illinois yield me 5 more minutes?

Mr. DIRKSEN. I yield 5 more minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 more minutes.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "What the Red Program Leaves Out." The editorial was published in the New York Herald Tribune.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT THE RED PROGRAM LEAVES OUT

The second program of the Soviet Union's Communist Party says a good deal at great length. It promises much—and much of what it promises reveals the great shortcomings that exist in the Communist paradise. But the world at large would be foolish to deny the material progress of the Soviet Union since Nikolai Lenin drew up the first party blueprint in 1919. It would be equal folly to minimize the economic potentials of Soviet society now that it has built up such a huge productive plant.

What is more to the point at this stage of world history is to realize the massive factor that Khrushchev (like Lenin) left out of his complex equation. That is the cost—in human terms.

There is the cost of the Red revolution, in the first place. Soviet iconography is full of heroic pictures of the heroes of the struggles against the czarists, the liberals, and the foreign troops that marked the early years of the Communist seizure of power. But when a great Russian poet sought to describe, in "Dr. Zhivago," what this struggle had meant to ordinary men and women—the grinding hardships, the ruthless slaughter, the perversion of every kind and gracious emotion to the uses of tyranny, the gray monotony of thought and culture—he was hounded and his work suppressed.

Boris Pasternak, and all he stood for, are omitted from the party program, of course. But freemen cannot read that document except by the light that comes from "Dr. Zhivago."

It was not only the revolution itself that cost Russia dearly. There were the palace revolutions that brought first Stalin, then

Khrushchev to power—each with its train of executions and reprisals, many, no doubt, wholly unrecorded. And there was Stalin's "liquidation of the kulaks," the revolution on the farms that brought death by forms of law or starvation to millions. And there was the Great Patriotic War.

"The Soviet Union," the program asserts, "saved humanity from Fascist enslavement." Millions died in the Soviet Union as a result of the war against Hitler, and no one can deny what those sacrifices meant in breaking the Nazi war machine. But would that machine have ever started rolling if Stalin had not made his pact with the Nazi dictator? If Hitler had not felt free of danger (more, had not received potent aid) from the East—to settle matters in the West?

And when the war was ended, and the nations of the West sought nothing more than to bind up their wounds and feed the hungry, Stalin stood sullenly under arms, refusing help, rebuffing friendship, adding immeasurably to the task of rebuilding his own country and poisoning the peace. What did the Soviet peoples pay for Stalin's ambitions then? What are they still paying?

The program speaks of peaceful coexistence as essential and warns that foreign complications and the diversion of national energies to armaments may delay the promised achievements. But it does not mention that Khrushchev precipitated the Berlin crisis. It calls the United States an "international gendarme," omitting to state that it was the theft of Czechoslovakia and the intended burglary of Greece and Turkey that forced a reluctant America into that ungrateful role.

New nations look with interest on what the Soviet Union has accomplished. Some are anxious to emulate those achievements. But it would be well if all were to seek through Soviet history for some idea of what the cost will be. They cannot know the full toll. For not only is much of what the Soviet people paid for their revolution secret. The grim fact is that the bill is not yet paid in full.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a Reuters dispatch from London, entitled "Europe Is Skeptical of Communists' 'Paradise on Earth' "; and also an article entitled "New Red Plan Is a Catalog of Failures," which also was published today in the Washington Post; also an article entitled "Communism Is Defined by Moscow," which article was also published today in the Washington Post. I commend all these to the attention of my colleagues and of all the rest of the American people.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 31, 1961]

EUROPE IS SKEPTICAL OF COMMUNISTS' "PARADISE ON EARTH"

LONDON, July 30.—Russia's new 20-year plan got a skeptical reception in Europe today, even the Communists reacting cautiously.

French political observers scornfully dismissed the giveaway program with this remark: "Everything will be free except freedom."

Caution was displayed by the Communist press both in Western Europe and behind the Iron Curtain.

In Rome, the Communist Party paper Unita carried lengthy extracts of the manifesto and noted that "civilization is advancing." Unita promised fuller comment in a few days.

In Budapest, the Hungarian party organ, Magyar Nemset, said the program was "of historical importance * * * (it) will be a world-shaking factor."

But the manifesto was published in Warsaw without comment and the Polish man-in-the-street reacted with characteristic canniness.

"It sounds fine," said one Pole. "Who would not like free bus rides, free meals, and all that? But where will the United States be in 20 years? How can we tell now how things are going to be anywhere in the world in 1980?"

The Pole's opinion was echoed in Tokyo, where Jankiro Satro, director of the opposition Socialist Party's information bureau, said it was "unthinkable" the Communist society could surpass the United States by 1980.

In East Germany, a Communist spokesman declined to comment and the main party paper Neues Deutschland carried a two-paragraph report of the release of the document in Moscow on the bottom of its front page, promising "a detailed report of this historic document" in Monday's issues.

Observers believed official East Germany would remain silent on the manifesto for some time.

It was noted the plan promised a cut in the working week by 1970 and this was taken as meaningless in East Germany, which freely admits a shrinking working force together with other economic ills.

In Belgrade, Yugoslav Communist leaders kept silent about the program which carried a warning on Yugoslav "revisionism." The contents of the document were not mentioned by press or radio there.

In the Hague, Hein Vos, a member of the Dutch Labor Party executive, said all the free social benefits promised must be paid either from taxes or from increasing prices far above their real value.

The Vienna independent paper Presse said the new program "promises paradise on earth."

In Copenhagen, the press played down the program. The conservative Berlingske Tidende said it marked "the next phase toward pure communism and possible elimination of the party."

In Sweden, the story won prominent play. The Socialist Tidningen headlined: "Fantastic Soviet Plan." The liberal Dagens Nyheter headlined: "Khrushchev Promises Free-of-Charge Society."

[From the Washington Post, July 31, 1961]

NEW RED PLAN IS A CATALOG OF FAILURES

(By Reinhold G. Ensz)

Moscow, July 30.—The new program of the Soviet Communist Party announced yesterday presents a surprisingly candid catalog of shortcomings.

The program does this by insisting that some time in the next 20 years the Soviet people will get many things that other people assumed they already had.

For example, the program promises free education, free school lunches, free homes for the aged, and free medical care.

At present, Soviet citizens must pay for books which their children use in school, even in elementary schools. They must also pay for medicines prescribed by doctors and for hospital rooms and treatment.

One of the most important sections of the program deals with housing. It says that some time during the 1970's rent for a home will be abolished.

ALL IS NOT GOLD

To a westerner this may sound as if utopia were coming by leaps and bounds. But for the Soviet citizen the sentence just before this promise is much more important.

That sentence says that during the 1970's every family will have an apartment for its own. The importance of this promise can be understood only if foreigners realize that the vast majority of Soviet families are still sharing apartments, even rooms, with other families.

The section on housing reads like this: "The Communist Party of the Soviet Union puts forward the task of solving the most serious problem of the upsurge of the well-being of the Soviet people, the housing problem.

ONE ONLY—WHERE POSSIBLE

"During the second 10 years (of the 20-year plan) every family, including newlyweds, will have comfortable apartments which will correspond to the demand for a hygienic and cultured life."

As for the log huts, often noticed by travelers in the Soviet Union, the document says: "In general, peasants' houses of all types will be replaced by new, modern houses or, where possible, they will be reconstructed and given additional utilities."

On rent, it adds: "During the second 10 years all living quarters will become rent free, step-by-step for all citizens."

Also tackled is a problem which never fails to attract the attention of Western tourists—the sight of Soviet women digging ditches, laying bricks, paving streets, painting bridges.

In an obvious effort to eliminate this sort of thing, the party declares "women must be given considerably lighter and adequately paid jobs."

INCOME GAP LEVEL

The program also acknowledges that there is a considerable gap between levels of income in the Soviet Union.

"The differences between high and excessively low income must be reduced step by step," it says.

At present a skilled factory worker makes 80 or 90 rubles a month (one ruble equals $1.11 at the official rate) while artists, writers, and top government officials make hundreds of rubles a month.

MORE FOOD PROMISES

"During the first 10 years," the party declares, "there will be an upsurge of real incomes of workers and employees who receive rather low wages and these will be raised to such a level that in our country there will be no low paid categories of workers and employees."

The program also treats the touchy problem of food shortages.

"In the near future," it says, "people will have a greater share of animal products (meat, fats, milk), fruits, and vegetables of the best type."

Other promises:

Modern safety devices will be installed in the factories.

Night shifts will be liquidated in factories except where day round work is necessary because of technological processes for a service to the people.

Fares on buses, streetcars, and subways will be abolished during the latter half of the 20-year program.

At the end of the program charges for water, gas, and heating will be abolished.

There will be a considerable increase in the production of automobiles.

NOT FOR EVERYBODY

But the program makes clear that the much vaunted Communist goal of supplying everyone according to his needs will not be reached during the 20-year plan.

"Payment according to labor," the program says, "will remain the principal means of satisfying material and cultural demands of the working people during the forthcoming 20 years."

But the grandiose program contains its fine print, just like an insurance policy.

The fine print reads this way:

"The program can be successfully fulfilled under conditions of peace. The aggravation of the international situation and the resulting necessary increase of expenditure on

defense may prevent the realization of the plan for the upsurge of the well-being of the Soviet people.

[From the Washington Post, July 31, 1961]

COMMUNISM IS DEFINED BY MOSCOW

Moscow, July 30.—The definition of communism was contained in the Russian 20-year program published here today:

"Communism is a classless social system with one form of public ownership of the means of production and full social equality of all members of society; under it, the all-round development of people will be accompanied by the growth of the productive forces through continuous progress in science and technology; all sources of public wealth will gush forth abundantly, and the great principle from each according to his ability, to each according to his needs will be implemented.

"Communism is a highly organized society of free, socially conscious working people in which public self-government will be established, in which labor for the good of society will become the prime vital requirement of everyone, a necessity recognized by one and all, and the ability of each person will be employed to the greatest benefit of the people."

FIFTEEN YEARS OF PHILIPPINE INDEPENDENCE

Mr. HUMPHREY. Mr. President, how appropriate it is that we Americans share our Day of Independence, July 4, with the free, dynamic democracy of the Republic of the Philippine Islands. This year marks the 15th year of independence for the Philippines. Appropriately, Gen. Douglas MacArthur, probably the American most loved by the Philippine people, revisited his friends. I believe the general spoke for all Americans when he so ably stated:

You are now a nation of gladness and good will—a bright light shining in a cloudy troubled world. A merciful providence cannot fail to protect and preserve this gem of the Far East.

We can indeed point with pride to this great bastion of freedom and democracy in troubled and strategic southeast Asia, for it truly symbolizes our ideal of the dignity of man and his right to self-determination, as opposed to the tyranny of totalitarianism. At this time I ask unanimous consent to have printed in the RECORD the excellent article entitled "The Philippines: A Successful Democracy at Work," written by A. L. Valencia, and published in the July 2 Sunday Star.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PHILIPPINES: A SUCCESSFUL DEMOCRACY AT WORK

(By A. L. Valencia)

Fifteen years ago next Tuesday, as a young reporter on the Associated Press in Manila, I was assigned to cover my country's first Fourth of July.

After nearly four centuries of Spanish rule, more than 40 years of American tutelage, and 3 years of Japanese occupation, the Philippines was a nation at last.

My heart was full and this is what I wrote:

"They lowered the American flag today. A friend has said goodby. A part of me is gone.

"The Filipino flag stands alone. It is one of the proudest moments of my life. But I cannot help feeling a sadness. * * * I was born under the American flag; so were millions of my fellow countrymen, those alive today and those who died in their thousands on Bataan and Corregidor. What does the future hold? What does the lowering of the American flag mean?

"I saw the American flag come down once before. That was a black day in January 1942. I saw the flag of the Japanese invader fluttering in the bright sunshine in almost the same spot where we Filipinos and Americans assembled today. There followed three grim and ghastly years.

"Then the American flag came back, only to be lowered once more.

"To me and my fellow countrymen, the American flag has meant so many good things. And now, as it goes down, this jubilation * * * the gun salute * * * the applause * * * and High Commissioner Paul V. McNutt saying, 'A nation is born. Long live the Republic of the Philippines. May God bless and prosper the Filipino people and keep them safe and free.'

"If I could speak for all my countrymen, I would say to you good people across the Pacific, 'God bless you; we will never forget.'"

THE MESSAGE TODAY

Why do I recall this day so long ago? Why do I go back to a faded newspaper clipping to see what I wrote?

I do so because I believe it has a message for the American people in what President Kennedy describes as this "decade of danger."

Wherever the young President of the United States looks today, he sees the ruins of past American policies—and a host of new problems in the making. There is trouble in Laos, Vietnam, the Congo, Cuba, and in NATO. The cry of "Yankee, go home" even echoes from Holy Loch in Scotland, a peaceful little holiday resort never before associated with the international scene.

President Kennedy and his fellow citizens might be excused for asking "Has America ever done anything right?" as they face the barrage of world doubt and criticism.

Yet there is one direction in which Americans can look and see an inspiring success story—a living, positive, and enduring proof that there are people in the world who love and admire the United States and the American way of life and who are ready to die to defend it. Because it's their way of life, too.

In fact, these people have done so once before and are willing to do so again should the chips ever go down.

SAME INDEPENDENCE DAY

It is no accident that the Philippines and the United States celebrate their independence on the same day. It was planned that way, to emphasize their common devotion to democracy.

Philippine national life is modeled entirely on that of the United States. It has the same political structure, with the same system of checks and balances (elected legislature, elected executive, and established judiciary) and the same burning determination to preserve that structure.

On the rim of the Orient, 8,000 miles from California, 28 million people of many races and many tongues, living on more than 7,000 islands have found unity and are providing proof that the American way of life can be transplanted and appreciated with glowing fervor.

And this strange flower, mixture of the exotic East and the bustling West, has come to sturdy bloom in little more than half a century.

Communist clamor about the evils of colonialism finds little or no response in Filipino ears.

For after centuries of colonialism, the Philippines found their way to freedom through that form of government exercised with superb skill and sympathy by the United States, itself a former colony.

It was in 1521 that Spain set its mailed foot on the neck of the Filipino people and kept it there for nearly four centuries. Then came the Spanish-American War of 1898, and Admiral Dewey's victory over the Spanish fleet in Manila Bay.

COLONIAL POLICY

No one was more surprised at this sudden acquisition of a new territory than President McKinley, but in a moment of inspiration he announced the basis of the policy that was to govern relations between the United States and the Philippines from then on. It was simply: "The Philippines for the Filipinos."

Modern Filipinos like to say: "America's greatest export to our country was the Thomasites." They were 600 young American men and women—teachers, engineers, constabulary officers, and public health workers—who got their name from the U.S. Army Transport "Thomas" which brought them to Manila. It is no exaggeration to say that these 600 young people laid the foundations of the modern Philippine Republic.

Politically, Spanish rule had been of the worst, but not all its legacy was evil. The vast majority of Filipinos had become Christians and had adopted the moral standards of the West. The groundwork for a new relationship with another and more progressive Western people had already been done.

When the Thomasites began to build on this groundwork, working alongside the people, as the new Peace Corps now proposes to do, they were welcomed with enthusiasm.

Schools were opened: at first in shacks rudely built of bamboo and palm leaves. Many of the first teachers were American soldiers who had fallen in love with the Philippines and decided to take their discharge and stay on. Some of these men could do little more than teach the ABC's, but the English language began to spread.

Today the Philippines is the third biggest English speaking nation in the world.

ENCOURAGED IN POLITICS

After education and health, came politics. Instead of being rigorously excluded, Filipinos were encouraged to take part in government and aspire to office, first on the municipal level and later on a national level.

A whole crop of Filipino leaders sprang up. And as education became more widespread, that crop doubled, trebled and quadrupled. Within 20 years, although American officials still held many of the top jobs, an experienced Filipino civil service had been developed, and Filipinos sat in the Governor General's cabinet.

When in 1936, President Franklin D. Roosevelt pledged full independence for the Philippines in 10 years, there were no doubts either in Washington or Manila about Filipino capacity for self-rule.

Those were happy, exciting days. The work of those great Americans—the humble Thomasites, John J. Pershing, William Howard Taft, Leonard Wood, Henry L. Stimson, Frank Murphy—was paying off abundantly.

Gen. Douglas MacArthur arrived to train the new Philippine National Army. How well he did his work was to be proved in 5 years' time—at Bataan and Corregidor. One of MacArthur's assistants was a Maj. Dwight D. Eisenhower.

The Government was now entirely in Filipino hands. Washington held only the loosest of reins through a high commissioner; and this rein applied only to foreign affairs. For the rest, the Filipinos were ruling themselves.

This was to go on for the stipulated 10 years of training and transition to full independence.

THE WAR YEARS

Then, in 1941, the gathering war clouds let loose their deluge. America's enforced retreat from the Philippines in the face of Japanese might could have strained Filipino loyalty. Instead it hardened it.

Filipino underground resistance to the Japanese occupation was tougher than that of any other country in Asia.

The Japanese set out to break the Filipino spirit of freedom and devotion to democracy. The first weapons were cold steel and hot lead. They did not work. The next weapon was starvation; then came terrorism and torture. These failed, too. Finally, came the seductive temptation "Asia for the Asians; throw the white man out."

The Filipinos preferred to throw out the Japanese, and clung on grimly for the American rescue they knew would surely come.

After 3½ years of bloody war and brutal destruction, Washington might well have reconsidered its promise of independence for the Philippines. Not out of an ulterior motive, but simply from a feeling that the chaos of the war should first be restored.

But political wisdom won over paternalism. Independence was granted to the very day. And as the Stars and Stripes came down from the bombed-out House of Congress to be replaced by the flag of the Philippines, Filipinos wept openly. They were happy and proud of their new status, but it was a little like leaving home.

COMPENSATION FROM UNITED STATES

To repair war damage in the Philippines, the United States, for the first time in its history, provided war damage compensation of some $600 million. About 1 million small claimants were paid in full.

The shock of war to the Philippine economy was a savage one. But the newly born nation attacked the work of restoration with vigor, and with equal vigor proceeded to pursue its new political life.

Since then 15 years have passed. Contrast the political stability of the Philippines today with the records of some of the other new nations that have come into existence since the war.

The Communist-dominated Hukbalahap movement sought to take over by force—and was defeated. Four Presidents have been elected by democratic process, and in this year of Asian crisis a fifth President will seek the approval of the polls.

In November, some 6 million Filipinos will go to the polls; and the percentage of those casting ballots is higher than in many States of the United States.

Every succeeding administration has striven for cleaner government and elections. It must be remembered—and this makes the record of the new Philippine nation all the more admirable—that some of the habits acquired during the Japanese occupation were hard to lose. The country was full of small arms which had been employed in regaining freedom; men were used to living dangerously; the black market and bribery had become a way of survival.

THEY PREFER THE BALLOT

Yet despite this, the Filipino people have continued to prefer the ballot box as their means of changing a government. It is a fine tribute to their political maturity.

This year's election will be between President Garcia, running for his second term, and Diosdado Macapagal, current Vice President, who belongs to the opposition Liberal Party.

The election will be fought entirely on domestic issues, because in the realm of foreign affairs both men think alike. Both are stanchly pro-Americans. Both are stanchly anti-Communist.

President Garcia outlawed the Communist Party. He has declared that even though America, under European pressure, may be forced to recognize Red China and go along with its admittance to the United Nations, he himself will never do so.

Macapagal accuses Garcia of being "soft" on communism!

The Philippines was among the first of America's friends to send troops to Korea. The Philippines was the first to stand shoulder to shoulder with the United States when it became clear that Russia's Khrushchev was determined to make Laos a crucial test in his new war of nerves with President Kennedy. Britain and France wavered. The Philippines stood firm—and still is prepared to fight if the need arises.

Of course the two nations have their points of friction. Filipinos feel the United States tends to take them and their friendship for granted. They feel like the little brother whom a big brother ignores. They wonder why the United States has not made more of the success story of Philippine independence in the current struggle for men's minds and hearts.

Americans have too often been preoccupied with the fumblings and shortcomings of this new republic, modeled so exactly after their own. They have not seen it—as it should be seen—as one of the world's finest monuments to democracy, because it is a living monument to the American ideal of total freedom against total tyranny.

The PRESIDING OFFICER. The additional time yielded to the Senator from Minnesota has expired.

Mr. HUMPHREY. May I have 1 additional minute?

Mr. DIRKSEN. I yield 1 additional minute to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 1 more minute.

CATHOLIC ASSOCIATION FOR INTERNATIONAL PEACE SUPPORTS ACT FOR INTERNATIONAL DEVELOPMENT

Mr. HUMPHREY. Mr. President, I invite the attention of my colleagues to an excellent statement in support of the Act for International Development, S. 1983, prepared by the Catholic Association for International Peace. I ask unanimous consent that the statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON THE FOREIGN AID PROGRAM

The executive council of the Catholic Association for International Peace supports the bills on foreign aid, S. 1983 and H.R. 7372, presented concurrently to both Houses of Congress, and urges their prompt passage.

Each bill is divided into the "Act for International Development" and the "International Peace and Security Act." The former deals with the subject of economic assistance to developing nations and the latter with military assistance to allies in the cold war.

The new money authorizations requested for fiscal year 1962 are $2.59 billion for all forms of economic assistance and $1.9 billion for military assistance. Of the $2.59 billion for economic assistance, appropriated funds will be required for $1.69 billion and the balance, $900 million, will not require appropriation of funds but will come from long-term borrowing authority. In addition, the bills provide for $1.6 billion in long-term borrowing authority for each of the 4 succeeding years, plus the authority to use approximately $300 million from loan repayments for the same 5-year period. Development loans repayable in dollars will be made from the long-term borrowing authority.

The executive council is pleased to note that the substance of most of the recommendations of the CAIP in 1959 have been incorporated in the new bills. The CAIP stated at that time:

"(1) That there be an adequate military assistance program designed to promote the mutual defense of the United States and its allies;

"(2) That the mutual security program should be restricted to military assistance, including limited defense support; and economic assistance should be enacted in separate legislation on a long-term continuing basis;

"(3) That the objectives of economic assistance to low-income countries should emphasize the national purpose of the United States to further the ends of social justice in the world community; and

"(4) That social and fiscal reforms necessary to further the ends of social justice and sound development should be pursued vigorously."

We believe that the separation of the long-term social and economic objectives of the Act for International Development from the hopefully short-term objectives of the International Peace and Security Act is a decided gain in the direction of a more effective foreign aid program. Too many times in the past we have heard friends of the United States from the developing countries say that our aid efforts are not always fully appreciated when the peoples in these countries are led to believe that our only motivation for these efforts stems from the cold war.

It is, therefore, our conviction that if the motivations for economic assistance to the developing areas are known in terms of our advocacy of social justice, and not merely as a reaction to Communist threats, our aid efforts will be more effective—and, in the long run, our national interests will be better served. Moreover, the condition that countries receiving developmental assistance make genuine efforts toward internal reform, where necessary, and take steps toward securing social and economic justice for their own citizens is a positive measure which we strongly endorse.

The heart of the economic assistance bill is the proposed long-term authority for loans repayable in dollars. These loans will be made to assist developing countries in long-range development plans and not for a series of unrelated projects. The long-term authority will enable the United States to make an adequate commitment to help the receiving governments introduce the necessary reforms with less difficulty. With prudent congressional safeguards consistent with our traditional concept of checks and balances, the long-term authority should go far to accomplish the basic objectives of our foreign aid policies.

We do not think that the foreign economic assistance which the current bills authorize is an undue burden on the American people. Most of our aid is now tied to U.S. goods and services which will offset any adverse effects on the U.S. balance of payments from capital outflow and the total new money requested for economic assistance during fiscal year 1962 is only one-half of 1 percent of our gross national product. Of this amount more than one-third will be repaid in dollars.

It is our opinion that if the President were to go to the American people with a renewed plea for support of the aid bill, the results would be overwhelmingly favorable provided that his plea were based primarily on the startling contrast between the affluence of our society and the abject, almost unbelievable conditions under which so many millions of people exist in the developing countries of the world. This view

is further buttressed by the recent encyclical of Pope John XXIII which states, among other things, "Given the growing interdependence among the peoples of the earth, it is not possible to preserve lasting peace if glaring economic and social inequality among them persists."

INDEPENDENT OFFICES APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes.

Mr. PROXMIRE. Mr. President, I yield 10 minutes to the Senator from Alaska [Mr. GRUENING].

The PRESIDING OFFICER (Mr. HICKEY in the chair). The Senator from Alaska is recognized for 10 minutes.

Mr. GRUENING. Mr. President, I rise to speak in support of the amendment of the junior Senator from Wisconsin [Mr. PROXMIRE] No. 7-28-61—D, which would restore funds to the Transportation and Public Utilities Service of the General Services Administration for use in representation of the Government as a consumer before regulatory agencies and would also eliminate restrictive language included in the bill as reported by the Appropriations Committee which would, in effect, gut this important service of the GSA.

Mr. President, I am shocked and dismayed by the possibility that an extremely important function of Government may be hopelessly crippled, to the detriment of citizens not only as taxpayers, but as consumers of services supplied by various utilities and carriers subject to local, State, and Federal regulation. The adoption of the amendment of the Appropriations Committee to the independent offices appropriation bill which would have this effect would redound to the benefit only of those interests that would, of course, prefer no regulation at all for the protection of the consumer.

The work of the Transportation and Public Utilities Service of GSA in representing the Government as a consumer before regulatory agencies is one of the most useful functions of the Government of which I am aware. It is inconceivable to me that Congress would willingly strip the agency of its power, indeed, its statutory duty, to do whatever is possible to reduce costs to the Government of services it uses.

The fact of the great savings which have accrued to the Government as a result of GSA intervention in rate cases is thoroughly demonstrated in the record of the hearings on this appropriation, and was called to the attention of the Senate last Saturday by the senior Senator from Tennessee [Mr. KEFAUVER]. This, alone, should be sufficient to establish the folly of cutting it out. When it is considered that specific savings to the Government of more than $16 million in 1 year can be accomplished by the Transportation and Public Utilities Service, it is entirely unreasonable to deny GSA $300,000 needed to pursue its responsibilities in this area.

The taxpayers of the United States do not want to pay taxes to support expenses of the Government which are unnecessary. That is elementary. Here is one specific governmental function that will save money and will save individual taxpayers from an unwarranted burden. Instead of cutting this appropriation, we should see to it that it is fully funded and adequately supported.

In addition, we must not thwart the program of GSA with the inclusion of language which would make it impossible to operate. The language of the committee amendment that would prohibit GSA from presenting a case based on earnings levels and property evaluations of carriers and utilities would, to all intents and purposes, negate the effectiveness of any action GSA might be able to take even with reduced funds.

The importance of this function to Americans as taxpayers is perfectly evident. Beyond this, it is important to them as consumers. Representation of the public interest before regulatory agencies is a difficult, complicated, and terribly expensive proposition, as all of us know who have been in that position. The struggle of the consumers for a fair break in these cases is one in which they are almost always unevenly matched with the giant utilities. Because of their vastly greater financial resources with which to carry on the interminable litigation required to establish a rate determination, the utilities and the carriers have an undue advantage which is, in many cases, overcome by the consumer only with great difficulty.

In this situation the intervention of the Federal Government can add great strength to the case of the consumer. As a consumer itself, in many cases the largest consumer of services for which rates are in dispute, the Government can be extremely effective in presenting the case for reasonable charges. It is one way in which the Federal Government can come to the aid of the individual consumers—a function of Government which has long been advocated, but, so far, ineffectively implemented.

As for the argument of the committee that this service of the GSA duplicated functions of the regulatory agencies, this is open to immediate dissent. The regulatory agencies are quasi-judicial bodies, established to adjudicate questions of reasonableness of rates and charges of the utilities they regulate. They are not supposed to represent, as such, the interest of one protagonist as against that of another. Thus, it is inaccurate to imply that the existence of a regulatory agency will protect the interest of the Government as a consumer any more than to say their existence will automatically insure the success of a carrier or a utility in a rate proceeding.

As I have had occasion to point out, before, to the Senate, Alaskans have had long and disappointing experience with the Federal Maritime Board—a regulatory agency controlling our lifelines before which Alaska is even now fighting another water freight rate increase. As I understand the position of the Appropriations Committee, there is no need for GSA to represent the interests of the Government—which is the largest single shipper to Alaska—because the Maritime Board will take care of the matter. Unfortunately, we are all too aware of the fact that this agency has never acted in what we consider to be the interests of Alaska, and indeed the interests of the Government as consumer.

I am hopeful the reorganization of the Maritime Board proposed by the President will soon be effective and that there will be a healthy improvement in the regulatory processes of the agency established to regulate maritime transportation. However, regardless of an effective reorganization we can speak from long experience in saying the existence of a regulatory agency does not protect the consumer interest. I believe that, in this case, as in all the others in which GSA has taken part, the Government has a duty to present as strong a case as can be made for reduction of excessive rates and charges and the prevention of imposition of others. That case cannot be made if the restrictive language proposed by the committee is not eliminated now, and if the representation function of the GSA is crippled by lack of funds.

I urge the adoption of the amendment of the junior Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, how much time remains to the Senator from Alaska?

The PRESIDING OFFICER. The Senator from Alaska used 8 minutes.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require. First, I want to thank the Senator from Alaska for a very excellent statement. I wish to ask the Senator from Alaska if it is not true that the denial of the right of the Government agencies which are involved here to appear in the regulation proceedings, at least to appear to present evidence and argument covering broad matters of regulatory policy, will result in costing the taxpayers a tremendous amount of money.

I call attention to the fact that the Government's monetary interest in utility charges amounts to about $817 million a year, plus $386 million for communications, as the GSA has informed my staff within the last 48 hours, plus $2,106 million for transportation.

This is a tremendous amount, exceeding $3 billion in costs. It would seem to me, in view of the fact that the Government is this big a consumer—and the Government is simply a proxy for the taxpayer and citizen in this regard—if we deny the taxpayer having representation of this kind, is it not perfectly obvious that the taxpayer is going to have to pay more in taxes to pay for these services?

Mr. GRUENING. The Senator is absolutely correct. The action of the Appropriations Committee, which is very shocking, is not only a blow to every consumer and to every taxpayer but also a blow to the Government itself.

We are now in a situation in which the administration is asking for more funds. New crises have arisen. We are told we must appropriate $3½ billion

more for defense. We are asked to support a tremendous foreign aid program.

This is an opportunity to save millions of dollars through the adequate presentation of the case for the Government itself before the regulatory agencies.

I am amazed the Appropriations Committee should not have seen that. I commend the Senator from Wisconsin for his wisdom and enlightenment in presenting this case. I very much hope the amendment will be agreed to. The amendment is distinctly in the public service.

Mr. PROXMIRE. Is it not true that one of the greatest reasons for the real waste of taxpayers' money is that too often the Government is considered to be a "soft touch"? In cost-plus contracts and in dealings with contractors of various kinds, the Government is considered to be "fair game."

Mr. GRUENING. That is absolutely true.

Mr. PROXMIRE. Certainly, when we face a situation of this kind with regard to the utilities which primarily serve the Government, or of which the Government is a very important customer—is it not apparent that if the Government is denied the right to appear and to argue on broad principles in favor of rate regulation, the result obviously will be higher charges to the Government and higher taxes for the taxpayer?

Mr. GRUENING. Yes.

Mr. PROXMIRE. That is a view supported by our experience with regulatory bodies.

Mr. GRUENING. That is absolutely true. I have recently returned from Alaska, where I saw a very striking illustration of that fact. The Government, through the military services, has engaged in almost nothing but cost-plus contracts, and the result is that the sky is the limit. It is said, "Give them anything they wish." That raises the general level of wages, naturally, demanded by workers in private industry. Therefore, we have an inflationary spiral, and the cost of living keeps going up directly because of Government practices.

The Government itself, which presumably is fighting inflation, frequently is responsible for this, because, as the Senator says, the Government is considered to be a "soft touch." It is a "soft touch." That is exactly what the amendment aims to prevent.

Mr. PROXMIRE. Mr. President, I thank the Senator from Alaska.

Mr. President, I am delighted to yield now to the senior Senator from Oregon [Mr. MORSE] for 5 minutes.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, the first observation I wish to make with respect to the amendment offered by the Senator from Wisconsin—an amendment which I completely support—is with regard to the ruling of the Senate Parliamentarian. I should like to have the record show that I completely disagree with the position taken by the Senate Parliamentarian concerning the proposal contained in the bill reported by the Senate Appropriations Committee. The language is:

> No part of the funds appropriated by this Act shall be used for the preparation or presentation of evidence or arguments before Federal and State Regulatory Agencies concerning the regulatory policies of such agencies on overall earnings level or total property evaluation of transportation or utility companies.

In my opinion that language does not leave any room for doubt as to whether it is legislation on an appropriation bill. I am surprised that the Parliamentarian has ruled as he has in respect to it.

Mr. President, at the present time the General Services Administration has the authority to intervene in such cases. That is a matter of legal right. In my judgment, to take the right away from the General Services Administration can be done only by legislation, and I mean substantive legislation. That should come from a legislative committee, not from the Appropriations Committee. It is not for the Appropriations Committee to determine the legislative policy of the Senate.

The question as to whether an administrative agency, particularly one which is classified as an independent agency, should exercise the right to intervene in a case, is a question which ought to go before a legislative committee of the Senate and ought to be determined by a legislative committee of the Senate, and not be determined by the Appropriations Committee of the Senate.

I wish to make clear again something which is being overlooked too much—and I speak respectfully about the Appropriations Committee—that more and more legislative power indirectly is being taken over by the Senate Committee on Appropriations. This practice ought to be stopped. The Senate Committee on Appropriations ought to be made to understand with crystal clearness that its function is not to legislate but that its function is to pass upon money bills.

When the Committee on Appropriations proceeds to tell the Senate that the General Services Administration can no longer intervene in protecting the taxpayers of this country in connection with these cases which are brought before the Federal Power Commission, I do not think there is any question about whether or not that is legislation on an appropriation bill. That practice ought to be stopped.

I am one Senator who thinks an appeal ought to be taken from the decision of the Presiding Officer in regard to this matter. We all know what is going on in the cloakrooms about this. Let the record show it. The attitude of the Senate is that we should not draw the issue now, that we ought to vote the Proxmire amendment up or down, to settle the question in that way. If that is what my colleagues wish to do, it is all right with me. I think it is a mistake. I think the Parliamentarian is wrong. I think he ought to be overruled. I think an appeal should be taken from the ruling, and the Parliamentarian should be given instructions.

After all, it is for the Senate to determine its rulings. It is for the Senate to determine, not the Parliamentarian, and when the Parliamentarian goes as far awry as the Parliamentarian has gone in this regard, I think he should be overruled by the Senate's overruling the Presiding Officer of the Senate That is my position on the procedural matter.

I have been concerned about this question in the past few years. This is not the first time the senior Senator from Oregon has warned the Senate that the Appropriations Committee is going entirely too far in carrying out its functions in connection with money bills.

I think the Parliamentarian also ought to recognize that every presumption is against the Appropriations Committee in respect to proposals which are challenged as legislation on an appropriation bill. I think the Parliamentarian ought to recognize that the presumption is against the Appropriations Committee when there is any room for doubt as to whether something is legislation on an appropriation bill.

It is crystal clear that this is an attempt on the part of the Appropriations Committee to take away a right under existing law, to curtail a practice that has been followed time and time again by administrative agencies of this Government that have been intervening in behalf of the taxpayers of this country. These agencies have sought to protect the taxpayers of this country from being gouged, as so frequently happens as a result of hearings before the Federal Power Commission.

It will be recalled that some years ago the senior Senator from Oregon, in a speech on the floor of the Senate, protested on his own initiative at that time that the Department of Interior should not withdraw from the so-called Hells Canyon Dam case before the Federal Power Commission. I said then there was a clear duty on the part of the Department of Interior, because it had the best source of information to protect the taxpayers of this country, to come forward and intervene in the Hells Canyon Dam case before the Federal Power Commission.

We should not forget that under a Democratic administration, prior to the Eisenhower administration, that is exactly what the Department of the Interior did. Mr. President, the Eisenhower administration decided to withdraw. The result was that the American taxpayers were not protected in the Hells Canyon Dam case before the Federal Power Commission, because the best available supply of uncontroverted evidence happened to be in the files of the U.S. Department of Interior. The contents of those files never were made available to the Federal Power Commission.

I cite that example this afternoon, because the General Services Administration is, in many cases, the receptacle for the best evidence with respect to what is contained in its files that might advance the taxpayers' interest in rate cases before the Federal Power Commission or before other commissions.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I ask the Senator to yield me another 5 minutes.

Mr. PROXMIRE. Mr. President, I am happy to yield 5 more minutes to the senior Senator from Oregon.

Mr. MORSE. I repeat that the General Services Administration usually has the best available evidence to protect the American taxpayers in rate hearings. What is now proposed in the bill before the Senate, is an unwise attempt to legislate on an appropriation bill by the Senate Committee on Appropriations. It would deny to the General Services Administration the right to come in and present in behalf of all the people of this country the Government's evidence available in the official files of the Government in regard to what the petitioners may be objecting to in the Federal Power Commission hearing or in a hearing before some other rate-regulating agency.

I am shocked that it would be seriously proposed on the floor of the Senate that we should slam the door in the face of the taxpayers of the United States, because that is what such action would amount to when we get down to the ugly realities. In this country there are selfish forces, like the private utilities, that would welcome any opportunity they could find in order to deny to all the taxpayers of this country a full consideration by the Federal Power Commission, or any other regulatory agency, of the evidence that the Federal Government would submit in regard to a proposed rate increase. Does anyone tell me that such a proposal would not be legislation on an appropriation bill? Such a question goes to a very substantive legislative matter. This is a problem that ought to be passed upon by the legislative committees of the Senate which have jurisdiction over regulatory bodies. The Committee on Appropriations does not have substantive legislative jurisdiction over the regulatory bodies. That jurisdiction vests in the legislative committees of the Senate. Yet we have received a ruling—and apparently a willingness on the part of most Senators not to draw the issue on the question—as to whether or not the right on the part of a regulatory body to intervene in a rate hearing before a regulatory Commission, in the interest of protecting the taxpayers of this country, should be allowed to continue.

Talk about proposed special legislation seeking to protect the private interests in this country at the expense of the taxpayers. We have not had the like of it in my 17 years in the Senate. All that the Senator from Wisconsin is proposing is that we should continue to leave it for the administrative agencies to decide whether or not in a given case they are satisfied that there is such a vested interest in the controversy that they ought to intervene in behalf of the Federal Government and offer in the public interest the evidence in their files.

Where would the Commission get the evidence otherwise? Do not forget that unless Uncle Sam offers it, it cannot be obtained.

Assume that a Senator is in the private practice of law. He is satisfied that in the files of the General Services Administration there is some evidence that he would like to have. He cannot get it. But the General Services Administration ought to have the duty—and it is a duty that has been recognized for years—to intervene in that case and, in behalf of the public interest, offer the evidence. Such action would not make the outcome final. The Federal Power Commission or whatever agency might be involved, would weigh the evidence.

The Federal Power Commission decides whether or not the General Services Administration, the Department of the Interior, the Department of Agriculture, or any other Federal body is right in the premises. Does anyone mean to tell me that we would further the cause of the administration of justice by adopting this afternoon a rule that would deny to the Federal agency the right to intervene in the public interest?

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Pennsylvania.

Mr. CLARK. I intended to ask my friend from Oregon whether the basis for the Parliamentarian's ruling in this case—and I share my friend's concern about it—has been spelled out in the public record, or whether it was merely a ruling without reasons in support thereof?

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. MORSE. I yield.

Mr. PROXMIRE. My answer is that Friday night I first discussed the amendment when the junior Senator from Michigan [Mr. HART] asked me about it. I asked for an advisory parliamentary ruling by the Chair. At that time the Parliamentarian advised the Presiding Officer, who made a clear ruling that the proposed legislation would not be legislation in an appropriation bill. I disagree. I agree 100 percent with the Senator from Oregon, who has made an extremely persuasive case. I think his reasoning is unassailable. He is absolutely correct. But the Parliamentarian has ruled, and we are confronted with a question of judgment whether we should appeal or vote the amendment up or down.

The Senator from Oregon has made a strong argument in support of his position, but for the time being I would prefer that we defer the question until we talk with a few more proponents of the amendment.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. CLARK. In the past I have been concerned with parliamentary rulings made, by the Parliamentarian, in my judgment, without any adequate legal basis. I make that statement with some diffidence because the Assistant Parliamentarian is a gentleman for whom I have the highest personal regard. I believe he is an extremely capable and able man in his field. He has written a book on the subject which we all follow. But I believe that when so drastic a ruling is made—and I received one a little while ago with which my friend from Ohio [Mr. LAUSCHE] is familiar, with which I disagreed—we ought to start the precedent in the Senate of having the rulings of the Parliamentarian spelled out by the Chair in some detail, when they are disputed, with some reference to the precedents. Then I believe the Senate will be in a far better position to determine whether an appeal from the rulings of the Chair would be in order, and whether a principle is involved on the basis of which we would appeal from the ruling of the Chair.

In this particular instance I think a real question of senatorial policy is involved. I share the view of my friend from Oregon that there is a tendency from time to time for the Committee on Appropriations to arrogate to itself a responsibility which ought to rest with the legislative committees of the Senate. I, for one, would like to see this kind of issue raised on a broad philosophical basis, and not because sometime in 1926, in connection with something which someone believes is relevant to the present issue, the Chair ruled in a particular way. This is a question of senatorial policy in my judgment which should be decided.

Mr. PROXMIRE. Mr. President, I will yield to the Senator from Oregon as much time as he desires. But within the next few minutes, whenever the Senator from Oregon has finished—unless the Senator from Oregon would like to put the question directly to the Chair—I should like to ask the Parliamentarian for a specific itemized justification of his position, because the judgment that was given to the Senator from Michigan [Mr. HART] and the Senator from Wisconsin Friday night was merely an assertion that the proposed legislation was not legislation on an appropriation bill. The justification was not given at that time, and I think the Senate should certainly have it. I think this is one of the most important aspects of the amendment. There are other important aspects.

Mr. MORSE. I believe the procedure that the Senator from Wisconsin has outlined is a proper procedure to follow. I believe that the Parliamentarian should submit a documented memorandum in support of any ruling. If his ruling should sustain the granting of the proposed power to the Committee on Appropriations, and the Senate should sustain the ruling of the Parliamentarian, I think we would have a job ahead of us, which would be to proceed to amend the rules of the Senate so that taking away this protection from all the taxpayers of this country can be brought to an end.

If we should start this kind of action today, where would we end? In my judgment, there would be built up in the Committee on Appropriations a superlegislative committee, and using this action as a precedent, I do not know where the end of the road would be. I happen to think that the subject of administrative law ought to be very carefully considered by the Senate Committee on the Judiciary, where it really should fall. I think it ought to be passed upon by the Committee on the Judiciary and not relegated to the Committee on Appropriations.

I have several questions to ask the Senator from Wisconsin, but first I should like to yield to the Senator from Ohio.

Mr. PROXMIRE. Mr. President, I yield an additional 5 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, I yield to the Senator from Ohio.

Mr. LAUSCHE. On March 11, 1958, I raised a point of order to the language contained in the appropriation bill, contending that by the provisions of the appropriation bill we were changing basic law. If the Senator from Oregon will listen to this comparison of language between the 1958 bill and the language in the 1961 bill, he will note that the same principle applies to both. In 1958 the language was:

> No moneys appropriated under this Act shall be expended for any activity authorized by section 201 or by section 303 of the Act of August 3, 1936, except for the purpose of assuring that the executive agencies are not discriminated against in terms of equity, kind, or charges for services as compared to other customers of a utility.

It was on the basis of this language creating the exception that the point of order was yielded by the Senator from Arizona [Mr. HAYDEN], who said that he had spoken to the Parliamentarian and that the Parliamentarian had agreed that this constituted a modification of basic law.

I now call attention to the present language:

> No part of the funds appropriated by the Act shall be used for the preparation or presentation of evidence or arguments before Federal and State regulatory agencies concerning the regulatory policies of such agencies on overall earnings level or total property evaluation of transportation or utility companies.

This language goes far beyond limiting the use of the money for the purposes authorized in the law. The language states in effect: "You may use it for a part of the purposes authorized in the law but not for other parts." That is where the modification of the basic law occurs. This language says: "You shall use it for all purposes authorized in the law except on overall earnings level or total property evaluation of transportation or utility companies."

I therefore submit that the argument that one can, by language, prohibit in an appropriation bill the use of any money for a purpose under specific law does not apply here. The weakness in the ruling is that it in effect states: "You can use this money for a part of the purpose authorized in the law, and for no other part." In that way it constitutes a modification of law.

Mr. MORSE. I thank the Senator from Ohio for his contribution. I have made my point. I will summarize it with this brief sentence. In my judgment here is a protection that I believe these regulatory bodies and agencies owe to the American people. I do not believe that that protection should be taken away from the American people without a legislative committee of the Senate conducting hearings in regard to the desirability of it and making its legislative report to the Senate in the form of proposed legislation. I am of the opinion that such hearings would produce approval of continuing intervention in behalf of the taxpayers of this country. Therefore I believe it is a great mistake to have this amendment in an appropriation bill.

The Proxmire amendment should be approved. I have had some conversations, since I have been interrupted in my argument, with some of my colleagues. The viewpoint seems to be that we should vote on the amendment and that then we ought to reserve this matter, not in connection with the bill before us, but as a matter of principle and policy in the Senate, to be handled by the submission to the appropriate committee of a bill or rule which will govern us in the future, rather than get off into a controversy in regard to whether this is or is not legislation on an appropriation bill. The problem should remain before the Senate. I intend to continue to press this matter in regard to proposals for rule changes if there is a feeling that this power to limit should be vested in the Appropriations Committee. I do not believe it belongs in the Appropriations Committee. It should go to the Judiciary Committee. We should have hearings on it in the Judiciary Committee, and establish Senate policy.

This is much broader than the bill pending before the Senate. The difficulty is that we are going to limit it to this particular agency in connection with this particular bill, when I believe what we ought to do is to establish a policy in the Senate in regard to the right of governmental agencies and, in fact, the duty, in my judgment, to intervene when the interests of the taxpayer can be protected by such intervention.

Am I correct in my understanding that the House has retained the amounts that are covered by this matter as set forth on page 11 of the House committee report? I read from the report as follows:

> Operating expenses, Transportation and Public Utilities Service: The committee recommends an appropriation of $2,475,000 for these activities. This is $61,000 less than 1961 and $25,000 under the 1962 budget estimate. The committee went into the activities of this Service carefully in the hearings and it was testified that only 50 of some 273 employees are engaged in representation work before regulatory bodies. The committee has not reduced the amount for representation but it does not want the number increased above the present level. The Service has grown substantially since its inception and the committee is of the opinion it has all the employees now it needs in the foreseeable future.

I ask the Senator from Wisconsin if I am correct that this paragraph in the committee report of the House of Representatives would carry out in large measure the purpose of the Senator's amendment?

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. MORSE. I am going to support the Senator's amendment. I serve notice that at a later time, in dealing with it as a separate subject matter, the senior Senator from Oregon is going to propose legislation in the Senate which will get this question of policy settled once and for all in regard to the Appropriations Committee acting in this particular field.

Mr. PROXMIRE. I thank the Senator from Oregon for an extremely persuasive and eloquent argument. I yield myself such time as I may require.

I will take the Senator's advice. I believe he is correct. I think the wise procedure now is not to appeal from the ruling of the Chair but to debate the amendment on its merits and to vote it up or down.

However, for the record, in view of the fact that there has been an extended challenge made of the Parliamentarian's ruling, I would like to ask the Chair if he would secure a parliamentary opinion which can justify the argument that this is not legislation on an appropriation bill. I refer to page 24 of the bill, lines 1 to 6. It is my contention that that language constitutes legislation on an appropriation bill. I ask the Chair to secure parliamentary justification for the record that it is not legislation on an appropriation bill.

The PRESIDING OFFICER. Does the Senator wish the opinion to be stated now?

Mr. PROXMIRE. No; but before the debate has been concluded, so that this matter can be understood by the Senate when it votes on the amendment. On this aspect of the bill we have the argument on the substance of the bill, and we also have the question of whether, if the language is permitted to remain in the bill, we are legislating on an appropriation bill.

The PRESIDING OFFICER. The Chair has the opinion before him now.

Mr. PROXMIRE. In writing?

The PRESIDING OFFICER. Yes.

Mr. PROXMIRE. I would appreciate it if the Presiding Officer would read the opinion.

The PRESIDING OFFICER. It is understood that this is given as an advisory opinion, and not as a ruling of the Chair. It is in the nature of an advisory opinion.

The amendment in question denies the use of funds in the pending bill for the preparation or presentation of evidence or arguments before Federal and State regulatory agencies by the General Services Administration concerning broad regulatory policies on earnings and property evaluations of transportation or utility companies.

It is not denied that GSA, under the law, has authority to participate or intervene to a certain extent in regulatory proceedings, but whether its authority extends to proceedings covering broad overall regulatory proceedings has been disputed.

However, the Chair does not think that point is involved in this case. Conceding that GSA has authority to intervene in any proceeding, this amendment does not interpret or change any law, but simply denies the use of funds contained in the act to that agency for the preparation or presentation of evidence or arguments before the regulatory agencies when overall policies are involved. The law may authorize this action on the part of GSA, but the Congress, under uniform precedents, may forbid or prohibit the use of funds, even for a lawful purpose.

The Chair advises that the amendment is a limitation, and not legislation.

Mr. PROXMIRE. I wish to make one factual suggestion, if not correction. The interpretation was that this was a limitation on the GSA. The language is very clear. It states:

No part of the funds appropriated by this Act shall be used—

It does not refer to the GSA—

for the preparation—

And so forth.

The bill appropriates funds for many agencies, including the OCDM, FAA, HFFA, and a number of others. As I have listed them, almost 20 agencies might, under many circumstances, appear before regulatory bodies. This proposal would prohibit any of them from using the funds of the GSA.

Mr. MORSE. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. MORSE. I think what we should do is to vote the Senator's amendment up or down, and leave for another occasion a discussion of the nature of the opinion or decision of the Chair. I simply wished to file my caveat. I completely disagree with the opinion of the Chair. However, I believe the way to handle the question is to consider the whole question of the broad policy of limiting funds. The limiting of funds has the effect of denying to an agency the authority and, I believe, the duty of carrying out its functions under existing law.

Earlier in my remarks this afternoon I stated that agencies like the Department of the Interior had the clear duty to intervene in a case before the Federal Power Commission, for example, when they know that their files contain evidence and information which ought to be presented to such a commission in order to protect the interest of the public. However, I think what should be done today is to proceed with the consideration of the amendment.

Mr. PROXMIRE. I thank the distinguished Senator from Oregon. I intend to follow his advice.

Mr. GRUENING. Mr. President, will the distinguished Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. GRUENING. I should like to ask the distinguished Senator from Oregon a question, as a matter of information. I notice that the opinion of the Chair is that this amendment is a limitation, not legislation. I have in mind a very classic utterance of Jefferson about freedom of speech:

That cannot be limited without being lost.

I submit that there is an analogy here—that the limitation in this case is legislation by its very nature. Of course, the Committee on Appropriations has legislative power built into it, whether it wishes it or not. By denying funds to an agency, it can, in effect, legislate. But when in addition it prescribes the form of limitation, it seems to me that is clearly legislation.

I think it unfortunate that this limitation is in the field of Federal regulatory agencies. We know that during the past 8 years there has been much criticism on the part of some of us of the character and performance of regulatory agencies; that they were frequently not acting in the public interest.

There was the striking case of one public official who was denied reappointment on the ground that he professed to serve only the public interest.

It seems to me that the beginning of the new administration is precisely not the time when this power should be taken away from an agency which like the GSA has been a guardian of the public interest.

Mr. MORSE. I do not believe this is the time for us to discuss the question of policy, either. I think it was important that we file our caveats today on the question. I believe the general policy ought to be considered in connection with the discussion of an independent rule.

Mr. GRUENING. I thank the Senator from Oregon.

Mr. PROXMIRE. Mr. President, the proponents of the amendment have used a considerable amount of their time. The opponents of the amendment have yet to speak. I would appreciate it if they would use some of their time now, if they intend to use it.

The PRESIDING OFFICER. Who is in control of the time of the opponents of the amendment?

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time for the quorum call be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from Washington yield to himself?

Mr. MAGNUSON. I yield myself such time as I may require.

First, Mr. President, I apologize to the Senator from Wisconsin for not having been here sooner; but we had a committee meeting at which we were endeavoring to determine at what date we might adjourn—a matter very important to all Members, of course—and we were reviewing the amount of proposed legislation before the committee.

The Senator from Wisconsin has submitted an amendment which he has discussed for some time. The language in the bill could be subject to an interpretation that was never intended by a majority of the Appropriations Committee. The Senator from Kansas [Mr. SCHOEPPEL] has an amendment which I would like him to discuss briefly, and which I think will clear up a part of the question that was discussed here on the floor, and also make clear the committee's intention on this matter.

So I yield such time to the Senator from Kansas [Mr. SCHOEPPEL] as he wishes.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. SCHOEPPEL. Mr. President, there has been some contention made here, genuinely, on the part of the distinguished Senator from Wisconsin and others, that the section which he seeks to strike would limit a number of the independent agencies in their regulatory activities. Such was not the intent of the committee.

I wish to call up my amendment, 7-29-61—A, which is at the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Kansas will be stated.

The CHIEF CLERK. It is proposed, on page 24, line 1, after the words "appropriated by" to insert the words "the preceding paragraph of".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. SCHOEPPEL. Mr. President, the purpose of this amendment is to make clear that the limitation appearing at the top of page 24 of the bill applies only to GSA and to the Transportation and Public Utilities Service of GSA, as intended by the committee, and not to the entire bill.

I sat in during the discussions of the Appropriations Committee on this particular item. I think the distinguished senior Senator from Washington [Mr. MAGNUSON] will bear me out in saying that it was not the intention of the members of the committee that this language should apply to any Government agencies other than the GSA. There was before the committee much evidence and testimony to the effect that there were certain practices indulged in by the GSA that were wastefully duplicating the work already properly being done by the State regulatory agencies, and even, to an extent, by Federal regulatory agencies.

If there is a feeling that this provision would apply beyond the section of the bill in which it appears, as shown on page 24, and that it would go beyond the GSA, I submit that my amendment limits the language to the GSA. This, I understood, from all our deliberations at the time we heard this important matter, was intended to apply only to that agency.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I yield.

Mr. SALTONSTALL. I simply want to confirm what the Senator from Kansas has said. This subject has been discussed in the Independent Offices Appropriation Subcommittee. It was certainly the intention of the subcommittee by this language to confine its application to this heading, and not have it apply to the overall provisions of the bill.

Mr. SCHOEPPEL. I thank the Senator from Massachusetts.

I hope the distinguished Senator from Washington, who is in charge of this measure, will accept the amendment.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I am glad to yield.

Mr. KEATING. Will the disinguished Senator amplify a little, for the benefit of those of us who do not sit on the Appropriations Committee, the alleged improper activities of the General Services Administration in the past? The Senator spoke in general terms. Frankly, I did not know what it was the committee was objecting to that the General Services Administration had done.

Mr. SCHOEPPEL. I may refer the disguished Senator from New York to the committee report which is before us, which states, at page 16:

> In the 1961 appropriations bill, the committee promised that it would explore fully criticisms relative to the General Services Administration's intervention in regulatory matters. The committee has investigated the matter and a full morning was given over to this subject.
>
> Those objecting to these activities have claimed that GSA's intervention activities in rate proceedings unnecessarily duplicate the functions and responsibilities of the established regulatory agencies, prolonging the proceedings, and interfering with the regulatory policies imposed by Congress and the various State legislatures.

The Congress has seen fit to impose the responsibility upon the regulatory agencies to maintain section and staffs within their own groups to take care of overall regulatory policies. Why should Congress now provide for the expenses of the other agencies like GSA to handle these specialized matters as long as we clearly preserve the right of GSA and its representatives to appear in matters in which they were directly interested?

The regulatory agencies, with their specialized staffs, have done an excellent job—and they have done so for years and years. They ought not to be superseded by this type of duplication, and I certainly feel, and concur with the feeling of the majority of the Appropriations Committee, that funds for that purpose should be limited. This is what we have sought to do.

Mr. KEATING. Has it been the practice of the GSA in the past to appear before State regulatory agencies? I notice that they are referred to in the amendment.

Mr. SCHOEPPEL. The history in the testimony before the committee shows it has.

Mr. KEATING. In general, to sum up, the main purpose of the amendment is to avoid duplication. Is that correct?

Mr. SCHOEPPEL. That is correct. The distinguished Senator from Washington [Mr. MAGNUSON] may elaborate on that question, but that is the understanding of the Senator from Kansas.

Mr. MAGNUSON. Mr. President, there has been a great deal of controversy in this field, and it is not new. It has been going on for many years. But there was no controversy that whatever was done or was not done should apply only to the activities of the GSA. So the amendment of the Senator from Kansas would entirely clear up that question and limit the language to the activities of the GSA. I hope the amendment may be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. GRUENING. Mr. President, I wish to ask a question before the amendment is adopted. Why pick on the GSA, which is particularly effective in this field? It is an agency which deals with all phases of government. I think this amendment reasserts and strengthens the case for the change which has been made by the Appropriations Committee which some of us feel is incorrect. Therefore, I would like to be registered in opposition to the amendment of the Senator from Kansas, which has been approved by the chairman of the committee.

Mr. MAGNUSON. I think the amendment clears up the matter, because the controversy is over the GSA, regardless of which side one takes.

I would like to take 5 minutes on the pending amendment, as amended by the Senator from Kansas.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Oregon request time?

Mr. MORSE. Mr. President, will the Senator yield me some time?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas.

Mr. MORSE. Mr. President——

Mr. MAGNUSON. The other amendment is still before the Senate.

Mr. MORSE. I should like to know about this amendment. Will the Senator yield me 5 minutes?

Mr. PROXMIRE. Mr. President——

Mr. MAGNUSON. Mr. President, I have the floor. I shall be glad to yield to the Senator from Oregon such time as he needs.

Mr. MORSE. I was called to the floor. Someone thought I ought to know about the Senator's amendment.

Mr. MAGNUSON. It is not my amendment.

Mr. MORSE. It is the Schoeppel amendment. I should like to know the relationship to the Proxmire amendment. I should like to know what it involves.

Mr. MAGNUSON. A suggestion was made that the wording of the language in the Senate bill would apply to other agencies in this field which are supposed to protect the public interest in various rate cases—the CAB, the ICC, the FCC, and other agencies—so what the Senator from Kansas is trying to do is to get back to the intention of the committee, that whatever controversy there was over the matter related only to the activities of the GSA, and that the other agencies could do what they should do, be they public defenders or advocates in these particular cases.

The committee is only discussing the GSA. I think the amendment clarifies the controversy.

Mr. MORSE. I thank the Senator from Washington. I think it clarifies it, also. I shall certainly vote for the Schoeppel amendment. In my judgment, that does not justify rejecting the Proxmire amendment.

Mr. MAGNUSON. I understand that controversy very well.

Mr. President, will the Presiding Officer put the question?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. SCHOEPPEL].

The amendment was agreed to.

Mr. MAGNUSON. Now, Mr. President, I wish to take about 5 minutes to tell the Senate about the problem. As I said before, it is nothing new. It has been before the committee for 8 or 10 years, I believe.

The chairman of the committee is a little bit the victim of his own Frankenstein in this particular case. About 8 or 10 years ago the railroads asked the Interstate Commerce Commission for an overall increase in rates, amounting to approximately 10 or 12 percent. I shall put the exact figure in the RECORD.

So far as we could tell, there were no witnesses who appeared on behalf of the Government to discuss the rates, to protest the rates, or to ask that perhaps there might be lower rates, so I suggested to the General Services Administration at one time, in respect to the independent offices appropriation bill, that since the Government was the biggest shipper in the United States the Government should have adequate representation in any rate case, whether it be a freight rate case, telephone rate case, an airline rate case, or any other rate case.

The committee agreed with me, so a shop was set up, and representatives were to appear in behalf of the Government as a user and to see to it that the Government was not discriminated against as compared to other users, and to go into the question of whether the rates were justified or not.

In many cases this is not necessary in regard to freight, for instance, because the Department of Defense is the biggest shipper and operates under section 22 of the ICC Act, under which the rates are negotiated, sometimes at lower levels and sometimes at the same level.

Anyway, the shop was set up, and it has grown considerably. There are two sides to this coin. A practice has developed, whether right or wrong—and the Senate will vote on the question—that when there is a rate increase asked in a given State the representatives go to the State to appear. Some of the State public utility commissions—in fact, the Association of State Public Utility Commissions—feel there is a duplication of a lot of their work. There are questions of base valuations and earnings and some of the things mentioned, which are somewhat technical to me—the overall earnings level, the total property valuation, and so on and so forth.

The truth of the matter is that either the State agencies are not doing what they should do in the protection of the public, and if they are, there will be some duplication.

In some cases the Federal Government would appear with its lawyers, and might have a better background on the

case than the State agency, which perhaps would not have as many employees. Some of the agencies think that in some cases this work has been helpful.

Also, appearances were made before the Federal agencies. I thought that the Federal agency was set up to protect the consumer. The suggestion has been made by many people that when there is representation of the Federal Government before a Federal agency involving rates and these other things—even in the communications field—perhaps there is a duplication of work the agency should be doing itself.

The proposal is that if there is some duplication, because someone is not adequately representing the so-called public interest, it should be corrected, and so the controversy has waged back and forth.

In my opinion, the General Services Administration does a good job in the particular shop to which I have referred, insofar as representing the Government as a user is concerned, so that there will be no discrimination against the Government and so that the Government will be treated on an equal basis with everyone else.

I suppose, to be perfectly frank, that the private utilities, which are in favor of limiting the work, feel that perhaps the procedure requires more work for them or that there are too many public defenders. That I do not know. The argument has always been the same, and the committee decided in this particular case to put in the language. Two years ago the House put some language in the bill. This year the House did not put any language in with respect to the limitation, so we put in some language. The committee voted on it.

Mr. KEATING rose.

Mr. MAGNUSON. If the Senator will permit, I should like to finish my statement.

We put in the language so that we could go to conference on it. We took out part of the money for the agency. I assure the Members of the Senate that the problem of the money involved is not serious in this particular instance, because we fully intend in the conference to put the money back in the bill for the agency. There was $300,000 involved. The controversy is over the language. In order to go to conference, we had to put the language in the bill.

Some of the committee members are vitally interested in the language. The Senator from Colorado unfortunately cannot be present today, I wish to say, due to the untimely death of his brother on Thursday or Friday. The Senator wrote the language. The committee discussed it in some detail. Some committee members thought it was too strong, and some thought it was not strong enough.

The whole thing is to go to conference. The committee voted quite overwhelmingly, not on a rollcall basis but by an informal voice vote, to put some language in the bill which would have the effect of doing away with some duplication. I do not think there was any member of the committee who did not agree with the language of the committee report, on page 17:

> This prohibition will still permit GSA to appear before the regulatory bodies and insure that the Federal Government is afforded adequate services at nondiscriminatory rates and that they bear a fair and reasonable relationship to rates charged other users for comparable services.

That was the original intention of setting up the first GSA activity in this field. I personally think the language is a little strong. I shall vote with the committee, because we will take the problem up in conference, to see whether we wish to have any language at all.

I have told the GSA about this. They sent me a letter, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., July 27, 1961.

HON. WARREN G. MAGNUSON,
Chairman, Subcommittee on Independent Offices, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Independent Offices Appropriation Act, 1962 (H.R. 7445), as reported by the Committee on Appropriations, contains a proposed amendment relating to the appropriation for "Operating expenses," Transportation and Public Utilities Service, which is of grave concern to the General Services Administration. This amendment, which appears at lines 1 through 6 on page 24 of the act, provides that:

"No part of the funds appropriated by this Act shall be used for the preparation or presentation of evidence or arguments before Federal and State regulatory agencies concerning the regulatory policies of such agencies on overall earnings level or total property evaluation of transportation or utility companies."

It is our view that this amendment, as explained in the committee report, would seriously restrict and limit the proper performance by GSA of its function under section 201(a)(4) of the Federal Property and Administrative Services Act of 1949 of representing executive agencies in proceedings involving carriers or other public utilities before Federal and State regulatory bodies. We also feel that the reduction of $300,000 in the appropriation recommended by the committee, if applied solely to the representation function as provided in the report, would likewise substantially impair our ability to fulfill our statutory responsibility inasmuch as it would leave available less than 25 percent of the amount expended for this purpose in fiscal 1961.

Sincerely yours,

BERNARD L. BOUTIN,
Acting Administrator.

Mr. MAGNUSON. So far as the money is concerned, I do not think there will be any question about that. In order to get to conference, because this has gone back and forth between the House and the Senate now with respect to at least six appropriation bills that I know of, we put in the language.

If some of the agencies of the Government are not representing the Government as they maintain they are doing or as they should under the basic act, perhaps we should enlarge the scope of the proposal and make the GSA the so-called public defender in all cases.

Meanwhile there is a controversial duplication, and most of the State agencies object to it. Naturally any implication that the State agency cannot represent the State in the question of rates is objected to. They are supposed to do so. It is their responsibility. Whether or not any of the agencies to which the Government should object are involved or not, I do not know. But a representative of GSA appeared in a case before the Civil Aeronautics Board on the question of raising passenger rates. In that particular case, after all the evidence was submitted, it would take a CPA to know all the questions that should go into an evaluation of the activities of the companies involved. But I always understood that the CAB could take such action and that that agency represented the public in the particular case in question.

The GSA has responsibility to represent the Government insofar as the cases in question are concerned. The Defense Department is removed because that Department can negotiate under section 22. I have stated the problem that is before the Senate for a vote. I think there are facts on both sides. I am hopeful that we can discuss these questions in conference. The committee discussion, so far as the amount is concerned, indicated that there will not be much discussion with the representatives of the House on that question, because we intended to restore that amount. It is merely a question of what kind of language should be inserted, and that question would be taken to conference.

I know that many would be opposed to the proposed language. I think the report of the committee states the problem quite well, including both sides of the controversy.

On behalf of the committee I merely wished to make that statement. It is a question that has been before us time and time again. In the appropriation bill introduced last summer some language on the question was inserted and no objection was heard. The provision was somewhat similar to the one in the present bill. At one time the House inserted language which was even stronger than what is now proposed, and we modified it. The language was in the report, not in the bill, which is a technical difference.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. PASTORE. I have had represented to me, by a representative of the GSA, that insofar as the SAGE project was concerned, through the intervention of that agency we were able to save $100 million. I was wondering if the distinguished chairman of the subcommittee could elucidate a little on that case, if he is familiar with it.

Mr. MAGNUSON. I am generally familiar, though I am not familiar with the technicalities. To the best of my knowledge, in the SAGE case, which involved the question of Government dealings with the Department of Defense mainly, the GSA acted as a sort of public defender. My best information is that

the agency saved us a great deal of money. But that agency was not a State utility.

Mr. PASTORE. I know; but the provision is not confined to States. The proposed language goes beyond the States.

Mr. MAGNUSON. The Senator is correct.

Mr. PASTORE. I quite agree with the distinguished chairman that there may be instances in which there would be duplication. I know that when I was Governor of my State the telephone company had not filed an application for a rate increase for some time. Then suddenly it did so. I took the position that it should not impose the rates until such time as the rates were proved to be fair and reasonable. But under the law of Rhode Island the new rates could be imposed. Then if the authority found that the rate was excessive, the money would have to be rebated. I do not know how telephone users would get back the nickels that they had put into pay telephones. We appealed to the Federal Government at that time, and it furnished us with experts that we did not have.

Such action was a great deal of help to us because we were not equipped with lawyers who were proficient in that particular area of the law. We did not have the technicians or the experts who would know the complex computations that had to be known so that the question could be carried to the courts.

I go along with what the chairman of the committee has said, that the proposed language is only tentative, and is to be modified and corrected in conference. But if we had eliminated the ability to establish valuations, how could the SAGE case have been proved?

Mr. MAGNUSON. I believe the Senator is correct. In that case, if the State authorities had not taken the action they did, the case could not have been proved.

Mr. PASTORE. The basic formula on which to predicate a right should contain the factors of what the property is worth and what has been expended for it, and to those factors should be added whatever fair return on the investment the authorities are willing to allow.

Based upon what the distinguished chairman has said, I now understand that the proposed language is merely tentative language to be perfected in conference.

Mr. MAGNUSON. What the Senator has stated is the understanding that we had in both the full committee and in the subcommittee. As I pointed out, in many cases the agency renders service, and in other cases there is a great deal of duplication. There was all kinds of testimony on the subject from representatives of State agencies. Representatives of their national association appeared. What the Senator from Rhode Island has said, of course, could happen in some of the smaller States that did not have the facilities.

The only reason I made the statement I made is that I wanted the Senate to understand clearly the history leading up to this proposed action and how it came about, because the same story has been before us for a long time, and there are two sides to the particular coin.

I am for the regulation of this sort of activity. I do not believe that any Senator has a better record than my own on this type of question. But I say that we ought to start nailing responsibility down sooner or later. Either the Government agencies are not now doing it, which would require some other agency like GSA to step in, or else, if the agency is doing a proper job, there may be duplication.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. PASTORE. I think the RECORD ought to show that I do not believe any Senator has worked more fervently and aggressively in the interest of the consumer than has the distinguished Senator from Washington. I feel that in any instance in which the consumer interest was involved, my good friend the Senator from Washington [Mr. MAGNUSON] would be fighting for the interests of the consumer.

Mr. MAGNUSON. I thank the Senator.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I wish to make a brief statement, and then I shall be happy to yield to the Senator from Massachusetts.

In my State the chairman of the State public utilities commission handles, I suppose, as many controversial rate cases in the private and public utility field as any State in the Union. He believes that there is duplication.

There is a very fine public utilities commission in my State. I think it renders excellent service for the consumer on the subject of rates. Perhaps some day we shall say that GSA will assume the proposed task with Government agencies like the Power Commission, the FCC, or the CAB. But when we get into the field of State regulation, we have another story. I can understand that some State agencies think they are properly discharging their responsibility. In many States, including my own and the State of Oregon, I am sure, they are fulfilling their proper function. I think there is good reason for the representatives of such State regulatory bodies to feel a little sensitive to the implication that Government officials ought to come in and tell them that they are not properly performing their function, or what they should do, when the Government is only one user. It is merely one of the many users of the service. In the field of transportation, of course, the big Government expenditure occurs in the Department of Defense. Under section 22 the Department of Defense negotiates for most of their large freight. In the field of communications—telephone rates, for instance—it is true that they do not. In the field of airplane rates the situation is the same. I do not know what the percentage breakdown in the defense bill is. But whatever the amount the Defense Department spends on transportation, I should say that 90 or 95 percent of it goes for the movement of goods in which rates are negotiated. Therefore, of course, neither the GSA nor any department would intervene because we assume that the negotiations are in the interest of the Government.

I merely wished to state this matter in the best way I knew how. I do not believe that this language gets to the core of the thing. Perhaps we ought to have, for want of a better term, a public defender in GSA or in the Department of Justice, or in some other agency, to represent the so-called Federal Government interests and the consumer interests in these cases. As of now, it is all scattered.

Mr. PROXMIRE. Mr. President, will the Senator yield? I should like to ask the Senator a few questions.

Mr. MAGNUSON. I promised to yield to the Senator from Massachusetts first.

Mr. SALTONSTALL. I sat all through the executive session in which this matter was discussed. I also sat through many of the meetings when it was discussed for a number of years. It is my understanding of the amendment which the committee placed in the bill that the purpose of it is to try to do two things. The first is to try to add some language which will limit GSA to appearing before these various State commissions and before any other commission where the Government is paying for certain services in connection with telephone companies and Western Union and so forth.

The problem has been that GSA has gone in, and, as the Senator from Washington has so well stated, duplicated the work that was trying to be done by the State bodies, and I assume, in some instances—although I do not recall any—by the GSA.

The Senator from Rhode Island brings up a very good point. The SAGE system is primarily owned by the Government and operated by the telephone company. The SAGE system does differ from the situation in the various States, where the property is owned by the companies, and the amount that can be charged is regulated by the State agency.

If the language should be changed in conference, I would be in favor of changing it, but to except the SAGE system from all of this.

Mr. MAGNUSON. We say in the committee report:

> GSA is able to make a significant showing of savings to the Government in connection with their study and evaluation of specific rates for services which the Government purchases in large volume.

This relates to the SAGE matter.

> Their negotiations with the individual carriers have produced noteworthy economies and efficiencies.

Then we go on to say:

> GSA's obligation to participate in major transportation and utility regulatory proceedings is not disputed. It is accepted that they should appear as necessary to represent the interests of the Government as a user and insure that the rates and services provided are responsible and fair as they apply to the Government, in comparison with rates

charged the other users. What is disputed is participation in these proceedings for the presentation of evidence and argument covering broad matters of regulatory policy such as valuation, rate of return, and other subjects related to overall regulatory policy of the various commissions.

These regulatory agencies all testified.

Mr. SALTONSTALL. Two things that are involved here. I believe that GSA should appear to represent the Government where the Government is the user and pays these bills. However, it should not attempt to regulate every system. Where SAGE is concerned, where the Government owns the property, it is a different matter, and an exception should be made in that respect.

The other point is that we decided to take out $300,000 in order to put this whole matter into conference and argue it out there as to how much was necessary and what language should be included. We drew up the present language to the best of our ability. I believe it has been improved by the amendment of the Senator from Kansas. I believe and hope that the Senate will adopt the language, because we want the GSA to help keep Government costs down, but we do not want GSA to interfere with all the State regulatory agencies and with any other agencies of the Federal Government which may become involved in some of these cases.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. PROXMIRE. Is it not true that this provision has been in the law ever since GSA was established?

Mr. MAGNUSON. So far as I know, yes. However, I wanted to read further:

GSA officials admit that their presentations do duplicate that submitted by the regulatory agency and other intervenors. They argued that this duplication is necessary in order for them to discharge their obligation under existing law (the Federal Property and Administrative Services Act). With this position, the committee disagrees.

Mr. PROXMIRE. I should like to ask the Senator from Washington, who is a great champion of the consumers, if it is not true that in his experience what happens when a utility comes before a State regulatory body is that the private utilities are represented by the best legal brains and by the best statistical brains money can produce. Who represents the consumers? In my State it is the city attorneys. They know no more about public utility regulation than does the average man on the street. They may bone up on it, but they are the victims of the kind of talent that the private utilities can muster.

Wisconsin is one of the most fortunate States in this regard, but in State after State it is true that the consumer representative is no match against the brains provided by the private utilities. What is wrong with having a public defender to protect the consumer interests? They spend a very insignificant amount of money. It is a modest amount, although it is probably more than $300,000.

Mr. MAGNUSON. They spend about a half million dollars.

Mr. PROXMIRE. Yes; it is a very small amount. What is the matter with having a kind of public defender appointed? The Senator from Washington has asked a pertinent question: "What are these agencies doing when they are not defending the consumers?" These are quasi-judicial agencies. They must act as such. They must be as fair and as considerate as they can be. They have to consider the kind of evidence that is produced before them. Therefore it seems to me that the only way we can get a balance is to do all we can to strengthen the hand of the consumers in these cases. What the Senate would be doing today would be to knock all this out.

Mr. MAGNUSON. I hope the Senator from Wisconsin will remember that I spoke to him about this situation.

Mr. PROXMIRE. What we are taking out is 77 percent, if we adopt the committee amendment. We are gutting it. It may be that when we go to conference we can compromise the amount. I have great faith in the Senator from Washington. There is no one who is more able and more sincere in this regard. However, we are voting now for a cut of 77 percent. Does it not seem to the Senator from Washington that we are put in a very unfortunate position? If we vote against the amendment we are voting against the interests of the consumer.

Mr. MAGNUSON. I would not let that be as strong as the Senator from Wisconsin indicates. We are dealing with a $2,475,000 item. If the agency wanted to go ahead, moneywise, it can do that under the bill even with the proposed cut going into effect. They could still do it. This does not strap them too much.

Here is what is bothering me. They are supposed to take care of the public interest. That is what the ICC, the CAB, the Federal Communications Commission were created for, and I want to shift the responsibility if they have not been doing that.

The General Services Administration was created—and I know that basic act from A to Z—to represent the Government as a user, and only as a user. In many cases they have entered a case and have performed outstandingly. They have gone out of their way and have done what perhaps should have been done by other departments, such as the ICC, an agency which is concerned with granting rate increases. In other words, the GSA has been assuming all the responsibility, but that is the agency where such responsibility should be exercised.

Mr. PROXMIRE. I agree with the Senator from Washington. It seems to me that what is being done is to aggravate that kind of situation. Also, the commissioners of many of the regulatory bodies say—and with some reason—that Congress has said they must promote industry, so they take that responsibility more seriously than many other aspects of their duties.

If Congress prevents the GSA from being even as effective as it has been in the past—and if I had my way, I would make it much more effective—if we cut their budget 70 percent or 20 percent, even compromising the amounts—if we hamstring them and prevent them from arguing these types of cases, is it not true that the consumer will get less representation?

Mr. MAGNUSON. No, not if the other agencies are doing the job they are supposed to do.

Mr. PROXMIRE. We have been saying that, but we have been unable to enable them to do it.

Mr. MAGNUSON. I think Congress must change the procedure legislatively. Oh, we can say that this is not legislation. This question has been before the committee for years. I think we must decide once and for all who will represent the consumer. We can ask, "Mr. ICC, are you representing the consumer? Mr. CAB, are you representing the consumer? Mr. FCC, are you representing the consumer? Mr. Maritime Board, are you representing the consumer?" They are the four major commissions.

Instead of their saying, "Oh, well, we do not have to worry about it; we simply hear the side that wants an increase; and if he looks like he will make a good case, we will grant it; we will say nothing." Perhaps the GSA will enter the case, because the Government is one of the shippers or one of the users.

Mr. SYMINGTON. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. SYMINGTON. Is there any dissatisfaction with the work the GSA has been doing?

Mr. MAGNUSON. Oh, yes; we hear objections from the State utility commissions.

Mr. SYMINGTON. Oh, the objections are from the State utility commissions?

Mr. MAGNUSON. And from Federal agencies.

Mr. SYMINGTON. My relationship with the GSA has been occasional, but I have always had the impression that they have been doing good work.

Mr. MAGNUSON. In this particular activity?

Mr. SYMINGTON. Yes; and in all activities with which I am familiar.

Mr. MAGNUSON. I believe that is so.

Mr. SYMINGTON. If they are doing good work, why should we listen to outside utilities?

Mr. MAGNUSON. Not outside utilities; the State public utility commissions. In some places it is called a railroad commission; in my State it is a public utility commission.

Mr. SYMINGTON. What is their objection?

Mr. MAGNUSON. That the GSA is duplicating the work of the State public utility commissions. Sometimes a State utility commission might have a plan or a proposal in opposition to a rate increase. They may oppose certain plans. The GSA may come in and take a different tack, which the State utility commissions say, in effect, fouls up their proposals.

Mr. PASTORE. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. PASTORE. In view of what the Senator has said, that possibly it would be the better part of judgment if this entire matter were reviewed as a legislative question, why would it not be well to take out the language at this point, restore the money, and make a strong representation in the report to the effect that this is a complex field, and that the question should be decided as a matter of policy by referring it to the legislative committees?

I am afraid that if these limitations are included now, pending cases will be affected, because none of the money could be used for any case now pending.

Since the public interest—the consumer interest—is so much involved in what the Government will have to pay—and what it pays will reflect itself back to the taxpayer—why would it not be better, in view of the colloquy of today, and recognizing that this is a very complicated question, having many ramifications, to write a strong statement in the report to the effect that the whole subject should be reviewed by the legislative committees. Let it be stated that we would expect the departments to protect the public interest; that we would not want this effort to be duplicated, but that we would not want to refuse money now for fear we might do irreparable harm to some of the cases?

Mr. CLARK. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. CLARK. I hope the Senator from Washington will seriously consider the suggestion made by the able Senator from Rhode Island. It occurs to me that the colloquy has indicated considerable dissatisfaction among many Senators with the possibility of this proposal being legislation on an appropriation bill. It is an extremely complex matter, one which I believe calls for extensive hearings by the legislative committees which have the responsibility in this regard.

I am aware of the concern shown by the Senator from Washington for the public interest. He has spent his whole life in public service, protecting the public interest. I urge him to accept the suggestion of the Senator from Rhode Island to delete this language from the appropriation bill, and let us look at the question as a legislative matter, which is really what it is.

Mr. LAUSCHE. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. LAUSCHE. I wish to show how complex this question can become. First, I shall read the language under which the agency acts:

Section 201(a)(4) of the Federal Property and Administrative Services Act of 1949, as amended, provides:

"The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities concerned.

* * * * * *

"(4) with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in * * * proceedings involving carriers of other public utilities before Federal and State regulatory bodies."

That is practically all the language there is which authorizes the agency to act. If we consider the amendment in the appropriation bill, who can separate these two requirements? Who can declare what will be permissible and what not permissible? I merely state the language of the existing law, the limitations which have been placed upon the agencies by amendment.

When the agency begins to act, it will be told that it may do certain things under the law, but not those prohibited by the limitations set forth in the appropriation bill. I think the suggestion by the Senator from Rhode Island is sound.

Mr. MAGNUSON. The Senator from Ohio is absolutely correct. That is the purport of the argument. Some say the GSA should perform in this way; some say it should not.

State agencies say that the GSA should come into a case only to represent the Government as a user. That is the argument. The GSA, taking its cue from the Federal Property and Administrative Service Act, offers another version of how far it may go. That is what the dispute is about.

Mr. LAUSCHE. That is what I say. I think the suggestion made by the Senator from Rhode Island is sound. When we try to separate powers in an appropriation bill we get into difficulty.

Mr. MAGNUSON. Oh, yes.

Mr. LAUSCHE. The act ought to be reviewed, and then a determination should be made of what should be done.

Mr. MAGNUSON. That is the same difficulty which confronts us on the floor of the Senate. The Senator from Ohio is absolutely correct. This is the first year we have made it a part of the bill. We have always heretofore included some kind of limitations in the report, but to include it in the bill is a little different.

Mr. PASTORE. We are all cognizant of the fact that the distinguished Senator from Washington is the chairman of the legislative committee which has supervision of the Interstate Commerce Commission, the Federal Trade Commission, the Federal Communications Commission, the Federal Power Commission, and other such regulatory agencies. Does not the Senator believe it would be a good idea to call in the whole array and ask them all in turn, "What are you doing? What are you doing? What are you doing?" so that we can have the matter straightened out? As it stands now, we are talking about duplication; but are we certain there is duplication? We are taking the word of someone else that there is. This is a question which must be decided. I do not believe any agency which is entrusted with the responsibility of protecting the public interest should shirk that responsibility.

If the GSA is doing all the things it says it must do, then some other Federal agency is not doing what it should do under the law. I think it is the responsibility of Congress to determine what is going on. I think the time has come for Congress to call in all the agencies and ascertain what each is doing to protect the consumer interest. I do not think that would be a difficult task. I do not see how it could be done in conference. Without evidence, without testimony, I feel certain that we would run ourselves into a labyrinth of confusion, for the simple reason that if the proposed language is adopted, and if there is any case now pending, the GSA will be compelled to withdraw.

Mr. PROXMIRE. Could we not accomplish what the Senator from Rhode Island is suggesting simply by accepting the amendment? That is what the amendment provides.

Mr. MORSE. Mr. President, will the Senator from Washington yield me 5 minutes?

Mr. MAGNUSON. I yield 5 minutes to the Senator from Oregon.

Mr. PROXMIRE. I think the Senator from Oregon is in favor of the amendment.

Mr. MAGNUSON. That is all right.

Mr. KEATING. Madam President, before the Senator from Washington yields the floor, will he yield to me?

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Does the Senator from Washington yield?

Mr. MAGNUSON. Yes. At this time I yield to the Senator from New York; and then I shall yield to the Senator from Oregon.

Mr. KEATING. Madam President, it strikes me that the proposal of the distinguished Senator from Rhode Island should be accepted. However, if the existing language is to remain in the bill, I believe attention should be given to the difference between the position of Federal regulatory agencies and the position of State regulatory agencies.

I call the Senator's attention to page 1295 of the committee hearings, where Mr. Miller was being questioned by the Senator from Virginia [Mr. ROBERTSON]. I ask unanimous consent to include a key excerpt from this testimony at this point in the RECORD.

There being no objection, the excerpt from the hearing was ordered to be printed in the RECORD, as follows:

GSA REASONS FOR INTERVENTION

Mr. MILLER. Because the prices established by the regulatory agencies are paid by the Federal Government. For example, it has been estimated that the Federal Government pays about $817 million per year for utility services, not including communications, and another $386 million for communications. The prices for these services, are largely intrastate.

Senator ROBERTSON. Isn't it true that a utility, certainly under the Virginia laws, and I assume under all the State laws, cannot arbitrarily charge one customer one rate and another customer a different rate?

Mr. MILLER. They do charge different rates to different classes of customers; yes sir.

Senator ROBERTSON. But all customers in that class pay the same rate; isn't that true?

Mr. MILLER. Yes, that is correct.

Senator ROBERTSON. Now, there will be plenty of customers who will have as much business as the Federal Government in Virginia. So, I still do not understand why, if the rate is going to be uniform in the classification, you feel it is your function to appear in a State matter. In other words, it is claimed that GSA intervention in these cases has just been a device to build up a lot of personnel and to spend money that is not really needed for the protection of the taxpayers. That is our present inquiry. We want to know what good you are doing with

the $390,000 when you are asking us to continue——

Mr. BOUTIN. If I might, Mr. Chairman, I would like to call on our General Counsel, Mr. Macomber, who I think can shed some light on this.

AUTHORITY FOR REPRESENTATION ACTIVITY

Mr. MACOMBER. Mr. Chairman, the Federal Property and Administrative Services Act, which is the fundamental charter of GSA, contains this provision with respect to our participation in these representation proceedings, and it is section 201(a)(4). It is short and I will read it:

"The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned, with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies."

Senator ROBERTSON. All right. Now read that again, beginning with, "* * * to the extent * * *." What is that language?

Mr. MACOMBER. That—"the administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency or service, and with due regard to the program activities of the agency concerned, * * * with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies."

Mr. KEATING. Madam President, I can understand how it would be resented if the GSA, in appearing before a State regulatory agency, went beyond its capacity of representing the Government as a user. As I understand this language, it is intended to continue to provide GSA with the opportunity to appear as a user of the services involved.

Regarding the Federal regulatory agencies, it is often true that no one appears to represent consumers, as such. I believe we should have a consumer counsel or someone else to appear before these agencies and to represent the consumers. I have introduced a bill, S. 2323, to establish a consumers counsel in the White House.

In sum, I would say that when the GSA appears before a State agency they should be restricted to appearance as a user. I also believe that they might well be permitted to go beyond their duties as a user in appearing before a Federal agency as far as the policies of the agency is concerned in the matter pending, at least until better Federal mechanisms are devised to represent consumer interests. If the present language is retained, I think the conferees should consider this matter; to wit, that the real distinction, in my opinion, should be between Federal and State regulatory agencies.

Mr. MAGNUSON. Yes. Furthermore, in all these cases there are only two parties—the party asking for the increase by the Federal Government agency, which is supposed to resist the request or to grant it, according to which would be best in the interest of the consumers. So I assume that the CAB would direct its entire staff to look into such matters. If the GSA appeared there in a role other than that of a user, there would be some duplication.

Mr. KEATING. Except that in the case of a Federal agency, as distinguished from a State agency, the agency before which the proceeding is taking place should maintain a neutral position as between all parties.

Mr. MAGNUSON. But there are only two parties when there is a Federal agency hearing. One is asking the Federal Government for the increase. The other is the agency itself, which is supposed to be representing the consumers. But these agencies seem to be slipping away from that position.

Mr. KEATING. But I question whether the CAB, the FCC, or whatever agency may be concerned is supposed to consider only the interests of the consumers. The agency is to make the decision.

Mr. MAGNUSON. Yes.

Mr. KEATING. And in general practice there is really no advocate before them for the consumer. Therefore, perhaps it is appropriate that the GSA be an advocate for the consumer, before the Federal regulatory agencies.

I think there is quite a difference between that situation and the situation before the State regulatory agencies, which have their own setup; and I can understand how the State regulatory agencies would resent having the GSA, a Federal agency, come there.

I simply submit this matter, for consideration in the conference, if the language remains in the bill.

Mr. MAGNUSON. Yes.

For instance, in Florida the GSA made a mistake, and it turned out that the mistake was made at the cost or the expense of the consumers, because the GSA made the mistake in evaluating some of the capital assets, and so forth. That is the sort of duplication or confusion that is occurring.

I hate to see this language included in an appropriation bill. Although I think we should study the matter, I suggest that perhaps we should give the GSA twice as much money, and tell it that it is to be the public defender in such cases.

Of course these agencies would prefer to be quasi-judicial and to decide these matters in their long robes, rather than go in and really be the defender of the consumers. They are getting away from that; all of them seem to want to be distinguished, formal judges.

Mr. MORSE. Madam President, will the Senator from Washington yield 5 minutes to me?

Mr. MAGNUSON. Yes, for I promised to yield next to the Senator from Oregon.

Mr. MORSE. Madam President, I wish to discuss the substance of this matter for 5 minutes.

Let me say that in my opinion the Senator from Rhode Island is wiser than Solomon, for he does not propose to split the child; instead, the Senator from Rhode Island proposes that adoption hearings be held. However, I do not think the Appropriations Committee is the proper agency to consider the holding of adoption hearings.

I was pleased to hear the Senator from Washington say he does not think this language belongs in an appropriation bill. As I stated earlier today, I believe that, in effect, this language is legislation on an appropriation bill.

I wish to say also that whenever I find myself in disagreement with the Senator from Washington [Mr. MAGNUSON], the disagreement has to be very deep, indeed. However, I could not disagree more with him than I do in regard to almost every premise he has laid down this afternoon.

I shall make my points in rebuttal very quickly.

First of all, the GSA has been doing this public service job for 12 years, and has been doing so good a job that in this country there are some who would like to have it denied an opportunity to continue doing it. It has saved the taxpayers a great deal of money, running into the millions of dollars. In my opinion it has performed in excellent fashion in fulfilling its public trust.

But this afternoon there has been much comment to the effect that the State public utility agencies are opposed to intervention by the GSA. However, that is not an argument against such intervention, because some of us know something about the activities of some of the State public utility commissions. I wish to say that in some of the State public utility commissions a great deal of Federal interest is also involved; and we must not forget that one of the largest ratepayers is Uncle Sam, and it is the job of the General Services Administration to protect the interests of the Government.

At one point this afternoon it was stated that some $2 billion in rates paid by the Federal Government is involved. I have no check on the authenticity of that figure, but I have not heard it questioned. Certainly, Uncle Sam pays rates, too; and some of the rate cases come up before the State utility commissions.

So if such language is included in an appropriation bill, there will be in many instances both a judge and defendant, but there will be no plaintiff, or no effective plaintiff. What kind of a rate hearing would that be? In many instances, the party with the best evidence is the Federal Government; and if in a given case the GSA believes that it should intervene, then I do not think the Appropriations Committee of the U.S. Senate, merely because it controls the purse strings, should put language in this bill which states that no funds of the Federal Government may be used to protect the Federal Government as a ratepayer in that case.

In my opinion, it is no answer to say that some other agency of the Federal Government can do it. In my judgment, it should be left up to the GSA, insofar as the present law is concerned, to make that determination, until the "adoption proceedings" the Senator from Rhode Island has recommended can be held.

I completely support the recommendation of the Senator from Rhode Island.

Let us get on with this legislative business of ours, the business of letting the appropriate legislative committee—not the Appropriations Committee, because it is not a legislative committee—proceed to look into this matter in connection with all agencies, not only the GSA, but also all other Federal agencies. If there is a need, and if the taking of evidence will show there is a need, that this matter be subjected to some rules or regulations which are not now on the statute books, then let that legislative committee recommend them to the Senate.

But let us not buy a pig in a poke. Let us not accept this proposal of the Appropriations Committee when there cannot be submitted to us any body of hearings on this subject matter that has been held by a legislative committee of the Congress.

It is unpleasant to comment in criticism of the Appropriations Committee, but in my opinion the Appropriations Committee is wrong in this matter, both as to the procedure it has followed and in regard to the substance of this matter.

I think the chairman of the subcommittee should grasp the suggestion made by the Senator from Rhode Island and go on to hearings in the interim period between now and next January.

I just cannot follow the Senator from Washington in his argument that we have to do this in order to get into conference. I do not think we ought to get to conference with it. I do not think it is a matter on which to go to conference in this appropriation bill. The time to go to conference is when there is separate legislation. I think there ought to be separate legislative hearings on it which make recommendations as to what changes, if need be, ought to be made.

Because the GSA has been functioning well, I know there are groups in this country who would like to get this language in the bill, from the standpoint of their selfish interests. The private utilities would like to have this language. The only one in the Federal Power Commission who happened to be interested in this was Mr. Kuykendall. My attitude and my view as to what he has been doing in this field for years and years is on record.

I am not interested in putting in this bill language that is going to be welcomed with hurrahs by the private utilities because it denies representation to a major consumer. I stand up to defend the GSA for the excellent record it has been making for 12 years. It has probably made some mistakes. If it is GSA policy Congress desires to control, what is proposed is not the proper way to accomplish that. We do not have a record of the justification for voting to take away from GSA further activities along this line.

The Senator from Rhode Island is correct. We ought to submit this question to a legislative committee between now and January 1, and let it be considered as a legislative matter.

I repeat, we would not have gotten into this trouble, in my judgment, if a different parliamentarian ruling had been handed down from the desk. I think the Senator from Washington is mistaken in his position. We ought to accept the proposal of the Senator from Rhode Island, and then let the Senator from Washington appear before the committee, if he thinks he has evidence justifying the language he is proposing. Then let that committee pass on it.

Mr. MAGNUSON. The Senator from Oregon is a little ahead of the Senator from Washington. I have not said anything about the proposal of the Senator from Rhode Island.

Mr. MORSE. No; but the Senator from Washington has said plenty about the proposal of the Senator from Wisconsin.

Mr. MAGNUSON. Yes, I have. I have tried to explain the position of the committee.

Mr. MORSE. The Senator did explain it, and I think the committee's position is dead wrong.

Mr. MAGNUSON. The Senator from Oregon may think it is wrong. Some of the members of the committee did not think it was wrong. We are entitled to our own position. There was plenty of testimony in the committee on which the members of the committee could make up their minds. There are over 300 pages of it in the volume of the hearings.

I do not agree with the Senator from Oregon. He thinks the Appropriations Committee made a wrong decision. I happen to be chairman of the subcommittee, and this is what the committee decided.

Mr. MORSE. I much prefer the recommendation made by another member of the committee.

Mr. MAGNUSON. I think we ought to respect the committee.

Mr. MORSE. I respect it and completely disagree with it.

Mr. MAGNUSON. I often disagree. As a matter of fact, I could say something here, but I am not going to. [Laughter.]

Mr. McGEE. Madam President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. McGEE. I have listened closely to the colloquy for the last several minutes. I came into this question with a completely open mind. I had thought to follow the committee's action. I do not think it is unfair to suggest that out of all this discussion one word has tended to dominate the exchange from all sides, and that word is "uncertainty." There is uncertainty as to the scope of the duplication. There is uncertainty as to the legislative intent in this endeavor. Because of those two considerations, it seems to me the better part of wisdom is to accept the Proxmire amendment in this instance, to abide by the excellent suggestion so forcefully expressed by the able Senator from Rhode Island, and proceed along that line.

Mr. MAGNUSON. Madam President, I wonder if the Senator from Wisconsin would be willing to ask unanimous consent, without prejudice, to temporarily lay aside the amendment, so we can proceed with the consideration of the bill. Two or three Senators want to discuss the bill.

Mr. HUMPHREY. Madam President, before the Senator makes that request, will the Senator yield to me so that I may associate myself with what has been said?

Mr. PROXMIRE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I have spoken to the distinguished chairman of the committee about this particular language in the appropriation bill. I join in what the Senator from Oregon has said about the ruling on this language. There is a very fine line of difference between what would be legislation in the pending appropriation bill and what would be a limitation. This language has been interpreted by the Parliamentarian and the Chair to be merely a limitation upon this particular appropriation. Be that as it may, it has the effect of legislation. It seems to me what the Senator from Rhode Island has suggested is most appropriate and proper, since, for all practical purposes, this involves legislation, because it involves a fundamental change in policy, a policy which was set down in Congress years ago, in which the GSA was directed to represent the interests of the Federal Government in utility cases. It is proposed that that policy now, at least for 1 year, be changed by this limitation in the appropriation.

I think it goes without too much argument that if it is changed for 1 year in this bill, as the committee is suggesting, a precedent is set, first a precedent in appropriation bills of changing a basic statutory policy by a year-to-year paralysis, so to speak. It is not really killed; it is just anesthetized. It loses all form of motion.

I am hopeful that the chairman, when he consults with his worthy colleagues, will see fit to suggest, in his wise and judicious manner, that this whole matter go over; that the Proxmire amendment be accepted as necessary surgery, as political and legislative surgery upon this measure. The Senator from Washington is chairman of the Committee on Commerce. I gather the substantive legislative inquiry would come before his committee. There is nobody in this body who does not have the utmost confidence in the fairness and basic integrity of the Senator from Washington. We know the Senator will do the right thing.

I am hopeful, therefore, as I draw my argument to a close, that the Senator from Washington has already come to the conclusion it would be wise to accept the amendment of the Senator from Wisconsin [Mr. PROXMIRE], and take the problem back to the legislative committee, thereby not jeopardizing passage of the bill before the Senate by prolonging the argument over this particular time.

This is not a new problem, but has been before us a number of times. Powerful forces are at work which would like nothing better than to limit the capacity of the Federal Government to represent the public interest in rate cases.

I was involved in an argument 3 or 4 years ago in regard to this very same item, in respect to telephone rates. I suggest that the amount of money the

Federal Government pays through the Department of Defense alone in telephone rates is worthy of some consideration by the appropriate agencies of Government and by the Congress.

One other item ought to be mentioned. There was a reduction in the total appropriations. There is not only a limitation upon the right of the GSA to make presentations, but there is an appropriation reduction of $300,000.

Mr. MAGNUSON. That is with respect to the full amount.

Mr. HUMPHREY. But it is still a reduction of $300,000.

Mr. MAGNUSON. Yes.

Mr. HUMPHREY. It is interesting sometimes to note how there can be proposed the expenditure of vast sums of money to investigate into the causes of warts on corn stalks, though we cannot seem to find money to investigate why utility rates might be too high, or whether they are inequitable in terms of many areas of our country.

If the Senator from Washington has had time to cogitate in respect to the problem and to arrive at the mature and judicious decision I think he has reached, and is ready to accept the amendment, I shall be happy to yield the floor.

Mr. MAGNUSON. The Senator from Wisconsin has a request he wishes to make at this time.

Mr. PROXMIRE. Madam President, in view of the suggestion and the request of the chairman of the subcommittee, I ask unanimous consent that my amendment may be temporarily laid aside and that the Senate may proceed to further consideration of the bill, with the understanding that the amendment will be taken up at a later time, with the remaining time available to proponents and opponents preserved.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

Mr. SALTONSTALL. Madam President, reserving the right to object, I should like to inquire how much time remains on either side.

The PRESIDING OFFICER. The Senator from Washington has 3 minutes remaining and the Senator from Wisconsin has 44 minutes remaining.

Is there objection to the request of the Senator from Wisconsin?

Mr. SALTONSTALL. The Senator from Washington has 44 minutes remaining?

The PRESIDING OFFICER. The Senator from Washington has 3 minutes remaining and the Senator from Wisconsin has 44 minutes remaining.

Mr. SALTONSTALL. Madam President, I should like to make a further request.

Mr. MAGNUSON. The Senator from Wisconsin has said he would be glad to yield some of his time.

Mr. SALTONSTALL. I know one or two Senators desire to speak. If the Senator from Wisconsin would be willing to yield 20 minutes of the 44 minutes he has remaining, that, added to the 3 minutes the Senator from Washington has, would make the time relatively even for debate; 23 minutes for one side and 24 minutes for the other side.

Mr. PROXMIRE. That is perfectly all right. I think it is quite a sacrifice, but I am willing to make it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

Mr. McGEE. Madam President, reserving the right to object, perhaps the distinguished Senator from Massachusetts could persuade those Senators who wish to address themselves to the question to do what some of us are now planning to do, which is to conserve some time on the question by abbreviating our remarks, making the sentiment clear and leaving the details to be made a matter of record.

Mr. SALTONSTALL. Madam President, reserving the right to object, in order to reply to my good friend from Wyoming, I do not think the speakers whom I have in mind are orators who speak at length. I make no comparisons, but I do not think they are orators who speak at length.

Mr. MAGNUSON. Madam President, is there objection to the request?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

The bill is open to further amendment.

Mr. MAGNUSON. Madam President, I know there is another amendment to be offered. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Madam President, I understand that the Senator from Delaware has an amendment.

Mr. WILLIAMS of Delaware. Madam President, I offer an amendment which I send to the desk and ask to have stated.

The LEGISLATIVE CLERK. On page 6, line 9, beginning with "$81,700,000" it is proposed to strike out all through the words "fiscal year" on line 11, and insert in lieu thereof "$74,800,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. WILLIAMS of Delaware. Madam President, the amendment cuts $6,900,000 from the bill, which money had been provided as a subsidy for the helicopter service in three cities—New York, Chicago, and Los Angeles. It was discussed last Saturday, and I think the chairman of the committee stated that he was in agreement with the principle that the subsidy for the three helicopter services should be curtailed next year. The purpose of the amendment is to stop the subsidy now. I think it is an indefensible subsidy. We are presently paying $6,900,000 to subsidize helicopter service in these three cities. This figures out to be $18,000 a day. Last year 490,000 passengers were transported by the three services, which means that the taxpayers paid a subsidy of $15 per passenger for those using the helicopter service between the downtown areas of these three cities and the airports.

This is a new subsidy program now applicable to three cities. Thirty-five other cities have applications pending. The subsidy cost for the three cities is now $6,900,000, and it will multiply many times when these other applications are approved.

The time to stop this is now before it is expanded further.

I think that those who buy tickets from those respective cities should pay their own fares and not expect the American taxpayers to pay part of them. The committee report is strong in its statement:

> The committee is strongly of the opinion that the helicopter subsidy should be ended at the earliest opportunity.

Continuing, they point out that there are applications pending for 35 additional helicopter services to be certificated by the Department for other cities. If we are going to provide helicopter service for three cities, certainly there is a logical argument to supply similar services for other cities. If we are going to supply services for all cities it is hard to foresee the size of the subsidy that will be called for next year.

Before the proposed 30 to 35 additional services are authorized, I think we ought to stop the authorization of the subsidy in the present bill. We should strike it out and let the passengers involved pay their own fares.

Mr. CURTIS. Madam President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CURTIS. What is the purpose of the subsidy?

Mr. WILLIAMS of Delaware. The subsidy is to help helicopters reduce their charges, to transport passengers between airports and downtown New York, Chicago, and Los Angeles.

Mr. CURTIS. Why?

Mr. WILLIAMS of Delaware. I know of no reason for it. I have therefore offered the amendment to strike out the appropriation.

Mr. CURTIS. Is the subsidy proposed because the particular service is in its infancy?

Mr. WILLIAMS of Delaware. That could be used as one of the arguments, but if so it is an expensive infant.

Mr. CURTIS. I do not think it would be a proper argument.

Mr. WILLIAMS of Delaware. I understand that the House took a similar position that the service should not be extended to other cities. But, after all, if subsidized helicopter service exists for three cities in the country, all cities, including Washington, Baltimore, Philadelphia, Kansas City, and so forth, will ask for similar service. In many of those cities there presently is a helicopter service, but it is being operated on a business-like basis. The passengers who use it pay for it. I think passengers using the service in these three cities should also pay for the service.

Mr. CURTIS. I agree with the Senator.

Is it the understanding of the Senator from Delaware that the service is in no way of assistance for carrying the U.S. mail?

Mr. WILLIAMS of Delaware. I think the service is used by the U.S. Postal Department, but that expense is paid not through the present appropriation bill but through the appropriation of the Post Office Department.

The report states that these three services hauled 490,000 passengers last year. If the service is used to transport mail I am sure that the Post Office Department is paying adequately for the service.

Mr. CURTIS. I thank the Senator. I expect to support his amendment.

Mr. KUCHEL. Madam President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KUCHEL. I believe it is extremely unfortunate that, in this Congress, my friend from Delaware should offer the amendment. Let Senators clearly understand that the substantive law of this land provides that the Civil Aeronautics Board may provide for assistance to helicopter operations in the country and provide for it because the national interest warrants it. If Senators will refer to page 5 of the report, they will find specifically why certifications were given to the three helicopter services now in existence in the State of New York, in New York City, the State of Illinois, in Chicago, and in the State of California, in Los Angeles. The statement on page 5 is as follows:

> The helicopter carriers were certificated for three specific purposes: (1) to expedite metropolitan mail deliveries to the central post office; (2) to assist in the development of rotary-wing aircraft for national defense purposes—

I underline that point for the benefit of my able friend from Nebraska [Mr. CURTIS] because the testimony was replete with convincing evidence that the operation now approved by the CAB has been of direct value to the military—

> and (3) to determine the feasibility of transportation of passengers, in addition to mail and property, between the centers of cities or their airports to suburban and outlying areas.

I make this point. These carriers, under the law, asked the Civil Aeronautics Board for certification. After hearings, the CAB, following the law, determined they should be certified and, in accordance with the law, recommended the amount of the subsidy. The Budget Bureau concurs. To this the Senator from Delaware objects. I regret his objection. For we do here precisely what we did for a fledgling commercial air transport industry in the days gone by. The Senator objects to the amount. The Budget Bureau, because it followed the law, recommended the amount of the subsidy to Congress, with respect to the recommended appropriation. If you object to this program, I suggest that it would come with better grace if you offered an amendment to delete the substantive law on the subject.

If Senators will read the report at page 6 they will find this language:

> The committee is strongly of the opinion that the helicopter subsidy should be ended at the earliest opportunity. It realizes that further development of the helicopter can be profitably entertained. It urges the Civil Aeronautics Board to maintain close supervision of this service and this development and be prepared to inform the committee fully in the next session as to how long it will take to put this service on a self-supporting basis and end the subsidies for helicopter development. The committee, at the same time, realizes that the U.S. mail service is assisted by this service and expects this use of the helicopter to be improved and expanded.

Before the committee, there appeared representatives of the helicopter services, all of whom testified that they are desirous now to utilize unique, new twin engine helicopters in their operations which, were they permitted to do so—and they will do so if this language in the bill is adopted—would bring them to the point where their operations could be self-sufficient.

I say to my able friend from Delaware that I think it is woefully regrettable that he should offer his amendment at this time, particularly when the committee is obviously concerned, as is my friend from Delaware, with the problem. The law being what it is, and the possibility of a breakthrough occurring this year, or next, or before too long, and, in addition, with the uncontroverted evidence of great assistance to the Military Establishment being what they are, for a unique type of use to which helicopters are put, it is regrettable that on this occasion he should offer the amendment. I urge him, therefore, to consider withdrawing it. Otherwise, his amendment ought to be defeated. The purpose of this item in this bill is a public purpose. Congress has already decided that. What these three operations are able to accomplish for the benefit of people in heavily populous areas will be of benefit to every city, to every metropolitan area in the land. Senators, I beg of you to defeat the amendment.

Mr. WILLIAMS of Delaware. Madam President, I appreciate the statement of the Senator from California. I recognize that one can justify almost any expenditure which is being asked for on the floor of the Senate on the basis of its contribution to national defense. However, somewhere, we must draw the line. Let us remember that the request for this subsidy was filed long before we ever thought of the present crisis in Berlin. It has nothing to do with defense. The elimination of the subsidy would not restrict the Post Office Department in making contractual arrangements for transporting mail between the post office and the airport. That is being paid for by the Post Office Department.

These subsidies asked for here are for the purpose of transporting passengers primarily between the airport and downtown sections of a city.

According to the committee report, for a full year of operation with 13 of the improved helicopters, the subsidies are estimated next year to total $9 million for the three carriers. The bill before us provides $6,900,000. The House originally provided $5 million. If that is a trend toward reduction then I do not understand mathematics.

The Senator from Washington made an eloquent statement last Saturday in which he said he thought we should consider the elimination of this subsidy. I agree with the Senator. The point I make is that if we intend to stop the subsidy, it is easier to stop it this year when there are only 3 lines which have been certified by the CAB than it will be next year after 30 more lines will have been certified. Then there will be 30 representatives to speak in behalf of these carriers. If this subsidy is to be continued indefinitely then why are we kidding the taxpayers with talk about stopping it? It is not justified and should not be expanded.

Mr. CURTIS. Madam President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CURTIS. I notice that the language cited with reference to the use of helicopters is for mail service, to expedite metropolitan mail delivery to central post offices. Mail deliveries are usually made in a day's time. A letter is mailed and it is expected to be delivered the next day. Perhaps in a few places it is measured in half days. If a letter is to be delivered in one of these cities, it is difficult for me to see how perhaps an hour's difference in time in transporting the mail from the airport to the central post office could change the delivery date. Does the Senator agree?

Mr. WILLIAMS of Delaware. I agree. Even if it did, the Post Office Department can negotiate contracts with these companies and is doing so. This does not restrict their payments. There are only three cities which are the beneficiaries of this helicopter service. If a person wishes to go to Friendship Airport, he can take a bus or use the limousine service from Washington. If he wants to go by helicopter he can pay for it. I would suggest that if he cannot afford to pay for the helicopter service to the airport he probably cannot afford the trip and had better stay at home. If it is necessary for the taxpayers to pay a subsidy of $15 on his trip he ought to consider staying at home.

Why should the taxpayers be asked to subsidize the passengers using this helicopter service to the extent of $18,000 per day, or $15 per passenger? Why can they not pay their own fares?

Mr. MAGNUSON. Of course some persons cannot stay home, but must make a trip. The Senator from Washington said the other day he agreed with what the committee said. I did not say the subsidy should be ended. The committee said:

> The committee is strongly of the opinion that the helicopter subsidy should be ended at the earliest opportunity.

The reason we said that was that about half of the testimony contained in this large volume was with respect to General Services and helicopters—that there was considerable testimony from outside experts to the effect that it looked as though we were going to make a breakthrough with new equipment and twin-engine helicopters. The committee states:

> The new twin turbine-powered helicopters, carrying about 25 passengers, will have

a seat-mile operating cost of 12 cents compared to 29 cents for the 15-or-less passenger reciprocating engine helicopters now in commercial use.

Therefore we thought because this provision is still in the law, and CAB thought that it should have an opportunity to carry through on this. These companies have on order now and are getting delivery now of the new helicopters. It was felt that there would be a great breakthrough, and that if we could continue with it we might extend helicopter services to other places, and operate it at a profit.

I will put in the RECORD later the figures. However, the helicopters do carry a great deal of mail. I believe the testimony was that they were paid $2.58 per ton-mile on mail. All other carriers get $2.80 or $3.15. We suggest also that the Post Office Department pay what it is worth to haul mail in helicopters. That alone might take care of the subsidy.

Mr. WILLIAMS of Delaware. The amendment does not at all affect mail payments. That subject is not affected at all by this amendment.

Mr. MAGNUSON. I understand. I was pointing out the situation as of now. The amount of $1,900,000 was added by the committee as being the amount required by law. Perhaps we can change the law, but we put as strong language in the bill as the House did. There was ample testimony that it looked as though there was going to be a breakthrough and that this might be a very valuable matter for the United States and for the whole transport system. But we were of the opinion that it should be ended at the earliest opportunity, and that we would have some figures to show that there is a breakthrough. The figure of $6,900,000 is not our figure; it is the figure of the CAB, which relates to the law and required subsidy.

If helicopters were discontinued tonight, they would have a right to go to the Court of Claims and get the $6,900,000.

Mr. WILLIAMS of Delaware. I agree with the Senator from Washington on one point; namely, that we may be on the verge of a breakthrough—but what kind of a breakthrough? That is why I want to have my amendment adopted. The Government is paying $6,900,000 a year to these three helicopter services. There are applications pending for 35 more. If there is the breakthrough, these may be a breakdown. Let us stop this unwarranted subsidy before we get a breakthrough where it will be beyond control.

Mr. MAGNUSON. There is no evidence at all that this new equipment would reduce operating costs.

Mr. WILLIAMS of Delaware. We should eliminate the basis for a subsidy? I see no evidence that would indicate that the cost will get less. In fact, the indications are that it will be increased next year.

Mr. MAGNUSON. It is not what they say; it is what everybody who knows and understands the aviation business says, including the CAB and those in charge here.

Mr. WILLIAMS of Delaware. But the Senator from Washington will, I feel certain, agree with me that if we added $15 to the price of the ticket it would eliminate the necessity of any subsidy.

I come back to the question, If a person is going to use the service—and I think it is a wonderful service; I have used it myself—why should he not pay for it?

Mr. JAVITS. Madam President, will the Senator yield on the question as to why he should not pay for it?

Mr. MAGNUSON. I have never ridden in a helicopter. I yield to the Senator from New York.

Mr. JAVITS. I have ridden in many of them. I should like to tell the Senator why what he is asking is impractical. If a passenger had to pay $24 to go from Newark Airport to La Guardia or from La Guardia Airport to Newark Airport—today it costs $9, which is a reasonable, economic charge—if the passenger were charged $24, he would not use the service, and if he would not use it, we would lose the benefit of the present experiment.

I have just got off the plane, having returned from New York. I have seen the helicopters which connect all the airports take off and land.

We are experimenting with the public's participation in a very important field. We will solve the problem of the metropolitan areas within a hundred miles of the big cities, which is one of the grave problems affecting metropolitan areas today, through the use of the helicopter.

For example, New York cannot use the MacArthur Airport, which is 70 miles from New York, because it is too far away. There is no adequate helicopter service which can be reasonably carried on on an economic basis because the cost with present planes is prohibitive. The present helicopters have too low a capacity.

This whole operation is in a completely experimental stage. It offers incalculable benefits to the whole Nation, in terms of assisting heavily populated areas which are just outside metropolitan areas, by tying the metropolitan areas together with a view to the national defense.

The military authorities—and I am a Reserve officer, and I am aware of this—tell us that this is the kind of help they need.

I can say that it is simply uneconomical to charge what it costs. It is very wise for the United States to help this development for a time, until it secures a breakthrough.

I am glad there are 35 applications. I wish there were 350.

The Senator from Delaware, whom I love and admire, should realize that the United States is not only what it spends and what it owes, but what it is worth and what it makes. Certainly the United States has a national debt of $295 billion, but it has a gross national production of $500 billion. This country is worth not less than a trillion dollars.

When the United States had a gross national debt of $100 billion, it was a less good credit risk because it did not have as much and was not earning as much. The question is not that we should not spend; the question is that we should spend wisely, for good purposes, purposes which are constructive. That is what this country is about.

I do not want the president of a corporation not to spend; he will go broke tomorrow. What can he do with assets? It is earnings that counts.

That is what we are talking about here. We are talking about making our country richer, more productive, more economical.

I think it would be very shortsighted if this amendment were to be agreed to.

Mr. DIRKSEN. Madam President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. DIRKSEN. For years and years, the entire air industry simply could not get on its feet, until it developed the DC–3. It was only after it reduced costs by 10 percent that the airplane industry could see the light. From that time on, it has gone steadily forward, to operate on a self-sufficient basis.

With the new twin-prop helicopters that it is proposed to buy—some of which are presently on order—it is expected that the costs per passenger-mile will probably be reduced by 51 percent. They will have the advantage of all the pioneering that goes into the unit—structure and design. Give them a little time, and these companies will be on their feet. The operation will become self-sufficient in almost every metropolitan center in the Nation.

We have a problem today. A whole fleet of planes go into the municipal airport in South Chicago; others go into International Airport, in the northwest section. It is a fact that the helicopter service which now operates between the airports and over to Gary, Ind., and elsewhere, that enables them to conduct the whole operation satisfactorily, so that ultimately they will get to the point where they will be on a self-sustaining basis.

For that reason, I trust that the funds involved here will not be reduced or that they will not be deleted.

Mr. JAVITS. I am grateful to the Senator from Illinois. I have used that very service from O'Hara to Meigs. I have found it extremely useful. I would be perfectly willing to use it again.

As a matter of fact, there was a very serious accident with a helicopter in Chicago recently, but it involved the use of an older type craft than one of the present models.

I have not been in this debate until a few minutes ago, so I should like to ask, Has any charge been made that an unconscionable profit is made by the helicopter companies?

Mr. MAGNUSON. No. This is a part of the RECORD, I believe. The financial statements of the companies show that although they have been in the business for years—this is a special branch of the aviation industry—that many of them could do better if they operated as regular airlines than as shuttle lines. However, the helicopter operators are experienced people. They are very enthusiastic about its possibilities. I do not believe they are performing this service merely to impress us.

The fact is that they see a chance for a breakthrough and lower operational costs. I think that was the motivating factor, as is borne out by the testimony of the experts.

Mr. JAVITS. So the Senator from Washington does not believe there is any likelihood that the helicopter operators see a chance to make an unconscionable profit?

Mr. MAGNUSON. No. The financial statements of all three companies are in the RECORD.

Mr. JAVITS. I was interested also in the screening of the committee and its staff. I gather from that that the screening committee found no reason to believe that there was any sluicing off.

Mr. MAGNUSON. No; we have read the financial statements. They are there for Senators to see.

Mr. DIRKSEN. The Government now has $38 million invested in this enterprise. I do not believe we should stop two-thirds of the way to the goal. That is an additional reason, I think, for maintaining this item in the bill.

Mr. MAGNUSON. I hope we will assist this big improvement, which everyone believes in.

There are about 10 or 12 other places throughout the country where this kind of service could be used, or at least tried out, to see whether it might be put into effect. My own section of the country lends itself to such operations, as does the San Francisco area, where there are large bodies of water, and where it would take hours to travel around them. It might take 7 hours to drive around Puget Sound, in order to travel from an airport, whereas to travel by helicopter might take 15 or 20 minutes.

The same is true of the San Francisco Bay area.

I have been considering the possibilities of this service for a long time. I think that the cities, in order to solve their urban transportation problem, will have to return to mass transportation. The increasing use of automobiles will simply clutter up the surface transportation more and more.

Helicopter service will help to relieve that situation. The Senator from California, who understands the situation in Los Angeles, knows that the traffic problem is becoming worse and worse every day.

Mr. KUCHEL. The Senator from Washington is completely correct.

Mr. MAGNUSON. A person who might have to travel 25, 40, or 50 miles from an airport would have to spend 4 or 5 hours to travel that distance, but he could cover that distance in a very short time by helicopter service.

I hope the experiment will prove to be satisfactory and that the additional service will prove beneficial, because it is an integral part of the transportation system.

Mr. JAVITS. I am very grateful to the chairman of the committee for his awareness of the situation.

I speak from personal experience, as representing the largest metropolitan area in the country. I really feel, with all deference, that of the many important things, in the bill, aside from those which are related to the national security, this is one of the most critical. I hope very much that the Senate will not strike it out.

Mr. WILLIAMS of Delaware. Madam President, I appreciate the position of the Senator from New York and other Senators, but I repeat what I said before. I am not objecting to the helicopter service. I think it is an excellent service. But when the Senator from New York or the Senator from Delaware or any other Senator uses it, he should pay for his own transportation and should not ask the Federal Government to pay a part by providing a subsidy.

As to the point that this will be a breakthrough, certainly it will, but in which direction; at this rate the next time it will be a multi-million-dollar item in the bill. Only three helicopter services are provided for now, but this is only the beginning. Already applications have been received for such helicopter service in 35 other cities. If all of those are approved, it is hard to estimate what the cost will be next year.

It is said that there will soon be a reduction in the cost of this service. In that connection, I point out that for the fiscal year 1961, only recently past, the subsidy for the Chicago Helicopter Airways was $1,433,381; the subsidy for the Los Angeles Airways was $982,948; and the subsidy for the New York Airways was $2,109,933—or a total of $4,526,262 for these three helicopter services in the fiscal year 1961. But the CAB estimate for the same services, by only these three helicopter services, for the fiscal year 1962 is $6,900,000, or an increase of $2,400,000. The committee states that progress is being made and that the cost of this service will be reduced and the subsidy will be cut down. However, it is important to note that in this bill the "saving" is made and the item "cut down" by increasing it from $4,526,262 to $6,900,000. In other words, the committee would have us "save" so much that we would have to add $2,400,000 for this item this year.

Madam President, what does the committee say it expects this item to be for these same three cities in the next year? The committee's best estimate is that the next year for the helicopter service for only these three cities will be $9.1 million, another 50-percent increase. Certainly if we continue to "save" money each year by increasing the expenditures or the cost 50 percent each year we shall "save" ourselves into bankruptcy. Let us stop kidding the taxpayers. This subsidy cost is and will continue to be higher each year unless stopped now.

If the Congress wishes to start to underwrite this new subsidy let it go on record officially in that way, then if next year the subsidy is to be expanded very greatly by granting the requests for such service to the other cities we will know who is responsible. If this is to be a $50-million or $100-million subsidy in later years for these services then let us not kid the taxpayers by saying that we did not know what we were doing this year. Instead, let us recognize it; either we stop it now for these three cities, or else we will be asked to authorize the extension to all the other cities which wish to have this same service.

Madam President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. WILLIAMS of Delaware. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Delaware.

Mr. WILLIAMS of Delaware. Madam President, I renew my request that the yeas and nays be ordered on the question of agreeing to this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], Senator from Tennessee [Mr. GORE], Senator from Tennessee [Mr. KEFAUVER], Senator from Oklahoma [Mr. KERR], Senator from Minnesota [Mr. MCCARTHY], and that Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Minnesota would vote "nay."

I further announce that, if present and voting, the Senator from North Dakota [Mr. BURDICK], Senator from New Mexico [Mr. CHAVEZ], Senator from Oklahoma [Mr. KERR], Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Kentucky [Mr. COOPER] are absent because of illness.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT] would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Nebraska would vote "yea,"

and the Senator from Maryland would vote "nay."

The result was announced—yeas 26, nays 63, as follows:

[No. 115]

YEAS—26

Anderson	Fulbright	Proxmire
Bennett	Goldwater	Russell
Boggs	Hickenlooper	Smathers
Byrd, Va.	Lausche	Symington
Case, S. Dak.	Long, Mo.	Talmadge
Church	Miller	Thurmond
Cotton	Morse	Tower
Curtis	Morton	Williams, Del.
Dworshak	Mundt	

NAYS—63

Aiken	Gruening	Metcalf
Bartlett	Hart	Monroney
Beall	Hartke	Moss
Bible	Hayden	Muskie
Bridges	Hickey	Neuberger
Bush	Hill	Pastore
Byrd, W. Va.	Holland	Pell
Cannon	Humphrey	Prouty
Capehart	Jackson	Randolph
Carlson	Javits	Robertson
Carroll	Johnston	Saltonstall
Case, N.J.	Jordan	Schoeppel
Clark	Keating	Scott
Dirksen	Kuchel	Smith, Mass.
Dodd	Long, Hawaii	Smith, Maine
Douglas	Long, La.	Sparkman
Eastland	Magnuson	Stennis
Ellender	Mansfield	Wiley
Engle	McClellan	Williams, N.J.
Ervin	McGee	Young, N. Dak.
Fong	McNamara	Young, Ohio

NOT VOTING—11

Allott	Cooper	Kerr
Burdick	Gore	McCarthy
Butler	Hruska	Yarborough
Chavez	Kefauver	

So the amendment of Mr. WILLIAMS of Delaware was rejected.

Mr. DIRKSEN. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. Madam President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PROXMIRE. Is my understanding correct that my amendment with respect to the GSA was temporarily laid aside while the other amendment was disposed of?

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. Is my understanding correct that my amendment is now the pending business before the Senate?

The PRESIDING OFFICER. That is correct, if the Senator wishes to call up his amendment.

Mr. PROXMIRE. Madam President, I call up my amendment, and I ask the Presiding Officer to state how much time remains on both sides.

The PRESIDING OFFICER. Under the final agreement, the Senator from Wisconsin has 24 minutes remaining and the opposition has 23 minutes remaining.

Mr. PROXMIRE. Madam President, it is my understanding that the Senator from Missouri has a very brief statement he wishes to make of 3 minutes. I ask unanimous consent that I may yield to the Senator from Missouri [Mr. SYMINGTON] for 3 minutes, without the time being charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

NUCLEAR TEST RESUMPTION

Mr. SYMINGTON. Madam President, when unilateral test cessation was first brought up in 1956, the premise was that any violation could be detected.

In 1958 this premise was changed to the opinion that any test below 5 kilotons might not be detected—at that time effort was made to show that such low yield tests would be of negligible importance.

In 1959 this premise was changed to the opinion that any test below 20 kilotons might not be detected.

In 1960 the premise was that any test below 100 kilotons might not be detected—that year there was talk that any test below 500 kilotons might not be detected.

In 1961, as a result of answers Mr. McCloy supplied to the Senate Foreign Relations Committee in response to a request of "how" a nuclear test cessation agreement would function, the premise is that now the Soviets might conduct a megaton test without detection.

In the beginning we talked about the great danger of atomic testing—strontium 90, carbon 14, and so forth—but such dangers do not apply to underground testing, which is what we are talking about now; and yet this is not clear to the people.

Why should we continue to consider logical an argument based on a now obviously false premise?

Madam President, in this connection, I ask unanimous consent to insert at this point in the RECORD an editorial from the St. Louis Globe-Democrat, of July 28, "No More Test Hedging."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO MORE TEST HEDGING

Some of the Nation's leading scientists, a whole panel of them, flatly informed the Joint Congressional Committee on Atomic Energy Wednesday that Soviets could test nuclear weapons in a number of Asia's sectors with almost no possibility the West could detect them.

Further, the committee was told that, as detection techniques improve, paradoxically it will be still harder to distinguish a nuclear blast from an earthquake.

In other words, Communists can have been testing throughout the test-ban agreement of almost 3 years, and no one in America or anywhere else in the West could know. This has long been the warning of highly placed nuclear experts. And possibility of scientific detection will get worse in the future.

The ban on testing will probably prove to have been a unilateral stifling of Western nuclear advance from the very beginning. It has been a tragic stupidity, crippling U.S. defense.

Now Congress has got the best available information. So has the White House.

What are we waiting for? Fear of marring the "Western image" by dumping the no-test agreement? That image must be the midcentury's biggest joke in the Kremlin. It could prove a Red hoax next only to the Russian promise of free elections for its satellites.

U.S. underground testing of atomic and nuclear implements of war and peace should be resumed at once.

Mr. SYMINGTON. Madam President, note the sentence:

In other words, Communists can have been testing throughout the test-ban agreement of almost 3 years—and no one in America or anywhere in the West could know.

I have done my best to understand this subject, and I believe that sentence is accurate.

Madam President, I also ask unanimous consent to have an editorial, "Why Wait," from the Washington Sunday Star of July 30, inserted at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHY WAIT?

In effect, in their latest testimony before the Joint Congressional Committee on Atomic Energy, some of our most distinguished scientists have merely confirmed the committee's 1960 conclusions of the subject. Accordingly, as summed up at that time by Representative CHET HOLIFIELD, head of the Senate-House group, the conclusions are worth repeating:

"It appears from the testimony that for the next several years at least it will not be possible to detect and identify underground bomb tests whose seismic signals record the equivalent of nonmuffled bomb explosions of 20 kilotons or less.

"Further, it appears that for this same time period, it will not be possible to detect muffled tests of 100 kilotons or more [upward, that is, of 100 thousand tons of exploding TNT] set off deep underground in large cavities."

As a matter of fact, in their latest appearance before the committee, the scientists have been altogether pessimistic as regards developing a reliable detecting system. That is to say, they have bluntly asserted that there is little or no possibility at present of working out trustworthy ways and means of safeguarding against clandestine underground or outer-space nuclear shots. Actually, as of this very moment, the Kremlin could be carrying out such potentially decisive experiments without our having the slightest awareness of them.

These experiments could be of revolutionary significance. They could have to do with the so-called neutron or death-ray bomb, and they could have to do, also, with antimissile missiles capable of destroying or "neutralizing" any rockets incoming from the enemy's launching pads. Certainly, considering the clear record of Soviet furtiveness and broken promises, they are experiments that the Kremlin could have been carrying out surreptitiously almost from the very day, nearly 3 years ago, that our country unwisely agreed to declare a moratorium on testing while seeking to work out an adequately policed ban on the whole business. Clearly, these possible clandestine shots by the Russians could give them a significant military advantage over us.

All this, it seems to us, adds up to a fairly simple conclusion: The United States, even as it carries out the new defensive measures proclaimed by the President, should resume underground nuclear testing without further delay. Mr. Kennedy appears to be hesitant on the matter. But why? Why should our country wait any longer before resuming the kind of detonations that the Russians may have been staging clandestinely, off and on, for the past 3 years?

In sum, given the utterly bleak record of the Kremlin's innumerable broken pledges, why should any American continue to accept an unpoliced ban on nuclear tests? The time has come for our Government, regardless of what might be the reaction of world opinion, to resume underground experimental shots, and the sooner the better. Our very survival as a nation may well depend upon it.

Mr. SYMINGTON. Madam President, this editorial has to do with the possibility of the neutron bomb and the antimissile missile being the result of testing over recent years.

One of the foremost authorities in this field told me recently the weapon he believes the Soviets will shortly display as a result of their tremendous advantage in thrust will be an armed satellite. If they have been testing, that testing of course could help them perfect such a system.

Based on the above facts, this editorial says:

In sum, given the utterly bleak record of the Kremlin's innumerable broken pledges, why should any American continue to accept an unpoliced ban on nuclear tests?

I ask the same question of the Senate this afternoon.

I thank my able colleague from Wisconsin for his courtesy in yielding.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S.J. Res. 120) to authorize the President to order units and members in the Ready Reserve to active duty for not more than 12 months, and for other purposes.

INDEPENDENT OFFICES APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes.

Mr. PROXMIRE. Madam President, I yield 8 minutes to the Senator from Maine [Mr. MUSKIE].

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Madam President, I support the amendment of the Senator from Wisconsin [Mr. PROXMIRE] to restore the $300,000 appropriation for the General Services Administration for the preparation and presentation of evidence and arguments on behalf of the Government before Federal and State regulatory agencies. The amendment also strikes the restrictive language contained in H.R. 7445, as amended by the Appropriations Committee.

Under the Federal Property and Administrative Services Act of 1949, the General Services Administration is charged with the responsibility of representing the executive agencies "in negotiations with carriers and other public utilities, and in proceedings involving carriers and other public utilities before Federal and State regulatory bodies." The bill, as reported by the Appropriations Committee, would repeal, in effect, this section of the act.

The appropriations bill not only removes funds necessary to prepare and present material to the regulatory agencies, it would prohibit the General Services Administration from preparing or presenting evidence or arguments before Federal and State regulatory agencies concerning the regulatory policies of such agencies on overall earnings level or total property evaluation of transportation of utility companies.

The effect of this section of the bill, as reported by the committee, would be to deny General Services Administration the authority or facilities to participate in rate cases. If GSA cannot discuss rates or evaluations, there would be no meaningful evidence or arguments. Such a restriction would make a mockery of General Services Administration participation in such cases. It would have the effect of denying to the Government its right to protect itself in ratemaking cases.

The Government is a major consumer in the public utility field. In fact, it is the biggest consumer in the United States. I cannot favor legislation which would tie the hands of the Government in protecting its own interests and would force the taxpayer to pay more for Government service than he should.

I believe that the record of the General Services Administration, in saving taxpayers an estimated $160 million in 10 years in ratemaking cases, has amply demonstrated the value of its work in this area. A $300,000 annual investment is a fair cost on a $16 million return.

We have established regulatory agencies to adjudicate, among other things, public utility rate disputes. These agencies have been created to perform quasi-judicial functions. We do not establish them to represent one side or the other in regulatory cases.

The Government has a legitimate interest in the outcome of ratemaking cases. It would not be proper, however, to rely on the regulatory agencies to represent the Government in such cases. Such an action would destroy the integrity of the regulatory agencies. General Services Administration represents the logical facility for presenting the case on behalf of the taxpayers. I urge that we reject the attempt to remove that protection and pass the Proxmire amendment.

In the course of the debate some questions have been raised as to the position of State regulatory agencies with respect to the provision of law which we are discussing in the Proxmire amendment. I have some documentation on this score which I think ought to be made a part of the RECORD of this debate.

In November 1960 the National Association of Railroad and Utilities Commissioners convening in Las Vegas adopted a resolution entitled "Resolution Concerning the Unrestricted Intervention of the General Services Administration in the Jurisdiction of State and Federal Regulatory Commissions."

That resolution in effect would support the provision in H.R. 7445, which the Proxmire amendment would strike out. I think it is interesting to note that the resolution was opposed by several State regulatory agencies.

I should like to refer to an article which was published in the December 10, 1960, issue of "Traffic World." I read from that publication:

When Commissioner Peter E. Mitchell, of the California Public Utilities Commission (newly elected president of NARUC) as chairman of the executive committee, had finished reading the amended resolution on the GSA, he announced that he wished the record to show that he did not approve of it. He was joined in this disapproval by other State commissioners, including his fellow Californian, Commissioner Theodore H. Jenner; Commissioner Richard J. McMahon, of the Maine Public Utilities Commission, and Commissioner Ralph L. Fusco, president of the New Jersey Board of Public Utility Commissioners.

The article comments on the action before the national association, as follows:

Commissioner McMahon, in support of the GSA and in opposition to the resolution, said the Federal agency had been helpful in certain water cases in Maine and that it had furnished the State commission technical information for the production of which the State did not have the necessary experts. He said the State preferred one central service representing the U.S. Government in proceedings.

Commissioner Jenner, in a vigorous presentation, said California opposed adoption of the GSA resolution and that its adoption would embarrass the Federal agency. In the west coast State, he said, the commission had permitted GSA appearances in many proceedings. It was the State commission's policy, he said, to recognize anyone who had a presentation to make, and the commission did not want to curb this right.

"Regulation in the United States," he declared, "is in its infancy and is a typical American institution based on private enterprise. If regulation does not work—

I emphasize that point—

it is one more step toward socialism. Regulation will not work unless we recognize this right of parties to appear before us."

I have further documentation on this question in the form of a letter from Commissioner Richard J. McMahon of the Maine Public Utilities Commission, which letter is dated April 7, 1961. In commenting on the resolutions to which I have been referring he said:

Why should a national association such as NARUC say that the agency representing the largest customer (GSA representing the Federal Government) of most utilities be restricted in their appearances and the type of evidence that they can submit before regulatory commissions?

Mr. McMahon offers the following answer to the question. He said:

This is basically a fight between American Telephone & Telegraph Co. and the Federal Government. In most regulatory commissions the commission policy is that anybody who has any complaints or evidence to offer is given his day and allowed to enter his appearance and have his say in opposition to any utility. In Maine we have listened to testimony by the hour from individuals who have had very little to offer in real substantial evidence but they have always been given their day in court before us. I don't think that any customer of any utility should be restricted in the type of evidence they wish to present and certainly

it has been my experience that the Federal Government through GSA has never abused their right to appear.

GSA has appeared in Maine and helped the Maine commission with its preparation of evidence in the Bangor water case. We have worked with them in Presque Isle on water problems and they appeared on behalf of the Navy in the problems affecting the Brunswick Water District. In the last 2 years they have presented evidence in regard to the Air Force problems with American Telephone & Telegraph Co. on the rates affecting SAGE here in Maine.

I think it would be of interest for the purpose of the RECORD to have printed at this point Commissioner McMahon's account of what happened at the meeting of National Association of Railroad and Utilities Commissioners when the resolution was adopted in November of 1960.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUSKIE. Madam President, may I have 2 additional minutes?

Mr. PROXMIRE. I yield 2 additional minutes to the Senator from Maine.

Mr. MUSKIE. He said:

When this resolution was adopted, there was only a voice vote. When the vote was taken there were several individuals standing, asking for a call of the States by roll-call and by commission, but the president announced the results before he would recognize anybody on the floor. What he did—he allowed a motion to reconsider, but that was voted down by voice vote, and he announced that result and moved on to the next resolution before anything could be done to determine what States and commissions were in favor of the adoption of this resolution. In the room at the time were possibly 100 commissioners representing most of the States and Federal commissions. Also, another 200 guests of the convention representing the affected industries of all the resolutions passed at that session were present.

It seems to me that this is important documentation as we consider the important issue before the Senate. I hope the Senate will support the amendment of the distinguished Senator from Wisconsin [Mr. PROXMIRE].

Mr. CARROLL. Madam President, will the Senator yield?

Mr. MUSKIE. I am happy to yield.

Mr. CARROLL. I have heard from the chairman of the Public Utility Commission of Colorado. He reaffirms in detail what the able Senator from Maine has said. There is not the slightest doubt in my mind what happened when the NARUC passed the resolution against the GSA. There was strong opposition to the NARUC resolution in its convention. The Colorado commission is on record as having opposed the NARUC position.

This is not a large amount the administration has asked for to fight for fair utility rates. How much is it? $300,000?

Mr. MUSKIE. The Senator is correct.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CARROLL. Madam President, may I have an additional minute?

Mr. PROXMIRE. I yield 1 more minute.

Mr. CARROLL. Three hundred thousand dollars. This is an important agency representing the Government as a consumer and therefore the taxpayers of the United States. How would GSA use the money? It would use it to prepare briefs, to intervene in rate cases with arguments on the fairness of proposed rates. I should think Senators would want to save the taxpayers some money. This is an economy measure. What we will be doing by supporting this amendment will be to save money for the Government as a utility consumer and it is therefore in the interest of the taxpayers.

The Government spends $3 billion a year in utility payments. This is taxpayers' money. If $300,000 in GSA legal services can trim millions out of that $3 billion it is money well spent.

I cannot understand how any reasonable person dedicated to economy could object to the Proxmire amendment. I do not mean to cast any reflection on any Senator. We are entitled to our own motives. However, I do not see how it could be misunderstood. This is a measure that will help assure the Government of fair utility rates. It is in the public interest.

I commend the able Senator from Maine for calling to the attention of the Senate the wide division of opinion within the NARUC.

Mr. MUSKIE. I thank the Senator.

Mr. LAUSCHE. Madam President, will the Senator yield me some time?

Mr. PROXMIRE. I believe the opposition time has now arrived.

Mr. MAGNUSON. I yield 8 minutes to the Senator from New Hampshire.

Mr. BRIDGES. This is an unusual Proxmire amendment. The amendments which he has previously offered were all intended to reduce sums in the bill. Now he gets into the other category, of increasing funds. He adopts a new formula, a new outlook on life with respect to the pending amendment. The logic of this limitation is so clear that I am surprised to find it the subject of controversy. The subcommittee under the distinguished Senator from Washington and the full committee looked into this matter with great care. No one questions the right and the duty of GSA to obtain the most favorable utility rates possible for the U.S. Government. But the Government is the only consumer in which the GSA has a legitimate interest. The language of this limitation is intended only to confine GSA to its legitimate interest.

Such a limitation should not be necessary, but as we all know Government agencies are manned by bureaucrats who seek constantly to expand their authority and their power. Whenever we find a bureaucrat who is not attempting to do that, we certainly find a most unusual person.

There are, in addition, I fear, those who become causists and wish to go beyond the scope of their authority to fight a cause. I very much suspect that such is the case in this instance.

It was an inadvertence that the committee's language should have been subject to interpretation which would have legislated the Federal Power Commission and other commissions in this bill out of the regulatory business. This situation has been cleared up by the adoption of an amendment to the committee language. The bill now expresses the original intent of the committee. It seems only reasonable to me that GSA, in protecting the legitimate interests of the Government should not duplicate the work of both Federal and State regulatory agencies. That is all this language provides and all it is intended to provide.

Those who believe that the Federal and State regulatory agencies are not performing their duties in a satisfactory way and should be, in effect, subject to GSA intervention and supervision—should, of course, vote for the Proxmire amendment. I cannot accept this position. Before I came to the U.S. Senate, I was a member of the Public Service Commission of New Hampshire. I have never lost interest in this field. I can assure you, Mr. President, that by and large both the State and Federal regulatory agencies are performing their functions in a satisfactory manner.

If the Senate should adopt the pending amendment, we should logically proceed to strike out of this bill funds for the FPC, the ICC, the CAB, the FAA, the FCC, the FTC, and the SEC—which are regulatory agencies—and turn their functions over to GSA.

In my judgment, American business, which is the goose which lays the golden tax egg, is harrassed enough by Government forms and controls. This language is merely a small effort to prevent additional harassment by an agency which asserts a right to intervene in matters which are satisfactorily handled by other agencies. I hope the Senate will support the committee's intent and reject this amendment.

Madam President, in concluding I would like to say a few words about the function of the Appropriations Committee. I served on that committee a good many years. As a member I can tell you we claim no right to legislate. Legislation is clearly the function of the legislative committees.

But the Appropriations Committee does have a right—no, a duty—to look into the authorized functions of each department and agency and to decide when they go overboard.

The funds which the committee has provided here for GSA are ample to discharge its legitimate authorized functions. The committee has simply decided it need not extend these functions beyond its legitimate interest—and this is the business of the Appropriations Committee.

Once we accept the premise that only the agency has a right to decide how far it may pursue its authorized functions we will find ourselves in really serious trouble and the Appropriations Committee may as well close up shop.

I can think of numerous authorized functions which agencies want to continually expand. It is the business of the Appropriations Committee to think of the taxpayer—who also happens to be a consumer—and this is precisely what was done in this instance.

I hope the Proxmire amendment will be defeated decisively.

Mr. MAGNUSON. I yield 10 minutes to the Senator from Massachusetts.

Mr. SALTONSTALL. I shall not take 10 minutes. I have been sitting on the Subcommittee on Appropriations for Independent Offices for more than 10 years, I believe. At one time I was the chairman of that subcommittee. We have had this question come before us ever since 1954, I believe, and it has been the subject of a continuing argument. It is the question of whether GSA shall go into the whole question of public utility rates in State and interstate commerce cases or whether it will act as an attorney, we might say, or as a proponent of the costs that the Government is paying for its share of the utilities. The Government in a great many instances gets special rates. It has the responsibility to see to it that those rates are fair so far as they concern the Government as a user. However, in testifying before the committee the Federal Power Commission, the Federal Communications Commission, the Federal Aviation Commission, the Interstate Commerce Commission, and the Civil Aeronautics Board have stated that they had ample authority and ample personnel to go into the question of whether the rates being charged as a whole by the utilities and by the various services are fair and proper to the public as a whole.

As I say, those are the agencies which are created by the Federal Government; and in every State, so far as I know, there is an agency such as a public utilities commission to determine whether the rates are fair.

I sincerely believe that GSA should examine into the question, when the Federal Government gets the bill for telephone services in my State of Massachusetts, to determine whether the bill for the Federal Government was fair; whether it represented the proper amount for the Federal Government to pay for telephone service in Massachusetts.

But the question as to whether the overall rates are proper, based on the capital invested in the property the telephone company is using, for example, is a matter for the Massachusetts Public Utilities Commission; or if it is interstate, then it is a question for the Interstate Commerce Commission.

I hope the amendment of the Senator from Wisconsin will not be agreed to. I sat through the hearings on this subject. We agreed, after considerable discussion, that we would eliminate $300,000 from the appropriation, and that we would put in this controlling amendment indicating what the money should be spent for.

We agreed that probably there would be a discussion in conference, and that if our language went too far or was not correct, we could work it out in conference. We could also put back the money in conference, if it were necessary to do so.

But the effort of the subcommittee was an attempt to bring the problem to a head; to try to decide it and get rid of it, and not have it come before us year after year.

The problem is whether the GSA should go further than to act as a bill collector, or a bill approver, for the service which the Federal Government was getting for the use of telephones or for the use of the other utilities which are represented by the five agencies—the Federal Power Commission, the Federal Aviation Agency, the Interstate Commerce Commission, the Civil Aeronautics Board, and the Federal Communications Commission.

I hope the amendment will not be adopted, and that we may take the matter to conference. If it is not right, we can yield in conference. But certainly we ought not to yield now, because if we do, there will be nothing on which to go to conference. I am confident that the chairman of the Committee on Appropriations and the chairman of the subcommittee will then confront the Senate with the same problem again next year.

I hope the amendment will be rejected.

Mr. CASE of South Dakota. Madam President, will the Senator yield?

Mr. SALTONSTALL. I will yield, if the Senator from Washington will yield time.

Mr. MAGNUSON. I yield.

Mr. CASE of South Dakota. I understand the language of the committee has been amended to limit the application of the limiting paragraph to the General Services Administration.

Mr. SALTONSTALL. Under this heading, the Senator from Kansas [Mr. SCHOEPPEL] offered an amendment providing—

> No part of the funds appropriated by the preceding paragraph of this Act——

Mr. CASE of South Dakota. Previously it simply read "funds appropriated by this Act."

Mr. SALTONSTALL. That is correct.

Mr. CASE of South Dakota. I do not believe that even the original language would have applied to the Renegotiation Board, but there might be some question involved, if it ever applied to the Renegotiation Board. So I think it important that the Schoeppel perfecting amendment was adopted.

Mr. SALTONSTALL. I agree with the Senator, as I agreed with the Senator from Kansas when he spoke to me about it.

I have nothing more to say about the amendment. I hope it will be rejected.

Mr. MAGNUSON. Mr. President, I wish to read into the RECORD statements concerning this subject from the Federal departments, the FTC, the FPC, the ICC, and other agencies. The statements are pretty well summed up by Mr. Minow, who says:

> We are very proud of our staff and we think it is very able. We would hope it would be supplemented pursuant to our request today. But we think it is competent to do the job.
>
> GSA comes in, as I understand it—because this was before my arrival—to represent the point of view of the Government as a user. The Government is the largest phone user now in the United States. And when they do appear they take the view that they are representing the Government as a consumer of phone service. But we feel that our own staff is very able to represent the public as a whole.

The Federal Power Commission, the Interstate Commerce Commission, and other agencies testified in basically the same way with relation to the problem confronting Federal agencies. I ask unanimous consent that I may place those statements in the RECORD.

Mr. LAUSCHE. Madam President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. LAUSCHE. Assuming that the statement of Mr. Minow is correct with regard to his agency——

Mr. MAGNUSON. It is correct.

Mr. LAUSCHE. Conceding that it is correct, is it not a fact that so far as State agencies are concerned, the Federal staff offers no assistance and can in no way participate so as to insure that the public interest will be protected?

Mr. MAGNUSON. The Federal staff in State cases?

Mr. LAUSCHE. Yes. The Federal staff, according to Mr. Minow, is efficient and can protect the public interest; but the Federal staff has no authority to go before a State commission and present the cause of the Federal Government on rates which will very vitally affect the Federal Government.

Mr. MAGNUSON. I think the GSA does that in every case.

Mr. LAUSCHE. But if the bill is passed, they will no longer be able to do so.

Mr. MAGNUSON. Oh, no, no, no, no. If the Senator will read the report, the language is directive. The GSA will appear to protect the Government as a user. There is absolutely no limitation upon that.

Mr. LAUSCHE. Let us see:

> No part of the funds appropriated by this Act shall be used for the preparation or presentation of evidence or arguments before Federal and State regulatory agencies concerning regulatory policies of such agencies.

Mr. MAGNUSON. On two things.

Mr. LAUSCHE. On the overall earnings level and total property evaluation. Those two things are the vital things. If the GSA cannot appear on those things——

Mr. MAGNUSON. I do not wish to argue with the Senator from Ohio. That is the question we have been discussing all day. They can still appear on behalf of the Government as a user. No one objects to their doing that, not even those who are among the proponents of the language.

Mr. LAUSCHE. With that statement, I agree. But the GSA cannot offer evidence on capital structure or on the reasonableness of the rate.

Mr. MAGNUSON. Total property evaluation and overall earnings level. In other words, as I understand the problem, in some cases where there might be an intrastate rate suggested in the State of Washington, the State public utility commission can determine the valuation of the property in Washington through these very factors.

The GSA could enter the picture and say, "This proposal affects the Federal Government in a particular way. We do not wish to be discriminated against, so we appear in behalf of the Federal Government." It would enter the case on behalf of the Federal Government just as would the representative of any

other user. I think the report answers that point.

I still stick to what we have said. This is the same type of language that has been in similar bills year after year.

Mr. LAUSCHE. But it is correct to say that under this provision GSA will be prohibited from appearing before a State commission and there presenting evidence on capital structure.

Mr. MAGNUSON. No.

Mr. LAUSCHE. Oh, yes. I have studied the language. It provides that they shall not appear before a State agency.

Mr. MAGNUSON. I am no expert on this question. The language reads "overall earnings." The Senator from Ohio may know more about the interpretation of that than I do, but the testimony on those two items referred to overall earnings.

Mr. LAUSCHE. And the total property valuation. Those are the vital things; they are the very heart and core of the hearing.

Mr. MAGNUSON. Some persons say they are; some say they are not.

Mr. DIRKSEN. Madam President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. DIRKSEN. Something more is involved in this item than consumer interest. I believe that involved here is the Federal-State system and the respect of each for the sovereignty of the other. States have the sovereign right to establish commissions to determine utility rates. The Federal Government likewise has that right. Virtually every State has established a commerce commission or a utility commission which proceeds upon a certain base for the purpose of ratemaking. It may be the reproduction value; it may be the original cost; it may be a modification of the two. There are variations of the formulas which are used.

The State commissions are established under State authority for the purpose of determining a policy of valuation and also the earnings level as a rate base.

The amendment simply provides that no part of the funds shall be appropriated for the presentation of evidence, and so forth, concerning the regulatory policies of such agencies on an overall earnings level or for total property valuation on transportation in public utilities. That is a State power.

All the cases which came before the committee, and all the testimony over a long period of time when I was on the subcommittee and this question was raised, always related to the case of Federal intrusion upon a basic authority and a basic right which the State has, and that transcends by far the consumer interest.

I remember that when Mr. Floete was the Administrator of the General Services Administration, and when this was only an infant function, we fought out this thing; and I remember the testimony which was submitted at that time by the various State agencies. I thought their objection to intrusion by the GSA, insofar as it went to the policies the State agencies applied in matters of evaluation and earnings level, was perfectly sound. And I think the language contained in this part of the bill today is sound.

There was a case right here in Washington, D.C., in which the Gas Light Co. was involved. The experts for the District of Columbia Commission found that one policy would produce a fair return. The GSA preferred still another one; and still a third one was found, finally, by the District of Columbia Public Utilities Commission.

But the intrusion by the GSA on the policy followed by a State commission impinges, in my judgment, on the exclusive sovereignty the State has in such matters; and that is a place where the Federal Government should not intrude.

That is the reason why this language should be retained in the bill, and that is the reason why the Proxmire amendment should be rejected.

Mr. CASE of South Dakota. Madam President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. Am I correct in saying that the interdiction is against presenting evidence or arguments in regard to the policies, rather than against the accuracy of the charges?

Mr. DIRKSEN. That is correct; it deals purely with the regulatory policies followed by the State commissions. They are none of our business.

Mr. AIKEN. Madam President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. AIKEN. I should like to ask the Senator from Illinois whether he is sure that nothing in this paragraph, as amended by the amendment of the Senator from Kansas, would handicap the Government in attempting to recover for an overcharge.

Mr. DIRKSEN. I do not know about that, as applied to this language; I do not know whether it is involved here at all.

Mr. AIKEN. But that is important.

Mr. DIRKSEN. But this is wholly a policy matter—namely, whether the GSA can go to Illinois or to Ohio and can say, in fact, to the public utility commission there, "We are going to argue the point that your approach is wrong. You proceed on a reproduction-cost basis, and we think that is wrong. If you will proceed on a cost basis, you will come up with a different rate of return." If that is not unwarranted Federal intrusion, then I never have seen any.

Mr. SALTONSTALL. Madam President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. In answer to the question asked by the Senator from Vermont, I would say it certainly would not prevent recovery by the Federal Government. That would be just the purpose of having the GSA appear there. If too much were charged the Federal Government for that service, the GSA would be absolutely within its province in trying to get that money returned to the Federal Government.

Mr. DIRKSEN. Absolutely so, when the GSA appears there and makes a specific charge that the Federal Government has been overcharged.

But the purpose of asking for all these millions of dollars and for a large staff is simply to be able to go before a State commission and to say to it, "Your base is wrong." But that is not for the Federal Government to determine.

Mr. AIKEN. That would be an attempt to influence the policy of the State.

Mr. DIRKSEN. Certainly it would.

Mr. LAUSCHE. Madam President, will the Senator from Illinois yield for a question?

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. PROXMIRE. Madam President, I yield 4 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 4 minutes.

Mr. LAUSCHE. Let me ask whether the Senator from Illinois takes the position that under this language in the appropriation bill, the General Services Administration will still have the right to appear before a commission and submit evidence on capital evaluation and submit evidence on earnings, but will not be allowed to argue the wisdom of the State policy.

Mr. DIRKSEN. Exactly so.

Mr. LAUSCHE. So does the Senator from Illinois claim that if there is in Ohio an interstate question which involves a utility service purchased at considerable expense by the Federal Government, the General Services Administration will be allowed to go to Ohio, present evidence in regard to what it thinks is the capital structure of the corporation, present evidence in regard to the earnings, and argue and submit briefs in regard to what it thinks the rate ought to be?

Mr. DIRKSEN. Nothing in this part of the bill would prevent the GSA from going to the capital city of Ohio and presenting there evidence to the effect that the Federal Government has been overcharged because the calculations were wrong, the arithmetic was wrong, and there were faulty evaluations of one kind or another.

Mr. LAUSCHE. But now the Senator from Illinois and I are not talking about the same thing.

Mr. DIRKSEN. Oh, yes, we are.

Mr. CASE of South Dakota. That is precisely it.

Mr. DIRKSEN. But when we get into the field of a policy established by the Ohio commission, that is where the General Services Administration is expected to stop, and not to undertake to impeach what the Ohio commission says and lays down as a principle of ratemaking. That is what this provision of the bill is designed to prevent.

Mr. LAUSCHE. The Senator from Illinois and I generally think about this matter on the same basis, but here is where we differ. If it is expected that the GSA will do that, why has $300,000 been taken away from it—the principal means by which it can perform that duty?

Mr. DIRKSEN. I do not know whether that is the case or not. But I know

what this language of the bill does; and when the GSA representatives and other witnesses appeared before the committee some years ago, when I was a member of it, I knew precisely what they meant when they said the Federal agency had no business sticking its nose into the policies pursued by the Virginia commission and by other State commissions. And that is precisely correct, because when that is done, the sovereignty of the State systems is destroyed.

Mr. LAUSCHE. Madam President——

Mr. PROXMIRE. Madam President, I wish to make clear that the Senator from Ohio is speaking in time that I have yielded to him. I now yield him 2 more minutes.

Mr. LAUSCHE. I thank the Senator from Wisconsin.

Madam President, according to my understanding, the Federal Government purchases utility services in the following amounts: $817 million generally, plus $386 million for communications, plus $2,106,000 for transportation. These amount to a total of $3,309 million. I submit that the expenditure of $300,000 by the General Services Administration is completely justified, in order to have it watch as to how the rates are being fixed.

I concede the correctness of the proposal made by the Senator from Illinois; but I submit that this part of the appropriation bill contemplates depriving the General Services Administration of every ability it has to protect the Federal Government and to insure that the rates it is charged are not excessive.

Mr. SALTONSTALL. Madam President, will the Senator from Ohio yield?

Mr. LAUSCHE. I have only a little time available.

Let me point out that in 1961, we spent $390 million for this service; in 1960, $368 million; in 1959, $357 million; and in 1958, $338 million. It nows appears that this service will be stripped of practically every penny, if this amendment is agreed to.

I cannot see it, and I do not state that proposition on the basis of engaging in a private-versus-public utility argument. I think the general public is entitled to this protection.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. Madam President, I yield 2 minutes to the Senator from Wyoming [Mr. McGEE].

Mr. McGEE. Madam President, because of the uncertainty of the many Senators who have discussed this issue this afternoon, in the realm of duplication, and because of some serious misgivings about the particular intent of the language, it seems to me the intelligent way to act on this question is not in conference, but on new legisiation before the proper legislative committee.

For that reason, I shall oppose the inclusion of the language, and I intend to support the amendment of the Senator from Wisconsin.

I think, as an interested spectator to the discussion this afternoon, it would be fair to say that if those who want to limit GSA are correct in their charges of duplication, the worst that can be said is that the public interest, really, is being doubly protected for the time being. That is the worst that can happen.

If, on the other hand, those who seek to defend the GSA position are correct, they are holding the line for a very necessary function of that body. Because of the doubts expressed here, I think it would be the better part of wisdom for this body to turn this question over to the field of original legislation, after hearings on the questions involved.

The committee has placed language in its report and in the bill which would, I believe, significantly restrict the operations of the General Services Administration in a field of activity which is extremely important both to the taxpayer and to the consumer. This activity is the representation of the Government before regulatory agencies as a user or consumer of transportation and public utilities.

It seems to me that there is serious doubt whether this action or the companion measure of reducing the fund available for such representation by 77 percent is wise.

In the first place, the Federal Property and Administrative Services Act—section 201, title 40, United States Code, section 481—provides that the Administrator of the General Services shall "with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in proceedings involving carriers or other public utilities before State and Federal regulatory agencies." The language of the committee amendment appears to be a limitation of the exercise of this specific statutory authorization.

In the second place, the GSA has saved the American taxpayer millions of dollars by reducing the public utilities, communications, and transportation charges paid by Government agencies.

In the third place, the individual private consumer of these services and utilities is often benefited by this action of the GSA because reductions secured by the GSA also redound to his benefit.

Although I cannot pretend to be an expert in this field, it is very difficult for me to see how the GSA can be expected to represent the Government effectively as a user for the purpose of insuring that the rates and services provided to the Government are reasonable and fair in comparison to the rates charged other users if they cannot present evidence and argument covering such questions of regulatory policy as rate of return and valuation.

Whether a specific rate proposed to be charged by an individual carrier is fair and reasonable as it applies to the Government would appear to depend not only on the question of whether it was comparable to rates charged other consumers for the same services, but also upon such elements as cost and return which make up the rate. In any case, the fact that this language is now proposed to be inserted in this appropriations bill points up the fact that there was no similar limitation or prohibition in the Federal Property and Administrative Services Act. Therefore, since it seems to me that the adoption of this language in the bill presently before us would in reality be an amendment to the Federal Property and Administrative Services Act, because it would change the nature of the activities which the GSA was directed by that act to undertake, I think that this language ought to be introduced as a bill and referred to the appropriate legislative committee, whether a point of order is deemed to lie by the parliamentarian or not.

In light of the serious doubts raised in my mind by all of these factors, I should like to go on record as opposing both the insertion of this language in the bill and the reduction of the GSA's budget for this purpose.

Mr. PROXMIRE. Madam President, I yield 1 minute to the Senator from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Madam President, I rise in support of the Proxmire amendment. Now, if ever, the consumer is entitled to have increased protection and more effective representation. It is clear that the very opposite would be the case if the committee's amendment prevailed. I hope the Proxmire amendment will be adopted.

Mr. PROXMIRE. I yield 2 minutes to the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Madam President, in the hearings before regulatory commissions where the General Services Administration has carried out this activity, it has obtained great reductions in cost for the public, amounting to $160 million, and in turn it has prevented increases of many millions more. The truth is that Government rates are largely fixed by general rates established by both State commissions and Federal commissions; and if the general rates are high, Government costs and expenditures are correspondingly high.

In these cases, both before Federal and State bodies, the interests of the consumers are very inadequately represented. I think the majority of the State commissions do not initiate actions, do not present much if any evidence themselves, and act solely in a judicial capacity, throwing the burden on both municipalities and individual consumers who lack the funds, expert knowledge, and ability satisfactorily to urge their case on behalf of the public.

We all know what is behind this move. The General Services Administration has obtained reductions of $145 to $150 million from the A.T. & T. The proposal of the committee is a reprisal against the good work of the GSA in recovering these millions from A.T. & T.

I support the Proxmire amendment.

Mr. PROXMIRE. Madam President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Wisconsin has 1 minute remaining.

Mr. PROXMIRE. Madam President, the language in the bill which my amendment would strike out does two things. First, it cuts the Transportation and Public Utilities Service budget by 77 percent. That means it cannot possibly do a good job. That is what the Senate is asked to do. Some of that amount may be recovered in conference, but to adopt the committee amendment here

would result in a reduction of 77 percent of that budget.

In the second place, the committee recommends language that provides that GSA cannot appear before such bodies concerning overall policy or earnings levels or transportation charges. The Senator from Illinois made an eloquent plea that this could not be done in State bodies. He could not be more mistaken. A State body is sovereign and could make the decision. This measure would not prohibit the Public Utilities Commission from appearing before Federal bodies.

As Representative VINSON and Representative MCCORMACK showed so well in the House, the GSA saved the taxpayers $83 million a year, or $830 million over a 10-year period. Mr. VINSON is a very responsible, thoughtful, and careful person. This is his estimate of the savings made by this agency in the past. I think they can be made in the future.

I do not think anyone believes the consumer is overrepresented before regulatory bodies. We all know the contrary is true.

For this reason, I hope the amendment will be adopted. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from Wisconsin. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the role.

Mr. DIRKSEN (when his name was called). Madam President, the distinguished Senator from New York [Mr. JAVITS] is unavoidably detained for the moment. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Tennessee [Mr. GORE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from Tennessee [Mr. GORE] is paired with the Senator from Colorado [Mr. ALLOTT].

If present and voting, the Senator from Tennessee would vote "yea" and the Senator from Colorado would vote "nay."

On this vote, the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Maryland [Mr. BUTLER].

If present and voting, the Senator from Tennessee would vote "yea" and the Senator from Maryland would vote "nay."

On this vote, the Senator from North Dakota [Mr. BURDICK] is paired with the Senator from New Mexico [Mr. CHAVEZ].

If present and voting, the Senator from North Dakota would vote "yea" and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Oklahoma [Mr. KERR] is paired with the Senator from Texas [Mr. YARBOROUGH].

If present and voting, the Senator from Oklahoma would vote "nay" and the Senator from Texas would vote "yea."

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Nebraska [Mr. HRUSKA].

If present and voting, the Senator from Minnesota would vote "yea" and the Senator from Nebraska would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Kentucky [Mr. COOPER] are absent because of illness.

The Senator from New York [Mr. JAVITS] is detained on official business, and his pair has been previously announced.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Tennessee [Mr. GORE]. If present and voting, the Senator from Colorado would vote "nay" and the Senator from Tennessee would vote "yea."

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Maryland would vote "nay" and the Senator from Tennessee would vote "yea."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Nebraska would vote "nay" and the Senator from Minnesota would vote "yea."

The result was announced—yeas 32, nays 55, as follows:

[No. 116]

YEAS—32

Anderson	Humphrey	Moss
Bartlett	Jackson	Muskie
Carroll	Lausche	Neuberger
Case, N.J.	Long, Hawaii	Pastore
Church	Long, La.	Pell
Clark	Mansfield	Proxmire
Dodd	McGee	Smith, Mass.
Douglas	McNamara	Wiley
Gruening	Metcalf	Williams, N.J.
Hart	Monroney	Young, Ohio
Hartke	Morse	

NAYS—55

Aiken	Ervin	Prouty
Beall	Fong	Randolph
Bennett	Fulbright	Robertson
Bible	Goldwater	Russell
Boggs	Hayden	Saltonstall
Bridges	Hickenlooper	Schoeppel
Bush	Hickey	Scott
Byrd, Va.	Hill	Smathers
Byrd, W. Va.	Holland	Smith, Maine
Cannon	Johnston	Sparkman
Capehart	Jordan	Stennis
Carlson	Keating	Symington
Case, S. Dak.	Kuchel	Talmadge
Cotton	Long, Mo.	Thurmond
Curtis	Magnuson	Tower
Dworshak	McClellan	Williams, Del.
Eastland	Miller	Young, N. Dak.
Ellender	Morton	
Engle	Mundt	

NOT VOTING—13

Allott	Dirksen	Kerr
Burdick	Gore	McCarthy
Butler	Hruska	Yarborough
Chavez	Javits	
Cooper	Kefauver	

So Mr. PROXMIRE's amendment was rejected.

Mr. DIRKSEN. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. KUCHEL. Madam President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Madam President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 4, line 9, it is proposed to strike out "$38,500,000" and insert in lieu thereof "$36,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. PROXMIRE. Madam President, it is my understanding——

Mr. MANSFIELD. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. I have discussed the possibility of a unanimous-consent agreement with the chairman of the subcommittee, the distinguished minority leader and others, and with the approval of the Senate, I ask unanimous consent that debate on the amendment be limited to 10 minutes, 5 minutes to be under the control of the Senator from Wisconsin [Mr. PROXMIRE], and 5 minutes under the control of the chairman of the subcommittee, the Senator from Washington [Mr. MAGNUSON].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. Madam President——

Mr. WILLIAMS of Delaware. Madam President, I ask the Senator to yield so that I may ask for the yeas and nays.

Mr. PROXMIRE. I yield for that purpose.

Mr. WILLIAMS of Delaware. Madam President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PROXMIRE. Madam President, I shall be very brief on the amendment. Obviously I must be brief, since I have only 5 minutes.

We started to discuss the amendment on Saturday. The amendment is a part of an effort on my part to reduce the recommendations of the Committee on Appropriations to the administration's requests. The amendment is directed to the item which would increase the appropriation for the Office of Civilian Defense Mobilization by $2½ million. The OCDM at no time asked for $2,500,000. The statement in both the Senate and House hearings was this:

> With such an appropriation deliveries * * * should assure the establishment by June 30, 1963, of the minimal 100,000 Federal, State, and local monitoring stations required.

It was argued and contended in the hearings that if the item of $2,500,000 were allowed to stand, additional radiological defense equipment could be obtained and an economy could be

achieved. But it is obvious that with the change which is contemplated, the equipment will not now be needed. It is possible that there may be a saving in the future.

I invite the attention of Senators to the fact that the Office of Defense Mobilization is undergoing decisive change. The President has recommended that the agency be taken under the wing of the Defense Department. He has also recommended a tripling in appropriations for the purpose. Under those circumstances it seems to me that it would be unwise for the Senate to make an appropriation for a long-term expenditure of this kind when the President has not asked for it, the Budget Bureau has not asked for it, and the agency itself has not asked for it.

I reserve the remainder of my time.

(At this point Mr. METCALF took the chair.)

Mr. MAGNUSON. Mr. President, the committee restored $14,400,000 to provide the budget estimate of $36 million. It is true that some items were cut down, and some reductions were made in the Office of Defense Mobilization. But the total is the budgeted amount. Twelve million four hundred twenty-five thousand dollars was restored for medical supplies and equipment. An additional $24,850,000 was requested to allow for the procurement of 1,000 additional 200-bed civil defense emergency hospitals to be placed in local communities throughout the country for emergency use. There are now 1,932 of them. Any reduction would require larger expenditure in future years.

Four hundred and forty-five thousand dollars was restored to stockpile management, to be used for packaging supplies for the new emergency hospitals and to maintain the stockpile.

One million five hundred thousand dollars was restored to radiological defense equipment in order to carry on the program for establishment of nationwide radiological detection and monitoring network to inform and advise the public as to radiation hazards within each locality following a nuclear attack.

Twenty-five thousand stations are now established, 27,000 more are planned by next year, and the objective of 100,000 stations is planned for December 31, 1963. The basis of progress in the program is the furnishing of an equipment kit, with survey meters and dosimeters for each station at a cost of about $100.

The committee was impressed with the statement of Mr. Ellis of OCDM that if the amount of $5,615,000 estimated for these kits in 1962 could be doubled, the Government would be saved a great deal of money because of volume production. In other words, we could buy them cheaper now than later. For those reasons the committee added $2,500,000.

Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ], is absent because of illness.

On this vote, the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Maryland [Mr. BUTLER].

If present and voting, the Senator from Tennessee would vote "Nay" and the Senator from Maryland would vote "Yea."

I further announce that, if present and voting, the Senator from North Dakota [Mr. BURDICK], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. KERR], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "Nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Kentucky [Mr. COOPER] are absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Colorado would vote "nay."

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Maryland would vote "yea" and the Senator from Tennessee would vote "nay."

The result was announced—yeas 40, nays 47, as follows:

[No. 117]

YEAS—40

Anderson	Cotton	Moss
Bartlett	Curtis	Mundt
Beall	Douglas	Neuberger
Bennett	Dworshak	Proxmire
Boggs	Goldwater	Robertson
Bush	Gruening	Symington
Byrd, Va.	Hickenlooper	Talmadge
Cannon	Keating	Thurmond
Capehart	Lausche	Tower
Carlson	Long, Mo.	Wiley
Case, N.J.	Long, Hawaii	Williams, Del.
Case, S. Dak.	Miller	Young, Ohio
Church	Morse	
Clark	Morton	

NAYS—47

Aiken	Fong	Johnston
Bible	Hart	Jordan
Byrd, W. Va.	Hartke	Kuchel
Carroll	Hayden	Long, La.
Dirksen	Hickey	Magnuson
Dodd	Hill	Mansfield
Eastland	Holland	McClellan
Ellender	Humphrey	McGee
Engle	Jackson	McNamara
Ervin	Javits	Metcalf
Monroney	Russell	Smith, Maine
Muskie	Saltonstall	Sparkman
Pastore	Schoeppel	Stennis
Pell	Scott	Williams, N.J.
Prouty	Smathers	Young, N. Dak.
Randolph	Smith, Mass.	

NOT VOTING—13

Allott	Cooper	Kerr
Bridges	Fulbright	McCarthy
Burdick	Gore	Yarborough
Butler	Hruska	
Chavez	Kefauver	

So Mr. PROXMIRE's amendment was rejected.

Mr. JAVITS. Mr. President, I offer my amendment identified as 7-27-61—H, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with and that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

"OFFICIAL REGISTER OF THE UNITED STATES

"For necessary expenses incurred in the compilation, editing, indexing, and publishing of the Official Register of the United States, $30,000: *Provided*, That the United States Civil Service Commission shall cause to be compiled, edited, indexed, and published each year an Official Register of the United States, which shall contain a full and complete list of all persons occupying administrative and supervisory positions in the legislative, executive, and judicial branches of the Government, including the District of Columbia, in connection with which salaries are paid from the Treasury of the United States. The register shall show the name; official title; salary, compensation, and emolument; legal residence and place of employment for each person listed therein: *Provided, however*, That the Official Register shall not contain the name of any postmaster or assistant postmaster, or any officer of the Army, Navy, and Marine Corps, unless such officer is assigned as an administrative officer. To enable the United States Civil Service Commission to compile and publish the Official Register of the United States on or before December 31 of each year, the Executive Office, the legislative and judicial branches of the Government, the Commissioners of the District of Columbia, and the head of each executive department, independent office, establishment, and commission of the Government shall, as of the 1st day of May of each year, supply to the United States Civil Service Commission the data required by this section, upon forms approved and furnished by the Commission, in due time to permit the publication of the Official Register as provided in this section; and no extra compensation shall be allowed to any officer, clerk, or employee of the United States Civil Service Commission for compiling the Official Register.

LIMITATION OF DEBATE ON AMENDMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be allocated for the consideration of the Javits amendment 30 minutes, with 15 minutes to each side.

Mr. HOLLAND. What amendment is now being considered?

Mr. MANSFIELD. The Javits amendment.

Mr. HOLLAND. There are several Javits amendments.

The PRESIDING OFFICER. The amendment offered by the Senator from New York identified as 7-27-61—H.

Mr. HOLLAND. I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Montana to limit debate on the Javits amendment?

Mr. PROXMIRE. What is the time allocation?

Mr. MANSFIELD. A total of 30 minutes, with 15 minutes to each side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. I should like to ask the majority leader about his plans for the remainder of the day. Does he intend to have the Senate dispose of the pending bill and then, perhaps, adjourn or take up some other matter?

Mr. MANSFIELD. It is our hope that we may finish consideration of the pending bill this evening and then proceed to consider the appropriation bill for the Department of Health, Education, and Welfare and make it the unfinished business for tomorrow. I hope, furthermore, that tomorrow other measures, in addition to the HEW appropriation bill, may be considered, and that perhaps at the conclusion of business tomorrow night, or the first thing on Wednesday, the Senate may proceed to consider the foreign aid bill.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDEPENDENT OFFICES APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes.

The PRESIDING OFFICER. How much time does the Senator from New York yield himself?

Mr. JAVITS. I yield myself 10 minutes.

The amendment seeks to restore in the appropriation bill the appropriation for the Official Register, which was published for more than 140 years, and was discontinued only last year. The amendment provides $30,000, which is the approximate cost of printing the Official Register.

The amendment is legislation on an appropriation bill; hence, I gave notice, as required by the rules, that I would move to suspend the rule for the purpose of adopting the amendment.

The reason for including this particular item in the appropriation bill is that it was taken out by an appropriation bill a year ago. So it seems fair to me that the question be tested, to let the Senate give its judgment upon the validity of claims which were made by a large part of the American press corps that it was very inadvisable to end the publication of the Official Register.

I call attention to a letter which appears at page 775 of the record of the hearings on the bill, from the American Society of Newspaper Editors. The letter is signed by John H. Colburn, on behalf of the organization, and reads, in part:

> As a strong advocate of economy, I would like to suggest that the $30,000 saved annually by not printing the Official Register is not a true saving and furthermore is false economy in that there is a genuine need for the Register.

The letter affirms the fact that a large part of the American press corps is interested in retaining this publication.

The analogy between what is contained in the Official Register, which contains, in accordance with its title—and I have here a copy of the 1959 publication—a list of persons occupying administrative and supervisory positions in the various echelons of the Government, together with the salary which is paid to each, and the other compensation and emoluments, the legal residence, the place of employment, and the official title—the analogy is with our own order, not so very long ago, to publish what we spend in respect of our staffs, so that the public may have a complete sense of stewardship in terms of accounting.

The Civil Service Commission and the committee say that the Official Register is unnecessary and that its publication should be discontinued because the information contained in the Register is contained in two other documents, which I have available also, if any Senator is interested to see them—the U.S. Government Organization Manual and the Congressional Directory.

In the first place, all the employees who are named in the Official Register are not included by either of the other documents, although they contain a great many of those names. Second, it does not include the compensation or other emoluments which they receive. So far as public information is concerned, this is a very important point. It enables the press, ourselves, and anyone else in the country to see at a glance, what the highest paid positions in Government are. This is a very important point when we are trying to live, as we are more and more, in the public domain.

The other point the Civil Service Commission makes is that it would cost $42,000 instead of $32,000 to print the Official Register. I do not believe anyone will for a moment be concerned about the cost involved, if it is really felt that the document would serve a useful purpose. I respectfully submit that with the affirmation we have from the press corps—and I have just read an excerpt from a letter received from the American Society of Newspaper Editors—and with the fact that this document does contain information in terms of compensation, at least, which is not contained in other documents, and with the fact that it consolidates under one heading the major positions in the agencies, in a way which the other documents referred to by the Civil Service Commission do not, and coupled with the position which we are seeking to espouse, to live in a goldfish bowl, so far as finances are concerned, I deeply feel that the publication of the Official Register, which had been published almost for the duration of the Republic—since President Madison's time—should be restored by the action of the Senate.

Mr. President, I reserve the remainder of my time.

Mr. KEATING. Mr. President, will my colleague yield?

Mr. JAVITS. I yield.

Mr. KEATING. I express my support for the amendment offered by my distinguished colleague from New York. The Official Register is an extremely valuable Government document, and its cost, relatively speaking, is minimal.

There is no other single, comprehensive source in the Government of the names of persons who are employed in professional capacities and of the salaries which they receive. Certainly the public has a right to this information. The salary levels of key Federal officials is important information and generally is a good indication of the relative importance of given positions and agencies within the executive branch.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of a letter which I addressed to the chairman of the subcommittee, the distinguished Senator from Washington [Mr. MAGNUSON], in connection with this subject. The letter explains my views in greater detail.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 23, 1961.

The Honorable WARREN G. MAGNUSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR: It is my understanding that you will today consider the amendment which I cosponsored with my colleague, Senator JAVITS, to authorize the resumption of the publication of the Official Register of the United States.

I believe this is an extremely important proposal. It is my hope that your subcommittee will act favorably on the inclusion of this measure in the independent offices appropriations bill.

I was quite concerned that a decision was made some months ago to suspend the publication of this extremely useful publication. There is no other single, comprehensive source for obtaining information about the people who hold key positions in our Government and the relative importance of these positions as indicated by the salaries which they receive. The right of the public to know and have ready access to this information is certainly basic to our system of government.

I know that your subcommittee will give this legislation the full attention which I believe it deserves. If in any way I can be of further assistance, I shall be glad to do so.

With best personal regards, I am,

Very sincerely yours,

KENNETH B. KEATING.

Mr. MAGNUSON. Mr. President, last year the Committee on Appropriations eliminated funds for the publication of the Official Register, mainly on the basis of the testimony of the Civil Service Commission. At that time, when he

was asked whether the Commission considered the publication of the Official Register to be important, Chairman Jones expressed the view that it was not important. A similar question was raised in the Senate hearings on the budget for fiscal 1962. Chairman Macy stated that the elimination of the Official Register did not appear to constitute any particular loss of information, and that the Congressional Directory and the Organization Manual, which are still being published, provided a part of the information which formerly was contained in the Official Register.

It was said that because of the time required to obtain information from the agencies in order to prepare the Official Register for printing, the personnel information was inaccurate prior to its publication. In other words, by the time the publication was ready for distribution, the data relating to personnel had become outdated.

Furthermore, it is not quite accurate to say that it would cost $30,000 annually to print the document. Another $12,000 would be required for clerical assistance to do the research for the publication, so the total would be $42,000.

It is true that the Civil Service Commission said it would be glad to publish the Official Register if Congress desired it to do so. However, the enabling law has been repealed. I think we could let this item go. If there is a sufficient demand for it, I do not believe there will be too much objection to passing the authorization law again, for it will be necessary to pass another law.

Mr. SALTONSTALL. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. SALTONSTALL. The committee had really no alternative on this item, because last year the House eliminated the $30,000 and told the Civil Service Commission, in the law, that it was not to use any money for the publication of the Official Register. So the House asked the Senate to repeal the law. We struck out the item in last year's appropriation bill, so there is no law now in effect.

As the Senator from New York has said, it will be necessary to suspend the rule by a two-thirds vote before placing the law on the books again.

I favored the repeal of the law last year, because I did not think the Official Register was worth $30,000 a year. That is what it would cost if the law were reinstated and then Congress agreed to appropriate funds to print the Register.

I hope the amendment of the Senator from New York will not prevail.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Massachusetts will state it.

Mr. SALTONSTALL. Would not a two-thirds vote be required to suspend the rule to enable the Senate to agree to act on this amendment?

The PRESIDING OFFICER. It would require a two-thirds vote to suspend the rule if a point of order were made against the amendment. No point of order has been made as yet. So the vote would come upon agreeing to the amendment of the Senator from New York.

Mr. MAGNUSON. Mr. President, on behalf of the Committee on Appropriations, I make the point of order that the amendment of the Senator from New York is legislation on an appropriation bill.

The PRESIDING OFFICER. The point of order has been made; therefore, a motion to suspend the rule would be in order.

Mr. MAGNUSON. I may say to the Senator from New York that I believe the Official Register could have become a valuable document if enough advantage had been taken of it; but the preponderance of the testimony was that not many persons wished to use it. Hardly anyone asked for it. It was distributed to Senators and Representatives. Because of the lack of demand, it was thought perhaps that the Register had no value. However, I think it could be valuable if it were kept up to date; but if it is to be kept up to date, it will be necessary to pay a little more than $42,000 for its publication.

Mr. JAVITS. The Senator from Washington says there has been little demand for the Register. Its publication has been discontinued for 1 year. Now there is a demand. I call attention again to the letter from the American Society of Newspaper Editors, which indicates there is a demand. The letter represents the view of the Society of Newspaper Editors that the Official Register is a deserving publication. The Senator from Washington, I think, and I have heard from some leading newspapermen in New York, reiterating that demand.

Another point which I should like to make is that aside from the salaries, this document also lists the States from which the individual high officials of the Government come.

Finally, Mr. President, if publication is not resumed, all continuity in connection with this matter will be lost.

I think the Senator knows, from his vast experience on the Appropriations Committee, that the Government departments will be spending more than $242,000 merely to give to the press information on public officials. The departments spend a great deal of money in issuing to the press and to the public generally information on various public officials. So in any case considerable sums of money will be spent in connection with such matters; the only difference will be that if this publication is discontinued, the job will be a selective one and much less extensive.

So I really think this publication should not be discontinued.

Furthermore, if this publication is resumed, I see no reason why a charge should not be made for it. I have always thought—and it has been tried in many localities and States—that payment should be made for many of the services rendered by the Government. For example, the other day, in discussing the situation as regards the FPC, we learned that it could charge more in fees, in order to recoup its expenses in connection with the provision of some of its services.

I did not dream up this amendment. My colleague [Mr. KEATING] and I are sponsoring it at the request of members of the press in New York. That fact is borne out by the testimony submitted on behalf of the Society of Newspaper Editors.

I should like to point out that the Senator from New Jersey [Mr. WILLIAMS], who is necessarily absent at this time, wishes me to state that he is very much in favor of this item. In his letter, which appears on page 774 of the hearings, he stated:

> It is my understanding that Thomas Jefferson, in his inaugural address, described the need for a listing of Government personnel to help citizens, and journalists, as well as Government officials themselves. In 1802 the first complete roster was issued. Over the years, this roster has increased in size and importance as new agencies and offices were added. Last year, however, the Register was not printed. A long tradition of public service was suddenly ended.

Mr. President, I do not say it was wrong for the other body to vote to discontinue this publication, in order to see whether its lack would be felt. However, I point out that its lack has been felt.

So I hope this item will be taken to conference, so that there will be opportunity to consider the sentiment which has been manifested to us.

Mr. MAGNUSON. How much does the Senator's amendment call for?

The testimony of Mr. Macy, Chairman of the Civil Service Commission, was that it would be more than that.

However, I see no objection to discussing this subject again, in conference with the House conferees. So if there is no objection, we shall accept the amendment and take it to conference.

The House originated the abolition.

The PRESIDING OFFICER (Mr. METCALF in the chair). Does the Senator from Washington withdraw his point of order?

Mr. MAGNUSON. I do.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I submit the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

Mr. MAGNUSON. Mr. President, the amendment should be read in full, because it is very important.

The CHIEF CLERK. On page 12, in line 19, it is proposed to strike out the period, and insert a colon and the following:

> *Provided*, That no funds appropriated by this Act shall be paid for the liquidation of contract obligations entered into under such authority, which provide for the construction of airport terminal buildings containing racially segregated dining or other facilities, whether or not the portions of such buildings containing such segregated facilities have been constructed without Federal contributions.

Mr. JAVITS. Mr. President, I agree with the Senator from Washington that this is a very serious amendment; and I invite the close attention of Senators to its discussion, because I think it raises some very fundamental constitutional and policy questions.

The purpose of the amendment is to cut off funds which are utilized to support federally financed airport buildings, where advantage has been taken—and I do not use the word in an invidious sense—of the existence of the shell of the airport structure, to incorporate in it either restaurants, restrooms, or waiting rooms which are racially segregated.

I called this matter to the attention of the Senate last year, when the independent offices appropriation bill was being considered. At that time a motion to lay this amendment on the table was made, and the motion to lay it on the table was agreed to. I understand that it is very likely that such a motion will be made this time, although I hope very much it will not succeed.

But regardless of that, I should like to report to the Senate that a good deal has been accomplished merely by raising this very serious question, for regardless of whatever people may think about the desirability of the social order which one of our very distinguished Senators calls the social order of the South, the fact is that two principles are involved in this amendment. One is that when Federal funds—the funds of all the taxpayers of the United States, without regard to their race, creed, or color—are used, they should be used for the benefit of all taxpayers, without the indignity of making some of them use special facilities because of their race, creed, or color.

The second principle is that if anything is embodied in our statute law with relation both to airports and to bus transportation, it is here that there shall be no discrimination in their use.

As regards bus transportation, the courts have held very clearly that there shall be no discrimination in their use. The Interstate Commerce Commission is now, at long last, proceeding with fundamental rules and regulations to carry out that policy. Indeed, the provision of the act relating to Federal airports is, if anything, more clear than the provision in regard to buses. I am very happy to state that the Attorney General of the United States has already started one suit to desegregate the airport at New Orleans; and the other day we were advised, by information published in the Washington Post, that the Department of Justice intends also to move against the airport at Montgomery, Ala.

The amendment which I have proposed would affect the following airports, in the following amounts:

At Birmingham, Ala., where the aggregate Federal payment was $916,025, of which $682,877 is unpaid.

At Tallahassee, Fla., where the aggregate Federal payment was $977,800, of which $140,000 is unpaid.

At Montgomery, Ala.—the very airport to which I referred a moment ago as being the subject of a prospective suit by the Attorney General—where the aggregate amount is $464,923, of which $52,550 is unpaid.

Also the airports at Meridian, Miss., and Natchez, Tenn., as to which only small amounts remain unpaid—$150,000, in one case; and about $6,000, in the other.

It will be said that these amounts are not very great. But, Mr. President, they represent the very fundamental principle which is involved in this entire proposition.

I repeat that regardless of whatever one may think about whether the Federal Government should or should not pass civil rights laws—and the Senate passed one in 1957, and another in 1960—it seems to me that these arguments can hardly apply to a situation in which we are dealing with Federal funds and in which we are dealing with Federal law which specifically states that there shall be no discrimination or segregation in the use of the facilities.

This situation, which I called to the attention of the Senate a year ago, was very much worse when I called it to the attention of the Senate than it is now. A year ago the rules and regulations of the predecessor organization to the FAA specifically contemplated that its own regulations might be avoided by a municipality contracting for the construction of the airport building, but not for the construction of the segregated facilities, itself putting up the small amount of money which that shell cost and having those facilities segregated. The very rules of the agency contemplated that precisely that kind of thing could be done.

This was really an outrageous situation in terms of the Constitution and the people of our country. At least, I am pleased to report that some progress has been made, in that in the new regulations issued by the FAA there is a provision that no such thing will be tolerated.

Section 3.060701 of the regulations, entitled "Eligibility," of the new FAA policy memorandum is as follows:

> Where a request is received for FAA participation in the construction of a terminal building, it will be necessary as a part of the programing recommendations to include a statement in writing from the chief executive officer of the sponsor as to whether or not it is the intent of the sponsor that all of the areas and facilities in the airport buildings, including the building proposed for construction, will be available without regard to race, creed, or color, and are operated, and are intended to be operated on a nonsegregated basis. In addition, the program recommendation should include a statement from the region as to whether segregation is practiced in the airport buildings and whether it is recommended that the particular terminal building be included in the approved program.

That is a very much improved situation in terms of the rules and regulations of the FAA, but I point out that the segregated situation continues to exist in airports for which we are asked to appropriate funds.

That brings me to the argument which was made last year, and which I have little doubt will be made again, if we ever reach that stage in this debate—that these are contractual payments provided for by contracts made with the municipalities, and therefore it would be a breach of contract not to make the payments of appropriate money for that purpose.

Mr. President, I yield to no one—and I think I have shown it in many votes—in my respect for the integrity of the promise of the United States, even if it is sometimes strictly legally binding. There is also in the law the doctrine of ultra vires, and that doctrine applies equally to a sovereign as to anyone else. I respectfully submit, in answer to the argument, that if it is done pursuant to a contract, it is beyond the power of the U.S. Constitution, and under the law as it relates to the FAA itself to agree to make payment for airport shells which contain segregated facilities.

I submit that the Agency has recognized that fact in the new rules and regulations, but that rather late recognition does not say what it did before under its previous regulation.

I have said before, and I say again, that it is not easy to propose to the Senate an amendment of this character. I know it, and the Senator from Connecticut, who was present a moment ago, and who proposed such an amendment on another bill, knows it. There is a certain "freeze" which occurs in the Senate when a Member of this body offers this kind of amendment.

Whatever may be the differences of view between Members of the Senate, it is my deep conviction—and vote after vote upon this issue has shown it to be so—that the great majority of the country construes the Constitution to mean that the Constitution does not tolerate discrimination on the ground of race, creed, or color, and whenever we permit it, we are waiving or suspending the Constitution, because that is certainly not its intent or design, especially when one finds, in an administrative sense, that the executive agency concerned is either unable or unwilling to effectuate the intents and purposes of the Constitution.

In this case, as I understand, the Agency has no intention of not making these payments unless we attach a condition in this appropriation bill with respect to denial of payment.

I respectfully submit that, as we respect the Constitution and the laws of our country, and the spirit in which they are to be applied, this is the fair thing to do.

I close upon this note: Airports are used by many visitors from abroad. They are used by diplomats, as well as by citizens of the United States.

We are judged not by what we say, but by what we do. Any American's heart must weep when he goes to an international airport in a great American city and sees a sign over the door, however that sign may be disguised, which indicates that it is for white only or colored only. Often the signs read, "By Order of Local Police," in order to avoid the implication that it is an order of another agency. Or it may read, "For Intrastate Passengers Only," when in reality we are dealing with interstate facilities. But an American's heart must truly weep to see a sign over a door

in this country which says, in effect, "White Only," or "Colored Only."

When are we going to grow up and realize that two-thirds of the people on earth are yellow, black, or brown? Many eloquent words have been uttered on the floor of the Senate with respect to the deadly menace to the free world with reference to Communist China. China has 600 million people—600 million people who are yellow in color, and who identify themselves with other people of color in the world, whether they are in the United States or the Union of South Africa.

I know of few issues—indeed, I know of no issue—technically domestic in character which is more portentous in terms of what will happen to our world than the issue of what will happen in the United States on this question. I have received many communications from Indonesia and other countries. They do not ask the impossible. They do not ask the millennium. They do not ask for a tyranny to stop this practice by the use of troops, or other means of that kind. They ask only that we do the best we can, when the opportunity is here, to strike a blow for the equality of mankind in the way I am trying to do.

I hope very much that my colleagues will understand the issue very well. This may be one of the few opportunities we shall have to express ourselves in this Chamber, because I think the administration has very unwisely refrained from asking the Congress for civil rights legislation, which is urgently needed with respect to school desegregation and other matters, in this session. This may be one of the few times when Members of this body can express themselves on issues as fundamental as this for the security of our country and the cause of freedom in the world. I hope the amendment will be adopted.

Mr. CASE of New Jersey, Mr. MANSFIELD, and Mr. MAGNUSON addressed the Chair.

Mr. JAVITS. Mr. President, I have the floor. I yield to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New York has yielded to the Senator from New Jersey.

Mr. JAVITS. I will yield to other Senators in a moment.

Mr. CASE of New Jersey. I thank my colleague from New York. I associate myself with him in this amendment and the effort he has made on this occasion, and on innumerable occasions in the past—and I know he will continue the effort in the future—to bring about a greater measure of social justice and just plain decency in this country in matters of this kind.

Mr. JAVITS. I thank the Senator.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to my colleague.

Mr. KEATING. I join the Senator from New Jersey in expressing support for the amendment offered by my distinguished colleague. It is high time we adopted such an amendment. I commend him for it.

Mr. JAVITS. I thank the Senator.

Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, the issue raised by the Senator from New York was presented to the Senate last year during the consideration of the independent offices appropriations bill for fiscal 1961. At that time the distinguished chairman of the subcommittee [Mr. MAGNUSON], moved to table the amendment of the Senator from New York, and the Senate supported the tabling motion by a majority of 2 to 1.

It appears to me that there are even more compelling reasons for tabling the amendment this year.

First of all, the Federal Aviation Agency is not now entering into grant agreements for the construction of airport terminals. Its funds are entirely committed to priority items such as safety devices, landing control systems, and so forth. Therefore, the only effect of the amendment would be on grant agreements made in previous years, where final Federal payments have not been made.

Parenthetically, I may say that should the FAA in the future have sufficient funds for participating in terminal construction grants, it will not participate in any such grant where public facilities are segregated. The Agency's former policy was to participate only in the part of the terminal that did not contain racially segregated facilities. On October 28, 1960, the FAA adopted a new policy, whereby it will not participate to any degree in airport terminal construction where public facilities are to be segregated.

Secondly, the amendment is clearly of a legislative character. It effects a change in existing contractual relationships between the United States and a very small number of airport sponsors. If such a change should be made, clearly it should be made as an amendment to the Airport Act. And I pledge my support to an amendment to that act which will write into law the present FAA policy—that is, to deny Federal participation in any future terminal construction where public facilities are to be racially segregated.

Mr. JAVITS. Mr. President, will the Senator yield at that point?

Mr. MANSFIELD. I yield.

Mr. JAVITS. I point out that the act is very clear on this subject. The present act forbids such practice. No further law is necessary. The question is, shall we pay these contract commitments when there actually are segregated facilities in these airports?

I ask the Senator also, while I am on my feet, if he has any objection to a yea-and-nay vote on the motion to table?

Mr. MANSFIELD. Not at all.

Mr. JAVITS. I thank my colleague.

Mr. MANSFIELD. Mr. President, third, were this amendment to be adopted by the Senate it would assuredly be held to be legislation on an appropriation bill under the precedents of the House. So it would be, from the Senate's point of view, an exercise of futility.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Oklahoma.

Mr. MONRONEY. I appreciate the position taken by the distinguished majority leader. The amendments to the Federal Aviation Act which we hope to pass, to authorize Federal construction, would deny any Federal aid to any airport building except the parts housing safety facilities. What we are discussing in connection with the amendment offered by the distinguished Senator from New York will not bother us again. That has been a trouble source, because we know that in certain areas of our country the Federal Government is paying 50 percent of the airport terminal construction cost remaining after deducting the cost of segregated portions of the building.

The new bill would not provide one thin dime for any construction of space used by the public.

What we now have under consideration is a residual amount, which is due under grant agreements executed before the distinguished Senator from New York made his fight last year. As a result of that fight, which called attention to the fact that perhaps Congress wished more severe restrictions than were then in force against segregated facilities, the rules were tightened as the Senator from Montana has said, in October of 1960.

However, in earlier years grants were made for some buildings which have not yet been completely paid for. Most of the grants for terminals have been largely paid out of local contributions and Federal matching funds appropriated in prior years. However, in each of the projects covered in this bill the contracts which were entered into by the Federal Government, to pay the Government's share, denied any contribution to any facility which was to be segregated.

This did not refer to the shell of the building, but referred to any portion of the building. The square footage consumed by segregated dining facilities, lavatories, waiting rooms, or anything of that kind, even under those contracts, was required to be built fully at the expense of the local sponsoring body.

One might say that in respect to these segregated airport terminals, if the Federal share of the building was to be $500,000 and the facilities—such as segregated dining facilities or segregated waiting rooms or segregated sanitary facilities—require $100,000, the $100,000 is completely taken out of the Federal share and the Federal share becomes $400,000 and the municipality's share $600,000.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MONRONEY. The Government is not permitting money to be used willy nilly, under the 50–50 matching formula, because the problem has been recognized. I have the contract language available, in the contracts entered into by these airports, if the Senator would like to see it.

Mr. JAVITS. Mr. President, will the Senator yield for a question of fact?

Mr. MONRONEY. Yes. The Senator has seen these, has he not?

Mr. JAVITS. Yes, of course. I should like to confirm the Senator's statement

of fact, because it is correct. I should like to point out another fact.

It is a fact, is it not, that the segregated facilities are in precisely the same structure as are the other facilities, for which the Federal Government has paid its full participating share?

Mr. MONRONEY. The Senator is correct.

Mr. JAVITS. It is not a different structure, but it is the same structure.

Mr. MONRONEY. The Senator is correct.

Mr. JAVITS. The second point is this: I am not a moralist. I am not trying to moralize for anyone else. It seems to me, considering the moral implications of what we do when we pay the Federal share for these facilities, it is a duty for people who feel as I do—and I think there are a good many of them in this Chamber—to say, "No; we cannot do it." That is really fundamental to the argument.

The Senator's statement of fact is absolutely correct. I think I stated most of the facts myself. I do not controvert those facts. It seems to me there is a moral decision as to whether we shall pay Federal money at an airport at which we are looking down the muzzle of the gun, at which we know there are segregated facilities in the same structure with other facilities for which the Government has paid. This, it seems to me, is offensive to my oath as a U.S. Senator, and I want to have the opportunity to say "No."

Mr. MONRONEY. I appreciate what the Senator has said. It is also offensive to me to have the mighty U.S. Government enter into valid contracts, saying, "You are going to have segregated facilities, so we will not contribute a thin dime for anything that is segregated," and then turn around, 2 years later, and say, "We will renege on a contract which the U.S. Government signed."

I do not approve that kind of law. When the Senator talks about the future, the Senator from New York knows very well that these fights have led to a complete abolition of Federal aid to terminal buildings. Now the local communities construct their buildings.

Under the Senator's proposal we would deny Federal funds to communities such as Tallahassee, Fla. Those funds, for instance, are to be used for the construction of a control tower. There is no segregation in the control tower, yet it is essential to safety of aviation. There are also funds for the weather services. It is absolutely essential that the airport have weather instrumentation and telegraphic equipment. The Senator's proposal would deny that at Tallahassee, because it is to be a part of the terminal building.

We have deducted the cost of all of those segregated facilities. We have made agreements that we will not pay a thin dime for any facility which is segregated. We made the contracts. I think we ought to stand by the pledged word of the United States.

For the future this problem has been corrected. The Senator won a victory. I do not think we can roll back, with an ex post facto law, by any amendment presented on the floor of the Senate, the obligations of the U.S. Government under an existing contract.

Mr. JAVITS. Mr. President, will the Senator yield for one further point?

Mr. MONRONEY. I yield.

Mr. JAVITS. Is it not a fact that according to the conception of law as we understand it, which we have now recognized, the community which imposed the segregation within those facilities was doing a wrong thing and was violating the law and the Constitution?

Mr. MONRONEY. The airports in my State have been unsegregated for years, perhaps more so than those in some of the other States. However, I feel that when the rules are laid down—that we would deduct the money for the square footage occupied in the terminal for all segregated facilities—that is what we should do. That was the old rule. We signed the contracts. We ought to abide by the contracts.

Perhaps the Senator does not wish to do so. I feel we have an obligation, for the whole body of Anglo-Saxon law rests on the sanctity of a contract.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. COTTON. As the ranking minority member of the subcommittee of the Committee on Commerce of which the able Senator from Oklahoma is the chairman, I wish to take 1 minute to support his position. Everyone respects the sincerity and fervor of the Senator from New York [Mr. JAVITS] on this question. But this is not the time or place for such an amendment. Our committee wrote the original bill in which these projects were authorized. The committee will report a bill this year which will provide that there can be no aid for terminal facilities. The subcommittee is unanimous in its position that the question of segregation will not arise again in the matter of airport aid. We have provided that it shall not.

To adopt this amendment to the appropriate bill merely seeks to break the pledged word of the United States and is not fulfilling a moral obligation to anybody. I hope the motion of the Senator from Montana will prevail.

Mr. MANSFIELD. Mr. President, this is an important bill. It contains emergency funds requested by the President for the space program. The adoption of the Javits amendment would write a new clause into a small number of contracts still outstanding, and involving a limited amount of funds; and it would jeopardize and delay the adoption of a vital supply measure. While I agree with the principle of the Senator from New York's amendment, and will support this principle if it comes before the Senate as an amendment to the Airport Act, I am convinced it should not be adopted as an amendment to this bill.

Therefore, Mr. President, I move to lay on the table the amendment of the Senator from New York.

Mr. JAVITS. Mr. President, will the Senator withhold his motion so that he may yield for a comment on one point?

Mr. MANSFIELD. I yield briefly.

Mr. JAVITS. Very briefly, I wish to make one point. It is assumed by the Senator from Oklahoma [Mr. MONRONEY] and the Senator from New Hampshire [Mr. COTTON] that if the amendment is agreed to, the airports will not be segregated in order to receive their funds. After all, that is all the airports must do to receive their money.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MONRONEY. The allotment of Federal funds would not encourage segregation. As I tried to make clear, the funds would be deductible for all facilities that were covered.

The PRESIDING OFFICER. Does the Senator from Montana renew his motion?

Mr. MANSFIELD. I renew my motion.

Mr. JAVITS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana to lay on the table the amendment of the Senator from New York [Mr. JAVITS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Arizona [Mr. HAYDEN], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Oklahoma [Mr. KERR] would each vote "yea."

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Minnesota would vote "nay."

On this vote, the Senator from North Dakota [Mr. BURDICK] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from North Dakota would vote "nay," and the Senator from New Mexico would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Kentucky [Mr. COOPER] are absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is detained on official business.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Indiana would vote "nay."

The result was announced—yeas 54, nays 33, as follows:

[No. 118]

YEAS—54

Anderson	Fulbright	Monroney
Bartlett	Gruening	Morton
Bennett	Hartke	Moss
Bible	Hickenlooper	Pastore
Boggs	Hickey	Pell
Bridges	Hill	Prouty
Byrd, Va.	Holland	Robertson
Byrd, W. Va.	Jackson	Russell
Cannon	Johnston	Saltonstall
Carlson	Jordan	Schoeppel
Church	Long, Hawaii	Smathers
Cotton	Long, La.	Sparkman
Curtis	Magnuson	Stennis
Dirksen	Mansfield	Talmadge
Dworshak	McClellan	Thurmond
Eastland	McGee	Tower
Ellender	Metcalf	Williams, Del.
Ervin	Miller	Young, N. Dak.

NAYS—33

Aiken	Goldwater	Muskie
Beall	Hart	Neuberger
Bush	Humphrey	Proxmire
Carroll	Javits	Randolph
Case, N.J.	Keating	Scott
Case, S. Dak.	Kuchel	Smith, Mass.
Clark	Lausche	Smith, Maine
Dodd	Long, Mo.	Symington
Douglas	McNamara	Wiley
Engle	Morse	Williams, N.J.
Fong	Mundt	Young, Ohio

NOT VOTING—13

Allott	Cooper	Kerr
Burdick	Gore	McCarthy
Butler	Hayden	Yarborough
Capehart	Hruska	
Chavez	Kefauver	

So Mr. MANSFIELD'S motion to table Mr. JAVIT'S amendment was agreed to.

Mr. MAGNUSON. Mr. President, I was about to inquire, for the benefit of the Senate and the majority leader and the minority leader, how many amendments are to be offered. I understand that the Senator from Alabama has an amendment, and the Senator from Wisconsin has an amendment also.

Mr. PROXMIRE. I have two amendments. I will agree to a limitation of 10 minutes on each amendment, with 5 minutes to a side.

Mr. SPARKMAN. With respect to my amendment, I am not in a position to enter into an agreement, because the Senator from Michigan is interested in one phase of it, as is the Senator from New Jersey. I do not believe it will take much time, but I am not in a position to agree to a time limitation.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time on the remaining two amendments of the Senator from Wisconsin be limited to 10 minutes on each amendment, with 5 minutes to a side, to be controlled by the Senator from Wisconsin and by the chairman of the subcommittee, the Senator from Washington [Mr. MAGNUSON].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SPARKMAN. I shall cooperate in making my statement quite brief. I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 31, after line 15 it is proposed to insert the following language:

URBAN STUDIES AND HOUSING RESEARCH

For urban studies and housing research as authorized by the Housing Acts of 1948 and 1956, as amended, including administrative expenses in connection therewith, $450,000.

Mr. SPARKMAN. Mr. President, my amendment would have the effect of restoring the House language on the subject of urban studies and housing research. My purpose in offering this amendment is to restore funds amounting to $450,000 included in the House-passed version of this bill. The Housing Agency had originally requested $900,000 for urban studies and housing research, and the House approved $450,000.

In my opinion, the need for such a housing studies is vital. The Federal Government's financial involvement in all housing and related programs, such as urban renewal and general neighborhood development, is estimated at $60 billion. Each year, the Congress, as well as the executive branch of the Federal Government, is called upon to make decisions which directly affect the soundness of this investment. Necessarily these decisions not only affect the stability of the Federal Government's investment, but also have a direct effect upon this Nation's economic stability.

The fact is, however, many of these decisions must be made on the basis of surmise or "calculated guess," without the benefit of facts, statistics, or information to support the conclusion reached. How often, during the past 10 years have I heard the Administrator of the Housing and Home Finance Agency or, for that matter, the heads of constituent agencies answer to questions propounded by the members of the Housing Subcommittee—"We do not have any figures, we have no idea," or "The best available information is from figures compiled 10 years ago." Only this year when the question was raised about the number of families who would become eligible under the terms of the proposed bill which permitted no down-payment and 40-year mortgages, it was practically impossible to obtain an estimate on the number of such families.

Housing is a national problem, but very little is done toward developing a comprehensive study of this subject. This is not true in other programs in which the Federal Government is involved. For example, Federal funds are authorized or appropriated almost on a yearly basis for agricultural studies, for research in public health and public roads, for defense and foreign aid purposes, and for other purposes. Yet, there is no continuing research program that covers the one domestic issue which touches practically every American citizen, that is, a decent home and a suitable living environment.

At present, there is a vast amount of information "floating around" which, in some part, pertains to housing. Various private enterprise groups, as well as individuals, have developed volumes of information, some of which would be very valuable if it could be analyzed and separated into housing statistics. It is my understanding that the funds requested by the Housing Agency would be used in part to accomplish this purpose.

One of the studies for which the Agency requested funds related to housing conditions for the elderly. I understand that the basis for this study would require a special tabulation of 1960 census data at a cost of $125,000.

The work would be done by the Census Bureau, but only in the event that some agency—in this case the Housing and Home Finance Agency—reimburses the Census Bureau for the expenditure.

According to the report on the appropriation bill—I refer to the middle of page 20—the committee feels that the studies for the elderly should continue, but it proposed waiting—and I should like the chairman to understand this point—until investigations are completed by the Committee on Labor and Public Welfare. I checked with the chairman of that committee and found that no such investigation is planned. I also checked with the Special Committee on the Aging and found that no investigation was contemplated by that committee.

I believe that this was an oversight and sincerely hope that the Housing Agency will be given the funds to obtain these data which are so urgently needed to help solve the housing problems of our elderly citizens.

As for the other items, I believe that it is extremely shortsighted to deny the Agency funds to make studies on the subject of housing need and quality. Year after year we are asked to legislate in an area about which there is so little known. Just a few weeks ago we passed a $4.9 billion housing bill which has, as its main purpose, the elimination of substandard housing. But would you believe it—we do not really know how many substandard units there are in this Nation. Some witnesses before our committee said there were 1½ million; others said 16 million. To do an intelligent job, we must know more about our problem and we need information on the progress we are making in solving the problem.

This money requested by the Housing Agency is in accordance with an authority for such studies by the Congress in the Housing Act of 1956. This authority amounts to $2.5 million but it has not been used because of what I think is a complete misunderstanding of what it would be used for. Part of the responsibility for this has been the failure of the Housing Agency officials to state clearly their case and to limit their request to the urgent matters that so obviously need study.

I believe the intent of the 1956 act was well spelled out in the Banking and Currency Committee report of that year.

One of the most urgent needs is information which will indicate present and prospective trends in the supply and demand for housing. The characteristics of the housing market must be better known—the volume of sales, the terms of financing, the trends in prices, and the physical types and sizes of recently completed units. It is also necessary to have much more accurate information regarding the availability of housing credit under various conditions in the housing market and the effect of housing credits on the volume of construction. A Government housing program cannot proceed in an enlightened and orderly fashion unless the housing agencies are informed about the housing needs of the people at all income

levels and in all parts of the country. Information about such needs, together with related statistics on the market supply and demand, are indispensable to the most effective administration of HHFA.

A small expenditure of $450,000, the better to understand the problems involved in administering a $60 billion program, is one of the best investments that I can conceive.

Mr. CLARK. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. CLARK. As a member of the Committee on Labor and Public Welfare, I assure Senators that the Senator from Alabama is entirely correct. We have neither the funds nor the know-how or jurisdiction to engage in these studies ourselves. We cannot do it.

Mr. MAGNUSON. To what studies is the Senator referring?

Mr. CLARK. Studies of housing for the elderly.

Mr. SPARKMAN. To which the committee referred on page 20 of the report.

Mr. MAGNUSON. We are checking the census data.

Mr. SPARKMAN. The census data have been gathered by the Bureau of the Census on 170 million cards; but in order to have them compiled so that they may be used, someone must do the work. The Bureau of the Census has estimated that the cost will be $125,000.

Mr. MAGNUSON. We are talking about going to the Bureau of the Census, which is only beginning to get some statistics relating to this particular field.

Mr. SPARKMAN. Someone will have to pay for it.

Mr. MAGNUSON. That is correct. The Housing and Home Finance Agency said it needed information to administer the program of housing for the elderly and to develop new programs. Research for housing for the elderly can be done under another section of the bill.

Mr. SPARKMAN. No; there are no funds for that purpose. No funds are available in the Housing and Home Finance Agency to carry on the research that is sought here. We cannot even do what the Committee on Appropriations says it wants done in this case, unless funds are authorized.

Mr. CLARK. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. CLARK. Of the 11 studies which are proposed, there is no possibility of the Committee on Labor and Public Welfare engaging in any of them. So far as studies with respect to housing for the elderly are concerned, I am chairman of the subcommittee of the special committee of which the distinguished Senator from Michigan [Mr. McNAMARA] is chairman. We have neither the money nor the ability to conduct those studies, either. They all ought to be conducted by the agency.

I commend the Senator from Alabama for the position he has taken.

Mr. President, I ask unanimous consent that a statement I have prepared in connection with the Senator's amendment be printed at the conclusion of his remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

See exhibit 1.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. McNAMARA. I commend the distinguished chairman of the Subcommittee on Housing for the Elderly for bringing up this subject. I hope that in the light of the testimony we have presented, the chairman of the Appropriations Subcommittee will take the amendment as offered by the Senator from Alabama.

Mr. MAGNUSON. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. MAGNUSON. The amount which the committee was considering involves 11 programs. They are as follows:

First, family displacement by governmental action.

Second, a special analysis of Census data on housing conditions of the elderly.

Third, statistics on sales price and volume of new homes.

Fourth, credit factors in mortgage foreclosures.

Fifth, techniques of local evaluation of nonresidential space.

Sixth, intermunicipal approaches to planning and renewal.

Seventh, the creation of an effective housing rehabilitation industry.

Eighth, standards of housing and neighborhood quality.

Ninth, the problems of adaptation of in-migrants to urban life.

Tenth, the optimum size of water and sewer facilities.

Eleventh, open space and land reservation requirements.

The committee examined into 11 different projects. It said it could understand some of them, and that it appeared that they should be provided for.

It is understood the need for a special analysis of census data on housing conditions with respect to the elderly, because Mr. Weaver testified that we could get a million dollars worth of information immediately.

I do not know what we would do with periodic statistics of sales prices and sales volume of new homes. That information can be obtained by calling the mortgage bankers.

I do not know about open space and land reservation requirements, or the development of techniques of local evaluation of nonresidential space land, restoration for development for the coming decade. We are told that the results of the study will be helpful to the agency in establishing large open space programs, for which the agency now has legislation. They want us to get the work done, so that they can justify their own legislation.

There is proposed a study of the optimum size of water and sewer facilities for various sized areas. It is said that this study will provide an organized body of information on the economy, scale, engineering design, capital outlays, and so forth, of area water systems, and that the results of the study will help the Community Facilities Administration to enable public facility experts to plan and construct efficient water and sewer systems. I presume the Bureau of Municipalities has that information. I know that theirs is a big agency.

I do not mean to deride these proposals, but there are so many of them that we did not know where to go or what to do.

Another program is that of adaptation of migrants to urban life. That is a sociological study—that is, the agency says it is.

Another program is to provide standards of housing and neighborhood quality. This program is designed to measure the changes in housing and neighborhoods, brought about by the deterioration or deficiency of housing and numerous environmental factors. I do not know whether that means termites, or what.

The point I make is that probably many of these studies should be undertaken, but the committee was uncertain as to how to proceed. No priority is stated, so again we thought we would find out what the House meant, when it provided for $450,000 and determine which ones it thought should be provided for.

I should like to have the Senate know, however, that there was no question about housing for the elderly.

Mr. SPARKMAN. But no money was provided for it. The point is that the 11 projects which are listed call for a total of $900,000. The House apparently looked at them and decided that $450,000 would be a satisfactory figure. However, the Senate committee struck out the entire amount. Yet in its report it acknowledged that the work in the field of housing for the elderly ought to continue, but provided not one dollar to carry on the work.

Mr. MAGNUSON. We are getting information from the Census Bureau.

Mr. SPARKMAN. Yes, we are getting information from the Census Bureau. In the 1960 census, the Bureau compiled comparative data regarding housing throughout the country.

Mr. MAGNUSON. We have considered this subject for many years. I have no objection, and I feel certain other Senators have no objection to providing $125,000 for the housing for the elderly fund.

Another program is a study for the creation of an effective housing rehabilitation industry. This study is to determine how we can best encourage the providing for a complete one-stop rehabilitation service.

I do not know if any Senator can explain that. I do not know what is meant by a one-stop rehabilitation service.

Mr. SPARKMAN. It is a simple matter to take up individual terms and make them sound ridiculous.

Mr. MAGNUSON. I am taking up the entire list.

Mr. SPARKMAN. I remember, for example, the time when the question was raised with respect to an item in an agricultural appropriation bill to study the sex life of the boll weevil. That sounded terrible. But down in the cotton-raising country it was important

to know something about the life of the boll weevil, what its cycle might be, when its offspring might be expected, and so on and so forth. It was an important study, and Congress appropriated funds for it.

I am certain we could go through the various appropriations bills that provide for research and study, and find other items which sound just as ridiculous. I wish these terms had been stated in language that might seem more understandable. Nevertheless, it is the experts' way of stating them.

I do not think the committee should have ruled out the entire appropriation, merely because some of the items sounded funny.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator from Alabama yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Alabama yield to the Senator from New Jersey?

Mr. SPARKMAN. I yield.

Mr. WILLIAMS of New Jersey. This year, in the agricultural appropriation bill, we appropriated $77 million for research, and included was a $150,000 item to accelerate research on air-sac diseases of broilers and turkeys. I am not an authority on that matter; but if it is a problem, I will support research into it.

Mr. SPARKMAN. Yes, it is a very important problem. Its effect on the production of broilers——

Mr. MAGNUSON. Mr. President, what item is being considered?

Mr. WILLIAMS of New Jersey. Mr. President, I was also glad to support the $10,000 item for expansion of the research on dodder. I must confess that I do not know exactly what dodder is.

But we have shortchanged the Housing and Home Finance Agency, the one department of the Government which is most concerned with urban affairs. We always moan when we read the crime statistics for urban communities, the juvenile delinquency statistics, and the catalog of hardships that arise from the slums.

From 1948 to the present only a mere $5 million was authorized to the Housing Agency for research, for basic studies in an effort to work our way out of the jungles which have developed in the metropolitan areas.

So, Mr. President, I wish to say a few words about the unfortunate deletion by the Appropriations Committee of research funds for the Housing and Home Finance Agency.

Mr. President, I cannot help saying that this elimination of new research funds for the fourth largest agency of the Federal Government, in terms of gross expenditures, would be outrageous if it were not so pathetic.

We all know full well that the massive problems affecting our urban and metropolitan areas constitute one of the most, if not the most, important national domestic problems. We are all aware of the terrible problems of slums, appalling traffic congestion, minority group ghettoes, water pollution, air pollution, rising welfare costs, suburban sprawl, loss of open space, commercial decay, city crime, and juvenile delinquency.

These are a formidable array of problems. They carry profound social and economic implications of importance to the entire Nation. Yet now we are proposing to forbid the expenditure of a single cent for research on these problems.

The Housing Agency, which is the closest thing we have to the Department of Urban Affairs, and is the agency most directly concerned with these urban problems, has consistently been shortchanged, throughout its history, on funds for research.

From 1948 to 1954 only a mere $5 million was authorized to the Housing Agency for research. At that time a Research Division was established in the Agency, to carry on these studies.

However, in 1954 this Research Division was liquidated—a tribute to our monumental disregard to the problems facing the two-thirds of our population now living in our urban and metropolitan areas. Between 1954 and the present time, only $75,000 was appropriated to conduct farm housing research. Today, we proposed to perpetuate our neglect of the fundamental task of understanding the problems we are trying to overcome with our various Federal-aid programs.

This refusal to appropriate research funds is sufficient indictment in itself. But I say frankly, Mr. President, that, when I look at the amount of funds appropriated for research for other agencies in this very bill, I find this omission little short of incredible.

I notice, for example, that the bill provides $2.5 million to the Office of Civil Defense Mobilization, for the development of measures and plans for civil defense, including evacuation and protection of life and property.

The bill provides $60 million to the Federal Aviation Agency, for research, development, and service testing.

The bill provides $32 million to the Veterans' Administration, for medical research. One million dollars of that sum is earmarked for prosthetic testing and development—that is, research for development of artificial parts for the body. This is more than double the amount of money provided by the House of Representatives for research in the whole area of housing and urban affairs.

I do not criticize these research appropriations. I merely call attention to the enormous disparity involved.

In pursuing this subject, I went to the trouble of examining the agriculture appropriation bill which was passed by both Houses last month. The comparisons here are even more astounding, when one considers the generosity of Congress in providing funds for research in agriculture, as opposed to research into housing and urban problems.

For example, the conferees agreed to appropriate $77 million for the Agricultural Research Service, for research and demonstrations on the production and utilization of agricultural products, home economics, and related research and services.

I notice that of this sum, $150,000 is to accelerate the research on air-sac diseases of broilers and turkeys. This is one-third of the amount of money approved by the House of Representatives for research in the urban areas. One of the 11 studies that the HHFA had wanted to make was on the problem of family displacement by governmental action.

Surely the problem of the air-sac diseases of broilers and turkeys, important as it may be, pales into insignificance in contrast to the tremendous problems faced by thousands of families who each year are uprooted and displaced by urban renewal, highways, and other governmental actions.

The agriculture appropriation bill, as part of the $77 million research appropriation I just mentioned, provides $10,000 to expand research on dodder.

It provides $25,000 to accelerate research on the cucumber bettle.

It provides $15,000 to accelerate research on sugarbeets.

It provides $25,000 to study the feasibility of special engineering research on mechanical aids in the harvesting of citrus crops.

It provides $20,000 to strengthen research on crown rot and bacterial diseases affecting peach production in North Carolina and South Carolina.

It provides $20,000 to expand research on windbreak shrubs at Cheyenne, Wyo.

It provides $60,000 to accelerate research on rust strains affecting wheat, oats, and barley.

It provides $5,000 for the housing of research machinery and equipment at Madison, S. Dak.

It provides $5,000 for drainage research at East Franklin, Vt.

It provides $37,500 to restore funds for soil and water research at Morris, Minn.

It provides $65,500 to provide full operating funds for soil and conservation laboratories at Tempe, Ariz.; Oxford, Miss; Boise, Idaho; and Watkinsville, Ga.

Going on through the agriculture appropriation bill, I see that the conferees agreed to $9 million for the economic research services of the Agriculture Department to conduct economic research and services relating to agricultural products, marketing and distribution, including analysis relating to farm prices, income and population, and demand for farm products. The bill even provided $8,748,000 to conduct statistical reporting and service work, including crop and livestock estimates, statistical coordination and improving and marketing surveys. The bill also provides $4,740,000 to the Agricultural Marketing Service, for research and development relating to agricultural marketing and distribution, included belated costs and efficiency evaluations. I notice that in the conference report it was indicated that of the $4.7 million, $130,000 was to develop plans and specifications for research facilities for peanuts and to accelerate marketing research on peanuts.

It provides $10,000 for research on the maintenance of quality in citrus.

It provides $10,000 to study methods for gaging the maturity of apples; and it provides $75,000 for a marketing research project in Boston, Mass.

Surely it cannot be asking too much of the members of this body who are vitally interested in the research funds I have just now mentioned to request that they support the administration's request for $900,000 for housing and urban research.

And what are some of the problems that would be studied if the money were made available? I have mentioned the problem of families displaced by governmental action.

The agency would also like to study intermunicipal approaches to planning and renewal, one of the most critical problems facing the metropolitan areas today—in short, how to obtain effective cooperation in programs that extend beyond a single jurisdiction.

These funds would also be used to evaluate census data on housing conditions of the elderly.

They would study the creation of an effective housing rehabilitation industry.

One of our greatest needs is for the development of effective mechanisms for restoring and revitalizing our metropolitan areas, rather than having to rely exclusively on the expensive techniques of the bulldozer.

Another critical problem proposed for study is the problem of the adaptation of immigrants to urban life.

Having worked extensively in this field, I can also say that we are badly in need of information on our urban open space and land reserve requirements—another study that the housing agency would undertake with these funds.

These are just some of the 11 studies that have been proposed. I could cite scores of others of equal or even more pressing importance.

Mr. President, it is about time we started paying as much attention to human beings as we pay to the problems of our broilers and turkeys, our sugarbeets, cucumber beetles, and peanuts.

I urge the Senate with strongest conviction to support the meager request of $900,000 for housing and urban research by the administration.

Mr. SALTONSTALL. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. SALTONSTALL. The House provided $450,000 for the 11 items. In the committee we said we would vote to eliminate these items, but would discuss them in conference, for we could not determine their relative value. So we did do that.

Mr. MAGNUSON. It was practically impossible for us to evaluate these items; and Mr. Weaver, in his testimony, said he did not know which should be proceeded with first, although he knew that the census figures were available for the item for which the $150,000 appropriation was proposed. But he did not know which one should be proceeded with first.

So we were somewhat in a quandary. Perhaps all of them can be justified.

Mr. SPARKMAN. If the chairman and if the Senator from Massachusetts are suggesting that the striking out of the $450,000 item does not prejudice the case, and that they will sit down with the House conferees and will see how the $450,000 will be distributed, which items will be covered, and what the priorities will be, I would have no objection to that understanding.

Mr. MAGNUSON. That is what I tried to say in the beginning.

Mr. SPARKMAN. But at the present time no such item is included in the Senate version of the bill.

Mr. MAGNUSON. As a matter of fact, Mr. Weaver, because he is new, was going to take a look at these items; and then we were going to suggest to the House which ones seem to have priority and which ones seem to be the ones to go ahead with first, particularly in the case of the items relating to housing conditions and data on housing for the elderly. I am sure the Senator has a general understanding that that is true. But I say frankly that we were somewhat confused by all these items.

Mr. SPARKMAN. Well, if we can have that understanding—although I am not committing the Senator from Michigan [Mr. McNAMARA], who is in dead earnest regarding the necessity for studies in connection with housing for the elderly——

Mr. MAGNUSON. There was some suggestion that the Senator from Michigan was conducting a study, and would have some suggestions to make in regard to that matter. But in talking to him later, we found that the part of the study he is conducting involves culling out this information from the Bureau of the Census.

Mr. SPARKMAN. And he is waiting for research funds to be provided to this agency, in order to make it possible for those studies to be compiled.

I am perfectly willing not to insist further on the amendment, with the assurance from the chairman of the subcommittee and from the Senator from Massachusetts, as I understand——

Mr. MAGNUSON. I think the Senator from Massachusetts will agree that it was the general understanding in the committee that we would ask the House about this, and that in the meantime Mr. Weaver would have some idea about which ones need priority and which are important.

Mr. SALTONSTALL. Mr. President, if the Senator will yield, let me say that we simply did not know where the money would be spent.

Mr. SPARKMAN. If the committee will take it back without any prejudice, and will try to have the study made, in order to distribute the $450,000, I am perfectly willing to withdraw the amendment.

Mr. SALTONSTALL. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. SALTONSTALL. If the Senator will come forward as an expert in regard to how he would spend the $450,000 on the 11 projects, that would be extremely helpful.

Mr. SPARKMAN. I cannot do it offhand, but I think I can make some suggestions.

Mr. MAGNUSON. Very well.

Mr. SPARKMAN. Then, Mr. President, I withdraw the amendment.

EXHIBIT 1

STATEMENT BY SENATOR CLARK IN SUPPORT OF SENATOR SPARKMAN'S MOTION TO RESTORE FUNDS

I thoroughly agree with the distinguished Senator from Alabama and I join with him in urging that the Senate restore these funds.

The reason given for cutting these funds, which appears on page 20 of Senate Report No. 690, makes it obvious that the committee's action was based on either a misunderstanding or misinformation. The reason given was that, and I quote:

"Such studies by this Agency should await the completion of the investigation now being conducted by the Committee on Labor and Public Welfare of the Senate, after which the committee would be in a position to consider the funds needed for that purpose."

As a member of the Committee on Labor and Public Welfare, I can assure the Senate that that committee is not undertaking any such studies as the report refers to. I presume that the committee meant to refer to the Special Committee on Aging, rather than to the Committee on Labor and Public Welfare. If so, and speaking as chairman of the Subcommittee on Housing for the Elderly of the Special Committee on Aging, I can also assure the Senate that our committee is also not engaged in carrying on the studies which the Housing and Home Finance Agency would be undertaking if the requested funds were made available.

As a matter of fact, of the 11 studies which HHFA would undertake if the funds were restored, only 1 is of direct concern to the Special Committee on Aging. None would seem to be of direct concern to the Committee on Labor and Public Welfare. All are of concern to the Subcommittee on Housing of the Committee on Banking and Currency and as a member of that subcommittee, I thoroughly agree with its chairman, Senator SPARKMAN, that they should be made.

I should like to say a few words about that one proposed study which is definitely of interest to my Subcommittee on Housing for the Elderly. That study, which will cost $125,000, calls for a "Special Analysis of Census Data on Housing Conditions of the Elderly." It would be made, on contract, by the Bureau of the Census for the Agency—and, of course, would be available to the Congress.

Invaluable data on present housing conditions of the aged has been collected by the Bureau of the Census. That data, analysis of which will undoubtedly prove of great value to industry, to the Agency, to Senator Sparkman's subcommittee and to my subcommittee, will be wasted unless funds for the analysis are provided. Obviously this analysis is not a task for my subcommittee which has neither the funds nor the specialized personnel for such an undertaking. Nor is it a task for the Committee on Labor and Public Welfare. The only logical group to undertake the analysis is the Bureau of the Census which will undertake it if the Housing and Home Finance Agency is given the funds with which to reimburse the Bureau.

Certainly the funds for all these studies, each of which is calculated to make our housing operations more efficient and more economical, should be restored. I hope the Senate will support Senator SPARKMAN in this matter.

(NOTE.—The 11 proposed studies, only the second of which is of direct concern to the Special Committee on Aging, are studies of—

(Family displacement by governmental action.

(Special analysis of census data on housing conditions of the elderly.

(Statistics on sales price and volume of new homes.

(Credit factors in mortgage foreclosures.

(Techniques of local evaluation of nonresidential space.

(Intermunicipal approaches to planning and renewal.

(The creation of an effective housing rehabilitation industry.

(Standards of housing and neighborhood quality.

(The problems of adaptation of immigrants to urban life.

(The optimum size of water and sewer facilities.

(Open space and land reservation requirements).

Mr. SPARKMAN subsequently said: Mr. President, a while ago, in speaking on my amendment, I mentioned that I had a statement on the need for the urban studies and housing research program. I ask unanimous consent that the statement be printed as a part of my remarks at that time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NEED FOR THE URBAN STUDIES AND HOUSING RESEARCH PROGRAM

The rate of homebuilding activity has been rising in 1961 to lead the economy out of a recession. We need better housing market information to help avoid the accumulation of large unsold inventories of homes which would be followed by a sharp decline in homebuilding and, subsequently, a drop in general economic activity, a pattern which developed after World War II.

In addition to its mortgage credit and homebuilding responsibilities, the Housing and Home Finance Agency has urban renewal, community facility, mass transportation assistance, and open space land acquisition assistance programs involving billions of dollars in Federal grants and loans. In order that these funds shall be used efficiently, there is a need for information to be used in the formulation of program policies. The type of information needed is not in the Agency's files. It is not available from the operating statistics of the Agency or from other sources. The only way the Agency can get the information it needs is by contracting with the Bureau of the Census, or other governmental or private agencies, for field surveys. The HHFA staff will then analyze this information and prepare reports for guidance of policymaking officials of HHFA and private homebuilders and building materials manufacturers.

The types of data and their use can be illustrated by reference to a few specific informational needs that would be fulfilled. There are indications that the severity of some of our recent housing slumps could have been greatly mitigated if there had been adequate information as to current housing market developments. For example, during the fourth quarter of 1960 the rate of housing starts was reaching a low point. At that time a publication of a local homebuilders association in San Antonio, Tex., after making a survey of the market, said "Generally, sales are still lagging with inventories and some houses have been on the market over a year." With more timely data as to changes in selling time for different price classes of homes, such situations, where completed homes remain unsold for over a year, probably would not develop.

In early 1958, when there was a homebuilding slump, reports from the field indicated that the demand for low-priced homes continued to be strong but a weakness had developed in the higher priced brackets of the market. If builders could be advised of current differences in demand for houses in different price classes, production would be geared more to demand and large fluctuations in activity might be avoided. The type of information that is needed to show sales volume and time of sales by different home price classes could be obtained through information to be collected monthly by the Bureau of the Census under one of the proposed housing studies.

In recent years we have been experiencing a rising rate of home foreclosures. In the first quarter of 1961 the foreclosure rate per thousand mortgaged homes was at 2.9, compared with a rate of 1.8 5 years ago.

The Congress recently authorized the insurance of 35- and 40-year home mortgages which will enable more moderate-income families to buy homes. We have the responsibility to the consumers, however, to see that they do not take on commitments which they cannot meet. We need more information on the factors which have been leading to foreclosure in recent years. Although an analysis of foreclosed FHA cases might provide some clues, the information available in the files is only as of the time that the mortgage was originated. To do this job properly, the agency has to arrange for interviews of families who have recently lost their homes through foreclosures. Furthermore, it is necessary to interview families and study the circumstances leading to foreclosure of conventionally financed mortgages, since these account for about three-fourths of new homes.

There is still a lack of information about the living arrangements, housing conditions and capabilities to pay for housing of families and individuals in the older age brackets. There are studies of the aged underway. Regardless of what studies may be underway, however, the information on housing and incomes of the aged that is embodied in the 1960 census is vital for programing housing for the elderly. This census information will never see the light of day unless HHFA (or some other Government agency) contracts to purchase these tabulations. There are three legislative programs for housing for the elderly—the HHFA direct loan program, FHA section 231 mortgage insurance program, and public housing that is provided for the elderly. If activities under these programs are to be carried out in a rational manner, the Agency urgently needs these special tabulations from the 1960 census, for which no financing has been provided under the regular census program.

If the Congress is to obtain from the Housing Agency reliable estimates of the size of housing and urban renewal programs that are required, better methods must be developed to measure the standards of neighborhood and housing quality. For example, the 1960 census of housing has three categories of poor housing quality—dilapidated, deteriorating, not dilapidated or deteriorating but lacking complete plumbing facilities. A combination of fieldwork and staff analysis is necessary to develop better standards, including measures of neighborhood quality, so that urban renewal and housing needs can be measured with greater accuracy.

The Housing Act of 1961 authorized a $500 million community facility loan program. The largest category of construction that will be financed under this program will be for sewer and water facilities. It is known that there are economies of size in building such plants. There is lacking, however, a technical manual or guidebook which would help communities decide upon the best sizes and most efficient types of plants that would be suitable for their localities to meet present and future needs. A study that would produce such a publication would be extremely valuable to the communities, would put the Federal loan funds to work in a more efficient manner, and would result in lower charges to consumers.

The above outlined studies that would be undertaken with the funds requested by HHFA would obtain needed data through Government agencies and private statistical collections and compilations. The information would be analyzed by the HHFA staff, with some help from consultants, to meet the needs of policymaking Federal, State and local officials and of the private homebuilding industry.

Mr. McNAMARA. Mr. President, I have an amendment along the same line. There was an indication on the part of the manager of the bill that he would accept this $125,000 research item in the field of housing for the elderly.

Mr. MAGNUSON. It seems to me that surely a priority would be granted for it.

Mr. McNAMARA. Therefore, Mr. President, I offer the amendment which I send to the desk and ask to have stated.

Let me say that the purpose of the amendment is to restore the language in lines 16 to 20, on page 31, as underlined in the copy of the bill I have sent to the desk, and to include the additional language set forth in that draft.

Mr. MILLER. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. McNAMARA. I yield.

Mr. MILLER. What happened to the amendment of the Senator from Alabama?

The PRESIDING OFFICER. The Senator from Alabama withdrew his amendment.

The amendment submitted by the Senator from Michigan will be stated.

The LEGISLATIVE CLERK. On page 31, in line 16, it is proposed to insert:

URBAN STUDIES AND HOUSING RESEARCH

For urban studies and housing research as authorized by the Housing Acts of 1948 and 1956, as amended, $125,000 for research in housing for the aged.

Mr. MILLER. Mr. President. It is my recollection that at the time when the Special Committee on the Aged was established and when the justification for the appropriation was made before the Committee on Rules and Administration, the rather generous appropriation which was advanced for this special committee was based on the premise and the assumption that information would already be available from various other agencies. Nothing was said about any other appropriations to permit the other governmental agencies to provide information to this committee. The assumption was that this information was available, and that it was necessary only to have it expertly analyzed and to have the statistics worked out by the special committee itself.

Do I now correctly understand that this item proposes an appropriation of $125,000 to coliate all the other information? It was at least my opinion that it would be done by the Special Committee on the Aged.

Mr. McNAMARA. We have no staff to do this work. We rely on the statistics which were gathered by the Census Bureau on millions of cards.

Mr. MILLER. The $150,000 provided for the Senator's committee would provide a very substantial staff; and the statement was made that the information could readily be obtained from the

other departments, and would need only to be analyzed by the experts on the staff of the Senator's committee.

I cannot reconcile this amendment with the background of the Subcommittee on Aging, as I understood it.

Mr. WILLIAMS of Delaware. Mr. President, this bill as it passed the House provided for $8,404,098,000. The Senate committee has increased the amount in the bill already by $694,516,500.

The amount in this bill is over the appropriations for 1961, for the same agencies, by a total of $605,071,100.

By numerous rollcalls and other efforts, the Senate has refused to reduce the amount provided in this bill by as much as one dime.

It is now proposed to increase it by another $125,000 after all the other increases.

I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

Mr. WILLIAMS of Delaware. Mr. President, I suggest the absence of a quorum.

Mr. MAGNUSON. Mr. President, will the Senator withhold that request?

Mr. WILLIAMS of Delaware. I withhold it temporarily, and I again ask for the yeas and nays on this amendment, which would increase the appropriation another $125,000. The bill already increases the amount appropriated for last year by $605 million.

I think we should establish whether we are to hold the line. If we are to go forward in spending, let us get on record.

I ask for the yeas and nays. If the yeas and nays are not ordered I will ask for a quorum. We shall get home sooner if the yeas and nays are ordered.

I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, I am perfectly willing to accept the Senator's amendment in lieu of the present language of the bill. That would put this item in conference. The Senate committee fully intended to appropriate some money for some of these studies. That would put this item in conference, and I am perfectly willing to do that. The motion of the Senator from Delaware would strike that out.

Mr. WILLIAMS of Delaware. This is not my motion to strike it out. The committee has already struck it out, and I am trying to sustain the position of the committee to keep it stricken out. What the Senator is trying to do is increase the amount provided by his own bill.

Mr. MAGNUSON. The Senator from Delaware knows that the chairmen of the Senate Appropriation Subcommittees do not try to increase their own bills. Nobody expects that a bill which comes to the Senate floor to be the same as the one reported by the committee. Many items cannot be considered in committee. Some items need another look. There are some items on which we do not agree with the House that necessitate conferences, such as this one.

Mr. WILLIAMS of Delaware. The Senate has steadfastly refused to cut the appropriation. I think we should have a vote and let the taxpayers know with what they are confronted as the result of this loose-spending atmosphere.

Mr. MAGNUSON. What is the motion?

Mr. WILLIAMS of Delaware. The Senator from Michigan has offered an amendment to increase the appropriation by $125,000 over the amount approved by the Senator's own committee. I think we should defeat his amendment. I think the Senate should sustain the committee.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. HOLLAND. Mr. President I am glad the chairman of the subcommittee has agreed to take this amendment. The Appropriations Committees of both Houses have shown a very real willingness to be economical. There was a budget request for $900,000 with 11 objectives. I can tell by the smiles of Senators on both sides of the aisle that they all thought most of those objectives were not very practical.

We found the House had cut the amount from $900,000 to $450,000. We had no way in which to weigh the priority of the various proposals. The suggestion was made, "Let us cut it out; it will all be in conference."

The reason why I am glad the chairman has agreed to take this amendment—and I am glad the Senator from Michigan has made it—is that it will put the Senate on record as preferring this particular objective—that is, for housing for the elderly—ahead of the other objectives which Senators heard read. I think every Senator knows this is the most practical one of the items suggested.

In my own State numerous buildings are now being revamped into various types of housing for the aged. It is not public housing; it is housing for people who have limited incomes of $200 or $250 a month, or perhaps a little more. This kind of program is most practical.

I am glad the Senate is insisting on this program. If we adopt it, it will be because the Senate believes that, among the 11, this is the best proposal.

What will be in conference? Instead of arguing as between 0 and $450,000, the range will be between $125,000 and $450,000, with one mandate, and that is to be sure to put in an item for research on housing for the elderly.

I think it would be fine to take this amendment to conference.

Mr. McNAMARA. Mr. President, my amendment would restore the sum of $125,000. In explanation of this amendment, I should like to say that the Bureau of the Census, in developing the 1960 census, has collected an unparalleled mass of data bearing on the housing conditions under which our 16 million older people are now living.

Speaking as chairman of the Committee on Aging, I think it would be most important for the Congress, to State and local government, and to the housing industry, to have this data analyzed. That is what would occur if my amendment were adopted.

The Housing and Home Finance Agency would use this money to contract with the Bureau of the Census so that the Bureau could analyze its invaluable data on this subject and thereby provide a great service to all interested people. Certainly, this is not a task that could be undertaken by a committee of the Congress. It is a task that can and should be carried out by the Bureau of the Census. It would be a great waste if it were not undertaken. It will provide that sort of information which those in attendance at the White House Conference on Aging felt was essential if we are to cope with their problems intelligently and effectively. I hope my amendment will be accepted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Tennessee [Mr. GORE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Texas [Mr. YARBOROUGH], and the Senator from Arizona [Mr. HAYDEN] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Minnesota would vote "yea," and the Senator from Nebraska would vote "nay."

I further announce that, if present and voting, the Senator from North Dakota [Mr. BURDICK], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Texas [Mr. YARBOROUGH], the Senator from Tennessee [Mr. GORE], and the Senator from Arizona [Mr. HAYDEN] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Kentucky [Mr. COOPER] are absent because of illness.

The Senator from Indiana [Mr. CAPEHART], and the Senator from Illinois [Mr. DIRKSEN] are detained on official business.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from Minnesota would vote "yea."

The result was announced—yeas 67, nays 19, as follows:

[No. 119]

YEAS—67

Aiken	Bible	Cannon
Anderson	Bridges	Carlson
Bartlett	Bush	Carroll
Beall	Byrd, W. Va.	Case, N.J.

Case, S. Dak.	Jordan	Pell
Church	Keating	Prouty
Clark	Kuchel	Proxmire
Dodd	Lausche	Randolph
Douglas	Long, Mo.	Saltonstall
Engle	Long, Hawaii	Schoeppel
Ervin	Long, La.	Scott
Fong	Magnuson	Smathers
Fulbright	Mansfield	Smith, Mass.
Gruening	McGee	Smith, Maine
Hart	McNamara	Sparkman
Hartke	Metcalf	Stennis
Hickey	Monroney	Symington
Hill	Morse	Wiley
Holland	Moss	Williams, N.J.
Humphrey	Mundt	Young, N. Dak.
Jackson	Muskie	Young, Ohio
Javits	Neuberger	
Johnston	Pastore	

NAYS—19

Bennett	Ellender	Russell
Boggs	Goldwater	Talmadge
Byrd, Va.	Hickenlooper	Thurmond
Cotton	McClellan	Tower
Curtis	Miller	Williams, Del.
Dworshak	Morton	
Eastland	Robertson	

NOT VOTING—14

Allott	Cooper	Kefauver
Burdick	Dirksen	Kerr
Butler	Gore	McCarthy
Capehart	Hayden	Yarborough
Chavez	Hruska	

So Mr. MCNAMARA's amendment was agreed to.

Mr. PROXMIRE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 18, line 16, it is proposed to strike out $194,456,500" and to insert in lieu thereof "$171,508,500".

On page 19, it is proposed to strike out line 18.

On page 20, it is proposed to strike out lines 11 and 12.

On page 20, it is proposed to strike out line 13.

On page 20, it is proposed to strike out lines 15 and 16.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, the amendment would strike out four projects which were not requested by the administration.

The first relates to the post office building at Tupelo, Miss., in the amount of $789,000.

The second relates to the Federal office building, Pittsburgh, Pa., in the amount of $20 million.

The third relates to the post office building at Dyersburg, Tenn., in the amount of $901,000.

The fourth relates to the post office and courthouse at Montpelier, Vt., $1,258,000.

This represents a total saving of $22,948,000.

I make it clear that the reason I offer the amendment is that I feel very strongly at this time, under these circumstances, the Congress should stay within the request of the President. I think the Kennedy administration has been very generous and considerate in moving ahead on all fronts, and particularly on the building front.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Have these four projects been passed upon by the Committees on Public Works of the House and Senate?

Mr. PROXMIRE. They have, indeed. They have all been authorized by the Committees on Public Works of the House and Senate, along with many other projects.

Mr. CASE of South Dakota. If the projects were approved by the Committees on Public Works, why were they not included in the budget estimates?

Mr. PROXMIRE. I think the Senator knows that many projects approved by the Committees on Public Works are not included. I have a list of approximately 25 projects, totaling $327 million. The only ones included are the ones listed.

Mr. CASE of South Dakota. I do not quite understand. Were these General Services Administration projects or post office projects?

Mr. PROXMIRE. The General Services Administration builds them, but they are post offices and Federal office buildings.

Mr. CASE of South Dakota. They are combined projects?

Mr. PROXMIRE. That is correct.

Mr. President, I reserve the remainder of my time, until the Senator from Washington, the chairman of the committee, explains his position.

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from Washington yield himself?

Mr. MAGNUSON. Mr. President, how much time have I?

The PRESIDING OFFICER. Five minutes.

Mr. MAGNUSON. The total for all building projects in the United States was $194,456,500. The House made three changes. It added $5 million to a new New York project. It left out the GSA depot in Denver, and added $2 million for a customs facility at Long Beach, Calif. As a result of the House action, the total was $171 million, approximately $10 million below the budget estimate.

The Senate committee restored the Denver depot and authorized $5,600,000 to be reappropriated for the abandoned Philadelphia project. The committee then added four additional projects showing construction award capability in the calendar year 1961.

The reason the four projects were added is that it was intended that they be built in this year. We would not save any money by delaying. If the projects were on next year's priority list, so-called, we tried to schedule them out. Sometimes the House adds some projects, sometimes we add some.

The post office building at Tupelo, Miss., showing construction capability for October, 2½ months from now, could be started.

The Pittsburgh, Pa., Federal office building has been ready to go for quite a few weeks.

The proposed post office building at Dyersburg, Tenn., will be ready to go November 1.

The proposed post office and courthouse at Montpelier, Vt., will be ready to go in December.

The committee selected projects which were ready to go, and for which we have had the sites and expenses for planning, and construction capability to go this fall. We took four such projects and added them to the bill. That is the basis of the request.

I wish to point out that the next project in mind is one in the State of Washington in March 1962. But that project can be handled in next year's budget. All of the projects have been authorized, and I state to Senators that all of these projects have been authorized in the way we have always operated with respect to public building appropriations.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SALTONSTALL. In support of the chairman of the committee I wish to state that we made the cutoff date December 31, 1961. We selected the building projects that were ready to start, and those on which plans, sites, and everything else had been carried forward for this year.

The Senator from Washington has mentioned the project proposed in the State of Washington, which was ready to start next March. That project was cut out. We said, "If anything is put in the bill for next year we will run into problems." So we made the cutoff date December 31, 1961, and included in the bill everything that was ready to go up to that time.

Mr. MAGNUSON. There were 28 additional projects that had a construction capability in 1962. The House committee said that the projects would be included next year. We are selecting the four projects because we think we can save money by undertaking them now. At any rate, we shall go ahead if we start now. In the big Pittsburgh project we must go ahead. It has been inactive for 9 weeks, while everything in connection with the project is complete.

Mr. CASE of South Dakota. Mf. President, are fallout shelters included in the project?

Mr. MAGNUSON. Mr. President, the committee decided that it would not include fallout shelters, which would represent less than 5 percent of the cost in this case, but the appropriation would include the basic structure of the buildings so that if we should decide to construct the fallout shelters, all the details necessary would be available. The estimates are based on the basic structure, which would be available for fallout shelters.

Mr. PROXMIRE. The answer is that my amendment does not touch the question of fallout shelters. It would leave the project in the way the committee recommended it.

Mr. CASE of South Dakota. It is not clear to me why the projects, if they passed the same tests required of other projects in the bill, did not include such

shelters in the budget recommendations. I do not see any particular reason for discriminating.

The PRESIDING OFFICER. All time has expired. Unanimous consent would be required to extend the debate.

The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from North Dakota [Mr. BURDICK], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], and the Senator from Oregon [Mrs. NEUBERGER] would each vote "nay."

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Nebraska would vote "yea."

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Maryland would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Kentucky [Mr. COOPER] are absent because of illness.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Illinois [Mr. DIRKSEN] are detained on official business.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

On this vote, the Senator from Illinois [Mr. DIRKSEN] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Texas would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Minnesota would vote "nay."

The result was announced—yeas 17, nays 68, as follows:

[No. 120]

YEAS—17

Beall	Douglas	Morton
Boggs	Dworshak	Proxmire
Bush	Goldwater	Tower
Case, N.J.	Hickenlooper	Wiley
Church	Keating	Williams, Del.
Curtis	Miller	

NAYS—68

Aiken	Hartke	Mundt
Anderson	Hickey	Muskie
Bartlett	Hill	Pastore
Bennett	Holland	Pell
Bible	Humphrey	Prouty
Bridges	Jackson	Randolph
Byrd, Va.	Javits	Robertson
Byrd, W. Va.	Johnston	Russell
Cannon	Jordan	Saltonstall
Carlson	Kuchel	Schoeppel
Carroll	Lausche	Scott
Case, S. Dak.	Long, Mo.	Smathers
Clark	Long, Hawaii	Smith, Mass.
Cotton	Long, La.	Smith, Maine
Dodd	Magnuson	Sparkman
Eastland	Mansfield	Stennis
Ellender	McClellan	Symington
Engle	McGee	Talmadge
Ervin	McNamara	Thurmond
Fong	Metcalf	Williams, N.J.
Fulbright	Monroney	Young, N. Dak.
Gruening	Morse	Young, Ohio
Hart	Moss	

NOT VOTING—15

Allott	Cooper	Kefauver
Burdick	Dirksen	Kerr
Butler	Gore	McCarthy
Capehart	Hayden	Neuberger
Chavez	Hruska	Yarborough

So Mr. PROXMIRE's amendment was rejected.

Mr. PROXMIRE. Mr. President, I offer my last amendment, and I ask unanimous consent that the reading of it be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, will the Senator yield so that I may ask for the yeas and nays?

Mr. PROXMIRE. I yield for that purpose.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BUSH. May we have the amendment identified?

Mr. PROXMIRE. The amendment has not been printed. It occurs on page 38, line 7, where I would strike out "$47,053,000" and insert in lieu thereof "$38,053,000."

Also, on page 38, line 8, I would strike out "$32,000,000" and insert in lieu thereof "$22,000,000," which amount is included in the bigger figure.

What the amendment does is to reduce the Appropriations Committee's request for medical research funds for the Veterans' Administration from the committee's request to the budget estimate.

I believe this is the most logical and appealing amendment I have offered today. It would save $10 million. It saves $10 million in a program which is duplicated elsewhere.

The fact is that after the House increased the funds by $5 million over the budget request, the Veterans' Administration said that the budget request of $22 million, to which I would reduce the committee figure, represented an increase of $500,000 over the amount available for fiscal 1961. This request reflected the judgment of the President as to the needs of the Veterans' Administration for an overall, balanced medical research program for the entire Government.

The fact is that to a small extent the VA duplicates the work of the National Institutes of Health.

Tomorrow there will be before the Senate the HEW appropriation bill, which increases the research funds for cancer by $42 million, and for heart disease by $63 million. This would increase the funds for research and allied fields by over $10 million.

The President of the United States and his administration obviously are in the best position to coordinate the program. The original budget request would permit an adequate, overall, balanced program. It seems to me that this reason makes sense. If we are to economize anywhere, we should economize in this area.

Medical research is very popular, and it is easy to vote against cancer. However, it is irresponsbile to vote other than for what the administration has requested, particularly in view of the very generous recommendations that are coming before the Senate in the bill which we shall consider tomorrow.

Mr. BRIDGES. Mr. President, I understand the Senator to say that his amendment would reduce the figure by $10 million.

Mr. PROXMIRE. That is correct.

Mr. BRIDGES. From $47,053,000 to what figure?

Mr. PROXMIRE. From $47,053,000 to $37,053,000. In order to do that I must make two changes in the bill, one in line 7, page 38, and the second in line 8 of page 38.

Mr. BRIDGES. Line 8 is a part of line 7, is it not?

Mr. PROXMIRE. That is correct, but it is necessary to change it in both places.

Mr. BRIDGES. They do not add up to a saving of $10 million.

Mr. PROXMIRE. It is a saving of $10 million, but it must be repeated in both places to make the bill consistent.

Mr. CARROLL. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. CARROLL. What do the committee hearings themselves reflect as to why the committee provided the additional $10 million?

Mr. PROXMIRE. My time is limited. I shall ask the Senator from Washington to answer the question.

Mr. MAGNUSON. I have only 5 minutes.

The Senator from Wisconsin said that the result would be a sizable saving. It is just the reverse. The appropriation of this money would return more to the Treasury of the United States, through veterans' medical research and the continuation of the program, than any other single item on which we can figure a dollars and cents return.

The veterans' hospital bill this year will be $987 million. Next year, because of the advancing age of veterans, the cost will go well over a billion dollars. This amount is for in-and-out veterans' hospital care.

The only way we can hope to hold the amount down is to do the kind of research that will accomplish the things which need to be done in veterans' hospitals. Every other bed has a mental case in veterans' hospitals today. In that field alone, the cost is well over $341 million. Some research will reduce that figure, to say nothing of alleviating the untold human suffering.

The amendment of the Senator from Wisconsin proposes the worst kind of economy, because we forced some of this over the budget. About 7 years ago we found we were about to close the TB wards in 170-some veterans' hospitals, because there were not enough patients after we had done research. We could show a saving in that item of $150 million alone.

This is a piddling amount when we consider that the total amount of the bill is $1 billion, and the total veterans' bill in this appropriation is just under $5 billion. This amount is about 3 percent.

The medical staff at the Veterans' Administration sometimes does not ask for too much; but it is not a duplication of what the Senator from Alabama has referred to, by one iota. It is supplemental, because the greatest laboratory of medical research in the world is in the 173 veterans' hospitals. This is the place where a record can be kept of every disease and every patient. It is known exactly what happens to them.

This is the best purpose for which we have ever spent money. A part of this program is $2 million extra for laboratory equipment. If Senators do not believe it is needed, let them visit the veterans' hospitals in their own areas and look at the old, antique laboratories.

In the bill—no one has said a word about it—is $1,749,543,000 as the start of a $20 billion investment to go to the moon. That is all right. But when it comes to savings, where can we show such savings in terms of dollars and cents, let alone the human suffering involved? I think the proposal of the Senator from Wisconsin is penny wise and pound foolish.

This estimate is cut from what a very substantial group of top medical experts in the United States agreed, in the veterans' field alone, would be a minimal program. It is a small amount when we consider that we shall spend $1 billion this year alone for veterans. If this research would do something to benefit the mental cases—and we are making progress in the field of tranquilizers—we would save that much in one fell swoop in 1 week. Every other bed in a veterans' hospital has a mental case.

The PRESIDING OFFICER. The time of the Senator from Washington has expired.

Mr. MAGNUSON. I hope the Senate will not accept the amendment.

Mr. CARROLL. Mr. President, has all time expired?

The PRESIDING OFFICER. One minute remains.

Mr. SYMINGTON. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. SYMINGTON. Am I correct in my understanding that the amendment of the Senator from Wisconsin would give the administration all the money in this field that the administration has asked for?

Mr. PROXMIRE. The Senator from Missouri is 100 percent correct. I think every Senator knows that former Senator John F. Kennedy was a real champion in this field. He served on the committee of the distinguished Senator from Alabama.

The President of the United States feels very deeply about this kind of proposal. It is the judgment of the administration that this amount is all that can be usefully disposed of. Under the circumstances, it seems to me we should follow their advice.

Mr. CARROLL. Mr. President, I have been trying for 10 minutes to have some Senator to yield time to me.

Mr. PROXMIRE. If the Senator wishes to ask me a question, I shall try to answer it in my remaining time.

Mr. CARROLL. Is there justification for $2 million for laboratory facilities?

Mr. PROXMIRE. Not in my judgment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BUSH. Mr. President, I ask for the regular order.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. CASE of South Dakota. Does the amendment presented strike or change the figures in the bill in two places?

The PRESIDING OFFICER. That is correct.

Mr. CASE of South Dakota. I ask that the amendment be read, because it does not do any such thing.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 38, line 8, it is proposed to strike out "$32 million" and insert in lieu thereof "$22 million."

Mr. PROXMIRE. Mr. President, I thank the Senator from South Dakota. The page did not take both parts of the amendment to the desk.

The PRESIDING OFFICER. The clerk will state the other part of the amendment.

The CHIEF CLERK. On page 38, line 7, it is proposed to strike out "$47,053,000" and insert in lieu thereof "$37,053,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Connecticut will state it.

Mr. BUSH. Is the Senate about to vote on both items, line 7 and line 8?

Mr. PROXMIRE. That is one amendment.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state it.

Mr. LAUSCHE. The last statement by the clerk does not conform with what the Senator from Wisconsin said was his proposal. I understand that he is proposing to reduce the item of $47,053,000 to $37,053,000, and the item of $32 million to $22 million.

Mr. PROXMIRE. That is correct.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. CASE of South Dakota. Is that the way in which the amendment was read in the first instance, before the yeas and nays were called for?

Mr. BUSH. Yes.

Mr. CASE of South Dakota. Was the amendment read?

The PRESIDING OFFICER. It was read.

Mr. CASE of South Dakota. The Senator from South Dakota would like to know what the Senate is about to vote on. I understood, in the first place, that after the clerk began to read the amendment, the reading was dispensed with. The Senator from South Dakota went to the desk to find out what the amendment was. I did this because the discussion related to a $10 million change, but the figures in the bill indicated only a $7 million difference between the overall House and Senate figures.

The amendment at the desk proposed to change "$32,000,000" to "$22,000,000", but did not refer to the reduction in the $47 million figure. The other part of the amendment was not there. It was never read. The yeas and nays were ordered on the proposal to change "$32,000,000" to "$22,000,000".

The PRESIDING OFFICER. For the information of the Senate, the clerk will state the entire amendment.

The CHIEF CLERK. On page 38, line 8, it is proposed to strike out "$32,000,000" and insert in lieu thereof "$22,000,000".

On page 38, line 7, it is proposed to strike out "$47,053,000" and insert in lieu thereof "$37,053,000".

Mr. CASE of South Dakota. Mr. President, I ask for a division on the question.

Mr. MAGNUSON. The amendment of the Senator from Wisconsin strikes $10 million from the $47,053,000, which is the part of the bill that deals with all medical, administration, and miscellaneous operating expenses, not only with the research; is that correct?

Mr. PROXMIRE. Is it not true that the amendment I offered would reduce the appropriation from $47,053,000 to $37,053,000, and from $32 million to $22 million, the reason for that being that the $32 million is included in the $47,053,000?

Mr. MAGNUSON. That is correct.

Mr. PROXMIRE. This is one amendment. It is consistent.

Mr. CASE of South Dakota. Mr. President, on this question, I ask for a division.

The PRESIDING OFFICER. The Senator from South Dakota has asked for a division.

Mr. BUSH. How can the question be divided?

Mr. CASE of South Dakota. It was presented on two separate sheets of paper.

The PRESIDING OFFICER. Does the Senator from South Dakota insist upon a division?

Mr. CASE of South Dakota. The Senator from South Dakota does.

Mr. HUMPHREY. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The Senator from South Dakota has asked that the amendment be divided. Does he insist upon having the amendment divided?

Mr. CASE of South Dakota. I do.

Mr. CURTIS. Mr. President, a parliamentary inquiry. What is the amendment?

The PRESIDING OFFICER. It relates to two separate items on two separate lines.

Mr. CURTIS. But how many items of the bill are we asked to change by means of the amendment?

The PRESIDING OFFICER. Two.

Mr. CURTIS. Which one are we about to vote on?

The PRESIDING OFFICER. Two separate amounts affected by the same item.

Mr. CASE of South Dakota. Mr. President, I ask that before each vote is taken, the amendment on which the vote is to be taken be stated.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry. Is not the situation as follows: The total sum of money under the item "Medical administration and miscellaneous operating expenses" is $47,053,000. Of that amount, in the same bill $32 million is earmarked for research. The intention of the amendment of the Senator from Wisconsin is to reduce the research funds by $10 million. Therefore both the $47,053,000 and the $32 million in that item must be reduced in accordance with the purpose of the Senator from Wisconsin.

The PRESIDING OFFICER. That is the understanding of the Chair, although such is not necessarily the case.

Mr. HUMPHREY. And therefore they are inseparable, if the proposed $10 million reduction in the research funds is to be made. Therefore, let us vote.

Mr. CASE of South Dakota. Mr. President, has not the Chair already ruled that the question is divisible?

Mr. ANDERSON. Mr. President, I suggest to the Chair that this is a very dangerous precedent; this will happen round after round, under hundreds of items in such bills, if the Senate establishes a precedent that every time a dollar sign is used, there can be a division.

The PRESIDING OFFICER. Does the Senator from South Dakota withdraw his request?

Mr. CASE of South Dakota. No, Mr. President, for there will be no dangerous precedent. This procedure has been followed time after time before, so far as that is concerned.

I am not particularly wedded to this procedure, insofar as the amount is concerned; but I think I have demonstrated that a misstatement was made in regard to the pending amendment. Only one amendment was pending, and it related to a proposed reduction of the funds for research, and did not involve a reduction of the total amount of funds proposed to be appropriated.

The fact that the question is divisible is evidenced by the fact that the amendment was originally written as two amendments, on two separate pieces of paper. This division is one of substance, and is not purely technical. The House language would have left $17 million for nonresearch purposes. The Senate language would allow only $15 million. The two amendments affect that situation.

Mr. ANDERSON. But we waived our rights on that score when we took the amendments and did not ask to have them stated separately.

The PRESIDING OFFICER. A division is requested.

The question now is on agreeing to the first part of the amendment of the Senator from Wisconsin. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Nebraska would vote "yea."

I further announce that, if present and voting, the Senator from North Dakota [Mr. BURDICK], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arizona [Mr. HAYDEN], the Senator from Tennessee [Mr. GORE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Texas [Mr. YARBOROUGH], would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Kentucky [Mr. COOPER] are absent because of illness.

The Senator from Indiana [Mr. CAPEHART], the Senator from Illinois [Mr. DIRKSEN], the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Minnesota would vote "nay."

The result was announced—yeas 23, nays 60, as follows:

[No. 121]

YEAS—23

Bartlett	Goldwater	Proxmire
Bush	Hickenlooper	Robertson
Byrd, Va.	Javits	Symington
Case, N.J.	Keating	Thurmond
Curtis	Lausche	Tower
Douglas	McClellan	Williams, Del.
Ellender	Miller	Young, Ohio
Fulbright	Morton	

NAYS—60

Aiken	Fong	Monroney
Anderson	Gruening	Morse
Beall	Hart	Moss
Bennett	Hartke	Mundt
Bible	Hickey	Muskie
Boggs	Hill	Pastore
Bridges	Holland	Pell
Byrd, W. Va.	Humphrey	Prouty
Cannon	Jackson	Randolph
Carlson	Johnston	Russell
Carroll	Jordan	Schoeppel
Case, S. Dak.	Kuchel	Scott
Church	Long, Mo.	Smathers
Clark	Long, Hawaii	Smith, Mass.
Cotton	Long, La.	Smith, Maine
Dodd	Magnuson	Sparkman
Dworshak	Mansfield	Stennis
Eastland	McGee	Talmadge
Engle	McNamara	Williams, N.J.
Ervin	Metcalf	Young, N. Dak.

NOT VOTING—17

Allott	Dirksen	McCarthy
Burdick	Gore	Neuberger
Butler	Hayden	Saltonstall
Capehart	Hruska	Wiley
Chavez	Kefauver	Yarborough
Cooper	Kerr	

So the first part of Mr. PROXMIRE's amendment was rejected.

Mr. CASE of South Dakota. Mr. President, I intend, in a moment, to ask that the order for the yeas and nays on the other part of the amendment be rescinded. Before I do so, however, I should like to make this statement so that Senators may be sure that this is a divisible question. It would have been perfectly possible for the bill to have stood at $47,053,000 for the total purposes, but for the Senate to have reduced from $32 million to $22 million the amount that would have been available for medical research. But the total sum could have stood at $47,053,000. So it was perfectly obvious that it was a divisible question. When a question like this occurs, the yeas and nays having been ordered, my understanding is that the division automatically extends the yeas and nays to the other part of the amendment. However, the Senate has by record vote maintained the $47,053,000. Therefore, I ask unanimous consent that the order for the yeas and nays on the other part of the amendment be rescinded.

Mr. CURTIS. Mr. President, reserving the right to object, I wish to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Which part of the amendment did the Senate vote on—the portion which was read first by the reading clerk, or the portion which appears first in the bill?

The PRESIDING OFFICER. The vote was on the first amount that appears in the bill.

Mr. CURTIS. And not the amendment that was read first.

Mr. CASE of South Dakota. Either way, if either figure was sustained, the other figure would be sustained.

Mr. HICKENLOOPER. Mr. President, as I recall, only one order for a yea-and-nay vote was entered. Are the yeas and nays ordered on the second amendment?

Mr. FULBRIGHT. Mr. President, I demand the regular order.

The PRESIDING OFFICER. The rule is that where there is a division of the amendment, the yeas and nays ordered must be taken on each branch.

Mr. MANSFIELD. Mr. President, has a ruling been made on the request of the Senator from South Dakota?

The PRESIDING OFFICER. Not yet. Is there objection to the request of the Senator from South Dakota? Without objection, the order for the yeas and nays is recalled.

The question is on agreeing to the amendment of the Senator from Wisconsin, on line 8, page 38.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from the report of the committee, which shows that the bill as passed by the Senate exceeds last year's appropriation by $605,071,100.

I also call special attention to the fact that after attempts to cut the appropriation failed, the bill passed the Senate in an amount $125,000 more than was reported by committee.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

The Committee on Appropriations, to whom was referred the bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House	$8,404,098,000
Amount of increase by Senate	694,516,500
Amount of bill as reported to Senate	9,098,614,500
Amount of appropriations, 1961	8,493,543,400
Amount of regular and supplemental estimates, 1962	9,174,561,000
The bill as reported to the Senate:	
Under the estimates for 1962	75,946,500
Over the appropriations for 1961	605,071,100

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (H.R. 7445) was passed.

Mr. MAGNUSON. Mr. President, I move that the Senate insist on its amendments and request a conference with the House on the disagreeing votes of the two Houses, thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. HOLLAND, Mr. KERR, Mr. ALLOTT, Mr. SALTONSTALL, and Mr. YOUNG of North Dakota conferees on the part of the Senate.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 591, H.R. 7035.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

ORDER OF BUSINESS

Mr. HUMPHREY. Mr. President, the majority leader has informed me that the Senate, when it completes its business, will adjourn until tomorrow at 12 o'clock noon. Is that correct?

The PRESIDING OFFICER. The Senator is correct, under the previous order.

STATEMENT BY SENATOR COOPER RELATING TO DISCUSSIONS WITH SOVIET UNION ON BERLIN ISSUE

Mr. JAVITS. Mr. President, the Senator from Kentucky [Mr. COOPER] was not able to be in the Senate today, and on his behalf I ask unanimous consent to place in the body of the RECORD a statement which he has prepared on the question of preparation for discussions with the Soviet Union on the Berlin issue.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COOPER

In an article by James Reston, which appeared in the New York Times on Sunday, July 30, 1961, Mr. Reston suggested that Secretary of State Rusk had a unique opportunity, and indeed a responsibility, to use the talents of many well-informed men in finding a political answer to the Berlin problem.

He mentioned, among others, Mr. John J. McCloy, former Secretary of State Dean G. Acheson, Mr. George F. Kennan, Mr. David Bruce, Mr. Robert Lovett, Gens. Lucius Clay, Walter Bedell Smith and Maxwell Taylor, and former Deputy Under Secretary of State Robert Murphy.

On June 21, July 5, and July 14, 1961, I made statements in the Senate, suggesting that the President and Secretary of State Rusk call into consultation men who have had direct experience with the Berlin problem, and named among those who should be consulted Mr. McCloy, Mr. Acheson, Mr. Kennan, Mr. Bruce, General Clay, and Mr. Murphy, as well as Mr. Charles Bohlen, Mr. Llewellyn Thompson, Dr. Conant, and former Secretary of State Christian Herter.

I said in the Senate that advising with these men and others would accomplish three definite purposes. It would:

1. Provide the President and Secretary of State the best knowledge and experience available upon the issues of Germany and Berlin—from men who have practical experience in facing these issues, and who have political judgment.

2. Give confidence to the Nation and the Congress that these issues are receiving the fullest and best consideration.

3. Provide for the President the broadest base of support for the decisions he will be required to make regarding Berlin and Germany.

The President of the United States made a strong statement last week on the Berlin problem—one of his best, and one which I know has the support of all of us and of the country. It set out clearly our positions in Berlin which are nonnegotiable, and which we are determined to uphold at all costs. But it did not, and perhaps could not at this time, speak of those matters which could be the subject of negotiation with the Soviet Union.

The determination of these matters and the preparation for discussions with the Soviet Union is now our task. We are accustomed to thinking that if Mr. Khrushchev should make a treaty with East Germany it will not occur until the end of this year. There is nothing to guarantee this, for if he desires he could make such a treaty before that time. It is, therefore, imperative that our country and its allies prepare their position upon which talks can be held with the Soviet Union.

Some weeks ago, on June 23, Mr. Arthur Krock of the New York Times called attention to the suggestion I had made for consultation with men who have had wide experience with the problems of Berlin. I am very happy that Mr. Reston, who is one of our most respected writers, also approves this idea.

[From the New York Times, July 30, 1961]

RUSK ON THE SPOT IN THE BERLIN PLANNING

(By James Reston)

WASHINGTON, July 29.—The burden of finding a political answer to the Berlin problem is now falling heavily on Secretary of State Rusk.

It is his responsibility to gather the talents available to him and concentrate during these coming weeks on this critical point.

No government in the world today has more well-informed men available to it on this subject. Maxwell Taylor is a former U.S. commanding general in Germany. John J. McCloy was former U.S. high commissioner there. Dean G. Acheson was Secretary of State when the last major Berlin crisis was resolved. George F. Kennan, the Ambassador in Yugoslavia, and David Bruce, the Ambassador in Britain, have long experience in Germany.

Outside the Government are Robert Lovett, Generals Lucius Clay and Walter Bedell Smith, and former Deputy Under Secretary of State Robert Murphy, all of whom have been deeply involved in the problem in the past. Yet while some of these men are actively engaged in the search for new approaches there is still no evidence that Secretary Rusk has been finding out whether the rest of them have any constructive new ideas.

In the last few weeks, the dominant personalities in the Berlin planning have been Acheson, Secretary of Defense Robert McNamara, and General Taylor. They have

been preoccupied quite naturally with gathering the military strength that makes effective political negotiation possible, but the problem now is to devise a political program that can be negotiated behind the military shield.

POLICY OF DISPERSAL

The State Department's role in all this planning in the past has been odd. Mr. Rusk has, of course, been involved, but he has not been the central figure, and his principal aids have been dispersed.

The head of the Department's policy planning staff, George McGhee, has been away in the Greek islands for weeks. Under Secretary of State Bowles is off in Cyprus. Though the United Nations is now engaged in a critical debate, Adlai E. Stevenson is off in Europe. Thus, when Mr. Rusk goes to Paris next week to start talking to the British, French, and German foreign secretaries about Berlin, the State Department will be in the hands of Alexis Johnson, a deputy under secretary for political affairs, and Mr. Rusk will be starting his talks with the allies before the administration has any clear idea of what it wishes to propose.

The liveliest minds and most commanding figures have not been in the State Department.

Even some of the best minds in the Department have either not been brought in on the German problem or have been brought into the discussions late and then dropped out of the discussions just as abruptly.

Accordingly, Berlin is a test not only of the Department of State but of the Secretary of State himself. He is well liked in Washington and respected by the President. He is working harder than almost any other official in the Government, and he has the confidence of those members of the diplomatic corps who have had an opportunity to talk to him at any length on fundamental problems.

THE MAGICIAN

There is, however, a strong feeling here that he is not as effective or as resourceful in pressing the case for political solutions of problems as others in the Government who are concentrating on the military aspects of these same questions.

His performance is vague and, so far as the public is concerned, episodic. He appears and disappears on the Washington stage like the old vaudeville actor trying to get out of a straitjacket. The curtain suddenly parts and there he is struggling manfully to get out. Then the curtain closes, other actors take over, and just when you've forgotten all about him, he suddenly appears again in an even more frenzied tangle.

All Secretaries of State have had to go through the same torture, and not being magicians, they have all in the end had to get help to break loose. Mr. Rusk's problem is that he does not like some of the help he has and isn't using some of the help he likes.

Fortunately, there is still time to mobilize the talent available to the Department of State. Maybe all these experts on Germany, from McCloy and Bruce to Kennan, Bohlen, and Lovett, have nothing to add to the long search for a Berlin formula, but nobody is going to know unless their ideas are sought.

PRESERVATION OF WISCONSIN'S NATURAL RESOURCES

Mr. PROXMIRE. Mr. President, I commend to the attention of my colleagues an editorial from the New York Times, of Sunday, July 30, on the excellent program initiated by the Governor of Wisconsin, Gaylord Nelson, to preserve Wisconsin's natural resources.

This is truly one of the finest conservation programs any State has had in the last 50 years.

Wisconsin has led the way often in the past in legislation that would benefit all the people, not just special interest. Once again we are proud of the fact that in our fine Governor, Gaylord Nelson, we have a champion of the public interest, one who has been successful in setting up a long-range program to safeguard our vast but endangered natural resources for posterity. Wisconsin takes great pride in the beauty of its scenic outdoors. This significant program for permanent preservation can be a blueprint for other States to do the same.

I ask unanimous consent that the editorial be printed in the body of the RECORD as this point.

There being no objection, the article is ordered to be printed in the RECORD, as follows:

THE WISCONSIN PLAN

Urban growth and population pressure are fast eating up land and destroying outdoor recreational resources. More cars, more boats, more leisure for more people overcrowd and even spoil camping and recreational areas. Drainage, dredging, and pollution are ruining wetlands, the breeding grounds for game birds and wildlife. Game fish and fishing grounds are diminishing. Scenic spots are being wrecked by roadside slums, billboards, and commercial uses. The public is fast losing access to many lakes and streams as private owners take over shorelines.

Gov. Gaylord Nelson, of Wisconsin, has proposed that his State spend $50 million in the next decade to safeguard "our vast but endangered outdoor resources." Most of the money would go "to securing for the public these vital assets that are fast disappearing." He would buy large areas to preserve them. Little money would be spent initially for development. The Wisconsin Assembly has overwhelmingly approved his proposal, and the State Senate is expected to do so shortly.

The Wisconsin plan has targets similar to those approved overwhelmingly by New York State voters at the polls in 1960, when they authorized Governor Rockefeller and the legislature to borrow $75 million to buy 25,000 acres to be added to existing parks and to create new parks. But it is considerably broader and more flexible.

A key proposal in the Wisconsin plan is that the State undertake an extensive program for acquiring scenic and other easements. Property owners would lease scenic spots through agreements allowing them to continue using their land for any purpose which did not destroy esthetic resources. Easements would also be sought for public hunting and fishing rights, fence-row rights to provide game cover and overlook rights along lakes and rivers. Wisconsin has already used the easement plan to preserve scenic values along the Great River Road that follows the Mississippi River.

Wisconsin is a recreation-minded State proud of its outdoor resources. It learned, more than 75 years ago, in the days of the timber barons, how easily they can be lost. Most States already have had similar lessons; but few are doing as much as Wisconsin has been doing to profit from them.

FORESTRY PROBLEMS

Mr. ERVIN. Mr. President, several months ago Mr. R. Nelson Nash, a registered forester of Smithfield, N.C., made available to me a memorandum which he had prepared on the subject of the program of the Forest Service. I was tremendously impressed with the ingenuity of Mr. Nash, an independent businessman, in his efforts to compete effectively with the Federal Government in the field of forestry. Mr. Nash epitomizes the free enterprise stalwart and he has shown how, through perseverance and offering an effective timber management program, a small businessman can be successful in this field in spite of a vast and comprehensive Federal program.

Mr. Nash's views are consonant with a very large segment of our business community which feels that the Government is unduly competing with private enterprise. Especially, I should imagine that his statement reflects the thinking of many independent businessmen engaged in forestry management.

It is not surprising that Mr. Nash's successful business operation should capture the imagination of others, and therefore it was not unexpected when Nation's Business, in its June issue, published an article concerning Mr. Nash's activities. It appears that the article correctly portrays Mr. Nash as the independent businessman he is. However, in fairness to the Forest Service, I feel that I should say that it maintains that Nation's Business does not correctly describe its program. Even so, I feel that that part of the article dealing with the position taken by Mr. Nash and his success in this field are worthy of consideration by the Members of Congress.

Therefore, I ask unanimous consent that the article entitled "Pattern for Federal Takeover of Your Business," which appeared in the June 1961 issue of the Nation's Business, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PATTERN FOR FEDERAL TAKEOVER OF YOUR BUSINESS

A massive new program of federally forced growth is being prepared in Washington.

Government planners have set long-range production goals for one of the Nation's most vital natural resources. Officials are now detailing specific methods by which extensive subsidies and complicated controls could be applied to spur citizens throughout the country to meet a supposed need in the far away year 2000.

It is a classic proposal for centralized planning and regimentation of a sector of our economy. It shows the bureaucratic approach to a real or imagined national problem. Just as in such fields as education, medical care, unemployment or housing, subsidies to buy solutions inevitably carry with them certain controls over those subsidized.

Involved in the new proposal for forced growth are about 4.5 million owners of 260 million acres of farm woodlots and other small, privately owned forest lands. According to the Federal plan, these private woodland owners are supposed to help close a timber gap that Federal officials believe may be upon us in a generation or two unless Uncle Sam steps in.

Forest industry people insist a crash Federal program for growth is unnecessary and would discourage private forestry progress now underway free of subsidies and controls.

Typical of the independent and progressive businessmen who oppose the Federal proposals is R. Nelson Nash, who heads Carolina Timber Management Co., Inc., a small

consulting firm which manages about 25,000 acres of woodlands in eastern North Carolina.

Mr. Nash, a graduate forester, realizes that better forestry practices are needed on small woodlots. But, as he told Nation's Business:

"My objection to Government assistance programs is that they are impersonal and national in scope. The uniform standards and regulations cannot possibly take into account the many individual needs, preferences, and circumstances of forest owners.

"Our country has proved time and time again that free enterprise is the best attack on problems. When Government aid is used, commensurate authority must be given in return. This is an imposition on the freedom of the individual."

KENNEDY BACKS PROGRAM

President Kennedy, however, has told Congress the small private woodlands "must be managed to produce a larger share of our future timber needs." He said that if our grandchildren are to have "a continuous supply of timber products * * * growth of timber on these farm woodlots and other small holdings will have to be doubled within the next 40 years."

Warnings of timber famines have been sounded in America periodically for nearly a century and a half. In 1832, for instance, a leading conservationist, J. D. Brown, wrote that in 50 years there would be no building materials left for naval vessels. In 1908, Gifford Pinchot, first chief forester of the United States, saw our timber supply ending in a generation. In recent times many experts have predicted early exhaustion of this resource unless tax money and Government regimentation were brought to bear.

Gradually a number of Federal, State, and local laws have been drawn to encourage conservation and good forestry practices. Traditionally, Government programs have been locally administered. The Federal agricultural conservation program, for example, uses committees of local people to run forest improvement activities on private woodlands whose owners apply for planting, thinning, and other aids.

The new program the U.S. Forest Service is now pulling into final shape includes direct payments for production, federally sponsored cooperatives, Government credit operations, purchase of private lands, and implies complex controls and standards for private owners to meet.

The planners envision a 20-year program, which study reports estimate would cost more than $400 million a year in Federal, local and private money for the first 10 years.

"We are definitely committed to a new program now," one Forest Service official working on the overall plan told Nation's Business. "We have got to come up with it by September 1."

Why the new rush for a massive Federal plan for increased production from small woodlands?

The latest wave of concern began to well up in 1958 when the Forest Service "Timber Resources Review" was released. This was a report on a comprehensive appraisal of the timber situation in the United States. The survey was made in 1952. Now, nearly 10 years later, the Federal crash program is being drawn based on these findings, many of which are now obsolete.

A major conclusion of the "Timber Resources Review" was that the Nation cannot meet the demands of the year 2000 with the quality of forest land management being practiced in 1952 and that the small forests which comprise more than half of U.S. commercial forest lands were the poorest managed.

A 12-part Federal program to prod the 4.5 million small forest owners to practice improved forestry was developed by a working group in the Forest Service and made public last year.

Though this was a preliminary and unofficial outline, Forest Service officials now say that no part of this program has been eliminated and that it is the aim of the Service to push for these types of Federal subsidies and controls a little at a time if Congress won't approve an overall crash project.

No one denies that many of the small private woodlands are not being managed as productively as they could be. There are many reasons for this.

Though the average farm woodlot is about 50 acres and the average nonfarm forest holding is about 118 acres, many woodlots are much smaller and hold little prospect for substantial timber income on a sustained basis. Some of the 3.4 million farmers with small forest lots often foresee more profitable use of their time, skills, and capital in annual crops rather than investing in new timber growing stock. Where tiny, scattered tracts predominate, consolidating the timber for marketing may be difficult or the cost of logging equipment may not be justified for a single owner.

The owner of small woodlands whose primary interest is hunting, mineral exploration, or future residential or industrial land development certainly has a subordinate interest in maximum timber production.

So it is no wonder that these wooded properties of up to 2,500 acres that are classed as small woodlands include many low output producers, especially among the smallest tracts.

However, forest industry spokesmen point out that where owners can see a satisfactory financial return—the traditional incentive of our American system—they will take steps to make their holdings efficient and productive.

Increased appreciation of the potential of small woodlots has been fostered at a quickening rate by wood-using industries, forest organizations and consulting foresters in recent years.

The upgraded forestry practices promoted by private organizations and businesses have helped alter the dire picture drawn by the Government's "Timber Resources Review."

Headed by the American Forest Products Industries, Inc., an organization of wood-using industries, three nationwide education-action programs are in operation to improve forest management and timber protection and production on private lands.

The largest of these private programs—the tree farm system—is a project designed to show the landowner and the public that trees can and should be grown as a continuing crop. Many individual companies have sponsored tree farm families to increase timber production in their operating areas. Today some 55 million acres—mainly small forest lands—are being used as tree farms.

Another American Forest Products Industries program, keep America green, is administered at State and local levels to alert citizens to the dangers of forest fires. A third program, busy acres, is an educational plan providing guides to help woodlot owners with forestry management, production, and marketing problems on a do-it-yourself basis.

For years industrial forest landowners have made their professional foresters available to advise and help small timber producers get the most from their properties.

More recently, firms of consulting foresters have sprung up to help woodland owners meet their individual needs. These firms provide an assortment of tools and services including land clearing, reforestation, seeding, transplanting, control of undesirable trees, and timber sales.

In spite of the progress being made by private industry and owners to protect and upgrade forest resources on the small woodlots, the multibillion-dollar Federal crash program is still being pushed.

In the proposals that have been made public so far, the thinking that is fundamental in Federal-control philosophy is elaborately revealed.

1. Cost sharing: This would incorporate a changed and expanded agricultural conservation program open only to owners of from 80 to 2,500 acres. It would leave out the smallest woodland owners. Eligibility also would be based on the owner's dedicating a specific area to permanent forest production. Payments to stimulate improved cutting practices would be based on commitments by the owner to follow Government-dictated levels of intensive forest management practices.

2. Technical services: This would provide a greatly increased number of Federal forestry employees for planning, supervising, and contracting for services with small owners. This tax-supported service would compete with private consulting foresters.

3. Education: This would include expanded information to owners, loggers, and processors. It would include money for vocational education and hiring specialists to assist county forest employees.

4. Local committees: Planning teams of laymen representing major interests in a community would set goals, report to State foresters, and be paid mainly with Federal funds for time spent at meetings.

5. Protection: Large sums would be available for fire and pest control based on Federal standards and goals.

6. Consolidation and rehabilitation: This would permit a State to take title to private lands to rehabilitate depleted forests. The land would be returned in units of economic size, apparently in what the Government would determine to be efficient units for timber production. Owners of rehabilitated lands apparently would be made to adhere to Government standardized forestry management practices.

7. Production of nursery stock: This calls for Government seed orchards and seed and plant supplies.

8. Research: Projects are proposed for a variety of purposes. One project calls for devising and testing methods for motivating owners to undertake forest activity.

9. Forest credit: This is to provide loan capital, apparently at lower-than-market interest rates. It would be administered by the Federal Government. Borrowers would have to agree to manage their properties according to Government instructions. Loan applicants would have to show financial responsibility and managerial ability, though normally, if they could show these qualifications, they should be able to get private loans.

10. Forest insurance: This is directed primarily at small forest owners but proposes that acreage not be limited, so as to spread risks and reduce premiums. Forest management requirements would have to be met to qualify.

11. Marketing cooperatives: Federally subsidized cooperatives would be set up for managing and marketing timber. Among other things, the Federal Government would provide financial help to hire managerial and technical people to run the cooperatives.

12. Tax improvements: The aim would be to improve forest taxation through the help of foresters in assessments and legislative changes.

This proposed intricate program of Government stimulants and standards is causing considerable worry among forest industry people.

Mr. Nash, for example, feels that existing Government programs have impeded rather

than improved forestry practices in many cases. He says that publicity given to the agricultural conservation program has given the false impression that the Government will handle all forest problems without cost to the owner.

He reports that in Johnston County, N.C., last year some $5,000 was spent in such ACP forestry activities as clearing and restocking to improve 350 acres. In the same year, in the same county, Mr. Nash's firm processed 1,800 acres. This didn't cost the general taxpayers a cent. In fact, taxes on returns from the improved woodlands as well as the profits from Mr. Nash's business provide revenues to the State and Federal Treasuries.

Mr. Nash feels the Government has made significant contributions in research. But he says its attempts to promote conservation have been misinterpreted by laymen to mean "hold on to all the present trees," when clearing and restocking is often more beneficial practice.

Ponderous Government procedures sometimes fall behind technological developments and new techniques, he notes. Government still uses injections for each tree to get rid of unwanted growth, for example, while private foresters accomplish the job quicker and more easily with a spray apparatus.

In reforestation, nursery transplanted stocks are encouraged by the Federal Government, he points out, though new experiments on pines have found that nursery seedlings (not transplanted while in the nursery) grow faster and tend to be freer of disease.

Many forest industry experts maintain that the Forest Service's future timber demand estimates on which they base the need for a vast Federal program are badly warped.

Technological advances have been made even since the timber resources study was completed.

Today about 70 percent of the tree goes into commercially useful products, as compared to only 35 percent a few years ago. Forest geneticists have produced scores of hybrid trees that are improvements over their ancestors. Scientists have discovered tree strains that resist diseases and insect attacks, that grow faster and with better shape.

New means have been devised for reducing mortality and protecting the trees to produce maximum yields per acre. New machinery has been invented for planting and for controlling undesirable brush. New ways of managing woodlands promise better natural reproduction and provide improved inventory control and marketing procedures.

Researchers are breaking down wood's elements and coming up with new chemical byproducts that may one day be much more profitable than wood in its natural state today.

There can be no freedom to try new and different ways if all forestry operations must meet Government regulations, Mr. Nash says. "If all woodlands were made alike, competition would be destroyed and we would become little more than goats with Government as master."

JUVENILE DELINQUENCY

Mr. MILLER. Mr. President, in this morning's Washington Post there appears an excellent article by William S. White on the problem of juvenile delinquency, in which the point is made that the basic problem involving the nationwide juvenile delinquency situation relates to the failure of parents to properly discipline their children.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DELINQUENTS: WHO'S TO BLAME?—PARENTS SHOULD DISCIPLINE CHILDREN, NOT PASS BUCK ON RESPONSIBILITY

(By William S. White)

In the matter of juvenile delinquency and widespread juvenile shiftlessness there are increasing signs of a healthy revolt against that old American custom of expecting George to do it—George in this case being the Government.

Many days of solemn congressional hearings here into such things as violence on television and into ways and means to make the youngsters pull up their socks in general have produced about what might have been expected. There have been endless headlines and endless speeches in the CONGRESSIONAL RECORD and there has been much viewing with alarm.

At last, however, and partly due to certain unusually brave Government officials like Secretary Ribicoff of Health, Education, and Welfare, the plain facts are insisting upon raising their plain heads above all this hullabaloo. The plain facts are these:

There is not now, and there never will be so long as we retain constitutional free speech and the right to private management of private property, any lawful and effective means of preventing television from showing what the public either wants or is too lazy or too stupid to reject by turning off the dial.

And there is not now, and never will be, any lawful and effective way to saddle the public authorities entirely with the responsibility which belongs to parents, and which always has and always will.

This is the simple responsibility to direct, to guide and to discipline—repeat discipline—their children.

There is no reason whatever why Federal action should be taken, even if it could be taken, to prevent children from seeing sordid or otherwise harmful TV programs.

There is a perfectly simple remedy, a home-grown, do-it-yourself one which does not even require a kit from the hardware store.

It does not require a vast lobbying effort under the slogan "There ought to be a law!" It does not require a marching host of boycotters.

It does not require sending delegations to the Federal Communications Commission, to Congress or the White House—or even to City Hall. It only requires grown-up people to do one little thing.

Tell the children to shut off the blasted TV at those times when programs obviously unsuitable for them are going on. And make sure that it really is shut off.

The same goes for movies, and, actually, for juvenile delinquency itself. In 9 cases out of 10 any father or mother who cannot cope with this thing before it starts is simply not doing his or her job.

Nobody needs a degree in child care, for illustration, to know that teenagers should not be careening around in automobiles past midnight. And the way to stop it is just to stop it; physically, if nothing else will do.

Some will object that there are cases where a mother has to work and a father is away a great deal. The answer is not at all complicated: Any adult capable of bringing a child into the world can find the time, if he really wants to, to give that child some responsible guidance.

Now, of course, it is a sad fact of life that some children—a very few—are never amenable to any kind of discipline. In such cases the parent can only do his best. But it is extremely improbable, at all events, that any number of Federal regulations on television, movies, or anything else, would accomplish much here.

So the vast majority of American parents have only one necessity: To do their plain duty by the children and quit expecting somebody or everybody else—the Government, the schools, some committee, or other, some social worker or other—to do it for them.

It is a frustrating, almost a sickening, thing to see a Nation which grew great long ago on personal guts and personal responsibility run howling to Congress for protection against its own children.

FOREIGN AID

Mr. MILLER. Mr. President, in connection with the coming debate on the foreign aid bill, I ask unanimous consent that an excellent summary, entitled "The Erratic Course of Foreign Aid," which appeared in the Monday, July 31, 1961, issue of the Wall Street Journal, by William H. Peterson, be printed in the RECORD.

I point out that this is a summary of a booklet by Lorna Morley and Felix Morley, consisting of 61 pages, published by the American Enterprise Association. It is an excellent summary, and I believe will provide very good orientation to anyone interested in this most important subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ERRATIC COURSE OF FOREIGN AID

(Summary by William H. Peterson)

The history of U.S. foreign aid since World War II is a lesson in the durable vagaries of Government: The weaving in and out of personalities, agencies, and programs; the shifting humanitarian, economic, and political motives; the evolution of large-scale government-to-government aid, largely in response to the temporary situations and successive crises of the cold war, into a seemingly bipartisan institution.

Foreign aid history is well traced in "The Patchwork History of Foreign Aid," a pamphlet by the father-daughter team of Felix Morley, Pulitzer Prize winner and former president of Haverford College, and Lorna Morley, Bryn Mawr graduate and a specialist in foreign policy research. They ask the question: Exactly how does continuing foreign aid serve American interests?

Foreign aid began as an emergency war-relief effort, a hopeful blueprint for world peace and cooperation. There were major U.S. loans to our wartime allies (the largest of which was the British loan in 1946 of over $3.7 billion on easy terms) and loans by the International Bank for Reconstruction and Development (World Bank). Later, however, the United Nations Relief and Rehabilitation Administration (UNRRA) came under increasing congressional criticism as supplies donated to eastern European countries fell under Communist control.

EFFECTIVE CONTROL

It was therefore decided in mid-1946 not to make a further U.S. contribution to UNRRA, and some months later then Under Secretary of State Dean Acheson declared there was no justification for making grants of aid without effective control by the grantors.

By 1947, even though the basic needs of food, clothing, and shelter had been met on at least a subsistence level, economic stagnation in Europe proved dangerously stubborn in view of Soviet penetration and the

onset of the worldwide cold war. This led to Greek-Turkish military aid, the Marshall plan of a 4-year economic aid project designed to restore a healthy European economy, and the Rio Pact for the hemispheric defense of the Americas.

For their part, the Soviets forbade satellite participation in the Marshall plan and to counteract it they organized the Communist Information Bureau (Cominform) in October 1947. Then came the takeover of Czechoslovakia and the Soviet blockade of Berlin in 1948. The West countered in 1949 with the formation of the North Atlantic Treaty Organization and the U.S. mutual defense program, which provided for military aid for the modernization of the armed forces of European NATO members. "Their defense," said President Truman in a message to Congress, "is our defense."

About this time, Washington was coming around to the realization that the punitive peace imposed on Germany and Japan and involving the dismantling and decentralization of industry was impeding recovery of these countries, rendering them not only economic dependents of the United States but vulnerable to the intrigues of the Communists. Dismantling and interference were stopped, and the policy of demilitarization was switched to limited remilitarization.

Meanwhile, U.S. military and economic aid to China and Korea misfired badly. President Truman, in a policy statement in December 1945, indicated that any significant aid to Nationalist China would be contingent upon formation of a coalition government to include the Red Chinese and upon progress toward "unity and peace." General Marshall personally tried to achieve these aims in his mission to China.

EMBARGO ON ARMS

To facilitate U.S. mediation, a U.S. embargo on arms for China, applicable to both parties, was imposed for a while. Advocates of extension of the Truman doctrine to China argued in vain. The Communist takeover of the mainland was completed in 1949 and Gen. Chiang Kai-shek and his remnants escaped to Formosa. In June 1950, a few months after Secretary of State Dean Acheson's National Press Club speech in which he drew a Far Eastern defense perimeter excluding South Korea, the Communists swept over the 38th parallel.

With the shooting, military aid loomed more important than economic aid. The military aid share of U.S. assistance went from 20 percent in fiscal 1951, to 38 percent in fiscal 1952, to a preponderant share in fiscal 1953, reaching about 70 percent in fiscal 1956 before subsiding. In addition, the United States concluded military pacts with Japan, the Philippines, Australia, New Zealand and, after the Korean armistice in 1953, with South Korea.

After the French collapse in Indochina in 1954, the United States helped forge the Southeast Asian Treaty Organization (SEATO) and the Baghdad Pact, which plugged the gap between NATO and SEATO. The Baghdad Pact, however, was weakened by the British, French, and Israel invasion of Suez in 1956. This, in turn, led to the Eisenhower doctrine, a guarantee of Middle East integrity, and the consequent Lebanese occupation by U.S. Marines in 1958, and to the reconstitution of the Baghdad Pact without Baghdad into the Central Treaty Organization (CENTO).

MILITARY BUILDUP

While the military buildup was going on, a new wrinkle was added to U.S. aid: Economic development began to get most of the emphasis. The change was signaled in President Truman's inaugural address in January 1949, when he said: "Fourth, we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of the underdeveloped areas."

Today hardly an underdeveloped nation anywhere does not crave a steel mill or an oil refinery or some other manifestation of industrialization. (Says India's Nehru: "Real progress must ultimately depend on industrialization.")

A variety of tools have been designed to spur developmental aid. The Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), for example, permits the sale of surplus farm commodities for local currencies, which are frequently reinvested by the U.S. Government in loans and grants for economic development. (But surplus disposal has also tended to depress world commodity prices and undercut the markets of allied or friendly nations.)

Other developmental devices include the U.S. Export-Import Bank, the State Department's Development Loan Fund (DLF), the Inter-American Development Bank (IADB), which dispenses the $600 million Castro appropriation for Latin America, and the International Development Association, a World Bank affiliate empowered to make extra-soft, low-interest loans to the poorer countries.

Even the Communists caught the development mania. By November 1960, the Sino-Soviet bloc had extended $4.6 billion in economic and some military assistance to 21 less-developed nations on four continents, principally to India, Afghanistan, the United Arab Republic, Iraq, and Indonesia and recently to Ethiopia, Guinea, and Cuba. Some strategically located countries—principally India and Yugoslavia—take economic aid from both Communist and non-Communist sources.

DOLLAR'S WEAKNESS

At any rate, it is hard to disagree with the Morleys' conclusions that foreign aid has been a chief reason for the weakness of the dollar and our balance of payments difficulties and that "the patchwork history of foreign aid is more complicated than inspiring." Certainly uninspiring has been successive crises in such U.S.-aided countries as China, South Korea, Laos, Iran, Bolivia, Cuba and the Congo. Certainly questionable is the theory that development can be spurred by aid to governments engaged in state planning or outright socialism.

Even President Kennedy is dissatisfied. In his message to Congress on foreign aid, he criticized the "multiplicity of programs," all of them "bureaucratically fragmented, awkward and slow," their administration "diffused over a haphazard and irrational structure," with many of their purposes "obsolete, inconsistent, and unduly rigid." In fact, the defects of the whole program "have begun to undermine confidence."

Does this mean the President wishes to cut back? Quite the opposite. The Administration is pushing an omnibus aid bill calling for a record $4.8 billion in this fiscal year and a backdoor spending 5-year outlay of $8.8 billion out of a total of $26 billion, coupled with President Kennedy's admonition to Congress that the bill is "probably the most vital piece of legislation in the national interest that may be before the Congress this year."

All this is a far cry from Washington's farewell admonition to Congress that we should have "as little political connection as possible" with foreign nations. It is also quite removed from what a young Congressman told a meeting of Harvard students and professors on November 10, 1950—namely that sooner or later we would "have to get all these foreigners off our backs." The Congressman's name: John F. Kennedy.

RESOLUTION BY OREGON POST OFFICE CLERKS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of certain resolutions adopted at the annual convention of the Oregon Federation of Post Office Clerks in Salem on June 17, 1961.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION ON REGIONAL POST OFFICE LOCATION

Whereas the removal of the regional post office from Portland, Oreg., to Seattle, Wash., was initiated by Postmaster General Summerfield and continued by Postmaster General Day; and

Whereas this move was made without any hearing or findings made available to the public to justify the move—that it was made in the public interest, or economy and efficiency of operation; and

Whereas the facility was first located in Portland, Oreg., after an exhaustive study, taking into consideration all of these factors. And to our knowledge, or any information provided by the Post Office Department, have any of these factors been changed; Therefore be it

Resolved, That we commend the Oregon delegation in Congress for their efforts to secure a public hearing by the House and Senate Post Office and Civil Service Committees, or any other suitable committee, to find out why this move was made, and if it was in the public interest, or efficiency; and be it further

Resolved, That we encourage the Oregon delegation to continue their efforts in this direction; and be it further

Resolved, That if the findings show that the move was not made in the public interest, or economy and efficiency of operation, that Congress be requested by our delegation, to direct the Postmaster General to return the regional post office to Portland, Oreg.; and be it further

Resolved, That this 41st annual convention of the Oregon Federation of Post Office Clerks, assembled in Salem, Oreg., the 16th, 17th, 18th, of June 1961, go on record as favoring this resolution.

Submitted by local No. 128, Portland, Oreg.

Passed this 17th day of June 1961 as amended.

JOHN L. ELLIS,
Secretary-Treasurer.

RESOLUTION ON SPEEDUP SYSTEMS

Whereas it is now patently clear that "Guide Lines" is a speedup system that is unjust, unfair, inaccurate, and immoral for these among other reasons:

(1) The norm or minimum is based on the section or case and is the same for every clerk, regardless of his experience or the frequency that he is used on the operation.

(2) No allowance is made for age. The older person whose reflexes have slowed, and whose stamina has been reduced, is expected to run the mile at the same speed as the younger person. No consideration is given for past performances. It is, therefore, a scheme to break the health and force into retirement our older clerks.

(3) Letters cannot accurately be measured, for they are as various as the fish in the sea. A great deal depends on how the mail is measured and packed, which depends entirely upon the instruction of the supervisor in charge of the operation; these instructions can be to pack tight or loose.

(4) Various subterfuges are used to increase the norm without actually increasing the count, such as increasing the size or shape of the case, or the lame excuse that an error occurred when the foot norm was established.

(5) Continuous pressure on human nerves can only lead to an explosion or a breakdown: Therefore be it

Resolved, That we are vigorously opposed to "Guide Lines" or any similar systems, and call upon Congress for early action to outlaw this device; and be it further

Resolved, That this 41st Annual Convention of the Oregon Federation of Post Office Clerks, assembled in Salem, Oreg., June 16, 17, 18, 1961, go on record as endorsing this resolution.

Submitted by local No. 128, Portland, Oreg.

Passed as amended on this 17th of June 1961.

JOHN L. ELLIS,
Secretary-Treasurer.

RETIREMENT ESCALATOR

Whereas nearly all retired employees must live on a fixed income, and as ever rising cost of living results in a lower standard of living for them; and

Whereas they have none of the benefits of rising wages and salaries that try to keep pace with rising living costs, since they have already made their contributions to society and our well-being, and are no longer able or eligible to hold a full-time job; and

Whereas the moneys paid into the various retirement funds had a greater purchasing power than the moneys now remitted to the retired person: Therefore be it

Resolved, That payments to retired persons under the Social Security Act, the Federal Retirement Act, the Railroad Retirement Act, and any others wholly or partly defined by Federal law, make compensation for the rise in the cost of living, based on the figures supplied by the Bureau of Labor Statistics. Retroactive payments to be made from the date of retirement, and further payments to be adjusted yearly; and be it further

Resolved, That our delegation on Congress be notified of this action, with a request for consideration and support; and be it further

Resolved, That this 41st annual convention of the Oregon Federation of Post Office Clerks, assembled in Salem, Oreg., the 16th, 17th, 18th of June 1961, do go on record as favoring this proposed action.

Submitted by local No. 128, Portland, Oreg.

Passed as written this 17th day of June 1961.

JOHN L. ELLIS,
Secretary-Treasurer.

RESOLUTION ON EMPLOYEE PREFERENCE

Whereas one of the greatest menaces to the economic stability of our country and certainly one of the greatest menaces to the security and well-being of many American families is the continuing lack of job opportunities for many heads of families; and

Whereas the people who are working have to support those who are not, either through taxes or direct charitable contributions, which imposes an additional financial strain on all classes of citizens; and

Whereas organized labor has emphasized its concern over the plight of the many still unemployed and has called for immediate, positive action to remedy this situation; and

Whereas we feel that this distress among American families would be most effectively relieved by giving priority in new hiring to the unemployed heads of families; and

Whereas the agencies of Government should take the lead in alleviating this dire situation, by setting up a system of priority which would favor the hiring of family breadwinners, regardless of sex: Now, therefore, be it

Resolved, That the Oregon Federation of Post Office Clerks in convention assembled at Salem, Oreg. June 16, 17, 18, 1961, go on record as favoring a system of priority which would give preference in the new hiring, to the unemployed heads of families wherever and whenever this is practical; and be it further

Resolved, That the various governmental agencies be urged to take the lead in establishing a practical system of priorities, to the end that the protection of the basic unit of our society, the American family, be given first consideration in the efforts being made to alleviate the scourge of chronic, long term unemployment; and be it further

Resolved, That copies of this resolution be sent to the Oregon delegation in Congress, asking them to use their influence and to introduce legislation which would insure preference for the unemployed heads of families in new hirings.

Submitted by local No. 128, Portland, Oreg.

Passed as written, this 17th day of June 1961.

JOHN L. ELLIS,
Secretary-Treasurer.

RESOLUTION ON OVERTIME, SATURDAYS, SUNDAYS, AND HOLIDAYS

Whereas premium pay for Saturdays, Sundays, and holidays, has become a common rule in private industry, for figuring the compensation of employees who must work on these days; and

Whereas the payment of such premium pay is legally and morally required both as a result of legislative action and the consequence of collective bargaining; and

Whereas postal clerks have for too long been asked to perform Saturday and Sunday duties without extra remuneration; and

Whereas we feel that the public would indeed favor premium pay as a matter of justice, to postal employees who are forced to penalize themselves and their families by working on Saturdays, Sundays and holidays: Therefore be it

Resolved, That we urge Congress to pass remedial legislation making it mandatory to pay time and one-half for Saturdays and double time for Sundays and holidays to those postal clerks, carriers, and other postal employees, who must report for duty on Saturdays, Sundays, and holidays; and be it further

Resolved, That copies of this resolution be sent to the Oregon delegation in Congress, asking them for favorable consideration of such legislation; and be it further

Resolved, That this 41st Annual Convention of the Oregon Federation of Post Office Clerks, at Salem, Oreg., June 16, 17, 18, 1961, go on record as favoring this action.

Submitted by local No. 128, Portland, Oreg.

Passed as amended on this 17th day of June 1961.

JOHN L. ELLIS,
Secertary-Treasurer.

MILITARY ANTI-COMMUNIST SEMINARS AND STATEMENTS

Mr. THURMOND. Mr. President, on July 26, 1961, I pointed out on the Senate floor that there is a concerted attack underway against the anti-Communist indoctrination of the American people and our troops in uniform, and particularly against participation in this effort by our military officers. At that time I caused documents to be inserted in the RECORD which demonstrate that this attack was begun by the Communist Party, U.S.A., in its official news organ, the Worker, and is now taking the form of a widespread movement from innumerable sources. My statement in this regard appears in the RECORD for July 26 beginning at page 13594.

On Saturday, July 29, 1961, I again addressed the Senate with regard to this matter, and beginning on page 13998 of the July 29 RECORD there appears a discussion which took place on the floor with regard to this same matter. During the discussion on Saturday, I stated that there should be an investigation of the entire campaign to discredit our military leaders and to prevent them from continuing their educational efforts on the true and total nature of communism.

Also during the course of the discussion which took place on the Senate floor last Saturday, I stated that the Department of Defense had prohibited as of March 10, 1961, the official use of the film "Operation Abolition." The chairman of the Senate Armed Services Committee stated that he had received complaints concerning the barring of the film "Operation Abolition" by the Department of Defense and that he had been told by the Department of Defense that the showing of "Operation Abolition" had not been barred. The chairman of the Armed Services Committee then stated that if the film were officially barred by the Department of Defense he wished to be advised so that the Armed Services Committee could look into this matter.

Mr. President, I read the colloquy between the chairman, Senator RUSSELL, and myself:

Mr. THURMOND. Mr. President, today the United States and the free world have only one enemy, and that is communism. We should leave no stone unturned, as Mr. Hoover has said in informing our people of the aims and designs of communism. Our military personnel are trying to disseminate that information; but there has been issued a directive prohibiting the official showing to our military personnel of the film "Operation Abolition," which shows how communism infiltrates and shows how subversion can actually occur in our own country. All that is part of the workings of communism, and our people should know about it.

Mr. RUSSELL. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I am pleased to yield to the distinguished chairman of the Armed Services Committee.

Mr. RUSSELL. Mr. President, some complaints that the film has been barred were forwarded to me. I took up that matter with the Department of Defense, and was told that the showing of the film had not been barred.

When was the order barring the showing of this particular film issued? I took up the matter with the Department of Defense. Undoubtedly they are attempting to discourage the showing of the film; but they said they had not barred it. That was some 3 or 4 weeks ago. It may be that it has been barred since that time.

Mr. THURMOND. My information was that it was barred from official use; and I understand that the date was the 10th of March 1961. This was in the form of a memorandum from the Secretary of Defense to the service Secretaries.

Mr. RUSSELL. I think undoubtedly they were trying to discourage its showing. If its showing had been barred, I was going to make inquiry into that. But I was assured by the Secretary of Defense that it had not been barred.

I think the Senator from South Carolina is entirely correct in the position he has taken; namely, that efforts have been made to keep the men in the Armed Forces of our country, who are among our finest citizens, and certainly they have contributed as much to our common country as has anyone else, from freely expressing themselves. I do not approve of that in the slightest degree.

But I do wish to be informed if the film has been officially barred by the Department of Defense, so that the Armed Services Committee can look into that matter.

Mr. THURMOND. I shall be glad to obtain that information from our files, make it available to the Senator from Georgia, and place it in the RECORD on Monday, because it is important.

Mr. President, on March 10, 1961, the Deputy Secretary of Defense issued a memorandum to the Secretaries of the Army, Navy and Air Force with regard to the film "Operation Abolition" and with regard to the establishment by the Office of the Secretary of Defense of centralized procedures for "evaluating materials designed for indoctrination of personnel of the Defense Department in the general area of international affairs and related fields."

Subsequently, on April 21, 1961, another such memorandum was issued concerning the film strip "Communism on the Map."

Mr. President, I ask unanimous consent that the text of both of these memorandums as communicated to me by the Office of the Assistant Secretary of Defense for Public Affairs be printed in the RECORD at this point in my remarks.

There being no objection, the memorandums ordered to be printed in the RECORD, follow:

DEPARTMENT OF DEFENSE POSITION REGARDING COMMERCIALLY PRODUCED FILM PRESENTATIONS ON COMMUNISM

On March 10, 1961, the Deputy Secretary of Defense by memorandum for the Secretaries of the Army, Navy and Air Force, stated:

"1. There is presently being established within the Office of the Secretary of Defense centralized procedures for evaluating materials designed for indoctrination of personnel of the Defense Department in the general area of international affairs and related fields. The evaluation will apply to all materials, written, pictorial, or audio, used in training programs and troop information programs, and will be in conformance with the security and policy review regulations of the Defense Department.

"2. The film 'Operation Abolition' will be retained in the film libraries on an on-call basis for those requesting to view it, but will not be prescribed in the retaining of personnel. A memorandum of January 31, 1961 from the Office of Armed Forces Information and Education stated the "on-call" policy for information programs and described the production of an OAFIE film coverinng the tactics employed by Communists seeking to manipulate youth. This film is being produced within the framework of material set forth in the House Committee on Un-American Activities print entitled 'Communist Target—Youth,' a report by J. Edgar Hoover, Director of the Federal Bureau of Investigation.

"3. Another film coming within the scope of paragraph 1, which recently has been brought to our attention is entitled 'Communism on the Map.' Determination as to the use of this film will be deferred pending its evaluation pursuant to the procedures prescribed in paragraph 1."

On April 21, 1961, the Assistant Secretary of Defense (Manpower) by memorandum for the Secretaries of the Army, Navy and Air Force, stated:

"Subject: Narrated filmstrip 'Communism on the Map':

"The commercial, narrated filmstrip 'Communism on the Map' has been determined, by official review under DOD evaluation procedures, as not required for Armed Forces training or troop information or public information programs and that it should not be purchased by the Department or used by Department of Defense personnel.

"Attention is invited to the many materials in the area of anticommunism including pamphlets and motion pictures produced by the Office of Armed Forces Information and Education, which are available for troop information programs."

Mr. THURMOND. Mr. President, the memorandum of March 10, 1961, states in part:

The film "Operation Abolition" will be retained in the film libraries on an on call basis for those requesting to view it, but will not be prescribed in the training of personnel.

In further elaborating on this matter, Mr. Arthur Sylvester, Assistant Secretary of Defense for Public Affairs, wrote to me on March 22, 1961, and I quote from his letter:

Several prints were procured by the Office of Armed Forces Information and Education (OAFIE) for screening, but were found unsuitable for use in the military information program. In addition, the services purchased a number of prints which they placed in their various film libraries throughout the country. The services now have them on "on call" basis, but will not use them in prescribed training programs.

Mr. President, I again checked with the Office of the Secretary of Defense on Saturday, July 29, and I was advised by the Office of the Secretary of Defense that prior to March 10 both the Army and the Navy by official policy used the film "Operation Abolition" in their training programs. The memorandum of March 10 required the Army and Navy to discontinue the use of "Operation Abolition" in their official training programs and put it on the shelf.

Mr. President, subsequent to the newspaper reports of the action taken on "Operation Abolition" by the memorandum of March 10, I have received innumerable complaints. One of these is particularly pertinent. It is from Mr. William S. Morris III, assistant to the president and publisher of Southeastern Newspapers, Inc. Mr. Morris enclosed with his letter a copy of an order placed on the bulletin board of the 9907th Air Force Reserve Unit in Augusta, Ga. I ask unanimous consent that the letter of May 25, 1961, to me from Mr. Morris and Bulletin No. 7 of the 2689th Air Reserve Center dated April 21, 1961 be printed in the RECORD at this point in my remarks.

There being no objection, the letter and bulletin were ordered to be printed in the RECORD, as follows:

SOUTHEASTERN NEWSPAPERS, INC.,
Augusta, Ga., May 25, 1961.

Hon. J. STROM THURMOND,
Senate Office Building,
Washington, D.C.

DEAR SENATOR THURMOND: Recently there has been much in the national press regarding the film "Operation Abolition" and even more recently there has been mention of a film strip entitled "Communism on the Map."

I am a member of the 9907th Air Force Reserve here in Augusta. Recently an order (copy enclosed) was placed on our bulletin board from our headquarters center in Atlanta which stated that the film "Operation Abolition" will not be shown during training hours or as a prescribed training or information film.

Also, the film strip "Communism on the Map" was termed not suitable for use in military information or training programs and that it should not be used by military personnel that might imply official indorsement by the Department of Defense or by any military department.

I recognize that the military must be careful about the films which it uses. I have seen both of these films and I do not understand why they are not suitable for use by our military forces.

The film "Operation Abolition" is a documentary account of the riots against the House Un-American Activities Committee last spring. This film, as you know, hits squarely at the heart of the Communist program. A nationwide effort has been made to smear the film and to discredit it. The film has been called inaccurate, unfair, and many other things.

The film strip "Communism on the Map" is, as far as I can see, a documentary appraisal of the progress of the Communists since 1917. It is impossible to view the film without becoming alarmed about the threat communism poses against our Nation. You and I recognize that the Communists have made tremendous strides. We also recognize that if they are not stopped, they will engulf and enslave us.

I am deeply concerned that the Secretary of Defense has issued this order banning these films. In my opinion these are the types of things that the Americans should see. In order to survive, we must know and understand our enemy. My deepest concern is the apathy of the American people toward the international Communist conspiracy.

I hope that you can do whatever possible to see that these films are taken off the restricted list. As an American, I am ashamed of the officials in our Government who have such a soft attitude toward communism and who would be responsible for this action.

America today is at war. If we lose this war, the Communists will enslave us. I feel that it is vitally important that our Government recognize this and play a part in alerting the American people to the dangers of communism.

I appreciate your help in this matter. Best wishes.

Sincerely,

W. S. MORRIS III,
Assistant to the President and Publisher.

[From Bulletin No. 7, Apr. 21, 1961]

2689TH AIR RESERVE CENTER (CONAC),
U.S. AIR FORCE,
Atlanta, Ga.

ADMINISTRATION

1. Change of command: Lt. Col. LeRoy C. Wilcox, AO315470, assumed command of the 2689th Air Reserve Center, effective April 10, 1961.

PERSONNEL

2. AF forms 1085: AF forms 1085 pertaining to first lieutenants are to be submitted as of April 30, 1961. Reports will be forwarded so as to arrive this center no later than May 30, 1961. Late reports will be processed in accordance with paragraph 12.1, ConAC supplement 1, to AFR 45–24, March 10, 1961. Particular attention will be paid to paragraph 13, ConAC supplement 1, and paragraph 7b3, AFR 45–24.

TRAINING

3. Control of AF form 40: During a recent inspection, one class instructor was observed having the AF form 40 signed during the break. This is not effective control of the form. Students attending the class will sign the form 40 prior to the beginning of the class.

4. Films:

a. Two films, SFP 674, "Rocket Club," and SFP 1005, "Operation Worldwide," are available from the center training office. These will be kept for a period of 45 days. Squadrons are invited to request these for showing to reservists or for civilian functions. Requests will be processed on a first come, first served basis.

b. The following, quoted from a ConAC message, is for your information:

"Effective immediately, the film 'Operation Abolition' will not be shown during training hours, or as a prescribed training or information film. The foregoing is not to be construed as a ban on the showing of the film and it will continue to be stocked in the St. Louis film library for internal use only on an 'on call' basis for voluntary viewing. Part II: Concerning the film strip presentation 'Communism on the Map.' The position of the Department of Defense is that it is not suitable for use in military information or training programs, and it should not be used by military personnel in any way that might imply official indorsement by the Department of Defense or by any military department. Request you expedite this guidance to all concerned."

For the commander:

FRED V. MAYHUE,
Captain, U.S. Air Force,
Administrative Officer.

Mr. THURMOND. Mr. President, paragraph 4(b) of this order states:

Effective immediately, the film "Operation Abolition" will not be shown during training hours, or as a prescribed training or information film.

The order continues:

The foregoing is not to be construed as a ban on the showing of the film, and it will continue to be stocked in the St. Louis film library for internal use only on an "on call" basis for voluntary viewing.

Mr. President, in practical effect the memorandum of March 10 did much more than just prohibit the use of "Operation Abolition" for official use despite the carefully worded denial that the action is not to be construed as a ban on the showing of the film. The prohibition of the official use of the film carries an emphatic warning to military personnel that the Department of Defense does not look with favor on its use. No discerning officer could escape the implication that should he be so bold as to request the film through official channels from the film library where it was stored "on call" he would at least be risking the disfavor of his superiors.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. I wonder if my friend from South Carolina would care to venture a guess as to whose disfavor, amongst his superiors, an officer requesting an oncall showing of the film might risk? Would it be his immediate superior in St. Louis, his immediate superior in his Reserve region, or would it not be possible that the request would have to come all the way to Washington to reach some civilian level in the Pentagon before he could find any risk of censure by a superior?

Mr. THURMOND. In response to the question of the distinguished Senator from Arizona I would say that such an officer would incur the risk of his superiors chiefly in the Pentagon, and particularly those who issued the orders barring the use of the film for training purposes. I am quite certain that his immediate superiors in uniform would want the film shown to personnel in uniform. I have heard many expressions from high-ranking officers in uniform as well as low-ranking officers and enlisted personnel approving the showing of the film "Operation Abolition."

Mr. GOLDWATER. Mr. President, will the Senator yield while I recite a personal experience that I went through a week ago in connection with the unheard of censorship being imposed by certain civilians in the Pentagon?

Mr. THURMOND. I would be pleased to have the distinguished Senator do so.

Mr. GOLDWATER. I shall make this statement as brief as I can. I came in contact firsthand with an insidious effort to keep from the people of this country, not military secrets, but merely the common knowledge we must have if we are to recognize the nature of our enemy and how we must fight him.

The Sunday preceding last Saturday I engaged, along with the president of Republic Aviation, the editor of Aviation Weekly, Mr. Arthur Godfrey, Miss Marguerite Higgins, Mr. Theodore Granick, and Gen. Curtis LeMay of the Air Force, in a new program that is being sponsored by the Reader's Digest. I understand that once a month some story is carried in that widely read magazine pertaining to some aspect of our national defense posture. The particular story I referred to was entitled, if my memory serves me correctly, "SAC—Strategic Air Command—Is Ready."

We met at 8:30 that Sunday morning at Andrews Air Force Base. We sat around the table for a long, long time discussing questions that we should or should not ask that might entail classified answers from General LeMay.

We went out on the ramp—it was a very hot morning and sat there for somewhat longer than 1 hour being screened while we asked General LeMay questions. Being a person cleared for top secret, I personally know that no questions were asked and no answers given that in any way violated any security.

Yet a week ago last Saturday, as the films were being released to approximately 1,300 radio and television stations around the country, someone in the Pentagon—not in the Air Force, because the Air Force to my mind was satisfied that the presentation did not risk the violation of security—someone newly brought into the Pentagon, some wizard, someone who understands how not to get information to the American people, who does not want information to go to the American people, said that this particular presentation did not go the way it was.

I strongly suspected at the time that the statement was made because during the filming of this presentation I had stated what I considered an honest opinion about the reporting of a well-known newspaper. I call it irresponsible reporting. That incident was the only description I could think of to which civilians in the Pentagon would object. Knowing the hold that this particular newspaper has on them, I can well imagine that that might be the risk.

During the course of the day the incident went up and down, up and down, between the civilian some place in the miles and miles of corridors of the Pentagon, the Air Force, and Mr. Granick. Finally the film was allowed to be released.

I know the American people saw that film yesterday. There was not a single deletion from the original made in it as it was edited by Mr. Granick It did not violate a single concept of security. Yet one of our leading magazines, one of our leading producers, and 1,300 radio and television stations around the country were put to a great deal of worry and work because someone who was hidden somewhere in the maze of New Frontiersmen over in the Pentagon decided that this information should not be put out to the American people.

I hope that all Americans saw the presentations so that they could realize the kind of tripe that we who are defending the military are having to put up with in connection with the czars in the Pentagon who do not wear a uniform and who do not want the American people to know what is going on.

I apologize for the length of my recitation, but I thought the point should be brought out because I have recently lived through the experience.

Mr. THURMOND. I thank the distinguished and able Senator for the statement he has made. He has made a great contribution to the cause. I do not know whether the Senator has seen the film that has been substituted for "Operation Abolition" and which is called "Challenge of Ideas."

Mr. GOLDWATER. I have not seen it, but bearing in mind the gentleman

who was in charge of producing the picture, I can well picture what it is.

Mr. THURMOND. I have described it as a namby-pamby film.

Mr. GOLDWATER. Knowing the Senator, his restraint, and his desire not to inflict injury on anyone's feelings, I judge by his remarks that the film is much weaker than what he has described. The picture probably does not even reach the point where knees could be rubbery, because this particular individual has never been known to want to defend the American system or to divulge the nature of the enemy.

Mr. THURMOND. I further described the film several days ago as a gutless film made by gutless people.

Mr. GOLDWATER. The Senator is getting nearer the truth every time he opens his mouth.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield to the distinguished Senator from South Dakota.

Mr. MUNDT. I was interested in the recital of the Senator from South Carolina of the changing posture of the Pentagon as it relates to the showing of the two films, "Communism on the Map" and "Operation Abolition." If I correctly understood the chronology, there was a time not so long ago when the Pentagon was encouraging its officers to show these films to the public in the areas in which they serve, to various patriotic groups, and especially to those in training under them. Now that policy has changed from one of encouragement to one of passive resistance, and now to one of discouragement, which the Senator believes is almost commensurate with prohibition as it goes further down in the ranks and reaches the outposts in the country. Is my statement a fair review of the attitude of the Pentagon? Has it changed from one of firmness to one of faintheartedness in that direction?

Mr. THURMOND. In response to the question of the Senator from South Dakota I must admit that I believe that the change he has described has taken place. The Defense Department had purchased four prints of this film and the services had purchased numerous copies for their own use. The services were using the films in their orientation programs and in their seminars to inform military personnel, and also to assist the public to have greater opportunities to view it. As I stated a few days ago, a large number of Reserve officers and a large number of prominent leaders in this country—editors, lawyers, and other prominent people, as well as officers—have attended those seminars.

The junior Senator from Iowa was one of those who attended these seminars. I believe that the Presiding Officer, the distinguished Senator from Rhode Island [Mr. PELL], attended one of these seminars. I understand that other Senators also attended the seminars. I have heard nothing but complimentary remarks about these seminars.

Mr. MUNDT. As I understand the Senator, everything was running along in good order, and Senators, editors, and those in and out of uniform were very happy about having an opportunity to have this documentary information brought to them, until a ground swell of resistance began, stemming originally from the Communist Party and printed first in the Daily Worker, or, I should say, in the Worker, since, happily, the Communist official paper no longer is published every day and, therefore, it has been necessary to change the name of the paper to the Worker. Is that correct?

Mr. THURMOND. The Senator is correct? The Worker has led the move to discredit the military. They have printed very slanderous articles about our great military leaders and other men in uniform, and they have done everything possible to discourage these programs, which were fostered by the services to inform the military personnel and our civilian population on the aims and dangers of communism.

Mr. MUNDT. I have read the shocking and astounding revelations in the speech of the Senator from South Carolina of July 26, which should be read and studied by every red-blooded, stout-hearted American and which is found in the daily CONGRESSIONAL RECORD, starting at page 13594, in which he points to his research on Communist literature on this subject, and to the fact that the Communists were not content to direct their venom against "Operation Abolition" and its associated film, "Communist Encirclement." They also have singled out three of our most prominent, revered, and respected military leaders for condemnation; namely, Lt. Gen. Arthur F. Trudeau, Chief of Research and Development of the Army; Adm. Arleigh Burke, Chief of Naval Operations; and Gen. Maxwell D. Taylor, the military adviser to the President. They have singled them out for contemptuous reference, in the hope that these good men and true will be muzzled, censored, and silenced, so that they will not be able to convey to their associates in the military and to the general public badly needed lessons as to what communism is all about. Is that correct?

Mr. THURMOND. My information is that no military man has recommended that the film, "Operation Abolition," be discontinued. No military man recommended that this program to enlighten our civilians throughout the country be discontinued. In my judgment, a very dangerous course has been adopted. I believe it will tend greatly to retard the education of military personnel and the public generally on the aims and objectives and the dangerous nature of communism, and just how subversion takes place in our country, as is shown by the film "Operation Abolition."

Mr. MUNDT. The Senator is a distinguished member of the Committee on Armed Services, the Senate committee which has jurisdiction over the Pentagon, and the committee to which the Pentagon appeals when it has legislative proposals to present. It is his committee which works, as it properly should, in shoring up our defenses against the challenge to our military. Has the Committee on Armed Services taken any stand in connection with this changed procedure, either recommending changes or, they having occurred, respecting the new prohibitions which have been established?

Mr. THURMOND. The committee has taken no steps; in fact, I do not believe there has been a meeting of the committee since I made this speech, except with respect to the President's program. However, it is my hope that the committee will take some action. I believe I read to the Senate the colloquy between the distinguished chairman of the Committee on Armed Services, the Senator from Georgia [Mr. RUSSELL], and myself, indicating that he is very much interested in the subject. I believe he will proceed to investigate this subject. I sincerely hope so.

Mr. MUNDT. If I correctly understood the colloquy which the Senator from South Carolina has read, it implied that the distinguished chairman of the Armed Services Committee, the Senator from Georgia [Mr. RUSSELL] said very definitely that if, in fact, these prohibitions have been established, it was without his knowledge, without his consent, and without his approval. Is that a correct reflection of what the Senator from Georgia said in that colloquy?

Mr. THURMOND. That is my interpretation of the remarks of the Senator from Georgia. I read from that colloquy:

> But I do wish to be informed if the film has been officially barred by the Department of Defense, so that the Armed Services Committee can look into that matter.

I infer from that statement of the chairman of the committee that he will want to look into the situation, because there is no question that the film has been barred from use for official training purposes. The directives which I am putting in the RECORD tonight show that point.

Mr. MUNDT. That states the problem as clearly as the English language can put it. Knowing the perspicacity and the persistence of the chairman of the committee, the Senator from Georgia [Mr. RUSSELL], and the same qualities and qualifications which are so resplendent in the record of the distinguished Senator from South Carolina, I assume that the two Senators, with or without the adoption of the resolution, which I presume the Senator from South Carolina will present to the committee the next time it meets, will conduct the kind of investigation that will disclose to the Senate and to the country what has brought about this strange retreat by the Pentagon, from the perfectly logical and consistent position that while we are standing firmly against communism in Berlin we should not get on our bicycles and run away from it in the Pentagon. Certainly it should be resisted at least to the extent that we have been doing in the past few years. I hope it will intensify the training program. I hope that we may build up the morale of those charged with the defense of this country. I hope that we may increase the facts and information, making clear to the people the nature of this

beastly godless conspiracy, instead of muffling the drums of freedom, as the new order in the Pentagon has so clearly done.

Mr. THURMOND. I heartily concur in what the Senator has said, that now is not the time to discontinue showing films which reveal the true nature of communism, its aims, its objectives, its dangers, and its hazards. Now is the time to put more stress on such activities, in order that our military people and our civilians may understand the dangers, so that we may know how to fight this enemy.

This is not merely a military war; it is an ideological war, a political war, and a diplomatic war. It is important that our people, military and civilian, understand this fact, if we are to overcome the greatest danger to humanity today; namely, communism.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MUNDT. In concluding, I believe that any good American would understand that the war which is being waged against us by the Communists is not merely a war involving a military threat, but that they are also engaged against us in economic, propagandist, and educational activities.

It is imperative that we train our troops and our people in a recognition of the true Communist conspiracy, and train them in techniques which will enable them to reject them, to repel them, and to defeat them. That is why a number of us in the Senate, representing both political parties, and associated in the House with a great Republican and a great Democrat, Representative JUDD, of Minnesota, and Representative HERLONG, of Florida, have persistently been suggesting the establishment of a Freedom Academy to intensify, expand, and build up a program of educating responsible persons in responsible positions as to the true nature of communism, as to how it operates overseas, and as to what we must start to do to reject it.

We must abandon the false notion that merely shipping American dollars overseas will buy us security or defeat communism. We need trained individuals and operators, fighters for freedom, and we need them in civilian life. That is what we are seeking to accomplish with the Freedom Academy. But we certainly need them even more in the military field, where they are subjected to all the brainwashing techniques of the Communists; where they are subject to the danger of death itself. It is imperative that they know the cause for which they fight, and know the nature of the enemy.

I believe the Senator from South Carolina is rendering an invaluable service by focusing attention on this problem. I wonder whether he has pursued any further the objective he enunciated on Saturday, and previously on July 26, concerning what was said in the message which was apparently started by the staff of the Committee on Foreign Relations and sent secretly to the Secretary of Defense and the President of the United States, urging that the curtain be rung down and censorship be established, insofar as the anti-Communist program is concerned?

Mr. GOLDWATER. Mr. President, will the Senator from South Carolina yield at that point? I may be able to assist in answering that question.

Mr. THURMOND. I yield.

Mr. GOLDWATER. I wish, belatedly, to add my congratulations to the distinguished Senator from South Carolina for what he is doing in this field. The Senator from South Carolina understands the problem. He is a Reserve general and has served with troops.

About the same time, I believe, that the Senator from South Carolina began his interest in this subject, I likewise took an interest in it. I wrote to the Secretary of Defense, asking for a copy of the letter which he received from the chairman of the Committee on Foreign Relations. I think that was about 10 or 11 days ago. I have not received a copy of it.

Today I thought I would go to the place where the letter originated, so I went to the Committee on Foreign Relations and asked a member of the staff for a copy of the letter. I was told that it did not originate in the committee but originated in the Senator's office.

I called the Senator's office and discussed the question with one of his staff. I do not remember the name. I was told that the Senator from Arkansas would make a statement on the floor today. I do not know if he has made it. The statement was to the effect that he had prepared the letter and would not release it.

I merely wished to inject this statement because I told the Senator from South Dakota [Mr. MUNDT] earlier today of this rather strange sequence of events. We all have the recognized right to write letters to anyone in the Government. But when someone undertakes to tell the Secretary of Defense what he should or should not do in matters which have a direct bearing upon all of us, then I think all of us have the right to know what the contents of the particular letter or document were.

Does the Senator from South Carolina agree with me on that point?

Mr. THURMOND. The Senator from South Carolina emphatically agrees with the Senator from Arizona. The Senator from South Carolina wrote to the chairman of the Committee on Foreign Relations and requested the memorandum. I was informed that it had been prepared by the staff of the Committee on Foreign Relations for the chairman of the Committee on Foreign Relations, who then took the memorandum, so I am informed, to the Department of Defense, in person, and discussed it there. This was reported in the press. It seems to me that the memorandum ought to be made available. I feel that if the memorandum was prepared by the staff of the Committee on Foreign Relations, it should be made available to the Senate. I see no need for any secrecy in government. If the memorandum contains nothing wrong, nothing that the public should not see, why should not the public see it? That is the position of the Senator from South Carolina.

Mr. GOLDWATER. In defense of the staff—if the staff needs defense—I was told by a staff member, although it was obvious that she was not a high-ranking staff member—that it was her understanding that the staff had not prepared the letter. Thereupon, we called the Senator's office, and one of his staff members told me that it had not been prepared by the committee, but had been prepared by the Senator himself. I wished to inject that statement, so that if there were any onus, it would not fall upon the wrong group.

Earlier in the colloquy, the Senator from South Dakota [Mr. MUNDT] spoke about the need for educating the people of our country as to the meaning, intent, and devious operations of communism. I know that many people in government laugh at the idea of Americans understanding communism. I call attention to the fact that in the Korean war, 38 percent of the American troops captured by the Communists were reported to have given comfort to the enemy. No American boy, according to studies made by the Armed Forces, who understood our Republic and who understood the insidious nature of communism defected to the enemy or became brainwashed; at least, there is no evidence of it.

We hear much about filling the stomachs of the people of the world to keep them from turning to communism. One of the strangest statements I ever heard came from a high-ranking member of the Government the other day. He said, "It is either freedom or starvation." That man himself must not understand the nature of communism, if he can make a statement like that. Communists are not found only among the starving people, the poor people. Our problem with communism in this country does not stem from the wrong side of the tracks; it stems from the right side of the tracks; from the Park Avenues, from the Wilshire Boulevards, from the Michigan Avenues; although I do not intend to relate that statement to any particular city. But that is the level at which we find our problem with respect to communism.

I read this morning that the great country of Italy is having a bonanza. They now have a little more than $3 million in their own little Fort Knox. For some time communism has been increasing in that country among the people who are better off. I think it is high time those in high positions in the U.S. Government began to learn the nature of communism. I think many of them should see the film "Operation Abolition." I think many of them ought to sit in the seminars held by the commanding officers of our military service, and listen to the nature of communism. They ought to read some books that are pretty tough reading, but are honest reading. Some of them ought to learn more about what is taking place in our own country—people of influence, who see no insidious danger from the some 13,000 Communists whom John Edgar Hoover has to watch 24 hours a day.

What has disturbed me about this situation, frankly, more than the prohibition of the showing of the film—and I say this as a person who has been active in and out of the armed services for almost 32 years of my life—is the sudden prohibition imposed upon the commanding officers at all levels of our military service of a discussion with their troops of the nature of the enemy.

I suggested the other day, in Houston, Tex., that our commanders would probably be so busy defending themselves against those who are attacking them from the Pentagon that they would not have much time to devote to the defense of the country.

This all started following the incident concerning General Walker, overseas, when some persons gullibly swallowed the idea that he was doing great danger among his troops. I shall not take the time to read the letter I received from the Secretary of the Army, written with the full knowledge of the Secretary of Defense; but if the Senator from South Carolina has no objection, I shall ask unanimous consent that the letter be printed at this point in our remarks, so that those who read the RECORD may see it. I also ask unanimous consent to have printed at this point in the RECORD the text of my letter of June 13, 1961, to Secretary of Defense McNamara.

Mr. THURMOND. I have no objection.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JUNE 13, 1961.

The Honorable ROBERT S. MCNAMARA,
Secretary of Defense,
Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: This is to advise you that I have received the statement from the Department of the Army indicating that action has been taken to admonish Maj. Gen. Edwin A. Walker.

In the past I have contacted the Department several times on this matter and was advised that the situation was being studied and when a decision was rendered I would be apprised. The statement which has been furnished to me by the Office of Legislative Liaison, Department of the Army, is most general in nature. It fails to point out what the controversial activities were and, as a matter of fact, I found much more information on this matter in the Washington newspapers.

I am again asking you to review this matter for me, and I want to know and, in fact, my constituents demand this information on just what the general's derogatory remarks were and just what prominent Americans have been allegedly slandered.

Also, in connection with this matter it has been called to my attention that a paper called the Overseas Weekly, which is an irresponsible tabloid, had a great deal to do with instigating charges against the general. I want to know what part this paper's charges played in connection with the decision to censure General Walker.

Sincerely,

BARRY GOLDWATER.

DEPARTMENT OF THE ARMY,
Washington, D.C.

Hon. BARRY GOLDWATER,
U.S. Senate,

DEAR BARRY: The Secretary of Defense has asked me to reply to your request for further information about the case of Maj. Gen. Edwin A. Walker.

The April 16, 1961, issue of the Overseas Weekly, a newspaper published in Germany primarily for circulation among Americans living in Europe, carried an article alleging that General Walker on January 24, 1960, in a speech made to a group of some 200 PTA members at an American-operated school at Augsburg, Germany, referred to former President Harry S. Truman, former Secretary of State Dean Acheson, and Eleanor Roosevelt as "definitely pink." It was also alleged that General Walker had stated that Edward R. Murrow, former CBS radio official, now Director of the U.S. Information Agency; Columnist Walter Lippmann; and Columnist and Commentator Eric Sevareid are "confirmed Communists," and that 60 percent of the American press and radio-TV industry are Communist controlled.

The very thorough and comprehensive investigation which was conducted under the direction of Gen. Bruce C. Clarke, commander in chief, U.S. Army, Europe, disclosed that on January 24, 1960, at Augsburg, Germany, General Walker addressed a group of approximately 200 officers, their wives, and service-connected civilians at the Centerville Elementary School. Attendance was entirely voluntary and the subject of the speech was General Walker's views on communism and its infiltration in the American way of life. No substantial evidence was revealed that General Walker had referred to former President Harry S. Truman, Dean Acheson, and Eleanor Roosevelt as "definitely pink," as alleged by the Overseas Weekly, but it was established that he had stated or inferred that these prominent persons are leftist influenced or affiliated.

It was also established that General Walker had mentioned Edward R. Murrow, Walter Cronkite, and Eric Sevareid as being leftist or Communist-influenced commentators; and that he had stated that 60 percent of the American press and the radio-TV industry were Communist influenced, not Communist controlled, as alleged by the Overseas Weekly. The investigation also revealed that General Walker's strong anti-Communist feeling frequently led his talks to become heated and intense with the use of excessively strong language. He had previously been cautioned by his superiors on at least three occasions to refrain from language of this nature.

As stated by General Clarke, General Walker's sincerity of purpose was not questioned, but his actions exceeded the limits of propriety for an Army officer.

I trust this information will be of assistance to you.

Sincerely yours,

ELVIS J. STAHR, Jr.,
Secretary of the Army.

Mr. GOLDWATER. The letter from Secretary of the Army Stahr is almost a complete refutation of the charges made against General Walker, pointing out that he did not say these things. The most damaging thing which could be said about him was in this statement:

The investigation also revealed that General Walker's strong anti-Communist feeling frequently led his talks to become heated and intense with the use of excessively strong language.

Mr. President, I have been in the Army. I have had some excessively strong language used against me. I have been in the armed services. I have used some rather excessively strong language against persons who did things which I thought were done wrong or not done well enough. When we reach the point where we have a bunch of namby-pambies as our generals, men who cannot use a little strong language once in a while, particularly as it concerns enemies who say, "We will bury you" and "Your children will live under socialism"; who for a hundred years have had one purpose—to destroy us and the free world—I think we are farther down the road than we realize.

I hope Senators will read the letter from Secretary of the Army Stahr in answer to the question I propounded. I included in my unanimous-consent request a request that my original letter be printed in the RECORD.

I apologize to the Senator from South Carolina for taking so much time. But I think this is one of the most insidious and one of the most dangerous things that has ever happened in the history of our country.

I know that the American people, from the very beginning of their attempts to form a government, have historically carried over from England a fear that the military might become stronger than the civilians. But I suggest that we have built in adequate safeguards against that, and those safeguards never have been overridden, and there never have been attempts to override them.

Yet today we find that a commanding general of the U.S. Army must go through miles and miles of redtape—to such an extent that finally he and others in similar positions become discouraged and give up in their very proper and patriotic attempts to have the men under them informed of the nature of the Communist menace that is attempting to destroy the United States.

If the scouts of the New Frontier are so frightened that they want to hide behind their squaws' skirts, then I think the chief should get rid of them in a hurry, so that the American people can be told by everyone who understands the enemy—including the military who understand the enemy—what the nature of the enemy is.

Mr. THURMOND. Mr. President, I wish to commend the distinguished Senator from Arizona for his explanation of the Communist threat, and for his ability to understand its dangers, and for his great record as an outstanding patriot in understanding both the danger of communism and its threat to destroy the rest of the free world.

I wish to say that a great many of our officers are now beginning to feel the heat of this new policy. Some of them have talked to me; and they are beginning to wonder how far they can go, and whether they should go a little soft on this question or not. But such thoughts should never enter the mind of a military man of our country. However, what can one expect when such directives are issued, prohibiting the showing of the film "Operation Abolition," a motion picture which reveals before one's very eyes the communism that is arising in this country, communism at work in this country—and communism as it has occurred in other countries—and as it actually occurred in San Francisco, Calif. I was there, and I saw it in person, with my own eyes; and after that I stated that I only wished that every American could have been in San Francisco and could have seen what

I saw there. It reminded me of a bunch of howling wolves—to see these Communists and Communist-led people, with thwarted minds, and misled people—college professors, students, and others being led by Communists and being sucked into that movement, going along and committing the acts they did, in protest against the very fine and patriotic work of the House Committee on Un-American Activities.

Mr. MUNDT. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I yield to the distinguished Senator from South Dakota.

Mr. MUNDT. I think it is interesting and highly informative to have this first-hand report by a distinguished U.S. Senator, whose integrity cannot be questioned, and who was an eyewitness to what occurred at San Francisco, because that gives additional validity to the news clips which have been put together to make the film "Operation Abolition." All of them were televised news clips, taken by the television stations in San Francisco, and reporting what actually occurred there; and everyone whom I have read or have heard about who was an eyewitness to the San Francisco riot—and I include the distinguished mayor of the great city of San Francisco—verifies what the Senator from South Carolina has said. Of course it would be very natural for the mayor of that great city to have an impulse to protect the honor of his fair city; but he has stated over and over again that the news clips do not fully portray just how bad the situation was.

A similar incident occurred in Tokyo, when President Eisenhower was preparing to go there; and that disturbance was sponsored by the same people. In both riots, the Communists were the instigators.

It is incredible that good Americans would resist attempts to let the American people see what occurred at San Francisco.

All we are asking the Pentagon to do is to take away the muzzle or roll up the curtains, and let the people look at what occurred—because all that is done in "Operation Abolition" is to take down the city walls and shorten the distances and let the people of the United States everywhere see what San Franciscans saw during those 2 terrible days of Communist-inspired riots.

So, Mr. President, the Senator from South Carolina serves very well, indeed, his country; and I congratulate him because of the fact that there have been more than 3 hours of discussion here on the floor of the Senate, on three different days, and the news is seeping out to the people, although it has been very slow in reaching them. But it is finally getting there. Slowly but surely the general public is learning about the disclosures so persistently presented by Senator THURMOND.

Today, I received, in my office, two calls from persons who wanted more information about this matter. The pressure of other news had, I presume, fairly well crowded this matter out of the press. I suppose something must have crowded it entirely out of the Washington newspapers, because there was not a single word about it in the Sunday editions of the Washington newspapers. They did not publish in their Sunday editions a single word about what occurred on the floor of the Senate during those several hours of informative discussion on Saturday. It is unfortunate that the people who live in the city of Washington apparently have to subscribe to the CONGRESSIONAL RECORD in order to know what happens on the floor of the Senate. I am sure there were newspaper reporters in the Senate Press Gallery at that time, and I know that representatives of the wire services were present in the Senate Press Gallery at that time. I presume they reported the Senator's statements in their wire dispatches. But not a word about that long debate and discussion appeared in the Sunday editions of the Washington newspapers. The news of that procedure in the Senate Chamber last Saturday could not have been more completely blacked out if every particle of the Sunday editions of the Washington newspapers had been printed in solid black, and solid black only. The blackout of Senator THURMOND's exciting and astounding discourse was total and complete.

I do not understand why that situation exists. I think newspapers have an obligation to present the news and the facts, regardless of whether they like the news and like the facts or not. I am glad so many editors and commentators read the CONGRESSIONAL RECORD because now the facts are getting out to the people.

The Senator from South Carolina has called attention to this situation; and I think Americans need to be alerted—as they are beginning to be—about this whole area of censorship. I know he has been mailing the full text of his speeches on this subject direct to a selected number of newspapers and this has helped get publication of his startling disclosures.

In years past, I have read editorials that have condemned Government officials and congressional committees for alleged blacking out of the news. But what happens when the news happens on the floor of the Senate? What happens when for 2 hours Senators discuss an important subject? In this case, not one word about it was printed in the Washington press. Who blacked out that news? It was not blacked out by Congress, or by congressional censorship. I am sure the blackout is not chargeable to any Member of Congress, because certainly the newspapers have their reporters in the Press Gallery, even during a Saturday session. I know they were present then, because I saw them there. Nevertheless, no word of those 2 hours of proceedings in this Chamber appeared in the news that was published in the Washington press.

A gentleman who is in Washington called me on the telephone and said he heard a radio comment about it, and he wanted to know what had happened on the floor of the Senate on Saturday. I said to him, "I suggest that perhaps you have to subscribe to the CONGRESSIONAL RECORD, if you wish to get the news, because it is all there; all of it is available there. Newspapers have reporters and bureaus and wire services to give them the news. If they ignore it or decline to print it, Congress is not to blame."

If one wishes to read something about race riots or crime, he will find news items about it in the Washington newspapers. But this matter related to the very survival of the United States of America and its people. But where do we find in the Washington newspapers any mention of it? It was not there at all—not one word of it. Fortunately, some radio news services covered it; some Washington press bureaus forwarded it to their employing newspapers; and Senator THURMOND sent his news releases out in full direct to a number of newspapers around the country.

However, Mr. President, I asked the Senator from South Carolina to yield, not to discuss the failure to have his charges and his disclosures reported to the general public, but to point out that I agree wholeheartedly with what the Senator from Arizona said when he emphasized the need to inform people at the top about what communism is—particularly when there emanates from high places ridiculous statements to the effect that all that needs to be done in order to stop communism is to feed hungry people. That demonstrates a novitiate attitude that is alarming, for nothing could be further from the truth than to say that all that one needs to do to stop communism is to feed people.

I suppose that some of the people of our country have learned that some Indians and some of the poor people of America have not had enough economic opportunity. But these citizens have not been enrolled among the group led by the Communists or the group of Communist supporters. Many of the Communists in the United States are people of inherited wealth who have had good educations, but they are misled and they are warped. Many of them are sex deviates who have been bludgeoned into becoming Communists—as demonstrated by the fact that one of our great security agencies recently had to fire 26 sex deviates—I believe that was the actual number—whom the House Committee on Un-American Activities had exposed. Shades of Senator Joe McCarthy. He must be rolling in his grave and smiling, because those were the kind of charges he was making, which were investigated vigorously by the Un-American Activities Committee, and the Federal agency had to get rid of them. How glad we are, because every sex deviate in a sensitive position is the potential victim of the first Communist blackmailer who comes along. Down through the ages of human history, that is the way spies have been made and recruited.

In this hour of peril, power to the House committee and credit to the Government that they got rid of them.

But as to Communists being brewed out of poverty, Communists coming up from hunger, I will venture the statement that there is not a single hungry Communist in Russia. There are only a few million members of the Communist Party there. They are the elite; the privileged class. Lots of people are

starving there, but they are the poor people who are oppressed by the Communists. I venture the statement that not a single Communist has died of hunger in Red China. Hundreds of thousands have died there from famine. Those are the poor people, whom the Communists oppress. Communists do not come from attacks on the belly. It is from attacks on their heads, their minds. It is not a question of feeding hungry bellies to make Communists; it is one of brainwashing the mind. It is a well-recognized part of the official Communist line to induce people to believe and to say that hunger breeds communism. Instead it is much more accurate to say communism breeds hunger.

When we have coming from high places that kind of junk, inducing people to spread the line that all we have to do is to feed people, how important it is that, instead of discouraging legitimate information about communism, we encourage the expansion of factual information and a better understanding of it by people everywhere. When people understand the aims of communism, they will know better how to fight it, and be better determined to support measures by Congress to conquer communism, and they will be more willing to back up the President when he takes a firm stand, such as he has on Berlin.

I hope the Senator from South Carolina continues his crusade day after day until he gets at the facts and finds out who is behind the change of posture from a standup position in the Pentagon to one of a cringing position in this fight, and until we get some vigor and verve back of the anti-Communist fight in the Pentagon.

Mr. THURMOND. Mr. President, I commend the Senator from South Dakota for his profound remarks. He has made a great contribution to the debate. I am very proud that there are Members of the Senate who realize the dangers of communism and who are willing to tell the American people that the American people in general ought to know the dangers of communism.

When I talked to Mr. Sylvester, the Assistant Secretary of Defense for Public Affairs, last week, he made a statement to me that caused me to be astounded. He said:

Senator, everyone knows the enemy.

Mr. President, everyone does not know the enemy. That is the trouble. They do not know the enemy. They do not know how dangerous his subversion is and how the Communists take over a country from within. China was taken over by Chinese. Czechoslovakia was taken over by Czechs. Poland was taken over by Poles. Those countries were not taken over from without. They were taken over from within, just as a lot of other countries were taken over from within.

We in America must realize that this very thing can happen here. We must know that communism is a danger and that it is insidious. We must realize further that there are dedicated Communists in our midst in the United States. The American people must know, further, that many persons are parroting the line of the Communists. Whether these people know it or not, they are going along with the purposes and goals set by the Communist Party as expounded in the Communist Party publication, the Worker.

I now continue with my address.

The press has repeatedly used the Defense Department action with reference to "Operation Abolition" in a manner which is designed to undercut the authenticity of the film "Operation Abolition." An illustration of this is an article which appeared in the Washington Post on July 13, 1961, entitled "Pentagon Clears Communism Film." This article announces the release of a film clip entitled "The Challenge of Ideas." Concerning "Operation Abolition" this article states:

Toward the end of the Eisenhower administration, the military services purchased about 50 copies of "Operation Abolition" for showing during education sessions on communism in the United States.

A recent Defense Department directive, however, put the service-owned copies of "Abolition" in an "on call" status which means that servicemen cannot be ordered to attend showing of the film.

I ask unanimous consent that the article entitled "Pentagon Clears Communism Film" be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 13, 1961]

PENTAGON CLEARS COMMUNISM FILM

(By Walter Pincus)

The Defense Department has cleared for showing to members of the Armed Forces its first official information film on the ideological battle between democracy and communism.

More than 600 prints of "The Challenge of Ideals," a 31-minute black-and-white film narrated by Edward R. Murrow, will be sent to Army, Navy, Marine, and Air Force facilities worldwide for showing at troop information and educational sessions.

Distribution of "The Challenge" marks the first major step of the Secretary Robert McNamara's Defense Department into the touchy area of troop indoctrination on the threat of communism at home and abroad.

Toward the end of the Eisenhower administration, the military services purchased about 50 copies of "Operation Abolition" for showing during education sessions on communism in the United States.

"ABOLITION" CURBED

A recent Defense Department directive, however, put the service-owned copies of "Abolition" in an "on call" status which means that servicemen cannot be ordered to attend showing of the film.

Another controversial, privately made movie, "Communism on the Map," has in effect been banned from service use by a Department directive which found there was "no requirement" for it.

Department officials expect their new film to meet the services' demand for indoctrination material that last year led to the purchases of "Operation Abolition," a film sponsored by the House Un-American Activities Committee.

COST $20,000

"The Challenge of Ideals" is mainly a discussion film which examines the bases of democracy and communism, the areas where they clash, the means Communists employ to push their aims, and what each U.S. citizen and serviceman can do to play his part in the battle.

The film cost the Department $20,000 and took more than a year to produce. Featured along with Murrow, who is now Director of the U.S. Information Agency, are Actress Helen Hayes, Actor John Wayne, Writer Hanson Baldwin, and Newscaster Lowell Thomas.

Department officials say "The Challenge" is but the first in a series of Pentagon-produced films that will show different aspects of communism and why we are fighting it.

The Department currently has under production a documentary which will portray Communist attempts to subvert and use youth organizations throughout the world.

Another film in the production stage is tentatively entitled "America on the Move" and deals with the manner in which social and economic problems within the United States are being solved.

Mr. THURMOND. Mr. President, as I have previously stated, an investigation of this matter is badly needed. By all means, the investigation should include an inquiry into the reasons for and the origin of the Defense Department's action on the film "Operation Abolition," to the accuracy and validity of which the FBI has certified. By no means, however, should the investigation be limited to this one aspect of the overall campaign to discredit our military leaders and such organizations as the Institute for American Strategy. The whole spectrum of this campaign is ripe for investigation, for the American people are entitled to know the source and methods of the attempts to muzzle anti-Communist activities in this country. Hundreds of people from all across the country have written, wired, and called me with regard to this concerted anti-anti-Communist campaign being waged to muzzle our military leaders at a time of world crisis.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of these remarks a timely article by Col. W. D. Workman, of Columbia, S.C., entitled "The Muzzled Military." It was printed in the July 24, 1961, issue of the News and Courier of Charleston, S.C. Colonel Workman recently attended a defense strategy seminar in Washington, and he has gained by this experience an even clearer and keener insight into the many facets of the Communist threat.

Mr. President, I also ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an editorial from the State, of Columbia, S.C., dated March 10, 1961, entitled "A Strange Prohibition."

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

THE MUZZLED MILITARY

(By W. D. Workman)

WASHINGTON.—This business of muzzling the military may seem politically wise to the Kennedy administration, but it entails grave dangers to the Nation's security.

Administration leaders in both the executive and legislative branches are understandably sensitive to anything which smacks of criticism of administrative policy. But their concern over the welfare of the New Frontier should not lead them to the point of denying men in uniform the right to speak out on the threat posed by Communists at home and abroad.

There is a gloomy realization among senior officers of all services that discretion may

soon become the better part of valor when it comes to public discussion of national security.

The shameful treatment given Maj. Gen. Edwin Walker looms as an object lesson, now reinforced by memorandums and advice which further tend to suppress military freedom of speech.

If warfare today were confined to the battlefield, and if the battlefield alone were the concern of the military, there might be some justification for buttoning the lips of our senior officers. But warfare now is fourth dimensional, encompassing politics, culture, economics, and all other institutions which lend themselves to internal subversion as well as external manipulation.

Under this state of affairs, Americans need to learn all they can of the nature of the enemy and of his methods of conflict.

And what class of public servants is better qualified to speak of these things than those military men who for years have had both the duty and the opportunity to study Communists at first hand?

The necessity of knowing the enemy is a recognized element of conflict—as old as war itself. It has been promoted under both Republican and Democratic administrations in years past, as any veteran of World War II can attest. But knowing the enemy involves more than identifying him in the arena of armed conflict, and herein lies the weakness of the American public.

We can visualize being in the rifle sights of the Soviet soldier, or in the crosshair of the Soviet bombsight, or in the impact area of the Soviet missile.

But despite the evidence all about us, we do not yet seem to realize that Communist conquests throughout the world have been achieved without the use of military force except as a threat or as a means of suppressing counterrevolution. And what has happened elsewhere can happen here—unlikely as it may seem to this generation of Americans.

We have short memories and a capacity for self-delusion. We like to think that the United States saved the situation in World Wars I and II by rushing to the defense of democracy. Not so. In the final analysis, it undoubtedly was American military and economic strength which turned the tide—but there was no rush to arms when freedom first was threatened.

In 1914 and again in 1939 the United States sat, fat and complacent, on the international sidelines while other and lesser nations gave their all. Only when it was painfully clear that all the world—including the United States—was threatened with conquest did we leap into the breach.

Thus the record shows us to be woefully slow in recognizing danger even to ourselves. We owe a great debt to our smaller European friends for staving off our earlier enemies. Today, we cannot afford the luxury of doing business as usual while our new adversaries set Communist fires of revolution all over the world. In this era, when intercontinental missiles make possible almost-instantaneous attack, we need not only preparedness but prescience—if it can be obtained.

And here we return the need for reliance on the knowledge of our men in uniform. We should accept the fact that their dedication is to the Nation, not to any political party or incumbent administration. We should likewise accept the premise that knowledge, ability, and responsibility are as important to success in the military as in the civilian world.

We do not call on our men in uniform to decide our political issues for us, except insofar as they participate as individual citizens.

But we will be shortsighted indeed if we do not take full advantage of their knowledge, their experience, and their understanding of a new-style enemy which they have faced throughout the world while we civilians have been concerned with domestic prosperity.

The cold war seminars, the "Operation Alerts," the community studies of international affairs—all these contribute to an improved awareness of the world situation.

It is not only proper, it is urgent, that the military play its role in informing the Nation.

A STRANGE PROHIBITION

Prohibiting the use of "Operation Abolition" by the military forces may be causing a lot of Americans to wonder just how far this be nice to Communists and their dupes movement will go.

Many people whose loyalty to the American system have seen the film, and have come away praising the courage of the men who exposed the machinations of the California Communist leaders in inviting riots against the House Committee on Un-American Activities.

The film shows police exercised the utmost forbearance in dealing with a group of professional rabble rousers. It also shows, beyond question, that police were remarkably gentle and patient with the young students who let themselves be duped into joining the mob.

It also shows beyond question that our professional agitators and their unwitting allies exerted every device of mob psychology and obstructionism in trying to make impossible the task of a group of men conducting an investigation authorized by Congress.

The film, in fact, showed that those who now cry out that "Operation Abolition" is unfair, unconstitutional, and in violation of their rights are simply picking up the lines written for them by the long-time leaders of the Communist conspiracy in California.

Perhaps, at this point, one should ask what the reaction would have been had the same committee used the same tactics in investigating a rightwing organization? Would there have been the same outraged cries? Is the clamor over the Un-American Activities Committee and the film it produced being raised because the committee used illegal tactics, or merely because it wants to expose the aims of the Communists?

An observant person can hardly escape the conclusion that any opposition to a leftwing group brings wails louder than those which felled the walls of Jericho, though probably not so righteously inspired. And in capitulating to the demands of the left that the film be banned, the Defense Department retreated before the forces of sound and fury; it failed to stand for what it knew to be important. It is important that the people be warned of the dangers it faces from the Communists.

RETIREMENT OF ADM. ARLEIGH BURKE AS CHIEF OF NAVAL OPERATIONS

Mr. THURMOND. Mr. President, the recent tributes paid to Adm. Arleigh Burke by the press and by Members of Congress, as well as the recognition given him by the President's award of a third Distinguished Service Medal on Wednesday, are manifestations of appreciation for what he has done for the national defense of this country. I share the high regard for Admiral Burke so profoundly expressed by these tributes on the eve of his retirement.

I should, however, like to express my personal appreciation for the candid and forthright way he has represented the Navy before the Senate Armed Services Committee during his tenure as Chief of Naval Operations. He has established a level of integrity for himself and for the Navy which is to his everlasting credit. In his many appearances as the chief witness for the Navy, his ability to present the Navy's philosophy in a concise, forthright, and convincing manner has increased our knowledge and stimulated our continuing interest in this dynamic subject of sea power.

Admiral Burke has been described at various times as controversial, outspoken, and even gruff. In some minds these labels may be interpreted as critical. I think most people will agree that without these controversial, outspoken, gruff men, this Nation might not now be the leader of the free world. I regard these descriptions of Admiral Burke as the highest commendation. We encourage and expect our military leaders to voice their opinions straightforwardly, without reservation, and to the best of their ability. When Admiral Burke speaks of the Navy, he leaves nothing to the imagination. For this he has earned the respect of us who have been privileged to have had him appear before our committees.

I think it characteristic of men like Arleigh Burke, who have spent many years of devoted service to their country, to make it their business to know the tactics of those who would enslave our country. Alertness to the veiled moves of avowed antagonists becomes habitual. I know of no other American who understands more fully the true dastardly intentions of Soviet communism than Admiral Burke. In his statements before the Armed Services Committee he has repeatedly warned of the probes and threats which have become the Kremlin's stock-in-trade tools. Recent events have proved him right.

I am sure that the faith and store of good will he has built up for the Navy will be ultimately reflected in the deliberations and decisions of Congress for many years to come. His contributions to the naval service, his steadfast devotion to his country, constitute a standard uncommon in our long history. Without a shadow of a doubt, Admiral Burke will go down in history as one of the greatest naval officers of modern times.

So, I say farewell, but not goodby, to Admiral Burke. He leaves his most responsible office at a time when Communist threats are challenging us in every part of the globe. But we can counter these threats, we can act from a position of strength, because "31-Knot" Burke has been on the job.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of these remarks an excellent article on Admiral Burke from the July 30, 1961, issue of the Sunday Star.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A SAILOR'S FAREWELL: BURKE ASKS WILLINGNESS TO WIN

(By L. Edgar Prina)

At 3 o'clock Tuesday afternoon, in the Naval Academy fieldhouse in Annapolis, a 42-year-old contract of love—the one between Arleigh Burke and the U.S. Navy—expires.

For, at that time, the highly popular veteran of dozens of battles at sea and ashore will turn over his command as Chief of Naval Operations to Adm. George W. Anderson and retire to private life.

Arleigh Burke, a farm boy from Boulder, Colo., entered the Naval Academy in 1919 and has served his country and the Navy continuously ever since.

Through the scrap-the-fleet disarmament days of the twenties; the war against Japan as "31-Knot" Burke, leader of famed Destroyer Squadron 23; the revolt of the admirals against efforts to cut down naval aviation; the Korean truce talks in the tents at Panmunjom as Vice Admiral Joy's deputy and, finally, through 6 years as CNO and member of the Joint Chiefs of Staff—a record length of service in each instance.

DOGWOODS AND ANCHORS

In a farewell interview in his Pentagon office, the admiral reminisced with enjoyment. When asked what he rated as his outstanding achievement as CNO, he first replied as if to fend the question.

"Planting those dogwood trees at the Naval Observatory and putting the anchors out front," he said with a smile.

Then he turned serious. There are, he said, these two areas in which the Navy has progressed sharply since 1955:

In weapons and equipment, such as surface-to-air guided missiles, the increased use of nuclear power for ship propulsion and the creation of the remarkable Polaris system, which wed the ballistic missile to the atomic submarine to give the Nation its most certain strategic deterrent.

The increased realization, by the public, by the Government and even by naval officers themselves, of the need for seapower-in-being.

CITES LEBANON SESSION

The admiral is quick to acknowledge that world events played the major part in this new awareness of the importance of American domination of that 70 percent of the globe that is salt water.

"The Lebanon and Formosa Strait crises of 1958 were dramatic demonstrations of the application of American seapower," he said.

Admiral Burke has a well-deserved reputation for forthrightness. His critics, who are mostly bureaucrats, old or new, say he is too forthright. What does he think of such a suggestion?

"I have a lot of faults, but I don't believe outspokenness is one of them," he said. "I try to say things that I believe. I think perhaps I don't even do it enough. Other people don't do it enough. Perhaps people want to conform too much."

SORRY HE CONFORMED

The admiral, who is not too proud to admit mistakes, rapped his omnipresent pipe on an ashtray and continued:

"As I look back over my career, the biggest mistakes I have made occurred when I have conformed to what I believed to be something somebody else wanted without really having fought the fight.

"The reason I conformed, usually, was because I did not know that they were not right. They could have been right.

"If I were living my life again I would, I think, be more outspoken."

In addition to straightforwardness, Admiral Burke has two other outstanding attributes—personal integrity and a superlative skill in the exercise of leadership and in the use of authority.

The thing he perhaps has stressed most within the Navy during his three terms as CNO is the importance of integrity, whether it involves a personal promise or the submission of cost estimates on new weapons. He put it this way to this reporter:

"Integrity of its people is the most important thing to the Navy. It is not the weapons. It is not the equipment. It is not the training—important as these things are. It is downright, simple integrity. The Navy has it—that's why it gets better and better. It must never lose it no matter what the temptation."

Several years before he became CNO, the admiral wrote a short treatise on leadership. When President Eisenhower reached down, bypassing 93 admirals his senior, to make him Navy Chief, the husky destroyerman continued to practice what he preached.

Many are the times he pre-positioned task forces in trouble areas, assuring that American power was on hand either to keep the lid on or to prevent the situation from deteriorating further.

For example, he ordered a Marine battalion, which was en route home from duty in the Mediterranean, to turn around and rejoin the 6th Fleet days before Mr. Eisenhower decided to send troops ashore in Lebanon. The fleet, therefore, had three Marine battalions on hand instead of two.

HE GOT SHIPS MOVING

In the various crises in the Caribbean and in the Formosa Strait and Vietnam, Admiral Burke inevitably got the fleet into the danger area quickly—before the Pentagon announced that the Navy was being ordered to do it.

There is another area in which the Burke impress is deep. One of the first things he did on becoming CNO was to launch his own alliance for progress with Latin American navies.

He helped organize joint sea exercises called Operation Unitas. He invited the navy chiefs of Latin countries to Washington and to visit our Navy installations. He arranged to train some of their naval aviators. He began the exchange of midshipmen and junior officers "so that our people will have friends with their people over a period of years."

One thing concerns the admiral as he prepares to step down. This is the fear on the part of some Americans that we are going to drop behind the Russians.

"Perhaps it is because of a lack of will to continue to run this tough race," he added. "We must be willing to win and to put the effort to winning."

For dealing with the Russians, he had this warning:

"You can't sell a little part of your honor. You cannot sell part of your virtue. You can't give away one baby—throw the baby to the wolves and expect the wolves will not follow the sleigh. They'll keep coming on—they'll want the next baby and more and more—you can't succumb to blackmail."

Last week, when President Kennedy pinned the third Distinguished Service Medal on Admiral Burke, he said he knew of no American more devoted to his country and none "who more appropriately typifies the best qualities in the American serviceman."

The President added that the retiring CNO, who at 59 appears to be at the peak of his powers, would be greatly missed. He did not overstate the case.

PROPOSED NATIONAL MUSEUM UNDER THE LINCOLN MEMORIAL

Mr. HUMPHREY. Mr. President, one of our colleagues in the other body, Representative SCHWENGEL, of Iowa, has taken a great deal of interest in what, for lack of better terminology, we call Lincolnia. He is a great student of the life of Abraham Lincoln.

Recently Representative SCHWENGEL has called to our attention the huge chamber under the Lincoln Memorial, which was commented upon rather extensively in the local press. Representative SCHWENGEL suggests we turn this chamber into a national museum for the Civil War President.

I believe Representative SCHWENGEL has come forth with a very constructive suggestion. I know him well. I think very well of him. I know of his sincerity in this great effort.

I read recently in the Washington Evening Star an article entitled "Museum Plan Wins Support." The article relates to the growing support for Representative SCHWENGEL'S proposal to establish a special Lincoln Museum in the large chamber under the Lincoln Memorial.

I am not sure as to the feasibility of the plan, but I know it is an imaginative suggestion. I am sure it is worthy of very careful study and sincere consideration.

The National Capital Parks officials have already been looking into the proposal. Apparently there is some reason to believe that, with action on the part of the Congress, it could become a reality.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LINCOLN BUFFS ENTHUSIASTIC: MUSEUM PLAN WINS SUPPORT

Representative SCHWENGEL, an Iowa Republican with a passion for Lincolnia, has received enthusiastic response to his suggestion that a huge chamber under the Lincoln Memorial be turned into a national museum for the Civil War President.

Mr. SCHWENGEL said today he had received more than 50 letters and telegrams from people in many parts of the country since his proposal was announced last week. Some of the letter writers have offered to donate private collections on Lincoln lore, he said. Others have offered to help solve the mystery of why the chamber was built.

"The more I see of that chamber," Mr. SCHWENGEL said, "the more I become convinced that it was constructed for a specific purpose."

The chamber, which contains more than a million cubic feet of space, is not mentioned in any of the known reference works on the Lincoln Memorial. It is located under the main memorial building and is about half as large as the entire memorial.

PROMISING LEAD

Mr. SCHWENGEL said he received a telegram from a woman in Baton Rouge, La., who claimed that her father was the construction foreman when the memorial was built. She promised to ask her father, now in his eighties, to shed some light on the reason for the underground chamber.

National Capital Parks officials have suggested that the chamber might have resulted from a builders' decision not to haul in earth to fill around the pilings which support the memorial.

"I don't think this was a builder's device," Mr. SCHWENGEL said. "The concrete supports are too smooth and the roof was arched and alcoves were made in the walls. I think somebody had some ideas for that room."

Both the architect and the builder of the memorial have been dead many years.

The Iowa Congressman said his colleagues on Capitol Hill have been very interested in the proposal. He said he has been taking some groups of Congressmen on tours of the chamber.

COSTS BEING EXPLORED

Architects of the National Park Service are now working to estimate the cost of renovating the chamber for use as a museum, Mr. SCHWENGEL said.

"Just to make sure I'm prepared," he added, "I have drafted a possible resolution which would provide funds for drawing up plans and specifications for the work."

If adequate congressional support seems likely, Mr. SCHWENGEL said, a bill to pay renovating costs will have to be submitted to the House Appropriations Committee.

"I'm very pleased with the response so far," the Congressman said. "One lady has even offered to head a subscription drive for the museum in her city."

SEVERAL FEATURES

Under the Representative's proposal, the chamber would be divided into a museum and Lincoln library. Some areas would be reserved for rotating private collections which would be loaned to the Government. Another part of the chamber would be used as an auditorium where visiting students could see films and slides on President Lincoln's achievements. Tourists would pay a small fee to enter the chamber.

Mr. SCHWENGEL said, however, he didn't want his plan to interfere in any way with bills recently introduced in the Senate to create a memorial to President James Madison near Capitol Hill.

"I'm very enthusiastic about the Madison memorial idea, too," Mr. SCHWENGEL said. "Both of these things would help us to appreciate our heritage more, and after all that's what all of us are interested in."

Mr. HUMPHREY. Mr. President, I wish Representative SCHWENGEL the very best in this endeavor, and I assure him of whatever cooperation I may be able to extend.

UNITED NATIONS SHOULD REQUEST REPORTS ON PRECAUTIONS AGAINST ACCIDENTAL NUCLEAR WAR

Mr. HUMPHREY. Mr. President, today I released a statement which was carried in the press urging that the Soviet Union disclose some of the safeguards it may have established, if any, to prevent accidental nuclear war.

The United Nations should call on the United States and the Soviet Union for reports on the precautions which they have respectively taken to avoid an accidental nuclear war.

The reports should include a description of the mechanisms which they have adopted to avoid accidental nuclear war by escalation, that is, an unintentional unordered transformation of a conventional-type conflict into an all-out nuclear holocaust.

War by escalation is a possibility in the Berlin situation, and in other types of localized crisis. The question is, therefore, What safeguards have been set up—organizational, procedural or otherwise—to prevent an unauthorized individual from giving mistaken orders which would turn a local conflict into World War III?

It should be clearly noted that the United States has voluntarily, over a long period of time, released information on its precautions against accidental nuclear war, including unintentional war by escalation.

As to the danger of an unintended American nuclear strike, public media have been thoroughly informed of the elaborate safeguards at the White House, the Strategic Air Command, on board Polaris submarines, at Minuteman sites and elsewhere.

Dozens of newspaper and magazine articles, radio and television programs have revealed to the world the special two-way codes and other precautions which the United States has built into its system.

American authorities have elaborated in painstaking fashion how we expect to avoid—as we did on October 5, 1960—a misinterpreting of radar blips in the ballistic missile early warning system which might erroneously appear to signal a Red attack.

By contrast, the U.S.S.R. has said nothing to the world about its safeguards against misreading of United States or allied intentions. Moscow has been silent about its procedures to prevent some Red officer from launching a nuclear-tipped missile by mistake or misunderstanding.

A nation which constantly proclaims its desire for peace, such as the Soviet Union does repeatedly in its propaganda, can at least inform the world as to what steps it is taking to preserve and to keep that peace. It owes that much, at least, to humanity.

As in the case of President Kennedy, therefore, Premier Khrushchev should be asked by the United Nations Security Council to file an immediate report on the safeguards which have been set up by his country to prevent the accidental triggering of nuclear war.

The report to the United Nations should include descriptions of detailed procedures in addition to photos and motion pictures.

The report should contain a statement of willingness to permit on-the-scene visits by U.N.-appointed delegations, which could thereby confirm assertions made in the documents.

There should be complete reciprocity in the information and conditions requested by the United Nations, as regards the United States, the U.S.S.R. and other major powers to whom the requests should be directed.

Compliance by the United States would not be difficult, I am sure, because all that we need do is formalize the reports already made to the press. We would then indicate the circumstances under which a U.N. team could examine certain of the procedures, simultaneously that a similar team made on-site visits in the U.S.S.R.

The U.N. should not delay in taking up this matter.

I hope that our Government will insist that the U.N. take up this problem.

Any day, in the months ahead, the Berlin crisis could trigger a ghastly accident of inconceivable proportions. How do we know that some obscure general in the Red army, stationed in East Germany, might not turn an infantry-type exchange into a salvo of 5 or 10 or more megaton nuclear blasts?

The fact is that mankind knows next to nothing about who, besides the Chairman of the Council of Ministers—Khrushchev—has the authority to order a nuclear strike.

In fact, we do not know even if Mr. Khrushchev has that authority. We know nothing about procedures aboard Red bombers or at rocket sites by which a nuclear warhead could be mistakenly armed for dropping or firing.

The rest of the world may be living in a fool's paradise by assuming—without the slightest tangible evidence—that the U.S.S.R. has been as painstaking as the United States in devising precautions against accidental war.

The United Nations, designed to keep the peace, has the right and is obligated to ask the Soviet Union whether it is taking precautions against annihilation of the human race.

Experts in the free world might theorize and argue indefinitely as to whether there is greater danger of an accidental nuclear war being launched from the United States or the U.S.S.R.

Some experts may contend that the danger is greater in a totalitarian society, where there are no checks and balances against a monumental blunder being committed.

Other experts may contend that the danger is greater in a free society where there is less iron discipline and more individual opportunity for individuals to go off on their own.

One expert, Mr. Herman Kahn, has stated:

> You could get the President [of the United States] interested in a safety switch but you couldn't get Khrushchev interested.

Who really knows? Who can be sure?

The answer is, "Nobody this side of the Kremlin really knows what, if anything, the Soviet Union has done to prevent the triggering of accidental war, either conventional or nuclear." And this is not a subject in which we can afford idle conjecture.

When I say, "we," I mean the people of the world. This is not a U.S. problem; it is a world problem, involving the entire human race.

The United Nations has time and again exercised its right to request information on countless questions.

I can think of no question more important than the issue or the question of how do we safeguard and preserve the peace?

Now, therefore, let the United Nations discharge its responsibility to ascertain the facts about this particular vitally important situation, a situation which is more important than virtually all other questions upon which the U.N. would make any inquiry or question.

Earlier I referred to a considerable number of newspaper and magazine articles, as well as radio broadcasts and telecasts, describing U.S. precautions. These articles have been printed because the American people, in an open and free society, have demanded of Government to know what precautions we can take and have taken to prevent even human error or a breakdown in the mechanization of the fantastic new weapons, the new delivery vehicles of the big bomb. We all know that, what can happen in

the field of electronics. Some breakdown, some distortion of the machine, and great havoc could be caused.

We know of the terrible tension upon individuals, which could cause a breakdown in the nervous system, so to speak, or the judgment of an individual. All of these possibilities have been taken into account, and all have been protected against, so to speak, by the many precautionary measures and procedures taken by our Government to be sure that nothing will go wrong, that neither scientific mechanical mistake nor failure will trigger a nuclear war, nor will human failure on the line of battle or in front positions or command positions trigger either a conventional or a nuclear war.

I believe the world has a right to expect a more candid and frank report from any power and, indeed, the Soviet Union. As illustrative of the articles about which I have spoken, I send to the desk and intend to ask to have printed in the RECORD two articles which appeared in leading magazines. The first article is entitled "You Are Under Attack," which was published in the April 1961, issue of the Reader's Digest.

The second article is entitled "The Chances of Accidental War," which was published in the June 3, 1961, issue of the Saturday Evening Post. I think it is fair to say that those are both responsible and widely circulated publications. Therefore, I ask unanimous consent that the text of those articles, which are symbolic and typical of the many articles and statements that have been made as to the precautionary measures taken by our Government, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Reader's Digest, April 1961]

"YOU ARE UNDER ATTACK"—THE STRANGE INCIDENT OF OCTOBER 5

(By John G. Hubbell)

(For a few heartbeats, time stood still. It looked as if the missile war had started.)

Minutes of terror: This headline in the Washington Post and Times Herald was typical of many around the world last December. It referred to events that took place 8 weeks earlier, when the most powerful radar system ever devised reported as 99.9 percent certain that a ballistic missile attack had been launched against the North American Continent. Ominous numbers flashed in the war room at North American Air Defense Command (Norad) Headquarters in Colorado Springs. This was no test. A decision had to be made immediately on whether to set in motion the procedure for unleashing our retaliatory might against the Soviet Union.

The decision was made. Our planes and missiles did not fly. And the attack never took place.

What exactly did happen that fateful October day? Here is a report that should instill confidence both in the equipment and in the men who guard our country. It is an assurance that the danger of accidental war emanating from this country is slim indeed.

The story begins at Thule, Greenland, where four radar antennas, each 165 feet high and 400 feet long, face off at various angles, searching thousands of miles across the top of the world and deep into the Soviet Union. This is part of BMEWS (ballistic missile early warning system), a fantastic radar complex designed to provide us with maximum warning of intercontinental missile attack.

BMEWS operates with two fans of radar energy at different elevations. The lower level fan will detect an object as quickly as it rises above the horizon, determine its position and flash a warning to Norad headquarters. Seconds later, as the object passes through the upper radar fan, its position will be measured again. Instantly computers correlate the two readings, calculate the missile's trajectory, figure out where it was launched and where and when it will hit, and fire all this information to the display board, a 14-foot-square plastic map of Eurasia in the Norad war room.

Above the map is an alarm level indicator. Should the number "1" flash red, as it did on October 5, BMEWS would be signaling: "Something worth worrying about is happening. Assemble the battle staff. Watch closely."

A flashing "2" means: "The contact is significant. Be ready to move in seconds."

At alarm level "3" the system means: "Something definitely headed your way. Checking to make certain we're not reading meteor trails, aurora borealis, any type of interstellar noise. Better call the Joint Chiefs of Staff in Washington, the Chiefs of Staff Committee in Ottawa, and SAC headquarters in Omaha." (At SAC headquarters, too, the display board is constantly watched, via closed-circuit television.)

A flashing "4" means: "You are apparently under attack. Better bring defense weaponry up, warn SAC to prepare its ICBM's for launching, get its bombers off the ground, and turn loose the airborne alert force."

Alarm level "5" means: "It is 99.9 percent certain that you are under ICBM attack."

Simultaneously, another indicator on the display board, the raid estimate indicator, would be showing the size and strength of the attack. A third indicator, the impact predictor, would show the number of points on the North American Continent about to be struck, and a fourth would show minutes to go before the lead missile lands on target.

In the same moment, large ellipses would form on the map of Eurasia, showing general areas of missile launchings, and on a huge three-stories-high map of North America right next to it, showing general target areas. As the attack progressed, the BMEWS computers would continually and in microseconds recalculate; the ellipses would rapidly shrink, pinpointing launch sites in Eurasia, specific targets in North America.

The Norad battle staff, some 20 top-ranking United States and Canadian air defense specialists, is frequently snapped to surprise practice alerts. The order from the war room comes over a red telephone in each man's office or living quarters, or by various other communications systems wherever he happens to be. He, or a fully qualified deputy, is never where he cannot be reached instantly. The code words are: "Coca color." They mean, "Get here now."

At 3:15 p.m. last October 5 the red telephone rang, and the battle staff got a bone-chilling message from the general duty officer in the war room. Air Force Col. Robert L. Gould, "Coca color actual." This was for real.

In the war room, the battle staff found the alarm level indicator flashing at "3." It went quickly to "4," then "5," indicating that a massive ICBM attack was underway. The numbers on the raid estimate indicator mounted higher and higher. But strangely, neither the impact predictor nor the minutes-to-go indicator showed anything, and no ellipses were forming over the maps of Eurasia and North America. It was a tense and frightening moment. And there was not a second to spare for conjecture; if an attack had been launched against us, defense weaponry must be flushed into the air, and the retaliatory forces unsheathed, right now. But first, there had to be total certainty that an attack was underway.

The commander in chief of Norad, Air Force Gen. Laurence S. Kuter,[1] was in his C–118, 18,000 feet over South Dakota, en route home from an inspection trip. He had left Norad's deputy commander in chief, Canada's Air Marshall C. Roy Slemon, in charge.

Slemon's first question was directed at Air Force Brig. Gen. Harris B. Hull, Norad's chief of intelligence. "Where is Khrushchev?"

"In New York City," Hull replied.

"Do you have any intelligence indications that would tend to confirm the radar reports?"

"None, sir."

Quickly, calmly, Slemon assessed the situation. It seemed inconceivable that the Soviet Union would launch an attack with Khrushchev in New York. It was even more unbelievable that General Hull would have no inkling that an attack was in the offing. Hull and the members of his staff have at their fingertips a tremendous assortment of reports produced by half a dozen different agencies. Norad intelligence on the Communist world's military capabilities and activities is as complete and up to the minute as it is physically possible to make it. Before anyone could mount a surprise attack there are certain things the Norad staff believes he must do. What these are must remain secret. Suffice it to say that before an enemy jumps, he must bend his knees. And Harris Hull could see no bent knees anywhere.

Still, an attack could not be ruled out. There is, after all, nothing absolute about intelligence indicators. Moreover, the BMEWS system was designed to reject any but significant echoes. And even when it accepted an echo as significant, it would not recognize it as a missile until it had determined that the object was not a satellite going into orbit; that it was headed for North America; and that it would not overfly the continent.

Slemon immediately reported to General Kuter the confusing picture BMEWS offered. "You continue in command," Kuter said. "Keep me advised." Then, for what seemed an eternity, General Kuter felt very lonely, though he remained in unbroken telephone contact with all that transpired.

Via telephone "hot lines" Slemon called the war rooms in Washington, Ottawa and Omaha, but advised the duty officers not to summon their military chiefs. The picture simply did not make sense yet. But Slemon meant to make sense of it quickly.

BMEWS, he reasoned, was still in a shakedown stage: it had started operating only four days earlier. If it could go haywire, now was the logical time. None of Norad's other radar walls—the distant early warning line across the topmost rim of the continent, the Mid-Canada and Pinetree lines—reported any activity. These and other warning systems must all be taken into account in judging any situation. And now General Hull informed him that the number of missiles being reported by the raid estimate indicator far exceeded our best estimate of Soviet military capabilities.

Air Force Maj. Barney Szczutkowski, Norad's space surveillance officer at Thule, studied the echoes on his radarscopes. Over an intercom system, he told Slemon the objects were coming up over Norway.

"What is your range?" Slemon asked.

"Twenty-two hundred miles, sir."

---

[1] See "Tireless Sentinel for North America," the Reader's Digest, October 1960.

"Selmon looked at the still-blank impact predicator and minutes-to-go indicator. "What is your closing rate? [How fast are the missiles coming?]"

But Thule could report no closing rate. More objects kept coming up, but none had reached the upper radar fan. Furthermore, Szczutkowski said, it was taking 75 seconds for each burst of radar energy to return with an echo.

At last, Slemon knew with certainty that these were not ICBM's. If they were, it would take only one-eighth of a second to obtain radar echoes on them. He put this assurance on the "hot lines" and reported it to General Kuter.

The crisis was over. It had taken exactly 60 seconds to reach a decision.

Within 5 more minutes the battle staff dedetermined that BMEWS had not malfunctioned; that it was, in fact, more powerful than anyone had dreamed. For there was indeed an object coming up over Norway headed this way. The rate of rise indicated it would not overfly North America. At the same time BMEWS deducted that it would not impact on the continent; therefore there could be no impact prediction, no report on minutes-to-go. What BMEWS—thought to have a range of 3,000 miles—had spotted was the moon, nearly a quarter of a million miles distant.

The reason BMEWS had reported a range of 2,200 miles was that it was set to read ranges up to 3,000 miles and had no way of expressing itself in terms of hundreds of thousands of miles. Consequently, it had simply divided 3,000 miles into the precise distance to the moon, and reported the distance left over—2,200 miles—as range. (Since that time, the system has been taught to reject moon echoes.)

The reason so many objects were reported was that BMEWS radar takes 20 scans of an object each second, then files it in its memory. Whatever it sees after each 20th scan it assumes to be a new object. Moreover, on each scan BMEWS was reporting four objects; the "waste energy" on each side of the main radar beam was also hitting the moon and returning elongated blips, such as ICBM's might make, to the radarscopes.

Did we nearly start a nuclear war by accident? It wasn't even close. There was not a single moment when Air Marshal Slemon felt possessed of enough evidence even to warrant advancing the state of alert of our air defense forces, or to advise SAC to step up its alert. And even if he had, neither Norad nor SAC can trigger our retaliatory forces. Only the President can. Furthermore, after SAC's alert force has been directed toward targets in the Soviet Union, if at a given point this force has not received an additional code word over a foolproof communications system, every bomber would turn back. But so quickly and accurately did Roy Slemon assay the situation on October 5 that it was never necessary to bring even the military chiefs of the United States and Canada, much less the President, into conference.

Says General Kuter: "No enemy will catch us off guard. But we will never go to war by accident. We have too many foolproof tools for checking out our information instantly. And the most important thing we have working for us is the disciplined judgment of mature professionals."

Canada's Air Marshal C. Roy Slemon proved that. More than anything else, the incident of last October 5 was an example of how a well-organized, international military command should operate.

[From the Saturday Evening Post, June 3, 1961]

THE CHANCES OF ACCIDENTAL WAR

(By Peter Wyden)

Can thermonuclear war be set off by accident? What steps have been taken to guard against the one sort of mishap that could trigger the destruction of continents? Are we as safe as we should be from such a disaster? Is anything being done to increase our margin of safety? Will the danger increase or decrease?

I have just asked these questions in the Pentagon, in the White House, in offices of key scientists across the country and aboard the submarines that prowl for months underwater, with neat rows of green launch tubes which contain Polaris missiles and which are affectionately known as Sherwood Forest. I asked the same questions inside the launch-control rooms of an Atlas missile base in Wyoming, where officers who wear sidearms are manning the commit buttons that could start a war—accidentally or by design—and in the command centers where other pistol-packing men could give orders to push such buttons.

To the men in the instrument-jammed bomber cockpits, submarine compartments and the antiseptic, windowless rooms that would be the foxholes of tomorrow's impersonal intercontinental wars, the questions seem farfetched. There is unceasing pressure, but its sources are immediate. Readiness exercises are almost continuous. Each could be the real thing.

In the command centers there are special clocks ready to tick off the minutes elapsed since "E-hour." "E" stands for "execution"—the moment a go order would unleash an American nuclear strike. There is little time for the men in the command centers to reflect about the implications of these clocks. They are preoccupied riding herd on control panels, switches, flashing colored lights on pale green or gray consoles that look like business machines. They know little about their machinery beyond mechanical details. Accidental war is so sensitive a subject that most of the people who could become directly involved in one are told just enough so they can perform their portions of incredibly complex tasks.

Among the policymakers, generals, physicists, psychologists and others charged with controlling the actions of the button pushers and their hardware, the answers to my questions varied partly according to a man's flair for what the professionals in this field call scenarios. As an Air Force psychiatrist put it: "You can't have dry runs on this one." The experts are thus forced to hypothesize sequences of events that have never occurred, probably never will—but possibly might. Only one rule prevailed in my conversations with these men: The more highly placed they are—that is, the more they know—the more concerned they have become.

Already accidental war is a silent guest at the discussions within the Kennedy administration about the urgency of disarmament and nearly all other questions of national security. Only recently new holes were discovered in our safety measures, and a search is now on for more. Work is under way to see whether new restraining devices should be installed on all nuclear weapons.

Meanwhile, the experts speak of wars triggered by "false preemption," "escalation," "unauthorized behavior," and other terms that will be discussed in this report. They inhabit a secret world centered on go codes and gold phones. Their conversations were, almost invariably, accompanied by the same gestures—arms and pointed forefingers darting toward each other in arclike semicircular motions. One arm represented our bombers and missiles, the other arm theirs. Yet implicit in each movement was the death of millions, perhaps hundreds of millions, perhaps you and me—and the experts.

These men are not callous. It is their job to think about the unthinkable. Unanimously they believe that the world would become a safer place if more of us—and more Russians and Communist Chinese, too—thought about accidental war.

The first systematic thinking about this Pandora's box within Pandora's boxes was done 4 years ago by Fred Iklé, a frail, meek-mannered Swiss-born sociologist. He was, and is, with the Rand Corp., a nonprofit pool of thinkers financed by the U.S. Air Force. His investigations made him the Paul Revere of accidental war, and safety procedures were enormously increased.

In recent weeks, as a result of a sweeping defense policy reappraisal by the Kennedy administration, basic U.S. strategy has been modified—and large new sums allocated—to meet the accidental war danger and to reduce it as quickly as possible.

The chain starts at BMEWS (ballistic missile early warning system) in Thule, Greenland. Its radar screens would register Soviet missiles shortly after they are launched against the United States. BMEWS intelligence is simultaneously flashed to Norad (North American Air Defense Command) in Colorado Springs, Colo., for interpretation; to the SAC command and control post, 45 feet below the ground at Offutt Air Force Base, near Omaha, Nebr.; to the joint war room of the Joint Chiefs of Staff in the Pentagon; and to the President.

Telephones, teletypes, several kinds of radio systems, and, in some cases, television, link all vital points. Alternate locations exist for all key command centers. For last-ditch emergencies SAC has alternate command posts on KC–135 jet tankers. Multiple circuits, routings and frequencies make the chain as unbreakable as possible.

The same principle of "redundancy" applies to all communications on these special networks. And no messages can be transmitted on these circuits until senders and receivers authenticate in advance, by special codes, that the messages actually come from their purported sources. Additional codes can be used to challenge and counterchallenge the authentications.

Only the President is permitted to authorize the use of nuclear weapons. That's the law. But what if somebody decides to break it? The President cannot personally remove the safety devices from every nuclear trigger. He makes the momentous decision. Hundreds of men are required to pass the word to the button pushers and to push the buttons. What if one or more of them turn irrational or suddenly, cooly, decide to clobber the Russians? What if the President himself, in the language of the military, "goes ape"? Or singlehandedly decided to reverse national policy and hit the Soviets without provocation?

Nobody can be absolutely certain of the answers. However, the system is designed, ingeniously and hopefully, so that no one man could initiate a thermonuclear war.

Even the President cannot pick up his telephone and give a go order. Even he does not know the one signal for a nuclear strike—the go code. In an emergency he would receive available intelligence on the gold-phone circuit. A system of gold—actually yellow—phones connects him with the offices and action stations of the Secretary of Defense, the Joint Chiefs of Staff, the SAC commander and other key men. All can be connected with the gold circuit from their homes. All could help the President make his decision. The talk would not be in code, but neither would it ramble. Vital questions would be quickly answered according to a prepared agenda. Officers who participate in the continual practice drills assured me that the President's decision could be made and announced on the gold circuit within minutes after the first flash from BMEWS.

If communications work, his decision would be instantly known in all command posts that would originate the actual go order. For these centers, too, are on the

gold circuit. They include the Navy's Atlantic Command at Norfolk, Va., which is in contact with the Polaris subs; NATO headquarters in Europe; Air Force forward headquarters in Europe and in the Pacific, which control tactical fighters on ships and land bases; and SAC, which controls long-range bombers and Atlas missiles.

Let us look in on one of these nerve centers—SAC at Omaha—and see what must still happen before a wing of B–52 bombers could drop their H-bombs.

In a word, plenty. The key man almost certainly would be Col. William W. Wisman, SAC's senior controller. He or his deputy or one of their seven assistants, all full colonels, mans the heart of the command post 24 hours a day. It is a quiet but impressive room—140 feet long, 39 feet wide, 21 feet high. Movable panels of floor-to-ceiling maps and charts are crammed with intelligence information. And Bill Wisman, 43, a farmer's son from Beallsville, Ohio, is a quiet but impresaive man. His eyes are steady anchors of the deepest brown. His movements and speech are precise, clear, and quick. No question duffles him or causes him to hesitate.

Wisman, who has had the chief controller's job for 4 years, calls the signals for a team operating three rows of dull-gray consoles studded with lights, switches, and buttons. At least a dozen men, some armed, are never far away from him. In front of him is a gold phone. In emergencies the SAC commander, Gen. Thomas Power, or his deputies and their staff, would occupy a balcony that stretches across the length of the room above Wisman and his staff. At General Power's seat in the balcony there is also a gold phone. General Power would participate in the decisionmaking. Wisman, below, would listen in and act. His consoles can give him instant contact with more than 70 bases around the world and with every SAC aircraft.

He need only pick up one of the two red telephone receivers at his extreme left, right next to the big red button marked "Alert." (There are two receivers in case one should be dropped and damaged.)

But Wisman, too, does not know the go code. He must take it from the red box. In point of fact, this is a beige box with a bright red door, about 1½ feet square and hung from the wall about 6 feet from the door to Wisman's right. The box is internally wired so the door can never be opened without setting off a screeching klaxon ("It's real obnoxious").

Now we must become vague, for we are approaching one of the Nation's most guarded secrets. The codes in the red box—there are several of them covering various contingencies—are contained in a sealed X-ray-proof unique device. They are supplied, a batch at a time, by a secret source and are continually changed by Wisman or his staff, at random intervals.

But even the contents of Wisman's box cannot start a war. They are mere fragments, just one portion of preprepared messages. What these fragments are and how they activate the go order may not be revealed. The pieces must be placed in the context of the prepared messages by Wisman's staff. In addition to the authentication and acknowledgment procedures which precede and follow the sending the go messages, again in special codes, each message also contains an internal authenticator, another specific signal to convince the recipient that he is getting the real thing.

I asked Wisman what would happen if he broke out the go codes and tried to start transmitting one. "I'd wind up full of .38 bullet holes," he said, and there was no question that he was talking about bullets fired by his coworkers.

Now let us imagine a wing of B–52's, on alert near their "positive control (or failsafe) points," the spots on the map, many miles from Soviet territory, beyond which they are forbidden to fly without specific orders to proceed to their targets. They, too, have fragments of the go code with them. As Wisman put it: "They have separate pieces of the pie, and we have whole pie. Once we send out the whole pie, they can put their pieces into it. Unless we send out the whole pie, their pieces mean nothing." Why does Wisman's ever-changing code always mesh with the fragments in possession of the button pushers? The answer is a cryptographic secret. At any rate, three men out of a six-man B–52 crew are required to copy down Wisman's go-to-war message. Each must match Wisman's "pie" with the fragment that he carries with him. All three must compare notes and agree to "go."

After that, it requires several minutes of concentrated work, including six separate and deliberate actions by a minimum of three men sitting at three separate stations in a bomber, each with another man beside him to help, for an armed bomb to be released. Unless all gadgets are properly operated, and the wires and seals from the handles removed first, no damage can be done.

What if three or more crew members wanted to drop a bomb on their own hook? Luckily a 600-mile-per-hour bomber is a rather retarded vehicle nowadays. If one went off course, this would almost certainly set off an alarm. All experts are convinced that we would then contact the Soviets via diplomatic channels and tell them the facts. "We'd go through the 'sorry' business," said a spokesman. The wayward plane would still be a considerable distance from its target. There would be plenty of time to spot it. It would almost certainly be shot down by the alerted Russians or by American interceptors.

"There would be very little conversation about it," said an Air Force colonel.

In view of these restraints, it is difficult to see how one bomber could start an accidental war. This is true even of one-man tactical fighters, for they have never been allowed in the air with a nuclear weapon aboard, nor may they taxi for practice down a runway while carrying such weapons.

Fliers, however, are no longer alone in the nuclear delivery business. Today a total of 27 Atlas 6,300-mile missiles are believed to be operational at Warren Air Force Base near Cheyenne, Wyo., Vandenberg Air Force Base in California, and at Offutt; some 60 Thor 1,500-mile missiles in England; 2 cruising submarines, each with 16 of the 1,300-mile Polaris solid-fuel birds; and a variety of tactical atomic weapons with Army units abroad.

This nuclear force is mushrooming rapidly. Ten more Atlas bases, each with nine pads, will be operational before long. The 6,000-mile Titan will be ready this summer. About 45 of the 1,500-mile Jupiter missiles are being installed in allied European countries. A new Polaris sub is scheduled to go into service every few months for the next 3 years. The first of more than 500 intercontinental Minutemen will be poised for action in 1962.

All of this has spawned more command posts in the communications chain and more hands on more buttons. And the actions of these new hands are becoming less and less reversible. It takes about 15 minutes, with luck, to set off an Atlas, and as yet no antimissile missile exists to intercept it. It will take only seconds to fire a Minuteman. Right now it takes tight teamwork by the 17 men to fire an Atlas; by the end of this year it will take only 5. Some Minutemen can be launched by two. Thus, the reliability of the new button pushers assumes new significance.

At Norton Air Force Base, near San Bernardino, Calif., Col. Kenneth E. Pletcher, a soft-spoken physician, and Lt. Col. Reuben A. Baer, a psychologist, both working for the Air Force's deputy inspector general for safety, worry about button pushers who might go wrong. They are traversing uncharted scientific territory—predicting human behavior.

Why would anybody want to start a war? "We think some people seek accidents, maybe to call attention to themselves, like bad children," said Colonel Baer.

Then, what about playful types? "Damn it, I've been watching these things every day; I want to see one go off." Or suicidal types who want to polish themselves off with a bang? Or ex-Hungarians with a grudge against the Russians? Or lads who didn't get promoted or don't appreciate their superiors for other reasons? "I'll show 'em. I'll get 'em in trouble." Or citizen-soldiers with grandiose ideas for controlling the world's population or forcing it into ineffectively controlled disarmament by causing an accident that might set off vast revulsion against nuclear weapons? Or a group banding together in a preventive war club sworn to hit the Russians before they hit us?

The list is infinite. The Rand Corp.'s genial and gigantic Herman Kahn, a physicist, has sounded out some militant pacifist groups. "They're getting madder and madder," he said, "and they believe in taking the law into their own hands." Might such men join the Air Force, get an assignment on or near a missile base—perhaps as guards or typists—borrow service manuals and attempt to put their knowledge to use? Or might civilian outsiders, possibly groups of pacifist fanatics, equipped by Communists with detailed firing instructions, sneak into launch-control systems? After all, the Russians, too, would like world opinion to force us into a safer—and less alert—defense posture. What better way to generate the required pressure than an accidental American nuclear firing?

Launch sites can be—and are—made quite tamperproof by networks of fences, locks, and alarms. But human behavior is beyond firm control. So Dr. Pletcher and his associates are attempting to spell out the need for more systematic people-watching and corrective action by the button pushers' supervisors. The doctors were asked to draft a new regulation to cover this requirement. The document is titled "Human Reliability." It provides, for the first time, for psychological checkups by an Air Force mental-hygiene clinic of men entering missile programs. Such examinations heretofore have been avoided because they may not help much and could be harmful to morale.

It is doubtful whether the Air Force will adopt the Pletcher-Baer proposals. Congress might call them "snooping." And the doctors are candidly dubious of their ability to ferret out the most likely accidental warriors by psychology.

So far, the importance of button pushers has been minimized by applying the jigsaw principle which we watched at work in SAC—that is fragmenting knowledge, codes, and hardware. In supersensitive spots, the multiple-man principle was added—making two men do the work of one, primarily so one can watch and check on the other.

The complexity of the early missile systems helped. At Warren Air Force Base in Wyoming I called on Capt. Bruce Henderson, 38, and Lt. William Pitts, 23, launch control officers for Atlas missiles No. 1, 2, and 3 in the B complex of the 564th Strategic Missile Squadron. Armed with pistols and attired in white coveralls, they occupied two chairs next to each other in the little earth-covered launch-operations building. They are not permitted to leave the building during their 12-hour tours of duty. Meals are brought to them in hotplates. The buzzing of the two squawk boxes behind their backs indicated that they were connected with the base command center, 21 miles away, and with SAC at Offutt. Their fragments of the

go code were somewhere within reach. Technicians scurried about.

Henderson and Pitts were guarding "commit buttons" on each of the three operator's consoles in front of them. They are ordinary gray buttons except that they can't be pushed by accident because they are covered by transparent flip-up covers. Before the covers can be flipped, a wire must be removed from them. Before that, a lead seal must be twisted off.

Before the pushing of any commit button can produce a bang, more buttons must be pushed in sequence on the operator's console. Before that, 91 lights on a floor-to-ceiling standby status panel must show green, none red. Before this occurs, the 30-ton roof must slide back from the nearby launch service building ("it rumbles like a freight train"); the missile must move from horizontal to vertical position; it must be fueled; the launch crew must signify that it has safely withdrawn from the service building (or pad) to the operations building; computers must activate a complicated guidance system that furnishes target information to the missile from the guidance building, operated by other men a mile away. Then, unless a newly added enabling switch is flipped up by still other men in the command center 21 miles away, the missile still gets no power and can go nowhere—and this does not cover all the necessary procedure.

The launching of the submarine-borne Polaris is simpler because its solid fuel is always in the missile, but the firing operation is fragmented so that only a mutiny makes an accident plausible.

The new nuclear weapons are creating new worries. "The weapons systems get so complicated that maybe the designer is the only one who understands the whole thing," said Fred Iklé, who now works on disarmament problems but remains interested in accidental war.

Last November this began to trouble Dr. Marvin Stern, 38, an energetic Assistant Director of Research and Engineering for the Defense Department. Until shortly before, he had been an executive of General Dynamics Corp., which built the Atlas. Dr. Stern's apprehensions were aroused by plans, which he was called to review, for the upcoming Minuteman systems. The countdown, fuel, and guidance were built into this bird. There were almost no men, almost no buttons, and very little to fragment if the missile's main appeal—near-instant reaction to a firing order—was to be preserved.

The result is a maze that nearly defies description. A Minuteman squadron will be divided into several clusters of deep concrete underground silos. Each silo will house one missile. The clusters may be 30 or more miles removed from one another. Each cluster will be controlled from a nearby underground launch control center. Each center will be manned by two officers. Each of these two-man teams will be able to fire all the missiles in the squadron, probably dozens. But in order to release even a single missile, a minimum of four officers located in two launch control centers must agree to a launching. Each of the four must push his launch button. If any of the four disagrees, he can push a launch inhibitor button and stop the entire squadron from firing for a limited preset time. Thereafter, any two launch control officers will be able to override an objector and fire.

Minutemen will also be installed on trains and roam about the country. Their mobility, like that of the Polaris, will make them hard-to-hit targets and, thereby, an invaluable nuclear reserve and deterrent against surprise attack. But the train system will require only two men to fire several missiles. The lonely button pushers will be separated by bulletproof glass so one cannot persuade the other—say, with his pistol—to cooperate in an unauthorized firing.

"There'll be fewer men per missile," Dr. Stern told me, "but an error of just one man could be that much more catastrophic." What concerned him even more was the increasing reliance on machinery, because this steps up the risks inherent in technical failures.

The new danger involved not only the Minuteman but also the increasingly "sophisticated" existing systems. "I decided to take a look back," said Dr. Stern. For like good medical men who know their science is fallible, the best technical men realize that their science is too.

Before long, Dr. Stern concluded that there was a "serious question" whether all key control rooms function as safely as SAC's. He also discovered "holes" in the existing system. One, which may not be discussed, was plugged within hours. The other was immediate provision for virtually invulnerable control centers to insure continuity of command. Today one of SAC's airborne command posts, with a general and a control team aboard, is always in the air, and the plane does not land until an alternate has taken off. Also, the cruiser *Northampton*—roving at sea so the Russians might never find it—was equipped as a command post. In an emergency the President might use it as an alternate White House. A helicopter would whisk him to the ship.

Proceeding cautiously ("I figured I might be touching some dynamite") he obtained support, last January 17, from Gen. Lyman Lemnitzer, Chairman of the Joint Chiefs of Staff, for a full-dress review of the accidental-war danger. A high-ranking eight-man interservice "steering group" was formed—"committee" has become a bad word in the Pentagon. Along with technical men from each service, it is helping Dr. Stern search for more holes, but he does not believe this will be enough.

In the Pentagon and the State Department he has become one of the spokesmen for an overall locking device on every nuclear weapon. Numerous possibilities are being investigated. All weapons could be rendered inert pending a single deliberate and harmless high-altitude nuclear explosion which would, like a passkey operated by remote control, automatically allow activation of the weapons. A seismic signal from underground could accomplish the same thing. But as this is written, questions have been raised as to whether these methods would work fast enough in emergencies.

Actually so many questions can be raised about the entire system that the mind reels. The truth is that we have been inspecting the apparatus without applying the elements of stress and coincidence. Accidental wars are not likely to occur without these elements. Switches have a tendency to fail in pairs or threes or fours especially when most needed—so do communications; so do humans.

To decrease the dangers, President Kennedy has asked Congress for more funds to speed more and better early-warning systems; to push construction of Polaris and hardened Minutemen that could ride out a surprise attack and reduce the need for hair-trigger response to any aggressive Soviet actions; to phase out as soon as possible the vulnerable missiles, such as the Atlas, which would have to be fired quickly or run the risk of being wiped out; and to strengthen the command and control line so no commander need worry that war might break out and find him immobilized just because the President or his successors couldn't get through to him.

The new effort, in short, is an attempt to reach what experts call "stability." Nevertheless, for the moment, questions remain. For example, what if BMEWS, during a crisis, picks up blips more persuasive than the radar registrations from the moon which precipitated a momentary false alarm last October 5? What if communications then break down and other false signs of impending attack appear? Could this lead to war by false preemption—an American nuclear strike which we in good faith believe to be retaliatory, but which is really triggered by a series of accidents?

What if Army troops accidentally fire a small-bang nuclear weapon and the Russians reply with bigger-bang nuclear weapons and we counter with still bigger bangs? Will this result in all-out war by escalation?

What if the Russians move to take over Berlin and we alert our missiles and send some of our bombers to their fail-safe points while ultimatums are exchanged and considered? Will the Russians, then count down their missiles and send off bombers? Will we than send off more bombers? What would happen when some of the bombers must land to refuel and become inviting targets? Can this game of "chicken" be stopped, or would it set off an inadvertent war by what professionals call self-fulfilling prophecy?

There are no firm answers. The experts hope that in these and similar situations Washington would remain undamaged and communications with the Capital clear. What if the President were out of touch or dead or believed dead? I discussed this with several highly qualified men. They agreed that in this event, with immediate action demanded, law or no law, system or no system, it would become a question of who has the nerve to give the go order, who would obey it and who has the nerve to carry it out.

A go order issued by the Secretary of Defense or the Joint Chiefs of Staff was considered possible and effective by everyone I talked to. What if a commander such as General Power at SAC had reason to believe that he had just 15 minutes to save the Nation? The consensus among informed men is that he would issue a go order and that it would be obeyed—unless, as one expert observed thoughtfully, "he behaved irrationally."

Paradoxically, the increase in the number and mobility of missiles on both sides is leading to new safety of sorts. Experts believe that the mutual power and fear of destruction have given both the United States and Russia a threshold against unauthorized firings that might tolerate as many as 5 Atlas-size hits—and perhaps 10 million casualties—in either country. Unanimously they predict that within the possibly critical 30 minutes after a report of five incoming enemy ICBM's, the President would do nothing irrevocable and await further information before unleashing a full go order—unless there are other firm signs of impending attack.

Before long, moreover, a stable deterrent is expected to be reached. Then the forces of both sides will be so strong that neither would be likely to risk bluffs, blackmail, or surprise attacks. Safety devices would then become safer to use.

The biggest variable in this equation is the *n*th-country problem—the number of new countries which will develop nuclear weapons and how quickly they will reach and refine this capability. Only Red China and France are now manifesting major ambitions in this direction. Others may be awaiting the outcome of new talks on arms control before plunging ahead with expensive development programs. For at bottom the real solution to thermonuclear war, accidental or deliberate, is the same.

One of the country's leading scientists said it quietly, almost casually: "Disarmament is the only answer." Obviously, however, disarmament is a two-way street. We would never dismantle our forces unless the Russians agree to a checkable system to do the same.

Are the Russians as worried as we are about nuclear accidents? On this vital point there is only guesswork. "To them, important events have important causes," Herman Kahn speculated. "You could get the President interested in a safety switch, but you couldn't get Khrushchev interested." On the other hand, as in every jittery police state, the Russians watch their people closely and are unlikely to give button pushers much leeway. And, being realists, they must know that Soviet nuclear accidents could become invitations to destroy their homeland. Will they be realists enough to act on the fact that the danger of accidental war is as real to them as it is to us? Will they, therefore, finally be willing to bargain with us in good faith at disarmament negotiations? The next few months may hold the answer.

EAST GERMANS FLEE COMMUNISM BY TENS OF THOUSANDS

Mr. KUCHEL. Mr. President, perhaps no group of people is more painfully cognizant of what communism does to humankind than the downtrodden and oppressed peoples of Communist East Germany. Over the past many months and years we and the other peoples of the world have read of the continuing outflow of human beings from East Germany across the line into the freedom of West Berlin and beyond.

I have read a most interesting article which was published in this morning's issue of the New York Herald Tribune indicating that as of today 30,000 citizens from East Berlin have fled across the line into the West. Indeed, over the last weekend 3,000 decent people left their homes, their treasures, and, in many unhappy instances, their families behind them to go across the Brandenberg Gate to seek freedom. The New York Tribune article, which is most interesting, states in part:

> The conclusion reached by most Western officials here is that despite the mounting disarray which the exodus is causing in the East German economy, the Communists regime does not want to risk the posssible consequences of using force.

That statement refers to our forces in preventing or attempting to prevent people from leaving the area.

I continue to read from the article:

> All signs indicate that the results of such a move might be an anti-Communist explosion in East Germany.

The article indicates also that the East German cabinet has said that there will be no war over the question of Berlin.

I speak as a member of the minority. A few nights ago the President of the United States was eternally correct when he in effect said:

> Were there, God forbid, to be a war, it would be triggered in Moscow, and not in Berlin.

In connection with the article, any war or conflict over the rights of the allies to be in West Berlin and to assist the free people of that area, and any conflict in that area with respect to what the Communist East Germans say likewise would be triggered in Moscow.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EAST GERMANS FLEE COMMUNISM BY TENS OF THOUSANDS

(By Gaston Coblentz)

BERLIN, July 30.—The East German Communists showed signs of confusion and alarm today as another near-record total for a weekend of more than 3,000 refugees fled from East Germany to West Berlin. With 1 day of July remaining, the total for the month was well above 30,000.

The Reds reacted to the exodus with threats of reprisals and assurances for the East German population that the Berlin crisis will not lead to war.

The reprisal threats, which have become violent in the last few days, were aimed at people in East Germany who assist refugees, such as friends or relatives remaining behind who * * * under a United Nations trusteeship.

The Government here said * * * buy possessions which the refugees cannot take with them.

Fear of a war over Berlin has played an important part in increasing the rate of flights to the present size.

The East German Cabinet, in denying there is danger of war, said: "The Council of Ministers expresses its firm certainty that there will be no war. However, it is not simple to subdue the aggressive forces in West Germany. It involves effort and sacrifices."

Despite somewhat tighter police controls on the East German trains used by most refugees to reach Berlin, the Communists clearly have not attempted as yet any major physical interference with the refugees.

The conclusion reached by most Western officials here is that despite the mounting disarray which the exodus is causing in the East German economy, the Communist regime does not want to risk the possible consequences of using force.

All signs indicate that the results of such a move might be an anti-Communist explosion in East Germany. The Red regime appears to regard a possible repetition of the 1953 revolt as an unpalatable alernative to watching the refugees leave en masse.

ADJOURNMENT

Mr. HUMPHREY. Mr. President, if there be no further business to come before the Senate at this time, I move, pursuant to the order previously entered, that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 9 o'clock and 38 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, August 1, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 31, 1961:

DIPLOMATIC AND FOREIGN SERVICE

W. Walton Butterworth, of Louisiana, to be the representative of the United States of America to the European Communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

BUREAU OF CUSTOMS

John Frank Kovacic, of Ohio, to be collector of customs for customs collection district No. 41, with headquarters at Cleveland, Ohio.

DEPARTMENT OF THE ARMY

Finn J. Larsen, of Minnesota, to be Assistant Secretary of the Army, vice Richard S. Morse, resigned.

IN THE AIR FORCE

The officers named herein for appointment as Reserve commissioned officers in the U.S. Air Force under the provisions of section 8392, title 10, United States Code.

To be brigadier generals

Col. Ray E. Cooper, AO2065909, Wyoming Air National Guard.

Col. William J. Payne, AO362656, North Carolina Air National Guard.

Col. Richard B. Spear, AO795661, Vermont Air National Guard.

Col. Robert J. Martell, AO1168357, California Air National Guard.

The following-named officers for promotion in the Regular Air Force under the appropriate provisions of chapter 835, title 10, United States Code:

LIEUTENANT COLONEL TO COLONEL

Line of the Air Force

Adams, Ben M., 7701A.
Adams, William A., Jr., 8688A.
Adleman, Julius J., 6470A.
Aenchbacher, Arthur E., 8127A.
Agan, Charles K., 9272A.
Alexander, Donald, 8475A.
Allen, Stanley E., 6382A.
Almand, James L., 3164A.
Anderson, Arthur W., 9615A.
Anderson, Bryant Y., 9476A.
Anderson, Holly W., 6112A.
Anderson, John M., 8903A.
Andre, Louis E., Jr., 9293A.
Andres, Joseph E., 9669A.
Ansell, Norris J., 8792A.
Anutta, Frederick T., 4334A.
Arbogast, Thomas J., 8760A.
Arbuthnot, George S., 8821A.
Ashby, William K., 32871A.
Askounis, Gust, 32890A.
Atkinson, Paul G., Jr., 10115A.
Aubrey, Carl L., 8267A.
Auten, Frank C., Jr., 3370A.
Ayles, Robert L., 8835A.
Bacalis, Paul N., 9227A.
Bachtel, Robert C., 9891A.
Bailey, Don W., 7564A.
Baker, Hollis H., 6761A.
Ballard, Roy W., 8908A.
Banker, Robert D., 8564A.
Banks, Jack R., 8849A.
Barnett, James A., 4383A.
Bartlett, Edgar E., 5553A.
Battle, Clarence L., Jr., 6290A.
Baxter, Wyley L., 8925A.
Beckett, Walter R., Jr., 10161A.
Belser, Joseph H., 9604A.
Benner, Stephen O., 9775A.
Bennett, Robert L., 9107A.
Berg, Walter W., 7574A.
Berry, Kearie L., Jr., 9833A.
Beth, Elman J., 7274A.
Bevan, Wendell L., Jr., 9780A.
Beveridge, McFate E., 32857A.
Beyer, Johnson, 6210A.
Biddle, Maurice F., 7276A.
Bishop, Cleo M., 9777A.
Black, William M., 8239A.
Blank, Jonas L., 10119A.
Blanton, Ernest L., 9364A.
Bloomer, Joseph A., Jr., 8700A.
Boardman, Robert L., 7630A.
Boatright, Loyd A., 6790A.
Boedeker, Charles W., 7418A.
Boles, Homer C., 8253A.
Bonnot, Carlos D., 9622A.
Boone, Harry F., 8915A.
Bowers, William H., 9874A.
Bowley, Albert J., 10101A.
Boyle, John H., 9382A.
Bradburn, Gordon F., 9226A.
Bradford, James W., 9024A.
Brandon, William D., 8378A.
Brannock, Joseph F., 4402A.
Brannon, Cullen A., Jr., 10146A.
Brendle, George R., 9946A.
Bridget, Henry B., 9350A.
Brierty, William P., 10135A.
Briggs, Arthur F., 2d, 7956A.
Brinson, Sheldon S., 8771A.

Broach, Richard H., 9797A.
Broaddus, Donald A., 9590A.
Brock, John W., 9450A.
Brooks, Leo C., 10155A.
Brooks, William K., 10240A.
Brown, Gerald, 9625A.
Brown, Paul D., 4392A.
Brown, Raymond S., 7362A.
Brown, William F., 8128A.
Brown, William R., 4980A.
Bruce, Leroy J., 6234A.
Bryan, William E., Jr., 9888A.
Bryant, James B., 4865A.
Bucher, Oliver B., Jr., 10139A.
Buck, George T., 8920A.
Buckner, John H., 9753A.
Bunker, Walter I., 6115A.
Burdett, Edward B., 10188A.
Burke, Mark J., 8943A.
Burnstedt, Lloyd E., 7789A.
Bush, Joseph, 3237A.
Butler, Henry F., 7008A.
Byerley, Howard L., 9251A.
Byers, Edward F., 8223A.
Byers, Vic L., Jr., 9311A.
Byrne, Eugene W., 8461A.
Cafarelli, John, 9361A.
Call, George W., 7463A.
Callahan, Walter, 9285A.
Cameron, John W., 9045A.
Campbell, James M., 8817A.
Campion, Norman W., 6032A.
Carroll, John W., 8423A.
Carson, Charles W., Jr., 10113A.
Carter, James R., 9084A.
Cartwright, Everett J., 6720A.
Catledge, Richard C., 9951A.
Caudill, Edwin G., 9240A.
Chapman, Benjamin F., 7402A.
Chapman, Carl J., 9426A.
Cherbak, Victor A., Jr., 9857A.
Childress, Hubert M., 9550A.
Childress, Raymond K., 8298A.
Childs, Marvin E., 10191A.
Clark, Robert M., 4924A.
Clocksin, Albert J., 9281A.
Coke, John D., 9711A.
Colgan, William B., 9973A.
Collett, Charles E., 9902A.
Collins, Frank J., 9330A.
Collins, Thomas E., Jr., 9904A.
Conklin, Howard E., 8142A.
Conner, William F., 6745A.
Cook, Harry D., 10010A.
Cook, William J., 9842A.
Coons, Walter H., 8993A.
Cooper, Talmage D., Jr., 7764A.
Coursey, Richard R., Jr., 10118A.
Courtney, John J., Jr., 9790A.
Cowan, James H., 6250A.
Cox, Andrew L., 4312A.
Crahen, Eugene J., 9954A.
Cram, Reginald M., 5812A.
Crandall, Thomas O., 7460A.
Crane, Russell D., 9700A.
Cranfill, Niven K., 8152A.
Crouchley, Edward A., 8354A.
Crutcher, Richard L., Jr., 8759A.
Culberson, Virgil B., 3082A.
Curtis, Richard, 3791A.
Daughtrey, Buddy R., 9984A.
Davenport, Ellie E., 10238A.
Davis, John J., 9712A.
Daye, John F., Jr., 9824A.
DeBriyn, Raymond J., 8549A.
Deets, Jack L., 9009A.
Dell, John W., 7369A.
Desper, Dale D., 7396A.
Dillon, Stephen P., 8209A.
Dodd, Aulevian M., Jr., 7242A.
Doerr, George R., 7129A.
Douthwaite, William T., Jr., 10058A.
Downing, Harry L., Jr., 8425A.
Doyle, Thomas F., Jr., 9603A.
Dresser, Cornelius S., 6840A.
DuMont, Harold J., 7085A.
Duncan, George H., 9616A.
Duncan, William P., 3738A.
Dunlap, Robert R., 8407A.
Eads, Edwin M., 51696A.
Eckert, Clarence A., 8446A.
Eddy, Ernest C., 7449A.
Eddy, Leonard A., 8785A.
Elliott, Elmo A., 9429A.
Ellis, Robert G., 7524A.
Engle, Robert T., 7611A.
Evers, John C., 4401A.
Farrar, John W., 8031A.
Ferebee, Thomas W., 8554A.
Findley, Harry W., 7826A.
Fischer, Henry A., Jr., 8301A.
Fisher, Franklin L., 8502A.
Fisher, Lowell B., 9762A.
Fitzgerald, Raymond L., 10236A.
Foley, Jesse R., Jr., 4229A.
Foote, Edward P., 9798A.
Frank, Donald H., 9229A.
Frank, Wallace B., 8940A.
Franklin, Charles P., 4519A.
Frankosky, James O., 9758A.
Frazier, Edwin B., 8307A.
Freeman, David L., 8020A.
Fricks, Robert O., 9592A.
Frink, Horace E., Jr., 9713.
Fry, Robert M., 10241A.
Furchner, Fred T., 7884A.
Gainer, Hubert W., 6908A.
Gaitley, Edward D., Jr., 3594A.
Gant, Eugene M., Jr., 48711A.
Gaston, Allen B., 9170A.
Gattis, Robert H., 7759A.
Gaynos, Nicolaus, 9139A.
Geanetos, George S., 5950A.
Gold, Morton J., 20034A.
Grady, William R., 8581A.
Gray, Jay O., 9506A.
Green, Donald J., 4198A.
Green, Louis A., 9468A.
Greene, James B., 8192A.
Gresham, Walter V., Jr., 9738A.
Greuter, Herbert E., 6212A.
Griffith, Ole C., Jr., 8851A.
Grimm, Charles B., 6027A.
Gruber, George L., 3294A.
Gudgel, Floyd J., 3024A.
Hagin, William V., 7840A.
Hamilton, William M., 9924A.
Hammer, Elmer H., Jr., 7729A.
Hammett, George P., Jr., 8970A.
Hannah, George L., Jr., 9300A.
Hansen, Robert M., 7522A.
Hansley, Frank W., 8596A.
Hardee, Walter R., Jr., 8798A.
Harding, Richard C., 4288A.
Harris, Teague G., Jr., 10150A.
Harrison, Morgan R., 7985A.
Harrold, Frank J., Jr., 10107A.
Hartbrodt, Frederick A. V., 5842A.
Harvey, Clyde L., Jr., 5203A.
Harvey, John F., 9078A.
Head, Charles W., Jr., 4669A.
Hehn, Earl L., Jr., 9778A.
Hemminger, George C., 6875A.
Hemsley, Richard T., 3d, 10094A.
Henington, Henry M., 9696A.
Henney, Max W., 9219A.
Herring, Russell M., Jr., 9791A.
Hewett, Henry B., 8640A.
Hewitt, John A., 8880A.
Hey, Winston S., 8195A.
Hickey, John J., 10220A.
Higgins, Donald H., Jr., 9868A.
Hill, John M., 7881A.
Hill, Lawrence G., Jr., 4858A.
Hillstrom, Carl M., 9176A.
Hinkle, Carl C., Jr., 8916A.
Hoermann, Francis J., 8235A.
Hoffman, Robert W., 10126A.
Holbert, Kenneth W., 5200A.
Holden, Raymond B., 3028A.
Holdrege, Fred E., Jr., 8898A.
Holsey, Raymond E., 4818A.
Hoover, John R., 9552A.
Horne, John E., 7968A.
Howle, Robert P., Jr., 8714A.
Hule, Perry L., 8976A.
Hull, Arnold R., 8400A.
Humphries, Donald H., 7569A.
Hurley, Paul J., 10186A.
Hurr, Arthur P., 9850A.
Huthnance, Guy T., 3070A.
Hutton, Leonard J., 7634A.
Ireland, Clare T., Jr., 10123A.
Isaacson, Clayton M., 9216A.
Iverson, Richard J., 9292A.
Jacobson, James L., 6566A.
Jacquet, Edward M., Jr., 4578A.
Jaynes, Jay, 8913A.
Jaynes, Roy A., 7417A.
Johnson, Paul E., Jr., 8275A.
Johnson, Ralph A., 9086A.
Johnson, Timothy R., 8769A.
Johnston, Robert R., 5232A.
Jones, Felix H., Jr., 7604A.
Jones, William J., 8717A.
Jorgensen, Gerald R., 8813A.
Jowdy, William J., 3260A.
Joyal, Philip E., 8149A.
Joyce, Thomas B., 8341A.
Kandel, Alfred, 8730A.
Kane, Harold E., 9286A.
Kay, Marvin E., 8572A.
Kelly, Benjamin F., 32903A.
Kenworthy, Charles C., Jr., 7939A.
Kilpatrick, William J., Jr., 10108A.
Kimbell, Earl S., 9029A.
Kimsey, James W., 9630A.
Kinard, Clinton R., 9388A.
Klam, Louis B., 9389A.
Klein, Raymond P., 8084A.
Klette, Immanuel J., 9457A.
Kraus, Glenn R., 9521A.
Krause, George J., 9327A.
Krause, Lester L., Jr., 8025A.
Kuntz, Bernard R., 4225A.
Kyle, William D., Jr., 9845A.
Laitos, Jan M., 6262A.
Lamback, Charles H., 6123A.
Lancaster, James W., 7594A.
LaRoche, John J., 32866A.
Lathan, Allan A., 8050A.
Latson, Harvey H., Jr., 10110A.
Lawley, William R., Jr., 10029A.
Lawson, George A., 8389A.
Leaf, Charles C., 9694A.
Leahy, Edward D., 7483A.
Leaverton, George B., 8440A.
Lenfest, Charles W., 9760A.
Leocha, Adolph J., 4314A.
Levy, Robert M., 8749A.
Lewis, Leo C., 9914A.
Lewis, William C., 8170A.
Lillard, James W., Jr., 7476A.
Lindberg, James O., 8525A.
Lindell, Keith G., 9754A.
Little, Edwin L., 9977A.
Little, James W., 8099A.
Livingston, Robert P., 8751A.
Locher, James R., Jr., 7329A.
Longacre, Earl, Jr., 32894A.
Loughry, Robert J., 8229A.
Love, Thomas M., 10129A.
Luehring, Dale W., 4921A.
Luehring, Verl D., 7915A.
Lumpkin, William H., 6487A.
Lundquist, Gilmore J. P., 32858A.
Lupear, Cornell J., 8224A.
Lusby, Perry M., 9901A.
Luschen, Frank L., 4604A.
Lutman, Charles C., 8787A.
Lutton, Lyle D., Jr., 6188A.
Malitz, Charles C., Jr., 9022A.
Manda, Francis S., 9355A.
Marek, Frank E., 8442A.
Markley, William C., Jr., 9993A.
Martin, Bill H., 8538A.
Martin, Gene I., 7849A.
Martindale, Ward W., 8784A.
Mathison, Charles G., 10218A.
Maupin, Jere W., 8896A.
McAdam, Theodore J., 8886A.
McCabe, Thomas E., 10195A.
McCarthy, Michael C., 9721A.
McCloy, Edward, 8563A.
McDonald, William G., 9640A.
McDonnell, Heston, 6471A.
McElhanon, William E., 9182A.
McFarland, Thomas S., Jr., 2651A.
McGarity, William V., 10017A.
McGarry, James M., Jr., 5976A.
McGinnis, Paul B., 6019A.
McGuire, Lawrence F., 8922A.
McKean, Harold L., 7947A.
McLaughlin, George W., 8796A.
McLaughlin, William C., 7572A.
McNeese, Harold G., 9027A.

Merchant, Frank B., 8487A.
Merten, Donald H., 7741A.
Meyer, Charles R. 8008A.
Michel, Theodore J., 8882A.
Middlekauff, Darwin C., 9562A.
Milch, Lawrence J., 7929A.
Millberry, Robert L., 3087A.
Miller, Roger H., 14421A.
Miller, Vaughan, Jr., 9899A.
Mitchim, Kelly W., 3656A.
Mitterling, Robert O., 9418A.
Moler, John E., 10011A.
Moll, Robert G., 6839A.
Moore, Clifford J., Jr., 9794A.
Moore, William C., 10125A.
Morgan, Earl A., 6346A.
Morganti, Clyde J., 9234A.
Mourer, Lester C., 9479A.
Mulling, Eugene G., Jr., 8975A.
Munson, Charles B., 9254A.
Nance, Nicholas H., 7792A.
Neslen, Alfred J., 4443A.
Newbury, Edward S. E., 8144A.
Newton, George L., Jr., 7796A.
Nickels, Loren S., 5777A.
Nigra, LeRoy, 9066A.
O'Connell, John F., 9747A.
O'Connor, Edmund F., 10200A.
Olsson, John S., 7471A.
O'Neill, James L., 6158A.
Opper, Clifford, R., 9545A.
Orban, Henry A., 4876A.
Oswald, Norbert J., 10149A.
Page, Roger W., 4487A.
Paine, John B., 5089A.
Parris, Howard L., 7953A.
Parsons, James W., 8069A.
Patch, Horace W., 7560A.
Patterson, James T., 3849A.
Pattillo, James L. 5054A.
Patton, John M., 9371A.
Paulson, Myhre E., 8319A.
Payne, Joseph E., 5049A.
Pendergrast, Donald W., 8631A.
Perkin, Irving R., 7118A.
Perry, Joseph A., 10004A.
Personett, Thomas A., 9569A.
Petersen, Tracy J., 8734A.
Peterson, Martin F., 3274A.
Piatnitza, Michael J., 32912A.
Pope, Francis J., 4261A.
Popek, Edward S., 9456A.
Pratt, Ogden N., 6359A.
Pratt, William C., 9722A.
Praul, Charles L., 6369A.
Prickett, Donald I., 9217A.
Proudlove, Lloyd E., 9735A.
Prouty, Leroy F., Jr., 7730A.
Puckett, Robert S., 4373A.
Ralston, Wilson, 7838A.
Ramsey, Glyn W., 8089A.
Ramsey, Robert L., 9151A.
Rankin, Warner F., Jr., 8297A.
Rash, John F., 9223A.
Rawlings, John W., Jr., 10172A.
Read, Jackson Y., 4171A.
Redington, William M., 3255A.
Reed, Henry G., 6473A.
Reife, Robert W., 8271A.
Rennels, Fred L., Jr., 8498A.
Reppert, Leonard B., 8637A.
Rethman, Vincent C., 6864A.
Retzer, Karl N., 8919A.
Rhodarmer, Roger K., 9921A.
Rife, Raymond S., 9560A.
Ritter, Lattie A., Jr., 8480A.
Roberts, Donald W., 8404A.
Robertson, Edward T., 9090A.
Robinson, Floyd I., 8900A.
Rose, James L., 8495A.
Rosebush, Kenneth E., 9161A.
Ross, Finlay F., Jr., 5182A.
Rowlett, Allen B., 3491A.
Ryden, Donald A., 8101A.
Sabin, Flavel P., 8316A.
Salzarulo, Robert L., 7773A.
Saunders, Patrick H., 9662A.
Saunders, Robert S., 18062A.
Schaffer, Louis, 10078A.
Schilke, James F., 9986A.
Schlosberg, Richard T., Jr., 9816A.
Schmidt, Fred C., Jr., 6746A.
Schneider, Edwin A., 9021A.
Schulstad, Louis M., Jr., 8524A.
Scofield, Frank C., Jr., 8910A.
Scott, Robert R., 8541A.
Scott, William F., 10179A.
Selden, Littleton C., 8233A.
Selman, James C., 4421A.
Sharp, Daniel F., 8565A.
Sharp, William E., 7943A.
Shaw, Lauren L., Jr., 8748A.
Shea, Daniel F., 10143A.
Sheley, Edward L., Jr., 9752A.
Shelton, Harvey W. C., 8932A.
Shepard, Charles W., 8753A.
Shewbart, William M., 5627A.
Shockley, Thomas L., 10002A.
Shook, Carmel M., 10063A.
Showalter, Roy R., Jr., 9976A.
Silva, John J., 8735A.
Simmons, Hal F., 8367A.
Simpson, Charles E., 9089A.
Sims, Daniel A., 8363A.
Sipes, William C., Jr., 9117A.
Smith, B. J., 7903A.
Smith, Carroll C., 7624A.
Smith, Derwood K., 8290A.
Smith, James M., 9248A.
Smith, Lowell B., 10103A.
Smith, Reet P., 6118A.
Smith, Russell J., 9811A.
Snodgrass, Okey W., Jr., 8590A.
Snyder, Edgar E., Jr., 8029A.
Sowers, Gordon T., 8017A.
Spieth, Charles, Jr., 10199A.
Spitler, Lee W., 10052A.
Stallings, Gordon K., 9203A.
Stann, Leon, 8924A.
Stapleton, Carl W., 8893A.
Stay, Jesse E., 9148A.
Stealy, Edward J., 7760A.
Stehling, Henry J., 9197A.
Steinle, Paul J., 10169A.
Stephenson, Ottis V., 8603A.
Sterling, Edwin L., 8360A.
Stevenson, Robert J., 7209A.
Stewart, George B., 7443A.
Stewart, John S., 8535A.
Stinson, Lloyd H., 7592A.
Strang, Charles F., 9935A.
Streeton, Jack W., 7378A.
Strickler, Marshall H., 8047A.
Sun, Jack K., 6126A.
Swanson, Ralph W., 7672A.
Tara, Hollis B., 8803A.
Taute, August F., 4256A.
Taylor, Edward H., 9582A.
Taylor, Henry S., 4364A.
Taylor, William B., 3d, 5052A.
Teberg, Daniel E., 7723A.
Templeman, Robert B., 5087A.
Templeton, Horace A., 9349A.
Terzian, Roger H., 7567A.
Thompson, John A., 7909A.
Thorne, James H., 8132A.
Thornquest, Frank P., 4352A.
Tilley, Thomas M., 8049A.
Tipton, Richard P., 8575A.
Trask, John A., 9688A.
Trippet, William A., 5188A.
Turton, John S., 8675A.
Tweedie, Roy L., 9067A.
Vitek, Richard D., 3972A.
Vivian, Jerrold M., 9473A.
Walker, James H., 10116A.
Walker, Templeton S., 6148A.
Waller, Walter R., Jr., 9549A.
Walsh, Howard B., 7857A.
Walters, Joe P., 8531A.
Warren, Benjamin C., 4194A.
Watkins, James H., 10104A.
Watson, George H., 9241A.
Watson, Lawrence M., 10109A.
Watson, Oscar L., 8334A.
Watts, Ralph K., 7844A.
Webb, Clarence R., Jr., 8864A.
Webber, Paul E., 9060A.
Weber, John L., Jr., 9772A.
Wier, Robert A., 10225A.
Wells, George L., 7516A.
Wernlein, Frank A., 6733A.
Whitaker, Keith A., 10163A.
White, Ernest J., 8947A.
Whitehead, Chauncey B., 6451A.
Whitley, Charles G., 7609A.
Whitsett, Jack W., 9050A.
Whitsitt, Samuel J., 3607A.
Whitson, Jack H., 10105A.
Wickham, Wallace, 9718A.
Wigbels, Lawrence G., 8586A.
Wilcox, Frank H., Jr., 7408A.
Wild, Hugh E., 5076A.
Wilder, Harlan C., 7989A.
Wilk, Jake L., Jr., 8417A.
Willetts, David L., 8088A.
Willey, Carl R., 7895A.
Williams, Charles W., 9679A.
Williams, Coleman O., Jr., 9709A.
Wilson, Harry A., 9702A.
Wilson, James A., 8143A.
Wine, Chester B., 7710A.
Wisniewski, Raymond F., 9650A.
Witt, Lynn E., Jr., 6966A.
Woodruff, Harold D., 9133A.
Woods, James R., 6080A.
Woodward, Valin R., 32900A.
Wray, Cletus, 8248A.
Wright, Robert L., 10048A.
Yarchin, Samuel, 4473A.
Yeater, James W., 9654A.
Zachmann, Robert F., 67391.

Dental Corps

Brookreson, Kendrick, 18932A.
Clifford, William B., 18920A.
Ekstrom, Maurice F., 18901A.
Johnson, Franklin A., 18917A.
Johnston, Leonard S., Jr., 19743A.
Kartman, Jules D., 18918A.
Oakes, William R. T., 18870A.
Smiths, Lloyd S., 18929A.

Medical Service Corps

Bullard, Perry C., 19417A.
Carmichael, Jack C., 19477A.
Currier, Clyde C., 19432A.
Eledge, William W., Jr., 19465A.
Eslick, Orville J., 19482A.
Magness, Willie C., 19484A.
McInerney, James J., 19441A.
Tutor, Ralph C., 19476A.

Medical Corps

Borders, James L., 21424A.
Bradley, William G., 23052A.
Coone, Herbert W., 19189A.
Cox, Philip A., 19315A.
Downey, Vincent M., 19199A.
Fixott, Richard S., 21837A.
Hederick, Rogers, 19952A.
Henry, Joseph R., 19203A.
Johnston, Maurice B., 19232A.
Katzberg, Arthur J., 22394A.
Marchbanks, Vance H., Jr., 19162A.
McFall, Voris F., 19234A.
Steinbock, Henry F., 19218A.
Talbott, Charles H., 19200A.
Tarrow, Arthur B., 19244A.
Turner, Edwin W., 24646A.
Underwood, Edgar H., Jr., 19262A.
Veatch, Charles A., 26349A.
Watkins, Philip B., 19245A.
Yerg, Raymond A., 24192A.

Veterinary Corps

MacEachern, Neil G., 19004A.

Nurse Corps

Hogan, Rosemary, 20977W.

Chaplain

Bennett, John S., 21856A.
Brown, Ormonde S., 18784A.
Cutress, Albert L., 18766A.

(NOTE.—Dates of rank of all officers nominated for promotion will be determined by the Secretary of the Air Force.)

WITHDRAWAL

Executive nomination withdrawn from the Senate July 31, 1961:

POSTMASTER

The nomination sent to the Senate on April 27, 1961, of Alma L. Farrar to be postmaster at Lillie, in the State of Louisiana.

EXTENSIONS OF REMARKS

The Will To Say "No"

EXTENSION OF REMARKS
OF
HON. DURWARD G. HALL
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, July 31, 1961

Mr. HALL. Mr. Speaker, recently my good friend and colleague, CHARLES A. MOSHER, of Ohio, wrote a column expressing the views of a freshman Congressman on his first 6 months in Washington. It is the opinion of Congressman MOSHER that what Congress lacks most of all is the will to say "No." In this observation I am sure he is joined not only by the majority of the freshman Congressmen but by some of the most senior Members of this House.

I regard Congressman MOSHER's comments as so penetrating, so forceful and logical, and so deserving of consideration that I wish to insert his article in the RECORD at this point:

WHAT CONGRESS LACKS: THE WILL TO SAY "NO"

So many ask, "How do you like Washington? How goes it in Congress?"

My quick reply has often been, "I'm not sure yet. I'm confused." And some smile at that. But it is not a facetious reply; it is a simple, serious truth.

How can anyone be sure about the U.S. Congress? Least of all a first-term minority Member. My own doubts have increased durirg these first 6 months.

Washington, itself, I like. I can understand "Potomac fever," the urge to stay here forever. There are some disagreeable contradictions and contrasts. Traffic can be frustrating, living costs are high, the climate is not ideal. But in most ways this is a wonderfully beautiful, fascinating place to live and work. And friendly, too. Everyone, all up the line to the White House, I have found completely, graciously helpful.

Why then am I uneasy, pessimistic, doubtful that Washington can deal wisely and effectively with the increasing, and increasingly difficult burdens of the Federal Government?

I tend constantly to measure my new experiences here against 15 years in government at the State and local levels. In the Statehouse at Columbus and in the Oberlin City Council we were required by the Ohio constitution, and by custom, to have the necessary funds in hand or in sight, before appropriations were voted. It is very difficult in Ohio for the State or local governments to go into debt; all public borrowing must be funded; increased expenditures must be covered by increased tax revenues. Moreover, no statute or appropriation is approved in Columbus (not, presumably, at any of the lower levels of government in Ohio), without the affirmative vote of a constitutional majority of the legislators, on a publicly recorded rollcall. Thus, in Ohio (though probably not so in all States), fiscal responsibility and voting responsibility are practically mandatory.

Not so at the Federal level. For example, the ceiling on public debt, which Congress changes every year or so, is a useless fiction.

When we voted on June 26 to increase the Federal debt limit temporarily from $285 billion to $298 billion, it seemed to me the many hours of unctuous debate was largely ridiculous. Debaters wrapped themselves in the robes of "responsible government," but it seemed only a charade.

The added billions were already committed. The bills had to be paid. Technically, it was essential that we raise the debt limit. But I voted against that raise, as a matter of protest. (During my campaign for election, I promised to vote for tax increases rather than deficit spending, when faced with those alternatives.)

That same day, without a rollcall, without debate and in the first 15 minutes of the session while few Members were on the floor, six other measures were gaveled through the House. At least two of those six were extremely important and debatable, having to do with constitutional rights. Even though they applied only to the District of Columbia, their implications were very broad; it seemed to me they deserved even more attention than we gave to that phony debt limit. And that same week there was debate, and a rollcall vote on the silly proposal to create a special flag for Congressmen to fly on their boats or automobiles.

IS CONGRESSIONAL VOTING TOO FRIVOLOUS?

Those few examples indicate why a newcomer may feel that the House is too frivolous in its voting habits. Frequently, measures involving important policy questions and billions of dollars are approved merely by voice vote, so no member is placed on record and held accountable for his "aye" or "nay." Or, frequently, when we do have a rollcall vote, it is on a so-called omnibus bill, so big and complicated, so full of both good and bad, that a simple "yea" or "nay" is in effect frivolous.

Note again the contrast: Fiscal responsibility is practically forced upon State and local legislators—in Ohio at least. But Congress is limited only by its own self-restraint in fiscal decisions.

Are we in Congress exerting self-restraint, are we providing for payment of the billions in new obligations we are voting? No, so far as I can see; except by increased borrowing, increased greenbacking, which simply means higher living costs for everyone, a subtle means of taxation which hurts the most those who are least able to pay. Is that a wise or responsible procedure?

MORE RESPONSIVE THAN RESPONSIBLE

I believe mine is a valid complaint, that Congress tends to be more responsive than responsible. In response to almost any cry for help, Congress too easily and willingly reaches down to lift up and carry on forever, and expand, whatever services the State and local governments find difficult to carry. And Congress does this with so little concern for the costs. Washington is all too willing.

Is not the Federal Government already too unwieldy, too bogged down? Is not the span of responsibility already too broad and varied for the White House and Congress to handle effectively?

Will not the creation or expansion of new Federal agencies to assist the cities, or school districts, or whatever merely dilute and impede that much more the capabilities of Congress and the White House to accomplish their primarily important Federal tasks effectively?

I see no men here who stand so extraordinarily tall. Members of Congress are for the most part able and conscientious, but not more so than members of the Ohio General Assembly or Oberlin's city and school officials. Congressmen differ only in these ways: (1) They control the Federal Government's vast taxing and credit creating authority; thus they have easy access to seemingly limitless easy money. (2) They are full-time professional politicians, of necessity much more concerned about getting reelected than are most of the part-time citizen legislators at the State and local levels.

It is easy to see then why Congress is under increasing pressure to supply more and more money for State and local services, why Congress more and more accedes to such pressures, and why each new or increased appropriation here only encourages the pressure for still more.

But I see no reason to believe that is good for Congress or good for the country, its long-term results. Congressional appropriations for any function for instance, public education—inevitably will be followed by increasing congressional oversight (or harrassment?) of that function, and I see no reason to believe that is good—not good for the schools, for instance. There is nothing in the sprawling, tangled, easy come-easy go ways of big, big Government, as I see it here in Washington, to bolster my confidence that its decisions are wiser than those made at the local levels.

NEEDED, THE WILL TO SAY "NO"

I believe it is a vain thing to believe centralized government, even with all its extraordinary money resources and power, can do wisely and well so much for so many. The most important lack I see in Congress is its lack of the will to say "no." It is too easy for Congress to say "yes," to the requests for it to take over wherever the State services are inadequate.

True, it will be extremely difficult to reorganize State and local governments (especially tax structures), to provide them the means and capacity for supplying adequate services at those levels. But that is where it could and should be done. Perhaps Congress might force the needed renaissance in State government, if only it could firmly say, "No, No, No!"

Fundamental Question in Bizerte Is Whether the Base Will Be in Friendly or Hostile Hands

EXTENSION OF REMARKS
OF
HON. FRANK KOWALSKI
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Monday, July 31, 1961

Mr. KOWALSKI. Mr. Speaker, in a communique issued Friday, July 28, the French Government argued that it must maintain its present control of the base at Bizerte, Tunisia, because of its strategic importance to the West during the crisis over Berlin.

Unfortunately, the behavior of France in boycotting the Friday session of the U.N. Security Council which heard U.N. Secretary General Dag Hammarskjold charge that France has not complied with the provisions of the U.N. cease-fire and withdrawal of forces resolution of Saturday, July 22, makes it all too clear that France is using the Berlin crisis as a convenient excuse for not following the U.N. resolution and for stalling serious negotiations on evacuation from Bizerte.

The French communique stated that—

The occupation, by hostile or merely threatening forces of this major strategic position could have grave consequences both for the defense of France and of the West.

I regret that France has made it almost certain that hostile and threatening forces will occupy this major strategic position. Negotiations will never remove the bad feeling which France has created by killing 670 and wounding 1,155 Tunisians.

The fundamental question in Bizerte is not when and how the French will relinquish control over a base which guards the Mediterranean between Sicily and north Africa, but whether the base will be in hostile or friendly hands after France does so.

I am afraid the answer to that question will have grave consequences both for the defense of France and of the West.

Accordingly, I hope the French Government will accept the U.N. resolution for a cease-fire and withdrawal of troops.

I urge the French Government to begin negotiations as soon as possible on the transfer of control of the Bizerte naval and air base to Tunisia and on the future use of that base while that is still a possibility.

I urge the State Department to instruct the U.S. Embassy in Tunis to do everything diplomatically possible to bring French and Tunisian authorities in Bizerte to the conference table. This might include an offer to act as a third party in arranging an acceptable site for negotiations since the two sides cannot agree on this first step.

The Swedish National Lottery

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 31, 1961

Mr. FINO. Mr. Speaker, I would like to show to the Members of this House the worthy ends that a national lottery can serve. Properly channeled, the revenues from a national lottery can be a great aid to the people of the country in question.

Perhaps the wisest users of the national lottery scheme are the Scandinavians. Each of the four nations of Europe's North have seen the merits of a national lottery as a means with which to promote their highly developed cultures.

The largest of the Scandinavian lotteries is run by the Government of Sweden. Not only is the Swedish lottery the largest Scandinavian lottery, but it is the most profitable. In 1960 the gross receipts of the Swedish national lottery came to $50 million. Total Government profit was $29 million. A good portion of this money is set aside for cultural activities and the rest is devoted to general budget purposes.

The Swedes are proud of the contribution that this lottery makes to the cultural attainment of their nation. They are well aware of the percentage profit made by the Government, but they realize the worth of the uses to which their money is put. Sweden is quite cognizant of the fact that a national lottery is an excellent tool with which to advance the public welfare.

Analysis of the President's Speech to the Nation on the Berlin Crisis

EXTENSION OF REMARKS
OF
HON. JAMES B. UTT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 31, 1961

Mr. UTT. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I wish to include the following newsletter analyzing the President's speech to the Nation on the Berlin crisis:

WASHINGTON REPORT

(By Congressman JAMES B. UTT, 28th District, California)

I would like to say at the outset of this report that it has always been my position to support the administration in any and all firm stands which it proposes to take against any force which threatens the free world, and I will continue to hold that position. I made this clear after the President's speech on April 22 when he said that our country would not desert Cuba, although no firm stand has been taken since that date in spite of constant provocation.

There has been no doubt in my mind but that the Western Powers would defend West Berlin, but I wonder how we can make West Berlin believe this when we take no action against Castro when he has one of his lieutenants highjack an American plane flying over American territory and take it to Havana to be used for further blackmail. If the President had ordered an aircraft carrier or two to sail into Havana Harbor the next morning, after the highjacking, with orders to "move in" if Castro did not release the plane and passengers forthwith, this would have been far more convincing than his speech on West Berlin. I am not in the least bit dazzled nor deceived by the President's message on Berlin. It was a carefully planned and staged political self-serving declaration. There is no more crisis in Berlin today than there was 6 months ago or 6 years ago. It is quite apparent that Khrushchev is running away from the crisis as fast as Kennedy is running to the crisis. I have just returned from Berlin and that judgment was expressed there. Senator HUBERT HUMPHREY, assistant Senate majority leader, returned from Berlin 3 days after I did and expressed the same judgment. The Senator was quoted in the Washington Post of July 14 as saying that Khrushchev was faced with staggering food shortages and "is not ready to go to war over Berlin. All is not well within the walls of the Kremlin. There is hunger in East Germany. The Soviet Union itself has food shortages of staggering proportions." He said further that he did not understand "why we do not know about the hunger in East Germany and if we do why don't we talk about it."

Such statements as this by Senator HUMPHREY threatened to pull the rug out from under the extravaganza being prepared for delivery on the evening of July 26, and Senator HUMPHREY made no further statements along this line.

Let us remove the varnish and examine the real substance behind this Berlin speech. The speech was more important for the things it did not say than it was for the things it did say. Since the Cuban fiasco, the President has seen his own prestige decline, and he was well aware that his domestic legislative program was fast being scuttled. In such a situation, a ready solution can be found by directing national attention to a common enemy in order to unite support not only for strengthening our military, but to get public support for domestic welfare programs. It is a trick that many of us used when we were children about to be taken to the woodshed. If we could divert our parents' attention to a firebug in the neighborhood that might burn our house down, their minds might be taken off our own misdeeds.

The speech was political in that it referred to great military buildup since the first of the year when in truth the strength of our military posture was a result of the past 8 years' programing, and since the first of the year the President has closed or proposed to close 80 of our domestic and foreign military bases. The President's school bill had been killed, his tax program was floundering on dead center, his basic farm proposal had been killed by both the House and the Senate, his medical care bill under social security was not even getting off the ground. Something had to be done. The Berlin crisis filled the bill.

The President suggested that this military buildup should be paid for by additional taxes. The alternative of cutting down on some of the pending welfare programs was not suggested. He has always expressed great faith in the United Nations and yet he made no suggestion that the United Nations should participate in resolving the Berlin crisis. He did not tell the public that one department of his own administration has been granting secret export licenses to ship strategic tooling machinery to the Soviet Union and other export licenses to permit the shipment of our subsidized farm products to bolster the sagging economy of our only known enemy. It is a known fact that no country can support a war with an internal sagging economy and apparently the Department of Commerce wants to make certain that, if the Communist bloc does strike a military blow, the economy of our enemy will support their military effort.

The President continues to keep his head in the sand as regards any internal Communist subversion which in fact is a far greater crisis today than Berlin is or ever has been. To make sure that this subversion is not impeded, the administration has instructed the entire Military Establishment that none of its men or officers can participate in any anti-Communist schools or study groups which have conservative leanings. It has even denied the use of a military band for a joint demonstration of 37 cities in Los Angeles County against communism unless they remove the film, "Communism on the Map," from the program.

Some requests from Congressmen for compassionate transfers or humanitarian discharges, sent to the commanders of military bases, are referred to the White House for approval. The facts in the case are not important. Only political considerations as to whether the Congressman making the request supports the administration or not are taken into consideration. One military officer, who had been invited to speak, sent his prepared speech to the White House for approval and received back a completely different speech prepared, of course, by Pierre Salinger, the Dr. Goebbels of the White House.

It is now abundantly clear that the debt limit which we just raised will have to be raised again in order to meet the proposed expenditures, and the cost of living will continue to soar, eroding the value of the American dollar at a speed more rapid than this

country has ever witnessed. This country can survive a depression much easier than it can survive uncontrolled inflation. We can't have our cake and eat it, too. So, if the military is going to need an additional $7 billion, we must abandon some of the "gingerbread" which politicians have been offering the public for free.

This points up what Fletcher Knebel said in one of his recent columns: "F.D.R. proved a man can be President for life. Truman proved any man can be President. Ike proved we don't need one. Kennedy proves it's dangerous to have one."

Recommendations for Ideological Warfare Agency

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Monday, July 31, 1961

Mr. WILEY. Mr. President, the complex many-fronted global challenge of communism requires a more effective United States and free world counterforce—if we are to meet and defeat the enemy and assure the triumph of freedom.

In a weekend broadcast over radio station WGN, Chicago, I was privileged to make some suggestions on more effectively meeting this threat to our security, particularly in waging ideological warfare—the battle for men's minds.

I ask unanimous consent to have excerpts of the text of this broadcast printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Today, the struggle between the Communist and free world rages on many fronts—military, economic, social, political, ideological.

To meet the military challenges to freedom, President Kennedy has now proposed a program for putting more muscle into our defenses.

Why? Confronted by an enemy that best understands the language of strength, we, as a nation, must take the necessary action to resist military aggression.

In creating a stronger deterrent, however, I believe we also must more effectively muster our forces to win the psychological-ideological struggle—the battle of ideas.

Around the globe, the Reds, for example, are going all out to win men's minds. How? (1) By shotgunning Red propaganda through radio, publications and other information media around the world—far exceeding efforts by the United States and its allies, (2) shaping national policies to gain converts to Red ideology, or, at least, plant the seeds of communism, (3) opportunistically support causes—open or secret, right or wrong, legal or illegal—that will either directly, or indirectly, benefit their cause.

In coping with such a complex offensive, then, we must undertake a more effective effort to win this nonmilitary contest.

For this purpose, I have suggested the establishment of a Freedom Agency. The purpose would be to develop, and execute, a more effective policy for winning the psychological-ideological battle.

What would be its functions? These would include: (1) Reevaluating the medium and long-term challenges in this field; (2) designing policies and programs for more effectively meeting such challenges; (3) correlating the scattered efforts now being undertaken by widely dispersed agencies of the Government.

Over the years, for example, efforts—many of them excellent within their limitations—in this field have been conducted under the State Department, U.S. Information Agency, the International Cooperation Administration, special Presidential appointees, and others.

The purpose of the Freedom Agency however, would be to better correlate these programs—keeping them "firing together on the target".

Particularly, I believe there is another important—and yet unfulfilled—need in our national life: That is, keeping our people at home more effectively educated and alerted—commensurate to the times—on the national and international challenges confronting us.

If we are to adopt, and execute, effective national policies, the public needs to be well informed and up to date—almost on a day-to-day basis—on the scope and graveness of the problems that lie in the path to greater progress, security, and peace.

The establishment of a special agency, then—differing from current efforts—would include responsibility for correlating, and carrying forward all U.S. efforts to win the ideological battle both on the domestic and foreign fronts.

Now, there may be objection—because of an already-existing many-tentacled government—to establishing a new agency.

As Lincoln stated, however, "As the times are new, so must we think anew and act anew."

As the challenge to our security and survival becomes more acute and complex, we must—in my judgment—revise and improve our techniques for dealing with such challenges.

The establishment of a special agency for coordinating and more effectively executing ideological warfare would, in my judgment, help to speed the ultimate triumph of freedom over communism.

In the days ahead, I shall discuss this proposal further with the interested agencies of the executive branch. After their response—which, in the face of grave national emergencies would, I sincerely hope, be affirmative—I will then undertake the necessary legislative action to establish such a special agency.

The Finnish National Lottery

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 31, 1961

Mr. FINO. Mr. Speaker, I should like to bring to the attention of the Members of this House an example of cultural advancement through gambling revenues. I refer to the national lottery of Finland, the proceeds of which are divided between the National Opera, the National Theater, and the Ministry of Education.

Finland is only a small nation of a little over 4 million persons, but size notwithstanding, Finland is noted for cultural and artistic attainment. The Finns are not a rich people, and they find it difficult to provide for the sustenance and promotion of their cultural heritage. They are quite dependent upon the national lottery as a means to this end. There is no evidence that they find this money somewhat tainted, for unlike many Americans, they are not plagued by pious hypocrisy in these matters.

The Finnish national lottery brings in some $4.3 million a year, based on 1960 figures. About one-third of this money goes to the treasury in the form of revenues. The Finnish national lottery is a small operation that produces big results. If we were not blind to human and financial reality, we could learn quite a bit from the Finns.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, July 31, 1961

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following newsletter of July 29, 1961:

WASHINGTON REPORT
(By Congressman BRUCE ALGER, Fifth District, Texas)

The President's address to the Nation on the Berlin crisis had strength and, conversely, important weaknesses. I agree with him on (1) the seriousness of the Berlin crisis; (2) that Berlin is only part of the worldwide problem caused by the Communist conspiracy for world domination; (3) that our military strength be maintained and increased. I disagree on his insistence in the adoption of new welfare programs and increased Federal spending for domestic projects in the face of needed higher spending for the military. I am concerned that he may be playing down our ability for massive retaliation. Our nuclear military power has been and still is superior to the Communists and must be maintained at such a level. The President left the impression he may be ready to rely on increased military manpower and conventional weapons in preparation for limited warfare. Our greatest guarantee for peace has been and will continue to be that the Russians know we have unlimited resources for massive retaliation and are prepared to use them. In his approach to domestic spending the President again demonstrated, as I have previously pointed out, that he does not understand that military strength is built on a strong and solvent economy. The sacrifices he calls for must be made by cutting Federal spending for nonessential projects and welfare programs.

Strong words will not defeat Communist aggression. A strong policy backed up by action will. Twice this week I have sent messages to the President urging that he use military force, if necessary, to get back the plane hijacked on its way to Dallas. The Berlin crisis will be brought to a speedy conclusion if we demonstrate that the American Government will protect the lives and property of its citizens whenever they are threatened. This can be done by moving on Cuba now to get back this plane and other American property seized illegally by the Communist bandit, Castro.

Example of unrealistic demands for expanded Federal programs is administration proposal to tie medical care for the aged to the social security program. (Hearings now before my Committee on Ways and Means). Recognizing U.S. medical care is now world's

best, the questions I have raised in the hearings are in these areas: (1) Compulsory program, not voluntary; (2) gratuity for 14 million—others pay in for a lifetime; (3) selective coverage of those over 65—Why 65? Won't age limit be removed? (4) actuarial unsoundness of social security—additional medical program jeopordizes both itself and social security; (5) adequacy of existing programs; (6) unlimited free medical services now available.

Administration farm bill (passed House this week) another example of fiscal irresponsibility. I can find no one who understands this bill. Even proponents unable to explain it in debate or give accurate estimate of cost.

This philosophy of paternal government is wrecking moral fiber of our people. Required reading for every American should be column in the Wall Street Journal by William Henry Chamberlain. He says: "America is becoming a parasite's paradise—with ever more Federal handouts America is becoming land of freeloaders and home of brave taxpayers."

Other highlights of the week. Cooperated with Congressman CHARLES MATHIAS as a team to study the adequacy of unemployment benefit payments, as a part of a special Republican project working on a series of reports on "Employment in Our Dynamic American Economy." Congressman MATHIAS and I, in a speech in the House, advocated policies to eliminate the existence of unemployment by recognizing it as a symptom of dynamic technological development and working out a sensible program for retraining workers in new skills demanded by space age. Appeared before a special Senate committee in opposition to S. 1722, the fair trade bill. This legislation is unfair to the retailer, the customer, and ultimately the manufacturer, all of whom it is supposed to protect. It is price fixing, a violation of the law; permits vertical price fixing which results in horizontal price fixing; will result in higher prices to consumers. Foreign Affairs Committee approved President's plan for 5-year authority in spending foreign aid funds. I am against it as an evasion of congressional responsibility. Congress must retain responsibility for reviewing Federal spending. This protects the taxpayer by checking up on misspending, waste, and weaknesses in program. Maintaining congressional responsibility does not limit the President's power for long-range planning. Merely insists upon his justification for funds expended.

Congressman JAMES UTT, of California, has issued a newsletter so important I am enclosing it along with mine.

GREAT TRUTHS

"Government is a trust, and the officers of the government are trustees; and both the trust and the trustees are created for the benefit of the people."—Henry Clay.

Berlin and Sacrifice—What Sacrifice?

EXTENSION OF REMARKS
OF
HON. FRANK J. BECKER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 31, 1961

Mr. BECKER. Mr. Speaker, the challenge has been received—and will be met. We will defend Berlin. A few days ago, the President served notice on the Kremlin's strong man that this country will honor its commitments—not only those on paper, but those of freeman to freeman.

In these pages, I have often urged that we take the only possible position on Berlin—that of determination to keep its people free, its territory sovereign, its ideals inviolate.

For many breathless weeks, the world waited to hear what this country's answer to the outrageous claims of the Soviets would be.

The answer has been given, and our people are ready to do whatever is necessary to keep faith with the time-honored principles of freedom. I have no doubt that the Congress will respond to the President's requests for additional arms.

I have no doubt that such requests are not only valid but necessary.

Amid the stirring of a great nation's arising to defend its principles, however, there is a strange inconsistency in the requests made of the Congress. In our readiness to take whatever steps are necessary to safeguard our lives and those of our allies from the horrors of a Communist triumph, there is a strange contradiction that would seem to say: We must sacrifice, but we will not sacrifice too much.

I am disturbed—not by the dollars and man-hours it will take to assure our preparedness, but by the seeming unwillingness of the administration to balance ideological preparedness with fiscal preparedness.

In other times of war, this country's people have gladly undergone all types of hardships to assure the eventual victory of the forces of freedom. The tone of the President's message last week left no doubt that the cold war is just as hot as any shooting war, but he does not ask us to relinquish one bit of our vast peacetime spending programs to prepare for the defense of our rights to live in peace.

We have just passed another increase in the statutory ceiling of the national debt. We shall undoubtedly be called upon to pass more measures bringing the budgetary deficit to the level of $5 or $6 billion by appropriation and another $8 or $9 billion via back-door spending. Actually, with the President's recommendations, the total deficit will be well over $15 billion. This has been done, despite the urgings of my colleagues and me to preserve fiscal sanity.

These continued additions to our huge deficit are fiscal suicide missions that will be charged to our great-grandchildren—and their children. What good is an appropriation for depressed areas legislation—if we lose the cold or hot war? What good is an appropriation for more public housing—if we lose the right to live in houses of our own choosing? What good is an appropriation for farm subsidies—if we starve under the yoke of communism?

Let us not play politics with our survival.

I have no doubt that the situation is as serious as the President states. In fact, I think it is a great deal more serious. I have seen international tensions mount and multiply. I have no doubt that this country—and the way of life it symbolizes—is now faced with the problem of defending itself and its way of life.

This country is peopled with individuals who will fight to preserve their lives. But it must be an all-out effort, an effort not bogged down by continued deficit spending that will bring devastation to our fiscal structure.

There are many ways to defeat a country, and one of them is to bring it to financial ruin. No businessman would think of carrying on "business as usual" during a fire which threatened to destroy his entire stock.

All Americans will join the President in his efforts for national defense, but we must impress upon the world that this is sincere upon our part. We cannot do this unless we impress upon them that we are willing to forgo all unnecessary expenditures for the duration of the hostilities—either verbal or physical.

One day we will have won this cold war. Then we can return to the problems of our national economy.

Until that eagerly awaited day, let us tell the President that we will make sacrifices. Let us tell the President and the world that we are fighting for succeeding generations—and that we will not make them pay the toll for this battle by saddling them with a sky-high national debt and a fiscal structure that is crumbling.

It can be done. It must be done. Our willingness to fight for our principles will be in vain if we succumb to the ruinous tendencies of reckless spending.

Let us curb all unnecessary spending. Let us work together and sacrifice now what is necessary for the long-range good of the world.

To Promote the General Welfare—An Article by Secretary of Health, Education, and Welfare Abraham Ribicoff, New York Times Magazine, July 9, 1961

EXTENSION OF REMARKS
OF
HON. JOHN BRADEMAS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 31, 1961

Mr. BRADEMAS. Mr. Speaker, I should like to insert in the CONGRESSIONAL RECORD an excellent article by the distinguished Secretary of Health, Education, and Welfare, the Honorable Abraham Ribicoff, from the July 9, 1961, issue of the New York Times magazine.

The subject of Secretary Ribicoff's article is, "To Promote the General Welfare."

I believe that Secretary Ribicoff's statement makes clear that President Kennedy's proposals for domestic legislation are in the best tradition of our American life and within the framework of our Constitution.

I commend Mr. Ribicoff's article to the attention of my colleagues.

The article follows:

TO PROMOTE THE GENERAL WELFARE—TO DO THIS—IN THE WORDS OF THE CONSTITUTION—IS EXACTLY WHAT THE ADMINISTRATION'S PROPOSALS, ESPECIALLY FOR HEALTH AND EDUCATION, ARE DESIGNED TO ACCOMPLISH, SAYS RIBICOFF

(By Abraham Ribicoff)

In the current debate over two of President Kennedy's major domestic measures, aid to education and health insurance, I have been more surprised by the friends of these measures than by the critics. The simple fact is that the former spend more time apologizing for the measures than speaking positively of their merits. Here is legislation in the best American tradition—designed to "promote the general welfare"—yet its friends avoid professing openly and proudly that they are in favor of promoting the general welfare, as if this were somehow an unwise or shameful thing to do.

Worse still, the more defensive the friends of these measures become, the more America denies itself the right to speak a plain truth to the world: that under freedom we do more for the welfare of our people than the Communists could ever hope to do for theirs.

Why should this be so? The explanation is that the language of the critics has come to dominate both sides of the argument.

The critics themselves do not have ice water in their veins or a piece of flint where their hearts should be. Many of them are charitable people, generous to their neighbors in time of need, often leaders in community work. They are mostly serious-minded men and women, voicing their honest doubts in good faith. As such, they merit an answer.

But, in answering them, the friends of these education and health measures suffer self-inflicted wounds because they stop at the point where they have shown that the worst doubts the critics raise are groundless. In this way they make their own argument sound like an apology. What is more, they forfeit the solid case to be made for the specific good the measures will bring about.

The major doubts and fears the critics have about welfare legislation in general, and President Kennedy's program in particular, boil down to three main points.

They say, first, that if Washington does everything for the people, it will soon be in a position to do everything to the people. And when that happens history will say a long goodbye to the uniquely American idea of limited government, where all power rises from the people and where the primary purpose of government is to create a stable society in which the individual is free to pursue his own ends. In its stead, we will have a strong-arm central government with all its byproducts; bureaucracy, rigidity, humorlessness.

They say, second, that even if some welfare measures have merit, they must still be opposed. Why? Because they will inevitably lead to other measures so unwise, so all-embracing, so horrendous in ultimate consequences that we dare not take the first step.

Lastly, they say, welfare legislation has no basis in our Constitution. Nor does it square with any of the political traditions that have developed from the Constitution. All it represents is an import of foreign concepts and methods.

Now in all this I recognise one underlying line of argument that goes as follows: Freedom of the individual is our most prized possession; welfare measures mean greater activity by government, often the Federal Government; therefore, the adoption of any such measures must entail a loss of freedom for the individual.

My answer is not just to protest the false logic of the argument; I believe that the general welfare legislation now before Congress adds to individual freedom by creating the opportunities in which freedom can be exercised.

What is the individual freedom we cherish? It is not an abstract principle, not a set of phrases to be chanted in hushed tones. It is the bundle of rights that are ours to enjoy—the right to live where we choose, to worship where we wish, to work at whatever trade or profession we prefer, to become educated wherever we please in schools and colleges we select, to decide for ourselves how we will enjoy our leisure time; in short, to live productive and creative lives to the limit of our capacities.

One must be free to do these things. But being free is no assurance that these things can be done.

With freedom there must be opportunity. And this is what we seek—the creation of opportunity to become educated, to find employment, to earn decent wages, to enjoy good health. With these opportunities established and strengthened, each individual can enjoy a free life and make his utmost contribution to our free society.

To make my point clear, let me recall what happened during the great depression of the 1930's. To fight that depression, the Federal Government was called on to do what no State or local government could do: to revive the national economy, and to establish standards of economic and social well-being below which no individual would be permitted to fall.

There were those who foresaw in such Government action the end of the American way of doing things. Whenever our Government attempts to enlarge the area of its social responsibility, fears of this sort are voiced. But what in fact happened? Measures like unemployment compensation and other features of the social security system then enacted represented a use of Federal power not to deny the individual his freedom but to strengthen his freedom by establishing his economic security. The States and local communities lost none of their powers.

In effect, all our traditional freedoms were reinforced because practical solutions to the urgent problems of the day were worked out within the four corners of the Constitution.

As for the second of these fears—that tolerable welfare measures will surely lead to others that are not tolerable—truly, what is one to make of it? What a shocking denial of rational judgment. What an abandonment of faith in free government.

This is our Government, not someone else's. Our citizens and their representatives in Government are capable of distinguishing between welfare legislation that is desirable and welfare legislation that goes too far. The right to make such distinctions is a crucial part of our freedom. Let us not abandon that right in the blind assumption that nothing is better than something.

Turn next to the fear that welfare legislation lacks a basis in the Constitution and is no part of our tradition.

The truth is entirely the other way. Such legislation is of the essence of the American tradition. Before the establishment of this Republic societies of men had been formed to promote the welfare of a group—an aristocracy, a military brotherhood, an economic class. But here was a people pledged from the start to promote the welfare of all of its members simply because they belonged to the same community. The pledge was revolutionary—something wholly new under the political sun—and the world has never been the same for it.

The concept of promoting the general welfare appears first in the Mayflower Compact in which the Pilgrims, en route to America, declared their intention to pursue "the common good" on new soil. The phrase itself first appears in the Articles of Confederation. It appears twice in the Constitution: in the preamble, and in the first article, by which Congress is empowered to impose and collect taxes for use, among other things, in promoting "the general welfare."

What did the phrase mean to the signers of the Constitution? That was the subject of a classic debate between Thomas Jefferson and Alexander Hamilton. As I hope to demonstrate, the debate bears on the current argument over President Kennedy's social program.

Jefferson held that under "the general welfare clause" Congress could lawfully appropriate money only for purposes specifically enumerated in the Constitution. (It is interesting to note that later, as President, Jefferson proposed the purchase of the Louisiana Territory, though the purchase of land was not included in the Constitution's list of specifics. President Jefferson warned his friends in Congress "not to entangle themselves in metaphysical subtleties but to approve an act that promised such enormous practical good to the Nation.")

It was Hamilton's view—and Hamilton had been a member of the committee on style at the 1787 Convention, which put the general welfare clause into the Constitution—that the phrase was "as comprehensive as any that could have been used" and embraced "a vast variety of particulars, which are susceptible of neither specification nor definition," including "whatever concerns the general interest of learning, of agriculture, of manufacturers, and of commerce."

Congress, he declared, was subject to only one limitation in levying taxes and spending money: the purpose must be general and not local.

But how was one to distinguish a general and a local purpose? Hamilton answered that the question "must be a matter of conscientious discretion, and the arguments for or against a measure in this light, must be arguments concerning expediency, not of constitutional right."

History, practical experience, and the weight of judicial opinion have been on Hamilton's side of the argument. Witness an eloquent restatement of his view in the opinion of Justice Cardozo rendered in *Helvering* v. *Davis*, a social security case decided in 1937:

"The line must be drawn," said Justice Cardozo, "between particular and general. Where this shall be placed cannot be known through a formula in advance of the event. There is a middle ground or certainly a penumbra in which discretion is large. The discretion, however, is not confined to the courts. The discretion belongs to Congress, unless the choice is clearly wrong, a display of arbitrary power, not an exercise of judgment. This is now familiar law. * * * Nor is the concept of the general welfare static. Needs that were narrow or parochial a century ago may be interwoven in our day with the well-being of the Nation. What is critical or urgent changes with the times."

Applied to President Kennedy's program of aid to education and health care for the aged, the whole of the foregoing raises six questions.

First. Does the proposal for Federal aid to education rise from a nationwide need?

Answer. Yes. It is a simple fact that State and local governments, with their fairly rigid tax base, cannot, unaided, pay for the quantity and quality of education urgently required by our exploding population.

Second. Does the measure square with the traditional rule that the control of education must be a State and local matter?

Answer. Yes. It preserves that rule intact, just as did last year's Federal's aid-to-education program, which in all its forms totaled $2.7 billion, including millions for school construction and teachers' salaries. Indeed, not once in my 6 years as Governor of Connecticut did any mayor or school principal complain to me of a single instance of Federal interference. And I know of no such complaint to any other Governor elsewhere.

Third. Does the proposal to provide health care for the aged rise from a nationwide need?

Answer. Yes. That proposal is addressed to the fact that each year one out of five aged couples drawing social security benefits is hospitalized. Half of these people incur medical bills in excess of $700 a year—equivalent to a third of their income. Many do not obtain and cannot afford the care they need, nor are their children in any position to help them.

Fourth. Does the measure give the individual the absolute right to choose his own physician?

Answer. Yes. The services of private physicians are not even covered by the bill. Every person will choose his own doctor and hospital, and every doctor will treat his patient exactly as he wishes. The only thing that is new is that hospital and nursing home bills will be paid.

Fifth. Are these two proposals of a kind over which the Congress has a constitutional right to exercise its discretionary powers?

Answer. Yes. Since both problems have become a national concern, they fall squarely within the meaning of "the general welfare" clause.

Sixth. The constitutional right being granted, is it expedient or inexpedient for the Congress to enact the two measures?

Answer. I believe these proposal merit support precisely because they square with an American tradition that originates in the "general welfare" clause of the Constitution and are consistent with that tradition as it has been carefully tested and cautiously applied by generations of Americans. The educational proposal reserves to the States and local communities full control over the administration and content of public education. The health-care proposal reserves to the individual the right to seek his medical care wherever he will. The values of the past have been observed in meeting the needs of the present and future.

In conclusion, let me turn from the domestic scene to point out to critics of welfare legislation that in this revolutionary era people everywhere are striving to improve their own general welfare. The Communist nations offer themselves as the model to be followed in this effort. They work around the clock to deny the United States the moral right to offer itself as a proper model by portraying us as a selfish, self-centered people.

We know that what the Communists say about us is as false as what they say about themselves. Nevertheless, we give the color of truth to their falsehood. For when we propose a measure for the general welfare that will have real meaning for millions of our citizens, we talk around it, we play it down. And we take special care to cover up that word welfare. Would we have the world believe that we, of all people, are the enemy of the general welfare?

Let caution prevail in how and where we use the "general welfare" clause to meet the unprecedented challenges of our national life. But instead of being ashamed to speak the word welfare, let us recognize it for what it truly is—uniquely American. Let legislation to promote the general welfare be a source of pride to all Americans. We have promoted the general welfare more effectively than the Communists. This is our strength, a strength we must continue to demonstrate to the world.

Address by the Honorable Francis E. Walter, of Pennsylvania, to the Alabama American Legion State Convention, Huntsville, Ala., July 22, 1961

EXTENSION OF REMARKS
OF
HON. FRANK W. BOYKIN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 31, 1961

Mr. BOYKIN. Mr. Speaker, under unanimous consent to address the House for 1 minute and revise and extend my remarks, I include therein a very remarkable speech by a great and good American. Mr. Speaker, every time I get anything good, I like to take it to Alabama in our beloved Southland. The other day, another great soldier and a great American, Reg Albritton, of Camden, Wilcox County, Ala., who is the commander of the Alabama American Legion, asked me to see if I could get the Honorable FRANCIS WALTER, of Pennsylvania, the chairman of the Un-American Activities Committee, to address the Alabama American Legion State Convention at Huntsville, Ala. And I succeeded in doing just that.

I wish all of you could know Reg Albritton. Not only Reg Albritton and his lovely wife, but all of the Albrittons. His father was our probate judge in this county. His grandfather was our sheriff for many, many long years. Cliff Albritton was also our probate judge. Will Albritton is the postmaster at Camden, Ala. So, you see, I have known them always. Wilcox County is one of the greatest counties in this Nation and I love every drop of Albritton blood there is in the world.

I was so pleased, Mr. Speaker, when this great friend of yours and mine, one of the greatest Representatives in this Nation, said he would address the American Legion in Huntsville. I believe, Mr. Speaker, without a doubt, every man in the Congress of the United States, and they represent every human being in America, loves and respects this man who comes from north of the Mason-Dixon Line, from the great State of Pennsylvania. He has done such a good job. And while he has not been here, Mr. Speaker, quite as long as our great Speaker, SAM RAYBURN, he has been in the Congress of the United States over a quarter of a century. As a matter of fact, it has been 30 years. I have been here almost that long. When I finish this term it will be almost 28 years.

But, one of the great joys and pleasures, along with the sorrows we have all had here together, has been to have men like FRANCIS WALTER. He is truly, Mr. Speaker, a Rock of Gibraltar. Of course, he, like so many others who have been here so long, has not been as well lately as he used to be. But what a great job he has done. I have seen him when you were weary presiding, when you have asked him to take the chair, to wade through it for hours and days, and his decisions were so fine and so fair. I have never heard a man in the Congress of the United States criticize the decisions he has to make. And, of course, some of them are very unpleasant. Nobody knows this better than you, Mr. SAM.

Well, he is a great and he is a good man. He has notified his district and you and all of us that he will retire voluntarily from the Congress when this session is over.

How I hope he will change his mind, and I think if we would all get after him and we would all pray that the Great and Good One would give his health back, that he might stay. Because if there ever was a time we need men, it is now. I know of no better man, no better statesman, no better lawyer, no better American, than the great man that I had the joy and the pleasure of introducing at Huntsville, Ala.

I talked about him a good deal. We had over a hundred people from the First Congressional District in Alabama, that I have the great honor to represent and have represented so long.

Well, Reg Albritton introduced me, and he said so many good things that I was a little bit embarrassed, but I had no trouble in telling that great audience at Huntsville, Ala., the place where the Redstone Arsenal is, the great Dr. von Braun, another great American like FRANCIS WALTER who has done such an outstanding job there, and it was just so easy to talk about FRANCIS WALTER. We had another great man there and they had been in the Legion and in the war fighting together to save this country, and that was Congressman Joe Starnes, who used to say, "So long here Mr. Speaker." And I just wish you could have heard what Congressman FRANCIS WALTER said off the cuff, about this great Alabamian, Joe Starnes.

It seems they met after we took Germany and FRANCIS says that when he ran into Joe Starnes, Joe was fuming and fretting and he said, "Joe, what is the matter?" He said, "We have been waiting here 3 days for these Russians to come and get the honor of taking Germany, when we did it." Well, it went on and on, but maybe we can get FRANCIS to tell us the story or maybe Joe Starnes. I do not know, but I tell you it was interesting.

Another great friend of yours was there. A brother to one of your and my best friends, Col. Walter Ernest, and his wife. He had been commander of Alabama's American Legion a long, long time ago.

Mrs. Walter W. Andrews, of Jackson, Ala., was there. She is a young woman that I think has done as much for the American Legion as anyone on earth. Not only at home, but here and all over this Nation.

Last but not least, we had another great and good man and hard worker there. His name is Bob Gunn and he was shooting with both barrels in every way in making FRANCIS WALTER and all of us enjoy our unforgettable trip. Then that sparkling secretary of the Legion from Montgomery, Mrs. Mary Alice Farrior, was all over the place doing everything she could for all of us. Not a one of Reg Albritton's staff who did not go all out.

And then Charlie Harris from Mobile, with many other great people from our first district were all there, and they had the joy and pleasure of hearing the great speech, Mr. Speaker, that I am going to put in the RECORD this morning. I wish I had the names of all of the wonderful men and women who sat there and thrilled and thrilled the same as I did in hearing this great statesman, Congressman FRANCIS WALTER, make his speech that I believe will go down in history.

I am going to order 10,000 copies of this speech. I want to ask you, Mr. Speaker, to read it and every man in this House to read it. I am going to send not only President John Kennedy a copy of this speech, but all of the Cabinet Members and I am going to send it to that great American, the father of the President of the United States, and also the Attorney General of the United States, the Honorable Robert Kennedy. Mr. Joseph Kennedy used to be Chairman of the Maritime Commission, where he did such a good job, when I was on the Merchant Marine Committee and I came in contact with him daily. Everybody knows what a good job he did.

The information that is in this speech by Congressman FRANCIS WALTER, it seems to me, certainly every man in the Congress should know it and I wish every man, woman and child in America could know it. I wish you would give me a list, Mr. Speaker, or any of the other Congressmen in this great House where I have so many friends that I love and respect, would give me a list of the different people back home in their districts from Maine to Mexico, where I could send this speech by this great American. I do not think I have ever heard a better delivery. While I thought FRANCIS WALTER was not well, but brother, when he started to talking about America, and when he started to talking about Communists and Russia, I tell you he rose to the heights and so did we. I wish everyone could have heard the applause and could have seen the men and women, the men that saved this world, the American Legion, stand up and cheer and scream and holler and applaud Congressman FRANCIS WALTER of the great State of Pennsylvania.

It was a great evening there and how I wish all of you could have been there. It is something I will always remember and never forget.

And now, Mr. Speaker, I would like to insert this great speech by FRANCIS WALTER in the CONGRESSIONAL RECORD that will go all over this land and in every library in this Nation and many foreign libraries. I believe it will do a lot of good.

I am going to send it to all of the Cabinet members. I believe it will be as helpful to them as it was to me. And, I will say again, it was one of the most inspiring speeches I have ever heard in all of my long life.

God bless FRANCIS WALTER and his work and the Alabama American Legion and all those great men and women, and all of the men in every part of the service that did so much to save America. There is no way to ever repay them for what they have done.

The speech follows:

ADDRESS BY HON. FRANCIS E. WALTER, OF PENNSYLVANIA, TO THE ALABAMA AMERICAN LEGION STATE CONVENTION, HUNTSVILLE, ALA., JULY 22, 1961

Last November, 81 of the world's 87 Red Fascist parties met in Moscow to plot the final destruction of freedom—to draw up plans for bringing the whole world under their totalitarian domination. On December 5, 1960, they unanimously adopted a 20,000 word statement, as they called it. This statement was then published in Soviet Russian journals, in international Communist organs, and also in periodicals of various national Communist parties. In the United States, it has appeared in the party's monthly journal, Political Affairs, and has also been published in pamphlet form by one of the two major publishing houses of the Communist Party, New Century Publishers in New York City. It sells for 25 cents.

This is probably the most dangerous 25-cent document ever to appear in print, for it is, fundamentally, the Communists' master plan for taking over the world. It outlines the basic strategy they are to use in the years immediately ahead, the tactics they are to put into effect in different areas of the world to bring into reality the perverted, more than 100-year-old dream of Karl Marx and Friedrich Engels—a dream that frequently occupied the twisted minds of Lenin and Stalin and so obviously preoccupies Khrushchev's mind today.

As the document itself states, it is binding on every Communist party and every Communist in the world. It tells them what they are to do and how they are to do it. It also proclaims that all Communist parties recognize the Soviet Communist Party as their boss and that what it does—which is another way of saying what it commands—is to be followed by them. There are no ifs, ands, or buts about it.

Even if we did not have a judicial finding, in the recent Supreme Court decision on the Internal Security Act, that the U.S. Communist Party is an agent of the Soviet Union, completely controlled and dominated by it, this document—the declaration of the Communists themselves—would be proof of the point, if any further proof is needed after all these years.

The document reveals that "peaceful coexistence," as the Communists preach it to the non-Communist world, is a complete fraud. It states bluntly that "peaceful coexistence is a policy of mobilizing the masses and launching vigorous action" against the United States and every other anti-Communist nation and that peaceful coexistence "implies intensification of the struggle of all the Communist Parties" for the triumph of communism.

Shall Communists use force and violence and internal revolution to seize power in their native lands? Yes, says the Kremlin and all the other 80 Communist parties, if the decadent bourgeoisie—which is their term for us—do not surrender without a fight.

Inasmuch as you all know that many 25-cent, and 5-cent and 10-cent pamphlets outlining basic Communist plans have been published before, you may wonder why I say that this one is the most dangerous ever to appear in print. The reason is that, in the past, such pamphlets usually outlined dreams or very long-range plans and hopes that saw no chance of realization in the very near future. This one is different. Today, the Communists, as they say in it, see victory as not far off, as something they may grasp before many more years have gone by. They claim in this document that the world balance of power has already changed—and in their favor.

Whether we agree with this or not—and I, for one, do not—we must face the fact that their power is greater than it has ever been before, that they dominate and control more territory and people than at any time in their history, and also that they wield greater influence on governments and peoples not under their control than at any time in the past.

The total, unending war between communism and freedom has entered its final, crisis stage. Before too long, its outcome may well be decided once and for all, the scales definitely tipped one way or another. For this reason, this pamphlet may be Moscow's final battle order and thus the most dangerous of any published under its auspices.

As I have indicated, many things of vital importance to world communism are treated in the Moscow declaration of December 1960. Too many, in fact, for us to consider them today. There is one matter in this statement, however, that deserves our attention because, to the best of my recollection, it has never before appeared in a major international Communist directive. Its appearance in the Moscow statement is, therefore, of special significance. I quote from the statement:

"In our time conditions are particularly favorable for vigorously exposing anticommunism and winning the broadest sections of the working masses for Communist ideas. It is indispensable to wage a resolute struggle against anticommunism—that poison weapon which the bourgeoisie uses to fence off the masses from socialism."

What does this mean to us—to you, to me, to every American? As members of the American Legion which, for years, has been in the forefront of anticommunism, we know that our organization has always been a prime target of the Communist Party, its fronts, fellow travelers and dupes. We know that these attacks will continue, that we will be smeared and vilified, and unending efforts made to destroy the Legion's effectiveness as long as we continue to vigorously oppose Red treason.

As chairman of the Committee on Un-American Activities, I am also only too familiar with Communist Party efforts to destroy its enemies. The party has sought to discredit the committee, its chairmen, and every one of its members since the very year the committee was created—in 1938. The Communist Party has never left any doubt about the fact that it considers the Committee on Un-American Activities to be its major enemy in the United States.

Point 3 of the 12-point platform adopted by the Communist Party at its last national convention called for the abolition of the "witch-hunting" Committee on Un-American Activities. As far as the U.S. Communist Party is concerned, the need to destroy the committee took second place only to major international issues that are vital to the aims and interests of the Soviet Union. Destruction of the committee was given first priority among all Communist Party demands having to do with the internal affairs of the United States.

Though neither the committee nor the American Legion is a stranger to Communist smear campaigns, the point I want to emphasize is that the statements concerning anticommunism in the Moscow declaration mean that the world Communist movement now considers itself so powerful that it can go about systematically destroying all anti-Communists, all those who stand in the way of its program of global conquest, all those who are its enemies.

And because Moscow has made it more than clear, over and over again in recent years, that the United States is the major obstacle to its plans for world domination and, therefore, its No. 1 enemy, it follows that anti-Communists in the United States rate as the prime enemies not only of the U.S. Communist Party, but of Communists

everywhere—and that they are to be destroyed at all costs.

It means, further, that attacks on all anti-Communist governmental bodies, organizations and individuals in this country will now be stepped up greatly. The Communist Party will make every effort to destroy each and every anti-Communist individual and organization, or at least render them powerless to impede in any way the Red totalitarian advance.

Students of communism know that it is very seldom that a completely new objective, strategy or tactic is adopted at a Communist gathering on the national or international level. This is because Communists are complete pragmatists and adapt their actions to conditions as they develop. Completely new conditions on the national and international stage do not develop overnight or over a period of a few days—while Communists are meeting in a convention or other gathering. For this reason, official Communist statements such as convention resolutions and the Moscow Declaration of 1960, are usually no more than formalizations of tactics which the Communists have been following for some time in view of existing conditions, and which they believe can be effectively pursued in the future, at least until such time as there are again significant changes in world or national conditions.

For this reason, the Moscow statement about anticommunism did not mark the very beginning of the Communist intensified attack on anti-Communists. It was rather a formal and authoritative endorsement of what the Communists had actually been doing for some time in the past—and an order that it be continued.

We saw the Communist stepped-up campaign against the committee in San Francisco a little over a year ago—months before the Moscow declaration—when the party instigated full-scale student rioting in the course of the committee's hearings in that city. The day after the riot, the committee recalled to the witness stand a man who had himself joined the Communist Party as a college student back in 1933. This man, Karl Prussion, had spent 26 years in the Communist apparatus, the last dozen of them prior to the summer of 1959, I am glad to say, as an undercover operative of the FBI.

In response to a question, Mr. Prussion, on the basis of his 26 years' experience in the Communist Party, made the following statement about why the Communist Party had staged the riot:

"Well, at all times one of the major targets, and at this time, of course, the major target, of the Communist Party, is their intense, fervent desire to abolish the Committee on Un-American Activities because the committee, they feel, is the biggest stumbling block that they have at this time in their effort to break out in a full-fledged Communist operation of peaceful methods and violent methods in their efforts to overthrow our Government by force and violence."

We have seen further evidence of the party campaign to discredit the committee in a recently published paperbacked book called "The Un-Americans." Ballantine Books, the publisher, made a first printing of approximately 150,000 copies, and the book can now be found on newsstands and on drugstore book counters, as well as in bookshops, in all parts of the country. This book, which has been in preparation for some time, was written by Frank J. Donner, an attorney, who has been identified as a member of the Communist Party by three witnesses who have testified before the committee, and who invoked the fifth amendment when he himself appeared before the committee June 1956 and was questioned about his membership in the conspiracy. In a subsequent appearance before the committee in March 1959, he denied that he had been a member of the party since the time of his 1956 appearance, but refused to say whether or not he had resigned technical membership in the party.

In giving the sources of the numerous lies about the committee contained in his book and in acknowledging assistance received in writing it, Donner states that he is "under heavy obligation" to one Bertram Edises. Edises is another attorney who has been identified as a member of the Communist Party, was a witness in the San Francisco hearings and had to be forcibly ejected from the hearing room because of his disruptive behavior.

Despite the obvious Communist source of this vicious book about the committee, the Communist Party apparently had no trouble in getting a major U.S. publishing firm to come out with a fantastically large first printing of it.

This, I am afraid, is a foretaste of what is to come. There will be more attacks on the committee and, importantly, more and more vicious attacks on everyone who stands in the way of the Communist Party.

The Communist-serving Nation magazine has recently published an attack on the Central Intelligence Agency, written by one Fred J. Cook, who had previously written a similar smear attack for the Nation magazine on the Federal Bureau of Investigation and its outstanding director, J. Edgar Hoover, and who has also, in that same magazine, gone to the defense of Alger Hiss and William Remington and has done his best to discredit Boris Morros who, for years, risked his life as a counterspy for the United States in an international Communist espionage apparatus.

Most of us realize that the CIA is not perfect and that it has been guilty of some costly blunders. An intelligent and patriotic American, however, would conclude from this that, in our country's interest, it needs improvement—but certainly not destruction.

There are other disturbing developments. Recently, one of our liberal magazines featured an attack on the national defense strategy seminars which, since 1958, have been held in numerous parts of the country under the sponsorship of the Department of Defense. These seminars, which have generally lasted 2 or 3 days, have been designed to give reserve military personnel knowledge of the true nature of the war in which we are now engaged with the forces of world communism. They have been the result of a national security council decision to mobilize all branches of Government in the cold war struggle.

The speakers featured at these seminars, for the most part, have been university professors and persons recognized not only in this country, but abroad as well in many cases, as authorities on one phase or another of communism, the Soviet Union and its satellites, Red China, unconventional warfare and other subjects which our military, both active and reserve, must understand if they are to contribute fully to the defense and preservation of these United States.

Through these seminars, many thousands of military personnel have been given an education on communism and its unconventional warfare techniques that they would not have otherwise received. These seminars have done a tremendous amount of good. There can be no question about the fact that they have contributed greatly to our overall security.

Yet, just last week, they were again attacked by a columnist in Washington and pictured as a threat, rather than an aid, to this country's eventual victory over communism.

Recently, too, some of our so-called best newspapers and magazines which, on their own, have never done a thing to expose Communist operations and organizations in this country, have taken to exposing anti-Communist groups which, whether or not they are perfect, are, to the best of their knowledge and ability, contributing what they can to this Nation's eventual victory over communism.

Again, we come to the question: What does this mean to you and to me?

It can mean only one thing to us as free Americans dedicated to our country. It means that we will not take this attack lying down. It means that, as our enemies move in on us for what they hope is the final kill, we will launch a counterattack, that we will press the fight against them until they, rather than we, are the defeated.

I have noted with pleasure that just about a week ago the Alabama House of Representatives approved a bill creating a State Committee on Un-American Activities. This is one response to the challenge; and one I endorse wholeheartedly. There is a need for more committees of this kind on the State level.

Our best defense against the Communist attack is comprehensive knowledge of how it is being carried out, its strategy and tactics, and the identity of the agents who are implementing it under the guidance of the Communist master conspirators in the Kremlin. The House Committee on Un-American Activities and the Senate Internal Security Subcommittee alone cannot give the American people of our 50 States the knowledge of local Communist activity which they must have if they are to play the role they should play as American citizens in this struggle. It is far too great a task for two relatively small Federal committees. They need help on the State level.

I would like to state here that I have no quarrel with those who say that the most important element of the struggle in which we are engaged involves our foreign policy and foreign Communist forces. This, I believe, is plain enough for all of us to see. But it is also true that the U.S. Communist Party is a part of Moscow's army, that it is carrying on the same basic attack on the United States within our borders that foreign Communist forces are waging against us from without, and that its activities are carefully coordinated by the Kremlin with those of all its other troops.

For too long, too many opinion makers in this country—because of their smug ignorance of the U.S. party and its operations—have been blind to the extent to which it has adversely affected our foreign policy, to the very real contribution it has made to the creation of those foreign Communist forces which, even they admit, now threaten our very existence.

Our President has called on us to ask not what we can get from our country, but what we can contribute to it. At a time such as this, when there is a threat of war in more than one part of the world—a war that will surely involve the United States; at a time when missile bases are being built in Cuba, what greater contribution can a citizen make than that of full participation as a combatant in the cold war, on the side of his country and the cause of freedom?

But such full participation by all Americans, which we all know is needed, is impossible without knowledge of internal Communist operations along with an understanding of Communist activities abroad. The U.S. Communist Party, as well as the Communist Party of the Soviet Union, the Communist Party of Red China, and the Communist Party of Cuba, has been assigned a vital role by Moscow in the war it is waging to destroy the United States. The U.S. conspiracy must be fought, too. To ignore its operations and give it free rein could have the most serious consequences. The American people must be made to understand that this Communist war is total, involving

both internal and international policy, internal and international Communists, and internal and international anti-Communists. The attack is both from within and without. The counterattack must be the same.

This is why State committees are important. This is why we should have more of them. This is why I urge all of you to support the creation of such a committee here in Alabama. It is also why the national defense strategy seminars, which have pointed out the interrelationship of the U.S. Communist Party with Communist forces abroad, are so important. It is why they are needed. It is why the attack on them must be fought and their continuation assured.

The orders have come from Moscow for our native traitorous Reds to destroy you and me, the Legion, the committee, and every other American truly dedicated to freedom—and who therefore is, by that very fact, a vigorous, hard-hitting anti-Communist. The Kremlin has challenged us. It has thrown down its gantlet before us.

As a member of the American Legion, as a Member of the Congress, and as a fellow American citizen, I call on you to respond to this challenge in the American way—by accepting it without hesitation, calmly, with confidence and determination: I urge you to renew and to intensify the American Legion's fight against communism, to go all-out in your defense and support of other anti-Communists—whether group or individual, governmental or private—and I urge you to refuse to back down from this challenge until the Communists, and not we, are the vanquished.

Make no mistake about it, it is our necks or theirs. Moscow means what it says—and so does its U.S. agents. They will get you—unless you get them. They will get all anti-Communists, unless the anti-Communists band together and launch a well-planned, concerted counteroffensive and carry it out to a successful conclusion. They will also get the United States as a Nation, and then all of us—or at least those of us who are still living—will be their slave laborers, if we don't stop them first.

This is the reality we face. These are the true issues. I am confident that you will face up to them, that you will not seek refuge in the kind of escapism that characterizes too many opinion makers and could be fatal not only to our country, but to civilization itself.

Rather, as Americans and as veterans of other wars your country has fought, you will not only accept this challenge, but you will also accept only one solution to it—victory, the defeat of those who would destroy us.

SENATE

TUESDAY, AUGUST 1, 1961

The Senate met at 12 o'clock meridian, and was called to order by Hon. PRESCOTT BUSH, a Senator from the State of Connecticut.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Most merciful God, the fountain of all wisdom and goodness, we thank Thee for the gift of sleep when the tangled web of weary strife and of perplexed thought emerges clarified and straightened by the magic touch of a new day.

In the midst of daily toil and ever-pressing tasks we lay before Thee the inner meditations of our hearts, grateful for the noontide pause at this wayside altar of peace and prayer.

Bring all our desires and powers, we beseech Thee, into conformity with Thy will. Prepare us for the role committed to our fallible hands in this appalling day with its vast issues that concern not only our own dear land, but all the continents and islands of the sea. May our individual lives be as lighted windows amid the encircling gloom of a world that lieth in darkness.

We ask it in the name of that One who is the Light of the World. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C. August 1, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. PRESCOTT BUSH, a Senator from the State of Connecticut, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. BUSH thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 31, 1961, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 2197) to amend section 107(a)(3) of the Soil Bank Act, as amended, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. THOMAS, Mr. YATES, Mr. CANNON, Mr. OSTERTAG, and Mr. TABER were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a bill (H.R. 44) to authorize the appropriation of $150,000 for use toward the construction of a U.S. Pacific war memorial, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Acting President pro tempore:

H.R. 6345. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1962, and for other purposes;

H.R. 6611. An act to amend paragraph 1798(c)(2) of the Tariff Act of 1930 to reduce temporarily the exemption from duty enjoyed by returning residents, and for other purposes; and

S. J. Res. 120. Joint resolution to authorize the President to order units and members in the Ready Reserve to active duty for not more than 12 months, and for other purposes.

HOUSE BILL REFERRED

The bill (H.R. 44) to authorize the appropriation of $150,000 for use toward the construction of a U.S. Pacific war memorial, was read twice by its title and referred to the Committee on Armed Services.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour, for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

J. Carter Wright, and sundry other candidates for personnel action in the Regular Corps of the Public Health Service.

By Mr. MAGNUSON, from the Committee on Commerce:

A. Everette MacIntyre, of Virginia, to be a Federal Trade Commissioner;

Lawrence J. O'Connor, Jr., of Texas, to be a member of the Federal Power Commission;

Rear Adm. John Harllee, of the District of Columbia, to be a member of the Federal Maritime Board;

Voit Gilmore, of North Carolina, to be the Director of the U.S. Travel Service;

Capt. Theodore J. Fabik, and Capt. Oscar C. Rohnke, for promotion to the permanent rank of rear admiral in the U.S. Coast Guard; and

James B. Allen, and sundry other persons, for permanent appointments in the Coast and Geodetic Survey.

The ACTING PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

U.S. ADVISORY COMMISSION ON INFORMATION

The Chief Clerk read the nomination of Jonathan W. Daniels, of North Carolina, to be a member of the U.S. Advisory Commission on Information.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

AMBASSADOR

The Chief Clerk read the nomination of Edmund A. Gullion, of Kentucky, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Congo.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PERMISSION FOR DISTRIBUTING OFFICERS OF AN ARMED FORCE TO ENTRUST FUNDS TO OTHER OFFICERS OF AN ARMED FORCE

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend title 10, United States Code, to permit disbursing officers of an armed force to entrust funds to other officers of an armed force (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT, AS AMENDED

A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Unemployment Compensation Act, as amended (with an accompanying paper); to the Committee on the District of Columbia.

AUTHORIZATION FOR NATIONAL CAPITAL TRANSPORTATION AGENCY TO ACQUIRE AND CONSTRUCT CERTAIN FACILITIES, PROPERTY, AND RIGHTS-OF-WAY

A letter from the Administrator, National Capital Transportation Agency, Washington, D.C., transmitting a draft of proposed legislation authorizing the National Capital Transportation Agency to carry out part 1 of said Agency's transit development program involving acquisition and incidental construction of facilities, property and rights-of-way for certain future express transit lines in conjunction with the development of major highways and parkways in the National Capital region, and to further the objectives of the act approved July 14, 1960 (74 Stat. 537) (with an accompanying paper); to the Committee on the District of Columbia.

AMENDMENT OF ACT ESTABLISHING A COMMISSION AND ADVISORY COMMITTEE ON INTERNATIONAL RULES OF JUDICIAL PROCEDURES

A letter from the Attorney General, transmitting a draft of proposed legislation to amend the act of September 2, 1958, establishing a Commission and Advisory Committee on International Rules of Judicial Procedures, as amended (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Ohio; to the Committee on Finance:

"HOUSE JOINT RESOLUTION 8

"Joint resolution memorializing Congress to enact legislation imposing tariff regulations upon the importation of clay products

"Whereas Ohio has always been known for the large volume and excellence of her clay products, and in many branches of the clay products industry she has been the leader both in volume and in quality among the several States of the United States; and

"Whereas in the manufacture of dinnerware, Ohio led all States up to the year 1953; and

"Whereas due to the competition from the importation of low-priced dinnerware from low-wage foreign countries, which dinnerware is sold in the United States at prices far below costs of manufacture in Ohio, seven Ohio potteries have been forced out of business through bankruptcy or voluntary liquidation; and

"Whereas due to the dissolution of these potteries, thousands of skilled Ohio citizens, both men and women, have lost their means of livelihood, many of whom have not been able to find other employment, and therefore add to the growing unemployment problems of the State and the Nation; and

"Whereas if the remaining six potteries, which are operating far below their total capacity and employment levels of 1952, are to be saved from a similar fate that fell upon the other members of the industry, it will be necessary for Congress to afford relief from the flood of low-wage, foreign-made ware: Therefore be it

"Resolved, That the 104th General Assembly of Ohio hereby respectfully memorializes Congress to legislate tariff regulations for the importation of clay products providing quotas based upon the average importations for the last 10 years from each foreign country; and be it further

"Resolved, That a copy of this resolution be spread upon the pages of the journal, and that the clerk of the house of representatives transmit properly authenticated copies of this resolution to the Vice President of the United States, the Speaker of the House of Representatives of the United States, the two U.S. Senators from Ohio, and to each Member of the House of Representatives in Congress from Ohio.

"ROGER CLOUD,
"Speaker of the House of Representatives.
"JOHN W. DONAHEY,
"President of the Senate.
"Adopted June 14, 1961."

A joint resolution of the Legislature of the State of Illinois; to the Committee on Labor and Public Welfare:

"HOUSE JOINT RESOLUTION 13

"Whereas millions of veterans of World War II and the Korean conflict have been educated under the provisions of the veterans' education program established by the Federal Government; and

"Whereas many veterans were able to obtain further education through the benefits of the veterans' education program which would not have been possible otherwise; and

"Whereas the education of millions of veterans has contributed to an increase in the level of education of this country and has produced a major national asset in better and more skilled manpower and has done much to improve the economy of our country; and

"Whereas reliable statistics have proved that increased income to veterans resulting from higher education and improved skills will more than reimburse the National Treasury of the entire cost of the GI training program by 1970; and

"Whereas the President of the United States, by Executive order of January 31, 1955, stopped the educational benefits for persons inducted into the Armed Forces of the United States after February 1, 1955; and

"Whereas it is believed that as long as the draft is continued that all persons serving in the Armed Forces should be extended the educational benefits that were granted to veterans serving prior to February 1, 1955; and

"Whereas the veteran education program has been an integral factor in strengthening the defense system of our country and the continuation of this program may be justified in terms of our educational ideas and needs; and

"Whereas it has been established by reliable statistics that the investment in education for our own American youth will be more than repaid to the Public Treasury through increased taxes, resulting from higher incomes earned by such veterans: Therefore, be it

"Resolved by the House of Representatives of the 72d General Assembly of the State of Illinois (the Senate concurring herein), That the General Assembly of the State of Illinois does hereby memorialize the Congress of the United States to extend GI education benefits to all veterans who have entered or who will enter military service on or after February 1, 1955, and that such educational benefits be extended as long as the provision of the draft law shall exist; and that a copy of this resolution be mailed by the clerk of the house of representatives to the President of the U.S. Senate, the Speaker of the House of Representatives of the Congress of the United States, and to each Member of the Congress from the State of Illinois.

"Adopted by the house, April 12, 1961.
"PAUL POWELL,
"Speaker, House of Representatives.
"GLEN F. TERJUNE,
"Clerk, House of Representatives.
"Concurred in by the senate, June 30, 1961.
"SAMUEL H. SHEPIRO,
"President of the Senate.
"EDWARD E. FERNANDES,
"Secretary of the Senate."

A joint resolution of the Legislature of the State of Illinois; to the Committee on Public Works:

"HOUSE RESOLUTION 144

"Whereas the southern area of the State of Illinois is rich in minerals and other natural resources, having over 13 billion tons of unmined coal alone in the Saline River Valley; and

"Whereas many large industries have indicated a willingness to locate industrial

plants in said area, adjacent to the coalfields and other sources of raw materials, provided that water transportation is made available; and

"Whereas southern Illinois has a large amount of unemployment; and

"Whereas from preliminary surveys that have been made, it appears that it is desirable and feasible to canalize the Saline River and the Middle Fork from the Ohio River to Harrisburg which would provide an economical outlet for coal, farm products, fluorspar, oil and manufactured products, thus benefiting the southern area of Illinois as well as the economic welfare of the entire State and Nation: Therefore be it

"Resolved by the House of Representatives of the 72d General Assembly of the State of Illinois, That the Congress of the United States is memorialized to provide funds and to authorize and direct the Army Corps of Engineers to make a full and complete investigation of the possibilities of such canalization and that sufficient funds be made available so that said project can be completed as soon as possible, and that suitable copies of this resolution be forwarded by the secretary of state to the Speaker of the House of Representatives, the President of the Senate and all Representatives of Congress in the State of Illinois.

"Adopted by the house June 28, 1961.

"PAUL POWELL,
"Speaker, House of Representatives.
"CHAS. T. KERVIN,
"Clerk, House of Representatives."

A resolution adopted by the American Committee of California for Freedom of Enslaved Nations, at Los Angeles, Calif., pledging its full support and loyalty toward the Government of the United States, and so forth; to the Committee on Foreign Relations.

RESOLUTION OF TEXAS SENATE

Mr. TOWER. Mr. President, the Senate of the State of Texas recently adopted a resolution concerning the admonishment of Maj. Gen. Edwin A. Walker. In this resolution, the Texas Senate goes on record giving its support to the reinstatement of General Walker as commander of the 24th Infantry Division.

The resolution raises questions reflecting on the judgment of the administration in this instance. It relates to the issue of censorship of military leaders which has been discussed in this body during the past few days by the junior Senator from Arizona [Mr. GOLDWATER], the Senator from South Carolina [Mr. THURMOND], the Senator from South Dakota [Mr. MUNDT], and others.

In my opinion these questions should not go unanswered. The American people have a right to be informed.

I ask unanimous consent to place the resolution of the Senate of the State of Texas in the RECORD at this point, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 516

Whereas Maj. Gen. E. A. (Ted) Walker, former commander of the 24th Infantry Division in Germany, is a native of Center Point, Kerr County, Tex., where his mother and brother still reside; and

Whereas General Walker has had a brilliant Army career and is a graduate of West Point and commanded the 2d Division Artillery at Heartbreak Ridge in the Korean war where this division fired a record of 22,000 rounds every 24 hours for 14 consecutive days, and General Walker was also in Anzio and Casino operations of World War II; and

Whereas General Walker has proved his undying and unshakeable loyalty to his beloved United States of America and has always conducted himself as a true, loyal American; and

Whereas the Defense Department in Washington has relieved him of his command because of charges brought by the owners of the Overseas Weekly, a Delaware corporation, which publication has been accused of anti-American leanings: Now, therefore, be it

Resolved, That the Senate of the State of Texas go on record as giving its unqualified support to the reinstatement of General Walker as commander of the 24th Infantry Division in Germany and that the Defense Department in Washington make known the results of its investigation of General Walker and so reinstate him.

BEN RAMSEY,
President of the Senate.
CHARLES SCHNABEL,
Secretary of the Senate.

REPORTS OF A COMMITTEE

The following report of a committee was submitted:

By Mr. ROBERTSON, from the Committee on Appropriations, with amendments:

H.R. 7851. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 653).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CASE of South Dakota:

S. 2352. A bill to extend for 3 years the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas, and to provide for the application of such laws to American Samoa; to the Committee on Labor and Public Welfare.

By Mr. CLARK (for himself and Mr. SCOTT):

S. 2353. A bill to authorize the Secretary of the Interior to acquire the Graff House site for inclusion in Independence National Historical Park, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 2354. For the relief of Morison Tung Sun Ku; and

S. 2355. A bill for the relief of Filomena F. Schenkenberger; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S. 2356. A bill to amend the act known as the Life Insurance Act of the District of Columbia, approved June 19, 1934, and the act known as the Fire and Casualty Act of the District of Columbia, approved October 3, 1940; and

S. 2357. A bill to provide for the regulation of credit life insurance and credit accident and health insurance in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MAGNUSON (by request):

S. 2358. A bill to improve the administration of transfers of certain real property for wildlife or other purposes by repealing the act of May 19, 1948, and incorporating the essential provisions thereof in the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON:

S. 2359. A bill relating to price support on Flue-cured tobacco; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. JOHNSTON when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG of Missouri:

S. 2360. A bill for the relief of Thick Kee Yee; to the Committee on the Judiciary.

By Mr. GOLDWATER (for himself and Mr. SCHOEPPEL):

S. 2361. A bill to amend sections 303 and 310 of the Communications Act of 1934 to provide that the Federal Communications Commission may, if it finds that the national security would not be endangered, issue licenses for the operation of an amateur station to certain aliens for any temporary period, not in excess of 3 years; to the Committee on Commerce.

(See the remarks of Mr. GOLDWATER when he introduced the above bill, which appear under a separate heading.)

ACQUISITION OF THE GRAFF HOUSE SITE FOR INCLUSION IN INDEPENDENCE NATIONAL HISTORICAL PARK

Mr. CLARK. Mr. President, on behalf of myself and my colleague, the junior Senator from Pennsylvania [Mr. SCOTT], I introduce, for appropriate reference, a bill to authorize the Secretary of the Interior to acquire the site of the Jacob Graff House in Philadelphia for inclusion in Independence National Historical Park.

The Graff House is the house in which Thomas Jefferson wrote the original draft of the Declaration of Independence. This means it is as unique to our history as Independence Hall itself.

The site of this house is now occupied by a hotdog stand. I hardly need labor further this appalling illustration of how history has fallen before commercialization.

Because a man named Thomas C. Donaldson had the wisdom, 78 years ago, to haul parts of the house—then being dismantled to make way for a bank—to his own yard, we have some remnants of the original building and its contents, including a letter by Jefferson himself.

We can envision Jefferson and his colleagues working on the great manifesto of liberty in this house.

In that parlor—

He said in later years—

I wrote habitually and in it wrote this paper particularly.

He worked in two furnished rooms on the second floor—at a rental of 35 shillings a week—from June 10 to 28, 1776. He was a member of a five-man committee, of which two others were John Adams and Benjamin Franklin.

Adams and Jefferson met in subcommittee, and Adams prevailed upon Jefferson to write the original draft—because, as Adams put it, a Virginian ought to be "at the head of this business," and "because you can write 10 times better than I can."

A committee of public-spirited Philadelphians has been formed which will raise the funds to rebuild the house. They propose to dedicate it as a Library of Documents of Freedom, a purpose which seems to me in perfect keeping with the exalted spirit of Jefferson, a spirit which continues to nourish the aspirations and dreams of newly independent and freedom-loving people everywhere.

The Declaration of Independence is still a revolutionary statement of unparalleled strength and dignity. It is the charter of our continuing American Revolution, which still mirrors the spirit of our people in their struggle against the totalitarian tyranny of communism. The Declaration has lost none of its pertinence to the problems of today, when all over the world men are seeking to throw off the yoke of tyranny.

Americans could not do better than to remind themselves every day of these sublime words:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty, and the pursuit of Happiness.

That remains the best statement of our present, past, and future national purpose that has ever been made.

I hope that the Congress will move quickly to consider and approve this bill to acquire the site of the Jacob Graff House, so that all who visit Independence National Historical Park may reflect on the meaning of those words and the history of which they are a unique part.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2353) to authorize the Secretary of the Interior to acquire the Graff House site for inclusion in Independence National Historical Park, and for other purposes, introduced by Mr. CLARK (for himself and Mr. SCOTT), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

IMPROVEMENT OF ADMINISTRATION OF TRANSFERS OF CERTAIN REAL PROPERTY

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to improve the administration of transfers of certain real property for wildlife or other purposes by repealing the act of May 19, 1948, and incorporating the essential provisions thereof in the Federal Property and Administrative Services Act of 1949, as amended. I ask unanimous consent to have printed in the RECORD a letter from the Acting Administrator, General Services Administration, requesting the proposed legislation.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2358) to improve the administration of transfers of certain real property for wildlife or other purposes by repealing the act of May 19, 1948, and incorporating the essential provisions thereof in the Federal Property and Administrative Services Act of 1949, as amended, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter presented by Mr. MAGNUSON is as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., July 26, 1961.

Hon. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith for referral to the appropriate committee, a draft bill prepared by General Services Administration to improve the administration of transfers of certain real property for wildlife or other purposes by repealing the act of May 19, 1948, and incorporating the essential provisions thereof in the Federal Property and Administrative Services Act of 1949, as amended.

This proposal is a part of the legislative program of the General Services Administration for 1961.

The act of May 19, 1948 (62 Stat. 240, ch. 310), hereinafter referred to as Public Law 537, authorizes the transfer of real property, which is under the jurisdiction or control of a Federal agency and no longer required by such agency, to States, without reimbursement, for the conservation of wildlife other than migratory birds, and to the Department of the Interior, without transfer of funds, for carrying out the national migratory bird management program, provided that such property can be utilized for wildlife conservation purposes; that it is chiefly valuable for such purposes; and that it is available for transfer. Such transfers to other than the United States are subject to the reservation by the United States of all oil, gas, and mineral rights; and, in the event the property is no longer used for the purpose intended or is needed for national defense purposes, title thereto shall revert to the United States.

The primary reason for the proposal to repeal Public Law 537 and incorporate its essential provisions in the Federal Property and Administrative Services Act of 1949, as amended, is to bring the utilization and disposal of property for wildlife purposes under the general authority of the latter act. Such consolidation will permit the application of appropriate concomitant authority in the latter act, as well as the application of general agency regulations issued thereunder to wildlife property transfers. The result will be a more simplified, economical and efficient operation for this particular category of excess and surplus real property.

Public Law 537 requires clarification in many other respects, as indicated below:

1. The act does not specify who is to determine that a property can be utilized for wildlife conservation purposes. It is proposed that the Secretary of the Interior make this determination inasmuch as the Fish and Wildlife Service of the Department of the Interior is aware of the requirements in this area and has working relationships with the State agencies exercising administration over wildlife resources.

2. The act does not specify who is to determine that a property is chiefly valuable for wildlife purposes. The Administrator of General Services, as the Government official charged with the responsibility and authority for utilization and disposal of surplus real property of all classifications, is best qualified to determine the chief value of property for any particular purpose, including use for wildlife purposes.

Public Law 537 requires a determination by the Administrator of General Services (as successor to the War Assets Administrator) that the property is "available" for use for wildlife purposes. Such determination is not necessary since property no longer required by a Federal agency having jurisdiction or control of that property is first screened as excess property by GSA and is available to the Department of the Interior in accordance with section 2 of the enclosed draft bill; it becomes surplus property if there is no requirement for it by the Department of the Interior or another Federal agency and is then available to a State agency for wildlife conservation purposes, in accordance with section 3(b) of the enclosed draft bill, and other purposes at the time disposal action is taken.

Section 2 of the enclosed draft bill would amend section 202 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize a transfer, without reimbursement or transfer of funds, to the Secretary of the Interior of excess property which the Secretary determines is useful for the purpose of wildlife conservation and has particular value for the purpose of carrying out the national migratory bird management program if the Administrator of General Services, after consultation with the Secretary of the Interior, determines that the land has chief value for the latter purpose. If the Administrator determines that the land is chiefly valuable for transfer for other purposes, as excess, to another executive agency under other subsections of section 202 of the 1949 act, it would be the Administrator's prerogative to make such a transfer.

Subsection 3(b) of the proposed draft bill would amend section 203 of the 1949 act to permit State agencies to obtain real property for wildlife purposes under the conditions set forth therein once the property became surplus. The latter part of subsection 3(b) of the bill (subsec. (2) of proposed section 203(p) of the 1949 Act) includes all of the reservations and conditions appearing in Public Law 537, together with appropriate amendments and additions thereto which permit a greater safeguard of the interests of the United States. For example, it is believed advisable to reserve to the United States oil, gas and mineral rights in the transferred realty only when the Administrator of General Services determines that such reservations are in the interest of the Government. Such reservations should not be carried on Government records as assets when, in fact, their productive potential is negligible.

Once disposal action has been taken by GSA, it is essential that the reservations or restrictions imposed on the transferee be policed to enforce compliance therewith. Public Law 537 is silent on who would accomplish this. Since the Fish and Wildlife Service of the Department of the Interior, for the reasons stated above, has the primary continuing interest in such wildlife property, the enclosed draft bill would amend paragraph (C) of subsection 203(k)(2) of the 1949 act to require that the Secretary of the Interior enforce compliance with, as well as reform, correct or amend and grant releases from the terms, conditions, reservations and restrictions contained in such transfers.

With the incorporation of the substantive provisions of Public Law 537 into the Federal Property and Administrative Services Act of 1949, as amended, efficient administration thereof requires that the publication requirements of section 3 of Public Law 537 be dispensed with and that the reporting re-

quirements of section 3 of Public Law 537 be superseded by the GSA reporting requirements for all surplus property disposals.

The enactment of this legislation would not increase the expenditure of Federal funds.

For these reasons, prompt and favorable consideration of the enclosed draft bill is recommended.

There is no objection to the presentation of this draft bill to the Congress from the standpoint of the administration's program.

Sincerely yours,

BERNARD L. BOUTIN,
Acting Administrator.

PRICE SUPPORT FOR FLUE-CURED TOBACCO

Mr. JOHNSTON. Mr. President, I introduce, for appropriate reference, a bill relating to price support on Flue-cured tobacco. I ask unanimous consent that a brief statement prepared by me relating to the bill be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2359) relating to price support on Flue-cured tobacco, introduced by Mr. JOHNSTON, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The statement presented by Mr. JOHNSTON is as follows:

STATEMENT OF SENATOR OLIN D. JOHNSTON

This bill provides that beginning with the 1962 crop, whenever price support is made available for Flue-cured tobacco, the price of Flue-cured tobacco in untied form shall be supported in all Flue-cured tobacco belts. For 1961 and prior years, price support on Flue-cured tobacco in loose form has only been provided in Georgia and Florida. Historically, tobacco, was marketed in loose form only in Georgia and Florida. However, in recent years increasing amounts of tobacco from other areas are being marketed in this form, but in order to obtain price support, must be transported to the auction markets in Georgia and Florida. This has resulted in inconvenience and unnecessary work and expense to these tobacco growers.

The Department of Agriculture gave serious consideration to extending price support on untied Flue-cured tobacco for 1961 on auction markets outside Georgia and Florida, but decided that a further study should be made of the problem. I am informed that this study is now being made. It is realized that action on the bill can probably not be taken immediately and it is hoped that as a result of the study being undertaken by the Department, price support on untied Flue-cured tobacco, will be made available on all auction markets for the 1962 crop by administrative action.

AMENDMENT OF SECTIONS 303 AND 310 OF COMMUNICATIONS ACT OF 1934

Mr. GOLDWATER. Mr. President, on behalf of myself, and the Senator from Kansas [Mr. SCHOEPPEL], I introduce, for appropriate reference, a bill to amend sections 303 and 310 of the Communications Act of 1934 to provide that the Federal Communications Commission may, if it finds that the national security would not be endangered, issue licenses for the operation of an amateur station to certain aliens for any temporary period, not in excess of 3 years. I ask unanimous consent to have printed in the RECORD a brief statement, prepared by me, relating to the bill.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2361) to amend sections 303 and 310 of the Communications Act of 1934 to provide that the Federal Communications Commission may, if it finds that the national security would not be endangered, issue licenses for the operation of an amateur station to certain aliens for any temporary period, not in excess of 3 years, introduced by Mr. GOLDWATER (for himself and Mr. SCHOEPPEL), was received, read twice by its title, and referred to the Committee on Commerce.

The statement presented by Mr. GOLDWATER is as follows:

STATEMENT BY SENATOR GOLDWATER

A serious problem has arisen in the field of amateur radio operation. The United States will not allow aliens of friendly foreign nations, except for Canada, to use their amateur radio equipment while they are in the United States without a permit and the FCC is precluded from issuing such a permit because of the terms of the Federal Communications Act of 1934 as amended. As a consequence of this situation, Mexico recently withdrew from American citizens the privilege of using their amateur radio equipment while in Mexico. This lack of reciprocal good will between Mexico and the United States is magnified when we consider that there are now only a very few countries which will still allow U.S. amateurs to operate in these foreign lands because we will not allow their own citizens to operate their equipment while in this country. This situation affects not only the amateur operators, but servicemen and others overseas who would like to take advantage of amateur radio links between several countries so they might talk to loved ones in this country.

This amendment to the act would therefore allow for aliens of friendly nations to operate with their own equipment while in this country, provided that their country offers this same reciprocal courtesy to U.S. citizens. The passage of this amendment would do much to foster more good will with friendly foreign nations and at the same time protect our national security as there are provisions in the bill covering this important area.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, August 1, 1961, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 120) to authorize the President to order units and members in the Ready Reserve to active duty for not more than 12 months, and for other purposes.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. YARBOROUGH:

Article entitled "Senator Offers To Share Alaska's Eagles With Other States," written by Senator GRUENING and published in the July–August 1961 Audubon magazine.

ARE AMERICANS TO TIGHTEN THEIR BELTS?

Mr. BENNETT. Mr. President, on every hand, these days, we hear pleas to tighten our belts, to be more fit physically, to be alert mentally, in the face of the world crisis. Do we really mean this, or is it just lip service to an ideal? Are we willing to make the sacrifices; or do we want to have our cake and eat it, too?

The Berlin crisis brought us sharply to the realization that America cannot continue to live a hedonistic life and compete successfully with the dedicated people of Russia. We have learned from American visitors abroad that in the area of youth fitness alone, we have fallen pathetically behind other nations. The same attitude, that candy, bubblegum, and soda pop come first, that it is a good thing for children to date when they are 12 and 13 years old, that we should teach "sandpile" and social dancing, to the exclusion of adequate language and science courses, has put us behind in the education race.

Even our President, who in his inaugural speech called for sacrifices and "what you can do for your country," has put no teeth in that statement. In his recent talk in which he outlined the grave international crisis and said that more money was needed for defense, he made no mention of dropping some of the sugar-coated, give-away domestic programs that are costing billions of dollars.

A recent editorial in the Deseret News, of Salt Lake City, dramatizes the situation that confronts America. This brilliant editorial, which has a clever twist, tells us forcefully where we stand in relation to the facts of life. Are we willing to face up to these facts?

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TALE OF TWO NATIONS

Once there was a country whose people decided to live it up.

They bought goods in great abundance. Workers switched from bicycles to automobiles. In 5 years' time, the number of television sets, washing machines, and other such hard goods doubled. Rich eating, partying, and playing became a national habit.

During the same period, workers' paychecks almost doubled, although workers did not produce a great deal more. And constantly, labor leaders demanded higher and higher wages.

It was a prosperous, outwardly happy time. Politicians assured the people "You never had it so good," and they were right.

But a few sober-minded observers saw the handwriting on the wall. They knew that their people were spending too much, working too little, producing too little, and living too well for their own good. They knew that a nation couldn't continue that pattern very long without serious trouble.

They, too, were right. From a surplus, the country's international balance of payments changed to a deficit. Gold reserves

started to drain away. The country's money became worth less and less. Oversea markets were being lost, and foreign firms were even underselling the country's own products at home.

Does this sound familiar? It should. It describes almost exactly the situation of the United States today.

In fact, however, the country in the story is not the United States, but Britain, which has also gone through a decade of swollen prosperity and now must face the consequences.

Britain's response to its growing economic problems was laid out yesterday before the House of Commons. It includes:

An immediate 10-percent boost in excise and customs taxes on cigarettes, beer, and liquor, automobiles, home appliances, and all luxury goods.

A tough hold-the-line policy on wages and salaries.

A new capital gains tax to discourage stock and real estate speculation.

Tighter control on homebuilding loans and construction.

An increase in the bank rate from 5 to 7 percent, to keep funds in the country.

A 20-percent reduction in foreign spending, a 10-percent cut in spending for diplomatic services abroad, and a hold-the-line policy on aid to underdeveloped nations.

This is a tough line. It will cause some squeals of indignation and pain. It could result in the overthrow of the Conservative government. However it turns out, the program will be a stern test of Britain's moral fiber.

But however it turns out for Britain, one can hardly avoid noting the comparison that while Britain's Government asks its people to take this course, America's Government is asking for more and more spending, domestic and civilian as well as military, and more and more Government paternalism.

It doesn't take a doctorate in political science or economics to tell which is the wiser, more responsible course to cure what is essentially the same problem in both countries.

REPORT OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

Mr. AIKEN. Mr. President, I submit a report on the meeting of the Canada-United States Interpaliamentary Group which was held at Washington on June 8 and 9. The report includes the financial report. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

(Report to the Senate on the fifth meeting, held at Washington, D.C., June 8–9, 1961, by Senator GEORGE D. AIKEN, chairman of the Senate delegation)

BACKGROUND

The special relationship between Canada and the United States, which has rightly been cited as a model of cooperation between two countries, has been strengthened by meetings of the Canada-United States Interparliamentary Group.

Legislative and executive officials in both countries have appreciated the importance of such meetings for the purpose of clarifying misunderstandings which unavoidably arise between neighbors. It was because of this realization that the organization came into existence and held its first meeting on January 9 and 10, 1959. At this time, the general principles upon which the Group has operated were agreed to.[1]

Public Law 86–42 of June 11, 1959, authorized continuing U.S. participation in the Canada-United States Interparliamentary Group, provided procedural guidelines, and authorized the appropriation of funds for the expenses of the U.S. delegations to such meetings.

The second meeting of the Group was held in Montreal and Ottawa on June 22–28, 1959, in connection with the opening of the St. Lawrence Seaway.

The third meeting was held in Washington on April 21–22, 1960. The fourth meeting was held in Ottawa and Quebec City on February 22–26, 1961. At all three meetings, the discussions concerned defense, economic, and boundary matters.

COMPOSITION OF DELEGATIONS FOR THE FIFTH MEETING

The Vice President, pursuant to Public Law 86–42, named the following Members of the Senate for the June 1961 sessions in Washington, D.C.: Senator GEORGE D. AIKEN (Vermont), chairman; Senator ALEXANDER WILEY (Wisconsin); Senator WARREN G. MAGNUSON (Washington); Senator HOMER E. CAPEHART (Indiana); Senator HENRY DWORSHAK (Idaho); Senator FRANCIS CASE (South Dakota); Senator MIKE MANSFIELD (Montana); Senator GORDON ALLOTT (Colorado); Senator THOMAS J. DODD (Connecticut); Senator EUGENE J. MCCARTHY (Minnesota); Senator MAURINE B. NEUBERGER (Oregon); and Senator CLAIBORNE PELL (Rhode Island). Senator LEE METCALF (Montana) was later added to the delegation to replace Senator MANSFIELD.

The Speaker of the House of Representatives named the following Members of the House of Representatives: Representative CORNELIUS E. GALLAGHER (New Jersey), chairman; Representative EDNA F. KELLY (New York); Representative WILLIAM T. MURPHY (Illinois); Representative FRANK IKARD (Texas); Representative PHILIP J. DULSKI (New York); Representative SAMUEL S. STRATTON (New York); Representative WILLIAM S. BROOMFIELD (Michigan); Representative GLENN CUNNINGHAM (Nebraska); Representative HOWARD W. ROBISON (New York); and Representative STANLEY R. TUPPER (Maine).

The Canadian delegation was composed of the following from the Senate: Speaker Mark R. Drouin (chairman), Senator W. R. Brunt, Senator Arthur L. Beaubien, Senator Sydney J. Smith, Senator J. E. Lefrancois, and Senator Lionel Choquette. Those from the House of Commons were: Speaker Roland Michener, Mr. Paul Hellyer, Mr. Egan Chambers, Mr. Paul Martineau, Mr. J. M. Forgie, Mr. Gordon H. Aiken, Mr. C. A. Best, Mr. R. C. Coates, Mr. Frank Howard, Mr. Orville H. Phillips, Mr. J. R. Taylor, Mr. O. J. Godin, Mr. C. R. Granger, Mr. H. P. Lessard, Mr. Lucien Grenier, Mr. Harris G. Rogers, Mr. R. R. Southam, and Mr. G. M. Stearns.

ORGANIZATION OF THE MEETING

The fifth meeting of the Canada-United States Interparliamentary Group took place in Washington, D.C., on June 8 and 9, 1961, after which the delegations spent the weekend of June 10 and 11 visiting defense installations in the Norfolk area.

There were two plenary sessions, one held at the beginning, and the other at the end of the conference. Secretary of State Rusk addressed the first plenary session and welcomed the Canadian delegation to Washington. After the first plenary session the delegates separated into two working committees for two sets of meetings each. The Defense and Foreign Policy Committee was presided over on Thursday by Senator Capehart and on Friday by Senator Aiken, with Speaker Drouin, of Canada, as cochairman both days. The Economic Matters Committee was presided over by Representative Gallagher with Speaker Michener as cochairman. The former committee discussed Western Hemisphere cooperation, the strengthening of NATO, China policy, disarmament, and defense production sharing. The latter committee concerned itself with aid to underdeveloped countries, the relationship between the economies of the United States and Canada, boundary waters resources development, and cultural relations.

After the Committee sessions on Thursday morning, the delegates proceeded to the Senate floor where I had the pleasure of introducing the Canadian members. Many Senators contributed welcoming remarks.

On Thursday afternoon the delegates proceeded to the White House where they met with President Kennedy, who wished them every success in their efforts to maintain close, friendly relations. Immediately following the interview, parts of the two delegations were present at the National Zoological Park where they witnessed the presentation by the Canadian Ambassador, Hon. A. D. P. Heeney, of two beavers to the United States.

On Friday morning the Canadian and United States delegates again attended sessions of the two Committees. Immediately after this, the final plenary session was held and the final reports of the Committees were presented. The group adopted these reports as the agreed record of the discussions. The final business of the conference was an authorization to Speakers Drouin and Michener, and Representative Gallagher and myself to issue a joint press statement which summarized the results of the conference. This was done at a press conference by the four chairmen on Friday afternoon.

After the press conference most of the Canadian and some of the U.S. delegation went to the Norfolk, Va., area to receive briefings and inspect defense installations. Those participating in this tour were Senator Drouin, Senator Brunt, Senator Beaubien, Senator Smith, Senator Lefrancois, Senator Choquette, Mr. Hellyer, Mr. Chambers, Mr. Martineau, Mr. Forgie, Mr. Aiken, Mr. Best, Mr. Coates, Mr. Howard, Mr. Phillips, Mr. Taylor, Mr. Godin, Mr. Granger, Mr. Lessard, Mr. Grenier, Mr. Rogers, Mr. Southam, and Mr. Stearns of the Canadian group; and Senator Pell, Representative Gallagher, Representative Murphy, Representative Dulski, and Representative Tupper of the U.S. group.

The delegates were the guests of the U.S. Continental Army Command at Fort Monroe where they were briefed on operations. They also attended military demonstrations at Fort Eustis and Fort Storey and received briefings on space projects at the National Aeronautical and Space Agency at Langley Air Force Base.

RESULTS OF THE MEETING

It was once again proved that frank and friendly discussions between the delegations of Canadian and U.S. legislators do promote understanding of bilateral problems and of common external dangers facing the two countries. Even though a relatively short period of time had elapsed since the fourth meeting of the group, the discussions were stimulating and fruitful.

Planning for future meetings should take into account two factors which, experience shows, are most important. Meetings are less productive when held during the busiest portion of sessions of the Congress and the

[1] The history of the Canada-United States Interparliamentary Group is given in more detail in my report to the Senate of July 31, 1959, and in the report on the Group dated January 17, 1961, prepared for the Committee on Foreign Affairs by the Legislative Reference Service, Library of Congress.

Parliament of Canada. Delegates find it hard to get away from their heavy responsibilities. On the other hand, if meetings were scheduled when legislatures are not in session, attendance would be even more difficult and the advantage of seeing each other's governmental processes would be lost. Winter or early spring meetings, then, when legislative pressure in both capitals is lighter, would seem desirable.

I shall mention the other factor only in its application to the U.S. side. Delegates should be appointed well in advance of the meeting dates. Appointment at the last minute means broken engagements and commitments, too little time for preparation and study, and disappointment to Canadian colleagues when American attendance is not 100 percent.

JOINT PRESS STATEMENT

The Canada-United States Interparliamentary Group concluded 2 days of discussion in Washington today. Twenty-four Members of the Congress of the United States and 24 Members of the Parliament of Canada, representing all political parties, participated in the discussions.

This was the fifth meeting of the group which held its first and organizational meeting in Washington in January 1959. Since that time, meetings have been held alternately in Canada and the United States. The fourth session was held in Ottawa in February of this year.

The Canadian delegates were welcomed at the opening plenary session by Secretary of State Dean Rusk, who underlined the importance of these meetings of legislators of both countries as a valuable means of promoting better understanding and appreciation of their mutual problems. Later in the day the Canadian delegates were received by President Kennedy at the White House.

Committee meetings were held on both days. One committee under the cochairmanship of Senator Mark Drouin, Speaker of the Canadian Senate, and Senator Homer Capehart and later Senator George Aiken, U.S. Senate, discussed defense and foreign policy matters of mutual interest. The other committee under the cochairmanship of Representative Cornelius Gallagher, U.S. House of Representatives, and Roland Michener, Speaker of the Canadian House of Commons, discussed economic questions of concern to both countries.

At the final plenary session today reports of the two committees were discussed and approved.

Members of both delegations were scheduled to leave Washington late Friday afternoon for Norfolk, Va., where they will be the guests of the Continental Army Command on Saturday and will attend air and ground exercises taking place at Fort Storey and Fort Eustis. The group is also expected to visit the National Space Agency. On the same day the wives of the delegates will visit Jamestown and Williamsburg. Both delegations will return to their respective capitals on Sunday afternoon.

There follows the agreed summary reports of the two committees:

Report of Defense and Foreign Policy Committee

1. Western Hemisphere Cooperation

(a) Canadian participation in the OAS: U.S. members supported President Kennedy's recent suggestion that Canada consider joining the OAS. Canadian members agreed that Canada and the United States must stand together in supporting common objectives within the hemisphere, to raise standards of living and help meet the Communist threat. The problem for Canada is to decide whether joining the OAS would be in the best interest of Canada and the Western Hemisphere. This question is the subject of lively public discussion in Canada at the present time.

Among the arguments advanced in favor of Canada's association with the OAS were the assistance which Canada might be able to give toward raising living standards in Latin America, the additional weight of Canadian leadership and stability in hemispheric policy discussions, removal of the anomaly of Canadian participation in NATO but not in OAS, and removal of doubt about Canada's support of the principles on which OAS is founded.

Among the arguments mentioned in opposition to Canadian participation in OAS were the limitations on Canada's resources, the risk that Canada's position in OAS would either be labeled as that of a satellite of the United States or would be harmful to U.S. prestige to the extent that Canada's attitudes diverged from that of the United States on significant issues, and finally the loss of Canada's ability to present an uncommitted view on problems arising in the hemisphere.

(b) Cuba: There was complete agreement on the serious threat which Communist influence in Cuba presents to the whole hemisphere. With respect to methods of countering this danger, however, there were two basically different approaches. Some felt that the situation warranted drastic measures. Others believed the Cuban revolution was brought about by underlying causes which are to be found in many other areas in Latin America. These unhealthy tendencies must be dealt with on a long-term basis through programs of economic assistance, information, cultural interchange, and foreign policies in the interest of the freedom and economic opportunity of mankind.

The committee agreed that there is need for expressing to the peoples of less developed countries the social objectives of our society. To compete successfully with the Communists in the emerging countries we must explain our system in terms of social justice as well as personal freedom.

2. Strengthening NATO

There was full agreement on the necessity of strengthening the conventional forces assigned to NATO. It was noted that both Canada and the United States have met their NATO force goals. Several specific NATO defense problems were discussed: the desirability of having small nuclear weapons for tactical use; the inhibition on the use of major nuclear weapons in the absence of adequate conventional forces; the question of control by a multinational organization over a NATO nuclear strategic force; and the necessity of making the U.S. nuclear retaliatory weapons invulnerable. It was recognized that if the Soviet Union moved at any time in force to cut off access to West Berlin, NATO would be ready to respond with necessary force.

3. China policy

The committee discussed trade with Communist China. The members were agreed that there should be no trade in strategic goods. The Canadian members however, stated that in Canada there was general support for a policy of trade with China in nonstrategic goods on the grounds that to cut off all trade would not weaken the hold of the Chinese Communist party and that trade helps maintain the strength of the Canadian economy. The view was also expressed that it can assist in some measure to preserve a reservoir of good will in China which could be of long-term benefit to the West. Some U.S. members, while acknowledging that the United States does trade in certain nonstrategic commodities with countries of Eastern Europe, were of the view that trade materially assists the Chinese in reaching their economic objectives, raises moral issues on which the U.S. public feels deeply, and strengthens the Chinese position in Asia.

The Canadian chairman referred with pleasure to the statement made in the House of Commons the previous day by the Prime Minister regarding the happy solution to the difficulty which had arisen over the supply from U.S. sources of grain unloading equipment and the committee agreed that this was a good example of continuing cooperation between the two countries.

The committee also discussed the closely related questions of diplomatic recognition of Communist China and its representation in the United Nations. While neither Canada nor the United States has yet recognized the People's Republic of China, it was generally agreed that the issue of representation in the United Nations would soon confront the two nations and that at the forthcoming meeting of the General Assembly there would likely be increased support for seating representatives of Communist China. The "two China" concept was also considered as a possible solution for the representation of China. It was pointed out that the admission of a Chinese Communist delegation to the United Nations would be interpreted in many places in the United States as an act of appeasement and might lead to strong demands that the United States leave the United Nations. The Canadian members pointed out that Canadian public opinion is divided on the issue.

4. Disarmament

The committee agreed that disarmament negotiations must be continued despite the difficulties and lack of concrete progress so far. Recognizing the growing military potential of Communist China, probably independent of Russia, it was suggested that at some future time provision might be made for Communist China to participate in realistic disarmament discussions. Confirming the continuing need to seek agreement on banning nuclear tests under adequate safeguards, the committee was concerned as to how long the United States should postpone the testing, which is required to advance nuclear capability, in the face of Russia's refusal to negotiate an agreement in good faith. Only by thorough inspection around the world could each side be certain that the other was not secretly taking the lead in more efficient weapons. Canadian members reported that public opinion in Canada now was against resumption of nuclear tests, but could change in the face of continued Russian rejection of inspection and the growing possibility of the Russians conducting secret tests.

5. Defense Production Sharing

In view of the interdependent nature of the economic as well as the military aspects of the common defense effort, the committee confirmed the need for a strong industrial base in Canada as an essential part of North American defense. The defense production sharing program continues to provide opportunities for Canadian industry to participate on an equitable basis with U.S. industry in defense development and production. The committee noted that since the initiation of the program, Canada continued to procure more defense items in the United States than the United States procured in Canada. It was agreed that efforts should be continued to strengthen the Canadian portion of the common defense production base through increased U.S. defense procurement in Canada.

Report of the committee on trade and economic matters

Aid to Underdeveloped Countries

There was a general discussion on the principles which should govern aid to underdeveloped countries and the problems of

implementing aid programs. It was agreed that there was need for more effective preparation and planning of aid programs and that proper training of personnel administering them was also important. Reference was made to the desirability of close cooperation between Canada and the United States as contributing countries, both in determining a fair sharing of the burden and in promoting effective administration. The U.S. delegation pointed out that the United States was now contributing about 1 percent of its gross national product to foreign-aid programs, and the suggestion was made by the U.S. delegation that this percentage might be a target toward which other countries might aim. It was agreed that this aid was necessary in furtherance of the aims of the developed nations in accepting their responsibility toward the underdeveloped countries.

Boundary Waters

In the discussion of the Columbia River, the Canadian delegation observed that there were certain problems in Canada that had to be resolved before ratification of the treaty by Parliament could take place. In this connection, it was pointed out that the Province of British Columbia had made the necessary amendments to its Water Act, and had authorized the British Columbia Power Commission to apply for a license to construct the Canadian works provided for under the treaty. It was also understood that the preconstruction engineering would be completed later this year. It was hoped, therefore, that the project would not be delayed unduly.

Concerning the Passamaquoddy tidal power project, a member of the U.S. delegation asked for an expression of Canadian views, in the light of the International Joint Commission report. A member of the Canadian delegation responded that the report indicated an unfavorable cost-benefit ratio which in turn suggested that the project would be uneconomical at this time. The U.S. delegation thought it might be useful to continue studies of the project.

The U.S. delegation urged the desirability of a joint study of potential traffic on the Richelieu-Champlain Waterway and of improvements to handle this traffic. Such a study was of some urgency due to possible alternative action by the United States on the Hudson-Erie Waterway.

Tourism

There was a discussion on the balance of tourist expenditures between Canada and the United States. It was pointed out that in 1958 and 1959 Canadian tourist expenditures in the United States were $413 million and $448 million, respectively, while U.S. tourist expenditures in Canada were $309 million and $351 million. Thus, there was an annual Canadian deficit of approximately $100 million in each of these years. With this in mind, the Canadian delegation expressed concern over the legislation now pending in the U.S. Congress to reduce the import duty exemption accorded to returning U.S. tourists from $500 to $100. Both delegations recognized the seriousness of the problem and discussed several ways in which the present imbalance might be improved, including expanded Canadian tourist promotion and better arrangements for air travel on Canadian and United States transborder carriers.

Trade

The committee discussed trade with the Sino-Soviet bloc with particular reference to trade with Communist China. The Canadian delegation explained the recent sale of agricultural products to Communist China. It was pointed out that the whole matter of agricultural products and of foreign sale of foodstuffs was a problem of greater relative magnitude for Canada than for most other countries, since Canada consumed about 14 percent and exported 86 percent of its wheat production, whereas in the United States the figures were just the reverse. The U.S. delegation understood the factors within Canada that resulted in these sales and explained the basis for the United States in not engaging in such trade.

Trade with Cuba was also discussed. The U.S. delegation explained the distinction in U.S. law between trade with Cuba and with Communist China. It cited the dwindling amount of such trade in the permissive categories of food and medicine.

Both delegations recognized that Canada and the United States had a common interest in strengtehning themselves and in supporting and promoting free world objectives against the threat that faces them.

U.S. Investment in Canada

The contribution which U.S. investment has made to the development of Canadian industry was recognized but members of the Canadian delegation also drew attention to the problems which arose in Canada due to the large measure of U.S. control over certain segments of Canadian industry. It was pointed out that the Canadian Government had recently taken measures to encourage wider participation by Canadians in their own industrial development without penalizing foreign investment. It was also suggested by the Canadian delegation that it would be helpful if Canadians had greater access to the equity financing of U.S.-owned companies in Canada.

International Trade Unions

The Canadian delegation expressed some concern over the excessive influence exercised on Canadian trade unions by the heads of some U.S.-controlled international unions. Admittedly this was a matter for consideration within Canada.

European Trade Groupings

A Canadian delegate expressed the hope that Canada and the United States would consult to find a mutually satisfactory approach to the problems created by European trade blocs.

FINANCIAL REPORT

Expenses of the U.S. delegation to the Canada-United States Interparliamentary Group meeting, Washington, D.C., and Norfolk, Va., June 7–11, 1961 (to be divided between the Senate and House of Representatives)

Washington, D.C., June 7–9:	
Transportation: Taxis, bus, limousines	$95.50
Dinners, luncheons, for Canadian delegation	1,509.76
Reception, expenses, Shoreham Hotel	2,995.46
Miscellaneous gratuities, Shoreham Hotel	34.00
Subtotal	4,634.72
Norfolk, Va., June 9–11:	
Hotel expense, Hotel Chamberlin	210.48
Buffet, Hotel Chamberlin	171.00
Miscellaneous gratuities, Hotel Chamberlin	66.25
Reception, Officers Club, Fort Monroe	448.00
Meals, Fort Eustis, Williamsburg, Va., and en route	228.83
Subtotal	1,124.56
Total	5,759.28

FALLOUT SHELTER: FUTURE RUMPUS ROOM

Mr. YOUNG of Ohio. Mr. President, unfortunately for the taxpayers of this Nation, the Federal Office of Civil and Defense Mobilization—before it was dismantled by Executive order of our President placing the defense of civilians where it properly belongs, under authority of the Secretary of Defense—undertook a $3 million program to provide fallout shelters in various parts of the country, presumably as models, and to encourage homeowners to have contractors build civil defense shelters in their basements or to erect do-it-yourself shelters.

Not one paid civil defense official in my State of Ohio has constructed a shelter in his own basement or backyard at his own expense.

In the city of Shaker Heights, a suburb of Cleveland, a $1,500 shelter, paid for from this fund, was constructed in the home of a policeman. Just recently, paid civil defense officials gathered at this home, 3651 Latimore Road, Shaker Heights, for a formal ribbon-cutting ceremony. Mayor Wilson G. Stapleton, of Shaker Heights, one of Ohio's great mayors and, incidentally, a member of the Grand Old Party, of which I am not a member, took a dim view of the proceedings. Just before the ribbon-cutting ceremonies and the announcement that Patrolman Matula had agreed to display this shelter for the period of 1 year to any inquisitive persons, as a part of the deal providing him the shelter free, Mayor Stapleton said:

> I am not going to build a shelter in my own home for two reasons: First, I can't afford it; and second, I don't think a shelter will do any good if a bomb hits in this vicinity.

Mayor Stapleton, by the way, has been a highly successful lawyer and dean of a leading law school. He said further:

> Up until now civil defense in this country has been a big "boondoggle." I would not urge anyone to build one. It is up to the individual.

Mr. President, Cleveland is one of the great industrial cities of our Nation. Shaker Heights, a suburb to the east and southeast, is another great city. About 30 miles to the south is the city of Akron—the rubber center of the world. Between Akron and Cleveland are huge steel mills. Were the Soviet Union to assail our Nation with nuclear missiles, one such missile striking on target anywhere between Cleveland, Shaker Heights, and Akron would create appalling devastation and terrible loss of lives throughout the entire area.

This so-called civil defense bomb shelter in the basement of the Matula home is not actually a bomb shelter. This shelter would furnish no protection whatever from the ferocious force of an atomic blast anywhere in the Cleveland-Akron area. It might well be a huge firetrap, and would doubtless be a tomb for the unfortunate persons crowded into this 11- by 13-foot area, who would likely suffocate.

James Donnelly, a national civil defense official, appearing in Shaker Heights for the formal opening of this demonstration shelter, said:

> President Kennedy is asking all Cuyahoga County families to provide themselves with fallout shelters.

I repudiate that statement. Where is his authority to speak for our President? I challenge his ability to prove that President Kennedy authorized him to make such an urgent request.

Furthermore, what about families who live in apartment houses? There are many of them in Shaker Heights and elsewhere. Are they to be discriminated against?

In connection with this particular fallout shelter, Mayor Stapleton informed me that, according to contractors who have inspected this so-called shelter and the furniture placed in it, the cost to our taxpayers should not have exceeded $500 or $600, and that it is a waste of Government money, that that shelter has been installed with the ultra in furniture, a picture, and so forth. Now it is proposed that Patrolman Matula be furnished in this shelter—without any expense to him—a stockpile of canned goods, dry foods, and bottled water. The purpose is to enable the occupants to live there 2 weeks before they emerge into a contaminated and poisoned atmosphere. I hope the Matulas and their neighbors eat the food before it spoils. Forty-four thousand dollars of worthless medicine was dumped into Lake Erie last year by our local civil defense officials.

Mr. President, this incident is worthwhile noting as indicative of the waste of taxpayers' money in other sections of the Nation.

The ACTING PRESIDENT pro tempore. The time of the Senator from Ohio, under the 3-minute limitation in the morning hour, has expired.

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that I may proceed for 3 more minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. YOUNG of Ohio. Mr. President, we all know the possibility of an all-out nuclear war waged against us by the Soviet Union, and, in retaliation, waged by us against the Soviet Union and its civilian population, is so remote one questions the justification for paying out the billions of dollars necessary to afford any real protection whatever in such a contingency. An adequate national shelter program would cost from $50 billion to $200 billion.

Throughout World War II, this Nation and our ally Great Britain, and the forces of Nazi Germany, had huge supplies of poison gas. Yet, neither nation—not even Hitler in his last desperate year—dared wage war with poison gas. Leaders of each nation, very properly and logically, feared what terror and huge loss of life the other would perpetrate and cause were they to resort to poison gas. The huge supplies stockpiled under Hitler's leadership and possessed by the allies were never used—and never will be used.

Patrick Henry, on an historic occasion said:

> There is but one lamp by which my feet are guided. That is the lamp of experience. I know of no way to judge the future except by the past.

I assert it is safe to judge that Khrushchev and other Communist dictators of the Soviet Union will never, never resort to an all-out nuclear attack on this Nation. Our instant retaliation would prove far more destructive of life and property than his ill-advised attack. The net result would leave the Soviet cities in rubble and many millions of Russians—men, women, and children—meeting untimely and horrible deaths. Then the Soviet Union would become a second- or third-rate power, Red China, untouched by nuclear warfare, could be—and probably would be—the only winner, emerging as a great power, possibly the most powerful.

I make objection, Mr. President, to building fallout shelters at taxpayers' expense, such as was built in the Matula home in Shaker Heights. If Mayor Stapleton and I choose to build a shelter in the basements of homes we own at our own expense, that is our privilege.

Doing this would favor a building contractor. He would then put in circulation the money we paid him. This would do our economy some good. Furthermore, the chainstore or corner grocery, in selling us canned goods, dry foods, and bottled water, would make money, and that money would also go into circulation and perhaps do some good.

In the end, the net result might be that we would have a rumpus room, or recreation room, in the basement. Furthermore, even though at this time we in the Senate are gravely concerned over tax loopholes and are trying to close them, it may be that the Congress and State legislatures would open up another tax loophole by giving tax exemptions to write off the cost of these recreation rooms, originally termed "fallout shelters."

PROJECT AMERICANAS

Mr. KEATING. Mr. President, this morning's NBC's "Today" program gave 8 youthful New Yorkers a heartening sendoff from Rockefeller Plaza in New York City as they embarked on a mission of friendship and understanding to the students of 17 South American countries.

Operation Americanas began 2 years ago when Robert Hinds, of Gloversville, N.Y., decided that he wanted to do something to impress the students of South America with the true character of their contemporaries in the United States. His initial inspiration came from Pedro Recia, of Barranquilla, Colombia, then an exchange student at Cobleskill College, whose image of Americans and their philosophy was distorted and antagonistic. Bob was successful in reversing Pedro's erroneous impressions, and now he and his seven companions will attempt to get across a similar story throughout South America.

Their vehicle will be an Army surplus duck bearing the name "La Pata Valiente," which translated means "The Brave Duck," accompanied by an illustration of a duck created especially for them by Walt Disney. Their 7-ton amphibious landing craft will also serve as their home during the year-long journey which will take them to Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Colombia, Venezuela, Ecuador, Peru, Argentina, Brazil, Uruguay, Chile, and Bolivia.

Bob Hinds is president of the group and will serve as skipper and chief linguist. The other members include William Hayes, Yonkers, N.Y., mechanic; Walter Kutrieb, Tarrytown, N.Y., navigator and cook; Daniel Twomey, Worcester, N.Y., radio man; his twin brother, Tom Twomey, quartermaster; Edwin Naylor, Mayfield, N.Y., medic; Fraser Shaw, Bethpage, N.Y.; and George Burrill, Ticonderoga, N.Y.

Four of the group are singers well versed in American folk music. This talent will serve as an entree for the boys into the campus life of the universities which they will visit, and it is their hope that through the medium of music they will acquire the confidence and friendship of their young neighbors.

The project is a purely private affair. However, it has received the warm sanction of the Department of State, and financial assistance has come from their own communities, universities, and various professional organizations. The American Automobile Association has asked them to report on road conditions in South America, and films of their trip will be sent to NBC every 3 weeks.

Mr. President, the initiative shown by these young men is a heartening example of the vitality of young people of America and their desire to build world understanding and peace. I know all of us wish them Godspeed on their very worthwhile journey.

FHA WATER FACILITIES LOANS

Mr. MOSS. Mr. President, the Water Facilities Act of 1937, as amended, authorizes the Farmers Home Administration to make and insure loans to individual farmers and to organized groups for the development, conservation, and effective use of their water supplies and for the protection and improvement of their farmland with approved soil conservation measures.

The amount appropriated for soil and water conservation loans has gradually decreased each year from $11,500,000 in 1955 to $2 million in 1960, notwithstanding the need and demand for assistance and the accumulation of a backlog of applications for loans. Only $3 million was made available for 1961 and that was committed during the first few months of the fiscal year. The same amount has now been made available for 1962.

At the present time, the Farmers Home Administration has on hand applications for loans from individuals and organized groups which would require $14 million. The backlog of applications in Utah would require more than $300,000. The FHA State director in Utah reported in March that he expected to receive new applications in 1962 which would require an additional $525,000. His estimate did not anticipate the critical shortage of water now existing because of our worsening drought.

Governor Clyde, of Utah, reported that the snowpack in many watersheds

of Utah is at a near record low for the third year, and that it was imperative that every farmer or rancher and every irrigation company cooperate to the fullest in an effort to obtain maximum beneficial use of the short supply. Efforts to conserve scarce water supplies in the stricken areas of Utah will involve heavy investments for improved facilities that will accentuate the demand for this type of credit. The need in 1962 for loan funds in Utah will be more than $1 million or one-third of the amount proposed for the entire United States.

Since the inception of the water facilities program in 1938, 913 loans totaling $2,738,913 have been made to individual farmers, and 51 loans totaling $1,824,000 have been made to organized groups of farmers in Utah, or a total of $4,562,913. The repayment record on these loans in Utah has been excellent. As of January 1, 1961, 511 individual borrowers and 7 group borrowers have repaid their loans in full. The outstanding unpaid amount on soil and water loans on March 31, 1961, was $2,590,618. As of this same date, only 1.8 percent, or $47,637 of the amount outstanding, was delinquent. The loss on loan advances to individuals is only 0.07 percent. No losses have been taken on loans to groups.

This loan program for the improvement or installation of water facilities has contributed immeasurably to the development and use of precious water supplies on farms in Utah. Such facilities have permanently removed some of the hazards and risks in farm operations. It has helped some farmers to stay in business. In many instances improvements in land use and conservation, adjustments in farm operations such as the production of grade A milk and finishing livestock for market, and modernization of farm homes could not have been made without first installing or improving water facilities.

It is urgent that this program be expanded this year to help Utah farmers cope with the existing extreme water shortage. Wells have to be installed or deepened. Canals and ditches need cleaning and lining to prevent seepage. Irrigated land has to be leveled to prevent water wastage and soil erosion. Farm health and livestock production depend upon good quality water from improved wells, ponds, cisterns, and pipelines. The task of financing these improvements is out of reach of the individual farmer and State agencies.

The authority to insure loans made by private lenders has not replaced the need for direct loan funds. The record shows that private lenders have not supplied the necessary funds from year to year, or even within the same year, to maintain the program at a desirable level. Since 1954, private lenders have advanced $459,980 in Utah, as compared with $1,283,612 advanced as direct loans. It is evident now that the $3 million proposed for soil and water conservation loans during 1962 will not meet even a very small part of the total need in the United States. The amount for that program should be increased at least $20 million to more effectively implement the authorities in the Water Facilities Act designed to help farmers fight impending water shortages, prevent soil losses, and protect their health and income, and minimize farming risks.

Therefore, yesterday I sent a letter to President Kennedy advising him of the imperative need of requesting a supplemental appropriation of at least $20 million for the fiscal year 1962 for FHA soil and water conservation loans, and I hope my colleagues will join with me in supporting this request.

I ask unanimous consent to have my letter to the President printed in the RECORD following this statement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 31, 1961.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: The amount of money available to the Farmers Home Administration in the fiscal year 1962 for soil and water loans throughout the country, and particularly in the drought-ridden Western States, is woefully inadequate.

The appropriation bill the Congress passed earlier this session provided for a total of $3 million for these loans—and the FHA already has a backlog of requests totaling $14 million.

This backlog of applications does not tell the whole story, however. Out of the total 2,173 requests on hand and received for loans in the fiscal year 1961, only 462 loans could be made with the $4,141,441 available which included $1,141,441 advanced by private lenders and insured by the Farmers Home Administration.

Excluding those applicants who received loans and the applications on hand May 31, 1961, 979 applicants most of whom were qualified for loans, could not be served because funds were exhausted early in the year. Furthermore, other farmers in need of assistance did not file applications because they were aware of the lack of funds. For this reason, the volume of applications filed and the number of requests on hand May 31, 1961, is not a good measure of the backlog or need for assistance.

Some of the need among individual farmers for soil and water conservation is being met under the farm ownership and emergency loan program of the Farmers Home Administration. The amount of funds available for the farm ownership program, however, is limited. Emergency loans can be made, as you know, only in areas designated by the Secretary of Agriculture where production emergencies have occurred. Loans cannot be made under either of these two programs to organized groups. In any event the need for soil and water conservation loans as referred to above is in addition to that which can be provided under the farm ownership and emergency loan programs.

The table below shows the number of soil and water initial applications received in Utah in each of the past 5 years and the estimated amount of funds that would have been needed to serve the qualified applicants:

Number of applications received

Year	From—		Estimated funds required
	Individuals	Groups	
1961	61	2	$300,000
1960	74	3	400,000
1959	95	5	600,000
1958	72	4	525,000
1957	97	6	600,000

The decline in the number of applications and the estimated funds required roughly corresponded wtih the decline in the amount of direct loan funds available for soil and water loans since 1956. Direct loan funds available were $11,500,000 in 1956, $5,500,000 in 1957, 1958, and 1959, $2 million in 1960, and $3 million in 1961.

The repayment record on these loans has been excellent. Since the inception of the water facilities program in 1938, 23,928 loans totaling $74,338,964 have been made to individual farmers and 435 loans totaling $18,531,485 have been made to organized groups of farmers, or a total of $92,870,449. As of January 1, 1961, 16,224 individual borrowers and 66 group borrowers had paid their loans in full. The outstanding amount on soil and water loans on March 31, 1961, was $37,919,986. As of January 1, 1961, only 5.7 percent, or $2,172,733 of the principal amount outstanding, was delinquent. The loss on loan advances is less than 1 percent.

I am sure that the requests from other States, and particularly other Western States, would show similar unmet needs, and similar excellent repayment records on the loans that have been made.

Your administration has already indicated its deep concern about the affect of the drought—the worst in 25 years in Utah, and equally serious in other sections of the West and Midwest—by taking action on several fronts to assist hard-hit farmers, ranchers, and livestock producers. The people are most grateful, but the drought continues to worsen.

I feel it imperative, therefore, that before the 1st session of the 87th Congress adjourns, that the amount of the funds available in the fiscal year 1962 for Farmers Home Administration soil and water loans be substantially increased. I hope the administration will send a supplemental budget request to the Congress for this purpose of at least $20 million.

Up to this point private lenders have not indicated they can supply any substantially larger amount of funds under the insured loan program of FHA than they have been supplying. I regret they cannot carry a larger share of the burden of this program. But since they cannot, the Federal Government must increase its assistance. Otherwise, not even the most urgent requests for soil and water loans can be serviced in the critical months ahead.

With kindest personal regards.

Most sincerely,

FRANK E. MOSS,
U.S. Senator.

THE NEUTRAL NATIONS

Mr. CHURCH. Mr. President, in November and December of last year, the Senator from Wyoming [Mr. MCGEE], the Senator from Utah [Mr. MOSS], and I undertook an extensive study mission to Africa. On June 29 I delivered on the floor of the Senate some of my own personal reflections upon our new African policy.

In my speech, I stressed the fact that African neutralism was not necessarily adverse to the interests of the United States and the West, and that, in fact, might well be beneficial to our interests. What we need to fear is not African neutralism, but rather that these new African countries will be drawn behind the Iron Curtain, thus losing their capacity for neutrality.

In our visit to Africa, one of our most difficult tasks was to explain to many Africans the dangers of Communist colonialism. In the last two decades, the

Soviet Union has gained control of one-third of the world. The U.S.S.R. has created the only new empire of our century, and it is the only nation which is trying to expand its empire. Most of the European colonialist countries are quickly getting rid of their empires. The real danger of the new African countries is not from the West, but rather from the Communist bloc.

It is greatly reassuring to me that President Kennedy and Secretary Rusk are emphasizing these points to the leaders of the new African nations. In Saturday's Washington Post, Roscoe Drummond points out these efforts of the President and the Secretary of State. This article, entitled "The Neutral Nations," presents an excellent analysis and explanation of America's position in this vital matter.

Mr. President, I ask unanimous consent to have Mr. Drummond's article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEUTRAL NATIONS—A BID FOR SUPPORT

(By Roscoe Drummond)

President Kennedy and Secretary Rusk are using the visit here this week of the Nigerian Prime Minister, Sir Abubakar Tafawa Balewa, to begin to unfold a U.S. political strategy aimed to counter the Kremlin at its most vulnerable point: Soviet colonialism.

Nigeria, neutral in policy and pro-Western in spirit, a country of 40 million people and nearly as large as Alaska, is one of the most mature and stable of the African governments south of the Sahara.

Ever since Sir Abubakar first came to the United States 6 years ago, he has been seeking to apply to Nigeria the unifying concepts of the American federation and he has been making steady headway toward welding his country's 400 tribes into a remarkable degree of national cohesion.

Of all the African leaders, Sir Abubakar could be expected to be the most helpful and the most expensive to the President and the Secretary of State.

Mr. Kennedy and Mr. Rusk have three objections in view:

To alert the many newly independent, neutral nations to the dangers of Soviet colonialism and Mr. Khrushchev's efforts to prevent the U.N. from protecting them.

To encourage the neutral countries, in their own interests, to turn away from the double standard of attacking only the disappearing Western colonialism and leaving uncriticized Soviet colonialism, which is expanding.

To win ultimately the open moral and political support of these young nations for a common U.N. policy to support a world of self-determination against the world of coercion of the Soviet and Chinese Communists.

The central issue of the world crisis today, as Mr. Rusk sees it, is the announced determination of the Communists to "impose a world of coercion upon those not already subject to it."

This is why Secretary Rusk feels it essential to get on with the building of the world community designed by the U.N. Charter. The theme which he hopes the Nigerian Prime Minister will embrace and advocate to his fellow African leaders is this:

"It is here (at the U.N.) that those who would not be coerced can act together for a world of peace. We speak of uncommitted nations and we usually mean those who are committed to neither of the principal blocs on the present scene. But all nations have commitments arising out of their interests and out of their own hopes for the future."

Mr. Rusk's own basic proposition is that for their own self-protection the neutral nations in Africa and Asia cannot long enjoy their own self-determination unless they are willing to join others in resisting the Communist denial of self-determination in Eastern Europe and elsewhere. Self-determination is a single garment in a small world, and when it is torn by the Soviets in Europe or by the Chinese in Laos and Vietnam and Tibet, it will ultimately begin to unravel in Africa.

The United States does not expect the newly independent nations to involve themselves in the cold war dispute over West Berlin, although the issue here is Moscow's unyielding refusal to practice the policy of self-determination it proclaims elsewhere.

But the Secretary is preparing for a new battle with the Soviets this fall over Mr. Khrushchev's demand that the U.N. Secretary General never act on anything without Moscow's approval.

This Khrushchev tactic is a sword over the heads of all the newly independent nations. On this issue Mr. Rusk aims to rally the neutrals at the U.N.—for only the U.N. can stand between them and the cold war.

PETER KIEWIT SONS CO. LOW BIDDER ON MINUTEMAN PROJECT, RAPID CITY, S. DAK.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent to have printed in the RECORD following these remarks a news story from the Rapid City, S. Dak., Daily Journal, dated July 25, 1961, entitled "Kiewit Lowest Bidder on Minuteman Project."

Mr. President, the article is of special interest because of the general interest in the construction of Minuteman missile bases. The first of these was at Malmstrom Air Force Base, Great Falls, Mont., and the bill was approximately $61 million. The Government estimate for the second Minuteman installation, to be placed in South Dakota, was $66 million. The low bidder was Peter Kiewit Sons Co., with a bid of $56 million, $10 million below the Government estimate. In fact, all four bidders bid below the Government estimate, although one bid was higher than that for the Malmstrom construction.

This is descriptive of the size of the project and will be of great interest to those who are interested in saving money as well as those interested in national defense.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KIEWIT LOWEST BIDDER ON MINUTEMAN PROJECT

OMAHA.—Peter Kiewit Sons Co., Omaha, submitted the apparent low bid today for construction of a Minuteman missile base at Ellsworth Air Force Base, Rapid City.

The Kiewit bid was $56,220,274, compared with a Government estimate on the project of $66,548,147.

The project involves 150 silos, each 12 feet in diameter and 80 feet deep, plus 15 launch control centers. The project will be spread over an area 150 by 100 miles, roughly east, north, and northwest of Rapid City. A Titan intercontinental ballistic missle installation also is located near Ellsworth and occupies the other quadrant.

This will be the Nation's second Minuteman installation. The other is at Malmstrom Air Force Base, Great Falls, Mont.

Col. Thomas J. Hayes, commanding officer of the Corps of Engineers ballistic missile construction office at Los Angeles, was here for the opening of bids.

Three other bids were received. Morrison Knudsen & Co. and Associates, of Boise, Idaho, entered a bid of $58,210,000 for the project. A combine headed by Utah Construction and Mining Corp., Los Angeles, bid $59,273,073; and a joint venture of H. D. Zachry and Brown & Root, Inc., Dallas, entered a bid of $63,488,000.

The Malmstrom contract for Minuteman was awarded in March for $61.7 million, more than $5 million more than the bid on the South Dakota installation.

The bid price for general construction of the 150 underground silos compares with the $28,587,945 bid for construction of three Titan ICMB complexes in the area. The Titan bases—each embracing three launching silos—are nearing completion at Wicksville, Hermosa, and Sturgis.

No current figure is available on the total cost of the local Titan program which is now in the installation phase. It will, however, exceed the original contract. In January it was estimated the design changes had added roughly $8 to $10 million to the construction phase. In 1959 it was announced that $47 million had been programed for the Titan base, which then supposedly represented less than half the ultimate cost.

The Minuteman is a solid-fueled missile, smaller and more versatile than the bulkier, liquid-fueled Titan. Reaction time of the Minuteman—the period necessary to launch the missile after getting the word to fire—is considerably shorter than that for the Titan.

Basic construction for the 150 silos will consist largely of earth moving and concrete work. Each silo will be over 80 feet deep, with width at the top some 35 feet to permit an entry portal and equipment storage. The equipment room at the top of each silo extends 28 feet below the surface of the earth. The missile is stored in the silo, about 20 feet from the bottom and fired from the hole.

Boeing Co. is prime contractor for assembly and testing of the missile itself. Aerojet manufacturers the second of three stages with Hercules Powder Co. responsible for the final stage. Avco has the contract for the reentry nosecone.

Boeing Co. expects to employ some 1,900 workers on the Minuteman project during its peak load in mid-1963. The entire project will call for some 5,000 to 6,000 workers, with overlapping of tasks resulting in an overall peak employment of some 3,000 workers.

Boeing expects to hire 20 percent of its personnel locally.

Minuteman workers will be partially housed in temporary housing developments planned for Rapid City, Sturgis, Belle Fourche, Wall, and Union Center. Boeing has charge of providing temporary housing facilities for all personnel associated with installation.

WIRETAPPING

Mr. DODD. Mr. President, on March 30, 1961, I submitted a comprehensive bill on wiretapping to the Senate, S. 1495. In essence, S. 1495 is an attempt to balance the right of individual privacy against the need of society to protect itself against serious criminal activity. My bill seeks this balance by permitting Federal and State law enforcement officers to wiretap only for certain specified serious crimes and by declaring all other wiretapping unlawful and punishable as a felony. And even where authorized, wiretapping is to be subject to strict controls and reporting requirements, which are designed to deter abuses.

About a month ago the Deputy Attorney General of the United States submitted to the chairman of the Subcommittee on Constitutional Rights of the Committee on the Judiciary the detailed proposal of the Department of Justice for a Federal wiretapping law. This proposal uses the structure and much of the content of S. 1495; in fact, it is essentially a modified version of S. 1495. Many of the modifications are minor language refinements, and they need not concern us here. Of the important modifications, some are a welcome tightening of S. 1495. I refer to the changes which would limit the Federal officers who may authorize an application for a wiretapping order and the class of Federal officers who may be permitted to wiretap; of the new provision which would require that the defendant in a criminal proceeding in which wiretap evidence is to be disclosed be furnished with a copy of the wiretapping authorization and the supporting affidavits at least 10 days before the trial; and of the revisions which would define more precisely the Federal crimes for which wiretapping may be authorized. These modifications are in the spirit of my June 7 statement to the Constitutional Rights Subcommittee, in which I recommended changes in S. 1495 that would limit even further than the original version the power to wiretap or to disclose wiretap evidence where I felt to do so would not unduly frustrate the right of society to protect itself against serious crime. Unfortunately, there are other modifications that the Department of Justice would make in S. 1495 which I cannot endorse.

First and foremost, I feel that the Department of Justice is wholly mistaken in striking from S. 1495 all restrictions on State wiretapping laws. The present-day volume of telephone calls between individuals residing in different States is staggering, as we all know, and in the face of this volume I think it is essential that Federal law prescribe the minimum standards to which any State law authorizing wiretapping must conform, to insure that the right of individual privacy is not wholly forfeited. In my view it is intolerable that any State be permitted to intercept interstate telephone communications with no restriction whatsoever, and yet this is precisely what the Department of Justice version of S. 1495 would permit.

I have a second serious objection to the Department of Justice version of S 1495. Under S. 1495 any application for a wiretapping order and the order itself must specify the criminal offense sought to be prevented by the wiretap or as to which wiretap evidence is sought to be obtained. The bill as submitted by me then provides that wiretap evidence may be disclosed in a criminal proceeding, but only to the extent that it furnishes evidence as to the commission of the offense specified in the wiretapping order. The Department of Justice would delete this limitation. The effect is that if a wiretapping order is granted to secure evidence of extortion, and the wiretap furnishes evidence of, say, income tax evasion, evidence of the evasion is admissible. I deplore the deletion made by the Department of Justice for two reasons. First, it invites abuse by tempting a law enforcement officer to seek a wiretapping order in the name of a serious crime when a lesser crime, or even a fishing expedition, is really in mind. Second, it strikes at the basic premise of S. 1495 that wiretapping is justifiable only by the need of society to protect itself against serious crime.

My final objection to the Department of Justice version of S. 1495 is its deletion of the requirement that a judge satisfy himself before granting a wiretapping order that no other means are readily available for obtaining evidence of a serious crime. In its place the Department of Justice would make the ready availability of other means of obtaining evidence a matter which the judge in his sole discretion may give such weight as he deems appropriate. If we look upon wiretapping as an invasion of individual privacy which is justifiable only by the need of society to protect itself against serious crime, I think we must agree that the Department of Justice modification is wrong. Wiretapping is a very vital weapon in the fight against serious crime, but it should not be permitted to be used when the evidence it would furnish may legally be garnered in other ways.

In conclusion, Mr. President, I should like to say that order can be brought into the now chaotic status of wiretapping only if we recognize the conflicting concerns of the individual and of society in wiretapping. S. 1495 is an attempt to balance these concerns. And in this same spirit I offer these comments on the Department of Justice version of my bill.

RED CHINA AND THE UNITED NATIONS

Mr. CLARK. Mr. President, last Friday the Senate passed upon the China resolution. I was necessarily absent and did not vote.

On Monday the able Senator from Oregon [Mr. MORSE] proposed a substitute resolution and spoke in support of it. I should like to have the RECORD show that had I been present and had the resolution of the Senator from Oregon been presented to the Senate I should have supported it, since in my judgment it sets forth the proper approach to the solution of a most difficult problem.

FORESTRY RESEARCH

Mr. STENNIS. Mr. President, on January 31 of this year, I outlined to the Senate a national program for strengthening forestry research. This program would be an orderly step toward an ultimate adequate and effective attack on major serious forestry problems confronting the Nation.

Legislative action on the Interior Department Appropriation bill for fiscal year 1962 was completed when the conference report was adopted by both the House and the Senate on Thursday, July 27. In this bill a total of $26,368,000 was provided for forestry research and the construction of vitally needed research laboratories. This is $1,245,000 less than the amount included in the bill as it passed the Senate. The difference is due to the elimination of five construction projects and a reduction in the amount for one other.

The five construction projects included in the Senate-passed bill, but eliminated in conference, were as follows:

Sewanee, Tenn., $125,000; Olustee, Fla., $70,000; Alexandria, La., $200,000; Warren, Pa., $200,000; and Madison, Wis., $300,000, a preplanning item.

The West Thornton, N.H., project was reduced by $350,000 to $50,000.

As much as I would have liked to have seen congressional approval of these six projects—for they are all very necessary—I commend the members of the conference committee for the fine treatment they have given our forestry research items. I was especially disappointed that funds were not included for the highly important project at Madison, Wis. We must make a special effort to obtain this item in 1962. This Forest Projects Laboratory at Madison is a national, not a local, institution.

Funds included in the bill this year will provide for construction of 16 urgently needed laboratories, as follows:

1. Riverside, Calif., Forest Fire Laboratory, $975,000.
2. West Thornton, N.H., Forest Watershed Management Laboratory, $50,000.
3. Gulfport, Miss., insectary for insect research, $25,000.
4. Grand Rapids, Minn., greenhouse and headhouse, $25,000.
5. Bozeman, Mont., Forest and Range Management Laboratory, $175,000.
6. Wenatchee, Wash., Forest Soils and Hydrology Laboratory, $300,000.
7. Flagstaff, Ariz., Ponderosa Pine Silviculture Laboratory, $150,000.
8. Moscow, Idaho, White Pine Disease and Silviculture Laboratory, $300,000.
9. Fairbanks, Alaska, Forest Protection and Silviculture Laboratory, $350,000.
10. Laramie, Wyo., Range and Watershed Management Laboratory, $150,000.
11. Bend, Oreg., Silviculture and Wildlife Management Laboratory, $150,000.
12. Bottinequ, N. Dak., Plains Shelterbelt Laboratory, $130,000.
13. St. Paul, Minn., regional headquarters office and laboratories for Lake States forest experiment station, $1,250,000.
14. Crossett, Ark., Loblolly Pine Silviculture, Laboratory, $50,000.
15. Athens, Ga., laboratory facilities for research on insects and diseases, forest products utilization, and silviculture studies, $665,000.
16. Bluefield-Princeton, W. Va., market development center and related experimental-demonstration forest, $450,000.

Many times I have emphasized, on the Senate floor and in committee, the need for these facilities in bringing about a dynamic and effective research program. Senators have heard me say, and I repeat:

Let us take our scientists out of the woodsheds.

Many Senators have joined me in this appeal. Not long ago I visited a new forest laboratory where forest geneticists are breeding superior pine trees. Only a short time earlier I had seen those same well-trained scientists attempting to do valuable and essential research in makeshift quarters without even the minimum required modern equipment. It is heartening to see—even miracu-

lous—the more rapid progress made possible through modern laboratories and facilities.

Increased funds appropriated this year for forestry research will permit a stronger and more rapid attack on critical tree insect and disease pests. Two serious diseases of the southern pine—a damaging stem rust and a root rot—will be brought under control more quickly as a result of this increase.

Critical forest fire problems can be attacked with greater vigor and more knowledge.

Needed acceleration of watershed and range forage research will be possible.

The tempo of research on wildlife habitat and forest recreation problems can be brought up nearer to the necessary levels the problems justify.

Research on wood utilization will find new and improved uses for forest products that will make for a greater utilization, a richer economy, and added employment benefits that flow from increased forest industry.

And research on marketing problems will aid our small forest landowners throughout the Nation.

The foregoing are some of the concrete results which will flow from increased forestry research and these new and modern laboratories.

I wish it were possible to move even faster in providing these vital research facilities, and I regret the 1-year delay in the cutback of funds for the six projects mentioned earlier. In my judgment, this is false economy. Nevertheless, I am proud that we have made a reasonable gain this year in equipping our scientists with more adequate facilities for this vital research.

I highly commend those who have joined with me in sponsoring this national program, and I urge every member of the Senate to support this vital program to its fulfillment.

This approved program is a splendid expression of confidence by the Congress in the National Forest Service and their fine personnel. It is also a challenge to the Forest Service to strengthen their forward strides in meeting the opportunities and the demands of our times. I trust that the President will promptly authorize the expenditures of those funds.

A UNIQUE AMERICAN EDUCATIONAL VENTURE IN ALASKA'S FAR NORTH

Mr. GRUENING. Mr. President, today in Alaska there exists a unique school system, unparalleled anywhere in the United States. Because of its great size, scattered population, and lack of transportation facilities, Alaska faces enormous difficulties in trying to provide a public education to all its citizens. For many years the able educators who head Alaska's State Department of Education have been working to combat this problem, which especially affects Alaska's 37,000 Indians, Eskimos, and Aleuts. They have made tremendous strides in setting up schools in remote places. It has been a hard task, which has required persistence, devotion, and courage. But in another sense this task has been easy, for in every area in which a school has been built the school officials involved have had the unwavering and strong encouragement of the people for whom the schools were provided. These ambitious folk have lent their homes, their food, and their strong backs to this cause. Unstintingly they have given in order that they might learn.

And they have been rewarded. For in every corner of the huge State of Alaska small but comfortable schoolhouses, staffed by dedicated teachers, pupiled by interested students, stand through the long summer days and cold winter nights as shining bastions against the wind of ignorance.

I have in my hands today proof of the accomplishments of one of these schools. I would like to relate to you its story, for it typifies the founding of similar schools all over Alaska.

Prior to 1945 the 65 Nunamuit Eskimos who inhabited the area around Anaktuvuk Pass, Alaska, had little contact with white men and the outside world. They were dependent upon migrating caribou herds for their living, just as their ancestors had been for centuries. Caribou was their staff of life. It provided food, shelter, clothing, and tools. Their only cash income came from bounties paid by the Government for the killing of the wolves which prey upon the caribou. This provided guns, ammunition, flour, tea, and tobacco. There were no permanent homes, no school, and no post office.

In winter the people broke up into small family groups separated from one another by 20 or 30 miles. This was made necessary because the caribou herds broke into smaller groups which moved into the mountain passes where constant winds kept the mosses and lichens on which they fed relatively free of snow.

In summer, however, the people came together at Tulugak Lake on the northern arctic slope some 16 miles from the summit of Anaktuvuk Pass. Here they fished, made winter equipment and lived throughout the short arctic summer much as their ancestors had in the same area for some thousands of years. Thus their existence passed, unchanged.

But this was not to say that they could not change. For after 1945, with the spreading out of white settlements in Alaska's far north, an occasional pilot, geologist, or health official visited them briefly. With the coming of the white man came an increased awareness of the outside world. Ideas of advancement and self-improvement began to form in their minds. Two of their number managed to pick up English. In 1950 a U.S. census enumerator, Ethel Oliver, in fact the first white woman ever to visit the area, came to Anaktuvuk. Her presence, especially when the Eskimos learned that she was also a teacher, stimulated the desire for education and advancement.

We will build a school—

They said—

if we can get 10 pounds of oil and some canvas.

They also asked Mrs. Oliver to help them find a teacher.

Mrs. Oliver saw the enthusiasm and great desire of these people to become more educated and to learn more about the other parts of Alaska—a feeling, I might add which pervades all the Eskimos, Indians, and Aleuts of Alaska—and she attempted to help them. She succeeded in getting Don C. Foster, then general superintendent of the Alaska Native Service and the superintendent of the Alaska Native Service school at Barrow to send a young couple into Anaktuvuk Pass for 6 weeks. Unfortunately, unfamiliarity with the North and the primitive living conditions hampered their teaching efficiency and they had to give up their plan to start educating the children. Nor did the native service provide teacher replacements.

Three years passed. During this time a post office was established. In 1953 territorial Senator William Beltz, of Nome, an Eskimo, tried to get a school started at the pass but it was denied by the native service on the grounds that the people were nomadic. Finally, in the absence of any other means of providing education, the Alaska Native Service transported several children to southeastern Alaska to boarding schools. However, this substitute for a school at home failed to meet the educational needs of these Eskimos, for though the children were not particularly unhappy, they were not eager to return to school the following year. They missed their families, familiar foods, and their own environment. It became evident that this experiment would not work.

Finally in 1959 the dream of the citizens of Anaktuvuk Pass showed promise of coming true. As the arctic winter lessened its hard hold upon the community, anticipation and determination, far stronger forces, took hold. It seemed that success was in sight.

This success, however, was not imminent. As more people looked into the matter and tried to form definite plans, more and more difficulties presented themselves. It was certainly evident that the living conditions for the school's teacher would be rugged. Whoever was to be finally chosen for the job must be someone prepared to sacrifice unstintingly his or her personal comfort for the good of her school, someone who was intimately acquainted with the ways of life of the Eskimos and their attitudes toward learning, someone who could adjust to this different way of life without sacrificing teaching efficiency.

There were other obstacles. In the Anaktuvuk Pass region there were no building materials. All materials for the construction of the school would have to be flown in. And again there being no wood to speak of, there would be no way of heating the school once it was built, short of flying in fuel oil. Costs here, since Anaktuvuk Pass is served by no airline, would be prohibitive. On top of all this the supplies could not be flown directly into Anaktuvuk Pass, but would have to be transported 15 miles over rugged country. Of course there were no mechanized vehicles in this roadless area.

Even the revelation of so many problems did not dampen the enthusiasm of

the folks of the village. For they persuaded Anna Bortel, who had been head teacher at Tanana School, to teach them in their church. In Miss Bortel they had found the ideal teacher, one able to comprehend their problems, one kind and sympathetic, and above all one able to adjust to all conditions that might face her.

School had finally started, the Eskimos were finally on their way to the knowledgeable state that they had been dreaming of for years. Men and boys, women and children flocked to learn. Whenever their normal daily efforts to survive and provide themselves with food and shelter could spare them, they went to the school. But even now our determined students were not satisfied. They wished a real schoolhouse for themselves, something that could be revered as the seat of learning and knowledge in their village. A monument to knowledge—small, unpainted, wooden—but a monument just the same.

Pursuing this aim with the same determination they had evidenced in a decade of struggle, the village council, the guiding body of Anaktuvuk Pass, wrote to Howard A. Matthews, Alaska commissioner of education, I would like to read their marvelous expression of determination and sincerity to my colleagues:

OCTOBER 20, 1959.

DEAR MR. MATTHEWS: We are writing and asking you for a school at Anaktuvuk Pass, Alaska. We have quite a few kids here that are of school age and they are waiting for the schoolhouse at the Pass. They want a school as soon as possible. We want a school up here, too.

We don't want our children to be like us who don't know how to write one word. We have two men here who do our writing for us when we want to do some writing, and we don't want our children to do the same. That is why we want the school to be put up here. Why don't we have a school here? We are American citizens. Our children need schooling. After reading this letter that we have written to you, after finding out two people here who do this writing for us, maybe you will start thinking of us as poor people who grow old without knowing how to write (our children will be like us). No, we don't want our children to be like us.

When are we going to have a school? We want to know when and what kind. We will be expecting an answer from you, we will answer you if you write.

Sincerely yours,

THE VILLAGE COUNCIL OF ANAKTUVUK PASS.

The determination of the Eskimos finally began to bring results. Wein Airlines started construction of a good airplane runway only one-half mile from the proposed school site. The Alaska Department of Public Works sent representatives in to arrange for the building of the schoolhouse. Another year passed but finally the school was built. At long last ambition was fulfilled.

Today under the able guidance of teachers like Anna Bortel, schools like Anaktuvuk Pass are in session across Alaska. They face many problems and much expense, but they carry on, sure of what they want.

It seems to me, Mr. President, that I have just told in very specific terms the story of Alaska as a whole. For we Alaskans know what we want and we will struggle until we get it. We have accomplished much in our strivings, not the least of which was statehood, and we will accomplish more—much more. With citizens of ambition and determination like those of Anaktuvuk Pass we will forge ahead to develop our resources, attract new industry, complete the transformation of Alaska from wilderness to prosperous statehood.

My reason, Mr. President, for calling the attention of the Senate today to the inspiring story of the people of Anaktuvuk Pass and their efforts to obtain an education is to remind the Congress of the overwhelming importance of enacting, at this session of Congress, legislation to provide Federal aid to the schools of this Nation.

It may be recalled that, during the debate in this Chamber on S. 1021, the School Assistance Act, I pointed to the exceptionally high costs of providing an education to the children of Anaktuvuk Pass as an example of the reasons Alaska must have more assistance from the Federal Government if we are to have a good school system in my State. I then referred to the fact that, at Anaktuvuk Pass, the cost of heating the school, alone, is more than $6,000 a year. To provide fuel for the 30 children who go to this school it is necessary to fly in some 75 barrels of fuel oil during the winter, as the lack of any other form of transportation makes this expensive means of transporting supplies necessary.

While the high costs of education at Anaktuvuk Pass may be exceptional as compared with costs in other parts of the United States, I believe the desire for an adequate education for one's children is as strong in all States of the Union as it is in Alaska, and at Anaktuvuk Pass. Every State in the Union needs the help that can be provided by enactment of legislation to provide Federal aid to education. I hope the story of the children of Anaktuvuk Pass will provide encouragement for the enactment of such legislation.

SELTZER SEES NO WAR IN 1961

Mr. YOUNG of Ohio. Mr. President, a very important article was published in yesterday's edition of the Cleveland Press entitled "Seltzer Sees No War in 1961—Cites Errors Made by Khrushchev." The article is a most timely one written by Louis B. Seltzer, editor of the Cleveland Press.

Louis B. Seltzer is one of the great newspaper editors of this Nation. He is probably the only newspaper editor in the United States who has ever been offered appointment as a U.S. Senator by a Governor of his State and who declined the appointment because he wanted to continue in newspaper work.

The Cleveland Press is a paper of great circulation and prestige. It is the original newspaper in the Nation founded by E. W. Scripps. It is one of the greatest, if not the greatest, newspaper in the present Scripps-Howard chain.

The article to which I have referred, in which the editor sees no war in 1961, is in accord with my own thinking, but phrased in a masterly fashion which I could not undertake to equal. It is of such importance that I ask unanimous consent that it be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SELTZER SEES NO WAR IN 1961—CITES ERRORS MADE BY KHRUSHCHEV

(By Louis B. Seltzer)

"Sixty-one," in this 20th century, will be the "almost" year.

Also, it will be "The year of the big mistake."

"Almost" could have been world war III. There will be no war.

The "big mistake" will be Khrushchev's bad timing. He was impatient—perhaps pushed by Red China. But he should have waited. At least until the end of 1961. Better still, from his position, until the midst of the 1962 off-presidential year election, catching the United States riven by intense political battle.

Now Mr. K. knows he moved too fast, and, knowing it, he will find a way to back out as best he can. That, however, is only part of his problem.

TIMING WAS POOR ON BERLIN

His poor timing on Berlin now makes it much more difficult for him to move successfully elsewhere. Why?

Because all Khrushchev accomplished in his premature Berlin move (whether to catch the new American President unprepared, test him out, or because Russia yielded to Red Chinese influence) was (1) to solidify the Western Powers who were wavering among themselves. He also thus unified, to an unprecedented degree, the American people and at a time when they were debating some highly controversial internal matters; and (2) to make the rest of the world—especially that as yet uncommitted neutral world—apprehensive about both Mr. K. and his ultimate aims.

But that is not all. There is yet another disturbing reaction Mr. K. now must confront. This will express itself in the months to come—as it did already in the tremendous exodus of East Berliners to West Berlin. And that is the unrest again stirred up behind the Iron Curtain—a slumbering unrest that alternately has broken out and subsided, but which, throughout Russia's subjugation of its satellites, has been latently explosive.

SPENT TIME STARTING BRUSH FIRES

Had Khrushchev devoted most of 1961 starting, in his customarily effective technique, brush fires here and there, had he pursued the hitherto effective policy of keeping the Western Powers constantly off balance, exploited fully the Cuban disaster and fomented some more trouble in South America and Asia, his position would have been gradually and substantially strengthened.

The Western Powers thus would have been even more divided among themselves and unsure individually. The American political scene, in general, would have been the wild scramble it usually is preparatory for an off-presidential campaign of power jockeying in 1962.

Mr. K. has had it. Now he has to find a new and tremendous device to do it all over again—to break apart the Western Powers, disunify the American people, win back the hundreds of thousands of fleeing East Berliners and allay the apprehensions of a doubting world.

Having tried almost everything thus far, Khrushchev is going to be rather hard put to find such a spectacular device—and it can't be a Red China threat for that is potentially too dangerous for it could swing around and clobber him but good.

SHOE IS ON THE OTHER FOOT

So, capitalizing for a change on Mr. K.'s "big mistake," the Western Powers and a united United States apparently have put the shoe on Khrushchev's other foot—perhaps the very shoe he emotionally ripped off at the United Nations and with which he pounded so lustily for world attention.

Thus 1961 will, for these and many other reasons, go down as the "almost" but no war year—and the year of Mr. K.'s "big mistake."

It could also go down as the real turning point in the world away from, instead of toward, the Kremlin.

This could come about if the Western Powers stay together, if the United States stays united and if we continue to strengthen our military position at home and abroad as both the President and Congress agree it should be.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I am happy to yield to the distinguished Senator from Tennessee.

Mr. KEFAUVER. I have not had an opportunity to read the article, but I join in the glowing words of tribute in which the distinguished Senator from Ohio has described Mr. Louis B. Seltzer. I have known Mr. Seltzer for about 20 years, and he is indeed one of the Nation's great editors. He not only is a great editor, but also he gives of his time to matters of State, National, and local importance.

Mr. YOUNG of Ohio. I thank the distinguished senior Senator from Tennessee for his fine observation regarding a great constituent of mine.

COMMUNISTS USE NAZI TACTICS IN EAST GERMANY TO DENY SELF-DETERMINATION

Mr. KEATING. Mr. President, the news dispatches report that the Communists in East Germany are using a mythical scare of a polio epidemic in West Germany to impose restrictions on the freedom of movement of the people of East Germany and East Berlin. There is a shocking historical parallel to this action, which shows, once again, what little difference exists between totalitarian states, whether they call themselves Communists or Fascists.

Mr. President, on October 16, 1940, when the Nazis established the infamous Warsaw ghetto, the ultimate purpose of which was the extermination of the Jews, they too spoke of epidemics.

The alleged purpose of the ghetto, according to the official Nazi newspaper, was to avert the danger of an epidemic. Hitler's official organ of information declared that it was necessary to erect a wall around the Jewish quarter because it was a breeding place of contagious disease.

The phony threat of so-called disease has always haunted totalitarian regimes, when what they really fear most is the healthy air of freedom and the natural aspirations of peoples everywhere for liberty. This is the epidemic that totalitarian regimes are most afraid of. When the desire for freedom flourishes in the heart of freedom-loving peoples, no mythical polio epidemic is going to stop them from leaving the pollution of Communist East Germany for the freedom of West Berlin.

This supposed epidemic, which is news to West German authorities, has been invoked by the Communist regime immediately after the month of July, in which over 30,000 people fled East Germany. This is the largest number since 1953, and I remind the Senate that 1953 was the year of the mass strike in Germany.

Two weeks ago marked the commemoration of Captive Nations Week. The sentiments that numerous Members of Congress, including myself, expressed at that time, have received a resounding vote of confidence from the American people, as reflected in a survey conducted by the dean of American pollsters, George Gallup. Seventy-five percent of the American people approve of U.N.-conducted elections in any country where people express a desire for such an election.

In stressing the rights of the peoples of Eastern Europe for self-determination, the West has a valid and inspiring issue. It is an issue of which Mr. Khrushchev is very much aware. It is a sore spot for him. The lack of self-determination is a scar on the hearts of freedom-loving people behind the Iron Curtain.

This is the real epidemic that communism is trying to control and I think it is time now for the present administration to take the lead and to consider actively the possibility of calling for U.N.-sponsored free elections. Mr. President, I ask unanimous consent that Mr. Gallup's article which appeared in the Washington Post this morning be printed following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GALLUP POLL—FREE ELECTIONS URGED FOR BERLIN, SATELLITES

(By George Gallup)

PRINCETON, N.J., July 31.—By urging "self-determination" for the peoples of Russia's satellite empire, President Kennedy could expect to win widespread support from the American people.

Such a course has been suggested as a possible U.S. counteroffensive in the Berlin dispute—one which would bring pressure on Khrushchev to practice in Eastern Europe what he so constantly preaches elsewhere, that the people themselves should decide the form of government they want.

Americans, in fact, feel that the fate of people behind the Iron Curtain is closely linked to the outcome of the Berlin crisis. Our withdrawal from the city, a great many feel, would virtually end all hope these people might have of winning their freedom.

In the case of Berlin itself, the public feels strongly enough about the right of all Berliners to a free election that a clear majority would go to war to back up this right.

The public's thinking about using self-determination as a "weapon" in the Berlin dispute is revealed in a Gallup poll "in depth" survey completed before the President's address to the Nation on the Berlin situation.

The public was asked several questions involved in the suggested use of self-determination. One of these—put to those familiar with the Berlin crisis—dealt with willingness to see that the Berliners themselves had this right:

"President Kennedy says it is the right of the people of Berlin, including Russian-controlled East Berlin, to decide for themselves through a free election what kind of government they want. Do you think the United States and its allies should back up this right, even if it means going to war?"

	Percent
Yes, should	61
No, should not	27
No opinion	12

The public was also asked:

"Would you approve or disapprove of a plan to have the United Nations conduct elections in any country where people expressed a desire for such an election to decide whether or not it wished to be completely independent?"

	Percent
Approve	75
Disapprove	12
No opinion	13

METRIC SYSTEM

Mrs. NEUBERGER. Mr. President, "give an inch and he'll take a mile," "I don't have an ounce of strength left," "all wool and a yard wide," "he's just half-pint size," are all colorful phrases employing the use of words of measurement. They are handy phrases to suggest general attitudes or conditions. Alas, for precise measurement of distance and volume, the inch, pound, and gallon system is hopelessly confusing and timewasting. A recent editorial in the Medford Mail Tribune, of Medford, Oreg., highlighted this confusion stemming from our present system of measurement and the benefits which would derive from the use of the metric system. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Medford (Oreg.) Mail Tribune, June 30, 1961]

METRIC SYSTEM

An uncle of ours, a retired engineer, visited here not long ago, and one of our conversations concerned the relative merits of the metric system, and the hodge-podge of weights and measures now in use in this country and England.

His orderly mind rebelled at the confusion caused by inches (and fractions thereof), 12 of which make a foot, of which, in turn, 3 make a yard, and 5,280 a mile.

Likewise with cups, pints, quarts, and gallons (standard and imperial); also with ounces, pounds, and tons.

And he pointed out how they are based on nothing rational, and are totally unrelated to each other in any meaningful way.

He would be pleased to see a headline in the Mail Tribune the other day. It said, "Metric System Proposed to Legislators."

Hearings on the proposal are now being held by a committee of Congress.

Under it, lengths and distances would be measured in centimeters and meters; weights in grams and kilograms; wet and dry bulk in liters and their decimal multiples.

The United States uses a decimal system for its coinage, but that's about all. And England, about the only other part of the civilized world which does not use the metric system, still has a nondecimal coinage (which, incidentally, is about as baffling as anything can be, with pennies, thri'penny bits, sixpences, shillings, crowns, pounds, and other monetary units—some of which are, believe it or not, purely imaginary).

A considerable resistance to such a proposal is predictable, not only out of sheer habit and inertia, coupled with the difficulty of becoming acquainted with a new system of weights and measures, but also because of the very considerable cost to which industry would be put in retooling to adopt the metric system.

On the other hand, however, there would be a remarkable increase in efficiency and in savings; most scientific research now uses metric measurements, and those who do business abroad would welcome it for uniformity's sake.

The ultimate advantages would far outweigh the initial problems and confusion.

WHEELS FOR MEALS

Mrs. NEUBERGER. Mr. President, one of the great strides forward in the progress of man was the genesis of the wheel. Now, I am happy to announce that because of another wheel, the American consumer may yet make some progress in being able to determine the price per unit of goods sold in our markets. A slide rule wheel has been developed to help the harassed shopper to figure the better buy when confronted with conflicting prices and sizes in the same item. An illustration of the unfortunate necessity for such a device appeared in Mr. Bill Gold's column in the Washington Post of July 28. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A GREAT INVENTION, THE WHEEL

(By Bill Gold)

Being a thoroughly domesticated husband, I often tag along when the lady at our house goes marketing. On this week's expedition, she shot a hostile glance at the tomatoes and the prices posted for them, and said: "I can see it's going to take me a while to select some decent produce. You can save time by picking up some of the staples on this list."

I said OK, and started off to get the items she had listed for me. "I didn't mark the size on the soap," she called after me. "You figure out the best buy—genius."

I smiled patronizingly. Women make such a big production out of a bit of simple arithmetic.

The "soap" she wanted wasn't really soap. It's what the Food and Drug people call a "detergent bar." Soap manufacturers have convinced our lawmakers that they deserve to be exempted from regulations that require other products to have a label that spells out weight or volume of the contents. But detergent bars are not considered soap, and so are not exempted. They have to tell all.

They do this by printing the contents in the smallest size type available, and by trying to place this information as near as possible to an edge of the package. If your eyes are sharp, you can just barely make out the fact that there are three and a fraction ounces in the small bar, and four and a fraction ounces in the large. If your eyes are very sharp, you might see 3½ and 4⅞. (The next day, under 20-power magnification, the fraction on the big bar looked like a "Y" over a solid dot. What I took to be an "8" is so tiny that the ink fills in the holes.)

The small bars were two for 27. The large bars were two for 39. Since I had no pencil I tried to figure the unit cost of each in my head. Try it yourself, if you think it's easy.

It took quite a while for me to figure out that it would cost more to buy the large economy size than the small bar. Naturally, I was thoroughly irritated by this kind of labeling and pricing, and said so when I got back to the produce department and an audience that would listen to me.

"What you need," said the top shopper of our household, "is one of those best-buy wheels they describe in this week's Newsweek. It's written up in the business and finance section."

When we got home, I looked it up. It said:

"A slide rule to help shoppers decide which size package—large or small—is the better buy per ounce has been devised by Best Buy Products Co. of Decatur, Ill. The shopper rotates the inner wheel on the dial chart (photo) to line up the price of the large item with its size in ounces, pounds or pints; then does the same for the small size package. The best buy shows up in a window on the chart, together with the percentage of cost saved by buying that size package. Price: $1.50."

I was pleased to find out about that best-buy wheel, but a bit disturbed to learn that my wife had been reading business and financial news. Do you suppose that as a result of shrewd marketing she's been knocking down enough out of her household budget to accumulate a nest egg? A nest egg big enough to be worth borrowing? I'd better look into this.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business (H.R. 7035) be laid before the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate resumed the consideration of the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

Mr. HILL obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from Montana.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. MANSFIELD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HILL. Madam President, the bill H.R. 7035, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes, as reported to the Senate by the Committee on Appropriations, totals $5,161,380,000, an increase of $833,923,000 over the amount of the bill as passed by the House, an increase of $172,963,669 over the appropriations for fiscal year 1961; and an increase of $157,248,919 over the budget estimates for fiscal year 1962. One-half of the total amount contained in the bill is for the programs administered by the Social Security Administration, $2.5 billion being for grants to States for public assistance.

For the Department of Labor the committee recommends a total of $679,829,000, an increase of $396,716,000 over the House allowance, but a reduction of $103,013,000 from the budget estimates. The substantial increase over the House allowance is attributable to supplemental estimates presented to the Senate after passage of the bill by the House, totaling $497,700,000, $490 million of which was requested for the additional funding of requirements for the payment of benefits under the Temporary Extended Unemployment Compensation Act of 1961, approved March 24, 1961. The committee recommends $390 million for these benefit payments, a reduction of $100 million, for a total of $890 million provided for such payments contrasted to the original estimate of needs of $990 million, reached in the early months of this calendar year when insured unemployment was at an alltime high of 3.3 million. Today the insured unemployment is around 2 million and the committee's recommended reduction under the amount sought is predicated upon this evidence of improved economic conditions.

Also included among the supplemental estimates were requests for $7,200,000 to finance the discharge of the Department's new responsibilities arising from the passage of the Fair Labor Standards Amendments of 1961, approved May 5, 1961, for which the committee recommends $6,150,000, a reduction of $1,050,000 from the estimates.

For the Department of Health, Education, and Welfare the committee recommends a total of $4,455,365,000, an increase of $435,231,000 over the House allowance, and an increase of $260,528,919 over the budget estimates. A substantial part, $217,842,000, of the increase over the House allowance is attributable to the approval of supplemental estimates, not considered by the other body, for grants to States for public assistance.

The committee recommends a reduction of $1,580,000 from the House allowance for the Food and Drug Administration. As indicated in the committee report on the bill, while we are cognizant of the responsibilities devolving upon the agency to protect the food and drug supplies in the several ways required by law, the committee did not wish to endorse the administration of the programs as observed recently, by approving the budget estimate in its entirety.

For the Office of Education the committee has allowed the full budget estimate for six of the nine items. We added $3,775,000 for land-grant-college aid to the State of Hawaii to give the full authorization of $6 million, $2,225,000 having been appropriated last year. For the defense educational activities the committee has approved restoration of the sums sought by the Department and restoration was made of

the reduction of $500,000 in the administrative funds of the agency. The committee has reduced the House allowance for cooperative research by $1,500,000 from the House allowance, but has still allowed an increase of $643,000 over the 1961 appropriation. This action was taken after the committee was unable to determine to its satisfaction what projects of real value had been undertaken and completed in the past 4 years.

For the Office of Vocational Rehabilitation the committee recommends a total of $88,397,000, an increase of $1 million over the House allowance and $13,878,000 more than the 1961 appropriation, but a reduction of $24,050,000 from the budget estimate. The programs of the agency will not be adversely affected by the reduction, as the estimate contemplated excess funds in the amount of the committee reduction. By substituting an allotment base in excess of the appropriation the same results will be achieved.

The bill includes an allowance of $1 million for the establishment of special centers for research and training in rehabilitation, with an affiliation with medical schools with strong programs in rehabilitation research and training. It is contemplated that two such centers will be established this fiscal year. The committee added $1 million for research and demonstrations, to provide for an accelerated program in developing new methods and techniques for rehabilitation of the severely disabled.

For the Public Health Service the committee recommends a total of $1,333,661,000, an increase of $210,481,000 over the House allowance and an increase of $280,385,000 over the budget estimates.

The principal increases for the Public Health Service are for grants to States for hospital construction, $25 million, and for the National Institutes of Health, $194,670,000.

The additional sums recommended for the Hill-Burton program would restore funds for part C, the original program, to the full authorization, $150 million, the amount allowed in each of the last 3 fiscal years. The need exists for additional general hospital beds, and the States are prepared to proceed at the rate at which they have been operating for 3 years; in fact, they are prepared to initiate construction of more than 40,000 general hospital beds, the Federal share of which would be in excess of $400 million.

The bill provides an increase of $194,670,000 over the House allowance for the National Institutes of Health. This increase is firmly based on extensive testimony by eminent scientists and other witnesses well qualified to judge our national research needs and to assess the opportunities for progress that lie before us in the field of medical research.

The appropriation which the committee recommends for the NIH is substantial. It is also realistic. Although it does not provide for as rapid an expansion of our medical research effort as many sincere and persuasive witnesses have urged on the committee, it will permit the orderly expansion of the important research programs, allow the extension of the research effort to some hitherto neglected areas, and carry forward the programs—which the Senate launched 2 years ago—to build up in this country a broad and solid base of research facilities for the future.

Medical research is necessarily a slow and complex process requiring a long leadtime between the initiation of new programs and the emergence of results that may be safely applied to human beings. Each step of a piece of work on which a life may one day depend must be taken with the greatest care. A sound research-support program must make adequate provision for extensive laboratory investigation, protracted animal studies, and, finally, cautious and closely watched trials on actual patients. The discoveries, the new cures, the more effective preventive measures which will be developed 5, or even 10, years hence are directly dependent on the extent to which we make support for medical research available today.

Medical research in this country has expanded rapidly in scope and deepened in quality, during the past decade, largely as the result of the unstinting support given it by the Congress and, especially, by the Senate. It has made progress of which we can all be proud. I am certain that the American people want no armistice or letup in the vigorous battle which our scientists are fighting against the diseases and disabilities that constantly threaten each of us. To keep up the attack and to permit the hot pursuit of every promising research lead requires that we continue to make a substantial investment in the future health of our people.

Such an investment is, of course, only justified if the Congress can be confident that it will be productive. For this reason the committee has taken particular pains to inquire deeply, during the hearings on this bill, into the recent accomplishments of medical research. The record is, indeed, impressive and most encouraging. The evidence left no room for doubt that our rising investment in medical research during the past few years is already paying substantial dividends.

I shall only cite a few random examples from the many accomplishments of which the committee learned during the hearings. The testimony fills more than 500 pages. I wish that every Member of the Senate would take time to read what is now being done to hasten the day when—as one of the witnesses put it:

> Medicine, as it is necessarily practiced today, will look as primitive as the bloodletting of a century ago looks to us.

The growing refinement of therapeutic devices and the ingenuity of medical scientists is well illustrated by a small machine—no larger than a package of cigarettes—that was shown to the committee, capable of stimulating and regulating the heartbeat of patients suffering from complete heartblock. This compact device, using transistors and a tiny mercury battery, can be carried in the patient's pocket and, through electrodes inserted under his skin, will trigger his heart which would otherwise have stopped. If he wants to run up stairs, he can adjust a dial and step up his heartbeat; when he wants to go to sleep, he can slow it down.

With the collaboration of surgeons at the National Heart Institute, there has also been developed a more efficient, electrically controlled, artificial heart pump which is used during heart operations when the heart itself must be stopped.

The field of cardiovascular surgery is, in fact, an excellent example of what can be accomplished by a vigorous research program. Every day lives are being saved and stricken patients returned to useful activity in their businesses and homes with the aid of techniques unknown a few years ago. For example, an operation was developed at NIH to seal a rupture of the great trunk artery that carries blood from the heart—a catastrophe which used to be fatal—with a plug shaped like a golf tee. Insufficient coronary circulation—a seriously crippling condition—can now be improved by surgery which rearranges the arterial connections to the heart in a way to stimulate the formation of new blood vessels. Damaged arteries can be replaced by plastic tubing. New techniques have made it safer to remove atherosclerotic deposits, clots, and other obstructions from small arteries, and such a dreadfully painful disease as angina pectoris can now be relieved, in some cases, by stripping the plugged-up lining from arteries. Diagnosis has been greatly improved by techniques which make it possible to X-ray coronary arteries and to detect congenital heart disease with a tiny microphone inserted in the heart. An emergency technique—suitable for use by lay as well as professional people—has also been developed for restoring blood flow in patients with cardiac arrest through closed-chest cardiac massage.

News of progress in the fight against cancer has been more encouraging during the past year than at any time during the last quarter of a century. Apparent cures have been achieved for nearly half of a group of women treated at the NIH Clinical Center for far advanced cases of a rare but highly-malignant form of cancer; a number of children with malignant tumors of the kidney have been restored to health; there have been longer survival rates for women with breast cancer and for children with a previously fatal cancer of the eye.

There has been continued progress in the nationwide cancer chemotherapy program which screens nearly 50,000 drugs a year in the search for effective anticancer agents. It has already turned up more than 120 which seem worthy of serious clinical investigation.

A similar broad-scale program has recently been launched by the National Cancer Institute to accelerate research into the relationship between viruses and cancer. On the basis of animal studies, this appears to be an extremely promising field of research and the committee has reason to hope that there may be some highly significant developments in the near future.

Virus research in other fields, such as acute respiratory disease, looks equally promising and is being vigorously pursued.

Drug developments are too numerous to describe in detail. There have been notable advances—in many cases suitable for immediate application in ordinary medical practice—in the use of drugs to correct, prevent or alleviate parasitic infections—such as malaria and sleeping sickness—systemic fungus infections, hypertension, muscular diseases, bronchitis, extremely severe pain, and some forms of arthritis—such as gout. The relatively new field of psychopharmacology is also developing rapidly and psychoactive drugs are already responsible for a significant reduction in the number of mental patients who need to be hospitalized.

A notable achievement of the past year was the successful trial of the first experimental vaccine effective against measles. Although usually a mild disease, measles can cause complications including pneumonia, impairment of hearing and sight, and brain damage and, in recent years, had been responsible for more deaths in children than poliomyelitis.

The prospect that it may also soon be possible to prevent tooth decay by means of drugs or, perhaps, even by a vaccine has been raised by some historic work with germ-free animals at the National Institute for Dental Research which seems to indicate that a specific organism may be the cause of dental caries.

Great strides are being made in the development of more accurate, more certain and faster diagnostic techniques. High-energy radiation sources developed by nuclear physicists have been adapted to medical diagnosis, radioactive gas is being used to detect abnormal openings in the heart, congenital heart disease is being identified before birth by fetal electrocardiograms, electronic equipment developed at NIH permits the detection and precise location of brain tumors without opening the skull, there have been significant improvements in cytology techniques for the identification of cancers, and a variety of other ingenious laboratory tests have been developed.

Progress has been such that greater attention must be given to making research results more widely and more quickly available to practicing physicians. The need for such a program is particularly acute in respect of chronic neurological and sensory disorders. Much can now be done to control epilepsy, to forestall mental retardation and cerebral palsy, to reduce the toll of strokes, to restore hearing to the deaf, to prevent blindness, and to alleviate disabling migraine headaches which cause more disability than the common cold. But the treatments for these conditions require rigid supervision and the special skills of scarce professional staff.

The appropriation for the National Institute of Neurological Diseases and Blindness therefore includes $4.2 million for a new program of professional and technical assistance to State and local health agencies and other public and private health organizations to further the applications of research findings in these areas.

The list of positive achievements is long but the list of unidentified diseases, unknown causes, and undiscovered cures is very much longer. For two or three centuries, while the physical sciences were rapidly developed, the biological sciences were relatively neglected with the result that the physicist, the industrial chemist or the engineer today has a much broader and more precise knowledge to bring to bear on the problems with which he must deal than the physician, to whom we turn when illness overtakes us. It is an odd—and, to me, disturbing—fact that we know more about the structure of the atom than the structure of the brain, more about making plastics than about curing the common cold, and more about building a radiotelescope than about preventing blindness.

Major practical developments in the physical sciences have almost always been preceded by major achievements in basic research aimed at the understanding of fundamental principles rather than the solution of specific problems. In the same way, major breakthroughs in our ability to deal with disease await a better understanding of the fundamental life processes.

It is difficult for someone who is not a scientist to describe—or even to understand—the important work which is being done in basic biological research. But it is not at all difficult for a layman to understand that it will, in the long run, make a greater contribution to and have a more profound effect on the practice of medicine than the empirical experimentation on which we must now rely to such a large extent. The committee was therefore very much encouraged to hear of the progress being made in the basic biological sciences. Advances in the study of genetics point to the possibility that we may some day be able to alter or control undesirable inherited characteristics including susceptibility to certain diseases. Better understanding of metabolic processes had already found application in dietary therapy to prevent a form of mental retardation which can develop in certain infants with a congenital metabolic deficiency. The complex field of body chemistry—in which knowledge is still so fragmentary—clearly holds the key to the prevention and the cure of a range of diseases the extent of which we can now only guess.

Basic research in the biomedical sciences merits increasing support and the bill therefore makes substantial provision for work in this area.

New opportunities for the application of the principles and the techniques developed by physicists, mathematicians, and engineers to the study of biological problems are increasingly presenting themselves. Such work requires specialized and frequently highly complex instruments and facilities not normally available in medical research institutions. To meet this and similar needs for specialized research facilities, the bill provided $5 million for a new program for the support of special resource centers in which research using specialized techniques may be effectively pursued.

The extension of the research center concept into this important and rapidly developing area fits into the changing pattern of Federal support for medical research. We have reached a stage in the development of the Nation's medical research at which the traditional and highly productive individual research project grants must be paralleled by the development of a wide range of research facilities through center grants and health research facilities construction grants; by the support of institutional research efforts through broad program grants and the new general research support grants authorized last year in Public Law 86-798; and by the creation of stable research careers through the new research career awards program. Only a closely integrated program dealing effectively with all the major facets of the Nation's research effort can insure rapid and sustained progress by making possible broad and simultaneous attacks on basic biological puzzles and specific disease problems.

Better facilities and increased research support will be of little value unless adequate and suitably trained manpower is available to conduct the research and to apply its findings to the care of patients and the maintenance of the public health. The committee has therefore recommended increases for most of the training programs and has instructed NIH to prepare a full report on long-range manpower needs and to make specific recommendations for the future development of the training programs.

The committee is compelled to recommend the deletion of two construction items inserted by the House. One of these would continue for a second year a $5 million item for unmatched construction grants to which the committee took grave exception last year. The Senate conferees reluctantly acceded to its inclusion only on the understanding that this was a 1-year program and that there would be no further circumvention of matching provision of the Health Research Facilities Construction Act. The committee agrees the dollar-for-dollar matching requirement of this act may be too rigid to meet all the essential institutional needs for research facilities but it believes that any modification of the existing program should be considered in connection with the legislation now pending before the Congress for the renewal of this act. It is the view of the committee that no special or supplementary action should be taken through the appropriation process in advance of congressional action on the substantive legislation.

The second item which the committee recommends be deleted is a $10 million appropriation for nonmatching grants for research in the construction of hospitals. The committee recognizes the need for such research but feels that it falls outside the scope of the NIH research activities. This proposal should properly be considered in connection with pending legislation to amend the hospital construction provisions of the Hill-Burton Act.

For the Social Security Administration the committee recommends $2,582,498,000, an increase of $221,055,000 over the House allowance, and $1,971,000 over

the budget estimates. The increase over the House allowance includes $215,400,000, the full supplemental estimate, not considered by the House, for grants to States for public assistance, principally to finance the Federal requirements arising from the passage of the bill providing aid to dependent children of unemployed parents, approved May 8, 1961. There is also included $2 million additional for grants to States for maternal and child welfare, to allow the full amount authorized, $25 million, for maternal and child health services.

The committee also recommends $2 million for grants for training public welfare personnel under the authorization contained in the bill for aid to dependent children of unemployed parents which amended section 705 of the Social Security Act to provide such grants with no financial participation on the part of States, the old law having limited the Federal contribution to 80 percent of the total cost.

The committee has included two small items of increase for Gallaudet College here in the Nation's Capital, the only college for the deaf in the world. The committee added $56,000 to permit the college to adjust faculty salaries to bring them more nearly in line with comparable salaries paid in other schools, and $474,000 for construction needs.

For the National Labor Relations Board the committee restored $400,000 of the $667,000 reduction made by the House, and approved in its entirety the supplemental estimate, not considered by the House, for $1,376,000 to permit the Board to handle more expeditiously the rising workload.

Madam President, I ask unanimous consent that the amendments of the committee be agreed to en bloc, and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 7, after the figures "$5,000", to strike out "$1,711,000" and insert "$1,811,000".

On page 2, line 17, after the word "affairs", to strike out "$444,000" and insert "$510,000".

On page 2, line 21, to strike out "$3,616,000" and insert "$4,116,000".

On page 3, line 11, after "(63 Stat. 409)", to strike out "$3,208,000" and insert "$3,258,000".

On page 4, line 15, after the word "than", to strike out $9,600,000" and insert "$10,500,000".

On page 6, line 7, after the word "than", to strike out "$391,700,000" and insert "$406,700,000".

On page 8, after line 15, to insert:

"PAYMENT TO THE FEDERAL EXTENDED COMPENSATION ACCOUNT

"For payment into the Federal extended compensation account of the unemployment trust fund, as repayable advances, as authorized by section 13 of the Temporary Extended Unemployment Compensation Act of 1961, $390,000,000, to remain available only until September 30, 1962."

On page 12, line 13, after the word "rendered", to strike out "$12,167,000" and insert "$12,667,000".

On page 12, line 17, after the word "Index", to strike out "including not to exceed $50,000 for temporary employees at rates to be fixed by the Secretary of Labor (but not to exceed a rate equivalent to the lowest rate for general schedule grade 9) without regard to the civil service laws and Classification Act of 1949, as amended," and in line 22, after the figures "$2,100,000", to insert "to remain available until June 30, 1963."

On page 13, line 15, after the word "rendered", to strike out "$12,261,000" and insert "$17,761,000".

On page 14, line 12, after the word "operations", to strike out "$23,580,000" and insert "$22,000,000".

On page 17, after line 12, to insert:

"LAND-GRANT COLLEGE AID

"For an additional payment to the State of Hawaii, as authorized by section 14(e) of the Hawaii Omnibus Act (Public Law 86-624, approved July 12, 1960), $3,775,000."

On page 18, at the beginning of line 18, to strike out "$210,857,000" and insert "$211,707,000".

On page 19, line 10, after the word "source", to insert a colon and the following additional proviso: *"Provided further,* That no part of this appropriation shall be available for graduate fellowships awarded initially under the provisions of the Act after the date of enactment of the Department of Health, Education, and Welfare Appropriation Act, 1962, which are not found by the Commissioner of Education to be consistent with the purpose of the Act as stated in section 101 thereof."

On page 20, line 2, after the word "purpose", to strike out "during" and insert "for".

On page 20, line 17, after the word "slides", to strike out "$11,364,000" and insert "$11,864,000", and in the same line, after the amendment just above stated, to strike out the comma and "of which not less than $550,000 shall be available for the Division of Vocational Education as authorized."

On page 20, line 23, after "(20 U.S.C. 331-332)", to strike out "$5,500,000" and insert "$4,000,000".

On page 22, line 9, after the word "Act", to strike out "$19,250,000" and insert "$20,250,000".

On page 24, line 5, after the word "annum", to insert a colon and the following proviso: *"Provided,* That subsection (g) of section 208 of the Public Health Service Act, as amended (42 U.S.C. 210(g)), is amended by striking out '$19,000', and inserting in lieu thereof '$25,000'."

On page 24, line 19, after the word "prevention", to strike out "$3,368,000" and insert "$3,618,000".

On page 25, line 10, after the word "aircraft", to strike out "$9,778,000" and insert "$10,028,000".

On page 25, line 20, after the figures "$6,493,000", to insert "of which $500,000 shall be available for grants of money, services, supplies and equipment to States, and with the approval of the respective State health authority, to counties, health districts and other political subdivisions of the States for the control of tuberculosis in such amounts and upon such terms and conditions as the Surgeon General may determine, and", and on page 26, line 2, after the word "than", to strike out "$4,000,000" and insert "$3,500,000".

On page 26, line 20, after the word "determine", to strike out "$5,815,000" and insert "$6,090,000".

On page 27, line 3, after the word "Research", to strike out "$2,182,000" and insert "$2,500,000".

On page 27, line 12, after the word "amended", to strike out "$187,972,000" and insert "$212,972,000", and in the same line, after the word "which", to strike out "$125,000,000" and insert "$150,000,000".

On page 28, line 3, after the word "necessary", to strike out "for grants for research projects under" and insert "to carry out the purposes of", and in line 9, after the word "aircraft", to strike out "$8,600,000" and insert "$8,900,000".

On page 29, line 2, after "301", to strike out "and 311 of the Act, and for expenses necessary for demonstrations and training personnel for State and local health work under section 314(c)" and insert "311, and 314(c)", and in line 9, after the word "aircraft", to strike out "$9,147,000" and insert "$10,647,000".

On page 29, line 22, after the figures "$50,000,000", to insert a colon and *"Provided,* That allotments under such section 6 for the current fiscal year shall be made on the basis of $80,000,000."

On page 32, at the beginning of line 1, to strike out "$5,350,000" and insert "$6,084,000, of which $734,000 shall be available for construction of wharf facilities at the Rosebank Quarantine Station."

On page 32, line 12, after the word "research", to strike out "$119,275,000" and insert "$140,000,000".

On page 33, at the beginning of line 10, to strike out "$125,672,000" and insert "$160,000,000".

On page 33, line 18, after the word "diseases", to strike out "$92,182,000" and insert "$125,570,000".

On page 33, line 22, after the word "Act", to strike out "$105,723,000" and insert "$160,100,000, of which $1,000,000, to remain available until December 31, 1962, shall be available for plans and specifications for a gerontological research building and appurtenant facilities."

On page 34, line 6, after the word "conditions", to strike out "$14,681,000" and insert "$20,000,000".

On page 34, line 11, to strike out "$73,661,000" and insert "$90,000,000".

On page 34, line 15, after the word "diseases", to strike out "$52,182,000" and insert "$60,000,000", and in line 18, after the word "Laboratory", to insert "and of which $750,000 shall be available for modernization, including renovation and alterations, planning and construction, of the Rocky Mountain Laboratory, Hamilton, Montana."

On page 35, line 3, after the word "blindness", to insert a semicolon and "to cooperate with State health agencies, and other public and private nonprofit institutions, in the prevention, control, and eradication of neurological and sensory diseases and blindness by providing for consultative services, training, demonstrations, and other control activities, directly and through grants-in-aid,", and in line 9, after the amendment just above stated, to strike out "$57,624,000" and insert "$80,000,000".

On page 35, after line 9, to insert:

"NATIONAL INSTITUTES OF HEALTH MANAGEMENT FUND

"The paragraph under this head in the Department of Health, Education, and Welfare Appropriation Act, 1958 (71 Stat. 220) is amended by striking out the words 'cost of such operation' in the second sentence of such paragraph, and inserting in lieu thereof 'reasonable value of the meals served'."

On page 35, after line 16, to strike out:

"GRANTS FOR CANCER RESEARCH FACILITIES

"For making grants, as authorized by section 433(a) of the Act, for the construction of cancer research facilities, $5,000,000."

At the top of page 36, to strike out:

"GRANTS FOR HOSPITAL RESEARCH FACILITIES

"For making grants, as authorized by section 433(a) of the Act, for the construction of hospital research facilities, $10,000,000: *Provided,* That none of these funds shall be

used to pay in excess of two-thirds of the cost of such facilities."

On page 36, at the beginning of line 21, to strike out "$8,000,000" and insert "$10,084,000".

On page 37, line 21, after the word "methods", to strike out "$5,275,000" and insert "$5,375,000".

On page 39, line 3, after the word "amended", to strike out the colon and "*Provided further*, That not to exceed $320,000 shall be available" and insert "and".

On page 39, line 19, after the word "fund", to strike out the colon and "*Provided*, That the advances made pursuant to this paragraph shall not exceed the sums advanced for the same purposes for the first quarter of the current year".

On page 40, line 4, after "XIV", to strike out "$2,285,800,000" and insert "$2,501,200,000".

On page 40, after line 7, to insert:

"GRANTS FOR TRAINING OF PUBLIC WELFARE PERSONNEL

"For grants to States for increasing the number of trained public welfare personnel available for work in the public assistance programs, as authorized by section 705 of the Social Security Act, as amended, $2,000,000."

On page 40, line 23, after the word "Assistance", to strike out "$3,221,000" and insert "$3,663,000".

On page 42, line 1, after "74 Stat. 995–997", to strike out "$67,100,000" and insert "$69,100,000", and at the beginning of line 3, to strike out "$23,000,000" and insert "$25,000,000".

On page 43, at the beginning of line 4, to strike out "$1,000,000" and insert "$2,213,000".

On page 44, line 16, after "(Public Law 420)", to strike out "$1,200,000" and insert "$1,256,000".

On page 45, line 3, after the word "services", to strike out "$127,000" and insert "$601,000".

On page 46, line 14, after the word "Administration", to strike out "$3,225,000" and insert "$3,345,000".

On page 48, after line 2, to strike out:

"SEC. 204. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such project in excess of 15 per centum of the direct costs."

On page 48, at the beginning of line 8, to change the section number from "205" to "204".

On page 48, at the beginning of line 13, to change the section number from "206" to "205".

On page 49, line 7, after the word "laws", to strike out "$18,213,000" and insert "$19,989,000".

On page 50, line 11, after "(45 U.S.C. 160)", to strike out "$1,604,000" and insert "$1,804,000".

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PROXMIRE. Madam President, will the Senator yield?

Mr. HILL. I yield.

Mr. PROXMIRE. Along with other Senators, I have the greatest regard for the distinguished Senator from Alabama. He is recognized throughout the Nation as an outstanding expert in the fields of health, welfare, and education. I know that the Senator from Alabama will recognize that in my questioning I indicate only the greatest respect and regard for him.

I am somewhat puzzled by the bill, because in the committee report I find that in some cases there are a series of enormous increases in the budget requests, at least proportionately. I and my staff have gone over the hearings as carefully as we could. We have had great difficulty in finding precise justifications for the increases. In some cases we can find them, but in other cases it is difficult.

For example, for general research and services, in the division of general medical sciences—and this refers, I believe, to pages 30 to 32 in the committee report, and page 32, in line 12, in the bill—there is the following recapitulation. In 1961 the appropriation was $76,695,000. The 1962 budget estimate is $95,341,000, or an increase of about 25 percent. The committee goes up to $140 million.

I notice that there are several programs which are listed, including support of general clinical research centers. It is suggested that this be increased to $30 million.

I cannot find anything in the committee report specifically justifying this. There is also recommended an increase of $7 million for training grants, and $2½ million for fellowships. I cannot find any hard figures in the report to account for these enormous increases, of about 50 percent, over what the appropriation was for 1961. I wonder if the chairman of the committee could indicate how the committee arrived at their figure of $140 million.

Mr. HILL. Some very outstanding and distinguished scientists and doctors appeared before the committee, who testified on this item. If the Senator from Wisconsin had had the opportunity of hearing that testimony he would realize that there should be an increase in this appropriation. We are dealing here with the very basis, the very foundation stone, of biological science.

For example, if the Senator will look at the testimony of Dr. Philip Handler, who is one of the most distinguished scientists in the country, and also a professor at Duke University——

Mr. PROXMIRE. At what page of the hearings does that testimony appear?

Mr. HILL. At page 1267. He is chairman of the department of biochemistry at Duke University and, as I say, one of the most distinguished scientists in the country. The Senator will notice, at page 1268, Dr. Handler gives the nature of this basic work. They are trying to ascertain certain facts:

How does a nerve transmit its impulse?

How does the brain integrate the nervous impulses which come to it and treat them as information?

What is memory? What is learning?

Exactly how does the action current transmitted down a nerve induce contraction of a muscle?

Exactly what is it that happens in a muscle so that it contracts?

By what mechanisms does the kidney guard the composition of the blood plasma?

What is the nature of the reaction between an antibody and an antigen?

This is very basic. It has to do with the chemistry of the body, sometimes called the metabolism of the body.

Mr. PROXMIRE. I know that this is enormously important, and I know there has been some superb work done already. My position is that the Kennedy administration is very deeply concerned with the problems of health. The President himself was formerly a distinguished member of the Committee on Labor and Public Welfare. Secretary Ribicoff is a man who has had deep concern with this problem. Their budget request was for $95 million, which is a big increase, a very substantial increase. They must have recognized the importance of this kind of work. I am sure they did and do. What I am trying to get from the chairman is the reason why the committee chose to grant an increase from $95 million, itself a big jump up to $140 million, by such an enormous amount in this particular area. Where are the differences between the budget requests and the committee requests?

Mr. HILL. The Budget, of course, did not have the testimony before it that the Subcommittee on Appropriations had. We sat for days and hours and listened to the testimony. It was brought home to us, as it has been in the past, but particularly this year, how very important basic research is; how necessary it is if we are to understand what might be called the mechanisms, the operations, and the metabolism of the human body. It is necessary to have basic research. When it is done, then, in my opinion, we will have made a great step forward toward a breakthrough in the battle against the terrible diseases.

Mr. PROXMIRE. I agree that the testimony is most excellent; but my staff and I searched as carefully as we could to try to get some hard figures to justify the increase. Why is the increase $45 million instead of $5 million or $500,000 or $10 million? The committee rounds the total out to a nice even figure of $140 million. I am wondering why the amount was made so high. What specific evidence was given to the committee to indicate that certain grants should be made or certain studies should be made, which would cost the specific amount justifying an increase of this enormous size?

Mr. HILL. If the Senator from Wisconsin will read carefully the testimony of Dr. Handler, which is followed by the testimony of Dr. Thomas, I think he will find the reason for the figures which have been incorporated in the bill. The fact is that we do not allow the full amount which was requested. We have provided some $16,150,000 below the amount as recommended by Dr. Handler, Dr. Thomas, and the other distinguished doctors and scientists; but we have allowed an increase which we thought was necessary and vital at this time to carry forward this important work.

Mr. PROXMIRE. I am trying to find in the hearings or in the committee report the precise amount which would be spent on additional programs over the budget estimate. I should like to know exactly where the money will go, and the justification for this kind of increase.

Mr. HILL. I will give the Senator a breakdown as to where the money will go. There are research grants, which break down into institutional grants, such as might be made to the University of Wisconsin.

There is a small amount for international medical research. I am certain the Senator is familiar with how much in the way of knowledge we have acquired from other nations.

Then there is a grant for special resource centers. I may say that that project will deal to a great extent with what might be called instrumentation. For instance, one of the most fascinating and, I should say, challenging results of this research, has been what we call transistorized pacemakers. These instruments stimulate and study the rhythm of the heart. When a patient has a heart block, he can use a pacemaker. Climbing stairs puts more strain on the heart. He can step up the pacemaker to give him a little more heart stimulation. As a result of the benefits of the pacemaker, people who might be dead now from a heart block are still alive. The pacemaker not only stimulates the heartbeat, but stabilizes it. The pacemaker tends to strengthen the heart to the point where the blockage, in time, will disappear.

Then there is the item of clinical research centers. They are centered or located at medical schools such as that of the University of Wisconsin, where not only heart specialists are working on these problems, but specialists in other fields of medicine, as well, including gastroenterologists, neurologists, internists, surgeons, and biochemists. There is much teamwork in that center.

Then there is a provision for grants for general research. A grant might be made for a particular study at, we will say, the University of Wisconsin. The reason I mention the University of Wisconsin is not only because the distinguished Senator is from Wisconsin, but because I know of some of the outstanding work which has been done at the University of Wisconsin.

There is also the fellowship program, a program which is most important. If it is expected to continue the research work and carry on the battle against the great diseases, it is necessary to have more and more trained specialists. It has been only in very recent years that an increasing number of persons have been trained for research work. Fellowships are awarded to doctors who are interested in science, who want to enter the field of research. The fellowships help them to get the training which they must have, just as it is necessary to have training programs for younger men, those who have not become so far advanced as those who receive fellowships. This is not a single-shot program. There are many different facets and phases in the program.

Mr. PROXMIRE. On page 1283 of the hearings is a list or a table showing a breakdown of requests given in the same way as the chairman has so eloquently described the various programs. Will the Senator from Alabama state whether the budget request recommendation, which seems to total $153 million, constitutes the amount of the request which was originally made by the National Institutes of Health, "General research and services," and so forth?

Mr. HILL. No; we do not say that at all. It must be remembered that the procedure is for the Government agency to make its request of the Bureau of the Budget, and it is within, perhaps, a ceiling which the Budget has already set for the agency. The agency then is inhibited from going over the budget. It cannot ask for more than the ceiling which has been placed on it by the Bureau of the Budget. Even where the agency may and does ask for more money, the Budget may deny that request. It may deny the increase.

Mr. PROXMIRE. I wish to discuss some hard figures. I think the table gives the basis for them. In the first place, will the Senator give the detailed estimate for regular project grants, and then the figure for the committee recommendations?

Mr. HILL. The budget estimate was $53,324,000. That is for research grants and study.

Mr. PROXMIRE. What was the committee's recommendation?

Mr. HILL. The committee's recommendation was $87,100,000. In that connection, the House has already increased the funds. The House allowance was $76,835,000, and the Senate committee figure, as now carried, is $87,100,000.

Mr. PROXMIRE. The next figure is for international research.

Mr. HILL. That amount is $500,000.

Mr. PROXMIRE. Is the amount of the budget estimate the same as the committee recommendation?

Mr. HILL. It is the same. If the Senator will examine the table, he will see that it is the same.

Mr. PROXMIRE. I cannot find the table.

Mr. HILL. I do not believe the table is broken down quite like this, but the amounts are the same.

Mr. PROXMIRE. Is there any change in the amount for scientific evaluation?

Mr. HILL. There is no change in that item.

Mr. PROXMIRE. What does that amount to—$848,000?

Mr. HILL. I do not have that figure broken down in the table, but I can say there was no change in the amount.

Mr. PROXMIRE. The next item is clinical centers.

Mr. HILL. For clinical centers, we have provided $5 million.

Mr. PROXMIRE. The budget estimate is $5 million. What was the committee's recommendation?

Mr. HILL. Is the Senator speaking now of clinical research centers?

Mr. PROXMIRE. Yes.

Mr. HILL. The committee recommended $13,500,000.

Mr. PROXMIRE. An increase of about 150 percent?

Mr. HILL. No; the House increased the amount $27,500,000; the Senate increased it to only $30 million. The big increase was on the part of the House.

Mr. PROXMIRE. The budget estimate was $5 million; the Senate figure is $13 million?

Mr. HILL. No; the budget estimate was $13,500,000.

Mr. PROXMIRE. That was for clinical centers?

Mr. HILL. That is correct.

Mr. PROXMIRE. What did the Senate committee recommend?

Mr. HILL. The House voted $27,500,000. The Senate committee recommends $30 million.

Mr. PROXMIRE. The next one is institutional grants.

Mr. HILL. The estimate was $1,924,000. The House voted $2,184,000. The Senate committee recommends $2,648,000.

Mr. PROXMIRE. And the special resources centers?

Mr. HILL. There was no budget estimate on that item. The House voted $5 million for it, and the Senate committee concurred in the action of the House. That item was put in by the House and the Senate concurred in it.

Mr. PROXMIRE. What are the figures for just the fellowships alone?

Mr. HILL. The budget estimate for fellowships alone was $10,100,000. The House increased it to $10,290,000, and the Senate committee voted $12,850,000.

Mr. PROXMIRE. Then the training grants are next?

Mr. HILL. Yes. The budget estimate for training grants was $26,500,000. The House voted that amount. The Senate committee voted $33,500,000.

Mr. PROXMIRE. So to recapitulate, the Senate committee increased the regular research project items from $53 million to about $87 million, and increased the clinical center items from $13,500,000 to $30 million—an increase of about 150 percent over the budget estimates.

Mr. HILL. The research items were increased to $76,835,000——

Mr. PROXMIRE. That is a correction from the first figure I received, then, is it?

Mr. HILL. No.

Mr. PROXMIRE. I am talking now about the regular project grants.

Mr. HILL. I believe the Senator from Wisconsin did not have the House figure of $76,835,000.

Mr. PROXMIRE. All I wanted was the Senate committee figure.

Mr. HILL. The Senate committee figure was $87,100,000.

Mr. PROXMIRE. Yes. So the Senate committee voted to increase the regular project grants from $53 million to $87 million, or an increase of $34 million, or an increase of approximately 65 percent, in 1 year.

Mr. HILL. But the House increased it to $76,835,000.

Mr. PROXMIRE. I understand that. But for the purposes of this colloquy, I am concerned now with what the budget estimate was, what the Kennedy administration requested, and what the Senate committee voted.

For the clinical centers, the budget request was $13,500,000, and the Senate committee voted to increase that by well over 100 percent, to $30 million; is that correct?

Mr. HILL. The House voted the large increase—from $13,500,000 to $27,500,000. The Senate committee voted to increase the $27,500,000 to $30 million.

Mr. PROXMIRE. In other words, the House doubled it, and the Senate committee added another $2,500,000. Is that correct?

Mr. HILL. That is correct.

Mr. PROXMIRE. On the institutional grants, the administration requested $1,924,000, or about $2 million; and the Senate committee voted to increase it to $2,648,000, or about 30 percent more than the budget estimate;

and the House did almost likewise; is that correct?

Mr. HILL. The House increased it to $2,184,000, and the Senate committee added almost $500,000 to that amount.

Mr. PROXMIRE. On fellowships, the budget request was $10 million, and the Senate committee voted to increase it to $12,850,000, or an increase of about 28 percent; is that correct?

Mr. HILL. The budget estimate was $10,100,000; the House voted $10,290,000; and the Senate committee voted $12,850,000.

Mr. PROXMIRE. On training grants there was an increase from $26,500,000, which the House voted, to $33,500,000; is that correct?

Mr. HILL. Yes.

Mr. PROXMIRE. So that was an increase of about 20 or 25 percent.

If the Senator from Alabama would permit, would not it be proper and fair to classify these increases as very, very large, percentagewise, in 1 year—recognizing that the Kennedy administration requested increases of about 25 percent, to begin with, from the amounts of the appropriations for 1961?

For these particular services in 1961, the total was some $76 million. The administration requested that that amount be increased to some $95 million. Now the Senator from Alabama has stated that the Senate committee has recommended to the Senate an increase over that amount. Is that correct?

Mr. HILL. The appropriation last year was $76,695,000, overall, the total. The estimate this year was $95,341,000. The House voted $119,275,000, and the Senate committee recommends $140 million.

Mr. PROXMIRE. Very good.

There is just one other section of the bill. I wish to thank the Senator from Alabama for being so patient with me. I apologize for detaining him.

Mr. HILL. Not at all; I am glad to give the Senator from Wisconsin any information I can.

Mr. PROXMIRE. The Senator from Alabama has been very helpful.

Now we come to the National Heart Institute. On page 38 of the committee report we find the figures for the National Heart Institute. The first item is "1960 appropriation." I assume that is a typographical error.

Mr. HILL. Yes, it is; it should be "1961."

Mr. PROXMIRE. So the 1961 appropriation was $86,196,000; and the administration recommends an increase to $97,073,000, or an increase of about 14 percent. The House voted to increase that to $105,723,000; and the Senate committee recommends $160,100,000—or an increase, as I calculate it, of 86 percent over the 1961 figure. In other words, the Senate committee is recommending to the Senate that for this 1 year that appropriation be increased by 86 percent.

Mr. HILL. I have not figured it exactly, but I would say the basic figures are correct—altogether some $63,027,000 over the budget estimate.

Mr. PROXMIRE. I wish to say that I recognize, as do all other Senators, that heart disease is the No. 1 killer.

Mr. HILL. It is, indeed.

Mr. PROXMIRE. There is no question that any investment we can make that will move this program ahead is well worth making; it is an investment that yields great returns.

Certainly, I feel, as I am sure the President of the United States does, that we should do everything defensively to move ahead in this field at a fast rate. With that in mind, I wish to ask the Senator from Alabama if he can tell me in exactly what areas of the National Heart Institute's operations the committee has decided to go $63 million over the $97 million recommendation of the administration. The administration recommended $97 million, which was a big increase, and the committee increased that recommendation by $63 million.

Mr. HILL. That is a research item. The budget amount was $66,187,000. The House increased that amount to $74,358,000. The Senate committee figure is $110,400,000. That is for general research.

Mr. PROXMIRE. The committee report, on page 39, seems to have these differences between what the House recommended and what the Senate committee recommended. I am reading from page 39 of the report, next to the last paragraph:

> The committee therefore recommends that $20 million be devoted to the establishment of clinical research centers in the field of heart disease. As already stated, it is to be understood that a portion of this sum may be used for the necessary alteration, renovation, or modernization of space and for the acquisition and installation of equipment.

Is this a brandnew program?

Mr. HILL. No. We have had the program for the past 2 years.

Mr. PROXMIRE. Why is there no reference to the amount spent before? The committee report states——

Mr. HILL. It is all in the hearings. The Senate was given information on it. It is not a new program. It has been going on for 2 years.

Mr. PROXMIRE. How much was spent on this program last year?

Mr. HILL. $6 million.

Mr. PROXMIRE. So this would be an increase from $6 million to $26 million. Is that correct?

Mr. HILL. To $20 million.

Mr. PROXMIRE. From $6 million to $20 million?

Mr. HILL. Yes. In the last 2 years, these centers have proved to be so worth while that there are compelling reasons to enlarge and increase the number of them.

Mr. PROXMIRE. This is an increase over the budget request. Did the Kennedy administration recommend any increase?

Mr. HILL. Yes. The Kennedy administration recomended an increase of $2 million.

Mr. PROXMIRE. From $4 million to $6 million?

Mr. HILL. No; from $5 million to $7 million, is really what it amounted to.

Mr. PROXMIRE. From $5 million to $7 million?

Mr. HILL. Yes.

Mr. PROXMIRE. It recommended an increase of about 40 percent, and the committee recommends an increase of roughly 200 percent.

Mr. HILL. I have not ascertained the percentages. We have merely the dollar figures.

Mr. PROXMIRE. On page 40 of the report, the second paragraph reads——

Mr. HILL. I may say this about the research centers. When the Congress started those centers, there was no recommendation at all from the Budget Bureau for them. They were started by the initiative and action of the Congress without any recommendation of the Bureau of the Budget.

Mr. PROXMIRE. I am sure that was so. When was that?

Mr. HILL. Two years ago.

Mr. PROXMIRE. We have a new administration, which is deeply concerned with such problems and has a different attitude from that of the past administration.

Mr. HILL. I know the administration is concerned with these problems, but it is also concerned with many, many other problems. I am sure no one in the administration has had time or opportunity to study these problems as has the committee that considered this bill and heard from all the witnesses.

Mr. PROXMIRE. Let me read from the first full paragraph on page 40 of the report:

> Funds in the amount of $15 million are therefore included in the appropriation for the construction and support of regional primate facilities.

Will the Senator explain this increase?

Mr. HILL. The primates are largely monkeys we bring to this country from Puerto Rico, and other places, that have proved to be the best possible animals on which to experiment. The third grant for primates this year went primarily to Wisconsin University. There is a nice primate colony there.

Mr. PROXMIRE. I am very proud of what we have at the University of Wisconsin.

Mr. HILL. I hope when the Senator is up there next he will visit the primate colony and see the experiments that are being carried on and the work being done in the colony.

Mr. PROXMIRE. Will the Senator assist me in determining what the figures are? What was the amount spent on the program last year?

Mr. HILL. $7 million.

Mr. PROXMIRE. What was the recommendations of the Kennedy administration?

Mr. HILL. It made no change. It must be realized that this budget was prepared last fall and sent to Congress in January. There have been some items that President Kennedy himself has sent to Congress, but he has not undertaken to go over all of the budget and revamp, rehabilitate, or reconstruct it.

Mr. PROXMIRE. The committee recommended $15 million, an increase of over 100 percent.

Mr. HILL. That is correct.

Mr. PROXMIRE. There is one other area specifically mentioned in the committee report——

Mr. HILL. I may say that the witnesses, some of them among the most distinguished professionals in their field in this country, asked for considerably more money than the committee recommended. We held it down to this amount. The request was for $25 million, rather than the $15 million which the committee allowed. It was strongly urged that $25 million be allowed. We reduced the request to $15 million.

Mr. PROXMIRE. The next paragraph, second sentence, reads:

> The committee therefore recommends that $21 million be provided for training grants and fellowships so that these essential programs can be suitably expanded.

This is for training grants and fellowships in heart research.

What was last year's appropriation?

Mr. HILL. It was $15,070,000 for fellowships and training.

Mr. PROXMIRE. In 1961 it was $15 million?

Mr. HILL. Fifteen million seventy thousand dollars.

Mr. PROXMIRE. What did the administration recommend?

Mr. HILL. For this year?

Mr. PROXMIRE. Yes.

Mr. HILL. Twelve million seven hundred and four thousand dollars.

Mr. PROXMIRE. It recommended a reduction?

Mr. HILL. Yes, sir.

Mr. PROXMIRE. What was the reason for the administration's recommending a reduction?

Mr. HILL. That was done in the former administration.

Mr. PROXMIRE. And the Kennedy administration had an opportunity to change it, if it wished to do so. It has a Secretary of Health, Education, and Welfare. This responsibility he has for the budget is as big as any responsibility he has.

Mr. HILL. I would say that opportunity was theoretical. This administration could not study and go over all the different items in the budget. There are many hundreds of items in the budget. It did not seek to revamp or rehabilitate or reconstruct.

Mr. PROXMIRE. The administration certainly came before the committee to request budget revisions. There are some recommendations it did not support.

Mr. HILL. Yes. Supplemental estimates were sent to Congress because of legislation which was passed after the budget was prepared last fall. Supplemental estimates were sent up to Congress after we passed the wage and hour law, the Temporary Unemployment Compensation Act, the law providing aid to children of unemployed parents, and other measures of that kind.

Mr. PROXMIRE. Can the Senator from Alabama think of anything more important for the Secretary of Health, Education, and Welfare to do than to come before Congress, which determines how much or how little he gets, and tell Congress if he is dissatisfied with the amounts?

Mr. HILL. The Senator must remember that the Secretary is tied to the budget. He has no prerogative to testify contrary to what the budget recommends or provides.

Mr. PROXMIRE. The Senator would agree, certainly, that the Secretary has every right to do so. He sees the President regularly. He works with the Director of the Bureau of the Budget. He is a member of the Cabinet. He is one of the President's closest advisers and friends. Certainly, if he had any feeling with respect to any part of this program, he would have every opportunity to go before the President. Did the Secretary ever orally indicate he was dissatisfied in any way with the budget requests?

Mr. HILL. He did not go into that phase of the program with us.

Mr. PROXMIRE. Did anybody recommend an increase at all?

Mr. HILL. Oh, yes, surely.

Mr. PROXMIRE. I am talking about anybody in the administration.

Mr. HILL. No, they could not. For them to make recommendations would require that they start back with the Bureau of the Budget. They do not come to Congress and say, "The Bureau of the Budget recommends this amount, but we wish to recommend something else." That is not the way the budget operates. When the witnesses come to the Congress, they seek to sustain the budget estimates. That is what they do, whether it be for the Department of Health, Education, and Welfare, or for any other department of Government.

Mr. LAUSCHE. Madam President, will the Senator yield?

Mr. HILL. I yield.

Mr. LAUSCHE. The witnesses could come before the committee to say, "Although we requested *x* amount in the Bureau of the Budget, we wish to have it increased."

Mr. HILL. No, they are not permitted to do that. They are inhibited, and must stay by the budget estimate. They cannot come to Congress and ask for something not included in the budget estimates.

Mr. PROXMIRE. Madam President, will the Senator yield?

Mr. HILL. I yield.

Mr. PROXMIRE. Is it not true that the Secretary of Health, Education, and Welfare can go to the Director of the Bureau of the Budget, Mr. Bell, who is an appointee of the President of the United States and subject to his direction, and say, "We need more money for heart disease research. Your budget is actually requesting a reduction in training grants."

Mr. HILL. Certainly, theoretically, he could.

Mr. PROXMIRE. It is not theoretical. That is his job.

Mr. HILL. Yes.

Mr. PROXMIRE. If the Senator from Alabama were the Secretary of the Department of Health, Education, and Welfare he would not wait a minute before going to the President to say, "We must have this program."

Mr. HILL. The Senator should recognize the fact that this is not as easy to do as it is to say. This President in particular has many problems. Perhaps no President ever came to the White House with more tough decisions to make, with more responsibility upon him, with more burdens to carry, or with more harassing duties than the present President of the United States.

I do not have to enumerate on this floor what President Kennedy has been confronted with since he took the oath of office on the 20th of January.

Mr. PROXMIRE. Is it not true that one of the requests the President made to the Congress was not to go above his budget estimates? Did not the President of the United States say this directly to the Congress in an address to the Congress?

Mr. HILL. The President laid down no hard and fast rule on that. The truth is that when a budget estimate is sent to the Congress, whoever the President is, there is the statement, "This is what I recommend."

Mr. PROXMIRE. The Senate is free to do what it wishes to do, of course.

Mr. HILL. Yes.

Mr. PROXMIRE. We have pride in that.

Mr. HILL. I will say that for 8 years I sat as a member of the same committee in the Senate with our present President.

I know he uses his own head, his own judgment, and his own wisdom. Sometimes he went along with the budget estimate, and sometimes he did not go along with it.

Mr. PROXMIRE. Exactly. The President was a member of the committee with the Senator from Alabama. This has been a principal interest of his, or certainly, at least, one of his principal interests in public life. He is thoroughly familiar with the problem. He understands it.

Mr. HILL. If the Senator will permit me to interrupt, no one has more appreciation of the President than the Senator from Alabama, but I would have to say, frankly, that when the President was a Member of the Senate he was not a member of the Subcommittee on Health of the Committee on Labor and Public Welfare, and he did not serve on the Appropriations Committee which handled any of these appropriations.

Mr. PROXMIRE. The Senator agrees, though, does he not, that the President did say in his budget address in May that he urgently wished the Congress would not go beyond the budget estimates?

Mr. HILL. The Presidents always say that. Not to say that would be to indicate that there was a thought something was wrong with the budget estimate.

When the President spoke at Warm Springs, Ga., last October, he urged more medical research. If the Senator will read the President's address to the people on last Tuesday night, he will find that the President declared nothing

could serve the cause of communism more than if we let the present situation in any way impede or impair these essential programs.

Mr. PROXMIRE. And the President indicated what he meant by essential programs when he made a request to the Congress. We certainly do not serve the cause of the President very well when we provide 50 percent, 100 percent, or 150 percent more, as the committee asks the Congress to do in some cases, over the budget estimates.

Mr. HILL. No. No. No. Of course, if the Senator simply wishes to say, "Me too, me too, me too," he has a right to do so, no matter what the Bureau of the Budget sends up, simply accepting the budget estimate.

Mr. PROXMIRE. I think the Senator from Alabama knows that the Senator from Wisconsin has not been a "me too'er." The Senator from Wisconsin has not been in the past, nor will he be in the future.

Mr. HILL. No. The Senator in 1958 introduced bills which called for the expenditure of billions of dollars. Now we learn that the Senator has taken the other track. The Senator has now taken the other track. That is the record.

Mr. PROXMIRE. If the Senator from Alabama would like to have the Senator from Wisconsin answer, I will say that I went over the bills the Senator from Wisconsin introduced in 1958 very carefully. I am sure if the Senator from Alabama would sit down with the Senator from Wisconsin to study them, he would find that the bills introduced by the Senator from Wisconsin in the aggregate would have saved money. They would have saved tens of millions.

Like the Senator from Alabama, I have always been an enthusiastic champion of education. Of course I should like to have an aid to education bill passed. That is what the Senator from Alabama would like to have. I am consistent in that position.

I say that we now have as the President of the United States John F. Kennedy, a man who deeply believes in this kind of program. He has made generous requests.

It seems to me it is perfectly proper for a U.S. Senator to stand up and say, "In this particular field in which the President is an expert, in which he has demonstrated his ability and wisdom and compassion, we should stand by his request and not increase it in some cases 50 percent, in some cases 100 percent, and in some cases 150 percent."

Mr. HILL. I shall not argue about the President of the United States, because, as I have said, I have the same respect for the President of the United States as has the Senator from Wisconsin. The President of the United States has not had either the time or the opportunity to hear the testimony, to get the facts, to know the compulsion with respect to the need for these programs as have the members of the Committee on Appropriations of the House and the members of the Committee on Appropriations of the Senate. There simply has been no time or opportunity for the President to go into these questions.

Mr. PROXMIRE. How much did the Senate add to the bill over what the bill provided as passed by the House?

Mr. HILL. The Senator will find that in the report. The bill is $157,248,919 over the budget estimates.

Mr. PROXMIRE. That was not my question.

Mr. HILL. The Senate added $833,923,000. Much of that amount is represented by the supplemental estimates, due, as I said, to legislation which the Congress passed during this session of Congress.

Mr. PROXMIRE. Nevertheless, the Senate figure is substantially over the House figure, by many millions of dollars. It is $157,248,919 over the request of the President of the United States in regard to this appropriation bill.

Mr. HILL. Yes. The Senator made reference to the House figure. This does not mean we are that much over the budget estimates. The Senator has been seeking to defend the budget estimates. This does not mean we are that much over the budget estimates. We have provided $157,248,919 over the budget estimates.

Mr. PROXMIRE. Over the budget estimates, that is correct. I thank the Senator from Alabama very much.

(At this point, Mr. TALMADGE took the chair as Presiding Officer.)

Mr. PROXMIRE. Mr. President, I offer my amendments "7–28–61—B." I ask unanimous consent that the amendments be considered en bloc, and ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none; and, without objection, the amendments will be considered en bloc and will be printed in the RECORD, without being read.

The amendments, ordered to be printed in the RECORD, are as follows:

On page 4, line 8, strike out "$4,976,000" and insert in lieu thereof "$4,476,000".

On page 17, strike out lines 13 through 17.

On page 18, line 18, strike out "$211,707,000" and insert in lieu thereof "$211,207,000".

On page 22, line 10, strike out "$20,250,000" and insert in lieu thereof "$17,250,000".

On page 24, line 20, strike out "$3,618,000" and insert in lieu thereof "$3,368,000".

On page 25, line 11, strike out "$10,028,000" and insert in lieu thereof "$9,778,100".

On page 26, line 20, strike out "$6,090,000" and insert in lieu thereof "$5,814,500".

On page 27, line 3, strike out "$2,500,000" and insert in lieu thereof "$2,182,000".

On page 27, line 9, strike out "$7,675,000" and insert in lieu thereof "$7,375,000".

On page 27, line 12, strike out "$212,972,000" and insert in lieu thereof "$187,972,000".

On page 27, line 13, strike out "$150,000,000" and insert in lieu thereof "$125,000,000".

On page 28, line 9, strike out "$8,900,000" and insert in lieu thereof "$8,100,000".

On page 28, line 18, strike out "$7,424,000" and insert in lieu thereof "$5,604,000".

On page 29, line 9, strike out "$10,647,000" and insert in lieu thereof "$9,147,000".

On page 29, beginning with the colon on line 22, strike out all before the period on line 24.

On page 30, line 15, strike out "$49,835,000" and insert in lieu thereof "$49,332,000".

On page 32, beginning with "$6,084,000" on line 1, strike out all before the period on line 3 and insert in lieu thereof the following: "$5,150,000".

On page 32, line 12, strike out "$140,000,000" and insert in lieu thereof "$95,341,000".

On page 33, line 10, strike out "$160,000,000" and insert in lieu thereof "$117,167,000".

On page 33, lines 18 and 19, strike out "$125,570,000" and insert in lieu thereof "$88,324,000".

Beginning with "$160,100,000" on page 33, line 22, strike out all before the period on page 34, line 2, and insert in lieu thereof the following: "$97,073,000".

On page 34, line 7, strike out "$20,000,000" and insert in lieu thereof "$13,933,000".

On page 34, line 11, strike out "$90,000,000" and insert in lieu thereof "$68,740,000".

On page 34, line 15, strike out "$60,000,000" and insert in lieu thereof "$48,322,000".

On page 34, beginning with the comma on line 18, strike out all before the period on line 21.

On page 35, line 9, strike out "$80,000,000" and insert in lieu thereof "$54,100,000".

On page 37, line 21, strike out "$5,375,000" and insert in lieu thereof "$5,275,000".

On page 38, line 7, strike out "$5,105,000" and insert in lieu thereof "$4,939,000".

On page 38, line 21, strike out "$241,070,000" and insert in lieu thereof "$240,750,000".

On page 42, line 1, strike out "$69,100,000" and insert in lieu thereof "$64,750,000", and strike out "$25,000,000" and insert in lieu thereof "$23,000,000".

On page 42, line 3, strike out "$25,000,000" and insert in lieu thereof "$23,000,000".

On page 42, line 4, strike out "$18,750,000" and insert in lieu thereof "$18,400,000".

On page 44, line 16, strike out "$1,256,000" and insert in lieu thereof "$1,200,000".

On page 45, line 3, strike out "$601,000" and insert in lieu thereof "$127,000".

Mr. PROXMIRE. Mr. President, what the amendments do is to reduce every item in the appropriation bill for the Departments of Labor and Health, Education, and Welfare, back to the budget estimates. This would save approximately $297 million.

Mr. President, I think the colloquy which I have had with the distinguished Senator from Alabama brings out many of the reasons for this proposal.

The President has told Congress that we face a deficit of $5 billion in the coming year. We all know that we have greatly increased military spending, and such spending will increase even more. Congress has added nearly half a billion dollars to the Kennedy military requests.

At a time when the Nation is being challenged and tried, as we rarely have been in our history, it seems to me that it is incumbent upon us to insist on the most thorough and complete justification for any kind of expenditures that Congress votes, recognizing that our military expenditures must be increased in a very substantial amount. Last year the President of the United States sat in the very chair that I occupy. He was recognized as one of the outstanding experts in the Senate in the very areas this appropriation bill covers—Health, Education, and Welfare. Few Senators—perhaps exceptions are the senior Senator from Alabama [Mr. HILL] and the

senior Senator from Oregon [Mr. MORSE]—have had more experience than the President has had in this field, or are more expert in the field than is President Kennedy. He has requested Congress to increase substantially the appropriation over what it was last year. For example, in the area I have discussed with the chairman of the committee, general research and services, and in the division of general medical science, the request by the administration was for an increase of approximately 25 percent, from $76 million to $95 million. But the committee has increased the amount to $140 million. They do not even give the figure to the nearest $1 million, but only to the nearest $10 million, and round it off at $140 million and no cents, which is a 50-percent increase over the budget estimate, which is an enormous 85-percent increase, of course, over the 1961 appropriation.

I direct attention to the proposed appropriation for the National Heart Institute. Every Senator is concerned about this subject. The chances are that one-third or one-half of the present membership of the Senate will die of heart disease. We all have relatives who have died of heart disease or are suffering from heart disease. We wish to do all we can to overcome that illness. Consider the appropriation for 1961, in the amount of $86 million. President Kennedy, who has shown great competence in the field, recommended an increase of almost $11 million—$10,877,000—up to $97 million, an increase of more than 12 percent. But the appropriations the committee requests are not $97 million or $100 million, or $110 million or $130 million. They are $160 million.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. LAUSCHE. Earlier today the Senator from Wisconsin discussed the statement of the President at the joint session of Congress in his message of May 25. I should like to read into the RECORD exactly what he said at that time.

Mr. PROXMIRE. I would appreciate it very much.

Mr. LAUSCHE. The President said:

> Moreover, if the budget deficit, now increased by the needs of our security, is to be held within manageable proportions, if we are to preserve our fiscal integrity and world confidence in the dollar, it will be necessary to hold tightly to prudent fiscal standards, and I must request the cooperation of the Congress in this regard to refrain from adding funds or programs, desirable as they may be, to the budget.

The President specifically requested that we not add new programs or add amounts to the budget requests.

I assume that he implied, "I have given full consideration to these items. I have recommended increases. Therefore, I ask Congress not to super-add to the recommendations which I have made."

Mr. PROXMIRE. Mr. President, the Senator from Ohio is correct. The position of the President of the United States on this question is absolutely clear. No appropriation bill will come before the Senate with respect to which the competence of the President is more clearly established than in this field. He has asked us for an increase from $76 million to $95 million.

Mr. KUCHEL. Mr. President, will the Senator yield in order that I may propound a parliamentary inquiry?

Mr. PROXMIRE. I yield for that purpose.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. The amendments before the Senate consist of a series of suggested changes in the monetary amounts contained in the appropriation bill. If any Senator believes that there is merit in some of the amendments but not in others, would he have a right to ask for a division? If so, would he have the right at any time up to the time the question is put on agreeing to the amendments?

Mr. PROXMIRE. Mr. President, I should like to speak to the question.

The PRESIDING OFFICER. The Senator from Wisconsin obtained unanimous consent to have all the amendments considered en bloc. Unanimous consent was obtained, and it could not be rescinded except by unanimous consent of the Senate.

Mr. KUCHEL. Had I been present in the Chamber at the time the request was made, I would have objected. I was called to the cloakroom for a telephone message from my office. Under the circumstances, I ask my friend from Wisconsin if he will permit me to ask unanimous consent that the previous consent order be rescinded.

Mr. PROXMIRE. Let me explain to the Senator from California why I have elected to take this course. If the unanimous-consent order were withdrawn, it is my understanding that either the chairman of the committee—though I have not discussed this subject with him—or the majority leader, with whom I discussed it, might very well move to table my amendments. It would have exactly the same effect. There would still be a vote. There would be a vote on all the amendments en bloc anyway. I was informed that a motion to table my amendments could not be divided. It happened Saturday; it could happen again.

I sympathize with the position of the Senator from California. I think there is great merit in many of the provisions. For example, I know that the Senators from Hawaii are very interested in a provision of the bill which provides more than $3 million for a grant to the State of Hawaii. But it is my position that every item in an appropriation bill should be cut back to the budget request. That is the only purpose of the amendments. I do not intend to submit any item individually.

Mr. KUCHEL. Mr. President, the Senator has the right to take the position he has stated, but when I left the Chamber the amendments were not then pending. Only the bill was before us. I had a desire to be present and to object to any such request as my friend from Wisconsin made. While I was in the cloakroom making a telephone call the amendments were offered, and the consent request was made. I do not believe that fact in itself should deprive me of the right to object to a unanimous-consent agreement. I merely ask my friend if, on that basis, he would request that the unanimous consent order be rescinded, so that some of us might preserve to ourselves the right to ask for a division on parts of his multitudinous proposal.

Mr. PROXMIRE. Does not the Senator from California recognize that if I do so, there would still be a vote on the entire proposal, because there will be a motion to table?

Mr. KUCHEL. That may or may not be a fact. I am not a party to any such conversation in this Chamber. My desire was merely to preserve to every Senator the right to have any of the items in the amendment considered separately if he believed he wanted to take action in that fashion.

It may well be that parts of the amendments of the Senator from Wisconsin would be acceptable to the Senate, while other parts would not. But when the items are put in one package and considered together by unanimous consent, a Senator is prevented from exercising the right which he ordinarily has under the rules to have the Senate pass judgment on each item separately.

I regret that I was not present to object to the request, I was absent from the Chamber for only a few seconds.

Mr. PROXMIRE. I think the concern of the Senator from California will be taken care of by the fact that the senior Senator from Connecticut [Mr. BUSH] intends to adopt a different procedure in his approach to the problem. Of course, the Senator from California and other Senators who wish to vote against individual specific items in the amendment are free to vote against all the amendments. I presume they will. When the Senator from Connecticut offers his amendment, which is very close to what the Senator from Wisconsin has offered, the Senator from California can express his position on the principle. That seems to me to be an effective approach.

Mr. KUCHEL. I regret that I was obliged to leave the Chamber for not more than a minute and a half. At the time I left the discussion was general. No amendment was pending.

I have been here since we convened the session today. I had in mind, as I looked over the very many items in the amendment offered by the Senator from Wisconsin, that I might want to ask for a division of some of them, and that, conceivably, some other Senators might want to do the same thing. When I entered the Chamber there were three Senators on the floor, the Senator from Alabama, the Senator from Wisconsin, and myself, and I believe the Senator from Hawaii then came into the Chamber. I ask the Senator from Wisconsin

if he would not give me and other Senators an opportunity to invoke the rule of division if any of us desires to do so. If the situation were reversed, I would immediately ask unanimous consent that any prior consent agreement of mine be vitiated.

Mr. PROXMIRE. All I can say is that I was very anxious to have the unanimous-consent agreement granted. I did not know that I could have it granted. I asked for it in the proper order, and I received unanimous consent. If I cannot get a vote this way, it seems to me my proposal does not have very much meaning. Individual Senators may disagree with my amendment and say, "This particular item is of deep interest to my State, and I cannot vote for it." The only principle which I can offer this proposal is to ask for a vote on the whole thing.

Mr. KUCHEL. The Senate can do anything it wants to. However, I regret that at the very moment while I was off the floor accepting a telephone call from my office a unanimous-consent agreement should be requested, which I would have opposed had I been on the floor. I do not believe that kind of practice ought to be indulged in by Members of the Senate. I understand that the Senator from Wisconsin refuses to accede to the request I make. If that is so, the Senate is bound. It was bound, let the RECORD show, when there were not more than three Senators on the floor. Let the RECORD clearly indicate that.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KUCHEL. I wish to say one more thing, if I may, before I take my seat. Unanimous-consent requests usually are made after a quorum call, so as to prevent any Senator from being denied what is his right under the rule. We have come to a pretty pass in the Senate if a unanimous-consent request is granted in the absence of almost all of the 100 Members of the Senate. I regret very much that the Senator from Wisconsin takes that position.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. JAVITS. I should like to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Assuming that the amendment of the Senator from Wisconsin is defeated, may any Senator move as an amendment to the bill any single item contained in his omnibus amendment?

The PRESIDING OFFICER. Each one of the amendments would lie individually in order. The Chair may also advise the Senator from New York that amendments are in order to the amendment of the Senator from Wisconsin.

Mr. JAVITS. I thank the Chair.

Mr. LONG of Hawaii. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LONG of Hawaii. I should like to refer to the reference the distinguished Senator has made to the item which this amendment would eliminate on page 17, lines 13 through 17, and to ask the Senator this question: Is the Senator familiar with the reason why this item for $3,775,000 was inserted in the bill?

Mr. PROXMIRE. I am sure that the argument for it is excellent. I am sure it is an extremely worthy cause. Of course the Senator from Hawaii has a very deep interest in it.

Mr. LONG of Hawaii. The Interior Committees of the House and Senate a year ago studied this matter. It was an effort to attain equity for Hawaii, because our land college is the only land college without any land. All of the other 49 States were granted land in accordance with the formula set up in 1862 in the Morrill Act. It was felt that unless something like this were done Hawaii would not be treated on the basis of equity with the other 49 States. I sat through a number of the discussions, and consideration was given to the amount to be recommended. The amount ranged from a minimum of $2 million to a maximum of $36 million, as the amount to be granted in lieu of land. It was finally decided that the amount should be $6 million.

With that knowledge as a background I should like to ask the Senator a question: Is there not some danger, if the amendment of the Senator were adopted, and this amount eliminated, we would be doing violence to equity?

Mr. PROXMIRE. I should like to say to the Senator from Hawaii that of course I am aware of the statement in the committee report:

> Testimony presented to the committee indicated that 7 out of the last 10 States admitted to the Union, excluding Alaska, possess land grants exceeding $6 million if unsold lands from the land grant are valued at $50 an acre.

That is the only basis in the committee report for adopting this particular measure. I cannot see what is wrong with the congressional delegation from Hawaii appealing to the administration. Those people are equitable and fair-minded men, and I am sure they would give consideration to their request. It would be better public policy for this request to go through the administration. The administration probably would have a better perspective than Members of Congress have, who have great consideration for each other. If this kind of amendment had gone through the regular process, through the Bureau of the Budget, any possible inequity toward Hawaii or the United States as a whole could be corrected. Is there any hurry about this? Suppose this matter were delayed. I am sure if it were delayed justice could be done in the near future.

Mr. LONG of Hawaii. Some of us have the feeling that the longer it is delayed the less likely it is that it will be done correctly. We do not have any assurance that we will ever get a cash payment in lieu of land, in the interest of equity. We sincerely hope that when a vote is taken that the amendment, from our standpoint, will be rejected. We appreciate the interest of the distinguished Senator in national economy, but we hope at this point that his opinion will not prevail.

Mr. PROXMIRE. I thank the Senator very much.

Mr. FONG. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. FONG. Do I understand that the Senator from Wisconsin is in sympathy with the amendment which was added by the committee relative to the State of Hawaii in its request for $3,775,000?

Mr. PROXMIRE. My position is that the amendment undoubtedly has considerable merit. I am also taking the position, however, that I think the administration should have an opportunity to pass on it, yes or no. This request is not in the budget, if I am not mistaken.

Mr. FONG. Yes. If I were to tell the Senator that the Eisenhower administration did request it and that the Senate passed it last year, what would the Senator say to that?

Mr. PROXMIRE. I would say, under those circumstances, in voting for a recommendation of the administration, that it should follow the orderly procedure and that the administration should have an opportunity to evaluate it. Why did the Kennedy administration not recommend it?

Mr. FONG. I do not know. I do know that the Interior Committee of the House and Interior Committee of the Senate authorized the appropriation of $6 million for the land grant college at the University of Hawaii, that the Senate passed the appropriation last year, but that during the conference between the House and the Senate the House prevailed and Congress reduced the amount to $2,225,000.

This year the matter was again brought up before the committee, and the committee saw fit to appropriate the additional amount of $3,775,000. Last year, when the authorization bill appeared before the Senate, it passed the Senate without a dissenting vote, and it passed the House of Representatives also.

This item implements the authorization which was passed last year. This is the balance of $6 million which was authorized by the authorization bill. It is a sum of $3,775,000, set aside for the University of Hawaii land grant college. The sum of $6 million did not appear from thin air. The State of Hawaii is entitled to the $6 million.

The State of Hawaii, under the Morrill Act of 1862, would be entitled to 90,000 acres of land, 30,000 acres for each Member of Congress. Having three Members of Congress, two in the Senate and one in the House, Hawaii is entitled to 90,000 acres of land. Every State in the Union, regardless of whether it entered the Union prior or subsequent to the passage of the Morrill Act, was given a land grant. But in States where there were no public lands, the State was given scrip equivalent to the value of the land grant.

If we consider the value of land in the State of Hawaii—and Hawaii does not have large tracts of land available—but if land were available, then it would cost the U.S. Government around $200 million to buy 90,000 acres. In fact, land near the University of Hawaii sells for about $7,500 an acre. At that price, 90,000

acres of land would cost the U.S. Government $675 million.

These figures were presented to the Committees on Interior and Insular Affairs. The committees, in their wisdom, said Hawaii was entitled to $6 million, and they authorized that amount, and the amount was subsequently approved by both the House and Senate.

Hawaii joined the Union as an independent nation. Hawaii was not carved out of the land of the public domain, as were the Western States; or carved out of land acquired in the Gadsden Purchase, the Louisiana Purchase, or acquired under treaty with Mexico. In 1898, as an independent nation, sovereign unto herself, Hawaii, by treaty of annexation, joined the Union. At that time, her public land was ceded to the United States of America. The U.S. Government has seen fit to take much of Hawaii's public land and use it for military and other governmental purposes. So today the U.S. Government is occupying thousands of acres of land in Hawaii. I daresay it would cost many millions of dollars if the U.S. Government were to compensate the State of Hawaii the full amount that it should be compensated for these lands. Hawaii is in a unique position compared with other States. The other States, especially the Western States, were carved out of land owned by the United States. When those States came into the Union, under the Morrill Act each State received 30,000 acres of land for each Member of Congress. These lands were given from the public domain. These lands were originally bought by the U.S. Government and then given to the various States upon their assuming statehood.

Hawaii having ceded its land to the United States, and the United States now occupying the land, and using it for military and other governmental purposes—and we are glad to have the U.S. Government use our land for these purposes—certainly deserves consideration. The amount of $6 million which has been authorized by Congress is a minimal amount. We feel we are entitled to at least $100 million, as the equivalent of a land grant, if the spirit of the Morrill Act is to be carried out.

I ask the Senator from Wisconsin, in good faith and conscience, to delete this item from his list of amendments, because I feel equity and justice should be done Hawaii. My State needs the $3,775,000. That amount will not be spent, but will be invested at perhaps 3½ percent interest and will produce revenue to meet some of the operating expenses of the University of Hawaii.

The University of Hawaii is a land-grant college. Its student body exceeds 9,000. It is famous for its marine biology, for its tropical agriculture, for its oriental and Pacific studies. This sum of $3,775,000 is most important to the orderly and rapid development of our university.

(At this point, Mr. METCALF took the chair as Presiding Officer.)

Mr. PROXMIRE. Mr. President, the answer is the answer I think I have to make. I have to be firm. I have to insist that this principle be enforced in every single item of the bill.

I think an exceptionally strong case can be made for research into cancer and heart disease and on many other items. However, I take the position that we must go back to the budget request.

The senior Senator from Hawaii is an eloquent salesman, as is the junior Senator from Hawaii. Perhaps the Senators from Hawaii are not getting a fair deal, and in all likelihood the amount should be higher. That is why I say the administration should consider the question further. Perhaps it will agree that it has not provided enough. After all, if $100 million is a minimal amount, perhaps the Senators from Hawaii may not have made the best deal by taking the bird in the hand. Perhaps the bird in the bush would be better.

Mr. FONG. I am happy to know that the Senator from Wisconsin feels that Hawaii deserves more than the amount which is proposed.

Mr. PROXMIRE. I say: Perhaps it does. I listened carefully to the statement of the Senator from Hawaii. He is persuasive. I do not want his eloquence to overpower me, but I believe the case he has made is a strong one. It indicates that Hawaii will not eventually lose that amount. This is a matter of a little time. I feel certain the administration will consider the question and make a request and ask Congress to observe the request. When the administration makes any request, it is not a matter of Congress decreasing or increasing it; it is a matter of our establishing a program which is based on the request.

Mr. FONG. I thank the Senator from Wisconsin for his kind remarks and for feeling that the State of Hawaii probably deserves more than the $3,775,000 for which we are asking. Should his amendment prevail—and I hope it will not—I trust he will support us when we bring up our amendment for Hawaii later.

Mr. PROXMIRE. Mr. President, the amendment simply reduces, back to the amount of the President's request, every item in the budget. In doing so, it will save $297 million. There are no exceptions, although some exceptions, such as the one which has just been discussed are very, very tempting, and for many reasons. Nevertheless, it seems to me that the principle of reducing the budget or the appropriation request item by item makes sense, in view of the President's request, in view of the urgent international crisis, and in view of the generally prevailing attitude in the country and in Congress in favor of economy.

If we consider the appropriation request item by item, the increase becomes even more surprising and astonishing. In the colloquy I had with the distinguished senior Senator from Alabama [Mr. HILL], it was brought out not only that there was an increase in General Research and Services from $76 million in 1961 to $140 million in the current request, an increase of about 85 percent, but that item by item increases were even greater.

In the National Heart Institute, for example, it was found that the item for medical research centers was to be increased about 200 percent, according to the committee's recommendation. The item for the primate study was to be increased from $7 million last year—and a $7 million administration request this year—to $15 million, an increase of substantially more than 100 percent.

Training grants, which the administration actually requested to have reduced, because after their study they apparently felt training grants should be reduced if the operation was going to be as efficient and effective as possible, would not be reduced under the administration's request, but increased from $15 million to a level of $21 million.

To summarize, the fact is we know there will be a deficit in the coming year. The President has told us that the deficit will be more than $5 billion. On the basis of the performance of Congress to date, we can expect that deficit to be even larger.

In my judgment, never before has the country had a President who was better equipped or had more experience in this particular welfare field than President Kennedy. Welfare and health are the field in which he is perhaps more competent than any other. I do not think anyone can name an American President who has had more experience than has President Kennedy in this particular area. He understands the meaning of, and the necessity for, these programs, and he has made requests for substantial increases in the appropriations for them. But the Senate committee has simply gone beyond reason in recommending greatly increased appropriations for some of these areas.

So it seems to me that if we do believe in economy, if we really believe that we should reduce the Government's spending, at least in the domestic area, wherever that spending cannot be thoroughly justified, then the least we can do is to comply with the requests of our generous, warmhearted, and competent President in regard to the field in which he is most competent.

Therefore, Mr. President, I hope these amendments will be adopted. On the question of agreeing to my amendments, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. MORSE. Mr. President, in a moment I shall speak on the pending business; but, first, I wish to discuss another matter.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

U.S. FOREIGN POLICY

Mr. MORSE. Mr. President, on Sunday, July 30, the chairman of the Senate Foreign Relations Committee, the Senator from Arkansas [Mr. FULBRIGHT], was guest on the program "Issues and Answers" of the American Broadcasting Co.

The press reports of Senator FULBRIGHT's statements about Berlin mentioned a rift between the Senator from Arkansas and the administration over this issue, although nothing in the remarks attributed to the Senator from

Arkansas would bear out such a conclusion. I am always sorry to see stories of this kind contain more editorial conclusions than factual news.

I have read the transcript of the "Issues and Answers" program of Sunday. In it, Senator FULBRIGHT outlines some suggestions as to how this country might take the diplomatic offensive on the Berlin issue. Personally, I share the Senator's views that the lack of plans for a diplomatic offensive by the United States is a serious gap in this country's policy on Berlin. But it is a gap I think the administration is going to fill.

To point out its existence, as the Senator from Arkansas did on Sunday, and as I have, myself, on this floor, does not mean that either of us disagrees with what the administration has done so far about Berlin. Both of us are only suggesting that something more is required than the military preparations which have been ordered.

Much of the analysis of the American position on Berlin has stressed the fact that heretofore this country had but two alternatives: humiliating surrender, or nuclear war. Apparently the contribution made by General Taylor in his new post at the White House has been to urge the strengthening of our nonnuclear forces in Europe, so we shall have a military answer to the Russians other than all-out nuclear war.

I am not opposed to that addition to our military capacity. Throughout the period when massive retaliation was our only answer to every international difficulty, I opposed our reliance upon that single answer. We needed a greater variety of answers in the military field, and I endorse the steps the administration has taken to provide them.

Today's press carries a story of a speech that the Under Secretary of State, Chester Bowles, made yesterday at a meeting of American Foreign Service officers and Embassy heads. I take it for granted that the Under Secretary spoke in accordance with administration policy. I, for one, wish to endorse highly the speech made yesterday by the Under Secretary of State, if the press reports of the speech are accurate. Those press reports indicate that the administration is veering away from the John Foster Dulles program of massive retaliation, which I believe from the very beginning was an exceedingly unfortunate and unwise program on the part of our country.

I fear history will record that the massive retaliation proposal of John Foster Dulles proved to be very costly to the United States and to our foreign policy. I think it did much to frighten a good many millions of people in the world who otherwise would have supported the United States. It did much to increase the number of uncommitted and neutral nations in the world. Millions of people recognized that the massive retaliation policy of John Foster Dulles could not be reconciled with morality.

In fact, talk about a nuclear war cannot be reconciled with morality, either; and I wish to say that if we come to a nuclear war, it must be made very clear to history that we were forced into it and were offered no alternative. Every possible alternative ought to be pursued, while at the same time we keep the military strength of this country so great that no combination of Communist forces in the world will ever have justification for thinking for a moment that they have anything to gain by carrying on an aggressive course of action against the United States, whether in Berlin or elsewhere in the world.

But all that the chairman of the Senate Foreign Relations Committee sought to put across was that we should pursue all the avenues of diplomatic alternatives available to us.

And so we should, Mr. President. Thus, to have the charge made that someone who proposes that the United States keep strong and at the same time pursue every avenue of diplomatic negotiation for settlement of the Berlin issue and any other issue in the world that threatens the peace, is an appeaser or is splitting with the administration, is simply an insult to intelligence. I do not think the intelligent American people are going to be misled by the kind of insult that some are so quick to utter, these days—namely, that if one speaks out for peace in the world, he is some kind of an appeaser.

Let me say that, in my judgment, in this critical hour millions of voices in America should be raised for peace. There is nothing inconsistent in urging the kind of approach that the chairman of the Senate Foreign Relations Committee proposed on Sunday in the interest of peace, and at the same time urging that we keep our defenses so strong that Russia will always understand that she has everything to lose and nothing to gain by an aggressive course of action.

So I say we do need a greater variety of answers in the military field; and I endorse the steps the administration is taking in the military field to provide some variety.

But the military approach is not enough if we are going to win the peace, because if we make only a military approach, we are going to end up in a nuclear war.

As I said on this floor last week, the result of that nuclear war will be to leave Red China in control of the world. That nuclear war will knock out the Western Powers, including the United States and Russia, and the part of the world that will be left will be Red China, with growing nuclear power.

I think the Senator from Arkansas was trying to emphasize that we need some alternatives in the political, or diplomatic field, as well as in the military sense. Up to now, our political policy on Berlin has been one of saying "No" to everything and offering no political changes ourselves.

Now that this military gap is being filled, I hope the White House will give equal attention and thought to the political gap in our policy on Berlin. I believe this is what the Senator from Arkansas had in mind, too. To bring out this point does not indicate any opposition on the part of either of us to what has been done by the administration.

Speaking for myself, I support what the administration has done. I have also said, and repeat this afternoon on the floor of the Senate, the administration must go much further in the diplomatic field, in the negotiation field. It is very fortunate that, in his speech of last week, the President made perfectly clear his willingness to negotiate and adjudicate with regard to any treaty controversy which may be involved over Berlin, and he used the term "adjudicate."

The senior Senator from Oregon for some years has been pleading for the United States to at least make an attempt to get our adversaries to join us in an adjudication, under the United Nations Charter, of issues that threaten the peace of the world as a result of controversies over alleged treaty rights claimed by contending parties. That includes, of course, Berlin.

Mr. President, in order that the record made by the distinguished Senator from Arkansas [Mr. FULBRIGHT] may be clarified completely, I ask unanimous consent to have the text of the "Issues and Answers" program of July 30 printed in the body of the RECORD at this point.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

ISSUES AND ANSWERS

(Sunday, July 30, 1961)

Guest: Senator JAMES W. FULBRIGHT, Democrat, of Arkansas, chairman of the Senate Committee on Foreign Relations.

Panel: Peter Clapper, ABC Capitol Hill correspondent, and John Scali, ABC diplomatic correspondent.

The ANNOUNCER. From Washington, D.C., the American Broadcasting Co. brings you "Issues and Answers."

Senator J. WILLIAM FULBRIGHT, chairman of the Senate Foreign Relations Committee, here are the issues.

Mr. CLAPPER. Will President Kennedy's program save Berlin for the West without a war?

Mr. SCALI. Are Khrushchev's Berlin threats a bluff or the real thing?

Mr. CLAPPER. Is President Kennedy providing strong enough leadership at home and abroad?

Mr. SCALI. Should we send troops to Cuba to get back the highjacked airliner?

The ANNOUNCER. You have heard the issues and now for the answers:

From Senate Foreign Relations Committee Chairman J. WILLIAM FULBRIGHT, Democrat, of Arkansas.

Here to explore the issues are ABC Capitol Hill correspondent, Peter Clapper, and with the first question, ABC's State Department correspondent, John Scali.

Mr. SCALI. Senator, do you share the view expressed by President Truman that Premier Khrushchev is bluffing over Berlin?

Senator FULBRIGHT. I have no basis at all to believe he is bluffing. I think he has a very serious situation in Berlin and he is determined to try to improve that situation one way or another. I do not believe he expects to precipitate a nuclear war over Berlin.

Mr. SCALI. You think this is Soviet-style brinksmanship?

Senator FULBRIGHT. Yes, I think every great nation indulges in this at times, but I think when you say "bluffing"—if President Truman means, does Mr. Khrushchev intend to attack with nuclear weapons—in that sense perhaps you could say he is bluffing. I don't think he intends to do that.

Mr. CLAPPER. Is he decoying for some other operation somewhere else in the world, possibly?

Senator FULBRIGHT. In a sense that is involved. I see no signs of his relenting in his activities in other parts of the world. That is Latin America, or the Far East or Middle East; they are all connected.

Mr. SCALI. Senator, the President has called for $3½ billion more in military spending. At the same time he has also said we are ready to negotiate. Are you satisfied with the military preparedness and do you think it strikes the right balance between negotiation and firmness?

Senator FULBRIGHT. I think so. I thought his speech the other day was very well balanced and his request for military assistance has already been approved by the Senate, as you know. I think it is well balanced.

Mr. CLAPPER. Senator, do you think the West should take the initiative in negotiations over Berlin?

Senator FULBRIGHT. I do. I think we have been remiss in not making proposals that would give some opportunity for negotiation. I think there are alternatives and I don't think we have been as aggressive in suggesting them as we should be.

Mr. CLAPPER. What are they?

Senator FULBRIGHT. Well several have been explored and suggested in the past. One is for a different status with regard to the so-called middle Europe. The disengagement is one idea that could be discussed. The question of giving to West Germany any nuclear arms has been discussed. In the Pottsdam Agreement, of course, we agreed, as I recall, not to rearm the West Germans. These are matters that could be brought up again. They have been discussed in the past and then dropped.

The question of a free city is a very difficult concept. I have read everything Khrushchev has said about it and I must say he doesn't go far enough in satisfying me that his idea of a free city is what I would think was a reasonable one.

Mr. CLAPPER. What about the MANSFIELD idea of a free city?

Senator FULBRIGHT. Well, the great problem here is whether or not you can make it satisfactory to us. I think MANSFIELD's suggestion was along the right line. I think we ought to discuss these alternatives. I am not saying that I think Khrushchev would agree to them. But I don't see any great advantage in just taking the view that we will entertain no negotiations, we won't enter into any negotiations for any kind of a change.

I think we ought to talk about it. I am not prepared to say just what kind of a change. I think Willy Brandt's suggestion that we have a peace conference with all 50 or 52 countries to discuss, not just Berlin, but the whole settlement of the war, including the status of the other Eastern European countries—what has been done there in accord with agreements and so on. This might clarify the air and might develop some alternative.

I think to continue to look just at the narrow question of Berlin may be not a very fruitful policy.

Mr. SCALI. Well, Senator, you mentioned disengagement as a possibility. Could you go into that a little more? What do you have in mind?

Senator FULBRIGHT. This has been suggested and we rejected it, out of hand. I think there was a Rapoki plan, in which there would be a gradual drawing back of the troops. Our theory was that if Russia only drew back a little ways to her borders and it would mean our troops withdrawing all the way across the Atlantic. Well I don't know that that necessarily follows. At the moment they are very close to each other. These are matters which I think should be discussed. This caused great controversy when George Kennon proposed it, and I don't wish to stir up controversy or differences either between me and the administration or within this country. There are already too many differences. What I am trying to say is that I think we should discuss matters related to the German question and have conferences about them especially at the ministerial level in an effort to seek to avoid a showdown leading to a nuclear war. That is what I am trying to say and I think any of these issues have possibilities of discussion. Now I know some of our very important people think that this is a futile and fruitless thing, that we should not—they interpret it as weakness. I do not so interpret it.

Mr. SCALI. Senator you said that Senator MANSFIELD's idea was along the right line. This idea of a free city, which would include all of Berlin.

Senator FULBRIGHT. A discussion of it at least and to see what kind of access.

I would not accept the idea that access to Berlin should be under the power and control of the East Germans. Now everything that Khrushchev has said would indicate he thinks that is part of it. Well I would not accept that. But we are not sure that this is the only thing he would entertain. If it was a genuine free city with completely free access, in which there was no doubt about it—guaranteed by everyone, I think there are possibilities in this direction and it ought to be discussed. I do not say that we ought to accept what he proposes. There is a big difference in this. But I believe in negotiation and discussion as opposed to ultimatums and showdowns as a general approach.

Mr. SCALI. Do you think we should take the initiative in proposing negotiations rather than wait for Khrushchev to sign his peace treaty?

Senator FULBRIGHT. Generally speaking for several years Khrushchev has made proposals, and we have said "No, we can't accept that, period." There are very few cases in which we have said, "Well, that might be interesting, but we believe this should be considered, and perhaps this should be considered, and we believe this could be reasonable." And there are other things that we could do, too, at the same time that are not related to a peace conference. If we are serious about this business, there are all kinds of trading activities going on between the East and the West that could be regulated. I have reference for example to a recent story in one of the newspapers about a new arrangement for the supplying of oil to India to supplant or to prevent and supplant the supply of oil by Russia. This is a very intelligent approach. This is the type of thing that should be going on. It shows some initiative and originality on our part and this is the sort of thing we should do which would strengthen and back up whatever negotiations we might get into with regard to Berlin. These things are all related.

Mr. CLAPPER. Getting back to the President's speech he called for our allies to do more in a military way both in the Berlin crisis and the long-range cold war toll. Do you think our allies response has been enough?

Senator FULBRIGHT. No, I do not, with regard to NATO in particular. They have not fulfilled their quotas and I think we have done more than our share in the past several years, largely because we were able to and they were in very difficult shape. The French have been diverted by Algeria. There are reasons for it. The Germans I think among all of them have not done as much as they are able and capable of doing in their own defense. I think they are the ones we should look to to carry a much greater part of this burden.

Mr. CLAPPER. What about the British? They are having economic troubles.

Senator FULBRIGHT. The British have very serious economic troubles at the moment. The only good thing about that is that it looks as if it is about to compel or contribute to a decision to join the Common Market. I think this would be a good thing over the long term although it may have very serious repercussions in the near term for Great Britain.

Mr. CLAPPER. Senator JAVITS among others has suggested a loan, through Congress, to Britain. How do you feel about that?

Senator FULBRIGHT. I would think the request ought to come from Britain first. I think it is a little premature to go about suggesting loans. I don't know that they need it. They have already indicated they are going to draw on the International Monetary Fund and that is what it is for. I would hope this is enough and I would not want to endorse such a loan.

Mr. SCALI. Senator, is it possible to improve Atlantic Pact defenses without asking our allies to reinstitute and in some cases lengthen the draft?

Senator FULBRIGHT. I think this would be a very proper thing for them to do. I would think the main drive of the President's proposal is the strengthening of conventional methods of warfare and that would be an important step, as he suggested for our own program.

Mr. SCALI. Do you think the British should be exempted from being asked to spend significantly more for defense because of their financial problems at the moment?

Senator FULBRIGHT. Well, at the moment they are apparently in very difficult circumstances. This is particularly with regard to foreign trade, and this is why they indicated the troops in Germany were such a drain. This may not have the same problem at all with regard to their own manpower.

Mr. SCALI. Do you think the West Germans then should be called upon to pick up more of the tab?

Senator FULBRIGHT. I do. They did increase their contribution last year, but I think still they are the ones that are able among all of them to do more than they have done. We have been paying a very large amount, as you know, in our own troops. They refused even to consider contributing to the maintenance of our troops but they did make other concessions. I think they are still able to make more than they have.

Mr. CLAPPER. Senator, today more Germans from East Germany crossed into West Berlin than at any time since the uprising in 1953. What is behind this and why don't the Communists stop it?

Senator FULBRIGHT. It is a very curious thing that they don't stop it. I am told many of these people are among the best trained technicians and skilled workmen in East Germany and that this has had a very grave effect upon their industry. The theory—we can only speculate about it—may be that in anticipation of closing the frontier this tremendous rush to get out is resulting. And I have heard it suggested that the Russians are quite willing for them to leave with the idea that they will fill their places with Russians; but I doubt this is a tenable theory because the Russians do not have a surplus population, they need their population in their own country. I confess it is a mystery that the East Germans don't stop the emigration of these people. I don't know why they don't.

Mr. SCALI. Do you know of any specific impact that this outflow of refugees has had on production in East Germany?

Senator FULBRIGHT. I was told by a well-informed person a short time ago that one of their aircraft factories had closed down because of the loss of so many of their technicians and it had crippled some other industries, I believe an automobile plant; that they had lost a very large number of the best technicians that they had in East Germany.

Mr. SCALI. In any negotiations over Berlin, Senator, would you be willing to accept any concessions on the part of the West which

closed West Berlin as an escape hatch for refugees in any way?

Senator FULBRIGHT. Well, I think that that might certainly be a negotiable point. The truth of the matter is I think the Russians have the power to close it in any case. I mean we are not giving up very much because I believe next week if they chose to close their borders, they could, without violating any treaty right I know of. We have no right to insist that they be allowed to come out. As I said I don't understand why the East Germans don't close the border because I think they have a right to close it. So why is this a great concession? You don't have that right now.

Mr. CLAPPER. Senator FULBRIGHT, what about a new summit meeting between Kennedy and Khrushchev? How do you feel about it?

Senator FULBRIGHT. Well, I am not advocating summit meetings. I think they are very touchy things. Unless this develops much further along than now—it is immature to talk about a summit meeting now. We should never exclude that if negotiations at the diplomatic level lead up to the point where it looks as if there is something to agree upon, to discuss further. In this modern day it seems to be the fashion. I have a great prejudice against summit meetings as being dangerous and leading to—perhaps bringing friction to the higher level and making more dangerous the outbreak of war, but they have more or less become fashion, so maybe I have to accept them.

But I think it is premature to talk about a summit meeting now.

Mr. SCALI. In line with the positive approach that you suggest toward negotiations, Senator, the idea has been made that perhaps one of the ways to settle this problem would be to move the United Nations headquarters to Berlin. What do you think of that?

Senator FULBRIGHT. That is a very imaginative one. I saw that in print. I don't know whether that is feasible or not. I know there are a lot of people who object to its being in New York. Most of them are people who don't like the U.N. at all and object to it.

You know one thing about this that bothers me is the idea that we cannot afford to talk and negotiate. This seems inconsistent with our whole philosophy of life, of politics, both national and international. When I think of all the talk that goes on here domestically, that this is a characteristic of a democratic system, it seems to me we ought to always encourage the quiet discussion of any differences in this field and I think it is too bad that anyone who suggests we discuss these problems is immediately said to be an appeaser, that you are getting ready to give up something or that you are going to compromise. It is going to be a Munich.

This seems quite inconsistent and wrong to take this attitude. We don't mean and I don't mean that we are going to give up anything. We are going to discuss it. Certainly we don't believe that this is the best possible solution to the European problem, to leave it as it is forever. I am frank to say I don't see much chance of an improvement but I always think we ought to discuss it.

Mr. CLAPPER. Senator FULBRIGHT, the Communists have just published in the last day or two a new Communist manifesto designed to replace one that was published in 1919, I believe.

Now this shows a great hope for communism. They are claiming great things in the next 20 years. Do you think it is propaganda or are they serious?

Senator FULBRIGHT. Well, it has a little of both. You said 1919. They have been proceeding in the last few years on what they call 7-year plans. First it was 5, then it was 7, and now it is 20. It is a program of development, as I understand it, not unlike the 5-year plan in India and so on. It is merely projecting what they hope to do and it serves both as an indication of their goals and I think some of those goals they will certainly realize.

They may not all of them—we usually set our goals a little higher than we expect to attain. We have done that—many people have done that. But I think it does have propaganda value and at the same time I wouldn't say that they don't expect to achieve a large part of it.

Mr. CLAPPER. We possibly do the same thing, a capitalistic manifesto to set up our ideas.

Mr. FULBRIGHT. I think there are great differences between our two societies. There is a tendency to try to relate them closely, but really the basic value of our society is the individual's freedom. We believe if the individual is given an opportunity, that the ingenuity and energies of the individual released within the free society will outproduce a managed economy. I think their kind of a goal is a little inconsistent with our kind of a system if that is what you mean.

Mr. SCALI. Senator, if I may shift for a moment into your particular legislative arena, in the past few days you have engaged in a running debate with Senator GOLDWATER, whether in the nuclear age total victory is possible. This had led to some rather lively exchanges. How do you think you are doing in this debate?

Senator FULBRIGHT. Really it was just one exchange. I made a speech 3 or 4 weeks ago that had nothing whatever to do with, or mentioned Mr. GOLDWATER. I was rather flattered that he had read it. Apparently he did and he answered it himself, very critical of my speech, and I simply commented upon his.

I felt since he is recognized as one of the principal Republican spokesmen, that it was perhaps my duty—I don't try to answer everybody who disagrees with my views, but I thought I should in this instance and it was a very short answer. I thought his concept of a total victory is a quite unrealistic and meaningless phrase and that it misleads people in these days and I don't want to repeat what I said, I didn't think you wanted me to, but I thought that he tends to oversimplify very complicated questions and it leaves, I think, in the minds of many people some false impressions as to the kind of world we are in and I don't think this is very healthy to the development of sound policies.

Mr. CLAPPER. Senator, Senator GOLDWATER has called the Kennedy foreign policy weak-kneed. And you yourself have called for stronger Presidential leadership. What is the difference?

Senator FULBRIGHT. Well, I don't agree with Mr. GOLDWATER as to its being weak-kneed. I think that is another example of the highly oversimplified description of this situation. President Kennedy inherited a very bad situation, as we know. He inherited the situation in Cuba and in Laos, both of them extremely embarrassing and difficult for this country and I think he has done very well, except in Cuba. I thought it was a mistake. I think he acknowledges that the effort was a mistake. Either it should have been done strong enough to succeed or it shouldn't have been done at all. I happen to believe it shouldn't have been done at all, for reasons much too complicated to go into here. I thought it was a mistake to do that. Nevertheless that is neither here nor there. I think he has done very well and kept his head and he has spoken with restraint and I think this is what is called for.

It is very easy to stir up a war. It takes no brains and no skill to stir any country up into a warlike spirit and you can go to war, as countries have done throughout history.

The people appreciate very little the man who tries to avoid these things and they are constantly criticized for appearing to be weak and compromising and so on, but this is the thing that I value most in the President, that he has evidenced caution and that he has shown a desire to avoid a showdown and a war, because I don't believe any of us are going to profit by a nuclear war.

Mr. SCALI. Senator, speaking of Cuba, what do you think of the demands made by some Senators that we should use military force to go in to get the highjacked Eastern Air Liner from Cuba, if necessary?

Senator FULBRIGHT. Well I know that is a very provocative act that they did. There are one or two things I don't know about it. In the first place, this morning's paper would indicate this man may not have been authorized to do it at all by Cuba, that he was a freelancer who thought this was a great stunt and that he would gain credit in Cuba. He was a nationalized citizen of this country.

Mr. SCALI. Well, the Cubans still haven't returned the plane.

Senator FULBRIGHT. Well, it was a sort of windfall for them and it is a propaganda element. They can't use the plane I am told because they don't have the machinery that is necessary to start it but it is something to talk about.

I would hesitate to say offhand that we should not do anything there. I think it would be very drastic to go to war over that plane. We have 10 planes that our private citizens have attached for private bills. Perhaps we could work out something. That is a complicated matter. It is a little bit like the tractors deal. I don't think it is worth going to war about.

Mr. SCALI. Well, Senator, Under Secretary Bowles has suggested that the way to handle Castro is to concentrate on aiding other Latin American countries with their development programs and letting Mr. Castro wither away and die on the vine. Would you agree with this approach?

Senator FULBRIGHT. I think, generally speaking, it is a right policy. Mr. Castro is very irritating and embarrassing, but we ourselves have much to blame ourselves for over the past 50 years. We had Cuba. We could have guided it in nearly any direction. We neglected our opportunity when we had the opportunity to do with Cuba, proper things. It is embarrassing. I do not think that it would be any great achievement for a country of 180 million people to go down and knock off this fellow. After it is done what have you done? What have you accomplished and how have you contributed, other than to have removed a little embarrassment? I don't think I would do that, and I think what you say is correct, that we must concentrate on the rest of Latin America, and if it succeeds he will be isolated.

Mr. CLAPPER. You were critical of the Cuban invasion of the island. Are you satisfied that there is no behind-the-scenes effort to try it again?

Senator FULBRIGHT. To my knowledge there is not. I know of these groups. There is a big ad in this morning's paper that would indicate they are seeking groups of Cubans to drum up enthusiasm and support for this, but I assume you mean by our Government.

Mr. CLAPPER. Yes.

Senator FULBRIGHT. I know of no such plans.

Mr. SCALI. Senator, one of the things that seems to have aroused the suspicions of the Republicans is an alleged plan to give diplomatic recognition to Communist China and to favor its admittance to the U.N., and that plus whatever plans are underway for

recognition of Communist Outer Mongolia. Do you see any reason for such suspicion?

Senator FULBRIGHT. No. I think in this case we as a country are prisoners of our past mistakes, if you like. The sentiments of this country have been developed to such a pitch our President has no freedom of action in this field. Our Senate just passed unanimously a resolution supporting the view of nonrecognition of Red China, which it has done, I do not know, 15 or 20 times. It has become a ritual, a Republican ritual. This stems from the old days of McCarthy in which they thought—the Republicans believed, and maybe with reason, that they were succeeding in proving that the Democrats were soft on communism and this is a hangover from those days and these very difficult taboos or whatever they are, voodoos, voodooism, or prejudices or whatever you want to call them, to overcome, so we go through this ritual every year, repeating this thing. And, of course, nobody in public life can be in favor of recognition of China.

And also Mr. Chiang Kai-shek is involved in this and we more or less take our orders from him in this field. When he objects we have always been very good about going along with it.

I guess this is the proper policy. I am not objecting to it. He is important in that area and we consult with him as we do in other places. And I don't think we are going to recognize Red China. I do not favor it at this time. I don't know anybody who does.

I rather get tired of this repetition of this kind of resolution. Who is to say we should? Yet we are forced to put another resolution through. I haven't said we should. Nobody said we should.

Mr. CLAPPER. Will we recognize Outer Mongolia?

Senator FULBRIGHT. I doubt it—for much the same reason. I think much could be said for doing it, on the ground of information, of knowing what is going on in that area, or being able perhaps to contribute to the differences between China and Russia. But for the same reason that we will not recognize Red China, because of the price of dissension within our own ranks at home; it is too great to pay. I don't know whether it was wise or not. I don't know enough about Outer Mongolia. But the reasons that have been given by those who purport to know would indicate that we might learn something of value to us. But I think we have no freedom of action in this field because of domestic politics.

Mr. CLAPPER. Senator, turning to domestic politics, there is some word now that perhaps the foreign-aid bill will not offer 5-year loans, but just 3. Would this be an acceptable compromise to you?

Senator FULBRIGHT. No, not to me. I am for 5 years. When you say "acceptable," if the Senate votes it, what do I do, jump off a bridge? Of course you accept it. I am against it but I think it would be very foolish to do it and I shall not vote for it.

Mr. SCALI. Is there a compromise being arranged——

Mr. CLAPPER. Excuse me. I am sorry. I have to interrupt, here. Our time is up.

Thank you Senator FULBRIGHT for being with us today on "Issues and Answers."

Mr. MORSE. Mr. President, now I wish to say a word about the chairman of the Committee on Foreign Relations. He was subjected to attack here on the floor of the Senate the other day in the colloquy, and the RECORD speaks for itself; but as a member of the committee, I rise as his witness.

In my judgment, not only the Senate, but the American people, are exceedingly fortunate to have a man with the keen intellect, depth of perception, knowledge of history, and understanding of foreign policy issues that confront, not only this country, but mankind, in the person of the Senator from Arkansas [Mr. FULBRIGHT].

I want the RECORD to show this afternoon my complete confidence in the leadership of the Senator from Arkansas as chairman of the Foreign Relations Committee. I speak most respectfully when I say to the State Department and the White House, "You will do well to heed and counsel with this student and statesman in the field of foreign policy." As a matter of fact, the White House and State Department have been doing it and, in my judgment, it has been to the benefit of the White House and the State Department and the country.

I do not always agree with every proposal of the Senator from Arkansas; and when I do not, probably he is right. Perhaps sometimes I may be right, and he wrong, in a disagreement. But we are being served by a chairman of the Foreign Relations Committee who is dedicated—I repeat, dedicated— to the great cause that confronts the United States and mankind—namely, winning a safe and permanent peace without, to any degree whatsoever, sacrificing the interests of the United States.

I wanted to say these things today about the chairman of the committee, and to say them in his absence from the floor, because I have been reading some of the comments, and unfair stories, that have been published about the Senator from Arkansas. I wish the RECORD to show this afternoon that, having served under his tutelage and leadership on the Foreign Relations Committee, I have complete confidence in his leadership and complete approval of the high order of his statesmanship.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

Mr. MORSE. Mr. President, I now turn to the subject matter before the Senate. To my friend from Wisconsin I wish to say that I usually find myself in agreement with him in regard to needed cutbacks in an appropriation bill. It is with a heavy heart that I tell him I have to leave him on this one, because I do not believe the committee has brought to the Senate, in a committee report, a recommendation of too high an appropriation in the whole field of health. To the contrary, I do not think the committee has gone far enough.

I have made some study of the hearings, and I think the Senator from Alabama will testify in support of the observation I now make. The committee had before it representatives of professional advisory committees in the field of health representing a cross section, I think, of the various centers, research groups, medical schools, and research authorities in this country. They recommended sums far in excess of the sums being recommended by the committee.

I will ask the Senator from Alabama if that is not true.

Mr. HILL. Mr. President, the Senator from Oregon is absolutely correct. The truth is that for the medical research program they recommended an increase of $335 million. The Appropriations Committee reported an increase of $195 million, in round figures.

Mr. MORSE. I wish to say to the Senator from Wisconsin that I share his high regard for the President of the United States. The President of the United States, when he was a Senator from Massachusetts, served on the Senate Committee on Labor and Public Welfare, of which I have been a member for some years, under the very able leadership of the Senator from Alabama, who is chairman of the committee and is also chairman of the Appropriations Subcommittee which reported the bill now before the Senate. There is no question of the keen interest of the Senator from Massachusetts had in this whole field when he served on the committee. I certainly agree that the President of the United States, based on his Senate experience, and other experiences, is a well-informed man in this field—but not infallible.

Also I wish to say, most respectfully, that the President of the United States submitted his budget request in advance of the hearings which the Senate committee conducted on this subject matter. The President of the United States did not have the advantage of the documented evidence that the authorities in the field of health submitted to the Senate committee. Therefore, I cannot reach the conclusion which the Senator from Wisconsin reaches, if I am correct in my assumption that it is his conclusion, that the budget's recommendation would have been the same if he had had the same benefit of the enlightening information which the expert witnesses presented to the subcommittee of the Senator from Alabama [Mr. HILL].

The Senator from Wisconsin loses me in the force of the argument he makes by saying, "We ought to back the President because this is the President's recommendation." I only say, "This is the President's recommendation before the fact. This is the President's recommendation before the record was made. This is the President's recommendation before the committee had the benefit of this body of very valuable information, on the basis of which the committee has made its final recommendation."

I say to my friend from Alabama: I know the problem which confronted him in the committee, exactly as I appreciate the problem which confronted the President when he presented his budget to the Congress. Imagine all the demands for appropriations. Imagine all the good causes which were presented at the so-called executive level in the development of the Presidential budget. Not even a Solomon could really be sure of his wisdom in the decisions and recommendations the President has to make in his final submission of a budget to the Congress.

I stress the fact that the President did not have the benefit, at the budgetary stage, of the documented evidence

the Senator from Alabama and his colleagues on the Appropriations Committee had.

Furthermore, I am not going to be persuaded by an argument that I ought to follow the President because this is the President's recommendation, because my responsibility as a Senator is quite different from that of the President. My responsibility as a Senator is a legislative responsibility. As a legislator, I have to take a look at the evidence which is presented in support of proposed legislation. I have to decide as a Senator as to whether the weight of the evidence supports X recommendation or Y recommendation. If I think it does, I ought to be bound by that evidence, and not by an opinion recommendation a President submitted in a budget message at a time he did not have before him the evidence which I as a legislator have been called upon to evaluate and to make a decision based upon. So I have never in my 17 years in the Senate been persuaded very much by the argument that I ought to do something because it is a Presidential recommendation. Rather, I ask myself the question, when each legislative issue is before me, "What does the evidence show?"

As a Senator it is my duty to evaluate the evidence and to vote in accordance with what I believe will best promote the public interest. Under our system of the separation of powers and checks and balances, if the President thinks the Congress goes too far awry then he has a constitutional obligation to veto what we do. I am perfectly willing to always meet that action on the part of the President.

I cannot speak for the President. I do not know what the President's position will be if we vote for this committee recommendation and the House in conference agrees to a sum very close to this figure. That is the concern of the President, not of mine. I will pass judgment upon what course of action he may follow if it comes back to me for further senatorial action.

What I am satisfied about is that the committee has not gone far enough. That is why I cannot support my good friend from Wisconsin in his amendments to cut back in this whole field of health. I wish to say a few words about the need from the standpoint of public interest and from the standpoint of national defense in connection with appropriations for health.

Mr. President, it is very easy to say, in the course of debate, when one feels rather deeply about some subject before the Senate, "This is more important than anything else," or "This is more important than something else." I try to avoid that error in logic. I think it usually is an error in logic.

I wish to put it this way: I do not think anybody can successfully refute the fact that the health needs of the American people are sorely in need of greater attention by the Congress of the United States. I think we in the Congress for many years have been most inadequate in appropriating the minimum amounts of money which ought to be appropriated to seek to relieve suffering humanity in the United States and elsewhere in the world, for that matter, from the scourges of diseases which take such a heavy toll day after day and year after year.

Therefore, for some reason I cannot get very much concerned about a proposal to cut back on health research. I cannot find myself filled with very much enthusiasm about a proposal to accept a budget estimate in regard to appropriations for heart disease or cancer research, or with respect to any of the other terrible tolltakers of human life. I would rather err in the other direction. I would rather appropriate more than can be used, with some check in the appropriation to provide for a reversion in case the money cannot be used efficiently and effectively.

I wish to mention one small item. My colleague, the Senator from Oregon [Mrs. NEUBERGER] has commented upon, in connection with proposed legislation, air pollution in the United States, the matter of gases which are filling the atmosphere particularly of our cities, apparently, so the scientists say, as a result of heavy motor vehicle traffic. There is not only the assumption but also now a body of scientific data being collected which gives cause to believe there is a direct cause-to-effect relationship between air pollution and cancer. We had better find out. One thing we know is that the incidence of cancer is increasing. We know that lung cancer incidence is climbing.

The Senator from Alabama and I certainly are not medical authorities, but I think we have a legislative responsibility to do everything that we can to get every last dollar which can be efficiently and effectively spent in regard to research in connection with the question of whether or not there is a cause-to-effect relationship between air pollution and lung cancer and other forms of cancer.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HILL. The Senator of course knows there is no cancer which progresses more rapidly or is more fatal or deadly than lung cancer.

Mr. MORSE. That is true.

Mr. HILL. While the Senator speaks about lungs and respiratory disease, of course the Senator has noted the tremendous increase in the disease known as emphysema. We have no cure for that disease. It is a terrible disease, as a result of which the cells in the lungs break down, and the broken-down cells fill up with water moisture, which makes it impossible for the oxygen to get into the blood stream of the body, and the patient does not live long.

Mr. MORSE. I do not care where the surface of need for medical research is scratched. What do our doctor friends tell us? We think we know a great deal, but we know that the depth of our ignorance is abysmal compared with even the very little knowledge that we have yet developed in regard to medical science. We are proud of the progress that the medical profession has made. But let them be their own witnesses. They say, "We look down in the abyss of our ignorance into the depths of what we do not know."

We talk about economizing. I do not question the sincerity and the high motives of my friend from Wisconsin in connection with his amendments, but I do not agree with him on the merits. So we have, respectfully, a difference of opinion on the amendments. From the standpoint of defense and strengthening the security of the country, we cannot justify economizing on medical research. We ought to have a crash program on medical research. I do not know of any jury of scientists, medical authorities, doctors, or biochemists who have any familiarity at all with the effects of radiation, who would not come before us today and testify, "If we know anything, it is just about that little an amount, figuratively speaking"—and I hold my thumb and forefinger about a quarter of an inch apart—"in comparison with the depth of the lack of knowledge that we have in the field of medical science in respect to radiation and its effect on the human organism."

I do not think this is a time to be cutting back on research in the whole field of medicine. I am not critical of the committee of which the Senator from Alabama is chairman, but I wish that the committee had given us a recommendation for more, not less, appropriations in this particular field from the standpoint of defense. I do not know of any greater defense weapon that we could possibly have than the maximum potential health of our people.

What better defense could we have than a population which is as healthy as medical science can make possible?

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from West Virginia.

Mr. RANDOLPH. I have listened with intense interest to the informed and persuasive remarks of the Senator from Oregon. In essence I believe he has said that research in the field of medicine, as in many other fields, is an investment rather than an expenditure.

Mr. MORSE. That is a good way of putting it.

Mr. RANDOLPH. We invest the original dollar but, in the long run, we receive a dividend which far exceeds the expenditure. Such benefits may not be realized for a generation hence, but it is very timely that our colleague speaks to us as he does today in this Chamber.

I offer an illustration, which though tangential to the primary issue addressed by the Senator from Oregon [Mr. MORSE], is not inappropriate. I would not disparage the occupation or profession of any person, and certainly not that of individuals who have a flair for singing rock-and-roll songs. Such music has an appeal for certain groups of our population, the teenager and presumably some adults.

Among the leading entertainers in this field, I am told, is Johnny Mathis, who was paid $15,000 a week to sing at a night club on the outskirts of Pittsburgh.

Also in that same city, Mr. President, lived Dr. Jonas Salk, the developer of the polio vaccine which has saved the

health and lives of countless thousands of persons throughout the world. Dr. Salk worked long hours in the laboratories of the University of Pittsburgh for not $15,000 a week, but $15,000 a year.

It is no disparagement to the person or behavior of Johnny Mathis to observe that his contributions to society are hardly to be weighed in the same balance with those of Dr. Salk. We had better find a new perspective toward our values, and I congratulate the Senator from Oregon for his contribution in that respect.

Mr. MORSE. I thank the Senator from West Virginia very much. I am about through speaking on this point. I wish to move to another subject and emphasize once more that I think that the item is a good defense appropriation. I believe it is a good national security appropriation. I do not think we ought to cut back on the appropriation because we may have to make additional appropriations for military defense. I am frank to say that I believe the item is important for military defense. It has relation to another problem. I close this part of my speech with a brief reference to it.

I think there is growing recognition—and I think people will recognize it more year by year—that the health of our people is the concern of all our people. All our people have the right to look to our Government to be of assistance in promoting the health of all of our people.

For example, as is well known, I am a strong supporter of social security for medical assistance to the aged. I am satisfied that the American Medical Association will not be able to stop it for many years, because gradually the American people are being heard from, and gradually the American people will make clear to their politicians that they had better get busy and pass some legislation and have the Federal Government assume its responsibility in this field. The American people are not fooled by the false charge of the American Medical Association that such action will lead to socialization, because they know very well it will do no such thing. The private practitioner would continue to practice medicine on aged people. But the Federal Government, through the social security and insurance system, sees to it that the fees will be available for the doctor for the services rendered, and that he will not be allowed to exercise the discretionary power of a form of taxation on his own part, but that the Federal Government will say, "This service will be rendered, the fees will be paid, and the people will build up an insurance bank for the payment of those fees."

The point to which I speak is related directly to the problem before us today, because as I see it, it is only one facet of the responsibility on the part of the Federal Government to proceed with the appropriations necessary to continue research work so that the doctors can properly serve their patients. I am always a little amused when doctors talk about the private practice of medicine anyway. They forget that for the most part their tools, knowledge, and scientific information upon which they serve their clients have been developed through such programs as those about which we are talking today. They are truly practitioners. Much of the research has not been done by the practicing doctor himself. I do not for one moment seek to detract in the slightest degree from the great humanitarian service of the medical profession. But there is an administrative problem—the governmental problem—separate and distinct from the practice of medicine itself. There is a responsibility on the part of the Government, through such programs as the one before us and others that I believe will be enacted within a few years, to see to it that the health of the American people receives maximum protection through such Government assistance as the Government is able to supply.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LONG of Louisiana. Mr. President, one of my predecessors in the Senate, who voluntarily retired from the Senate after serving only a few months, once pointed out to me that during his brief service in the Senate he noticed an amendment to reduce the funds for cancer research. That man is still alive today. He pointed out to me that of those Senators who had voted to cut the funds for cancer research, five had died of cancer since that vote had occurred.

I do not point that out in any way to question the judgment of the Senators who voted against research to find the cure for cancer. I do make the point that those men, as well as everyone else in this Nation, would perhaps have benefited from the Nation acquiring the answer to the dread disease of cancer at an earlier date, instead of waiting for many years when untold thousands, and perhaps tens of thousands, would have died needlessly while we were looking for a medicine which today we do not know how to produce.

Mr. MORSE. I thank the Senator from Louisiana, because his illustration helps support the major point that I am seeking to make here on the floor of the Senate. It is a clear obligation on the part of Congress to appropriate these funds as a matter of service that the American people have the right to expect from their Government. We have the know-how, so these experts testify. We need the funds to carry on the experimentation, so we can bring the relief to suffering humanity that these experiments could bring.

Mr. LONG of Louisiana. Will the Senator yield further?

Mr. MORSE. I yield.

Mr. LONG of Louisiana. I know the Senator is not directing himself to this particular issue at this moment, but I would like to raise this point because to me it is very important. In the field of cancer research, those who are today using these public funds are permitting a single contractor to have the patent rights, to the point where he will be in position to monopolize, to the exclusion of all others, and even, if he chooses to do so, the point of barring the public from the benefit of the cure although it is to be arrived at with public funds.

In my judgment that is the most extreme case of public expenditure for private profit, when an agency spending U.S. Government money takes the money of all the people and gives it to a single contractor on a basis where the contractor is placed in the position of being able to charge the public a fantastically high price for something achieved at public expense.

Thank the merciful Lord that we did not do that when penicillin was discovered. Fortunately it was done under contract by the Department of Agriculture, which was not looking for penicillin for human consumption at the time it was discovered. Sometimes it happens that in research something is found that is not the purpose at all of the original research.

The Department of Agriculture is required by law to see to it that there are no private patent monopolies to the exclusion of other competitors when it does research. Therefore, when penicillin was discovered, everybody could compete by Government permit—and, of course, the Government was required to license everyone on a nondiscriminatory basis—in producing penicillin. In that way the cost of penicillin is about 5 percent of what the cost was when that product first came out. If the procedure of letting a private patent be taken out on that medicine had been permitted, in the same way that it is being done in the field of cancer today, it would have been possible for the one company holding the patent, a patent arrived at taxpayers' expense, to have charged 50 to 100 times the fair price for that product.

Mr. MORSE. I could not possibly agree more with the Senator from Louisiana. I shall support any amendment that he offers at any time in the Senate which seeks to prevent just that kind of what I consider to be exploiting the American people in the whole field of health, to which he has referred.

Mr. LONG of Louisiana. The Senator knows that under the rule I cannot offer the amendment now.

Mr. MORSE. Not now.

Mr. LONG of Louisiana. I could not let this chance pass, on hearing the Senator's eloquent speech, without making this point for the edification of those who may hear or read it.

Mr. MORSE. The Senator cannot offer such an amendment to the pending bill. However, I want the Senator to know that I think we ought to initiate a bill, for appropriate reference to a legislative committee, which will seek to give the American people the protection to which the Senator has referred.

Mr. LONG of Louisiana. Such a bill is before the Committee on the Judiciary. I hope the committee will give us a chance to act on it in this Congress.

Mr. MORSE. Mr. President, I have one other point to make, and then I shall ask the attention of the Senator from Alabama and the Senator from Wisconsin to a procedural matter.

The last argument I wish to make on the amendment is that I have a suggestion for a saving. I make the suggestion as a member of the Committee on Foreign Relations. I make it as one

who is going to support the main framework of the foreign aid bill. I wish to say that in my judgment there is a great deal of water in the foreign aid bill which can be squeezed out of it, and still leave a bill of great substance.

I certainly do not think we can justify passing a foreign aid bill with the amount of money that is contained in that bill, if at the same time it is argued that we ought to cut back on the program for medical health research in the United States. In my judgment, there are hundreds of millions of dollars that can be taken out of the foreign aid bill if we must cut back. I am not saying that that money cannot be put to good use, although I do not ignore the fact that a great deal of money similarly appropriated in the past was not put to good use. If there is anything that our hearings on the foreign aid bill have brought out, it is that there have been some unwise expenditures made in the past, and that there has been a great deal of waste in the past. We would be disillusioning ourselves if we believed that waste will automatically vanish with a new bill. There will still be a great deal of it. I recognize the fact, however, that we must go forward with a foreign aid bill.

The point I wish to make is that I will not be persuaded by the argument that we ought to cut back on a program that is as important as medical research in the United States, on the ground of economy, and then proceed with any such amount as we have included in the foreign aid bill.

Furthermore, let me point out that we can cut back on the foreign aid bill and add to the pending bill and do more foreign aid good than we will in some parts of the foreign aid bill. Let us not forget that when we spend money for medical research and for health programs in the United States, we help health all around the world. Findings with regard to medical research do not stop at the water's edge. They are transportable. They are exportable. They will be made available to the medical profession all over the world. I do not find myself in any way being persuaded by any economy argument in connection with the appropriation bill now before the Senate. To the contrary, I believe we could add money to the recommendation of the Senator from Alabama in this field, and cut a corresponding amount of money from the foreign aid bill in many places, and at the same time do more foreign aid good by that kind of transfer of funds than if we were to cut money out of the pending bill and not touch the amount in the foreign aid bill.

That is the burden of my argument against the amendment of my good friend from Wisconsin. I shall not be surprised if before we get through with appropriation bills the Senator from Wisconsin and I will be back on the same team, agreeing to make some economies in some other bills, and that I will agree with him that in connection with those bills we can make cuts without doing damage to the public interest. However, at this time we part company.

Now I should like to have the attention of the Senator from Alabama and the Senator from Wisconsin.

I have another matter to present.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HILL. I assure the Senator from Oregon that he has been making such a timely, such an able, such an excellent speech that he has had my attention all the way.

Mr. MORSE. Mr. President, the chairman of the Committee on Labor and Public Welfare is always generous and kind. He has demonstrated to us his wonderful human quality, which explains perhaps as much as anything else why he is unbeatable.

Now I wish to raise a procedural question. I have another subject I wish to discuss this afternoon at some length. At the same time, I wish to accommodate myself to the wishes of the proponent of the amendment and of the chairman of the subcommittee. As the Senator from Alabama surmises, I shall have something to say later this afternoon on the whole subject of vocational rehabilitation.

I have a series of questions I shall propound to the Senator from Alabama. I may have an amendment to offer, unless we succeed in making a legislative record which will make the amendment unnecessary.

I have the floor now. I could continue and bring this other matter up. However, I think that to do so would be somewhat out of order at this time. I wonder if it would be preferable to the Senator from Alabama if I postponed until later this afternoon or this evening or tomorrow my discussion of the problem of vocational rehabilitation and let the Senator from Wisconsin proceed with the disposal of his amendment.

Mr. HILL. It would be perfectly agreeable to the Senator from Alabama to proceed in that way.

Mr. MORSE. Would the Senator from Wisconsin prefer to have me postpone my discussion of the vocational rehabilitation problem until later?

Mr. PROXMIRE. I would appreciate it if the Senator would do so. I have about concluded. There may be one or two other Senators who wish to speak on the subject.

Mr. MORSE. Mr. President, I announce that I shall discuss the problem of vocational rehabilitation later. It will take a half hour to do so. Until I have made that statement, I would not wish to enter into an agreement to limit debate on the bill. I yield the floor.

Mr. MONRONEY. Mr. President, I sympathize with the Senator from Wisconsin in his efforts to effectuate economy in government. We all seek to do that. In fact, the subcommittee of which the distinguished senior Senator from Alabama is the chairman has spent many weeks looking for ways to economize.

The distinguished Senator from Wisconsin, in searching for economy, has let his hand fall heavily on the parts of the bill which concerned our subcommittee most; namely, those parts which seek solutions to the cloudy mystery of why people die from diseases such as cancer and arthritis, or from heart conditions, and to try to expedite human discovery and provide facilities to do something about those diseases.

Out of the $297 million which the distinguished Senator from Wisconsin seeks to cut from the bill, he has chosen $277 million for items which are directly related to relief of human suffering and finding the cause of the catastrophic diseases which have visited mankind since time began. These are the activities which would feel the impact of most of the reduction proposed by the distinguished Senator from Wisconsin.

When I say we are all looking for economy, I call attention to the fact that 60 other items of the bill have either been reduced or held to the budget amount. Out of 60 items in other parts of the bill, with the exception of health items, 18 were reduced substantially by the subcommittee headed by the distinguished senior Senator from Alabama. Out of those 60 items, there are increases in only 7. Eight reductions were below the budget amounts.

Yes, the distinguished Senator from Alabama has gone over the budget and has considered the actual health needs of the Nation. Certainly the Hill-Burton Act has been the greatest boon to the practice of medicine and to the bringing of modern medicine to the crossroad towns of Wisconsin. Under the Hill-Burton Act, the great hospital aid program, the Federal Government matches the funds which the local community can raise. Those hospitals are modern and have up-to-date laboratories. It has been possible to attract new graduates from the University of Oklahoma Medical School and the great school of medicine at the University of Wisconsin to the smaller communities, where they could not be found a few years ago, because they did not have the facilities with which to work. Yet the Senator from Wisconsin proposes to cut $25 million out of the hospital program, does he not?

Mr. PROXMIRE. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. PROXMIRE. The fact is that I do not propose to cut any of these programs. My amendment would permit an increase in virtually every one of the health programs—in many cases, a substantial increase. In one important instance, there would be a 25-percent increase for general research services over the amount for 1961. The amount for the Heart Institute, $86 million, would rise to $97 million. These are big increases.

I have no desire to reduce the amounts for these programs. They are all increased.

What I am seeking to do is to conform with the generous request of the Kennedy administration, which was very deeply concerned, and properly so, with health, and has increased, right along the line, virtually every health program over the amount of the 1961 appropriations.

Mr. MONRONEY. I heard the Senator's cogent argument that we should stay within the budget. One would almost think the budget message was another Sermon on the Mount. I, too, thought it was important. But why do we waste time in the Committee on Appropriations, going over the budget line by line, bringing forward outstanding experts who have made breakthroughs in the study of arthritis and heart disease, if we are expected to rubber stamp the budget requests? Are we to be bound by the top limits of the budget, and dare we not trespass, no matter how much more information we hear from the leading medical authorities of the Nation, as to the needs and the capabilities for research, and the importance of accelerating research in certain diseases, actually to find the answer to the very serious diseases? If we are to be bound by the budget estimates, why does not the Senator, if he wishes to be consistent, move to reinstate the vast amount of reductions which the committee has made?

Actually, while the Senator from Wisconsin is trying to cut $297 million from the bill, he will find that half of the amount he is seeking to cut out has been offset by the subcommittee by reductions made below the budget.

Are we going to be a Congress and realize that the power given to Congress over the purse is power to examine carefully the appropriation requests? Or shall we say there is no need for this power which the Constitution gives us, and accept as sacrosanct the allotments which we have cut?

I want to know where the consistency is. Was the President's budget correct as to the items which the committee reduced? If it was, then let us move to increase them. Was it right on the items having a direct bearing on health? One of the greatest authorities on medical research in the world today, the distinguished senior Senator from Alabama [Mr. HILL], has listened by the hour and by the day to the foremost authorities in order to make that decision.

I respect the President highly. I respect his budget. As a matter of fact, even in the health items, there are 13 items on which the committee has followed the budget.

President Kennedy was sworn in on January 20. This budget was sent to Congress late in January. I do not believe that President Kennedy could possibly have been informed in the same degree as the distinguished senior Senator from Alabama has informed himself, after long hearings this year, as well as last year and the year before.

Mr. HILL. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. HILL. The distinguished Senator from Oklahoma is a member of the subcommittee which heard the testimony and wrote the recommendations which were concurred in by the full committee. The Senator from Oklahoma has been one of the most understanding Members of this body. He is aware of the effect the bill will have on our economy, more particularly and most important at this time, its relationship to the physical strength and capabilities of our boys and young men, and also with respect to what the bill means to our national defense. The Senator from Oklahoma will bear witness to the fact that the subcommittee sat for hours and days listening to the distinguished witnesses tell the story of the compulsion and need for these programs.

Mr. MONRONEY. The Senator is absolutely correct; and he knows that if such meat-axe cuts are made in the amounts recommended by the committee, tens of thousands of our people who might be saved will die in misery and torture, whereas if we accelerate this program we shall have a chance to move forward much faster. Each year that I have served on this committee, the distinguished senior Senator from Alabama has been providing leadership in connection with the provision of more funds than the Budget Bureau requested for these programs, and each year the administration and the Bureau of the Budget have recommended for the following year the amounts the committee voted for the preceding year. Yet we have been told that it is impossible to use the amounts which have been provided.

If the Senator from Wisconsin can point out waste or extravagance in connection with these amounts, I hope he will propose reductions in them; and in that event, I will vote with him. But I cannot in good conscience say that when the States are providing $400 million with which to back up the hospital aid program, we are being wasteful by voting to increase the amount of the budget estimate. For instance, in my own State there are hospitals which today are serving great needs, at locations where no hospitals previously existed; and I am sure a similar situation exists today in Wisconsin.

For instance, the committee has added $4,825,000 for mental health. The testimony submitted to our committee was that for the first time in our history the case load of the mental hospitals is decreasing, rather than increasing. Are we gaining? I think we are.

In trying to save money this year, the Senator from Wisconsin would, if he were successful in making such cuts, merely add to the mental torture of those who must be hospitalized, and who during the years of our blindness to the proper approach to the problems of mental health have had nothing to look forward to except padded cells or barred windows. But today progress is being made.

These two items, as I understand, would be reduced by the amendments of the Senator from Wisconsin, if they were agreed to. One of the items is for St. Elizabeths Hospital and similar institutions. Are they important? Of course, they are.

Another one of the items for which the appropriation would be reduced by the amendments of the Senator from Wisconsin is Gallaudet College, the great college for the deaf, the only college which provides teaching for the deaf. The bill as reported by our committee will provide funds to improve the facilities for the teaching of those who are deaf.

This item of the bill will help provide better facilities for those who give their lives to aiding the deaf and to helping them lead useful lives.

Then we come to the item for the only university in the United States that has an open door of welcome for young Negroes who wish to obtain college educations. This university is of vital importance. Our committee voted to increase the amount of the budget estimate for its appropriation. We voted an increase of $1,517,000 in the item for the expenses of operation and the salaries of the teachers. I think that increase is justified. I think we need to bring to Howard University as fine a faculty as can be found in any of the other colleges of the United States. We should also bear in mind that Howard University is not a segregated university; it offers to accept both white and colored students, alike. We have added $3 million for the construction of buildings, to provide a total of $4,612,000 over the amount of the budget estimates.

I am glad the committee considered the importance of providing excellent training to all manner of men; and I think we can justify the committee's report on the bill, because, as I have said, cuts have been made in less essential items, with the result that reductions have been made in the budget estimates in 18 cases, and in 42 cases the amounts recommended by the Senate committee are at the level of the amounts of the budget estimates; and in only 7 instances, up to this point in the bill, has the Senate committee recommended increased amounts—until we come to the items for health and our institutions of health. Since our committee has been able to make reductions which total approximately half of the amounts the committee has added to the items for the health institutes, by making reductions in the amounts for the mundane, every day, bureaucratic expenditures, the committee should not be penalized by having the reductions now proposed made in the items for the very valuable medical research work, for which the committee has recommended increases in the amounts of the budget estimates. Credit should at least be given for the savings the committee has been able to make by proposing reductions in the amounts of items for the Federal bureaucracy.

Mr. HILL. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield to the distinguished Senator from Alabama.

Mr. HILL. First, I wish strongly to commend the Senator from Oklahoma for the very fine statement he has made. It is most timely, most persuasive, and most informative.

The Senator from Oklahoma spoke about our progress in the field of mental health. We can take great pride and gratification in the fact that we have made that progress. From the time when the first hospital for the mentally ill—those who in the old days were called insane—was established at Williamsburg, Va., many years ago, until 5 years ago there was a constant increase in the number of hospitals for the mentally ill. Every year there have been more and

more. Even today, more than one-half of the hospital beds in the United States are occupied by persons who are suffering from some form of mental illness. But great progress has been made. For instance, at the end of 1960 there were approximately 535,000 patients in our State mental hospitals, and that was a significant reduction of more than 23,000 patients, during the 5 years to which I have referred. In other words, we finally have reached a point where we have been making some reduction in the numbers, rather than to have increases come year after year after year.

But although we can take pride in these programs, which the Senator from Oklahoma has so strongly supported and which our Senate committee has so strongly supported, we still have a very, very serious situation in the field of mental health.

The Senator from Oklahoma will recall that in 1955 the Congress established a Joint Commission on Mental Health. It was composed of some of the most distinguished men in that field—doctors, psychiatrists, and biological scientists. The Director of the Commission was Dr. Ewalt, who is mental health director of the great State of Massachusetts. The Joint Commission made its report about March of this year. In its report the Commission had this to say:

> By comparison with polio we are not even at the 1908 stage in the sense of having discovered causes * * * the enormous patient-care task the mental health profession faces today is matched only by the enormous research lag in the study of human behavior.

When this budget estimate was made up—and I refer now to the very eloquent statement the Senator from Oklahoma has made on this point—those who made up the budget estimate did not have the benefit of the study and the report made by the Mental Health Commission. But we who sat in the committee day after day, hearing the witnesses testify on these various items, did have the benefit of that report and the recommendations made by those who had spent 6 years studying the problem of mental health in the United States.

Mr. MONRONEY. The Senator from Alabama is correct; and I think that is one of the best ways to spend money to save money.

I should like to state that the figures I quoted for Howard University were increases over the amounts for 1961, when we found that need existed.

Mr. PROXMIRE. However, I point out that no part of my amendments would affect the amounts to be provided for Howard University. My amendments leave untouched the items for Howard University.

Mr. MONRONEY. I was wrong, and the Senator from Wisconsin is correct. I am assured also that the Senator from Wisconsin would not have proposed cuts in the amounts for Howard University, even if the amounts recommended by the committee had exceeded the amounts of the budget estimates. However, the amounts our committee has recommended do not exceed the amounts of the budget estimates.

Mr. HILL. But the amendments of the Senator from Wisconsin do propose cuts in the amounts which are desperately needed today for Gallaudet College, the only one of its kind in all the world—a college for instruction of the deaf. Is not that true?

Mr. MONRONEY. Yes; the amendments of the Senator from Wisconsin would reduce by $530,000 the funds which are so vitally needed to raise the teachers' salary scale at this unusual, unique school, the only one of its kind, where the deaf are taught to overcome their handicap and to live with comfort and to carry on useful lives even though they are deaf. All that is made possible by the work done at Gallaudet College.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. MONRONEY. Yes; I am happy to yield.

Mr. SMATHERS. The Senator probably has already covered this point, but I did not hear the discussion, because I was out of the Chamber for a moment. Is it a fact that the proposed amendment of the Senator from Wisconsin would cut funds which are calculated to go to the Hill-Burton program, which builds hospitals over the United States?

Mr. MONRONEY. To be absolutely fair, and I certainly wish to be, we raised the budget by this amount. The amendment would cut the amount back to the budget amount, which would mean there would be $25 million less for Hill-Burton matching funds, which would probably mean a total of $100 million, because the States usually do better than a 50-50 matching. There is being proposed a slight increase over the 1961 level. Over $400 million in funds are waiting to be matched. Even with the amount that we are proposing to appropriate, $25 million over and above the budget amount, it will be some 3 years before we can reach all of the communities that are hoping to have hospital facilities with the help of the Hill-Burton program.

Mr. SMATHERS. That is the reason why the committee increased the amount—to make it possible for areas without adequate facilities, that have already put up their money——

Mr. MONRONEY. They have the money and are ready to put it up.

Mr. SMATHERS. They are ready to put it up, but because the Federal Government is not ready to supply its part of the money, they are not able to have adequate hospital facilities. That is the reason why the committee has brought in a larger amount than recommended by the budget. Is that correct?

Mr. MONRONEY. The Senator is correct. We have done so each year, and each year the Budget, which is supposed to be sacrosanct, follows next year the committee action of the previous year, because the Budget has realized that the funds that were justly required and necessary—and a lot more, besides.

Mr. SMATHERS. I certainly wish to congratulate the committee on that item, as well as other items, but particularly that one, because I know of no greater need in my State—and I am sure it is true in other States—than that for medical and hospital facilities. This is the way to do it. If we are going to make cuts in the bill, there are other places where it would be much better to make cuts than in this particular item.

I congratulate the committee for its action.

Mr. HILL. Is it not true that a young doctor entering medical practice today will not locate in a place unless he has the tools to do his best work, and in order to have those tools, he has to have a good hospital?

Mr. MONRONEY. He is trained in a hospital. He is trained to use X-ray and other modern tools. He has gone through the long and tedious process of becoming a physician, and he cannot operate in a one-room office in a small building in a small town. It has been the establishment of Hill-Burton hospitals that has caused the spread of qualified young physicians over the country, who are willing to move into areas because there is available laboratory and other equipment, so they can use the skills that have been learned in the universities.

Mr. HILL. It may be of interest to know that under the Hill-Burton program $4,700 million have been invested in hospitals and health facilities. Out of the $4,700 million, only $1,400 million have been in Federal funds, whereas the States and local communities have put up the remaining $3,300 million.

Mr. MONRONEY. May I ask the Senator from Alabama a question, because he is more familiar with the details?

Mr. HILL. Yes.

Mr. MONRONEY. Is not the program for research in smaller hospitals also affected by the amendment of the Senator from Wisconsin? This is a program which is beginning to grow, because we realize all the brains are not located in Washington or New York or Cambridge. It is designed to bring into the program doctors located across the country, when they can get away from their practice, so they can make their contributions to medical research, thus expanding the base for medical research by a ratio of 10 to 1.

Mr. HILL. The Senator is correct. Funds provided in the bill would permit a substantial increase in research centers over the country.

Mr. MONRONEY. That program is to give the local physician who has worked in a particular field an opportunity, under controlled research, to make use of his talents, as well as those of local technicians, and to spread this program beyond the confines of the National Institutes of Health or other giant hospitals.

Mr. HILL. Teams work in the research centers.

Mr. MONRONEY. Is not the Senator from Wisconsin, by his amendment, objecting to the doubling of the amount for that purpose from $7 million to $15 million?

Mr. HILL. Yes.

Mr. MONRONEY. The reason why the amount was smaller last year was that it was the choice of the committee to try the program out, and let it grow, and not jump into a full-blown program all at once. It will grow. Thousands of physicians could not otherwise make their contributions to the heart and cancer centers.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the Senator from Alaska.

Mr. GRUENING. One of the amendments which the Senator from Wisconsin is seeking to have adopted would cut out the additional $250,000 which the committee wisely provided for the Arctic Health Center, an agency of the U.S. Public Health Service. This is the only institution in the United States which is doing research in the field of arctic and subarctic disease and grappling with the environmental conditions there which cause ill health. There is a whole field of medicine there which is, in a way, as important as the field of tropical medicine, which long ago was recognized as a special branch of medicine and accorded proper attention. This Arctic Health Center is the one institution doing that work, in this no less important but hitherto almost totally ignored field. It has been starved. Funds provided have not been adequate. If we are in a contest with Russia, and we are now providing an additional $3½ billion for defense, certainly the health of our military and civilians who operate in the arctic and subarctic climes is important. To reduce that item would be shortsighted and tragic. I hope the amendment will not be adopted.

Mr. MONRONEY. Very little arctic research has been done. Yet we have a great interest in the Arctic today.

Mr. GRUENING. It is the one institution where we can train our people to live in the Arctic and cope with its unique problems of climate, permafrost, and water supply. They are subject to diseases of which medicine knows very little, because we have not had that experience before. The Russians are far ahead of us. This $250,000, for which we are very grateful to the committee for adding, will help in a small measure to lessen the gap. It is sorely needed. The effort to remove it should be defeated.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the Senator from Alaska.

Mr. BARTLETT. I simply want to join my colleague from Alaska, first in complimenting the committee for having added to the amount recommended by the Budget and allowed by the House, $500,300, the amount of $250,000, and to express the hope that the amendment proposed to be offered by the Senator from Wisconsin will not prevail.

I think this whole situation was very well stated in the presentation made before the committee by Dr. Colyar, who is head of the Arctic Research Center, in these words:

> Alaskan and northern populations like standards of housing, waste disposal, water supply, heat, food, insect control, general sanitation and health and medical services comparable to those enjoyed elsewhere in the United States.

There it is. The work that has been done by the Arctic Health Research Center in the few years, comparatively, of its existence has done very much to change all this, but that work has been on more or less of a pilot basis, always without adequate funds.

The proposal before us now for three-quarters of a million dollars will not allow this center to engage adequately in the work that is required to be done in the Arctic.

We ought not to lose any time at all in launching and in keeping going scientific investigations in that area, which will become increasingly important in the world of tomorrow.

At the present time this research center is housed in one rather inadequate building, quonset huts and tents. There are not enough scientists. Those who are there are dedicated. They do not stay in town, as the saying goes, all the year around. They go out into the field. They live with the Eskimos. They live the hard way, because they are true scientists and wish to learn everything they can about the Arctic and the subarctic. They have made rather amazing discoveries already under trying conditions and under great handicaps. The scientists there are engaged in research relating to communicable diseases, water supply storage, waste disposal, and the effects of low temperatures on the human body.

I hope the time will soon come when we shall have before us a budgetary proposal for a really adequate building to house this chief Arctic scientific center of the United States. We need it, and we need it soon.

As my colleague from Alaska [Mr. GRUENING] has mentioned, the Soviet Union is doing far more in its Arctic research activities than the United States. Reliable sources indicate that at least one-third of the 739 Russian scientific institutions engaged in the study of medicine are pursuing arctic and subarctic health studies. The Arctic Research Center, on the other hand, is the only permanent installation in North America which is making a sustained effort to acquire knowledge of health, bacteriological, biological, and related conditions. If we are to utilize these vast arctic and subarctic areas as they should and can be utilized, we must understand and be able to resist those environmental factors which naturally make habitation impractical and hazardous.

I wish to point out that the Public Health Service has repeatedly asked for these additional funds. Our arctic research program has been at a standstill relative to our efforts in other fields. In 1952, the personnel at the center numbered 60. By 1961 only 47 people were employed there. Whereas costs are constantly increasing, there has been no significant increase in funds allotted to research in this vital area. Yet it is entirely clear that the Arctic and subarctic will shortly be indispensable to our welfare, in peace as well as in war.

Mr. President, 17 percent of Alaska is properly in the Arctic zone; some 26 percent of Canada and 16 percent of the Soviet Union lie in the Arctic. I wish to stress, therefore, the national significance of the discoveries which may be made if this appropriation measure is passed. Arctic areas cover 300 million square miles of the earth's surface. The pressures of population will inevitably precipitate large scale migrations to these areas. In short, problems of arctic habitation are not insurmountable. Today we do not know enough. Perhaps tomorrow we will.

We must at least match the strides Russian scientists are taking in the Arctic. We cannot afford to sit back and wait until a full utilization of arctic resources becomes necessary for our survival. We must be prepared for what we know will come. We must expand our efforts.

The recommended increase in funds for fiscal year 1962 would be used to finance four projects. The first is to investigate earth impoundments for arctic water-supply storage facilities. Permafrost and surface saturation challenge the best engineering skills to devise workable water supply and distribution systems. The harvest of ice and snow for human consumption, used by a number of our defense installations in remote regions of the Arctic, is next to impossible in a civilian economy. The average household in an urban community would have to pay $200 per month for its water supply if it were forced to rely on such a harvest. Methods for pumping and piping water at subfreezing temperatures have already been devised. Economical storage of large quantities of water, however, remains an unsolved problem. Needless to say, an adequate supply of fresh water at a reasonable cost to the consumer is the first step toward the elimination of disease.

A second project would investigate means to improve facilities for sewage disposal. Twenty households in the Anchorage and Fairbanks areas could be selected as models to develop a guide for the operation of septic tanks and tile fields in the State. It is estimated that from 2 to 3 years will be required for completion of the study, analysis of data, and formulation of operational guides.

The third project is designed to study the physiological factors by which animal and human life adjust to low-temperature environments. Specifically, the 1961 and 1962 goals are to determine the extent to which directed training and experience can increase cold tolerance.

The information which may be obtained will, of course, be useful not only to civilians, but also to those soldiers who may be forced to engage in armed conflict in arctic areas.

The last project to be financed by the contemplated increase in funds is to expand research already being carried out in epidemiology. Dr. A. B. Colyar, medical officer in charge of the Arctic Research Center, has stated that epidemiology is the heart of preventive medicine and an essential supportive element in all public health research. I need not, in view of my earlier remarks, consume the time of the Senate in elaboration of the significance of this research.

I wish only to add, in conclusion, that two of these projects—those involving waste disposal and water storage—are new, and that the other two will permit the center to continue valuable work which has already been done. Dr. Colyar has submitted detailed plans which need funds in order to be realized.

Dr. Colyar, all the scientists, and the staff at the center are making with insufficient funds many magnificent contributions to a vital area of human knowledge. I am grateful, therefore, to the members of the Senate Appropriations Committee for providing more money to allow increased efforts in this research work which is important to all of us, whether we are residents of Alaska, of Florida, or of any other State in the Union.

I thank the Senator from Oklahoma for giving me this time to state my very positive and deeply felt conclusions on this subject. I hope no amendment to reduce the amount allowed by the committee will prevail.

Mr. MONRONEY. Mr. President, we appreciate the very excellent presentation by both Senators from Alaska. We felt this was a very necessary item. I believe it will stand the test of the subcommittee's judgment.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to my distinguished colleague.

Mr. HUMPHREY. Mr. President, I wish to express my thanks to the Senator from Oklahoma as a Senator and as a citizen for his valiant support of the committee recommendations, and particularly of the work of the subcommittee and of the chairman of the subcommittee, who has pioneered the work in medical care and medical research.

The first point I wish to make is that while we do respect the guidelines of the Bureau of the Budget there is nothing in the Budget and Accounting Act of 1921 which says that when the Bureau of the Budget sends a proposal to the Congress that is the end of the discussion. The purpose of the Budget and Accounting Act of 1921, first, was to prevent separate departments from going to the Congress with separate budgets and, second, to allow the President to present an overall coordinated program. It was made quite clear that the Congress would not lose control over the purse strings, nor would Congress lose its initiative.

SENATE SHOULD SUPPORT $835.6 MILLION FOR NATIONAL INSTITUTES OF HEALTH

I should like to express a few of the reasons why the Senate should support the action of its Appropriations Committee in approving $835.6 million for the National Institutes of Health for the 1962 fiscal year.

My reasons are:

First. The danger to our national security because of the Berlin crisis should mean greater, not a lesser effort for medical research.

Second. Death and disability among our civilian population will "not take a holiday," merely because of the Berlin emergency.

Third. Expenditures for medical research mean more, and not less, revenue to the Federal Government.

PROTECTING THE HEALTH OF OUR TROOPS

First, Berlin is but one point on the global chessboard.

The Kremlin may at any time move a pawn in Europe, for example, in Berlin, in order to divert us from a main move in the Far East, for example, in Vietnam, or it may precipitate a crisis in Asia to divert us from Berlin.

In my judgment, there will be a greater—not lesser—danger in the months ahead, that American troops may become involved in limited war in tropical areas of the globe. This would put a special premium on NIH programs of many types to solve the mysteries of disease which are endemic to tropical areas. I refer, for example, to:

First, the program of the National Institute of Allergy and Infectious Diseases—for support of university and other research at home and abroad on parasitic and other types of infectious disease.

Second, the program of the National Institute of Arthritis and Metabolic Disorders for support of the Interdepartmental Committee on Nutrition for National Defense—which makes surveys of dietary problems in foreign lands.

Third, the support by other categorical institutes of research programs abroad, for example, by the National Institute of Neurological Diseases and Blindness of viral encephalitis—which afflicts many tropical countries, among others.

More and more, the United States is supplying the training and other missions to cope with guerrilla-type operations in places like Laos, Vietnam, and so forth.

We owe it to the American personnel assigned to these nations to provide every possible means of protection for them against the dangers of disease.

The Senate need not be reminded of the fearful toll which World War II took on the health of American servicemen who fought in the malaria-ridden jungles, swamps and rice paddies of southeast Asia.

Veterans' hospitals are today filled with men who were stopped—not by enemy bullets—but by mysterious bacteria and viruses in strange areas of the world.

DEATH TAKES NO HOLIDAY

Second, deaths among our civilian population will take no holiday because of the Berlin crisis.

No Member of the Senate is unaware of the strain which has been put on the Federal budget because of increased expenditures required by the Berlin crisis and by the long period of danger facing the Nation. But whether the Defense budget is $42 billion or $45 billion or more, there is a human budget which is the most important single budget of all.

In this calendar year, 1961, whether or not a single American life is lost over Berlin, 1.6 million Americans will die from causes of all types.

Based upon rates of previous years, over 910,000 of these Americans will die of cardiovascular disease alone. Can anyone put a dollar sign on the value of these 1.6 million American lives? The answer is, "Of course not."

There are 14 million or so Americans with diseases of the heart, circulation, and kidneys. The report by the Senate Appropriations Committee suggests a 1960 expenditure of $160 million for the National Heart Institute. This would amount to a little over $10 per victim of heart disability. Surely, that cannot be regarded as excessive.

As Senator HILL's report points out on page 38:

> The number of Americans killed by heart disease in 6 months equals our total battle casualties in all 4 years of World War II.

If the Senate were to cut back medical research funds because of the need for increased national defense expenditures, then by that precedent, we might have to cut back medical research funds indefinitely into the future.

The reason is, that for the rest of our lives, we are probably going to encounter an unending series of dangers, posed by the Soviet Union.

We cannot suspend indefinitely the needs of our own citizens.

There is a time urgency about medical research. One minute ago, two Americans died of heart disease, and a minute from now two more will be dead. Every minute of the year some American somewhere is suffering from a new disease or disability.

Time is of the essence in the effort to find the answers to unlock the mysteries of disease.

A month, a year lost in medical research can never really be recovered, because men, women, and children suffer and die in the interim.

RESPECT FOR HEW RECOMMENDATIONS

As assistant majority leader, I am deeply cognizant of the administration's position. I am well aware of the levels of appropriations, as recommended by the able Secretary of Health, Education, and Welfare. But I am also aware that the Senate has the prerogative and the responsibility to make its own evaluation as to what the right level of appropriations should be.

CITIZEN GROUP URGED $967 MILLION

The Senate need not and should not turn a deaf ear to the distinguished private medical experts and citizens who appeared before the Committee on Appropriations.

Let it be recalled that the citizen witnesses recommended an NIH total of $967 million or $130 million more than what Senator HILL and his colleagues approved.

And while the Appropriations Committee version will be a great step forward, it will still leave serious deficiencies in support of many major medical programs, according to voluntary health experts and others.

I refer, for example, to research and demonstration programs in fields such as mental retardation.

INCREASED REVENUE FROM MEDICAL RESEARCH

Third, medical research expenditure probably represents one of the greatest boons to increased revenue to the Federal Treasury. It is a revenue creator, a stimulus to the tax base.

Medical research saves lives; it prolongs lives; it reduces disability; it eliminates disability. It puts wage earners back on their feet, so that they can become taxpayers.

It helps take the sick and indigent off the relief-welfare rolls and enables them to become self-supporting citizens.

Senator HILL's subcommittee has, in effect, saved the U.S. Treasury hundreds of millions of dollars every single year in tax revenue which might otherwise have been lost because of disease, disability and premature death. Similarly, his subcommittee has reduced the amount of inflation which might otherwise have occurred. In inflation, the supply of goods and services is reduced in relation to the supply of outstanding currency. Thanks to medical research, such individuals become health producers and consumers; thereby, they are enabled to increase the supply of goods and services.

INTEREST OF SENATE GOVERNMENT OPERATIONS SUBCOMMITTEE

Finally, I should like to mention that the views which I present are based, as I have previously noted, on facts compiled in the course of my work as chairman of a Senate Government Operations Subcommittee which has been looking at problems of interagency coordination.

The Committee on Government Operations is concerned with Federal economy and efficiency. We are interested in saving money for the American taxpayers—in getting a dollar's worth of value out of every dollar spent.

Since August 1958, we have compiled data on how the National Institutes of Health have carried on their research programs.

We have pointed out a great many ways in which we believe NIH could improve its efforts, notably in the field of coordination of information on medical science. We will continue to make recommendations for NIH improvements.

But it should be carefully noted that we have found that there is a remarkable degree of unanimity within the medical community as to the caliber of NIH work. Rarely in my experience with executive agencies, have I seen a greater degree of support for a single Federal agency than is the case with NIH.

I believe, therefore, that NIH should receive this vote of confidence and continued support.

PUBLIC WELFARE PERSONNEL TRAINING GRANTS, LABOR-HEW APPROPRIATIONS BILL, JULY 29, 1961

Mr. President, I also wish to compliment the Senator from Alabama and his subcommittee for including in this bill $2 million for the initiation of a program of public welfare worker training grants. As I stated on the floor earlier this session, I believe such a program has been long overdue.

The aim of all social welfare programs must be rehabilitation of the individual, not merely the maintenance of life at some minimum level. Social rehabilitation is an extremely difficult task in some of these cases. This job calls for highly trained public welfare workers as well as those with broad experience. New methods of rehabilitation are constantly being developed; new techniques are perfected. Social workers should have every opportunity to return to school and acquire this knowledge.

This year the Social Security Act was amended to provide for 100 percent Federal financing of public welfare worker training grants. The administration submitted a revised budget request of $3.5 million. This estimate was submitted directly to the Senate after the House had completed action on the bill. Therefore this appropriation of $2 million must go to conference.

Considering the circumstances of this request, I earnestly hope that the House conferees will find it possible to accept the entire $2 million recommended by the Appropriations Committee. This is a vital program which should have been activated many years ago. In my opinion the sum of $2 million is required to make a worthwhile beginning this year.

Again, Mr. President, I want to thank the Senator from Alabama for recognizing the validity of this request. The opportunities for advanced study which this appropriation will provide to public welfare workers will create a new morale—a new sense of dedication—among these underpaid and overworked public servants. The money needed to finance these training grants is, in fact, a lasting investment in these people, an investment which will be repaid many times in the years ahead.

Mr. President, I ask unanimous consent that the statement which I delivered before the HEW Appropriations Subcommittee concerning these public welfare training grants be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUBERT H. HUMPHREY BEFORE THE SENATE APPROPRIATIONS SUBCOMMITTEE FOR DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES, JUNE 20, 1962

Mr. Chairman, I wish to endorse the administration's recent request for $3.5 million for the training of public welfare personnel.

I know the members of this subcommittee are well acquainted with the facts surrounding this request. Funds were originally authorized in the 1956 amendments to the Social Security Act. Unfortunately, an appropriation was never made. Recently an amendment to the emergency aid to dependent children legislation increased the Federal share of these training grants to 100 percent. President Kennedy has now formally requested that $3.5 million be appropriated for this program in fiscal year 1962.

In 1956, the purpose of this program was clear: to enable public welfare personnel to receive the advanced study and training necessary for the productive operation of public welfare programs. As many witnesses before this subcommittee have indicated, this purpose is no less valid today. And the need for this training is substantially greater.

Productive operation of public welfare programs is, in my opinion, the crucial concept we must always consider. This means much more than the orderly distribution of public money to these unfortunate public charges. It means—first and foremost—a concerted effort to lead these recipients of welfare assistance toward higher degrees of self-help and self-care. It is primarily a job of social rehabilitation.

This is a difficult job. Welfare department personnel work under a crushing caseload, often averaging from 100 to 150 cases per worker. The need to reduce this burden often means that social workers are hired before they receive the desirable level of professional training. Departments find themselves unable to grant subsequent leaves of absence so workers can return for advanced study. Under these conditions a thorough job of social rehabilitation simply is not possible. Social workers lack both time and training for this type of long-term operation.

I am sure we agree that public welfare means more than the maintenance of these people at a minimum level of assistance which keeps body and soul together. We have the duty to demand that public welfare personnel attempt to bring these people toward the ultimate goal of self-care, self-help, and the development of sound and healthy family life.

But, in demanding this, we have also placed upon ourselves the concurrent obligation to insure that these welfare workers receive the training required to develop the skill and understanding to perform this difficult job of rehabilitation.

From personal conversations I have had with professional social workers, I know that startling results have been achieved with even the most disorganized families when adequate rehabilitation services are available. Intensive and extended counseling of ADC families have produced dramatic improvements in family relationships, school attendance, health practices, employment records, and housing. These results have been obtained in many seemingly hopeless situations—provided trained personnel are available to work with these persons.

If we act on President Kennedy's recommendation and provide the $3.5 million requested, 700 to 800 training opportunities would be made available at an annual average cost of $3,000 each. While this would be just a beginning in relation to the total need, it would nevertheless be a noteworthy beginning.

It would provide tangible evidence of long-overdue Federal concern in this area. It would provide a tremendous boost of morale within this group of conscientious and hard-working State and local public welfare workers.

Finally, this appropriation would represent a long-term investment in the Nation's future generations. Social work service, administered by skilled and well-trained personnel, constitutes the major hope of rescuing future generations from a life of poverty and destitution. This is an investment we can well afford to make.

Mr. HUMPHREY. This program in the whole field of health demonstrates the initiative of the Congress and what it can mean to the public and to public welfare. The Senator from Alabama, who has earned for himself an international reputation in this field, cited a while ago, hospital construction. Before the Hill-Burton Act, hospital construction throughout the communities of America was very limited. It is still inadequate. We still have a great need for hospital facilities, more than currently are available.

It was the "seed money" so to speak—the grant under the proposal known as the Hill-Burton Hospital Construction Act—which brought out $3 of local participation for every dollar of Federal funds. That has improved the general health of America. It has improved medical care of the people. It has improved medical science, as well as hospital administration.

Had we waited for the Bureau of the Budget to act, we would have been far behind in hospital construction. The proposal we have before us not only provides for hospital construction but also provides for diagnostic centers and special treatment centers. All of this has been pioneered in the Congress.

I think it is fair to say, with all due respect to the Department of Health, Education, and Welfare, that the initiative in respect to health has been taken by the Congress. The National Institutes have been set up by amendments offered on the floor of the Senate or on the floor of the House. I wish to make the record clear that in respect to every one of the National Institutes—Heart, Cancer, Neurological Diseases—the Bureau of the Budget request has always been less than what the Congress has ultimately appropriated.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. Will the Senator concede that there is a new Director of the Budget; a new Secretary of Health, Education, and Welfare; and a new President of the United States, and that this is his program?

Mr. HUMPHREY. Yes.

Mr. PROXMIRE. This is what the President has asked for. This is not a program which was asked for at a previous time. The President is a real expert in this field, and a compassionate expert at that. He believes deeply and strongly in these programs.

Mr. HUMPHREY. The Senator from Minnesota has a pretty good record of support of this administration. I am here as an administration spokesman and an administration supporter.

I wish to make the record clear. No President is going to veto this appropriation bill because the Congress sees fit to provide for hospital facilities. As a matter of fact, if the international situation is as grave as people say it is, and as grave as I think it is, it might not be a bad idea to have better health protection. We should not be closing up the health programs because of the Berlin crisis; if anything, we should be improving them. If anything is related to the health, the welfare, the security, and the defense of the American people, it is exactly what we are talking about this afternoon.

I repeat: There simply would not have been cancer research had it not been started by the initiative of the Senate of the United States. If I recall correctly, the distinguished Senator from New Hampshire [Mr. BRIDGES] was one of the originators of the idea of the Heart Institute. It was not the U.S. Public Health Service. It was not the agencies of the executive branch. I do not say these agencies do not do good work, for they do good work. I do not complain about that. I simply say that in my 12½ years in the Senate, I have seen one institute after another added by action of the Congress.

There is an institute on arthritis, a crippling disease, the pain and agony of which is beyond human description. Congress took the lead.

The same is true with respect to one after another of the institutes. Who has been in the forefront? It has been some of our colleagues like the Senator from Alabama [Mr. HILL], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Florida [Mr. SMATHERS], on mental health, and other Senators. I remember the battles we have been through.

Mr. HILL. Mr. President, will the Senator yield so that I may add a few more names?

Mr. HUMPHREY. I yield.

Mr. HILL. The Senator from Minnesota [Mr. HUMPHREY] and the Senator from Oklahoma [Mr. MONRONEY].

Mr. HUMPHREY. We have tried to make our modest contributions. Every Senator, in the main, has participated in support of these great measures.

I remember one of the first measures upon which I voted, when I came to the Senate in 1949. The Bureau of the Budget, under a Democratic administration, had come to the Congress with an appropriation request which was far too small in regard to hospital construction. The Senator from Alabama and his subcommittee came before the Senate, after adding more money. Did that bankrupt the country? I will tell the Senators that it made America a better place. Our people are entitled to that kind of care. It also brought participation from the communities.

One other point needs to be made. If Senators think that the Committee on Appropriations is composed of extravagant men, I wish to say that some of the more frugal and prudent Members of Congress are members of that committee. I will exclude the junior member of the committee, for I am the youngest of the members of the committee in terms of seniority. Senators can write me off, but I submit that that committee is known for its frugality and is known for its careful examination of budget requests.

We have a recommendation from the citizens' committee. Who are members of that citizens' committee? That committee is not made up of wild-eyed radicals. The citizens' committee is made up of some of the leading specialists in the world in the field of medical care and medical research.

I add that the Committee on Appropriations and the distinguished chairman of the subcommittee [Mr. HILL], instead of allowing what the citizens' committee recommended, cut the request of the citizens' committee $132 million. We ought to be scolding them for that, instead of going around pretending we have been asked to appropriate too much.

Mr. President, I simply add that the request which has been made is one which can be justified on the basis of fiscal policy, on the basis of national security, on the basis of public health, and on the basis of long-term investment.

We recently appropriated $1,700,000 for outer space activities. We did not even argue about the appropriation in the Senate. I think it is all right. We must take such action. We do not know what the future has to offer. We took a calculated risk.

(At this point, Mr. HICKEY took the chair as Presiding Officer.)

Mr. HUMPHREY. Mr. President, let me remind Senators that since I have been in this body one Senator after another has been stricken with cancer or heart disease. I remember when the late and beloved Senator from Nebraska, Ken Wherry, sat here. I remember when the late and beloved Senator from Ohio, Bob Taft, sat here. I remember when the late and beloved Senator Brian McMahon and the late and beloved Senator Matthew Neely were in this Chamber. I cannot call the entire roll. If America could find the answer to cancer, if we could find some of the answers to arthritis, if we could find some of the answers to mental disease we would for all time have claimed for ourselves glory and earned it.

I feel that it may be more important now to know what goes on inside the body that grips this frame of ours with pain and disease, than even to know what goes on beyond outer space. Both projects are important.

I believe the Senator from Alabama [Mr. HILL] and his colleagues who fought the good fight during the year have given us the kind of leadership that we need.

This is not a one-man show. The Senator from Alabama would not want it that way. But we have had leadership in the Senate that has earned for this body a decent reputation for foresight and statesmanship. Would that America had it every time on every subject. There is not a Senator present who is not proud of his service in the Senate because of what we have done in the field of health, because of what we have done for general research, because of what we have been able to do for hospital construction, research facilities, and medical training. These are the projects that we go home with, and these are the things that mothers remember. They come up and thank us for a child saved at our National Institutes of Health through an operation on the heart, a broken body or a broken mind healed. Why? Because we had some foresight.

Someone will say, "This activity costs money."

It would cost a great deal more not to undertake it. If the extra money which the committee has added to the appropriation could even come close to bringing about some relief from arthritis, we would have saved more in medical costs to the consumer than all the budgets for health research put together.

I have had filled my full share of prescriptions. I know a little about this subject, both from a technical and a layman's point of view. The advances that we have made in pharmaceuticals, surgery, medical care, hospital construction, and hospital management have more than saved all the increase in the budget that the Senator from Alabama is recommending today.

I suggest that if we want economy, Senators should support the recommendation of the committee. If we want to risk the future, we can start cutting the proposed appropriation, and then we will let the chickens come home to roost. I do not wish to indicate by my vote that I thought my advice was better than that of the citizens committee.

We have at least gone part of the way. I hope that we will sustain the committee, not only because it has done the right thing morally and professionally,

but because I think the action was taken for the future betterment of medicine.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. JAVITS. I wish to address the Senate with respect to another subject, but before I do so, I hope I will be forgiven if I may compliment the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Alabama [Mr. HILL], and the two Senators from Alaska [Mr. GRUENING and Mr. BARTLETT] for their statements on the bill.

I happen to have the honor of being one of that company that sponsored the bill to create the National Heart Institute in the other body when I was a new Representative. I will agree with the Senator from Minnesota [Mr. HUMPHREY] that I am extremely proud of that. I have often said, "Of all the things I did in Congress, I think this measure gave me the most gratification." Perhaps other things I might have done were more useful to the Nation, but the action gave me the greatest pleasure.

I should like to ask the distinguished chairman of the committee, the Senator from Alabama [Mr. HILL], a question for the benefit of those of us who have not sat in on the hearings and have not had the benefit of the knowledge and the detailed information which the chairman has, and who have heard conflicting views. On the one hand, we have heard views with respect to the budget. I agree with the principle that we are either a Congress or we are not. If we were to accept the budget request, whether from the Republican administration or the Democratic administration, we would be rubberstamps. I am not persuaded by such argument at all. But taking the budget figure and the figure of the citizens' committee, could we have a statement from the chairman which would give us the criterion of judgment? What was the formula that the committee used in fixing the figure? How did the committee arrive at such and such a figure of increase, when there are very large increases added to the requests, rather than taking the budget figures or the citizens' committee's figures? I would like to know if there was any formula which was used, or perhaps one or two examples of applicability in respect to the fields in question. The information would be helpful to me.

Mr. HILL. I know of the deep interest of my friend from New York in this subject. As he said, when he was in the House of Representatives, he was one of the authors of the act that brought into being the National Heart Institute. The action on the appropriations was not what we would call a mathematical problem, applying so much to each item in terms of a formula. We took the testimony which came to us from the distinguished doctors and biological scientists and went over each item very carefully. We weighed the testimony in terms of what was requested and in terms of the budget figure, and then sought to arrive at what we thought was a figure that would be wise and would be supported by the Senate and the House in order to take a very definite step forward in the battle against these dread diseases.

Mr. JAVITS. Then the formula used was a pragmatic judgment, a judgment on the facts, which differed in each case?

Mr. HILL. Yes, I would say the Senator is correct, because we considered many different questions with respect to the different Institutes.

Mr. JAVITS. Was there any dissent in either the subcommittee or the main committee?

Mr. HILL. In the subcommittee there were no nay votes. When the full committee voted there were no nay votes.

Mr. JAVITS. It is then fair to say that the appropriation came to us as the pragmatic judgment of the subcommittee and the committee?

Mr. HILL. The Senator is correct.

Mr. JAVITS. I thank the Senator.

EUROPEAN COMMON MARKET

Mr. JAVITS. Mr. President, I had in mind speaking for a few minutes today on a subject which is considered to be one of the most momentous economic developments in our history and that of the United Kingdom.

These are mundane subjects, but I assure the Senate that in my view the announcement the United Kingdom is contemplating membership in the European Economic Community is perhaps more portentous than Khrushchev's activities in connection with Berlin. The action will certainly last longer in terms of our world unless we are stupid enough to blow ourselves up.

In a world engaged not in a hot but in a cold war, it is news that could be even more important than the Berlin crisis because the trade of the world, which represents the key to the development of the less developed nations, may well determine whether a billion-plus people will go our way or the Communist way.

To give an idea of the order of magnitude which this action involves, the free world's exports and imports amount to $225 billion a year, while oversea aid of all kinds other than military from all countries and from international agencies, plus oversea private investments, amount to beween $8 to $10 billion.

Those are the relative orders of magnitude that we deal with when we deal with trade.

There is the other fact, Mr. President, that 25 percent, or one-quarter, of the exports of the United States will go to what will be the European Common Market when the British have joined it. Right now that market is 16 percent. We are talking about a market of about 300 million people when the United Kingdom and the other countries are associated in the Common Market Community.

Under those circumstances, I would like to leave two points with my colleagues in the Senate, which are critically important. The first is that it should be made crystal clear to the United Kingdom and to the nations of the European Economic Community that we consider it good, not bad, for the free world for the United Kingdom to join the Common Market, and that we look upon it with sympathy and satisfaction.

The British have a very hard decision to make. It is a momentous decision for the world. They are entitled to know how we feel about it, whether we are afraid of it or whether we favor it. We should tell the world that we favor it.

Second, we would be making a fatal error if we failed to prepare ourselves to deal with it. The administration is not taking on the trade struggle now, and this has deprived us of the time and backing and debate and hearings which are necessary to prepare ourselves for meeting the issue in connection with the renewal of the Reciprocal Trade Agreements Act, which will expire in 1962. In this critical field there must be no dereliction. I can say this, because I have supported this administration time and again. This is a very vital matter indeed, and must be dealt with now. We are hearing Big Ben toll now. We had better listen. If we do not, we will find our prosperity very seriously affected.

Mr. President, we are talking about an enormous market involving 300 million people.

So I say to my friends who are talking about quotas and about tariffs, to remember what we are up against in this situation, in connection with this enormous market, probably the greatest the world has ever seen, with a gross national product equal to our own. This is the first time that we have seen this happen. This newly expanded European Common Market will have a gross national product of $500 billion.

The Russians have a gross national product of about $220 billion, and the European countries themselves now have a gross national product of $160 billion. Now we are going to be talking about an equal power with our own, and we had better prepare to meet it. We must do so not by drawing back into fortress America in an economic sense, but by being ready to trade and to do business. We can do that if we will renew the Reciprocal Trade Agreements Act.

This is a momentous and historic development, at the very time when the Russians have told us that they expect to beat us economically, after Khrushchev has told us that they expect to bury us, and at a time, also, when the whole Communist world is trying to reconstitute itself with a new party program, as published in today's newspapers and published in text in the New York Times. This is certainly no time for us to be blind to the economic realities of the world.

Therefore, I make these two points: First, let us show the world that we sympathize with and like the idea of Britain joining the expanded Common Market Community and, second, let us begin to cooperate to deal with this Community on terms of equality. At the same time, let us legislate to meet the complaints of businesses and industries and workers who are adversely affected by concentrated imports. In short, let us understand the economic facts of life.

If we do that, this can be the greatest victory our world has had in recent time.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

Mr. KEATING. Is the amendment offered by the Senator from Wisconsin subject to division?

The PRESIDING OFFICER. It is not subject to division.

Mr. KEATING. Therefore, there is no way whereby a Member of the Senate can ask for an opportunity to vote on any one of the items contained in the amendment. Is that correct?

The PRESIDING OFFICER. The amendment is open to amendment.

Mr. KEATING. That would be the only way in which I would have an opportunity to vote on any one item. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

(At this point Mr. HICKEY took the chair as Presiding Officer.)

EDUCATIONAL TELEVISION

Mr. KEATING. Mr. President, I desire to speak very briefly on a matter of great urgency in New York City, which does not pertain to the pending amendment. This involves a rather interesting communication which I received recently from the Governor of New Jersey, Robert B. Meyner.

The Governor has set out to prevent channel 13, in the New York metropolitan area, from being purchased for educational television purposes.

Governor Meyner has informed me that he is not opposed to educational television as such. He is merely opposed to an educational television station to be operated for the benefit of the entire New York area, including northern New Jersey, in place of a commercial television station nominally assigned by the Federal Communications Commission to Newark, N.J.

In order to forestall what he views as a catastrophe, he has filed with the FCC a lengthy brief that purports to demonstrate the evils of turning the Newark television channel over to educational television.

An examination of this brief reveals the fact that Governor Meyner is very far from regarding the current situation as ideal. Rather, formal commitment of channel 13 to educational purposes would do little more in the Governor's opinion than perpetuate a mischievous policy that has actually been in effect since 1958.

In that year, the management of channel 13 revised its programing in an effort to bring to the New York area presentations of a quality frequently unavailable on commercial television. In connection with this policy, dramatic shows such as "Play of the Week," discussion programs like "Open End," and many original public service broadcasts were offered. This new departure in programing was widely praised in the press and won considerable viewer acceptance. Audiences were found to be available in New York, Connecticut, and northern New Jersey for shows of the highest quality that the best brains in television could devise.

Governor Meyner, however, was not impressed. Examining the record of channel 13 prior to 1958, he found that the loss far outweighed the gain. In his brief to the FCC he provides 47 examples of the kind of programs that appeared on channel 13 when it devoted itself primarily to New Jersey concerns.

Of this total, 12 are purely political broadcasts. I have some professional sensitivity on the value of political broadcasts, and will say nothing more of these. Among the remaining examples, however, are included such intriguing titles as "Junior Frolics," "Requestfully Yours," "Coffee Club," and "Rate the Record." I was particularly interested in "Requestfully Yours," which is described as a show of "New Jersey teenage music and dance program." Can it be that New Jersey teenage music is different from the teenage music being pumped out through jukeboxes and TV dance programs in other parts of this country? I respectfully submit that this is too much to be hoped for.

Other valuable items carried on channel 13 prior to 1958, according to Governor Meyner's brief, included professional wrestling from Newark, stock car racing from Jersey City, and the activities of the Newark Bears and the Jersey City Giants. Perhaps stretching a bit, Governor Meyner even includes a program entitled "Your Weatherman," as an example of the enlightened programing carried on by channel 13 before 1958.

All of these elevating shows, with the possible exception of the weatherman, were, the Governor implies, unwisely replaced by shows like "Open End" and "Play of the Week" after 1958. If the channel is turned over entirely to educational television, Governor Meyner fears, the fight to bring back "Requestfully Yours," and the Jersey City stock car races will be permanently lost. Worst of all, according to the Governor's brief, candidates for public office in New Jersey will be thrown back on New York and Philadelphia channels, which, "because most of their viewers have no interest in New Jersey politics and will tune out New Jersey campaign broadcasts," will charge top rates for such broadcasts.

Mr. President, I have no objection to "Rate the Record" and televised professional wrestling from Newark. I certainly have no objection to such a program as "Governor Meyner's Weekly Report," which has been a fixture on Channel 13 for the last 7 years. But are not most of these shows, or shows very much like them, already amply available on the host of commercial stations serving northern New Jersey? And is there any reason why the few worthwhile shows that cannot find a place on commercial television should not be taken up by the new educational channel? The educational television network has, in fact, promised that "the community interests of New Jersey will be served." Governer Meyner, however, has been reported in the press as not appeased by this promise.

Admittedly, New Jersey has special problems. Most of its citizens live in the metropolitan areas of one of two great cities that it borders. I cannot believe, however, Mr. President, that the existing facilities of New York and Philadelphia do not, or cannot, pay proper attention to their millions of customers in New Jersey.

New York has a great opportunity in the proposed purchase of channel 13 for educational television, Mr. President. This proposal, wisely supported by the major commercial networks, will give the entire New York area service of a kind that it can never receive from commercial television alone.

I, of course, include all of northern New Jersey, when I speak of the New York area. I hope Governor Meyner will abandon the narrow perspective that has led him to suggest that channel 13 should be preserved for commercial television. I hope he will agree to the conversion of channel 13 to educational television, not merely for the good of New York, but for the good, also, of the residents of the northern counties of the great State of which he is Governor. If he does not agree, I hope the FCC will overrule his contentions.

Mr. JAVITS. Mr. President, will my colleague yield?

Mr. KEATING. I yield.

Mr. JAVITS. I commend my colleague for his speech. I know that Senators are inclined to discount it as local propaganda, but it would be really most unfair to what is being presented. My colleague has presented not a local but a national issue, because this is the one chance to have a really big educational television outlet financed not by the Government but by private means.

I, too, have communicated with the Federal Communications Commission and with Governor Meyner. My colleague and I have the same reaction in giving this point of view.

I should like to add, to the wonderful presentation my colleague has made, the statement that the group which is seeking to acquire the station, which is a nonprofit group for educational purposes, has offered Governor Meyner anything he could legitimately ask for in the way of New Jersey programs. There is no desire to make the station appear to be anything other than a New Jersey station, although as a practical matter it has not been that. It has covered New Jersey only to a lesser rather than a greater extent.

Second, the statement has been made that Governor Meyner would become the first Governor to get within his State the greatest expression of educational television in the whole United States, which is far more important than another television channel, of which we know there are so many. I think this is a national issue, and a basic one.

I am delighted that my colleague has taken it up in such a serious way. I hope very much that his words and mine, and those of others, will be listened to by Governor Meyner and by the regulatory authorities.

Mr. KEATING. Mr. President, I agree with my colleague. I hope Governor Meyner will see the error of his ways.

I also agree with my colleague that this is a national issue. However, I do not apologize for this being an issue in New York. All of us who are Members of the Senate represent the cities and areas which have sent us here in considering questions of this kind, which involve both local and national considerations. As my colleague pointed out, this is indeed a problem which goes beyond New York. It is a national issue. The people who have joined together to promote educational television certainly have the interests of the general public at heart. They are to be commended for their action; they should be encouraged in it. I sincerely hope that the Federal Communications Commission will make a decision which will bear out this proposition.

U.S. SAVINGS BONDS REDEMPTIONS

Mr. JAVITS. Mr. President, I have just received from the Treasury Department the June 1961 report on sales and redemptions of series E and H savings bonds. These reports are sent to me regularly. On previous occasions I have indicated my deep concern over the disturbing trend whereby redemptions exceed sales of these bonds.

Though there has been some improvement in this situation following an increase in the interest rates from 3.26 percent to 3.75 percent, redemptions have continued to surpass sales. During the 24-month period ending June 30, 1961, the excess of E- and H-bond redemption over sales totaled $1,358 million. Further evidence of this aggravating gap is reflected by the statistics for fiscal 1961; redemptions once again outdistanced sales.

There is some indication that this trend is receding and during the last 6 months sales achieved a slight edge. Percentage comparisons show that sales of E- and H-bonds were up 9 percent and redemptions were down 10 percent from June 1960. There has also been a decrease in the total excess of redemption values.

Nevertheless, at best, this reversal is in its infant stages and, if it is to be nurtured, action must be taken. Both in April and May of 1961 redemptions again surpassed sales. For some time I have been advocating that the Treasury Department take measures to prevent any further attrition of individual holdings which represent an important portion of our national debt and which demonstrate the interest of every American in his country's fiscal situation.

In 1959 the Congress authorized the Treasury Department to raise interest rates on E- and H-bonds. I again urge that they be raised beyond the present 3.75 percent level to make investment in these securities more attractive. Furthermore, the Treasury should undertake a massive, patriotic drive to sell more of these bonds to the public. A special $25 billion issue of peace bonds should be offered which would attract millions of new investors and remove some of the inflationary dangers inherent in our national debt. In order to emphasize the importance of the sale of these securities, what we now call savings bonds should be renamed peace bonds. If these measures are taken I believe that we will be able to effect a shift of the national debt into longer term securities.

At the present time of world crisis, when our Nation is in the front line of the cold war struggle and when our economy is being tested by the strain of international competition, I believe it is necessary to make maximum utilization of all of our resources while insuring our fiscal integrity. If these measures are adopted we shall be better able to meet the challenge of world leadership.

I ask unanimous consent that the report of the Treasury Department may be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The E- and H-bond picture

[In millions of dollars]

Last year	Sales [1]				Redemptions [1]				Net			Exchanges of E for H	Outstanding in 1960	
	1959	1960	Change		1959	1960	Change		1959	1960	Change		End of period	Changes during period
			Amount	Percent			Amount	Percent						
June	323	340	+17	+5	470	438	−32	−7	−147	−98	+49	16	42,715	+21
Fiscal year	4,506	4,307	−199	−4	5,107	5,502	+395	+8	−601	−1,195	−594	201	42,715	−1
July	350	354	+3	+1	507	411	−96	−19	−156	−57	+99	17	42,779	+64
August	309	355	+47	+15	454	401	−53	−12	−145	−46	+100	15	42,827	+48
September	300	340	+40	+13	469	392	−77	−16	−169	−53	+117	11	42,868	+41
October	358	346	−12	−3	495	352	−143	−29	−137	−6	+131	10	42,953	+85
November	332	326	−5	−2	390	344	−46	−12	−58	−18	+40	11	43,028	+76
December	377	348	−29	−8	454	362	−92	−20	−77	−13	+63	12	43,137	+109
Calendar year	4,320	4,350	+30	+1	5,519	4,996	−523	−9	−1,199	−646	+554	278	43,137	+578

This year	Sales [1]				Redemptions [1]				Net			Exchanges of E for H	Outstanding in 1961	
	1960	1961	Change		1960	1961	Change		1960	1961	Change		End of period	Changes during period
			Amount	Percent			Amount	Percent						
January	421	456	+35	+8	562	441	−121	−22	−142	+15	+157	22	43,278	+141
February	438	416	−22	−5	457	375	−82	−18	−19	+41	+60	17	43,416	+138
March	393	435	+41	+10	437	412	−25	−6	−44	+23	+66	22	43,536	+120
April	340	348	+8	+2	427	372	−55	−13	−88	−24	+64	15	43,607	+71
May	349	371	+21	+6	412	372	−40	−10	−63	−2	+61	16	43,703	+96
June	340	370	+30	+9	438	392	−45	−10	−98	−23	+75	18	43,806	+103
Fiscal year	4,307	4,464	+157	+4	5,502	4,627	−876	−16	−1,195	−163	+1,032	188	43,806	+91

[1] Sales and redemptions beginning January 1960 include exchanges of minor amounts of series F- and J-bonds for H-bonds but exclude exchanges of E-bonds for H-bonds.

Source: Office of the Secretary of the Treasury, Office of Debt Analysis, July 7, 1961.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. CLARK. Mr. President, despite the desires of my colleagues that the Senate should vote, I must regretfully inform them that it is necessary—perhaps in the interest of my own self-preservation, perhaps not—that I should address the Senate on the pending bill for a few minutes. If they feel inclined to carry on their conversations elsewhere, I shall not feel affronted. But if they do not choose to listen to my brief résumé, I regret that I cannot, at the moment, under the present rules of the Senate, accede to their request since somewhat less than 67 of my colleagues have cried "vote," "vote," "vote."

I should like the attention of the distinguished Senator from New York [Mr. KEATING]. I hope that, despite the able

speech he made concerning television stations in New York, Pennsylvania, and New Jersey, he will, nonetheless, be prepared to support my rule requiring germaneness when it comes before the subcommittee of which he is a member later in this session.

Mr. KEATING. Mr. President, I am inclined to support that proposal, but under the present rules of the Senate I consider my remarks as germane on the other side.

Mr. CLARK. The Senator is within his rights. I have followed that course many times; I shall do so again until the rule is changed. I simply point out that this procedure results, all too frequently, in the inconveniencing of Senators who desire to complete the pending business and go home for dinner. Having been a violator, as has the Senator from New York, of the normal procedure of germaneness, I join him in the hope that the rule will be changed so that debate shall be required to be germane.

Mr. President, I support the Committee on Appropriations and the chairman of the subcommittee in charge of the bill, the distinguished Senator from Alabama [Mr. HILL] in opposition to the Proxmire amendments. My comments will also be construed, I hope, as in opposition to the amendments to be proposed by the Senator from Connecticut [Mr. BUSH], which is substantially, although not entirely, identical with the amendment of the Senator from Wisconsin.

I turn first to the question of appropriations for hospital construction under the Hill-Burton Act. I hope the Senate will defeat the proposal to reduce the appropriation for that purpose to the tune of $25 million. Senators who care to refer to the committee report will find, on page 19, that it provides:

> At the committee's request, the Public Health Service submitted a compilation, based on State reports, of anticipated construction of hospitals and other medical facilities. This indicates that States would be prepared, if unlimited Federal funds were available on the usual matching basis, to initiate construction of 43,754 beds under part C of the program, at an average bed cost of $20,000. The Federal share of this construction would be over $400 million. Although the present authorization of $150 million is far short of this level, the provision of that amount will permit greater progress to be made toward reducing the present substantial deficit of general hospital beds and related facilities.

This is a matter of considerable importance to the citizens of the Commonwealth of Pennsylvania. The commissioner of hospitals, Ira Mills, has advised me that there are presently pending in Pennsylvania 57 applications for Hill-Burton Act aid. Yet only 18 hospitals of that total of 57 will receive funds if the appropriation is to be cut back to the level of the budget requests, as the Senator from Connecticut and the Senator from Wisconsin have requested. However, if the committee's recommendation is adopted by Congress and approved by the President, 6 more hospitals or 24 in all in my State will receive funds, a total of less than half of those which have applied. Pennsylvania's share of the $25 million involved is $1,375,000. I can state from personal knowledge of the condition of hospital care in Pennsylvania that the amount provided in this bill, as recommended by the Senate Appropriations Committee, is substantially less than the amount required in order to give the people of Pennsylvania adequate hospital care; and I should be loath indeed to see the Congress act on a recommendation—to be sure, sent down by the President—to reduce the amount from that recommended by our Appropriations Committee.

It has been said in the course of this debate that this is President Kennedy's budget, that he has his own Director of the Budget, and that therefore we should be guided by what he recommends. Of course, this must have a certain plausible impact on those of us who as a rule support the President's general policy. But let me state that early this year the President made a basic decision, with which I was then in disagreement, and with which I am still in substantial disagreement. He undertook as a general rule to accept for the current fiscal year the budget amounts prepared under the direction of his predecessor. So what we are dealing with here is, substantially, not at all the Kennedy budget; but it is the Eisenhower budget, which has been adopted by the new administration, pending the time when it can come forward with its own budget, next year. So I feel no hesitation in supporting our committee by voting to increase the amounts of the budget figures, and in saying to the President and his Budget Director, "I do not like the Eisenhower budget figures. I like the figures which have been submitted by the Senate Appropriations Committee, so far as I know"—and I hope the Senator from Alabama will correct me if I am wrong—"without substantial dissent by either Republicans or Democrats on the committee."

At any rate, there are no minority views before us, and I believe my statement is substantially correct.

Mr. HILL. Yes; the Senator from Pennsylvania is correct.

Mr. CLARK. I thank the Senator from Alabama.

Mr. President, I come now to the reductions proposed in the items for the National Institutes of Health. I ask unanimous consent to have printed at this point in the RECORD a tabulation which shows the amounts of the Senate committee allowances, the recommendations of the citizens advisory groups, and the amounts by which the Senate committee's allowances fall below the amounts of the recommendations of the citizens advisory groups.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

	Senate committee allowance	Recommendation of citizens' advisory groups	Amount Senate committee allowance falls below advisory groups' recommendation
National Institutes of Health:			
General research and activities	$140,000,000	$153,100,000	$13,100,000
National Cancer Institute	160,000,000	190,389,000	30,389,000
Mental health activities	125,570,000	149,000,000	23,430,000
National Heart Institute	160,100,000	210,000,000	49,900,000
Arthritis and metabolic disease activities	90,000,000	97,500,000	7,500,000
National Institute of Dental Research	20,000,000	21,350,000	1,350,000
Allergy and infectious disease activities	60,000,000	66,182,000	6,182,000
Neurology and blindness activities	80,000,000	85,900,000	5,900,000
Total	835,670,000	973,421,000	137,751,000

Mr. CLARK. Mr. President, examination of the tabulation will show that the Senate committee's recommendations cut from the recommendations made by the citizens advisory groups, a total of $137,751,000.

In examining the record, as I have done, I find that the recommendations of each of the advisory groups were documented at substantial length in the course of the hearings. Among the chairmen of those committees are some of the most famous physicians, public health workers, and general citizens in the Nation. One need only read the list of names, to be assured that the statement I made is entirely accurate. For instance, the expert in the field of arthritis and metabolic disease was Dr. Currier McEwen, professor of medicine at New York University. He made a presentation on behalf of the citizens advisory group in the area of arthritis and metabolic disease.

In the field of heart conditions, the presentation was made by Dr. Frederick J. Stare, professor of nutrition and chairman of the department of nutrition, Harvard University, Boston, Mass.

In the field of allergy and infectious diseases, the presentation was made by Dr. Walsh McDermott, professor of public health and chairman of the department, New York Hospital, Cornell Medical Center, New York City.

The recommendations of the American Dental Society were presented by Dr. Alfred E. Smith, of New Orleans, who, I believe, asked the committee to "look at the record," in order to determine whether or not the recommendations of the American Dental Society were a proper basis for the committee's recommendations. I do not know whether Dr. Smith had a distinguished relative who came from New York.

In the area of mental health, Mr. Mike Gorman, executive director of the National Committee Against Mental Illness, and Dr. Nathan Kline, director of research, Rockland State Hospital, Orangeburg, N.Y., made the presentation.

In the field of cancer, Dr. Sidney Farber, professor of pathology, Harvard Medical School, made the presentation.

In the field of neurological diseases and blindness, Dr. Houston Merritt, dean of the College of Physicians and Surgeons, Columbia University, New York City, made the presentation; and in the field of general medical sciences, Philip Handler, professor and chairman of the department of biochemistry of Duke University, made the presentation.

Mr. President, Senators who are interested in these matters can examine the record in this case and the testimony presented at the hearings; and I challenge any Senator, after doing that carefully, to argue that these advisory committees have in any case recommended extravagant appropriations for the particular areas in which they are experts. Indeed, I think the committee could perhaps be criticized, if it is to be criticized at all, although I would not criticize the committee—for having cut back as substantially as it did the amounts recommended by the advisory committees.

Therefore, I strongly support the committee's recommendations. Goodness knows, we need more general research and more cancer research and an increased program on mental health—for mental disease is probably the worst illness of all; and we know how important it is to have more research and better treatment of arthritis, heart disease, and metabolic disease, also of allergies and infectious diseases and in the area of neurology and blindness.

Mr. President, I close on this note: It has been said that fiscal responsibility requires us to make reductions in the amounts of the committee's recommendations—proposed for the benefit of those in our hospitals and for the benefit of those who wish to engage in these important fields of research to eliminate human misery. It has been said that this should be done in order to balance the budget. Mr. President, I am as much in favor of fiscal responsibility as is any other Member of the Senate. I believe the budget should be balanced; and I believe it will be balanced in the next fiscal year. But I do not want to balance the budget at the expense of the unemployed or those who suffer from disease. I do not want to balance the budget by cutting down on the funds for hospital construction. I want the budget balanced by seeing to it that those who are living high on expense accounts have that privilege curtailed, so that they and the corporations they serve pay their just share of taxes. I do not want to see the Federal Government pay 52 cents of every dollar required for the maintenance of private yachts which are said to have some bearing on private business activities. I want to see the budget balanced by closing tax loopholes and by seeing to it that those who receive dividends and interest have their taxes deducted at the source, just as those who live on wages have their taxes deducted at the source.

I believe that the policies of the Kennedy administration, which are getting our economy back on the road, and already have shown a substantial increase in the gross national product, will in the end bring in somewhere in the neighborhood of $10 billion of additional revenue in the next fiscal year; and that sum alone will be more than sufficient to take care of all the requirements for national defense and all the requirements of important activities such as those we now have under consideration.

But if that is not enough, and if cutting down on the tax chiselers is not enough, and if closing the tax loopholes is not enough, then I, too, am in favor of fiscal responsibility; and today I have cosponsored with the distinguished Senator from Oklahoma the administrations bill to raise postal rates. The American people are asked to make sacrifices. I believe that those who are using the postal service as a subsidy should be among those who make the sacrifices. I believe that the American people should be prepared to pay another cent for first-class postage.

But if after having done all those things, we are in a position where it can be said that the budget is not being balanced, I, for one, would like to see the excess-profits tax reenacted, before we take these alleged savings out of the hides of the sick, the unfortunate, and the poor.

Mr. PROXMIRE. Mr. President, I know the Senate is anxious to vote. I think I can sum up rather quickly my position on my amendments.

I am happy to have had the Senator from Pennsylvania comment on this situation.

I am happy to follow the distinguished Senator from Pennsylvania. He is always very frank, eloquent, and persuasive. The position he has taken on fiscal responsibility is 100 percent sound. There is one inaccuracy which he has implied in my position. I do not favor cutting back hospital construction. Nothing in my proposal would cut this back except to the budget request. The budget has proposed an increase not a cut. The program moves ahead. This is a budget of progress on the health front.

Although the Senator from Pennsylvania has called it the Eisenhower program, the fact is that the Kennedy administration has been in office 6 months. It has had ample opportunity to appear before the committee of the Senator from Alabama. I am chairman of the Small Business Subcommittee of the Committee on Banking and Currency. We have had requests from the administration. First they sought $75 million in the authorization bill. Then they said they had no need for any additional funds. Then they changed their minds and said they needed $525 million for the next 4 years which would be a much higher yearly amount than the committee had first expected. But it was the budget request.

When we have a man of the ability and force of Secretary Ribicoff in charge of the Department of Health, Education, and Welfare, I think we can expect him to insist on appropriations which will be in compliance with his program and the President's program.

If we take a look at what the administration has requested, we will see this amendment does not cut back that program. As a matter of fact, the appropriation for one of the elements of the appropriation, general research in the field of medical science, goes from $76 million in 1961 to $95 million. But the committee's recommendation goes from $95 million to $140 million in 1 year.

I think, when an administration comes before Congress and states how much money it can use efficiently and how much it needs, it makes sense for a Member of the Senate to argue that we should not go above that amount in times like these. When the head of a department, particularly a department in this kind of administration, which has a heart and a very strong compassion for the individual, asks for a specific sum of money, I can see how the Congress might think it is an extravagant request. I do not think we should go higher. I do not see how a Cabinet head like Mr. Ribicoff can be expected to do an efficient job if he asks for a certain amount, and the Congress says, "No; you must use more money. We think you can use more money, and you must take it."

I think, with this kind of administration and that kind of Secretary, that is not responsible action on the part of Congress.

I wish to say one more thing before I conclude. I have been accused by the junior Senator from Oklahoma [Mr. MONRONEY] of believing in the sanctity of the budget. Of course, I do not believe in the sanctity of the budget. I have voted for increases and decreases in the past, and I will again.

But what is wrong with a Senator taking the President of the United States seriously? The President of the United States asked the Congress, and the distinguished Senator from Ohio read it into the record earlier, not to go above the budget requests. He asked the Congress to do that. Furthermore, what has happened in the last few weeks has presented this Nation with a real international crisis. The country is being asked to enormously increase its defense expenditures, by billions of dollars. We have started doing that. Under those circumstances, it makes sense for a Senator to try to keep a domestic appropriation bill within the amounts requested by the President.

What my amendment does is cutback the increases. So it does not follow the budget. It follows the budget only in keeping the requests to the levels asked by the President.

It has been argued that the President had no hearings or no opportunity to take a position. The President is very interested in this subject. No man in Government is more interested in this subject or more responsible in this field than is Secretary Ribicoff. This is his responsibility. There is no more important thing for him to do than come before the Congress and tell the Congress what he needs. He has told what he needs. What he has requested is exceeded by tens of millions of dollars in this bill.

This amendment will save $297 million, which is sorely needed in our military effort, and sorely needed in the the foreign aid bill to come before the Senate shortly. This amendment is in compliance with what the President has asked.

I conclude by referring to the colloquy I had with the senior Senator from Connecticut [Mr. BUSH] on Saturday, when it was emphasized that this proposal was in accordance with the President's program. This amendment is an attempt to comply with the President's request.

It seems to me, to support the President, a vote of "yea" on this amendment will result in a saving of $297 million. I yield the floor, and hope we can vote in the near future.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Wisconsin. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Oklahoma [Mr. KERR], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Oklahoma [Mr. KERR], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Arkansas [Mr. MCCLELLAN], would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Kentucky [Mr. COOPER] are absent because of illness.

The Senator from Illinois [Mr. DIRKSEN] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Maryland would vote "yea" and the Senator from Colorado would vote "nay."

The result was announced—yeas 22, nays 67, as follows:

[No. 122]

YEAS—22

Bennett	Douglas	Proxmire
Bush	Dworshak	Thurmond
Byrd, Va.	Ellender	Tower
Capehart	Goldwater	Williams, Del.
Case, N.J.	Hickenlooper	Young, N. Dak.
Case, S. Dak.	Holland	Young, Ohio
Cotton	Lausche	
Curtis	Mundt	

NAYS—67

Aiken	Carlson	Hart
Anderson	Carroll	Hartke
Bartlett	Church	Hayden
Beall	Clark	Hickey
Bible	Dodd	Hill
Boggs	Engle	Hruska
Bridges	Ervin	Humphrey
Burdick	Fong	Jackson
Byrd, W. Va.	Fulbright	Javits
Cannon	Gruening	Johnston
Jordan	Miller	Schoeppel
Keating	Monroney	Scott
Kefauver	Morse	Smathers
Kuchel	Morton	Smith, Mass.
Long, Mo.	Moss	Smith, Maine
Long, Hawaii	Muskie	Sparkman
Long, La.	Neuberger	Stennis
Magnuson	Pastore	Symington
Mansfield	Pell	Talmadge
McCarthy	Prouty	Williams, N.J.
McGee	Randolph	Yarborough
McNamara	Robertson	
Metcalf	Saltonstall	

NOT VOTING—11

Allott	Dirksen	McClellan
Butler	Eastland	Russell
Chavez	Gore	Wiley
Cooper	Kerr	

So Mr. PROXMIRE's amendments, en bloc, were rejected.

Mr. BUSH. Mr. President, I call up my amendment "7-29-61—A," as modified, and I ask that the amendments as modified be stated.

The PRESIDING OFFICER. The amendments of the Senator from Connecticut will be stated.

The LEGISLATIVE CLERK. On page 27, line 12, it is proposed to strike out "$212,972,000" and insert in lieu thereof "$187,972,000", and on line 13, strike out "$150,000,000" and insert in lieu thereof "$125,000,000".

On page 32, line 12, it is proposed to strike out "$140,000,000" and insert in lieu thereof "$95,341,000".

On page 33, line 10, it is proposed to strike out "$160,000,000" and insert in lieu thereof "$117,167,000".

On page 33, line 18, it is proposed to strike out "$125,570,000" and insert in lieu thereof "$88,324,000".

On page 33, line 22, it is proposed to strike out "$160,100,000" and insert in lieu thereof "$97,073,000".

On page 34, line 7, it is proposed to strike out "$20,000,000" and insert in lieu thereof "$13,933,000".

On page 34, line 11, it is proposed to strike out "$90,000,000" and insert in lieu thereof "$68,740,000".

On page 34, line 15, it is proposed to strike out "$60,000,000" and insert in lieu thereof "$48,322,000".

On page 35, line 9, it is proposed to strike out "$80,000,000" and insert in lieu thereof "$54,100,000".

The PRESIDING OFFICER. Does the Senator desire that the amendments be considered en bloc?

Mr. BUSH. No, seriatim. I shall call the amendments up separately, one after the other. However, I shall not call them up in the order in which they appear on the printed amendments, but will specify after my remarks which amendment I desire to have called up.

The PRESIDING OFFICER. Which amendment does the Senator wish to call up first?

Mr. BUSH. The first amendment will be the one shown on line 3 of the amendments.

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut will be stated.

The LEGISLATIVE CLERK. On page 32, line 12, it is proposed to strike out "$140,000,000" and insert in lieu thereof "$95,341,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

Mr. BUSH. Mr. President, I shall address myself briefly to the subject of the amendments, and then ask for a yea-and-nay vote on some of the amendments, possibly all, depending upon how we proceed in the consideration of the amendments.

Mr. President, my amendments offer the Senate an opportunity to help President Kennedy achieve the fiscal responsibility in our National Government which will be required to offset, in part, the heavy additional expenditures he has requested for defense and space exploration.

Since January, the President has called for an addition of $6 billion to the defense budget. On yesterday, the Senate approved, as part of the independent offices appropriation bill, a $549 million downpayment on a $20 billion project to place a man on the moon and return him safely within the next decade.

In urging these increased expenditures for defense and for space exploration, the President stressed the need for keeping within his budget estimates for other programs.

In his May 25 message before a joint session of the Congress, President Kennedy appealed to members "to refrain from adding funds or programs, desirable as they may be, to the budget."

Again, in his television and radio address to the Nation on July 26, the President said:

> We must keep down all expenditures not thoroughly justified in budget requests.

Mr. President, my amendments would eliminate from H.R. 7035 $277,670,000 which have not been—to use President Kennedy's own words—"thoroughly justified in budget requests." These expenditures were added to the bill in excess of the President's requests, and in opposition to the wishes of the Secretary of Health, Education, and Welfare, the distinguished former Governor of my State, Abraham Ribicoff.

I have placed in the RECORD, the Secretary's letter urging the committee not to exceed the President's requests, and I quote the following paragraph:

> The budget estimates as amended by the President represented a sound plan to permit marked improvement in the health, education and welfare programs administered by this Department. This plan reflected a careful consideration of the need for fiscal prudence and of the proportion of the total budget resources which should be applied to health, education and welfare activities.

This is a responsible statement by a responsible man, who has dealt with these problems in a State which has been progressive in connection with such matters.

Despite the appeals of the President and the Secretary, the Committee on Appropriations has added almost $278 million to the bill in additional appropriations for hospital construction and for the National Institutes of Health. My amendment proposes to eliminate those increases beyond the President's requests.

It is difficult to offer, and to vote for amendments which will reduce appropriations labeled as designed to help the sick, the halt, and the blind and for

research which can lead to better health for all our people.

One runs the risk of being pictured as hard-hearted—an old Scrooge who would save money at the expense of those in distress.

People who confuse prodigality with liberality express the view that any attempt to reduce appropriations for these purposes is made with bad motives.

An example is an editorial in today's Washington Post under the headline "The Unkindest Cut," from which I quote the following paragraph:

A case in point is the fight in the Senate over the $5.1 billion appropriation for the Department of Health, Education, and Welfare. Those to whom the very name of the Department is anathema seem to feel that getting tough with Mr. Khrushchev requires a cracking down on the people of the United States. Their proposed economies would impair a number of existing programs, including the medical research conducted by the Public Health Service.

I would say that there is nothing in the amendments which are now before the Senate which would have that effect.

Mr. President, the writer of that editorial is guilty of the fuzzy-minded thinking which confuses prodigality with liberality. He obviously was unaware of the fact that not only does the bill exceed by almost $278 million the amounts President Kennedy requested for the items in question, but it also contains far more than the Department itself believes it could spend wisely during the next fiscal year.

In its initial requests to the Bureau of the Budget, the Department of HEW submitted requests for these items which totaled $883,409,000. This amount is approximately $165 million below the total approved by the committee.

Executive departments, and HEW is no exception, are not notoriously reluctant to ask the Budget Bureau for as much money as they think they can spend efficiently. Yet, the committee proposes to give the Department $165 million more than the Department itself thinks it can spend wisely.

The Budget Bureau, acting under President Kennedy's orders, reduced the Department's requests to $770,972,000, and that is the amount which would be provided if my amendment is adopted by the Senate.

I ask unanimous consent that a chart I have prepared be printed in the RECORD at this point.

There being no objection the chart was ordered to be printed in the RECORD, as follows:

Certain appropriations of Public Health Service, NIH—Summary of Department, President, and Congress budget estimates, fiscal year 1962

	Department estimate to Bureau of Budget [1]	President's budget (Bureau of Budget) [1]	House allowance	Senate bill	Senate bill increased over—	
					Department estimate	President's budget
Public Health Service: Hospital Construction Act	$188,345,000	$187,972,000	$187,972,000	$212,972,000	$24,627,000	$25,000,000
NIH:						
General research	127,638,000	95,341,000	119,275,000	140,000,000	12,362,000	44,659,000
National Cancer Institute	129,945,000	117,167,000	125,672,000	160,000,000	30,055,000	42,833,000
Mental health	99,917,000	88,324,000	92,182,000	125,570,000	25,653,000	37,246,000
National Heart Institute	116,621,000	97,073,000	105,723,000	160,100,000	43,479,000	63,027,000
National Institute of Dental Health	16,446,000	13,933,000	14,681,000	20,000,000	3,554,000	6,067,000
Arthritis and metabolic diseases	82,234,000	68,740,000	73,661,000	90,000,000	7,766,000	21,260,000
Allergy and infectious diseases	57,960,000	48,322,000	52,182,000	60,000,000	2,040,000	11,678,000
Neurology and blindness	64,303,000	54,100,000	57,624,000	80,000,000	15,697,000	25,900,000
Total	883,409,000	770,972,000	828,972,000	1,048,642,000	165,233,000	277,670,000

[1] Includes all 1962 amendments.

Sources: P. 128 of House hearings, Senate and House reports on bill; and H.R. 7035.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BUSH. I should like to make my remarks first without interruption. Then I shall be glad to yield, if time permits.

Mr. President, the President of the United States is a compassionate man. When a Senator, John F. Kennedy served on a committee which considers these matters under its distinguished chairman, the Senator from Alabama [Mr. HILL]. The President is fully aware of the needs in this field. He has dealt with them. So is the Secretary of Health, Education, and Welfare a compassionate man. I know that from my own experience. They are anxious to provide enough funds for the humanitarian purposes of the activities in question.

And what does Secretary Ribicoff say? He has told us this:

The budget estimates as amended by the President represented a sound plan to permit marked improvement in the health, education, and welfare programs administered by this Department.

Speaking specifically of the budget for the National Institutes of Health, Secretary Ribicoff had this to say in his letter to the subcommittee:

This budget was given most careful consideration by the President in relation to other elements of the budget and a recommendation was made which would provide for substantial forward progress in the field of medical research. The recommendation took account of other competing demands upon the budget and the rapid progress which has occurred in medical research in recent years.

The writer of the editorial in today's Washington Post has no basis for the statement that the economies proposed in my amendment "would impair a number of existing programs, including the medical research conducted by the Public Health Service."

Mr. President, the economies proposed in my amendment are the economies proposed by the President of the United States.

They are the economies sponsored by the Secretary of Health, Education, and Welfare.

They are economies designed to provide a budget which, in Secretary Ribicoff's words, will "provide for substantial forward progress in the field of medical research."

They are economies intended to respond to the President's appeal to Members of Congress—and I again quote his exact words:

To refrain from adding funds or programs, desirable as they may be, to the budget.

They are economies offered in the spirit of the President's admonition in his May 25 message:

Our security and progress cannot be cheaply purchased; and their price must be found in what we all forgo as well as what we all must pay.

Mr. President, I do not like to oppose the distinguished senior Senator from Alabama [Mr. HILL] and the other able and distinguished members of his subcommittee, and ask them to forgo the additional expenditures they have proposed for the items affected by my amendment. I consider it an unpleasant task to do it.

When the Eisenhower administration was in office, I supported the senior Senator from Alabama in his efforts to obtain additional funds for medical research, especially in the important area of basic research, which I felt had been too long neglected. Indeed, I believe that it is being neglected again to some extent in some fields. Our efforts were successful, and funds for these purposes have steadily increased over the years.

I do not criticize the able Senator, nor any of the able and distinguished Senators who serve on the Appropriations Committee, for their consideration of the bill was completed before President Kennedy made his sober and impressive address to the Nation on the Berlin crisis and our global conflict with Communist imperialism.

In view of that address, and the President's request in it for $3.5 billion in additional defense spending, I appeal to them for reconsideration of the items which are $277,670,000 in excess of the President's own requests.

And I appeal to the Senate to respond to the President's appeal for fiscal responsibility, expressed in his May 25 message as follows:

If the budget now increased by the needs of our security is to be held to manageable proportions—if we are to preserve our fiscal integrity and world confidence in the dollar—it will be necessary to hold tightly to prudent fiscal standards.

Mr. President, the need for fiscal responsibility is even greater than it was

when the President spoke those words on May 25.

President Kennedy himself now estimates the deficit for the current fiscal year at more than $5 billion. Many Members of Congress, including myself, believe it will be much higher, ranging upward of $7 billion, and I have heard competent estimates that it might go as high as $10 billion.

Mr. President, a budget deficit of that size would endanger—and again I use the words of President Kennedy "our fiscal integrity and world confidence in the dollar."

A budget deficit of those proportions would rekindle the fires of inflation, and impair the credit of the United States upon which our national security and the security of the entire free world ultimately depends.

Inflationary forces, if they are set loose again, would have a very bad effect upon the very items about which we are speaking, and nothing is more likely to set them loose than deficits in the budget of the Federal Government. One of the problems we face is the high cost of medical care and the high cost of hospital service. If inflationary forces are put to work again through a budget deficit, we shall simply be fanning the fire and compounding the difficulty which we are trying to solve.

Mr. President, let us not add to that deficit in our action on the bill now before the Senate. By the adoption of my amendment, we can demonstrate to the President, to the country, and to the world, that we have heeded his appeal to hold tightly to prudent fiscal standards.

Mr. President, I should say that while I voted to support the Proxmire amendment, the amendment contained some items which, if they had been considered separately, I would have voted against. I think my amendment will present the issue point-by-point, in a way in which Senators can judge for themselves whether the individual items are desirable increases over the budget estimates or not.

Mr. KEATING. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. KEATING. Mr. President, first I commend the Senator from Connecticut for the way in which he has approached this subject. It seems to me that this is the most sensible way in which to proceed, rather than by a catchall amendment, such as that proposed by the distinguished junior Senator from Wisconsin.

There were a number of items in the Proxmire amendment which I thought should be cut in light of the President's statement on Berlin, from which the Senator from Connecticut has just quoted. However, I felt constrained to vote against the Proxmire amendment because it was such a complete and sweeping proposition, covering every item in the entire bill before us. I thought it was a mistake to offer the amendment in this form. Although I sought to have the amendment divided, I found that unanimous consent had already been granted to consider the amendments en bloc earlier in the debate this afternoon.

Again, I commend the Senator from Connecticut for the way in which he is approaching the problem.

Is it not a fact that on this specific amendment, if it is accepted, the appropriation will still be some $20 million above the appropriation for last year?

Mr. BUSH. The Senator has the table; I am certain he is correct.

Mr. KEATING. According to the information I have, the 1961 appropriation was $76,695,000. The Senator from Connecticut by his amendment seeks to restore the 1962 budget estimate, which is $95,341,000.

Mr. BUSH. That is correct.

Mr. KEATING. This is almost $20 million above the appropriation of last year.

Mr. BUSH. That is absolutely correct. I am glad the Senator from New York has pointed that out.

Mr. KEATING. It seems to me that this gives added impetus to the argument which the Senator from Connecticut has so forcefully made.

Mr. BUSH. What is being asked for in the bill is $63 million more than the appropriation of 1961 and $44 million above the budget estimate for this year. So it seems to me that my amendment is quite in order.

Mr. LAUSCHE. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. LAUSCHE. Do I correctly understand that the amount allocated for general research and activities in the last fiscal year was $76 million?

Mr. BUSH. That is correct.

Mr. LAUSCHE. The President requested $95,341,000.

Mr. BUSH. That is correct.

Mr. LAUSCHE. The Senate committee recommends $140 million.

Mr. BUSH. That is correct.

Mr. LAUSCHE. In other words, the Senate committee recommends $44,659,000 above the President's request.

Mr. BUSH. That is so; the Senator is correct. It is an increase of almost 50 percent, or mighty close to it—45 percent, perhaps.

Mr. LAUSCHE. What is the date of the letter, from which the Senator from Connecticut read, written by the Secretary of Health, Education, and Welfare?

Mr. BUSH. I shall have to look for it in the hearings.

Mr. LAUSCHE. I am reading from the letter on page 1418.

Mr. BUSH. That is where the Senator will find it.

Mr. LAUSCHE. It is dated May 22, 1961.

Mr. BUSH. May 22 is correct.

Mr. LAUSCHE. I have not read the letter; but would the Senator from Connecticut read the pertinent parts, in which the Secretary of Health, Education, and Welfare urged that the committee adhere to the recommendations made by the President?

Mr. BUSH. Possibly the Senator from Ohio has left the Chamber when I commented on the letter before. I shall read the pertinent part:

> The budget estimates as amended by the President represented a sound plan to permit marked improvement in the health, education, and welfare programs administered by this Department.

Under the heading "National Institutes of Health," the letter reads:

> This budget was given most careful consideration by the President in relation to other elements of the budget and a recommendation was made which would provide for substantial forward progress in the field of medical research. The recommendation took account of other competing demands upon the budget and the rapid progress which has occurred in medical research in recent years.

Mr. LAUSCHE. So far as the record is concerned, as shown by the testimony, has there been any abandonment of the position taken by the Secretary of Health, Education, and Welfare in that letter?

Mr. BUSH. I am not aware of any abandonment at all. The letter represents the position of the administration. So far as I know, there has been no advice that has come to the Senate which has changed the Secretary's position at all. I only point out that the administration has taken the position that the national scene has changed somewhat, and the President himself has called upon us again, publicly, in his most recent speech, for restraint in these matters; to restrain ourselves from breaking the barriers of the budget with programs which go beyond his own requests.

Mr. LAUSCHE. What is the opinion of the Senator from Connecticut with respect to this proposition: Have we not a right to assume, when the Secretary of Health, Education, and Welfare stated that this was a sound, well thought out plan to make marked progress by the increased allocation recommended, that the administration gave consideration to what sums could be prudently spent?

Mr. BUSH. The Senator is absolutely correct. Neither the President nor the Secretary of Health, Education, and Welfare is a newcomer to political life. The President was a distinguished Member of this body for 8 years.

The Secretary of Health, Education, and Welfare is a former Governor of my State and a former Member of the House of Representatives. He was the Governor of a State which has had a distinguished record in pioneering in the field of health, education, and welfare.

So when we listen to their admonitions, I think we are listening to a warning and advice from experienced men, who know something about the field we are discussing, and also know something about Congress and the needs of the United States.

Mr. LAUSCHE. Will the Senator permit me to ask a question of the chairman of the committee?

Mr. BUSH. I am glad to yield for that purpose, if I may do so without losing my right to the floor.

Mr. LAUSCHE. I ask whether there has been any abandonment of the position taken by the Secretary of Health, Education, and Welfare, and whether there has been a change. If there has been one, where is it set forth in the record?

Mr. HILL. If I am able to obtain an opportunity to speak again, I will go into that question.

Mr. MILLER. Mr. President, will the Senator from Connecticut yield briefly to me?

Mr. BUSH. I yield.

Mr. MILLER. I ask whether I correctly understood the Senator to say that the reduction he proposes in the appropriations in this area of the bill would not result in the elimination of any specific projects?

Mr. BUSH. That is correct.

Mr. MILLER. If this additional money is appropriated, is it believed that we might find that it would be wasted because we do not have the facilities or the trained personnel to use it?

Mr. BUSH. I stated the matter in another way. The Secretary of this Department has indicated that his recommendations encompass all that he believes can be usefully employed during this fiscal year. Therefore, I think the Senator's conclusion may be justified.

But I believe that the Secretary has studied this problem very closely, and so has the President. Both of them are very experienced; and they believe they have made budget recommendations for all that is necessary, and that because of the national needs and the relationship of this part of the budget to others, this program is a very sound one which will permit us to move forward, particularly in the field of health and medical research.

Mr. MILLER. Will the Senator from Connecticut permit me to make a brief statement at this point, and then ask a question either of the Senator from Connecticut or of the Senator from Alabama?

Mr. BUSH. I yield for that purpose.

Mr. MILLER. Mr. President, I certainly hope this amendment will be adopted. I intend to support it. I believe that the reasons advanced by the Senator from Connecticut are exceedingly sound. For example, the Senator made the point that if this effort is successful, it will help the President get on with the national defense program which we have been asked to put into effect.

In this connection, in the July 31 issue of the Washington Daily News there appeared an excellent article by Henry J. Taylor. In the course of the article he wrote:

> Great help would come to the President's hallowed task by postponing or abandoning other programs which, while desirable or popular, are not essential.

I ask unanimous consent that the entire article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, July 31, 1961]

IN RESPONSE TO KENNEDY

(By Henry J. Taylor)

On ending his report to the Nation about Berlin, President Kennedy said he had found the burdens of the Presidency even greater than he thought when he ran for office. He asked for suggestions and for the public to help him.

The humbleness in this plea is enormously appealing and the sincerity unquestionable. "To know," the Bible calls it; a profoundly meaningful word.

Progressively fighting for the right, as the President is, is the noblest effort the world affords, and I do not like to put things too strongly, but I believe that the greatest help the President, and therefore our Nation, can receive is within his own grasp and at his command.

Surely it must begin with the abandonment of inexperienced and immature young associates who are his closest official advisers in the White House. They are intellectuals, fresh from college faculties, but not one has had any experience in government or equally large affairs or been tested in anything like the burdens to which the President himself refers.

Next, great help will flow to him when, in so properly calling for sacrifices, he himself takes this flag out front. The basic sacrifice any official can make—and it is soon recognized by the public—is not to play politics with the people's money, with policies, with decisions, with appointments, or anything else, and to forget the next election. Yet it is clear that politics as usual, political spending as usual, and all the casting about for reelection is in practice from the White House down.

Great help would come to the President's hallowed task by postponing or abandoning other programs which, while desirable or popular, are not essential. Yet, instead, added programs are being sponsored without apparent heed to the cost of it all or how we are to pay for the total load, except through a deficit without tears.

The weapon Russia wants most is an inflated and unstable America. And little separates the Russian sword from our throat. We are faced by a problem of priorities in spending. We need an immediate decision on where to proceed and where to hold back. Not a better life, but humanity in its vastest meaning, is at stake.

It will be profoundly helpful to the President if he attempts to redeem to the American people the promises made and then contradicted or not kept, and at the same time he speaks no word that exceeds our Government's willingness and capacity to act, as in the tragedy of the unsupported warnings to Russia regarding Cuba and Laos. Nothing is so costly to our authority in the world, and therefore to peace, as eloquence without performance.

Thus, a mass of uneasy thoughts burst in today. But the American people would recognize a change in course very fast and respond with a roar of approval, support and allegiance. Otherwise, any President must face a division between those who believe with their ears and those who believe with their eyes. And to force that unwanted division on us would be unworthy of this hour.

Mr. MILLER. Mr. President, the Senator from Connecticut has stated that we must do something to curb inflation. In yesterday's Washington Daily News appeared an article written by Lyle C. Wilson, who pointed out what has happened to the American dollar in recent years. He pointed out that in 1939, President Roosevelt had a dollar which was worth 100 cents; that in 1945, President Truman had a dollar which was worth only 79 cents; that at the beginning of President Eisenhower's term, the dollar had dropped to 52 cents; and that at the end of President Eisenhower's term the dollar had fallen to 46 cents.

Mr. President, if we continue at this rate, Mr. Wilson prophesies that it will not be very long before we shall have what we can call a "two-bit" dollar.

I ask unanimous consent that the entire article by Mr. Wilson be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SHRINKING DOLLAR

(By Lyle C. Wilson)

The most important dollar ever inherited by John Fitzgerald Kennedy was the U.S. "buck" bequeathed to him by the Eisenhower administration.

That dollar was a "beat up" bit of paper which had been inherited by Dwight D. Eisenhower from Harry S. Truman. H.S.T. got it from F.D.R.

To understand the importance of this presidential dollar, it is necessary to agree on the moment of time when this dollar was in good health and capable of buying 100 cents worth of goods and services. The Senate Finance Committee fixes this moment of time in the year 1939. This is an arbitrary choice but a good one.

It puts the dollar to the severest test of the past 22 years. So it is that F.D.R. in 1939 had in his wallet a U.S. dollar worth 100 cents. Harry S. Truman inherited that dollar along with the Presidency in 1945. It had shrunk by then in value to less than 79 cents.

Conservative minded citizens became alarmed. Everybody's dollar had shrunk in pace with the dollar in F.D.R.'s pocket. The prudent family man with a savings account, bonds, or a life insurance policy had suffered in 6 years at least a 21 percent levy on his capital. This probably represented the grandest larceny of all time. There was more to come.

When Harry S. Truman handed the presidential dollar on to Dwight D. Eisenhower that U.S. "buck" was worth about 52 cents. F.D.R. and Mr. Truman were big spenders. Each had a war in his lap, however, and much of the "dollar-busting" deficit spending sponsored by those two Presidents was for survival defense.

General Eisenhower was a big time spender, too, and he did not stop the rotting of the U.S. dollar. General Eisenhower slowed the disease, however, and handed over to John F. Kennedy a dollar worth about 46 cents. That is the way it has been.

F.D.R.'s healthy 1939 dollar is gravely ill. The illness has developed in step with a long and almost uninterrupted series of deficit years in the operation of the U.S. Government. These deficits require enormous borrowing to pay Government bills. There has been a relentless growth of the national debt toward $300 billion, an incomprehensible figure.

This deficit spending seems to have been bad medicine for the ailing U.S. dollar. President Kennedy and Treasury Secretary

C. Douglas Dillon evidently believe this is good medicine. They will dose the dollar with a $7 billion deficit this year. The President needs a great lot of new defense money and he plans to borrow that and to borrow more for other purposes.

He may ask for higher taxes next January. But he is not talking in terms of cutting Government costs and preventing deficit spending by economy in postponable nondefense areas. Those are politically sensitive areas, untouchable except at great political risk.

The facts of simple arithmetic suggest something which should jolt all deficit spenders, past and present. From 1939 to 1961, inclusive, the dollar lost purchasing power at the rate of 2.4 cents a year. At that rate, if Mr. Kennedy served two terms, he would pass on to the next President a dollar worth about 27 cents. "Two-bit" dollar, here we come.

Mr. MILLER. Mr. President, I have a question to ask. The Senator from Connecticut has pointed out many statements made by the President in asking for prudent fiscal spending and in asking for the deletion of items which are desirable but are not absolutely necessary. We have heard many statements along that line. However, I have not heard or seen one statement in which the President has requested a cutback on a specific project.

So I should like to ask the Senator from Connecticut and also the Senator from Alabama whether the President has seen fit to make known his desire that this specific item be reduced to the amount he said was necessary at the time when he submitted the budget.

Mr. HILL. Mr. President, I shall discuss the President's position on this question when I obtain the floor in my own time. At that time I shall make the matter clear to the Senator.

Mr. MILLER. I shall look forward to having that point discussed, because I believe it very important that the President wield the tremendous influence of his office in asking the Congress to cut back on specific projects. It is not sufficient just to say, "We want prudent fiscal spending." We must get down to specifics.

Here is a $44 million specific which ties in with the President's request; and no one can convince me that a telephone call from the White House to the proper Members of the Senate could not result in having this cut back at once.

The Senator from Connecticut has pointed out the policy enunciated by the President; and I hope this amendment will be adopted, because it is a specific effort to tie in with the President's policy.

Mr. PASTORE. Mr. President, will the Senator from Iowa yield?

Mr. MILLER. I yield.

Mr. PASTORE. Is the Senator suggesting that the fate of this Republic will depend on making a cut in the amount for this item?

Mr. MILLER. I suggest that now that the President has requested prudent fiscal standards of spending and the deletion of items which are not strictly essential, there is no time better than the present one to start on that course.

Mr. PASTORE. Will the Senator yield further?

Mr. MILLER. I yield.

Mr. PASTORE. Does the Senator from Iowa know that the Senator from Alabama [Mr. HILL] has devoted 3 full months to the investigation of these items, and knows more about them than does any other Member of the Senate or, I dare say, any Member of the House of Representatives.

Mr. MILLER. I do not care whether the Senator from Alabama has devoted a year to this subject. Some changes have occurred within the past 30 days; in fact, within the last 2 weeks there have been changes which have put our country on almost a semimobilization status. Many assumptions which I am sure the Senator from Alabama took into account in his studies have now gone by the board.

Mr. PASTORE. But what makes the Senator from Iowa feel that the safety of our great country depends on sacrificing the national health program? Why is it not in the interest of the safety of the country to take steps to eradicate heart disease, cancer, and the other serious diseases which so severely affect the people of the United States?

Mr. MILLER. I am entirely in favor of action in those areas, and I am sure the Senator from Connecticut takes the same position. He only asks that this particular item be reduced to $76 million, which is the amount the President requested when he sent us his budget.

Mr. PASTORE. Does not the Senator from Iowa realize that this committee report is a unanimous one—by both the subcommittee and the full committee?

Mr. MILLER. Let me ask when the report was made.

Mr. PASTORE. It was made at the time when the bill was reported to the Senate. The subcommittee was unanimous in this recommendation, and so was the full committee. But now two Senators who have not heard one of the witnesses, say we are sacrificing the security of the United States if we do not cut this budget.

Mr. MILLER. Let me ask the date when those recommendations were made.

Mr. PASTORE. The bill was reported last Tuesday.

Mr. MILLER. I point out that that very night the President of the United States asked us, in effect, to put the country on a semimobilization basis. That is quite a change from the conditions under which the committee's recommendations were made.

Mr. PASTORE. The Senator from Rhode Island subscribes to that, but the Senator from Iowa is creating the impression on the floor of the Senate that the enactment of these very health programs disturbs the peace and security of the country. I realize we can do both and have both. I do not think the fate of this Republic depends on our reducing this item this afternoon. I realize that we must cut out all nonessential spending, but I do not think it is nonessential to spend for the health of our people.

Mr. MILLER. The health of our people will not be improved one bit if we are to squander money on projects which have not even been established. The Senator from Connecticut has said no project will be abandoned, because there are no trained personnel available to utilize these facilities. Only a certain amount of money can be spent on a project. I am sure the President took these factors into account when he made his request.

Mr. PASTORE. May I be so impertinent as to ask my colleague if he read the hearings on this last item? Has he read the hearings?

Mr. MILLER. May I ask the Senator from Rhode Island whether he read the President's speech the other night?

Mr. PASTORE. I certainly did, but the President never recommended reducing funds for cancer and other health research.

Mr. BUSH. The President said we must keep down all expenditures.

Mr. PASTORE. All nonessential expenditures.

Mr. BUSH. He said we must keep down all expenditures not thoroughly justified in budget requests. That is what President Kennedy said. The only difference between my very respected friend from Rhode Island and myself is that I believe the President means what he said.

Mr. PASTORE. I think so, too, nonessential expenditures.

Mr. BUSH. The Senator has said the Department is being treated badly if we do not accept the committee's recommendations. I pointed out a little while ago that the appropriation for 1961 was $76 million for the item under discussion, and the estimate for 1962 by the Department, which we are asked to cut back, is $95 million—at least $20 million above the $76 million. So we are not starving the Department on that item.

Mr. PASTORE. Will the Senator yield on that point?

Mr. BUSH. I do not have the floor.

Mr. PASTORE. I think the Senator has the floor, because the Senator from Iowa has taken his seat.

Mr. MILLER. I have yielded the floor.

Mr. BUSH. I yield to the Senator from Rhode Island.

Mr. PASTORE. Is the Senator familiar with the fact that over the past 5 or 10 years, each year the amount has been greater than for the year before; and that each year we have heard it said on the floor of the Senate that we cannot absorb the money, that we do not have the facilities or personnel available? Yet, in each subsequent year, the budget has begun where the Senate has ended. Year after year we have found that if it had not been for the Senate and the House, the particular items for these programs would have been starved.

Mr. BUSH. The administration is not asking us to starve these items. It has recommended an amount of $20 million above the 1961 level. The committee is asking for an increase of $63 million above the appropriation for 1961, an increase of 80 or 90 percent, or on that order of magnitude, and $44 million or $45 million above the estimates by the budget and requests of the President.

My point is that the administration has taken good care of this item. It has moved ahead with a very big increase.

My feeling in offering the amendment is that we ought to stand with the President.

Mr. PASTORE. I have no fault to find with the position of the Senator from Connecticut.

Mr. BUSH. I thank the Senator.

Mr. PASTORE. I think he has a perfect right to state his point of view, as we have done on this side. But what I do protest, as a member of the subcommittee, after the committee has acted unanimously, is having a Senator suggest on the floor that an increase in these items jeopardizes the security of the Nation. It does not do that at all. If a Senator wants to indulge in these cliches and platitudes, it is all right with me. But the implication that those who voted for this increase are doing so at the risk of the security of the country, I protest, because it is not true, and it is offensive to every member of the committee.

Mr. BUSH. The Senator knows perfectly well that I meant no offense to the members of the committee, and when he tries to impute to me that charge——

Mr. PASTORE. Those were the statements that were made.

Mr. BUSH. Just a minute. I yielded to the Senator. Let me continue. I think any Senator has a right to differ with a committee report, and I think he has a special right and a duty when he is in defense of the President of the United States and a member of the Cabinet, both of whom the Senator from Connecticut knows very well and whom he considers competent in this field. I do not think any Senator should take offense. It seems to me in the last 9 years I have seen the Senator from Rhode Island take issue with committee reports and take issue with the former President of the United States. I have never criticized him for that. I do not think anybody has been offended by it.

I do not wish to pursue this except to say that all I am doing is urging members of the Appropriations Subcommittee to reconsider, in the light of the President's recent appeal. I believe a Senator has a right to support the President if he thinks he is right. That is all I am trying to do.

Mr. HILL. Mr. President, I ask unanimous consent that I may yield to the Senator from South Dakota [Mr. MUNDT] for a brief statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIFTEENTH ANNIVERSARY OF SIGNING OF FULBRIGHT ACT

Mr. MUNDT. Mr. President, just before the preceding rollcall, the distinguished Senator from Arkansas and I returned from a very happy ceremony at the White House. I think it is appropriate, during a discussion of the legislation involving appropriations on health, education, and welfare, to call attention to the purpose of that ceremony, which was to commemorate the 15th year of the signing of the Fulbright Act.

As Members of the Senate know, the original Fulbright Act set in motion an exchange program which has evolved, developed, and grown to considerable size and magnitude.

I was happy to be among those at the ceremony, at which the President spoke pleasantly, and very appropriately, about the contributions of the exchange program in the area of protecting the security of America.

I think our colleagues will be pleased to learn that two of our former associates were invited to the ceremony, Senator Alexander Smith, coauthor of the Smith-Mundt Act, which has operated in conjunction with the Fulbright Act in this field, and Senator Joseph O'Mahoney, of the State of Wyoming, who was there, and, to the pleasant surprise of all of us, was called upon by the President for a few informal remarks, which he made for the radio and television audience, as well as the people gathered in the Rose Garden for this pleasant ceremony.

Senator O'Mahoney exhibited his old fire and aptitude, and pointed out that in these exchange programs, as of now, we should concentrate more on bringing to this country students, leaders, and scholars from Latin America, as against Western European countries, from which countries so many have been coming in the past few years.

I thought, commemorating as it did the 15th anniversary of the Fulbright Act, it was worthwhile to call this ceremony to the attention of the Senate.

As Members of the Senate know, I do not always agree with the distinguished Senator from Arkansas [Mr. FULBRIGHT] on all matters of public policy, but there has never been any disagreement between us on the importance of the exchange programs and what they mean to the preservation of the security of this country. The Fulbright program and the Smith-Mundt programs have worked together hand in glove, most effectively, for well over a dozen years.

In addition to the remarks made by the President and those made by former Senator O'Mahoney, the Senator from Arkansas [Mr. FULBRIGHT] recalled how this program began, in its infancy, with only a few exchanges and how, down through the years which have intervened since the 2 programs have come to work together as companion activities—the Fulbright Act and the Smith-Mundt Act—more than 50,000 students and scholars have been brought to this country and exchanged overseas, in helping to bring together a meeting of the minds of people from different countries.

The whole concept of the exchange program I think is born out of the concept of the ancient civilization of Japan, from whence came a philosopher who at one time said, "The man you don't like is the man you don't know." The exchange process is an effort to encourage people to know each other in the conviction that if they come to know each other they will like each other, regardless of differences in types of government, in color, in creed, or in ways of life.

I should like to add for the RECORD the fact that in addition to those whose names I have mentioned, in attendance at the ceremony also was William Benton, another former Senator, remembered primarily because of his service as Assistant Secretary of State at the time the exchange programs were being enacted.

Others present were former Assistant Secretary Ed Barrett, in charge of the program for some time; former Representative Carter Manasco of Alabama; Representative John Rooney, of New York, who heads the subcommittee of the House Committee on Appropriations which deals with this particular program; Representative Walter Judd, of Minnesota, who helped in the legislative craftsmanship of the program; and Walter Reynolds and Oscar Cox, who at the time were associated in the movement to bring the bills to passage.

I did not think we should let the ceremony or anniversary pass unnoticed, and I wished to be among those publicly congratulating the Senator from Arkansas [Mr. FULBRIGHT] for his part in sponsoring legislation which resulted in this commemorative ceremony so rightfully dedicated to that purpose at the White House today.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

Mr. HILL. Mr. President, we have heard much this afternoon about the President of the United States. Surely no one has greater respect for the President of the United States than I. I served for 8 years with him on the Senate Committee on Labor and Public Welfare.

As the distinguished Senator from Rhode Island stated a few minutes ago, no Senator worked more assiduously or tirelessly than did the former Senator from Massachusetts, but it happens that he was not a member of the Appropriations Committee. Therefore, it was not his fortune to sit in on the hearings on these appropriation bills and to consider the matters we have been discussing this afternoon in regard to the appropriations for the various health activities.

On the Senate Committee on Labor and Public Welfare our President was not a member of the subcommittee of the committee which dealt with health legislation. His time was, to a very large extent, consumed by his duties as the chairman of the Subcommittee on Labor of the Senate Committee on Labor and Public Welfare.

Therefore, as a Member of this body he was not on any committee which gave him any particular opportunity to hear testimony, to examine witnesses, and to pass upon many health problems, some of which we have before us this afternoon for decision.

Speaking at Warm Springs, Ga., last fall, in October 1960, our President made this statement:

> We must provide long-term grants for increased medical research, including basic research.

He added:

> What has already been accomplished in polio and tuberculosis shows what might soon be accomplished for cancer, mental illness, arteriosclerosis, and new ways of prolonging man's productive days instead of just prolonging his life. All of this and more is underway.

Then the President added the sentence:

> But now we must do more.

The last word from the President was Tuesday evening, a week ago tonight. In his report to the people of the United States and statement to the world he made this declaration:

> While all of these efforts go on, we must not be diverted from our total responsibilities, from other dangers, from other tasks.

In other words, while we are building up our Armed Forces, carrying on our diplomatic negotiations, we must not be diverted from our total responsibilities, from other dangers, and from other tasks.

> If new threats in Berlin or elsewhere should cause us to weaken our program of assistance to the developing nations who are also under heavy pressure from the same source, or to halt our efforts for realistic disarmament, or to disrupt or slow down our economy, or to neglect the education of our children, then those threats will surely be the most successful and least costly maneuver in Communist history.

Then our President added:

> For we can afford all these efforts, and more.

If there is any one effort in the name of the defense of the United States which we can well afford, it is the effort for the health and physical strength and physical capabilities of our people.

I suppose most of us have let slip the fact that during the administration of President Eisenhower there was a Ginsberg report. A careful study was made of our manpower and of our military situation. The report spoke of the lost divisions, of the lost fighting men—of 5.2 million American fighting men rejected during World War II at the induction stations of selective service, or discharged from military service because of some physical disability or some physical impairment or because of some disease or, in some instances, those men who died in the service as the result of these physical disabilities or diseases.

I read a portion of that report:

> What was the military manpower loss in World War II because of heart disease?
>
> Three hundred seventeen thousand and five hundred men * * * were rejected because of heart disease.
>
> Eighty thousand men were given disability discharges from military service or died in military service from heart disease during the war years.
>
> This manpower loss from heart disease * * * would have been sufficient to man 27 Army divisions.

What are we talking about today? As well as the health of the people of the United States, we are talking about the strength of the manpower of the United States which means the strength of our Nation.

What are the rejections under Selective Service today because of these physical disabilities and diseases? I hold in my hand, Mr. President, a copy of the Washington Evening Star for 3 days ago, Friday, July 28, 1961.

On page A–6 of that newspaper I found the story by the Associated Press which is captioned "No Tightening Seen in Draft Deferment." The article goes on to state that the deferment question may become more pressing, especially if draft rejections for physical or mental reasons continue at the current rate of 40 to 50 percent of those examined.

In other words, today, 40 to 50 percent of the young men of this Nation who are called up for service under our Selective Service System must be rejected because of physical or mental disability. On the question of defense with reference to the bill, that rate of rejection is the challenge which confronts us. We must seek to find the cause, cure, and prevention of these diseases so that when we call up young men, 40 to 50 percent of them will not have to be rejected for the service of their country. What could be more important than this very subject? We are thinking in terms of the defense of our country. Nothing is more important than the strength and physical capabilities of our manpower.

As has been pointed out today, the subcommittee of the Senate Committee on Appropriations spent many hours and days listening to the testimony of some of the most outstanding and distinguished doctors and biological scientists in the country.

On the subject of cancer we heard from Dr. Isidor S. Ravdin. Senators will recall that Dr. Ravdin is the outstanding surgeon who was brought down to Washington at the time President Eisenhower had his attack of ileitis. Dr. Ravdin was the president of the American Surgical Association, the most select organization of surgeons in the world. Its membership is limited to 225 surgeons in the United States. He is chairman of the Board of Regents of the American College of Surgeons.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. PASTORE. Did the distinguished doctor recommend that the Senate adhere to the budget estimate or increase it?

Mr. HILL. He recommended that we go considerably over the budget estimate. In fact, he recommended that we go to a figure of $190 million. Both he and Dr. Farber, who testified at the same time, said to us:

> We have asked you for $190 million, but we would like to make it $100 million more. We could assure you that the additional $100 million would be wisely, and profitably spent.

We had before us Dr. Michael E. DeBakey, professor of surgery and chairman of the Department of Surgery of Baylor University, College of Medicine. He is the man who did the pioneering in heart operations.

He removes an old aorta, the large blood vessel that carries blood from the heart, and inserts plastic tubing in lieu of that blood vessel. We know that if that vessel is impaired and something is not done, the patient will die.

Dr. DeBakey brought before our committee Mr. Nat T. Winston, of Johnson City, Tenn. He is president of the Home Federal Savings & Loan Association. Mr. Winston told us a story of how Dr. DeBakey took out his right carotid artery, the big vessel which carries blood to the brain, and inserted a plastic tube in lieu of that carotid artery. He then found that there was impairment of the left carotid artery. He removed that and inserted plastic instead of that artery.

A short time after Mr. Winston was having trouble with his legs. His circulation was growing slower and slower all the time. He was reaching the point at which he could not walk. As a result, Mr. Winston now has 4½ feet of plastic material in his body in lieu of the blood vessels that mother nature put there to start with.

Mr. PASTORE. Mr. President, will the Senator yield at that point?

Mr. HILL. I yield.

Mr. PASTORE. Did Dr. DeBakey recommend that we adhere to the budget estimate or increase it?

Mr. HILL. He not only recommended that we adhere to the budget estimate, but also that we go far over the budget estimate.

Dr. DeBakey was joined in his recommendation by a very distinguished doctor, scientist, and researcher from Harvard University, Dr. Frederick J. Stare. They joined in urging us to go far over the budget estimate.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MONRONEY. I am sorry that I was absent from the Chamber. The Senator may have mentioned this subject. If he has not, I believe it is important for him to tell the Senate that the discovery of the transplant of the main blood vessel to the brain would enable medical science to operate in operations that formerly were fatal in a high percentage of cases. The disability was thought to be due to difficulty in the blood vessels within the brain. The discovery and work that was done have turned up the information that a great portion of these cases, which were formerly thought to be brain injuries, have now turned out to require a relatively simple transplant of the main artery carrying the blood to the brain.

Mr. HILL. The Senator is correct. Through these programs, to which the Senator from Oklahoma has made such a great contribution, discovery has been made that 40 percent of the strokes which people have had, and which we thought came from some rupture of a blood vessel in the brain—which is enclosed, as you know, by the skull and is almost impossible to get to—have come

from the blood vessels down in the neck or even as far down as the blood vessels in the lungs.

When a blood vessel in the neck or in the lungs is impaired or ruptured, the doctor can now go in and correct the condition, due to the discoveries which have been made as a result of health research programs. The ruptured or impaired blood vessel is removed and a plastic tube is inserted in place of the vessel.

That development is what we are talking about today. I said a little earlier—and I shall repeat my statement because I do not think many of the Senators now present in the Chamber were here at that time—when we speak about the heart we should remember that the medical and biological sciences have joined hands with electronics and the science of mechanism. They have devised what they call a pacemaker, which is a small machine or mechanism, so to speak, that the patient can carry in his pocket. What does it do? When the patient has a block in his heart, the machine, which is attached to the heart through wires, will steady the rhythm of the heart. It will strengthen the rhythm of the heart, and the patient, when going up a flight of steps or otherwise exerting himself more than ordinarily, can regulate the pacemaker so the pacemaker will adjust the heart to take the added strain.

Not only does the pacemaker stimulate the rhythm of the heart, but it also strengthens the heart to the point where oftentimes a patient no longer need use a pacemaker or anything else. His heart becomes strong, the block is removed, and the patient returns to a normal existence, with his heart as it was before he had any block or any trouble with it.

Because of the disease known as otosclerosis of the ear thousands of people are dead. Now doctors can enter the ear through a little hole without cutting from the outside and take out a very small bone known as the stapes and insert a plastic material in lieu of the stapes. Now the person who had lost his hearing due to that disease is able to be alive. Those are the profits from medical research, so far as the financial situation is concerned. People who do medical research have said that we pay thousands and hundreds of thousands of dollars into the Federal Treasury through taxes every year.

That is what we are talking about. We are talking about saving lives. We are talking about more production. We are talking about taxes. We are talking about relieving people from human suffering. We are talking about preventing untimely death.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. HILL. I am glad to yield to my friend from Connecticut.

Mr. BUSH. I know the Senator will recall my own interest in this whole field of research, because I have supported the Senator in the past in respect of many items in this area. I recall that not very many years ago I gave a dinner in Washington for a group of Senators, of which the able Senator from Alabama was perhaps the most distinguished, because of his familiarity with this field. He has often reminded me of that dinner and of some of the things we learned at that time from a very eminent research man in my State and from Dr. Allen Waterman, the head of the National Science Foundation.

I am very much interested in all of the examples of what has been done and the progress that has been made in dealing with these various misfortunes. I would not want to leave the implication in the record that in the budget figures there has been ignored what the Senator is talking about, because the estimates for all this work in the National Institutes of Health total $583 million.

The point I am talking about is that the bill represents an increase of $287 million over the 1961 appropriation, and $252 million over the budget estimates of 1962. That is what we are talking about. While I agree fully with the Senator that we must move ahead with appropriations in this field, and I intend to support them, as I have in the past, I am merely asking the Senator if he does not believe that we ought to pay attention to the requests of the President of the United States because of the situation which we face in the world today. The President and the Secretary of Health, Education, and Welfare are not unmindful of the things that the Senator from Alabama has been talking about. They make generous provision for them in the Appropriations for which they have asked.

Mr. HILL. I recall with much pleasure the very delightful occasion when the distinguished Senator from Connecticut was host and I had the privilege and honor of being there as one of the guests. I recall that he had a test tube there that night. I do not believe that it was Dr. Waterman, but one of the distinguished scientists had a test tube filled with fluid which, he said, was enough to blow up the city of Washington.

Every time I see the Senator I query him as to whether or not he has that test tube.

I know that the Senator is interested in this matter. What we want to do is wage this battle according to our capacity to wage it, wage it on a deeper and wider front and more vigorously, and wage it more aggressively.

Let us get on with it. As Dr. Isidor Ravdin said in testimony, if we could go forward and wage this battle against cancer with greater vigor, and more aggressively and on a wider front, we might well get the answer to cancer before some of us think we will be able to get it.

Every 2 minutes during the time that the Senator from Connecticut and I have been talking here this afternoon, a man, woman, or child in these United States has died a tortured and agonized death from cancer. Two people in the United States die every minute from a blood vessel disease. A cardiovascular disease kills more Americans in 6 months time than were killed in the 4 years of World War II.

What we are fighting for is to go forward with these great problems, and wage these battles more vigorously, more aggressively. It is not a question whether we can afford to wage these battles this way. The question is whether we can afford not to wage them.

UNANIMOUS CONSENT AGREEMENT TO LIMIT DEBATE

Mr. MANSFIELD. Mr. President, I propound the following unanimous-consent request. After discussing the situation with the Senator from Connecticut, the acting minority leader, the Senator from Alabama, and other Senators, I ask unanimous consent that beginning right now, with the amendment now under discussion, 20 minutes of debate be allocated to each amendment of the Senator of Connecticut, 10 minutes under the control of the Senator from Connecticut and 10 minutes under the control of the Senator from Alabama.

Mr. HILL. Mr. President, reserving the right to object—and I do not intend to object—is the Senator from Connecticut ready to vote on his first amendment now?

Mr. BUSH. Yes.

Mr. HILL. Let us vote on the amendment now.

Mr. BUSH. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement? The Chair hears none, and it is so ordered.

Mr. CARLSON. Mr. President, may I inquire what the unanimous-consent request is?

Mr. MANSFIELD. That 20 minutes be allowed on each amendment of the Senator from Connecticut that is proposed, with 10 minutes on each side.

Mr. CARLSON. I had hoped to speak for about 2 minutes.

Mr. HILL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HILL. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been requested. Is the request sufficiently seconded?

The yeas and nays were ordered.

Mr. BUSH. Did I understand that the Senator from Kansas desired to speak for 2 minutes before the vote? If so, I ask unanimous consent that he have that much time.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Outside the time allocated on the amendment.

Mr. BUSH. Yes. I have one more parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUSH. I understand that the Senate will be ready to vote immediately thereafter upon the pending amendment.

Mr. MANSFIELD. Yes. It is understood that then the time will start to run.

Mr. BUSH. After the vote on the pending amendment the time limitation will start, with 10 minutes allowed to each side.

Mr. MANSFIELD. Yes.

Mr. CARLSON. I did not want to let this debate close without expressing my appreciation again to the distinguished Senator from Alabama [Mr. HILL].

It was my privilege to serve with him in the House of Representatives for many years. It has been my added privilege to serve with him in the Senate. I know of his interest in this great program of the health of our people. It has been my pleasure to have been associated with him in some of these programs, particularly the programs on cancer and heart disease and dental problems and arthritis.

I sincerely hope that the Senate will sustain him on this particular occasion.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Connecticut.

The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Tennessee [Mr. GORE], the Senator from Oklahoma [Mr. KERR], the Senator from Georgia [Mr. RUSSELL], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE] and the Senator from Oklahoma [Mr. KERR] would each vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Kentucky would vote "yea."

On this vote, the Senator from California [Mr. ENGLE] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from California would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Maryland would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Kentucky [Mr. COOPER] are absent because of illness.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The pair of the Senator from Arizona [Mr. GOLDWATER] has been previously announced.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Texas would vote "nay."

On this vote, the Senator from Kentucky [Mr. COOPER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from New Mexico would vote "nay."

Mr. KUCHEL (after having voted in the negative). The junior Senator from Arizona [Mr. GOLDWATER] has asked me to give him a live pair. If he were present and voting, he would vote "yea." I have already voted "nay"; under the circumstances, I withdraw my vote.

The result was announced—yeas 37, nays 50, as follows:

[No. 123]

YEAS—37

Beall	Ellender	Robertson
Bennett	Hickenlooper	Saltonstall
Boggs	Holland	Schoeppel
Bridges	Hruska	Scott
Bush	Javits	Symington
Byrd, Va.	Keating	Talmadge
Capehart	Lausche	Thurmond
Case, N.J.	Long, Mo.	Tower
Case, S. Dak.	Miller	Wiley
Cotton	Morton	Williams, Del.
Curtis	Mundt	Young, N. Dak.
Douglas	Prouty	
Dworshak	Proxmire	

NAYS—50

Aiken	Hartke	Metcalf
Anderson	Hayden	Monroney
Bartlett	Hickey	Morse
Bible	Hill	Moss
Burdick	Humphrey	Muskie
Byrd, W. Va.	Jackson	Neuberger
Cannon	Johnston	Pastore
Carlson	Jordan	Pell
Carroll	Kefauver	Randolph
Church	Long, Hawaii	Smathers
Clark	Long, La.	Smith, Mass.
Dodd	Magnuson	Smith, Maine
Ervin	Mansfield	Sparkman
Fong	McCarthy	Stennis
Fulbright	McClellan	Williams, N.J.
Gruening	McGee	Young, Ohio
Hart	McNamara	

NOT VOTING—13

Allott	Eastland	Kuchel
Butler	Engle	Russell
Chavez	Goldwater	Yarborough
Cooper	Gore	
Dirksen	Kerr	

So Mr. BUSH's amendment, as modified, was rejected.

Mr. HILL. Madam President, I move that the vote by which the amendment of the Senator from Connecticut was rejected be reconsidered.

Mr. HUMPHREY. Madam President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. BUSH. Madam President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment of the Senator from Connecticut will be stated.

The CHIEF CLERK. On page 35, in line 9, it is proposed to strike out "$80 million", and to insert in lieu thereof "$54,100,000."

Mr. BUSH. Madam President, I shall speak very briefly on this amendment.

On the question of agreeing to this amendment, I request the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. How much time does the Senator from Connecticut yield to himself?

Mr. BUSH. I yield myself 5 minutes, although I doubt that I shall use that much time. I understand that 10 minutes are available to each side.

Madam President, this amendment has to do with the item on neurology and blindness activities. It is the last item on the sheet which I believe is on the desk of each Senator, and it is also to be found on page 68 of the report.

The appropriation for 1961 was $56 million, in round numbers. The budget estimate for 1962 is $54 million. The House voted $57 million. The amount recommended by the Senate committee is $80 million.

Thus, the Senate committee has recommended $23,500,000 more than the appropriation for 1961, and $25,900,000 more than the estimate for 1962, and $22 million more than the amount voted by the House.

I have nothing special to say about this item. It is one of several to which my amendments relate. I merely state that in view of the repeated admonitions by the President of the United States and the Secretary of Health, Education, and Welfare, it is incumbent upon us to cut back this item to the amount of the President's budget estimate of $54,100,000.

I reserve the remainder of the time available to me.

Mr. MONRONEY. Madam President, I should like to ask the chairman of the Subcommittee on Health, Education, and Welfare Appropriations whether it is a fact that not one of the very able Republican members of the Subcommittee on Health, Education, and Welfare Appropriations opposed the items for the National Health Institutes, as provided by the committee's version of the bill.

Mr. HILL. None who were present at the time when the committee voted on the bill opposed those items.

Mr. MONRONEY. Do I also correctly understand that not one member of the minority party who was present at the time of the action taken by the full committee on the bill voted against the amounts set forth in the committee's version of the bill?

Mr. HILL. There was no yea-and-nay vote, but I heard no "no" vote.

Mr. MONRONEY. What I am pointing out—and I was at both meetings when the vote was taken—is that the members of the committee, who had sat through long days of hearings and were familiar with the program, did not offer amendments to reduce the item when the vote came on the markup of the bill or in full committee.

Mr. HILL. The Senator is correct.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. BRIDGES. What the distinguished Senator from Oklahoma has said is correct, but I point out to the distinguished Senator that the Senator from New Hampshire has been associated with this program for many long years, and he has a natural sympathy for the programs which are going on.

As a matter of fact, long before there was any authorization bill by Congress, the Senator from New Hampshire was chairman of the Appropriations Committee in 1947 when it provided the first funds for heart research. The Senator from New Hampshire, together with other Senators, joined in the authorization legislation for a great deal of such programs.

The Senator from New Hampshire, as the ranking Republican member of the committee, did point out that the appropriations have reached a great height from a very humble beginning. The Senator from New Hampshire warned that we have about reached the top level of what we could do in this country at this particular time in this kind of program. In the next fiscal year, we will certainly have to look over the whole program very carefully, but the great work which has been accomplished was as a result of the great humane objective we had sought.

Perhaps, as a result of what the Senator from New Hampshire said, Senators may have refrained from offering amendments. I cannot say as to that. But what the Senator from Oklahoma has said is true. While from the beginning we have sought humane objectives, we have reached the point in appropriations where we must watch these figures next year. If subsequent appropriations start topping those for the fiscal year 1962, we will have to look them over very carefully.

With that explanation, I accept what the Senator from Oklahoma had to say.

Mr. HILL. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Alabama has 10 minutes.

Mr. HRUSKA. Mr. President, will the Senator from Connecticut yield me 2 minutes?

Mr. BUSH. I yield 2 minutes to the Senator from Nebraska.

Mr. HRUSKA. In regard to the comments of the Senator from Oklahoma, so far as I know, a vote in favor of reporting a bill to the floor of the Senate does not preclude any member of the committee of the Senate from voting against it or offering an amendment which will either decrease or increase the amount in the appropriation bill. I had never understood that any vote in the Appropriations Committee, of which I have been a member for 4 years, would imply that no one on the committee who cast such a vote was prevented from voting or proposing any change in the bill as reported by the committee. Certainly, when the question is as to whether the bill shall be reported, a vote in favor does not import or imply that there will not be any difference on it. When an express reservation of right to differ on the floor is declared, there is always the response of the chairman of the committee that that is always the right of any member of the committee.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HRUSKA. May I have half a minute more?

Mr. BUSH. Mr. President, I yield 1 additional minute to the Senator from Nebraska.

Mr. HRUSKA. While it is in order for the Senator from Oklahoma to suggest what he has suggested, the other side of the routine and the procedures of the Senate should be made a matter of record here and now, in the light of those remarks.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HILL. I yield, briefly.

Mr. MONRONEY. I agree with the Senator from Nebraska. I had the pleasure of serving with him in the House and later in the Senate. What he has stated is, of course, true. Any Member of either body has a right to offer an amendment, notwithstanding that he voted a certain way in committee; but the fact remains that at the time the committee reported the bill no amendment was offered by a member of the minority to reduce the amount, and many members were strongly in support of the bill as it was reported.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. HILL. Yes, briefly. I do not have much time.

Mr. DWORSHAK. I do not feel committed to support the recommendations of the subcommittee, as a member of the full committee, in view of the fact that there is usually no partisanship display in the deliberations of the Appropriations Committee. It was incredible to me that the 17 Democrat members of the Appropriations Committee would completely disregard, as a group, the recommendations made by their President. So, under the circumstances, I think it would have been futile, within the full committee, to have offered an amendment to cut down the appropriation, just as it is on the floor of the Senate. But some of us think it is just as illogical to appropriate more and more millions of dollars, and hundreds of millions of dollars, at a time when our President and Commander in Chief is making an urgent appeal to provide the sinews of war to defend ourselves against the Soviet threat.

Mr. HILL. Mr. President, I think it should be said that the distinguished Senator from New Hampshire was one of the pioneers in the establishment of these health research programs. Before many institutions of that kind had been established, he was fighting for more and more medical research. He certainly was very active in support of such programs when he was chairman of the Appropriations Committee and gave his leadership in fighting for these programs.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MAGNUSON. I wish to remind the Senator from New Hampshire—and he has probably forgotten—that the first institute ever established was almost 23 years ago, the Cancer Institute. I happen to have been the author of it in the House. I think the Senator from New Hampshire was one of the cosponsors here in the Senate.

Mr. BRIDGES. I thank the Senator for that statement. I remember it very well.

Mr. MAGNUSON. That was 23 years ago. It was the first one. We had a problem of getting $1 million to get it started.

Mr. BRIDGES. I remember, too, that prior to coming to the U.S. Senate, as Governor of my State, we established one of the first cancer research clinics in the United States.

Mr. HILL. I wish to say again that the Senator was one of the real pioneers in this fight for medical research. He not only pioneered it, but through the years he has been one of the strongest and stanchest supporters of medical research.

I shall not detain the Senate except to say that the amendment of the Senator from Connecticut, upon which we are about to vote, would slash the funds for research in neurology and blindness.

I may advise the Senate that the witnesses who appeared before our committee, urging that we provide even greater funds than those provided in the bill and which the committee recommended were:

Dr. Houston Merritt, dean of the College of Physicians and Surgeons, Columbia University; director of the Neurological Institute, New York.

Dr. Jules Stein, chairman, Research To Prevent Blindness.

Dr. Martin Palmer, professor of logopedics, University of Wichita; director, Institute of Logopedics, Wichita, Kans.

Dr. Charles A. Kane, professor of neurology; head of the Neurology Department, Boston University, at Boston, Mass.

This Institute is carrying on medical research, trying to find the cause and cure of such diseases as multiple sclerosis, cerebral palsy, epilepsy, cerebrovascular disease, blindness, mental retardation, muscular dystrophy, and cystic fibrosis.

As we know, the last disease, cystic fibrosis, is today a fatal disease. Only recently, as a result of the program, has it been possible to diagnose it. Now the doctors can diagnose it. We must wage a battle to try to find some way to prevent the disease, or, when it comes, to cure it.

Mr. President, in 1940 there were some 230,000 blind people in the United States. Today there are some 356,000 blind people in the United States. No one knows what caused the blindness of 60 percent of these blind people. Why are the light of day and the light of heaven shut out to them?

The Institute is waging the battle for the blind and for these other people, such as the mentally retarded children and people suffering from many diseases. I urge the rejection of the amendment.

Mr. MANSFIELD. Mr. President, will the Senators yield back the remainder of their time, except for perhaps a half minute, for an announcement?

Mr. BUSH. Mr. President, I yield back my time, except for 1 minute.

Mr. HILL. Mr. President, I yield back my time.

Mr. BUSH. May I make the announcement now?

Mr. MANSFIELD. Yes.

Mr. BUSH. Mr. President, after this vote is taken, I shall offer another amendment which would have the effect of reducing the amount of money in the bill to the Department's estimates to the

Bureau of the Budget. Those estimates call for $695 million.

The President's budget estimates called for $583 million, so the Department's estimates are $112 million in excess of the President's figure.

The Senate bill provides $835 million for the items involved in my amendment.

Those items are all the items in the NIH column. Sheets are on the desks of Senators. This amendment would eliminate the consideration of the Hospital Construction Act, but includes all the other items in the NIH list.

This will be my final amendment, and it is my understanding a vote will come on the amendment tomorrow, as soon as Senators are ready to vote. The savings involved in the amendment are approximately $140 million.

Mr. MANSFIELD. Mr. President, for the information of Senators, the vote to be taken will be the last vote tonight. Senators should arrange their schedules accordingly.

We shall consider the amendment to which the Senator has made reference, which will be laid before the Senate at the conclusion of this vote, and a vote will be taken on the amendment as soon after the close of morning business tomorrow as possible.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BUSH]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY (when his name was called). On this vote I have a pair with the junior Senator from New Hampshire [Mr. COTTON]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from California [Mr. ENGLE], the Senator from Tennessee [Mr. GORE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Georgia [Mr. RUSSELL], and the Senator from Arizona [Mr. HAYDEN] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. KERR], the Senator from Tennessee [Mr. GORE], and the Senator from Arizona [Mr. HAYDEN] would each vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Kentucky would vote "yea."

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from California [Mr. ENGLE] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from California would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from Maryland would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Kentucky [Mr. COOPER] are absent because of illness.

The Senator from Illinois [Mr. DIRKSEN], the Senator from New Hampshire [Mr. COTTON], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The pair of the Senator from Arizona [Mr. GOLDWATER] has been previously announced.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Louisiana [Mr. ELLENDER]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Louisiana would vote "nay."

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Tennessee would vote "nay."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from Kentucky [Mr. COOPER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from New Mexico would vote "nay."

The result was announced—yeas 25, nays 58, as follows:

[No. 124]

YEAS—25

Beall	Byrd, Va.	Case, S. Dak.
Bennett	Capehart	Curtis
Bush	Case, N.J.	Douglas
Dworshak	Miller	Talmadge
Hickenlooper	Morton	Thurmond
Holland	Mundt	Tower
Hruska	Prouty	Williams, Del.
Keating	Proxmire	
Lausche	Robertson	

NAYS—58

Aiken	Hickey	Muskie
Anderson	Hill	Neuberger
Bartlett	Jackson	Pastore
Bible	Javits	Pell
Boggs	Johnston	Randolph
Bridges	Jordan	Saltonstall
Burdick	Kuchel	Schoeppel
Byrd, W. Va.	Long, Mo.	Scott
Cannon	Long, Hawaii	Smathers
Carlson	Long, La.	Smith, Mass.
Carroll	Magnuson	Smith, Maine
Church	Mansfield	Sparkman
Clark	McCarthy	Stennis
Dodd	McClellan	Symington
Ervin	McGee	Williams, N.J.
Fong	McNamara	Yarborough
Fulbright	Metcalf	Young, N. Dak.
Gruening	Monroney	Young, Ohio
Hart	Morse	
Hartke	Moss	

NOT VOTING—17

Allott	Eastland	Humphrey
Butler	Ellender	Kefauver
Chavez	Engle	Kerr
Cooper	Goldwater	Russell
Cotton	Gore	Wiley
Dirksen	Hayden	

So Mr. BUSH'S amendment was rejected.

Mr. HILL. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUSH. Mr. President, I offer a series of amendments which I send to the desk. I ask that they be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be printed and lie on the table.

Mr. BUSH. I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. BUSH. Mr. President, I yield myself 1 minute on the amendments. The vote on the amendments will not be taken until tomorrow. I ask unanimous consent that following my remarks a table showing the effect of my amendment may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

H.R. 7035. APPROPRIATIONS FOR NATIONAL INSTITUTES OF HEALTH

Summary of 1961 appropriations, departmental requests for 1962, budget requests and amounts recommended by the House, and by the Senate committee

Activity	Appropriations, 1961	HEW requests to Bureau of Budget	President's budget	House allowance	Senate committee allowance	Senate bill increase over HEW requests
General research	$76,695,000	$127,638,000	$95,341,000	$119,275,000	$140,000,000	$12,362,000
National Cancer Institute	110,780,000	129,945,000	117,167,000	125,672,000	160,000,000	30,055,000
Mental health	100,742,000	99,917,000	88,324,000	92,182,000	125,570,000	25,653,000
Heart Institute	86,196,000	116,621,000	97,073,000	105,723,000	160,100,000	43,479,000
Dental Health Institute	13,350,300	16,446,000	13,933,000	14,681,000	20,000,000	3,554,000
Arthritis and metabolic diseases	60,855,000	82,234,000	68,740,000	73,661,000	90,000,000	7,766,000
Allergy and infectious diseases	43,150,000	57,960,000	48,322,000	52,182,000	60,000,000	2,040,000
Neurology and blindness	56,409,000	64,303,000	54,100,000	57,624,000	80,000,000	15,697,000
Total	558,177,300	695,064,000	583,000,000	641,000,000	835,670,000	140,606,000

Mr. BUSH. In conclusion, the effect of the amendment is to take the Department's own estimates to the Bureau of the Budget, which total $695 million, and make them the basis of the appropriation. The Senate bill calls for $835 million on the amendments, and therefore there would be a saving involved of approximately $140 million.

TWENTY-FIFTH ANNIVERSARY OF THE REPULSION OF COMMUNISTS FROM SPAIN

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks a statement I have made on the 25th anniversary of the Spanish repulsion of Communists from that country.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

In these ominous and restless days and nights, caused, need I tell you, by the arrogant, heavy-handed, brazen, godless heathens of Moscow I would like to pay tribute and congratulate a great and gallant people and their leader on the 25th anniversary of their repelling and exterminating the communistic, atheistic hordes from within their borders, at a staggering price of a million dead.

I refer to Spain, our historic and traditional friend, and Spain's great leader for nearly a quarter of a century, Gen. Francisco Franco—who is conceded by our own outstanding military men to be one of the finest military scientists and strategists of this or any age.

I have met and talked with General Franco and have no hesitancy in saying he has all the instincts and experience of a statesman; he has rendered a devoted, dedicated, effective and humane service to the Spanish people over the last quarter of a century.

All too often great public figures cannot expect immediate and grateful acknowledgement and appreciation for their services to their countries—they must persevere and persist through abuse, calumny, misrepresentation and lies—as General Franco has done—however the internal satisfaction of a good conscience and knowledge that he was largely responsible through his astute leadership and love of his great country in defeating the barbarous communistic conspiracy, will do him justice even by those at present most prejudiced.

The free world will never adequately be able to repay the Spanish people and General Franco for the tremendous sacrifices in blood, life, and property they made in their civil war—to advance the cause of freedom and Christianity.

I, at this time, would like to extend my warm regards to former Ambassador Josi Felix de Lequerica now chief of the Spanish U.N. mission in New York for the incalculable contribution he made to the present fine relations between our two countries existing while here in Washington.

I would also like to felicitate the present Spanish Ambassador Mariano de Yturralde who is carrying out his assignment in the same high tradition and effective manner as his predecessor Ambassador Lequerica.

PUBLICATION OF COMMITTEE PRINT ON LEGAL COUNSEL FOR INDIGENT DEFENDANTS IN FEDERAL COURTS

Mr. ERVIN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared on legal advice for indigent defendants.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I am happy to announce the publication by the Subcommittee on Constitutional Rights of a committee print on the subject of "Legal Counsel for Indigent Defendants in Federal Courts."

The subcommittee study on this subject brings into sharp focus the need of making the right to counsel, as guaranteed by the sixth amendment to our Constitution, a meaningful reality. Recently, I joined as cosponsor of several bills to extend the right to counsel to indigent defendants in all Federal courts throughout our 50 States. Similar legislation was enacted by the 86th Congress with respect to the District of Columbia. I hope that this Congress will act to complete the job.

I am sure you will agree with me, Mr. President, that the right to counsel is a hollow right indeed if it is not to be accompanied with proper safeguards that all accused persons will be provided with adequate counsel, even those who cannot afford to pay for such counsel.

As chairman of the Subcommittee on Constitutional Rights, I commend this subcommittee print to your immediate attention.

THE PEOPLE SPEAK

Mr. DWORSHAK. Mr. President, a report by Samuel Lubell, nationally renowned columnist, gives an insight into the grassroots thinking of people throughout the country. The report proves what I have so often contended, that the American people, given the facts, tend to provide clear answers to the problems facing our Nation.

The fact that the Berlin situation has developed since this poll was taken certainly does not make it any less important. Actually, I believe that it is even more enlightening to get these views of Idahoans, Californians, Virginians, Ohioans, and the rest of the Nation at a time when we are faced with the problem of determining how we can meet our essential defense needs and maintain our fiscal soundness.

I ask unanimous consent to have placed in the RECORD, Mr. Lubell's column which appeared in the Salt Lake Tribune on July 28.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INFLATION FEARS ACCENT DOMINANT HOPE—STABILITY

(EDITOR'S NOTE.—Concluding his probing on where we stand economically today, public opinion reporter Samuel Lubell reveals that fear of more inflation seems to be uppermost in the minds of most Americans.)

(By Samuel Lubell)

In Washington many Government economists talk as if the way to reduce unemployment is through another dose of inflation.

Much of the public, though, feels that inflation has been a major cause of the unemployment we have been having.

Asked what would help make more jobs, 8 of every 10 persons interviewed in recent months oppose wage increases; while 6 of every 10 urge "prices should be cut so people can buy more."

Most of those who say prices should not be reduced explain, "wages would have to come down, too." Usually they wind up saying, "hold things where they are now."

Price and wage stability is clearly the dominant desire of the overwhelming majority in the country.

On Government spending feelings are more divided.

Much support is voiced for worthwhile projects, such as highways or schools, but not for any general spending program. A sheet-metal worker in Dallas summed up a widely held feeling when he said, "It might help to pump out more money but not to where it pushes up taxes."

Pressure for Government action runs strongest in the major industrial centers like Detroit, Cleveland, and Pittsburgh.

In these areas most workers protest, "Kennedy isn't right when he says the recession is over." But even among these workers there is hardly any support for further boosts in prices or wages.

Talk of Government spending often brings the response, "We've been losing too many factories because taxes are so high already."

This lack of public support for further inflation poses a significant challenge to so-called liberal Keynesian economists. For years many of these economists have argued that a rise of 2 or 3 percent in the price level was not too high a cost to pay for full employment.

But much of the public today is questioning whether full employment is possible if prices are constantly pushed up.

Particularly since the 1958 recession, there has been a marked increase in protests that "we're pricing ourselves out of world markets." The desire to cut down imports has risen to where it is supported by close to a majority of factory workers.

Another common complaint was voiced by a brewery worker in Los Angeles who said, "Every time we get a wage boost the company cuts costs by laying off a few more workers."

Even more widely spread is the feeling that "these big companies are making enough profit so they could cut prices and make it easier to buy things."

Many housewives have told me, "If we need something bad enough we pay these terrible prices but then we have to cut down on everything else."

This has been particularly true where families have saddled themselves with heavy home mortgage payments.

Often these payments upset normal buying habits for years afterward.

In one Detroit suburb a 31-year-old mechanic talked of 4 years of painful adjustment he and his wife have gone through because "back in 1957 I bought a house that was more than I could afford."

To meet the payments he recalled "I stopped drinking beer with my friends. We cut out all movies and entertaining. We let the crab grass grow. My wife went to work.

"Our car is 6 years old and we could use a new one," he concluded, "but don't ask me when we'll be able to afford one."

A minor revolt seems also underway against being too deep in debt.

In at least seven different cities housewives or their husbands remarked that "after the 1958 recession we were 2 years paying off all our bills. Since then we buy only what we can pay for."

To sum up, all through the country one finds economic recovery is being held back by the overpricing of the past.

These resistances are warnings of maladjustments that need correcting. They raise one basic question as to the economic policy the country should be following at this time.

Is a fresh inflationary stimulus to economic growth all we need?

Or, would we be wiser to make a hard, detailed examination of the economy to determine three things—(1) what priorities

need to be set to balance foreign and domestic demands, (2) just what are the specific causes of unemployment, and (3) how to regain the lost art of stimulating buying by reducing prices.

THE CAPE COD NATIONAL SEASHORE PARK

Mr. HART. Mr. President, the conference report on the Cape Cod National Seashore Park bill represents the culmination of several years of study, meetings, and deliberations during which varying points of view were finally ironed out. We have before us a bill which contributes to the national welfare, in preserving for the enjoyment of all Americans a portion of the rightly famous Cape Cod seashore. The bill at the same time properly safeguards the rights of the homeowners and residents of the area.

The Senate committee report points out that unlike previous national parks, the Cape Cod area is not a wilderness and indeed is not even undeveloped. The establishment of this seashore park marks our recognition that in certain parts of the country we are going to have to set aside outdoor recreation areas even when we do not carve them out of wilderness; the national welfare is now requiring this dedication of land in regions of high population density.

For the enlightenment of all of us who come from areas not familiar with the national park concept, I ask unanimous consent to have printed in the RECORD at this point a portion of the Senate report on S. 857 which describes the special nature of the Cape Cod park, and the special solutions which were written into the bill to take care of these circumstances. In a number of respects we in Michigan are faced with this same set of circumstances in the area surrounding the proposed Sleeping Bear Dunes National Recreation Area, though Cape Cod is more highly developed than the Michigan regions involved.

There being no objection, the excerpt from the report (No. 857) was ordered to be printed in the RECORD, as follows:

The increasing popularity of Cape Cod is jeopardizing its natural values. The charms of the area are being obliterated by developments. Nevertheless, the National Park Service has found the outer part of Cape Cod to possess not only the last expanse of uninterrupted natural beach of its size in New England but one of the finest ocean shores along the Atlantic coast. Other cape features of outstanding scenic, scientific, and historic interest are found there.

Within this proposed seashore are some 39 miles of beach facing the Atlantic Ocean and 14 miles of beach on Cape Cod Bay and Nantucket Sound. In addition to those beaches, the area would contain about 8 square miles of the spectacular sand dunes, some 20 named fresh-water lakes, and prime examples of the cape's picturesque rolling heathlands, marshes, river valleys, and forests. Important historic sites would also be included. As the first landing place of the Pilgrims in 1620, some of these sites are intimately associated with the most important historical events in the settlement of America.

Recreation has long been the most productive use of the lands still suitable for the proposed Cape Cod National Seashore. Low fertility makes them unsuitable for agriculture, and transportation distances, lack of raw material, and possible depletion of fresh water under extensive use, greatly limit their industrial potential. The economic history of the cape reflects a continuous change from the original broad economic base of fishing and agriculture to specialization in recreation services. Without immediate preservation of the cape's natural features, however, there is great danger that the recreational qualities which have drawn increasing numbers to the cape each year will soon be lost for all time, consumed by commercialization and real estate subdivisions.

In order not to damage the values which the national seashore would preserve, any facilities needed in it would be held to the minimum consistent with public safety, comfort, and enjoyment. No major commercial enterprises within the boundaries are necessary or contemplated. Private enterprise in the adjoining communities would therefore be relied upon to supply meals, lodging, wares, and visitor services. Many such businesses already exist, and it is anticipated that they can be expanded as demand increases.

Development in the seashore would consist primarily of centers where visitors could learn about the area; ranger stations; camping, picnicking, and swimming places with adjacent parking; wayside exhibits, and a system of trails. Roads would be of a type that would permit safe, leisurely enjoyment of the scenery, and portions of the area would be left roadless to preserve their characteristic charm of remoteness.

In planning essential facilities, extreme care would of course be taken to insure that they do not obtrude upon natural and historic features. Structures within the boundaries of the seashore would be designed to blend harmoniously with the natural scene and with the traditional Cape Cod architecture.

The conservation intent of the proposed reservation should not be reduced, but rather enhanced by its recreational capacity. The primary purpose of the proposed Cape Cad National Seashore is to preserve henceforth for public enjoyment the scenic, scientific, and historic features that exist here. To the people of Cape Cod, whose livelihood depends upon an economy springing from the cape's natural recreation resources, this means insurance for the future. To the seasonal residents of Cape Cod and to the people of the Nation this means that a source of quiet peace and inspiration, fast disappearing on Cape Cod and elsewhere, will always be available here, becoming more meaningful to each succeeding generation.

A special professional study prepared for the Park Service, analyzing the economic impact of a reservation on the lower cape, found that a national seashore would bring many positive economic effects to the area. It was estimated that during the first few years after the opening of the seashore over $30 million in capital expenditures on commercial facilities and park facilities would be made. The growth in direct wage payments would be strong, and the establishment of a seashore should result in a material increase in the value of land areas outside the seashore.

Since Cape Cod is not an unsettled wilderness area, but is more heavily settled, enjoys more compact town government, and has a considerably greater degree of development than most previous park areas, it is important that legislation establishing a seashore there meets the legitimate interests of existing residents. Thus S. 857 designates the most exact possible boundaries, includes provisions which afford a method by which the threat of residential property condemnation can be eliminated by local action, and enables the six towns lying within the diagram of the seashore to maintain a sound tax and development base. The bill gives each residential landowner a minimum guarantee of retaining occupancy up to 25 years. Moreover, in any of the six towns which adopt zoning meeting standards defined by the Secretary of the Interior, the bill assures all homeowners in those towns whose property lines lie within the diagram of the seashore the right to continue to own and occupy their home without interruption or interference so long as the zoning is kept in force.

The bill encourages the Department of the Interior to give the respected and responsible property owners of the lower cape living within the seashore area and their children the most sympathetic consideration and cooperation, enabling them to hold and administer their property as they have in the past, subject to the equitable restrictions which the bill provides and which lie within the administrative authority and judgment of the Secretary.

PROPOSED SLEEPING BEAR DUNES NATIONAL RECREATION AREA

Mr. HART. Mr. President, on June 27, 1961, on behalf of myself and the senior Senator from Michigan [Mr. MCNAMARA] I introduced a bill proposing to establish in Michigan the Sleeping Bear Dunes National Recreation Area.

From letters which have come to me since that time, I am convinced that many persons would be interested in the language of the bill. This is true particularly of homeowners in this beautiful area of Michigan who fear they will lose their homes and cottages.

Section 4(c) of the bill provides that homeowners in whatever area which is ultimately determined as appropriate for the recreation area would retain their homes indefinitely so long as zoning regulations approved by the Secretary of the Interior are established and maintained by the county.

It is important to emphasize that hasty action will not be taken in this matter. All interested persons will be encouraged to express their views, and public hearings will be held in Michigan. After this, every effort will be made to resolve conflicting viewpoints with due regard for all concerned. This is the responsible way to conduct business which affects many people, and there is no intention of proceeding otherwise.

This area is unique in its beauty, and I believe all of us should endeavor to preserve it.

In order that the general proposal may be before us, I ask unanimous consent that the full text of the bill S. 2153 be printed at this point in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

To establish in the State of Michigan the Sleeping Bear Dunes National Recreation Area, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve for the benefit, inspiration, and recreational use of the public a significant portion of the diminishing shoreline of the United States that remains undeveloped, the Secretary of the Interior is authorized to take appropriate action, as herein provided, to establish in the State of Michigan the Sleeping Bear Dunes National Recreation Area.

SEC. 2. (a) The Sleeping Bear Dunes National Recreation Area shall comprise that

particular land and water depicted on the map identified as number NS–SBD–7000, "Proposed Sleeping Bear Dunes National Seashore", dated June 15, 1961, which is on file and available for public inspection in the office of the National Park Service of the Department of the Interior. An exact copy of such map shall be filed for publication in the Federal Register within thirty days following the approval of this Act. The Secretary of the Interior is authorized to acquire by donation, purchase with donated or appropriated funds, condemnation, transfer from any Federal agency, exchange, or otherwise, the land, waters, and other property, and improvements thereon, and any interest therein comprising the area depicted on such map. Any property or interest therein, owned by the State of Michigan, or any political subdivision thereof, may be acquired only with the concurrence of such owner. Notwithstanding any other provision of law, any Federal property located within such area may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the provisions of this Act.

(b) In exercising his authority to acquire property in accordance with the provisions of subsection (a) of this section, the Secretary shall have authority to incur obligations and enter into contracts involving the expenditure of funds authorized by section 10 of this Act for the acquisition of property and his action in doing so shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof and such funds shall be deemed to have been expended when so obligated.

(c) In exercising his authority to acquire property by exchange, the Secretary may accept title to non-Federal property located within such area and convey to the grantor of such property any federally owned property under the jurisdiction of the Secretary within such area. Properties so exchanged shall be approximately equal in fair market value: *Provided*, That the Secretary may accept cash from or pay cash to the grantor in such an exchange in order to equalize the values of the properties exchanged.

(d) As used in this Act, the term "fair market value" shall be the fair market value as determined by the Secretary who may, in his discretion, base his determination on an independent appraisal obtained by him.

SEC. 3. As soon as practical after the date of enactment of this Act and following the acquisition by the Secretary of an acreage within the boundaries of the recreation area which in his opinion is efficiently administrable for the purposes of this Act, he shall establish the Sleeping Bear Dunes National Recreation Area by publication of notice thereof in the Federal Register.

SEC. 4. (a) Any owner or owners of improved property on the date of its acquisition by the Secretary may, as a condition to such acquisition, retain the right of use and occupancy of the improved property for noncommercial residential purposes for a term of twenty-five years, or for such lesser time as the said owner or owners may elect at the time of such acquisition. Where any such owner retains a right of use and occupancy as herein provided, such right during its existence may be conveyed or leased for noncommercial residential purposes. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value on such date of the right retained by the owner.

(b) The Secretary of the Interior shall have authority to terminate any right of use and occupancy retained as provided in subsection (a) of this section, at any time after the date upon which any use occurs with respect to such property which fails to conform or is in any manner opposed to or inconsistent with the applicable standards contained in regulations issued pursuant to section 5 of this Act and which is in effect on said date: *Provided*, That no use which is in conformity with the provisions of a zoning bylaw approved in accordance with said section 5 and applicable to such property shall be held to fail to conform or be opposed to or inconsistent with any such standard. In the event the Secretary exercises such authority conferred by this subsection, he shall pay to the owner of the right so terminated an amount equal to the fair market value of the portion of said right which remained unexpired on the date of termination.

(c) The Secretary's authority to acquire property by condemnation shall be suspended with respect to all improved property located within the boundaries of the Sleeping Bear Dunes National Recreation Area for one year following the date of the enactment of this Act. Thereafter such authority shall be suspended with respect to all improved property located within such area during all times when the affected counties shall have in force and applicable to such property a duly adopted, valid zoning bylaw approved by the Secretary in accordance with the provisions of section 5 of this Act.

(d) The term "improved property", wherever used in this Act, shall mean a detached, one-family dwelling, construction of which was begun before July 1, 1961, together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the lands so designated. The amount of the land so designated shall in every case be at least three acres in area, or all of such lesser acreage as may be held in the same ownership as the dwelling, and in making such designation the Secretary shall take into account the manner of noncommercial residential use in which the dwelling and land have customarily been enjoyed: *Provided, however*, That the Secretary may exclude from the land so designated any beach or waters, together with so much of the land adjoining any such beach or waters, as the Secretary may deem necessary for public access thereto.

SEC. 5. (a) As soon after enactment of this Act as may be practicable, the Secretary shall issue regulations specifying standards for approval by him of the zoning bylaws for the purposes of section 4 of this Act. The Secretary may issue amended regulations specifying standards for approval by him of zoning bylaws whenever he shall consider such amended regulations to be desirable due to changed or unforeseen conditions. The Secretary shall approve any zoning bylaw and any amendment to any approved zoning bylaw submitted to him which conforms to the standards contained in the regulations in effect at the time of adoption by the affected counties of such bylaw or amendment. Such approval shall not be withdrawn or revoked, by issuance of any amended regulations after the date of such approval, for so long as such bylaw or amendment remains in effect as approved.

(b) The standards specified in such regulations and amended regulations for approval of any zoning bylaw or zoning bylaw amendment shall contribute to the effect of (1) prohibiting the commercial and industrial use, other than any commercial or industrial use which is permitted by the Secretary, of all property within the boundaries of the recreation area which is situated within the county adopting such bylaw; and (2) promoting the preservation and development, in accordance with the purposes of this Act, of the area comprising the recreation area by means of acreage, frontage, and setback requirements and other provisions which may be required by such regulations to be included in a zoning bylaw consistent with the laws of the State of Michigan.

(c) No zoning bylaw or amendment of a zoning bylaw shall be approved by the Secretary which (1) contains any provision which he may consider adverse to the preservation and the development, in accordance with the purposes of this Act, of the area comprising the recreation area, or (2) fails to have the effect of providing that the Secretary shall receive notice of any variance granted under and any exception made to the application of such bylaw or amendment.

(d) If any improved property, with respect to which the Secretary's authority to acquire by condemnation has been suspended in accordance with the provisions of this Act, is made the subject of a variance under or exception to such zoning bylaw or is subjected to any use which variance, exception, or use fails to conform to or is inconsistent with any applicable standard contained in regulations issued pursuant to this section and in effect at the time of passage of such bylaw, the Secretary may, in his discretion, terminate the suspension of his authority to acquire such improved property by condemnation.

SEC. 6. The Secretary shall furnish to any interested person requesting the same, a certificate indicating, with respect to any property located within the recreation area as to which the Secretary's authority to acquire such property by condemnation has been suspended in accordance with provisions of this Act, that such authority has been so suspended and the reasons therefor.

SEC. 7. The administration, protection, and development of the Sleeping Bear Dunes National Recreation Area shall be exercised by the Secretary of the Interior, subject to the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 and the following), as amended and supplemented, relating to the areas administered and supervised by the Secretary of the Interior through the National Park Service; except that authority otherwise available to the Secretary for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the purposes of this Act.

SEC. 8. The Secretary may permit hunting on lands and waters under his jurisdiction within the recreation area and under such regulations as he may prescribe. The Secretary shall consult with the appropriate officials of the State of Michigan and any political subdivision thereof which has jurisdiction of hunting prior to the issuance of any such regulations, and the Secretary is authorized to enter into cooperative arrangements regarding such hunting as he may deem desirable.

SEC. 9. (a) There is hereby established a Sleeping Bear Dunes National Recreation Area Advisory Commission. Said Commission shall terminate ten years after the date the recreation area is established pursuant to this Act.

(b) The Commission shall be composed of five members, each appointed for a term of two years by the Secretary, as follows:

(1) Two members to be appointed from recommendations made by the counties in which the recreation area is situated, one member to represent each such county;

(2) Two members to be appointed from recommendations made by the Governor of the State of Michigan; and

(3) One member to be designated by the Secretary.

(c) The Secretary shall designate one member to be chairman. Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(d) A member of the Commission shall serve without compensation as such. The Secretary is authorized to pay the expenses reasonably incurred by the Commission in carrying out its responsibilities under this Act on vouchers signed by the chairman.

(e) The Secretary or his designee shall, from time to time, consult with the Commission with respect to matters relating to the development of the Sleeping Bear Dunes National Recreation Area and with respect to the provisions of sections 4 and 5 of this Act.

SEC. 10. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

RIGHT TO COLLECTIVE BARGAINING FOR NURSES OF OREGON—ACT OF OREGON LEGISLATURE

Mr. MORSE. Mr. President, an important milestone in the labor relations history of my State has just been reached. Recently, the Oregon Legislative Assembly passed House bill No. 1360 which provided the right to collective bargaining for the nurses of Oregon. This bill was approved by the Governor of Oregon June 1, 1961.

I have a letter from Miss Shirley M. Thompson, R.N., chairman, Committee on Legislation of the Oregon Nurses Association, Inc., advising me of this fine accomplishment. As she well points out:

This is another pioneering success for Oregon and an historic first in our Nation's history.

As the Senate already knows, I am an advocate of collective bargaining for all employees, whether these employees are employed by private industry, the Government, or charitable organizations. Collective bargaining means an informed work force and a better opportunity for fair working conditions. It has traditionally meant higher take-home pay as well as greater justice in the many decisions which are taken affecting employment conditions. I do not believe that any type of services needed or required by the American people should be subsidized by low wages or unfair working conditions.

For these reasons, I commend my State for the foresight and progress it has made in providing to the nurses of our State the right to bargain collectively and to choose employee representatives for this purpose.

I ask unanimous consent that the text of the new law be set forth in the RECORD at this point in my remarks, and referred to the appropriate committee.

There being no objection, the act was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

HOUSE BILL 1360

An act relating to labor relations involving licensed professional and practical nurses employed in health care facilities

Be it enacted by the people of the State of Oregon:

(NOTE.—Sections 1 through 52 were deleted by amendment. In order to avoid extensive additional amendments, the other sections were not renumbered.)

SEC. 53. Sufficient competent and dependable care of the ill and infirm is of paramount importance to the general welfare of the people of this State. The legislative assembly recognizes that the public interest requires that effective measures be taken to assure uninterrupted continuation of this care. This State encourages the practice of collective bargaining between employers and employees of health care facilities in both publicly and privately operated health care facilities.

SEC. 54. As used in sections 53 to 62 of this act, unless the context requires otherwise:

1. "Appropriate bargaining unit" means a homogeneous group of employees of a health care facility, having similar interests, duties, preparation and qualifications, determined pursuant to section 57 of this act.

2. "Employee" means a licensed professional or practical nurse performing services for compensation for a health care facility, but does not include a member of a religious order assigned to a health care facility by the order as a part of his obligations to the order.

3. "Health care facility" means a hospital or nursing home, agency or establishment, whether operated publicly or privately, having as one of its principal purposes the preservation of health or the care of sick or infirm individuals, or both. However, "health care facility" does not include a facility in which terms of employment are governed by the State civil service law or any other system of civil service operated under statute or ordinance, nor a facility employing fewer than four employees.

4. "Labor commissioner" means the commissioner of the bureau of labor.

SEC. 55. It is an unfair labor practice for an employee or representative of an employee to encourage, participate in or cause a strike or work stoppage against or directly involving a health care facility.

SEC. 56. It is an unfair employment practice for a health care facility to do one or more of the following acts:

1. Interfere with, restrain or coerce employees in any manner in the exercise of their right of self-organization.

2. Initiate, create, dominate, contribute to or interfere with the formation or administration of an employee organization that has collective bargaining as one of its principal functions.

3. Discriminate in regard to hire, terms or conditions of employment in order to discourage membership in an employee organization that has collective bargaining as one of its principal functions.

4. Refuse to meet and bargain in good faith with the duly designated representatives of an appropriate bargaining unit of its employees. For the purposes of this subsection, it is a requirement of bargaining in good faith that the parties be willing to reduce to writing, and have their representatives sign, any agreement arrived at through negotiation and discussion.

5. Institute, cause or declare a lockout.

SEC. 57. (1) The composition in a health care facility of an appropriate bargaining unit may, for the purposes of sections 53 to 62 of this act, be determined by common consent between the person or authority in charge of the facility and the employees thereof. If either party applies to the labor commissioner, the commissioner or his representative shall make the determination of the composition of the appropriate bargaining unit.

(2) In determining an appropriate bargaining unit under subsection (1) of this section, professional employees may not be included in the same bargaining unit with nonprofessional employees, unless the labor commissioner finds that a majority of the professional employees of that bargaining unit desire inclusion within such bargaining unit.

SEC. 58. An employee organization is considered to be the duly designated representative of all the employees in an appropriate bargaining unit for the purposes of section 56 of this act if it can show evidence that the bargaining rights have been assigned to it by a majority of the employees in that bargaining unit.

SEC. 59. (1) If the right of an employee organization to represent the employees in a bargaining unit is questioned by the authority in charge of the facility employing the employees, the employee organization may petition the labor commissioner for a determination. The labor commissioner or his representative shall investigate and determine the composition of an appropriate bargaining unit, if such determination has not previously been made under section 57 of this act, and shall determine the representative, if any, designated to represent the employees in that bargaining unit.

(2) An employee organization found by the labor commissioner to be authorized by at least 30 percent of the employees in an appropriate bargaining unit may apply for an election by secret ballot to determine its right to represent the employees in that bargaining unit.

If more than one employee organization claims to represent employees in the bargaining unit, the labor commissioner or his representative may conduct an election by secret ballot to determine which is authorized to represent the unit. If an employee organization receives a majority of the valid votes cast at the election, it is considered to be authorized to represent all the employees in that bargaining unit for the purposes of section 56 of this act.

(3) A determination under this section remains in effect for at least 1 year.

SEC. 60. The labor commissioner, a health care facility or any employee organization qualified to apply for an election under section 56 of this act may, in its name or in the name of its members, institute proceedings to restrain the commission of an unfair employment or labor practice listed in section 55 or 56 of this act. The proceeding may be instituted in the circuit court for any county in which the health care facility does business. The court in such an action may grant mandatory or prohibitory relief.

SEC. 61. If a health care facility and the representative of an appropriate bargaining unit of its employees are unable to reach agreement after protracted collective bargaining in good faith, either party may:

(1) Request the State conciliation service to mediate the dispute. Both parties shall participate actively and in good faith in the mediation of such dispute by the labor conciliator.

(2) Apply to the labor commissioner for a factfinding inquiry concerning the dispute, if the parties are not able to settle their dispute within 10 days through mediation and conciliation. Upon such an application, the labor commissioner shall forthwith make an investigation of the dispute. The labor commissioner may, in compliance with ORS 183.310 to 183.510, hold hearings, issue subpenas, administer oaths and do all things necessary to enable him to make a complete investigation. Upon completion of his investigation the labor commissioner shall make written findings of fact and file the original thereof as a part of the record of his investigation. He shall serve a copy of the findings upon each of the parties.

SEC. 62. In compliance with ORS 183.310 to 183.510, the labor commissioner may promulgate rules and regulations not inconsistent with sections 53 to 62 of this act that are necessary to enable him to carry out sections 53 to 62 of this act.

Approved, June 1, 1961.

AMENDMENT OF FEDERAL AIRPORT ACT—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS (S. REPT. NO. 654)

Mr. MONRONEY. Mr. President, from the Committee on Commerce, I report favorably, with amendments, the bill (S. 1703) to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes, and I submit a report thereon. I ask that the report be printed, together with the individual views of the Senator from Ohio [Mr. LAUSCHE], a member of the committee.

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Oklahoma.

ADDITIONAL BILLS INTRODUCED

The following additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as indicated:

By Mr. CARLSON:

S. 2362. A bill to amend title II of the Social Security Act to permit an individual to waive entitlement to benefits thereunder for one or more consecutive months; to the Committee on Finance.

(See the remarks of Mr. CARLSON when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON:

S. 2363. A bill to amend the Civil Service Retirement Act to provide for the inclusion in the computation of accredited service of certain periods of service rendered States or instrumentalities of States, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BIBLE (by request):

S. 2364. A bill to authorize the Secretary of the Interior to sell landowners in urban areas the rights of the United States to certain minerals, and for other purposes; to the Committee on Interior and Insular Affairs.

AMENDMENT OF TITLE II OF SOCIAL SECURITY ACT, RELATING TO WAIVER OF ENTITLEMENT TO BENEFITS

Mr. CARLSON. Mr. President, I introduce, for appropriate reference, a bill to amend title II of the Social Security Act to permit an individual to waive entitlement to benefits thereunder for one or more consecutive months.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2362) to amend title II of the Social Security Act to permit an individual to waive entitlement to benefits thereunder for one or more consecutive months, introduced by Mr. CARLSON, was received, read twice by its title, and referred to the Committee on Finance.

Mr. CARLSON. Mr. President, the bill which I now introduce will permit an individual who is receiving monthly social security benefits to waive entitlement of all or any part of such benefits for one or more consecutive months by filing a waiver certificate. Recipients of benefits under the railroad retirement and civil service retirement systems already have this privilege under existing law.

The primary purpose of my bill is to give relief to widows who, because of the increased social security benefit provided in the 1961 social security amendments—Public Law 87–64—may suffer a reduction in the amount of widow's pension payable by the Veterans' Administration. Under this law the benefit formula for the widow was increased from 75 to 82½ percent of her husband's primary benefit amount.

The reason for this inequitable situation is that under the sliding scale pension plan for veterans with nonservice-connected disabilities and for their widows the income range determines the amount of pension payable. A widow whose income does not exceed $600 receives a monthly pension of $60. If her income range is between $600 and $1,200 she receives a monthly pension of $45. If her income range is $1,200 to $1,800 her monthly benefit is only $25. If her income exceeds $1,800 her pension is discontinued.

The case called to my attention was that of a widow who was receiving $75 monthly survivor benefit under the social security program and about $25 of income from private sources, plus the widow's pension from the Veterans' Administration. The $7.50 increase in her social security benefit brings her total annual income above the $1,200 limitation, thereby reducing her veterans widow's pension from $45 to $25 so that she will actually receive $12.50 a month less in total income rather than $7.50 more as provided in Public Law 87–64.

The bill I introduce will correct this inequity and carry out the intent of the Congress.

TRADE PROMOTION THROUGH FOREIGN EXHIBITS IN THE UNITED STATES—AMENDMENTS

Mr. JAVITS. Mr. President, I submit an amendment to S. 1729, the Foreign Commerce Act of 1961, to provide for the use of foreign currencies held by the United States to help finance the costs incurred outside this country by foreign exhibitors who wish to participate in trade and industrial fairs and other expositions within the United States. Hearings have been held by the Commerce Committee on S. 1729 and I hope that this amendment may be made a part of the bill as it is reported by this committee.

The primary purpose of the amendment is to further trade expansion and act as a direct stimulant for U.S. exports. Three important requirements for the increase of U.S. exports are:

First. The opportunity of U.S. businessmen to see what others are producing so that we can compete with these products in foreign markets.

Second. The exchange of trade and technical information on what is demanded in foreign markets and on channels of trade.

Third. The ability of foreign producers to sell their goods to earn dollars in the United States.

For the developing nations of the free world—potential markets for our exports likely to show the greatest relative improvement factor—the third point is of special importance. They now suffer from severe dollar shortages, and if the United States is to get a foothold in their markets they have to enjoy some exports to us, too, above bare raw materials supplies.

Mr. President, I ask unanimous consent to have the text of my amendment and an explanatory note inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The amendment will be received and appropriately filed; and, without objection, the amendment and note will be printed in the RECORD.

The amendment, submitted by Mr. JAVITS, was referred to the Committee on Commerce, as follows:

On page 6, between lines 11 and 12, insert the following:

"(12) in consultation and cooperation with the Secretary of State, to finance, exclusively through the use of foreign currencies acquired under the Agricultural Trade Development and Assistance Act of 1954 in such amounts as may be made available pursuant to section 104(s) of such Act, costs incurred outside the United States for participation in trade, industrial, agricultural, horticultural, and scientific fairs, expositions, and exhibits in the United States by foreign nations and other foreign exhibitors;".

On page 6, line 12, strike out "(12)" and insert in lieu thereof "(13)".

On page 6, line 24, strike out "(13)" and insert in lieu thereof "(14)".

The explanatory note presented by Mr. JAVITS is as follows:

1. This amendment adds another function to the Commerce Department activities authorized in S. 1729. However, it specifies that only U.S.-owned foreign currencies may be used in carrying out this function—there is no such limitation on the other functions authorized in S. 1729.

2. Consultation and cooperation with the Secretary of State is specified in order to make clear the primacy of the Department of State in oversea activities.

3. Section 104(s) of the Agricultural Trade Development and Assistance Act to which this amendment refers is provided for by title V of S. 1729.

4. The language in the amendment, "in such amounts as may be made available," is intended to make clear that the funds authorized are subject to appropriation by the Congress.

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1962—AMENDMENTS

Mr. BUSH submitted amendments, intended to be proposed by him, to the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes, which were ordered to lie on the table and to be printed.

ADJOURNMENT

Mr. DWORSHAK. Mr. President, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 41 minutes p.m.) the Senate adjourned until tomorrow, August 2, 1961, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 1, 1961:

U.S. ADVISORY COMMISSION ON INFORMATION

Jonathan W. Daniels, of North Carolina, to be a member of the U.S. Advisory Commission on Information for the term expiring January 27, 1964, and until his successor has been appointed and qualified.

DIPLOMATIC AND FOREIGN SERVICE

Edmund A. Gullion, of Kentucky, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Congo.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 1, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

St. John's tribute to Jesus in the prolog of his gospel: John 1: 4: *In Him was life; and the life was the light of men.*

O Thou God of all grace and goodness, we worship and adore Thee whose presence is our shield in the stillness of the night and our strength in the struggles of each new day.

May we now feel, in some special sense that, in this moment of prayer, this Chamber may be for all of us a place of vision and of inspiration.

Bless us with fervor and fidelity as we continue to pray and labor for the coming of that time when heavy-burdened and heartbroken humanity shall be emancipated from the godless and evil forces of aggression and aggrandizement.

Bestow upon our President, our Speaker, and all the Members of Congress the unction of Thy holy spirit, enabling them to mediate light and hope to a world groping in darkness.

Hear us in the name of our Lord and Saviour. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7445. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. HOLLAND, Mr. KERR, Mr. ALLOTT, Mr. SALTONSTALL, and Mr. YOUNG of North Dakota to be the conferees on the part of the Senate.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

LEGISLATIVE PROGRAM FOR REMAINDER OF THIS WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, for the purpose of inquiring of the majority leader as to the program for the balance of the week, if he can give us such information at this time.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Today the airport bill will be brought up extending the Federal Airport Act.

Tomorrow, if the Committee on Rules reports out a rule on the bill S. 2311, which is the same as the bill H.R. 8353, which I have listed on the program heretofore, that bill will be the first order of business. I have been informed and I want to advise the Members to expect a rollcall on that bill.

Mr. HALLECK. Does the gentleman know whether or not a rule has been reported on that bill? I see the chairman of the committee is here.

Mr. VINSON. I appeared before the Committee on Rules this morning, and I have every assurance that a rule will be filed so that the bill may be in order to be considered tomorrow.

Mr. HALLECK. How much time will be allowed for general debate?

Mr. VINSON. A rule has been granted. There will be 2 hours of general debate, one-half to be controlled by the gentleman from Illinois [Mr. ARENDS] and one-half by myself. It is an open rule.

Mr. McCORMACK. Thereafter we will take up H.R. 30, which is on the program. That is the New England compact bill.

As to Thursday, after a conference yesterday with the distinguished gentleman from Michigan [Mr. HOFFMAN]——

Mr. HOFFMAN of Michigan. Mr. Speaker, if the gentleman will yield, your conference was with the gentleman from Iowa [Mr. GROSS], the leader of our party.

Mr. McCORMACK. I said, after a talk with the distinguished gentleman from Iowa [Mr. GROSS] and the distinguished gentleman from Michigan, sitting outside of the Chamber here, as the three of us were, they very kindly discussed the reorganization plan with me so that I could advise the Members of the House when it would be called up. The gentleman from Iowa has assured me that he would call up plan No. 6 and, therefore, after our talk I set that down for Thursday next.

Mr. HALLECK. May I say to the gentleman, as far as our side is concerned, without undertaking to speak for all of the Members on our side, of course, we had considerable discussion about plan No. 6 and found that many Members on our side are not in disagreement with the plan.

Mr. McCORMACK. I doubt if the debate will be long from information I have received—if there is any debate at all. But, after reorganization plan No. 6, then if the Committee on Rules reports out rules tomorrow on two bills that have been reported out of the Committee on Interstate and Foreign Commerce, H.R. 7856, relating to certain reorganization aspects in relation to the Federal Communications Commission, and the other bill, H.R. 8033, ICC Act, orders of hearing officers, as I say, those two bills will be programed for Thursday also, of course, with the expectation that we will dispose of the legislative business of this week by Thursday, and I am confident that the House will cooperate to that end.

Mr. HALLECK. Were both of the bills reported out by the Committee on Interstate and Foreign Commerce?

Mr. McCORMACK. They have been reported and the Committee on Rules is giving a hearing on both of them.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Iowa.

Mr. GROSS. Of course, the calling up of Reorganization Plan No. 6 is conditional upon whether the distinguished Speaker will recognize a Member for that purpose.

The SPEAKER. That is always a question that has to be answered.

APPROPRIATIONS FOR SUNDRY INDEPENDENT EXECUTIVE BUREAUS, BOARDS, COMMISSIONS, CORPORATIONS, AGENCIES, AND OFFICES, 1962

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes, with amendments of the Senate thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. McCORMACK. Mr. Speaker, reserving the right to object and, of course, I will not object, the other body has adopted an amendment to the independent offices appropriation bill and, in addition, has reduced appropriations from $390,000 to $90,000 which would prevent the General Services Administration from acting for the Government before Federal and State regulatory

agencies to produce evidence and information relating to the reasonableness of rates charged to the Government as a consumer. Furthermore, the amendment would, as I said, reduce the funds for the GSA in this important work by 77 percent.

The 1956 Congress criticized the executive agencies for not doing more in securing rate reductions for utilities for the important SAGE program which at that time was estimated to cost $240 million annually. So through the work of the GSA and the Air Force, the utilities bill for SAGE and in other areas has been reduced by some $150 million to $200 million.

This was done as the result of the GSA representing the Government as a consumer, and as the Government gets reduced rates, that benefits the users in private fields and in individual capacities.

For this reason, if the Senate amendment is adopted GSA could merely appear before the agency but could not produce evidence that rates were unreasonable.

The organic act establishing the General Services organization in its policy statement on communications and supply and service matters gave the GSA the responsibility of carrying out the policies of the Government in this important field; in other words, I call to the attention of my friend and of the House members of the conference committee that this is not simply a minor amendment, but the far-reaching results of this would be, in my opinion, for the Federal Government to pay rates for telephone, transportation, and this entire field that would amount to many millions of dollars each year.

The gentleman from Texas [Mr. THOMAS], as chairman of the subcommittee, is well acquainted with this because he and I have discussed this on many occasions during the past several years. His subcommittee and the Committee on Appropriations have played a very important part in the General Services Administration and it has saved our Government countless millions of dollars. If this amendment prevails, the Air Force, the Army, and every agency will have to establish its own unit to protect the Government where its activities are concerned.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

The Chair hears none, and appoints the following conferees: Messrs. THOMAS, YATES, CANNON, OSTERTAG, and TABER.

GREAT BRITAIN AND THE COMMON MARKET

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, I have taken this time to call the attention of my colleagues to the front page story appearing in the press of today under a London dateline, announcing the intention of the British Commonwealth to join the Common Market setup in the operation of their trade relations.

May I say to the Members of the House that this could mean just one more complication for the basic industries of the United States. This is one of the major reasons for some drastic changes in our present Reciprocal Trade Agreements Act.

AMENDMENTS TO FEDERAL AIRPORT ACT

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 391, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8102) to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such Act, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Kansas [Mr. AVERY]; and pending that, I yield myself such time as I may consume.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, inasmuch as there is always a quorum call quite early, I make the point of order at this time that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 125]

Alford	Flynt	Morrison
Ashley	Fogarty	Norrell
Barrett	Garland	Pike
Blatnik	Gray	Powell
Blitch	Healey	Price
Boland	Hébert	Rabaut
Buckley	Holifield	Roberts
Cannon	Kelly	Scott
Clark	Keogh	Shelley
Coad	Kilday	Taylor
Dent	McSween	Thompson, La.
Denton	Machrowicz	Tupper
Derwinski	Mason	Udall, Morris K.
Evins	Miller, Clem	

The SPEAKER. On this rollcall 396 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

AMENDMENTS TO FEDERAL AIRPORT ACT

Mr. THORNBERRY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, House Resolution 391 provides for the consideration of H.R. 8102, a bill to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes. The resolution provides for an open rule with 2 hours of general debate.

H.R. 8102 would make changes in existing law to accomplish the following purposes:

First. To discontinue for the future the practice of authorizing the Administrator to enter into contracts obligating Federal funds in advance of appropriations as the means of furnishing Federal aid to airports. The bill would authorize appropriations for the purpose of furnishing such aid and, except for any unused obligational authority remaining available under existing law, the Administrator would be required, in the future, to obtain appropriations before obligating Federal funds.

Second. To authorize, for the purpose of furnishing Federal aid for airport development, appropriations totaling $375 million to become available over a 5-year period, beginning with the fiscal year ending June 30, 1962.

Third. To limit the use of Federal funds in the construction of airport buildings to that portion of an approved project directly related to the safety of persons.

Fourth. To require airport operators or owners to furnish, without cost to the Federal Government, such rights in real property as the Administrator deems necessary to construct at Federal expense facilities to house Federal activities related to air traffic control.

Fifth. To provide that any Federal funds apportioned to a State which are not obligated after 2 years shall revert to the discretionary fund and eliminate the annual reapportionment of such unobligated funds required by existing law.

Sixth. To place greater emphasis on the safe and efficient use of airports by aircraft.

Seventh. To expedite the national airport program by requiring advance announcement of the program of airport development intended to be undertaken during the following fiscal year.

An adequate transportation system is vital to the growth of our economy and to our national defense.

Rapid developments in science and technology in recent years have resulted in spectacular advances in aviation, with a resultant increase in airport needs.

Mr. Speaker, I urge the adoption of House Resolution 391.

Mr. Speaker, I now yield to the gentleman from Kansas [Mr. AVERY], 30 minutes and reserve the balance of my time.

Mr. AVERY. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER. The gentleman from Kansas is recognized.

Mr. AVERY. Mr. Speaker, the gentleman from Texas, I believe, has explained the pertinent points of the bill

this rule makes in order for consideration. I am not so sure in my own mind that this is the way airports should be provided for users of the airways, but certainly at this stage of the game we cannot do anything else.

Anyone who has given any attention at all to the financial status of the scheduled airlines knows they are not at this time in a position to finance the construction of air terminals.

We established this method of financing terminals 12 years ago and there is no reason why we should change it today.

I may say to my Democratic friends on the right that we Republicans come on the floor today with a sort of tongue-in-cheek attitude. You will recall that as long as it was our responsibility to keep the books and our responsibility to balance the budget, the leadership on the Democratic side, the leadership in both the House and the Senate, insisted, in fact pressed, for a Federal Aid to Airport Act that would cost $100 million a year. That was prevented in one case by a Presidential veto by President Eisenhower, and in the next instance, by a coalition of some Republicans and other conservative members on the Interstate and Foreign Commerce Committee, it was defeated. We were able to hold the program down to a cost of $65 million.

Since it is now your responsibility to keep the books and avoid a deficit, if possible, you have now retreated from the $100 million proposal and are back in line with the cost that the Republicans presented through the Eisenhower administration, a cost of about $65 million or $70 million a year. For that we commend you and want to join you in support of this bill.

The gentleman from Texas pointed out the most significant part of the legislation before us today. We are in fact, Mr. Speaker, setting a precedent, because to the best of my knowledge this is the first time we have terminated the so-called back-door spending in any Federal program after it has once been accepted.

So certainly the bill should be very favorably accepted on that basis, and the Committee on Interstate and Foreign Commerce, the chairman of the subcommittee particularly, the gentleman from Mississippi [Mr. WILLIAMS], are to be commended for that very commendable improvement in the present act.

May I say, Mr. Speaker, that I do regard in some respects we are treating with a band-aid a program affecting one of the great common carriers. Instead of the so-called single item treatment, I feel we should be giving our serious consideration to the needs and the problems of the very serious financial situation facing all common carriers, not just the airlines.

I wish, Mr. Speaker, that the Committee on Interstate and Foreign Commerce of the House would come to this body with some proposal whereby we could coordinate the programs, the regulation, the tax responsibilities, and all other facts that affect all common carriers, instead of just coming here with a piecemeal proposal that we are considering today.

I do not say that this program, this particular Airport Act, should be deferred until such consideration could be had, but I do say, Mr. Speaker, that unless Congress takes another look at the plight of our common carrier industry, we are going to see them become nationalized one by one. Just recently one of the oldest and the only railroad serving the New England States went into bankruptcy.

Our airlines that earned $63 million in the year 1955 last year showed a profit of $1 million. The unregulated carriers that in 1946 carried approximately 15 percent of the freight are now carrying about 30 percent.

If some action is not taken by the Congress, it is estimated that by 1970 the unregulated carriers will be carrying as much as 60 percent of our freight. If the Congress wants our common carrier industry to become nationalized, we can continue to ignore these industry problems. If we do not want them to become nationalized, I feel that is one of the most serious problems facing not only this session of Congress but the one to follow next January.

The Washington Post on last Saturday, which is usually a reliable spokesman for this administration, stated that the Kennedy administration had elected not to present to the Congress any comprehensive overall recommendations for the common carrier industry, first, because their thinking had not yet crystallized and, second, because the President himself thought that maybe there had already been too many messages to the Congress. If the administration does not address itself to this problem, I think in the very near future it will be the responsibility of the House, more particularly the great Committee on Interstate and Foreign Commerce, to look directly at this problem.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Florida.

Mr. CRAMER. I wanted to ask the gentleman a question. I think the gentleman has done a fine job in showing how this has taken place, that is, in regard to the cost of the program. I think likewise it would be well to point out, as appears on page 2 of the report, that the majority are now accepting the Quesada approach to this problem, which led to the veto and for which so many of us were criticized, in that the money is not permitted to be spent for other than safety features in terminal facilities. That was the big issue, was it not? That was the issue that was fought out that they disagreed with, and now they are wholeheartedly endorsing it.

Mr. AVERY. I would say in reply to the gentleman from Florida, what he said is essentially true. The Eisenhower proposal as was presented by the FAA Administrator, Mr. Elwood Quesada, was not identical to this. I believe the amount of money authorized was primarily the same as carried in this bill, but the formula for the amounts for the individual fiscal years varied somewhat. The Eisenhower program proceeded on the theory that a greater amount of money should be spent now and then gradually reduced each succeeding fiscal year until finally the Federal Government could withdraw from the program entirely. There were some restrictions in the use of the funds as proposed in the bill by the gentleman from Arkansas [Mr. HARRIS] and by the Senator from Oklahoma [Mr. MONRONEY]. There were some restrictions as to what the money could be used for, but it was not as restricted as was the Eisenhower proposal.

Mr. O'HARA of Michigan. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. Mr. Speaker, following the President's speech last week, I read various statements in the papers in regard to the necessity for belt-tightening on domestic programs. Now, I take it from the gentleman's statement here today that this program would constitute an exception to the minority position in regard to belt-tightening; that we should forget about those warnings on belt-tightening as far as this program is concerned.

Mr. AVERY. I would only say this, that had this bill been introduced after the observations were made by the President, perhaps that connotation could be drawn, but this bill was introduced in January, and certainly at that time we were not facing this military situation that we are in today.

Mr. O'HARA of Michigan. I thank the gentleman. I just wanted to say that Federal aid to education is in the same position, and I know the gentleman will not claim that we should tighten our belts on that, either.

Mr. AVERY. Here are a few of the critical economic ills in our transportation picture:

First. Railroads — expenditures for new equipment of one-third from last year, carloadings down 13 percent and earnings down to 1.45 percent. One of the oldest railroads and virtually the only one serving the New England States has gone into bankruptcy.

Second. All airlines made only about $1 million profit last year compared to $63 million in 1955. This represents only 2.9 percent on investment, whereas CAB maintains a return of 10.5 percent is necessary to keep the industry in a strong financial condition. This has largely come about because of the extensive cost of adding new jets to the inventory of the trunk lines. These same jets are frequently running 60-percent filled. This grim picture prevails despite the fact the airlines have captured approximately one-half of the total common carrier passenger service as compared to only 14.2 in 1955.

Third. Unregulated private and contract carriers now haul one-third of the intercity freight and some estimates are that it will run as high as 60 percent 10 years from now unless some extensive overhaul is undertaken in the general field of common carrier regulation.

Fourth. Intercity buses, according to ICC, are averaging about 20 passengers per trip, the same as 10 years ago, although the buses generally have increased their load capacity approximately 15 percent.

Here are a few economic idiosyncrasies in the field of common-carrier finance operations:

We are today authorizing $72 million a year for Federal aid to airport construction and this will be matched by a similar amount from States and municipalities. They are nontaxpaying facilities. The Nation's railroads, whose economic plight is becoming well known, pay approximately $180 million ad valorem taxes a year on right-of-ways and facilities, exclusive of rolling stock. For example, the industry-owned Union Station only a few blocks from here pays $397,380 taxes to the District of Columbia and have offered to give it to the District. At the same time, we are spending approximately $100 million to build tax-free Dulles Airport after already spending $35 million on National airport.

Our inland water carriers enjoy a without cost right-of-way costing the Federal Treasury $300 million annually to compete with motor carriers who pay excise tax on fuel and a license to operate on the Nation's highways. These are but a few of the inequities in the policies that have evolved over the years. These policies have never been preplanned. They have, for the most part, been molded one part at a time to solve a single problem with not much, if any, consideration given to the effect of one decision on the other carriers or the industry as a whole. It is, in my opinion, overdue on the part of the Federal Government to completely review and coordinate our regulations, our policy—including mergers—and tax responsibility of our Nation's common carriers.

The Eisenhower administration once proposed a Department of Transportation, but did not pursue it with vigor. The Washington Post, usually an authoritative source of information for the present administration, stated in an article on July 29 that the thinking of the Kennedy administration had not crystalized on transportation policy and needs, and further that Mr. Kennedy felt there had already been too many Presidential messages to Congress.

I would hope, Mr. Speaker, that if some proposal does not soon come from the administration, the Congress itself should address itself to this important matter. I concede it does not have the political appeal of a big public housing program, or Federal aid to education, or free medical services for the aged. I submit, however, Members of the House, this Nation grew strong without those welfare programs, but it did grow rapidly only when transportation became available at a reasonable cost. Let's not neglect this important segment of our economy, and one so vital to national defense.

Mr. THORNBERRY. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I rise in support of the rule and also the bill H.R. 8102 to amend the Federal Airport Act so as to amend the time for making grants under the provisions of such Act, and for other purposes.

Without a sufficient number of modern airports, the United States would be 20 years behind the times.

I do not believe that the American people fully comprehend the spectacular progress in civil aviation and the major role of the airports in supporting this most progressive form of transportation. Even those of us who frequently travel by air, are familiar with only a half dozen air terminals.

It required the hearings conducted by the Committee on Interstate and Foreign Commerce to bring all the facts of airport development and use together for the purpose of giving us the national picture, and it is a most impressive one.

In 1960, the scheduled airlines alone transported the equivalent of nearly one-third of our Nation's population. To this we must add the volume transported by supplemental carriers, intrastate and contract operators and the more than 76,000 private planes used for pleasure and business purposes.

A network of modern public airports is essential to service air traffic. To keep up with this growing need, over $250 million a year must be spent on airport development. Our growing economy and its dependence on swift transport made a national airport program imperative. Through the years, Federal funds have encouraged local sponsors to undertake and carry through long-range expansion programs, thus stimulating both public and private investment.

As the committee report truly stated:

> Without that Federal aid, we could not have built the present national system of airports. Without continued Federal assistance, we cannot have the expansion required.

For the purpose of carrying out the Federal Airport Act, as amended, appropriations amounting to $332,500,000 are authorized over a period of 5 fiscal years, beginning with the fiscal year ending June 30, 1962. The importance of lead-time in getting airport projects under contract was recognized by the committee. It has authorized advance appropriations to give sponsors the freedom of action to plan and develop projects consistent with the growing volume of air traffic and the ability of our airports to cope with their ever-increasing responsibilities.

The role of the Federal Government is not only to provide much needed financial assistance but to protect the public interest. One of the major amendments to the Federal Airport Act will require the Administrator to withhold approval of any project which does not include provision for the installation of certain landing aids "as are determined by him to be required for the safe and efficient use by aircraft of the airport taking into account the category of the airport and the type and volume of traffic utilizing the airport."

This greater emphasis on safety would encourage the installation of runway lighting and runway distance markers, among other features, by increasing the maximum Federal participation in the allowable costs of such landing aids from 50 to 75 percent.

The total capital investment in public airports as of December 31, 1957, was approximately $2.5 billion. Of the $250 million a year being spent on airport development, the Federal Government is contributing an average of $63 million a year. This quarter share of aid may seem relatively small, but it is the significant margin that enables our airports to keep pace with expanding air traffic without sacrificing the precautions that are necessary to protect the planes and the passengers that depend upon safe and efficient airports.

The public does not realize that air carrier aircraft account for only a small part of the total civil aircraft fleet. Flight time accumulated annually on general aviation planes is over three times that of the domestic airline transports in scheduled service.

Business flying accounts for 46 percent of general aviation flying. Corporations, firms, and individuals in business are making increased use of aircraft as an efficient transportation vehicle in the conduct of business. In 1959, it is estimated that approximately 25,000 business aircraft were used for 5.7 million hours and covered 855 million miles. In addition to the corporations, professional people and individuals engaged in business or agriculture as proprietors or as representatives of corporations make extensive use of light aircraft for business reasons.

It is significant that, at public hearings held on May 9, 10, 11, and 12, 1961, by the Subcommittee on Transportation and Aeronautics, there were witnesses present from every section of the Nation, but no one appeared in opposition to legislation designed to extend the Federal-aid program.

I think it is fair to state that airport users and operators, as well as all who are interested in the development of civil aviation are in agreement that H.R. 8102, to continue the Federal-aid airport program.

Mr. THORNBERRY. Mr. Speaker, I have no further requests for time.

Mr. AVERY. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I ask unanimous consent to speak out of order, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, with the annual multibillion-dollar foreign giveaway program about to hit us between the eyes, I have been reading the report by the other body on the foreign handout bill that is now pending there. I ran into a pretty fair little gem in their report. It reads as follows:

> Section 629 provides that persons so assigned to foreign governments or to international organizations are to continue to be considered as U.S. Government employees

and are to be paid by their parent U.S. Government agency. They are likewise authorized to receive allowances and benefits from their parent agency, and, under presidential regulations, representation allowances similar to those allowed under the Foreign Service Act. In the past, representation allowances have been available only for employees assigned to international organizations.

Now, listen to this:

Under section 629(b) that would be available, also, for employees assigned to foreign governments.

I do not know whether this provision of the bill in the other body is going to prevail or whether it is a part of the House bill that is to come before us in a week or so. I have only this comment to make; that if we adopt any such provision as this, either on the part of a bill offered by the other body or the House, the booze fund for the international crowd is really going to take flight into the stratosphere.

Mr. AVERY. Mr. Speaker, I have no further requests for time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8102) to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8102, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. HARRIS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill which the Committee on Interstate and Foreign Commerce brings to the House today authorizes a total of $375 million to continue the Federal airport program for a period of 5 years.

The purpose of this program is to assist local sponsors in building a system of airports adequate for the commercial and private aviation needs of the country and to provide facilities for an immediate increase in military air operations in an emergency.

Mr. Chairman, under this program the Nation has many very fine airports which could have never been built if we had depended on the local sponsors and the local taxpayers to pay all of the costs.

The bill that we present today, Mr. Chairman, makes, in my judgment, some very constructive improvements in existing law which were proposed in the airport bill which this committee reported 2 years ago. That bill failed of enactment when a conference committee was unable to reach agreement.

Mr. Chairman, there has been something said here about a shift in positions in this program.

Let me say insofar as I am concerned I have tried to be consistent in our airport construction legislation throughout the years it has been my privilege to have any part of responsibility in this important program.

We could go back and review the history of the program, I think, with some benefit, but the one consistent policy that the Federal Government should have in this program, in my judgment, is to carry out the original concept, and that is to have a system of airports throughout the country to provide for the advancement of aviation to meet the needs of the American people and for our national defense.

The original act passed in 1946 provided a total authorization of $500 million to the States and $20 million to the territories. That was for a period of 7 years, with appropriation not to exceed $100 million in any one year. That was following the war, and we really never got the full advanced program underway when the Korean war came on. Everyone knows that during that time various construction programs suffered some, as did many other things, and there were some delays and deferments.

Then following the Korean war there seemed to be some question as to whether or not the Federal Government would carry out its program to develop a national system of airports.

The most that was ever appropriated for the program was $45 million. That was for the first year under the act. After that annual appropriations declined until in 1953 the then Secretary of Commerce appointed a committee to study the program. He did not ask for any money to continue the program. So, in 1954 we had no appropriation.

It was because of that situation, Mr. Chairman, that sponsors came in and asked the committee to give consideration to authorizing the Administrator to make contract obligations to carry on the program. Someone called this back-door spending. I suppose in a sense that would be justified, even though the Committee on Appropriations was required to pass on the appropriation, and Congress was required to appropriate funds for the program. Under that legislation we have an airport construction program that moved right along. As I said a moment ago, we have had some very good results from it.

Two years ago the authorization expired. The then Administrator on behalf of the administration recommended an extension of the program by the same type of contractual authorization.

But it was $200 million for a period of 4 years and with a gradual tapering off of the program. He asked for $60 million the first year. The request for each year declined, $10 million a year, to $35 million, which was the request for the fourth year.

However, the committee did not follow that recommendation. Neither did the committee follow the recommendation of those who wanted $100 million annually. The bill we reported was $297 million for 4 years.

That bill limited the use of Federal funds for terminal building construction to space for essential Federal activities.

The House committee brought to the House the program that we thought was a very adequate program. We went to conference with the other body. We could not agree, as it may be recalled, and the conference broke up.

Something had to be done at that time and, therefore, we agreed to an extension of the then existing airport program for 2 years. The 2-year extension program we agreed to at that time, expired on June 30 of this year.

On April 24 of this year, the President of the United States addressed a letter to the Speaker, submitting copy of a proposed bill to continue the Federal airport program. I introduced that bill, which was given the number H.R. 6580. That called for an extension of the program for 5 years at $75 million a year with the same policy of contractual authorization.

The subcommittee headed by the distinguished and very able chairman of the subcommittee, the gentleman from Mississippi [Mr. WILLIAMS] conducted hearings and made a recommendation to the full committee that instead of following the procedure we have used for the last 6 years, that we try to do something about this controversy of the so-called back-door spending.

The subcommittee recommended many of the amendments that the committee worked out 2 years ago having to do with safety and safety devices, terminal facilities, and so forth, and recommended also a program of advance appropriations whereby the Committee on Appropriations could appropriate funds for 2 or 3 years, or longer to meet the needs of the local sponsors. It is that concept that we have here agreed upon in the bill before you today, which is a new approach and which we think is a good approach.

The subcommittee changes required a number of amendments to H.R. 6580. Accordingly, it was decided to introduce a clean bill, which we bring you today as H.R. 8102.

In this, we have a bill which every Member of this House should be able to support.

The plan proposed in this bill eliminates the need for back-door financing by giving the Committee on Appropriations the duty and the responsibility of providing funds far enough in advance to meet the needs of sponsors in completing plans and making necessary financial arrangements.

I know some are not pleased but in my judgment and after talking with members of the Committee on Appropriations, including the chairman of the subcommittee, we feel it will work out all right.

If we try it, which I am willing to do, and it does not work, because of some unforeseen problems which might develop, then I, for one, would be willing to come back to the Congress—to the House—with a plan that will permit the program to go on and do what the Congress said originally should be done.

That is all we are asking. That is all we expect.

We must have additional funds for Federal aid if the airport construction program is to continue and that program must be continued if we are to have an expanding, adequate air transportation system.

There is a very definite link between this program and national defense. We cannot defend the Nation without aviation. The economy cannot continue to expand without adequate air transportation. We cannot have aviation without airports.

At the outset, let me outline briefly the major provisions of H.R. 8102.

The bill authorizes appropriations totaling $332,500,000 for projects in the States, with obligations limited to $66,500,000 a year for 5 years.

A total of $7,500,000 is authorized for projects in Puerto Rico and the Virgin Islands, of which $1,500,000 would become available at the beginning of each fiscal year.

The bill authorizes an appropriation of $35 million for the development of general aviation airports to relieve congestion at larger airline airports, to be spent at the rate of $7 million a year. This is important for business aviation. General aviation includes all civil aviation except air carrier operations.

Bear in mind that the bill authorizes the immediate appropriation of the sums mentioned. This is the unique feature of this legislation, by which we make possible a long-range program to give sponsors adequate time for making plans to match Federal funds.

We provide that State apportionments not obligated after 2 years revert to the discretionary fund. This was included in the airport bill the committee reported 2 years ago.

H.R. 8102 also makes it possible for the Administrator to acquire rights in land or buildings needed for facilities to house certain essential air traffic control, communications, and weather reporting activities. Under present law, sponsors are required to furnish the Federal Government rent free space for these activities. A similar, although somewhat broader provision to authorize Federal construction was written into the committee bill 2 years ago.

H.R. 8102 provides that the Federal Government cannot participate in the construction of airport buildings, except buildings to house facilities directly related to the safety of persons at the airport. This is similar to the provision in the bill reported by the committee 2 years ago.

Alaska and Hawaii are treated as States rather than territories. This proposal was included in the committee bill 2 years ago.

Under the program which expired June 30 of this year, $60 million a year was made available to the States and $3 million a year to the territories, which included Alaska and Hawaii.

By eliminating Federal aid to terminal building construction and concentrating on essential safety features, the committee believes that a program of $75 million a year proposed in the bill is adequate.

Furthermore, we believe that this amount is fully justified by the record developed in the hearings.

The national airport plan presented to Congress earlier this year by the Federal Aviation Agency shows we need airport development which will cost more than a billion dollars in the next 5 years. This figure includes terminal buildings and some other items not eligible for Federal aid under the terms of this bill, so that the billion-dollar figure was not used in arriving at a need of $75 million in Federal aid for 5 years.

A survey made jointly by the Airport Operators Council, the American Association of Airport Executives, and the National Association of State Aviation Officials indicates a need for $1,125 million over the next 4 years. The Air Line Pilots Association made an independent survey which found a need for approximately $100 million a year for 5 years. A survey by the Air Transport Association indicates a need of at least $98 million a year for 4 years.

The committee believes that the Federal aid provided in this bill is urgently needed and that the advanced appropriations authorized in this bill will enable the Congress to set up a long range program to meet the needs of sponsors.

On the basis of the record made in the subcommittee hearings, the committee asks the House to approve H.R. 8102.

Mr. JOHNSON of Maryland. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Maryland.

Mr. JOHNSON of Maryland. I think the Chairman has made a very excellent statement. On page 37 of the report is set forth the allocation by States of assistance by the Federal Government. What I would like to have explained to me is whether the Federal Administrator will have continuing jurisdiction over these funds, particularly if we have matching funds by our State agencies.

Mr. HARRIS. The gentleman raises a question about the allocation of funds as included in the report on page 37. I am sure the gentleman from Mississippi [Mr. WILLIAMS], will explain the method. This is the allocation which each State would get under the present formula. Under present law and as will be required here each year, the administration will submit a plan, a program for the entire country. The Appropriations Committee will appropriate funds for the Administrator to make grants to sponsors.

Mr. JOHNSON of Maryland. But what is not clear to me is where you have State funds used in conjunction with Federal funds and there is a difference of opinion as to the use of these funds whether the Federal Administrator has sole jurisdiction.

Mr. HARRIS. The Administrator has the final decision; that is true.

Mr. FRIEDEL. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. FRIEDEL. Mr. Chairman, I joined Chairman Harris in introducing this legislation to amend the Federal Airport Act and I concur with his statements regarding the need for passage of H.R. 8102, to make an additional $375 million in Federal funds available for aid to airport construction during the next 5 years.

President Kennedy has pointed out the urgent need for additional funds to develop a national system of airports to promote safety and meet the needs of the national air transportation system.

H.R. 8102 would authorize $75 million a year for the next 5 years. Of this amount, $49,875,000 a year would be distributed to the various States under the existing area population formula. In addition, this bill provides a fund of $16,625,000 a year for use in any State at the discretion of the Administrator for high priority projects regardless of State boundaries.

I voted in favor of this measure when our committee reported it on July 18, although I believe we are jeopardizing the success of the Federal aid to airports program by not continuing authority for the Administrator of the Federal Aviation Agency to make grant agreements in advance of appropriations. Former Administrator Quesada and the present Administrator Halaby both favor the continuation of the authority to make contract obligations. Those who carry the major share of the airport development program may need 4 or 5 years to prepare plans and obtain the local funds necessary to construct an airport.

Based on my experience with the planning and development of Friendship Airport, it seems to me that long-term planning is absolutely necessary if we are to have an orderly, efficient, and economical development of our national airport system. We all know that any multi-million-dollar project takes time and cannot be built by fits and starts. The cities cannot continue to plan long-range programs unless there is some assurance that Federal financing will be available when needed. A 5-year program is essential if we are to have an orderly development of our airport system. This is the only way States and local sponsors know in advance that Federal aid will be available without depending on annual appropriations, which may vary from year to year.

State officials who testified before our committee have stated that it takes a minimum of 18 months to 2 years to formulate plans and obtain the local funds and that they do not think they could work under annual appropriations.

Mr. HARRIS. I thank the gentleman for his comments. All of us know how he has worked on the program, how interested he is, and the valuable contributions he has made to it. As a matter of fact, I want to commend the gentleman and the entire subcommittee for the time they have devoted to this work and the splendid job they have done in these programs.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question

Mr. HARRIS. I yield to the gentleman from Illinois.

Mr. YATES. My question pertains to jurisdiction over the airports once they are constructed.

I received a letter from a constituent who was flying back from France, and he was diverted from a landing in Chicago to Milwaukee. When they got to Milwaukee they spent 5½ hours on the plane because of the fact they could not get facilities to take care of the plane. This group of passengers who had a harrowing experience flying from France could not get off the plane at Milwaukee. I have written letters to the FAA and they tell me they had no jurisdiction. I wrote a letter to the CAB and that agency said it had no jurisdiction. I wrote a letter to the Immigration Service and they said they were ready to clear them but nobody took action to start the passengers moving off the plane.

What happens in a situation of that kind? Is there no Federal agency that has a voice in the manner in which an airport shall be run or operated?

Mr. HARRIS. Oh, yes. The airport is operated by the local sponsor, as the gentleman knows. The Federal Aviation Agency has charge and control and the responsibility for safety in operating the control towers. There is the Immigration Service that has its responsibility. So it largely depends on where the bottleneck was as to who was responsible.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Ohio.

Mr. VANIK. I would like to inquire of the chairman of the committee, and I certainly concur in his presentation, how many of the new airports provided in this bill are contemplated for use by feeder or trunk carriers?

Mr. HARRIS. That would depend on sponsors. Airports in the FAA National Airport Plan are eligible.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I have before me a table showing the number of new general aviation and air carrier airports recommended in the 1961 national airport plan submitted by the FAA. That table shows 52 new air-carrier airports; and 413 general aviation airports recommended, a general aviation airport being an airport which does not accommodate air carriers.

Mr. HARRIS. I thank the gentleman. The gentleman means commercial air carriers?

Mr. WILLIAMS. Yes.

Mr. BENNETT of Michigan. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the Committee on Interstate and Foreign Commerce has reported a good bill and I shall support it. Our distinguished chairman has made a very excellent explanation of the provisions of the bill. The bill is justifiable because it places emphasis where emphasis belongs in this field, and that is upon greater safety in civil aviation. The money in this bill will be spent primarily for those purposes.

Mr. Chairman, the time will come in the not distant future when this particular program can and should be brought to an end and the airlines themselves finance and support their own airports and incidental facilities. The airline industry has been on the Government's back for just about long enough. We have spent annually for many years $75 or $80 million to subsidize transportation of mail in order to help make the airline business profitable.

In addition to that, we have spent countless millions of dollars in building their terminals, landing strips, and other facilities.

The main competing transportation industry to suffer as the result of these Government subsidies is the railroads, and, as everybody knows, the railroad industry in this country is in a sad state of affairs today, principally for that reason. True, the railroads were recipients of Government aid initially but that day has long since passed. I think, likewise, the time must soon come when the air transportation industry must be made to stand upon its own feet, and free the taxpayers of this great load. However, I think for the time being that we still have, in this jet age, reasonable justification for spending Federal funds for improved safety in air travel.

This bill would make Federal funds available through appropriations. With an end to the back-door method of financing the program, there should be no opposition to continuing Federal aid to airports as proposed in H.R. 8102.

The bill authorizes total appropriations of $375 million for a 5-year program. Of this, $332,500,000 would be for the States, to provide a maximum of $66,500,000 a year for 5 fiscal years to be distributed to the States and the Administrator's discretionary fund by the method established by existing law, under which 25 percent of the amount becoming available each year goes into the discretionary fund and 75 percent is distributed among the States under a formula based half on area and half on population.

Under the program which expired June 30 of this year, $60 million a year was available for the States, to be distributed under the 75 to 25 percent apportionment formula.

The pending bill authorizes $1,500,000 a year for Puerto Rico and the Virgin Islands, with $975,000 to Puerto Rico and $525,000 to the Virgin Islands. Under the old program, Puerto Rico and the territories were allocated $3 million a year, with Alaska receiving 45 percent of this fund, Hawaii 25 percent, Puerto Rico 20 percent, and the Virgin Islands 10 percent.

Under the pending bill, Hawaii and Alaska are treated as States.

The bill sets up a new program for general aviation airports to relieve congestion at airline airports where there is high density traffic. To do this, an appropriation of $35 million is authorized, to become available at the rate of $7 million a year.

The airports developed under this program would serve business and private aircraft which now depend on busy airline airports. Amounts appropriated under this provision would be available to the Administrator for expenditure without regard to State boundaries and would be available until expended. In addition, apportionments to the States and amounts in the Administrator's discretionary fund are available for the development of general aviation airports but there is a need for this special fund to provide additional airports to relieve the traffic jams at congested air carrier airports.

This special fund is fully justified in view of the rapid growth of general aviation. About 97 percent of the active planes are general aviation aircraft. FAA reports for 1960 show that flight time accumulated by general aviation planes is more than three times that of the domestic airline transports in scheduled service.

EMPHASIS ON SAFETY

The reported bill amends existing law in several respects to place greater emphasis on air safety. For example, Section 5 would permit Federal participation up to 75 percent of the following: First, allowable costs of land required for approach light systems; second, installation of in-runway lighting; third, the installation of runway distance markers; and fourth, the installation of high density lighting.

Under present law, Federal participation for these items is limited to 50 percent, except for high intensity lighting on designated instrument landing system runways where the limit is 75 percent of the allowable cost of the installation.

Traditionally, where sponsors furnished the necessary land, the FAA has been paying for the installation of approach lighting systems as part of the Federal airways system.

H.R. 8102 would amend present law to provide that only those buildings or parts of buildings intended to house facilities or activities directly related to the safety of persons at airport would be eligible for Federal aid grants. Examples of eligible construction would be buildings for fire and crash equipment.

Two years ago, in extending the program, we wrote into the law a prohibition against the use of Federal funds to build bars, cocktail lounges, night clubs, theaters, and such items. The new language which this bill would write into law would, of course, be broad enough to continue the prohibition against use of Federal funds for these items.

The language in the bill to permit construction to house facilities "directly related to the safety of persons at the airport" is rather broad. Administrator Halaby was asked about this in the hearings.

"We are trying to protect persons from the operations of aircraft in, or, and around the airport," he said. He recommended that some discretion be allowed in the language and assured the committee that this discretion would not be abused.

A number of witnesses in the hearings asked that aid to terminal building construction be continued but the committee is interested in stressing safety items.

Luxury items and revenue-producing facilities should have been eliminated from this program a long time ago.

In keeping with this proposal to eliminate Federal participation in passenger terminal building construction, except for safety facilities and activities, it is proposed to amend existing law to permit the administrator to relieve an airport operator of his obligation under present law to furnish the Government free space for necessary Government facilities, such as air traffic control, weather reporting, and communications activities related to air traffic control. Instead, it is provided that sponsors will furnish the Government, without cost, land or other rights needed for the construction at Federal expense of space or facilities for such purposes.

This change in existing law will permit the Federal Aviation Agency to build facilities, such as airport air traffic control towers. By providing its own space, the FAA can meet the special needs of its personnel. More uniformity in building design will be possible. In the hearings, it was testified that 15 airports now are eligible for control towers under FAA rules but the towers have not been built because of various difficulties encountered by sponsors. The proposed change in existing law will give the Administrator greater flexibility in providing space for essential facilities and thereby promote safety.

In addition to dropping the back-door method of financing, the committee has made another important change in the administration bill as introduced.

Under present law, the State apportionments not used after 2 years are redistributed, 75 percent being reapportioned among the States under the basic formula provided in the act, and 25 percent going into the Administrator's discretionary fund. The bill proposed by the administration provided that State apportionments unused after 1 year should go into the discretionary fund. This met with opposition from sponsors, who insisted that in many cases 1 year would not give sufficient time for the preparation of plans and the presentation of projects to the Federal Aviation Agency. Accordingly, the committee has amended the bill to provide that after 2 years unused State apportionments shall go into the discretionary fund.

The need to continue Federal aid to airports was well documented in the hearings by various witnesses representing sponsors.

Of special interest was a survey made jointly by the National Association of State Aviation Officials, the Airport Operators Council, and the American Association of Airport Executives.

Airports recorded on this survey total 7,600, of which 53 percent are privately owned and 47 percent are publicly owned. Of the publicly owned airports, 21 percent are air carrier and 79 percent are general aviation.

The survey shows that operators of 1,338 airports are planning 3,129 projects during the next 4 years. The total cost of development reported during this period would be $1.1 billion. It is anticipated that sponsors can provide $522 million of this and the States $16 million, a total of $583 million, leaving a deficit of $532 million. Sponsors are looking to the Federal Government for aid in meeting this deficit.

With the trend toward larger and longer range aircraft, the Federal Government is justified in continuing the aid-to-airports program. The need for a national system of airports is as great now as when the Federal Airport Act was enacted in 1946. Federal financial assistance is needed to assure that airports are adequate to meet the needs of our rapidly developing civil aviation industry, which is essential to an expanding economy. Federal aid will induce sponsors to develop programs.

Air transportation is rapidly growing in importance to trade and commerce and to national defense. Local communities cannot be expected now to assume the full burden of the cost of the airports we need.

I urge adoption of the bill as reported by the committee.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I would like, if I might, to sort of thumbnail sketch what I think are the important improvements in this bill.

The chairman has already outlined the fact that there will not be beginning with this bill, any more back-door spending. The agency will go directly to the Committee on Appropriations and justify every expenditure before it is made. I think that is good, and I believe the majority of the House will approve it. We felt that this was good business for us to have the Administrator do it in this way. Although there was some opposition by people who previously had been able to contract ahead of time, we believe that the program can be better administered this way and bring more responsibility directly to the House of Representatives for this program by justifying expenditures before they are spent.

Now, let us see what we tried to do in order to alleviate this situation which some people say has been created by the fact that you no longer have authority to contract ahead of time. There is a provision that in order to expedite this program we are now requiring the Administrator of the FAA himself to make publicly an advance announcement, not later than January 1st of each year, of the entire program for airport development intended to be undertaken by him during the following fiscal year. And, I think the Administrator agrees with that view. And, due to the fact that there is no more back-door spending and by announcing this program and sort of planning ahead of time, he gives the Committee on Appropriations a chance to survey the program to determine whether it is fair or if there are any other provisions to be made in it. Now, that, it seems to me, is just good commonsense business sense, whether it be the individual or the Federal Government. But we have put that requirement in there because we believe it fits into that kind of a program. Now, those are only two things.

The third thing is this: We have limited the use of Federal funds in the construction of airport buildings to that portion of approved projects directly related to the safety of persons at the airport.

That is the third important thing that has been done.

Mr. Chairman, we have related the expenditure of that money directly to the safety of persons and we have left the other part up to the local sponsors to take care of.

In the fourth place we require the airport operator or owner to furnish without cost to the Federal Government such rights in any real estate on that airport as the Administrator himself deems necessary to construct the Federal airport facilities to house Federal activities related to air traffic control. That is the fourth thing that has been done.

In the fifth instance we have provided that any Federal funds apportioned to a State which are not obligated after 2 years—in other words, that the sponsor has 2 years or we will say that every private company or the State has 2 years in which to apportion that money. If they do not do it, it goes back into the discretionary fund and the Administrator can then direct its use as he sees fit, in the public interest, to the places he deems most necessary as of that moment.

Mr. Chairman, we have had a rather complicated situation in the past, where it has come back to the discretionary fund under some circumstances and a portion of it has remained and the Administrator can dole out this money, but we believe this is a good revision which gives everybody 24 months to make up his mind as to whether or not he wants to meet or match those funds. At the end of that time, if he does not do it, it goes back into the discretionary fund. We believe that is a sound, businesslike arrangement. Any authority that wants to sponsor a project ought to be able to make up its mind within 24 months as to whether or not it wants to do that.

I think, sixth and last, we have placed greater emphasis in this bill for the first time on the safe and efficient use of airports by aircraft by providing that the Administrator withhold approval of the project—he has authority to withhold approval of a project unless provision is made for the installation of certain landing aids such as runway lighting and runway distance markers, and provide for an increase in the level of Federal participation in the allowable cost of such landing aids.

Mr. Chairman, the Administrator has the right to impose upon the local sponsor the provision that these landing aids for safety purposes be provided. However, in order to assist them in that we have raised the portion of the Federal Government from 50 percent to 75 percent. We believe that is fair where we are making a demand upon that local operator to do it.

Now may I say that in the testimony we had, especially as to pilots and those who are operating aircraft, this is one

of the most needed portions of the expenditure of that money. I remember one airport operator talking in terms of how much longer the airport could remain open under certain circumstances if these landing aids and lighting aids were properly put in place and provided.

So, may I say, that these six major revisions of the act we believe are all in the public interest; everything from the revision of how we are going to expend the money—the Appropriations Committee is going to meet this problem every year down to the very last thing of determining what kind of lights and safety aids are going to be applied to each one of the airports. I have been on this subcommittee, and I have been on this committee for 8 years, and it is my firm belief that this is the best thought-through bill that we have had in the 8 years that I have been on the committee. I want to say that this committee did work hard on the bill, and the chairman I know went into great detail, as did the chairman of the subcommittee; and I want to pay my tribute to them and also to the members of the committee for coming up with a bill which I think deserves the support of every Member of this House.

Mr. HARRIS. Mr. Chairman, I yield 15 minutes to the gentleman from Mississippi, the chairman of the subcomittee [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, in working out the airport legislation presented today, the Subcommittee on Transportation and Aeronautics held extensive hearings and spent considerable time in executive sessions. We have tried to bring you the best possible bill.

This legislation is necessary if we are to get the system of airports the country needs.

Subcommittee hearings were held in May on H.R. 6580, introduced by the chairman of our committee [Mr. HARRIS] and H.R. 6608, introduced by Mr. FRIEDEL, a member of the subcommittee.

The bill we present here is a clean bill introduced by Mr. HARRIS after the committee had approved subcommittee recommendations to eliminate the so-called back-door financing provisions of the bills on which hearings were held.

Briefly, the reported bill would make the following changes in existing law:

First. The Administrator is required to announce by January 1 of each year the airport development program he intends to undertake during the following fiscal year. This might appear to be a minor amendment but we believe it will be of great benefit to sponsors by giving them a leadtime of 6 months for completing plans so that construction work can start much earlier when funds become available at the start of the fiscal year.

Second. Appropriations of $375 million are authorized to make grants to sponsors. Funds appropriated would become available at the rate of $75 million a year. Under the program which expired June 30, the Administrator was authorized to make obligations at the rate of $63 million a year, $60 million to the States and $3 million to the territories, which included Alaska and Hawaii. Under the pending bill, the authorization for the States is $66,500,000 a year, with Alaska and Hawaii participating as States. Puerto Rico and the Virgin Islands get $1,500,000 a year.

Third. H.R. 8102 authorizes $7 million a year for 5 years for an important new program to develop general aviation airports to relieve congestion at high density airports. General aviation would continue to share in the funds available for projects in the several States.

Fourth. State apportionments unused after 2 years would revert to the Administrator's discretionary fund. At present such funds are reapportioned under a formula provided in the act, 75 percent going back to the States, and 25 percent to the discretionary fund.

Fifth. The Administrator is required to withhold approval of a project which does not make provision for certain landing aids specified in the bill.

Sixth. The Administrator is authorized to pay up to 75 percent of the cost of installing in-runway lighting, high intensity runway lighting, and runway distance markers. The maximum allowable now is 50 percent.

Seventh. The Administrator is authorized to require sponsors to furnish the Federal Government rights in real property for the construction of facilities for air traffic control and weather reporting at Federal expense. Sponsors now furnish rent-free space for these activities. But in some instances sponsors have been unable to provide space for essential safety activities.

Eighth. The bill ends Federal aid for airport building construction, except for housing essential safety facilities or activities.

Ninth. Alaska and Hawaii, now treated as territories, hereafter would be treated as States in administering the program.

The subcommittee heard witnesses from every section of the country. No one appeared in opposition.

Before approving the figure of $375 million carried in this bill, we studied very carefully the voluminous statistical data on airport needs developed in four national surveys. These surveys, discussed in detail in the hearings, indicate that the program proposed in this bill is a reasonable and a conservative one.

All Members have been furnished a copy of the 1961 National Airport plan submitted to the Congress in April by the Federal Aviation Agency, in which airport needs are set out by States. This survey shows a need for 465 new airports and improvements to 2,834 existing airports.

It is generally agreed that to have an adequate airport system, we must continue to provide Federal funds as an incentive to the local sponsors to provide matching funds. In many instances, local communities are called upon to assume heavy financial burdens for airports which are important links in our national system. In view of the nature of this program, the local taxpayers are entitled to look to the Federal Government for both guidance and assistance.

Arriving at the amount of Federal aid needed was easier than finding a way to finance the program on a long-term basis without giving the Administrator authority to make obligations in advance of appropriations.

But we have accomplished that in the bill we bring you today.

As a result of subcommittee consideration, we have eliminated the back-door method of financing, as proposed in the two bills on which hearings were held. We have a bill here all of you can support.

We have agreed upon a method of financing which I believe will overcome all of the objections sponsors had to the method of providing funds by annual appropriations, which we had in the original Federal Airport Act.

We are providing a method whereby funds can be made available far enough in advance to permit sponsors to make long-term plans.

The Federal Aviation Agency asked us to renew the Administrator's authority to make contract obligations.

Sponsors asked that this method of providing Federal aid be continued. From their standpoint, obviously, this method has advantages.

But Members of Congress have certain responsibilities. The Constitution sets out the method that must be used in drawing money from the Federal Treasury.

We have done pretty well for a good many years in providing funds for Federal projects by going through the Committee on Appropriations and permitting the Congress to keep close tab on expenditures of the public moneys.

There is no good reason why the airport program should be taken out from under the direct control of Congress. There is no need for us to surrender our constitutional responsibilities.

In article I, section 9, of the Constitution of the United States, you will find this language:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

That places the sole responsibility for the appropriation of public money upon Congress. It does not give Congress any authority to delegate that responsibility for any reason whatsoever.

I might point out that if this bill is enacted into law, we will not be giving up our constitutional power over the purse strings. If this bill becomes law and we do not like the recommendations of the Committee on the Appropriations, there is nothing to prevent any Member from offering an amendment to increase or decrease the appropriation within the authorization made by the legislation. So we are retaining freedom of action.

In the hearings, sponsors told the subcommittee that a minimum of 18 months is needed for planning to take advantage of Federal aid. Thus, annual appropriations, on a year-to-year basis, fail to provide the necessary leadtime for adequate planning.

By the method proposed in this bill we are making long-range planning possible. The committee agrees that this

long-range planning is necessary for the sake of economy and efficiency. Local sponsors just cannot draw up plans and work out financing for an airport project in a few months. But advance appropriations will accomplish the same thing as advance authority to make contract obligations. And we will be following orderly, constitutional procedures.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Arkansas.

Mr. HARRIS. While the gentleman is discussing this, I think, basic point and most important point in many respects—primarily due to the fact that we are changing from the policy we have followed over the last several years to a new policy and because there is so much feeling in the minds of some people as to what it would do and how it will affect the sponsors—I want to ask if it is not true that the Committee on Appropriations could appropriate the entire $375 million if it had information justifying such action?

Mr. WILLIAMS. I am glad the gentleman raised that point. He is entirely correct. Under this bill, the Committee on Appropriations could recommend to the Congress, and the Congress could appropriate the entire $375 million to be available over this period of 5 years within the yearly limitations imposed in the bill—that is, the yearly limitation of 75 million broken down into the three categories which have been mentioned previously.

The Federal Aviation Agency raised the question before the committee of the need for time to make advanced planning. They gave that as the basis for their request that contractual authority be continued. They said they had to let the communities and the towns know that the money was available in advance before those communities and other political subdivisions could make the necessary plans and arrangements to participate in the program.

Questions were asked about how much so-called leadtime was required. The general concensus of the testimony appears to be that a minimum of 18 months leadtime is required. Therefore, assuming that 18 months should be required in advance, the Appropriations Committee could appropriate for 2 years instead of 1 year, thus providing for appropriations for 2 years in advance. That meets squarely the objection which was raised by the Federal Aviation Agency and sponsors.

We are most certain that this program can be conducted satisfactorily and efficiently under this method of financing; at least we feel that we are exercising and discharging the responsibilities which are properly ours under the Constitution of the United States.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. GUBSER. The gentleman will remember the conversation I had with him regarding H.R. 6178 which I introduced and which has been referred to the Committee on the Armed Services, calling for a joint study by the Administrator of the Federal Aviation Agency and the Secretary of Defense with respect to future plans for the civilian use of military airports which might possibly become surplus to the needs of national defense as we go into the missile age. The gentleman stated to me that it was his opinion that under the authority already in the law for a national airport plan that the Secretary of Defense could be included along in a discussion with the Administrator of the Federal Aviation Agency, and that the purposes which I am attempting to achieve in H.R. 6178 could be achieved under the act. Is that correct?

Mr. WILLIAMS. I am glad the gentleman raised that point. He is absolutely correct. However, I might state that the Federal Airport Act—and I do not have the language in front of me at the moment—contains a provision which not only permits, but also requires the Administrator to take that into consideration. I trust that the gentleman has read that language. I hope he is satisfied with it. I most certainly agree with the purposes of the gentleman's bill, but the fact of the matter is it is already covered by present law.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the chairman of my committee, certainly.

Mr. HARRIS. Let me read from the committee report with reference to this particular item the gentleman from California brings up. The Federal Airport Act is included in the report. On page 17 of the report under the heading "Consultation With War and Navy Departments," you will find this in the act:

(b) In carrying out this section the Administrator shall also consider the views and recommendations of the War and Navy Departments to the end that the airport development included in such plan may be as useful for national defense as is feasible, and shall ascertain from such Departments the extent to which military and naval airports and airport facilities will be available for civil use. The War and Navy Departments shall consider the views and recommendations of the Administrator to the end that military and naval airports and airport facilities may be made available for civil use to such extent as is feasible.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. Certainly.

Mr. GUBSER. I have read that language and was very satisfied with it. However, I thought at the time of reading it that this was written at a time when we were just going into the use of aircraft in the military. Now we have reached the opposite phase and we are going away from the use of aircraft and I wanted to have this colloquy on the record so we could be sure it was our intent that as we are going away from the use of aircraft in the military the same principle applies as when we went into it.

Mr. WILLIAMS. I would think that the language in the act is very specific in that regard.

Mr. HARRIS. Yes. I think the gentleman will see from a reading of the language that it is applicable whether we are going into or coming out of the military aircraft age.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. YOUNGER. I just want to congratulate the chairman of the subcommittee for bringing to the floor of the House such a fine and acceptable bill. I want to join with the subcommittee chairman in everything he has said. I think it is an excellent bill and I am for it 100 percent.

Mr. WILLIAMS. I thank my colleague for his statement and also thank him for the great contribution he has made to this legislation in the full committee after it was reported from the subcommittee.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HARRIS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from California.

Mr. SISK. As I understand from the comments made by the chairman of the committee, as well as by the gentleman from Mississippi, in the event that a breakdown occurs or problems do develop with reference to financing the aid to airports program under this, it would be the intention of the gentleman's committee to take such action as might be necessary to correct that situation. Is that generally true?

Mr. WILLIAMS. Of course, I cannot speak for the subcommittee, but personally, yes, I think I would be willing to take the necessary steps to promote the program. As to whether I would personally go along with a return to back-door spending, that is another matter. I am opposed to that. Until the situation is changed, I cannot feel I could support that kind of legislation. But I do not anticipate we will run into that kind of difficulty, because I have the greatest confidence in the members of the Appropriations Committee and in the membership of the House.

Mr. SISK. I appreciate the gentleman's statement. I, too, would hope we could handle it through the appropriations process. But I will say this has been the area of the bill on which I have had the greatest amount of correspondence, in spite of the fact in many cases some of the people who are opposed to back-door spending in other areas seem to think it is imperative to have it in this instance. I hope the gentleman is right, that we can do the job without going to the other method.

Mr. WILLIAMS. We feel the provision we have in this bill for financing the program meets all of the objections and problems which were raised and pointed out by the agency itself. In the event we should bog down in this program, of course the committee would take another look at it and find some appropriate means of eliminating the logjam.

Mr. SISK. I have had a number of questions asked, and in reading the report I have been somewhat concerned as to whether or not the gentleman's committee has studied the idea of any change in the formula for allocation by States of these funds because of certain questions that have been raised and statements that have been made. Did the gentleman's committee study this question, and is it anticipated there may be any change in the formula?

Mr. WILLIAMS. The gentleman has asked regarding whether or not the committee gave serious consideration to a possible change in the formula by which these funds are allocated to the States. Very frankly and candidly, I must reply in the negative. The committee did consider the possibility of changing it, but we realized that in the short period of time we had we could hardly come up with a suitable formula which would be more acceptable than the one already in operation. The formula in operation provides, for allocation of funds to the States, 50 percent on the basis of population and 50 percent on the basis of its territory. We feel this program can continue for the next 5 years under this formula without running into difficulty. It is suggested that one or two of the States may receive disproportionate allocations. I know in one of the separate statements filed in the report the question of the amount allocated to Alaska is raised. It is suggested that might be a disproportionate amount. Let me add that before Alaska can get one cent of these funds it must put the matching money up; and, if after 2 years they have not used these funds, the balance of the funds go into the discretionary fund to be used as the Administrator deems fit and proper and in the public interest.

Mr. SISK. I thank the gentleman for his answers.

I want to commend the committee on a very fine job on what seems to be an excellent bill.

Mr. CAREY. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from New York.

Mr. CAREY. Mr. Chairman, I desire to congratulate the chairman of the subcommittee particularly on behalf of the city of New York, where we have estimated some 10,000 passengers a day by aircraft. We have had some very serious instances in the past relating to the safety element. I feel the judgment of the Administrator in connection with runways, markers, and so forth will be of great benefit to us in that area.

Of course, we are also interested in removing from the population of our cities air travel facilities to the greatest possible distance consistent with convenience. And, I notice in the enumeration of facilities you do not include heliports. Is that included in your figure?

Mr. WILLIAMS. I believe it is.

Mr. CAREY. If I read the report correctly, in my State there are listed some new heliport sites in and around metropolitan areas. Unfortunately, we are not mentioned there. In planning for this great improvement, Brooklyn, I think, is very much in need of participating in this program, because we originate some 750,000 flights a year; people flying in and out of that borough. And, I would ask, if we should qualify through the Port of New York Authority later in this program, even though it is a 5-year program, that sometime prior to January of next year we can make such application to be included for the coming fiscal year?

Mr. WILLIAMS. If it comes within the program announced for next year, yes. I do not think the gentleman would experience too much difficulty in delay after the local community and the local sponsors have taken the necessary steps in order to qualify for grant agreements. I am quite certain that the Agency, if the local sponsors have carried out their part of the responsibility, will certainly not delay in assisting in building any of these needed facilities.

Mr. CAREY. I thank the gentleman.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Washington.

Mr. PELLY. I would like to commend the gentleman from Mississippi and his subcommittee and also the chairman of the full committee and the members of the great Committee on Interstate and Foreign Commerce for developing this new approach to try to overcome one of the impediments of the appropriation process. I think that this particular language in this bill may well solve one of the problems that has been troubling many of the Members of this body, and I think, as one who shares the philosophical belief of the gentleman from Mississippi, that we should always abide by the spirit of the Constitution and fully support this approach, and I hope that the Committee of the Whole will support the committee in this particular respect.

Mr. WILLIAMS. I thank my friend from Washington very much. Of course, I know the gentleman's interest in this subject. The only exception that I would take to his remarks would be his mentioning this as a new program. In my opinion, going through the Committee on Appropriations and retaining control of the purse strings of the Congress is the old, original program envisioned by the founders of our Government and the signers of the Constitution. I am sure the gentleman will agree with me.

Mr. PELLY. I agree with the gentleman. I think he misunderstood my remarks. The new approach is simply one of multiyear appropriation consideration.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Ohio.

Mr. DEVINE. I, too, would like to commend my colleague, the gentleman from Mississippi [Mr. WILLIAMS], for his devotion to the cause of aviation in this country, not only as a Member of the Congress but as a pilot of many years standing. The gentleman from Mississippi has devoted many years of study to this very important problem. I particularly point out and commend the gentleman for his resistance in this field of approach to back-door spending. I would agree with the gentleman that the approach in this bill is not new, because it goes back to the time-tested Committee on Appropriations method. I think they have called it by a new name, forward funding, in this particular legislation. I might also point out that the chairman of our subcommittee, the gentleman from Mississippi [Mr. WILLIAMS], knows of my personal resistance to back-door spending.

This would be similar to the highway trust fund, which would be called the airport trust fund. But I think that approach was of such divergence to the present plan it was a shock to everyone in the aviation industry. It was not considered this year, but I hope in years to come we may reach it, and always resist the back-door approach.

Mr. WILLIAMS. I thank my friend from Ohio. He was one of the most valuble members of our subcommittee, and made a great contribution.

Mr. HARRIS. Mr. Chairman, I wish the gentleman would take 2 or 3 more minutes to discuss the item of terminals. Because of the importance of them and the interest by the sponsors throughout the country, there should be more explanation of the decision of the committee with reference to the terminals and the division of the costs and the use of the Federal Government within the terminals.

Mr. WILLIAMS. Mr. Chairman, the committee eliminated any money to go into terminal facilities as such. However, under the general authority of the Administrator, and in conformity with the bill that has been presented by the committee, the Administrator may acquire land or property or erect buildings in order to carry out the necessary operations of the Federal Aviation Agency.

Explaining that further, the Administrator may use his own judgment as to whether it would be in the public interest for him to build the facility at the expense of the Government.

Does that answer the gentleman's question?

We have eliminated in this bill participation in automobile parking areas, for instance, and other facilities which are not directly related to safety.

Mr. HARRIS. The gentleman is referring to public automobile parking?

Mr. WILLIAMS. Yes.

Mr. HARRIS. In other words, if the FAA needs space to house traffic control activities, or weather reporting activities or communications activities relating to air traffic control, the Administrator could require the owner or operator of the airport to furnish the Federal Government necessary rights in real property to build housing for those activities at Federal expense.

Mr. WILLIAMS. Yes; paid for by the Federal Government, that is right.

Mr. HARRIS. And all the other phases of the terminal building are to be paid for by the local sponsors?

Mr. WILLIAMS. Absolutely, except for the cost of buildings or parts of buildings intended to house facilities or activities directly related to the safety of persons at the airport. Housing for firefighting equipment was cited as one eligible item, for example.

Mr. HARRIS. Mr. Chairman, I thought that should be explained a little bit more fully because there is a lot of interest in this particular item.

Mr. O'BRIEN of New York. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to my colleague from New York.

Mr. O'BRIEN of New York. This elimination of Federal aid for terminal facilities of course would not apply to contracts already entered into, is that correct?

Mr. WILLIAMS. No, sir.

Mr. MACGREGOR. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman.

Mr. MACGREGOR. Mr. Chairman, in connection with the remarks that the gentleman has just made at the suggestion of the distinguished chairman of the full committee, I wonder if the gentleman from Mississippi [Mr. WILLIAMS], would explain more fully the language on page 9 of the committee report pertaining to air traffic control towers. I refer to the criteria of eligibility, and specifically the testimony of Mr. Halaby, the Administrator of the Federal Aviation Agency, under your questioning, which appears on page 22 of the hearings?

Mr. Chairman, my specific inquiry of the chairman of the subcommittee has to do with the relationship between the passage of this legislation and the probability of the Federal Aviation Agency's installation of these air traffic control towers at the 15 installations mentioned.

Mr. WILLIAMS. I am not certain that I understand what the gentleman is inquiring about.

Mr. MACGREGOR. Let me clarify it exactly. In response to your questions Mr. Halaby enumerated 15 locations as eligible under the existing criteria for air traffic control towers.

Mr. WILLIAMS. I recall that.

Mr. MACGREGOR. My question is this: Will the passage of this legislation be the first step in the ultimate construction at one or more of these facilities of these traffic control towers?

Mr. WILLIAMS. The passage of this legislation would authorize that construction at the expense of the Federal Aviation Agency, assuming that the Federal Aviation Agency finds it to be necessary and in the interest of air safety.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman.

Mr. HARRIS. As the distinguished chairman of the subcommittee mentioned a moment ago, in an instance of this kind the cost would be 100 percent borne by the Federal Government. The Administrator of the Agency outlined these particular locations here as facilities where such control towers are needed.

Mr. MACGREGOR. It is my understanding that the decision under this legislation in providing construction at these 15 installations would be up to the Federal Aviation Agency.

Mr. HARRIS. They would have to go to the Appropriations Committee. The money would not come out of airport funds.

Mr. WILLIAMS. They would be within the criteria set forth by the act.

Mr. Chairman, the question has been asked, How much of the money to be made available by this bill would go into safety features?

I think it is fair to say that most of this money would go to safety. That includes runway extensions, runway lighting, the acquisition of land for clear zones, and so on. We are eliminating funds for building construction, except for such essential safety items as housing for fire equipment and the like.

And while we are getting safety, we are getting efficiency of operations, which benefits the public.

I would like to stress the importance of this new program for general aviation airports to relieve congestion at high density airports. General aviation, which includes activities other than air carrier operations, has enjoyed an amazing growth in recent years and is still growing.

The FAA estimates there are 78,000 active civil aircraft in the United States. The national airport survey estimate is 86,583. Of these only about 2,100 are air carrier aircraft. The FAA says that flight time of general aviation aircraft is more than three times that of transports in scheduled service.

The FAA 1961 national airport plan shows the need for 131 new general aviation airports at communities where general aviation is being accommodated by air carriers airports. The estimated cost of these new facilities over the next 5 years, in addition to improvements needed at existing airports is $85,600,000, so that the $35 million proposed in this bill is very conservative.

Another important feature of this bill is that we propose to increase the Federal participation in the cost of in-runway lighting, high intensity runway lighting, and runway distance markers from 50 to 75 percent, which will accelerate the installation of urgently needed safety items.

These funds will promote safety and also make it possible for the airports to give the public better service.

Without going into detail regarding the importance of aviation and on the basis of the record made in the hearings, I urge that the pending bill be passed.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. SIBAL].

Mr. SIBAL. Mr. Chairman, I rise in support of this bill, but I feel the record should show that some review should be given to the formula by which the States get their respective shares of the Federal money. The chairman of the subcommittee, the distinguished gentleman from Mississippi, has indicated that there was not time to consider fully this rather complex question this year. With this I fully concur. I believe the House should support the legislation in its present form but I do feel that studies, possibly hearings, should be held to consider for the future the way in which this money is appropriated.

The present formula, as has been indicated, provides that one-half shall be based on land mass in the State and one-half on the population in the State. Back in 1945 when this formula was devised, which has been continued subsequently, the then chairman of the committee, in presenting the airport bill to the House, said:

> This particular formula to a certain extent is an abstract one. It does not with absolute accuracy reflect the purpose of the bill to provide airports where needed, but it does serve the purpose of guaranteeing to each State a fair share of the funds appropriated.

The purpose of this legislation of course is to provide these facilities where they are needed. It can be argued that when a State does not use its portion of the funds as allocated under the formula they then reside in a residuary fund or discretionary fund and can be used where needed. But they are tied up for 2 years.

I would suggest that the administration and the State legislatures, and in many instances the State administrations, change in that period. It is very difficult for them to devise programs without knowing what is available from the Federal Government in this particular Federal program.

The differential in the impact of land mass can possibly be shown most graphically as we consider the formula which provides for the two new States of the Union, Hawaii and Alaska. Under the present legislation Alaska has an annual authorization of $3,994,884, while the State of Hawaii has a total authorization of $131,618. It may be that this is quite proper. It may be that this is the way it should be. Perhaps even more should be provided for Alaska. But I suggest it should be based on information and study, not on an arbitrary formula of land mass one-half and population one-half. It would seem to me that a more logical basis would be need. I do not mean just financial need of the State, I mean need insofar as development is concerned to establish a truly sufficient and representative and progressive national airport program.

On page 38 of the report there appear the result of a survey indicated in terms of national need for airport facilities. I do not feel the formula under which we presently operate is geared to this in any way. I therefore respectfully suggest that consideration be given to studying and coming up with a really sound basis for allocating these funds. If it turn out that the present formula is, in fact, the best—that is fine. But I think the House should know itself and not simply continue year in and year out to continue a formula which, by the Chairman's own words, was an arbitrary one when it was first devised.

Mr. DOMINICK. Mr. Chairman, will the gentleman yield?

Mr. SIBAL. I yield to the gentleman from Colorado.

Mr. DOMINICK. I compliment the gentleman from Connecticut on the remarks he has been making because it seems to me an operation with the formula which results in the apportionment of funds, as it is under this bill, does not have any necessary relationship to the funds needed for airport development. As you noted on page 38, this is an extremely important point and I think we should take action on this as soon as possible to develop a more equitable formula.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. MACGREGOR].

Mr. MACGREGOR. Mr. Chairman, I take this brief opportunity to commend the subcommittee dealing specifically with this problem, and also the full Committee on Interstate and Foreign Commerce, for the work done in connection with this matter; and specifically, for this piece of legislation before us today. I particularly like to see the emphasis placed upon the need for development of general aviation airports surrounding large and fast-developing jet ports in our major cities. Serving the cities of Minneapolis and St. Paul and surrounding communities is the Minneapolis-St. Paul International Airport—Wold Chamberlain Field—now served by large jet aircraft operated by four major air carriers. The development in the last 6 or 8 months of this jet traffic at Minneapolis-St. Paul has necessitated a greater use and thus a greater need for air safety control at the two general aviation airports specifically mentioned on page 9 of the committee report. Air traffic control towers are vitally needed at Flying Cloud Airport and Crystal Airport in the Twin City area of Minneapolis and St. Paul. I hope that the continued work of this committee in cooperation with Administrator Halaby of the Federal Aviation Agency, will accomplish the objectives contemplated in this legislation and the subsequent authorization of funds to carry out the clear legislative intent of this particular legislation.

Let me close by again commending the chairman of the subcommittee and the distinguished members thereof, and the members of the full committee for the work they have done on this measure. It has my wholehearted support.

Mr. BENNETT of Michigan. Mr. Chairman, we have no further requests for time.

Mr. HARRIS. Mr. Chairman, I yield such time as he may require to the gentleman from Alaska [Mr. RIVERS].

Mr. RIVERS of Alaska. Mr. Chairman, I rise in support of H.R. 8102 and also to compliment the chairman and members of the Committee on Interstate and Foreign Commerce upon the excellent work accomplished in connection with this legislation. I particularly appreciate the fact that Alaska and Hawaii are included for the first time as full-fledged participants in the area-population apportionment formula of the State program.

Alaska's Federal share in recent years as a territory has been limited to $1,350,000 per year. After enactment of this bill, which I feel is virtually assured, Alaska's Federal share, if the State achieves maximum matching, will be $3,994,844 per year. To attain this maximum benefit the State of Alaska will have to manage to match with State funds in the amount of $2,396,906 each year during the 5-year program embodied in this legislation.

I fully agree with the committee that an adequate transportation system is vital to the growth of our economy and to our national defense and that rapid developments in science and technology in recent years have resulted in spectacular advances in aviation, with a resultant increase in airport needs. Without the Federal airport program and the Federal Government's participation with local sponsors this country would not have built the present national system of airports, and without continued Federal assistance, along the lines provided for in this bill, we would fall far short of meeting the need for timely expansion.

Lacking roads between many of its widely scattered communities Alaska depends heavily upon aviation, and will, I am sure, in the course of the next 5 years stand out as a shining example of the validity and soundness of this vital measure now before us for consideration. I am proud to join forces with my many colleagues on both sides of the aisle who are supporting this constructive and forward-looking legislation.

Mr. HARRIS. Mr. Chairman, I yield such time as he may require to the gentleman from West Virginia, a member of the committee [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I think this bill comes to us at a most propitious time inasmuch as just last week the President sent a message to the Congress asking that our airports be enlarged. Certainly, we are going to need more airports. During the last war, as we know, the military forces took over practically all of our airports in America. I imagine there is more unanimity in the subcommittee and in the full committee on this major piece of legislation than I have seen in a long time. I think that is good. If any criticism could possibly be made, I think it would be that the President and the Federal Aviation Agency Administrator, perhaps, did not ask for enough money so that we can expand in time in view of the critical period that we are now in and which will face us in the future.

In the past I have heard criticisms to the effect that the Federal Government should not be in this program at all. All we have to do to refute this argument is to read the history of transportation in America. The Government has subsidized the railroads from the time they started to the present. A famous Frenchman once said that the thing that made this country great was its communications system, the fact that we were able to get back and forth and communicate with each other easily.

In my State of West Virginia we have 54 public-use airports. Seven of those are in my congressional district. I ask permission to include this chart as part of my remarks.

The chart referred to follows:

West Virginia

Airport type	Community	Airport	Hub type	Based aircraft 1960/66	Total passengers 1960/66	Longest runway 1960/66	Type of aircraft 1966	Forecast longest nonstop flight	Recommended airport development, 5-year plan
					Thousands	*Feet*			
AC	Beckley	Raleigh County Memorial	N	14 16	4 6	5,000 5,100	F-27	200	Land, site preparation, construct taxiway, pave apron, and lighting.
AC	Bluefield	Mercer County	N	29 33	14 20	4,743 5,100	F-27	200	Land, site preparation, extend runway, pave taxiway, enlarge apron, and lighting.
GA	Buckhannon	Lewis (P) (SU)		5 6		1,600 2,900	Gp-I		Land; site preparation; pave runway, taxiway and apron; lighting; access road; and obstruction removal.
AC	Charleston	Kanawha County	M	45 53	252 364	5,600 7,000	V-745D	440	Extend runway and taxiway, lighting.
AC	Clarksburg	Benedum	N	25 32	21 31	3,719 6,000	V-745D	200	Land; site preparation; pave runway, taxiway and apron; lighting; public use facilities; and utilities.
AC	Dunbar	See Charleston							
AC	Elkins	Municipal	N	10 12	6 8	4,500 5,100	F-27	200	Land, site preparation, extend runway, construct taxiway, lighting, and obstruction removal.
GA	Fayetteville	Fayette (P) (SU)	M	11 12		1,700 2,900	Gp-I		Land, site preparation, and pave runway.
GA	Glendale	Glendale (P) (SU)	N	5 6		2,900 2,700	Gp-I		Do.

West Virginia—Continued

Airport type	Community	Airport	Hub type	Based aircraft 1960/66	Total passengers 1960/66	Longest runway 1960/66	Type of aircraft 1966	Forecast longest nonstop flight	Recommended airport development, 5-year plan
					Thousands	*Feet*			
AC	Huntington	Tri-State	S	31 37	87 127	5,280 5,300	L-188	300	Extend runway and taxiway; lighting.
GA	Keyser	Keyser (P) (SU)		16 18		2,480 2,700	GP-I		Land, site preparation, pave runway, and lighting.
GA	Logan	New		0 5		0 2,700	Gp-I		Construct new airport.
GA	Martinsburg	Municipal		38 43		7,000 4,400	Gp-III		Site preparation and pave taxiway.
GA	Moundsville	See Glendale							
AC	Morgantown	Municipal	N	31 35	12 18	3,575 5,600	V-745D	200	Site preparation, widen runway, extend runway and taxiway, and lighting.
AC	Parkersburg	Wood County	S	12 14	49 71	5,100 5,800	CV-540	300	Site preparation, taxiway, widening and paving, lighting, control tower, and marking.
GA	Point Pleasant	See Gallipolis, Ohio							
AC	Princeton	See Bluefield							
GA	Richwood	Municipal		10 12		2,000 3,000	Gp-I		Land, site preparation, pave runway, taxiway and apron, lighting, and access road.
GA	Spencer	Roane County		11 12		1,800 2,700	Gp-I		Land, site preparation, pave runway, lighting, and obstruction removal.
GA	Weirton	Weirton (SU)	N	12 14		2,300 2,800	Gp-I		Land, site preparation, pave runway, taxiway and apron, lighting, and obstruction removal.
GA	Welch	Municipal		10 12		2,100 3,000	Gp-I		Land, site preparation, pave runway, lighting, and obstruction removal.
GA	Weston	See Buckhannon							
AC	Wheeling	Wheeling-Ohio County	N	30 36	34 49	5,000 6,100	CV-540	214	Construct and pave taxiways; lighting; and enlarge apron.
GA	White Sulphur Springs	New		0 10		0 4,500	Gp-III		Construct new airport.
GA	Wiley Ford	See Cumberland, Md.							
GA	Williamson	See Logan							

I congratulate the chairman of the subcommittee, the gentleman from Mississippi [Mr. WILLIAMS]; and, as usual, the chairman of the full committee, the gentleman from Arkansas [Mr. HARRIS], who enjoys the confidence of all the Members of the House for the way he handles legislation in his committee. They have brought to us a great and important piece of legislation which will have a great impact upon the people of our country.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MACK] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MACK. Mr. Chairman, I strongly support the amendments to the Federal Airport Act so as to extend the time in making grants under the provisions of this act and to make an additional $375 million available over a 5-year period.

This bill would authorize $66,500,000 each year for a period of 5 years. This grant will assist and provide incentive for the States to meet the demands of civil aviation in the next few years. We are indeed fortunate that the Congress in its wisdom passed the original Federal Airport Act. Few people at the time envisioned such a revolutionary advancement in the field of aviation. Although funds were not made available immediately, the passage of the original act made it possible for our States and communities to provide the facilities to accommodate even the jet-age commercial aircraft. Tomorrow, these same States and communities will need the facilities not only to accommodate the tremendous number of passengers but supersonic aircraft as well. Approval of this legislation will provide continued development of airport facilities to meet the needs of an expanding economy as well as the needs caused by the spectacular advancements in aviation through developments in science and technology.

Mr. Chairman, at the present time, airport development is costing over $250 million a year and it seems reasonable because of the interstate nature of civil aviation for our Government to contribute $66 million per year.

The improved facilities which will be available to civil and military aviation as a result of this bill will benefit many private and executive people as well. General aviation today comprises nearly half of our aviation activities. In the last 10 years we have had corporations and individuals in business making increased use of private and executive type aircraft. These planes are used not only for the transportation of personnel but to conduct or render important services in various business activities. These planes today utilize the airway and airport facilities. This has created an even greater demand on our principal airports.

Many of the facilities formerly used for airparks have now been converted into housing developments and for other purposes. This bill will set aside $7 million a year in addition to State allotments, to stimulate development of general aviation airports to relieve congestion at larger airway terminals. This seems to me to be a further step in assisting in the expansion of general aviation.

Mr. Chairman, I strongly support this legislation and hope that it will be approved by the Congress.

Mr. O'HARA of Michigan. Mr. Chairman, the United States is today facing its greatest challenge. To meet this challenge, increased effort must be exerted to meet our international responsibilities as leader of the free world and to meet our public responsibilities to our own citizens.

Yesterday this House voted to authorize additional appropriations for aircraft, missiles, and naval vessels in the amount of nearly $1 billion, and to authorize the President to order units and members in the Ready Reserve to active duty for not more than 12 months. We have yet to act upon the remainder of the President's request to increase the total defense budget by approximately $3.5 billion.

In addition, the House has enacted, with my support, proposals to provide assistance to depressed areas; to extend and step up Federal water pollution control activities; to extend temporary unemployment compensation benefits to those whose right to such benefits has expired; to greatly expand our Federal housing program; and to promote more adequate treatment of the needs of our retired citizens through social security.

There are, in addition, various proposals which have been reported favorably by the legislative committees and which, I hope, will soon be acted upon by the House. Among them are programs of Federal aid to education, which I strongly support, and which will cost $720 million over the next 3 years, and a program of scholarships for higher education and construction of classroom facilities in higher education, which I also favor.

Mr. Chairman, the demands placed upon us by the exigencies of the times are many, varied, and urgent. It is essential that the Congress observe a system of priorities in its consideration of proposals before it and concentrate its efforts in those fields where the need is greatest and where the benefits to be realized are of most value to the largest number. Certainly the strengthening of our national defense is one such area of activity. In my opinion, the actions taken and to be taken by the Congress in the fields of housing, relief of unemployment, promotion of public health, and education are equally deserving.

However, I do not believe that extension of the legislation pending before us today is in the same class as the programs I have enumerated, and I cannot in good conscience support its enactment. It has not been demonstrated that the expansion of airport facilities, which is the objective of this bill, will not or could not be accomplished without this legislation. I call the attention of the House to the fact that the principal beneficiaries of this bill comprise but a very small segment of the population who own or operate private and commercial aircraft. Over one-third of all active civil aircraft are operated as business or commercial planes. About three-fourths of all aircraft flight hours are logged by scheduled airlines and supplemental carriers or in private business or for-hire operations.

Large amounts of Federal funds have been used for the promotion of aviation, including over $2.5 billion contributed to civil airports since 1933 and development of the Federal airways system and its navigational aids at a cost of over $1.5 billion. It has been estimated that future development costs of airways and navigational aids alone will be over $2 billion over the next few years.

Mr. Chairman, whether we like it or not, we cannot now and probably never will be able to satisfy all of the demands made upon us and one program will necessarily compete with the other for the attention of the Congress and the funds of the Treasury. Evaluation of this program in light of the benefits to be obtained and the persons and interests to whom they would accrue has led me to the conclusion that its continuation on the present basis cannot be justified at this time. I, therefore, shall oppose its passage.

I shall look forward to being joined in opposition by those Republican members whose voices have been raised, since the President's speech on Berlin, in loud cry for fiscal "belt tightening".

Here they have an opportunity to demonstrate their sincerity and refute the well-founded suspicion that they do not mean what they say but have simply seized upon the international crisis as justification for their opposition to economic and social measures which they already opposed on other grounds.

Mr. ADDABBO. Mr. Chairman, I rise in support of the amendment offered by my colleague from New York [Mr. DEROUNIAN].

Certainly, before Federal funds are expended on a project, the local governing authorities should approve of same. We must make sure that Federal authorities do not force upon local communities projects they do not need and do not want.

This is only one phase of the law which needs clarification and clearly shows that legislation must be forthcoming to specifically spell out the powers and duties of the Federal Aviation Agency.

I should like to take this opportunity to commend the committee for its action in clarifying the duties of the Administrator regarding certain landing aids which must be installed to provide for the safe and efficient use by aircraft of the airport. My only regret is that further provision was not made for the dangers and nuisance of noise and air pollution and sincerely hope that the committee will, within the near future, take appropriate steps in this field.

Mr. CAREY. Mr. Chairman, the bill before the House today, H.R. 8102, is a sure stride forward in the direction of more secure travel for air passengers and greater safety for city dwellers who live under the density of thousands of planes overhead day and night.

The provision in the bill which represents an increase of 50 percent in allowable expenditures for runway, lighting intensity, and so forth, will improve efficiency of operation and afford greater reliability in approach facilities.

As President Kennedy has said, many of our existing airport facilities are both overburdened and underequipped and the speed, weight and capacity of jet aircraft has antiquated many existing airports and tends to outmode many more. Considerations of national security, as well as passenger safety, must continue to move ahead in this field.

We, of the city of New York, together with the participation of the Port of New York Authority, have a great stake in the advance and increased security of air travel. Two of the world's greatest airports, Idlewild and La Guardia, are located within the borders of our city. It has been estimated by one authority that takeoffs, landing, and passes over our city number 10,000 daily. The increased size and speed of planes and the greater number of flights calls for better methods and mechanics of controls.

One of the worst air disasters in the Nation's history occurred in December 1960 when a DC–8 jet and a Constellation collided over New York Harbor and rained tons of wreckage in a residential area of my district. All too graphically this pointed up the need for urgent Federal action to prevent any such future occurrence. It is gratifying to note the administration and this Congress have taken steps to meet this peril in such short order. Through the medium of this legislation, the Federal Aviation Agency is better enabled to cope with the demands of the next 5 years. I am confident that the Administrator of this Agency, Mr. Halaby, will continue to demonstrate wisdom and proficiency in the implementation of the plan and the use of the authorized funds for greater speed, convenience and progress in air travel and increased tranquillity for urban residents.

I believe that a major consideration in effectuating the airport plan for the next 5 years is the link up of the city, suburbs, and airports for adequate feeder transportation. Certainly we can plan any additional facilities at points more remote from the heart of our cities if we can relieve the present congestion of traffic in reaching such points. I am pleased to note that the Federal Aviation Agency plan envisions the construction of some 18 heliport sites in the State of New York alone. Modern helicopter travel in 25 passenger units with twin turbine powerplants will serve two purposes:

First. Flying at 150 miles per hour, helicopters can replace piston-type aircraft between the city and other points as distant as Philadelphia. This will cut down the number of required flights by such piston aircraft and thereby decrease the hazard of takeoff and approach and possible collision over densely developed areas.

Second. Helicopters will be used to transport jet airline passenger in a matter of minutes to jetports more distant from the city center than those now in existence or contemplated.

For some time now I have been in contact with the Federal Aviation Agency to insure that the Borough of Brooklyn would receive adequate consideration in the overall planning of Federal policy. I have been gratified that my efforts have been joined by those of the distinguished president of the Borough of Brooklyn, the Honorable John F. Hayes. In addition, representatives of the Port of New York Authority, who by agreement with the city of New York have jurisdiction over the construction of airport and heliport facilities have made known their willingness to cooperate in the construction of a heliport site if such proved warranted. In this connection I note that as far back as 1956 the port authority recommended the construction of such a site on the Brooklyn waterfront. This was pointed out in an address by Mr. Thomas M. Sullivan, chief, aviation planning of the Port of New York Authority before the Regional Hellport Conference, New York City, April 24, 1956. In addition, the commissioner of Marine and Aviation of the City of New York has assured me that his agency would cooperate fully in exploring affirmatively the establishment of an appropriate Brooklyn heliport in conjunction with the carriers and the Port of New York Authority.

To determine the feasibility and need for such a facility the President of the Borough of Brooklyn, Mr. John Hayes, undertook a most detailed and efficient study in conjunction with civic, business groups, and other authorities in our borough. His latest letter to me elaborating on the data he has accumulated is as follows:

THE CITY OF NEW YORK,
OFFICE OF THE PRESIDENT OF THE
BOROUGH OF BROOKLYN,
July 26, 1961.

Hon. HUGH L. CAREY,
House Office Building,
Washington, D.C.

DEAR HUGH: This is in further reference to your letter of recent date in which you invited this office to comment on your request to the Federal Aviation Agency to prepare a feasibility study of a heliport site in the Borough of Brooklyn.

Since my acknowledgement of your original letter this matter has received careful attention. I have reviewed the copies of correspondence which you forwarded to me and have also noted your public statement to the effect that it appears the Borough of Brooklyn is not receiving fair consideration in the $1.1 billion 5-year airport plan of the Federal Aviation Agency.

I am now in a position to inform you that as a result of inquiries we have made and

cooperation we have received, we have been successful in obtaining the data I am outlining in this communication.

In our efforts to obtain informaton relevant to this matter, we have been in communication with representatives of the Department of Marine and Aviation of the City of New York, the Port of New York Authority, the Downtown Brooklyn Association, New York Airways, Inc., Brooklyn travel agencies, and others and have received their kind cooperation.

Inasmuch as you have forwarded to me a copy of your letter to Commissioner Vincent A. G. O'Connor, of the department of marine and aviation, I believe he has recently communicated his views to you indicating that his department is prepared to cooperate in exploring the establishment of a suitable Brooklyn heliport in conjunction with New York Airways and the port authority.

I have no doubt you are familiar with the the activities of both the department of marine and aviation and the port authority in the matter of heliport facilities which exist and have been in use for a number of years.

New York Airways is the certificated carrier which has been operating helicopter service in the metropolitan area since 1952. Its operations were started in that year with a mail run between New York International, La Guardia and Newark Airports. The company subsequently inaugurated the world's first regularly scheduled passenger helicopter service between these points.

New York Airways operates at the present time between Manhattan and the four port authority airports in the metropolitan area and by means of this service links the airports with White Plains, N.Y., and Stamford, Conn.

Comprehensive studies in the matter of helicopter service have been made by the port authority.

In 1951 the port authority began operating its own helicopters and the experience thus gained was used in its 1955 report, entitled "Heliport Location and Design."

Based on further study and experience the port authority developed a master plan for a system of heliports to serve the port district. This master plan proposes a heliport for the Borough of Brooklyn and for several other areas.

At this time I am transmitting to you a copy of a statement forwarded to me by Mr. Robert L. Cummings, Jr., president of New York Airways, Inc. This is attached and makes it clear New York Airways is ready to provide helicopter service for the Borough of Brooklyn in the near future subject, of course, to the availability of an adequate landing area and the approval of the appropriate Government agencies, including the Civil Aeronautics Board, the department of marine and aviation, and the Port of New York Authority.

The port authority has noted the increasing volume of helicopter traffic since 1958 when new equipment was introduced by New York Airways. The statement of Mr. Cummings points out that new twin turbine powered helicopters are now coming into use and should make this service entirely feasible for the Borough of Brooklyn.

In 1959 New York Airways carried 124,999 passengers, an increase of 37 percent over the previous year and 189 percent over 1956. More recent information made available to us is that New York Airways carried 146,775 passengers in 1960, an increase of about 113 percent over 1957.

We have sought to ascertain the approximate number of Brooklyn residents who use the domestic and overseas airlines and have communicated for this purpose with various sources of information.

It seems a reasonable assumption that helicopter service would be an advantage to many of these Brooklyn residents.

Obviously, the location and selection of a heliport site would require the most careful study. This would involve not merely its accessibility, but—most important—the suitability of the site to be considered for this purpose. It must be borne in mind at all times that Brooklyn today consists of numerous highly developed residential neighborhoods where the location of a heliport would be entirely impossible for fully understandable reasons.

From the data we have been able to secure it would appear that Brooklyn residents are using the airlines for about 750,000 outwardbound and returning domestic and oversea flights a year.

We have no data concerning the number of reservations Brooklyn passengers are making directly at the airports or through airline ticket offices in Manhattan.

However, through the courtesy of the Downtown Brooklyn Association, we have been informed that reservations at just two airline ticket offices in downtown Brooklyn exceeded a total of 47,600 in 1960.

In addition, we have been informed that the number of telephone calls and visits by persons making inquiries regarding flight schedules, etc., at these same two downtown ticket offices amounted to about 142,000 in the same period of time.

Further information made available to us indicates that many reservations are made also through the 60 or more travel agencies located in different sections of Brooklyn.

We have communicated with a number of these agencies and have been informed by several that they estimate the number of reservations they make at 3,000 to as many as 5,000 a year.

The most comprehensive statistics available, however, are those compiled by the aviation department of the port authority through a series of 1-year surveys. These were conducted in collaboration with the domestic scheduled airlines from November 1955, through October 1956, and in collaboration with the oversea scheduled airlines from April 1956 through March 1957.

In the matter of domestic and oversea flights these surveys were intended to ascertain various data such as the home locations of passengers in the metropolitan area, their mode of transportation to the airports (auto, taxi, airport coach, or public bus) and destination.

The mode of transportation used by Brooklyn passengers to reach the airports for domestic flights is shown in the appended table:

Airport	Number of Brooklyn passengers	Auto	Taxi	Airport coach	Public bus
La Guardia	105,000	52,500	30,450	14,700	7,350
International	108,000	72,360	25,920	8,640	1,080
Newark	21,000	7,140	840	11,970	1,050
Total	234,000	132,000	57,210	35,310	9,480

Similar information was compiled in the matter of oversea flights by Brooklyn passengers on transatlantic trips and visits to Bermuda and Latin America.

The mode of transportation used by these passengers to reach New York International Airport is shown in the subjoined table:

Destination	Auto	Coach or bus	Taxi
Transatlantic	5,800	2,100	2,100
Bermuda and Latin America	4,896	340	1,564
Total	10,696	2,440	3,664

The combined total of these outbound oversea air trips was 16,800.

It would appear, therefore, that in the period of November 1955, through October 1956, and in the period of April 1956, through March 1957, the number of Brooklyn passengers on both domestic and oversea flights totaled about 250,800, according to the statistics compiled in the port authority's surveys.

In order to determine the estimated number of air trips by Brooklyn passengers in 1960 the percentages resulting from the port authority's previous surveys have been adjusted to a full year of operations last year.

Based on the updating of these figures the port authority's representatives estimate that Brooklyn residents are making approximately 375,000 plane trips per year to domestic and oversea destinations and about the same number of return flights. Included among these totals, of course, are business trips by Brooklynites who are frequent users of the airlines.

All available data have, of course, shown substantial increases in the volume of airline traffic in recent years. This is true of the U.S. scheduled airlines which handle about two-thirds of the world's civil air traffic, the domestic trunklines and the local service airlines.

I want again to commend you for the interest you have shown in this matter.

I have noted the Federal Aviation Agency's statement to you that the Agency has anticipated the need for new heliports at 18 communities in New York, such need being reflected in the Agency's 1961 national airport plan. The Agency states that although it has not as yet given detailed consideration to the establishment of a heliport in Brooklyn, it recognizes that it is very possible that the need for such a facility could be justified.

The Agency has stated further that if information is submitted that Brooklyn is to receive helicopter service, the Agency will either amend the 1961 national airport plan or include a heliport in a subsequent annual revision.

With kind personal regards, I am,

Sincerely yours,

JOHN S. HAYES, *President.*

Hon. JOHN F. HAYES,
President, Borough of Brooklyn,
Borough Hall, Brooklyn, N.Y.:

Please accept my assurance that New York Airways is desirious and eager to furnish scheduled passenger service to the great borough of Brooklyn.

This has been one of the major objectives in the future development of New York Airways. We are happy that the civic leaders of Brooklyn are so enthusiastic for this service as part of your borough's expanding future.

New twin turbine powered helicopters are now coming into use which should make this service entirely feasible.

New York Airways, therefore, stands ready to provide this service in the near future subject to the availability of an adequate landing area and the approval of the appropriate Government agencies, including the Civil Aeronautics Board, Department of Marine and Aviation, and the Port of New York Authority.

ROBERT L. CUMMINGS, Jr.,
President, New York Airways, Inc.

I think it significant to note from Mr. Hayes' letter that a borough of over 3 million people traveling by air at the rate of 750,000 flights a year is deserving of utmost consideration in any overall plan of air travel. It is my intention to press for consideration of the inclusion of this heliport site or sites in the next national airport plan to be submitted to the Congress.

I trust the studies undertaken by our city officials, the port authority, and representatives of cognizant Federal agencies, as well as a desire of the certificated carrier to render this service, will receive favorable consideration at that time.

Mr. HARRIS. Mr. Chairman, I am highly gratified at the unanimity that prevails here this afternoon. I have had the pleasure of participating in a great many of these airport construction programs, but I believe this is the first time we have had such apparent unanimity of opinion as has been displayed here this afternoon. While we are in that attitude and frame of mind, I suggest that the Clerk read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Federal Airport Act (49 U.S.C. 1103) is amended by inserting "(a)" immediately after "SEC. 4." and by adding at the end thereof the following new subsection:

"ANNOUNCEMENT OF PROGRAM

"(b) It shall be the duty of the Administrator to make public by January 1 of each year the proposed program of airport development intended to be undertaken during the fiscal year next ensuing, and he may revise such program to the extent he finds necessary to accomplish the purposes of this Act."

SEC. 2. (a) Section 5 of such Act (49 U.S.C. 1104) is amended by redesignating subsection (d) as subsection (e), and by inserting immediately after subsection (c) the following new subsection:

"APPROPRIATION AUTHORIZATION FOR PROJECTS

"(d)(1) For the purpose of carrying out this Act with respect to projects in the several States, in addition to other amounts authorized by this Act, appropriations amounting in the aggregate to $332,500,000 are hereby authorized to be made to the Administrator over a period of five fiscal years, beginning with the fiscal year ending June 30, 1962. Of amounts appropriated under this paragraph $66,500,000 shall become available for obligation, by the execution of grant agreements pursuant to section 12, beginning July 1 of each of the fiscal years ending June 30, 1962, June 30, 1963, June 30, 1964, June 30, 1965, and June 30, 1966, and shall continue to be so available until expended.

"(2) For the purpose of carrying out this Act with respect to projects in Puerto Rico and the Virgin Islands, in addition to other amounts authorized by this Act, appropriations amounting in the aggregate to $7,500,000 are hereby authorized to be made to the Administrator over a period of five fiscal years, beginning with the fiscal year ending June 30, 1962. Of amounts appropriated under this paragraph, $1,500,000 shall become available for obligation, by the execution of grant agreements pursuant to section 12, beginning July 1 of each of the fiscal years ending June 30, 1962, June 30, 1963, June 30, 1964, June 30, 1965, and June 30, 1966, and shall continue to be so available until expended. Of each such amount, 65 per centum shall be available for projects in Puerto Rico and 35 per centum for projects in the Virgin Islands.

"(3) For the purpose of developing, in the several States, airports the primary purpose of which is to serve general aviation and to relieve congestion at airports having high density of traffic serving other segments of aviation, in addition to other amounts authorized by this Act for such purpose, appropriations amounting in the aggregate to $35,000,000 are hereby authorized to be made to the Administrator over a period of five fiscal years, beginning with the fiscal year ending June 30, 1962. Of amounts appropriated under this paragraph, $7,000,000 shall become available for obligation, by the execution of grant agreements pursuant to section 12, beginning July 1 of each of the fiscal years ending June 30, 1962, June 30, 1963, June 30, 1964, June 30, 1965, and June 30, 1966, and shall continue to be so available until expended."

(b) Subsection (c) of such section 5 (as so redesignated by subsection (a) of this section) is amended by striking out "section 204 of the Civil Aeronautics Act of 1938 (49 U.S.C. 424)" and inserting in lieu thereof "subsection (a) of section 303 of the Federal Aviation Act of 1958 (49 U.S.C. 1344(a))".

SEC. 3. (a) Section 6(a) of such Act (49 U.S.C. 1105(a)) is amended to read as follows:

"APPORTIONMENT OF FUNDS

"SEC. 6. (a) As soon as possible after July 1 of each fiscal year for which any amount is authorized to be obligated by section 5(a) or 5(d)(1), 75 per centum of the amount made available for that year shall be apportioned by the Administrator among the several States, one-half in the proportion which the population of each State bears to the total population of all the States, and one-half in the proportion which the area of each State bears to the total area of all the States. Each amount so apportioned for a State shall, during the fiscal year for which it was first authorized to be obligated and the fiscal year immediately following, be available only for grants for approved projects located in that State, or sponsored by that State or some public agency thereof but located in an adjoining State, and thereafter any portion of such amount which remains unobligated shall be redistributed as provided in subsection (c) of this section. Upon making an apportionment as provided in this subsection, the Administrator shall inform the executive head of each State, and any public agency which has requested such information, as to the amounts apportioned for each State. As used in this subsection, the term 'population' means the population according to the latest decennial census of the United States and the term 'area' includes both land and water."

(b) Paragraph (1) of section 6(b) of such Act (49 U.S.C. 1105(b)(1)) is amended to read as follows:

"(b) (1) Twenty-five per centum of all amounts authorized to be obligated by sections 5(a) and 5(d)(1) and one hundred per centum of all amounts authorized to be obligated by section 5(d)(3) shall, as such amounts become available, constitute a discretionary fund."

(c) Section 6(c) of such Act (49 U.S.C. 1105(c)) is amended to read as follows:

"REDISTRIBUTION OF FUNDS

"(c) Any amount apportioned for projects in a State pursuant to subsection (a) of this section which has not been obligated by grant agreement at the expiration of the two fiscal years for which it was so apportioned shall be added to the discretionary fund established by subsection (b) of this section."

SEC. 4. Section 9(d) of such Act (49 U.S.C. 1108 (d)) is amended by inserting "(1)" immediately after "(d)" and by adding at the end thereof the following new paragraph:

"(2) No project shall be approved by the Administrator which does not include provision for installation of such of the landing aids specified in section 10(d) as are determined by him to be required for the safe and efficient use by aircraft of the airport taking into account the category of the airport and the type and volume of traffic utilizing the airport."

SEC. 5. (a) Section 10 of such Act (49 U.S.C. 1109) is amended by striking out subsection (e) and inserting in lieu thereof the following:

"LANDING AIDS

"(d) To the extent that the project costs of an approved project represent the cost of (1) land required for the installation of approach light systems, (2) in-runway lighting, (3) high intensity runway lighting, or (4) runway distance markers, the United States share shall be not to exceed 75 per centum of the allowable costs thereof."

(b) Subsection (a) of such section 10 is amended by striking out "(d), and (e)" and inserting in lieu thereof "and (d)".

SEC. 6. (a) Paragraph (5) of section 11 of such Act (49 U.S.C. 1110(5)) is amended to read as follows:

"(5) the airport operator or owner will furnish without cost to the Federal Government for use in connection with any air traffic control activities, or weather-reporting activities and communication activities related to air traffic control, such areas of land or water, or estate therein, or rights in buildings of the sponsor as the Administrator may consider necessary or desirable for construction at Federal expense of space or facilities for such purposes;"

(b) Section 11 of such Act is further amended by adding at the end thereof the following new sentence: "Whenever the Administrator shall obtain from a sponsor any area of land or water, or estate therein, or rights in buildings of the sponsor and shall construct thereon at Federal expense space or facilities, he is authorized to relieve the sponsor from any contractual obligation entered into under this Act to provide free space in airport buildings to the Federal Government to the extent he finds such space no longer required for the purposes set forth in paragraph (5) of this section."

SEC. 7. Section 13(b) of such Act (49 U.S.C. 1112 (b)) is amended to read as follows:

"Costs Not Allowed After June 30, 1961

"(b) With respect to amounts obligated under this Act after June 30, 1961, the following shall not be allowable project costs: (1) the cost of construction of that part of a project intended for use as a public parking facility; or (2) the cost of construction of any part of an airport building except such of those buildings or parts of buildings intended to house facilities or activities directly related to the safety of persons at the airport."

SEC. 8. (a)(1) Paragraph (7) of section 2(a) of such Act (49 U.S.C. 1101(a)(7)) is amended by striking out "Alaska, Hawaii";

(2) Paragraph (12) of section 2(a) of such Act (49 U.S.C. 1101(a)(12)) is amended by striking out "on May 13, 1946,".

(b) Section 3(a) of such Act (49 U.S.C. 1102(a)) is amended—

(1) by striking out "Alaska, Hawaii, and" where it appears in the first sentence thereof; and

(2) by striking out "Alaska, Hawaii," in the third sentence thereof.

(c) Paragraph (2) of section 6(b) of such Act (49 U.S.C. 1105(b)(2)) is amended by striking out "States, Alaska, and Hawaii" wherever appearing therein and inserting in lieu thereof "States".

(d)(1) The heading of section 7 of such Act (49 U.S.C. 1106) is amended to read as follows: "AVAILABILITY OF FUNDS FOR PROJECTS IN PUERTO RICO AND THE VIRGIN ISLANDS".

(2) The text of section 7 of such Act is amended by striking out "Alaska, in Hawaii, or in Puerto Rico," and inserting in lieu thereof "Puerto Rico".

(e) Section 9(c) of such Act (49 U.S.C. 1108(c)) is amended by striking out "Alaska, Hawaii,".

(f) Section 10(c) of such Act (49 U.S.C. 1109(c)) is amended by striking out "Alaska

and" where it appears in the heading and in the text of such section.

SEC. 9. The amendments made by this Act shall take effect as of July 1, 1961, but shall not apply with respect to projects for which amounts have been obligated by the execution of grant agreements before the date of enactment of this Act. With respect to such projects, the Federal Airport Act shall continue to apply as if this Act had not been enacted.

Mr. HARRIS (interrupting the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. DEROUNIAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DEROUNIAN: Page 7, immediately after line 9, insert the following:

"(b) Section 11 of such Act is amended—

"(1) by striking out 'and' at the end of paragraph (7);

"(2) by striking out the period at the end of paragraph (8) and inserting in lieu thereof '; and'; and

"(3) by adding immediately after paragraph (8) the following new paragraph:

"'(9) with respect to any project in Nassau County, New York, the Board of Supervisors of Nassau County approves such project.'" and redesignate the following subsection accordingly.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. As the gentleman knows, he discussed this amendment earlier today with me and also with the chairman of the full committee, the gentleman from Arkansas [Mr. HARRIS]. I believe I am fully aware of what the amendment is intended to do. It takes care of a very special situation that exists in the gentleman's district with respect to the military disposition of this field. I have talked with the chairman. Neither one of us has any objection to the amendment; and, insofar as I am concerned—I cannot speak for the committee—we are very happy to accept the gentleman's amendment.

Mr. DEROUNIAN. I thank the gentleman. I would like to propound one question to the chairman of our Committee on Interstate and Foreign Commerce.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from Arkansas.

Mr. HARRIS. As the gentleman from Mississippi has said we have not had an opportunity to study the amendment or to go into it other than what has been discussed between us. On that basis we are willing to accept it at this time for the purpose of going to conference. If anything develops in the meantime where we can get more information, or something else comes up that we do not know about at this time, we will have an opportunity to go into it and consider it at that point further. I want that reservation made.

Mr. DEROUNIAN. When the gentleman sponsored the Federal Aviation Act, was it not his intention when he introduced that bill, in order for airports to be operated there must be some municipal sponsorship? Is that correct?

Mr. HARRIS. It was the sense of the Congress, and it adopted the policy that in order to have a national airport system we should enter into a program of cooperation between the Federal Government and the localities. So with the initial bill providing for this program, it was said that there shall be a local sponsor of any project. It does not necessarily have to be a municipal entity. It could be a county or probably a tri-county area, as I know there is in one area, or it could be a State. But it does require local sponsorship.

Mr. DEROUNIAN. I thank the gentleman.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from New York.

Mr. BECKER. I would like to get that point clarified, if I may. My colleague from New York inquired of the chairman of the committee and stated there must be local sponsorship. Does he mean governmental?

Mr. HARRIS. Yes, it means a governmental entity.

Mr. BECKER. I thank the gentleman. I wanted to make that clear. That is what we were primarily concerned about. If it is governmental sponsorship we are in accord with it.

Mr. DOMINICK. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from Colorado.

Mr. DOMINICK. I am sure the chairman of the full committee knows what the gentleman's amendment is, but I may also say that nine-tenths of the Members on the floor do not know what it is.

Mr. DEROUNIAN. I will briefly explain it.

According to the Aviation Administrator, he feels the law gives the Agency the power to go into a community, despite opposition of the local governmental authorities, and operate an airport. My amendment would preclude that gray zone of contention so far as Nassau County is concerned.

Mr. DOMINICK. According to the recent announcement of the Administrator of the FAA, about 50 percent of Mitchel Field is to be retained and operated under FAA control, that is, general aviation in Nassau County. Would your amendment eliminate that?

Mr. DEROUNIAN. My amendment would provide that without the approval of the Nassau County Board of Supervisors, which is the authority that would have to approve the airport, that airport could not be operated.

Mr. DOMINICK. Would this have the effect of eliminating Mitchel Field for aviation purposes?

Mr. DEROUNIAN. Insofar as the county of Nassau is concerned, yes.

Mr. DOMINICK. It seems to me, with the great need we have for developing private aviation fields in this area so they will not interfere with the carrier aviation that you have at La Guardia and Idlewild, having Congress step into the middle of something like this and saying you shall not have an aviation field in Nassau County is really going against the intent of the act.

Mr. DEROUNIAN. That is not what my amendment states. The amendment simply states that local governmental authority must give its approval. I want to clarify the situation by my amendment.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent (at the request of Mr. HARRIS) Mr. DEROUNIAN was allowed to proceed for 3 additional minutes.)

Mr. HARRIS. I am not familiar with the details of the project that the gentleman has in mind, but in view of the questions raised by the gentleman from Colorado, it should be noted that the Federal Aviation Agency does not operate any airports in the United States other than National Airport and the Dulles Airport to be constructed.

There is, of course, some experimental operation such as the Atlantic City Airport, and then the Oklahoma operation for training purposes. But, I am talking about commercial uses. Now, as I understand, the question involved here is the possibility of Mitchel Air Force Base being turned over to the Federal Aviation Agency to be operated by the Government as a commercial airport or a general airport. It would seem to me that if we are going to permit a situation to develop whereby the Government starts to operate these airports, it is contrary to the concept that has always prevailed and still does in these airport construction programs, and therefore I would want to know more about it myself before we sit idly by and agree that the Federal Aviation Agency could get into the business of operating commercial airports in localities throughout the United States. It seems to me that is the question involved.

Mr. DEROUNIAN. I agree with the gentleman and thank him for accepting my amendment.

Mr. MacGREGOR. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from Minnesota.

Mr. MacGREGOR. I rise in support of the amendment offered by the gentleman from New York and also to commend the gentleman from New York and his colleague [Mr. BECKER], for the outstanding work that they have done for Nassau County in this particular instance and for the exemplary service that they have rendered for all of us in bringing to our attention this possibility on the part of the FAA.

Mr. DEROUNIAN. I thank the gentleman.

Mr. DOMINICK. Mr. Chairman, will the gentleman yield further?

Mr. DEROUNIAN. I yield to the gentleman from Colorado.

Mr. DOMINICK. I do not wish to seem to be in opposition to the Chairman or to the gentleman from Nassau County, but I have been in aviation for a long time, and I have seen available landing space for general airports superseded by building developments.

Now, it is my understanding in this particular case Mitchel Field has been turned over, more or less, as surplus by the Air Force to the GSA, and under that circumstance the Federal Aviation Agency right now is using a portion of it on a temporary basis.

Mr. DEROUNIAN. The gentleman's understanding is not correct. The Federal Aviation Agency does not have it as yet; in fact, it has not been declared legally as surplus. Nassau is not an experiment. There are 1,300,000 people surrounding this airport. It was necessary for defense purposes, and we were the last ones to suggest it be closed. But, there is an airport 11 miles to the east in Suffolk County where there is plenty of space and where an airport program is being considered by that county.

Mr. KYL. Mr. Chairman, I ask unanmous consent that the gentleman from New York [Mr. HALPERN] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HALPERN. Mr. Chairman, I heartily concur with this amendment. It is vitally needed if the dictatorial role of the FAA is to be curbed. I have long felt that the power of the FAA over local communities is far too arbitrary. It has completely disregarded the community needs, the safety and comfort of local residents. Its recent decision regarding Mitchel Field points up only tragically the need for corrective action. This amendment is a long step forward. It would restrict such FAA authority by requiring consultation with, and approval by, local government. The amendment will in no way usurp the regulatory authority of the FAA, but it would provide the necessary home rule principle so vital where overlapping governmental activity is concerned.

It is high time that this principle of home rule is established once and for all in this vital matter of aviation. I call on the House to overwhelmingly approve the amendment and, by so doing, make obvious to the FAA that its arbitrary action regarding Mitchel Field is clearly rebuked. The FAA in this case is flagrantly opposing the public interest and plain commonsense by insisting on a general airport at Mitchel Field. Not only is this land located in a heavily populated area, but such acreage is needed for other community needs. There should be planned development of this area, such as civic, educational, and medical facilities—such as the medical school and the VA hospital which we vitally need, but certainly not for an airport. I fervently hope the amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. DEROUNIAN].

The amendment was agreed to.

Mr. WILLIAMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS: On page 8, line 2, immediately after "facility" and before the semicolon insert the following: "for passenger automobiles.".

Mr. WILLIAMS. Mr. Chairman, this is a clarifying amendment. The word "passenger automobile parking" is used in the present act. In the committee an amendment was accepted which would eliminate the words "passenger automobile" and substitute "public". The question arose as to whether that would include aircraft parking. Of course, conceivably it could include aircraft parking. So, this is to make it explicit that what we intend to do is to eliminate the use of funds under this program providing for passenger automobiles.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WILLIAMS].

The amendment was agreed to.

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8102) to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes, had directed him to report the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendments.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members be permitted to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs have until midnight tonight to file a conference report on S. 857, to provide for the Cape Cod National Seashore Park.

The SPEAKER pro tempore (Mr. O'BRIEN of New York). Is there objection to the request of the gentleman from Colorado?

There was no objection.

RETIREMENT OF ADM. ARLEIGH A. BURKE

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CHENOWETH. Mr. Speaker, this afternoon at the Naval Academy fieldhouse in Annapolis, Adm. Arleigh A. Burke will turn over his command as Chief of Naval Operations to Adm. George W. Anderson, and retire to private life after 42 years of service to his country.

The State of Colorado takes special interest in this event since Admiral Burke is a native of our State, and over the years we have followed his brilliant naval career with great pride. It is fitting that Admiral Burke should retire on August 1, which is Colorado Day, and today we celebrate the 85th anniversary of the admission of Colorado to the Union.

Arleigh Burke was born in Boulder, Colo. on October 19, 1901. His teachers encouraged him to seek an appointment to the Naval Academy. When in 1919 Congressman Charles B. Timberlake of the Second District, Colorado, appointed a farm boy by the name of Arleigh Burke to Annapolis, little did he realize that this boy was destined to become one of the outstanding naval officers in the history of our Nation. Arleigh Burke graduated from the Naval Academy on June 8, 1923, and was married to Miss Roberta Gorsuch of Washington on the same day.

Last week I had the great privilege of attending the ceremonies at the White House when President Kennedy presented Admiral Burke with a Distinguished Service Medal, which was the third of such awards that he has received during his naval career. The President mentioned that he knew of no American more devoted to his country than Admiral Burke, and none "who more appropriately typifies the best qualities in the American serviceman." The citation reads as follows:

The President of the United States takes pleasure in presenting the Distinguished Service Medal (Gold Star in lieu of Third Award) to Adm. Arleigh A. Burke, U.S. Navy, for service as set forth in the following:

CITATION

For exceptionally meritorious service to the Government of the United States while serving as Chief of Naval Operations and member of the Joint Chiefs of Staff from August 1955 to August 1961. In this demanding and exacting position, Admiral Burke has displayed the same superb leadership, the same vigor and outstanding professional competence, that marked his courageous and highly successful combat operations in the Pacific theater during World War II.

With broad vision and an untiring devotion to duty, he has done much to increase the strength of U.S. naval forces, as well as to promote the cause of justice and order throughout the world. Admiral Burke's distinguished achievements on behalf of the Navy and his country, are in keeping with the highest traditions of the U.S. Naval Service.

On March 19, 1960, Admiral Burke made a trip to Pueblo, Colo. to dedicate seven new elementary school buildings which had just been completed by Pueblo Rural School District No. 70, and to receive the American Way of Life Award from the Pueblo Sertoma Club.

To demonstrate its appreciation, School District No. 70 has initiated Arleigh Burke Day. Each year approximately 3,000 students in this district will submit competitive essays on the preservation of our American freedoms. The first of these contests was held this year and the three winners received a trip to Washington. While here they were the personal guests of Admiral and Mrs. Burke.

Mr. Speaker, not only a distinguished naval officer, but a great American retires from active military service today. This Nation is safe so long as we have military leaders like Admiral Burke. While he is retiring from active duty, I am sure he will never retire from service to his country, and will be found serving in many capacities. He has won the eternal appreciation of a grateful Nation for his most significant contribution to the defense of our country.

The success and renown achieved by Admiral Burke has not affected his gracious personality and he has remained humble through all of his career. He is a typical American, raised on a farm and without special advantage of any kind. He has demonstrated what a boy can do by perseverance and hard work, and devotion to his country.

We wish Admiral and Mrs. Burke good health and much happiness for many years to come.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Colorado.

Mr. ASPINALL. Mr. Speaker, on my office table I have a treasured photograph of Adm. Arleigh A. Burke the autograph of which reads "from one Colorado boy to another with best wishes and warm regards."

Mr. Speaker, on several occasions during the past several weeks it has been my pleasure to thank Adm. Arleigh Burke for the able, fearless, effective, and loyal services he has performed for his fellow citizens throughout his 40 years in the U.S. Navy.

It is well that for one who has been so attentive to duty as has Admiral Burke that his associates and fellow servants in line of public duty offer their commendations to a life's work well performed, but when the one being recognized is also a personal friend, then it becomes a joy indeed to say, "Congratulations to you, Admiral. Good luck in the days ahead."

Dogged determination, keenly developed talents, effective capabilities, unquestioned loyalty, inherent humility, righteous anger when necessary coupled with a natural gentleness in his relations with friend and foe, uncompromising sense of duty and a fulsome sense of understanding—all of these and many more of the much desired and seldom found characteristics of personality and character are the everyday possessions of this great man of America and its military might. He has used his talents well. Our Nation and the world are his debtors. His record of achievements and his years of service will remain forever as "space stars" for others to try to reach.

While Admiral Burke is retiring from his active association with the U.S. Navy I am sure that he is not considering his labors done. Whatever else he may do, wherever else he may serve, I join with his legion of friends and admirers and wish him "full speed" ahead—31 knots and more—with continuing success, achievement, and happiness.

This tribute would not be complete unless I accepted my opportunity to also say "thank you" and "God bless you" to the sweet companion who has shared the remarkable life of Admiral Burke—his charming, understanding, and lovely wife. They make a wonderful team. We wish them all good things in the days to come.

Mr. DOMINICK. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. DOMINICK. Mr. Speaker, it is a tremendous pleasure to join with my Colorado colleagues today in expressing our gratitude and appreciation for the service which Adm. Arleigh Burke has given to this country.

Admiral Burke was born and received his secondary education in Boulder, Colo., in my district, before he entered the Naval Academy and the start of his distinguished career. His 45 years in naval service including 6 years as Chief of Naval Operations is perhaps unparalleled in the naval history of this country. But in addition to the great service which he has given to the country and all of us in his official capacities, he is almost equally well known as a thoughtful, warmhearted gentleman dedicated to the continued growth and freedom of this beloved country. I take pride in knowing him personally, in his origin in my district, but most of all in the fact that the basic principles of freedom with justice and peace with law set forth in the Declaration of Independence and the Constitution have brought to its banners a man with his drive, ability, balance, and enthusiasm.

He is retiring today from his official duties, but we may all be assured that he will continue to exercise these same qualities on behalf of all of us as long as God grants that he may have the opportunity.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Mr. Speaker, I rise to join in expressions of admiration for, and appreciation of, the great services rendered by Adm. Arleigh A. Burke in his 42 years of service to our Nation. We are extremely proud of that record, especially the last 6 years when he has been the Commander in Chief of the Naval Operations of the United States. I extend my best wishes to Admiral and Mrs. Burke and may they have many more years of happiness in their retirement.

Mr. FULTON. Mr. Speaker, a noted philosopher once said:

> The body politic is composed of three groups of people; the first group doesn't particularly care what happens; the second is satisfied to watch; but the third and smallest group makes things happen.

Adm. Arleigh Burke ranks high in the third group. Whether on the bridge of a rolling destroyer in the South Pacific, on a flattop in the Philippine sea, or at his desk in the Pentagon, Arleigh Burke surrounds himself with action. He has always made things happen. He is retiring July 31 after 37 years of distinguished naval service, but I am confident that wherever he goes he will continue to make things happen for the good of this country.

Being a Navy man myself, I have closely followed Admiral Burke's career since World War II. The unprecedented progress the Navy has made in all phases of sea warfare during his tenure as Chief of Naval Operations is a matter of record. The Congress, as well as the American people, are proud of their new Navy, developed and inspired by this great sailor.

The lasting imprint he leaves on our national defense posture under present world conditions can now be fully appreciated. When we realize the vast extent of the oceans and seas of the world, and the many farflung nations of the free world, do we fully realize the value of the Navy's extension of our national power and security. Admiral Burke has seen to it that strong naval forces are properly deployed and on hand in the tension areas of the world. The events of the past few years have shown that he has kept them there ready to respond to the needs of our great country, and to preserve the freedom of the seas and for the commerce of the world.

Admiral Burke has become recognized throughout the country and the world, as the chief spokesman and philosopher for U.S. seapower. Confronted with the paradox with the United States as a maritime people dependent on world resources and world trade to supply its tremendous industrial machine to insure its security, progress, and high standard of living but continued to be psychologically a narrow concept of national self-sufficiency, Admiral Burke set his course to close this gap in our national thinking.

Not since Mahan have we had such clear and meaningful pronouncements on the importance of seapower to the economic and military strength of the United States, thanks to Admiral Burke. His speeches, as well as his testimony before committees of Congress, have lighted impressive beacon points of policy which will be kept burning by the dedicated responsible leaders of our Nation and our Navy who follow.

Arleigh Burke is retiring from his beloved U.S. Navy at a most demanding period in our Nation's leadership for freedom. It is a fine tribute to Admiral Burke to say simply, "Well done." Because of what Admiral Burke has accomplished America is well prepared to face with confidence and high hopes the wonderful future, security and progress that lie ahead—based on the freedom of the

seas and the skies above maintained by the U.S. Navy for the benefit of all the world's peoples.

ADM. ARLEIGH A. BURKE, U.S. NAVY CHIEF OF NAVAL OPERATIONS

Arleigh A. Burke was born far from the sea in Boulder, Colo. on October 19, 1901. On June 8, 1923, he was graduated from the U.S. Naval Academy, commissioned ensign in the U.S. Navy, and married to Miss Roberta Gorsuch of Washington, D.C.

Throughout his professional career, Arleigh Burke had prepared himself for combat with the enemy having served in battleships, destroyers, and having received the degree of master of science in engineering at the University of Michigan. Then, when World War II came, he found himself, to his great disappointment, in a shore billet at the Naval Gun Factory in Washington, D.C. After persistent effort on his part, he received orders to the South Pacific where, under Admiral Halsey, he successively commanded Destroyer Division 43, Destroyer Division 44, Destroyer Squadron 12, and Destroyer Squadron 23. This latter squadron, known as the "Little Beavers," covered the initial landings in Bougainville in November 1943, and fought in 22 separate engagements during the next 4 months. During this time, the "Little Beavers" were credited with destroying 1 Japanese cruiser, 9 destroyers, 1 submarine, several smaller ships, and approximately 30 aircraft. Because he pushed his destroyers just under boiler-bursting speed, he became known as "31-Knot Burke."

From destroyer command in the South Pacific, he reported in March of 1944 as Chief of Staff to Commander, Fast Carrier Task Force 58, Adm. Marc Mitscher. While serving with this famed carrier force, Arleigh Burke was promoted to commodore, and participated in all its naval engagements unt'l June 1945 shortly before the surrender of Japan. He flew many combat missions. He was aboard both *Bunker Hill* and *Enterprise* when they were hit by Japanese suicide planes during the Okinawa campaign.

At the outbreak of the Korean war, Adm. Forrest Sherman, then CNO, ordered Admiral Burke to duty as Deputy Chief of Staff to Commander Naval Forces, Far East. From there, he assumed command of Cruiser Division Five, and in July 1951 he was made a member of United Nations Truce Delegation to negotiate with the Communists for a military armistice in Korea. After six months in the truce tents, he returned to the Office of Chief of Naval Operations where he served as Director of Strategic Plans Division until 1954.

In April 1954, he took command of Cruiser Division Six, and in January 1955 assumed command of Destroyer Force Atlantic Fleet in which capacity he served until he succeeded Adm. Robert B. Carney as Chief of Naval Operations in August 1955.

Admiral Burke has received numerous combat awards during his 37 years in the Navy including the Distinguished Service Medal, the Navy Cross, the Legion of Merit, and the Purple Heart. But none are more cherished than two awards which came early in his career. In 1928 while serving aboard the U.S.S. *Procyon*, he was commended for the "rescue of shipwrecked and seafaring men," and in 1939 while serving in his first command, U.S.S. *Mugford*, he was commended when his destroyer won the fleet gunnery trophy with the highest score that had been achieved in many years. His ship also stood third in engineering competition and high in communication competition.

Admiral Burke's current residence is Admiral's House, U.S. Naval Observatory, Washington, D.C.

LIST OF CITATIONS WHICH HAVE BEEN AWARDED ADM. ARLEIGH A. BURKE, U.S. NAVY

For his service in Destroyer Squadron 23, Admiral Burke was awarded the Distinguished Service Medal, the Navy Cross, the Legion of Merit, and is entitled to the Ribbon for, and a facsimile of, the Presidential Unit Citation awarded Destroyer Squadron 23. The citations follow, in part:

Distinguished Service Medal: "For exceptionally meritorious service to the Government of the United States in a duty of great responsibility as commanding officer of a destroyer division and subsequently a destroyer squadron operating against enemy Japanese forces in the South Pacific area from early February to December 1, 1943. Throughout this period, Captain Burke led his forces in many offensive operations. His indomitable fighting spirit and great personal courage contributed directly to the success of our forces in that area and were in keeping with the highest traditions of the U.S. naval service."

Navy Cross: "For extraordinary heroism and distinguished service as the commander of a destroyer squadron operating in the northern Solomon Islands area during the period from midnight October 30 to noon November 2, 1943. [His] squadron, as a part of a task force, participated in the first bombardment of the Buka-Bonin area and also in the first daylight bombardment of the Shortland area. During the night of November 1–2, a heavier gunned Japanese naval force was met and decisively defeated with the loss to the enemy of one cruiser and four destroyers sunk, and an additional two cruisers and two destroyers damaged. The action contributed much to the success of our operations at Empress Augusta Bay. Thereafter, a heavy air attack by 67 enemy dive bombers was fought off with a total of 17 enemy planes being destroyed."

Legion of Merit (with combat "V"): "For exceptionally meritorious conduct . . . as commander, Destroyer Squadron 23, in action against enemy Japanese forces northwest of the Bismarck Archipelago, at Kavieng, New Ireland, and the Duke of York Island, February 17 to 23, 1944. [He] expertly directed his squadron in destroying two Japanese naval auxiliary vessels, one large cargo ship, a minelayer, four barges and inflicting severe damage on enemy shore installations and subsequently effected a skillful withdrawal without damage to his vessel."

Presidential Unit Citation to Destroyer Squadron 23: "For extraordinary heroism in action against enemy Japanese forces during the Solomon Island campaign, from November 1, 1943 to February 23, 1944. Destroyer Squadron 23 operated in daring defiance of repeated attacks by hostile air groups, closing the enemy's strongly fortified shores to carry out sustained bombardments against Japanese coastal defenses and render effective cover and fire support for the major invasion operations in this area. The brilliant and heroic record achieved by Destroyer Squadron 23 is a distinctive tribute to the valiant fighting spirit of the individual units in this indomitable combat group of each skilled and courageous ship's company."

As Chief of Staff, commander 1st Carrier Task Force, Pacific (Task Force 38), Admiral Burke was awarded a Gold Star in lieu of the second Distinguished Service Medal, the Silver Star Medal, a Gold Star in lieu of the second Legion of Merit, and a letter of commendation, with authorization to wear the Commendation Ribbon. The citations follow, in part:

Gold Star in lieu of second Distinguished Service Medal: "For * * * outstanding service * * * as Chief of Staff to commander, 1st Carrier Task Force, Pacific, during action against enemy Japanese forces in the Pacific war area from December 15, 1944, to May 15, 1945 * * * Commodore Burke was in large measure responsible for the efficient control under combat conditions of the tactical disposition, the operation, the security and the explosive offensive power of his task force in its bold and determined execution of measures designed to force the capitulation of the Japanese Empire * * * throughout the seizure of bases at Iwo Jima and Okinawa, including two carrier strikes on Tokyo, a carrier strike on the Kure Naval Base, and an engagement with the Japanese Fleet on April 7, in which several hostile men-of-war were destroyed by our aircraft. * * *"

Silver Star Medal: "For conspicuous gallantry and intrepidity as Chief of Staff to Commander 1st Carrier Task Force in action against enemy Japanese forces in the Pacific War Area, May 11, 1945. When the flagship on which he was embarked was hit by two enemy suicide dive bombers, Commodore Burke proceeded to a compartment in which personnel were trapped by fire and heavy smoke, and succeeded in evacuating all hands. When the flagship to which he had removed his staff was in turn hit by a suicide plane on May 14, he again arranged for the transfer of his command to a new ship. In spite of all difficulties, he maintained tactical control of the task force throughout, thereby contributing materially to the success of the operations."

Gold Star in lieu of the Second Legion of Merit: "For exceptionally meritorious conduct . . . as Chief of Staff to Commander, Carrier Task Force, Pacific Fleet, from March 27 to October 30, 1944. (He) planned and executed a long series of successful offensive operations in support of the reduction of the outer perimeter of Japanese defenses in New Guinea, the Carolines, the Marianas, Halmahera, and the Philippine Islands. Largely as a result of Commodore Burke's superb professional skill, tireless energy and coolness of decision throughout these operations and during repeated air attacks carried out in strength against heavily fortified strongholds in enemy-controlled waters, the Pacific Fleet has been brought within range of the Japanese Empire itself to continue our relentless drive against the enemy."

Letter of Commendation: "For distinguishing himself in action with enemy, while serving as Chief of Staff to Commander, 1st Carrier Task Force, Pacific on May 11, 1945. When the ship in which he was embarked was hit by two enemy aircraft . . . with utter disregard for his personal safety, (he) efficiently organized the evacuation of endangered personnel. His courage together with his prompt and efficient action was responsible for saving these men."

Admiral Burke is also entitled to the Presidential Unit Citation to the U.S.S. *Bunker Hill*, the Presidential Unit Citation to the U.S.S. *Lexington*, and the Navy Unit Commendation to the U.S.S. *Enterprise*. Those vessels were, at various times during his period of service, flagships of the fast carrier task forces in the Pacific.

From September 1950 until May 1951, he served as Deputy Chief of Staff to commander of U.S. Naval Forces, Far East, and for "exceptionally meritorious conduct (in that capacity) from September 3, 1950, to January 1, 1951 * * *" he was awarded a Gold Star in lieu of the third Legion of Merit. The citation further states:

"Bringing a sound knowledge of naval administration and professional skill to his assigned task, Rear Admiral Burke reorganized the rapidly expanded staff to meet its ever-increasing responsibilities and, through his unusually fine conception of the essentials of modern warfare, materially improved the mutual functioning of the Operations, Plans, and Intelligence Sections of the Staff * * *

[and] contributed immeasurably to the success of naval operations in the Korean theater * * *."

While serving as commander, Cruiser Division 5, from May to September 1951, and also as a member of the Military Armistice Commission in Korea, Admiral Burke was awarded an oak leaf cluster in lieu of the fourth Legion of Merit, by the Army (Headquarters, U.S. Army Forces, Far East) by General Order No. 5, as follows:

"For exceptionally meritorious conduct in the performance of outstanding services as a delegate with the United Nations Command delegation, United Nations Command (Advance) in Korea, from July 9 to December 5, 1951. Admiral Burke's keen discernment and decisive judgment were of inestimable value in countering enemy intransigence, misrepresentation, and evasion with reasoned negotiation, demonstrable truth, and conciliatory measures. As adviser to the chief delegate on all phases of the armistice conferences, he proffered timely recommendations for solutions of the varied intricate problems encountered. Through skillful assessment of enemy capabilities, dispositions, and vulnerable abilities and brilliant guidance of supporting staff officers (he) significantly furthered progression toward success of the United Nation's first armed bid for world peace."

In addition to the Navy Cross, the Distinguished Service Medal with gold star, the Legion of Merit with two gold stars and oak leaf cluster (Army), the Silver Star Medal, the Commendation Ribbon, the Purple Heart Medal (for wounds received while serving on board the U.S.S. *Conway* during July 1943), the Presidential Unit Citation Ribbon with three stars, and the Navy Unit Commendation Ribbon, Admiral Burke has the American Defense Service Medal, fleet clasp; the Asiatic-Pacific Campaign Medal with two silver stars and two bronze stars (12 engagements); the American Campaign Medal; World War II Victory Medal; Navy Occupation Service Medal, Europe clasp; the National Defense Service Medal; and the Philippine Liberation Ribbon, Korean Service Medal, and United Nations Service Medal. He also has been awarded the Ul Chi Medal and the Presidential Unit Citation from the Republic of Korea.

ADM. ARLEIGH A. BURKE, U.S. NAVY CHRONOLOGICAL TRANSCRIPT OF NAVAL SERVICE

June 1923 to April 1928: U.S.S. *Arizona*.

April 1928 to June 1928: U.S.S. *Procyon*.

June 1928 to September 1928: Fleet base force.

September 1928 to May 1929: U.S.S. *Procyon*.

June 1929 to September 1930: U.S. Naval Academy Postgraduate School, Annapolis, Md. (under instruction).

September 1930 to June 1931: University of Michigan, Ann Arbor, Mich. (under instruction).

June 1931 to May 1932: Navy Yard, Washington, D.C. (under instruction).

June 1932 to April 1933: U.S.S. *Chester*.

April 1933 to September 1934: Base force, U.S. Fleet.

September 1934 to April 1935: Staff, base force, U.S. Fleet.

May 1935 to June 1937: Bureau of Ordnance, Navy Department, Washington, D.C.

June 1937 to June 1939: U.S.S. *Craven* (DD–382) (executive officer).

June 1939 to July 1940: U.S.S. *Mugford* (commanding officer).

August 1940 to January 1943: Navy Yard, Washington, D.C.

February 1943 to May 1943: Destroyer Division 43 (division commander).

May 1943 to August 1943: Destroyer Division 44 (division commander).

August 1943 to October 1943: Destroyer Squadron 12 (squadron commander).

October 1943 to March 1944: Destroyer Squadron 23 (squadron commander).

March 1944 to July 1945: Staff, First Carrier Task Force, Pacific (chief of staff).

July 1945 to October 1945: Headquarters, commander in chief, U.S. Fleet (hdq., special defense section).

October 1945 to February 1946: Bureau of Ordnance, Navy Department, Washington, D.C.

March 1946 to September 1946: Staff, Eighth Fleet (chief of staff and aide).

September 1946 to March 1947: Staff, U.S. Atlantic Fleet (chief of staff and aide).

April 1947 to July 1948: Navy Department, Washington, D.C. (member of general board).

July 1948 to December 1948: U.S.S. *Huntington* (CL–107) (commanding officer).

December 1948 to January 1950: Office of CNO, Navy Department, Washington, D.C.

January 1950 to August 1950: Department of Defense, Research & Development Board, Washington, D.C. (Navy Secretary, R. & D. Board).

September 1950 to May 1951: Naval forces, Far East (deputy chief of staff).

May 1951 to December 1951: Cruiser Division Five (CO) (also delegate, military armistice to arrange armistice between U.N. forces and Communist forces in Korea).

December 1951 to March 1954: Office of CNO, Navy Department, Washington, D.C. director, strategic plans division).

March 1954 to January 1955: Cruiser Division Six (division commander).

January 1955 to June 1955: Commander, Destroyer Force, U.S. Atlantic Fleet.

August 1955 to present: Chief of Naval Operations, Navy Department, Washington, D.C.

GENERAL LEAVE TO EXTEND

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD on this subject.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

COMMITTEE SESSION DURING GENERAL DEBATE

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs may be permitted to sit today during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

HEALTH COST GUESSWORK

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, my people at home are finding it exceedingly difficult to accept the health aid to the aged that is proposed. They have been unable to get any accurate figures as to how much it is going to cost, how they are going to get the money, or anything else. It seems to me they have a right to expect a clear statement of the methods of financing and the definite amount involved.

The Cleveland Plain Dealer of July 25 paints so clearly the picture of the confusions that I am including the editorial as a part of my remarks.

It is as follows:

[From the Plain Dealer, July 25, 1961]

HEALTH COST GUESSWORK

Welfare Secretary Abraham Ribicoff, testifying yesterday before the House Ways and Means Committee for the administration's health-aid-to-aged plan, disclosed the way the Government is groping in its attempt to finance certain forms of hospitalization through social security.

The Government is discovering new cost angles. It would, therefore, increase the salary base on which new payroll taxes would apply from $4,800 to $5,200. Originally it asked in the bill for an increase of one-fourth of 1 percent for both employer and employee in social security tax deductions and an increased base to $5,000.

In short, not even the Government, which is sponsoring the highly controversial legislation to provide limited hospital and nursing home care for social security eligibles 65 or over knows if the plan would cost $1, $2, or $10 billion.

Meanwhile 73 percent of the American civilian population, 132 million people, owned private health insurance at the end of 1960, according to records of the Health Insurance Institute. In our own city, John Mannix, executive vice president of Blue Cross of northeast Ohio, foresees the day when families can buy complete health insurance on a prepaid basis, paying all costs except doctors' calls by prepaid private insurance.

Mannix believes the health dream—financial security against all kinds of health costs—best can be realized through private rather than through Government programs. "Nothing that Government provides ever costs less," he said in an interview in yesterday's Plain Dealer. "Usually it costs more."

The question, as Mannix sees it, is one of method, whether the typical American is willing to accept responsibility for his own basic personal needs or whether Government must force him to accept this responsibility. The question is clouded by emotional appeals in the name of humanitarianism and by alleged rights of the elderly to free care provided by the tax money of others.

Perspective in the field of medical expense today is extremely necessary. A nationally known drug firm recently pointed out the confusion resulting from statistics showing increases in money spent on drugs. One reason people are buying more prescription drugs is because many potent new drugs are available to treat illnesses that only 10 years ago could not be effectively treated at all. Pneumonia, formerly a $300–$400 expense if treated successfully, now can be cured with less than $20 worth of antibiotics.

The truth is that with 14.5 million elderly already eligible for the administration's health benefits, through a plan that would take from 1 to 2 years merely to set the red-taped bureaucratic wheels into operation, no one has any real idea of cost. We only know it would be another step toward the welfare state, another inflationary move, and an unkind political lure to dangle before the Nation's elderly.

OPERATION EMPLOYMENT

The SPEAKER pro tempore. Under previous order of the House the gentleman from Illinois [Mr. SPRINGER] is recognized for 2 hours.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Speaker, the United States no longer has a commanding lead in the ability to produce competitively for world markets. In the early postwar years the economies of Western Europe and other industrial nations were recovering from war damage and these countries were attempting to rebuild their monetary reserves. The dollar was the key currency needed to purchase manufactured goods from the United States and, in view of the strong financial position of the United States, was a key reserve currency. This generated the chronic dollar gap of the late forties and early fifties. But, as the economies of the other industrial nations recovered and became increasingly productive and competitive in world markets, U.S. exports have run into increased competition. Also, as most of these nations have strengthened their economies and built up their monetary reserves, they are no longer in constant need of dollars.

The United States on the other hand, has been generating a deficit in its international accounts practically since the late fifties. The result of this constant deficit has been that short-term dollar balances have been accumulating in the hands of foreigners—and are close to $20 billion at present.

Of course, much of this represents the reserves held by other countries as part of their monetary reserves and the U.S. balance-of-payments deficits are the way we have aided these countries in replenishing their monetary reserves.

But now the situation is rapidly changing. With the dollar as a key reserve currency, decisions by foreign central banks can create short-term surpluses or scarcities of dollars in international exchange markets rather rapidly. But far more important is the fact that the large dollar balances held by foreign central banks makes the banks particularly susceptible and wary as to events taking place in the United States. They have the privilege of converting these balances into gold at any time they have reason to doubt the stability of the dollar.

Add to this the fact that most of these countries now have economies that are booming—with new plants and equipment in many instances as modern as those in the United States—and are able, therefore, to compete fiercely in both their own and international markets with U.S. goods.

In this situation the United States must now do everything it can to maintain a highly competitive economy if it is to maintain the living standard of its people and carry on its international commitments. Also, it must do everything possible to make certain that international confidence in the dollar is maintained. That is necessary to prevent the above-mentioned foreign held dollar balances from being converted into gold.

To be competitive and to maintain confidence in the dollar, the United States must practice fiscal responsibility and strive for a balanced budget. Above all, inflation must be prevented.

In connection with its continuing study of problems affecting the United States—domestically and in foreign affairs—the Republican policy committee invited a group of scholars to submit papers on a number of subjects relating to the employment problem. These scholars do not agree in all points of their proposed solutions—in fact, they widely disagree. But they are attempting to "think through" solutions and various courses of action to meet the problem, and are throwing out ideas for discussion and analysis. But on the basic facts of the situation, as outlined above, they are in substantial agreement. This is the important thing to note for furtherance of a prosperous, job-creating economy in our country.

The five papers to be discussed today have been submitted by Profs. Robert Triffin, Virgil Salera, Wilson Schmidt, Howard Ellis, and Raymond Rodgers. Under unanimous consent, I include these papers in the RECORD at the conclusion of my remarks in the order named.

EMPLOYMENT AND BALANCE OF PAYMENTS IN INTERNATIONAL TRADE

Prof. Robert Triffin of Yale University, a noted and highly regarded economist, has submitted a paper "The International Monetary Crisis: Diagnosis, Palliatives and Solutions," to be used as a discussion base for the topic "Employment and Balance of Payments in International Trade."

Professor Triffin, considered by some to be the chief architect of the Kennedy administration's international monetary policy, has developed a thesis which, even he admits, is considered radical by many. Certainly not all economists, including some of the highly qualified economists of the International Monetary Fund, are in accord with it.

As an example, in his first paragraph Professor Triffin states:

> The recent dollar crisis, indeed, cannot be understood in isolation from the international monetary framework which allowed it to develop, just as it contributed over the last 30 years to far deeper and recurrent sterling crises. Even less can it be cured by unilateral U.S. measures without jeopardizing gravely in the future the prospects for financial stability and economic progress in the world at large, as well as in the United States.

However, another noted and highly regarded economist, Raymond Rodgers, professor of banking, Graduate School of Business Administration, New York University, has said:

> International monetary crises develop when individual countries have a persistent unfavorable balance of payments.

In other words, which came first—the chicken or the egg? Was the dollar crisis provoked by the international monetary situation, or was the international monetary crisis provoked by a persistent unfavorable balance of payments by the United States—dollar crisis—and/or Great Britain—sterling crisis?

The question naturally arises as to whether Professor Triffin would treat the disease or the symptom.

Further, have not the "far deeper and recurrent sterling crises" resulted from the plain fact that the British, as a people, have lived far beyond their means for a long period of time rather than from any shortage of the international liquidity of Great Britain?

Briefly, as Professor Rodgers points out, the basic idea of the "Triffin plan" is that, over a period of time, the short-term assets owned by foreign governments and central banks would be turned over to the International Monetary Fund. The Fund would, in turn, guarantee the individual governments and central banks against depreciation in terms of gold; and it would pay interest on all such deposits.

At first glance this looks like a real bargain, but it does not stand up under the hard questions of today's real world. Thus, it gives no satisfactory answer to such basic questions as:

First. How can the Fund guarantee such deposits against depreciation unless its individual members guarantee that they will contribute their share—and this might be quite substantial—in case of depreciation of a currency?

Second. If, in order to earn interest, the resources of the Fund would have to be invested in either New York or London—and Professor Triffin sees no reason why the present pattern of investment in the New York and London money markets be changed—would this not mean that the United States and British Governments would have to guarantee the Fund against any loss resulting from depreciation of the dollar or the pound sterling?

Third. If the United States is willing to give such a guarantee, would not the entire plan proposed by Professor Triffin become unnecessary?

Fourth. With such a guarantee, would there ever be any need to withdraw gold from the United States?

Fifth. Would not the foreign holders of short-term dollar assets have the assurance of the U.S. Government that they would not suffer loss from any possible depreciation of the dollar?

Sixth. Is not the claim that adoption of the Triffin plan would enable a country to manage its own interest rates independent of international considerations manifestly incorrect?

Seventh. Would not, inevitably, interest rates in the United States, which are much lower than in other leading countries, cause a sharp outflow of funds from this country?

Eighth. Would not, under Professor Triffin's plan, the U.S. reserves held by the Fund be drastically reduced?

Ninth. And would they not have to be replenished by the deposit of additional gold?

Tenth. Is it not a fact that the net effect of such a deposit would be the same as at the present, except that the gold would go to the Fund instead of to foreign countries?

Eleventh. Is it not highly doubtful that individual countries would be willing to entrust the management of their monetary reserves to an international body, composed of representatives of so many nations with so many conflicting interests?

Twelfth. Would this not be an encroachment on the sovereign rights of individual countries—an encroachment with which few countries would agree?

I know definitely that I, for one, could not go along with the efforts of national and international planners to put an international agency in a position to control our gold and monetary policies.

Particularly would I oppose these planners in view of what Professor Triffin has to say about contributions and voting power.

He states that the present pattern of voting power in the IMF corresponds roughly to the capital contributions of members, giving about 26 percent of the total vote to the United States, 24 percent to all the nations of continental Europe put together, 12 percent to the United Kingdom, and 37 percent to the rest of the world.

At this point let me quote directly from Professor Triffin:

The pattern of minimum deposits that would, in the end, replace capital subscriptions if my plan were adopted in full, would increase sharply the relative contributions of continental Europe and the United States—to about 33 percent each—and reduce correspondingly those of the United Kingdom (to about 5 percent) and the rest of the world (to about 30 percent).

Continuing the quote—and please note this well:

A parallel change in voting power would be difficult to negotiate—

Let me repeat that—

a parallel change in voting power would be difficult to negotiate, and might still fail to reassure some countries about the effectiveness of their own influence on the Fund's management of the sums put by them at its disposal.

To me, the dangers inherent in the Triffin plan are obvious. I am not at all assured that our influence on the Fund's management would be effective.

Now let me return briefly to Professor Rodgers' statement that—

International monetary crises develop when individual countries have a persistent unfavorable balance of payments.

Professor Rodgers says:

Hard as it may be to face up to, the only real solution for countries with a persistent adverse balance of payments is to attack the basic problem and rectify the imbalance by either increasing receipts from abroad or reducing expenditures abroad.

To understand our loss of gold in recent years we must understand the influence of both the private and public sectors of our economy on our balance of payments.

In this connection, another noted and highly regarded economist, Prof. Donald L. Kemmerer of my own University of Illinois, recently traced our holdings of gold from $4 billion—at $20.67 a fine ounce—in 1933, to $6.8 billion—at $35 an ounce—in 1936, to $22.8 billion in 1941, to $24.7 billion in 1949, to $22.8 billion in 1958, and to $17.7 billion on December 31, 1960. He noted that we had lost $2.3 billion, $1.1 billion, and $1.8 billion in 1958, 1959, and 1960, respectively.

To answer the question as to what has happened in the 1950's, especially in recent years, to cause this outflow, Professor Kemmerer states:

Let us look at the chief ingredients in our international balance of payments for the answer.

He then points out that during the 11 years—1950 to 1960—our average excess of merchandise and service exports over merchandise and service imports—the excess—was $5 billion per year; a situation that tends to pull gold toward us. But, at the same time we made an annual expenditure of $4.7 billion, on the average, for foreign commitments of all kinds; still leaving us on the average, $0.3 billion to the good each year.

Here now, is the crux of the matter.

Down to 1956 our investments in foreign nations and their investments here were approximatey balanced. Consequently through 1955 gold inflows and gold outflows were never of long duration or great magnitude. From 1956 on, however, American capital investment abroad rose sharply. It was 2 or 3 times each year what it had been earlier. It is these heavy investments abroad that have made the difference.

Professor Kemmerer attributes this trend to the decreasing investment attractiveness at home and the increasing investment attractiveness abroad.

Interest rates in every European country except Switzerland have been consistently higher than in this country. Rising production costs and declining business profits have been the rule in the United States. In the United States, depreciation rates have been inadequate and taxes have been quite restrictive.

Professor Kemmerer states:

These two factors in particular discourage business innovation and expansion; hence economic growth. The same recipe that made us grow in the 19th century and has made West Germany grow in the 1950's, would, if used again, speed up our growth again. It will keep investments here, keep gold here, keep the price level more stable, and give us the more rapid economic growth that we talk so much about.

Professor Triffin's plan is also based on stable prices, but he turns to international management of our financial resources to achieve that stability. We do not believe it will work.

As Joseph H. Taggart, professor of finance at New York University's Graduate School of Business Administration, puts it:

The Triffin proposal * * * would make it possible for a country to have year-in-year-out deficits in its balance of payments without showing a loss of gold. It is a technical device to avoid the adverse effect of the publicity connected with a loss of gold on the confidence in the stability of the currency at home and abroad, and in the ability of the country to convert into gold the short-term claims against it held by other central banks.

The Triffin plan would not correct a persistent lack of balance in the international accounts of its member countries; moreover, the loans granted by the international agency would, sooner or later, have to be repaid in gold or foreign exchange. Thus, Professor Triffin's plan does not go to the root of the problem—that is, restoration of equilibrium in the U.S. balance of payments.

I have here touched briefly on a number of points affecting our adverse balance of payments, including the fact that U.S. risk capital is going abroad; creating employment in foreign countries rather than in the United States.

These points, and others, will be dealt with in greater depth in the presentation of reports on the papers entered in the RECORD earlier in my remarks.

THE INTERNATIONAL MONETARY CRISIS: DIAGNOSIS, PALLIATIVES, AND SOLUTIONS

(By Prof. Robert Triffin)

The February 6 message of President Kennedy to the Congress contrasts sharply—and refreshingly—with previous official pronouncements about the dollar crisis. Without denying in the least the difficulties which we still face in putting our own balance of payments in order, it puts them in their proper perspective and stresses, in particular, their relationship to some major defects in the international monetary mechanism itself. The recent dollar crisis, indeed, cannot be understood in isolation from the international monetary framework which allowed it to develop, just as it contributed over the last 30 years to far deeper and recurrent sterling crises. Even less can it be cured by unilateral U.S. measures without jeopardizing gravely in the future the prospects for financial stability and economic progress in the world at large, as well as in the United States.

The message notes the paradoxical, but illuminating, fact that a record rate of overall deficit in the latter part of 1960 coincided with a nearly alltime peak in our current account surplus, and a spectacular recovery in our basic transactions balance including foreign aid and other official capital exports and military expenditure abroad:

Two lessons emerge from this observation:

1. We may—and have in the past—run enormous deficits in our basic transactions without being penalized and stopped by gold losses, as long as foreigners temporarily accept to accumulate sight or short-term I O U's (or dollar balances) in settlement of their surpluses. Thus, it is that very few people in this country or abroad noticed—or worried about—the $10 billion deficit incurred by us over the years 1950–57. These were overwhelmingly settled in the form of dollar I O U's rather than gold payment.

2. We and others, however, developed a near panicky attitude toward the problem when, in 1958 and particularly in 1960, large outflows and repatriation of private capital—stimulated by financial recovery, booming economic prospects, and higher interest rates in Europe—slowed down the continuous growth of short-term dollar investments here by foreigners and led to substantial gold losses by our Treasury. Further improvements and consolidation in our basic transactions may not guarantee us against large gold losses arising from future conversions into gold—for similar or other reasons—of the enormous short-term claims accumulated against us as a result of past transactions.

In brief, the use of sterling and dollars as international reserves under the so-called gold-exchange or key-currencies standard has long played havoc with the much vaunted balance of payments discipline supposedly forced upon all countries by the older "gold coin" or "gold bullion" versions of the traditional gold standard. The key currency countries—Britain yesterday, and the United States today—may enjoy for years the ease with which I O U settlement of

their deficits give them more and more rope to hang themselves. The day of reckoning inevitably comes, however, when the rope suddenly tightens at the most inconvenient moment. Continuous discipline is replaced by temporary overindulgence, to be paid later by a sudden and violent crisis in the international position of the key currencies and, by way of consequence, in an international monetary system whose smooth functioning has become inextricably tied with, and dependent on, unquestioned reliance on them as monetary reserves for other countries' central banks.

For the key currency countries themselves, the resulting threat takes the form of large and sudden gold outflows which may lead to an exchange rate devaluation—as in 1931 and 1949 Britain—or to various techniques of inconvertibility and exchange control—as in Britain again during most of the postwar years—or, at the very least, to restrictive fiscal, credit, and interest rate policies which may be indirect conflict with internal employment and growth policies—as in Britain once more in the late 1920's and in both Britain and the United States in the very recent past.

For the world at large, the consequences of the system may become manifest in the international spread of deflation, trade and exchange restrictions, and/or chaotic exchange rate fluctuations and competitive devaluations. There is little doubt that these typical post-1914 ills can be ascribed to a considerable extent—even though not exclusively, of course—to our obduracy in confusing international monetary order with the mere digging up and dusting off of the 19th century gold standard, supplemented by the haphazard, precarious, and foredoomed use of one or a few national currencies as international reserves.

There is pretty unanimous agreement today on the need to restore overall equilibrium in our balance of payments, and to put a stop to the indefinite piling up of more short-term indebtedness abroad characteristic of the last 10 years, as well as to the more recent gold drain which was its ultimate and perfectly predictable—and predicted, may I add—consequence.

What is not as fully understood is the impact of such a readjustment upon the future growth of world liquidity.

The gold and dollar holdings of foreign countries and international institutions have grown more than satisfactorily indeed—perhaps even at an inflationary pace—over the last 11 years, from about $18 billion in December 1949 to more than $45 billion in September 1960. Of this increase of $27 billion, however, 78 percent ($21 billion) was derived from U.S. net reserves losses, about 4 percent (more than $1 billion) from U.S.S.R. gold sales in Western markets, and no more than 18 percent (less than $5 billion) from current gold production in the West.

The broad picture is the same if we look at the increase of monetary reserves as such—excluding privately held dollar balances, but including officially held sterling and other foreign exchange, together with gold and official dollar holdings. Nearly two-thirds of the increase of world monetary reserves over the decade of 1950's—and as much as 92 percent over the 2 years 1958 and 1959—were derived from the deterioration in the U.S. net reserve position, 5 percent from the growth of other foreign exchange reserves, 6 percent from U.S.S.R. gold sales, and less than one-fourth (24 percent) from current gold production in the West.

Finally, and taking the world as a whole—including the United States—we find (see accompanying table) that gold production has long ceased to provide more than a fraction of reserve requirements in an expanding world economy: 43 percent over the whole period 1914–59, and only 33 percent over the decade of the 1950's. The bulk of reserve increases has been fed, for nearly half a century, from a variety of expedients, makeshifts, or accidental sources, such as:

1. The growth of foreign exchange holdings—i.e., primarily dollar and sterling I O U's—as supplementary means of reserve accumulation, alongside insufficient gold supplies (34 percent for the period as a whole, with a peak of 59 percent in 1950–59 and a dramatic decrease of 31 percent in 1929–33).

Sources of increases in world reserves, 1914–59

	Total increase [1]	From Western gold sources [2]	From other sources				
			Total	Coin withdrawal	Dollar devaluation	U.S.S.R. gold sales	Foreign exchange
A. In billions of dollars:							
1914–28	8.5	3.2	5.3	2.5	----------	[4]	2.8
1929–33	7.2	.9	6.4	.8	[3] 7.9	[4]	−2.3
1934–38	7.5	6.8	.7	----------	----------	−0.1	.8
1939–49	19.1	8.7	10.4	----------	----------	.3	10.1
1949–59	12.8	4.1	8.2	----------	----------	1.1	7.5
1914–59	55.1	23.7	31.4	3.3	7.9	1.3	18.9
B. In percent of total:							
1914–28	100	38	62	30	----------	[4]	32
1929–33	100	12	88	10	[3] 109	[4]	−31
1934–38	100	90	10	----------	----------	−1	11
1939–40	100	46	54	----------	----------	1	53
1950–59	100	33	67	----------	----------	9	59
1914–59	100	43	57	6	14	2	34

[1] Excluding Soviet bloc countries throughout, as well as IMF currency holdings.
[2] Current gold production in the West, minus net sales to, or plus net purchases from, private channels. Large net repurchases from private channels (estimated at $1,700,000,000 in 1934–37) followed the sterling and dollar devaluations, in sharp contrast to the usual net absorption of gold into hoarding and private uses.
[3] Calculated on the basis of the official parity change of February 1934, following the suspension of gold payments and the de facto dollar depreciation in 1933.
[4] Included, until the end of 1933, with Western gold sources.

Sources: These must be regarded as only rough estimates—particularly in the early years of the table—put together from various IMF and Federal Reserve publications.

2. The withdrawal of gold coin from circulation and its addition to central banks' gold reserves (only 6 percent of the overall reserve increase for the period as a whole, but 30 percent over the years 1914 through 1928); this, of course, came to an end in 1933.

3. The dollar devaluation of 1933–34, which accounted for more than the total reserve increases of the years 1929–33, its impact being partly offset by the simultaneous—and closely related—wholesale liquidation of foreign exchange reserves, through their conversion into gold (see point 1, above).

4. In more recent years, the growing sales of U.S.S.R. gold in Western markets. Insignificant in earlier years such sales contributed as much as 9 percent of the world's reserve increases over the years 1950–59, and well over a third of the total increase in gold reserves over the 4 years 1956–59. Their abrupt cessation in the fourth quarter of last year undoubtedly played a roll in the disruption of the London gold market in October.

Can anyone seriously argue that such a system can safely be relied upon tomorrow—any more than in yesteryears—to adjust world reserves to actual requirements in an expanding world economy and to serve as a basis for a stable and viable system of international settlements? The point to be kept in mind is not that these various sources of reserve supply taken together have failed to provide enough liquidity. They may well, on the contrary, have provided too much, particularly in recent years owing to the enormous growth of dollar balances associated with the $10 billion deficits incurred by us since the end of 1957.

The indictment of the present, unorganized gold exchange standard is that it can only operate—and has indeed operated for nearly half a century—in haphazard fashion, creating too much liquidity at times, but only through generalized currency devaluations or through a persistent piling up of sterling or dollar I O U's, bound to undermine in the end an acceptability of these so-called key currencies as safe reserve media for the other countries' central banks. There is now general agreement in this country that overall payments deficits must be brought to an end, but until President Kennedy's recent message on gold and the balance of payments little thought had been given to the ultimate results upon the world at large of the consequent drying up of the sources of two-thirds of the liquidity increases of the last decade.

"Measures to improve international monetary institutions" are indeed the very first item of the new administration's balance-of-payments program. "Increasing international monetary reserves will be required to support the ever-growing volume of trade, services, and capital movements among the countries of the free world. Until now, the free nations have relied upon increased gold production and continued growth in holdings of dollars and pounds sterling. In the future, it may not always be desirable or appropriate to rely entirely on these sources. We must now, in cooperation with other lending countries, begin to consider ways in which international monetary institutions—especially the International Monetary Fund—can be strengthened and more effectively utilized, both in furnishing needed increases in reserves, and in providing the flexibility required to support a healthy and growing world economy."

The President's message has finally whipped up active interest—here and abroad—in a number of proposals for International Monetary Fund reform which had, up to then, been cavalierly brushed off by responsible officials and bureaucrats.

The more modest of these—at least in appearance—are those of the former Director of Research and Statistics of the International Monetary Fund, Mr. E. M. Bernstein. Mr. Bernstein's diagnosis of the problem is strikingly similar to mine, but his plan makes no pretense of meeting the long-run liquidity requirements of an expanding world economy. This would continue to depend on future and recurrent increases in the Fund's capital, requiring each time cumbersome negotiations with several scores of countries, new international agreements

among their Governments, and—in most cases—legislative approval by their Congress or Parliament.

Under the mechanism of the Fund, three-fourths of their additional capital subscription would be in the national currency of member countries and would—in the case of most of them—merely result in flooding the Fund with currencies with which it is already overflowing and for which it will have no earthly use in any foreseeable future. What point is there in complicating to that extent the process of international negotiations for the pleasure of increasing even further the already inflated Fund holdings of cruzeiros, bolivianos, rupees, rupiahs, bahts, kyats, etc? One is forcibly reminded of the old saying: "The mountain labors, and gives birth to * * * a mouse."

The Bernstein proposals do not address themselves to this problem, and concentrate on a more limited, but extremely important, one: that of meeting temporary disequilibria among the major trading countries themselves, and particularly of offsetting major outflows of short-term funds from one currency into another. The importance of this problem, under convertibility conditions, has been highlighted recently by our own huge gold losses of the last quarter of 1960, due nearly entirely to such movements of short-term funds from New York to other financial centers and into gold. A similar, and even more serious, crisis might threaten sterling tomorrow in the case of a reflux toward New York of the large dollar outflows which have veiled during the last year the deterioration of the United Kingdom's balance of payments on current account, just as a previous inflow of funds toward New York had partially veiled the deterioration of our own current account transactions in 1959.

Mr. Bernstein would leave untouched the basic mechanism of the Fund, but supplement it with additional machinery in the form of a subsidiary reserve settlement account, requiring negotiation and agreement with a handful of countries only: the United States, the United Kingdom, Canada, Germany, France, etc. Each of these countries would subscribe special interest-bearing and gold-guaranteed debentures in its own currency, but the Fund would not call upon any subscribing member to take up all or part of its agreed subscription except to the extent necessary to meet large demands of such currencies by another member of the system. It might not be particularly easy to get our own Congress to approve $2.5 billion of such debentures—as suggested by Mr. Bernstein—less than 2 years after having extracted from it a $1.4 billion increase in subscription to the International Monetary Fund's capital on the ground that this would solve all such problems for a long time to come.

It could, of course, be agreed that we are very unlikely to accumulate in the near future any surplus that will justify a Fund's call on our debentures. The United Kingdom will be able to present the same argument in relation to the $1 billion debentures foreseen for it in the Bernstein plan. By the same token, however, this would mean that the total of $6 billion debentures to be negotiated would yield at most an increase of only $2.5 billion in actual resources for the Fund. In fact, the most likely outcome would be substantially less than that, since some of the participants other than the United States and the United Kingdom may also run surpluses far short of their subscriptions—or even be in deficit—while the subscription of one or a few others may fall far short of their own surpluses. Once again, the mountain to be negotiated may turn out in the end to yield a mere molehill.

I certainly agree that Mr. Bernstein's plan would be better than nothing. I am afraid, however, that it may detract attention from the basic defects in our international monetary system which I have stressed above, and that by leaving untouched the Fund's machinery itself, it would perpetuate the obvious flaws in that machinery which experience has brought to light.

The amounts of each currency at the disposal of the Fund would remain dependent on advance, and necessarily haphazard, guesses about the future evolution of each country's balance of payments, and on recurrent ad hoc negotiations with prospective creditors. Specific action by the Fund would also remain necessary in each case to thwart—or offset—the normal tendency of members to concentrate their borrowing on the so-called reserve currencies or key currencies, rather than on the currencies of the countries with overall balance-of-payments surpluses.[1] If and when sufficient support can be gathered for amending the Fund's statutes, it would seem to me far preferable to seize upon this opportunity to simplify, streamline, and rationalize the whole agreement in such a way as to minimize the need for future revisions or makeshifts and for periodic renegotiation of the capital subscriptions of members.

An exceedingly simple way of fulfilling these objectives is described at length in "Gold and Dollar Crisis" (Yale University Press, New Haven, May 1960), amply discussed in the hearings of the Joint Economic Committee of Congress (sessions of October 28, 1959 and December 8, 1960), and briefly summarized in simpler language in the February 1961 issue of the Atlantic Monthly. My proposals are still regarded in some circles—although far less generally than was the case 2 years ago—as dangerously radical and visionary. Yet, they conform exactly to the historical line of development of monetary and banking institutions which experience has revealed indispensable to their sound operation in every country of the world, and whose first stage has long been imitated already by the international monetary system itself. Credit reserves—in the form of foreign exchange holdings—have gradually and increasingly supplemented commodity reserves—in the form of gold—over the last 50 years, just as credit money—in the form of currency and bank deposits—had previously and increasingly supplemented and finally replaced commodity money—in the form of gold and silver coinage—within each country's monetary system.

The obvious danger and vulnerability arising from the unorganized creation of credit money imposed within each country, many years ago, the gradual development of central banking techniques of monetary regulation. In the international field, however, shifts between one key currency and another, or between key currencies and gold, preserve unto this day the same sources of vulnerability which marked the monetary system of the United States, for instance, before the creation of the Federal Reserve System. Something akin to a world reserve system is still missing, and is at the source of many of the troubles that have plagued the international monetary system for nearly half a century.

This is not to say that the several scores of sovereign nations that make up our world are ready to yield their precious sovereignty to a worldwide monetary institution, endowed with powers of regulation comparable to those wielded by the present Federal Reserve System or other central banks, after many years of slow, gradual development. Neither is this necessary to restore the minimum of order indispensable to the smooth functioning of the international monetary system itself.

All that is needed is to endow the International Monetary Fund with the far more modest, but historically crucial, functions entrusted to central banks at the origin of their development. Foremost among these would be the assignment to the International Monetary Fund of the role of single depository for the credit reserves of member central banks. Ideally, individual countries should cease to use national currencies as international reserves, even though this may not be achieved at a single stroke. They should be encouraged to convert their present foreign exchange holdings into international deposits with the International Monetary Fund, and the volume of these should be allowed to grow over the years to the extent necessary to supply—together with available supplies of monetary gold—the reserve requirements of an expanding world economy.

This purpose could be served through a surprisingly simple reform and long overdue rationalization and streamlining of the charter of the International Monetary Fund. Stripped down to essentials, my proposals are that present capital subscriptions to the International Monetary Fund be abolished—and refunded to members—and replaced by a mere obligation for each member to hold an agreed proportion of its overall gold and foreign exchange reserves in the form of reserve deposits with the International Monetary Fund. These deposits would be fully usable for settlements among central banks throughout the world and would carry—like all other Fund's assets and liabilities—a specific guarantee against exchange risks. They would, in this way, be "as good as gold" and better than the large amounts of reserves now freely retained by central banks in the form of sterling or dollar balances. They would indeed be more attractive than gold itself since they would devolve interest earnings to their holders or a participation—pro rata of their amount—in the earnings of the Fund.

Such a system of minimum deposits with the Fund would have two major advantages over the present system of capital subscriptions.

First and foremost, these deposits would automatically adjust to the fluctuations in the overall reserve position of each country. The Fund's overall resources would thus increase over the years as the overall level of the world's reserves increases as a result of future accretions to monetary gold stocks and of the Fund's own lending and investment operations. Most of all, the increase in deposits would concentrate on the countries which currently develop net surpluses with the world at large and whose currency is therefore most needed for international settlements.

Secondly, and in contrast to present capital subscriptions, these deposits would not impair in any way the liquidity and reserve position of the contributing countries. They could be used at any time, together with the other reserves held by members, to make payments anywhere in the world. They could indeed—to take an extreme case—be freely drawn down to the last cent if a country were unwise enough to sacrifice the totality of its monetary reserves to settle persistent deficits instead of correcting them in time. Yet, even in such a case, this would not affect in any way the sum total of Fund deposits—nor the corresponding assets and lending capacity of the Fund—since the decline in the overall reserves and deposit requirements of the members in deficit would be matched and offset by corresponding increases in the reserves and deposit requirements of the surplus countries to which payment is made.

[1] Mr. Bernstein suggests that the reserve currency countries whose currency has been regrettably requested from, and sold by, the Fund can always offset this destabilizing action of the Fund by subsequent drawings of the surplus countries' currencies. This is true, but remains nevertheless an unnecessary complex and ludicrous procedure of achieving the Fund's stabilization objectives.

The attractiveness to central banks of interest-earning, gold-guaranteed deposits with the Fund is so evident indeed that the reform might well be initiated, if needed, without any compulsory feature whatsoever, and without requiring any renegotiation of the Fund's statutes. A mere declaration of the Fund—by way of interpretation of its charter—that it is ready to accept such reserve deposits from member central banks would, in all likelihood, induce most countries to convert into such Fund deposits a growing portion of the reserves now freely held by them in the form of foreign exchange—subject to devaluation risks—and even in the form of gold—on which they earn no interest.[2]

This would, of course, entail corresponding shifts in the ownership of the outstanding dollar and sterling balances converted by their holders into deposits with the Fund. Title to such balances would pass from several scores of foreign countries to the Fund itself. There is no reason why the Fund should wish to liquidate these balances, or modify their present pattern of investment in the New York and London money markets. It should, however, be empowered to do so in the future, but only in a smooth and progressive manner, insofar as useful for the most efficient performance of its worldwide monetary stabilization functions, and in close consultation with the monetary authorities of the countries concerned. I have suggested that this purpose could be served by giving the Fund an option—which it would rarely wish to use in full—to liquidate these investments at a maximum pace of, let us say, 5 percent a year. This, however, would obviously be a matter for negotiation with the United States and the United Kingdom rather than for arbitrary determination by a lonely professor at Yale.

Whatever the concrete decision arrived at on this point, it is more than evident that it would entail far less risks for the United States and the United Kingdom—and indirectly for the world's monetary system itself—than the present right—alas, increasingly theoretical—of sterling holders to require at any time the conversion into dollars of about $10.5 billion of sterling balances, and of official dollar holders to demand the conversion into gold at our Treasury of more than $10 billion of dollar balances now held by them, to say nothing of the further $7.5 billion which they might acquire from present private dollar holders abroad, in the course of their stabilization interventions on the foreign exchange markets of the world.

The recurrent sterling crises of the postwar period and the present international dollar crisis are clear evidence of the overwhelming advantages of such a long overdue reform of the gold-exchange standard for the United Kingdom and the United States. Far from implying an effective surrender of sovereignty to an international body, it would restore to both countries a freedom of monetary management—particularly in relation to interest rate policy—which they have long lost through the gradual accumulation of an excessive level of short-term foreign indebtedness inseparable from the gold-exchange standard's reliance on national currencies as a supplementary source of international liquidity.

Yet, the enormous powers which such a reform would vest in the Fund remain the major hurdle to be overcome by an effective negotiation of the reforms proposed above. The present pattern of voting power in the IMF corresponds roughly to the capital contributions of members. It gives about 26 percent of the total votes to the United States, 24 percent to all the nations of continental Europe put together, 12 percent to the United Kingdom, and 37 percent to the rest of the world.

The pattern of minimum deposits that would, in the end, replace capital subscriptions, if my plan were adopted in full, would increase sharply the relative contributions of continental Europe and the United States (to about 33 percent each), and reduce correspondingly those of the United Kingdom (to about 5 percent) and of the rest of the world (to about 30 percent). A parallel change in voting power would be difficult to negotiate, and might still fail to reassure some countries about the effectiveness of their own influence on the Fund's management of the sums put by them at its disposal. It is, moreover, doubtful whether the worldwide administrative structure of the Fund could handle quickly and efficiently the numerous and delicate decisions inevitably entailed by the handling of such large sums and responsibilities.

A decentralization of the Fund's machinery is, in any case, highly desirable for a host of other reasons. Such decentralization is universally accepted as necessary for the effective organization of policymaking decisions in a national community. In our own country, all power is not vested in Washington. Some of it is left to each of our 50 States, and even to smaller administrative units such as counties, cities, townships, and so forth. If this be necessary within a historically integrated community, how much more necessary must it be in the initial building stages of an international monetary administration encompassing widely heterogeneous areas, with vastly different problems arising from a variegated history, and at greatly uneven stages of political, economic, and financial development.

My own feeling, therefore, is that the reforms proposed above should be implemented not only through a reform of the IMF itself, but should be inserted in part within the framework of existing or future regional organizations such as EEC, OECD, the Latin American free trade area, and so forth.

The most important and immediately feasible step in this direction could be taken at the occasion of the creation of OECD. When joining that organization, the United States and Canada should also join the European Monetary Agreement and enlarge its functions along the lines described above. The members of OECD could distribute their international deposits between the IMF and an OECD monetary organization in rough proportion to their pattern of international trade and payments outside and within OECD. This would help solve, or bypass, the voting power hurdle mentioned above, by keeping a substantial portion of the deposits under the more closely knit and more workable management of OECD. That would also give vital and powerful support to the development of the closer harmonization of "the financial and economic policies for growth and stability of these industrialized nations of the world whose economic behavior significantly influences the course of the world economy and the trend of international payments," called for in President Kennedy's message of February 6 on balance of payments and gold.

A final word might be added about the timing of the various steps which the full implementation of the above suggestions would involve.

1. The acceptance by the Fund itself of voluntary reserve deposits from members would require no more than a mere interpretation of its statutes, without any necessity for any formal amendments subject to legislative ratification by member countries.

In view of the benefits which the conversion of outstanding dollar and sterling balance into gold-guaranteed deposits at the Fund would entail for large dollar and sterling holders, however, such conversion should be initially subordinated to transitional, ad hoc, agreement with the major countries involved (Germany, Japan, Italy, France, etc.) regarding the cashing into gold metal of the balances which they would transfer to the Fund or continue to hold directly in dollars or sterling. These transitional arrangements would eventually be substituted by the uniform minimum deposit requirements envisaged under (2) and (3) below.

2. The setting up of similar gold-guaranteed deposits within an OECD framework could be inserted into the revision of the European Monetary Agreement which is, in any case, to be undertaken before October 1 of this year, under the terms of the agreement itself. Participation of the United States in the system would presumably require an act of Congress, even though similar exchange guarantees were granted to some European countries by mere Executive agreement under the Tripartite Agreement of 1936.

The OECD deposit system should contemplate minimum reserve requirements for members, similar to those suggested under (3) in order to ward off excessive conversions into gold, and to provide the keystone of the common reserve policy advocated in the U.S. aide mémoire of February 20, 1961, and broadly supported in recent official and unofficial discussions of these issues in Europe.

3. The above measures should give the IMF the breathing space necessary to negotiate the substitution of present capital subscriptions by minimum deposit requirements, as suggested above. My own feeling is that fairly modest requirements (20 percent of overall reserves?) would be amply sufficient to secure the Fund against excessive gold withdrawals, since the gold guarantee and interest earnings attached to Fund deposits should normally attract large voluntary deposits to the Fund. The Fund should, nevertheless, be empowered to vary such requirements, within preagreed limits, in case of need, and particularly to apply a higher deposit ratio to future reserve increases or to that portion of each member's reserves which exceeds the average ratio of world monetary gold to world imports.

The exploration and negotiations now underway will undoubtedly uncover other, and probably, better, ways of dealing with the problems raised in this paper. Anybody who has ever participated in negotiations of this sort cannot but be keenly aware of the need to prune, amplify, and readjust initial proposals in the light of the unforeseen difficulties, as well as of the unsuspected opportunities, which only the negotiation itself can bring to light. This applies to the so-called "Triffin Plan" as well as to the "Bernstein Plan." The greatest obstacle to the maximum achievements that should be hoped for and strived for, would be to freeze prematurely the path of discussion into any predetermined channel, and to close the door to a full exploration of any feasible technique to strengthen the international monetary structure of the West, and indeed of the world itself.

---

[2] One should note in passing, that such a proposal was unanimously endorsed, more than a year ago by the Radcliffe Committee on the working of the monetary system and received enthusiastic support from the Latin American participants at the Sixth Meeting of Technicians of Central Banks of the American Continent, held last November in Guatamala City.

Employment and the Challenge of Foreign Economic Competition

(By Virgil Salera)

A generation of thinking and political action carried out almost exclusively within the framework of a closed economy has lulled the United States into a false sense of international economic security. From a position of assumed unmatchable productive superi-

ority, we have awakened in recent years to realize that our competitive international economic position is precarious in relation to the enormous and continuing foreign economic obligations of the United States. The public is aware of this by virtue of the "gold scares" of 1960, while top officials of our Government comment upon, or, at least, appear to indicate that they are sensitive to, our precarious long-term balance-of-payments situation and the need to take steps, some possibly unpopular, to improve our competitive international economic posture, and with it the national employment situation.

Corrective legislative and other action presupposes a reasonably complete and realistic understanding of the problem, expressed in other than broad generalization. How do we account for the novel and disturbing phenomenon of a relatively weak international economic position at a time when the country's foes are continuing to improve their absolute, and perhaps even relative, economic and power position? There is no easy answer, or set of answers. Nothing less than an understanding of the whole fabric of American society, especially as it affects America's role in the world economy, is involved. Needless to say, this paper barely scratches the surface.

At the outset, let me point up some outstanding indicators of our relatively weak international economic posture. First, we no longer enjoy a commanding lead in manufactured exports. West Germany alone, largely by dint of old-fashioned hard work and enterprise at home and vigorous trade promotion abroad, now is within hailing distance of our share of world trade in manufactured products and could conceivably knock us out of a precariously held first position. Closely related, of course, is the strength of the mark and the relatively uncertain position of the once dominant dollar. (We have been hearing of late of a turn-around in our balance of payments, but this is only superficially encouraging since it reflects largely the shift to "Buy American" with respect to DLF quasi-grants and the return of some short-term funds owing to (a) the narrowing of interest rate differentials and (b) the weakening of sterling's position.)

Second, domestic policy—for which both major parties are about equally responsible—has forced us into a state of international inferiority in key agricultural exports with respect to which the Nation actually enjoys a strong comparative advantage. The result is international economic weakness instead of strength—with competition weakening side effects as well, such as export dumping at the expense[1] of the taxpayer, and unintentional—but no less damaging on that account—subsidies to foreign producers using cut-price raw materials of U.S. origin.

Third, there is the phenomenal industrial recovery of continental Europe and Japan which, however much it is appreciated because it represents a source of strength for the free world, shows us in an unfavorable light in large part because they are practicing what we were once noted for being long on preaching and practice but which we are now only long on preaching.

Fourth, there is the prospect of growing competition of Soviet exports, especially in products such as oil, in which the richness of natural resources more than compensates for the inefficiency of bureaucratic centralization and the lumbering decisionmaking processes of the Soviet state.

The present writer's thinking with respect to the causes of, or underlying factors chiefly responsible for, our relatively weak competitive international economic position cannot be set forth adequately in a brief paper. It is only possible to illustrate the general kind of factors which have been at work. There are several possible conceptual frameworks in terms of which such general factors may be illustrated. For the sake of brevity I shall choose one, though emphasis upon this framework is not meant to imply that other approaches might not possibly yield more fruitful insights.

I have selected the framework of congressional action. It goes without saying that the Congress has done much of a constructive nature in important fields, sometimes despite some contemporary opposition. What I wish to submit for the consideration of serious students of Government economic policy is this: That the Congress has shaped all manner of economic policy over the past generation on the basis of essentially false signals. To repeat, not all of Congress determinations are subject to such a charge—not by a long shot. It suffices for my purposes that enough of Congress action has been based on false signals to account for relative international economic weakness rather than indubitable and commanding strength.

Two false signals stand out. The signals from the great depression of the prewar decade suggested very great, if not unlimited, domestic leeway policywise when in fact such leeway was limited both by the extent and duration of our overdepressed economic position in relation to the outside world. The respectable attitudes, mainly in academic circles, and the volume of national legislation stemming from such false signals would take reams of paper just to catalog and summarize. In the second place, there were the signals from the postwar sellers' market which most respectable thinking seemed to have explained in terms of every conceivable pattern of formal analysis except that which ran simply in terms of the simple economics of sellers' markets.

Before I discuss some of the leading consequences ideawise—perhaps the chief national responses—to these two basically false signals, let me mention a few of the international competition-weakening effects: work habits have developed which, as compared with the past, pay little heed to matters of old-fashioned efficiency; we have had the growth of patterns of factor reward and industrial pricing largely based or at least stemming from the widespread adoption of industrywide bargaining; excellence and qualitative performance to a large degree have been subordinated to all manner of individual security considerations; and we have tolerated or shown indifference to an incredible hodgepodge of programs called "farm policy," which frustrates—internationally—a capital intensive, highly efficient and enormously productive American agriculture.

Perhaps the leading idea-effect of the two false signals has been the comfortable notion to many people that the country could proceed on its merry economic ways without important regard for economic developments occurring outside our borders, particularly in the nations capable of generating their own industrial dynamism and enterprising drive within the framework of private initiative. After all, weren't we supposed to have a uniquely productive economy, unrivaled and apparently unrivalable? Keynes himself cast doubt upon this notion in his famous posthumous article on U.S. balance of payments in the June 1946 issue of the Economic Journal, but relatively few paid attention to the article, believing it to be unrepresentative of Keynes' thinking. How right Keynes has been about the relevance of the classical medicine during most of the postwar period. Nevertheless, though external events have crashed on us like thunder, is not much of our academic economic thinking still conducted in the outmoded terms of a closed economy?

No. 2 on my list of the idea-effects of the two false signals is the notion, which Galbraith blew up into a best seller, that ours is a new type of economy, an affluent society, with respect to which traditional economic ideas are as inapplicable to economic policy as the concepts of medieval medicine are to modern medical care. The cavalier way in which Galbraith dismisses considerations of productive efficiency as irrelevant in a society allegedly surfeited with private goods but starved of public services, is almost laughable in the light of the balance of payments crisis which hit the Nation so prominently less than 2 years after the appearance of Galbraith's book. Moreover, if we ever have to go it alone in our defense, as President Kennedy threatened at the height of the recent Cuban invasion fiasco, Americans will wonder how a Harvard professor ever could poohpooh so basic a consideration as efficiency.

My third idea-effect of the two false signals concerns private foreign investment. If one takes a critical look at some of the consequences of those false signals, he cannot help to note the indifference with which many Americans view private foreign investment: How can its (marginal?) contribution to our total economic strength be important if we go on merrily selling abroad with ease while other nations continue to have a hard time selling to us? How can private foreign investment win us friends when many foreign governments prefer public capital—taxpayer supplied help—especially the variety which requires no repayment, and such public capital can easily be provided by the certain long-term superior productivity of the American economy?

Fourthly, there are the consequences of the two false signals in the field of antitrust thinking. Specifically, there appears to be a belief that there are costless ways of cracking down on business operations which some Government analysts feel have the effect of substantially lessening competition. But such costless actions may only substantially lessen the relative efficiency of U.S. firms. To the extent that they do, the effect—even if unintended—will be to lessen exports and thus lessen American job opportunities.

Another effect ideawise of the two false signals centers upon the relative indifference with which many writers regard inflation. An assumed comfortable export position, based on a reading of such signals, has suggested for too long that there is a margin of export—"harmless" inflation which does not exist in point of fact.

In the sixth place, the false signals have suggested national tax leeway which, as in the other cases, is actually nonexistent. The assumed leeway, of course, is thought to exist with respect to the height of taxes—especially those imposed on business—which the economy can bear without adverse international competitive consequences. We are now learning, somewhat late to be sure, that it takes a great deal more than assumed leeway to keep many American firms in the running when their taxes are 52 percent while, for example, rival German firms pay a tax of only 15 percent on earnings paid out as dividends.

So much for an enumeration of some of the leading idea-effects of the two basic false signals. These idea-effects add up to one important difficulty as far as concerns the operation of the American economy: The false-signal-induced ideas have been used repeatedly to rationalize cost pressures which might otherwise have been avoided, at least to anything like the degree that such pressures have occurred. Cost pressures, in a closely competitive international economy in which rival nations do not all face similarly creeping expenses, detract from the ability of our producers to compete in export markets. The consequence is

[1] In addition, of course, our aid programs include gifts and quasi-gifts to agricultural exporting nations damaged by our farm dumping.

not only a weakening of our total position, but also reduced job opportunities. False signals, which many felt gave us ample leeway in formulating an easygoing employment policy, appear actually to have been a major factor accounting for the sluggishness of American employment.

The Postulates of Protection

(By Wilson E. Schmidt)

Those people who believe that America is sufficiently affluent that our Government should redistribute income, that taxes should produce no revenue, and that taxes should be hidden so that the public will not complain about them, should in principle favor protective tariffs.

THE HIDDEN TAX

The tariff is collected at the waterfront and is imbedded in the price of the imported product long before it reaches the consumer. How many Americans know that they pay an import tax of almost 100 percent on certain scissors and shears? If one of the major restraints on the growth of Government is the cost of it, hidden taxes support massive Government intervention.

THE UNPRODUCTIVE TAX

The tariff which provides maximum protection for a domestic industry produces no revenue. The purpose of a protective tariff is best served if the duty is set so high as to prevent all imports. No imports, no revenue. With high tax rates all around, it may be pleasant to learn that there are at least some taxes which can be reduced to yield more revenue.

WEALTH SHARING

The U.S. Government redistributes income among Americans through the tariff. For those who object in principle to government wealth-sharing measures, it is enough to note that the tariff raises the price of imported articles and, because Americans shift their demand to similar goods produced at home, it ultimately raises the price of domestically produced substitutes. People who happen to buy imports and their domestic substitutes suffer a decline in their real income for the benefit of those in the protected industry.

The burden of the tariff also rests in part on those persons who produce U.S. exports. Over the long pull, total receipts by the United States from foreigners must equal total U.S. expenditures abroad because we cannot sustain forever a surplus or deficit in our balance of international payments. Because it cuts our oversea expenditures, a reduction in U.S. imports through increases in tariff ultimately forces a decline in our receipts from abroad. As a result, U.S. export producers lose their foreign markets. If one believes that the Government should be even-handed, that it should not side with one group of Americans over another, then one cannot favor tariffs.[1]

If one favors the redistribution of wealth through governments, it is more than likely that we favor taxing the rich for the alleged benefit of the poor. If so, does it make sense to protect the American automobile and steel industries since they employ among the highest paid workers? Does it make sense to tax clothespin imports when clothespins are probably bought in larger amounts by those who cannot afford automatic dryers?

Of course, some of the import duties may shift income from the rich to the poor. But it is difficult to know which tariffs do this simply because there is no necessary relationship between a person's consumption of imported items (or their domestically produced substitutes), and his income or wealth. And even if one knows that product X is consumed only by the rich, one still cannot be certain that the burden of the duty rests only on the rich. Part of the burden of import duties rests upon people in the export industries, some of which employ relatively rich people and others relatively poor. When American tariffs are imposed, foreigners must ultimately buy less from us and our exports fall. But it is virtually impossible to know which American products foreigners will shun. Therefore, it is virtually impossible to know upon whom the burden of the duty rests. In sum, the tariff is a capricious instrument of wealth sharing.

PRODUCTIVITY AND PROGRESS

Whatever the redistributional effects of the tariff, it, like most other schemes for governmental redistribution of wealth, makes the American economy less efficient, less productive, and less progressive. The elementary economic analysis which supports this proposition smashes the standard arguments for tariffs. It shows that tariffs do not promote the broad national interest. It overwhelms the view that expanded trade will depress Americans to the standard of living of foreigners.

The argument rests on two assumptions: (1) As a result of the workings of competition, the price of a product tends to reflect its cost of production or the cost of the economic resources utilized in its creation; this cost includes the reward for management and risk-taking, known as profit, which is a necessary part of the production process. (2) Except when we borrow from abroad, we pay for our imports with exports; by exporting, we earn the foreign currency necessary to pay for our imports or we satisfy the claims on us which foreigners gain when we pay them dollars for the things we import.

Suppose that we export a large quantity of a product priced at $1 and import many units of a product for which we pay foreigners $1 each. Suppose further that the import is subject to a 50-percent duty, paid to the U.S. Treasury, which raises the landed cost to $1.50. American-produced substitutes of the same quality will also sell of course for $1.50 since different units of the same product must have the same price in the same market at any moment of time, otherwise, none of the higher priced units would be sold. According to the first assumption, the cost of producing the domestic substitute will be $1.50 since its price is $1.50.

Consider what happens if trade is expanded slightly and one unit of imports takes the place of one unit of the same product produced in the United States. According to the second assumption that exports pay for imports, we would have to export $1 worth of goods to buy this additional unit of imports because the price charged by foreigners is $1. We thereby use up $1 worth of economic resources which, if they were not used to produce goods for export, could produce an equivalent value of goods for Americans. This is a real loss to the United States.

But when we replace one unit of domestic production with a unit of imports, we free the use of $1.50 worth of economic resources which otherwise would be employed to produce the domestic substitute costing $1.50. There is a net saving of 50 cents worth of resources. These can be used for whatever purpose the American consumer commands. Without changing the total volume of resources of the Nation, we have made it possible for Americans to have more goods and services.

If one joins those who seem to think that America is affluent enough, or if one believes that governments need not conduct their affairs to avoid wasting the energies of the people, then the foregoing argument will not be persuasive.

So long as imports can be bought more cheaply than domestic substitutes, the expansion of trade raises the productivity of American resources. The reason why the imports can be obtained abroad more cheaply does not matter—whether it be a relatively abundant supply of foreign natural resources or low foreign wages. Those who plead for protective tariffs to guard the standard of living for American workers really want a reduction in the average standard of living for Americans. Those who demand protection for the American worker must assume, no doubt, unknowingly, that the rest of the population does not count. This is only arithmetic: if the workers are benefited by protection but the productivity of the American economy declines as a result of trade restrictions, the rest of the community must suffer.

QUALIFICATIONS?

What about national defense industries? Bona fide defense industries cannot be allowed to wither. We either can protect them or give them subsidies from the general revenue. Both methods cost the Nation something. Should we ask the consumer of imports to bear the cost of maintaining industries necessary for the security of all of us? Or should it be spread more widely and subjected to the checks of public display in the appropriations committee?

What about the harm done to persons in protected industries if we reduce tariffs? The competitive enterprise system succeeds because, under it, the price of progress must be paid. If we subsidized every individual hurt by progress of any kind from any source, the tax load would be so heavy that all incentive for economic advance would be killed. And the subsidized resources would have less incentive to move on to more productive activities.

Finally, are the assumptions of the argument that trade increases national productivity valid? Those assumptions reflect the working of competition. One can reject them only if he believes that the American economy is so uncompetitive as to make government direction of resources necessary, which is what tariffs do. A commentary is that the reduction of labor monopoly, government monopoly, and business monopoly strengthens the case for expanded trade. One cannot serve the cause of freedom at home without defending it at our borders.

New Strategies in Foreign Aid

(By Howard S. Ellis)

I

Over the 15 years which have elapsed since the war, the United States has expended about $80 billion in foreign aid. Whether this sum seems much or little depends, of course, upon the basis of comparison. It appears to be large if the aggregate for the

[1] The burden of the tariff also may rest on foreigners because the duty forces down the U.S. demand for foreign goods and tends to depress the price received by foreigners on their sales to the United States. If one is willing to disregard the interest of foreigners or to overlook the possible harm to the U.S. international political posture which may ensue from direct damage to foreigners through U.S. Government action, this is of no moment. One can even argue that, if foreigners do not retaliate against our exports, America benefits because we get our imports more cheaply from foreigners. That is, although the consumer pays more for the imported product, the additional cost accrues to the U.S. Treasury, and can be used for the benefit of other Americans. The country pays less to foreigners and there is a shift of income between Americans, with more real income for Americans as a whole. But this does not support protective tariffs. To the extent that the price received by foreign exporters falls, the price paid by American consumers does not rise. Hence, particular American industries competing with imports do not benefit from such tariffs to the extent that the price paid to foreigners falls.

whole postwar period ($80 billion) is divided by our population figure, we discover that it comes to $500 for every man, woman, and child in the country. Foreign aid appears somewhat less impressive when the annual appropriation is stated as a percentage of gross national product, or 1 percent. Our $4.2 billion foreign-aid appropriation (both military and economic) for the last year (1960) is less than our expenditure for automobiles in 1 month; and the annual figure is somewhat less than the yearly expenditures in this country on spiritous liquors. But I am not going to bother with further statistics, since I agree with the sentiment that if all the statisticians of the United States were laid end to end, it would be a good thing.

My chief concern, however, is not with the aggregate amount of our foreign aid, but how we use it. I should like to take as a text these words of Eugene Black, the President of the International Bank for Reconstruction and Development: "We will never be loved for the quantity of our riches, but we can earn respect for the manner in which we employ them." These words apply not merely to the way we use our wealth at home, but, as President Black meant to imply, in preeminent degree to the way we use or influence the expenditure of funds we give or lend to foreign countries. While we have no reason to be ashamed of our past performance, we can, I believe, substantially improve upon the strategy of our foreign aid in the future, both in the benefits it confers upon the recipients, and in the direct and indirect advantages which can accrue to the United States.

What we have wanted to achieve by means of both military and economic aid has been, of course, to strengthen the defenses, the economic well-being and power, and the political cohesion of the non-Communist world. As to the success of the military program I express no judgment; but as to the realization of other objectives, I fear that there is small reason for rejoicing. Critical uncommitted areas such as India, with its 15 percent rate of explicit unemployment, and many if not most parts of Latin America, have experienced economic development only at a snail's pace. As for political cohesion, recent experiences in the Caribbean and in Africa seem to show deterioration for what we like to call the free world. I certainly do not ascribe these adverse developments to U.S. foreign aid, but serious doubts arise as to whether the strategy of our aid has been such as to deter—to say nothing of eventually reversing—the trends.

From the angle of their domestic situation, the fact remains that most of the poorer countries of Asia, Latin America and Africa show a much more decided division into the "haves" and the "have nots" than does America, or for that matter Western Europe. Thus the most prosperous one-fifth of the families of the United States dispose over 44 percent of the national income, but in India the proportion is 55 percent and in Puerto Rico 56 percent. In quite considerable measure this contrast of well-being parallels the division into town and country. Thus in the Philippines, per family annual income in the rural areas is 738 pesos (or about $200 at a realistic exchange rate) as against 2,721 pesos, or four times as much, in Manila, even counting its rather extensive slums along in the average. The glittering capital city with its Parisian shops and luxury hotels and apartments in violent contrast with the mud huts of the hinterland is a phenomenon which strikes the traveler in many underdeveloped regions.

This dualism in the economy persists even in the relatively equalitarian countries such as India and reaches its most poignant extremes in the garish boulevards of Rio de Janeiro and Caracas and their immediately adjacent favella or shanty towns. The welfare state seems merely a pretty phrase. U.S. foreign aid does not seem to the typical citizen to have brought his humble ways any closer to the American way of life.

Still more seriously, it does not appear that our foreign policies have succeeded in identifying the United States in the minds of the broad masses of population in the poorer countries with political and economic reform and a better chance for the underdog. Indeed, we are not known abroad for some of the very liberties and democratic traditions which we cherish at home. If part of the responsibility for this sad state of affairs rests upon our foreign-aid programs, it is, I believe, not because of a lack of honesty, dedication, and good intentions on the part of the administration or the officials, but rather because of errors in judgment and basic philosophy.

II

These errors are chiefly three, and I shall expand briefly upon the character of each: (1) An orientation which has been too exclusively materialistic, too great preoccupation with economic, as opposed to social and political matters; (2) within the economic field, an overemphasis on pure technical productivity; and (3) within the field of technical productivity, too much attention, relatively to capital equipment. In each of these cases, it seems possible to surmise why our policy fell easily into error.

It is indeed ironical that the United States, the chief bearer of non-Marxian philosophies, should sometimes have allowed its foreign aid to appear as offering salvation through the material things of life: America should outbid the U.S.S.R. by offering more cars, refrigerators, TV's and a general gay time of it. On the other hand, the Soviet has occasionally appeared as the champion of the fundamental rights of man, even at the expense of material comforts. I do not for one moment believe these to be the real roles of these opposing powers. But American foreign aid could have laid much greater stress on political, social, and cultural matters. It could have held aloft personal freedom, the Bill of Rights, and equality of economic opportunity as the great American contributions. And it could, in ways which I mean presently to specify, have underwritten by means of foreign aid some quite definite means of furthering these ends in countries receiving grants or aid.

Perhaps the purely economic or materialistic tack suggested itself to the framers of our policy as hardheaded and realistic. Perhaps it seemed more likely to appeal to the temper of our Congress. Or perhaps the purely economic approach seemed to be the wise way for this country to avoid involvement in the domestic politics of recipient nations.

In fact, however, neither the purely altruistic nor the purely self-regarding motives for offering aid can justify an exclusively economic approach. Countries belonging to the broad designation of economically underdeveloped, though they often represent some of the most venerable cultures of antiquity, nevertheless characteristically involve a lack of development in other than purely economic ways. Political systems are frequently feudal, autocratic, undemocratic. Political administration is often badly organized, inefficient, or corrupt. Social taboos and practices sometimes violate the most basic concepts of fair play and justice. In short, economic backwardness scarcely ever stands in isolation, but is encased in a crust of social and political custom which has to be sloughed off if any significant economic development can be achieved. The standard of living in dollars and cents can be raised only with greatly improved standards of political and social justice and sophistication.

To cite one glaring example: improvements in public health, education, and social overhead facilities require that levels of government revenue in the poorer countries be raised from their present levels of 5 to 15 percent of national income to 25 to 30 percent, or even more. But it is utterly impossible to increase public revenue simply by tax laws: efficient and incorruptible tax administration is an absolute prerequisite. But I know of only one example (the Bell report on the Philippines) in which the availability of U.S. aid was made conditional upon the reform of the tax administration; and I know of only one or two very limited cases in which U.S. aid funds have been designated for the training of an efficient civil service.

My second point is that, within the economic field itself, progress has been envisaged much too heavily in terms of technical productivity alone. I would be the last to derogate the productivity facet of economic development; and in some countries it may be the single most important factor. In India, for example, the introduction of Japanese methods of rice cultivation has raised outputs by 50, 100, and even occasionally by 200 and 300 percent. It would be folly to deny that in a nation in which one-fourth of the 400 million inhabitants are chronically starved (one insufficient meal a day), the increase of foodstuffs by better techniques from almost any angle—humanitarian, energy for work, motivation, and even labor supply for industry—takes first precedence.

But the economic element is by no means exhausted by technology. In the Near East and rather generally throughout Latin America, land tenure may be one of the greatest blocks to progress. In the Near East, systems of tenancy serve to deprive the tenant of motivation to efficient operation. In Latin America, the holding of land in great estates (latifundia) often spells absenteeism, rack-renting, and indifference to improvement on the part of landlords, and impoverishment and hopelessness on the part of tenants, as well as reactionary political systems. Technical aid programs do not reach the heart of this difficulty, nor do large loans for steel mills, reservoirs, power development, and so forth.

Where the concentration of landholding is no longer a problem, as in Japan or Mexico, the key to further economic development seems to rest, more than upon anything else, upon measures to broaden the domestic market. In part this may involve improved methods of agricultural production—in Mexico, though in much smaller degree in Japan. But in Mexico, as in many less developed countries, it depends also upon shifting the burden of taxation to the shoulders of the well-to-do and upon the development of many public services through increasing the efficiency of the tax system, etc. In short, economic improvement is not just a synonym for better production engineering. The equitable distribution of wealth and income are involved, as well as the great improvement of nonmaterial government services.

From all of this it must be amply evident in the third place, that economic development is not just a matter of more and bigger machines. The grain of truth in those theories which equate progress with investment is that poor countries generally lack capital more than they do any other "factor" of production, if we stay to the conventional list of land, labor, and capital. But to say so is not to admit that given enough capital, "all these other things shall be added unto you."

The insistence of the IBRD upon limiting its loans to definite "projects" of a prospectively self-liquidating character has put the emphasis on (1) the economics; (2) the narrowly or specifically productive investment; and (3) physical equipment. I do

not deplore these rules for a bank, indeed I would support them. What is regrettable is not what has been done, but rather what has not been done.

In retrospect what I have been saying thus far is that the foreign aid program of the United States requires a revamping from the original emphasis given it by President Truman's point 4 program upon transfers of capital and transfers of techniques. We need to pay a great deal more attention to the social, cultural, and political aspects of the problem, particularly of the problem of development under democratic auspices. I believe that this can be done without suspicion of interfering in the internal affairs of a nation by the open offer of grants or loans for certain purposes which are designed to lessen inequality and help the lower income groups. I believe furthermore that these measures, which I am about to describe briefly, are an aid to economic systems resting predominantly upon private initiative instead of totalitarian government.

III

One of these is the support of education. I would be the last to hold that an educated person never becomes a Communist. But I would believe that uneducated persons easily fall victim to the myth of a golden age ushered in by destroying capitalism. I would also believe that democratic government requires a literate public and that a price system resting on private initiative is the more vigorous, the more educated and skilled are the laboring and managing classes. Illiteracy in the underdeveloped regions of the earth ranges all the way up to 80 and 90 percent, and, of course, the illiteracy is heavily concentrated among the poor. In Chile, one of the more literate of the Latin American countries, only 2.8 percent of persons over 20 years of age have had a technical training and only 2.3 percent a university education. American aid could go in part for the construction of elementary and adult schools teaching the three R's, and for trade and craft schools for young people. In addition, if we continue Government support of agricultural incomes in the United States, an extension of the school lunch program to the poorest of the underdeveloped countries would have much in its favor. Foreign aid in this direction would be a good answer to those foreigners who have imagined our interest to be centered mostly upon the commercial and industrial circles and their prosperity.

The same can be said with equal force of directing foreign grants or loans to the aid of land reform programs. I suppose that very few persons would seriously question that landownership and the conditions of tenancy are the great bulwark of feudalism in much of Latin America and the Near East. They are a bulwark of feudalism and undemocratic regimes, not of capitalism, because they inhibit the growth of domestic industry and competitive agriculture. But how can land reform in the shape of the breaking up of the great (and generally poorly utilized) estates be furthered without interference in domestic politics? The answer, and it seems an adequate one to me, is by an open offer to any country which desires to approach our foreign aid administration. Presumably such a program would be dependent upon the foreign government's proceeding by compensating the landowners, not by confiscation. The useful role of the United States could come in making available supervised crop and equipment credits for the new class of small holders, and the offer of special technical aid during a transitional period in which the small holders are achieving competence as managers and cultivators of their farms. At the beginning there might be only one or two countries which might come forward with requests for land-reform aid. But the example of one or two countries would greatly strengthen the hand of indigenous movements for land reform in other countries. The open offer of aid would be difficult to malign as subversive and would seem to be an effective way to convince the broad masses of people in the poorer countries that communism is not their only avenue of hope.

Another attractive direction for U.S. foreign aid would be the offer of loans for the construction of workingmen's and peasant housing. It is a matter of universal observation that middle class and well-to-do families in the Orient, Latin America, etc., live comfortably and, in the upper ranges, even luxuriously. In the many underdeveloped countries which have fallen victim to inflation, the construction of luxury apartments from capital seeking refuge from the depreciation of money is a familiar sight. Could there be a more conspicuous demonstration of American sympathies with the common man in these poorer countries than financial aid toward decent housing?

Along the same line would be the extension of aid in the direction of public health and nutrition, in which the United States has, of course, already engaged. In India and many other populous nations standards of nutrition involve daily calorie intakes of 2,000 or less among the lower one-third or one-fourth of urban and rural population; an amount insufficient for sustaining normal labor efficiency. Any widespread subsidizing of food consumption would, of course, be unwise and beyond the resources of the United States or of any international organization. But the emergency supplementing of food supplies in the case of short harvests or the support of dietary standards in particularly necessitous groups has been and should continue prominently in the scheme of foreign aid.

The shift I have described from capital projects and productivity in a narrow sense to the promotion of economic opportunity for the broad masses of population is the major change I have been emphasizing. But there are two or three other changes in strategy which should command attention.

Throughout the history of our foreign aid effort, receiving nations have complained that it is difficult to formulate economical and concerted plans for development on the basis of merely annual grants of aid. If we want to achieve some long-range ends, if we are to have some real strategy in our system of aid, commitments over longer periods are necessary, and I am glad to record that recommendations to this effect have been made by Prof. Kenneth Galbraith to President Kennedy. And the President himself appears to have been one of the advocates of continuity of foreign aid in his 8 years in the Senate. The recommendations recently made by Galbraith are, in general, very much along the lines which have been set forth here.

Besides greater continuity, major improvements could be made in great attention to the strategy of foreign aid in several dimensions. One is the matter of personnel. While American foreign aid has elicited the services of many knowledgeable and devoted persons, in some cases the appointments—whether political or not—have involved incompetent persons or unfortunate personalities. It has to be realized that the foreign aid posts are critically important in our foreign relations, since the day-to-day administration of those programs is the only direct way many foreigners see Americans and the U.S. Government at close range and in action.

Another matter is concentration of aid and by this I mean sufficient concentration of the programs that they are visible—indeed dramatic and conspicuous—to the foreign recipient nation and its people. One way of being conspicuous is, of course, the provision of a giant plant, a great laboratory, an enormous dam or multipurpose development, and I would not deny that some of this is economically desirable, as well as psychologically attractive. In general, however, this sort of aid—with which we have been concerned traditionally—runs counter to an emphasis upon mass improvement which I have been stressing.

But there are other ways of being conspicuous. One would be a greater degree of concentration by countries, and this would easily be achieved, at least for a good many years, by the fact that certain countries would be more eager to receive loans and grants for purposes of developing mass education, land reform, improved public administration, and the like. These nations should then afford a dramatic demonstration internationally of what can be achieved by the help of American aid. Concentration, with an attendant heightening of the effects on public attention, can also be carried on with countries. In the Philippines, American aid has gone in part to the laudable objective of improving housing of the poorer cultivators; but the funds were spread fairly evenly throughout the provinces, with the almost ludicrous result of one or two houses in every fifth village. Put into slum clearance in Manila, the same aggregate outlay could have helped an equal number of people; but the popular effect would have been enormous.

Finally concentration by types of project, such as the underwriting of trade schools, is another way of achieving a design which will impress itself on popular imagination. It needs always to be borne in mind that in the problem of economic and social development, the psychological effects may be as important, or even more so, than the sheer mechanical product. Morale, imitation, motivation are critical. American foreign aid needs to be made popular and conspicuous in the receiving countries.

IV

In conclusion, let me return more closely to economics and economic orthodoxy. The International Bank for Reconstruction and Development has frequently said that the funds available for investment in the newly developing countries frequently exceed the magnitude of sound development projects which these countries can bring forward. I for one do not seriously question this assertion of fact: in many underdeveloped economies there may be a dearth of genuinely productive self-liquidating investment projects. But why? For one reason, because improved machinery requires skills and the technical skills are hard to produce in an illiterate community. For another reason, because the so-called social overhead of trunkline and feeder highways, port facilities, electric power and other public utilities is lacking or inadequate, and cannot be obtained without a good tax system and tax administration. For another because, though the population is numerous, the domestic market for manufactures is limited by the feeble purchasing power of the broad masses. And their purchasing power is limited because of feudal, unproductive landholding, the ignorance, superstition, and the poor cropping methods of the peasants, the thwarting of enterprise and saving through inflation, etc.

Thus productive investment in the narrow, hardboiled business sense depends upon a favorable social and political setting. Reforms in the direction of creating a large middle class and raising the incomes of industrial and peasant labor work strongly in the direction of economic development. There is a very evident statistical correlation between nations with high average per capita income and nations with more equal distribution of wealth and income. It would be difficult to say that one causes the other; but it would be easy to conclude that each reinforces the other.

What I have been saying in this lecture may be summarized in brief compass. A

New Frontier may be established in American foreign aid by a reorientation of its use. We need to think less exclusively in terms of economics alone, to the relative neglect of matters of equalitarian reforms, more democratic educational systems, improved tax structures, and the like. Within the economics sphere, economic development is advanced not only by improved techniques, but by measures to broaden the domestic market for goods above the level of bare substance needs. And within the field of techniques, investment may be made not only in machines, but in men and even in institutions conducive to efficiency.

I have held that greatly increased attention to how our foreign aid affects the common man would win approval in the less developed world, and we should not hesitate to make this orientation of the program and its specific details amply evident.

Finally it appears to be very probable that genuine economic productivity would be enhanced, rather than sacrificed by increased attention to the social and political matrix in which production goes forward. Looking at the American economy itself as a model, we should be able to hold forth the prospect to the poorer countries of achieving both higher incomes and a wider and more democratic sharing of material gains. The one development supports the other, and American foreign aid can win the reputation of genuine devotion to both objectives.

PROPOSED CHANGE IN TAXATION OF FOREIGN EARNINGS WILL REDUCE EMPLOYMENT

(By Raymond Rodgers)

One of the principal avowed aims of the new tax proposals is reduction of American private investment in developed countries. But the advocates of these revolutionary changes in our system of taxing foreign earnings have conveniently chosen to disregard the heavy cost, economic and social, in increased unemployment.

It is an economic truism that jobs depend on investment. And, in today's world, this includes foreign as well as domestic investment. It follows that to the extent foreign investment is reduced, domestic jobs will be reduced. In fact, the reduction in employment will be even greater than the reduction in foreign investment because of the multiplier effects, as is easily seen when economic analysis is substituted for special pleading.

Reduction in foreign investment means decreased exports of machinery, equipment, and other capital goods. This, in turn, means decreased activity in production of producers' capital goods, with consequent decline in employment in the capital goods industry.

THE MULTIPLIER EFFECT

Capital goods exports create employment, and thus purchasing power, without adding to the goods pressing on the domestic market. Market disorganization and cutthroat competition are thus avoided and jobs preserved. In short, those employed to produce the capital goods obtain purchasing power which, when spent, creates employment in other industries, particularly the soft-goods and service industries, which in turn creates new purchasing power and, thus, new employment.

LARGE LABOR ELEMENT IN CAPITAL GOODS

As the labor element in capital goods is large, any adverse effect on such production has a disproportionately large adverse impact on employment. In other words, raw materials are a relatively small element in the cost of capital goods, and wages are high in these industries. As a result, the purchasing power—ultimate, as well as immediate—flowing from capital goods production plays an important role in the creation of sound employment opportunities.

A further effect of a decline in direct investment abroad would be a decline in the exports of replacement parts and of semi-finished goods for assembly or further processing by foreign subsidiaries.

So, even though the decline in foreign investment should prove to be relatively small, it would have a serious impact on employment opportunities in the United States. That is, the decline in total demand for goods, hence in employment, would be much greater than the amount involved would indicate.

EFFECT OF INVESTMENT ON ECONOMIC GROWTH

The free flow of American private capital into foreign investment opportunities tends to increase the productivity of capital the world over. As for the United States, comparatively speaking, a capital surplus nation, a transfer of capital to take advantage of an investment opportunity in another country would cause a much greater increase in productivity in that country than the resulting decline in this country. This increases total productivity and strengthens the free world, without Government gift or increased taxation. Private foreign investment thus has a direct effect on economic growth and creation of the jobs so sorely needed in so many countries throughout the free world.

EFFECT OF INVESTMENT ON EXPORTS

The direct connection between private foreign investment and exports was spelled out 2 years ago by Mr. Philip Cortney, chairman, U.S. Council, International Chamber of Commerce, in these words: [1]

"Between 1950 and 1957, direct private oversea investment by American concerns grew by 114 percent and our exports increased by 93 percent. During this period, U.S. manufacturing investment in Great Britain rose by 112 percent and our trade with that country went up by 116 percent. In the Union of South Africa between 1950 and 1957, our manufacturing investment rose 122 percent, and our exports by 136 percent. In India the increases, respectively, were 125 and 103 percent."

The plain fact is that direct investments increase living standards in most countries. The resulting increased industrialization of these countries produces higher disposable income, which, of course, means greater spending. It follows that the higher the degree of industrialization, the greater the per capita value of the foreign trade of a country. Thus, Canada, with a 1957 per capita income of $1,899, took $235 of U.S. exports per person; Japan, with average income of $307, took $14 per person; and India, with average income of only $68, took only $1.10 of U.S. exports per person.

The favorable effects of increased private investment abroad on U.S. employment has long been recognized by American labor. As Mr. Stanley H. Ruttenberg, director of research, AFL–CIO, puts it: "The AFL–CIO has consistently supported efforts to encourage U.S. private investment abroad within the context of economic and political realities." [2]

And as Mr. Robert R. Nathan, who certainly is no foe of organized labor, puts it:

"Insofar as the U.S. economy is concerned, much of our foreign private investment does seek to assure continuing and growing supplies of essential materials. Further, it develops markets for American equipment and other capital goods. The export of capital goods is self-generating in terms of future markets, both with respect to maintenance and replacement and also creating a growing and continuing interest in American equipment." [3]

Clearly, if as commonly agreed, exports create American employment, anything which will interfere with those exports will reduce jobs. And that is exactly what the proposed tax changes will do. The sequence is simple and inescapable: reduced foreign investment; reduced exports; reduced jobs.

PERMANENT CHARACTER OF EXPORTS BASED ON DIRECT INVESTMENT

Exports based on direct foreign investment are the most dependable and permanent of all exports. Patent protection, licensing agreements, accumulated know-how, and the well-worn channels of past business relations, all guarantee that replacements of parts, additions, and subsequent modernizations will come from the country which made the original investment. Direct foreign investment thus not only creates jobs when the investment is made, it is a continuing source of jobs.

In addition to the jobs directly created, foreign investment indirectly creates jobs on a broad scale. There can be no better advertisement for American labor and capital than American plants and machinery producing for foreign customers in their own country. The resulting increased purchases of capital goods and other American products mean additional jobs for American labor.

EXPORT EMPLOYMENT ESPECIALLY NEEDED

A word about the nature of our unemployment problem will show the critical importance of the increased jobs arising from foreign investment.

In the field of services, employment has risen continuously in recent years. On the other hand, in agriculture the decline in employment has been pronounced, and increasing mechanization will cause the trend to continue.

In manufacturing, although there has been an increase in nonproductive workers (research, clerical, and so forth), there has been a marked decline in the number of production workers. Fortunately, it is these very jobs—in production—that are created by exports. In short, exports not only create job opportunities, they create them exactly where they are needed the most.

CONCLUSIONS

1. Reduction in foreign direct investment will reduce exports [4] not only now but "forever after."

2. Reduction in exports, particularly of capital goods, will reduce jobs not only now but "forever after."

3. The reduction in jobs will be proportionately much greater than the reduction in investment.

4. The tax proposals are deliberately designed to decrease investment in the most economically advanced countries and they are, by far, our best customers.

5. To sum up, in addition to their many other serious shortcomings, the new tax proposals would destroy jobs of American workers.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include five study papers by Messrs. Triffin, Salera, Schmidt,

---

[1] "The Effect of Private Foreign Investment on U.S. Employment, Profits, and Markets." Hearings before a subcommittee on the Committee on Banking and Currency, U.S. Senate, July 13, 14, and 15, 1959.

[2] "The Effect of Private Foreign Investment on U.S. Employment, Profits, and Markets." Hearings before a subcommittee of the Committee on Banking and Currency, U.S. Senate, July 13, 14, and 15, 1959.

[3] "The Effect of Private Foreign Investment on U.S. Employment, Profits, and Markets." Hearings before a subcommittee of the Committee on Banking and Currency, U.S. Senate, July 13, 14 and 15, 1959.

[4] It has been estimated that as much as 25 percent, or $5 billion, of our exports arise from the direct and indirect effects of our private direct foreign investment.

Ellis, and Rodgers, and other extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consen that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CONTE. Mr. Speaker, I rise today to address myself to a subject of critical importance to the well-being and economic health of this country and the American people. As grave as our international problems are on the military and diplomatic fronts, I speak today of the international commercial relations of the United States and the dual role we must follow in tariff policies—on the one hand to encourage the gradual reduction of tariff barriers in other countries, thereby removing obstacles to U.S. manufacturers abroad, and on the other hand, the pursuit of policies to keep U.S. products competitive by our awareness of problems caused by the effects of foreign competition on our domestic industries. Every aspect of our international commercial relations must be examined before we formulate a policy for the betterment of us all in the years ahead.

I think this House is aware of the harsh retaliatory policies and the economic warfare of the most lethal kind being waged by the Communist-bloc countries, and it may well be that we will face a slowdown in our productive capacity and expansion unless we are prepared to propose a foreign trade policy and summon initiatives which will result in strengthening our international economic relationships.

During the decade of the 1960's, it is more important than ever before that the United States meet the economic challenge as leader of the free world. We can do this—not by waiting for events to overtake us—but by initiative and farsightedness in pursuing policies which will not only maintain for the American people the highest standard of living in the world—but policies which are designed to improve upon that standard.

The current trade agreements program which is scheduled to expire on June 30, 1962, is the cornerstone of our foreign trade policy. Because of the changed economic circumstances throughout the world today and the complexities of trade, the administration should immediately give the highest priority to legislation establishing a framework for renewal of the reciprocal Trade Agreements Act. This current program, which will run out on us next year, has been the basis of our trading relations over the past quarter of a century, but the time is ripe for its renewal in a form which meets the demands and challenges of the second half of the 20th century—in fact, any decisions we might make on this program are vital to our very existence as a nation and vital to our role as leaders of the free world.

In the opinion of many of us, the time we have for study is extremely limited—we have less than a year in which to analyze, evaluate, and fashion policy instruments to meet the pressures from domestic and foreign markets and carry us successfully through the sixties.

It has been disappointing to me to find that the administration has not already taken a careful look into this situation and put forward recommendations favoring the expansion of reciprocal international trade agreements. Does this mean, I wonder, that the administration is not aware of the problems involved here? Congress has been called upon to enact a massive foreign aid program and the administration has given every sign of encouragement to other Western nations to form their own trading groups—all this has taken place without acknowledging that at the same time any expected beneficial effects resulting from these measures can well be diminished by a sharp reduction in trade because of retaliatory restrictions imposed against our imports and by unhealthy cutthroat competition.

The American consumer is being asked to pay a high price for the protection of some domestic industries—not only in monetary terms, but also in terms of selection and quality. Therefore, the consumer—supposedly the beneficiary from this protection—becomes in essence the benefactor.

On the broader view of the world scene, if those forces at home who rely on inflated, unrealistic prices as a means of protection are successful in this international trade struggle, it will mark the beginning of a new American policy destined to commence the second era of isolationism.

Since the end of World War II, our goals have been to create an image—and indeed, the reality of specialization for progress among the nations of the free world. We have pursued policies not only of mutual security and military alliances, but also policies designed to bring about free and expanded trade among nations who are geographically linked together. Many of us welcomed the encouragement given to the trading blocs in Western Europe where tariff barriers are being reduced and economic regionalism is becoming a reality—we should welcome too, the initial projects to commence a trading area in the South American states and the discussions among the African nations to form their bloc. All these projects are in their infancy, but they do represent a challenge to American products in the years not too far distant. Whatever the challenge, I believe it is important that we have given this encouragement as a means of bringing economic and social stability to these regions. But yet, recognizing as I do that the growth of these regional groupings is of prime importance to world economic progress, is it not also a challenge to our own domestic products and our ability to compete and share in this expanding market? If, as I say, the protectionist forces at home win this battle, it will end in economic disruption throughout the free world because of retaliation against our exports by these trading blocs and, in fact, we shall be doing irreparable harm by pricing ourselves out of the market.

Now, with regard to the balance-of-payments problem, I am happy to note that the situation is indeed more encouraging and the trade balance is in our favor. Nevertheless, we must not let up in our efforts to retain this desirable position. It is imperative that we keep our Federal expenditures at a minimum level and avoid inflationary deficit spending. We must, in addition, impress the facts of life upon our allies such as Japan, West Germany, and the other countries of Western Europe who are prospering and growing economically. After all, it has been with our valuable postwar assistance that they have been able to show this tremendous progress in expansion. They will have to continue to assume a greater share of the burden of financing aid programs for the underdeveloped countries of the world.

In a world in which market mechanisms—prices, exchange rates, and interest rates are working once more—the long insulation of the United States from the discipline of the balance of payments has come to an end. Today the United States, however highly endowed and productive, can no longer conduct its domestic financial affairs without regard to its ability to supply goods and services at competitive prices, to maintain interest rates in line with those in the principal markets abroad, and to preserve a feeling of complete confidence in its currency by its own people as well as by foreigners.

The administration must now face the struggle over trade. It is not a decision which can be put off indefinitely—it must be faced now with plans for export promotion and the courage to deal with the problem of import competition. To this extent, if we are to participate in the more difficult trade negotiations in the years ahead, our trading agreements should be designed in such a way as to give tangible evidence to our trading partners that we are willing to compete freely with them, thereby reducing the possibility of having retaliatory measures invoked against our exports.

In short, it is about time the administration abandoned the false signal of the great depression and dropped the false idea that our country can proceed without regard to economic developments outside our borders. We must take all possible steps to help American business improve our competitive economic posture and, above all, make certain that international confidence in the dollar is maintained. The time is long overdue for progressive reevaluation.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. ADAIR] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ADAIR. Mr. Speaker, it is particularly timely that we undertake this

discussion of unemployment and the challenge of foreign economic competition just as the House is about also to begin consideration of the new foreign aid bill. In a number of instances, our aid has been used in such a manner as to stimulate foreign competition. This has happened, for example, by our assistance in the construction of new powerplants, by our making possible the acquisition of more modern machinery and equipment and by our supplying raw materials. All of these things certainly have an effect upon our economy, upon our industrial production, and, consequently, upon our employment.

In the paper prepared by Prof. Virgil Saler, of Alameda State College, he indicates that there is no easy answer or set of answers for this and related problems and goes on to add "nothing less than an understanding of the whole fabric of American society, especially as it affects America's role in the world's economy, is involved." Certainly, in this day of increasing competition for the markets of the world and the relations which do exist between our trade policies and our foreign policies generally, we must, as the professor says, look at the whole situation, but at the same time be mindful that we, as elected legislators, have a direct and primary obligation to our own Nation and our own people.

I find among reputable economists considerable differences of opinion as to the status of the booming economy of such countries as Germany and Japan. Some take the view that this is a continuing thing and that their economies are likely to continue to flourish and improve in the months and years ahead. Others feel that they have reached the end of their period of easy progress when they largely supplied a demand which was created as a result of World War II and that from now on they will find themselves increasingly in the situation in which the United States is discovering competition for the markets of the world to be more and more keen and difficult. The fact that we were able to satisfy the post-World War II demands earlier than our principal industrial rivals probably makes our situation more acute. Nevertheless, with unemployment at its present level and showing little tendency to recede, it is essential that this problem be studied with the utmost care.

Two of the factors which must give us particular concern are the high wage level in the United States and the flight of capital and industry to European nations where they find the tax and wage structure much more attractive. Of course, the high wages paid in this country have been offset by the greater productivity of the American workingman and the ingenuity of management in providing new and better ways of doing things. Without these two factors, we would be at a much greater disadvantage in the field of international trade.

Professor Salera, in his paper, suggests that our economy has been suffering from what he refers to as essentially false signals. Two, he says, stand out—the signals from the great depression and the signals from the postwar sellers' market. He feels, as a reading of his paper will disclose, that these have tended to confuse and perhaps mislead our legislators and our economists. Whether we agree with him in this position or not, it at least gives rise to stimulating reflection upon the problem of unemployment as related to international economics. My own personal view is that, as stated previously, we do have a prior obligation to the people of our own country and must keep that in mind as we deal with these problems.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. SIBAL] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SIBAL. Mr. Speaker, I want to express my great satisfaction at the opportunity of taking part in Operation Employment. This program well illustrates the positive approach of the Republican Party to the grave economic problems of the Nation. I want to congratulate the gentleman from Missouri [Mr. CURTIS], and the gentleman from Arizona [Mr. RHODES], for their leadership in organizing and directing the program. I am proud to join them and the other distinguished Members who are contributing to this valuable study of the Nation's economic problems.

America today is in a new position in relation to the rest of the world. This position is as challenging as it is unique—and as dangerous as it is challenging. Clear vision and cool heads are required .

Our onetime dominance of world markets is melting under extremely effective competition from abroad. At the same time, the demands of underdeveloped countries are growing. Thus, our resources are being strained from abroad in two directions—the loss of markets to effective competitors and the drain of increased assistance to underdeveloped countries.

We also must support the enormous costs of a huge Military Establishment and we are faced with proposals for heavy increases in various Federal assistance programs at home. A rising problem of chronic unemployment and an unfavorable balance of international payments underscore the strains which are laid on our economy.

The need for balance in our domestic and international economic policies is so clear that every level of Government must apply itself to developing a program, which will in fact be balanced. Our task is a heavy one and the odds are great—we must, in effect, retool the great engine of our Republic and free economy to enable us to complete this task.

Industry and labor, as well as Government, must plan their programs intelligently with a full understanding and consideration of what their impact will be on our economy, the economies of other countries and the vitality of free government, free business, and free labor.

While domestic policies cannot be made without considerations of what effect they will have on our positions in the world, the time has come for us to realize fully that the strength of America cannot be sapped any further by governmental attitudes that do not give enough weight to the problems of the American producer. As Professor Salera suggests in his paper, we must base our policies on a clear understanding of what our position really is in the world of international commerce.

America is a giant whose every move is felt around the world. It is particularly incumbent upon a giant to move with balance and caution. I fear we have not always done this but that too often we base our positions and movements on political and economic conditions of the past—conditions that no longer apply to the present and the future. As policies that were designed to combat a great depression are invalid 30 years later—especially when they were not successful in the first instance—so policies formulated in a world dominated by the spectacular growth of the American economy are not valid in a world reborn with highly competitive production and marketing techniques—a world in which we are not so dominant. The fact that America's awareness of its responsibilities to others and its willingness to meet these responsibilities has made possible the recovery and speeded up the development of many of these countries in no way lessens the problem. In fact, as I noted above, our success in restoring many war-shattered economies has increased the demands that we do likewise for others.

Our friends in the world, while understandably concerned with their own well being, must understand that an economically strong America is the keystone of the free world and, therefore, essential to their own security and continued prosperity. In insuring our economic health we are meeting our basic responsibilities not only to ourselves but to all people in the world who look to us for strength and leadership.

Our Government, in coordination with business and labor, must insure our position in the world economy. We in government cannot be indifferent to foreign investment; we cannot be indifferent to inflation; we cannot be indifferent to high taxes which lead to cost pressures and which detract from our ability to compete in export markets.

Business cannot be indifferent to its responsibility to provide increased productivity, better products, better salesmanship.

Labor cannot be indifferent to its responsibilities to provide a better life for itself, not primarily on political power, but rather on its productivity and the quality of its workmanship.

Let us then adjust to reality, adapt our governmental policy to enable our businessmen to compete for and capture their just share of the world market. The challenge is rising constantly and time is growing short.

Great Britain has just announced its application to join the European Common Market—the Inner Six. And with

her will go, in all probability, the Outer Seven.

This will create a 13-nation bloc of some 300 million people, highly civilized and skilled in industrial techniques with nearly unlimited capacity to mount an economic challenge East and West. It was a revolutionary decision for the British to make. It is a historic break with the ancient tradition of island aloofness from the economic affairs of continental Europe. It poses a serious threat to the United States, unless we can regear our trade and tax philosophy. Great Britain has recognized her changed position in a new world and taken steps to adjust. We must do likewise.

In coordination with business and labor, our Government must move to insure our position in the world economy. We must make it easier for our industry to do business in the world market, not more difficult. We must demand of business and labor the highest degree of workmanship. Every American must tackle his work as if he were making the product for himself. Government must permit business and labor to reap the just rewards of their endeavors. Business must concern itself with the prosperity of labor and both must realize they are dependent on each other. Both must also recognize the problem of Government, which is charged with the responsibility of guiding the Nation in a complex world. All three elements, business—by which I mean capital and management—with labor and Government, are in fact, interrelated. All are Americans and all should work for the benefit of the whole country. Each, in a sense, is the servant of the other. Each has obligations to the other, and each has rights due from the other.

In this spirit, with encouragement from Government, and fair shares of the Nation's wealth for all, business and labor in farm and factory can meet any challenge in the world—whether the hostile attack of world communism or the friendly, though earnest, challenge of our friends.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. REIFEL] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. REIFEL. Mr. Speaker, this is one of several addresses before the House of Representatives in a series of reports entitled "Employment in Our Dynamic American Economy." What I have to say is in regard to foreign aid and its impact on employment in our economy.

The paper, "New Directions in Foreign Aid," by Prof. Howard Ellis of the University of California, presented as a part of the record in this discussion offers some proposals on which I should like to comment.

The principle of foreign aid as an instrument of U.S. foreign policy is generally accepted by the Members of this body and by the American people. Americans are a generous people and want to help others who are in difficulty or in need. The question arises on how we finance and carry out such assistance.

However, it is not my purpose here to discuss the present proposal of $8.8 billion requested by the President to be financed over a 5-year period through Treasury borrowing.

Professor Ellis' paper supports the idea of a multiyear or long-range planning approach. With this I am in agreement if it is possible to develop a method of funding that provides an effective degree of congressional control over aid spending.

Net foreign aid expenditures July 1, 1945, to June 30, 1961, according to the Department of Commerce, amounted to $84,079 million.

The State Department has pointed out that most of this has been spent on goods and services here in the United States. They suggest that in the future 80 percent of foreign aid appropriations will be expended in this country. Thus it would appear that purchases in this proportion should have a helpful effect in bolstering employment within the shores of our United States.

However, in this connection it is well to keep in mind, not only in the Ellis paper but also in the current proposals of the Kennedy administration, that our foreign aid, to be effective, must break through the layer of aristocracy of many underdevelopment countries that prevents any sizable impact on the impoverished masses.

Up to the present, outside of Western European countries, it would appear that our foreign aid has been aid foreign to the social, cultural, political, and economic concepts of the underdeveloped countries of Latin America, Asia, and Africa.

Now, if as Ellis suggests, we should shift our attention from economic and technical productivity to the improvement of the social, cultural, and political life of the people with which we join hands this will call for increased outlays in schools, health measures, roads, housing, and the like, and encourage land reforms, an effective political organization, an equitable tax structure, and similar measures. In order to accomplish all this, it appears that much more than 20 percent of foreign aid appropriations will have to be spent in the country assisted and, of course, will not have the contemplated favorable impact on U.S. employment.

We want to help other nations who seek to preserve the freedom of the individual but our foreign aid must not be aid foreign to the capabilities of their people who desire to join us in maintaining a world climate of free peoples. We are yet groping for the proper approach; when we find it, the bulk of the aid will, in the beginning, be spent in the country aided and will add little to increasing our own employment opportunities. For this reason it would appear to me that funding of foreign aid should have considerable congressional control. To the extent that such aid is effective over the long pull, the nations assisted, will then become sources of market for the products of our labor force.

Mr. MOSHER. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Ohio.

Mr. MOSHER. Mr. Speaker, the gentleman from Illinois [Mr. SPRINGER] and I were asked, as our part in the House Republican policy committee's "Operation Employment," to discuss this country's balance-of-payments deficits—with the resulting threat of further loss of our gold reserves—as related to a goal which all of us seek, the goal of improving our level of employment and keeping it high. We were asked to discuss that subject with specific reference to Prof. Robert Triffin's paper on "The International Monetary Crisis," which my colleague already has introduced into the RECORD.

Frankly, as an unsophisticated country newspaper editor who does not pretend to fathom the mysteries of economic theory, and least of all the mysteries of international monetary phenomena, I have had some trouble in establishing any direct relationship between the Triffin paper and our employment problem.

I assure you, however, Mr. Speaker, an important relationship certainly does exist. The universal web of economic and political forces is so tightly woven, and increasingly so, that any change in our international balance-of-payments position, or any change in the degree of confidence with which the world looks upon the American dollar, can quickly affect the level of employment in this country—meaning jobs, or no jobs, for workers in my Ohio district, or in Mr. SPRINGER's Illinois district, and in any of our districts. And it is equally true that any substantial change in the local employment levels in our districts may affect our international balances, and the reputation of the dollar. The pull works both ways, and all the time.

Now, last year's dollar crisis has for the moment subsided. The alarming flow of gold from our reserves has slackened. Our balance-of-payments position has improved.

But for how long? Note well that interest rates have just risen sharply in Britain, and they may quickly attract sizable amounts of short-term capital away from this country. Note also the probability that American defense spending abroad may soon increase. I cannot help but note, with very serious concern, that the number of willing workers who cannot find jobs in my Ohio district persists at a level far too high. A couple of long-established plants there have just closed down forever. And others are operating on a very marginal basis.

These, I submit, are among the variety of signs which warn us there might soon be another raid against the dollar. And any run on the dollar that gains much momentum could be catastrophic in its effect on every phase of our national life and the strength of the entire free world, including the employment situation in my district, and in your districts, gentlemen.

Professor Triffin performs an important service in emphasizing that this

threat is heightened by weaknesses in the international monetary mechanism itself. One does not have to endorse the specific plan he suggests—which in effect is the creation of world central banks—to agree with him nevertheless that somehow the nations of the world must establish a more adequate credit apparatus, better capable of serving deserving countries (including our own) when they face crises in adverse balances of payment, as they inevitably will, as, there may be little doubt, we inevitably will.

Professor Triffin himself recognizes there may be developed other, and probably better, ways of dealing with this crucial problem. And, in passing, I suggest that anyone interested in these possibilities should examine the somewhat less complicated plans suggested by Edward M. Bernstein, Per Jacobsson, Jacques Ruaff, and others. Mr. Bernstein is former Chief Economist for the International Monetary Fund. Mr. Jacobsson is the IMF Managing Director. Mr. Rueff, perhaps the most influential adviser on economic matters to President Charles de Gaulle of France.

Rightly, a great deal of attention is being given to this difficult problem, both by theorists and by men in government alike. And the man out of work or fearful for his job in such troubled towns as Lorain, Sandusky, Norwalk, or Fremont, Ohio, or anywhere in the United States of America, should probably take some comfort in knowing that so much attention is being given to that problem. It is imperative that a world monetary crisis be avoided. Most of us will agree the International Monetary Fund should be strengthened, its reserves increased, its machinery made more flexible and effective.

However, Mr. Speaker, I suspect that even the most clever international machinery such brilliant men as Professor Triffin may devise, in order to save the dollar at the world level, will be futile, except as the dollar is kept sound in terms of what it will buy at the local level, in your home district and mine, in terms of the productive labor an employer can buy for every dollar he pays in wages; and in terms of what a consumer can buy in goods and services with every dollar he has earned in wages.

When the world loses confidence and starts betting against the dollar, that will be a sorry day for everyone. But it is not likely to happen so long as the world sees evidence that our American domestic economy is healthy, and our trade balances are substantial. I emphasize especially the crucial importance of maintaining and increasing our exports, in spite of very stiff new competition from countries whose industrial capacities we have helped to revive and strengthen.

An improved International Monetary Fund could be very helpful in providing the credit arrangements to ease us through an occasional balance-of-payments crisis. But in the long run such arrangements will not save the dollar, or save us, unless we actually and substantially improve our own trade balances. I assume no international credit machinery can operate for long, except on the expectation that any country participating in it will have the ability and the will to bring its foreign transactions into balance sometime, somehow.

Mr. Speaker, here, then, is the crucial question, as I see it. How can we substantially improve our trade balances, our export sales of goods and services, unless and until our price structure becomes more competitive?

It is crucially important right now that American management and American labor—yes, and Government, too—work together, as never before, to cut costs and improve quality, to achieve lower prices and improve our competitive position, to sell in foreign markets much more effectively than we ever have before.

Those somewhat easy postwar days are gone, when the trade competition from other countries was relatively light, and when it seemed we could afford the luxury of wage rates and the price of materials constantly chasing each other up the primrose spiral, even though neither labor nor materials were really in short supply.

That kind of inflation must end. We hear much these days of "gaps" here and "gaps" there. I suggest a most deadly dangerous gap is that which exists between our American production costs and equivalent costs in the countries which will now more and more vigorously compete with us in the world markets. Either we lessen that gap, by increasing our competitiveness, or our balance of payments position inevitably will worsen and the American dollar will be in serious trouble again. That would mean a sickening domestic economy and loss of jobs. It could also mean a world crisis, because our dollar is a basic currency in world trade. It could seriously threaten the security of the Western nations.

Is it not then, in effect, suicidal, under present circumstances, for us to talk of any new fringe benefits, or of higher wage rates, or of shorter hours at the same pay, unless they actually will result in substantially increased productivity? Is is not equally suicidal for us to raise prices on either raw materials or finished goods? To achieve the expanded economy, and especially the expanding export sales our national self-interest demands, it is imperative that we in America now maintain a long period of price stability; that, plus accomplishing rapid technological advances. I submit there is no other way we can continue to compete effectively in world markets.

And by those means, too, we will improve our employment situation. The other way, the inflationary road, by which we continue to price ourselves out of world markets, that way we strangle our own economy; it means economic suicide.

President Kennedy indicated a certain recognition of these facts when on February 6, is his message to the Congress, he said:

> The first requirement for restoring balance in our international payments is to take all possible steps to insure the effective performance of our own economic system—to improve our technology, lower our production and marketing costs, and devise new and superior products, under conditions of price stability. * * * A dynamic economy producing goods competitively priced in world markets will maintain the strength of the dollar.

And later in that same message, the President said:

> Our export promotion efforts, no matter how well devised or energetically pursued, will not be effective unless American goods are competitively priced. Our domestic policies—of Government, of business and of labor—must be directed to maintaining competitive costs, improving productivity and stabilizing, or where possible lowering, prices.

Mr. Speaker, those were wise words. Mr. Kennedy stated there, on February 6, exactly the formula which the world economic situation demands of us, if we are to protect the American dollar, create more American employment and protect the free world from financial ruin.

It is a formula even more timely today, some 6 months after he stated it. But many Members of this House, on both sides of the aisle, are rightly concerned because the President, in the specific measures he has been urging upon us, has seemed to forget that imperative necessity to keep production costs down, to keep prices stable, and to improve our competitive position.

Mr. Speaker, in summary, I call your special attention to one of the recommendations recently proposed by the Research and Policy Committee of the Committee for Economic Development. These distinguished economists say, in part:

> New attitudes, new expectations, and new policies about prices and wage rates are required of American business and labor. The United States is not a closed economy. It competes with others and it must adapt its price-wage policies to the competition it meets in foreign and domestic markets. Specifically, this means that in order to get and keep markets some part of the benefits of higher productivity will have to appear in the form of lower prices. All the benefits of higher productivity cannot be swallowed up in higher money wage rates. The real gains from higher productivity will, in any case, emerge largely in higher real incomes for workers, who constitute the bulk of the consumers. But taking too much in higher money wage rates causes not only inflation at home but an intolerable burden on the international financial position. Labor has learned this lesson in European countries that have experienced balance-of-payments problems. The lesson must be learned here.

And, finally, I also suggest there is wisdom for us in this statement by Arthur F. Burns, formerly Chairman of President Eisenhower's Council of Economic Advisers:

> Unless the Government moves prudently in increasing the money supply and its own rate of spending; unless trade union officals keep their demands for wage increases from exceeding improvements in general productivity; unless the Government refrains from passing laws that raise wages or prices; unless business firms and trade unions join in efforts to remove restrictive labor practices and the featherbedding in which both executives and workers sometimes indulge; unless the Government reforms our tax system in the interest of stimulating greater effort, more productive investment, and higher

efficiency; unless businessmen innovate vigorously and lower prices whenever possible; unless these things are done, and a liberal policy toward imports is continued, we will not avoid new and successive rounds of inflation.

Gentlemen, our balance of payments and world trade problems, and our employment problems, are directly related. I suggest they will be solved not so much by any measures we may vote here in the Congress, as by voluntary, enlightened self-restraint on the part of business and labor leaders determined to build us a sounder economy, a higher level of employment and living standard—not by forcing wages and prices higher, but by increased productivity, and by passing on the fruits of that new productivity in lowered prices and increased competitiveness. That way, I am convinced, everyone will gain the most, including steady employment, and our whole Nation will best be strengthened.

Mr. Speaker, that is not the easy way. In fact, it is the hard way. It will require an unprecedented degree of disciplined restraint by management and labor in cooperation; it will require constant encouragement from Washington. It will take a long time. But I submit it is the only way—consistent with our belief in freedom—the only way by which this Nation can survive in the world's markets. And, if we do not compete successfully in those markets, then our domestic economy will surely wither, and job opportunities will be fewer and fewer.

Mr. SPRINGER. Mr. Speaker, may I make an observation on the gentleman's excellent dissertation on the whole question of what he is faced with locally in his own community on the entire question of employment? The observation is this, and I quote only what the distinguished majority leader in the other body said at the international conference in Guadalajara, which I attended in Mexico last February:

As of this day there are no typewriters manufactured in the United States.

When questions were put to him as to why that was, he said it was because of the attractiveness for capital abroad, the fact that they could compete easier by manufacturing American typewriters by American companies in other countries, because the conditions there for making a profit were better than in this country, and interest rates were more attractive for capital to go there. All of these things had a great deal to do, not only indirectly, but directly with the number of people who are walking the streets today seeking a job. May I say that as far back as 20 years ago we manufactured most of the typewriters in this country, not only for home consumption, but we manufactured most of the typewriters that were used throughout the world.

Mr. Speaker, I use typewriters as only one example because of the fact that we have not been able to compete in the world market with other countries in production with countries which can manufacture more cheaply. But I think more important has been this question of balance of payments, because capital has been on a flight abroad where the conditions for attractive capital have been better than they have been in this country.

Mr. MOSHER. I thank the gentleman from Illinois [Mr. SPRINGER] for this very valuable comment. It is most apropos.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I would be happy to yield to the gentleman from New York.

Mr. LINDSAY. Mr. Speaker, I am very pleased to join with my distinguished colleagues in bringing the reports of Operation Employment to the attention of the Congress. I particularly would like to commend the gentleman from Missouri [Mr. CURTIS] and the gentleman from Arizona [Mr. RHODES] for their efforts on this project, and, of course, my friend and colleague, the gentleman from Illinois [Mr. SPRINGER], for his efforts today to explain what we are trying to do.

Mr. Speaker, it is clear that basic to what has been said here today is that a healthy, prosperous American economy is essential to a successful foreign aid program. It is important that we determine the strategies that will guide our foreign aid program in such a way that the program will not impair the strength of our own economy. In the past I have been a strong supporter of the concept of foreign aid, both military and economic. This is not to say, however, that I do not recognize the shortcomings of these programs and the continual need for our reexamination and reevaluation at all times.

For example, we are all aware of the continuing need to improve our dollar balance. It is questionable whether over a long period of time our Federal Government should advance more dollars through our aid programs than private industry is capable of redeeming.

It is important that wherever possible and reasonable our development-lending and grant-in-aid programs be tied to the procurement of goods and services of U.S. origin. Failure to press this point wherever and whenever it can reasonably be pressed can in the long run have a harmful effect on American employment, which is the subject of this special study. With less than 80 percent of our industrial capacity now in use and approximately 7 percent of our labor force unemployed, we can ill afford to overlook measures which will foster continued growth and combat unemployment.

Much can be done immediately to better our foreign-aid programs. First, the administration of these programs can and must be vastly improved. The caliber of personnel must be strengthened. Direction and control must be tightened; responsibility pinpointed. Less money can be spent more effectively, with better results than we are getting now.

Mr. Speaker, when the foreign aid bill comes to the floor I intend to have much more to say about foreign aid in general. Meanwhile, it behooves all of us to widen our knowledge and to examine the wealth of writing that exists on the subject.

In his paper entitled "New Strategies in Foreign Aid," Prof. Howard Ellis makes some interesting suggestions on how we might spend less on our foreign aid programs and make more effective use of the moneys we do spend. I do not subscribe to all of Professor Ellis' views, but I commend his paper to the attention of the Congress as a good example of what Operation Employment is trying to accomplish.

Mr. SPRINGER. In my remarks I pointed out that our favorable balance of payments had run on an average of $5 billion or a little over in the past 10 years. We have been paying out in foreign commitments an average of $4.7 billion. This leaves an average balance of about $300 million in the last 10-year period.

Is it not the gentleman's opinion that it is necessary, if we are to continue to have a favorable balance of payments, that we employ all our own people locally and that we continue to be able to export approximately 10 percent of all the goods in this country, and that we have a favorable balance of trade if we are to continue to help the world, especially if the economic situation is such that we must sustain this loss of about $4.7 billion a year in foreign aid?

Mr. LINDSAY. The gentleman is correct. We must weigh conflicting values and determine priorities. The gentleman correctly stated that the economy must be strong enough to take the offsetting pressures that are incurred by any foreign aid program, be it a grant-in-aid program or a lending program. Unless the American economy itself is strong, the foreign aid program carries little utility so far as other countries are concerned. This is not to say that the program should be curtailed. It should not be. But at the same time, there are a great many steps that can and should be taken to see to it that over a long period of time the balance-of-payments problem does not rise up to overwhelm us.

We can take a lesson from what is happening in Great Britain today. I note the difficulty the British are having with their own balance-of-payments problem. It has suddenly seemed to overwhelm the British Government, and they have had to adopt a strict austerity program. They have to do it in several ways, chiefly by adopting programs that will espouse and foster exports. They must export. If they do not export, their country will not continue to thrive.

At the same time intelligent economists in Great Britain realize that they cannot adopt restrictive trade policies and that they must have free competition. This is one reason why there is such pressure for Britain to join the Common Market, and indeed it will. Britain also realizes that foreign aid must continue. We in this country in the long run are going to be faced with the same thing, being sure at the same time to keep open avenues of trade and communication. Foreign-aid programs

intelligently handled can create employment in this country and create exports from this country, but unintelligently handled they can create troubles from which we will find it difficult to recover.

Mr. SPRINGER. May I ask the gentleman if it is not the situation in Britain today that, due to the history over the past several hundred years, most of these exports have gone into what have commonly come to be known as their colonial possessions, and many of those are now adopting trading policies with other countries, with the result that Britain, due the fact that she has been losing jobs at home because of this restrictive policy that you are talking about, has, in effect, driven her to the Continent, where generally she has not been considered a serious trading partner.

Mr. LINDSAY. The gentleman has correctly stated the proposition.

Mr. SPRINGER. One of the things, I will further state to the gentleman, on this whole question of foreign trade is the flight of capital from this country. One of the restrictive policies of the Government has been the low interest rates which has not made it possible for capital to compete with the money markets in other countries. The interest rates in various countries of Europe, with the exception of Switzerland, have been generally higher, with the result that capital has gone abroad to create jobs for people in those countries when, as a matter of fact, that capital, if at all possible, should be kept at home and reinvested in industry here to create jobs for our own people.

Mr. LINDSAY. Again the gentleman is correct. Of course, this is precisely the problem that the British are faced with.

THE PROBLEMS OF THE TEXTILE INDUSTRY ARE NOT SOLVED YET

The SPEAKER pro tempore (Mr. O'BRIEN of New York). Under previous order of the House, the gentleman from South Carolina [Mr. HEMPHILL] is recognized for 60 minutes.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, I continue today a series of talks I have been privileged to make before the U.S. House of Representatives on the subject of the textile problems of my area and other areas of this Nation.

We have been gratified that the great President of the United States has seen fit, in his wisdom and judgment, to recognize the problems of the textile industry and to try to do something about them. I, for one, am very happy that the President has taken this attitude because during the campaign of 1960, when the President made the statement in the textile areas that he was sympathetic to our problem, many of the doubting Thomases came up and said that nothing would be done. Something has been done and we hope more will be done.

In the first month in which I was privileged to serve in the Congress of the United States, in January of 1957, I wrote to the various textile people in my area, and told them they were barking up the wrong tree in depending on the administration of that time, and in depending on the Department of Commerce and the Department of State of that time to give us some relief. Those people assured me they would get relief under the administration of that time, and yet for 4 long years we knocked at the door of that administration in vain. During those 4 years the textile problems increased and unemployment in the textile industry increased. We, in the textile areas, came to view with increasing alarm the situations over which, apparently, we had no control because we had no sympathy from that administration in those days nor the sympathy of the various department heads such as the Department of State and the Department of Commerce.

Now that President Kennedy is trying to do something about this, we expect and we believe he will do something. We say to those who are his critics that for 4 years—yes, 8 years you waited for some action and today, at least, you are getting some action. Now, perhaps, it is not the action we want, but we have hope now that since we are getting some action that eventually these problems will be solved under the guidance of the present administration.

Not long ago, there took place in Geneva, Switzerland, a great meeting. Some had expressed no hope in that meeting. Some had expressed great hope.

We who were not invited nor privileged to attend waited to see what would come of that particular meeting. I have here in my file the summary of that meeting from the American Cotton Manufacturers Institute, Inc., giving a summary of what happened with reference to the Geneva Textile Agreement, and under permission previously given I set it forth at this point in my remarks.

(The matter referred to follows:)

THE AMERICAN COTTON MANUFACTURERS INSTITUTE, INC.,
Charlottle, N.C., July 27, 1961.

To Members of American Cotton Manufacturers Institute, Inc.

GENTLEMEN: The State Department yesterday released the text of a proposed international cotton textile agreement reached in Geneva last week. It is an accepted conclusion that the agreement will be approved by the 16 participating countries, thus making it an official agreement to which our Government is a party. The agreement involves a short-term and a long-term approach.

1. THE SHORT-TERM PLAN

The concept of the 1-year agreement, which began on October 1, 1961, is that (a) Countries (primarily European) which now restrict imports from low-wage countries such as Japan, Hong Kong, India, and Pakistan, will increase their imports from these countries to an agreed-upon percentage of domestic production; (b) In return, these low-wage countries when requested to do so, will limit their exports to countries which do not restrict, such as the United States and Canada; (c) The importing countries, such as the United States, will not request limitations beyond the prescribed level. (Explained below.)

During the 12-month period, if shipments of cotton textiles from a participating country cause or threaten disruption in an importing country's markets, the latter country may call for limits by the exporting country for any or all of the 64 categories of cotton products specified in the agreement. The requested limitation may not be lower than the level existing during fiscal 1961 (The 12-month period ending June 30, 1961.) (Note: Imports into the United States during this period were approximately 20 percent below the level for the calendar year 1960—but still substantially in excess of industry recommendations.)

If, within 30 days the exporting country refuses to comply, the requesting country may take unilateral action to limit the imports in question.

The agreement provides also—

(a) For dealing with undue concentrations of particular items within categories. (Example: The agreement includes two categories of sheeting—(1) combed and (2) carded. But there might occur a concentration on a certain type of sheeting, such as soft filled.)

(b) For dealing with imports of nonparticipating countries.

(c) For dealing with substitution of directly competitive textiles, such as the products of manmade fiber, wool, and silk.

2. THE LONG-TERM PLAN

A cotton textile committee, consisting of representatives from each of the participating countries, is to be established and is to hold its first meeting in Geneva beginning October 9, 1961. Its responsibility is to produce by April 30, 1962, a recommended plan for a long-range program to deal with problems of international trade in cotton textiles.

3. EXCEPTIONS

There are two main exceptions to the argument, insofar as action by the United States is concerned—Hong Kong and Japan. In each instance a separate bilateral agreement is being negotiated.

In the case of Hong Kong, the objective is an agreement for them to reduce exports to the United States by 30 to 35 percent below the 1960 level. In the case of Japan, the objective reportedly is to increase their quota by approximately 5 percent above the present level of the Japanese voluntary agreement. This increase presumably will be offset by Hong Kong's reduction below her fiscal 1961 level.

Nothing in the agreement restricts action on any other point of the President's seven-point program for textiles. The U.S. industry advisers at Geneva were particularly concerned that the agreement should not preclude action on the industry's OCDM case, or on point 4 of the President's program, which calls for eliminating or offsetting the disparity existing between the United States and world prices for cotton. Specific assurances were received on these points.

4. SUMMARY

Stripped of its diplomatic language and legal overtones, the essence of the agreement for the first year seems to be that where market disruption is involved (as loosely defined in the agreement) the President is given authority to limit imports into the United States down to the level for fiscal 1961. He can act on the basis of market conditions here, without hearings or formal investigations.

However, his authority to act is permissive; It is not mandatory. Thus, in the

final analysis, the effectiveness of the agreement in holding imports to the fiscal 1961 level will relate directly to administration. If administered firmly, imports could rise very little, if any. If administered loosely, there could be an undetermined increase, except as already indicated for Hong Kong and Japan.

DIRECTORS TO MEET AUGUST 2

As stated in a letter several days ago, ACMI's board of directors will meet in Washington on Wednesday, August 2, to review the agreement in detail, and to make recommendations for future activity on the subject of all textile product imports. There will be another communication to the membership after the meeting.

Respectfully,

J. M. CHEATHAM,
President.

(NOTE.—Members desiring a copy of the agreement may obtain one by writing the institute's Charlotte office.)

Mr. HEMPHILL. Let me just emphasize one thought. In the summary of those agreements we find that the authority given the President to limit imports into the United States is permissive and not mandatory. That means that the burden still rests with the Executive, and the burden will continue to rest with the Executive, to give relief whenever relief is justified and relief is justified now and in the future.

I have here from the Gaffney Ledger, a very fine paper in my district, an article on the cotton textile agreement. It reads as follows:

[From the Gaffney Ledger, July 29, 1961]

COTTON TEXTILE AGREEMENT WELCOMED BY U.S. OFFICIALS

WASHINGTON.—A proposed 16-nation cotton textile agreement, which would curb cotton exports that disrupt markets, was welcomed as a step forward by U.S. officials but drew complaints from Japan for being "one sided."

The agreement, worked out in Geneva last week, was announced by the State Department along with the draft of an agreement to meet both the short-term and long-term problems of the textile industry.

The draft has now been submitted to participating countries for their approval and is scheduled to go into effect October 1, for 1 year.

The draft proposal makes specific provisions for dealing with short-term trade problems and also provides for the establishment of a cotton textile committee which is instructed to develop a longer term solution by April 30, 1962.

Under the short-term arrangement, beginning October 1, a country suffering from unrestricted imports of cotton textiles which cause or threaten to cause disruption of the domestic market may ask the exporting nation to restrain its shipments to a level prevailing for the 1-year period ending June 30, 1961.

The restraints can be imposed on 64 different categories of cotton textiles specified in the agreement.

If agreement on self-restraint is not reached within 30 days, the importing country can take action by itself to limit the imports in question.

This provision was welcomed by Representative CARL VINSON, Democrat, of Georgia, and Representative WILLIAM JENNINGS BRYAN DORN, Democrat, of South Carolina, as an important step toward safeguarding a vital American industry.

The two Congressmen declared this would help the U.S. textile industry in the next year so that it would not be obliged to face an abrupt increase in disruptive foreign competition.

Also, the Congressmen felt it offered hope for a longer term solution to the U.S. industry's problems from abroad.

Japanese Embassy Minister Akira Nishiyama said Japan does not expect the United States to change the draft agreement, but his country feels the agreement shows no trace of the spirit of U.S. free trade policy which the Kennedy administration has said it would follow.

Nishiyama said Japan would like to know to what extent the United States will make a separate agreement with Japan governing the textile trade between the two countries.

There is a provision in the agreement which says that "nothing in this arrangement shall prevent the negotiation of mutually acceptable bilateral arrangements on other terms."

Nishiyama said the draft agreement is one-sided in favor of the importing countries. He said that if there is a threat of disruption in a domestic market, the importing country can in effect institute quotas at the levels which existed in the year ending last June 30.

"The exporting country is placed at the mercy of the importing country," he said. "This is not the kind of agreement we expected."

Besides Japan and the United States, the 16 nations participating in the draft agreement included Australia, Austria, Canada, India, Pakistan, Portugal, Spain, Sweden, the United Kingdom—which also represented Hong Kong—and 5 members of the European Economic Community—Belgium, France, Germany, Italy, and the Netherlands.

Observer nations present included Brazil, Denmark, Greece, Norway, Switzerland, Turkey, and the United Arab Republic.

As I say, Mr. Speaker, that paper is a great paper. The editor, Mr. S. C. Littlejohn, is a great editor, a great Democrat, one of the great friends I have whose life and dedication are inspirational.

But all is not well just because we have had some agreements; all is not well, because I received in my office today, not really expecting it but glad to get the information, from the Textile Workers Union of America, their Washington representative, an article on textile mill employment and production in the United States, July 1961.

It says here that actual physical production has improved, that production worker employment rose to 832,400 in June 1961, from a low point of 806,100 in February of this year. That is good, but it goes on to say, and this is significant:

Note, however, that neither production, man-hours, nor employment have yet reached the June 1960 level.

Therefore the issues and the problems are still upon us; and I say to this House and through this RECORD to the people of this Nation, that these problems will be upon us until either the textile industry is given the role it deserves as part of the American economy, the textile workers are given the consideration they deserve as part of the working people of this Nation, or the State Department in its design to destroy the various segments of American industry is able to sacrifice the textile industry, which seems to have been its ambition, not only last year but also in the years which have passed.

I insert in the RECORD at this point this report from the Textile Workers Union of America.

(The matter referred to follows:)

TEXTILE WORKERS UNION OF AMERICA, AFL–CIO,
Washington, D.C., July 31, 1961.

To Members of Congress from textile districts.

From John W. Edelman, Washington representative.

Re textile mill employment and production in the United States, July 1961.

In this month of July 1961 we report definite, if slight, improvement in the textile products industry.

Production worker employment rose to 832,400 in June 1961, from a low point of 806,100 in February of this year, a rise of 3 percent. Man-hours of work have also shown a considerable improvement as average weekly hours in June 1961 reached 40.3 hours, which was in excess of the June 1960 level of 40.2 hours. The average weekly hours in May 1961 were 39.6. Man-hours rose by 9 percent from January to June 1961.

Actual physical production also improved. The low point was reached in January 1961 and by June production rose 12 percent.

Note, however, that neither production, man-hours, nor employment have yet reached the June 1960 level.

Man-hour productivity continues to rise in the industry. In the first quarter of 1961, square yards per man-hour were 16.2, which compares with 15.4 for the year 1960 and 15.0 for 1959. These advances indicate that the rate of increase in productivity probably will exceed 5 percent this annum.

Industry sales have also continued to rise. Sales were at their lowest point in January, $1.08 billion. By April they had increased to $1.18 billion. It is likely that by June they will have exceeded $1.25 billion. Inventories at the manufacturer's level have also risen slightly, so that there is a continued stimulus to production. In April the value of inventories was $2.78 billion, having recovered from the low point of $2.64 billion in October 1960.

The sales of cottons were stalemated as producers sought to gain an increase and the buyers held back. Some improvements have already taken place, but the manufacturers are seeking to cover the full cotton cost. The real complication in this tug of war is that many larger manufacturers have bought cheaper cotton and are able to sell substantial forward commitments at lower prices with this low-priced cotton. This condition will create some confusion in prices and will have a temporary depressing effect on the market. It is possible that some textile manufacturers will seek somewhat higher prices on the grounds that the impending increases in the Fair Labor Standards Act minimum rates make this necessary. In this connection, please note the marked increase in worker productivity.

WORSTED MILLS RAISING PRICES

The worsted weaving mills have been raising prices on spring 1962 lines by as much as 25 to 30 cents over fall 1960 lows. The women's section has been encouraged by the ability to sell production to the close of September and even into October. Prices for woolens have also increased.

The halting of rayon production in Tennessee will create a shortage of rayon filament yarn. Similar tightness is appearing in other yarn fields.

Mr. HEMPHILL. In the wonderful State of South Carolina we have a very fine school known as the State Agricultural and Mechanical College, better known as the Clemson College, known not only for its distinguished sons in all

of the wars since it has been established, but also because it trains the textile people and does a good job of it.

The president of that particular college is Dr. Bob Edwards, and he insists—and I commend him for it and I salute him for it—that the textile field needs men with broader education. That is the pattern of his approach. That is true.

If our Government continues to destroy the jobs of the textile workers, what need is there for a better education, if there will be no openings in the way of employment for these people once they graduate?

Mr. Speaker, this article follows:

[From the Lancaster News, July 27, 1961]

TEXTILE FIELD NEEDS MEN WITH BROADER EDUCATIONS

CLEMSON.—The president of Clemson College told a group of textile educators here Tuesday the textile "industry needs men with broad educational backgrounds."

Dr. Robert C. Edwards, speaking to a seminar of textile educators, said that besides "the normal emphasis upon social sciences and the humanities in any strong liberal arts program, special consideration should be given to such subjects as mathematics and English and economics." "The study of economics," he added, "should bear heavily on the basic elements of our system of free enterprise."

He stressed the textile industry must tell the schools what it expects of them. Dr. Edwards suggested "as much training as possible in merchandising" at such institutions.

"The industry does not need men whose formal training time has been spent largely in connection with the basic operation of machines. It is good for the student to know about the machines but students do not have to become skilled operators themselves in college," he said.

Attending the educational seminar at Clemson College are faculty members from these institutions:

Georgia Tech; the Institute of Textile Technology, Charlottesville, Va.; the Lowell (Mass.) Technological Institute; the New Bedford (Mass.) Institute of Technology; North Carolina State College; Philadelphia College of Textiles and Sciences; the Textile Research Institute, Princeton, N.J., and Clemson College.

Mr. Speaker, I have an article from the Charlotte Observer, dated July 20, 1961.

I use these articles because I want to emphasize that we have the background and the verification for what we of the textile area say when we address the House. This article is entitled "Spain Makes Eyes at South Carolina Textile Manufacturer," and it goes on to say the following:

SPAIN MAKES EYES AT SOUTH CAROLINA TEXTILE MANUFACTURER

(By Don Oberdorfer)

WASHINGTON.—A major South Carolina garmentmaker said Wednesday he has been considering moving his plant to Spain to escape from an import-ridden U.S. texile market.

Eugene E. Stone III, president of Stone Manufacturing Co., of Greenville, S.C., said that his firm has been visited by Spanish authorities and that he will visit Spain next month to take a closer look at relocation possibilities.

Stone told a House committee looking into import problems, however, that he presently expects to keep his plant in South Carolina.

If import competition continues to increase, he added, his firm would have no choice but to consider the relocation bid more seriously.

Stone said he had also received offers from Puerto Rico and Brazil, where representatives of both countries want him to move his plant.

Stone's firm employs about 3,500 workers making infants, children, and ladies sportswear and underwear and men's shorts. He said it is one of the 25 largest apparel firms in the United States, with the bulk of its sales to major chain department stores and mail order houses.

The South Carolina textilist said he investigated very carefully the offers of Spanish representatives who visited his factory at Greenville with the relocation bid.

Stone said that detailed time and motion studies were made to show comparative wage costs. He said his firm found it could operate on wage scales of 8 cents per hour plus 4 cents more per hour for fringe benefits at Barcelona or Madrid.

Engineers could be shipped into Spain and the plant machinery could be just as modern as that in the United States he said.

Asked if work of Spanish employees would be satisfactory, Stone said studies showed there would be "no difference whatsoever" between actual production in Spain and in South Carolina.

Though he has carefully considered the foreign moves, Stone said, "We prefer to stay right in God's best country. We are Americans. We want to stay here."

However, he indicated he would not "stand idly by" and have his firm destroyed by foreign imports without giving additional thought to making a move.

Stone and his chief engineer are scheduled to fly to Europe August 24 to visit garment plants in several countries, including Spain. He said he would take a closer look at the Spanish situation then.

The South Carolina textilist said that employment at his Greenville plant had dropped from 2,860 a year ago to 1,985 today and that import competition played a big part in causing the decline.

"If the U.S. Government fails to find a solution to the textile import situation," he said, "a flood of additional imports could be expected."

Stone told his story to a House Education and Labor Subcommittee looking into U.S. imports and exports. Chairman JOHN DENT, Democrat of Pennsylvania, and many of his subcommittee colleagues are outspoken foes of imports.

Mr. Speaker, what has happened is this. It is the old story. We have good high wages, and we ought to have high wages. I have been for that. We have a fine market price for our cotton, and our cotton farmers need that and I believe in it. But we continue to ship cotton overseas at a differential of 8½ cents and we accept imports from people who pay less for a week's work than we pay for a day. So you can see how another country with low wages and with cotton that the American taxpayers pay a subsidy of 8½ cents on—I am not talking about the textile people, I am talking about the taxpayer running the drugstore, the steel mill, or anything else—will lure capital. If they lure this capital to Spain or other places, we are going to have those jobs commanded by the people of that particular nation because they have their employment problems also.

Mr. Speaker, I have another article here from the Charlotte Observer, dated July 28, 1961, entitled "Vast Decrease in Textile Jobs Hits Workers."

Now, we need these jobs for the people.

This article is as follows:

VAST DECREASE IN TEXTILE JOBS HITS WORKERS—TWUA HEAD URGES ACTION TO SOLVE NATION'S CONSTANTLY INCREASING PROBLEMS

WASHINGTON.—William Pollock, president of the Textile Workers Union of America, said Thursday that the plight of American textile workers has worsened in the last year.

In a statement filed with a House Labor Subcommittee, Pollock said:

"Most plants have been operating at a slower pace than in the immediately previous years. Three-day and four-day workweek schedules have been commonplace since April in the North and South alike."

The subcommittee is studying problems of the textile industry.

He said that in the last 10 years more than 400,000 textile jobs have disappeared, and added:

"The Atlantic Coast has particularly felt the impact of this decline. Textile employment in New England has shrunk 61 percent; in the Mid-Atlantic States, 47 percent; in the Southeastern States, 14 percent since 1951.

"No division of the textile industry has been immune from reduced employment and decreased hours of production, and the entire trend has been marked by wholesale liquidation of mills. Since 1947 a total of 838 textile plants employing approximately 250,000 workers have gone out of business."

He said increasing textile imports at prices below U.S. production costs in an oversupplied market have become a major problem and substantial cause for reduced employment, low earnings, depressed prices, increased joblessness and plant closings in the industry.

Pollock said American mills have lost sales of approximately 2 billion yards a year for the last 10 years because of the stepped-up pace of textile imports into the United States.

"As this trend continues and as the Government fails to take constructive action on imports, this situation will become even more critical," he said.

American textile exports dropped from 3 billion square yards in 1947 to an all-time low of about 1 billion square yards in 1960, with three-fourths of that in cotton goods and the remainder in manmade fibers, he said, and added:

"In cotton goods the United States has lost 1 billion yards of exports since 1947, and indications are that this trend will continue.

"A major factor in this decline is the U.S. Government's persistence in maintaining a two-price cotton system * * * an end to this double standard would revive demand for domestic cotton products and would help restore employment in that branch of the textile industry."

"Industry and labor," he said, "must join hands to solve the Nation's constantly increasing textile problems because cooperative labor-management relations are essential in helping to create a virile, growing industry."

My generation owes to the American youth of today the same thing that was given to me by the generation that preceded me.

One of the reasons I have been so conscious of the needs of the older people of this Nation in my representative capacity here is because I know firsthand that the generation before me handed me a great Nation, I know that they have preserved my freedom, I know that their morality

was such as to be inspirational, I know that the people who went before me continued what their forefathers had handed down, a great Nation to a great people. I have that responsibility, along with the others or those who may succeed or replace us.

We must be able to say to the younger people who are coming along—and this is important—"We want you to get the best education possible," just as the president of that college said, "We want you to get a very good broad education."

And we are going to make sure on the national level insofar as the national Government has that responsibility, that when you graduate from the college or school of your choice you will have some place to go, you will step into the image of dignity expected of an American, the dignity that comes from being able to work, earn a living, and support a family, and that dignity of being part of the economy of the community and of the Nation.

We cannot do that and we will not do it if the policies of the State Department, in the sacrifice of the textile industry, or other industries, and I know of others, continues.

I have said here before, whether they realize it or not in that department, they have a clear, naked responsibility to the people of this Nation which is their first responsibility.

If they want to join the ranks of Benedict Arnold in betraying this Nation, all they have to do is to ruin this industry. If I were one of these people whose job was being exploited by these policies, whose future was being endangered, whose happiness was being shackled, how terrible it would be to go home some evening to tell my family "I lost my job today." And, you can look around and look at all the employment possibilities, and if you are over 45 years of age, I think everybody knows about that in America today. Now, there is a man coming home to his family, and then you think about it a little bit more—What does the family think? They begin to think; the American people no longer can be fooled. And, I hope the State Department hears about this. They cannot be fooled when an American family learns that its dignity is destroyed; that its security is pitched out of the window. They fall easy prey and look at some other form of government, and I tell you, in exporting the jobs of this Nation, whoever has been responsible, has given the Communist bloc the greatest of satisfaction, playing into the Communist hands, and I accuse them of it and dare them to try to answer.

Now, another thing that we forget sometimes, and I have had this very saddening experience in my own district. We had a plant that employed 200 people or so. I knew most of them by their first names. Their fathers and their grandfathers had worked in the plant. And, when the president of that particular textile plant and some of his associates came to Washington some 2 or 3 years ago, I got on the telephone and called all around to these departments entrusted with the executive responsibility of this Nation and I said, "We need some help. Here is a part of American industry that is going down the drain. You should have in your power and you should desire to be able to help this industry." We got no help. Today the smokestacks of that industry are silent. Many of the homes are vacant. Many of the people who were there, 50 years of age at the time, have been unemployed ever since, some of whom had paid taxes for 50 years and income taxes probably since 1920, maybe not back as far as 1913. Now, what did the American Government do for those people who had been good citizens, who had been, what is important in my part of the country, good church people, who had been law abiding, who had contributed sons and daughters to the defense of America, who had paid all sorts of excise and other war taxes? This particular plant had received the Army and Navy E awards for meritorious service rendered the Government during the war. Is it right to close that plant because of Government policy? I dare anybody to tell me that is right. If we, who are determined that this Nation shall continue free, cannot impress that responsibility on those who apparently do not have that ambition or that desire or that patriotism, then certainly this Nation is in danger from within.

There is a Du Pont plant down in my district, and we are proud to have it. If anybody wants to move a plant down to this part of the country, we will be glad to have it. We will help anybody who settles there. They make very fine synthetic fibers. They have a wonderful management and personnel. They have a beautiful plant, and we want them to continue to operate.

Here is a little article from their little trade journal called the May Times, of July 28, 1961. It says that the plant's annual local purchases or payroll is nearly $9 million. That means that for the most part in Kershaw County, S.C., which I have the privilege to represent, $9 million is going into the economy every year.

Now, the plant has been there a good many years, but let us say it has only been there 5 years. In the last 5 years that amounts to $45 million. How many other jobs does that create? How much does that add to the economy? It is not difficult to figure out. If you want to take the common assumption that for every dollar spent the circulation continues until $7 have been spent, it means that the same dollar has passed through seven hands, and if you multiply the $45 million by seven then you can see the impact on that economy in that section.

Mr. Speaker, I include this article at this point in my remarks.

(The article referred to follows:)

FOR YEAR 1960—PLANT'S LOCAL PURCHASES, PAYROLL NEAR $9 MILLION

Operations of the May plant put almost $9 million into the local economy last year, Leland M. Jones, manager, announced today.

Mr. Jones reported that the payroll of the plant was $8,831,375, while the purchases of goods and services from 133 Camden suppliers totaled $166,868. An additional $1,184,999 went for goods and services purchased from 270 other suppliers located outside of Camden but within the State of South Carolina, he said.

Approximately 2,600 calls were made to the plant by various salesmen representing a variety of materials needed to keep the plant in operation. The plant purchased all of its corn brooms from the Association of the Blind and a large quantity of light bulbs from the local Lions Club in support of this same association. A total of $6,000 was paid to the local postmaster during 1960 to cover postage for outbound mail and parcel post. Large-volume purchases included 17 trainloads of coal, 1,020 cars of chemicals, and 350 full truckloads of chemicals and supplies. An unusual purchase was a quantity of both shoat and hog rings which were used temporarily in packaging tubes of Orlon.

Mr. Jones pointed out that Du Pont operates 79 plants throughout the country and the purchases in South Carolina do not include those made for the company's other South Carolina plants or those located outside the State.

Mr. HEMPHILL. Now, Mr. Speaker, down in one part of my district we have one of the Cannon Mills. I know most of the people who work there. I have campaigned before them, and have been to all sorts of meetings with them, counseling with them and trying to help them when I could, and they are worried. But I have here a letter which I think is very fine on the part of the Cannon Mills people. They sent a letter out to all of their people telling them what we in the Congress had been trying to do, and I am glad they did because I would hate for the spot I am supposed to be fitting into to become vacant, or that my voice would be silent in the protection of my people here.

Mr. Speaker, I include at this point in my remarks this very fine letter addressed to the employees of the Cannon Mills at Central, S.C., and York, S.C.

(The matter referred to follows:)

CANNON MILLS CO.,
Kannapolis, N.C., August 3, 1961.
To Employees of Cannon Mills Co., Central, S.C.; Cannon Mills Co., York, S.C.

MY DEAR FRIENDS: The steadily increasing amount of cotton goods and garments being shipped into the United States from low-wage countries abroad is and has been a threat to the jobs of all of us employed in cotton mills in the United States.

I am sure you have read much about this subject in the newspapers. The U.S. Department of Agriculture sells American cotton to foreign mills at $42.50 a bale cheaper than the American mills are allowed to buy American cotton. Last year, the U.S. Department of Agriculture sold American cotton to foreign mills at $30 a bale cheaper than the American mills were allowed to buy American cotton.

American mills are required by our Government to buy American cotton at a price set by the Government, with the exception of a very small number of bales of cotton allowed to come in from other countries.

With cheaper cotton and an hourly wage rate of less than one-fourth our rate in this country, you can readily see that foreign mills can ship cotton goods and garments into this country at prices which will force American mills to close and do away with the production of cotton goods and garments made by American workingmen and women.

Many stores in our areas carry low-priced garments made in foreign countries. We all want to buy things as cheaply as we can get them as long as we get good quality, but buying cheap foreign goods is too high a

price to pay for our jobs in the American textile industry.

Attached to this letter are copies of statements made by Senator Strom Thurmond of South Carolina, Senator Olin Johnston of South Carolina, Congressman William Jennings Byran Dorn from the Third District of South Carolina in which Central is located, Congressman Robert W. Hemphill of the Fifth District of South Carolina in which York is located, and Governor Ernest F. Hollings.

All of us are due these Senators, Congressmen, Governor Hollings, and any others who are fighting to protect our jobs in the textile industry, a very sincere "thank you." The only way our Senators and Congressmen can feel that they are being supported is for the people in their districts and States to write to them. If you feel as I do on this subject, I wish each of you would write them a letter and tell them that you appreciate the fight they are putting up in the interest of our jobs and the protection of the United States from its being dependent on foreign countries for clothing and textile military supplies.

Your Senators and Congressmen have to face pressure from many people who are not interested in our jobs nor the problems of the textile industry. These people often have a personal interest in bringing foreign manufactured goods into this country and, therefore, are always trying to get Senators and Congressmen to oppose the very thing that your Senators and Congressmen are trying to do for the American textile industry.

I wish I could sit down and discuss this problem with each of you and answer the questions you might want to ask. In the absence of this opportunity, I just want to say to you that we are not willing to see our industry and the jobs of our employees transferred to foreign countries, leaving us without jobs and on relief.

Although we have been fighting this problem for many years, I think this is the most serious time we have ever had in the textile industry, and, with your help, we are going to continue to fight harder than ever.

Sincerely yours,

C. A. CANNON.

Mr. HEMPHILL. I think as the Speaker personally knows, whenever I go overseas, or at home, I always try to go into any textile plants that I see in order to observe the conditions and the competition. I have been in plants overseas and I know the situation over there, because I went for the purpose of examining. Of course, I am familiar with the problems and with the textile employment and with textile manufacture. Time after time I have tried to press upon those who apparently are against the textile industry the injustice of allowing those who are not our friends to export textiles to this country. Well, I suppose some people in the State Department say everybody is our friend. I will tell them something, if they do not know it today. The American people know. We have very few real friends.

Mr. Speaker, we are considering now a situation in a little country called Tunis. If you look back into what has been done in the foreign aid program in that country you will find that the economy of that particular country has been mainly dependent over the years and it was set afire, so to speak, at one time, by the contributions which we have made. Yet we hear today that they are going to the Communist bloc—these friends that the taxpayers' money has been spent upon. They are now saying "it is not what you did for me yesterday when I needed it, but what have you done for me lately?"

Of course, we in the political field are sort of used to that sort of philosophy. But after all, how can we continue a policy or policies in which one after another of the people whom we have spent money on—we tried to buy their friendship, and you see the kind we are getting—continue to turn upon us. It is time there was a delineation in the import-export problem between those who are our friends and those who are not. If those in the executive departments cannot determine, I can tell you that the Members here in the House of Representatives can determine, and they know.

I was privileged to sit here not long ago when the President of Pakistan made a very fine address. I admire him. I like the President of Pakistan. Do you know what he said to us? He said "if it came to a fight over in my part of the country, only Pakistan would fight for you." Look at all the money we have given others. It just does not make sense.

You can go down into my district and talk to a fellow in the street. Do you suppose he does not know what the problem is? We tell him what his problems are, because it is only honest to tell a constitutent what his problems are. We have fine communications. These communication facilities are available to the American people as never before. I predict unless something is done about these textile imports the American people will rise up in disgust, and I intend to be a part of that uprising, and I make no bones about it.

I have here an article that I think simply describes the situation. It is from the Lancaster News of June 29, 1961. It reads as follows:

Second look: The letter signed by 165 Senators and Representatives protesting Under Secretary of State Ball's program for saving the American textile industry has had one immediate effect. President Kennedy admitted Wednesday at his press conference that he didn't have an answer to the industry's problems.

Lacking any answer, he favored Ball's proposal that an international conference between cotton importing and exporting nations be held in Geneva next month, using the machinery of the General Agreements on Tariffs and Trade (GATT) to facilitate negotiations.

In these negotiations, Ball said that State Department conferees would start with the 1960 levels of imports into the United States as the line to be held, with a possible rollback of 30 percent in the case of imports from Hong Kong.

Protesting Congressmen pointed out that this would commit the United States to an unreasonably high level of low-priced cotton imports and would doom rather than save the industry.

President Kennedy's position was not a happy one. He was well aware that the 165 Members of Congress signing the letter of protest represented enough strength to defeat a renewal of the GATT treaties and the administration's reciprocal trade program when it comes up again next year.

At the same time, he was unwilling to repudiate the program of the State Department as advanced by Under Secretary Ball. What he did was to deny that anything had been decided.

The President: "In the first place," said President Kennedy, "there is no plan yet. No solution has been devised to this problem of how we are going to provide for an orderly flow of textiles from the newly emerging countries which concentrate on this kind of commodity, and how we are going to provide for orderly flow between these countries and the consuming countries, so that we can protect the interests of the producing countries and the consuming countries.

"It is an extremely complicated task. No decision has been reached as to what the formula would be.

"It is proposed that we discuss the formula. I think the conference should go on and we should discuss it.

"If we come to any conclusion about what should be done, and we have not reached that conclusion as yet, we will inform the American people and the Members of Congress."

Department of utter confusion: After pointing out that the United States exported nearly 7 million bales of cotton last year as against imports of cotton textiles equal to 600,000 bales, President Kennedy had this to say:

"So while I am concerned, and I am concerned, about the problems of the textile industry, which is one of the reasons why this conference was called as the result of the protests which were made by Members of Congress because the imports have increased in the textile industry, it is hard hit—I think they have increased from around 4.5 to 7 percent; therefore, the trend is against—has been sharply—has provided for increases.

"I do feel we ought to take into account that this is a balance matter. In addition, some of the States which sell cotton overseas, which may be adversely affected by textile imports, we also export a lot of textiles. We also, for example, export tobacco, which is an export product.

"So we have to consider the general economic interest. We cannot expect that we will cut off completely the exports of textiles and then we have ruin for our cotton exports. It has to be balanced. The way the economic interests of all can be balanced is in this conference, and I support it."

We think we understand what President Kennedy means. He is backing the State Department and the State Department is not backing down an inch from its policy of expanding the American textile industry.

Not long ago I received a letter from a very fine textile man. His whole family has been in the business for years and years and years. They are wonderful people. He writes this letter, and I read from it:

SPARTANBURG, S.C., *July 5, 1961.*

HON. ROBERT W. HEMPHILL,
House of Representatives,
Washington, D.C.

DEAR BOB: Thank you for having a part in the letter that was sent to the President objecting to the way the Department of State is handling the textile import problem. We also appreciate your continued support of our industry.

The other day when a highly placed Government official said in his fourth point that "the domestic textile industry wants to be placed in a sheltered hothouse where the least efficient producer will be protected and where there is no incentive to use new techniques or otherwise to progress," he demonstrated an appalling ignorance of our industry. We do not need a hothouse to protect its weaker members for the fierce competition within our own domestic industry takes care of that. The strong, efficient operator increases his production and eliminates their

weaker sisters and no hothouse will protect them.

To give you an example of the marvelous progress in technological improvements we have had since World War II:

In 1948, 39-inch 80/80 4.00 printcloth, the bellwether fabric of our industry was selling for 20 cents a yard or 80 cents a pound. Today in the face of tremendous increases in wages, raw materials of every sort, machinery and supplies, this same fabric is selling for 18 cents a yard or 72 cents a pound.

Don't you think our industry can be put up against any American industry as far as its progressiveness is concerned? We have not only held the line on inflation, we have rolled inflation back and are giving the American consumer the biggest bargain they can get for their dollars.

We don't want to be put in a hothouse, Bob, we are just asking that the American sense of fair play be applied to our industry. Last year, we paid 6 cents a pound or $30 a bale more for our cotton than our foreign competitors paid for this same American grown cotton. In our little operation we used 60,000 bales of cotton and that meant we paid a penalty of $1,800,000. This next year we hope business will improve so that we can use a little bit more cotton but if we use the same amount, we will have to pay 8½ cents a pound or $42.50 a bale more than our foreign competitors and this amounts to $2,550,000.

You are very familiar with our problems, Bob, but maybe I have given you some figures that will interest you.

Sincerely yours,

JIM CHAPMAN.

What has happened is this. They have molded their technology for the benefit of the American people, and if given a fair chance they will continue to do so, but they have not been given a fair chance. We have to see that they will be given a fair chance in the future.

I am just being a little bit old-fashioned, but I think every American should be disturbed. I remember the time when if somebody seized one of our boys we were ready to fight for him. I do not propose any war, but it is a sad thing to be humiliated all over the world time after time, because others do not fear our strength or because they suspect our entanglements bring us to a place of appeasement or to the pit of frustration and indecisiveness and inability to perform. These are sad days. One cannot listen to the radio in the morning or look at television in the evening, if one is so privileged, or read the morning paper, without knowing why the American people are disturbed. Now if they were only disturbed about international affairs, that would be one thing. But the American people are disturbed about internal affairs. And I am not talking about any domestic programs where we are getting something done. I am talking about the problems of the textile industry—problems of unemployment in the textile industry, the problem of importations of textiles and so on.

I hold in my hand something called the newsletter for textile executives. While I do not subscribe to all of it, I think it is important that we consider this because this is what they said. It is so entitled, and this is quite striking to me, "Promise them everything. Give them nothing." Well, I have news for the State Department. I have sad news for them. It may be great diplomacy to promise everything and give nothing, but it is poor politics, and the American people are not going to stand for it and my people are not going to stand for it. And I personally and officially tell you, I am not going to stand for it. We are going to have some relief or we are going to get it some way. We beg of this administration that it continue its efforts, and we have confidence that the President of the United States means to continue those efforts. The reason I am talking here today is because I want those who have ignored us in the past, as well as any who may think they can get by with promising everything and giving nothing to know that we expect the campaign promises to be fulfilled, and that we are here for the purpose of assisting in the carrying out of those promises—let us put it on the line.

Mr. Speaker, I ask unanimous consent that this newsletter for textile exectives be included at this point in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

PROMISE THEM EVERYTHING, GIVE THEM NOTHING

On May 16 we advised you of the details of President Kennedy's sweeping program for textile industry relief from imports, in which the Chief Executive said that "makeshift policies and piecemeal remedies" were no longer possible and that it was time for action. He outlined seven areas of action of which the three most important were an international textile conference to help spread the burden of low cost textiles in international trade, an appeal to the Office of Civil and Defense Mobilization (OCDM) for possible import quotas, and Agriculture Department action for a square deal on raw cotton pricing. Apparently the domestic industry snapped at the OCDM bait and neglected the international conference deal, although Forecast June 1 pointed out that this was the area to watch, that it would lead to "progressive handing out of enclaves in U.S. markets to foreign interests, all on a calculated basis" constituting "a long term plan for the gradual destruction of textiles in America." This is exactly what is happening, and the State Department will have most of the foreign countries supplying the U.S. market in conference at Geneva later this month to work out a plan where everyone will get an opportunity to expand their shipments to the United States except Hong Kong. This colony would be cut back, but only for a year or two. Thus is the State Department plotting what they probably consider an orderly liquidation of an expendable industry to avoid disorderly conditions which might affect their long term planning for other American activities, likewise probably deemed by them expendable.

Of the great seven point program, there is no evidence that the Kennedy administration has lifted a finger to provide U.S. mills with equal treatment in raw cotton pricing. Prior to announcement of the program, it had already increased the cotton export subsidy for foreign mills from the 6 cents of the Eisenhower administration to 8½ cents a pound effective August 1. Nothing has been done to alleviate this universally recognized Government discrimination against its own citizens. Of the OCDM case not much can be said. It has been ordered completed by July 30 so far as the U.S. presentation is concerned. But the Association on Japanese Textile Imports, Inc., has petitioned for (1) extension of the case; (2) requirement that the case be broken down by fibers, manufacturing stages, and products, each to stand on its own merits; (3) public hearings and cross-examination of witnesses. OCDM has not as of date of writing acted on this request. Importers think the OCDM case should be extended until after the State Department program is further advanced; U.S. interests are in doubt whether they are not just wasting their time with OCDM, since the State Department has run off with the ball.

So far as Forecast can judge the situation, it appears that the Kennedy administration in respect to textile relief from imports is working on the theory of "promise them everything and give them nothing." For of the entire seven-point program, the U.S. industry stands to get only a possible sop on depreciation allowances and some more reckless Commerce Department "studies" which will add up to zero in practical results. In stating this, we include our prediction that the OCDM case will fail as utterly as the section 22 A.A.A. case failed a year ago, even as we had indicated it would still a year earlier.

Forecast recalls that on July 9 last year, following the findings on the section 22 case, it stated the situation as follows: "(1) Administrative import relief is dead. (2) Congress will act only when all industry is hard enough hit to give the economy a setback. (3) The earliest date for this would seem to be 1962 when the Trade Agreements Act comes up for extension. (4) Until then, only market solutions remain as visible remedies for the import problem." This seems quite as true today as it was a year ago. Whatever relief the industry has won in the past year, it has won with its own hands cutting costs, selling at lower prices, avoiding so far as possible new or general wage increases, consuming less high-priced cotton so far as possible, trading in imported picker lap, purchasing low-cost imported rayon staple fiber, substituting imported yarns, investing in foreign plants, and creating a situation where so far this year imports have been cut in half from a year ago. The Kennedy administration, its promises notwithstanding, has said what its predecessors have said: "Meet the competition or die." Under such bitter terms it has but one alternative.

Some readers have questioned why Forecast after nearly a year and a half of the current textile recession, with its concurrent price recession to very low levels, has recently been "on the fence" or slightly bearish about the future of U.S. textile prices and earnings. The rate of production and level of stocks (which may be corrected a bit by some summer curtailment) are among the reasons for this. But Forecast's main reason is the important situation as above cited. The industry has been told it can sink or swim. It will do well to chip the profits on its gainful items into meeting the market price on the products confronted with import competition, and try to keep its nose above water until 1962 when Congress may do more than just talk.

OF JAPAN

Forecast has always held that bringing textiles and apparel to America is bringing coals to Newcastle, bar a limited range of high priced, high quality items not always made here. It still feels the same way. Yet something is to be said, in considering imports from many new lands, for Japan. The President's statement that Japan buys a lot of raw cotton here is not what we mean, because Japan, like anyone else having good sense, buys its cotton where it is cheapest. Rather we cite the real reasons why Japan is different from the other new shippers of goods here. (1) Japan is one of the few Far Eastern suppliers that is lined up politically with us. (2) Japan has voluntarily limited its shipments here and we think will continue to do so. (3) Japan

has improved its quality, and doesn't sell 100 percent on a price basis. (4) Japan diversifies its shipments here. For instance they ship more cameras here, at least one leading U.S. camera manufacturer likes it, and we'd like to see them ship still more of these cameras and taper off a little on the textiles. (5) We have a secret liking for Japan in some ways. We like some of their publicity and promotion. We like Japan Air Lines "haiku" on the airwaves, which are subtler and more effective than Kennedy's baseless raw cotton versus textiles argument. Japan is at its best when it presents its "oriental" aspect; when it goes "western" and talks like a U.S. trade association it loses its quality and appeal.

MARKETS AT A GLANCE

Mills are widely taking time out with early July inventories, machinery overhaul, or vacation periods which will get some looms temporarily out of production, possibly improve the stock position to some slight degree. It appears there is more curtailment in order this summer than was the case of a year or 2 years ago—markets have continued generally quiet over the fortnight with only spotty primary activity—cotton gray goods trading was light. In print cloths secondhand goods keep coming out, for instance 39-inch 80 by 80s selling at 17¼ cents, and the nearby market continues on the whole weak. Mills remain stiffer on forward contracts but hardly any trading was reported. In sheeting considerable unsold quick and third-quarter goods remain. Mills are trying to get a better price established for fourth quarter to reflect higher cotton costs but it is not yet established. There are suggestions looms will go to other goods unless sheetings improve, just what goods is not stated. Drills were quiet; twills slow. Fine yarn goods stocks are reported unwieldy and prices easy, particularly lawns which also suffer from secondhand offerings under mill prices. The 40-inch 88 by 80 6.90 yard sold at 18¼ cents for spot; 40-inch 136 by 60 broadcloth at 26¼ cents, both down one-fourth cent. Some business was reported in wide industrial goods. Some sales of duck were booked. Other gray goods were mostly slow—converted goods sold in a limited way in the week. In colored goods denims are reported to have improved. Also some forward business was cited in ginghams. Corduroys remain in good demand. Finished twills, bedford cords, moved only in a limited way in the week. Better ordering under recent date is reported in wool goods, both men's and women's wear, and a prominent producer has increased prices on some lines. However, ordering of woolens for spring lines is reported behind a year ago—manmade fiber fabrics developed only routine business on staple numbers. In mill finished items domestic business is reported better with more satisfactory business on sheets, bedspreads, blankets. At retail the recent pickup in sales appears to have improved further with the public loosening the purse strings on a wide variety of soft goods items which should result in freer buying policies as old stocks move out. It is beginning to look as thought 1961 is going to be a very good year for retail trade.

Textile prices, current, July 3, 1961

Cotton, mid. in., 14 spot	32.25
Wool, top spot, N.Y.	1.585N
Grease wool, spot, N.Y.	1.555N
Print cloth, 39 in., 80 x 80	.17½/.17¼S
Print cloth, 41 in., 78 x 78	.17½/.17⅛S
Sheeting, 36 in., 56 x 60, 4.00	.17¼
Duck, sin. fil., 8 oz. A	.31
Combed lawn, 88 x 80, 6.90	.19/.18¾
Broadcloth, 136 x 60, $3.65	.26½S
Combed yarn, 30/1	.78
Carded yarn, 30/1	.71

S—Secondhand price.

Textile prices, current, July 3, 1961—Con.

Pig. taffeta, 92 x 58, 100/150A	.19½
Acetate taffeta, 46 in., 180 x 54	.23
Lin. twills, 42 in., 108 x 62	.27
Acet. and rayon crepe, 135 x 64	.35
Marq. dacron, 45 in., 45 x 34	.22½/.23
8½ oz. twill, 41 in. basis	.59
Chambray, 3.66, sanforized	.25
8 oz. denim, sanforized	.39½

Mr. HEMPHILL. Mr. Speaker, just to keep the record straight, I referred a while ago to a letter written to the textile people back in 1957 when I was under no disillusionment about the Department of Commerce and the Department of State at that time. I wrote to them and said, "You cannot get any relief and you are not going to get any relief." It came true.

I do not want to write a letter like that again. I do not want to write back to the people and say—Well, it is the same old story; it is the same old line; they want your tax money; they want your know-how; they want your performance and they are entitled to it in time of emergency; they want your good will but they are not willing to do anything for you. When I go back to my people to talk to them, as is my privilege so often, and have a question and answer period, they ask me first this question. What about our textile jobs; what about them? Do you really think we are going to get some relief? I do; we must have relief because if we do not get relief in the textile industry, we will be decimated and, perhaps, completely destroyed. We will have to depend on other countries to clothe us. We will lose the skill and technological know-how of our people and of our industry. We will lose the money we get in consumer volume. In fact, the policies that have been in existence for the past 4 years that I have been here, until we started on this program this year, have been policies by which this whole Nation has been losing—not only in the textile areas but in other areas of this country.

Finally, Mr. Speaker, I would like to include in my remarks at this point in the RECORD an editorial from an article called "Trade Talk" of July 1961.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

TEXTILE AGREEMENT

The 16-nation agreement reached in Geneva on July 21, 1961, designed to impose a measure of control of international trade in cotton textiles and products, has certain disquieting features. For the first time since the establishment of the GATT in 1948, quantitative restrictions on manufactured products have achieved at least the implicit sanction of the contracting parties without the long-accepted justification of balance of payments difficulties. This is an important reversal of the GATT philosophy of increasingly freer trade, and its implications for the future may well be serious.

The textile agreement is based upon a concept of "market disruption"—i.e., rapid invasion of individual markets in particular products, thus causing "serious damage to domestic producers or the threat thereof." Yet apparently there are no firm criteria for determining on a quantitative basis what constitutes market disruption, or what constitutes serious damage. These determinations are presumably left to the importing countries themselves, and action may be taken to restrict imports unilaterally if agreement is not reached bilaterally with the exporting country.

This provision, which applies primarily to the United States, as one of the few countries presently accepting textile products without some form of import restriction, bypasses our present procedures established by law. There has been no finding by the Tariff Commission that there has been "market disruption" or, under the terms of the law, "serious injury" to the textile industry. The textile industry has not availed itself of the procedures available to it under the escape clause of the Trade Agreements Act to establish a case of serious injury. It is thus not clear whether in the future other industries claiming "market disruption" resulting from imports would be required to prove injury, or whether they could act on the precedent of this agreement and demand, by virtue of their simple assertion of the fact of injury, equivalent treatment to that being accorded the textile industry.

The CNTP in its April 6, 1961, memorandum to the President on the textile situation (Trade Talk, April 1961), listed some 10 points which it regarded as a feasible course of action for the Government and the industry to pursue in an effort to solve the difficulties which the industry encounters. The 10th point proposed that the Government might seek voluntary export quotas for particular products for which serious injury had been proved. We made it clear that we regarded this as a last resort, and that the formal establishment of serious injury should necessarily precede such international arrangements. To us it seems unfortunate, therefore, that the recent action, obviously inspired by heavy political pressure, has put the cart before the horse.

Because this is a short-term agreement (1 year) to deal with what has been construed as an emergency situation, it is perhaps not too serious—provided it is not allowed to become a precedent for a reversion to concepts of static or protected markets or the general acceptability of quantitative restrictions on international trade. It is encouraging, moreover, that this agreement has been reached multilaterally with all interested parties present, and under the auspices of the international body which has been devoted to freer trade for 13 years. Those industries in the United States which have so long opposed the GATT as an organization militating against U.S. interests must find themselves somewhat confounded.

The terms of the long-term agreement which are to be worked out by the middle of next year are, however, extremely significant. The pledge that such future action will "provide growing opportunities for exports of these products," and that it will promote "the development of the less developed countries by providing increasing access for their exports of manufactured products" gives ground for hope that, under vigorous U.S. leadership in the tradition of our last 30 years, the principle of freer trade will be increasingly realized.

Mr. HEMPHILL. Mr. Speaker, this is not the last time I shall speak here on this subject. I would be less than honest with those who have given me the privilege of serving in this the greatest of all legislative bodies if I made only token effort and did not continue to raise my voice. What I am hoping is that perhaps if not before the end of this particular session, if we happen to recess about Labor Day, which seems rather remote to me, that before the end of this Congress, the 87th Congress, it will be unnecessary for me or for others as responsible to get up here and make remarks on the textile industry.

I hope that the change of policy will be so significant that it will be unnecessary, that we can turn this part of our effort to other things necessary to the future welfare of this Nation, that in considering our responsibility again to the young people, that we have some assurance that in the textile trade young people who have a desire to follow that course or vocation have some place to go. Then it would be my purpose, if there were no problems significant to my area, to come down here in the well of the House and try to help my associates who had problems of a similar nature, because not long ago we had an area redevelopment bill here. I was critized in the papers about voting for it. I did not care about that. I am an American, and I am proud of it; but I felt that as an American here were people in other areas, particularly in some areas my friends represent in Pennsylvania, and West Virginia, that here were Americans in trouble—and what a sorry American it is that will not lend his neighbor a hoe to kill a snake? That is what we were doing with the area redevelopment bill. I am proud of it. I am proud of being criticized because of an American act. I am telling you I will be here time and time again trying to help others, but I hope I do not have to be here time and time again asking others to help me. I shall however continue to ask as long as the textile people have the problems they have, or as long as their problems remain unsolved; and I shall continue to help others as long as I have the privilege of being an American, for which I thank God.

SPECIAL ORDER TRANSFERRED

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Texas [Mr. PATMAN], is recognized for 40 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that on Monday, August 7, after the disposition of the legislative business of the day and special orders heretofore entered I may address the House for 60 minutes, revise and extend my remarks, and include therein extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I yield back the balance of my time.

Mr. YATES. Mr. Speaker, on August 6 there will be an historic meeting at Montevideo, Uruguay. It will be the first meeting held to implement the Act of Bogotá and it may very well be the most important meeting ever held by the nations of the Americas. It will be a meeting at which the eyes of all of Latin America will be upon the United States to ascertain our good faith in our expressed determination to help them develop their resources and improve their social conditions.

The importance of the meeting was sounded by President Kennedy on March 13, 1961, when in a message to the Congress urging the appropriation of moneys to implement the Inter-American Fund for Social Progress, the President declared:

> The Act of Bogotá marks an historic turning point in the evolution of the Western Hemisphere. For the first time the American nations have agreed to join in a massive cooperative effort to strengthen democratic institutions through a program of economic development and social progress.
>
> Such a program is long overdue. Throughout Latin America millions of people are struggling to free themselves from the bonds of poverty and hunger and ignorance. To the north and east they see the abundance which modern science can bring. They know the tools of progress are within their reach. And they are determined to have a better life for themselves and their children.
>
> The people of Latin America are the inheritors of a deep belief in political democracy and the freedom of man—a sincere faith that the best road to progress is freedom's road. But if the Act of Bogotá becomes just another empty declaration—if we are unwilling to commit our resources and energy to the task of social progress and economic development—then we face a grave and imminent danger that desperate peoples will turn to communism or other forms of tyranny as their only hope for change. Well-organized, skillful, and strongly financed forces are constantly urging them to take this course.

The President made clear that the program looked toward a joint effort. The program was not to be the exclusive endeavor of the United States. It was intended to help those nations who help themselves. In fact, our aid was to be conditioned, as it should be, upon the determination of the other nations in the program taking measures to move forward themselves. He said:

> It is clear that the Bogotá program cannot have any significant impact if its funds are used merely for the temporary relief of conditions of distress. Its effectiveness depends on the willingness of each recipient nation to improve its own institutions, make necessary modifications in its own social patterns, and mobilize its own domestic resources for a program of development.
>
> Even at the start such measures will be a condition of assistance from the social fund. Priorities will depend not merely on need, but on the demonstrated readiness of each government to make the institutional improvements which promise lasting social progress. The criteria for administration of the funds by the Inter-American Development Bank and the ICA will explicitly reflect these principles.
>
> For example, the uneven distribution of land is one of the gravest social problems in many Latin American countries. In some nations 2 percent of the farms account for three-fourths of the total farm area. And in one Central American country, 40 percent of the privately owned acreage is held in one-fifth of 1 percent of the number of farms. It is clear that when landownership is so heavily concentrated, efforts to increase agricultural productivity will only benefit a very small percentage of the population. Thus if funds for improving land usage are to be used effectively they should go only to those nations in which the benefits will accrue to the great mass of rural workers.

The example given by the President is what prompts my speech today. There is no question about the need for land reform in most of the Latin American countries. The only question is how these very complex and difficult programs shall be carried out in those countries desiring to remold their agrarian economies.

It is essential that we take the right road. As the President himself said:

> It is clear that the Bogotá program cannot have any significant impact if its funds are used merely for the temporary relief of conditions of distress. Its effectiveness depends on the willingness of each recipient nation to improve its own institutions, make necessary modifications in its own social patterns, and mobilize its own domestic resources for a program of development.

Mr. Speaker, certainly we ought to do everything we can to implement the President's policy. Yet I wonder whether the viewpoint informally expressed by the Department of State as indicated in a letter to me will hinder rather than help that policy, even with respect to nations who want to help themselves.

Mr. Speaker, I wonder whether our Department of State really favors agrarian reform programs. Why do I say this? I learned a short time ago that the Inter-American Development Bank, the institution which Members of Congress generally believed was established for the purpose of assisting programs of land reform initiated by Latin American countries, was prohibited by one of the provisions of its trust agreement from usings its funds for the purchase of agricultural land. This startling clause impelled me to write a letter immediately to Secretary of State Rusk asking why it had been inserted. On July 18 I received a reply from Hon. Brooks Hays, Assistant Secretary of State, as follows:

> DEPARTMENT OF STATE,
> *Washington, July 18, 1961.*
>
> DEAR MR. YATES: I have your letter of June 29 asking why a clause was inserted in the trust agreement between the United States and the Inter-American Development Bank stipulating that none of the funds from the social progress trust fund may be utilized for purchase of agricultural land.
>
> In many Latin American countries a great deal of investment has been flowing into real estate either as a hedge against inflation or for speculation. As a result, the cost of land throughout the area has been driven to very high levels. The purchase of land at such prices would result in the rapid dissipation of the limited amount of money in the trust fund without any perceptible impact on the present Latin American economic and social situation. It would require billions of dollars to buy enough land to alter significantly the existing pattern of distribution, and an incidental effect probably would be the enrichment of a relatively small group of speculators.
>
> It is our intention to use the funds made available by the Congress for the Bogotá program to provide incentives for the participating countries to develop tax structures and initiate other basic reforms which will result in more effective land utilization. Land reform is a field where it is believed the governments of the recipient countries can take effective self-help measures by contributing land from publicly held tracts or by establishing tax and other programs which will result either in the orderly transfer of unused or poorly used private land or its more efficient utilization. The social progress trust fund will provide financial assistance in such matters as drawing up tax reform programs, establishing or perfecting farm marketing facilities, inaugurating programs of supervised credit for small farmers, helping to provide essential community health and educational facilities, or more

adequate housing. In these and other ways, which will have to be tailored to the circumstances prevailing in each case, it is hoped to provide the extra stimulus that will encourage the Latin American countries to do their best to help themselves in promoting the more efficient utilization of land throughout the area.

If there is any additional information on this question that I can provide, please do not hesitate to call on me.

Sincerely yours,

BROOKS HAYS,
Assistant Secretary.

It is obvious, Mr. Speaker, that the Department of State proposes only to assist programs of land reform which will utilize only government lands through a system of colonization.

In such a program peasant families are moved from their present homes and settled on unused government-owned lands. The projects in these cases must include new access roads, land clearance, new home and community facilities. Such programs can be effective where land is accessible. Venezuela is already carrying on such a program with considerable success, and such programs will be necessary where the settled areas of a country are too small for the numbers of people trying to live in them.

But as a total solution to agrarian reform, colonization is most inadequate since most of the publicly owned lands are in remote and unsettled areas and programs of colonization are slow and costly. The average cost of relocating each family is between $4,000 and $6,000, a figure which does not include any of the necessary social overhead expenses.

But perhaps the strongest argument against the colonization programs is that they would leave untouched the existing social and political problems. These will continue to be the basis for increasing social unrest. If, as has been pointed out, the existing huge disparity in the ownership of land will continue, the same basic social conditions will continue. The same dissatisfaction among the people will continue. The new settlers will have almost as little a voice in the nation's affairs as they now have, which is directly contrary to their ideas of the desired effects of land reform. In many countries, land now permitted to remain idle by absentee owners could continue to remain unused, thus slowing the country's economic growth.

In the Twentieth Century Fund's study, "Latin American Issues," there is an excellent article on land reform by Thomas Carroll on this point. He says:

There is a tendency to think of these new lands as the main solution for the region's land problems. Frequently it is asked, "As the governments are the biggest landowners, why all the fuss about privately owned lands?" True, these reserves offer opportunities to relieve the pressure in many areas, especially in the Andean highlands, where the population density is most acute. However, the public land reserves offer neither a quick enough nor a full enough solution to the present tenure problems. Experience of all countries that have settlement programs has shown that it is difficult to move large numbers of people into new areas, and that such an operation is extremely costly. Agricultural economists have repeatedly pointed out that in terms of potential production increases, the already established areas offer a much greater, more immediate and less expensive possibility. Social overhead facilities are already available in these areas which are close to the population and market centers. This does not mean that land settlement in new zones cannot be an important factor in the agricultural development of Latin America.

As a matter of fact, these new areas offer great opportunities, not only for new production, but also for the establishment of a healthier type of tenure, less encumbered by the traditional forms. Yet the colonization of far-off lands is too often used as a diversionary tactic by those who are opposed to land reforms. Settlement on public land is, of course, politically inoffensive. But even if the present rate of colonization were to be doubled or tripled, it is not likely to take the steam off the unrest and agitation in crowded areas. The bulk of the tenure problems must be resolved and the needed additional production opportunities can be found in the already settled areas.

Secondly, Mr. Speaker, on the question of speculation and the skyrocketing of land prices with which Secretary Hays is concerned, experts in the field have informed me that such speculation will occur mainly in the marginal and unused lands near the Government-owned projects, rather than on land which has been under settlement for some time. The specter of unduly high land prices is bound to be present, and its avoidance will require wise and careful administration of land reform programs. But the all inclusiveness of the statement in Secretary Hays' letter against the purchase of land because of the possibility of speculative values would seem to deny the wisdom and necessity of purchasing any land for valid projects.

The prohibition contained in the trust agreement prevents the purchase of any land, even that which is fairly priced. In the effort to avoid the evil of speculation, the proponents of the restrictive clause have prevented the possibility of undertaking wise and necessary programs. If the programs are to be well administered, the question of appropriate land values could well be left to the discretion of the program's administrators, subject, of course, to review at the end of a designated period.

Furthermore, Mr. Speaker, there is a question of possible misconstruction of our good faith in sponsoring such a restriction. If we favor programs of land reform, as President Kennedy has stated that we do, let us say so. The State Department has not done so. It has not stated affirmatively that this counry will cooperate with nations in Latin America who initiate programs of land reform even those which look to a redistribution of their existing disproportionately large estates. If a nation wants to engage in such a program should we not be willing to help them? I think we should.

Thirdly, if they want to engage in such programs, the Bank should be in a position to render constructive assistance to the programs. The Department of State should take affirmative steps to change the provision which prevents the Bank's loaning money for the purchase of agricultural land.

Mr. Speaker, I quote from an article by Solon Barraclogh which appears on page 49 of the USOM Seminar held earlier this year in Chile:

There are no easy solutions to this problem—

Says the author—

however, the pressures for change and for agrarian reform are building up rapidly. And we might as well recognize that agrarian reform carries the connotation to most people of dividing up the rights and benefits of the large estates in one way or another in favor of those who work the land. It is useless to pretend that it is something else at least here in Latin America.

As an American I am disturbed to find my country almost everywhere identified with supporting the groups opposed to any real modification of land tenure. Our domestic land policies and our own history seem to me to be directly opposed to taking this "preserve the status quo" position. There is no reason that the Communists should take all of the credit for supporting land reform. After all, one of the most devastating criticisms to be found anywhere of the system of large semifeudal estates is to be found not in Marx but Adam Smith's "Wealth of Nations."

Mr. Speaker, we ought to be thinking positively and not negatively in connection with our relationship with our sister republics. Let us not be guilty of halfheartedness. Half help is of no great value; and may be harmful. I am not talking about funds in this respect. Funds are important and we have been generous. Moreover, it is essential that the other nations to the alliance assume their share of financial responsibility, and our help should be predicated upon their willingness to meet their responsibility. But if they do indicate their determination to work for changes in new social structure, if they show they want a system of fair taxation, if they want to correct their system of land tenure by positive action, we should cooperate with them.

For example, we ought to find out how many experts we have in this country in the field of land economics and land reform, and in public administration, who would be willing to help initiate and train administrators of such programs. We ought to be canvassing our universities for the purpose of laying out courses to train administrators, and to educate serious students from Latin America under exchange programs to become leaders in their own nations.

We ought to be thinking in terms of cooperating in the establishment of an Institute of Agrarian Reform in one of the Latin American Universities, perhaps the one in Puerto Rico, or the one in Mexico City, or the one in Costa Rica, where students from all over Latin America may come for training.

Mr. Speaker, it is essential that we indicate at the Montevideo meeting our sincerity of purpose in cooperating with the other Latin American nations in their efforts at social reform. I hope that our representatives do not underestimate the significance of this historic moment and their opportunity to establish the foundation for a truly meaningful good neighbor policy, a policy based upon mutual endeavors and mutual respect, not only in terms of their relationship with the United States but in terms

also, of the relationship of the Latin American countries with each other.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I wish to congratulate the distinguished gentleman from Illinois for presenting a very thoughtful analysis of a very important problem that faces not only Latin America and our country but the entire world. It is my hope that exploitation will cease in Latin America and that efforts will be successful to bring social justice to those lands.

Mr. YATES. I thank the gentleman for his remarks.

WHAT PRICE PAPERWORK

Mr. YATES. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. LESINSKI] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LESINSKI. Mr. Speaker, I would call to your attention an article appearing in the June 1961 issue of the Controller—monthly magazine of the Controllers Institute, 2 Park Avenue, New York City. The article by Mr. Theodore G. Redman, of Swift & Co., discusses the efforts of the Advisory Council on Federal Reports in helping to reduce the number of Federal reports as the following paragraph reveals:

> The Advisory Council on Federal Reports is the oldest and most active of Government-industry advisory groups. It is the only one financed and managed entirely by business associations.

Functions of the council may be summarized as follows:

First. To advise the Bureau of the Budget on ways to reduce burdensome paperwork resulting from Federal surveys and recordkeeping requirements.

Second. To suggest improvements in reporting methods and statistical classification systems.

Third. To serve as a liaison between Government and business on problems relating to statistical activities—making known the needs of business and industry.

Fourth. To select committees and panels of qualified business representatives to perform these functions on behalf of Government and business.

The council is governed by 25 members—3 each from the 5 sponsoring bodies, 8 as members at large, plus 2 active past chairmen. It functions mainly through committees, whose members serve on a voluntary basis and without compensation of any kind. There are upwards of 20 of these committees serving throughout the year—representing a broad base of economic activity. They comprise a task force of some 500 business specialists who devote countless man-hours a year to thorough study of Federal report forms. Their job is to make recommendations that would limit, simplify, and improve the forms under review. They are not only concerned with eliminating what is bad but improving what is good and useful.

The importance of the advisory council's efforts can be measured, to a degree at least, by the money industry spends in answering the thousands of questionnaires sent to it by Federal agencies It is a pretty safe bet that the total will run into many millions. Efforts are now underway to get a better idea of what the price tag might be in certain areas.

A congressional subcommittee has issued a report dealing with the burden of costs on business imposed by Federal questionnaires. Among other things, the report stated:

> Decision by a Federal data collecting agency to spend $1 of public funds may generate a respondent cost of $10 or $100. It seems reasonable that a Federal agency give as much attention to the cost it is inflicting upon the public as to its own direct costs.

In an effort to get this burden-measuring data, the advisory council has submitted recommendations to the Bureau of the Budget on a cost-finding project. The Bureau of the Budget is now exploring ways to implement these recommendations. The special council committee has done its best to devise a procedure that would not make a difficult reporting burden worse, recognizing that measuring the cost of one report might result in a second. Such cost figures can serve as a useful guide and, possibly, as a deterring force to "report-happy" groups. They will tend to encourage a search for less expensive ways of meeting needs for information.

SECOND ANNUAL ENERGY INSTITUTE AT AMERICAN UNIVERSITY

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include a table.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, the Second Annual Energy Institute at American University during the week of June 25 presented a number of outstanding papers on the domestic and world fuel situations. Among the distinguished speakers was Dr. Charles J. Potter, president of the Rochester & Pittsburgh Coal Co. of Indiana, Pa. His subject: "World Trade Restrictions—Fuels."

Dr. Potter assiduously traced movement of fuels to and from the United States, showing that the low cost steam coal produced here is effectively prohibited by trade barriers from being marketed elsewhere as long as there is any coal produced in the affected country. These policies, he pointed out, are in direct contrast with U.S. Government policies that make U.S. coal subject to open and direct attack by imports.

Because of the grave danger of the development of an energy gap among the non-Communist nations of the world, it is urgent that Members of Congress familiarize themselves with major factors accountable for this potential fuel deficiency. For this reason I should like to acquaint my colleagues with one particular phase of our energy relationships with other countries. I include in the RECORD at this point Dr. Potter's remarks regarding exchange of fuels between the United States and Canada:

WORLD TRADE RESTRICTIONS—FUELS

(By Charles J. Potter, President, Rochester & Pittsburgh Coal Co., Indiana, Pa.)

For about 75 years, Rochester & Pittsburgh Coal Co. has, until recently, been a major exporter of bituminous coal. Most of its exports were to the Dominion of Canada, and in terms of volume the company exported up to 40 percent of its production. Today the company's exports are a mere trickle and this is because of competition with other fuels and effective trade barriers raised by the importing countries.

Regulations with respect to trade either effectively aid or restrict the sale of U.S. coal within the United States as well as to foreign countries. With the exception of a relatively few countries, effective trade barriers have been erected against U.S. coal. These barriers take various forms and do not always appear as a duty or quota, but the end result is to effectively restrict the importation of U.S. bituminous coal.

At this point it will be well to explain that the productivity of bituminous coal in the United States is greater than that of any other country, and generally to the extent of some 60 percent. Obviously, higher productivity tends to lower unit cost.

At this time, I should like to discuss import-export regulations with respect to the United States and Canada because Canada has been a steady though declining, market for U.S. bituminous coal for many, many years, and currently there is a major shift in the import-export energy picture between the two countries.

Before discussing trade barriers, it is well to examine energy consumption in both countries.

Total per capita energy consumption in the United States has increased at about 1.3 percent per year for the past 16 years, and it is expected that this trend will continue. However, the per capita consumption of oil, natural gas and hydroelectricity has been increasing at a rate of 5.2 percent per year for the same period. Significantly, if these rates continue, oil, gas, and hydro will completely displace coal in the United States by 1972. Obviously from an economic standpoint, this is impossible. The per capita rate of consumption, particularly with respect to oil and gas, must decline quite substantially and this trend actually began a few years ago.

This, of course, means that competition in the United States will be greatly intensified and over the next several years there will be an excess of all kinds of energy.

For background purposes, the consumption of energy fuels in the United States in 1940 amounted to about 182 million B.t.u. per capita, and in 1960 energy consumption had risen to about 251 million B.t.u. per capita. It is interesting to note the change in pattern of consumption in the United Stats for the same period.

TABLE I.—*Consumption of energy fuels in the United States (percentage)*

Year	Coal	Oil and petroleum products	Gas and gas liquids	Hydro	Total
1940	52.4	31.4	12.4	3.8	100
1960	23.1	41.4	31.6	3.9	100

The decline of coal's participation in the energy market is not due to any lack of supply, but is the result of both domestic and foreign competition. While nuclear energy is not shown in the table, it is obvious that there will be an increase in the consumption of energy from this source. Yet, in the next several years it will not be sufficiently great to affect the validity of the above statements. I think it fair to point out that it appears that the only energy source that may be in any difficulty in the next 15 to 20 years will be natural gas, and this will be due to the failure of discoveries keeping pace with increased demand. A great deal of this difficulty will be enhanced by the price structure and Government regulation of the natural gas industry.

With respect to the Dominion of Canada and its energy picture, the pattern is similar to that of the United States. In Canada, energy consumption per capita has been increasing at a greater rate than that of the United States, and oil and gas particularly are expanding their share of the energy market rapidly. The relatively recent discoveries of oil and gas in huge quantities in western Canada have, in effect, made Canada self-sufficient in energy sources if economics of use are treated lightly.

The per capita increase per year in total energy consumption in Canada over the past 12 years has been approximately 2 percent, while that of oil and gas has been approximately 6.7 percent. Again, as in the case of the United States, if the expansion rate of oil and gas continues at its present rate, all the energy in Canada would be supplied by these two sources in about 12 years. Obviously, this will not happen, and there is beginning a decline in the growth rate in terms of per capita consumption of oil and gas. This in itself will partially cause and is causing, severe energy competition within the Dominion.

Obviously with excess energy supply in both countries, any imports by either merely add to an already overburdened energy market.

Geographically speaking, the major sources of production of Canadian coal, oil, and gas are at great distances from the principal Canadian markets. This is contrasted with the relatively short distances from the Ohio, Pennsylvania, and northern West Virginia coalfields to the large metropolitan consuming areas of Toronto and Montreal. The Canadian coal industry in the Maritimes has very high production costs. Some mines are under the Atlantic Ocean and this makes for conditions that result in low productivity. This, coupled with the great distance to Montreal and Toronto, even by water, makes it uneconomical for Canadian coals to compete in these markets with other sources of energy. Furthermore, the coking coal reserves of Canada are in the Rocky Mountains in highly pitching seams, and this uneconomic situation has caused Canadian steel companies to own and operate coal mines in the United States for their source of metallurgical coal.

For quite a number of years, I have advocated to our State Department that in the very near future the United States and Canada would have a net trade balance of zero in terms of energy, and that when this point is reached it would be the time to eliminate all duties and other trade restrictions on energy between the two countries. My conversations with our State Department have been particularly unsuccessful, the State Department contending that there are too many other major problems involved with Canada. Of course, my reply to this is that unless restrictions are ended now they never will be. There is no reason, as will be indicated later, why there should be any duties or restrictions on the free interchange of energy between the two countries, but unless this is done promptly there will be a great demand for substantial restrictions on energy movements to the United States from Canada.

The United States has always been a net exporter of energy to Canada until 1960, and in that year for the first time Canada became a net exporter of energy to the United States. Table II shows the energy balance between the two countries on a coal equivalent basis for the past 4 years.

TABLE II.—*Total energy sources* [1]

[In thousand net tons]

Year	United States to Canada	Canada to United States
1957	23,094	15,169
1958	14,829	11,815
1959	14,072	13,500
1960	13,192	15,369

[1] Coal, crude oil, residual oil, natural gas, and electrical energy converted to coal equivalent tons. Electrical energy for 1960 estimated.

I would now like to discuss the Canadian restrictions on the U.S. bituminous coal. The normal import duty on U.S. coal is 50 cents per net ton, but a substantial quantity enters practically duty free. Some Canadian consumers have a 99 percent drawback on the 50 cents duty because of certain uses of U.S. coal. These uses include coal for conversion into coke; for use in production of synthetic rubber; and for melting, evaporating and preparing salt. Thus, for the year 1960, the net amount of tariff on U.S. bituminous coal to Canada amounted to approximately 30 cents a ton on the average instead of the normal 50 cents per ton. The importance of this duty drawback is indicated by the testimony of a Canadian steel industry executive before Commissioner Rand of the Royal Commission on Coal in which he took the position that unless Canadian steel companies had free access to U.S. coal and were not forced to use Canadian coal they would not be competitive with U.S. steel production in the world market. The cheapest source of energy for the Government-owned synthetic rubber plant at Sarnia is U.S. coal, and since a great deal of this rubber is exported, the Canadian Government wants a minimum cost for fuels. Similarly, the export of salt has led to the drawback being applied to this industry which again is principally located nearest the U.S. energy sources. In other words, on competitive exports from Canada, there is an effort on the part of the Canadian Government to preferentially aid Canadian industry.

Although the net tariff receipt on U.S. coal may not appear to be very significant, it should be pointed out that the full 50 cents duty applies to all other users, or potential users, of U.S. coal. Further, there has been for many years a practice of paying subventions to enable Canadian consumers to use Canadian produced coal. These subventions are paid to the railways and/or the coal producer or its transportation agents. In the fiscal year ended March 31, 1960, the Canadian Government paid out a total of $15.5 million in subventions on slightly over 3 million tons of coal, or an average in excess of $5 per ton. To allow Canadian coal to compete with U.S. coal subventions as high as $9.50 per ton have been authorized. The Canadian Government increased these subsidies to approximately $17.2 million in the fiscal year ended March 31, 1961. It is significant that just recently the Canadian Government granted a subsidy of $8.50 per ton for the movement of 300,000 tons of Nova Scotia coal to the Ontario Hydro Commission's steam electric plant in Toronto. This subsidy is greater than the total delivered price to Toronto of some U.S. coals.

The stated purpose of the subventions is to enable Canadian coal to compete with U.S. coal. Actually, in many instances, the subvention is not fixed at a figure which will enable Canadian coals to compete, but rather at a rate which will absolutely displace U.S. coal. It is vitally important to note that none of these subventions are authorized to enable Canadian coal to compete with or displace imported residual oil or natural gas which are and have been displacing both Canadian and United States coals in Canada. I must point out again that the subsidies are directed solely and exclusively against U.S. bituminous coals. While these subventions are not considered by the U.S. Government to be a trade barrier, because these are internal affairs of the Dominion Government, the result is exactly the same as a prohibition against shipment or an extremely high tariff. Canada has made a case for the social problems in Nova Scotia as a reason for providing maximum subsidy for Canadian coals, yet the United States has worse social problems in parts of Pennsylvania and West Virginia.

There is a published import tariff of $2 per net ton which applies to Canadian coal imported into the United States. However, this duty does not apply until such time that Canadian coal exports to the United States exceed U.S. exports to Canada. This, obviously, will not happen in the foreseeable future, for the only U.S. imports are those in northern Maine where the total quantity is relatively small and the delivered price of Canadian coal is substantially less than that of U.S. coal or oil.

With respect to other forms of energy, Canada imposes a duty on U.S. natural gas of 3 cents per 1,000 cubic feet (about 75 cents per ton of coal equivalent) when the gas is used for heating, cooking, or illuminating, but nothing when used for the generation of steam. This duty is no longer of any great importance because of the Trans-Canada gas pipeline. The U.S. exports of natural gas to Canada in 1960 were the equivalent of only 126,000 tons of coal contrasted with the equivalent of 1,200,000 tons of coal in 1958.

There is no duty or import tax on natural gas from Canada into the United States, even though such importations are increasing rapidly and have risen from the equivalent of 483,000 tons of coal in 1957 to 4 million tons in 1960. Most of this gas has entered the United States in the western Great Lakes area where it has directly displaced U.S. bituminous coal.

There is no duty or tariff imposed on electrical energy between the United States and Canada, and Canada is a net exporter to the United States. Net imports of electrical energy in terms of coal equivalent in 1959 amounted to about 1.9 million tons. This hydroelectricity has directly displaced U.S. coal, particularly in the Niagara Frontier area.

Turning to oil, there is an import duty on Canadian crude of 10.5 cents per barrel where oil is of 25° API and higher. Canadian residual oil pays an import duty of 5.25 cents per barrel, which is equivalent to about 23 cents per ton of coal.

Central Canada normally imported its crude oil requirements from the United States. Because of its inability to secure cheaper crude, there resulted a free movement of U.S. oil to the central Canadian refineries. However, with the building of the oil pipelines from Alberta, U.S. crude practically stopped flowing. The big refineries on Montreal Island continue to draw crude from Venezuela and the Near East and there is no import duty on this oil. Oil products have various duties from one-third to 1 cent per gallon, depending on the grade, yet the major portion of Canadian imports takes a one-third cent per gallon duty.

The following table summarizes the entire United States-Canadian energy trade in terms of coal equivalent and the trade barriers in terms of U.S. dollars.

TABLE III.—*United States-Canadian trade volume and duties balance*

Year	United States to Canada		Canada to United States	
	Coal equivalent tons (thousands)	Average trade barrier (per ton)	Coal equivalent tons (thousands)	Average trade barrier (per ton)
1957	23,094	$0.70	15,169	$0.34
1958	14,829	1.00	11,815	.23
1959	14,072	1.42	13,500	.22
1960	13,192	1.62	15,369	.24

While the above table only covers 4 years, it is significant to point out that in the relatively short past, U.S. coal exports alone to Canada were greater than the total of all energy exports to Canada shown in 1957. It can be seen, therefore, that free trade in energy sources between the United States and Canada is a long way from consummation unless some action is taken promptly, and that the particular energy source which is suffering from trade restrictions is U.S. bituminous coal. Appendix A shows the data from which table III is taken, and I think this appendix should now be discussed.

It is pertinent to point out at this time that the rates of duty, excluding subventions, as an ad valorem percent are much greater in Canada than in the United States. The latest available year shows that on exports from the United States to Canada on dutiable products there is a duty of 16.9 percent, while from Canada to the United States it amounts of 6.7 percent. The net effect of the higher Canadian duty is generally to represent an effective curb on imports of U.S.-manufactured goods.

One of the most serious problems affecting the U.S. bituminous coal industry is that of imported residual oil, the principal source of which is from Venezuela. The reason that I say that residual oil is a most serious problem to our industry is because of its extremely wide price fluctuations. Venezuelan residual has been delivered at a price of from $4 per ton equivalent under U.S. coal on the eastern seaboard to $4 a ton equivalent above U.S. coal. Foreign residual, when in an excess supply as it currently is, is priced to take the business away from coal. Contrasted with a relatively stable price policy in the bituminous coal industry, residual oil prices vary widely. There is no secret about the prices of bituminous coal sold to electric utilities, and as a result a utility in Cleveland or Buffalo, for example, where there is little oil or gas competition, is unwilling to pay any higher price than that which is paid by the utilities on the eastern seaboard where residual oil is highly competitive. Thus, the entire U.S. price level on bituminous coal is directly affected by the price of residual oil on the eastern seaboard.

The duty on residual oil originating in Venezuela is 5.25 cents per barrel, or about the coal equivalent of 23 cents per ton. It is obvious that a 23 cent duty in a sale price fluctuation of $8 is of minor significance. Venezuela proclaims a reciprocal trade program, yet it insists upon maintaining complete protection for its own agriculture and industry. I quote from a Department of Commerce report on Venezuelan trade policy:

"Venezuelan commercial policy has followed a general trend toward providing maximum encouragement to domestic agriculture and industry. In addition to import duty, other types of trade control are imposed, such as licensing requirements, import quotas, regulations requiring the purchase of specified amounts of local products for each unit of product imported, import prohibitions and quarantine laws. State trading is also employed in products whose price is supported in the domestic markets."

In 1960, the United States imported 220 million barrels of residual oil originating in Venezuela, which is the equivalent of 53 million tons of bituminous coal, practically all of which moved into the highly industrialized eastern seaboard. On this same eastern seaboard, U.S. natural gas and oil, as well as hydroelectricity, compete with coal. The U.S. Government, through a Cabinet Committee on Energy Supplies and Resources, recommended an import quota system on residual as well as crude, and this was made effective in 1959. The quota system was an attempt on the part of the Government to prevent the disintegration of the U.S. coal industry and to attempt to prevent any further losses in revenue of the eastern railroads. Although these quotas were placed at a very high level, they have since been increased a number of times. As a matter of fact, the increases have been greater than the energy consumption increase and it forced U.S. domestic energy sources to reduce their shipments to these competitive areas. Further, while there is a quota system, there appears to be no assurance that the quotas will be fixed at any particular figure or at any particular time. This is indicated by the New England Senators and Congressmen protesting to the President late this winter that oil prices were increasing and that New England was being harmed by lack of imports. The President immediately let in a great deal more residual oil. Actually, prices on residual had dropped and there was an oversupply of this product, but what really happened was that domestic heating oils increased in price seasonally and were almost back up to their price levels of a few years ago. This shows the lack of knowledge on the part of Government, or lack of facts by the New England congressional group.

It would appear that our State Department and not the Congress is making trade policy, the objective of which is to keep a country such as Venezuela on friendly terms with the United States by permitting substantial imports of crude and residual oil, thereby directing a flow of U.S. dollars to that country. If this is the avowed purpose and intent of our State Department, I submit that instead of permitting the importaion of residual oil to compete with all the energy sources in the United States we would be much better off to reduce the tariffs on products such as gasoline on which the tariff is now the equivalent of $2.10 per ton of coal. The importation of products such as gasoline would, if marketed by U.S. companies, for the first time give competition to the U.S. oil refining industry and could actually result in the flow of more dollars to Venezuela. In other words, there is presently no external competition with refineries of gasoline or heating oils in the United States.

OTHER COUNTRIES

Great Britain has in effect a permit or license system which must be granted by the Government before any U.S. bituminous coal is permitted to be imported. While there is no specific duty or tariff imposed, the necessity of securing a permit effectively prohibits any U.S. coal from being sold in that country. You may recall that recently there was some publicity about attempts by the British steel industry to secure a permit to import U.S. coal for the manufacture of coke, but a tremendous complaint was raised by the Scottish miners and, of course, no permit was issued. U.S. coal for steam use can be delivered in England cheaper than English coal along the industrial seaboard area.

To my knowledge, Great Britain has no requirement for an import license on fuel oil nor is there a duty imposed on the quantity imported.

Ireland has been importing U.S. coal because it can purchase U.S. coal at a lower price than British coal. For many years, England had supplied all of Ireland's coal requirements; however, because U.S. coal producers could deliver coal to Ireland cheaper than England, the United States took a substantial portion of the Irish market. Recently England has been recovering some of the markets in Ireland as a result of subsidies granted by the British Government to the British Coal Board. These subsidies have permitted the nationalized coal industry to selectively reduce prices to Ireland, thereby replacing U.S. coal.

West Germany imposes both a quota and tariff against U.S. bituminous coal. The quota for 1961 and for 1962 is 5,015,000 tons, thereafter a duty of $5 per ton is imposed which very effectively prohibits further importation of U.S. coal. The 5-million-ton quota is limited to coal to be used for the manufacture of coke.

The Benelux countries use a license system which effectively prohibits free trading so far as U.S. coals are concerned. The only coals imported from the United States are special purpose coals approved by the High Authority after consultation with the respective governments of the individual countries. While there are no tariffs or duties applicable on U.S. coals to these countries, there is general understanding that no U.S. coal will be purchased except metallurgical coal.

Belgium requires an import license for fuel oils but does not assess a duty on oil intended for industrial purposes, including residual oil.

The Netherlands does not require an import license for fuel oil nor is there any duty applicable. A similar situation exists in Luxembourg.

Denmark, while requiring a license for coal, does not require one for oil. There is no duty applicable on either coal or oil.

Austria requires a license, but there is general understanding that no U.S. coal is to be purchased. In other words, anyone seeking to purchase U.S. coal would not be granted a license. Austria likewise requires a license for the importation of oil and a duty is assessed against some countries with a reduction in the amount of the duty to the European Free Trade Association countries. Partial or total exemption of the duty may be made to the European Free Trade Association countries if the Government so directs in instances where Austria may not produce a certain grade oil or not in sufficient quantity to meet the demand. This exemption applies primarily to furnace oils.

France uses an import license system for bituminous coal, and here, as in the case of many other European countries, the system is used to discourage the free importation of U.S. coals except special purpose coals. France utilizes a minimum-maximum ad valorem duty rate on petroleum and certain products thereof depending upon the country from which the imports are received. The United States is presently one of the countries on which the minimum duty rate on petroleum applies.

Italy is one of the few countries that does not impose restrictions against U.S. bituminous coal imports. There are no requirements for a license or permit, nor is any duty assessed. The only controlling factor is the price at which the U.S. exporters are willing to sell U.S. coal in competition with other coals available to Italy. True, the Government exchange office in Italy sells foreign exchange currency to those authorized to spend it abroad and to this extent one might claim that in effect this is a method of controlling imports. In spite of the fact that the U.C.S.C. is exerting great pressure on Italy to purchase its coal from E.C.S.C. countries, next to Canada, Italy is still the largest importer of U.S. coals.

Italy presently requires an import license for petroleum and certain products produced therefrom. In addition, there is an ad valorem duty assessed which varies ac-

cording to the intended use of the oils. These duties do not apply to all countries equally, and so far as oil for boiler use is concerned the duty is temporarily suspended.

I would like to call to your attention the apparent attempt by Russia to influence, particularly by price, world energy markets. I am sure more will be said about this in great detail at this meeting. Nevertheless, it is well known that Russia today is producing oil in large quantities and building extensive pipelines from the oil fields to points of discharge to other countries. It is also known that Russia is selling oil to other countries at prices below those which it charges satellite countries. For example, in 1958 it is reported that Russia was charging Poland $2.87 per barrel while at the same time selling Argentina at $1.60 per barrel. Russia is also constantly increasing its coal production which has already exceeded that of the United States in the last 3 years. One can expect severe pressure to be placed on the other European countries to purchase Soviet coal and oil through the medium of extremely low prices, with which other countries may find it almost impossible to compete.

Japan issues allocations to importers on a quarterly basis stipulating how much money can be spent on the purchase of coal. There is presently no duty assessed on the importation of U.S. bituminous coal, and Japan has been increasing its purchases from the United States and is expected to continue to do so over the next several years. Practically all of the U.S. coal being exported from the United States to Japan is for the manufacture of coke. Japan also requires authority of the Government to import petroleum and petroleum products and in addition assesses an ad valorem duty which ranges from 2 to 20 percent, depending upon the grade of oil and its intended uses. The duty applies to all countries.

Brazil, a country that produces bituminous coal, controls imports of coal by requiring a certificate legalized by the Executive Commission for the National Coal Plan and, in addition, imposes an ad valorem duty ranging from 20 to 50 percent which is applied when an importer purchases more foreign than national coal. In other words, if an importer purchases as much nationally produced coal as foreign coal, no duty is assessed.

These examples have shown the import-export regulations with respect to fuels and particularly coal throughout the world. The only basic conclusion that can be drawn is that low-cost bituminous coal produced in the United States and used for the generation of steam is effectively prohibited by trade barriers from being marketed as long as there is any coal produced in the affected country. This is in direct contrast with U.S. Government policy which makes coal subject to open and direct attack by imports.

It is time that our Government provides us with ample protection against imported energy sources or else effectively, and I repeat effectively, promotes free trade in energy.

APPENDIX A.— *United States-Canadian trade volume and duties balance on energy sources, 1957–60*

	1957 [1]		1958 [1]		1959 [2]		1960 [2]	
	Coal equivalent tons (thousands)	Duty or import tax rate per ton	Coal equivalent tons (thousands)	Duty or import tax rate per ton	Coal equivalent tons (thousands)	Duty or import tax rate per ton	Coal equivalent tons (thousands)	Duty or import tax rate per ton
United States to Canada:								
Residual oil	1,420	$695,800.00	1,052	$515,480.00	1,187	$581,630.00	987	$483,630.00
Crude oil	1,824		255		[3]		[3]	
Electric energy	367		114		117		[4] 117	
Natural gas	1,038	788,880.00	1,173	891,480.00	413	313,880.00	126	95,760.00
Coal	18,445	[5] 6,455,750.00	12,235	[5] 4,282,250.00	12,355	[5] 3,891,089.00	11,962	[5] 3,575,375.00
Canadian subventions		[6] 8,320,143.00		[6] 9,186,021.00		[6] 15,491,077.00		[6] 17,192,930.00
Total	23,094	16,260,573.00	14,829	14,875,231.00	14,072	19,977,676.00	13,192	21,347,695.00
Average trade barrier rate per ton		.70		1.00		1.42		1.62
Canada to United States:								
Residual oil	186	39,380.00	87	19,140.00	125	27,280.00	95	20,900.00
Crude oil	11,911	5,165,420.00	6,779	2,691,880.00	7,506	2,989,570.00	9,048	3,704,310.00
Electric energy	2,222		1,823		1,909		[4] 1,909	
Natural gas	483		2,819		3,585		4,057	
Coal	367		307		375		200	
Total	15,169	5,204,800.00	11,815	2,711,020.00	13,500	3,016,850.00	15,369	3,725,210.00
Average trade barrier rate per ton		.34		.23		.22		.24

[1] Revised, therefore, differ somewhat from table 12 in "Brief for Submission to Royal Commission on Coal of Canada," Feb. 6, 1960, by National Coal Association.
[2] Subject to revision.
[3] Crude oil for 1959–60 negligible.
[4] Figure for 1960 not available; 1959 figure used.
[5] 1957–58 based on net of 35 cents per ton. 1959–60 based on 29 and 30 cents per ton respectively. Duty rate is 50 cents per ton but some coals enter duty free or on 99 percent drawback.
[6] Figures for fiscal year ended Mar. 31. For instance, figure for 1960 is for fiscal year ended Mar. 31, 1961.

Source: U.S. Bureau of Mines, U.S. Federal Power Commission, Dominion Coal Board, U.S. Tariff Commission, Canadian Tariff Schedules, Federal Government Estimates of Expenditures.

Mr. Speaker, I find it difficult to take issue with the philosophy, espoused by our friends in the Dominion, protecting domestic industry and labor against the ravages of imported commodities. I only wish that the U.S. Government would demonstrate like sympathy for the people of this country. As policies now stand, however, our State Department's disregard of this Nation's welfare gives Canada such a one-sided advantage in fuels exchange that Congress should be unwilling to tolerate extension of existing policies. Canada is careful to protect its own fuel producers through both tariffs and subventions, whereas the State Department here in Washington is presumably perfectly satisfied to permit Dominion exports to overrun U.S. fuel markets. This atrocious conduct, while in direct harmony with the State Department's overall attitude of complete devotion and affection for the rest of the world without any display of warmth toward our own people, should be analyzed critically by every Member of Congress. It not only makes for prevailing depressed economic conditions in mining, transportation, and dock areas, it stands as a distinct threat to the business and industrial life of every community involved. Pipeline interests have already succeeded in pushing their product across the border and wiping out important markets that were actually built by coal supplies from America's own mines. The plan is to continue this aggression, step by step, until a series of pipelines crosses the border from the Atlantic to the Pacific.

I have long since been convinced that it is futile to expect the State Department to reverse the policies that have made the United States the dumping ground for foreign products. Only Congress can lay the groundwork for a better industrial climate in our mining areas. Here is a conclusion developed at the fourth meeting of the Canada-United States Interparliamentary Group:

The committee agreed on the need to maintain the oil industries of both countries in a healthy state in the face of production, exploration, and marketing issues which they largely share in common. The greatest importance was attached by the Canadian delegation to the continued access for Canadian crude oil to expanding U.S. markets particularly in the U.S. Northwest. The two delegations recognized that policies pursued in each country could raise serious national and international issues for the other and agreed that Canada and the United States should work closely together in seeking national solutions to the problems of oil production and trade.

Despite the fact that the present administration, in seeking office last year, promised to do everything possible in behalf of distressed coal regions, the State Department is obviously entirely satisfied at the status quo which permits progressively greater displacement of coal by Canadian sources of energy. I urge that you file the preceding portion of Dr. Potter's statement in order that you will not overlook the existing inequities between the United States and Canada when the whole problem of reciprocal trade comes up again in 1962.

INTERNATIONAL CONTROL OF OUR SCHOOLS

Mr. KYL. Mr. Speaker, I ask unanimous consent that the gentleman from

Ohio [Mr. ASHBROOK] may extend his remarks at this point in the body of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, on July 11, 1961, I joined four of my colleagues on the Education and Labor Committee in writing a minority report objecting to the provisions of the National Defense Education Act Amendment of 1961. Among the reasons we gave was the overall threat of control by the Office of Education and the possibility—unfortunately, a strong possibility—that the Federal education bureaucrats would submit to international controls and conventions which would direct, by agreement with UNESCO, American education methods and curriculums.

The bureaucrats' blueprint for control of local education, "A Federal Education Agency for the Future," on page 43, states:

The Office of Education, as the primary Federal agency in the field, must look forward to a greater role in planning the Nation's relationships with educational programs, institutions, students, and faculty in other countries, in implementing international projects in the United States and in bringing maximum effectiveness to the total international education effort.

On page 40 it declares:

The next decade will bring closer and multiple relationships with ministries of education abroad and international organizations, such as UNESCO, the OAS, the International Bureau of Education, and others, as problems in education are attacked bilaterally and multilaterally on a worldwide basis.

What kind of an organization is UNESCO? A close study of its efforts gives little to warrant reliance on their aims, practices, and policies to entrust our American educational system. A Member of the other body recently revealed the appalling lack of good judgment of this United Nations body which should be kept in mind when we hear of efforts to cooperate with their activities or place our educational system subject to their rules. Senator DODD hit at the one-sided aspect of their policy in a Senate speech on July 25, 1961. He said, in part:

The October 1960 issue of the UNESCO Courier completely paralleled the Communist propaganda line in the sense that it made the charge of racism and anti-Semitism against the United States and other free countries, while ignoring the fact that the Soviet Union is today the chief breeding place of the virus of anti-Semitism, and that there is massive persecution of national minorities in the U.S.S.R. all the way from the Ukraine to Mongolia.

The first photograph in issue No. 10 of the UNESCO Courier had to do with the Nazi persecution of the Jews. The second photograph had to do with the massacre at Sharpeville in South Africa. The third photograph showed Federal troops escorting Negroes to school at Little Rock. The next series of photographs had to do with the Notting Hill riots in London, and so on to the very end.

Not a word was said about the terrible persecution of the minorities, and especially of the Jewish minority in the Soviet Union today.

I felt that this publication could not by any stretch of the imagination be considered impartial, that it was on the contrary a publication which the Communists could and would use for propaganda purposes. I found this all the more distressing because, as is common knowledge, the United States foots fully one-third of the UNESCO budget.

I immediately addressed a letter to Ambassador James J. Wadsworth at the United Nations, with a copy to the Secretary of State, asking that the matter be taken up with the UNESCO Council.

On April 29 I finally received a reply from Mr. Brooks Hays, Assistant Secretary of State for Congressional Relations, informing me of the status of their representations.

It appears from Mr. Hays' letter that the Director General of UNESCO saw nothing wrong with their special issue on racism. His position was that the special issue of the UNESCO Courier was intended to describe only areas of racism that had been discussed in the 56th session of UNESCO's executive board and which represented situations publicly and officially recognized by the member states.

If UNESCO's report on racism was outrageously one sided, I find the stand now taken by the Director General of UNESCO doubly outrageous.

The Soviet Government denies that minorities are persecuted in the Soviet Union. Therefore, despite the mountains of evidence on the persecution of the Jews, the Ukrainians, and other national minorities in the Soviet Union, UNESCO takes the stand that it cannot recognize or report on such persecutions within the territory of the Soviet Union and in other countries of the Communist sphere.

Let those who support Federal control of education answer this question: In abolishing local control of our school system, what will prevent Federal bureaucracy from bringing about international control through agreements, conventions, and treaties? A hopeless pattern of State Department blunders and concessions give little insurance against the same policies bungling our educational system in the manner in which we have done in trade, economic, and general foreign relations.

Another learned American, Cardinal McIntyre, Archbishop of Los Angeles, has called attention to UNESCO's Convention Against Discrimination in Education, which our minority report singled out for criticism. It is obvious that policies such as those which Senator DODD exposed would shackle the free world educational systems while the Communists would sit back with immunity.

I commend to the Members of the House this editorial from the July 27, 1961 issue of the Wanderer, a national Catholic weekly:

"BLANK CHECK" FOR UNESCO?

A UNESCO resolution awaiting U.S. Senate ratification would commit the United States to socialize its education. His Eminence James Francis Cardinal McIntyre warned last week.

The archbishop of Los Angeles said the UNESCO resolution on "Discrimination in Education" is a manifesto for the destruction of local control of education.

"Even the dangers of Federal aid to education fade to a shadow in the light of the measure," the cardinal told the St. Vincent de Paul Society in his prepared address.

"Widespread apprehension," the cardinal stated, "that Federal aid to education will socialize American education is confirmed by the philosophy of this UNESCO resolution passed in Paris in December 1960, and now to be submitted to the Senate."

Cardinal McIntyre said the UNESCO proposal would have three results:

1. "This resolution would substantially eliminate all local control of public education at State or local level.

"It would place the direction and regulation of all American education under Federal control—control by the U.S. Department of Education and the National Education Association.

2. "The resolution would override this Federal control and make it subsidiary to UNESCO as a world court and final international arbiter of education.

3. "The resolution would subject private education, nontax supported, independent schools and colleges, to rigid restriction and conformity with respect to plan, staff, curriculum and policy.

"In other words," said the cardinal, "it would do away with freedom in education.

"Such a policy is opposed to the traditional American principle of freedom in education as guaranteed and determined by local authority."

"I wonder," the cardinal stated, "if our Senators from California are acquainted with this resolution? They both voted for Federal aid.

"I wonder if our U.S. Congress will wish to bestow upon UNESCO this universal jurisdiction?

"I wonder what is the attitude of the National Education Association toward this measure?

"Would it not be reasonable to expect that it would have an obligation to inform its 700,000 members of this projected international control of education?"

"The philosophy in this resolution," said the cardinal, "is the same as was contained in the E in UNESCO and that was eliminated some years ago by the board of education and the people of Los Angeles," who strongly protested the program.

In an interview after his talk to the Vincentians, the cardinal amplified his remarks on UNESCO.

UNESCO, he said, is demanding blank-check authority over American education.

UNESCO's convention on Discrimination in Education calls for the United States and other nations to recognize UNESCO as the dominant authority over educational matters.

"If the United States were to buy this 'convention' it would be buying a 'cat in a bag,'" he declared. "And a very dangerous cat it would be."

The cardinal attacked UNESCO's presumption of power over education, challenged its competence and questioned its authority.

He said that, under the front of defending basic rights, UNESCO was arrogating to itself power for control of education.

"This 'convention' or resolution, passed at Paris last December, describes in the terms of the natural law what it includes in the term 'discrimination.'

"This is quite commendable. To exclude these terms would be reprehensible. Their inclusion, however, gives UNESCO an opportunity to make exceptions and to place restrictions on what it does not consider as constituting discrimination.

"This distinction between discrimination and what would not be discrimination introduces the presumption that UNESCO education or state or national education is supreme and dominant.

"It reserves to 'competent authorities' the regulation of any system of education that is separated from arbitrarily established standards.

"Since these 'competent authorities' are not defined, it is implied that UNESCO will be the 'competent authorities.' Appeal from these 'competent authorities' in the instance of differences would be to an international world court.

"Who has constituted UNESCO this infallible authority?" the Cardinal asked.

"The policy of the NEA and the U.S. Department of Education, both of which are associated and affiliated with UNESCO, has advocated and sponsored principles in the current legislation for Federal aid to education in the United States that are dishonest and discriminatory.

"Would it, therefore, not be reasonable to suppose that their competency would be similarly slanted when they would be deciding the circumstances that would entitle non-UNESCO education to recognition?

"What authority has UNESCO to place itself in this supreme position?"

Cardinal McIntyre's urgent warning ought not go unheeded. The Wanderer for years has questioned the underlying philosophy and offbeat direction of this officious world construct and each time our warnings have been airily brushed aside or given the silent treatment. It is to be hoped that the same treatment will not be accorded to the plain-speaking and courageous Prince of the Catholic Church, but rather that American Catholics by and large will begin asking some pointed questions at UNESCO and NEA headquarters.

POSTMASTER FOR GREENHURST, N.Y.

Mr. KYL. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. GOODELL] may extend his remarks at this point in the body of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GOODELL. Mr. Speaker, I rise today because of my deep concern over a flash of rather extreme partisanship in my own congressional district, which I feel is defiant of the best interests of our people. I refer to the appointment of a postmaster for the little community of Greenhurst, N.Y.

Now I recognize that Post Office appointments have been from time immemorial influenced by political considerations. Republicans try to find qualified Republicans and Democrats try to find qualified Democrats for postmaster positions. Greenhurst, however, is a very special situation.

During the Eisenhower administration the name of Mrs. Ellen Newman was submitted to the U.S. Senate in 1959. She has been serving ably and conscientiously as acting postmaster since that date. Her name was held up by the Democratic Senate, however, pending the possibility of the election of a Democratic President. Earlier this year I received a copy of a petition signed by virtually every resident of the Greenhurst area. They all wanted Mrs. Newman to be their postmistress. I have been told that all but one post office patron in Greenhurst joined in this petition. At any rate, the names on this petition represent an absolute minimum of 99 percent of the total residents of the community of Greenhurst, Democratic and Republican alike.

The petition reads as follows:

We the undersigned residents of the Greenhurst Post Office area, do hereby petition you to do all in your power to retain the services of Mrs. Ellen Newman as postmistress and to continue the post office in conjunction with the Greenhurst grocery. She has served us willingly and well and we feel that no other situation in the area can be operated to the advantage of all the residents as can the present location.

Upon receipt of the petition, I pressed the matter actively with postal authorities in Washington. In spite of my efforts and the worthy efforts of Democrats and Republicans alike in Greenhurst, Mrs. Newman was notified under date of July 12, 1961, that she was to be replaced within 2 weeks. Mrs. Newman was removed, I am informed, on July 26, 1961, and replaced by Mrs. Kathleen Parker, a Democrat.

Now I am sure that Mrs. Kathleen Parker is a wonderful person and a fine lady. I would not want my remarks today to be interpreted in any manner as derogatory of Mrs. Parker. But it so happens that the first name on the petition asking my help in having Mrs. Newman appointed as postmaster of Greenhurst is: "Kathleen Parker, Democrat, Greenhurst, N.Y."

It would appear obvious that Mrs. Parker's name was submitted for this appointment over her own resistance. She, herself, sincerely wished that Mrs. Ellen Newman be the postmaster in Greenhurst.

I have not objected to any other postal appointments in my district, but this one is so grossly defiant of the will of the people in Greenhurst that I had to speak up. To have remained silent under these circumstances would have been a refusal to represent the overwhelming sentiment of my constituents, Democratic and Republican, in the community of Greenhurst, N.Y. I regret the necessity of this action on my part today.

LET US NEVER FORGET OUR HERITAGE

Mr. KYL. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. JUDD] may extend his remarks at this point in the body of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JUDD. Mr. Speaker, Miss Margo Cairns is a Minnesota constituent who suggested to me 5 or 6 years ago that the United States should adopt a national floral emblem, and that it should be the corn tassel because no country in the world has a history so closely identified from its beginning with one plant, and so closely intertwined all through its remarkable development.

No country has so unique and fitting a symbol; no people owe so much to one God-given plant that has sustained them in so many ways.

Miss Cairns has worked tirelessly for this cause, for no reason except her love of our country and her deep sense of gratitude. She has written another moving statement of the case, which I wholeheartedly support, and I am happy to include it with these remarks:

LET US NEVER FORGET OUR PRICELESS HERITAGE

(By Margo Cairns)

Selecting a national emblem to bear witness to a nation and its people is a serious, even sacred responsibility. Our forefathers considered it in that light. They were inspired in their work, leaving this Nation a rich legacy of symbols, each having a deep significance—our flag, our shield, our bird, the great seal. Now the opportunity has come to select a national floral emblem.

An emblem has been defined as that which is intimately associated with what it represents. Is anything in the United States as intimately associated with it as maize, Indian corn, the revered grain of the Red Man, the "mother" of the colonists and pioneers, and which now runs through every channel of our national life?

A national floral emblem is not an individual's, not a group's, favorite flower, nor any commercial interest's prize winner, nor may it be selected for its beauty alone.

I am sure our forefathers could have found a prettier piece of cloth if that was all they were thinking of in choosing a flag. Instead they pondered their need for a symbol of the colonists' hopes and dreams, their struggles and sufferings, their victories and unity, which gave birth to this Nation.

Our forefathers turned away from Old World fabrics and forms to the New World, their world, and created a flag that is distinctive and wholly American, a true symbol of this Nation.

A national floral emblem must also be distinctively and wholly American. It too must be a symbol of the land, the Nation, its people, its history. A national floral emblem must be selected on the basis of logic and patriotism:

1. It must be of American origin, born in the Western Hemisphere and found nowhere else before 1492.

2. It must have its roots in every State, unifying the Nation.

3. It must serve the Nation, in times of war as well as in times of peace.

4. It must not be a flower of mere prettiness, but possess the beauty of practicality, or productivity.

5. Its choice as a national floral emblem should be based on gratitude for what it has been, is, and always can be to the people of the United States—a true symbol of this Nation.

What flower can fill these ardent demands of reason? The tassel of corn. The corn tassel is the symbol of the whole plant, hence the symbol of all that the plant exemplifies. More—it is the symbol of divine provision for a courageous people as they built this mighty Nation.

This Nation's beginnings were in thanksgiving; it was dedicated to freedom; it progressed richly; it had power to shape its future because of the generosity of our great American native plant. Carl Sandburg said that when one examines the fate of fallen empires one always finds that the people forgot from whence they came.

Let us never forget our priceless heritage. Let us never forget our Nation's humble beginnings and the plant to which we owe an everlasting debt.

ESTABLISHMENT OF CAPE COD NATIONAL SEASHORE PARK

Mr. ASPINALL submitted a conference report and statement on the bill (S. 857) to provide for establishment of the Cape Cod National Seashore Park.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SHORT (at the request of Mr. KYL), for 30 minutes, on August 10.

Mr. HOLIFIELD (at the request of Mr. YATES) for 30 minutes, on Thursday next.

Mr. FEIGHAN, for 30 minutes, on Thursday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FINO.

Mr. STAGGERS, his remarks made today and to include tables.

Mr. AVERY (at the request of Mr. KYL) to extend his remarks made during the consideration of the rule on H.R. 8102 and to include extraneous matter.

Mr. ROBINSON.

(The following Members (at the request of Mr. KYL) and to include extraneous matter:)

Mr. SHRIVER.

Mr. SIBAL.

Mr. ALGER

Mr. CURTIS of Missouri.

Mr. HOSMER.

(The following Member (at the request of Mr. YATES) and to include extraneous matter:)

Mr. SLACK.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 6345. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1962, and for other purposes; and

H.R. 6611. An act to amend paragraph 1798(c)(2) of the Tariff Act of 1930 to reduce temporarily the exemption from duty enjoyed by returning residents, and for other purposes.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 120. Joint resolution to authorize the President to order units and members in the Ready Reserve to active duty for not more than 12 months, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 498. An act to provide additional lands at, and change the name of, the Fort Necessity National Battlefield Site, Pa., and for other purposes;

H.R. 1593. An act to authorize the Secretary of the Interior to convey certain land in the Big Sandy Rancheria, Calif., and to accept other land in exchange therefor;

H.R. 2616. An act for the relief of Habib Mattar Nacol;

H.R. 6067. An act to provide for an appropriation of a sum not to exceed $35,000 with which to make a survey of a proposed national parkway from the Blue Ridge Parkway at Tennessee Bald or Beach Gap southwest and running into the State of Georgia;

H.R. 6345. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1962, and for other purposes;

H.R. 6346. An act to include Ackia Battleground National Monument, Miss., and Meriwether Lewis National Monument, Tenn., in the Natchez Trace Parkway, and to provide appropriate designations for them, and for other purposes;

H.R. 6514. An act for the relief of Dr. Louis Karel Dupre;

H.R. 6519. An act to provide additional lands for the Tupelo National Battlefield Site, Miss., and for other purposes;

H.R. 6611. An act to amend paragraph 1798(c)(2) of the Tariff Act of 1930 to reduce temporarily the exemption from duty enjoyed by returning residents, and for other purposes;

H.R. 7042. An act to add certain federally owned land to the Lassen Volcanic National Park, in the State of California, and for other purposes; and

H.R. 7240. An act to authorize an exchange of lands at Wupatki National Monument, Ariz., to provide access to certain ruins in the monument, to add certain federally owned lands to the monument, and for other purposes.

ADJOURNMENT

Mr. YATES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 7 minutes p.m.), the House adjourned until tomorrow, Wednesday, August 2, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1187. A letter from the Administrator, National Capital Transportation Agency, transmitting a draft of a proposed bill entitled "A bill authorizing the Agency to carry out part 1 of the transit development program for the National Capital region"; to the Committee on the District of Columbia.

1188. A letter from the Attorney General, transmitting a draft of a proposed bill entitled "A bill to amend the act of September 2, 1958, establishing a Commission and Advisory Committee on International Rules of Judicial Procedures as amended"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EDMONDSON: Committee on Interior and Insular Affairs. H.R. 6102. A bill to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands located in the State of Florida to the record owners of the surface thereof; with amendment (Rept. No. 820). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 394. Resolution for consideration of H.R. 7726, a bill to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence; without amendment (Rept. No. 821). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 395. Resolution for consideration of S. 2311, an act to authorize additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes; without amendment (Rept. No. 822). Referred to House Calendar.

Mr. SPENCE: Committee on Banking and Currency. H.R. 7108. A bill to amend the Federal Home Loan Bank Act and title IV of the National Housing Act, and for other purposes; with amendment (Rept. No. 823). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 824. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. SPENCE: Committee on Banking and Currency. H.R. 8277. A bill to amend the Federal Home Loan Bank Act to simplify and improve the election and appointment of directors of the Federal home loan banks; with amendment (Rept. No. 825). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 1022. A bill to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments; with amendment (Rept. No. 826). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee on the Judiciary. H.R. 468. A bill to amend section 1073 of title 18, United States Code, the Fugitive Felon Act; with amendment (Rept. No. 827). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 881. An act to revise section 4166 of the Revised Statutes (46 U.S.C. 35) to permit documentation of vessels sold or transferred abroad; without amendment (Rept. No. 829). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 3159. A bill to permit certain foreign-flag vessels to land their catches of fish in the Virgin Islands in certain circumstances, and for other purposes; without amendment (Rept. No. 830). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee of conference. S. 857. An act to provide for the establishment of Cape Cod National Seashore Park (Rept. No. 831). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H.R. 1569. A bill for the relief of Isei Sakioka; with amendment (Rept. No. 828). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 8425. A bill to provide for the establishment of a National Institute of Science and Astronautics; to the Committee on Science and Astronautics.

By Mr. BETTS:

H.R. 8426. A bill relating to the gift and estate tax treatment of the relinquishment of certain powers in the case of pregift tax reciprocal trusts; to the Committee on Ways and Means.

By Mr. CRAMER:

H.R. 8427. A bill to amend chapter 73 of title 18, United States Code, with respect to obstruction of investigations and inquiries; to the Committee on the Judiciary.

By Mr. DOMINICK:

H.R. 8428. A bill to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL:

H.R. 8429. A bill to establish a Department of Urban Affairs and Housing and for other purposes; to the Committee on Government Operations.

By Mr. GOODELL:

H.R. 8430. A bill relating to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes; to the Committee on Education and Labor.

By Mr. HEMPHILL:

H.R. 8431. A bill to authorize the employment in the Foreign Service of the United States of certain individuals having valuable specialized training and experience, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HOEVEN:

H.R. 8432. A bill to amend the Agricultural Act of 1956, as amended, and the Agricultural Act of 1949, as amended, to prohibit the subsidized export of any agricultural commodity to Communist nations and to prohibit sales by the Commodity Credit Corporation of any agricultural commodities to such nations; to the Committee on Agriculture.

H.R. 8433. A bill to amend the Agricultural Act of 1956, as amended, and the Agricultural Act of 1949, as amended, to prohibit the subsidized export of any agricultural commodity to Communist nations and to prohibit sales by the Commodity Credit Corporation of surplus agricultural commodities to such nations at prices less than those prices available to American consumers; to the Committee on Agriculture.

By Mr. JOHNSON of California:

H.R. 8434. A bill to authorize the Secretary of Agriculture to sell and convey a certain parcel of land to the city of Mount Shasta, Calif.; to the Committee on Agriculture.

By Mr. KEARNS:

H.R. 8435. A bill to amend title 18 of the United States Code to provide that the present penalties for obscenity on radio and television programs shall also include and extend to undue emphasis upon crime, violence, and brutality; to the Committee on the Judiciary.

By Mr. LESINSKI:

H.R. 8436. A bill to increase from $600 to $700 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

H.R. 8437. A bill to increase from $600 to $700 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. GEORGE P. MILLER:

H.R. 8438. A bill to provide a procedure for the reimbursement of any citizen of the United States who owns a vessel or aircraft which is taken by the use or threat of force from the possession or control of such citizen or his agents while being operated in interstate or foreign commerce and removed to a place outside the United States; to the Committee on Foreign Affairs.

By Mr. MINSHALL:

H.R. 8439. A bill to amend the Internal Revenue Code of 1954 to provide for capital loss carrybacks; to the Committee on Ways and Means.

By Mr. RIVERS of Alaska:

H.R. 8440. A bill to extend for 3 years the temporary provisions of Public Laws 815 and 874, 81st Congress, and for other purposes; to the Committee on Education and Labor.

By Mr. ROOSEVELT:

H.R. 8441. A bill to extend the time for expiration of certain patents granted under special provisions for conditions arising from World War II; to the Committee on the Judiciary.

By Mr. STEED:

H.R. 8442. A bill to amend the Agricultural Marketing Agreement Act of 1937 with respect to its application to milk and milk products, and for other purposes; to the Committee on Agriculture.

By Mr. BELL:

H.R. 8443. A bill to amend the National Science Foundation Act of 1950 to create a Division of Language Science, to coordinate, promote and facilitate an intensive national program of language communication and cultural interchange; to the Committee on Science and Astronautics.

By Mr. BROYHILL:

H.R. 8444. A bill to amend the act of August 12, 1955, relating to elections in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BUCKLEY (by request):

H.R. 8445. A bill to provide for a parkway connection between Mount Vernon and Woodlawn Plantation, in the State of Virginia, and for other purposes; to the Committee on Public Works.

By Mr. RHODES of Pennsylvania:

H.R. 8446. A bill to provide for a National Portrait Gallery as a bureau of the Smithsonian Institution; to the Committee on House Administration.

By Mr. HIESTAND:

H.J. Res. 513. Joint resolution expressing a declaration of war against the 98 Communist Parties constituting the international Communist conspiracy; to the Committee on Foreign Affairs.

By Mr. WALTER:

H. Con. Res. 364. Concurrent resolution to print as a House document the publication "World Communist Movement—Selective Chronology 1818–1957, Volume 1," and to provide for the printing of additional copies; to the Committee on House Administration.

By Mr FRIEDEL:

H. Res. 396. Resolution authorizing the creation of an additional position in the House stationery room, and for other purposes; to the Committee on House Administration.

By Mr. WALTER:

H. Res. 397. Resolution providing for additional copies of House Report No. 2228, 86th Congress, 2d session, entitled "The Communist-Led Riots Against the House Committee on Un-American Activities in San Francisco, Calif., May 12–14, 1960"; to the Committee on House Administration.

By Mr. WALTER:

H. Res. 398. Resolution providing for additional copies of House Report No. 2237, 86th Congress, 1st session, entitled "Annual Report for the Year 1960," prepared by the Committee on Un-American Activities; to the Committee on House Administration.

By Mr. McMILLAN:

H. Res. 399. Resolution to authorize the Committee on the District of Columbia to conduct an investigation and study of the organization, management, operation, and administration of departments and agencies of the government of the District of Columbia; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. JUDD:

Memorial of the Minnesota State Legislature to the Congress of the United States to increase sugarbeet allotments for Minnesota farmers; to the Committee on Agriculture.

Also, memorial of the Minnesota State Legislature to the Congress of the United States to enact laws providing for more widespread use of farm commodities for school lunch and welfare programs; to the Committee on Education and Labor.

Also, memorial of the Minnesota State Legislature to the Congress of the United States to enact legislation authorizing and directing the Department of the Army, acting through the district engineer, U.S. Army Engineers, St. Paul, Minn., to enter into agreements with the State of Minnesota for the regulation, utilization, and control of water levels in the headwater lakes of the Mississippi River, for the purpose of controlling such water elevations and the discharge from the reservoirs involved to preserve and protect, in accordance with the plans of the State of Minnesota, the full utilization and control of such waters in the interests of the people of the State; to the Committee on Public Works.

Also, memorial of the Minnesota State Legislature to the Congress of the United States to provide adequate funds to the appropriate Federal agency for the purpose of conducting an up-to-date survey of the Minnesota River within the State of Minnesota, and bringing up to date the report of the Chief of Engineers, U.S. Army, dated June 6, 1935, relative to the utility of the river for navigation, flood control, and related purposes and the justification of Federal fund participation therein; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CRAMER:

H.R. 8447. A bill to authorize the disposal of surplus equipment, materials, books, and supplies under section 203(j) of the Federal Property and Administrative Services Act of 1949 to the Florida Sheriffs Boys Ranch, Live Oak, Fla.; to the Committee on Government Operations.

By Mr. FINO:

H.R. 8448. A bill for the relief of Salvatore Di Leo; to the Committee on the Judiciary.

H.R. 8449. A bill for the relief of Domenico Palermiti; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 8450. A bill for the relief of Shue Heung Lee; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H.R. 8451. A bill for the relief of Mrs. Alice Nun-Kyoen Keh; to the Committee on the Judiciary.

By Mr. MOSS:

H.R. 8452. A bill for the relief of Glendal W. Hancock; to the Committee on the Judiciary.

By Mr. PELLY:

H.R. 8453. A bill for the relief of Wen Tan; to the Committee on the Judiciary.

By Mr. ROUSSELOT:

H.R. 8454. A bill for the relief of Mrs. Concetta Momtalos De Piro; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 8455. A bill for the relief of Jose Antonio Cuchi Ortega; to the Committee on the Judiciary.

By Mr. SHELLEY:

H.R. 8456. A bill for the relief of Aurelio L. Robles; to the Committee on the Judiciary.

By Mr. SIKES:

H.R. 8457. A bill for the relief of Mrs. Ferdinand Szego; to the Committee on the Judiciary.

H.R. 8458. A bill for the relief of Dr. Arthur E. Harbeson; to the Committee on the Judiciary.

By Mr. BARING:

H.J. Res. 514. Joint resolution authorizing the issuance of a gold medal to Bob Hope; to the Committee on Banking and Currency.

PETITIONS, ETC.

Under clause 1 of rule XXII,

200. The SPEAKER presented a petition of Henry M. Henderson, Atlanta, Ga., relating to the times, places, and manner of holding elections for Senators and Representatives, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Sound Appointments to the New Haven

EXTENSION OF REMARKS

OF

HON. ABNER W. SIBAL

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1961

Mr. SIBAL. Mr. Speaker, with the appointment of three trustees under the Bankruptcy Act, the New Haven Railroad has entered a new and critical period. It is essential that it emerge from this period in health and equipped financially to meet the growing needs of an expanding area. Moreover, the problems of the New Haven, although grave, are not unique. They are symptomatic of many of the troubles besetting the entire transportation industry across the country. A new national transportation policy is required urgently. But, in order to design this, we must have a clear understanding of what our present policy is. As an initial step, I have introduced H.R. 8364, which would direct the Secretary of Commerce to survey and analyze all present Federal and State regulations governing transportation including a survey of the structure of all governmental programs of assistance programs.

Under leave to extend my remarks, I offer for the RECORD the news release accompanying the introduction of H.R. 8364 and an editorial from the Hartford Courant of July 28, relating to the New Haven Railroad and the need for a national transportation policy.

It is an excellent editorial and I commend it to the earnest attention of every Member:

[From the Hartford Courant, July 28, 1961]

SOUND APPOINTMENTS TO THE NEW HAVEN

It was right that Judge Robert P. Anderson should name three trustees to take over the New Haven Railroad in bankruptcy. The job is a big one. But even more important is the judicial independence and integrity Judge Anderson displayed in making his appointments. He was informed that the White House itself, via the Attorney General, favored the appointment of former Gov. Dennis J. Roberts, of Rhode Island. And this pressure was backed by some political big guns from Rhode Island and Connecticut.

The origin of such support may be deduced from the fact that way back in 1956 Mr. Roberts was a backer of John F. Kennedy for Vice President. But Judge Anderson noted that Mr. Roberts' "great ability and skill" had been devoted exclusively to politics, and so turned to professionally qualified trustees instead. He is right. The last thing the troubled New Haven needs is political appointments at the top, which have a way of proliferating in further political appointments down the line.

The three men who were chosen are well qualified. One of them, Harry W. Dorigan, knows not only railroads but the New Haven itself. He was fired by the elder Dumaine during the early years of the railroad's second descent into bankruptcy. Not only did Mr. Dorigan have a long record in the financial side of the railroad's management, but he has bankruptcy experience as well. During the New Haven's previous receivership he was executive assistant to the road's president, Howard G. Palmer, who was one of the trustees at that time. The other present trustees are an authority on corporation law who also has previous connections with the New Haven, Richard J. Smith, and a fiscal expert and lawyer, William J. Kirk. There can hardly be any question about FCC endorsement of these men.

So begins the long road back. But even such prudent and informed management as the railroad may now look forward to, may not be enough to turn the tide. Judge Anderson said that if the measures now begun are not enough, if no way can be found to make income and cost meet, then "The New Haven Railroad will simply have to go out of business." Here one may disagree with the judge. New England, and indeed the country as a whole, simply cannot afford to let the New Haven go out of business.

This railroad may have been dogged by an unusually evil fortune in recent years. But it is only a forerunner of others. The chief trouble bedevilling all American railroads lies in the changes wrought by the automobile and the truck, plus an unplanned and uncoordinated national transportation pattern. What not only the New Haven but all railroads need most of all is a carefully thought-out national transportation policy. Such a policy must treat railroads, trucks, and buses, passenger cars, airplanes, and waterways as integrated parts of a single system, no one of which will be discriminated against as the railways are now. To fashion such a policy is beyond the powers of the ablest judge, the most competent trustees. It must be done by the President and Congress of the United States. And the hour is late.

NEWS RELEASE OF HON. ABNER W. SIBAL, CONGRESSMAN FROM THE FOURTH DISTRICT OF CONNECTICUT

Congressman ABNER W. SIBAL today called for a new national transportation policy and introduced legislation directing the Secretary of Commerce to initiate the first steps.

The Sibal bill would order the Secretary to survey and analyze all Federal and State laws and regulations affecting the transportation industry, including the structure of grant and loan authorizations.

The Connecticut Congressman, a member of the House Interstate and Foreign Commerce Committee, said the bill would provide the information "which is essential as a basis for action to insure that each form of transportation can function efficiently." "This," he continued, "will affect not only the overall transportation problems of the country, which are very grave, but will have a particular impact on the solution of the commuter railroad problem."

SIBAL declared:

"The present governmental approach to transportation has grown up in patchwork fashion over a long period of years. As a result, we now lack a uniform and consistent policy and, because of built-in inconsistencies, conditions of unfair competition and many basic inefficiencies exist among the various forms of transportation. Not only because of the commuter problem, but also for the economic welfare of the country as well as for our defense requirements, it is essential that the Government reassess its policies and that it treat the Nation's transportation facilities as a sum of integrated parts. The separate parts must be related to each other in such a way that each can perform its particular function in the most efficient manner with maximum benefit to the public.

"In order to do this, we must have a clear and total picture of present regulations and existing programs of governmental grants and loans. This picture would be provided under terms of my bill."

The Sibal measure would direct the Commerce Secretary to submit the results of his survey and analysis by June 30, 1963.

National Charity Lottery of Panama

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1961

Mr. FINO. Mr. Speaker, in this country, it is all too often true that gambling is a pillar of organized crime. I would like to bring to the attention of the Members of this House the example of Panama in order to show that gambling does not have to serve such evil ends. The national charity lottery of Panama functions, as its name would indicate, to provide funds for the support of hospitals, welfare institutions, and orphanages.

The national charity lottery plays quite an important role in the everyday life of Panama, and although that nation has a population of only 1 million, gross receipts from the national charity lottery were $28 million in 1960. In that year, the profit to the Government was $4.7 million.

In Panama, the gambling urge is centralized and channeled so as to achieve beneficial ends. Gambling dollars in Panama are not used to shore up racketeers as in the United States. Instead, they are used to promote the public welfare. When we realize the merits of a national lottery, we, too, will be able to siphon funds from the pockets of gangsters into the pockets of hard-pressed taxpayers.

New Frontier Spending Feels the Pinch of the Debt Ceiling

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 1, 1961

Mr. CURTIS of Missouri. Mr. Speaker, the public debt today is approximately $5 billion higher than it was at a corresponding date a year ago. The debt is currently in the magnitude of approximately $293.2 billion. This is a record indebtedness in U.S. history and, indeed, in the history of all mankind.

The Congress recently enacted legislation providing a statutory ceiling for the public debt of $298 billion. The Wall Street Journal for today contains a short paragraph citing the possibility that the Treasury may find it necessary to return to the Congress with a request for an additional increase prior to the adjournment of the present session. That short paragraph from the Wall Street Journal reads as follows:

Treasury men sense new danger to the $298 billion national debt ceiling. They fear the freshly welling deficit may push the debt against the ceiling by December. Officials consider asking Congress to raise the legal lid anew before adjournment. They shudder at the idea of having to call a special session for the task.

Mr. Speaker, last June the Secretary of the Treasury appeared before the Committee on Ways and Means in support of the President's request for the record in peacetime increase in the statutory debt limit to $298 billion. At that time he presented a table to the committee which forecast public debt outoutstanding at various times during fiscal year 1962. The Secretary then informed the committee that $298 billion was the minimum degree of latitude within which he could operate the debt under the New Frontier spending proposals then submitted to the Congress. Since then we have had new spending recommendations from the administration and this raises a question as to the ability of Treasury officials to manage the debt within present limitations.

Mr. Speaker, as a part of my remarks I will include a table forecasting outstanding public debt at specific periods within fiscal year 1962 as furnished to the Committee on Ways and Means by the Secretary of the Treasury last June. I call your attention to the fact that in evaluating this statistical table it should be remembered that this does not reflect the budgetary changes and additional spending proposed that have occurred since the middle of June.

The table follows:

Forecast of public debt outstanding, fiscal year 1962, based on constant operating cash balance of $3,500,000,000 (excluding free gold)

[Based on assumed budget deficit of $3,700,000,000 [1]]

[In billions]

	Operating balance, Federal Reserve banks and depositaries (excluding free gold)	Public debt subject to limitation	Allowance to provide flexibility in financing and for contingencies	Total public debt limitation required [2]
1961				
June 30	$3.5	[2 3] $286.4	$3.0	$289.4
July 15	3.5	288.6	3.0	291.6
July 31	3.5	289.6	3.0	292.6
Aug. 15	3.5	289.9	3.0	292.9
Aug. 31	3.5	290.1	3.0	290.1
Sept. 15	3.5	291.9	3.0	294.9
Sept. 30	3.5	288.2	3.0	291.2
Oct. 15	3.5	290.7	3.0	293.7
Oct. 31	3.5	292.2	3.0	295.2
Nov. 15	3.5	293.0	3.0	926.0
Nov. 30	3.5	292.8	3.0	295.8
Dec. 15	3.5	294.9	3.0	297.9
Dec. 31	3.5	292.4	3.0	295.4
1962				
Jan. 15	3.5	294.9	3.0	297.9
Jan. 31	3.5	294.0	3.0	297.0
Feb. 15	3.5	294.1	3.0	297.1
Feb. 28	3.5	293.2	3.0	296.2
Mar. 15	3.5	294.7	3.0	297.7
Mar. 31	3.5	291.2	3.0	294.2
Apr. 15	3.5	293.4	3.0	296.4
Apr. 30	3.5	292.7	3.0	295.7
May 15	3.5	292.9	3.0	294.9
May 31	3.5	291.3	3.0	295.3
June 15	3.5	293.6	3.0	296.6
June 30	3.5	290.1	3.0	293.1

[1] Assumes estimated budget revenues of $81,400,000,000 and estimated expenditures of $85,100,000,000.

[2] From July 1, 1960, to June 30, 1961, the statutory debt limit is $293,000,000,000. Thereafter, but for this bill, it would revert to $285,000,000,000.

[3] Because the actual operating balance on June 30, 1961, is expected to be considerably larger than $3,500,000,000, the public debt subject to limitation will be about $289,000,000,000 on that date.

Source: U.S. Treasury Department.

Kansas Fourth Congressional District 1961 Opinion Poll Taken by Representative Garner E. Shriver

EXTENSION OF REMARKS
OF
HON. GARNER E. SHRIVER
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 1, 1961

Mr. SHRIVER. Mr. Speaker, one of the closest links which a Representative has with his constituents back home is the daily mail. We all recognize that while many citizens do appraise their Congressman of their opinions—most people do not avail themselves of that opportunity.

Since early June of this year, I have been conducting an opinion poll in the Fourth Congressional District of Kansas. Through this questionnaire I attempted to present a representative random sample of my constituents with the opportunity to inform their Congressman of their views on varied issues which face the Nation and the Congress.

It has been most gratifying and enlightening to read the comments, and note the opinions of Kansans regarding such matters as Federal aid to education, medical care for the aged, fiscal policies, admission of Red China to the United Nations, agricultural policies, and the financing of the Federal highway program.

Many citizens also took the opportunity to comment regarding the most pressing problems which faced their respective local communities.

It is most reassuring to me to note the keen interest which citizens in my district demonstrate in public affairs. I am sure that there is growing interest in Government all over this great Nation of ours.

My first public opinion poll was mailed to a random sample of 22,000 Kansans throughout my district. The mailing list was compiled by using the telephone directories of towns and cities of the Fourth District. I am pleased to report that more than 2,900 questionnaires already have been returned to me, and others are arriving daily.

FAVOR PAY-AS-WE-GO FISCAL POLICIES

One of the major conclusions which may be drawn from tabulations of the opinion poll is that most Kansans in my district favor a pay-as-we-go fiscal program.

Nearly 85 percent of the participants said they favor a balanced budget. Over 58 percent voted for an increase in postage rates to meet a $900 million Post Office deficit.

Significantly, in the face of a growing Berlin crisis which will require greater defense spending, over 62 percent indicated they favor postponement of domestic programs now planned while over 50 percent approved of increasing taxes to meet greater defense expenditures.

FEDERAL AID TO EDUCATION

Kansans are proud of the gains made by education at all levels as a result of continued local and State efforts. They recognize that much remains to be done to improve the quality of educational opportunities. However, those participating in the poll did not express enthusiasm for most of the Federal educational programs which have been proposed to the Congress.

Nearly 58 percent expressed opposition to Federal aid to education for school construction while over 73 percent were opposed to Federal assistance for teachers' salaries.

There was favorable sentiment expressed regarding a program of college loans and scholarships to students.

A SOLID "NO" TO RED CHINA BID

There was overwhelming opposition expressed toward the admission of Red

China to the United Nations and many of the recent returns have expressed a similar attitude toward U.S. diplomatic recognition of Outer Mongolia.

VIEWS ON AGRICULTURE

Many of my constitutents derive their livelihood from agriculture. It is interesting to note that over 80 percent of all participants expressed opposition to more Federal regulation of agriculture, only 10 percent favored more controls, and 10 percent were uncertain.

I appreciate the time and effort which many of the citizens in my district demonstrated in replying to my questionnaire. This has been a most valuable project in the conduct of my responsibilities, and I plan to continue to invite my constituents to inform me of their views on other issues through similar questionnaires.

Following are the percentage tabulations of the first opinion poll of the Kansas Fourth District:

Do you favor—	Percent		
	Yes	No	Uncertain
Federal aid to education for—			
School contruction	37.3	57.9	4.8
Teachers' salaries	20.7	73.3	6.0
College loans and scholarships	46.8	43.7	9.5
Full local and State responsibility	73.6	20.9	5.5
Medical care to the aged financed through—			
Social security	30.5	64.5	5.0
Federal grants to States	38.5	49.9	11.6
No Federal program in this area	40.9	45.3	13.8
More Federal regulation of agriculture, higher price supports and production controls	10.2	80.2	9.6
Financing the Federal highway program through—			
Extension of 1-cent temporary gas tax	46.2	46.5	7.3
Combination of extended temporary gas tax and increased tax on trucks	53.4	37.3	9.3
Retaining present tax receipts in highway construction fund rather than diverting to general fund	82.7	5.4	11.9
Admission of Red China to the United Nations	10.0	76.4	13.6
Continuation of House Un-American Activities Committee	78.8	9.1	12.1
ncrease in postage rates to meet a $900,000,000 Post Office deficit	58.2	34.2	7.6
A balanced budget	84.8	4.2	11.0
If greater Federal expenditures in defense and foreign policy support are concluded to be in the national interest, should the necessary revenue—			
Be raised by increased taxes	50.8	38.2	10.9
Be financed through deficit spending	18.1	67.3	14.6
Come through postponement of domestic programs now planned	62.4	21.9	15.7

House Progress on Foreign Aid

EXTENSION OF REMARKS
OF
HON. JOHN M. SLACK, JR.
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 1, 1961

Mr. SLACK. Mr. Speaker, under unanimous consent, I include in the RECORD a letter by Representative JOHN S. MONAGAN, of Connecticut, which appeared in the July 25, 1961, edition of the New York Times. Mr. MONAGAN, a member of the House Foreign Affairs Committee, quite properly took exception to editorial criticism in the Times that Congress has dawdled over the foreign aid bill. I subscribe to Mr. MONAGAN'S statement that in the circumstances these criticisms were not justified:

HOUSE PROGRESS ON FOREIGN AID

To the EDITOR OF THE NEW YORK TIMES:

The charge in your editorial of July 9, that "Congress is still dawdling, weeks behind schedule, over one of the most vital measures of our foreign and defense policies—the foreign aid bill" is most unfair.

It is true that a foreign aid bill was sent to the White House last year by May 12, but you disregard entirely the fact that a totally new situation prevails this year.

The foreign aid bill which the House Foreign Affairs Committee is presently considering is the product of one of President Kennedy's task forces. This bill was not received by the House committee until May 29. Obviously, there would be no point in having hearings or committee deliberations until the new bill which the committee was to consider was produced.

Since the filing of this bill, the House committee has scheduled and heard major administration witnesses, as well as witnesses on the part of the public. Members of the committee have sat morning, afternoon, and evening, on many occasions, and we have also met during the July 4 recess in order to cope with this very difficult situation.

The House committee is now engaged in going over the bill, paragraph by paragraph, to determine the final product.

Congress may justifiably be subjected to criticism for many things, but in this instance, your critical comments were not justified.

JOHN S. MONAGAN,
Member of Congress.

WASHINGTON, *July 15, 1961.*

Administration Abandonment of Policy of Massive Retaliation Endangers the Peace

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 1, 1961

Mr. ALGER. Mr. Speaker, now it is out in the open. Administration spokesmen are no longer hinting at the abandonment of the policy of massive retaliation in any war the Communists start, they are openly advocating it. At this point, I would like to include an article from the Wall Street Journal clearly pointing up the position of Gen. Maxwell Taylor, the President's most powerful military adviser, favoring a return to conventional combat in preparation for limited war and also an article from today's New York Times in which Chester Bowles, the Assistant Secretary of State, is quoted as disavowing the policy of massive retaliation as part of the administration program.

[From the Wall Street Journal]

WAR, LIMITED—GEN. MAXWELL TAYLOR'S VIEW THAT UNITED STATES MUST BE READY FOR CONVENTIONAL COMBAT IS INGREASINGLY VALID

(By William Henry Chamberlin)

It is hardly coincidence that the military doctrine of preparedness for limited war without the use of nuclear weapons set forth in Gen. Maxwell D. Taylor's book, "The Uncertain Trumpet," is in close accordance with the purposes of the additional military expenditures advocated by President Kennedy. For Taylor, as the President's personal military adviser, has been wielding very considerable influence on White House military thinking.

Taylor is an uncommonly brilliant, magnetic, and persuasive personality, with the double background of a glamorous combat record in World War II plus an unusual range of intellectual interests.

He undertook a delicate and dangerous scouting mission behind the German lines in Rome and was one of the first officers of general rank to parachute into France in June 1944. He is an accomplish linguist, master of several European languages, with an excellent knowledge of Japanese and a fair knowledge of Chinese. He was an eager educational innovator when he was superintendent at West Point and during his 4-year term as Army Chief of Staff conceived some strong and definite ideas about American military policy which he set forth in a book after retiring from the service.

APPROPRIATE RESPONSE

Taylor's reemergence into a position which perhaps carries greater power and influence than he possessed as Army Chief of Staff (where he often felt frustrated by the combined opposition of the Navy and Air Force representatives) marks the eclipse of massive retaliation as the keynote of American defense policy. In its place has come the so-called policy of flexibile response. As General Taylor writes in "The Uncertain Trumpet":

"The national military program of flexible response should contain at the outset an unqualified renunciation of reliance on the strategy of massive retaliation. It should be made clear that the United States will prepare itself to respond anywhere, any time, with weapons and forces appropriate to the situation including massive retaliation.

"There are still voices to assert the impossibility of having a limited war in the NATO area. Such an assertion means that any collision of patrols over, say, Berlin, would automatically result in general atomic war. It offers no alternative other than reciprocal suicide or retreat in the face of the superiority of Soviet conventional forces. Such talk does little to reassure our allies. Furthermore, it is nonsense. If men who are both sane and determined continue to direct nations, they will initially take all measures short of general war to resist aggression—regardless of the nationality of the aggressor."

General Taylor's thinking parallels rather closely that of a German-born Harvard professor, Henry A. Kissinger, who spends a good deal of time these days commuting between Cambridge, Mass., and Washington as a consultant to the President. Kissinger leaped into international fame in 1957 with

the publication of a book, "Nuclear Weapons and Foreign Policy," maintaining the thesis that even a nuclear war could be kept limited by employing only smaller tactical weapons, not the biggest bombs, with their awesome blast and fallout potentialities. In this work, which was widely quoted on both sides of the Atlantic, Kissinger argued that the threat of all-out war "purchases deterrence at an exorbitant risk."

"It requires us," he continues, "in every crisis to stake our survival on the credibility of a threat which we will be increasingly reluctant to implement and which, if implemented, will force us into the kind of war our strategy should make every attempt to avoid."

The course of events in the last years, and especially the demonstrations of Soviet skill and power in rocketry, have lent support to the thinking of Taylor and Kissinger. As Soviet power to inflict devastation on the United States has become more visible there is less credibility in the idea of the United States resorting to thermonuclear weapons as the solution for a hassle over Berlin or as a reprisal for the infiltration of Communist guerrillas into South Vietnam or Thailand.

Yet there must be some response to such provocations, or there is a bleak and dreary prospect of the non-Communist world being nibbled away or intimidated into submission by a series of adroit acts of aggression, no one of which will seem provocative enough to warrant resort to ultimate weapons. Here is where the doctrine of flexible response, provided the men, the training, and the tools are in adequate supply, seems to make more sense than the vague threat of a reaction so awesome and so grave in its possible consequences for America itself that it becomes less and less credible either to friend or to foe.

UNWRITTEN RESTRAINTS

If the United States is unlikely to try to obliterate Moscow and Leningrad if an American convoy is held up outside Berlin, the Soviet Union is equally unlikely to aim bombs at New York and Washington, if an American military guard brushes the obstruction aside. Both sides in the Korean war placed themselves under considerable unwritten restraints. It is possible that this decade of perilous brinkmanship will witness other conflicts waged with nonnuclear weapons.

Possible, but, of course, not certain. There is no umpire with power to insure that the ground rules of limited warfare will be observed. Neither Taylor nor Kissinger rules out the possible necessity of resorting to nuclear weapons, if the very existence of America is at stake. Neither does President Kennedy, as his sober reference to the desirability of fallout shelters proves.

But there is a clear tendency today, reinforced by the stalemate of mutual terror which has been created in the field of nuclear weapons, at least to experiment with limited warfare, which could even take economic or diplomatic, as well as military forms, to make the big bang of nuclear detonation the last, not the first resort.

[From the New York Times, Aug. 1, 1961]

BOWLES SAYS MASSIVE RETALIATION POLICY FADES—TELLS ENVOYS UNITED STATES DEPENDS ON NORMAL BUILDUP

(By Lawrence Fellows)

NICOSIA, CYPRUS, July 31.—Chester Bowles said today that the United States was trying to edge away from the policy of massive retaliation.

The Under Secretary of State made the remark in an hour-long address to U.S. diplomats who are stationed in 21 countries in North Africa and Middle East. They are meeting here.

The United States is relying more on building up its conventional strength on the ground, Mr. Bowles said.

At the same time, he added, the United States is putting more weight on the political approach in areas of sensitivity abroad.

IDEAS MOST POWERFUL

The feeling in the Kennedy administration, he said, is that the force of political ideas is far more powerful than the sum of military strength and national wealth of any country.

The policy of massive retaliation was enunciated by the late John Foster Dulles as Secretary of State. It meant an overwhelming attack by the United States in reply to military aggression.

In addition to moving away from this policy, Mr. Bowles said, the administration is trying to assert more leadership over those countries that are friendly to the United States but bring the Nation into embarrassing diplomatic situations.

He did not enlarge upon this statement in the meeting, which was closed to all but the diplomats. The speech was summarized afterward by Carl Rowan, Assistant Deputy Secretary of State for Public Affairs.

Mr. Rowan used a hypothetical example to explain.

"If the United States takes a position in favor of self-determination, it does not want a friendly nation to destroy it," he said. The allusion could have been to the French in North Africa or the Portuguese in Angola. "Men have the God-given right to govern themselves," Mr. Rowan added.

AID POLICY EXPLAINED

In his talk to the diplomats, who will confer for 4 days, Mr. Bowles also said the administration wanted to make it clear that programs of assistance were not measures taken out of fear of communism.

The point Mr. Bowles made was that assistance was given because it was right to give it and not in an attempt to buy support.

The great advantage that lies with the United States in the fight for world opinion, Mr. Bowles added, is that it wants only to achieve for people what they want for themselves. The Soviet Union has the disadvantage of wanting to dictate to people how they should live, he declared.

Mr. Speaker, this Nation must not make a unilateral commitment disavowing the full use of nuclear power for massive retaliation in favor of General Taylor's flexible response. To do so commits us to a contest with the Communists in their own area, where they are strongest, and on their terms. This is the surest way to give Khrushchev the excuse he needs to push the world into war. We have kept the peace because of his fear of our massive retaliation and, in my opinion, this is the only policy which will give us the strength we need to prevent war, or to win it, if the Communists start it.

Limited war for the United States is not possible any longer—that is, if we hope to win victory over the Communists. We cannot match them in manpower and using our resources to put out the brushfires they start simply depletes our strength and endangers our position in the long run.

We are superior in nuclear power and we can maintain that superiority if we use defense funds for missile development and research. This is the policy of strength Khrushchev will understand and which will keep him in line in Berlin and other parts of the world where he plans to divert our attention and our strength.

For the sake of all those who will be called upon to fight, for the sake of the millions who will die at the hands of the marching Communist hordes, in behalf of the freedom of this Nation and the liberty of all mankind, I implore the administration not to weaken us further by exhausting our defense dollars in a buildup of conventional weapons, obsolete ships and aircraft, and manpower, but rather speed up research and development of modern weapons and modern power of warfare which will blast Moscow from the face of the earth should the Communist dictator be so foolish as to plunge the world into the horror of war.

The danger is too great that limited war will not stay limited but will expand to nuclear, either with smaller tactical weapons or then the largest weapons. Therefore, no war must be permitted to begin or even be contemplated as so-called limited. The next war, God forbid, will be nuclear. We must not let it start in the guise of a limited engagement that then expands.

In short, our only hope for peace is the continued threat of massive nuclear retaliation against any aggression. Under no circumstances must we unilaterally commit ourselves to refrain from massive retaliation because this ties one hand behind us, and invites a limited war, which might never have started except for our implied suggestion that we would not use nuclear weapons.

Answer to Washington Post's Hanford Editorial

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1961

Mr. HOSMER. Mr. Speaker, I have sent the following letter to the editor of the Washington Post commenting on that newspaper's editorial urging expenditure of $95 million of the people's money to add electric generating facilities to the new plutonium production reactor at Hanford, Wash.:

JULY 31, 1961.

EDITOR: Like Pavlov's reflex conditioned dogs, the Post compulsively refuses to permit facts to interfere with its editorial opinions when public power is at stake. Result: Monday's plug for $95 million from the public till to generate electricity at the AEC's new plutonium reactor at Hanford, Wash.

True, as editorially stated, public power is at issue. But only because its opportunistic adherents are using spurious arguments of all kinds in their efforts to slip it in through the Hanford back door.

Untrue, as editorially misstated, that the reactor "will necessarily generate steam." It will produce heat as a byproduct. Issue: can this byproduct be turned into steam, then into kilowatts, then sold to recover the $95 million investment? Even a series of economic studies based on unrealistically

hopeful assumptions produced no more than a classically "iffy" response to the question.

Untrue, as editorially misstated, that the proposed "biggest nuclear powerplant in the world" would constitute "an advertisement of this country's determination to use atoms for peace." Rather, to a world gaging technical achievement by quality rather than quantity, this plan incorporating steam temperature, pressure, and quality closer to Fulton's steamboat than to modern technology would advertise something else: the extent to which the United States will suffer technological retrogression to give the public power lobby its way.

Untrue, as editorially inferred, that the project is the sole answer to an alleged "desperate need of additional power" to assure the Northwest's growth. In the midsixties a 1- or 2-year period is anticipated when power supplies will be tight, but the situation will be solved by the new treaty with Canada. Meanwhile, any day public power zealots relax their grip on the Northwest, private power groups stand ready, willing, and able to supply all needed power at fair, publicly regulated rates.

Untrue, as editorially misstated, that the proposal is "warmly endorsed by the Joint Committee on Atomic Energy." The fact is that only a simple majority of the committee's members support it, while a strong minority oppose it. This minority not only succeeded in convincing the House of the unwisdom of the Post's editorial position, but points to a truly beneficial public purpose for which the $95 million can be spent. Namely, to let the Nation's nuclear power industry get off dead center. In the process install several million kilowatts of technically advanced, taxpaying nuclear generating facilities, and thereby advertise something really creditable to the world.

CRAIG HOSMER,
Member of Congress, California.

Preservation of the Bald Eagle in Alaska

EXTENSION OF REMARKS
OF
HON. RALPH YARBOROUGH
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Tuesday, August 1, 1961

Mr. YARBOROUGH. Mr. President, I wish to commend to the attention of the Senate an article by an able and distinguished author, our colleague, Senator ERNEST GRUENING, Democrat, of Alaska. The article, entitled "Senator Offers to Share Alaska's Eagles With Other States," printed in the July–August 1961 Audubon magazine, is presented with the same skillful style as other writings to his credit.

Senator GRUENING is also the author of "Mexico and Its Heritage," which was written in 1928, and is still considered the outstanding reference work on that nation. More recently, he published a scholarly book entitled "The State of Alaska," on a subject with which few men could write with more authority.

Starting in 1939, Senator GRUENING served almost 14 years as the Governor of Alaska under the U.S. flag, and was one of the first two men from that new State to be elected Senator, a record of public service and achievement equaled by few Senators. Senator GRUENING is one of the outstanding conservationists of our Nation. His action saved the bald eagle in Alaska.

The Senator's article in the Audubon magazine on Alaska's preservation of bald eagles, our national emblem, is deserving of the attention of all those who believe in the protection of our wildlife. I ask unanimous consent to have his article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Audubon magazine, July–August 1961]

SENATOR OFFERS TO SHARE ALASKA'S EAGLES WITH OTHER STATES—IF IT'S FEASIBLE, 49TH STATE WILL HELP TO TRANSPLANT NATIONAL BIRD, SAYS SENATOR GRUENING—NATIONAL AUDUBON SOCIETY'S BALD EAGLE SURVEY WINS HIS SUPPORT

(By ERNEST GRUENING, U.S. Senator From Alaska)

The continental study of the bald eagle now being conducted by National Audubon Society is a most commendable effort to prevent the extinction of our national bird—especially in the contiguous 48 States.

We in Alaska are proud of our abundance of bald eagles there and I would like to urge strongly that, after suitable studies, an effort be made to transplant some of these birds to the lower 48 States.

It has been a great source of satisfaction to me to see eagles in great numbers in my home State. They can be seen soaring over Juneau, the capital, and, on a recent trip from Haines to Klukwan, a distance of perhaps 14 miles, I counted 64 bald eagles.

It has been my privilege to take a leading part in providing protective legislation for the bald eagle in Alaska, especially in bringing to an end the bounty system which resulted in the killing of some 150,000 of these splendid birds. I particularly want to set the record straight about the period during which the bounty was paid.

Articles have appeared (not in Audubon magazine) stating erroneously that from 1917 to 1952 Alaska paid a bounty for killing the bald eagle.

A similar error also occurred in an important book on the birds of Alaska which says that the Bounty Act was repealed on March 2, 1953. These statements are incorrect by a number of years.

The Eagle Bounty Act was repealed on March 21, 1945. I would like to explain the exact circumstances which led to the repeal of the Eagle Bounty Act and the subsequent protection of the eagle in Alaska, all of which have led to the tremendous proliferation of this noble bird in Alaska and the possibility, which I have suggested, of transplanting some of these eagles to States where they are extinct.

When I came to Alaska as Governor in 1939, I noted how widely the system of bounty payments, in order to destroy animals which were considered detrimental commercially, was used, and was particularly shocked at its application to the eagle. I communicated with various experts and sought all the literature available. My study convinced me that the eagle, for the killing of which a bounty of $1 was paid under an Alaska law, was by no means a serious predator, and that such losses as might result from its predation would be more than offset by other values if the species could be preserved.

In my first message to the Alaska Legislature in 1941, I treated the subject of bounties very fully, saying:

"Over a quarter million dollars—$260,000—were expended on bounty payments in the last biennium on wolves, coyotes, hair seals, eagles, and trout. The usefulness of these various bounties, the amount of damage done by the predators on which the bounties are paid, the effectiveness of the bounty method of extermination as against some other method where extermination appears desirable—these are varyingly controversial issues. With so large a sum involved it would seem only proper that those who desire to expend these public moneys should assume the burden of proof that these expenditures are essential and represent the best method of dealing with the situation.

"Since the last meeting of the Territorial Legislature, eagles, on which the Territory has been paying a bounty of $1, have been protected by Federal statute. It is now against the law to kill an eagle anywhere in the United States except in Alaska. While Alaska was exempted out of consideration for existing Territorial legislation it would seem reasonable for us to move in the direction of practice now established everywhere else and at least to cease paying a bounty on this national bird.

"Twenty-five thousand dollars was appropriated for the last biennium for Dolly Varden trout bounties. There seems to be little question that quantities of rainbow trout tails and young salmon tails have been included in the trophies presented for collection. Further, Dolly Varden trout are admittedly predators on stickleback which in turn are destructive on salmon. The Fish and Wildlife Service has expressed to me its view that such expenditures are unwarranted unless and until careful research establishes their value. However, this is a question for the Legislature to decide. Meanwhile no request has been made for funds to continue eagle and trout bounties. (This means that I did not request the customary appropriated item for eagle bounties.)

"The matter is treated more fully in the current biennial report of the Territorial Board of Budget, signed by the treasurer, auditor and Governor, and I commend this fuller treatment to your attention. A good deal of the bounty legislation in the past has been in part motivated by the economic needs of Alaskans, who are assisted through these bounties. It is, I think, desirable not to confuse this issue with relief. Federal and Territorial appropriations are increasingly taking care of that aspect of the problem."

However, legislation which I had introduced to suspend the payment of bounty on eagles was not enacted by the 1941 Legislature. The legislators reflected the generally held belief of the people of Alaska that the eagle was a predator on salmon, the salmon fishery being Alaska's principal industry, and it was alleged that eagles also preyed on poultry, young lambs, etc. So, unable to get this legislation repealed, I deleted the appropriation item for eagle bounties from the appropriation bill which had been inserted into it, although I had purposely omitted that item. This meant that no bounties were paid during the following biennium. However, until the law was repealed, those who shot eagles were still entitled to the bounty, and the accumulated eagle claws of the birds that had been killed became a mounting obligation for the Territorial treasury.

In the next session—in 1943—I again urged the elimination of the eagle bounty, and when this was not forthcoming, I again deleted the item from the appropriation bill.

In the 1945 session, I was able to secure the passage of an act repealing the eagle bounty, and that act (ch. 31 of the session laws of that year was signed by me on March 21, 1945.

Immediately thereafter, I requested the Fish and Wildlife Service to take the necessary steps to see that the eagle was protected by amending the law which had been passed by Congress protecting the eagle throughout the Union but which specifically excluded Alaskan eagles from that protec-

tion. This exclusion resulted from the efforts of the then Delegate in Congress, Anthony J. Dimond, who was also reflecting Alaskan sentiment of that day, and based his successful efforts to get Alaska excluded from the Federal protection on the fact that the Territorial law provided bounty for killing the eagle. (However, that amendment of the Federal act did not take place for some years.)

Meanwhile, in Alaska, in the absence of the dollar incentive to shoot an eagle, the eagles began to proliferate immediately. This is highly gratifying to me, as it is to most Alaskans, and it is my earnest hope that we will be able to share our birds with the other States.

There are two ways by which this could be done. One is by our fellow Americans coming to Alaska and seeing the eagles. The Haines-Port Chilkoot scenic area is even stressing in its travel folder that "here is an opportunity to photograph the American bald eagle by the dozen in its last resting ground." So it is clear that apart from the abstract and spiritual values in preserving our national bird, there is also a practical and material value.

The other way in which Alaskans could share the eagle would be, as I have suggested, by transplanting some of the birds to the lower 48 States. That is a matter for ornithologists to study. I hope it may prove to be practical.

Sacrifice Means Action, Not Words

EXTENSION OF REMARKS
OF
HON. HOWARD W. ROBISON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 1, 1961

Mr. ROBISON. Mr. Speaker, I voted on Monday, July 31, in favor of the authorization requested by the President permitting him to call up the so-called Ready Reserves and to extend such tours of active duty as may be necessary, in his judgment, to better prepare us to respond to the Soviet menace posed over Berlin. With some reservations, I shall also vote later this week to give the President the additional $3.5 billion of defense spending he says is necessary.

Those reservations stem from the fact that we have already seen a considerable increase in defense spending since the Kennedy administration took office, including one increase as recently as 4 weeks ago when a spokesman for the administration said, in effect, "our defense budget is now adequate to meet all contingencies," and from the further fact that there is as yet no evidence whatsoever—outside of a vague promise to submit a balanced budget next year—that this administration understands that U.S. strength depends on more things than mere military might.

If the point of all this is to convince Khrushchev that—this time—we mean business, I hardly think that the Russians are shaking in their boots. Last Monday's resolution states only the bare words necessary to give the President what he wanted, but the accompanying report says, in brave language:

[This] * * * will reaffirm to the nations of the world the dedication of the people of the United States to the cause of peace and freedom.

And, again:

[This] * * * is America's answer to the threat to our survival.

Then, in more matter-of-fact language, the report explains that the resolution "authorizes the President to order to active duty, without their consent, up to 250,000 members of the Ready Reserve." Thus we have the something less-than-voluntary sacrifice of some 250,000 reservists and their families, while, following the example of their leaders, the other 170 million-odd Americans go merrily on their business-as-usual way, catering to their own personal desires and preoccupied with their own, rather than the Nation's security. What is needed is evidence of our total determination to win the cold war—a determination which the American people, in my judgment, yearn to express but cannot express without strong leadership—the course we are following will not make the Berlin crisis any more real to the great majority of Americans than was the so-called police action in Korea—a war that was not a war and one that we could not win.

Certainly, the sacrifices so far demanded by the President's response to Khrushchev's threats are nowhere near as wide nor as equal as they should be. This does not mean that I advocate the declaration of a national emergency, or an immediate tax increase, or anything of the sort for the time being, but I do think that it is urgently necessary for Congress to undertake—by itself if the administration does not cooperate—an immediate review of the various domestic spending programs we have so far passed this year, as well as of those still awaiting our consideration, and that we put them to this test: Do they facilitate the winning of the cold war? If they do not, they should be put aside for the time being, in favor of a pay-as-we-go preparedness basis, and a determination to preserve not only the form but the historic substance of our Republic which combination will provide the Soviets with much more impressive evidence of our willingness to sacrifice, and of action which—because it involves us all—speaks louder than any words of resolution.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 2, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Hosea 14: 9: *The ways of the Lord are right and the just shall walk in them.*

Eternal and ever-blessed God, grant that in these times, which are so significant and serious in their urgent demands, we may give ourselves sacrificially to the task of preserving and perpetuating our freedom.

Inspire us with a clear vision of those spiritual ideals and principles which are the very foundation upon which humanity must build its fortress of security, its citadel of righteousness, and its temple of peace.

May all who serve our Nation in the affairs of government bear calm and courageous witness to an indomitable faith in Thy divine wisdom which never errs and in Thy divine strength which is inexhaustible.

Hear us in the name of the Captain of our salvation. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

LEGISLATIVE APPROPRIATION BILL, 1962

Mr. STEED. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill H.R. 7208, making appropriations for the legislative branch for the fiscal year 1962, may have until midnight tonight in which to file a conference report on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

ESTABLISHMENT OF CAPE COD NATIONAL SEASHORE

Mr. ASPINALL. Mr. Speaker, I call up the conference report on the bill (S. 857) to provide for the establishment of Cape Cod National Seashore, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

Mr. GROSS. Mr. Speaker, reserving the right to object, what happens with respect to the Federal financing of this project?

Mr. ASPINALL. The Senate receded and took the House version. There is no provision for Federal financing.

Mr. GROSS. No financing on the part of the Government?

Mr. ASPINALL. That is correct.

Mr. GROSS. I want to congratulate the managers on the part of the House.

Mr. ASPINALL. That was the promise we made to the House when we had the bill on the floor, and we kept our promise.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, I just want to take a moment to compliment the House conferees and let them know how much the people of Massachusetts appreciate their efforts toward the establishment of the Cape Cod National Seashore Park.

As one of the original sponsors of this legislation, I want to personally thank them for a job well done and which will lead to the establishment of a great national seashore park. My interest in this project is well known to the membership here and to the conferees. I filed H.R. 12449 on May 12, 1958, to authorize the Cape Cod National Seashore Park. My colleagues from Massachusetts, Congressman O'NEILL and Congressman PHILBIN, also filed legislation. I filed similar legislation in the 86th Congress along with Congressman Keith, who represents the Cape Cod area, Senator Saltonstall, and the then Senator John F. Kennedy, who, as we know, has a summer home at Hyannisport on Cape Cod. I was also proud to join with Congressman KEITH in sponsoring the legislation in this Congress.

Mr. Speaker, I have always been intensely interested in the establishment of more national parks and preserves to accommodate this Nation's ever-growing population. However, I became particularly interested in the Cape Cod National Seashore Park proposal after studying the National Park Service survey of our vanishing shoreline, and attending the dedication of the Cape Hatteras National Seashore in North Carolina, on April 24, 1958. I filed my original Cape Cod National Seashore Park bill, H.R. 12449, after seeing the 70-mile stretch of beautiful North Carolina coastline, undisturbed and undeveloped, converted into a national park for use by the public in its natural setting. Cape Hatteras was the first of the national seashore type of park. Cape Cod will, I am happy to know, be the second seashore park where people can go for relaxation and enjoyment. I think that the House-Senate conferees did a terrific job in bringing out the best bill possible for the establishment of this park. Again, I want to compliment the Members in both the House and the Senate who worked so diligently to make this moment of final passage possible. I am sure that one famous Cape Cod resident, President Kennedy, is anxious to affix his signature to this legislation.

Mr. Speaker, I include in my remarks an editorial from the Springfield (Mass.) Daily News of July 29, 1961, concerning the conference report on the Cape Cod National Seashore Park:

TWENTY-SIX THOUSAND SIX HUNDRED AND SIXTY-SIX ACRES OF SANDY SHORE

The conference committee which worked out a compromise between the Senate and House versions of the Federal Cape Cod Park bill leaned heavily toward the lower Chamber's proposal.

The House bill had called for a park of 25,600 acres, and the Senate version listed 30,367 acres. In the compromise the total is 26,f66.

However, this will be by no means a small park. For instance, all Springfield's park and playground land, including Forest Park and about 150 other parcels, totals only 2,228 acres, or less than one-tenth the size of the Cape Cod Park area. In fact, the Cape Cod reservation as included in the compromise bill, is about one-third larger than Springfield itself.

For years, many people who want to preserve the cape's uniqueness have urged that a part of it be set aside as a Federal reservation. They have been supported by those who believe that more people should visit the cape and enjoy the views and climate which have been pleasing man at least since Bartholomew Gosnold explored it and named it 350 years ago.

Now, the two Houses of Congress have agreed on such a bill, and it will be sent to the President, a lifelong fan of the cape and a longtime promoter of the Federal park plan, for his signature. The American people who have always enjoyed the cape will now own a good-sized piece of it.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 881)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 857) to provide for the establishment of Cape Cod National Seashore, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill, and agree to the same with an amendment as follows:

In lieu of the matter inserted by the House amendment insert the following:

"That (a) the area comprising that portion of the land and waters located in the towns of Provincetown, Truro, Wellfleet, Eastham, Orleans, and Chatham in the Commonwealth of Massachusetts, and described in subsection (b), is designated for establishment as Cape Cod National Seashore (hereinafter referred to as "the seashore").

"(b) The area referred to in subsection (a) is described as follows:

"Beginning at a point in the Atlantic Ocean one-quarter of a mile due west of the mean low-water line of the Atlantic Ocean on Cape Cod at the westernmost extremity of Race Point, Provincetown, Massachusetts;

"thence from the point of beginning along a line a quarter of a mile offshore of and parallel to the mean low-water line of the Atlantic Ocean, Cape Cod Bay, and Provincetown Harbor in generally southerly, easterly, and northerly directions rounding Long Point and then southwesterly to a point a quarter of a mile offshore of the mean low-water line on the harbor side of the dike depicted on the United States Geological Survey Provincetown quadrangle sheet (1949) crossing an arm of the Provincetown Harbor;

"thence northerly, along a line a quarter of a mile offshore of and parallel to the low-water line at the dike to a point easterly of the point of intersection of the said dike with the boundary of the Province Lands Reservation as depicted on the said Provincetown quadrangle sheet;

"thence westerly to the said point of intersection of the dike and the Province Lands Reservation boundary;

"thence along the boundaries of the Province Lands Reservation northwesterly, northeasterly, northerly, and easterly to the easternmost corner of the reservation being near United States Route 6;

"thence leaving the said easternmost corner along an extension of the southerly reservation boundary line easterly to the northerly right-of-way line of United States Route 6;

"thence along the northerly right-of-way line of United States Route 6 in a general easterly direction crossing the Truro-Provincetown line and continuing in the town of Truro in a generally southeasterly direction to a point four-tenths of a mile southeasterly of the southerly right-of-way line of Highland Road;

"thence easterly five-tenths of a mile to a point;

"thence turning and running in a southeasterly direction paralleling the general alinement of United States Route 6 and generally distant therefrom five-tenths of a mile to a point approximately 700 feet northwesterly of Long Nook Road;

"thence southwesterly along a ridge generally paralleling the alinement of Long Nook Road and distant approximately 700 feet therefrom to a point two-tenths of a mile northeasterly of the northerly right-of-way line of United States Route 6;

"thence southeasterly paralleling the general alinement of United States Route 6 and generally distant two-tenths of a mile northeasterly thereof to a point 300 feet south of the southerly right-of-way line of Higgins Hollow Road;

"thence in a general easterly direction paralleling the southerly alinement of Higgins Hollow Road and 300 feet distant southerly therefrom to a point five-tenths of a mile east of the easterly right-of-way line of said Route 6;

"thence turning and running in a southeasterly and southerly direction paralleling the general alinement of United States Route 6 and distant five-tenths of a mile easterly therefrom to a point 300 feet north of the northerly right-of-way of North Pamet Road;

"thence in a generally southwesterly direction paralleling the general alinement of North Pamet Road and generally distant 300 feet northerly therefrom to a point approximately two-tenths of a mile east of the easterly right-of-way line of United States Route 6;

"thence in a southerly direction paralleling the alinement of United States Route 6 and generally distant two-tenths of a mile easterly therefrom to a point three-tenths of a mile south of South Pamet Road;

"thence west to the intersection of Old County Road and Mill Pond Road;

"thence following the easterly right-of-way line of Old County Road southward to a point opposite the southerly right-of-way line of Ryder Beach Road at its intersection with Old County Road;

"thence eastward to a point 300 feet east of the easterly right-of-way line of said Old County Road;

"thence in a southerly direction paralleling Old County Road at a distance of 300 feet to the east of the easterly right-of-way line of said road to a point 600 feet south of the southerly right-of-way line of Prince Valley Road;

"thence in a generally westerly direction, crossing Old County Road and the New York, New Haven, and Hartford Railroad right-of-way to the southern extremity of the town landing and beach in the Ryder Beach area, and continuing to a point in Cape Cod Bay a quarter of a mile offshore from the mean low-water line of Cape Cod Bay;

"thence turning and running along a line a quarter of a mile offshore of and parallel to the mean low-water line of Cape Cod Bay in a general southerly and easterly direction rounding Jeremy Point and thence in a general northerly direction along a line a quarter of a mile offshore of and parallel to the mean low-water line on the westerly side of Wellfleet Harbor, to a point one quarter of a mile due north of the mean low-water line at the eastern tip of Great Island as depicted on the United States Geological Survey Wellfleet quadrangle sheet (1958);

"thence north to the mean high-water line on the north shore of the Herring River estuary in the vicinity of its confluence with Wellfleet Harbor;

"thence following the mean high-water line southwesterly, northwesterly, and north-

easterly to the easterly right-of-way line of Chequesset Neck Road at its crossing of Herring River;

"thence following the course of Herring River along the 20-foot contour line of the southeasterly shore thereof to a point near Mill Creek;

"thence crossing Mill Creek in a northeasterly direction to the 20-foot contour level near to and northeast of the confluence of Mill Creek and Herring River;

"thence following generally northerly and easterly along the easterly edge of the Herring River marshes on the 20-foot contour to a point north of which the easterly right-of-way line of a medium duty road, as depicted on said Wellfleet quadrangle sheet, crosses northward across a marshy stream near the juncture of said medium duty road with Bound Brook Island Road;

"thence crossing said marshy stream along said easterly right-of-way line of said medium duty road, and continuing in a northerly direction to the 20-foot contour level on the north side of said marshy stream;

"thence following the 20-foot contour line westward approximately 1,000 feet to its intersection with an unimproved dirt road, as depicted on said Wellfleet quadrangle sheet, leading from a point near the juncture of Bound Brook Island Road and the said medium duty road;

"thence following said unimproved dirt road northwesterly for approximately 1,600 feet to the 20-foot contour line bordering the southerly edge of the Herring River marshes;

"thence following said 20-foot contour line in an easterly direction to Route 6;

"thence crossing Route 6 and continuing to a point on the easterly right-of-way line of a power transmission line as depicted on said Wellfleet quadrangle sheet;

"thence in a general southerly direction along the said easterly right-of-way line of a power transmission line to the Eastham-Wellfleet town line;

"thence southeasterly for a distance of approximately 5,200 feet to a point due north of the intersection of the easterly right-of-way line of Nauset Road with the northerly right-of-way line of Cable Road;

"thence due south to the intersection of the said easterly right-of-way line of Nauset Road and the said northerly right-of-way line of Cable Road;

"thence in a general southerly direction crossing Cable Road and along said easterly right-of-way line of Nauset Road to a point 500 feet north of the northerly right-of-way line of Doane Road and its intersection with Nauset Road;

"thence west to a point 500 feet west of the westerly right-of-way line of Nauset Road;

"thence southerly and westerly 500 feet from and parallel to the said right-of-way line of Nauset Road to the easterly right-of-way line of Salt Pond Road;

"thence southerly along the easterly right-of-way line of said Salt Pond Road to its intersection with the southerly right-of-way line of Nauset Road;

"thence westerly along the southerly right-of-way line of Nauset Road to its intersection with the easterly right-of-way line of United States Route 6;

"thence southerly along the easterly right-of-way line of said Route 6 a distance of about four-tenths of a mile to the northerly boundary of the Eastham town hall property;

"thence easterly to a point one-tenth of a mile from United States Route 6;

"thence turning and running in a generally southerly direction paralleling the general alinement of United States Route 6 and generally distant therefrom one-tenth of a mile to a small stream approximately one-tenth of a mile beyond Governor Prence Road extended;

"thence southeasterly along the said stream to the Orleans-Eastham town line;

"thence along the Orleans-Eastham town line to the southerly tip of Stony Island;

"thence generally southeasterly in the town of Orleans by Nauset Harbor Channel to a point due north of the northerly tip of Nauset Heights as depicted on United States Geological Survey Orleans quadrangle sheet (1946);

"thence due south to the 20-foot contour line in Nauset Heights as delineated on the said Orleans quadrangle sheet;

"thence generally southerly along the said 20-foot contour to a point about one-tenth of a mile northerly of Beach Road;

"thence southwesterly along a line intersecting Beach Road at a point two-tenths of a mile easterly of the so-called Nauset Road leading northerly to Nauset Heights;

"thence southerly to the head of a tributary to Little Pleasant Bay at the northerly tip of Pochet Neck as depicted on the said Orleans quadrangle sheet;

"thence generally southerly along the thread of channel of the said tributary passing westerly and southwesterly around Pochet Island and thence southwesterly into Little Pleasant Bay passing to westerly of the northerly tip of Sampson Island, the westerly tip of Money Head, and the southwesterly tip of Hog Island following in general the centerline of Little Pleasant Bay to Pleasant Bay;

"thence generally southeasterly in Pleasant Bay along a line passing midway between Sipson Island and Nauset Beach to a point on the Chatham-Orleans town line one-quarter of a mile westerly of the mean low-water line of Pleasant Bay on the westerly shore of Nauset Beach;

"thence generally southerly in Pleasant Bay in the town of Chatham along a line a quarter of a mile offshore of and parallel to the said mean low-water line of Pleasant Bay on the westerly shore of Nauset Beach to a point a quarter of a mile south of the mean low-water line of the southern tip of Nauset Beach;

"thence easterly rounding the southern tip of Nauset Beach along a line a quarter of a mile offshore of and parallel thereto;

"thence generally northerly and northwesterly, and westerly along a line a quarter of a mile offshore of and parallel to the mean low-water line of the Atlantic Ocean on the easterly shore of Nauset Beach and on to the outer cape to the point of beginning.

"SEC. 2. (a) The Secretary of the Interior (hereinafter referred to as "Secretary") is authorized to acquire by purchase, gift, condemnation, transfer from any Federal agency, exchange, or otherwise, the land, waters, and other property, and improvements thereon and any interest therein, within the area which is described in section 1 of this Act or which lies within the boundaries of the seashore as described pursuant to section 3 of this Act (both together hereinafter in this Act referred to as "such area"). Any property, or interest therein, owned by the Commonwealth of Massachusetts by any of the towns referred to in section 1 of this Act, or by any other political subdivision of said Commonwealth may be acquired only with the concurrence of such owner. Notwithstanding any other provision of law, any Federal property located within such area may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the provisions of this Act.

"(b) The Secretary is authorized (1) to use donated and appropriated funds in making acquisitions under this Act, and (2) to pay therefor not more than the fair market value of any acquisitions which he makes by purchase under this Act.

"(c) In exercising his auhority to acquire property by exchange, the Secretary may accept title to any non-Federal property located within such area and convey to the grantor of such property any federally owned property under the jurisdiction of the Secretary within such area. The properties so exchanged shall be approximately equal in fair market value: *Provided*, That the Secretary may accept cash from or pay cash to the grantor in such an exchange in order to equalize the values of the properties exchanged.

"The Secretary shall report to the Congress on every exchange carried out under authority of this Act within thirty days from its consummation, and each such report shall include a statement of the fair market values of the properties involved and of any cash equalization payment made or received.

"(d) As used in this Act the term "fair market value" shall mean the fair market value as determined by the Secretary, who may in his discretion base his determination on an independent appraisal obtained by him.

"SEC. 3. (a) As soon as practicable after the date of enactment of this Act and following the acquisition by the Secretary of an acreage in the area described in section 1 of this Act that is in the opinion of the Secretary efficiently administrable to carry out the purposes of this Act, the Secretary shall establish Cape Cod National Seashore by the publication of notice thereof in the Federal Register.

"(b) Such notice referred to in subsection (a) of this section shall contain a detailed description of the boundaries of the seashore which shall encompass an area as nearly as practicable identical to the area described in section 1 of this Act. The Secretary shall forthwith after the date of publication of such notice in the Federal Register (1) send a copy of such notice, together with a map showing such boundaries, by registered or certified mail to the Governor of the Commonwealth of Massachusetts and to the board of selectmen of each of the towns referred to in section 1 of this Act; (2) cause a copy of such notice and map to be published in one or more newspapers which circulate in each of such towns; and (3) cause a certified copy of such notice, a copy of such map, and a copy of this Act to be recorded at the registry of deeds for Barnstable County, Massachusetts.

"SEC. 4. (a) (1) The beneficial owner or owners, not being a corporation, of a freehold interest in improved property which the Secretary acquires by condemnation may elect, as a condition to such acquisition, to retain the right of use and occupancy of the said property for noncommercial residential purposes for a term of twenty-five years, or for such lesser time as the said owner or owners may elect at the time of such acquisition.

"(2) The beneficial owner or owners, not being a corporation, of a freehold estate in improved property which property the Secretary acquires by condemnation, who held, on September 1, 1959, with respect to such property, an estate of the same nature and quality, may elect, as an alternative and not in addition to whatever right of election he or they might have under paragraph (1) of this subsection, to retain the right of use and occupancy of the said property for noncommercial residential purposes (i) for a term limited by the nature and quality of his or their said estate, if his or their said estate is a life estate or an estate pur auter vie, or (ii) for a term ending at the death of such owner or owners, or at the death of the survivor of them, if his or their said estate is an estate of fee simple.

"(3) Where such property is held by a natural person or persons for his or their own life or lives or for the life or lives of another

or others (such person or persons being hereinafter called "the life tenant"), with remainder in another or others, any right of election provided for in paragraph (2) of this subsection shall be exercised by the life tenant, and any right of election provided for in paragraph (1) of this subsection shall be exercised by the concurrence of the life tenant and the remainderman or remaindermen.

"(4) The beneficial owner or owners of a term of years in improved property which the Secretary acquires by condemnation may elect, as a condition to such acquisition, to retain the right of use and occupancy of the said property for noncommercial residential purposes for a term not to exceed the remainder of his or their said term of years, or a term of twenty-five years, whichever shall be the lesser. The owner or owners of the freehold estate or estates in such property may, subject to the right provided for in the preceding sentence, exercise such right or rights of election as remain to them under paragraphs (1) and (2) of this subsection.

"(5) No right of election accorded by paragraphs (1), (2), or (4) of this subsection shall be exercised to impair substantially the interests of holders of encumbrances, liens, assessments, or other charges upon or against the property.

"(6) Any right or rights of use and occupancy retained pursuant to paragraphs (1), (2), and (4) of this subsection shall be held to run with the land, and may be freely transferred and assigned.

"(7) In any case where a right of use and occupancy for life or for a fixed term of years is retained as provided in paragraph (1), (2), or (4) of this subsection, the compensation paid by the Secretary for the property shall not exceed the fair market value of the property on the date of its acquisition by the Secretary, less the fair market value on such date of the said right retained.

"(8) The Secretary shall have authority to terminate any right of use and occupancy of property, retained as provided in paragraph (1), (2), or (4) of this subsection, at any time after the date when any use occurs with respect to such property which fails to conform or is in any manner opposed to or inconsistent with any applicable standard contained in regulations issued pursuant to section 5 of this Act and in effect on said date: *Provided*, That no use which is in conformity with the provisions of a zoning bylaw approved in accordance with said section 5 which is in force and applicable to such property shall be held to fail to conform or be opposed to or inconsistent with any such standard. In the event that the Secretary exercises the authority conferred by this paragraph, he shall pay to the owner of the right so terminated an amount equal to the fair market value of the portion of said right which remained on the date of termination.

"(b) (1) The Secretary's authority to acquire property by condemnation shall be suspended with respect to all improved property located within such area in all of the towns referred to in section 1 of this Act for one year following the date of its enactment.

"(2) Thereafter such authority shall be suspended with respect to all improved property located within such area in any one of such towns during all times when such town shall have in force and applicable to such property a duly adopted, valid zoning bylaw approved by the Secretary in accordance with the provisions of section 5 of this Act.

"(c) The Secretary's authority to acquire property by condemnation shall be suspended with respect to any particular property which is used for commercial or industrial purposes during any periods when such use is permitted by the Secretary and during the pendency of the first application for such permission made to the Secretary after the date of enactment of this Act provided such application is made not later than the date of establishment of the seashore.

"(d) The term 'improved property,' wherever used in this Act, shall mean a detached, one-family dwelling the construction of which was begun before September 1, 1959 (hereinafter referred to as 'dwelling'), together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the land so designated. The amount of the land so designated shall in every case be at least three acres in area, or all of such lesser amount as may be held in the same ownership as the dwelling, and in making such designation the Secretary shall take into account the manner of noncommercial residential use in which the dwelling and land have customarily been enjoyed: *Provided, however*, That the Secretary may exclude from the land so designated any beach or waters, together with so much of the land adjoining such beach or waters as the Secretary may deem necessary for public access thereto.

"(e) Nothing in this section or elsewhere in this Act shall be construed to prohibit the use of condemnation as a means of acquiring a clear and marketable title, free of any and all encumbrances.

"SEC. 5. (a) As soon after the enactment of this Act as may be practicable, the Secretary shall issue regulations specifying standards for approval by him on zoning bylaws for purposes of section 4 of this Act. The Secretary may issue amended regulations specifying standards for approval by him of zoning bylaws whenever he shall consider such amended regulations to be desirable due to changed or unforeseen conditions.

"All regulations and amended regulations proposed to be issued under authority of the two preceding sentences of this subsection shall be submitted to the Congress and to the towns named in section 1 of this Act at least ninety calendar days (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) before they become effective and the Secretary shall, before promulgating any such proposed regulations or amended regulations in final form, take due account of any suggestions for their modification which he may receive during said ninety-day period. All such regulations and amended regulations shall, both in their proposed form and in their final form, be published in the Federal Register.

"The Secretary shall approve any zoning bylaw and any amendment to any approved zoning bylaws submitted to him which conforms to the standards contained in the regulations in effect at the time of the adoption by the town of such bylaw or such amendment unless before the time of adoption he has submitted to the Congress and the towns and published in the Federal Register as aforesaid proposed amended regulations with which the bylaw or amendment would not be in conformity, in which case he may withhold his approval pending completion of the review and final publication provided for in this subsection and shall thereafter approve the bylaw or amendment only if it is in conformity with the amended regulations in their final form. Such approval shall not be withdrawn or revoked, nor shall its effect be altered for purposes of section 4 of this Act by issuance of any such amended regulations after the date of such approval, so long as such bylaw or such amendment remains in effect as approved.

"(b) The standards specified in such regulations and amended regulations for approval of any zoning bylaw or zoning bylaw amendment shall contribute to the effect of (1) prohibiting the commerical and industrial use, other than any commercial or industrial use which is permitted by the Secretary, of all property within the boundaries of the seashore which is situated within the town adopting such bylaw; and (2) promoting the preservation and development, in accordance with the purposes of this Act, of the area comprising the seashore, by means of acreage, frontage, and setback requirements and other provisions which may be required by such regulations to be included in a zoning bylaw consistent with the laws of Massachusetts.

"(c) No zoning bylaw or amendment of a zoning bylaw shall be approved by the Secretary which (1) contains any provision which he may consider adverse to the preservation and development, in accordance with the purposes of this Act, of the area comprising the seashore, or (2) fails to have the effect of providing that the Secretary shall receive notice of any variance granted under and any exception made to the application of such bylaw or amendment.

"(d) If any improved property with respect to which the Secretary's authority to acquire by condemnation has been suspended by reason of the adoption and approval, in accordance with the foregoing provisions of this section, of a zoning bylaw applicable to such property (hereinafter referred to as 'such bylaw')—

"(1) is made the subject of a variance under or an exception to such bylaw, which variance or exception fails to conform or is in any manner opposed to or inconsistent with any applicable standard contained in the regulations issued pursuant to this section and in effect at the time of the passage of such bylaw, or

"(2) is property upon or with respect to which there occurs any use, commencing after the date of the publication by the Secretary of such regulations, which fails to conform or is in any manner opposed to or inconsistent with any applicable standard contained in such regulations (but no use which is in conformity with the provisions of such bylaw shall be held to fail to conform or be opposed to or inconsistent with any such standard),

the Secretary may, at any time and in his discretion, terminate the suspension of his authority to acquire such improved property by condemnation: *Provided, however*, That the Secretary may agree with the owner or owners of such property to refrain from the exercise of the said authority during such time and upon such terms and conditions as the Secretary may deem to be in the best interests of the development and preservation of the seashore.

"SEC. 6. The Secretary shall furnish to any party in interest requesting the same, a certificate indicating, with respect to any property located within the seashore as to which the Secretary's authority to acquire such property by condemnation has been suspended in accordance with the provisions of this Act, that such authority has been so suspended and the reasons therefor.

"SEC. 7. (a) Except as otherwise provided in this Act, the property acquired by the Secretary under this Act shall be administered by the Secretary subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535), as amended and supplemented, and in accordance with laws of general application relating to the national park system as defined by the Act of August 8, 1953 (67 Stat. 496); except that authority otherwise available to the Secretary for the conservation and management of natural resources may be utilized to the extent he finds such

authority will further the purposes of this Act.

"(b)(1) In order that the seashore shall be permanently preserved in its present state, no development or plan for the convenience of visitors shall be undertaken therein which would be incompatible with the preservation of the unique flora and fauna or the physiographic conditions now prevailing or with the preservation of such historic sites and structures as the Secretary may designate: *Provided,* That the Secretary may provide for the public enjoyment and understanding of the unique natural, historic, and scientific features of Cape Cod within the seashore by establishing such trails, observation points, and exhibits, and providing such services as he may deem desirable for such public enjoyment and understanding: *Provided further,* That the Secretary may develop for appropriate public uses such portions of the seashore as he deems especially adaptable for camping, swimming, boating, sailing, hunting, fishing, the appreciation of historic sites and structures and natural features of Cape Cod, and other activities of similar nature.

"(2) In developing the seashore the Secretary shall provide public use areas in such places and manner as he determines will not diminish for its owners or occupants the value or enjoyment of any improved property located within the seashore.

"(c) The Secretary may permit hunting and fishing, including shellfishing, on lands and waters under his jurisdiction within the seashore in such areas and under such regulations as he may prescribe during open seasons prescribed by applicable local, State and Federal law. The Secretary shall consult with officials of the Commonwealth of Massachusetts and any political subdivision thereof who have jurisdiction of hunting and fishing, including shellfishing, prior to the issuance of any such regulations, and the Secretary is authorized to enter into cooperative arrangements with such officials regarding such hunting and fishing, including shellfishing, as he may deem desirable, except that the Secretary shall leave all aspects of the propagation and taking of shellfish to the towns referred to in section 1 of this Act.

"The Secretary shall not interfere with navigation of waters within the boundaries of the Cape Cod National Seashore by such means and in such areas as is now customary.

"SEC. 8. (a) There is hereby established a Cape Cod National Seashore Advisory Commission (hereinafter referred to as the 'Commission'). Said Commission shall terminate ten years after the date the seashore is established under section 3 of this Act.

"(b) The Commission shall be composed of ten members each appointed for a term of two years by the Secretary as follows:

"(1) Six members to be appointed from recommendations made by each of the boards of selectmen of the towns referred to in the first section of this Act, one member from the recommendations made by each such board;

"(2) One member to be appointed from recommendations of the county commissioners of Barnstable County, Commonwealth of Massachusetts;

"(3) Two members to be appointed from recommendations of the Governor of the Commonwealth of Massachusetts; and

"(4) One member to be designated by the Secretary.

"(c) The Secretary shall designate one member to be Chairman. Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

"(d) A member of the Commission shall serve without compensation as such. The Secretary is authorized to pay the expenses reasonably incurred by the Commission in carrying out its responsibilities under this Act upon vouchers signed by the Chairman.

"(e) The Commission established by this section shall act and advise by affirmative vote of a majority of the members thereof.

"(f) The Secretary or his designee shall, from time to time, consult with the members of the Commission with respect to matters relating to the development of Cape Cod National Seashore and shall consult with the members with respect to carrying out the provisions of sections 4 and 5 of this Act.

"(g) No permit for the commercial or industrial use of property located within the seashore shall be issued by the Secretary, nor shall any public use area for recreational activity be established by the Secretary within the seashore, without the advice of the Commission, if such advice is submitted within a reasonable time after it is sought.

"(h)(1) Any member of the Advisory Commission appointed under this Act shall be exempted, with respect to such appointment, from the operation of sections 281, 283, 284, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U.S.C. 99) except as otherwise specified in subsection (2) of this section.

"(2) The exemption granted by subsection (1) of this section shall not extend—

"(i) to the receipt or payment of salary in connection with the appointee's Government service from any sources other than the private employer of the appointee at the time of his appointment; or

"(ii) during the period of such appointment, and the further period of two years after the termination thereof, to the prosecution or participation in the prosecution, by any person so appointed, of any claim against the Government involving any matter concerning which the appointee had any responsibility arising out of his appointment during the period of such appointment.

"SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act; except that no more than $16,000,000 shall be appropriated for the acquisition of land and waters and improvements thereon, and interests therein, and incidental costs relating thereto, in accordance with the provisions of this Act.

"SEC. 10. If any provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the preamble of the bill, and agree to the same.

WAYNE N. ASPINALL,
LEO W. O'BRIEN,
J. T. RUTHERFORD,
JOHN P. SAYLOR,
JOHN KYL,
Managers on the Part of the House.

CLINTON P. ANDERSON,
ALAN BIBLE,
ERNEST GRUENING,
HENRY C. DWORSHAK,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 857) to provide for the establishment of Cape Cod National Seashore, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The two major differences between S. 857 as it passed the Senate and the House amendment to that bill were (1) the inclusion in the Senate bill and the omission from the House amendment of a provision authorizing the Secretary of the Interior to incur obligations for the purchase of land in advance of appropriations and (2) the inclusion within the national seashore by the Senate bill of approximately 4,540 acres of land which were excluded by the House amendment.

Under the amendment recommended by the committee of conference as a substitute for the House amendment, the Senate recedes from its disagreement with respect to the first of these two items. That is, the amendment recommended by the conference committee omits, in accordance with the wishes of the House, any provision for making land purchase commitments in advance of appropriations sufficient to carry out those commitments.

The difference between the Senate bill and the House amendment with respect to the boundaries of the seashore is compromised in the amendment recommended by the conference committee by adding to the seashore approximately 840 acres that the House amendment had omitted and by deleting approximately 3,700 acres that the Senate bill had included. The result is a national seashore with an area of about 26,670 acres instead of the 30,370 proposed by the Senate and the 25,830 proposed by the House. The areas excluded from the seashore which the Senate bill would have included are Monomoy, Morris, and Stage Islands in the town of Chatham, certain lands in the town of Wellfleet which are owned by the Audubon Society, and two strips of land in the town of Truro. Those included within the seashore by the recommended amendment which the House action had excluded are Griffin Island and the Great Pond-Long Pond complex, both in the town of Wellfleet.

The attention of the conferees was called to the fact that the town of Wellfleet would suffer a severe derangement of its tax structure if all of the Griffin Island and Great Pond-Long Pond lands plus other Wellfleet lands included within the seashore were suddenly removed from the town's tax rolls. That this will not happen is assured by section 4 of the bill which, as pointed out at pages 14 and 17 of House Report No. 673, suspends any power of condemnation with respect to improved residential property as long as there is a valid zoning ordinance applicable to that property which meets standards approved by the Secretary of the Interior and which moreover, guarantees the owner of any such property that is acquired by condemnation a life or 25-year interest, as he may choose, in his property. In addition, there will remain in Wellfleet, outside the seashore boundaries, nearly 3,000 acres of developable but only partially developed land which, estimating at 3 acres per home, is sufficient in itself to accommodate a population more than twice as great as Wellfleet's whole population is today and to provide a corresponding increase in the tax base of the town.

The other matters in disagreement between the House and the Senate were relatively minor. They and the disposition made of them in the conference amendment may be summarized thus:

(1) The House amendment omitted a preamble to the bill which the Senate version had included. The conference amendment continues the omission.

(2) The House amendment included a provision for keeping open a passage from Pleasant Bay and Nauset Harbor to the ocean which the Senate bill did not have. The conference amendment accepts the Senate omission.

(3) The House amendment required a report to Congress on land exchanges which

the Senate bill did not contain. The conference amendment includes the House provision.

(4) The House amendment omitted from section 4(a)(1) certain limiting language with respect to the status of corporate ownerships and freehold interests which was contained in the Senate bill. The conference amendment includes the Senate language.

(5) The House amendment added a provision requiring that regulations to govern zoning standards be submitted to Congress before they become effective. The conference amendment includes the House provision.

(6) The House amendment omitted from section 5(d)(1) certain language—"(or if such bylaw has been amended at the time of the passage of the most recent amendment)"—which was contained in the Senate bill. The conference amendment also omits this language.

(7) The House amendment inserted the words "is property" at the beginning of section 5(d)(2) to clear up the grammar. The conference amendment retains this insertion.

(8) The House amendment used "seashore" where the Senate bill used "Park" at various places in sections 7 and 8. The conference amendment adopts the House language.

(9) The House amendment added "during open seasons prescribed by applicable law" in section 7(c). The conference amendment adopts this change with an amendment to make it read "during open seasons prescribed by applicable local, State, and Federal law."

(10) The House amendment omitted a subsection dealing with bird refuges that was contained in section 7 of the Senate bill. In view of the disposition of the Audubon Society lands and Monomoy Island noted above, the conference amendment continues this omission.

(11) The House amendment left "all aspects of the propagation and taking of shellfish" to the towns rather than merely "regulation of the taking" of shellfish as under the Senate bill. The conference amendment includes the new language.

(12) The House amendment added a paragraph to section 7(c) dealing with noninterference with navigation. The conference amendment includes this paragraph.

(13) The House amendment omitted a subsection dealing with cooperative agreements with nonprofit organizations that was contained in the Senate bill. In view of the disposition of the Audubon Society lands noted above, the conference amendment continues in this omission.

(14) The House amendment omitted a sentence limiting the life of the Cape Cod National Seashore Advisory Commission to 10 years that was contained in the Senate bill. The House receded from its amendment in this respect, it being the understanding of the conferees that if the Advisory Commission proves its worth during the 10-year period allowed in the conference amendment and if, at the end of that period, it appears that there is still useful work remaining for the Commission to do, its life can readily be extended by the Congress.

WAYNE N. ASPINALL,
LEO W. O'BRIEN,
J. T. RUTHERFORD,
JOHN P. SAYLOR,
JOHN KYL,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE REPORTS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight Saturday, August 5, to file a report on the bill H.R. 5144 and the bill H.R. 5165.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

INCREASING RATE OF SPECIAL PENSION PAYABLE TO CERTAIN PERSONS AWARDED THE MEDAL OF HONOR

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 845) to amend title 38, United States Code, to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and for other purposes, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Strike out all after the enacting clause and insert: That (a) subsection (b) of section 560 of title 38, United States Code, is amended (1) by striking out "sixty-five years" and inserting in lieu thereof "fifty years"; and (2) by striking out ", and who was honorably discharged from service by muster out, resignation, or otherwise".

(b) Subsection (c) of such section 560 is amended by inserting before the period at the end of the first sentence the following: ", and shall indicate whether or not the applicant desires to receive the special pension provided by section 562 of this title".

SEC. 2. (a) Section 561 of title 38, United States Code, is amended to read as follows:

"§ 561. Certificate

"(a) The Secretary concerned shall determine whether or not each applicant is entitled to have his name entered on the Army, Navy, and Air Force Medal of Honor Roll. If the official award of the Medal of Honor to the applicant, or the official notice to him thereof, shows that the Medal of Honor was awarded to the applicant for an act described in section 560 of this title, such award or notice shall be sufficient to entitle the applicant to have his name entered on such roll without further investigation; otherwise all official correspondence, orders, reports, recommendations, requests, and other evidence on file in any public office or department shall be considered.

"(b) Each person whose name is entered on the Army, Navy, and Air Force Medal of Honor Roll shall be furnished a certificate of service and of the act of heroism, gallantry, bravery, or intrepidity for which the Medal of Honor was awarded, of enrollment on such roll, and, if he has indicated his desire to receive the special pension provided by section 562 of this title, of his right to such special pension.

"(c) The Secretary concerned shall deliver to the Administrator a certified copy of each certificate issued by him under subsection (b) in which the right of the person named in the certificate to the special pension provided by section 562 of this title is set forth. Such copy shall authorize the Administrator to pay such special pension to the person named in the certificate."

(b) The analysis of chapter 15 of such title is amended by striking out

"561. Certificate entitling holder to pension."

and inserting in lieu thereof

"561. Certificate."

SEC. 3. Subsection (a) of section 562 of title 38, United States Code, is amended—

(1) by inserting after "Medal of Honor roll" the following: ", and a copy of whose certificate has been delivered to him under subsection (c) of section 561 of this title,"; and

(2) by striking out "$10" and inserting in lieu thereof "$100".

SEC. 4. The amendments made by this Act shall take effect on the first day of the first month which begins after the date of the enactment of this Act, except that the amendments made by subsection (b) of the first section and by section 2 shall not apply with respect to any application under section 560 of title 38, United States Code, made before such first day by any person who fulfilled the qualifications prescribed by subsection (b) of such section at the time such application was made.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

WATERSHED PROTECTION AND FLOOD PROTECTION ACT

The SPEAKER laid before the House the following communications, which were read and referred to the Committee on Appropriations:

JULY 31, 1961.

Hon. SAM RAYBURN,
The Speaker, U.S. House of Representatives, the Capitol, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today considered the workplans transmitted to you by Executive Communication No. 1127 of the 87th Congress and referred to this committee and unanimously approved each of such plans. The workplans involved are:

State:	*Watershed*
Arkansas	Big Creek.
California	Ulatis Creek.
Connecticut	South Branch Park River.
Iowa	Indian Creek.
Iowa	Pony Creek.
Kansas	Frog Creek.
Kentucky	Humphrey-Clanton Creek.
Michigan	South Branch, Cass River.
Nebraska	Plum Creek.
Oklahoma	Upper Red Rock Creek.
Pennsylvania	Brodhead Creek.
Tennessee	Houser Creek.

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

JULY 31, 1961.

Hon. SAM RAYBURN,
The Speaker, U.S. House of Representatives, The Capitol, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today considered the workplans transmitted to you by Executive Communication No. 930 of the 87th Congress and referred to this committee

and unanimously approved each of such plans. The workplans involved are:

State:	Watershed
Alabama	Crowdabout Creek.
Alabama	Powell Creek.
Arkansas	Grady-Gould.
Illinois	Hog River-Pig Creek.
Missouri	Beasha Creek.
Missouri	Panther Creek.
Oklahoma	Haikey Creek.
Utah	Blue Creek-Howell.
West Virginia	Polk Creek.

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

JULY 31, 1961.

Hon. SAM RAYBURN,
The Speaker, U.S. House of Representatives, The Capitol, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today considered the workplans transmitted to you by Executive Communication No. 2394 of the 86th Congress and referred to this committee and unanimously approved each of such plans. The workplans involved are:

State:	Watershed
Virginia	Leatherwood Creek.

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

FRYINGPAN-ARKANSAS PROJECT

Mr. SAUND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SAUND. Mr. Speaker, on July 11, 1961 the report of the Committee on Interior and Insular Affairs was filed on the Fryingpan-Arkansas Project, Colorado. This report carried "minority views" to which my signature was affixed. My signature should have been followed by these qualifying words "except with respect to paragraph 7." Mr. Speaker, I am in disagreement with paragraph 7 of the "minority views" and the purpose of this statement is to make my position perfectly clear.

WILLARD COCHRANE

Mr. FINDLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINDLEY. Mr. Speaker, Willard Cochrane, architect of the administration's feed grains control program, announced last spring that the Government would keep the market price of corn at about a dollar a bushel throughout the year.

This threat induced the heavy sign-up under the feed grains program. It also heaped new burdens on the taxpayer. Farmers—fearful of Government corn dumping—rushed to seal an all-time record, 637 million bushels of 1960 corn.

Mr. Cochrane seems to be a man of his word. USDA reports show more than twice as much Government corn dumped on the domestic market this marketing year compared with a year ago: 250 million bushels, compared with 89.

Farmers are holding corn off the market striving to bolster prices, but Government dumping has put the price five cents below this time last year. Yesterday's cash corn, No. 2 yellow, at Chicago was $1.15, compared with $1.20 a year ago.

MISS BROOKE BEAUCHAMP

Mr. ELLSWORTH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. ELLSWORTH. Mr. Speaker, it was my privilege this morning to be visited by Miss Brooke Beauchamp, a young lady from my home town, Lawrence, Kans., and the winner of a nationwide table-setting contest sponsored by one of America's outstanding china manufacturing firms.

Brooke competed with over 160,000 college and high school home economics students all over America for the first prize. Her winning entry featured a wheat pattern, and was picked for its beauty and simplicity—altogether a fitting tribute to the State of Kansas.

Among other prizes, Brooke won a trip to New York and Washington. She has been in New York for the past week, and while there she made a number of public appearances, including radio and television.

Last evening she came to Washington, and today is her big day here. To start the day, she visited the White House this morning, where she was thrilled to see the White House china, and to visit with Miss Tish Baldridge, the White House social secretary.

Then she came to Capitol Hill, and I had the honor of showing her around the great shrine of our Republic—the Capitol.

This afternoon she will visit with Deputy Attorney General White, who is an old Navy colleague of her father, Paul Beauchamp. White and Beauchamp served together during World War II under the command of Admiral Mitscher.

Tomorrow Brooke will return to Lawrence. She is looking forward to attending college this fall.

Mr. Speaker, in days such as these it is always thrilling to meet and observe the vital and enthusiastic youth of this Nation—the youth of which Brooke Beauchamp is so representative. Her ability, talent, gracious good taste, and competitive spirit—which had of course a great deal to do with her winning this national contest—is an example of the diversity in ability with which our Nation is blessed.

COMMITTEE ON RULES

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

AUTHORIZING ADDITIONAL APPROPRIATIONS FOR AIRCRAFT, MISSILES, AND NAVAL VESSELS FOR THE ARMED FORCES

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 395 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2311) to authorize additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendments, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'NEILL. Mr. Speaker, I yield myself such time as I may require, at the conclusion of which I yield 30 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mr. Speaker, House Resolution 395 provides for the consideration of S. 2311, a bill to authorize additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes. The resolution provides for an open rule with 2 hours of general debate.

The purpose of S. 2311 is to authorize appropriations in the amount of $958,570,000 for the procurement of aircraft, missiles, and naval vessels and is an expansion and continuation of the previous authorization, H.R. 6151, which was passed by the House on May 24 of this year—Public Law 87-53. This bill constitutes an important part of the answer to the immediate threat to free men which now exists in West Berlin.

It is necessary to be aware not only of the new items of procurement which would be authorized by S. 2311, but also of those items of equipment now in the inventory which will, contrary to previous planning, be retained in use. Some of the items in the present inventory are actively used today while others are in a reserve status but will be reactivated and brought into the operational inventory.

If we are to have the capability to move the additional combat-ready forces promptly to wherever they may be needed, we must concurrently increase our sea and airlift.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Iowa.

Mr. GROSS. Do I understand this bill involves the sum of $3.5 billion of additional spending for defense?

Mr. O'NEILL. The amount is $958,570,000.

Mr. GROSS. Well, it is close to a billion dollars. I think the Members ought to be here to hear the gentleman's statement.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 126]

Blatnik	Harvey, Mich.	Norrell
Blitch	Hébert	Powell
Bolling	Holifield	Rabaut
Bow	Johansen	Riehlman
Breeding	Keogh	Roberts
Buckley	Kilburn	Scott
Cannon	Kilday	Shelley
Celler	King, Utah	Slack
Derwinski	McSween	Staggers
Diggs	Mason	
Flynt	Morse	

The SPEAKER. On this rollcall 405 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING ADDITIONAL APPROPRIATIONS FOR AIRCRAFT, MISSILES, AND NAVAL VESSELS FOR THE ARMED FORCES

Mr. O'NEILL. Mr. Speaker, we were discussing the bill S. 2311 before the quorum call, which authorized $958,570,000 in additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces.

To be properly prepared to move larger forces overseas under conditions of crisis we should immediately increase our antisubmarine warfare capability, and it is proposed to operate in the active fleet, for the time being, additional antisubmarine warfare ships, which had been scheduled to be phased out during the current fiscal year.

To enable the Navy to deploy another aircraft carrier, if the need arises, it is proposed to operate for the present an additional attack carrier in the active fleet. In addition, the Navy would activate fleet-support ships now laid up in the fleet reserve.

The planned increase in combat-ready ground forces would require a commensurate increase in supporting tactical airpower. To provide this increase, the Air Force would retain, for the present, certain light bomber and reconnaissance squadrons and tactical fighter squadrons which had previously been planned for phasing out of the force during the current fiscal year.

Now, President Kennedy in his speech to the Nation the other night and in his campaign of last year spelled out the urgent need for today's requirements to meet the Communist challenge when he called to the attention of the people that:

> Those of us who call for a higher defense budget are taking a chance on spending money unnecessarily. But those who oppose these expenditures are taking a chance on our very survival as a nation.

The President further asserted:

> Wagging one's finger under Mr. Khrushchev's nose costs the taxpayers nothing. But words do not stop Mr. Khrushchev. He will be ready to talk peace only when we can show one quality above all others, that is superior strength.

That is exactly what President Kennedy is aiming at now by asking for additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces and for other purposes.

President Kennedy believes, and rightly so, that strength will be the most eloquent of all arguments in any dealings with Mr. Khrushchev. Therefore, there is only one question today, and that is which chance, which gamble do we take, our money or our survival as a nation.

You know, it would be well to recall Sir Winston Churchill's evaluation of the attitude of the Soviet hierarchy as expressed by him 15 years ago in a speech at Westminster College in Missouri. Mr. Churchill said:

> From what I have seen of our Russian friends and allies during the war, I am convinced that there is nothing they admire so much as strength, and there is nothing for which they have less respect than for military weakness.

If we had taken to heart Mr. Churchill's words then, we would not be in such a situation as we find ourselves today. In view of the activities of the Communists during the past 15 years, it is of vital importance to the security of our Nation that we firmly back the President with the implements to make his program a reality to meet the most current Russian threat to freedom.

Mr. Speaker, I think that this bill is absolutely necessary, and I urge the adoption of House Resolution 395.

Mrs. ST. GEORGE. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this resolution brings to the floor S. 2311. The purpose of this bill is to authorize appropriations in the amount of $958,570,000 for the procurement of aircraft, missiles, and naval vessels for the Armed Forces.

Mr. Speaker, this bill is brought here, I take it, primarily at the instance of the President of the United States who is the Commander in Chief of our Armed Forces. It is a necessity. I know of absolutely no objection to the bill as it comes before us. There was no objection to the rule, and I cannot believe that there will be any noticeable objection to the bill itself. We take this bill as we have to take most things at this time that are highly technical, that have been studied by the military and by the Committee on Armed Services, a good deal on faith and a great deal on hope that it will accomplish what we want it to accomplish at this time. Next, we hope that it will fulfill our aspirations for peace and above all, hope that it will have the desired effect on the Soviet Union and their leader, Mr. Khrushchev.

There is only one question in my mind, and I am expressing it as a layman: I regret that we are not doing more, not necessarily in this bill but in our overall program, to foster the B–70, and I would also have wished that in some way we could have resumed nuclear tests. I am firmly of the opinion that these two things would speak louder in the Kremlin than anything in this bill or in any of the other bills that we are going to pass. Conventional warfare, from our standpoint, is not going to impress the Russians or Mr. Khrushchev. It does not matter how many regiments, divisions, or anything else we call up, they can always outnumber us and they always will. We have got to have something different. We have got to have some kind of technical knowledge. We have got to have some kind of technical weapon that can be used by us and by us alone that will, in the end, prove that we hold the cards of victory in our hands.

I believe that we have this possibility. Mr. Speaker, I hope that in due course we will program it and that we will use it. In the meantime we are here to do everything we can in our power, and certainly as the previous speaker has said, no money is too much when it comes to saving this country, its liberty, its freedom, and its population. This we are attempting to do.

Mr. GROSS. Mr. Speaker, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to my friend from Iowa.

Mr. GROSS. As I understand, from reading the report, the enactment of this proposed legislation and other amendments will bring the total spending for defense in this new fiscal year to somewhere around $47.5 billion; is that about correct?

Mrs. ST. GEORGE. That is correct. And I am reliably informed that we are looking forward to spending in the neighborhood of $48 billion annually from here on out, I may say to the gentleman.

Mr. GROSS. And it is suggested at the moment that the other body has gone even further, so that spending for this must be at least $47.5 billion, probably much more. Does not the gentlewoman think, when the foreign handout bill comes before the House that that would be a pretty good place to do some very substantial cutting and to save some money to spend upon the actual defenses of this country?

Mrs. ST. GEORGE. I heartily agree with the gentleman. I think that would be an excellent time to do some cutting. There are some other places where a little fat could be trimmed, too, may I say to the gentleman; but not on this bill.

Mr. GROSS. I understand; I thank the gentlewoman.

Mrs. ST. GEORGE. I am sure we can rely on this bill to have been trimmed down as far as it could be.

Mr. Speaker, I reserve the balance of my time.

Mr. O'NEILL. Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I assume and I hope that there will not be a single vote cast against the pending bill which this resolution makes in order.

Mr. Speaker, this is in line and in conformity with what this humble Member of the House has been advocating for a number of years.

For 15 years I have risen in the well of this House and in other places in this Nation and advocated as strongly as I could that we should do two things: We should deal firmly with the Kremlin masters, on the one hand, and we should keep our fiscal affairs on a sound basis at home.

I am sure, Mr. Speaker, that there are a few here who will honor me by remembering that during the late war there was a committee set up known as the Postwar Economic Policy Committee, that had as its primary purpose the conversion of a wartime economy to a peacetime economy. I had the honor and privilege of serving as chairman of that committee. During that 3 years there were 18 Members of this House, most of them Members who had served for many years and from important committees of this House, who served on that committee. We had a very excellent staff.

At the conclusion of the study of the economic phase of the problem, it was decided that we should spend some time in Europe to study the impact of the European economy upon our economy and to try to learn something about the political situation in the rest of the world. As a result, we spent 2 months over there. We conferred with the leaders of 13 countries, including the late and not lamented Joe Stalin, the members of the Politburo, General Eisenhower, who was in charge of our forces in Germany, His Excellency, the Pope of Rome, and the leaders of France, Italy, and other countries.

We came back with one firm conviction above everything else, that Russia wanted neither war nor peace but that she would embark upon a program to destroy this country according to the blueprint laid down by the Marxists and the Leninists to bleed us white economically and then through infiltration to take over.

You will pardon me a personal reference here. I merely give it as background. We did not go to the press, we did not go to the radio; we went to the White House and presented our findings to then President Truman who, I think I can properly say at this time, seemed to be very much impressed with our findings and our recommendations.

I personally visited with our Secretary of State, Mr. Byrnes, who had just run into Molotov for the first time in London. In fact, it was in London that he sent for me and the director of the staff of my committee, the Honorable Marion Folsom, who later occupied a position in the Cabinet of the President of the United States.

We spent 2 hours there with the Secretary trying to impress upon him just what I am saying to you here today that Russia respected only strength and firmness, and that we had to practice firmness with them. I then went to see Secretary of State Acheson, after introducing a resolution—now mind you this was in 1945, immediately after the cessation of hostilities—a resolution calling for a firm policy in dealing with Russia. That resolution is of record here today. I do not have time to go into the details of it other than to point out that we recommended that Russia, which then had closed its doors to its allies should only be permitted the same advantages and courtesies in this country that they accorded to our emissaries in their country; that they should only be permitted the same travel in this country that they permitted in their country, the opportunity to inspect our factories and our knowhow and so on—and also to stop dealing with the enemy, a thing that has risen to haunt us today. All that was in 1945 and 1946. We got nowhere with that as I possibly will get nowhere with what I am leading up to. My committee was solid in that, I may say, as well as the staff.

Then there came the Formosa situation. I took the floor of the House to back up the President on the Formosa situation. People prominent in the leadership of this House, if you will pardon this personal reference, complimented me on the speech I made on that occasion in backing up the President on the Formosa situation. Then came the Berlin crisis. Then came the second Berlin crisis, after we had resorted to the airlift. The second Berlin crisis was in 1959. In 1959, Mr. Speaker, under another administration, I introduced a resolution that would have backed up then President Eisenhower in his firm declaration that we would not budge an inch on Berlin. That resolution was never reported out. But, some good came out of it, I think, because the leadership of both parties in both the House and Senate, after conferring with the President, issued a joint statement that the Congress was behind the President in that crisis.

So, Mr. Speaker, after the third Berlin crisis arose some 2 weeks or more ago, I introduced House Joint Resolution 484 on July 17, the first resolution of its kind that was introduced. The resolution would put the Congress, as the representatives of the people of the United States—and the only way that the people have to speak—on record as backing the President of the United States, President Kennedy, in a firm policy in dealing with Russia.

Mr. Speaker, I wish I had time to read this resolution because I think it is important. However, I set out in that resolution as I set out in the resolution in the Eisenhower administration that we should have a firm policy. I had a number of whereas clauses setting out the historical background, why we are in Berlin, why we have a right to remain in Berlin, and why we should maintain that right until a permanent peace policy is determined. However, I am inserting in my remarks the complete resolution, as follows:

Whereas the primary purpose of the United States in its relations with all other nations is and always has been to develop and sustain a just and enduring peace for all; and

Whereas at the conclusion of hostilities in World War II the United States, the Soviet Republic, the British Empire, and the Republic of France entered into a solemn and binding covenant that the city of Berlin, Germany, should be and remain under the jurisdiction of the four parties to said agreement, with the right of ingress and egress thereto, until a final and binding peace treaty should be executed between the said Allies on the one hand and the Government representing the German people on the other; and

Whereas there has been no such final peace treaty signed by the parties; and

Whereas the said solemn and binding agreement for the said rights of the parties to said covenant to ingress and egress in the said city, are, therefore, still in existence and binding on all parties thereto; and

Whereas the people of the United States of America feel in duty and honor bound to observe and carry their obligations as one of the signatories to said covenant; and

Whereas the United States Government also is in duty and honor bound to adhere to its obligations to the German Republic and the other members of the North Atlantic Treaty Organization pact; and

Whereas the said Berlin agreement and the North Atlantic Treaty Organization's obligations are now threatened by one of the signatory members of the said Berlin agreement; and

Whereas such threat gravely endangers the peace and security of not only the peoples of the Germany Republic, as well as the subscribers to the North Atlantic Treaty Organization pact, but of the peoples of the whole free world; and

Whereas the Congress of the United States, composed of the representatives of and reflecting the will and judgment of the citizens of the United States, are wholeheartedly and unanimously behind the President in his firm declarations of policy to honor the aforesaid commitments: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be, and he is hereby, authorized to take whatever steps he deems necessary including the unlimited use of the Armed Forces of the United States for the specific purpose of securing and protecting the obligations and duties under the existing covenants heretofore entered into, with particular reference to the right of ingress and egress in and to the said city of Berlin, Germany; and the taking of such other measures as he judges to be required or appropriate in the premises.

This resolution shall expire when the aforesaid covenants and agreements have been abrogated by new or different agreements entered into by the parties concerned.

Mr. Speaker, I say that my resolution got nowhere, although it was the first resolution that was introduced. The next thing I knew, Mr. Speaker—and I certainly have no intention of reflecting upon anybody, particularly those who want to achieve the same objective that I do—without any consideration having been given to my resolution or the subsequent resolutions introduced by others, notably my good friend and colleague the gentleman from Ohio [Mr. FEIGHAN], a resolution was taken up and considered in the Foreign Affairs Committee of the House, so I am reliably informed—and if I am mistaken I should be so happy to be corrected. This resolution is brief, and I read it. Incidentally, it is sponsored by the gentleman

from New Jersey [Mr. GALLAGHER] introduced 2 days after my original resolution on July 19. It simply reads:

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the continued exercise of United States, British, and French rights in Berlin, in order to maintain the freedom of over two million people in West Berlin, constitutes a fundamental political and moral obligation; that a Soviet invasion of these basic rights would be intolerable, and that the President's forthright reply to the Soviet aide memoire on Germany and Berlin expresses accurately the determination of the United States to take all necessary steps to defend its legal rights against unilateral Soviet abrogation.

I want to compliment the gentleman who sponsored that resolution because of the purpose he had in mind. But when you read that resolution and then read the President's speech, it would appear susceptible to the conclusion that the resolution of the Congress is weaker than the President's statements.

I do not like to be critical. But in my judgment and in the judgment of many others the proposed resolution should be more comprehensive and stronger.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mr. O'NEILL. Mr. Speaker, I yield 5 additional minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I digress to point out I am sorry I did not get word to the esteemed gentleman, Mr. GALLAGHER, to be here. I have talked to him about this on several occasions. But I just came out of committee and I did not have an opportunity to notify him. I did not know when I was going to get this time.

Mr. Speaker, the resolution was objected to when it was attempted to be called on last Wednesday. I do not know whether it was wise to object to that or not. I am not going to pass on that. I can understand what motivated the gentleman who did object to it, because I know from private conversations with him that he objected to it for the same reason I would like to have objected under different circumstances. The reason I discuss it now, and my argument is directed to this point, it is too weak. These Communists understand one language, and that is firmness and force.

I could go into the field of speculation as to where this resolution came from. I am told it was approved by the State Department. I sent my resolution down there and I have never even had the courtesy of an acknowledgment of it. I must confess some misgivings about the State Department. I do not have the privilege of knowing the present Secretary, Mr. Rusk, but the general observation I have had of him is he is a most estimable gentleman. I apprehend and I fear that the Secretary of State is circumscribed by the same conditions that have existed in that Department of our Government for the last 20 years or more, regardless of which administration was in power.

It seems that our State Department feels that it has to satisfy everybody in the world except the American people. I fear that these same people who hang over from administration to administration are the people who call the turn in these matters. But make you no mistake about this, the people of America are behind the President of the United States in his firmness in dealing with this situation.

There may be some differences about his domestic policies in the country, as there obviously are, but when it comes to backing up the honor and the integrity and the self-preservation of this young Republic they will back him to the hilt. Every time they have made a bluff and we have called it they have backed up, as ex-President Truman pointed out the other day.

Now, so far as I am personally concerned, Mr. Speaker, as I have said to the members of the Committee on Foreign Affairs, as I have said to my friend, the gentleman from New Jersey [Mr. GALLAGHER], as I have said to the chairman of the Committee on Foreign Affairs, and as I have said to many, many others, leave BILL COLMER out of this thing. Forget my name in connection with it. I am not interested in that, and I have hesitated for a long time to even discuss this matter here, because the one thing that we want above everything else is unity.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mrs. ST. GEORGE. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. COLMER. Mr. Speaker, I dislike to take so much time here, but to me this thing is important. I have been living with it for 15 years. I do not know why we have delayed this resolution so long. Possibly it should not be considered at all now but if it is considered it should be unequivocally strong. I agree with the President's statement on the matter, and I hope that it will pass unanimously.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I wish to congratulate the gentleman now in the well of the House, because for the past 16 or more years I have observed that he has time and again come before this House and disseminated to the membership his knowledge of communism and his knowledge of the real threat of the Kremlin. He was not dissuaded by any false prophets that we could get along and do business with the Russians. I think he has very forcefully set forth what the feeling of the people of the United States is, and that is that we want to back to the hilt our President on his foreign policy in which he has taken the political initiative, as set forth in his reply to the aide memoire of the Soviet Union and in his forthright speech to the Nation a week ago Tuesday, I believe it was. And, I think as far as our Congress is concerned, we are considered the greatest deliberative body in the world, and if we are to have an expression of the sense of the Congress, it should be an expression not by one person or by the State Department or by the leadership of the House alone. It should be an expression of the sense of this deliberative body which should have an opportunity to speak up, to offer an amendment, and to work its will in the expression of its sense, in the same manner that this great deliberative body is given the opportunity to work its will on other pieces of legislation by the presentation of amendment.

I again congratulate the gentleman, and I hope that he will remain in the Congress many more years, because I am convinced that he will not relent in his fight for the preservation of our way of life and our survival. That is the issue before the American people today. That must remain the paramount issue before this body.

Mr. COLMER. Mr. Speaker, I appreciate very much my friend's very kind and generous remarks. While I appreciate what he said, I want to get back to the point, and that is, whatever we do here should be done in a firm, forthright manner, even as the President did in his speech. I know of the efforts that the gentleman from Ohio [Mr. FEIGHAN] has put forth to that end. I know the extra work he has done on this, as have I. He has done a lot of legwork trying to get some consideration for his resolution, which is different from mine in a sense, but does carry with it some teeth and some meaning.

Mr. BECKER. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from New York.

Mr. BECKER. Mr. Speaker, I should like to express my feelings concerning the gentleman's remarks. He has done extremely well, as the gentleman from Ohio [Mr. FEIGHAN], has said. I agreed with the gentleman from Ohio the other day in what he said concerning House Concurrent Resolution 351, for the simple reason that all it does is to express our feelings that we should maintain the status quo in Berlin. I am sure that that is not the will of the American people, because we want to do something about it, we want to have a resolution that is forthright and that does not merely express a desire to maintain the status quo.

May I say this further to the gentleman? I introduced a resolution on June 26, then I wrote the Committee on Foreign Affairs for action on it. This was on the identical subject. The same resolution was introduced in the other body. I received a letter saying that the Department of State did not approve my resolution, but did approve the resolution which they offered. I am wondering at this time who does the approving around here, whether it is a committee of the House or the Department of State. For my part I would rather see the committee do the approving and the House.

The SPEAKER pro tempore. The time of the gentleman from Mississippi [Mr. COLMER] has again expired.

Mrs. ST. GEORGE. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. COLMER. Mr. Speaker, when the situation developed as it did here Wednesday a week ago, with the idea that I might be able to salvage a little something in this matter, I prepared a substitute concurrent resolution, as against my joint resolution, which would have carried with it the force of law, and submitted it to my friend, the gentleman from New Jersey [Mr. GALLAGHER]. On yesterday I introduced it. I would much prefer my original resolution, but I was willing to go along with something less. I hope that those responsible for this important step will give consideration to this subject matter.

This substitute resolution is as follows:

Whereas the primary purpose of the United States in its relations with all other nations is and always has been to develop and sustain a just and enduring peace for all; and

Whereas at the conclusion of hostilities in World War II the United States, the Soviet Republic, the British Empire, and the Republic of France entered into a solemn and binding covenant that the city of Berlin, Germany, should be and remain under the jurisdiction of the four parties to said agreement, with the right of ingress and egress thereto, until a final and binding peace treaty should be executed between the said Allies on the one hand and the Government representing the German people on the other; and

Whereas there has been no such final peace treaty signed by the parties; and

Whereas the said solemn and binding agreement for the said rights of the parties to said covenant to ingress and egress in the said city, are, therefore, still in existence and binding on all parties thereto; and

Whereas the people of the United States of America feel in duty and honor bound to observe and carry out their obligations as one of the signatories to said covenant; and

Whereas the United States Government also is in duty and honor bound to adhere to its obligations to the German Republic and the other members of the North Atlantic Treaty Organization pact; and

Whereas the said Berlin agreement and the North Atlantic Treaty Organization's obligations are now threatened by one of the signatory members of the said Berlin agreement; and

Whereas such threat gravely endangers the peace and security of not only the peoples of the German Republic, as well as the subscribers to the North Atlantic Treaty Organization pact, but of the peoples of the whole free world: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress, composed of the representatives and reflecting the will and judgment of the citizens of the United States, that the firm declarations of the President of the United States to honor the aforesaid commitments express accurately the determination of the United States to take all necessary steps to defend said legal rights against unilateral Soviet abrogation; and be it further

Resolved, That it is, further, the sense of the Congress that the President, who is constitutionally responsible for the conduct of our foreign affairs and is Commander in Chief of the Armed Forces of the United States, should take whatever steps are necessary to resist to the fullest extent the unilateral proposals of the Soviets to abrogate and nullify the solemn and binding obligations heretofore entered into by the United States, the British Empire, the Republic of France, and the Soviet Republic, to maintain the status quo of the aforesaid city of Berlin pending a final and binding peace treaty.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I wonder if it would not be a good idea if the Committee on Foreign Affairs, after their hasty action reconsidered and permitted hearings by the sponsors of these various bills.

Mr. COLMER. Of course, I agree with that. I understand informally there was only a couple of minutes given to it.

Mr. O'NEILL. Mr. Speaker, the gentleman from Mississippi [Mr. COLMER] has delivered an excellent dissertation. He made reference to the fact that he hoped that the career service of the Department of State would not have too much influence, and would not be recognized too much in the matter of decisions. I will assure the gentleman from Mississippi that I have known the President of the United States a long time; as a matter of fact I took his place in this House when he went to the U.S. Senate. If this Congress will give him the implements and tools he asks for we will have nothing to worry about concerning the security of this Nation, and we will have a stable and strong foreign policy.

Mrs. ST. GEORGE. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentlewoman from New York advise me whether the $900 million called for in this bill is included in or is an addition to the $47.5 billion?

Mrs. ST. GEORGE. It is my understanding it is included in the $47.5 billion.

Mr. HOFFMAN of Michigan. I thank the gentlewoman. While we are called upon to, and must, vote billions for additional national defense, we continue to vote other billions for desirable but unnecessary activities.

Tomorrow it is my purpose to call to the attention of the House some of the spending that we and the other body indulge in which is not essential at this time. That will be a very disagreeable task, but one reason it is coming up is because some of the reporters insist that, if we are to retain a measure or respect, we should mend procedure, limit our expenditures.

Mr. O'NEILL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2311) to authorize additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill S. 2311, with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. VINSON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, in response to the question just propounded by the distinguished gentleman from Michigan [Mr. HOFFMAN] in the discussion under the rule, the total of the appropriations bill as reported from Mr. MAHON's subcommittee and as it passed the House was $42,711,105,000.

The Senate committee has added $4,137,187,000. The $958,570,000 authorization in this bill is reflected in the $4 billion increase.

Mr. Chairman, the President's new defense program has two major elements: one of them involves men and the other weapons.

The bill which we are considering today represents that portion of the bill involving the weapons.

Mr. Chairman, you will recall that on Monday I presented and the House passed Senate Joint Resolution 120 which covered the manpower portion of the President's program.

You will also recall that I presented H.R. 6151 on the floor on May 24. That bill has now become Public Law 87–53. This bill was the first authorization presented to the House under section 412(b) of Public Law 86–149. This law requires that an authorization be passed prior to the appropriation of funds for aircraft, missiles, and naval vessels. That bill totaled $12,571 million.

The bill that I am presenting today is nothing but an expansion and extension of the bill which the House passed last May. This new bill totals $958,570,000.

Later in my remarks I will break this down into its various elements.

We all know the new and serious circumstances which occasion the bill we are considering today.

The House will recall also that during my presentation of the bill last May I stated that the program at that time represented only a preliminary appraisal of our defense position by the Secretary of Defense.

There is virtually nothing in this bill which did not have its counterpart in the previous bill. It is merely more of the same.

Let me briefly tell you what the bill will do.

ARMY

The Army gets $36,700,000 for aircraft and $33,770,000 for missiles; or a total of $70,470,000. With these funds, the Army wants to procure Iroquois and Sioux helicopters, and Caribou, Mohawk, and Seminole airplanes.

In the area of missiles, the Army would require only two: the Hawk, which is a missile used against low-flying aircraft, and Honest John rocket, which is, in effect, a kind of artillery.

Each of these missiles and aircraft is described in the report beginning on page 9.

NAVY

The Navy and Marine Corps would get $281,400,000 for aircraft, $262,200,000 for missiles—and $41,600,000 for naval vessels—for a grand total of $585,200,000.

With these funds, the Navy would purchase six kinds of fixed wing aircraft and three types of helicopters.

In the field of missiles, the Navy would purchase six different missiles as follows: Sidewinder, Sparrow III, Bullpup, Tartar, Terrier, and Talos.

A description of each of these aircraft and missiles is set out in the report beginning on pages 10 and 11.

For naval vessels, the Navy needs $41,600,000 to repair fire damage on the aircraft carrier *Constellation*.

AIR FORCE

The Air Force would get for aircraft, $294,100,000, and for missiles, $8,800,000—for a grand total of $302,900,000. With these funds, the Air Force would acquire F–105 fighters, C–130B transports, and C–130E strategic airlift transports, and air-to-air rockets to be used on the fighter airplanes.

In the field of missiles, the Air Force would acquire only one missile, the Bullpup.

A description of each of these aircraft and missiles is set out in the report beginning on page 13.

Let me repeat that there is nothing new about this bill. It is, again, more of the same items that you so recently considered and passed.

Mr. Chairman, we all know that the bill which we are considering today is brought about by the serious situation with which we are faced in Berlin.

As reasonable people, we cannot disregard the serious threat which it poses to our own country and to the remainder of the free world.

Being reasonable men, we do not minimize the situation in which we find ourselves. Therefore, we take the logical course of action to gird ourselves and arm ourselves so as to be prepared for whatever course these serious events may take.

This bill constitutes an important step in the furthering of the program of our country to meet not only the Berlin situation but any situation throughout the world which may arise in these troubled times.

I urge the support of every Member of the House for this bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, if I remember correctly, there were numerous violations of safety regulations in the construction of the aircraft carrier *Constellation* when a fire took place, and a board of inquiry revealed these violations that led to a heavy loss of life and damage to the extent of $41 million.

Mr. VINSON. The investigation along that line has not been completed, but it is under way and it is being pursued by the Navy Department in order to ascertain whether the Navy Department, the contractor, or outsiders were responsible for that fire.

Mr. GROSS. So we are picking up the bill here.

Mr. VINSON. No, we are merely repairing that which it is necessary to repair. We are spending $41.6 million. If we did not we would lose the enormous amount of money that has already been put into it.

Mr. GROSS. If the gentleman will yield further, let me ask this question: Is the $41 million to repair fire damage on the *Constellation*?

Mr. VINSON. That is right, exactly.

Mr. GROSS. Then we are going ahead still not knowing who was responsible for this terrible loss in life and property.

Mr. VINSON. That is right. We should go ahead and get this airplane carrier in commission as early as possible, and at the same time press as vigorously as possible the investigation to find who was at fault, what caused the fire.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. VINSON. I yield.

Mr. GROSS. I find it exceedingly difficult to ascertain how much we have already authorized for overall spending by the Defense Department during this fiscal year which began only last July 1.

Mr. VINSON. I can give the gentleman the picture on that. The amount passed by the House—and I will call that Mr. MAHON'S bill—was $42,711,105,000. The Senate committee, in view of the $958,570,000 that is in this authorization, plus other requests which do not require any specific authorizing legislation at this point—has added a total $4,137,187,000.

So the total bill that is now pending in the Senate is for $46,848,292,000. That is the picture today.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. HALEY. I believe the gentleman from Iowa asked the gentleman from Georgia this question, but I would like to ask again regarding the fire on the carrier *Constellation* in the New York Navy Yard, where there was considerable loss of life. I see an item in the bill to repair that damage, $41,600,000.

Mr. VINSON. That is right.

Mr. HALEY. Is it my understanding that an investigation is being conducted by the Navy as to repeated violation of safety regulations which brought about the loss of all these lives and this property damage?

Mr. VINSON. The Navy Department appointed a Board of Inquiry, and my information is that a complete and detailed inquiry and investigation is being made by the Navy Department.

Mr. HALEY. I thank the gentleman. I might say that I hope they make a thorough investigation and report to the Congress.

Mr. VINSON. So do I.

Mr. Chairman, I reserve the balance of my time.

Mr. ARENDS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, with his customary thoroughness that makes him the great chairman that he is, the chairman of our Committee on Armed Services, Mr. VINSON, has presented in detail the various items which make up the defense authorization bill before us. No useful purpose would be served by mere repetition. I think that it would be more profitable if I devoted a few minutes on the relationship of this bill to the international situation generally and our overall defense planning.

At the outset I should like to emphasize the importance of this measure to our having a balanced national defense—on land, on the seas and in the air—and that our defense have flexibility in the deployment and utilization of men and weapons. This bill, and the military buildup we are undertaking, does not intend to represent a departure from our basic concepts of defense strategy. It would be erroneous to conclude that we are proceeding to make a fundamental change in our overall defense plans. Not at all. We are merely supplementing in certain particulars our already established forces of immeasurable destructive power.

According to the testimony before our committee, the bill now before us represents a program which is based upon proposals originally drawn up by the Joint Chiefs of Staff. During his appearance before our committee last week, the Chairman of the Joint Chiefs of Staff stated:

> We did prepare a program and submitted recommendations. The main features of that program are contained in the program which has been presented by the Secretary today * * * the Joint Chiefs of Staff do endorse and support this program in the belief it will increase our overall readiness and our ability to deal with greater flexibility with possible situations on a worldwide basis.

That statement has greater significance than may at first blush appear. As many Members of the House are aware, I have been very much concerned about the actual status of our Joint Chiefs of Staff system for military planning. I have been fearful that the civilian heads of the Department of Defense have not sought the counsel of our military leaders to the extent they should. There was reason to believe that if the counsel of the Joint Chiefs of Staff was sought, it was ignored in the final decision.

When the Congress established the Joint Chiefs of Staff system, designed to preserve the identity of the respective services in the performanc of their respective roles and missions and to have coordinated planning, we did not intend that it be a debating society. The system is the finest ever devised. It has proven its worth. It enables us to utilize the finest military minds of dedicated men.

I have been concerned that this system was being supplanted in fact, if not in name. And I was greatly alarmed to note that following the Cuban fiasco, attempts were made to make the Joint Chiefs of Staff the scapegoat. Notwithstanding these unwarranted attacks, no one in authority came to the defense of the Joint Chiefs. Former President Eisenhower was the first to speak out publicly to express confidence in the Joint Chiefs and subsequently Secretary of Defense McNamara did also.

In a letter to me the Secretary of Defense stated unequivocally that he had confidence in the Joint Chiefs of Staff.

And during our hearings last week he said:

> There should be no question in the minds of any Member or the public as to the degree of confidence I have, and others have, in the Chiefs.

I urged the Secretary of Defense several weeks ago to prevail upon the President to make a statement of confidence in the Joint Chiefs. Such a statement would do much to clear the air, so to speak, to allay all fears or apprehensions, and to solidify public confidence in our Joint Chiefs of Staff military planning system and the dedicated men who serve in that capacity. But such a statement has not been forthcoming from the President for reasons best known to him.

But now, insofar as this bill is concerned, it was made clear before our committee that this proposal represents the main features of the Joint Chiefs of Staff recommendations, and they endorse this bill. That to me is the best authority one can have as to need for what is here proposed to be undertaken.

I should like to devote a few moments to the Berlin situation. I touched on this last Monday when we had before us the bill, now law, to authorize the calling of the Ready Reserve to active duty. This measure has a direct relationship to the Berlin crisis, but it cannot be too strongly emphasized that the current situation with respect to Berlin is not the sole reason for it.

For understandable reasons the people think of Berlin and speak of Berlin as the source and root of all our international difficulties. It is entirely human to attempt to simplify and place in convenient cubbyholes all of the things which face us in our lives. This is quite natural. There is much more involved than Berlin in the recommendation of our military leaders that we enact this bill. As I stated in my remarks on the floor last Monday "as important as the Berlin crisis is, it is only part of the worldwide struggle against the ruthless march of militant communism."

The Berlin situation is merely a symptom of the disease that plagues us. Berlin is not the disease itself. To paraphrase the philosopher, Voltaire: If Berlin did not exist, Mr. Khrushchev would invent a Berlin.

Mr. Khrushchev is like a boxer. Before the fight he spreads rumors of his invincibility. Then in the ring, he prods and feints—always looking for a way to confuse—to throw his adversary off balance. That is Berlin today. It is the focal point to which—perhaps deliberately—the attention of the world has been directed. It is the current prod—the current feint. It is dramatic, but to my mind it is only a symbol of the perplexities facing the free world today.

In his message to the Nation on July 25, the President said:

> The threat is worldwide. Our effort must be equally wide and strong, and not be obsessed by a single manufactured crisis.

It is on this conclusive premise that we are proceeding to augment our military forces. We are not now emphasizing in this program, military power. We already have that power. In this supplemental program we are emphasizing flexibility that the great military power we have may be more readily adjusted to wherever the challenge is made.

In my opinion, we have already conceded too much to Mr. Khrushchev. We stand solidly, as one people, behind our President in making it emphatically clear that while we are prepared to negotiate with Mr. Khrushchev, we will negotiate on our terms and not just on his. And I think, Mr. Chairman, that the time has long since arrived when we should take this same attitude of firmness with respect to the Communist bully, Castro. Perhaps there is an element of truth in the statement of one of our own newspaper writers that Havana is the place to save Berlin.

We are historically a peace-loving people. As much as we love peace and will continue to work for peace, we love freedom more, and we will fight for that freedom, if fight we must.

We must in all things be firm with the Communists. We must at all times and in all respects be strong. Not only must we be strong militarily, we must be strong economically. I urge the House to enact this bill. I also urge the House to stop this excessive spending on things that are not essential. Our national security is our primary consideration. First things first. To do this we must oppose the excesses of communism and just as vigorously oppose the excesses of Government spending.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from California.

Mr. HIESTAND. Mr. Chairman, I am much impressed by the discussion on the part of the chairman and the gentleman from Illinois [Mr. ARENDS] in broadening and balancing our defense. Some of this is not for defense. It provides for what will happen after an attack occurs, not actual defense.

It would seem that the greatest deterrent in the prevention of an attack is the Strategic Air Command. I see nothing, in the committee report, at least, enhancing or enlarging the Strategic Air Command. The one great deterrent for the next 10 years that would do more than all the rest combined, is the B–70. Can the gentleman tell me whether there is enough already in the authorization to keep up that program?

Mr. ARENDS. My understanding is that the defense appropriation bill in the Senate contains additional millions for this program in which the gentleman is interested. I am not fully acquainted with all they have added in the bill.

Mr. VINSON. I merely want to add we had funds in the defense proposal to take care of that when the $12 billion authorization bill was before the House.

As far as the Strategic Air Force is concerned, it is in magnificent shape. The President gave us information as to the air alert, and what portion of SAC is constantly in the air or on ground alert.

Mr. HIESTAND. I take it that it is the gentleman's opinion that the B–70 program will be stepped up?

Mr. VINSON. The B–70 is not related to your question at all. Let me read what the Senate said on the B–70, and I think the Senate is sound. The B–70 is not yet in production. The B–70 has heretofore been carried in the procurement stage in the Air Force. The Senate is suggesting that it be put in the research and development stage, and increase the amount of money from $220 million to $448 million. If that money is made available and if it continues along that line, it is hoped that by 1962 the B–70 will be so accelerated that it will soon be in the line of development and production. I am in full accord with what the Senate is doing here on the B–70.

Mr. HIESTAND. I thank the gentleman.

Mr. VINSON. I hope the House will follow the Senate's recommendation on the B–70, notwithstanding the fact that the Department only wanted $220 million. The Senate has taken it out of procurement and put it in research and development and has augmented the amount of money for research and development. We will soon find out all about the B–70 in a short time.

But your first question was with reference to the Strategic Air Force. You can rest assured and sleep soundly with the knowledge that it is in magnificent shape and, if necessary, will give a great account of their performance.

Mr. HIESTAND. Mr. Chairman, I congratulate the committee and the chairman on that position.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. First of all I would like to say that, what I have to say is not in reference to the bill before us; I am very much in favor of this legislation, and I would like to compliment the chairman of the committee and the distinguished gentleman from Illinois [Mr. ARENDS] for the work they have done on it. However, the gentleman from Illinois discussed the situation regarding the Joint Chiefs of Staff and, as he put it, their castigation, to a degree, after the Cuban invasion. He made the statement that no one in authority came to the defense of the Joint Chiefs of Staff until former President Eisenhower did.

I should like to inform my friend that no one had to come to the defense of anyone, because the great President of the United States, President Kennedy, immediately after this action, said, "If there is such a thing as assuming responsibility for any mistake that has been made, I, personally, am totally responsible myself."

Mr. ARENDS. I think the gentleman is correct in what the President said. The statement President Kennedy made was a good statement. He did assume all blame. However, someone in authority did commend the Joint Chiefs of Staff, as I mentioned in my speech. Secretary of Defense McNamara made a commendatory statement publicly. I think however at this particular time, rather than permit some doubt to remain in the minds of our people in this country whether the Joint Chiefs of Staff are

not our best military advisers, it was a mistake for the President not to have said so publicly, and I wish he had. While I do not agree with the Joint Chiefs of Staff in every instance, they of course, may not always agree with me, as I must admit I am not a military expert. The fact remains, however, that the Joint Chiefs of Staff is the best source of military information and advice that we have in this Nation, and we must use their abilities to the utmost.

Mr. BASS of Tennessee. Absolutely so. I believe the President of the United States ought to do just that. But I am also firmly of the opinion that if any mistakes are made in the future, of a military nature, based on the advice of the Joint Chiefs of Staff, the President of the United States will not blame them, or say as we have heard so many times in the past from Executives of this country that "I had bad advice," but he will assume the responsibility for it himself and provide the leadership necessary, based on the advice of the Joint Chiefs of Staff.

Mr. CHAMBERLAIN. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. With reference to the inquiry we had from the gentleman from California with respect to the B–70, the response we had from the chairman of the committee is not in accord with my understanding of the questions put to the Secretary of Defense when the committee was considering this legislation. The hearings indicate here on page 2488 that I asked the Secretary of Defense specifically if he intended to recommend against the use of additional funds for the procurement of the B–52's and the B–58's if Congress should make those funds available. He said he would.

The hearings further indicate that I asked him:

> Mr. CHAMBERLAIN. Then, should I, where you have that position with respect to the B–52's and B–58's, presume that it is still your position that we do not need to pursue the B–70 any faster than we are?
>
> Secretary MCNAMARA. It is.
>
> It is my position that the proposal we have made to the Congress to spend $220 million on the B–70, or to obligate $220 million on the B–70 during the fiscal year 1962, is an appropriate amount to further the development of that aircraft, and will lead to the flight of the aircraft in December of 1962.

So, Mr. Chairman, I do not quite understand him.

Mr. VINSON. The gentleman is reading what the Secretary said. Of course that is the position of the Secretary. I am quoting what the Senate committee said, and I am hoping the House will follow the Senate committee's recommendations. Of course, there is no way to make them spend the money, but I hope the viewpoint of Congress will be carried out in the authorization and in the appropriation. I think the Congress wants the money spent for further research and development on the B–70. I think the Congress wants the assembly line to continue on the B–48, the B–52, and the B–58.

Mr. CHAMBERLAIN. My distinguished chairman will have to concede that there is no way we can get the Secretary to spend the money if he does not want to.

Mr. VINSON. Of course not, but we can make the money available.

Mr. ARENDS. It appears to me as if this is a decision that will have to be made by the committee of conference, and then the House may work its will on the conference report.

Mr. VINSON. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. HECHLER].

Mr. HECHLER. Mr. Chairman, exactly 1 week ago today, the President of the United States in a nationwide address underlined the serious implications of the crisis in Berlin and in the world, and asked for an additional $3½ billion in military hardware and manpower.

Today the House of Representatives is expected to complete the congressional action authorizing these stepped-up defense funds.

The Congress has acted with unprecedented speed.

I do not oppose these defense funds as such, and I am happy that they are being approved by Congress.

But what has happened to our sense of national values when we act hysterically to vote money for arms, munitions, planes, and military manpower while at the same time we are ignoring one of the greatest elements in the Nation's strength—America's educational system?

The total strength of our Nation is not measured by military might alone. I happen to feel that an even higher priority must be given to the strengthening of our educational system. Even when you talk about national defense in terms of what we are authorizing today, you need educated men and women to understand and operate the complex weapons systems we are developing, and even more you need to train the future scientists, engineers, and technicians who will enable America to move forward in research and development, and even in weapons technology. That is looking at education in its narrowest sense in relation to national defense.

But, of course, a strengthening of our educational system has even broader implications in relation to America's total strength. In addition to those trained in the natural sciences, we need social scientists who can point the way for mankind to reduce poverty and human suffering, who can help us move toward better international understanding and disarmament—and move toward a more lasting peace, instead of merely adding fuel to the arms race. Furthermore, we need many more people trained in the humanities, as automation produces more leisure time, and we need those trained in the humanities to add to the moral strength of America, which is just as important as her military might.

These are only a few of the reasons why I feel that the strengthening of our educational system through the passage of a Federal aid to education bill should really come before we authorize and appropriate funds for military hardware and manpower.

On July 19, in answer to a question in his press conference, the President stated, with respect to aid to education:

> I consider it to be probably the most important piece of domestic legislation.

What has happened to our sense of perspective? I disagree with the President in both his statement and his method of approach. The President has not stated the case strongly enough. I hope that he will utilize his tools of national leadership to rally the Nation and insist on the imperative importance of aid to education. It seems to me that aid to education is clearly the most important step we can take to meet the threat of aggressive world communism, and is clearly the most important step—domestic or foreign—which America can take to bolster our national strength.

I will be happy when the pending bill is approved overwhelmingly today. But because I feel that aid to education deserves a higher priority of treatment by both the President and the Congress, I shall only with the greatest reluctance cast my vote for the pending bill.

Mr. ARENDS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, first, I want to compliment the distinguished gentleman from Georgia [Mr. VINSON], the chairman of the Committee on Armed Services. For years I have served under the distinguished gentleman and in his usual dedicated and knowledgeable way today, he has presented this case, and with the support of the ranking minority member who has also done an able job, the gentleman from Illinois [Mr. ARENDS], I, too, support this legislation as I have supported legislation and helped to enact legislation to build up the military strength of this country for the past 40 years. Not just in recent times when we seem to be faced with crises and war and more crises. I want to express my appreciation for the great dedication of the members of this committee led by our distinguished chairman.

Mr. Chairman, after listening to the remarks made just a few minutes ago, it seems to me—and this is what I will deal with now—that we should wonder just what are we led to believe? Is there any recognition whatever in this country by some of our people, of the Communist strategy of protracted conflict? And do we believe we can carry on what is called "business as usual" when we must appropriate billions of dollars to fight a war of survival not generated merely by this crisis in Berlin or Laos or in any other part of the world, but the Soviet menace and the Soviet conspiracy as handed down by Lenin, Manuilsky, Stalin, and Khrushchev right up to the present day, has not changed one iota. But we seem to be going along constantly with the idea that we can spend our way into security—that we can create deficit spending, that we can promote the welfare state and so on. We seem to have the idea that, at the same time, we can

build up our military might and never worry about tomorrow and never worry about paying for it today, but to let generations of the future, our children and our grandchildren, pay the bill for our survival today. I say that we must recognize this here and now. Second, I heard our good friend, the gentleman from California, at the beginning of the session today, making a 1 minute speech. I was amazed and I hope I misunderstood him, but it seems to me I heard him say that he introduced legislation yesterday that the U.S. Government reimburse the Eastern Air Lines for the cost of the plane seized in Cuba or seized by Cubans on U.S. soil and flown to Cuba and confiscated there by the Cuban Communist government. I hope this is not going to be the policy of the United States. That we are going to reimburse for piracy on our own shores and in our own land, but that we are going to take more concrete action to return this plane and other property owned by American citizens.

Now, Mr. Chairman, I just want to ask one or two questions about what we are doing. I support wholeheartedly this program, as I supported the program the other day. But I am informed in just the last few days that Government departments are issuing export licenses sending strategic tools to the Soviet Union now. I am informed that our Government departments are issuing export licenses to ship surplus foods to Russia, now. I cannot understand what kind of a game that is and what we are trying to do. We are told there are great food shortages in Russia and East Germany today.

As a matter of fact, Senator HUBERT HUMPHREY—the Democratic whip—returned from Germany just recently and on July 14 he is quoted in the Washington Post as saying that Khrushchev was faced with a staggering food shortage and, I quote: "is not ready to go to war over Berlin. All is not well within the walls of the Kremlin. There is hunger in East Germany. The Soviet Union itself has food shortages of staggering proportions." He said further that he did not understand:

> Why we do not know about the hunger in East Germany, and if we do why don't we talk about it?

This information has been confirmed by others who have been in Germany recently. Is it not a fact that strategic tools and our surplus foods would bolster the Communist bloc and support their military effort? Or do we not realize this? Something is radically wrong. This reminds me of the days in the thirties when we were shipping scrap iron to Japan and within a couple of years it was coming back to us in the form of cannon balls that killed and maimed our young men in World War II. Are we going to continue the same type of policy today?

One thing in closing I would like to say: I hope there will be consideration by the Foreign Affairs Committee of the Status of Forces Agreement that we have with European countries and other countries under which our servicemen are tried in foreign courts. If we are going to increase our forces in these countries this should be repealed.

And I think last, but not least, we should start screaming to the high heavens every time Khrushchev sends an ultimatum. What about free elections in Germany? What about free elections in Poland, in Czechoslovakia, and all the countries to Bulgaria and Hungary, what about free elections there? Why not let the world know about the Communist slave colonialism that has such a stranglehold on Eastern Europe and other parts of the world, as well as Berlin where we have rights by agreement? We should tell the world frequently in loud and clear tones about the peoples of the world enslaved by Communist colonialism. These are things we should consider when any action is taken; we should let the world know about these things. Why doesn't our Ambassador to the United Nations bring this up all the time? Why do we soft-pedal the fact that this is what was agreed to years ago?

Mr. Chairman, I believe the American people want to know about these things, not only that they have to pay in men and money, but that they cannot continue business as usual and that we will not send strength to support our enemies. Our people want to be informed, and they are not. I am doing my best to inform them.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I am taking this time not because I am opposed at all to this resolution, but frankly, I am confused, as I think many of our citizens are confused today. Let me start by quoting some excerpts from the inspirational address that our President made at the time of his inauguration:

> Let both sides for the first time formulate serious and precise proposals for the inspection and control of arms.
>
> Now the trumpet summons us again, not as a call to bear arms—though arms we need—not as a call to battle, though embattled we are, but a call to bear the burden of a long twilight struggle year in and year out.

In the brief 6 months that has transpired since those words were uttered we are faced with a call to bear arms—and I voted for that authorization because I am not a Member of this House who is going to deny our President any of the equipment, personnel, or facilities he needs, or thinks he needs, to defend this country, but I am not convinced, frankly, that a good case has been made for the emergency. That is the difficulty under which I labor today. For instance, in the RECORD of yesterday Mr. FULBRIGHT'S reply to the inquiries on a TV program Sunday were published in full.

I would like to quote from page 14223:

> Mr. CLAPPER. Senator, do you think the West should take the initiative in negotiations over Berlin?
>
> Senator FULBRIGHT. I do. I think we have been remiss in not making proposals that would give some opportunity for negotiation. I think there are alternatives and I do not think we have been as aggressive in suggesting them as we should be.

The President in his inaugural address promised that he would make definite and precise proposals. I am somewhat surprised to note that the chairman of the Foreign Affairs Committee of the Senate finds that those proposals apparently have not been made.

Also, the Senator replied to another question, and he said:

> I do not believe that he—

meaning Khrushchev—

> expects to precipitate a nuclear war over Berlin.

Which would rather deny that we are in an emergency.

Also, ex-President Truman in his very forthright and characteristic manner suggested that Mr. Khrushchev was simply bluffing.

Senator HUMPHREY, on July 13, as my colleague from New York has already quoted, felt there was no emergency so far as he could see.

Franz Josef Strauss, the Defense Minister of West Germany, in a TV program Sunday night, said:

> Berlin is not primarily a military problem. It is a political problem.

To me, if the emergency exists that calls for this authorization, and I shall vote for it, one of the real actions that our President could take, if we mean what we say, and we are ready to act, would be to call back the families of our servicemen from Europe.

You will recall that in World War II that was done a month before Pearl Harbor. We should take the same stand now. However, as I understand it, the other day before the Committee on Armed Services, the Secretary of Defense—if I am wrong I hope the chairman of the Committee on Armed Forces will correct me—gave testimony to the effect that we are going to send more servicemen to Europe, and that we intend to send the families of those servicemen to Europe also.

That does not indicate to me that the emergency exists which we have been led to believe.

I differ with my good colleague from Mississippi when he says everyone in this country is behind the President, and I defer only to this extent: I say that the overwhelming majority of our people are ahead of the President, are in front of him, because they want firmness, they want action. They want action in Cuba, they want action in Laos, they want action in Vietnam, and they want action in Berlin; not just words, because if we are going to defeat this international Communist conspiracy, we not only have to be firm but we have to mean what we say. Unfortunately, we have had a lot of very fine speeches about Cuba, and that we will never forsake the Cubans, and that we will never forsake the fine people of Laos. But where are the people of Cuba today? Where are the people of Laos today, so far as Communist control is concerned?

I do not want to see Berlin, I do not want to see any other part of the world, controlled by the Communists. I am going to vote for this resolution, but I would like to see the administration correlate everything that they do to the one objective, and that is the survival of this country and the defeat of the international Communist conspiracy.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. CHAMBERLAIN. Mr. Chairman, I rise in support of H.R. 8353 authorizing appropriations for aircraft, missiles, and naval vessels, and to express for the RECORD my support of the President's program to strengthen our national defense posture to meet the growing threats of communism not only in Berlin but throughout the world.

As I listened to the President's talk to the Nation on television last week, I was heartened, indeed, with the firm stand that he outlined in response to Khrushchev's ultimatum with reference to Berlin. I share the view that there have been many changes in events during the past 6 months which have made it necessary for us to beef up our defenses. And, America can afford whatever is necessary, whatever the cost is; in fact, we cannot afford anything less. But, as we authorize and appropriate these additional sums for defense, I feel we should give some thought to the financing of this buildup and its relationship to other demands by our Federal Government.

I was glad that the President did not ask for an additional increase in taxes, for I believe we should first tighten our belts and try to see if we can get by without imposing further burdens upon the taxpayers of this country. But, if we are to spend $3.4 billion more for defense, I feel we should try to eliminate some of the other expenditures for some of these new programs that we keep hearing about, as desirable as many of them may be.

For example, just last month we here in the House provided $50 million in grants for the acquisition of open space land for parks in the housing bill. Now I ask, in light of the urgency of the President's message, if the expenditure of $50 million is necessary at this time for parks? If the President tells us we are facing a crisis, I feel that we should act like we were facing a crisis. In the same housing bill we also provided $1.5 billion for FNMA, $750 million more than the administration had requested; just double. And, again, in the very same bill, we provided $500 million for community facilities. This was 10 times what the President had requested. Thus, in this one bill alone we provided $1.2 billion in back-door spending more than the President had asked. With all the sincerity and earnestness that I command, with all the earnestness that there is within me, I call upon the President not to use these funds that we authorized that were in excess of what he said he wanted.

Now, just last Friday the Secretary of Defense, Mr. McNamara, was before our committee, and as I tried to bring out here earlier in the debate, at that time he said that should Congress make funds available for B–52's and B–58's, which had not been requested by the administration, he would recommend to the President that those funds not be expended. Now, surely, if the Secretary of Defense can recommend to the President that he not spend the money that Congress has made available for bombers, surely the President of the United States can likewise withhold the expenditure of $50 million for parks. I fail to see how more parks will help us meet our crisis in Berlin.

We find another sample of belt tightening we in Congress could do as we look to the action of the House Education and Labor Committee last week.

As a matter of fact, the President spoke on Tuesday night and on Wednesday morning what happened in the House Education and Labor Committee? They reported out a bill to establish a Youth Conservation Corps along the lines of the old CCC camps. The bill initially calls for the expenditure of $366 million, with a pilot program designed to take 12,000 young men between the ages of 16 and 22. At the same time, when the President is asking for some quarter-million young men to be put in uniform, does it make sense to spend our substance in setting up other organizations to put young men in CCC camps, when we want to beef up our defenses? But the House version of this bill is not anywhere near as wild as the version reported by the other body just yesterday.

Mr. Chairman, I have here a news clipping from the Washington Post of this morning. I would like to read just a few lines from the news story on this bill in the other body.

> Youths between the ages of 16 and 21 could enroll for 6 months to work on projects sponsored by Government conservation, park, forest and wildlife agencies.

If that does not sound like leaf-raking, I have never heard it.

Continuing, and I am quoting from the article:

> Under the bill, the Corps would have 30,000 members this year and then would grow to 50,000 in the 1963 fiscal year, 100,000 in 1964, and finally 150,000 in 1965.
>
> The members would be paid $60 a month plus quarters, food, clothing and medical care. When the Corps is at full strength, its cost would be $525 million a year.

Now, I cannot see how, in the light of the President's message, we in the Congress can countenance such kinds of legislation as I have just mentioned.

Mr. Chairman, if we need these boys in uniform, we should put them there; we should not put them in CCC camps and spend more money to do it that way. We have provided in this bill funds to beef up our Berlin defense so we can stand firm there.

Mr. Chairman, I would like to say this, that with all this added strength for our defense posture I hope that we can stand firm in Cuba, too. How can we say before the world that we are going to stand firm against Khrushchev and we are going to stand firm in Berlin when we cannot stand firm in Cuba just 90 miles away—a country that has just hijacked a plane—an act of piracy if ever there was one—and our Government has done nothing about it?

Mr. BENNETT of Florida. Mr. Chairman, the House should pass this measure unanimously just as the committee has unanimously approved it.

I would particularly like to emphasize the needs of naval airpower and to comment somewhat on allied contributions to mutual defense. On the first point, I would simply say that our country is very fortunate to have aircraft carriers serving as mobile, self-contained airbases, with modern naval combat aircraft ranging over more than 70 percent of the earth's surface, which is the sea. They are equipped with a variety of weapons, including those of general nuclear war. In my opinion, the provisions for the Navy in this bill, should have found a place in our previous authorizations. We have cut our strength in this field too much and I welcome this opportunity to provide at least a substantial part of what is needed.

Finally, I would like to say that both this bill and the bill we passed previously this week represent a degree of real sacrifice on the part of the American people. In all candor, I do not feel that some of our allies abroad are doing everything they could in defending themselves. America should not and cannot be expected to carry permanently such disproportionate burdens. I hope the passage of this bill will be reflected by actions of like purpose by our allies.

Mr. ANDERSON of Illinois. Mr. Chairman, in a 403 to 2 vote the Congress has approved the President's request to mobilize up to 250,000 men in the Ready Reserve for 12 months. I supported that action and also will vote for the necessary appropriations to place our Armed Forces in a state of maximum preparedness. However, I am deeply disturbed by the report of an address delivered to American diplomats this week in Cyprus by Under Secretary of State Bowles. In it he was reported to have said that our policy of massive retaliation in case of attack is fading and that the United States is now relying more on building up its conventional strength on the ground. This broad statement by Mr. Bowles certainly implies a basic and far-reaching change in the policies we have followed the last 8 years. However, just last week the Chairman of the Joint Chiefs of Staff testified before the Armed Services Committee and said:

> Our basic strategy continues to be founded on our very powerful nuclear retaliatory capabilities.

I certainly agree that this should be so, and that in this hour of crisis we should make it unmistakably clear to Mr. Khrushchev that our policy in this regard has indeed not changed.

Today we have only five American divisions in Europe. The Soviets have 20 in East Germany alone. We obviously would be at a tremendous disadvantage in a struggle involving only conventional arms. It is our nuclear deterrent and our firm intention to retaliate with our

full nuclear capabilities that will keep Mr. Khrushchev from starting a war over Berlin.

Therefore, the implications of Mr. Bowles' conflicting statement are not merely mischievous—they are downright dangerous. The administration should repudiate the remarks by Mr. Bowles. Indeed the President should repudiate Mr. Bowles and call for his resignation before he does more damage during his current world tour.

Mr. ARENDS. Mr. Chairman, I have no further requests for time.

Mr. VINSON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in addition to the funds authorized to be appropriated under Public Law 87–53, there is hereby authorized to be appropriated during the fiscal year 1962 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, and naval vessels, as authorized by law, amounts as follows:

AIRCRAFT

For aircraft: For the Army, $36,700,000; for the Navy, $262,200,000; for the Air Force, 000; for the Air Force, $294,100,000.

MISSILES

For missiles: For the Army, $33,770,000; for the Navy, $262,200,000; for the Air Force, $8,800,000.

NAVAL VESSELS

For naval vessels: For the Navy, $41,600,000.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first, may I sincerely congratulate Chairman Vinson and the members of his committee for their fine leadership in presenting this measure for our national defense. Such prompt action in supporting the President's request will be easily understood everywhere in the world.

It is to be regretted that the gentleman from Michigan saw fit to use this debate to attack other proposals in terms deriding their basic contribution to our national defense. Particularly do I take exception to the attack on the Youth Conservation Corps. The proposed corps would do so much to physically qualify thousands of young men between the ages of 16 and 18 who otherwise would not be available for the defense of our country. It is well known that the CCC of the 1930's provided many fine and fit men to the winning of World War II. Many had developed leadership qualities that made them fine officers. On top of all this a country such as ours must have its national resources, roads, bridges, forests, et cetera, in the best shape possible. This the Youth Conservation Corps would help do. The fact is we are 20 years behind in such a program.

Mr. Chairman, let us hope the need to strengthen our military resources is not successfully used to destroy many of our proposals to strengthen the internal vigor of our people. Education, housing, and other matters such as meeting the problem of unemployment due to automation must not be postponed. The actual costs will be repaid to the Nation many times over. Not only would such a policy be false economy, it would endanger our ability to win a hot war if such should be forced upon us.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 2311) to authorize additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. VINSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 406, nays 0, not voting 31, as follows:

[Roll No. 127]

YEAS—406

Abbitt	Casey	Finnegan
Abernethy	Cederberg	Fino
Adair	Celler	Fisher
Addabbo	Chamberlain	Flood
Addonizio	Chelf	Fogarty
Alexander	Chenoweth	Ford
Alford	Chiperfield	Forrester
Andersen, Minn.	Church	Fountain
Anderson, Ill.	Clancy	Frazier
Andrews	Clark	Friedel
Anfuso	Coad	Fulton
Arends	Cohelan	Gallagher
Ashbrook	Collier	Garland
Ashley	Colmer	Garmatz
Ashmore	Conte	Gary
Aspinall	Cook	Gathings
Auchincloss	Cooley	Gavin
Avery	Corbett	Giaimo
Ayres	Corman	Gilbert
Bailey	Cramer	Glenn
Baker	Cunningham	Goodell
Baldwin	Curtin	Goodling
Baring	Curtis, Mass.	Granahan
Barrett	Curtis, Mo.	Grant
Barry	Daddario	Gray
Bass, N.H.	Dague	Green, Oreg.
Bass, Tenn.	Daniels	Green, Pa.
Bates	Davis, James C.	Griffin
Battin	Davis, John W.	Griffiths
Becker	Davis, Tenn.	Gross
Beckworth	Dawson	Gubser
Beermann	Delaney	Hagan, Ga.
Belcher	Dent	Hagen, Calif.
Bell	Denton	Haley
Bennett, Fla.	Derounian	Hall
Bennett, Mich.	Derwinski	Halleck
Berry	Devine	Halpern
Betts	Diggs	Hansen
Boggs	Dingell	Harding
Boland	Dole	Hardy
Bolling	Dominick	Harris
Bolton	Donohue	Harrison, Va.
Bonner	Dooley	Harrison, Wyo.
Boykin	Dorn	Harsha
Brademas	Dowdy	Harvey, Ind.
Bray	Downing	Hays
Brewster	Doyle	Healey
Bromwell	Dulski	Hebert
Brooks, Tex.	Durno	Hechler
Broomfield	Dwyer	Hemphill
Brown	Edmondson	Henderson
Broyhill	Elliott	Herlong
Bruce	Ellsworth	Hiestand
Burke, Ky.	Everett	Hoeven
Burke, Mass.	Evins	Hoffman, Ill.
Burleson	Fallon	Hoffman, Mich.
Byrne, Pa.	Fascell	Holifield
Byrnes, Wis.	Feighan	Holland
Cahill	Fenton	Holtzman
Carey	Findley	Horan
		Hosmer
Huddleston	Milliken	Saylor
Hull	Mills	Schadeberg
Ichord, Mo.	Minshall	Schenck
Ikard, Tex.	Moeller	Scherer
Inouye	Montoya	Schneebeli
Jarman	Moore	Schweiker
Jennings	Moorehead, Ohio	Schwengel
Jensen	Moorhead, Pa.	Scranton
Joelson	Morgan	Seely-Brown
Johnson, Calif.	Morris	Selden
Johnson, Md.	Morrison	Shelley
Johnson, Wis.	Morse	Shipley
Jonas	Mosher	Short
Jones, Ala.	Moss	Shriver
Jones, Mo.	Moulder	Sibal
Karsten	Multer	Sikes
Karth	Murphy	Siler
Kastenmeier	Murray	Sisk
Kearns	Natcher	Slack
Kee	Nelsen	Smith, Calif.
Keith	Nix	Smith, Iowa
Kilburn	Norblad	Smith, Miss.
Kilday	Nygaard	Smith, Va.
Kilgore	O'Brien, Ill.	Spence
King, Calif.	O'Brien, N.Y.	Springer
King, N.Y.	O'Hara, Ill.	Stafford
King, Utah	O'Hara, Mich.	Staggers
Kirwan	O'Konski	Steed
Kitchin	Olsen	Stephens
Kluczynski	O'Neill	Stratton
Knox	Osmers	Stubblefield
Kornegay	Ostertag	Sullivan
Kowalski	Patman	Taber
Kunkel	Pelly	Taylor
Kyl	Perkins	Teague, Calif.
Laird	Peterson	Teague, Tex.
Landrum	Pfost	Thomas
Lane	Philbin	Thompson, N.J.
Langen	Pike	Thompson, Tex.
Lankford	Pilcher	Thomson, Wis.
Latta	Pillion	Thornberry
Lennon	Pirnie	Toll
Lesinski	Poage	Tollefson
Libonati	Poff	Trimble
Lindsay	Price	Tuck
Lipscomb	Pucinski	Tupper
Loser	Quie	Udall, Morris K.
McCormack	Rains	Ullman
McCulloch	Randall	Utt
McDonough	Ray	Vanik
McDowell	Reece	Van Pelt
McFall	Reifel	Van Zandt
McIntire	Reuss	Vinson
McMillan	Rhodes, Ariz.	Wallhauser
McVey	Rhodes, Pa.	Walter
Macdonald	Riehlman	Watts
MacGregor	Riley	Weaver
Machrowicz	Rivers, Alaska	Weis
Mack	Rivers, S.C.	Westland
Madden	Robison	Whalley
Magnuson	Rodino	Wharton
Mahon	Rogers, Colo.	Whitener
Mailliard	Rogers, Fla.	Whitten
Marshall	Rogers, Tex.	Wickersham
Martin, Mass.	Roosevelt	Widnall
Martin, Nebr.	Rostenkowski	Williams
Mathias	Roudebush	Willis
Matthews	Roush	Wilson, Calif.
May	Rousselot	Wilson, Ind.
Meader	Rutherford	Winstead
Merrow	Ryan	Wright
Michel	St. George	Yates
Miller, Clem	St. Germain	Young
Miller, George P.	Santangelo	Younger
Miller, N.Y.	Saund	Zelenko

NAYS—0

NOT VOTING—31

Albert	Flynt	Norrell
Alger	Frelinghuysen	Passman
Blatnik	Harvey, Mich.	Powell
Blitch	Johansen	Rabaut
Bow	Judd	Roberts
Breeding	Kelly	Rooney
Brooks, La.	Keogh	Scott
Buckley	McSween	Sheppard
Cannon	Mason	Thompson, La.
Farbstein	Monagan	Zablocki

So the bill was passed.

The Clerk announced the following pairs:

Mrs. Norrell with Mr. Alger.
Mr. Albert with Mr. Judd.
Mr. Zablocki with Mr. Harvey of Michigan.
Mr. Farbstein with Mr. Bow.
Mr. Keogh with Mr. Johansen.
Mr. Rooney with Mr. Mason.
Mrs. Kelly with Mr. Frelinghuysen.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

PERSONAL ANNOUNCEMENT ON S. 2311

Mr. McCORMACK. Mr. Speaker, in connection with the rollcall vote 127 on the bill, S. 2311, to authorize additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes, several of our colleagues were unavoidably absent from the Chamber on important official matters. They are the gentleman from Oklahoma [Mr. ALBERT], the gentleman from Kansas [Mr. BREEDING], the gentleman from Louisiana [Mr. PASSMAN], the gentleman from Wisconsin [Mr. ZABLOCKI], the gentleman from New York [Mr. FARBSTEIN], the gentleman from Minnesota [Mr. JUDD], the gentleman from New Jersey [Mr. FRELINGHUYSEN], and the gentleman from Louisiana [Mr. BROOKS].

Mr. Speaker, I have been authorized by each one of these gentlemen to state that if they had not been unavoidably absent from the Chamber on important official business, if they were present they would have voted "yea" in favor of the passage of the bill.

Mr. Speaker, I ask unanimous consent that my statement in this respect may appear immediately following the rollcall on the bill, S. 2311.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

NORTHEASTERN WATER AND LAND RESOURCES COMPACT

Mr. COLMER. Mr. Speaker, I call up House Resolution 378 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 30) granting the consent and approval of Congress to the Northeastern Water and Related Land Resources Compact. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield myself such time as I may consume, following which I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, House Resolution 378 provides for the consideration of H.R. 30, a bill granting the consent and approval of Congress to the northeastern water and related land resources compact. The resolution provides for an open rule with 2 hours of general debate.

H.R. 30 is a further promising step in the long-term effort to promote the beneficial use of the water and related land resources of the New England States by encouraging close coordination through an agency created by interstate compact of the activities of the respective States with each other and with the related water and land use programs of the Federal Government. The bill reflects the initiative of the States themselves, four of which—New Hampshire, Connecticut, Rhode Island, and Massachusetts—have already ratified the compact. Inasmuch as article X of the compact provides that it shall become effective when enacted into law by any three of the States and by the United States only, the enactment of H.R. 30 is now required to put the compact into effect. The commission created by the northeastern water and related land resources compact could and should become an effective vehicle for coordinating the complex of administrative agencies—State and Federal—with responsibilities in the field of water resource development and the enactment of this legislation should prove of substantial assistance and encouragement to the intensive development and use of such resources for the benefit of the people of New England and of the Nation.

The compact which is incorporated in the bill provides for full Federal participation through seven members to be appointed by the President from various Federal departments and agencies having the responsibility for Federal programs related to water-resource development. However, the compact agency will have no authority to undertake programs of its own, whether in the field of construction or operation. As set forth in the compact, the agency's responsibility is merely to recommend to the States and the United States and the agencies thereof changes in law or policy which would promote coordination, or resolution of problems, in the field of water and related land resources, including the coordination of efforts for the collection and interpretation of basic data, the investigation and planning of water and related land-resources projects, and the scheduling or other programing of the construction and development of such projects. While it is contemplated that the commission will make use of existing agencies for any investigations or research required to carry on its own coordination activities, the compact grants power to the commission to make its own investigations and to conduct its own research.

H.R. 30 is a constructive and much-needed step to insure the efficient employment of the funds and efforts of the States and the Federal Government in the solution of the water-control problems of the New England States.

Mr. Speaker, I urge the adoption of House Resolution 378.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, as the gentleman from Mississippi has so ably explained, House Resolution No. 378 makes in order the consideration under 2 hours of general debate, and an open rule, the bill, H.R. 30, a measure to grant the consent and approval of the Congress to the creation of the northeastern water and related land resources compact, a compact to be entered into by six New England States, as I understand it.

Mr. Speaker, at the time this measure was before the Rules Committee I called attention at that time to section 5, page 12 of the bill, which would provide that the Federal Government, being a party to the compact, would make a contribution of $50,000, or not to exceed $50,000, in any fiscal year to help meet the necessary expenses of this particular commission or compact group. As a result of the discussion which took place in the Rules Committee on this contribution by the Federal Government, something that had never been done in any of the several—I believe 200 or more—compacts which have been entered into over the country by the various States, it is my understanding that an agreement has been reached between the sponsors of the bill and some of those of us who objected to the $50,000 Federal contribution, that an amendment will be offered to strike out that particular provision of the bill so there will be no expense involved, as far as the Federal Government is concerned.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BROWN. I yield to the gentleman from Massachusetts, the majority leader, and the author of the bill.

Mr. McCORMACK. The gentleman's statement is correct; that is right. That amendment will be offered.

Mr. BROWN. While there may be other amendments offered, Mr. Speaker, inasmuch as I have called the attention of the author of the bill to this particular section, and have stated that I could not support the measure if a Federal contribution be required as provided in the bill. Based on the agreement which was made to strike it out, I expect to support the measure, with the amendment as suggested by the author of the bill.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield for a question?

Mr. BROWN. Yes, I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Am I correct, then, in understanding that the bill that is before us and that the bill as amended will permit the States to do what they want to?

Mr. BROWN. No; not at all. It will protect the people of Michigan from paying taxes into the Federal Treasury, which in turn could be used to finance this compact.

Mr. HOFFMAN of Michigan. If the gentleman will yield further, that is something new; is it not?

Mr. BROWN. No; it is not new. There has never been, in any other compact between the States, any provision made for the Federal Government to contribute to the financial support of such compact. Therefore, to put this bill in line with all other compact measures which have been enacted in the past, the Federal contribution provided in the original bill will be struck out on amendment. It is possible there may be other amendments offered. If so, I do not know about them.

Mr. HOFFMAN of Michigan. Will the gentleman yield further?

Mr. BROWN. I yield to the gentleman.

Mr. HOFFMAN of Michigan. We still will be permitted—Michigan will—to contribute to Federal enterprises, will we not?

Mr. BROWN. I am certain the gentleman's privilege and prerogative of paying Federal taxes will not be interfered with in any way by the adoption of this rule.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. BROWN. I yield to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Speaker, I would like to ask the gentleman if it is not also true that it deviates from other compacts to a great extent in a very important matter in that it provides for seven voting, participating Federal members of the commission, contrary to previous compacts? I would like to also like to ask the gentleman if that does not give him a little bit of concern and if he does not think it would be a better compact if it were required to conform to previous compacts in that important respect as well; and that all departments opposed the bill because of that?

Mr. BROWN. The gentleman should address that question to one of the gentlemen who is a member of the Committee on Public Works, and is undoubtedly more familiar with such compacts and what should be entered into than the gentleman from Ohio. But when this bill was brought before the Committee on Rules, the only section to which I did object was the one carrying the arrangement for the Federal Government to contribute a regular amount, a sum of up to $50,000 annually, to the support of this compact, something I knew had not been done in other compacts.

I stated at that time that I would not object to the rule, attempt to defeat it, or oppose the bill if an amendment were offered by the sponsor of the measure to delete that paragraph. The gentleman from Florida may offer any other amendment he desires. As usual, the Rules Committee is permitting the House to work its will, as you know is the expressed desire of a majority of this body.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. DAVIS of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 30) granting the consent and approval of Congress to the northeastern water and related land resources compact.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 30, with Mr. BROOKS of Texas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I suppose all of us must admit that water in this country is perhaps our most serious domestic problem. This bill simply authorizes a compact which will permit an advisory commission in which six States will be represented. These States are New Hampshire, Massachusetts, Rhode Island, Connecticut, Maine, and Vermont. All of these States have ratified the compact, with the exception of Maine and Vermont.

This bill was introduced by the distinguished majority leader [Mr. MCCORMACK] at the request of several of our colleagues on the other side of the aisle, but our distinguished majority leader recognized the importance of water not only in the Northeast section of the country but as it relates to the country as a whole. So we held hearings in the last session, but the bill has not reached the floor until now. Of course, we recognize that the economy of the northeastern part of our country has been substantial and solid and firm for a long period of years. It is necessary that we maintain the strength of that economy and the whole water resource problem is very important to that section of the country. I may suggest that we not only have the problem of flood control, but we have navigation, recreation, stream pollution, wildlife, and all of these facets which comprise the whole of a comprehensive control of water resources.

So, then, not to take too much time, I have summarized this statement about what this resolution provides. I should like to state at the outset that the distinguished gentleman from Ohio [Mr. BROWN] was correct when he stated that I would introduce an amendment which would delete the $50,000 Federal contribution. At the same time, I recognize this is a very small amount of money on a very important project. I would like to remind the Members of the House that in 1950 this Congress authorized a study of this whole section, as it related to water. I have been amazed myself to find that that report cost $6 million and is covered in 44 big volumes which constitute an inventory of the necessary works that should be undertaken in that section of the country. So with this $6 million already expended by annual appropriations, and all of it was in charge of the Corps of Engineers, with the Secretary of the Army, the Secretaries of Commerce, Labor, Interior, Health, Education, and Welfare, and the Federal Power Commission all cooperating. I am glad to report that I took this matter of the deletion of this Federal contribution up with one of my leaders, the distinguished gentleman from Iowa [Mr. GROSS] and he approved the amendment which would strike out the money.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman with great pleasure.

Mr. GROSS. I commend the gentleman and thank him for the amendment he proposes to offer. I do so on the basis that while $50,000, in terms of the way money is spent by Congress, is not a great amount of money, I am afraid that in this case it would not be the first cost, but rather the upkeep.

Mr. DAVIS of Tennessee. Of course, it is on a matter of principle that we find ourselves in agreement.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Florida.

Mr. CRAMER. I wish that the distinguished chairman for whom I have the highest regard would equally agree to an amendment taking out the Federal voting rights and, thus, preserve States rights. Then we could have sweetness and light among all the parties on the floor of the House and a unanimous vote for the bill if that important amendment could be agreed to.

Mr. DAVIS of Tennessee. No, I could not agree to that for a minute. I can also say we did agree to the deletion of the money, but I must also say we agreed with other distinguished leaders on the other side of the aisle, but none of my minority colleagues on the committee would agree to it. In other words, they want all or nothing and we will have to see if our reasoning survives or whether their reasoning will prevail.

H.R. 30 is a step in the long-term effort to promote the beneficial use of the water and related land resources of the New England States. It sets up an agency created by interstate compact to coordinate the activities of the respective States with each other and with the related water and land use programs of the Federal Government. The bill reflects the initiative of the States themselves, four of whom—New Hampshire, Connecticut, Rhode Island, and Massachusetts—have already ratified the compact. Inasmuch as the compact provides that it shall become effective when enacted into law by any three of the States and by the United States only, the enactment of H.R. 30 is now required to put the compact into effect. The committee believes that the Commission created by the northeastern water and related land resources compact could become an effective vehicle for coordinating the complex of administrative agencies, State and Federal, with responsibilities in the field of water resource development. The bill should prove of substantial assistance and encouragement in the intensive development and use of such resources for the benefit of the people of New England.

Mr. DOOLEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from New York.

Mr. DOOLEY. I would like to take this opportunity to commend the distinguished chairman of our committee for motivating this legislation. While I signed the minority report opposing the Federal representatives, I shall vote for the bill.

Mr. DAVIS of Tennessee. I thank my colleague, for whom all of us on the committee have the greatest respect.

The compact provides for full Federal participation through seven members to be appointed by the President from the various Federal departments and agencies having the responsibility for Federal programs related to water resource development. However, the compact agency will have no authority to undertake programs of its own, whether in the field of construction or operation; and whatever recommendations will come in as the result of further ideas or inventory which has been completed in these 11 years will, of necessity, have to come to the Congress for authorization.

The agency's responsibility is merely to recommend to the States and the United States and the agencies thereof changes in law or policy which would promote coordination, or resolution of problems, in the field of water and related land resources, including the coordination of efforts for first, the collection and interpretation of basic data; second, the investigation and planning of water and related land resources projects; and third, the scheduling or other programing of the construction and development of such projects. While it is contemplated that the commission will make use of existing agencies for any investigations or research required to carry on its own coordination activities, the compact grants power to the commission to make its own investigations and to conduct its own research.

Most of the New England States have told us how they think the State and Federal water resource programs in their area can best be coordinated and effectuated. It is not easy to secure State initiative in this field. I think we should welcome the initiative of the New England States and not hold them up any longer since the bill in no wise compromises the prerogatives of Congress, the jurisdiction of the United States or the powers of any Federal agency, nor does it commit the Congress or any Federal agency to any project, plan, or program. It is purely a coordinating agency which can do nothing but make recommendations to the States and the Federal Government, and the modest administrative costs of the agency will be shared by the States.

I repeat that the authority remains in the Congress to make these authorizations, based upon the decisions of this Commission, and, further, based on the inventory which has been accomplished in the last 11 years at tremendous cost and which fills 44 rather big volumes. So that I leave this general statement with you. I think this is a most important resolution, recognizing our distinguished majority leader and the very faithful interest of our colleague [Mr. MERROW] who will address the Committee later.

Mr. BALDWIN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there has been no difference of opinion in the Public Works Committee relative to the desirability of having a proper type of compact entered into for the New England area. There has been strong difference of opinion, however, in the committee, and there is here today, as to the specific compact which is here before us for consideration.

The major objection that those of us on the minority who signed the minority report have to the compact in its present form is that the compact provides for seven Federal voting representatives. The compact provides that six potential States may enter into this compact. Four of those States have so far agreed to it. Two have not.

The compact further provides that each State that enters into it shall have one voting representative. This means that the compact in its present form, with the four States that have approved it, would have seven Federal voting representatives and only a total of four State voting representatives.

This is the first time, to my knowledge, in the history of this Congress that an interstate compact has come before the Congress where the Federal voting representatives actually exceeded the State voting representatives by a majority. The compact provisions state that in the internal affairs of the compact a simple majority of the voting members will control. That is on the internal affairs of the compact. This means that the Federal Government, through its representatives, will have absolute control over the internal affairs of this compact.

On other matters the compact says it will require a majority of the Federal voting representatives and a majority of the State voting representatives to make a decision. This means that the Federal voting representatives, therefore, have a complete veto power, and the States cannot take any action by a majority of their own votes because a simple majority of the Federal representatives voting the other way would bar them.

This is the first compact that has ever come before the Congress for approval that has provided absolute control by the Federal voting representatives of the operations of the compact. We have had very few compacts come before the Congress that had any Federal voting representatives, up to the Delaware River compact of a couple of weeks ago in which there were only four. One of them was the Ohio River sanitation compact, which had 24 State voting representatives and only 3 Federal voting representatives and the 3 Federal voting representatives did not have any effect in determining a voting majority, according to the words of the compact.

The second one was the Colorado River Basin compact where the Federal Government had one voting representative, if the President decided to appoint him, because we had a treaty with Mexico that was involved there.

The third was the Yellowstone River compact, where a Federal voting representative was named; however, he had the right to vote only if there was a conflict between the States involved. The other was the Potomac River compact, in which the District of Columbia, being a Federal entity, was involved, and we therefore had Federal voting representatives.

In the case of the Delaware River compact, the States have control, because there are four State representatives and only one Federal representative.

This is the first compact where we have absolute Federal control at every stage. This has already caused two States to feel it is in such a form they should not go forward with it.

I have a telegram from Gov. John Reed of the State of Maine, addressed to Congressman CLIFFORD G. MCINTIRE, of Maine, that says:

> Sending copies of legislation introduced 2 years ago. This was not enacted because landowners were afraid of Federal intervention. No legislation was introduced this session because of this same opposition.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The Governor did not say what his position was. He just simply made reference to the opposition of the landowners, did he not?

Mr. BALDWIN. He stated that no legislation was introduced this session because of the same opposition. When there is an indication that all of the members of the Legislature of Maine did not see fit to introduce it, it is pretty evident that the majority of members saw it was not desirable, or some of the members would have introduced it.

Mr. McCORMACK. But it does not say what the position of the Governor himself is.

Mr. BALDWIN. No.

Mr. McCORMACK. And six Governors of New England met and originated this.

Mr. BALDWIN. I think it would be in order at this point to yield to the gentleman from New York [Mr. ROBISON], who will read the resolution passed by the Governors' conference recently.

Mr. ROBISON. I thank the gentleman for yielding. I would like to congratulate the gentleman, first, for his fine statement and associate myself therewith. I do not know what the position of the New England Governors was with respect to the action taken at the recent Governors' conference at their 53d annual meeting in Honolulu, Hawaii, but I have this resolution adopted by the Governors' conference on June 28, 1961, entitled "Interstate Compact Agencies," and I think it is important enough, if the gentleman will yield for that purpose, that it be read into the RECORD at this point.

INTERSTATE COMPACT AGENCIES

Whereas the proper exercise of State powers frequently requires joint action by two or more States through a common agency; and

Whereas the interstate compact agency has been used widely and effectively by the States for this purpose, enabling the States to reach

harmonious solutions to common problems under State direction and control; and

Whereas the need for interstate cooperation in the conduct of State programs will increase in years to come, and the interstate compact agency will be of increasing importance to the health and vigor of the Federal system of government; and

Whereas the Governors' conference at its 52d annual meeting voiced its concern about efforts to assert national power over the operations and internal administration of agencies created by interstate compact; and

Whereas these efforts continued during the past year and now pose a serious threat of national domination of interstate compact agencies; and

Whereas the materialization of this threat will impair the utility and desirability of the interstate compact agency as a mechanism of State administration: Now, therefore, be it

Resolved, That the Governors' conference reiterate its concern relating to the attempts to assert national power over the operations and internal administration of interstate compact agencies.

I thank the gentleman.

Mr. BALDWIN. I thank the gentleman from New York.

This resolution passed by the Governors' conference in Hawaii a month ago sets forth clearly that the Governors' conference express themselves in this resolution against the Federal Government taking action that will result in Federal domination over interstate compacts.

I also have here a letter from the Governor of Vermont, Governor Keyser, to the senior Senator from Vermont, a copy of which was provided to me, dated July 6, 1961:

During my term and chairmanship of the Interstate Cooperation Commission in Vermont, I did not push for adoption of this compact. As you know, it has never been adopted by Vermont. There is presently no legislation pending to adopt the same in Vermont, and I do not anticipate such legislation.

Now, this indicates that two out of the six States have individually, for all practical purposes, backed away from this compact because of the provision stating that there would be seven voting representatives.

The minority proposes to offer an amendment at the appropriate time to change this particular provision of the compact to provide that these Federal representatives shall not have voting rights; but shall simply be advisory.

I might say that in the committee report you can go through the list of the department reports and you will find that on this question every one of the major departments involved had doubts or specific opposition to this compact. The Federal Power Commission stated in their report:

For the reasons discussed herein, the Commission does not favor enactment of the bill.

The Department of Health, Education, and Welfare stated:

We seriously question whether this arrangement would be as desirable—either from the point of view of the member States or from the point of view of sound Federal policy development—as the existing pattern of nonvoting Federal representation through a liaison officer.

The U.S. Department of the Interior said:

We recommend that H.R. 9999 be not enacted.

H.R. 9999 was the bill that was introduced last year to authorize the same compact.

The Department of Agriculture said:

The Department recommends that the Congress not give its consent and approval to a northeastern water and related land resources compact in the form of the compact set out in the bill.

The Department of Justice said:

We believe the United States should not acquiesce in the joint Federal-State arrangement contemplated by the subject bill in its present form.

These are the Federal agencies that submitted their views in this form, and I think we should give recognition to them.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman.

Mr. STAFFORD. Mr. Chairman, I would like to compliment the gentleman on his presentation of this matter and associate myself with the position which he has taken, especially with reference to the amendments which he proposes to offer later on.

Mr. BALDWIN. I thank the gentleman.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. McCORMACK. The gentleman from New York [Mr. ROBISON] made reference to a resolution adopted at the recent Governors' conference in Hawaii. Is the gentleman aware that the Governors' conference, in another resolution, went specifically on record in favor of this compact, as well as the Delaware River compact?

The gentleman read one resolution, but there was a separate resolution in which the Governors went on record, as I understand it, in favor of both compacts.

Mr. ROBISON. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from New York.

Mr. ROBISON. I cannot answer the statement of the majority leader specifically, but I do not see how the Governors can have their cake and eat it, too. It seems to me that this resolution which they sent to me, as they did to all Members of the House, speaks for itself. I do not know what the other resolution says.

Mr. McCORMACK. Mr. Chairman, if the gentleman will yield further, that is a very general resolution, and I understand that. But they go even further in other resolutions where they want the consent of Congress to compacts, before the compacts are made. And there is some logic to that, too, and that will be explored in separate legislation. My understanding is that the Governors on May 15, in a letter to Chairman Buckley, signed by Robert E. Smylie, chairman of the committee on Federal-State relations, said:

At its most recent meeting, held in Washington, April 26, the Governors' conference committee on Federal-State relations authorized me to write urging that the Committee on Public Works give early and favorable consideration to legislation granting congressional consent to the proposed northeastern water and related land resources compact—H.R. 30, H.R. 2437, H.R. 3457, and H.R. 6066.

Mr. BALDWIN. I might say after that letter was issued in May the Governors at the Governors' conference in Hawaii then passed the resolution read by the gentleman from New York [Mr. ROBISON], which stated that they were opposed to compacts in which the Federal Government asserted control. So this is the issue. If this issue is to be cleared up—and I might say that I am going to offer a simple amendment that will change seven voting representatives to nonvoting representatives—if this issue is cleared up, there will be no objection then by the minority to the principle of this compact.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Florida.

Mr. CRAMER. In order to clarify the fact, as I understand it, the resolution to which the distinguished majority leader referred, which he just read, was the position of a committee of the Governors' conference; and what came out of the Governors' conference itself was this resolution—that is, out of the entire Governors' conference. They certainly are inconsistent. They state that the Governors' conference at its 52d annual meeting voiced its concern about the efforts to assert national power over the operations and administration of agencies created by interstate compacts.

And whereas the threats continued during the past year and now pose a serious threat of national domination of interstate compact agencies—

And so forth.

They specifically went on record as opposing Federal domination. The gentleman has already stated that this compact gives the Federal Government a veto power over every single action of the compact member States. What more Federal power and control could you have, and what possibly greater power could you have, than is in the bill at the present time?

Mr. BALDWIN. As is true in the case of Federal law, if there is a conflict between two different laws the later one in passage of time governs. The latest expression from the Governors' conference is the resolution passed June 28 at the Governors' conference in Hawaii.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. Referring to page 5 of the bill, line 3, it occurs to me that this veto power works both ways. In other words, the States themselves retain the veto power. Is not that correct?

Mr. BALDWIN. The language states, and I will read it specifically from page 5:

> No action of the Commission respecting a matter other than its internal management shall be binding unless taken at a meeting at which a majority of the State members and a majority of the members representing the United States are present and a majority of said State membership together with a majority of said members representing the United States vote in favor thereof.

Because it said "other than its internal management" this means internal management is governed by all members, where the Federal Government will have absolute control because they have seven votes to four. Then the Federal agency representatives will have a complete veto power, because, if the State representatives vote unanimously, there would still be a veto power on the part of the Federal representatives.

Mr. SEELY-BROWN. But that veto power would work in reverse.

Mr. BALDWIN. That is true, but this is supposed to be an interstate compact.

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. DAVIS of Tennessee. I must emphasize that the gentleman from California has read the language which absolutely explodes the theory that the Federal voters would dominate on internal management such as matters of administration, installation of telephones, and so forth. That is internal management.

Mr. BALDWIN. Can the gentleman cite to me one example of any compact where Federal representatives had control over internal operations of an interstate compact?

Mr. DAVIS of Tennessee. Certainly, it is reasonable for them to have control of a majority on internal management, but the gentleman has read the language that destroys the argument that he or anybody else could have, because a majority of the State representatives must vote and a majority of the Federal representatives must vote, and any action not binding for such a reason may be ratified within 30 days by the concurrence in writing of a majority of the State members and the concurrence in writing of a majority of the members representing the United States.

Mr. BALDWIN. Can the gentleman cite me one interstate compact passed in the history of this Congress where the Federal Government had an absolute veto power of any action taken by the compact States?

Mr. DAVIS of Tennessee. I consider that this is sound legislation. I am not going way back 50 or 100 years to try to dig up some precedent, when I know this is good, sound reasoning and good logic and good legislation.

Mr. BALDWIN. I think it is significant that the five major Federal agencies that have relationships to these interstate compacts have all indicated in their reports that they are opposed to this type of compact for the reasons set forth in their reports.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. I am constrained to look at this legislation carefully and then to agree with the distinguished gentleman from Tennessee. The gentleman from Connecticut stated it succinctly, the States have the same authority. With respect to the genesis of this, I read from page 4 of the report:

> The decision to create a compact agency was reached at a meeting of the New England Governors' conference held at Hartford, Conn., on March 2, 1959. The New England Governors agreed unanimously at that meeting to introduce enabling legislation in each of the States which would authorize the States to enter into a compact creating a commission to carry on more effectively the work of coordination which the Northeastern Resources Committee had begun. It is this compact, already adopted by four of the New England States, which is now presented for the approval of Congress.

So you see from page 4 of the report that that is the history of this. This is not completely unlike the Delaware compact as to which this body has acted favorably. This is perfectly innocuous legislation and there is no danger of any Federal control in this legislation. I think it is a complete bugaboo to introduce that issue into this debate at this point.

Mr. BALDWIN. We should give some weight to the views of the five major departments which have relationship to these compacts, all of whom have had broad and diversified experience with these compacts for many years, and all of which have indicated that they are opposed to compacts of this type.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield to the distinguished gentleman from Massachusetts [Mr. MARTIN] such time as he may require.

Mr. MARTIN of Massachusetts. Mr. Chairman, I am in favor of this compact and I am rather surprised at the heat it has generated. Certainly, I can see in this legislation no great national peril nor can I see any threat at all to States rights. It has been explained that the veto power exists on either side. Certainly, that gives all protection. I appreciate the great sympathy and desire to protect us that our colleague, the gentleman from California, has for New England. But let me say we are not afraid of jeopardizing States rights because we have seven Federal men on the commission. If we do not agree with them, we will not do it and furthermore, any proposal must come before Congress and the States.

So I do not think there is any real need to quarrel over the phraseology of this piece of legislation. It all winds up at the same end of the road. This legislation is here as the result of a great disaster and a great water deluge in the six New England States several years ago. At that time the six New England Governors decided we must improve conditions so that life could be saved and property protected in the future. This legislation does not appropriate a single dollar, as I understand it, and particularly having in mind the amendment to be offered.

Would you deny the States of New England or any other group of States in this country that want to have an opportunity to improve their status in life? That is the simple question that is involved here. I am in favor of the legislation. The Governors of the New England States sponsored the bill and so has the New England Council, a group of businessmen in the New England States. These men, aiming at increasing the welfare of New England, have endorsed the measure.

Of course, I personally might be a little skeptical as to what might come of this. Generally, I am a little skeptical as to what might come of all planning committees. But at least they are trying. A real effort is being made to improve conditions.

We in the Congress should not deprive the States of the right to at least try. We must not forget in our deliberations we are all a part of the same country. All of the 50 States are united in the natural desire to improve their status, and properly so. You cannot improve one single State without it improving every other State. Therefore, when it costs nothing, why should we block New England in an effort for self-improvement.

It has been represented that two States have not yet ratified the compact. Why? I do not know. I suppose it could be they have been waiting for Congress to act. They have a good reason for that because of our delay.

Let me have one further word about the four representatives from the States and the seven from the Federal Government. I cannot believe that any seven members appointed by the Federal Government are going to be against the national interest. They are there to advise the compact members. I would think that if I were a representative from Illinois or Iowa or some other section of the country, I would not find fault. They would, in my opinion, be a safeguard that the Yankees would not put something over. At any rate, we can rest assured no one would try because the final say is up to Congress.

Mr. BALDWIN. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I dislike, of course, to rise in opposition to the point of view taken by the distinguished former Speaker and minority leader, and obviously the majority leader as well, but I feel very deeply the basic concept involved and feel this legislation is basically wrong, because it does away with fundamental States rights and injects the Federal Government into State responsibilities in the sense of voting. In this instance a majority vote by the Federal representatives is the equivalent of a veto and can be exercised in the case of any item the Federal Government does not want, staff employment, budgets, and what have you. All they have to do is vote as a majority and it is an automatic veto no matter if every one of the States say they want it. If the States vote unanimously for something

the Federal Government through its seven representatives can by a majority vote against it stop it, and it is vetoed. Do you want that?

This compact is quite different from the Delaware compact which we had up here just a few weeks ago where we had one Federal voting member and no power of veto by the Federal representatives.

This is a matter of deep concern, not only to me as a Member of Congress, as someone who is interested in preserving States rights and Federal rights, respectively, but it has been objected to, as the gentleman from California said, by every Federal agency that has reported on the bill, the Federal Communications Commission, the Interior Department, and every other Department that has reported on it said they were against it because it is bad as a matter of Federal-State relationships.

Some people are beginning to take a new look at this compact, becoming aware of its weaknesses, that some of us on the minority have attempted to point out. This is shown by the fact that the chairman has announced their willingness to accept an amendment to strike Federal contributions. Those two amendments were adopted almost unanimously after proper debate and consideration of the merits of the legislation in our committee. Then shortly thereafter the majority reversed itself. So, on the merits of the legislation I do not think there is any question but what the position of the minority is correct.

There are other people taking a second look at this compact since this issue has been brought to light. How can the Governors' conference pass a resolution stating their opposition to infringement by the Federal Government on the responsibilities specifically referring to the internal administrative affairs of interstate compacts and their opposition to Federal intervention in them on the one hand, and on the other hand say they will approve a compact with the Federal Government having absolute veto power. It is wrong. I think they meant to say what they said in the full Conference of Governors in which they opposed injection of the Federal Government.

In view of this resolution, in view of these facts being brought out, in view of the fact that there is a serious question here involved, some of the people who sponsored the legislation are now reconsidering their position.

A distinguished Senator in the other body has specifically met with some other Senators from the New England States, according to a letter addressed to one of our distinguished colleagues in this body.

Mr. McCORMACK. Mr. Chairman, I do not desire to raise a point of order, but I would call the attention of the gentleman to the fact that he cannot refer in debate to a Member of the other body.

Mr. CRAMER. Mr. Chairman, another Member of the U.S. Congress introduced a similar bill and has now seen fit to reconsider his support in view of the opposition that has been raised and as a result of the minority showing that this question of Federal voting participation is a serious question.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. BALDWIN. Mr. Chairman, I yield the gentleman from Florida 3 additional minutes.

Mr. CRAMER. Mr. Chairman, the result of that conference was that it was generally understood the northeastern water and related resources compact would be returned to the New England Governors for further review. So that some of the Members of the U.S. Congress who have supported this legislation, and even introduced companion measures, are now taking a second look at it on its merits, obviously because they have now considered the objections of the very agencies they are going to ask cooperation from. How are you going to be able to put this into effect when you have seven Federal agencies represented on this compact reluctantly, because they do not want to be a party to it, when they are reluctantly forced into it. What kind of cooperation is going to result from that approach?

I would suggest, Mr. Chairman, in order to get cooperation between the four States and the seven Federal agencies it would be better to give consideration to the position of the Federal agencies so that they will have a little more cooperative attitude in the future.

Fundamentally, as appears in the reports of the different Departments, there are basic constitutional questions raised, for instance by the Department of Justice, as contained in the minority report. There are basic policy questions. This is not a State compact, this is a Federal-State relationship agreement. I just do not agree a little bit of illegitimate pregnancy is all right, I do not agree that a little bit of Federal control is all right. I did not agree with that in the Delaware River compact. Likewise, I do not think total pregnancy is all right when it is illegitimate. That is the case in this compact with the Federal Government having veto powers.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Texas.

Mr. WRIGHT. The gentleman raises a rather serious question in connection with his fear that the passage of this legislation would permit a Federal veto in the future of the deliberations on this compact.

There would be seven appointed Federal representatives and, we would anticipate, six representatives from the States. The gentleman's fears proceed on the assumption that all seven Federal representatives would be present and that all seven Federal representatives would vote alike and that all seven Federal representatives would want to veto something that the States wished to see done. The gentleman from California a while ago asked the question, if there were any precedent in law whereby a Federal veto on a compact of this kind would be possible. You do not have to go any further than the Potomac River compact and consider that compact, which was approved in 1939, with three federally appointed representatives and three representatives from the States. If you wanted to draw this great fear to a logical conclusion, that if all three Federal representatives of the Potomac River compact were present and voted en bloc, they could veto what might be the wish of two or even three State representatives. In all these years that has never happened.

Mr. CRAMER. Yes. It took them about, well, 25 years to ever come up with an agreement, because it was not until last year that we ever implemented the Potomac River proposal through a compact procedure, which indicates the degree of disagreement.

Further, of course, the Federal Government has obviously an absolute interest in the Potomac River by reason of the District of Columbia. And, that has been distinguished in many instances and is distinguished in the minority report. I am sure the gentleman from Texas appreciates that where the Federal Government has an ownership interest, then obviously it would have reason to have participation and have a voting interest, but not where the Federal Government is helping the States carry out their projects. And, the gentleman apparently would want the Federal Government to have voting power even in those instances, and I am surprised that the gentleman from the great States-rights State of Texas would be proposing that the Federal Government should, by its vote, be able to veto what the State of Texas, if it were in a similar situation, might want to do, because that is precisely what he wants to impose on the New England States and precisely what I want to avoid.

Mr. WRIGHT. I want to say that this is not what the gentleman from Texas advocates. The gentleman's statement is about as logical as contending that we should allow the executive department to veto our legislative deliberations.

Mr. CRAMER. That is true, but the difference between the gentleman from Texas and myself is that I vote that way.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, I regret that there is some agreement to delete from this bill the contribution by the Federal Government of $50,000, because I am aware that just recently, Mr. Chairman, your House Committee on the Judiciary and the House itself passed the Delaware compact bill which called for an expenditure of $200,000 to be divided between the four States, the fifth share to be paid for by the U.S. Government, which was in the amount of $40,000.

Mr. Chairman, an ample supply of water was one of the major factors in the industrial development of the six New England States. With adequate rainfall, numerous rivers, and natural harbors that are closer to Europe than any other part of the United States, the surface waters of New England constituted an important resource essential for the support of population, agriculture, and industry.

As there was sufficient water for our needs, there was little planning and coordination governing its use and control. Within the past 25 years, however, a series of floods and hurricanes brought extensive damage to beach and harbor developments, and to the communities along our rivers. The dangerous pollution of our interstate streams is a serious problem affecting our drinking water supply, recreational assets, and the possibilities of commercial and industrial expansion.

We are face to face with the necessity of controlling these water resources through the coordinated programs of the State and Federal Governments. Because of the property destruction and loss of life, Congress, in 1936, and through the medium of the National Flood Control Act, authorized the Corps of Engineers to make a comprehensive study of flood control needs in the major river basins of New England.

I am familiar with the problem because the interstate Merrimack River runs through my home city of Lawrence, Mass. And I have seen the damage done to seashore communities in my district by severe storms and hurricanes.

The New England delegation is grateful for the progress in the construction of key reservoirs, levees, and channels for flood control and related purposes.

This Federal program is only one aspect of the overall land and water problem. In 1950 Congress authorized the first of interagency studies for the New England area. The 46 volumes of this joint endeavor presented an inventory of all water and land resources, identifying the problems and obstacles, and setting up plans and programs needed for the growth of the economy.

How to utilize this data for effective and coordinated action?

In 1956 the Governors of the New England States, and the Interagency Committee on Water Resources of the Federal Government agreed to create a Northeastern Resources Committee to mesh Federal and State plans for the development of water and land resources.

The lack of official status proved to be a stumbling block in the efficient channeling of recommendations to the operating organization in the States and Federal Government.

To correct this weakness the New England Governors, in 1959, agreed unanimously to introduce enabling legislation in each of the States to enter into a compact creating a commission to carry on more effectively the work of coordination which the Northeastern Resources Committee had begun.

This compact, adopted by four of the New England States is before the Congress for its approval.

Incorporated in H.R. 30 is the compact providing for full Federal participation through seven members to be appointed by the President from the various Federal departments and agencies having the responsibility for Federal programs related to water resource development. This responsibility is merely to recommend to the States and to the United States and the agencies thereof changes in law or policy which would promote coordination, or resolution of problems, in the field of and related land resources.

The authorization for appropriations is limited to $50,000 a year which is the same limit of obligations which the States have included in the compact as their own aggregate commitment.

H.R. 30 will accelerate the long-term effort to promote the beneficial use of the water and related land resources of New England.

The New England Council, in its prepared digest on this bill which seeks to establish the northeastern water and related land resources compact, had this to say to the Members of Congress:

The signatories to the proposed northeastern water and related land resources compact will bargain away nothing. The Commission to be established has no authority to construct, approve, or authorize projects on behalf of the Federal Government or the States. Its sole function is to plan, coordinate, and recommend changes in law or policy—basically the same as that of its predecessor organizations, the New England-New York Interagency Committee and the Northeastern Resources Committee. The proposed bill seeks only to formalize and make permanent the heretofore loose arrangement which possessed no stable financing methods, no real permanency and no actual authority to implement even its modest purposes.

It is clear that the proposed compact (1) in no way violates the sovereign powers of either the States or the National Government; (2) is fully within the powers of Congress to create; (3) is an accepted method of establishing dual and joint responsibility; (4) offends no constitutional principle, Congress reserving all rights to amend or terminate the compact; and (5) imposes no obligations upon either the State or Federal Government, beyond those agreements for which both have the power to contract without violating their traditional rights and responsibilities.

Those who fear the domination of State governments by Federal authorities and vice-versa should take comfort in the language set forth in the "voting" provision (art. VI) of the proposed New England bill. It states in part:

"No action of the Commission respecting a matter other than its internal management shall be binding unless taken at a meeting at which the majority of the State members and the majority of the members representing the United States are present and a majority of said State membership together with a majority of said members representing the United States vote in favor thereof."

Thus it is readily seen that a Federal agency cannot override the wishes of the various State signatories nor can the States impose decisions on the Federal agencies involved against their will.

There is both precedent and Supreme Court approval for the compact method as proposed in H.R. 30.

All of the New England Governors have endorsed the bill and statutory enactment by four legislators already has been attained with a fifth presently giving the matter active consideration. Also, it is of no little significance that the Council of State Governments, an organization profoundly interested in the preservation of State sovereignty, has unequivocally supported the northeastern compact. Moreover, local and State authorities in New England who have been exposed to area water and land resources problems are in full accord with the proposed bill.

There is no transfer of authority from the States to the Federal Government but rather the States are achieving a more prominent role in all levels of planning for projects within those States.

The strong support of the proposed compact voiced by local authorities emanates from a realization that there has been an unfortunate lack of adequate cooperation and coordination not only among the Federal agencies concerned but also in the area of Federal-State cooperation. Moreover, predecessor organizations in the field of water and related land resources in the Northeast, have enjoyed neither continuous nor permanent status. The accomplishment of these ends, that is, adequate coordination and permanency, may only be realized through the adoption of the proposed compact. Obviously the difficulties confronting one geographical area would be quite dissimilar to those of another. What might be a beneficial and proper solution to water resources problems in the Midwest or Far West would not necessarily be appropriate for the Northeast.

Of no little importance is the realization that through coordination of Federal and State governmental agencies, there will be more economic utilization of Federal expenditures toward water resources development. A reduction of redtape alone should save considerable funds.

Opposition has been voiced that the proposed Federal-State agency would not be subjected to effective controls by the participating governments. Control as to the ultimate disposition of funds and construction of water and development projects will remain with each governmental agency within its own operative jurisdiction since, as noted above, the compact creates a Commission for only planning and recommending purposes. Article IX of the proposed bill specifically states:

Nothing in this compact shall be construed to impair, or otherwise affect, the jurisdiction of any interstate agency in which any party State participates nor to abridge, impair, or otherwise affect the provisions of any compact to which any one or more of the party States may be a party, nor to supersede, diminish, or otherwise affect any obligation assumed under any such compact.

The compact should go far to relieve the problem noted by the Presidential Advisory Committee on Water Resources in 1953:

The greatest single weakness in the Federal Government's activities in the field of water resources development is the lack of cooperation and coordination of the Federal agencies with each other and with the State and local agencies.

Mr. BALDWIN. Mr. Chairman, I yield such time as he may require to the gentleman from Iowa [Mr. SCHWENGEL].

Mr. SCHWENGEL. Mr. Chairman, I rise to say that I am in favor of the stated objectives of this legislation.

No one can deny that the protection of water resources is an important problem that needs the sympathetic consideration of every American.

But it should be noted that there is a right and a wrong way to resolve this problem.

The provision giving the Federal members voting privileges is a departure from precedent. It is not needed—unnecessary and unwise.

In this instance as has already been noted the Federal members would constitute a majority of the Commission.

From past experience we know that they not only could but would control all actions of the Commission respecting internal management of the problems that this compact seeks to deal with.

The idea of the Federal representative sitting in in an advisory capacity is good and this is not new and is not opposed.

Historically, compacts establishing commissions, which have been approved by the Congress, limit voting members to representatives of the States which are signatories of the compact, and Federal members do not vote in the conduct of the commissions' business, but, rather, they provide advice and coordinate Federal interests and activities through close cooperation between the responsible Federal agencies and the commission. Voting by Federal representatives will not effect such cooperation and coordination.

In my opinion, domination of the Commission by Federal voting members would be detrimental to the interests of both the Federal Government and the States. It would be most difficult, if not impossible, for Federal representatives by their voting, to avoid establishing policies and creating obligations of the United States which are properly the responsibility of Federal agencies and the Congress. Furthermore, I believe the States will long regret surrendering to the Federal Government their traditional functions, responsibilities, and powers of decisions in day-to-day operations under this State compact.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. MONAGAN].

Mr. MONAGAN. Mr. Chairman, I rise in support of this resolution and also the compact. I have introduced a companion and similar resolution, H.R. 3457.

I was very much interested in the analogy of the gentleman from Florida. He was opposed not only to a little pregnancy but also to a great deal of pregnancy. I wonder what situation our country would be in today if our Founding Fathers had proceeded on a theory of that kind.

Mr. CRAMER. If the gentleman will yield, I hope I clarified my remark by saying an illegitimate pregnancy.

Mr. MONAGAN. That is very encouraging.

Mr. Chariman, this compact is of great interest to the States of New England. It is of particular interest to the State of Connecticut. Having lived through the tragic floods we experienced in that State in 1955, I cannot help but think how many lives might have been saved and how many millions of dollars of property might have been preserved from destruction if we had had a compact of this sort in operation at that time.

There is no question about the support of the State of Connecticut for this compact. I have a communication from Mr. William Wise, the chairman of the State water commission, which is the appropriate agency of State government, in support of this resolution exactly as it stands today.

Unfortunately in New England our history has been such that our towns have grown up as individual units. We have not had the benefit of broad-scale district or area planning. This compact would give an opportunity for our State government agencies to combine, to look ahead and to plan for the future not only in the field of flood control, which I have mentioned, but in many other related fields which will be vital for the future development of the section.

If there is delay in this by the defeat of this resolution, may I point out that it will be necessary to go back to the respective legislatures for another approval. We have a biennial legislature in Connecticut and it will not meet until 1963 and thus a great deal of time will be lost if this resolution is not passed at the present time.

I am happy, Mr. Chairman, to support this bill. I consider it an opportunity for Connecticut to have representatives of the Federal Government sharing in the deliberations with which all will be concerned because after all the Federal Government will financially have a major share in the burdens of the public works that may be determined on and recommended. So I am in favor of this legislation and hope it passes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I am glad to yield to my distinguished majority leader.

Mr. McCORMACK. It is well for Members to inquire before they make statements to be sure that what they say is correct. It is always well to give the Members of the House complete information, and Members interested one way or the other on a bill ought to be very careful before they make statements because they might unintentionally mislead other Members of the House.

Reference has been made to a resolution adopted at the Governors' conference in Hawaii. I read now a resolution adopted by the Governors' conference at their 53d annual meeting in Honolulu, Hawaii, on June 28, 1961:

WATER RESOURCES COMPACTS

Whereas it is evident that population growth and intensified use of water and related land resources will impose increased demands on a relatively inflexible supply of such resources; and

Whereas the individual States and the Federal Government have legitimate interests, aspirations, and responsibilities in protesting, fostering, and conserving water and related land resources; and

Whereas the activities of the States and the Federal Government in the water field and in related resources areas need to be coordinated to achieve maximum effectiveness; and

Whereas the interstate compact is one of the oldest devices used to facilitate intergovernmental cooperation and coordination of effort: Now, therefore, be it

Resolved, That the Governors' conference urge that early and favorable consideration be given the legislation to grant congressional consent to the Delaware River Basin Compact and the Northeastern Water and Related Land Resources Compact; and be it further

Resolved, That copies of this resolution be transmitted to the Secretary of the U.S. Senate, the Clerk of the U.S. House of Representatives, and each Member of Congress.

Mr. MONAGAN. I thank the gentleman from Massachusetts.

Mr. BALDWIN. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I appreciate the information which the distinguished majority leader brought to the attention of the House. There is no intention on the part of anyone not to make known the general statement of the Governors' conference in support of a compact. The only trouble with that resolution is that it does not say H.R. 30. It does not say they want the northeast compact with seven vetoing Federal representatives having voting rights in the compact. So the only way I can construe fairly the general statement that they want a compact—I want a compact—the minority wants a compact—we could have a unanimous vote for a compact if we could get agreement on keeping the Federal Government's control out of it and leaving the control in the States, so we could get a compact by unanimous vote by accepting that amendment. So after reading the resolution that the distinguished majority leader read together with the resolution that was read by the distinguished gentleman [Mr. ROBISON], the only conclusion you can come to is—yes, they want a compact but without Federal control and that is precisely what the minority would like with this amendment to accomplish. I appreciate the majority leader to that extent substantiating the position of the minority.

Mr. BALDWIN. Mr. Chairman, I yield 11 minutes to the gentleman from New Hampshire [Mr. MERROW].

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Chairman, the argument of the gentleman from Florida is about the most unusual argument I have ever heard. First, they read the resolution as if the Governors' conference was against it. Now, when I produce a copy of the resolution showing that the Governors are in favor of it, then the gentleman tries to give the impression that the Governors did not know what they were doing or that the Governors do not know what they are talking about because they do not name the specific bill, H.R. 30.

Mr. Chairman, how ridiculous can the gentleman get?

Mr. MERROW. Mr. Chairman, on July 12, 1961, the House Public Works Committee reported out H.R. 30, a bill introduced by the majority leader, Congressman McCORMACK, granting the consent and approval of Congress to the northeastern water and related land resources compact. This bill is identical to one which I introduced, H.R. 2437, and to H.R. 12467 reported by the committee in the 86th Congress after extensive hearings and thorough consideration. Several others from New England introduced similar legislation, and I am glad that we are considering this important measure today.

NEW ENGLAND IN NEED OF THE COMPACT

The New England States constitute a vital industrial area of our country. Materials and fuels are imported from other regions. Therefore, the development of natural resources in New England, is especially important. It is vital to the economy of our entire region that

we conserve and fully preserve the resources which are at our disposal.

New England constitutes 2 percent of the area of the United States, but it has 6 percent of the Nation's population. Our resources cannot be wasted, and potential harm from floods and disasters presents us with a particularly grave problem. There is no other region in greater need for proper flood control than are the New England States. The area is compact geographically, and planning can be done more efficiently on a regional basis than on a piecemeal State-by-State basis. The northeastern water and related land resources compact is an effort to make State and Federal planning more efficient on a regional basis.

Under existing circumstances, the Federal Government and the six States carry on separate planning functions. Coordination takes place after all the parties have done the preliminary planning. This measure provides for a Commission which would make possible earlier and more effective coordination and would avoid costly duplication. The central storage of data will assist both the States and the Federal Government and furthermore, priorities can be established for regional projects.

H.R. 30—PURPOSE OF THE BILL

The purpose of the bill is to create, through the medium of an interstate compact, a formal organization to encourage close coordination of policies and programs at both Federal and State levels for the beneficial use of water and related land resources of the New England States. The U.S. Government, through seven Federal agencies—Army, Commerce, Agriculture, Labor, Interior, Health, Education, and Welfare, and the Federal Power Commission—would participate in the deliberations and activities of the Northeastern Resources Commission, the organization created by the compact.

The States themselves initiated the movement for such a compact, and the legislatures of four of them—Connecticut, Massachusetts, New Hampshire, and Rhode Island—have already ratified it. Ratification by three States and concurrence by Congress is all that is necessary to make it operative.

COMMISSION'S RESPONSIBILITIES

The Commission's responsibility is solely to recommend to the States and the United States and its interested agencies "changes in law or policy which would promote coordination, or resolution of problems, in the field of water and related land resources," including the coordination of efforts for: first, the collection and interpretation of basic data; second, the investigation and planning of water and related land resources projects; and third, the programing—including scheduling—of water and related land resources construction and development.

AUTHORITY OF THE COMMISSION

It will have no authority to undertake programs of its own, nor to bind the U.S. Government nor any of its member States, nor injure or affect in any way any of the rights that the Federal Government and the agencies themselves now have in the field of water resources and related programs in the New England area.

As a planning and coordinating agency, it will have no authority to contract or to expend any funds other than the small amounts needed for staff purposes.

The Congress will have to provide the funds for any proposed project.

INSTRUMENT OF COORDINATION

In addition to providing some funds to the Commission, the Federal Government through its agency representatives, will vote on Commission matters. Such a vote, which will be in no way binding, being simply on recommendations, will constitute an effective instrument of coordination and will thus help in effectuating the basic purpose of the compact. As the committee report states, the legislation is particularly significant, because:

> In no area of the Nation is the need for close cooperation among the States of the region with the Federal Government more apparent. * * * No greater contribution can be made to the efforts of the people of this country to achieve the wise use and husbandry of their natural resources than to bring about effective cooperation in State and Federal programs in the water resources field.

DELAWARE RIVER COMPACT BROADER

Mr. Chairman, on June 29, 1961, this House passed House Joint Resolution 225, a bill granting the consent of Congress to the Delaware River Basin compact. In its report on H.R. 30, the northeastern resources bill, the Public Works Committee made reference to this action in the following words:

> The committee notes that the House has recently passed a bill (H.J. Res. 225) authorizing the Delaware River compact, similar to the northeastern compact, but considerably broader in scope.

I would like to describe just how much broader in scope it is so that the Members will have some basis for judging H.R. 30 and the criticisms leveled against it.

COMPARISON OF DELAWARE RIVER BASIN COMPACT WITH THE NORTHEASTERN COMPACT

The Commission created under the Delaware River Basin compact bill will have one U.S. Government representative on it with full voting powers, similar to the power of the representatives from the four States involved, New York, New Jersey, Delaware, and Pennsylvania. A majority vote of the members of the Commission—this means three out of five—will determine action of the Commission. Such a vote could go against the United States—although it would not be binding against it unless Congress accepted it as such. In contrast, in the northeastern compact a majority of the States and a majority of the seven U.S. agencies must agree before a recommendation is accepted as the act of that Commission. The voting provision in this measure is essential to give the Federal Government full influence in the planning stages. Anything less would destroy the purpose of the Commission. Both the States and the Federal Government have a responsibility under the Constitution in water resources development and both must be represented with equal rights. Neither the States nor the Federal Government have a right to bind the other. Each has a veto. Neither the States nor the Federal Government give up any rights.

Furthermore, in respect to the voting question, the Northeastern Compact Commission will be a recommending body, not an operating body like the Delaware Basin Compact Commission, but there will be more voting safeguards for the United States in the northeastern compact where the effect of decisions by the Commission will be infinitely lighter. The function of the Commission is strictly planning, and the Federal Government is not committed by its acts.

The Delaware Basin compact requires the Federal Government to participate in the current expense budget but no limit is set on such a budget or such a contribution. It was stated during the consideration of the Delaware compact that the Federal Government would contribute 20 percent of the operating cost of the Commission and on this basis it would amount to $40,000 since one out of five representatives is the Federal Government. With this formula, the operating cost of the Commission would be $200,000 a year assuming that each State put up 20 percent.

The powers of the Delaware Basin Commission include:

First, the preparation of a comprehensive water use plan for the basin;

Second, the preparation of annual water resources programs to carry out parts of the comprehensive plan;

Third, the planning, construction, and ownership and operation of projects, facilities, and so forth, to implement the plans;

Fourth, the establishment of standards of planning and design for all projects and facilities in the basin which affect its water resources;

Fifth, the conducting and sponsoring of research on water resources, their use, conservation, management, development, and so forth;

Sixth, the compilation and coordination of systematic stream stage and ground water level forecasting data;

Seventh, the dissemination and publishing of water resource information;

Eighth, the negotiation for loans or grants to finance its projects; and

Ninth, the fixing of rates and charges for facilities it may own or operate.

To exercise these powers the Commission is empowered to issue revenue bonds, build dams and reservoirs, operate facilities for the storage and release of waters, assess water users for improvements it undertakes, and engage in, first, water pollution control activities, second, flood protection activities—including the acquisition of lands in so-called flood plains areas, third, watershed management and conservation activities, fourth, hydroelectric power activities, and fifth, recreation activities. It shall also have the power of eminent domain including the application of such power to lands already devoted to a public use.

I am not criticizing the provision of such powers, Mr. Chairman. For the purpose of this legislation, I think these

powers are essential. My only purpose in mentioning them is to point out how massive they are when compared with the simple recommendatory powers granted to the Commission in the northeastern compact.

The powers of Congress over interstate commerce and the control of navigable waters are reserved in each instance, and Congress also reserves the right, in each instance, to alter, amend, or repeal the concurring act.

In respect to the specific criticisms against the northeastern compact, the House effectively disposed of them by its passage of the Delaware River Basin compact bill. It not only authorized voting by a Federal representative on the Delaware Basin Commission, but voting in a context much more complex than is provided in the northeastern compact bill. This power of Federal representatives to vote as members of commissions created by interstate compacts with the consent of Congress has been approved by Congress in other instances listed in the Judiciary Committee report on the Delaware River Basin bill. Such instances include the Ohio Valley water pollution contract, the Upper Colorado River Basin compact and the Potomac River Basin compact. The Federal representative is authorized to break ties by the Yellowstone River compact legislation.

Mr. Chairman, business, civic, and public interest groups and organizations in New England and outside of its borders support the northeastern resources compact bill. It is needed; it is reasonable; and the question it raises in its approach to greater coordination of Federal, State, and private activities in the areas of effective use of water and related land resources have already been disposed of by the Congress in one instance and by the House in another.

In conclusion, Mr. Chairman, the savings possible by the adoption of this compact far exceed the modest cost. Regional planning is especially important in New England and will contribute to the economic development of a region which has 27 depressed areas. The bill is constitutional as is evidenced by previous acts of Congress and the Supreme Court decisions, and any substantial amendment will require the compact to be returned to the four legislatures which acted favorably on it and this may well delay its passing for years.

I urge the Members to support this constructive and much-needed step to assure the more than 10 million residents of the New England States that effective and efficient coordination and cooperation will be forthcoming as respects the most beneficial use of their rich water resources.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield.

Mr. SCHERER. Is not the basic reason for setting up these compacts to allow States to solve problems which they have jointly? Is not that the basic reason?

Mr. MERROW. To permit them to solve their problems with the cooperation of the respective Federal agencies as is the case in projects carried out by the Corps of Engineers.

Mr. SCHERER. And is not a further purpose of these compacts that they may recommend legislation to the various States which might be necessary to enable them to solve their problems?

Mr. MERROW. Yes, and it may well be that they will wish to recommend legislation to the Federal Government also. It depends on the situation.

Mr. SCHERER. And even though all of the States' representatives on the commission should decide they want the commission to recommend to their respective State legislatures measures that would help them solve one of these problems, if the Federal representatives disagreed the commission could not even make such recommendations for legislation under this bill, could it?

Mr. MERROW. There is a veto power, but I do not think it would be used in such a situation.

Mr. SCHERER. But it could be done.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield.

Mr. McCORMACK. Of course, the situation raised by the question of my friend would never arise, because if it is something within the States the Governors of the States could meet it. So that situation could never possibly arise in relation to the Governors of any area recommending action to their own legislators within a State. That is impossible to happen.

Mr. SCHERER. I did not say that. I was not saying anything about Governors recomending legislation. I was saying if the commission created by this compact should decide it is necessary to solve one of these problems and recommend legislation to each of the legislatures of the States, if the Federal representative did not agree, no such recommendations could ever be made by this commission.

Mr. McCORMACK. Does the gentleman mean in connection with matters and recommendations that will come to the Congress?

Mr. SCHERER. No.

Mr. McCORMACK. I cannot conceive of that situation arising that the gentleman raises. I think it is purely a hypothetical case that could not arise. This commission is for the purpose of recommending to Congress.

Mr. SCHERER. No. It is for the purpose of recommending to the respective States programs they must undertake in order to solve their joint problems. It may be necessary that the States adopt uniform laws in order to carry out one of the programs they felt was necessary to be accomplished.

Mr. McCORMACK. That is true, but it is related to Federal action, and there must be cooperation.

Mr. SCHERER. I am only talking with reference to State legislation that may be needed in order to carry out a plan that may be necessary or they may think is necessary to accomplish one of the objectives of this compact.

Mr. McCORMACK. I will agree with that statement. I had an idea that the gentleman was dealing with legislation within a State.

Mr. SCHERER. Oh, no.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Florida.

Mr. CRAMER. The legislation speaks for itself. It refers to the responsibility of the Commission to recommend to the States and to the United States or any other governmental agency any law or policy. There is no question about that. If there is a disagreement the Federal Government will say: We do not want to change this policy. If there is participation by the Federal Government, the Federal representative says no. It does not make any difference how many votes the States have. I cannot understand how the States could possibly propose a Federal veto power.

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

Mr. BALDWIN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. McCORMACK. The Federal representatives recommend to the Congress, and if the Congress says no, it is dead. It is a formula, a plan presented to the Congress.

Mr. MERROW. The power of the commission is coordination and presentation, as I understand it. There is no power of commitment.

I want the RECORD to show what the House did in approving the Delaware River compact. In addition to the powers I have mentioned, the commission also has the power, of eminent domain, including the application of such power to lands already devoted to a public use. These are broad powers.

Mr. Chairman, I am not criticizing the provision of such powers in enumerating them here for the purpose of the legislation we have adopted, I think these powers are essential. I voted for the compact. I voted against the amendments that were proposed. My only purpose in mentioning the powers of the Delaware River compact is to point out how massive they are when compared with similar recommendatory powers granted to the commission in the northeastern compact. If the House today should adopt the amendment that will be proposed when it comes to the amending stage, it would reverse the position, taken when it passed the other compact. This would be a reversal in policy and it would seem to be discrimination against the New England States.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I want to compliment the gentleman on the very fine statement comparing the difference between the Delaware River compact and the northeastern water and resources compact. The gentleman has done an excellent job here. I think he has pointed out firmly and emphatically that there is a greater danger under the Delaware River compact than there is under this compact.

This compact is a necessary means of meeting problems and accomplishing desirable projects which often involve several States in our region where the States are relatively small.

As the committee report points out, New England has the longest history of intensive economic development in the Nation. Although this area is richly endowed by nature, it has suffered from lack of adequate planning and coordination in the use and exploitation of its surface waters. Serious problems of water pollution have been the result of early and intensive industrial development, and the requirements of a large population. Floods have become increasingly more destructive, except where flood protection projects have been completed. Storms and hurricanes of the past few years have caused severe damage to beach and harbor developments, including many which are important to the Nation's commerce.

This legislation is a further promising step in the long-term effort to promote the beneficial use of the water and related land resources of the New England States by encouraging close coordination through an agency created by interstate compact of the activities of the respective States with each other and with the related water and land use programs of the Federal Government. This legislation, sponsored by our distinguished majority leader, the gentleman from Massachusetts, Congressman McCormack, and the distinguished gentleman from New Hampshire, Congressman Merrow, reflects the initiative of the States themselves. Four of the New England States, namely, New Hampshire, Connecticut, Rhode Island, and my own Commonwealth of Massachusetts, have already ratified the compact. The enactment of H.R. 30 is now required to put the compact into effect.

Mr. Chairman, the commission created by the northeastern water and related land resources compact could and should become an effective vehicle for coordinating the complex of administrative agencies, State and Federal, with responsibilities in the field of water resource development. Passage of this legislation should prove of substantial assistance and encouragement to the intensive development and use of such resources for the benefit of the people of New England and of the Nation.

The compact which is incorporated in the bill provides for full Federal participation through seven members to be appointed by the President from the various Federal departments and agencies having the responsibility for Federal programs related to water resource development. However, the compact agency will have no authority to undertake programs of its own whether in the field of construction or operation. The agency's responsibility is merely to make recommendations to the States and the Federal agencies.

Mr. Chairman, may I say in conclusion that in no area of the Nation is the need for close cooperation among the States of the region with the Federal Government more apparent than in New England. Here the States are relatively small and all the major streams are interstate. The harbors are important to the Nation's commerce and to national defense. The committee report wisely states that no greater contribution can be made to the efforts of the people of this country to achieve the wise use and husbandry of their natural resources than to bring about effective cooperation in State and Federal programs in the water resources field.

Mr. Chairman, I urge the passage of this legislation granting the consent and approval of Congress to the northeastern water and related land resources compact.

Mr. MERROW. I appreciate the gentleman's statement.

Mr. SCHERER. If the States' representatives should unanimously vote that the commission recommend, as the majority leader indicates, legislation to the Federal Government and the bureaucrats who represent the Federal Government on this commission should decide against the States making such a recommendation, they would usurp the power of the Congress. The recommendation could never reach the Congress to give Congress the right to pass upon the recommendations made by the States representatives.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. I would like to ask the gentleman, in relation to this bugaboo that is being thrown about by some of our colleagues on the minority side, a question. First, I would like to inquire whether or not any Members from the compact States have spoken or care to talk in opposition to this compact. I would also like to ask whether any members of the Committee on Public Works are against this compact in its present form as it applies to the States. They have raised the question that this allegedly interferes with State operations and also quoting Federal reports made last year to the committee which say that this compact dilutes Federal power. So, I want to know what they are trying to do. I wonder what the gentleman's opinion is.

Mr. MERROW. I cannot see how the provisions of the compact can dilute Federal power. This is only a planning operation.

Mr. MORSE. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Massachusetts.

Mr. MORSE. Mr. Chairman, I compliment the gentleman on his excellent exposition.

Mr. Chairman, the legislation we are considering is a further and most essential step in a long-term effort to promote the beneficial use of water and related land resources of the New England States.

None of us who lived in New England in the middle 1930's will ever forget the horror—the devastation of property and loss of life—of the severe floods which ravaged our densely populated area. These calamities aroused the Government to the need to control surface waters in the interest of the public welfare. Consequently, Congress, in 1936, authorized the Corps of Engineers to make intensive studies of flood control needs in the major river basins of the New England area—including the Merrimack, which cuts through my Fifth District of Massachusetts, the Connecticut, and the Thames Rivers. Subsequently, comprehensive plans were developed for these major basins for flood control and related purposes. These plans are gradually being carried out by the construction of key reservoirs, levees, and channels. However, both Federal and State agencies have long realized that the Federal flood control program is only one aspect of the overall land and water problem facing the New England States. As a result, in 1950, the first interagency studies were authorized by Congress for New England. The New England-New York Interagency Committee is composed of the six New England States and New York, plus the Departments of Interior, Commerce, Labor, Army, Health, Education, and Welfare, and the Federal Power Commission.

The efforts of this committee culminated in a monumental 46-volume report which took more than 4 years to develop. The report is an inventory of all pertinent water and land resources, identified problems and obstacles, and plans and programs for achieving full development of projects necessary for economic growth.

We are now confronted with the problem of how to most effectively translate this great mass of data and plans into coordinated, positive accomplishments. With the exception of Maine, the States concerned are relatively small in area and all of the major streams are interstate. Consequently, it is important that the total Federal, State, and community efforts be wisely integrated to achieve the best use and conservation of the water and land involved. It is apparent that there is a need for a formally established agency to supplant the existing loose committee system.

In recognition of this need, the New England Governors 2 years ago agreed unanimously to introduce enabling legislation to enter into an interstate compact creating a commission to carry on more effectively the work of Federal-State coordination. It is this compact—already adopted by the States of New Hampshire, Connecticut, Rhode Island, and Massachusetts—which now is presented, in H.R. 30, for our approval.

Article X of the compact provides that it shall become effective when enacted into law by any three of the concerned States and the Federal Government. Thus, enactment of H.R. 30 by the Congress will put the compact into effect.

I am convinced that the Commission will prove of substantial assistance in the intensive development and use of resources which will benefit not only our New England area, but the entire Nation, and I ask your support of this enabling legislation.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Florida.

Mr. CRAMER. In the footnote on page 86 the gentlemen who helped draft this compact, Mr. Zimmerman and Mr. Wendell, state:

In fact, it might be said that the closest one can come to binding the National Government is through a compact to which that Government is a party.

Mr. MERROW. Mr. Chairman, I hope this legislation is adopted.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield 10 minutes to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK], to conclude debate.

Mr. McCORMACK. Mr. Chairman, I want to express my appreciation to all of the members of the Committee on Public Works, even those who blindly oppose this bill, and particularly the majority of the members who voted for the bill. I also want to express my thanks to the distinguished and able gentleman from Tennessee [Mr. DAVIS], for the able and brilliant manner in which he has handled this bill in committee and on the floor.

Now, the debate today has covered the whole situation. The gentleman from Tennessee [Mr. DAVIS], made an able presentation, as did all other Members who have spoken: my friend, the gentleman from Massachusetts [Mr. LANE], the gentleman from New Hampshire [Mr. MERROW], and even the gentleman from Florida [Mr. CRAMER], and the gentleman from California [Mr. BALDWIN], who oppose it.

As you analyze their arguments, their arguments are in favor of the bill, although for some strange reason they are against the bill. I can remember not so many years ago, while it was not a compact, when we had the matter of the canal across Florida before us. Do you remember that? Oh, there were many technical reasons advanced then why the bill should not pass. But, I voted for the bill, and now it is strange to see some who forget. I can remember when the Trinity River bill was up from California and the arguments that were made against it; the technical arguments that were made against it. Strange how some forget. I voted for that bill. I voted for the upper Colorado project and voted for 90 percent of parity. I have not voted against any of them.

You know it is sickening to me on a bill that is decent, a bill that is right, a bill that is sound, to see this limited and narrow-thinking argument advanced against it.

Mr. Chairman, I hope that a clear majority of my friends on both sides of the aisle will vote against the amendment on representation and vote for the passage of the bill.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield for a question?

Mr. McCORMACK. I yield to the gentleman from Oklahoma for a question.

Mr. EDMONDSON. I want to commend the gentleman for his speech and ask him this further question: Up to this time in the debate has there been any Member in this body from any of the six compact States which are most directly affected in their rights as States who has taken the well to speak against this bill?

Mr. McCORMACK. No, sir. May I say to my distinguished friend, for whom I have an affection far transcending politics, one of the great Americans and former Speaker of the House of Representatives, the gentleman from Massachusetts [Mr. MARTIN], would not take the floor and speak in favor of the bill unless he absolutely believed in it. So I am deeply indebted to those who spoke for the bill. I am sorry for the few who spoke against it.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent and approval of Congress is given to the Northeastern Water and Related Land Resources Compact, as hereinafter set out. Such compact reads as follows:

"NORTHEASTERN WATER AND RELATED LAND RESOURCES COMPACT

"Article I

"Findings

"The northeastern part of the United States is by virtue of geographic location and other characteristics a great natural resource area which, with more intense use of natural resources, increasingly requires coordinated planning as a basic ingredient of effective resource management and orderly growth of the region. The work of the New England-New York Inter-Agency Committee demonstrated that a continuation and furtherance of activities such as those undertaken by it would be of great value. To this end, it is the intent of this compact to establish and provide for the operation of a joint agency for the Northeast.

"Article II

"Purpose

"It is the purpose of this compact to provide, in the northeastern region, improved facilities and procedures for the coordination of the policies, programs, and activities of the United States, the several States, and private persons or entities, in the field of water and related land resources, and to study, investigate, and plan the development and use of the same and conservation of such water and related land resources; to provide means by which conflicts may be resolved; and to provide procedures for coordination of the interests of all public and private agencies, persons and entities in the field of water and related land resources; and to provide an organization for cooperation in such coordination on both the Federal and State levels of government.

"Article III

"Creation of Commission

"There is hereby created the Northeastern Resources Commission, hereinafter called the Commission.

"Article IV

"Membership

"The Commission shall consist of one member from each party State to be appointed and to serve, in accordance with and subject to the laws of the State which he represents, and seven members representing departments or agencies of the United States having principal responsibilities for water and related land resources development to be appointed and to serve in such manner as may be provided by the laws of the United States.

"Article V

"Functions

"It shall be the responsibility of the Commission to recommend to the States and the United States, or any intergovernmental agency, changes in law or policy which would promote coordination, or resolution of problems, in the field of water and related land resources. The efforts of the Commission in coordination of work and resolution of conflicts may be directed toward all State and Federal activities involved in water and related land resources development responsibilities and shall include the coordination of the following:

"(1) Collection and interpretation of basic data.

"(2) Investigation and planning of water and related land resources projects.

"(3) Programing (including scheduling) of water and related land resources construction and development.

"(4) Encouraging of the referral of plans or proposals for resources projects to the Commission.

"The Commission shall use qualified public and private agencies to make investigations and conduct research in the field of water and related land resources, but if it is unable to secure the undertaking of such investigations or original research by a qualified public or private agency, it shall have the power to make its own investigations and conduct its own research. The Commission may make contracts with any public or private agencies or private persons or entities for the undertaking of such investigations, or original research within its purview.

"Article VI

"Voting

"No action of the Commission respecting the internal management thereof shall be binding unless taken at a meeting at which a majority of the members are present and vote in favor thereof: *Provided,* That any action not binding for such a reason may be ratified withing thirty days by the concurrence in writing of a majority of the Commission membership. No action of the Commission respecting a matter other than its internal management shall be binding unless taken at a meeting at which a majority of the State members and a majority of the members representing the United States are present and a majority of said State membership together with a majority of said members representing the United States vote in favor thereof: *Provided,* That any action not binding for such a reason may be ratified within thirty days by the concurrence in writing of a majority of the State members and the concurrence in writing of a majority of the members representing the United States.

"Article VII

"Finances

"A. The Commission shall submit to the Governor or designated officer of each party State a request for funds to cover estimated expenditures for such period as may be required by the laws of that jurisdiction for presentation to the legislature thereof. Any such request shall indicate the sum or sums which the Commission has requested or intends to request be appropriated by the United States for the use or support of the Commission during the period covered thereby.

"B. With due regard for such moneys and other assistance as may be made available to it, the Commission shall be provided with such funds by each of the several States participating therein to provide the means of establishing and maintaining facilities, a staff of personnel, and such activities as may be necessary to fulfill the powers and duties imposed upon and entrusted to the Commission.

"With due allowance for moneys otherwise available, each budget of the Commission shall be the responsibility of the party States, to be apportioned among them on a weighted formula based 50 per centum on population and 50 per centum on gross land area, such population and gross land area to be determined in accordance with the last official United States census of population, but provided that the last contributions of all of the States shall not be required to exceed $50,000 annually; *And provided further*, That regardless of the number of States party to the compact at any time the maximum annual contribution required of any State shall not exceed its share of the $50,000 as determined above. Any State may contribute such funds in excess of its share, as determined above, as it may desire.

"C. The Commission shall not pledge the credit of any jurisdiction. The Commission may meet any of its obligations in whole or in part with funds available to it under article VIII(E) of this compact, *Provided*, That the Commission takes specific action setting aside such funds prior to the incurring of any obligation to be met in whole or in part in such manner.

"D. The members of the Commission shall be paid by the Commission their actual expenses incurred and incident to the performance of their duties, subject to the approval of the Commission.

"E. The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited by a qualified public accountant and the report of the audit shall be included in and become a part of the annual report of the Commission.

"F. The accounts of the Commission shall be open at any reasonable time for inspection by such agency, representative, or representatives of the jurisdictions which appropriate funds to the Commission.

"Article VIII

"Administration and Management

"A. The Commission may sue and be sued and shall have a seal.

"B. The Commission shall elect annually, from among its members, a chairman, vice-chairman, and treasurer. The Commission shall appoint an executive director who shall also act as secretary, and together with the treasurer, shall be bonded in such amounts as the Commission may require.

"C. The Commission shall appoint and remove or discharge such personnel as may be necessary for the performance of its functions irrespective of any civil service laws which might otherwise apply. The Commission shall establish and maintain, independently, by contract or agreement with the United States or an agency thereof, or in conjunction with any one or more of the party States, suitable retirement programs for its employees. Employees of the Commission shall be eligible for social security coverage in respect to old age and survivors insurance provided that the Commission takes such steps as may be necessary pursuant to Federal law to participate in such program of insurance as a governmental agency or unit. The Commission may establish and maintain or participate in such additional programs of employee benefits as may be appropriate to afford employees of the Commission terms and conditions of employment similar to those enjoyed by employees of the party States generally.

"D. The Commission may borrow, accept or contract for the services of personnel from any State or the United States or any subdivision or agency thereof, from any intergovernmental agency, or from any institution, person, firm, or corporation.

"E. The Commission may accept for any of its purposes and functions under this compact any and all appropriations, donations, and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any State or the United States or any subdivision or agency thereof, or intergovernmental agency, or any institution, person, firm or corporation, and may receive, utilize and dispose of the same.

"F. The Commission may establish and maintain such facilities as may be necessary for the transacting of its business. The Commission may accept, hold, and convey real and personal property and any interest therein.

"G. The Commission may adopt, amend, and rescind bylaws, rules, and regulations for the conduct of its business.

"H. The Commission shall make and transmit annually, to the legislature and Governor of each party State, and to the President and Congress of the United States, a report covering the activities of the Commission for the preceding year, and embodying such recommendations as may have been adopted by the Commission. The Commission may issue such additional reports as it may deem desirable.

"Article IX

"Other Compacts and Activities

"Nothing in this compact shall be construed to impair, or otherwise affect, the jurisdiction of any interstate agency in which any party State participates nor to abridge, impair, or otherwise affect the provisions of any compact to which any one or more of the party States may be a party, nor to supersede, diminish, or otherwise affect any obligation assumed under any such compact. Nor shall anything in this compact be construed to discourage additional interstate compacts among some or all of the party States for the management of natural resources, or the coordination of activities with respect to a specific natural resource or any aspect of natural resource management, or for the establishment of intergovernmental planning agencies in subareas of the region. Nothing in this compact shall be construed to limit the jurisdiction or activities of any participating government, agency, or officer thereof, or any private person or agency.

"Article X

"Enactment

"A. This compact shall become effective when entered into and enacted into law by any three of the States of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, and when the United States has provided by law for the designation of its representation on the Commission. Thereafter it shall become effective with respect to any other aforementioned State upon its enacting this compact into law.

"B. Upon consent of the Congress of the United States of America, any other State in the northeastern area may become a party to this compact, by entering into and enacting this compact into law.

"Article XI

"Withdrawal

"This compact shall continue in force and remain binding upon each party State until renounced by it. Renunciation of this compact must be preceded by sending three years' notice in writing of intention to withdraw from the compact to the Governor of each of the other States party hereto and to such officers or agencies of the United States as may be designated by Federal law.

"Article XII

"Construction and Severability

"The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be unconstitutional or the applicability thereof, to any State, agency, person, or circumstance is held invalid, the constitutionality of the remainder of this compact and the applicability thereof to any other State, agency, person or circumstance shall not be affected thereby. It is the legislative intent that the provisions of this compact be reasonably and liberally construed."

SEC. 2. The consent of Congress is given to any of the States of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont to become a party to the Northeastern Water and Related Land Resources Compact in accordance with its terms.

SEC. 3. The President is authorized to appoint seven members, representing, and responsible to the heads of, departments or agencies of the United States having principal responsibilities for water and related land resources development, to the Commission created by the Northeastern Water and Related Land Resources Compact. All such Federal representatives shall be employees of the United States and shall serve without additional compensation.

SEC. 4. Nothing in the Northeastern Water and Related Land Resources Compact or in this Act shall be construed as impairing or in any manner affecting any right, power, or jurisdiction of the United States, or any agency thereof, in and over the region which forms the subject of such Compact, or as authorizing the Northeastern Resources Commission to impair or in any manner to affect any such right, power, or jurisdiction of the United States, or any agency thereof.

SEC. 5. There is authorized to be appropriated such sums, not to exceed $50,000 for any fiscal year, as may be necessary to carry out the obligations of the United States under the Northeastern Water and Related Land Resources Compact.

SEC. 6. Nothing contained herein shall be interpreted or construed as authorizing an agreement with the Commission by the United States or an agency thereof for participation of any employees of the Commission in any retirement program established for Federal employees.

SEC. 7. The right to alter, amend, or repeal this Act is expressly reserved, and no change proposed to be made in the Compact approved by the Act shall become effective until it shall have been approved by Congress.

Mr. DAVIS of Tennessee (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: On page 12, lines 21 through 25 strike out all of section 5 and renumber the remaining sections.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

Mr. BALDWIN. Mr. Chairman, I offer amendments to several portions of the bill and I ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN:

First page, line 3, after "That" insert ", except as provided in section 6,".

Page 12, line 3, change the period to a comma and insert "as amended as provided in section 6."

Page 12, line 9, after the period insert: "Such Federal representatives shall have no vote on the Commission, and neither the United States nor any department or agency thereof shall be bound or committed by participation of such representatives as members of the Commission."

Page 13, after line 5, insert the following:

"SEC. 6. The consent and approval of Congress granted by the first section of this Act to the Northeastern Water and Related Land Resources Compact shall be contingent upon all of the parties to the compact having amended such compact by law to limit Federal participation in the Northeastern Resources Commission to that of nonvoting membership, and the consent and approval of Congress is hereby given to such an amendment."

Page 13, line 6, strike out "6" and insert in lieu thereof "7".

Mr. BALDWIN. Mr. Chairman, the purpose of this amendment is simply to make the seven voting representatives in the bill nonvoting representatives, to serve in an advisory capacity rather than having voting privileges. This amendment would eliminate the objections which are set out in the committee report by five major Federal agencies—the Department of Agriculture, Department of the Interior, Department of Health, Education, and Welfare, Department of Justice, and the Federal Power Commission.

There has been an argument made that an amendment of this type would require that this compact go back to the States for reapproval. That is true, but it is very clear under the Constitution of this country that the Federal Government has the right and power given to it by the Constitution to ratify compacts. If we took the position we did not have the right to express our views under the terms of the compact, the constitutional provision would be meaningless.

The States were on notice they would have these objections by the departments, because, if you will refer to the report of the Department of Justice which appears on pages 16, 17, 18, and 19 of the committee report, you will find that there is a statement on page 17 that representatives of the States involved came down to the Department of Justice and asked the Department of Justice to assist them in drafting a compact in 1958. The Department of Justice at that time worked with the States to draw up a compact that would not have this combination of seven Federal voting representatives on an interstate compact. After the Justice Department and the Federal Government worked with the States in drawing up such a compact, the States went back and shelved the compact the Department of Justice helped them draw up and adopted the one before you. They were therefore on notice that the departments would object to this before they ever submitted this. Certainly the Congress has a right to express its will on it. Any other argument would indicate that Congress should be a rubberstamp and never express itself on the actual content of a compact.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Florida.

Mr. CRAMER. As I understand the gentleman's position and that of the others who signed the minority report, we want a compact. We think this is a proper approach to the water and land use problem. Therefore, we wholeheartedly would support the Northeast compact if this one crucial amendment that goes to the very heart of the compact were approved. Certainly someone is wrong in his reasoning. Every single department that reported supported our position. It is difficult for me to understand how the majority leader can say our position is trying to obstruct the legislation. That is not the gentleman's position, is it?

Mr. BALDWIN. Absolutely not. With the approval of this amendment I would give this bill my 100-percent support.

Mr. CRAMER. If this is adopted, then you are going to have the Northwest compact, then the Southwest compact, then you are going to have all these other compacts coming in and saying that if this compact can bind the Federal Government in advance with Federal voting power, we want the Federal Government bound in advance and we want the Federal Government to have voting rights so they can be bound in advance. That is what we on the Public Works Committee are concerned about.

The basic concept of a compact has been generally where there is a Federal interest involved that the sole interest of the Federal Government under the Constitution is to authorize and permit, as the Constitution requires, the States to operate among themselves on a given subject matter. That is the customary compact provision coming to this Congress. This is entirely different, because it is a Federal-State partnership in effect, or a Federal-State agreement, and not the approval of an interstate agreement.

Mr. BALDWIN. The gentleman has very well stated the position of the minority.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I want to state a position which has probably been stated many times already, that every one of the departmental agencies the gentleman are being dominated by are agencies of the last administration. The gentleman has not quoted a single department under the present administration on the position they are taking.

Mr. BALDWIN. In answer to the gentleman from Oklahoma it should be noted that the majority made no effort to obtain new departmental reports this year. I think the fact the majority did not make that effort is significant.

Mr. DAVIS of Tennessee. Mr. Chairman, the subject matter of these amendments which have been offered en bloc have been covered over and over and over this afternoon both in general debate and now by the gentleman from California.

Mr. Chairman, out of a real consideration for the Members of the House, I ask that these amendments be defeated. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California [Mr. BALDWIN].

The amendments were rejected.

Mr. CONTE. Mr. Chairman, there are few areas of this Nation that do not face at least one or another of the vexing problems of flood control, water pollution, water power, soil conservation, or land irrigation. No matter what the particular dilemma is, steps undoubtedly are being considered for its rectification. Depending on the scope of the geographic area affected, some governmental unit is being called upon for help—it may be local, State, interstate, or Federal. The important factor is that appropriate units are established, if they do not exist, to meet the challenge.

We are considering the establishment of such a unit this afternoon. I do not rise to unequivocably proclaim to this House that the type of compact that is good for New England is also good for all other regions of this Nation. I do rise to state that this Federal and State compact is right for the unique needs of the northeast, and that the impracticability of this particular compact in other areas of our Nation is not logical grounds for opposition to it. If there is one thing that the vastness of the Federal Government needs today, it is more individuality of approach to different and separate problems. I cannot escape from the feeling that too often there is a great search to find a master plan for solving all the challenges of a particular category of problem.

If we look at New England, obvious factors immediately appear that would make any novice suspect that here is a section of our country that has characteristics shared by no other section. All our States are geographically small and their encompassing boundary forms them into a natural group. There is a multitude of rivers and streams within this contiguous land mass, and next to none of them flow only in one State. A great portion of the area's boundary is coastline shared by five of the six States thus creating another common interest. Storms and hurricanes constantly damage shoreline facilities, many of which are important to our national defense. Flooding has been increasingly destructive as time goes on. To list all the factors involved is too time-consuming to be worthwhile, for I am sure you all realize that these natural phenomena join New Englanders together in common pursuit of a solution to their problems.

To aid in the coordination and planning of the many agencies working to alleviate the situation, four New England States have already agreed upon a commission as established by the northeastern water and related land resources compact. To finalize the compact, our favorable vote is needed today. A few weeks ago, this House took similar action by consenting to Federal participation in the Delaware River Basin

compact. If New England was seeking Federal activity in an area completely alien to its realm of jurisdiction, we would have cause for lengthy debate. If we were setting a precedent here or asking for a large appropriation for some new venture of the Federal Government, then we would have due reason to cast a jaundiced eye at this legislation.

However, all that is being asked is a greater efficiency of relationship between the Federal Government and the States in which it is presently carrying out a wide variety of programs for the development of land and water resources. We of the Northeast are seeking flexibility and the elimination of duplication in the efforts of the Federal Government. There is no desire to promote agency confusion, nor do we want to interfere with the prerogatives of any one agency, for this could only work to the disadvantage of all involved. For these explicit reasons, the activities of the commission created by the compact have been limited to collection and interpretation of data, investigation, and planning of projects, programing of the development of resources, and encouraging ideas and plans for projects.

The need is clear, and the success of future accomplishments is at stake. The fact that seven agencies or departments of the Federal Government are represented in the compact points up the need for coordination and cooperation in the numerous programs involved. Passage of this legislation will fill a void and strengthen the fulfillment of goals to which we all are devoted, and in this way the benefit accrues to the entire Nation.

Mr. BATES. Mr. Chairman, I rise in support of H.R. 30, which grants the consent and approval of Congress to the northeastern water and related land resources compact.

This bill is well conceived and is the result of many years study by experts in this field. The extensive report reflects the magnitude of the problem and the detailed examination of its many facets. The question before us today is whether we can now take advantage of the information which has been compiled. Action in this field had its genesis in the thirties when the ravages of floods caused heavy losses both in lives and property. It also indicates a concern for the future so that waters can be harnessed and utilized by the people of New England.

In 1956, the Governors of the New England States and the Inter-Agency Committee of the Federal Government agreed to establish a Northeastern Resources Committee to coordinate the plans of the States and the Federal Government in regard to the development of water and land resources of New England. While this organization has been helpful it has not been able to cope with the scope of the problem with its informal organization. Recognizing the need for status, in 1959 the New England Governors unanimously agreed to introduce enabling legislation to authorize the States to establish a commission to more effectively prosecute the work which had already begun. In the interim period, the compact legislation has been enacted by the Legislatures of Massachusetts, Rhode Island, New Hampshire, and Connecticut.

While I am advised that there are some objections to the bill, I am advised that an amendment will be offered to the bill that will strike out section 5 of article XII which provides an authorization of $50,000 for any fiscal year, as may be necessary to carry out the obligations of the United States under this compact.

It should also be made clear that the Commission is not granted authority to determine and carry out any action in respect to construction or operation of matters which come under its general jurisdiction. The function of the Commission is not to execute its decisions but merely to recommend action to the States or the Federal Government. However, the Commission is authorized to conduct its own investigation and to conduct its own research.

Action in this field is needed to protect the people and the property of the people in the Northeast. In brief, its purpose is to permit the use of natural resources in an orderly and useful fashion rather than be devastated by them.

I urge approval of the compact.

Mr. FOGARTY. Mr. Chairman, I wish to associate myself with the distinguished majority leader in the remarks which he has made this afternoon in support of the northeastern water and related land resources compact. We in Rhode Island are deeply appreciative of the splendid work which the majority leader has performed in bringing this bill before us this afternoon. We in Rhode Island are also acutely sensitive to the need for adequate water resource planning and to the need for adequate flood control and hurricane protection.

Rhode Island has borne the brunt of almost all of the major disasters in New England in recent years, beginning with the 1938 hurricane which flooded the city of Providence through the floods of 1955 and the devastation of 1959. We have experienced the loss of many lives and the loss of millions of dollars in property damage.

We have begun—but only begun—to provide adequate protection for our citizens and for their homes and property. The Fox Point project in Providence is such a beginning, but much remains to be accomplished.

Adequate flood control and hurricane protection are only two of the reasons for our interest in Rhode Island in the establishment of a Northeastern Resources Commission on a permanent basis. Because of our size, our geographical location, and the density of our population, adequate resource planning is essential.

One of the most critical problems facing our State in the years ahead involves the maintaining of an adequate water supply for our communities. It has been estimated that by the year 2000, our demand for water will be double that of today. Pawtucket, East Providence, Woonsocket, and those areas served by the Bristol County Water Co. must in the very near future begin to seek out additional sources for water supply. In the case of Woonsocket, this will undoubtedly involve the supply of water from Massachusetts, which illustrates vividly the need for regional planning as distinguished from State-by-State planning.

Scientists says that we must develop our surface and ground water resources if we are to meet tomorrow's needs for water. They are also investigating other and in some cases quite novel techniques for increasing our water supplies. One of these, which has been suggested as a possible demonstration project for our Northeastern United States, is offshore explorations for fresh water. This is based on the knowledge that in many places along our coasts there are underwater wells and springs which discharge fresh water into the ocean.

Development and research of this kind functions best when it is carried on under a coordinated and comprehensive river basin or area program. This provides our State of Rhode Island another reason for its support of a northeastern compact.

The New England and New York Interagency Committee, the predecessor agency to the Northeastern Resources Committee, conducted a comprehensive study of all of New England's water resources and needs. In 1957, the Rhode Island Water Resources Coordinating Board conducted a survey and engaged consultants to determine Rhode Island's requirements. Among the highlights of these two studies are the requirements which were cited for the establishment in the near future of six new reservoirs or expansion of existing reservoirs within the State of Rhode Island. These include: First, the Chepachet River, second, the Smith Sayles Keech Reservoir, third, the Nipmuc River, fourth, the Wilson diversion reservoir above Bridgton, fifth, the Big River impounding reservoir, and sixth, the Wood River diversion reservoir.

This report also cited the urgent need for pollution control in the Pawcatuck River Basin and in the Narragansett Bay drainage basin. It also cited the need for three flood control and hurricane barriers in lower Narragansett Bay, for 12 river-and-harbor projects throughout the State, for 5 beach erosion projects and for the development of 4 additional major water recreation areas.

Our State of Rhode Island, together with three other New England States, have already ratified this compact. The only further step needed to put the compact into effect is thus the passage of this bill.

The basic purpose of the compact is to provide adequate coordination of Federal and State efforts and to provide this on a continuing, permanent basis. It will allow us to move forward along the lines which have already been developed by the previous committees.

The Federal interests in our New England region are important. State efforts would have little opportunity to succeed without the participation of the departments and agencies who have primary responsibility in these fields on the Federal level. It is natural that certain questions and reservations, some of

which I share, have been raised in regard to the extent of Federal participation and the propriety of the voting procedures provided for in the bill. I would, however, say that these procedures should be given a chance to demonstrate their workability. The safeguards in the bill, to my mind, adequately protect the Federal interest.

There has recently been submitted an administration proposal to authorize establishment of river basin planning commissions, which I expect to support. In my opinion this conflicts in no way with this bill for a Northeastern Water and Related Land Resources Compact.

The New England Council has presented to the Congress a compilation of 12 benefits to New England which will follow from the establishment of a northeastern compact. The council points out that the compact will be an effective, practical way of meeting the tremendous resource management needs of our area, an area which includes six States and a population of more than 9 million.

I agree with the council that the welfare of our State of Rhode Island and of all the Northeastern States is plainly dependent upon the better management of our waters and our related lands and I urge passage of this bill.

Again, Mr. Chairman, let me express our appreciation to the majority leader for his devotion to this very vital cause. As an original sponsor of the compact and as a senior Representative of the New England States, he has fought hard before the committees and on the floor of this body to secure passage of this compact. Not only the citizens of Rhode Island but citizens throughout New England owe to him a debt of gratitude for this and for many other contributions which he has made to the welfare of our region.

Mr. PHILBIN. Mr. Chairman, I am very thankful to my very able and distinguished friend, Mr. DAVIS, and the distinguished colleagues of his outstanding committee, for the excellent work they have done in bringing this meritorious bill to the floor of the House and so ably presenting it to the consideration of our membership.

Coming from New England and so well understanding the situation that confronts us with regard to interstate cooperation in that region, naturally I am in very strong and enthusiastic support of this bill.

To me, it seems that the objectives of this bill are so manifestly in the national, as well as the regional, interests that it is entitled to receive widespread, nonpartisan support in the House.

There are several precedents for legislation of this kind that encourages and promotes interstate cooperation. Certainly, the beneficial use of water and related land resources of the New England States is a worthy objective and a most desirable goal, whether viewed from the standpoint of the public safety, or the economic and social development of the great region of the New England States.

I was gratified to note that this great committee believes that the Commission created by the New England water and related land resources compact could and should become an effective vehicle for coordinating various State and Federal agencies for responsibilities in the area of water resources development.

I am convinced that this legislation will be of most valuable assistance, as well as a great encouragement, to the development and utilization of such resources for the benefit of the people of the New England States and the Nation.

I have noted some of the controversies and conflicts of opinion that have arisen regarding this legislation with no inconsiderable surprise, because interstate compacts of a similar nature have invariably been speedily adopted by the House without the raising of such controversial questions.

To be sure, it is desirable to provide for effective, practical, and smooth-working Commission organization. To my mind, it is equally desirable that the Federal Government should make at least a token contribution in terms of funds for this work.

At the moment, we cannot envision what broad programs may develop from the labors of the Commission, but it is fair to assume that some of them will ultimately become entitled to some form of Federal support. That being so, it would seem to me most appropriate that the Federal Government should not only be interested, but represented, in the compact agency to share and participate in the discussions and, where advisable and necessary, to advise and guide its deliberations.

In this way, undoubtedly, valuable aid and assistance would be rendered in formulating policy and carrying forth the important work of the Commission.

It should be observed and stressed that the compact, as constituted, does not carry a direct grant of power and the agency's sole responsibility is to recommend to the States and the Government, and appropriate agencies thereof, changes in law or policy which would promote coordination, or resolution of problems in the field of water and related land resources, including the collection and interpretation of basic data; the investigation and planning of water and related land resources projects; and finally, the scheduling or other programing of the construction and development of such projects.

I have felt for many years, and it is now becoming emphatically evident, that the problem of water in all its ramifications, its original supply development, its purification and quality, its effective control, particularly as against the ravages of floods and natural disasters, its use and utilization in so many broad and vital fields, is one of the greatest and most perplexing and difficult problems facing thousands of American localities, and millions of people of the several States and the Nation.

I beseech the Members of the House to take a long, appraising look at our great needs in this field and respond promptly and helpfully to the appeals which we of New England are making today in behalf of this legislation, designed to enable us to launch a broadside attack upon some important phases of this great problem in our region.

I trust that in its wisdom, foresight and sound judgment, the House will overwhelmingly approve this necessary, meritorious bill, and I have every confidence that the membership will take favorable action on the pending measure. I am deeply grateful for your consideration.

Mr. DONOHUE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DONOHUE. Mr. Chairman, I most earnestly urge the House to approve, without extended argument or crippling amendments, this bill, H.R. 30, granting the consent and approval of Congress to the northeastern water and related land-resources compact.

This measure is a long-awaited and most promising step in the persistent effort to promote the beneficial use of the water and related land resources of the New England States by encouraging close coordination through an agency created by interstate compact of the activities of the respective States with each other and with the related water and land use programs of the Federal Government.

The bill reflects the initiative of the States themselves, four of whom—New Hampshire, Connecticut, Rhode Island, and Massachusetts—have already ratified the compact. Inasmuch as article X of the compact provides that it shall become effective when enacted into law by any three of the States and by the United States only, the enactment of H.R. 30 is now required to put the compact into effect.

There is no doubt that the commission created by the northeastern water and related land resources compact could and should become an effective vehicle for coordinating the complex of administrative agencies, State and Federal, with responsibilities in the field of water resource development and that the enactment of this legislation should prove of substantial assistance and encouragement to the intensive development and use of such resources for the benefit of the people of New England and of the Nation.

The compact which is incorporated in the bill provides for full Federal participation through seven members to be appointed by the President from the various Federal departments and agencies having the responsibility for Federal programs related to water-resource development.

However, the compact agency will have no authority to undertake programs of its own whether in the field of construction or operation. As set forth in article V of the compact the agency's responsibility is merely to recommend to the States and the United States and the agencies thereof changes in law or policy which would promote coordination, or resolution of problems, in the field of water and related land resources, including the coordination of efforts for first, the collection and interpretation of basic data; second, the investigation and

planning of water and related land resources projects; and third, the scheduling or other programing of the construction and development of such projects.

While it is contemplated that the Commission will make use of existing agencies for any investigations or research required to carry on its own coordination activities, the compact grants power to the Commission to make its own investigations and to conduct its own research.

To those who might entertain some doubts about the voting participation of the Federal agencies representatives, let us emphasize that this provision is not without precedent, as is evidenced by the Potomac River Basin compact, established in 1939, and the recent action in the House here authorizing the Delaware River compact, which is similar to our proposed northeastern compact, but considerably broader in scope.

There should be no fears whatever concerning the limited authorization for appropriations of $50,000 a year since such would certainly insure the more intense interest of the Federal Government as well as evidencing their good faith, and any additional expenditures would require new legislation.

In no area of the Nation is the need for close cooperation among the States of the region with the Federal Government more apparent than in New England. With the exception of Maine the States are relatively small and all the major streams are interstate. The harbors are important to the Nation's commerce and to national defense. No greater contribution can be made to the efforts of the people of this country to achieve the wise use and husbandry of their natural resources than to bring about effective cooperation in State and Federal programs in the water resources field.

This bill is a soundly constructive and much needed step to insure the efficient employment of the funds and efforts of the States and the Federal Government in the solution of the water control problems of the New England States, and I again urge the House to overwhelmingly approve it in the national interest.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BROOKS of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 30) granting the consent and approval of Congress to the northeastern water and related land resources compact, pursuant to House Resolution 378, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BALDWIN. Mr. Chairman, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BALDWIN. I am opposed, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BALDWIN moves to recommit the bill, H.R. 30, to the Committee on Public Works, with instructions to report the same back to the House with the following amendments:

First page, line 3, after "That" insert ", except as provided in section 6,".

Page 12, line 3, change the period to a comma and insert "as amended as provided in section 6."

Page 12, line 9, after the period insert "Such Federal representatives shall have no vote on the Commission, and neither the United States nor any department or agency thereof shall be bound or committed by participation of such representatives as members of the Commission."

Page 13, after line 5, insert the following:

"SEC. 6. The consent and approval of Congress granted by the first section of this Act to the Northeastern Water and Related Land Resources Compact shall be contingent upon all of the parties to the compact having amended such compact by law to limit Federal participation in the Northeastern Resources Commission to that of nonvoting membership, and the consent and approval of Congress is hereby given to such an amendment."

Page 13, line 6, strike out "6" and insert in lieu thereof "7".

The SPEAKER. The question is on the motion to recommit.

The question was taken and the Speaker announced that the "noes" had it.

Mr. BALDWIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 140, nays 261, not voting 36, as follows:

[Roll No. 128]

YEAS—140

Adair	Bruce	Frelinghuysen
Alger	Byrnes, Wis.	Fulton
Andersen, Minn.	Cahill	Glenn
	Cederberg	Goodell
Anderson, Ill.	Chamberlain	Goodling
Arends	Chiperfield	Griffin
Ashbrook	Church	Gross
Auchincloss	Clancy	Gubser
Avery	Collier	Hall
Ayres	Cramer	Halleck
Baker	Cunningham	Harrison, Wyo.
Baldwin	Curtis, Mo.	Harsha
Barry	Dague	Harvey, Ind.
Bass, N.H.	Derounian	Hiestand
Battin	Derwinski	Hoeven
Becker	Devine	Hoffman, Ill.
Beermann	Dole	Hoffman, Mich.
Belcher	Dominick	Hosmer
Berry	Dooley	Jensen
Betts	Durno	Jonas
Bolton	Dwyer	Judd
Bray	Ellsworth	Kilburn
Bromwell	Findley	King, N.Y.
Broomfield	Fino	Knox
Brown	Ford	Kunkel
Kyl	Nygaard	Schwengel
Laird	O'Konski	Short
Langen	Osmers	Shriver
Latta	Ostertag	Siler
Lindsay	Pelly	Smith, Calif.
Lipscomb	Pike	Springer
McCulloch	Pillion	Taber
McDonough	Pirnie	Teague, Calif.
McVey	Poff	Thomson, Wis.
MacGregor	Quie	Tollefson
Mailliard	Ray	Utt
Martin, Nebr.	Reece	Van Pelt
Mathias	Reifel	Wallhauser
May	Riehlman	Weaver
Meader	Robison	Weis
Michel	Roudebush	Westland
Miller, N.Y.	Rousselot	Wharton
Minshall	St. George	Widnall
Moorehead, Ohio	Schadeberg	Wilson, Calif.
	Schenck	Wilson, Ind.
Mosher	Scherer	Younger
Nelsen	Schneebeli	
Norblad	Schweiker	

NAYS—261

Abbitt	Friedel	Miller, George P.
Addabbo	Gallagher	Milliken
Addonizio	Garland	Mills
Albert	Garmatz	Moeller
Alexander	Gary	Monagan
Alford	Gathings	Montoya
Andrews	Gavin	Moore
Anfuso	Giaimo	Moorhead, Pa.
Ashley	Gilbert	Morgan
Ashmore	Granahan	Morris
Aspinall	Grant	Morrison
Bailey	Gray	Morse
Baring	Green, Oreg.	Moss
Barrett	Green, Pa.	Moulder
Bass, Tenn.	Griffiths	Multer
Bates	Hagan, Ga.	Murphy
Beckworth	Hagen, Calif.	Murray
Bell	Haley	Natcher
Bennett, Fla.	Halpern	Nix
Blatnik	Hansen	O'Brien, Ill.
Boggs	Harding	O'Brien, N.Y.
Boland	Hardy	O'Hara, Ill.
Bolling	Harris	O'Hara, Mich.
Bonner	Hays	Olsen
Boykin	Hechler	O'Neill
Brademas	Hemphill	Passman
Breeding	Henderson	Patman
Brooks, La.	Herlong	Perkins
Brooks, Tex.	Holifield	Peterson
Broyhill	Holland	Pfost
Burke, Ky.	Holtzman	Philbin
Burke, Mass.	Horan	Pilcher
Burleson	Huddleston	Poage
Byrne, Pa.	Hull	Price
Carey	Ichord, Mo.	Pucinski
Casey	Ikard, Tex.	Randall
Celler	Inouye	Reuss
Chelf	Jarman	Rhodes, Pa.
Chenoweth	Jennings	Riley
Clark	Joelson	Rivers, Alaska
Cohelan	Johnson, Calif.	Rivers, S.C.
Colmer	Johnson, Md.	Rodino
Conte	Johnson, Wis.	Rogers, Colo.
Cook	Jones, Ala.	Rogers, Fla.
Cooley	Jones, Mo.	Rogers, Tex.
Corbett	Karsten	Roosevelt
Corman	Karth	Rostenkowski
Curtin	Kastenmeier	Roush
Curtis, Mass.	Kearns	Rutherford
Daddario	Keith	Ryan
Daniels	Kilgore	St. Germain
Davis, James C.	King, Calif.	Santangelo
	King, Utah	Saund
Davis, Tenn.	Kirwan	Saylor
Dawson	Kitchin	Secly-Brown
Delaney	Kluczynski	Selden
Dent	Kornegay	Shelley
Denton	Kowalski	Shipley
Diggs	Landrum	Sibal
Dingell	Lane	Sikes
Donohue	Lankford	Sisk
Dorn	Lennon	Slack
Dowdy	Lesinski	Smith, Iowa
Downing	Libonati	Smith, Miss.
Doyle	Loser	Smith, Va.
Dulski	McCormack	Spence
Edmondson	McDowell	Stafford
Elliott	McFall	Staggers
Everett	McIntire	Steed
Evins	McMillan	Stephens
Farbstein	Macdonald	Stratton
Fascell	Machrowicz	Stubblefield
Feighan	Mack	Sullivan
Fenton	Madden	Taylor
Finnegan	Magnuson	Thomas
Fisher	Mahon	Thompson, N.J.
Flood	Marshall	Thompson, Tex.
Fogarty	Martin, Mass.	Thornberry
Forrester	Matthews	Toll
Fountain	Merrow	Trimble
Frazier	Miller, Clem	

Tuck	Walter	Winstead
Tupper	Watts	Wright
Udall, Morris K.	Whalley	Yates
Ullman	Whitener	Young
Vanik	Whitten	Zablocki
Van Zandt	Wickersham	Zelenko
Vinson	Williams	

NOT VOTING—36

Abernethy	Harvey, Mich.	Rabaut
Bennett, Mich.	Healey	Rains
Blitch	Hébert	Rhodes, Ariz.
Bow	Johansen	Roberts
Brewster	Kee	Rooney
Buckley	Kelly	Scott
Cannon	Keogh	Scranton
Coad	Kilday	Sheppard
Davis, John W.	McSween	Teague, Tex.
Fallon	Mason	Thompson, La.
Flynt	Norrell	Willis
Harrison, Va.	Powell	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Scranton for, with Mr. John W. Davis against.

Mr. Johansen for, with Mr. Keogh against.

Mr. Rhodes of Arizona for, with Mr. Buckley against.

Mr. Mason for, with Mr. Hébert against.

Mr. Bow for, with Mr. Fallon against.

Mr. Harvey of Michigan for, with Mr. Brewster against.

Mr. KUNKEL changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

Mr. FULTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. MONAGAN. Mr. Speaker, I was unavoidably absent at the time the vote was taken on the bill, S. 2311, to authorize additional appropriations for aircraft, missiles, and naval vessels for the armed services. I ask that the RECORD show that if I were present, I would have voted "yea" in favor of the passage of the bill.

PROTECTION OF PRIVATE PROPERTY FROM INTERNATIONAL BANDITRY

Mr. GEORGE P. MILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEORGE P. MILLER. Mr. Speaker, yesterday, I introduced H.R. 8438, a bill to provide a procedure for the reimbursement of any citizen of the United States who owns a vessel or aircraft which is taken by the use or threat of force from the possession or control of such citizen or his agents while being operated in interstate or foreign commerce and removed to a place outside the United States. This legislation is intended to deter callous acts of banditry and piracy which the world has been witnessing recently.

Last week, an agent of Cuba deliberately, and no doubt with the full knowledge and approbation of his Communist masters, stole an American plane, while that aircraft was maintaining a scheduled route within the continental United States. In recent days, similar attempts have been made to steal planes.

Last winter, provacateurs seized a ship belonging to a Portuguese firm and held the passengers and vessel for several days, endangering the safety of both property and lives.

It is almost unbelievable that in this modern day and age there are incidents such as these. However, as long as there are forces in the world which do not adhere to a moral code, it is necessary to strengthen our means of dealing with them.

By the law which I have proposed, it would be possible to transfer title of vessels or aircraft once they have been diverted from route. By doing this, it would then be the property of the United States and those responsible for the predatory action are thereby guilty of seizing assets of the United States. This should give would-be pirates pause to think before perpetrating their crimes.

Once the plane or vessel has been seized, the legislation which I have proposed would provide the means for reimbursing the owners of the equipment. It would also give a stronger basis for negotiating the return of the property of the United States, because the return of the equipment would be the subject of discussion between the chancellories of the nations involved. The effect of such action would be the same as if a plane of MATS or a ship of MSTS had been involved in the taking.

It is regrettable that the state of international relations has degenerated to the place where private property is not respected. Nevertheless, we must meet these conditions with decisive action in order to protect the lives of American citizens who must utilize public planes and ships in their travels, and, furthermore, we must insure private corporations against the violation of expensive equipment which they are required to purchase in the course of their business ventures. I believe that H.R. 8438 will meet the needs for providing this protection.

THE CITY OF BUFFALO, N.Y.

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include an article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, I wish to bring to the attention of the House that the city of Buffalo, N.Y., one of the great milling and railroad centers of the Nation, is on the march and has entered the atomic age.

Under leave to extend my remarks, I include an article which appeared in the July 1961 issue of the magazine, Buffalo Business.

BUFFALO ENTERS THE ATOMIC AGE—AND THE CHAMBER HELPED OPEN THE DOOR

"Buffalo can become to the atomic age what Detroit was to the auto age."

This bright picture of western New York as a future major center in an exciting new field of virtually unlimited potential was painted recently by Oliver Townsend, director of the New York State Office of Atomic Development.

The chamber recognized the potential opportunities which the dawning atomic age would offer local industries as early as 1954, when the organization held its first major conference in the field of nuclear energy. The event, a 1-day session on Business Opportunities in Nuclear Energy, attracted more than 200 local industrial and business leaders to hear discussions by nationally prominent scientists.

Since that initial meeting, the chamber has sponsored a number of conferences or workshops. The most recent such program was a 2-week isotopes-handling course for Buffalo industry held in June by the Atomic Energy Commission at the University of Buffalo under joint sponsorship of the Western New York Nuclear Research Center and the chamber.

In early 1955, the chamber formed its advisory board on nuclear energy under Chairman Whitworth Ferguson to counsel area industry in investigations and applications of radioactive materials to industrial use.

A recent chamber survey revealed that more than 50 Buffalo area firms now use radioisotopes in manufacturing, research or quality control operations and the advisory board continually aids these and other companies by alerting them to new industrial uses of isotopes.

Above and beyond these continuing efforts to enhance and broaden Buffalo's position in atomic development, the chamber and its advisory board have played key roles in establishment of the area's two major nuclear installations: The Western New York Nuclear Research Center on the University of Buffalo campus and the Nuclear Service Center to be constructed in nearby Cattaraugus County.

When the University of Buffalo project was initiated in 1955, the chamber's advisory board focused industry's attention on the university and the proposed Nuclear Research Center through its series of meetings and symposiums on atomic energy. When State legislators in 1958 were considering a measure to provide the center with $1 million in matching funds from the State, the chamber worked with unflagging enthusiasm by mail, telephone and personal contact to urge the community and its representatives in Albany to strongly support the bill.

Commenting on assistance rendered the project, Nuclear Research Center General Manager James Carey Evans said: "I was impressed with the way in which the chamber of commerce has woven itself into our program and in so doing, has helped to strengthen and broaden our approach to it."

The chamber also received high praise from Governor Rockefeller and Office of Atomic Development Director Townsend for

its "invaluable assistance in the State's program to establish the Nuclear Service Center in western New York."

This organization worked closely with State officials from June 1960, when members of the advisory board were informed in confidence that the Buffalo area was being investigated as a site for a nuclear storage and waste reprocessing center. Economic, geological, meteorological and other needed data, information on property ownerships, descriptions and assessments of land involved were provided, aerial photographs of the area were obtained, contact was initiated with utilities and railroads to arrange for necessary services, and numerous meetings and site inspections were arranged by the chamber.

When Governor Rockefeller in early June announced the official decision to locate the center in the Buffalo area, the chamber cooperated with State officials in arranging a briefing session later in the month for 25 companies interested in atomic development plants in this area. The session was the first of several which will be held throughout the summer to acquaint industry with the possibilities of using atomic products and byproducts.

COAL FOR THROWING AWAY

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the import of residual oil is essential to the economy of New England and the east coast, where it supplies cheap heat and power in this high cost fuel area.

The soft coal industry, by insisting that these imports be limited, is trying to turn back the clock and force us to use coal instead of oil.

This stubborn stand helps no one.

Import restrictions have increased the price of residual oil by almost 14 percent above the world price.

And not one unemployed coal miner has found work as a result of these coercive tactics, because the increased use of coal is so slight.

The coal industry is practicing economic blackmail that will not solve its own problems. The industry's desperate attitude is: "If we can't compel you to use our product, we'll make it expensive and inconvenient for you to secure other supplies of energy fuels."

The Boston Sunday Herald in its editorial of July 30, 1961, titled "Coal for Throwing Away," calls our attention to this fact:

New England and other east coast areas have made in the past year a forced contribution to the lagging soft coal industry of $318.7 million.

By means of this forced contribution, the coal industry has succeeded in selling an additional 1.5 million tons of coal.

This is a subsidy at the rate of over $70 a ton.

Representative KEITH has suggested that it would be better all around if 1.5 million tons of coal had been bought at the mines and thrown away.

Coal can be purchased at the mines for $5 a ton. In that way we could have given the coal industry the same amount of lift for only $7.5 million, and saved ourselves $98.7 million.

After reading the complete editorial from the Boston Sunday Herald, I am confident that most Members will agree that the perpetuation of quotas limiting the import of residual oil is a mistake that is harmful to all concerned.

I, therefore, request permission to extend my remarks and insert the whole text of this illuminating editorial in the RECORD:

COAL FOR THROWING AWAY

New England and other east coast areas have made in the past year a forced contribution to the lagging soft coal industry of $318.7 million.

By means of this forced contribution, the coal industry has succeeded in selling an additional 1.5 million tons of coal.

This is a subsidy at the rate of over $70 a ton.

Representative KEITH has suggested that it would be better all around if 1.5 million tons of coal had been bought at the mines and thrown away.

Coal can be purchased at the mines for $5 a ton. In that way we could have given the coal industry the same amount of lift for only $7.5 million, and saved ourselves $98.7 million.

This insane situation comes as a result of the quota restrictions on the import of residual oil. Residual oil is a negligible factor in the domestic oil industry, but it is very important to New England, where it supplies cheap heat and power in this high cost fuel area.

It has also been given a false importance by the coal industry, which has succeeded in promoting the idea that the Federal curbs on residual imports must be preserved so as to increase the consumption of coal.

The New England Council, the Oil Users Association, and the American Public Power Association have joined with the New England delegations in Congress in protesting the quotas to the Office of Civil and Defense Mobilization. The coal industry and its delegations in Congress are fighting to keep the quotas. The OCDM will report to President Kennedy about August 20.

How come we have to pay so much for so little gain for the coal industry?

The import restrictions have increased the price of residual oil by 33 cents a barrel, or almost 14 percent, over the world price. This might be enough to drive users to coal, were it not that conversion from oil to coal is generally very costly and sometimes prohibitive. Most manufacturing companies and buildings using residual for space heating have simply had to pay more for oil.

The increased price for residual has tended to lift the price for other fuels. Utilities like Boston Edison have had to charge consumers more for electricity.

The scarcity of residual and the limited number of suppliers has wiped out competition and invited profiteering. Some importers holding quota tickets can enjoy a 30-cent premium without having to handle a single barrel of oil.

Financially pressed hospitals have been hurt by the quotas; Federal, State, and municipal building heating costs have gone up; consumers of electricity have found their bills higher; the industrial development of New England has been slowed; even home heating has risen in cost because of the side effects of the restrictions.

And for all this not one unemployed coal miner has found a job—the increased use of coal is so slight.

When before have so many had to pay so much for such imperceptible gains for so few?

The coal industry has brought tremendous pressure to bear on the Government to keep the quotas. Only now is New England fighting back with equivalent force. It is a fight we deserve to win, both on its merits and its presentation.

PHILADELPHIA—THE NATION'S LEADING PORT

Mr. BYRNE. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BYRNE of Pennsylvania. Mr. Speaker, I note with great satisfaction in the Philadelphia Evening Bulletin of Tuesday, August 1, that the city of Philadelphia regained its position as the Nation's leading import-export port. The Philadelphia port in 1960 exceeded the port of New York by over 300,000 tons of foreign waterborne cargoes.

I attach the news item so that the Members of Congress can recognize the outstanding quality of the port of Philadelphia, which is in my district.

PHILADELPHIA NOSES OUT NEW YORK AS TOP IMPORT-EXPORT PORT

Philadelphia last year regained its position as the Nation's leading import-export port, the Chamber of Commerce of Greater Philadelphia reported today.

The port in 1960 handled 46.4 million tons of foreign waterborne cargoes, just nosing out New York's 46.1 million tons.

The chamber said that the latest figures tabulated by the Delaware River Port Authority show that crude oil and iron ore imports accounted for 87.7 percent of the Philadelphia port's foreign trade in 1960.

EXPORTS RISE

It said that imports totaling 43.7 million tons in 1960 were below the 44.1 million of 1959. But, said the chamber, the loss was offset by an increase in exports from 2.4 million tons in 1959 to 2.7 million tons in 1960.

Baltimore was in third position in the foreign commerce standings, with 25.5 million tons, and New Orleans in fourth spot last year, handling 24.1 million tons of import-export cargoes.

Hampton Roads, Va., which had given Philadelphia and New York close competition in recent years, handled 14.1 million tons of foreign incoming and outgoing cargoes in 1960.

COAL EXPORT DECLINE

The chamber said this was because of a decline in bituminous coal exports, which helped the Virginia port to be the national leader in foreign waterborne commerce in 1956 and 1957.

"Ending of the Suez crisis and wider use of oil abroad were said to be responsible for Hampton Road's poorer showing," the chamber said.

On the basis of incoming foreign cargoes only, Philadelphia maintained its lead as the Nation's No. 1 import port for the seventh successive year. The port is second only to New York in the overall tonnage—domestic and foreign—handled. The overall tonnage for 1960 for Philadelphia is estimated at 100 million.

GENERAL LEAVE TO EXTEND ON THE BILL H.R. 30

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who may desire to do so may extend

their remarks in the body of the RECORD prior to the rollcall vote on the bill H.R. 30, granting the consent and approval of Congress to the Northeastern water and related land resources compact.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

OPERATION UNEMPLOYMENT

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from New Jersey [Mr. CAHILL], is recognized for 60 minutes.

Mr. CAHILL. Mr. Speaker, in furtherance of the project, Operation Employment, sponsored by the House Republican policy committee, the distinguished gentleman from Pennsylvania [Mr. SCHNEEBELI] and myself have asked for this time today to discuss with the membership of the House and to bring to the attention of the American people some additional observations and recommendations concerning the serious problem of unemployment.

All Americans recognize that high and stable employment is essential to the continuance of the American way of life. Those of us in the Congress of the United States, therefore, have a special obligation to investigate and pursue means by which unemployment can to the greatest extent possible be eliminated from the United States.

In assembling material for this discussion, Mr. SCHNEEBELI and I wish to acknowledge the contribution of Prof. Neil Jacoby, of the University of California, Los Angeles, Prof. Austin Murphy, of Canisius, the cooperation of Mr. John Seaton and Mr. Paul Sherwin, of the Pennsylvania Manufacturers Association, Mr. Frank Fernbach, of the AFL–CIO in Washington, D.C., of various brochures and periodicals of the National Association of Manufacturers and of the U.S. Chamber of Commerce.

Both Mr. SCHNEEBELI and I have benefited tremendously from the material and suggestions of the aforementioned.

Other Republican Members of the House have on previous occasions discussed specific fields of cooperation and contribution in the effort to eliminate unemployment from our midst and in order to particularize our observations and to avoid repetition of what has already been discussed, I intend to limit my observations to industrial efforts in meeting problems of unemployment.

Lest we forget the great contribution that has been made by industry in the United States to the problem of unemployment, we should, I think, reflect for a moment upon the great progress that has been made in this century in combating this industrial illness. Recall, if you will, the last half of the 19th and the first part of the 20th century when the average employer had very little, if any, consideration for the problem of unemployment or in the impact of unemployment on the family life of the worker. Thus it was that men were dismissed from their jobs even as the result of an injury sustained in the performance of their work, when their forced layoff was the result of illnesses caused by working conditions in the industrial plant, when the unemployment brought to the factory table the wives of families and young children who should have been attending school.

It will serve no useful purpose to recite the many ills that existed but it should be said that industry has to a very large extent eliminated most of the causes of unemployment as we know them in that era of our American society. True, many of the abuses which plagued the worker were brought about through the organized effort of the worker himself, but many enlightened industries seeking to contribute to the welfare of the American worker and to the American way of life voluntarily at personal cost to the company, brought about many of these desirable improvements. Thus, such desirable innovations as pension plans, health and accident insurance policies, paid vacations, profit and stocksharing plans, free relocation of displaced workers, and the contribution of many companies to the retaining of employees on the job have contributed greatly to the elimination of the evils resulting from unemployment in this country.

In the past, too, the Federal Government was remiss in its obligation but with an awakening, beginning at the end of the last century and continuing to the present, the Federal Government has played an important role in minimizing the causes and effects of unemployment, for example, by workmen's compensation which today is prevalent throughout the country, and the initiation of unemployment compensation and social security, which have played a vital role in the fight against unemployment. Most of the State governments have passed legislation concerning conditions at the plant, the age of workers, the hours of work, and have with the Federal Government, played a very vital role in this continuing fight.

All facets, therefore, of our American way of life—the Federal Government, the State government, the employer, the employee, the labor union, the manufacturers' association—have been for many years joining forces in attempting to solve this problem. It is impossible, therefore, to discuss the role of industry without referring from time to time to the role of Government and to the role of the employee, himself, in our discussion.

We can, I think, classify unemployment as follows:

First. Frictional unemployment.
Second. Seasonal unemployment.
Third. Cyclical unemployment.
Fourth. Structural unemployment.
Fifth. Unemployables.

It is not the function of this discussion to touch upon the question of unemployables since there are and probably always will be a certain number who cannot or will not work. In discussing aids to unemployment we must necessarily recognize this fact and assign to other institutions the responsibility for this classification. In the other four categories, however, there are, I think, certain steps that can be taken by both manufacturer, Government, and the individual employee to further reduce the number of unemployed in this country.

It is general knowledge that many palliatives have been in the past recommended and suggested. We all know that certain recommendations have to do with enforced limitation of the free market by Government subsidies, price supports, and trade barriers, by legislatively created employment such as public works projects, educational assistance programs, Armed Forces enlargement, and a shorter workweek. We have, too, recommendations concerning increased mobility of human resources, flexible unemployment compensation, minimum wage laws, severance pay, transferable seniority rights. Then, too, we have Federal legislation concerning depressed areas, vocational guidance, retraining and relocation, and the Federal and State employment services. Other suggestions have, of course, been based upon the creation by Government of a good business climate with intelligent tax structure, fiscal responsibility, sufficient opportunity for profit motivation, proper tax rate reforms, and proper aid to local initiative at the community level.

Without discussing these, let it be said that each of them, while perhaps subject to criticism by certain groups of the American business and industrial society, do in some way play a part in counteracting unemployment. It is my feeling that Government can be very helpful in the fight against unemployment by creating this proper business climate so as to encourage industry to modernize plants, to add to business opportunities by adequate research programs geared to the development of new products and the generation of new consumer demands.

The Government can further aid in providing through the U.S. Employment Service and other agencies the collection of improved information on current business openings by skill, number and locality, by doing research and recommending to local school boards new curriculums in our vocational schools with emphasis upon the elimination of the unnecessary skills of the past and the development of the new skills of the present with emphasis upon the present needs of the local community. The Government can further help by aiding in every possible way the development of better cooperation between employers and employees and their bargaining agencies in their development of "on-the-job training" as a means of eliminating or avoiding the obsolescence of skilled work and to minimize structural unemployment. The Federal Government can also aid, as it has, by intelligent aid to depressed areas.

Let it be said that the mere grant of funds to areas suffering from chronic unemployment is not in my opinion sufficient. There must, it seems to me, be a detailed program in the first instance based upon a proper analysis of the local problem, developed through sound research with the cooperation of Government, labor, and community leaders for the purpose of reducing production and labor costs, as far as possible in the depressed areas. I think, also, there should be a high level Federal executive who can coordinate all activities and suggest, particularly in the vocational training

programs, the skills that should be emphasized.

In addition to the foregoing, the Federal Government might consider ways of financing new and sound business ventures or perhaps better still some type of amortization privilege under our tax structure to firms willing and able to build new plants or install new equipment in distressed areas.

Now for the part of industry.

In spite of the many contributions industry has made in the effort to solve this enormous problem, there are still, I think, additional contributions that still may be made. One of the real problems facing industry today, of course, is the necessity for many reasons to relocate plants. This usually results in a severe blow to employment in the community from which the plant is being moved. It would appear that industry has a definite responsibility not only to the worker but to the community at large and should as far as possible protect both the workers and the community from the impact that results from plant relocation. Thus, industry should anticipate plant relocation and provide the worker and the community with as much notice as possible so that the worker may make intelligent plans for relocation and the community for the establishment of a new employer to take up the slack caused by the separation of the plant requiring relocation. Relocation to a large measure may also be eliminated if sufficient planning is developed to keep the plant at all times operating efficiently under a modernization program. Industry, too, it seems to me, must always continue to reexamine its wage, price, and profit ratios so that no product will be priced out of the market and so that the industry may continue to generate new demands and thus increase buyer consumption. It is axiomatic that no retraining program is any better than the availability of job opportunities. It serves no useful purpose to retrain unless the opportunity to work is present when the worker has been properly trained. Thus, retraining and job opportunities are interrelated and must necessarily go together.

Industry, it seems to me, too, should be very wary of relocating in States which are offering work forces at unrealistically low wage levels. The old maxim, "Beware of Greeks bearing gifts," is never more applicable than in the case of the community which offers industry "everything for nothing." If this is the only reason for the relocation of a plant, it seems to me that industry is not facing up to its real responsibility because it will only be a question of time when the industry will experience other and more serious difficulties. It seems, in summary, therefore, that if a plant must relocate, the intelligent industrial executive should know about it in sufficient time to alert the worker and the community and this in itself should go a long way in eliminating structural unemployment.

Then, too, industry can cooperate by collecting information from other similar industries on current job opportunities and alerting their workers to the availability of jobs. Industry, intelligently planned, will also anticipate the need for new mechanization or automation which will itself replace substantial numbers of workers. This anticipation can result in on-job training so as to bring the workers up to the skill required with the new automation. As an alternative, advance notice by employers of the plans for automation can be made available to the workers in sufficient time for them to relocate in other job opportunities.

Some of the best illustrations of company planning where automation was indicated or automation was necessary even though it dislodged thousands of workers is the case of A.T. & T. in their achievement of mechanical dial operation for 90 percent of the Bell System's 60 million telephones. This meant, of course, the displacement of the manual operator. The company, however, intelligently planned the changeover and as a result the automation materially enhanced the growth of the business and therefore became a large factor in expanding employment rather than reducing it. In 1960, for example, the Bell System had nearly three times as many employees as it did in 1920. Intelligent planning was responsible for having employment turnover solve the problem of overstaffing in most instances. Short-lived jobs were filled primarily with individuals seeking temporary employment. Normal attrition took care of a large percentage and new employees were only added as the job opportunities developed. As the conversion proceeded, regular employees were offered jobs in other types of work at the same location or in other offices. Provision was made for the practical training and retraining of employees considered for new assignments created by automation.

In the end, therefore, there were relatively few employees unable to accept transfer or who could not be placed in other work. In such cases, lump-sum payments were made in amounts based upon the employee's length of service and pay level. Thus, the A.T. & T. is a classic illustration of how American industry can increase by proper research and by proper public and employer-employee relations. It can well be embraced by many of our American industries. Other companies such as General Motors, Dow Chemical, Armour & Co., John Hancock Insurance Co., Ford Motor, and a score of others are all applying intelligent planning to the problems brought about by relocation and automation.

Industry further, it seems to me, can also plan additional capital investments, plant modernizations and improvements, especially in periods of recession when labor, money, and material are more readily available. There should, I think, also be an awakening on the part of industry to the community needs and an interest developed, particularly in fields of local government and in the efficient operation of local school boards, by efficient and qualified members. Education in and by itself is probably one of the greatest safeguards that can be taken against unemployment. Statistics amply demonstrate that it is the uneducated who is usually the first to lose his job.

Thus, industry by taking an interest in community affairs, such as has been ably demonstrated by the DuPont Co. can be helpful in preventing unemployment before it occurs.

Industry can also develop a greater interest on the part of it employees and directly benefit from the constructive suggestions and new ideas developed from the self interest of the employee by initiating stock and profit-sharing plans such as have for many years been in effect at Sears, Roebuck & Co.

Time does not permit discussion of the contributions of many of our other important industries but enough has been suggested, I hope, to indicate the great part industry has played, is playing, and can in the future play in contributing to the elimination of unemployment in this country.

In the end, however, it must be recognized that full employment can only result through the mutual efforts of the worker, the company, and the Government.

The worker must at all times give his very best and contribute not only by his labor but by his imagination and constructive ideas to the furtherance of his employer's business. The employer must recognize the worker as a human being, dependent upon the moneys received for his work, and must therefore, justly compensate the worker. The Government must provide an atmosphere where both the worker and the employer can cooperate in complete harmony.

In effect, therefore, we must develop the virtue of justice and brotherly love, recognizing the interdependence of man upon man. When the worker, the investor, and the manager all understand that each in his own way is contributing to the ultimate success of the venture and that without one or the other success is unattainable, there will, I think develop the mutual trust, confidence, respect, and cooperation which will finally result in full employment in the United States.

Mr. SCHNEEBELI. Mr. Speaker, will the gentleman yield?

Mr. CAHILL. I will be very happy to yield to my partner, the gentleman from Pennsylvania [Mr. SCHNEEBELI].

Mr. SCHNEEBELI. Mr. Speaker, it is quite obvious that the gentleman from New Jersey [Mr. CAHILL] has made quite a study of this problem. I think he is to be commended for his dissertation and, if I may, I would like to add some thoughts on this problem of unemployment relative to specific instances of industry coping with this problem.

Mr. Speaker, one of the most discussed remedies for unemployment is retraining. The hope has been that retraining might not only relieve current unemployment but would help solve the possibly more serious manpower problems the United States will face in the next decade, when technological advance will demand more and more skilled workers at the same time that it is eliminating the jobs of the unskilled. With present population and job trends, a situation could develop in which a shortage of skilled workers would ensue.

Retraining efforts to date, however, have fallen short of being a panacea. For example, the experiment under the Armour Automation Fund is a demonstration of what retraining cannot do. The 1959 labor contract between Armour & Co. and the packinghouse workers' unions established a $500,000 fund to find solutions to the problems resulting from the displacement of employees under the company's modernization program. A union-management committee, headed by Clark Kerr, president of the University of California, was appointed to administer the fund. When Armour closed its meatpacking plant in Oklahoma City, the 433 employees who were laid off were given a chance to learn new skills that would enable them to seek jobs outside the meat industry. Of the 170 who applied, only 60 were judged able to benefit from some kind of training as a result of aptitude tests. Those who were trained, or retrained, for such jobs as typing, upholstery, beauty operation, and auto mechanics, were cast loose in the labor market, and of those who found jobs some had to take substantial pay cuts. After this experiment, Robben W. Fleming, executive director for the committee and professor of labor law at the University of Illinois, observed that it casts real doubt on the efficacy of crash programs which must be inaugurated after the crisis is at hand.

On the other hand, there are some things individual companies may do which large corporations have been doing for a long time. Where there is a constantly advancing technology there is a continual need to retrain employees for new jobs in the plant. Ford last year retrained nearly 3,000 workers to handle more advanced hydraulic and electrical equipment; General Motors, in addition to its apprenticeship program, retrains 7,200 employees a year; IBM retrains about 100,000 workers for other companies each year to operate the computers and other equipment it sells and leases. A corporation retraining for its own needs has a relatively simple task. It knows the specific requirements of the jobs that will have to be filled, and it can select the workers who seem best qualified to learn the new skills that will be needed. Public retraining programs, on the other hand, are obliged to deal with all sorts of human material and an unpredictable job market.

The Technical Institute at Williamsport, Pa., which has a nationwide reputation for its complete training on the construction and industrial technical level, has been active for many years in the retraining and rehabilitation of maimed mineworkers covering five States. Six new industries were attracted to Williamsport through the opportunities afforded them in the advanced training of their employees by the Technical Institute prior to the industry opening its facilities in this community. There are continually approximately 1,500 students on a current basis studying the industrial arts and trades, and the mechanical and electronic training presented by the school have attracted such industries as Sylvania Electric, M. W. Kellogg, Vidmar, Ille Electric Co., and several other almost exclusively male industrial plants to settle in the industrial park created there. This school also has served local industries in upgrading industrial employees into a higher category of technical skill, and the retraining program is used by many industries throughout the surrounding dozen counties as more automation makes this requirement inevitable.

With many of the young unemployed, the problem is not merely lack of skill, but lack of basic education. The so-called dropout, the boy who leaves high school before graduation, is often doomed to menial work or the dole, and he may not even be able to get anything out of training. According to Labor Department estimates, during the decade of the 1960's, 7,500,000 boys and girls will leave high school before they get their diplomas. The "higher horizons" program conducted by the New York Board of Education has cut the dropout rate by persuading parents and pupils that education is important job insurance. There is also increasing awareness that something must be done about the quality of secondary education itself, particularly in the vocational school. For the most part, vocational schools fail to provide the trained workers that industry needs. Instead, they have been used largely as a dumping ground for behavior-problem cases and slow learners.

No Washington cure-all will do the trick. The question is one of upgrading the labor force by small stages all along the line—teaching the ordinary laborer minor skills, equipping the semiskilled with new techniques, turning the skilled into advanced technicians and junior engineers. Through necessity we did it during the war; we can do it again.

Several recent congressional actions have been taken to ameliorate the unemployment condition now facing us. One of the more recent actions was the tentative approval of the Ways and Means Committee to adopt an 8-percent depreciation credit for purchases of equipment in 1961. This provision is expected to cause an unusually heavy buying trend, particularly for industrial equipment. The immediate effect will be placing of many purchase orders with all types of manufacturers for new industrial equipment, thus initiating a cycle throughout industry for heavy purchases. As this cycle develops it could become quite a boom in the basic industries, which naturally would carry over into all other areas of economic activity.

The seriousness with which this proposal is viewed can be deduced from the fact that the Treasury Department will lose $1.1 billion in tax revenue, which it is willing to forgo even during this period of great need for increased revenue for our defense purposes. This loss of Federal revenue is understandable when it is considered that many billions of dollars in equipment purchases will initiate this cycle of expanded economy and consequent expanded employment.

An additional benefit will be the modernization of our industrial plants to make them more competitive with our European competitors, who have taken advantage of their more liberal depreciation structures to help to outsell us in the competitive markets in the developing countries. The improvement of our position in the world market naturally will create more demand for U.S. goods and a subsequent broadening of our entire employment base, thus further reducing the unemployment ratio.

Enactment of the distressed areas legislation and the present consideration in committee of a broad national bill for industrial retraining is further example of congressional concern in this area of our economic well-being, since certainly we cannot consider ourselves in an efficient and affluent position if our unemployment rate hovers near the 6- to 7-percent mark.

Mr. Speaker, I thank the gentleman from New Jersey [Mr. CAHILL] for his enlightened discussion, and for granting me time to participate in it.

Mr. CAHILL. I thank the gentleman from Pennsylvania. May I say for the record that I certainly want it noted that in my many discussions with representatives of the Manufacturers' Association, particularly in the Commonwealth of Pennsylvania, I became aware of the gentleman's deep interest in this problem and the contributions he has made throughout the years in the solution of it, particularly in the areas which he now serves in the Congress of the United States. So I would say that the district the gentleman serves certainly is well represented. The gentleman is recognized as a man who has devoted his life to the solution of this problem.

Mr. SCHNEEBELI. As an immediate neighbor of the gentleman from New Jersey, I appreciate very much his kind remarks.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. CAHILL. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I wish to compliment my distinguished colleagues on their study of automation and training. The problem caused by the impact of automation is one of the most important problems and issues facing our Nation. I congratulate both gentlemen on their fine study of this very important subject.

Mr. CAHILL. I thank the gentleman from Ohio.

THE RECIPROCAL TRADE PROGRAM

The SPEAKER pro tempore (Mr. THORNBERRY). Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, because of the growing interest in the likely revision of the Trade Agreements Act during the 87th Congress, I have had a number of requests for a review of the act since its first adoption in 1934.

In preparation of this report, I have received assistance from many individuals interested in basic changes that should be made in our international trade policies. One of these individuals,

Oscar R. Strackbein, chairman of the Nationwide Committee on Import-Export Policy, rendered a factual statement covering our trade policies since the enactment of the Reciprocal Trade Act of 1934.

The subject of tariffs is a complicated one, and I am presenting not only background but the development of a policy that today threatens our national basic economy. It is my hope that all of my colleagues will give serious thought to the facts set forth.

THE RECIPROCAL TRADE PROGRAM

(A brief review by O. R. Strackbein, chairman, the Nationwide Committee on Import-Export Policy, June 1961)

The first Trade Agreements Act was passed in June 1934, for a 3-year period.

TARIFFMAKING BY CONGRESS

This act marked a sharp break from the historic method of tariffmaking of the preceding 145 years. The Congress itself had written all previous tariff legislation and with minor exceptions had determined the individual tariff rates. This process became exceedingly demanding of the congressional committee concerned, i.e., the House Ways and Means Committee and the Senate Finance Committee. The tariff structure had become complex and tariffmaking had become a highly technical process.

Tariffmaking by Congress itself had come under attack, moreover, because it lent itself to logrolling. A demand for a scientific tariff was widely expressed and this resulted in the creation, first of a Tariff Board in 1909 and later a Tariff Commission, in 1916.

CREATION OF TARIFF COMMISSION

The purpose in setting up a Tariff Commission was at first to provide an advisory body for legislative guidance and later to take from the shoulders of Congress the process of tariff rate adjustment itself. The Tariff Commission was therefore a creature of Congress, established to do detailed and technical work for the Congress. However, the executive branch was invited by Congress in the legislation creating the Commission to a share of the tariffmaking power vested in Congress by the Constitution by giving to the President the authority to appoint the members of the Tariff Commission, which were six in number, equally divided between the two political parties.

The tariffmaking power of the Commission was not started until 1922 when the Fordney-McCumber Act for the first time authorized the Commission to make comparative cost-of-production studies in this country and abroad for the purpose of ascertaining the cost of articles in domestic industries and in competing industries in other countries. The President, upon a finding of the Commission, could then increase or reduce existing rates by as much as 50 percent.

This limited tariffmaking power was continued in the Hawley-Smoot tariff of 1930 (the last tariff written by Congress itself) and the Tariff Commission continued on a limited scale to make findings on relative foreign and domestic costs of production of particular articles. The cost-of-production formula from 1922 to 1934 led to 69 completed investigations of which 15 led to tariff increases and 18 reductions. In 32 cases the rates were left undisturbed. Four cases were otherwise disposed of.

TRADE AGREEMENTS ACT

When the Trade Agreements Act was passed in 1934 this approach to tariff adjustment was virtually discontinued. A provision in the act prohibited the application of the cost-of-production approach to any item that was the subject of a trade agreement concession. Today this means that some 95 percent of the tariff items are excluded from this type of tariff adjustment.

In place of this system which was regarded as too cumbersome the 1934 act provided that the President might enter into foreign trade agreements and reduce or raise existing rates up to 50 percent regardless of cost-of-production differences. The 50-percent limitation was the same as under the preceding tariff acts; but the President was substituted for the Tariff Commission as the prime mover in the premises; and the avowed purpose was to reduce tariffs and not to raise them.

In 1945 a new extension of the act authorized the President to reduce all existing rates another 50 percent. In some instances, i.e., in those cases in which the tariff had already been cut 50 percent, this made possible a total reduction of 75 percent.

Unlike some other countries, we made no provision for compensating for rising prices in those cases in which we have a specific duty. This is a duty expressed, not in a percentage of value (known as an ad valorem duty) but in terms of a specified number of cents or dollars per unit of measurement, such as yards, square feet, pounds, tons, or individual articles. If the rate was 10 cents per yard and the price per yard was $1, the tariff was equivalent to 10 percent ad valorem. If the price rose to $1.50 the protective rate fell to 7½ percent; while a rise in price to $2 reduced the rate to an equivalent of 5 percent ad valorem. We have a considerable number of specific rates.

Therefore the rise in prices since 1934 has produced a tariff-reducing effect quite aside from actual tariff cuts.

GENERAL AGREEMENTS ON TARIFFS AND TRADE (GATT)

From 1934 to 1947 we negotiated only bilateral trade agreements, i.e., agreements with individual countries; and completed about 28 of them. In 1947 we negotiated in Geneva with 22 countries and on October 30 of that year signed the General Agreements on Tariffs and Trade, usually known as GATT. This went into effect January 1, 1948.

Subsequently we took part in three additional multilateral conferences for tariff reductions: Annecy, France, 1949; Torquay, England, 1951 and Geneva, 1955. In 1960 we went into a conference in Geneva, devoted to the Common Market of Europe and in 1961 we are engaged in carrying out further tariff reductions.

Beyond the 1945 act which added the second 50 percent tariff-reducing authority, the act of 1955 empowered the President to reduce tariffs another 15 percent and the Extension Act of 1958 added another 20 percent. The latter authority was not exercised until 1961.

Today GATT has 39 full-fledged members and several limited memberships, including that of Japan.

DRASTIC REDUCTION IN OUR TARIFF

Under the trade agreements program the protective effect of our tariff has been reduced a full 80 percent. A part of this reduction came from the effect of price increases on specific duty rates, as explained above.

The average rate of duty on dutiable items when the Trade Agreements Act began was slightly over 50 percent. Today it is not much over 10 percent.

SHIFT IN COMPOSITION OF IMPORTS

Imports have come more and more to fall into the field of finished manufactures and manufactured foodstuffs. Ten years ago only 17 percent of our imports were in the form of finished goods. Today the share is 36 percent. Manufactured foodstuffs are 11 percent, for a total of 47 percent between the two.

Raw material imports have, of course, suffered a comparable shrinkage in the share of the whole and in 1960 were only 21 percent of the total. This does not mean that we are importing less raw material than formerly; rather, that we are importing much more in the form of finished goods.

Finished goods, as distinct from raw materials, generally compete with the output of our own factories.

In 1960 just below 40 percent of our total imports were on the free list. Sixty and six-tenths percent were dutiable. Twenty years ago these figures were the reverse of this order. Sixty percent of our imports were on the free list.

Naturally, as we reduced tariffs drastically, imports of dutiable items were stimulated. The shift was slow in coming but gained momentum in the 1950's.

The principal free-list imports are coffee, newsprint, wood pulp, iron ore, tin, crude rubber, bananas, cocoa beans, agricultural implements, typewriters, fresh and frozen tuna, asbestos, copper ore, raw silk, barbed wire, logs, works of art, etc.

Some of these items are competitive with domestic products, notably typewriters, fresh and frozen tuna, barbed wire, crude rubber, newsprint, iron ore.

POWERS OF CONGRESS IMPAIRED

Under the Trade Agreements Act the President is authorized to bind items on the free list. This is an obligation not to put a tariff on these items. A considerable number of items have been so bound.

He is also authorized to bind items at existing rates. This is a promise not to raise rates. Many items have been so bound in the various trade agreements.

These bindings have been questioned as tying the hands of Congress by foreign executive agreement. Should any future Congress wish to impose a tariff on an item bound on the free list or to raise one that had been bound against an increase it could do so only by violating our international commitment.

Such a roadblock against free action by Congress has been condemned as the exercise of unconstitutional power by the executive branch; but no corrective action has been taken. The congressional authorization to the President to make such bindings came at a time of economic distress, i.e., during the great depression; but it represented a long-range type of commitment that goes beyond any one Congress, i.e., it extended into Congresses not yet elected the will of a particular Congress (i.e., Congress of 1934) and thus reduced by that much the meaning of biennial elections.

RENUNCIATION OF IMPORT QUOTAS

The General Agreement on Tariffs and Trade (GATT) contains a similar binding of the Congress with respect to the imposition of import quotas. Our Department of State was instrumental in having the contracting parties of the General Agreement (22 in number at the outset, now 39) adopt a provision binding upon the members not to institute or maintain import quotas. While several exceptions were written into the general renunciation of such quotas, these exceptions were transitory, so that in time we would face a quotaless flow of trade among the nations.

Since import quotas are an instrument used in the regulation of foreign commerce and inasmuch as our Constitution places the responsibility for the regulation of foreign commerce upon Congress, the State Department was treading on very dubious constitutional ground when it committed this country in a foreign executive agreement not to use this instrument. The Department thereby seemingly and possibly effectively set itself above Congress and the Constitution at the same time.

While Congress is not bound by an executive agreement, the power of Congress to act freely is impaired by the consideration that an international commitment would be violated if Congress acted contrary to the antiquota provision of GATT. Therefore the action of the State Department represents a critical encroachment on the power of Congress.

FAILURE OF TARIFF AND NEED FOR QUOTAS (IN CERTAIN INSTANCES)

Among our imports are many products that come from a variety of foreign sources. Chinaware, for example, is imported not only from England, Germany, and other European countries, but also from Japan. The same diversity of sources is true of various items of textiles, steel, glassware, optical goods, cameras, toys, and numerous other products.

A tariff that would be suitable with respect to imports from European countries would in most cases be wholly inadequate with respect to imports that come from Japan and other low-cost countries. On the other hand, if the tariff were tailored to fit the low-cost countries it would be too high with respect to European countries. It would in fact exclude them from this market.

It is under situations of this kind in particular that import quotas represent a more suitable method of controlling imports than does the tariff. This follows from the fact that each tariff rate applies alike to all countries (under the most-favored-nation clause) other than the Communist-controlled ones. Under the Trade Agreements Act of 1951 the latter must pay the unreduced rates of the Tariff Act of 1930.

The antiquota provision of GATT therefore is regarded by many who face the import problem as a most unfortunate and unjustified interference by the State Department with the legislative and regulatory functions of Congress.

THE MOST-FAVORED-NATION CLAUSE

The incorporation of the most-favored-nation clause in our many treaties of friendship, commerce, and navigation has brought inconvenient and perplexing complications to tariffmaking. Those who are not familiar with this clause may suggest tariff rates based on differences in labor standards, costs of production, or the like. Such tariff treatment would be in direct conflict with the most-favored-nation clause no less than with the principle of nondiscrimination of GATT.

Some tariff proposals overlook this fact and would provide a number of rates, one applying, say, to Japan, another to Italy, and yet others to other countries, depending on their competitive levels, as influenced by wages or other conditions.

It is precisely because we can have only one tariff on a given product, regardless of its country of origin (with the exception of the Communist countries) that the tariff becomes ill suited to its usual purposes, and recourse must be had to other methods of import regulation, such as import quotas.

IMPORT QUOTAS VIRTUALLY LIMITED TO A FEW FARM PRODUCTS

The United States has indeed imposed some import quotas on several farm products, namely, wheat, wheat flower, raw cotton, certain dairy products, peanuts, tung oil, and from time to time on other farm products. These quotas are authorized by section 22 of the Agricultural Adjustment Act; and may or may not fall within one of the three exceptions to the antiquota provision of GATT. One of these exceptions permits the imposition of import quotas on agricultural imports if there is a governmental program that limits domestic production.

Our quota restrictions on dairy products have been held by GATT to be in violation of this exception since any import quota imposed under the provisions of GATT is not to cut imports more sharply than domestic production has been cut. GATT, however, granted the United States a waiver under the promise from us that we would conform with the GATT provision as soon as possible. We have not yet done so but GATT has invoked no sanctions against us.

The question arises whence GATT derived the power to regulate our imports of dairy products to the extent of telling us what we cannot do. The answer is that the State Department extended this authority to GATT by the executive agreement known as GATT itself.

The dairying industry may thus be on the verge of losing any effectiveness of petition to Congress because GATT may supersede Congress in the matter of import quotas.

The import quotas on wheat and wheat flour and on raw cotton are highly restrictive and permit only a miniscule percentage of the domestic market to be supplied by imports. Justification is based on the price support program, and section 22, already mentioned, which is a part of that program.

We also have an import quota on petroleum and petroleum products. This was imposed under the so-called national security section of the Trade Agreements Act of 1958. Under this section the Office of Civil Defense Mobilization may recommend action to the President to prevent the impairment of an industry deemed to be vital to the national defense. Petroleum is the only product that has been so certified by the OCDM.

The only other nonagricultural product on which an outright import quota has been imposed is a mineral product, namely, unmanufactured lead and zinc. This quota was imposed under the Escape Clause of the Trade Agreements Act on October 1, 1958, and reduced imports to 80 percent of the 5-year average from 1953–57.

TARIFF QUOTAS

We have a small number of so-called tariff quotas. These are not true quotas in the sense of representing an absolute limit on imports. They permit a stated quantity or an ascertainable quantity of imports at a specified rate of duty. All imports in excess of this quantity are subjected to a stated higher rate; but there is no limit to the total quantity of imports.

In 1959 such a quota was placed on stainless steel flatware. A similar quota existed with respect to woolens. This was negotiated under GATT; but was set aside in favor of a rate lying between the lower and the higher rate in 1960.

The importation of sugar is regulated by an import quota under a special act of Congress, beginning with the Sugar Act of 1934, known as the Jones-Costigan Act.

The long and the short of it is that this country has a relatively small number of import quotas, limited largely to the imports of agricultural products. Industrial goods, manufactured items, semifinished goods and raw materials, with the exception of two mineral products already mentioned; namely, petroleum and unmanufactured lead and zinc, have been excluded from quota protection.

This exclusion may represent an unconstitutional deprivation of the right of interested parties to have consideration of vital questions affecting them decided on their merits in particular cases.

FURTHER ENCROACHMENT ON CONGRESSIONAL AUTHORITY

The encroachment of the executive branch on the congressional authority to regulate foreign commerce has, in the eyes of many of the adversely affected parties, extended far beyond the impairment of the power of Congress to impose import quotas and to change tariff rates without upsetting international commitments.

It extends also to the remedy against the serious injury that may be incurred by an industry through a tariff reduction.

EXECUTIVE ASSURANCES TO INDUSTRY, AGRICULTURE, AND LABOR

At the very outset of the trade agreements program in 1934, President Roosevelt assured the Congress that it was not the intent of the program to injure American industry. Secretary of State Cordell Hull echoed these assurances before the House Ways and Means Committee and the Senate Finance Committee. He was strongly seconded by Assistant Secretary Francis B. Sayer, who also testified before both committees.

In subsequent years Presidents Truman and Eisenhower repeated these assurances; and so did successive Secretaries of State and their assistants, particularly William L. Clayton. Since 1947 high officials of the State Department and other witnesses have pointed to the escape clause in our trade agreements as a sure and prompt avenue of relief if injury resulted from tariff reduction.

THE ESCAPE CLAUSE

In 1951 an escape clause of its own was adopted by Congress in the Trade Agreements Extension Act of that year. This clause laid down criteria of injury and added import quotas as a possible remedy for import injury.

The reply made by officials and their supporters to the numerous complaints against the administration of the Trade Agreements Act has been and still is, first, that great care is taken before a trade agreement is made to make sure that no duty will be reduced below the so-called peril point or the tariff level below which serious injury would occur. Studies are made preparatory to trade agreement negotiations and public hearings are held, giving interested parties an opportunity to be heard, it is asserted. In recent years, moreover, the Tariff Commission itself has been directed by law to make "peril point" findings before entry into any trade agreement.

Secondly, it is further asserted, that if our negotiators do make mistakes and cut a duty too deeply or if unforeseen developments lead to a flood of imports, there is the escape clause. It is ready for use by any industry that finds itself in serious difficulties from rising imports. In other words, there is a remedy after a trade agreement is made.

FAILURE OF TRADE AGREEMENTS ADMINISTRATION TO FULFILL EXECUTIVE ASSURANCES

This double-headed answer to complainants suffers from three fatal defects.

1. Finding of a peril point is a speculative venture by six mortals of the Tariff Commission who, as all other mortals, lack omniscience. They are expected to determine what will be the effect on imports of a given item if the tariff is reduced a given amount. Since they do not know what the effect of the existing tariff is, because there is no way of measuring the effect, they cannot possibly know what would be the effect if it were reduced 10, 20, 35, or 50 percent.

Bitter complaints have been heard over the extremely short time allowed for the peril point findings. In 1960 upward of 2,000 items were processed in a matter of 2 months of hearings. The complaint, while seemingly justified, may be regarded as beside the point because the peril point could not be found ahead of an actual tariff reduction regardless of the amount of time spent on futile inquiry.

The preparation for a tariff reduction undertaking must at best be a great game of guesswork and the weighing of possible political repercussions if the tariff on such and such item is reduced. This preparation, aside from the finding of the peril point by the Tariff Commission, is in the hands of the Trade Agreements Committee, composed

of representatives of seven or eight executive departments and the Tariff Commission. They sit under the name of the Committee for Reciprocity Information (CRI) as a hearings board and conduct hearings on the same items on the same day as the Tariff Commission. They are not concerned with the peril point but may advise the President to disregard it, which he may do. He has but to write a letter to two congressional committees stating his reasons for so doing. The CRI presumably furnishes him with the reasons.

The hearings before the CRI are as hasty as they are before the Tariff Commission. A half day may be given to a group of items.

The great precautions taken in preparation of a trade agreement are in fact no more than hit-and-run inquiries that satisfy neither the principles of sound inquiry nor the witnesses who are heard. The extremely hasty methods followed are in sharp contrast to the deliberations under the escape clause procedure, which represents action to remedy the errors of tariff reductions.

2. The law requires that before a duty is reduced in a trade agreement the President must find "as a fact" that the existing duty on any given product is unduly burdensome and restrictive of trade. Either no such findings have yet been made or they are kept a secret. The Committee for Reciprocity Information has steadfastly refused to expose any such findings.

That such findings are not made would seem to follow from the fact that the presidential list that is prepared for negotiation with other countries and which is submitted for peril point findings to the Tariff Commission has contained numerous products whereof the importation in recent years had doubled or increased even more sharply. Under such circumstances a finding that existing duties are unduly burdensome and restrictive of trade would be very difficult indeed.

Since the Tariff Commission is asked to find the peril point on such items it follows that in the judgment of the White House a duty could still properly be reduced even if imports paying the existing rate had increased several-fold.

3. The final answer made to complainants is that even if errors are committed by the negotiators at Geneva and tariffs are cut too deeply, the domestic industry is backstopped by a sure remedy under the escape clause.

The domestic industries that have brought cases under this clause, with few exceptions, regard these assurances as the most cynical of all.

THE RECORD UNDER THE ESCAPE CLAUSE

The record speaks for itself. It shows a 10-percent effectiveness.

The record of the Tariff Commission has fluctuated widely. It is felt that this fluctuation is traceable to the influence of the presidential appointive power. The members of the Commission are appointed by the President for a 6-year term. Not more than three are to be from any one political party. The President names the chairman.

For a considerable period after 1947 the Commission, as it was then constituted, rejected one industry application after another. Later, under a different group of commissioners appointed by a different President, a considerable proportion of the cases resulted in findings of injury by the Commission and recommendations for a higher tariff or an import quota to the President.

On its part the presidential record of honoring the findings of the expert body, i.e., the Tariff Commission, set up by Congress to perform the technical and detailed functions of tariff adjustments, has been remarkably negative. Only one case in three has succeeded in gaining the White House support. Among the cases vetoed by the White House were six unanimous Tariff Commission recommendations. Among the 11 cases actually promulgated by the President were four cases in which he diluted or watered down the Commission's recommendation. This presidential modification of Commission recommendations was halted by a customs court decision and later affirmed by the Supreme Court.

For a period of 27 months beginning in January 1959, under a new chairman and one new member, marking a new departure, the Commission processed 25 cases and made a recommendation to the President in only 2 cases. A number of the findings were 4–2 decisions. This meant that only two cases or one-twelfth of the total gained approval of the Commission in over 2 years' time.

The composite record under the escape clause from 1948 to early 1961 was as follows:

Cases completed by the Tariff Commission	113
Applications dismissed by the Commission	14
Cases in which no injury was found	50
Cases in which serious injury was found	28
Cases in which Commission divided equally	7
Total	99

Fourteen other cases were either terminated without a formal inquiry or were withdrawn.

Thirty-five cases of the 113 went to the President, 7 of them under equally split decisions.

The President took positive action in 13 cases; but later dropped 2 of them, thus leaving only 11 in effect. These are largely on products of minor commercial status with two or three exceptions: namely, lead and zinc, bicycles, and watches. The others are safety pins, dried figs, clinical thermometers, linen toweling, spring clothespins, etc.

The administrative record under the system that calls for a Tariff Commission recomendation to the President after a trade agreement is made has therefore failed as fully as have the preparatory steps preceding the trade agreements, to provide domestic industry and its workers with the safeguards that were repeatedly promised.

STATE DEPARTMENT DOMINATION OF THE SCENE

Principally this hollow record may be attributed to the domination of the scene by the State Department and the President, to the virtual exclusion of Congress. Considerations of international relations have pushed consideration for domestic producers to one side. Presidential appointment of members of the Tariff Commission, including the designation of the chairman, has virtually assured the implementation of executive policy rather than that of Congress.

Since both the President and the State Department are heavily engaged in the conduct of foreign affairs and since the fortunes of domestic producers have been delivered into their hands, it is not surprising that the pleas from these domestic sources fall on remarkable deaf or foreign policy attuned ears. Their interests are left virtually without counsel at the bar. Members of Congress, who are in the one branch of the Government that is responsive to the people back home, are no longer able to respond to, support, or defend their constituents even though the Constitution provides that they, the legislators, and not the executive branch should regulate our foreign commerce.

EMIGRATION OF INDUSTRY

The upshot is that now that imports have succeeded in penetrating our market in unprecedented fashion, driving domestic manufacturers before them, these find themselves denuded of defenses and therefore at the mercy of imports. They have tried the remedies provided by law and have found them empty. In self-defense many of them have sought and continue to seek escape, no longer through the escape clause, which they have found wanting, but by investing in foreign countries.

These unsatisfactory conditions cry out for a remedy.

It would be far better to forget the preparatory cautions prior to negotiation of a trade agreement as these have been carried out. The peril point findings provide a spurious assurance against reckless tariff cutting while the CRI hearings must have been highly hypocritical, considering how far our tariff has been dismantled. With all the caution our tariff has been reduced, one way or another, by 80 percent. Evidently this took a lot of study and caution. A meat ax would have served as well and would have deceived fewer people.

The need today is for a proper remedy, available and applicable when it is needed. The test of a tariff reduction comes to light in the results rather than in the process of preparation for the reduction.

The United States and all other members of GATT reserve the right in making a trade agreement to remedy injury by restoring the tariff part way or all the way back to its previous level. This question should then be nothing more than one of fact; and it is the function of the Tariff Commission to make this finding. The rest should be automatic and could not support either resentment or retaliation by other countries. They have the same right as we and they put on or take off restrictions at will and with impunity—with one difference: they do not bother with so cumbersome a process as our escape clause. Moreover, we have compensated other countries in those few instances of tariff increases as a result of escape clause actions, by reducing the tariff on other items. Thus there can be no grounds for retaliation.

FREE ENTERPRISE IN THE SKY OR MONOPOLY CONTROL OF SPACE SATELLITE COMMUNICATIONS?

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. ROOSEVELT] is recognized for 30 minutes.

Mr. ROOSEVELT. Mr. Speaker, no one questions that in the very near future the United States will be capable of launching a worldwide communications system, linked by space satellites orbiting the earth.

The issue now confronting us is who shall launch and control such a system, the conditions under which it will be operated, and the responsibilities of its overseers to the public, both in the United States and elsewhere in the free world.

President Kennedy, as you know, is deeply aware of these questions and the new problems which are imposed by the technology of a worldwide communications system.

In his address to the Congress on May 25, enumerating urgent national needs, he requested an additional $50 million in order to accelerate our development of space satellites for use in such a system. And on June 15 he asked the National Aeronautics and Space Council, headed by the Vice President, to make recommendations for the system's optimum development and operation. Those proposals have now been received by the President and he has set forth the policies which are to guide the executive

agencies in the furtherance of this important national endeavor.

The criteria set out in the President's statement represent a highly desirable set of objectives, which, if they can be attained, will insure that access to the system will be open to all.

The suggested requirement of a "nondiscriminatory use of and equitable access to the system by present and future authorized communications carriers" may prevent the system from being placed in the exclusive hands of the country's largest corporation and No. 1 monopoly, the American Telephone & Telegraph Co.—A.T. & T. Earlier this year that possibility was more than merely hypothetical, for A.T. & T. was then proposing that it be given sole operating rights to the new system and the Federal Communications Commission, it appears, was not hostile to such an arrangement. Turning over the free world's future in space communications to an A.T. & T. monopoly would have raised serious questions in the minds of our allies and signified to the world that America does not really believe in the competitive principles to which we avow allegiance.

However, despite the President's policy declaration that ownership and operation of the system should be in full compliance with antitrust legislation, the chances are still very great that A.T. & T. will be given a dominant hand in controlling the communications satellite system.

Precisely what role the U.S. Government is to play is not yet clear, but apparently it will not have any ownership interest in the system. Development and control, therefore, will be left in private hands, probably dominated by A.T. & T. Whether A.T. & T. is given the exclusive privilege of developing and operating this system, or whether the privilege is given to a consortium of private interests dominated by A.T. & T., makes little difference. Either approach raises grave questions of antitrust policy, whose full implications demand thorough exploration by the antitrust subcommittees of Representative CELLER and Senator KEFAUVER.

SIGNIFICANCE OF THE SATELLITE COMMUNICATIONS SYSTEM

How important is this new communications system, and what will be the consequences of its coming with private monopoly control?

The system will be of immense value to communications of all sorts—broadcasting—both audio and video—meteorological, earth navigation, space vehicle guidance, radioastronomy, and aerospace communications relating to safety and other matters. When the system is in full operation it will permit men throughout the world to communicate as efficiently as they now can within their own countries or cities for purposes of commerce, entertainment, diplomacy, defense, or research. Its potential is limited only by man's ingenuity.

Already the demand for efficient communications between nations is increasing at a tremendous rate. Between 1950 and 1960, for example, oversea telephone calls from the United States were increasing from about 1 million a year to nearly 4 million. In 1960 alone our volume of international communications grew by 20 percent over the prior year, as compared with 10 percent domestically. Worldwide, the number of telephones will double in the next 10 years, with much of this growth coming in foreign countries which, in the aggregate, now account for less than half of the world's phones. By 1965 the volume of this Nation's oversea telephone calls is expected to rise to 8 million, and by 1970 to 20 million—five times the number recorded in 1960.

All of this affords only a glimpse of the future growth in international communications. With the development of science many new devices for the interchange of information will be perfected, including many already being used in the computor field.

How does the satellite system contribute to the development of better international communications? It must be recognized that only some frequencies, those in the lower ranges, can successfully operate at more than line-of-sight distances. In these ranges, crowding already is extremely serious, with defense needs creating additional problems. The result is that between most countries, such as the United States and Europe, transmission is accomplished through use of cables.

But the use of cables has serious deficiencies. For one thing it is extremely expensive, the present undersea cable to Europe costing about $120 per voice-channel mile—with the cable carrying a mere 128 two-way telephone channels. Moreover, especially in relation to their cost, cables supply only very limited "bandwidth"; that is, they will accommodate just a few frequencies. Thus, to illustrate, all of the undersea cables plus the radio transmissions between this country and Europe supply a total bandwidth of only 1 megacycle. By contrast a color television broadcast calls for a 6-megacycle range. Hence the reason why television broadcasts cannot presently be transmitted between most nations.

But a satellite communication system would greatly expand the available frequencies by providing what are relay stations in space, permitting use of those in the ultrahigh range which are now not fully employed. A single system of satellite relays, for instance, would provide perhaps eight times the present total bandwidth capacity of all our communications facilities with Europe. Not only would many new channels be opened to use, but new types of matter could be transmitted, including television.

The importance of the satellite communications system to the country cannot, then, be seriously questioned. It is imperative, therefore, that the way in which the system is developed and the organizations which will be responsible for the job be subjected to the most careful scrutiny.

THE ANTITRUST IMPLICATIONS OF THE PROPOSED CONSORTIUM

Although A.T. & T. initially proposed that it be given exclusive control over the new system, and though it apparently is still prepared to go ahead on this basis, it is now clear that some sort of governmentally sponsored consortium, with A.T. & T. as the principal member, will receive the requisite approval. On July 25, 1961, in fact, the FCC announced that planning for the joint venture is to be carried out, in private, solely by representatives of the 10 existing common carriers engaged in international telecommunications.

What the FCC thus has now done is to shut its doors to the many corporations, not now engaged in international communications, which are anxious to be heard during the early stages of the system's creation. By its decision the Commission has excluded not only such large corporations as General Electric, Lockheed, and General Telephone, but also the many independent equipment suppliers who should be entitled to participate. The result is that the crucial decisions concerning the venture's development are being left to a small number of giant firms that are already firmly entrenched in oversea communications.

This is utterly inexcusable and represents a serious error which cannot be corrected later by inviting in additional representatives. Once the venture is defined by the 10 participating firms, led by A.T. & T., it will mean little for the FCC to go through the form of seeking the advice of other individuals and business firms. At the very least the FCC should promptly reconsider its decision and allow all interested parties, public and private, to participate fully in further proceedings respecting the development of the satellite system.

The nature of the FCC's proceedings should not, however, obscure the fact that a consortium, consisting of a relatively small number of major American corporations, with A.T. & T. by far the largest among them, is to be authorized to put the satellite system into operation and largely influence its use. Throughout, the venture will be actively encouraged and sanctioned by the Government in the form of the FCC. As such, therefore, the Government, or at least part of it, may be placing itself in the unfortunate position of aiding and abetting in the commission of antitrust violation.

In bringing together a number of alleged competitors in this fashion, whether we label it a "joint venture" or otherwise, the Government brings about some direct restriction on competition. Also, by supplying a meeting ground for firms which are now in commercial competition further dangers are created. The potential of this for the restraint of trade, other than that intimately linked with the satellite system itself, is enormous. As Adam Smith aptly noted many years ago, when competitors come together they seldom do so for merriment or, I might add, exclusively for the declared business at hand. The fear that the association of rivals in a joint venture may in fact diminish competition between them, outside the scope of the undertaking itself, has been duly noted by the courts; let me cite, specifically, Judge Wyzanski's opinion in *United States* v. *Minnesota Mining & Manufacturing Co.* (92 F. Supp. 947, at 963 (D. Mass. 1950)).

Moreover, the joint venture arrangement not only increases greatly the likelihood of Sherman Act violation, but it also creates the possibility of an infringement of section 7 of the Clayton Act. Obviously these serious potential implications of the consortium proposal deserve much fuller exploration; certainly that should be provided, and soon—before the various arrangements are closer to adoption.

But of the many ramifications of the plans now being considered for development of the system, the most serious, in my view, is that A.T. & T. will be given a place of effective dominance.

A.T. & T.'S ANTITRUST RECORD

To appreciate my opposition to A.T. & T's contemplated role in the system's development it is necessary to recall that firm's history of antitrust violation, for certainly no other company has a longer and more distasteful past. Its involvement in patent-abuse litigation alone would fill a book. And just last month the Assistant Attorney General in charge of antitrust reported that A.T. & T. is once more under investigation. But here let me focus merely on the 1949 case in which the Justice Department accused the company of monopolizing the country's telephone service and the supply of the necessary equipment. At that time A.T. & T. owned and operated more than 98 percent of the long-distance telephone facilities in the country; it controlled operating companies which furnished over 85 percent of the local telephone service. Its subsidiary, Western Electric, manufactured and sold between 80 and 90 percent of all telephone apparatus and equipment sold in the United States. I might note here that Western Electric's overwhelming share of the market was not the product of competitive struggle; instead it stemmed from the fact that A.T. & T. requires its operating companies to buy virtually all of their telephone equipment from Western Electric. Through its dominant position, both in the provision of telephone service and in the supply of equipment, it was charged that A.T. & T. had succeeded in eliminating competitive manufacturers of equipment and in monopolizing the industry.

A.T. & T. did not contest these allegations of wrongdoing, as it had a perfect right to do. Instead it chose to negotiate a consent settlement, arrived at under highly irregular circumstances, as has been pointed out by committees of Congress, including Subcommittee No. 5 of the House Select Committee on Small Business, of which I have the honor of being the chairman. The result was to leave A.T. & T.'s monopoly position undisturbed, its control of Western Electric, the manufacturing subsidiary, secure. As I said on the floor in 1956:

> The consent decree merely solidifies and gives Government sanction to the very monopoly which the complaint was designed to break up.

Today A.T. & T. remains what it has been for many years, an undeniable monopolist, and the world's largest corporation—whose assets of $23 billion are greater than those of Standard Oil of New Jersey, General Motors, and United States Steel combined. It has violated our antitrust laws, but it has not yet paid the price which it should be assessed.

Under these circumstances to give it a principal voice in the perfection of our satellite communications system would indeed be an error, and would only make mockery before the eyes of the world of our declared belief in competition.

Already A.T. & T. has a monopoly in our foreign communications, being the sole licensed international telephone carrier. To insulate its position by giving it effective control of the new satellite system, whose potential is undefinable at this point in our technological development, would be a major blunder. In the light of its past history, A.T. & T. can reasonably be expected to exploit its position to the fullest possible extent. The accompanying impact on independent manufacturers of communications equipment and on the developers of communications systems would be devastating, shutting them out of this vast new market.

For one thing, if A.T. & T. is given a prime position in the system's development it can be expected to do as it has done in the past; namely, purchase virtually every piece of equipment from its wholly owned supplier, Western Electric, and conduct its research in the Bell Laboratories, aggrandizing to itself a stranglehold on the key patents and the accompanying know-how. Not only will it thus seize and freeze the critical technical information needed for future scientific advances, but it will also freeze out of this market numerous independent equipment manufacturers. This is precisely what it has done throughout its long history.

Moreover, by gaining preeminency at this early stage of development, A.T. & T. can extend its monopoly from the system itself to the related communications uses—broadcasting, telephonic, navigation, space guidance, and so forth. It has long been a cardinal principle of A.T. & T. that its services do not end with the mere transmission of electric impulses, but extends from the sending apparatus right on through to the receiving instrumentation. Its argument has been that the most efficient use of a communications network requires that all of the components must be compatible and standardized. Suffice it to say that most of these integral parts are produced and sold by Western Electric. Given a wedge into a new field A.T. & T. is quick to expand its dominant position. This is virtually certain to happen in respect to the satellite system, and since that system can be used for so many purposes, ranging from the telephone and broadcasting to the presently unknown, the opportunities for excessive private enrichment are unlimited—and frightening.

WILL THE FCC BE ABLE TO PROVIDE ADEQUATE PROTECTION FOR THE PUBLIC INTEREST?

One argument frequently made, and certain to be asserted again, is that we should not be concerned about A.T. & T.'s position in the system's development or about the antitrust aspects generally since the FCC will provide adequate regulatory protection. Analysis suggest that this argument has little in its support.

First, as Congressman HOLIFIELD remarked on July 17, the FCC over the years "has been unwilling or unable to ascertain the reasonableness of rates charged by A.T. & T. for such essential services as oversea communications." It was not in fact until June 30 of this year that the Commission even asked for data from A.T. & T., so that it might be in a position to evaluate the company's level of earnings on its oversea communications services. Certainly it will be a very long time before the FCC can determine whether the company's oversea charges are just and reasonable, as the Communications Act demands. Some day, perhaps years from now if past experience is to be a guide, the FCC might also take up the matter of charges assessed in connection with use of the space satellite system. In the interim, and no doubt a very long interim at that, A.T. & T., and any other private corporations which might be involved would be free to charge what the traffic would bear. Since only one system can be put aloft, at least to begin with, these firms would be in a very powerful economic position indeed. Its importance is underscored by A.T. & T.'s own prediction that by the late 1970's the annual commercial revenues of the satellite system could easily reach several billion dollars.

Second, from the standpoint of legal competence, the FCC is ill equipped to deal with the antitrust aspects of the problem. The Supreme Court has said, in this connection:

> The Communications Act was not intended to nor did it give to the Commission any authority or power to decide or pass upon antitrust issues as such.

I refer here to its opinion in the RCA case (358 U.S. 334), where the Court was reviewing action of the FCC approving a TV station swap which was subsequently deemed violative of the antitrust laws. This comment seems most apropos in view of the FCC's role in putting together a consortium of the kind it is presently proposing.

SERIOUS QUESTIONS TO BE CONSIDERED

Certainly we all want to preserve and expand opportunities for private enterprise. The development of the satellite communications system should be no exception, as long as the criteria spelled out by the President can be achieved. Certainly there must be nondiscriminatory use of and equitable access to the system by all present and future authorized communications carriers; there must be protection for large and small equipment suppliers; there must be full compliance with the letter and the spirit of the antitrust laws; and there must be a system whose benefits are reflected in oversea communication rates and whose advantages are available to the entire free world.

In my opinion, however, there is a serious question whether these laudable objectives can be achieved in a system put exclusively into the hands of private

interests of the character which are involved here. Might not some Government ownership or Government participation of a unique kind, in this new kind of program, better preserve private enterprise, both in this field and in many other fields which would feel the weight of a private communications monopoly? Certainly such Government participation would help insure that all private firms would have unimpeded access to the system and that independent developers and suppliers of equipment would have equal opportunity to compete for and help develop the necessary equipment. Moreover, in view of the many serious defense, diplomatic, and legal issues that inevitably will arise as the system is developed and rendered operational, a proprietary role for the Government might have especially valuable longrun advantages.

CONCLUSION: THE NEED FOR CONGRESSIONAL HEARINGS

If the satellite communications system is to be developed in the national interest, it is imperative that it be kept out of the tight grip of the A.T. & T. monopoly. Yet, as things now stand, that corporation, in an alliance with a few other firms, is likely to be given a leading place in the system's creation and operation. This must not be allowed to happen.

The whole question of the system's development, from the standpoint of conformance to antitrust policy generally and specifically with reference to the role of A.T. & T., should be examined promptly and intensively. I strongly urge the House and Senate Antitrust Subcommittees to give this entire matter their earliest and most serious attention.

INCREASING FUNDS AVAILABLE FOR PROVIDING FINANCIAL ASSISTANCE FOR MASS TRANSPORTATION FACILITIES

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from New Jersey [Mrs. DWYER] is recognized for 10 minutes.

Mrs. DWYER. Mr. Speaker, I have today introduced a bill to earmark for mass transportation purposes an additional $300 million of the funds made available by Congress this year under the public facility loan authorization of title 2 of the Housing Amendments of 1955.

The purpose of this bill is to make it possible for governing bodies of urban areas to attack vigorously right from the beginning the problem of deteriorating mass transportation service—an objective which Congress for the first time this year undertook to accomplish.

This is a problem of the utmost seriousness, Mr. Speaker, perhaps our most important so-called domestic problem. It is an essential element in our Nation's overall ability to mobilize our national strength to meet present and future international crises. Without an effective transportation system, to move the material and the people on which our strength is predicated, we will be vulnerable to delays, to slowdowns, and to gradual strangulation of our economic system which could mean the difference between victory and defeat. The situation is particularly critical in those metropolitan areas where both our population and our production are concentrated.

The present bill, Mr. Speaker, which I am pleased to join with our colleague [Mr. MCDONOUGH] in sponsoring, provides for no new spending whatsoever. As our colleagues will recall, Congress this year increased from $150 million to $650 million the revolving fund from which the Housing Administrator is authorized to purchase the obligations of municipalities or other local government units to finance essential public works where such financial assistance is not otherwise available on reasonable terms. While the President requested only an additional $50 million for public facility loans, the Congress saw fit to increase this 10 times over. Of this additional $500 million Congress reserved $50 million for a new program of mass transportation loans. The remainder, $450 million in new funds, plus the original $150 million in the revolving fund, must be reserved for such projects as construction of water supply and sewerage systems.

The premise on which this bill is based is that in terms of the national interest the preservation and improvement of mass transportation facilities deserves a higher priority than it is now receiving in the public facility loan program. Under the bill, a total of $350 million of loan funds would be reserved for mass transportation purposes, while the other $300 million would be reserved for other public facilities.

This would still make available for nontransportation community facilities a total loan fund 50 percent above that requested by the President. Our experience under this particular program leads me to believe that $300 million will more than meet the demand for loans from our smaller communities. On the other hand, due to the extensive decay of mass transportation facilities and the need for immediate action to save what we still have, $350 million seems the very minimum needed to get this new program underway.

This is a time for priorities to be determined and to be put into effect. The vast majority of our people live in metropolitan areas. Most of our industrial production is centered in these areas. Virtually all our major financial institutions, communications media, and other organizations which service the American people are concentrated in a relatively small number of large urban areas. The intricate pattern of organization which holds these systems together and permits them to function effectively depends upon transportation. A failure in urban area transportation will mean a failure throughout our entire economic system.

The situation, Mr. Speaker, is just as dramatically critical as these words would indicate. Unfortunately, however, the symptoms of deterioration are seldom so dramatic. The process of transportation decay and strangulation is a slow and gradual one. Over a period of time, more and more people abandon public transportation and resort to private automobiles. Streets and highways and parking spaces become more and more crowded. As the cycle develops, mass transportation services decline further from lack of adequate financing and thereby drive more and more people onto the highways, further clogging and jamming traffic arteries. Unless this trend can be reversed sharply and soon, far more expensive adjustments in our economic life will be required.

A few facts and figures, Mr. Speaker, will illustrate the gravity of our present situation. Of the nearly 180 million persons counted in the 1960 census, approximately 113 million reside in standard metropolitan areas. Most of the Nation's population growth during the decade of the 1950's occurred within these metropolitan areas—a population increase of 26 percent in the 212 metropolitan areas as against a 7-percent increase for the remainder of the country. Despite this population growth, the same 10-year period witnessed a marked decline in the number of passengers carried by urban and suburban public transportation systems. In 1950, 17.2 billion passenger rides were provided by these carriers; in 1959 the total dropped to 9.6 passenger rides—a decrease of 45 percent. Railroad commuter patronage, principally in the New York, Chicago, and Philadelphia metropolitan areas, likewise fell off, from 277 million passengers in 1950 to 240 million in 1958—an 8-year decline of 13 percent. Overall, the present volume of transit and railroad commuters is only about 40 percent that of the wartime year, 1945, in spite of the tremendous growth of our population.

This loss of patronage by public transportation services has had a devastating impact on our urban areas. Only 2 of the 13 important suburban railroad services are reported to have been breaking even in recent years. Local and interurban bus companies have also lost heavily. As a result, many smaller cities have suffered a complete loss of transportation service. Drastic discontinuance of transit service has been general. Little or no equipment modernization has been undertaken in recent years. For instance, less than 20 percent of the nearly 50,000 motor busses used for urban transportation in 1959 had been acquired within 5 years. More than one-half were at least 10 years old. Less than 25 percent of the industry's trolley coaches were less than 10 years old and only 3 percent of its surface railway cars were under this age. In New York State alone, there has been a net loss of 103 regular route bus carriers serving 73 communities. In every major metropolitan area there has been significant reduction of rail service while all service on some lines has been discontinued. The Interstate Commerce Commission alone has permitted 136 trains to be discontinued since 1958, of which more than 40 were in suburban service.

It is evident to all that we are in the midst of a vicious cycle, a cycle of increasing speed and seriousness which can

literally choke our Nation to death. Inadequate maintenance, unreliable schedules, physical discomfort, increasing fares, all have led to reduced patronage, and as patronage declines there is further impulse to cut corners, reduce maintenance, and otherwise deteriorate facilities and service.

As severe as our urban transportation crisis has become, Mr. Speaker, it has brought with it increasing public awareness of the seriousness of the situation. The volume of public attention to mass transportation needs on the part of public officials and citizens alike has grown strikingly in the last 2 or 3 years. In city after city, efforts have been made to save and improve this service. In most cases, however, local officials have run into several insurmountable obstacles: the high cost of transit equipment and service; the limited financial capacity of individual communities; and the fragmented governmental jurisdiction throughout most large metropolitan areas, especially interstate metropolitan areas. In some instances, individual communities in a metropolitan area have devised ways of joining together in a coordinated attack on deteriorating transportation service. In almost every case, however, financing need has exceeded the capacity of the local governments to supply.

This is where the Federal Government's responsibility begins. Where local communities have been unable to take adequate action in an area where the national interest is deeply and directly involved, the Federal Government must help. Congress has recognized this responsibility to a limited extent in the Housing Amendments of 1961, to which I earlier referred. By providing grant funds for mass transportation demonstration projects and by extending the urban planning grant program to include urban mass transportation planning, Congress has recognized that without adequate planning there will be waste of money, an increase of blight, and further duplication and mislocation.

Likewise, congressional insistence that mass transportation loans be made available only to metropoiltan or urban areas having or developing a comprehensive and coordinated areawide transportation system makes a great deal of sense. On the other hand, limiting available loan funds to $50 million, even as a beginning, does not make sense. The immediate need is far greater. If we are to help arrest the cycle of deterioration and begin the work of strengthening the transportation systems on which our Nation depends, then we must be much more realistic about the cost of doing this work.

As I have emphasized before, we have already made this money available. This bill will involve no new or additional spending. It is simply an effort to obtain a more rational distribution of the funds which have already been voted. It is a matter of giving priority to projects which are not simply desirable but which involve the national security and could be decisive to our national survival.

HOW TO SAVE HALF A TRILLION DOLLARS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina [Mr. JONAS] is recognized for 10 minutes.

Mr. JONAS. Mr. Speaker, the daily statement of the United States Treasury, issued July 26, 1961, stated that the national debt of the United States was $293,064,323,332.79 on that day. The Wall Street Journal stated in its issue of August 1, 1961, that this was the highest level of public debt ever owed by the Federal Government in the entire history of our country.

The Treasury statement for July 27, 1961, indicated that the national debt had gone up nearly $10 million from the previous day.

Just to pay the interest on the national debt for one year costs the taxpayers approximately $9 billion dollars—$8,962,206,472 during fiscal year 1961 according to the monthly statement of receipts and disbursements of the United States Government issued by the U.S. Treasury Department covering the period from July 1, 1960, through June 30, 1961. According to this same monthly statement, net receipts from Internal Revenue, customs and miscellaneous receipts during fiscal year 1961 amounted to $78,227,026,906. Based upon these official figures issued by the United States Treasury Department, it will be seen that it takes 11 cents out of every dollar collected by the Federal Government from Internal Revenue taxes, customs, and miscellaneous receipts, just to pay the interest on the national debt. This leaves only 89 cents out of each dollar collected by the Federal Government to pay for national defense, welfare, agriculture, commerce, and all of the other regular activities of the Government.

But this is not the full story of the obligations of our Federal Government. The national debt previously referred to includes only the funded debt subject to statutory limitations. If to this funded debt should be added the other obligations which Congress has committed the Government to pay in the future, instead of the Federal Government owing $293 billion the amount would be more nearly $750 billion. Making up these commitments obligating the Government for future spending are such programs as pensions and compensation for war veterans and their dependents, accrued liabilities for pensions for retired military personnel, unfunded liabilities for civil service retirement, requirements to complete civil public works projects already underway, subsidies for existing public housing projects, and so forth.

It should be understood that these commitments for future spending, which equal $450 billion and which are in addition to the $293 billion national debt, are in addition to annual requirements for national defense, space exploration and for regular operating expenses of the various departments and agencies of Government.

In the face of the fact that the Federal Government already owes $293 billion in national debt, and has committed itself to spend more than an additional $450 billion in the future, in addition to requirements for national defense and normal operating expenses, the present administration has proposed new programs and an expansion of existing programs which will cost $46 billion. Some of this additional cost will be funded through increased taxes, such as highway user taxes and social security taxes, and will not have any impact upon future budgets. Some of the new spending will be financed through back-door spending—borrowing from the Treasury—while some of it will be financed through side-door spending—contract authorizations. But whether the new programs will be financed through appropriations by Congress, back-door or side-door spending, or through increased excise and payroll taxes, the net result will be that the taxpayers will be required to put up the $46 billion in added costs for these new programs or expansion of existing ones. And all of this is over and above the three-fourths of a trillion dollars we now owe or have already obligated the Government to spend.

Unless the Federal Government defaults at some future date on its financial obligations, which of course is unthinkable, present and future taxpayers will have to put up the money to discharge these obligations. There are those who believe that Congress is justified in saddling off such a huge debt on future generations. I am not among that number and believe that there is a limit beyond which we should not go in piling up additional obligations on present and future taxpayers. And I am one who believes that that limit has already been passed.

In view of the somber television speech delivered by the President of the United States the other evening, we are going to have to spend far more than originally contemplated during the current year and during the foreseeable future on national defense and security. I am willing to go along with the administration on such increased spending, providing the waste and fat are eliminated and that the funds appropriated are prudently spent. I am satisfied that the people of the country are way ahead of the administration on this score and that they are willing to make whatever sacrifices may be necessary to keep our country safe and secure in this troubled world. But I think they also have a right to expect that their Representatives in Washington, whether in the Executive Mansion or in the Congress, take the necessary steps to see that unnecessary spending is curtailed and to sacrifice some programs that ordinarily might be justified but which cannot be justified in view of the heavy commitments already made for future spending on existing programs.

There is a step this Congress could take which would ultimately save the taxpayers approximately $450 billion

over the next 100 years. Now I can visualize the smiles on the faces of those who hear this and read it because not many of us will be around 100 years from today. Perhaps that is the reason so little enthusiasm has been generated over the proposal to begin reducing our national debt by at least 1 percent a year. I have a resolution pending in the House of Representatives, and many other Members have similar resolutions, expressing the sense of Congress that our national debt should be reduced annually by an amount not less than 1 percent a year.

I realize that if Congress should adopt this resolution, it would not be binding upon subsequent Congresses, but nevertheless I believe such a resolution would have a salutary effect upon future Congresses and the results would soon become so apparently satisfactory that I doubt if any future Congress or administrations would dare discontinue the program. But let me explain why this is important even to those who will not be around 100 years hence.

First, if we do not start reducing this debt, the Government is going to pay out in interest alone an amount equal to the national debt in a little more than 30 years, but we will still owe every single dime of the principal—9 times 32 equals $288 billion.

Second, if we would just start this program now—a program of paying 1 percent on the national debt each year—at the end of 30 years the principal would have been paid down to such a level that the Government could continue the program thereafter and not be required to pay out any more on principal plus interest than it is now paying on interest alone. So by starting this program immediately and continuing it for 100 years, we would save the taxpayers of the United States almost one-half of a trillion dollars in interest, and after the first 30 years we would not be paying out any more money each year than we are now paying in interest.

The following tabulation will show how we could save the taxpayers of the United States not less than $450 billion if we would start this curtailment program and carry it through to completion:

	Billion
National debt	$293
Interest per year	9
Over a period of 100 years the interest will cost 100×9	900
But we will still owe the principal	293
Total	1,193
If we would start paying 1 percent on the national debt each year:	
The cost in interest would be not less than	450
But the principal would have been paid	293
Total	743
Savings for the taxpayers	450

So it is cheaper by $450 billion to pay the national debt than to owe it. Why do we not save this nearly one-half trillion dollars? We could provide a great deal of national defense, build many highways and construct many public works projects with the money we are now spending for the privilege of owing a funded debt of $293 billion. The $9 billion a year we pay out in interest will not build a single dam, a mile of highway, or a schoolroom; it will not buy a single gun, plane, tank or missile; nor will it be available for defraying the operating expenses of the Government.

I wish the Committee on Ways and Means of the House would report out one of the pending resolutions expressing the sense of Congress that the orderly program of curtailing the national debt should be inaugurated forthwith. But since these resolutions have been pending for several years before that committee, I do not anticipate any favorable action unless sentiment at home can be mobilized in favor of the program. If you would like to see our Government save this half trillion dollars, I would suggest that you let your wishes be known.

THE SMOKEY BEAR SAGA

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OSTERTAG] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, the U.S. Forest Service recently made available to me a life-size photo of former President Eisenhower holding a replica of Smokey Bear, the fire-preventing forest ranger. Until this year the picture has been part of a forest fire prevention display at Forest Service Headquarters, and it recalls the event 8 years ago at the White House when the President received the first Smokey Bear replica manufactured under a licensing agreement approved by Congress. The licensing provisions had been established by legislation I had joined in sponsoring in Congress the year before; it was enacted into law as the Smokey Bear Act.

The Smokey Bear story has been heartwarming and rewarding and may now be moving toward still another significant milestone.

A drawing of Smokey Bear attired in dungarees and an old-styled ranger's hat became the symbol in 1945 of the cooperative forest fire prevention campaign conducted by the U.S. Forest Service and State foresters. The drawing carried the caption: Smokey says—"Care will prevent 9 out of 10 forest fires," and copies were displayed throughout the country. In 1950 Smokey became a living symbol and the entire fire prevention program in the country received an amazing boost.

In the wake of a severe forest fire in the West that year, a forest ranger rescued a small black cub and nursed him back to health. The cub was soon named Little Smokey and was sent to Washington's National Zoological Park to become the living symbol of forest fire prevention. There he has entertained millions of children and adult visitors in the past decade.

The new Smokey quickly captured the imagination of the country, and private and business groups began to use his likeness in unrelated projects. To assure that Smokey's likeness would continue to be used in a suitable manner, I introduced legislation establishing necessary safeguards and providing for an orderly commercial education support program. The legislation was adopted unanimously by the House of Representatives and the Senate and signed into law by the President.

The Smokey Bear Act provided that a special committee will pass on all requests for using the Smokey Bear symbol and royalties will be paid for any commercial use of the symbol. Over the past 8 years, the Smokey Bear program has brought in more than $200,000 in royalties and these funds are used to support the nationwide forest fire prevention program. Royalties have come from the production of stuffed animals, books, T-shirts, games, records, cookies, sports equipment, puppets and a host of other items.

Under the fire prevention education program, 20 million pieces of informational materials were distributed last year, including posters, pamphlets, calendars, decals, books and Smokey Bear Junior Forest Ranger handbooks. Public service announcements valued at $14 million were contributed free of charge by newspapers, radio and television.

The Junior Forest Ranger program enables the Forest Service to provide an official kit of fire prevention materials to each boy and girl who writes to Smokey Bear headquarters. More than 3½ million young Americans have enlisted in the cause of forest fire prevention, and Smokey still receives about 1,000 letters each day.

This unusual effort has brought a gratifying reduction in the destruction of one of our most important national resources—our forest lands. In 1957, for example, the number of man-caused forest fires in the country fell below 100,000 for the first time in history and the acreage burned was below 4 million. This record has continued each year since then. Compare those totals with the destruction from forest fires just 15 years earlier: 205,000 fires that burned 31 million acres. Foresters estimate that the Smokey Bear program has saved forest resources valued at $10 billion.

One aspect of the Smokey saga that has not progressed as successfully, however, is the matter of Smokey's quarters at the National Zoo. He is housed in a cage similar to the other bears; but his fans have always felt that he should live in a special ranger station home with

his uniform and equipment on display. In fact, the question most frequently asked of zoo attendants is: "Where is Smokey's uniform?"

Junior Forest Rangers have contributed more than $2,500 in pennies, nickels and dimes over the years toward this goal, but this is far short of the sum needed. Now, however, there is fresh hope for Smokey. A major improvement program for the zoo is about to get underway and plans are being drawn for a new ranger station to house the country's most famous bear. Smokey's supporters are hopeful that his great contribution will be recognized and rewarded soon. Certainly the educational impact of appropriate headquarters for Smokey will result in the savings every year of forests, wildlife, and recreational facilities whose value far exceeds the cost of constructing the new buildings.

PROVIDING CRIMINAL PUNISHMENT FOR INTERFERING WITH AIRCRAFT IN FLIGHT

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Colorado [Mr. DOMINICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DOMINICK. Mr. Speaker, our newspapers yesterday again carried a grim reminder of a grievous oversight in our laws which subjects passengers and crewmembers of our airlines to unnecessary dangers to their lives and property by failing to provide for adequate punishment for criminal acts committed on board an airplane while in flight. Within recent weeks the lives of air passengers have been jeopardized by a drunken janitor, a fanatical Cuban waiter, and now a wild gunman in California whose long-planned but unsuccessful attempt to hijack an airliner resulted in his critically wounding the pilot and the ticket agent. Had any of these acts been committed aboard a ship at sea, our laws provide for severe punishment. The Cuban and the Californian would have been dealt with as pirates, and justly so. Is not the act of piracy aboard a plane in flight still more serious in terms of the resultant danger to the lives of the passengers?

The very lack of provisions in our laws for adequate punishment for committing of criminal acts on board a plane in flight now seems actually to be encouraging the commission of such crimes. In the most recent occurrence, the gunman admitted after his capture that he had been planning his crime since reading of the success of the Cuban waiter. I believe it is most urgent that Congress take action to correct the present inadequacy in our laws, and I have introduced a bill to provide criminal punishment for interfering with a flight crew in the performance of duties on board an aircraft in flight, to prohibit the carrying of concealed weapons aboard an airplane in flight, to make in-flight crimes a Federal offense, and to punish piracy in the air to the same degree as piracy on the seas is punished. I urge that prompt action be taken on this bill.

SHUTESBURY, MASS., BICENTENNIAL

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CONTE. Mr. Speaker, this year the little village of Shutesbury, up in Franklin County, Mass., proudly observes its 200th anniversary. Named in honor of Samuel Shute, Governor of the Bay Colony from 1716 to 1723, it has for two centuries pursued the placid tenor of its existence in the foothills of the Berkshires. It boasts a population of around 300 to 400, but size maketh not for the greatness of a community. "Happy is the people who have no history," runs the ancient adage, meaning that they have been spared the woes of war and conquest.

The chronicle of Shutesbury opens around the year 1733, when a number of people, mostly of Lancaster, became interested in the construction of a road from that town to the Connecticut River, at Sunderland. The cost of the enterprise would be so great and the public benefits to be obtained from it so considerable that the local population united in a petition to the General Court for an appropriation of lands as a recompense. On December 11, 1734, it was ordered "that the petition be granted, and the petitioners are allowed and empowered, by a surveyor and chainman, on oath, to survey and lay out a tract of the unappropriated lands of this Province, of the contents of 6 miles square." The tract secured was actually more than 6 square miles and included a portion of the present towns of Wendell and New Salem. Because of the basis of the grant it was at first called Roadtown, but on June 30, 1761, it was formally incorporated and renamed Shutesbury. The wife of the incumbent Royal Governor, Sir Francis Bernard, was a niece of Governor Shute and she presented the new township with "an elegant Bible" which is still in its possession. The settlement had never suffered from Indian attacks but as early as 1748 a fort was built as a precautionary measure.

As the Revolution approached the sturdy townspeople gave abundant evidence of their patriotic sentiments in their reply to the pamphlet sent to Massachusetts towns by the Committee of Correspondence at Boston:

> Fully sensible as we are in this town of our inability to do anything considerable toward the support of liberty, yet we should in our esteem be greatly wanting to our country, ourselves, and posterity should we neglect or refuse to give our free sentiments at this time of the sense we have of our liberties and privileges. The inhabitants of this town are as loyal and as dutiful as any of His Majesty's subjects in Great Britain, and desire nothing more than to enjoy the same rights and privileges as these do in Great Britain, but, unhappily for us, we are denied them. We also view with gratitude and pleasure the noble stand the Honorable Council and House of Representatives have made in this truly critical time, and the great wisdom and fortitude they have discovered in so firmly standing for our invaluable constitutional rights and privileges gives the same ground to hope that our grievances may be redressed.

As one drives up the steep road which leads to Shutesbury one observes the ruins of a stone wall. This once enclosed the town pound. During the early days of the Revolution the town minister, the Reverend Abraham Hill, was discovered to be cherishing in his bosom sentiments entirely too Tory for his parishioners, so they locked him up in the pound and fed him on dried salt herring thrown over the wall—a diet calculated to bring him around to the proper political viewpoint.

Meanwhile, the little community, far removed from the scene of civil strife, prospered in a mild way. For many years agriculture and sawmills furnished the chief means of subsistence; basket and hat weaving became one of the earliest industries and eventually was carried on as a family monopoly. Mineral springs, believed to have remarkable curative powers, made the community a resort for invalids during the 19th century.

As to points of local interest, the general store adjoins the site of the birthplace of Ithamar Conkey, who wrote the music of the hymn today sung around the world, "In the Cross of Christ I Glory." But the landmark which always draws the passing stranger is a white marble shaft rising from the old burying ground. Under it repose the honored bones of Ephraim Pratt, known to his fellow townsmen as "Granther"—grandfather—Pratt, who was born in 1686 and lived until 1800, his life thus touching three centuries, lacking 1 year. A village Methuselah indeed. His tombstone bears the following lines inscribed by his affectionate neighbors:

> He was remarkable, cheerful in his disposition and temperate in his habits. He swung a scythe 101 consecutive years and mounted a horse without assistance at the age of 110.

So maybe there is something in those healing springs, after all, and if my esteemed colleagues of this Chamber and themselves racked by pains and old battle wounds which modern science cannot cure or allay, I cordially recommend that they betake themselves to the town of Shutesbury, in the county of Franklin, in the Commonwealth of Massachusetts. They may presently find themselves able to return here to their official duties, revived and rejuvenated, to the glory of the Republic and the vastly increased efficiency of Congress. Who knows? It might be worth trying.

COLVILLE INDIAN RESERVATION

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr.

HORAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HORAN. Mr. Speaker, 5 years ago, the Congress passed H.R. 7190, which restored to tribal ownership certain lands on the Colville Indian Reservation, in the Fifth District of Washington, which I have the honor to represent in the Congress. On July 24, 1956, President Eisenhower signed this bill into law.

In accordance with section 5 of this act, the Colville Tribal Council was required to submit to the Secretary of the Interior, within 5 years after the date of enactment of this act, a plan for the termination of Federal supervision over the property and affairs of the Confederated Tribes. The council recently completed their plan, and it has now been submitted to the Secretary of the Interior for study and review. He will present his report on this plan to the Congress at a later date.

In the course of the tribe's studies relating to the courses of action which might be followed in implementing a termination program, it became apparent that a much more meaningful and practical termination could be effected by a two-stage legislative approach. The plan requires two separate congressional acts. The primary steps required in any termination program are first, to identify precisely the people involved and their needs which require the closing of the tribal rolls, and second, to define the boundaries, condition and value of the trust property owned by these people, both individually and as a tribe. Without these steps the individual tribal members have no firm basis for making a decision on the ultimate use of their share of tribal property.

I have today introduced a bill providing for these purposes. In addition, my bill authorizes surveys and studies to be made of the mineral resources and land consolidation problems, as well as a complete appraisal to be made of all tribal property. Any additional studies or investigations as may be considered necessary in light of the material disclosed by these surveys are also authorized.

Within 6 months after the studies and appraisals have been completed as provided for in this bill, final termination legislation will be introduced as provided for in the second stage of the tribe's proposal. This two-stage approach, in my opinion, is in no way intended to delay termination. Rather, I feel it will provide a more workable, comprehensive and acceptable final termination act to meet the diverse needs and wishes of the various members of the tribes.

The provisions of the bill which I have introduced today are all prerequisites to any further steps in termination. The Colville Business Council is convinced that at this time it would be premature to propose final terminal legislation without the benefit of the knowledge which would be gained from the first-stage legislation.

I believe the preliminary termination plan submitted by the tribe is sound, constructive and should receive every consideration by the Congress. There are many problems which must be solved so that each and every Indian is adequately prepared for his new way of life. The proposed termination plan is a step in this direction.

COMMITTEE ON AGRICULTURE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a conference report on the farm bill, S. 1643.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

THE FUTURE OF FREE ENTERPRISE

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Pennsylvania [Mr. KEARNS] is recognized for 60 minutes.

Mr. KEARNS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEARNS. Mr. Speaker, now that we have to spend more money for defense we may have to delay spending at least some of the money we had contemplated spending on going to the moon.

In this connection, I include as part of my remarks a speech by Dr. Ernest L. Wilkinson, president, Brigham Young University, Provo, Utah:

THE FOUNDING, FRUITION, AND FUTURE OF FREE ENTERPRISE

(By Dr. Ernest L. Wilkinson, president, Brigham Young University, Provo, Utah)

Each generation of freemen has its rendevous with destiny, for freedom can never be vouchsafed from one generation to another. (One generation, as did our Revolutionary Fathers, may win it on the battlefield. Others reaping the rewards of the freedom given them by their fathers may, by indifference and a distorted sense of values, allow the corroding encroachment of government to wrest their freedom from them.)

As Americans of this present generation, our rendevous today will determine whether we shall continue to live in a "land of the free and home of the brave," or whether we shall so worship the false gods of security government that in due time we shall join 20 recorded civilizations which have come and have gone—not by conquest from without, but because of the surrender of individual freedom and responsibility to a central, all-powerful government.

Our newspaper headlines and radio and television programs sound the hue and cry of Soviet accomplishments in education, science, and space technology. To face this challenge the President of the United States, with statesmanlike vision, summons us to duty with these words:

"And so, my fellow Americans: ask not what your country can do for you—ask what you can do for your country."

This has the ring of our Revolutionary Fathers who pledged, on the altar of freedom, "their lives, fortunes and sacred honor.

On the other hand, the same President, in derogation of his inaugural address, has now proposed that the Government, at the expense of others, confer special governmental privileges upon various segments of our society by promulgating paternalistic programs clearly outside of the grant of powers to the Federal Government as envisaged by our Constitutional Fathers, namely:

1. A massive and expensive program of Federal aid to education for school construction and increasing school teachers' salaries;

2. An extension of unemployment compensation benefits;

3. A plan for Federal aid to so-called "depressed areas";

4. A program for distributing food to the "needy" through a foodstamp plan;

5. A further enlargement of the Federal budget, not only for national defense, but primarily in the field of domestic affairs, so that we now face a return to deficit financing;

6. A government medical plan which tries to fit medical care for the aged into the social security program, again without any provision for safeguarding or earmarking social security payments for the purposes for which they are originally paid;

7. A proposed increase in the minimum wage level from the current $1 to $1.25 per hour;

8. A broad, new housing program with an anticipated cost to the public treasury of over $3.5 billion;

9. A new cabinet post for housing and urban renewal, thus making permanent the Federal subsidy for our housing industry;

10. A vigorous policy of government intervention is labor-management disputes, with obviously strong support for labor interests;

11. A return to and extension of a program for public power, to be financed by the taxpayers, and given preferential and monopolistic priority over private power, which provides the taxes;

12. A write-your-own-ticket agricultural program with the seductive promise of higher price supports for the farmer in exchange for further surrender of his freedom and enlarged governmental control.

As a result of this attempt to drive in two directions at the same time, we are a confused nation. While prosperity—the fruits of a free nation—has made many complacent and apathetic, a large portion of our population stands almost paralyzed with fear and frustration.

How shall we solve our rendezvous with destiny? Which way shall we go? Shall we proceed in the direction of Soviet Russia, where all power and one's position, status, income, and support emanate from the state? Or shall we revert to the philosophy of our Founding Fathers who believed that while it is our duty to support our Government, it is never the duty of the Government to support us?

In the few moments I have this morning, I propose to solve this dilemma by briefly tracing the founding, fruition, and challenging future of free enterprise in this country.

The essence of the free enterprise system is first, the freedom to initiate, venture, develop, and produce without interference or restraint, except for safeguards to protect similar rights of others; and second, the incentives, which come from the assurance of the right to enjoy the fruits of one's enterprise. The former has been sharply circumscribed by Government interventions, and the latter by the progressive tax exactions which America has carried to extremes beyond the wildest dreams envisioned by Karl Marx in his blueprints for communizing the world.

I. THE FOUNDING OF FREE ENTERPRISE

Free enterprise in this country began with Jamestown, established in 1607. These settlers, too many of whom were adventurous gentlemen and too few of whom were willing laborers, ran into serious difficulties from

the moment they landed. Plagued by communal ownership of property, constant quarreling over the division of goods from the common storehouse, and by a stronger desire to demand equal shares than to contribute hard labor, the settlers almost lost their colony. It was saved only by an influx of new pioneers from England who were willing to labor long and hard in the fields, with the realization that they could enjoy individual ownership of their lands and crops.

Free enterprise again reared its head with the Pilgrims, but only after they had made a disastrous start in the opposite direction. Agreeing that instead of owning land individually they would possess everything in common, they so lost their initiative that they nearly died of starvation. After months of bitter complaints, the Governor and the chief men of the colony came to the conclusion that they were making a bad mistake. As Governor Bradford wrote in his diary, they had thought they were "wiser than God," who gave every man his freedom.

And so, in 1623 they turned away from communal ownership and gave each family a parcel of land for its own use. And when the harvest was gathered, instead of famine they had plenty. And so they all gave thanks to God. And what a Thanksgiving they celebrated—they enjoyed it because they had all worked for it.

But the experience of Jamestown and Plymouth was forgotten by a generation of 150 years later which was fighting for freedom from Britain. So, during the early part of the Revolutionary War, the Continental Congress took over the economic control of all 13 Colonies and its people. However, so disastrous were the consequences that 1 year before Cornwallis' surrender to Washington, the Continental Congress in a forthright reversal of policy repealed all economic control. Freed of this restraint we then proceeded to win our freedom.

When the war was over we proceeded to organize our Government. Thomas Jefferson recognized the need for caution in preparing the new government when he said: "The natural progress of things is for liberty to yield and government to gain ground." While he recognized the necessity for government, he wanted liberty to be preserved and our Government held in check.

After inspired and enlightened discussions and debates, our Founding Fathers came forth with the Constitution of the United States of America, described by Gladstone as the greatest document ever struck off by the hands of men.

The philosophy of our Founding Fathers, the men who wrote the Constitution, gives light and meaning to the document which they produced. Time will permit me to quote from only a few of these inspired leaders of our past:

James Madison, oft referred to as the father of our Constitution, said:

"I believe there are more instances of the abridgement of the freedom of the people by gradual and silent encroachment of those in power than by violent and sudden usurpations."

This quotation is particularly apt today. The danger today is not from revolution, but by the constant eroding away of our liberties.

George Washington, whom we affectionately call the Father of our country, had this concept of government:

"Government is not reason, it is not eloquence—it is a force. Like fire, it is a dangerous servant and a fearful master."

Our Constitutional Fathers therefore set up for us a republican form of government, with only specific and limited delegation of powers, in which the rights of the minority were to be as fully protected as the rights of the majority. As Benjamin Franklin was emerging from the final meeting of the Constitutional Convention in Philadelphia in 1787, a woman in the crowd outside Independence Hall asked him what kind of government had been set up for the country. He replied: "A republic, if you can keep it."

Thomas Jefferson gave us not only the principle that government governs best which governs least, but went on to warn against the very situation which, through our complacency and governmental paternalism and extravagance, haunts us today. Said he:

"I place economy among the first and most important virtues, and public debt as the greatest of dangers to be feared. * * * To preserve our independence, we must not let our rulers load us with perpetual debt. * * * We must make our choice between economy and liberty or profusion and servitude. * * * If we run into such debts, we must be taxed in our meat and drink, in our necessities and our comforts, in our labors and in our amusements. * * * If we can prevent the Government from wasting the labors of the people, under the pretense of caring for them, they will be happy."

It was the hope of Jefferson that our Constitution would create "a wise and frugal government, which shall restrain men from injuring one another," but "which shall leave them free to regulate their own pursuits of industry and improvement and shall not take from the mouth of labor the bread it has earned." In the context in which this was written labor included capital, for capital is derived only from labor.

In the early days of our Republic, these concepts were followed.

The first five Presidents had all been patriots of the Revolution. Not one of them ever proposed any governmental policy which would interfere with or regulate private control of agriculture and industry. As far apart as were Hamilton and Jefferson on some matters, they agreed that the economic future of the country would depend on the individual development of both agriculture and industry, as has been the case.

Andrew Jackson was a strong disciple of free enterprise. He objected to the Bank of the United States because he felt that the bank was an unfair monopoly, aided and abetted by government. He also raised serious questions about Government-sponsored monopolies in the building of canals, bridges, and turnpikes.

While we generally think of Lincoln as the preserver of the Union, he was also a strong apostle of the American free enterprise system.

At one time in defense of capital and property he said:

"Capital is only the fruit of labor, and could never have existed if labor had not first existed. Capital has its rights, which are as worthy of protection as any other rights. Property is the fruit of labor; property is desirable; is a positive good" (first annual message to Congress, Dec. 3, 1861.)

In emphasizing the great danger that freemen always face if they flee to the sanctuary of benevolent government, he stated:

"No men living are more worthy to be trusted than those who toil up from poverty, none less inclined to take or touch aught which they have not honestly earned. Let them beware of surrendering a political power which they already possess, and which, if surrendered, will surely be used to close the door of advancement against such as they, and to fix new disabilities and burdens upon them, till all of liberty shall be lost."

At another time he declared:

"I don't believe in a law to prevent a man from getting rich; it would do more harm than good. So while we do not propose any war upon capital, we do wish to allow the humblest man an equal chance to get rich with everybody else" (campaign speech in New Haven, Mar. 6, 1860).

Until the advent of the New Deal in 1932 the political philosophy of free enterprise of our Founding Fathers was uniformly followed by all Presidents regardless of party. The one great exception was the enactment of the graduated income tax law, which, as far as extending the powers of government is concerned, is the most significant legislation of this century. The Supreme Court permitted this drastic expansion of power only because of a constitutional amendment. And even then the proponents of the measure were laboring under the honest delusion that in peacetime the tax would never exceed 2 percent, but admittedly in times of war it might soar to 5 percent.

Considering the tremendous increase in income tax rates since President Wilson's day, the 16th amendment to the Constitution is a supreme example of the impact that governmental power can have on a free economy.

Returning again to the gospel of free enterprise, Grover Cleveland, when he was presented with a legislative bill providing for a very modest Federal gift of seeds to farmers, vetoed it on the ground "that though the people should support the Government, the Government should not support the people."

At a later date, Woodrow Wilson made these comments, which are still worthy of note today:

1. He never wanted to see the little red schoolhouse subordinated to the political thinking of Washington.

2. In speaking of the typical American, he said: "He does not want a group of experts sitting behind closed doors in Washington, trying to pray Providence to him."

3. Finally, he warned us that: "The history of liberty is the history of limitations of governmental power, not the increases of it."

Herbert Hoover also expressed the American ideal when he said:

"Freedom conceives that the mind and spirit of man can be free only if he be free to pattern his own life, to develop his own talents, free to earn, to spend, to save, to acquire property as the security of his old age and his family.

"We have no right to load upon our children unnecessary debts from our follies or to force them to meet life in regimented forms which limit their self-expression, their opportunities and their achievements."

Even Franklin Delano Roosevelt before he became President recognized and applauded the limitations on our Federal Government that our constitutional fathers intended. As Governor of New York he had publicly declared:

"The Constitution of the United States gives Congress no power to legislate in the matter of a great number of vital problems of Government, such as the conduct of public utilities, of banks, of insurance, of business, of agriculture, of education, of social welfare, and of a dozen other important features. Washington must never be permitted to interfere in these avenues of our affairs."

And, more recently, Dwight D. Eisenhower concluded:

"Every step we take toward making the state the caretaker of our lives, by that much we move toward making the state our master."

II. THE FRUITION OF FREE ENTERPRISE

With the American philosophy of free enterprise as the basis of our economic system, until at least the 1930's, America plunged ahead into her dynamic future. By the turn of the 20th century, she had become a tremendous and colorful example of the free enterprise system at work, and had attained preeminence in the entire world. The steel furnaces in Pittsburgh alone outproduced those in England and Germany combined. They functioned with such efficiency that Andrew Carnegie could have sold steel rails at a profit in Birmingham, England. New manufacturing marvels of every sort had been invented and were already in produc-

tion. These were giving Americans the highest standard of living known to the entire world.

In our great factories the maturity of our free enterprise system meant a new era which brought about the acceleration of amazing labor-saving devices. For example, a bottle-making machine patented in 1903 virtually eliminated the hand blowing of glass bottles; another machine ended the manual production of window glass. The invention of a rotating kiln in 1895 made possible the cheap, standardized production of portland cement—just at the time that the feverish demand for paved highways was about to burst on America.

Electrical power developments were also well advanced. The first 5,000-horsepower, alternating-current generators had been installed in Niagara Falls, N.Y., in 1895; within a period of just a few years, steam generators of 100,000 horsepower were becoming commonplace. Electricity soon became the great new source of efficient industrial power. In 1899 it propelled only 5 percent of our machinery, but by the end of World War I, 55 percent.

A communications revolution also got underway. By 1900 the Bell Telephone System was operating almost 700,000 instruments; 15 years later the total number had soared to nearly 6 million (for an increase of over 800 percent), and transcontinental lines were now in full operation. We now have almost 59 million telephones.

Revolutionary developments in transportation also took place. The unsatisfactory steam and electrical engines of the 19th century were replaced by an internal combustion engine, using gasoline. Although this was first developed in France, America seized the production initiative and, under the leadership of the remarkable Henry Ford, the American automobile came to dominate transportation standards of the world. In 1898 the first automobile advertisement in the country appeared in the Scientific American. Its headline read: "Dispense With the Horse." In 1895 history records only 4 automobiles in America, but by the end of World War I there were nearly 5 million on the highways. We now have over 62 million automobiles.

From our great industrial development came the new concept of mass production. Originally anticipated by Andrew Carnegie in his steel industry, the mass production approach required the technology, large supply of raw materials, improved transportation, and huge expanding markets that the United States could offer in abundance.

By the 1920's we were recognized clearly as the world's greatest economic power. Today we have made similar tremendous advances in science, technology, electronics, etc.

With the advent of the Great Depression, however, in the 1930's and despite our remarkable progress, we began to accept the philosophy that we could no longer rely on the sweat of our own brows, on our own ingenuity and resourcefulness as God's children, but that instead we had to rely upon the paternalism and largesse of government. In the intervening 30 years we have been fast lapsing into a welfare state (more correctly, the "farewell state").

Up until that time we had been protected from the evils of socialism in this country by the uniform decisions of the Supreme Court which consistently followed the political and economic philosophy of our constitutional fathers, and which forbade the Government from unduly regulating our lives. But this judicial protection of 150 years was ended by the appointment of new Justices to the Supreme Court, who, right or wrong, did not confine themselves to interpreting the Constitution in the light of its history and language, but who imported into the Constitution external social concepts.

In the main, they interpreted the commerce and tax clauses so broadly, and the freedom of contract under the 14th amendment so narrowly, that they laid few restraints on economic regulation by either the Federal or State Governments. Furthermore, the general welfare clause of the preamble to the Constitution became a new basis for permitting stronger governmental control over the economy and the individual. Admittedly, the Supreme Court was now condoning political action that had previously been condemned as unconstitutional.

The net result has been that as Americans we can no longer rely upon the Supreme Court for protection from economic interference by Government. This meant that Congress was looked upon as the last bastion for the defense of freedom against executive and judicial encroachment. Unfortunately, however, Congress, instead of assuming its proper responsibility in this regard, has seized upon the relaxations of the Supreme Court as a field day for the enlargement of governmental and curtailment of individual rights.

As a result, we now have, among others, the following programs, many of which would have been unconstitutional under decisions of the Supreme Court prior to the 1930's:

1. Annual Federal aid to States, localities, and individuals, which amounted to less than $150 million in 1930, has now soared to over $9 billion—more than the total budget of the Federal Government in any one year prior to World War II. This has virtually undermined the sovereignty of the States.

2. Government-owned electric utilities accounted for only 1 kilowatt in 18 generated in this country in 1920; last year, public power facilities generated 1 kilowatt in every 4. Furthermore, control of atomic power is now the exclusive responsibility of Government.

3. One in every six employed Americans is now on a government payroll (National, State, or local). Today over 17 million people are receiving checks from the Federal Government for a myriad of purposes.

4. Since our entry in World War II, our economy has been under some form of price or wage controls for 8 different years. First, from 1941 to 1946, and then from 1950 to 1953. If we were to include the price-support programs in agricultural commodities, this type of control over free-market conditions actually commenced with the New Deal under F.D.R. and still exists to this very day.

5. The Government has assumed the responsibility for maintaining full employment.

6. The solvency of our banks and financial institutions is substantially dependent on the monetary policies of the Federal Government.

7. The housing industry is financed largely with Government money.

8. The Nation's export trade is very dependent on the Government's various economic and military aid programs abroad.

9. The air transport industry is substantially subsidized by Government.

10. Through TVA, and similar huge Government projects, whole areas of the Nation are in large part dependent on the Government.

11. In actual practice the Government now fixes hours and conditions of employment, and is intimately involved in wage bargaining.

12. Old and disabled people have almost become the wards of Government, with an increased dependency status in the offing through socialized medicine. Furthermore, Congress is now in the process of encouraging "young men" of 62 to retire and become thereafter wards of the Federal Treasury. And I don't want to hear any of you say that these men will merely draw out the social security benefits which they and their employers have already paid in over the years. That money was never set aside for its intended use, but has long since been spent on innumerable Government projects.

13. The Federal debt when F.D.R. came to power was $22,538,673,000. It is now around $300 billion. But this is only a part of the story. When you add to the present indebtedness, accrued liabilities for services already rendered or goods already delivered, the total Federal debt is $750 billion, a sum which represents an indebtedness of $4,100 for every man, woman, and child in the United States.

14. It is now estimated that the average taxpaying citizen must today work from 60 to 90 days of each year to pay taxes, with the prospect, if our social legislation continues to expand, of doubling this period. This has caused the facetious comment that the only taxpayers who are not working for the Government are those employed by the Government. And we know that a large proportion of those working for the Government work as hard as anyone else.

15. The interest we pay on our national debt alone is now twice the amount of our Federal budget when F.D.R. came to power. And Congress seems to be making no genuine effort to pay off or even reduce the national debt.

With these situations in mind, one speaker, in addressing a farm audience, referred to this as the status quo of our times. One of his listeners promptly quipped that that was Latin for "the hell of a mess we are in."

III. THE FUTURE OF FREE ENTERPRISE

And now with the advent of sputnik and "Spaceman" Gagarin, the "socialist manifesto" of Los Angeles, and the tendency of the Republican Party not to oppose but to merely offer milder alternatives, it is again proposed that we be launched on a new and enlarged extension of governmental paternalism.

We are now going to be given medical care by the Federal Government while we are yet in the womb. We are going to be educated by the Federal Government regardless of whether our local or State governments are willing to pay the bill. If in agriculture, we are going to be further seduced and subsidized by the Government. If in industry, we are going to be paid a subsistence out of the taxes of our employers while we strike against them. When we have failed to save enough for our old age, we will be treated as pitiable wards and kept by the State. And when, because of our strenuous endeavor to live on our own we are called home, our doom will be sealed by the Federal Government placing us in the tomb.

I ask you whether with this kind of paternalism man can long remain fearless and free. This road of national suicide is what Theodore Roosevelt was condemning when he said:

"The things that will destroy America are prosperity at any price, safety first instead of duty first; the love of soft living and the get-rich-quick theory of life."

Gentlemen of this convention, we have the choice of these two divergent paths before us today—the path of what some may think an easy life and governmental security, or the path of the resolute life and self-independence.

The choice is whether, in meeting the regimented economy of an atheistic Soviet Union we are still willing to rely upon the voluntary action and free economy of a God-fearing people; or whether we believe that to meet the Communist challenge we must adopt the regimented governmental philosophy of the Soviet dictatorship.

The tragedy of our time is that during the last 30 years we have fast adopted the ornaments and shackles of a welfare state. On the other hand, the Soviet Union has been

moving in the opposite direction and adopting time-honored and tested principles of free enterprise. Thus, in one of his recent conferences, Khrushchev ridiculed the confiscatory nature of our taxes which ascend to 91 percent of a man's income, pointing out that in Russia the limit is 16 percent. Nearly every industry in Russia employs expediters whose primary function is to circumvent the economic planners and achieve continued production.

In 1957 Khrushchev decentralized the economy by substituting 105 regional economic groups for the 30 planning ministries which had been headquartered in Moscow. The following year he abolished machine and tractor stations and permitted the sale of state-owned farm machinery to collective farms with state bank financing. Recent years have also seen the supplementing of the quota system by a greater recognition of wage and other incentives in Soviet industry as a means of increasing production.

Admitting that our country is seriously, if not critically, ill from socialism, the question then becomes that of how the patient can be cured—lest the greatest country in the world will conduct a funeral for free enterprise, which means to bury itself.

In my humble judgment there are five ways in which the patient can be brought back to normal health and such a funeral avoided.

The first way is that of accepting the philosophy of the President's inaugural address rather than his legislative program. We can have no double standard in this country of stating at one time that our survival as a free nation depends on what we can do for our country and then at other times proposing a legislative program founded almost entirely on governmental handouts to its people.

The only way to compete with the fanaticism of the Russians for their system is to reacquire the self-sacrificing patriotism of our fathers, and by their reliance upon the sweat of their own brows. If we abandon the false god of governmental paternalism and reenthrone to individual integrity, genius, responsibility, and economic rewards, we will widen, and not narrow, the gap between our productive capacity and that produced by Soviet slave labor. At the same time, we will start paying off our national debt, and not continue, as Lenin said we would do, to spend ourselves into bankruptcy.

The second method by which we can avoid the funeral of free America is by a revived and rededicated devotion of our own to the cause of freedom and our system of free enterprise. If we really believe in it, we must ourselves adhere to it. We must not be guilty of any double standards ourselves.

We must ourselves have an inner integrity so that we not give lipservice to competition and, at the same time, violate the antitrust laws which are designed to foster free enterprise by competition.

We must not ourselves sup at the public trough if we are going to criticize Government largess for the other fellow. If the payment of subsidies to farmers is morally and economically wrong, by what right does the Government subsidize airlines? If the guarantee of loans to veterans for housing is wrong, by what right are businessmen entitled to loans on preferred terms to keep their businesses going? If the educator is right in deploring the lowering of the moral standards of the Nation resulting from Government handouts, by what right does he ask the Government to subsidize his university? If we in the West are critical of the Federal Government using taxes for slum clearance in New York City, by what right do we ask the Federal Government to build Federal electric powerlines to our city and give us a special rate at the expense of the taxpayers who pay for these electric powerlines?

My third program for the preservation of our free enterprise is that we ought to be willing to pay the price of its preservation by properly financing those who fight its battles. American business is often penny wise and pound foolish in its expenditure of both time and funds for the defense of the free enterprise system upon which its survival depends. For the most part, chambers of commerce, taxpayers, and citizen research agencies, even trade organizations are starved for funds and compelled to dissipate a completely disproportionate part of their energies and effectiveness upon frustrating membership campaigns and financing drives. Particularly is this apparent when comparisons are made with the payments poured by the labor force into union and political action treasuries, much of it spent for promoting expansion of Government spending and controls.

Even more basic is the unwillingness of topflight businessmen to accept, or if they do accept, to devote the necessary time and energy to civic and trade group appointments, which are established to study and to formulate policies and procedures pertaining to local, State, or National problems. We are all acquainted with the committees or commissions which are presumably balanced with Government agency officials and public representatives. Too often the public representatives do not attend the meetings, or if they do, they go late or leave early, and want to do no homework between meetings. In my own town, where one of the largest corporations of America has a large plant, it refused to let one of its employees be president of the local chamber of commerce. If that corporation refuses to take any leadership in local civic affairs, by what right can it blame local citizens from seeking government counsel and leadership in local affairs? Instead it should insist on its staff accepting civic responsibility and rendering extraordinary performance.

With more than half of industry's gross profits going for Federal taxes, in addition to the very substantial demands for State and local taxpayments, business could well afford more adequate financial support for the organizations which fight its battles, and more time of its qualified personnel in resolving community problems.

My fourth program for preventing the liquidation of our system of free enterprise is that we and the American people must insist that the Government be fair and consistent in its dealings with various segments of our economy. It must not have a discriminatory code of ethics for business and a special privilege code of ethics for labor. It must do away with its own double standard of preventing monopolies by business, punishment for which is prison, while at the same time authorizing and encouraging monopolies for labor.

And if on this you think that a miracle of this kind could no longer happen, let me quote from none other than Franklin Delano Roosevelt:

"It will never be possible for any length of time for any group of the American people, either by reason of wealth or learning or inheritance or economic power, to retain any mandate, any permanent authority to arrogate to itself the political control of American public life."

My fifth proposal deals with legislation needed for the immediate present, of which you will hear more throughout this conference—all of which is designed for America to make progress through voluntary action and to achieve better jobs for more people. This legislation is not in the direction of stifling but of freeing the economy.

First of all we must increase our rate of new investment. As I understand the situation, Russia at the present time is putting 25 percent of its productive capacity into capital goods, as contrasted with only 10 percent in the United States. In this country we can increase the rate of new investment if we have intelligent tax reforms, promote judicious utilization of savings, promote the availability of credit for plant investment, and obtain the right to faster and more realistic depreciation write-offs. Programs of this kind will do more to alleviate the anxiety and misery of those who are out of work than any amount of Government subsidies. And it will give them permanent jobs and self-respect at the same time, with the opportunity of becoming capitalists in their own right.

Next, we must give consideration to increasing the rate of consumption. This aim can be best promoted by intelligent and urgently needed tax reforms and also by increased emphasis upon the value of production and services—in effect, giving rise to greater price flexibility. These steps would also lead to solid growth in consumer purchasing power, and is the only sound basis for salary increases. They come through increased productivity, which is the genius of the American system.

Furthermore, there must be increased mobility of labor and resources. This objective can be best achieved by distributing more widespread information regarding job opportunities and by breaking down local and State barriers to the free movement of persons and goods. Furthermore, as Americans we must condemn the un-American labor union restrictions on the freedom of occupation and vigorously oppose all forms of payments for work not actually performed.

In addition, there must be an increase in the flexibility in both directions of wages and prices. In the interest of further opportunity for the free American workman we must oppose the modern tendency on the part of both Government and organized labor to put men in a straitjacket by adopting rigid wage rates and prices. In the interest of the worker himself we should do away with industrywide collective bargaining and long-term contracts which provide for annual wage cost increases. These arrangements handicap the operation of the free enterprise system and often establish an artificial level of compensation which many times has no real relationship to actual productivity.

Along that same line, we cannot tolerate the reduction of the standard workweek as a device for solving unemployment. There might be an intelligent basis for this demand if the productivity trend justified such a reduction in hours. Unfortunately, there is no such justification at present. The way to increase employment is to unloose the shackles on American business so that new ventures will be undertaken, new wealth and jobs created, and not to restrict the use of man's talents and physical powers by preventing him from working to his full capacity. We have forgotten the admonition of the Saviour that "6 days shalt thou labor."

Next, legislation should increase the flow of invention and innovation. This is one of the unique advantages of the American system—it permits genius and labor to enjoy the fruits of their talents and labor to climb as high as he can on the ladder of economic success. This is one of the unique advantages of our system the Communists cannot accept. Unless, therefore, we are to move in the direction of the Communists, we must oppose any increase in Government-held or controlled patents. Furthermore, we must always seek a better means of increasing effective and legitimate competition. Monopoly stultifies, but competition energizes, our economy.

Finally, we must increase our exports in international trade. Brisk trade in great volume is important to our economic health and welfare. We must do everything we can to promote competitive innovations by our industry and business. American know-how is still a very precious ingredient of our free enterprise system. We should not hesi-

tate to use it with great vigor and great purpose.

My sixth and last proposal for the preservation of our economic freedom is to insist that our schools educate our students in the gospel of free enterprise. Here again we must do away with our duplicity and the double standard of giving lipservice to and living off our American system of free enterprise while at the same time attacking by innuendo, indirection, and outright slander its God-given principles. Why should we in education bite the hand that feeds us?

I submit that it is largely because of our economic illiteracy in this country. Probably fewer than 1 out of every 20 of all high school students takes even one course in economics, and only about one-fifth of all college students do so. Most high school students take courses in history and various social studies, but these courses contain only a minimum emphasis on economics. Much of what little is taught is weak, misleading, or even wrong—in many cases it does more to prejudice students against than to convert them to free enterprise.

The reason for this is not hard to find. The best estimate available is that fewer than one-tenth of all elementary school instructors, and less than one-fourth of all secondary schoolteachers (majoring in social sciences) take even one course in economics while at college. In fact, it is estimated that 9 out of every 10 teacher colleges fail to have a single economist on their faculties. Over three-fourths of our States do not demand a course in economics, of even social science teachers, as a requirement for certification. Basically, and bluntly, I submit that if our free enterprise system is to endure, this intolerable situation must be remedied. We need active breakthroughs in economic education. We must take the initiative in groups such as the Chamber of Commerce of the United States to inform the American people on all age levels of the inherent strength and the great achievements of a free economic society.

As an example that it pays to inform the American public, may I give a personal example. Five years ago this next autumn an accreditation team of the Northwest Association of Colleges in an official report on our college of business criticized it because it was too heavily loaded on the top side with those who believed in free enterprise. I immediately began an investigation to see whether we had any on the bottom side who didn't believe in free enterprise. We made sure everyone believed in it. Not only that, but we waived the confidential nature of the accreditation report and advertised to the world the criticism of our college of business. Because of this publicity, our college of business has grown in prestige and size and will shortly become one of the great schools of business in the country—one that believes in a free economy and the dignity and worth of labor.

I submit further that businessmen themselves are largely to blame for the dearth of economic literacy in the country. The boards of trustees of most institutions of higher learning and the boards of education of most secondary and elementary schools are largely officered by businessmen. What have they done to become acquainted with the curricula of their various institutions? What have they done to make sure that teachers basically trained in the soundness of the American free enterprise system are employed? I fear that in many cases not only have they done nothing but they have recommended to their various business corporations that they contribute to educational institutions who have and are poisoning the minds of our sons and daughters against free enterprise. In these days in which business is asked to make substantial contributions to institutions of higher learning, I submit there is a duty on the part of the donors to see that the recipients of their gifts not betray the hand which feeds them.

In summary, my six large proposals merely envisage that we shall do away with the hypocrisy of our civilization. There must be no double standard for the President, for government, for business, or for education. We must renew and dedicate ourselves to the cause of freedom which is more important than life itself. If we achieve that goal and shoulder our own responsibility, we need not worry about our economic growth. For it is the history of all civilizations that free and responsible God-serving people are always prosperous. That is one of the tried and tested fruits of liberty.

In a speech before 22,000 people on May 20, 1949, at Glasgow, Scotland, Winston Churchill in urging that the logical end of British socialism was communism, declared: "Socialism has never succeeded anywhere in the world." After accusing the Labor Party leaders of having "derided and reviled the capitalistic economic system of the United States," he continued:

> But they are living on them and begging from them while at the same time they abuse them. * * * It must occur to sensible people to ask themselves how it is, if that the American system is so wrong, that the American democracy of 140 million hard working people are able to keep themselves at a far higher standard of life than we are, and are able to lend us a helping hand and give us so much aid and bear so large a part of our burden.

If we need any modern example to support this thesis, we have it in the great difference between West and East Germany. I visited there 2 years ago. West Germany is vibrant with life, industry, and a contented people. Except in isolated places, the ruins of war are no longer in existence. East Germany has little that is vibrant, very little industry, a discouraged people and the ruins of war are still everywhere present.

Permit me to close with the wise and prophetic words of Somerset Maugham:

> A nation that wants anything more than freedom will lose its freedom, and the irony of it is, if it is comfort and security it wants, it will lose them, too.

HANFORD—A DOUBLE-BARRELED MENACE TO COAL

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Kentucky [Mr. SILER], is recognized for 15 minutes.

Mr. SILER. Mr. Speaker, it is regrettable that the atomic energy authorization bill has been altered to reinclude the provision to build electric power generating facilities at Hanford, Wash. Now that the measure is about to come back to the House, we must remain adamant despite attempts to neutralize opposition from coal areas through the lure of a coal research amendment. Admittedly we who have watched employment in our coal mines decline are eager for more intense research into coal uses, but both coal industry management and labor recognize the artificiality of the research amendment to the AEC bill.

There can be no compromising on Hanford. It would provide for a $95 million expenditure for a wholly unnecessary public power project at a time when strict frugality should be observed in every area, particularly where the national safety is not involved. It would stand as another direct repudiation of the needs of coal miners and employees of every industry whose economic existence is related to coal production and transportation.

The research provision that has been inserted into the AEC bill should be decided upon its own merits. Should Congress be inclined to make funds available for this purpose, it would be my suggestion that such appropriations be granted to the newly established Office of Coal Research if only for the purpose of avoiding duplication of effort.

Experience has demonstrated that public power enthusiasts seek to use the AEC as a medium of developing progressively greater competition with private utilities. Congress is duty-bound to reject proposed legislation designed to provide further Government subsidization of electric power for preferred sections of the country.

I find no evidence that an electric power plant at Hanford would in any way contribute to the national welfare. On the contrary it would add to the national debt at a time when every effort should be made to economize in order to meet the defense budget.

The Hanford proposal is a two-way threat to the coal industry. First it would set up the machinery for preempting large portions of the electric utility market. Second it would destroy opportunities for coal regions to attract new industry because, through the Government's underwriting capital costs, electricity would be made available in the Northwest at greatly reduced prices.

Mr. Speaker, my constituency and my State cannot afford to permit the Government to sponsor a project calculated to impinge further on the coal business. In the past decade the population of the Eighth Congressional District of Kentucky decreased by 70,000. The decline affected every single county in the district. Most of the losses have occurred solely because family breadwinners have no alternative but to seek employment elsewhere. Our people do not want to leave this beautiful area of Kentucky. Their roots were embedded here many generations back. To accentuate the economic hardship of this district through a Government enterprise such as Hanford would be both inexcusable and brutal.

I know what many of our people back home are thinking today. They have just received the August 1 edition of the United Mine Workers Journal. Many of those readers have been idle for a long time and have had hopes that the glowing promises for a general rise in the Nation's economic level would bring their jobs back. Now they are confronted with this situation, as described by the Journal:

> Principal objection of the UMWA and the coal industry to the project is that it would authorize further invasion by uneconomical and subsidized government atomic power into coal's major market, the production of electrical energy.

Coal's greatest opportunities for more business lie with the electric utilities. More than 40 percent of all the coal produced in America is used for the generation of electricity. It is anticipated that rising demands for electrical energy will double capacity within 10 short years. On that basis, many miners could look forward to regaining their jobs. Many railroaders now unemployed through the decline in coal production would become reemployed in the business of transporting coal from mine to market.

Additionally, our State and civic leaders have been extremely active in attempting to bring new industry into Kentucky. Considerable sums of money have gone into advertising in such magazines as Fortune, Business Week, and the Wall Street Journal. Let me read you portions of an advertisement bearing the headline "Bituminous Coal Attracts Industry to Kentucky." I quote:

Coal provides many important advantages for Kentucky industry. Abundance of coal, plus great supplies of water, have brought a tremendous concentration of electric power capacity to Kentucky. In fact, sufficient reserves of power are readily available to supply any new or expanding industry. And industry has found that Kentucky coal is unexcelled for coking, and for the 2,000 or more byproducts derived from coal.

Combine these factors with Kentucky's other natural resources, its favorable labor climate, its central location, its record number of financial plans for new and expanding industries * * * and you see why Kentucky is the Nation's No. 1 industrial opportunity.

Mr. Speaker, who in this Chamber could in conscience vote Federal appropriations to place unnecessary roadblocks against these efforts of our citizenry? Who, after deep soul-searching, can justify taking tax moneys from our people and from the residents of the several States in order to give competitive advantages to another locality? I ask my colleagues to give the most serious thought to these unfavorable and unfair aspects of Hanford before reaching a final decision.

RECALL TO ACTIVE DUTY OF AIR RESERVISTS

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Massachusetts [Mr. MORSE] is recognized for 5 minutes.

Mr. MORSE. Mr. Speaker, the Air Force today alerted 28,000 Air National Guardsmen and air reservists to probable recall to active duty within the next few weeks. Other branches of the service are expected to follow suit shortly.

We are witnessing the revving-up of the mighty U.S. military machine, the most formidable in the world.

These guardsmen and reservists are the elite of our civilian military manpower sources. Most of them have prior military service. Many have seen combat. They have kept in fighting trim.

This afternoon's newspapers report that the guardsmen and reservists facing almost immediate recall to duty rallied solidly today behind the administration's first troop-level move to bolster U.S. strength in the Berlin crisis.

Unit commanders report their troops can be mobilized and ready to go within a matter of hours. As one Massachusetts general points out, any mobilization problems will be not military, but personal.

A Virginia airman interviewed by Scripps-Howard states the matter more explicitly. He would take a terrific salary cut and his chief worry is that he may lose the house he is buying.

The airman is not alone in this dilemma. Thousands of guardsmen and reservists, while answering their Nation's call to arms, face the same agonizing anxieties over home mortgage obligations they will be unable to meet on service pay.

I propose that a grateful Nation relieve them of this burden of anxiety.

I am introducing legislation to grant a moratorium on principal payments on federally insured or guaranteed mortgages for reservists and guardsmen called to active duty after August 1, 1961, if they are unable to meet such payments while so serving.

The determination of need will be established by the Federal mortgage agency involved. In the event that the agency issues a certificate of moratorium, the reservist or guardsman will be required only to meet interest payments on the principal. Upon his release from service, he will resume his original schedule of payments on the principal.

I urge the Congress to take quick affirmative action.

FEDERAL AID TO EDUCATION

Mr. BURKE of Kentucky. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ZELENKO] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ZELENKO. Mr. Speaker, it is regrettable that we have reached an impasse on the various bills which would enact into law much needed Federal aid to education.

Each of the bills on this subject which has been reported out by the Committee on Education and Labor is worthy in its own right. I have voted for and supported each of them wholeheartedly. I refer to H.R. 7300, Federal aid to public elementary and secondary schools, and H.R. 7904, an amendment to the National Defense Education Act, which, among other things, provides for loans to nonprofit private schools.

Each of the foregoing bills has its dedicated advocates and vigorous opponents. Yet on close examination, I believe I find common ground upon which everyone in favor of Federal aid to education, in one form or another, can be substantially satisfied.

As is the case with all important legislation, there must be some give and take, there must be some conciliation and arbitration. Some matters must be held in abeyance for future consideration.

The democratic tradition compels this reasonable and successful approach. Based upon the forgoing, I have, therefore, today introduced one bill which contains the absolute essentials for Federal aid to education. From a legislative viewpoint, the fair balance of the bill dictates its strong chance for passage.

This legislation is a revised version of a bill which I originally introduced, H.R. 6439. The revisions and modifications have taken into consideration the collective thought, opinion and effort of the House Education and Labor Committee when it reported H.R. 7300 and H.R. 7904 favorably. From H.R. 7300 I have utilized the exact bill, but have eliminated the provisions relating to teachers' salaries. This I have done most reluctantly for as is well known, I have always been and am now in favor of this aspect of Federal aid to education. However, I am motivated by the urgent need for construction of new and additional schoolrooms. In the future, when the teachers' salaries problem can be handled on its own merit, I shall urge the enactment of legislation to give the teachers of America a fair and rewarding wage.

From H.R. 7904 I have adopted the section dealing with loans to nonprofit private schools. The balance of H.R. 7904, which I consider necessary and vital, in my opinion, can be taken up in separate legislation before the expiration of the National Defense Education Act, which occurs in June of 1962.

Thus, in my new bill I have again incorporated, as I did in H.R. 6439, the administration proposals for public school aid which includes additional aid for impacted areas and also assistance to nonprofit private schools, but have revised the private school assistance to be in the nature of loans rather than grants.

I have in one bill, legislation that carries in a single package support for public schools, private schools, and impacted areas.

I reiterate again a statement which I have made many times: we cannot deny ourselves the opportunity of taking full advantage of the complete potential of the youth of America. This legislation will provide the needed help for the education of all American children well within the requirements of the Constitution and the policies of our administration. In my opinion, it provides a common ground for unity on this vital subject.

I ask you to consider and support this legislation which I believe to be of prime and vital importance to our Nation.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. JONAS, for 10 minutes, today.

Mr. MEADER, for 1 hour, on Monday, August 7.

Mr. KEARNS (at the request of Mr. HOFFMAN of Illinois), for 1 hour, today.

Mr. SILER (at the request of Mr. HOFFMAN of Illinois), for 15 minutes, today.

Mr. MORSE (at the request of Mr. HOFFMAN of Illinois), for 5 minutes, today.

Mr. AYRES (at the request of Mr. HOFFMAN of Illinois), for 1 hour, on Tuesday, August 8.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PILLION.

Mr. MCCORMACK and to include extraneous matter.

Mr. RANDALL.

Mr. GALLAGHER and to include extraneous matter.

Mr. TOLL and to include extraneous matter.

Mr. ROOSEVELT to revise and extend the remarks he made in his special order today and include extraneous matter.

(The following Members (at the request of Mr. HOFFMAN of Illinois) and to include extraneous matter:)

Mr. DEROUNIAN.

Mr. FINO.

Mrs. WEIS.

Mr. BERRY.

Mr. SHRIVER.

Mr. MORSE.

Mr. ROUSSELOT.

Mr. DOOLEY.

(The following Members (at the request of Mr. BURKE of Kentucky) and to include extraneous matter:)

Mr. ALFORD.

Mr. ULLMAN.

Mr. TEAGUE of Texas.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2311. An act to authorize additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes.

ADJOURNMENT

Mr. BURKE of Kentucky. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p.m.), the House adjourned until tomorrow, Thursday, August 3, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1189. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill entitled "A bill to amend the District of Columbia Unemployment Compensation Act, as amended"; to the Committee on the District of Columbia.

1190. A letter from the Chairman, Federal Communications Commission, transmitting a copy of the report on backlog of pending applications and hearing cases in the Federal Communications Commission as of June 30, 1961, pursuant to Public Law 554, 82d Congress; to the Committee on Interstate and Foreign Commerce.

1191. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to authorize establishment of the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes"; to the Committee on Interior and Insular Affairs.

1192. A letter from the Secretary of State, transmitting a draft of a proposed bill entitled "A bill to provide for the appointment of a Representative of the United States to the Organization for Economic Cooperation and Development, and to make other provisions with respect to the participation of the United States in that Organization, and for other purposes"; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LINDSAY: Committee on the Judiciary. H.R. 4131. A bill to authorize the waiver of collection of certain erroneous payments made by the Federal Government to certain civilian and military personnel; with amendment (Rept. No. 832). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 8354. A bill to authorize pilot training and employment programs for youth including on-the-job and other appropriate training, local public service programs, and conservation programs; without amendment (Rept. No. 833). Referred to the Committee of the Whole House on the State of the Union.

Mr. STEED: Committee of conference. H.R. 7208. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 834). Ordered to be printed.

Mr. BOLLING: Committee on Rules. House Resolution 400. Resolution for consideration of H.R. 7856, a bill to amend the Communications Act of 1934, as amended, for the purpose of facilitating the prompt and orderly conduct of the business of the Federal Communications Commission; without amendment (Rept. No. 835). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 401. Resolution for consideration of H.R. 8033, a bill to amend section 17 of the Interstate Commerce Act so as to authorize the delegation of certain duties to employee boards; without amendment (Rept. No. 836). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 3788. A bill to provide for the transfer of the U.S. vessel *Alaska* to the State of California for the use and benefit of the department of fish and game of such State; without amendment (Rept. No. 837). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 8152. A bill to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954; with amendment (Rept. No. 838). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee of conference. S. 1643. An act to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural comomdities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes (Rept. No. 839). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H.R. 8459. A bill to provide for planning the participation of the United States in the New York World's Fair, to be held in New York City in 1964 and 1965, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FALLON:

H.R. 8460. A bill to amend the Internal Revenue Code of 1954, relative to taxes on property subject to redeemable ground rent; to the Committee on Ways and Means.

By Mr. INOUYE:

H.R. 8461. A bill to authorize an investigation relating to the restoration and preservation of certain cultural and historical artifacts of the Ryukyuan people; to the Committee on Interior and Insular Affairs.

H.R. 8462. A bill to designate the bridge over the Kalihi Channel entrance to the Honolulu Harbor as the John Rodolph Slattery Bridge; to the Committee on Public Works.

By Mr. GEORGE P. MILLER:

H.R. 8463. A bill to require that title to certain vessels supplied directly or indirectly by the United States for oceanographic research shall remain in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MORSE:

H.R. 8464. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for one-half of the expenses incurred by him in the construction of a civil defense shelter of approved type and design; to the Committee on Ways and Means.

By Mr. ROGERS of Florida:

H.R. 8465. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Virginia (by request):

H.R. 8466. A bill to authorize the construction of a railroad siding in the vicinity of Taylor Street NE., District of Columbia; to the Committee on the District of Columbia.

By Mr. THOMPSON of Texas:

H.R. 8467. A bill authorizing the construction of the Wallisville Dam and Reservoir, Trinity River, Tex., for navigation and other purposes; to the Committee on Public Works.

By Mrs. DWYER:

H.R. 8468. A bill to amend title II of the Housing Amendments of 1955 to increase the portion of the funds available thereunder which may be used in providing financial assistance for mass transportation facilities; to the Committee on Banking and Currency.

By Mr. HORAN:

H.R. 8469. A bill to provide for the closing of the roll of the Confederated Tribes of the Colville Indian Reservation preparatory to submission of proposed legislation for the termination of Federal supervision over the property and affairs of the Confederated Tribes and their members, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MORSE:

H.R. 8470. A bill to provide a moratorium on principal payments under federally insured or guaranteed mortgages for certain mortgagors who are called to serve on active duty in the Armed Forces and are unable to make such payments while so serving; to the Committee on Banking and Currency.

By Mr. ZELENKO:

H.R. 8471. A bill to authorize a 3-year program of Federal financial assistance for elementary and secondary schools, to amend

Public Law 815 and Public Law 874, 81st Congress, and for other purposes; to the Committee on Education and Labor.

By Mr. ASHLEY (by request):

H.R. 8472. A bill to amend the Railroad Retirement Act of 1937 to provide that an individual having performed 45 years' service may retire with full annuity regardless of age; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON:

H.R. 8473. A bill to amend the provisions of law relating to longevity step increases for postal employees; to the Committee on Post Office and Civil Service.

By Mr. KNOX:

H.R. 8474. A bill to restore certain past administrative practices in computing gross income from mining for percentage depletion purposes; to the Committee on Ways and Means.

By Mrs. ST. GEORGE:

H.R. 8475. A bill to amend the Internal Revenue Code of 1954 to provide that annuities under the Civil Service Retirement Act shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. MORRISON:

H.R. 8476. A bill to require that title to certain vessels supplied directly or indirectly by the United States for oceanographic research shall remain in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. JONAS:

H. Con. Res. 365. Concurrent resolution expressing the sense of Congress with respect to a program for paying the national debt; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H.R. 8477. A bill for the relief of Yvonne Hutia Bright (formerly known as Yvonne Hutia Temariiauma); to the Committee on the Judiciary.

By Mr. CRAMER:

H.R. 8478. A bill for the relief of Mrs. Ingeborg Henning-Hentzen; to the Committee on the Judiciary.

By Mr. DAGUE:

H.R. 8479. A bill for the relief of Mrs. Gertrude F. Harvey; to the Committee on the Judiciary.

By Mr. KILBURN:

H.R. 8480. A bill for the relief of Soynia Soults; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 8481. A bill for the relief of James H. Hosty; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 8482. A bill for the relief of Paul J. Pericle; to the Committee on the Judiciary.

By Mr. MACDONALD:

H.R. 8483. A bill for the relief of Arminda P. Viseu; to the Committee on the Judiciary.

SENATE

WEDNESDAY, AUGUST 2, 1961

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

Rev. James W. Lyons, assistant pastor, St. Gertrude's Catholic Church, Chicago, Ill., offered the following prayer:

Under Your holy inspiration, O God, the psalmist wrote, "With Thee is the fountain of life, and in Thy light we shall see light."

Allow, O God, the light of Your wisdom, Your understanding, and Your prudence to shine down upon us and to penetrate our minds and our hearts.

We know, O God, that without You, we can do nothing. Without You, we fear that we will flounder, we will fall, and we will fail. But with Your help, we are confident that the laws of this Senate will be a mirror of Your holy will which is the fountain of all laws.

We know that with Your assistance these laws will help to preserve the American ideal of life, liberty, and the pursuit of happiness for our Nation and for all nations.

May all men, O God, be free to share in Your life on earth, so that they may attain eternal happiness in heaven.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 1, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On July 31, 1961:

S. 331. An act for the relief of Mrs. Kazuko (Wm. R.) Zittle;

S. 438. An act for the relief of Mrs. Maria Giovanna Hopkins; and

S. 1644. An act to provide for the indexing and microfilming of certain records of the Russian Orthodox Greek Catholic Church in Alaska in the collections of the Library of Congress.

On August 1, 1961:

S.J. Res. 120. Joint resolution to authorize the President to order units and members in the Ready Reserve to active duty for not more than 12 months, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 857) to provide for the establishment of Cape Cod National Seashore.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 845) to amend title 38, United States Code, to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and for other purposes.

The message further announced that the House had passed a bill (H.R. 8102) to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL PLACED ON CALENDAR

The bill (H.R. 8102) to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes, was read twice by its title and placed on the calendar.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

Mr. MANSFIELD. Mr. President, I wish to ask the Senate to permit the leadership to postpone the calling up of the morning hour until after the amendments, en bloc, which have been offered by the Senator from Connecticut [Mr. BUSH] and are now pending, are considered. Because of peculiar circumstances, I am making this request, with the proviso that, if granted, as soon as these amendments are out of the way—and I would judge that would be at approximately 20 minutes or quarter of 1, at the latest—the Senate would then proceed with the morning hour.

The VICE PRESIDENT. Is there objection?

Mr. KEATING. Mr. President, reserving the right to object, do I correctly understand that the Senate has already entered into a unanimous-consent agreement to consider these amendments en bloc?

Mr. MANSFIELD. Yes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

Mr. BUSH. Mr. President, reserving the right to object—although I certainly do not intend to object—I should like to raise the point that since agreeing to confine my remarks on these amendments to 10 minutes, I have had some additional thoughts regarding them; and I wonder whether I can get an extension to 15 minutes for each side, although I may not use that much time.

Mr. MANSFIELD. Mr. President, I adopt that suggestion and renew my request on that basis.

The VICE PRESIDENT. Is there objection to the request, as modified? The Chair hears none, and it is so ordered.

The Senate resumed the consideration of the bill (H.R. 7035) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendments, en bloc, submitted last evening by the Senator from Connecticut [Mr. BUSH], be laid before the Senate at this time, as the pending question.

The VICE PRESIDENT. That will be done, under the order.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 125]

Aiken	Boggs	Capehart
Allott	Bridges	Carlson
Anderson	Burdick	Carroll
Bartlett	Bush	Case, N.J.
Beall	Byrd, Va.	Case, S. Dak.
Bennett	Byrd, W. Va.	Church
Bible	Cannon	Clark

Cooper	Javits	Pastore
Cotton	Johnston	Pell
Curtis	Jordan	Prouty
Dirksen	Keating	Proxmire
Dodd	Kefauver	Randolph
Douglas	Kuchel	Robertson
Dworshak	Lausche	Russell
Ellender	Long, Mo.	Saltonstall
Engle	Long, Hawaii	Schoeppel
Ervin	Long, La.	Scott
Fong	Magnuson	Smathers
Fulbright	Mansfield	Smith, Mass.
Goldwater	McCarthy	Smith, Maine
Gore	McClellan	Sparkman
Gruening	McGee	Stennis
Hart	McNamara	Symington
Hartke	Metcalf	Talmadge
Hayden	Miller	Thurmond
Hickenlooper	Monroney	Tower
Hickey	Morse	Wiley
Hill	Morton	Williams, N.J.
Holland	Moss	Williams, Del.
Hruska	Mundt	Yarborough
Humphrey	Muskie	Young, N. Dak.
Jackson	Neuberger	Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Oklahoma [Mr. KERR] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

(At this point Mr. METCALF took the chair as Presiding Officer.)

The PRESIDING OFFICER. A quorum is present.

Mr. BUSH. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. How much time does the Senator from Connecticut yield?

Mr. BUSH. Mr. President, I have 15 minutes. I yield myself 5 minutes, or as much of that time as I may need.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 minutes.

The Senator from Connecticut may proceed.

Mr. BUSH. Mr. President, yesterday the Senate made it clear it did not intend to go all the way in supporting President Kennedy's appeal to refrain from adding expenditures to the budget in excess of his request, at least insofar as the appropriations we are now considering are concerned.

I now urge the Senate to at least meet the President halfway by adopting the pending amendment to H.R. 7305, which would provide, for the National Institutes of Health, every dollar which was requested by the Department of Health, Education, and Welfare for the NIH programs. The amendment would make available to NIH $695,064,000, the amount which was submitted to the Bureau of the Budget as the maximum which could be spent with efficiency in the current fiscal year.

The Bureau of the Budget, acting under President Kennedy's orders, cut the Department's request to $583 million, a reduction of $112,064,000. The Senate Committee on Appropriations has recommended $835,670,000 for NIH items, an increase of $252,670,000 over President Kennedy's budget estimates, an increase of $194,670,000 over the amount provided in the bill as passed by the House an increase of $277,493,000 over the appropriations for 1961, and, finally, an increase of $140,606,000 over the amount which the Department of Health, Education, and Welfare believes can be wisely spent.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BUSH. I shall yield in a moment.

Mr. President, my amendment would accomplish a saving of $140,606,000 and yet provide NIH with all the money that it believes can be wisely spent. The amendment provides a reasonable compromise between the President's budget and the position of the Appropriations Committee. I trust that it will be acceptable to the distinguished chairman of the subcommittee, the senior Senator from Alabama [Mr. HILL] and to other members of the Committee on Appropriations, whose consideration of these matters was, of course, concluded before President Kennedy's address to the Nation on Tuesday of last week in connection with the Berlin crisis, in which address the President repeated his admonition for fiscal restraint. Yesterday I had printed in the RECORD what he said on that occasion.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BUSH. I yield to the distinguished senior Senator from Massachusetts.

Mr. SALTONSTALL. I wish to ask the Senator from Connecticut a question about a process which occurs frequently in the Appropriations Committee. Is the figure which the Senator from Connecticut is submitting to the Senate at the present time of $695,064,000 the HEW figure submitted to the budget as the amount that HEW could properly use?

Mr. BUSH. That is the figure.

Mr. SALTONSTALL. I understand that the House allowed $641 million. The suggestion of the Senator from Connecticut is therefore approximately $54 million above what the House provided.

Mr. BUSH. The Senator is correct.

Mr. SALTONSTALL. The original request to the Budget Bureau was increased by President Kennedy, was it not?

Mr. BUSH. The Senator is correct.

Mr. SALTONSTALL. The amendment offered by the Senator from Connecticut states a figure which is $58 million over and above the budget estimate that was requested by President Kennedy; am I correct in my statement?

Mr. BUSH. The pending amendment proposes an amount more than $100 million over and above what President Kennedy asked for in the budget.

Mr. SALTONSTALL. The amount provided in the Senator's amendment is $58 million over the original request of the HEW to the Bureau of the Budget.

Mr. BUSH. That is the request which the HEW made of the Budget Bureau.

Mr. SALTONSTALL. Therefore what the Senator is now saying is that the amendment provides all the funds for HEW that the agency can use.

Mr. BUSH. The Senator is correct. That is the point.

Mr. SALTONSTALL. I thank the Senator.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. BUSH. I yield to the Senator from Colorado.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BUSH. I yield myself an additional 5 minutes.

Mr. ALLOTT. I thank the Senator for yielding. It would be inappropriate for me not to say a few words on this subject, because for the past 3 years I have spoken on this subject. I shall support the amendment of the Senator from Connecticut. I do so realizing full well, having worked with the chairman of the subcommittee, the distinguished Senator from Alabama [Mr. HILL], how sincerely convinced he is that the funds are needed.

I am confronted almost daily with indisputable facts showing that we have expanded and are now expanding further our research programs through NIH to the extent that they no longer receive and get the quality of research that we desire. When we do not have true research, we end up with guesswork, and guesswork is a great deal worse than no research at all. For that reason, and because I think it is time for us to consolidate and take a completely new look at this area, and because the amount provided in the amendment of the Senator from Connecticut is more than generous, I believe, even though the amount does not meet the ideas of some people who testify before our committees every year, I shall support the amendment.

If we do not assure ourselves that we will get real research and not merely guesswork, I think we can do the people of this country a very great disservice.

I compliment the Senator for offering his amendment. I shall support it, and I think it will lead to good in the long run.

Mr. BUSH. I thank the Senator from Colorado.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Connecticut has 8 minutes remaining.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. BUSH. I yield 1 minute to the minority leader.

Mr. DIRKSEN. Frankly, I never cease to be astonished at the fact that many months ahead of the preparation of the budget to be submitted to Congress the agency or department in question begins carefully to plan for all its needs, then submits its requests, and then the Congress itself not only exceeds the requests of the agency, but also exceeds the requests of the President and even of the Budget Bureau. If anything can be labeled fiscal irresponsibility, I think that course of action could, because it goes beyond my comprehension that we should give the agency more than it requested, more than the Budget Bureau requested, and more than the President requested. That process is one of the fantastic things about the whole budgeting operation. We ought always, in my judgment, to start at the level of the agency's request, knowing that it will be

more generous and charitable with itself than the Congress might be, use that figure as the ceiling, and work from that point down.

Mr. BUSH. I thank the Senator from Illinois.

I yield 3 minutes to the Senator from Pennsylvania [Mr. SCOTT].

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 3 minutes.

Mr. SCOTT. Mr. President, we are caught in the grip of a fallacy. Some believe that if a purpose is good, and if it is well to have good health and to investigate by research the causes of disease, it therefore follows that people who do that work are entitled to receive not only more than they got before, or more than they ask the Secretary for, or more than they ever requested from anyone, more than they need, and more than the other body would give them, on no other basis than that health is a good thing.

I have caused some investigation to be made at the office of Health, Education, and Welfare on this subject, and I find that while $835,670,000 is proposed by the Senate committee, the amount requested in September 1960 in the President's budget was $540 million; that in January of this year the National Institutes of Health requested, and Secretary Ribicoff asked of the new administration, an additional $101 million, which would bring the amount requested under HEW to $641 million. Some of the items in the extra $101 million represented considerable duplication. In fact, what NIH wanted was not $695 million, but $641 million, which is the amount the House allowed.

Therefore, the Bush amendment, in cutting the appropriation back to $695 million, would cut back not only to an amount greater than the President's budget of $583 million, but is more generous by $54 million than the National Institutes of Health ever wanted, ever needed, ever expected, and ever really asked for.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SCOTT. Mr. President, may I have 1 additional minute?

Mr. BUSH. I yield an additional minute to the Senator from Pennsylvania.

Mr. SCOTT. I have also discovered that not only does HEW not ask for the $835 million, or the difference involved, but also it does not know how to spend it. It has prepared no plans to spend it. The information given to me is that it is now working on the figures to determine how to spend the additional money. It will not have the figures until after the Senate acts on the bill, because it must look around to find places in which to spend the money, which no one wants, and which it is proposed to have Congress force on the agency.

I support the Bush amendment.

Mr. BUSH. Mr. President, I reserve the balance of my time.

Mr. HILL. Mr. President, the amendment offered by the Senator from Connecticut would slash all the funds for the National Institutes of Health. The question has been raised about these funds being needed and being profitably used if they are granted. I could read testimony from witness after witness. I bring to the attention of the Senate the testimony of Dr. McEwen. He is professor of medicine, and was formerly dean of the New York University School of Medicine; consulting physician of the Goldwater Memorial Hospital in New York; past president of the American Rheumatism Association; a member of the board of Arthritis and Rheumatism Foundation; he was formerly chief medical consultant, European Theater of Operations, the Army of the United States; also a former member of the National Advisory Council, National Institute of Arthritis and Metabolic Diseases.

He testified:

> The number of research grants carefully studied and deserving of support which has to be disallowed each year because of the lack of funds is a fact I am very familiar with.

He says he is familiar with it because he has served on that Council of the National Institute of Arthritis and Metabolic Diseases, before which these applications come, and which has to act on those applications.

He goes on to say:

> I submit that anyone who has enjoyed that privilege—

Of serving on the Council of the National Institute of Arthritis and Metabolic Diseases—

> will know how carefully these projects are scrutinized and screened and when projects that have received that sort of approval have to go unawarded because of a lack of funds, this is a serious deterrent to the progress that might be made.

These are applications that cannot be acted on with approval because of the lack of funds.

Then he adds:

> I therefore believe, sir, that we need a substantial increase in the funds for research grants in the field of interest of the National Institute of Arthritis and Metabolic Diseases, beyond that recommended by the Bureau of the Budget.

Every witness who appeared before us time and again was asked how carefully these applications were screened and how thoroughly they were considered and how well they were getting results. The answer every time was that they were carefully scrutinized, they were carefully screened, and that we were getting results. However, the only trouble was that we had many more worthy applications than could be favorably acted upon because we had not given the Institutes the money that was necessary to make a grant to the applicants who might go forward with that work.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. PASTORE. For the edification of the Members of the Senate, many of whom have not even read the record of the hearings, will the Senator from Alabama be so kind as to inform us about how many witnesses appeared before the committee in conjunction with the amounts that we are talking about in connection with the pending amendment?

Mr. HILL. I would say at least 50 witnesses.

Mr. PASTORE. For the further edification of the Senate, will the Senator from Alabama please tell us some of the names of the men and their standing in the medical profession?

Mr. HILL. Well, I just called attention to the standing of Dr. McEwen. He had been a medical consultant in the Army of the United States in the European theater of operations. He was formerly Dean of the Medical School of New York University, and he is now head of the department of medicine of that school.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. HILL. I have not finished answering the question of my friend from Rhode Island. I shall be happy later to yield to the Senator from Connecticut. I could go through this list, and if I did so we would find that every one of these witnesses who appeared before our committee was a distinguished doctor or a distinguished biological scientists and an outstanding man in his field of work, not only as a doctor, but also as a research man, and in many instances a teacher.

Mr. PASTORE. Mr. President, will the Senator yield further?

Mr. HILL. I yield.

Mr. PASTORE. Within the past few minutes I heard an astounding statement made on the floor of the Senate. I will quote it as accurately as I can. It is that we are appropriating money in the bill which no one wants. Is that the understanding of the Senator from Alabama?

Mr. HILL. That is not only erroneous and not only wrong, but also, I would say, as the distinguished Senator from Rhode Island knows, these men who came before the committee are all outstanding men in their field. I see on the floor the distinguished Senators from North Carolina. One of the ablest witnesses who appeared before the committee was Dr. Philip Handler, from that fine medical center, Duke University, where he serves as professor and chairman of the department of biochemistry. Every one of these witnesses asked for more money than the subcommittee and the full committee recommended. As I said yesterday, these distinguished witnesses asked for approximately $335 million as an increase, and we recommended $194 million.

Mr. PASTORE. Mr. President, will the Senator yield further?

Mr. HILL. I yield.

Mr. PASTORE. Is it the Senator's considered judgment that every penny which is recommended to be appropriated for the National Health Institutes can be wisely and judiciously spent?

Mr. HILL. It is indeed. Witness after witness was asked that very question, and the answer was that the funds could be wisely and judiciously and profitably expended. The only trouble was that we were not giving them enough money to go forward as we felt we could go forward and as we should go forward.

Every penny could be wisely and profitably expended.

This battle for these funds has been going on for some years. Not one person has been able to come before our committee or before any committee, or to advise the Senate, where one single penny of these funds has not been wisely, judiciously, and profitably expended.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. GRUENING. Long before I came to the Senate I followed with great admiration the public careers of some of the sterling figures in the Senate who later died of cancer.

Arthur Vandenberg, Brien McMahon, Bob Taft, Mat Neely, Tom Hennings, Dick Neuberger.

Mr. HILL. Mr. President, will the Senator from Alaska yield?

Mr. GRUENING. I yield.

Mr. HILL. Ken Wherry was once the majority leader of the Senate. He sat where the distinguished Senator from Kansas [Mr. CARLSON] is sitting at present.

Senator Brien McMahon was our great leader in the field of atomic energy. The basic Atomic Energy Act today is the McMahon Act.

Robert Taft was one of the strongest men the Senate ever had. He died of cancer.

Arthur Vandenberg, who waged a strong battle on behalf of the international affairs of our country, died of cancer.

Herman Welker, of Idaho, died of cancer.

Charles Tobey, of New Hampshire, died of cancer.

As the Senator has said, Mat Neely, of West Virginia, died of cancer.

Tom Hennings died, not many months ago, of cancer.

Our good friend, of whom we thought so much, Senator George Malone, died of cancer.

Mr. GRUENING. I remember seeing a great and distinguished Republican Senator from Colorado, Gene Millikin, come into the Chamber in a wheelchair, suffering from crippling arthritis, which finally caused his retirement and death. Had there then been some of the research which is now proposed, Senator Millikin might be alive today and serving the Senate as admirably as he did.

Mr. HILL. Great progress has been made in the battle against arthritis. The distinguished Senator from Alaska is well able to testify to that. He is a doctor of medicine, having been graduated from Harvard Medical School before entering the field of journalism and then taking part in the fight for statehood for Alaska.

Although great progress has been made in the battle against arthritis, still today 11 million people in the United States suffer from that disease. Many of them actually are unable to carry on any useful or gainful occupation. Many of them are an economic burden to either their loved ones or their community or the Nation. Not being able to carry on a productive occupation, they are not able to make any effort toward a contribution in the form of taxes to the operation of their Government.

Mr. GRUENING. I cannot imagine anything more constructive or useful than the research activities which are being conducted to stamp out arthritis, cancer, or any other disease. The chairman of the Subcommittee on Appropriations for the Department of Health, Education, and Welfare, the distinguished Senator from Alabama [Mr. HILL], and his colleagues are to be highly commended for reporting the bill they have. They are waging the kind of war against a common enemy — sickness — which everyone should support. I hope the amendment aimed at striking out these funds will not prevail.

I notice, seated on the other side of the aisle, the distinguished senior Senator from Colorado [Mr. ALLOTT]. I hope he heard my reference to his predecessor, Gene Millikin, who might be alive today if there had been the more adequate research into arthritis for which we are now providing in the bill, but as to which an effort is being made to eliminate it.

Mr. HILL. I thank the distinguished Senator from Alaska.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Alabama has 2 minutes remaining.

Mr. HILL. Mr. President, the distinguished Senator from Connecticut has cited figures as figures arrived at by officials in the National Institutes of Health. I have before me the hearings before the Subcommittee on Appropriations of the House of Representatives, 87th Congress, 1st session—that is this session of Congress. I turn to pages 476 and 477, and I find the estimates as submitted by the heads of the different departments. As the Surgeon General of the United States says in his letter of transmission:

> The professional judgment budget estimates from the National Institutes of Health are submitted with Dr. Shannon's comments for insertion in his testimony.

The estimates come to what? They come to $835,018,000. These, in round numbers, are the very amounts we are recommending today. Our recommendation is for $835 million, just as the heads of the Institutes asked and recommended that we provide.

Mr. LONG of Hawaii. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. LONG of Hawaii. References have been made to persons of prominence who have been victims of cancer. We could go into almost any family and hear statements which are equally convincing. I have no choice; I shall vote for the appropriation as recommended.

Mr. BUSH. Mr. President, the table from which I have taken my figures appears in the hearings of the House Subcommittee on Health, Education, and Welfare Appropriations, 87th Congress, 1st session, page 128. I submit that my figures are correct.

I shall make one final statement on this subject. The distinguished Senator from Alabama, the able and respected chairman of the subcommittee, has been telling us for the last 10 minutes that one witness said we need so-and-so; another witness said we need so-and-so, and another witness said we need so-and-so.

I do not believe the time has come when the Senate can oblige all the witnesses and do exactly what every witness asks us to do. I think the function of the Senate is to review what the witnesses have said, and then to make up its own mind as to whether it wishes to appropriate or not. I think we should pay as much attention to what the President of the United States recommends and the Secretary of Health, Education, and Welfare recommends as we do to what the many witnesses recommend. With all due respect to their distinction in their own fields, they do not have the responsibility of managing the budget of the United States and of financing this great Government that we do. We are entitled to read what they say about the necessity for funds for research into arthritis and heart disease; but it is up to us to decide how much money can usefully be spent.

The Department of Health, Education, and Welfare has said, "This is all we can spend"; it is all they asked for. My amendment simply cuts back the appropriation to the amount they asked for.

Mr. LAUSCHE. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. LAUSCHE. I am certain that if the strength that is attributed to the position of the proponents of the measure is of the caliber indicated by them, the President of the United States and the Secretary of Health, Education, and Welfare would have told the Senate that they wanted the amount increased. No such word has been forthcoming. The record is completely devoid of any statement to the effect that the President of the United States, since January, has changed his mind or that the Secretary of Health, Education, and Welfare has changed his mind.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing, en bloc, to the amendments offered by the Senator from Connecticut. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. HUMPHREY. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Oklahoma [Mr. KERR] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Vermont [Mr. PROUTY].

If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Vermont would vote "yea."

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator

from Oklahoma [Mr. KERR], and the Senator from New Mexico [Mr. CHAVEZ] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Hawaii [Mr. FONG], and the Senator from Vermont [Mr. PROUTY] are detained on official business.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Hawaii [Mr. FONG]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Hawaii would vote "nay."

On this vote, the Senator from Vermont [Mr. PROUTY] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from New Mexico would vote "nay."

The result was announced—yeas 39, nays 53, as follows:

[No. 126]

YEAS—39

Allott	Douglas	Mundt
Beall	Dworshak	Proxmire
Bennett	Ellender	Robertson
Boggs	Goldwater	Saltonstall
Bush	Hickenlooper	Schoeppel
Byrd, Va.	Holland	Scott
Capehart	Hruska	Symington
Case, N.J.	Keating	Thurmond
Case, S. Dak.	Kuchel	Tower
Cooper	Lausche	Wiley
Cotton	McClellan	Williams, Del.
Curtis	Miller	Young, N. Dak.
Dirksen	Morton	Young, Ohio

NAYS—53

Aiken	Hayden	Monroney
Anderson	Hickey	Morse
Bartlett	Hill	Moss
Bible	Humphrey	Muskie
Burdick	Jackson	Neuberger
Byrd, W. Va.	Javits	Pastore
Cannon	Johnston	Pell
Carlson	Jordan	Randolph
Carroll	Kefauver	Russell
Church	Long, Mo.	Smathers
Clark	Long, Hawaii	Smith, Mass.
Engle	Long, La.	Smith, Maine
Ervin	Magnuson	Sparkman
Fulbright	Mansfield	Stennis
Gore	McCarthy	Talmadge
Gruening	McGee	Williams, N.J.
Hart	McNamara	Yarborough
Hartke	Metcalf	

NOT VOTING—8

Bridges	Dodd	Kerr
Butler	Eastland	Prouty
Chavez	Fong	

So Mr. BUSH's amendments were rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendments were rejected.

Mr. HILL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, in view of the unanimous-consent agreement, I should like to call to the attention of the Senate the fact that we are now operating under the morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Health, Education, and Welfare Subcommittee of the Committee on the District of Columbia was authorized to sit during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed, in executive session, to consider the nominations on the Executive Calendar, with the exception of the nomination in the Federal Power Commission.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. METCALF in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance:

George K. Brokaw, of California, to be collector of customs for customs collection district No. 28, with headquarters at San Francisco, Calif.

Anton Sestric, Jr., of Missouri, to be collector of customs for customs collection district No. 45, with headquarters at St. Louis, Mo.

Crane C. Hauser, of Illinois, to be an Assistant General Counsel in the Department of the Treasury (Chief Counsel for the Internal Revenue Service); and

Joseph P. Rostenkowski, of Illinois, to be collector of customs for customs collection district No. 39, with headquarters at Chicago, Ill.

The PRESIDING OFFICER. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

U.S. COAST GUARD

The legislative clerk proceeded to read nominations in the U.S. Coast Guard.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

FEDERAL TRADE COMMISSION

The legislative clerk read the nomination of A. Everette MacIntyre to be a Federal Trade Commissioner.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL MARITIME BOARD

The legislative clerk read the nomination of Rear Adm. John Harllee to be a member of the Federal Maritime Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. TRAVEL SERVICE

The legislative clerk read the nomination of Voit Gilmore to be the Director of the U.S. Travel Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The legislative clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be notified forthwith of the nominations today confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate return to legislative session.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES IN FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, transmitting, pursuant to law, a report on the backlog of

pending applications and hearing cases in that Commission, as of June 30, 1961 (with an accompanying report); to the Committee on Commerce.

ESTABLISHMENT OF THEODORE ROOSEVELT BIRTHPLACE AND SAGAMORE HILL NATIONAL HISTORIC SITES, N.Y.

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to authorize establishment of the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were presented, and referred as indicated:

By Mr. HUMPHREY:

A resolution of the Legislature of the State of Minnesota; to the Committee on Agriculture and Forestry:

"RESOLUTION 7

"Resolution memorializing Congress to enact laws providing for more widespread use of farm commodities for school lunch and welfare programs

"Whereas one of the most pressing problems of our Nation today is that of the ever-growing supply of farm surpluses; and

"Whereas there are persons in our Nation who suffer nutritional deficiencies because of financial inability to secure adequate, nourishing food; and

"Whereas some progress in the problem of surpluses could be made by greater use of the surplus commodities for school lunch programs and welfare programs: Now, therefore, be it

"Resolved by the Legislature of the State of Minnesota, That the U.S. Congress and the Secretary of Agriculture be requested to expand programs whereby surplus food is distributed for school lunch and welfare programs; and be it further

"Resolved, That the secretary of state is instructed to send copies of this resolution to the President of the United States, the U.S. Secretary of Agriculture, and each Member of the U.S. Congress from the State of Minnesota.

"KARL ROLVAAG,
"President of the Senate.
"E. J. CHILGREN,
"Speaker of the House of Representatives.

"Passed the senate this 14th day of March 1961.

"H. Y. TORREY,
"Secretary of the Senate.

"Passed the house of representatives this 15th day of April 1961.

"G. H. LEAHY,
"Chief Clerk, House of Representatives.

"Approved April 20, 1961.

"ELMER L. ANDERSEN,
"Governor of the State of Minnesota.

"Filed April 20, 1961.

"JOSEPH L. DONOVAN,
"Secretary of the State of Minnesota."

A concurrent resolution of the Legislature of the State of Minnesota; to the Committee on Finance:

RESOLUTION 5

"Concurrent resolution memorializing the President, the Secretary of Agriculture, and the Congress of the United States to increase sugarbeet allotments for Minnesota farmers

"Whereas the production of sugarbeets and the processing of sugar is vital to the economy of the State of Minnesota in that it provides increased per acre income to farmers, and provides increased employment for labor; and

"Whereas the State of Minnesota has available large acreages of land suitable for growing sugarbeets, which land is currently used to produce foodstuffs which are already in over supply, and which land is being farmed by individuals who evidence a firm and continuing desire to raise sugarbeets; and

"Whereas the production of sugarbeets in the State of Minnesota is limited by the allotments in force under the Federal laws in such cases made and provided; and

"Whereas the domestic consumption of sugar is increasing due to an ever-increasing population; and

"Whereas it appears the sugar allotments currently in effect for certain foreign countries may not be met by these foreign countries and these countries should no longer be considered as an adequate source of supply for U.S. domestic sugar requirements: Now, therefore, be it

"Resolved by the senate (the house of representatives concurring), that the President of the United States, the U.S. Secretary of Agriculture, and the Congress of the United States be requested to increase the acreage allotments for sugar production in the State of Minnesota; and be it further

"Resolved, That the secretary of state be instructed to transmit copies of this resolution to the President of the United States, the U.S. Secretary of Agriculture, and to each Member of Congress from the State of Minnesota.

"KARL F. ROLVAAG,
"President of the Senate.
"E. J. CHILGREN,
"Speaker of the House of Representatives.

"Passed the senate this 14th day of March 1961.

"H. Y. TORREY,
"Secretary of the Senate.

"Passed the house of representatives this 10th day of April 1961.

"G. H. LEAHY,
"Chief Clerk, House of Representatives.

"Approved April 17, 1961.

"ELMER L. ANDERSEN,
"Governor of the State of Minnesota.

"Filed April 18, 1961.

"JOSEPH L. DONOVAN,
"Secretary of the State of Minnesota."

Two resolutions of the Legislature of the State of Minnesota; to the Committee on Public Works:

"RESOLUTION 4

"Resolution memorializing the Congress of the United States to provide adequate funds to the appropriate Federal agency for the purpose of conducting an up-to-date survey of the Minnesota River within the State of Minnesota, and bringing up to date the report of the Chief of Engineers, U.S. Army, dated June 6, 1935, relative to the utility of the river for navigation, flood control, and related purposes, and the justification of Federal fund participation therein

"Whereas under the Flood Control Act, approved by Congress May 15, 1928, a survey of the Minnesota River in Minnesota was conducted, and pursuant thereto the report of the Chief of Engineers, U.S. Army, dated June 6, 1935, was submitted to Congress, together with accompanying papers and illustrations for the purpose of determining prospective uses of said river for navigation, existing development of its waterpower, control of floods, and the needs of irrigation; and

"Whereas certain improvements and works were found to be economically justifiable, but Federal participation in the cost thereof was not recommended; and

"Whereas there have been great changes in the economic development of the area served by said river, and greatly augmented potentials for use and need of improvements; and

"Whereas, since the making of the report above referred to, certain reservoirs and other improvements have been created in and along said river, in some of which Federal agencies have participated or dominated: Now, therefore, be it

"Resolved by the Legislature of the State of Minnesota, That the Congress of the United States be memorialized to provide adequate funds to the appropriate agency of the U.S. Government for the purpose of conducting an up-to-date survey and reporting to Congress upon the feasibility of various projects within the scope and function of Federal agencies and upon the desirability of and justification for Federal participation in the development of such projects; and be it further

"Resolved, That the secretary of state be instructed to transmit copies of this resolution to the President of the United States and each Member of Congress from the State of Minnesota.

"KARL ROLVAAG,
"President of the Senate.
"E. J. CHILGREN,
"Speaker of the House of Representatives.

"Passed the senate this 13th day of March 1961.

"H. Y. TORREY,
"Secretary of the Senate.

"Passed the house of representatives this 13th day of March 1961.

"G. H. LEAHY,
"Chief Clerk, House of Representatives.

"Approved April 11, 1961.

"ELMER L. ANDERSEN,
"Governor of the State of Minnesota.

"Filed April 12, 1961.

"JOSEPH L. DONOVAN,
"Secretary of State of Minnesota.

"RESOLUTION 6

"Resolution memorializing the Congress of the United States to enact legislation authorizing and directing the Department of the Army, acting through the district engineer, U.S. Army Engineers, St. Paul, Minn., to enter into agreements with the State of Minnesota for the regulation, utilization and control of water levels in the headwater lakes of the Mississippi River, for the purpose of controlling such water elevations and the discharge from the reservoirs involved to preserve and protect, in accordance with the plans of the State of Minnesota, the full utilization and control of such waters in the interests of the people of the State

"Whereas the Federal Government has constructed dams suitable for controlling the headwater lakes of the Mississippi consisting primarily of Leech Lake, Winnibigoshish Lake, Pokegama Lake, Pine River (the Whitefish chain), Sandy Lake, and Gull Lake under authority of acts of Congress in the aid of navigation in the Mississippi River and incidentally for flood control purposes; and

"Whereas the need of these lakes for aid in navigation has been greatly diminished by virtue of subsequent improvements and control structures in the downstream areas of the Mississippi River; and

"Whereas the economic uses of the headwater lakes by the people of the State for recreational purposes, as well as State water needs and uses downstream from the reservoirs themselves, have increased and are increasing tremendously; and

"Whereas it has been the declared purposes of the Congress ever since the act of December 22, 1944, chapter 665, 58 Statutes at Large, section 887, to recognize the interests and rights of the States in water utilization and control so as to preserve and protect to the fullest possible extent the established and potential uses, and to limit the control of navigation works so as to effectuate only those purposes from which a substantial benefit to navigation will be realized; and

"Whereas the U.S. Corps of Army Engineers have expressed doubt as to any specific

authority vested in them by the Congress to formalize agreements with the State of Minnesota relating to the control and utilization of reservoirs: Now, therefore, be it

"Resolved by the Legislature of the State of Minnesota, That the Congress of the United States be memorialized to authorize and direct the Department of the Army to enter into appropriate agreements with the State of Minnesota so as to recognize the right and interests of that State in determining the development of the water sheds within the State and in preserving and protecting to the fullest possible extent the established and potential water uses by the State for all purposes. Such agreements should recognize and accede to the plan of operation and the control of the water stages in said headwater lakes as promulgated by the State of Minnesota, subject only to the needs which may develop from time to time for water withdrawal which may constitute a reasonable and substantial benefit to navigation, and subject to the judgment of the Army Engineers with respect to creating needed reservoir capacity to prevent imminent flooding downstream from the reservoirs; and be it further

"Resolved, That the secretary of state be instructed to transmit copies of this resolution to the President of the United States and each Member of Congress from the State of Minnesota.

"KARL F. ROLVAAG,
"President of the Senate.
"E. J. CHILGREN,
"Speaker of the House of Representatives.

"Passed the senate this 13th day of March 1961.

"H. Y. TORREY,
"Secretary of the Senate.

"Passed the house of representatives this 15th day of April 1961.

"G. H. LEAHY,
"Chief Clerk, House of Representatives.

"Approved April 20, 1961.

"ELMER L. ANDERSEN,
"Governor of the State of Minnesota.

"Filed April 20, 1961.

"JOSEPH L. DONOVAN,
"Secretary of the State of Minnesota."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HICKEY, from the Committee on Interior and Insular Affairs, without amendment:

S. 2245. A bill to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation (Rept. No. 655).

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL EMPLOYMENT AND PAY

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of June 1961. In accordance with the practice of several years standing, I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, JUNE AND MAY 1961, AND PAY, MAY AND APRIL 1961

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for June 1961 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In June numbered	In May numbered	Increase (+) or decrease (−)	In May was	In April was	Increase (+) or decrease (−)
Total [1]	2,419,681	2,386,288	+33,393	$1,202,582	$1,063,384	+$139,198
Agencies exclusive of Department of Defense	1,377,186	1,345,667	+31,519	664,600	592,337	+72,263
Department of Defense	1,042,495	1,040,621	+1,874	537,982	471,047	+66,935
Inside the United States	2,260,634	2,224,428	+36,206			
Outside the United States	159,047	161,860	−2,813			
Industrial employment	566,496	563,067	+3,429			
Foreign nationals	170,198	171,003	−805	24,375	[2] 24,694	−319

[1] Exclusive of foreign nationals shown in the last line of this summary.

[2] Revised on basis of later information.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside the United States by agencies.

Table III breaks down the above employment figures to show the number outside the United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during June 1961, and comparison with May 1961, and pay for May 1961, and comparison with April 1961*

Department or agency	Personnel				Pay (in thousands)			
	June	May	Increase	Decrease	May	April	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	102,569	91,906	10,663		$44,516	$40,168	$4,348	
Commerce [1]	30,352	29,199	1,153		18,560	15,392	3,168	
Health, Education, and Welfare	70,335	68,302	2,033		36,186	32,159	4,027	
Interior	58,750	54,219	4,531		29,810	25,985	3,825	
Justice	31,258	30,387	871		19,667	17,351	2,316	
Labor	8,055	7,888	167		4,287	3,726	561	
Post Office	582,447	575,022	7,425		257,696	232,245	25,451	
State [2 3]	38,813	38,204	609		18,028	17,151	877	
Treasury	79,974	80,355		381	46,596	40,981	5,615	
Executive Office of the President:								
White House Office	411	411			256	242	14	
Bureau of the Budget	485	465	20		360	381		$21
Council of Economic Advisers	44	38	6		24	39		15
Executive Mansion and Grounds	71	71			37	30	7	
National Aeronautics and Space Council	3	3			4	2	2	
National Security Council	56	59		3	50	44	6	
Office of Civil and Defense Mobilization	1,834	1,784	50		1,130	1,130		
President's Committee on Fund Raising Within the Federal Service					3	3		
Independent agencies:								
Advisory Commission on Intergovernmental Relations	18	13	5		9	9		
Alaska International Rail and Highway Commission [4]		3		3	2	2		
American Battle Monuments Commission	446	443	3		86	76	10	
Atomic Energy Commission	6,846	6,822	24		4,953	4,319	634	
Board of Governors of the Federal Reserve System	600	597	3		392	341	51	
Civil Aeronautics Board	760	754	6		556	487	69	
Civil Service Commission	3,773	3,711	62		2,323	2,018	305	
Civil War Centennial Commission	7	7			5	5		
Commission of Fine Arts	6	6			5	4	1	
Commission on Civil Rights	84	81	3		56	44	12	
Development Loan Fund	155	149	6		115	101	14	
Export-Import Bank of Washington	259	251	8		176	152	24	
Farm Credit Administration	237	235	2		173	151	22	

See footnotes at end of table.

TABLE I.—*Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during June 1961, and comparison with May 1961, and pay for May 1961, and comparison with April 1961*—Continued

Department or agency	Personnel				Pay (in thousands)			
	June	May	Increase	Decrease	May	April	Increase	Decrease
Independent agencies—Continued								
Federal Aviation Agency	42,857	41,872	985		$27,029	$23,393	$3,636	
Federal Coal Mine Safety Board of Review	7	7			5	4	1	
Federal Communications Commission	1,396	1,348	48		918	808	110	
Federal Deposit Insurance Corporation	1,298	1,254	44		812	701	111	
Federal Home Loan Bank Board	1,129	1,099	30		722	624	98	
Federal Mediation and Conciliation Service	347	345	2		301	263	38	
Federal Power Commission	918	870	48		603	535	68	
Federal Trade Commission	855	808	47		594	516	78	
Foreign Claims Settlement Commission	56	56			44	37	7	
General Accounting Office	4,973	4,822	151		3,073	2,675	398	
General Services Administration	29,947	29,712	235		14,174	12,265	1,909	
Government Contract Committee						8		$8
Government Printing Office	6,726	6,666	60		3,884	3,299	585	
Housing and Home Finance Agency	11,507	11,289	218		7,124	6,142	982	
Indian Claims Commission	16	16			14	14		
Interstate Commerce Commission	2,396	2,365	31		1,500	1,392	108	
National Aeronautics and Space Administration	17,601	16,703	898		12,104	10,902	1,202	
National Capital Housing Authority	406	392	14		177	151	26	
National Capital Planning Commission	53	49	4		35	30	5	
National Capital Transportation Agency	28	20	8		13	8	5	
National Gallery of Art	329	323	6		139	118	21	
National Labor Relations Board	1,816	1,783	33		1,239	1,074	165	
National Mediation Board	129	122	7		100	93	7	
National Science Foundation	838	701	137		441	376	65	
Outdoor Recreation Resources Review Commission	52	[4] 51	1		34	31	3	
Panama Canal	14,330	14,196	134		4,554	6,748		2,194
President's Committee on Equal Employment Opportunity	26	25	1		15	12	3	
Railroad Retirement Board	2,235	2,165	70		1,213	1,053	160	
Renegotiation Board	271	273		2	228	212	16	
St. Lawrence Seaway Development Corporation	160	162		2	97	92	5	
Securities and Exchange Commission	1,087	1,054	33		729	634	95	
Selective Service System	6,607	6,595	12		2,136	1,857	279	
Small Business Administration	2,633	2,499	134		1,600	1,362	238	
Smithsonian Institution	1,163	1,103	60		557	479	78	
Soldiers' Home	1,046	1,038	8		334	320	14	
South Carolina, Georgia, Alabama, and Florida Water Study Commission	53	50	3		39	34	5	
Subversive Activities Control Board	27	27			23	21	2	
Tariff Commission	279	266	13		196	190	6	
Tax Court of the United States	146	149		3	115	104	11	
Tennessee Valley Authority	17,134	16,510	624		9,761	8,302	1,459	
Texas Water Study Commission	48	50		2	34	32	2	
U.S. Information Agency	10,864	10,796	68		4,287	3,913	374	
Veterans' Administration	174,110	173,619	491		77,271	66,603	10,668	
Virgin Islands Corporation	639	1,032		393	181	172	9	
Total, excluding Department of Defense	1,377,186	1,345,667	32,308	780	664,600	592,337	74,501	2,238
Net increase, excluding Department of Defense			31,519				72,263	
Department of Defense:								
Office of the Secretary of Defense	2,005	1,958	47		1,525	1,324	201	
Department of the Army	390,779	388,111	2,668		193,190	170,811	22,379	
Department of the Navy	346,312	345,100	1,212		187,199	[5] 163,493	23,706	
Department of the Air Force	303,399	305,452		2,053	156,068	135,419	20,649	
Total, Department of Defense	1,042,495	1,040,621	3,927	2,053	537,982	471,047	66,935	
Net increase, Department of Defense			1,874				66,935	
Grand total, including Department of Defense [6]	2,419,681	2,386,288	36,235	2,842	1,202,582	1,063,384	141,436	2,238
Net increase, including Department of Defense			33,393				139,198	

[1] June figure includes 165 seamen on the rolls of the Maritime Administration and their pay.

[2] June figure includes 14,751 employees of the International Cooperation Administration, as compared with 14,450 in May and their pay. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The June figure includes 3,547 of these trust fund employees and the May figure includes 3,548.

[3] June figure includes 233 employees of the Peace Corps as compared with 165 in May and their pay.

[4] Agency abolished.

[5] Revised on basis of later information.

[6] Exclusive of personnel and pay of the Central Intelligence Agency and the National Security Agency.

TABLE II.—*Federal personnel inside the United States employed by the executive agencies during June 1961, and comparison with May 1961*

Department or agency	June	May	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	101,530	90,882	10,648	
Commerce [1]	29,766	28,623	1,143	
Health, Education, and Welfare	69,869	67,841	2,028	
Interior	58,248	53,741	4,507	
Justice	30,922	30,059	863	
Labor	7,966	7,790	176	
Post Office	581,099	573,706	7,393	
State [2 3]	10,016	9,666	350	
Treasury	79,405	79,786		381
Executive Office of the President:				
White House Office	411	411		
Bureau of the Budget	485	465	20	
Council of Economic Advisers	44	38	6	
Executive Mansion and Grounds	71	71		
National Aeronautics and Space Council	3	3		
National Security Council	56	59		3
Office of Civil and Defense Mobilization	1,834	1,784	50	
Independent agencies:				
Advisory Commission on Intergovernmental Relations	18	13	5	
Alaska International Rail and Highway Commission [4]		3		3
American Battle Monuments Commission	10	10		
Atomic Energy Commission	6,811	6,786	25	
Board of Governors of the Federal Reserve System	600	597	3	
Civil Aeronautics Board	759	753	6	
Civil Service Commission	3,770	3,708	62	
Civil War Centennial Commission	7	7		
Commission of Fine Arts	6	6		
Commission on Civil Rights	84	81	3	
Development Loan Fund	155	149	6	
Export-Import Bank of Washington	259	251	8	
Farm Credit Administration	237	235	2	
Federal Aviation Agency	41,888	40,903	985	
Federal Coal Mine safety Board of Review	7	7		
Federal Communications Commission	1,394	1,346	48	
Federal Deposit Insurance Corporation	1,296	1,252	44	
Federal Home Loan Bank Board	1,129	1,099	30	
Federal Mediation and Conciliation Service	347	345	2	
Federal Power Commission	918	870	48	
Federal Trade Commission	855	808	47	
Foreign Claims Settlement Commission	54	54		
General Accounting Office	4,905	4,751	154	
General Services Administration	29,947	29,712	235	
Government Printing Office	6,726	6,666	60	
Housing and Home Finance Agency	11,358	11,143	215	
Indian Claims Commission	16	16		

See footnote at end of table.

TABLE II.—*Federal personnel inside the United States employed by the executive agencies during June 1961, and comparison with May 1961*—Continued

Department or agency	June	May	Increase	Decrease
Independent agencies—Continued				
Interstate Commerce Commission	2,396	2,365	31	
National Aeronautics and Space Administration	17,592	16,694	898	
National Capital Housing Authority	406	392	14	
National Capital Planning Commission	53	49	4	
National Capital Transportation Agency	28	20	8	
National Gallery of Art	329	323	6	
National Labor Relations Board	1,787	1,752	35	
National Mediation Board	129	122	7	
National Science Foundation	833	696	137	
Outdoor Recreation Resources Review Commission	52	[1] 51	1	
Panama Canal	177	217		40
President's Committee on Equal Employment Opportunity	26	25	1	
Railroad Retirement Board	2,235	2,165	70	
Renegotiation Board	271	273		2
St. Lawrence Seaway Development Corporation	160	162		2
Securities and Exchange Commission	1,087	1,054	33	
Selective Service System	6,450	6,438	12	
Small Business Administration	2,601	2,467	134	
Smithsonian Institution	1,155	1,095	60	
Soldiers' Home	1,046	1,038	8	
South Carolina, Georgia, Alabama, and Florida Water Study Commission	53	50	3	
Subversive Activities Control Board	27	27		
Tariff Commission	279	266	13	
Tax Court of the United States	146	149		3
Tennessee Valley Authority	17,126	16,504	622	
Texas Water Study Commission	48	50		2
U.S. Information Agency	2,830	2,784	46	
Veterans' Administration	173,062	172,582	480	
Total, excluding Department of Defense	1,317,665	1,286,306	31,795	436
Net increase, excluding Department of Defense			31,359	
Department of Defense:				
Office of the Secretary of Defense	1,962	1,914	48	
Department of the Army	341,534	336,889	4,945	
Department of the Navy	324,129	322,710	1,419	
Department of the Air Force	275,344	276,609		1,265
Total, Department of Defense	942,969	938,122	6,112	1,265
Net increase, Department of Defense			4,487	
Grand total, including Department of Defense	2,260,634	2,224,428	37,907	1,701
Net increase, including Department of Defense			36,206	

[1] June figure includes 155 seamen on the rolls of the Maritime Administration.
[2] June figure includes 2,215 employees of the International Cooperation Administration, as compared with 2,062 in May.
[3] June figure includes 231 employees of the Peace Corps as compared with 164 in May.
[4] Agency abolished.
[5] Revised on basis of later information.

TABLE III.—*Federal personnel outside the United States employed by the executive agencies during June 1961, and comparison with May 1961*

Department or agency	June	May	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,039	1,024	15	
Commerce	586	576	10	
Health, Education, and Welfare	466	461	5	
Interior	502	478	24	
Justice	336	328	8	
Labor	89	98		9
Post Office	1,348	1,316	32	
State [1] [2]	28,797	28,538	259	
Treasury	569	569		
Independent agencies:				
American Battle Monuments Commission	436	433	3	
Atomic Energy Commission	35	36		1
Civil Aeronautics Board	1	1		
Civil Service Commission	3	3		
Federal Aviation Agency	969	969		
Federal Communications Commission	2	2		
Federal Deposit Insurance Corporation	2	2		
Foreign Claims Settlement Commission	2	2		
General Accounting Office	68	71		3
Housing and Home Finance Agency	149	146	3	
National Aeronautics and Space Administration	9	9		
National Labor Relations Board	29	31		2
National Science Foundation	5	5		
Panama Canal	14,153	13,979	174	
Independent agencies—Continued				
Selective Service System	157	157		
Small Business Administration	32	32		
Smithsonian Institution	8	8		
Tennessee Valley Authority	8	6	2	
U.S. Information Agency	8,034	8,012	22	
Veterans' Administration	1,048	1,037	11	
Virgin Islands Corporation	639	1,032		393
Total, excluding Department of Defense	59,521	59,361	568	408
Net increase, excluding Department of Defense			160	
Department of Defense:				
Office of the Secretary of Defense	43	44		1
Department of the Army	49,245	51,222		1,977
Department of the Navy	22,183	22,390		207
Department of the Air Force	28,055	28,843		788
Total, Department of Defense	99,526	102,499		2,973
Net decrease, Department of Defense			2,973	
Grand total, including Department of Defense	159,047	161,860	568	3,381
Net decrease, including Department of Defense			2,813	

[1] June figure includes 12,547 employees of the International Cooperation Administration, as compared with 12,388 in May. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The June figure includes 3,547 of these trust fund employees and the May figure includes 3,548.
[2] June figure includes 2 employees of the Peace Corps as compared with 1 in May.

TABLE IV.—*Industrial employees of the Federal Government inside and outside the United States employed by the executive agencies during June 1961, and comparison with May 1961*

Department or agency	June	May	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	3,904	3,649	255	
Commerce	5,873	5,676	197	
Interior	8,314	8,083	231	
Post Office	240	233	7	
Treasury	5,148	5,156		8
Independent agencies:				
Atomic Energy Commission	264	245	19	
Federal Aviation Agency	1,808	1,807	1	
General Services Administration	1,443	1,443		
Government Printing Office	6,726	6,666	60	
National Aeronautics and Space Administration	17,601	16,703	898	
Panama Canal	7,344	7,078	266	
St. Lawrence Seaway Development Corporation	127	128		1
Tennessee Valley Authority	14,185	13,646	539	
Virgin Islands Corporation	639	1,032		393
Total, excluding Department of Defense	73,616	71,545	2,473	402
Net increase, excluding Department of Defense			2,071	
Department of Defense:				
Department of the Army:				
Inside the United States	[1] 138,792	[2] 136,905	1,887	
Outside the United States	[1] 4,417	[2] 4,592		175
Department of the Navy:				
Inside the United States	199,596	198,872	724	
Outside the United States	453	475		22
Department of the Air Force:				
Inside the United States	148,114	149,138		1,024
Outside the United States	1,508	1,540		32
Total, Department of Defense	492,880	491,522	2,611	1,253
Net increase, Department of Defense			1,358	
Grand total, including Department of Defense	566,496	563,067	5,084	1,655
Net increase, including Department of Defense			3,429	

[1] Subject to revision.
[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under U.S. agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of June 1961 and comparison with May 1961*

Country	Total		Army		Navy		Air Force		National Aeronautics and Space Administration	
	June	May	June	May	June	May	June	May	June	May
Australia	1	1							1	1
Canada	32	32					32	32		
Crete	51	51					51	51		
England	3,339	3,317			20	19	3,319	3,298		
France	21,499	21,787	18,010	18,022	9	5	3,480	3,760		
Germany	79,837	80,050	67,050	67,251	88	61	12,699	12,738		
Greece	274	272					274	272		
Japan	55,567	55,763	20,315	20,312	14,704	14,993	20,548	20,458		
Korea	6,190	6,218	6,190	6,218						
Morocco	2,796	2,840			844	853	1,952	1,987		
Netherlands	44	44					44	44		
Norway	24	24					24	24		
Saudi Arabia	5	5					5	5		
Trinidad	539	599			539	599				
Total	170,198	171,003	111,565	111,803	16,204	16,530	42,428	42,669	1	1

STATEMENT BY SENATOR BYRD OF VIRGINIA

THE MONTH OF JUNE 1961

Civilian employees

Executive agencies of the Federal Government reported civilian employment in the month of June totaling 2,419,681. This was a net increase of 33,393 as compared with employment reported in the preceding month of May.

Civilian employment reported by the executive agencies of the Federal Government, by month in fiscal year 1961, which began July 1, 1960, follows:

Year and month	Employment	Increase	Decrease
1960—July	2,382,549		125
August	2,384,933	2,384	
September	2,364,636		20,297
October	2,360,534		4,102
November	2,360,667	133	
December	2,356,737		3,930
1961—January	2,352,837		3,900
February	2,358,141	5,304	
March	2,365,230	7,089	
April	2,377,685	12,455	
May	2,386,288	8,603	
June	2,419,681	33,393	

Total Federal employment in civilian agencies for the month of June was 1,377,186, an increase of 31,519 as compared with the May total of 1,345,667. Total civilian employment in the military agencies in June was 1,042,495, an increase of 1,874 as compared with 1,040,621 in May.

Civilian agencies reporting larger increases were Agriculture Department with 10,663, Post Office Department with 7,425, Interior Department with 4,531, Department of Health, Education, and Welfare with 2,033, and Commerce Department with 1,153. Larger decreases were reported by Virgin Islands Corporation with 393, and Treasury Department with 381. Increases in Agriculture and Interior Departments were largely seasonal.

In the Department of Defense increases in civilian employment were reported by Department of the Army with 2,668, Department of the Navy with 1,212, and Office of the Secretary of Defense with 47. Department of the Air Force reported a decrease of 2,053.

Inside the United States civilian employment increased 36,206 and outside the United States civilian employment decreased 2,813. Industrial employment by Federal agencies in June totaled 566,496 an increase of 3,429.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

Foreign nationals

The total of 2,419,681 civilian employees certified to the Committee by Federal agencies in their regular monthly personnel reports includes some foreign nationals employed in U.S. Government activities abroad, but in addition to these there were 170,198 foreign nationals working for U.S. agencies during June who were not counted in the usual personnel reports. The number in May was 171,003. A breakdown of this employment for June follows:

Country	Total	Army	Navy	Air Force	National Aeronautics and Space Administration
Australia	1				1
Canada	32			32	
Crete	51			51	
England	3,339		20	3,319	
France	21,499	18,010	9	3,480	
Germany	79,837	67,050	88	12,699	
Greece	274			274	
Japan	55,567	20,315	14,704	20,548	
Korea	6,190	6,190			
Morocco	2,796		844	1,952	
Netherlands	44			44	
Norway	24			24	
Saudi Arabia	5			5	
Trinidad	539		539		
Total	170,198	111,565	16,204	42,428	1

SUMMARY FOR FISCAL YEAR 1961, ENDED JUNE 30, 1961

There was a net increase of 37,007 in civilian employment by executive branch agencies of the Federal Government during fiscal year 1961 which ended June 30, 1961. The total at the end of the year was 2,419,681 as compared with 2,382,674 in June 1960. The June 1960 employment figure includes 16,174 temporary employees of the Department of Commerce engaged in taking the 18th Decennial Census.

Civilian and military agencies

There was an increase during the year of 41,732 in employment by civilian agencies of the Government, and a decrease of 4,725 in civilian employment by military agencies. Employment by civilian agencies at the year end totaled 1,377,186 as compared with 1,335,454 a year ago. Civilian employment by military agencies totaled 1,042,495 as compared with 1,047,220 in June of 1960.

Inside and outside the United States

There was an increase of 36,002 in employment within the United States by Federal executive agencies, and an increase of 1,005 in employment outside the United States. Employment inside the United States as of June 30, 1961, totaled 2,260,634 as compared with 2,224,632 a year ago. Employment outside the United States as of June 30, 1961, totaled 159,047 as compared with 158,042 a year ago.

Employment for the year is summarized as follows:

Federal civilian employment, June 1960–June 1961

	June 1960	June 1961	Increase or decrease
Total	2,382,674	2,419,681	+37,007
In civilian agencies	1,335,454	1,377,186	+41,732
In military agencies	1,047,220	1,042,495	−4,725
Inside the United States	2,224,632	2,260,634	+36,002
Outside the United States	158,042	159,047	+1,005

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States, dated July 20, 1961, that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SALTONSTALL (by request):

S. 2365. A bill for the relief of James W. Boyer, Jr.; to the Committee on Armed Services.

By Mr. FONG:

S. 2366. A bill for the relief of Sih Chuen Liu; to the Committee on the Judiciary.

By Mr. SMITH of Massachusetts:

S. 2367. A bill for the relief of Angelo De Simone; to the Committee on the Judiciary.

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENTS

Mr. McNAMARA submitted amendments, intended to be proposed by him, to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which were ordered to lie on the table and to be printed.

NOTICE OF HEARING ON NOMINATION OF WILLIAM J. HARTIGAN TO BE AN ASSISTANT POSTMASTER GENERAL

Mr. JOHNSTON. Mr. President, as chairman of the Post Office and Civil Service Committee, I wish to announce that a public hearing on the nomination of William J. Hartigan to be an Assistant Postmaster General will be held Thursday, August 3, 1961, at 10 a.m. in room 6202 of the New Senate Office Building.

The hearing will be open to the public and will be held before the full committee.

BERLIN IS NOT THE BASIC ISSUE

Mr. MILLER. Mr. President, in the current—August 7—issue of U.S. News & World Report there is a timely editorial by David Lawrence, pointing out that the basic issue which must be decided sooner or later is not just Berlin, but the restoration of freedom to all of Germany. Mr. Lawrence makes a persuasive argument in favor of using this as the basis for our carrying the political offensive to the Soviets—particularly as to their illegal restrictions against the people of East Germany. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BERLIN IS NOT THE BASIC ISSUE

(By David Lawrence)

The current discussion over the status of the city of Berlin—both its East and West sectors—does not come to grips with the basic issue. It deals with the symptoms, but it is not a realistic diagnosis of the trouble.

For of what avail is it to maintain the present arrangement in West Berlin, or to modify it with some other agreement that pledges access to the city, when the root of the problem—the future of the German nation as a whole—is neglected?

If military pressure is to be applied, and if the West is to prepare itself for a major showdown in its relations with the Soviet Union, would it not appeal more to the public opinion of the world to take our stand on a broad principle that seeks the establishment of a free and unified Germany?

It makes little sense to put off German reunification indefinitely. The German people, who have suffered in two world wars through the madness of their militaristic rulers, should be permitted to enjoy the fruits of a free election and the right to govern themselves.

What better cause to espouse today in this world of ideological conflict than self-determination for all the people of Europe? We seem to accept as the gospel of the hour that Africans should be rid of colonialism, but we ignore the very people who, by reason of their proven fitness for self-government, deserves to be freed from Communist colonialism.

What an opportunity to raise a cry for freedom also for all those areas of Eastern Europe where Moscow's heavy hand is enslaving nations which were liberated once before.

Why should we sit by and concern ourselves only with keeping one part of Berlin from becoming captive, when it is even more important to emancipate an already captive East Germany?

Are there on our side perhaps those who fear a reunited Germany as a potential foe? Doesn't Mr. Khrushchev really fear it most? Surely the leaders of the German people in the new Republic, with its free government in Bonn, have by their conduct in the last several years shown that they have learned the lessons of freedom. They will never voluntarily give up their rights. They must not be left isolated and at the mercy of Soviet imperialism.

The German people can be effective partners in the Western alliance, and Nikita Khrushchev knows this. He is anxious to change the status of Berlin because he is afraid that continued control of a large part of the city by the West will perpetuate a "showcase of liberty," as President Kennedy called it in his forceful speech of July 25. As long as this is on exhibition every day to the East Germans, it keeps alive among them hopes for their own eventual rescue by the West.

The Soviet Premier professes to believe in the desirability of the reunification of East and West Germany. But his insistence on signing a separate peace treaty with the East German Government—a puppet in his hands—reveals, in fact, a sinister purpose to keep Germany permanently divided.

East Germany has never been ceded to the Soviet Union, and control of it was in actuality seized by the Communists in violation of the letter as well as the spirit of the agreement signed at the close of the war in Europe.

By what right do the Soviets put pressure on the East German people to prevent their passage into West Germany? Why do the Communists erect barriers and invoke restrictions of various kinds to keep the East German people from visiting their own capital in East Berlin? Surely this is a forerunner of the kind of life the people of East Germany will continue to suffer indefinitely unless the Western World comes to their aid.

The Soviet Union was a partner in the alliance which fought the war, and there is no basis in international law for modifying any agreement arising out of the war itself except by common consent. Certainly there is nothing which justifies the Soviet Union in continuing its control over East Germany. The presence of its troops is not for the purpose of protecting the East Germans but only to prevent them from uniting with their countrymen. The Western Allies long ago relinquished all control over West Germany, and it is incumbent upon the Soviets to do the same in East Germany, or be charged before the world with an occupation that has no legal status.

Britain and France and America must, therefore, face the true issue: Shall the 17 million people of East Germany be lost to democracy and forced into the straitjacket of Communist discipline as new generations arise there that know nothing of individual or national freedom?

We should vigorously champion their cause now, and launch before the court of public opinion throughout the world a massive plea for the restoration of freedom to all Germany.

DEFENSE AND NONDEFENSE SPENDING

Mr. MILLER. Mr. President, in the July 31 issue of the Des Moines Register is a fine analysis by Mr. Richard Wilson of the fiscal problem facing the President and the Congress over the stepped-up spending program for national defense in relation to the nondefense, domestic spending programs of the administration. The ominous but realistic statement is made that if the President were to do all of what he promised to do during the campaign, the costs would be unbearable on top of the increased military spending with which Congress agrees. The only thing that might be added to this statement is that at this stage it appears the intention of the administration is to try to do just that. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONFLICT IN PROSPECT OVER NONDEFENSE SPENDING

(By Richard Wilson)

WASHINGTON, D.C.—The shape of a very interesting contest of wills growing out of the Berlin crisis can now be seen. This involves the issue of continuing the advance into the welfare state while at the same time steadily increasing military and space expenditures. President Kennedy, without saying so specifically, indicates that he believes a steadily growing economy will produce the tax revenue for a bigger welfare state and a bigger national security force, as well as the huge space expenditures ahead.

The opposite view is held by former Vice President Richard Nixon and the Republican leadership in Congress. But perhaps it has been expounded best by Senator HARRY F. BYRD, Democrat, of Virginia, fresh from a reendorsement of his organization's leadership in his State.

SENATOR BYRD'S ENDORSEMENT

Senator BYRD, who sat out the presidential election last year and thus influenced Virginia to reject Kennedy, now fulsomely endorses the firm and unequivocal stand Kennedy has taken on Berlin.

"It would be fatal," he adds, "to appease Russia or recognize Red China."

Senator BYRD says that the $47.5 billion cost of the Military Establishment in the coming year estimated by President Kennedy may fall short of the mark and the actual cost may be nearer to $50 billion.

FOR LONG TIME

But the main point he makes is that once a military buildup of the magnitude outlined has begun it will continue for a long time. BYRD sees the possibilities of 10 years of cold war with huge deficits or huge taxation.

But BYRD is strongly for the buildup. He now advises the President to curtail immediately all nondefense expenditures which are not absolutely necessary.

IKE, TOO, TRIED IT

President Kennedy says, too, that extreme care must be taken to control both nondefense and defense expenditures, and he proposes to submit to Congress next year a strictly balanced budget either with tax increases or without them.

Under similar conditions President Eisenhower ordered a cutback in nondefense spending which caused him a lot of political difficulty. The Democratic Congress would not be curbed. The President was criticized for holding back necessary public improvements and services.

On the defense side, he was criticized for imposing dollar ceilings on the national security. All this played a part in the presidential campaign and was one of two or three major themes of Kennedy's drive for the Presidency.

Now, as President for 6 months, Kennedy has pulled out the stops on both defense and nondefense spending. This has come after a period of hesitation. But the picture is clearer now, and it can be seen that the housing subsidies, school construction subsidies, and social security increases make up a pattern of greatly increased spending without sufficient current revenue to offset the rise.

COSTS WOULD BE UNBEARABLE

Of course, not all of this has been approved by Congress, and not all of it will be approved at this session, nor perhaps the next session.

For the Berlin crisis has caught the President in full flight. If he were to do all of what he promised to do during the campaign the costs would be unbearable on top of the increased military spending with which Congress agrees.

Therefore, the outlook for the further advance into the welfare state at the present time is not too good. The Democratic Congress, and perhaps the President himself, is having some second thoughts.

ONE-TWO PUNCH

Mr. MILLER. Mr. President, in the Saturday, July 29, issue of the Omaha World-Herald appeared an editorial entitled "One-Two Punch," in which there is a warning against trying to use the Berlin situation as a lever to forward spending measures before Congress other than national defense measures.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ONE-TWO PUNCH

The President's defense program is whizzing through Congress in an impressive demonstration of what an aroused free land can do when its people are united.

Such items as the callup of reservists, the money for more conventional weapons, more bombers, more men in all the services are being approved with scarcely a dissenting voice.

Thus, in an emergency, the American system of government proves that it can act as swiftly and as purposefully as need be. And if Mr. Khrushchev ever had any doubt that Americans would follow their President in his announced determination to defend Berlin, that doubt should now be dispelled.

But after making this impressive reply to Khrushchev, many Americans are beginning to wonder if the cries of "crisis" and "emergency" are being used to push through some programs which are not even related to crises and emergencies.

A prime example is the back-door financing of the foreign aid program. This administration proposal obviously has no connection with any emergency. It calls for authority to borrow almost $9 billion from the Federal Treasury over a 5-year period, the money to be used for development loan funds abroad. The idea is to bypass annual appropriations and review of Federal aid by the Congress.

Two weeks ago Congress was not disposed to give Mr. Kennedy this long-term borrowing authority. Now both Senate and House committees have approved it, with administration supporters using the Berlin emergency as an emotional whip.

At the same time, proponents of the President's various welfare measures are pushing quickly and pushing hard to revive such proposals as the Federal school aid bill, which is bottled up in the House Rules Committee.

Commonsense calls for a moratorium on all increased spending which is not directly related to the world crisis. Instead, the Nation is being given a one-two punch from spenders who are using the emergency to promote their dubious proposals.

This may be considered slick politics in some quarters. But if the country awakens to find that the administration has used Berlin to jam through domestic and foreign aid programs which are unacceptable to the people, resentment may be fierce indeed.

Certainly, the Congress should not fall for any tactics which use Berlin as a foil to dazzle and mislead our country.

SIOUX CITY ABU-BEKR MOUNTED PATROL

Mr. MILLER. Mr. President, one of Iowa's finest organizations is the famed White Horse Mounted Patrol of the Abu-Bekr Shrine. This wonderful troop has appeared throughout the United States, and is scheduled to appear in the Rose Bowl parade next January 1. In the July 30 issue of the Sioux City Journal there is an interesting article on the White Horse Mounted Patrol, and I ask unanimous consent that an extract from the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CITY'S FAMED HORSE UNIT PREPARES FOR BIGGEST SHOW—BOWL JOURNEY SPELLS LONG SEASON FOR SHRINE PATROL

(By Bob Dodsley)

"You know, we have to wash these horses every day," mused Trainer Bob Taylor, "because it takes about 4 days to soak stains off them if we let them go."

The horses he referred to are the world-famous white horses of the Sioux City Abu-Bekr Mounted Patrol. They've ooh-aahed huge crowds for about 30 years now and they hope to wow the largest one ever come next New Year's Day. That would be in the Tournament of Roses at Pasadena, Calif., with millions watching on TV.

But Pasadena and a date December 30 at the Shrine East-West game in San Francisco are a long way off—roughly about 150 scrubbings per horse. With 44 horses and 2 mules doing their best to get dirty, that's a lot of soap and water.

It's enough, anyway, to keep Mr. Taylor and four to six grooms busy with other items such as dishing up 4 tons of hay and 100 bushels of oats each week. That isn't to mention keeping two barns immaculate; combing, currying, clipping, exercising, and other chores attendant to horsedom.

LABOR OF LOVE

But this year it's labor of love, toil tempered by anticipation for the attendants and the 150 riders and nonriding members who make up the patrol. For this is the year of the big trip. When it's ended if there be one who has not seen or heard of Sioux City and its white horse patrol, he must be living behind a mountain.

There was no East-West football game and the parade in Pasadena was a local affair when the idea of a white horse patrol was conceived by a group of livestockmen at the Sioux City stockyards in 1920. But it would have been a fitting target for their vision and a tribute to their determination and self-sacrifice which kept the patrol alive through the lean thirties and warring forties.

There are sacrifices today, too. Scores of Sioux Cityans and friends in the surrounding area are sacrificing their time, burning up their energy in a fierce struggle to raise money. It will take many thousands of dollars to keep the horses in shape through the fall and early winter and then to send them packing on an approximately 4,000-mile round trip to and through California.

Ordinarily the patrol's season starts in mid-April and is brought to close in mid-September. But this year is different. It will be necessary to keep the horses clipped, bathed, blanketed, and exercised until they leave so that they will not be shaggy and fat for their big show. It takes a week to clip the herd, Mr. Taylor points out.

FORMER CAPTAIN HAPPY

The efforts of these townsmen are in the image of a man who is no longer a part of the Sioux City scene, but who almost single-handedly "carried" the group through many of the 20 years he was captain—Ray E. Siman. Mr. Siman, who made a sentimental journey to Sioux City last year, is hobbled by illness, but wrote to the troupe only last week from Phoenix, Ariz., of his deep gratification at the west coast invitation.

Mr. Siman has been gone for 12 years and since that time the captain has been a former Sioux City mayor, W. W. Wilson, whose whistle and stentorian "all right, let's line up," brings the patrol to attention for twice-a-week drills. Spills are not uncommon in practice or in a performance and this year Mr. Wilson took a dandy—but although battered and bruised he was back in the saddle for the next show.

That sort of intestinal fortitude is the code of the troopers who ride the white chargers in fast-moving, close-order drill. Early this year a rider was thrown from his horse, remounted and rode through most of the 30-minute drill. An X-ray later showed he had two broken ribs and a fractured wrist.

"But you've got to remember that these horses must have a good disposition or we won't buy them," interjected Mr. Taylor. That description covers a multitude of sins. A loud noise, a fluttering flag or a bit of flying paper can ruin the disposition of almost any horse.

SPECIFICATIONS

Mr. Taylor outlined other specifications: All horses must be 15 hands or more high and must have pure white color, pink skins preferred. All must trot in formation—no gaited steeds allowed.

There is no regulation as to sex. Visiting horsemen often are heard to remark about how unusual it is to see mares, stallions, and geldings getting on so nicely together.

Others point out that the parading horses are quiet in comparison to other horse contingents. That's because Sioux City's white horses wear rubber shoes, if you please. They cut down on noise and eliminate damage to stadium turf where the patrol usually performs. The result is no worse than cleats on football shoes.

The shoeing, a monthly chore, and all other activities connected with the horses take place in barns furnished the patrol by the Sioux City Stock Yards Co. The grounds also include a clubhouse for dressing rooms and social activities and an arena for practice sessions and shows. Ray Rodeen, a longtime member of the patrol, is president of the Stock Yards Co.

THE BISON THRIVE IN THE BIG DELTA AREA OF ALASKA

Mr. GRUENING. Mr. President, Big Delta, Alaska, is the only town under the flag that is situated in a wide-open buffalo range. Its 250 sturdy citizens cheerfully brave not only the great, hairy bison, but also the winds at times funneling through the valleys of the Tanana and the Delta Rivers. The confluence of these streams occurs at Big Delta, so that much of the icy water draining out of the Alaska Range—the home of Mount McKinley, loftiest peak in North America—washes the banks of this little community. It is a true frontier setting, calling for true frontiersmen to meet its challenges.

The stories are many and common of the hulking buffalo entering the yards of Big Delta residents, upsetting garbage pails and scratching their hides against the houses. More than one trailer resident of the area has experienced a sensation suggesting an earthquake when one of the bison has sought shelter from the winds in between the trailers and then attempted to ease his dermatological problems by rubbing his side against one of the houses on wheels.

The buffaloes roaming the valley floor surrounding Big Delta are not indigenous to the area or to Alaska. In 1928 they were brought north by the Biological Survey as an experiment—23 strong—from the national bison range in Montana. The question was whether they would survive so far north of their historic habitats. During the intervening years, they have thrived through the fierce winter blizzards in what is one of the coldest parts of Alaska, to reach a number estimated between 350 and 500. As anyone knows who has ever covered himself with a buffalo robe, the bison hide is practically impervious to King Winter, so the animals are ideally suited to the rugged Big Delta climate.

Because of the rapid increase of the herd, a limited bag has been permitted to hunters for several years. The hunters are drawn by lot. This year, the Alaska Department of Fish and Game will again allow a limited hunt to eliminate 50 of the buffaloes from a scene filled with striking contrasts. The hardy homesteaders, less than a year ago, voted to make their community a city, known as Delta Junction. It lies in an area of great scenic beauty, with the towering Alaska Range peaks of Mount Hayes, Mount Deborah, and Mount Hess lifting their eternally snow-clad peaks over the valley. Nearby, Fort Greely—where our infantrymen are being trained in cold weather operations—now houses Alaska's first atomic energy powerplant, which furnishes heat and light to that Army post. And in this conjunction of the primitive and the modern, characteristic of so many parts of Alaska, the buffalo fares exceedingly well. Whatever may be the annoyances caused to the residents by its presence, and so far they have taken them good naturedly, it is admittedly a tourist attraction. And tourists will increasingly flock to Alaska to enjoy its matchless scenery and its abundant flora and fauna.

I ask unanimous consent to have placed in the RECORD, at this point in my remarks, two articles on Big Delta's buffalo herd—one from the August 7 issue of Newsweek, and the other an earlier editorial from the Juneau Daily Alaska Empire, which illustrates the concern of two of Alaska's legislators from that area, Warren Taylor and Frank Chapados, for this historic American mammal, once the monarch of the Great Plains.

There being no objection, the articles were order to be printed in the RECORD, as follows:

BIG DELTA'S BIG PETS

That chap who always clings to the piano when it's past time to leave, pleading hoarsely for a home where the buffalo roam—he should be referred to Russ Diehl of Big Delta, Alaska. Russ has just such a home.

Big Delta is a settlement of about 160, mostly homesteaders, 70 miles southeast of Fairbanks. It is the only town in the Nation's last free buffalo range.

Russ Diehl's experiences with emancipated buffalo may not be typical, but in Big Delta they surely aren't unique.

What happened to Russ last winter was that a ton or so of bull bison, with an itching hide, chose a splintery spot on the wall of the Diehl place as an itching post. Since then, Russ complains, "every time he wants to scratch his back, he just about shakes the building down."

SIESTA

That isn't all. After each satisfying backscratch, the big bull drops in his tracks for a siesta. "I'm tired of his blocking the doorway," Russ says wearily. "He just lies there. I can't get in or out."

In short, Big Delta's herd, numbering about 350, has become a nuisance and needs to be thinned out. At least, that is what Alaska's Department of Fish and Game has decided. Last week, it declared limited war on the hitherto sacrosanct bison. It allotted permits to hunters to shoot 50 of them. Even before the week was out, 3,000 applications for the permits had poured in. It almost sounded like the mid-19th century when well-heeled sportsmen shot into hordes of buffaloes from early transcontinental trains.

But if hunters were happy at the prospect, the citizens of Big Delta were not. They admit that the roaming buffalo can be a nuisance, but mostly they are prepared to put up with it.

Usually, the roaming buffalo do nothing more annoying than scavenge in garbage cans, forage in gardens, and try to jump in occasional passing cars. Indeed, the fact that the bison have come to think of themselves almost as household pets, commonly inspires affection in Big Delta; and the huge, hairy beasts are forgiven their kittenish antics on the ground that they don't realize they weigh from 800 to 2,000 pounds more than the average dog or cat, and have hooves as well.

[From the Daily Alaska Empire, Mar. 10, 1961]

WE'RE NOT BUFFALOED

Yesterday, Representatives Warren Taylor and Frank Chapados of Fairbanks introduced a bill in the house that demanded that fish and game officials observe care and caution in dealing with the big buffalo herd which wanders freely around the interior in the vicinity of Delta Junction.

Never let it be said that such an important piece of legislation as this escaped the attention of the Juneau Empire. We are right behind Representatives Chapados and Taylor, because we are dead against what we hear are plans of game biologists to "hold a big barbecue," and eliminate this famous herd.

To those in Juneau who are unfamiliar with the problems connected with living with buffalo, let us enlighten you a bit.

First of all there are several hundred of the beasts, wandering freely over the Richardson Highway, through the residential areas of Big Delta and Delta Junction, and over Fort Greely.

They tip over garbage cans, come right up on people's porches, and wander among schoolchildren who are walking to and from school.

There is no record of a single human being attacked by this transplanted herd of buffalo. However, the same can't be said of automobiles. Collisions between cars and buffalo are common in this area. Usually, the accident results in severe damage to the car, and very little damage to the buffalo. They are rugged animals.

One characteristic of the buffalo is that he cares not a whit about fences. He has poor eyes, and he doesn't see straight ahead, anyway. No fence has ever been devised that is sufficiently economical to permit farmers to use, and at the same time which will withstand the onslaughts of the buffalo.

Naturally, it doesn't pay to be a farmer around Big Delta. About the time grain begins to grow, the buffalo move in and hold a smorgasbord. They are stubborn, and they can't be shooed.

Possibly, the worst habit of the buffalo comes about because he sometimes itches in places he can't get at with his hooves. As a result, many a resident of Big Delta is awakened in the middle of the night by a strange phenomenon. The resident finds that his entire house is shaking because a group of buffaloes are scratching their backs against it. For some reason, the buffalo prefers the middle of the night for this type of activity.

Naturally, a few individuals, mainly farmers and homesteaders, have been agitating for the Government to move the herd. This is a major project, for the buffalo loves his own range, and he will return to it unless he is moved literally thousands of miles. One herd transplanted from Big Delta to Chitina, returned home in less than a month, fording rivers and crossing mountains to do so.

The bill introduced in the House would require that no attempt to either destroy the herd or reduce it would be sponsored by game officials until a hearing is held in Big Delta.

We say "bravo" to the two legislators who were not too busy to think of Alaska's one and only herd of buffalo. We back their bill, and we hope immediate action is taken to enact it into law.

We're sure that interior Alaskans love the buffalo, even if they do scratch their backs against houses, walk through fences, and clobber cars on the highway.

OUTER MONGOLIA AND ADMISSION INTO THE UNITED NATIONS

Mr. MORSE. Mr. President, there appears in this morning's Washington Post an article by Clare McDermott, entitled "Mongolia Builds a Modern Economy in Bid for Wide World Recognition."

I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S.S.R. AND CHINA LEND BIG HAND—MONGOLIA BUILDS A MODERN ECONOMY IN BID FOR WIDE WORLD RECOGNITION

(By Clare McDermott)

ULAN BATOR, MONGOLIA, August 1.—Mongolia, whose people have lived the nomadic lives of herdsmen for centuries, is trying today to build a modern, stable, industrial, and agricultural economy as part of its campaign to achieve wider world recognition.

The role played in this campaign by the Soviet Union and China, the two big neighbors that surround Mongolia, cutting it off from the sea and other countries, is readily discernible to visitors to Ulan Bator.

There are many Russians and Chinese in the streets of this growing capital, as well as in small towns and villages along the Peiping-Moscow railroad that crosses Mongolia.

Officials here readily admit that most of their new industries have been built by Russians, Chinese or East European Communists. More than 82 percent of the foreign trade in 1960 was with the Soviet Union and China, according to the latest official statistics.

ON THIRD 5-YEAR PLAN

The third 5-year plan, for 1961–65, adopted this summer by the ruling People's Revolutionary (Communist) Party, is aimed at modernizing agriculture and industry, and increasing foreign trade.

Biambiin, Crichn-Piljee, a stocky, 47-year-old former herdsman who is vice chairman of the state planning commission, said during an interview in his office overlooking Ulan Bator's central Suhe-Bator Square:

"The main objective of the new 5-year plan is to take decisive steps to complete the Socialist construction of our country.

"To carry this out, agriculture will be developed extensively so that after completion of the plan in 1965, the value of agricultural production will be 1.8 times as much as it was in 1960. This will provide industries with much raw material.

"Total industrial production in 1965 will be twice the value of 1960."

GREAT PROGRESS NOTED

The country, he said, has made great progress since 1921, when the Mongolians, with much help from the Soviet Union's Red army, drove out White Russian and Chinese forces and declared their independence.

"Foreigners said then," he added, "that the Mongolians were a dying race, that the people were going backward and had become almost wild.

"Today, the situation is very different. We have a sound agriculture based not only on the traditional animal husbandry but also on cultivation. With the help of the Soviet Union, we are reclaiming virgin lands, so that we can now meet our home needs for flour and also export wheat."

During the 3-year plan that ended in 1960, he said, all of Mongolia's formerly nomadic herdsmen were brought into agricultural cooperatives with their own residential, educational, animal husbandry and cultural services.

Seventy-eight percent of the country's animals, which total more than 23 million, as compared with the population of less than 1 million, now are owned by cooperatives, and the remainder are owned privately by members of cooperatives.

CHANGE OF 100 PERCENT DOUBTED

"Until recently, these people were individual herdsmen, leading nomads' lives. Now they are all, in some way, leading a settled life with their own centers, electricity, agricultural machines, tractors, combine harvesters, and trucks," he explained.

In spite of these claims, foreign visitors doubt whether such a radical change has been made in the traditional life of the herdsmen. There can be little doubt that they are all formally registered in cooperatives, but many of them, observers say, still appear to follow their own paths.

Crichn-Piljee spoke of heavy industry, though visitors find little trace of it. There are, however, many examples of light industry to be seen. Visitors to Ulan Bator are shown, for example, a new flour mill, nearby coal mines, and the industrial combines whose factories produce wool, leather, shoes, and clothing, as well as meat-processing and dairy plants.

A new woolen textile mill, built in Ulan Bator with Chinese assistance during the last 3-year plan, is equipped with new British machines and has an annual capacity of 1 million meters (about 1,041,250 yards) of textiles.

COAL MINING EXPANDED

Crichn-Piljee said that the Naihal coal mines, 30 miles east of Ulan Bator, are being expanded and modernized, and now are able to produce all the coal needed by Ulan Bator's population of 164,000 and its industries.

Prospecting for mineral wealth is being speeded up.

Agriculture at present accounts for 60 percent of the country's total production value. The 1961–65 plan aims at bringing the value of industrial products to more than half the total.

Mongolia has been trading recently with Japan, Switzerland, Britain, and other countries as well as the Communist nations, Crichn-Piljee said.

Mr. MORSE. Mr. President, there also appears in this morning's Washington Post an article by Warren Unna entitled "Chen Vows To Block Outer Mongolia's Entry Into U.N."

I ask unamimous consent that the article be printed in the body of the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHEN VOWS TO BLOCK OUTER MONGOLIA'S ENTRY INTO U.N.

(By Warren Unna)

Nationalist China intends "to exercise every power stipulated in the United Nations Charter to block Outer Mongolia's entry," Gen. Chen Cheng told a National Press Club luncheon yesterday.

As for what effect this might have in trying to hold together some Afro-Asian support to allow his own country to stay in the U.N. and to keep Communist China out, Chen said he hoped the Afro-Asian countries would understand that his country was acting "in the interests of maintaining the principles of justice and lasting world peace."

Chen, who as Formosa's Vice President and Executive Yuan President (Premier) is second in power only to President Chiang Kai-shek, is making an official 3-day visit to Washington.

FEAR U.S. SWITCH

Both he and Nationalist China Foreign Minister Shen Chang-huan hurried over here after hearing reports that the Kennedy administration might establish diplomatic relations with Outer Mongolia, as well as encourage her admission to the U.N.

Nationalist China also is worried that the United States might take a defeatist role in the traditional fight to keep Communist China out of the U.N.

In his talks with President Kennedy and Secretary of State Dean Rusk yesterday, Shen showed little liking for a U.S. suggestion that Outer Mongolia be allowed to join the U.N. since the Soviet Union has declared that the former French African colony of Mauritania won't be admitted unless Outer Mongolia is.

The United States fears that instead of blaming the Soviet Union, the many Afro-Asian countries, particularly the former French African colonies, are going to blame Formosa if she blocks the Outer Mongolia-Mauritania package.

The United States further fears that this Afro-Asian antagonism may discourage the necessary votes to keep Communist China out of the U.N.

Chen and his government have been outspoken recently in opposing any action favorable to Outer Mongolia, be it U.N. admission or U.S. diplomatic recognition. Foreign Minister Chen has termed this Communist Mongolian People's Republic "a puppet state which once sent troops to participate in the Communist aggression in Korea."

The United States, aware that the Soviet Union and Communist China currently have competing claims on Outer Mongolia, is interested in maintaining a diplomatic listening post there.

CHEN CRITICISM FEARED

Because of the apparent loggerhead in United States-Nationalist China views, some observers fear Chen may himself become the target of criticism upon his return to Formosa.

Sinophiles here deplore this because Chen is considered to be the single most progressive element in the Nationalist Chinese Government and always the first mentioned as Chiang Kai-shek's someday successor.

Known benevolently in Formosa as "Uncle Chen," this 63-year-old teacher's son has served as frontline general, minister of war, chief of the general staff and provincial governor. He is credited with initiating the land reform program that now has 90 percent of the farmers on Formosa owning the land they till.

Chen also is credited with facing the facts of life in 1950, when the United States threatened to discontinue further aid. He instituted the vigorous economic programs which today give Formosans a standard of living in Asia second only to that in Japan.

OTHER CHEN VIEWS

In his Press Club talk yesterday, Chen declared:

"Nationalist China still hopes to regain all of China: "When and if there is developed on the mainland a large scale revolt, we shall be the first ones to go to their aid and join forces with them.

"The free world is overimpressed with Communist China's millions of militia and forgets that "the Chinese Communists have not been able to consolidate their hold on the mainland and that there has been continuous resistance to their regime."

"The free nations would be digging their own grave if they should unwittingly pin their hopes for the solution of their current problems on the supposition that Moscow and Peiping will soon part company in the foreseeable future."

"Our intelligence reports indicate that, because of lack of an industrial foundation, the Chinese Communists still have a long way to go before they can even begin making and stockpiling nuclear weapons of their own. If any such weapons should one day turn up on the Chinese mainland, you can be sure that they have been put there by the Russians."

BREAKFAST WITH RUSK

Chen had breakfast and dinner with Secretary Rusk yesterday, held the second of two extensive talks with President Kennedy and conferred briefly at the Pentagon with Deputy Defense Secretary Roswell L. Gilpatric.

He is scheduled to fly to Gettysburg early today for breakfast with former President Eisenhower; visit the U.S. Agriculture Experimental Station at Beltsville, Md.; lunch with

Vice President LYNDON B. JOHNSON at the Sheraton Park Hotel; visit with Senators and Congressmen at the Capitol; and then, in the evening, be host at a state dinner for President Kennedy in the suitably named Chinese Room at the Mayflower Hotel.

Mr. MORSE. Mr. President, I do not know all the facts about the bid of Outer Mongolia for a seat in the United Nations, although it was a matter that received a considerable amount of discussion in the United Nations last fall, when I was there as a delegate.

I can well understand the position of the Nationalist Chinese with regard to Outer Mongolia, although I understand it has been somewhat changed from what it was at a previous time.

My own inclination, on the basis of what I do know, is that we should not view with any enthusiasm the seating of Outer Mongolia in the United Nations, although here again I think our job is to reach the people of the various countries of the world, trying to give them, as best we can, a voice in their own self-determination.

One thing I do have more definite ideas about, that we should not be putting ourselves in alinements with regard to seating various countries in the United Nations on any tit-for-tat basis. For example, it was commonly discussed last fall in the United Nations that Russia would not permit Mauritania to come into the United Nations unless the United States permitted Outer Mongolia to come in. I do not believe at all in that kind of basis of consideration for admissions into the United Nations.

So far as I know, it is true that we are not going to enter into vote trades with regard to admissions in the United Nations, and I am very proud of the position my country has taken on this matter. I think the admission of Outer Mongolia should be considered on its merits. I think the admission of Mauretania should be considered on its merits. I think the views of Nationalist China should be considered on their merits.

But the admission of these nations should not be considered on the basis of any voting alinement with the Nationalist Chinese. We have done too much of that in the past. I think a part of our difficulty in connection with the colonial issue arose over the fact that we alined ourselves with certain colonial policies in the past, and thereby created the impression in the United Nations that we would vote with Portugal, South Africa, and the United Kingdom because of some commitments.

I close by saying I am against these commitments in respect to these international issues. I make a plea that each one of the requests for seating in the United Nations be considered by the United States on the basis of the facts and merits of each petition.

UNEMPLOYMENT

Mr. DOUGLAS. Mr. President, at noon today the Secretary of Labor announced that the estimate of unemployment for July was 5,140,000. This is 7 percent of the total working force, or, on a seasonally adjusted basis, 6.9 percent of the working force.

Unemployment, according to the statistics of the Department of Labor, has remained at approximately 7 percent for the last 8 months. This in itself indicates that the unemployment situation is much more serious than many financial writers are inclined to believe.

In addition, as I pointed out some weeks ago, the percentage of unemployment is in reality much higher than the published figures. The figure of 7 percent is derived by taking as the denominator the total number in the working force, some 73 million persons, though at least 11 million of these people are self-employed and therefore could not be unemployed.

If one takes the total number of those who seek wage and salaried labor, the actual percentage of unemployment is 8 percent instead of 7. Furthermore, if one includes the involuntary part-time workers—those who would like to work a full week, but are permitted to work only 2, 3, or 4 days a week—there is the equivalent of approximately 1.2 million or 1.3 million more full-time unemployed, or an added 2 percent of the group seeking wage and salaried labor. I think it is therefore correct to say that approximately 10 percent of the working time available of those who seek wage and salaried labor is lost because of involuntary unemployment.

CONGRESSIONAL OVERSIGHT OF LONG-TERM LOAN BORROWING AUTHORITY

Mr. KEATING. Mr. President, no question before the Senate this year is more important than the foreign aid bill. The bill, S. 1983, as reported by the Foreign Relations Committee gives the President many wide discretionary powers and considerable latitude to disregard existing laws in the administration of foreign aid. The most sweeping power granted is the provision for 5-year Treasury borrowing to finance the Development Loan Fund. This has never been in a mutual security bill before.

The reason assigned for the provision, as we all know, is the necessity, and it is indeed an imperative necessity, for long-term planning and for greater flexibility in handling programs for countries with varying and changing requirements. But at the same time, the administration of American foreign aid to date has certainly not been such that Congress is justified in giving up the essence of its fiscal powers and responsibilities so that in fact no power remains except that of auditing reports on loans already made or canceling a program already underway.

What I would like to see, Mr. President, and what I think there may be genuine need for, is a compromise plan which would not in any way hamper the long-term planning which is necessary but which would give Congress and, above all, the Foreign Relations and Appropriations Committees, an opportunity to review the biggest and most significant loans at a time when they could offer constructive advice and assistance. It is my belief, from conversations with my own colleagues and others, that there would be widespread support for a provision, perhaps not unlike the language of the Reorganization Act of 1949, that would require a report on all loans above a certain size or the disbursements of which would extend over more than 12 calendar months to be submitted to Congress and to come into effect only if neither House of the Congress within a stipulated time limit passed a resolution disapproving the transaction.

This procedure has worked well and smoothly on agency reorganization plans. The rules in the 1949 act provide ample protection against a committee which might try to sit on a resolution for disapproval. At the same time, a time limit of, for instance, 30 to 35 days would make it difficult for an individual Member of Congress to raise effective objections unless there were also doubts in the minds of Foreign Relations and Appropriations Committee members.

There are obvious advantages to this procedure. It permits long-term planning, yet it provides an opportunity for active congressional oversight of the funds to be expended. Unlike the present measure, it does not place Congress in the position where cuts or curtailments could be made only at a point when they could be interpreted as a default on obligations already entered into. This proposal follows established procedures and does not require the creation of any new committees. It permits long-term Treasury borrowing, but it does not bypass the Appropriations Committees.

The greatest disadvantage of the procedure, I must admit, is that it would make it hard for commitments to be made by the Development Loan Fund when Congress is not in session. But since the whole purpose of the loans is to permit long-term planning, I would anticipate that a report of any proposed large or long-term transaction could be prepared within the 7- to 9-month period when Congress is in session.

Mr. President, I have discussed this idea with many of my colleagues and found considerable interest in it. To permit congressional oversight at a point where it can be constructive would be a genuine contribution to our long-term foreign aid planning and execution. I sincerely hope that something along these lines can be worked out.

A CHALLENGING COMMENT ON THE FRENCH-TUNISIAN DISPUTE

Mr. KEATING. Mr. President, for many years Mr. A. N. Spanel, founder and chairman of the International Latex Corp., has written and published, as a public service, creative editorial presentations on some of our most important international and domestic problems.

It is extraordinary to see a company and its founder dedicate so much of their effort and substance in the public interest with such insight.

This company has certainly not taken its freedoms and advantages lightly. I

believe that Mr. Spanel and his organization deserve the highest honors throughout the free world for the vital contribution they are making to public understanding of these issues.

On July 21, 1961, Mr. Spanel presented a very informative article, in paid space, in the New York Times, probing in depth the background of the French-Tunisian dispute. There is much food for thought in this editorial even for those who may not fully subscribe to Mr. Spanel's thesis.

Accordingly, I ask unanimous consent that Mr. Spanel's article, "On What Rare Meat?" be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 21, 1961]

ON WHAT RARE MEAT?

(By A. N. Spanel)

What rare meat did President Habib Bourguiba feed on, during his recent visit to the United States, that has whetted his appetite for French blood and treasure in the Sahara?

Americans watch in dismay as the needless violence he planned and touched off in Tunisia gains momentum. Given our instinct to side automatically, sometimes unthinkingly, with any small nation against any big nation, there is the danger that the essence of the dispute may be smothered in sentimentality.

Let us therefore be clear on that essence.

Outwardly the main Tunisian demand concerns the French naval and air base in Bizerte, with the claim to some Saharan territory "tacked on" as an extra. But actually the real estate in the Sahara is at the heart of Bourguiba's cynical move.

By means of pressure on Bizerte, he reaches out to purloin a rich slice of French-owned desertland. The issue of the Mediterranean base, where he has some semblance of right, serves as his cover for the issue of Sahara, where he is without so much as a figleaf to hide naked greed.

When Tunisia was granted independence, the French remained in control of their Bizerte military establishments, by agreement. In 1957, the two countries agreed to start negotiations on the future status of the base. Then, following the planned "incident of the wall" by Tunisia against the French Embassy, the Quai d'Orsay withdrew its Ambassador, leaving a Chargé d'Affaires to negotiate the Bizerte issue which was under discussion at the time. The Tunisians thereupon, in reprisal, deliberately called off these discussions.

But last week, just when France was readying to begin negotiations again with the Algerian rebels and at the very moment that the West is engrossed in the critical Berlin issue, Bourguiba gave out his arrogant ultimatum—not to decide Bizerte's future status but to set a timetable for instant French evacuation, as if the problem of status had already been finally negotiated or decided. How Khrushchev must have enjoyed the spectacle put on by Bourguiba, whose propagandists had billed as the great lover of the West.

Bourguiba backed the action with threats of violence, and unleashed mass anti-French demonstrations in the manner of Mussolini whom Bourguiba idolized during his many stays in Rome, when that strutting dictator was at his height.

Thus he issued a 24-hour ultimatum. At the expiration of the 24 hours of grace, the French military establishments in Bizerte were surrounded and blockaded by troops and civilian volunteers. On the morning of July 19 the besiegers initiated violence by shooting at a French helicopter and airplanes. Some hours later, when they opened mortar fire on the French military headquarters, the fire was returned.

As the Bizerte affair unfolded, the Sahara claim was tossed into the hopper of the controversy.

The treaty giving Tunisia its sovereignty fixed the southern or Sahara border at Fort Saint. Now Bourguiba has decided that it should be 28 miles farther south. To support this arbitrary decision, he reached back half a century to a provision about Tunisia in a treaty between France and Turkey in 1910.

The significance of the claim is that the more southern line adjoins the rich French oilfield of Edjele. Bourguiba himself revealed his real motivation when he suggested, in a recent speech, that his ultimate Saharan frontier might include Edjele—100 miles south of what he is now asking for—and that, he said, would be "so much better for us."

Bourguiba, it should be recalled, has played a shabby role in north Africa. As long ago as March 12, 1958, we wrote in these columns:

"Dreaming dreams of a north African empire with the newly discovered potential wealth of the Sahara as its prize, the ambitious Bourguiba has in effect joined the Algerian guerrillas. By his own public admission, Tunisia 'is not neutral.' It gives unlimited sanctuary to the guerrillas and supplies them with arms. His complicity in the struggle, which is an overt and flagrant violation of international law, has stymied efforts to resolve the unhappy situation."

On March 30, 1958, we added:

"Bourguiba shrilly proclaims that he is for the West, but his actions belie his words. His illegal intervention has intensified and prolonged the struggle and the threat not alone for France but for her allies. On his hands is the blood of butchered French and Algerian men, women, and children needlessly sacrificed in a rebellion that he deliberately inflames and sustains."

It was clear to many from the beginning of his rule, that he was not concerned with the enveloping economic wretchedness of his subjects. Instead he was playing a power game, prolonging the Algerian struggle so that at the right moment he might grab himself a position in the Saharan oil picture.

That propitious moment has come, he appears to believe. Ironically, the rebels whom he supported now accuse him of complicity with colonialism, since they want for themselves the Sahara oil that he covets.

Bourguiba's son, his Ambassador to the United States, has just declared that "Washington is not yet aware of the gravity of the problem of Bizerte." One hopes that, shocked to awareness by the bloodletting in Tunisia, Washington will not be panicked into forgetting France, our traditional ally, or the great importance of Bizerte to the free world.

Bizerte is the vital Mediterranean gateway to Africa. As a military potential it must remain in the strong hands of a dependable ally. That Tunisia is not dependable, and indeed has neither the means nor the capacity to maintain the base, is self-evident. Indeed, if it were not for the annual grants in the millions made by France and the United States, to Tunisia, her people, now in wretched economic circumstances, would literally starve to death, thanks to Bourguiba's dreams of empire.

The crisis provoked by Bourguiba is entirely artificial. His injection of the implausible Saharan claim, which is without logical relevance to the Bizerte dispute, is the tipoff on what he is after. He stands naked before world opinion.

TEACHING COURSES ON COMMUNISM

Mr. KEATING. Mr. President, some time ago I spoke at Geneseo State Teachers College upon the need for educating our Nation's youth to the dangers and pernicious evils of communism so that they will be better equipped at home and abroad to deal with this menace to freedom. Considerable support has been voiced throughout the country for more effective, sound, and scholarly courses on communism.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter from the chairman of the committee on Communist tactics, strategy, and objectives of the American Bar Association including a resolution passed by the bar association on the subject. I also ask unanimous consent to have printed an editorial from the Johnson City (Tenn.) Evening Press Chronicle supporting this position and urging also better instruction in the principles of American democracy.

There being no objection, the letter, resolution, and editorial were ordered to be printed in the RECORD, as follows:

AMERICAN BAR ASSOCIATION,
Chicago, Ill., July 18, 1961.

Re teaching of courses about communism.
Hon. KENNETH B. KEATING,
Senate Office Building,
Washington, D.C.

DEAR SENATOR KEATING: I have read with much interest your address to the graduates of Geneseo State Teachers College, inserted in the CONGRESSIONAL RECORD on July 13 by Congressman GOODELL. In your address, you emphasize the importance of teaching communism in the schools throughout the country.

You will be interested in knowing that the American Bar Association has adopted a resolution calling upon the legal profession and the public to "encourage and support our schools and colleges in the presentation of adequate instruction in the history, doctrines, objectives, and techniques of communism, thereby helping to instill a greater appreciation of democracy and freedom under law and the will to preserve that freedom."

The resolution, as adopted by the association's house of delegates in February 1961, is:

"Whereas we recognize the urgency of instructing all Americans in the full scope and aims of communism and the increasing threat is poses to the free world and to our democracy and freedom under law to the end that an informed citizenry may successfully defend and preserve our American heritage; and

"Whereas our educational institutions, both public and private especially at the secondary, college, and adult levels, afford the best means of developing sound programs of instruction in this area; and

"Whereas these institutions and educators, in accepting this responsibility, must be given public understanding and support: Now, therefore, be it

"Resolved by the American Bar Association:

"1. That through our members and the cooperation of State and local bar associations we encourage and support our schools and colleges in the presentation of adequate instruction in the history, doctrines, objectives, and techniques of communism, thereby helping to instill a greater appreciation of democracy and freedom under law and the will to preserve that freedom;

"2. That to insure the highest quality of instruction in this area, those responsible for our educational programs be urged to provide the appropriate training of instructors and to stimulate the production of scholarly textbooks and other teaching materials of professional excellence;

"3. That we seek to implement this resolution through a special committee of seven members to observe and encourage progress in this educational program and to render annual reports to the association, the committee to include the chairmen of our committees on American citizenship, the Bill of Rights, and Communist tactics, strategy, and objectives, and one or more of our members who are educators."

The association has begun to implement its policy on teaching communism by surveying the situation as it presently stands in the various States. A recently completed informal survey administered by the association's special committee on need for education as to aims and threat of communism, indicates that more than two-thirds of the communities in the Nation are doing nothing in this field.

Seventy-one percent of the 278 State and local bar associations replying to the questionnaire indicated that no courses dealing with the aims and dangers of communism were being offered in schools and colleges in their areas; and that no definite steps to launch such a program were being taken.

On the other hand, outstanding work in this area is being done in some States and local communities. During the past year, State legislators in Florida and Louisiana have passed legislation requiring courses on communism to be included in the high school curriculum. In Richmond, Va., and Dallas, Tex., new courses of instruction have been inaugurated.

As a result of the association's resolution, there has been widespread response from individual lawyers across the country, some of whom are leading their local bar associations and local school authorities to implement the teaching of communism in the schools. The association is encouraging such a program throughout the country and we hope to report further progress at an early date.

There is an urgent need for greater understanding among the American people of the full scope and aims of communism and the increasing threat it poses to the free world. One of the best means to accomplish such a mass educational program is through the schools, particularly at the high school and college levels.

It is important that the representatives in Congress encourage and promote public understanding and support for such a program.

You are to be commended highly for your active support and encouragement in this field and we hope you will call upon us whenever we can assist in promoting an educational program on communism.

Sincerely,

HENRY J. TE PASKE,
Chairman, Committee on Communist Tactics, Strategy, and Objectives.

[From the Evening Press Chronicle]

TIME FOR A BETTER JOB TEACHING AMERICANISM

Senator KENNETH KEATING, of New York, believes our schools and colleges should do a better job teaching young people about the evils of communism.

Yes, and we suggest they could do a better job teaching the fundamentals of Americanism.

Unfortunately, there is a fetish in some areas of education for ridiculing patriotism and downgrading the great men of history. Children are led to believe there is little in the world that is genuine—and that the motivations of all political systems, including our own, are based on cynical selfishness.

Under such teaching, a child loses his faith almost before he has it.

It is time for all of us to take a critical look at the educational process on all levels.

ALL AMERICA WANTS TO KNOW

Mr. McGEE. Mr. President, on Sunday, July 30, I had the pleasure of viewing a new television series entitled "All America Wants To Know," as presented by WTOP–TV in Washington. This excellent program was produced by the "dean of forums," if I may coin a phrase, a man whom many Members of the Congress know, admire, and respect, Theodore Granik, a distinguished attorney who is the founder and producer of "The American Forum of the Air" and "Youth Wants To Know."

This new show is projected on still a higher level at a bigger target. In this time of grave crisis, emphasis is needed on the vital problems confronting our national security. Many of us have long been working toward that goal, through the radio and television industry, by the airing of more and more of these great issues of our time.

This program, "All America Wants To Know," represents a major breakthrough in this direction, for I understand that over 1,000 radio stations and over 140 television stations in our 50 States are presenting this program to their viewing and listening audiences.

This means that, in effect, the audience is larger than that of any network, and thus the program will reach even more Americans. I trust this will augur well for renewed interest in more, and still more, programs of the same type, to elicit public support and interest in these questions.

In these troubled times, when public affairs programs are on the wane, Mr. Granik and the Reader's Digest and Freedoms Foundation are to be congratulated for this unique approach in providing for a better informed public. I trust that this will be the birth of a new and exciting approach toward solving our dilemma in providing for better radio and TV programing. The untiring efforts of Mr. Granik for over 30 years in the radio-television industry deserve the highest praise from all segments of our society, for keeping public service programs alive and informing.

The first program in this new series—the one I viewed—was filmed at Andrews Air Force Base, just a short distance from the Capitol. The principal guest was Gen. Curtis LeMay, newly appointed Air Force Chief of Staff. General LeMay was questioned by a distinguished panel representing various areas of our society.

A special word of thanks should go to those many radio and TV stations that have expressed their interest in presenting this program to the American public. I ask unanimous consent that following my remarks a copy of the press release from the Reader's Digest, and a transcript of the program be printed in the RECORD.

There being no objection, the release and transcript were ordered to be printed in the RECORD, as follows:

NEWS FROM THE READER'S DIGEST

NEW YORK, July 25.—The largest station lineup ever to carry a regularly scheduled program series will broadcast the premiere of the new public service program "All America Wants To Know," beginning July 30.

The half-hour monthly series, produced for the Reader's Digest by Theodore Granik, will make its debut, on film and audio tape, on 1,016 radio stations in all 50 States and on 144 TV channels in 45 States.

"Is SAC Ready?" is the theme of the first program, which was produced on location this week at the Andrews Air Force Base in Washington, D.C. Gen. Curtis LeMay, Air Force Chief of Staff and for the last 9 years Chief of the Strategic Air Command, answered questions put to him by a panel that included Senator Barry Goldwater, Republican, of Arizona, New York Herald Tribune Correspondent Marguerite Higgins, Republic Aviation President Mundy Peale, noted entertainer and old LeMay friend, Arthur Godfrey, and Aviation Week magazine Editor Robert Hotz. Theodore Granik, founder-producer of such programs as "American Forum" and "Youth Wants To Know," is moderator of the new series.

Said Granik: "'All America Wants To Know' represents a real breakthrough in public service programing. Never before have so many stations, network affiliates as well as independents, requested a series of this kind from a nonnetwork source. We are deeply encouraged by this evidence of a real hunger for good public service programs."

Reader's Digest is picking up the bill and distributing the series at no cost to stations requesting it. Three 1-minute breaks during each program will be available to local stations for commercial sale, public service announcements or station promotion spots. The Digest itself will have no commercial announcements during the program.

Cooperating in production of "All America Wants To Know" is the Freedoms Foundation at Valley Forge, Pa.

ALL AMERICA WANTS TO KNOW

(Produced by Theodore Granik)

ANNOUNCER. This is the manned bomber. Will this be America's greatest deterrent to enemy attack? This is the unmanned Minuteman, intercontinental ballistic missile. Will this be America's greatest deterrent? This is Gen. Curtis LeMay, newly appointed Air Force Chief of Staff, in whose hands lies the responsibility of both. Bombers or missiles, which? or both. "All America Wants To Know," the first monthly discussions in depth of the great questions facing our country, produced for America's favorite magazine, the Reader's Digest, by Theodore Granik in association with the Freedoms Foundation at Valley Forge. This month's subject, as seen in the August issue, "Is SAC Ready?" by Military Editor Francis Vivian Drake. Our discussion takes place at Andrews Air Force Base just outside the Nation's Capital. Participating are: Senator Barry Goldwater, of Arizona, brigadier general, Air Force Reserve; Arthur Godfrey, noted personality and veteran pilot; Marguerite Higgins, correspondent for the New York Herald Tribune; Robert Hotz, editor of Aviation Week magazine; and Mundy I. Peal, president of Republic Aviation. Our guest, Gen. Curtis LeMay, in his first radio-television appearance since his appointment as Air Force Chief of Staff. In just a moment we will meet the producer and moderator of "All America Wants To Know," Theodore Granik.

* * * * *

ANNOUNCER. And now here is our moderator, Theodore Granik.

Mr. GRANIK. General, is it bombers or missiles or both?

General LEMAY. Well, we in the Air Force think both. But I wish you'd said manned or unmanned systems because we think in all probability the future manned or unmanned systems will look more like the missile than it does the present-day bomber.

Miss HIGGINS. General, was the United States surprised at the quality and quantity of the Soviet jet fighters and bombers shown at the recent Soviet airshow?

General LEMAY. We knew a little something about the program. There were some surprises and some things we knew.

Miss HIGGINS. Were those surprises enough to galvanize you as Chief of the Air Force into new plans for better and bigger bombers?

General LEMAY. No, I don't think so. We have known that they were embarking on a modernization program for their air force and we have likewise been embarked on a modernization program for ours. I don't think the situation has been changed dramatically by the airshow, though we did have some surprises.

Miss HIGGINS. I'd be interested to know your personal judgment as to whether Premier Khrushchev was trying deliberately to trick the world when he said exactly a year ago, January 1960, to the Soviet Supreme Parliament that bombers were obsolete?

General LEMAY. Well, in this day and age I think we should pay attention to what people do and not what they say.

Miss HIGGINS. So you were quite prepared for him to say to go ahead with mass production of bombers, whatever he may have said publicly?

General LEMAY. Yes, because the facts are that we do need manned and unmanned systems.

Senator GOLDWATER. General LeMay, we know that the Strategic Air Command is the greatest military force ever assembled. We were talking just a moment ago about manned aircraft. Isn't it true that the reason the Strategic Air Command has been ready for many years is the fact that the men in the outfit have made it that way?

General LEMAY. Yes, Senator, that is correct. No matter how efficient your weapon systems are if they're not employed properly they can fail in their mission. And you must have a sound, professional, dedicated force of people to operate them. We do have that in the SAC today and it has been that way for years, and I'm sure it will continue that way, but we must not take it for granted; we must see that the people are properly paid, properly housed, and taken care of so that they feel that they are a part of the defense team and are rendering a real service to the country.

Mr. GODFREY. To add a little something to what General LeMay said, may I call attention to an article in the August issue of Reader's Digest, by our good friend who has written so many wonderful things, Francis Vivian Drake, in which the general's statement is amplified in very good detail. I hope everyone will read it. But, I'd like to ask the general what his answer is to those who say that the manned bomber, per se, is already obsolete.

General LEMAY. Well, we don't think that that's true. For many reasons. All of our war games, for instance, indicate that the most efficient force is a combination of the manned and the unmanned system. Both of them have their advantages. And if you combine the two, using the strong points of each, you can accomplish much more than you could with either one. I could go on for a much longer time than we have in discussing those advantages, but that sums it up.

Mr. PEAL. General LeMay, just what is the role of the Air Force in space?

General LEMAY. Well, we have a portion of the national space program. I think this was the intent of the Congress when NASA was formed. We have a close working relationship with them; they're concentrating on the peaceful and commercial applications of space; we have been assigned in the Defense Department the military development program. Most of this is now assigned to the Air Force; however, most of the other services have full authority to conduct preliminary research and investigation of space systems that will help them carry out their assigned mission.

Mr. HOTZ. General LeMay, to pursue that a little further—do you believe there is a role—a military role—to put man into space? And, if so, what would he do in space?

General LEMAY. Well, I personally believe that the answer to that is yes. We will have men in space. It seems to me we're at about the same stage in the development of space as we were in the aeronautical development back in 1914. If you remember then no one had much confidence in the future of the airplane and they couldn't foresee what uses it would be put to. And right now we can't foresee with any degree of certainty to what use we're going to put space. But I'm sure that men are going to be out there; they're going to be performing useful tasks for civilization at large; and I'm sure that there will be military tasks out there that must be done by men.

Miss HIGGINS. General White said a few days ago that, in his opinion, the first generation of missiles were unreliable. Would you agree with that? And then, if that is the case and you do agree does that mean that as of today and tomorrow or next year we must depend in case of trouble really on our manned bombers?

General LEMAY. Well, I think that everyone can agree that in the first generation of any new system there is likely to be less reliability than you can expect later on it the development cycle. And this is true of missiles. I doubt if they ever get to be as reliable as a manned system because with a crew on board you can correct malfunctions that are liable to happen and carry on the mission regardless. In a missile you can't. But the big thing, I think, is the amount of development work you can do. In a manned system you can fly, notice the malfunctions, return and correct them, and perform thousands and thousands of sorties. Whereas with the missile, you only fire it once. So that the cost of getting the broad base of experience that you can get with a manned system is prohibitive. We'll be able to get more reliability as time goes on and very reliable missiles. But you never can approach a manned system.

Miss HIGGINS. The Russians have been boasting that their new electronic devices are such that our bombers can't get through. What is your comment on that?

General LEMAY. I've heard this statement ever since I came into the Air Force 32 years ago. Before the war my task down at Langley Field was to tow targets for the antiaircraft artillery. They always managed to hit the sock. Also, towing targets for fighter aircraft. They also managed to hit the target. The argument then was that this means bombers would never get through enemy defenses, yet we fought a sizable war with a loss rate of about less than 2 percent. It's true that there are new and more sophisticated defense systems today, but the offensive forces are new and improved and more sophisticated also. There's not the slightest doubt in my mind about the ability of our offensive forces to penetrate modern sophisticated defense and I'm sure you'll find no doubt in the minds of any of the crews that are manning our bombers today.

Senator GOLDWATER. General LeMay, I'd like to get back to men again. Am I correct in believing that it costs about $3 million to train a crew for the B–52, and that the highest paid member of this crew takes home about $175 a week? Are you still experiencing any difficulty in keeping these men after they've been trained?

General LEMAY. Yes, Senator. The last pay bill, as you well know, was a great deal of help to us and increased our retention not only among the crews but among the ground support people who are equally important in having a ready air force. But it hasn't been enough. We still have too high a turnover and too much of a problem replacing men once they are trained. I think we'll have to do more if we're going to compete with the opportunities offered by industry and other civilian pursuits if we're going to maintain the professional force that we need at a reasonable cost.

Senator GOLDWATER. I wonder, General, if you could give us some idea, or a few suggestions you have in this field, that we in the Congress might consider helpful in meeting this problem?

General LEMAY. Well, I don't believe that we should pay salaries to the military forces that are right up or equal to what they could earn in civilian life. I don't think it's necessary. But it's been my experience through the years that you can work people to the breaking point and they'll do it provided they're convinced they're doing something important and they're making some headway in accomplishing their task. But above all, that their colleagues and their fellow citizens appreciate what they're doing. I would do more in what you might call the fringe benefit area; more commissary privileges; extra privileges—things of that sort; better housing, and all of these things we call fringe benefits, to just tell them their fellow citizens appreciate what they're doing, and they're making a tremendous sacrifice. These people are on the alert all over the world now, most of them working 70–75 hours a week, and this is certainly not the normal life that's being led by the average citizen today.

Mr. GODFREY. The discussion is going exactly the way I hoped it would go. The Senator and Miss Higgins asked the same questions I wanted to; the General's brought out everything I was thinking about. I might ask him this: 11 years ago when I first started my studies of true airpower under your tutelage, Curt, you taught me that a first-class bombing mission could never be stopped once it was launched toward its target. Is that as true today as it was then?

General LEMAY. I think so. We are very fortunate in having a dedicated group of people that have gone through any defense that they have encountered and have never turned back. There have been occasions when not all the force but individual units have been shot down on a mission, but enemy action has never turned it back. This is something you should consider yourself fortunate to have and you can't buy it for any price.

Mr. HOTZ. General LeMay, the Defense Department recently announced two new design competitions—one for a tactical fighter to be used by all three services, and another for a vertical takeoff transport to be used by all three services. Does this indicate we are going to build up three different sets of Air Force, one for each service, and if so, do you think this is a wise idea?

General LEMAY. Well, I think that one Air Force is enough, although we have an organization now that has airpower in each of the three services. We have to live with it. I think that by and large the equipment that is being produced by each of the three services now has not overlapped too much and I'm not particularly worried about it at this time.

Mr. GRANIK. General, the New York Times recently had this statement. I quote: "LeMay To Plead for More Planes—Will Request Greater Outlay for Bombers in Wake of Soviet Show of Power." Would you care to comment on that headline?

General LEMAY. I don't know where the reporter got his information. There are no plans, no change in plans——

Mr. GRANIK. Still, you're preparing a vigorous appeal to Congress to invest more heavily in bombers and other manned aircraft in view of the impressive Soviet airshow?

General LEMAY. This is not so. There has been no change in the Air Force position over the testimony given by the Air Force for the next budget before Congress a few weeks ago.

Senator GOLDWATER. On that question you asked the general relative to the article in the New York Times, when I read that I knew it was wrong and I took the time to personally check whether or not General LeMay or Secretary Zuckert had made any such statement but they had not made any such statement and I knew that to be untrue. I tried to correct it on the floor of the Senate the other day——

Mr. GRANIK. Senator, the article stated General LeMay was described as ready to appeal an administration decision to cut out the production of the B–52 and B–58 bombers.

Senator GOLDWATER. This was irresponsible reporting of the best order. The Air Force, to my knowledge, the Air Force has never made any statement like that or did they make any press release like that. This is a figment of some man's imagination.

Mr. GRANIK. Do you care to comment, General, on that?

General LEMAY. I think that sums it up.

Mr. GRANIK. Do you want to comment, Mr. Godfrey?

Mr. GODFREY. Yes. General LeMay built the Strategic Air Command to where it is today and General Power took over 4 years ago and has carried on and developed it even further. I'd like to ask the general if it is his plan to now mold the entire Air Force, all of the branches of the Air Force, into this same compact, very efficient machine that SAC is?

General LEMAY. I think there are some methods being used in the Strategic Air Command that could be properly applied to the other segments of the Air Force. Some of them are already in process of being implemented. I may be able to speed that up a little bit; I hope so.

Miss HIGGINS. I wanted to ask about Berlin because this is an immediate crisis. We hear even from our own people sometimes that our airlift to Berlin in case of a blockade wouldn't go through because electronic devices would scramble things and make it impossible. Is that true, General LeMay? Or could we again have an airlift to the city if there were a blockade?

General LEMAY. I think we can operate another airlift against Berlin. It's true that there are electronic countermeasures that could be used if the Russians wanted to use them. However, if we really have the will to go through and establish an airlift I think we can do it.

Mr. HOTZ. Do you think it's possible to develop a defense against missile attack?

General LEMAY. I'm sure we'll develop a defense; whether it will be 100-percent effective or not I have grave doubts, because I don't think that you can develop a defense that's 100-percent effective against the manned-bomber system we now have.

Mr. GRANIK. Should we use atomic weapons in limited wars?

General LEMAY. Well, I think there's a possibility we might use one in limited war. Of course, whether we do use atomic weapons in any war or not is certainly a decision that's reserved for the President alone. However, I believe we should operate our military services about like we operate our police forces, and that is, use whatever strength is necessary to take care of the situation. Certainly the policeman on the beat doesn't take out his revolver and shoot every lawbreaker that he apprehends; he uses whatever restraint is necessary. However, if it is necessary to use his revolver he should use it; otherwise he's endangering the lives of the citizens by not doing so. I think this same principle could apply in the military services.

Mr. GRANIK. General, where do you stand on the question of the reorganization of the Department of Defense into a single service?

General LEMAY. Well, I believe that we could get more efficiency with more integration. However, this is a very complicated question and I feel that further improvements will probably come by evolution and not by radical change.

Mr. GRANIK. What would you recommend, General?

General LEMAY. Well, I think you might start off by giving the Chairman of the Joint Chiefs of Staff a little more power than he has so that he could force more unanimous decisions out of the Joint Chiefs of Staff. Maybe that's the wrong way to put it. At least he could cast a vote and present a majority view better rather than the method now used where a difference of opinion has to go up to the Secretary.

Mr. GRANIK. Would you ultimately recommend a single service, General?

General LEMAY. Well, I think eventually military missions are overlapping so much that this might be desirable. I've thought so for a long time.

Senator GOLDWATER. General, getting back to SAC. We are told by groups in this country that our bomber force is obsolete. Do you agree with that?

General LEMAY. No; I do not. As a matter of fact, our main power now rests on the manned bombers and it will be some time until we can get more of the missiles into an operational status and then even after they're operational, we must gain experience with them and this is going to take further time. So, though missiles are going to take their place on our inventory, I think the bulk of dependence will be on armed bombers for some time.

Mr. GRANIK. General, Congress has authorized $525 million additional for long-range bombers. Should that money be spent on present aircraft such as the B–52? Or should it be used to accelerate the B–70 program? I'd like to clear that.

General LEMAY. Well, I can refer you to General White's testimony before the Congress to the effect that in this critical period we're in, we dislike to see bomber lines completely closed down. On the other hand, we consider the B–70 program to be of the very highest importance in the Air Force. This question of modernization of your force is with us always and you must balance what you have against the resources you have and the money it's going to cost you.

Senator GOLDWATER. When is that test scheduled to be flown?

General LEMAY. I don't think that's been announced publicly.

Mr. GODFREY. It might be interesting if you told us, General, how long ago the B–70 was dreamed up.

General LEMAY. I think it's been in our minds for about 5 years now. However, these things go through various stages—and though this project started way back 5 years ago it wasn't really firmed up into the actual configuration that we now think of the B–70 until a couple of years ago.

Miss HIGGINS. What are the qualities of the B–70 that have given it such a high priority? What are the things in that airplane that makes it so important?

General LEMAY. Well, it can do most of the things the missile can do and it can do many things better, and it can do some things that the missile can't do at all. For instance, we know that a target is located in a certain area but we don't have the precise latitude and longitude. The bomber can go over that, find it and destroy it. It can report back the results of its effort; the missile cannot. On the other hand, a missile can penetrate at the present time any defense with absolute immunity, whereas the B–70 would have to fight its way in with its penetration aids.

Miss HIGGINS. You don't think the Russians have an antimissile missile?

General LEMAY. Not at the present time. I'm sure they're working on one.

Question. "General, when do you think we might expect the beginning of an effective military space force?"

General LEMAY. Well, this depends on many things. How much effort or what percentage of the country's resources are we going to put on this project?

Mr. GRANIK. I'm sorry to have to interrupt but our time is almost up. We'll be back in just a moment.

Thank you very much General LeMay and our distinguished panel guests—Senator Barry Goldwater, Arthur Godfrey, Marguerite Higgins, Robert Hotz, and Mundy I. Peal. All America is deeply grateful to all of you for being our guests on this important program. I understand General LeMay, that this is your first radio-television appearance since you were appointed Air Force Chief of Staff. May I add that over 1,100 radio and television stations throughout the country have requested permission to broadcast this program, another first in radio-television history.

Now this is Theodore Granik inviting you to join us again next month when "All America Wants To Know" will discuss another of the vital issues of our time, "Is Nuclear Testing a Must for Freedom?"

TRIBUTE TO WALTER B. STULTS

Mr. JAVITS. Mr. President, I wish to associate myself with the remarks which were made on July 31 by a number of Senators in tribute to Walter B. Stults, who served so ably as the staff director of the Select Committee on Small Business.

In my 5 years as a Senator, I have not worked with a more competent committee staff member than Walter Stults. His record of achievement is remarkable, and his contributions to the Select Committee on Small Business, and indeed to small businesses throughout the country, have consistently been effective and constructive. Mr. Stults' meritorious service is a gratifying illustration of Federal Government working in partnership with and on behalf of the private economy.

The Select Committee on Small Business was an experiment when it was first established in 1950. Today it is an integral part of our legislative process in the Senate, and I do not know how we could function effectively without it. It is a committee which has helped me time and time again in its capacity as an informed and able proponent of the need for small businesses in our present-day economy. The committee's efforts have been wholly nonpartisan, as they should be, and small businesses in every State

of the Union have benefited from the experience, wisdom, and leadership provided by the committee and its staff.

Credit for the remarkable record which the Small Business Committee has compiled in 10 years must go in large part to the outstanding staff leadership of Walter Stults. I am grateful to him for it.

It is encouraging to know that the Senate can attract men of Mr. Stults' ability. He will be sorely missed, but he leaves behind him a record and a habit of effective service which will enable the committee to go forward and do the job in the same tradition which he was so instrumental in establishing.

WILLIAM THEIS

Mr. JAVITS. Mr. President, I should like to associate myself with the condolences and sympathy that have been extended to our friend in the press gallery, Bill Theis, of the United Press International in respect of the loss of his father. We all have very great affection for Bill and sympathize with him deeply in his bereavement. I wish to identify myself with those who, out of friendship for him, have expressed the sympathy and condolences which I know we all feel.

AID TO EDUCATION

Mr. JAVITS. Mr. President, on Monday I made a speech in New York before the National Association of College and University Housing Officers at their national and annual conference at Columbia University on the subject of equating Federal aid to education as proposed in the three bills which are pending before us now for primary schools, the National Defense Education Act, and higher education, and the kind of sacrifice and preparation for which the President called in respect to Berlin.

The feeling was expressed that the President ought to demonstrate an equal amount of leadership in breaking the logjam which now holds up action on those bills at this session.

This idea is expressed also in an editorial published in today's issue of the New York Times. I ask unanimous consent to have printed in the RECORD at this point in my remarks the editorial entitled "School Aid Urgency," together with the text of my remarks to the National Association of College and University Housing Officers at Columbia University on Monday, July 31, 1961.

There being no objection, the editorial and address were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 2, 1961]

SCHOOL AID URGENCY

President Kennedy has never left any room for doubt that he considers Federal aid to the public schools a matter of the highest national priority. In his special message to Congress last February he warned that "our progress as a nation can be no swifter than our progress in education," and he made it clear that Federal aid for public school construction and teachers' salaries is essential to such progress. After the House Rules Committee tabled all pending education aid bills, the President reacted by calling the public school measure "probably the most important piece of domestic legislation."

It is plain, however, that Presidential statements of urgency are not enough to save the threatened school aid. Nothing short of continuous and insistent leadership by the White House and the Secretary of Health, Education and Welfare can revive hope.

Time is running out. The President said he was confident that administration supporters would "use all their energies to get this bill by" during the present session. This expression of confidence was given 2 weeks ago, but there has been little apparent evidence of "energies" calculated to bring victory.

International crisis has overshadowed domestic needs in the interim, and there has been strong conservative pressure to sacrifice domestic legislation. Applied to education, this is a shortsighted and dangerous policy. The buildup of strength in education is a long and slow process, not responsive to crash programs. To permit immediate crises to delay the support of education will endanger the future strength and security of the Nation. This is why strong Presidential leadership to rescue public school aid is needed now.

AID TO EDUCATION IS AN EMERGENCY MEASURE, TOO

(By Hon. JACOB K. JAVITS, Republican, of New York)

The President has wisely and firmly asserted the national will in the Berlin crisis. Congress is acting promptly to provide $3.5 billion more in defense funds and to provide more military manpower. This week we will take up—and I predict we will pass—a $7 to $8 billion foreign-aid bill with provisions for long-term lending authority.

These are steps which must be taken—steps which are vital to our peace leadership of the world.

But it would be ironic, indeed, if in devoting so much money and sacrifice to our responsibilities we should neglect the base of our strength which is built at home in the education of our youth who must carry the biggest share of implementing our national decisions. Yet the cry has already been taken up by many who see in it an opportunity to defeat Federal aid to education on the grounds that we now surely cannot afford it because of required new military preparedness costs.

Education is as integral an element of our defense as is military striking power. The education of our youth is as important as the training of our troops in an era in which technical requirements are so high and the crisis is likely to last for decades. Federal aid to improve the education of our youth deserves priority in this context on a par with aid to the developing nations of the world.

I wish the President in his speech to the Nation last week had included Federal aid to education among the emergency measures he proposed to meet the present crisis. It deserves that distinction because our security and progress as a nation are so heavily dependent upon our progress in education. Our requirements for peace leadership and the demands of the Communist challenge make necessary the maximum development of every young American's capacity. The mind of American youth is our most fundamental resource.

And yet the sad story today is that apparently we are going to forgo our responsibility for this year on Federal aid to primary and secondary public school education, the expansion of the National Defense Education Act, and aid to higher education—all these measures are seemingly at a standstill in the Congress today.

Presidential leadership has been put to a major test on this issue.

Nine months ago in this city, President Kennedy said:

"I believe in a President who will formulate and fight for his legislative policies * * * a President who will not back down under pressure, or let down his spokesman in the Congress * * * a President who does not speak from the rear of the battle but who places himself in the thick of the fight."

As we approach the final weeks of the 1961 session of Congress, I must report that I have not seen in the White House the energy and initiative to overcome the deadlock in which these education bills are now foundering. While it appears that only a miracle can now save aid to education legislation, I believe the White House even at this late date can bring about this miracle. Procedures are available—for example, a discharge petition which could be completed at the will of the majority of the House of Representatives, under Presidential leadership, can bring about action, notwithstanding the Rules Committee of the House of Representatives. But most important, the President needs to assert the prestige, authority, and influence of his Office with members of his own party.

The three major bills that have been advanced to deal with our education problems on the national level are: (1) a bill providing $2.5 billion in Federal aid to public school construction and teachers' salaries; (2) a bill extending and expanding the National Defense Education Act and including $375 million in loans for construction of private school classrooms specifically for science, mathematics, and foreign languages; and (3) a bill providing Federal grants and loans for the construction of public and private college academic teaching facilities and for awarding college scholarships.

The first of these has passed the Senate, the second is ready for Senate action and all three are ready for action in the House of Representatives. But all three are apparently hopelessly bottled up in the House of Representatives Rules Committee.

You who are so intimately aware of the Nation's education needs know full well the grave nature of this situation. Never was a bigger effort needed to raise the standards of American education. Many local governments lack the resources to assure an adequate education for every child. Many classrooms are overcrowded—about 2 million students attending primary and secondary schools beyond their normal capacity. Many teachers are underpaid. And many institutions of higher learning cannot afford the cost of, or find teaching facilities for, the growing numbers of students seeking admission now and in the coming decade—and yet the number of college students is expected to double by 1975.

This is a fundamental problem that requires a massive effort. And it would be tragic indeed if we permit ourselves to justify inaction on the basis of our increased international responsibilities.

The United States has the economic capacity to meet our global requirements as well as the basis for our capability to meet these requirements at home, too.

I wish the President would chart as decisive a course of action on Federal aid to education as he has on the Berlin issue. I wish he would assert himself personally, as only a President can do, with those who have consistently thrown up roadblocks to the needed legislation in the Congress. And I wish he would speak to the Nation, as eloquently as he has in the Berlin situation, on the need and the duty at the national level to bolster our education system.

THE JAZZ AGE

Mr. JAVITS. Mr. President, I invite the attention of Senators to an enterprising activity by a group of bright young people under the leadership of a young man named Owen Engel, of Flushing, N.Y., who organized a world jazz festival which was started in Central Park, New York, in 1955 with the idea of touring colleges in the United States, and ultimately in other countries of the world, in order to demonstrate, through participation of representatives of the foreign embassies here, the widespread origins of the jazz idiom in music, and also its widespread and universal appeal throughout the world.

Anyone who has watched the tour of Louis Armstrong, for example, in south and southeast Asia knows what a universal language we have in the United States for young people. So in order to encourage Mr. Engel and his group, yesterday I introduced them at a concert which they gave in the rotunda of the Old Senate Office Building. I hazard the guess that we went more modern than usual yesterday. The performance was greatly enjoyed by all, and it demonstrated that we are a very lively people in terms of the idiom of our music.

I ask unanimous consent that newspaper stories on the concert from the New York Times and the Washington Post be printed as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 1, 1961]

JAZZ DRUMS SOUND SENATORIAL UNITY CALL

(By Thomas Wolfe)

It was not so much the sight of several hundred senatorial clerks, aids, and shapely secretaries twisting and turning to Afro-Asian drum-beaten jazz in the rotunda of the Old Senate Office Building that made yesterday such a day to remember on Capitol Hill.

No, it was more the sight of Senators JACOB K. JAVITS, Republican, of New York, and BARRY M. GOLDWATER, Republican, of Arizona, standing side by side under a Grecian column, tapping their feet in unison and saying such things as "Hot-diggety," "Razz-ma-tazz," "That vibrates me," and other expressions of praise current in their youth.

To tell the truth, it was impossible to overhear exactly what comments the two distinguished jazz lovers were exchanging. For there in the center of the sedate, 3-story marble rotunda sat C. S. Kashyap of the Indian Embassy playing tabla drums, Puerto Rican band leader, Miguel Vega, playing bongo drums, and A. Sirat, of the Indonesian Embassy, playing both ends of a Kendang drum.

All were in costume, but none was so brilliant as the robes of four "talking drum" players from Ghana—including lively, crowd-wowing Ambassador William M. Q. Halm—and none so subdued as the costume of American clarinetist, Owen Engel, who was got up like a Brooks Bros.-clad bond broker.

It was Engel, one of Senator JAVITS' constituents, who prevailed upon the Senator to arrange for the half-hour concert in the rotunda. (GOLDWATER came by for the music.) With JAVITS' blessing, Engel is seeking State Department backing "to go to southeast Asia, to trouble spots such as Vietnam, armed only with a clarinet."

Said JAVITS: "Jazz is a culturally important element in American life. I appreciate its tremendous drive and excitement. It is by no means a decadent art, but something we relish and the whole world enjoys."

The revolutionary idea of jazz diplomacy took on even larger dimensions when Ambassador Halm disclosed that words, even the most high-flown, can be converted to music via the African "talking drums."

He abandoned his scheduled 5-minute talk in favor of 5 seconds' throbbing tattoo on the drums, and said: "My dear friends, I have just talked to you on the drums, and the elegant translation would be, 'Grant freedom and liberty and you have granted all.' "

[From the New York Times, Aug. 1, 1961]

JAZZ AS AID TO WORLD PEACE IS DEMONSTRATED FOR CONGRESS

(By Cabell Phillips)

WASHINGTON, August 1.—The marble rotunda of the Senate Office Building served briefly today as a stage for an international jam session.

The occasion was an informal audition for the benefit of Congress by World Jazz Festival. Senator JACOB K. JAVITS, Republican, of New York, was the official host. The audience consisted largely of clerks and secretaries and a few reporters.

The only congressional visitor appeared to be Senator BARRY GOLDWATER, Republican, of Arizona, who happened to walk past on his way to lunch. Senator JAVITS snared him for an introduction and he stayed around briefly to sample the musical fare.

"I used to be a clarinet player myself, the Arizonan said as he departed, "but I never heard anything like this."

The "this" to which he referred was a cacaphonous improvisation for African talking drums and clarinet. The drums were played by three Ghanaians in brightly colored tunics. The clarinet was played by a young American sedately costumed.

The American was Owen Engel of Paterson, N.J., founder of the World Jazz Festival, which he said, originated in New York's Central Park in 1955.

The purpose of the festival, Mr. Engel explained, is to hew a musical "pathway to peace" by demonstrating the fraternal and harmonic potentialities in the music of many nations.

If things go well, he said, the International Students for the World Jazz Festival will tour American campuses this fall, and then, maybe, visit some of the trouble spots of Asia and Africa. Today's appearance on Capitol Hill was designed to promote public and congressional interest in this venture into informal diplomacy.

There was no doubting the international flavor of today's performance. In addition to the African drums and the American clarinet, there were native drummers from India and Indonesia and a bongo player from Puerto Rico. Three American Indians and their war drums failed to show up.

Following Senator JAVITS' introduction, Ambassador William G. Halm, of the Republic of Ghana, spoke of the role of music in human relationships. He said that, subtle though the connection may be to Western ears, there was a kinship between the music of Beethoven and the staccato thumping of a jungle drum.

WARNING OF ADM. ARLEIGH BURKE

Mr. MUNDT. Mr. President, the retirement of Arleigh Burke, Chief of Naval Operations, after 42 years of distinguished service to our Nation, has been referred to by writers and speakers across the length and breadth of our land as they have taken occasion to pay a well-merited tribute to a great American. I am sure that all who have had the pleasure of serving on Capitol Hill at the time Arleigh Burke was serving his Government in the Department of the Navy have developed a lasting and emphatic feeling of high regard and respect for this distinguished American.

Arleigh Burke is the kind of man who one would expect to be an admiral. He looks like an admiral ought to look. He acts like an admiral ought to act. He talks like an admiral ought to talk. Whether in line of duty, in wartime, or in peacetime, Arleigh Burke was a mighty tough and effective advocate of the cause which he supported. It is to be regretted that the march of time is taking him from the responsibilities in which he served his country so well in the position from which he has recently retired. But it is to be applauded that we can be certain that a man of Arleigh Burke's firm convictions and great capacity to express those convictions convincingly and persuasively is certain to be heard from in whatever pursuits he elects to follow following his retirement from service.

An editorial entitled "Burke's Warning" was published in the Washington Evening Star of today.

I wish to read a paragraph which is quoted from a statement recently made by Arleigh Burke, because it is so typically "Burkeish." It is so closely identified with the standup type of character that Arleigh Burke has always demonstrated. He was referring to the conditions in which we live. He said:

> You can't sell a little part of your honor. You cannot sell part of your virtue. You can't give away one baby—throw the baby to the wolves and expect the wolves will not follow the sleigh. They'll keep coming on—they'll want the next baby and more and more—you can't succumb to blackmail.

I believe it is very important that all Americans keep in mind those wise and stirring words of warning from a military leader of our times, second to none in the capacity, ability, courage, and the forthrightness which has always marked Arleigh Burke as an important factor in the public affairs of this country and in our Defense Establishment.

I ask unanimous consent that the editorial published in the Washington Evening Star of today be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BURKE'S WARNING

Senators DODD and BRIDGES—Democrat and Republican, respectively—have just joined in paying an altogether fitting bipartisan tribute to Adm. Arleigh Burke, now retired as Chief of Naval Operations after 42 years of distinguished service to the Nation.

Speaking from the floor of the Senate, both legislators have made a point of referring to a farewell interview given by the admiral last week, reported by L. Edgar Prina in the Star. They have made a point, too, of lauding him for the strongly worded candor of the views he has expressed and the counsel he has offered in the past on issues involving Soviet-American relations. In Mr. DODD's words, "he can well take pride in the many times * * * he has been forthright and courageous on controversial questions."

In recent months, of course, Admiral Burke, along with our other military leaders, has been under orders from the President, the Commander in Chief, to subject the

speeches to controls—and editing, if necessary—designed to water down statements that might tend to heat up the cold war. The White House, over the years, has often sought to exercise this kind of influence, and it has done so under Mr. Kennedy with particular attention to the admiral's vigor and frankness of expression as regards the Communist menace.

For his own part, Admiral Burke does not believe that his language has been extravagant, and he feels that he would actually be more outspoken if he were living his life over again. As for dealing with the men of the Kremlin, he has had this to say: "You can't sell a little part of your honor. You cannot sell part of your virtue. You can't give away one baby—throw the baby to the wolves and expect the wolves will not follow the sleigh. They'll keep coming on—they'll want the next baby and more and more—you can't succumb to blackmail."

Some members of the administration may regard this statement as the sort of thing that Admiral Burke ought not to say even in retirement. The President, however, is not likely to take a dim view of it. After all, it constitutes a meaningful message, a pointed warning, for every American in connection with the Berlin crisis and the Kremlin's open reaffirmation of its intentions to "bury" the West and communize the whole world.

SEGREGATION PROBLEMS IN INTERSTATE COMMERCE

Mr. MAGNUSON. Mr. President, on July 12, 1961, I wrote the Chairmen of the Federal Maritime Board, the Civil Aeronautics Board, and the Interstate Commerce Commission, concerning segregation problems in interstate transportation.

I pointed out that the recent court decisions on this problem were not self-implementing, and I wanted to know what steps these agencies were taking in carrying out their various responsibilities in this field.

I have received replies from the three major agencies involved. The Federal Maritime Board has advised me that they have received no complaints relating to segregation or civil rights problems in connection with interstate water transportation. They say they will take immediate steps, if violations arise, to see that the carriers under their jurisdiction comply with applicable Federal law.

I ask unanimous consent to have the letter from the Chairman of the Federal Maritime Board printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL MARITIME BOARD,
Washington, D.C., July 24, 1961.

Hon. WARREN G. MAGNUSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MAGNUSON: We have your letter of July 12, 1961, asking for a report on the segregation problems encountered in interstate transportation by the Federal Maritime Board and remedial steps either underway or planned which look toward improvement in this area of civil rights.

We agree with you that recent court decisions barring racial segregation on transportation facilities in interstate commerce are not self-implementing, and therefore can readily understand that your committee will have a continuing interest in the steps being taken or planned in carrying out this responsibility.

At this date the Federal Maritime Board has received no information or complaints in connection with any segregation or civil rights problems relating to interstate water transportation. Nevertheless, it is my intention to bring your inquiry to the attention of the Board for further consideration and determination as to whether it might not be desirable to issue some notice, formal or informal, to the interstate carriers of their obligation to observe the spirit and intent of applicable court decisions and laws barring racial segregation or discrimination on transportation facilities engaged in interstate commerce.

In the meantime, you may rest assured that if any violations of the decisions or laws on the subject arise, the Board will take immediate and appropriate steps to see that interstate water carriers comply with applicable Federal law.

Sincerely yours,

THOS. E. STAKEM,
Chairman.

Mr. MAGNUSON. The Civil Aeronautics Board divides the problem into two general areas: discrimination practiced by, first, air carriers, and second, airport operators.

I ask unanimous consent that the letter of the Civil Aeronautics Board be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CIVIL AERONAUTICS BOARD,
Washington, D.C., July 20, 1961.

Hon. WARREN G. MAGNUSON,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MAGNUSON: This is in response to your letter of July 12, 1961, concerning segregation problems in interstate air transportation.

There are two distinct general areas to which your inquiry is relevant: (1) Discrimination practiced by air carriers as such, and (2) discrimination practiced by operators of airport terminal facilities. With respect to the first category, a perusal of the Board's files discloses only two allegations of racial discrimination by air carriers. Both cases were investigated by the Board's staff shortly after the alleged incidents were reported, and in neither case were the allegations of racial discrimination substantiated. In the Board's judgment, the air carriers have adhered to the statutory provision barring discrimination in air transportation.

There remains, however, the second area to which your letter pertains—racial discrimination in airport terminal facilities. In the past, the Board has been of the opinion that under the Federal Aviation Act of 1958, and its predecessor, the Civil Aeronautics Act of 1938, its jurisdiction probably extended only to air carriers as such, and not to terminal facilities or the operators thereof. Several instances of discrimination have been reported to the Board and in the case of *Palmer* v. *Eastern Air Lines, Inc.*, Order E–15787, September 16, 1960, the Board recited the position on its jurisdiction stated above.

However, under the recent decision of the Supreme Court in *Boynton* v. *Virginia* (364 U.S. 454 (Dec. 5, 1960)), it appears that the antidiscrimination provision of the Federal Aviation Act (sec. 404(b), 49 U.S.C. 1374 (b)), may require that terminal facilities for passengers moving in interstate and foreign air commerce be provided on a nondiscriminatory basis, even though the Board may not have direct jurisdiction over the facilities and the operators thereof. In these circumstances, the Board has requested the Department of Justice to institute injunction actions against discriminatory practices in terminal facilities at certain airports, for the purpose, among others, of obtaining an authoritative interpretation of Boynton in relation to the Federal Aviation Act. Suit, in fact, has been brought in New Orleans with respect to the facilities at the Moisant International Airport. The Board's future action in this overall problem will be guided by the result of these test cases.

Sincerely yours,

ALAN S. BOYD,
Chairman.

Mr. MAGNUSON. The Board believes the air carriers have adhered to the statutory provision barring discrimination in air transportation. There have been only two complaints that were not substantiated by investigation.

Until December 1960, the Board, with respect to airport terminal facilities, believed it had jurisdiction only over the air carriers as such, and not to terminal facilities or the operators thereof.

On that date, in the case of *Boynton* v. *Virginia* (364 U.S. 454), the Court indicated that the Federal Aviation Act may require that terminal facilities for passengers moving in interstate and foreign air commerce be provided on a nondiscriminatory basis.

Since the Board may not have direct jurisdiction over such facilities and the operators thereof, it has requested the Department of Justice to ask for injunctions against such discriminatory practices. The Board's future action in this problem will be guided by the results of the test cases.

The Interstate Commerce Commission, on June 19, 1961, instituted a formal proceeding under part II of the Interstate Commerce Act to determine whether regulations should be issued clarifying the rights of passengers and the obligations of the carriers subject to the act. On August 15, arguments before the Commission will be heard.

I suspect there will be many witnesses to appear at the hearing on this particular subject.

In a second letter, the Commission advises that since their decision in the NAACP against St. Louis-San Francisco Railway Co. case, decided in December 1955, they have received 100 informal complaints of racial discrimination, the status of which are as follows: 13, either no violation of the act, or no jurisdiction; 16, investigation disclosed no violation; 17, investigation disclosed act of discrimination caused by person over whom Commission had no jurisdiction; 9, investigation disclosed conflicting or insufficient evidence to warrant court action; 15, investigation disclosed merit to the complaint—but sufficient remedial action had been taken by the carrier; 10, referred to the Department of Justice for criminal prosecution; 5, investigation completed, appropriate action under consideration; 15, under active investigation.

The Commission and the Department of Justice are cooperating under an informal agreement.

I ask unanimous consent that the letters from the Interstate Commerce Commission be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., July 17, 1961.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: In the absence of Chairman Hutchinson your letter of July 12, 1961, addressed to him on the subject of racial discrimination has been referred to me for reply.

You refer to the interest of your committee in action taken or planned by this Commission in carrying out its responsibility, and ask for a report on segregation problems encountered and remedial steps for improvement in this area.

As you are aware the Commission on June 19, 1961, instituted a formal proceeding under part II of the Interstate Commerce Act to determine whether the facts and circumstances require or warrant the issuance of regulations clarifying the rights of passengers and the obligations of carriers subject to the act, and such other action as may be required. Written statements of facts, views, and arguments submitted must be filed on or before July 20, 1961, replies not later than August 10, and argument before the Commission will be held August 15.

Our staff is now preparing a statement of facts in the possession of the Bureau of Inquiry and Compliance for submission for the record in that proceeding. As soon as possible there will be prepared and transmitted to you the requested report detailing the segregation problems encountered and the action taken in connection therewith.

Sincerely,

RUPERT L. MURPHY,
Acting Chairman.

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., July 21, 1961.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: On July 17, 1961, I replied to your letter of July 12, informing you of the details of the formal proceeding instituted by the Commission on June 19, 1961, concerning consideration of issuance of regulations respecting segregation of interstate motor carrier passengers. I informed you that as soon as possible there would be transmitted to you a more detailed report on segregation problems as requested in your letter. This will supplement my previous letter and furnish the additional information referred to therein.

Since the Commission's decisions in *National Association for A.O.C.P. v. St. Louis-San Francisco Railway Co., et al.* (297 I.C.C. 335), and *Keys v. Carolina Coach Company* (64 M.C.C. 769), copies of which I transmit herewith, the Commission has received approximately 100 informal complaints of racial discrimination.

Shortly after the Commission's decisions in the above cases an informal arrangement was made between Chairman Clarke of this Commission and Assistant Attorney General Olney in charge of the Civil Rights Division of the Department of Justice whereby complaints alleging discrimination on the basis of color and indicating violation of the Interstate Commerce Act would be investigated by the Commission. Similar complaints alleging discrimination on the basis of color but not appearing to be violations of the Interstate Commerce Act would be referred to the Civil Rights Division for such action as it considered advisable. Included in that category would be discrimination practiced by the carriers with respect to intrastate passengers and discrimination encountered by interstate passengers by local or State officers under local or State statutes as distinguished from acts of the carriers. In addition, if the facts developed by the Commission's investigation disclosed that there was no violation of the Interstate Commerce Act the results of the investigation would be furnished to the Civil Rights Division for its information and action. As to cases in which discrimination in violation of the Interstate Commerce Act was shown and evidence developed in support thereof, the Commission's policy has been, and is, to refer those cases to the appropriate U.S. Attorney with its recommendation for appropriate action, usually criminal prosecution of the carrier and, sometimes, its officials or employees responsible therefor. The Civil Rights Division is also informed of our action in those cases at the time of reference.

I may add that there are two other avenues of civil court action which may be employed—injunction proceedings and, when there is an outstanding order against the carrier, a forfeiture action to recover the penalty prescribed for violation of the order.

The following is a summary of the action taken with respect to the complaints received in accord with the decisions of the Commission and the decision of the Supreme Court in *Boynton v. Virginia:*

Cases closed without investigation because complaint disclosed no violation of the act, or that Commission lacked jurisdiction	13
Cases in which the investigation disclosed no violation of the act	16
Cases in which the investigation disclosed act of discrimination caused by local police or someone else over whom the Commission had no jurisdiction	17
Cases in which the investigation disclosed conflicting or insufficient evidence to warrant court action	9
Cases in which the investigation disclosed merit to complaint but as to which sufficient remedial action had been taken by carrier	15
Cases in which the investigation disclosed evidence of violation of the act and referred to the U.S. attorney with recommendation for criminal prosecution	10
Total	80

Of the remaining 20 cases pending, 15 are in the process of investigation and 5 have been investigated and are receiving consideration to determine appropriate action.

Sincerely,

RUPERT L. MURPHY,
Acting Chairman.

Mr. MAGNUSON. The Interstate Commerce Commission has also submitted some very interesting briefs, but they are a little too long to include in the RECORD. I shall keep them in the files of the committee.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. JAVITS. I am delighted, as has happened so often before, to find that the views of the distinguished Senator from Washington [Mr. MAGNUSON] are my views, whatever may have been his opposition to my amendment on the independent offices appropriation bill, when he had other reasons for opposing it, because he is just as dedicated to this issue of civil rights as some others of us are, and I am certainly delighted to have him move into this field in an active way.

The Senator from Washington will recall that when he moved into the international travel field, things really happened. I am glad to have been able to pioneer in that field and to have been able to join with him in accomplishing the fine things that have resulted.

So, whatever might be the attitude of a Senator on a particular measure, such as an appropriation bill, and whatever might be the attitude of our colleagues in the Senate who come from the South as to their social order and what they think is best for their communities, none of those things can obtain in the field of interstate commerce.

The Boynton case, to which the Senator has made reference has a tremendous range and application, without regard to direct relationship as between particular parties, to the power of our governmental regulating commissions.

I shall certainly pledge myself to join the Senator from Washington in this field, in which I have undertaken similar activities, and in connection with which have received similar communications. I understand that regulations are imminent on the part of the ICC. I like the fact that the Federal Aviation Agency has now revised its regulations. I believe we are on the threshold, with the cooperation of the Department of Justice, of a real breakthrough, which will go a long way toward cleaning up this situation, as segregation was cleaned up in the District of Columbia. I am grateful to the Senator from Washington for his elucidation of the matter.

Mr. MAGNUSON. I thank the Senator from New York. I believe these agencies know that we have a deep interest in this matter. The point I want to make is that we do not want them to be dragging their heels in this particular situation. The ICC, working under a 1955 case, probably should have moved long before this. Now they know that we are watching them in this case and expect them to proceed legally in this matter.

Mr. JAVITS. I thank my colleague from Washington. I am delighted that the Senator has moved into this field.

PROMISES FALL SHORT OF NATO TROOP GOALS

Mr. HUMPHREY. Mr. President, an excellent article appeared in the Minneapolis Sunday Tribune of July 30, 1961. It is entitled "Promises Fall Short of NATO Troop Goals," and was written by Robert Hewett, an outstanding student of international affairs. The article relates to the discussions which took place in the Senate at the time we were considering the authorization for the new defense funds requested by the President in his message relating to the Berlin crisis.

Mr. Hewett has reviewed the activities of our allies in NATO, and calls attention to some of the limitations and weaknesses of our NATO allies, as well as to some of the efforts that are being made now to strengthen the alliance. I ask unanimous consent that this excellent article be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROMISES FALL SHORT OF NATO TROOP GOALS

(By Robert Hewett)

President Kennedy is pushing our Western European allies to follow the American example in building up military forces and to stand united against Premier Khrushchev on Berlin. He is getting lots of praise from our NATO partners—but few promises of more troops.

Khrushchev's own arrogance and belligerence have done much to scare the West Europeans into patching up differences within the North Atlantic Treaty Organization. Khrushchev is making the same mistake as did Stalin, whose threats provided the jolt needed to forge the NATO alliance in the first place.

President Kennedy's quietly firm speech last Tuesday night got an enthusiastic acclaim from most West Europeans. They like the statesmanlike manner with which he combined determination to stay in West Berlin with a no-nonsense willingness to negotiate on cold war tensions—if Khrushchev seriously wants to do so.

But the 14-year-old problem of getting the West European Allies to muster more troops for NATO's defensive shield still remains.

For years the military planners of NATO have insisted that 30 ground divisions are needed as a minimum "shield." That goal has never been reached. Today there are somewhat less than 22 divisions committed to NATO, including 5 crack American divisions in West Germany.

Last week Defense Secretary Robert S. McNamara and Gen. Lyman L. Lemnitzer, Chairman of the Joint Chiefs of Staff, visited France, Britain, and West Germany to discuss military policies—but the main aim was to get more troops from NATO partners.

Next week Secretary of State Dean Rusk flies to Paris for a Big Four meeting of foreign ministers—and the emphasis will be on the same thing, as well as on other ways of dealing with Khrushchev.

"A first need is to hasten progress toward the military goals which the North Atlantic Allies have set for themselves," President Kennedy said in announcing U.S. plans to build up its Armed Forces. "In Europe today nothing less will suffice," he insisted.

Britain, France, and West Germany have promised to increase their military efforts, knowing it is needed to strengthen their hand in any negotiations with the Soviets.

But so far the promises fall considerably short of the NATO goal.

Britain announced plans to call up 5,000 reservists. These will be mostly communications and transport specialists for service in West Germany. But addition of the 5,000 men will only put Britain's Army on the Rhine back up to its former strength of 55,000 men (3 divisions). No increase is in sight.

Washington had hoped that Britain would send another division to West Germany. But this proposal was turned down because of Britain's latest recurrence of economic troubles—and British Prime Minister Harold Macmillan also shows no inclination to restore conscription which he dropped in 1957.

Britain's limited strategic reserve is scattered in the Middle East and Far East (5,000 men of this "fire brigade" were flown into Kuwait recently) and will probably stay outside Europe. One brigade group of the strategic reserve based in England can be held in readiness for service in West Germany if necessary.

Washington officials were dismayed when Macmillan announced 2 days before Mr. Kennedy's speech that Britain's newest austerity plan would necessitate a cutback in spending to support British troops abroad. This was seen as a renewal of British attempts to get West Germany to pay for support of British troops in the Federal Republic, a request which the Germans have turned down in the past.

France also is faltering in its NATO commitment under which it is supposed to keep four divisions in West Germany. Two of those divisions were withdrawn several years ago to help fight the Algerian civil war.

President Charles de Gaulle announced last month the two absentee French divisions would be sent back to West Germany because of the Berlin crisis. There was even some talk of sending two additional divisions, to make a total of six.

But in recent days, with French troops fighting Tunisians over the Bizerte naval base and a breakdown in Algerian independence negotiations, French officials hint they will send only one division back to West Germany.

West Germany's military effort is brighter. Since the West German Army was activated, eight divisions have been trained and committed to NATO defense. With a step-up in training one or two additional divisions may be ready by the end of the year.

Any dramatic decisions which might risk Chancellor Adenauer's political popularity, however, will have to be postponed until after the West German elections scheduled for September 17.

It is against this background that President Kennedy is pressing our chief NATO partners for greater military efforts. One of the principal U.S. incentives, about which nothing is being said publicly, is the prospect that the United States will send additional troops if its NATO partners do likewise.

LAOS

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate a very revealing article, published in the Minneapolis Sunday Tribune and written by William R. Frye, United Nations correspondent of the Christian Science Monitor. The article is entitled "Parley on Laos Has Shattered Some Russ, Red China Myths."

What Mr. Frye points out is that the Soviet Union has been resisting a settlement in Geneva on the question of a neutral Laos, and that the generally held attitude is that it is the Communist Chinese who have been the obstructionists.

Without any further comment, I suggest that Senators will find it very helpful and edifying to read this article and to study it carefully.

Mr. Frye is one of the most able and brilliant correspondents who cover the United Nations activities. He is an outstanding columnist and reporter, of mature judgment and a deep sense of political responsibility. I ask unanimous consent that the article may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PARLEY ON LAOS HAS SHATTERED SOME RUSS, RED CHINA MYTHS

(By William R. Frye)

GENEVA.—The Lao Conference here is exploding some very old and popular myths.

One such myth is that all Chinese diplomats are devious, inscrutable orientals. The Chinese Reds here are blunt, direct, sophisticated Marxists. The typical Hollywood stereotype of a Chinese—shuffling, slipper-clad, obsequient—has no relevance whatever.

Top Western diplomats say it is easier to deal with the Chinese in the backroom than it is with the Russians. "You know where you stand with the Chinese," one said to me. "With the Russians, you never do."

Still another widely held view is questioned here. That is the theory that it is the Russians who want peace in Laos and the Chinese who are sabotaging it.

On the contrary, say high-ranking westerners, the Chinese appear to want a settlement of sorts, while the Russians have shown little interest in one.

From all that has happened publicly and privately, the West believes Red China's principal objective is to eliminate the American military presence in Laos, which is on China's doorstep, while Russia would like nothing better than a first-class scrap, with direct intervention by American GI's.

To put it differently, Red China apparently wants to take over southeast Asia without serious opposition, negotiating U.S. resistance out of the way, while Russia wants the Chinese and Americans involved in a struggle which might halt Chinese expansion and would certainly bleed both sides white.

If true, this casts interesting new light on Sino-Soviet relationships. The pat theory of a peacefully inclined Nikita Khrushchev being driven into militaristic and aggressive acts by a rampaging China is much too simple, if indeed correct at all in Asia.

There may well be some of this kind of thing elsewhere in the world. There is strong inferential evidence that Chinese pressure has toughened Russia's diplomacy in Europe.

But what this adds up to is not an angelic Russia and a satanic China, but two Communist partners each egging the other into quarrels with the West in areas outside their own direct interest—the Russians whipping up trouble in Asia and the Chinese in Europe. It is a case of "let's you and him fight."

Khrushchev would have much to gain from an American military expedition to Laos. The more American power that could be tied down in southeast Asia, the less there would be available for Berlin.

This, it is believed here, is one major reason why the Russians—not the Chinese—touched off the Lao crisis in the first place. It was a feint; and it almost worked. It almost did draw an American expeditionary force to Laos.

There still is a serious possibility of direct American involvement in neighboring Vietnam. The reactions of Russia and China to that possibility are interesting.

Early this summer, as the Lao Conference opened, Russia said flatly that the delegates should stick to their knitting and not get involved in other problems such as South Vietnam. It was as if the Russians had a nice scrap in embryo there, with real and potential American involvement, and did not want anyone pacifying it.

A week later, Chinese Communist Foreign Minister Chen-yi said exactly the opposite. The Lao Conference should turn its attention to South Vietnam, he said. It should oust U.S. advisers, and should cut off arms shipments which were feeding the feud.

Both the Chinese and the Russian statements were released for publication, but most observers missed their significance. The Conference has not, in fact, sought to deal with Vietnam.

It is not simple for the West to evolve an intelligent response to all this backstage byplay. One high-priority Western objective is to make certain that Laos does not go any further left than neutralism. If neutrality proves in this instance to be merely the first step to Communist domination, the whole Kennedy policy of encouraging neutrality as a better barrier to Communist expansionism than clienthood would be discredited.

On the other hand, Berlin has still higher priority, and the West needs every man and gun it can lay its hands on to keep open the access routes and to buttress its diplomacy. There are none to spare for a task which would be, at best, holding half of a partitioned Laos.

Possibly the highest Western priority of all is to encourage and magnify Sino-Soviet differences. But how best can these be exploited? By facing down China in Asia and letting Khrushchev get away with murder in Europe? Or by coming to terms with Red China on Laos and facing down Khrushchev in Berlin?

Unhappily, the West does not have the military power to face down both China and Russia at once. For better or worse, a decision has been made to concentrate on stopping Khrushchev.

This may mean a Lao settlement which is less than satisfactory. That is, in fact, what is emerging. It is why so much of the surface news from the Lao Conference has been bad.

FOREIGN AID

Mr. HUMPHREY. Mr. President, there have been a number of rumors recently reported in the press that the administration or the majority leadership in the Congress is proposing, or seeking to negotiate, a compromise on the 5-year borrowing provision in the foreign aid bill.

I should like to make clear to the Senate that these rumors are without foundation.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. I ask for 5 additional minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. HUMPHREY. Mr. President, no such proposal is being advanced or negotiated by the President, the executive branch, or the majority leadership. I am sure no such proposal is being thought of by the chairman or the majority members of the Foreign Relations Committee which has recently reported the bill with approval of the full 5-year borrowing authority.

No such compromise idea is desirable or needed. I believe that when the final vote is taken a substantial majority of the Senate will support the full proposal recommended by the Foreign Relations Committee. I trust and I believe that this majority will include not only members of the majority party but my colleagues across the aisle—21 of whom voted for long-term borrowing authority to finance the Development Loan Fund when it was first proposed in 1957 by President Eisenhower with the vigorous support of Secretary Dulles and Under Secretary Herter.

I should like to make equally clear that the firm position of the administration and the majority leadership on the 5-year authorization of borrowing authority does not in any way diminish our recognition of the need for safeguards to assure the proper and adequate continuing control of the Congress over the lending program.

I believe, however, that as Senators have an opportunity to study and understand the full scope of the safeguards the committee has already incorporated in the bill, they will be satisfied that the rights of the Congress are fully protected.

In the first place, Congress is not being asked to give up its powers. The President is asking and the Foreign Relations Committee is recommending that we use our power to establish a national policy—a policy that the United States will undertake world leadership to help less-developed nations prepare and carry out long-range plans for social and economic progress.

The Foreign Relations Committee recommends that this policy be given a chance to succeed by making available funds for it over a period of 5 years. The well-established way to finance such a lending activity is through borrowing from the Treasury. This is what the committee recommends.

Of course, there is no history of this type of financial operation. Later, in the debate on foreign aid, all these matters will be made a part of the RECORD.

Under this authority recommended by the committee, the President will have full power to make commitments now or in later years to foreign nations to be met out of funds to be available to him under the bill in this and future years.

But there is certainly no abdication of the power of Congress.

The Foreign Relations Committee, for example, will still hear a full report each year on the whole aid program including the development lending program. If we don't like what we hear, we can propose changes of any kind to the lending program in the annual aid bill. We would certainly not do this, however, unless unusual circumstances require it. But we could do it.

There is no abdication of either authority or responsibility.

The powers of the Appropriations Committee, about which there is so much concern, are equally—perhaps more—protected. Here is where the Government Corporation Control Act comes to bear. I doubt that any Senators have had occasion in the past to consider the full potentialities of this act. I certainly had not until recently. In my estimation, the application of this act fully protects the powers of the Appropriations Committee and the Congress.

I think it is worth taking 2 or 3 minutes of the time of the Senate to explain this, because it is crucial to an understanding of the whole problem of congressional control:

Section 203(b) of the AID bill makes the development lending program subject to sections 102, 103, and 104 of the Government Corporation Control Act. This means (a) the President may make commitments to less-developed nations of funds to become available in future years from funds authorized to be borrowed from the Treasury. But (b) none of these funds authorized to be borrowed from the Treasury may be obligated or expended—except to pay earlier obligations authorized by the Congress—by the executive branch until, first, the President has presented to Congress each year for consideration by the Appropriations Committees a budget program—business type budget—showing both obligations and expenditures planned for the ensuing year; and, second, the Appropriations Committees and Congress have (a) reviewed this budget program in the same manner as other budget proposals, and (b) recommended and enacted an authorization in an appropriation bill for the use of such funds.

In other words, the affirmative action of Congress is required.

(c) The Congress would have full legal power to limit the use of the funds in such an appropriation bill—either upon recommendation by the Appropriations Committees or by floor amendment as with any other appropriation bill.

For example, the fiscal year 1962 budget for the development lending program now is before the Appropriations Committees. If it is not enacted after the requested authorization for borrowing authority is enacted, no obligations or expenditures can be made under the authorization. If it is reduced or limited, such reduction or limitation would be binding. The same would be true for any future year.

(d) It is clear, however, from the Government Corporation Control Act and from its legislative history and the legislative history of the AID bill that the power to make reductions or limitations is to be used only in special or unusual circumstances to enforce the will of the Congress in carrying out development lending activities authorized by law or to conform such activities to the general financial program of the Government.

Let me repeat, just as in the case of the Foreign Relations Committee, the power to reduce or limit the use by the President of the borrowing authority, once established, should be used only in unusual circumstances to make certain that the will of Congress in establishing the lending program is indeed being carried out.

But the power to review and to limit or reduce is plainly there.

The only difference is that under the long-term lending authority, the initiative for the requesting of funds no longer lies with the executive branch, once Congress has authorized the lending authority. The initiative for any curtailment, any limitation, or any reduction must come from Congress itself.

However, it needs to be made manifestly clear that while Congress may authorize long-term borrowing authority and lending authority, Congress never can abdicate its power over funds, and Congress has no intention of doing so. The only difference is that the initiative for whatever changes might take place, if circumstances required such changes, would rest with Congress. The burden of responsibility would be with Congress.

It is to be presumed that once Congress has authorized the program, the program will be carried out according to the authorization, unless unusual circumstances develop. If such circumstances develop, Congress, within its constitutional powers, has the right to appropriate funds and control the purse strings, and thereby, in a sense, the whole policy remains intact.

I felt it was necessary to make this statement, in light of some of the rumors

we hear all too often spread through this very interesting rumor field, which is the Nation's Capital.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

The PRESIDING OFFICER. The hour of 2 o'clock has arrived, and morning business is closed.

The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

MILITARY PARTICIPATION IN INFORMATIONAL PROGRAMS

Mr. THURMOND. Mr. President, on July 26, I received unanimous consent to have printed in the RECORD two articles published in the Washington Post and Times Herald, and one in the New York Times. The first of these articles was dated June 28, 1961, and appeared over the byline of Marquis Childs. This news article appeared on page 13604 of the July 26 CONGRESSIONAL RECORD. The other two news articles appeared on July 21, 1961. One, with the byline of David Burnham, was published in the Washington Post; the other was over the byline of Cabell Phillips, and appeared in the New York Times. The latter two news articles are printed on page 13607 of the CONGRESSIONAL RECORD of July 26, 1961.

These articles describe in some detail a memorandum which purportedly originated on Capitol Hill, and which, according to the news articles, was responsible for a Defense Department change in policy with reference to informational programs in which military leaders participated or sponsored. There has come to my attention a document which conforms in minute detail to the description related in the aforesaid news articles of the memorandum which provided the basis for these news stories.

Mr. President, I ask unanimous consent that the text of this memorandum be printed in the RECORD at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON PROPAGANDA ACTIVITIES OF MILITARY PERSONNEL DIRECTED AT THE PUBLIC

There are four attachments [1] to this memorandum from which the following conclusions are made:

1. Under a National Security Council directive in 1958, it remains the policy of the U.S. Government to make use of military personnel and facilities to arouse the public "to the menace of the cold war."

2. Basic material for implementing the policy, under the title of "American Strategy for the Nuclear Age," prepared and disseminated by private organizations with close military connections, and being distributed as a master curriculum for strategy seminars, is by no means representative of the President's announced "strategy for the nuclear age." Although scholarly, and worth attention as elements of strategy, its total effect can be said to be contrary to the President's program.

3. In at least 11 instances of what apparently are implementations of the National Security Council policy, the actual programs, closely identified with military personnel, made use of extremely radical rightwing speakers and/or materials, with the probable net result of condemning foreign and domestic policies of the administration in the public mind.

The purpose of this memorandum is to give some indication of the dangers involved in education and propaganda activities by the military, directed at the public, and to suggest steps for dealing with the underlying problems.

The attached list of instances of military participation, in varying degrees, in programs having as at least part of their purpose to educate or propagandize the public, as well as the military, does not purport to be exhaustive. It was gathered from newspaper reports, interviews, and other sources. It is believed there have been other similar cases, perhaps many others, and that still more may well be in the process of formation.

As a generalization, the instances described in the attached list involve the participation of military personnel in programs on the nature of the Communist menace and proper methods of combating it. Under such names as "alerts," "seminars," "freedom forums," "strategy for survival conferences," "fourth dimensional warfare seminars," and perhaps others, military personnel of various services and rank have participated to such a degree as to identify themselves with the fact of the program and, at least to some extent, its content.

The content no doubt has varied from program to program, but running through all of them is a central theme that the primary, if not exclusive, danger to this country is internal Communist infiltration. Past and current international difficulties are often attributed to this, or ascribed to "softness," "sellouts," "appeasements," etc. Radical rightwing speakers dominate the programs.

The thesis of the nature of the Communist threat often is developed by equating social legislation with socialism, and the latter with communism. Much of the administration's domestic legislative program, including continuation of the graduated income tax, expansion of social security (particularly medical care under social security), Federal aid to education, etc., under this philosophy, would be characterized as steps toward communism.

This view of the Communist menace renders foreign aid, cultural exchanges, disarmament negotiations, and other international programs, as extremely wasteful, if not actually subversive. This is a most moderate characterization.

Whether these instances are representative of programs implementing the National Security Council directive is not known, but the pattern they form, makes it strongly suspect that they are. There are many indications that the philosophy of the programs is representative of a substantial element of military thought, and has great appeal to the military mind. A strong case can be made, logically, that this type of activity is the inevitable consequence of such a directive. There is little in the education, training, or experience of most military officers to equip them with the balance of judgment necessary to put their own ultimate solutions—those with which their education, training, and experience are concerned—into proper perspective in the President's total strategy for the nuclear age.

THE DANGERS

These propaganda activities may well become important obstacles to public acceptance of the President's program and leadership, if they are not already. However, this is by no means the limit of the danger.

The view of the menace of the cold war described above already has great appeal to the public. In the future it may well have much greater appeal. This opinion is based upon an appraisal of the cold war struggle now and in the future, never better described than in the President's inaugural address when he spoke of "the burden of a long twilight struggle, year in and year out," which, he also said, may not be solved "in our lifetime on this planet."

The American people have never really been tested in such a struggle. In the long run, it is quite possible that the principal problem of leadership will be, if it is not already, to restrain the desire of the people to hit the Communists with everything we've got, particularly if there are more Cubas and Laoses. Pride in victory and frustration in restraint, during the Korean war, led to MacArthur's revolt and McCarthyism.

This problem of democratic attitudes toward foreign policy has never been better stated than by De Tocqueville, who wrote:

"Foreign politics demand scarcely any of these qualities which a democracy possesses; and they require, on the contrary, the perfect use of almost all those faculties in which it is deficient * * * a democracy is unable to regulate the details of an important undertaking, to persevere in a design, and to work out its execution in the presence of serious obstacles. It cannot combine its measures with secrecy, and it will not await their consequences with patience. These are qualities which more especially belong to an individual (a dictator), or to an aristocracy (or an oligarchy or presidium)."

He also wrote of "the propensity which democracies have to obey the impulse of passion rather than the suggestions of prudence, and to abandon a mature design for the gratification of a momentary caprice."

It is probably the view of most Members of Congress today that if foreign aid were laid before the people in a referendum, it would be defeated. The question arises, How will it be 5 or 10 years from now? Even the most devoted adherents do not expect immediate or dramatic results, particularly since, in contrast with the European recovery program, foreign aid will be operating primarily upon primitive economies. Yet, in the meantime, all the paraphernalia of our international programs must be at least tolerated by the people during the long twilight struggle.

The radicalism of the right can be expected to have great mass appeal during such periods. It offers the simple solution, easily understood: scourging of the devils within the body politic, or, in the extreme, lashing out at the enemy.

If the military is infected with this virus of rightwing radicalism, the danger is worthy of attention. If it believes the public is, the danger is enhanced. If, by the process

[1] The attachments are:

1. A summary list and descriptions of 11 "instances of education and propaganda activities of military personnel."

2. A copy of an article from the Bulletin of the Atomic Scientists, vol. XVII, No. 3, dated Mar. 3, 1961, entitled "School for Strategy."

3. A copy of a news story from the New York Times of Sunday, June 13, 1961, pp. 1 and 56.

4. A copy of a letter from Brig. Gen. Fred C. Weyand, Deputy Chief of Legislative Liaison, Department of the Army, dated June 12, 1961, and addressed to Senator JOSEPH S. CLARK.

of the military educating the public, the fevers of both groups are raised, the danger is great indeed.

Perhaps it is farfetched to call forth the revolt of the French generals as an example of the ultimate danger. Nevertheless, military officers, French or American, have some common characteristics arising from their profession and there are numerous military "fingers on the trigger" throughout the world. While this danger may appear very remote, contrary to American tradition, and even American military tradition, so also is the long twilight struggle, and so also is the very existence of an American military program for educating the public.

This memorandum has not attempted to deal with the basic traditional and constitutional question of military efforts to propagandize the public, although the violation of three concepts alone should be sufficient basis for challenging the National Security Council policy and its implementation.

Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war. Rather, the need is for understanding of the true nature of that menace, and the direction of the public's present and foreseeable awareness of the fact of the menace toward support of the President's own total program for survival in a nuclear age. There are no reasons to believe that military personnel generally can contribute to this need beyond their specific technical competence to explain their own role. On the contrary, there are many reasons, and some evidence, for believing that an effort by the military, beyond this limitation, involves considerable danger.

RECOMMENDATIONS

1. With reference to the National Security Council directive of 1958, suggested revision is based upon its description in attachment 3 (New York Times article of June 18, 1961), from which the following is excerpted:

"President Eisenhower and his top policy leaders decreed that the cold war could not be fought as a series of separate and often unrelated actions, as with foreign aid and propaganda. Rather, it must be fought with a concentration of all the resources of the Government and with the full understanding and support of the civilian population. It was decided, in particular, that the military should be used to reinforce the cold war effort."

This policy should be reconsidered from the standpoint of a basic error: that military personnel have the necessarily broad background which would enable them to relate the various aspects of the cold war effort, one to the other.

2. The White House and the Defense Department should cease treating propaganda activities of military personnel as problems of discipline in individual cases or of coordination of such cases from a press or public relations standpoint, and begin the process of formulating directives which will bring such military activities under effective civilian control.

So long as the cases are treated individually as disciplinary cases, there may well be considerable public sympathy with the individual concerned, as a person, or with his expressed viewpoint. However, if appropriate directives are established, as general propositions, without reference to specific cases, the broad principle of civilian control should be accepted—or, to take the converse, disagreement with the principle would be difficult to sustain.

3. The organization, mission, and operation of the National War College should be reviewed in the context of the cold war, and the limitations on the role of the military in the President's program. If its function is, as stated, "to enhance the preparation of selected personnel of the Armed Forces and the State Department for the exercise of joint and high-level policy, command, and staff functions and for the planning of national strategy," the questions arise whether it should operate under the Joint Chiefs of Staff, and if its administration should be so largely dominated by the military, as at present.

4. The relationships between the Foreign Policy Research Institute, the Institute for American Strategy, the Richardson Foundation, the National War College, and the Joint Chiefs of Staff, should be reexamined, from the standpoint of whether these relationships do not amount to official support for a viewpoint at variance with that of the administration. These relationships may give one particularly aggressive view a more direct and commanding influence upon military and civilian concepts of strategy than is desirable.

5. Long-range studies, preferably dominated by a board of civilian educators, should begin the development of a program for exposure of promising military officers to broader educational opportunities, perhaps requiring completion of graduate studies in history, government, and foreign policy at universities as a condition to high ranks.

6. With respect to the problem illustrated by the case of General Walker, it is suggested that a civilian committee be appointed to review troop education activities of military personnel from the standpoint of their necessity and, if found to be, to develop procedures for bringing the content of such programs, and, if possible, their actual operation, under civilian control.

INSTANCES OF EDUCATION AND PROPAGANDA ACTIVITIES OF MILITARY PERSONNEL

1. On April 14 and 15, "Strategy for Survival" conferences were held in Fort Smith, Fayetteville, and Little Rock, Ark. The printed program for these conferences indicated their sponsorship by local organizations to provide an open forum for a frank analysis and discussion of the threats the free world faces from world communism and the strategy that must be used successfully against it.

2. An Arkansas lawyer wrote as follows: "The thing that concerns me most, was the prominent part played by the Army in planning and promoting these meetings. General Bullock [Maj. Gen. William C. Bullock], the area commander, went all out and personally persuaded the Armed Services Committee of the Little Rock Chamber of Commerce to sponsor the meeting in Little Rock. One Reserve officer was placed on active duty to promote the meeting. (The program lists, under his picture, in uniform, as State coordinator, one Charles D. Henley, brigadier general, USAR.) Attendance was pushed through both the Arkansas National Guard and the Reserve units. Through this activity the meetings and information disseminated had in the public eye the stamp of approval of the Army and National Government."

While the programs included one or two speakers who are believed to have taken a broader outlook, they were dominated by talks from persons who stressed "the Communist menace in this country." Among these speakers were Dr. George S. Benson and Dr. Clifton L. Gernis, Jr., of Harding College, Searcy, Ark. This college and its affiliated groups produced a film, "Communism on the Map," under the supervision of one Glenn Green, who has acknowledged membership in the John Birch Society (May 1, 1961, p. 42). The film indicates Communist (or Socialist, which it equates with Communist) control of all the world, save the United States, which is menaced. It is critical of U.S. policy toward Russia. Dr. Benson has said: "Any American who loves freedom and is willing to work, work, work to protect it can find intelligent direction and companionship in a John Birch Society group." (See the New York Times of May 18, 1961, p. 26, for a description of the philosophy and work of Dr. Benson and Harding College.)

An Arkansas citizen wrote of the Fort Smith meeting: "Dr. Clifton L. Gernis, Jr. vice president and dean of the School of American Studies at Harding College, made the statement 'your representative [James M. Trimble] in this area has voted 89 percent of the time to aid and abet the Communist Party.' "

A speaker at all three conferences was Dr. Robert Morris, former counsel of the Senate Internal Security Subcommittee, unsuccessful candidate for Republican nomination to the U.S. Senate from New Jersey, and now president of Dallas University. His speech titles were: "No Wonder We Are Losing," and "We Are Losing From Within."

2. On April 15, 1961, the Chamber of Commerce of Greater Pittsburgh, Pa., sponsored a fourth dimensional warfare seminar. The announcement, addressed to civil and industrial leaders of Greater Pittsburgh, described the seminar as dealing with "Soviet bloc subversion against the United States of America." It stated that the "seminar is being sponsored by the Chamber of Commerce of Greater Pittsburgh in cooperation with various military organizations in the Pittsburgh area. The purpose of this seminar is to provide guidance to area business executives and reservists regarding the deceptive Communist subversive efforts being directed toward the United States." The program for the seminar lists, as cochairman of the seminar and chairman of the morning program, one Joseph D. Hughes, civilian aid to the Secretary of the Army. Also in the printed program is a reproduction of a letter addressed to participants in the seminar, signed by Hughes, on stationery purporting to bear the seal of the United States of America War Office, and the letterhead, "Civilian Aid to the Secretary of the Army." Elsewhere in the program appears the following: "The seminar staff acknowledges with grateful appreciation the assistance and support given us by: Lt. Gen. Ridgely Gaither, commanding general, 2d U.S. Army and his staff, and Maj. Gen. Ralph C. Cooper, commanding general, XXI U.S. Army Corps and his staff, among others.

The film "Operation Abolition" was shown during the morning session. The objectives of the program were described in the printed program as:

1. To provide guidance to military reservists and to selected civic and business leaders regarding to deceptive Communist subversive efforts being directed toward the United States.

2. To alert all in attendance to the specific objectives of international communism that have an impact and bearing on our military effectiveness.

3. To demonstrate how the Communists use racial, religious, and social hate groups to destroy our basic American concepts of freedom.

4. To reveal areas of Communist influence upon American youth through infiltration into the theater, motion picture, television, and other entertainment media.

5. To orient American thinking toward un-American ideas and totalitarian actions in order to show the results of early exposure of our youth to Communist fronts and the detrimental effect it has on their attitude toward military service.

6. To reveal how the Communists use social, moral, and mental subversion to undermine military morale, esprit de corps, and "the will to fight."

The program also includes a list under the title "What You Can Do in the Fight Against Communism." Among these suggestions are:

"Be on the alert for Communist sympathizers in your community, especially those who can mold youth or public opinion.

"Be as cautious in sponsoring movements as you would be in signing a business contract. Check with local intelligence agencies before you sign or join.

"Identify public officials and policies displaying 'softness' toward communism. Demand a more patriotic attitude.

"Be wary of films which stress social and moral depravity. Moral and social subversion are recognized operational methods of the Communist Party to weaken the moral fiber of this Nation.

"Never use the term 'Communist' loosely or inaccurately. Misuse of the term only gains friends for communism."

Reserve officers received credit for their training program for attendance at this seminar. The principal speaker on the program, whose address was entitled, "Fourth Dimensional Warfare," was an Adm. Chester Ward. The program indicates that Admiral Ward (retired) "has been lecturing on national strategy for survival in seminars conducted by the Institute for American Strategy * * * the U.S. Army, the Reserve Officers Association of the United States, and the National Guard."

Upon his recent voluntary retirement from active duty, the Secretary of the Navy awarded him, in the name of the President, the Legion of Merit. The citation refers to the wide acclaim won by Admiral Ward for "his realistically expressed convictions concerning the cold war and the Communist conspiracy."

The Pittsburgh Press on April 14, 1961, carried a story concerning this conference, from which the following is quoted:

"A retired Navy admiral said today that 'some of the advisers now surrounding the President have philosophies regarding foreign affairs that would chill the typical American.'

"Chester Ward, retired rear admiral, referred to U.N. Ambassador Adlai Stevenson and Ambassador to Yugoslavia George P. Kennan by name.

"Admiral Ward said he fears a national sellout of freedom in order to buy peace.

"Some 300 businessmen, military reservists, and—by invitation—city, county, and parochial school children attended the day-long seminar on Communist subversion.

"Admiral Ward's speech developed the themes that U.S. foreign policy since World War II has played into Soviet hands, that the United States is militarily incapable of surviving surprise Russian attack, and that negotiations with the Russians for disarmament are in fact appeasement.

"He scored the U.S. policy of containment of the Soviet bloc attributed to Mr. Kennan during the Truman administration.

"He said the policy had 'resulted in the Communists taking over Eastern Europe and China' during Truman's years in the White House, in giving the Communists North Korea, the taking over of North Vietnam and Tibet, and the leapfrogging of Communist influence into Africa and Latin America during the Eisenhower years.

"President Kennedy, Admiral Ward said, has already 'conceded the loss of Laos by the free world' by advocating a neutralist regime there rather than a pro-Western regime.

"In Ambassador Stevenson, Admiral Ward said sarcastically: 'Oh what a brilliant, imaginative, bold representative we have there.'

"He said Mr. Stevenson had watered down the proposed resolution condemning Soviet intervention in Hungary, and has predicted the inevitable entry of Communist China into the U.N.

" 'This is a wonderful way of accelerating your surrender,' Admiral Ward said.

"The chief of long-range planning for the U.S. Army, Col. William R. Kintner, advocated an integrated national strategy based on military power to turn back communism and extend the frontiers of freedom."

3. In August 1960, officially franked Navy envelopes were received by civilians in Glenview, Ill., enclosing the following messages: "The U.S. Naval Air Station, Glenview, Ill., presents: 'Education for American Security.' " It stated that the program was directed at educators, students, college, business and industrials leaders, "and above all to mothers and fathers."

This Navy announcement suggested that the program be announced at all community and school meetings and that participants in the naval base sessions would be taught how to create similar groups in every community of the Midwest. The announced purpose of the school was "to motivate an active force against moral decay, political apathy, and spiritual bankruptcy, and to bring an awareness of the ominous hammer and sickle that threaten the very life of our Nation. The subject matter of the school will include a basic understanding of the principles of our American Government and the complete orientation of the philosophy of communism."

The program included one Dr. Fred Schwars, Herbert Philbrick, and Richard Arens.

The Bulletin, published at NAS Glenview, has urged organizations to help the House Un-American Activities Committee keep its appropriation. This publication states, under a masthead marked that it was printed "on Government equipment with appropriated funds," said "it is the Communists aim to have this committee abolished, we must do everything in our power to see that it is not abolished."

The New York Times of Sunday, May 21, 1961, page 54, indicates continued Navy participation in such programs, in spite of protests to the Secretary of the Navy a few months ago. Navy-enlisted personnel are said to be showing "Operation Abolition" (on their own time and in civilian dress).

The widespread results of this "Navy-initiated" civilian education program are also described in this article, as is the present attitude of the Navy commander of this station.

4. Sometime last year, the activities of Capt. Kenneth J. Sanger, commander of the Sands Point Naval Air Station, to arouse the civilian population to the dangers of communism, were noted in the press. The Seattle Times in March spoke of the fact that Sanger had made 233 talks to civilian groups on the dangers of internal communism. When these activities aroused controversy, Captain Sanger produced evidence of support by Vice Adm. Robert Goldthumite, Chief of Naval Air Training, Pensacola, Fla.

5. Project Alert, which apparently originated at Pensacola, Fla., was designed to alert military and civilian personnel to the problems of Communist infiltration. It is said to have been endorsed by the Chief of Naval Air Training and staff, Pensacola, and the commandant, 4th Naval District and staff, New Orleans.

Before this project started, a group of community leaders in and around Pensacola were flown to Harding College for indoctrination. When the program operated, it used Harding College material. Glenn Green and Dr. Clifton Gernis, of Harding College, participated in some capacity. Navy personnel and civil service workers were alleged to have been required to attend these meetings on duty hours.

6. The Pensacola project was carried over into Georgia and South Carolina when the Pensacola group held an interstate conference. Official delegates were said to have included Lt. Gen. Paul Adams, Lt. Col. W. N. Payne, and Maj. W. K. Murphy of the 3d Army Headquarters, Fort McPherson, Atlanta, Ga. Colonel Payne held the title "Special Seminar Project Officer."

7. A similar alert was held at Corpus Christi, at which Adm. Louis J. Kirn, Chief of Naval Air Advanced Training, sat on the platform. The main speaker was William F. Strube, Jr., who is said to be Texas leader for Dr. Fred C. Schwars' Christian anti-communism crusade. (For a description of Dr. Schwars' viewpoint and purposes, see the New York Times, May 21, 1961, p. 54.)

8. Dr. Fred C. Shwars held a seminar at Headquarters, 8th Naval District, New Orleans, which was endorsed by Rear Adm. W. G. Schindler, commandant.

9. A Houston "freedom forum" was held by Dr. Schwars' organization at which Adm. F. W. Warder, now commandant, 8th Naval District, gave the keynote address.

10. The Atlanta Journal of Saturday, March 11, 1961, carried an account of a "Seminar on American Strategy" on March 10 and 11, which, it said, was sponsored by the U.S. 3d Army, the Institute for American Strategy, and other State and local civic organizations. Apparently much stress was laid on the internal Communist threat. Frank McNamara, of the staff of the House Un-American Activities Committee, was a speaker. The article states:

"Dr. Richard Walker, of the National War College, drew applause when he charged that Under Secretary of State Chester Bowles 'is doing a grave disservice to his country' by proposing that Red China be admitted to the U.N."

Dr. Joseph Possony, another National War College political scientist, spoke.

Another Atlanta newspaper article said that another speaker was Dr. Frank R. Barnett, program director for the Institute for American Strategy, who said "there are no bomb-carrying Communists around any more, but propaganda favorable to communism is being retailed in American journals and from the pulpit * * * by good people who have not done their homework.

"It is within the capacity of the people in this room," he said, "to literally turn the State of Georgia into a civilian war college."

11. According to the New York Times of Sunday, June 18, 1961, pages 1 and 56, a seminar labeled "Project Action" was held at the Naval Air Station, Minneapolis, on April 28 and 29, 1961. Capt. Robert T. Kisling, commanding officer of the station, was a cosponsor of the program.

The Times says, "The official announcement described the program as follows:

"The purpose of Project Action is to inspire the citizens of this area to take an active part in the war against the danger that threatens our freedom and American way of life."

Mr. THURMOND. Mr. President, in recent days, on the Senate floor, I have discussed and caused to be printed in the RECORD, a number of documents and articles illustrative of the insidious attacks on our military leaders. Mr. President, these articles, as invective as they may be, pale in significance by comparison with this memorandum.

The implication of this document goes far beyond a mere attack on our military leaders; it constitutes a clandestine assault on the fundamental foundations of our Republic. It is a smear campaign, utilizing innuendo based on unsubstantiated allegations. It concludes, for example, that, and I quote:

Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war.

One cannot escape the implication of this document that the exercise of national sovereignty by the people is undesirable. From such thinking as that which spawned this attack, can develop the "Big Brother" controlled society pictured by George Orwell in his book "1984." I can well understand why anyone connected with this document would

be fearful of public disclosure of the entire contents.

There is strong evidence that this memorandum has provided the basis for, or at least played a part in, the formulation or revision of the Defense Department's policy; and it is imperative that the Armed Services Committee of this body immediately undertake a full-scale investigation of this entire matter.

Mr. GOLDWATER. Mr. President, will the Senator from South Carolina yield to me?

Mr. THURMOND. I am pleased to yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. I may say that I have just now read the very shocking document the Senator from South Carolina has placed in the CONGRESSIONAL RECORD. I do not know whether it is the same memorandum for which I asked the Defense Department, or which I sought to find in the office of the Committee on Foreign Relations, or which I have sought to obtain from other sources. So I cannot comment as to the authorship of the document. But I may say to my friend, the Senator from South Carolina, that the contents of this document are the most shocking that I have seen since I have been a Member of the Senate; and I certainly concur in the Senator's belief that a full investigation should be initiated immediately.

For example, one sentence on page 3 catches my eye. In referring to the officers in the military, it is stated in this document:

> There is little in the education, training, or experience of most military officers to equip them with the balance of judgment necessary to put their own ultimate solutions—those with which their education, training, and experience are concerned—into proper perspective in the President's total "strategy for the nuclear age."

That is a very strange comment upon the military. All our military officers of the rank of those to which this memorandum is directed have graduated from some college, usually from one of the three armed services colleges. Does the author of this directive mean to imply that our educational system for our armed services is so weak that these men have little in their education, training, or experience to enable them to make such judgments?

I do not know; perhaps one must be a Rhodes scholar in order to be able to state what is good for this Republic of ours.

But I think that statement in the document is certainly a strong condemnation of the colleges the people of this country support for the training of the officers of our Armed Forces.

I know very few officers of this rank in the Army, the Navy, or the Air Force who do not have at least one degree; and some have two degrees, and some have three degrees; and these men have traveled far more extensively than I believe the author of this document, whoever he may be, is likely to have traveled. Many of these officers are proficient in more than one language, and some are trilingual. They have studied history, and they know the responsibility involved in directing the lives of others.

I think this comment in the document is worthy of whoever wrote it—although I have only a faint idea of who wrote this document. I hope I am wrong; but if I am right, I suggest that this person owes an apology to both the armed services and the American people.

Mr. THURMOND. Mr. President, in response to the remarks of the distinguished Senator from Arizona, I wish to say that I concur in what he has said; and on another day I shall have more to say about this document.

Mr. MUNDT. Mr. President, will the Senator from South Carolina yield to me?

Mr. THURMOND. I am pleased to yield to the Senator from South Dakota.

Mr. MUNDT. I have just very quickly examined the news release the Senator has issued in connection with this document. It is impossible to tell from this release and from the statement whether the Senator has been able to determine whether this is actually the secret document which has created so much concern in the country, or whether this is some other document, because the document itself is entirely unsigned, entirely anonymous, and I might add, entirely unrealistic.

I hope the Senator from South Carolina will address the Senate later this week, or as soon as he obtains factual information as to whether this is the actual document, so that we may be informed as to whether this document, which he has been led to believe is the one in question, is in fact the authentic document, or whether this is some spurious reproduction.

My hope is and my hunch is that this simply could not be the authentic document, because it is such a shocking and utterly unrealistic document of abject appeasement that I would shudder to think that the Pentagon would act on a document of this type.

However, it is very certain that whatever document did actually find its way from Capitol Hill to the Pentagon has brought about a great reversal in the attitude of the Pentagon toward communism.

Let me read from this document one or two paragraphs which I believe indicate that the words "shocking" and "astounding" are mild terms, indeed, to be applied to an official document—if, indeed, this be the official document—issued in an hour of peril, such as the present. I now read from the document:

> The purpose of this document is to give some indication of the dangers involved—

Involved in communism? No. Involved in the Berlin situation? No. Involved in the Cuban fiasco and what has followed it? No. Dangers involved in the amateur adventures of a committee which wanted to trade tractors for Cubans, bad as that was? No. The document states, instead:

> The purpose of this document is to give some indication of the dangers involved in education and propaganda activities by the military, directed at the public, and to suggest steps for dealing with the underlying problems.

Then it mentions the fact that military officers have been talking to seminars of citizens, to students on university campuses, to chambers of commerce, to labor unions, and so forth; and then it finds fault with what these military leaders have been saying.

Here is what the memorandum objects to; it says:

> The content no doubt has varied from program to program, but running through all of them is a central theme that the primary, if not exclusive, danger to this country is internal Communist infiltration.

I address this question to the distinguished Senator from South Carolina, who has been a crusading patriot for many years; he has served as Governor of his State; he is a distinguished Member of the Senate; he is a distinguished military leader; and he has been the head of a great organization of Reserve officers: Out of the abundance of his experience, does he know of any greater central theme or any more important central theme that should be emphasized by everyone than the theme—and the fact—that communism is an internal threat to this country?

Mr. THURMOND. Mr. President, in response to the question of the distinguished Senator from South Dakota, I will say that I do not; and I concur in the statements he has made. I further concur in the statement that the document is a shocking one; but I shall have nothing further to say about it today.

Mr. MUNDT. Let me conclude by saying that I hope the Senator from South Carolina will pursue this matter—as I know he will, because the tribe of THURMOND is made up of men of rather stern convictions, and its members do not yield very readily nor do they quit or surrender easily. So I think the men in the Pentagon might well examine what the Senator from South Carolina is endeavoring to do in the Senate, and might well realize that he is not going to desist until he ferrets out all the secret facts.

I have a feeling that if this document is authentic and if it is the one on which the Pentagon has based its new order to tone down or abandon its anti-Communist programs, the Senator from South Carolina is going to get them to rescind it; and he is going to ask them, foursquare, "Gentlemen, is this the document which caused you to make your retreat? If not, will you repudiate and disclaim it? Is this the document which caused you to put the sword of defiance against communism in its scabbard, and to hold up the umbrella of appeasement as the new emblem of the Pentagon, instead?"

Certainly, our country is grappling with a very serious problem; and I congratulate the Senator from South Carolina on the progress he is making. I shall look forward with expectancy to the next time he addresses the Senate on this highly significant and important matter.

Mr. THURMOND. I thank the Senator from South Dakota for his remarks.

Mr. CURTIS. Mr. President, will the Senator from South Carolina yield to me?

Mr. THURMOND. I am pleased to yield to the able and distinguished Senator from Nebraska.

Mr. CURTIS. I wish to congratulate the Senator from South Carolina on his courageous stand. Not only is he a great student; he is also a distinguished former Governor, and he has an outstanding war record.

His patriotism is without question. In the memorandum which has been placed in the RECORD there are some very shocking statements. The memorandum complains of activities of our military leaders in carrying out an educational program, and then it purports to cite examples of the terrible influence they have. For example, it is stated:

> On April 14 and 15, "strategy for survival" conferences were held in Fort Smith, Fayetteville, and Little Rock, Ark. The printed program for these conferences indicated their sponsorship by local organizations to "provide an open forum for a frank analysis and discussion * * * of the threats the free world faces from world communism and the strategy that must be used successfully against it."

Who on earth can object to such a discussion? What group in the United States could be hurt by it? How can that fail to contribute to the defense of the country?

The point I wish to make is that an invitation to open and frank discussion is an invitation for people to speak their minds, to disagree—yes, even to make mistakes, either of fact or principle involved. The objective of it was to discuss "the threats the free world faces from world communism and the strategy that must be used successfully against it."

How anyone can object to such activities is beyond me. If this paper were devoted to errors of judgment or fact—which are going to creep into any program—everybody should consider those errors so that they might not be repeated or that they might be corrected. But the purport of this memorandum is plain—it is a pronouncement that the military should not alert the citizens to the internal Communist threat. I am afraid it serves interests that were never intended to be served by whoever had the responsibility of putting the memorandum together.

I thank the Senator.

Mr. THURMOND. I wish to thank the distinguished Senator for his kind remarks and to say, with him, that it is inconceivable to me than any patriotic, loyal, true-blooded American would object to the seminars, forums, and educational programs our military have conducted with civilians. I can say to him, further, that there will be more said about this memorandum.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7035) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

(At this point Mr. HICKEY took the chair as Presiding Officer.)

Mr. HUMPHREY. Mr. President, I invite the attention of the distinguished chairman of the Committee on Labor and Public Welfare, and chairman of the Appropriations Subcommittee [Mr. HILL], to a question I wish to ask him. The Senator recalls that during the hearings before his committee both Senators from Minnesota testified relating to a request for an expanded program of rehabilitation centers, and we urged that these two major centers should be established, at an estimated cost of $1,500,000 each. I understood the Senate committee approved the House provision for a total of $1 million, and then the language was inserted in the report that this amount would permit the establishment of several centers.

Under the language of the bill and of the report, and in reference to the request or suggestion made by Dr. Frank Krusen, president of the Kenny Foundation; Dr. Fredric Kottke, of the University of Minnesota; Representative Fred Marshall, from the State of Minnesota; Senator Gene McCarthy, and myself, does the proposal or suggestion relating to the two rehabilitation centers fall within the meaning of the appropriation bill and the language of the report?

Mr. HILL. It very definitely falls within the language of the report. Those funds for those two centers were really contemplated. As chairman of the subcommittee, I say that we expect the centers to receive those funds.

I have been a Member of the Senate a long, long time, but I never heard a more brilliant presentation than the presentation made by the distinguished Senator from Minnesota in behalf of these centers. He was ably supported by his colleague, Senator GENE MCCARTHY. The subcommittee was also very much aware of the great interest in this matter of Representative FRED MARSHALL. I have served on conference committees for some years with Representative MARSHALL, and I know how devoted he is to the cause of rehabilitation, and how he has labored in behalf of this cause.

Mr. HUMPHREY. I thank the Senator very much.

I understand the funds allocated will be used according to the judgment of the responsible administrative officers, and the University of Minnesota as one possibility, and the Kenny Institute as another possibility would be eligible for the use of those funds, under the language of the act. Is that correct?

Mr. HILL. That is true.

Mr. HUMPHREY. Another question I would like to ask has to do with what are known as special resource centers.

The Senate report, on pages 28 and 29, reads as follows:

> SPECIAL RESOURCE CENTERS
>
> The bill as passed by the House allocates $5 million for research grants to initiate a program of special resource centers. The centers to be supported with these funds would be established in universities, hospitals, and other research institutions heavily engaged in medical and related biological research. They would provide specialized facilities for instrument and electronic development, computing and data processing, animal research and other specialized services in support of the institutional research programs. These resource center grants (like the general clinical center grants) would support basic technical services—trained technical personnel and specialized equipment, tools and other materials—necessary for the conduct of advanced research activities; the actual conduct of the substantive research would, however, be supported through the normal research grant process.
>
> The resource centers program is designed to enable research institutions to apply the remarkable developments in instrumentation, electronic and atomic techniques, computing, data processing, and mathematical skills to the present-day requirements of biomedical research. These developments provide new and highly promising opportunities for extending the depth and precision of observation of biological processes, for simulating biological systems for experimental purposes, for the much more exact analysis and interpretation of biomedical data and, in general, for bringing the modern concepts and techniques of the physical sciences to bear on research in biology and medicine.

The Senator may recall that Dr. William Kubicek, an outstanding scientist at the University of Minnesota, testified, urging that there be at least two regional instrumentation centers. It was felt that there would be considerable cost involved for equipment and special data processing machinery, and that it might take about $1½ million for each of the two centers.

I wanted to ascertain, under the language of the bill relating to these special resource centers, whether the proposal for instrumentation as made by Dr. William Kubicek, and supported by the other men who came from the university, Dr. Kottke and Dr. Crusen, would fall within the authority of this appropriation.

Mr. HILL. It would very definitely fall within the authority of the appropriation. The Senate committee concurred in the House allocation of the $5 million for these grants partly because of the desire to take care of the instrumentation, about which the Senator from Minnesota has spoken today.

Mr. HUMPHREY. The Senator's analysis of this grant of funds indicates that if the University of Minnesota, for example, wished to have an instrumentation center, it would make an application to the National Institutes of Health for a special resource center in the field of electronics and instrumentation, and this application would then be decided on its merits along with other applications, within the limitation of funds available.

Mr. HILL. The Senator is exactly correct.

Mr. HUMPHREY. This is a rather new program. Is it not true that in this area we may, in the years to come, wish to provide substantial advances and increases in terms of Federal Government participation?

Mr. HILL. I think the Senator is exactly correct. I think this is a most important matter we are now discussing.

One reason our surgeons are able to do successful operations on the heart and within the heart, such as they are doing today, is that they have been able to devise a pump by which the heart is detoured, with the blood kept going into

the bloodstream to keep the patient alive.

Mr. HUMPHREY. Exactly.

Mr. HILL. Yesterday I spoke about the pacemaker for the heart. I am not sure whether the Senator was present at the time.

Mr. HUMPHREY. Yes.

Mr. HILL. It stimulates and helps to stabilize the rhythm of the heart, when there is some blockage with respect to the patient's heart.

Those are two illustrations of what it means to have these mechanical devices or instruments. They have contributed much.

I think it would be most unfortunate if we who are so interested in curing these dread diseases, in saving human lives from untimely death, and in alleviating human suffering, did not take full advantage of all opportunities offered us through electronics and other physical sciences.

Mr. HUMPHREY. I thank the chairman of the committee.

Mr. HILL. I spoke of the Senator's brilliant presentation before the committee. It was not only brilliant but it was also so eloquent and persuasive that I am sure if there had been any doubt in the mind of any Senator who was a member of the subcommittee, after hearing the words of the Senator from Minnesota he would have been completely persuaded that this was the thing to do.

Mr. HUMPHREY. The Senator's praise is much appreciated and readily accepted. I am very grateful.

Mr. President, yesterday I was pleased to join with other Senators in urging the Senate to sustain the action of the Committee on Appropriations in recommending increased funds for the National Institutes of Health under H.R. 7035.

I am deeply gratified, as I know the distinguished chairman of the subcommittee, the Senator from Alabama [Mr. HILL] is, in the Senate's splendid decision to back up the committee.

At this time, I should like to invite the attention of the Senate to some of the specific provisions in the report by the Appropriations Committee on various phases of medical research.

As the author of a number of proposed amendments to the bill, I have followed with particular interest the actions of the committee on the subjects of these amendments.

It has been my privilege, on June 9, to submit testimony on my amendments before the subcommittee headed by our distinguished colleague from Alabama [Mr. HILL].

Subsequently, I was happy to note that several of the objectives of my amendments are accomplished in whole or in part by the revised bill, as reported by the committee.

Let it be clearly noted that many of these same objectives have been urged by numerous other authorities, as well. Many of the proposals have a long history of prior support in professional and lay circles. The particular authorship of the changes is not important; what counts is that the bill in its present form represents a great forward step in the history of American medical research.

First, let me say that the most important point in my testimony before the Committee on Appropriations was this:

This Nation needs additional federally supported medical research.

The tempo of research must be maintained, not slackened. Fortunately, the objective of stepped-up research and training is met by the statesmanlike proposal of the Senator from Alabama [Mr. HILL] to authorize in the 1962 fiscal year the sum of $835.7 million, as compared with the House recommendation of $641 million for the National Institutes of Health.

In my earlier testimony before the House Appropriations Subcommittee on April 21, 1961, I had also appealed for a sizable increase.

The following is an excerpt of my testimony, as published on page 713 of the House hearings:

ONE-BILLION-DOLLAR-A-YEAR RESEARCH TARGET

This Nation, according to most experts, can afford to spend $2 billion a year—that is $30 billion in the next 15 years—to rocket a man to the moon. Surely, therefore, we can afford to spend in the not too distant future a sum of perhaps a billion dollars a year for Federal support of biomedical research, so as to help advance 180 million Americans to better health.

This Nation cannot afford to lose an estimated $35 billion a year to disease and disability. But we can afford to spend, let us say, around one thirty-fifth of that sum to prevent disease and disability.

We spend $43 billion a year for national defense. Surely, we can afford to spend—sometime soon—one forty-third of that sum for defense against killing and crippling diseases.

Let me make it clear—I am not proposing a specific figure for the 1962 fiscal year. I do not offer the $1 billion figure as an absolute sum for the combined total of NIH and other agencies' biomedical research, but rather as a relative figure. Issues of manpower have to be considered. Several agencies' present and future programs are involved, in addition to those of NIH—which is the most important of the agencies engaged in biomedical research. The actual needs and budgetary possibilities would have to be examined in detail by your expert subcommittee, and by Senator HILL's group.

In addition, other appropriations subcommittees would have to examine the budgets of other agencies which have more limited biomedical research activity. The total of such non-NIH activity now aggregates around $200 million. When added to the NIH figure of $590 million, we see that the combined sum is not far from the billion-dollar target of which I speak.

Dollar for dollar, there is probably not a single appropriation which this or any other Congress will approve which is more valuable for the human race than this particular appropriation for medical research on which we are working today.

SEVEN SPECIFIC PHASES

Now I should like to comment on a few of the specific phases of the bill.

These relate to six medical phases: First, rehabilitation centers; second, instrumentation centers; third, foreign currency; fourth, communications research; fifth, audiovisual use; sixth, mental retardation programs; and on one nonmedical phase, welfare personnel.

STUDY BY GOVERNMENT OPERATIONS SUBCOMMITTEE

I base much of my comments on information compiled since August 1958 in a study which has been conducted by a subcommittee of the Committee on Government Operations, of which I am privileged to be chairman.

This subcommittee has examined, among other phases, interagency teamwork in medical research.

Our focus has been on cooperation, for example, between the Department of Health, Education, and Welfare; the Veterans' Administration; the Atomic Energy Commission, through its Division of Biology and Medicine, the National Aeronautics and Space Administration, through its life sciences program, the Department of Defense, through Army, Navy, and Air Force medical research; the National Science Foundation, through its basic research, and so forth.

We have avoided overlap with the expert work performed by the Labor and Public Welfare Committee and the Appropriations Subcommittee, both under the able chairmanship of the Senator from Alabama [Mr. HILL].

Our subcommittee has, however, almost inevitably received judgment on an interagency basis which parallels and supports the insight demonstrated by Senator HILL as regards the foremost medical research arm of the Federal Government—the U.S. Public Health Service and its National Institutes of Health.

The subcommittee has enjoyed splendid cooperation from NIH. I, for one, have the highest regard for Dr. James A. Shannon, NIH's able Director, and my view is, I am sure, shared by my associates.

These particular comments today, are however, only intended to represent my personal position and not that of the subcommittee.

Now I shall comment on specific phases of the bill.

REHABILITATION CENTERS

I should like to express my gratification at the reference on page 15 to future rehabilitation centers.

Under amendment 6–14–61—D, which I had offered, two such centers would have been established at $1.5 million apiece.

The Senate committee approved a House provision for a total of $1 million for several such centers. While I would have preferred a larger amount to be divided among but two centers, I believe that a beginning can be made with the Senate version.

As I have previously stated, I believe that the University of Minnesota, in cooperation with the Kenny Rehabilitation Institute, satisfies completely the sound criteria which are set forth as regards selection of such centers in both the Senate and House reports. These criteria include a medical school geared to comprehensive teaching and research in physical medicine and rehabilitation, an outstanding voluntary organization able to cooperate with it, together with teamwork from State and local authorities.

I ask unanimous consent that a pertinent excerpt from the Senate committee's report be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT FROM PAGE 15, SENATE REPORT

The committee is impressed with the proposals made for the establishment of special centers for research and training in rehabilitation. The committee is convinced that the vocational rehabilitation field could be greatly advanced through such centers. These centers should be established at universities having apropriate resources for research and teaching in the several disciplines of rehabilitation, including well developed medical schools with comprehensive teaching and research programs in physical and rehabilitation medicine. The funds for this purpose included in the House bill should make it possible to strengthen research and training staffs and to provide much needed clinical research and training with selected patients. Such centers could also establish formal working relationships with voluntary comprehensive rehabilitation centers to demonstrate how university, State, and voluntary rehabilitation agencies can cooperate in advancing rehabilitation. The $1 million included in the House bill would permit the establishment of several centers in 1962 as pilot programs.

The recommended increase of $1 million over the House allowance is for research and demonstrations. These funds will provide for an accelerated program in developing new methods and techniques for rehabilitating the disabled, particularly in rehabilitation centers and other institutions where special emphasis is being given to the rehabilitation of the severely disabled, including the mentally ill and the deaf.

Mr. HUMPHREY. Mr. President, the emphasis on medically oriented rehabilitation is, in my judgment, sound.

This is a point which had been strongly urged as well by my distinguished colleague, Representative FRED MARSHALL of Minnesota, a member of the House subcommittee.

I welcome as well the Senate committee's proposed $1 million increase over the House allowance for research and demonstration programs, per se.

I invite attention to the fact that detailed testimony by two outstanding Minnesota authorities, Dr. Frank H. Krusen, director of the Kenny Rehabilitation Institute—on leave of absence from the Mayo Foundation—and Prof. Frederic J. Kottke, chairman, Department of Physical Medicine and Rehabilitation, University of Minnesota, will be found within the record of the Senate committee hearings, page 1538.

Their comments concern not only what Minnesota has done, is doing, can do and proposes to do, but what the United States as a whole should do throughout the lifetimes of the disabled.

SPECIAL RESOURCE CENTERS

I should like to express my pleasure in the reference on page 28 to the $5 million which will be available for what are termed special resource centers.

The actual details of the proposed program for these centers were, I understand, submitted in the original presentation by NIH within the executive branch, including the Bureau of the Budget.

The following are pertinent excerpts from pages 28 and 29 of Senate report:

SPECIAL RESOURCE CENTERS

The bill as passed by the House allocates $5 million for research grants to initiate a program of special resource centers. The centers to be supported with these funds would be established in universities, hospitals, and other research institutions heavily engaged in medical and related biological research. They would provide specialized facilities for instrument and electronic development, computing and data processing, animal research and other specialized services in support of the institutional research programs. These resource center grants (like the general clinical center grants) would support basic technical services—trained technical personnel and specialized equipment, tools and other materials—necessary for the conduct of advanced research activities; the actual conduct of the substantive research would, however, be supported through the normal research grant process.

The resource centers program is designed to enable research institutions to apply the remarkable developments in instrumentation, electronic and atomic techniques, computing, data processing, and mathematical skills to the present-day requirements of biomedical research. These developments provide new and highly promising opportunities for extending the depth and precision of observation of biological processes, for simulating biological systems for experimental purposes, for the much more exact analysis and interpretation of biomedical data and, in general, for bringing the modern concepts and techniques of the physical sciences to bear on research in biology and medicine.

The committee's report differs from the amendment 6–14–61—C, which I had offered, which would have earmarked $1.5 million each for two regional instrumentation centers.

I believe that, in view of the considerable costs of equipment, especially data processing machinery, my concept of $1.5 million for each of two centers would have been more realistic.

Considering the myriad of other equipment which is necessary, not to mention the costs of training interdisciplinary personnel, the $5 million contemplated in the Senate report will not go very far.

In addition, my original amendment had, I believe, soundly envisioned that the instrumentation centers would carry out research and not merely be a workshop for support of other sources conducting research.

The case for these regional centers had been presented in detail by Prof. William G. Kubicek, Department of Physical Medicine and Rehabilitation of the University of Minnesota. Dr. Kubicek's oral comments and his prepared statement will be found in the Senate hearings, page 1527.

He noted among other needs the importance of conducting research programs to find methods not presently available for measuring and recording reactions and characteristics of living systems.

Professor Kubicek's earlier comments will be found in the House hearing on page 726. Therein he noted both present and prospective work at the University of Minnesota and elsewhere, including important suggestions which have been advanced by Dr. V. K. Zworykin.

It is a source of pride to Minnesota and to the Nation that a great deal of outstanding instrumentation research is already being performed at our university.

Minnesota scientists will, of course, be happy to submit an application to NIH for a special resource center for consideration on its merits with the applications of other leading institutions elsewhere.

INTERNATIONAL CONFERENCE

Recently there was held in New York a remarkable assembly, the Fourth International Conference of Medical Electronics. There were nearly 2,000 participants, a great many from overseas. The program consisted of nearly 300 scientific papers. A tremendous array of equipment and concepts was described for use in preventive, curative, and restorative medicine. This conference was highlighted in a New York Times column of July 23, 1961, by the Times famed associate editor, Dr. Howard A. Rusk.

There will appear at the conclusion of my statement the text of Dr. Rusk's article.

SUBCOMMITTEE'S PRIOR REVIEW

The medical electronic phase is not a new one for our Government Operations Subcommittee. Last year, we circulated to leading authorities a staff analysis, prepared with the expert cooperation of Mark Blumberg, M.D., and associates at Stanford Research Institute. This analysis summarized reactions received from several hundred of the world's leading governmental, university, industrial, and other medical electronic experts on problems, achievements, and opportunities.

Many of the experts have advised us that the interest of our subcommittee, like that of the Senator from Alabama [Mr. HILL], has been an important stimulus to the field.

I, for one, intend to continue my efforts along these lines.

FOREIGN CURRENCY

I note with pleasure that the Senate committee provided for $10,084,000 for the special foreign currency program. This is an increase of $2,084,000 over the House allowance; it is $6,377,000 more than the 1961 appropriation.

This is precisely what I had proposed in amendment 6–14–61—A and it is exactly what the administration requested.

Let me say, however, that I am not at all satisfied with this restored level of use of the foreign currencies. It is extremely unfortunate, in my judgment, that use for medical research purposes under Public Law 480 is one of the smallest such uses out of all the wide variety of ways in which these foreign currencies can be put to work.

It is a paradox that this one use, which means more to the entire human race than virtually any other, is one of the least capitalized upon to date.

INFORMATION RESEARCH

I should like to note my gratification that under the provision for the National Heart Institute, the sum of $1 million

was earmarked for improved communications in the field of heart disease.

The following are pertinent excerpts from page 40, Senate report:

The committee was impressed with testimony it received this year to the effect that there is a critical need for speeding up the interchange of research information among scientists, and for the transmission of research results from research scientists to those concerned with the application of knowledge. Modern electronic techniques, films, and other devices seem to have a great potential as new tools for scientific communication. Their present adaptability to the problems of medical communication, including the communication of health information to the public, needs to be thoroughly explored. As a first step in this direction, the committee recommend that the sum of $1 million of the research grant funds be allocated to the improvement of scientific communication in the field of heart disease.

This goes part of the way toward accomplishment of the objective which I set forth in amendment "6–14–61—B." Under that amendment, there would have been earmarked $3.5 million to strengthen information and communication research, across the board in medical science.

The $1 million set aside is a great landmark in information and communication science. It is the first such specific allocation, but it is only a beginning. The distinguished body of consultants which had reported to the committee, under the chairmanship of Mr. B. Jones, had earlier recommended the sum of $4.5 million for information and communication research.

Let me say frankly that I would have preferred that the funds for communications research be allocated to the Surgeon General for reallocation within the Public Health Service rather than to one of the seven categorical institutes alone. This is not a problem facing the Heart Institute alone, or any other single institute or the Division of General Medical Sciences. It is an across-the-board problem. One of the shortcomings in present day information management is that it has been approached separately and independently by this or that disease-oriented organization, instead of in a coordinated way.

Nevertheless, if $1 million is to be allocated to any one institute, I know of no better place to start than in connection with information on cardiovascular disease, the greatest single killer in America. I think the Heart Institute under Dr. James Watt is to be commended for the interest which it has already manifested in information management. It was, for example, through support by the National Heart Institute that an outstanding "Index of Cardiovascular Agents" was compiled by a group formerly working through the esteemed National Academy of Sciences-National Research Council and now under the very competent Institute for Medical Communication. I referred to the significance of this type of systematic information effort in my statement on page 1522 of the Senate hearings.

This overall information subject is one on which the Committee on Government Operations has concentrated. It was the subject of our Senate Document No. 113, 86th Congress, and Senate Report No. 263, 87th Congress.

The information problem is going to get more and more unmanageable, unless additional decisive steps are taken by NIH, the National Library of Medicine, and other sources. The more research which is authorized, the more articles and publications will result and the greater will be the difficulty of finding what one is searching for or accidentally running across an item which one may not even know exists.

QUARTER OF A MILLION MEDICAL ARTICLES A YEAR

Already, over one-quarter of a million medical articles appear every year. Who reads them? Who reads the abstract and index journals? What can be done to improve the management of medical documentation?

The information-communication problem is critical as regards researcher-to-researcher exchange; it is also critical as regards researcher-to-practitioner exchange. In the past, most public attention has been directed to the latter phase. But both phases need attention.

The latest, most modern methods should be utilized in addition to more conventional methods.

LACK OF NIH INITIATIVE

Let me recall that the Jones committee had reported in 1960 that NIH had unfortunately not taken the initiative in information management. Our Senate subcommittee had noted the identical shortcoming both before and since. We had noted that NIH had tended to pass responsibility for medical information research to the National Science Foundation. It had tended to splinter its own information efforts among several of the categorical institutes. NIH had failed to use the instrumentality of the Federal Advisory Committee for Scientific Information—which has now gone out of existence—or to use fully the Office of Documentation in the National Academy of Sciences-National Research Council, which is still a functioning unit.

Let me reiterate that I am speaking here primarily of information management on researcher-to-researcher communications. I am speaking of the problem of how the principal and senior investigators in over 22,000 federally supported projects find out about what their colleagues in the same or related fields have done and are doing.

I am speaking of strengthening Federal Government efforts in the medical documentation field. This means the efforts of the National Institutes of Health, the National Library of Medicine, the Armed Services Technical Information Agency, the Office of Technical Services, Department of Commerce, and other Federal units.

Merely publishing more medical articles, more journals, more abstracts, more indexes, more reviews, more bibliographies is hardly the answer to the already chocked arteries of communication. We need coordinated research on how to unblock the arteries—how to get the messages through to individuals who already do not have them to read what is published, much less what is not formally published.

As this subcommittee's hearing of August 1960 showed, NIH is spending $1 million in communication research already. But this is uncoordinated, diffused, research, and its effects to date have been minimal, unfortunately.

That is why our subcommittee will continue to stress the need for coordinated interagency and inter-Institute action.

AUDIOVISUALS AMENDMENT

I was pleased to read in the record of the hearings of the Senate Appropriations Committee the comments by the distinguished cardiovascular surgeon, Dr. Michael E. DeBakey, of Baylor University, Houston, Tex., on the need for increased use of medical motion pictures.

The new $1 million provision in the funds for the National Heart Institute to which I have just referred in the Senate Appropriations Committee report will fortunately help to fulfill the need which Dr. DeBakey cited.

This $1 million set-aside will help at least as regards motion pictures dealing with new techniques in cardiovascular surgery or dealing with a broad array of other innovations, affecting diseases of the heart and circulation.

But the problem persists: "What about medical motion pictures highlighting research in other disease problems?" Fortunately, there is an increasing number of official and private films in the fields of cancer, neurology, arthritis, and other metabolic disorders, allergy and infectious diseases, dental research, mental health, and other areas. The only trouble is that no one has a combined catalog of all these public and private films. No one knows who has produced what film and when and where and with what contents.

There is an excellent annual catalog issued by the Interdepartmental Committee on Medical Training Aids, but it lists only Federal films. What about the magnificent films produced under the auspices of the American Medical Association, the specialized medical boards, by private industry, and the voluntary health agencies?

It will be recalled that I had commented on this subject in my remarks in the Senate on June 14, 1961. At that time, I had introduced my amendment to H.R. 7035, 6–14–61—B. In that amendment, I had urged that provision be made for the appointment by the Surgeon General of the U.S. Public Health Service of a consultative study on the advisibility and feasibility of establishing an international audiovisual exchange program. Such a program would be helpful in two respects: International medical research and international technical assistance.

My proposal had been and is supported by representatives of the American Medical Association, the pharmaceutical industry and by motion picture experts of many other private and public agencies. They are eager to explore the international potentialities for audiovisual exchange.

The Senate Appropriations Committee report affects only cardiovascular films and deals only with their use in the

United States. Certainly, every American is interested in the greatest possible use of such films by our own citizens for the health of our own people.

But Dr. DeBakey himself and others had been among the first to point out the opportunities for use of such films abroad. Dr. DeBakey has personally, out of his own pocket, generously made available to foreign countries prints of surgical films which he and his colleagues have developed.

And so I want to express the hope that this concept of the use of audiovisuals, not only for research but for technical assistance internationally, will receive the attention of the Congress and of the Surgeon General.

Here, the United States has a magnificent resource—medical films. But it is not fully capitalizing on this resource either at home or abroad.

It is fine to improve use of audiovisuals on heart disease; that will be a splendid beginning. But what about improved use of films on all the other diseases?

MENTAL RETARDATION

Next, I am pleased to note that the Senate committee, with great wisdom, has earmarked the sum of $4.2 million for the direct operations and for grants-in-aid to assist State and local health agencies; as well as public and private health organizations in applying research findings in neurology and sensory diseases, such as in hearing and speech defects, mental retardation, epilepsy, and other problems.

It is clear that in an area such as mental retardation alone, there is a critical need for stimulating greater community action to apply the knowledge which science already possesses.

As I stated to the House committee—page 725, House hearings:

> In my judgment, far greater effort is needed on the part of the Federal Government in a coordinated approach on all the many facets of the problem. We need to increase research into the causes of mental retardation, into improved education of the mentally retarded, and vocational rehabilitation for them.
>
> The Federal Government needs to make sure that the knowledge, which is already possessed along these lines, is more effectively applied throughout the 50 States of the Union. We need, too, to learn more about what foreign countries have accomplished in these various phases, and we need to acquaint them with what we have achieved.

Study of the status of efforts for the mentally retarded was one of the purposes of an additional amendment I had personally offered, 6–14–61—E.

I am delighted, too, that the Senate committee concurs—page 13—in the House provision of $1 million for expansion of training of professional personnel to train teachers in fields relating to education of the mentally retarded.

ADDITIONAL COMMENDABLE ADVANCES

There are a great many other medical phases of the bill which well bear the particular approval of the Senate.

I cite, for example, the fact that on page 48, the Appropriations Committee directs that $1 million be set aside for collaborative research among speech and hearing centers. The entire area of speech and hearing disorders is one of the most important yet least provided for.

The individual handicapped by a speech or hearing disorder is disabled in a way which justifies further intensive interest by the Congress. It is to the great credit of the Senator from Alabama [Mr. HILL] and his distinguished colleague in the House of Representatives, Representative JOHN FOGARTY, that they have been so deeply sensitive to the needs of those afflicted with speech and hearing problems. Had it not been for their interest, only a fraction of the progress to date might have been achieved.

More than a year ago, our Senate Government Operations Subcommittee compiled information on the needs at home and abroad for increased collaboration in research on speech and hearing problems. We benefited from the splendid judgment of leaders of the American Speech and Hearing Association, such as Kenneth Johnson, Ph. D., the association's executive secretary, Wendell Johnson, Ph. D., professor of speech pathology and psychology, State University of Iowa; and L. D. Steer, Ph. D., director, Speech and Hearing Clinic, Purdue University.

Dr. Steer made an intensive analysis of oversea needs and opportunities, thanks to support provided by the Office of Vocational Rehabilitation.

WELFARE PERSONNEL

Finally, on a specific nonmedical phase, I should like to note that the Senate committee went part of the way toward a goal which I had submitted to it. It approved $2 million for training of public welfare personnel. I had personally urged support of the administration's request of $3.5 million, but at least a substantial beginning is now possible.

CONCLUSION

In selecting the above phases, I do not mean to imply that these are the most important. Far from it. No one who examines the Senate version of H.R. 7035 can fail to be impressed by its remarkable scope and depth. There are literally hundreds of ways in which it advances the cause of science.

I want to convey my personal congratulations to my colleague, Senator HILL. I want to express the hope that his and his associates' views will be given the most sympathetic consideration in the Senate-House conference committee. Thereby, this 1st session of the 87th Congress can go down in medical history as having launched a rocket of greater significance than any that we have sent from Cape Canaveral—a rocket not toward the moon but toward the conquest of cancer, of heart disease, and of the other scourges of mankind.

In the coming months, our Government Operations Subcommittee will continue its series of publications on interagency phases of medical research. Thereby, we may do our part to advance the cause so nobly furthered by the Senator from Alabama [Mr. HILL] and his subcommittee in H.R. 7035.

Mr. President, I ask unanimous consent to have the article to which I referred printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW TOOLS IN MEDICINE—MINIATURIZATION AND COMPUTERS STRESSED IN MEDICAL ELECTRONICS CONFERENCE HERE

(By Howard A. Rusk, M.D.)

These devices are not "medicine of the future," but rather a few of the newer scientific tools available to medicine today:

A machine to measure accurately the speed, volume, and flow of blood without opening a blood vessel.

A radio transmitter so small it is housed in a capsule that is swallowed by the patient and recovered in the bedpan, after telemetering physiological information on its tour through the gastrointestinal tract.

A closed-circuit television camera 9 inches in length and less than 3 inches in diameter that, because of its size, can be used to photograph surgical procedures previously inaccessible to the camera.

An instrument that continuously records brainwaves. Designed originally for space medicine, it can evaluate accurately the alertness of an individual on a scale from 0 to 20. The operator reading the charts can tell at which time the individual was alert, drowsy, or asleep.

Permanently implanted electrodes that give new basic understanding of ovarian function, by measuring pressure and temperature.

Monitoring devices that allow a nurse to sit at her desk and readily observe a continuous record of temperature, pulse, respiration, and body movement for a ward of 12 or more patients.

Counters for blood cells and bacteria that automatically count and print results on a slip of paper.

WINTER UNDERWEAR WIRED

Even old-fashioned long winter underwear has been wired for continuous temperature observation in the four extremities, chest, and abdomen. These observations are extremely valuable in certain types of circulatory disturbances.

All were exhibited and demonstrated at the Fourth International Conference of Medical electronics at the Waldorf-Astoria Hotel last week.

The meeting was the 14th in a series of annual meetings held in the United States under the sponsorship of the Joint Executive Committee for Medicine and Biology. This committee is made up of representatives from the Institute of Radio Engineers, the American Institute of Electrical Engineers and the Instrument Society of America.

Dr. Vladimir K. Zworykin of the Rockefeller Institute served as president of the conference.

As could be expected, in view of the complexity of both fields, this combination of the sciences of medicine and engineering has resulted in the development of new techniques, devices, systems, and instrumentation unheard of a few years ago.

INCALCULABLE CONTRIBUTIONS

As Senator HUBERT H. HUMPHREY, of Minnesota, said at the opening session of Congress, "No one can now foresee the incalculable contributions which may be rendered by medical electronics to basic science, preventative medicine, curative medicine, and restorative medicine."

Senator HUMPHREY urged that increasing attention be given to the use of electronics for medicine and other peaceful purposes. He pointed out that the U.S. Government was currently spending more than $2 billion a year for research, development, testing, and evaluation in electronics, but that only one-tenth of 1 percent of this sum was being spent on medical electronics.

If there had been a queen of the conference elected at the Waldorf this week, she certainly would have been called Miss Computer. There were dozens of various types of electronic computers exhibited, so complex and so accurate that they stagger the nonscientific mind and even some of the scientific ones. One computer analyzes and correlates data on 100 diseases and 800 symptoms.

Another fascinating electronic marvel reported on was the pacemaker. This device establishes continuing, rhythmic stimuli that actually pace the heart rate in patients suffering from heart block, a most serious condition which leads to heart failure and often death in a short period of time.

To accomplish this, electrodes to receive radio impulses are implanted surgically within the patient's heart. The transmitter is worn externally and controls the pulse rate, which can be varied to meet the patients' energy requirements.

For example, if the patient wishes to walk up a flight of stairs, he simply turns the pacemaker up, which in turn steps up his pulse rate.

Among the international participants in the conference was a team of four Soviet scientists headed by Prof. Mikhail G. Ananyev. Professor Ananyev is director of the Scientific Research Institute for Experimental Surgical Apparatus and Instruments in Moscow, where a special stapling technique was developed, using vitallium clips so tiny they can suture minute blood vessels impossible to suture by conventional methods.

The Moscow institute was founded in 1952 and was the first center for concentrated combined research in medicine and technology.

STAPLING DEMONSTRATED

The four Soviet scientists, in New York for the Conference on Medical Electronics, gave a special demonstration of the surgical stapling technique this week at the Memorial Sloan-Kettering Cancer Center.

This demonstration was made up of films, monitored television and actual surgical procedures. The procedures included partial removal of the stomach and establishment of new connections between the residual portion of the stomach and the intestinal tract, the operation commonly used for ulcer patients.

They also demonstrated the removal of one lung and one of the heart chambers. These procedures were done on an anesthetized dog. Once the surgical clips were put in place, the surgical procedure was completed in a matter of seconds, merely by closing the instruments that placed the vitallium clips in an accurate suture line.

As tension over Berlin mounted in international political circles this week, American track and field stars were competing against the Russians in Moscow. Here, in New York our scientists and theirs were exchanging research experience and know-how, also on a friendly competitive basis.

Emphasis on such areas of friendly competition and exchange of knowledge must be increased, if there is to be peaceful coexistence based on mutual respect.

PLUMBING RESEARCH

Mr. HUMPHREY. Mr. President, while the Committee on Appropriations did not see fit to include $250,000 in its budget recommendations for the purpose of enabling the U.S. Public Health Service to conduct a greatly stepped up program of plumbing research in cooperation with the plumbing industry, I would like to enter a statement for the record on behalf of those colleagues who joined in supporting the requested appropriation.

There was ample precedent for granting such a request. During the 1920's it was the Department of Commerce which was responsible for development of the first model plumbing standards—an early but significant incident of the Government's helping a major segment of the business economy to become more effective in serving the public.

Both before and since, Government funds have been used for many projects involving the field of plumbing.

Take the issuance of Bulletin 256, "Plumbing and Health," issued some years back by the U.S. Public Health Service. In that 118-page document, the Public Health Service reported on its own cross-connection research studies and also put together for the first time information about the many surveys, investigations, and research conducted by local government agencies and by plumbing and professional associations, including the National Association of Plumbing Contractors.

The USPHS publication was the basic guide that made it feasible in 1949 for the National Association of Plumbing Contractors and the association-owned trade publication, Plumbing-Heating-Cooling Business, to prepare and publish the booklet "How the Public Protects Itself With Plumbing Codes."

Or, take the Prestonburg study, completed by USPHS in 1958, which proved that disease incidence declines when a community gets minimum indoor plumbing, and that disease rates decline even more when the community gets modern bathrooms, or, yet, the big cross-connection surveys directed by USPHS in New York and Detroit during the thirties, again in the interests of safer plumbing and better public health.

Yet the same kinds of projects beneficial to the public everywhere were contemplated in this latest proposal for an expanded USPHS program, along with a continuation of the standards development work of USPHS through a coordinating committee dominated by industry groups committed to the cause of effective plumbing codes.

While dead, apparently, as far as the present Congress is concerned, the issue is by no means buried. It will come up again. It is bound to, as the increasing pressures of urban expansion and population growth make increasing demands on public water supply and waste-disposal systems.

Safe plumbing and good public health are inseparable, and the Federal Government, through its various agencies, is the logical instrument for coordinating research to protect and enhance both.

Sooner or later Congress will have to face up realistically to this fact and determine what the Government's role and extent of participation in a cooperative effort with industry shall be in the field of plumbing research.

This particular recommendation did not receive the concurrence or majority support of the committee. I think that the project was not well understood. I believe that had it been more fully understood and discussed, we might well have made a beginning in this field. But make no mistake about it, all over the United States the problems of the breakdown in sanitary facilities are increasing and causing a serious health problem.

Mr. KEATING. Mr. President, will the distinguished Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. I associate myself with the remarks made by the distinguished Senator from Minnesota on this subject. I hope next year the committee will give further attention to the problem, which bears very directly on our overall health problems. I hope, too, that the administration will consider the need for a research program on water sanitation, water conservation, plumbing systems, and related subjects, which are so important to our Nation's health. This is true both in our great cities and in predominantly rural areas. A modest sum might well be invested in this field purely as a health measure, under the Public Health Service.

Mr. HUMPHREY. I thank the Senator. I am hopeful that the U.S. Public Health Service will take cognizance of this colloquy and discussion. I know of the interest of Senators. Several Senators have spoken to me about it. I hope that in some supplemental appropriation, or at least in the next fiscal year, a determined effort will be made to get a beginning in this field. We ask for only a small amount—$250,000—for a research program that could mean a great deal to growing communities in particular.

This is a program that is needed. The Government pioneered in it once, as I said, in evolving a plumbing code. I think the need is now more important, in the light of expanded population and suburb development and the breakdown in many of our sanitary facilities in the core of the old city. These developments within themselves, I believe, necessitate further action on the part of the U.S. Public Health Service.

FARM POLICIES NEED LONG-RANGE REEVALUATION

Mr. KEATING. Mr. President, despite the fact that last week the Senate passed the 1961 omnibus farm bill, I think this is an appropriate time to discuss the subject of farm legislation.

I opposed the farm bill, and particularly I opposed the section in it which extends the 1961 emergency feed-grain program. Lately, I have become quite concerned about certain of our farm programs. I think the time has come to say: "Let's blow the whistle, let's stop and start all over again."

For too long we have been paying a heavy price to support a limited sector of our farm economy. And we have failed. All that has happened is that we have built up huge stocks of Government surpluses, while at the same time we pay farmers not to plant crops on land, much of which they probably would not use anyway.

Although I am not a farm expert, I recognize that there is a responsibility as far as the Government is concerned to temporarily help farmers who do not make an adequate living in their chosen occupation. But, these should be only the relatively low-income farmers. Must we continue to pay bigger and bigger farmers to grow more and more crops on

less and less land at higher and higher prices—all at the taxpayers expense?

Despite the fact that many think his protest too dramatic, I think that Farmer Bill Smith, of Big Flats, N.Y., more than anyone else, has focused attention upon the weaknesses of our farm programs. This is not to say that all of them are bad, but there is certainly no justification for the excessive benefits to already wealthy men which are too often permitted under these programs.

In recent weeks, Secretary Freeman and I have traded charges in the press about Farmer Smith's Cadillac and about its longrun meaning for our farm policy. I think it is appropriate at this point that we seek to emphasize corrective measures and not controversy.

Mr. President, I believe that the Congress should this year take the initiative and set up a joint congressional study project to chart a new direction for our Nation's agriculture. We decided against turning this responsibility over to the Secretary of Agriculture. We must now assume it for ourselves. I urge that the chairman of the Senate and House Agriculture Committees organize a joint nonpartisan study commission on our farm programs. This commission should include not just the farmer but the consumer as well. It should include not just the big cash crop farmer, but the chicken farmer and the milk farmer and the truck farmer too. I recognize that our major farm groups are as difficult to coordinate as fish in a waterfall. I do not think this reason should deter us from seeking a new longrun perspective for our farms.

Mr. President, the best thing that can come out of Mr. Smith's protest would be a reevaluation and rethinking of our farm policies. We have just passed a farm bill, which like many previous farm bills is a stopgap emergency extension of wornout ideas. This is the time to look to the future. We have emphatically rejected the President's proposal that long-range planning authority for farming be given to the Secretary of Agriculture. I believe the Congress has an obligation to assume this responsibility for itself.

We must try to find a solution. I can think of no better way to do it than to organize such a study group as I suggest, made up of all kinds of farmers, and including representation of the consumer interest, to study the problem and to arrive at answers that are more satisfactory than those under which we are now operating.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7035) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

APPROPRIATIONS FOR CAPTIONED FILMS FOR THE DEAF

Mr. MUSKIE. Mr. President, I would like to take this opportunity to express my appreciation of two modifications made by the Committee on Appropriations in H.R. 7035, the pending appropriation bill. I was gratified, first, by the action of the Appropriations Committee in approving a modest but necessary increase in the appropriation for captioned films for the deaf in the Office of Education. Last year we appropriated $185,000 for this program, out of a possible authorization of $250,000. In the budget request submitted January 16, 1961, the administration did not request an increase in this amount. The Appropriations Committee added $65,000 to the salaries and expenses account, as passed by the House, to bring the captioned films appropriation to the full amount authorized for this important program.

The captioned films for the deaf program was authorized under Public Law 85–905. It has been in operation for slightly more than a year, captioning, leasing and distributing films for use by deaf persons. Some 600 groups of deaf persons are registered for the loan of about 40 film titles, and it is estimated that more than 80,000 viewers have seen the films.

All the films distributed to date have been entertainment films. Approximately 45 additional titles are in preparation and should be distributed this fall. In addition, the Office of Education is negotiating for the production of about a dozen educational films in the area of science. Despite the fact that the program has offered no educational films to date, schools are the largest users of captioned films. Many schools are using a film a week, and the demand is even greater.

In his testimony before the House Appropriations Committee, Commissioner of Education Sterling M. McMurrin said that his Office could use, to great advantage, the full amount authorized under the basic act. It is my hope that the additional $65,000 provided by the Senate committee will be approved by the Senate, and that these funds will be directed toward the expansion of films for educational purposes.

There are 250,000 deaf persons in the United States. I believe $1 a year for each of these persons is a very modest investment in their educational and cultural opportunities.

TRAINING GRANTS FOR PUBLIC WELFARE PERSONNEL

Mr. President, as a former Governor of the State of Maine, I am aware of the great problem in securing qualified personnel to act as caseworkers in the social welfare field. It is my firm conviction that so long as we do not improve our training programs for such personnel, we will not be meeting the full needs of welfare programs, and we will be condemning ourselves to continue expenditures for maintenance purposes without alleviating the conditions which cause many of our social problems.

The program for training public welfare personnel was initiated in 1956, when Congress authorized special grants to the States. This program was to terminate on June 30, 1962. The amendment contained in Public Law 87–31 continues the program until 1963 and increases the Federal share to 100 percent.

The need for training public assistance personnel can be demonstrated when one realizes that in most States a high school graduate can be hired for the job. Such persons usually have neither the training nor the education to do social casework. They can only be investigators and money distributors.

Trained and qualified social case workers would be able to work with recipients of public assistance to enable them to return to productive jobs, or to cope with their personal and social problems. Under the present system, with untrained persons in public assistance positions, the recipients are not receiving help to seek solutions to their problems. They cannot, under most circumstances, achieve a self-sufficient status.

Another aspect is the impossibility of a student doing graduate work in social casework to hold down a job. The field study workload is so heavy that students need a fund source to finance their training.

The administration has requested $3.5 million for this program. The Senate committee has approved a $2 million appropriation. While I would have preferred the larger amount, I support the committee in its recommendation.

STRENGTHENING OUR POSTURE OF DEFENSE

Mr. KUCHEL. Mr. President, throughout this week the Sovereign Camp of the Woodmen of the World is holding its 33d annual convention in Los Angeles. Delegates from all parts of the Nation are reviewing and planning the activities of this distinguished fraternal life insurance society. At the opening session on Monday, July 31, 1961, the senior Senator from Nebraska [Mr. HRUSKA], in whose State the WOW maintains its home office, addressed the convention on the role of the Congress in the present international crisis.

There is a no more able exponent for a strong America than the able Senator from Nebraska. He spoke with telling candor. In my judgment his remarks deserve the attention of the Senate, and I therefore ask unanimous consent that the text of his remarks may be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR HRUSKA

In the Berlin situation, America's greatness as well as her will is being tested. The enemy is not using any unique or new methods. He is simply renewing old problems and relying upon familiar techniques and harassments which in the past have been successfully met and defeated by firm responses and from positions of strength on the part of the Western Powers.

The Communists reemploy these methods time and again in the hope of finding the free world powers in discord, or at variance with one another; trying to catch us off balance, indecisive or weak.

Once again America—this time through President Kennedy—answered clearly and firmly that we did not intend to back down. England and France declared themselves in

similar fashion soon after the American reply was delivered.

That reply was followed by President Kennedy's national telecast, in which he outlined our position and demonstrated our intentions by a request for additional defense funds and authority to call the Ready Reserve to active duty.

The President needed and deserved support in this position. It came willingly from the American people.

The Congress responded with total bipartisan support, without stint or delay. Last Friday, only 3 days after the President's message, the Senate voted unanimously to strengthen our defense and sent the bills to the House which also accorded them prompt attention.

It is heartening to note the praise and the quick congressional action. More heartening still is the ready response of the American people to the policy of a firm, strong stand with the understanding that more than Berlin is at stake. This willingness to act, even at the risks which are clearly implied, came, however, as no surprise to those who know our people.

This spontaneous and unified stand will go far to prevent any miscalculation by our enemy as to America's will to fight if necessary. Khrushchev ought to make no mistake as to our determination to stand by Berlin and protect the rights of those free people.

It is my belief that the public will support the President at all times and in every way necessary to fulfill our commitments to the free world.

But he cannot expect to receive blind support and unquestioned acceptance of all his declarations under the pretext of national urgency. Should he make proposals which clearly fail to meet the tests which the Nation regards as wise, criticism and resistance ought to be expected and should be interposed.

Let me illustrate.

Only recently, the administration's top Senate leaders revived a consideration of making Berlin a free city—a proposal advanced by Khrushchev himself in November 1958, at which time he gave the Allied Powers of the West a 6-month ultimatum to get out of Berlin on his own terms.

Of course, the Khrushchev proposal was repected. His ultimatum was ignored without event.

The plain fact is that a free city idea is not wise. It would be an unfortunate policy to adopt. It would mean a withdrawal from Berlin of its Western defenders, leaving an undefended city surrounded by hostile forces. Thus Berlin would be easy prey to Soviet subversion. Eventually the city would be an early victim of Communist aggression by the use of well-known and often employed techniques.

Notwithstanding this, ranking Members of the Senate who speak for the administration in that body advanced this concept as fit for negotiation with the Russians. However, it was flatly turned down, first by the vigorous opposition in the Senate itself; and secondly, by the President himself.

But I raise this question: Suppose the President, instead of the sound decision he made on Berlin, had chosen to take that other road, the free city road which was advocated by Senate leaders of his own party?

Such an acceptance would have been a reversal of American foreign policy of 16 years' standing. It would be appeasement and spell disastrous retreat. It would belie our position of strength and repudiate our commitments to the free world.

Had such a decision been made and proposed, it would have met with severe opposition. And rightly so.

Another illustration is found in our Red China policy.

Some 18 or 19 times the Congress by official action has declared itself against the seating of Communist China in the United Nations and against the granting of diplomatic recognition by the United States.

Only last Friday, the Senate unanimously supported a strongly worded resolution expressing that to be the sense of the Congress.

It was especially timely. Only recently our Ambassador to the United Nations spoke of the inevitability of Red China's entrance into the United Nations, intimating that we might as well cease our opposition. The Under Secretary of State openly advocated a reappraisal of the entire subject and favored action which would be contrary to the congressional declaration. It is of record that the President himself joined in the resolution when he was a Member of Congress.

Should he now urge a new policy, there would be a strenuous opposition by the Congress and in the country at large. This opposition would be justified and well founded.

It is earnestly hoped that the President will not seek a new policy and that he will not engage in any action encouraging Red China's admission or recognition, which would be so harmful to the cause of the free world.

Just one more example. This one of actual, present opposition to the President's declared position in foreign policy.

President Kennedy has requested $8.8 billion in back-door financing for foreign aid operations over a period of the next 5 years. No further congressional action or approval would be required. That request is contrary to well-established national policy on that subject. This is shown by the fact that President Eisenhower had made a similar long-term financing authority request which was denied by Congress.

The Kennedy request is deemed unwise, and harmful by many who have had long and deep experience in the field of fiscal and foreign policy.

Formidable opposition, widely based, and bipartisan in character has arisen to President Kennedy's proposal. Senator HARRY BYRD, of Virginia, a member of the President's own political party, has proposed an amendment which will substantially modify this back-door financing proposal.

My own views are that Senator BYRD is right in his approach, that he should prevail, and that his amendment will be adopted.

But I will not go into the merits or detail of any of the three examples I have recited: the free city concept for Berlin; the Red China policy; and the foreign aid back-door financing.

I refer to them only for the purpose of calling attention to the fact that the President can and should expect criticism and opposition to his proposals if they do not square away with the composite judgment of the public or the Congress just as readily as he will get support when they meet with such approval.

Is such criticism proper at a time like this? Does it show a lack of unity and common purpose? Might it give comfort to the enemy, inducing it to capitalize on these issues at our expense? Does such difference in views impair our relations with the rest of the free world?

President Kennedy addressed himself to this question of the propriety of criticism last April in New York City when he addressed the American Newspaper Publishers Association. Among other things, he stated:

"No President should fear public scrutiny of his program.

"This administration intends to be candid about its errors; we intend to accept full responsibility for our errors; and we expect you to point them out when we miss them.

"Without debate, without criticism, no administration and no country can succeed—and no republic can survive."

As a matter of fact last year during his campaign, Candidate Kennedy vigorously criticized President Eisenhower's foreign policy program.

Candidate Kennedy felt it necessary to justify this. He did so last October by saying in Denver, Colo.

"There are those who say it is wrong to call attention to America's need for greater strength at a time when our freedom is being challenged by a ruthless enemy * * *.

"There are those who say that this kind of talk creates disunity in the eyes of the world's leaders who are gathered in New York. But it was a great American and a great Senator who once said, 'If you permit appeals to unify to bring an end to criticism, we endanger not only the constitutional liberties of our country, but even its future existence.' Those words were spoken in 1951 by Senator Robert A. Taft, and I commend them to his successors."

As long as any difference in view is directed toward strengthening our posture or capability against the enemy and as long as it is made in good faith without diluting our declared will and determination to resist the encroachments by the Communists, such a difference cannot serve to undermine our national unity and common purpose. On the contrary, it reaffirms our confidence in the strength and wisdom of responsible self-government.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

Mr. MORSE. Mr. President, I rise to discuss with the Senator from Alabama the problem of the orthopedic hospital in Arlington, Va. At the outset I wish to make a legislative record in regard to the hospital. I want the Senate to know, and, when they read it, I want the Department of Health, Education, and Welfare to know, that I speak not only in my behalf, but also in behalf of the two Senators from the State of Virginia—the senior Senator [Mr. BYRD] and the junior Senator [Mr. ROBERTSON].

Mr. BEALL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BEALL. I associate myself with the senior Senator's remarks on this subject.

Mr. MORSE. I was about to observe that I have always had support on this matter from my very good and personal friend, the senior Senator from Maryland [Mr. BEALL]. There has been a no more ardent supporter of the program of the orthopedic hospital at Arlington, Va., than the Senator from Maryland.

I wish to make a legislative history today because I say most kindly and most respectfully that the record of the Congress either has never been fully understood at the Department of Health, Education, and Welfare, or there has been a planned determination on the part of some officials in the Department not to carry out what I shall seek to show on the floor of the Senate this afternoon has always been the clear intention of the law,

of which I was the author in 1954, at which time I received the enthusiastic support of my good friend the Senator from Maryland and the Senators from Virginia and many other Senators.

Mr. BEALL. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. BEALL. It has long been known that the Senator from Oregon is most interested in the subject of orthopedic surgery. I remember well when he introduced the original bill in 1954. As a matter of record, many patients are not from Virginia or Maryland or the Nation's Capital, but come here from all over the country. So, in carrying the amendment forward, he is serving not only the citizens of the local communities, but also citizens from all the States. I thank the Senator for his interest in this subject.

Mr. MORSE. I thank the Senator from Maryland. The center serves not only Federal civil service employees residing in Maryland, Virginia, and the District of Columbia, but the National Orthopaedic and Rehabilitation Hospital serves civil service employees who are brought to the hospital irrespective of where they have been injured.

I wish to make it very clear at the outset that I am very kindly disposed in this matter. It is true I am not happy with what I think have been some of the policies followed in the Department of Health, Education, and Welfare, in regard to this law. I hope that with a kindly, objective, and factual discussion of the subject, the Secretary of Health, Education, and Welfare, Mr. Ribicoff, will give the matter his personal attention in the future. He has not been bothered with it up until now, because I have felt that, first, an attempt ought to be made to establish a legislative history today in regard to it, and then on the basis of that history the Secretary of Health, Education, and Welfare can act.

As I have said in connection with the work of the Secretary of Health, Education, and Welfare in the field of education, I could not possibly have a higher regard for a public servant than I have for Secretary Ribicoff. Such difficulties as I have had with the Department of Health, Education, and Welfare in connection with carrying out what I am satisfied was the intent of the law of 1954, has been with subordinates in that Department, and not with either the present Secretary of Health, Education, and Welfare or his predecessor.

In order to make the legislative history, the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON] and the Senator from Oregon think it is important that we go back to the source of the whole proposal, which was the Morse amendment of 1954, which is the law of the land today, which law, I most respectfully say, does not fall within the province of the Department of Health, Education, and Welfare to change by administrative regulation or Department policy.

Public Law 565 of the 83d Congress, section 4(b)(3) reads as follows:

> The Secretary shall be authorized to cooperate in assisting with the financing of a pilot demonstration rehabilitation center in the Metropolitan Washington area to be used as a guide for rehabilitation centers which may be set up later in other parts of the country. Sums made available for such a pilot demonstration center in the Washington area may be used during such initial period as the Secretary may determine for such services as hospitalization, domiciliary care, and rehabilitation training, including costs of board and room of trainees and other services essential to the program, as in the discretion of the Secretary he deems desirable. The services of such a pilot demonstration rehabilitation center in the Washington metropolitan area shall be made available to area civil service employees as well as to other patients.

Mr. President, the services of the rehabilitation center mentioned in the law just quoted, have been made available not only to area Federal civil service employees but also in special cases involving civil service employees from other parts of the country.

I have no desire to engage in a discussion of semantics with the Department of Health, Education, and Welfare. I know the meaning of the words used in the Morse amendment of 1954, and I do not know of any authority given the Department of Health, Education, and Welfare to be revisionists of the dictionary. The Morse amendment did not use the word "project"; the Morse amendment used the word "center." Later in my discussion this afternoon with the distinguished Senator from Alabama I expect to discuss with him the application of the word "center" in connection with appropriations which are being proposed this year, I understand, for a couple of new centers, both of which I enthusiastically and ardently support, if they are a part of the program. They are not mentioned in the bill. Let me cover that point immediately.

It is true that certain relevant facts under consideration this afternoon are not specifically mentioned in the bill now before the Senate. It is necessary to go behind the bill to understand what the Department of Health, Education, and Welfare has planned. The two centers I shall discuss later are not specifically mentioned in the bill either, but I think it is pretty well understood that it is contemplated there will be a center connected with the University of Minnesota, probably at its medical school, and another center in New York. Let me make it clear that I am all for them. I simply wish to make certain that adequate funds have been included in the appropriation this year so that we will not phase out the National Orthopaedic and Rehabilitation Hospital center in Arlington, just across the Potomac, simply because there may be some advisory group attached to the Department of Health, Education, and Welfare or some subordinate officials in that Department who wish to follow another policy in connection with vocational rehabilitation.

Let me say very early in my speech and discussion that in my judgment there is room for trying out all approaches to vocational rehabilitation. I certainly am a strong supporter of all the experimentation in the field of vocational rehabilitation that any group of professionals wishes to carry on in connection with universities and medical schools. However, what I protest is any plan or attempt on the part of any administrative officials in the Department of Health, Education, and Welfare, based upon any recommendation they may or may not receive from so-called advisory boards, to make theirs the only approach to the handling of vocational rehabilitation programs in the United States. As one who has lived somewhat with this problem since 1954, I know there are many techniques and approaches which ought to be tried out in connection with bringing some aid and relief and treatment and help to the thousands upon thousands of unfortunate fellow Americans who have lost a leg or two or an arm or two, or have suffered other physical injuries, or who are the victims of the very common list of back ailments, sacroiliac sprains, slipped discs, and the rest.

Having made this statement, I shall take a moment to state that the National Orthopaedic Hospital does not happen to be an agency of any university or an agency of any medical school; it is a medical center of national renown, as I shall show before I conclude my statement this afternoon, in making this legislative history in regard to the great record of service of this hospital.

Mr. President, this is a dramatic experiment in vocational rehabilitation. It may be that in the field of vocational rehabilitation there are those—as I understand is the case—who seem to think that if orthopedic hospitals are to be parts of training programs they should be parts of universities or medical schools. But let me say that in the medical field there is much respected opinion that does not share that view, and I have studied the pros and cons, and I wish to say that, in my judgment, the Federal Government would make a serious mistake if the bill the Senate is passing today could possibly be subject to the interpretation that Federal funds shall be made available by the Department of Health, Education, and Welfare only to vocational training centers or hospitals that are connected with medical schools or universities. I wish to have that legislative history made crystal clear here this afternoon, because I happen to know that within the lower echelons of the Department of Health, Education, and Welfare there are those who would like to get such a policy established as Federal governmental policy. If there is going to be any underwriting of that kind of policy in connection with this bill, Mr. President, I think we should face up to the fact that we had better get this matter quickly to a legislative committee and get a full-scale hearing in regard to it.

But, Mr. President, I am satisfied that at least it is not being proposed by the Senators who have brought this bill to the floor that any such straitjacket policy for aid to rehabilitation centers and hospitals is contemplated or intended or underwritten or proposed in this bill in its present form. Later I shall discuss that matter specifically with the Senator from Alabama [Mr. HILL]. But if it meets with his pleasure, first, I should

like to lay out my general case in regard to this matter, and, again I say, in behalf of the two Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], as well as in behalf of myself.

Mr. President, this is a community program. It is a program under the leadership of a great medical staff at the National Orthopaedic Hospital, headed by one of the most dedicated human beings I have ever had the privilege of knowing, Dr. O. Anderson Engh. He is a great doctor who certainly carries out and personifies, in my judgment, the great social-conscience calling of the medical profession. He is a great doctor who, by his monumental efforts in connection with the hospital, is living proof that the great calling of the medical profession is a calling of conscience dedicated to serving suffering humanity—not to making profits out of suffering, but to alleviating suffering. He is a great doctor who also recognizes the community responsibility to do whatever a community can do in order to be of assistance to the afflicted, the maimed, the sick, and the unfortunate.

So, Mr. President, in Arlington, Va., to the glorious credit of that community, there has been conducted now for some years a great community humanitarian program in connection with the National Orthopaedic and Rehabilitation Hospital, under the leadership of Dr. Engh and his staff.

Let me also say, Mr. President, that Dr. Engh is recognized as being one of the outstanding specialists in the field of bone surgery and in the field of vocational rehabilitation; and it is his concept that injured persons who are in need of rehabilitation ought to be treated in connection with occupational therapy, too, and that it is important that the medical treatment and the rehabilitation training and the vocational therapeutic training go on pretty much under one room. Of course that is not the only way—and Dr. Engh would be the first to admit it—to conduct a vocational rehabilitation program; but it is a proven, successful way. It is a way which has produced dramatic results. A layman not trained in medical science—and I happen to be such a layman—cannot go through the National Orthopaedic and Rehabilitation Hospital, at Arlington, Va., as I have done—and I would that others would do so, too, before they take a position of seeming to give any support to a phase-out program for this hospital—without feeling that at least he is in the presence of one miracle after another. At least, Mr. President, one cannot go through that great vocational rehabilitation center at Arlington, Va., without coming away a better person for having been there. The program of this great hospital is one which really puts into action what I believe is the responsibility of all of us who are fortunate; it puts into action the social responsibility of a community to the afflicted. Thus we have seen, floor by floor, and wing by wing, this rehabilitation center built up over the years, in Arlington, Va., with great community efforts being contributed to it. Labor has contributed free labor. The chamber of commerce, the Rotary Club, the Kiwanis Club, the Lions Club, and other service clubs have all made their contributions, not only in dollars, but also in cooperative personal assistance to the patients who are being rehabilitated in this hospital.

High school students have assisted as nurses' aids. Women's organizations have assisted. The Women's Organization of the Confederacy, for example, has performed dedicated service. One would be less than human if that service did not make him swallow hard the lumps of emotion bound to fill his throat when he visits such a center of human cooperative service as is epitomized and symbolized by the National Orthopaedic and Rehabilitation Hospital at Arlington, Va.

I became interested in this matter in 1954. I offered an amendment. It was my amendment. I wrote it. I know its intention. And I say again that, as the author of that amendment, it was my intention that a center should be established at Arlington, and not a project. It was my intention that this vocational rehabilitation center should be established there for the benefit of Government employees, as well as for the benefit of other patients.

It was not my intention in 1954, and it is not my intention in 1961, that it be phased out. There is as much need for it now as ever. In fact, because of the service it has rendered, there is more need for it now than ever.

Why do I discuss this point? Because I hold in my hand a letter dated November 14, 1960, signed by Mr. E. E. Ferebee, Acting Director. A copy of the letter that went to Dr. O. Anderson Engh as well as Mr. Dean Engh, Mr. Holm, Mr. Anderson, and Mr. Ready. The letter reads as follows:

DEAR DR. ENGH: The National Advisory Council on Vocational Rehabilitation at its meeting on October 27–28, 1960, carefully considered your request for a sixth year of Federal support for the pilot demonstration rehabilitation center project at the National Orthopaedic and Rehabilitation Hospital.

I digress to point out it is not referred to as a rehabilitation center. It is referred to as a project. This little bit of semantics becomes important for this legislative history as we go along.

Getting back to the letter:

As you know, the award for the current grant period was a decrease from the previous award. In making the recommendation for the current award last year, the Council initiated a phasing-out process for this project, designed to bring an orderly termination to Federal support for the project, concurrent with the hospital's assuming the full costs of rehabilitation services.

The Council expressed disappointment that the funds requested for this sixth grant period did not reflect a continuing decrease in Federal support. The Council noted that substantial funds were requested for a new activity: the equipping of a contract workshop. The value of a workshop as an adjunct activity to the pilot demonstration center was recognized, but the Council felt the development of the shop was outside the scope of the project, and therefore should be provided for from hospital resources. No Federal funds for this purpose were recommended.

I digress from the letter to make a comment, and I will return to it in a moment. The writer shows either a lack of understanding for or sympathy with what is the very basis of the program of the National Orthopaedic and Rehabilitation Hospital center in Arlington, Va., namely that patients are treated medically and vocationally at the same time, under the same roof, in connection with the same enterprise. That is why this experiment in Arlington, Va., is a great one, and an experiment that is producing dramatic results.

It has been the thesis of Dr. Engh and his associates, from the very beginning, that the patient should be brought in a for medical treatment and vocational treatment at the same time.

I do not intend to take the time this afternoon for a discussion of the direct relationship between the psychological attitude of the patient and his medical treatment. Yet let me say I know what the literature shows. The literature is voluminous in support of the objective of Dr. Engh—namely, that at the same time the injury is treated, the whole man is treated, including seeing to it that he is treated psychologically, as well, and that he is treated therapeutically and vocationally at the same time. It does not make a whit of difference to me if there are others in the field of vocational rehabilitation who follow a different theory of rehabilitation. Godspeed to them, is my answer to them.

What I am thinking about—and I am satisfied it is true—is that those in the Department of Health, Education, and Welfare who lean to another field of thought in the field of vocational training apparently are bent on phasing out this kind of community program in Arlington, Va. That is what the two Senators from Virginia, the Senator from Maryland, and the Senator from Oregon are protesting.

I am not at all interested in any argument of economy in regard to this matter, any more than I was interested in any argument of economy yesterday afternoon on the floor of the Senate when I made my speech in opposition to proposals to cut back money the committee had provided in the field of research, be it heart, or cancer, or the effect of radiation on the human organism, or any other needed research in the field of medicine.

Part of my plea and prayer this afternoon is that we recognize we need many approaches to the problem of vocational rehabilitation. I am for them all. And I am for paying their costs. I do not see how we can possibly pretend to be a spiritually motivated people if we ever put a dollar sign ahead of our clear moral obligation and duty to do whatever we can to help rehabilitate the crippled of this land.

Let me also point out—and I shall have something to say about it later—that I am talking also for sound economics when I talk about spending more for vocational rehabilitation. I am talking sound economics because I am talking in support of a vocational rehabilitation program that will put the crippled back to work and make them economically productive citizens.

I think an unanswerable case is made by those in the field of vocational re-

habilitation when they point out that the economic return to the American economy, as we put thousands of people who have suffered serious bodily injuries back to work, more than pays for the cost of the program. But let us assume it does not. I think the evidence shows clearly it does, but suppose it does not. Does anyone mean to tell me that that should stop us? Should that slow us up? Should we put a dollar sign above our humanitarian obligations?

I have not done it for 17 years in the Senate, and I do not intend to do it today. That is why I am making this plea and this legislative history, in the hope that we can get some understanding before I finish with respect to continued support for this rehabilitation center in Arlington, Va., without having to tie it down to any specific money amendment in the bill.

I have talked to the Senator from Alabama about this. I certainly do not prefer to take the amendment route in regard to this if we can make a legislative history which will make the amendment route unnecessary. I also prefer to make the record today so that Secretary Ribicoff can peruse it himself, because I am satisfied that great humanitarian will see the social justice of this plea I am making in regard to this hospital.

I will say for the Secretary's benefit that he has on his staff in the Department of Health, Education, and Welfare those who are bent on a phaseout of the work of this hospital, and I do not think they are acting in accord with the law or with congressional intent at the time the law was passed.

Mr. President, I continue to read from the letter which was, as I said, written by Mr. Ferebee:

> The comprehensive financial statements submitted with the request indicate that with increased services, increased operating expenses, and a decreased Federal award, the hospital will continue this grant period to have a surplus of operating revenue over operation expenses, and that this net operating income will increase considerably over that of the previous grant period. The Council, therefore, reaffirmed its previous position of decreasing Federal assistance, and recommended that Federal support for this project be terminated by December 31, 1963.
>
> This termination date will allow for three more grant periods, commencing with the sixth period starting January 1, 1961, and will provide altogether a total of eight full grant periods of support for the pilot demonstration center. The Council recommended an award of $129,800 for the sixth continuation period, and expects that the amount of Federal support for each remaining grant period will continue to decrease substantially. The Council tentatively established a ceiling of $80,000 for the seventh grant period, and an amount not to exceed $35,000 for the final year.
>
> The immediate continuation grant recommendation is based on the following computation: A decrease of $25,000 from the amount provided in the current award for therapeutic and training services in the hospital's functional classification, and an allowance of $20,000 for hospitalization services. The funds will be made available for whatever expenditures the hospital finds necessary, subject only to the restriction that such expenditures must be for rehabilitation purposes.
>
> We will send you the full grant award letter shortly before January 1, 1961, the beginning date of the next continuation period. We have transmitted the Council's full recommendations at this time to permit maximum time for organizing an orderly termination of this project, and we anticipate your full cooperation toward this end.

Mr. President, there is no question about the fact as to the phaseout intentions of the Department of Health, Education, and Welfare. Those phaseout intentions, in my judgment, cannot be justified and are not consistent with the original act of 1954. In my judgment, they cannot be justified without further congressional action. I do not believe we ought to idly stand by and let people in the Department of Health, Education, and Welfare, or in some advisory council, proceed to do the irreparable damage which, in my judgment, will be done to this great humanitarian institution in Arlington, Va., unless the Congress puts a stop to it.

Mr. President, the National Orthopaedic and Rehabilitation Hospital was established pursuant to the authorization granted in Public Law 565 of the 83d Congress. Section 4(b) of Public Law 565 authorized the Secretary of Health, Education, and Welfare "to cooperate in assisting with the financing of a pilot demonstration rehabilitation center in the Metropolitan Washington area to be used as a guide for rehabilitation centers that may be set up later in other parts of the country." The same section made the services of the center available to "area civil service employees as well as to other patients."

One of the arguments one hears against Federal assistance in this case is, "There are other rehabilitation groups in the country which would like to have centers. Why single out this center and not the others?"

Mr. President, I am in favor of helping other centers, also, but let us take a look at the original purpose of supporting this center. It was to establish a center in order to demonstrate the advantages of community cooperation in building up a vocational rehabilitation center, to demonstrate the therapeutic advantage of having the patient treated medically and vocationally at the same time.

We know one of the psychological characterizations of serious permanent bodily injury is psychological depression. I have talked to many doctors who treat serious back ailments, such as slipped discs, and they say one of the common symptoms is depression; that most patients with serious back injuries become so depressed they think it is all over, they are never going to walk again, they are never going to be able to work again, they are never going to be able to support their families again. Their depression is understandable.

I have heard the great surgeon, doctor, and vocational rehabilitation authority, Dr. Engh, talk about this problem many, many times. He lived with this problem as a young doctor. He saw thousands of these patients. He struck upon the idea of proceeding to treat the injured person in every possible way at one and the same time—medically, psychologically, vocationally, and, yes, communitywise by getting the patient to feel he is a part of the community.

What has happened in a program such as this is that many of the businessmen in the Arlington area and labor organizations, to whom I referred earlier, members of service clubs and other groups in Arlington, have cooperated by helping get these people placed in employment just as soon as they develop the abilities and techniques which make it possible for them once again to take jobs.

I stress this, Mr. President, because I speak most respectfully when I say that in my judgment there are some down in the Department of Health, Education, and Welfare who either have lost sight of the great golden ideal this hospital has been putting into practice or never have comprehended it from the beginning.

I do not propose to permit their loss of sight in regard to this subject, or their original lack of interest and comprehension, if they did not have it at the beginning, to cost humanity in this area the continuation of the center.

Let us now consider the fine support the Government has given the National Orthopaedic and Rehabilitation Center.

Federal grants to assist in the setting up of the pilot demonstration rehabilitation center have been as follows: fiscal 1956, $83,000; fiscal 1957, $79,913; fiscal 1958, $186,595; fiscal 1959, $237,875; fiscal 1960, $175,709; fiscal 1961, $129,800—total, $892,892.

Projected Federal grants for the center are these: fiscal 1962, $80,000; fiscal 1963, $35,000, as brought out in the so-called phaseout letter from the administrator, which I read.

The substantial Federal contributions as listed above tell only part of the story of this remarkable rehabilitation project. This fine hospital could not have been constructed had it not been for substantial donations of land, labor, materials, architectural, and legal services. The original building was constructed entirely with donated funds, materials, and labor. Labor unions, service clubs, and other groups, totaling almost 150 volunteer organizations, have participated in this project. They are still supplying a variety of volunteer aids including job training, clerical help, transportation, and assistants to nurses. The large rehabilitation wing of the hospital, valued at $1,500,000, was completed in 1958 principally through voluntary community assistance. An additional feature to the original building was completed in March 1961 at a value of approximately $200,000, again almost entirely by voluntary community help.

I think it is only fair, as we take an inventory today, to take account not only of the contributions that have been made to the building of the physical plant, but also to take account of the accomplishments of the hospital.

The number of patients rehabilitated from 1957 to 1960 was 4,632. I repeat the figure: 4,632 less fortunate fellow citizens—citizens suffering serious bodily injury, such as the loss of limbs, serious infirmities, and injured backs—have been put back into the economic stream.

They have been rehabilitated not only economically, but also psychologically. They have become happy members of the community again. They have been helped to make the very difficult adjustment that permanently injured people must learn to make back into society.

The amount of the salaries of those rehabilitated from September 1, 1958, through December 31, 1959, has been the astounding sum of $4,874,818. I argued earlier in my speech that when we rehabilitate injured people and get them back to a position of earning power, they contribute to the economy of the country far in excess of the cost of the rehabilitation.

The number of doctors in the community who participated in the rehabilitation program is 140.

The number of civil service employees injured at work who have been rehabilitated is 489.

Do not forget that one of the specific legislative purposes of the Morse amendment of 1954 was to provide that the hospital should provide an official rehabilitation center for Federal civil service employees. Such a need is not a discontinuing need. It is no phaseout need. It is a continuing need that will go on for years. For that reason I am at a loss to understand the shortsightedness of some in the Department of Health, Education, and Welfare who have not caught the vision of the great humanitarianism of the center as a center that ought to continue to spread its light of humane treatment to the injured for many years to come.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. MORSE. Does the Senator wish to make insertions in the RECORD?

Mr. RANDOLPH. I wish to compliment the Senator from Oregon.

Mr. MORSE. I am always delighted to yield for that purpose.

Mr. RANDOLPH. It is well deserved in this instance as in many other instances.

Mr. MORSE. The Senator knows that I am joking.

Mr. RANDOLPH. I have known Dr. Anderson Engh. I have studied the work which he and his colleagues have done at what I call the cooperative level of citizenship. I have found that the injured and handicapped have been aided by the services of dedicated doctors, consecrated nurses, and personnel generally who have felt that they could make a contribution in the manner in which it has been so well suggested by my colleague in his speech.

I think he does well to call to the attention of the Senate the work that has been successfully carried forward at this facility, and I feel that because he has done so today, there will result a new look, a new point of view, on the part of those in authority in the agency to which he has made reference, where there may have been some forgetfulness of what has been done. Therefore, I believe his words serve a useful purpose.

Mr. MORSE. I appreciate very much the support which I have just received from the Senator from West Virginia or, rather, the support which the program I am defending on the floor of the Senate this afternoon has received from the Senator from West Virginia.

I know of his interest in the work of this hospital. I am not at all surprised to hear his statement on the floor in support of the program. I thank him very much. In fact, of one thing I am completely sure, that if the Members of the Senate, 100 of them, could take the time to spend a day at the National Orthopaedic and Rehabilitation Hospital at Arlington, Va., and were to survey it as a center of experimentation for the type of vocational rehabilitation which Dr. Engh symbolizes in this field, they would agree, at least 90 percent of them, if not 100 percent, that this project should be continued as a center and should not be phased out, no matter what may be going on within the internal machinations of the Department of Health, Education, and Welfare.

All one has to do is see what this program is accomplishing for our more unfortunate brethren. In that case one would not be diverted by an argument which is sometimes made to me, "Well, Senator, there are a lot of other little hospitals around the country that would like to have help, too." Does that mean that, therefore, we should stop the program which we have set up as a great experimental center in this country? Rather, I think we had better take a look at how fast we can give some assistance to these other hospitals, too. I will not accept the fallacious argument that because some other hospitals are not getting assistance we should stop supporting this program.

This hospital was novel in its approach. It was the leader in this approach. It deserves recognition. We vested it with Federal responsibility, namely, the responsibility of opening its doors to injured civil service employees. It is quite proper for us to say that we have selected this hospital to perform this experimentation and we propose to continue to support it.

Madam President, several hours ago I laid aside the speech I was in the process of delivering, in order to accommodate a colleague in the Senate in his good faith expectation and intention that the intervention would be for a very few minutes. It is certainly not his responsibility that the discussion led to several hours.

In keeping with my spirit of always wishing to cooperate with my colleagues, taking note of the lateness of the hour, I wish to have the RECORD show that my good friend from Alabama [Mr. HILL], the chairman of the committee which reported the bill, has gone over all the material I was going to read word by word, and he is fully familiar with the content of that material. The purpose of supplying the material was to lay the foundation for certain questions I propose to ask the Senator.

I know my majority leader, who is now standing in front of me, will be greatly relieved to know I am going to put most of the material into the RECORD and proceed to ask my friend from Alabama the questions to which the material is so pertinent and so vital, to make the legislative history which I think is necessary today in order to elucidate and to educate some of the staff members in the Department of Health, Education, and Welfare as to the intention and the desire and the determination of the two Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Maryland [Mr. BEALL] and the senior Senator from Oregon to do everything possible to make the RECORD so clear that there can be no question about the fact that it is the intention of the Congress to continue to give support to the National Orthopaedic and Rehabilitation Hospital in Arlington, and not phase it out.

Mr. President, referring again to the dramatic record of service and accomplishments of the National Orthopaedic Hospital, including my discussion of other types of orthopedic and rehabilitation hospitals, I list a few important facts:

Number of patients rehabilitated, 1957–60: 4,632.

Amount of salaries of those rehabilitated, September 1, 1958, through December 31, 1959: $4,374,818.

Number of doctors in the community participating in the rehabilitation program: 140.

Number of civil service employees, injured at work, rehabilitated: 489.

Amount of salaries of rehabilitated civil service employees: $512,855.

Savings accomplished through community volunteer program for handicapped persons: $32,100.

Number of disabled persons presently employed in the contract workshop: 22.

Number of disabled Government workers referred from other parts of the country: 99.

Number of veterans having receiving training: 20.

Number of patients referred from U.S. Public Health Service dispensary, Washington, D.C.: 390.

Number of patients surveyed in a 10-year pilot study—1952–62—being conducted for the Federal Bureau of Employees' Compensation: 521.

Training of nurses and doctors from foreign countries: Mexico, Central America, Finland, Turkey, India, and so forth.

Endorsement by medical societies for the pilot community program: Arlington, Alexandria, Fairfax.

Development of a tremendous community interest in rehabilitation through planned public relations on a broad scale.

An economy instructional program utilizing older aged persons.

Planning for a multistory contract shop attached to the hospital with architectural drawing.

Training of nurses from area general hospitals in rehabilitation: Alexandria Hospital.

National Orthopaedic and Rehabilitation Hospital given State of Virginia award for the best community project: 1950.

National Orthopaedic and Rehabilitation Hospital given the national award for the best community project: 1951.

NATIONAL ORTHOPAEDIC AND REHABILITATION HOSPITAL BEING PHASED OUT

Late in 1960 the Office of Vocational Rehabilitation, Department of Health, Education, and Welfare, informed Dr. Engh that the project would be phased

out so as to bring about termination of Federal support and the hospital's assumption of full costs of rehabilitation services. This plan is being backed up by systematic reductions in allocations.

NATIONAL ORTHOPAEDIC AND REHABILITATION HOSPITAL SHOULD NOT BE PHASED OUT

Institutes established in connection with medical schools for the purpose of carrying on various aspects of rehabilitation work are important, but their usefulness cannot approach that of a rehabilitation center such as that which is now operating so successfully at the National Orthopaedic and Rehabilitation Hospital. There can be no substitute for the close relationship that is maintained between the family doctor and the patient undergoing rehabilitation at a rehabilitation center. After all, it is the community doctor who knows the physical, psychological, domestic, and psychiatric problems of the patient far better than would an institute doctor.

Arehabilitation center, unlike a regional institute, would train, at the community level, the family doctor, nurses, and other assistance for rehabilitation and remedial work. It is of special importance at this time that we have training of this type made available for rural doctors in the field of disabling and incapacitating disorders. For example, a community rehabilitation center would provide a tremendous reservoir of experience in the field of low back disorders such as disk injuries and sacroiliac strains.

The National Orthopaedic and Rehabilitation Hospital now constitutes and can constitute for the future a valuable asset to the Federal Government. Washington, D.C., has the greatest concentration of civil service employees in the entire United States. This hospital has a contract with the Federal Government under which it is engaged in a special 10-year study on behalf of the Federal Government to determine the causes of permanent disabilities and to make recommendations for their rehabilitation.

The National Orthopaedic and Rehabilitation Hospital represents a large investment of Federal funds. It should not be permitted to phase out just as it is beginning to bring enormous benefits to the Government by way of accumulated experience and rehabilitation works. It is unthinkable that the Federal Government and the rehabilitation center's fine cooperative efforts should be permitted to lapse at this time.

DR. ENGH'S DEDICATION TO PUBLIC SERVICE

Dr. O. Anderson Engh, the medical director of the National Orthopaedic and Rehabilitation Hospital, is an individual who, through his works, has demonstrated that he is dedicated to the service of humanity. It is through his tireless efforts that the rehabilitation center has achieved the success it now enjoys.

Dr. Engh's fine contributions in the public interest were recognized recently through the following awards:

First. Dr. Engh was designated as the outstanding professional man of 1959 by the Arlington Chamber of Commerce.

Second. The Hadassah honor was given to Dr. Engh for his work as first chairman of the Arlington-Fairfax chapter, for fundraising for the Hadassah-Hebrew hospital.

Madam President, I am going to put in the RECORD a very detailed report which Dr. Engh in letter form has submitted to me dealing with the program of the hospital, a report which points out that the hospital has been accredited by the various accrediting agencies in the medical field.

I want it crystal clear in the RECORD that the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON] the Senator from Maryland [Mr. BEALL] and the senior Senator from Oregon stress the fact that we are dealing with a hospital whose standing in the profession is unquestioned, and which deserves the continued support of the Congress.

I wish to particularly stress that in asking for continuation of substantial funds for this hospital we must never overlook the fact—and the Department of Health, Education, and Welfare must never overlook the fact—that this is a rehabilitation center for injured civil service employees. It thereby has a definite Federal interest connected with it. Second, it is a center for community civilian training for emergency defense needs. It is a center that can be used for an emergency defense hospital, and for emergency defense rehabilitation work. This is no time to be thinking about phasing out the work of this hospital. This, instead, is a time when we ought to be increasing our support at the Federal level for this great vocational rehabilitation hospital.

I would like to read Dr. Engh's letter of July 31, 1961:

NATIONAL ORTHOPAEDIC AND REHABILITATION HOSPITAL,
Arlington, Va., July 3, 1961.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: Recently I informed you that the demonstration center here being used as a guide for other parts of the country was being phased out. You suggested that I inform you of my attitude toward this decision by the Office of Vocational Rehabilitation.

I would recommend that the demonstration center be continued permanently and not phased out. It should be given the same consideration as the two rehabilitation institutes described in Report No. 618, Senate appropriation bill, 1962.

The reasons for continuing the demonstration center are:

1. It is the most practical and valuable approach to the rehabilitation problem since it deals directly with the community in its many phases.

2. It would be a tremendous waste of Government money to eliminate this center when it is only getting started.

3. It has been especially serving civil service employees as a rehabilitation facility. These patients are costing the Federal Government tremendous sums of money due to failure to return them to their jobs.

4. The accomplishments in a relatively short period of the National Orthopaedic and Rehabilitation Hospital have proven its real worth.

5. The institution, through its program, can be utilized in the defense program for training purposes specifically designed toward meeting the catastrophic effects of atomic warfare.

In regard to item No. 1 it is generally appreciated that rehabilitation is a community problem. It requires the cooperation of the patient's regular physician who understands not only the physical but the emotional, vocational, domestic, and other problems of the disabled individual. Furthermore, in the community there is a tremendous amount of volunteer assistance which will cut costs. This has been demonstrated on a grand scale at our institution since we have utilized volunteers in numerous departments of the center including X-ray, laboratory, physical and occupational therapy, vocational shops, and the nursing floor. They have also been used to transport disabled patients to the center. Our institution has shown the practicability of this method by using two hospital buses to bring the patients to the center for treatment and training. The utilization of overaged individuals who are on social security to teach vocations to the handicapped persons has proven quite effective.

In regards to the community aspect one realizes that the earlier potentially disabled individuals are seen the greater the prevention of permanent disability. One cannot wait for these patients to be seen in State institutions or in medical school hospitals since the important period for preventing disabilities is the immediate period following the injury itself. In view of this factor the community doctors are now sending their patients immediately to our center.

In regards to item No. 2 dealing with the waste of Government funds one appreciates that almost a million dollars has been spent over a period of 5 years to develop this center. This is a relatively small amount in comparison to more than $80 million a year which is being spent on rehabilitation throughout the country. Nevertheless it is a substantial amount and if the demonstration center is terminated it will result in a loss of the basic accomplishments which have been attained. The employment and participation of hundreds of volunteers and numerous organizations will be lost just at a time when they are becoming organized effectively. The confidence of the community will be lost along with an experiment which contains great promise and one which, if successful, could reduce the cost of rehabilitation services throughout the entire country.

In regard to the civil service employee, this institution has been serving the Bureau of Employee's Compensation cases for the past 10 years as a special rehabilitation hospital for Federal workers injured on the job. Many of these cases cost the Federal Government well over a $100,000 due to a lack of rehabilitation facilities. Prompt medical care, physical and occupational therapy, vocational training and the use of the contract workshop here have been very effective in reducing disabilities and in most instances returning these employees to their regular jobs. At the present time we are conducting a 10-year study dealing with factors affecting rehabilitation of these workers. This study is designed to determine whether diagnostic errors, management of cases, psychiatric difficulties, compensation benefits, or delay in rehabilitation services are at fault. It would really be unfortunate if this 10-year study could not be continued.

In regards to item No. 4 dealing with accomplishments I have enclosed a short summary of the accomplishments of the National Orthopaedic and Rehabilitation Hospital. These results took place in spite of many difficulties. We have not felt that we had the necessary support from the Office of Vocational Rehabilitation necessary to carry out the pilot program described under section 4b of the Vocational Rehabilitation Act. The rehabilitation hospital, however, has become recognized throughout the country and by visitors from foreign countries as a real example of community efforts. The Arlington County and Fairfax

County Medical Societies endorsed our program. The Virginia Orthopaedic Society twice endorsed it. Furthermore, the institution was designated as a training center by the American Board of Orthopaedic Surgery in orthopaedics and rehabilitation.

The fifth and last item was one dealing with the value of an institution such as ours in the defense program. In this respect there is no doubt that the average American community is not prepared for the catastrophic effects of nuclear war. Steps must be taken in this direction on a local or community level. There is no better place than an orthopedic hospital dealing in rehabilitation for carrying out such a program. It is the orthopedic surgeon who plays a dominant role at the scene of battle since the greatest percentage of disabilities are in the orthopedic field. Likewise, the same situation will exist in communities which are subjected to bombing so that it becomes evident that organization, training, and participation of the community is essential. Our institution has made this one of our goals. With almost 900 volunteers we hope to acquaint these workers with hospital functions to the degree that they will prove very helpful when catastrophe strikes.

It may also be mentioned that we have been stressing the use of teenagers in the various hospital divisions. High school students have been working in numerous departments and it is believed that it will stimulate many of the young men to enter the medical profession and women to enter the nursing field. The shortage of nurses and doctors in this country has become a real problem. It is at the community level that this problem must be met. It is believed that with continued Federal help we can develop such a research demonstration. Without Federal assistance this is quite difficult.

On a previous occasion in 1957 an attempt was made to amend the Vocational Rehabilitation Act with respect to the Pilot Demonstration Rehabilitation Center in the Washington area. At that time we had not completed our building and it was stated that we had not accomplished the building program which had been described in the original Senate hearings. This was correct but it must be realized that this institution was being built chiefly with donated labor and materials so that it would require a longer period for construction than one in which finances were available. It must be appreciated also that our institution attacked the problem of rehabilitation before there were any Hill-Burton funds available for rehabilitation centers. (This institution was started in 1954. This building with its contents valued at over $2½ million could not attain funds of any appreciable amount, since only $87,000 was available to the entire State of Virginia in 1957.)

At those hearings the problem of accreditation came up. This seemed unfair since no orthopedic center had been accredited for training in rehabilitation at that time. We were, however, one of the first selected and were advised by the American Board of Orthopedic Surgery of accreditation for limited training in rehabilitation of orthopedic residents. Now this has been increased so that we have a full 3 years of accreditation in orthopedic training.

During these hearings, Mr. Elliott Richardson, Assistant Secretary, Department of Health, Education, and Welfare, stated that it was Senator MORSE's desire that "this proposed program at the hospital be one of the special projects for which grants could be made under the vocational rehabilitation bill." In this respect Mr. Richardson was correct in that we were contained in section 4 of the act dealing with special projects but it was not Senator MORSE's desire that we be considered a special project but rather a demonstration center. There is a considerable difference between a project and a center. Mr. Richardson suggested that over a hundred agencies have been awarded grants for projects which have termination dates. It is concurred that this is true of projects but whereas projects are expected to terminate in a relatively short period one should not expect a center to be phased out in a short period. In fact, if the center proves its worth as a guide to other parts of the country it should be made permanent. Our institution has soundly proved its worth in spite of the fact it has not received the support originally planned described as a million dollars by Senator MORSE in 1954.

In further reviewing the Senate hearings in 1957, it is noted that Mr. Kenneth Hamilton, professor of social administration at Ohio State University, commented that the things facing the centers in the United States and Canada are two:

1. Development of locally available rehabilitation services; and

2. Methods by which rehabilitation centers can more readily gain the effective support and participation of the communities which they serve.

I am in agreement with these statements. Mr. Hamilton, however, was under the impression that we were independent of the communities' support and involvement in any but the "most superficial sense." Unfortunately, Mr. Hamilton did not visit our center or he would have realized that most of the center was built through donated land, labor, materials, and other services, and that the volunteer program was on a very broad scale. Mr. Hamilton also suggested that the primary role of the rehabilitation center is to aid in the rehabilitation of the difficult problem case and not necessarily the gifted and proficient among the disabled. In this we would disagree since the amputee and paraplegic which he discusses make up very small percentage of the orthopedic cases which are being rehabilitated. In our own particular center there are 10 times as many low-back disorders requiring rehabilitation as amputees and paraplegics. It is the low-back case which is costing the Federal Government and the Bureau of Employees' Compensation tremendous sums of money and it is just one example of many of the disorders facing the average American community.

In Mr. Hamilton's final remark he states that "It seems to me that the university setting is almost imperative" and yet throughout the talk he stresses the problems of gaining effective support and participation of the community and the development of local available means for defraying costs of rehabilitation services. His remarks are contradictory since less than 10 percent of all hospitals in the country are associated with universities or medical schools but exist in communities apart from university settings.

There is no doubt but that the problem of the handicapped person is a community and not a university problem. It is the people and the doctors in the community who understand and are concerned with disabled individual's problems rather than medical students. In fact, the average medical student does not become greatly interested in rehabilitation. It is only after he has become a physician practicing in the local community that vocational, domestic, and economic problems produce interest along with the usual physical and psychological problems.

Dr. Herbert Park, professor of physical medicine and rehabilitation at the Medical College of Virginia, who also testified in these hearings, stated that "I still feel that Public Law 565, section 4b, has inherent in it sound and thoughtful ways of observing the growth of a center in seeing what effect it has on your community." Dr. Park indicated he had not visited our center and did not know it personally.

In summary, therefore, I reiterate that the demonstration center here in Arlington, Va., offers a sound and practical way of meeting the problem of the handicapped. It can be equally effective along with the two institutes recently recommended for research demonstrations and training, although it attacks the problem from the local angle. In addition, it provides services for civil service employees so essential to the Metropolitan District of Columbia area. It meets the recent suggestions and recommendations of President Kennedy and Secretary Ribicoff that communities must find ways to do more for themselves.

Very truly yours,

O. ANDERSON ENGH, M.D.,
Medical Director.

NATIONAL ORTHOPAEDIC AND REHABILITATION HOSPITAL, 1956–60

Pursuant to congressional legislation setting up a demonstration rehabilitation center in the Metropolitan District of Columbia area to be used as a guide for community rehabilitation centers in other parts of the country the following accomplishments are listed:

1. Completion in 1958 of a large wing valued at $1,500,000 built almost entirely by the community: $1,500,000.

2. Completion in March 1961, by the community of an additional floor to the original building: $200,000.

3. Number of patients rehabilitated 1957 to 1960: 4,632.

4. Number of salaries of those rehabilitated September 1, 1958, through December 31, 1959: $4,874,818.

5. Number of doctors in the community participating in the rehabilitation program: 140.

6. Number of civil service employees injured at work rehabilitated: 489.

7. Amount of salaries of rehabilitated civil service employees: $512,855.

8. Savings accomplished through community volunteer program for handicapped persons: $32,100.

9. Number of disabled persons presently employed in the Contract Work Shop: 22.

10. Number of disabled Government workers referred from other parts of the country: 99.

11. Number of veterans having received training: 20.

12. Number of patients referred from U.S. Public Health Service dispensary, Washington, D.C.: 390.

13. Number of patients surveyed in a 10-year pilot study (1952–62) being conducted for the Federal Bureau of Employee's Compensation: 521.

ADDITIONAL ACCOMPLISHMENTS

14. Training of nurses and doctors from foreign countries (Mexico, Central America, Finland, Turkey, India, etc.).

15. Endorsement by medical societies for the pilot community program (Arlington, Alexandria, Fairfax).

16. Development of a tremendous community interest in rehabilitation through planned public relations on a broad scale.

17. An economy instructional program utilizing older aged persons.

18. Planning for a multistory contract shop attached to the hospital with architectural drawings.

19. Training of nurses from area general hospitals in rehabilitation (Alexandria Hospital).

The above accomplishments indicate the value of community rehabilitation in providing services and reducing costs. Other areas in the country will profit from this research and demonstration. This pilot demonstration should be continued and ex-

panded as stated by Senator LISTER HILL to the Senate in 1957. The basic pattern of:

(a) Immediate rehabilitation services for potentially handicapped.

(b) An "all under one roof" program.

(c) A broad community volunteer program.

(d) Participation of the entire medical profession in the community has proven its value.

Very truly yours,
O. ANDERSON ENGH, M.D.,
Medical Director.

Madam President, as I come to a conclusion, I wish to say that I highly commend the Senator from Alabama [Mr. HILL] for bringing to the Senate another appropriation bill which reflects his deep and dedicated interest in matters relating to the Nation's health, and above all, his great devotion to the betterment of his fellow man.

H.R. 7035, as reported by the Senate Appropriations Committee, is further proof of the remarkable achievements of the Senator from Alabama in the fields of health and medical research. What he has done will benefit not only our Nation but also the entire world.

Knowing of the Senator's interest in this general field, I would like to ask him a few questions for the record on behalf of a fine local community-supported rehabilitation center which I believe to be a great asset to the Nation's Capital. I refer to the National Orthopaedic and Rehabilitation Hospital across the Potomac in Arlington, Va. It is with some pride that I mention this project, because I had something to do with the law which first gave it the support of the Federal Government in carrying out its great rehabilitation work.

In 1954 we adopted on the floor of the Senate the Morse amendment, which authorized the financing of a pilot demonstration rehabilitation center in the Metropolitan Washington area to be used as a guide for rehabilitation centers which may be set up later in other parts of the country—Public Law 565, 83d Congress, section 4b.

I wish to say in my own behalf, and in the behalf of the two Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], and the Senator from Maryland [Mr. BEALL], we are all deeply appreciative of the wonderful help the Senator from Alabama [Mr. HILL] has given to us for the past years, ever since this program was first approved in the law of 1954.

The Senator from Alabama has been a true friend of the National Orthopaedic and Rehabilitation Hospital at Arlington, Va. I assure him that I speak for Dr. Engh and for the staff of that hospital when I tell him that they, too, appreciate the understanding he has displayed and help that he has given us in connection with the hospital. Therefore for the RECORD I should like to stress the letter from Dr. Engh, which I have read into the RECORD. The latter impressed me because it set forth clearly the accomplishments of the hospital over the years and the importance of continuing the rehabilitation center in the years ahead.

The first question which I wish to ask my friend from Alabama is whether or not he agrees that the figures show that Federal grants to this hospital have been in the amount of $892,892 allocated over the fiscal years 1956–61?

Mr. HILL. It is my information that the figure stated by the Senator from Oregon is correct. In addition to that amount, the hospital has received $265,900 under the Hill-Burton hospital program.

Mr. MORSE. Yes. At the very beginning of the program the hospital was not eligible under that program, because certain matching funds were not available. But it also applied under the Hill-Burton program.

Second, I should like to ask the Senator from Alabama if the center is to be phased out according to the plans of the Office of Vocational Rehabilitation during the coming 2 fiscal years?

Mr. HILL. I am not familiar with the plans of the vocational rehabilitation agency. As the Senator knows, I am the chairman of the Subcommittee on Health of the Senate Committee on Labor and Public Wefare, as well as chairman of the Subcommittee on Appropriations which handles the appropriation bill carrying appropriations for health. If the Senator from Oregon has any thought as to what ought to be done in connection with the center, I shall be delighted to have a meeting of one of those subcommittees. We can hear witnesses and do whatever may be necessary to meet the situation.

Mr. MORSE. I have stated the crux of the whole question. That is why I am glad to have the statement of the Senator. It was not our intention when the center was established that the Department of Health, Education, and Welfare should proceed to phase out, unless the Department came to Congress and got approval for any such program. It has not done so. It has gone along administratively in connection with this program. I think it is perfectly clear from the allotments proposed for the fiscal year 1962 and the fiscal year 1963 in the report of Mr. Ferebee which I read earlier this afternoon, that such phasing-out is "cooking," so to speak, in the Department of Health, Education, and Welfare.

I thought we ought to agree upon some line of procedure today in order to make perfectly clear to the Department of Health, Education, and Welfare that it is not to proceed with any such phase-out until it is approved by Congress. The Senator from Alabama, as I understood him, has suggested that if there is any indication that any such plan is contemplated by the Department, the plan should be made the subject of an appropriate hearing before the Senator from Alabama, at which the Senators from Virginia, the Senator from Maryland, and the Senator from Oregon and others—and there will be others, because I am sure the Senator from West Virginia [Mr. RANDOLPH], as well as other Senators will protest—will at least have an opportunity to make clear to the Department of Health, Education, and Welfare that such action certainly does not meet with our desires and, in my judgment, does not meet with what I think is the clear responsibility to be of further assistance to this hospital.

Mr. HILL. As I have said, as chairman of the Subcommittee on Health of the Senate Committee on Labor and Public Welfare, and also as chairman of the subcommittee of the Appropriations Committee which handles all appropriations for health, I shall be glad to arrange for a hearing, at which time the entire question can be considered, and all the facts presented, at which time the distinguished Senator from Oregon, who is the author of this provision of the act to provide funds for the Orthopaedic Hospital and Rehabilitation Center in Arlington, can cooperate with the Senators from Virginia, the Senator from West Virginia, and any other parties who may be interested.

Mr. MORSE. It is my understanding that the House bill provided an additional $1 million for vocational rehabilitation, and that the Senate committee added an additional $1 million.

Mr. HILL. The Senate committee added another $1 million.

Mr. MORSE. So we have an amount $2 million over and above the budget request.

Mr. HILL. We have an amount $3 million above the budget request.

Mr. MORSE. Is the Senator from Oregon correct in his understanding that no restriction is written into the House bill or committee report which in any way directs the Department of Health, Education, and Welfare either to phase out the National Orthopaedic and Rehabilitation Hospital or to deny it any funds under appropriations provided for in the bill now pending before the Senate?

Mr. HILL. There is no provision in the bill now pending before us or in the committee report that in any way directs the vocational and rehabilitation agency to phase out or to deny funds to the Orthopaedic Hospital.

Mr. MORSE. Does not the Senator from Alabama agree that if the project were to be phased out, as suggested in the figures proposed by Mr. Ferebee in his letter of November 1960, which I read into the RECORD earlier today, it would constitute a serious waste of the substantial Federal investments heretofore made in respect to the center?

Mr. HILL. Certainly, if it were desired to make sure there was no waste of Federal funds so far as this project is concerned. I am sure the Senator will agree with me that, so far as any Federal project is concerned in which Federal funds are involved, there should be no waste.

Mr. MORSE. The proposal was $80,000 for 1962 and $35,000 for 1963, which to all intents and purposes would bring the program to an end; and the hospital, which is not a money-making operation, particularly in connection with the vocational rehabilitation program, would either have to seek and get funds elsewhere, or stop the work. Does not the Senator agree with me that such action would constitute in fact a waste of Federal investment in the hospital?

Mr. HILL. If the hospital could not carry on?

Mr. MORSE. Yes.

Mr. HILL. Yes. I believe that, to get a proper return on the Federal investment, it would be necessary for the hospital to carry on.

Mr. MORSE. As the Senator knows, the hospital has been providing service to Federal civil service employees. Does the Senator from Alabama agree with me that that public service ought to be continued?

Mr. HILL. Certainly. I think it is advantageous to have here a hospital to serve our civil service employees along with others in the population of this great metropolitan area.

Mr. MORSE. The Senator has pointed out the figures in regard to the increases and in the recommended amounts. I note with approval that the committee recommended for the item entitled "Research and Training" in the Office of Vocational Rehabilitation an increase, not only over the budget but also over the amount recommended by the House of Representatives. As I have already pointed out, the budget estimate for research and training in the Office of Vocational Rehabilitation for fiscal 1962 was $17,250,000. The House allotment was $19,250,000. The Senate committee recommended $20,250,000. My question is:

Would these research and training funds, if appropriated as recommended by the Senate committee, be available in part for an increase in the allocations to be made for the National Orthopaedic and Rehabilitation Hospital Center if they could show good cause for such increase.

Mr. HILL. Yes; these funds would be available.

Mr. MORSE. I hope the Senator from Alabama will pardon my repetition, but he knows what I am doing.

Mr. HILL. Yes.

Mr. MORSE. He knows what I am doing from the standpoint of legislative history. I wish to make this perfectly clear. As the Senator understands, there is no language, no prohibition, no restriction anywhere in the bill or in the committee reports which seek in any way to discriminate against the National Orthopaedic and Rehabilitation Hospital center. Is that correct?

Mr. HILL. The Senator is correct. There is absolutely no language which in any way discriminates against the National Orthopaedic and Rehabilitation Hospital, either in the bill itself or in the report of the committee. There is no such language at all.

Mr. MORSE. As was pointed out in Dr. Engh's letter to me and in his report in regard to the situation as he finds it, a case has been made—and Dr. Engh makes very clear to me that he is all for these centers too—for seeking favorable consideration for an orthopedic and rehabilitation hospital in Minnesota, in connection with the University of Minnesota Medical School, and another one in New York. They are not included in the bills at all. However, as Dr. Engh's report shows, and as I learn from other information, those centers are being favorably considered in the Department of Health, Education, and Welfare. I am all for it. However, there is great concern that that may lead to a course of action which would cut off the National Orthopaedic and Rehabilitation Hospital from further assistance.

My question is this: Is it not true that the fact that there is a planned expansion of these services does not carry with it an intention that there should be any restriction of service now being rendered at the National Orthopaedic and Rehabilitation Hospital?

Mr. HILL. It is the understanding of the Senator from Alabama that the proposal for these two additional centers, one at the University of Minnesota and one at the New York University Medical College, was in addition to the existing rehabilitation centers such as the National Orthopaedic and Rehabilitation Hospital and those in other States of the Union.

Mr. MORSE. Therefore, in view of the fact that the recommendation of the Appropriations Committee, if finally approved in conference, would carry an additional $3 million, in round figures, over and above the budget request, that amount would be available for distribution in accordance with the wisdom of those who have the responsibility of distributing it, not only to these two new hospitals but also to the National Orthopaedic and Rehabilitation Hospital and to any other center which in the judgment of the Department is deserving also of some help.

Mr. HILL. The Senator is correct.

Mr. MORSE. I was going to offer an amendment, as the Senator knows, to provide an additional $500,000, to be earmarked funds for the National Orthopaedic and Rehabilitation Hospital. I spoke to the Senator about it. As he knows, I rely very heavily on him for his judgment in this field. He stressed the point that he has just made, that there is already $3 million additional over that recommended——

Mr. HILL. Over and above the budget.

Mr. MORSE. Over and above the budget. Therefore, to seek to earmark a specific amount of money for some specific hospital might very well stir up a controversy that we do not need to stir up.

Mr. HILL. The Senator is correct.

Mr. MORSE. So long as the record is perfectly clear that there is no intention in the committee report to support any phasing out of the National Orthopaedic and Rehabilitation Hospital, with my point having been made, and using the good advice of the Senator from Alabama that I could count on him to see to it that we had full consideration of this matter if the Department of Health, Education, and Welfare does not take note, with a wise reaction to the record that the Senator from Oregon has made this afternoon, I am not going to offer my amendment for $500,000. I am not going to press the matter further other than to close with this most respectful recommendation to Secretary Ribicoff, in whom I have such complete confidence, that I hope he will look at this record. I hope he will sit down and counsel with his advisory council. I hope he will counsel with those on his staff down in the department who have for some time now been treating this center as a project rather than as was intended and contemplated when the 1954 law was enacted, namely, to provide here a great experimental center, not connected with a university, not connected with a medical school, but a special center to serve the needs of the Federal civil service employees, to demonstrate that a whole community like Arlington, Va., and Alexandria, Va., can join together in supporting a community project, and to demonstrate further that if we get these disabled persons and their vocational training under the same roof in a hospital, we can do an exceptionally good job in getting them back into the economic stream at an earlier date.

I wish to say to Secretary Ribicoff from the floor of the Senate tonight: "Take a look at it. Study it very carefully. You are in charge of the Department now. It is my plea that after you have looked at the merits, you will give instructions to your staff that it is not within your plans to phase out this very fine and dramatic hospital from the standpoint of humanitarian results."

That is my advice to the Secretary of Health, Education, and Welfare.

I know him to be a very wise and dedicated public servant. I am sure he will take note of the legislative history that we have made this afternoon, and of the very much appreciated assistance that I have received from my always cooperative friend, the Senator from Alabama.

I have a question on another item of the bill. I have received a telegram from Joseph Azzarelli, of the University of Oregon, at Eugene, Oreg. It reads as follows:

PORTLAND, OREG., *July 28, 1961.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Please urge your colleagues to restore funds to cooperative research program, Office of Education. President has indicated the importance of education to national security.

JOSEPH AZZARELLI.

I note on page 14 of the committee report these two paragraphs:

The committee was not able to determine to its satisfaction what projects of real value had been undertaken and completed with the funds that have been appropriated for this program since 1957.

It will still be possible under the reduced allowance recommended by the committee to continue all projects begun in prior years and to have $1,754,000, approximately $360,000 more than the amount available in 1961, for support of new projects.

Is it the opinion of the chairman that on the basis of the evidence submitted in the hearing, this amount of money is adequate to support any program for which a good cause is shown?

Mr. HILL. That was the thought of the committee. However, I may add that the whole matter will be in conference between the House and the Senate. The higher figure of the House, which is $5,500,000, will be in conference, as will be the Senate figure of $4 million. I am certain the conferees of both Houses will examine the item most carefully and will be sympathetic to it.

Mr. MORSE. I am very glad to place Professor Azzarelli's telegram in the RECORD. I did not bring to the Senate the other communications I have received; however, I shall be glad to make them available to the Senator from Alabama if they become important. I simply wish the Senator to know that this telegram is typical, so far as it expresses the concern of those who were disappointed in the amount of money which is proposed in the committee report.

I want the Senator from Alabama to know what my reply to them, after this colloquy, will be. My reply will be that I have complete confidence in the Senator from Alabama, who will be the chairman of the Senate conferees; and that if in conference the House conferees can justify an additional sum over and above what the Senate has appropriated, I know the Senator from Alabama will see to it that the compromising procedures of a conference are put into effect, and that at least some middle ground might be reached if the facts merit it.

Mr. HILL. I think the Senator from Oregon will be justified in making that reply to Dr. Azzarelli.

Mr. MORSE. Madam President, I sincerely mean it when I say that I deeply regret that I have had to delay the Senator from Alabama for this length of time in the consideration of the bill. But, after all, our work in the Senate is to take care of what sometimes may appear to be little things. Considering the national picture, this is a small item; but considering the community involved, the patients who will be served by the hospital, and the great humanitarian principle for which I have been fighting here this afternoon, I offer no apology for the amount of time I have taken, because I know when I am behind a good cause.

I will sleep better tonight because I have fought the fight for this good cause. I hope that in the months ahead I will not be subjected to any disappointment on the part of the Department of Health, Education, and Welfare in regard to this cause.

Mr. HILL. The Senator from Oregon knows that he had many interruptions today. He was most generous and kind to his colleagues in permitting those interruptions. They took much of the time to which the Senator himself was entitled. The Senator really deprived himself of his time in order to enable his colleagues to handle matters in which they were interested.

Mr. MORSE. I thank the Senator from Alabama.

During the delivery of Mr. MORSE's speech,

Mr. MORSE. Mr. President, I have always cooperated with the majority and minority leaders. I understand that because of the time factor, it is much to be desired that the Senator from Illinois, the minority leader, gain the floor to present an amendment. I would like to offer him the opportunity to present the amendment, with the understanding that I do not permanently lose my right to the floor thereby, but that there will be this interlude in my presentation of the issue I have been discussing, and with the further understanding that after we have finished with the Senator's amendment the entire discussion of it will appear elsewhere in the RECORD and will not in any way break the continuity of the speech I am making in defense of the program of the National Orthopaedic Hospital. If I may have that unanimous consent, I will yield the floor temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I am deeply grateful to the distinguished Senator from Oregon, because there is a time factor involved. I have another matter to attend to at 4 o'clock. I am more than grateful for his kindness in yielding the floor, with the understanding that he does not lose the floor, and that the discussion of my amendment come at the conclusion of his remarks.

Mr. President, I submit an amendment for myself, Senator BRIDGES, Senator KUCHEL, and Senator MILLER.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to state the amendment.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 53, between lines 2 and 3, add the following new title:

"TITLE X—AMENDMENTS TO PUBLIC LAWS 815 AND 874

"Extension of temporary provisions of Public Law 815

"SEC. 1001. (a) The first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 633), is amended by striking out '1961' and inserting in lieu thereof '1964'.

"(b) Subsection (b) of section 14 of such Act is amended (1) by striking out '1961' each time it appears therein and inserting in lieu thereof '1964', and (2) by striking out '$40,000,000' and inserting in lieu thereof '$60,000,000'.

"(c) Paragraph (15) of section 15 of such Act is amended by striking out '1958–1959' and inserting in lieu thereof '1961–62'.

"Extension of temporary provisions of Public Law 874

"SEC. 1002. The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by striking out '1961' each time it appears in sections 2(a), 3(b), and 4(a) and inserting '1964' in lieu thereof.

"Extensions of laws to American Samoa

"SEC. 1003. (a) The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by inserting 'American Samoa,' after 'Guam,' each time it appears in sections 3(d), 6(c), and 9(8).

"(b) The Act of September 23, 1950, as amended (20 U.S.C. 631–645), is amended by inserting 'American Samoa,' after 'Guam,' in section 15 (13).

"Report of operations under these laws

"SEC. 1004. The Commissioner shall submit to the Secretary of Health, Education, and Welfare for transmission to the Congress on or before January 1, 1963, a full report of the operation of Public Laws 815 and 874, as extended by this Act, including an analysis of the relation between Federal payments under these laws and Federal payments under title I of this Act, and his recommendations as to what the future relation between these laws and that title should be if they are further extended."

Mr. DIRKSEN. Mr. President, the purpose of the amendment is to add a new title to the instant bill, which would extend for a 3-year period those laws which are commonly referred to as Public Law 815 and Public Law 874, dealing with Federal assistance to impacted areas.

We passed the general aid-to-education bill on the 25th day of May of this year, and this identical language appeared in that bill and was approved by the Senate.

There is a rather uncommon situation now pending in another body, and there is great clamor and great insistence, not only by Members of the House and of the Senate, but also by the public and by educators and by Governors of States, and other people, who have a sustained interest in this matter, that action be taken before the present session of Congress adjourns.

There is a fear that if the present situation continues to obtain in another distinguished legislative body, which under the rules I am not privileged to refer to by name, but which everyone knows, we at least ought to make an independent effort that these so-called impacted areas receive assistance in connection with schools that are maintained, where expenditures and the burdens are very substantially increased as a result of facilities being made available for children of parents who are working on Federal facilities, particularly military installations. Therefore, I hope that this amendment can be accepted, and that Members of the Senate will charitably accept the proposal, in the interest of approximately 1,375,000 schoolchildren.

Mr. MORSE. I am always delighted to accommodate my good friend from Illinois, the minority leader, and I would have yielded to him even if I had known the contents of the amendment he has offered. I did not know, however, that he would propose the particular amendment that he has proposed to the pending appropriation bill. I will have much to say about it at later hours, if necessary, but for the time being I raise the point of order that the amendment is out of order and that it is legislation on an appropriation bill.

Mr. DIRKSEN. I concede the point of order. Now I would propound a parliamentary inquiry to the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. There is language which appears in the bill on page 19 in the form of a proviso which in the judgment of the Senator from Illinois is definitely legislative in character. It is based upon a contingency, if that interpretation is correct. I would gather that therefore it would have been subject to a point of order in the first instance if the point of order had been made. Since it is carried in the bill, and since it is legislation, my inquiry would be whether that legislative provision is subject to amendment by other legislation.

The PRESIDING OFFICER. The ruling of the Chair is that any legislative language coming from the other body to the Senate on an appropriation bill is not subject to a point of order, but the provision would be open to amendment; however, all amendments must be germane. If the question of germaneness is raised, the question must be submitted to the Senate for a majority vote.

Mr. DIRKSEN. The legislative language referred to is a part of a paragraph which begins on page 18 of the pending bill under the title "Defense Educational Activities." It relates to "grants, loans, and payments under the National Defense Education Act of 1958." It deals with the whole gamut of legislation, including grants to States for supervisory and other services, grants for area vocational education, grants to States for testing, guidance, and counseling, and so forth.

It is my opinion that, generally speaking, the text of the amendment I have offered is quite in line and, therefore, germane to anything which appears in that paragraph. For the purpose of securing a ruling by the Chair, I offer the amendment with this modification: Simply to strike out the section numbers, and offer the text of the amendment, at the end of line 17, in the form of a proviso on page 17 of the instant bill.

Mr. BRIDGES. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield to the distinguished Senator from New Hampshire.

Mr. BRIDGES. Mr. President, like the distinguished minority leader, I realize full well that on many occasions I have opposed legislation on an appropriation bill. I think it is the duty of the chairman to do so when he feels that it is a factor.

In my opinion, this proposal is probably as germane as anything could be on an appropriation bill. It relates to defense education activities under the National Defense Education Act of 1958.

What we are talking about is aid to schools in impacted areas, the impaction having been caused by defense installations established in particular States, thus creating additional burdens upon the communities and the States. For that reason, in my opinion, the amendment is completely germane to the bill. It is different from the usual type of legislative amendment on an appropriation bill. I think this amendment would meet the test.

Mr. DIRKSEN. Mr. President, if I may respectfully correct a statement made by the Chair, the Chair stated that the language italicized on page 19 was House language. It is my opinion that it is Senate language that has been placed in the bill.

The PRESIDING OFFICER. It is the understanding of the Chair that that language is a committee amendment, not House language.

Mr. DIRKSEN. That is correct. It is a Senate committee amendment.

The PRESIDING OFFICER. That is correct.

Mr. DIRKSEN. The Chair indicated that it was House language. I think the record should be correctly stated, unless I misunderstand the Chair.

The PRESIDING OFFICER. Returning, first, to the point of order raised by the Senator from Oregon, the Chair sustains the point of order, understanding that it was conceded by the Senator from Illinois.

Mr. DIRKSEN. That is correct.

The PRESIDING OFFICER. In reference to the statement made previously, the Chair intended to say "If it were House language," not meaning to indicate that it was House language. The Chair now recognizes that the italicized language referred to on page 19 by the Senator from Illinois is committee language.

Mr. DIRKSEN. Mr. President, I raise a further parliamentary inquiry, so that the whole case will be before the Senate. Does the rule of germaneness apply with respect to language inserted by a Senate committee in a House bill?

The PRESIDING OFFICER. The language questioned is subject to a point of order with regard to germaneness. Since the amendment in question is a committee amendment which was among those agreed to en bloc, with the right to raise a point of order retained, a point of order could be made against the language.

Mr. DIRKSEN. Do I correctly understand the ruling of the Chair to be that because of the invocation of the rule of germaneness, this particular language of the amendment would be out of order only if the Chair found the language was not germane?

The PRESIDING OFFICER. The Senate must pass on the question of germaneness; the Chair does not pass on the question of germaneness.

Mr. DIRKSEN. Will the Chair not pass on it?

The PRESIDING OFFICER. The Chair will not pass on the question of germaneness; the Senate must pass on that question. The question must be submitted to the Senate.

Mr. DIRKSEN. Then I respectfully raise the question of germaneness so that the language may be submitted to the Senate for a determination of the question of germaneness.

The PRESIDING OFFICER. The question is, Is the language of the amendment on page 19 germane to the provision of the bill as passed by the House?

Mr. DIRKSEN. That is the proposal on which the Senate is to pass: Is the language germane?

The PRESIDING OFFICER. That is correct: Is the language germane?

Mr. DIRKSEN. Mr. President, I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, the submission of the issue to the Senate is debatable, is it not?

The PRESIDING OFFICER. Under rule XVI, clause 4, questions of germaneness should "be decided without debate," but without objection the Chair will entertain a brief discussion.

Mr. MORSE. I should like to speak briefly in my own right on the question, if that is agreeable to the Senator from Illinois.

Mr. DIRKSEN. Yes.

Mr. MORSE. On page 18, under the heading "Defense Educational Activities, for Grants, Loans, and Payments Under the National Defense Education Act of 1958," the entire section deals with the National Defense Education Act of 1958. Public Law 815 and Public Law 874 are the so-called federally impacted area laws, and are not in any way parts of the National Defense Education Act of 1958. They are separate and distinct from that act.

What is sought to be done now, I say most respectfully, is to start to add to an appropriation bill amendments and provisions definitely not germane to the appropriation bill and, in my judgment, clearly, in effect, amounting to legislation on an appropriation bill, no matter what parliamentary technicality one may resort to, to cover up that effect.

Let us face up to it. The proposal of the Senator from Illinois raises the whole educational issue for debate on the floor of the Senate in connection with an appropriation bill. In my opinion, this is not a proper vehicle for such a discussion.

Furthermore, we need to take a look at what is involved in regard to legislation for federally impacted areas. As the Senator from Illinois knows, many Senators have played a part in having the general education bill, S. 1021, retain the federally impacted area legislation as it is on the books in its continued form.

The administration was strongly opposed to the action which was taken by the Committee on Labor and Public Welfare. The administration sought to cut back rather drastically on the scope of the federally impacted areas law. I did not share the position of the administration. I have reported to the Senate that many Senators testified with respect to Public Laws 815 and 874, before the subcommittee of which I am the chairman, and that others submitted memorandums on the subject. The administration has very strong views on this question.

Mention has been made of the schoolchildren who are involved in the federally impacted areas legislation. This aid flows to school districts whose enrollments constitute about a third of the Nation's schoolchildren. Congress has an obligation, in my judgment, to give some heed to the needs of the other two-thirds of our schoolchildren, too. Let us recognize that in this type of parliamentary power play, one of the results will be to seek to take off the hook, so to speak, some Members of Congress who, in the opinion of the senior Senator from Oregon, are not fulfilling the full obligation they owe to the other two-thirds of those students.

In my opinion, this subject matter, if it is to be pressed this afternoon, will necessarily, in connection with the point of order, call for a full-dress debate on the whole education program. It is my belief that we have been making progress—much progress through conferences, negotiations, and discussions—in trying to break the logjam which has developed in connection with the whole educational problem. But I say

most earnestly that I do not think this present tactic is the approach which should be made. I think it will lead to more confusion confounded.

Therefore, Mr. President, I sincerely hope the Senate will sustain the point of order, which I join in raising—namely, that the amendment is not germane. In my judgment, the amendment is, in effect, legislation on an appropriation bill.

My last argument is that the Senate should not start to establish such a precedent. The Senate should not take action which would result in the establishment of a precedent for tying to an appropriation bill every conceivable legislative proposal that is logjammed in either one House or the other. Such a precedent would not lead to legislative orderliness; instead, it would lead to chaos.

Therefore, I sincerely hope the Senate will protect its own rules—because they are involved—and, therefore, will sustain the point of order that the amendment violates the rule of germaneness.

Mr. DIRKSEN. Mr. President, in order to comply with the rule, I resubmit the amendment at a different line—line 10—but on the same page—page 19—as a proviso, in order to validate the question of germaneness, as put to the Senate—a question which the Senate itself must now resolve.

I think I can concede in considerable degree what the distinguished Senator from Oregon has said. But I point out, as offsetting that, the following: First, what I propose to offer as an amendment was approved by the Senate on May 25, 1961, nearly 10 weeks ago. We are confronted with a difficulty that is procedural in character, not substantive; and this effort is made in an attempt to circumvent that procedural problem in the House of Representatives—if I must be frank; and there is not available any other vehicle whereby this difficulty can be met and whereby we can accede to the insistant desire of the States and the localities who are waiting for the funds that have been assured to them under the so-called impacted areas bill.

So while it might be a departure in procedure, it will not be a departure in subtsance; and it has had the approval of the Senate. Therefore, I think those put this matter in an entirely different category.

So, Mr. President, if the Chair will now submit to the Senate the issue of whether the amendment is germane, and thus can be considered, I shall leave that question to the Senate itself to decide.

Mr. BRIDGES. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Is there a sufficient second?

The yeas and nays were ordered.

Mr. MORSE. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. I think the record should be clearer than I feel it now is. If the original Dirksen amendment is legislation on an appropriation bill—and the Chair ruled that it is—then why does not that settle the issue; and why do we then have left consideration of the issue of germaneness?

The PRESIDING OFFICER. Because the amendment is now submitted to House language, which is a part of the measure before the Senate and the question of germaneness has been raised.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Pennsylvania will state it.

Mr. CLARK. Why does that have anything whatever to do with the case? Does not the Senate rule forbid legislation in an appropriation bill? Is not this bill an appropriation bill? Is not the proposed amendment legislative in nature? Therefore, what does the question of whether language has been added by the House have anything at all to do with this issue?

The PRESIDING OFFICER. Because the amendment is being submitted to House language which the Senator from Illinois deems to be legislation, and he has raised the question of germaneness, which under paragraph 4 of rule XVI must be determined by the Senate.

Mr. CLARK. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Pennsylvania will state it.

Mr. CLARK. Why has that rule anything to do with the issue before us, which is whether—and solely whether—this amendment is legislation on an appropriation bill—which the Parliamentarian admits it is. I submit that this ruling is so patently erroneous that an appeal should certainly be taken from the ruling of the Chair. Let me say, as one Member of the Senate, that I am getting a little tired of tricky parliamentary rulings which clearly defy and violate the rules—in this case, the rule that legislation may not be submitted to an appropriation bill.

Mr. DIRKSEN. Mr. President, I trust that the Senator from Pennsylvania will delete the word "tricky," because that would be a reflection on both the Chair and the Parliamentarian.

Mr. CLARK. I shall be happy to delete the word "tricky." I think the parliamentary ruling is clearly erroneous, under the rules of the Senate.

Mr. DIRKSEN. That is an entirely proper statement for the Senator from Pennsylvania to make, if that is his opinion.

The PRESIDING OFFICER. In response to the Senator from Pennsylvania, let the Chair state that the precedents of the Senate require that, under paragraph 4, of rule XVI, questions in regard to germaneness are to be submitted to the Senate itself, for its determination.

Mr. CLARK. Mr. President, a final parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Pennsylvania will state it.

Mr. CLARK. Why does the question of germaneness get into this matter at all?

The PRESIDING OFFICER. Because the Senator from Illinois raised the question of germaneness.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. As I understand the rules and the precedents, the Chair is not now in a position to make a determination in regard to the question raised by the Senator from Illinois, but that question is solely and only one for the Senate to decide.

The PRESIDING OFFICER. That is correct.

Mr. CLARK. If the Senate were to rule that the amendment was germane would a point of order lie, on the ground that the amendment was legislation on an appropriation bill?

The PRESIDING OFFICER. The amendment would then be agreed to——

Mr. CLARK. How could the amendment be agreed to, only by a vote that it was germane?

The PRESIDING OFFICER. The amendment would then be held by the Senate to be germane; and then the Senate would have before it the question of agreeing to the amendment.

Mr. CLARK. Why would not the amendment then be subject to a point of order?

The PRESIDING OFFICER. Because in that event the Senate would have voted that the amendment was germane.

Mr. CLARK. Nevertheless, the amendment would still be legislation on an appropriation bill, whether germane or not germane.

The PRESIDING OFFICER. The Chair has previously so ruled.

Mr. CLARK. Mr. President, I should like the RECORD to show that I give up.

Mr. COTTON. Mr. President, if in this country there are any persons who ever read the CONGRESSIONAL RECORD—and apparently there are those who do—I believe it will be perfectly clear to them that this situation may be one in which an earnest desire for the good of the country will be thwarted by technical, parliamentary rules of the Senate.

Solicitude has been expressed again and again in the last few years, and some of the Senators who have engaged and indulged in this present colloquy have been those who have expressed their feelings most eloquently and forcefully about the kind of Senate rules that can be raised as a bar to the Senate's working its will for the good of the American people.

Mr. President, I am somewhat surprised that, when we are endeavoring to save for the communities of this country that have been forced to face problems because of Federal installations—so-called impacted areas—a compensation they have had, and which has been recognized for years—that they should resort to technicalities in the rules to hold a club over our heads on the Federal aid to education bill.

I think a rollcall and a record, even if it is on a technicality in the rules, will be very beneficial at this time; and I hope that every Senator will have an opportunity to indicate whether he desires to save this assistance for the communities of his State or is willing to have it withheld on the principle of, "Give

us all we want or we will take away what you already have."

Mr. MANSFIELD. Mr. President, I move to table the pending motion.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. DIRKSEN. Mr. President, if the majority leader will withhold that motion for an instant, I wish the Chair would restate the question. We shall vote on the motion to table, but will the Chair state the substantive question?

The PRESIDING OFFICER. The question for the Senate to decide, as the Chair understands it, is whether or not the amendment submitted by the Senator from Illinois to the language of the bill on page 19, at line 10, is germane thereto.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. Will the Chair state what the issue is again? How can there be a motion to lay on the table the question of germaneness? I do not understand.

The PRESIDING OFFICER. Will the Senator from Massachusetts——

Mr. MANSFIELD. Mr. President, I wish to renew my request. I move to table the pending motion, and I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, will the Chair restate, for the benefit of the Senate, the amendment and what the proposition is on which the Senate would vote, a proposition which the Chair would submit to the Senate?

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana to table the question raised by the Senator from Illinois [Mr. DIRKSEN], whether or not the amendment offered by the Senator from Illinois on page 19, at line 10, is germane thereto.

Mr. DIRKSEN. So that the proposition is one submitted, under the rule, by the Chair to the Senate as to whether or not the language I offered to extend aid to the impacted areas would be germane to the language of the bill at the place indicated. On that question the distinguished majority leader moves that the Chair's submission to the Senate shall be tabled.

The PRESIDING OFFICER. That is correct. The question is to table the proposition which would dispose of the issue.

The yeas and nays have been ordered, and the clerk will call the roll——

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The absence of a quorum has been suggested.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the motion to table. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Oklahoma [Mr. KERR] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND] would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Kansas would vote "nay."

On this vote, the Senator from Oklahoma [Mr. KERR] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Maryland would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illnesss.

The Senator from Kansas [Mr. SCHOEPPEL] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from Oklahoma would vote "yea."

On this vote, the Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Kansas would vote "nay," and the Senator from New Mexico would vote "yea."

The result was announced—yeas 57, nays 37, as follows:

[No. 127]

YEAS—57

Anderson	Hartke	Monroney
Bartlett	Hayden	Morse
Bible	Hickey	Moss
Burdick	Hill	Muskie
Byrd, Va.	Humphrey	Neuberger
Byrd, W. Va.	Jackson	Pastore
Cannon	Javits	Pell
Carroll	Jordan	Proxmire
Case, N.J.	Kefauver	Randolph
Church	Long, Mo.	Robertson
Clark	Long, Hawaii	Russell
Dodd	Long, La.	Smathers
Douglas	Magnuson	Smith, Mass.
Ellender	Mansfield	Sparkman
Engle	McCarthy	Stennis
Fulbright	McClellan	Symington
Gore	McGee	Williams, N.J.
Gruening	McNamara	Yarborough
Hart	Metcalf	Young, Ohio

NAYS—37

Aiken	Dirksen	Morton
Allott	Dworshak	Mundt
Beall	Ervin	Prouty
Bennett	Fong	Saltonstall
Boggs	Goldwater	Scott
Bridges	Hickenlooper	Smith, Maine
Bush	Holland	Talmadge
Capehart	Hruska	Thurmond
Carlson	Johnston	Tower
Case, S. Dak.	Keating	Williams, Del.
Cooper	Kuchel	Young, N. Dak.
Cotton	Lausche	
Curtis	Miller	

NOT VOTING—6

Butler	Eastland	Schoeppel
Chavez	Kerr	Wiley

So Mr. MANSFIELD's motion to lay on the table was agreed to.

Mr. BRIDGES. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BRIDGES. The Senate has just gone through an unusual procedure. The parliamentary question is as follows: The Senate voted on a motion to table a proposal by the Chair to submit the question of germaneness to the Senate. Is such ruling based upon a standing rule of the Senate? If not, have there been precedents for it; and what are they?

The PRESIDING OFFICER. The ruling is based upon the provision in rule XXII, that when a question is pending, no motion shall be received, among others, but to lay on the table.

Mr. BRIDGES. Based upon rule XXII?

The PRESIDING OFFICER. Section 1 of rule XXII, which provides, among other things, that a motion to lay on the table shall be received when a question is pending.

Mr. BRIDGES. Does the ruling hold even though the question of germaneness has been submitted by the Chair to the Senate? The action is not one by an individual Senator. The question of germaneness was submitted to the Senate by the Chair, as the Presiding Officer of the Senate.

The PRESIDING OFFICER. The motion to table was directed to a point of order which had been raised, which raised the question of germaneness, which question had been submitted to the Senate, and, by virtue of the motion, laid on the table.

Mr. BRIDGES. As I understand—and I may be in error—the Chair itself submitted to the Senate as a whole the question of germaneness. This is different from a motion made by an individual Senator. It was on a motion of the Presiding Officer on the question of the germaneness of an amendment.

The PRESIDING OFFICER. The Senator is correct. The question of germaneness was the basis of the point of order. A motion to lay on the table was directed to the point of order which had as its basis the germaneness of the amendment submitted by the Senator from Illinois.

Mr. BRIDGES. The point of order was made on legislation to an appropriation bill, rather than on the question of germaneness.

Mr. SALTONSTALL. Mr. President, will the Senator from New Hampshire yield, so that I may ask a question along the same line?

Mr. BRIDGES. I yield.

Mr. SALTONSTALL. Do I understand that when the Chair submitted the question of germaneness to the Senate, the Chair was really submitting a point of order on which the Chair did not rule but asked the Senate by a vote to say either "yes" or "no" as to whether the point of order was correct? If that is true, then the motion to lay on the table might be to lay on the table the question of the point of order which the Chair has submitted in the words of germaneness. If that is true, then

the motion to lay on the table has the same foundation.

Unless the question of germaneness submitted by the Chair to the Senate as a question is submitted as a point of order, I do not see how the Senate can be sure what it is voting on. A vote to lay on the table would be the same as a vote to lay on the table the point which the Chair submitted to the Senate for minority or majority vote. Otherwise, if I, a Member of the Senate, should ask the Chair whether something is germane, and another Member of the Senate moves to lay that question on the table, how am I going to get an answer to a proper parliamentary question?

The PRESIDING OFFICER. The Senator will recall the procedure. The amendment was offered by the Senator from Illinois. A point of order was raised by the Senator from Oregon. The Senator from Illinois conceded that the point of order was proper.

Mr. DIRKSEN. If the Chair will permit me to interrupt him, it should be made clear that it was offered as a separate title at the end of the bill, to House language.

The PRESIDING OFFICER. The Senator is correct. The question then was raised whether or not it was germane to the House language.

Mr. DIRKSEN. If the Chair will indulge me again, it was then offered to the proviso on page 19 of the bill, which, in the judgment of the Senator from Illinois, is based upon a finding to be made by the Chair, and is therefore not a true limitation, and qualifies as legislation to an appropriation bill, which could be amended in the Senate.

If Senators wished to vote on the rule of germaneness, they should have voted against the motion to table. By voting for the motion to table they thereby indicated that they did not want to vote on the question of germaneness. A motion to reconsider the action of the Senate would be in order if made by a Senator who voted with the majority.

Mr. BRIDGES. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BRIDGES. Under the ruling of the Chair it is not possible, if the majority votes to table at any time any issue, for any individual Senator or a minority of Senators to get the question of germaneness raised under the Senate rules. If so, this is a serious situation.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HOLLAND. Mr. President, I voted "nay" on the motion to lay on the table, which the Senate has just adopted. My understanding of that motion is that it is tantamount to a motion to table the amendment offered by the Senator from Illinois. That amendment was to bring into the pending bill a legislative provision and appropriation which would have taken care of impacted school areas. That situation results, of course, from the fact that the Federal Government through various defense establishments and similar organizations serving the Nation has greatly stepped up the school problem of various areas.

In my own State, for instance, in one county, Okaloosa County, about half of the area of that county is taken off the tax rolls by the Eglin Field Reservation. At the same time the number of school children has doubled or more than doubled by the population that came in, both military and civilian, to serve that great air base complex.

In the Cape Canaveral area, to give another illustration, the problem is even more grave so far as the added population is concerned and its effect on the schools.

I have always regarded it as a matter of simple justice that the Federal Government should carry its part of the load when it aggravates the problem of a community, wherever it may be located in our Nation, in the way that I have suggested here, in varying degrees.

I believe that the Senate should be allowed to vote on this question of the Federal Government assuming and continuing to bear its fair part of the operation of the schools in these impacted areas, and that was the reason for my vote.

I wish I could say that we are assured of some chance to vote for impacted area legislation. However, I have seen nothing in the disposition of the able committee which is handling school matters which indicates that we are going to be able to get such an opportunity unless we amend some bill pending before the Senate to allow us to have such an opportunity.

Adding the problem of defense of impacted areas to the general problem of Federal aid to education is an effort to coerce Members of the Senate and of the House who do not wish to and will not vote for any general Federal aid to education bill to vote for it in order to get simple justice done to some of their counties under the impacted area approach.

It is for that reason that I voted as I did on the motion, and as I shall on any other proposal which offers a fair opportunity to the Members of the Senate to vote separately, that is, so far as the field of education is concerned, on this matter of simple justice of the Federal Government carrying a fair share of the burden placed upon school districts and counties by the defense effort.

Mr. DIRKSEN. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. HOLLAND. I yield.

Mr. DIRKSEN. I really have the floor.

Mr. HOLLAND. The Senator will have no problem about my yielding to him, if that is the case.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIRKSEN. The Chair has not actually ruled——

Mr. MORSE. Mr. President, a point of order. The senior Senator from Oregon has the floor. I yielded to the Senator from Illinois and the Senator from Florida.

Mr. DIRKSEN. That is correct.

Mr. HOLLAND. I came from a conference on the agriculture bill without knowing who had the floor. I merely wish to express myself on the matter covered by the Dirksen amendment. I believe I speak not only my view, but also the view of many other Senators who feel it is a matter of simple justice, not only to our communities, but to other communities throughout the Nation which are just as greatly affected, to have the opportunity to vote separately, in the field of education, on the defense impacted area problem.

Mr. DIRKSEN. Mr. President, will the distinguished Senator from Oregon yield further?

Mr. MORSE. I yield.

Mr. DIRKSEN. The Senate has been informed as to whether or not there is actually now a ruling on the germaneness of this amendment. Is it in order to request the Chair to rule on the question of germaneness?

The PRESIDING OFFICER. It is the understanding of the Chair that the question of germaneness, or whether the Senate would vote on germaneness, was determined by the Senate's vote on the motion to table.

Mr. DIRKSEN. Is it now in order to ask unanimous consent that, notwithstanding any standing rule of the Senate, the amendment submitted by the junior Senator from Illinois be considered germane and in order?

Mr. MORSE. I object.

Mr. DIRKSEN. First, that is an inquiry.

The PRESIDING OFFICER. It would be in order by unanimous consent.

Mr. DIRKSEN. I make such a request.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MORSE. Mr. President, first I wish to make certain whether the Senator from Florida has finished his remarks.

Mr. HOLLAND. I would appreciate further yielding by the Senator from Oregon.

Mr. MORSE. Mr. President, without losing my right to the floor, I yield to the distinguished Senator from Florida.

Mr. HOLLAND. I appreciate that.

Does the Senator from Ohio wish me to yield to him?

Mr. LAUSCHE. I wish to make a brief statement concerning my vote on the motion to table.

Mr. MORSE. Mr. President, without prejudicing my right to the floor, I yield to the Senator from Ohio for that purpose.

Mr. LAUSCHE. Ohio has impacted areas, where the citizenry, because of extraordinary conditions created by the Federal Government, expect that the operation of their schools will be aided under the Federal impacted areas law. Congress has placed that problem in a different category from the problem of providing aid generally for the operating of schools.

I am deeply concerned that those communities shall be given the normal

allocation of money to operate their schools. Rumor is current that any efforts to provide aid to impacted areas will be blocked, as a means of compelling passage of the general school aid bill which is now faced with difficulties in the House.

I cannot subscribe to that type of operation. I think it is wrong and ought not to be approved. It was for those reasons that I voted against the motion to table the proposal of the Senator from Illinois.

The impacted areas question is entirely separate and distinct from the question of general aid for the operation of schools. It ought to be treated separately. I take occasion to express my vigorous disapproval of the efforts to blackmail me into voting for impacted areas aid a general aid-to-education bill, to which I do not subscribe, in order to secure aid for education in federally impacted areas.

Several Senators addressed the Chair.

Mr. MORSE. Mr. President, the senior Senator from Oregon will not yield to any other Senator for a few minutes. I did not expect to make an education speech, but I am on my way.

Mr. ALLOTT. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. MORSE. I will not yield for any purpose.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The Senator from Oregon has the floor.

Mr. MORSE. Madam President, when an argument starts on the floor of the Senate about being blackmailed with regard to education legislation, I, as chairman of the Subcommittee on Education, will rise in defense of my committee and in defense of a noble leader in the Senate on the subject of education, the distinguished Senator from Alabama [Mr. HILL].

I, too, am concerned about federally impacted areas. My State has them. But there are all kinds of impacted schools throughout the country. There are the federally impacted schools and there are other kinds of schools. So far as I am concerned, I shall give some heed to impaction other than that in Federal areas. I shall consider the schoolchildren who are meeting in gymnasiums, on stages, in corridors, and in other most inadequate surroundings, for the holding of their classes, because they do not have adequate school buildings or adequate numbers of teachers or adequate financing, even though they are not located in federally impacted areas. It is time we considered the totality of the problem—not only the problem of boys and girls in our so-called federally impacted area schools, but also the boys and girls in all of the schools of the Nation. Children in other areas need to have attention given to their educational needs, too. So far as the senior Senator from Oregon is concerned, he will not draw the line of distinction that some Senators would draw on the floor of the Senate this afternoon.

Many provisions of the so-called federally impacted area legislation have died. They are no longer in the law. Parts of Public Law 817 and Public Law 874 have been extinguished. The question now reverts to the entire educational needs of the country. That is what S. 1021 is concerned with, and the Senate has passed that bill.

I would not for a moment think of casting any reflection on my colleagues in the Senate, and far be it from me to cast any reflection on any of our colleagues in the House. But the problem is not in the Senate. The Senate has passed a federally impacted aid proposal in connection with S. 1021. The House has not. I say most respectfully to the Senate that we ought to join in focusing some attention to this problem in the House. Attention ought to be called to the fact that there are thousands and thousands of school boys and girls throughout the country, not in federally impacted areas, who desperately need help. S. 1021 will give it to them.

I can speak about federally impacted areas legislation because the distinguished Senator from Pennsylvania [Mr. CLARK], whom I see rising, throughout the so-called battle with the administration, went down with me to the Department of Health, Education, and Welfare, over to the White House, then to the home of the Secretary of Health, Education, and Welfare, and back to the Department of Health, Education, and Welfare. What did we say to the administration? We said that an extension federally impacted area legislation must be made a part of S. 1021.

Mr. CLARK. Madam President, will the Senator yield for a question?

Mr. MORSE. The administration said the proposal ought to be cut back in many ways, that it ought to be eliminated in many areas. They suggested that they wanted to cut back on the program. We told the administration that its proposal to cut back on the program would not be agreed to; that we would write it back into the bill.

Mr. CLARK. Madam President, will the Senator from Oregon tell the Senate why we took that position?

Mr. MORSE. I do not wish to bore the Senate with that story, but there was a little humor connected with it. It had to do with our visit to the White House.

I asked one of the advisers, "Are you going home tonight?" He said, "Yes."

I said, "Is your wife going to get your dinner?"

He said, "Yes; she always does."

I said, "Before she gets it, you go into the kitchen and say, 'My Dear, I do not usually give you orders, but I am going to give you some tonight. My orders are that tomorrow you are to stop trading at any grocery store that offers green trading stamps.' Then see if you will get any dinner tonight."

Senators had better face up to the fact that the impacted areas legislation is the "green trading stamps" in this whole proposal. There will be protest after protest from Senator after Senator if it is cut back. I am not going to support any attempt to cut it back, because there is a need, and also because such Senators are quite mistaken, for, although the administration itself has said it was temporary legislation, and was intended to be temporary legislation, the fact is that there was no such congressional intent at all. After the late Senator Taft had first offered the proposal on the floor of the Senate, it is true that we finally came from conference with a 3-year provision. Thus it might have seemed that it was a provision for a temporary program. But that was not the case, and it is not correct to state that Senator Taft was proposing a temporary program. It was only because he was so greatly concerned about the arguments made against Federal aid to education that he said he was willing to write in a 3-year provision, with the understanding that at the end of the 3 years we would continue that law.

My point to the White House was that they were quite wrong in reaching the conclusion that it was intended to be temporary legislation. My point is that, instead, it was always intended to be effective for as long a time as there were federally impacted areas.

I carried the burden of that battle—I say to those who seem to be criticizing us this afternoon—to help provide Federal aid to impacted areas, and I shall do all I can to get such a provision into the law. But it is rather disconcerting to be confronted in the Senate, this afternoon, with a parliamentary tactic which in my judgment will only endanger the provision of Federal aid in the field of education, including such aid to federally impacted areas.

Madam President, I do not speak for anyone else; but it is my absolute conviction that the administration does not like any of the impacted part of the general aid measure. I am going to continue to fight for it; but I do not think Senators are helping the committee any, and I do not think they are helping the cause any, at least not at this stage of the session, when we are endeavoring to handle this matter, by using their parliamentary tactic this afternoon. If they wish to use it, that is perfectly all right, but I wish to disassociate myself from any attempt to blackmail anyone else in connection with this subject. All Senators are over 21 years of age and are free and able to act in accordance with their rights as adults. So far as I am concerned, I favor our negotiating with the House and conferring with the House and counseling with the House in regard to aid-to-education legislation. I think great progress is being made. But this kind of a tactic will not, in my judgment, help those negotiations and conferences to succeed.

We must work out some Federal aid-to-education legislation which will include the provision of help to federally impacted areas, and which also will be of some aid to the taxpayers in other areas. I can point out areas in the country in which the schools are most inadequate and in which the taxpayers are already so overtaxed that it would be shocking to impose a further burden on them.

Mr. HOLLAND. Madam President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. HOLLAND. I am sorry that I must return to a conference; but I wish

to make clear that it seems to me it is appropriate and germane at this time to consider the amendment of the Senator from Illinois, for the reason that this bill not only deals with education, but also deals with payments to federally impacted areas. It does not cover the whole field; but on page 17 of the bill, beginning in line 21, and continuing to line 4 on page 18; and beginning again in line 5, on page 18, and continuing through line 14, there are two provisions which apply directly to a portion of the problems of schools which are affected by the impact of Federal defense areas.

Madam President, in expressing my appreciation to the Senator from Oregon, I ask that there be printed at this point in the RECORD those two parts of the bill. I wish those portions of the bill printed at this point in the RECORD, in connection with my remarks. They show that this is appropriate and germane and that this is a fair time to include in the pending bill provisions in regard to federally impacted areas, provided the Senate believes, as I do, that this problem is of such great importance that we are justified in dealing with it fully in this bill, which already deals with it in part.

So, Madam President, I ask unanimous consent that there be printed at this point in the RECORD those two paragraphs of House bill 7035, namely, the paragraph entitled "Payments to School Districts," which begins on page 17, in line 21; and the paragraph entitled "Assistance for School Construction," which begins on page 18, in line 5.

There being no objection, the excerpts from the bill were ordered to be printed in the RECORD, as follows:

PAYMENTS TO SCHOOL DISTRICTS

For payments to local educational agencies for the maintenance and operation of schools as authorized by the Act of September 30, 1950, as amended (20 U.S.C., ch. 13), $85,700,000: *Provided*, That this appropriation shall also be available for carrying out the provisions of section 6 of such Act.

ASSISTANCE FOR SCHOOL CONSTRUCTION

For an additional amount for providing school facilities and for grants to local educational agencies in federally affected areas, as authorized by the Act of September 23, 1950, as amended (20 U.S.C., ch. 19), including not to exceed $810,000 for necessary expenses during the current fiscal year of technical services rendered by other agencies, $24,850,000, to remain available until expended: *Provided*, That no part of this appropriation shall be available for salaries or other direct expenses of the Department of Health, Education, and Welfare.

Mr. HOLLAND. Madam President, in expressing my appreciation to the Senator from Oregon, I wish to make it very plain and clear that I have not used the word "blackmail," and I did not suggest the use of such a term. So far as I know, the use of that term originated with the Senator from Oregon.

I simply restate that I have seen no manifestation of any purpose or desire on the part of the committee which is handling the educational matter or on the part of its distinguished chairman, who has worked so hard on it, to recognize separately the problem of making adequate provision for defense activity impacted schools, which I believe is a separate part of the problem and merits separate and adequate treatment.

Mr. MORSE. Madam President, I wish to state to the Senator from Florida it is my belief that the proposed amendment has no place at all in this bill, and is not germane to the bill, and, in effect, amounts to legislation on an appropriation bill. I think that is unfortunate, for we have the long-established practice of not adding legislation to an appropriation bill; and heretofore when that point has been raised, it has ended the matter.

So I think we must face the fact that the procedure followed was perfectly legitimate, within the rules, in an endeavor to accomplish a purpose outside the bill.

Mr. DIRKSEN. Madam President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. DIRKSEN. Madam President, with the indulgence of the Senate and with the indulgence of the Senator from Oregon, at this time I move that the bill be recommitted to the Appropriations Committee, with the direction that it be reported back to the Senate containing what might be referred to as the so-called Dirksen amendment, now pending.

Mr. MORSE. I am sorry I did not hear exactly the wording of the Senator's motion.

Mr. DIRKSEN. It is a motion to recommit the bill, with instructions and directions to the committee.

Mr. MORSE. The pending bill?

Mr. DIRKSEN. Yes; and to report it back with the Dirksen amendment included. My motion is that the bill be recommitted to the Appropriations Committee, with the direction and instruction to report it back to the Senate containing the Dirksen amendment.

Mr. MORSE. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Is that motion debatable?

Mr. DIRKSEN. Yes.

The PRESIDING OFFICER. A motion to recommit is debatable.

Mr. METCALF. Madam President——

Mr. MORSE. I yield to the Senator from Montana.

Mr. METCALF. Madam President, the Senator from Oregon spoke about the origin of the bill and stated that originally it was temporary legislation—for 3 years—but that it has been extended from time to time. But I think it should be made clear that the worst kind of impact, and the most serious defense activities impact, and the kind of impact that many Senators are talking about today, is dealt with in permanent legislation. The so-called category A children, whose parents both live and work on Federal property, are the subject of a permanent authorization. So, regardless of whether this impacted-areas measure is extended or not, those children will receive Federal benefits as a result of permanent legislation, because in our study of the bill we found that it deserved to be permanent legislation.

Some of the other so-called impacted-areas measures are still under study; and one of the great merits of title 2 of Senate bill 1021 is the fact that we have asked the Secretary of Health, Education, and Welfare to study this whole impact problem and to submit to us recommendations in regard to continuing this aid. The Senate can continue or can discontinue other parts of the program or other pieces of legislation; but the measure dealing with the worst impact, which we have discussed today, will continue in effect, regardless of whether this impact legislation is continued, because it is a permanent authorization.

Mr. BUSH. Madam President——

Mr. MORSE. Madam President, if I may yield without losing my right to the floor, I yield now to the Senator from Connecticut.

Mr. BUSH. I thank the Senator from Oregon.

Madam President, I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Connecticut will state it.

Mr. BUSH. Is the question now before the Senate on agreeing to the Dirksen motion to recommit the bill?

The PRESIDING OFFICER. That is correct.

Mr. BUSH. Madam President, let me state, very briefly, that I desire to support very vigorously that motion. I am very much afraid that if we do not get this impacted-areas-assistance provision into this legislation this year, the opportunity to do so will go by, and the session will end without our having done anything about it. This is a matter of very great importance in many communities, and in my State. There are several that are heavily impacted as a result of the intrusion of the Federal Government with very important work affecting the national defense.

So I respectfully urge the adoption of the Dirksen motion, and I hope the Appropriations Committee will take a broader view of this question and give us an opportunity to get impacted-area legislation before we leave Washington, which I hope will be in a month or so.

In that connection, I ask unanimous consent to have printed in the RECORD an editorial on this subject from the New York Herald Tribune of yesterday, and also two letters addressed to me bearing on the subject, one from the town of Groton and one from the New England Council.

There being no objection, the editorial and letters were ordered to be printed in the RECORD, as follows:

THE ADMINISTRATION'S DOUBLE STANDARD

Talk around Capitol Hill has it that the administration plans to force through a limited aid to education bill by tying it to the so-called impacted areas program, and bringing the combined measure to the House floor (bypassing the Rules Committee) under the Calendar Wednesday procedure.

Calendar Wednesday is one of the safeguards House rules provide against the occasional arbitrariness of the Rules Committee; it allows the chairman of a standing committee to call up a measure blocked by Rules, but action on it has to be completed that same day. With all the parliamentary delaying tactics available, this isn't always easy.

The rationale of the impacted areas program is wholly different from that of general school aid. It deserves to be taken or left on its own merits. It provides Federal aid to districts whose school problems are exacerbated by Federal actions—where Federal installations dump a flood of new children on a community, or take an unreasonable amount of land off the local tax rolls. It is, in a sense, a payment for damages.

Administration leaders see it as a handy bludgeon to make anti-general-aid Congressmen swallow their medicine. By tying the two together, they hope to whip into line some of the 318 Congressmen whose districts get impacted area aid, many of them southerners, many opposed to general Federal aid. It's a form of blackmail, unfortunately neither new nor unfamiliar to the Nation's lawmakers.

TOWN OF GROTON,
OFFICE OF TOWN MANAGER,
Poquonnock Bridge, Conn., July 24, 1961.

Hon. PRESCOTT BUSH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BUSH: As you know from our previous correspondence, the town of Groton is vitally interested in the extension of Public Laws 874 and 815. The failure of Congress to extend these laws will not only work a hardship on the people of Groton but nearly all of the people of southeastern Connecticut. In addition, it is important to the defense effort, because the operation of adequate educational services helps our defense installations and industries to attract and hold qualified employees.

The town of Groton is currently considering a $2,500,000 school construction bond issue to house this defense population and funds are needed, not only to build the buildings, but to provide the staff to operate the buildings upon their completion. Failure to extend Public Law 874 will cost the town $288,000 per year and represents a 10-percent increase in the property tax rate. Obviously voters will be reluctant to assume a 10-percent increase in property taxes and payments on a bond issue at the same time; hence the school construction program may suffer because of failure to extend Public Law 874.

We urgently request you to assist in any way possible, the favorable consideration of Senate bill 1678 as introduced by Senator BENNETT, of Utah, or H.R. 5349.

You will be interested to know, also, that in the case of Groton, failure to extend Public Law 874, will mean a revenue deficit for the current fiscal year. This deficit would cause an even further increase in next year's tax rate.

We are sure that other communities in this area will be affected in a similar way, although possibly not in as great a degree.

Thank you very much for your consideration and assistance in this matter.

Yours very truly,

JAMES A. ZEPPIERI,
Chairman, Federal State Legislative Committee Town Council.

HORACE L. BARNUM,
Mayor.

ALFRED S. HARDING,
Town Manager.

THE NEW ENGLAND COUNCIL.

(A policy statement by the New England Council with regard to Public Law 815 and Public Law 874)

The council urges the extension of the impacted area (Public Law 815 and Public Law 874) aid formulas at their current rate. The impacted area program was created in order to care for added costs incurred by the Federal activities involved in lieu of local taxes which Federal activities do not provide. There is no reason to believe that the relationships involved will be altered by general aid-to-education if enacted, therefore, separate consideration for this special problem is not only desirable but necessary.

Funds allotted to New England in fiscal 1960

	Public Law 815 (construction)	Public Law 874 (operation)
Connecticut	$361,000	$1,505,000
Maine	368,000	1,401,000
Massachusetts	573,000	4,769,000
New Hampshire	0	1,035,000
Rhode Island	242,000	1,608,000
Vermont	0	65,000
Total	1,544,000	10,383,000

Mr. MANSFIELD. Madam President, will the Senator yield?

Mr. MORSE. I yield to the majority leader.

Mr. MANSFIELD. We have discussed the bill pretty thoroughly for nigh on to 3 days. I think we are going off on a tangent at the present time, and I must confess surprise when I hear statements made about blackmail, alarms, rumors, and what not, because, it is news to me. I think we ought to consider the bill before us. Why, after all these months, should we seriously entertain a motion to recommit the bill, after all the time, effort, blood, sweat, and tears that have been put on it? I had hoped we had gone far enough. I had hoped we could suspend at about 6 o'clock tonight and go home at a reasonable hour. There is still a chance to do so.

I serve notice, in spite of all the wild talk and rumors that have been floating around for about an hour and a half, that after Senators have an opportunity to say all they want to say, I shall again make a motion to table.

Mr. DIRKSEN. Madam President, I ask for the yeas and nays on the motion to table.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. MORSE. Madam President, I never like to hold the floor when I know there is another subject to be discussed at some length. It puts me in the position of appearing to parcel out time on the floor. I have no desire to do so.

I will therefore yield once more in order for a Senator to submit a conference report, let him obtain the floor, and then I shall yield the floor.

I would like permission to yield to the Senator from Nevada [Mr. BIBLE], who has a conference report. With that, I yield the floor.

ESTABLISHMENT OF CAPE COD NATIONAL SEASHORE PARK—CONFERENCE REPORT

Mr. BIBLE. Madam President, I appreciate the generous courtesy of the distinguished Senator from Oregon. This is a privileged matter. I understand the House of Representatives has agreed to the conference report on Senate bill 857, to provide for the establishment of Cape Cod National Seashore Park.

The official papers have been transmitted to the Senate. I therefore ask that the conference report, which is signed by the conferees on the part of the House and by four of the five conferees on the part of the Senate, be called up, and I ask for its immediate consideration.

The PRESIDING OFFICER. Will the Senator send the report to the desk?

Mr. BIBLE. A moment ago I checked with the Parliamentarian, Mr. Riddick, at the desk and found the report was there. It is on Senate bill 857.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of today.)

Mr. BIBLE. Madam President, I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ALLOTT. Madam President, will the Senator yield?

Mr. BIBLE. I yield to the Senator from Colorado.

Mr. ALLOTT. I want the RECORD to show that although my name is not on the conference report, because I was not present at the last meeting of the conference committee, I wholeheartedly concur in the conference report.

Mr. BIBLE. I am very happy to have the RECORD reflect that statement. The Senator from Colorado was most helpful.

Madam President, I ask that the Senate agree to the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2311) to authorize additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

Mr. CASE of South Dakota. Madam President, I wish to address myself to the subject of education aid for impacted areas. The fact that I believe this problem ought to be considered by the Senate is evidenced by the fact that yesterday I introduced S. 2352, a bill to extend for 3 years the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas, and to provide for the application of such laws to American Samoa. The bill was referred to the Committee on Labor and Public Welfare.

I shall not make a speech at this time on the merits of that legislation. I think a great majority of the Senate believes that what has come to be known as Public Laws 815 and 874 should be extended.

Consequently, consistent with that belief, I shall vote to support the motion made by the Senator from Illinois to recommit the bill, and shall vote against any motion to table the motion to recommit.

With respect to the point of order question that arose a little while ago, the Senator from South Dakota is of the opinion that the motion to table the question of relevancy was not in order.

The PRESIDING OFFICER. The motion before the Senate is a motion to recommit.

Mr. CASE of South Dakota. I understand that, but I am going back to the action that was taken a while ago.

The Senator from South Dakota is of the opinion that, had a point of order been raised when the Senator from Montana moved to table the question of relevancy, the Chair would have been obliged to sustain the point of order against the motion to table.

The Senator from Colorado has been conferring with the Senator from South Dakota, and we both underlined a portion of rule XVI which we think ought to be brought to the attention of the Senate at this time, so that there may be some discussion of it in the RECORD on this date.

Clause 4 of rule XVI reads:

> No amendment which proposes general legislation shall be received to any general appropriation bill, nor shall any amendment not germane or relevant to the subject matter contained in the bill be received; nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto; nor shall any restriction on the expenditure of the funds appropriated which proposes a limitation not authorized by law be received if such restriction is to take effect or cease to be effective upon the happening of a contingency.

The next phrase is the one to which I wish to draw particular attention—

> and all questions of relevancy of amendments under this rule, when raised, shall be submitted to the Senate and be decided without debate; and any such amendment or restriction to a general appropriation bill may be laid on the table without prejudice to the bill.

The Senator from South Dakota is of the opinion that when the rule says: "all questions of relevancy of amendments under this rule, when raised, shall be submitted to the Senate and be decided without debate" it means exactly what it says. It does not contemplate the interposition of a motion to table.

Mr. ALLOTT. Madam President, will the Senator yield?

Mr. CASE of South Dakota. I will yield in a moment.

This goes to the point raised by the Senator from New Hampshire as to the kind of precedent which may have been established this afternoon. The Senator from South Dakota suggests that no precedent has been established, except that a question arose as to which a point of order might have been raised, and the point of order was not raised. Since the point of order was not raised, the Senate proceeded to vote upon the question of tabling. If the Senate proceeds to do something which is out of order, or which could be ruled to be out of order if a point of order were raised, that is all that happens—the Senate has proceeded without any Senator raising a point of order.

Mr. MORSE. Madam President, will the Senator yield?

Mr. CASE of South Dakota. In this instance, apparently, no point of order was raised with respect to the motion to table.

Mr. MORSE. Madam President, will the Senator yield?

Mr. CASE of South Dakota. I will yield in a moment. Earlier I promised to yield to the Senator from Colorado [Mr. ALLOTT]. Then I shall be glad to yield to the Senator from Oregon. I yield now to the Senator from Colorado.

Mr. ALLOTT. Madam President, I am also very concerned about the procedure this afternoon under the Senate rules. I understood the situation a little differently. I was absent at the moment, but I had understood that a point of order was raised. It does not make too much difference, in my opinion, as to the point to which the Senator from South Dakota and the Senator from Colorado are speaking.

The Presiding Officer a while ago, in putting the question to the Senate, cited rule XXII. Rule XXII, in paragraph 1, provides:

> When a question is pending, no motion shall be received but—
>
> To adjourn.
>
> To adjourn to a day certain, or that when the Senate adjourn it shall be to a day certain.
>
> To take a recess.

And so on; and then:

> To lay on the table.

That would be all right, and without any other language in the rules I would assume that, if the question of germaneness were raised, a motion to lay on the table would be in order, were it not for rule XVI, to which the Senator from South Dakota has referred. This is a very peculiar clause of subsection No. 4 of rule XVI, which says:

> All questions of relevancy of amendments under this rule, when raised, shall be submitted to the Senate.

When the rule states "shall be submitted to the Senate" it means they shall be submitted to the Senate. If the writers of the rule had meant that the questions could be laid on the table they would have so said. What did they say? They said, further, "and"—they did not say "but." They said, "and any such amendment or restriction to a general appropriation bill may be laid on the table without prejudice to the bill."

So the amendment offered by the Senator from Illinois was subject to a motion to lay on the table but, by the wording of rule XVI, paragraph 4, it is explicit that there was no intention by the makers of the rule to provide that this question could be laid on the table.

Mr. CASE of South Dakota. That is, that the question of relevancy could be laid on the table.

Mr. ALLOTT. That the question of relevancy or germaneness could be laid on the table. The amendment itself was subject to a motion to lay on the table, but the question of relevancy or germaneness could not be laid on the table. If the writers of the rule had meant to do so, they could have so provided in the rule. They provided specifically that the question must be submitted directly to the Senate and then, to show their intent, they provided specifically that the amendment could be laid on the table by saying, "and any such amendment or restriction to a general appropriation bill may be laid on the table without prejudice to the bill."

I do not know what is the situation, but in my opinion we have taken an action this afternoon which is wholly out of accord with the rules of the Senate. I think it may become a source of serious trouble to us in the future.

I thank the Senator from South Dakota for yielding to me.

Mr. CASE of South Dakota. Madam President, I will yield to the Senator from Oregon in just a moment.

Again I wish to assert that, so far as the Senator from South Dakota is concerned, he is of the opinion that no precedent was created because, so far as he knows, there was no challenge to the motion to lay on the table. If the motion to lay on the table had been challenged by a point of order, and a record had been made against that point of order, a precedent might have been created. In the absence of the raising of a point of order, no adverse precedent was created.

I now yield to the Senator from Oregon.

Mr. MORSE. I am sorry, for I am not sure I heard all of what the Senator from South Dakota said, and therefore I am not sure exactly to what point of order the Senator referred. I say to the Senator from South Dakota that the RECORD tomorrow will show that the senior Senator from Oregon raised a point of order as to the germaneness of the amendment of the Senator from Illinois.

As to the point which the Senator makes in regard to precedent, I wish to say that whatever action was taken by the Senate this afternoon, it was a precedent. For any Senator to say that it is not a precedent, in my judgment, would have no binding effect on the record of the Senate with regard to precedents.

Mr. CASE of South Dakota. Madam President, let us clarify the sequence for a moment.

When the Senator from Illinois offered the amendment, the Senator from Oregon clearly was within his rights in raising the question of germaneness. It was an amendment to an appropriation bill. The question of relevancy could be raised. The Senator from Oregon apparently raised that question. He was within his rights in raising that question.

The Senator having raised that question, rule XVI, clause 4, came into operation, or should have come into operation, for it provides: "and all questions of relevancy of amendments under this rule, when raised, shall be submitted

to the Senate and be decided without debate."

The Senator from South Dakota said it was at that point that the Senator from Montana moved to table the submission of the question of relevancy. When the Senator from South Dakota believes that a point of order could have been raised at that point as to whether or not the motion to table could be made against the question of relevancy which was in the process of being submitted to the Senate.

A motion to table is not always in order. In the excellent volume, "Senate Procedure," written by the Parliamentarian, Charles L. Watkins and the Assistant Parliamentarian, Floyd M. Riddick, at page 575, a series of examples are cited as to when a motion to table is not in order. A motion to table is not automatically always in order. The precedents cited in the book, "Senate Procedure," note:

A motion to lay on the table a pending proposition is not in order by one Senator when another has the floor, or has a right to the floor; nor is it in order to move to lay on the table a motion by another Senator to take up a bill after the latter Senator has been again recognized.

Again:

Where a Senator in possession of the floor yields to another for a question only, the Senator yielded to cannot make a motion to lay on the table a motion to reconsider.

Again:

When a motion to reconsider the vote by which the Senate took an action is entered while other business is pending before the Senate, including a motion to consider, or after other business intervenes after the Senate takes such action, a motion to lay on the table the motion to reconsider that action at that time is not in order.

Again:

A motion to lay on the table a motion to reconsider the vote on the passage of a bill is not in order where such motion to reconsider is not before the Senate for consideration, unless unanimous consent is granted for that purpose, nor is such a motion in order while another matter or business is pending.

Again:

A motion to lay an amendment on the table is not in order while a viva voce vote is being taken thereon.

Again:

Under a unimous consent agreement limiting debate on amendments to a bill, a motion to lay an amendment on the table is out of order.

Again:

Under a unanimous consent agreement limiting debate upon the part of each Senator to one speech of not exceeding 5 minutes on any amendment, a motion to lay all the proposed amendments on the table is not in order.

Again:

Under a unanimous consent agreement providing for a vote on a specified day upon a bill through the regular parliamentary stages to its final disposition, a motion to lay such bill upon the table is not in order as not being a final disposition thereof.

Madam President, in many instances the precedents support the proposition that a motion to lay on the table is not always in order. I am merely making this statement for purposes of whoever may review the RECORD and be interested in the parliamentary procedure. It is the opinion of the Senator from South Dakota that the motion to lay on the table the question of relevancy, while voted upon this afternoon by the Senate, was out of order. The ruling could have been challenged at the time. It is still possible for any Senator who voted to table that motion, or who was not present when the vote was taken, to move to reconsider the motion to table the question of relevancy.

Mr. CASE of New Jersey. Madam President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from New Jersey.

Mr. CASE of New Jersey. Will the Senator from South Dakota tell me if my understanding is correct that the question of relevancy raised by the Senator from Oregon [Mr. MORSE] was in the nature of a point of order to the amendment offered by the Senator from Illinois [Mr. DIRKSEN]?

Mr. CASE of South Dakota. The Senator from South Dakota was not present at the time the question arose, but the Senator from South Dakota understood the Senator from Oregon to say that he, the Senator from Oregon, raised the question of relevancy against the amendment offered by the Senator from Illinois.

Mr. CASE of New Jersey. I wonder if we may have the attention of the Senator from Oregon to see if we can clear up this question. Would the Senator from Oregon be good enough to answer the Senator from New Jersey as to whether he is correct in his understanding that the Senator from Oregon raised the point of order with respect to the amendment of the Senator from Illinois on the ground of germaneness?

Mr. MORSE. I did.

Mr. CASE of New Jersey. So a point of order had been made, which was submitted by the Chair to the Senate as a whole.

Mr. CASE of South Dakota. Under rule XVI, which provides that the question of relevancy, when raised on an amendment on an appropriation bill, shall be submitted to the Senate.

Mr. CASE of New Jersey. Regardless of the question of contesting the suggestion of the Senator from South Dakota that the action of the Senate was a nullity——

Mr. CASE of South Dakota. No; the Senator from South Dakota has not contended that the action was a nullity.

Mr. CASE of New Jersey. Insofar as the action being precedent creating is concerned, without going into that question, will the Senator from South Dakota state whether he believes the Senator from New Jersey is correct in suggesting that what the Senate voted upon was a motion to table a point of order, so that when the Senate voted, it voted affirmatively on that motion; is that correct?

Mr. CASE of South Dakota. Yes, without the question of the validity of the action being raised.

Mr. CASE of New Jersey. Yes, but apart from that point, the situation, as the Senator from New Jersey understands, is that the Senate has voted to table the point of order. Therefore the point of order was rejected by the Senate, and therefore the amendment of the Senator from Illinois is before the Senate.

Mr. CASE of South Dakota. Though that may be the opinion of the Senator from New Jersey, it is not the opinion of the Senator from South Dakota.

Mr. CASE of New Jersey. The Senator from New Jersey would appreciate an explanation of why, when the Senate voted to table the ruling on the question of relevancy, the point of order was not rejected?

Mr. CASE of South Dakota. What the Senate did in voting to table the question of relevancy——

Mr. CASE of New Jersey. It was a point of order.

Mr. CASE of South Dakota. Let me review this question a little further. The Senator from New Jersey has raised an interesting question at that point.

Mr. CASE of New Jersey. The point was suggested to me. I did not think of it myself.

Mr. CASE of South Dakota. The question would then be whether the Senate has passed the point of return in going back to that question in view of the transaction of other business since that time. The Senate has proceeded to act upon other business presented by the Senator from Nevada. The Senate has now pending before it a motion by the Senator from Illinois to recommit the pending bill. The door may have been closed to the situation suggested by the Senator from New Jersey. But the point that the Senator from South Dakota sought to make against the interpretation of a precedent that might have been created is that the fact that a rule of the Senate is violated does not of itself create a precedent, and the rule can be again violated unless some Senator, in the second instance, should raise the question of a point of order.

Mr. CASE of New Jersey. The Senator from New Jersey was not attempting to question that point or express any opinion on the issue which the Senator from South Dakota has raised. He was only trying to find out what we had done. I believe that the Senator from New Jersey has elicited the information.

Mr. CASE of South Dakota. The Senator from New Jersey has suggested a very interesting point. The Senator from South Dakota is willing to yield to the Senator from New Jersey, if he wishes to submit to the Parliamentarian the question of whether we have passed the point of return on the question of whether or not the question of relevancy had been tabled, thereby restoring the pendency of the original motion by the Senator from Illinois.

Mr. CASE of New Jersey. The Senator from New Jersey will be brief, but he appreciates the opportunity.

I therefore address a parliamentary inquiry to the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of New Jersey. I ask the Chair whether the effect of the vote on

the motion to table was to reject the point of order.

The PRESIDING OFFICER. The previous occupant of the chair ruled that the Senate had ruled that the question was out of order and not germane.

The present occupant of the chair sustains the ruling of the previous occupant of the chair.

Mr. CASE of New Jersey. I thank the Chair. Will the Chair repeat what the previous occupant of the chair ruled?

Mr. MANSFIELD. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. I stated that I intend to offer a motion to table the motion of the Senator from Illinois. I said I would do so after a reasonable amount of debate had been had on the subject. I had hoped that we would consider the wishes of Senators, and bring the question to a head so that we could decide the question one way or another.

The PRESIDING OFFICER. The previous occupant of the chair ruled that the Senate had sustained the point that the motion was not germane.

Mr. CASE of South Dakota. Madam President, I yield to the Senator from Wisconsin.

AMENDMENT TO H.R. 7851, THE DEFENSE APPROPRIATION BILL

Mr. PROXMIRE. Madam President, I wish to speak on a subject that has nothing to do with the pending parliamentary discussion, but I have been waiting 2½ hours to offer an amendment. It will take me only 2½ minutes to do so.

Mr. CASE of South Dakota. Madam President, the Senator from South Dakota yields the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

Mr. PROXMIRE. Madam President, it is my understanding the Senate will consider the defense appropriation bill tomorrow. I submit an amendment to H.R. 7851, the defense appropriation bill.

My amendment would strike $525 million for B–52 and B–58 manned bombers which the administration has said emphatically and repeatedly it does not want or need.

Responding to my request for his views in the light of the Berlin crisis, Secretary McNamara has sent me a letter which I received last night in which he writes:

I repeat my previously stated opinion that it is not necessary for the Congress to appropriate funds in fiscal year 1962 above administration requests for B–52 and B–58 bombers. Inherent in this is my belief that the production of B–52's and B–58's is already adequately "protected" for the period of time involved in our further study of the bomber concept.

Previous appropriations enable us to plan on a very high bomber inventory through the mid-1960's. In the operational inventory we will have over 700 B–52's and B–58's at the end of fiscal year 1966. Should it be decided later to maintain this level of heavy bomber aircraft beyond fiscal year 1966, the request for appropriations can be made several years from now.

No man has a better grasp of our overall defense needs than Secretary McNamara.

After detailed analysis, he has firmly concluded that our present high bomber inventory is sufficient. He says that the possibility that more will be needed is "remote," and that in any case, a further decision on this can wait until "mid-1963."

The administration has just requested an additional $3,454,600,000 for defense purposes, making a total increase of $5,759,924,000 over the estimates submitted last January.

The Appropriations Committees of both Houses have approved the increases, which will greatly strengthen our military capability, especially in conventional non-nuclear warfare.

This large spending boost underscores the need to make certain every dollar is spent on basic essentials.

These bombers are an important part of our defense arsenal, and will remain so through the 1960's. By no stretch of the imagination would my amendment downgrade their key role.

But Secretary McNamara, in the plainest possible language, has reaffirmed that present production plans for these bombers are adequate.

Therefore I am supporting the administration's careful estimates of our defense needs by offering my amendment to eliminate $525 million beyond budget requests for B–52's and B–58's.

I ask unanimous consent to have printed in the RECORD at this point a letter which I have received from the Secretary of Defense, Mr. McNamara, under date of August 1; my letter to the Secretary of Defense under date of July 28; and an article published in Harper's magazine entitled "McNamara and His Enemies."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., August 1, 1961.

Hon. WILLIAM PROXMIRE,
U.S. Senate.

DEAR SENATOR PROXMIRE: In reply to your letter of July 28, I repeat my previously stated opinion that it is not necessary for the Congress to appropriate funds in fiscal year 1962 above administration requests for B–52 and B–58 bombers. Inherent in this is my belief that the production of B–52's and B–58's is already adequately protected for the period of time involved in our further study of the bomber concept.

Previous appropriations enable us to plan on a very high bomber inventory through the mid-1960's. In the operational inventory we will have over 700 B–52's and B–58's at the end of fiscal year 1966. Should it be decided later to maintain this level of heavy bomber aircraft beyond fiscal year 1966, the request for appropriations can be made several years from now. There appears to be no need to make such a decision before mid-1963 at the earliest. The risk involved in delaying the decision is not one to the security of the Nation, but solely a financial risk fully justified by the remoteness of the possibility of having to exercise the option and pay the restart cost penalty.

Should an eventuality develop requiring us to reinstitute the B–52 production lines, we can, for example, do so in mid-1963 and produce for delivery during the period 1965–67. A recent survey shows that in mid-1963 the personnel strength at the Boeing-Wichita airframe fabrication and assembly plant will not have been reduced below 9,400. With respect to the B–52's Pratt & Whitney engine, the TF–33–7 turbofan engine for the new C–141, and the JT3D–2–4 turbofans which are being retrofitted into jet airliners have the same parts configuration as the B–52 engine. In fact, all are fabricated in one general machine shop and are mingled in the assembly line. There is no change in facilities anticipated at Pratt & Whitney during this period and the tools will not be deactivated.

Should a decision be made in mid-1963 to commence production of B–52H aircraft, Boeing's present production leadtime of 15 months would be extended an additional 12.5 months. Aircraft deliveries would start in October 1965. Although current engine and bomb-navigation system delivery lead times would also slip, they would still fit well within the airframe fabrication and assembly leadtime of 27.5 months. The total restart costs would amount to approximately $245 million.

For the reasons outlined above, it is my conclusion that it is not necessary to make appropriations in fiscal year 1962 for the continued production of heavy bombers.

I hope that this information is responsive to your inquiry.

Sincerely,

ROBERT S. MCNAMARA.

JULY 28, 1961.

The Honorable ROBERT MCNAMARA,
Secretary of the Department of Defense, Washington, D.C.

DEAR MR. SECRETARY: The President's request for additional defense appropriations emphasizes the importance of achieving maximum effective military strength for each dollar spent. Pertinent to this is the proposed appropriation of $525 million above administration requests for B–52 and B–58 bombers.

It is my understanding that you recommended that these funds not be provided for manned bombers this year, pending further study of the bomber concept and its place in our overall defenses.

Testimony at the House Appropriations hearings indicated that production of these planes will continue until August and October 1962, with no further action by Congress. At the same hearings it was stated that $100 million for each of these bombers would "protect" production beyond those dates, pending a future decision on their role.

I would like to know the present position of the administration in this subject. Do you recommend that $525 million be appropriated for manned bombers at this time? Do you believe that production of B–52's and B–58's needs to be protected now pending your Department's reappraisal?

Since these appropriations are expected to be before the Senate very soon, I would appreciate an immediate reply.

Sincerely,

WILLIAM PROXMIRE.

MCNAMARA AND HIS ENEMIES

(By Joseph Kraft)

(NOTE.—For the first time in years, a Secretary of Defense is really running the Pentagon with a vigor and decisiveness that have dazzled some military men, infuriated others. He has won the first skirmishes, but his battle is far from over.)

One of the issues in the 1959 congressional hearings on the defense budget concerned a choice between two nearly identical projects for knocking down enemy planes. Defense Secretary Neil McElroy acknowledged that he had not made up his mind, and indicated some complex technical questions were involved. He told the Congress:

"As far as I am concerned, it would not bother me if you held our feet to the fire and forced us to make a choice."

One of the issues in the 1961 hearings on the defense budget concerned a decision to strike from the Air Force estimates a project for a nuclear-propelled aircraft. In the midst of a long and highly technical discussion, a Congressman gently implied that Defense Secretary Robert McNamara had not been able to give the matter personal attention. By the time the Secretary got the floor back, the imputation had been muted, and he could have lobbed the ball back or let it go entirely. Instead he gave it the hard, overhead smash. He told the Congress:

"I am not accustomed to making recommendations on matters affecting the life of this Nation without personally investigating them to the fullest extent."

The contrast in those two attitudes toward decision—the one passive, not to say reluctant; the other active, not to say eager—exemplifies in little a vast change that has come over the Pentagon. Mr. McNamara, a management-control man from way back, has been moving with systematic determination to impose a coherent, pragmatic logic over the whole Defense Establishment. Backed by a small group of civilian aids, he has forced the pace relentlessly in matters of personnel, procedure, weapons systems, and general strategic doctrine. To some he has become the hero of the new administration. "For the first time," a Pentagon civilian claims, "we have a Secretary who takes questions of national defense as a personal responsibility."

Inevitably, however, the Secretary has penetrated deep into fields once reserved for the military. He has barked shins throughout the country's polity and economy. A stream of complaints has flowed from the armed services and their friends and clients. CARL VINSON, the powerful chairman of the House Armed Services Committee, has semipublicly warned the Secretary against abridging the independence of the services and their Secretaries. Virtually the whole press has joined in criticizing McNamara for what the Washington Post has called "The Closed Door Policy of the Defense Department." Blue suits and brown alike have charged that, as the Army, Navy, Air Force Journal put it, "the professional military leadership of the Nation is being short-circuited in the current decisionmaking process at the Pentagon." "A Japanese general who got a query like this," one officer has said of one of the Secretary's brisker memos, "would commit suicide."

So far no concerted attack has been mounted on McNamara, and it cannot even be said that a general issue has been squarely joined. He has not lost a major decision, and in the skirmishing he is ahead on points. But in this kind of fight the purpose of the opposition is like the purpose of the opposition to French premiers in the days before De Gaulle. The aim is not to score a knockout. It is to create a sense of frustration and weakness that ultimately makes compromise and concession inevitable.

KNOWING THE ALTERNATIVES

In February, March, and April of 1924, the magazine, Management and Administration, carried a series of articles written by Donaldson Brown, a Du Pont and General Motors executive, and entitled "Pricing Policy in Relation to Financial Control." They told the story of how central management, that is to say Du Pont, had established a tight rein over the farflung General Motors divisions. They taught the lesson that in the management of huge and complex organizations, the traditional reliance on experience and intuition was not sufficient. Additionally there had to be: deliberate analysis of all functions; formulation of alternate ways of doing the same thing; and an explicit choice made among the alternatives—if possible on the basis of numerical data. Management control, Brown wrote, involves "a manifestation of the principles on which any measure or course of action is based, having regard to both the ends aimed at and the measures used to arrive at them."

Though the articles attracted little public attention, they stirred enduring interest among professional students of administration—notably at the Harvard Business School. There in the late 1930's, the articles became known to a bright young Californian who came to learn and stayed to teach. He was Robert Strange McNamara.

Ever since then, McNamara has been weighing, testing, refining, and applying the doctrine of management control. He has been a company man par excellence, repeatedly coming in from the wings to establish the authority of central management over widely dispersed operations. As an officer in World War II, he helped establish a system of statistical control that made it easier for the Air Force to keep track of procurement activities spread out in thousands of plants across the country. As a junior executive, before becoming comptroller and then in 1960 president, he helped the Ford Motor Co. develop a cost-accounting system that coordinated production, purchasing, and investment with sales.

The emphasis on management control sets McNamara apart from the other successful men of business (the bankers, Robert Lovett and James Forrestal, the corporation lawyers, Thomas Gates and Louis Johnson, the industrialists, Charles Wilson and Neil McElroy) who have preceded him as Defense Secretary. It is the guideline of his career, and he has made it the ruling principle at the Pentagon. As he puts it:

"I see my position here as being that of a leader, not a judge. I'm here to originate and stimulate new ideas and programs, not just to referee arguments and harmonize interests. Using deliberate analysis to force alternative programs to the surface and then making explicit choices among them is fundamental."

As a walking advertisement for active management, McNamara knows few peers. Youthful (44) and vigorous (a skier and mountain climber), he works from 7 to 7, 6 days a week, and generally puts in a few hours on Sunday. Speed is a special forte: his rule is to make his own decisions within 7 days, and he has jolted Pentagon staffs with requests for answers within days on complex issues (the future of the aircraft carrier, for example) that they have been arguing about for years. A bug for figures, he once asked a group trying to analyze the specially messy problem of limited war to put tabular boxes in their report even if they couldn't come up with the numbers to fill them: "That way we'll know what we're looking for and can't find." His search for alternatives, in particular, is systematic. "In the old days," a Pentagon scientific adviser recalls, "we'd sometimes have a recommendation kicked back with a request for alternatives. McNamara won't even look at a thing unless the alternatives are there."

In matters of decision, the Secretary is mindful of the value of hedging and of what he calls putting the decision ahead of me. "He always wants to know," one assistant says, "what the penalty is for failure." He was barely in office when he decided that he would put off for at least a year a decision on unifying the services. At about the same time he explicitly concluded that until he got more experience, he would defer on matters of foreign policy to Dean Rusk and the State Department.

As a nay-sayer, the Secretary can be formidable. Despite pressure from the President, he rejected two political suggestions for appointment: Franklin D. Roosevelt, Jr. as Secretary of the Navy; and Joseph Keenan of the AFL–CIO as Assistant Secretary of Defense for Manpower. Despite great administration emphasis on the need to be able to fight limited wars, despite enormous pressure from the Army for more men, despite a green light from the White House and the Congress on appropriations, the Secretary is still not convinced that the appropriate way to use limited-war strength has been found, and he has recommended only slight increases in the forces—and those chiefly in the Marines.

On the yea-saying end of the decision business, he is hardly an enthusiast. But he walks fast toward meetings about a fighter plane that can be used for all three services. A glint comes into his eye when he speaks of an Army plan for speeding up the readiness of Reserve units. Nothing, moreover, seems to dull his interest. "I never seem to be put off by technical problems of law, or finance, or engineering," he once confided to an associate. "He doesn't know much about painting or literature," one of the few Washington hostesses who has been able to bag the Secretary asserts. "But he really cares. He bounces into the room, and you have the impression he wants to talk to everyone about everything."

By good luck or wise choice (McNamara unabashedly claims the latter and shows a thick personnel card file to back the claim), the Secretary has surrounded himself with persons who—while coming from different backgrounds and having different interests—share his immediate purpose. Of particular help have been the various public and private groups which have been bending their backs over defense problems outside the Pentagon. They afford a reservoir of experienced men who in the nature of their jobs had been searching for alternatives to the traditional ways of the Defense Department and the services. From the group that prepared the Rockefeller Bros. Fund report on defense, McNamara chose his Deputy Secretary, the lawyer, Roswell Gilpatric. From the Livermore Laboratory he took his Director of Research and Engineering, the physicist, Harold Brown. From the Rand Corp. he took his Comptroller, the economist, Charles Hitch. From the Johns Hopkins Foreign Policy Research Center he took his Assistant Secretary for International Security Affairs, the banker and former Government official, Paul Nitze. From the Senate Preparedness Subcommittee he took his General Counsel, the lawyer, Cyrus Vance.

Though some components, notably Nitze's ISA staff—which follows some State Department procedures—have fitted awkwardly, common purpose has worn away individual bias to an astonishing degree. As a former Assistant and Under Secretary, Mr. Gilpatric, for example, had been known as an Air Force man. But despite Air Force reservations, he has been one of the sturdy proponents of the triservice fighter plane. In testimony to a congressional committee last March he could have been McNamara himself: "We don't believe that important decisions * * * can be deferred pending attempts to work out a modus vivendi which will be satisfactory to everybody."

McNamara and his band were hardly in place before they began busting open problems for decision. As a first step, the Secretary named task forces, headed by members of his civilian staff and including important service representation, to study four problems that covered the whole range of Pentagon responsibilities: nuclear war; limited war; research and development; installations and logistics. The task force reports, among other things, identified major subproblems within each area. To tackle these, the Secretary has sent out over a hundred major requests for information and recommendations. The inquiry about the uses of the aircraft carrier is a typical example. Another asked for comments on a plan to merge the Army's Strategic Army Corps with the Air Force Tactical Air Command in a single limited-war unit. Still a third, of more grandiose proportions, called

for "a draft memorandum revising the basic national-security policies and assumptions including the assumptions relating to 'counterforce strikes' (nuclear attack on an enemy's military forces) and the initiation of the use of tactical atomic weapons."

THE PRIME REQUISITE

On the basis of the replies, McNamara has been making decisions at a pace unknown in the peacetime annals of the Pentagon. A whole range of actions flowed from the finding of the nuclear war study that the prime requisite was protection of America's deterrent power against a surprise Soviet attack. In keeping with that emphasis, the Secretary recommended to the Congress: a 50-percent increase, to be achieved by 1964, in the Polaris submarine force—which can be dispersed and concealed in the seas; a 100-percent increase, to be achieved by 1968, in the production capacity for Minuteman missiles—which can be protected and, to some extent, hidden underground; a 50-percent increase in the number of bombers which can be got off the ground on 15 minutes' notice; a $50 million increase in the Skybolt missiles to be fired from attacking bombers; a $60 million increase in the Midas warning system. Because of the step-up in Polaris and Minuteman strength, he canceled out orders for two squadrons of a larger and more costly long-range missile, the Titan II, scratching that rather than the more vulnerable Atlas, because the latter was much further along in production and would fill the gap until the Polaris and Minuteman are ready.

Limited war studies are still in the works. One version, several inches thick, was boiled down by the Secretary himself to a list of questions only three-quarters of a page long. Even so, the exercise has already indicated that the problem lies less in the number of troops available, than in getting them to the right place at the right time. To this end the Secretary has already recommended a 75-percent increase in the airlift capacity of the Military Air Transport Service; an increase of 15,000 men in the Marine Corps and 5,000 in the Army; and a reshaping of the Reserve organization designed to make available two Reserve divisions on 3 weeks' notice.

The research and development report spotlighted several major programs that were either in duplication with other projects or proceeding so slowly as to be of dubious worth when completed. The Secretary canceled entirely the expensive program for a nuclear-powered aircraft. In the expectation of developing a triservice fighter, he also canceled out, at an immediate saving of $58 million, a program for a new Navy fighter—the Eagle-Missileer. In what may be his most controversial decision, he hedged on the B–70 long-range supersonic bomber. He maintained the project at the development stage, thus keeping open the option for eventual production. But he held off on advance toward the production stage on the ground that production costs would run into the billions while even at the earliest production date, missiles might make the plane obsolescent.

The logistics and installations report uncovered 73 installations (52 in this country, 21 abroad) that were surplus to the needs of the Defense Establishment. The Secretary has ordered them closed down He has also set up for the first time in the Pentagon an Office of Economic Adjustment to ease the impact of the closings on hard-hit communities and, if possible, to find constructive uses for the abandoned facilities.

"A QUICK FIX"

In addition to these operational decisions, the Secretary has been working out important procedural changes with General Counsel Vance and Comptroller Hitch. Under Vance, there has been set up an Office of Organization and Management Planning. It has a general mission to hunt out organizational changes apt to improve efficiency. For example, it is looking at the idea of placing each major weapon system under a single project boss—the method followed by the Navy in developing the Polaris. It is also considering the possibility of consolidating functions that all three services perform independently—intelligence, for example.

Hitch has been given the green light for two proposals outlined in his much-discussed book "The Economics of Defense in the Nuclear Age." He is putting into effect within the Department the so-called performance budget. Gone are the days of only considering service estimates piecemeal in terms of personnel, procurement, construction, etc. Now the requests are also grouped into major categories that relate to military purposes, or what Hitch calls end-product missions. Thus, there is one major category for the nuclear deterrent, followed by a listing of all the different elements, and their costs, that contribute to the deterrent strength. Hitch argues that "officials can make more perceptive judgments about the importance to the Nation of these missions than they can make about" such items as personnel which could be used for anything.

He has also established a programing office that, among other things, should end the old practice of fitting defense estimates to arbitrary budget ceilings. In the past, the military would make plans—involving billions of dollars spent over many years—without reference to the money that was available. To hold them in bounds, previous administrations established dollar ceilings, and ordered the military to cut their requests accordingly. The result was stretch out, cutback, and the punishing annual clash between military men and budgeteers that was so prominent a feature of the Eisenhower years.

Through the programing office, Hitch plans to associate budgeteers with the military men early in the planning phase. A rough price tag will be put on all projects, not only for 1 year, but for the lifetime of the project and including development, production, and operating expenses. In that way the military planners will be obliged to consider the financial implications of what they do at all times. "We want," Hitch puts it, "to introduce cost considerations at the right time—when the decisions are first made * * * and not later in the cycle during the hectic stages of some annual budget review."

In looking back over what has been done, the Secretary emphasizes that it is only a first installment—"a quick fix," in Pentagon argot. He also acknowledges that "the changes are not minor." On that there is no argument. Only something major could have called forth, as the McNamara program has, the defense establishment's immense, multiform, deep, and abiding capacity to resist.

FRIENDS OF STANDPAT

Three days before he left the White House, President Eisenhower issued a portentous warning to the Nation. His farewell address spoke of the "conjunction of an immense military establishment and a large arms industry." It said:

"The total influence—economic, political, even spiritual—is felt in every city, every State house, every office of the Federal Government. * * * We must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military industrial complex."

Numerical evidence for that argument is impressive. The armed services, at the heart of the complex, include 2.5 million uniformed personnel. More than a million civilians work directly for the Defense Department. Between 3 and 4 million people support their families on earnings from defense contractors. Half the national budget and about a twelfth of the gross national product go into defense expenditures. A hundred of the Nation's biggest and most powerful companies, many of them entirely dependent upon defense business, do more than $15 billion worth of annual business with the Defense Department. Dozens of major communities depend on defense business and installations for taxes, local commerce, real estate values, and employment and union activities. In Los Angeles, for example, more than half the jobs come, directly or indirectly, from defense business.

It is dubious—highly dubious—whether the complex as a whole has the cohesion or singleness of purpose to enforce its will on the Nation in any major issue. A strong case can be made that the pluralism of the system—the separateness of the armed services, the spread of defense business and installations—is an almost absolute surety against undue influence of a positive kind. But the whole complex shares, and feels intimately, the experience of life in an age of rapidly changing technology. Each of the constituent elements—and that includes the flyers of the B–70 as much as its makers; the Corps of Engineers as much as the PX manager; the battleship admirals as much as the shipyard workers—lives in the shadow of obsolescence. They are constantly on guard against changes that, rightly or wrongly, they consider a threat. Potentially, they are all Luddites.

The professional military men, moreover, are conspicuous for dedication to the service of the Nation. They are familiar with the country's military posture, and with the deadly menace of potential enemies. They believe strongly and sincerely in what they are doing, and in what their units and services are doing. To fight for these is, to them, a matter of simple, patriotic duty. And they possess, apart from the footdragging powers native to all bureaucracies, enormous resources in the press, the Congress, and the general area of public debate.

The press is important because it provides a way for the military to vent their views without the risk of public identification and counterargument entailed in congressional testimony. A large segment of the press—the professional military journals and the trade magazines catering to defense industry—start off with a friendly bias. More general newspapers tend to line up with the military because the leaks staff officers can supply are usually more intriguing (to reporters, editors, and readers alike) than the official handouts of the Defense Department. A clampdown on leaks, moreover, is especially perilous. It bands the reporters and the military together in embattled defense of the freedom of information—a subject as dear to the press as theoretical argument is to Talmudic scholars, and often with about the same relevance to reality.

The Congress, of course, is heavy with Members who are quite properly concerned to look after the interests of their constituents. Thousands of people in the Fort Worth area represented by Congressman JAMES WRIGHT, of Texas, work in the Convair plant that produces the B–58. If he wants to be reelected it is a good thing for Mr. WRIGHT to be known—as he is—as the "Congressman from Convair." The North American plants which produce the B–70 affect the whole Los Angeles area. Representatives EDGAR HIESTAND and CLYDE DOYLE, from California, are not exactly skeptical about the B–70. The Electrical Workers Union in Brooklyn is concerned lest members be thrown out of work by the closing of the Navy yard there. So, unsurprisingly, is Representative EMANUEL CELLER. The Griffiss Airbase and Army Arsenal in Rome, N.Y., are important sources of jobs in a depressed area. SAM STRATTON, the Congressman from that district, is one of the most intelligent young

men in the Congress. But he is at a little less than his best when it comes to authorizing Titan missiles that might swell the workforce at Griffiss. And so it goes, up and down the length and breadth of the country.

In addition, there are the private ties of Congressmen and Senators with one or another of the services. Twoscore legislators hold Reserve commissions—six of them as general—while hundreds served in wartime. Senator PAUL DOUGLAS, of Illinois, a veteran of Peleliu and Okinawa, gets misty eyed when the Marines come into question. Representative JAMES G. FULTON, of Pennsylvania, is pushing the comedy of understatement to extremes when he says: "I have been a Navy man so I may be a little prejudiced." When he is not asking that Polaris submarines be named after vessels in the Confederate Navy, Senator STROM THURMOND, of South Carolina, a brigadier in the Army Reserve, can be found fighting the Army's legislative battles—notably on behalf of the Nike-Zeus antimissile missile.

Even more important are the vested interests of senior legislators holding strategic committee posts. Mr. CARL VINSON, of Georgia, the chairman of the House Armed Services Committee, was elected to the House in 1914. He has been chairman of the committee since its inception back in 1947—and of the House Naval Affairs Committee for 15 years before that. He knows the inside and outside of military budgeteering as few men. But he also has a host of friends in the services. His post affords him immense patronage. It is not an accident that Georgia is so heavily laden with bases that, as an Air Force officer once put it, "one more would sink the State." (Georgia has eight airbases, five Army forts, including the huge Infantry camp of Fort Benning, and six other installations.) Neither is it an accident that no one has ever accused Mr. VINSON of being a wild-eyed advocate of change. He likes things pretty much as they are.

What lends special force to the standpatters is that they have available for use a collection of talking points, half-truths, empty generalities, and red herrings that would fill any arsenal in the country. The so-called great debates of the past have not turned on square, or even soluble issues. On the contrary they have raised such questions as security versus freedom of the press; military discipline versus the right of the Congress to know; civilian versus military authority; military versus budgetary needs. These are precisely the kind of questions that effective, free societies have traditionally declined to settle—for the very good reason that they cannot be finally settled. The predictable result of such general debates as the admirals' revolt of 1949 is all that their promoters could wish for: a heating up of tempers, ending in a confirmation of things as they were. The great debate on matters of principle, in short, is the ultimate weapon of those who would stand pat with the old system.

The McNamara program, of course, poses a severe challenge to the old system. By its explicit choices on weapons systems and on bases, it runs athwart a wide variety of constituency, contractors, and service interests. In the congressional hearings, the expected resistance came from the expected sources. Senator THURMOND, with encouragement from Army spokesmen, proposed a larger appropriation for the Nike-Zeus system. Congressman STRATTON, arguing that the Titan was an invulnerable missile, moved for an increase of $25 million to provide for the restoration of the two Titan II missile squadrons that were dropped out by the Department. Congressman WRIGHT, in a special appearance as a witness before the House Armed Services Committee pressed for two more wings of the B–58—the best bomber we have. On the nuclear plane, one of its prime congressional advocates served up to Gen. Thomas White, Chief of Air Staff, a soft ball, obviously meant to be batted out of the park. This was the exchange:

"Question. In other words, General, you don't think of a nuclear powered plane as a 'gimmick'?

"Answer. No, sir."

Still all matters of weapon choice posed square issues, and Secretary McNamara could argue to the facts. The great body of the Congress was obviously impressed by his presentations. Senator RICHARD RUSSELL, veteran chairman of the Senate Armed Services Committee, told the Secretary:

"I have been listening to statements from officials of the Department of Defense now for almost 30 years * * * and I have never heard one that was clearer, more definitive, and yet more comprehensive than the statement that you have given to this committee."

In committee, the Secretary won every trick but one. The Congress was not convinced by his arguments that by 1970 it would be safe to rely entirely on missile strength, and it has voted $500 million more than the Secretary sought for B–52 bombers. Even that loss can be erased. The administration can, and probably will, refuse to use the money.

What the Secretary does, however, has not been put into question nearly so much as the way he does it. In particular, though the military personnel cannot voice the feeling openly, it is clear that they resent the intrusion of the Secretary and his staff deep into the field of military plans. One general, speaking with obvious sarcasm, told a House committee:

"We read every day about how fortunate we are to have the civilian competency which is being brought into the Government, and as a simple military man I accept these profound decisions as being made in great wisdom."

In similar vein another general declared he was speaking "from the relatively limited point of view of * * * an aviator of more than 35 years' service in flying." The Army, Navy, Air Force Journal, obviously sniping at the academic background of McNamara's staff, has run a fable demonstrating what would happen if a general took over a university and began meddling in the curriculum. According to one very well-informed Pentagon correspondent, Lloyd Norman, of Newsweek, the brass has been meeting outside the building to keep clear of the civilian leadership. "I wish," one philosophic general, speaking privately of bygone civilian bosses, candidly acknowledges, "we had those dumb bastards back again."

Such feelings provide the stuff of great debates, and preliminary maneuvers have already given Secretary McNamara more than a whiff of the grapeshot. Two cases in point are the affair of the Rusk memo and the affair of the Lemnitzer protest.

The affair of the Rusk memo began on February 15, when Secretary of State Rusk sent to Secretary McNamara a memo setting out general foreign-policy requirements for American military power. Among other things, he reiterated the need to have a strong nuclear force available for deterrent purposes, notably in Europe. Some circles of the Air Force, however, sensed in the administration emphasis on limited warfare a trend that might have the effect of favoring the Army and clipping Air Force wings. In the Rusk memo they saw a chance to publicize these fears, and win for their position the backing of the European allies. On February 27, a leaked but badly distorted version of the Rusk memo appeared in the Washington Star. Among other things, it implied that Secretary Rusk favored abandonment of the nuclear deterrent in Europe. The European allies immediately questioned the State Department which denied the story, saying it exemplified "an irresponsible and reckless attitude." Secretary McNamara instituted an investigation of the leak.

A great mass of circumstantial evidence—though not clear proof—pointed to an Air Force officer. He was relieved of his Pentagon duties and posted to the field. "The military," as the London Economist put it, "reacted with an old tactic—overzealousness in carrying out orders." Even on innocuous stories, news sources all over the Pentagon began clamming up. The press immediately went to work on Secretary McNamara. Stories critical of his information policies appeared on the wire services and all the major dailies. An Associated Press story of May 13, for example, acknowledged the need to stop security leaks, and then hauled out one of the press's oldest and most sophistical generalizations:

"There are many people who insist that not enough information has been published. This argument goes that if the American public had been informed of the Nation's true military posture, we would not now be short of airlift and sealift, missiles, and military manpower."

A grudging truce was called only when Secretary McNamara, at a press conference on May 26, issued a statement of information policy. This was how the New York Herald Tribune reported the event:

"Secretary of Defense Robert S. McNamara shows signs of coming out of his cocoon. * * * After nearly 4 months of isolation and silence, the emerging chrysalis displayed itself at a press conference yesterday."

At the same time there occurred, or, more accurately, there was dragged out, the Lemnitzer affair. It turned on a decision by the Secretary to vest primary responsibility for research and development in space with the Air Force. The directive was an extension of a previous order giving the Air Force responsibility for space boosters. It was worked up by a study group under General Counsel Vance, which included three uniformed representatives of the services, and which consulted extensively over a period of 17 days with service and technical personnel in the Pentagon. A draft was sent to Secretary McNamara on February 23. Next day he sent it out for comment by March 2 to the service Secretaries and Chiefs, and to Gen. Lyman Lemnitzer, Chairman of the Joint Chiefs. On the basis of the comments, notably General Lemnitzer's, the Secretary revised the directive, to assure that the Army and Navy would keep the space projects presently in the works, and that they would have the right to a hearing on any future space projects they felt fitted specially into their bailiwick. On March 8, the directive was issued.

Four days later, on the basis of what was apparently a Navy leak, the Chicago Sun-Times carried an account of General Lemnitzer's comments on the draft directive. It indicated correctly that he had voiced misgivings about the content of the draft and about having to comment so swiftly, and that he had indicated a preference for consultation of the Joint Chiefs as a body, rather than individually by service. But it did not indicate that his comments pertained to the draft, and that some had been acted upon in the final directive. On the contrary, the story gave the impression that the comments applied to the directive, and that General Lemnitzer was questioning the authority of the Secretary. The lead of the story said:

"The Chairman of the Joint Chiefs of Staff has protested officially that the Nation's leading military men are being edged out of crucial military decisions in the Kennedy administration.

The Defense Department immediately issued a corrective on the story. But the stir attracted the attention of OVERTON BROOKS, chairman of the House Committee on Sci-

ence and Astronautics, who is worried and rightly, that the Air Force may gobble up the civilian space agency. Mr. BROOKS called hearings.

That the directive in itself harbored no threat to the civilian space agency was speedily made clear. For the rest, the 5 days of hearings were a forum of discontent. The service Secretaries were brought under pressure to show that they were doing their stuff for their respective services. This, for example was one of the exchanges with Navy Secretary John Connally:

"Question. Am I correct in assuming the Navy resisted this directive?

"Answer. I would not use the word 'resist,' but we resisted it."

One uniformed research chief had a chance to stake the claim that, without space, the scientific talent in his service would "atrophy on the vine." The committee chairman noted "the difficulty in obtaining the attendance at these hearings * * * of the Secretary of Defense," as well as "a certain foot-dragging in making available the military witnesses. * * *" Besides finding an entree for congressional wit ("You should change the name of the Air Force because there is no air in space"), Congressman JAMES FULTON opened up a fetching blind alley of infinite length. "You must define to me where space begins," he told Deputy Secretary Gilpatric. "Where does it begin?"

Only with the appearance of General Lemnitzer did the cackling cease—and then speedily. He could not ask, he said, for "better working relationships" with his civilian superiors in the Department: "I am constantly consulted. I see them on a daily basis and many times a day on some occasions."

The issue of the directive, he settled in two words. This was the exchange:

"Question. Then I understand from what you say that you are supporting the directive?

"Answer. I am."

UNDULY SURPRISED?

On balance it is clear that the Secretary has come off reasonably well. He has gained a good grasp of his subject. He has demonstrated a rare strength in dealing with the military. He has emerged virtually unscathed from direct challenges to specific recommendations. On the larger political issues, he has at least held his own.

At the same time, important weaknesses are apparent. McNamara has been slow to consult congressional leaders before, rather than after decisions are made known. He has been unduly surprised by the political storms kicked up by issues barren of real content. In dealing with the press, he has not learned how to Hagertyize: the technique of pouring out a flood of innocuous information to the dual end of first keeping reporters busy and next rendering them grateful to the source of such abundant news. An artless belief in the powers of persuasion seems to affect at least some of his staff. "If I know more than anybody else," one aide has said, "then I'll be able to impose my views."

All these problems may seem minor. But while they remain unmastered, the Secretary will be vulnerable. For the story of McNamara and his enemies is only beginning.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

Mr. KUCHEL. Madam President, pending before the Senate is a motion to recommit the pending appropriation bill to the Committee on Appropriations with instructions to that committee to write into its provisions an amendment continuing aid to impacted school districts in America for 3 additional years.

I shall support that motion. I say that as one who earlier this year voted with enthusiasm for the general aid to education bill. That bill had within its terms a provision to continue Federal aid to the 4,000 impacted school districts in America for an additional 3 years. Thus, a moral obligation of the Federal Government would continue to be met. This year and last year the Senate passed school legislation, only to find that by a parliamentary procedure available in the other body, all aid to education legislation went down the drain. We are told that this will happen again this year. Some people greet this announcement with glee; so do some of our colleagues in the Congress.

Let the RECORD show that when the Senate passed the general aid to education bill, that bill by its terms sought to continue aid to federally impacted schools for 3 additional years. Over the last decade hundreds of millions of dollars have gone from the Federal Treasury into the 4,000 school districts in America. They have gone into school construction as well as operation and maintenance and the payment of salaries in those 4,000 districts. Where children of military and civilian personnel working in defense installations, paying no school taxes whatever, are given some assistance by the Government of the United States, it is the local homeowner who is spared the unfair burden of paying for the education of children whose parents do not pay an equivalent tax.

In one school district in California 96 percent of the children attending the schools of that school district are the children of good, sound, solid Americans, some wearing uniforms and some working as civilians for the Government. They, most of them, pay not one penny of property taxes of any kind or character. With impacted school legislation being allowed to expire, the people who will support 96 percent of the schoolchildren in that district are the people who own homes in that district, and who will be required, by increasing their property taxes, to raise the amount which they already contribute to their particular school district.

In my State, to use it as an example, people who own homes and who own real property will be required to tax themselves an additional $40 million in order to meet the broken commitment and the broken promise of the Government of the United States.

I repeat that I voted for the general education bill, but I say to the Senate that it will make a tragic mistake if it fails, through parliamentary and constitutional means, to write into this legislation a continuation of the program that will discharge the honorable commitment of the Federal Government which it has honorably met for the last decade and more. I hope very much the Senate will approve the motion before us.

Mr. METCALF. Mr. President, will the Senator yield for a question?

Mr. KUCHEL. I yield.

Mr. METCALF. In the district the Senator describes, do the parents who live on the military base work on a military base?

Mr. KUCHEL. We have both kinds.

Mr. METCALF. In that instance, we have permanent legislation and do not need an extension of that legislation.

Mr. KUCHEL. Class A students are provided for. We are speaking about class B children. Aid to districts based on class B students has expired. My plea is for aid for class B children who make up 75 percent of the school districts which are impacted across the land.

Mr. METCALF. I am not informed as to the exact division. I will ask the Secretary of Health, Education, and Welfare for that information.

Mr. MANSFIELD. Madam President, I move to table the motion of the Senator from Illinois [Mr. DIRKSEN]. I ask for the yeas and nays.

Mr. BUSH. Madam President, will the Senator withhold that motion for a moment?

Mr. MANSFIELD. I will withhold the motion for a minute and a half provided the yeas and nays are ordered on my motion.

The yeas and nays were ordered.

Mr. BUSH. Madam President, I send an amendment to the desk and ask that it be read.

Mr. RUSSELL. No amendment is in order until the motion to table has been disposed of.

Mr. MANSFIELD. Under the circumstances, I suggest that the roll be called.

Mr. BUSH. I withdraw my amendment.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. KUCHEL. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD] to lay on the table the motion of the Senator from Illinois [Mr. DIRKSEN].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from West Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Michigan [Mr. HART], the Senator from Oklahoma [Mr. KERR], the Senator from Wyoming [Mr. MCGEE], and the Senator from West Virginia [Mr. RANDOLPH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from West Virginia [Mr. RANDOLPH] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from West Virginia would vote "yea," and the Senator from Maryland would vote "nay."

I further announce that, if present and voting, the Senator from West Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Michigan [Mr. HART], the Senator from Oklahoma [Mr. KERR], and the Senator from Wyoming [Mr. MCGEE] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from West Virginia [Mr. RANDOLPH]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from West Virginia would vote "yea."

The result was announced—yeas 51, nays 40, as follows:

[No. 128]

YEAS—51

Anderson	Hartke	Monroney
Bartlett	Hayden	Morse
Bible	Hickey	Moss
Burdick	Hill	Muskie
Byrd, Va.	Humphrey	Neuberger
Cannon	Jackson	Pastore
Carroll	Javits	Pell
Case, N.J.	Kefauver	Proxmire
Church	Long, Mo.	Robertson
Clark	Long, Hawaii	Smathers
Dodd	Long, La.	Smith, Mass.
Douglas	Magnuson	Sparkman
Ellender	Mansfield	Stennis
Engle	McCarthy	Symington
Fulbright	McClellan	Williams, N.J.
Gore	McNamara	Yarborough
Gruening	Metcalf	Young, Ohio

NAYS—40

Aiken	Dworshak	Mundt
Allott	Ervin	Prouty
Beall	Fong	Russell
Bennett	Goldwater	Saltonstall
Boggs	Hickenlooper	Schoeppel
Bridges	Holland	Scott
Bush	Hruska	Smith, Maine
Capehart	Johnston	Talmadge
Carlson	Jordan	Thurmond
Case, S. Dak.	Keating	Tower
Cooper	Kuchel	Williams, Del.
Cotton	Lausche	Young, N. Dak.
Curtis	Miller	
Dirksen	Morton	

NOT VOTING—9

Butler	Eastland	McGee
Byrd, W. Va.	Hart	Randolph
Chavez	Kerr	Wiley

So Mr. MANSFIELD's motion to lay on the table Mr. DIRKSEN's motion to recommit the bill with instructions was agreed to.

Mr. DIRKSEN. First, Madam President, with the indulgence of the Senator from Oregon, who would normally have the floor, I should like to ask the majority leader about the program for the rest of the evening, whether any more record votes are anticipated, whether he has determined at what hour the Senate will convene tomorrow, and what the program tomorrow will be.

Mr. MANSFIELD. Madam President, as regards the question of whether there will be further record votes this evening, the Senator from Illinois is asking the wrong person, because at 20 minutes past 1 today, I thought the Senate had finished voting for today; but since then there have been two votes, thanks to the cooperation of our Republican colleagues.

So I hesitate to state whether there will be any more record votes today. But I express the hope that there will be no further record votes this evening.

I understand that the Senator from Connecticut [Mr. BUSH] has an amendment which is acceptable to the committee.

I understand that the Senator from Oregon wishes to carry on, with the chairman of the committee, a colloquy which they hope will be quite fruitful.

I hope no more record votes will be had before the question comes on the passage of the bill. However, any Senator, whenever he may wish to do so, is at liberty to request that the yeas and nays be ordered on some amendment; and no doubt many Senators would join in such a request.

However, in view of the fact that many Senators have important engagements today, I express the hope that there will be no further yea-and-nay votes this evening. However, Senators should not take my word for it.

It is the intention, following final action on the pending measure, to have Calendar No. 628, House bill 7851, the appropriation bill for the Department of Defense, taken up.

ORDER FOR ADJOURNMENT UNTIL 10:30 A.M. TOMORROW—LEGISLATIVE PROGRAM

Mr. MANSFIELD. Madam President, I ask unanimous consent that when the Senate concludes its business today, it adjourn until tomorrow, at 10:30 a.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

MR. DIRKSEN. Madam President, let me ask whether the chairman of the committee intends to request a yea-and-nay vote on the question of passage of the pending bill.

Mr. HILL. I do not.

Mr. MANSFIELD. Then, Madam President, under the circumstances, and in view of the hopes which have been expressed by both the minority leader and myself, it seems reasonably certain—but not absolutely certain—that there will be no further yea-and-nay votes tonight.

As I have stated, it is the intention to have the Department of Defense appropriation bill taken up by the Senate tomorrow; and after that bill, it is the intention of the leadership—and this has been discussed with the minority leader—to have the foreign aid bill laid before the Senate.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2311) to authorize additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes, and it was signed by the President pro tempore.

NOTICE OF MOTION TO SUSPEND PARAGRAPH 4 OF RULE XVI DURING CONSIDERATION OF DEPARTMENT OF DEFENSE APPROPRIATION BILL

Mr. DIRKSEN. Madam President, at this time I yield to the Senator from South Dakota [Mr. MUNDT].

Mr. MUNDT. Madam President, in accordance with the standing rule of the Senate, and as a member of the Appropriations Committee, I hereby give notice in writing that it is my intention to move that paragraph 4 of rule XVI be suspended during the consideration of Calendar No. 628, House bill 7851, the Department of Defense appropriation bill, which the majority leader has stated will be before the Senate tomorrow, so that I may submit an amendment intended to be proposed by me, on behalf of myself, the Senator from Illinois [Mr. DIRKSEN], the Senator from New Hampshire [Mr. BRIDGES], the Senator from California [Mr. KUCHEL], the Senator from Florida [Mr. HOLLAND], the Senator from Iowa [Mr. MILLER], and the Senator from Texas [Mr. TOWER], namely, on page 48, between lines 13 and 14, to insert the amendment which I now send to the desk; and I ask that the notice and the amendment be printed, so the Senate will be properly informed in advance that this amendment will be offered tomorrow. The amendment will then be offered in accordance with the Senate rule, and the Senate will have a chance to debate and discuss the matter of providing aid to impacted areas, at a time when the Senate is debating the Department of Defense appropriation bill, a part of which helps to stimulate this need and to make it greater. I hope the Senate will then be able to debate the question without any parliamentary intrigue or without emotion, and will be be able fairly and dispassionately to consider the matter of providing aid to these impacted areas.

Mr. DIRKSEN. Madam President, I understand that the Senator from South Dakota is now filing a notice, in accordance with the rule, of his intention to move to suspend paragraph 4 of rule XVI, with respect to legislation on an appropriation bill—as we have attempted to do today.

Mr. MUNDT. That is correct; and I am giving this notice 24 hours in advance, as required by the rule.

THE PRESIDING OFFICER. The notice will be received, printed, printed in the RECORD, and will lie on the table.

The notice presented by Mr. MUNDT is as follows:

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENTS TO DEPARTMENT OF DEFENSE APPROPRIATION BILL

Mr. MUNDT (on behalf of himself, and Senators DIRKSEN, BRIDGES, KUCHEL, HOLLAND,

MILLER, and TOWER), submitted the following notice in writing:

"In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes the following amendment, namely:

" 'On page 48, after line 13, insert the following amendment, namely:

" ' "TITLE VII—AMENDMENTS TO PUBLIC LAWS 815 AND 874

" ' "*Extension of temporary provisions of Public Law 815*

" ' "SEC. 701. (a) The first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 633), is amended by striking out '1961' and inserting in lieu thereof '1964'.

" ' "(b) Subsection (b) of section 14 of such Act is amended (1) by striking out '1961' each time it appears therein and inserting in lieu thereof '1964', and (2) by striking out '$40,000,000' and inserting in lieu thereof '$60,000,000'.

" ' "(c) Paragraph (15) of section 15 of such Act is amended by striking out '1958–1959' and inserting in lieu thereof '1961–1962'.

" ' "*Extension of temporary provisions of Public Law 874*

" ' "SEC. 702. The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by striking out '1961' each time it appears in sections 2(a), 3(b), and 4(a) and inserting '1964' in lieu thereof.

" ' "*Extensions of laws to American Samoa*

" ' "SEC. 703. (a) The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by inserting 'American Samoa,' after 'Guam,' each time it appears in sections 3(d), 6(c), and 9(a).

" ' "(b) The Act of September 23, 1950, as amended (20 U.S.C. 631–645), is amended by inserting 'American Samoa,' after 'Guam,' in section 15 (13).

" ' "*Report of operations under these laws*

" ' "SEC. 704. The Commissioner shall submit to the Secretary of Health, Education, and Welfare for transmission to the Congress on or before January 1, 1963, a full report of the operation of Public Laws 815 and 874, as extended by this Act, including an analysis of the relation between Federal payments under these laws and Federal payments under title I of this Act, and his recommendations as to what the future relation between these laws and that title should be if they are further extended." ' "

Mr. MUNDT (for himself, Mr. DIRKSEN, Mr. BRIDGES, Mr. KUCHEL, Mr. HOLLAND, Mr. MILLER, and Mr. TOWER) also submitted an amendment, intended to be proposed by them, jointly, to House bill 7851, making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

ORDER FOR CONSIDERATION OF DEPARTMENT OF DEFENSE APPROPRIATION BILL

Mr. MANSFIELD. Madam President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. Madam President, I ask unanimous consent that when the Senate conclude its action on the pending bill (H.R. 7035) making appropriations for the Departments of Labor and Health, Education, and Welfare, Calendar 628, House bill 7851, the Department of Defense appropriation bill, be made the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

Mr. DIRKSEN. Madam President, at this time I yield to the Senator from Connecticut.

Mr. BUSH. Madam President, I offer, and send to the desk, an amendment which I think can be disposed of in 2 or 3 minutes. I ask that the amendment be read. I submit the amendment in behalf of myself, the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. On page 53, between lines 2 and 3, it is proposed to insert the following new section:

SEC. 905. None of the funds made available by this Act to research grantees shall be available for the purpose of paying entertainment expenses in connection with meetings or conferences arranged by the grantees in furtherance of the purposes of the grant including expenditures for alcoholic beverages.

Mr. BUSH. Madam President, I propose this amendment to assure that the funds we appropriate today to the Department of Health, Education, and Welfare will be used only for the vital needs of medical research to benefit all Americans.

It has come to my attention that a report of an investigation by the House Committee on Government Operations disclosed that certain grant funds, supposed to support medical research, were used for entertainment expenses. This is absolutely shocking when we think of the vital need we have for such funds to foster medical research designed to improve the Nation's health. The House report went on to say on page 41:

With respect to the actual use of conference grants, in a few instances the committee found that the grantees reported substantial expenditures for entertainment, which is clearly in violation of NIH's stated policy. In one case, which the committee does not think typical, the grantee reported expending $3,500 for a ballet concert, as well as additional grant money for other forms of entertainment.

Mr. HILL and Mr. MORSE addressed the Chair.

Mr. BUSH. I have not finished my statement, but I yield to the chairman of the subcommittee.

Mr. HILL. I was about to say that we will take the amendment to conference.

Mr. MORSE. Madam President, it is subject to debate in the Senate. The amendment cannot be taken to conference without approval of the Senate.

Mr. BUSH. May I complete my statement? It will take only about half a minute.

The report, perhaps wisely, did not describe the so-called other forms of entertainment. The entertainment items were subsequently disallowed by NIH auditors, but the grantee was allowed to substitute other expenditure receipts and therefore did not lose 1 cent of the grant.

As I stated in this Chamber yesterday, I have long been an advocate of appropriations for research involving the health services. I shall continue to advocate such programs. However, I believe it is also my responsibility to try to halt any practice which may impede possible achievements in health research. I therefore urge the Senate to adopt this amendment.

Mr. MORSE. Madam President, will the Senator yield?

Mr. BUSH. I yield.

Mr. MORSE. I am sorry I was not able to hear all the Senator said. I am not sure I heard the Senator correctly. Is the purpose of the amendment which the Senator from Connecticut proposes to prohibit the expenditure of some of these grant funds for entertainment purposes, including the purchase of alcoholic liquors?

Mr. BUSH. Yes, by the grantees.

Mr. MORSE. The Senator proposes to exclude that?

Mr. BUSH. Yes.

Mr. MORSE. I am relaxing.

Mr. BUSH. The Senator does not think that I would be on the other side; does he?

Mr. MORSE. I thought there was a typographical error in the Senator's manuscript.

Mr. BUSH. I yield to the Senator from Alabama.

Mr. MORSE. Let me finish my statement first.

Mr. BUSH. I am sorry.

Mr. MORSE. I not only support the Senator's amendment, but I applaud and acclaim it, because, while I do not propose to impose my personal philosophy so far as personal habits of people are concerned, as a legislator I am completely opposed to the expenditure of the taxpayers' funds for alcoholic beverages for entertainment in connection with any Government function. I also quite agree with the Senator from Connecticut that some of the other entertainment for which funds have apparently been spent certainly cannot be classified as legitimate entertainment that is necessary in order to be hospitable and courteous in connection with carrying out the Government's program.

Further, with respect to the expenditure of the taxpayers' money for alcohol, the use of alcohol is on the increase in this country; and such use of money of the taxpayers is an affront to the millions of American people who recognize that one of the most dangerous threats to this country happens to be the increase in alcoholism among our population.

I am not a professional prohibitionist, but I believe that the Federal Government should not in any way, at any time, to the extent of 1 red cent, contribute, in any entertainment fund, to the expenditure of money for alcoholic beverages. I do not think we have any right to do that when strong feelings on the question exist on the part of many people, and when there are many dedicated persons in this country who see the ravages of alcoholism taking their terrible toll day after day.

I applaud the Senator from Connecticut for striking a blow in his amendment against what I say is a very dangerous trend in this country and one we ought to be willing to stand up and speak out against.

Mr. BUSH. I thank the distinguished Senator for his pertinent remarks. I am most grateful that he has seen fit to comment on the subject.

I yield to the chairman of the subcommittee.

Mr. HILL. As I have said, we shall be glad to take this amendment to conference.

Mr. ALLOTT. Madam President——

Mr. BUSH. I yield to the Senator from Colorado.

Mr. ALLOTT. I wish to speak for only a moment. The House committee, on page 41, pointed out very clearly some of the purposes for which it believes these funds should not be expended, for example, $3,500 for a ballet concert. In the committee report there is reference to a Conference on Man versus Environment, which cost $15,000. Another is the International Conference on Wildlife Disease, amounting to $19,000. Another is a Conference on Factors Affecting Sexual Behavior, amounting to $26,000. The total grants amounted to $1,244,721.

I ask unanimous consent that the list from the report be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Grants for conferences initiated by outside organizations or agencies, fiscal year 1961

Grant No.	Title	Amount
A-4325	Travel grant International Symposium Tokyo 1961, comparative endocrinology	$15,813
A-4372	Conference on vitamin C	12,000
A-4858	The biochemistry and physiology of gastrointestinal mucus	2,600
A-4861	10th International Conference on Theumatology	10,000
A-4881	1961 International Conference on Medical Electronics	10,000
A-4955	Conference on Adreno-Cortical Hormones	3,000
A-5047	Approaches in pathology to problems of disease	2,460
A-5239	Comparative physiology of excretory organs	2,520
A-5251	Travel to 5th Pan-American Congress of Endocrinology	5,000
A-5424	Conference on Urinary Macromolecules	2,843
B-2761(81)	Neurology and neuropathology international congresses	14,000
B-3188	Research in hearing and speech pathology in the South	9,200
B-3252	Conference on Research Potentials in Voice Physiology	23,839
C-5788	Research symposium: Electron microscopy in disease	5,746
C-6065	A symposium on analytic cell culture	6,670
C-9735	Support of U.S.A. Coordinating Committee for HCI	11,500
C-2334(C7)	Support for International Union Against Cancer	14,000
D-1450	Proceedings, conference on graduate education in oral surgery	3,047
D-1474	Conference on Biological Transfer of Calcium and Strontium	4,000
D-1132(81)	Symposium on genetics related to oral health	2,409
E-2929	4th International Congress of Allergology	20,000
E-3607	International Conference on Trichinellosis	1,287
E-3712	Symposium on opportunistic fungi	17,940
E-3931	Travel to 1st International Conference of Protozoologists	4,000
E-3959	Relationship between asthma and chronic pulmonary disease	8,596
E-4212	Travel of delegation on virus diseases; U.S. Exchange Mission to U.S.S.R.	14,950
RG-3901	Institute of laboratory animal resources	5,750
GN-5320	Conference on Teaching and Guiding Nursing Research	4,350
RG-6803	Symposia on mutations and statistics in genetics	7,500
RG-7271	Conference on Chelating Agents, NRC	22,425
RG-7422	Control mechanisms in cellular processes	4,025
RG-7466	Symposium on chemical reactions in the atmosphere	3,000
RG-7526	Travel grant for International Biochemical Congress	43,000
RG-7527	10th Pacific Science Congress	109,620
RG-7535	International Human Genetics Congress	15,000
RG-7542	Insecticide resistance and vector control	204,000
RG-7800	Conference on Shock	19,320
RG-7811	Lecture series in biophysics and molecular biology	2,875
RG-7814	Symposium on spermatozoan motility	9,020
RG-7821	Forum research project on health and communication	24,972
RG-7833	1st international pharmacology meeting	100,000
RG-8115	International relations in biophysics	25,000
RG-8166	Financial support of U.S. National Committee for IUB	5,030
RG-8220	International Symposium on Microchemical Techniques	26,875
RG-8236	Urbanization advisory committee meeting	66,920
RG-8284	Conference on Occupational Health Research	13,444
RG-8460	Conference: Man Versus Environment	15,000
RG-8513	Oxidative deterioration of good lipids	11,351
RG-8549	A summer workshop on biomedical computing	14,938
RG-8554	1st meeting of American Society for Cell Biology	8,625
RG-8555	Symposium on control of respiration and fermentation	5,520
RG-8556	International Conference on Wildlife Disease	19,665
RG-8598	Travel: Symposium: Laboratory animal disease	10,000
RG-8602	Radiation-Induced Chromosome Aberrations Conference	15,000
RG-8603	Travel grant for scientists to attend 1961 meetings	15,525
RG-8682	Regional Epidemiological Conference	16,741
RG-8770	AMA research forum	31,932
H-5211	International Symposium on Natural Products	10,000
H-6398	5th Congress of the International Cardiovascular Society (Dublin)	6,800
H-3259	Scientific Committee Between Cooperative Atherosclerotic Research Group	3,450
H-3165(C4)	Grading lesions of atherosclerosis	6,000
H-3405(C4)	Workshop Conference Between Members of Cooperative Atherosclerosis Research Group	5,750
M-4736	Crossnational research seminars in human development	7,095
M-4738	Conference on Factors Affecting Sexual Behavior	26,783
M-4324	Assistance for 3d World Congress of Psychiatry	75,000
	Total (65 grants)	1,244,721

Mr. BUSH. I thank the Senator from Colorado.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 7035) was passed.

Mr. HILL. Madam President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mrs. NEUBERGER in the chair) appointed Mr. HILL, Mr. RUSSELL, Mr. MAGNUSON, Mr. STENNIS, Mr. PASTORE, Mr. MONRONEY, Mr. KUCHEL, Mrs. SMITH of Maine, and Mr. ALLOTT conferees on the part of the Senate.

COMMITTEE MEETINGS DURING SESSION OF THE SENATE TOMORROW

On request of Mr. MANSFIELD, and by unanimous consent, the following subcommittees or committees were authorized to meet during the session of the Senate tomorrow:

The Public Lands Subcommittee of the Committee on Interior and Insular Affairs.

The Committee on Post Office and Civil Service.

The Committee on Armed Services.

The Committee on Foreign Relations.

EXECUTIVE SESSION

Mr. MANSFIELD. Madam President, I move that the Senate go into executive session, and ask unanimous consent for the Senate to consider the nomination of Edward Dumbauld, of Pennsylvania, to be a U.S. district judge for the western district of Pennsylvania, which was transmitted today to the Senate by the President of the United States.

The motion was agreed to; and the Senate proceeded to consider executive business.

U.S. DISTRICT JUDGE

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Montana? The Chair hears none. The nomination will be stated.

The Chief Clerk read the nomination of Edward Dumbauld, of Pennsylvania, to be a U.S. district judge for the western district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. I move that the President be notified forthwith of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. MANSFIELD. Madam President, I move that the Senate return to legislative session.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The PRESIDING OFFICER. Under the order previously entered, the Chair lays before the Senate H.R. 7851.

The Senate proceeded to consider the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

PRIVILEGE OF THE FLOOR FOR MR. SETH P. TILLMAN

Mr. FULBRIGHT. Madam President, I ask unanimous consent that Mr. Seth P. Tillman, currently serving with the staff of the Committee on Foreign Relations, be granted the privilege of the Senate floor during consideration of S. 1983, the foreign aid bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEMORANDUM SUBMITTED TO DEPARTMENT OF DEFENSE ON PROPAGANDA ACTIVITIES OF MILITARY PERSONNEL

Mr. FULBRIGHT. Madam President, I have been surprised in the past few days by a display of intense interest in a memorandum on propaganda activities of military personnel which I have submitted to the Secretary of Defense.

Perhaps I am naive. I must confess that I was unaware that the subject was one which could arouse great controversy. The memorandum was based on my strong belief in the principle of military subordination to civilian control. There has been a strong tradition in this country that it is not the function of the military to educate the public on political issues. Military officers are not elected by the people and they have no responsibility for the formulation of policies other than military policies. Their function is to carry out policies formulated by officials who are responsible to the electorate. This tradition is rooted in the constitutional principle that the President is the Commander in Chief of the Armed Forces and that, therefore, military personnel are not to participate in activities which undermine his policies.

Madam President, I did not think that this constitutional tradition was controversial.

The memorandum was a personal one. The Committee on Foreign Relations did not act upon it in any way. It was transmitted to the Secretary of Defense as a personal correspondence.

Madam President, I must confess to still another misapprehension. I was unaware that it was the custom, the practice, or the right of Senators to demand access to the private correspondence of their colleagues. Although I should not have thought it my duty to open my private files, I would have been quite willing to show the memorandum in question to any Senator who courteously requested to see it. I was not willing, however, to comply with an ultimatum such as I received from the junior Senator from South Carolina on July 21 demanding that he be provided with a copy of the memorandum "within the next hour." Aside from the fact that I had no copy of the memorandum available at that time, I was unwilling to open my private papers in response to so impertinent a letter.

Madam President, I have now been apprised of the misapprehensions under which I was laboring. Apparently the constitutional principle of civilian control of the Armed Forces is indeed a subject of political controversy. In view of this fact and in order to dispel the fears of those who have persuaded themselves that the memorandum contains material which is sinister, subversive, or sensational, I have decided to release the text of the memorandum. I therefore ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM: PROPAGANDA ACTIVITIES OF MILITARY PERSONNEL DIRECTED AT THE PUBLIC

There are four attachments [1] to this memorandum from which the following conclusions are made:

1. Under a National Security Council directive in 1958, it remains the policy of the U.S. Government to make use of military personnel and facilities to arouse the public to the menace of the cold war.

2. Basic material for implementing the policy, under the title of "American Strategy for the Nuclear Age," prepared and disseminated by private organizations with close military connections, and being distributed as a master curriculum for strategy seminars, is by no means representative of the President's announced strategy for the nuclear age. Although scholarly, and worth attention as elements of strategy, its total effect can be said to be contrary to the President's program.

3. In at least 11 instances of what apparently are implementations of the National Security Council policy, the actual programs, closely identified with military personnel, made use of extremely radical rightwing speakers and/or materials, with the probable net result of condemning foreign and domestic policies of the administration in the public mind.

The purpose of this memorandum is to give some indication of the dangers involved in education and propaganda activities by the military, directed at the public, and to suggest steps for dealing with the underlying problem.

The attached list of instances of military participation, in varying degrees, in programs having as at least part of their purpose to educate or propagandize the public, as well as the military, does not purport to be exhaustive. It was gathered from newspaper reports, interviews, and other sources. It is believed there have been other similar cases, perhaps many others, and that still more may well be in the process of formation.

As a generalization, the instances described in the attached list involve the participation of military personnel in programs on the nature of the Communist menace and proper methods of combating it. Under such names as "alerts," "seminars," "freedom forums," "strategy for survival conferences," "fourth dimensional warfare seminars," and perhaps others, military personnel of various services and rank have participated to such a degree as to identify themselves with the fact of the program and, at least to some extent, its content.

The content no doubt has varied from program to program, but running through all of them is a central theme that the primary, if not exclusive, danger to this country is internal Communist infiltration. Past and current international difficulties are often attributed to this, or ascribed to "softness," "sellouts," "appeasements," etc. Radical rightwing speakers dominate the programs.

The thesis of the nature of the Communist threat often is developed by equating social legislation with socialism, and the latter with communism. Much of the administration's domestic legislative program, including continuation of the graduated income tax, expansion of social security (particularly medical care under social security), Federal aid to education, etc., under this philosophy, would be characterized as steps toward communism.

This view of the Communist menace renders foreign aid, cultural exchanges, disarmament negotiations, and other international programs, as extremely wasteful, if not actually subversive. This is a most moderate characterization.

Whether these instances are representative of programs implementing the National Security Council directive is not known, but the pattern they form, makes it strongly suspect that they are. There are many indications that the philosophy of the programs is representative of a substantial element of military thought, and has great appeal to the military mind. A strong case can be made, logically, that this type of activity is the inevitable consequence of such a directive. There is little in the education, training, or experience of most military officers to equip them with the balance of judgment necessary to put their own ultimate solutions—those with which their education, training, and experience are concerned—into proper perspective in the President's total "strategy for the nuclear age."

[1] The attachments are:

1. A summary list and descriptions of 11 instances of education and propaganda activities of military personnel.

2. A copy of an article from the Bulletin of the Atomic Scientists, vol. XVII, No. 3, dated March 3, 1961, entitled "School for Strategy."

3. A copy of a news story from the New York Times of Sunday, June 18, 1961, pp. 1 and 56.

4. A copy of a letter from Brig. Gen. Fred C. Weyand, Deputy Chief of Legislative Liaison, Department of the Army, dated June 12, 1961, and addressed to Senator JOSEPH S. CLARK.

THE DANGERS

These propaganda activities may well become important obstacles to public acceptance of the President's program and leadership, if they are not already. However, this is by no means the limit of the danger.

The view of the menace of the cold war described above already has great appeal to the public. In the future it may well have much greater appeal. This opinion is based upon an appraisal of the cold war struggle now and in the future, never better described than in the President's inaugural address when he spoke of "the burden of a long twilight struggle, year in and year out," which, he also said, may not be solved "in our lifetime on this planet."

The American people have never really been tested in such a struggle. In the long run, it is quite possible that the principal problem of leadership will be, if it is not already, to restrain the desire of the people to hit the Communists with everything we've got, particularly if there are more Cubas and Laos. Pride in victory, and frustration in restraint, during the Korean war, led to MacArthur's revolt and McCarthyism.

This problem of democratic attitudes toward foreign policy has never been better stated than by De Tocqueville, who wrote:

"Foreign politics demand scarcely any of those qualities which a democracy possesses; and they require, on the contrary, the perfect use of almost all those faculties in which it is deficient * * * a democracy is unable to regulate the details of an important undertaking, to persevere in a design, and to work out its execution in the presence of serious obstacles. It cannot combine its measures with secrecy, and it will not await their consequences with patience. These are qualities which more especially belong to an individual [a dictator], or to an aristocracy [or an oligarchy or presidium]."

He also wrote of "the propensity which democracies have to obey the impulse of passion rather than the suggestions of prudence, and to abandon a mature design for the gratification of a momentary caprice."

It is probably the view of most Members of Congress today that if foreign aid were laid before the people in a referendum, it would be defeated. The question arises, how will it be 5 or 10 years from now? Even the most devoted adherents do not expect immediate or dramatic results, particularly since, in contrast with the European recovery program, foreign aid will be operating primarily upon primitive economies. Yet, in the meantime, all the paraphernalia of our international programs must be at least tolerated by the people during the "long twilight struggle."

The radicalism of the right can be expected to have great mass appeal during such periods. It offers the simple solution, easily understood: Scourging of the devils within the body politic, or, in the extreme, lashing out at the enemy.

If the military is infected with this virus of rightwing radicalism, the danger is worthy of attention. If it believes the public is, the danger is enhanced. If, by the process of the military "educating" the public, the fevers of both groups are raised, the danger is great indeed.

Perhaps it is farfetched to call forth the revolt of the French generals as an example of the ultimate danger. Nevertheless, military officers, French or American, have some common characteristics arising from their profession and there are numerous military "fingers on the trigger" throughout the world. While this danger may appear very remote, contrary to American tradition, and even American military tradition, so also is the "long twilight struggle," and so also is the very existence of an American military program for educating the public.

This memorandum has not attempted to deal with the basic traditional and constitutional question of military efforts to propagandize the public—although the violation of these concepts alone should be sufficient basis for challenging the National Security Council policy, and its implementation.

Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war. Rather, the need is for understanding of the true nature of that menace, and the direction of the public's present and foreseeable awareness of the fact of the menace toward support of the President's own total program for survival in a nuclear age. There are no reasons to believe that military personnel generally can contribute to this need, beyond their specific, technical competence to explain their own role. On the contrary, there are many reasons, and some evidence, for believing that an effort by the military, beyond this limitation, involves considerable danger.

RECOMMENDATIONS

1. With reference to the National Security Council directive of 1958, suggested revision is based upon its description in attachment 3 (New York Times article of June 18, 1961), from which the following is excerpted:

"President Eisenhower and his top policy leaders decreed that the cold war could not be fought as a series of separate and often unrelated actions, as with foreign aid and propaganda. Rather, it must be fought with a concentration of all the resources of the Government and with the full understanding and support of the civilian population. It was decided, in particular, that the military should be used to reinforce the cold-war effort."

This policy should be reconsidered from the standpoint of a basic error, that military personnel have the necessarily broad background which would enable them to relate the various aspects of the cold-war effort, one to the other.

2. The White House and the Defense Department should cease treating propaganda activities of military personnel as problems of discipline in individual cases or of coordination of such cases from a press or public relations standpoint, and begin the process of formulating directives which will bring such military activities under effective civilian control.

So long as the cases are treated individually as disciplinary cases, there may well be considerable public sympathy with the individual concerned, as a person, or with his expressed viewpoint. However, if appropriate directives are established, as general propositions, without reference to specific cases, the broad principle of civilian control should be accepted—or, to take the converse, disagreement with the principle would be difficult to sustain.

3. The organization, mission, and operation of the National War College should be reviewed in the context of the cold war, and the limitations on the role of the military in the President's program. If its function is, as stated, "To enhance the preparation of selected personnel of the Armed Forces and the State Department for the exercise of joint and high-level policy, command, and staff functions and for the planning of national strategy," the questions arise whether it should operate under the Joint Chiefs of Staff, and if its administration should be so largely dominated by the military, as at present.

4. The relationships between the Foreign Policy Research Institute, the Institute for American Strategy, the Richardson Foundation, the National War College, and the Joint Chiefs of Staff, should be reexamined, from the standpoint of whether these relationships do not amount to official support for a viewpoint at variance with that of the administration. These relationships may give one particularly aggressive view a more direct and commanding influence upon military and civilian concepts of strategy than is desirable.

5. Long-range studies, preferably dominated by a board of civilian educators, should begin the development of a program for exposure of promising military officers to broader educational opportunities, perhaps requiring completion of graduate studies in history, government, and foreign policy, at universities as a condition to high ranks.

6. With respect to the problem illustrated by the case of General Walker, it is suggested that a civilian committee be appointed to review troop education activities of military personnel from the standpoint of their necessity and, if found to be, to develop procedures for bringing the content of such programs and, if possible, their actual operation under civilian control.

INSTANCES OF EDUCATION AND PROPAGANDA ACTIVITIES OF MILITARY PERSONNEL

1. On April 14 and 15, "strategy for survival" conferences were held in Fort Smith, Fayetteville, and Little Rock, Ark. The printed program for these conferences indicated their sponsorship by local organizations to "provide an open forum for a frank analysis and discussion * * * of the threats the free world faces from world communism and the strategy that must be used successfully against it."

An Arkansas lawyer wrote as follows: "The thing that concerns me most, was the prominent part played by the Army in planning and promoting these meetings. General Bullock [Maj. Gen. William C. Bullock], the area commander, went all out and personally persuaded the Armed Services Committee of the Little Rock Chamber of Commerce to sponsor the meeting in Little Rock. One Reserve officer was placed on active duty to promote the meeting. [The program lists, under his picture, in uniform, as 'State Coordinator,' one 'Charles D. Henley, brigadier general, USAR'.] Attendance was pushed through both the Arkansas National Guard and the Reserve units. Through this activity the meetings and information disseminated had in the public eye the stamp of approval of the Army and National Government."

While the programs included one or two speakers who are believed to have taken a broader outlook, they were dominated by talks from persons who stressed the Communist menace in this country. Among these speakers were Dr. George S. Benson and Dr. Clifton L. Ganus, Jr., of Harding College, Searcy, Ark. (This college and its affiliated groups produced a film, "Communism on the Map," under the supervision of one Glenn Green, who has acknowledged membership in the John Birch Society (Newsweek, May 1, 1961, p. 42).) The film indicates Communist (or Socialist, which it equates with Communist) control of all the world, save the United States, which is menaced. It is critical of U.S. policy toward Russia. Dr. Benson has said: "Any American who loves freedom and is willing to work, work, work to protect it can find intelligent direction and companionship in a John Birch Society group" (see the New York Times of May 18, 1961, p. 26, for a description of the philosophy and work of Dr. Benson and Harding College).

An Arkansas citizen wrote of the Fort Smith meeting: "Dr. Clifton L. Ganus, Jr., vice president and dean of the School of American Studies at Harding College, made the statement 'your Representative (JAMES W. TRIMBLE) in this area has voted 89 percent of the time to aid and abet the Communist Party.' "

A speaker at all three conferences was Dr. Robert Morris, former counsel of the Senate Internal Security Subcommittee, un-

successful candidate for Republican nomination to the U.S. Senate from New Jersey, and now president of Dallas University. His speech titles were: "No Wonder We Are Losing," and "We Are Losing From Within."

2. On April 15, 1961, the Chamber of Commerce of Greater Pittsburgh, Pa., sponsored a "Fourth-Dimensional Warfare Seminar." The announcement, addressed to civic and industrial leaders of Greater Pittsburgh, described the seminar as dealing with "Soviet-bloc subversion against the United States of America." It stated that the "seminar is being sponsored by the Chamber of Commerce of Greater Pittsburgh in cooperation with various military organizations in the Pittsburgh area. The purpose of this seminar is to provide guidance to area business executives and reservists regarding the deceptive Communist subversive efforts being directed toward the United States." The program for the seminar lists as cochairman of the seminar and chairman of the morning program one Joseph D. Hughes, "civilian aide to the Secretary of the Army." Also in the printed program is a reproduction of a letter addressed to participants in the seminar, signed by Hughes, on stationery purporting to bear the seal of the "United States of America War Office," and the letterhead, "Civilian Aide to the Secretary of the Army." Elsewhere in the program appears the following: "The seminar staff acknowledges with grateful appreciation the assistance and support given us by Lt. Gen. Ridgely Gaither, commanding general, 2d U.S. Army, and his staff, and Maj. Gen. Ralph C. Cooper, commanding general, XXI U.S. Army Corps, and his staff, among others."

The film, "Operation Abolition," was shown during the morning session.

The objectives of the program were described in the printed program as:

"1. To provide guidance to military reservists and to selected civic and business leaders regarding the deceptive Communist subversive efforts being directed toward the United States.

"2. To alert all in attendance to the specific objectives of international communism that have an impact and bearing on our military effectiveness.

"3. To demonstrate how the Communists use racial, religious, and social hate groups to destroy our basic American concepts of freedom.

"4. To reveal areas of Communist influence upon American youth through infiltration into the theater, motion picture, television, and other entertainment media.

"5. To orient American thinking toward un-American ideas and totalitarian actions in order to show the results of early exposure of our youth to Communist fronts and the detrimental effect it has on their attitude toward military service.

"6. To reveal how the Communists use social, moral, and mental subversion to undermine military morale, esprit de corps and 'the will to fight.'"

The program also includes a list under the title, "What You Can Do in the Fight Against Communism." Among these suggestions are:

"Be on the alert for Communist sympathizers in your community, especially those who can mold youth or public opinion.

"Be as cautious in sponsoring movements as you would be in signing a business contract. Check with local intelligence agencies befor you sign or join.

"Identify public officials and policies displaying softness toward communism. Demand a more patriotic attitude.

"Be wary of films which stress social and moral depravity. Moral and social subversion are recognized operational methods of the Communist Party to weaken the moral fiber of this Nation.

"Never use the term 'Communist' loosely or inaccurately. Misuse of the term only gains friends for communism."

Reserve officers received credit for their training programs for attendance at this seminar.

The principal speaker on the program, whose address was entitled, "Fourth Dimensional Warfare," was an Adm. Chester Ward. The program indicates that Admiral Ward (retired) "has been lecturing on national strategy for survival in seminars conducted by the Institute for American Strategy * * * the U.S. Army, the Reserve Officers Association of the United States, and the National Guard. Upon his recent voluntary retirement from active duty, the Secretary of the Navy awarded him, in the name of the President, the Legion of Merit. The citation refers to the wide acclaim won by Admiral Ward for 'his realistically expressed convictions concerning the cold war and the Communist conspiracy.'"

The Pittsburgh Press on April 14, 1961, carried a story concerning this conference, from which the following is quoted:

"A retired Navy admiral said today that some of the advisers now surrounding the President have philosophies regarding foreign affairs that would chill the typical American.

"Chester Ward, retired rear admiral, referred to U.N. Ambassador Adlai Stevenson and Ambassador to Yugoslavia George F. Kennan by name.

"Admiral Ward said he fears a national sellout of freedom in order to buy peace.

"Some 300 businessmen, military reservists, and—by invitation—city, county, and parochial school children attended the day-long seminar on Communist subversion.

"Admiral Ward's speech developed the themes that U.S. foreign policy since World War II has played into Soviet hands, that the United States is militarily incapable of surviving surprise Russian attack, and that negotiations with the Russians for disarmament are in fact appeasement.

"He scored the U.S. policy of containment of the Soviet bloc attributed to Mr. Kennan during the Truman administration.

"He said the policy had resulted in the Communists taking over Eastern Europe and China during Truman's years in the White House; in giving the Communists North Korea, the taking over of North Vietnam and Tibet, and the leapfrogging of Communist influence into Africa and Latin America during the Eisenhower years.

"President Kennedy, Admiral Ward said, has already conceded the loss of Laos by the free world by advocating a neutralist regime there rather than a pro-Western regime.

"In Ambassador Stevenson, Admiral Ward said sarcastically: 'Oh, what a brilliant, imaginative, bold representative we have there.'

"He said Mr. Stevenson had watered down the proposed resolution condemning Soviet intervention in Hungary, and has predicted the inevitable entry of Communist China into the U.N.

"'This is a wonderful way of accelerating your surrender,' Admiral Ward said.

"The chief of long-range planning for the U.S. Army, Col. William R. Kintner, advocated an integrated national strategy based on military power to turn back communism and extend the frontiers of freedom."

3. In August 1960, officially franked Navy envelopes were received by civilians in Glenview, Ill., enclosing the following message: "The U.S. Naval Air Station, Glenview, Ill., presents 'Education for American Security.'" It stated that the program was directed at educators, students, college, business, and industrial leaders, and above all to mothers and fathers.

This Navy announcement suggested that the program be announced at all community and school meetings and that participants in the naval base sessions would be taught how to create similar groups in every community of the Midwest. The announced purpose of the school was to motivate an active force against moral decay, political apathy, and spiritual bankruptcy, and to bring an awareness of the ominous hammer and sickle that threaten the very life of our Nation. The subject matter of the school will include our American Government and the complete orientation of the philosophy of communism.

The program included one Dr. Fred Schwarz, Herbert Philbrick, and Richard Arens.

The Bulletin, published at NAS Glenview, has urged organizations to help the House Un-American Activities Committee keep its appropriation. This publication stated, under a masthead marked that it was printed "on Government equipment with appropriated funds," said "it is the Communists' aim to have this committee abolished, we must do everything in our power to see that it is not abolished."

The New York Times of Sunday, May 21, 1961, page 54, indicates continued Navy participation in such programs, in spite of protests to the Secretary of the Navy a few months ago. Navy enlisted personnel are said to be showing "Operation Abolition" (on their own time and in civilian dress).

The widespread results of this Navy-initiated civilian education program are also described in this article, as is the present attitude of the Navy commander of this station.

4. Sometime last year, the activities of Capt. Kenneth J. Sanger, commander of the Sands Point Naval Air Station, to arouse the civilian population to the dangers of communism, were noted in the press. The Seattle Times in March spoke of the fact that Sanger had made 233 talks to civilian groups on the dangers of internal communism. When these activities aroused controversy, Captain Sanger produced evidence of support by Vice Adm. Robert Goldthwaite, Chief of Naval Air Training, Pensacola, Fla.

5. Project Alert, which apparently originated at Pensacola, Fla., was designed to alert military and civilian personnel to the problems of Communist infiltration. It is said to have been endorsed by the Chief of Naval Air Training and staff, Pensacola, and the commandant 8th Naval District and staff, New Orleans.

Before this project started, a group of community leaders in and around Pensacola were flown to Harding College for indoctrination. When the program operated, it used Harding College material. Glenn Green and Dr. Clifton Ganus, of Harding College, participated in some capacity. Navy personnel and civil service workers were alleged to have been required to attend these meetings on duty hours.

6. The Pensacola project was carried over into Georgia and South Carolina when the Pensacola group held an interstate conference. Official delegates were said to have included Lt. Gen. Paul Adams, Lt. Col. W. N. Payne, and Maj. W. E. Murphy of the 3d Army Headquarters, Fort McPherson, Atlanta, Ga. Colonel Payne held the title "Special Seminar Project Officer."

7. A similar alert was held at Corpus Christi, at which Adm. Louis J. Kirn, Chief of Naval Air Advanced Training, sat on the platform. The main speaker was William P. Strube, Jr., who is said to be Texas leader for Dr. Fred C. Schwarz' Christian anticommunism crusade. (For a description of Dr. Schwarz' viewpoint and purposes, see the New York Times, May 21, 1961, p. 54.)

8. Dr. Fred C. Schwarz held a seminar at Headquarters 8th Naval District, New Orleans, which was endorsed by Rear Adm. W. G. Schindler, commandant.

9. A Houston Freedom Forum was held by Dr. Schwarz' organization at which Adm. F. W. Warder, now commandant, 8th Naval District, gave the keynote address.

10. The Atlanta Journal of Saturday, March 11, 1961, carried an account of a "Seminar on American Strategy" on March 10 and 11, which, it said, was sponsored by the U.S. 3d Army, the Institute for American Strategy and other State and local civic organizations. Apparently much stress was laid on the internal Communist threat. Frank McNamara, of the staff of the House Un-American Activities Committee, was a speaker. The article states:

"Dr. Richard Walker of the National War College drew applause when he charged that Under Secretary of State Chester Bowles 'is doing a grave disservice to his country' by proposing that Red China be admitted to the United Nations."

Dr. Joseph Possony, another National War College political scientist, spoke.

Another Atlanta newspaper article said that another speaker was Dr. Frank R. Barnett, program director for the Institute for American Strategy, who "said there are no bomb-carrying Communists around any more, but propaganda favorable to communism is being retailed in American journals and from the pulpit * * * by good people who have not done their homework.

"It is within the capacity of the people in this room" he said "to literally turn the State of Georgia into a civilian war college."

11. According to the New York Times of Sunday, June 18, 1961, pages 1 and 56, a seminar labeled "Project Action" was held at the Naval Air Station, Minneapolis, on April 28 and 29, 1961. Capt. Robert T. Kieling, commanding officer of the station, was a cosponsor of the program.

The Times says: "The official announcement described the program as follows:

" 'The purpose of Project Action is to inspire the citizens of this area to take an active part in the war against the danger that threatens our freedom and American way of life.

" 'The program of talks and presentations by nationally known leaders for the cause of democracy will bring to light facts and figures concerning the rising crime rate, juvenile delinquency, drug addiction, the general degradation of morals, the complacent attitude toward patriotism and the tremendous gains the Communist conspiracy is making in this country. * * *

" 'The U.S. Naval Air Station is making facilities available for the seminar at the request of the Twin Cities Council for American Ideals. Out of local area participants are invited to take advantage of overnight accommodations on the air station.' "

[From Bulletin of the Atomic Scientists, March 1961]

SCHOOL FOR STRATEGY

(By Gene M. Lyons and Louis Morton)

"In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or democratic processes."—President EISENHOWER, January 17, 1961.

At a 2-day strategy seminar held in Chicago last September, Adm. Arthur W. Radford, former Chairman of the Joint Chiefs of Staff, called for "total victory over the Communist system—not stalemate," and warned that "the minute we become satisfied with the status quo, we have started down the road to defeat." This theme has, in fact, dominated a series of strategy seminars that have been held throughout the country during the past 2 years—in New York, Cleveland, New Orleans, and Wilmington; in California, Massachusetts, Texas, and Washington, D.C. The chief force behind these meetings of businessmen, teachers, servicemen, and church leaders has been an organization called the Institute for American Strategy.

The varied activities of the Institute for American Strategy to date have included the National Military-Industrial Conference held annually since 1955 in Chicago, and two strategy seminars for Reserve officers held at the National War College in the summers of 1959 and 1960. The annual conference is a cooperative effort undertaken by prominent business and military leaders, while the War College seminars have been held under the official auspices of the Joint Chiefs of Staff and the Secretary of Defense. Most recently, the institute has sponsored the publication of a book called "American Strategy for the Nuclear Age," prepared by the Foreign Policy Research Institute of the University of Pennsylvania, and edited by two members of that group, Walter F. Hahn and John C. Neff. The book is described as a master curriculum for strategy seminars, and advertised as consisting largely of the lectures given at the first National War College seminar. It was used, in page proof, as a text for the 1960 course at the War College, and plans are being made for the widest distribution. Ten thousand copies have already been furnished by the institute to the National University Extension Association for distribution to public school libraries and debate groups throughout the country.

THE CONCEPT OF PROTRACTED CONFLICT

As a master curriculum for the seminars, "American Strategy for the Nuclear Age" offers insights into the general approach of the institute to the problems of national security. It is distinguished by two characteristics: first, a restatement of the concept of protracted conflict, which has been a basic theme in the work of the members of the Foreign Policy Research Institute; and, second, a call for militant action at every level of American society, public, and private, to meet the internal and external challenge of communism. It thus has a dual purpose: to develop the broadest possible support for one particular interpretation of the nature of the Communist threat, and to offer practical suggestions for citizen organization and action at the grassroots.

The term, "protracted conflict," is used to describe the strategy of the Soviet Union in its struggle with the West. The ingredients, as developed by Robert Strausz-Hupé, director of the Foreign Policy Research Institute, are "the total objective, the carefully controlled methods, and the constant shifting of the battleground, weapons systems, and operational tactics for the purpose of confusing the opponent, keeping him off balance, and wearing down his resistance." Basic to the theme of protracted conflict is the assumption that there will be no change in Communist behavior and ultimate objectives that could possibly permit an acceptable accommodation with the West. While recognizing changes within and without the Soviet orbit, the proponents of protracted conflict see the ultimate objective of world domination as an immutable and dominant force in Communist strategy.

Within the situation of thermonuclear stalemate, the Soviets can employ nonmilitary conflict techniques of subversion, propaganda, and economic imperialism. At the same time, the response of the United States has been chiefly developed in legal and military terms which cannot be employed with the same subtlety and safety. As a result, the Soviet Union has been able to nibble away with little risk to their own security, or of the possibility that the United States will use force to reply to ambiguous threats to its world position. A major objective of "American Strategy for the Nuclear Age" and, indeed, of all of the activities connected with the Institute for American Strategy, is to urge the development of aggressive nonmilitary techniques to combat and break down Communist ambitions—in effect, to encourage the United States to adopt the policy of protracted conflict.

A PROGRAM OF DIRECT ACTION

A detailed program of action is laid out at the end of "American Strategy for the Nuclear Age," by Frank R. Barnett, director of research for both the Institute for American Strategy and the Richardson Foundation, the philanthropic agency that has been a principal source of support for the Institute and the Foreign Policy Research Institute. Barnett has been associated with a militant approach to the Communist threat since 1951, when his proposal for a foreign legion for refugees from communism was inserted in the CONGRESSIONAL RECORD. In his essay in "American Strategy for the Nuclear Age," he again advocates such a legion, as well as a separate Cabinet post and a joint congressional committee on cold war strategy, a career service in the propaganda and psychological warfare fields, and the establishment of a West Point of political warfare.

The significance of "American Strategy for the Nuclear Age" lies in its analysis of the international situation and its appeal for direct action. To a very large extent, the theme depends on the particular estimate of Soviet intentions that is presented and the particular prophecy of the Communist future that is forecast. Several contributions stress the persistency, strength, and versatility of ideology in the evolution of Soviet communism but nowhere is there adequate treatment of the forces that limit Soviet policy, and thus limit the projection of its ideological motivation. There is ample evidence, for example, of instability in the Soviet leadership and of ideological differences between the Russians and their Chinese colleagues. The diverse effect of these forces is highly problematical, but they do suggest that Communist policy is far less monolithic than the concept of protracted conflict presumes. Indeed, like other major powers, the Soviet Union is also limited by external forces. Within the framework set by the editors of "American Strategy," however, any attempt to take advantage of these forces in order to insulate an area from big power confrontation, or to seek a resolution of differences on an ad hoc basis of mutual interest, would be tantamount to appeasement.

The nonmilitary techniques advocated by Barnett and several other contributors (such as Strausz-Hupé and William Kintner) clearly recognize a grave deficiency in American strategy, but they hardly cover the full spectrum of alternatives open to the United States. None of these suggestions includes the full use of either traditional diplomacy or innovating methods of settling disputes. At the same time, they contain an element of militancy that raises serious problems, geared as they are to setting up a savage dichotomy between the Communist and the Western World, and of making almost every issue a matter of irreconcilable competition.

It is difficult to see how these tactics can do anything but intensify international tensions and, short of a complete collapse of the Soviet bloc (which the editors would surely discount), increase the likelihood that force will be used. Indeed, the more intense the conditions of rivalry become, the greater the inclination will be to reassess the major premises of our strategic doctrine, including our renunciation of preventive war, and to begin to incorporate provisions for offensive military action in the calculus of our planning. The editors fail to consider whether the provocative nature of the policies they

openly advocate can be restricted to the nonmilitary spheres for very long. Indeed, they seem to assume that the Communists will back down under pressure—a highly dangerous assumption.

Perhaps the most fundamental criticism that can be made of the book is that it fails to analyze the impact of a policy of protracted conflict on our democratic institutions. Barnett's program of action, for example, would require large sums of public funds used with little public accountability, a wide network of secrecy and security in government operations, a cold war orientation in our schools and universities—in short, a stunting of pluralism, a curtailment of individual liberties, and a weakening of politically responsible government. The editors of "American Strategy" seem to see no alternative to confronting the Soviets with strong opposition at every turn. Indeed, they appear more concerned with virility than freedom, as if strength and courage were goals in themselves. This, together with the somewhat static nature of their view of history and the militant nature of their recommendations, justifies further inquiry about the men and the organizations who advocate a strategy based on these premises.

THE MEN BEHIND THE INSTITUTE

The concept of protracted conflict has served as the anchor for the activities of the Foreign Policy Research Institute since its establishment in 1955. The director, Robert Strausz-Hupé, is a Viennese who came to the United States as a young man and whose first major publication, Geopolitics, in 1942, was an early contribution to the school of political realism in international affairs. In addition to Strausz-Hupé, the Foreign Policy Research Institute has a number of associates with established reputations in the academic world. But the major work of the institute is not the product of these associates, but of a smaller group of active researchers whose scholarly work was largely limited before their institute association, and who are major contributors to "American Strategy for the Nuclear Age." Among these is Col. William Kintner, an Active Army officer assigned to the Plans Division, Office of the Assistant Chief of Staff for Military Operations, but attached to the Foreign Policy Research Institute for duty.

The initial grant and the major support for the Foreign Policy Research Institute have been supplied by the Richardson Foundation, whose interest in national security affairs seems to stem largely from the influence of its research director, Frank Barnett. A former Rhodes scholar, Barnett was executive secretary of the American Friends of Russian Freedom, a committee to assist anti-Communist Russian escapees, before beginning his association with Richardson. He has now become a frequent lecturer to the National War College, the Industrial College of the Armed Forces, the Army and Naval War Colleges, and to the national conventions of the American Medical Association, the National Association of Manufacturers, and the Reserve Officers Association. The Richardson Foundation does not publish an annual report, but it seems that the only major activity beside the Foreign Policy Research Institute that it supports in the national security area is the Institute for American Strategy.

The work of the Foreign Policy Research Institute and of Frank Barnett forms the substance of the program of the Institute for American Strategy. In many ways, the institute appears as a "merchandising outfit" to sell the Barnett program of action on the basis of the rationale provide by the Pennsylvania group. The fact that both the institute and the Strausz-Hupé studies rely heavily on financial support from the Richardson Foundation, of which Barnett is director of research, tends to emphasize this interlocking arrangement. Moreover, like "American Strategy for the Nuclear Age," the strategy seminars sponsored by the institute usually begin with an exposition of the concept of protracted conflict, rise to a crescendo in analyzing the broad spectrum of conflict techniques employed by the Communists, and end with a positive program for action, often presented by Barnett himself.

The Institute for American Strategy originally grew out of a symposium on the utilization of technical and scientific manpower, held in Chicago in March 1955, and sponsored by the Chicago Association of Commerce and Industry, the Society of American Military Engineers, the Illinois Institute of Technology, and various branches of the Armed Forces. Called the National Military-Industrial Conference, the symposium brought together leaders of industry and government and enjoyed the sponsorship of some of the largest corporations in the country. In 1958, the organizers decided to continue it on an annual basis and to broaden its scope to include all matters affecting the security of the United States. At the same time, plans were also made to develop a permanent year-round program to awaken the public to the all-encompassing nature of the Soviet-Communist challenge. The Institute for American Strategy was established to carry out this objective.

THE PROGRAM OF THE INSTITUTE

The original plans for the institute called for a short-term and long-term program. At present, it is still in its short-term phase, which has three objectives: (1) To use and apply more effectively existing research, (2) to search out and chainstore existing programs, and (3) to stimulate seminars on American strategy in all parts of the country and in universities. The long-range program calls for the support of selected organized research programs with the institute acting as research entrepreneurs to find funds and personnel, and then helping to disseminate the findings widely. In essence, the institute was not to be a research center itself, but was to act as a catalyst and communications bridge. The second aspect of the institute's long-term program is the promotion of a national university to train American civilians in cold war tactics, in the same way the military academies prepare their students for a professional career.

The activities of the institute began to expand with the series of strategy seminars it has sponsored during the past 2 years. This program started with the National Strategy Seminar, sponsored jointly by the institute and the Reesrve Officers Association in the summer of 1959. It was repeated in 1960 and both acted as catalysts for regional seminars held in different parts of the country. What is particularly striking about the National Strategy Seminars is that, through the authorization of the Joint Chiefs of Staff, the Institute for American Strategy in effect took over from the services the responsibility of training Reserve officers on active duty, even though the National War College, whose facilities were used, had been giving courses on strategy to senior officers of the three services as well as civilians for the past 10 years. At the same time, while the Government paid for allowance, travel, facilities, and services, the Richardson Foundation provided the funds for other expenses, including the cost of developing a curriculum for the seminar, hiring a staff, securing speakers, and purchasing books and other materials to be distributed to the students without charge. The task of developing the curriculum was turned over to the Foreign Policy Research Institute and Strausz-Hupé brought his own staff to the National War College. The interrelationship of the Institute for American Strategy and the Foreign Policy Research Institute with the National Strategy Seminar was thus intimately established through its sponsorship and direction.

The national strategy seminars at the War College, the annual National Military-Industrial Conference, regional seminars such as the Chicago meeting, and the publication of "American Strategy for the Nuclear Age" all these illustrate the pattern that characterizes the activities of the Institute for American Strategy. Its activities are confined almost entirely to the promotion of meetings, conferences, and seminars. The publications it sponsors and recommends are the work of a small group of writers and teachers who share an ideological affinity with each other, and a common point of view about the nature of the Communist threat and the methods that must be followed to meet it. All of the activities of the Institute bear the strong thematic quality that characterizes "American Strategy for the Nuclear Age," a point of view based on a particular interpretation of Communist society and evolution, a deep preoccupation with the internal threat, and a commitment to a militant policy of confrontation between the West and the Soviet bloc.

THE INSTITUTE'S RELATIONSHIP WITH THE MILITARY

The aggressive program that the Institute advances raises a question about the cooperation it has had from the military. Whether it is intentional or not, the strong support which top-ranking military officers and military agencies have given to the Institute has suggested tacit, if not avowed approval of the theme that underlies Institute activities. This cooperation has included the use of military installations and facilities, the use of uniformed personnel, the temporary assignment of a junior officer from the 5th Army to the Institute's main office, the sponsorship of strategy seminars by official military commands, and the authorization of the Joint Chiefs of Staff and the Secretary of Defense permitting the Institute to make arrangements for the national strategy seminars at the National War College. There has, of course, been increasing contractual use of private research organizations by Government agencies in order to bring the full force of our intellectual resources to bear on problems of national security. In all cases, however, these arrangements have been made for services to be rendered, and in no case has there been a question of official support for one or another view of our security dilemma. A question of propriety therefore seems to be involved in the case of the relationship between the Military Establishment and the Institute for American Strategy.

The absence of dogma, of one way of looking at political and social phenomena, is essential to our governmental process and to our concept of public discussion, education, and scholarly research. In these times of grave danger, it is more important than ever that we take every precaution to insure the utmost impartiality and full public discussion of the issues of national security. There is a place for all points of view to be expressed. But we need to be careful to distinguish between "education" and "advocacy" and to avoid Government support, directly or indirectly, of any one view of the issues.

[From the New York Times, June 18, 1961]

RIGHTWING OFFICERS WORRYING PENTAGON

(By Cabell Phillips)

WASHINGTON, June 17.—The Pentagon is having its troubles with rightwingers in uniform. A number of officers of high and middle rank are indoctrinating their commands and the civilian population near their bases with political theories resembling those of the John Birch Society. They are also

holding up to criticism and ridicule some official policies of the U.S. Government. The most conspicuous example of some of these officers was Maj. Gen. Edwin A. Walker, who was officially admonished for his activities by the Secretary of the Army earlier this week.

General Walker's offense was in saying that a number of prominent Americans, as well as elements of the newspaper and television industries, were tainted with Communist ideology.

He did this in the course of a continuing effort that the general said was "designed to develop an understanding of the American military and civil heritage, responsibility toward that heritage and the facts and objectives of those enemies who would destroy it."

General Walker was the commander of the 24th Infantry Division in Germany at the time.

POLICY SET 3 YEARS AGO

In his anti-Communist effort, General Walker was operating under a 3-year-old policy of the National Security Council. This called for a mobilization of all arms of Government—military, diplomatic, civilian—in the cold war struggle.

Where the general went wrong, apparently, was in confusing his own political inclinations with the administration's strategy for fighting the cold war.

High officials at the Pentagon have said that they hope this example will have a restraining effect on other military men whose zeal in the same cause has been creating mounting embarrassment for them.

"No other disciplinary actions are being considered now," said Arthur Sylvester, Assistant Secretary of Defense for Public Affairs.

"It is no secret, however, that this sort of activity by representatives of the Defense Department has been a disturbing problem for us. We are trying to reach a more rational handling of this aspect of the cold war effort than has been the case in the past."

The problem for the Pentagon arises out of the fact that a number of its higher ranking officers have participated in or publicly lent their support to a variety of so-called forums, schools, and seminars, ostensibly focused on the issues of national security. However, many of those groups—at least incidentally—are preoccupied with radically rightwing political philosophies.

STRESS ON ANTICOMMUNISM

The chief ingredient of these philosophies is often a militant anticommunism. The argument is that Communist subversion today is rife among the schools, the churches, labor unions, Government offices, and elsewhere, and that this is a far greater threat to national survival than the international aspects of the Communist conspiracy.

In this argument, liberalism is equated with socialism and socialism with communism. Thus it opposes most welfare legislation, many programs for international cooperation such as foreign aid and disarmament conferences, and any effort by this Government to seek accommodations with the Soviet Union. Such activities are depicted as a playing into the hands of the Communists, and sometimes as stemming from Communist subversion.

As part of such indoctrination, citizens often are urged to form their own groups to educate others about the Communist menace and to be alert in discerning Communist influences in their neighborhoods, schools, newspapers, and local governing bodies.

The genesis of this problem goes back to the so-called cold war policy evolved by the National Security Council in the summer of 1958.

That was a year of mounting international tensions when Communist power seemed to be on the rise around the world. Vice President Richard M. Nixon was then the victim of assaults by Communist mobs during a good will tour of South America; President Eisenhower dispatched marines to Lebanon to fend off Communist political aggressions in the Middle East; Communist China stepped up its artillery attacks on Quemoy and Matsu.

COLD WAR WIDENED

President Eisenhower and his top policy leaders decreed that the cold war could not be fought as a series of separate and often unrelated actions, as with foreign aid and propaganda. Rather, it must be fought with a concentration of all the resources of the Government and with the full understanding and support of the civilian population. It was decided, in particular, that the military should be used to reinforce the cold-war effort.

This was the substance of the still-classified cold war policy paper of the National Security Council.

Its implementation in the Department of Defense was ordered through a series of directives and guidance papers, also classified, directed to the top civilian and uniformed authorities. These officials were told to take positive measures to alert the troops under their command and the public at large to the issues of national security and the cold war.

How specific these directives were as to the particular tools and approaches to be employed in this effort cannot be learned. But commanding officers were supplied with literature and speech material and were required to report regularly on their cold-war activities.

However, it is known that commanding officers were allowed wide latitude in applying the directives within their commands.

Of the hundreds of military bases here and abroad, only a score have become involved in these programs to the point that they have caused alarm among the new civilian team in the Pentagon. Officials suspect, however, that the trend is somewhat more widespread than their reports currently indicate. They are quietly trying to find out how widespread it is.

A typical example about which they do know is a seminar labeled Project Action.

This was held at the Naval Air Station, Wold-Chamberlain Field, Minneapolis, on April 28 and 29 of this year. Capt. Robert T. Kieling is the commanding officer of the station. He was a cosponsor of the program in collaboration with a committee of the Minneapolis-St. Paul Chamber of Commerce.

The official announcement described the program as follows:

"The purpose of Project Action is to inspire the citizens of this area to take an active part in the war against the danger that threatens our freedom and American way of life.

"The program of talks and presentations by nationally known leaders for the cause of democracy will bring to light facts and figures concerning the rising crime rate, juvenile delinquency, drug addiction, the general degradation of morals, the complacent attitude toward patriotism and the tremendous gains the Communist conspiracy is making in this country. * * *"

The U.S. Naval Air Station is making facilities available for the seminar at the request of the Twin Cities Council for American Ideals. Out-of-local-area participants are invited to take advantage of overnight accommodations on the air station. A nominal fee of 50 cents per person will be charged. The seminar fee of $7.50 includes two noon meals.

Approximately 500 persons from the upper Middle West attended the 2-day program. Among the lecturers who addressed them were Dr. Gerhard Niemeyer, University of Notre Dame; Dr. Nicholas Nyaradi, Bradley University; Dr. B. N. Bengston, Maywood, Ill., and two defectors from the Soviet Union. Several films were shown and literature was distributed purporting to explain the nature of Communist subversion, with particular emphasis on its attack upon American morals.

Among the scores of letters concerning Project Action that reached the Pentagon in the following days was one from a newspaper editor. It said in part:

"Perhaps someone can clear up for us our lack of understanding as to just how cosponsorship of such activities fits in with the Navy mission, or the overall military mission, for that matter. It must be admitted that the local Project Action is politically partisan in a very real sense, although the partisanship is not of the party label type."

Another example of these political activities concerns Capt. Kenneth J. Sanger, commanding officer of the Sands Point Naval Air Station, Seattle, Wash. His activities over the last year have aroused a storm of controversy. Hundreds of letters, supporting and condemning him, have poured into the Pentagon and congressional offices in recent weeks.

In pursuing what he describes as a program of "moral leadership," on and off base, Captain Sanger has made wide use of two controversial films, "Operation Abolition" and "Communism on the Map."

The first film was produced by the House Committee on Un-American Activities as a counterweapon against those who sought last year to terminate its career. It depicts as Communist inspired and managed last year's student riots in San Francisco, where the committee held an inquiry. The message of the film is that Communist influence has infiltrated school life across the Nation. Critics contend the film is distorted and misleading.

FILM MADE AT COLLEGE

The second film was produced at Harding College, Searcy, Ark. It shows the United States virtually engulfed in a world gone either Communist or Socialist, including all of its NATO allies except Portugal. Among those whom the film narrator cites as responsible for this condition are President Franklin D. Roosevelt, for having recognized the Soviet Union, and General of the Army George C. Marshall, for having "made possible" the Communist takeover of China.

These films and accompanying lectures by Captain Sanger and members of his team have been exhibited before hundreds of audiences, many of them composed of high school and college students, all over the Northwest. Among the many letters condemning the program was one published in the Seattle Times of last March 22 from James I. Kimbrough, who wrote in part:

"My concern is not with Captain Sanger; my concern is with the concept which suggests that any branch of the Armed Forces is the appropriate vehicle for the dissemination to the civilian population, and particularly to our youth, of proper attitudes of patriotism and concern for our democratic ideals. This is the nut of the issue, not communism or anticommunism."

Among numerous other incidents that have been brought to the attention of the Defense Department is the Fourth Dimensional Warfare Seminar held in Pittsburgh on April 15. Among those listed as giving assistance and support to the program were Lt. Gen. Ridgely Gaither, commanding general, 2d Army, and Maj. Gen. Ralph C. Cooper, commanding general, XXI Army Corps, and their respective staffs.

Several of the main speakers were highly critical of the Government's cold war policies.

One, for example, Adm. Chester Ward, retired, was reported in the local newspapers as having said that "some of the advisers now surrounding the President" have philosophies regarding foreign affairs "that would chill the average American." He men-

tioned by name in this connection, Adlai E. Stevenson, U.S. representative to the United Nations, and George F. Kennan, U.S. Ambassador to Yugoslavia.

Members of the seminar were given a list of 18 points on "What You Can Do in the Fight Against Communism."

"This sort of thing, if carried far enough among susceptible people, can breed a wave of vigilantism and witch hunting," one Pentagon official said. "Even Mr. Hoover of the FBI, whom nobody would call soft on communism, deplores these self-appointed counterspies."

LEFT IN DELICATE POSITION

Civilian chiefs in the Pentagon find themselves in a delicate position with respect to this sort of activity in the higher uniformed echelons. They are disturbed by the right-wing views displayed by many of these officers. Yet, realistically, they cannot either ignore the threat of Communist subversion or be tagged, as one of them put it, as being against anticommunism.

"The real problem," he went on, "is one of proportion. Nearly every responsible official I know of thinks that the real war against communism has to be fought in the international arena as it's political, diplomatic, economic, and, in a limited sense, military. That, certainly, is the way the official policies of this Government are geared.

"When, as these fellows do, you change the target to looking for spies under the bed or in the PTA you divert that much energy and support away from the main objective of the cold war. And at the same time, you instill fear and distrust of our Government and its leader."

Reinforcing his point, he took from his desk a memorandum from Secretary of Defense Robert S. McNamara, which has been circulated as "guidance" throughout the services. In part, it said:

"After the President has taken a position, has established a policy, or after appropriate officials in the Defense Department have established a policy, I expect that no member of the Department, either civilian or military, will discuss that policy other than in a way to support it before the public."

The dilemma of these officials is deepened by two other considerations.

One is that the experience of the servicemen captured by the Communists during the Korean war revealed a serious gap in the moral stamina and the patriotic dedication of a good part of American youth.

This has greatly alarmed many military men who believe that the Nation must breed a tougher type of soldier if it is to survive in another war. To many schooled in the military discipline, there is a link between this moral and intellectual "softness" and certain social and political trends in American life over the last two decades.

The other consideration is that under the so-called cold war policy evolved by the National Security Council in 1958, commanding officers were encouraged to help stimulate a widespread public awareness of the challenges and problems of national security. Inevitably, many interpreted the national peril in their own political terms, and, like General Walker, shaped their attacks accordingly.

The new civilian team in the Pentagon has begun a careful screening of the vast amount of printed and filmed material used by the services in their programs of troop indoctrination and community relations. The only positive step they have taken so far is to ban official use of the film "Communism on the Map," and to relegate "Operation Abolition" to a "when-asked-for" basis of availability.

"But this sort of screening doesn't directly affect General X if he wants to make a speech about communism in the schools or play footsie with the Birch Society people," an official explained. "Unless he gets 'way off base, like General Walker did, we can't discipline him.

"There is a big gray area here where the difference between right and wrong—between saying too much and not saying too much—is terribly hard to distinguish. Who is to tell a three-star admiral how right-wing—or how leftwing—his political outlook can be?

"Our best hope is that the extremists will begin to get the message themselves, as from General Walker and as from speeches of the Secretaries, and use good judgment in what they say and do."

HEADQUARTERS, DEPARTMENT OF THE ARMY, OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D.C.

Hon. JOSEPH S. CLARK,
U.S. Senate.

DEAR SENATOR CLARK: The Secretary of the Army has asked me to reply to your inquiry concerning the Army participation in the "Fourth Dimensional Warfare Seminar" held in Pittsburgh on April 15, 1961.

A 2-week long Defense Strategy Seminar has been held annually, since 1959, at the National War College, Fort Lesley J. McNair, Washington, D.C. The purpose of the seminar being to disseminate to Reserve component officers, who are also leaders in their civilian endeavors, information on the current world environment, the cold war and Communist stratagems. A primary aim of this seminar is to encourage these leaders to organize and to conduct local seminars and other activities to alert the public to the menace of the cold war.

The first two seminars authorized by the Joint Chiefs of Staff were sponsored by the Institute for American Strategy and the Reserve Officers Association, and funded by the Richardson Foundation. The curriculum for 1959 was prepared by the Foreign Policy Research Institute of the University of Pennsylvania; the 1960 curriculum was a combined effort of this group and the National War College.

The seminar at the War College is conducted under military control, at the direction of the Secretary of Defense. However, the subsequent local seminars are not conducted under military control but are encouraged by the Department of Defense for implementation by local civic-minded groups.

In this specific case of the Pittsburgh seminar, the program was sponsored and conducted by the Chamber of Commerce of Greater Pittsburgh. Agencies of the Department of the Army in accordance with proper authority did provide limited administrative support, such as assisting in the procurement of training literature, and urged attendance of Reserve officers who were authorized training credit for their attendance.

It is considered that the Department of the Army representatives should not be held responsible for the views expressed by speakers at the seminar, who were presenting their individual views on various subjects. It is understood that, in accordance with normal procedures, qualified and knowledgeable speakers considered to possess good judgment, taste, and temperance were invited to make presentations within the scope of the program. The Department of the Army does agree that care must be exercised in the selection of speakers who, even implicitly, function under the sponsorship of the Department of Defense.

Please be assured that it is not official Army policy to propagandize and organize its reservists to oppose the policies and personnel of the administration.

Your interest in this matter is appreciated and I trust this information will be of assistance to you.

Sincerely,

FRED C. WEYAND,
Deputy Chief of Legislative Liaison.

Mr. CLARK. Madam President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CLARK. I wish to congratulate the Senator from Arkansas for the forthright statement he has made. I deplore, as he does, the efforts which have been made in this body recently to attack the principle of civilian control of our Government. I think the Senator from Arkansas has performed a very great public service in standing firmly behind his sound position.

One of the incidents in controversy took place in my own city of Pittsburgh. It is a matter of grave concern to me.

Again I congratulate my friend from Arkansas for the fine position he has taken.

Mr. FULBRIGHT. I thank the Senator for his comments.

INCREASE IN FEES OF JURY COMMISSIONERS IN U.S. DISTRICT COURTS

Mr. MANSFIELD. Madam President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 622, S. 1899.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1899) to increase the fees of jury commissioners in U.S. district courts.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Madam President, I ask unanimous consent to have printed at this point in the RECORD a statement of the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the bill is to increase the fees of jury commissioners serving in the U.S. district courts from $5 to $10 per day for each day employed in the performance of official duties.

STATEMENT

The recommendation for passage of this legislation was first made by the Judicial Conference of the United States at its annual session in September 1943. The Conference has consistently reaffirmed its approval of the proposal since that time. It reemphasized its interest in accomplishing the enactment of this legislation at its most recent meeting in September 1960.

The present rate of $5 per day was established by the act of August 7, 1884 (ch. 332, 23 Stat. 224). There has been no increase in the rate since that time, except in the case of the jury commissioner in the District of Columbia. Authority for his compensation is included in title 11 of the District of Columbia Code and is set at $10 per day for each day employed in the performance of duties. This bill, therefore, would merely raise the rate for other jury commissioners to the rate paid by the District of Columbia.

The committee is aware that the compensation which jury commissioners now receive is inadequate for the time and effort required in the discharge of their duties. The $5 daily rate was established 75 years ago, based on an economic standard that no

longer exists. The committee is hopeful that this bill will reduce the out-of-pocket expense to which commissioners are now put and at the same time afford some governmental recognition of the worthwhile work which they are performing. It is, accordingly, recommended that the bill, S. 1899, be favorably considered.

Attached hereto and made a part hereof is a letter from the Administrative Office of the U.S. Courts to the Vice President in regard to the proposed legislation.

ADMINISTRATIVE OFFICE
OF THE U.S. COURTS,
Washington, D.C., March 6, 1961.

Hon. LYNDON B. JOHNSON,
President of the Senate,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith, on behalf of the Judicial Conference of the United States, the draft of a bill to increase the fees of jury commissioners serving in the U.S. district courts from $5 to $10 per day for each day employed in the performance of official duties.

This recommendation was first made by the Judicial Conference at its annual session in September 1943. The Conference has consistently reaffirmed its approval of the proposal since that time. It reemphasized its interest in accomplishing the enactment of this bill at its most recent meeting in September 1960.

The present rate of $5 per day was established by the act of August 7, 1884 (ch. 332, 23 Stat. 224). There has been no increase in the rate since that time, except in the case of the jury commissioner in the District of Columbia. Authority for his compensation is included in title 11 of the District of Columbia Code and is set at $10 per day for each day employed in the performance of duties. The enclosed bill, therefore, would merely raise the rate for other jury commissioners to the rate paid by the District of Columbia.

The compensation which jury commissioners now receive is clearly inadequate for the time and effort required in the discharge of their duties. The $5 daily rate was established 75 years ago to meet social conditions which were entirely different from those of the present day. Furthermore, it was fixed for an economic standard that no longer exists. The proposed increase falls far short of the worth of the commissioners' time and service. It will, however, serve to reduce the out-of-pocket expense to which the commissioners are put and it will afford some governmental recognition of the worthwhile work which they are performing.

Representatives of this office will be glad to appear before the committee and to provide further information that may be desired concerning the bill.

Sincerely yours,

WARREN OLNEY III,
Director.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of the third paragraph of section 1864 of title 28 of the United States Code is amended to read as follows: "He shall receive $10 per day for each day necessarily employed in the performance of his duties."

CHESAPEAKE AND OHIO CANAL NATIONAL HISTORICAL PARK, MD.

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of Calendar No. 623, S. 77.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 77) to establish the Chesapeake and Ohio Canal National Historical Park in the State of Maryland, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 9, after the word "thousand", to insert "and", and in the same line, after the word "acres", to strike out "and" and insert "including the Chesapeake and Ohio Canal National Monument, which property is"; on page 2, line 5, after the word "Interior", to insert "The park may comprise such additional lands as may be acquired pursuant to subsection (b) hereof: *Provided,* That the total area of such park, including land already in Federal ownership, shall not exceed fifteen thousand acres."; after line 10, to insert:

(b) The Secretary of the Interior is hereby authorized to acquire in such manner as he may consider to be in the public interest such lands and interests in lands in the State of Maryland in the vicinity of the canal and existing Government canal property as he deems desirable for the purposes of the said park.

At the beginning of line 16, to strike out "(b)" and insert "(c)"; on page 3, at the beginning of line 1, to strike out "(c)" and insert "(d)"; at the beginning of line 15, to insert "that are authorized by this Act to be acquired for the park"; at the beginning of line 22, to strike out "(d)" and insert "(e)"; on page 4, line 2, after the word "Park", to strike out "The Secretary may construct park type roads to provide access for visitors."; after line 3, to insert a new section, as follows:

SEC. 2. (a) Within five years after the approval of this Act, the Secretary of the Interior shall file with the National Archives a map showing the lands within the maximum authorized acreage prescribed in section 1(a) of this Act which are to comprise the Chesapeake and Ohio Canal National Historical Park: *Provided,* That the filing of such map shall not affect the authority of the Secretary subsequently to acquire, in accordance with section 1(b), non-Federal lands within the boundaries of the park as depicted on said map. Such historical park shall be administered under the general laws and requirements governing areas of the national park system in such manner as to preserve the historic, scenic, and recreational values and features thereof.

At the beginning of line 21, to change the section number from "4" to "3", and on page 5, after line 1, to insert a new section, as follows:

SEC. 4. There is authorized to be appropriated for acquisition of lands pursuant to section 1(b) of this Act a sum not to exceed $1,500,000.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby established the Chesapeake and Ohio Canal National Historical Park, for the purpose of preserving and interpreting certain property in the State of Maryland for the benefit and inspiration of the people. The park, as initially established, shall comprise that particular property in Federal ownership containing not to exceed four thousand and eight hundred acres, including the Chesapeake and Ohio Canal National Monument, which property is situated along the line of the Chesapeake and Ohio Canal between the terminus of the George Washington Memorial Parkway, above the Great Falls of the Potomac River and a point within or in the vicinity of the city of Cumberland, Maryland, as may be determined by the Secretary of the Interior. The park may comprise such additional lands as may be acquired pursuant to subsection (b) hereof: *Provided,* That the total area of such park, including land already in Federal ownership, shall not exceed fifteen thousand acres.

(b) The Secretary of the Interior is hereby authorized to acquire in such manner as he may consider to be in the public interest such lands and interests in lands in the State of Maryland in the vicinity of the canal and existing Government canal property as he deems desirable for the purposes of the said park.

(c) Subject to the purposes and general requirements of this Act, the Secretary of the Interior is authorized to cooperate with the State of Maryland, with its political subdivisions and with other Federal agencies, in promoting such land use or development programs, through cooperative agreements or leases for terms not to exceed fifty years, as will further the objectives for the park and of the State of Maryland concerning wildlife propagation, wilderness conservation, public recreation, and related purposes.

(d) The authority granted in the Act of September 22, 1950 (64 Stat. 905), to effect land exchanges for the purposes of the proposed Chesapeake and Ohio Canal Parkway and in the Act of August 1, 1953 (67 Stat. 359), to grant easements for rights-of-way through, over, or under lands along the line of the Chesapeake and Ohio Canal is hereby continued and may hereafter be exercised by the Secretary of the Interior with respect to lands included in the Chesapeake and Ohio Canal National Historical Park. The Secretary is authorized also to convey such Chesapeake and Ohio canal lands within and in the vicinity of Cumberland, Maryland, which are not included in the Chesapeake and Ohio Canal National Historical Park in exchange for other land or interests therein of approximately equal value that are authorized by this Act to be acquired for the park.

Notwithstanding section 1(a) of the Act of May 29, 1930 (46 Stat. 482, 483), that portion of the Chesapeake and Ohio Canal between the terminus of the George Washington Memorial Parkway above Great Falls and Point of Rocks, in the State of Maryland, shall hereafter be part of the Chesapeake and Ohio Canal National Historical Park.

(e) Any funds that may be available for purposes of administration of the Chesapeake and Ohio Canal property above the Great Falls terminus of the George Washington Memorial Parkway may hereafter be used by the Secretary for the purposes of the Chesapeake and Ohio Canal National Historical Park.

SEC. 2. (a) Within five years after the approval of this Act, the Secretary of the Interior shall file with the National Archives a

map showing the lands within the maximum authorized acreage prescribed in section 1(a) of this Act which are to comprise the Chesapeake and Ohio Canal National Historical Park: *Provided*, That the filing of such map shall not affect the authority of the Secretary subsequently to acquire, in accordance with section 1(b), non-Federal lands within the boundaries of the park as depicted on said map. Such historical park shall be administered under the general laws and requirements governing areas of the national park system in such manner as to preserve the historic, scenic, and recreational values and features thereof.

(b) The enactment of this Act shall not affect adversely any valid rights heretofore existing within the areas hereby established as the Chesapeake and Ohio Canal National Historical Park.

SEC. 3. Any portion of the lands and interests in lands comprising the Chesapeake and Ohio Canal National Historical Park shall be made available upon Federal statutory authorization for public nonpark uses when such uses shall have been found, in consideration of the public interest, to have a greater public necessity than the uses authorized by this Act.

SEC. 4. There is authorized to be appropriated for acquisition of lands pursuant to section 1(b) of this Act a sum not to exceed $1,500,000.

Mr. MANSFIELD. Madam President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are agreed to en bloc.

Mr. MANSFIELD. Madam President, I ask unanimous consent that a statement in explanation of the bill be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The amendments to S. 77 approved by the committee are for four purposes, as follows:

1. They authorize the purchase of 10,200 acres of appropriate adjacent lands to add to the present 4,800-acre national monument to provide sufficient land to permit development of adequate service facilities to accommodiate visitors, including access, river frontage, camping and picnicking grounds, parking areas, and necessary administrative facilities.

2. Appropriation of not more than $1,500,000 for acquisition of the additional lands is authorized.

3. Authority to construct park-type access roads which is not needed with authorization of the acquisition of additional lands, is deleted.

4. Provision is made for filing with the National Archives within 5 years a map of the lands which are to comprise the park and for the administration of the park under the general laws and requirements governing areas of the national park system.

BACKGROUND

The old Chesapeake & Ohio Canal extends 184.5 miles from a terminus in the District of Columbia to Cumberland, Md. Approximately 20 miles within the District of Columbia and nearby Maryland, to a point beyond the Great Falls of the Potomac, are under the jurisdiction of the National Capital Parks. The remainder of the narrow, Federal canal property was established as a national monument by Presidential proclamation on January 18, 1961.

As is set out in the report of the Department of the Interior on S. 77, included in this report, the property is of great historical significance and affords an opportunity to develop, in a historic and scenic setting, facilities for many types of outdoor recreation including hiking, boating, fishing, cycling, and camping.

The Interior and Insular Affairs Committee of the Senate in 1957 reported a measure to establish the Chesapeake and Ohio Canal National Historical Park and authorize its expansion to 15,000 acres to adequately serve its purposes, which was passed by the Senate but not acted upon by the House of Representatives.

In 1960, the Committee reported and the Senate enacted a bill, modified to delete the authority to acquire additional lands to meet House of Representatives wishes, but to extend park status and protection to the canal property pending further consideration of expansion of the area. The measure was not finally enacted, but a Presidential proclamation was issued establishing the area as a national monument.

In view of rising land values and the necessity of acquiring additional lands to permit the establishment of essential recreational and service facilities, the committee feels that the additional land acquisition should proceed, and has so amended S. 77.

RESERVATION FOR NONPARK USES

At the direction of the Senate Committee on Public Works, the Corps of U.S. Army Engineers is reviewing its reports on multipurpose development of the Potomac River Basin. A report on this review has not yet been made. It is believed likely that such report will recommend the construction of at least one dam and reservoir in the area to be included in the Chesapeake and Ohio Canal National Park property to assure adequate water supplies for the growing National Capital area and for pollution abatement and other purposes.

Section 3 of S. 77 provides:

"Any portions of the lands and interests in lands comprising the Chesapeake and Ohio Canal National Historical Park shall be made available upon Federal statutory authorization for public nonpark uses when such uses shall have been found, in consideration of the public interest, to have a greater public necessity than the uses authorized by this Act."

During consideration of S. 77, a revision of this amendment to specifically reserve the prospective reservoir area and site of Great Bend Dam was suggested to the committee. Section 3 is intended to assure that the establishment of the Chesapeake and Ohio National Historical Park will not bar or create a prejudice against any essential project proposed to Congress, including Great Bend or any other recommended by the Corps of U.S. Army Engineers in its pending report. It is the further understanding that the National Park Service will not, pending approval of a plan for the development of the Potomac to meet the needs of the area, construct facilities within any portion of the park prospectively necessary for other uses which will not, in the period prior to other use, provide benefits at least equal to the costs.

Reports of the executive agencies on S. 77 follow:

EXECUTIVE OFFICE
OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 10, 1961.

Hon. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, New Senate Office Building, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in response to your request for the views of the Bureau of the Budget on S. 77, a bill to establish the Chesapeake and Ohio Canal Historical Park, in the State of Maryland, and for other purposes.

S. 77 provides for the establishment of the Chesapeake and Ohio Canal National Historical Park on lands now in Federal ownership. The size of the proposed park is limited to 4,800 acres unless additional lands become available through donation. Section 4 provides that any portion of the area shall be made available upon Federal statutory authorization for public nonpark uses when such uses shall have been found, in consideration of the public interest, to have a greater public necessity than the uses authorized by the act.

The report which the Secretary of the Interior is submitting on this bill describes in some detail the merits of the area and recommends several amendments, particularly an increase in acreage to embrace the surrounding scenic, historic, and recreational lands.

This Bureau would have no objection to the enactment of S. 77 if amended as suggested by the Secretary of the Interior.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director
for Legislative Reference.

GOVERNMENT OF THE DISTRICT OF COLUMBIA, EXECUTIVE OFFICE,
Washington, D.C., April 11, 1961.

Hon. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

MY DEAR SENATOR ANDERSON: The Commissioners of the District of Columbia have for report S. 77, 87th Congress, a bill to establish the Chesapeake and Ohio Canal National Historical Park in the State of Maryland, and for other purposes.

The first section of the bill establishes a park to be known as the Chesapeake and Ohio Canal National Historical Park, comprised of not to exceed 4,800 acres of federally owned property in the State of Maryland. The park is to extend along the line of the Chesapeake and Ohio Canal from a point above the Great Falls of the Potomac River to a point within or in the vicinity of Cumberland, Md.

Although all of the proposed park is to be located in the State of Maryland and outside the boundaries of the District of Columbia, the Commissioners desire to emphasize that the District of Columbia has a vital interest in the establishment of the park, inasmuch as the presence of the park could operate to restrict or preempt the future development of the Potomac River from the standpoint of supplying water for a rapidly expanding Washington metropolitan area. The Potomac is the only water source for the District of Columbia and Arlington, parts of Fairfax County, and the city of Falls Church, all in Virginia. The river will shortly become a principal source for water used in Montgomery and Prince Georges Counties in Maryland. It has been estimated that the population of the Washington metropolitan area will increase in the next 40 years to approximately 4,800,000 persons; the 90 percent of the water required for this population must be provided by the Potomac River; and that the Potomac River cannot supply the quantity of water demanded by a population of this size without flow regulation. Adequate regulation will require impoundments within the Potomac watershed. Just where and when such impoundments should be placed have not yet been determined.

The Commissioners are pleased to note, therefore, that section 4 of S. 77 provides:

"Any portion of the lands and interests in lands comprising the Chesapeake and Ohio Canal National Historical Park shall be made available upon Federal statutory authorization for public nonpark uses when such uses shall have been found, in consideration of the public interest, to have a greater public necessity than the uses authorized by this act."

Accordingly, in the belief that S. 77 will have the effect of insuring the development

of the Potomac River for water supply and other beneficial purposes, while at the same time providing additional recreational facilities for the residents of the metropolitan area of the District of Columbia, the Commissioners favor its enactment.

The Commissioners have been advised by the Bureau of the Budget that, from the standpoint of the administration's program, there is no objection to the submission of this report to the Congress.

Very sincerely yours,

WALTER C. TOBRINER,
President, Board of Commissioners, District of Columbia.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 77) was ordered to be engrossed for a third reading, was read the third time, and passed.

EXTENSION OF CERTAIN AUTHORITY TO AREAS OUTSIDE THE NATIONAL DOMAIN

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of Calendar No. 625, S. 981.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 981) to extend certain authority of the Secretary of the Interior, exercised through the Geological Survey of the Department of the Interior, to areas outside the national domain.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Madam President, I ask unanimous consent to have printed at this point in the RECORD a statement of the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

S. 981, introduced by Senator MAGNUSON for himself and Senator JACKSON, will extend the authority of the Geological Survey to perform certain of its work in areas outside the continental limits of the United States.

NEED FOR LEGISLATION

Because of statutory restrictions the work of the Geological Survey is now confined to the continental United States. The only way this outstanding scientific organization is presently able to examine areas outside the United States is on the request of other Government agencies with the necessary financing by such agencies. Although the Survey has made many contributions to programs and activities of the Department of Defense, ICA and other Government agencies, it would be able to do much more if S. 981 were enacted.

Passage of S. 981 would permit the Geological Survey to conduct investigations of the Outer Continental Shelves and ocean floor and the investigation of geological phenomena not adequately represented in the United States. Present restrictions on the USGS also prevent that agency's adequate participation in international scientific fields in which it is particularly adapted to represent the United States. It must also be recognized that world leadership in the peaceful pursuit of scientific and technical knowledge requires that the skills of our scientists be fully marshaled and utilized since science recognizes no territorial boundaries. It is exceedingly desirable that the limitations on the Geological Survey which require it, with few exceptions, to limit its activities to the territorial United States be removed. If this legislation is enacted, the Geological Survey would then be able to conduct study and research outside the United States through its own programing and budget authorizations. It must be remembered that many geological phenomena exist in areas outside the United States which are better exposed and more suitable for research and study.

DEPARTMENTAL RECOMMENDATIONS

The reports of the Department of the Interior and the Bureau of the Budget are set forth below.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., May 24, 1961.

Hon. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington D.C.

DEAR SENATOR ANDERSON: This is in response to your request for the views of the Department of the Interior on S. 981, a bill to extend certain authority of the Secretary of the Interior, exercised through the Geological Survey of the Department of the Interior, to areas outside the national domain.

The Department of the Interior favors enactment of this legislation.

The bill would authorize the Geological Survey to undertake scientific work outside the territorial limits of the United States which would enhance its understanding and interpretation of research results of parts of its regular programs in the United States. It would also enable the Survey to make necessary investigations for both mobilization planning and nondefense purposes on a cooperative basis with other Federal agencies when the national security aspect is not the principal factor involved. At the present time, the Geological Survey does not have authority to conduct and fund on its own behalf investigations of foreign resources for nondefense purposes within the national interest. It is felt that the extension of the authority vested in the Geological Survey is necessary to accomplish its purpose.

The Bureau of the Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

JOHN M. KELLY,
Assistant Secretary of the Interior.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 981) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the authority of the Secretary of the Interior, exercised through the Geological Survey of the Department of the Interior, to examine the geological structure, mineral resources, and products of the national domain, is hereby expanded to authorize such examinations outside the national domain where determined by the Secretary to be in the national interest.

PROPOSED RECOGNITION OF OUTER MONGOLIA

Mr. DODD. Madam President, if numerous press reports over the past several weeks may be given credence, the State Department has been giving serious thought to the possibility of according diplomatic recognition to Outer Mongolia.

The mere fact that we are considering the recognition of Outer Mongolia is indicative of an unfortunate confusion in our political thinking.

It would be an act utterly without justification or reason, an act that would run completely counter to our own moral traditions and our national interest.

When the first news that the recognition of Outer Mongolia was under consideration appeared in the press on June 5, I immediately indicated my opposition to the proposal in a message to Secretary of State Rusk. I shall ask unanimous consent, Madam President, to have the text of this message printed in the RECORD.

Madam President, up until recent years, Outer Mongolia was traditionally recognized as part of the territory of China by all the great powers including the Soviet Union. This remained true despite the fact that the Soviet Union, prior to World War II, had already built up a substantial measure of control over the territory of Outer Mongolia.

At the Yalta Conference, an ambiguous statement was adopted which called for the maintenance of the status quo in Outer Mongolia. In negotiations in Moscow in 1945, the Chinese representatives at first insisted that the status quo meant that Chinese sovereignty would continue to be recognized.

Our Chinese allies felt that, even though the Kremlin, through infiltration and subversion, exercised de facto control over Outer Mongolia, de jure recognition of Outer Mongolia as part of the territory of China would nevertheless be important if the international situation ever improved. Stalin, however, took the stand that the status quo meant "independence." Under American pressure, the Chinese finally accepted the Soviet point of view, and this point of view was incorporated into the Sino-Soviet Treaty of Friendship.

Stalin hastened to consolidate his political victory by arranging for a plebiscite in Outer Mongolia under the paternal surveillance of the Soviet secret police. The result was that 99.99 percent of the people of Outer Mongolia voted for their so-called independence.

All of this is documented in the State Department's White Paper on China.

There were people in the State Department at the time who understood the real significance of the phony independence that had now been conferred on Outer Mongolia. I want to read to you the prophetic words of a letter from the American Embassy to the Department of State, dated September 10, 1945:

Nothing in the internal regime of Outer Mongolia will be changed with its independence. The only effect will be its elimination as a possible source of future Chinese irredentism and an increase in its usefulness as an instrument for future Russian expansion.

I think it noteworthy that when the question of the United Nations admission of Outer Mongolia was raised in

1946 and again in 1947, we voted against it both times in the Security Council.

As for Nationalist China, it finally repudiated its treaty with the Soviet Union because of the numerous Soviet violations; and in doing so, it repudiated its recognition of the independence of Outer Mongolia, where Soviet violations have been particularly flagrant.

Madam President, the recognition of Outer Mongolia would be wrong for many reasons.

First. It would make a mockery of the principle of sovereignty, which has heretofore been one of our chief criteria in determining whether or not to grant recognition; and, in doing so, it would set a dangerous precedent for the future.

Second. It would violate our commitments to Nationalist China. Against the historical background which I have briefly outlined, it would, understandably, affront and embitter our Chinese Nationalist allies, who command the largest, the best disciplined and the most dedicated anti-Communist army in the Far East.

Third. It would confound our other allies in the Far East and deepen the impression that the United States lacks clearly defined principles, clearly defined objectives, and a consistent and clearly defined political strategy.

Fourth. It would place the United States in the position of repudiating the United Nations General Assembly; for in 1952 the General Assembly sustained the charges, brought by the Republic of China, that the Soviet Union had flagrantly interfered in the internal affairs of Outer Mongolia, in violation of the Sino-Soviet Treaty of Friendship of 1945.

Recognition by the United States would open the floodgates to universal recognition of the so-called People's Republic of Outer Mongolia.

As of today, Outer Mongolia is recognized by only 20 nations, 12 of which belong to the Communist bloc. But if the great United States of America recognizes Outer Mongolia, why should any other nation hesitate to do so?

The establishment of additional Communist embassies all through the free world, especially in the underdeveloped countries, should be a matter for serious concern, because, as is commonly known, each Communist embassy serves as a center of subversion and espionage.

Fifth. In a U.N. situation in which each nation's vote on decisive issues is increasingly important, recognition, followed by admission to the U.N., would give the Soviet bloc an additional vote, a vote to which it is not, in simple justice, entitled.

Sixth. It would fly in the face of a whole host of known facts about the total dependence on Soviet control of this most miserable of all quisling regimes.

The People's Republic of Outer Mongolia is a direct outpost of Soviet military power, and has been so for many years. It is garrisoned by Soviet forces.

This ludicrous but tragic puppet state does not enjoy a shadow of independence. Its politics, its economics, its foreign affairs, its military establishment and posture, are under total direction from the Kremlin and the Soviet secret police. Indeed, the real power in Outer Mongolia is not the so-called government but the Soviet secret police.

People tried and convicted of political crimes in Outer Mongolia are sentenced to prisons and concentration camps in the Soviet Union. What a commentary on the "sovereignty" of the "nation" we are considering recognizing.

Those who urge the recognition of Outer Mongolia have thus far offered only three arguments in support of their position.

Argument No. 1 is that it will provide us with a valuable listening post on the border of China and the Soviet Union. But I am convinced that any American diplomats stationed in Outer Mongolia would be permitted to see and hear far less than their British counterparts now stationed in Red China, for the simple reason that Outer Mongolia is a Soviet military base. Moreover, our diplomats in Outer Mongolia would be placed in dangerous dependence on the Soviet Government, since Outer Mongolia is inaccessible except through the U.S.S.R., and since all communications from Outer Mongolia are channeled through the U.S.S.R.

Argument No. 2 is that, if we recognize Outer Mongolia and drop our opposition to its admission to the U.N., the Soviets will reciprocate by dropping their opposition to the admission of Mauritania.

In our national life, as in our personal lives, we must always be prepared to compromise, to make reciprocal concessions in an effort to achieve agreement. But swapping the admission of Mauritania for the admission of Outer Mongolia would not be an equitable exchange of concessions; it would be simple submission to blackmail.

I believe the American people are sick and tired of these package deals, under which the Kremlin drops its opposition to the admission of nations that have every right to membership in the U.N., in return for the admission of nations which have no right to U.N. membership or whose right to such membership is seriously questionable.

We should never have submitted to such blackmail in the first case.

Each time we submit to it, we lose something of our own integrity and the United Nations loses something of its affirmative meaning.

Argument No. 3 is that, if we agree to admit the People's Republic of Outer Mongolia to the United Nations, this concession might somehow mollify the members of the Afro-Asian bloc and make it easier for us to hold the line against the admission of Red China to the United Nations.

This is really turning logic on its head.

The last several decades should have taught us that concessions of this nature inevitably lead to the demand for more concessions. If we vote to admit Outer Mongolia, the pressure for the admission of the Chinese Communists would become a hundred times as difficult to resist.

Far more important is the fact that the admission of Outer Mongolia would completely undercut the serious reasons of morality and principle which we can now oppose to the admission of Red China.

If we admit Outer Mongolia, it would no longer be consistent to argue that the Chinese Communists are disqualified because of their total violation of the universal declaration of human rights; nor would it be consistent to argue that the Chinese Communist regime has tyrannized the Chinese people, does not represent them, and has no authority to speak for them; nor could we consistently argue that the Chinese Communist regime is unfit for membership because it is, by its record, not a peace-loving state, as the U.N. Charter prescribes, nor is it capable of accepting and carrying out the obligations contained in the charter.

We will not keep Red China out of the U.N. with milksops to the neutralist nations and with rationalizations that deceive only ourselves. Red China can be kept out of the U.N., Red China will be kept out of the U.N., if we simply make it clear to the other member nations that we will not under any circumstances agree to the seating of the Chinese Communists, even if it means resorting to the right of veto.

There are some who argue that the veto would not apply, since a change of representation, unlike the admission of a new nation, is not a substantive matter. I believe we should long ago have put an end to such legalistic speculation by announcing to the world that the United States does consider the seating of the Chinese Communists a matter of substance, and would insist on the right to veto any such proposal in the Security Council.

This is what is required to prevent the admission of the Chinese Communists to the U.N.

If we recognize Outer Mongolia, we abandon our principles, we break faith with our allies, we affront and dismay our friends, we give support to the Kremlin, we strengthen the Communist voting bloc in the U.N., we lend credibility to the fraudulent sovereignty with which the Kremlin masks its total conquest of Outer Mongolia and of other areas, we increase the pressure to bring the Chinese Communists into the U.N.

I would urge the Department of State to put an end to all speculation by publicly rejecting this unfortunate proposal.

Madam President, on June 5, I sent a telegram to the Secretary of State. I ask unanimous consent that the text of the telegram be printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

JUNE 5, 1961.

Hon. DEAN RUSK,
Secretary of State,
Department of State,
Washington, D.C.:

Yesterday's newspapers carried New York Times dispatch stating that "the United States has informed Outer Mongolia of its willingness to recognize the Communist government of that Asian land." The article further implies that this measure may lead to U.S. support for Outer Mongolian admission to the United Nations.

Would be most grateful if you could let me know without delay whether report is substantially accurate or inaccurate. If it is accurate then I wish to request, as a matter of utmost priority, copies of all statements and documents that have led up to decision. Among other things, I would like to know whether the State Department has in recent months received any correspondence or memorandums from Owen Lattimore on this subject.

The State Department has, of course, complete power to grant recognition. I wish to state for the record, however, that I would consider the recognition of Outer Mongolia a diplomatic blunder of the first magnitude. I am convinced that this attitude is shared by most of my colleagues in the Senate and that it also reflects the thinking of the overwhelming majority of our people.

Of all the puppet regimes controlled and manipulated by the Kremlin, the Outer Mongolian regime is the most miserable and the most dependent. It possesses absolutely none of the attributes of sovereignty.

At Yalta, we made the mistake of conceding United Nations admission to two of the Soviet-federated republics, in addition to the Central Soviet Government. With our position in the United Nations more insecure than it has ever been, are we now to compound this error by increasing the number of Soviet satraps that sit in the United Nations with full power to vote?

In the given world situation, recognition of Outer Mongolia can only be considered a retreat before Soviet diplomatic pressure, and its only consequence will be to further strengthen the Communist bloc.

If the State Department has in fact decided in favor of recognizing Outer Mongolia, I wish to state for the record that I feel myself conscience bound publicly to oppose this step with all the powers at my command.

THOMAS J. DODD,
U.S. Senator.

FBI: AN ITALIAN CREATION

Mr. PELL. Madam President, the Italian-American Herald of July 13 contained a most thoughtful editorial entitled "FBI: An Italian Creation." I ask unanimous consent that this editorial be printed in the RECORD.

Unfortunately, there are some people in our country who attempt to create false impressions about particular groups of American citizens. On some occasions Americans of Italian heritage have been pictured as a group who tend toward crime. This is utterly unfair and an insult, and an insult and calumny to a very fine cross section of our population. Mr. President, this editorial points to the historical fact that the FBI was in fact founded by an American of Italian heritage, a blow against prejudice which deserves recognition.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FBI: AN ITALIAN CREATION

(By Alessandro Gregorian)

We cannot praise enough the patriotic gesture of Mr. John N. La Corte, director of the Italian Historical Society of America, who last week took the initiative in dedicating in Washington a memorial to Charles J. Bonaparte, founder of the FBI in 1908.

The sober ceremony which was held in the presence of the Attorney General, Robert Kennedy, in the great hall of the U.S. Department of Justice, marked one of the most significant moments in the history of the Italian-American community, so often and so unjustly identified by ignorance with some miserable products of the American underworld, like Al Capone and "compania bella."

I had the privilege of being invited for this occasion. I followed attentively the enlightened address of Dr. Edward D. Re, a young Italian-American scholar, appointed by President Kennedy as Chairman of the Foreign Claims Commission, and then the tributes to Mr. Bonaparte and to all creative Italian-American pioneers by the Honorable George L. Radcliffe, president of the Maryland Historical Society, and by Mr. Robert Kennedy himself.

Behind these suggestive words was the inspiring voice of a free society giving recognition to a dedicated American of Corsican blood, who, as Attorney General during the administration of Theodore Roosevelt, had the farsighted idea of creating the FBI.

Today the FBI is a mighty bulwark of our national security, protecting the freedom and the basic creed of Western democracy against the conspirators and tyranny. Rather than a secret police apparatus it is a missionary corps, a sound institution for civic and moral education. The man behind the institution, J. Edgar Hoover, is a kind of crusader. While his opposite numbers behind the Iron Curtain breed terror and death, he writes books preaching to and alerting the world about godless machinations.

I saw students and civic representatives visiting the FBI Building as if they were visiting a national shrine, or an art gallery.

This is a Charles Bonaparte—an Italian mind—creation. And this is a time when it is surely wrong that so much of our energy and courage goes into an emotional protest against the vulgar and extravagant producers of the "Untouchables."

Of course, Al Capone was a gangster with an Italian name. But Columbus, Vespucci, Philip Mazzei, and William Paca, and Charles Bonaparte and many others, who helped to forge our American destiny, also had Italian names.

Therefore, every time the poison-pen mercenaries start a slanderous anti-Italian campaign, let us remember, then, these chapters of history, which depict so clearly the positive contributions of the Italian-American.

TRIBUTE TO MEDICO AND THE LATE DR. THOMAS DOOLEY

Mr. PELL. Madam President, recently several Senators paid a well-deserved tribute to the late Dr. Thomas Dooley when we were considering Senate Resolution 64, which authorized the President to issue a special gold medal posthumously to Dr. Dooley.

It is often said that the spirit of a great and compassionate man like Dr. Dooley lives on. This is no idle statement in the case of Tom Dooley, since there exists the marvelous voluntary agency called Medico, which Dr. Dooley established in 1958 with the assistance of Dr. Peter Commanduras as a division of the International Rescue Committee. This nonprofit, nonpartisan, nonsectarian effort, which now operates as an independent organization, has grown from a meager beginning to the point where it is currently carrying out 17 projects in 12 different countries.

Medico has several programs. First of all, it accents actual medical treatment. It is difficult for many Americans to realize that most of Medico's patients have never before seen a doctor in their lives. Medico helps train local personnel in countries where it works with a view toward preparing them to take over its operations. Medico is also flexible enough so that it has provided doctors, nurses, and medical personnel to staff existing hospitals which have a severe shortage of doctors. It is appalling to note that in comparison with a ratio of 1 doctor for every 749 inhabitants in the United States, the ratio for the following countries is:

Indonesia: 1 doctor per 71,000 inhabitants.

Laos: 1 doctor per 500,000 inhabitants.

Republic of the Congo: 1 doctor per 500,000 inhabitants.

Guinea: 1 doctor per 450,000 inhabitants.

Medico has also sent teams of visiting specialists to perform specialized surgery and to bring local doctors up to date on the latest developments in the United States in their field of specialty.

Another of Medico's outstanding projects is an international eye bank which was initiated by Dr. John Henry King, of Washington, D.C.

The bank stores dried corneas which visiting ophthalmologists use for "transplant operations" to restore the sight of many blind people. Between 400 and 500 such operations were performed in Jordan, Pakistan, India, Lebanon, Israel, and in the United States prior to the official establishment of the International Eye Bank. Medico has received requests for similar operations in Japan, Guatemala, Panama, the Philippines, and other countries.

Medico operates overseas only at the invitation of foreign governments. Medico projects represent a true program of partnership. The host government agrees to match as best they can Medico personnel with local personnel. The ministry of health of the host government also helps with the expenses of Medico clinics and hospitals and provides quarters, housing, salaries, and maintenance for local personnel. They also provide what medicines they can.

Medico takes special care to preserve the dignity and self-respect of their patients. Those who are treated at Medico hospitals and clinics, who can afford to pay, make suitable payment. Often Medico hospitals accept payment-in-kind. It is not at all unusual for a Medico doctor to receive payment in the form of chickens or vegetables. Then there are grateful patients who cannot make payments in cash or in kind who donate a period of their time to Medico installations.

Madam President, as I mentioned before, Medico puts great stress on training indigenous personnel to take over their operations at the earliest possible moment. Medico seeks to build no empires. Medico does not operate as a foreign enclave, but works directly with the people. And as we all know, Mr. President, there can be no closer relationship than the relationship between a doctor and a patient who is relieved of pain.

It would be hard to find a more truly grassroots, people-to-people program than Medico. I know of no activity which can more effectively communicate to people abroad the true character of

the American people. The thousands of generous Americans who support Medico represent all that is right and good about our country.

From its inception in 1958 until May 1961, Medico spent $1,253,753 in cash and shipped $1,525,819 worth of medicine to over 12 countries in Asia, Africa, and Latin America. These donations are a drop in the bucket compared to the Government programs, the expenditures of foundations, and other worthwhile activities. However, in terms of impact Medico's record is unsurpassed. Invariably Medico personnel build a tremendous amount of good will for our country wherever they have been. Why have they been so successful? Why have they been such effective ambassadors for us? Perhaps Dr. Dooley best described the reasons for Medico's success when he said:

> Medicine is unique because it is above the give and take of national rivalries. Medicine is not touched by politics; medicine is not touched by the sharp edges of clashing principles; medicine is not involved in the soft, gummy compromises and compromising that so often must be done.

Madam President, I would like to pay particular tribute to the dedicated personnel of Medico, because it is their willingness to sacrifice which enables Medico to accomplish so much with so little. First, I must mention my good friend, Dr. Peter Commanduras, the secretary general of Medico. Dr. Commanduras gave up a substantial practice as a gastroenterologist here in Washington, where he also served as a department head in the George Washington University School of Medicine, to become a cofounder of Medico with Dr. Dooley. Dr. Commanduras has one reason for doing this. A trip to Haiti for the China Board Foundation convinced him that more had to be done for those "who bear the mark of pain" to quote the words of Dr. Albert Schweitzer, who is honorary patron of Medico.

Then there is Dr. Edgar Berman, the president of Medico. This brilliant young doctor from Johns Hopkins University has devoted countless hours, days, and months to Medico since its foundation.

There are the field personnel of Medico. Those who have served as visiting specialists have received only transportation and maintenance. Doctors, nurses, and medical technicians, who come from all over the United States, and who spend an average of 2 years in the field, receive most meager salaries. Doctors earn a salary of $300 per month and nurses and medical technicians receive $150 per month. Obviously these are most-dedicated people.

To be specific, let me cite three projects of Medico. The Medico hospital in Lomphat, Cambodia, is located in one of the most primitive areas of that country. Six months out of every year it is inaccessible by road. The hospital at Lomphat is staffed by: Dr. Alex Zlatanos, Salonika, Greece; George Henning, medical technician, Baltimore, Md.; Ralph Looman, medical corpsman, Ventura, Calif.; Dr. Clint E. Chambers, Oklahoma City, Okla.; Wayne McKinney, Brooklyn, N.Y.; Sam Morris, medical technician, San Anselmo, Calif.; and Mrs. Dodie Stokes, medical technician, Granbury, Tex. This hospital, which is still in the process of construction, will treat about 25,000 patients per year. It will cost about $20,000 per year to run this hospital once construction is completed.

The Chania Clinic, located in the village of Thika, 30 miles north of Nairobi, Kenya, is operated by Dr. Mungai Njoroge, a native of Kenya, who took his medical education at Stanford University and Columbia University College of Physicians and Surgeons. Dr. Njoroge literally arrived in the United States without a cent in his pocket. Through hard work he worked his way through college and was able to complete his medical education here. Medico is proud to be associated with Dr. Njoroge's clinic, which is the only African-run clinic in east Africa. Dr. Njoroge is one of only four Africans in Kenya with a medical degree.

He and his staff treat an average of 180 patients per day who come from 240 different villages. It costs only $50,000 per year to operate this clinic, and another clinic at Riruta, which Dr. Njoroge recently established.

The Medico hospital at Quang Ngai, Vietnam, is located just below the 17th parallel, the dividing line between North and South Vietnam. This is a 160-bed hospital which was put at Medico's disposal by the Government of South Vietnam. It is staffed by Dr. Carl Wiedermann, New York, N.Y.; Reginald F. Gordon, technician, of Schenectady, N.Y.; and Albert L. Harris, of Hagerstown, Md. This hospital will treat approximately 10,000 patients this year in its outpatient clinic in addition to its regular 160 resident patients.

As we know, a great deal of emphasis in the past has been placed on Government programs dealing with preventive medicine and public health projects and research projects. These projects are certainly required and it is not the purpose of my remarks today to deprecate the efforts of those engaged in this necessary work. However, I do want to stress that we must also provide common, everyday medical assistance for those who are suffering and who would never see a doctor if it were not for Medico.

Madam President, it is a fact that over half the people on the face of the earth today live and die without ever seeing a doctor. At this moment, Medico has a waiting list of 200 doctors and over 300 nurses who are willing to serve abroad with Medico if only the needed funds can be obtained.

The extraordinary low cost of Medico makes it imperative that there be generous support for Medico so that Medico's desperately needed services can be greatly expanded. The need for Medico is virtually unlimited.

The work of Dr. Tom Dooley and his Medico colleagues has received most favorable comment from leaders of both of our parties. President Eisenhower and President Kennedy are serving as honorary cochairmen of the Dr. Tom Dooley tribute fund of Medico.

Senator HILL, the distinguished chairman of the Committee on Labor and Public Welfare, has said:

> Medico is an instrument which offers America's great strength, not only in our medical knowledge, but in the humanitarian instincts, the generosity, and the compassion of our people. We cannot wait; death is not gradual in the tropics; the patience of the neglected is not everlasting. We who bear in our hands the precious means for a longer and happier life must extend it quickly and abundantly to the sick, the weak, and the suffering of the world.

Representative WALTER H. JUDD stated:

> As a former medical missionary in China, the program of Medico makes more sense to me than anything else that we are doing in the underdeveloped areas of the world. We must reach the common man in newly developing countries of Asia and Africa on a personal, intimate level emphasizing our humanity, our sympathy, and our understanding of the problems which must be solved. Medico will receive my personal support at all times.

Madam President, it is clearly up to all of us to search our hearts and minds to insure that all appropriate measures are taken to guarantee that Medico receives all appropriate support. We owe it to Tom Dooley and those who are carrying on in his footsteps; we owe it to those in the underdeveloped areas who are desperately striving to live a better way of life in dignity; we owe it to ourselves, for our way of life cannot indefinitely exist surrounded by a sea of sickness and poverty.

REGULATIONS GOVERNING TOBACCO INSPECTION AND PRICE SUPPORT SERVICES

Mr. MORTON. Madam President, the U.S. Department of Agriculture published in the Federal Register of July 25, 1961, a "Notice of Proposed Rule Making" which would amend existing regulations governing the extension of tobacco inspection and price support services to new markets and to additional sales on designated markets.

The development of the auction market system as we know it today in Kentucky and other tobacco producing and marketing States has been keyed to orderly marketing of tobacco at auction with maximum competitive assurances that the farmer will receive the top dollar for his tobacco.

In adopting the current regulation 3 years ago, the Department of Agriculture conditioned the assignment of leaf graders and the price-support program, either to a new market or to expanded sales on an existing market, on whether the applicant market could guarantee the degree of competitive buying strength prescribed by the regulations.

The regulations provide that the market or sale would function as a bona fide auction sale with firm commitments that an adequate set of buyers would participate, define "an adequate set of buyers" as five or more buyers representing five or more companies or buying organizations who could reasonably be expected to purchase two-thirds of the

tobacco, and require the applicant market to prove the participation commitments.

The proposed changes, requested of the Department by two markets in Virginia and North Carolina, would delete these three regulations. I feel that the suggested changes would remove from the tobacco grower assurances of full competitive demand by the purchasing companies, and could result in unsatisfactory marketing conditions returning to the farmer something less than the true value of his tobacco. I would not like to see this situation develop.

Full buying participation protects not only the farmer but the price-support program as well. The absence of a single major buyer from the auction lines can mean the difference between the farmer's getting extra dollars for his crop or its being pooled under the Government loan program. It is my opinion that the interests of the farmer and his tobacco program are best served by keeping as much tobacco as possible within regular trade channels.

There is nothing in the current regulations to prevent the establishment of a new tobacco auction market or expansion of an existing market if the current requirements are met with respect to competitive participation.

I have indicated to Mr. John P. Duncan, Jr., Assistant Secretary of Agriculture, my firm opposition to the proposed changes. I hope that opinions and arguments filed with the Department pursuant to the Register notice will prompt summary dismissal of the suggested revisions. However, if the Department seriously considers the proposal, the tobacco growers of Kentucky want the opportunity of a public hearing to present their case in behalf of retaining the present standards.

Among the many organizations in Kentucky which have communicated their opposition to me are the Kentucky Farm Bureau Federation, the Burley Tobacco Growers Co-Operative Association, the Burley Auction Warehouse Association, the Harrison Tobacco Warehouse, Cynthiana, Ky., the Cynthiana-Harrison County Chamber of Commerce, the Peoples Tobacco Warehouse, Danville, Ky., the Burley Tobacco Warehouse, Danville, the Farmers Tobacco Warehouse, Danville, the Danville Tobacco Board of Trade, and the Boyle County Farm Bureau.

I ask unanimous consent that communications from these groups, along with a copy of the notice in the Federal Register, be published in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LOUISVILLE, KY., *August 1, 1961.*
Senator THRUSTON MORTON,
Senate Office Building,
Washington, D.C.:

The Kentucky Farm Bureau Federation is very much opposed to the proposed changes in the regulations governing the extension of tobacco inspection and price support services as printed in the Federal Register, page 8625, on Tuesday, July 25, 1961.

BURL S. ST. CLAIR,
President, Kentucky Farm Bureau Federation.

DANVILLE, KY., *July 31, 1961.*
Senator THRUSTON MORTON,
Senate Building,
Washington, D.C.:

We want your help. We have the best tobacco regulations ever. Please do not change the regulations issued July 2, 1958.

PEOPLE'S TOBACCO WAREHOUSE.
BURLEY TOBACCO WAREHOUSE.
FARMERS TOBACCO WAREHOUSE.

DANVILLE, KY., *July 31, 1961.*
Senator THRUSTON MORTON,
Senate Building,
Washington, D.C.:

We are opposed to the proposed changes in tobacco regulations governing extension of tobacco inspection to new markets or additional sales on designated markets. Please continue the 1958 regulations which protect the farmers.

DAVE ROBERTSON,
President, Tobacco Board of Trade.

BURLEY TOBACCO GROWERS
COOPERATIVE ASSOCIATION, INC.,
Lexington, Ky., July 27, 1961.
Hon. THRUSTON B. MORTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORTON: In the interest of insuring the best possible auction market system for selling tobacco, the U.S. Department of Agriculture has adopted rules governing the extension of tobacco inspection and price support services to new markets. The rules are:

"That the applicant market or sale will function as a bona fide auction sale and has firm commitments from an adequate set of buyers that they will participate in the sale if inspection and price support services are provided.

" 'Adequate set of buyers' shall mean five or more buyers representing five or more companies or buying organizations who could reasonably be expected to purchase at least two-thirds of the total U.S. production of the kind of tobacco for which the additional services are requested.

"Each applicant shall have the burden of proving, by documentary evidence or by the testimony of buying organizations, which buying organizations are firmly committed to participate in the sale if inspection and price support services are provided."

These rules have served to give tobacco farmers the best market opportunities for their product. They should be retained and strengthened, or expanded, to provide, where possible, better and better market opportunities.

It is proposed by Tobacco Association, Inc., Danville, Va., and Warehouse Association, Winston-Salem, N.C., that the Department discontinue or repeal each and all of these rules. Without them, there would be no definition, or prescribed set of qualifications, of a bona fide auction sale, and as the result, unqualified and unsatisfactory markets would offer services to tobacco growers without any assurance of the kind of marketing facilities desired and required for the proper protection of tobacco growers in the marketplace. Growers have learned that they cannot dispense with nor can there be any substitute for Federal tobacco inspection and price supports in what has come to be recognized as a bona fide market having an adequate set of buyers firmly committed to participate in the sale. Hence, they oppose the repeal of these rules.

The Burley Tobacco Growers Cooperative Association administers the price support program under a contract with Commodity Credit Corporation for the benefit of approximately one-half million tobacco growers in the five States of Kentucky, West Virginia, Ohio, Indiana, and Missouri and it speaks for them in opposition to the repeal of the rules set forth above.

According to USDA officials all persons who desire to submit written data, views, and arguments relating to these proposals may send them in triplicate to the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C., not later than August 7.

We respectfully invite your attention to this matter and your opposition to the proposal.

Very truly yours,

JOHN M. BERRY,
D. L. WILLIAMS,
W. L. STATON,
Executive Committee.

BURLEY AUCTION
WAREHOUSE ASSOCIATION,
Mount Sterling, Ky., July 26, 1961.
Hon. THRUSTON B. MORTON,
U.S. Senate, Washington, D.C.

DEAR SENATOR MORTON: This is to inform you of a proposed change in the Department of Agriculture's regulation governing the extension of tobacco inspection and price support services to new markets and to additional sales on designated markets.

The Department of Agriculture issued a regulation in 1958 that required an applicant market to have "firm commitments * * * from five or more buyers representing five or more companies or buying organizations who could reasonably be expected to purchase at least two-thirds of the total U.S. production of the kind of tobacco for which the additional services are requested." After several meetings with farm and State agricultural officials, the Department adopted the existing regulation that has been successful in preventing rump sales and needless overexpansion of marketing facilities. Several markets that applied for additional sets of graders under the new regulation were denied them because they could not meet the adequate set of buyers' requirement.

According to the enclosed USDA notice, Danville, Va., and Winston-Salem, N.C., have petitioned the U.S. Department of Agriculture to amend or revise the regulation, which if granted would nullify it and permit almost any market to qualify for an additional set of graders.

I know you realize what a condition of chaos there would be from changing the existing regulation, and I urge you to do everything you can to prevent it. The USDA release asked for letters in triplicate to be submitted to the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C., not later than August 7. We would appreciate it if you would send letters in opposition to this proposal. We are hoping that all Congressmen from tobacco-producing States will adopt a unified position in opposition to this change and will request an audience with the Secretary of Agriculture, if necessary.

Sincerely yours,

ALBERT G. CLAY, *President.*

CYNTHIANA-HARRISON COUNTY
CHAMBER OF COMMERCE,
Cynthiana, Ky., July 27, 1961.
Hon. THRUSTON B. MORTON,
U.S. Senator from Kentucky,
Senate Office Building, Washington, D.C.

DEAR THRUSTON: We have learned that certain groups have recommended a change in the rules governing extension of tobacco inspection service to new markets or additional sales on designated markets to the U.S. Department of Agriculture.

The present rules are satisfactory to our tobacco growers, tobacco market, and others interested in tobacco selling, grading, etc.

The board of directors of the Cynthiana-Harrison County Chamber of Commerce has gone on record opposing any proposed changes in the present rules.

Please help us as much as you can in stopping these liberalizing changes in the present rules. We will all appreciate your help.

Yours truly,
W. J. WOODRUFF, *President.*

HARRISON TOBACCO WAREHOUSE, INC.,
Cynthiana, Ky., July 27, 1961.

Senator THRUSTON B. MORTON,
U.S. Senate Building, Washington, D.C.

DEAR SENATOR MORTON: I am writing you in regard to the proposed change in the placing of tobacco inspection services on new markets or additional sets to designated markets.

I urge that you exert all your influence to keep the present policies in effect. In making this statement, I wish to emphasize that the tobacco grower pays for the service that he receives when he sells his crop of tobacco on any market. My thinking is that by the present system the grower is assured of receiving the proper inspection for his crop and that the proper buying interests are represented by competent buyers. This, in turn, gives the grower a true market value of his product.

Under the proposed change I see no guarantee to the grower that he would have proper representation from the buying group and could be jeopardized in the price that he receives for his crop.

No doubt you, by checking the records, will find that I was one of the group that made a very determined effort to secure for this market an extra set of inspectors and was granted an open hearing in Louisville. We were denied this service. Even though we were denied it and, as time has proved, the Department was justified in denying it, I still feel that the ruling was for the best of all the tobacco-growing farm interests. I do want to emphasize the farmer in the case.

Hoping that you will give your all-out effort to this matter and that we can keep the present rule of placing tobacco inspection services, I remain,

Your friend,
HERBERT MOORE, *President.*

[From the Federal Register, July 25, 1961]

TOBACCO INSPECTION, TOBACCO PRICE SUPPORT—NOTICE OF PROPOSED RULEMAKING

(Department of Agriculture: Agricultural Marketing Service; Agricultural Stabilization and Conservation Service (6 CFR pt. 464), (7 CFR pt. 29).)

Notice is hereby given that the U.S. Department of Agriculture has received petitions and proposals from the Danville, Va., Tobacco Association, Inc., and the Winston-Salem, N.C., Warehouse Association to amend or revise the policy statement and regulations governing the extension of tobacco inspection and price support services to new markets and to additional sales on designated markets, issued July 2, 1958 (7 CFR pt. 29, 6 CFR pt. 464).

As applied to the regulations governing extension of tobacco inspection services (7 CFR pt. 29) the petition and proposed changes would:

1. Repeal section 29.2(a)(1) reading as follows: "that the applicant market or sale will function as a bona fide auction sale and has firm commitments from an adequate set of buyers that they will participate in the sale if inspection and price support services are provided."

2. Delete section 29.1(b) reading as follows: "'Adequate set of buyers' shall mean 5 or more buyers representing 5 or more companies or buying organizations who could reasonably be expected to purchase at least two-thirds of the total U.S. production of the kind of tobacco for which the additional services are requested."

3. Delete the first sentence of section 29.3(e) reading as follows: "Each applicant shall have the burden of proving, by documentary evidence or by the testimony of buying organizations, which buying organizations are firmly committed to participate in the sale if inspection and price support services are provided."

Concurrent and identical provisions of the regulations governing the extension of price support services (6 CFR pt. 464) would correspondingly be repealed or modified.

All persons who desire to submit written data, views, and arguments relating to petitioners' petition and proposals for amendment or revision of the aforesaid regulations should transmit the same, in triplicate, to the Hearing Clerk, U.S. Department of Agriculture, Washington 25, D.C., so as to be received by August 7, 1961.

Done at Washington, D.C., this 20th day of July 1961.

JOHN P. DUNCAN, Jr.,
Assistant Secretary.

(F.R. Doc. 61-6982; filed, July 24, 1961; 8: 52 a.m.)

BOYLE COUNTY FARM BUREAU, INC.
Danville, Ky., August 1, 1961.

Senator THRUSTON B. MORTON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: We believe that if the tobacco producer is to receive the true value of his product it must be offered for sale on a truly competitive market at which all major purchases of leaf tobacco are represented.

We are assured of the foregoing by the tobacco regulations as formulated July 2, 1958. We therefore respectfully enlist your help in defeating the proposed amendment.

Very truly yours,
J. HOWARD OVERSTREET, Jr.,
President.

GRAIN SURPLUSES

Mr. HRUSKA. Madam President, among the frustrations of a civil defense planner—and there are many—is the difficulty of making his plans seem reasonable to the public. Consider the case of Secretary of Agriculture Freeman whose department considered it had found a happy, if partial, solution to the problem of our growing grain surpluses.

The scheme was to redistribute the grain so that it would be near to centers of population and thus available to civil defense officials for feeding the survivors of an enemy attack.

Nobody can deny that the problem of providing food to the victims of a thermonuclear blast is a grimly serious matter. But Secretary Freeman's proposal did not evoke a serious response from the ordinarily businesslike Wall Street Journal.

The Review and Outlook writer of the Journal for July 31, 1961, takes Mr. Freeman's plan with a grain of whimsy. I ask unanimous consent, Mr. President, to insert the article in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BREAD AMID THE RUINS

The lady at our house looked rather puzzled the other evening when we brought home half a bushel of raw wheat for dinner.

We explained we were only trying to help solve the Nation's farm problem and, simultaneously, cooperate in the civil defense effort. The Agriculture Department, as everybody knows, has more wheat than anybody knows what to do with. And the Civil Defense Agency, as the President reminded us on television, has the problem of what people are going to eat after the bombs fall.

So how better than to solve both problems at once by storing a bushel of wheat in every cupboard ready for any emergency?

That, more or less, is just what Agriculture Secretary Freeman has in mind. His Department has drawn up an elaborate plan for scattering the surplus wheat about the country as a sort of strategic food reserve. Initially the plan calls for taking some 213 million bushels out of the bins, silos and old ships where it's now piled up and distributing it among 68 population centers as a food reserve for those surviving a nuclear attack. Eventually, so the thought runs, each family might have its own little hoard of wheat ready for instant use.

True, raw wheat is inedible, gives you all sorts of gastronomic troubles. But as we explained to the lady of the house, converting wheat into bread was not beyond the capabilities of even the primitive women of antiquity.

First, you grind it into flour. When she asked, "With what?" we pointed out that it could be done between two stones or, somewhat more efficiently, with a turntable powered by a donkey. Her answer suggested that here at least was one helper she already had around the house.

In reply, we merely noted that this was part of the brilliance of Secretary Freeman's scheme. Not only is it going to solve a civil defense problem and turn the surplus headache into a national asset, but it could also open up a magnificent market for some manufacturer to turn out do-it-yourself home wheat grinders, providing new jobs and giving an uplift to the gross national product. Then we continued to explain the simplicity of converting inedible wheat into delicious home-baked bread.

You take your ground flour, add sugar, salt, yeast, fat, and water, and then bake in a 400° oven. Salt and sugar are readily storable, and there are plenty of people who eat rancid fat without injury. Yeast is more perishable, but a forehanded housewife ought to be able to keep a usable supply on hand. Of course, if the water is all radioactive, the whole thing is academic, anyway. And as for the objection that a nuclear blast might blow down the powerline, we pointed out that there are many women around the world, right today, who know how to make adobe ovens on the ground and cook without benefit of electricity.

Anyway, when you look beyond these technical details you can see the marvelous potentialities of this idea. True, a bushel of wheat in each of our 60 million homes won't dissolve the 1.3 billion bushel Government surplus. But it would certainly empty enough of the storage bins to give the Government room to take care of the new surpluses for the next several years.

As for the cost to the taxpayer, it would be negligible, even if the Government threw in a pinch of salt and sugar with each civil defense wheat package. After all, the Government is going to pay the cost of storing all this wheat anyway. It might even reduce the budget if the Government can get enough of it into enough basements. This is not a small consideration for an administration currently running a $5 billion budget deficit.

But the most impressive advantages are the positive ones. As a basic food (revolutions have been fought over it), bread is high in proteins and calories, thus being well adapted as an all-purpose emergency ration. Moreover, the Freeman plan can be applied to other politically troublesome grains, such as corn and rye, making it possible to vary the disaster diet. And the reacquisition by the modern housewife of this

fundamental skill will increase her sense of self-reliance because it can also be applied to making meals with acorns, beechnuts, straw, sawdust or even the inner layers of tree bark.

Altogether, a wonderful plan. Home-baked bread amid the ruins is much more cheerful to contemplate than K-rations. And we're just sorry to have to tell Mr. Freeman we don't think it's going to get the women's vote.

THE TULE-KLAMATH WILDLIFE REFUGES: THE NEED FOR GREATER PROTECTION OF THEIR BOUNDARIES

Mr. KUCHEL. Madam President, on May 29, 1961, I introduced S. 1988, which would dedicate the lands within the present Executive order boundaries of the Tule-Klamath Wildlife Refuges to wildlife preservation. This measure would stabilize the ownership of the land in this most vital single area of the Pacific flyway. Approximately 80 percent of all the waterfowl in the Pacific flyway use these refuges.

I have been delighted at the widespread support which has been given to this measure. I understand that within the near future a report will be submitted by the Department of the Interior. When the report is received, I intend to ask for early hearings on this legislation by the Senate Committee on Interior and Insular Affairs, so that both the proponents and the opponents may have an opportunity to be heard on this bill.

I believe, Madam President, that the passage of legislation which would once and for all clarify the Federal Government's interest in the administration of the Tule-Klamath complex primarily for the purpose of waterfowl management, is long overdue and is in the public interest.

The following organizations have indicated their support for the purposes expressed in S. 1988: the California Wildlife Federation; the International Association of Game, Fish, and Conservation Commissioners; the Izaak Walton League of America; the National Audubon Society; the National Wildlife Federation; the North American Wildlife Foundation; the Sierra Club; the Sport Fishing Institute; the Western Association of State Game and Fish Commissioners; the Wilderness Society; the Wildlife Management Institute; the California Department of Fish and Game; and the California Fish and Game Commission.

Madam President, I ask unanimous consent to have several newspaper columns and editorials concerning this legislation printed at this point in the RECORD.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the San Francisco (Calif.) Examiner, July 23, 1961]

SPORTS AFIELD—AID NEEDED ON WATERFOWL BILL

(By J. P. Cuenin)

Everybody interested in the preservation of the ducks and geese of the Pacific flyway should take an active part in helping to pass Senate bill 1988, introduced by Senator THOMAS H. KUCHEL, of California.

The bill, if passed, will preserve intact the necessary existing habitat for migratory waterfowl in the upper and lower Klamath Lakes National Wildlife Refuges and the Tule Lake National Wildlife Refuge.

Those three Federal waterfowl refuges in northeastern California and southern Oregon are the main stopping place for waterfowl coming south from their nesting grounds to their wintering grounds in California.

CROPS RUINED

At times each fall there are from 4 million to 7 million ducks and geese on these refuges. If these sanctuaries are reduced in size, it is possible that many of the waterfowl would stop there for only a few days, then pour into the Sacramento and San Joaquin Valleys before the main part of the rice crop is harvested and thus cause a loss of millions of dollars to the ricegrowers. The owners of cattle and sheep would also have a considerable loss because of the destruction of their irrigated pastures by waterfowl.

COMBINED REFUGES

As a protection from the early flight of ducks from Alaska, which begin arriving in August, we have in the Sacramento and San Joaquin Valleys more than 40,000 acres which are maintained on five State and four Federal properties as combined refuges and waterfowl management areas.

Rice, barley, and other duck foods are planted on these refuges to attract and hold the birds until the rice and other crops are harvested, but they can afford crop protection only for the numbers of waterfowl that reach here on the first flight.

In addition to preventing taking more land for farming from those vital waterfowl refuges, the Senator's bill will prevent lowering the water levels to a point which can and often does permit the water to reach a temperature that will bring up from the muddy bottom the botulism bugs which have killed hundreds of thousands of waterfowl on the refuges.

INFECTION SPREADS

Botulism not only kills large numbers of waterfowl on these refuges but permits the spreading of this fatal infection to bodies of water at considerable distances from the Klamath Lakes and Tule Lake.

If migrating ducks coming down from the nesting grounds stop in those refuges for a drink and a rest, then rise to head south, they can reach the Sacramento Valley refuges and hunting waters and infect them before the disease stops their flight. From that beginning all of the waterfowl waters down to the lower end of the San Joaquin Valley could quickly become contaminated.

NEED ALL CLUBS

Senator KUCHEL's bill has been endorsed by the following organizations:

Fish and Game Commission, Assorted Sportsmen of California, National Wildlife Federation, California Wildlife Federation, California Farm Bureau, California Agricultural Council, Joint Wildlife Management Committee of Farmers and Sportsmen, and the California Duck Hunters Association.

If this bill is to pass it is not enough to have those fine endorsements. It is necessary that the members of all sportsmen's clubs should contact their Congressmen and ask that they work for its passage.

Each club should appoint a committee composed of duck hunters and farmers, both of whom are, or should be, vitally interested in the passage of this bill.

Each club could adopt a resolution favoring the bill, make copies of it and have the constituents of the Congressman sign it, then deliver it to him, or send it to him in Washington if he is not at home.

[From the Santa Monica (Calif.) Evening Outlook, June 8, 1961]

ROD AND GUN

(By J. Charles Davis)

Permanent reservation of nearly 100,000 acres of land, marsh, and water constituting a vital habitat for migratory game birds on the Pacific flyway would be assured under the terms of a bill just introduced in Congress by Senator THOMAS H. KUCHEL, of California.

Threatened nibbling away of lands in three wildlife refuges prompted KUCHEL to introduce legislation withdrawing from possible homesteading 91,619 acres in the upper Klamath, lower Klamath, and Tule Lake areas and extending protection to 6,891 more acres of adjacent land in northern California and southern Oregon. The bill was referred to the Senate Interior Committee, of which KUCHEL is a member.

With the backing of the U.S. Interior Department and numerous conservation and sportsman groups, KUCHEL asked Congress to declare a definite policy that ownership of public lands in the refuges must be stabilized in order to safeguard the most vital single area of the Pacific flyway. He also pointed out that adequate resting, nesting, and feeding places for migratory birds are essential to prevent depredations against grain and other agricultural crops.

LONG HISTORY

Pointing to the importance of the Klamath-Tule reservation, the California Senator said experts estimate 80 percent of all waterfowl traveling the Pacific flyway pass through the area and concentrations of birds are estimated to reach peaks of 7,500,000.

Since the refuges were created by Executive orders in 1908 and 1911, reclamation of land for farming, much of it under lease from the Federal Government, and settlement by homesteaders have shrunk the extent of the original reservations, KUCHEL told the Senate. Constant encroachments have undermined the ability of the refuge to support the huge flocks and have resulted in increasingly frequent raids on growing crops.

No farmers will be driven out of the area, but if Congress enacts the bill a barrier will be provided against "windfall" homesteading. Lease-agriculture operations and substantial income derived from hunters will have more economic benefits than any other arrangement involving land ownership in the area, it was stated.

OTHER SECTIONS

Besides land presently included in upper Klamath, lower Klamath, and Tule Lake refuges, KUCHEL's bill will prevent further homesteading on 1,440 acres in Klamath County, Oreg.; 13 tracts in Siskiyou County and 1 tract in Modoc County, Calif., and White Lake in California and Oregon.

As our population increases, more and more land is being converted to homes, industrial and farming uses. We have frequently pointed out that our woods, waters, fish, and game are being driven farther and farther back and that unless a stop is put to destruction of lands and water their survival is endangered.

With all our fight to preserve a free world it would seem that we should make sure that we have a world worth preserving, not a concrete jungle.

It does not make much sense to this reporter to fight for a 4-day week and then not have any place to enjoy our holidays.

[From the San Francisco (Calif.) Chronicle, June 11, 1961]

TULE BILL NEEDED

(By Bud Boyd)

Because my great-grandfather crossed the Sierra before the gold rush, our family is rich

in stories of that time. And one of the most outstanding was when great-grandfather went to Tule Lake.

"That was Indian country then," he said. We could picture the lurking Modocs. He traveled down the tawny flanks of the Warner Range to ride his buckskin horse into the valley. It was a crisp October day—the moon of gathering waterfowl—and V-shaped lines of ducks and geese swarmed through the air. Tan tules stretched as far as the eye could reach, and when he rode into the marsh where waterfowl were talking, there was an instant hush.

Then suddenly the air was filled with sound. Geese, by the uncountable thousands rose into the sky with a querilous honking noise, and the roar of their beating wings was like waves breaking on the shore. A million mallards rose in quacking protest at this intrusion.

To great-grandfather this was one more wonderful thing to find in this new and lovely land. Where men of greater foresight saw the sun-cured grass as cattle feed, and the reclaimed marsh as grain and potato fields, he only saw the wonderful free flying waterfowl.

But in the meantime, this fabulous rendezvous for birds which migrate in from Canada, became a place which men of commerce wanted. Men hacked away the tules and drained the marsh, and a sharp-eyed Federal Government saw this potential threat to one of the world's greatest waterfowl concentration areas, and so they created the Klamath and Tule Lake refuge, as a place to be secure from man.

This was accomplished by Executive order in 1908, but since that time a certain amount of land reclaiming has continued. Rich land has been put to the plow in many cases, and much of the marsh has vanished. Even today a few men still would like to use it all for agriculture.

Although the Federal Government has maintained ownership, and has only leased the agricultural rights, there is a continuing cry for more homesteading. So in an effort to completely safeguard this vital waterfowl habitat, U.S. Senator THOMAS H. KUCHEL has introduced a bill which would assure protection of the area.

With the backing of the U.S. Interior Department and numerous conservation and sportsman groups, KUCHEL took the step to ask Congress to declare a definite policy that ownership of public lands in the refuges must be "stabilized" in order to safeguard "the most vital single area of the Pacific flyway."

KUCHEL's bill would withdraw from possible homesteading 91,619 acres in the upper Klamath, lower Klamath, and Tule Lake areas. It would also extend protection to 6,891 acres of adjacent land in northern California and southern Oregon. The bill has been referred to the Senate Interior Committee, of which KUCHEL is a member.

Pointing to the importance of the Klamath-Tule reservation, the California Senator said, "experts estimate 80 percent of all waterfowl traveling the Pacific flyway pass through the area and the concentration of birds is estimated to reach peaks of 7,500,000." He adds: "Constant encroachments have undermined the ability of the refuge to support the huge flocks and have resulted in increasingly frequent raids of growing crops."

In an effort to show fairness, the Senator pledged that "No farmers will be driven out of the area." But if Congress enacts the bill a barrier will be provided against windfall homesteading.

This certainly seems like a sensible effort on the part of Senator KUCHEL, and would promise to eliminate senseless water-level and landownership bickering, as occurred last year.

After all how does one measure the worth of a resting spot for waterfowl which have winged there through the untold centuries? How does one evaluate the sight and the glorious sound? How do you put a price on something that great-grandfather saw in 1848—and still is a place where I can take my son to hunt today.

We went goose hunting last year, you know, and as we walked across the frozen ground at morning, the geese were milling like a windblown sheet across the distant stubble. The clamor sounded like a speeding freight train, and my age-eight son said softly, "Gee, dad, I didn't know there were this many birds in all the world."

I pray we keep it that way.

[From the Los Angeles (Calif.) Mirror, June 9, 1961]

PLAN LAUNCHED TO SAVE TULE LAKE DUCK REFUGE

(By Lupi Saldana)

A bill to permanently insure that the 100,000-acre Federal waterfowl refuge at Tule Lake, considered the most important waterfowl refuge in the Pacific flyway, remain intact today has been formally introduced in Congress by Senator THOMAS H. KUCHEL.

The measure introduced by California's senior Senator has the backing of the Interior Department, State fish and game officials and sportsmen's groups.

Actually, the Tule Lake-Klamath waterfowl area is the key to waterfowling in California, because it hosts about 80 percent of all waterfowl winging down the Pacific flyway. It is estimated that concentrations of birds in the area hit peaks of 7,50C,000.

The refuge is also vital from the standpoint of recreation, because it provides lots of hunting opportunities for unattached California and Oregon shotgunners. And in addition to the waterfowl sport, the area also provides some pretty fair pheasant hunting.

In the past years homesteading has been threatening the existence of the refuge. As a result, sportsmen and fish and game officials have been concerned that this great waterfowl sanctuary might be on its way out.

In his bill, KUCHEL has asked Congress to assure the future of the refuge by "stabilizing" the ownership of public lands in the refuge in order to "safeguard the most vital single area of the Pacific flyway."

The Senator also pointed out that adequate resting, nesting and feeding places for migratory birds are essential to prevent depredations on grains and other agricultural crops. So in effect, the refuge serves many purposes.

Since the refuges were created in 1908 and 1911, reclamation of land for farming and settlement by homesteaders has shrunk the extent of the original reservations.

The Senator pledged that no farmers will be driven out of the area, added that the lease-agriculture operations and the substantial income derived from hunters will have more economic benefits than any other arrangement involving landownership in the area.

At any rate, sportsmen should throw their entire weight behind KUCHEL's measure.

[From the Sacramento (Calif.) Union, June 8, 1961]

(By Bob Rudy)

Duck hunters may get some needed protection. Permanent reservation of nearly 100,000 acres of land, marsh, and water constituting a vital habitat for migratory game birds on the Pacific flyway would be assured under the terms of a bill just introduced in Congress by U.S. Senator THOMAS H. KUCHEL, of California.

Threatened nibbling away of the lands in the three existing wildlife refuges prompted the Senator to introduce this legislation withdrawing from possible homesteading 9,619 acres in the upper Klamath, lower Klamath and Tule Lake areas and extending protection to 6,891 more acres of adjacent land in northern California and southern Oregon. The bill has been referred to the Senate Interior Committee, of which KUCHEL is a member.

This area hosts 80 percent of California waterfowl every year. Peaks reach over 7,500,000 ducks and geese.

[From the Los Angeles (Calif.) Mirror, June 12, 1961]

KEEP TULE LAKE FOR THE BIRDS

A bill introduced in Washington by Senator TOM KUCHEL to preserve the Tule Lake waterfowl refuge deserves the support of all the public, as well as sportsmen.

The 100,000-acre area is a stopover point for millions of birds in migration—about 80 percent of all birds which travel the Pacific flyway.

The size of the lowland watering area, mainly in Siskiyou County, has diminished over the years because of homesteading for farms.

KUCHEL's bill would stop this and retain what is left, which is still a considerable area of natural beauty.

The necessity of providing natural nesting and feeding grounds for birds is a real problem to farmers who are invaded by the flocks.

In the north, depredations by game birds are a serious matter.

The Kuchel bill would help in that problem and also serve sportsmen and nature lovers by protecting our waterfowl from extinction.

[From the Los Angeles (Calif.) Examiner, June 7, 1961]

TULE LAKE BILL GIVEN CONGRESS

U.S. Senator TOM KUCHEL has introduced in the Congress a bill urged by California and Oregon sportsmen's groups to preserve 100,000 acres of land, marsh and water on the Pacific flyway against encroachment of homesteaders.

KUCHEL's bill is aimed at protecting habitat for migratory game birds that yearly make use of the flyway.

It would withdraw from possible homesteading 91,619 acres in the Tule Lake, lower Klamath and upper Klamath refuge areas. At the same time, it would extend protection to 6,391 more acres of adjacent land in northern California and southern Oregon.

These areas include 1,440 acres in Klamath County, Oreg., 13 tracts in Siskiyou County, 1 tract in Modoc County and White Lake in California and Oregon.

KUCHEL's bill has been referred to the Senate Interior Committee of which the California Senator is a member.

His proposal has the backing of the U.S. Interior Department and numerous conservation and sportsmen groups in this State and in Oregon.

It asks that Congress declare a definite policy that ownership of public lands in the refuges must be stabilized in order to safeguard the "most vital single area of the Pacific flyway."

The measure also points out that adequate resting, nesting, and feeding places of ducks and geese are essential to prevent depredations on grains and other agricultural crops.

KUCHEL emphasized the importance of the Klamath-Tule Lake refuge by pointing out that experts estimate 80 percent of all waterfowl traveling the Pacific flyway pass through this area and that the concentration of migratory flocks reaches an estimated peak of 7,500,000 each year.

HOMESTEADERS MOVE IN

The refuges were created by Executive orders in 1908 and 1911. Since then, reclamation of land for farming, much of it under

lease from the Federal Government, and settlement by homesteaders, has shrunk the extent of the original reservations.

Constant encroachments, KUCHEL told the Senate, have undermined the ability of the refuge to support huge flocks and have resulted in increasingly frequent raids on growing crops.

The California Senator pledged no farmers will be driven out of the area, but said the bill will provide a barrier against future "windfall" homesteading.

He commented that lease-agriculture operations and the substantial income derived from hunters will have more economic benefits than any other arrangement involving landownership in the area.

This bill has the full approval of the California Department of Fish and Game, which had a hand in drafting the basic policy. Walt Shannon, department of fish and game director, and Jim Smith, the State fish and game commission president from Los Angeles, took up this matter specifically on a March 9 trip to Washington.

They met with Under Secretary of the Interior James Carr and Assistant Secretary of the Interior for Fish and Wildlife Frank Briggs and urged that the Tule Lake and Klamath refuges be placed permanently in the jurisdiction of the U.S. Fish and Wildlife Service.

Protection of ducks and geese at Tule Lake and Klamath means not only good hunting for those who make the long trip north but assures longer seasons and better bags for sportsmen the length of California.

Hunters from here can well remember the big water battle that took place in the fall of 1959 with the U.S. Fish and Wildlife Service, U.S. Bureau of Reclamation, and the Tulelake Irrigation District all involved. It took an order and court threat from the Secretary of Interior to finally bring the marsh water level back to stipulated elevations for the benefit of waterfowl nesting in the spring and shooting in the fall.

[From the Napa (Calif.) Register, June 12, 1961]

PACIFIC FLYWAY

Permanent reservation of nearly 100,000 acres of land, marsh, and water constituting a vital habitat for migratory game birds and the Pacific flyway would be assured under terms of a bill introduced in Congress by U.S. Senator THOMAS H. KUCHEL, of California.

Threatened nibbling away of lands in three wildlife refuges prompted the senior California Senator to introduce legislation withdrawing from possible homesteading 91,619 acres in the upper Klamath, lower Klamath, and Tule Lake areas and extending protection to 6,891 more acres of adjacent land in northern California and southern Oregon. The bill was referred to the Senate Interior Committee, of which KUCHEL is a member.

With the backing of the U.S. Interior Department and numerous conservation and sportsman groups, KUCHEL took the step of asking Congress to declare a definite policy that ownership of public lands in the refuges must be stabilized in order to safeguard the most vital single area of the Pacific flyway. He also pointed out that adequate resting, nesting, and feeding places for migratory birds are essential to prevent depredations on grains and other agricultural crops.

Pointing to the importance of the Klamath-Tule reservation, the California Senator said experts estimate 80 percent of all waterfowl traveling the Pacific flyway pass through the area and concentrations of birds are estimated to reach peaks of 7,500,000.

Since the refuges were created by Executive orders in 1908 and 1911, reclamation of land for farming, much of it under lease from the Federal Government, and settlement by homesteaders has shrunk the extent of the original reservation, KUCHEL told the Senate. Constant encroachments have undermined the ability of the refuge to support the huge flocks and have resulted in increasingly frequent raids on growing crops, he added.

No farmers will be driven out of the area, the Senator pledged but if Congress enacts the bill a barrier will be provided against windfall homesteading. He commented that lease-agriculture operations and the substantial income derived from hunters will have more economic benefits than any other arrangement involving landownership in the area.

Besides land presently included in the upper Klamath, lower Klamath, and Tule Lake refuges, KUCHEL's bill will prevent further homesteading on 1,440 acres in Klamath County, Oreg.; 13 tracts in Siskiyou County, and 1 tract in Modoc County, Calif.; and White Lake in California and Oregon.

WILDLIFE SANCTUARY BILL INTRODUCED

(By Walt Radke)

In a move to permanently reserve nearly 100,000 acres of land, marsh and water along the Oregon-California border for migratory game birds, U.S. Senator THOMAS H. KUCHEL this week introduced a bill in Congress to have the areas named inviolate wildlife sanctuaries.

Under the provisions of the bill 91,619 acres in the upper Klamath, lower Klamath and Tule Lake areas would be withdrawn from possible homesteading.

Protection also would be accorded 6,891 more acres of adjoining land in northern California and southern Oregon. The measure has been referred to the Senate Interior Committee of which KUCHEL is a member.

With the backing of the U.S. Interior Department, the California Fish and Game Department and Commission and organized sportsmen throughout the State, KUCHEL took the step of asking Congress to declare a definite policy of ownership in the key refuge area.

At the present time the refuges exist only by Executive orders issued in 1908 and 1911, with the Bureau of Land Management, Bureau of Reclamation and the U.S. Fish and Wildlife Service having confused and overlapping authorities and purposes.

Sporadic land withdrawals for homesteading have nibbled away at the refuges through the years. KUCHEL calls the Tule-Klamath region the most vital single area of the Pacific flyway.

He also points out that adequate resting, nesting and feeding places for migratory birds are essential to prevent depredations on grains and other agricultural crops throughout the lush central valley.

Experts estimate 80 percent of all ducks and geese traveling the Pacific flyway use the Klamath-Tule reservation facilities. At times, as many as 7,500,000 migrating birds are in residence.

Since the refuges were set up a half century ago, reclamation of land for farming, much of it under lease from the Federal Government, and settlement by homesteaders, has shrunk the extent of the original reservations considerably. In the Tule area, there have been two withdrawals since World War II.

These constant encroachments have undermined the ability of the refuges to support the huge flocks and resulted in increasingly frequent raids on growing crops.

No farmers will be driven out of the area, according to KUCHEL. But if Congress enacts the bill, a barrier will be provided against further agricultural encroachments.

He contends further that lease agriculture operations and the substantial income derived from hunters will have greater economic benefits than any other arrangement involving landownership in the area.

Besides lands presently included in the upper Klamath, lower Klamath and Tule Lake region, the Kuchel bill will prevent further homesteading on 1,440 acres in Klamath County, Oreg., 13 tracts in Siskiyou County, 1 tract in Modoc County, and White Lake in California and Oregon.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL BILL INTRODUCED

Mr. SYMINGTON (for himself and Mr. LONG of Missouri), by unanimous consent, introduced a bill (S. 2368) authorizing the Postmaster General to dispose of certain real property in Independence, Jackson County, Mo., which was read twice by its title and referred to the Committee on Post Office and Civil Service.

(See the remarks of Mr. SYMINGTON when he introduced the above bill, which appear under a separate heading.)

AUTHORIZATION FOR POSTMASTER GENERAL TO DISPOSE OF CERTAIN REAL PROPERTY IN INDEPENDENCE, MO.

Mr. SYMINGTON. Madam President, in order that a new post office may be built for Independence, Mo., under the Post Office Department's lease program, I introduce, on behalf of myself and my colleague, the junior Senator from Missouri [Mr. LONG] a bill to provide for disposal of a certain tract of land in that city.

Under the procedure authorized by this bill, the General Services Administration would transfer the land to the Post Office Department, which would then advertise for bids for construction of the post office on this site.

The Department would then convey the property to the successful bidder, who would build and lease the building to the Federal Government.

The site in Independence was acquired by the Government under the Public Buildings Act of 1949. Language of that act prevents the Post Office Department from disposing of such property to effectuate its present leasing program. Hence, it is necessary to get a statutory exemption from the prohibition contained in title 29 of the United States Code, section 2103(b).

The present post office, built when Independence had a population considerably less than 20,000, is far from adequate for a town which is now approaching 80,000. The people of this great city have been very patient with the delays of the past few years, but further delays would be inexcusable.

The bill being introduced today would clear the way for construction of this much-needed facility in the very near future. We urge its prompt approval by the Senate. This is a companion bill to H.R. 7890, previously introduced in the House by the Honorable WILLIAM J. RANDALL, Representative for this district.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2368) authorizing the Postmaster General to dispose of certain real property in Independence, Jackson County, Mo., was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

NATIONAL DEFENSE EDUCATION ACT AMENDMENT OF 1961—AMENDMENT

Mr. CASE of South Dakota submitted an amendment, intended to be proposed by him, to the bill (S. 2345) to extend and improve the National Defense Education Act of 1958, and for other purposes, which was ordered to lie on the table and to be printed.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1962—AMENDMENT

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

NOTICE OF HEARING ON NOMINATION OF ALBERT V. BRYAN TO BE U.S. CIRCUIT JUDGE, FOURTH CIRCUIT, A NEW POSITION

Mr. JOHNSTON. Madam President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, August 9, 1961, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Albert V. Bryan, of Virginia, to be U.S. circuit judge for the fourth circuit, a new position.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Mississippi [Mr. EASTLAND], chairman, the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Nebraska [Mr. HRUSKA].

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 2, 1961, he presented to the President of the United States the enrolled bill (S. 2311) to authorize additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes.

ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. DODD. Madam President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn, under the order previously entered, until tomorrow morning, at 10:30.

The motion was agreed to; and (at 7 o'clock and 1 minute p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, August 3, 1961, at 10:30 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 2, 1961:

THE JUDICIARY

Albert V. Bryan, of Virginia, to be U.S. circuit judge for the fourth circuit, vice a new position.

Edward Dumbauld, of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania, vice a new position.

BUREAU OF CUSTOMS

Marguerite R. Benson, of Wisconsin, to be collector of customs for Customs Collection District No. 37, with headquarters at Milwaukee, Wis.

Earl D. Roberts, of California, to be collector of customs for Customs Collection District No. 25, with headquarters at San Diego, Calif.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be ensign

Michael H. Fleming

CONFIRMATIONS

Executive nominations conferred by the Senate August 2, 1961:

U.S. DISTRICT JUDGE

Edward Dumbauld, of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania, vice a new position.

U.S. COAST GUARD

The following U.S. Coast Guard officers for promotion to the permanent rank indicated in the U.S. Coast Guard:

To be rear admirals

Capt. Theodore J. Fabik
Capt. Oscar C. Rohnke

FEDERAL TRADE COMMISSION

A. Everette MacIntyre, of Virginia, to be a Federal Trade Commissioner for the term of 7 years from September 26, 1961.

FEDERAL MARITIME BOARD

Rear Adm. John Harllee, of the District of Columbia, to be a member of the Federal Maritime Board for a term of 4 years expiring June 30, 1965.

U.S. TRAVEL SERVICE

Voit Gilmore, of North Carolina, to be the Director of the U.S. Travel Service.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointments, to the grades indicated, in the Coast and Geodetic Survey:

To be lieutenant (junior grade)

James B. Allen

To be ensigns

Gerald R. Cichy	H. Dennis Matthews
Darryl D. Devnich	Laurence A. Savage
Maurice L. Geiger	James R. Tedrick
Herbert L. Mansbridge	

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service, subject to qualifications therefore as provided by law and regulations:

I. FOR APPOINTMENT

To be surgeons

J. Carter Wright	George R. Adam
Ramon D. Acosta	Martin H. Jansen
Victor J. Albertazzi	Myles C. Jones
George B. Backer	Robert L. Kaiser
Albert D. Bloomstrom	Charles R. Keith
Harry C. Briggs	Carl H. Keller
Arthur F. Budge	James R. Knapp
Daniel H. Buller	Harold G. Kretzing
Garfield F. Burkhardt	Norman G. Lewis
Darrell R. Burns, Jr.	Harvey Liebhaber
James Chin	Joseph P. Macary
Roy G. Clay, Jr	James O. Mason
Harold T. Conrad	Thomas R. Mazzocco
Peter G. Contacos	Ronald K. McGregor
Theodore C. Eickhoff	Thomas H. Milby
James L. Ferrell	Robert N. Milling
Harvey E. Finkel	George D. Monda
J. Kenneth Fleshman	Stuart H. Mudd
Emmett W. Flynn, Jr.	John B. Muth
Robert M. Friedman	Alan H. Nicol
Sallie B. Friedman	Joseph P. O'Malley
Donald D. Funk	William A. Powell
Peter P. Gebel	Harold E. Ramsey
John A. Gergen	Franklin D. Roller
Robert J. Griep	Jerry M. Ross
Guy Joseph Guarino	Herbert G. Rush
Stephen R. Gushin	Clinton B. Sayler
David Leonard Hall	John C. Scott
Robert D. Hall	Richard P. Sharp
Lynn R. Hamilton	William S. Sly
Roger W. Haskell	George L. Smith
Charles Heilbrunn	Raymond F. Smith
Axel W. Hoke	Drennon D. Stringer
Andrew F. Horn	Edmund H. Sullivan
Jack M. Jacobson	James C. Wright, Jr.
William H. James	Cecil C. Vaughn, Jr.

To be senior dental surgeon

John J. Satarino

To be dental surgeon

Robert E. Skarman

To be senior assistant dental surgeons

Matthew Brown	Stephen J. Garza
Roger J. Burke	Weston V. Hales
Rulon D. Corry	Raymond E. Hooper
Charles O. Cranford	Leo Trusewitsch
Oral T. Dalton	Donald C. Reel
Louis D'Angelo	John W. Stone
Louis R. Feese	Theodore G. Strenski
Richard L. Fraze	William G. Thomas

To be sanitary engineer

Vernon R. Hanson

To be senior assistant sanitary engineers

Edmund J. Struzeski, Jr.
Leroy G. Martin
Thaddeus A. Wastler

To be assistant sanitary engineers

John A. Cofrancesco	Jay S. Silhanek
H. Lanier Hickman, Jr.	Lyle D. Thomas
Milton W. Lammering, Jr.	Darryl J. von Lehmden
Alfred W. Hoadley	

To be junior assistant sanitary engineers

Ralph H. Brueneman	Thurman B. Sauls
Lawrence J. Perez, Jr.	Phillip L. Taylor

To be senior assistant pharmacists

David Abraham
Thomas D. DeCillis

To be assistant pharmacists

John T. Barnett	Edward E. Madden, Jr.
Charles A. Branagan, Jr.	Ronald Rubin
Sheldon Gaslow	James E. Slough
Jimmie G. Lewis	Duane A. Tye
	Donald H. Williams

To be junior assistant pharmacists

Edward C. Brennan	Gerald T. Stowe
Edward B. Fortenberry	Lawrence D. Sykes

To be scientists

Max D. Moody
Ernestine B. Thurman

To be senior assistant scientists

Lewis P. Affronti
Gerald Berg
Adolph R. Brazis
Burton R. Evans
Robert E. Harmon
Peter B. Smith
William D. Sudia
Gerald C. Taylor
Fortune V. Mannino

To be sanitarians

John W. Kilpatrick
Loyal C. Peckham
Peter Skaliy
Irving H. Schlafman
Reuel H. Waldrop

To be senior assistant sanitarians

Bayard F. Bjornson
Richard L. Blanchard
Gerald D. Brooks
Frank L. Bryan
James A. Clark, Jr.
James E. Cowan
Leo J. Dymerski
Charles D. Geilker
John W. Greenley
Arthur E. Kaye
Howard L. Kusnetz
William A. Mills
Joe L. Perrin
David S. Reid
Eldon P. Savage
J. W. Stacy
William F. Sundin

To be assistant sanitarians

William B. Horning II
Charles R. Porter
Gail D. Schmidt

To be veterinary officers

Andrew C. Wheeler
William I. Gay

To be senior assistant veterinary officer

Gerard S. Borman

To be nurse officer

Mary L. Brown

To be senior assistant nurse officer

Therese M. La Lanbette

To be senior assistant dietitians

Jane A. Davidsaver
Dolores G. Freialdenhofen
Elaine M. Gaddis
Katherine E. Clemmer
Molette M. Jacobson
Ann R. Namian
Audrey J. H. Paulbitski

To be assistant dietitians

Suzanne Taylor
Ann E. Requarth

To be junior assistant dietitians

Carol Ann Diffenderfer
Linda W. Smitherman
Ruth V. Zebal

To be senior assistant therapists

Melvin Bader
Vincent J. Barbato
Peter D. Cline
Robert N. Zimmerman

To be assistant therapists

Kenneth L. Bowmaker
Joel H. Broida
Ronald D. Brown
Robert D. Skinner
George A. Kadoguchi
Lamont B. Smith
Ronnie E. Townsend
William D. Wallis

To be junior assistant therapist

Jonathan T. Spry

To be health services officers

Leah Bigelow
Roy L. Davis
Alice B. Frazer
Robert K. Gerloff
George J. Hermann
Margaret A. Howell
James C. McCullough
Ernest G. McDaniel
Heber J. R. Stevenson
Edward S. Weiss

To be senior assistant heath services officers

Lawrence D. Burke
Ernest D. Ficco
Donald C. Mackel
Kenneth R. Nelson, Jr.
Robert S. Nicholas
Pauline N. Rabaglino
Clarence F. Szwed
Patrick W. Samson

To be assistant health services officers

Edward A. Diephaus
Donald J. Pagel

II. FOR PERMANENT PROMOTION

To be medical director

Marvin S. Cashion

To be senior sanitarian

Wilbert R. McLean

To be senior nurse officer

Mary A. Ivanko

EXTENSIONS OF REMARKS

Northeast States Water Compact

EXTENSION OF REMARKS
OF
HON. EDWIN B. DOOLEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1961

Mr. DOOLEY. Mr. Speaker, I support the Northeast States water compact which the House has under consideration, because it provides an intelligent approach to a complex problem.

For years New England has been beset by floods due largely to the overflowing of the Connecticut River. New England represents a very important segment of the United States, both industrially and economically, and it is necessary that the States involved in these floods, and States affected by recent hurricanes—particularly the one in 1955, join together to provide means for properly conserving their water supply and regulating its flow.

During the debate on the bill it was noted that Maine and Vermont had not signed the compact. Maine's major rivers flow to the sea and hence it is not so concerned as the other States where the dangers of flood and conservation problems are more prevalent. Vermont is the locale of a large part of the Connecticut River, whose waters pass through Massachusetts, New Hampshire, and Connecticut. Vermont has a lesser equity in the trouble caused by its own waters than have the other States affected by those waters. It can be said that Vermont has done much to control the waters of the Connecticut River by erecting dams at selected sites.

The water problems of our country and the necessity for water compacts is best appreciated by recalling that California obtains some of its waters from the Colorado River some 500 miles away, and that New York obtains some of its waters from the Delaware River, considerably distant from the metropolis.

Obviously it is necessary for States to ally themselves with one another, depending on their geographic location and water resources, in order to protect their own interests.

The main objection on the part of the minority to this resolution lay in the fact that the seven representatives of the Federal Government were given voting privileges. This made it possible for the seven commissioners to commit the Federal Government without the problem coming before the Congress. This is one phase of the legislation which I did not approve and voted for the motion to recommit in order to eliminate this defect. However, I support the concept of a Northeastern States compact completely and vigorously.

The Belgian National Lottery

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1961

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the national lottery of Belgium. This small nation, like so many others, derives no small benefit from its national lottery.

In 1960, the Belgian national lottery gross receipts came to approximately $15 million. The net income, although not retained by the Government, came to $6 million. The bulk of this money went to the social welfare fund and other charitable works. In 1960, some of the profit from the lottery was used to mitigate the distress of displaced persons in the former Belgian Congo.

Belgium has realized that a lottery can be of great worth in obtaining funds for deserving causes. We would do well to come to the same realization.

Most Foreign Aid Funds Not Subject to Long-Term Borrowing Authority

EXTENSION OF REMARKS
OF
HON. CORNELIUS E. GALLAGHER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1961

Mr. GALLAGHER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

STATEMENT OF THE HONORABLE CORNELIUS E. GALLAGHER, OF NEW JERSEY, MEMBER OF THE HOUSE FOREIGN AFFAIRS COMMITTEE, AUGUST 2, 1961

As the House of Representatives approaches one of its most crucial debates of this session—the President's foreign aid legislation—it is as important that we understand what is not being proposed as well as what is being proposed.

The bill reported by the committee authorizes a total appropriation of $4,355,500,000. Of this, $1,800 million is for military assistance and $2,555,500,000 is for economic assistance. Appropriations will be required to be made in the normal manner for all of the military assistance—$1,800 million—and for 65 percent of the economic assistance—$1,655,500,000.

Despite our lengthy and detailed hearings, I have found widespread misunderstanding on some basic points. Most glaring misapprehension exists as to the scope of aid which would be financed by borrowing from the Treasury, undoubtedly caused by the prominence which has been given this issue. A prevalent assumption by many people is that borrowing authority would cover the entire economic aid program. This is not true.

The issue of Treasury borrowing as opposed to regular appropriations by the Congress relates, as far as fiscal year 1962 is concerned, only to $900 million of funds programed for development loans. It authorizes Treasury borrowing for development loans up to the amount of $1,600 million a year for the next 4 years, but this authority, relating to future years, does not directly involve the fiscal 1962 foreign assistance authorization. The bill as reported requires that all loans made under this authority are to be repayable only in U.S. dollars. Except for this $900 million to be available for loans, Congress will exercise exactly the same control that it exercises over all other appropriated funds.

It is not correct to say that Congress loses control over the development loan program, since the bill as reported makes the Government Corporation Control Act applicable to this program. This requirement means that the Congress will have to approve the budget submitted for development loans each fiscal year.

All other kinds of aid will continue to be financed by annual appropriations. These items include development grants, supporting assistance, and contributions to international organizations, the contingency fund, and administrative expenses. They account this year for over half of the program authorized by the Committee on Foreign Affairs.

Also overlooked in the discussion of borrowing authority is the fact that some 37 programs in 26 agencies and departments have been financed by borrowing from the Treasury—3 of them in this session of Congress. Therefore, direct Treasury financing is not a new approach to legislative programs. It has in the past brought greater value to the funds expended and has instilled a sense of stability and responsibility in the participants. If we are seeking to instill stability and responsibility in the less developed countries, this is the only possible approach to this goal.

Civil Defense Shelters

EXTENSION OF REMARKS
OF
HON. F. BRADFORD MORSE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1961

Mr. MORSE. Mr. Speaker, this week I have sat in a quiet committee room and listened to one expert after another give my Military Operations Subcommittee his blood-chilling estimates of the carnage we might expect in the event of a thermonuclear attack upon the major cities of our Nation.

I have heard, too, of the appalling lack of preparedness of our country as a whole, and our citizens individually, to meet such a catastrophe. Our subcommittee has been told that tens of millions of American citizens could be protected against fallout if adequate shelter is made available.

Certainly the Federal Government, under the Constitution, bears the burden of providing for its citizens an adequate defense. However, there rests with each individual citizen also the responsibility of providing for his own protection, even as he puts a lock on his door or removes his car keys from the ignition. In the event that public shelters are not readily accessible, in the event that the amount of warning time is brief, it is essential that suitable provisions be made in every home for an area safe from fallout.

It seems to me essential that the Government accord each individual citizen and private corporation the necessary incentive to provide such shelter areas. Accordingly, I am today introducing legislation which would allow as a tax deduction an amount equal to 50 percent of any expenses paid or accrued by a taxpayer in the construction of an approved civil defense shelter, allowable for the taxable year in which the shelter is completed, but which would also include any expenses incurred during the preceding taxable year. Such shelters would be constructed to meet specifications established by the Office of Civil and Defense Mobilization.

I urgently call the attention of my distinguished colleagues who serve on the House Committee on Ways and Means to this legislation. It demands their swift action.

Controls Under Feed Grain Program

EXTENSION OF REMARKS
OF
HON. JOHN H. ROUSSELOT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1961

Mr. ROUSSELOT. Mr. Speaker, last week when the omnibus farm bill, H.R. 8230, was debated on the floor of the House, the following remarks were made:

Mr. SANTANGELO. We have seen the spectacle of a farmer dramatizing the situation by the gift of a Cadillac car for not producing feed grain. Can you tell this body how much it would have cost the Government if this gentleman had planted the corn or feed grain?

Mr. COOLEY. It certainly would have cost the Government far more than the farmer received from the Government for not planting corn under this new program.

Mr. POAGE. According to the information I have, that would cost the Government about 50 percent more had this gentleman not collected those payments and gone ahead and planted all his land in unneeded grain. In other words, he would come out with $4,500 or more, whereas he has actually received about $3,000.

I thought it would be helpful to have Farmer William T. Smith's position properly represented to the House. Therefore, following the debate I telephoned Mr. Smith in New York to inquire as to whether the additional cost reported by the gentleman from Texas is accurate. Under unanimous consent, I include Mr. Smith's comments, which were taken over the telephone verbatim with his permission, in the CONGRESSIONAL RECORD.

It is absolutely untrue that it would have cost the Government 50 percent more had I not collected these payments and gone ahead and planted the 104 acres that the Government is now paying me not to plant. I utilize the corn that would have been raised on this 104 acres for feeding. I would not have taken a loan on this crop, so Mr. POAGE's statement is entirely wrong. In other words, in this particular case it would not have cost the Government a penny if I had gone ahead and planted corn on these 104 acres. This is why I bought the Cadillac to show how ridiculous this whole program is. In addition to that, I will fertilize and take good care of the other 150 acres I planted in corn this year and probably will grow just as much without the diverted acreage. Then this fall I'll plant a wheat crop on the same diverted land. It won't be harvested until next year, so I'll be following the same program. Furthermore, the new feed grain program makes it possible to take out any land you want, and I have taken the poorest land out of production. Other farmers do the same.

When asked his opinion on the wheat program, Mr. Smith said:

Historically the wheat program has been a failure. Under this program about 30 percent of the potential wheat-growing acreage has been taken out of production, yet on the 70 percent of land left we are still producing the same amount of wheat. The yield on less land has been the same or better than the original amount of land. In my opinion, the feed grain program will lead in the same disastrous direction without solving the surplus problem.

When asked about the feed grain program, Mr. Smith stated:

This is morally and economically wrong. This is a major step toward Federal control of all farm commodities. This is Mr. Freeman's model program of how to start Government controls of farm commodities. I know I am just one farmer, but there are a lot who feel the same way I do. If these programs continue, we will have an inspector on each corner of the farm dictating our every move.

Combating Centralization of Power in Federal Government

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1961

Mr. BERRY. Mr. Speaker, last Friday Senator COTTON placed in the RECORD an editorial published in the Hampton (N.H.) Union suggesting a program of individual responsibility in combating the alarming centralization of power in the Federal Government.

The editorial proposed a do-it-yourself habit, recommending that the best way to protect local self-government is to exercise it. It suggested that individuals try to solve their problems individually or cooperatively before turning to the Government for help. It also proposed that local officials not turn to Washington, hand outstretched, palm upward.

I am proud to say that the people in my district believe in this philosophy and practice it. Recently I placed in the RECORD a news release about a building

firm in Rapid City, S. Dak., which is providing low-cost housing without Federal financing or controls. This housing is available to families in the $300 to $400 per month income bracket. This is a fine example of private enterprise doing what the Government has been attempting to do for years without much success.

Another trend away from Washington aid is the decision of the South Dakota Board of Regents, on which I formerly served, to try to find private financing for the $375,000 needed to build a student union building at the school of mines and technology in Rapid City. An $800,000 building is being planned, and the college has over $400,000 available. It would be a simple matter to obtain the remaining money from the Housing and Home Finance Agency at a low interest rate. Instead, however, the regents propose to sell bonds to private investors to finance the project.

I am sure there are many here in Washington who will applaud this trend away from dependence upon Washington. Too often recently individuals, local and State governments have fallen into a pattern of turning to Federal Government on every type of problem, with the result that the bureaucracy here in Washington has grown in size and power. I hope there are more who will follow the lead toward greater self-reliance of the independent, vigorous, aggressive people in South Dakota such as the Knecht Institute for Essential Housing and the South Dakota Board of Regents.

A Letter From the Secretary of State and the Secretary of the Treasury Relating to the Continuance of the Foreign Aid Program

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1961

Mr. McCORMACK. Mr. Speaker, in my extension of remarks I include a letter sent by the Honorable Dean Rusk, Secretary of State; and the Honorable Douglas Dillon, Secretary of the Treasury, to Members of the Congress in relation to legislation authorizing the continuance of the foreign aid program and all appropriations to carry it forward.

The within letter of the two Secretaries presents in a most effective manner why the President's recommendation should be enacted into law.

In the world of today where survival is involved, the Congress must legislate in a realistic and practical manner so that our Government can effectively obtain maximum results in our national interest. The President's recommendations will enable the maximum results to be obtained. The joint letter of Secretary Rusk and Secretary Dillon presents sound reasons why such legislation is necessary and practical in the world of today.

DEPARTMENT OF STATE,
Washington, July 18, 1961.

Hon. JOHN W. McCORMACK,
House of Representatives.

DEAR MR. McCORMACK: The Congress will shortly be acting upon legislation authorizing the continuance of the foreign aid program and on appropriations to carry it forward. We believe that the passage of the foreign aid legislation as requested by the President is of such critical importance to our national interest that we are taking this unusual step of communicating with you personally regarding certain key questions that have been raised during the congressional hearings.

Are the sums requested for foreign aid necessary?

The continuance of economic and military assistance on the scale proposed by the President is compelled by our commitment to our own freedom and to the building of a decent world order. With respect to economic assistance, nations old and new are struggling along the path from formal independence into nationhood and are determined to have the benefits of modern civilization. If the democratic world does not help them, the Communists will leap aboard this great revolution of freedom, seize it, direct it to their own ends, and make it the instrument of their limitless imperialist ambitions. We will be false both to our own national interest and to our obligations to others if we allow this to happen.

With respect to military assistance there is an inescapable partnership between economic and social progress on the one hand and conditions of essential security on the other. The Communists continue to use internal subversion, paramilitary action and the shadowing threat of military attack to bring other peoples under their domination. In this way they threaten the peace of the world and the security of our own Nation. Under these circumstances we must continue our military assistance program. Minimum levels of safety require the sums requested.

Why is borrowing authority important to the aid program?

For two reasons: First, if the United States is to be of substantial help to the less-developed nations in their efforts to meet the demands of their people for economic growth, it will be imperative in many cases to provide assurances that our loan aid will be forthcoming in known amounts over a period of several years—that is, to make long-term commitments. Such assurances are vital in helping the recipient countries to make the hard political decisions involved in self-help measures and internal reforms necessary to economic and social progress. Moreover, our ability to pledge aid in advance will be a significant factor in obtaining assurances of contributions from other industrialized nations.

Second, for the United States to be able to give these essential assurances of aid over a period of years, it will be necessary to free our development lending program from the difficulties of working under the uncertainties inherent in annual requests for funds. It must be put on a basis where there can be reasonable assurance of the availability of known levels of funds over a reasonable period of years, against which forward commitments may be made. Borrowing authority is the customary method used by Congress to finance U.S. Government lending agencies which must make such forward commitments. It is the established, practical means by which this crucial need of the aid program can be met.

Is borrowing authority fiscally irresponsible?

The answer to this question is categorically "No." Borrowing authority has been used by the Congress to finance more than 20 Federal lending activities, beginning with the Reconstruction Finance Corporation in 1932 and continuing through action by the Congress in the current session in the Area Redevelopment Act, the Veterans' Loan Act, and the Housing Act. Borrowing authority would not require an increase in the public debt or borrowing from the public any more than any other form of funding. Whether such an increase may be necessary will depend at any given time on the overall receipts of the U.S. Government as compared to its overall expenditures. Thus the effect of the aid program on the public debt would be exactly the same whether the program were funded by borrowing authority or by annual appropriations. Activities under the borrowing authority would be included in the annual budget just as they are for the more than 20 existing activities now financed through borrowing.

The request for borrowing authority made 4 years ago by President Eisenhower, Secretary Dulles, and Under Secretary Herter for the Development Loan Fund was made at a time when it was intended that the DLF should make loans repayable in local currencies. It should be noted that under the new program loans would be repaid only in dollars.

In sum, we are convinced that borrowing authority for long-term development lending is fiscally sound and represents the most efficient and least costly method of providing development assistance.

Would a multiyear authorization of appropriations do?

No. Such an arrangement still would not provide the needed basis to give reasonable assurances of funds for future years in cases where this would be important. Such an authorization would not provide congressional authority for advance commitments. The future availability of U.S. funds would still be subject to annual appropriations in amounts which could be known for only 1 year at a time.

The nature of the annual appropriations of process simply does not provide the reasonably assured availability of future funds for development lending required by other nations if they are to undertake long-term development programs depending on the future receipt of agreed amounts of funds. This need would not be met even if, for example, it were to be agreed that funds should be made available by borrowing authority authorized by legislation—but only on an annual basis. Such an arrangement would still not provide the congressional authority required to make the needed advance commitments.

Would borrowing authority deprive Congress of control?

No, it would not. The President is asking the Congress to exercise its power to make a national decision that the United States will participate in the process of development for a realistic period of 5 years. This action will announce a national policy of the greatest significance. The President's proposal does not ask for any reduction in the control of Congress over the aid program except in the single essential that Congress itself will establish a policy that a specific amount of funds will be available for a stated period unless reasons of sufficient consequence arise to curtail or revoke them.

Within this single premise the proposed statute does everything reasonably possible to preserve to the Congress effective control. The proposed statute does not ask that the funds be made available all at once but only by annual increments. It would establish criteria for their use. Quarterly reports are to be made. Standards for loans will be set by an interagency loan committee. All

grant aid will still be the subject of annual aid legislation which will be presented to both the authorizing and appropriating committees. During this process all development lending operations will also be reviewed. The Congress could take action in the annual aid bill or at any other time during the year upon the basis of the quarterly reports to change the lending criteria and other provisions covering loans or to curtail or even to end the borrowing authority or any part of it.

It is important to realize also that the proposed legislation makes the new lending program subject to the provisions of the Government Corporation Control Act, now generally applicable to existing Government lending activities financed by borrowing authority. Under these provisions, the executive branch will submit each year to the Appropriations Committees of the House and the Senate for approval a budget program containing estimates of operations for the following fiscal year.

What advantage would borrowing authority, subject to such controls, have?

It would have a very significant advantage. It would create a strong presumption, which does not exist under the present system, that funds in known amounts would be available for the continuation of the program, even though the Congress could take later action to the contrary. The developing nations will feel safe in the conviction that the Congress, once having asserted its policy, will not reverse it unless it finds that the purposes of the legislation are not being fulfilled or that other circumstances of an exceptional nature make such action necessary.

Can we afford foreign aid in the amounts needed?

Certainly. The funds requested for fiscal year 1962 will be less than 1 percent of our gross national product. In fact the dangers and potential costs of any alternative are so great that we cannot afford not to carry on our aid program at the level needed for its success.

We sincerely hope that this letter will help to resolve the principal questions with which the Congress seems to be concerned in the President's proposals for the new foreign aid program. We urge you to support the President's request for authority and for funds and to make it possible for our Government to act with assurance and continuity.

Sincerely yours,

DEAN RUSK,
Secretary of State.
DOUGLAS DILLON,
Secretary of the Treasury.

America's Answer to Izvestia: Self-Determination for Captive Nations, House Joint Resolution 447

EXTENSION OF REMARKS
OF
HON. JOHN R. PILLION
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1961

Mr. PILLION. Mr. Speaker, on June 12, I introduced House Joint Resolution 447. It seeks a formal recognition by the United States of the total war being waged by the allied 98 Communist Parties of the world.

On June 20, Izvestia, the Soviet Government newspaper, printed a three-column article attacking this resolution. This article did not deny any material allegations of House Joint Resolution 447. It did not deny the Communist total intransigent war dedicated to the defeat of the United States, first, and the free world later.

The substance of the Izvestia article can be summed up in these words: "We are at war with the United States and the free world. Our victory and their defeat is inevitable."

The editor of Izvestia is Mr. Alexei Adzhubei. He is Mr. Khrushchev's son-in-law. My answer letter to him follows:

Mr. ALEXEI ADZHUBEI,
Editor, Izvestia, Moscow, Union of Soviet Socialistic Republics.

DEAR MR. ADZHUBEI: I have carefully noted the Izvestia article of June 20, 1961, which purports to answer the statements and conclusions contained in House Joint Resolution 447, and in my address to the U.S. House of Representatives on June 12.

The present crises between the Soviet and the free world is inevitably leading us toward the grim possibilities of mutual destruction.

If the Soviet is unalterably committed to world domination, then there can be no accommodation of our self-interests. Then, the stark reality for the United States is survival.

If, however, there is a genuine desire to maintain a peace based upon mutual survival, then an examination of the issues that divide us may be useful.

The writer, Mr. Yu Filonovich, has partially clarified the issues between the Soviet Union and the United States. It is my purpose to fully clarify the issues in order to avoid miscalculations by either your country or mine.

The Izvestia article has not attempted to refute the basic statements of fact embodied in this resolution. The content of the article confirms the following recitals in the resolution:

"A. The Communist movement is a political entity which is irrevocably committed to impose a Communist dictatorship upon all nations of the world, including the United States.

"B. The Communist movement is an international alliance of 98 national Communist Parties engaged in a joint endeavor to disintegrate and defeat all non-Communist governments.

"C. The Communist Party of the Soviet Union dominates the International Communist Alliance. All Communists and Communist Parties acknowledge their allegiance to and solidarity with the Communist Party of the Soviet Union.

"D. The Communist alliance is conducting a total global war, with nonmilitary weapons for the seizure of power throughout the world. Its campaign is conducted in the framework of military concepts.

"E. This Communist world war utilizes and engages the military, economic and political power of the subsidiary Soviet bloc nations and the allied Communist nations."

This implacable Communist war confines the United States to the apparent dire alternatives of surrender or thermonuclear war.

On January 6, 1961, Mr. Khrushchev, in a major address, suggested the possibility of a peaceful surrender by the United States and the free world.

This assumption by Mr. Khrushchev is a serious miscalculation on the part of the Communist hierarchy. I consider it my responsibility to advise the Communist Party of the Soviet to correct that misapprehension of the intent, courage, and determination of the American people.

The United States will never submit to either a peaceful or a nonpeaceful surrender. Nor will it allow itself to be surrendered by its leaders in public office.

The second alternative is thermonuclear war. Mr. Khrushchev fully appreciates the magnitude of losses that this eventuality would produce.

There is another alternative. It is contained in House Joint Resolution 447. This resolution would recognize the Communist world war. It defines the scope, the strategy and tactics of this conflict. It identifies the soldiers, the generals, and the parties to this war.

House Joint Resolution 447 clarifies the issues. It calls for the United States and the free world to counter and compete in this war with effective weapons and organizational solidarity.

Your Izvestia article boasts: "Today the enemies of peace and progress no longer see communism as a spectre, but as a gigantic, incarnate, material power. That is the reason for such feverish searches for ways, means, and weapons—anything to stop or slow down the inexorable movement of life."

I reply to you that communism is a smog with which you are blotting out human freedoms and aspirations. The captive people you rule autocratically, in the Soviet Union, in Eastern Europe, in Asia, do not want your slave labor serfdom.

We challenge you to hold free elections in the captive nations to allow these people a free choice and a self-determination of their future.

Your article further states: "Neither Marines, nor the newest theories of renovating capitalism, nor the most threatening resolutions adopted 'as a last hope' will help the old world. Even PILLION won't help."

My answer to you is: "It is not a question of Marines, or theories, or resolutions, or even of PILLION. It is a question of concerted action by all free peoples of the world fighting for survival, for freedom, for an enduring peace. When the United States awakens, when it decides to wage war against Communist parties using your own weapons against you, your era will be at an end. Then the era of peace with justice, the era of genuine peace in which man can reach the fulfillment of his highest aspirations, will begin."

Sincerely yours,

JOHN R. PILLION.

World War I Pensions

EXTENSION OF REMARKS
OF
HON. WM. J. RANDALL
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1961

Mr. RANDALL. Mr. Speaker, as a member of the House Veterans' Affairs Committee, we continue to receive a substantial volume of mail which seems to question whether or not hearings have been held on a separate pension measure for World War I veterans.

During the first weeks of July, the committee did hold hearings and representatives of the major veterans' organizations—including Veterans of World War I of the U.S.A., Inc., appeared before the committee. The latter group felt the most acceptable measure was H.R. 3745, introduced by the gentleman from Indiana [Mr. DENTON]. Under date of March 28, 1961, under our own name, we introduced H.R. 6009, a measure which is almost identical to Mr. DENTON's bill.

On July 11, 1961, we appeared before the committee and submitted the following statement in support of our bill and H.R. 3745. We felt this entry in the RECORD was necessary to correct the widespread impression that hearings have either been denied or delayed. True, as yet the committee has made no favorable report, but on the other hand, neither has there been an adverse report against these bills.

During our entire time in the Congress, both during the 86th Congress and in this session, we have urged and will continue to urge that a separate World War I veterans' pension bill be favorably reported out of committee in order that the House of Representatives can work its will on this legislation.

Our statement as set forth below clearly expresses our position:

Mr. Chairman, ladies and gentlemen, my office has received a large volume of mail for several years relating to World War I pension legislation; and in talking with many House Members who are not members of this committee, I find they, too, are deeply interested in this legislation.

My bill, H.R. 6009, is one plan for our World War I veterans. There are others. Ours would provide a monthly pension of $102.38 to veterans of World War I who served at least 90 days—and who were released or discharged therefrom under conditions other than dishonorable. Payment of pension would be limited to veterans whose annual income, if single with no dependents, does not exceed $2,400; and if married with dependents, does not exceed $3,600. In the determination of these income figures, social security benefits, railroad retirement benefits and annuities or other pensions would be excluded.

The paramount purpose of the bill is to provide a more livable income to those of the Nation's 2,673,000 World War I veterans who, for the most part, are now retired on very meager sustenance.

In 1960, the average age of these men was 66.2 years, an age when the vast majority of them have passed their effective working period and have retired. But to retire on $2,400 a year—and in most cases much less—is to retire to four walls and to the loneliness and lethargy that are so often the undeserved lot of the elderly.

There is no maudlin sentimentality on my part in referring to the veteran of World War I as the "forgotten hero." His condition is a reflection of actual fact. When the last bit of the great mass of ticker tape settled gently on Fifth Avenue in New York, in 1919, the World War I veteran moved from the service of his country into an effort to reestablish himself and raise a family—but in his case, without the aid of education, or housing, or farm, or small business assistance. And, in the midst of his striving, he was whipped by the worst depression this country has ever seen. He struggled through, but when the Congress was generously distributing, and let me emphasize, well-merited benefits to veterans of World War II and the Korean conflict, the World War I veteran was being ignored, or could we put it—again forgotten. His fair requests are being shunted aside even today when he has reached the point where the Nation can demonstrate its appreciation to him through provision of a modest monthly pension to those of his number who face bleak prospects in their declining years.

At the time these remarks were prepared, I was unable to obtain a breakdown of the incomes of World War I veterans. However, the table on page 378 of the committee's hearings in 1959 in the "Operation of the Pension Program" reveals that for men over 65, 25 percent in 1957 had incomes from $500 to $999; 18.3 percent had incomes from $1,000 to $1,499; and 11.4 percent had incomes from $1,500 to $1,999. For all categories of income below $2,499, the table indicates that some 72.7 percent of men over 65 received less than that amount in 1957. Roughly based on these figures, 70 percent could probably be taken as the percentage of World War I veterans who would be covered by our bill. This would include about 1,850,000 to 1,870,000 veterans. The figure reflects both the plight of these men and the need for remedial legislation.

Mr. Chairman, the veterans of World War I fulfilled an obligation that attends every freeman—that of serving his country in time of need. Indeed, it should rather be called a privilege. But the Nation, too, has an obligation to these men beyond the waving of flags and streamers at joyful victory parades. I submit this obligation has as yet been unfulfilled. I urge that this committee move now on this opportunity to assist these forgotten men in this—their greatest hour of need. To do this would not be doing something through sentimentality or in a spirit of charity, but rather with a feeling of gratitude and appreciation and with the sense of paying a debt that is long overdue.

New Frontier Debt Program Beats Mercury Space Program in Going Out of This World

EXTENSION OF REMARKS
OF
HON. STEVEN B. DEROUNIAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1961

Mr. DEROUNIAN. Mr. Speaker, the Wall Street Journal of August 2 contains an editorial commenting on the fact that last week the Federal public debt reached a record high as it soared to $293,172,794,984.62.

Mr. Speaker, there is nothing suborbital about the height of that debt—it is strictly all the way out of this world. The inflationary thrust of New Frontier spending programs suggests that we are on the threshold of even greater breakthroughs in new highs in public indebtedness. For example, with respect to 1961 and 1962 fiscal years, President Kennedy in 6 months has recommended a $15 billion increase in new obligational authority over the level recommended by President Eisenhower in January. Also, President Eisenhower pointed the way to balanced budgets for these 2 fiscal years with surpluses totaling $1.6 billion; in 6 months' time the Kennedy administration has changed those budget surpluses to budget deficits totaling more than $10 billion.

The Kennedy administration spenders are working hard to convince the American people that we can continuously spend more without pausing to review programs already on the books and proposals already presented for possible areas where cutbacks in spending could be accomplished. These administration fiscal astronauts would have the American people believe that we can spend ourselves into sustainable prosperity at home and security abroad through deficit financing on a spending-as-usual attitude toward nonessential domestic spending programs during a time of what the President has called international crisis.

The New Frontier program of soaking the kids with taxes tomorrow to pay for spending today does not have the support of the American people. We must call a halt to the bureaucratic advocacy by the New Frontiersmen of constantly increasing public debt for nonessential programs which are unwanted by the American people and supported only by highly organized special interest groups. If America is to avoid inflation and prevent debasement of the value of our currency, we must spend less for the unnecessary so we can spend what is needed for the necessary. A strong dollar is essential to a strong America, and the New Frontier officialdom must recognize that fact so we can succeed in strengthening our Nation for the cold war contest already in progress.

Mr. Speaker, I will include, as a part of my remarks, the editorial from the Wall Street Journal captioned "New Name for the New Frontier," which comments on the public debt level:

NEW NAME FOR THE NEW FRONTIER

Last week the national debt reached $293,172,794,984.62—a record high. Never in its history has the United States gone so deeply in the red.

And now, with the President asking for new billions for defense, it is likely that the debt figure next winter will climb even higher to something around $298 billion.

The sad part of this is not just the amount owed, although that amount is so enormous it sends the mind reeling, nor is it just the inflationary threats that new Federal deficits pose for the country. The worst is that the administration and many lawmakers not only shrug off this massive debt and this inflation, but indeed press for more and more nonessential spending to keep the debt forever climbing.

No longer need we wonder exactly what Mr. Kennedy meant when he urged a rush to the New Frontier. We have just reached a New Frontier called $293,172,794,984.62.

The Delaware River Basin Compact

EXTENSION OF REMARKS
OF
HON. HERMAN TOLL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1961

Mr. TOLL. Mr. Chairman, under leave to extend my remarks, I would like to make a few comments on the proposed Delaware River Basin compact. I was very much pleased to see this body pass this vital piece of legislation, and it is my sincere hope that the Senate will do likewise. Pennsylvania, under the leadership of Governor Lawrence, has already taken the initiative by signing into law a State supported Delaware River Basin compact. The needs of this project, however, demand that the Federal Government lend its support. To have a program that is really effective and useful, we must pass this legislation into law.

The need for a Delaware River Basin compact has long been a need of the country, and I would like to enumerate a few of the major reasons to illustrate why this legislation is so important. Basically, Federal enactment of this bill would provide for a Commission that would make comprehensive plans for immediate and long-range development of ways of using the resources of the Delaware. The Commission would make plans for navigation, electric power, conservation, dam building, and the maintaining of high quality drinking water. Philadelphia Water Commissioner Samuel Baxter said in an article that appeared in the Philadelphia Inquirer on July 7, 1961:

> If proper dams are built (Philadelphia) has an adequate supply of fresh, natural water for as far ahead as engineers have planned: the year 2010.

With increasing water shortages occurring all over the country, the statement of Mr. Baxter certainly shows the merit of this piece of legislation.

First of all, the Delaware River Basin compact would have an important influence in the vital area of flood protection. Flood damage caused by these waters resulted in over $100 million worth of damage to homes, farms, factories, and communities on the flood plains, and the loss of over 90 lives in 1955. The lack of flow regulation on the Delaware also permits huge quantities of excess waters to go unused to the sea. This has resulted, during droughts, in serious water shortages. The sound policy of a Federal Commission in this field could well prevent more disastrous flood damage. In recent years the North, especially the Middle Atlantic States, has had to spend millions and millions of dollars as a result of floods caused by hurricanes. There is no reason to believe that these storms will not continue to rain destruction upon thousands of people. Surely, it would be more sensible to guide these funds in the direction of worthwhile preventive measures.

Second, the Delaware River Basin compact would have an important function in public recreation. Water related recreation sports would provide for the first time to millions of youngsters the opportunity of enjoying healthful, body building sports. Recent studies conducted indicate that the recreation demands of the people of the Delaware service area will be more than 6½ times the present level by the year 2010. In addition these studies show that State park facilities were being used at only one-third of their designed capacity in the year 1955. In an age when population is expanding in the United States at a fantastic pace—1,446,443 since January 20, 1961—we must provide the facilities to get the young people off the streets. With the rise in juvenile delinquency causing great alarm to us all, it is imperative that we make use of the means to alleviate this situation.

Thirdly, the Delaware River Basin compact would have the important function of dealing in the development of hydroelectric power and energy. The requirements of the Delaware River have increased rapidly in the past years. Still more important, the demands of the future will require the Delaware River Basin to provide much larger amounts of electric energy than it is presently doing. Figures show that the utility peak demands of the area will increase to a total of 34 million kilowatts by 1980 and to about 96 million kilowatts by 2010. Our country must constantly be looking to the future to stay abreast of the times. In other words, we must develop to the fullest extent all of our natural resources. We are fortunate enough to be blessed with great quantities of wealth; we must make full use of them.

Fourthly, we are constantly reading of the great perils of pollution to our rivers and streams. At present the waters that make up the Delaware River Basin are of excellent quality. However, the growth of population and industry will seriously endanger this present condition. Programs are needed to furnish data for future use in water-quality prediction. Sufficient treatment plants would remove the anticipated additional loads by increasing the efficiency of present levels of waste removal to the higher degrees that are technically possible.

As you can see, the needs for such a program are many. I like to think of this project as one giant conservation program that will save this country many millions of dollars in the future. Though the initial outlay will be heavy upon our Government, we cannot wait, with population expanding the way it is, until serious shortages and other problems engulf us. Though this program deals essentially with only one area of the country, it is in no sense a local project. The resources of the Delaware River Basin contribute to the social and economic well-being of over 21 million people which certainly makes up a large percentage of our population. The need for a Federal program will satisfy not only present needs, but the staggering demands of the future. During this period both population and employment will double. It now remains for the Congress of the United States to meet this problem.

The Recovery of the American Dream

EXTENSION OF REMARKS

OF

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1961

Mr. SHRIVER. Mr. Speaker, our colleague HENRY C. SCHADEBERG, who represents the First District of Wisconsin, has been granted the signal honor of delivering the main address at the opening of Girls' Nation at the American University. Over 100 outstanding young ladies representing the 50 States are assembled at American University to learn more intimately how this great Republic of ours functions. I believe his words have great significance for us in our time. In speaking to our youth he has addressed himself to our Nation by reminding us of our heritage—clarifying the problems we are facing in our present age and expressing our hopes for the future.

I am happy to include the complete text of his address and heartily commend its reading to all Members of the House:

THE RECOVERY OF THE AMERICAN DREAM

In the fall of 1945 I sat in my room on Guam, high on Mount Tenjo, overlooking peaceful Apra Harbor into which during the war we had slipped under cover of darkness for fear of detection by enemy forces, but which now glowed with friendly warmth of welcoming beacons. As I watched the ships slip silently into the safety of the harbor and others plow bravely through the ruffled waters into the darkness of the open sea, I was warmly aware that only a few months and the required number of discharge points separated me from my loved ones at home. I should have been completely relaxed and content with the deafening silence of the Pacific Island at night and the knowledge that I had it made insofar as returning safely home was concerned.

Yet I was restless. I was disturbed as I tried to interpret the meaning of the tremendous cost of the struggle through which we had passed. No one is more aware of the cost of war than a chaplain who, experiencing firsthand the hell and heat of battle must spend the peaceful moments which follow dealing with the human suffering and the heartache caused by it. As chaplain aboard a heavy cruiser which operated in the Philippine and Okinawa areas, I had vivid memories of the wounded to whom I ministered in battle—some of whom would never be whole again; of the dead I had buried at sea; of the bodies mangled beyond recognition, I tried in vain to identify.

I recalled those with whom I had counseled whose homes had been broken up by the necessity of separation and the unusual circumstances of war; the heartsick and the disillusioned to whom I tried to impart hope; and those, who losing their faith in the integrity of man and the purposes of God, needed words of encouragement.

In the uneasy peace that followed the close of the war, I searched for an answer to this question: "Why all this wanton destruction of property and wealth; of material resources (man was never intended to squander recklessly)—why all this desecration of homes and corruption and destruction of human life only by default or design to bargain away piecemeal, the rights of individual men at home and abroad; only to repudiate perhaps not intentionally, but nonetheless in reality, the dignity of man by a creeping socialism which promises a utopia for all, while stripping the individual of the privileges to make his own decisions?

In search for the answer, I decided to delve more deeply into American history to rediscover in the interpretation of the human events out of which our beloved Nation was born—the dream which is America. I reasoned that if we could reincarnate that dream, we could discover wherein we fail and we might begin again to pursue in positive measure the dream we so highly prize. Surely I am not so naive as to believe that in a few minutes I can interpret what historians have taken literally thousands of volumes to write. But I shall try to open a window here and there through which we might get a glimpse of the background out of which the dream which is America was born and in which it nurtured and was matured.

Our first glimpse is of three visits by Lief and Thorwald—sons of Eric the Red to the shores of Labrador about the year 1000. These were but a brief prolog to the full and utterly amazing drama that was to begin some 500 years later.

Our second glimpse is of Christopher Columbus setting foot on the shores of San Salvadore in 1492.

Through another window of history we see several hundred men arriving in Virginia in 1607, looking for easy gold and adventure, but after a few years, reduced to 60 discouraged survivors willing to return to England should circumstances permit, because they discovered by bitter experience that the land would not yield up its wealth without effort.

Through another window we get a glimpse of the Pilgrims arriving at Plymouth with a dream they were determined to bring into reality—a dream of liberty of conscience they had sought in vain in Europe to achieve. We see them 3 years later after experiencing unspeakable hardship and privation unwilling to return to England—to exchange freedom of conscience here for material security there.

As the years pass in review, our window opens upon the lives of men like William Penn, Nathaniel Bacon, and Roger Williams who shared the conviction that every individual had certain rights by natural law and reasoned that government by the people must be the servant of the people not master of them.

We get a passing view of men like Benjamin Franklin who gave over 40 years of his life that the dream which was America could be enlarged by what he called the cultivating of the finer arts and the improving of the common stock of knowledge.

Sam Adams, who expressed in vivid verbal pictures what was deeply rooted in the hearts of all who counted themselves privileged to share the dream which is America when he said, "I will oppose tyranny at the threshold though the fabrics of liberty fall and I perish in its ruins."

Patrick Henry, who speaking before the second Virginia convention in 1775, echoed the depths of the conviction of most early Americans when he said—"Is life so dear or peace so sweet as to be purchased at the price of chains? I know not what course others may take, but as for me, give me liberty or give me death."

From our windows of history we see George Washington, a man of wealth in his own right who did not count it loss to take time out to serve his country in peace as well as in war.

Thomas Jefferson, author of the Declaration of Independence (a document which molded the dreams of men into a charter of liberty for individuals) whose convictions it was that the desire of man was not to be a recipient of governmental paternalism but to be protected by government so that every individual might avail himself on equal terms of the unparalleled opportunities that this continent of men breathing the fresh air of freedom afforded.

Our national history is an overwhelming testimony of men who, possessing a dream, believed in working and sacrificing to make that dream come true; who counted all loss but the eventual establishment of that dream as a reality.

What is that dream? I hesitate to give a simple definition of that dream because we as a nation of people have become prone to accept the error that a simple explanation of a truth destroys the authenticity of that truth. Yet, simply stated, the American dream is "personal freedom."

We have used and misused; interpreted and misinterpreted these two words to such a degree that we are confused as to their true meaning—so much so that when the exponents of the Soviet colonial empire use them we cannot believe that their meaning is corrupted and warped to suit their own purposes.

Most of us have heard the rather stirring tune, "The Moon Belongs to Everyone—The Best Things in Life Are Free." We have allowed ourselves to be carried away into a sense of false security by the phrase, "The best things in life are free." I assure you, that the best things in life are not free. They are very costly.

Love is not free. It takes a heap of effort and heartache and soul searching, and the giving of self to attain satisfactory love. Few of us ever attain it simply because we are not willing to pay the price.

Honesty and integrity are not free. The price in terms of the sharing of self; of heartache in the loss of so-called friends; of loss of income from deals we must turn down; to keep our integrity is staggering. Would that more of us would be willing to pay the full price for integrity.

Respect (self-respect and the respect of others) is not free. It takes a heap of living and a tremendous amount of sheer fortitude to earn the priceless gift of respect.

Personal freedom is not free. The cost is beyond our human capacity to comprehend. It belongs to all of every race and nation and station in life and is desired by all. It is not inherited. It cannot be purchased with all the gold and silver in the world. It must be paid for over and over again with the life, the time, the talents, the concern and conviction of men and women of each succeeding generation.

What is this American dream we call personal freedom?

1. It is the freedom to express in our own way, without interference by Government or pressure groups, the dignity we possess by virtue of our creation by God;

2. It is the freedom to work where we please; in whatever capacity we choose; under conditions of mutual agreement between ourselves and employer without interference by Government or organization which force us to grant them authority to speak in our behalf;

3. It is the freedom to be active in an organization of our own choosing provided it operates within the law; to express our opinions of them without coercion;

4. To elect by secret ballot those who represent us and to remove from office without fear of reprisal, those we feel do not represent us;

5. It is the freedom to move about without police permit; to choose our place of residence; to enjoy the beauties of our land; to appreciate our common heritage and ownership of what in the hymn "America" is referred to as the "rocks and rills and templed hills."

6. Personal freedom is the assurance that our homes are our sacred castles and cannot be invaded without due process of law;

7. It is to hold a conviction without fear of reprisal by Government or any group of self-appointed protectors of the status quo;

8. It is the privilege of bearing arms in defense of our Nation in a time of crisis or to refuse to do so if our conviction is genuine;

9. It is the right to cast a secret ballot for a candidate of our choice; to campaign openly for the man of our choice just so long as truth is not crucified on the political scaffold of a campaign;

10. It is the freedom to worship as we please.

The American dream is all these and much more. Could it be possible that the dream so deeply embedded in our historic traditions—so much a part of the fabric of our own daily life and thought that it is taken for granted—could become dimmed and be in danger of being lost?

It was Wellington Griffith, Jr., who said, "Liberty is only one generation away from extinction."

It can be destroyed by our lack of vigilance as surely as by the loss of a war. The American dream is constantly threatened by forces, some insidious, some sincere, which work to dim it and annihilate it.

1. The dream is dimmed wherever men, because of differences in color or faith or national background or social status, cannot enjoy equally the rights of citizenship—the right to vote; to hold public office; to attend the school or church of their choice; to live in the home of their choice.

2. The dream is dimmed whenever men fear to express an opinion lest they be branded by those who do not share their particular point of view with such labels as: Un-American; Reactionary; Communist; Scab; Warmonger; Member of silk stocking set; or one of a thousand nasty names coined to assassinate the character of another we dislike.

3. The dream is dimmed whenever men fear for their safety and life to tell the truth as they know it.

4. The dream is dimmed whenever a person is denied the privilege of working at the place of his choice without paying tribute to own a job; whenever he is chained to his occupation (as were his forefathers in Europe) by rules that prevent him from accepting other employment without payment of additional dues and fees for the privilege of working at another task; whenever a man cannot report for work without being intimidated by those who claim to be the protectors of his welfare while preventing him from earning a living.

5. The dream is dimmed whenever government tells a man how to operate his farm or his business or attempts to regulate by economic pressure and threat of investigation, his personal affairs.

6. The dream is dimmed and is in grave danger of being lost whenever Federal paternalistic measures invade the areas of individual and community concern; whenever government guarantees more and more material benefits while at the same time relieving the individual of more and more of his rights—giving him a pot of porridge while robbing him of his birthright of freedom; whenever governments of special privilege for pressure groups and not of and for the individual—the people—merely because these groups claim blocks of votes.

7 The dream is in grave danger of annihilation whenever ruthless, unprincipled men in positions of authority in strategic organizations are protected by law or at least remain untouchable by lack of law.

I do not presume to suggest that all is lost—that the dream has completely faded—but, if the American dream is being dimmed or is in danger of being lost, what can you and I do about it? If anything is to be done, you and I must do it because apart from persons who are sold on the practicability of the American dream, nothing will be done.

I suggest for your consideration several things you and I must do if we are to preserve the dream which is America:

First, you and I must recognize and understand that government—local, State, National—is not solely the business of professional politicians. Government is our business. Those who are successful in their professions and work and businesses are not immune to the responsibility of taking time out to serve our Government in time of peace, as they find they must in time of war. Even a superficial study of American history clearly indicates that our forefathers who led this country through the pangs of its birth and fashioned and molded the dream upon the anvil of trial, came from their shops and offices to serve in public positions because they believed in America. You and I must demand less from Government and give more to it, not in terms of taxes but in terms of time and effort and our own peculiar individual talents. If the American dream is ever lost, it will be because we were too busy to pursue it.

Second, we must demand that there be a minimum of Federal interference in the life

of our citizens and a return of a maximum responsibility to the individual and his community. It is as true today as it was in 1887 when Lord Acton, who said, "Power corrupts. Absolute power corrupts absolutely." When the problems of society are met by those who are closest to them there is a minimum of waste and a maximum of solution.

No man or group of men sitting a thousand miles away from your city—never having even visited your State, can solve the problems of your city better than you, who are a part of that problem.

There are other things you and I must do to preserve this American dream:

1. We must keep faith in the American way. We are not perfect because we are a government of people and people are not perfect. But we do stand head and shoulders above all others;

2. We must be willing to make sacrifices of a very real nature in times of peace as well as war;

3. We must refrain from demanding special privileges for ourselves at the expense of others in our country;

4. We must be firm in demanding our right to hold to our own convictions yet be ready to protect the right of others to hold convictions which differ from ours.

5. We must be willing to cooperate as a nation with other nations in matters of mutual interest but at the same time we must not be ashamed of our national heritage nor be willing to sell that which we have gained through past decades of sacrifice for a world order that would destroy all we hold dear.

I am proud I am an American. I believe in America. I believe in the American way. I believe that the greatest contribution we can make as a nation is not to stoop to the level of those who walk beneath us but rather to lift all nations to our plane * * * and we cannot do this by making apologies for being what we are or justifying the corruptions of other governments merely because we ourselves have not been and are not perfect.

This brings me to the final point. We can preserve the American dream only by knowing who we are; what we are and why we are what we are. In all dealings with other nations we must be willing to cooperate and compromise for the general welfare of the people of the world but we never compromise on the principle of the dignity of man nor barter away the freedom of any individual or state in appeasement of those who threaten to destroy us by force. Peace at any price is too big a price to pay for temporary security without honor.

The Soviet colonial empire based upon the theories of Karl Marx know what it believes and never bargains away the basic tenets of its political theory. We must be as firm and determined in our intention to protect the dignity and freedom of man and to preserve the cause of truth as those of Marxist leaning are to destroy the dignity and freedom of man and to corrupt the cause of truth.

It is a sad commentary on our age that we who are the recipients of liberty and freedom by tradition; we who so glibly take these things for granted, do not fully appreciate our privileged position. It is not until these things are no longer ours; until we have either by default or design bargained them away for questionable material and personal gain or a promised utopia that we know how wonderful and precious is the American dream.

Our struggle did not come to us like manna from heaven. It has come to us only after bitter struggle and continuing sacrifice. Unless we reflect the dream which is America in our daily life, how can we expect future generations to own it.

One day a little fish and a little crab met on the playground of their underwater habitation. It did not take the fish long to notice that the crab was swimming backward. He spent all day teaching the crab how to swim frontward. At the close of the day, they agreed to meet each other at the same place early in the morning. The following morning, they met according to plan. The fish noticed that the crab was swimming backward again, so it spent all day teaching the crab to swim frontward. At the close of the day, they agreed to meet again the next morning. They met as scheduled but the little fish noted that the little crab was swimming backward again. He spent all day teaching the crab to swim frontward but before leaving him for the night decided that something was wrong and that he would go home with the crab to try to discover the cause. Upon entering the crab's home he found his answer. Papa and mama crab were swimming backward too.

Unless we who live translate each day, the dream which is America into our daily activities—how can we hope that future generations will own it?

The Need for Preparedness and a Forceful Position

EXTENSION OF REMARKS
OF
HON. DALE ALFORD
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1961

Mr. ALFORD. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include an address which I had the honor of delivering before the State convention of the Arkansas Department of the American Legion on July 28, 1961, Little Rock, Ark. I have the distinct privilege, and consider it a very definite honor, to serve on the National Committee on Americanism of the American Legion.

In recent days we have witnessed an attack against such patriotic organizations as our own American Legion. The American Legion has maintained a position of leadership in our Nation since its inception and continues until this day in the forefront in the promotion of patriotism for our beloved country. It is always a source of pride for me to take part in the program of this great organization of which I am privileged to be a member. My address before our own State convention is as follows:

THE NEED FOR PREPAREDNESS AND A FORCEFUL POSITION

It is good to be here. It is good to be among brave men who have risked their lives in defense of their Nation's honor; among men who love their country and are ready to fight for it.

You have paid me a high compliment in asking me to address you at this impressive State convention. I hope to repay you in common coin.

I bring you strong words. My message is freedom and my counsel is military strength and preparedness.

Since the outbreak of World War II, the independence of the United States and the rest of the free world has been challenged by two pernicious revolutionary forces—first fascism; now, international communism. All of you contributed much to the successful defeat of fascism. Presently, you have willingly joined other Americans in the job of ridding the free world of this second and more serious challenge to its security. No less than Premier Khrushchev himself has told us that communism will bury us and that our grandchildren will be converted to its twisted tenets.

These words are not the idle remarks of a harmless madman. They are made by an eminently shrewd and competent political adversary, and they are based on his cold calculation that the existing balance of power between the Western World and the Communist bloc has tipped conclusively in the latter's favor. For proof, Premier Khrushchev has noted the rapid expansion of communism since World War I. Prior to 1940, the Soviet Union was the only Communist regime, "with not more than 17 percent of the territory, 3 percent of the population, and about 10 percent of the output of the world." Today, Communist countries cover about one-fourth of the territory of the globe, have one-third of its population, and their industrial output accounts for about one-third of the total world output.

These ominous facts—and facts they are—have encouraged the Communist leaders to double their efforts toward their avowed goal—total world domination. The struggle against communism is now being fought on an ever-widening number of fronts—ideological, psychological, political, economic, and military. The threat to U.S. and free world security has increased since the fall of Hitler's Germany and Tojo's Japan. The battle is still in doubt, though the Communists have admittedly achieved a number of bridgeheads on American and free world ramparts.

The free society, informed by representative government, need not perish from this earth, if the friends of popular government are willing to sacrifice the necessary human and material resources to defeat those who fight so ardently for Communist victory. As Edmund Burke aptly observed, "Evil triumphs if good men fail to act." And act we must. And act we will on every cold war front on which the Communists seek to engage us.

The military competition between the Communist and Western worlds, in both its physical and psychological aspects, is clearly the most important battleground of the cold war. However important are other forms of Communist power, the military strength of the unholy Communist alliance is unquestionably the most formidable obstacle to world peace and the institutions of the rule of law among nations. It is the major challenge to our liberties. Failure to recognize and appreciate the critical importance of military force in international relations will lead us to make the same mistake France made between World Wars I and II; the same mistake which Japan, Germany, and Italy made with respect to the military might of the United States. None of these countries backed their political objectives with enough, nor with the right kind of, military power.

The Communist-ruling elite has learned this lesson of history well. The use of force and the provocation and pursuit of war are integral parts of Communist ideology and the principal instrument of its political designs. To the Communists, all of history is a class struggle which ultimately leads to the final victory of communism over capitalism. With victory supposedly assured the Communists are willing to use force to aid these so-called inevitable forces of history.

Until 1956, Communist dogma with respect to the use of force in international relations was unambiguously stated by the Sixth World Congress of the Communist International. That Communist meeting proclaimed that "the overthrow of capitalism is

impossible without violence; that is, without armed uprisings and war against the bourgeoisie." In simpler words, the Communists declared war on anyone who disagreed with them.

With alarming consistency, Communist groups across the world have used military force or the threat of it to gain their objectives. They have shown no more scruples in using violence; they have been checked by no ethical restraints in gaining what they were after. Expediency has been their watchword; political advantage their guiding standard.

It is instructive to review the rise of Communist world power and to chart its manifold successes. We can thus gain some insight into the character of our antagonist. We can better grasp the lengths to which the Communist bloc is willing to go in undermining the independence and strength of the United States. We can more clearly understand the military steps we must take to counteract and overcome the Communist menace.

While we negotiated for a just peace after World War II and while we patiently sought to erect and preserve a world order acceptable to the common interests of free people everywhere, the Soviet Union, in league with Communists throughout the world, directed its efforts to the further breakdown of world peace. It energetically sowed discord in every corner of the globe and eagerly awaited the time when it could exploit the resulting chaos in its favor. Again, the Red army stood poised and battle prepared to secure Communist rule.

For the first time in Western history, Russian troops after World War II occupied half of Western Europe from Poland and Eastern Germany in the north to Albania, Yugoslavia, and Bulgaria in the south. Political domination accompanied military control over this vast and strategically important area. Ten countries which had been independent in 1939 fell under the Communist boot less than a decade later.

The Communists were militarily no less active in Asia. Taking advantage of the power vacuum left in the wake of Japan's defeat, Communist Huk troops in the Philippine jungles challenged the authority of the central government. India, Burma, Malaya, and Indonesia—all newly established nations—likewise found themselves assaulted by Communist military threats.

Most disturbing, however, was the triumph of Red forces in China in 1949. Led by Mao Tse Tung, Chinese Communist troops drove the Nationalist Chinese armies of Chiang Kai-shek into the sea. Communist military power frustrated, possibly irrevocably, the erection and preservation of a free, Christian, and democratically oriented China—an objective to which this Nation has been dedicated since the open door policy of William McKinley.

Once established securely on the Asiatic Continent, the Communists again tested their military strength against the United States. On June 25, 1950, the North Korean army attacked the South Korean Republic. After General MacArthur's United Nation's force thrust the invaders back to the Yalu River, the Chinese Communists entered the war and fought on for 2 additional years. The Korean war demonstrated that the Communists were willing to commit open military aggression to gain their political goals.

For the disbeliever, the Communists offered further evidence of their unprincipled use of military power in the bloody suppression of the East Germans in the summer of 1953 and in the ruthless crushing of the Hungarian revolt 3 years later. The Communists had come to power by the sword, and they continued to maintain their control by the sword.

There was bitter irony, therefore, in Khrushchev's words before the 20th Soviet Communist Party Congress of February 1956, a short 8 months before the Hungarian uprising. Khrushchev explicitly rejected the Leninist doctrine of the inevitability of war with capitalism. He proclaimed that the ultimate of victory of communism could be secured by nonviolent means. Instead, he announced a new era of competitive coexistence between the capitalist and Communist worlds.

Did this mean an abandonment of Communist use of force in the continuing struggle for world domination? Did this proclamation herald a policy of gradual or complete Communist disarmament? Were the Communists finally prepared to beat their swords into plowshares? Nothing could have been further from Khrushchev's mind. War and force are still in the service of Communist objectives.

Although it may be difficult to accept as fact, we are in greater military danger today than ever before in our Nation's history. Since Khrushchev's rise to leadership of the Soviet Union, Communist military strength has been increased and greatly diversified. Moreover, it shows no signs of weakening in the next few years. Latest published reports indicate that the Soviet ground army is almost two and a half million strong—at least twice the size of the U.S. Army and Marines combined. This mighty ground force is organized into approximately 175 divisions, half of which are mechanized and which possess considerable mobility and firepower. Experts on Soviet military power are generally agreed that the Russian Army is well equipped with modern arms and supported by an armored force of approximately 35,000 tanks. Many Soviet military units are also equipped with tactical nuclear weapons and are trained in their use. Backing the Red army is an even larger force of 8 million men under arms from China and the satellite nations.

The Soviet Navy, while inferior to the fleets of the Western Powers, is still quite formidable. Its backbone is a huge submarine fleet of approximately 450 submarines, some with missile-firing capabilities. It also possesses a variety of surface vessels and an air arm of about 3,000 to 3,500 airplanes, composed mainly of torpedo carriers and medium bombers.

Finally, we have the Soviet Air Force. It is far more formidable than the Russian Navy and perhaps the most significant threat to our security. It commands a fleet of more than 1,000 bombers, some capable of hitting U.S. targets with nuclear weapons. This bomber force is complemented by a growing number of Soviet intercontinental missiles which are cruelly tipped with massively destructive atomic warheads and are directly aimed at our major cities.

The enormous size of Communist military power belies Khrushchev's implied renunciation of war as an instrument of Communist penetration and casts doubt on the sincerity of his call for peaceful coexistence. Only 2 weeks ago, on July 9, he announced a significant increase in the Russian military budget. Two days later, he declared that the Soviet Union would use force against any United Nations decision which might threaten its security. These actions openly ridicule his own proposal for peaceful coexistence.

If we ponder the events since Khrushchev's alleged rejection of the inevitability of war in 1956, we are made aware once again of the almost enthusiastic willingness of the Communist bloc to brandish or actually employ military power, when it suits its interests. On at least three occasions, Soviet rockets have been threatened against free world positions—against Britain and France during the Suez crises; against the United States if it should intervene in Cuba; and against U.S. bases after the breakup of the Paris Summit Conference of 1960. In addition, the Soviet Union has expressed little interest in a feasible, inspection-proof nuclear test ban agreement, and has all but torpedoed disarmament talks in Geneva.

Communist military strength has also been successfully concentrated in Laos in the past 2 years. Troops loyal to the royalist government have been increasingly hard pressed before the combined Communist forces of the Lao rebels and the Communist North Vietnamese. The rebels have repeatedly violated the ceasefire agreement whenever it would result in territorial or strategic gain. At the same time, the Communists have talked of their desire for peace.

The forceful Communist takeovers in Europe and Asia are now matched by a more serious Communist military victory in Cuba. Here, only 90 miles off the coast of Florida, a Communist regime flourishes. Cuba provides the Communist movement with its first secure foothold in the Western Hemisphere. Already large numbers of Communist advisers from the Sino-Soviet bloc have descended on Cuba.

Politically, Cuba is a base of operations for Communist agitation and propaganda against the other nations of Central and South America. It encourages Communist groups throughout these countries to establish similar regimes in their respective nations. The continued existence of the Castro brand of Communist domination also lends support to the false argument that communism is the inevitable wave of the future.

We must be concerned, too, about the potential military problem which Cuba poses for our security interests. First of all, we must be concerned about the large amount of arms and ammunition which the Castro regime has imported from the Soviet Union and other Communist-bloc countries. Last November, the State Department released information about the military equipment which the Castro regime received from Communist countries since it came to power on January 1, 1959. Included in these shipments were an estimated 45,000 automatic rifles, 10,000 submachine guns, 150 mortars, 40 tanks, 10 assault guns, 60 armored personnel carriers, 220 different types of artillery pieces, 10 helicopters, and 8 Russian MIG jets. This is an extraordinary amount of military equipment for so small a country as Cuba. With such large stocks of military supplies at its disposal, Castro's Cuba will be difficult to overthrow by the Cuban rebel army. The growing military strength of Castro's army was demonstrated in the abortive April invasion of Cuba. Defeat of the anti-Castro rebels was in no small way due to the superior firepower and mobility of Castro's forces. Castro's guns, tanks, and artillery, proved too much a match for the outnumbered and outgunned rebels. Castro's military success warns us that our military intervention in Cuba—if such a policy is dictated by future events—will not be an easy venture. We are placed on notice that a large invasion force will be needed to subdue Castro's army.

The great quantities of military equipment being shipped into Cuba give us cause to worry beyond their use in maintaining the Castro regime in power. There is the growing danger that Cuba will serve as an arsenal and base of operations for Communist military activities throughout the Western Hemisphere. Through arms and manpower, Castro can support and, indeed, provoke Communist uprisings in Central and South America. Stocks of Castro guns have recently been uncovered by police forces in Brazil, and Castro supporters have been captured in an invasion of Panama 2 years ago. Moreover, Cuba itself can serve as a military base for the Soviet Union. Potentially, it can provide Russia with bases for its troops, its intercontinental missiles, or its submarines. The stationing of Soviet mili-

tary bases in Cuba would be a clear danger to our security and would not be easily tolerated by the U.S. people.

Finally, there is the matter of the Guantanamo Naval Base. The military value of Guantanamo stems largely from its geographical location. It controls the Windward Passage into the Caribbean Sea and is a critical link in the Key West-Guantanamo-Puerto Rico-Trinidad chain which protects the Panama Canal and the entire Caribbean area. It also provides considerable protection to shipping vessels bringing strategic raw materials from South America.

There is no question that we take our rights to Guantanamo very seriously. Both President Eisenhower and President Kennedy have continually reaffirmed the justice of our legal position at Guantanamo. As President Eisenhower pointed out, "our rights in Guantanamo are based on international agreements with Cuba and include the exercise by the United States of complete jurisdiction and control over that area." The U.S. Government, the President went on to say, "has no intention of agreeing to the modification or abrogation of these agreements and will take whatever steps may be appropriate to defend the base." I am certain that all of you here are willing to support these words with military action, if our rights in Guantanamo are challenged.

In no less degree are we willing to fight for our rights in West Berlin. We are ready to exert the might of our Military Establishment to discharge our obligations in Germany and to retain our honor intact. To impress the Communists, we are ready to follow the President, if he finds it necessary to mobilize the Nation's Reserve Forces or if he decides to raise the level of our military preparedness.

But it is important to remember that the military threats to our Nation's security posed by Cuba, Laos, or West Berlin, are not separate and unrelated crises. Each must be placed in the proper context of the full range of military threats which the Communist world presents to our independence and security objectives. Parts of the military threat should not be permitted to distort the whole character of the military challenge we face. Seen in the background of the gradual evolution of Communist power, which I have tried to sketch, Laos, Cuba, and West Berlin as well as future military crises which await us are simply parts of a greater pattern of Communist attempts to secure domination over the entire globe. We must match and better the military strength of the Communist world in its various manifestations. The United States and the rest of the free world have the necessary economic power and manpower pool to deny the Kremlin leaders their goal of global victory. We have the men, money, and know-how to build and maintain an invulnerable deterrent against a general war, and the capacity to obliterate Russia and the remainder of the Communist world, if they should initiate a nuclear war. We also have the means at our disposal, if we are willing to use them, of building larger conventional forces to deter Communist military provocations of less than total proportions. We need a large and sufficiently diversified military force which is capable of applying the right amount of military might to punish the size and seriousness of the Communist breach of the peace. This is to advocate what commonsense already prescribes: let the punishment fit the crime. You do not use a sledge hammer to hang a picture on the wall, nor do you break rocks with a wooden mallet. So you do not use the atomic bomb against dispersed guerrillas in jungle hideouts, nor employ guerrilla troops against massed field armies of men and machines. We need more bombers and missiles. But we also need more ships, submarines, and ground troops than we presently possess. Only then will we be able to deal with any future military crisis, whatever its size, on a regularized, predictable basis. With proper military preparation, the crisis mentality of our foreign policy need no longer plague us. Implied in the very idea of a crisis situation is the element of insufficient military preparation. An expanded Military Establishment with a wide variety of subtly shaded capabilities will provide the required support for our political objectives—the maintenance of our independence and the spread of freedom and democracy throughout the world.

I have described for you a displeasing picture of Communist military might and of the gravity of its threat to our way of life. However, knowing the strength of our enemy and the nature of his motives is important, if we are to prepare ourselves adequately for the great enterprise of defending our homes, our Nation, and our freedoms.

So much for the military preparedness to maintain our forceful position in the world. Military preparedness is of prime importance, but it is not the only weapon in the arsenal of the so-called cold war.

I am prompted to discuss with you for a moment a subject that is not a part of military warfare, but is psychological—and, therefore, just as much a part of the battle in which the United States of America is engaged as the race for dominance in outer space. One of the Nation's outstanding historians and a businessman of distinction, a New Englander, a graduate of both Princeton and Columbia Universities, Carleton Putnam, has recently published a book entitled, "Race and Reason," from Public Affairs Press, Washington, D.C. This book has been endorsed by prominent geneticists, zoologists, psychologists, and other scientists of proven reputation throughout the country. The words of this outstanding American are so meaningful that I am taking the liberty of making his own words a part of my message to you today. Hence, I would like to quote from his book to show one of the facets of this cold war for the hearts and minds of men:

"The economic weapon brandished over the head of one's opponent is a common technique of the equalitarian. The nonequalitarian scientists have been forced largely into the universities of the South, where they are biding their time. My files provide ample proof of this. One letter from a prominent northern psychiatrist goes even further, 'Where in the United States could a psychologist, sociologist, or anthropologist find employment if he openly and unreservedly espoused the theory of the racial inequality of man?'

"It is folly to talk of freedom, either of the press or of any other kind, when such a situation exists. Probably never in the history of the United States have we seen such a stranglehold by the national press and other mass media of communication in suppressing the viewpoint of a great section of the country. The extent to which certain of the more authoritative and influential newspapers and magazines, such as the New York Times and the Time-Life group, are using their columns for sheer propaganda has become laughable. In a moral sense we are confronted with what might almost be called a trilogy of conspiracy, fraud, and intimidation: conspiracy to gain control of important citadels of learning and news dissemination, fraud in the teaching of false racial doctrines, and intimidation in suppressing those who would preach the truth. To speak of academic freedom in the United States today is to make a mockery of the term.

"Besides intimidation there has, of course, been a false indoctrination of our younger scientists, although some hope on this score may be found in the following statement in a letter to me from a distinguished scientist younger than I am, a scientist not a southerner, who is a recognized international authority on the subject we are considering: 'About 25 years ago it seemed to be proved beyond a doubt that man is a cultural animal, solely a creature of the environment, and that there is no inheritance of instinct, intelligence, or any other capacity. Everything had to be learned and the man or race that had the best opportunity for learning made the best record. The tide is turning. Heredity is coming back, not primarily through anthropologists but through the zoologists. It is the zoologists, the animal behavior men, who are doing it, and the anthropologists are beginning to learn from them. It will take time, but the pendulum will swing.'

"Near the close of his autobiography Lord Tweedsmuir, who knew both the English and American scenes well, states: 'Something has happened. A civilization bemused by an opulent materialism has been met by a rude challenge. The free peoples have been challenged by the serfs. The gutters have exuded a poison which bids fair to infect the world. The beggar on horseback rides more roughshod over the helpless than the cavalier. A combination of multitudes who have lost their nerve and a junta of arrogant demagogues has shattered the comity of nations. The European tradition has been confronted with an Asiatic revolt, with its historic accompaniment of janissaries and assassins. There is in it all, too, an ugly pathological answer, as if a mature society were being assailed by diseased and vicious children.'

"These lines written at the outset of the last World War, would seem to hold fully as true today. The free peoples are still challenged, but the challenge for the moment is more from within than without, the diseased and vicious children have insinuated themselves into our midst and have taken on the trappings of respectability. Some even sit on our university faculties. As a part of the process, the attack on Christianity, which Gladstone perceived 90 years ago, has continued. 'I am convinced,' wrote Gladstone, 'that the welfare of mankind does not now depend on the state and the world of politics; the real battle is being fought in the world of thought, where a deadly attack is made with great tenacity of purpose and over a wide field upon the greatest treasure of mankind, the belief in God and the Gospel of Christ.' This attack has had a twofold Asiatic aspect. On the one hand, there has been the open aggression of Japan, Russia, China, and the Middle East, and on the other the indirect impact behind our lines of devious oriental thinking and the pervasive mood of appeasement, of resignation under evil, and of expediency, so characteristic of the eastern mind. The it's-too-late attitude, the if-we-must-choose between - surrender - and - extinction - we'll choose-surrender spirit were not the attitude or spirit of our American forefathers: they were not the creed of Patrick Henry. Part of all this is undoubtedly the fault of an abuse by its votaries of the earlier American gospel. The abuse opened the way, first, for a discrediting of freedom and individualism, and then for the substitution of equalitarianism as a new gospel. We cannot afford to make that mistake again. Christianity is the religion of freedom and individualism—it is also the gospel of compassion."

In glaring support of true Americanism is the opinion of the distinguished editor of the Indianapolis Star, Jameson G. Campaigne, in a recent book entitled, "American Might and Soviet Myth." He states: "For the first time in our history the people of the United States face the possibility of a war upon their own soil which could destroy our country and drive us into enslavement. Lincoln once said 'All the armies of

Europe, Asia, and Africa combined, with all the treasure of the earth (our own excepted) in their military chest, with a Bonaparte for a commander, could not, by force, take a drink from the Ohio, or make a track on the Blue Ridge, in a trial of a thousand years. If destruction be our lot, we must ourselves be its author and finisher. As a nation of freemen, we must live through all time, or die by suicide.'

"This is still true. Only by suicide can America die. But circumstances have changed since Lincoln's time, and in this era of the atomic bomb and guided missile, error and confusion in military and diplomatic leadership endanger us as never possible before. It is through our leaders that we may at last, in Lincoln's words, cause our own destruction, as no foreign commander could, even now.

"It has been your habit as an American to leave foreign affairs to the experts. But look at the mistakes the experts have made in China, in Korea, in Europe, in the Middle East. Today the security of the United States is in greater danger than it was 10 years ago or even 5. The so-called experts, who have taken your tax money and made American foreign policy, have succeeded only in making your life less secure, your home less safe, and your freedom less certain than ever before in our history. Unless you assert your power as freemen to change a foreign policy that has failed, that is failing, our Nation may indeed soon die."

What is the fundamental problem that you face, and I face, as Americans living under the shadow of atomic war? There is only one threat. It is the menace of communism spreading from its base in the Soviet Union to cover one-third of the globe.

What cause do we espouse? We espouse the cause of true Americanism in calling for enforcement of our Constitution which, therefore, means the preservation and enforcement of the rights of the States or the people respectively to govern themselves. We speak out for the principle of government along State lines, as envisioned by our forefathers. We speak out against our States being lumped into regions and appointed, not elected, officials forcing the breakdown of States rights and local self-government through the handing down of rules and controls by Federal appointed agencies. We call for reassertion of the free enterprise system and the reassertion of human rights and individual liberties through the greatest system of government the world has ever known, the system of State governments in our American Republic.

Address of Hon. Charles E. Goodell, of New York, Before the 62d Annual Convention, Western New York Volunteer Firemen's Association, Dunkirk, N.Y., Tuesday, July 25, 1961

EXTENSION OF REMARKS

OF

HON. JESSICA McC. WEIS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1961

Mrs. WEIS. Mr. Speaker, recently my good friend and colleague, Representative CHARLES E. GOODELL, from the neighboring 43d District of New York, addressed the 62d Annual Convention of the Volunteer Firemen's Association of Webster, N.Y., held this year in Dunkirk, N.Y. Congressman GOODELL is one of the ablest and most effective young men in Congress today. Because of the timeliness and thought-provoking content of his remarks, I should like to include his speech at this point in the RECORD:

It is a pleasure to have the opportunity to participate with you in this 62d Annual Convention of the Volunteer Firemen's Association of Western New York. You meet in the year 1961 and it is perhaps my most important job today to erase all doubt from your minds that this is a perilous year in the history of mankind.

We are a free country. As freemen, we cannot afford the luxury of passing responsibility on to other people. We cannot afford to sit here this morning and tell ourselves simply that President Kennedy, the Joint Chiefs of Staff, the Secretary of Defense, and the Secretary of State will make decisions for us. To a large extent the decisions of these men are limited by public opinion. You and I will not make the final awesome decisions upon which depend the survival of our way of life, but we will have a profound influence on those decisions.

We do not approach these issues in partisan fashion. As elections come and go, the political party which does not control the White House will continue to exert a critical yet responsible influence on this country's foreign policy. Today my criticisms and my suggestions apply equally to all Americans in leadership capacities.

I wonder sometimes if our leaders in Washington have a clear perspective as to the position this country occupies in world affairs. We are supposed to be the leader of the free world. We oppose communism. We know it is evil. Communism knows no moral standards. Communism is oblivious to all the values we hold dear as freemen. Under communism, man becomes an instrument of the state. He has no essential dignity. He has no rights. Everything is subordinated to man's single obligation to serve the state until the Communist millennium is reached. The road to that millennium is paved with the blood and the agony of mankind. God have mercy upon us if the Communists ever have the power to grapple their chains of slavery around the entire globe.

Two weeks ago I urged that this country should begin immediately to test awesome and spectacular nuclear weapons of destruction. I urge it again today. If we don't make the decision to go ahead soon, the Communists will one day stalk freemen with terrifying new powers and we will then be faced with the choice of surrender or certain death. Genuine disarmament will come only when the Communists are convinced that freemen understand the realities of survival as clearly as the Communists do. If we can convince Khrushchev and his gang that they are losing the race for the so-called ultimate weapons of destruction, they will then—and only then—be ready and anxious to call the armament race off and agree to reliable control over the fearful weapons of the future.

Today I would like to discuss briefly with you some issues which in my opinion carry life or death consequences of our civilization. The free world is on the defensive. First of all, there has been a great deal of talk about Berlin. Berlin is a contrived crisis which has been blown up by Khrushchev in order to put us off balance. There will be no war over Berlin. There was grave danger of war for a while, but so long as we stand firm and make our firmness unmistakable to Khrushchev, there will be no war over Berlin. Our President and our people have not, and must not, show any signs of weakness on this critical issue.

Every day, as the British Foreign Secretary put it, thousands of East Germans flow over the borders into West Berlin, "voting with their feet" against communism. The Berlin issue actually is one of the few in which freemen have attained dazzling success over communism. A firm, unyielding policy will keep it that way.

But in other areas of the world, freemen are on the defensive—in Laos, in the Dominican Republic, in Cuba, and in South America, in fact everywhere on the face of the globe. Why are we spending most of our time fending off the lethal punches of communism? We have the muscles. We have the stamina and the courage. We have the experience to beat the Communists in the world arena. In short, we are a heavyweight champion, in fighting trim, but we are losing. Why? We are losing because the free world has walked into the ring against brass-knuckled communism with pillows tied to both of our fists.

One of the great shining ideals of American foreign policy is the doctrine of self-determination. It means in simple terms that every country has a right to determine its own destiny itself. The people have a right to determine for themselves the form of government best suited to their needs. I believe in this ideal and I am sure all of you do.

But what has happened? We know that the Communists are experts in the realities of power. They have refined the technique of infiltrating a country, taking over the army, the police, or one of a dozen other key power centers in a country. Then, when the time is ripe, they move from within and destroy that country's power to determine for itself. They do this for the most part in Cuba with Cubans, in Mexico with Mexicans, in Venezuela with Venezuelans. But they have no scruples about sending vast numbers of aliens into a country at the crucial moment when it is tottering and about to fall. This happened in Laos, in Korea, and it has happened more recently and in a little different way in Cuba.

So while the Communists train a disciplined international force to conquer from within, we proclaim self-righteously that it would be wrong for us to interfere in the internal affairs of another country. We even give these countries our money and let them pour it down the drain with the excuse that if we objected we'd be "interfering in the country's right to determine its own destiny."

I say to you that we have an inalienable right to determine the destiny of our own dollars spent abroad. But we have a greater obligation than this. We cannot stand by and watch free countries fall under the domination of communism through internal subversion. We must recognize that internal subversion by a small clique of Communists is a form of aggression. It is direct interference with the right of a country to its own self-determination.

Cuba is the most notable recent example of our folly in this respect. The Communists are laughing at us over Cuba. They really can't understand how we could be so foolish as to permit the continued buildup of Communist power 90 miles off our coastline. There are even indications now that Castro is clearing several areas that look suspiciously like missile sites. Castro obviously is stomping his heel on the free aspirations of Cubans who should be able to run their own affairs. He is doing so with massive aid from the international Communist movement. It's time that we moved in—and I say this without qualification or reserve—it's time we protected ourselves and the Cuban people by removing the cancer of communism from Cuba. Without direct surgery, the cancer will spread.

Ah, but a great cry will go up from those who tell us, "If you do that you are no better than the Communists themselves. If you interfere in Cuba, how are you any different than the Russians in Hungary?" I would answer simply, "Have we gone so far

that we can no longer recognize the difference between fighting for what is right and fighting for what is wrong? Is it wrong to fight for the eternal values we hold sacred?"

American policy toward Communist subversion abroad is very much like a U.S. marshal on the old frontier who decided to clean up the town but was too timid to use the weapons of his enemies. With lawlessness rampant in the streets, he didn't want to interfere with the people's rights by using a gun. Can you imagine such a marshal? We all know and the people then knew that such a timid marshal would soon be buried on "Boot Hill" while the outlaws destroyed all the rights of the people in that frontier town.

The men of the old frontier knew better than this. They knew the score when it came to dealing with lawlessness. It's about time the men of the New Frontier—Republicans and Democrats—added up the same score with respect to communism.

Now let me make it clear that I don't think we can solve the world's problems simply by sounding the bugle and marching our armies. The world needs a more constructive answer than the militant brandishing of deadly arms. I am saying, however, that many of our constructive efforts abroad are being compromised by our unwillingness to deal in the harsh realities of international power. We can stop communism dead in its tracks if we will just recognize the simple truth that we are engaged in mortal combat with communism throughout the world, and if we then go out and fight that combat with no holds barred. We are not going to win many battles for freedom whne we are afraid to give air cover to freedom fighters because we might temporarily smudge our image of popularity with the masses of the world. We talk of prestige in the world, but our concept of prestige is superficial and meaningless. The simple fact of the matter is that we can neither be popular nor respected in the world while we are losing to communism.

If we, through the Organization of American States, the United Nations, or through support of the Cubans themselves, liberate Cuba from Castro, the world will not be long in doubt about the difference between Cuba and Hungary. We would set up a legitimate Cuban government on an interim basis, guaranteeing the basic liberties of the people such as freedom of speech, freedom of the press, freedom of religion, and freedom from the oppression of a police state. Then we could create the climate for a free government truly responsible to the will of the Cuban people. Within a short time elections would be held in Cuba. The blood bath of Castro would end. The Cuban people would be truly masters of their own destiny and the great ideal of self-determination could be legitimately realized. We would be saying to the world that it is the right of the Cuban people to determine the form of their own government and we are going to protect that right against her enemies—all enemies of Cuba from within and without. The inspirational ideal of self-determination would be given new power and meaning. We would announce to the world that this ideal is too important to be sacrificed to Communist subversion. No Communist government could ever take over a country in the free world unless it did so through free elections. And make no mistake about it, there has never yet been an instance in which a free people has voluntarily chosen communism in open and honest elections. I doubt if there ever will be. By clearly enunciating this kind of foreign policy we would be recognizing the unmistakable truth that when communism takes over, self-determination of the people in that country is no longer possible.

There is one other point I would like to drive home this morning with reference to America's position in the world. We must swing back onto the offensive in the struggle for men's minds and hearts. When Khrushchev contrives a world crisis over Berlin, we must mount a powerful counteroffensive of truth. Khrushchev has many times promised that he will permit free elections in East Germany and Hungary and Poland and Czechoslovakia. We should constantly remind the world of Khrushchev's discarded commitments to the millions of good people behind the Iron Curtain who yearn for freedom. We don't have to brandish weapons of war or threaten to roll back the borders of communism with our armies in order to put Mr. Khrushchev on the international hot seat and keep him there. In addition, we can counter Berlin pressures by imposing economic sanctions against the Iron Curtain countries in selected places that will give Mr. Khrushchev acute pain.

Khrushchev is striving to win the minds and hearts of the awakening masses in Asia and Africa and South America with lies and deceit. We are letting him draw a fake international portrait of communism as a movement which is responsible to the needs of the people. We are letting Khrushchev boast of inflated material accomplishments of 5-year and 7-year plans under communism while the truth is muffled and confused.

If our way of life cannot win the struggle for men's minds in open debate in the international arena, then the dark ages is truly settling upon us already. Our most deadly weapon in this struggle with communism is the truth. We should never cover our faults with deceptions. Our statements to the people of the world should always be the simple, unadulterated truth. The truth will triumph over Communist deceptions and lies if we use it unflinchingly and imaginatively, backed up by the naked power to counterbalance the brute force of communism.

And so, the hour is late for America. We must face the fact that you can't fight a vicious, unscrupulous enemy by the Rules of Queensbury. War is a pure question of power: Moral power, brain power, military power, and many, many other kinds of power. Cold war is no different in this respect. The truth is on our side. If we unleash our power and fight the cold war with the same determination and intelligence and courage with which we have fought hot wars in the past, we will triumph.

Let's start by organizing, training, and equipping a Cuban military force that can restore freedom to the Cuban people. Let's give them air cover, naval protection, and, if necessary, troop support. When the Communists and the craven neutralists throughout the world see that we are strong and resolute in our devotion to freedom, that we will not permit the ugly cancer of communism to take root in the Western Hemisphere, they will have more respect for us. Those are terms they understand. The outlook for real peace would thereby be greatly enhanced. The danger that Khrushchev might underestimate our readiness to fight over Berlin, if necessary, would be eliminated. In short, the air would be cleared of all the confusion of purpose which now beclouds America's position in the world.

I say with confidence today that the free world must feel once again the strong hand of America's leadership at the helm. The self-doubters and the fuzzy thinkers throughout the world who seek compromise with communism must be drawn once again to the banner of fortitude unfurled over America. I have faith that the American people will respond as never before in our history to the call for greatness demanded by the terrors of our age. With God's help, our misfortunes will then yield to the immense power of a liberty-loving people, united and ready to fight for the things we believe in for all mankind.

Search Out the New Way

EXTENSION OF REMARKS

OF

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1961

Mr. ULLMAN. Mr. Speaker, the current issue of the Railway Carmen's Journal reprints the text of a commencement address delivered at Coe College in Iowa by Secretary Ribicoff of the Department of Health, Education, and Welfare. In his inspiring remarks, the Secretary reaffirmed the basic principle that by legislating in the general welfare, Congress does not restrict freedom, but in fact "adds to individual freedom by creating the opportunities in which freedom can be exercised." This is a point which many tend to lose sight of and I commend this fine statement to my colleagues' attention:

SEARCH OUT THE NEW WAY

(By Abraham Ribicoff, Secretary of Health, Education, and Welfare)

In the Middle West—which Abraham Lincoln described as the great interior region, the Egypt of the West, where the culture of corn and cotton meet—in the Middle West, the pioneer dreamed of continental growth and expansion.

In the Middle West—in log huts set in the midst of prairie and of forest—he had the power of will to make his dreams come true.

In the Middle West—in the center of this varied and ample land—the ideals of freedom, of equality, of faith in every man and freedom of opportunity are deeply rooted. We strive for fuller realization of these same ideals today.

Here in Cedar Rapids, Iowa, then, I would like to talk with you members of the graduating class of Coe College about these ideals for which the pioneer moved westward. How do you move for them today? Do you fight for them proudly? Or are you—like so many others—somehow reluctant to pursue them? How will they shape your lives as you assume the responsibilities of citizenship?

The settlers of this State of Iowa—the sturdy men and women your own Grant Wood has pictured—did not move westward in pursuit of freedom.

They already had freedom in New York, Connecticut, Rhode Island, and the rest of the Eastern States.

No; they did not travel West—by foot and oxcart—in search of freedom. They moved their families and built their homes and churches—which so resemble those of my own Connecticut—in search of opportunity. They found it here in Iowa. They came to farm and to acquire land. And they did so on your rich dark soil.

Today, as we seek to build—as we acknowledge that in addition to the old ways we must seek also new ways and find new means—I am not worried about our pursuit of freedom. The bundle of rights that are ours to enjoy—the right to live where we choose, to worship where we wish, to work at what trade or profession we prefer, to become educated in schools and colleges we select, to decide for ourselves how we will enjoy our leisure time—these rights are ours as much as they were a century ago, when the Reverend Williston Jones realized that this great expanse of soil could be truly fruitful only if those who worked it enjoyed the good life of enlightenment and culture.

One must be free today—as then—to do these things. But being free is no assurance that these things can be done.

With freedom there must be opportunity. And that is what we now seek—the creation of opportunity to find employment, to earn decent wages, to enjoy good health.

And for our young people, we seek freedom of opportunity in education. We seek to help them to understand, to help them to achieve. We seek to imbue them with the desire for excellence, to enable each of them to fulfill his individual potential. We seek to nurture the spirit of the free man or woman so that he is fit to lead, or participate, in a world whose complexity and potential challenge the imagination.

These are our goals.

And it is the expert consensus that we have fallen far short of them, so far short that we are confused and endangered. We have not given men and women in every section of the land the opportunities they seek. We have not made it possible for our parents and grandparents to have the health care to which they are entitled. We have not given our youngsters the opportunities for education which they are able to absorb and we to give.

When I first accepted this speaking engagement, I did not know much about Coe College, I will confess. So I did some homework. I read about your college and its pursuit of excellence. I read about the ways in which Coe is trying to challenge its students, to improve its faculty, to achieve a rich, a youthful diversity.

I liked what I read. For, determined as we are to pay the price for national greatness, we must move as a nation—through our democratically elected Federal Government. But we must move for excellence, too, as independent institutions and individuals, where our people live, in the cities and States across the land.

As I read, I came across a poem written by a graduate of Coe College, Paul Engle—a man whose creative writing workshops attract the best writers in the land of Iowa. I want to share a bit of this poem, "America Remembers," with you:

"O remember that in the general doom of nations, there
Is but one certain immortality
* * * and that is not the thrust
Of courage against the world, nor the beating down
Of all the barriers of a continent
However bravely—but the searching out
Of the new way that a new country makes,
From all the blind impulses of its life,
A vision of the universal heart
That recreates the living form of man
In the unique and individual way
That is the shape and spirit of that land.
And while you front your fate between the ocean and the ocean
Let the American quality, the dream
Of a land where men shall work their destiny
Deeply as they will, give you the power
To realize with proud and reverent heart
The strange identity of man as man
And fling it up against the dark of time
Where it may loom forever as the bright
Image of godhead in the simple man."

Today, as you front your "fate between the ocean and the ocean," I ask you graduates of Coe College to "search out the new way that a new country makes"—the new way Paul Engle described so eloquently.

I ask you if "the American quality, the dream of a land where men shall work their destiny deeply as they will," has given you the power to ponder thoughtfully and clearly about our Nation's goals.

You members of the graduating class—whether you know it or not—have already benefited from your Government's wish to provide young people with greater educational opportunity. The administrators of Coe College tell me they are pleased with housing provisions which allow them to borrow funds at a reduced interest rate for college housing. Under the National Defense Act, Coe College has received over $110,000 in the past 3 years for student loans and this summer will receive support for a language institute for teachers.

But do you realize what the Kennedy programs for higher education now before the Congress would mean to you who plan to study further, or to your younger sisters and brothers who graduate this month from high schools here in Iowa? Do you realize that these programs would help the Coe Colleges and universities across the land accommodate larger numbers of students without diminishing the quality of instruction? Do you realize that they would help needy youngsters in each of the 50 States who might without them fail to develop their full abilities?

How do you feel about these programs, and others like them—deep down, in your hearts? Do you join our critics who simply say: "Individual freedom is our most prized possession. New programs for education or for health mean greater activity by government—often Federal Government—therefore these programs would mean a loss of individual freedom."

Our critics are sincere. They are mostly serious-minded men and women speaking their honest doubts in good faith. Many of them are here in the heartland of America—here where so many of our ideas and customs first flowered.

Like them, are you somehow on the defensive—ashamed—about general welfare legislation? Do you think such laws are for other—foreign—lands?

Or do you recognize the fact that the very words "general welfare" are uniquely American words? Do you join me in affirming that the general welfare legislation now before the Congress adds to individual freedom by creating the opportunities in which freedom can be exercised?

You young graduates have studied history more recently than I. You know that general welfare legislation is of the essence of the American tradition.

You know that the legal authority for many of these laws is the "general welfare clause"—one of the oldest statements of purpose in the political experience of these United States. Before our Government was established, societies had been formed to promote the welfare of a king, an aristocracy, a military brotherhood, an economic class.

But the Pilgrims, en route to America, bound themselves to promote "the common good" on new soil. And the Articles of Confederation declared that the States had entered into a "firm league of friendship with each other * * * for their mutual and general welfare." After that, the Constitution specifically authorized the Government to "provide for the general welfare."

THE GENERAL WELFARE

There were always honest men and women—perhaps like some of you in this audience today—who questioned the meaning of the "general welfare clause" and what exactly could be done in its name.

Thomas Jefferson himself was one of them. In his pre-Presidential struggles with Alexander Hamilton, he stated one side of the classical argument.

Under the general welfare clause, Jefferson said, the Congress could lawfully appropriate money only for purposes specifically enumerated in the Constitution. If a proposed measure was not on that list of specifics, no money could be appropriated. (Is this not what some of you believe today?)

But Alexander Hamilton held that in levying taxes and spending money for the general welfare, the Congress was subject to only one limitation. The purpose must, in fact, be general and not local. If the purpose was general, the Constitution approved.

And how to distinguish between a general and a local purpose? By "conscientious discretion," Hamilton said, "and the arguments for or against a measure in this light must be arguments concerning expediency or inexpediency, not of constitutional right."

At a later date when he was President, Jefferson came to agree with Hamilton completely. When it came to the purchase of the Louisiana Territory—a purchase which brought to the Nation the land that became Iowa—and which was not enumerated in the Constitution—Jefferson warned his friends in the Congress not to "entangle themselves in metaphysical subtleties" but to approve an act that promised such enormous practical good to the Nation.

History, practical experience, and the weight of judicial opinion have been on Hamilton's side of the argument.

For instance, during the great depression of the 1930's—before you young graduates were even born—the cry went out from all sides calling for the Federal Government to use its own powers to do two things: to bring about a revival of a stricken national economy and to create minimal standards of economic and social well-being below which no individual could fall.

In the end, measures like unemployment compensation and other features of the social security system created under the goad of the great depression promoted individual freedom by creating economic security and opportunity. These measures did not deny the individual his freedom. In fact, if they had not been created, there was the strong possibility that our democracy—as was true in many places in Europe at the time—would have suffered a grievous hurt.

And the several States lost none of their powers. Local communities lost none of their powers. Individual freedom was in no way abridged.

It is the same 30 years later. Last year Federal aid to education in all forms totaled $2.7 billion, including millions for school construction and teachers' salaries in school districts with defense installations. In the current fiscal year Iowa will receive about $6 million under existing Federal educational programs. Not once in my 6 years as Governor did any Connecticut mayor or school principal ever complain to me of a single instance of Federal control. And I know of no complaint from any other Governor of the 50 States. But I do know that this assistance creates countless opportunities for young people throughout the Nation.

Our proposals for Federal aid to education today rise from a nationwide need. The States and local governments, with their fairly rigid tax base, cannot unaided pay for the quantity and quality of education we need. For trained minds stand first among the Nation's natural resources.

I head a Department dedicated to that uniquely American principle—the general welfare of our people. You young men and women graduating today are benefactors of a serious business.

Many of you will now go on to more specialized kinds of education. Others will immediately take your place in our society.

It is my hope that all of you will conduct yourselves as educated men and women, able to think clearly and express yourselves compellingly.

It is my hope that you will join our national quest for excellence—that you will join our quest for fuller freedom of opportunity. It is my hope that you will not be frightened into un-American silence, apologies, and denials whenever such constructive proposals as the general welfare legislation I have discussed today are under attack. It is my hope that, secure in your

faith in our society, you will do your part to promote the general welfare of all our citizens.

It is my hope that you have gotten rid, as Emerson put it, of "the nonsense of our wigwams," whether that nonsense be a cramped intellect or a narrow dogma.

For your Nation asks much of you young people of today. It asks that the whole tone and thrust of your lives be directed toward the strengthening of our life together. It asks—whatever you do—that you strive in every minute of the day for excellence in your endeavor, not just for yourself, but for the people with whom you live.

For you work on a planet bizarre in its difficulties yet limitless in its possibilities for creative adventure. You live on a planet of abundance and peace—but also of poverty and ignorance. You will travel on a planet and who knows—perhaps away from a planet—where if you are thoughtful and knowledgeable—you can make our Nation friends—or, if you are thoughtless and selfish—deadly enemies.

This is your planet. This is your Nation. These are the responsibilities. Will you discharge them to the very best of your abilities? I am confident that you will.

The 15th Anniversary of the Philippine Republic

EXTENSION OF REMARKS
OF
HON. OLIN E. TEAGUE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1961

Mr. TEAGUE of Texas. Mr. Speaker, on July 4, 1961, the Republic of the Philippines celebrated their 15th anniversary of the establishment of their Republic.

My good friend, Mr. Diosdado M. Yap, editor and publisher of the magazine known as Bataan, has published in his July issue a compilation of the statements made by leading Americans on this occasion.

Under leave to extend my remarks in the RECORD, I wish to include this compilation:

John F. Kennedy, President: "On behalf of the people of the United States, it gives me great pleasure to extend hearty congratulations and best wishes to the people of the Philippines on the celebration of the 15th anniversary of the Republic of the Philippines."

LYNDON B. JOHNSON, Vice President: "With our stanch friends and firm allies, the people of the Philippine Republic, we of the United States take great pride in celebrating the 15th anniversary of Philippine independence and the 185th anniversary of American freedom.

"We revere our common heritage and rejoice in the freedoms that are ours, as we reaffirm our faith in the principle on which our Nation was founded.

"Our mutual desire for a Philippine Government 'of the people, by the people, and for the people,' forged a common bond of friendship which long ago overcame all obstacles and proved itself in the crucible of war—as we stood together in World War II and Korea. This kinship of spirit and determination is now further strengthened by our mutual quest for lasting peace, security, and freedom for all peoples.

"As our two countries have stood shoulder to shoulder in defending democracy in the past, so now we are joined in the Southeast Asia Treaty Organization to insure the peaceful development of our neighbors and allies in the Pacific. This alliance aims at bring about a position of military sufficiency among member nations, as well as strengthening free institutions by promoting economic and social progress through greater individual-nation effort and the enterprise of nations acting collectively.

"Out of the cooperation and common purpose of joint endeavors as this, we dedicate our resources and energies, that poverty, illiteracy, and disease will be brandished—as peace, security, and integrity are attained for the nations of Asia. To this high purpose, we, the Goverment and people of the United States, pledge our firm support.

"Philippine history is a proud record of dedicated service to democracy. You, who have inherited this glorious past, are fully aware of the even greater challenges and opportunities which lie ahead. America is assured, our people are confident, that the Philippine Republic will continue its growth as a strong bastion of freedom in Asia; that in the future it will wield ever greater influence for peace and security throughout the world.

"We celebrate this anniversary of independence for our freedom-blessed countries with a promise—a promise to nurture the unshakable spirit and devotion to principles which inspired our common past. Standing always together—as independent, equal and vigorous partners—we can, with willing hands and strong convictions, seize the opportunities that clearly lie before us. We can lead the world to a new era of peace, plenty and freedom."

Dean Rusk, Secretary of State: "July Fourth holds a proud significance for the peoples of the Republic of the Philippines and the United States as the date on which they achieved independence.

"Through the grim experience of war our peoples know that in our era the enjoyment of freedom, though the aspiration of all men, can no longer be taken for granted as our natural due. To preserve freedom under the challenge of alien ideologies, we must be willing to defend and strengthen our free institutions as ardently as we worked to establish them. We must, as vigorously, strive to advance the social, economic, and political conditions in which they flourish.

"This is the lesson implicit in our observance of Independence Day."

Robert S. McNamara, Secretary of Defense: "On behalf of the Armed Forces of the United States I send hearty greetings on the occasion of the 15th anniversary of your nation's independence.

"The Republic of the Philippines occupies a special position in the affection of the men and women of our Armed Forces—a position based on mutual respect and understanding, tested in the crucible of World War II.

"Your nation has been a strong partner of the United States in the effort to maintain the defense of the free world. As a member of the defensive alliance which composes the Southeast Asia Treaty Organization, the Philippine Republic is joined with the United States to provide for security against armed aggression and subversion. We are pledged to the economic progress and well-being of the southeast Asian countries.

"In keeping with the traditional love of freedom, the Philippine Republic has chosen active participation in the struggle against communism. Its choice and the cooperation between this Republic and the United States are clear evidence to the world that the two nations share a mutual interest in the aspirations of freemen everywhere."

Robert F. Kennedy, U.S. Attorney General: "I was honored recently to present a check for $2 million to Ambassador Romulo, in payment for Japanese property in the Philippines which has been disposed of. This was the largest of 75 such payments and the first to be made in the United States. But its chief importance, to my mind, lay in what it symbolized, the bonds of mutual trust, understanding, and cooperation between the United States and the Republic of the Philippines.

"There are bonds forged in war, peace, and the present cold war challenge to the free world. On our mutual birthday, let us reaffirm these bonds and go forward against the challenge, as allies and as friends."

Elvis J. Stahr, Jr., Secretary of the Army: "On behalf of the U.S. Army I want to express my sincere congratulations to the Republic of the Philippines on its 15th anniversary. The bonds of friendship between the people of our two nations have been strengthened on many battlefields, beginning at the time of Emilio Aguinaldo, extending through the bitter defeat on Bataan, and climaxing in the final victory of World War II.

"Your fighting contingent with the United Nations force in Korea demonstrated your belief that aggression must not be permitted to go unchecked. As a charter member of the Southeast Asia Treaty Organization, your nation has firmly allied itself with other free nations in the quest for a just and lasting peace.

"Born in the troubled aftermath of World War II, beset initially by internal unrest, your lands and economy ravaged by war, the Republic of the Philippines has earned worldwide respect by her struggle to take her rightful place in the family of nations. Today your country represents a powerful force for good in the Far East, a living example to all emerging nations of democracy in action.

"It is no coincidence that the anniversaries of our two republics fall on the same date. The Filipino and American people, bound together by destiny, friendship, and mutual respect, chose it that way. We of the U.S. Army remember our warm association with the Philippine Army, and send our best wishes to you on your 15th anniversary."

John B. Connally, Secretary of the Navy: "On behalf of the personnel of the U.S. Navy, may I extend to the people of the Philippines our warmest and most affectionate greetings on the occasion of the 15th anniversary of the Republic of the Philippines.

"The history of the Filipino people and that of the U.S. Navy is and has been inextricably intertwined, and is bound by generations of close friendship and interdependence. This friendship is strong and growing and has withstood—and indeed, been tempered and strengthened into an invincible bond—by the fires of combat and turmoil as we have struggled and fought side by side for the freedom and dignity of man. With pride, respect and admiration we have watched the emergence of your great democracy in southeast Asia until today the Republic of the Philippines stands like a beacon of hope to others less fortunate.

"On this day of independence of both the Republic of the Philippines and the United States of America, we rededicate ourselves to the ideals of our heritage and with pride and confidence in your continued progress under the banner of freedom, we of the U.S. Navy proudly salute the people of the Philippines and wish you every success."

Eugene M. Zuckert, Secretary, Department of the Air Force: "Congratulations from the U.S. Air Force to the people of the Philippines on the occasion of the 15th anniversary of the Republic of the Philippines. The Fourth of July commemorates a heritage of freedom and democratic ideals for both nations. May our friendship and dedication to the cause of freedom continue as an example for democracy in Asia."

J. Edward Day, Postmaster General: "It is a pleasure to salute the Philippine Republic on the occasion of its 15th anniversary as a self-governing nation. We are bound by

ties that preceded the shedding of American and Filipino blood at Bataan and Corregidor, and we are happy to share our Independence Day with the people of the Philippine Islands.

"In his state of the nation address to the Fourth Congress in Manila on January 23, President Carlos Garcia reaffirmed this simple truth: To be and remain free you must be informed, and to be adequately informed you must have unshackled sources of information.

"Freedom of communication is also the historic objective of the U.S. Post Office Department. We believe that the free flow of mail from country to country promotes international understanding and is one of our principal weapons against communistic doctrine.

"Last year surface mail from the United States to the Philippines totaled more than 5 million pounds, and two airlines transported close to 200,000 pounds of mail. Much of this mail, I am convinced, carried a message of our way of life and standard of living which has more meaning to the freedom-loving people of the Philippines than the propaganda spread by the Communists.

"May I extend my warmest congratulations to the Filipino people on this felicitous occasion. I am sure our relations will continue to be most cordial."

Stewart L. Udall, Secretary of the Interior: "One of the proudest days in the history of the democratic free peoples of the world occurred on that July 4, 15 years ago, when the Republic of the Philippines was born.

"That moment marked the culmination of decades of sincere and warm relations between American and Filipino citizens who—through years of war and peace—jointly created a community based on free, democratic ideals.

"Working hand in hand for half a century, the American and Filipino Governments established and extended the blessings of democracy, making the Philippines an example for other peoples striving for freedom in Asia and throughout the world.

"I add my greetings and best wishes to the Republic of the Philippines on this auspicious day which both our nations celebrate."

Orville Freeman, Secretary of Agriculture: "I welcome this opportunity to convey my sincere salutation to the Bataan Foundation and its supporters, and warmly commend its efforts to keep alive the spirit of Bataan. That spirit symbolizes the close relationship between the people of the United States of America and of the virile young Republic of the Philippines.

"It is fitting that our two countries have an Independence Day in common, for we are in accord on so many other things. We have both developed as God-fearing, liberty-loving peoples. When our fundamental way of life has been endangered—as in the dark days of World War II—we have fought shoulder to shoulder in the common cause. And now, with freedom's soil beneath our feet, our mutual interests are being advanced today through our common effort to promote stability and peace in our problem-racked world. May the spirit that reached its zenith at Bataan and Corregidor guide us in this effort."

Luther H. Hodges, Secretary of Commerce: "It is with pleasure and pride that I extend warm congratulations to the Philippine Republic, on the 15th anniversary of its independence.

"In the 15 years since the legal bonds between the Philippines and the United States were severed, the bonds of friendship and commerce between our two peoples have continued to grow, based on mutual respect and dedication to liberty.

"In those years the Philippines has made astounding progress. Its gross national product has more than doubled, reaching some 9.5 billion pesos in 1960, reflecting rapid expansion both in agriculture and industrialization. Foreign trade has risen even more rapidly, from $360 million in 1946 to over $1.1 billion in 1960, illustrating the rise of Philippine products in international commerce.

"This is an admirable record, and we are proud that U.S. business, through trade and investment, has contributed to this progress. All signs point to a further rise in economic development in an atmosphere of free enterprise and liberal trade.

"On this Fourth of July which commemorates independence for both our countries, we look forward to unbroken years of even closer association in friendship and commerce."

Arthur J. Goldberg, Secretary of Labor: "Since the Declaration of Independence was proclaimed on that historic date in 1776, the Fourth of July has symbolized the universal aspirations of mankind for individual freedom and human dignity. It is significant that the people of the Philippines Republic should have chosen this date 170 years later, to mark their own national independence.

"Today, liberty is a bond between our peoples. But it is not the only bond. We in America share the desire of the Filipinos for a better standard of living. And we applaud the efforts of the Philippines Government to bring the fruits of social welfare and social justice to all its nation's people.

"We are confident that these efforts will continue to inspire the admiration and the emulation of all free nations of southeast Asia. To this end the people of the United States join hands with the people of the Philippines Republic in a common observance of Independence Day."

Abraham Ribicoff, Secretary of Health, Education, and Welfare: "It is a pleasure to join with all those who are celebrating the 15th anniversary of Philippine independence this Fourth of July.

"The people of the Philippines are to be congratulated on the great strides forward which have been made in the fields of health, education, and welfare. I wish you continued progress in these and your many other fields of endeavor in the years ahead."

CARL HAYDEN, chairman, Committee on Appropriations, U.S. Senate: "I take great pleasure in joining with my Filipino friends, who have so amply demonstrated that democracy can thrive in Asia, in commemorating our common day of independence.

"It is fitting that we should pause this day and dedicate ourselves again to our common task—that of providing a better life for our fellowmen and of defending our freedom against all those who seek to subvert or destroy it. We face many challenges in the years ahead, but our cause is just, our resolve firm, and our courage high. I feel confident that we shall not waiver in fulfilling our sacred responsibilities. I am certain that freedom will prevail."

A. WILLIS ROBERTSON, chairman, Committee on Banking and Currency, U.S. Senate: "In view of the fact that I served on the committee in the U.S. House of Representatives which favorably reported a bill to grant independence to the Philippines and was present in Manila in November 1935, when the first President of the Republic was inaugurated, it gives me unique pleasure to extend warm greetings to the Republic on its observance of Independence Day.

"It is particularly appropriate that the Republic of the Philippines and the Republic of the United States of America celebrate their Independence Day together. In so doing, they demonstrate to the world that freedom can be fully enjoyed only to the extent that it is fully extended to all nations which treasure it for their people and will defend it for future generations.

"My country can take pardonable pride in the fact that it has returned what was a colonial possession to its own people for their own management and control. The Republic of the Philippines can be proud of its sound and rapid growth in the climate of liberty it has so richly earned.

"With their other allies in the Pacific area, these two Republics can hold aloft a beacon light of hope for oppressed peoples on all the shores of this vast ocean region and point the way for peaceful progress for all mankind."

WARREN G. MAGNUSON, chairman, Committee on Commerce, U.S. Senate: "Few in the world can know better the sound, meaning, and opportunity of freedom than our heroic and determined workers for a better world in the Philippines.

"It doesn't seem possible that it has been only 15 years since the Filipinos gained their independence, because your nation has made an enormous contribution through work and example during that period.

"My best wishes for an outstanding celebration on July 4. We shall be thinking of you as we observe our independence that day as well, Mr. Yap."

OLIN D. JOHNSTON, chairman, Post Office and Civil Service Committee, U.S. Senate: "As the United States prepares to celebrate its 185th anniversary of freedom, July 4, 1961, it is fitting that one of the stanchest allies of the free world community should celebrate theirs on the same date.

"Just as our minutemen have been called to rid the world of oppression and slavery of every kind, so have the peoples of the Republic of the Philippines joined in the fight for peace when aggression was brought to their threshold. Throughout World War II, from the initial air attack on Manila December 8, 1941, until cessation of hostilities, the Philippines poured every ounce of its national strength into the fight against oppression. Since that time, its energies have been directed in helping keep the world a society of free people with unqualified rights to live and worship as one chooses within the framework of democracy.

"The United States is proud of the success the Philippines have attained since becoming a free and independent Republic July 4, 1946. A concrete example of this was the final $20 million payment from the Philippines in May 1961, on a 10-year-old debt of $38 million the United States advanced for their military forces.

"The support these courageous islands have given the United States and its allies in commerce on the seas and negotiations at the conference table in years since the conflict, have aided the cause of freedom immeasurably in the cold war for peace.

"It is with admiration and deep respect that I join in the salute on your 15th anniversary."

LISTER HILL, chairman, Labor and Public Welfare, U.S. Senate: "It is a privilege and a pleasure for me to have this opportunity to congratulate and salute the people of the Philippines on the occasion of their national holiday—July 4, 1961. I recall that it was on the 4th day of July, a decade and a half ago, that the flag of a free and independent Republic of the Philippines was first raised on the flagstaffs of what had been Americas largest territory. I remember that the whole world was watching Manila on that July 4, 1946—on the 170th anniversary of American independence—when both Filipinos and Americans solemnly gathered and joyfully witnessed the peaceful beginning of a new nation dedicated to liberty, democracy, and freedom.

"This new independent democracy faced new, immediate, and challenging problems of rehabilitation and reconstruction. A devastating war had destroyed nearly everything except the courage, the determination and the faith of a brave people. During those first days, many wondered whether the fledgling Philippine democracy could long

survive, beset as it was with such enormous problems. But in a few short months all fears were allayed. In the years that followed, the wisdom and strength, the vision and the outstanding leadership of the people of the Philippines wrought from the crucible of adversity, an astounding feat of nation building.

"Today the free world is grateful to see a proud Philippine Republic facing its future with courage and confidence. Yesterday, perhaps the people of the Philippines depended more on the people of the United States. Today, the great Philippine nation, under the inspiring leadership of President Carlos P. Garcia, provides a beacon of hope for democracy and liberty for other nations. The free world looks to the wise counsel and leadership of the people of the Philippines. We are honored in the United States to have the assistance and advice of a famous Philippine soldier, statesman, and distinguished friend of democracy—the brave and gallant Ambassador Carlos P. Romulo.

"Our two countries are equals bound together in friendship and mutual respect. Together we seek an end to injustice, tyranny and exploitation. Together we face a new and relentless form of totalitarian imperialism. Our hallmarks are cooperation, diversity and honest disagreement, and we are allies always against poverty, sickness and illiteracy—partners on the path to progress.

"We who fought side by side at Bataan and Corregidor know that the price of our liberty and the safeguard of our freedom is nothing less than eternal vigilance. It is altogether fitting, therefore, that our two nations, blood brothers in war and firm partners in peace, celebrate jointly our days of independence.

"As a faithful friend, I salute the free people of the Philippines and rejoice with them on the 15th anniversary of their independence."

KARL E. MUNDT, U.S. Senate: "The onslaught against freedom is as old as history itself. Throughout the life of the human race, man has constantly been thrust into the arena of conflict to defend liberty, whether it be his own, his community's, or his nation's.

"But the story of freedom, the exhilarating narrative of man's dedication to achieve the noble heritage of individual liberty, is more than a recitation of defensive actions, of resistance movements.

"Though achievement of liberty itself frequently has been sparked by reaction to overt suppression—reaction manifesting itself oftentimes through revolutionary movement—the preservation and maintenance of independence has followed another path, that of freemen working together in peaceful pursuit to strengthen the institutions of democracy.

"So it is that on the Fourth of July we celebrate freedom's birthday in the sister republics of the United States of America and the Republic of the Philippines. Our observance is more than a tribute to those who made the ultimate sacrifice in removing the chains of bondage.

"We not only pay homage to the brave men and women who fought and died to obtain the independence which we celebrate on July 4 but to salute those who worked effectively to preserve our free way of life since the time independence was first gained in our respective nations.

"Words alone can never render the gratitude and deep pride we all feel toward those who stood on the firing line to achieve the birth of freedom in our nations.

"One hundred and eighty-five years ago our American Declaration of Independence was signed. A dear price was paid for the fulfillment of the able aspirations of those who fought at Bunker Hill and Valley Forge.

"Since that time, Americans have been called upon time and again to answer the clarion call when our freedom was threatened. The course of our 15 years has not always been turbulent. When we have been free from military activities defending our liberties, the free institutions of our great self-governing society became stronger and the opportunities provided by them have been made equally available to more and more people.

"Today, America stands as one of the bastions of freedom.

"Another great stronghold of freedom is our warm friend and respected ally in the western Pacific, the Republic of the Philippines. History's recitation of the attainment of freedom by the Filipinos is as bright as is ours in America.

"Here, too, men and women fought and died to remove the oppression and abuses of the conqueror. We in America are proud to have participated in this venture for liberty and to have played a role in the supreme attainment of that undying pursuit culminated in the birth of your Republic 15 years ago.

"The memories of our most recent mutual struggle when the malignancy of the tyrant spread over the free soil of the Filipino still sear our hearts as we recall the dark days of Bataan and Corregidor.

"But whose memory is not stirred with exultation as we recall General MacArthur's battle cry of 'I shall return' reaching its highest promise with the restoration of freedom in your land?

"The independence achieved by you of the Republic of the Philippines on July 4, 1946, was warmly shared by your friends in America on that date.

"Today that warmth of association is even greater—as I can testify from the generous hospitality demonstrated to me last December on my most recent visit to your country—and the bonds which entwine our aspirations and deeds as one are made of freedom's firmest steel.

"We stand together in mutual trust and esteem, independent in our respect for human dignity and individualism, but dependent upon each other as friends who are ready to march forward in the pursuit of a just and eternal peace or to hold firm against the encroachments of a would-be Communist aggressor who would dare to repeat the follies of the past and attempt to stifle liberty.

"Ours is a friendship that has endured the most severe tests and challenges of the past, and I am confident that as we celebrate in unison the anniversary of freedom's birth, we will be rededicating ourselves to the furtherance of this common bond in our efforts to further preserve and enhance the freedom and dignity of mankind everywhere."

FRANCIS CASE, U.S. Senate: "The Philippine and American people are observing July 4, 1961, as freedom's birthday. This day is a symbol of liberty for the free world. However, we need to take stock: Will freedom survive? Are we willing to sacrifice in order to remain free and expand liberty in the face of potential Communist domination?

"America has remained free for 185 years. The Philippines, 15 years an independent nation, have shown that democracy, the right of the individual and the responsibilities of liberty can prevail in that part of Asia.

"I congratulate the Philippine people for their success in making freedom work. You have proved dramatically to the freedom-starved nations that it can work for them, also.

"With God's grace and the determination of Philippine and American people working together, we can and will expand freedom to others."

DENNIS CHAVEZ, chairman, Committee on Public Works, U.S. Senate: "We, in New Mexico, feel the deepest bonds of brotherhood between the people of the Philippines and the United States, because it was on the embattled peninsula of Bataan and the Island of Corregidor that the Filipinos and the Americans stood side by side in a tragic hour of history.

"New Mexico members of the 200th Coast Artillery (AA) were there, and are amongst those whose names are enshrined in the history of both our countries. Bonds of mutual esteem, friendship, and confidence were forged between the American people and the Filipinos in those terrible hours. Consequently, we share a common concern for liberty and a vivid memory of the price of liberty.

"Let us never forget the cost of freedom and let us teach our sons to hold it dear."

HOMER E. CAPEHART, U.S. Senate: "I am delighted to join those supporting freedom, in celebrating the 15th anniversary of the Republic of the Philippines. It is indeed fitting this should be celebrated the same day the United States of America celebrates the 185th anniversary of its liberty. July 4 is a date of great historic significance to the United States and now is equally important to the Philippines.

"We will never forget the brave citizens of the Philippines who fought side by side with the brave Americans at Bataan and Corregidor.

"The fundamental objectives of the United States in the Philippines remain to encourage the development of a free Philippine nation strong and secure in its independence, stable in its government, and based on a healthy and steadily expanding economy. We seek to encourage its continuing identification and alinement with the free world, and to assist it to exert its influence in the Far East as an effective and constructive example of the benefits which can accrue to people everywhere under a representative form of government.

"I stand ready at all times to lend my support and efforts to help the Philippines remain strong and free."

STYLES BRIDGES, U.S. Senate: "It is certainly heartening to note that the Republic of the Philippines has pursued a policy of democracy and freedom since its independence which is in marked contrast to other nations in southeast Asia and elsewhere who have used their freedom unwisely and have fallen prey to Communist propaganda tactics.

"The free and democratic government of the Philippines, as well as the excellent Philippine-American relations, exemplifies the fact that Philippine citizens and their leaders have learned well the lessons of democracy.

"I greatly appreciate having this opportunity to comment on your country, and I do want to extend my heartiest congratulations to you on the 15th anniversary of your independence."

CLINTON P. ANDERSON, chairman, Committee on Interior and Insular Affairs, U.S. Senate: "It is fitting that on July 4, the birth date of American independence, we in the United States send messages of greeting to the Republic of the Philippines. The Fourth of July also marks your day of independence. Just as our two countries have a common feeling about this day, we share a mutual goal in the extension of freedom to every land. My wish is that every Fourth of July shall find us united in the bonds of enduring friendship."

JOHN W. MCCORMACK, majority leader, House of Representatives: "I received your letter of April 26 and it is always a pleasure for me to rise and salute our friends in the Philippines. All peoples celebrate with jubilation and in due solemnity their independence day. To each nation its independence day is its national holiday. We have been observing the anniversary of that historic event for 185 years; to us it has been and remains the most significant single event

in our history. July 4 is our Independence Day, and by a happy coincidence that day is the independence day of another people whose fate and destiny have been guided and guarded by the citizens and Government of this great Republic. July 4 is also the 15th anniversary of the Philippine Independence Day, marking the 15th year of the birth of the Philippine Republic.

"We have always been ready, and still are, to be of assistance to them in every possible way. In war and in peace we have stood by them, and have publicly vowed to help them in their struggle for freedom. This pledge was carried out at the end of the last war, and since then we remain allies and friends. Both peoples have come to realize that it is for their mutual benefit to maintain such firm friendship, such loyal alliance made and cemented for the good of all concerned, in defense of freedom and independence.

"On July 4 the sturdy and stouthearted Philippines celebrate their Independence Day, the historic anniversary of the 15th year of the birth of the Republic. That Republic during that short and stormy period has become a veritable and formidable bastion of freedom in the whole southeast Asia, and we all salute the Philippine people on this 185th anniversary of our own Independence Day, as our most devoted and loyal allies in our common struggle for the preservation of democracy and freedom in the world."

JOHN J. WILLIAMS, U.S. Senator: "I am happy to learn that on July 4 the Republic of the Philippines will again join the United States of America in solemn observance of freedom's birthday.

"In view of the bond of friendship between our two nations it is appropriate that we join hands on this occasion to rededicate our lives to the preservation of free nations where the blessings of freedom and opportunity exist as long as men remain free."

CARL VINSON, chairman, Committee on Armed Services, House of Representatives: "On the occasion of the 15th anniversary of the independence of the Republic of the Philippines, may I take this occasion to again express my high admiration and profound respect for the people of the Republic of the Philippines.

"So long as democracy exists, and freemen can state the truth, the world will know of the valor of those Filipinos who fought to preserve their homeland in World War II.

"Two great nations, the Republic of the Philippines and the United States of America, can be eternally proud of the trust and confidence that each holds for the other.

"Our friendly relationship for many years is proof to the world that we together practice the democracy we preach and that our form of government is the greatest form of society yet devised by man.

"Your ancestors and our ancestors knew oppression, thus both nations have earned the right to the title of defenders of freedom and stanch advocates of a representative form of government in which the dignity of man is paramount.

"I know the American people will continue to treasure this remarkable, imperishable friendship that exists between us."

HAROLD D. COOLEY, chairman, Committee on Agriculture, House of Representatives: "I have taken a personal pride in the progress made by the Republic of the Philippines and have derived the keenest satisfaction from its continuing and growing bonds of friendship with the United States. I offer my warm congratulations and heartfelt good wishes to the Republic of the Philippines on its 15th birthday coinciding with the 185th anniversary of the signing of the Declaration of Independence. May both of our countries go forward in the tradition of freedom in which they were founded and stand as joint bulwarks of freedom facing to the west, to the east, to the north, and to the south against the aggression of those who would seek to destroy us."

BRENT SPENCE, chairman, Committee on Banking and Currency, House of Representatives: "I congratulate the Republic of the Philippines on the 15th anniversary of its independence. It is singularly appropriate that the people of the Philippines and the people of the United States should celebrate their independence on the same day.

"The Government of the Philippines has shown that it appreciates its freedom by its courageous fight for those principles and its ever-increasing friendship for the United States. Freedom is a priceless heritage and we must preserve it by our eternal vigilance.

"It is our solemn duty to see that free government is established and nourished in every land where freedom is desired. I know the people of the Philippines will steadfastly stand beside us in this fight in order that not only we, but the rest of the world, may have freedom.

"We rejoice with you when we celebrate our Independence Day."

WILBUR D. MILLS, chairman, Committee on Ways and Means, House of Representatives: "May I join with the many other Americans who are extending congratulations to the people of the Republic of the Philippines in their stanch defense of democracy and freedom, which has been so important in advancing the cause of civilization and in promoting the integrity and the best interests of individual citizens.

"On July 4, 1961, the Republic of the Philippines will once again join with the United States of America in observance of their respective birthdays—the 185th anniversary in the case of the United States, and the 15th anniversary in the case of the Filipinos.

"We are all aware of the importance of the cause of freedom, of the maintenance of the integrity of democratic institutions in the Philippine Islands, and I extend my sincere best wishes to the citizens of the Philippines in their observance of this important milestone in their stanch maintenance of democratic principles."

EMANUEL CELLER, chairman, Committee on the Judiciary, House of Representatives: "This 15th anniversary of the independence of the Philippines has a special significance at a time when the forces of freedom and the forces of tyranny are engaged in a battle for mastery.

"It is not only the facts of economic development in the Philippines that engages the attention of the world but also its outspoken and concrete social endeavors to prove ultimately that social welfare and individual responsibility can go hand in hand in the making of a better world.

"I can do no better than to repeat the words of President Garcia, 'The bonds of friendship and mutual interest which link the Philippines and the United States, our closest ally and friend, remain firm and enduring.'

"Corregidor and Bataan are, for both of our countries, monuments to liberty. That we, in the United States, have chosen to perpetuate the memory of our common devotion is evidenced by naming two streets in the Nation's Capital 'Corregidor' and 'Bataan.' We have not forgotten, nor shall we ever forget."

WAYNE N. ASPINALL, chairman, Interior and Insular Affairs Committee, House of Representatives: "I certainly do appreciate your informing me that Bataan is planning to publish a special independence edition commemorating the 15th anniversary of Philippine independence and the 185th year of American freedom.

"The Spirit of '76 lives today. In this fast-changing world of atomic energy and space exploration, the same issues are at stake: shall freedom or tyranny prevail? But freedom is more than a word, it is more than an abstract idea, it is a way of life.

"What can Americans and Filipinos do to preserve the liberty they love? We must be willing to guard and defend our cherished freedom; we must, as President Kennedy said, 'Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty.' To this task we bend our heads and our backs so that those who follow will share the blessings of liberty which we inherited from the past.

"Again, let me say that it is indeed a pleasure to participate in celebrating jointly the Fourth of July—the day of independence of the Philippine Islands and of the United States."

FRANCIS E. WALTER, chairman, House Un-American Activities Committee, House of Representatives: "Independence is a word that shall always evoke a deep emotional response in those who have breathed its essence. Independence is the herald of freedom. It is an honored status, an expression of human dignity, collectively in the Nation as in the person. In the present context of events, its significance has never been greater.

"Independence is the language of democracy. Newly disguised barbarians are seeking acceptance in the modern world by terrorism and deceit, odious methods well known to history from time immemorial. Self-government—the highest manifestation of civilization in the ancient as in the modern world—is once again challenged by those who lust for power.

"Independence is not inconsistent with the concept of world unity and world brotherhood in freedom. It will not, however, coalesce with world domination by tyranny. As now the circle of freedom slowly constricts, we in the United States and our brothers in the Philippines, who recognize the enlightened purposes and necessities of our advanced civilization, must turn our faces against the common enemy.

"In the Philippines you stand at the outer perimeter of reason and humanity. Your courage, your wisdom, and your faith will meet its greatest tests in the years immediately ahead. Your example will in great part determine the choice of others, who will be either depressed or inspired by the course you take.

"The mutual anniversary of independence which we share with you on July 4, although a time of rejoicing, must yet be a time for reflection. It must strengthen us in our common responsibilities and purposes. We shall stand together saluting this occasion which symbolizes our common ideals, as children of the same God.

JOSEPH W. MARTIN, JR., House of Representatives: "The people of the United States and the people of the Philippine Islands have good reasons for a common celebration on July 4, 1961. This date marks the 185th anniversary of the independence of the United States and the 15th anniversary of the independence of the Philippines.

"Self-government in the Philippine Republic has been a gratifying success. It is a bastion of democracy and freedom in the Far East. America has no better or stronger friend in the troubled Pacific area. As we look with grave concern upon events in Asia, Americans are comforted to have such a friendly ally in a critical area of the globe.

"There has been no diminution of mutual regard, respect and admiration between the two nations during the years of Philippine independence. In fact, the ties of friendship and dependence upon each other grow stronger and firmer with the passing of the years.

"The people of America enthusiastically admire the progress of the fine Filipino people under such leaders as President Carlos P. Garcia. The Filipinos are a courageous people and are determined to preserve their national culture and their independence. In their aspirations, they have the deep friendship and the support of the people of America."

CLARENCE J. BROWN, House of Representatives: "I am happy to learn that on July Fourth the Republic of the Philippines will once again join my country in the solemn observance of freedom's birthday—the 185th anniversary of our own Declaration of Independence, and the 15th anniversary of the complete independence of the Philippines.

"For many years there has been a close association and friendship between the people of the Philippines and the people of the United States. The two countries and their peoples have worked together for the maintenance of liberty and freedom. Those of us in the United States are especially proud of the great progress the Filipinos have made since their nation became independent 15 years ago.

"If we—the American people and the U.S. Government—have in any way made easier your great accomplishments, we feel well repaid.

"It is my hope and expectation that throughout the years to come our two nations may continue their close relationship for the benefit of all mankind and peace in the world."

CARROLL D. KEARNS, House of Representatives: "On the joint anniversary of freedom—the 185th birthday of America and the 15th birthday of Philippine independence—celebrated on July 4, 1961, I want to extend congratulations to our friends across the Pacific.

"The people of the Philippines and the Americas have stood together these many years in the preservation of freedom, and I trust they will always be friends.

"My heartiest felicitations on the celebration of Philippine Independence Day."

TOM MURRAY, Post Office and Civil Service, House of Representatives: "This July Fourth is a day of joy and happiness for 28 million Filipinos and 183 million Americans. It is their and our Independence Day. On the observance of the 185th anniversary of our Independence Day and the 15th anniversary of their independence Day we gladly join our fast friends and faithful allies in the Philippines.

"Our cordial friendship and admiration for the Filipinos, of course, long antedates their independence. More than half a century ago we helped them to cast off Spain's oppressive rule, and we took them under our protection. For more than four decades we safeguarded them against their foes and helped them in every way possible. We guided them through the difficult path which, after the last destructive war, led to their complete independence. In the course of that time the people of this country and their Government took a particular interest in the well-being of the Filipinos. Through welfare, charitable and educational organizations we built schools, hospitals, and churches in the Philippines. Medical and health services there did an immense amount of good, first in reducing the death rate throughout the islands and also by eliminating the root cause of a number of deadly diseases, such as malaria.

"During the last war their fate and our fate was wrapped up in one. Our victory meant their victory, and their eventual freedom. And less than a year after the conclusion of the war in the Pacific, we helped the people of the Philippines to become a free, sovereign and independent nation. We have since watched them rebuild their war-ravaged country, and have helped them to strengthen their financial, political, social and educational institutions.

"Today this youthful, promising and vigorous Republic is an important force for peace and stability, for prosperity and progress, in the Pacific area. It is also a faithful and loyal ally of this country in its unending struggle against Communist totalitarian tyranny. We all salute the gallant Filipinos on the 15th anniversary of their Independence Day and wish them prosperity and peace."

ADAM C. POWELL, chairman, Committee on Labor and Education, House of Representatives: "It is with great pleasure that I congratulate you for the fine idea of publishing a special edition observing the 15th anniversary of the Republic of the Philippines. That youthful and vigorous Republic has become a bastion of democracy and a key to our policy in the Pacific area. In their appreciation of and devotion to democratic principles, gallant Filipinos have fulfilled all expectations. I am indeed proud that we, on the celebration of the 185th anniversary of our Independence Day, join hands with our Filipino friends and allies in the observance of the 15th anniversary of their Independence Day.

"Cordial greetings and congratulations."

THOMAS E. MORGAN, chairman, Committee on Foreign Affairs, House of Representatives: "It is a pleasure to extend greetings to the Philippine people on the 15th anniversary of their national independence. The coincidence of the day of their independence with that of the American people gives emphasis to the common purposes that have bound our two countries in peace and in war. In these unsettled times it is not enough that we celebrate our national independence with unrestrained joy. We must regard it as an opportunity to rededicate ourselves to maintain that independence; to remember those of our fellow men to whom national independence is only a silent memory; and to provide those who have never experienced its exhilaration with a worthy example of its real meaning."

ROBERT J. CORBETT, House of Representatives: "On her 15th anniversary the youthful and vigorous Republic of the Philippines is a living and powerful force for peace in southeast Asia. She is also our most faithful and loyal ally in our ideological warfare against Communist totalitarian tyranny. We are proud and honored in having the gallant and stout-hearted Filipinos on our side in this relentless struggle.

"The Republic of the Philippines, by its devotion to democratic principles, and by its firm resolve to fight for freedom, has become an object of admiration for all lovers of freedom. In the course of their brief but significant history Filipinos have learned to appreciate and value highly the blessings of free democratic institutions. They were denied freedom for centuries, and they suffered under Spain's colonial administrators, but from the moment they became our wards, and their fate placed in our care, we did our best to inculcate in them democratic ideals.

"During the last war they fought on our side as allies and brothers-in-arms. Soon after that war they earned their long-cherished and well-deserved independence. We were happy to see the birth of the Republic of the Philippines, and gladly did all we could to help the newborn Republic stand on its feet and grow stronger. Anxiously and gladly we watched it gather strength and attain maturity, so that on its 15th birthday, which by a happy coincidence is the 185th birthday of this great Republic, it has become a powerful and decisive force for stability and peace in the entire Pacific area. Greetings to the proud people of the Republic of the Philippines on their 15th Independence Day."

John Patterson, Governor of Alabama: "As Governor of the State of Alabama, I am very grateful for the opportunity of joining with the people of the Republic of the Philippines in celebrating Independence Day. It is, indeed, a real pleasure to send congratulations and warmest greetings to our friends in the Philippine Islands and to extend our very best wishes for a continuation of close and friendly relations between our country and yours in the years to come."

Paul Fannin, Governor of Arizona: "It is indeed a privilege to have the opportunity to extend to the citizens of the Republic of the Philippines greetings on the occasion of their 15th anniversary as a Republic and on the 185th anniversary of the birthday of America.

"The close-knit ties of these two great Republics stand as a bulwark of freedom and an inspiration to the freedom-loving peoples of the world.

"It is my sincere hope that as the years progress, Philippine-American cooperation will continue to increase daily."

William A. Egan, Governor of Alaska: "As Governor of Alaska, which has only recently been accorded full membership in the Union of States, I am pleased to comment on the 15th anniversary of Philippine independence.

"There is more than coincidence in the fact that our Nation on the same day celebrates its 185th birthday. The Filipinos are our closest Asian friends, and in all Asia their Government is the most nearly like our own.

"During the last great war the soldiers of the Philippines fought side by side with ours in a great struggle marked by deeds of magnificent bravery.

"The Philippines are democracy's Asiatic show window. Our friendship is one which must always endure for our nations have common interests and we must advance and prosper together or the cause of freedom will suffer.

"Here in Alaska, we count among our valued citizens those of your nation who have come to make a home in a new and rugged land. They daily offer evidence of sincere devotion to public interest and to freedom and democracy. Hard working, gay of spirit even in adversity, they are loyal to those common causes which we hold dear.

"On behalf of all Alaskans I wish your nation continued success and progress."

Orval E. Faubus, Governor of Arkansas: "As Governor of the State of Arkansas, it is indeed a pleasure for me to send greetings to the Philippines on your 15th anniversary celebration.

"During the past the Filipinos have ably demonstrated their steadfast devotion to the principles of freedom and democracy. They are to be commended for the undaunted courage they have exhibited during times of world tension. We in the United States appreciate the friendship and mutual esteem which has existed between our two countries.

"I take this opportunity to wish you a happy and joyous celebration on this very special occasion."

Edmund G. Brown, Governor of California: "We often say, here in California, that we are the gateway to Asia. In a sense this is, of course, true. The commerce of America flows from California westward to the islands that represent freedom on the far edge of the Pacific. But it is the Philippines that repsent the true doorway to Asia.

"When the Philippines won their independence, there were, in the United States, those who decried the freedom being granted. They raised fears that the years have proved groundless. They suggested that this great rock of democracy would crumble in the sea of adversity and turmoil which surrounded it.

"Their lack of faith in the Filipino people lives only to mock them. The steadfast men and women of the Philippines under the magnificent leadership of Ramon Magsaysay and Carlos P. Garcia have shown that the

ideas of freedom and the principles of democracy grow as rich a crop under the Far Pacific sun as they do here on the western shore of the gentle sea.

"We look to you to maintain the faith in freedom which you have shown you so well understand.

"All of us in the United States look to you with hope and with confidence."

Steve McNichols, Governor of Colorado: "Please extend my congratulations and fond regards to the citizens of the Republic of the Philippines on the 15th anniversary of Filipino independence.

"The extremely close affiliation and friendship between the Republic of the Philippines and the United States of America—developed upon a basis of mutual trust and appreciation—provides a firm anchor for democracy in Asia.

"I share the opinion of many Americans and Filipinos that this bond between our two nations will grow firmer and warmer under the leadership of your President Garcia and our President Kennedy.

"Congratulations on this significant occasion."

John Dempsey, Governor of Connecticut: "It is a genuine pleasure for me to express to the readers of Bataan magazine the greetings of the people of Connecticut on the occasion of the joint celebration of the independence of the United States and of the Republic of the Philippines.

"The history of Connecticut shows that the tradition of independence goes back far beyond the time, 185 years ago, when the United States declared itself to be a free and separate nation. It is 223 years since the people of Connecticut adopted a written constitution, known as the Fundamental Orders, which embodied principles laid down by the founders of this colony that 'the foundation of authority is laid in the free consent of the people.' Thus, the people of Connecticut have adhered to the democratic way of life for well over two centuries. We heartily welcome to the free world's family of nations a republic like the Philippines which adheres steadfastly to the same principles.

"Democracy is undergoing a serious challenge in many parts of the world, particularly in Asia. It is a comforting assurance, therefore, to know that the Republic of the Philippines stands as a champion of democracy in Asia. The United States looks to the Philippines to set an example to other nations who are now faced, or are likely to be faced, with the necessity of making a choice between democracy or some other way of life.

"Again, my congratulations to all the people of the Philippines on the celebration of your 15th Independence Day."

Elbert N. Carvel, Governor of Delaware: "My warmest congratulations to the people of the Republic on the anniversary of Philippine independence. The democratic process which characterizes the free world can survive only when our countries stand side by side in its defense. Delaware is halfway around the globe from your country, but distance is no barrier to men joined in the common desire for freedom from oppression."

Farris Bryant, Governor of Florida: "It is my pleasure to send these words of greeting to the people of the Philippine Islands on the 15th anniversary of their independence.

In the shift from dependence to independence, the people of the Philippines and the people of the United States have maintained a mutual respect and a mutual dedication to the goals of freedom and of democracy.

"I am confident that together, in unity and mutual respect, we will celebrate many more anniversaries of freedom so meaningful to both our Nations."

S. Ernest Vandiver, Governor of Georgia: "The thousands of Georgians who shed their blood on Philippine soil during World War II, in order that the liberty of Filipinos might be restored, join me in a heartfelt message of congratulations on the 15th anniversary of Philippine independence, July 4, 1961. We view with pride the growth of democracy in these islands because of the part Georgians—in the service of their country—played in assuring that freedom might live on in Asia."

Otto Kerner, Governor of Illinois: "July 4 affords us a moment's pause to consider the twin destinies of two great democracies—the Republic of the Philippines and the United States of America.

"This date in history marks the signing of the noble Declaration of Independence for the United States 185 years ago and the 15th anniversary as an independent nation for the Republic of the Philippines.

"Our futures are linked in a tradition based on the unique value of the individual citizen. It is a heritage that gives its citizens the rights and freedoms and the consent to be governed. It gains its justice in the orderly observation of law and a responsibility to observe the common good and general welfare of society.

"We cherish this gift of freedom and are proud of the great progress the Republic of the Philippines has made in these short years to overcome the ravages of war, the threat of communism, and the rapid strides you have made in building a modern society.

"On behalf of the people of Illinois, I am pleased to convey our congratulations and best wishes to the people of the Republic of the Philippines."

Norman A. Erbe, Governor of Iowa: "I wish to take this opportunity to extend the congratulations of the people of the State of Iowa to the people of the Republic of the Philippines upon this their 15th anniversary of independence. It is highly fitting and proper that you should celebrate your independence on the same date annually that the United States celebrates its independence. The American people and the people of the Philippines have a very great common bond, that of democracy and freedom. We in America continue our support of the people of the Philippines in any way we can in seeing that democracy is not only preserved in your part of the world but that it is further extended to all of the people that have a firm dedication to the thesis of democracy."

John Anderson, Jr., Governor of Kansas: "Independence Day, for you and us, is a time for mutual esteem, friendship and confidence between the people of our two countries.

"Still, these better attributes of human nature need constantly to be renewed and Independence Day is a suitable occasion to be reminded of our common interests in free men and free nations at a time when these happy circumstances are being challenged on a worldwide basis."

Bert Thomas Combs, Governor of Kentucky: "It is with great pleasure that I extend congratulations from the citizens of the Commonwealth of Kentucky to the citizens of the Republic of the Philippines on the 15th anniversary of your independence.

"Just as our country gained its independence 185 years ago to become the seat of democracy in the Americas, so your country has done in your part of the world.

"On July 4, as our two countries join together to celebrate the birth of freedom, the people of Kentucky join with me in a salute to continued good will and cooperation between the Philippines and America."

Jimmie H. Davis, Governor of Louisiana: "The traditional and historic relationship between the United States and the Philippines is an alliance built primarily upon mutual friendship and respect between the two nations.

"It is nurtured by the continuing good will in the hearts of the citizens of the respective nations and far transcends any treaties, legal documents, or other accepted tokens of international friendship.

"Our warm feelings for the Philippine people will continue as long as there are peace-loving men of good will in the world, which will be forever."

J. Millard Tawes, Governor of Maryland: "I am grateful to you and to Bataan magazine for affording me this opportunity to send a message of congratulations to the people of the Republic of the Philippines on the occasion of the 15th anniversary of the independence of their nation.

"In our struggle to preserve and expand freedom in the world, it is reassuring to us in the United States to reflect that your nation stands out as an example that democracy can exist and thrive in troubled Asia.

"As we observe our own Independence Day on July 4, we in this country will recall that it is also the birthday of our stanch ally in the fight for freedom, the Republic of the Philippines.

"The people of my State share with all Americans a feeling of high esteem and deep affection for the people of your country.

"We send you, on this anniversary, sincere felicitations, with the fervent prayer that the friendship between our two countries will continue through the years ahead."

John A. Volpe, Governor of Massachusetts: "It is an honor and a privilege for me, as Governor of Massachusetts, to extend the greetings of this Commonwealth, as well as my personal felicitations, to the Republic of the Philippines.

"July 4 is a day of special meaning for the Philippines—not only is it the 185th anniversary of the independence of the United States, but it is the 15th anniversary of the day on which the Philippines gained their independence.

"The bond of friendship between the two nations is long standing and warm. It has always been based on common ideals and mutual interests.

"It is our earnest hope that in the years to come the Republic of the Philippines and the United States of America may continue their friendship and their mutual efforts to preserve and defend democracy in the East and in the world."

John B. Swainson, Governor of Michigan: "As we join together for the 185th anniversary of American freedom and the 15th anniversary of the independence of the Philippines, the people of Michigan are happy to join with the Filipinos in observing this double anniversary.

"We will forever be joining in a common bond of love of freedom. May we always remember the responsibilities which accompany the joys of freedom. May I take this opportunity to extend to all your readers a most cordial invitation to visit our great State of Michigan."

Elmer L. Andersen, Governor of Minnesota: "Americans, in General MacArthur's phrase, 'will always remember the devotion of the people of the Philippines to human liberty.' Truly, Americans will never forget the great contribution made by these people who joined our own fight against enslavement by a foreign ideology. The United States was proud to participate in Philippine independence 15 years ago.

"In a world besieged by the threat of despotism and oppression it is indeed heartening to see a young and vigorous nation achieve an ever-increasing position of importance in the world's economy through a democratic form of government. This offers concrete proof to those who would doubt or criticize or seek to destroy the ideals of freedom-loving people that ours is the good way—the right way—of achieving progress while still respecting the rights of the individual.

"We congratulate you, our good friends and stanch allies, as you celebrate an event of the utmost importance in the history of your country."

John M. Dalton, Governor of Missouri: "In the name of the great State of Missouri and all its citizens, I am privileged to send hearty greetings and warm congratulations to our friends, the officials and people of the Philippine Republic on the occasion of your 15th anniversary as an independent nation.

"Proof that good government and healthy economic development succeed in a free society is furnished by the short but spectacular history of the Philippine democracy, as witness the growth of national product, manufacture and trade, the extension of essential public services to rural areas, an increase in local self-government, civil service reform improvements, and a progressive social welfare program.

"The American people hold the Philippine people in the highest esteem and look forward to unbroken years of continually increasing friendship."

Frank B. Morrison, Governor of Nebraska: "This year on the Fourth of July the Republic of the Philippines will celebrate the 15th anniversary of their independence. On this occasion heartiest congratulations and best wishes are extended to the Republic of the Philippines and its freedom-loving citizens.

"With faith in God and in the leadership of our great nations we can develop within ourselves the qualities of vigorous and stalwart citizenship, required to insure, 'That government of the people, by the people, for the people shall not perish from the earth.' The position of our governments is visible proof that we honor and merit the grave responsibility placed in us to uphold the dignity of democratic nations.

"The freedom we enjoy; the cornerstone of our governments, the foundation of our way of life is our most precious possession and our most costly. Today this freedom is ours only because of long years of courage and devotion, of toil and sacrifice, of struggle and achievement on the part of countless millions of men and women. This freedom will continue to be ours only so long as the members of each succeeding generation of citizens faithfully nourish it, and valiantly defend it, not only against attack by enemies from without, but against such deadly internal adversaries as neglect of civic duty, disregard of right, indifference to wrong, and the evils of blind prejudice and intolerance.

"It is encouraging to note that your government and your people are assuming a leadership role in the cause of freedom in Asia. More nations and people like yours are needed to join the struggle for freedom throughout the world. Our bonds of friendship, mutual esteem and goals for a free world society must be welded ever closer together. We must work together in harmony to strengthen the cause of freedom and deomcracy.

"Democracy is the noblest word yet thought of by man to describe a social state national self-government. It is a way of life for free and upright people who take pride in governing not only their country, but themselves as well. The fundamental principle of democracy is that decision, direction, and action do not come down from rulers, by virtue of their position, but rather from the will of the people.

"In a democracy citizenship entails responsibility. Citizenship is far more than a legal status or a source of rights and privileges. It is a personal responsibility for the national well-being and the preservation of human values which make the democratic nation great and strong. This is a responsibility we can never escape. Ultimately we, the people of free nations, and we alone, can determine the destinies of our free nations, and in concert the destiny of the world, for government at any level can be no better than we cause it to be.

"If the cause of freedom is to survive, freedom-loving peoples everywhere must actively participate in this endeavor. Those without the courage of their convictions and apathy toward their responsibility contribute nothing to this struggle. We must awaken to our responsibility and obligation not only to our own country, but to all mankind. We must enter into the ceaseless struggle to preserve and defend the rights of man in the cause of freedom. We must speak out with strength and vigor against what we know to be wrong.

"The great governments of the Republic of the Philippines and the United States of America are shining lights in the world today, toward which all freedom-loving peoples look for guidance for the future. It is incumbent upon our governments and our people to maintain and improve our democratic processes. We must continue to lead in this endeavor if we are to achieve our goal of leading the world into the four ways of life which will provide freedom from want, freedom of expression, freedom from fear and equal opportunity for all mankind to enjoy the fruits of life to the maximum of their individual capacities."

Wesley Powell, Governor of New Hampshire: "It is a pleasure as Governor of the State of New Hampshire to extend my good wishes and the greetings of the citizens of this State to the people of the Republic of the Philippines on the occasion of the 15th anniversary of their independence which will be celebrated on July 4, the 185th anniversary of the birthday of the United States.

"Your people have demonstrated successfully that democracy can live and thrive in Asia. As one of the free nations of the world, we welcome your support in preserving and strengthening the peace of the world.

"During the past 15 years, your country has continued to grow and prosper and because of your resources, both natural and human, I know that this national growth will be accelerated in the coming years. Your leaders are to be commended for their efforts and your people can be proud of their contribution to this record of progress.

"Once again, on this important anniversary, may I wish the people of your country continued success as a free society and pledge our cooperation in insuring solutions to our mutual problems."

Robert B. Meyner, Governor of New Jersey: "The people of New Jersey are pleased to send greetings and best wishes to the Republic of the Philippines on the occasion of the joint celebration July 4 of the 15th anniversary of Philippine independence and the 185th anniversary of the Declaration of Independence in the United States.

"We of the United States are proud of the achievements of the Filipinos under the leadership of freely elected public officials, in demonstrating democracy at its best, in action. The relations of our two countries can stand as a model of enlightened cooperation and mutual respect."

Nelson A. Rockefeller, Governor of New York: "The special independence edition of Bataan magazine affords me a welcome opportunity of expressing the genuine good will of the people of New York toward the people of the Philippines. Philippine Independence Day is most certainly an occasion for celebration.

"The people of the Republic of the Philippines have shown that democracy can live in Asia.

"We for our part are proud of the results of Philippine-American cooperation. Our feelings toward the Filipinos are those of abiding esteem, friendship, and confidence.

"My best wishes for a happy celebration."

William L. Guy, Governor of North Dakota: "It is a great pleasure for me to congratulate the people of the Philippine Islands for their astute political understanding of the democratic processes. Your success as a democracy is a tribute to your people.

"We were comrades in war and now we are comrades in peace. I hope that our people and your people can continue to face up to the responsibilities of this age intelligently and courageously."

Michael V. DiSalle, Governor of Ohio: "In behalf of the people of the State of Ohio, it gives me great pleasure to extend congratulations and good wishes to the Republic of the Philippines on the occasion of its 15th anniversary as an independent nation.

"Over the past 15 years, the people of the Philippines have proven their sincere desire to establish and maintain a democratic system of government. Under the vigorous and able leadership of their President, Carlos P. Garcia, they have reaffirmed the truth to other nations that democracy can exist in Asia.

"The Filipinos have made a significant contribution to the cause of democracy and they have gained the respect and admiration of other nations throughout the world for their willingness to remain independent and to continue the preservation of a friendly relationship toward the United States.

"It is with a deep sense of pride that we gratefully acknowledge the friendship which has been ours during the past and which we know will endure throughout the years which lie ahead."

J. Howard Edmondson, Governor of Oklahoma: "It is a pleasure for me to extend greetings and best wishes to our great friends in Asia. The Filipinos have graphically demonstrated that democracy can live and the cause of peace can be supported actively and forthrightly in the East.

"I have every confidence that the warm camaraderie we Americans feel for our Filipino friends will long exist and become an even stronger bond."

Mark O. Hatfield, Governor of Oregon: "It is a pleasure to learn that Bataan will be devoting a special issue to the observance of the 185th anniversary of America and the 15th anniversary of independence for the Republic of the Philippines. As one who spent nearly 2 years in the Pacific in defense of the freedom you and our people enjoy, I am extremely grateful for the opportunity of expressing my thanks to the people of the Philippines for maintaining liberty.

"Modern communications and transportation have brought us ever closer—far closer than was dreamed when the blueprint was worked out for the independence you now enjoy. Yet much remains to be done and may each of us take this occasion in 1961 to seek further ways to better understand one another's community. It is my hope that President Kennedy, who did not have his predecessor's privilege of residence in your great country, will visit you personally in the not too distant future."

David L. Lawrence, Governor of Pennsylvania: "It is deeply significant that the United States of America and the Republic of the Philippines should mark the anniversary of their independence on the same day, we for the 185th time, the Philippines for the 15th.

"Our two people have shared the great challenge freedom presents to those who hold it dearly. We have fought together in time of war; we have struggled together to insure a lasting peace; we are devoted to the aims of liberty in a troubled century.

"I am pleased to have this opportunity to extend the congratulations of the people of Pennsylvania to the citizens of the Philippines in this proud 15th anniversary of their independence."

Buford Ellington, Governor of Tennessee: "For more than six decades the fortunes of the United States and of the Philippines have been entwined. The blessings of close cooperation and democratic government

have come to both countries as a result of this alliance.

"As we mark the 15th anniversary of the independence of the Philippines, it is a source of pride to Americans everywhere that the Filipinos stand as a proud example of the fruits of democracy in a troubled world. It gives me great pleasure to join in this tribute to a freedom-loving people who are ever mindful not only of the privileges of democracy but also of the awful price which this freedom has cost."

Price Daniel, Governor of Texas: "As Governor of Texas, it is a pleasure to extend congratulations to the Republic of the Philippines on its 15th anniversary of independence.

"It is appropriate that Filipinos and citizens of the United States, who share the ideals of freedom and democracy, observe the same great Independence Day—July 4.

"The Philippines has made outstanding progress in all major areas since 1946, and is to be commended on its growth and development as a nation and the dramatic proof that democracy can live in Asia.

"The bonds between our people and those of the Philippines are indeed strong and enduring. I count it a special privilege to be afforded this opportunity to extend greetings to President Carlos P. Garcia and the Republic of the Philippines on our common independence day."

F. Ray Keyser, Jr., Governor of Vermont: "May I offer my warm, personal greetings regarding the anniversary commemorating Philippine-American cooperation in keeping the world free from tyranny.

"July 4—marking the day when the Philippines and the United States will join hands and heart to mark the birth of freedom in our respective nations—is a date to be revered.

"Philippine-American relations should serve as an example to the world that tried and tested friendships can withstand the pressures from despotic governments seeking to rule the world.

"It is imperative to the future of freedom and liberty throughout the world that nations express the type of relationship being enjoyed between the Philippines and America."

J. Lindsay Almond, Jr., Governor of Virginia: "On behalf of the citizens of the Commonwealth of Virginia, it is an honor for me to extend best wishes and congratulations to the Republic of the Philippines on the occasion of freedom's birthday through your magazine, Bataan.

"As you know, our forebears in Virginia played important roles in the U.S. fight for freedom, the drafting of our Constitution, and later the Bill of Rights. Virginians of today have great admiration for our Filipino friends. You have struggled also so that you may enjoy the rights and freedoms of a representative democracy. Our two great Republics must join with other freedom-loving nations in combating those forces of evil which are pressing down upon us. We cannot and we will not lose this struggle."

Albert D. Rosellini, Governor of Washington: "It is a privilege for me on behalf of the people of Washington State to extend a warm and friendly greeting to the people of the Philippine Islands on the occasion of their 15th anniversary of independence. The Filipino people have distinguished themselves by their willingness to fight for freedom and to keep the eternal vigilance so necessary if democracy is to continue to exist.

"The people of the Philippines have demonstrated decisively that democracy can flourish in Asia. Your Government is serving as an example to all the people in southeast Asia who have shown that they are sincerely interested in freedom and the economic development which freedom fosters.

"You may be assured that the people of Washington State will do all they can to enhance and sustain the historic Philippine-American friendship."

William Wallace Barron, Governor of West Virginia: "With unusual enthusiasm, I extend congratulations and best wishes to the Republic of the Philippines in its celebration of the birthday of freedom.

"On the 185th anniversary of the birth of the United States of America and the 15th anniversary of the independence of the Philippines, I am highly pleased to take official notice of the historic American-Philippine friendship. It is a warm relationship based upon mutual understanding and respect. The courage and inspiration of the American and Philippine people on Bataan and Corregidor will forever stand as a glorious tribute to this friendship and an unmatched love of freedom. It was one of the most inspiring chapters in the history of the free world.

"It is indeed a privilege for me to extend July Fourth greetings to the Philippines, rightly called Asia's showcase of democracy.

Gaylord A. Nelson, Governor of Wisconsin: "It is a pleasure to have the opportunity to congratulate the Republic of the Philippines on the 15th anniversary of its independence. It's symbolic of the close ties that remain and will continue between the United States and the Philippines that you will observe your independence anniversary on the same day that we will observe ours.

"Though you are only in your 15th year as a republic, your history actually goes back farther than that of the United States. It is a matter of great interest and pride to me that the present era in your history actually started near the turn of this century with the beginning of the close Philippine-American relationship.

"Much has been demanded of you in the last 20 years. Your country and your people suffered greatly during World War II. Yet within a year after the end of that war you embarked on independence.

"Since then you have had severe problems to deal with. Recovering from war is a major task for a nation; becoming a new nation and enduring the growing pains of the early years is a tremendous task. You have had to do both. Yet you have not merely survived these trials; you have progressed and become stronger with each succeeding year. This is a tribute to your people and to your leaders.

"Now you are celebrating 15 years of independence and 15 years as democracy's island in Asia. As you go forward into the coming year, I join with other Americans in wishing the best for you, our stanch friend and ally."

Jack R. Gage, Governor of Wyoming: "It is a great privilege for me to extend greetings and congratulations from the citizens of the State of Wyoming to President Carlos P. Garcia and the people of the Republic of the Philippines on the 15th anniversary of Filipino independence.

"July the Fourth is a day of observance for Americans and Filipinos when on that day the United States and the Republic of the Philippines join in the celebration of their separate anniversaries of independence—the 185th year of independence in the United States and the 15th year of independence in the Republic of the Philippines.

"Americans and Filipinos have enjoyed warm friendship and sincere relationships for many years, a bond which was tightly sealed by events following the Japanese attack of December 7, 1941. Sharing the suffering and sacrifice and the glorious victory for the preservation of the freedom we cherish brought us more closely together as we continue to cooperate in extending the benefits of democracy."

Emmet O'Neal, former U.S. Ambassador to the Philippines and chairman, Corregidor-Bataan Memorial Commission: "It is difficult for me to express what I feel for the Philippines as it approaches its 15th year anniversary. Were I merely an interested American citizen, making an honest appraisal of the record, I could heartily congratulate the Philippines and wish it well as time goes on. But I am more than that, for my stay in the Philippines and among the Filipinos has made me not only an admirer but a sentimental and affectionate friend. History will never adequately portray the courage, loyalty and deep feelings of the Filipinos for the United States and democracy and the Philippines have justified the faith and respect of all Americans who have honestly adjudged her trials and accomplishments.

"I can only say that I wish and expect that the Philippines and the United States will ever feel close to each other and that nothing can break the ties that have existed and still exist between us. To assist in that, I am giving much of my time to create on Philippine soil a visual interpretation of the deep sentimental tie that exists between our two countries. If our plans are successful, the magnificent memorial contemplated on Corregidor will tell all who view it the saga of our relationship and the fundamental things which can bring peace among all nations."

Myron M. Cowen, former U.S. Ambassador to the Philippines: "My congratulations to the Philippine people for having so successfuly completed 15 years of national independence and to Bataan magazine for so worthily commemorating their 15th national holiday.

"During this period, the United States and the Philippine Republic, united not only by a common Independence Day, but by common ideals, have stood together against brutal aggression, fought together and triumphed together. Never, surely, will either people forget that comradeship in arms from Pearl Harbor to the victory ceremony on the U.S.S. *Missouri*.

"We Americans are gratified by the way in which the Philippine people, by their economic and social progress, by their devotion to national independence and civil liberties, have justified our confidence in them when in 1946, after almost half a century of occupation, we voluntarily withdrew and bade them navigate on their own. Since then we have admired their successes in many fields. We are particularly proud to have among the peoples of the Far East so dependable an ally and friend. Nothing better symbolizes this friendship than our shared Independence Day.

"Yet our common gratification should not blind either people to the fact that tyranny once more stalks the earth in a new and more formidable aspect. It is challenging both freedom and democracy more fiercely than for many centuries past. At our very gates, in both the East and the West, stands an enemy who laughs at our respect for the human person, despises our religion, flouts our dearest ideals, and seeks to reduce us to mere segments of one universal anthill.

"That freedom and democracy will not only survive but one day become the cherished heritage of the entire human race, I have no doubt. But meanwhile the trial will be neither easy nor short. The test will call for the most responsible leadership, the firmest character, and the greatest human integrity. Both Filipinos and Americans will do well to heed the ringing words of President Kennedy: 'Ask not what your country can do for you but what you can do for your country.'

"If we do this, if we gladly accept the necessary sacrifices, then we need have no fears of the dangers, anxieties, hardships that lie ahead.

"It is in this spirit that I send my greetings and heartiest congratulations to the Philippine people and to Bataan magazine."

George W. Healy, Jr., editor, the Times-Picayune, New Orleans, La.: "New Orleans and the Philippines long have had a common bond, principally, I believe, because citizens of this port and the Filipinos are agreed that the time is gone when we can live unto ourselves.

"That there is active interest in Louisiana in trade between the Deep South and the Philippines is attested by actual shipments between the two areas.

"That this interest is increasing, it seems to me, is indicated by the sending of a trade mission of New Orleans' International House to Manila in May 1961 to seek ways to strengthen ties with your islands.

"This trade mission, I might add, included some of New Orleans' and the Mississippi Valley's outstanding bankers, publishers, business executives, and shipping authorities. The general manager of the port of New Orleans was a member of the mission.

"New Orleans has as residents a substantial number of nationals of the Philippines and of natives of the Philippines who have become citizens of the United States. It is my privilege to know many of these Filipinos both socially and in a business way, and I do not have an acquaintance with a single one whom I do not consider a good citizen.

"Official representatives of the Philippine nation who have served in New Orleans as consuls or as members of the consular staff, in my opinion, have been ladies and gentlemen of the highest standing and have served both their own country and this port with great credit.

"I hope that New Orleanians who reside in Manila are held in as great esteem by Filipinos as the Philippine citizens who reside in New Orleans are held by citizens of our city."

SENATE

THURSDAY, AUGUST 3, 1961

The Senate met at 10:30 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, all the ways of our direst needs lead us to Thee. For this quiet moment before the pressing concerns of a new day move in upon us, wilt Thou lift us above all stress and strain into the unhurried, healing calm of Thy presence.

Solemnize us with the responsibility of ability as here dedicated servants of the public weal face decisions affecting the lives and fortunes of untold millions who look anxiously to these halls of council for the wise word and the right action.

Make us strong to defend and maintain Thy truth and the right as Thou dost give us to discern it, yet always may we be seekers after a durable peace in all the earth with justice and freedom for all mankind. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 2, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 30) granting the consent and approval of Congress to the Northeastern Water and Related Land Resources Compact, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 30) granting the consent and approval of Congress to the Northeastern Water and Related Land Resources Compact, was read twice by its title and referred to the Committee on the Judiciary.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour, for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to consider executive business, to consider the nominations on the Executive Calendar, beginning with new reports.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service:

William J. Hartigan, of Massachusetts, to be an Assistant Postmaster General.

By Mr. STENNIS, from the Committee on Armed Services:

John E. Cosgrove, of Maryland, to be an Assistant Director of the Office of Civil and Defense Mobilization;

Maj. Gen. Clinton Stone Lyter, Army of the United States (brigadier general, Medical Corps, U.S. Army), and sundry other officers, for appointment in the Regular Army of the United States;

John P. Condon, and sundry other officers, for temporary appointment in the Marine Corps; and

Brig. Gen. John William Libcke, and sundry other U.S. Army Reserve officers, for promotion as Reserve commissioned officers of the Army.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably 233 promotions and appointments in the Regular Army, in the grade of colonel and below. All of these nominations have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. The nominations will lie on the desk, as requested by the Senator from Mississippi.

The nominations are as follows:

Oliver R. Buesing, and sundry other officers, for promotion in the Regular Army of the United States; and

Rufus L. Leggett, and sundry other persons, for appointment in the Regular Army of the United States.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the calendar will be stated.

TREASURY DEPARTMENT

The Chief Clerk read the nomination of Crane C. Hauser, of Illinois, to be an Assistant General Counsel in the Department of the Treasury.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COLLECTORS OF CUSTOMS

The Chief Clerk proceeded to read sundry nominations of collectors of customs.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered and agreed to en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc, and, without objection, they are confirmed. The Chair hears none.

Mr. MANSFIELD. Mr. President, I ask that the President be notified forthwith of the nominations today confirmed.

The VICE PRESIDENT. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

SUBCOMMITTEE MEETINGS DURING SENATE SESSION

On request of Mrs. NEUBERGER, and by unanimous consent, the Subcommittee on Freedom of Communication of the Committee on the Judiciary, and the Subcommittee on Public Health, Education, Welfare, and Safety of the Committee on the District of Columbia were authorized to meet during the session of the Senate today.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

EDUCATIONAL, SCIENTIFIC, AND CULTURAL MATERIALS IMPORTATION ACT

A letter from the Secretary of State, transmitting a draft of proposed legislation to implement the Agreement on the Importation of Educational, Scientific, and Cultural Materials, opened for signature at Lake Success on November 22, 1950 (with accompanying papers); to the Committee on Finance.

REPORT ON REVIEW OF PRIVATE SHIPBUILDERS' RENT-FREE USE OF DEPARTMENT OF THE NAVY FACILITIES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of private shipbuilders' rent-free use of Department of the Navy facilities in the construction of commercial ships (with an accompanying report); to the Committee on Government Operations.

ADJUSTMENT OF IMMIGRATION STATUS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of an order entered in behalf of Yu-hwei Chow and Cheh Cheng Yang Chow, relating to the adjustment of their immigration status (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the United Nations Association of Los Angeles, Calif., relating to the relationship between the United Nations and the continuance of freedom and democracy in America and in the world; to the Committee on Foreign Relations.

A resolution adopted by the junior chamber of commerce, Hightstown, N.J., favoring a plan to coordinate and direct our Nation's efforts in the struggle against Communist domination; to the Committee on the Judiciary.

The petition of Leo. D. Gallagher, of Columbus, Ohio, praying for a redress of grievances; to the Committee on the Judiciary.

A letter in the nature of a petition from Optimist International, St. Louis, Mo., signed by R. R. Rembolt, president, expressing the thanks of that organization to the Senate for passing Senate Joint Resolution 49, designating the second week in November as Youth Appreciation Week; ordered to lie on the table.

RESOLUTION OF COMMON COUNCIL OF MILWAUKEE, WIS., ON DEFENSE CONTRACTS

Mr. WILEY. Mr. President, faced with an international crisis in Berlin, and threats to peace elsewhere in the world, the United States necessarily is strengthening its defense forces.

In my judgment, this is vital to our security.

To create greater striking power will, of course, require not only more manpower in the Armed Services, but also expansion of defense industry to provide new, complex, powerful equipment and weapons.

As a matter of equity, it is important, in my judgment, to fairly distribute new contracts for material vital to our security among industries throughout the country.

Over the years, for example, the industries of Wisconsin have made a most significant contribution to a stronger defense, by turning out highest-caliber supplies, equipment, and components of new complex weapons.

Today, I was privileged to receive from the Common Council of Milwaukee, a resolution requesting full consideration of Milwaukee industries in the awarding of national defense contracts.

Eminently qualified—ranking high among other Wisconsin and national industries—to produce such materials for our defense, I believe this deserves the consideration of Congress, and of the Defense Department, and its contracting agencies.

I ask unanimous consent to have the resolution printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION REQUESTING FULL CONSIDERATION FOR MILWAUKEE INDUSTRIES IN THE AWARDING OF NATIONAL DEFENSE CONTRACTS AND URGING LOCAL INDUSTRIES TO COMPETE FOR SUCH CONTRACTS

Whereas the Department of Defense spends approximately $14 billion each year for the procurement of supplies and equipment from private corporations; and

Whereas many industries within the city of Milwaukee either do produce or are capable of producing the types of supplies and equipment which are purchased regularly by the Department of Defense; and

Whereas these same Milwaukee industries have, however, received a disproportionately small share of the contracts awarded by the Department of Defense; and

Whereas a more equitable allotment of defense contracts to industries located in Milwaukee would assure the Department of Defense of receiving top quality materials at fair competitive prices, enhance the local economy by stimulating full production and employment, and reimburse said local industries to some extent for the substantial tax revenues which they now pay to the Federal Government: Therefore be it

Resolved by the Common Council of the City of Milwaukee, That it hereby requests the Department of Defense to give greater consideration to industries located within Milwaukee in taking competitive bids and in negotiating contracts for supplies and equipment; and be it further

Resolved, That the common council hereby advises and urges Milwaukee industries to participate more actively in the procurement programs of the Department of Defense to the end that they may receive a greater proportion of the contracts awarded by that agency; and be it further

Resolved, That a certified copy of this resolution be forwarded by the city clerk to Senators WILEY and PROXMIRE and to Congressmen REUSS and ZABLOCKI.

RESOLUTION OF COLUMBUS (GA.) CHAMBER OF COMMERCE

Mr. TALMADGE. Mr. President, I present a memorial from the chamber of commerce of Columbus, Ga., and ask unanimous consent that it be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

RESOLUTION

Resolved by the board of directors of the Columbus Chamber of Commerce that:

1. The Congress of the United States be called upon to proceed immediately with a thorough public investigation of the Department of State to determine the causes of their failure to properly protect the vital interests of our country.

2. The President of the United States, directly or through the Secretary of State, be called upon to instruct all persons in the Department of State or in other branches of Government to give full, free, and factual information as may be requested by the Congress in its investigation.

3. The President and Congress of the United States take prompt steps, upon the causes of past failures being disclosed, to change those policies and to eliminate from the Department of State any persons found to be responsible for those failures.

The board of directors of the Columbus Chamber of Commerce has taken this action and expresses its grave concern because it knows and recognizes full well:

1. That the Department of State, irrespective of the persons or party in power, has failed to evaluate courses of diplomatic action with intelligence and to act with firmness and courage in those areas vital to the security of the people and the continued existence of the United States of America as a free nation. This continuing failure was most shockingly demonstrated by the recent Cuban invasion fiasco.

2. That our country is engaged in a life and death struggle with Russian international communism.

3. That our enemy has openly avowed her intention of destroying the United States of America and conquering the world.

4. That the strategy and policy in this undeclared war are being determined primarily by our Department of State.

5. That the operations of our Department of State have, over a 15-year period since World War II, resulted in repeated defeats, retreats, appeasements, apologies, humiliations, and loss of prestige leading to our present perilous position with possible deadly consequences; and be it further

Resolved, That copies of this resolution be sent to all Georgia Congressmen, Senators, and other appropriate persons and organizations.

THOMAS G. MOORE,
Secretary to the Board of Directors.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHURCH:

S. 2369. A bill to release the right, title, or interest, if any, of the United States in cer-

tain streets in the village of Heyburn, Idaho, and to repeal the reverter in patent for public reserve; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CHURCH when he introduced the above bill, which appear under a separate heading.)

By Mr. BRIDGES (for himself, Mr. SCHOEPPEL, and Mr. WILLIAMS of Delaware):

S. 2370. A bill to amend the Federal Aviation Act of 1958 to prohibit the carrying of concealed weapons on board aircraft in air commerce; to the Committee on Commerce.

(See the remarks of Mr. BRIDGES when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S. 2371. A bill to admit the oil screw tugs *Barbara, Ivalee, Lydia,* and *Alice,* and the barges, *Florida, DB–8, No. 220,* and *No. 235* to American registry and to permit their use in the coastwise trade while they are owned by Standard Dredging Corp., a New Jersey corporation; to the Committee on Armed Services.

By Mr. HAYDEN:

S. 2372. A bill to authorize the sale of the mineral estate in certain lands; to the Committee on Interior and Insular Affairs.

By Mr. YARBOROUGH:

S. 2373. A bill to amend the Federal Aviation Act of 1958 to prohibit the forceful seizure of aircraft in air commerce; to the Committee on Commerce.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. BENNETT:

S. 2374. A bill to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce; to the Committee on Commerce.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE:

S. 2375. A bill for the relief of Joseph Mikulich; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 2376. A bill to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. HARTKE:

S. 2377. A bill relating to the taxable status of sales prior to September 1, 1955, of tubes for use in the production of certain component parts of television receiving sets; to the Committee on Finance.

CONCURRENT RESOLUTION

AUTHORITY OF UNITED NATIONS TO PREVENT WAR

Mr. CLARK (for himself, Mr. HUMPHREY, Mr. BARTLETT, Mr. BEALL, Mr. BURDICK, Mr. BYRD of West Virginia, Mr. CARROLL, Mr. CHURCH, Mr. ENGLE, Mr. GRUENING, Mr. HART, Mr. JAVITS, Mr. KEFAUVER, Mr. LONG of Missouri, Mr. LONG of Hawaii, Mr. MCCARTHY, Mr. MCGEE, Mr. MORSE, Mr. MOSS, Mr. MUSKIE, Mrs. NEUBERGER, Mr. PASTORE, Mr. PELL, Mr. PROXMIRE, Mr. RANDOLPH, Mr. WILEY, Mr. WILLIAMS of New Jersey, and Mr. YOUNG of Ohio) submitted a concurrent resolution (S. Con. Res. 37) to strengthen the authority of the United Nations to prevent war, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. CLARK, which appears under a separate heading.)

RELEASE OF RIGHT, TITLE, AND INTEREST IN CERTAIN STREETS, HEYBURN, IDAHO

Mr. CHURCH. Mr. President, I introduce a bill to release the right, title or interest, if any, of the United States in certain streets in the village of Heyburn, Idaho, and to repeal the reverter in patent for public reserve. I ask that the bill be referred to the appropriate committee.

Mr. President, as a brief explanation of this bill, I wish to state that the land in question was originally granted to the village of Heyburn, Idaho, by the Federal Government for a reclamation townsite. The streets were dedicated to the public upon the filing of the townsite plat. I am informed that, under existing law, if the streets are vacated, the title to the land upon which the streets are located reverts to the Federal Government. The village of Heyburn has grown considerably in the past few years, and this growth is expected to continue. Some of the original streets as contained in the original plat, are no longer necessary or desirable for public use. Adjoining landowners have built homes in the area of the vacated streets, and a problem has arisen as to the title to the property. This proposed legislation would clear the title to this land, so that the owners could acquire clear title.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2369) to release the right, title or interest, if any, of the United States in certain streets in the village of Heyburn, Idaho, and to repeal the reverter in patent for public reserve, introduced by Mr. CHURCH, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

PROHIBITION OF CARRYING OF CONCEALED WEAPONS ON AIRCRAFT

Mr. BRIDGES. Mr. President, I introduce for appropriate reference a bill to amend the Federal Aviation Act of 1958, to prohibit the carrying of concealed weapons on board aircraft in air commerce.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2370) to amend the Federal Aviation Act of 1958 to prohibit the carrying of concealed weapons on board aircraft in air commerce, introduced by Mr. BRIDGES (for himself, Mr. SCHOEPPEL, and Mr. WILLIAMS of Delaware), was received, read twice by its title, and referred to the Committee on Commerce.

Mr. BRIDGES. Mr. President, for the second time in 9 days a commercial airliner, manned by American crew members, and transporting American citizens, has been hijacked by armed Cubans according to the wire services, while over the soil of the United States.

Mr. President, the plane which was hijacked today by Cubans was not flying over international waters nor over the soil of Cuba. The plane was still in the United States.

Mr. ENGLE. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. ENGLE. If Cubans who engage in such actions act on a conspiratorial basis, with aid by the Cuban Government, and thus take action against the people of the United States, that amounts to an act of war; does it not?

Mr. BRIDGES. It certainly does.

Mr. ENGLE. I hope prompt action will be taken to ascertain whether this series of events—first near Miami, and now at El Paso—constitutes a conspiracy by the Castro government which constitutes an act of war, and should be dealt with accordingly.

Mr. BRIDGES. I thank the Senator from California, and I agree with the position he has taken.

The first hijacker, Wilfredo Oquendo, who forced the pilot of an Eastern Air Lines Electra at pistol point to fly to Havana 9 days ago, has thus far escaped prosecution. And thus far Fidel Castro has refused to return the plane.

I said at that time that our Government should demand that both the plane and the hijacker be turned over to us forthwith. I said further that if our demand for return of the plane were not complied with, we should take steps to go in and get the aircraft. But such action was not taken; and now we are faced with the tragic episode which is unfolding this morning in El Paso, Tex.

Mr. President, not a Member of the U.S. Senate or not a man, woman, or child in the United States of America can today board a plane at an American airport and be safe, because criminal hijackers or deliberate agents of the Castro government are hijacking American planes. As the distinguished Senator from California has said, if that is a conspiracy, it is an act of war against our country. He is absolutely correct in the position he takes.

Mr. President, this matter has gone as far as Americans can allow it to go. Frankly, I have had my fill of this business. Although the United States is the greatest nation on the face of the globe, our citizens cannot fly from one point to another within the boundaries of the United States without the fear that some fanatic will brandish a weapon and, in effect, will kidnap the crewmembers and passengers of the plane.

This is a sorry situation, Mr. President, and one which literally cries out for remedial action.

The bill which I now introduce would make it a criminal offense for any unauthorized person to carry any kind of a weapon onto an aircraft. The bill provides exceptions for law-enforcement officers and other individuals who are authorized to carry weapons.

All other persons caught attempting to board an aircraft with weapons in their possession would be subject to prosecution, a fine of up to $10,000, or imprisonment for a period up to 10 years, or both.

Mr. President, it is my sincere hope, as the author of this legislation, that the wheels of Congress will move quickly on this bill. I believe its early passage is absolutely necessary in order to avoid repetition of the horrendous incident now in progress in El Paso.

Under my bill, any air carrier may require that a passenger submit to a reasonable search as a condition of passage. This would not be a constitutional violation. If the passenger objects, he need only seek passage elsewhere. In my judgment, such a law might well have prevented the two incidents to which I have referred.

In the case of the jetliner hijacked this morning, I believe there is a distinct possibility that the so-called Lindbergh kidnaping law may have been violated. I surely hope it will be possible to apprehend the individuals responsible for the hijacking and to prosecute them under this Federal statute.

In the meantime, it is incumbent upon the Congress to take affirmative action to prevent these incidents in the future. I appeal to my colleagues to consider the legislation which I now propose, to perfect it if possible, and, above all, to act on it quickly and affirmatively.

I may say that the Senator from Kansas [Mr. SCHOEPPEL], the ranking minority member of the Commerce Committee; and the Senator from Delaware [Mr. WILLIAMS], join me in sponsoring the bill.

Mr. President, this is a very serious situation. Every time we pause and vacillate, we simply aggravate the situation. We should have dealt firmly, and at once, when Castro seized American marines and sailors, before he came into power. But, instead, we closed our eyes to that. Later, when he came to this country, we wined and dined him, and bowed and scraped to him. Then we closed our eyes when a Cuban gunboat fired on an American submarine, and also when Castro seized millions of dollars worth of American property. We have closed our eyes again and again in the face of such acts. Certainly it is time for the agencies of this Government to proceed to take action.

Mr. KEATING. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. KEATING. I wish to associate myself completely with the remarks of the senior Senator from New Hampshire and with the observations made by the Senator from California.

Let me ask whether the bill has been referred to the Judiciary Committee.

Mr. BRIDGES. I assume that the bill will be referred to the Commerce Committee.

Let me ask the Presiding Officer to what committee the bill has been referred.

The VICE PRESIDENT. The bill has been referred to the Committee on Commerce.

Mr. KEATING. Mr. President, I think much legislation is very much needed. Certainly if anyone in this Government thinks we are making a good impression on Latin American countries by our soft attitude toward Castro, he is very much mistaken.

We are losing the respect of other Latin American countries, who are becoming less and less sympathetic to this man. The more rope we give him, and the more we permit him to do this sort of thing, the less respect, not the more respect, do we gain from other Latin American countries. Mr. President, it is about time for us to take definite action, with the OAS or unilaterally to put a stop to this international piracy and as soon as possible also to cut out the root of the infection—the Communist regime of Fidel Castro.

Mr. ENGLE. Mr. President, I wish to take only a moment to say to the Senator that there is legislation pending, before the Aviation Subcommittee of the Senate Committee on Commerce, of which I am the author. I am delighted to observe the Senator has introduced similar legislation. We shall have hearings starting tomorrow morning on this legislation, and we shall be glad to include the consideration of his bill and have his sponsorship. We hope to move very expeditiously to make piracy and the hijacking of planes a serious criminal offense.

Mr. SCHOEPPEL. Mr. President, I associate myself with the remarks of the Senator from New Hampshire and the remarks of the Senator from California. As ranking member of the minority of the Committee on Commerce, I wish to say to the Senator from New Hampshire, as well as the Senator from California, that we will move forward on these matters consistent with the cooperation of the majority membership of the committee. I think it is a very fine position we are taking here in showing this positive action.

I wish to associate myself with the remarks of the Senator from New York [Mr. KEATING], as well as the Senator from New Hampshire and the Senator from California.

TIME TO PROTECT AMERICAN LIVES ON AMERICAN PLANES FROM CASTRO'S BANDITS

Mr. YARBOROUGH. Mr. President, I wish to commend the Senator from California [Mr. ENGLE] for having proposed legislation on the subject of the hijacking of airplanes, and I agree with what the Senator from New Hampshire has said.

The people of the United States have been very, very patient with Mr. Communist Castro, but patience ceases to be a virtue when it permits the practices of international piracy and banditry in the United States, on American planes, on American airports, and in American skies, with the lives of American passengers and pilots the dice Castro's bandits roll. We as a people can no longer tolerate this driving of American passengers off American planes in the skies of the United States.

This banditry, if continued, will ultimately ground the American air fleet, because passengers will simply refuse to ride planes if Communist bandits are permitted to seize them at will.

I recommend the passage of a law to make hijacking of planes at gunpoint a crime punishable by death, and I support the pending legislation on that point.

It has become apparent that such legislation is badly needed, whether the planes are seized by Cubans, or Americans, or anybody else. Whoever seizes a plane with firearms ought to go on trial in a court where the crime is punishable by death.

I strongly urge that the U.S. Government demand the return of the hijacked Eastern airliner in Cuba within 48 hours, and if it is not returned, I recommend an embargo and blockade be imposed on Communist Castro, and that all means of transport entering Cuba be stopped and searched for war material and anti-American propaganda.

It is a gross mistake for American policymakers to think that we make friends anywhere in the Western Hemisphere by this weak kowtowing to a bunch of Communist executioners. The time is late, but it is never too late to start, and we should protect the lives and property of our people here at home in the United States today.

In the Old West, if a bunch of bandits came out of their caves and holes in the hills, and raided ranchers and towns, the people did more than just defend an individual ranch. They organized posses and went into the bandits' dens and eliminated the outlaws. It is time for the people of all the Americas to start organizing a posse to outlaw the outlaws.

When civilized nations began to hang ship pirates, piracy disappeared from the high seas. When civilized nations begin hanging air pirates, piracy will disappear from the airlanes.

I know sociologists believe that punishment does not deter crime, but the historical facts are that, so long as pirates were subsidized by some nations in the world and split their profits with sovereign rulers, piracy flourished; but when countries started hanging them, piracy on the high seas stopped in nothing flat. And in this instance, when we start hanging air pirates, that kind of piracy, too, will stop.

Recent news over the wire states that the persons who seized the plane at El Paso, my old hometown, where I lived for 3½ years, are not Cubans. It does not make any difference who they are. I think the law should provide a death penalty for seizing a plane at gunpoint or seizing a plane by the use of firearms.

Pirates on the high seas could capture a ship and the lives of the passengers still would not be risked; but every time a man puts a gun to the head of an airplane pilot there is a danger that every passenger on that plane will die. It is too great a peril to tolerate in this country any longer.

Mr. DIRKSEN. Mr. President, in the first news dispatches today it was a team of armed Cubans that attempted to hijack the plane. We had another misadventure in this field a few days ago. One can hardly escape the conviction that there is involved a concert of effort and a conspiracy to carry on these aggravating and difficult happenings that only irritate the American people and the American Government and diminish our prestige.

I think, while such legislation is imperative, what it is aimed at is not the

real problem. The real problem is an individual by the name of Fidel Castro, who has now achieved a one-party government in Cuba, according to the dispatches, under the hammer and sickle, for all common purposes.

We have now come to the time when I think we cannot afford to delay any longer in dealing with Mr. Castro and this government which is going to infect the Western Hemisphere. The time for polite diplomacy, the time for any Fabian policy is gone, because the aggravation can only become worse and more intense as time goes on.

I think we lost a precious opportunity in connection with the pirating of a plane last week, when an ultimatum was not served on Mr. Castro forthwith.

Can anyone imagine that Mr. Khrushchev would delay as much as 10 minutes being on the front page and telling what he was going to do under similar circumstances? We are dealing with that same kind of virus in this hemisphere, and the time has come for decisive action.

Mr. SALTONSTALL. Mr. President, may I add my own very brief remarks to the remarks which have been made on this subject, that the time has come for more decisive action than we have had in the past in relation to the Castro government and its criminal hijacking actions in this country. We must move promptly and effectively if we are to accomplish the results that we believe ought to be accomplished in connection with the situation in Cuba and to maintain our prestige and the dignity of the United States of America.

Mr. BUSH subsequently said: Mr. President, I wish to express my indignation over this most recent hijacking of an American airplane, which now appears to be grounded at El Paso, Tex. I believe that the newspaper account of the incident has already been placed in the RECORD today, but I wish to associate myself with those Senators who have expressed indignation over the event. I wish to say I think the Federal Government had better get into the situation right away down there and find out whether the Cuban Government is directly or indirectly responsible for this act. It is obligatory upon our Government to find out right now whether the Cuban Government has any responsibility for this outrage. If the Cuban Government is involved, decisive action should be taken at once.

I recall to the Senate the fact that I introduced, in January of 1960, and again in January of 1961, a resolution which would in effect reactivate the Monroe Doctrine. The whole purpose of the resolution was to deal with this Cuban situation. I ask unanimous consent that a copy of the resolution, Senate Concurrent Resolution 5, be printed in the RECORD following these remarks.

Again I urge that the Foreign Relations Committee of the Senate consider the resolution. It has been taken up with the State Department, and the State Department has asked that it be laid aside. I hope, as events have been developing, that the resolution, or something very nearly like it, may have the attention of the Foreign Relations Committee.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

Whereas intervention by the world Communist movement directly or indirectly in the affairs of any of the independent nations of the Western Hemisphere would threaten the sovereignty and political independence of that nation and other such nations; and

Whereas the free and independent nations of the Western Hemisphere have long since ceased to be objects for domination, control or colonization by other powers; and

Whereas the direct or indirect intervention by the world Communist movement, by whatever means such intervention might be disguised, in any American nation, would constitute in effect such domination, control or colonization by a non-American power, and would violate the sovereignty and political independence of an American nation; and

Whereas any such intervention by the world Communist movement in the affairs of any nation situated in the Western Hemisphere would constitute a threat to the peace and safety of the United States and the other nations of that hemisphere;

Whereas the American Republics have condemned emphatically intervention or the threat of intervention even when conditional from an extra-continental power in the affairs of the American Republics, and

Whereas the intervention of the Sino-Soviet powers in the American Republic of Cuba is threatening hemispheric unity and jeopardizing the peace and security of this hemisphere, and

Whereas in the rapidly evolving atomic age the threat presented by any such intervention might develop with such rapidity that there would not be time to assemble a meeting of the Inter-American Organ of Consultation to provide for joint action to repel the danger: Therefore be it

Resolved by the Senate (the House of Representatives concurring), that (a) if one or more of the high contracting parties to the Inter-American Treaty of Reciprocal Assistance should be threatened in any manner with domination, control, or colonization through the intervention of the world Communist movement, any other such party would be justified, in the exercise of individual or collective self-defense under article 51 of the Charter of the United Nations, in taking appropriate steps to forestall such intervention and any domination, control, or colonization of any nation of the Western Hemisphere by the world Communist movement.

(b) If any such defensive measures are taken by any defending nation of the Western Hemisphere, such nation should report promptly the action so taken to the Inter-American Organ of Consultation, to the end that an emergency committee, established in the manner provided by the Convention of Havana of 1940, may be organized to provide for the provisional administration of the nation so defended, pending its restoration to a government of the people, by the people, and for the people.

PROPOSED AMENDMENT TO FEDERAL AVIATION ACT OF 1958 TO PROHIBIT THE FORCEFUL SEIZURE OF AIRCRAFT IN AIR COMMERCE

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill to amend the Federal Aviation Act of 1958 to prohibit the forceful seizure of aircraft in air commerce.

The bill provides that whoever, while on board an aircraft operated by an air carrier in air commerce, seizes or otherwise takes control of, or attempts to seize or otherwise take control of, such aircraft through the use of firearms or other deadly or dangerous weapon shall be punished by death, or by imprisonment for life or for such term of years not less than 5 as the jury may direct.

Mr. President, I ask unanimous consent that the bill be printed in full in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2373) to amend the Federal Aviation Act of 1958 to prohibit the forceful seizure of aircraft in air commerce, introduced by Mr. YARBOROUGH, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 902 of the Federal Aviation Act of 1958 is amended by adding at the end thereof a new subsection as follows:

"SEIZURE OF AIRCRAFT BY FORCE

"(i) Whoever, while on board an aircraft operated by an air carrier in air commerce, seizes or otherwise takes control of, or attempts to seize or otherwise take control of, such aircraft through the use of firearms or other deadly or dangerous weapon shall be punished by death, or by imprisonment for life, or for such term of years not less than five, as the jury may direct.

Mr. YARBOROUGH. Mr. President, I suggest that the Federal Aviation Agency consider the adoption, or the feasibility of adoption of regulations which would require the installation of devices to determine whether or not passengers boarding planes bear firearms. Of course, that question could be determined without personally searching the body, by proper devices, such as electronic devices that would reveal the presence of a metal weapon. Also, if necessary, photographic devices might possibly be used, but electronic devices primarily would be used which would reveal whether passengers are armed or have arms in their briefcases, as they board planes.

AMENDMENT OF FEDERAL AVIATION ACT TO PROHIBIT FORCEFUL SEIZURE OF AIRCRAFT IN AIR COMMERCE

Mr. BENNETT. Mr. President, today we have seen one more example of the wave of airplane hijackings which is now sweeping the country. And we have become increasingly aware of the inadequacy of our present laws concerning piracy in the air. Our piracy laws, intended to prevent and punish piracy on the seas, are not applicable where an airplane is involved.

I introduce, for appropriate reference, a bill to prohibit the carrying of concealed weapons aboard an airplane, and providing criminal punishment for interfering with a flight crew in the performance of duties on board an aircraft. The bill also would make inflight crimes a Federal offense, and would make piracy

in the air punishable to the same degree as piracy on the seas.

If the current wave of hijackings is to be stopped, one step must be to make it clear that our law enforcement authorities have whatever legal powers are necessary to deal with this problem. The lack of adequate and specific authority invites the commission of such crimes.

It is imperative that Congress act quickly and decisively to meet this problem; and for that reason I urge that hearings be held as soon as possible on this bill.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2374) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce, introduced by Mr. BENNETT, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 902 of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new subsections:

"INTERFERENCE WITH FLIGHT CREW IN PERFORMANCE OF DUTIES

"(i) Whoever, while on board an aircraft in flight in air commerce, assaults, intimidates, threatens, or interferes with any flight crewmember of such aircraft while engaged in the performance of his duties or in any way lessens the ability of such flight crewmember to perform his duties, shall be fined not more than $10,000 or imprisoned not more than twenty years, or both. Whoever in the commission of any such acts uses a deadly or dangerous weapon shall be imprisoned for life.

"CARRYING OF CONCEALED WEAPON

"(j) Except for employees or officials of municipal, State, or Federal governments who are authorized or required to carry arms, and except for such other persons as may be authorized by the air carrier involved, whoever, while a passenger aboard an aircraft being operated by an air carrier in air transportation, carries on or about his person a concealed deadly or dangerous weapon shall be fined not more than $1,000 or imprisoned not more than one year or both.

"CRIMES ABOARD AIRCRAFT IN FLIGHT IN AIR COMMERCE

"(k) Whoever, while on board an aircraft in flight in air commerce, commits an act which, if committed within the special maritime and territorial jurisdiction of the United States, would be in violation of sections 113, 114, 1111, 1112, 1113, or 2111 of title 18, United States Code, shall be punished as provided therein.

"PIRACY ABOARD AIRCRAFT IN FLIGHT IN AIR COMMERCE

"(l) Whoever, while on board an aircraft in flight in air commerce, commits an act which if committed aboard a vessel on the high seas would constitute piracy as defined by section 651 of title 18, United States Code, shall be imprisoned as provided therein.

EXTENSION OF AUTHORITY TO MAKE TEMPORARY APPOINTMENTS AND PROMOTIONS IN COAST GUARD

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard. I ask unanimous consent to have printed in the RECORD a letter from the Secretary of the Treasury, requesting the proposed legislation.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2376) to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter presented by Mr. MAGNUSON is as follows:

THE SECRETARY OF THE TREASURY,
Washington, D.C., July 28, 1961.

Hon. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill, to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard.

The purpose of this proposal is to extend for 2 years the existing authority of the President to make original temporary appointments of commissioned officers in certain grades and to promote temporarily commissioned officers on active duty.

Currently, approximately one-half the commissioned officers in the Coast Guard hold temporary appointments. Nearly all these appointments stem from temporary promotions made under the authority of the law now sought to be extended. The rights and benefits of these officers may be adversely affected if this law is permitted to expire on January 1, 1962. There is a continuing need for officers with temporary appointments on active duty in view of the special programs of a quasi-permanent nature assigned the Coast Guard. These programs sponsored by other agencies have generated a need for temporary service officers with requirements varying from year to year. Moreover, the national requirement for maintaining a trained reserve for use in the event of mobilization necessitates the retention of a substantial number of Reserve officers on extended active duty. This also compels the use of temporary appointments and temporary promotions to provide equitable promotion opportunity to Reserve officers on active duty. As a result of these circumstances approximately 600 temporary service officers and 600 Reserve officers are carried on active duty. These officers generate temporary promotions. The procurement of officers from the Coast Guard Academy and from among those Reserve officers and temporary service officers qualifying for permanent appointment has not been sufficient to bring the officer corps in the Coast Guard up to its required strength. The need for temporary appointment and temporary promotion of officers will continue until such time as present sources are able to produce sufficient officers qualified for permanent appointment or until the quasi-permanent programs of the Coast Guard are discontinued.

The Coast Guard's need for authority to appoint and promote officers temporarily during peacetime parallels that of the other Armed Forces who have this authority on a permanent basis.

An exhaustive study embracing various officer promotion matters within the Coast Guard, including the need for permanent authority to make temporary appointments and promotions, is nearing conclusion. In view of the limited time available prior to the expiration of present authority, it is more prudent from an administrative viewpoint to submit now this request for a temporary extension of this authority rather than to delay until such time as the recommenations for remedial legislation resulting from this study have been thoroughly reviewed and examined by all echelons of the Coast Guard.

It would be appreciated if you would lay the proposed bill before the Senate. A similar proposed bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the administration's program to the submission of this proposed legislation to the Congress.

Sincerely yours,

DOUGLAS DILLON.

ANNOUNCEMENT OF HEARINGS ON BILLS RELATING TO FEDERAL AID TO HIGHER EDUCATION

Mr. MORSE. Mr. President, as chairman of the Education Subcommittee of the Senate Committee on Labor and Public Welfare, I wish to advise the Senate that hearings on S. 1241, S. 585, S. 635, and S. 1140, bills relating to Federal aid to higher education, will be held in room 4232, New Senate Office Building starting Tuesday, August 8, at 10 a.m.

It is anticipated that following the testimony of the Secretary of Health, Education, and Welfare, the Honorable Abraham Ribicoff, administration witnesses will be heard that day. The committee will, of course, be delighted to hear at times suitable to their convenience testimony from such Senators as may wish to communicate their views to the committee. Organizations concerned with the problems of the financial needs of higher education and those interested in the scholarship provisions of the proposed legislation will be heard starting August 9, 10, and such further dates as may be set at a later time.

Under the committee practice, all those except Senators desiring to testify should supply to the committee in room 4230, New Senate Office Building, 75 copies of the written statement by August 8.

One of the bills is the Hill Federal-aid-to-higher-education bill. It is the plan of the subcommittee to complete its hearings in the next few days, to have an early executive session, and to report the final conclusions of the committee to the Committee on Labor and Public Welfare. I am sure the Senator from Alabama will make perfectly clear that it is the intention to proceed ex-

peditiously in the full committee with hearings on the proposed legislation.

I thought it particularly important that this announcement on proposed education legislation be made today because of the great concern in the Senate in regard to what, if anything, we shall do on education legislation this session.

NOTICE OF HEARING ON NOMINATION OF J. CULLEN GANEY, OF PENNSYLVANIA, TO BE U.S. CIRCUIT JUDGE, THIRD CIRCUIT, A NEW POSITION

Mr. JOHNSTON. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, August 10, 1961, at 10:30 a.m., in room 2228 New Senate Office Building, on the nomination of J. Cullen Ganey, of Pennsylvania, to be U.S. circuit judge, third circuit, a new position.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Mississippi [Mr. EASTLAND] chairman, the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Nebraska [Mr. HRUSKA].

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nomination of Frank A. Southard, Jr., of New York, to be U.S. Executive Director of the International Monetary Fund.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 3279) to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7208) making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 44 to the bill, and concurred therein, and that the House receded from its disagreement to the amendment of the Senate numbered 52 to the bill, and concurred therein, with an amendment, in which it requested the concurrence of the Senate.

AGRICULTURAL ACT OF 1961—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, the distinguished minority leader and I would like to propound a question of the outstanding chairman of the Committee on Agriculture and Forestry.

Is there a possibility that the conference report on the farm bill will be brought before the Senate today for consideration?

Mr. ELLENDER. I intend to do so. The report was filed last night and agreed to by the conferees. It will be ready for action between 1:30 p.m. and 3 p.m. today.

Mr. DIRKSEN. Mr. President, will the distinguished Senator yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. Are there any substantial items that were in disagreement?

Mr. ELLENDER. No. Every conferee signed the report.

Mr. MANSFIELD. Then the Senate should be on notice that between 2 o'clock and 3 o'clock the conference report on the farm bill will be brought up.

MEMORIAL TO THEODORE ROOSEVELT

Mr. KEATING. Mr. President, yesterday, the Theodore Roosevelt Association offered to the Government the home in which Theodore Roosevelt was born as well as his Sagamore Hill residence in Oyster Bay, Long Island. I am certain that the necessary approval of the administration and the Congress will be given very quickly.

I suppose that no shrines or mementos can fully commemorate the vigor and enthusiasm of our 26th President. His love of life and country, his vigor for physical and mental activity made him a legend long ago. Theodore Roosevelt's birthplace in New York City at 20th Street below Broadway and Park Avenue where he was born on the eve of the Civil War in 1858 will commemorate for generations the zest with which in his early life Roosevelt overcame frailty and developed his eager, blustery love of activity.

Even more than his birthplace, Sagamore Hill at Oyster Bay, Long Island is a living memento of the spirit of "T.R." During his 8 years as President, Roosevelt entertained countless dignitaries at Sagamore Hill and here inculcated them with his enthusiasm for his country and State. The big game trophies at Sagamore Hill, the furnishings, the various mementos are all a vital part of the history of the Roosevelt administration at the turn of the century and the impact which he made upon his country in the years following.

As a Senator from the great State of New York, I am happy today to call attention to the gifts of the Theodore Roosevelt Association. These two homes will, I am sure, add immeasurably to our Nation's historical shrines. I commend the Theodore Roosevelt Association for their generosity, and express my hope that legislation will be introduced as soon as possible and that the Congress will take speedy action to establish both of these sites as national shrines to our 26th President.

This is indeed an appropriate day to honor "T.R." I refer to the report this morning about another attempted Cuban airliner hijacking in El Paso, Tex. We know what "Teddy" would have done with Castro. Long ago, he would have stopped playing tiddly winks with this two-bit heckler. He would have gotten down to brass tacks very early in the game, and he would have done it all with his big broad grin that said, "Watch out for me. I mean business."

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business (H.R. 7851) be laid before the Senate and made the pending business.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

There being no objection, the Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mrs. NEUBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

REVISION OF UNITED NATIONS CHARTER

Mr. CLARK. Mr. President, on behalf of myself, the senior Senator from Minnesota [Mr. HUMPHREY], and Senators BARTLETT, BEALL, BURDICK, BYRD of West Virginia, CARROLL, CHURCH, ENGLE, GRUENING, HART, JAVITS, KEFAUVER, LONG of Missouri, LONG of Hawaii, MCCARTHY, MCGEE, MORSE, MOSS, MUSKIE, NEUBERGER, PASTORE, PELL, PROXMIRE, RANDOLPH, WILEY, WILLIAMS of New Jersey, and YOUNG of Ohio, I submit, for appropriate reference, a concurrent resolution to strengthen the authority of the United Nations to prevent war.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 37), was referred to the Committee on Foreign Relations, as follows:

Whereas the basic purpose of the foreign policy of the United States is to achieve a just and lasting peace; and

Whereas there can be no such peace without the development of the rule of law in the limited field of war prevention; and

Whereas peace does not rest on law today but on the delicate balance of terror of armed force; and

Whereas the United Nations General Assembly at its fourteenth session unanimously adopted "the goal of general and complete disarmament under effective international control" and called upon governments "to make every effort to achieve a constructive solution of this problem"; and

Whereas a just and lasting peace would not be assured even if nations lay down their arms unless international institutions for preventing war were strengthened; and

Whereas the United Nations constitutes an important influence for peace but needs to be strengthened to achieve the rule of law in the world community; and

Whereas the United Nations General Assembly at its tenth session resolved that "a general conference to review the charter shall be held at an appropriate time"; and appointed a "Committee consisting of all the members of the United Nations to consider, in consultation with the Secretary General, the question of fixing a time and place for the conference, and its organization and procedures"; and

Whereas the United Nations General Assembly at its fourteenth session resolved "to keep in being the Committee on Arrangements for a Conference for the Purpose of Reviewing the Charter, and to request the Committee to report, with recommendations, to the General Assembly not later than at its sixteenth session"; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the United States position at the next meeting of the Committee on Arrangements for a Conference for the Purpose of Reviewing the Charter should be that the Committee recommends to the United Nations General Assembly that a charter review conference be held not later than December 31, 1962, and that member governments be requested to prepare recommendations and to exchange views with respect to United Nations Charter review and revision in order to facilitate the organization of the said conference and to further the chances of its success.

SEC. 2. The President is hereby requested to initiate high-level studies in the executive branch of the Government to determine what changes should be made in the Charter of the United Nations to promote a just and lasting peace through the development of the rule of law in the limited field of war prevention. The President is further requested to report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, within twelve months after the date of approval of this resolution, the results of such studies.

SEC. 3. It is further the sense of the Congress that the United States should present specific proposals, to strengthen the authority of the United Nations to prevent war, at future international conferences concerning general disarmament and to the United Nations Disarmament Commission.

Mr. CLARK. Mr. President, the purpose of the concurrent resolution is to show that there is strong Senate support for a U.S. initiative this fall to strengthen the United Nations authority to prevent war as the best answer to the Soviet efforts to weaken, if not to wreck, the United Nations.

The concurrent resolution has three principal parts. The first is to urge an affirmative position by the United States at the September meeting of the United Nations Committee of the Whole on Arrangements for a Conference for the Purpose of Reviewing the United Nations Charter. The Committee on Arrangements was established in 1955 after the United Nations resolved by a vote of 43 to 6, with the United States voting with the majority, that "a Charter Review Conference shall be held at an appropriate time."

In 1957 and again in 1959 the Committee decided, with U.S. approval, not to recommend the convening of a conference, because international circumstances were not appropriate, and it was recessed for 2 years. The same thing will happen next month unless the United States exerts positive leadership.

To date, the State Department has done virtually nothing to prepare for the U.N. Charter Review Committee meeting in the fall or to explore the timeliness of a Western offensive designed to strengthen the United Nations.

Among the sponsors of the resolution is the senior Senator from Wisconsin [Mr. WILEY], who, as chairman of the Subcommittee on the United Nations Charter of the Senate Foreign Relations Committee in 1954 caused to be published in one volume a collection of documents reviewing the United Nations Charter, and pointed out in a preface to that volume that parts of the U.N. Charter had become completely useless.

I ask unanimous consent that there may be inserted in the RECORD at this point in my remarks a paragraph from the preface to the document to which I have just referred, in which Senator WILEY emphasizes the importance of considering seriously changes in the United Nations Charter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

But I must emphasize that charter change is not to be viewed lightly. We need expert thinking on the subject. We need that expert thinking tempered by an informed public opinion. The charter is an instrument that was developed over a period of years. It has an 8-year history of some successes and some failures. The charter is not the instrument it was at San Francisco. Just as our Constitution has changed over the years under the impact of court interpretation and practice, so has the United Nations Charter changed. Some parts of the charter have worked well, others have proved useless. Some of the fundamental assumptions upon which the charter was built have not proven accurate in practice.

Mr. CLARK. Mr. President, if Senator WILEY was correct then, as I believe he was, he is even more correct now, because the number of matters in which the U.N. Charter has become obsolete has multiplied many times over since that time.

The 28 cosponsors of the concurrent resolution may not all agree as to what changes in the charter should be made. Accordingly I speak only for myself in suggesting 10 areas in which I believe serious consideration should be given by the State Department to advocating specific items of review and revision in the charter.

The charter was drafted in the preatomic age, and it was based on the false assumption of the continued existence of the wartime anti-Hitler alliance, which collapsed shortly after the charter became effective.

In spite of the cold war, the U.N. has proven to be a vital influence for peace in the postwar period. The availability of a forum to air international grievances at times of international crises and to permit most of the nations of the world to express their views on the equities of the matters in controversy, has more than once prevented war and stopped limited hostilities. The U.N.'s considerable successes in maintaining order in the Congo, in preserving the Arab-Israel truce, and, most recently, in bringing about a cease-fire in the Bizerte affair, are known to all.

But the U.N.'s successes cannot obscure its inherent limitations, as illustrated by its current inability to achieve a French withdrawal at Bizerte. While parts of the charter have grown by interpretation, and others offer possibilities of growth without charter revision, many provisions in the charter pose obstacles which cannot be circumvented, and these provisions should be reviewed and revised.

I suggest the following 10 points as appropriate for consideration in connection with charter review.

First, the veto power presently lodged in the five permanent members of the Security Council, and used 99 times by the Soviet Union, to prevent Council action, clearly should be reviewed.

Second, the U.N. budget is entirely inadequate. Steps should be taken to make it more adequate by revision of the fiscal provisions of the Charter. The organization faces a critical budget crisis in October, largely due to the fact that the Communist bloc has not paid its assessments. The penalty provisions of the charter are entirely inadequate to require those nations in areas to pay their due shares.

Third, there is the matter of representation. About a billion persons, a third of the world's population, reside in countries or areas not represented in the U.N. The charter makes no provision for even limited or partial representation of peoples living in non-self-governing areas or in countries with inadmissible regimes. This is a matter which deserves careful consideration.

Fourth, there is the Security Council membership problem. Latin America, Africa, and large parts of southeast Asia, including India and Pakistan, are not assured of permanent seats on the Security Council. This, I suggest, is an important defect, and indeed we ought to give some consideration as to whether or not a new charter should not provide for a unicameral body, instead of a bicameral body, as at present.

A fifth point deals with voting procedures. The 50 smallest member nations, with less than 200 million people can outvote the 49 largest nations with 1.8 billion people under the one-vote-per-nation rule in article XVIII. The dictator of Albania has equal voting status in the General Assembly with the United States.

Sixth, the existing charter makes it impossible to form a permanent U.N. force of individual recruits, not national contingents subject to recall. The se-

rious weakness this entails has been made abundantly clear in the U.N. operations in the Congo; various member nations have sent troops to the Congo and later, when they disagreed with U.N. policy there, withdrawn those forces summarily. Surely we should take a hard look at this problem.

Seventh, world legislation and jurisdiction over individuals. The United Nations is unable, under the existing charter, to promulgate effective international laws against the use of force or threat thereof, and has no authority whatsoever over individuals.

Studies called for by the resolution would enable our Government to take the lead in determining how world peace through enforcible world law could be implemented through the United Nations.

Eighth, the various organs of the United Nations permitted under the existing charter are listed in article VII. The list precludes the formation of a world equity tribunal, a conciliation board, a development authority, or a permanent disarmament agency, each of which deserves serious consideration in connection with plans for eliminating violence as a method of settling international disputes.

Ninth, a bill of national rights. The present charter does not contain a bill of rights similar to the first 10 amendments to the U.S. Constitution. It occurs to me that this is a subject in which the United States should be prepared to take the lead. Certainly if a Bill of Rights is good for the freedom of American citizens, it should be equally good for the freedom of the citizens of other nations.

Tenth, ECOSOC membership. Membership in ECOSOC is limited by the charter to 18. Many of the newer nations which have joined the United Nations are desirous of having the number increased to enable them to participate in the deliberations and recommendations of ECOSOC. This is particularly important so far as underdeveloped countries are concerned. I believe studies should be made in this regard to enable the consideration of proposed changes.

I emphasize again that I am speaking entirely for myself in this part of my remarks, and not for the other 27 Senators who have cosponsored the concurrent resolution I have just submitted.

There are two other parts to the resolution. One calls for high level studies in the executive branch to determine what changes the United States shall advocate in the charter to promote a just and lasting peace through the development of the rule of law within the limited field of war prevention. Our Government has no up-to-date position papers on charter review.

Clearly the President's proposed new Disarmament Agency would be well equipped to undertake such studies.

I hope very much before we adjourn this fall, the Senate, under the leadership of the chairman of the Committee on Foreign Relations [Mr. FULBRIGHT] and the majority whip, the Senator from Minnesota [Mr. HUMPHREY], will bring to the floor the President's recommended agency for peace and disarmament. The President has given strong support to this proposal, which is backed by Secretary of State Rusk, and which was drafted largely under the auspices of that very able American, Mr. John McCloy. The White House is making earnest efforts to move us toward meaningful disarmament negotiations through the creation of an agency which will form a needed addition to our existing Government structure.

The final purpose of the resolution is to urge that the United States should propose specific measures to strengthen the United Nations at future international conferences concerning general disarmament and future disarmament discussions at the United Nations.

This section of the resolution will merely be giving congressional support to the administration's policy, as expressed by the President. The Chief Executive has repeatedly recognized that strengthened peacekeeping machinery is an essential part of any disarmament process. I refer to the statement in the inaugural address of President Kennedy:

> Let both sides for the first time formulate serious and precise proposals for the inspection and control of arms, and bring the absolute power to destroy other nations under the absolute control of all nations. * * * Let both sides join in creating a new endeavor, not a new balance of power, but a new world of law, where the strong are just and the weak secure and the peace preserved.

I refer also to President Kennedy's letter to Congress covering the Disarmament Agency bill, the letter dated June 29, 1961.

Mr. President, I ask unanimous consent that excerpts from that message be printed at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

> We need to make intensified efforts to develop acceptable political and technical alternatives to the present arms race. * * * Peace cannot be brought about by concentrating solely on measures to control and eliminate weapons. It must also encompass measures to sustain and strengthen international institutions and the rule of law. A disarmament program * * * should drive toward the creation of a peaceful world society in which disarmament, except for the forces needed to apply international sanctions, is the accepted condition of international life.

Mr. CLARK. One way to implement the sound policy set forth in the eloquent words of the President would be for our Government to take the initiative by advocating charter review to strengthen the U.N., as suggested in this resolution. I urge that it be reported favorably and enacted by the Senate.

Mr. President, I submit that the concurrent resolution is timely. In the 16th General Assembly, starting on September 19, 1961, the United Nations will come under renewed and serious attack by the Communist-bloc representatives. The U.S. reaction to these attacks should be more than a mere defense of the status quo, which all recognize to be less than ideal.

A U.S. initiative to strengthen the United Nations through the charter-review process would demonstrate, for all to see, our determination to advance the rule of law in international relations nad our belief in the effective role the United Nations should play in the future in maintaining peace and supervising disarmament.

We should put forward concrete proposals to make the United Nations more effective, not less effective, as the Communists would like to see it.

Mr. President, the concurrent resolution which I am submitting today is identical with Senate Concurrent Resolution 83, which I submitted in the 86th Congress, and which was then cosponsored by President Kennedy as a Senator from Massachusetts. The President has indicated his approval of the ideas set forth in the concurrent resolution submitted in the last Congress by strong statements in support of strengthening the United Nations and of implementing the ideal of achieving world peace through the rule of law in the two statements I have quoted from addresses made by him since he became President.

There has been a common argument against any U.S. initiative in this area on the ground the Soviets will never agree to any of the changes we may seek. The Soviets did not hesitate to submit their troika proposal, even though they knew we would reject it. Why should we refrain from proposing sound measures for world peace merely because the Soviet Union may not agree with them? As I said in a speech on the floor earlier this month, let us put the Soviets to the test. Let us call Khrushchev's bluff. Let us see if he really wants to have world peace and disarmament. If he does, he must admit that strengthened international agencies will be necessary to enforce them.

In my opinion, there should be three prongs to the search by the United States for peace and security. The first should be a strong National Defense Establishment. I am prepared to vote today, as I have in the past, in support of a substantially increased appropriation to strengthen our military forces. "We arm," as Winston Churchill has said, "not for war, but to parley." We must negotiate from strength, not from weakness. Therefore, I can see no inconsistency whatever in the concurrent resolution I am proposing and the building up of our military strength. I am confident that this view is concurred in by all the other cosponsors of the concurrent resolution. I feel certain that they, too, support the President in the building up of our defenses.

The second prong of our offensive for peace should be the prompt passage of the administration's foreign-aid bill, which will shortly come before the Senate. Just as our new strength in the military aspects of our policy will afford protection against direct Soviet aggression, so will the foreign-aid bill enable us to rally to our side in the cold war the forces of the uncommitted but friendly nations whose own economies are so poor that they cannot afford the necessary domestic expenditures to break

through the sound barrier of their economic development.

The third prong of our foreign policy offensive should be the prompt enactment of the President's recommendations for the creation of a disarmament agency and a U.S. initiative to strengthen the U.N. through sound revision of the United Nations Charter. This would enable that body to perform its proper role in enforcing world peace through world law, and in following the lead given by that distinguished American, Mr. John McCloy, in setting forth to the Russians the absolute necessity of strong international peace-keeping machinery, if agreement is to be reached on general disarmament under effective controls. I think we can take a grain of comfort in the report made by Mr. McCloy when he returned to this country a few days ago, to the effect that the Russian position with respect to disarmament appeared to be not so far removed from the United States position as it had been in the past. I hope that straw in the wind will turn out to be a prognosis of a possibility of agreement.

In any event, I, as one Senator, hope very much that when the United Nations General Assembly meets in New York next month, the President of the United States will go to that General Assembly and propose to it a plan—an American plan—for achieving general and complete disarmament under effective international controls and a strengthened United Nations capable of maintaining peace under the rule of law. I can think of nothing which would rally the uncommitted parts of the world to the support of U.S. foreign policy more effectively than such action on the part of the President of the United States.

Mr. President, I yield the floor.

SUBSIDIES TO SILVER MINERS

Mr. DODD. Mr. President, the American industry which manufactures silver products is today at a critical stage in its uphill struggle for survival. The danger facing this industry over the years has been due to the Government subsidy of the silver mining industry, which has so inflated the price of silver and so threatened the availability of silver that the industrial users have barely managed to keep going.

Now the advocates of the silver mining interests are ready to go to the next plateau. Not content with a law that requires the Government to buy every ounce of domestically produced silver at a price that has been historically far above the market level, they now want to raise that price still higher by Government fiat and prevent any of that silver from finding its way back into the hands of industrial users, the only people that have a practical use for it.

My interest in this matter arises initially in the fact that among the silver manufacturing concerns that are threatened with destruction if the Government yields further to the demands of the silver miners, are the International Silver Co. and Wallace Silversmiths, which have plants in Meriden and Wallingford, and employ thousands of people in my State.

But beyond my concern with these Connecticut working men and women, and beyond my interest in millions of consumers who must purchase silver products at inflated prices, there is a question of basic public philosophy involved here: Shall the U.S. Government subsidize one group of Americans at the cost of destroying another group who ask, not for Government help, but only for the right of engaging in free enterprise without being wantonly destroyed by politically motivated Government action.

For 70 years the silver lobby has been a textbook example of a special interest group raiding the public treasury through the exercise of political pressure and getting away with it. I would not attempt to spell out the long and dazzling history of the silver bloc in subsidizing the silver mining interests, but I shall mention certain facets that affect us now.

The problem of the silver miners, prior to Government intervention, was essentially the problem of many other businessmen. They had a product to sell, but it was a product for which there was little need, and one which could not bring a price anywhere near what they wanted. The market was too small; the price was too low; the practical use for their product was severely limited.

So what did they do about it?

They got the Government to solve their problem to a degree which must have exceeded their fondest hopes.

They got a law passed requiring the Government to buy every ounce of silver that was mined in this country that silver miners wanted to sell. That took care of the market problem.

They got the Government to fix an arbitrary price for silver, high above the normal market value. That took care of the price problem.

And by selling their product to the Treasury, where it was only piled up in warehouses, they were taking it off the market, instead of satisfying the market demand. The more they produced and sold, the scarcer the product became on the free market.

And they worked out a bookkeeping scheme which, to the unconcerned public, actually made it look as though the Government was making money on the deal, although the simple facts of the case which I have related prove this to be an absurdity.

All the subtle and delicate tactics in the art of logrolling, porkbarreling, backscratching, and featherbedding reached their apogee in the operations of the silver lobby. It has become a sort of legend.

This is a fortunate and rich country which has been able to afford this sort of nonsense, and so it has gone on and on for decade after decade without damaging any large group potently enough to cause a public uproar.

But one group in this country has been damaged severely by this, and could be ruined; and that, strangely enough, is the very group that seeks to make some practical use of silver, by making silver products which people want and need.

During an era in which Government had advanced the interest of such competing materials as steel and aluminum, it has directly intervened against silver manufacturers. For a long time the Treasury Department was required to buy all silver at a price far higher than the world market and was prohibited from selling that silver to industrial users; thus the Congress dealt the silver industry a crushing one-two punch which, first, destroyed their domestic source of supply, and second, forced them to buy their silver from abroad, in a market that had been inflated by U.S. Government action.

Since 1946 the Treasury Department has been selling a small portion of its vast hoard of raw silver to industrial users. This has made an almost intolerable situation bearable.

But now the silver miners' lobby wishes to prohibit the Government from doing this. They not only want the Government to buy up all the silver they can produce, but they also want the Government to prevent legitimate users from getting any of it. And they insist on jumping the price which the Government must pay, thereby touching off another upward spiral of silver prices all over the world. Any further increase in the price of raw silver, whether through Government decree or through Government-induced scarcity of silver for industrial users, will make silver so uncompetitive with other metals as to threaten the very survival of the industry.

All of the surface arguments advanced by the proponents of the silver mining interests are based upon the assumption that silver is an important part of our currency. This is all nonsense. There is not, and has never been, any sound monetary reason for including silver along with gold as the basis of our currency.

Silver has always been a fifth wheel, so far as our currency is concerned—in fact, worse than a fifth wheel, because it has had a harmful inflationary effect which has been limited only by the insignificance of silver in the total monetary picture. Not a single major country in the world uses silver as the basis of its currency. If we dropped silver tomorrow, the effects upon the country's currency system would be negligible, and even wholesome. Economists and monetary experts have long looked upon the activities of the silver bloc as a sort of grotesque fiscal joke upon the American people.

The only effect of dropping silver as a part of our currency base would be to bring to an end the unwarranted subsidies and support prices which the mining interests have received for 70 years. I do not ask today that we do this, but I do ask that we forbear from new follies and resist new demands that will destroy an industry that is standing on its own feet and performing a useful service.

This latest operation is just another routine gambit for the silver lobby. But I think it presents a real test for the administration. That test is whether this callous juggling of the national interest is to be tolerated at so grave a time in our history by an administration that has dedicated itself to turning down the outrageous demands of private self-seekers in the interest of the national welfare.

The silver manufacturers and the 40,000 working men and women who depend upon this industry for useful and productive employment have a right to be treated as more than pawns in a game of political logrolling.

Their industry, their jobs, their future can be destroyed if we permit another chapter to be written in this silver farce.

All that the silver manufacturing industry asks is to be let alone to do its useful work, without help or hindrance from the Government.

This industry would prefer to have the Government get out of the silver-purchasing business altogether, and let silver seek its proper value on the world market, uninfluenced by Treasury Department props.

But so long as the Treasury Department is the principal purchaser of silver, the industrial users must be allowed to continue purchases from the Treasury Department. And so long as Government, in effect, sets the price of silver—and over the years has forced that price up and up—the long-suffering users of silver reasonably request that the price line be held where it is.

This is little to ask, and I do not see how the administration, in conscience, can do less.

THE SOUNDEST WAY FOR THE STATES TO HANDLE THEIR EDUCATION PROBLEMS

Mr. MILLER. Mr. President, after the unsuccessful but praiseworthy efforts yesterday by the supporters of a continuation of Federal assistance for school districts under the federally impacted areas program, I ask unanimous consent to have printed in the RECORD a timely editorial entitled "All or Nothing," published in the July 24 issue of the Wall Street Journal. The article makes a significant point: that tying in the impacted areas legislation with the administration's type of Federal aid to education is an "unwitting confession of the weak case" for this program.

In view of the controversy over such matters as Federal control, segregation, and aid to private schools, arising out of the administration's program, it is evident why additional leverage was felt necessary in order to pass it. I repeat what I have said many times: that the soundest way to enable States to handle their problems of education is to return to the States revenue sources, such as was provided by the amendment offered by the Senator from New Hampshire [Mr. COTTON] and me, thus enabling the States to have the wherewithal to handle problems of education that are rightfully theirs. This is no time, Mr. President, for legislation which contains the seeds of unrest and controversy that will split our people.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ALL OR NOTHING

In an attempt to force passage of its all-but-dead program of Federal aid to education, the administration is resorting to political muscle.

The strong-arm strategy consists of jamming together two things that ought to be separate and distinct. Locked into the administration's new aid to education package, which the House Rules Committee shelved last week, is the familiar program of aid to schools in so-called federally impacted areas. The administration insists on passage of the whole package.

Unlike the rest of the education measures, aid to impacted areas, by definition, isn't a blanket Federal subsidy to all schools and all communities. It is designed to render special help to 3,500 school districts in meeting special problems created by the Government's special demands on given communities.

Usually such a community is near a military installation; its schools are crowded by dependents of military personnel. Yet Uncle Sam pays no local taxes. Even though there may be some questioning of particular instances of aid, and some questioning of specific amounts, an argument can be made that, as a matter of practical justice, the Government should pay its share of costs arising from its coming.

All too clearly, the administration's intent in tying the two together is to apply pressure to those 313 Members of the House whose districts include such areas. Many of them oppose the President's broad plan of Federal aid to education. But the administration's insistence that the bills be treated as a "unit" places these men in a position where they cannot uphold proper Federal aid to their constituents without accepting the dubious scheme to subsidize all the Nation's schools.

Perhaps it is an unwitting confession of the weak case for Federal aid to education in general that the administration feels it must throw its weight around.

PROCUREMENT OF LONG-RANGE BOMBERS

Mr. MILLER. Mr. President, I am opposed to an amendment which will be offered by the distinguished Senator from Wisconsin, to delete from the pending appropriation bill, H.R. 7851, several hundred million dollars for the purpose of procurement of long-range bombers.

I have studied the committee report on the bill, and I think it is significant that the committee has said:

The committee was impressed by the testimony of authorities in this field, and believes that this is no time to curtail or cease the production of strategic bombers already proved, nor to fail to expedite as rapidly as possible, the development of future strategic bombers.

For this reason, Mr. President, I trust that the amendment of the distinguished Senator from Wisconsin will be rejected.

BLOCKADE ON WAR MATERIEL TO CUBA

Mr. MILLER. Mr. President, this morning the news media, the wires, and the radio carried an account of a further hijacking of a U.S. commercial airliner. I refer to the hijacking of a Continental Air lines jetliner from the El Paso Airbase.

Mr. President, a year ago I advocated that a blockade be established on Cuba, to keep out all war materiel. Let everything else—medical supplies, agricultural products, and industrial equipment—move either in or out, but not war materiel.

I think the news this morning is further evidence that we must take some action along these lines if we are to protect our citizens and our industries from further hijacking and further illegal activities of people from Cuba.

OFFICIAL REGISTER OF THE UNITED STATES

Mr. WILLIAMS of New Jersey. Mr. President, the Senate Appropriations Committee has voted $30,000 for resumption of printing of the Official Register of the United States. Since the House Committee has not voted similar authorization, the matter will be resolved at a conference meeting, possibly tomorrow.

It seems to me that we should make every effort to restore a useful reference publication of very vital information to persons within Government, to newspaper reporters and editorial writers, to students of government, and to librarians.

Ever since the decision to discontinue this publication was made last year, we in the Senate have heard from persons directly affected by the loss of an invaluable publication. They have made it quite clear that there is no other directory which so adequately and conveniently lists persons occupying administrative and supervisory positions in the legislative, executive, and judicial branches of the Federal Government.

This roster, in one form or another, had been available since the days of Thomas Jefferson. In 1961, when we spend many hundreds of thousands of dollars every year in the departments of our Government for information programs, it seems to me that the expenditure for the Official Register is modest but essential.

Recently, we have had several statements on how essential it really is.

Yesterday's—August 2—editorial in the Washington Post, for instance, described it as "the best of guides to the Federal labyrinth."

Mr. John H. Colburn, managing editor of the Richmond (Va.) Times-Dispatch and chairman of the Freedom of Information Committee for the American Society of Newspaper Editors, described additional journalistic arguments for the Register in a statement I recently forwarded to the Senate Subcommittee on Independent Offices Appropriation.

Another statement has come to me in a letter from James R. Bryan, director of the Public Library of Newark, N.J. Mr. Bryan vividly describes the Register as "a vital library tool."

Mr. President, I ask unanimous consent to have the editorial, the statement, and an excerpt from Mr. Bryan's letter printed in the RECORD. To their arguments I would like to add my observation that the Register is a very useful document in my office and, I imagine, in the offices of many others in Congress.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 2, 1961]

NOT SO DULL

Without the Official Register of the United States it is not quite impossible, but it is certainly a good deal more difficult, to keep track of the people who run the Government. Congress cut off its appropriation last year, claiming that no one read it. But the Register is not so dull as Congress claimed. It is the only complete list of all the Government's ranking officials, with their salaries and their home congressional districts. It is the best of guides to the Federal labyrinth, and a handy check-list of patronage appointments. It is a very useful book in these days of big government, and well worth the $30,000 the Senate voted this week to resume it. If Senator MAGNUSON can persuade the House conferees of this as quickly as he was persuaded by Senator JAVITS, then it will be only a matter of time before the book is back on thousands of desks throughout the city.

As chairman of the Freedom of Information Committee of the American Society of Newspaper Editors, I would like to endorse Senator JAVITS' amendment to the appropriations measure to reconstitute authorization for printing of the Official Register.

This publication has a long history of useful service. It is an extremely valuable source of information for newspapermen and its value is proportionately greater whenever there is a change of administration in Washington. A directory of Government personnel, with assigned positions and pay scales, permits the public to keep a check on those in Government service.

An argument can be made that this information is available through the Government Manual or through departmental sources. This argument is more theoretical than real. From your own experience, you know how difficult it is to trace information on personnel when there is official reluctance to disclose such information. This is especially true when there is no official publication to check against the statements of Government public information officials.

This would be particularly true also of someone in Washington attempting to check on personnel assignments in the many Government agencies located outside of the District of Columbia.

As a strong advocate of economy, I would like to suggest that the $30,000 saved annually by not printing the Official Register is not a true saving and furthermore is false economy in that there is a genuine need for the Register. It is not a net saving because the time expended by the various agencies in tracking down requests for personnel information and locations has not been taken into consideration.

With the Federal Government expanding, as it has been in the past decade, this is a time to economize all along the line. However, I firmly believe that the public interest would be better served through restoration of the Official Register and that diligent pruning will provide comparable savings in day-to-day operations.

I respectfully suggest that these views be submitted to the Subcommittee on Appropriations at the hearing on Friday, June 23.

Sincerely yours,

JOHN H. COLBURN.

I should like to respectfully ask that consideration be given again to resuming publication of this very important library tool. It is true that with great effort the information can be found in other forms, but I know that each year this library is saved hundred of dollars worth of time because of the availability of the Official Register. When one considers that there are over 13,000 libraries in the United States, and when one considers all of the other State and local government offices which refer to the Register, I think it can readily be seen that while it may cost the Federal Government $30,000 or $40,000 to republish the Register, it literally saves the citizens and their agents, such as libraries, hundreds of thousands of dollars in time.

Very truly yours,

JAMES E. BRYAN, *Director*.

SENATOR MUNDT WOULD STRIKE HANDCUFFS FROM LABOR UNION MEMBERS

Mr. THURMOND. Mr. President, the distinguished senior Senator from South Dakota [Mr. MUNDT] has recently presented over the Manion Forum a very eloquent discussion on the importance of democratic procedures being assured to labor union members. Fortunately, his remarks over the Manion Forum have been reprinted in a publication of the Manion Forum under the headline "South Dakota Senator Would Strike Handcuffs From Labor Union Members." Senator MUNDT has served with distinction as a member of the Senate Committee for Investigation of Improper Activities in Labor-Management Relations. In this capacity he has had an excellent opportunity to study in detail efforts by labor union leaders and others to deny to union members democratic procedures which would enable them to govern the activities of their particular unions and their unions' leadership.

I ask unanimous consent, Mr. President, that the distinguished Senator's remarks be printed in the RECORD at this point in my remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

[From the Manion Forum, July 30, 1961]

SOUTH DAKOTA SENATOR WOULD STRIKE HANDCUFFS FROM LABOR UNION MEMBERS

Dean MANION. For years, the select Senate Committee for the investigation of improper activities in labor-management relations has been making big headlines. Much of this news has been demoralizing and some of it has been disgraceful.

For instance, last April 29 (Chicago Tribune, p. 1) the Senate committee investigated a strike that had paralyzed the Cape Canaveral missile base for 4 weeks. It was charged that labor racketeers had deliberately delayed this vital defense work in order to get fabulous overtime pay.

When the Senators asked the responsible labor leader if he was working for the Communist conspiracy he took the fifth amendment.

In this strike, as in ever so many others, the public interest and the wishes of the workers themselves were ignored.

What does the Senate committee propose to do about this flagrant disregard for democratic processes in such critical work stoppages? I have asked a charter member of the committee to take over this microphone now and answer this question. It is a pleasure to present my distinguished friend, the senior Senator from South Dakota, the Honorable KARL E. MUNDT.

Senator MUNDT. Thank you, Dean Manion. For the past several years there has been a growing awareness that strikes and work stoppages arising out of disputes between labor and management can seriously impair our national economy and our national security.

Public concern over this problem was widespread 2 years ago during the major strike in the steel industry. As a result of that strike it will be recalled that numerous recommendations were advanced for the amendment and modification of the national emergency provisions of the Labor-Management Relations Act.

Some recommended outlawing strikes in our basic industries. Others believe compulsory arbitration provisions should be written into the Federal labor laws. Still others favor the mandatory establishment of factfinding groups.

Again this year, we were all shocked to learn that our vital missile program was seriously delayed because of work stoppages and overcharges at Cape Canaveral and other places. Our Senate Permanent Investigations Committee, on which I serve as ranking Republican member, revealed that millions of dollars of unnecessary costs resulted from wildcat strikes, walkouts, various forms of featherbedding, and other unconscionable abuses.

And just recently we have had another major costly strike, this time in the maritime industry, one of the vital cogs in our transportation and shipping system.

I know that the maritime dispute, the missile base work stoppages, as in the case of the steel strike, are giving rise to new demands for Federal legislation aimed at lessening the occurrence of strikes in basic industries.

The dangers, as I see it now, stem from the fact that as a result of these strikes, the demands will grow for not only remedial legislation, but for punitive measures which are not in concert with our past traditions.

All of us want a workable solution to this perplexing national problem, and it is certainly the obligation and duty of Congress to give consideration to the various proposals for solution which have been advanced, and to take some action now in the current session of Congress.

My fear is that in the determination to remedy an admitted problem, proposals may be adopted which are contrary to our traditional private enterprise concepts—proposals which in their practical operation will make the Federal Government a third party at the collective bargaining table and possibly encroach further upon the rights of the individual labor union member, rights which already have been abused as demonstrated amply, in instances by some labor union leaders who have assumed dictatorial powers.

In an effort to provide a constructive remedy by Congress in this delicate area of collective bargaining, and with the support of several of my colleagues, I have introduced a proposal that has as its sole objective the reduction of needless work stoppages. We propose to help prevent these costly strikes from occurring rather than trying to develop new authorities or procedures for ending them once they have begun.

This bill does nothing more than to establish in the law a thoroughly democratic procedure for the authorization of strikes.

My conviction that this procedure can do much to eliminate needless and unwarranted strikes is premised on a fundamental faith in the good sense and sound judgment of the average American trade union member.

It is neither the intent nor the purpose of this bill in any way to limit the fundamental right of employees to engage in a concerted refusal to work when, because of terms and conditions of employment, they feel such action is required. The right to strike is carefully and fully preserved and protected.

This bill, however, merely seeks to establish a guaranteed democratic procedure, whereby the individual employee will be assured the right to participate, free from coercion or intimidation, in the collective determination by which a proposed strike action is approved or disapproved. And, it assures each member that his decision and desires will be exercised by a secret vote.

LABOR BOSSES CONTROL ACTION IN CALLING STRIKES

This right of the individual member to participate in the authorization of a strike is guaranteed by the constitution and bylaws of certain unions. However, the constitutions and bylaws of a great many unions, representing several million workers in the aggregate, contain no such provisions protecting the economic rights of the individual union member.

In all too many cases the important strike decision is made by a handful of union officers or a collective bargaining committee. This is both an unwholesome and an undemocratic situation. I am certain that, as a result, many strikes are called each year which do not in fact represent the majority will of the affected employees.

In 1959 the Congress of the United States did much to insure greater democracy in the internal affairs of labor organizations through the passage of the Landrum-Griffin Act. Democratic guarantees contained in that act were proposed in measures a number of us supported as a new bill of rights for union members. The secret ballot bill, which I have introduced, is in complete harmony with the spirit and intent of the bill of rights for union members.

This bill is by no means an attempt to deal with the entire range of potential strike situations which occur in American industry each year. The language of the bill specifically limits its applications to those situations where a collective bargaining agreement is in effect.

While this limitation is far from foolproof, it has been included in an effort to limit the procedures required by the bill, so far as is practicable, to those labor-management disputes arising out of contract negotiations. For, it is this type of dispute which has, in the main, given rise to the protracted work stoppages—so costly to employee and employer alike and so detrimental to the total national interest.

In this framework of circumstances our bill provides that strikes must be authorized by the affirmative approval of a majority of the employees affected and subject to the collective bargaining contract expressed through the process of an impartial secret ballot.

Briefly, our bill would operate in the following manner: Under existing law the duty to bargain collectively requires that either party desiring to modify or terminate an existing contract must serve written notice on the other party to the contract of the proposed modification or termination 60 days prior to the expiration date of the existing contract. As a practical matter, this allows the parties a 60-day period for negotiation of the proposed changes prior to the expiration of the existing agreement.

Our bill provides that no strike ballot shall be taken during this 60-day period, but that, if a labor organization desires to obtain authorization for a strike, a strike ballot shall be taken on the 60th day or as soon thereafter as is practicable.

This procedure will allow approximately 60 days of honest collective bargaining negotiations in an atmosphere free from strike threats since there will be no authorization on which to base such threats. Also it is fairly certain that by the 60th day the issues between the parties will be clearly drawn, which means the employee will be able to make his decision on the basis of well-defined contentions and specific counterproposals.

Any strike ballot taken on or after the 60th day will be supervised by a three-member election committee. One member will be selected by the labor union, one member will be selected by the employer, and the third member will be selected by the union and employer members. If they cannot agree on such third member, he will be selected by the Director of the Federal Mediation and Conciliation Service.

The bill requires the voting to be by secret ballot, and the committee is directed to count and process the ballots in such a way that the identity of the voter will be unknown to the election committee and to all other persons.

Wherever appropriate, the strike ballot will be stated in terms which will reflect a choice, by the employee, between a strike and an acceptance of the employer's final offer in settlement as presented by him.

ALTHOUGH STRIKE IS VOTED, WAY LEFT OPEN FOR NEGOTIATION

If in the balloting a majority of the affected employees vote in favor of a strike, then the union representative has full authority to call a strike. He is, however, under no legal obligation to call a strike immediately; and if he desires to negotiate further, on the basis of the new power which is his because a strike has been officially called, the authorization granted by the balloting has another 60-day duration.

If a majority of the affected employees vote to accept the employer's final offer in settlement, the employer is then legally obligated by the requirements of good-faith bargaining to sign a contract incorporating the terms and conditions as stated by him in his final offer.

Our bill further provides that the costs of the entire balloting procedure will be borne equally between the labor organization and the employer. Additionally, the bill contains effective sanctions which may be invoked against violators of its provisions and a judicial remedy for any party injured by reason of a violation.

If this bill is adopted, I hope there will never be an occasion requiring the invocation of these sanctions, for it is not its purpose to penalize or punish but rather to further secure the democratic rights of the rank and file members of organized labor—and to avert unnecessary strikes.

I dare say that the average worker faces few economic questions during his employment career that are of any greater magnitude or moment than the one raised by a proposed strike action. This decision touches directly on the fundamental right of every man to the pursuit of happiness. It is therefore a decision which the affected employee should be guaranteed the right to make in his individual capacity, as a citizen, in an atmosphere free from coercion, intimidation, or mob hysteria. I sincerely feel that this bill establishes a fair and workable procedure to guarantee him that right.

I should like to express my thanks and gratitude to Maurice Franks, president of the National Labor-Management Foundation, of Chicago, and Charles Hook, honorary chairman of the Armco Corp., for the assistance and advice they have given to me in the development of this bill.

Mr. Franks and Mr. Hook have both had decades of practical experience in the field of labor-management relations and both of these men are vigorous and dedicated advocates for the cause of union democracy. Other Senators joining with me in introduction of this bill are JOHN MCCLELLAN, of Arkansas; WALLACE BENNETT, of Utah; FRANCIS CASE, of South Dakota; JAMES EASTLAND, of Mississippi; ANDREW SCHOEPPEL, of Kansas; and STROM THURMOND, of South Carolina.

I firmly believe that the enactment of this legislation will further secure the rights of individual workers, as well as protect the legitimate interests of the employer and the general public. In my opinion, this is a very simple and reasonable democratic device to assure that the worker, whose livelihood is involved, will have an opportunity to express his personal views on the very important economic question raised by a proposed strike, a strike so meaningful to him and his future and his family.

I earnestly hope that the 87th Congress will approve this modest step in the direction of further strengthening of democratic processes within organized labor. I urge all of you concerned or interested to write to your individual Congressman and to your two Senators expressing your conviction on this proposed legislation.

Dean MANION. Thank you, Senator MUNDT. My friends, do you not agree that the workers themselves should be consulted before they cripple the country with critical strikes? Then send this speech to your Senators and Congressmen and tell them to vote for Senator MUNDT's proposed legislation.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill, as thus amended, be regarded, for purposes of amendment, as original text; provided, that no point of order shall be considered to have been waived by reason of agreement to this order.

The VICE PRESIDENT. Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, line 12, after the word "case", to strike out "$3,202,000,000" and insert "$3,737,000,000, of which $40,000,000 may be used to liquidate obligations incurred under this head prior to July 1, 1961,".

On page 3, line 4, after the word "case", to strike out "$2,600,000,000" and insert "$2,692,000,000".

On page 4, line 5, after the word "case", to strike out "$4,033,000,000" and insert "$4,197,000,000".

On page 5, line 12, after the word "duty", to insert "including not less than forty-eight paid drills for reservists participating in base support and recovery type units", and at the beginning of line 16, to strike out "$52,000,000" and insert "$56,000,000."

On page 8, line 17, after the word "Government", to strike out "$3,330,460,000" and insert "$3,747,710,000".

On page 10, line 5, after the word "Government", to strike out "$2,695,885,000" and insert "$2,896,900,000".

On page 11, line 3, after the word "salaries", to strike out "$186,700,000" and insert "$187,900,000".

On page 12, at the beginning of line 18, to strike out "$4,299,740,000" and insert "$4,498,541,000".

On page 13, line 16, after the word "aircraft", to strike out "$169,900,000" and insert "$173,300,000".

On page 14, line 20, after the word "Bureau", to strike out "$193,600,000" and insert "$206,400,000".

On page 16, line 14, after the word "title", to strike out "10" and insert "32".

On page 18, at the beginning of line 8, to strike out "$1,991,360,000" and insert "$2,543,642,000".

On page 18, at the beginning of line 21, to strike out "$2,148,160,000" and insert "$2,691,760,000".

On page 20, line 6, after the word "plants", to strike out "$689,920,000" and insert "$855,320,000".

On page 20, line 14, after the word "only", to strike out "$198,940,000" and insert "$265,940,000".

On page 21, line 5, after the word "things", to strike out "$2,916,684,000" and insert "$3,223,444,000", and in line 7, after the word "than", to strike out "$448,840,000" and insert "$525,000,000".

On page 21, line 19, after the word "plants", to strike out "$320,656,000" and insert "$403,256,000."

On page 22, line 12, after the word "things", to strike out "$2,736,160,000" and insert "$2,744,960,000".

On page 23, at the beginning of line 4, to strike out "$981,274,000" and insert "$1,103,374,000".

On page 23, after line 16, to strike out:

"For expenses necessary for basic and applied scientific research, development, test, and evaluation, including lease of facilities and equipment, as authorized by law, $830,000,000, to remain available until expended; and in addition, $372,700,000, which shall not be available for obligation after June 30, 1962, for expenses necessary for maintenance, rehabilitation, and operation of installations and facilities and other expenses in accordance with applicable provisions of the appropriation, 'Operation and Maintenance, Army'."

And in lieu thereof, to insert the following:

"For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, $1,203,700,000, to remain available until expended."

On page 24, after line 7, to strike out:

"For expenses necessary for basic and applied scientific research, development, test, and evaluation, including lease of facilities and equipment, as authorized by law, $853,400,000 to remain available until expended; and in addition, $447,537,000, which shall not be available for obligation after June 30, 1962, for expenses necessary for maintenance, rehabilitation, and operation of installations and facilities and other expenses in accordance with applicable provisions of the appropriation, 'Operation and Maintenance, Navy'."

And in lieu thereof to insert the following:

"For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, $1,302,000,000, to remain available until expended."

On page 24, after line 23, to strike out:

"For expenses necessary for basic and applied scientific research, development, test, and evaluation, including lease of facilities and equipment, as authorized by law, $1,555,200,000, to remain available until expended, of which $185,800,000 shall be available only for the Dyna-Soar program; and in addition, $447,724,000, which shall not be available for obligation after June 30, 1962, for expenses necessary for maintenance, rehabilitation, and operation of installations and facilities and other expenses in accordance with applicable provisions of the appropriation, 'Operation and maintenance, Air Force'."

And in lieu thereof, to insert the following:

"For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, $2,452,440,000, to remain available until expended."

On page 27, after line 3, to insert a new title, as follows:

"TITLE V—CIVIL DEFENSE, DEPARTMENT OF DEFENSE

"For expenses, not otherwise provided for, necessary for carrying out civil defense activities, including the hire of motor vehicles and the providing of fallout shelters in existing or new Government-owned or leased buildings, as authorized by law, without regard to sections 3648 and 355 of the Revised Statutes, as amended (31 U.S.C. 529; 40 U.S.C. 255), $207,600,000, to remain available until expended: *Provided*, That such amounts as may be approved by the Director of the Bureau of the Budget for transfer from appropriations for the Office of Civil and Defense Mobilization, including appropriations available for allocation to other agencies, may be merged with this appropriation to be available for the same purpose and time period: *Provided further*, That such amounts as may be determined by the Secretary of Defense may be transferred, with the approval of the Director of the Bureau of the Budget, to any appropriation available for military functions under the Department of Defense which is available for programs related to civil defense, or may be allocated or transferred to other Federal agencies to carry out such civil defense activities as may be assigned to them and any such transferred amounts shall be merged with and be available for the same time period as the appropriations to which transferred."

On page 28, line 6, to change the title number from "V" to "VI".

On page 28, line 8, to change the section number from "501" to "601".

On page 28, line 22, to change the section number from "502" to "602".

On page 29, line 3, to change the section number from "503" to "603".

On page 30, line 6, to change the section number from "504" to "604".

On page 30, line 14, to change the section number from "505" to "605".

On page 30, line 18, to change the section number from "506" to "606", and on page 31, line 1, after the word "of", to strike out "$275" and insert "$285".

On page 31, line 15, to change the section number from "507" to "607".

On page 32, line 7, to change the section number from "508" to "608".

On page 32, line 23, to change the section number from "509" to "609".

On page 33, line 19, to change the section number from "510" to "610".

On page 33, line 22, to change the section number from "511" to "611".

On page 34, line 16, to change the section number from "512" to "612".

On page 35, after line 2, to insert:

"(c) Upon determination by the President that it is necessary to increase the number of military personnel on active duty beyond the number for which funds are provided in this Act, the Secretary of Defense is authorized to provide for the cost of such increased military personnel, as an excepted expense in accordance with the provisions of Revised Statutes 3732 (41 U.S.C. 11)."

On page 35, line 10, to change the section number from "513" to "613".

On page 36, line 15, to change the section number from "514" to "614".

On page 37, line 10, to change the section number from "515" to "615".

On page 37, line 22, to change the section number from "516" to "616".

On page 38, line 4, to change the section number from "517" to "617", and at the beginning of line 9, to strike out "521" and insert "621".

On page 38, line 10, to change the section number from "518" to "618".

On page 38, line 17, to change the section number from "519" to "619".

On page 39, line 13, to change the section number from "520" to "620".

On page 39, line 20, to change the section number from "521" to "621".

On page 40, line 3, to change the section number from "522" to "622".

On page 40, line 9, to change the section number from "523" to "623", and on page 41, line 7, after the word "dislocations", to insert a colon and *"Provided further*, That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a formally advertised competitive bid basis to the lowest responsible bidder."

On page 41, line 11, to change the section number from "524" to "624".

On page 41, line 19, to change the section number from "525" to "625".

On page 41, line 24, to change the section number from "526" to "626".

On page 42, line 5, to change the section number from "527" to "627".

On page 42, line 16, to change the section number from "528" to "628".

On page 42, line 21, to change the section number from "529" to "629".

On page 43, line 10, to change the section number from "530" to "630".

On page 43, line 19, to change the section number from "531" to "631".

On page 44, line 6, to change the section number from "532" to "632", and in line 8, after the word "vehicles", to insert a colon and the following proviso:

"*Provided*, That the Secretary of Defense under circumstances where the immediate movement of persons is imperative, may, if he deems it to be in the national interest, hire motor vehicles for such purpose without regard to this limitation."

On page 44, after line 12, to strike out:

"SEC. 533. Not to exceed $701,000,000 of the funds made available in this Act shall be available for travel expenses in connection with temporary duty and permanent change of station of civilian and military personnel of the Department of Defense: *Provided*, That $7,500,000 of the foregoing amount shall be available only for the procurement of commercial passenger sea transportation service on American-flag vessels."

And in lieu thereof, to insert the following:

"SEC. 633. Not less than $7,500,000 of the funds made available in this Act for travel expenses in connection with temporary duty and permanent change of station of civilian and military personnel of the Department of Defense shall be available only for the procurement of commercial passenger sea transportation service on American-flag vessels."

On page 45, after line 2, to strike out:

"SEC. 534. Effective January 1, 1962, no part of any appropriation contained in this Act shall be used to provide flight pay at the rates prescribed in section 204(b) of the Career Compensation Act of 1949 (63 Stat. 802), as amended, for more than 93,446 officers (other than Reserve officers on active duty for training and officers receiving flight pay pursuant to section 514 of this Act and flying student officers)."

On page 45, line 11, to change the section number from "535" to "634".

On page 45, line 21, to change the section number from "536" to "635".

On page 46, after line 9, to strike out:

"SEC. 537. No part of the funds appropriated herein shall be available for paying the costs of advertising by any defense contractor, and such costs shall not be considered a part of any Defense contract cost."

And in l'eu thereof, to insert the following:

"SEC. 636. No part of the funds appropriated herein shall be available for paying the costs of advertising by any defense contractor, except advertising for which payment is made from profits, and such advertising shall not be considered a part of any defense contract cost. The prohibition contained in this section shall not apply with respect to advertising conducted by any such contractor, in compliance with regulations which shall be promulgated by the Secretary of Defense, solely for (1) the recruitment by that contractor of personnel required for the performance by the contractor of obligations arising under a defense contract, (2) the procurement of scarce items required by the contractor for the performance of a defense contract, (3) the disposal of scrap or surplus materials acquired by the contractor in the performance of a defense contract, (4) the procurement of subcontractors required for the performance by the contractor of his obligations under a defense contract, or (5) costs of participation in exhibits upon invitation of the Government."

On page 47, line 7, to change the section number from "538" to "637", and in line 9, after the word "for", to strike out "repair and alteration projects,", and insert "acquisition of new facilities or expansion, extension or addition of existing facilities".

On page 47, after line 15, to insert:

"SEC. 638. No appropriations available for payment of the expenses of State civilian personnel of the Army National Guard and the Air National Guard shall be available for employers' contributions to retirement systems at a rate in excess of 6½ per centum of the compensation on which such contribution is based."

On page 47, after line 21, to insert:

"SEC. 639. None of the funds appropriated herein shall be available for paying the cost of official representation on any continent in excess of the amount programed by the Department of State for that continent."

At the top of page 48, to insert:

"SEC. 640. During the current fiscal year, the Secretary of Defense may, if he deems it vital to the security of the United States and in the national interest, transfer, with approval of the Bureau of the Budget, not to exceed 3 per centum of any appropriation available for military functions of the Department of Defense for the current fiscal year, to any other such appropriation, but no appropriation may be so increased by more than 6 per centum, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation to which transferred: *Provided*, That the Secretary of Defense shall notify the Appropriations Committee of the Congress promptly of all transfers made pursuant to this authority."

On page 48, line 14, to change the section number from "539" to "641".

Mr. ROBERTSON. Mr. President, in 1932 I was elected to the House of Representatives on an economy platform. That and other outstanding planks of the Democratic platform of 1932 had been written by my distinguished predecessor, Carter Glass. It was the best platform of any political party in the present century. Unfortunately, the economy plank was soon abandoned by our party leaders; but it has never been abandoned by me. For the past 28 years, first in the House and then in the Senate, I have spoken and voted for economy. Throughout that period, in spite of the efforts of a small economy group, expenditures have continued to rise from about $4 billion, when I entered the House in 1933, to a possible $85 billion for the current year.

There is, therefore, a bit of irony in the fact that today I am cast in the role of the biggest spender of all time. The bill I am presenting to the Senate, and for which I ask its approval, is the biggest peacetime bill in our history, and authorizes more expenditures than the total of all expenditures from the days of George Washington through the end of World War I. But I justify this action in the firm belief that our Nation faces the greatest crisis in its history, and that no man dares to place a price tag upon our survival.

There is no necessity for me at this time to dwell upon the horrendous destruction of a nuclear war. It would wipe out all of Europe, including the area under Soviet control, as well as the area under the control of our NATO allies. It would destroy all of the big cities of Russia and all of its major military installations, as well as the big cities and major installations in this country.

That there could be no victor in such a war, Khrushchev knows as well as does anyone in this country. Needless to say, he does not want such a war. I am convinced that he will not deliberately start it. But he could misjudge our military capability and that of our NATO allies; he could misjudge the irrefragable courage of the free world that echoes the sentiment expressed less than two centuries ago by Patrick Henry at old St. John's Church in Richmond:

Give me liberty or give me death.

We do not assume that Khrushchev will be intimidated merely by adding 250,000 men to our Military Establishment or even by calling up all our National Guard and Army Reserve units. So far as fighting a brush war over Berlin with conventional arms is concerned, Khrushchev could send into such a war four divisions to our one. But Khrushchev knows that if such a war over Berlin were to start with conventional weapons, we would inevitably resort to nuclear weapons, rather than see our brave men in Western Germany overwhelmed; and Khrushchev knows that when a limited war develops into an all-out nuclear war, there can be, as I have already indicated, no victor.

The addition to our manpower and military hardware recommended to the Nation by its Commander in Chief will, of course, strengthen our military posture. But it will do far more than that—it will indicate to the world our willingness to fight for freedom, should there be no other alternative. But there is another alternative, and the diplomats of the chancelleries of the world will fail their day and generation if they do not discover it.

BALANCE OF FORCES

I have been asked how I would describe this bill as recommended by the committee. I would state, in reply, that this is essentially a "balance of forces" bill, both for the immediate and the foreseeable future. It is a bill designed to protect America and the free world; a bill designed to renew the hopes of the oppressed of the world everywhere; a bill designed to give warning to the forces of aggression that we are prepared to negotiate through strength and, if need be, to call upon that strength in time of crisis. Reduced to its barest essentials, it will substantially strengthen our defense posture in both conventional and nuclear capabilities.

THE BERLIN CRISIS

The $47 billion recommended in this bill is admittedly a very large sum of money to appropriate for defense in a period of nominal peace. But the course upon which Premier Khrushchev has embarked the Soviet Union has made that peace very tenuous indeed. He has deliberately provoked a crisis over West Berlin, knowing full well the extent of our commitments to the people of that divided city. He has gone as far as to challenge our rights in that city, rights which we and our allies have won through force of arms in a long and costly war. We have had Berlin crises before, but this time Premier Khrushchev seems intent on a showdown.

I asked Deputy Secretary Gilpatric, when he appeared before our committee on July 10, 2 days after Khrushchev announced a one-third increase in the Soviet defense budget:

Again, I would like you to give us your appraisal of the Berlin situation, stating whether you think the people should look with complacency upon it, or whether it is a grave situation which could require some real increases.

Mr. Gilpatric replied:

We regard it very gravely, very gravely. The President has asked the Defense Department, in company with other agencies of the executive branch, to report to him very promptly what our needs are in addition to those which would be provided under the present law.

I am not prepared today to tell you what recommendation the President will make, or what action he will take, as a result of those recommendations.

Now we know what these recommendations are. We have heard from the President the actions which must be taken to meet that crisis.

ACTION LEADING TO INCREASED REQUESTS

At this point, I wish to make a statement regarding the events which led up to the change in the appropriation bill as it is now before us. Not from a standpoint of personal pride, nor because I am honored to be a member of the Senate Appropriations Committee, but because of the historical significance involved, I wish the record to show clearly the exact chain of events which has led to the bolstering of our defense posture in the past few weeks.

Throughout the hearings on this bill, which began on April 18, Senators will find the pages replete with questioning as to the adequacy of the size of our defense forces.

It had long been clear in my mind that serious consideration should be given to increasing our defenses in certain areas, which I regarded as inadequate. I was not alone in this; other

members of the committee had privately confided to me the necessity for a further consultation with those high-ranking military officials responsible for the defense of our country, with a view to bolstering our defenses.

On Saturday, July 8, prior to his planned appearance before our subcommittee on the following Monday, Under Secretary of Defense Gilpatric sent to me a statement of the testimony that he would present the following Monday.

The Department of the Army had previously testified that their original budget submission was for $2.5 billion for procurement of equipment and missiles. The budget estimate as approved by the Bureau of the Budget and the Department of Defense brought this down to $1,803 million, which was subsequently raised in two budget revisions to $2,012 million, leaving approximately $550 million in required Army hardware yet unfunded.

In Mr. Gilpatric's statement prepared for submission on July 10, there was no request for any increases in procurement or for restoration in the procurement cuts of 2 percent made by the House for all of the armed services.

So I phoned the White House liaison officer and requested that he immediately notify the President, who was then at Hyannis Port, Mass., that I felt the provisions for the Army in the pending appropriation bill were hopelessly inadequate and I, therefore, wanted his permission for Gen. Maxwell D. Taylor, the Presidential adviser, and Gen. L. L. Lemnitzer, the Chairman of the Joint Chiefs of Staff, to join with General Decker, the Chief of Staff of the Army, in presenting to our committee their uncensored views on what provisions should be made immediately for the Army to better prepare itself for brush war, and especially with respect to the crisis developing over Berlin. There was no direct response to that request, but there was an indirect reply by Under Secretary of Defense Gilpatric when he appeared before our subcommittee on the following Monday.

Subsequent to this, I was informed that the Commander in Chief—that is, our President—and his defense officials were reconsidering the amounts requested. Thereupon I stated that the Defense Subcommittee was willing to suspend its hearings, deter our call for further witnesses, and await any proposed supplemental requests by the President. In those areas in which the budget revisions would serve to implement our strength to a sufficient degree concomitant with committee belief, we refrained from calling Generals Lemnitzer, Taylor, and Decker. However, in other areas wherein the revised budget was still deemed inadequate, we carried out our original resolve and conferred with the authorities in the field, who substantiated our doubts.

The resulting actions are well known to every one. The revised estimate, providing an additional $3,454,600,000, was submitted on July 26. Since then, the committee has acted, I believe, with expedition in approving that request, as well as all restoration requests, and has, in fact, added substantially to the bill in certain other vital areas.

I make this statement in all humility, and not from the standpoint in any personal pride. The action of the committee was the consensus of the members, not a matter for which any individual would wish to take sole credit. However, I want to point out that we acted in the tradition of the Senate and the Senate Appropriations Committee in providing the impetus and foresight we needed to improve our military posture.

I believe it was this committee in 1939 which foresaw the need for a substantially increased Defense Establishment and on whose recommendation increased funds were provided. Again in 1948, the committee first recognized the need for a greatly strengthened bomber force which was subsequently provided and which has played so large a part in deterring the forces of the aggressor ever since.

Repeatedly, this committee has urged and provided funds for a sizable increase in the Regular Army and Marine Corps. Repeatedly, this committee and the Senate have provided the funds and mandatory language for the Army National Guard and the Army Reserve so that their strength would not be curtailed. Only last year this committee provided funds above the budget for a speedup of the Samos, Discoverer, and Midas satellite programs, for increased funds for the modernization of the Army, for the procurement of additional Polaris submarines and for the maintenance of the Army Reserve and the Army National Guard at the established strength. At the time there was some question in the executive branch as to the need for these additional funds. I wish to point out that, as of today, every single cent of these additional appropriations has since been utilized.

So again this year, the committee has foreseen the necessity for increased forces prior to any such determination by other responsible sources. It is our hope that the additional funds provided above the budget will be utilized by the Department of Defense for the necessary force buildup.

COMMUNIST THREAT WORLDWIDE

Let us remember that it is not only the Soviet challenge to us in Berlin that endangers the peace, it is also Communist pressure to subvert freedom and extend the rule of communism throughout the world. This in itself is not new; what is new is the increasing belligerency of the Communist leaders backed up by the recently announced substantial increase in Soviet military forces and defense expenditures.

It must be clear to anyone who has the will to face the facts that the Soviet leadership is deliberately and systematically challenging the position of the United States in the world. The showdown may well be in Berlin, but it could be elsewhere. Regardless of when or where it comes, the United States must be prepared to meet the test politically, diplomatically, economically, and, if necessary, with military force. We must take, now, every measure necessary to ready our military forces for whatever tasks they may be called upon to perform. The bill which we are recommending today is another token of our determination to maintain our rights and the rights of free people everywhere in the world. It is notice to Premier Khrushchev that the American people will pay any price to defend their freedom. It is notice to Mr. Khrushchev that the United States intends to support fully its commitments to its friends and allies abroad. And it is notice to Mr. Khrushchev that we intend to be ready to meet the test when it comes.

BUDGET AMENDMENTS SUMMARIZED

Incorporated in the bill are three amendments transmitted to the Congress by the present administration. The first amendments, totaling $1,913 million in new obligational authority and $320 million of additional transfer authority in lieu of new appropriations, were transmitted to the Congress on March 28. The principal purposes of these amendments were:

First. To shift the emphasis in our strategic forces to weapon systems which could ride out an all-out nuclear attack. It was in these amendments that the present administration recommended a doubling of the Polaris program, a large increase in the number of manned bombers to be maintained on 15-minute ground alert, and an acceleration of the Minuteman program.

Second. To provide for an improved command and control system so that our military forces would at all times be under the full control of the constituted authorities, even under conditions of all-out nuclear attack.

Third. To improve and modernize our conventional or nonnuclear capabilities. Principal emphasis in this area was on modernizing equipment and on accelerating research and development of conventional weapons, rather than on increases in numbers of military personnel. A total of 13,000 military personnel were added by these amendments—5,000 for Army, 3,000 for Navy, 3,000 for the Marine Corps, and 2,000 for the Air Force.

The second amendments, totaling $225 million in new obligational authority, were transmitted to the Congress on May 26. These amendments were designed to improve further the modernization of Army weapons and equipment in connection with the reorganization of the Army combat divisions; to round out the manning of the 3 division air wings of the Marine Corps and to form a nucleus of a fourth Marine division by increasing authorized strength from 178,000 to 190,000; and to initiate the Defense Department's portion of the national project for the exploration of outer space.

These two amendments were considered by the House and were incorporated in H.R. 7851, the bill now before the Senate.

The third amendments, totaling $3,454,600,000 in new obligational authority, were transmitted to the Congress on July 26, after the House had completed

action on the bill. The purposes of these amendments were:

MANPOWER ($40 MILLION DEFICIENCY)

An item under "Military personnel/Army," page 2 of the bill, lines 13, 14, provides $40 million for increased costs of travel and subsistence in fiscal year 1961 that was first presented to the Congress in the fourth supplemental appropriation bill fiscal year 1961. The Senate Appropriations Committee suggested during the hearings on this supplemental bill that this request for $40 million be considered within the regular defense bill for fiscal year 1962, rather than separately in a supplemental bill. Appropriation of this $40 million will permit the Army to liquidate obligations incurred prior to July 1, 1961.

FLEXIBILITY

On July 26 the Department of Defense requested the authority to transfer up to 5 percent of any appropriation for military functions to any other such appropriation. Added to the sum of $300 million available in transfer authority under other sections of the bill, it was decided that something less than 5 percent in transfer authority would be adequate in this very large budget.

The committee attempted to strike a balance between the flexibility desired by the Department of Defense and the maintaining of reasonable congressional control over the budget. We therefore recommend that transfer authority up to 3 percent of any appropriation be granted, and that not more than 6 percent may be added to any appropriation for military functions. This provision should allow sufficient flexibility while not unduly weakening Congress control and direction over the military budget.

LANGUAGE CHANGES

There have been several important language provisions proposed in this bill, and I shall comment on only three of them.

The House language would have virtually eliminated chargeability of advertising by defense contractors as a part of their costs in cost-reimbursable-type contracts. The committee heard extensive testimony in open hearing on this issue, and felt that the House language was too preclusive.

The committee bill language now retains the tenor of the original House provision, but adds on the following exceptions to the House prohibition against chargeability: advertising for recruitment of personnel; for procurement of scarce items; for the disposal of scrap; for subcontractors; and for costs of participation in exhibits upon invitation of the Government.

The committee has also restored a total of $1,525,000, deleted by the House, for the education of children of military personnel overseas, and has raised the per-pupil limitation from $275, in the bill as passed by the House, to $285. We believe the increase of teachers' salaries as required by law and the rising cost of textbooks and other educational material fully justifies these increases for fiscal year 1962.

The House deleted funds for the payment of the Government's contribution, as an employer, to State retirement systems for civilian personnel of the Army and Air National Guards. This action was taken on the ground that no specific authorization for such payments exists in the law. The committee believes there is ample legal authority and that civilian employees of the Army and Air National Guard organizations should not be penalized simply because they are paid by the Federal Government. Accordingly, the committee recommends that $4,100,000 be restored to the appropriations involved and that a new section, 638, be added to the bill restricting such payments to 6½ percent of the compensation on which such contribution is based. This is the same amount as the Federal Government contributes to the retirement funds for its own employees.

The committee also gave careful consideration to the restoration of about $308,286,000, deleted by the House, based on a 2-percent across-the-board reduction in all procurement accounts. We do not believe that this type of reduction can in itself enforce good procurement and production practices. Experience has shown that such cuts tend simply to reduce the size of the procurement program. However, both the Secretary and the Deputy Secretary of Defense have indicated to the committee that they are willing to try to achieve this reduction, since they feel that there are opportunities for realizing further economies in the procurement area. Accordingly, the committee does not recommend the restoration of these funds to the bill.

COMMITTEE ACTION ON GENERAL PROVISIONS

The committee has accepted a number of other Defense Department recommendations with regard to the general provisions of the bill. These are in addition to those general provisions—related to the restoration of funds—which I have already discussed.

First, the committee has eliminated section 533 in the bill as enacted by the House. This section set a limit of $701 million on the amount of funds available for travel expenses in connection with temporary duty and permanent change of station of military and civilian personnel. Obviously, with the substantial increase in military personnel provided for in the third amendments to the 1962 defense budget and the potentially large troop movements involved in the present situation, it would be impracticable at this time to establish any specific limitations on travel funds. The committee, however, has retained the proviso that not less than $7,500,000 of the funds made available in this act for travel expenses shall be available only for the procurement of commercial passenger sea transportation services on American-flag vessels. This proviso was incorporated in the bill as section 633. We believe that a healthy merchant marine is also an important element of our national security and is entitled to at least this measure of support.

The committee considered carefully the Department's request for relief from the limitation on the hire of motor vehicles. The bill as enacted by the House limited to $12 million the amount of funds which could be used for that purpose in the current fiscal year. The committee retained this language but added a new provision which would authorize the Secretary of Defense, under circumstances where the immediate movement of persons is imperative in the national interest, to hire motor vehicles without regard to such limitation. We believe the Department of Defense needs some flexibility in this regard, since large numbers of men will have to be moved within the United States to duty stations or training camps at certain periods in the year and it would not be practical to provide the necessary transportation capacity on a permanent basis.

The committee also recommends the deletion of section 534 of the bill as enacted by the House. This section limits the number of officers who may receive flight pay. Inasmuch as the Department is now planning to order to active duty certain Air Force and Naval Reserve and Air National Guard squadrons, and otherwise build up its air strength, it would be impractical to set any limit on the number of officers who may receive flying pay during the current fiscal year.

The bill, as enacted by the House, contains a very restrictive provision on the allowance of advertising costs in Defense contracts. We agree wholeheartedly with the intent of the House to eliminate unwarranted advertising as part of the cost of performing Defense contracts. We see no reason why the taxpayer should pay for advertising of products for which the Government is the sole buyer. But there are certain advertising costs which are a necessary part of the performance of Defense contracts. These include advertising required to recruit personnel, to procure scarce items, to dispose of scrap and surplus materials, and so forth. Accordingly, the committee has deleted section 537 from the bill as enacted by the House and has introduced section 636, a somewhat less restrictive limitation on the payment of costs for advertising in the performance of Defense contracts.

NEW AUTHORITY GRANTED

As I stated earlier, one of the principal purposes of the third amendment to the fiscal year 1962 budget is to prepare for the further mobilization of the Reserve Force, if future developments should make that necessary. In order to provide for this contingency, the committee recommends the inclusion of a new subsection in this bill. Subsection (c) to section 612 would authorize the Secretary of Defense, upon determination by the President, that it is necessary to increase the number of military personnel on active duty beyond the number for which funds are provided in this act, to provide for the cost of such an increase, as an excepted expense in accordance with the provisions of Revised Statute 3732. This subsection is similar to subsection (b) of section 612 which authorizes the Secretary of Defense, upon determination by the President that such action is necessary, to provide for the cost of an airborne alert as an excepted expense.

In other words, if it should become necessary during the current fiscal year to increase the number of military personnel either under the authority of the joint resolution recently enacted by the House and the Senate, or under a national emergency declared by the President, or otherwise, the Department of Defense could pay for such an increase by expending funds on a deficiency basis. Of course, the executive branch would be required under the law immediately to inform the Congress of such deficiency spending and request the additional funds required. The committee recognizes the broad nature of this authority, but believes that in the present situation the Defense Department must be given the necessary flexibility to react promptly to any further adverse developments in the international situation.

For similar reasons the committee recommends the inclusion in the bill of a new section, 640, which would permit the Secretary of Defense, if he deems it vital to the security of the United States to transfer, with the approval of the Bureau of the Budget, not to exceed 3 percent of any appropriation available for the military functions of the Department for the current fiscal year to any other such appropriation, provided that no appropriation shall be increased thereby by more than 6 percent. The new section also provides that the Secretary of Defense shall notify the Appropriations Committees of the Congress of all transfers made pursuant to this authority.

There is one other change in the general provisions which merits comment and that is the proviso added to section 623. This proviso would require that so far as practicable all contracts shall be awarded on a formally advertised competitive-bid basis to the lowest responsible bidder.

MILITARY PERSONNEL

I would now like to turn to the substance of the bill.

For "Active-duty military personnel," the committee recommends an appropriation of $11,255 million plus the transfer of $470 million from the revolving and management funds of the Department of Defense in lieu of new appropriations. Included in these funds is $40 million for "Military personnel, Army," to permit liquidation of obligations incurred prior to July 1, 1961. The executive branch had requested the $40 million in the fourth supplemental appropriation bill, 1961, but because of the lateness of the date of transmittal, it was decided to provide the funds in the regular 1962 bill. The amount recommended by the committee would support an active duty strength of 2,743,227 at the end of fiscal year 1962—1,008,000 for the Army, 657,000 for the Navy, 190,000 for the Marine Corps, and 888,227 for the Air Force.

For "Reserve personnel," the committee recommends a total of $670 million for the support of a total of about 1,073,000 reservists on paid status, including about 1,006,000 3- to 6-month trainees and reservists engaging in regular paid drills.

The committee has provided for a drill pay strength of 300,000 in the Army Reserve and 400,000 in the Army National Guard, recognizing that a significant number of these reservists may be ordered to active duty during the current fiscal year. For this reason, the committee has not inserted in the bill language which would make mandatory the maintenance of these strengths during the current fiscal year, but the Department of Defense has given the committee assurance that the strength, for which funds have been provided, would be maintained. The full amount of the funds provided, however, may still be required inasmuch as the Department of Defense plans to extend the training of certain selected high priority reserve units beyond the usual 2 weeks of summer training as authorized in the joint resolution. If the funds provided are insufficient for this purpose, the Secretary of Defense can rely on the transfer authority provided in section 640 of the bill.

With respect to "Reserve personnel, Air Force," the committee has added $4 million, and the necessary language, to assure that if Air Force base support and recovery-type units are required to train a minimum of 48 drills per year in order to achieve the necessary operational readiness, they will likewise receive pay for these 48 drills.

In the case of "Reserve personnel, Navy"; "Reserve personnel, Marine Corps"; and "National Guard personnel, Air Force," the amounts recommended for appropriation are the same as the amounts requested by the Defense Department.

Nine hundred and twenty million dollars is recommended for retired pay, the same amount requested by the Department of Defense.

OPERATION AND MAINTENANCE

For "Operation and maintenance," the committee recommends a total of $11,771,996,000, about $21 million less than the budget estimate as amended through July 26, but almost $16 million more than the amount requested by the Department of Defense of the Senate Appropriations Committee. As I indicated earlier, the committee has restored the amounts deleted by the House for major repair and alteration of facilities, for the education of dependent children overseas, and for the Government's contribution to State retirement funds on behalf of civilian employees of the Army and Air National Guards.

The committee has also restored $2½ million of the $3 million deleted by the House as a savings resulting from the shift in Navy pay periods for certain of its employees from a weekly to a biweekly basis. Even if the Navy made the change to biweekly pay periods, the actual savings which could be realized in the current fiscal year would amount to only a half million dollars. Considering the hardships this change would work on the workers involved, the committee hopes the Navy will find it possible to continue its present practice of paying its wage board employees on a weekly basis.

The committee has also added to the "Operation and maintenance, Navy," appropriation $1.4 million for certain minor repairs at the Naval Academy and $1 million for the Naval Air Reserve and Marine Corps Reserve for aviation fuel.

In the case of "Operation and maintenance, Air Force," the committee has also restored the $12 million deleted by the House as savings from a reduction in the number of four-engine transports operated by Air Force commands other than MATS, SAC, and TAC. In the present situation, the committee believes no reduction should be made in the airlift capacity.

The committee has also included in this appropriation $1,141,000 to support a larger number of C–124 Reserve troop carrier squadrons.

In "Operation and maintenance, Army National Guard," the committee has added $1.1 million for three aviation maintenance battalions required to support the growing number of Army National Guard aircraft.

In "Operation and maintenance, Air National Guard," the committee has added $10 million to support an increased flying hour program, and $1 million for stepped-up conversion of C–97's and for maintenance and spare parts.

In the remaining appropriations under the "Operation and maintenance" title, the committee recommends the adjusted amounts requested of the committee by the Department of Defense.

PROCUREMENT

For "Procurement" the committee recommends a total of $16,729,556,000, about $30 million less than the 1962 budget estimate as amended July 26, but about $95 million more than the amount requested by the Department of Defense of the Senate Appropriations Committee.

For "Procurement of missiles and equipment, Army," the committee recommends the adjusted amount requested by the Department of Defense plus $282,000 for ammunition and rifles for the National Board for the Promotion of Rifle Practice, for a total of $2,543,642,000. This is about 40 percent more than the amount requested for this purpose in the January budget, and about 70 percent more than the amount appropriated for this purpose last year.

For "Procurement of aircraft and missiles, Navy," the committee recommended $2,691,760,000, the adjusted amount requested by the Defense Department. This will provide for the procurement of nearly 800 aircraft plus large quantities of a variety of guided missiles—ship-to-air, air-to-air, air-to-surface, and Polaris.

For "Shipbuilding and conversion, Navy," the committee recommends $2,897,860,000, the adjusted amount requested by the Defense Department. These funds will support a shipbuilding program of 36 new construction vessels and 22 major modernizations or conversions. The new construction includes 10 Polaris submarines; 3 nuclear-powered attack submarines; 7 guided missile frigates, 1 of which is to be nuclear powered; 6 escort ships, 3 of which will be armed with guided missiles; 4 amphibious ships, and 6 miscellaneous ships.

For "Other procurement, Navy," the committee recommends $855,320,000, the

full amount requested by the Defense Department. These funds provide for the procurement of ordnance, ammunition, antisubmarine warfare detection equipment, electronics and communications equipment, and so forth.

For "Procurement, Marine Corps," the committee recommends $265,940,000, the full amount requested by the Defense Department. This amount is not far from being double the funds requested for this purpose in the January budget and is almost three times the amount appropriated for fiscal year 1961.

AIRCRAFT PROCUREMENT

The committee recommends a total of $3,223,444,000 for "Aircraft procurement, Air Force." Although the amount recommended is apparently only about $100 million more than the amount requested by the Defense Department, the actual increase proposed for this purpose is about $545 million.

This increase comes about as a result of the following changes. First, the committee reduced this account by $448,840,000 and increased the "Research, development, test, and evaluation, Air Force," account by the same amount. The purpose of this transaction is to make available to the Defense Department a total of $448,840,000 for the accelerated development of the B–70 bomber as a full weapon system. The January budget had requested $358 million for this purpose. The March amendments to the Defense budget reduced this amount to $220 million. The House designated $448,840,000 of the funds made available for "Aircraft procurement, Air Force," to be used for the production of long range bombers and/or the acceleration of the B–70 program.

Second, the committee is convinced that the amount provided by the House is inadequate for these two purposes. Accordingly, we recommend the entire $448,840,000 be made available for the accelerated development of the B–70 and an additional sum of $525 million be included in "Aircraft procurement, Air Force," for the continued production of long range strategic bombers. Neither the January budget nor the subsequent budget amendments provided any funds for this purpose. Nevertheless, the committee is convinced, on the basis of extensive testimony taken from authorities in this field, that it would be entirely premature to terminate the production of these tried and true strategic weapons.

We have every confidence that our tremendous expenditures for strategic ballistic missiles will pay off, but we cannot afford to take any risks in so vital an area of our defense structure.

Moreover, the committee and the Senate have always fully supported the mixed-force concept. We believe that even in the 1970's there will still be a vital role for the manned bomber. I therefore, strongly urge the Senate to support the recommendations of the committee and provide the additional funds both for the continued production of the present manned strategic bombers and the accelerated development of the manned strategic bomber of the future; namely, the B–70.

Third, the committee has also restored $19.1 million for the procurement of utility jet transport aircraft. The Defense Department did not request restoration of these funds, but it is apparent that the Air Force must, sooner or later, begin the modernization of its inventory of mission support utility transports. These funds would permit the beginning of that effort.

For "Airlift modernization, Air Force," the committee recommends $403,256,000. This is the full amount requested by the Defense Department for this purpose and provides for a substantial increase in the procurement of airlift aircraft both over the amount appropriated last year and the amount requested in the January budget. In fact, the $403 million recommended by the committee is more than 2½ times the amount requested in the January budget.

Altogether, the appropriations recommended for "Aircraft procurement" and "Airlift modernization" will enable the Air Force to buy almost 700 airplanes during the current fiscal year.

MISSILE PROCUREMENT

The committee recommends a total of $2,744,960,000 for "Missile procurement, Air Force," the full amount requested by the Defense Department. These funds will virtually complete the 13-squadron Atlas program, continue procurement on the 12-squadron Titan program, and initiate the first major buy of the Minuteman intercontinental ballistic missile. Included in the amount recommended by the committee are funds to expand substantially production capacity for Minuteman, if it should later become necessary to increase the rate of production on this ICBM.

The funds will also provide for additional procurement of Hound Dog air-launched strategic missiles for the B–52 heavy bombers, and Bullpup tactical air-to-surface missiles for the Air Force's F–105's.

For "Other procurement, Air Force," the committee recommends $1,103,374,000, the full amount requested by the Department of Defense. These are the funds used for the procurement of conventional weapons and ammunition, air-to-air rockets, automotive vehicles, ground communication and electronics equipment, and base maintenance and support equipment of all types.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For "Research, development, test, and evaluation," the committee recommends a total of $5,294,140,000. This is the full amount requested by the Department of Defense plus the $448,840,000 added to "Research, development, test, and evaluation, Air Force," for the acceleration of the B–70 development program. Included in the $5.3 billion is $2,739,000 deleted from the appropriations under this title by the House in its reduction of funds for minor construction and rehabilitation of facilities. The committee has acceded to the Department's request for the restoration of these funds, and has added $1 million in "Research, development, test, and evaluation, Army"; $1,063,000 in "Research, development, test, and evaluation, Navy"; and $676,000 in "Research, development, test and evaluation, Air Force."

The amount recommended by the committee also includes $186 million for the Advanced Research Projects Agency—the same amount requested in the amended Defense budget and provided by House action.

Also included is $150 million for the Department of Defense emergency fund plus an additional $150 million of transfer authority. These are the same amounts provided last year to permit the Department of Defense to exploit promptly unexpected technical breakthroughs or to handle late developments regardless of the military department in which they occur.

The committee again recommends the continuation of the general provision which permits the Secretary of Defense to transfer an additional $150 million for the acceleration of strategic or tactical missiles or satellite programs, should he deem it advantageous to the national defense.

CIVIL DEFENSE

Included in this bill for the first time are funds for civil defense. Responsibility for this function was transferred to the Department of Defense from the Office of Civil and Defense Mobilization by Executive Order No. 10952 on July 20, 1961. The President included in his amendments to the defense budget, transmitted to the Senate on July 26, 1961, a total of $207,600,000 for this purpose. This request is in addition to the $104,200,000 requested in the January budget for the Office of Civil and Defense Mobilization upon which the House has already acted. However, the House has not acted on this new request, inasmuch as it had already completed action on the defense bill at the time of the President's order.

Almost half of the $207.6 million—$93 million—is for a national program for identification and marking of available community shelter space in existing buildings. Another $10 million is for the improvement of existing shelter space in Federal buildings; $7.5 million is to cover the additional cost of planning and constructing shelters in new Federal buildings, and $58.8 million is to stock shelters with a 5-day ration of food, a 2-week water supply, first-aid kits, radiation meters, and other essential supplies.

Under the heading of "Civil defense warning and detection," $10 million is included to initiate a new household warning system which operates on an electrical impulse put through the regular powerlines. Another $5 million is included to correct basic deficiencies in the emergency operational capabilities and other elements of the system, including communications, and $9.3 million is included for radiological detection equipment.

Finally, $13.5 million is provided for research and development to devise new low cost methods of providing protection.

The Secretary of Defense estimates that the planned program will provide protection for roughly 50 million Americans at the cost of about $4 per person.

NEED FOR ECONOMY

Now I would like to say a word to the taxpayers of the United States, and address myself to every responsible official, both military and civilian in the Defense Establishment. We all know that it is one of the tenets of the Soviet philosophy that the capitalistic system will destroy itself. For 185 years that system has belied this belief. Instead it has been one of the major factors in providing America with the strong and healthful economy which it has enjoyed. Under that system we have been provided with blessings which no other country at no other time in history has ever enjoyed.

On the other hand, there is undoubtedly the possibility that any nation, no matter how richly endowed, no matter how courageous, can spend itself into ruin, economically—if not physically. We are all well aware of the deleterious effects of unchecked inflation. The history of nations is studded with examples of the chaos which has resulted from unbridled expenditures and devaluated currencies.

I am not one who believes that this will happen to America. But I do wish to point out that the impact of vast outlays of Government spending could provide impetus to inflationary tendencies unless proper steps are taken to check such possibilities.

One such area is undoubtedly in the field of defense spending. The committee is well aware of this and in its report on the Defense Department appropriation bill has repeatedly stated the need for a belt tightening in that branch of the Government. In one point the committee has stated:

> The committee and the American people would be encouraged if there were more evidence of cost consciousness on the part of both civilians and uniformed personnel in the Defense Establishment and a more objective determined effort made at all levels of the Defense Establishment to effect savings in the use and expenditure of monetary, human, and materiel resources.

At another point the committee reiterated the grave concern it has expressed in the past over the numerous and admitted examples of waste and duplication in the areas of procurement and supply management and has repeated its call to the Department of Defense to integrate its procurement, supply, and service activities in order to provide maximum utilization of the defense dollar. The committee has gone further than this in directing the Secretary of Defense to insure that existing facilities and installations both at home and abroad are used to the fullest extent practicable before any new construction is permitted.

I wish to state also that the committee has in its report commended the Secretary of Defense for the efforts that he has already made to bring order into the activities of the Department and to effectuate economies in all possible areas. I believe that he has done a remarkable job in the limited time in which he has been in office. I hope that this is but a portend of future accomplishments.

But one man, however endowed, cannot alone hope to accomplish fully the type of economy which the country demands and must have if our Nation is not to be subjected to financial stress.

On behalf of the committee and the Nation, I call upon every military man, every civilian associated with the defense effort, every defense contractor, every patriotic American, to support a program of cost-conscious, penny-pinching, purse-clutching economy—to realize that every dollar spent is his dollar; that every dollar wasted lessens our defense effort, that every extravagance is a blow to our economy stability. What I have said about defense expending, is also applicable to all areas of Government financing. It is equally as important that we defer all nonessential domestic spending. If this is done, we can then hope that Federal expenditures will not materially affect the economic stability of the Nation.

Mr. President, the Senate Committee on Appropriations has provided in this bill all the funds requested by the Defense Department—and more. We have relieved the Defense Department, at its request, from a number of limitations imposed by the House. We have provided in the bill the additional flexibility requested by the Defense Department—both with respect to the authority to expend funds on a deficiency basis and the authority to transfer funds from one appropriation to another. We have done everything in our power to place the Department of Defense in a position to take whatever steps are necessary to prepare our military forces to meet the gathering crisis.

NATO PARTNER OBLIGATIONS

Now we look to our friends and allies abroad, particularly our NATO partners, to take parallel measures to enhance the collective military strength of the free world, to withstand the threatened Communist onslaught.

We hope, indeed we expect, that our European NATO partners will move promptly and decisively to meet their obligations for the common defense. It is obvious that the defense of Western Europe must be primarily the responsibility of the nations of Western Europe. We intend and are prepared to share with them this burden, but it must be a truly collective effort. Indeed, there is no practical way in which the United States could defend Western Europe alone. We shall do our part as evidenced by the bill now before us; I am confident our allies will do their part.

TRIBUTE TO MEMBERS

As we all know for a number of years the Senate supervision of this bill has been under the highly capable guidance of the senior Senator from New Mexico [Mr. CHAVEZ]. Day after day, month after month, year in year out, he has injected his boundless energy and experienced thinking into the formulation of this measure. During his most regretable incapacitation, I have attempted to act in his stead, but the formulation of this measure, as it is presented to the Senate today, is a tribute to all the members of the Senate Appropriations Committee. The distinguished chairman of the committee, the Senator from Arizona [Mr. HAYDEN], the ranking majority and minority members, the Senator from Georgia [Mr. RUSSELL] and the Senator from New Hampshire [Mr. BRIDGES]; the chairman of the Military Construction Subcommittee, the Senator from Mississippi [Mr. STENNIS], and the ranking minority member of the Defense Subcommittee, the Senator from Massachusetts [Mr. SALTONSTALL], and many other, have all unselfishly given of their time, experience, and effort.

Without their wholehearted support and guidance, this bill would not reflect the sound approach which I believe it provides.

I also wish to thank publicly the Secretary of Defense, Mr. McNamara, the Assistant Secretary of Defense, Mr. Gilpatric, the Assistant Secretary of Defense, the Comptroller, Mr. Hitch, and their respective staffs, including Maj. Gen. R. S. Moore, for the wholehearted cooperation and assistance which they have provided in expediting this bill.

I would be remiss if I did not mention the members of the staff of the Senate Appropriations Committee, who have worked overtime to expedite the present consideration of this bill. I wish particularly to thank Mr. Everard Smith, whose unflagging devotion to duty and expert guidance have for many years been of such invaluable assistance. In addition, I wish to thank Mr. Thomas Scott, the assistant clerk of the committee; Mr. Francis Hewitt, Mr. Vorley M. Rexroad, Mr. Leonard Edwards, Mrs. Elizabeth Brantley, Mrs. Gloria Butland, and Miss Judy Atwell. To those other individuals, too numerous to mention here, including a number in the Department of Defense, who have given valuable assistance, I publicly express my gratitude, which I shall convey personally at a later time.

COMMITTEE UNANIMITY

I wish to stress the unanimity of purpose in thinking exhibited by the committee's action. Including the officio members from the Senate Armed Services Committee, there are 30 members of the Senate Appropriations Committee who had opportunity to review and recommend the provisions found in this bill. Obviously, in a bill of this magnitude there were minor differences of opinion, all of which have been resolved amicably and with the national interest at heart, but I wish to stress that all of the major aspects of the bill represent the unanimous thinking on the part of its members.

This is not a political bill. There are no party-line distinctions in matters of national defense. From both sides of the aisle came wholehearted support of the President's revised budget. No dissension marked our deliberations. I hope that the Soviet leaders and their pawns are fully aware that this committee, Congress, and the Nation stand firm in their resolve to back the President in his efforts to deter further aggression.

CONCLUSION

The enactment of the bill by the Senate will put Premier Khrushchev on notice that this Nation is determined to safeguard freedom in the world at whatever cost. Thrice within my own life-

time, despots have miscalculated the strength of that determination. Forty-four years ago another despot, in another place, misinterpreted the peaceful aspirations of the American people as a lack of determination to guard their liberties. That miscalculation finally led to our entry into World War I. On a grim day in April, a great Virginian came to these Chambers to place before the Congress and the world the American cause. He said:

> We shall fight for the things which we have always carried nearest our hearts—for democracy, for the right of those who submit to authority to have a voice in their own governments, for the rights and liberties of small nations, for a universal dominion of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself at last free. To such a task we can dedicate our lives and our fortunes, everything that we are and everything that we have, with the pride of those who know that the day has come when America is privileged to spend her blood and her might for the principles that gave her birth and happiness and the peace which she has treasured. God helping her, she can do no other.

I fervently hope and pray that the events which gave cause to the statement which I have just read will not be repeated; but, should they do so, they will find America ready and able. With this in mind, I ask for the speedy enactment of this important bill.

As I said in opening this discussion, we cannot within the foreseeable future hope to match the army of the Soviet Union, but members of our Senate breakfast group will recall how I delight to tell how a superior ground army of the Philistines was overcome during the reign of King Saul. The Philistine Army was encamped on one hill, the Israelites under King Saul on the other. Day after a day a great bully named Goliath would parade between the two armies, denouncing the Israelites as cowardly dogs and daring anyone to come out and fight him. No one in Saul's army could match the armament of Goliath, and no one had the courage to accept his challenge, until the day a shepherd boy named David appeared before King Saul and asked the privilege of doing so.

David had no armament—only a slingshot, which was a throwback to the stone age, plus a few round pebbles. Goliath watched the approach of David with great scorn, saying perhaps to himself, "With one stroke of my right arm, off goes his head." But David said to Goliath:

> Thou comest to me with a sword and with a spear and with a shield; I come to thee in the name of the Lord of Hosts.

That was the difference, but it was the winning difference.

The unseen forces of a mighty God are on our side, and we can go confidently forward in the power of His might if we will take Him at His word when He says:

> If my people, which are called by my name, shall humble themselves, and pray, and seek my face, and turn from their wicked ways; then will I hear from heaven, and will forgive their sin, and will heal their land.

Mr. SALTONSTALL. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. The distinguished Senator from Virginia mentioned former Virginians who were great orators. I am certain that besides the great orators who have come from Virginia during the history of our country, there are two outstanding examples in the Senate today, and we have heard one of them this morning.

Mrs. NEUBERGER. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mrs. NEUBERGER. We have listened to a most impressive speech delivered by the Senator from Virginia. I wish to add my compliments to those of the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I should like to call attention to some of the items in this bill which I consider particularly important. First, I wish to commend very heartily the Senator from Virginia [Mr. ROBERTSON], the acting chairman of our defense appropriations subcommittee. Senator ROBERTSON was called upon to serve as chairman of the subcommittee after we had completed about one-half of our hearings and studies of the 1962 defense budget. I know all of the members of the committee will join me when I say that he has provided remarkable leadership to the committee. It has been an extreme pleasure to serve with him and under him in working on this legislation.

I should also like to say—and I shall speak for myself, although I know this view is shared by all other members of the committee—that we have very much missed the great contribution that Senator CHAVEZ, as chairman of the committee, was making during our consideration of the bill. I hope he will soon return to active duty, if I may use a military phrase.

Mr. President, I wholeheartedly support this bill which, as reported, has the unanimous consent of the Senate Appropriations Committee.

This year the committee has approached the Defense Department budget request from a wartime—not a peacetime—point of view. Our approach to the defense budget request has been influenced by the crisis in which we live. We have made every effort to help the Department of Defense give us the security we need and should expect. We have recommended a $47 billion budget, which will give us greater all-round fire power, greater nonnuclear war capabilities, greater nuclear deterrent capabilities, and greater flexibility of our whole military system.

Ships will be coming out of mothballs, other ships and many bombers will not be deactivated as originally planned, and Reserve forces and National Guardsmen will be called to the active duty for which they have been trained.

None of us would choose to spend such a large amount of money on a defense bill if we were free to so choose. As has been noted before, it is the largest peacetime military bill in the history of the United States. The taxpayers of America are being called upon to spend $7 billion more on defense this year than we spent last year.

It may be that a review of the total U.S. budget and our economic planning is now, or will be, mandatory, in order to determine whether we can support such an increase in defense spending and still maintain a viable economy. I submit that, of necessity, such an economic consideration must at this time be viewed a separate subject. Although voting additional funds for our Military Establishment does not in itself assure us of either peace or victory, I am convinced that it is now necessary substantially to increase our military force levels, our stockpile of weapons, and our overall defense readiness. Otherwise, we cannot fulfill our responsibility to freedom in the face of new crises. Otherwise, we cannot improve our opportunity to achieve the peace we seek.

Mr. President, I shall now comment on some of the items in several categories in the bill.

As I have said, these are the principal items for which increased funds have been provided, due to the President's message and due to the exigencies of the present situation.

PROCUREMENT

The July additions to the budget request for procurement amounted to $1,753 million for weapons, equipment, and ammunition to increase nonnuclear capabilities. The items requested are urgently needed should our forces be committed to combat. The additions include equipment for our Reserve forces which may be ordered to active duty later, as well as for the forces on active duty now.

It should be noted that the additional hardware requested will eventually be needed by our military forces in any event; and the Department of Defense has assured the committee that if it is not required immediately, it will be credited against future needs.

The increase in requested procurement funds over the original January Defense budget request breaks down approximately as follows:

Army: originally $1.8 billion; 40-percent increase to $2.5 billion.

Navy: originally $4.4 billion; 50-percent increase to $6.4 billion.

Marine Corps: originally $140 million; 90-percent increase to $265 million.

Air Force: originally $7 billion; 6-percent increase to $7.4 billion; $220 million for the B–70 was deleted from this appropriation and put in "R. & D., Air Force"; $525 million was added for long-range bombers.

BOMBERS

The issue of continuing development and procurement of long-range bombers in the light of projected missile systems capabilities has been much discussed in the Senate and elsewhere.

We simply cannot choose to gamble in this field—we must continue to provide the protection of a strong and modern manned-bomber force, while we push ahead with development of our missile systems capabilities.

We have provided $448 million to move ahead as rapidly as possible with research and development of the B–70

bomber, in response to testimony by Gen. Curtis LeMay that the Air Force can use that amount of money.

Five hundred and twenty-five million dollars has been added to the Department of Defense budget request for procurement of long-range bombers, with language in the committee report expressing our intent that this money be used to keep the production lines of long-range bombers open. Failure to use this money—the closing of production lines as scheduled for next year, would be a very final decision, as up to 24 months would pass after voting funds for restarting production before the first bomber could be completed.

I think continued usefulness of long-range bombers in modern warfare was demonstrated when the Defense Department included plans to continue use of several B–47 bomber wings that had been scheduled for deactivation in its new amendments sent to the committee in response to the Berlin situation. If this now obsolescent bomber can, in the judgment of our highest military and civilian defense planners, satisfy a functional need for our defense today, then how much more suitable must it be to continue production of our most modern bombers as we simultaneously move ahead with missile development?

ADDITIONAL MANPOWER

As the Senator from Virginia [Mr. ROBERTSON] has noted, the original fiscal year 1962 defense budget submitted by former President Eisenhower contained funds for 2,493,000 active duty personnel. The amendments to the budget submitted in March and May requested funds for an additional 25,000 men, and on July 26—following the President's address on the Berlin situation—a request for funds for an additional 225,000 men was added. Thus, the end-strength requested for all the services is 2,743,000. This breaks down to 1,008,000 men for the Army, 657,000 for the Navy, 190,000 Marines, and 888,227 in the Air Force.

Over one-half of the additional manpower requested on July 26 is for the Army. The largest proportion of this increase would serve to fill out the three Army divisions in the continental United States now engaged in training recruits. These divisions would be brought up to strength and made ready for immediate redeployment, as are the other three Army divisions stationed in the United States.

A little over one-fourth of the additional 133,000-man increase in Army manpower would be assigned to Europe to beef up our five divisions and supporting units assigned to NATO. In particular, this would serve to strengthen the U.S. 7th Army in Europe.

An increase of 15,000 men in the Marine Corps has been requested in earlier amendments, bringing our total Marine strength to 190,000 men.

The July 26 amendment requested funds for a 29,000-man increase in the Navy to provide manpower for the additional ships that will be taken out of mothballs or not deactivated as previously planned.

The July 26 amendment also requested an increase of Air Force manpower by 63,327 to man additional planes in almost all categories. An increased air alert is called for, as well as strengthened airlift capacity and tactical air-support for the increased number of ground troops. The Air Force now plans to retain certain bomber and reconnaissance squadrons and tactical fighter squadrons which were to be phased out.

MANPOWER (EXCEPTION FOR EMERGENCY)

Language is included in the bill upon the recommendation of the Department of Defense to permit the President of the United States to authorize an increase in the number of military personnel on active duty beyond the total number for which funds are provided in this bill. This authority is similar in intent and scope to that for airborne alert costs contained in this bill and in the Appropriation Acts for fiscal years 1960 and 1961.

Of course, any such ordering to active duty of personnel that goes beyond this bill must be done under current congressional enactments, or under a declaration of national emergency.

First. To increase substantially the strength and readiness of our conventional or nonnuclear forces.

Second. To prepare for the further mobilization of reserve forces, if this should become necessary.

Third. To increase further our ready strategic and air defense capabilities.

Fourth. To initiate a new program of civil defense.

These amendments would add to our forces more than 225,000 active duty military personnel, raising the total to approximately 2,743,000 by the end of fiscal year 1962. This compares with an actual strength of about 2,480,000 at the end of fiscal year 1961.

SENATE COMMITTEE ACTION

The committee accepted all of the July 26 amendments and has incorporated them in the bill, including a total of $207,600,000 for civil defense.

The committee has also restored to the bill certain amounts deleted by the House and subsequently rerequested by the Department of Defense. First, the committee added to the bill $58,439,000 deleted by the House in a 25-percent across-the-board reduction in amounts requested for repair and alteration of real property, and in a 10-percent reduction in a Navy contingency item for the same purpose. Second, the committee has eliminated the language in the bill as enacted by the House, which limits to $25,000 per project the amount which may be spent for repair and alterations.

The committee is sympathetic with the House's effort to eliminate the misuse of such funds, but with the increase in personnel now provided for in this bill, the Department will have to undertake a substantial amount of repair and alterations of facilities to ready them for the expanded forces. The $25,000 limitation and the reduction of funds would seriously hamper that effort, and in a critical period. Nevertheless, some action must be taken to preclude abuses in this area. Accordingly, a new section, 637, has been included in the bill which limits to $25,000 per project the amount of facility maintenance and repair funds which may be used for the acquisition of new facilities or expansion, extension, or addition to existing facilities.

I believe the committee would have put in the traditional travel funds limitation this year, but with approval of the July 26 amendments building up the Military Establishment, the resulting uncertainty as to how quickly and to what extent our military forces would be increased obviated any opportunity to arrive at a workable travel limitation. A set-aside of at least $7,500,000 to be used only for commercial sea travel was retained. Prices submitted by U.S.-flag lines for commercial sea travel now compare favorably with MSTS cost figures. It is hoped that, particularly in dependents' travel, the Army and other services will make use of our merchant marine to the extent called for in the bill and more.

The last item I wish to mention in regard to language changes concerns a limitation placed on the repair or modification of facilities. The House had fixed a limit of $25,000 for repair items and had reduced all repair and modification accounts by 25 percent. We have recommended restoration of these funds which total $58.5 million, as requested by the Department of Defense in its reclama. Also, we have revised the limitation of $25,000 to make it apply instead to acquisition of new facilities and expansion of or additions to existing facilities so that all such items in excess of $25,000 will require authorization by the Armed Service Committees prior to appropriations.

In January and June 1961, new Defense Department directives on the subject of construction, repair, and modification came into effect which more precisely define confusing terminology used in the past and specifically provide for the disposition of construction, maintenance, and operations funds. In view of these directives, the language change should be acceptable to those who desire greater control over construction and repair funds, and should be workable for the Department of Defense.

RESERVES AND NATIONAL GUARD

As is evident from press reports and Executive action of the past few days, some Reserves and National Guardsmen are to be called to active duty. The funds in the bill for the Reserve Forces will support an end strength of 1,072,965 men in paid status. This is approximately the same number of men as provided for in the 1960 and 1961 budgets. The chart on page 10 of the committee report gives a breakdown of past and planned Reserve Force levels in paid and drill pay status.

Our committee added to the House bill $4 million for pay for 48 drill periods a year for Air Force Reserve category A units. Many of these units, who have been paid for only 24 drills per years, have actually been performing 48 drills. Of particular priority is the Air Force Reserve recovery program which adds a postattack, residual support and recovery capability in the event of all-out attack on the United States.

We have also increased the Naval and Marine Air Reserve fuel allowances by $1 million and the fuel and support allowance for Air Force C–124 troop carrier squadrons by $1,141,000—to support 12 rather than 8 squadrons.

For the National Guard, $10 million has been added to support an increased flying hour program as requested by expert witnesses. In general, we have supported all the Defense Department requests for the National Guard and have added funds for certain items which should serve to increase the capabilities and readiness of the guard. The defense dollars we spend on the National Guard and Reserve Forces buys preparedness at cutrate cost—the benefit secured through supporting the National Guard and Reserve is high in ratio to the expense to the taxpayer.

Mr. President, I do not wish to take up more time on a general review of the bill. All the members of the committee support this bill. We have worked hard and long on it. The various military officers and civilians representing the military services have been most cooperative and helpful in presenting their cases and answering our questions.

We have now the strongest, most diversified, and most modern military force of any country in the world. The Congress has a responsibility to the people of this country, and also to free peoples everywhere who have joined with us in common defense, to maintain our strong position and improve it in the face of possible aggression. I believe the bill before us provides the necessary funds and direction to do this job.

I hope the Senate will pass the bill unanimously.

Mr. WILLIAMS of Delaware. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. At the appropriate place in the bill, it is proposed to add the following:

That all payments of additional pay for foreign duty made prior to the date of enactment of this Act to enlisted members of the United States Air Force who served on any of the artificial islands (known as Texas towers) located off the coast of the United States on the Outer Continental Shelf are hereby validated. Any such member or former member who has made repayment to the United States of any amount so paid to him as additional pay for foreign duty is entitled to have refunded to him the amount repaid.

SEC. 2. The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents, of the United States from accountability or responsibility for any payments described in the first section of this Act, and shall allow credits in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

SEC. 3. Appropriations available to the United States Air Force for the pay and allowance of enlisted personnel shall be available for payments under this Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I shall be very brief in explaining the amendment. The purpose of the amendment is to validate foreign duty payments which have already been made to enlisted personnel and former enlisted personnel of the U.S. Air Force for service on artificial islands known as Texas towers located off the coast of the United States.

When these men were asked to volunteer for or were assigned to this duty they were told by the military authorities that they would be paid an oversea allowance for all service on these Texas towers.

I quote from an article written in this connection by Capt. Lionel V. Patenaude, Otis Air Force Base, Mass., as appearing on page 8 of the Airman of October 1958:

Would you like to spend 30 days on an island where the fishing is good, food is excellent, housing quarters are modern, and free movies are shown every night? All this with your full salary, plus an oversea allowance? If you're really interested, apply for duty with the 4604th Texas Tower Support Squadron, with headquarters at Otis Air Force Base, Mass.

For this organization, commanded by Maj. James Phelan, is unique; it controls activities of three of the strangest looking installations in the Air Force.

One hundred miles out in the Atlantic, off the coasts of Massachusetts and New Jersey, this trio of steel and concrete monuments are grim reminders of the most important problem of our time—survival. As stationary radar platforms, these towers are part of the North American Air Defense Command's elaborate radar network scattered throughout the North American Continent. The three Texas towers, No. 2, 3, and 4 (one never was built), provide a seaward extension of this system. They provide extended early warning and control capabilities enabling SAGE equipment to detect aircraft far in advance of shore station, thereby providing some extra minutes of advanced notice to the Norad warning system.

After these men had been recruited to this service they were paid the additional oversea allowance, but last year as the result of a ruling by the Comptroller General further payment of this oversea allowance was stopped and steps were taken to recover from those men the amounts which had previously been paid.

Altogether it is estimated that these additional oversea allowances for all the men assigned on these so-called Texas towers amounted to approximately $70,000.

I am not entering the question as to whether these oversea allowances should have been authorized in the first place or whether the Comptroller General is correct in his ruling. Nor am I entering into the question as to whether such allowances should be granted in the future. That is a decision which should be made by the military authorities, but I am questioning the propriety of the Air Force's demand for a refund from these men for oversea allowances which they had been promised prior to their recruitment and which had been accepted by them in good faith.

To show the harshness of this retroactive ruling I call attention to the fact that 10 of the 13 men who were lost in the recent collapse of one of these towers were still paying back to the U.S. Government these previously collected oversea allowances. In fact, the Government deducted from the final checks to the widows or survivors of these men a total of $388.88, representing the final settlement of their repayments to the Government. The other three men either had paid the Government's claim in full or were new men who had been assigned to the towers after these payments had stopped.

The amounts deducted from the final checks sent to the survivors of these 10 men were as follows:

No. 1	$61.50
No. 2	17.10
No. 3	18.88
No. 4	56.54
No. 5	69.87
No. 6	85.33
No. 7	15.80
No. 8	16.64
No. 9	39.47
No. 10	7.80
Total	388.88

I recognize that Government expenditures need to be controlled, but the U.S. Government is not so hard up that it has to renege on a contract with the men serving in our Armed Forces.

I repeat again the promise made by Captain Patenaude of the Otis Air Force Base, Mass., in 1958 at a time when the Air Force was recruiting these men. This statement appeared in the Air Force magazine the Airman in 1958.

Would you like to spend 30 days on an island where the fishing is good, food is excellent, housing quarters are modern, and free movies are shown every night? All this with your full salary plus an oversea allowance? If you're really interested, apply for duty with the 4604th Texas Tower Support Squadron, with headquarters at Otis AFB, Mass.

If the amendment is adopted no further collections would be made on previously paid allowances and those members who have already made repayment to the United States would be eligible for refunds.

The amendment is in no way intended to interfere with the question of what the future payments should be. It merely provides that the U.S. Government live up to its contract.

The amendment reads as follows:

That all payments of additional pay for foreign duty made prior to the date of enactment of this Act to enlisted members of the United States Air Force who served on any of the artificial islands (known as Texas Towers) located off the cost of the United States on the outer continental shelf are hereby validated. Any such member or former member who has made repayment to the United States of any amount so paid to him as additional pay for foreign duty is entitled to have refunded to him the amount repaid.

SEC. 2. The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents of the United States from accountability or responsibility for any payments described in the first section of this Act, and shall allow credits in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

SEC. 3. Appropriations available to the United States Air Force for the pay and

allowances of enlisted personnel shall be available for payments under this Act.

The amendment would merely validate those payments which have been made, and would provide the medium whereby the Government would live up to its contract.

I have discussed the amendment with the Senator from Virginia [Mr. ROBERTSON] and the Senator from Massachusetts [Mr. SALTONSTALL], and I understand that they are willing to accept the amendment.

Mr. ROBERTSON. Mr. President, as I understand, the Air Force recruited men to work on radar towers called Texas towers with the promise of giving them oversea pay. Through negligence a number of those men were killed. There was a stoppage of oversea pay due them, on the ground that the work was not performed overseas and that it would be illegal to pay those men oversea pay.

I am willing to accept the amendment, because I think it would do simple justice to the heirs of those who were sacrificed through the negligence of a military organization. If anyone should lose the $60,000, it should be those who promised to pay the extra amount and then did not do so.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. Together with the Senator from Mississippi, I looked into the Texas tower problem. It is not a new subject to us. When the subject was before us previously, it was in an indeterminate form. The Senator from Delaware has now put it in a determinate form, and I am very glad that the Senator from Virginia is willing to take the amendment to conference.

Mr. ROBERTSON. I am willing to take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was agreed to.

Mr. STENNIS obtained the floor.

Mr. STENNIS. Mr. President, I ask unanimous consent that I may yield to the Senator from Wisconsin [Mr. PROXMIRE] for the purpose of offering an amendment and making it the pending business before the Senate.

Mr. PROXMIRE. Mr. President, I offer my amendment number "8–2–61—C" and ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, beginning with "$3,223,444,000" in line 6, strike out all down through the colon in line 8, and insert in lieu thereof the following "$2,698,444,000:"

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. STENNIS. Mr. President, I expect to address the Senate for approximately 30 minutes on the pending appropriation bill for the Defense Department.

First, I wish to commend the Senator from Delaware [Mr. WILLIAMS] for the amendment he has offered, and the Senator from Virginia for his acceptance of the amendment, and the Senate on the adoption of it, providing for compensation for those in the service who were lost with the collapse of the Texas tower in January of this year.

There was a technical point involved in connection with accounting, and it was found that under a strict interpretation of the law this sum would have to be sought by way of repayment from the estates of these young men. It was certainly timely that the amendment be adopted to alleviate this situation, and I again commend the Senator from Delaware for his very fine work on this matter.

Mr. President, by way of review of some of the items which are involved in this massive appropriation bill for the Department of Defense, particularly with reference to some of the added items which the committee placed in the bill, I believe that some of the finest work being done in Congress is done by the Appropriations Subcommittee and the Appropriations Committee of the House which handle the military appropriation bill. At the same time, year after year, circumstances and facts have caused the Senate to feel that certain items should be added. Sometimes they totaled large sums of money. Sometimes they have not been included in the budget request. For that reason a good deal has been said about the Senate additions being extravagant and being too much and being an overstatement of the need. Therefore, I wish briefly to point out some of the actual figures of the bill adopted a year ago for the Department of Defense for fiscal year 1961, which has just closed, particularly with reference to some items that were added over and above the budget. I am not doing this in an effort to point an accusing finger or to place blame, but, rather, to point out the growing and continuing problems of the military with its huge programs and the necessary funds to operate them, and the increasing demands for funds to be considered as the Senate committee and the entire Congress adds the amount.

Last year we added $158 million over and above the budget request for Army modernization. We were accused by some individuals of being extravagant. Nevertheless, $113 million was used for that purpose; and I am using rounded figures always. That is the subject of continuing acceleration in this bill, in the regular budget, and in the more recent request of $3.5 billion, made by President Kennedy a short time ago.

Another amount that was added over and above the budget request was for the Polaris missile; $382 million extra was added to accelerate that program. It was a legislative determination, so to speak. The facts were that $345 million of that money was actually used during fiscal year 1961. That again is one of the programs that is being accelerated even further by the pending bill under both the so-called Eisenhower budget and the Kennedy budget.

Another illustration is antisubmarine warfare. Last year Congress added $105 million extra above the budget request for that purpose. Exactly $105 million, or the full amount of that added appropriation was used.

For airlift capability, which is still one of the great needs of our military services to be brought up to date, the Congress added last year $190 million over and above the budget request; $171 million of that amount was used. Again it was justified by subsequent events.

Last year we added $82,900,000 for the airborne alert capability and that sum was used for that purpose.

Last year, in the B–70 program—and this advanced bomber is still in the research and development stage—we added $184 million and $184 million was used, justifying the legislative judgment to meet changing events and new conditions as they arise. This same B–70 program is in the present appropriation bill for an added amount beyond that of the budget.

I hope that the added sum for this advanced bomber will be voted. I hope further that it is used, for reasons which I will give later. Certainly it would again be a case of legislative judgment, but facts developed in the meantime have already justified adding the money that we put in the bill last year.

I have before me figures for fiscal year 1959, when funds were added for the Polaris program; and I am actually quoting these figures from the RECORD. The Polaris is the submarine which fires missiles from under the sea. That sum was increased $308 million above the budget request, and $300 million of the $308 million additional appropriation was used for that purpose.

Today the Polaris submarine is still emphasized. There is a growing need for funds. Today it is entering into our arsenal of strategic weapons. Some are already on station and alert, and it will be one of the most powerful and most effective parts of our entire military program when the full complement of such weapon system becomes actually operational. When I say "operational," I mean capable of firing onto a target when the submarine is deployed. It will represent one of the frontlines of our strong positions. The Polaris program is running 2 years ahead of schedule. There have been many breakthroughs, and the additional money was needed to hasten the day when the Polaris would be ready.

In the same time period, fiscal 1959, we provided $90 million extra for the Minuteman, the solid propellant ICBM which, in time, it is thought will be a most versatile and a most effective missile system.

In the same fiscal year, fiscal 1959, $140 million was provided for additional airlift aircraft. All of that money was used.

In the same fiscal year, fiscal 1959, an additional sum of $311 million was provided for modernization of the Navy, and that amount was used.

Having commended the Polaris submarine program, I might add it has been a very expensive one. That is one of the reasons why some other essential and major parts of the Navy modernization program have been deferred and, from the standpoint of time, have suffered. But time has proved that the sacrifice

required for such deferments was justified. Nevertheless, it means that additional money will now have to be provided for a broad program of modernization of the fleet, because other absolutely essential operations of the Navy have been neglected, and must now be brought up to date.

I digress for a moment to commend highly the distinguished Senator from Virginia [Mr. ROBERTSON] for the excellent way in which he conducted the hearings and handled the multitude of problems which go to make up this tremendous bill. He has handled it as a veteran and with his usual enthusiasm. Much credit is due him. The recommendations he made on the floor of the Senate are sound, because the Senator from Virginia spent much extra time on the consideration of the bill.

At the same time, we miss the distinguished senior Senator from New Mexico [Mr. CHAVEZ], who ordinarily conducts the hearings and presents the bill to the Senate. We wish him a speedy recovery from his illness and a quick return to his colleagues and friends in the Senate, where he is missed so much.

I wish to say a word about the extra money for the bomber program provided in the bill. The Senator from Virginia and other Senators have already alluded to the fact that an extra $525 million is provided for long-range bombers. That is just about enough money to provide an additional wing of B–52 bombers.

The Secretary of Defense has an excellent grasp of the many problems which confront the Pentagon. No one has exceeded the record which Secretary McNamara has made in that respect in so short a time. I do not know of anyone who has yet equaled it. Nevertheless, he and the President of the United States, in a rather early decision in this calendar year, decided not to continue the B–52 bombers beyond December 1962 when the last one of the present planes will come off the assembly line, and not to accelerate to the utmost the B–70, which is still in the research and development stage. The B–70 is the bomber of the future. Nevertheless, with great deference to competent authority which has reached a decision, which, I believe, was a hurried conclusion, which the facts of life do not justify, we cannot afford to take the chance involved.

I have just come from rather extensive closed-door hearings held by the Subcommittee on Preparedness of the Committee on Armed Services concerning the missile program. We have not been investigating for waste or reasons for delay, or anything of that kind, but have been getting down to the nub of the question of survivability, reliability, and related matters. We heard from the great admiral who has recently retired, Admiral Burke. We heard the great Air Force general—and I use the word "great" advisedly—General LeMay, who is responsible for both the missile program and the basic Air Force program. We heard extensive testimony from General Power, who is now in charge of the Strategic Air Command program. We heard Admiral Raborn, who has been the guiding hand of the Polaris missile program. We heard Admiral Hayward, one of the foremost military men connected with scientific programs for many years, he having been one of the key men in World War II activities, including the dropping of the atomic bomb over Hiroshima. We heard many other witnesses. Certainly they are men in the front line of authority.

Those hearings inescapably led to the conclusion that the missile program is well advanced and there have been breakthroughs which have put the program beyond early expectations; the missile program is fast becoming a formidable force in our worldwide striking power. Nevertheless, as is so well known from the so-called failures in firings, and miscues, there are difficulties to overcome and hazards to run, so much so that now and for several years to come, the manned bomber unmistakably will be our chief weapon of that type—of this I have no doubt.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield.

Mr. YARBOROUGH. I am much interested in the statement the Senator made to the effect that the manned bomber will be our chief weapon of reliance for a period of time in the future. Is not the B–58 the only supersonic manned bomber now being manufactured in the free world?

Mr. STENNIS. The Senator from Texas is correct. However, I have never let myself be the judge as between the B–52 and the B–58. That is a military decision, entirely.

Mr. YARBOROUGH. I am not asking the distinguished Senator to express an opinion on that.

Mr. STENNIS. Well, I did not want to have any inferences left.

Mr. YARBOROUGH. I simply wish to emphasize that the B–58 is the only supersonic manned bomber now being manufactured in the free world; and not only is it supersonic, but it flies at Mach 2, or twice the speed of sound.

Mr. STENNIS. The Senator from Texas is correct.

It may be the one to buy; I do not pass at all on that point. But I want to be certain that we appropriate enough money by means of this bill to make it possible for the President of the United States to change his mind and to buy more than he now thinks he should, and to do so on the very shortest notice. Certainly, it will do little harm to provide the money at this time.

I think there is a great deal to be gained from continuity of producing these massive birds of the sky which carry a capability of destruction that cannot be matched in the world—a destruction too terrible to mention. I think the continuity of production—to keep the machinery going, to keep these planes coming off the assembly lines, certainly to the extent of replacing the ones that are necessarily worn out in connection with the air alerts—is worth a great deal of money and a great investment in time. It is good insurance to keep those assembly lines open, at least until it is conclusively proven that there is an all-out, effective substitute for this kind of defensive weapon. Certainly we must not now in any degree take the chief weapon—it is our chief weapon today and will be 2 years or 3 years from now—that we are depending upon as a deterrence and consider phasing out its production and stopping its production and ending the feeding of new bombers of this sort into the inventory. I do not think there is any way to put a dollar value on this continuity.

Mr. SYMINGTON. Mr. President, will the Senator from Mississippi yield?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator from Mississippi yield to the Senator from Missouri?

Mr. STENNIS. I am glad to yield to the Senator from Missouri, who over so many years has done so very much in connection with the family of bombers, coming up to the B–70. In fact, he, rather than myself, should be speaking now on this subject; and that is why I shall be brief in my remarks. So I am glad to yield to the Senator from Missouri.

Mr. SYMINGTON. I thank the able Senator from Mississippi; but disagree with him about who should be speaking on this subject. He is one of the most painstakingly thorough people with whom I have every worked, in either business or government.

I have been listening with much interest to what he has been saying, and am impressed—as I have also been impressed with the statements of the distinguished Senator from Virginia [Mr. ROBERTSON], Acting Chairman of the Senate Defense Appropriations Subcommittee.

Mr. President, no Member of this body has supported more completely the new Secretary of Defense than have I. He is an able and intelligent man. But he has been on this job only a few months. The distinguished Senator from Virginia [Mr. ROBERTSON], the distinguished Senator from Mississippi [Mr. STENNIS], the Chairman of the Senate Armed Services Committee, the distinguished Senator from Georgia [Mr. RUSSELL], the able senior Senator from New Hampshire, the senior Senator from Massachusetts, and other Members have worked for many years on these matters. I believe we should respect their opinions as much as we respect the opinion of the Secretary of Defense.

Mr. President, in listening to the remarks of the Senator from Mississippi, I noticed a reference to a letter the Secretary of Defense wrote the distinguished Senator from Wisconsin. He pointed out that we already have 700 B–52's and B–58's. I hope that in the position the Secretary of Defense is taking, he is not even unconsciously reverting to the theory of mass retaliation. That theory was rejected by the American people many years ago, almost as soon as it was first offered—in January 1954. But there seems to be in our military development continuing characteristics of a theory that has been rejected by our diplomacy. I ask the able Senator from Mississippi, is it not true that at times during the European war we had a thousand of our longest range bombers over Berlin in one night.

Mr. STENNIS. Yes, that is correct; and, in a way, that was the peak. That is when the situation really changed.

Mr. SYMINGTON. That is correct.

Is it not also true that at one time we had approximately 300 B–29's over Japan, during one night?

Mr. STENNIS. Yes; I remember the reports about those raids, too.

Mr. SYMINGTON. Mr. President, our country is wealthy. Today its income is well over $1,300 million a day. So it seems to me that even though we do have 700 of these aircraft on hand, the time may come when we would be very anxious to have more, unless we feel the only way we can hope to defend the United States is by massive nuclear missile retaliation.

It is also true, is it not, that this administration is going ahead full steam with the Polaris program. The Polaris is a great, new weapon for nuclear warfare; but certainly it is not a weapon for conventional warfare, whereas these proposed manned bombers can be used for either. Is not that correct?

Mr. STENNIS. The Senator from Missouri is entirely correct, and he has stated the matter very well.

Mr. SYMINGTON. Mr. President, I support the position of the Senate Armed Services Committee. To the best of my knowledge, it is a unanimous position; namely, that we should proceed with the production of at least some long-range bombers.

Certainly the Air Force now has some of the world's foremost authorities on the utilization of long-range aircraft in conventional war.

I ask this question: With all due respect to the experience of the Secretary of Defense in the manufacturing field—and I may add that some of us have had some experience there, also—would not it be tremendously expensive to go out of production on this plane, then later resume production, rehire the toolmakers the production engineers, the lathe hands, and those who work on the assembly? Would not that be a great and unnecessary additional cost to the American taxpayers?

Mr. STENNIS. The Senator from Missouri is entirely correct. The Senator is stating what is only commonsense; and this being also what we now believe to be the spearhead, the front line of power that we have, we do not know when there will be a complete or a better substitute.

Mr. SYMINGTON. I thank the able Senator from Mississippi.

I recall the B–36, conceived as long ago as 1940, at the time the Nazi troops went through France and Belgium, as a means of defending this country by attacking the enemy from our own shores. That plane, 21 years ago, expressed our apprehension over the future of foreign bases.

For other reasons—political, as well as military—we have a right to be increasingly apprehensive about keeping our defenses in foreign countries, using foreign bases.

But now—for reasons with which I do not understand, let alone agree with—we are now abandoning the production of any long-range combat airplane in the United States. Such production has long since been abandoned in the countries of our friends and allies. But at the same time the Russians only a few days ago showed a bomber in the air in production quantities which unquestionably is the most modern bomber in the world today. They showed 10 of them, and no one makes 10 prototypes. Incidentally, as I know the Senator from Mississippi will agree, we have been misled with respect to what the Russians were doing in plane production, as against what they said they were doing—but at the same time our country voluntarily gives up all production of any kind of long-range combat aircraft.

Mr. STENNIS. I appreciate his bringing out those points. I commend him highly for the work he did as Secretary of the Air Force on the B–36 bomber, which never fired a shot, which never went on an angry mission, but which did more good than perhaps any other weapon we have had since the end of World War II, and paved the way for our preeminence in that field today—that is, our preeminence with the B–52 bombers. The Senator from Mississippi thinks it would be the gravest kind of mistake to slow down or retard or in any way fix a date for the B–52 to be phased out of production.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. SYMINGTON. I agree here also with the distinguished Senator from Mississippi. No less an authority on world problems than Winston Churchill said, as far back as 1949, that the possession by this country of nuclear weapons, plus the capacity to deliver them, was the reason why the Communists were not at the English Channel.

I say again that I have great respect for Secretary McNamara, but we have testimony from the world's most renowned authorities on aerial warfare, that both for conventional and nuclear defense it is essential to have more of these long-range bombers.

I support the position of the Senator from Mississippi and congratulate him for presenting his position to the Senate this morning in his usually clear and convincing manner.

Mr. STENNIS. I thank the Senator for his remarks, and for his substantial contribution to the debate on this highly important subject.

May I add for emphasis, following the remarks of the Senator from Missouri, that we have just heard sworn testimony by the foremost authorities in the field of missiles. They are the men who know, more than anyone else on our side and in the Western World, what we have and what those weapons can do, and what they can do in the future. Their testimony shows honesty and fairness. It is not their programs that come first; it is their country that comes first.

We came out of the hearings with the confirmed conviction that we should not let down on our program for the B–52 bombers, with men in them, who can guide them, bring them back, change their course, and do the innumerable things which only men can do and which, intelligent as we are in the scientific field, it is not possible to do mechanically.

If it could be disclosed what one of those bombers could do, and its tremendous powers of destruction, perhaps it would close the debate and bring about a unanimous vote for the continuation of that program. However, the information is classified.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. CLARK. I have been very much impressed, as I always am, by the eloquent presentation made by the Senator from Mississippi.

Mr. STENNIS. I thank the Senator.

Mr. CLARK. And also by the Senator from Missouri. Yet I must admit that a doubt lingers in my mind, which perhaps the Senator can dispel by answering, if he will, a couple of questions.

It is my understanding that the Secretary of Defense does not approve of the proposed addition to the bomber program. Is that correct?

Mr. STENNIS. The Senator from Mississippi made that statement at the beginning of his remarks. He does not yet approve of it.

Mr. CLARK. It is my understanding also that his strong position in opposition to the stand taken by the Senator from Mississippi is based on secret testimony, not available to other Members of the Senate. Is that correct?

Mr. STENNIS. That is certainly a part of my thinking, but I am sure that testimony is available to the Secretary of Defense. I am sure he has been briefed on it.

Mr. CLARK. Am I correct in the thought that that secret testimony, which is not available to other Members of the Senate, was given by members of the Armed Forces of the United States, particularly Air Force officers, who were either summoned before the committee or voluntarily appeared in opposition to the position taken by the Secretary of Defense?

Mr. STENNIS. That is a good question. Let me make clear that I think this information is available to every Member of the Senate. It is not available to be disclosed on the Senate floor, as the Senator knows.

Mr. CLARK. I understand. However, is there objection to telling the Senate—and if there is I know the Senator from Mississippi will make it clear—whether the secret testimony did come through members of the Joint Chiefs of Staff and other high ranking officers in the Air Force?

Mr. STENNIS. I have stated these names before. The men who testified are Admiral Burke, a rugged character, as the Senator from Pennsylvania knows——

Mr. CLARK. But, the Senator will agree, not an expert in strategic bombers.

Mr. STENNIS He was Chief of Staff during the period the Polaris missile was developed. The Senator from Pennsylvania is correct—not on bombers, but that fact adds to his testimony in a way.

Mr. CLARK. The B–52, the B–58, and the B–70 are the aircraft in question before us at the moment. Are they not?

Mr. STENNIS. That is correct. I will not say that Admiral Burke expressly said that we should add money to the defense budget for bombers. I do not know that a statement like that could be found in the record. But he spoke of the importance of maintaining a balance between bombers and missiles. Missiles are not yet in existence in such quantities as are bombers.

Mr. CLARK. I share the Senator's admiration for Admiral Burke.

Mr. STENNIS. Another witness was General LeMay. General LeMay's connection with bombers is well known.

Mr. CLARK. He is the leading expert in this country, if not in the world.

Mr. STENNIS. And in connection with ballistic missiles.

Another one of the witnesses was General Power. General Power has charge of the SAC program directly, and, of course, he has a missile program. Another witness was Admiral Raborn, who has charge of the Polaris. Another witness was Admiral Hayward, who was directly connected with the program.

Mr. CLARK. Was there any witness from the Army?

Mr. STENNIS. I know there were high-ranking officers from the Air Force and Navy.

Mr. CLARK. Was there anyone from the Army?

Mr. STENNIS. We have not yet scheduled Army witnesses. We went into the missile program, to which the bomber program is related.

Mr. CLARK. I make the assumption that the testimony was available also to the Secretary of Defense.

Mr. STENNIS. I assume it was available to him, and I assume he is familiar with it. With great deference to the Secretary of Defense, I think his opinion on this subject was formed early in the calendar year, or early in February, perhaps.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. STENNIS. Yes. I would like to read General LeMay's testimony to the Senator before he concludes.

Mr. CLARK. This will be my final question. I ask the Senator to comment on two paragraphs of the letter from the Secretary of Defense to the Senator from Wisconsin [Mr. PROXMIRE] which I read as follows:

> I repeat my previously stated opinion that it is not necessary for the Congress to appropriate funds in fiscal year 1962 above administration requests for B–52 and B–58 bombers. Inherent in this is my belief that the production of B–52's and B–58's is already adequately protected for the period of time involved in our further study of the bomber concept.
>
> Previous appropriations enable us to plan on a very high bomber inventory through the mid-1960's. In the operational inventory we will have over 700 B–52's and B–58's at the end of fiscal year 1966. Should it be decided later to maintain this level of heavy bomber aircraft beyond fiscal year 1966, the request for appropriations can be made several years from now.

Does the Senator from Mississippi disagree with that comment?

Mr. STENNIS. I do disagree, respectfully. I am familiar with the Secretary's reasoning.

This is a case, Mr. President, frankly, in which we do not have an effective substitute weapon for the B–52 as of today. Until we do have one, I do not think we can afford to take the risk of assuming anything for the future other than that we shall have to keep on using this weapon until the contrary fact is shown.

Mr. CLARK. Is that not what the Secretary says?

Mr. STENNIS. It is a question of timing on continued production. With all deference, I think the Secretary has his dates too far ahead. I think some of his reasoning is based on a calculation that perhaps the missiles will come into the inventory faster than we believe.

Mr. CLARK. That is not what he says.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Missouri.

Mr. SYMINGTON. May I present to the Senator from Pennsylvania, as presented before the Senator came to the Chamber, if we plan a conventional defense we need many more aircraft. We had hundreds more bombers over Berlin in one night in World War II than the Secretary of Defense mentions in his letter to the Senator from Wisconsin [Mr. PROXMIRE]. If a person believes all we can do is surrender or go to nuclear war, following the theory of massive retaliation, then I believe there is great merit in what the able Secretary of Defense writes to the Senator from Wisconsin.

Now many of us have felt for a long time that the B–47, about a 1945 or 1946 airplane in concept is an obsolete aircraft. The first I saw fly was in 1949. It has a relatively short range. It has had a great deal of trouble. It is a tired airplane. As the Senator knows, it has slow speed. At the same time, the Russians are flying, in production quantities, a modern supersonic airplane which has a refueling nodule in the front, and very possibly carries a ballistic missile, judging from the looks of the belly. We do not have anything comparable at this time.

We are increasing our defense program. There is not only a necessity for increased defense as a result of the various crises around the world, but there is a necessity for building up capacity to fight a conventional war on the ground, which we are doing and with which I fully agree. The Senator and I have worked together for a better Army. However, we are answering the question of how to provide the necessary support for a conventional war, which would require strategic air support in the future as it has in the past by maintaining in a broad program the old B–47's instead of building new airplanes.

This country, with its income and its desire to stay free, can do better. If the Russians can afford to develop and produce an airplane such as was flown over Moscow, far better than the B–52, though the B–52 is the only long-range bomber we have in production, our policy should be to build more of the best bomber we have at this time.

Mr. PROXMIRE. Mr. President, will the Senator yield to me at that point?

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. STENNIS. I yield to the Senator from Pennsylvania first, because he was being answered by the Senator from Missouri.

Mr. CLARK. I am very much impressed by what the Senator from Missouri has said. I have talked with the Senator before, and I certainly agree with him, from my limited knowledge of this subject, that it would be wise to retire the B–47's and to step up production of the B–52's and B–58's. I wonder whether, implicit in the Senator's argument, there is the thought that we may be in a position that we shall have to fight a conventional war with long-range, high-speed bombers using conventional bombs and not nuclear weapons? Is this part of my friend's thinking?

Mr. SYMINGTON. That is correct, except that neither the B–52 nor the B–47 is anything but a slow bomber, because it is subsonic.

Mr. CLARK. Nevertheless, those planes can carry nuclear weapons?

Mr. SYMINGTON. That is correct.

Mr. CLARK. The point at which I might differ with the Senator, with whom I have discussed the problem before in friendly disagreement, is whether it is possible to really have an all-out battle and a conventional war which will not be turned, sooner or later, by the side which is losing that war, into a nuclear war. We shall not be able to settle that argument today on the floor of the Senate.

Mr. SYMINGTON. I would never want to see this country in such a position that it could only retaliate with nuclear weapons. Therefore I am certain in my own mind that we need more long-range bombers.

Mr. STENNIS. Mr. President, I should like to answer the Senator from Pennsylvania briefly, on the point he raised, if I may have his attention.

Mr. CLARK. Yes, indeed.

Mr. STENNIS. Mr. President, I think we have made it clear that this is a question of judgment, and we are turning to the men who are better qualified from the standpoint of operations and actual experience.

The Senator mentioned General LeMay. I wish to quote from the general's testimony. I think it is particularly applicable at this point. It is testimony given in open hearing.

The Senator from Virginia [Mr. ROBERTSON] asked:

> About the B–52, General, let us have a definite understanding. Do you think the B–52 production should be continued?

I ask Senators to note the word "production." It is a question of continuing production or cutting off that production.

> General LEMAY. I would like to see it continued during this critical period.
>
> Senator ROBERTSON. How much do you think should be added to the budget for procurement?

General LEMAY. The $525 million proposed—

This figure came from the Committee on Armed Services of the Senate, not from General LeMay. We had authorized the $525 million long before the testimony was taken on July 18.

I repeat:

General LEMAY. The $525 million proposed will allow us to buy 52 more airplanes. This will fit in for a reasonable production rate.

That is what he is interested in, a production rate, a continuity. I continue the quotation:

This will fit in for a reasonable production rate from an economical standpoint, four airplanes per month.

If you drop below that the unit cost will go up.

We could drop down to two per month, which would be a bare minimum to keep the line going, but the price per unit would go up, then.

(At this point, Mr. BURDICK took the chair as Presiding Officer.)

Mr. CLARK. Mr. President, will the Senator yield?

Mr. STENNIS. I will yield to the Senator, but I have only a few more lines to read. For emphasis I wish to continue.

We think this is a reasonable program to keep the bomber line open.

Senator ROBERTSON. Would that increase your number of B–52's or merely replace those which are worn out?

General LEMAY. We will not discard any B–52's if we buy another wing of them. We will keep all of them.

Senator ROBERTSON. Would you have to have additional bases if you had this expansion program?

General LEMAY. No, sir; we would not.

Senator ROBERTSON. Some weeks ago we saw in the press a statement that some structural defect had been discovered in the B–52. What can you tell us about that?

General LEMAY. We did have some trouble with the B–52 because there is a lot we do not know about fatigue in these modern, high-performance airplanes. We do have a fix for that difficulty and it is being incorporated in the airplanes now.

Senators will remember that a great many of our present B–52 bombers are being worn out every day through an airlift. We do not yet know what fatigue means.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. CLARK. Can the Senator from Mississippi inform us what is the difference between the production schedule of the B–52 and that of the B–58 which the Secretary of Defense has in mind following, and the production schedule which General LeMay is advocating?

Mr. STENNIS. I do not know about any proposed production schedules in that sense, but if the money is made available and is spent, first, in a short time it would prevent stoppage of the production that would otherwise occur. Naturally it would supply some additional airplanes for the present and strengthen our country that much more.

Mr. CLARK. So it is fair to say that the Secretary of Defense proposes to cut back drastically the production rate of the B–52.

Mr. STENNIS. Absolutely. Such a result would be inescapable. They would not be produced after a certain date in the calendar year 1962.

Mr. SALTONSTALL. Mr. President, will the Senator yield on that point?

Mr. STENNIS. I yield.

Mr. SALTONSTALL. Under the present budget, the B–52 production line would close down in August 1962. Under the present budget, the B–58 production line would close down in October of 1962.

Mr. STENNIS. A year from now the production line that General LeMay is building up, as shown by the testimony brought in by the Senator from Missouri, would be closed.

I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I should like to ask a question of both the Senator from Mississippi and the Senator from Missouri. I am sure that the Senator from Mississippi, who is a man of the greatest courtesy and consideration, has a high regard for the Secretary of Defense.

Mr. STENNIS. Absolutely.

Mr. PROXMIRE. I am sure that there is nothing in the remarks of the Senator from Mississippi which would imply that the Secretary of Defense would make a judgment on out-of-date information which could possibly risk the defense of our Nation. It seems to me that what the Senator from Mississippi implied was that the Secretary of Defense was concerned about this problem some time ago, but because of other matters of very great importance, he has been away from the problem for quite a while. I should like to quote what the Secretary of Defense said in respect to a similar question earlier this year:

One of the issues in the 1961 hearings on the defense budget concerned a decision to strike from the Air Force estimates a project for a nuclear-propelled aircraft. In the midst of a long and highly technical discussion, a Congressman gently implied that Defense Secretary Robert McNamara had not been able to give the matter personal attention. He told the Congress:

"I am not accustomed to making recommendations on matters affecting the life of this Nation without personally investigating them to the fullest extent."

My letter to the Secretary was written on July 28. His letter to me is dated August 1. But I am sure that the Secretary of Defense would not give his opinion on the basis of an investigation he had made 6 months ago. The Senator from Mississippi knows that he is not that kind of man. He is an extremely able man. As the Senator has so well said, this is one of the most important elements, if not the most important element, in the entire defense structure.

Mr. STENNIS. If I may answer the question with two sentences, I will then let the Senator from Missouri give his answer to the question which was addressed to both of us. If there was any kind of implication left by the Senator from Mississippi with respect to the Secretary not making firm decisions and keeping up with things, I am glad that the Senator from Wisconsin has corrected it. But I certainly do not think there was any reasonable implication to that effect. The Senator from Mississippi said that he made the decision earlier, and he did not yet see fit to change it.

Mr. PROXMIRE. The Senator is correct.

Mr. STENNIS. It is a matter of judgment. I have emphasized that point. But I believe if we appropriate the money so that it will be available should the Secretary need it, and the world situation continues to develop as it is now, and the Secretary continues to review problems that we cannot publicly disclose with respect to other parts of the program, I believe the chances are that he will conclude that he should not let this assembly or production line close down or even prepare to close down.

Mr. PROXMIRE. I shall come to that point a little later.

Mr. STENNIS. Otherwise we shall have to wait until a year from now before we have another opportunity in ordinary channels to rescue the program. I yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I wish to clarify the point to which the Senator from Wisconsin directed his question. I do not think necessarily, based upon what I said——

Mr. PROXMIRE. I had another question I wished to address to the Senator from Missouri, rather than the one directed to the Senator from Mississippi.

Mr. SYMINGTON. I do not think any Senator has any idea except that the Secretary of Defense is acting to the best of his ability in the patriotic interest of the United States.

I do say, however, that I hope the Senate, which has respect for its Members, will consider the opinions of the great Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], the distinguished ranking minority member of the committee, the Senator from Massachusetts now on the floor [Mr. SALTONSTALL], and many others, who have studied this subject carefully over a long period of years.

I appreciate the opinions of Secretary McNamara as written to the Senator from Wisconsin, but I join, to the best of my knowledge, the position of every Member of the Senate Committee on the Armed Services in not agreeing with him.

Does the Senator from Wisconsin wish to ask me a question?

Mr. PROXMIRE. I have a question. The logic of the Senator from Missouri somehow escapes me. He indicated that the best bomber we have in production and the best bomber we have in operation——

Mr. SYMINGTON. The best long-range bomber.

Mr. PROXMIRE. The best long-range bomber is the B–52.

Mr. SYMINGTON. That is correct.

Mr. PROXMIRE. Did I correctly understand the Senator to categorize the bomber as a 10-year-old bomber?

Mr. SYMINGTON. The first mockup of the B–52 which I saw was in 1949. I believe, therefore, the plane was probably first built about 1953 or 1954; and in the development of the art, inasmuch as it is a subsonic bomber and does not cross the speed of sound, it would be considered an obsolescent bomber.

However, with the addition of the Hound Dog, and later with the ballistic air-to-ground missile, the Skybolt, of course, the relatively long range of those air-to-ground missiles, aids the relative obsolete characteristics of the B–52 as against supersonic long-range bombers.

Mr. PROXMIRE. I think the Senator is correct.

Mr. SYMINGTON. Also the new engines in the B–52 will make a marked difference in its performance.

Mr. PROXMIRE. If the Senator will yield further——

Mr. STENNIS. The Senator from Mississippi wishes to yield to other Senators. But the Senator from Mississippi feels that he has held the floor long enough. Other Senators wish to speak on the subject. I shall merely yield for questions. I yield to the Senator from Wisconsin again if he has a question to ask.

Mr. PROXMIRE. I would like to finish my questioning of the Senator from Missouri. If this is a slow bomber, if it is a relatively old bomber, and if our bomber of the future is a bomber like the B–70, and having in mind our missile program, what is wrong with the amendment of the Senator from Wisconsin and the recommendation of the Secretary of Defense that we have plenty of these relatively old and slow bombers and that we will have them throughout the sixties, and that in 2 years from now we can take another look at the development of the missiles and at the development of the B–70, and at that time we can decide whether to restart the program? The Secretary has carefully and thoroughly explored the problem of restarting, and he specifically explains it in his letter.

Therefore, why is it not sensible for our country to follow the lead of the Secretary of Defense to get the most defense, with the most progressive weapons that we can get, instead of insisting that the Secretary, against his judgment, should spend $525 million on more slow and 10-year-old bombers?

Mr. SYMINGTON. It is true this airplane is old, but it will become more modern as we develop the newer weapons for it. If the able Senator from Wisconsin as a young man wanted to take his girl to a dance, he undoubtedly would have liked to take her in a Cadillac. But if no Cadillac was available, and all he could use was a farm truck, I am sure he would have been glad to use the farm truck rather than forgo the dance.

If the Senator knows of a better bomber we could build I wish he would tell me about it.

The second point refers to the B–70 bomber. Opposition to the full development as a weapons system by the Secretary of Defense of the B–70 is just as emphatic as it is to the building of any more B–52's.

From the standpoint of either present or future long-range combat aircraft, apparently he does not want to either eat his cake or have it.

Mr. PROXMIRE. Mr. President, the Senator says——

Mr. STENNIS. Many Senators have asked me to yield for questions. I will permit the Senator from Missouri to conclude his answer.

Mr. SYMINGTON. I thank the Senator. That was a rather long question the Senator from Wisconsin asked me. First, the B–52 may be a relatively old bomber, but it is the only long-range bomber we can build in production. Second, great emphasis has been placed on missiles. All those who listened to the testimony of recent weeks are quite concerned about the reliability of missiles.

Finally, as pointed out before, I do not believe we must necessarily rely for the defense of our country, exclusively on nuclear weapons. That is what missiles are for. But the B–52 can be used as a conventional defense weapon; and it can be used also for nuclear defense.

I do not admit that this country has only one of two alternatives—humiliation, or nuclear defense.

Mr. STENNIS. I have promised to yield to the Senator from Massachusetts. Then I shall yield to the Senator from Georgia, if he wishes to have me yield.

Mr. SALTONSTALL. The Senator from Georgia has not had his lunch, and I have. I would be glad to have the Senator from Georgia speak first.

Mr. STENNIS. I shall be glad to yield to the Senator from Georgia.

Mr. RUSSELL. I merely wish to emphasize what the distinguished Senator from Missouri has said, that the B–52 and the B–58 have a greater potential for conventional warfare, as well as for a more accurate delivery system for nuclear weapons, than any missile we have developed yet or any missile we know to be in existence in the world.

I have not been able to be present in the Chamber during all of the discussion of this subject, due to the fact that the Armed Services Committee was in session. However, I am sure that the distinguished Senator from Mississippi and other Senators on the committee have pointed out to the Senator from Wisconson the very great increase in value as a weapon which accrues to the B–52, by virtue of the fact that we possess the Hound Dog and Sky Bolt missiles. That is where the real value of that plane lies. Of course today, with ground-to-air missiles, a bomber of terrific speed has to have an altitude that is greater than what we have achieved, but we hope to obtain in the B–70, to be safe from these ground-to-air missiles. They are relatively simple and effective.

With the B–52 we get the advantage of more than one shot, because it can stand off 1,000 miles with the Sky Bolt, or 500 to 700 miles with the Hound Dog, and deliver its missile on the enemy's target, without the danger of being shot down by the ground-to-air missile. When one fires one of these missiles—and they are not inexpensive intercontinental ballistic missiles—whether it gets 10 miles off the ground or whether it explodes half way there, or goes all the way to its target, it is strictly a one-shot weapon, and one is through when the weapon has been fired.

However, the B–52, when equipped with the Hound Dog or the Skybolt, will return again and again and again to attack enemy targets, and should prove to be one of the most devastating and destructive weapons we have. I am sure the Senator from Missouri has pointed that out. I just came into the Chamber at this stage of the discussion.

Mr. STENNIS. I appreciate very much the remarks of the Senator from Georgia.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I cited some figures previously, and I merely wished to complete them for the benefit of the Senator from Wisconsin.

With respect to the B–52, under the present budget, the B–52 production line closes down in August 1962.

Using the $525 million for continuing B–52 production, 52 additional aircraft, at 4 per month, could be procured, ending production in March 1964. The cost per plane is about $10 million.

With reference to the B–58, under the present budget the B–52 production line closes down in October 1962.

Using the $525 million for continuing B–58 production, 58 additional aircraft, at 5 per month, could be procured, ending production in December 1963. The cost per plane is about $9 million.

B–52 and B–58: Applying the $525 million for continuing procurement of B–52's and continuing B–58 production to insure fiscal year 1963 reorder capability would require procurement of 36 B–58's with fiscal year 1962 funds totaling $365 million, with production at 3 aircraft per month ending December 1963.

These estimates are based on the assumption that production lines would not be closed down, and then reopened. Restoring production after a closedown would necessitate a 24-month leadtime for engines and bomb and navigation systems. Delaying the decision to go ahead until January 1962 would result in closing the lines down.

This information is taken from testimony by Secretary of the Air Force Eugene M. Zuckert and Lt. Gen. Mark E. Bradley, Jr., Deputy Chief of Staff, Material, of the Air Force, in the House on May 17, 1961, part 5, pages 467 to 470, House Defense Subcommittee hearings.

I merely wish to add to what has been said that my own personal decision on this matter was made because we can appropriate money but we cannot force the Defense Department or the President or the administration to spend it. By appropriating money for the B–52's, which are our best bombers—as the Senator from Georgia has stated—we provide a bomber which can be turned around again and again and sent over the target, and can be changed, and can be used with a weapon like the Hound Dog or the Skybolt, as opposed to the use of a missile.

If the administration believes missiles have been developed to such a point that the production of B–52 planes is not needed, that is its decision. However, it would be a very nerve-racking decision for us to make, to prevent the administration from changing its mind if it wishes to. That is what influenced me in voting for the $525 million.

Mr. STENNIS. I thank the Senator from Massachusetts for his excellent statement.

Upon my responsibility as a member of the Committee on Armed Services, I wish to warn everyone now not to think of the ICBM missiles as our present effective deterrent force to prevent war. Not yet. Our present frontline, effective deterrent power is the B–52 bomber, especially when we add to it the weapon known as the Hound Dog. Also, the next weapon to be added shortly will be the Skybolt, which is a missile that can be fired from the B–52 bomber many, many hundreds of miles from its target. In effect, it is the discovery of a new and additional weapons system itself.

(At this point Mr. SMITH of Massachusetts took the chair as Presiding Officer.)

Mr. STENNIS. Mr. President, I now yield to the distinguished Senator from Nevada, who is eminently qualified to speak on this subject.

Mr. CANNON. I thank the Senator from Mississippi.

Mr. President, the Senator from Massachusetts stated forcefully the point I wished to make clear, namely, that the big danger now is the discontinuance of the production line. It takes time to get a production line into operation. As the Senator from Massachusetts has well said, many highly skilled, technical personnel are now engaged in the production of the B–52. Under present conditions, the production of B–52's will close, and the personnel will be out of employment, as of December 1962.

If we are to provide that the administration may continue it, if it so desires, we must take steps this year to enable the administration to be in a position to continue the production line of B–52's, which, as has already been adequately stated, is our most important single deterrent weapon today.

The other point I wished to make has been made by the distinguished Senator from Missouri [Mr. SYMINGTON]. If we are placed in a straitjacket, where we have no alternative other than to surrender or to engage in massive retaliation with nuclear weapons, we will not have either the flexibility to fight a limited war or the flexibility required in the important field of negotiation. If we stop the production of manned aircraft at this stage, when the Senator from Mississippi has stated that we are not prepared to rely entirely on the missile at this time, then we shall deprive ourselves of the required flexibility and shall place ourselves in the unfortunate position of either having to accommodate ourselves to surrender or to engage in the theory of massive retaliation with nuclear weapons, which I believe none of us wishes to do.

I thank the Senator from Mississippi.

Mr. STENNIS. I thank the Senator from Nevada for his remarks. We went into the preparedness hearings, in connection with the missile program, to determine the question of how far the missile program had progressed. It is a great program. We are proud of it. We expect much from it in the future. But we came out of the hearings with the unanimous opinion, I believe, that not yet could we consider missiles as the main deterrent. It is still the manned aircraft.

Mr. President, I now yield to the distinguished Senator from California.

Mr. ENGLE. Mr. President, I appreciate the Senator's yielding. I had intended to speak at some length on this subject, but it has been effectively and thoroughly covered by Senators more senior and more experienced on the Committee on Armed Services than I am. However, I would not wish the discussion to close without making it perfectly clear that I wholeheartedly support the position taken by the distinguished Senator from Mississippi, the distinguished Senator from Missouri, the distinguished Senator from Georgia, the distinguished Senator from Massachusetts, and other Senators.

I should like to add one last thought. We may never test a missile under actual combat conditions. That may never be done; it has not been done yet. We may never do it. Certainly it makes sense, until we have an operational missile, a missile which we are testing, and on which we can rely, to maintain a manned-bomber force.

I hope the amendment which is in prospect will not be adopted, and that the B–52 production provided for in the bill will be appropriated for by Congress.

I thank the distinguished Senator from Mississippi for yielding to me.

Mr. STENNIS. Mr. President, my yielding to the Senator from California is another illustration of how Senators to whom I have yielded have taken my speech and have made it. I am proud that they have. The Senator from California has made a major point.

Mr. President, I yield now to the distinguished Senator from Texas.

Mr. YARBOROUGH. Mr. President, I thank the distinguished Senator from Mississippi for yielding to me. I have been shocked at that part of the colloquy between the distinguished Senator from Mississippi and others, in which others—but not the distinguished Senator from Mississippi—have described our planes as "old and slow." The B–58 is the newest and fastest bomber we have. Until the Russians had their airshow, we had thought that the B–58 was the fastest bomber in the free world. It flies at twice the speed of sound. I think it would be a tragic error to have the RECORD show that all our bombers are "old and slow." The B–58 may not be as fast as we would like, but we are planning to make it faster and longer range. However, the planned B–70 will be bigger and faster, though it is not yet in production. Modifications being made in the B–58 will appreciably increase its present speed above mach 2, which is twice the speed of sound.

The B–58 is a long-range bomber. Other Senators have indicated that only the B–52 could carry the Skybolt or the Hound Dog missile; this is not accurate. At the time the B–58 was designed, there was built into the design a framework to enable the plane to carry those missiles. Plans for modifications which are now underway will enable the B–58 to carry the Skybolt and the Hound Dog, models of which were shown to the committee. I have had models in my office with the actual attachments on the models; and, with some modifications which will not be too expensive to make, the B–58 will be able to carry these air-to-surface missiles.

General LeMay testified before the subcommittee that the B–58 is a long-range bomber.

The Senator from Mississippi is one of the most knowledgeable men in the field of military affairs, and he knows that the B–58 is our one best hope as the only supersonic manned bomber. In the war games which were played, the planes came in at twice the speed of sound, directly over the target. Neither side has developed a means to shoot all of them down when they fly at twice the speed of sound. Is not that correct?

Mr. STENNIS. That is correct.

Mr. YARBOROUGH. I think the facts should be known.

With respect to the $525 million appropriation for bombers, numerous references have been made to money to keep the B–52 in production. Is it not true that the $525 million will cover both the B–52 and the B–58 production, if they have the Department of Defense approval?

Mr. STENNIS. I believe the law provides for long-range bombers. That is a question of fact to be determined by the military personnel. I have heard it argued both ways. That is a matter which cannot be decided on the floor of the Senate.

Mr. YARBOROUGH. Is it not true that, in response to a question asked by the distinguished Senator from Virginia [Mr. ROBERTSON] before the subcommittee, General LeMay said the B–58 was to be a long-range bomber?

Mr. STENNIS. The Senator has read the record. I am sure that is correct. I do not make any point to the contrary.

Mr. YARBOROUGH. I thank the Senator from Mississippi.

Mr. SALTONSTALL. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

CAPTURE OF HIJACKERS OF CONTINENTAL AIRLINES PLANE

Mr. SALTONSTALL. Mr. President, I believe it would be of interest, in view of the discussion had earlier today, to know that at 1:53 p.m., the first criminal came out of the plane in Texas, and that at 1:55 p.m., the rest of them came out. No one was hurt.

Mr. STENNIS. That is an item of much interest. I thank the Senator from Massachusetts for making the announcement. I have looked with growing concern upon the menace of our planes being held up. I think it is dangerous to the welfare of the country and the prestige of our Nation. Some steps will have to be taken to curb such activities and to reassert the Monroe Doctrine and our other commitments to the Western Hemisphere.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

Mr. STENNIS. Mr. President, I do not expect or wish to keep the floor longer. I deeply appreciate the excellent contributions which have been made to the debate by the Senators who have intervened.

For emphasis, I wish to point out that the second major point in connection with the need for these funds for the B–52's—my first point was in regard to the continuity of production—is that bombers of this type are also the frontline of our defense in conventional warfare. I can hardly conceive—even though we do not know what the future holds—that any sane person would ever deliberately start a war. On the other hand, I do not think we are justified in believing that there will not be wars in the future, although I think the great probability, as of now, is that we shall never get into a nuclear war. Therefore, weapons prepared solely for that purpose will probably never be used. Of course, we pray they will not have to be used; and it seems likely that probably they never will be.

That brings us back to these bombers—to which I am not particularly wedded; the only relation Mississippi has to them is that sometimes they fly over that great State. But these bombers are now our frontline of defense. If war should come, the great probability is that bombers will be the weapon used; and the manned bomber, which can go and return, and even change its target, maneuver, and change its course, certainly is the most valuable weapon we have in our arsenal today.

On the other hand, even our test missiles cost a million dollars each.

With the air-to-ground Hound Dog missile that is carried under the wings of the big bombers—and with the new Skybolt missile that is coming along, these bombers are most effective. One bomber is just as effective as many, many ICBM's fired on target.

So how can we now take the chance of stopping the production within 12 months and failing to provide for continuity, so that by the touch of a button the President or the Secretary of Defense could start using some of them 3 months from now or 6 months from now or at any other time. Mr. President, certainly these funds should be provided.

I wish to refer at this time to the B–70. The Senator from Virginia has already explained the necessity for the funds for this mach 3 intercontinental bomber. On this floor a year ago additional funds were provided for the B–70. A few minutes ago I mentioned the figures in that connection. More money was then provided by the Congress for the B–70 than was requested. Certainly the B–70 is the bomber of the future; it will be our frontline weapon some years from now.

Mr. President, the additional money was found to be necessary, and part of it was used by the Eisenhower administration. When that administratiton made up its budget for the B–70, it included this added amount for this fiscal year, although it was later reduced by the revised budget of the present administration.

The pending bill proposes the restoration of sufficient funds to keep the research and development program of the B–70 bomber on schedule. It has already been put in motion, so that if it is decided to put such bombers into production, production can begin at the earliest reasonable time. This bomber flies at approximately three times the speed of sound. The question is, Can we afford to run the risk of coming out second best in regard to bombers? We are not second best now. We now have the means and the know-how for production. This bomber has been conceived, and many of the wrinkles or "bugs" have been eliminated, so that a flyby is near reality.

Can we now afford to add to the uncertainy of the future by withholding the appropriation of this money. I think not. I think we should include the amount of money required to put the production of this bomber on schedule and keep it there.

The question as to the number of B–70 wings to be produced will come before us later. But these funds are needed now in order to keep the development program going.

Mr. President, I need not reiterate the need for the staggering amounts of money encompassed by the pending bill. The amounts are great because the times are critical, and because we do not know what kind of a war we may be called upon to fight. Buying protection and deterrence, so that we may respond flexibly to the military demands placed on us, and increasing the size of our forces, so that we may honor our commitments, have resulted in a bill of these gargantuan spending proportions.

But who can say that the added expense to provide greater ability to fight conventional warfare should not bring a measure of comfort to us all? Does not it provide some measure of insurance against thermonuclear warfare, when we have not placed our entire reliance on our means of defense in one type of war—the kind that would have to engulf the world and perhaps destroy it for all practical purposes?

For many years we have heard bills described as good ones. A bill is a good bill if it accomplishes what it sets out to do. Judged by that standard, this is a good bill, for it incorporates a new approach to the terrible, the fearsome menace that confronts us. It provides the force that is needed in order to provide us with the ability to survive—as in the case of the added emphasis on the Polaris submarine, with its obvious antidetection potential. And, on the other hand, it provides the funds needed for improvements in our land forces, those who carry rifles, ride in tanks, and carry the flag 'neath pine and palm—from the northland to the tropics.

If we think we are spending vast sums of money, let us consider for a moment the amount of money the Soviets are spending and the benefits from their spending in increased manpower and materiel.

The recent Soviet budget increase of 34 percent was superimposed on a defense budget already approximately as large as ours in terms of dollars, although the gross national product of Russia is only about 40 percent of ours. Furthermore, during 1960 Russia recorded approximately 18 percent of its gross national product in its national defense budget, not to mention many items for national defense included in and covered up in other budgets. This contrasts to the approximately 9.3 percent we were spending.

This spending by Russia cannot be calculated in terms of dollars alone, inasmuch as the slave economy of that country permits the purchase of defense materiel at controlled depressed prices and also allows for the payment of a soldier at only 6 rubles, or $6.60 a month.

From these statistics and this analysis, we can realize the grim and unrelenting determination of the enemy, and the consequent need for matching effort on our part. Hence, the colossal defense appropriation bill we are now considering.

This bill is entirely responsive to the administration's proposals for spending. The bill gives the Defense Department everything it asks, and more, and provides flexibility for spending as contingencies arise, such as the exemption from antideficiency legislation spending in case of an increase in the size of our Armed Forces beyond the number for which funds are provided in the act.

This bill fairly exudes confidence in the administration, as it provides flexibility for transferring funds from one appropriation to another, and provides additional funds for emergency spending.

This bill which gives the administration the benefit of every possible doubt, resolves all questions in its favor, and makes restoration after restoration from the cuts made in the House.

Yes, by means of this bill we have responded to the administration in every way, we are demonstrating to the world that we are back of the President to the

hilt. Today we serve notice on Mr. Khrushchev that he is laying down the gauntlet to no divided people.

Yes, we have given the President and his administration everything they have asked. And I think we should add, that, in the fullest sense, we have given it, not to the administration, but to the country and to the free world.

While we have responded in every way, we have gone beyond that, and have provided funds for continuation of the existing bomber airplane production lines and the expansion of bomber production beyond the administration proposals for the flying of a few prototypes of doubtful value. We have acceded to every request. But now, with counter-proposals of our own, we face the intransigent determination to discontinue bomber production in less than 2 years and to plan only for an advanced bomber, but to do so with such caution as to raise questions as to whether the effort now being put into the B–70 is being wasted.

Never in my service in the Senate have I witnessed such unanimity by those who have dedicated their lives to the public service. All the committees concerned have had the benefit of the best advice of the top military people; and these committees include men with tremendous experience in government and industry—experience not restricted to the legislative aspects of defense problems. Superimposed on this experience has been the day after day reiteration of the fact that nuclear weapons are as yet untested, and that since we can never be absolutely sure of what will happen, we must continue our emphasis on proven products.

We must make a dent here today in the determination to discontinue the production of bombers.

Mr. President, I have emphasized the concern we had in regard to cutting down on the B–52 bomber program, when we had the hearings before the Preparedness Subcommittee. I wish to add that, considering our present firepower and our overall military strength, the American people can be assured that our capacity, if we were to be attacked, is very, very formidable, indeed.

I think it would be overwhelmingly effective. I do not see how any nation or group of nations could possibly stand the fury and destruction that we could unleash in a matter of seconds, should such an occasion arise, although we pray it will not.

Mr. President, a moment ago the Senator from Ohio indicated that he wished I would yield to him. I am glad to yield to him now.

Mr. YOUNG of Ohio. I thank the Senator from Mississippi.

May I say that I have listened with great admiration, approval, and agreement to the fine statement the Senator from Mississippi has made. I think his remarks in regard to manned bombers are very convincing, and of course I shall support that portion of the pending bill, making provision for such aircraft, for I believe such money will be well spent.

Mr. STENNIS. I thank the Senator from Ohio for his remarks.

Mr. YOUNG of Ohio. Following the reference the distinguished Senator from Mississippi made to our terrific power of instant retaliation, may I say that of course it seems evident to all of us that there can be no all-out atomic war, that the dictators of the Soviet Union know full well that their cities would be reduced to rubble and millions of their men, women, and children would be killed, and in a short time the Soviet Union would be a third-rate power—regardless of whether such a conflict were an all-out atomic war—and that the only power that would emerge as a great power from so unthinkable a conflict would be Red China.

So it seems much like the case of poison gas that the United States and England had stockpiled in quantity in World War II. Hitler, even in his last desperate year, would not resort to using poison gas, because he knew of the tremendous destruction that would result to his own country. Therefore, what the Senator from Mississippi has said about strengthening, by this huge appropriation, the power to wage conventional war, deserves the support of all of us.

I wish also to commend the Senator from Mississippi very much indeed for the fine reference he made to a distinguished native of my State, Gen. Curtis LeMay, who was born and reared in the neighborhood where I practiced law for many years. The Senator has very appropriately referred to Gen. Curtis LeMay as a great international authority on intercontinental ballistic missiles, and, in fact, on warfare generally.

I come now to a certain portion of the bill which I shall discuss later. It is so unimportant, compared to what the Senator from Mississippi has been talking about, that I am not going to direct any questions to the Senator about it. It is title 5, pertaining to the additional appropriation of $207 million on top of the $95 million that the Senate recently provided for the Office of Civil and Defense Mobilization. This is an unnecessary appropriation and I shall have more to say about it later.

Mr. President, I have in mind making a point of order against title 5, and I am confident the point of order will be well taken.

By the way, the distinguished senior Senator from Ohio has been here throughout this afternoon. It is worthy to note that when there was a vacancy in the U.S. Senate from the State of Ohio, I believe in 1945, during one of the five terms Senator LAUSCHE served the State of Ohio as its Governor, the then Governor LAUSCHE offered the appointment to Gen. Curtis LeMay. Curtis LeMay declined that appointment offered by Governor LAUSCHE. Today some 180 million Americans should be glad that, in the first instance, my colleague, then Governor LAUSCHE, offered the appointment to General LeMay to be a U.S. Senator, but they should feel satisfied and content that General LeMay declined that appointment and decided to remain in the Air Force.

I thank the Senator from Mississippi for yielding to me. May I point out that Gen. Curtis LeMay said recently:

> I don't think I would put that much money into holes in the ground to crawl into, that I would rather spend more of it in offensive weapons in the first place.

I am quoting General LeMay, as the Senator from Mississippi quoted him. I am quoting him also as an authority that our policy of instant retaliation, which will be so greatly augmented after we in the Senate appropriate the money we are asked to, that it will make holes in the ground unnecessary.

I am simply calling attention of the Senate to the fact that Curtis LeMay is an authority on the subject. We have already wasted over $1 billion on civil defense, and we might stop, look, and listen before we put more money into an unnecessary and expensive shelter program.

Mr. STENNIS. I thank the Senator from Ohio for his very kind remarks.

Mr. President, I have in my hand a table pertaining to "add-ons" in the military appropriation bill for the fiscal year 1961. The Senator from Mississippi mentioned some of them in the first part of his remarks, but not all, and I ask unanimous consent that the table may be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Senate "add-ons" approved in conference and utilized by the administration, fiscal 1961

	Amount
FISCAL YEAR 1957	
Heavy bombers, tankers, and other essential Air Force weapons: "Aircraft and related procurement, Air Force"	$800,000,000
Overall Air Force research and development program: "Research and development, Air Force"	100,000,000
FISCAL YEAR 1958	
None.	
FISCAL YEAR 1959	
KC–135 tankers	55,595,000
"Aircraft, missiles, and related procurement, Air Force"	51,675,000
"Procurement other than aircraft and missiles, Air Force"	3,920,000
Strategic airlift aircraft	140,000,000
"Aircraft, missiles, and related procurement, Air Force"	136,100,000
"Procurement other than aircraft and missiles, Air Force"	3,900,000
FISCAL YEAR 1960	
Nike-Zeus anti-ICBM and/or Army modernization: "Procurement of equipment and missiles, Army"	[1] 200,000,000

[1] Represents amount used by Defense against total congressional "add-on" of $375,000,000. Specific portion added by Senate not determinable.

Senate "add-ons" approved in conference and utilized by the administration, fiscal 1961—Continued

FISCAL YEAR 1961	Amount
B-70: "Aircraft procurement, air Force" [2]	$184,300,000
Samos program: "Research, development, test, and evaluation, Air Force" [3]	50,000,000

[2] After application of 3-percent reduction. Program increase was $190,000,000.

[3] Represents Senate portion of total congressional "add-on" of $83,800,000.

Mr. STENNIS. Mr. President, allusion has been made to the preparedness hearings. At the conclusion of some of the testimony, one of the gentlemen who was testifying about missiles, bombers, and other long-range weapons—and we were speaking in terms of billions of dollars—was asked what was the further need of his branch of the service to strengthen our posture. I think his answer is worthy of the attention of all of us. Adm. W. F. Raborn, Jr., said:

I feel that a stiffening of the peoples' spines, to return to the principles that made our country great, the willingness to give up soft living, the willingness to really pitch in and do a job for our country, thinking less of benefits, and more of service, more of turning out a good job for a dollar—this is the thing which makes a people worthwhile or not. And if we get the cart before the horse, and start thinking more of ourselves than we do of the country as a whole, then we are not going to be as great a country as we could be otherwise. And I have noted with some concern this slackening off of moral principles, of personal integrity, of a willingness to see how much you do on the job rather than how much you can get away with and still draw your paycheck, and the growing relief rolls and other things. There is some reason to believe there is a tendency to take the easy way out rather than harken to self-respect, and get out and do a job, even if it is not what you are trained for, in order to keep off the rolls. These are the things I think that we have to take a good look at ourselves and be very critical. And this is the kind of deterrence that means the most in the long run.

He did not ask for more money, more men, or more military hardware. He asked for personal integrity and related matters. For my part, I think that quotation would be a good note on which to end my remarks on the largest appropriation bill ever to come before the Congress in peacetime.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, in my remarks on the bill this morning I commended the wonderful contribution made by the Senator from Mississippi in the preparation and presentation of this very large defense appropriation bill. I also wish to warmly commend the Senator for his discussion this afternoon of some of the features of our problems, and especially with respect to the necessity to have in production both the manned bombers and the missiles. Both are offensive weapons. Both are designed primarily to deter an aggressor. We believe that if the missile is a deterrent and if the manned bomber is a deterrent, the two together will be better than one by itself.

I commend the Senator again.

Mr. STENNIS. I thank the Senator from Virginia, and I commend him for the fine work he has done in regard to the bill.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. STENNIS. Mr. President, I yield to the Senator from Washington, a member of the Committee on Armed Services, of the Joint Committee on Atomic Energy, and of our Preparedness Subcommittee, as well as other committees.

Mr. JACKSON. Mr. President, I commend the distinguished Senator from Mississippi for the excellent statement he has made to the Senate this afternoon. I say to my colleagues that the Senator has been conducting a most important series of hearings in connection with our preparedness program. If the Members of the Senate had an opportunity to listen to the testimony or to review the record, I do not think there would be any doubt about our determination to go ahead and to approve the budget estimates as submitted by the distinguished Senator from Virginia this afternoon.

Mr. President, one of the important items in the bill as presented to the Senate, decided unanimously by the Senate Committee on Appropriations and by the Senate Committee on Armed Services, is the continuation of our manned-bomber program. We should remember that in building our defense posture we are not building it to get into a war, but to prevent a war. Our manned bombers are a very important instrument of diplomacy. We cannot put our missiles on the alert, in the sense that the enemies of this country understand and know it, but we can put our bombers on the alert around the world in a way which our enemies will understand. It seems to me this gives us an added bit of muscle for our diplomatic arm in dealing with problems at Berlin and elsewhere.

The distinguished Senator from Mississippi, it seems to me, touched on the heart of the problem. We are building our military strength to avoid war. The most important thing a free society can do is to make a wise use of that strength. Unless we have the integrity to use our power intelligently for peace and to prevent war, we shall not be utilizing the very strength we have been building. Military strength and diplomacy are inseparable.

On top of all of that is our will to carry out those decisions which are essential to the survival of a democracy. I must say that when we make these decisions, we should be willing to go all the way down the road if it is necessary to preserve peace in the world.

I am convinced the Soviets have the idea that the American people have become soft, and that we are afraid, in a showdown, to face the possibilities of a general war which might involve thermonuclear weapons. They hope to take advantage of what they believe to be our fear of war.

What we do today will go a long way toward clarifying any doubts the Soviet leaders may have in regard to our willingness to make decisions and to firm up those decisions. Unless we are willing to face up to the ultimate facts we might have to face up to, we shall not be using the great material and human resources of this country to preserve and to protect our freedom and the freedom of our allies everywhere.

Mr. STENNIS. Mr. President, I commend the Senator for his remarks. I do not believe there is another person in the Congress more qualified to speak on the subject about which he undertakes to speak than the Senator from Washington.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, I wish to express my appreciation for the fine services the Committee on Armed Services and the subcommittee of the Appropriations Committee have rendered, as well as for the work of the distinguished Senator from Mississippi and the distinguished junior Senator from Virginia.

I had the privilege of appearing briefly before the subcommittee of the Appropriations Committee. I submitted documents, letters, and other material. I heard the committee question witnesses. I have never before heard a committee which I thought was more determined, more knowledgeable, or more dedicated in seeking out whatever information could be obtained from whatever source available. I wish the people of this country could have seen and heard the committee, not simply for a few minutes, but day after day. It makes me proud to be a Member of this body and to serve with men like these. I have had experience as a trial judge, and have practiced law for 25 years. I know what it is to see men engaged in seeking for facts and for the truth. The committee functioned in such a way as to make us proud of our democratic institutions. I am proud to pay tribute to the committee members.

Mr. STENNIS. I thank the Senator from Texas. Mr. President, I yield the floor.

Mr. ROBERTSON. Mr. President, a number of Senators have asked me whether we shall have a vote this afternoon, and, if so, on what and when? We shall have a vote on the Proxmire amendment, and, Mr. President, I ask for the yeas and nays on that amendment.

The yeas and nays were ordered.

Mr. ROBERTSON. Mr. President, the Senator from Wisconsin [Mr. PROXMIRE] desires to speak for perhaps a half hour on the amendment. The Senator from California [Mr. ENGLE] wishes to speak for perhaps a half hour. I think we shall have a vote in approximately an hour.

Mr. MANSFIELD. Mr. President, will the Senator yield to me briefly?

Mr. ROBERTSON. I yield to the majority leader.

NEGOTIATION OF COMPACTS BY NEBRASKA, WYOMING, AND SOUTH DAKOTA

Mr. MANSFIELD. Mr. President, in view of the fact that there is a time limitation affecting the States of Nebraska, Wyoming, and South Dakota—that limitation being August 5, only 2 days from now—I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 631, S. 2245.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2245) to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senators from Nebraska, from Wyoming, and from South Dakota may have the privilege of inserting their comments on the so-called Niobrara contract prior to passage of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. McGEE. Mr. President, this bill represents an attempt to extend the period for approval of the upper Niobrara River compact by the Legislatures of Nebraska, Wyoming, and South Dakota.

The need for this extension arises out of the fact that the members of the Wyoming Compact Commission have indicated that they will require additional time to study some of the provisions in the proposed draft of the compact. It is my hope that whatever changes may prove necessary can be finally agreed upon before the convening of the next session of the Wyoming Legislature in order that they may be presented for the legislature for final approval at the earliest possible point during that session.

It seems to me that it is well that full and careful consideration should be given to an agreement of such demonstrable importance to the future economies of the two States involved, and I am hopeful that the House will act quickly after this bill has passed the Senate in order that final passage of the bill may be secured by August 5, which is the final date to which the present enabling legislation extends.

Mr. CASE of South Dakota. Mr. President, this bill is of much importance to the people of South Dakota and Wyoming, with special reference to the waters of the Cheyenne and Belle Fourche Rivers and their interstate tributaries. The certainty of water rights and their equitable apportionment is a matter which is of acute importance in a dry season such as we now experience. I hope that with the enactment of the bill the agencies of the Federal Government and the respective States will act promptly to develop compacts which can be submitted to the next sessions of their respective legislatures.

Mr. HICKEY. Mr. President, the bill (S. 2245) which I introduced for myself and my colleague from Wyoming [Mr. McGEE], and the Senators from Nebraska [Mr. HRUSKA and Mr. CURTIS], has been reported by the Senate Interior and Insular Affairs Committee, and is now before the Senate. The bill will extend for 2 years the time in which the States of Wyoming, Nebraska, and South Dakota are authorized to negotiate a compact covering the waters of the Niobrara River.

The requirement for extension of time to negotiate the compact is essential because the commissioners require additional time to study its effect. Also, the Wyoming Legislature meets every biennium for 40 days with a heavily scheduled agenda. By this extension of time the legislature will be properly prepared to act on the compact. It is hoped that in light of these circumstances, the matter will be approved by the Senate.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2245) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of the Act entitled "An Act granting the consent of Congress to the negotiation by the States of Nebraska, Wyoming, and South Dakota of certain compacts with respect to the use of waters common to two or more of said States", approved August 5, 1953 (67 Stat. 365), as amended, is amended further by striking out "eight years" and inserting in lieu thereof "ten years".

LEGISLATIVE APPROPRIATION BILL—CONFERENCE REPORT

Mr. ROBERTSON. Mr. President, the Senator from Rhode Island [Mr. PASTORE] informs me he wishes to present a conference report, which, of course, has priority. I am informed this should take only a few minutes.

I yield to the Senator from Rhode Island.

LEGISLATIVE APPROPRIATION BILL, 1962—CONFERENCE REPORT

Mr. PASTORE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7208) making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. PASTORE. Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. PASTORE. Mr. President, I ask the Presiding Officer to lay before the Senate a message from the House of Representatives.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7208, which was read, as follows:

Resolved, That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7208) entitled "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 44 to aforementioned bill, and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 52, and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"COLLECTION AND DISTRIBUTION OF LIBRARY MATERIALS

"(*Special foreign currency program*)

"For necessary expenses for carrying out the provisions of section 104(n) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(n)), $400,000 of which $363,500 shall be available for the purchase of foreign currencies which accrue under that Act and which the Treasury Department shall determine to be excess to the normal requirements of the United States."

Mr. PASTORE. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 52.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to.

Mr. PASTORE. Mr. President, I ask unanimous consent to include in the RECORD at this point a table which shows the appropriations in this bill for fiscal year 1961, the budget estimate for fiscal year 1962, the amounts of the House and Senate bills, and the final amount agreed to in conference.

There being no objection, the table was ordered to be printed in the RECORD,

Comparative statement of appropriations for 1961, and estimates and amounts recommended in the bill for 1962

Item	Appropriations, 1961	Budget estimates, 1962	Amount recommended in House bill for 1962	Amount recommended by Senate committee	Conference allowance, 1962
SENATE					
Senators:					
Compensation of Senators	$2,433,370	$2,433,370		$2,433,370	$2,433,370
Mileage of the President of the Senate and of Senators	58,370	58,370		58,370	58,370
Expense allowance for majority and minority leaders	4,000	4,000		4,000	4,000
Compensation of the Vice President	37,775	37,775		37,775	37,775
Expense allowance of the Vice President	10,000	10,000		10,000	10,000
Beneficiaries of deceased Senators	22,500				
Total, Senators	2,566,015	2,543,515		2,543,515	2,543,515
Salaries of officers and employees:					
Office of the Vice President	120,550	120,550		120,550	120,550
Chaplain	8,810	8,810		8,810	8,810
Office of the Secretary of the Senate	695,325	695,325		708,400	708,400
Committee employees	2,551,200	2,551,200		2,551,200	2,551,200
Conference committee:					
Majority, clerical salaries	47,325	47,325		47,325	47,325
Minority, clerical salaries	47,325	47,325		47,325	47,325
Administrative and clerical assistants to Senators	11,924,205	11,924,205		11,938,395	11,938,395
Office of Sergeant at Arms and Doorkeeper, salaries	2,482,735	2,483,740		2,519,525	2,519,525
Offices of secretaries for the majority and minority, salaries	124,240	124,240		126,350	126,350
Office of the majority and minority whips	24,860	[1] 28,340		28,340	28,340
Official Reporters of Debates	223,415	223,415		224,870	224,870
Total salaries of officers and employees	18,249,990	18,254,475		18,321,090	18,321,090
Office of Legislative Counsel of the Senate: Salaries and expenses	232,240	232,240		232,240	232,240
Contingent expenses:					
Legislative reorganization	125,940	125,940		125,940	125,940
Senate policy committees	267,950	267,950		267,950	267,950
Joint Economic Committee	202,555	[1] 247,555		247,555	247,555
Joint Committee on Atomic Energy	294,010	294,010		294,010	294,010
Joint Committee on Printing	115,725	115,725		115,725	115,725
Joint Committee on Inaugural Ceremonies for 1961	250,000				
Vice President's automobile	8,710	8,710		8,710	8,710
Automobile for the President pro tempore	11,465	8,960		8,960	8,960
Automobiles for majority and minority leaders	17,420	17,420		17,420	17,420
Furniture	57,190	31,190		31,190	31,190
Inquiries and investigations	3,797,210	3,797,210		3,797,210	3,797,210
Folding documents	34,295	34,295		34,295	34,295
Senate restaurants	85,000	85,000		85,000	85,000
Contingent expenses:					
Mail transportation	16,560	16,560		16,560	16,560
Miscellaneous items	2,008,345	2,008,345		2,008,345	2,008,345
Postage stamps	55,975	55,975		55,975	55,975
Stationery	195,000	195,000		195,000	195,000
Communications	15,150	15,150		15,150	15,150
Total, contingent expenses	7,558,500	7,324,995		7,324,995	7,324,995
Total, Senate	28,606,745	28,355,225		28,421,840	28,421,840
HOUSE OF REPRESENTATIVES					
SALARIES, MILEAGE FOR THE MEMBERS, AND EXPENSE ALLOWANCE OF THE SPEAKER					
Compensation of Members	10,672,530	10,672,000	$10,672,000	10,672,000	10,672,000
Mileage of Members and expense allowance of the Speaker	390,000	200,000	200,000	200,000	200,000
Total	11,062,530	10,872,000	10,872,000	10,872,000	10,872,000
SALARIES, OFFICERS AND EMPLOYEES					
Office of the Speaker	62,900	62,900	62,900	62,900	62,900
Office of the Parliamentarian	64,630	64,630	64,630	64,630	64,630
Office of the Chaplain	8,810	8,810	8,810	8,810	8,810
Office of the Clerk	1,139,350	1,146,025	1,146,025	1,146,025	1,146,025
Expenses, preparation of Clerk's report	8,000	8,000			
Committee employees	2,848,750	2,948,750	2,900,000	2,900,000	2,900,000
Office of the Sergeant at Arms	614,595	[2] 618,150	618,150	618,150	618,150
Office of the Doorkeeper	1,059,070	[2] 1,058,310	1,058,310	1,058,310	1,058,310
Special and minority employees (several items)	303,920	[2] 302,045	302,045	302,045	302,045
Office of the Postmaster	312,150	[2] 316,210	316,210	316,210	316,210
Official reporters of debates	202,915	202,915	202,915	202,915	202,915
Official reporters to committees	204,995	204,995	204,995	204,995	204,995
Committee on Appropriations	600,000	550,000	550,000	550,000	550,000
Office of the Legislative Counsel	225,750	225,750	225,750	225,750	225,750
Total, salaries, officers and employees	7,655,835	7,717,490	7,660,740	7,660,740	7,660,740
MEMBERS' CLERK HIRE					
Clerk hire	18,122,500	[2] 20,492,500	20,400,000	20,400,000	20,400,000
CONTINGENT EXPENSES OF THE HOUSE					
Furniture	242,550	242,550	242,550	242,550	242,550
Miscellaneous items	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Reporting hearings	150,000	150,000	150,000	150,000	150,000
Special and select committees	2,633,750	[2] 3,033,750	2,900,000	2,900,000	2,900,000
Joint Committee on Internal Revenue Taxation	322,500	322,500	322,500	322,500	322,500
Joint Committee on Immigration and Nationality Policy	20,000	20,000	20,000	20,000	20,000
Office of Coordinator of Information	108,245	108,245	108,245	108,245	108,245
Telegraph and telephone	1,275,000	1,325,000	1,300,000	1,300,000	1,300,000
Stationery (revolving fund)	788,400	788,400	[2] 744,600	744,600	744,600
Attending physician's office	16,545	16,545	16,545	16,545	16,545
Postage stamps	183,640	183,640	183,640	183,640	183,640
Folding documents	250,000	236,500	236,500	236,500	236,500
Revision of laws	19,515	19,515	19,515	19,515	19,515
Speaker's automobile	10,000	10,000	10,000	10,000	10,000
Majority leader's automobile	10,000	19,000	10,000	10,000	10,000
Minority leader's automobile	10,000	19,000	10,000	10,000	10,000
New edition, United States Code		[2] 100,000	100,000	100,000	100,000
Payment to widows and heirs of deceased Members	112,500				
Total, contingent expenses	8,702,645	9,144,645	8,924,095	8,924,095	8,924,095
Total, House of Representatives	45,543,510	48,226,635	47,856,835	47,856,835	47,856,835

See footnotes at end of table.

Comparative statement of appropriations for 1961, and estimates and amounts recommended in the bill for 1962—Continued

Item	Appropriations, 1961	Budget estimates, 1962	Amount recommended in House bill for 1962	Amount recommended by Senate committee	Conference allowance, 1962
CAPITOL POLICE					
General expenses	$36,700	$36,700	$36,700	$36,700	$36,700
Capitol Police Board	113,075	113,675	114,700	114,700	114,700
Total, Capitol Police	149,775	150,375	151,400	151,400	151,400
JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES					
Salaries and expenses	26,790			26,790	26,790
EDUCATION OF PAGES					
Expenses	67,894	67,967	67,900	67,900	67,900
PENALTY MAIL COSTS					
Expenses	3,269,000	3,836,000	3,836,000	3,836,000	3,836,000
Expenses, compiling testimony in contested election cases		1,500			
STATEMENTS OF APPROPRIATIONS					
Preparation of statements	8,000	8,000	8,000	8,000	8,000
ARCHITECT OF THE CAPITOL					
Salaries, Office of the Architect	316,400	333,000	333,000	337,700	337,700
Contingent expenses	50,000	50,000	50,000	50,000	50,000
Capitol buildings	1,152,000	1,142,000	1,135,500	1,135,500	1,135,500
Extension of the Capitol		[4] 1,500,000	1,500,000	1,500,000	1,500,000
Capitol grounds	388,300	446,000	446,000	446,000	446,000
Subway transportation	6,000	6,000			
Senate Office Buildings	2,363,400	2,074,000		2,170,400	2,170,400
Extension of additional Senate Office Building site	139,500				
Legislative garage	48,200	79,000	49,000	79,000	79,000
House office buildings	1,702,600	1,639,000	1,639,000	1,639,000	1,639,000
Acquisition of property, construction, and equipment, additional House office building (liquidation cash)	18,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Capitol Power Plant (operation)	2,028,700	2,052,000	2,052,000	2,052,000	2,052,000
Expansion of facilities, Capitol Power Plant (liquidation cash)	2,500,000				
Changes and improvements, Capitol Power Plant (liquidation cash)	730,000				
Library buildings and grounds:					
Structural and mechanical care	942,300	3,767,000	3,748,000	3,748,000	3,748,000
Furniture and furnishings	123,300	99,000	99,000	99,000	99,000
Additional Library building (plans)	75,000				
Total, Architect of the Capitol	30,565,700	19,187,000	17,051,500	19,256,600	19,256,600
BOTANIC GARDEN					
Salaries and expenses	352,300	489,000	489,000	489,000	489,000
LIBRARY OF CONGRESS					
Salaries and expenses	8,122,800	8,510,200	8,455,000	8,455,000	8,455,000
Copyright Office, salaries and expenses	1,588,800	1,617,000	1,600,000	1,600,000	1,600,000
Legislative Reference Service, salaries and expenses	1,780,200	1,809,200	1,809,200	1,809,200	1,809,200
Distribution of catalog cards, salaries and expenses	2,172,700	2,387,300	2,347,000	2,347,000	2,347,000
Increase of the Library of Congress:					
General increase of the Library	400,000	470,000	470,000	470,000	470,000
Increase of the law library	90,000	90,000	90,000	90,000	70,000
Books for Supreme Court	35,000	38,000	38,000	38,000	38,000
Books for the blind, salaries and expenses	1,723,200	1,786,100	1,786,100	1,786,100	1,786,100
Organizing and microfilming the papers of the President, salaries and expenses	112,800	112,800	112,800	112,800	112,800
Preservation of early American motion pictures	60,600	60,600	60,600	60,600	60,600
Revision of Annotated Constitution		34,200		25,000	25,000
Collection and distribution of Library materials (special foreign currency program)		[5] 721,700		400,000	400,000
Total, Library of Congress	16,086,100	17,637,100	16,768,700	17,193,700	17,193,700
GOVERNMENT PRINTING OFFICE					
Printing and binding	11,900,000	13,400,000	13,400,000	13,400,000	13,400,000
Office of Superintendent of Documents, salaries and expenses	4,044,327	[6] 4,724,000	4,724,000	4,724,000	4,724,000
Total, Government Printing Office	15,944,327	18,124,000	18,124,000	18,124,000	18,124,000
Grand total	[7] 140,620,141	136,082,802	104,353,335	135,432,065	135,432,065

[1] As amended in S. Doc. 31.
[2] As amended in H. Doc. 150.
[3] In addition, $43,800 by transfer from retained income in the stationery revolving fund.
[4] As amended in H. Doc. 151.
[5] As amended in H. Doc. 118.
[6] As amended in H. Doc. 141.
[7] Amounts up through 3d Supplemental Act, 1961.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

Mr. PROXMIRE. Mr. President, I yield to the Senator from Ohio.

Mr. YOUNG of Ohio. Mr. President, I have asked the distinguished Senator from Wisconsin to yield briefly to me for the purpose of calling up my amendment, which is now at the desk.

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Wisconsin.

Mr. YOUNG of Ohio. Yes. I am asking that my amendment, which is at clerk's desk, be called up and made the pending order of business after disposition of the pending amendment.

Mr. ROBERTSON. Mr. President, reserving the right to object—and I shall not object—I merely wish to point out that the amendment of the distinguished Senator from Ohio is in the nature of legislation in an appropriation bill, and I shall be obliged to make a point of order against it. However, I have no objection to bringing it up and discussing it. I shall not object to his request.

Mr. YOUNG of Ohio. Mr. President, I do not propose to take much of the time of the Senator from Wisconsin. The amendment that I should like to call up and have made the pending business——

The PRESIDING OFFICER. Is the Senator from Ohio asking unanimous consent to set aside the amendment of the Senator from Wisconsin?

Mr. YOUNG of Ohio. No, I am not making that request. What I am asking is consent to have my amendment considered as the pending question after the amendment of the Senator from Wisconsin is disposed of.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. YOUNG of Ohio. I thank the Chair. In that connection, if the Senator from Wisconsin will indulge me a moment further, my amendment would strike out title 5 which is subject to a point of order. My view is the point of order will be sustained, which I propose to make. But if the ruling is otherwise my amendment will provide that after striking out the language appearing on page 27, beginning with line 4, down through line 5 on page 28, that the following language be inserted in lieu thereof:

Such amounts as may be approved by the Director of the Bureau of the Budget are hereby transferred from appropriations for the Office of Civil and Defense Mobilization, including appropriations available for allocation to other agencies, to the Secretary of Defense to be available for carrying out civil defense activities.

The funds referred to in this amendment pertain to the $95 million provided in the Independent Offices appropriation bill. I suspect that it is subject to the point of order which the distinguished Senator from Virginia said he proposed to make. I shall then make a point of order against title 5, which I believe is also subject to a point of order.

I thank the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I shall suggest the absence of a quorum. The call will be very brief, and only for the purpose of notifying Senators I had promised to alert. I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. The distinguished Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], the senior Senator from Georgia [Mr. RUSSELL], and other Senators have made a very strong case against my amendment and for the committee position. But there are a few elements in the situation that I think ought to be clarified. First, I wish to make crystal clear that neither the Secretary of Defense, Mr. McNamara, nor the Senator from Wisconsin has any intention of abandoning our long-range bombers or the long-range bomber concept.

In the second place, neither the Secretary of Defense nor the Senator from Wisconson feels that we should rely on nuclear deterrent or on massive retaliation or ignore conventional weapons. The Secretary of Defense has just requested Congress to appropriate another $3.5 billion. For what? Overwhelmingly for conventional warfare. If there is any shift or change between the present administration and the previous administration it is that, rightly or wrongly, the present administration is perhaps more concerned with conventional warfare than was the previous administration. But there has been great emphasis on conventional warfare.

There is no desire on the part of the Secretary of Defense or the Senator from Wisconsin to reduce the heavy bomber inventory during the next 10 years, or indeed, to put us in a position where we could not revive the production of the B–52 bombers, if we decide to do so.

On July 28, a few days ago, I wrote the Secretary of Defense as follows:

Testimony at the House Appropriations hearings indicated that production of these planes will continue until August and October 1962, with no further action by Congress. At the same hearings it was stated that $100 million for each of these bombers would "protect" production beyond those dates, pending a future decision on their role.

I would like to know the present position of the administration in this subject. Do you recommend that $525 million be appropriated for manned bombers at this time? Do you believe that production of B–52's and B–58's needs to be protected now pending your Department's reappraisal?

Since these appropriations are expected to be before the Senate very soon, I would appreciate an immediate reply.

I wish to go over this letter from the Secretary of Defense, because, while it has been referred to, I believe it is extremely important that it be discussed line by line, particularly because it is the heart and soul of my argument. It was delivered to my house the night before last from the Secretary of Defense. It reads:

DEAR SENATOR PROXMIRE: In reply to your letter of July 28, I repeat my previously stated opinion that it is not necessary for the Congress to appropriate funds in fiscal year 1962 above administration requests for B–52 and B–58 bombers. Inherent in this is my belief that the production of B–52's and B–58's is already adequately protected for the period of time involved in our further study of the bomber concept.

Previous appropriations enable us to plan on a very high bomber inventory through the mid-1960's.

The Senator from Missouri has made a great point of the fact that more than 700 long-range bombers would still be less by several hundred than the number of bombers we had over Germany at one time in World War II. The Senator from Missouri is a great expert in this field, and I am certainly not, but I believe he recognizes that there is a tremendous difference between the firepower and range, and so forth, of the long-range bombers we had then and the bombers and the firepower and destructive capability of the B–52. It is immense, and there is no comparison.

Then of course, when we add the Hound Dog and Skybolt, the destructive power of one of these present planes is infinitely greater than all the planes we had over Germany on any night in World War II.

So the comparisons along that line, it seems to me, are not well made.

The Secretary goes on to say:

In the operational inventory we will have over 700 B–52's and B–58's at the end of fiscal year 1966. Should it be decided later to maintain this level of heavy bomber aircraft beyond fiscal year 1966, the request for appropriations can be made several years from now.

This is an extremely important point. The Secretary of Defense believes we can save $525 million without taking any risk at all. For this reason: In the event we find several years from now that the expectations of the Secretary of Defense and others that our missile program and the B–70 development do not work out, the Secretary of Defense says we can change our mind without any defense penalty at all.

He goes on to say:

There appears to be no need to make such a decision before mid-1963 at the earliest.

I appeal to the intelligence of Senators when I ask: Can we make a better decision now or in 1963, 2 years from now? With the enormously rapid pace and the technological changes in warfare, it is perfectly apparent that a better decision can be made in 2 years from now, when more information is available about the effectiveness of the missile program and of our B–70 program.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Idaho, an outstanding member of the Appropriations Defense Subcommittee.

Mr. DWORSHAK. The Senator makes a rather persuasive argument that he is willing to accept the recommendation made by the Bureau of the Budget in reference to the procurement of long-range bombers. I should like to point out to the Senator that in the last year of the previous administration and in the first few months of the new administration the Bureau of the Budget recommended a delay in the research and development of a weapons system for the B–70. Does the Senator approve of the recommendations made by the Appropriations Committee to accelerate this work so that we can carry forward this program for the B–70, or would he prefer to accept the recommendation of the Bureau of the Budget to delay it indefinitely so far as the development of the B–70 weapons system is concerned?

Mr. PROXMIRE. I am delighted that the Senator has raised that point. My amendment goes only to the B–52 and the B–58. It does not touch the B–70 at all. I certainly accept the wisdom of the Senator from Idaho and others on this matter. My amendment goes only to the B–52 and the B–58.

Mr. DWORSHAK. What I am trying to emphasize is that if the Senator from Wisconsin wishes to place complete confidence in the recommendation of the Bureau of the Budget insofar as the B–52 and B–58 are concerned, why should he not be consistent and accept the recommendations of the Bureau of the Budget under former President Eisenhower and under President Kennedy to delay development of the B–70? In that way the Senator would be consistent.

Mr. PROXMIRE. The Senator from Wisconsin is not accepting any recommendation of the Bureau of the Budget. I have no idea how the Bureau of the

Budget feels on it. I am accepting the recommendation of the Secretary of Defense. I am not doing it simply because he is the Secretary of Defense. I accept it only because it is absolutely airtight. Its logic is unassailable. I have listened to Senators argue this point on the floor, and I have not heard anything said which would assail that statement by the Secretary of Defense. No one has made any effective challenge that our inventory will not be adequate. The Bureau of the Budget has nothing to do with it so far as I am concerned. I am listening to the Secretary of Defense and what he says.

Mr. DWORSHAK. I am sure the Senator understands, as I do, that when the Secretary of Defense makes a recommendation, it has the approval of the President and of the Bureau of the Budget. Therefore, in this case I believe the Senator from Wisconsin is willing to follow the recommendation of the Secretary of Defense and of the Bureau of the Budget and of the President so far as the B–52 and the B–58 bombers are concerned. However, he reserves the right to make an independent appraisal regarding the B–70 and possibly rejecting the recommendations of the Secretary of Defense and the Bureau of the Budget.

Mr. PROXMIRE. Indeed, I do. As a matter of fact, the Senator from Wisconsin reserves to himself the right to make his own decision on the B–52 and the B–58, and the right to make every other decision. However, I was persuaded by the argument of the Secretary of Defense in this case.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BUSH. I congratulate the Senator from Wisconsin on offering his amendment, which I intend to support. I am a member of the Armed Services Committee, and I was present when the recommendation for additional bombers was considered in committee several weeks ago.

I was not present when the vote was taken to add this amount, but I felt afterwards that if I had been present and if a rollcall had been taken, I would not have favored it and would have voted against it.

I feel very much more fortified in that decision today than I did at that time, because the Senator from Wisconsin has provoked a letter from the Secretary of Defense, which I believe is a masterful letter. He absolutely surrounds his subject very effectively. He takes a very firm position that the addition of the $500 million for long-range bombers, the B–52 and the B–58, is not necessary.

The Senator has mentioned World War II and the relative effectiveness of our bomber force in that war, and as of today. He touched on the matter of the Hound Dog. If the Senator will permit me, I would like the record to show also that the Hound Dog missile is a missile which is attached to the B–52 long-range bomber, and it is a nuclear missile carrying a nuclear warhead of destructive power 20 times more than the destructive power of the type of bombs that destroyed Germany during World War II.

This missile may be launched by the B–52 500 miles from its intended target. Therefore, the danger of losing a B–52 in combat has been greatly reduced by the perfection of the Hound Dog missile.

The Senator also mentioned the Skybolt missile. That also is attached to the plane, and it greatly increases the distance from the target at which a missile may be launched.

Therefore, the effectiveness of the B–52 is enhanced by the Hound Dog and the Skybolt being available, and is thereby made more effective, not only in the number of bombers we might have had during one night on any mission over Germany, but perhaps even more effective, so far as firepower is concerned, than all the bombs that were dropped on Germany during World War II.

It is almost impossible to realize the enormous firepower that is contained in one B–52. We now have some 600 of them. So I wish to emphasize that point in the Senator's remarks in support of what Secretary McNamara has said. I hope the Senator will show also that our production facilities for these bombers will not be endangered by the decision of the Secretary, if it is sustained by the Senate.

Mr. PROXMIRE. I thank the Senator from Connecticut for his remarks. I am more than heartened and delighted by his extremely significant statement. He is an authority on this subject, having served for some time on the Committee on Armed Services. I support the statement he has made.

Mr. CANNON. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. CANNON. I desired to direct a question to the Senator from Connecticut, without my losing the floor.

The PRESIDING OFFICER Is there objection? The Chair hears none, and it is so ordered.

Mr. CANNON. The Senator from Connecticut gave the impression that the Skybolt and Hound Dog missiles are either in inventory now or will be in the immediate future. The RECORD should clearly show that the Skybolt is only in the development stage now and cannot reasonably be expected to be available within the time limit which the Senator indicated. I hope he will correct the RECORD.

Mr. BUSH. I was careful to speak of the Skybolt as a future inventory item, although I did say—and I believe it is true—that the Hound Dog is in inventory at the present time. I should remind the Senator that in speaking of the Skybolt I said that in a year or two we would have both.

Mr. PROXMIRE. I believe the Senator from Connecticut is correct. I presume the Senator from Nevada would respect the opinion of General White on this subject. At page 296 of the hearings, General White said:

> A substantial increase in the combat potential of our bombers has been made by the advent of long-range air-to-surface missiles. The first of these is the supersonic GAM–77-Hound Dog—which is now entering the operational inventory.

On page 297 of the hearings, General White, speaking of Skybolt, said:

> Another weapon system which will greatly increase our operational flexibility in the face of growing enemy defenses is the GAM–87-Skybolt air-launched ballistic missile. This weapon is now under development and we hope to have it operational in 1964.

What this Appropriation Committee request is all about is the fear of discontinuing production of bombers after October 1962, after which they will no longer come off the production line at the rate of 4 a month. In view of that, it seems to me that the fact that we now have Hound Dog and are likely to have Skybolt very soon is extremely pertinent. Also, the Secretary of Defense has stated that if these plans do not develop as we expect them to, this will not be an irreversable decision; it can be reversed easily. He has estimated how much it will cost. We shall be taking no defense risk then. It will be a financial risk merited by the facts.

Mr. CANNON. I was trying to correct the erroneous statement made by the Senator from Connecticut that Skybolt would be in inventory within the next year or two. I merely ask the Senator from Wisconsin to restate the testimony of General White, which indicated that Skybolt cannot be expected to commence coming into inventory before 1964. Let us not mislead the public on the question of time and what our position will be within the next few years.

It is true that Hound Dog is coming into inventory. We honestly hope that Skybolt will be in inventory within the time frame suggested in the RECORD, which is 1964, rather than within the next year or two.

Mr. BUSH. Mr. President, if the Senator will permit me to do so, I accept his correction in good spirit. He himself is a distinguished officer in the Air Force and a member of our committee. I am glad he has corrected me on that point. I recall what I said. The Senator from Nevada is correct. I said Skybolt would be in the inventory within a year or two. I was thinking in terms of a year or two from now. Actually that is not the case. It would be, as the general said in his testimony, 1964.

I still say that with Hound Dog in operational inventory now, and considering the capability of the Hound Dog missile, I believe Secretary McNamara feels the weight of responsibility in this matter as much as any of us. Perhaps he has more responsibility than any of us—even all of us put together, indeed.

I am perfectly willing and content to accept the assurances of Secretary McNamara, because he has considered the availability of both Hound Dog and, later—two or three years hence—the availability of Skybolt. I believe his letter makes an excellent case for our production without having these additional long-range bombers.

Mr. PROXMIRE. I thank the Senator from Connecticut.

Mr. CASE of South Dakota. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. CASE of South Dakota. The Senator from Wisconsin has asked if Senators would accept the position of General White as an authority. I believe General White is an outstanding authority. Whatever he says concerning the development and capability of Hound Dog or Skybolt is interesting.

My recollection is that when General White was before the Committee on Armed Services, speaking about the B–70, he was asked directly about the B–70 and said that he would have to say, based upon his 35 years of experience as an airman, that we should proceed with the B–70 program. That was his personal conviction.

Mr. PROXMIRE. There is nothing in my position which would contradict that. The B–70 program is not in this amendment. I do not touch it. I am concerned only with the B–52 and possibly the B–58. The B–52, according to the testimony of General LeMay is the plane on which money would be spent. My amendment does not go to the B–70; so far as I am concerned, I would vote for that.

Mr. CASE of South Dakota. It is my further recollection that General White expressed himself as favoring an increase in the number of B–52's on a personal basis. I do not know whether his representation of the Air Force possibly dictated that position or feeling; but his present conviction or feeling is that there should be an increase in the number of B–52's.

Mr. PROXMIRE. I think that is correct. It would be a cold day in July in Washington, or a hot day in December, if an Air Force officer could be found who did not want more planes; or a naval officer who did not want more aircraft carriers; or an Army officer who did not want more ground equipment. But these decisions can be made effectively only by Congress and the Secretary of Defense.

Mr. CASE of South Dakota. I recognize that any officer in a particular area or service is likely to want an ample reserve. But if General White is an authority as to the availability and capability of Hound Dog and Skybolt, his testimony also ought to have some value as an authority when he speaks of planes themselves.

Mr. PROXMIRE. The Senator from South Dakota refines the problem very well. I would be far more willing to give complete faith to him when he says Hound Dog is now operational and Skybolt will be operational in 1964. When he says he wants more planes, while I give that statement some weight, I certainly recognize his position. If the Senator from South Dakota or I were in his position, we would be fighting for them, too, and we would leave final decision to Congress and the Secretary of Defense, on the basis of the economy and the overall military situation. We would expect them to come in and make the best case they could for more planes.

Mr. CASE of South Dakota. I respect the purpose, intent, and integrity of the Senator from Wisconsin in offering the amendment he has offered. I have contended on various occasions that someone must consider the overall picture when it comes to deploying our dollars, as well as anything else. However, in view of the current situation, the authority to increase the production of B–52's, particularly—and I am much more concerned with that than I am with the B–58, because I think the B–52 with the Hound Dog has a more usable capability than the B–58—I think it is well to have that reserve strength on the shelf or where we can reach it. I would not be at all surprised if the Secretary of Defense, before the year was over, would be glad that Congress provided him with the authority that is proposed by the provisions in the bill as it came from the committee in that respect.

Mr. PROXMIRE. Mr. President, the next sentence in the letter from the Secretary of Defense is perhaps the most important of all. It is as follows:

> The risk involved in delaying the decision is not one to the security of the Nation, but solely a financial risk fully justified by the remoteness of the possibility of having to exercise the option and pay the restart cost penalty.

In other words, this is a budget question, a question of economy. The Secretary of Defense has satisfied himself that our defense is protected. So the only question is whether we should spend $525 million for long-range bombers which, in the judgment of the Secretary of Defense, are not needed, and it appears that they may well be obsolete, or whether we should save that money, and, in doing so, take a chance on having to spend $245 million to restart, if we find that the missile part of our program and the other parts of our program are not proceeding as rapidly as we had hoped they would.

Mr. DWORSHAK. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. DWORSHAK. Does the Senator from Wisconsin recall that in 1948, I believe it was, Congress provided funds for a 70-group air force; but the then President, Harry Truman, said that in his judgment it was not necessary to have an air force of that size, and he impounded half a billion dollars of the appropriations, and refused to procure the necessary planes. Is it not possible that in this instance, if, in the sincere judgment of Secretary McNamara, it is not necessary to procure more B–52 and B–58 long-range bombers, but if the Congress nevertheless provides funds for that purpose, likewise the President may decide to impound the funds and take no action until in his judgment it is wise to add to our bomber force?

Mr. PROXMIRE. I think that is perfectly possible, and I think it emphasizes the futility of having Congress vote for this appropriation of funds.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1643) to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 857) to provide for the establishment of Cape Cod National Seashore, and it was signed by the Vice President.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

Mr. PROXMIRE. Mr. President, the Secretary then gives a concise but detailed answer:

> Should an eventuality develop requiring us to reinstitute the B–52 production lines, we can, for example, do so in mid-1963 and produce for delivery during the period 1965–67. A recent survey shows that in mid-1963 the personnel strength at the Boeing-Wichita airframe fabrication and assembly plant will not have been reduced below 9,400.

I think the Secretary of Defense has gone to unusual pains to ascertain whether it will be possible to return this bomber to production. In fact, he has determined exactly what the personnel is and what the prospects are for being able to proceed, and he has found that the survey shows that there will be adequate personnel strength for that purpose.

I read further from his letter:

> With respect to the B–52's Pratt & Whitney engine, the TF–33–7 turbo-fan engine for the new C–141, and the JT3D–2–4 turbo-fans which are being retrofitted into jet airliners have the same parts configuration as the B–52 engine.

Of course this means they are already producing, and will continue to produce after August or October 1962, these other engines, which are very similar.

In the following sentence he states:

> In fact, all are fabricated in one general machine shop and are mingled in the assembly line. There is no change in facilities anticipated at Pratt & Whitney during this period and the tools will not be deactivated.

Mr. President, I have studied the hearings and I have listened to the debate on the floor. No consideration was given here to this kind of detail. Senators blithely said, "We cannot restart, once production is stopped, and we cannot believe that it would be wise to close down the production of B–52's."

But the Secretary of Defense has the answers; and in his letter he shows that,

as a matter of fact, very similar engines are being produced, and will continue to be produced after August or October 1962, on the same assembly line.

Mr. GOLDWATER. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. GOLDWATER. I wish to ask a question regarding the previous point—namely, that there would be, as I understand, approximately 9,400 personnel available.

Mr. PROXMIRE. Yes. I shall read that part of the letter again:

> A recent survey shows that in mid-1963 the personnel strength at the Boeing-Wichita airframe fabrication and assembly plant will not have been reduced below 9,400.

Mr. GOLDWATER. Did the Secretary state what they would be doing, at Boeing, after that production was stopped?

Mr. PROXMIRE. He did not specify that in his letter, and I do not have that information. But it appears that they are there, and I presume they are working on other airliners or doing similar work. At any rate, they are available.

Mr. GOLDWATER. That is a very intriguing figure, if it can be substantiated.

In the morning newspaper I read the Lockheed plant at Marietta, Ga., expects 3,500 employees to be "in the wings," so to speak, if more aircraft are to be ordered from them.

So unless Boeing has something for those employees to work on, Boeing will not retain them. If we go into stepped-up defense production, as these employees are laid off at Boeing—whether at Boeing-Seattle or Boeing-Wichita, or wherever it may be—they will be absorbed by other factories engaged in similar types of production. So I do not go along with the idea that 9,400 will be available under those circumstances. I do not know of an aircraft factory able today to have 9,400 workers hang around waiting for jobs.

If the Senator from Wisconsin has figures which will show that they will be employed on a 707 line, or a Bomarc line, or on the booster-flight project, in which Boeing is interested, I would perhaps be convinced. But I am not convinced by that mere figure.

Mr. PROXMIRE. The point is that undoubtedly there are more now, but the figure will not be below 9,400, which the Secretary of Defense believes, after conference with other experts, will be ample in a restart situation.

I think the Senator's point is a good one, but certainly the Secretary of Defense is an expert on production, and I believe he is an expert in regard to this particular field. And he states that, in his judgment, this number would be ample to provide for restart of production of the number of these planes that would then have to be produced.

Mr. GOLDWATER. I would not argue that the Secretary of Defense is not a great expert on production lines. But I do not think the Secretary of Defense would say he could stop producing Ford automobiles and could start producing Chevrolet automobiles the next day without tremendous expense.

So I think he should have furnished a better breakdown as to his reasoning in this matter. He is well aware of the great demands for personnel, and he realizes that if a large number of employees were laid off at the Boeing plant, and were subsequently employed somewhere else, they would not then be available at the Boeing plant—at least, not according to my estimation—as of the time when Boeing reopened its B–52 production lines.

Mr. JACKSON. Mr. President, will the Senator yield at that point, for a clarification?

Mr. PROXMIRE. I yield.

Mr. JACKSON. In light of the comment of the Senator from Arizona, I should like to point out that the B–52 is produced at Wichita, Kans. To my knowledge, it is the only military aircraft being built by Boeing in Wichita. The commercial airliners are produced in Seattle, Wash. The Bomarc, which was referred to, will end in the fall of 1962. It is my understanding—and I say this only as a factual matter—that the production line in Wichita, Kans., will come to an end between August and October of next year.

When production starts going downward, it is obvious that the cost per unit goes upward. That is axiomatic. I think the figures could be made available, but it is certain that if the production line is reduced, going down to one per month, let us say, more per plane will have to be paid than if the production were maintained at an economic level.

I think that is the point the Senator from Arizona was trying to make.

Mr. GOLDWATER. That was one of the points. The major point was that a breakoff in production is not started without reducing personnel. Once the production line is off, the people are out of work.

Mr. JACKSON. There is no work for which they can be made available. There is no commercial aircraft work at Wichita.

Mr. PROXMIRE. My answer to the comments of the two Senators, who are outstanding experts in this field, is that the Secretary of Defense thinks that the chance of having to start up again is remote. He calls it a remote possibility. But if it does have to start up, he has given the figure of 9,400 as the minimum below which the personnel would not be reduced at Boeing, in Wichita.

Mr. President, I am trying to complete my statement as quickly as I can. I know the Senator from Louisiana [Mr. ELLENDER] has a matter to present.

Mr. GOLDWATER. Mr. President, will the Senator yield very briefly?

Mr. PROXMIRE. I yield.

Mr. GOLDWATER. I want to challeng one word, "remote." If there is doubt in the Secretary's mind as to closing down the B–52 production line, why can he not tell us the basis of his doubt? Does he feel we will continue to build the B–52, or does he feel we will not continue to build the B–52? I think that is important to the Senator's argument.

Mr. PROXMIRE. The Secretary's view is very clear. He feels we will not continue to produce the B–52 after August or October of 1962. In light of the enormous technological developments, on the basis of our best expectations and best advice, he says it is remote that in 1963 we would start reproducing again the planes the Senator from Missouri has called 10 years old.

Mr. GOLDWATER. The Senator from Missouri is right in saying this is an old aircraft, but it happens to be the most modern aircraft we have in the heavy bomber, long-range field. I might add we have only one bomber in the development stage, and we have been rather niggardly in providing funds for the B–70. If we had something ready to go, if we had something in the X, or experimental, stage to replace the B–52, I think the Senator's argument would be very valid. But we have nothing but the B–70, and the B–70 systems have been held up. So I think it is imperative to the defense of our country that we not stop building the B–52 until such time as we can replace it with some faster, better, more adequate manned aircraft.

The Senator from Wisconsin makes an eloquent speech. I am extremely beguiled and tempted. But I recognize also the facts of life—that we have nothing to replace the B–52 or B–58 except the B–70. It is not anticipated that the B–70 will be flown until the latter part of 1962 or 1963. It will only be then that we will buy an adequate supply of it, if the Secretary of Defense has then become manned-aircraft minded.

Mr. PROXMIRE. My answer to that is that the Secretary of Defense has said we have a very high bomber inventory. There will be a production of 52 of those bombers in 1 year. No case has been made that we need more B–52's and that 700 are not adequate. Nobody should put the Secretary in the position of abandoning the B–52. He feels we will have the B–52 in inventory in large numbers right up until 1970.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SYMINGTON. I have been in the Foreign Relations Committee where we are marking up a bill; or else I would have been on the floor more listening to the able Senator from Wisconsin.

When it comes to the B–52 being an old airplane, as we went into it earlier, before the distinguished Senator from Arizona came to the floor, we mentioned the fact that, just as the Senator from Arizona has said, it may be old, but it is the best we have. But the B–52 has attained a degree of modernization through the Hound Dog and even more through the Skybolt.

I present to the distinguished Senator from Wisconsin, for whom I have great respect, that the missile picture is beginning to be viewed with more apprehension, from the standpoint of reliability, than in the past. Now the theory of massive retaliation was abandoned in the previous administration, and has never been embraced in this administration. A B–52 bomber can be used for conventional defense as well as nuclear

defense. It means that we would not have to decide on a policy of being humiliated or of nuclear response.

I heard my name mentioned in the discussion of the age of the B–52 as I came into the Chamber; and merely wanted to say that, although the B–52 is a 10-year-old airplane, it is not nearly as old as the B–47, which is nearer 15 years. The policy now apparently is to maintain in service, instead of scrapping, really old airplanes, the B–47's which actually flew more than 10 years ago——

Mr. PROXMIRE. May I say to the Senator——

Mr. SYMINGTON. If the Senator will yield. I think it would be better to build an airplane that can take the newer weapons, which the B–47 cannot, than to now recognize tension by keeping an airplane we were going to scrap. That is not the better way of facing a new emergency.

Mr. PROXMIRE. May I say to the Senator from Missouri that there just is not any question that, in the first place, we are not going to build the B–47. I am sure the Senator did not imply that.

Mr. SYMINGTON. We are going to maintain them in service.

Mr. PROXMIRE. That is correct, but we are going to continue to build B–52's through 1962.

Mr. SYMINGTON. Half of 1962.

Mr. PROXMIRE. Very well; through August 1962. The Senator from Missouri has been emphasizing conventional warfare. The B–52 is indeed an excellent airplane, which can be used in conventional warfare.

What does that have to do with the production of an additional 52 of these planes? We now have an ample inventory for conventional war. Can any Senator imagine the United States engaging in conventional warfare bombing in southeast Asia, or Africa, or Latin America with conventional bombs, and needing 750 planes instead of 700? Ridiculous. If we need more of these long-range bombers we need them for defense against a major opponent. And how long would a war with Russia be conventional.

If the Senator wishes to talk about Hound Dog and Skybolt, the Senator knows very well that those are generally, if not always, nuclear weapons. If we are going to use nuclear weapons we need missiles to do the job.

Mr. SYMINGTON. Hound Dog is not necessarily a nuclear weapon. I do not wish to get into a detailed discussion with the able Senator of how one should fight a war, but I most respectfully say that in the Battle of the Bulge we used every aircraft we could. The B–17's and the B–24's, our largest strategic bombers, were used as tactical aircraft in the Battle of the Bulge.

It is possible that there will be many places where there might be conflict, where we would need a lot of long-range bombers such as the B–52's.

It is too bad there were not more bombers in the effort made against Cuba.

Mr. PROXMIRE. The Senator from Missouri knows better than any other Senator that this administration has emphasized conventional defense and conventional weapons. We have been asked for $3½ billion for that. We voted for another billion dollars of appropriations for conventional-type procurement. That has had a very heavy emphasis by this administration.

Mr. SYMINGTON. Why should we be conventional on the ground, but nuclear in the air?

Mr. PROXMIRE. We are not necessarily nuclear in the air. We have 700 long-range bombers the Senator has lauded for conventional warfare. It seems to me what the Secretary of Defense describes as a high bomber inventory is adequate.

Mr. SYMINGTON. As I mentioned earlier, the number of bombers the Secretary of Defense mentioned to the able Senator in his letter, as what we shall have and do have, is hundreds less than the number of bombers we had over Berlin in one night. If we are going into a nuclear war, we can talk about one bomber and one city. If we are not going into a nuclear war—and I pray to heaven we never do—and get into any real trouble we shall need a great many more bombers than those mentioned in the letter of the Secretary of Defense.

Apparently the Secretary of Defense is sold on the Polaris, an all-out massive retaliation weapon, and on building up our ground forces, and our nuclear air forces, but is willing to let our conventional air power deteriorate. He of course has a right to his opinion, but I have a right to mine. Of course, the able Senator from Wisconsin can accept the Secretary's position, or he can take the opinion of such others as—to the best of my knowledge—every member of the Senate Committee on Armed Services, plus two Senators, men who have seen a great deal of combat, and are on the floor now, the Senator from Arizona [Mr. GOLDWATER] and the Senator from Nevada [Mr. CANNON].

Mr. PROXMIRE. I say to the Senator from Missouri that every member of the Committee on Armed Services does not feel that way. The Senator from Connecticut announced on the floor that he will support my amendment. He is a very distinguished member of the Committee on Armed Services. He is familiar with the testimony. He feels that the Secretary of Defense is absolutely correct.

I have the greatest of respect for the Senator from Missouri, since he is not only an outstanding Senator but also is perhaps the greatest Secretary of the Air Force we ever had.

Mr. SYMINGTON. I thank the Senator.

Mr. PROXMIRE. The Senator is a great expert.

Mr. SYMINGTON. I appreciate the Senator's remark. He is an able and sincere public servant.

Mr. PROXMIRE. It is with considerable trepidation I even discuss the subject with him. However, as a Senator who has listened to all sides I must make up my own mind, and it seems to me that the logic of the Secretary of Defense is overwhelming. It seems to me that, rather than to follow the prestige of the persons involved, in which case I would vote with the Senator from Missouri every time, because he has been very correct and is very expert, it seems to me I should pay attention to logic, because that is my responsibility as a Senator.

Mr. SYMINGTON. Again, I know the Senator from Wisconsin is completely sincere in his position. I share with him apprehension about the amount of money being spent by government. I have shared that apprehension with him practically, and have voted for some of his amendments.

I am sorry if I misspoke concerning the Senator from Connecticut. To the best of my knowledge, and I was not there all the time, he did not take a positive position against these bombers in committee.

Mr. PROXMIRE. The Senator from Connecticut said he would have done so, but he was not present. I got the impression that there was not a rollcall on the question. At any rate, the Senator did not have an opportunity to express an opinion.

Mr. SYMINGTON. I did not know.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I will yield one more time to the Senator from Arizona, and then I shall have to yield the floor, so that the Senator from Louisiana can present a conference report.

I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I think it is proper at this point to invite attention to the fact that the President has called for a stepped-up air alert of B-52's.

Mr. PROXMIRE. That is my understanding.

Mr. GOLDWATER. We have not had a full year's experience of an air alert, but I can tell the Senator from Wisconsin that the attrition rate on aircraft is very high when one flies an aircraft 24 hours a day, or even 8 hours a day, day after day. I refer to not simply the engines and the moving parts, but to all the fatigue on metals which is involved. The aircraft deteriorates more rapidly. This steps up the time when the aircraft must be retired.

One of the great questions in my mind about the continuation in service of the B–47's is not related to the fact that we should continue a large number of bombers, but instead to the fact that the aircraft has already passed the time when metal fatigue has set in or should be expected to have set in. In my humble opinion, the B–47's, technically, will not be able to be depended upon for more than a year, or a year and a half at the most, at which time we can expect that some 1,200 bombers will drop out of the inventory.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. GOLDWATER. This is only the opinion of a layman, but I wish to invite attention to the fact that although we are talking about a small number of aircraft, 52 as compared to 750, the replacement rate will have to go up, because the drop in inventory due to overstress and overstrain on the B–52's will call for greater replacement. In fact, I do not think 52 is sufficient, if Senators wish to have my honest opinion. If we

plan a bomber force of 750 and provide only 52 more in the coming 2 years or 2½ years, I do not think we shall be able to maintain the force of 750. I would say the number of 750 is minimal. We cannot permit the Air Force to exist as a strategic force, I would say, with less than 750 B–52 bombers. The target should be closer to 1,000.

If we go into an air alert at the rate the President recommended we must expect a dropping out of the inventory of more aircraft in the next several years.

Mr. PROXMIRE. I wish to say to the Senator from Arizona, in reply, the fact is, as I understand it, production will continue all through next year, until August or perhaps October.

In August or October of 1962 we shall still be producing the B–52's. It will only be then that there will be a suspension, and the Secretary of Defense feels that is a logical termination of the production of the B–52's because of all the other developments. We may have to restart. The Senator from Arizona and the Senator from Missouri may be exactly correct. If we do, the Secretary is all set. The Secretary has explained exactly how we can restart, the cost, and so forth. The Secretary simply regards it as a remote contingency. It is a matter of judgment.

Mr. President, I will yield to the Senator from Missouri again, and then I think I should yield the floor, so that the Senator from Louisiana can present the conference report.

Mr. SYMINGTON. Mr. President, I thank my friend from Wisconsin.

First, the time that the production will stop on the B–52's depends upon when the production per month of the B–52's reaches the point so low that the more one makes the greater is the cost per plane. Is that correct?

Mr. GOLDWATER. That is absolutely correct.

Mr. SYMINGTON. What the Senator is really saying, in effect, based upon his past practical experience, is that if the number of B–52's and B–58's we have in inventory now, as expressed in the letter of the Secretary of Defense, is the correct number needed before the administration increased the air alert, that number could not possibly be the correct number needed now, because this increased air alert means we shall wear out a large percentage of these aircraft much more rapidly than we would have if we had not had this alert; is that correct?

Mr. GOLDWATER. The Senator is absolutely correct. My colleagues make their mistake in regard to this problem by considering the parts of the aircraft which wear out to be only the moving parts, such as the engines, the wheels, and the control surfaces. Actually, with respect to aircraft such as the B–52, which is a little bit subsonic and which has highly flexible wings, the point of metal fatigue comes far earlier than it would come for conventional aircraft. For example, I know of one DC–3 which now has over 70,000 hours. The B–47 approaches metal fatigue at 4,000 hours. This is a point which I think some Senators are overlooking.

These big B–52's have tremendous wings. When the plane is being lifted off the ground, the wing tips travel 13 or more feet in the arc of lift. Going through the turbulent air of the lower atmosphere the wings must take greater stress than the wings or the fabric of any conventional aircraft. We will find these aircraft wearing out while we can still put engines in them.

Mr. SYMINGTON. I ask one more question of my able friend from Arizona. Based upon the Tushino show, and as mentioned, we now know the Russians are building, in production quantity, the most modern bomber being produced today. Does not the Senator feel that if the Russians can afford to go to the expense of tooling and producing a supersonic bomber, this country can still afford to produce the one long-range bomber we have left, even though it is a subsonic bomber?

Mr. GOLDWATER. I would not be so much controlled in my decisions by what the Russians are doing as by what we must do. We cannot forget manned aircraft. If we had one, two, or three new supersonic long-range bombers coming off the line, I think the Senator from Wisconsin would be absolutely right in his point of view, and I would vote with him. But we do not have such bombers in production. The B–52 is our last long-range bomber in production with the exception of the B–58, and while the B–58 in my opinion is a highly desirable weapon, it cannot be classified as a long-range bomber, as we can classify the B–52.

Mr. PROXMIRE. Mr. President, I cannot see any logic in saying that since the Russians are making a supersonic plane, therefore we ought to continue to make a plane which is much slower and subsonic, and which is not nearly as good, but the best we have. It seems to me that we have heard an argument for the production of the B–70, which is not touched by my amendment. But it is not a good argument for the B–52, which is so much slower and which, according to what the Senator from Missouri and the Senator from Arizona have said with such emphasis, is simply not comparable with the Russian plane.

Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. PROXMIRE. Mr. President, I have one more paragraph of the letter from the Secretary of Defense to discuss, and then I think the most orderly thing to do will be to get a unanimous-consent agreement as to a limitation on time.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that further debate on the amendment be limited to 30 minutes, 15 minutes to be controlled by the proponent of the amendment and 15 minutes to be controlled by me.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield so that the Senator may make that request?

Mr. PROXMIRE. I yield for the request, Mr. President, and it is my understanding the time will begin when I have concluded these remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia? The Chair hears none, and it is so ordered.

Mr. GOLDWATER. Mr. President, it is my understanding that the limitation on time will begin following the completion of the remarks of the Senator from Wisconsin.

Mr. ROBERTSON. I have no objection to that. I believe the Senator has only one paragraph to discuss.

Mr. GOLDWATER. I realize the discussion will be very short.

Mr. PROXMIRE. Mr. President, the final paragraph of the letter of the Secretary of Defense is as follows:

> Should a decision be made in mid-1963—
>
> Incidentally, Mr. President, by mid-1963 we shall be in a far better position to determine whether we need more B–52's and whether they should be produced, as well as whether missiles have been coming along satisfactorily and whether the B–70's are coming along satisfactorily, than we are now.
>
> Should a decision be made in mid-1963 to commence production of B–52H aircraft, Boeing's present production leadtime of 15 months would be extended an additional 12.5 months. Aircraft deliveries would start in October 1965. Although current engine and bomb-navigation system delivery leadtimes would also slip, they would still fit well within the airframe fabrication and assembly leadtime of 27.5 months. The total restart cost would amount to approximately $245 million.

As the Secretary of Defense said earlier in his letter, the prospect that the Government would have to pay $245 million to restart is remote.

Mr. President, it is clear from the letter of the Secretary of Defense that this is not primarily a problem of security, because it would be possible to start the production, in the future, at a minimum cost. This is a question of analysis of the production situation and of the financial situation. So far as production is concerned, it seems to me the Secretary of Defense is an expert. I doubt if there is any man in the U.S. Senate who has had the demonstrated excellence the Secretary has shown in this field and who understands it as thoroughly as he does. The Secretary concludes:

> For the reasons outlined above, it is my conclusion that it is not necessary to make appropriations in fiscal year 1962 for the continued production of heavy bombers.

That is the end of the letter by the Secretary of Defense.

Mr. President, I did promise the Senator from Oklahoma [Mr. MONRONEY] I would yield to him briefly before the time limitation went into effect, so I now yield to the Senator from Oklahoma.

Mr. ROBERTSON. Is the time to be taken from the 15 minutes of the Senator from Wisconsin?

Mr. PROXMIRE. It is my understanding that I can yield to the Senator from Oklahoma for brief remarks he wishes to make. I do not know whether they are on this subject or not.

Mr. MONRONEY. The remarks are on another subject.

Mr. PROXMIRE. Then the time limitation would begin.

Mr. MONRONEY. I thank the distinguished Senator for his courtesy.

PLANE HIJACKERS CAPTURED

Mr. MONRONEY. Mr. President, the FBI special agent in El Paso, Mr. Frank Crosby, and Mr. Leonard Gilman, the assistant regional commissioner of the Immigration and Naturalization Service, who was one of the hostages on the Continental 707 jetplane, have captured the two gunmen who hijacked the plane described earlier today. I believe credit is due not only to those brave, coolheaded men, but also to President Kennedy himself in the capture of Mr. Leonard Beardon, age 50, and his son, Mr. Cody Beardon, age 17, who apparently hijacked the plane. President Kennedy refused to be blackmailed or to have the United States blackmailed by these two bandits, who were threatening hostages with death unless they were given an alternate plane to use after the 707 plane had been disabled with gunfire puncturing its tires. He ordered and directed that the plane be held on the ground and that no plane be furnished, even though it was at the risk of the lives of the hostages.

This is the kind of courage we need to meet situations of this kind, and I think that the President is due great credit for his coolheadedness at a time when people were quite hysterical. I thank the Senator for yielding.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

Mr. PROXMIRE. Mr. President, it is my understanding that the time limitation now goes into effect. I would appreciate it if the opposition would use some of their time.

Mr. ROBERTSON. Mr. President, I yield to the Senator from Kansas [Mr. SCHOEPPEL] such time as he may need.

Mr. SCHOEPPEL. Mr. President, the Armed Services Committee of both the Senate and the House, and the Appropriations Committees of both bodies, after intensive hearings, have clearly recognized the continued need for advanced manned strategic bomber systems to meet the threats posed by our potential enemies.

Mr. President, Secretary McNamara has said:

> Should a decision be made in mid-1963 to commence production of B–52H aircraft, Boeing's present production leadtime of 15 months would be extended an additional 12.5 months. Aircraft deliveries would start in October 1965. Although current engine and bomb-navigation system delivery leadtimes would also slip, they would still fit well within the airframe fabrication and assembly leadtime of 27.5 months. The total restart costs would amount to approximately $245 million.

Mr. President, if the world situation is as grave as we have been lead to believe that it is, what we are concerned with now is to beef up our defenses—not after 1965, but today. This is no time to try to second-guess Mr. Khrushchev. It would be far better to continue our present production schedules of our only operational long-range manned weapon systems than to try to reactivate it after the shooting starts.

Mr. President, I am not a military authority like many of my colleagues on this floor and must depend on the advice of those who are schooled in the military sciences. Certainly I have the greatest respect and admiration for Secretary McNamara, but I repeat that if world conditions are as critical as we have been led to believe they are, then I, for one, must place more reliance on the judgment of General LeMay, who has been schooled in the field of military science and a man whose judgment we have always respected heretofore.

Mr. President, I bring to the attention of this body the testimony of General LeMay relative to this question when he appeared before the Senate Appropriations Committee during the hearings on this bill:

> Senator HAYDEN. Would you recommend that the Congress provide additional funds for the procurement of more B–52 and B–58 bombers?
>
> General LEMAY. Senator HAYDEN, I am sure you know, as well as I do, that we are in a very critical period now. It is my personal opinion that we should not close down our bomber lines at this time.
>
> Senator HAYDEN. If additional funds are provided for the procurement of manned bombers, but because of certain limitations it would be necessary to place emphasis on the acquisition of one of these two aircraft, which of the two would you recommend procuring, and why?
>
> General LEMAY. The Air Force has always recommended the B–52 as being the best weapon system per dollar expended.
>
> Senator HAYDEN. Do you feel that a manned bomber will be required as a follow-on to the B–52 and B–58 even if our missiles continue to develop at a satisfactory rate?
>
> General LEMAY. Yes, sir; I do. We want the missiles. They are coming along; they will take a place in our inventory and give good account of themselves. However, it is our feeling, and always has been, that we must have a mixture of manned and unmanned systems if we are properly going to defend the country.

Mr. President, I hope the Proxmire amendment is defeated, and I hope that the President of the United States will take a personal interest in this matter, should the Congress provide the money for additional long-range manned aircraft and if the Secretary refuses to take appropriate action in line with the intent of Congress.

I wish to associate myself with the remarks made on the Senate floor by the distinguished Senator from Missouri [Mr. SYMINGTON] and the distinguished junior Senator from Arizona [Mr. GOLDWATER] when this subject was discussed. With reference to the B–52, I point out that it is the one manned-type of aircraft which today we have in the air as a defensive weapon, and it requires no additional leadtime.

In my humble opinion the plane is something we have in being, and which we can use if, God forbid, we ever have to. Having such a plane is far more comforting than having another plane still only on the drawing board and yet to be accomplished.

I hope the Senate, while recognizing the sincerity of the Senator from Wisconsin, in fairness to this project will defeat the Proxmire amendment.

Mr. ROBERTSON. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Virginia has 8 minutes remaining.

Mr. ROBERTSON. I yield 5 minutes to the Senator from Arizona.

Mr. GOLDWATER. I thank my friend from Virginia.

Mr. President, it is with great reluctance that I find myself in opposition to the amendment offered by my friend from Wisconsin, because for the last several days I have been voting right down the line with him. He tempts me greatly with his arguments, but I cannot follow them.

History, as we conservatives always say, is replete with examples as to why we should or should not do things. If we had a long-range bomber coming into the inventory in the next 2 or 3 years, I would vote for the Proxmire amendment. But the B–52 is the end of the line. The B–70 has been seriously handicapped by cuts made in the past and at the present time, and while we hope they are restored, they may not be, and the B–52 is it, so far as long-range bombers are concerned.

Decisions can be right; decisions can be wrong. I was reminded of decisions made by the Germans in the early part of World War II which, according to my information, probably added to their defeat in a very decisive way. Had the decisions not been made, it is my sincere belief that the war might still be going on. The war would certainly have been prolonged.

Inspector Miller, who was the inspector general of the German forces, was in a running fight with Mr. Messerschmitt throughout the early part of the war as to whether the ME–262, which was flown in test in May 1942, would continue in production as a fighter. Mr. Hitler got into the act and decided that it would not. So the one weapon that could have denied air superiority of the United States and its Allies over German soil was denied to the German Luftwaffe.

There is no question in my mind, and in the minds of those who have studied the subject, that the war would have been seriously prolonged, and might even have resulted in victory for the German side. General Spaatz has written on this subject, and so has Arthur Harris. The Germans have come to the same conclusion. In fact, in answer to a question put to Hermann Goering, "What was the reason for the delay in the use of the ME–262 as a fighter?" Goering replied promptly, "Adolf Hitler's madness."

I do not compare anyone in the administration with Adolf Hitler, by any stretch of the imagination. However, we are human, and humans can be wrong. Hitler was wrong to the extent that he sealed up the defeat of his country.

I wish to conclude my statement by reading what Frank Halder, who was removed as Chief of Army Staff by Hitler in July of 1942, has written:

> It is true that Hitler had a lively interest in, and indeed a marked understanding for

technical construction of all kinds. He interested himself personally in the design of everything from weapons to engines, from ships to the technicalities of fortification. Nobody will deny that this interest was a powerful incentive in the fuehrer state, that it was frequently of assistance to the fighting troops and contributed materially to their successes. But is that enough to make a great military leader? Elephants did not make a Hannibal, nor were the first tanks a source of greatness to the Allied generals in the 1914–18 war.

Weapons and engines are a common achievement of science, engineering, and craftsmanship. The marks of a great leader are a quick understanding of their potentialities in war and an ability, far exceeding that of his contemporaries, to devise new uses for them. In Hitler one seeks these qualities in vain.

Again, I do not read this with any idea of comparing any member of the armed services or of the administration with Adolf Hitler. I resort to the philosophy of the conservative that we can find these answers if we look for them in history. We find a very full answer, which is quite parallel to the subject we are discussing; namely, the decision by the Commander in Chief and his staff as to whether or not we will continue to provide ourselves with the weapon which is the only weapon we have left coming off the production line of a truly long-range subsonic bomber. It is true that we have B–58's coming off the line, too, and it can be termed a supersonic bomber and, in fact, is a mach 2 bomber, and can be used for bombing and reconnaissance, and for the ability of the human brain to make up its mind. I believe the B–52 is necessary, and therefore I shall vote against the Proxmire amendment.

Mr. ROBERTSON. Mr. President, I yield 2 minutes to the Senator from Texas.

Mr. YARBOROUGH. The time the Senator has allowed to me is even more than the time which the Department of Defense has taken in its consideration of the B–58.

Mr. President, I have read a copy of the letter from the distinguished Senator from Wisconsin to the Secretary of Defense dated July 28, 1961, and I have also read a copy of the reply from Secretary McNamara dated August 1, 1961. I have studied both documents. I am appalled at this exchange.

In the first paragraph of the Secretary's letter, he states that it is his belief that the production of B–52's and B–58's is already adequately protected.

In the second paragraph, the Secretary states that we will have over 700 B–52's and B–58's in the operational inventory at the end of fiscal year 1966. A more straightforward statement would read, "We will have procured according to present plans under past authorizations, two wings of supersonic long-range B–58 bombers. There will be available in 1966 about 90 B–58's along with over 600 subsonic long-range B–52 aircraft which are slower than some of our present-day commercial jet transports and of which number the majority will be over 10 years old at that time."

In the third paragraph, the Secretary illustrates his confidence with certain statistics regarding the work force in place at the Boeing-Wichita airframe fabrication and assembly plant in mid-1963. He quotes a number of 9,400 people. I fully subscribe to this. I pointed this out in a recent floor statement on this subject. These people will still be there modifying and reworking the B–52G and H airplanes which must have new wings put on.

In the same paragraph, he points out that the Pratt & Whitney engine plant will still be manufacturing the necessary engines and that the tools will still be in place. There is no doubt about the validity of this statement either.

In the fourth paragraph, the Secretary quotes certain statistics regarding the bomb-navigation system and concludes that the restart costs, which would incidentally buy us no airplanes whatsoever, would be approximately $245 million.

But, Mr. President, at no place in this letter can I find any similar statistics for the B–58, the free world's only long-range manned supersonic bomber airplane. The only airplane that can penetrate the Soviet defenses on its own, without the use of decoys or other expensive and complicated "crutches." The only airplane that can accurately and reliably drop its bombs on enemy targets. The only airplane that will give our trained American bomber pilots an eight times better chance of dropping their bombs at high altitude and returning to friendly territory.

Since the Secretary neglects to supply this information for the consideration of this body I will do it for the record and let the facts speak for themselves.

By mid-1963 the skilled work force in place at the airframe fabrication and assembly plant of General Dynamics, Fort Worth, will be zero. There may be then only about 200 people engaged in termination work and plant maintenance. By the same time the number of people at work fabricating the bomb-navigation system of this airplane will be zero. The number of people manufacturing and assembling the other subsystems of this remarkable airplane in 40 States of the Union will be zero.

The only conclusion most people can draw from the facts which I have just stated is that the cost of a restart of the supersonic B–58 in mid-1963 both in time and money would be infinite. The cost to our future security might well be total disaster. Whether or not all the trained people in Fort Worth will be available and can be reemployed is a very moot question, and without people, the well-preserved production tools mean nothing. I can assure you, that the B–58 production lines will be down, and that they cannot be started again quickly and efficiently, as I believe some of us have been told.

The Secretary has indicated that further study of the "bomber concept" is in progress. The Soviet study is evidently complete. They have three different types of supersonic strategic bombers in production right now. These airplanes are being placed in the hands of the Soviet SAC in ever-increasing numbers.

The study by the Congress of the United States is complete. The Congress has unanimously indicated their desire to continue the production of manned strategic bombardment aircraft and to accelerate the development of the B–70.

This decision is in my judgment sound and meets our obligation to provide for the common defense. The continued production of the B–58 is an integral part of our strategic deterrent. It is, by definition according to General LeMay, a long-range bomber, and it must be kept in production to assure a positive and reliable method of delivering our great stockpile of A- and H-bombs. These bombs are no good sitting here in the United States and in the B–58 we have a supersonic delivery system that can have an 8 to 1 better chance of delivery at high altitude than our other SAC bombers. We must have more than a mere two wings. If not, the Soviets will outnumber us 5 times and may be more in total numbers of supersonic bombers by the time we will get the B–70.

In my judgment the adoption of the Proxmire amendment would be a grave error; it would be a disastrous one.

Mr. PROXMIRE. I yield myself such time as I may need.

With respect to one objection the Senator from Texas has made, the fact is that it has been testified over and over again in the hearings, and it seems to be well known and agreed to by Senators on the floor, that this money would not be used to build B–58's. The fact is that General LeMay has said that he intends to use it for B–52's. They have no intention of using it for B–58's. As I have said, there is no intention on the part of the Secretary of Defense or on my part to abandon long-range bombers. We recognize they are necessary. We recognize they are an important part, if not the most important part, of our whole defense posture. Secretary McNamara is the one man who has primary responsibility for our overall defense. I stress "overall." On this key question of how much is enough in long-range bombers, he has given the Senate a very clear and a very explicit answer.

Deputy Secretary of Defense Gilpatric has said, "We are supporting a concept of a mix of strategic weapons."

The appropriation bill before the Senate supports that concept on virtually every item, except one, and that is the half billion dollars plus for manned long-range bombers.

This is the only major item which does not fit into the carefully balanced mix of strategic forces recommended by the administration and the Defense Department to safeguard our national interests.

The distinguished Senator from Arizona has made a very eloquent plea for the B–70. I support him in it. He is undoubtedly correct. However, my amendment does not touch the B–70. It is concerned only with the B–52.

The B–52 is recognized as being an old bomber. The Senator from Missouri has stated that this bomber was conceived in 1949 and in production in 1952. Therefore, it is 10 years old. It is an important weapon. It is now in the H model. It has been improved. It is a very much slower bomber than the

bomber the Russians seem to have. Of course it is certainly not as modern a bomber.

The one distinctive feature of modern warfare is the fabulous rate of technological development. With missiles, nuclear weapons, and fabulous plane speeds, the one sure thing is that today's weapons will be obsolete tomorrow.

The Secretary of Defense and the administration have taken the position that the 10-year-old bomber, the B–52, is an immensely important weapon in our arsenal. The 10-year-old bomber has been greatly improved, of course, and the administration has fitted it into the balanced mix of defense weapons, with the more than $4.5 billion they already have appropriated but unspent for Air Force procurement.

Throughout the sixties, according to the testimony by top defense personnel, we will have a large inventory of long-range bombers, in the order of more than 700. Equipped with the Skybolt and Hound Dog missiles, the bomber will have a fantastic destructive power; as the Senator from Missouri has said—one bomb, one city.

Meanwhile, the rapid-fire advance of missiles, the prospect of the new B–70 development, and perhaps the decision later to design, research, and build more advanced long-range bombers all persuade the Secretary of Defense that it would be a remote eventuality that more of this 10-year-old B–52 will be needed in the already heavy inventory in the 1960's.

But in the event more are needed, will there not be a risk that the country would then not have the optimum defense? Is it not true that we might find in 1962 or 1963 that the missile program either is not working out or cannot do the job we expect it to do? Is it not true that the B–70 program might not work out satisfactorily? With this kind of eventuality, would it not be desirable to have those additional B–52's available?

The answer is emphatically "No."

The Secretary of Defense has carefully considered each of these possibilities. If 2 or 3 or 5 years from now, we find that the old B–52 is still our best bet, we will have 2 protections. First, we will have a very heavy inventory at that time of B–52's. The Secretary has written:

> Previous appropriations enable us to plan on a very high bomber inventory through the mid-1960's. In the operational inventory we will have over 700 B–52's and B–58's at the end of fiscal year 1966.

In the second place, we will have the capability of producing the B–52 once again in quantity. I do not think I have to reread the section of the Secretary's letter in which he emphasizes, underlines, and reinforces, that conception and that idea. He is an expert on production. He is certainly the outstanding expert in this administration. He has been the head of the second largest automobile company in the world, a tremendously efficient automobile concern. The Secretary of Defense is a real expert in this field. I think we may take his word.

Mr. RUSSELL. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. RUSSELL. I hope the Senator from Wisconsin will not rely too strongly on the fact that the Secretary of Defense was the head of an automobile manufacturing concern, in order to qualify him. The head of another automobile manufacturing concern was also a Secretary of Defense.

Mr. PROXMIRE. The distinguished Senator from Georgia makes a pertinent point in saying that the head of another automobile company was Secretary of Defense, and has been, perhaps, challenged in the light of history. However, I am not speaking now about the defense situation, because I think it has been established, at least to my satisfaction, that this problem primarily is a financial problem—whether we should take a financial risk. It can be decided later whether to produce more B–52's. That is a production problem, not a defense problem.

Mr. RUSSELL. I join the Senator from Wisconsin in the high tribute he pays to the Secretary of Defense, who, in my opinion, is one of the ablest men to occupy a Cabinet position for some time. He is a man of great capacity. However, it so happens that I do not agree with the Secretary in this specific instance.

I was interested to hear the Senator quote the Secretary of Defense, again and again and again, in support of his reasons why the amendment striking out funds for the B–52 should be approved. But the Senator from Wisconsin told the Senator from Arizona that he completely agreed with his statement in support of the B–70. Does not the distinguished Senator from Wisconsin know that the witness he quotes as being against the B–52, the Secretary of Defense, has been equally vigorous, if not more so, in opposition to the increase of funds for the B–70?

Mr. PROXMIRE. Yes. I am delighted that the Senator from Georgia raises that point. I do my best not to be overswayed by prestige and position. I try to listen to the logic, reason, and argument of important officials. The Secretary of Defense has persuaded me entirely because of the logic and weight of his argument. If I were to base my judgment primarily on prestige, I should rely on the Senator from Georgia [Mr. RUSSELL], the Senator from Missouri [Mr. SYMINGTON], and other experts who have been engaged in this field longer than the Secretary of Defense has been.

Mr. RUSSELL. The Senator from Wisconsin well knows, I suppose, that General LeMay has had considerable experience in every phase of the airplane business, and supports the continuation of bomber production at this time.

Mr. PROXMIRE. He does, indeed. Also, I am certain we could not find a Secretary of the Air Force who would not ask for more, especially if he could get anyone to agree with his position that a larger Air Force is needed. Has not that always been true?

Mr. RUSSELL. Yes; I think generally speaking Secretaries of the Air Force have been ahead of Secretaries of Defense in asking for weapons. I recall that back in 1950, I think, Congress followed the recommendations of the Air Force instead of the Executive and the Secretary of Defense. We would have been much better off, with respect to what happened in Korea about 12 months later, if the President and the Secretary of Defense had followed the views of the Air Force and Congress with respect to the production of planes to wage the Korean war.

Mr. PROXMIRE. The Senator from Georgia makes an excellent point. However, it has been established that this is primarily a production problem, a financial problem. Security is not involved. If we find that the missiles and the B–70 are not successful and we must rely on the B–52, we can resume its production. It is a question of investing $245 million. The Secretary of Defense, an expert on production, says this is a remote possibility. In the remote possibility that it is necessary to resume the production of B–52's, we shall have the capacity to produce them once again in quantity. In the remote eventuality that weapons technology should stand relatively still for the next 5 years, we would be ready to move promptly to produce this 10-year-old plane, the B–52, in numbers.

Let us make clear what the $525 million would not buy. It would not buy research. It would not buy a new design. It would not buy additional speed or protection. What would it buy?

It would buy an additional number of what are described as 10-year-old bombers, long-range bombers, to add to an inventory of these old bombers which the Secretary of Defense already regards as heavy.

The Secretary of Defense must determine a balanced assortment of weapons—missiles, submarines, aircraft carriers, bazookas, and rifles.

Every service, of course, wants more—much more. Every service always fights for more, especially when it receives a little senatorial encouragement. However, the Secretary of Defense must make that decision—the decision for a balanced inventory based on all considerations. He does not want us to spend the $525 million. We should not spend it; we should save it.

Mr. President, I reserve the remainder of my time.

Mr. ROBERTSON. Mr. President, I yield myself 30 seconds. The distinguished Senator from Arizona [Mr. HAYDEN] asked General LeMay, on July 18:

> Would you recommend that the Congress provide additional funds for the procurement of more B–52 and B–58 bombers?

General LeMay replied:

> Senator HAYDEN, I am sure you know, as well as I do, that we are in a very critical period now. It is my personal opinion that we should not close down our bomber lines at this time.

The committee agreed 100 percent with General LeMay that $525 million should be included in the bill. We ask that the amendment to take out that amount be defeated.

Mr. President, I yield the remainder of my time to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I join with the Senator from Virginia. He and I have presented overall, detailed statements as to the security that the bill will provide for our country in the days to come.

With respect to the amendment of the Senator from Wisconsin, Congress must provide the funds for the security of our country. The administration need not necessarily use all the funds provided. In the case of the B–52, we are doing the wise thing, the sensible thing, and the safe thing if we appropriate these funds for the B–52.

Not to do so, and then to have the need develop for the funds, would leave a heavy burden of responsibility upon us.

I hope the amendment of the Senator from Wisconsin will not be agreed to.

Mr. ROBERTSON. Mr. President, I am prepared to yield back the remainder of my time. Will the Senator from Wisconsin yield back the remainder of his time?

Mr. PROXMIRE. I yield back the remainder of my time.

Mr. ROBERTSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PELL in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Wisconsin. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Hawaii (when his name was called). On this vote I have a live pair with the senior Senator from West Virginia [Mr. RANDOLPH]. If the senior Senator from West Virginia were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Michigan [Mr. HART], the Senator from Missouri [Mr. LONG], and the Senator from West Virginia [Mr. RANDOLPH], are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Michigan [Mr. HART], and the Senator from Missouri [Mr. LONG] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Kansas [Mr. CARLSON] is absent on official business.

The Senator from Iowa [Mr. MILLER] is necessarily absent.

If present and voting, the Senator from Maryland [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON] and the Senator from Iowa [Mr. MILLER] would each vote "nay."

The result was announced—yeas 4, nays 87, as follows:

[No. 129]

YEAS—4

Bush	Morton	Proxmire
Ellender		

NAYS—87

Aiken	Fulbright	Monroney
Allott	Goldwater	Morse
Anderson	Gore	Moss
Bartlett	Gruening	Mundt
Beall	Hartke	Muskie
Bennett	Hayden	Neuberger
Bible	Hickenlooper	Pastore
Boggs	Hickey	Pell
Bridges	Hill	Prouty
Burdick	Holland	Robertson
Byrd, Va.	Hruska	Russell
Byrd, W. Va.	Humphrey	Saltonstall
Cannon	Jackson	Schoeppel
Capehart	Javits	Scott
Carroll	Johnston	Smathers
Case, N.J.	Jordan	Smith, Mass.
Case, S. Dak.	Keating	Smith, Maine
Church	Kefauver	Sparkman
Clark	Kerr	Stennis
Cooper	Kuchel	Symington
Cotton	Lausche	Talmadge
Curtis	Long, La.	Thurmond
Dirksen	Magnuson	Tower
Dodd	Mansfield	Wiley
Douglas	McCarthy	Williams, N.J.
Dworshak	McClellan	Williams, Del.
Engle	McGee	Yarborough
Ervin	McNamara	Young, N. Dak.
Fong	Metcalf	Young, Ohio

NOT VOTING—9

Butler	Eastland	Long, Hawaii
Carlson	Hart	Miller
Chavez	Long, Mo.	Randolph

So Mr. PROXMIRE's amendment was rejected.

Mr. SALTONSTALL. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JACKSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AGRICULTURAL AMENDMENTS OF 1961—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1643) to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ELLENDER. Mr. President, the conferees sat for 2 days considering the items in the report, and finally the report received the unanimous approval of all conferees from the House as well as those from the Senate. There were no material differences that we could not settle. When we concluded our conference and reached an agreement, we had ironed out the differences, which were of great importance, as between the Senate version of the bill and the House bill.

First. The Senate accepted the House language relating to the declaration of policy. This included a reference to the fact that this country would in no manner subsidize the export of agricultural commodities to other than friendly nations.

Second. The House accepted the Senate language relating to the prerogatives of the Secretary of Agriculture to consult with farmers and others in the development of agricultural programs.

Third. One of the programs that was adopted was the wheat program. The conferees agreed on a mandatory acreage cut of 10 percent and a voluntary 30-percent acreage cut with payments in cash or kind of 45 percent on the mandatory acreage reduction and 60 percent on the voluntary reduction.

I point out that the Senate provided 40- and 50-percent payment rates and the House 50- and 60-percent payment rates on the mandatory and voluntary reductions, respectively.

The conferees further agreed that any producer could divert up to a total of 40 percent of his allotment or 10 acres. The House language provided for a 15-acre cut. This provision is especially important with respect to the so-called 15-acre exemption producers in Soft wheat States. The Department has reported, however, that in their estimation a 10-acre reduction would not materially affect the production of Soft wheat.

With respect to Durum wheat, the conferees agreed to provide authority for the Secretary of Agriculture to increase Durum wheat allotments if he finds the supply insufficient to satisfy demand. This is a 3-year provision. In addition, the conferees agreed that the Secretary should not take the subsidized exports of Durum wheat into account in determining whether or not the supply of Durum wheat is sufficient.

Fourth. In respect to the feed grain program, very few changes were made, and the conferees agreed that producers of malting barley could increase acreage up to 110 percent of the average 1959–60 acreage and still be eligible for price supports; and to delete the so-called wetlands provision. This would have prohibited assistance under the Soil Conservation and Domestic Allotment Act to farm operators of draining wetlands when the Secretary of Interior found that wildlife preservation would be materially harmed.

This is a House provision, which the House conferees agreed to delete.

The conferees further agreed to retain the Senate version of the 20-acre provision, which was the amendment suggested by the Senator from Iowa [Mr. MILLER], so that the program in that respect would be the same as now prevails.

Both versions required a 20-percent cut in acreage with payment at 50-percent and a voluntary cut in acreage of 20 percent with payment of 60 percent.

Fifth. Marketing orders: The conferees agreed—

(a) To exclude chicken hatching eggs from market order authority;

(b) To include both turkeys and turkey hatching eggs;

(c) To include all cherries;

(d) To include apples produced in Michigan, New York, New England, Maryland, New Jersey, Indiana, and California, including such apples for canning and freezing;

(e) To include peanuts and tobacco;

(f) To include all agricultural commodities not otherwise exempt or covered;

(g) To include oranges, onions, walnuts, and dates—except dates for processing—in the list of commodities under section 8(e), which would in effect prevent the importation of such commodities unless they complied with the grade, size, quality of the market order requirements on domestic producers.

That provision, I believe, gave us more difficulty than any other in the bill, in that there was insistence on the part of the House conferees that their version be retained respecting dates. But, as I have indicated, we agreed that dates would be included except for dates that are used for processing; that is, for making cakes, cookies, and other like preparations.

(h) The so-called checkoff provision relating to all agricultural commodities, including milk, was deleted.

(i) The Williams amendment, requiring a referendum in the case of market orders, was retained.

Sixth. Wool: The conferees agreed on a 4-year extension of the wool program.

Seventh. With respect to Public Law 480, the conferees agreed (a) to retain the amendment, of which I was the author, requiring that the exchange rates in title I agreements be comparable to the so-called Treasury selling rate; (b) to retain the Senate language providing for a 3-year extension, with a $4½ billion authorization; (c) to delete the House language requiring all agreements in excess of $5 million to be submitted to the Committees on Agriculture 15 days before the agreement became final.

The Department of Agriculture was very anxious to have that provision eliminated, and in the closing hours of our conference the House agreed to eliminate that provision altogether.

The conferees further agreed to (d) retain the provision providing for sale of foreign currencies to American tourists.

That was a House provision.

The conferees also agreed to (e) retain the provision relating to section 104 (a), requiring that 5 percent of title I sales proceeds each year be set aside in the amounts and kinds of foreign currencies specified by the Secretary of Agriculture with a 2-percent convertibility into types and kinds of foreign currencies as the Secretary terms necessary; and (f) delete all amendments to the credit sales for dollars provision of title IV of Public Law 480.

Eighth. With respect to agricultural credit, only a few significant changes were made. The conferees agreed (a) to omit the section authorizing real estate loans to farmers who held long-term leases; (b) to authorize loans to soil conservation districts for equipment used for soil conservation purposes; and (c) to omit the House language which would have authorized loans for economic disaster on a permanent basis.

Ninth. With respect to the general provisions which we had in the bill, the conferees agreed (a) to delete both sections 401 (a) and (b) which related to farmer cooperatives.

We had a prolonged discussion on this point. The members of the House said they had specific instructions from the committee as a whole that they would not agree to this provision. In order to have a bill, the Senate reluctantly agreed to recede.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. It was also stated by the House conferees that they consider the provisions of subparagraphs 401(a) and (b) in the Senate bill to be a part of existing law, and that there was no need for them. To the extent that they stated their interpretation of the intent of existing law, I believe there was a gain made, because there is no reason now for the courts to misconstrue the intent of Congress as to the authority of cooperatives to unite and to do business.

Mr. ELLENDER. The Senator is correct. The interpretation is written in the report.

Mr. AIKEN. In the statement on the part of the managers of the House.

Mr. ELLENDER. Yes; that is now a permanent record.

To continue with the bill, the conferees agreed (b) to extend the school milk program for 5 years in such amounts as may be appropriated.

There was a little change made here. In the past there was a limit within which the Commodity Credit Corporation was permitted to furnish milk for the school lunch program, and we have provided that this matter will be handled now through appropriations each year for the amount that may be necessary in order to carry on the school milk program.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. There was considerable significance in the action of Congress at this time in repealing the authority for back-door financing of the school milk program. It is also noticeable that the bill continues the prohibition against back-door financing for the Farmers Home Administration unless authorized in an appropriation act. I only hope that when the mutual security bill comes before the Senate for consideration, as it will within the next day or two, that the Senate will not decide that back-door financing for a $100 million milk program for our school children is unsound but that an $8,800 million financing operation all over the world through back-door financing is not unsound. I hope we do not show inconsistency, which is highly possible in that field.

Mr. ELLENDER. The method that was applied heretofore has worked very well. One of the reasons the House Members advanced to make it on an appropriated dollars basis was that it would be charged to the school milk program and not to agriculture.

Mr. AIKEN. Of course.

Mr. ELLENDER. It did accomplish what the Senator has stated.

In respect to FHA, I do not believe that there has been a material difference in the method of financing from that provided by the bill.

Mr. AIKEN. The financing of school milk and agricultural programs by the Commodity Credit Corporation has not been as "back doorish" as is proposed in the Mutual Security Act for foreign aid programs. Every year the losses from the Commodity Credit Corporation have had to be replaced by direct appropriation.

Mr. ELLENDER. There is a vast difference.

Mr. AIKEN. I hope we remember to be consistent when the mutual security bill is taken up for consideration.

Mr. ELLENDER. Yes. The procedure with respect to the Farmers Home Administration has not been materially changed. What happens there is that the borrowing is authorized for specific amounts each year by the appropriation act, and then a note is signed by the FHA to the Treasury, and it is made on certain terms that we decide upon. This borrowing cannot be done unless and until the Appropriations Committee and the Congress votes to authorize it.

The conferees also agreed (c) to delete the provision making surplus foods available to State penal and correctional institutions.

The Senate will remember that we had that matter before us on many occasions, and the Senate felt that the States were well able to take care of their own finances insofar as these institutions were concerned. However, the House had the provision in its bill. They agreed to delete it at our suggestion.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I had one more point to discuss before we act on the conference report. I feel that the Chairman of the Committee on Agriculture and Forestry has done an exceptionally good job in bringing this omnibus farm bill to its present tolerable position. At one time it appeared that we could get a bill which would be very unacceptable. However, the chairman of the committee has been very diligent and has been very patient. The worst features of the bill as originally sent up from the Department have been deleted. There are still one or two provisions in it which I would rather have seen taken out. There are one or two provisions which were deleted that I

would have rather seen left in. On the whole the chairman has done a remarkably fine job in bringing this bill through all its stages to the present conference report, which we are now about to accept, I hope.

Mr. ELLENDER. I thank my good friend from Vermont.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. I join in expressing appreciation to the conferees on the agricultural bill in acting promptly and bringing it back promptly to the respective bodies of Congress. I have a few questions. First, with respect to wheat production, does the 10-percent reduction requirement apply to the so-called 15-acre wheatgrowers?

Mr. ELLENDER. The producer who has been planting 15 acres would be reduced to 13½ acres.

Mr. CASE of South Dakota. That would be a 10-percent reduction from the 15 acres?

Mr. ELLENDER. That is correct; a 10-percent reduction.

Mr. CASE of South Dakota. To be eligible to vote on marketing quotas, would a farmer have to grow at least 13½ acres of wheat?

Mr. ELLENDER. He may not vote in the referendum for the 1962 crop unless he has planted more than 13½ acres for 1959, 1960, or 1961 harvest. If he has planted more than that amount, then he is eligible to vote. The acreage that may be planted without being subject to marketing quotas remains as the Senate provided—13½ acres. In order for a farmer to be eligible to vote, he must have planted in excess of 13½ acres. The record shows that about 90,000 farmers planted between 13½ and 15 acres of wheat.

Mr. CASE of South Dakota. With respect to soil conservation districts, I note that section 314 would permit such districts to make loans aggregating not more than $500,000 in any one year to districts for the purchase of equipment. Is the $500,000 a limitation on individual soil conservation districts?

Mr. ELLENDER. No; that is a limitation upon the whole country.

Mr. CASE of South Dakota. The whole country?

Mr. ELLENDER. That is correct.

Mr. CASE of South Dakota. It seems to me that such a limitation is a little severe, because for the purchase of equipment, $500,000 spread over the entire country is not much.

Mr. ELLENDER. It is a new program, as the Senator knows. We have started it in a small way.

Mr. CASE of South Dakota. It obviously would be in a small way, with 3,000 counties in the United States and only $500,000 to lend. I recognize, of course, that soil conservation districts may overlap counties, and that some counties are not organized.

However, the amount does not offer much opportunity. Yet frequently the joint purchase by a soil conservation district of a particular type of seeder or tool for breaking up the soil may be beyond the capacity of individual farmers. The soil conservation district can purchase such equipment to much advantage, rent it, and eventually pay for it.

One other question. I note a paragraph on page 30 of the report to the House, which reads as follows:

(5) Omits a provision in the House bill which would have denied ACP assistance to draining wetlands if the Secretary of the Interior had determined that such drainage would be injurious to wildlife.

I myself had hoped that the Senate conferees would have agreed to that provision in the House bill.

Mr. ELLENDER. That amendment was introduced on the House floor. The amendment provided for reports to be made by the Department of the Interior. Since the feed grain program is for only 1 year, it was felt that inclusion in it of permanent provisions should not be considered, and that nothing could be accomplished with respect to this provision in 1 year. For that reason the Senate conferees insisted that the provision should be deleted, and that was done.

If the program were a permanent one it might be made workable, and I believe it might be possible to have more or less permanent legislation in that regard. I am in agreement that our wetlands should be retained as much as possible to provide more wildlife. However, we believed it was impractical to include this provision in a bill of this kind.

Mr. CASE of South Dakota. I recognize that an individual landowner should have the right to drain his land or to store water—either one or the other, as he may wish—but it seems to me that the Government is working somewhat at cross-purposes when it establishes various programs to increase wildlife and at the same time authorizes payments to drain the wet lands which contribute breeding grounds for many of the migratory waterfowl. I hope that when the extension of the program is considered next time, further consideration will be given by the Senate committee to the possibility of placing some prohibition on the use of ACP funds, which the House had proposed in this instance.

Mr. ELLENDER. I thank the Senator from South Dakota.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a detailed description of the differences between the bill as passed by the Senate and the conference substitute therefor, and how the substitute was arrived at.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DIFFERENCES BETWEEN S. 1643, AS PASSED BY THE SENATE, AND THE CONFERENCE SUBSTITUTE THEREFOR

POLICY

1. Includes a declaration of policy.

THE 1962 WHEAT PROGRAM

2. Limits foreign relief use of 1962 marketing excess wheat to "friendly" countries.

3. Excludes new wheat allotment farms from the 1962 wheat diversion program.

4. Provides for control of all insects on diverted wheat acreage instead of just grasshoppers.

5. Provides that acreage diverted from wheat may be planted to castor beans, guar, safflower, sunflower, or sesame, but no diversion payment would be made therefor.

6. Provides that the total acreage "of cropland" on the farm (rather than the total acreage on the farm) devoted to soil conserving uses, including "idle land" shall be increased in 1962 by the acreage diverted (so that the Department will not be required to measure or control noncropland, and so that idle land cannot be put into crops). The Secretary could, under his authority to include additional terms and conditions, prohibit noncropland from being put into crops.

7. Provides for payment rates of 45 percent (instead of 40 percent) for the first 10 percent reduction and 60 percent (instead of 50 percent) for any further reduction.

8. Requires the Secretary, in fixing wheat diversion payments, to use actual 1959 and 1960 farm yields where they are proved; and provides revised language with respect to adjusting yields where actual yields are not proved. The revised language makes the use of adjusted county yields and farm productivity discretionary, rather than mandatory.

9. Permits any farm to divert up to a total of 10 acres so long as its total wheat acreage diversion does not exceed the larger of (i) its highest wheat acreage in 1959, 1960, or 1961, or (ii) its 1962 allotment.

10. Limits the provision for increasing Durum wheat acreage allotments to 1962, 1963, and 1964; and provides that the demand for Durum wheat for export at subsidized prices not be considered in determining the need for, and the amount of, any increase.

FEED GRAIN PROGRAM

11. Provides an additional limitation on the malting barley exemption from the feed grain diversion program limiting it to malting barley producers who do not exceed 110 percent of their average 1959–60 barley acreage.

12. Provides that the average acreage of cropland on the farm (rather than the average acreage on the farm) devoted to soil conserving uses, including idle land shall be increased in 1962 by the acreage diverted (so that the Department will not be required to measure or control noncropland, and so that idle land cannot be put into crops). The Secretary could, under his authority to include additional terms and conditions, prohibit noncropland from being put into crops.

13. Provides for use of actual 1959–60 farm acreages and yields when proved and provides for adjustment of farm yields for the same factors as used for adjusting acreage, and includes soil and water conservation measures among the factors for which adjustments may be made.

MARKETING ORDERS

14. Adds the following commodities to those for which marketing orders may be issued, in addition to those provided for by the Senate bill:

(a) Apples produced in Maryland, New Jersey, Indiana, and California (in addition to those produced in Michigan, New York, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut, which were provided for by the Senate bill).

(b) Apples for canning or freezing produced in all of the States just named and products of apples produced in those States, except canned or frozen products. Orders applicable to apples for canning or freezing would be subject to the same processor approval required for cherries or cranberries for canning or freezing.

(c) Peanuts, but no peanut products. No order applicable to peanuts could cover more than one of the three principal production areas (Southeast, Southwest, or Virginia-Carolina).

15. Does not repeal marketing order authority for tobacco.

16. Deletes chicken hatching eggs from the list of commodities to which marketing order authority would be extended.

The conference substitute retains the Senate provisions repealing marketing order authority for soybeans, and extending marketing order authority to the following commodities (but not their products): cherries and cranberries for canning or freezing, turkeys, turkey hatching eggs, and all other agricultural commodities not specifically covered or excepted.

The commodities specifically excepted are: honey, cotton, rice, wheat, corn, grain, sorghums, oats, barley, rye, sugarcane, sugarbeets, wool, mohair, livestock, soybeans, cottonseed, flaxseed, poultry (other than turkeys), eggs (other than turkey hatching eggs), fruits and vegetables for canning or freezing (other than those specifically covered), and apples (other than those specifically covered).

17. Amends section 8e of the law relating to marketing orders to prohibit the importation of oranges, onions, walnuts, and dates (other than dates for processing) which do not meet the grade, size, quality or maturity requirements of orders applicable to the domestic commodities. At present only imported tomatoes, avocados, mangoes, limes, grapefruit, green peppers, Irish potatoes, cucumbers, or eggplants may be subject to such a restriction.

18. Omits Senate provisions which would have (a) extended marketing research and development authority to milk and advertising authority to all covered commodities; (b) provided for separate producer approval of research, development, and advertising provisions of an order; (c) repealed a provision limiting orders for commodities other than milk to the smallest practicable area; and (d) made it clear that supplementary orders may be issued for the same commodity.

WOOL ACT EXTENSION

19. Extends the Wool Act for 4 years instead of 3.

PUBLIC LAW 480

20. Authorizes the use of foreign currencies for dollar sales to American tourists.

21. Requires 5 percent of the proceeds of the title I sales in each year to be set aside in amounts and kinds of foreign currencies specified by the Secretary of Agriculture for agricultural market development and requires such amount of sale and loan proceeds as the Secretary of Agriculture determines necessary, but not less than 2 percent, to be convertible into currencies of other foreign nations as the Secretary of Agriculture deems necessary for market development activities in countries which are or may become dollar markets. The Secretary would be required by the House amendment to enter into title I sales with dollar or potential dollar countries to provide adequate foreign currencies for agricultural market development in those countries. He is now permitted to do so.

22. Omits section 203 of the Senate bill, which would have made several minor changes in title IV of Public Law 480 (which relates to long term dollar credit sales).

AGRICULTURAL CREDIT

23. Provides a $60,000 indebtedness limit on Farmers Home Administration farm real estate loans.

24. Limits indebtedness of associations for soil and water conservation loans to $500,000 in the case of direct loans, and $1 million in the case of insured loans instead of a total indebtedness on direct and insured loans of $1 million.

25. Omits section 310 of the Senate bill, which would have provided for farm real estate loans to those having less than full ownership in the security property.

26. Provides for a $35,000 indebtedness limit on operating loans, instead of $40,000 as provided by the Senate bill.

27. Authorizes loans to soil conservation districts for purchase of conservation equipment.

28. Makes it clear that claims referred to the Attorney General may be compromised with the approval of the Attorney General.

29. Prohibits exercise of the Farmers Home Administration authority to borrow from the Treasury unless authorized "in appropriation Acts".

GENERAL PROVISIONS

30. Omits the Senate provisions relating to farmer cooperatives.

31. Authorizes a 5-year extension of the school milk program, with no limitations on amount, and to be paid for by direct appropriations (instead of from CCC funds).

32. Extends the Veterans Administration and Armed Services milk program 3 years, to 1964, with CCC furnishing the funds.

33. Omits a provision which would have permitted the Farmers Home Administration to make expenditures for printing and binding without regard to the act of January 12, 1895.

Mr. HOLLAND. Mr. President, first, I compliment the able chairman of the Committee on Agriculture and Forestry, who served as chairman of the committee of conference. Having attended many conferences in the field of agriculture with Members of the other body, I think I may say that this was one of the least acrimonious we have ever had. I compliment the Senator from Louisiana for his kindly handling of the situation, which I think was largely responsible for the lack of any serious disagreement.

There are two items on which I should like to dwell. One relates to the deletion from the conference report of the references to cooperatives. The conference was held under rather unusual and somewhat difficult circumstances, in that the House, which was the body that acted last, had substituted its own bill entirely. It struck out the Senate bill and adopted a new bill. We were not operating as we usually do in the consideration, for instance, of appropriation measures, in which there are many amendments, all of them numbered; in which the separate amendments can be considered; and where, if necessary, a separate amendment may be reported in disagreement to both Houses.

Under the parliamentary procedure applicable in this case, it was necessary either to agree entirely to the Senate bill or agree entirely to the House bill, or else to rewrite the two bills so as to bring out a bill which would be agreed to entirely. There was no possibility of reporting specific items which were in disagreement. Except for that fact, I feel rather certain that the Senate conferees might have returned to the Senate to report on the cooperative item and to get fuller instructions from the Senate. That is simply my own opinion; but the subject was long discussed, especially in view of the fact that subsection (b) of that particular section had been argued in detail on the floor of the Senate and had been adopted by a yea-and-nay vote in the Senate. We did not have the right to bring back that item in disagreement.

In rewriting the bill in many of its portions, so as to bring back a bill—neither the House bill nor the Senate bill, but one which was substantially written in conference—we all agreed there was merit in the cooperative provisions in the Senate bill and that that subject should be handled by a statement on the part of the managers of the House in such a way as to be helpful in any litigation which might arise in this field.

I call attention to the language in the statement by the managers of the House which will be found on page 14565 of the CONGRESSIONAL RECORD of today which reads as follows:

TITLE IV—GENERAL

(5) Omits the Senate provision relating to cooperatives for the reason that the committee of conference considers the Senate language to be unnecessary and a mere restatement of existing law.

The committee of conference hereby reaffirms, consistent with the policy embodied in the Capper-Volstead Act, the Cooperative Marketing Act of 1962, the Agricultural Marketing Act of 1929, as amended, the Farm Credit Act of 1933, as amended, and related legislation, the national policy of aiding and encouraging the organization, operation, and sound growth of farmer cooperatives to the end that the farmers of the Nation may through group action conduct their business operations effectively to obtain a fair share of the Nation's income.

The committee of conference construes existing provision of law to mean that two or more cooperative associations, as defined in the Agricultural Marketing Act of 1929, as amended, may act jointly in a federation of such cooperative associations, or through agencies in common, in performing those acts which farmers acting together in one such association may lawfully perform.

It was thought that that recital might show that the committees representing the two Houses construe the Cooperative Marketing Act as stated in that item; and it was thought that that declaration might be helpful if subsequent litigation in that field should arise.

The next item I wish to mention relates to the portion of Subtitle D: Marketing Orders, found in paragraph 5 of section 141. This particular provision, as rewritten by the conferees, will be found on page 14558 of the CONGRESSIONAL RECORD for today. It reads as follows:

(5) Section 8e is amended to read as follows:

"Notwithstanding any other provision of law, whenever a marketing order issued by the Secretary of Agriculture pursuant to section 8c of this Act contains any terms or conditions regulating the grade, size, quality, or muturity of tomatoes, avocados, mangoes, limes, gratefruit, green peppers, Irish potatoes, cucumbers, oranges, onions, walnuts, dates, or eggplants produced in the United States the importation into the United States of any such commodity, other than dates for processing, during the period of time such order is in effect shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of such order or comparable restrictions promulgated hereunder:"

The section continues, but I do not think the continuation is applicable to this point.

Mr. President, in order that the entire story of this provision may appear in the RECORD, I ask unanimous consent that a letter from the Honorable Brooks Hays, Assistant Secretary of the Department

of State, addressed to our distinguished chairman, the Senator from Louisiana, and dated August 2, 1961, be printed at this point in the RECORD, in connection with my statement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., August 2, 1961.

Hon. ALLEN J. ELLENDER,
Chairman, Senate Agriculture and Forestry Committee, U.S. Senate.

DEAR MR. CHAIRMAN: I am enclosing for your information and that of your committee a copy of a memorandum which was sent to the Department of Agriculture by the Department of State on July 29, 1961. As you will note the memorandum sets forth the Department's objections to the inclusion in S. 1643 of amendments to the Agricultural Adjustment Act insofar as they are applicable to "any agricultural commodity."

The memorandum sets out in general terms the adverse effect on the import of certain agricultural commodities which this legislation might have and mentions particularly dates. I would like to stress that measures affecting date imports would have a specially unfavorable reaction on cur relations with Iraq. We have in recent months made significant progress in normalizing our relations with that country. It would be most unfortunate in the Department's view if through the effects of legislation this old and well established trade between the United States and Iraq were to be inhibited.

Sincerely yours,

BROOKS HAYS,
Assistant Secretary.

Mr. HOLLAND. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD the memorandum referred to by Mr. Hays. It is dated July 28, 1961.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

JULY 28, 1961.

Subject: Amendment to section 8e of the Agricultural Adjustment Act to extend the provisions of this section to any agricultural commodity

The Department is opposed to such an amendment for the following reasons:

1. The imported products which would be inspected by the Department of Agriculture under this amendment are now subject to examination by the Food and Drug Administration. It has not been established that additional measures for inspection of imported agricultural commodities are necessary either to promote the marketing of domestic products or to protect the health and welfare of the consumer.

2. Overlapping inspections and the duplication involved in them would involve unnecessary costs to the Government and to the importers who bear at least part of the cost of section 8e inspections.

3. The delays and uncertainties inherent in the addition of a new series of inspections, particularly of perishable commodities, would cause serious injury to importers and foreign producers.

4. There are frequent changes in the grade, size, and packing standards or requirements contained in the regulations issued under the marketing orders. It would be extremely difficult for the foreign producer or shipper to keep informed of these changes early enough to enable him to make his product conform to the requirements. The usual notice given of any change in marketing orders is 5 to 15 days.

5. The regulations issued under the marketing orders apply domestically to very small areas in the United States. It is difficult to see how it would be possible to apply the standards applicable in such small areas to imports coming from all over the world.

6. The passage of this amendment would have an adverse effect on our efforts to persuade the European Economic Community (EEC) to establish a liberal agricultural policy and on our overall efforts to open the markets of foreign countries to U.S. exports.

7. Measures to protect domestic agricultural marketing producers or programs from import competition already exist; for example, section 22 of the Agricultural Adjustment Act of 1933, and the escape clause provisions of the Trade Agreements Extension Act of 1951.

8. In some cases, placing a commodity under section 8e might effectively prohibit imports of the commodity altogether. An example of such a commodity is dates.

To the extent that section 8e inspections do not duplicate the inspections of the Food and Drug Administration, they are related to domestic criteria such as size, color, and character of the product involved, in this case dates. There are hundreds of varieties of dates, and most of them differ widely in quality, flavor, and consistency, ranging from those that are too soft and moist for wholesale distribution to those that are dry enough to grind into date flour. The characteristics of imported dates differ substantially from those of domestic dates. Imported dates are invert-sugar dates; domestic are cane-sugar dates. Imported dates are used by the baking industry and are marketed to the consumer as dried fruit; domestic dates are mainly marketed for sale through retail outlets as fresh fruit. Imported dates have a different flavor from domestic dates, and they do not disintegrate as readily in the baking process as domestic. Therefore, domestic criteria or standards would appear to be entirely inappropriate for imported dates which have substantially different, though not necessarily inferior, characteristics from domestic dates. To seek to apply even comparable standards to imported dates would be in effect to place an unwarranted burden upon the imported product and to U.S. users of that product, such as the baking industry.

9. The passage of this amendment would have an adverse effect upon our trade with the countries which export agricultural commodities to the United States. These countries regard our actions in trade matters as concrete evidence of the sincerity of our professions of friendship and of our desire to assist them. Their economic strength and political orientation are of the greatest importance to the security of the United States.

10. In summary, the Department believes that the principal effect of the proposed amendment would be to restrict imports of the commodities covered by the amendment.

Mr. HOLLAND. Mr. President, I also advise the Senate that the State Department has asked that a statement appear in the RECORD at this time. After reading it, I see no objection to having it appear in the RECORD. Therefore, I now read it into the RECORD, as follows—and it was supplied to me and to the committee by Mr. Slator Blackiston, who is the international economist in the Office of Near Eastern Affairs, in the State Department:

The Agricultural Act of 1961, S. 1643, now includes language which would apply marketing orders to dates. It is important that these orders should be applied in a manner that would not restrict the importation of Iraqi dates. Under the provisions of the law, Section 8(e), the Secretary of Agriculture is authorized to establish marketing orders for imported commodities to which domestic standards are not practicable because of variations in characteristics between the domestic and imported article.

Dates are an extremely significant item in Iraq's exports to the United States and the culture of dates provides a livelihood for a substantial part of the population of southern Iraq. For this reason, any measures resulting in significant reduction in Iraq's markets in this country for dates would have a most adverse effect on our relations with that country. We have in the past 3 years made significant progress in developing cordial relations with the Government of Iraq. It is decidedly in the interest of the United States that this trend should continue. The Department of State is most concerned that this legislation should not be implemented in a manner which would have an unfavorable reaction in Iraq, one of the key countries of the Near East. We are convinced that the people and the Government of Iraq set great store by the willingness of the United States to continue accepting the national product for which they are famous and that limitations on the date trade would have an adverse impact considerably beyond the actual amounts of money involved.

I may say that the conference committee decided that the most substantial part of this question which should be recognized by the committee applied to dates being imported for processing. I understand that the processing usually consists of use in cakes or cookies or fruitcake or mincemeat or similar articles generally used in many parts of the United States, and affording part of the material used in many processing or manufacturing plants. There may be other processing, about which I do not know; but those were the items of processing which were discussed by the committee, insofar as I recall them; and in that connection I ask the distinguished chairman of the committee whether he thinks of any others. If he does, I ask him to remind me of them at this time.

Mr. ELLENDER. I do not know of any others that were discussed by us. It was the committee's purpose to exclude dates used for processing in cakes, cookies, candy, and so forth from the prohibitions of section 8(e), as the Senator from Florida has said; but the provisions of 8(e) were to apply to dates for consumption as dates. That was really the intention.

Mr. HOLLAND. This provision, which appears in the conference report as I have read it into the RECORD, indicates that the conference committee was fully agreed that dates coming in for processing of the type I have mentioned should not be required to conform in any way to the grade system or packaging system or anything of the kind employed in the domestic industry, in the event it has a marketing agreement of which package, grade, or standard provisions are made a part.

There was also discussion in regard to figs. But it was not found that anyone had made a point relative to figs; and it was found from the State Department that the same problem, affecting figs, was even greater in size in some areas, as compared to the problem in regard to dates. So figs are not shown in this rewritten provision.

Finally, Mr. President, let me say that the reason for including oranges and onions in the list of perishable commodities which had previously been cov-

ered by this provision of the law, which I had the honor to introduce some years ago, was that the Department of Agriculture recommended that course to the conference committee.

I believe that concludes my presentation on the two items I wished to discuss, and I believe we shall find that this law will have in it many helpful aspects. I sincerely hope it will prove to be helpful to the wheat industry and to the feed grains industry, although I have to admit something that is well known by all members of the committee; namely, I am a bit skeptical about the timeliness of the provision relative to the feed grains industry, because of the fact that we have just begun the trial run of this year, under the measure which was substantially continued for an additional year by this act.

I sincerely hope the act will prove to be effective and will bring aid to agriculture.

I close on the same note on which I began, namely, I think our distinguished chairman is entitled to a major part of the credit for the enactment of this law. Certainly that is true with reference to his handling of the conference report.

Mr. KUCHEL. Mr. President, first of all, I want to say I am grateful to my colleagues on the conference committee on the agricultural bill for accepting the modicum of equality of treatment for the date industry in America respecting foreign competition and for the protection afforded to the stomachs of the American people in this country. It does not provide the across-the-board application of quality standards I had hoped for when the farm bill was first before us, but I am grateful for the recognition that was given to the problem and for what was written into the bill.

Obviously, I have no objection to my good friend from Florida reading into the RECORD a memorandum of the Department of State, but I take bitter and violent exception to the memorandum from the Department of State, a department, incidentally, of the Government of the United States, which says in part:

> It is important that these orders—

Talking about orders applying to the importation of dates and requiring that the same quality standards, generally speaking, prevail on the importation of dates that apply to the domestic date industry in America—

> It is important that these orders should be applied in a manner that would not restrict importation of Iraqi dates.

Who says so? This bill does not say so. The Congress does not say so in approving it. Some supernumerary in the State Department says so, and his words carry no weight at all. The Department of Agriculture will administer this farm bill, and it will administer it as it is written, and as Congress intends it, and not on the basis of some illegal exception that somebody suggests ought to be the case.

There is only one manner in which our laws should be applied. They should be applied as they are written. They should be applied to carry out the intention of the Congress when it enacted them. And it ill becomes the Department of State to suggest cynically that a law shall be applied, not on the basis of its terms, but, rather, in a fashion that will not restrict the importation of dates from any one country.

I object to this unwarranted, amazing, and illegal position. The Department of State has no business endeavoring, in such fashion, to control the legislative history on this piece of legislation so that the quality standards which the legislation requires will not be applied to restrict importations from one area.

How should it be applied? It should be applied to restrict and to prevent any importations when the imported product falls below those quality standards that the Department of Agriculture sets down. That is how the law should be applied.

If dates as they come into this country from abroad meet the same quality standards that are applied to dates raised and produced by our fellow Americans, let the imported dates come in. That is the meaning of the bill before us.

I simply want to say I bitterly regret that the Department of State, in a matter that concerns the health of the American people, attempts by these words to frustrate the law which the Congress is now passing, and ridiculously suggest that law ought not to be applied to carry out what we in the Congress have precisely in mind when we take this vote today.

Mr. JAVITS. Mr. President, I should like to have the attention, if I may, of the Senator from Louisiana [Mr. ELLENDER], who I understand is handling this conference report.

I have a number of telegrams from business people in New York, who, I gather, are food importers, protesting very seriously section 8(e), and making the contention that this is a matter of first impression, that it has not had adequate hearings, and that was the reason why this very same provision was turned down in other cases, including the argument which, of course, I heard, on the amendment of the Senator from California [Mr. KUCHEL].

Will the Senator from Louisiana enlighten me on that?

Mr. ELLENDER. Mr. President, we endeavored to have the House accept our views. As I said in my opening statement, I believe the date provision caused more difficulty than anything else. The arguments made by those who opposed the inclusion of dates in section 8(e) were based on the fact that these dates were of a special kind and were used mainly for the manufacture of cakes, cookies, and so forth, and that dates produced domestically could not be used for that purpose.

So, in order to meet that contention, we excluded dates for processing so that they would not be subject to the standards, grades, and so forth, as set forth in the domestic market order.

Mr. JAVITS. Of course, these people are objecting to the other items.

Mr. ELLENDER. Does the Senator mean onions?

Mr. JAVITS. Onions, walnuts, oranges.

Mr. ELLENDER. The House included all agricultural commodities, but the Department of Agriculture, as the Senator from Florida indicated, suggested that only onions and oranges be included. The conference, of course, put them in.

Mr. JAVITS. Suppose what is complained of is that this provision will erect unfair barriers to trade. May I ask the Senator his view upon that, and also ask him this other question? Suppose it turns out to be unfair and causes a great deal of trouble with nations that trade with us and enhances prices to the consumer. Is there any escape hatch available in that situation?

Mr. ELLENDER. The only thing they must do is conform to the standards and quality of what we produce. As the Senator from Florida can state, this provision has been in effect with respect to avocados, tomatoes, mangoes, limes, grapefruit, and green peppers. There is no prohibition against permitting those products to be shipped into this country. The only thing that is required is that when they come into this country they conform to the same standards and grades in the same manner as producers in this country must do under the market order. That provision has worked very well, as I understand it.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I do not have the floor, but the Senator from Florida has had experience in this field, because he is the author of that provision.

Mr. JAVITS. I yield to the Senator from Florida.

Mr. HOLLAND. Some years ago—I do not remember which year; it must have been 6 or 8 years ago—the Senator from Florida, at the request of some industries in his own State and California, introduced the original version of this legislation because of the fact that certain highly perishable crops were coming to this country from our near neighbors, Mexico, Cuba, the Isle of Pines, either in bulk or equivalent of bulk, with many culls or downgraded units, not in good condition, and they were placed upon the market at the same time that the carefully graded, carefully packaged, carefully conserved, similar products produced in Florida, Texas, Arizona, or California, reached the same market. The result was very hurtful, we thought, not only to ourselves, but to the growers in those friendly nations, who were not receiving anything like they were entitled to receive, and would receive, if they adopted reasonable grading and packaging practices.

So we passed the act. It was very carefully considered in committee, and there was quite an argument on it before it was passed. There was an argument on the floor of the Senate about it. It has been amended from time to time since that time to permit to be brought into this country highly perishable crops of the same nature so as to cover practically all the groups in the bill. There

had never been placed in the act anything not highly perishable until this provision which has come up. The Senator can see that the original purpose of the act is not fully followed in placing such things as nuts of any kind, or dates, which, especially if they are in dried form, can be used over a long period of time without spoiling, under the provisions of this act.

The committee was disturbed about it. Its disturbance is shown by the fact that though the House had made this provision cover all agricultural commodities, we took out everything except two commodities which had been suggested by the Department of Agriculture, both in the highly perishable class, oranges and onions, and one which was not in such a perishable class but which had been dealt with in the hearings in the other body, walnuts; and then, as to dates and figs, which had caused the greatest concern, because they are imported in a dried state from various parts of the Near East, we went into the subject at great length. We found that the processing industry, as we regard it, which makes pies, cakes, mincemeat, candies and such things out of those figs and dates, is an established industry which has been in existence some 70 or 75 years and involves the employment of a great many people. Imported dates and figs thus processed do not, in general, come into direct competition with the dates or figs produced in our country. We found no case made in either body for the figs, so they were left out. A strong case had been made for protecting dates against that part of the imports which come in direct competition with the sale of our domestic dates, and the conference committee decided to report the bill with the date provision in the form in which it now appears.

I think the record should show that the uniform practice, as we understand it, among the processors is to pasteurize the product in either case before it is incorporated in confections, cakes, cookies, mincemeat or anything of that kind.

The products are also inspected by the Food and Drug Administration, so that there could be no question of danger to consumers or anything of that kind.

The whole question was a competitive question, which we thought could best be settled in the way suggested by the conference report. We were not all unanimous on it. There was still some difference of opinion, but we felt that the producers of dates were entitled to that much protection.

We do not believe this will prove to be a hardship on anyone. I hope it will not so prove. Certainly, it cannot interfere with the employment of some thousands of people employed in the bakeshops, confectioners' shops, and the like, which handle imports of the type mentioned, which come in for processing.

Mr. JAVITS. Mr. President, I do not wish to detain my colleague from Virginia, who wishes to finish consideration of the appropriation bill.

My point is, with respect to the consumer, often the consumer does not care how the product is packed or whether it meets the same standards met by our commodities or not. The consumer may prefer to buy it somewhat cheaper because it is imported.

I should like to have the feeling, as the Senator from Florida himself has said, if there is any hardship or if this works out unfairly, if there should turn out to be a difficulty for the consumers or if this action should be prejudicial to consumers, that there will be a receptive attitude for facts and figures and proof of that point. That is my point, as well as the effect upon the processors. I hope there will be a receptive feeling on the part of the committee in charge that if this does work out to cause hardship or injustice to the consumers, though it may be good for processors, there will be a sympathetic look at that consideration.

Mr. ELLENDER. I can give the Senator that assurance.

Mr. JAVITS. I thank my colleague.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to my colleague from California.

Mr. ENGLE. Mr. President, I certainly agree with the assurance which has been given. I am glad the distinguished chairman of the committee gave it.

While we are talking about this subject, Mr. President, I should like to refer to the colloquy which occurred in the other body, when the distinguished chairman of the Committee on Agriculture of the House of Representatives referred to this problem for the purpose of making it perfectly plain what they were talking about when they talked about "dates for processing." Representative COOLEY said:

> Mr. Speaker, in referring to "dates for processing" the conference committee intended to distinguish between dates which are used in manufacturing cookies, candy, and other such products and dates which are sold as dates to consumers.
>
> It is our understanding that virtually all imported dates are brought in in packages weighing about 70 pounds in which the dates are packaged in a homogeneous mass. Before the dates are distributed to retail stores and other places for sale as dates it is our understanding that they are steamed and otherwise prepared for packing into retail containers. It may be that some of the dates which are used in manufacturing cookies and candy are also subjected to this steaming and handling process, but it is not this process that the bill refers to.
>
> The processing referred to in the bill is the processing of the dates into other commodities such as cookies or candy. Those which are used for this purpose will not be subject to the quality and grade regulations which will be established by the Secretary of Agriculture under the bill. Those which are used for sale as dates to consumers will be subject to such regulations.

Of course, the Secretary of Agriculture can change those regulations if he wishes to. I thought the legislative history, so far as that statement is concerned, ought to be clear. I certainly concur that so far as I can determine that is the intent of what is sought to be done by this legislation.

Mr. JAVITS. I thank my colleague.

Mr. ENGLE I thank my colleague for yielding.

Mr. JAVITS. Mr. President, I ask unanimous consent to include in the RECORD telegrams of protest which I have received.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

NEW YORK, N.Y., *August 3, 1961.*

Hon. JACOB K. JAVITS,
U.S. Senate, Washington, D.C.:

In reference omnibus farm bill understand conferees agreed to amend section 141 on page 23 of House bill 8230 relating import restrictions on any agricultural product and instead to apply such restrictions only to walnuts, dates, onions and oranges. Respectfully request that you strongly object to this proposal on the ground that there is absolutely no justification for this new type of trade barrier. Proposal will injure our trade with many countries in the Middle East and Mediterranean area and is indefensible. Proposal important enough to warrant public hearings by both House and Senate Committees on Agriculture. In the closing days of the last Congress attempt was made to attach the provisions of House passed bill covering dates and walnuts as a rider to Mexican farmworkers bill in the Senate but was blocked because no hearings had been held or consideration given to proposal by Senate Agriculture Committee. On July 26 Senate rejected Kuchel amendment on dates to S. 1643. Imported products grown under different climate conditions rarely conform to specific standards set for domestic products. We again wish to emphasize that present standards and inspection practices applied by Food and Drug Administration to imported dates, walnuts, and other edible agricultural commodities fully protect consumers.

NATIONAL COUNCIL OF
AMERICAN IMPORTERS,
HARRY S. RADCLIFFE,
Executive Vice President.

NEW YORK, N.Y., *August 3, 1961.*

Hon. JACOB JAVITS,
Senate Office Building,
Washington, D.C.:

We respectfully urge you oppose giving Secretary Agriculture power to control or embargo imported products such as onions, oranges, walnuts, and dates. We believe rejection of conference report on farm bill absolutely essential for U.S. foreign trade relations and American business. Worth noting that transferring power of inspection and standards from Food-Drug Administration to Secretary Agriculture will create within Department Agriculture a conflict of interests that might result in jeopardizing U.S. foreign relations and U.S. business in order to achieve success not otherwise possible in administering economically unwise price support programs.

Respectfully submitted.

SCHRODER BROS, INC.

NEW YORK, N.Y., *August 3, 1961.*

Senator JACOB JAVITS,
Senate Office Building,
Washington, D.C.:

This chamber fully agrees Senate decision against giving Secretary of Agriculture power to embargo imported products such as onions, oranges, walnuts, and dates. Therefore strongly urges you to reject conference report on farm bill which if approved would cause irreparable damage to U.S. foreign trade relations and American business. Counting on your invaluable support we extend sincerest thanks.

MARIO HUTTON,
Executive Secretary, American Chamber of Commerce for Trade With Italy, New York.

The PRESIDING OFFICER (Mr. McCARTHY in the chair). The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ELLENDER. I thank my friend from Wisconsin.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

Mr. ROBERTSON. Mr. President, I send an amendment to the desk, and ask to have it stated.

The PRESIDING OFFICER. The amendment of the Senator from Virginia will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 27, line 10, to strike out the words after the word "law" down through and including line 5 on page 28, and to insert in lieu thereof "$207,600,000".

Mr. ROBERTSON. Mr. President, the purpose of this amendment is to appropriate $207,600,000 for civil defense, to be administered by the Department of Defense.

The Department of Defense sent us a Presidential message and framed the language. We assumed the administration framed it correctly, so we did not examine the language. We merely looked at the total, the purposes, and the breakdown, and we adopted it.

This morning the junior Senator from Ohio said he opposed this additional appropriation, and showed me an amendment he would offer to strike it out. Immediately I saw there was language in his amendment that would be subject to a point of order. I talked to our distinguished Parliamentarian, and he agreed with me. Then I asked him about the language in the bill, and he said that would be subject to a point of order also.

To put the matter in proper shape, I have offered an amendment, which eliminates reference to transferring funds from this, that, or the other office. It provides a simple appropriation, in accordance with the Presidential estimate, of $207,600,000.

But I was a little disturbed, just as was the Senator from Ohio, who is going to ask that the amendment be defeated. If the amendment is defeated, the provision is subject to a point of order; and if the point of order is sustained, not only this section goes out, but the whole bill will have to go back to committee.

This morning, at 9 o'clock, I telephoned the Secretary of Defense and told him I was uneasy about it, that there had not been enough study of it, and I wanted to know if they were going to study it further. This is what the Secretary wrote to me:

> I fully recognize that neither your subcommittee nor the full Senate Committee on Appropriations were afforded the opportunity of giving their customary careful and extensive consideration to the civil defense section of the Department of Defense appropriation request which I presented to you when I appeared before your subcommittee on July 26, 1961. The urgency of the international situation, as set forth in the President's report to the Nation on July 25, made it necessary for the Defense Department to present to you the following day the augmented civil defense program proposed by the President and to ask that you include funds for that program, $207.6 million, in the regular Defense Department appropriation bill for fiscal year 1962.
>
> In view of the limited time thus available to your subcommittee for consideration of the details of the President's augmented civil defense program, I want to assure you that, before committing the funds which the President has requested of Congress in support of the program, I shall personally review the proposed expenditures in detail, and I shall satisfy myself as to the necessity of each program item to carry out the President's objectives.

Incidentally, the breakdown is in the committee report. Some of the money would be used to build shelters in existing buildings, some in new buildings, some to provide food and medicine, and some to provide instruction, but none to provide shelters in private homes.

I continue reading the letter:

> As I stated in my testimony before you on July 26, in administering the civil defense program I intend to be guided by the principle that "whatever expenditures are undertaken for civil defense projects must be directed toward obtaining maximum protection for the lowest possible cost." The program that we have submitted is itself designed to produce many million shelter spaces at the lowest possible cost—a cost we estimate at $4 per person, including finding, marking, and stocking the shelter spaces with essentials for survival. Members of my personal staff have prepared the program and budget material in colloboration with representatives of the Office of the Chief of Engineers and the Bureau of Yards and Docks, who will be responsible for its execution, and I have personally reviewed the program in detail.
>
> It is also my intention, as the Defense Department organizes itself for carrying out the new responsibilities in civil defense that the President has transferred to it, to consult with your subcommittee and to keep it fully informed as to the manner in which the President's program will be executed. In so doing, I am confident that we can answer any questions raised by the members of your committee or other Senators.
>
> Sincerely yours,
>
> ROBERT S. MCNAMARA.

Last night I read a very interesting article in the August issue of Aviation, a magazine published by a group interested in aviation. It was written by a man who claimed to know what was going on in the Soviet Union on this subject. He reports that the Russians have a very extensive program of civil defense. The Soviet Government has not yet proceeded to the point of paying for shelters for individuals, but there are community shelters, and the Russians are providing training programs which are compulsory. The people are instructed what to do if they are bombed. It is a very extensive program.

In my opinion, we have done practically nothing in this country. We have spent a lot of money. About all we have to show for it is medicine and a few structures, as the Senator from Ohio will tell us, which have been built in somebody's private home and labeled, "You can come in if there is danger."

I am presenting to the Senate now an amendment. In effect, a vote for the amendment is a vote for $207 million plus, in addition to the $100 million, and a vote against the amendment is a vote against any additional appropriations. The Senator from Ohio [Mr. YOUNG] has very kindly cooperated with us in bringing this issue before the Senate in a concrete way. If Senators will be good enough to remain in the Chamber, there will be no record vote on the issue. I will present the amendment. Other Senators will speak. Then the amendment can be voted up or down.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. I think the Senator omitted one statement which I believe is important.

The Office of Civil and Defense Mobilization is now covered in the independent offices appropriations bill. The amount is $95.5 million. This is not a duplication. As I understand whatever part of the amount is proper will be turned over to the Secretary of Defense, and the remainder will be left under the Civil Defense Administrator in his new capacity. There is to be no duplication of funds. If there is any, according to the letter of the Secretary of Defense, the funds will not be used for duplicate purposes.

Mr. ROBERTSON. According to the letter, there will be no duplication of effort. That is as far as the acting chairman of the subcommittee can go.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the senior Senator from Ohio.

Mr. LAUSCHE. For what purpose is the $207 million to be used?

Mr. ROBERTSON. For some shelters in existing public buildings, for some shelters in new public buildings, for medical supplies, for instructions as to where people can obtain shelter, for instructions as to where people should go and what people should do if there should be a nuclear attack. That information is all broken down on page 41 of the report.

This is an overall civil defense program. As I said, it was presented to us in such a way that we could not go into the details. The House has been investigating it for more than a week. There will be extensive hearings as to what the program will encompass.

The junior Senator from Ohio [Mr. YOUNG] has been diligently looking into this question. He will tell the Senate his views in a moment.

This is the request of the administration, which we accepted. The chairman was a little uneasy. I received an assurance that the money would not be spent until the program was very carefully analyzed and examined.

I think it is generally agreed that Secretary McNamara is an able and honest man.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. It is my understanding that the Secretary of Defense testified that he hoped, for an average of $4 per person, this program would give an opportunity possibly to save the lives of some 50 million people who otherwise might not be saved.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ROBERTSON. I wish to make one further statement.

Mr. LAUSCHE. First, may I ask the Senator a question? Is it contemplated that the $207 million would do the job of taking care of 50 million people?

Mr. ROBERTSON. I could not say that.

Mr. LAUSCHE. Could we assume that the amount necessary to take care of the people would be four times $207 million?

Mr. ROBERTSON. I could not say that. I think if we tried to provide adequate shelter for everybody it would be more like $20 billion.

Mr. LAUSCHE. Or probably $50 billion.

Mr. ROBERTSON. We are not trying to do that.

Mr. YOUNG of Ohio. Mr. President, will my distinguished colleague yield to me? I think I can answer the question.

Mr. ROBERTSON. If the Senator will permit me to make one further statement, I shall be glad to yield the floor.

Mr. YOUNG of Ohio. Very well.

Mr. ROBERTSON. Members of the Senate have been under pressure, and will continue to be under pressure in the days to come. I know that Senators would like to finish consideration of the bill this evening, if possible. Another amendment will be offered by the distinguished Senator from South Dakota [Mr. MUNDT]. He has agreed to a 30-minute limitation. Does that mean 15 minutes to each side?

Mr. MUNDT. Thirty minutes to each side.

Mr. ROBERTSON. The Senator has agreed to a limitation of 30 minutes to each side for the aid-to-education amendment for the impacted areas.

It is not expected that there will be a yea-and-nay vote on the amendment I have offered. Senators who are for the amendment can express themselves, and those against it can do the same. There will be a voice vote on the amendment. Later there will be a yea-and-nay vote, after not more than an hour of debate, on the Mundt amendment. Apparently the consideration of the bill can be finished tonight.

The bill is the largest peacetime bill of its kind in history. There ought to be a yea-and-nay vote. I do not believe this kind of bill ought to be acted upon by a voice vote.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question with respect to the amendment?

Mr. ROBERTSON. I yield.

Mr. CASE of South Dakota. As I understand, the amendment would not change the dollar amount in the bill?

Mr. ROBERTSON. Not at all.

Mr. CASE of South Dakota. It would merely strike out certain legislative language.

Mr. ROBERTSON. The same sum would be provided.

Mr. CASE of South Dakota. It would be available, however, for the same purposes.

Mr. ROBERTSON. The Senator is correct.

Mr. CASE of South Dakota. As the money would have been available had the language been included.

Mr. ROBERTSON. It would eliminate the language with respect to transferring from other funds to something else. There would be a straight appropriation.

Mr. CASE of South Dakota. What would be the effect of the $207 million with respect to the public buildings that were authorized in the independent offices bill the other day? In the description of the buildings there was subtracted the amount of money that could have been included for fallout shelters.

Mr. ROBERTSON. The effect would be that they would become eligible for moneys from this fund if they were allocated for that purpose.

Mr. CASE of South Dakota. Those buildings would become eligible, but the money would come from the fund provided in the present bill rather than the independent offices bill.

Mr. ROBERTSON. The Senator is correct.

Mr. President, I yield the floor.

Mr. YOUNG of Ohio. Mr. President, I had prepared two amendments to title 5 of the bill. Both amendments are at the table. The first amendment that I proposed was the one which the distinguished Senator from Virginia has mentioned. I showed it to him. I propose to strike out the sum of $207 million. With regard to the $95 million appropriated for civil defense in the independent offices bill, I had a provision that that amount was to be made available to the Secretary of Defense for Civil Defense functions. I feel that that provision was legislation on an appropriation bill. I did not dispute the point when the distinguished Senator informed me of that fact. But the provision in title 5 as it exists in the bill is subject to a point of order, which I intended to make, and I notified the then Presiding Officer to that effect.

The amendment presents two situations to me. In the first place, I prefer the amendment to the form of the present bill. However, I am opposed at this time to appropriating $207,600,000 for civil defense. I will state my reasons for my position. In my opinion they are convincing reasons.

First, however, I wish to express some surprise with respect to the statement of reference to the August issue of Aviation World.

I have not read that article which, as I understand from the distinguished Senator from Virginia, states that an extensive civil defense program exists in the Soviet Union. I have read articles in magazines and newspapers to the effect that within the Soviet Union there is no such thing as civil defense as we have known it during the last 10 years in this country, with civilians in armbands, and a boondoggling bureaucracy.

I wish to attest that the Congress of the United States is vigilant. Had the request of the civil defense bureaucrats in the past 10 years been granted in toto by the Congress, $2,300 million of Federal funds would have been appropriated, and to that amount would have been added matching funds from the States. Fortunately, such action was not taken.

The Soviet Union has no costly civil defense system, according to direct information given to me. According to Norwegian Government officials with whom I recently spoke, civilians of the Soviet Union are being instructed in seminars and by lectures and in practice on fighting from basement to basement, and resistance behind the front in case of attack from the United States.

But regardless of that, may I point out how untimely it is to bring into this appropriation bill an amount of $207,600,000 at this time. Last week the Senate passed legislation appropriating $95 million for civil defense. The other body had previously approved $80 million, and the bill is now in conference. The money has not been finally appropriated but will be shortly. Surely we could wait a little while before appropriating an additional $207 million.

I will tell the Senate why this appropriation would be untimely. In the other body hearings are being conducted. They commenced on Monday of this week. They are being conducted before the Subcommittee on Military Operations of the Committee on Government Operations, of which Representative CHET HOLIFIELD is chairman.

Those hearings are on the subject of the value of shelters, and whether they are any good or not. Physicists and experts have testified and are testifying. I am seeking to obtain committee prints as they are issued. The hearings will be completed in 2 weeks. The report will be issued in 3 weeks. It seems to me that we should hold this question in abeyance in order to acquire further information. If in addition to the $95 million or $80 million additional money should be required, it seems to me that appropriation could wait until early next year.

So my position is that while I prefer the amendment to the provision in the present bill, I oppose appropriating any sum of money whatever. So I have two alternatives. One is to oppose the amendment. If the amendment were to be defeated, then we would have title 5 in the bill as it presently stands. Then, I would make my point of order, and it would be eliminated from the bill.

The other is to vote for this amendment. If it passes, I then shall introduce an amendment which would strike out title 5 entirely; that is, kill this $207 million appropriation for civil defense. I believe that this latter tactic will enable Senators to approach the problem more clearly.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I yield for a question.

Mr. ROBERTSON. As I understand, if the amendment is rejected, then the Senator from Ohio will make a point of order against title 5, which would be the existing title 5, and if sustained, title 5 would then be removed from the bill.

Mr. YOUNG of Ohio. The Senator is correct.

Mr. ROBERTSON. I think the point is clear. Everyone can understand that.

Mr. YOUNG of Ohio. I am a comparatively new Member of this body. Shortly after coming here in January of 1959, I learned of the unbelievable stupidity in how our civil defense program was being conducted by paid civil defense officials. I differentiate the fine volunteers. I conducted a long period of research.

I have spoken out on this question. I have felt all along that Americans have stopped taking seriously the contradictory programs put forth by the civil defense agency during the past 10 years.

In Cleveland, sirens sound at 12:30 every Monday. The people do not know whether to run or to hide. My colleagues in the Senate know that a Federal building is about to be erected in Cleveland. It is needed. It would be a fine thing for our citizens and a fine thing for the Government. It will cost approximately $40 million. It will house all of the Federal agencies there. Many thousands of young men and young women will work there daily. It is proposed under the bill to build a shelter in that building. Invariably the cost for shelters in new buildings—post office buildings and the like—amounts to 5 to 6 percent of the cost of the structure. Therefore, the additional cost would be about $2,300,000.

I look back 30 years, when I was a lawyer in Cleveland and lived with my wife and children in Cleveland Heights, some 13 minutes out of the city. There are thousands like me. Suppose that in the daytime the Soviets were suddenly to launch an all-out atomic attack. The city of Cleveland is an industrial city. Akron, Ohio, the rubber center of the world, is 30 miles to the south of us. Therefore it is possible that either of those two cities could be a target.

All we can expect in the way of warning would be about 30 minutes, and perhaps it would be as little as 18 minutes or 15 minutes. Those who are in the position in which I would have been 30 years ago, the young men and women working in the city, would be expected to go to the shelters. Does anyone think those people would go into the shelters? No, indeed. They would try to get out to their loved ones as quickly as they could. That is assuming that the attack should take place during working hours. In Washington we have an example close to us in the new executive building; 11,000 employees will be working in that building. Does anyone believe for a minute that, in case of an attack on Washington, many of those employees would rush down and bury themselves in a cellar? No. The young men and young women would rush out to their loved ones. As a result, there would be a huge traffic jam.

We talk about stockpiling medicines. In the State of Ohio, in Columbus, the civil defense authorities destroyed $77,000 worth of useless penicillin. Recently in the city of Cleveland, $44,000 worth of penicillin was dumped into Lake Erie by civil defense officials.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I yield.

Mr. LAUSCHE. While I was Governor, if I had followed all the directions which came from Washington on civil defense spending, the spending of money would have been inordinate. The Legislature of Ohio and I as Governor did not follow those instructions. Even though we did not follow them, there occurred the waste referred to by the Senator.

I should like to ask my colleague a question about the study that is being made in the House of Representatives. Can the Senator elucidate on that?

Mr. YOUNG of Ohio. Witnesses have appeared before the hearings and have testified urging the appropriation of $207 million of taxpayers' money for fallout shelters. Other expert witnesses have already stated that if the United States were to embark on a huge shelter program which would hope to afford adequate protection to 50 million Americans, such a program—and my colleague is precisely right, except that he somewhat minimized it—would cost not only the $50 billion that my colleague, the senior Senator from Ohio has stated it would probably cost, but it would cost anywhere from $100 to $200 billion.

Testimony has been taken from the Secretary of Defense. As the Senator from Virginia has said, he is a thoroughly honest and able man. However, he has been in his position for only 4 months. I have a report from the chairman of the subcommittee that the subcommittee will have completed its hearings in 2 weeks, or less from this coming Saturday. The record of the hearings will be published, and will be available to Senators. Then we shall have some information as to the effectiveness of a shelter program and whether or not one is feasible.

Mr. LAUSCHE. Then it would be erroneous to assume that for the $207 million we would provide safe quarters for 50 million people. Is that correct?

Mr. YOUNG of Ohio. Absolutely.

Mr. LAUSCHE. If we are to provide the underground shelters to which reference has been made, what does the Senator from Ohio think the cost would be?

Mr. YOUNG of Ohio. If adequate shelters were constructed, undoubtedly the cost would be anywhere from $50 to $200 billion. I am fearful that if we were to appropriate this $207 million, most of it would be wasted.

Mr. LAUSCHE. Did the Senator state that there have been no hearings on the $207 million proposed?

Mr. ROBERTSON. There was a hearing lasting 1 day included in all the rest of it.

Mr. LAUSCHE. Included in all the rest of what?

Mr. ROBERTSON. In the $3,500 million supplemental military appropriation. It was the President's package. This was a part of it. The hearing to which I refer was held on July 26. That is why I wrote the Secretary of Defense that there have been no adequate hearings. He said he would not spend any money on the proposed program until he had carefully examined it.

Mr. LAUSCHE. The Senator wrote and stated that no adequate hearings had been held, and the Secretary said he would give the Senator assurance that he would not spend the money imprudently.

Mr. ROBERTSON. I did not say we had not had any hearings. We had some hearings, but they were not exhaustive.

The Secretary said:

> I realized the opportunity to give this customary, careful, and extensive consideration.

This was put in without that safeguard.

Mr. LAUSCHE. As I understand, the supplemental recommendation was for $3,500 million more?

Mr. ROBERTSON. Yes.

Mr. LAUSCHE. In that $3,500 million was an initial item of $206 million?

Mr. ROBERTSON. Two hundred and seven million dollars.

Mr. LAUSCHE. So there was a 1-day hearing had on the whole $3,500 million?

Mr. ROBERTSON. That is correct.

Mr. LAUSCHE. Because of that, the Senator from Virginia did not feel comfortable in approving this $206 million?

Mr. ROBERTSON. The Senator from Virginia felt that he needed a little more fortification.

Mr. LAUSCHE. But the Senator from Virginia is still indicating a bit of doubt about his belief in the justification?

Mr. ROBERTSON. No; the Senator has offered an amendment to do so. That stands for itself—res ipsa loquitur.

Mr. LAUSCHE. Res ipsa loquitur—the thing speaks for itself.

Mr. ROBERTSON. Yes.

Mr. LAUSCHE. The Senator from Virginia is not speaking with the ardor on this subject that I have heard him speak on other occasions, when his convictions were fortified by the testimony?

Mr. LAUSCHE. The Senator from Virginia cannot deny the soft impeachment.

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. YOUNG of Ohio. Madam President, it is fair to assume that in an appropriation bill, on which the committee spent a day, which means several hours in that day, a bill appropriating $3,500 million, not much time or consideration was given to this item.

Mr. ROBERTSON. Four thousand and four hundred pages of testimony had been taken in the House on this military

program. In the Senate, 1,700 pages have been taken. We knew what a bomber was. We knew what a tank was. We knew what a gun was. The Department said, "Let us buy some more." We said, "All right."

Mr. YOUNG of Ohio. Madam President, I am gratified that our President has scrapped the Office of Civil Defense Mobilization as we have known it during the past 10 years. That office proved to be a billion dollar boondoggle. More than $1 billion, including the matching funds of the States, went down the drain.

Great progress has been made in this administration in reorganizing this office.

In this connection, I have received a letter which would amuse one, if it were not so serious, from the National Association of County Officials. They have a lobby in Washington. They have submitted a report on civil defense, urging this appropriation. They say:

> Knowledge that vastly increased shelter expenditures can politically only be obtained in the defense budget.

Then they propose that more people must be hired and trained; more shelters must be provided; and, in general, that the paid civil defense people must greatly increase their own efforts.

In that connection, $3 million has already been appropriated and is being spent for shelters throughout the country. In Shaker Heights, Ohio, the other day, the mayor, a leader of that Grand Old Party, of which I am not a member, cut a ribbon "dedicating" the completion in a local policeman's home of a shelter paid for by the national civil defense agency. At that same time, he said it was another waste of taxpayers' money. He said he would not advise anyone to build a shelter in his basement. In the first place, he said, he himself would not build a shelter, because he could not afford it. He is a distinguished lawyer and a former dean of a law school, so I assume he could have scraped up $1,500 had there been a reason for him to do so. However, he said he would not advise anyone to build a shelter, and that he would not do so himself. He knows that if a nuclear warhead hit on target anywhere between Shaker Heights and Cleveland and Akron, the people would suffocate in such shelters.

Mr. ROBERTSON. Madam President, will the Senator from Ohio yield in order to permit the Senator from New York to make a brief statement?

Mr. YOUNG of Ohio. Madam President, I yield to the Senator from New York.

Mr. JAVITS. Madam President, with all respect to the view of the Senator from Ohio, I favor the amendment. I believe we have been terribly remiss in the civil defense field. I think the way it is proposed now, to conserve what we have and to make it most useful for civil defense, is a very intelligent way to use the money. I feel there has been a large amount of scientific, technical, and military opinion which is now becoming of extreme importance in terms of keeping us as far away as we can get from atomic blackmail, to have at least this minimal protection. I sincerely hope the Senate will adopt the amendment.

Mr. LAUSCHE. Madam President, will my colleague yield?

Mr. YOUNG of Ohio. I yield.

Mr. LAUSCHE. I believe this is the beginning of what may become a program of tremendous proportions in our country, the program of building shelters. For that reason, I do not believe we ought to enter into it until an adequate study has been made. I join with my colleague from Ohio in urging that action be delayed on this item of $207 million until the study about what the Senator has spoken has been made. I shall vote in favor of his proposal.

Mr. YOUNG of Ohio. Madam President, I shall try to conclude briefly. I shall oppose the $207 million item of appropriation. In the first place, I feel that digging holes in the ground is a defeatist psychology in which we should not indulge.

On several occasions today, Gen. Curtis LeMay, Chief of Staff of the Air Force, has been spoken of. We all speak of General LeMay with respect and admiration. In the past he has said:

"I do not think I would put that much money into holes in the ground to crawl into. I would rather spend more in offensive weapons, in the first place."

Also, Gen. Bernard Schrieber, the great physicist of the Armed Forces, has spoken against digging holes in the ground and against shelters in public buildings. We, of course, all agree with him that our power of instant retaliation is what will deter the dictators of the Soviet Union from making an all-out atomic attack on this Nation now or at any other time.

In World War II, the Germans had poison gas, Great Britain had poison gas, and the United States had poison gas; but each side feared to use it against the other. Hitler would not use it in his last desperate months.

I am fearful, also, when we speak about shelters in the public buildings, especially the executive department buildings, in Washington, that if there were to be a nuclear warhead fired by a submarine off our coast, the enemy might not accommodate us by firing it during working hours.

If such a warhead were to hit Cleveland at 2 a.m., bomb shelters might benefit some people in the key clubs or on skid row, but would not benefit others who would not be able to go to shelters.

Madam President, I shall be glad to have the amendment adopted, but at the same time, to keep the record straight, I send to the desk an amendment to eliminate the $207 million appropriation. There is no legislation in that amendment; it is simply an amendment to delete the $207 million civil defense item from this appropriation bill.

I urge, as I have stated, that we should withhold this appropriation until we hear from the committee in the other body. Madam President, all of us agree that we are living in a grim period of Soviet bluster and threats. I, as much as any other Member of the Senate, repudiate any thought of ever yielding to any blackmail from any dictator, whether he be a Cuban dictator or a Soviet dictator. Nevertheless we should not allow these facts to cloud our judgment regarding the defense of civilians in the event of attack. The defense of civilians is a major factor in the defense of our country. President Kennedy has so recognized it by placing the Office of Civil Defense Mobilization under the Secretary of Defense.

Since this has been in effect for only the short period of 60 days, I express the hope that all civil defense programs will be carefully examined and tested before additional funds are spent on them.

Mr. ROBERTSON. Madam President, I wish to state what I regard as the parliamentary situation, and then see whether the distinguished Senator from Ohio agrees: I have submitted an amendment to strike out the language which would make this item a straight appropriation for the Office of Civil Defense.

Mr. YOUNG of Ohio. That is correct.

Mr. ROBERTSON. If my amendment is adopted, that will end the matter. If my amendment is rejected, then the Senator from Ohio can make a point of order against what is left; and if the point of order is sustained, it will go out.

Mr. YOUNG of Ohio. The Senator from Virginia has stated the situation precisely as it exists.

Mr. HOLLAND. Madam President, I rise to a point of order.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The Senator from Florida will state it.

Mr. HOLLAND. I understood the Senator from Ohio to submit an amendment to the amendment of the Senator from Virginia.

Mr. YOUNG of Ohio. No, Madam President; I have offered an amendment to the bill.

Mr. ROBERTSON. I was trying to explain that situation. The Senator from Ohio is against this appropriation item. If the Senate votes against this amendment, this part of the bill will go out. A vote in favor of this amendment will be in favor of funds for civil defense. The situation is as simple as that.

Madam President, I ask that my amendment be put to a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia.

The amendment was agreed to.

CONSTRUCTION OF ELECTRIC GENERATING FACILITIES FOR THE HANFORD PLUTONIUM PRODUCTION REACTOR

Mr. ANDERSON. Madam President, I should like to discuss for a few minutes the problem of the construction of electric generating facilities for the Hanford, Wash., plutonium production reactor. This project would be the world's largest atomic powerplant, producing about 700,000 to 800,000 kilowatts of electric power from a single reactor.

In the last edition of the publication Nucleonics Week, published by McGraw Hill, the lead article reported on the difficult status of the Hanford project.

I ask unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEMOCRATS SAY NPR FIGHT THREATENS SCE PROJECT, REACTOR INCENTIVES

The increasingly bitter fight over electrical generating facilities for the Hanford new production reactor has raised a threat to the Southern California Edison reactor project and—much more broadly—to the possibility of accelerating power-reactor construction next year. Congressional Democratic sources disclosed on Monday that their attitude on both the site problem of Southern California Edison and the possibility of new reactor incentives will turn on the outcome of the upcoming House vote on AEC's $95 million authorization request for the NPR generators. In addition, these sources declared, the private-utility opposition to NPR electricity has raised the possibility of a congressional investigation of the whole private-utility lobbying setup and of their whole relationship to the atomic-energy business, including the operation of plants furnishing electricity to AEC.

In short, the NPR issue has lit the public versus private power fuse that has long been in the shadows of nuclear power but, despite many close calls, has never quite caught fire. And, the Democrats are making it clear that it will have long-range effects on the power-reactor program, particularly if the private-utility industry mounts a major offensive against NPR when it again comes before the House early next month. "If these guys are willing to live and let live—fine," said a congressional source. "If they are not, they have really opened the bottle."

Curiously, both the pro- and anti-NPR factions have been exuding pessimism, not optimism, as the second House vote approaches (the House voted 176–140 against NPR earlier this month). House Republicans are saying that they may not win but will insist on a formal rollcall vote to at least "get everybody on the record." The Democrats, as reflected in their harsh words on the private-utility industry, predict a close vote.

Particularly surprising has been the Democratic charge that Southern Cal Edison has been participating in the fight against NPR conversion. To a significant extent, the utility's ability to get the use of a 90-acre site at the Marine Corps's Camp Pendleton is dependent on support of Democrats of the Joint Committee on Atomic Energy. Until recently, JCAE Democrats have said they were more than willing to give this support if and when SCE, with AEC backing, seeks the transfer. AEC officials had been hoping to see congressional action during this session.

Mr. ANDERSON. Madam President, I was not the source of the statements in the article. But I do believe they accurately reflect the possibilities that could grow out of this fight.

Madam President, I ask unanimous consent to have printed at this point in the RECORD a paragraph from the issue of Nucleonic News for August 1961. It is part of an article entitled "Pacific Gas and Electric Orders Big Reactor; Southern California Edison Advances."

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

In the background, some lesser advances were chalked up by the Southern California Edison 360-Mwe project—born at the same time as P.G. & E., off to an earlier start in terms of utility decision to build, but hobbled since by site availability problems. AEC and Westinghouse, designer of the big Edison reactor, were close to final agreement on contract terms, under which AEC would provide $8.7 million research-development aid plus $7.5 million in waiver of fuel use charge. (Edison's agreed price with Westinghouse for the reactor is $78 million). Also, an approach was being worked out to overcome Marine Corps opposition to use of land within the corps' Camp Pendleton; under it, Edison, backed by AEC, would seek special legislation to make the land available as a means of discouraging other commercial nibbling away at the Marines' reservation; AEC would also seek Pentagon endorsement before going to Congress.

Mr. ANDERSON. Madam President, in my opinion, the project for the Hanford electric generating facilities is a sort of innocent bystander in a vicious effort of the private power companies to throw their weight around. This plant would be a rather unique facility. It is likely—in fact, almost certain—that the United States would not want to build another large plutonium production facility again. Various authoritative studies have shown that the byproduct heat from the Hanford reactor could be captured economically to produce large quantities of electric power—that all capital costs, plus interest and operating costs, would be paid off, with something to spare. The main trouble seems to be that the agency which runs the established grid for the area is the Bonneville Power Administration.

Various arguments have been raised against the project, all of which are obviously specious in my opinion. The following are some examples:

First. It has been argued that in some way this plant would hurt the coal industry. But anyone from the Northwest knows that coal is not a fuel for electric power in that area. The Hanford AEC installation keeps the only coal mines in the area in operation, to provide fuel for space heating.

Mr. JACKSON. Madam President, at this point will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. JACKSON. Is it not true that the Hanford atomic energy works is the largest consumer of coal in the entire Northwest.

Mr. ANDERSON. Yes; and I think the Senator from Washington could add to his statement that if we include some of the other purchases of coal made for electric energy requirements of the Atomic Energy Commission——

Mr. JACKSON. For example, those for the Paducah plant and for Portsmouth, Ohio——

Mr. ANDERSON. Yes; if they are included, then one finds that the Atomic Energy Commission is probably the largest consumer of coal in the entire country for fuel for its electric energy and space heat requirements.

Second. It has been argued that the plant would lure industry from the Northeast. No instances have ever been cited, to show that this has been the case. Plentiful power at low rates does help start new industries, but is not such a large factor as to make the difference in attracting industry from one area to another.

Third. The argument which goes to the heart of the matter is the fear of the private power companies that this project is a sort of "entering wedge" for other steam electric plants outside of TVA. As mentioned before, this project is not a precedent for anything. It is not likely to be repeated, and it represents a sincere effort to obtain some valuable byproducts from a very large heat source in terms of electric energy, national defense, prestige, and conservation.

As a matter of fact, all of the power from this Hanford project will go to the private utilities and private industry. I understand that the private utilities in the Northwest are not opposed to the project, and several are in favor of it. It is their eastern brethren who are our problem.

Madam President, I happen to come from a State which is not known as a public power State, nor am I known as a proponent of public power, as such. But I hope and believe I have a sense of fair play, and I must say that this Hanford project is being made the victim of one of the most outrageous lobbying efforts that I have ever witnessed. I am glad to say that this effort has not proved very effective in this body.

But substantial efforts are being made by the private utilities to manufacture public opinion in the Northeast, the Ohio Valley, the Appalachians, and the South against this NPR project. Pressure has been put on the coal industry, which is seemingly dependent on the private utilities. Pressure is being put on the atomic equipment companies, and so on.

I hope the private utilities and their allies will come to their senses before great harm is done—not only to this project, but also to atomic power generally, and to the private utilities.

I should like to remind my colleagues that the history of the private utility industry in this country has not been good. Only the competition of other energy sources—oil and gas—and other methods of doing business have forced our private utilities to pay some attention to the consumer and the public interest.

In the field of atomic power, the private utilities attempted to take over in 1954, when the Atomic Energy Act was amended in the previous administration. They proclaimed they were going it alone and would accelerate atomic power development. But no sooner was the ink dry than they had their hands out for Federal financial assistance. About $100 million of direct Federal financial

assistance has been provided, and almost a billion dollars of Government financial research and development has been made available. I have prepared a table showing the projects directly financed. I ask unanimous consent to have it printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cooperative power reactor demonstration program—Amounts committed to private utility companies

Estimate of amounts committed	Waiver of fuel use charges	Operating funds (R. & D.)	Total
1st round:			
Yankee Atomic Electric Co.	$3,669,000	$5,000,000	$8,669,000
Power Reactor Development Co.	3,703,000	3,600,000	7,303,000
3d round:			
Northern States Power Co.	1,800,000	8,500,000	10,300,000
Carolinas-Virginia Nuclear Power Associates	1,170,000	13,905,000	15,075,000
East Central Nuclear Group, Inc., and Florida West Coast Nuclear Group	(1)	2,100,000	2,100,000
Philadelphia Electric Co.	2,500,000	14,500,000	17,000,000
Unsolicited proposals: Consumers Power Co. of Michigan	1,675,000	4,582,000	6,257,000
Total committed	14,517,000	52,187,000	66,704,000
Amounts not committed, but available: Unsolicited proposals (R. & D.): [2]			
Fiscal year 1961	5,000,000	15,000,000	20,000,000
Fiscal year 1962	5,000,000	7,000,000	12,000,000
Total	24,517,000	74,187,000	98,704,000

[1] Project terminated.
[2] Available to either public or private utilities, but practically always private.

Mr. ANDERSON. Madam President, it is interesting to note that several of the projects are located relatively close to coal areas: Peach Bottom, Pa.; South Carolina; and Detroit, Mich.

But despite all of the Federal assistance, these so-called partnership projects are faltering. A number of projects have been canceled, including the Pennsylvania Power & Light homogeneous reactor and the Florida-East Central gas-cooled project.

In my opinion the whole partnership program should be reevaluated and a hard look should be taken at all aspects of Government assistance. The AEC has been studying possible new forms of assistance. I say we had better see whether we need even the old ones. This would include research and development assistance, waivers of fuel charges, "buyback" of plutonium, and so forth. The whole concept of long-term licensing should also be examined.

Madam President, I ask unanimous consent to have printed at this point in the RECORD an excerpt from the July 31, 1961, Atomic Power Newsletter, issued by the American Public Power Association. I wish to have just one paragraph from the pamphlet printed at this point in the RECORD.

There being no objection, the excerpt from the newsletter was ordered to be printed in the RECORD, as follows:

Thus, does P.G. & E. assume that AEC will pay it $30 per gram for the byproduct plutonium, as the utility did in announcing in 1958 the power cost for a 50,000 kilowatt boiling water plant it now is constructing at Humboldt Bay, Calif.? If so, this means the P.G. & E. cost figures for the Bodega Bay plant are too low by approximately 1.3 mills per kilowatt hour or possibly more for this reason alone. AEC's basic plutonium price until mid-1963 is $30 per gram but it estimates the fuel value at only $9.50. The latter is the figure a utility should regard as the economic worth by byproduct plutonium since AEC has indicated it will reduce its price to the fuel value as rapidly as practicable. The subsidy inherent in the $30 figure exceeds 1.3 mills per kilowatt-hour for the average water reactor.

Mr. ANDERSON. Madam President, while this study is underway, I believe we should consider withholding all new funds for 1962, as well as freezing all funds from past years which are uncommitted.

In carrying on this study, I believe we should talk to all leaders in the field, including the Edison Electric Institute. I think we could ask some interesting questions of these men, who are supposed to be leaders in their industry and in the field of atomic power.

We would grant them the right to their own opinions about the Hanford reactor and other projects. But we would want to ask them if they had not gone far beyond any personal opposition to a plant in another region. We might want to ask what corporate efforts they had sponsored to fight the NPR project. We would want to find out whether these men really are for atomic power, or are they the front men for a gigantic conspiracy to slow down new developments.

Now let us take a look at the Edison Electric Institute Committee. On page 406 of the Joint Committee's "202" hearings, the committee is stated to include the following:

MEMBERS OF THE EDISON ELECTRIC INSTITUTE COMMITTEE ON ATOMIC POWER

W. J. Clapp (chairman), president, Florida Power Corp.

J. K. Busby, president, Pennsylvania Power & Light Co.

J. H. Campbell, president, Consumers Power Co.

W. L. Cisler, president, Detroit Edison Co.

C. B. Delafield, vice president, Consolidated Edison Co. of N.Y., Inc.

E. H. Dixon, president, Middle South Utilities, Inc.

P. A. Fleger, chairman of the board, Duquesne Light Co.

Willis Gale, chairman of Commonwealth Edison Co.

R. E. Ginna, chairman of the board, Rochester Gas & Electric Corp.

A. S. King, president, Northern States Power Co.

E. L. Lindseth, chairman of the board, Cleveland Electric Illuminating Co.

J. W. McAffee, president, Union Electric Co.

Harold Quinton, chairman of the board, Southern California Edison Co.

R. G. Rincliffe, president, Philadelphia Electric Co.

Philip Sporn, president, American Electric Power Co.

J. B. Thomas, president, Texas Electric Service Co.

William Webster, president, New England Electric System.

We know Mr. Clapp, of Florida Power. His atomic project was recently canceled.

We know Mr. Busby. His project was canceled several years ago. But in 1956 his boss, Mr. Oakes, said that the private utilities could do the job alone.

We know Mr. Cisler. The arrangement between PRDC and a former Chairman of AEC in ignoring their Reactor Safeguards Committee is well known. The PRDC case has plagued the industry for years.

We hardly need say that Edgar Dixon, of Dixon-Yates fame, needs no introduction.

We know Mr. Ginna. He is the hatchetman for the New York syndicate which hopes to keep Mr. Moses from developing any atomic power.

We know Mr. Lindseth over many years as chief spokesman for the power industry. Sometimes he is not as frank as others. But in 1960 at the Joint Committee's "202" hearings, he let the cat out of the bag when he stated:

Mr. LINDSETH. The AEC should not own reactors on any utility system, whether investor owned or otherwise. If a reactor concept has reached a stage in its development when it becomes essential to construct a reactor plant capable of generating electricity, such a project preferably should be built by the utility industry with such AEC financial and other support as is necessary to bring the project to fruition.

Mr. HOLIFIELD. How can you say that, when it is evident from the history of this whole art that it was necessary to build Shippingport at Government expense? That is on a utility system. It has been necessary to build Consumers of Nebraska because private industry would not pick up the ball and build those plants.

Chairman ANDERSON. You don't say. You say the AEC should not own reactors on any utility system.

Mr. LINDSETH. We don't believe, in our industry, that in a free enterprise economy such as exists in the United States there is any proper place for the U.S. Government to own power-generating reactors or any utility system. We just do not believe that.

Chairman ANDERSON. Whether it is round 1, 2, or 10, you just don't believe in Elk River?

Mr. LINDSETH. We do not.

Chairman ANDERSON. You don't believe in the one that is going to be built at Oak Ridge?

Mr. LINDSETH. No; we do not.

We know Philip Sporn very well. It is regrettable that he is at the forefront of the cabal on the NPR.

We also know Willis Gale and Bill Webster, who are good citizens, with some ideas on public responsibility.

Is it not ironical that most of these men and their companies are actively

fighting a plant in an area remote from their own operations, and while many of these companies are the recipients of AEC financial largesse? Some are receiving largesse not only from atomic assistance, but also from supplying electricity to AEC installations from conventional plants.

It is indeed ironical that AEC installations are the largest consumers of electric power of any industry in the country. The AEC is the largest consumer of coal for its energy requirements. I ask unanimous consent to have printed at this point in the RECORD a table which illustrates this clearly.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

AEC coal and electric consumption

[In tons of coal each year]

Portsmouth, Ohio, plant (1,900,000 kilowatts from OVEC)	7,000,000
Paducah, Ky., plant (2,130,000 kilowatts from EEI and TVA)	7,570,000
Oak Ridge, Tenn., plant (1,765,000 kilowatts from TVA)	5,580,000
Total (5,795,000 kilowatts)	20,150,000
The carload equivalents of the above coal consumption are:	
CARLOADS (55 TONS PER CARLOAD PER DAY)	
Portsmouth	349
Paducah	377
Oak Ridge	278
Total	1,004
Hanford plutonium plant (for space heating and chemical processing	300,000

Mr. ANDERSON. Madam President, in our review of AEC activities, I believe we should review these power arrangements. Let us consider OVEC, for example, for which Mr. Sporn was the prime mover. Here we have a situation where the Federal Government in something over 10 years from now will have paid over $360 million for a 2 million kilowatt plant—which will be owned free and clear by Mr. Sporn and his associates.

It seems to me that this administration should investigate whether this private utility combine should get the ownership of a plant which is almost three times larger than the NPR and is paid for by Uncle Sam. Mr. Sporn and his associates had no risk. They had a sure thing in the AEC electric requirements for its Portsmouth plant. The GAO was quite critical of the contract, but not much could be done in the prior administration. Thus, in the GAO report dated August 9, 1956, Comptroller General Campbell stated in part:

The power rates under the AEC and sponsoring companies contracts are based, in part, on OVEC's retiring its entire debt (approximately 97 percent of its total capital structure) within 25 years. Such a basis for power rates is not consistent with what we understand to be the expected service life of an electric powerplant—generally 35 or 40 years. AEC has advised us that the 25-year amortization period represents the best arrangement which could be worked out and satisfy the institutions furnishing the financing. (See p. 47.)

Being based on debt amortization of 25 years, AEC's power rate is higher than it would be if it had been based on a longer period of time; however, if AEC takes power after 25 years its power rate under the contract will be adjusted to eliminate interest and amortization on the original debt.

So we see that Mr. Sporn and his associates will own a plant within 25 years after construction begins—21 years after operation—paid off prematurely by generous Uncle Sam. In a few years we can expect a movement to close down the AEC Portsmouth plant, and OVEC can then utilize this cheap electric power in its commercial system, with no benefit necessarily going to the Federal Government or the consumers. Although AEC has certain option rights beyond 25 years, they are carefully confined to serving the Portsmouth plant or "new" activities.

I believe this entire matter of how AEC gets its power, which was developed in the previous administration, should be reexamined.

So also should the question of rapid amortization and other tax rebates utilized by the utilities.

Madam President, these items and others which I hope to discuss later lead us to anticipate a lively time during the coming debate on the conference report on NPR.

Mr. JACKSON. Madam President, will the Senator yield?

Mr. ANDERSON. I am happy to yield.

Mr. JACKSON. I commend the distinguished Senator from New Mexico for the statement which he has made today. It is most informative. He has raised issues which are a matter of great public interest. I trust that in due time, an appropriate investigation will be made of these serious problems which have been brought out in the very able presentation which the Senator from New Mexico has made on the floor of the Senate this afternoon.

I commend him for the forthright way in which he has called these problems to the attention of the Senate and of the country.

Mr. ANDERSON. I thank the Senator.

Madam President, I ask unanimous consent to have inserted at the end of my remarks an article by Marquis Childs, entitled "Sweeping Sense Under the Rug."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SWEEPING SENSE UNDER THE RUG

(By Marquis Childs)

Operation Under the Rug is going full blast on Capitol Hill. With the necessity for voting additional defense appropriations the argument is advanced that everything else—aid to education, foreign aid—must be pushed aside or pared to the bone.

This view of what makes America strong, putting all the stress on weapons and how to use them, ignores many of the elements that underlie a vital and purposeful society. It overlooks the Soviet challenge not merely in weapons but in the field of economic growth and in the sharing with less developed countries of the techniques and the benefits of that growth.

Nowhere is this more apparent than in the fight on the proposal to harness heat generated at the Hanford, Wash., plutonium works to create a great new source of power. That heat, when the new Hanford reactor is completed in 1962, will be dumped into the Columbia River.

Generators to harness this otherwise wasted energy would cost an estimated $95 million. They would generate as much power—700,000 to 800,000 kilowatts—as 1½ Bonneville dams, and Bonneville is one of the hydroelectric giants.

Nor are the proponents the wild spenders against whom conservative Republicans and Democrats like to inveigh. One of the stoutest advocates on the Senate floor was Senator THOMAS KUCHEL, Republican, of California. KUCHEL quoted a leading California industrialist and Chairman of the Atomic Energy Commission under President Eisenhower, John McCone, as urging approval of the Hanford power project.

McCone in his statement pointed out that it would give the United States now and for many years to come the largest atomic-generating plant in the world, far larger than the generator near Moscow over which the Soviets have made so much propaganda. Arguing the need to use this otherwise wasted energy so that more dams will not have to be built on the Columbia and conservation will in this way be advanced, Senator MAURINE NEUBERGER, Democrat, of Oregon, quoted from an editorial in the Portland Oregonian:

"Ever since it went into operation during World War II it (the plutonium-producing plant) has been dissipating into the river enough heat to boil enough water to produce enough steam to spin turbines generating enough electricity to rival the output of Bonneville Dam. It is wrong to permit this waste to continue when with a relatively small investment there can be added to the Northwest power pool the equivalent of a major new hydroelectric project."

The Senate voted 54 to 36 to keep the Hanford power project in the atomic energy bill. In the House it was defeated, 176 to 140, with Democrats from coal-producing States, notably West Virginia, joining those who automatically oppose any public power project. The argument was made that the power is not needed, which is reminiscent of the effort to block the Tennessee Valley Authority with the cry that TVA's proposed power capacity was far in excess of anything that backward region could ever use. Incidentally, TVA is today the largest single purchaser of coal in the country.

Under the resourceful generalship of Republican leader CHARLES HALLECK an attempt was made to tie a parliamentary noose around the Hanford project in that convenient mortuary chamber, the House Rules Committee.

Together with the drumbeat of military preparation "operation under the rug" gives the impression of an impetuosity bordering on the frantic. This attitude belies the Nation's true strength.

It sometimes seems that there is a danger of sweeping not only such domestic measures as the Hanford project and aid to education under the defense rug but also the whole process of future negotiation over West Berlin and the need to take the political and diplomatic initiative. There are critics of President Kennedy's speech who feel that this side of the Berlin crisis came off second best and that the areas of possible negotiation were brought in as a kind of afterthought.

The hope had been that constructive and far-reaching proposals would be forthcoming to seize the diplomatic initiative. Premier Khrushchev touched off the Berlin alarm as he has done two or three times before. But it should never be forgotten that under totalitarian control the switch can be reversed almost overnight. If the

propaganda switch were abruptly shifted from threat to peace the drumbeat would have a lonely sound.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

Mr. MUNDT. Madam President, I offer my amendment identified as "8-2-61—D."

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota, for himself and other Senators, will be stated.

Mr. MUNDT. Madam President, I ask unanimous consent to dispense with the reading of the amendment and to have it printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment is as follows:

On page 48, after line 13, insert the following:

"TITLE VIII—AMENDMENTS TO PUBLIC LAWS 815 AND 874

"Extension of temporary provisions of Public Law 815

"SEC. 701. (a) The first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 633), is amended by striking out '1961' and inserting in lieu thereof '1964'.

"(b) Subsection (b) of section 14 of such Act is amended (1) by striking out '1961' each time it appears therein and inserting in lieu thereof '1964', and (2) by striking out '$40,000,000' and inserting in lieu thereof '$60,000,000'.

"(c) Paragraph (15) of section 15 of such Act is amended by striking out '1958–1959' and inserting in lieu thereof '1961–1962'.

"Extension of temporary provisions of Public Law 874

"SEC. 702. The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by striking out '1961' each time it appears in sections 2(a), 3(b), and 4(a) and inserting '1964' in lieu thereof.

"Extension of laws to American Samoa

"SEC. 703. (a) The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by inserting 'American Samoa,' after 'Guam,' each time it appears in sections 3(d), 6(c), and 9(8).

"(b) The Act of September 23, 1950, as amended (20 U.S.C. 631–645), is amended by inserting 'American Samoa,' after 'Guam,' in section 15(13).

"Report of operations under these laws

"SEC. 704. The Commissioner shall submit to the Secretary of Health, Education, and Welfare for transmission to the Congress on or before January 1, 1963, a full report of the operation of Public Laws 815 and 874, as extended by this Act, including an analysis of the relation between Federal payments under these laws and Federal payments under title I of this Act, and his recommendations as to what the future relation between these laws and that title should be if they are further extended."

Mr. MUNDT. Madam President, since the time I submitted the amendment, the following Senators have asked to be included as cosponsors of the amendment: COTTON, YOUNG of North Dakota, SCHOEPPEL, WILEY, SMATHERS, LAUSCHE, and BUSH.

Mr. MANSFIELD. Madam President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. MANSFIELD. After consulting with the Senator in charge of the bill, the Senator from South Dakota, and leaders on both sides, I wish to propound a unanimous-consent request.

I ask unanimous consent that 1 hour be allocated on the pending amendment, one-half hour to be allotted to the Senator from South Dakota [Mr. MUNDT], and one-half hour to the majority leader.

The PRESIDING OFFICER. Is there objection? Without objection——

Mr. BUSH. Madam President, reserving the right to object, I think this is an important question, and I would like a little time on it. Cannot the time be stretched a little?

Mr. MANSFIELD. I may inform the Senator that this time has been agreed to. It has been thoroughly discussed. I hope on this occasion the Senator will not insist, because he will get time from this side.

Mr. BUSH. I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Madam President, will the Senator from South Dakota yield further to me?

Mr. MUNDT. I am happy to yield, with the understanding that the time under the limitation has not yet started to run.

Mr. MANSFIELD. The only reason why I asked the Senator to yield to me is so that I may announce that while there will be a discussion of the pending amendment, there will be no further yea-and-nay vote this evening.

Mr. JAVITS. Madam President, if the Senator will yield, will the majority leader tell us when the Senate will convene tomorrow?

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. MANSFIELD. Madam President, I ask unanimous consent that when the Senate concludes its business today, it adjourn to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

Mr. MUNDT. Madam President, I yield to the Senator from New Hampshire [Mr. BRIDGES] with the understanding that it does not involve running of the time on the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LAUSCHE. Madam President, will the Senator allow me to become a cosponsor?

Mr. MUNDT. I have announced the name of the Senator from Ohio as a cosponsor of the amendment.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

APPREHENSION OF AIRPLANE HIJACKERS

Mr. BRIDGES. Madam President, earlier in the day I spoke about the hijacking of a second American airplane. The persons who seized the plane have now been captured as a result of the very outstanding work done by the Federal Bureau of Investigation, the U.S. Immigration and Naturalization Service, Texas State officials, Texas county officials, and the local police of El Paso. For having acted promptly and having brought this matter to a head, I think they should all be complimented, particularly the FBI.

It has been announced that the two individuals responsible for the hijacking will be charged with kidnaping and interstate transportation of stolen aircraft.

The adult who took part has a long criminal record and is currently on parole. It is very significant that he was in Mexico City earlier this year and was a visitor to the Cuban Embassy in that city. Already the thread is beginning to spin, and the pattern of the cloth is evident.

Because I raised the point in the Senate earlier, I wanted to bring this statement to the Senate's attention at the conclusion of the incident. Now that the dust is beginning to settle around the Continental Airlines jetliner which was under siege by two hijackers for 9 hours in El Paso, Tex., today, I think it is most appropriate that credit be given to those responsible for taking the abductors into custody.

I wish to pay special tribute to the Federal Bureau of Investigation and to the U.S. Immigration and Naturalization Service for the activities of their representatives in El Paso in bringing about the successful capture of the individuals responsible for hijacking the jetliner. I also wish to congratulate the Texas State, county, and El Paso law enforcement officials for their courageous action in cooperating with Federal officers.

Madam President, at this time the information filtering back from El Paso in this regard is still a bit sketchy. However, according to my best information it was FBI agents who shot the plane's tires and one engine, thereby making it impossible for the plane to take off.

It is my further understanding that a representative of the Federal Bureau of Investigation delivered the no-deal ultimatum to the hijackers and warned them of the consequences involved if any harm came to the hostages. Reports from El Paso also credit an FBI man as being the first to board the plane while it was still under seige. He was

later followed by a member of the Immigration and Naturalization Service. Following a brief scuffle, the hijackers were captured and the hostages were freed.

Madam President, this is in keeping with the high traditions of both of these agencies.

During the 25 years in which I have served in this body, I have witnessed countless situations in which the FBI played a prominent role in bringing about a satisfactory final solution. This Bureau, under the capable guidance of Director J. Edgar Hoover, is without doubt the finest law-enforcement body on the face of the globe. With each new incident of the magnitude of the episode in El Paso, we are reminded of the efficiency of the Bureau itself and of the devotion of the men of the FBI.

It is indeed fitting that the wrapup of the El Paso incident was accomplished by the FBI working hand in hand with the Immigration and Naturalization Service—a service which has also proven its value again and again over the years in times of stress. Indeed, there is ample proof of the value of the INS, of the devotion of its agents and of the outstanding direction of its Director, Gen. J. M. Swing. Now that the two culprits are in the custody of the FBI, Madam President, it is my sincere hope that strict and swift justice will be meted out. I suggested on the floor of the Senate this morning the distinct possibility that the Federal kidnap law might very well have been violated by the hijackers of this jetliner. I am pleased to know that this charge has already been lodged against the pair.

MEMORANDUM ON PROPAGANDA ACTIVITIES OF MILITARY PERSONNEL DIRECTED AT THE PUBLIC

Mr. BRIDGES. Madam President, on another matter, I wish to invite attention to a subject which the very distinguished junior Senator from South Carolina [Mr. THURMOND] discussed in the Senate the other day regarding the publication of a memorandum which was put out by the staff of the Foreign Relations Committee. I have just looked it over very carefully. I think some of the statements contained in the memorandum are shocking.

As I indicated in my remarks on Friday, July 28, the Senator from South Carolina has performed a very real public service in focusing attention on this effort, on the part of someone, to silence our military leaders.

I assume, and it is an assumption which I believe to be valid, that our senior military officers, particularly those of flag and general officer rank, are persons of judgment and responsibility. Most of these officers are graduates of our Military Academies, all of them have many years of experience in leadership, many of them are held directly responsible for the welfare and lives of large segments of our military forces, and many of them are held directly chargeable with the care, custody, and protection of millions of dollars worth of property belonging to the U.S. Government. The appointment of each of them to a position of high rank was made as an expression of trust and confidence by the President and with the concurrence of the U.S. Senate.

In view of this, it is shocking to me to read in this memorandum the following statement:

> There is little in the education, training, or experience of most military officers to equip them with the balance of judgment necessary to put their own ultimate solutions—those with which their education, training, and experience are concerned—into proper perspective in the President's total strategy for the nuclear age.

If it is true that our senior military officers do not have the capacity to exercise independent judgment, I shudder for the future of this country. Fortunately for all of us however, this simply is not true. The distinguished junior Senator from South Carolina holds high military rank and I am prepared to testify that he is a man of sound and competent judgment.

While I do not propose to analyze this specious document in detail, there is one additional observation in it upon which I feel compelled to comment. It is stated, and I quote:

> Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war.

If this is true, the American people no longer are entitled to the privilege of self-determination. As was stated on the floor of the Senate yesterday, that is the kind of destructive philosophy which could only lead to the "big brother" society envisioned by George Orwell in his book "1984."

I say again that the American public owes the junior Senator from South Carolina a debt of gratitude for his patriotic service in displaying this infamous document for open scrutiny. The appropriate committee of the Senate to examine this entire matter is the Committee on Armed Services, or a subcommittee thereof, and I concur in the view that such an inquiry should be initiated immediately.

I think this situation has gone pretty far. In the past few days we have talked about the Appropriations Committee, and a clamor has been raised about the fact that we are legislating on an appropriation bill. My understanding is that jurisdiction over the conduct of the Armed Forces is a matter for the Armed Services Committee of the Senate, under the Senate rules. If that is not so, Senators should stand up and challenge my statement now. If it is the case, the Armed Services Committee of the Senate should have jurisdiction over the subject matter and should proceed, in my judgment, to conduct an investigation as to who wrote the memorandum, the circumstances surrounding it, and what the conditions are in our armed services, and ascertain whether or not certain people in our armed services are causing the situation with which the memorandum deals. I think it is something which should have the immediate attention of the committee.

If we are going to raise technical questions about committees—and that seems to be the pride and joy of some Members of the Senate—then we must be very careful that the proper committee takes the general investigative and supervisory actions in matters within its jurisdiction.

I remember that many years ago the Senate had a Military Affairs Committee and a Naval Affairs Committee, before the Committee on Armed Services was formed. Even when a Senator was dealing with the general military or naval situation, he had to be extremely careful. Senators were prone to stand on the floor and to challenge jurisdiction. They felt it their duty to challenge jurisdiction of committees. Now, with an all-inclusive Armed Services Committee to deal with the Marines, the Army, the Air Force, and the Navy, there should be no question about jurisdiction.

Mr. MUNDT. Madam President, while we are discussing the subject to which the Senator from New Hampshire has been devoting his remarks, I ask unanimous consent to have some editorials in connection with this growing controversy printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the State, Columbia (S.C.), Aug. 2, 1961]

SUSPECT SUBTERFUGE

It is interesting to note that Senator BARRY GOLDWATER has joined Senator STROM THURMOND in attacking the attempt of the administration to put a gag on military officers.

These Senators, one a Democrat and one a Republican, but both sound, full-time conservatives, have a particular reason to object to this move designed to curtail any conservative or rightwing talk by the military.

Both Senators hold the rank of general in the Reserve forces, and undoubtedly entertain the notion that this whole thing is just a sneaky way to gag two leaders of the conservative oppositon to the New Frontiersmen.

[From the News and Courier, Aug. 2, 1961]

SENATOR THURMOND DOCUMENTS SOURCE OF ATTACKS ON U.S. MILITARY

In the last week Senator STROM THURMOND has performed some of his most important work since he was first elected to the U.S. Senate in 1954. We refer to his major effort to have the Senate Armed Services Committee investigate attacks on officers who teach anticommunism.

When we use the adjective "major," we mean just that. South Carolinians who have access to the CONGRESSIONAL RECORD can learn for themselves the care that has gone into Senator THURMOND's documentation of his case. The Senator's analysis of Communist and other attacks on American patriots in uniform is a model of thoroughness. It fills many pages of the RECORD for July 26, 29, and 31.

At this writing we do not know whether Senator THURMOND has attained the result he hoped. The RECORD shows, however, that Senator RICHARD RUSSELL, of Georgia, chairman of the Senate Armed Services Committee, has promised to look into matters raised by Senator THURMOND.

We detect a great deal of foot dragging, however, and the usual lowering of the Paper Curtain. The New York Times, which promptly followed the Communist Worker

in attacking officers who give instruction in anticommunism, made no effort to offer a full presentation of Senator THURMOND's defense of patriots. Other journals paid little or no attention to documentation supplied by Senator THURMOND.

Fortunately, the Chicago Tribune and other vigorously pro-American journals gave Senator THURMOND's statements attention they deserve.

In the Senate, Senator THURMOND had fine support from Senators MUNDT, of South Dakota, MILLER, of Iowa, and other outspoken Senators. But there were some Senators, who should have given direct support to Senator THURMOND, who had nothing to say. The truth is that the White House palace guard is strongly for the crackdown on the military. The ruthless administration now in power is capable of threatening to close down military installations in a State whose Senators buck the White House.

The News and Courier and the people of South Carolina are proud of Senator THURMOND's courageous stand in behalf of patriots in uniform. This State and its representatives never have been afraid to speak the truth because it was unpopular. Senator THURMOND's campaign is in the great outspoken South Carolina tradition and will be of lasting value to the country.

[From the Greenville News, Aug. 2, 1961]

STROM OPPOSES MILITARY MUZZLE

South Carolina's tireless Senator STROM THURMOND is engaged in a vigorous effort to discover and expose the extent and the reasons behind current efforts to "muzzle" officers of the Armed Forces of the United States when it comes to discussing the menace of Communist infiltration and the aims and methods of international communism.

The Senator is convinced that there is a deliberate conspiracy afoot to break up such information programs as the national defense seminars, attended by military officers and civilian leaders alike, and to cripple other programs intended to indoctrinate, or inform, members of the Armed Forces about what they are up against.

And he has strong evidence to indicate just that. We hope he doesn't stop until he has gotten to the bottom of the thing and exposed it to full public view.

To what extent the Communists themselves are involved isn't yet clear. But Senator THURMOND has cited conclusive evidence that such Red organs as the Daily Worker and Communist organizations are making the most of the situation and forcing the thing along as rapidly as they can.

It is an extremely complicated matter, and not all of its aspects can be defined in clear lines of black and white.

Civilian control of the Armed Forces is inherent in the American system of government. Persons on active duty in the Armed Forces are encouraged to vote, usually by absentee ballot, but they are forbidden to take an active part in politics.

At the same time, members of the Armed Forces are encouraged to inform themselves of the nature of the enemy, currently the Communists. Officers at all levels of command are required to conduct orientation periods intended to inform their subordinates of what is going on in the world. An important part of this process now, of course, is teaching the nature of communism and Communist techniques.

To be effective, it is hard to see how such information programs can be confined to Red tactics on the battlefield. It cannot be complete unless it includes the Communist methods of political subversion and infiltration. Our fighting men need to understand these things, for the man who doesn't know what he is fighting against—and, more important, for—is not what the Armed Forces call combat effective.

This is where the officers of the Armed Forces seem to have run into difficulties. Where does information leave off and where does politics begin?

In discussing the matter of infiltration and subversion, it appears that a few officers may have gone a bit too far and have indirectly indicated the belief that some of the domestic programs of this and previous administrations were oriented toward socialism and communism.

This is a continuation of the storm which broke some months ago when an Air Force manual was charged with accusing certain domestic groups of having been infiltrated by Communists. Without a doubt, some of them have been, but the issue involves the point at which to draw the line in nonpartisan discussions among members of the Armed Forces and by members of the Armed Forces before audiences composed wholly or in part of civilians.

The latest furor, and Senator THURMOND's deep concern, were prompted by a still secret staff memorandum from Senator J. WILLIAM FULBRIGHT's Foreign Relations Committee criticizing military officers who conduct or participate in anti-Communist seminars, or meetings which feature so-called right-wing speakers.

(One can't help wondering whether, if these seminars and meetings had been of a leftwing nature, the liberal Senators would have raised a protest.)

Be all of this as it may, the Kennedy administration is preparing to do all-out battle with the Communist enemy. The President told the American people and the world only a few nights ago that the United States would fight if it had to. He has asked for and is getting broad authority to expand the Armed Forces.

But are the civilian populace and the men who are now in the Armed Forces and those who will be called to active duty prepared for the nature of the battle? Do they understand that the cold war is as much a part of the basic conflict between communism and freedom as the hot war which may ensue?

That is what is bothering Senator THURMOND and a lot of other people.

As he says, it is the business of the leaders of the Armed Forces to understand the enemy and to communicate to their officers and men all of the information they can. But the nature of warfare has changed so much that civilians, too, must understand all of these things. Subversion at home can destroy an army in the field just as surely as enemy gunfire.

Senator FULBRIGHT seems concerned that conversatism in the Armed Forces may jeopardize the leftist elements of the Kennedy program. Senator THURMOND is concerned that failure to understand the enemy may lead to the destruction of the Nation.

The paramount issue of the times is not welfare but national survival.

Officers of the Armed Forces should be circumspect in their public statements, but not at the expense of denying to their subordinates the public information they need. The worst thing that could happen would be for the politicians and their civilian superiors to make them afraid to speak out at all.

[From the Spartanburg Herald, Aug. 2, 1961]

ANTI-COMMUNISTS OFTEN LABELED AS RADICALS

The role of the "para-Communist" in the United States is becoming more pronounced, more effective and more menacing as the urgency to counteract internal communism gets more evident.

Dr. Medford Evans, former Chief Security Officer with the Atomic Energy Commission, defines the term: "A para-Communist is not a Communist. He is not necessarily a pro-Communist or a Communist sympathizer." His value consists "in containing, neutralizing, discrediting every aggressive anti-Communist."

Senator STROM THURMOND has given a healthful dose of public light to this disturbing trend in America today.

That is the practice of branding almost any energetic anti-Communist program as radicalism of the most extreme variety.

It is difficult not to be extreme in facing the menace of internal communism. But the Declaration of Independence was not a moderate document; and Patrick Henry was something of an extremist himself.

THURMOND's caustic exchange with Senator J. W. FULBRIGHT about the muzzling of anti-Communists activities of military commanders was much needed. FULBRIGHT suggested in a memorandum to the Pentagon that some welfare legislation might be endangered by attacks against socialism and communism.

Welfare statism is being equated with socialism and socialism with communism, he complained. His note was not intended for the public to see.

The South Carolinian took FULBRIGHT to task in an incisive speech on the Senate floor. He recalled Nikita Khrushchev's words when the Russian visited here: "We cannot expect the Americans to jump from capitalism to communism, but we can assist their elected leaders in giving Americans small doses of socialism, until they suddenly awake to find they have communism."

The Senator added: "For anyone who really wants to know, there is a wealth of material available equating the fundamental bases of socialism and communism."

The danger is that some of the most effective foes of communism are being silenced by a gag imposed on military leaders, THURMOND charged. A civilian parallel is the all-out liberal assault on organizations which conduct aggressive anti-Communist programs—including the FBI, the House Un-American Activities Committee, and the Senate Internal Security Subcommittee.

The source of a great deal of this antagonism is clear, because even the Communists admit that they're concerned about the effectiveness of these programs.

Gus Hall, general secretary of the Communist Party, wrote in the Daily Worker of July 16:

"In the opinion of the Communist Party, there can be no question but that the threat from the extreme right is serious * * *.

"When you get this combination of high-ranking military officers, the Fascist organizations in North and South, the right Republican-Dixiecrat coalition, and deep inroads into governmental bodies and in the educational system, we can surely say that the threat from the ultraright is serious indeed."

You just can't get a much higher recommendation than that.

[From the Augusta Chronicle, Aug. 2, 1961]

A DANGEROUS SUPPRESSION

Were a U.S. Senator to demand that American military leaders be denied use of their most strategic weapons in time of armed conflict, a resounding hue and cry undoubtedly would be raised across the country. Such action would be promptly and properly rejected as virtual treason.

Yet, within the last few weeks, Senator J. WILLIAM FULBRIGHT, of Arkansas, has insisted—apparently with success—that U.S. military men abandon the weapons that many have used effectively in the protracted conflict in which we are are now engaged. And, regrettably, few voices have been raised in protest.

The outstanding exception is South Carolina Senator STROM THURMOND, who has voiced vigorous objections to the memorandum dispatched to the Pentagon by FULBRIGHT, chairman of the Senate Foreign Relations Committee.

Senator FULBRIGHT's memorandum contended that military officers were engaging in dangerous propaganda and political activities by participating in educational programs designed to familiarize their troops and civilian communities with problems and issues of the cold war. It was particularly critical of officers who have equated social legislation with socialism and the latter with communism.

FULBRIGHT diagnosed this kind of cold war strategy as "a virus of rightwing radicalism" and asked Defense Secretary Robert McNamara to put a halt to it. The Pentagon responded with a directive restricting the freedom of military officers to take part in education and information programs.

Fortunately, Senator THURMOND has picked up the cudgel for the muzzled military leaders and put the issues in proper perspective with an address on the Senate floor. He also has protested the Pentagon directive in letters to McNamara and Kennedy. But thus far he has received no action.

If the Pentagon order is allowed to stand, America will have cast aside one of the most vital weapons in its cold war arsenal, and the Communists and Communists' sympathizers in this Nation will have won another major victory in their campaign to destroy America from within. For it is within the ranks of the military that the United States has some of its greatest patriots and best informed students of communism and international politics. With the knowledge they possess and the will they have to defeat the enemies of this Nation, military men are among our most valuable instruments in meeting the recognized need to acquaint Americans with the nature and strategy of communism and to increase their appreciation of the way of life we seek to protect from Red advances.

Anyone who questions this need should examine the shameful record of successful Communist brainwashing of American troops in Korean war prisoner camps. If there was ever a need in this Nation for the kind of activity represented by Project Patriot and the recent cold war seminar in Augusta, it is today. But the restrictions instigated by Senator FULBRIGHT threaten to prevent this kind of activity in the future.

As for military leaders equating social legislation with socialism and socialism with communism, we can only say with Senator THURMOND that they are on the right track. The mass of welfare programs adopted in this country have brought us closer to a socialistic government. And socialism, as any student of Communist doctrine knows, is one phase in the development of communism.

Khrushchev recognized this when he said: "We cannot expect Americans to jump from capitalism to communism, but we can assist their elected leaders in giving Americans small doses of socialism until they suddenly awake to find they have communism."

This is as much a part of the Communist threat as the Soviet Premier's missile rattling, and military leaders would be derelict in their duty if they failed to bring that to the attention of their troops and the American people.

Military leaders, as they have traditionally, should stay out of the realm of partisan politics in their public pronouncements. But when they discuss the Communist threat to this Nation, from without and within, they are waging war, not playing politics. And any suppression of their efforts must be regarded as a dangerous handicap to America.

MUZZLING OF AMERICAN PATRIOTS

(By Thurman Sensing)

WASHINGTON.—It becomes harder and harder to get the truth about socialism and communism across to the American people. Systematically, liberals have sought to close down and silence every source of information of radicalism.

One of the most intensive liberal campaigns is to deny the American people the knowledge and counsel of the members of the Armed Forces of the United States. Officers of the Armed Forces are targets of the liberals because the former understand the menace of leftism to the security of the United States. Ever since the end of World War II, prominent leaders of the Armed Forces have warned against Red expansionism and infiltration at home. State Department liberals won a major victory for their cause when General of the Army Douglas MacArthur was removed from command in the Korean war. He was hated by the leftists because he wanted to win the war. The recall of General MacArthur was the most disgraceful incident in the most disastrous chapter in American history.

The liberal-leftists are furious at naval leaders such as Adm. Arleigh A. Burke, U.S. Navy, retiring Chief of Naval Operations, because he alerted the country to the danger of Red Cuba. One of the first liberal successes in the Kennedy administration was to get an order muzzling Admiral Burke and other great Americans from telling the country the truth about the full extent of Communist infiltration.

In recent months, a subtle campaign has been waged in the Bulletin of Atomic Scientists, the Nation, the Reporter, the New York Times, and other left-of-center journals to discredit leaders of the Armed Forces who are vigorously anti-Communist. These journals angrily attack the various community "alert" organizations and the cold war seminars that have been held about the country. They demanded that permission be withdrawn for patriotic meetings to be held on defense bases. The liberal-leftists also demanded that anti-Communist documentry films no longer be shown on military reservations, and they won a victory on that point.

The liberal-leftists won another victory when Maj. Gen. Edwin Walker, commander of the 24th Division in Europe, was admonished for telling his troops about the facts of communism and state socialism. Leftist pundits gloated over this as a victory for their cause.

The latest sneaky deed by the liberals is a private memorandum that Senator J. W. FULBRIGHT, of Arkansas, sent to the Defense Department. Echoing the line of the leftist press of New York, the Arkansas Senator objected to military sponsorship of anti-Communist meetings.

Fortunately, Senator FULBRIGHT was promptly taken to task by Senator STROM THURMOND, of South Carolina. He assailed Senator FULBRIGHT for what he called a "'dastardly attempt to intimidate" U.S. Armed Forces commanders through a memorandum urging a gag on military officers espousing rightwing political beliefs.

Senator THURMOND termed the memorandum an effort to prevent Armed Forces commanders from "teaching their troops the nature and menace of world communism." He said that "the real bastion of knowledge and understanding of the Communist threat" lies among military personnel. He added that "suppression of the military's dissemination of this knowledge would be disastrous."

Senator THURMOND declared that "if the military teaches the true nature of communism, it must necessarily teach that communism is fundamentally socialism. When socialism, in turn, is understod, one cannot help but realize that many of the domestic programs advocated in the United States, and many of those adopted, fall clearly within the category of socialism. Military leaders in this case are rightly teaching the truth, and as is often the case, the truth can and does hurt."

In drawing attention to the effort to gag patriots, Senator THURMOND has performed a major public service. Communism never will be defeated by guns alone; it will be defeated by an alert citizenry that understands communism and its forerunner, state socialism, under whatever name it goes.

These liberal-leftists may not be Communists, but they had just as well be. If they are not stopped, they are going to deliver us into the hands of our enemies. It is time for the American people to decide who is going to run this country—patriots or pinks.

TRIBUTE TO ADM. ARLEIGH BURKE

Mr. BRIDGES. Madam President, a highly significant ceremony took place Tuesday, August 1, at the U.S. Naval Academy, Annapolis, Md. On that occasion, Adm. Arleigh Burke relinquished his assignment as Chief of Naval Operations to Adm. George W. Anderson.

Admiral Burke has served this Nation for 6 years, in the highest position of trust to which a member of the naval service can aspire. He has served not only with professional skill and ability, but also with a measure of distinction which marks him as a great American. Indeed, throughout his 38 years of active naval service, following his graduation from the U.S. Naval Academy, Arleigh Burke has demonstrated a degree of competence and dedication substantially above the average. Throughout his entire service, he has established an enviable record of vigorous devotion to the best interests of his country and the U.S. Navy. The courage and determination which gave rise to the name of "31-knot Burke" in World War II has been demonstrated time and again in his performance of high responsibilities required of this Nation's Chief of Naval Operations. Admiral Burke can readily lay claim to being an outstanding member of the military profession, a statesman and, above all, a true patriot. As Chief of Naval Operations, he has demonstrated farsighted ability in anticipating potentially dangerous situations throughout the world and, of greater importance, in doing something about them. With Arleigh Burke at the helm, it is no accident that wherever trouble spots have arisen during the past 6 years, there happened to be ships of the U.S. Navy somewhere in the vicinity, available to demonstrate the sinews of American strength. Those ships were there because of the foresight of Admiral Burke in seeing that they were in position to act for the United States.

Admiral Burke has been instrumental, as well, in establishing permanent forces in those areas of the world where the need to demonstrate American understanding, as well as American strength has been necessary. I have reference, particularly, to the amity forces which have been stationed near the coast of Africa for over a year. This relatively small force has done much to demonstrate to some of the emerging African

nations the most favorable side of our national character.

Additionally, Admiral Burke has been instrumental in establishing the UNITOC forces in the South Atlantic, designed to increase the effectiveness of South American naval strength. He also fostered the Inter-American Naval Conference and has contributed much of his personal time and effort to the establishment of better understanding and better relations with our neighbors to the south. History may well prove that Admiral Burke has contributed an enormous amount to the preservation of mutual security in the Western Hemisphere.

I think there is no one man on the current scene who is more highly regarded by his military and civilian contemporaries than Admiral Burke. It has been my pleasure to consult with Admiral Burke on various occasions and to hear his testimony before the Armed Services and Appropriations Committees of the Senate. I consistently have been impressed by his forthright answers, his lack of equivocation and his straightforward presentation of Navy and international problems. There never has been the slightest suggestion of evasiveness from this man.

In this regard, he has been called an outspoken admiral. I prefer to think of this description in its more favorable context. Whenever Admiral Burke has spoken out, it has been to remind the people of this country of the fundamental principles upon which our great Nation was founded. He feels strongly that great emphasis must be placed on those elements which lead to strength of character, including honor, pride, and integrity. Admiral Burke has performed great service in reminding the people of this country that a man of principle speaks with a powerful voice and commands respect. Certainly, Arleigh Burke personifies this truth.

In this regard, a very fine editorial appeared in the Washington Evening Star for Wednesday, August 2, 1961, entitled "Burke's Warning," and I ask unanimous consent that it be incorporated in the CONGRESSIONAL RECORD at the conclusion of my remarks. This editorial invites particular attention to the frank and vigorous opinions expressed by Admiral Burke regarding the menace of communism. He has been completely outspoken, and properly so, in warning that we must not succumb to the blackmail technique employed by the Communist leaders. I agree fully with the conclusion reached in this excellent editorial that Admiral Burke's clarion and courageous voice has conveyed a message of vital import for every American.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. BRIDGES. Madam President, Admiral Burke's philosophy of life is reflected admirably in his message of farewell, which was published to the officers and men of the U.S. Navy on July 10, 1961. In my judgment, the full text of this brief and significant message warrants inclusion as part of my remarks.

To the officers and men of the U.S. Navy:

There comes a time in every man's life when he must attempt to evaluate what he has done to better his country, his service, his family, and his group. This review can very well comprise the legacy a man bequeaths to his successors.

I have now—with more than a twinge of reluctance—reached this stage, and in retrospect I find it impossible to single out any one item which I can thruthfully say was exclusively and inalienably mine. This is a truism which most men recognize eventually because they learn that major accomlishments can be achieved only with the cooperation of friends and shipmates.

In 42 years of naval service I have had a unique opportunity to serve my country which I deeply appreciate. I have also been blessed by the loyalty, support, and friendship of the most dedicated people I have ever known, not least of whom is my devoted wife.

Experience has brought me a full appreciation of the prize cargo a man can hoist aboard. To this beloved Navy I do commend: Love of country, overshadowing all other loves, including service, family, and the sea; individual desire to excel, not for aggrandizement of self, but to increase the excellence of the Navy; devotion—perhaps consecration—to personal integrity in oneself, in one's service, in one's country; and courage to stand for principle, regardless of efforts to dilute this courage through compromise or evasion.

My service life has been rich and rewarding, and no man can ask for more. May you, too, find satisfaction and throughout your careers experience fair winds and following seas.

I join with millions of Americans in expression of public appreciation for the contributions of a great American patriot. I know of no higher tribute that could be paid to Arleigh Burke than the traditional expression of the Navy—"well done."

EXHIBIT 1

BURKE'S WARNING

Senators DODD and BRIDGES, Democrat and Republican respectively, have just joined in paying an altogether fitting bipartisan tribute to Adm. Arleigh Burke, now retired as Chief of Naval Operations after 42 years of distinguished service to the Nation.

Speaking from the floor of the Senate, both legislators have made a point of referring to a farewell interview given by the admiral last week, reported by L. Edgar Prina in the Star. They have made a point, too, of lauding him for the strongly worded candor of the views he has expressed and the counsel he has offered in the past on issues involving Soviet-American relations. In Mr. DODD's words, "he can well take pride in the many times * * * he has been forthright and courageous on controversial questions."

In recent months, of course, Admiral Burke, along with our other military leaders, has been under orders from the President, the Commander in Chief, to subject his speeches to controls—and editing, if necessary—designed to water down statements that might tend to heat up the cold war. The White House, over the years, has often sought to exercise this kind of influence, and it has done so under Mr. Kennedy with particular attention to the admiral's vigor and frankness of expression as regards the Communist menace.

For his own part, Admiral Burke does not believe that his language has been extravagant, and he feels that he would actually be more outspoken if he were living his life over again. As for dealing with the men of the Kremlin, he has had this to say: "You can't sell a little part of your honor. You cannot sell part of your virtue. You can't give away one baby—throw the baby to the wolves and expect the wolves will not follow the sleigh. They'll keep coming on—they'll want the next baby and more and more—you can't succumb to blackmail."

Some members of the administration may regard this statement as the sort of thing that Admiral Burke ought not to say even in retirement. The President, however, is not likely to take a dim view of it. After all, it constitutes a meaningful message, a pointed warning, for every American in connection with the Berlin crisis and the Kremlin's open reaffirmation of its intentions to bury the West and communize the whole world.

THE BERLIN ISSUE

Mr. BRIDGES. Madam President, the American people are very much disturbed by the antics of Nikita Khrushchev and his threat to the United States and her allies in Western Europe over the Berlin issue.

My mail for many days has reflected this feeling. People have written from all sections of the country. They are adamant in their feeling that the United States has gone far enough with Mr. K. and we must stand firm.

In this connection I was interested in reading an editorial in the Manchester Union-Leader, Manchester, N.H., on July 27, 1961. It was entitled "Stand Firm in Berlin."

The editorial refers to a survey made by Bill Perry of radio station WGIR at Manchester. Bill Perry is to be commended for his public service to the listening audience.

In the interest of our congressional information and for the American public, I ask unanimous consent that this editorial be placed in the RECORD as part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STAND FIRM IN BERLIN

Radio station WGIR's Bill Perry has performed a distinct public service in releasing the results of his telephone survey on the Berlin question. Certainly it was refreshing in this day of appeasement, compromise, and negotiation, to hear people in the Manchester area, say, in effect: "Don't give an inch."

Perry's daily program, "Express Your Opinion," in 3 days received nothing but affirmative answers to the question: Should we stand firm in Berlin?

It was mildly surprising to Bill that no one with the other viewpoint called to express a contrary opinion. So he purposely sought out some opposing views from people who normally favor the compromise-negotiation school of thought.

Still no one appeared willing to defend that line of thinking.

The overwhelmingly affirmative response is, on second thought, more than just refreshing; it is highly significant. The comments from the callers prove what we have long suspected—i.e., that the American people are indeed fed up with the Red bully, and are sick and tired of being shoved around.

"Stand firm in Berlin," the callers to WGIR said, "even if it means war." "We must definitely stand firm in Berlin or we will never stand again anywhere."

Now, if only Washington were tuned in to public opinion on this issue.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

Mr. MUNDT. Madam President, I believe the author of an amendment has the right to modify his amendment without asking unanimous consent; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. MUNDT. I hereby modify the amendment by deleting section 704.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. MUNDT. Madam President, on June 27 I took the floor of the Senate urging extension of the aid to impacted areas programs established under Public Law 815 and 874, because of their expiration date, June 30, the end of the fiscal year 1961. At that time, in a colloquy with our distinguished majority leader, I am assured that the Department of Health, Education, and Welfare would not need the funds immediately and that some way would be found in which we could legislate on this subject prior to the time when the funds actually would be needed.

Since that time the Federal aid-to-education bill, which encompassed these two items as the bill passed the Senate, has become embroiled in a controversy in the House, and is involved with other proposed legislation in a stalemate in the Rules Committee. Since that time more than a month has elapsed in the new fiscal year. We now confront a very urgent situation in which there is no impacted areas legislation on the statute books. It has expired.

From all over the country there has come a clamor. School administrators, school boards, principals of schools, and taxpayers, are saying, "We now need to know what kind of faculties we can finance for the school year about to begin in many areas before the end of this month."

For that reason, I filed my motion yesterday to bring the proposed legislation before the Senate today. In the first place, there is an urgency of time. In the second place, the extension rightfully fits in with the bill now before us, because H.R. 7851 as amended will necessarily aggravate a problem which has already grown far too large for many communities to accommodate and accept.

I appreciate the fact that several Democrats, as well as Republicans, among our Senate membership have asked to become cosponsors of this amendment. This is as it should be. There should be no partisanship on this vital issue. What we want is justice for our taxpayers and educational opportunities for our schoolchildren. I hope Senators by their vote will not deny either in favor of a power play to try to force reluctant legislators to support a general Federal-aid-to-education program not desired by their constituents.

Mr. BRIDGES. Madam President, will the Senator yield?

Mr. MUNDT. I am happy to yield.

Mr. BRIDGES. The Senator has made the statement that this is a very important and countrywide problem. I am interested in it. How many States are affected by impacted areas legislation?

Mr. MUNDT. Virtually every State in the Republic is affected, because of the farflung operations of our military and because of the involvement also of the Indian population.

This is a serious situation. It is more serious in some States than in others, but it is serious in all States.

I point out that legislation which provides for the vast defense appropriation, for which we have voted so overwhelmingly and for which I am sure we shall vote perhaps unanimously on a final yea-and-nay vote, is the logical legislation under which we should correct problems which evolve necessarily from the defense program. There is not only a question of urgency of time, but this also fits in with perfect harmony with what we propose to do.

Mr. BRIDGES. Madam President, will the Senator yield further?

Mr. MUNDT. I am happy to yield.

Mr. BRIDGES. It is a tragic situation that thousands of school districts, eligible for this aid, are being sacrificed on the altar of power politics and are facing a new school year, less than a month away, without the assurance of Federal aid which they have depended on for the past 10 years.

In honoring their commitments to the children of their districts, both those connected with Government installations and others, school administrators face the specter of unbalanced budgets and economic chaos because we are not honoring our commitments to them.

In my own State of New Hampshire impacted area assistance amounted to $1,035,000 during 1960. This vitally needed assistance must continue and not be sidetracked by parliamentary maneuvering and hairsplitting.

Mr. MUNDT. Precisely, because a controversy has developed in the House. Certain committee members in the House, and perhaps some in the Senate, have elected to say, "We are going to use these impacted areas bills, which are so popular and so needed, as the carrot to be held in front of the donkey, to compel the donkey to walk through the turnstile of Federal aid to education."

I do not think we should gamble the fate of the taxpayers of our respective States on a controversy which has developed either in the House or in the Senate.

The impacted areas legislation has been in operation for more than 11 years. As a consequence, it should not have been involved, in the first place, in the Federal-aid-to-education controversy. It should be settled on its own merits, and it should be settled now, because every passing day means irreparable damage is being done to the school systems of America. In some place or another some school administrator will have to reject an opportunity to contract with an experienced and able teacher because the school district does not have the necessary funds. He will have to accept an inferior, less educated, less experienced teacher if, perchance, the legislation should be passed late this month, at a time when most of the estimable teachers of this country will already be under contract. We cannot afford to dally with the fate of America's schoolchildren and the taxpayers merely because there are those who wish to use this to "sweeten up," as it were, the Federal-aid-to-education bill.

Mr. SCHOEPPEL. Madam President, will the Senator yield?

Mr. MUNDT. I am happy to yield.

Mr. SCHOEPPEL. Madam President, when the Senator from South Dakota says there has been great alarm and anxiety expressed in practically every State of the Union on this question, quite frankly, I say, the senior Senator from Kansas has had calling upon him, from five specific areas in the State of Kansas: educators, school principals, and some members of school boards, who have made a 1,000- to 1,500-mile trip to Washington, D.C., to ascertain what is the situation. Those people are concerned about the budgeting of their program in the ensuing year in their educational systems. They are actually fearful, in a number of cases, about having to reduce the teaching staff because at this late date they cannot see from where the additional funds will come. The situation is serious.

Mr. MUNDT. The Senator is exactly correct. Not only is there a question of fear because of the necessity for cutting down, but some school districts have already cut down because there is no legal way in the world in which a school administrator can commit a school district to spend funds from the Federal Government which the Federal Government has no authority to convey because the legislation has expired. A great vacuum has developed.

Until we pass the needed legislation, the school districts cannot begin employment of the teachers they need in order to begin the next school year fully equipped with a teaching staff.

This may well be our last effective opportunity to pass this impacted area legislation in time to provide the needed financial assistance to our beleaguered school districts. We are already very late in acting. Already many communities and schools have suffered. We should not delay another day in letting those vitally concerned know whether this school assistance to impacted areas is to be continued or denied. I hope the Senate will confirm its traditional position on this matter with an overwhelming vote. At least now every Senator will be given an opportunity on this amendment to express his convictions clearly in a rollcall vote.

Since there is such a severe limitation on time, I shall reserve the remainder of my time, and yield temporarily, in case some other Senator wishes to speak on the side of the opposition. I shall be glad to yield to any Senator who wishes to use part of the time for the affirmative.

I inquire whether the opposition to the amendment desires to use any time at this late hour.

Mr. MANSFIELD. Madam President, I yield 5 minutes to the Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Madam President, I am glad that the Senator from South Dakota has raised this question again to remind the Senate and the people of the country once more that there is a problem unsettled and undisposed of, which must be settled and disposed of before the Senate goes home. There are many things that can be said about the proposed legislation, and only a few of them I shall attempt to say in this brief appearance.

First, the question was raised by the Senator from New Hampshire, I believe, a while ago as to how widespread the problem is. I am glad to read from page 1 of the official report of the Commissioner of Education for 1960, on which he said:

> In the fiscal year which ended June 30, 1960, applications for Federal financial assistance for current school operating expenditures under Public Law 874 were filed by 3,963 local educational agencies in 50 States, Guam, and the Virgin Islands. The U.S. Commissioner of Education determined that 3,821 of these applicants were eligible for a total net entitlement of $177,556,580.

I shall not attempt to read in greater detail from the report, but anyone who looks at it or who reads the list of communities in each State and each territory is bound to come to the conclusion that there is a problem so vast and so far reaching, affecting so many people and so many communities, that the Senate must give it attention and cannot go home without passing legislation to deal with the problem.

What is the problem? The problem is that in a community which has found itself under the necessity of taking care of many schoolchildren brought in by those who are serving at a Defense Establishment—whether they are brought in to serve there as military personnel or as civilian personnel—such community has greatly added costs which should not be borne entirely by it. To the contrary, our Government has for many years recognized that in such a situation the Federal Government does have a responsibility, and it has moved to recognize that responsibility by paying a part of the cost of tuition of the children who have been brought in by the defense installations.

It is not exactly accurate to say that no legislation on the problem remains on the books, because there is legislation still remaining that deals with the children of those who live and serve on the bases to the degree that schools must be set up on those bases and maintained by the Federal Government itself.

Yesterday was an appropriate time, as it was a germane matter, in my humble opinion, to have dealt with the situation, because there were appropriations in the Health, Education, and Welfare bill to take care of a part of the problem that is recognized by the legislation that is still on the books.

We failed in that attempt, and we are now endeavoring again to call to the attention of the conscience of the Senate and the conscience of the country, the fact that numerous communities are strained beyond their ability to meet their school problems as the result of the bringing in of defense bases, institutions, installations, and establishments which are handmaidens to the Defense Department.

I shall not dwell on the entire problem, but I do wish to make clear that in my own State, which never comes to the Federal Government for a handout, and which always agrees to pay its part of any program, as has been stated repeatedly by my colleagues in every committee on which I serve——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. Madam President, may I have an additional 2 minutes?

Mr. MANSFIELD. I yield 2 minutes additional.

Mr. HOLLAND. It has been found that we have such a stake in this problem that I could not remain silent and do other than to support strongly and vigorously any effort to recognize the problem and again to appropriate the money.

On page 41 of the same report is found a list of 18 communities in Florida which have been receiving this kind of help from the Federal Government to pay a part only of the added expenses which they have been called upon to bear. The figures on that page, which are for the fiscal year 1960, show that in the case of 9 of those communities, more than $200,000 was paid. In the case of two or three of these communities, the amount they received is such a critical amount—going up to as much as 19 percent of their total school budget—that they could not expect to operate except for the assistance.

Without naming them all, I merely wish to say that in 1960 there were more than 50,000 defense-related children counted in these 18 Florida counties in which the number of children of defense-related families exceeded the 3 percent of total school population necessary to qualify these counties for assistance under the impact programs. The total grant of the Federal Government for these 18 Florida counties was $4,794,256 under Public Law 874, the law relating to the operation of the schools, and Public Law 815, the law which relates to the construction of facilities, added enough more to run the amount well above the $5 million mark for fiscal year 1960.

The burden to which I refer is one which Uncle Sam should carry. There is no reason in the world why we should not recognize it as such again and set at rest the uneasiness and the difficulties that are now besetting so many school districts and their dedicated officials.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. Madam President, I understand that the Senator from South Dakota will yield me 5 minutes. I hope he is here. He told me he would do so.

Mr. MANSFIELD. Madam President, going on the assumption stated by the Senator from Florida, I yield the time on behalf of the Senator from South Dakota.

Mr. HOLLAND. Madam President, at any rate, thousands of schoolchildren in my own State are affected by the proposed legislation, and to the extent of more than $5 million. Some of them are in counties which cannot carry the load without the proposed help. For example, in two counties the number of schoolchildren which has been added has been approximately one-half the total of the schoolchildren, or nearly 100 percent of the normal number. Those are the counties of Okaloosa, in which Eglin Field is located, and Brevard, in which the guided-missile base is located.

Without attempting to debate the subject at greater length at this time, I shall ask to have printed in the RECORD two communications which I received from Brevard County, where the missile base is located. I mention that project because everyone knows about the missile base and knows it is one of the critical installations in our Government, and one of the places that has been swollen immensely by the coming in of service people.

Madam President, I ask unanimous consent to have printed in the RECORD a telegram from Mr. Charles Morley, president of the Greater Titusville Chamber of Commerce, Titusville being the county seat of Brevard County, in which he makes clear that the school system will lose approximately $1 million in the coming school year unless the proposed legislation is enacted.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

TITUSVILLE, FLA., *July 27, 1961.*

HON. SPESSARD L. HOLLAND,
U.S. Senate Building,
Washington, D.C.

DEAR SENATOR HOLLAND: The Titusville Chamber of Commerce urges you strongly to throw your full support behind the current move to reenact Federal impact fund laws.

As you know, Public Laws 874 and 815 have expired and, if not reenacted, could cost the Brevard County school system more than $1 million in the coming school year. Your conscientious efforts toward reenactment of these laws would be of extreme value to Brevard taxpayers.

Sincerely,

CHARLES MORLEY,
President, Greater Titusville Chamber of Commerce.

Mr. HOLLAND. Madam President, I likewise ask unanimous consent that a letter from Mr. Wilbur E. Gold, president of the Greater Cocoa Chamber of Commerce, Cocoa, Fla., dated July 27, 1961, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GREATER COCOA CHAMBER OF COMMERCE,
Cocoa, Fla., July 27, 1961.

Senator SPESSARD L. HOLLAND,
Senate Building,
Washington, D.C.

DEAR SENATOR HOLLAND: Due to the rapid growth of the research and development program for guided missiles at Cape Canaveral, Fla., almost 50 percent of the students enrolled in Brevard County public schools are children of missile workers. This situation has posed tremendous problems in providing adequate school facilities, not the least of which is financial.

In recognition of this situation which presently involves almost 12,000 children of service personnel, missile workers, and other Government employees, Brevard County schools have for the past several years re-

ceived Federal impact funds to make it possible to carry out the school program.

If the impact funds are not continued it would place an intolerable tax burden on the taxpayers of the county, and possibly a curtailment of the presently excellent school program.

The Greater Cocoa Chamber of Commerce urges you to do everything within your power to continue Federal support of the schools in impacted Brevard County.

Cordially yours,

WILBUR E. GOLD, *President*.

Mr. HOLLAND. While Titusville is the county seat, Cocoa is the city nearest to the installation. Without attempting to read in full from the letter, it shows on its face that approximately 50 percent of the schoolchildren in that county now come from the families who are serving at that great guided-missile base.

Madam President, I have numerous other letters before me, but I shall not encumber the RECORD with them. These are just illustrations to point up the difficulty of this program in a county which has had to exhaust its facilities in putting in an additional water system, exhaust its road money, exhaust its money for hospitals and other things, which it has been called upon to erect to help to meet this great problem.

These people have done it patriotically, but they now come to Uncle Sam to ask him to carry a part of the load, brought about by the children who have come to this great missile base with their parents.

I could cite the illustration of Jacksonville, where the great naval air station is located, and I could also cite the carrier base at Mayport. I could refer also to Pensacola in Escambia County, often referred to as the "Annapolis of the Air," also to Eglin Field, which I have already mentioned; and to Panama City with its Tyndall Field, and so on through many illustrations. I must mention Monroe County, in which Key West is located. It has always been under great difficulty because of the terrain and geography. It has had an immense burden placed upon it by this problem.

Madam President, in my judgment no administration, no leadership, whether it be on the majority side or minority side, can ignore this claim for attention to a pressing problem. I do not believe that either party can ignore it. I believe that we should be given a chance to pass upon this question in a separate vote. If we are not given it tomorrow, we will just keep on pressing it day after day after day until we have acknowledged and recognized the problem which has been created by servants of the United States generally and which should be met at least in part by a contribution from Uncle Sam to carry out and to go along with the program he has initiated, and with which our people have been cooperating.

I yield the floor.

Mr. MANSFIELD. Madam President, in view of the circumstances which have arisen, I ask unanimous consent that the time allocated to the pending amendment be held over until the conclusion of the morning hour tomorrow, and that the remarks from now on be made on free time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT OF SECTION 107(a) (3) OF SOIL BANK ACT

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2197) to amend section 107(a) (3) of the Soil Bank Act, as amended, which were, to strike out all after the enacting clause and insert:

That section 407 of the Agricultural Act of 1949, as amended, is hereby amended by deleting the period at the end of the fifth sentence and adding to such sentence the following: "and shall make feed owned or controlled by it available at any price not less than 75 per centum of the current support price for such feed (or a comparable price if there is no current support price) for assistance in the preservation and maintenance of foundation herds of cattle including producing dairy cattle), sheep, and goats, and their offspring, in any area of the United States where, because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other catastrophe in such areas, the Secretary determines that an emergency exists which warrants such assistance, such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for such livestock."

And to amend the title so as to read: "An act to amend section 407 of the Agricultural Act of 1949, as amended."

Mr. HUMPHREY. Madam President, I have talked with the chairman of the Committee on Agriculture and Forestry, with the ranking minority member of the committee, with the majority leader and with the minority leader, and their recommendation is that the Senate accept the amendments of the House. I therefore move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to.

COMMITTEE MEETING DURING SESSION OF THE SENATE TOMORROW

On request of Mr. HUMPHREY, and by unanimous consent, the Committee on Foreign Relations was authorized to meet during the session of the Senate tomorrow.

THE PEACE CORPS SHOULD BE SEPARATE FROM OUR FOREIGN AID PROGRAM

Mr. HUMPHREY. Madam President, the suggestion has been made from some quarters that the Peace Corps should be made an integral part of our foreign aid program. I have felt very strongly that it should be set up as a separate establishment, and that is the way that it would be set up under the Peace Corps bill, S. 2000, submitted by the administration, which it was my honor to introduce.

I would like to call the attention of my colleagues to an excellent letter by the Director of the Peace Corps, Robert Sargent Shriver, Jr., in which he states the reasons why he, too, feels that the Peace Corps should be separate and distinct from our foreign aid program.

I ask unanimous consent that excerpts of the letter from Sargent Shriver be inserted at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Bill Moyers and I continue to hear rumors that the Senate Foreign Relations Committee in markup may place the Peace Corps back into the machinery of the foreign-aid program, thus reversing President Kennedy's decision to recommend its establishment as a part of the State Department separate from—but coordinating with—AID.

So that you might be fully conversant with the reasons behind that decision, I would like to set them forth as clearly as possible. If you have any questions about them, please don't hesitate to call either Bill or me.

First, the Peace Corps is a program of international service, relying on people who are volunteers, people motivated by a sense of service and anxious to do something for their country—not employees earning handsome salaries. The administrative question was, What kind of organization should be developed which demonstrates and makes visible the newness, the distinctive appeal, the volunteer spirit of the Peace Corps? Could you put this new wine in an old bottle and achieve the goals you hoped to realize? We did not think so.

Second. To recruit the kind of people necessary for the Peace Corps means reaching people with a special motivation to join a unique program. It's one thing to say to young Americans, "Come join the foreign aid program" and another thing to say, "Come join the Peace Corps." It was important that the Peace Corps maintain its unique identity in order to recruit the right kind of people.

Third. Many countries abroad welcome the Peace Corps because it is not tied in to the traditional forms of foreign aid. Prime Minister Nkrumah told us: "Come as doers, not advisers." And we received a warm welcome from U Nu in Burma, who several years ago asked our existing aid programs to leave his country. To submerge the Peace Corps in the foreign-aid program would have blurred its image in the eyes of some of those leaders.

Fourth. Our separateness from the aid program has created especially enthusiastic response from colleges, universities, and voluntary agencies that have not found it feasible to work in partnership with existing aid programs for various reasons.

Fifth. Our status as an agency within the State Department gives us an opportunity to work directly with Congress in a way that should help us more accurately to reflect the will of Congress.

I hope you realize that none of these arguments is an attempt to minimize the importance of foreign aid as such; I believe strongly in assisting the underdeveloped countries and our allies as we have been doing. I am simply stating the reasons why we felt, and why the President suggested, that the Peace Corps could best do its job as a separate entity from foreign aid although cooperating fully with the foreign-aid administrator. Perhaps the best case was stated in an editorial in the Newark (N.J.) News of May 5, which I quote in full:

"Whatever the prospects of the Peace Corps winning friends among the primitive

countries, they are brightened by the President's ruling that it is to be a semi-autonomous agency. This spares it from being lost among existing foreign-aid agencies and gives it a chance to make a vigorous start at least.

"Now, the Peace Corps will report directly to the Secretary of State. It will also deal directly with Congress for its funds. Both seem sensible decisions. For one thing, it should be a distinct advantage for the Peace Corps to tackle its job free of redtape and accumulated prejudices against other foreign-aid agencies.

"Best of all, it puts the Peace Corps purse strings where they belong—in the hand of Congress. That should give the agency a powerful incentive to succeed, and also insures a swift and merciful termination if the experiment fails."

Sincerely,

ROBERT SARGENT SHRIVER, Jr.,
Director.

APPEAL FOR BASIC RESEARCH

Mr. HUMPHREY. Madam President, I should like to comment upon one particular phase of H.R. 7851, the appropriation bill for the Department of Defense in the 1962 fiscal year.

I refer to basic research within the overall category of "Research, development, testing, and evaluation."

It is an unfortunate fact, in my judgment, that the full amounts requested in the budget presentation by the Department of Defense for basic research were not approved by our Senate committee or by the House Committee on Appropriations. In my judgment, not only should the full amounts have been approved, but larger sums should have been requested for the next fiscal year.

Basic research provides the indispensable foundation for expanding knowledge for the revolutionary weapons systems of tomorrow. There is not a single major advanced weapons system today—whether it is nuclear weaponry, guided missiles, or any other weapon—which would have been possible without basic research.

In addition, the by-products from basic research, as supported by the Department of Defense, tend to repay themselves manifold in terms of eventual civilian-type advances, useful to our entire population.

FORTUNATE INCREASE

The Appropriations Committee should be congratulated for increasing the basic research total for the 1962 fiscal year to $174 million for the three services, as compared with 1961 fiscal year obligations of $152.4 million.

The only problem about these figures is that they do not help to make up for a critical lag which occurred in basic research in previous years and which started in 1953.

INFLATION REDUCES PROGRAMING

It has been computed that from 1952 onward, Defense-supported basic research should have been increased by 12 percent per year in order to cope with rising costs. Unfortunately it did not rise by anything like that level. Had it so risen, on a uniform basis each year, then by the 1962 fiscal year, basic research should have been at the level of $225 million per year. Instead, as we have seen, it will be funded at only $174 million per year. In effect, we have not made up for past deficiencies.

THE PRICE OF NEGLECT IN PRIOR YEARS

This country is going to pay a price for not doing so. Technology will be seeking basic knowledge which simply will not be there, because it has not been discovered. And so it is my hope that every possible administrative action will be taken—consistent with the Congress statutory provision—to help make up for past losses. I hope, too, that the Department of Defense and the Bureau of the Budget will, in their preparation for the 1963 fiscal year budget, take note of these facts.

Let us see specifically what our Senate committee provides for, as regards basic research in the Department of the Navy.

The Senate committee appropriated $8.1 million more for Navy basic research than was provided in the previous fiscal year. But this amount is still $2 million under the budget presentation. The Navy total is $69.7 million for the 1962 fiscal year. Compare this with an overall appropriation for Navy research, development, testing, and evaluation of $1.3 billion; $69 million in relation to $1.3 billion is a very modest ratio. It is a far lower proportion for basic research than a major size American corporation in almost any industry with rapid obsolescence could tolerate.

In the case of the Air Force, the Committee on Appropriations allowed for an increase of $8.4 million more than the amount appropriated in the prior fiscal year. But this is still $2 million under the budget presentation. The Air Force's total of $42.1 million is in shockingly low proportion to the overall Air Force research, testing, and evaluation budget of $2 billion.

In the case of the Department of the Army, there are no specific figures available. The Army is apparently redoing its accounting in distinguishing between "basic" and "applied" research.

General Trudeau had testified before the House committee that it was his hope that the Army's basic research might reach 5 percent of its research total. I have a high esteem for General Trudeau, but 5 percent is, in my judgment, too low a proportion. It is the lowest ratio of all the services.

Now, I am well aware that the Army must set aside adequate funds for developing and testing weapons which may be fairly close to operational use. I am aware of the other needs for every available dollar, over and above the needs of basic research.

I simply want to point out that sooner or later, the Army or any other service is going to pay a price for having neglected its investment in basic research. Already, the services are paying a price. Already, they are running out of basic knowledge in trying to anticipate bold new weapons systems.

APPROPRIATIONS COMMITTEES REFERENCE TO REPORT BY GOVERNMENT OPERATIONS COMMITTEE

The next point that I should like to make is by way of comment on the observation on page 55 of the Senate and House reports, quoting from a report released by another committee on the management of scientific information:

> There has been recent criticism by another committee of the management of scientific information. It was stated that unknowing duplication and "tragic and intolerable waste of men, money, and material" had resulted from poor management of these programs and it was recommended that a Science Information Exchange for the registration of all current research projects of the Government be established. This committee requests that the Department of Defense give this matter close attention.

I am delighted that the Committees on Appropriations urged DOD attention to this other report.

The latter report was Senate Report No. 263, 87th Congress.

The report was entitled "Coordination of Information on Current Scientific Research and Development Supported by the U. S. Government."

I had personally filed this report on behalf of the Committee on Government Operations.

The findings and conclusions of the report were developed by the staff of the Subcommittee on Reorganization and International Organizations, of which I am chairman. The substance of the report was prepared at our request by Dr. Edward Wenk, Jr., an outstanding scientist, formerly senior science specialist, Legislative Reference Service, Library of Congress, and now with the Federal Council for Science and Technology.

I stand by that report completely. I believe that tremendous savings would be possible if there were improved management of scientific information by the Department of Defense. I refer to management of both prepublication information and postpublication information; that is, the data on an estimated 160,000 projects still in progress and after the projects have been completed.

I serve notice that I intend to inquire further of the Department of Defense as to what it proposes to do pursuant to the recommendations made within that report. And I intend to take it up further with the Bureau of the Budget and the very able Office of the Special Assistant to the President for Science and Technology.

Hearings have already been held within the past 2 weeks on this subject matter in the Subcommittee on Reorganization and International Organizations.

But the reference by the Committees on Appropriations to Senate Report No. 263 appears regrettably in the Appropriations Committee report under an incongruous caption of "basic research."

Actually, our Government Operations report related primarily to management of information on applied research and development.

Senate Report 263 did not make any reference to duplication in basic research. The really serious duplication, the costly duplication which occurs, is in applied research and more especially, in developmental efforts.

The areas of knowledge and of man's ignorance are so broad that the chances of duplication in basic research are relatively small.

In addition, the costs of basic research are infinitesimally small compared to the costs of applied research and development.

I would not want, therefore, our Government Operations Committee observations on duplication in applied research and in development to be interpreted as in any way questioning the importance of multiple efforts, particularly in basic research.

Indeed, on pages 227 and 228, we quoted Mr. Charles Hitch, now DOD Comptroller, on the value of intentional multiple efforts:

> 3. There should be more duplication, the cheaper it is to duplicate. More weapon systems should be developed than are ultimately procured (it may have made sense to develop two intermediate-range ballistic missiles—Thor by the Air Force and Jupiter by the Army—yet not to buy quantities of both for operational use). There should be more duplication in the development of difficult or critical components than in the development of whole weapon systems. And there should be most duplication in exploratory development and research, where the cost of trying another path or testing it is usually a tiny fraction of prototype fabrication costs.

HEARING BY GOVERNMENT OPERATIONS SUBCOMMITTEE

Finally, I should like to note that I am commenting at length on this subject at this time, because, on July 26, the Senate Government Operations Subcommittee, of which I am privileged to be chairman, addressed itself to this very problem. We considered it from the standpoint of "Federal budgeting for research and development."

We did not consider basic research from an appropriations standpoint. The matter of appropriations is not within the prerogative of the Committee on Government Operations. Our interest is in clear, sensible, orderly budgeting. As provided under the rules of the Senate, rule XXV specifies that the Committee on Government Operations is responsible for review of budgeting and accounting. We looked at the long-range needs of our Nation—the needs for continuity and stability in research, including basic research.

We heard testimony from Dr. Harold Brown, Director of the Office of Defense Research and Engineering. Dr. Brown presented a very enlightened view. As a distinguished scientist he confirmed the invaluable role of basic research. He pointed out that ODDRE had appealed in effect to the services to increase their requests for basic research. In my judgment, it should not have been necessary for ODDRE to have made such an appeal. The services themselves should have asked for a sizable increase in their own best interests.

Our Government Operations Committee is interested in "economy and efficiency." For the Department of Defense to scrimp on basic research is, in my judgment, false economy. For the Department to fail to provide for long-range continuity in basic research to the fullest extent allowed by Congress is likewise shortsighted and self-defeating.

Madam President, I ask unanimous consent that excerpts from the testimony at the hearing before the Subcommittee on Reorganization and International Organizations of the Committee on Government Operations, on July 26, 1961, be printed at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM HEARING ON "FEDERAL BUDGETING FOR RESEARCH AND DEVELOPMENT" HELD BEFORE SUBCOMMITTEE ON REORGANIZATION AND INTERNATIONAL ORGANIZATIONS, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. SENATE, JULY 26, 1961

Senator HUMPHREY. Why is it that in report after report the Department of Defense has been advised to increase the proportion of its spending which it allots for basic research and, yet, despite this fact, year after year the respective services have hardly asked for any increases in basic research?

The Hoover Commission, for example, in 1955, urged more basic research, and so did virtually every other report which I have seen on this subject, and we have got some reports here that relate to it.

I am not unaware of the ceilings that the Appropriations Committee puts on some of these matters. I am just a new member of that committee. It is a rather interesting experience. But it appears that when the Army, Navy, and Air Force have made their applications within the executive branch to the Office of the Secretary of Defense and then to the Bureau of the Budget, they have been exceedingly skimpy in asking for a fair share for basic research out of the total to be allotted. In other words, your starting blocks are not very good.

I realize that the track is a little slippery and there are a few impediments along the way, that you do not charge too fast at the beginning.

The taxpayers have paid for a great many studies which invariably come up with the recomemndation that each of the services should increase its amount for basic research. Question to Dr. Brown:

I have here the Arthur D. Little Co. report of November 1960, and it recommends that the Department of Defense increase its basic research. To what extent has the Office of the Secretary of Defense actually carried out that Arthur D. Little recommendation?

And this was a publicly sponsored research study that cost a considerable sum of money, and I am sure that it is well worth it.

Mr. BROWN. You have somewhat countered my defense already by pointing out that not everything that was proposed has been approved. But in the fiscal 1962 budget—this happened before I arrived and I know about it and approve it very strongly—after consultation with the services, my office prevailed upon them to increase their basic research requests in the case of each service by about $10 million.

This was not in fact equivalent for all services because some of them had extra expenses carried over because of projects they had started in the past year which ate into this $10 million somewhat.

However, this total increase in the order of $30 million for the total Department of Defense, I am not sure whether it meets all the criteria of all the people, including myself and yourself, Mr. Chairman, who are interested in basic research, but it is a real start.

Even after discounting it for the inflationary increase in costs, as you know, the Defense Appropriation Subcommittee of the House of Representatives cut each of these requests by about $2 million on the basis that $2 million was not a very large fraction of $10 million, and a still smaller fraction of the total amount for basic research.

As the year proceeds and money may become available by transfer authority, we will see what we can do about restoring some of this. But, of course, basic research always competes with other things, and it has the unfortunate characteristic of being less urgent, although not thereby less important, than other matters, and things are often decided on the basis of urgency rather than on the basis of importance.

Let me say a few general words about my attitude toward basic research and its position in the Department of Defense.

The Department of Defense sponsors—well, the Department of Defense has about half the budget, the Federal budget. I guess it will have a little more than a half now.

Senator HUMPHREY. It will have 60 percent of it.

Mr. BROWN. It also sponsors, pays for, more than half, perhaps two-thirds, of the research, development, test—R.D.T. & E.—that is done in the Government. I think it proper that it should do a proportion of basic research somewhat smaller than that because there are some other agencies which have a clearer mandate in the direction of basic research. It does pay a smaller fraction of basic research than of total R. & D. expenditures.

I would also expect that total research and development expenditures of the Federal Government will go up. They are at the moment of the order of—I am sorry, basic research—it depends so much on how you count basic research that I do not want to give a percentage.

But, clearly, they can afford to go up a good deal more and they will go up a good deal more.

The question which we in the Department of Defense and which I personally am presented with is:

How shall the Department of Defense participate in this increase?

I do not believe that the Department of Defense should participate proportionately. That is, I do not think the Department of Defense basic research appropriations should go up substantially faster than national basic research expenditures. The question really is:

Should it stay at a constant 1961 dollar level, allowing for inflation, or should it go up proportionately to the total natural expenditures?

I think the answer is somewhere in between those two, and without further study I would not want to make a decision one way or the other.

Having a scientific background myself, I will again be biased in the direction of having it be at least a proportionate expenditure to the increase of the total Federal expenditure. But perhaps something less than that is indicated.

Senator HUMPHREY. Now, let me just be very practical with you.

We all know that we need basic research. The question is the amount, who takes on the responsibility. This is the unheralded type of research that people sometimes heap scorn upon, those who just do not know what they are talking about. I have even heard important people in Government heap scorn upon basic research.

Basic research is like the water table. You do not get much water out of the well if the water table goes down, and we have tended in this country to be exploiters. We have exploited our minerals, exploited our land, exploited our forests, and now we have got to go back and rebuild it all over and people are trying to find out how to get an oak tree to grow 100 years in 5 because we took out all the oak trees, and it gets rather difficult.

Even God could not do that and we have got a few folks around here that are finding out they are not even that smart. So I am a basic research man very much, and have

been for a long time, and I recognize that here again all of the practical, sensible people will point with scorn on many basic research projects saying these are just boondogglers and visionaries and sort of wild-eyed fellows looking at all this stuff. That is what we hear frequently.

But the one Department of Government that can expend money for this and get by with it is the Department of Defense, because all you fellows have to say is, "Well, it is for the security of the country," and people run for cover.

But if the National Science Foundation or the U.S. Public Health Service, or some group over here that does not have the cloak of the Department of Defense wrapped around it, but just has the cloak of science wrapped around it, or a college professor, or a university, why, there are always a lot of these practical folks around here that will want to run them right out of the ball park.

But they do not run you out because you have got tanks around you, planes and helicopters, admirals and generals and colonels, and this puts people with a certain degree of respect for your activities.

So what I am saying to you is, do not be too skimpy. You know as a scientist how important this is, very much so, and I realize that your responsibility payrollwise, jurisdictionwise, is to the Department of Defense, but you have got a bigger responsibility than that, just like I have got a bigger responsibility than to the Senate.

You have got a responsibility to your own professional standards, to your own conscience, to your own country, and what you believe is best for the country for the future. You may not have a job long that way, but it is a noble thought. I want to leave it with you because I know that unless we get the Department of Defense to take on more work in basic research, that basic research in this country is going to be sacrificed, and you know it, too, because every university where most of this work is done is today hard pressed to take care of the growing school population.

So they give up basic research in order to put in more classrooms, to buy a little more equipment, to put in a new dormitory. This is a fact.

Here is a nice little report that the Navy had done and I am impressed by reports. I have got two rooms up in the attic filled with reports that no one has read. We are the greatest reporting nation in the world. Is that not pretty? We have learned how to do this real well, and when I traveled and made some study on research overseas, everybody was impressed with our reports as to how we should do this.

But, now the Navy paid for this report and, yet, I understand that the Navy is actually spending less proportionately today on basic research than it did 10 years ago, even though the absolute minimums for basic research have been increased. Now, a word from my friend from the Navy here. Dr. Wakelin had to leave. I would like to know how the Navy justifies this kind of skimpy attitude on basic research.

Admiral Martell?

Admiral MARTELL. Senator, I think that there has been a change in the accounting procedures here quite markedly. The Navy's basic research has gone up quite proportionately over the years.

For instance, this last year they asked for a $10 million increase over about a $50 million basic research program. When you change your accounting system from research and development, when the Navy's program previously was around $500 million, it is now up around $1.3 to $1.4 billion, because we are now paying for what moneys that used to go into procurement are now included in account, obviously, you are going to depress things that you have to carry appropriately at a level basis.

I think that a great deal of study has to be put in on what basis you account for this, and I think that the truth of the matter is that the Navy has supported basic research tremendously. It has been one of the big factors in the Department of Defense and, in fact, it is not going down.

Mr. BROWN. Lest Admiral Martell be thought to be prejudiced, let me defend the Navy, too.

I think that it is so that right at the end of the war the Office of Naval Research, practically singlehanded, saved basic research in many areas of science in this country. O. & R. has continued to be a very effective manager, and, if I may say so, lobbyist for basic research since that time. The Navy has done a good job and has set a good example in running its research program.

It has expanded in the fields like oceanography where it certainly properly belongs, and taken the lead in many. I think that we should not let a change in bookkeeping, which is involved in doubling the total research and development expenditures apparently by in fact moving Polaris missiles from procurement to research and development, when they are used for research and development, to mislead us as to what is actually happening in the fraction of research that gets done.

I think the significant fact is that the Navy asked for, and the Department of Defense approved, a 20-percent increase in its basic research expenditures last year, and most of that increase was granted by the House Defense Appropriations Subcommittee.

Senator HUMPHREY. This is a remarkable report. I just notice this one little sidnote in the margin. It says:

"Applied research and development tend to proceed more rapidly and at a lower cost when adequately backed by basic research."

And, interestingly enough, the amount of money that the Government is putting into basic research, as compared to industry, is very small, and, of course, as compared to the universities.

Now, recently the Government has gone into aiding universities very heavily with research projects, but frequently on applied research—more often on applied research.

We need the backing, the vigorous backing, on top.

Dr. Brown, you are just the man for it, and I thought I would just emphasize it to you, because you are in the Department of Defense, and you are going to be hard pressed now to spend all of our money, more and more money, for the immediate. I work on the proposition that we are going to be wrestling around with these problems when you and I are dead and we will still be arguing with the Soviet Union, if there is anything left to argue about 25 years from now, and I am hopeful that there will be something to argue about.

I would like to kind of look ahead, and I do not think we get ahead without these people in basic research. They have got that long-term look; these fellows really have eyes that bend with the horizon. They look way on over on the other side, and I would like to have us do the same thing.

So you just put that down and tell the Secretary of Defense, about this, will you?

Now, the Army has the lowest figure of any of the services. Who wants to defend the Army here?

General?

General ELY. It is a very difficult thing to defend. It is a matter, again, of the funds available and the accent given. I do not think the Army programers have been willing to give the accent to basic research in the past few years that it merited, but I think, along with what you have said, that we definitely have seen the light.

General Trudeau is shooting for presently 5 percent of the Army R. & D. budget in basic research, on which, again, you get into the matter of definition, but our present definition of basic research, we feel that we have something in the range of $35 million, say.

This would mean that our target is in the neighborhood of $50 million to $60 million, and we are trying to get there. We get packed down with our own programers once in a while, but our goal is up and we hope to keep it there.

Senator HUMPHREY. I have had a visit with General Trudeau on several matters. I have a high regard for him. And I am not unaware of the pressures under which the Departments operate, and I am not unaware of the fact that occasionally we write in a few limitations around here that make it a little more difficult.

My plea to you, General, is the same as to Dr. Brown and to the admiral. You are the only ones who can really save this program. This is a fact. Fortunately, through the National Science Foundation, which has gained greater prestige as time has gone on, through its larger appropriations it is doing some pretty good work.

Again, the Department of Defense has the main burden of responsibility, and it is rightly so, because I think that the Department of Defense possibly has a greater stake in basic research than any other Department.

I think the security of our country may well be dependent upon this. I voted yesterday for $549 million for NASA, an appropriation, to help get it through in a hurry, where many people said, "Let's cut it back; let's cut off $200 million." I am not for that kind of business.

I think that this may be a turning point in the scientific and technological history of civilization. We are exploring now far out here in the areas that we ordinary people know little or nothing about.

It is an area of mystery for us. I could not help but think—you know, we use the simple example of Christopher Columbus. He went shopping around looking for somebody to help him, and he finally got that King and Queen of Spain on his side, primarily the Queen, and they sent these ships off here. For a while Spain was a world power, and I think Spain was a world power simply because Spain financed one of the first great exploration projects.

There has been a good deal of basic research done on this, too, about the nature of the world, its surface, and that projected Spain as a world power. She did not last long. It was not because of any failure of Columbus, but back home. But I could not help but think yesterday—although I did not say this yesterday because we were trying to get the money and I wanted it in a hurry, but today we are visiting—I could not help but think how important it was for us to take this chance and maybe it will all be wasted, I do not know. But I am convinced that if you do not do it, we will not be around to waste anything.

So I am on the side of taking an extra chance on these things.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

REPORTS OF COMMITTEE ON ARMED SERVICES

The following reports of a committee were submitted:

By Mr. ERVIN, from the Committee on Armed Services, without amendment:

S. 2079. A bill to retrocede to North Carolina jurisdiction over the southern, east-

bound lanes of North Carolina Highway 24, and the eastern, northbound lanes of U.S. Highway 17, as these highways traverse and parallel Camp Lejeune, N.C. (Rept. No. 656).

By Mr. CANNON, from the Committee on Armed Services, without amendment:

H.R. 181. An act to amend sections 3253 and 8253 of title 10, United States Code (Rept. No. 657).

By Mr. THURMOND, from the Committee on Armed Services, without amendment:

H.R. 4321. An act to amend section 303 of the Career Compensation Act of 1949 to authorize the transportation of dependents and baggage and household effects of certain retired members (Rept. No. 658).

By Mr. BUSH, from the Committee on Armed Services, without amendment:

H.R. 7657. An act to amend chapter 47 (Uniform Code of Military Justice) of title 10, United States Code, to provide a specific statutory authority for prosecution of bad check offenses (Rept. No. 659).

By Mr. BARTLETT, from the Committee on Armed Services, without amendment:

H.R. 7722. An act to amend section 3579, title 10, United States Code, to provide that commissioned officers of the Medical Service Corps may exercise command outside the Army Medical Service when directed by proper authority (Rept. No. 660).

By Mrs. SMITH of Maine, from the Committee on Armed Services, without amendment:

S. 1240. A bill to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1962 Girl Scouts senior roundup encampment, and for other purposes (Rept. No. 661); and

H.R. 4323. An act to amend the Career Compensation Act of 1949 with respect to special pay for diving duty, and for other purposes (Rept. No. 662).

RESOLUTION

INCREASED EXPENDITURES FOR COMMITTEE ON ARMED SERVICES—REPORT OF A COMMITTEE

Mr. RUSSELL, from the Committee on Armed Services, reported an original resolution (S. Res. 189) increasing the limit of expenditures for hearings before the Committee on Armed Services, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Armed Services hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-seventh Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY—CHANGE OF REFERENCE

Mr. FULBRIGHT. Madam President, some time ago, S. 2180, to establish a U.S. Disarmament Agency for World Peace and Security, was referred to the Committee on Government Operations. It is one of those bills that could have been referred to either the Committee on Foreign Relations or the Committee on Government Operations. I have discussed this matter with the chairman of the Committee on Government Operations, the distinguished senior Senator from Arkansas [Mr. MCCLELLAN]. He has no objection to having the bill rereferred to the Committee on Foreign Relations, and I ask unanimous consent that such action be taken.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 3, 1961, he presented to the President of the United States the enrolled bill (S. 857) to provide for the establishment of Cape Cod National Seashore.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. HUMPHREY. Madam President, if there is no further business to be transacted, I move that the Senate adjourn under the order previously entered, until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 51 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, August 4, 1961, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 3, 1961:

COAST AND GEODETIC SURVEY

I nominate Capt. James C. Tison, Jr., to be Deputy Director of the Coast and Geodetic Survey with the rank of rear admiral for a term of 4 years, pursuant to law, vice Rear Adm. Charles Pierce, retiring.

INTERNATIONAL MONETARY FUND

Frank A. Southard, Jr., of New York, to be U.S. Executive Director of the International Monetary Fund for a term of 2 years. (Reappointment)

U.S. ATTORNEY

Brockman Adams, of Washington, to be U.S. attorney for the western district of Washington for the term of 4 years, vice Charles P. Moriarty.

THE JUDICIARY

Guthrie F. Crowe of the Canal Zone to be U.S. district judge for the district of the Canal Zone for a term of 8 years. He is now serving in this office under an appointment which expired July 2, 1960.

J. Cullen Ganey, of Pennsylvania, to be U.S. circuit judge for the third circuit, vice a new position.

U.S. MARSHAL

George A. Bukovatz, of Montana, to be U.S. marshal for the district of Montana for the term of 4 years, vice Louis O. Aleksich.

CONFIRMATIONS

Executive nominations confirmed by the Senate, August 3, 1961:

TREASURY DEPARTMENT

Crane C. Hauser, of Illinois, to be an Assistant General Counsel in the Department of the Treasury (Chief Counsel for the Internal Revenue Service).

BUREAU OF CUSTOMS

George K. Brokaw, of California, to be collector of customs for customs collection district No. 28, with headquarters at San Francisco, Calif.

Anton Sestric, Jr., of Missouri, to be collector of customs for customs collection district No. 45, with headquarters at St. Louis, Mo.

Joseph P. Rostenkowski, of Illinois, to be collector of customs for customs collection district No. 39, with headquarters at Chicago, Ill.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 3, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Joel 2: 32: *And it shall come to pass, that whosoever shall call on the name of the Lord shall be delivered.*

Almighty God, as we again enter upon a day of serious business, may our minds and hearts be delivered from a sense of the futility of our adventures and efforts to establish the kingdom of peace and good will among men.

We humbly acknowledge that we are so frequently tempted to take counsel with our anxieties and fears and allow them to fetter and shackle us and undermine our faith in Thy divine sovereignty and our loyalty to the noble traditions of our God-fearing forefathers who purchased, with blood and sacrifice, the blessings of the freedom which we now enjoy.

Inspire and help us to hasten that blessed day of prediction when all the sinister forces of evil, that enslave and enthrall humanity, shall be conquered and destroyed and the spirit of man, which our Lord came to set free, shall be too strong for chains and too large for imprisonment.

Hear us, in the name of the Captain of our salvation. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested a bill of the House of the following title:

H.R. 7035. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HILL, Mr. RUSSELL, Mr. MAGNUSON, Mr. STENNIS, Mr. PASTORE, Mr. MONRONEY, Mr. KUCHEL, Mrs. SMITH of Maine, and Mr. ALLOTT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 77. An act to establish the Chesapeake and Ohio Canal National Historical Park

in the State of Maryland, and for other purposes;

S. 961. An act to extend certain authority to the Secretary of the Interior exercised through the Geological Survey of the Department of the Interior, to areas outside the national domain; and

S. 1899. An act to increase the fees of jury commissioners in the U.S. district courts.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 857) entitled "An act to provide for the establishment of Cape Cod National Seashore."

INDEPENDENT OFFICES APPROPRIATION BILL, 1962

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the managers on the part of the House at the conference of the two Houses on the bill H.R. 7445 may have until midnight Friday, August 4, to file a conference report thereon, and that said report may be printed in the CONGRESSIONAL RECORD notwithstanding the fact that the House may not be in session.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

TOUGHER POLICIES AND LAWS NEEDED IN CUBAN AIRCRAFT HIJACKING

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, the people of the United States have good reason to be outraged today by another flagrant violation of both American rights and law, in which Cuban bandits apparently are involved. I refer to the hijacking of the Continental Airlines jet airliner, and the forceful kidnaping and detention of both passengers and crew by the armed hijackers.

There seems to be some question among lawyers about the applicability of Federal kidnaping laws in cases of this kind, although I have seen no briefs on the legal question.

The act of actual seizure of passenger aircraft, endangering the lives of people aboard, is a vicious and heinous crime calling for extreme penalties of law, and there should be no question of any kind about the availability of such penalties.

Since a number of bills already have been introduced on this question, and since hearings on the matter are likely next week, my only purpose at this time is to urge that Congress proceed as quickly as possible to clarify laws on this important subject—and to make it clear also that the law carries with it the death penalty in aggravated cases.

Added toughness in the law should be accompanied without delay by added toughness on the part of both the administration and law enforcement officers in countering and dealing with the criminals responsible.

It should also be clear that the time has come to adopt a much harder and tougher policy toward the Kremlin-dominated gang in Cuba which has been inspiring, if not actually masterminding, the acts of air piracy in our country.

The people are not only ready for a tougher policy all along the line; the people are rightfully demanding it.

TRAVEL PER DIEM ALLOWANCE FOR GOVERNMENT EMPLOYEES

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 3279) to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, after line 6, insert:

"SEC. 5. Paragraph (3) of section 553 of title 28, United States Code, is amended by striking out '10 cents' and inserting in lieu thereof '12 cents' and by inserting immediately after the words 'the actual cost of' the words 'parking fees,'."

Page 2, after line 6, insert:

"SEC. 6. The Director of the Administrative Office of the United States Courts shall promulgate, in accordance with section 604(a)(7) and section 456 of title 28 of the United States Code, such regulations as he may deem necessary to effectuate the increases provided by this Act."

Page 2, after line 6, insert:

"SEC. 7. The seventh paragraph under the heading 'Administrative Provisions' in the Senate section of the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out '$12' and inserting in lieu thereof '$16', and by striking out '$25' and inserting in lieu thereof '$30'."

Page 2, line 7, strike out "5" and insert "8".

Page 4, line 8, strike out "6" and insert "9".

Page 4, line 9, strike out "2870' and insert "287o".

Page 4, line 13, strike out "7" and insert "10".

Page 5, line 1, strike out "8" and insert "11".

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

LEGISLATIVE APPROPRIATION BILL, 1962

Mr. STEED. Mr. Speaker, I call up the conference report on the bill (H.R. 7208) making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 834)

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H.R. 7208) "making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 42.

That the House recede from its disagreement to the amendments of the Senate numbered 45, 46, 47, 48, 50, and 51, and agree to the same.

The committee of conference report in disagreement amendments numbered 44 and 52.

TOM STEED,
MIKE KIRWAN,
CLARENCE CANNON,
WALT HORAN,
JOHN TABER,
Managers on the Part of the House.

JOHN O. PASTORE,
DENNIS CHAVEZ,
MIKE MONRONEY,
HUBERT H. HUMPHREY,
CARL HAYDEN,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
GORDON ALLOTT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 42, 44, 45, 46, 47, 48, 50, 51, and 52 to the bill (H.R. 7208) making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each such amendment; namely:

SENATE

Amendment No. 42: Administrative provisions: Eliminates language proposed by the Senate relative to official travel.

JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

Amendment No. 44: Reported in disagreement.

ARCHITECT OF THE CAPITOL

Amendments Nos. 45 through 48: Salaries: Adjust salaries for the Architect, Assistant Architect, and Second Assistant Architect as proposed by the Senate.

Amendment No. 50, Legislative Garage: Appropriates $79,000 as proposed by the Senate instead of $49,000 as proposed by the House.

LIBRARY OF CONGRESS

Amendment No. 51: Revision of Annotated Constitution: Appropriates $25,000 as proposed by the Senate.

Amendment No. 52: Collection and distribution of Library materials (special foreign currency program): Reported in disagreement. The managers on the part of the

House will offer a motion to concur in the Senate amendment, with an amendment to delete the proviso making the funds available until expended.

The conferees expect that at least the contribution of $5,000 offered by the recipient libraries through the Association of Research Libraries will be made available to the Library of Congress to help defray the expenses of this pilot project during fiscal year 1962 and also expect the Librarian to take immediate steps to obtain a more substantial contribution in this and future years.

TOM STEED,
MIKE KIRWAN,
CLARENCE CANNON,
WALT HORAN,
JOHN TABER,
Managers on the Part of the House.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I have two questions to ask the gentleman. Is my understanding correct that item No. 42 providing certain travel allowances for Members of the other body was stricken in conference?

Mr. STEED. That is correct; the present law remains as it is.

Mr. GROSS. This is my other question: Am I correctly informed that the $30,000 for painting of the cement ceiling of the legislative garage represents the lowest bid that could be obtained for that work?

Mr. STEED. I will say to the gentleman that it is our understanding from the Architect that this is an estimate of what the painting will cost. They will submit it to competitive bid as soon as this bill is adopted, and they hope, perhaps, to save a little.

Mr. GROSS. I should think they would be able to save more than a little. The gentleman says it has not been submitted to competitive bid; is that correct?

Mr. STEED. Not at this time. There has been no money provided for it.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. STEED. I yield.

Mr. HOFFMAN of Michigan. It is my understanding that when this bill was originally before the House it contained language which made it possible retroactively to pay bills incurred by certain Members and employees back to July 12, 1960. Is that right?

Mr. STEED. I assume the gentleman has reference to amendment No. 42. It was not in the bill when it was before the House. It was inserted by the Senate and removed in conference.

Mr. HOFFMAN of Michigan. I thought I saw it in H.R. 7208 somewhere.

Mr. STEED. Yes, but as amended by the Senate.

Mr. HOFFMAN of Michigan. Yes, as amended.

Mr. STEED. The matter was not included in the version of the bill as the House passed it. It came into the bill by action of the Senate.

Mr. HOFFMAN of Michigan. That would allow the payment of expenses of certain Members and employees which had been incurred back as far as July 12, 1960, but which the House has said should not be paid.

Mr. STEED. Under the language as adopted a year ago, travel under committee orders was prohibited under certain circumstances.

Mr. HOFFMAN of Michigan. The payment was prohibited by an act of law?

Mr. STEED. Last year, yes. The Senate amendment would have removed that prohibition.

Mr. HOFFMAN of Michigan. The conferees took it out. Is it correct to say that was taken out because some of the reporters gave publicity to it, and protests were made later? Is not that right?

Mr. STEED. I think the gentleman and I have a very complete understanding on this whole matter. I would not presume to read what was in the minds of the Members of the other body when they agreed to remove it.

Mr. HOFFMAN of Michigan. I am not talking about the Members of the other body or the other body, I am asking if the gentleman does not agree with me that it was publicity that caused that provision to be taken out.

Mr. STEED. I would suspect that it could have a bearing on it.

Mr. HOFFMAN of Washington. It is my humble opinion that we enact legislation but, after all, the greatest influence in determining what we do or do not do is this publicity. That is to say, I would not say the gentleman, but perhaps I do some things that I would not do if I were quite sure my folks at home were going to know about it.

Mr. STEED. This is a housekeeping bill, and we want the public to scrutinize the items. There is nothing in the bill which should bring criticism upon any of us.

Mr. HOFFMAN of Michigan. Perhaps I have been aided in that action by the investigation of a subcommittee engaged in protecting the rights of the people to know, a subcommittee headed by the gentleman from California [Mr. Moss]. For the last 5 years he has been endeavoring to get information out of the executive branch. Here is an example of the fact that if it is applied to the legislative branch we get action sometimes.

Mr. STEED. Mr. Speaker, of the 52 Senate amendments to this bill, the House on Monday last agreed to 43 of them which dealt solely with Senate expenses. We took nine amendments to conference and reached a settlement on all of them, although two are reported in technical disagreement.

As indicated earlier, in amendment No. 42, the Senate had proposed to liberalize present restrictive law on reimbursable travel expenses for Senators between Washington and their home States. In conference, they receded. Present law on the matter will therefore remain applicable.

Amendment 44 as agreed to makes the usual provision, for 1 more year, for expenses of the Joint Committee on Reduction of Nonessential Federal Expenditures.

In amendments Nos. 45 through 48, the Senate adjusted the salaries of the three top positions in the Architect's organization and we have concurred. I might add that in the opinion of some, the rates specified in the amendments are not as high as they should be, but we could not, under the rules, agree to more than the highest rates submitted to the conference. In this connection, I would point out that last year the House, in the second supplemental bill, approved rates of $22,000, $20,200, and $18,500, respectively, for the three positions but these were dropped in conference on insistence of the Senate that they be deferred for consideration in the regular 1962 bill, as has now been done. Perhaps the matter can be again considered at some future date.

I have mentioned before that at the insistence of the Senate, we agreed to the $30,000 in amendment 50 to repaint the ceiling of the legislative garage. It has not been painted since 1932. We have consistently denied the item, feeling it not essential, but the Senate insists it ought to be done.

Amendment No. 51, to which we have agreed, provides $25,000 to bring up to date the Annotated Constitution. The House had disallowed the budget request of $34,200, it appearing that there was no urgency to do the work this year. The Library restudied the matter and found that by some slight administrative adjustments they could get by with $25,000. The publication is useful. There have been five previous editions. The Government Printing Office sells a substantial quantity.

We have gone along with the foreign currency proposition in amendment No. 52. It involves $400,000, but all but $36,500 of that is to buy from the Treasury foreign currencies now owned by the Treasury. The budget before us when the bill was in the House was for $721,000, including $67,200 of hard dollar expenditures and $653,800 to buy foreign currencies from the Treasury. We turned it down, primarily because we felt some reasonable arrangement should be worked out whereby the libraries which are to be the recipients of the foreign materials to be acquired in the United Arab Republic, India, and Pakistan would bear more of the costs involved.

The Senate explored that matter and also asked the Library to scale the entire proposition down to the bare feasible minimum. We have accepted the Senate position, but as pointed out in the statement of the managers, we feel that increased contributions should be made by the recipient libraries. In our report we said:

The conferees expect that at least the contribution of $5,000 offered by the recipient libraries through the Association of Research Libraries will be made available to the Library of Congress to help defray the expenses of this pilot project during fiscal year 1962 and also expect the Librarian to take immediate steps to obtain a more substantial contribution in this and future years.

Mr. Speaker, the final conference report is under the total budget estimates

by $650,737. I include a comparative financial summary of the bill at various stages of consideration for the RECORD at this point:

Summary of legislative branch appropriation bill, 1962 (H.R. 7208)

Group	Budget estimates (revised)	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimates	House	Senate
Senate	$28,355,225	(1)	$28,421,840	$28,421,840	+$66,615	+$28,421,840	
House of Representatives	48,226,635	$47,856,835	47,856,835	47,856,835	−369,800		
Joint offices and items	4,063,842	4,063,300	4,090,090	4,090,090	+26,248	+26,790	
Architect of the Capitol	19,187,000	[1]17,051,500	19,256,600	19,256,600	+69,600	+2,205,100	
Botanic Garden	489,000	489,000	489,000	489,000			
Library of Congress	17,637,100	16,768,700	17,193,700	17,193,700	−443,400	+425,000	
Government Printing Office	18,124,000	18,124,000	18,124,000	18,124,000			
Grand total	136,082,802	104,353,335	135,432,065	135,432,065	−650,737	+31,078,730	

[1] By custom, House omits all items under the "Senate" heading and those items under the Architect of the Capitol pertaining solely to the Senate.

Mr. DOMINICK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute out of order, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. DOMINICK. Mr. Speaker, yesterday I reported to you that I had introduced a bill to amend the Federal Aviation Act in order to provide criminal penalties for interference with flight crews on commercial aircraft, for carrying concealed weapons, and for piracy or attempted piracy. Although it seemed to me that this was a timely bill because of the recent action of the Cubans in commandeering an Eastern Air Lines plane and forcing it to land in Havana, I did not realize how particularly pertinent it was until the news came out concerning the Continental Airlines plane hijacked this morning by Cubans.

Continental Airlines is headquartered in Denver. I know the people who operate this very fine line, and I know many of the people who are on the flight crews. I thought I should advise you of the most recent information that I have, the State police have disabled this jet aircraft by rifle fire which blew out the tires and damaged an engine and caused a fuel leak which prevented the Cubans from taking off in the jet out of the El Paso International Airport to go to Havana. This has, apparently, prevented the airplane from taking off, but the status of the hostages in the airplane and the Cuban pirates themselves has not yet been settled. It seems plain to me, action on legislation to provide penalties for crimes of this kind is not only urgently needed, and I am sure this is shared by the very able subcommittee chairman, but that on a broader scale the United States must take action which will prevent further deeds of this kind. In my opinion, these acts can be directly traced to the Cuban fiasco and the complete loss of respect for this country occasioned by our failure to follow through to protect American lives and interests in Cuba. As long as we remain weak-kneed in our foreign policy approach to Cuba and as long as we permit acts of piracy to continue without holding the existing government in Cuba directly responsible, we will continue to suffer indignities, to endanger American lives and to degrade American principles.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. DOMINICK. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I have a copy of the gentleman's bill before me. I certainly want to commend him for his effort to toughen up the law. However, does not the gentleman feel that a really tough approach to this problem would be to include the death penalty in his bill which, I understand, the bill does not provide at the present time?

Mr. DOMINICK. I am very flexible as to the penalty provisions of the bill, I can assure the gentleman from Oklahoma.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 44: Page 20, line 10, insert:

"JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

"For an amount to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, $26,790, to be disbursed by the Secretary of the Senate."

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 44 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 52: Page 30, line 7, insert:

"COLLECTION AND DISTRIBUTION OF LIBRARY MATERIALS

"(*Special foreign currency program*)

"For necessary expenses for carrying out the provisions of section 104(n) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(n)), $400,000 of which $363,500 shall remain available until expended for the purchase of foreign currencies which accrue under that Act and which the Treasury Department shall determine to be excess to the normal requirements of the United States."

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 52 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"COLLECTION AND DISTRIBUTION OF LIBRARY MATERIALS

"(*Special foreign currency program*)

"For necessary expenses for carrying out the provisions of section 104(n) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(n)), $400,000 of which $363,500 shall be available for the purchase of foreign currencies which accrue under that Act and which the Treasury Department shall determine to be excess to the normal requirements of the United States."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1962

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

Mr. LAIRD. Mr. Speaker, reserving the right to object, I do this to inform the House that this bill as it passed the Senate last night adds $833 million to this appropriation bill as compared with the action of the House of Representatives.

Last night I addressed a letter to the President of the United States and also to the Secretary of Health, Education, and Welfare, in which I outlined the additions over and above President Kennedy's add-on budget request.

In my letter to the Secretary I asked for complete backup information, justification, and programing and his opinion of each of the add-on items.

I will have to object to this bill's going to conference until the information is supplied which I requested in my letters of last night. The letter to the President and the letter to the Secretary of HEW are as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 2, 1961.

The PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: As recently as last Tuesday, in your address to the Nation, you stated:

"Meanwhile, to help make certain that the current deficit is held to a safe level, we must keep down all expenditures not thoroughly justified in budget requests."

Last May 25, when you addressed a joint session of the Senate and the House of Representatives, I remember your saying:

"Moreover, if the budget deficit now increased by the needs of our security is to be held within manageable proportions—if we are to preserve our fiscal integrity and world confidence in the dollar—it will be necessary to hold tightly to prudent fiscal standards; and I must request the cooperation of the Congress in this regard—to refrain from adding funds or programs, desirable as they may be, to the budget."

This admonition came too late to temper House action on H.R. 7035, the appropriation bill for the Departments of Labor and Health, Education, and Welfare, for we had passed the bill 8 days before you delivered your message; and it appears to have fallen on deaf ears in the Senate. Taking just the Department of Health, Education, and Welfare, the Senate bill would appropriate $260 million more than requested and 27 of 70 appropriation items exceed the budget requests. I hope this action distresses you as much as it does me. From the statements you have made, I know that it must.

It is not that these programs are not worthwhile and desirable, for they are. But also it is not as if the Department had been starved in the past. The budget, including your amendments, for 1962 is over twice as large as the appropriation bill enacted for fiscal year 1957.

The bill as it passed the Senate is almost $1 billion in excess of the bill as it passed the House. I assume the differences will be considered in a conference of the two bodies. There are many of us in the House who are ready and willing to help you preserve the fiscal integrity of our Nation. It seems to me that this bill is a test of that very concept of Government.

It would help those of us who join you in feeling so strongly about our responsibility to preserve fiscal integrity and the value of the dollar if you would give us the benefit of your views on H.R. 7035.

It perhaps would not be proper for me to ask you if you would veto the bill if it were presented to you in the form it passed the Senate; however, a definite statement of your opinion with regard to these increases above your budget will be appreciated and should prove helpful to us in further deliberations on this bill in conference.

I am also addressing a letter to the Secretary of Health, Education, and Welfare asking for an analysis and his opinion concerning the details of Senate action on appropriations for his Department.

With best wishes and kindest personal regards, I am,

Sincerely yours,

MELVIN R. LAIRD,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 2, 1961.

Hon. ABRAHAM A. RIBICOFF,
Secretary of Health, Education, and Welfare, Washington, D.C.

MY DEAR MR. SECRETARY: Enclosed is a copy of a letter I have just sent to the President concerning the 1962 appropriation bill for the Departments of Labor, and Health, Education, and Welfare asking for his opinions concerning the bill as it passed the Senate. I would very much appreciate it if you would furnish additional information and your opinions in order that those of us in the House who wish to assist the President in preserving our fiscal integrity may be as effective as possible.

Please furnish budget schedules by object, activity, and personnel for each Senate increase showing the pertinent data for 1961, the 1962 budget request, House action and Senate action. In addition please have prepared a narrative statement of the effect of the Senate increase. Lastly, but by no means of least importance, I would like your opinion regarding each Senate increase and your recommendation as to the proper level of financing. With regard to the last item it would be helpful if you would elaborate on your statement of opinion to give your reasons therefor.

In addition to changes in dollar amounts, the Senate committee wrote into their report many instructions and expressions of legislative intent. It appears to me that some of these may be of sufficient significance to warrant the attention of the conference committee. I would therefore appreciate it if you would submit to me an analysis of each of the excerpts set forth below, including the effect on the program, 1962 cost and estimated future cost where applicable, and your opinion as to whether or not it should be negated or revised in connection with the conference report.

On page 19, in connection with air pollution:

"There is an urgent need for broad-scale epidemiological studies of the amount of chronic respiratory disease in a variety of environments—heavily industrialized areas and contrasting suburban and rural areas. These studies would entail pulmonary function measurements on individuals as well as extensive air sampling. Years of cooperation between Federal, State, local, and university authorities will be necessary in order to provide the data needed; such studies can be initiated with the increased funds allowed by the committee."

On page 20, in connection with radiological health:

"The committee is providing $1 million to permit the development of a program of research and demonstrations and special projects in the States to assist State and local agencies and other institutions to accomplish these objectives.

"A portion of this program money may be used to establish a laboratory facility to serve the northeastern part of the country, to provide minimum radiochemical, analytical, and other services to States including the training of State radiation protection personnel."

On page 28, in connection with clinical research center program:

"They may be awarded in the form of research center grants which are made solely for the support of the basic physical resources and services essential to the conduct of a broad program of research, but do not provide support for the substance of the research program."

On page 28, in connection with clinical research center program:

"In inaugurating and providing for the expansion of the grants for clinical research centers the committee was aware that in the initial phase of these centers, a substantial portion of many of the grants would have to be spent on the renovation and alteration of space and on permanent equipment if the programs were to succeed. Such expenditures constitute a proper use of these funds provided they are directly related to the requirements of the center and provided they do not constitute wholly new construction."

On page 29, in connection with use of project grant funds for renovations, alterations, and permanent equipment:

"The committee's attention has been called to a question of the propriety of using research project and training grant funds for space renovation, alteration, and the purchase of equipment. * * * The specific guidelines for administering this aspect of the grant program were discussed in detail by the committee and were found to provide a sound basis for responsible executive action. In the view of the committee this has been, and continues to be, a proper and necessary use of these funds."

On page 30, in connection with personnel problems:

"The committee has considered the problem and is convinced that the most immediately effective step which can be taken is to raise the salary which may be paid to key scientific and executive staff members from the present level of $19,000 to $25,000."

On page 32, in connection with general research and services:

"The committee therefore directs that the division give special attention to the training of research anesthesiologists and to the support of scientific research project and program grants in anesthesiology."

On page 36, in connection with mental health activities:

"The training programs of the NIMH have provided the major support for the production of mental health manpower during the past decade, but the need for still greater support remains urgent. The committee believes, furthermore, that the program will be most effective if support is expanded and extended to all categories of mental health personnel in all areas of professional activity, including personnel who provide clinical services as well as those who do research and those who teach."

On page 37, in connection with mental health activities:

"For the coming year, the committee recommends that the sum of $2.5 million be spent on the fight against juvenile delinquency and suggests that a sizable portion of the increase go into the training of skilled personnel who can work effectively with juvenile delinquents in community activity projects."

On page 38, in connection with mental health activities:

"The committee therefore recommends $10 million for State-control programs, $4 million over the budget request. The committee directs the Institute to devote the major portion of the increase to lifting the minimum allocation for the poorer States."

On page 40, in connection with National Heart Institute:

"The committee, therefore, recommends that $21 million be provided for training grants and fellowships so that these essential programs can be suitably expanded. The committee specifically directs that part of these funds be used to increase the general medical school training grants in cardiovascular disease from $25,000 to $40,000."

On page 40, in connection with National Heart Institute:

"As a first step in this direction, the committee recommends that the sum of $1 million of the research grant funds be allocated to the improvement of scientific communications in the field of heart disease."

On page 40, in connection with National Heart Institute:

"In view of its strong interest in the problems of the aging and in recognition of the need for further growth of this program, the committee has included funds in the amount of $1 million for planning of a gerontological research facility to be located on the grounds of the Baltimore City Hospital."

On page 44, in connection with allergy and infectious disease activities:

"In light of the progress that has been made in this and other areas, the committee recommends that the appropriation for the National Institute of Allergy and Infectious Diseases be increased by $2 million to initiate a program to develop and test prototype vaccines for the common cold and other respiratory infections."

On page 46, in connection with neurology and blindness activities:

"The committee therefore directs that $11 million of approved funds be used for the training programs, with $1 million to go for the training of clinical investigators and

$500,000 to expand the clerkship program which has proved so feasible and such a stimulus to the other training programs."

On page 46, in connection with neurology and blindness activities:

"The committee is pleased to note the development of a small training program in pediatric neurology, and urges that this be expanded as rapidly as possible."

On page 47, in connection with neurology and blindness activities:

"The committee believes that immediate steps should be taken to initiate a program of professional and technical assistance in this area. * * * These activities, in the view of the committee, would include provision of consultative services, conduct and support of demonstrations, assistance in the establishment and conduct of diagnostic treatment services, support of professional training and health educational activities, and aid in the development of laboratory services and other control activities. For these purposes, the committee has added $4,200,000 to the appropriation for neurology and blindness activities to be utilized for direct operations and for grants-in-aid in this area."

On page 48, in connection with neurology and blindness activities:

"The committee feels that a collaborative research project might usefully be set up among existing speech and hearing centers and directs that $1 million be set aside for the purpose."

You cooperation will, I am sure, help us in our mutual endeavor to maintain fiscal responsibility and integrity in our National Government.

With best wishes and kindest personal regards, I am,

Sincerely yours,

MELVIN R. LAIRD,
Member of Congress.

Mr. FOGARTY. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. Of that $833 million the other body added to our bill, I think about $722 million were in budget amendments submitted to the Senate after the bill passed the House, largely because of legislation that Congress has recently passed. I hope that the gentleman from Wisconsin will not delay this bill, because it deals with the health of the people of the country, with unemployment compensation, public assistance, and other things of great importance to our Nation. I hope we can work out something that will allow the bill to go to conference.

Mr. LAIRD. I agree with the gentleman from Rhode Island that there are many programs affected by this bill. I would inform the House, however, that we have a continuing resolution which is presently in effect, so that none of these programs will be hurt in any way. The terms of the continuing resolution recognize the appropriation level established in the House-passed bill, and it seems to me that before we go into a conference on a bill with a large unbudgeted add-on, it is essential that we have the facts and figures so we can properly present the House position in conference.

I would like to state to the gentleman that, included in the $722 million he spoke of, there was a request for some $490 million for unemployment compensation to be added on in the Senate. It was a budget amendment. However, the Senate added only $390 million of that particular request. This shows up as a phony cut of $100 million. The Senate uses this phony budget reduction for funding other programs.

I think it is important for us to have complete information from the Secretary who has final responsibility for these programs as to the earmarking that has been done by the Senate in this bill. I have here a list of the projects that are earmarked in the Senate report, and that list consists of six pages and gives a schedule of many projects that have not as yet been considered by the administration or the Department of Health, Education, and Welfare.

Mr. FOGARTY. Mr. Speaker, will the gentleman yield further?

Mr. LAIRD. I shall be happy to.

Mr. FOGARTY. Would the gentleman be willing to consider sending the bill to conference with the understanding that no conference will be held until a week from Monday or Tuesday? That should give the gentleman time to secure such additional information as he may feel that he needs.

Mr. LAIRD. I have the highest respect and admiration for the gentleman from Rhode Island. I have worked closely with him on this appropriation bill, but until I have the information requested in the letters which I mailed last night, I feel constrained to object to this bill's going to conference.

Mr. Speaker, I object.

The SPEAKER. Objection is heard.

REORGANIZATION PLAN NO. 6

Mr. GROSS. Mr. Speaker, I offer a privileged motion dealing with Reorganization Plan No. 6.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. GROSS moves to discharge the Committee on Government Operations from further consideration of House Resolution 335, introduced by Mr. MONAGAN, disapproving Reorganization Plan No. 6, transmitted to Congress by the President on June 12, 1961.

The SPEAKER. Is the gentleman in favor of the resolution?

Mr. GROSS. Mr. Speaker, I am in favor of the disapproving resolution, yes.

The SPEAKER. The gentleman is entitled to 30 minutes.

The gentleman from Florida will be recognized for 30 minutes.

Mr. GROSS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I have no desire to take time on my own with respect to Reorganization Plan No. 6 which deals with reorganization of the Federal Home Bank Board. I am opposed to all of these reorganization plans in principle, and because it is impossible to amend them and otherwise deal with them under normal legislative procedure. I refuse to be a rubberstamp for any President. I have offered the motion to call up the resolution in the House for the purpose of giving those who desire to do so an opportunity to vote against this reorganization plan.

Mr. Speaker, I now yield 10 minutes to the youngest 85-year-old Member of the House of Representatives, the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, the vision, the wisdom of those who gave us the Constitution have been demonstrated by our present position as a nation, by the degree of freedom enjoyed by each of us.

It was a knowledge of history and the experience of those who wrote the Constitution that caused them to fear a centralization of power, to provide that the representatives of the people should be given sole legislative power, the Executive, elected by the people, charged with the duty of enforcing the laws so written, and, should doubt or controversy as to the meaning of that legislation arise, gave to a comparatively independent group whose members held their position either during good behavior or for life, the responsibility of interpreting the laws the Congress wrote, the legality of the acts of those charged with its enforcement.

While man's thinking, his desires, and his conduct have never remained static, and that is as it should be, that which has proven itself good should not be discarded until something demonstrated to be better has been found.

Grandmother did not discard the kerosene and later the gasoline mantle lamp, until Edison and others of like desire had given us the light bulb.

Fulton had to take his ride on the Hudson before those who loved to travel the seas discarded their sails.

These memories bring me to the method of legislating which is today before the House.

It may seem and it probably is true that today the Congress sometimes forgets its masters, the people at home. But if it writes legislation which the people do not support, as for example, the prohibition law, it is either repealed or becomes dormant.

If it fails to write legislation which the people demand, Congress, perhaps reluctantly but inevitably, enacts something which at least appeases the people, as for example we did when the Wagner law, the Taft-Hartley law, the Landrum-Griffin law were put upon the books. Many other illustrations could be given.

But neither from the people nor from the press—sometimes the people's spokesman and the press is one force which unquestionably molds our thinking and our actions more than does any other—has come a demand that the people's representatives, the Congress whose Members are accountable to them every 2 or 6 years, should surrender its legislative power to the executive department.

Yet because some were restless, always in favor of a change but never willing to consider the effect of a change, have insisted, we have changed our legislative process, transferred to the Chief Executive the function of writing legislation, retaining only the veto power formerly a privilege of the Executive. The trend has been to take duties and functions from the people's servants, transfer them to the Executive and the courts, thus establishing a trend toward centralization of power: dictatorship, a danger the writers of the Constitution tried to avoid.

Because I took an oath to, with the help of God, support constitutional prin-

ciples, I find it impossible to go along with any reorganization plan, no matter how advantageous it might be. Hence, those of us who oppose this surrender of constitutional power insist that we be given an opportunity to record that opposition.

Nor do many of us believe that the Supreme Court is justified in shaping legislation, either by a strained construction or by frankly stating that we cannot express our intent or do not mean what we said when the law was written.

My conviction that the Congress should write legislation, that in some degree at least it is aware of the desires of the people and of the measures necessary to give them what they want, was somewhat strengthened by recent acts of the executive department when it sent some 800 U.S. marshals into the South to see to it that individuals might exercise the basic right to enjoy privileges which were available to others. Assuming the Attorney General had in mind only affording an opportunity to the freedom riders to exercise a fundamental right, even though the freedom riders and those who supported them knew, as did the Attorney General, that rioting would result. It follows there is some justification for doubting his singleness of purpose, that is, equal civil rights for all, when we know, as we do, that he has taken no action to protect—or at least given no publicity whatever to the protection of the individual who desires to exercise his right to earn a livelihood by crossing a massed picket line even though the denial of that right has admittedly resulted in delay of the program for our national defense and caused an excessive cost.

Notwithstanding the attempt or the tendency of the Supreme Court to assume some of our functions by telling us we do not know exactly what we are driving at or that we have not accurately expressed our meaning, and the apparent desire on the part of the executive department to write legislation for us there remains with many the conviction that the Constitution, however defective it may be, is the best form of government yet devised.

I am led to my conclusion that the Supreme Court and the members of the Court are not the possessors of superior or at least greatly superior knowledge by a recent decision which that Court handed down on June 19, last, in connection with Wisconsin legislation and the action of the Wisconsin Supreme Court in requiring lawyers to join what might be termed a closed shop. Four judges wrote the opinion, two dissented, and one concurred by a very brief statement. But listen to this, and this is the opinion of Justice Harlan, concurred in by Justice Frankfurter. Justice Harlan said:

> The reason given by the four members who wrote the opinion can hardly be regarded as anything but trivial.

When two Justices of the Supreme Court say that of four other members, it makes me think that perhaps some of the Members of the Congress know a little something about writing legislation.

But that is not all that was said in that case. Justice Black, dissenting, said:

> I do not believe that either the bench, the bar, or the litigants will know what has been decided in this case.

That statement is worthy of some thought. When a Justice of the Supreme Court, after consideration, says of four other members of the Court, that he does not know what they decided, it is no time to belittle the functions of the Congress to restrict its power, which is what we are doing when we reverse the legislative process and let the President write legislation and retain to ourselves only the power of veto.

Having many times advocated the retention by the Congress of the legislative, and for that matter all other duties and responsibilities of the Congress, we now come to a momentary consideration of the thought that the Congress should so act that it may retain the confidence and the respect of the people who have selected us in preference to usually several hundred thousand other reputable citizens in our districts.

We are called upon and we must appropriate for national defense funds which we do not have, much of which must be borrowed, thus placing upon future generations the burden of paying for our freedom. That we are justified in doing if by that action we make secure our future freedom and if—and this is a big if—we heap debt upon them for only those things which are necessary, forgetting until they and our Nation are secure, desirable measures which are not necessary.

We must, as the President said, make sacrifices. That necessity is not just theory or campaign oratory. It is the personal responsibility to do with less which rests upon each of us.

It brings me to our own housekeeping situation which should be corrected for often our people judge us by what we do as well as by what we say.

Over the years unfortunately there has grown up a habit or a custom of Members of Congress enjoying privileges, benefits, to which legally we are not entitled and for which the people, not we as individuals pay.

That is the situation which has prevailed for a number of years—which some hope will be improved by the conference report just adopted.

When the legislative branch appropriation bill came before the House on May 19, the report stated, and I read:

> In accordance with custom no funds are appropriated in the bill for requirements of the Senate * * *. The Senate will insert these.

Over the years, as we all know, Congressmen were entitled to reimbursement at 20 cents a mile for one trip one way from their place of residence to Washington. Then there grew up the custom of members on a committee, of taking other trips, sometimes to the district, sometimes abroad. Some of those trips taken under committee jurisdiction were undoubtedly very helpful and resulted in better legislation, in the saving of a great deal of money. Some of them, as I think every Member of this House who has been here a few years well knows, were not necessary and should never have been made, were what the press calls junkets.

We should adequately police the Congress, that is, ourselves.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Iowa.

Mr. GROSS. Is the gentleman then suggesting that perhaps we ought to have some kind of reorganization plan to take care of the situation with respect to the House; both branches for that matter?

Mr. HOFFMAN of Michigan. As I understand, we do not have anything to do with what the other body does except as we appropriate money to carry out their wishes.

But, listen, my dear friend, I have often said to Members or to individuals who oppose me in the primaries—I have had three State senators do it in years gone by—if anyone in the district thought that he could be a better Congressman, give better service than was given, then it was his privilege and it was his duty—his duty—to be a candidate. That would seem to be fair, for none of us is entitled to hold office unless we render satisfactory service. And, I know an editor, for example, the editor and the publisher of several dailies—and I put in the RECORD recently his opinion of Congressmen, which, boiled down, says we are a total waste. He should give the people at least one worthwhile Congressman by becoming a candidate.

When I get the idea that I cannot represent the people, must depend upon the administration to do my thinking, I will quit, resign. No; I think we should make our own decisions, police our own organization. I think we know how to do it. But, you know, someone learned years ago that sin was rather attractive. Eve apparently thought the apple attractive and tasty and spending the other fellow's money really enjoyable.

Mr. GROSS. Will the gentleman yield further?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Iowa.

Mr. GROSS. Somewhere—I do not know exactly where it is—there is a document which is supposed to list the expenditures of Members of Congress who have traveled the preceding year. I believe that law became effective last July.

Mr. HOFFMAN of Michigan. Did you say to limit them?

Mr. GROSS. List expenditures of Members. It is my recollection that it became effective last July 12. Could the gentleman tell me where that document might be found? I think my colleague refers to House action which required from the Committee on Administration a report giving the amount of, the reason for, when, why, and by whom travel and other items of expense were made by Members on or off committee. I understood a partial report was made but was told it was sent to the Speaker's desk, has not yet been available to Members or the press.

Mr. HOFFMAN of Michigan. We did try to limit expenses. Public Law 86–628 of the 86th Congress, effective July

12, 1960, was written to limit our own reimbursement. On the last page of that you will find a—do you want me to read it to you? You know all about it. You do more reading of our laws and our reports, I think, although I do not know, than any other Member of Congress. That is why I follow along in your wake.

Mr. GROSS. Does the gentleman agree that perhaps we have the right to know—the people have the right to know?

Mr. HOFFMAN of Michigan. Certainly the people have the right to know how much, when we spend the dollar. I do not wish to be involved in a controversy with the distinguished chairman of the Information Subcommittee of the Committee on Government Operations. He has been insisting for a long, long time—5 years at least upon the peoples right to know what their Government is doing and on the overall proposition I agree with him. I doubt he has made any real progress. He insists we have a right to know what all executive departments are doing. I am following along with his theory that, this being the people's government, the people are entitled to know what we have been doing, how, and for what purposes we have been spending the money.

Mr. GROSS. That is right.

Mr. HOFFMAN of Michigan. Of course, it is exempted as to the manner in which a President is using the exclusive power given him by the Constitution. We all knew that before.

Because a bill gave some Member four trips from Washington to their place of residence at public expense and proposed legislation provided that:

> The contingent fund of the Senate is hereafter made available for the payment of mileage, to be computed at 10 cents per mile by the nearest usual route, between Washington, District of Columbia, and a point in the home State of the Senator involved, for not to exceed four round trips originating and terminating in Washington, District of Columbia, made by employees in each Senator's office in any fiscal year, such payment to be made only upon vouchers approved by the Senator containing a certification by such Senator that such travel was performed in line of official duty, but the mileage allowed for any such trip shall not exceed the round trip mileage by the nearest usual route between Washington, District of Columbia, and the residence city of the Senator involved.

It was sent to conference—the report we just adopted.

We had attempted to limit such expenditures by enacting Public Law 86–628, 86th Congress, H.R. 12232, July 12, 1960, which stated:

> No funds made available in this or any other Act shall be used to pay the expenses of travel or subsistence for any trip made by any Senator or Representative between the District of Columbia and his home State in the case of a Senator, or his district in the case of a Representative, other than (1) trips which are specifically authorized by law for mileage or transportation expense of Senators and Representatives, (2) official participation in the funeral services of deceased Senators or Representatives, or (3) official trips originating in the Senator's State or Representative's district during periods when Congress is not in session.

But when H.R. 7208 came back to us it carried this language:

> Notwithstanding any other provision of law, any funds available for the payment of travel and subsistence expenses of members of committees of the Senate may hereafter be used for payment, in accordance with regulations promulgated by the Committee on Rules and Administration, of such expenses incurred by such Members for official travel on committee business performed at any time subsequent to July 12, 1960, regardless of place of departure or destination.

Which if it became law would in effect repeal our restrictions just quoted, authorize payment of disbursements made subsequent to July 12, 1960.

It may be that Members of Congress because of the ever-increasing multiplicity of duties, accompanied of course by a great deal of responsibility, do not receive adequate compensation for their services. If that be true then we should openly and after debate provide for whatever additional compensation or fringe benefits we should have. Make the increases effective after, not before, the next election. There is evidence that some Members of Congress have, at public expense, taken trips abroad, to their districts, without an adequate improvement in congressional service. The tendency has been to increase the sums paid to us and to congressional employees either as a per diem allowance or for travel and subsistence.

Assuming that the sums heretofore paid for such services are inadequate, the time when the President tells us that supreme sacrifices by all are necessary, is not the time to increase those allowances. For again permit me to add, we are judged by what we do and not by what we say and if we as individuals make no financial or other sacrifices, our plea that our people do with less will fall on unreceptive ears.

There has been a grievous overuse of public facilities all costing more money by individuals on the Federal payroll. This misuse has examples in practically every branch of the Government including the legislative branch and the Members of Congress.

Because certain members of the press called attention to this diversion of public funds by Members of the Congress, a few days ago it was announced that objection would be made when the conference report on the legislative appropriation bill, H.R. 7208, was called up, thus sending the measure to the Rules Committee where the real existing situation would be disclosed.

The Member who proposed to make that objection was persuaded that if conferees were appointed the retroactive provision—to July 12, 1960—of the bill which authorized reimbursement for the payment of travel and subsistence of members of committees would be stricken.

It was stricken and it is fair to say that one reason was a desire to avoid publicity as well perhaps as a belated conviction that this was no time for the granting of such an allowance. Reference is now made to the provision carried in H.R. 7208 and which was stricken, and to yesterday's action of a subcommittee of the House Administration Committee because in my humble judgment, as the gentleman from California [Mr. Moss], chairman of the Special Government Information Subcommittee of the Committee on Government Operations so often, through the expenditure of public funds, has expressed the view that the people have a right to know what their Government is doing, applies to the legislative as well as to the executive department.

The opportunity, the duty, to retain our form of government, to, at this time of reported emergency, make a personal sacrifice, is available.

Our people will judge us by what we do when our own personal interests are involved—not by what we say.

No one in the House has a greater desire to consult his people than has your servant nor do I know of anyone in the House—if there is, I feel sorry for him—who has less money to pay for that trip. I would love it, but I do not want to now cause that expense, nor should we cause the public to pay the cost of trips home made by staff members. Let me ask my distinguished adviser from Iowa, can we take our employees along under this?

Mr. GROSS. Two trips are provided for two of your employees each year.

Mr. HOFFMAN of Michigan. That is the way I read the approval of a subcommittee of the House Administration Committee yesterday. I read part of House Joint Resolution 114:

> *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Clerk of the House of Representatives shall reimburse, out of the contingent fund of the House of Representatives, not more than two employees in each Member's office for one round trip for each such employee in each fiscal year by the nearest route usually traveled between Washington, District of Columbia, and the Member's residence in the district he represents. Such reimbursement shall be at the rate of 10 cents per mile, and shall be made on vouchers approved by the Member which shall contain a certification by him that the travel was performed in line of official duty.
>
> SEC. 2. Each Member shall be reimbursed, out of the contingent fund of the House of Representatives, for transportation expenses incurred by him in traveling, on official business, by the nearest usual route, from Washington, District of Columbia, to his place of residence in the district he represents, and return, for not to exceed two such round trips in each fiscal year. Such reimbursement shall be in addition to the mileage authorized by section 17 of the Act of July 28, 1866, as amended (2 U.S.C. 43).

Mr. GROSS. I take it the gentleman is reading the House joint resolution that was reported yesterday by a subcommittee of the House Administration Committee. Is that correct?

Mr. HOFFMAN of Michigan. Yes, that is correct; House Joint Resolution 114.

It all boils down to this. Yesterday we went along with the appropriation for defense that, as stated by our colleague from New York, Mrs. ST. GEORGE, brought our total to $47.5 billion. Undoubtedly we will be required before long to appropriate other funds. Notwithstanding what may be said, every

Member of this House knows that somewhere there is a limit to what we can do. If you want to be advised as to the present financial situation of our country, I suggest that you read, as I have read—at least twice—the statement put in the RECORD by our colleague from North Carolina [Mr. JONAS]. He knows whereof he speaks. He is a member of the Appropriations Committee. He has no purpose except to serve his country—his judgment is sound.

So I will conclude by saying, let us set an example of personal sacrifice before we ask somebody else to sacrifice.

If for the better performance of our duties we need more money for necessary expenses I will go along providing the need is shown and made effective after another election has been held—the voters given an opportunity to again choose a Congressman.

Mr. FASCELL. Mr. Speaker, I yield to the gentleman from New York for a unanimous-consent request.

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, I am shocked over the hijacking of a Continental 707 just out of El Paso, Tex. I call for instant action to recover what little remains of the guts of American foreign policy. The world must know that Castro is not stronger than the will of our Government.

Our cry today is "billions for Berlin but not a care for the American people." Our administration has reluctantly and belatedly taken a firm stand in Europe but forgotten about the Communist threat in Asia, Africa, and especially in Cuba—only 90 miles from our shores. This threat has now extended into the continental United States—twice inside of 10 days. Robbery of American private property and kidnaping of American citizens has been met by a policy of debate, delay, and defeat.

We have become the laughing stock of the world. President Kennedy has asked for extra money and extra men to bolster our defenses against the Communist conspiracy, but while we in Congress are glad to give it to him, he forgets that the cold war cannot be won by men and money if we merely respond to Communist probing time after time by negotiation. What will win the cold war is determination and good old-fashioned American get-up-and-go.

We have given the world high-sounding phrases, but we have backed down recently whenever action has been required. The world has looked to America for leadership but has found only blundering retreat. Now it is in the open for all to see that a little twerp of a man, holding nary a high card in his hand, has managed to bluff the leaders of the most powerful Nation in the world and forced them to cower in a corner while he violates U.S. property and person within our own continental limits.

Our administration must "quit them like men and be strong." The picture of a few paltry men defying the armed might of the United States must be reversed, and instantly. I am sure that the people of the United States did not expect the New Frontier to turn out to be nothing more than a policy of bowing down before an enemy weak, insignificant, but willing to stand up and be counted. It is certainly long past time that we followed George Washington's advice and "put none but Americans on guard tonight."

Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ALGER. Mr. Speaker, this morning another tragic drama is being played out at the International Airport in El Paso, Tex. The script for this drama is being written because of the failure of the Kennedy administration to reassert the traditional American policy of protecting American lives and property wherever they are threatened, anywhere in the world. The latest act in this drama concerns the attempting hijacking, by Cuban nationals, of another American plane out of the skies over American territory. The plane is now at the El Paso airport only because it did not have enough fuel to continue to Havana.

From the reports we are receiving from El Paso, this attempt to seize this plane was a well-organized effort indicating the support of the Cuban Government behind these acts of piracy. Mr. Speaker, we cannot let this situation continue any longer. Castro is making this powerful Nation appear ridiculous in the eyes of the world. Why should Khrushchev believe we will take positive action in Berlin when we cringe before Castro? Why should small and weak countries trust our leadership unless we exert a firm and positive leadership which gives them hope of victory.

There must be no further procrastination with the serious threat the Communist conspiracy poses in Cuba. We must take positive action now to show the world that America is capable and determined to protect American lives and property. There is only one course of action open to us and that is to use the full might of American military forces to bring about the return of the plane and other American property already in Castro's hands and to free Cuban people from the misery and slavery communism has imposed upon them. The most effective blow we could strike at this moment to prevent all-out war over Berlin, or to keep the Soviet Union from further sapping our prestige and resources is to give Fidel Castro the rest of this day to return the plane he has already hijacked and to make arrangements for the return of other stolen American property in the amount of some billion and a half dollars. Failure to act upon his part at the expiration of today's deadline should call for immediate occupation of Cuba to guarantee the return of freedom to that unhappy island.

The time has long past for the President to come forth with a firm and positive policy in dealing with Castro. His silence in the face of Castro's continued arrogance and contempt for the feeble U.S. protests, merely worsens the world situation and makes the possibility of all-out war more serious.

Mr. Speaker, I have said repeatedly in the past few weeks that the United States cannot allow the Communists to dictate where and when the final decision on the freedom of mankind shall be made. War will be prevented only so long as the United States presents a firm and strong policy and that means a speedy buildup of nuclear power, reaffirmation of the policy of massive retaliation, and making it perfectly clear to Khrushchev that if he is so foolish as to plunge the world into war, we will determine the time and place and the weapons to be used. It is in keeping with this kind of policy, in the self-interest of the United States that I call upon the President to take action now to stop Cuban piracy over America and to bring about the return of property he has already stolen.

Mr. FASCELL. Mr. Speaker, the hijacking of the Continental Airlines plane and the previous one of the Eastern Air Lines plane highlights the continuance of the problem we have in Cuba. Coming from Miami, having lived closer to and been more deeply concerned with this Cuban problem, I cannot help but feel that we are fast arriving at a time when very definitive action must be taken. I have felt for a long time, under two administrations, that whether it is good or bad, effective or ineffective, at least as a matter of symbol if nothing else the United States should unilaterally impose a complete embargo on Cuba as a start.

I also believe we should undertake by whatever means possible concerted action to have our Latin friends join us in whatever economic or military action may be necessary to deal with Cuba and communism in the Western Hemisphere.

Failing that in a reasonable time, I reiterate, it becomes necessary for us to act in our own self interest.

With respect to this latest incident, which just occurred, it is inconceivable that we can have American citizens or Castro's Communist agents or sympathizers endangering the lives of our people and disrupting our whole aviation system. Accordingly, I am now requesting and urging the appropriate committees of the Congress to immediately undertake within their respective jurisdictions whatever action this Congress can take: The Committee on the Judiciary with respect to enlarging the kidnaping laws or providing penalties stronger than now exists for piracy. The legislative committee which has jurisdiction over the subject matter of regulations and security for aviation. The Immigration and Naturalization Subcommittee to investigate and recommend whatever steps necessary to tighten security measures in our receiving and processing of Cuban refugees.

The international issue, of course, is not directly within our jurisdiction.

Yet, many of us have spoken strongly and this House has adopted the Selden and Fascell resolution expressing the sense of Congress on the Cuban question.

Mr. Speaker, I would like to yield at this time to the gentleman from Mississippi [Mr. WILLIAMS] 4 minutes.

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to proceed out of the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WILLIAMS. Mr. Speaker, the several instances which have occurred recently involving the hijacking of aircraft, and more especially the outrage still in process of being committed this morning in El Paso, have pointed up the immediate need for legislation to deal with this problem. Several bills have been introduced already providing various ways to cope with this problem. This includes a bill which I introduced at the request of the Federal Aviation Agency, and an identical bill sponsored by our colleague, Hon. BYRON ROGERS of Colorado. Other bills dealing with the subject have been introduced by Mr. DOMINICK, of Colorado, and Mr. CHELF, of Kentucky.

The Subcommittee on Transportation and Aeronautics of the Committee on Interstate and Foreign Commerce had originally scheduled hearings on this subject to begin on next Friday, August 11. However, in view of the immediate urgency of the problem, I think it appropriate to announce to the House this morning that the subcommittee has moved up these hearings to begin on Monday, August 7.

Not only the hijacking and piracy of aircrafts, but other crimes committed aboard air carriers have become increasingly numerous during the past few months and it is imperative, in my opinion, that the Congress take the necessary steps to provide protection for passengers and crew members alike. Our committee intends to recommend appropriate legislation as soon as possible.

Personally, however, I doubt that Cuban hijacking of American aircraft can be stopped by mere passage of legislation. Since these particular crimes have an international flavor, in my opinion there is but one way to stop these Cuban hoodlums from continuing these insults against our people and that is through immediate and firm executive action. Recalling the Electra incident, and now in view of what is presently going on in El Paso, I would urge the President to issue an ultimatum to Castro demanding, first, that he order these hoodlums at El Paso to release the passengers, crew, and aircraft immediately; and, secondly, that Castro return the Electra hijacked several days ago.

Mr. Speaker, the time is at hand when firm action must be taken to stop this international piracy and these insults against our people. Should Castro fail or refuse to accede to such an ultimatum, I think the President would be justified in taking such action as might be necessary to recover the Electra and stop these assaults against the peace and dignity of the United States of America.

The American people are fed up with Castro, and I am certain that they would support any action that might be necessary, even to the extent of using the Armed Forces in order to protect our country against this Communist threat only 90 miles from our shores.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. FASCELL. I want to compliment the distinguished chairman of the Transportation and Aeronautics Subcommittee for responding so quickly on the needed legislation and for his strong position on dealing with communism in Cuba and the Western Hemisphere.

Mr. WILLIAMS. I thank the gentleman.

Mr. MACGREGOR. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. MACGREGOR. I would like to commend the gentleman for the urgency expressed in his words. Does the gentleman not agree that the President's strongly supported program of alliance for progress cannot possibly succeed as long as we permit the cancer of Castroism to grow throughout Latin America?

Mr. WILLIAMS. I quite agree that the time has come that we should do something to halt these acts.

Mr. MACGREGOR. I commend the gentleman.

Along with most Members of Congress, I support President Kennedy's alliance for progress in Latin America. But that program will not have time to get off the ground if the spread of communism throughout Central and South America is not checked. Fidel Castro and his Communist government in Cuba operate in defiance of the Monroe Doctrine. Is that doctrine dead?

An armed Communist camp 90 miles from Florida is growing daily in strength. With Russian Mig–17 aircraft and trained pilots, Castro is fast developing a jet fighter capability. We must also expect the building of Cuban missile bases, with missiles soon to be in place and aimed against our country.

Now, within the space of 10 days, Castro and his Communist agents have twice committed acts of international piracy or attempted piracy. Will the Kennedy administration take positive and effective action? Or is Castro to be given free rein to continue terrorizing Americans and appropriating American property within our own country

If Castro will not immediately order his agents at El Paso to surrender, and will not honor a demand from President Kennedy to return the Eastern Air Lines Electra within 48 to 72 hours, I feel the American people would support the following steps if they would be taken by our executive branch:

First, impose an air and sea embargo around and above the island of Cuba;

Second, establish a free government within Cuba truly representative of the Cuban people, with governmental leaders transported to Cuba by parachute, surface ship, or submarine; and

Third, extend diplomatic recognition to that free government and give it the military assistance it needs to eliminate communism and to restore freedom to Cuba.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. GROSS. Mr. Speaker, I yield the gentleman from Mississippi 2 additional minutes.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. DEVINE. I wish to commend the chairman of the Subcommittee on Transportation and Aeronautics for his expeditious approach to this serious problem.

The Members of the House are entitled to know the latest details in connection with this hijacking of this 707 Continental Airlines plane.

It is my understanding there were about 79 passengers on the flight from Los Angeles to El Paso. It was taken over at gunpoint by two individuals described as Cubans. I understand they found they did not have fuel to take them to Cuba and they set the plane down at El Paso to refuel. I understand further that one lady became hysterical, whereupon all passengers, except four hostages, were released, and the crew of six remained. They are being held at gunpoint as of now.

Since that time it is my understanding that the highway patrol has arrived on the scene and together with the FBI disabled the 707 plane by firing machinegun bullets through the tires. It is also my understanding that the alleged Cubans have made a demand for the exchange of a DC–7B for the 707, and that the Continental Airlines have acceded to this request. It is on its way but has not arrived.

Mr. Speaker, the United States cannot afford to yield 1 more inch.

Again I wonder whose decision it is? Who can make a decision like that? Is this another example of our weak-kneed policies? It is disgraceful.

The hijackers and people inside the plane could be themselves disabled temporarily but not hurt by merely introducing nauseating gas or tear gas in the plane's air-conditioning system, just as it now stands at the airport.

Mr. DOMINICK. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Colorado.

Mr. DOMINICK. I want to carry on with what the gentleman from Ohio has just been telling us.

I just received word from Denver that an airplane was being sent down there to effect the exchange that it is now about an hour away. Continental Airlines has made a very strong statement that the safety of the crew and the passengers is their primary responsibility. Subject to that and dependent upon what they can do with this process of exchange I do not know what their plans are, but I am very sure they have a plan.

This is an inexcusable situation, and in my opinion is going to affect the feelings of the American public in general about flying in our own country.

We have got to take action to stop this.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mr. FASCELL. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. HOFFMAN of Michigan. I wanted to ask the gentleman in regard to this program if this discussion we have had this morning is not an illustration that Congress is able to take care of the situation without waiting for any plan to come down from the White House.

Mr. WILLIAMS. I quite agree; however, the White House has already submitted legislative recommendations through the Federal Aviation Agency.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. COLLIER. I, too, would like to compliment the chairman of our subcommittee and observe that in dealing with this problem we should not overlook the possibility of taking security measures within the airport facilities themselves in the country to protect our travelers against further occurrences of this type.

Mr. GROSS. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Speaker, I ask unanimous consent to speak out of order, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHANSEN. Mr. Speaker, I want also to associate myself with my colleagues in commending the gentleman from Mississippi [Mr. WILLIAMS] for the announcement and for the action that he has disclosed a few moments ago.

Mr. Speaker, I am today introducing a bill providing for the mandatory death penalty for any person convicted of seizing or hijacking—or conspiring to seize—any type of aircraft by force, or threat of force, while the crew and/or passengers are aboard the plane.

I urge immediate and favorable consideration of this bill by the House.

It should be obvious by now that no American plane crews or passengers are safe from the threat of this type of criminal activity which involves kidnaping, aerial piracy, and the threat of murder.

There appear to be strong grounds for believing that these crimes are being carried out at the direct order of Fidel Castro and his Communist gangsters. In any event, it is obvious that he willingly and eagerly accepts the fruits of these depredations.

Certainly no intelligent American will be taken in for a moment by Castro's attempt to equate his acceptance and retention of stolen property with judicial actions lawfully seizing Cuban planes in this country for the satisfaction of claims of creditors of the Cuban Government in payment of just debts.

A simple analogy is in order with respect to this preposterous claim: There are circumstances in which a bank may lawfully attach a depositor's funds in payment of an overdue note. By the sort of logic Castro asserts, the depositor would then be justified in committing a bank robbery or in accepting and retaining money stolen from the bank.

The current depredations of Cuban gangsters against American planes, crews, and passengers of course reflect a much broader problem. The simple unpalatable truth is that our policies of indifference, inaction, and appeasement toward Castro's seizure of American property in Cuba, kidnaping and imprisonment of American citizens, and destruction of the rights of the Cuban people are coming home to roost in a most shocking fashion.

While I believe that we must address ourselves vigorously and relentlessly to the problem of hijacked planes—as my bill proposes to do—we will continue to deceive ourselves if we do not deal forthwith with the larger problem and threat of the Communist kidnaping of the unhappy island and people of Cuba.

The time has come for the Government of the United States to insist upon an immediate fulfillment of the joint obligations of the members of the Organization of American States with respect to Cuba. Failing to secure this joint action at once, the Government of the United States should unilaterally take all steps necessary—including military liberation of Cuba—to eliminate this dangerous Communist stronghold in Cuba.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from Texas.

Mr. ALGER. Mr. Speaker, I want to associate myself with what the gentleman has just said, and suggest that the greater principle America has always stood for is that American might follows American citizens and American property wherever they may be in the world. It is overdue that some action be taken in this matter of Cuba. To continue to follow the inept policy of ignoring every unlawful and warlike act perpetrated by Castro, is to invite further degradation from him and any other ambitious despot. There is no more effective way to gain respect and to protect American citizens than to make it perfectly clear to the world that we have the strength and the will to enforce traditional American policy of protecting our people wherever they may be. We have not done this in Cuba but we can brook no further delay in doing so by using whatever means necessary to get back stolen American property and put an end to the Communist menace which now enslaves the people of Cuba and presents a constant danger to our own citizens, abroad and even on our own soil.

Mr. FASCELL. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas [Mr. ALFORD].

Mr. ALFORD. Mr. Speaker, I commend the distinguished gentleman from Mississippi on his very fine statement this morning, and also the statement of the gentleman from Florida, that we should proceed immediately unilaterally. Words are insufficient at this time. Action is what America needs and demands.

A short time ago I introduced a resolution calling for implementation of the Monroe Doctrine. Our distinguished majority leader called for the implementation of the Monroe Doctrine a year ago. Let us proceed immediately for the sake of our country.

Mr. FASCELL. Mr. Speaker, I yield 2 minutes to the distinguished chairman of the Committee on the Judiciary, the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

QUARANTINE CUBA

Mr. CELLER. Mr. Speaker, we must behave like a great nation, our leaders must be patient and statesmanlike. But our patience is exhausted. Statesmanlike diplomacy has proven fruitless. The irritations, insults, and crimes are too acute and pervasive to be any longer overlooked or treated lightly. They cannot be regarded as mere irresponsible acts of individual Cubans. They are Castro inspired.

Mr. Speaker, what has happened today is piracy. Pirates must be dealt with drastically. Castro can stop this piracy in a thrice. He refuses. He is guilty. He has not even returned the other hijacked plane.

What is the answer? I would quarantine Cuba. I would throw a naval and aerial blockade around Cuba until Castro purges himself and gives proof that he will not permit nor encourage recurrences of such excesses.

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. CASEY] may extend his remarks at this point in the RECORD and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CASEY. Mr. Speaker, almost a week ago I wrote the President recommending that an immediate economic embargo be placed on Red Cuba by the United States.

In addition, I urged the President to call upon our allies in the Organization of American States, and our other alliances, to join with us in this effort to topple the Red dictator—and bring freedom and liberty to our friends in Cuba. As yet, the President has not acted. While I considered introduction of legislation to attain this objective, I preferred to give the President time to act.

But it is gratifying to me to see that the gentleman from Florida, Representative PAUL ROGERS, introduced legislation in this House to accomplish this same end—to prohibit shipment in interstate or foreign commerce of articles imported into the United States from Cuba.

I commend my colleague for this bill, and, because I feel so strongly on this matter, I join with him today in introducing a similar measure. I urge my

colleagues in the House to join in this effort, and I urge the Committee on Interstate and Foreign Commerce to schedule early hearings on these measures.

The American people cannot understand the reluctance of their Government to act in this matter. We have suffered repeated humiliations; our property has been stolen; our citizens have been jailed, mistreated, and, in some cases, even executed. Yet, trade is permitted to continue.

The time is long overdue for action, and it is within the power of this House to see that action is taken.

I am taking the liberty of inserting the letter that I wrote to the President, containing my recommendations, which I urge the Members of this body to study and, if they feel such recommendations are meritorious, join with my colleague in introducing a companion bill:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 28, 1961.

The PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: The American people have suffered repeated humiliation, as well as heavy financial loss, by actions of the Communist regime now in power in Cuba. To me, the events of recent days make it imperative that our Nation take as strong and determined a stand for freedom and liberty in our own hemisphere as we have for the beleaguered people of Berlin.

Many citizens, including Members of Congress, have urged that you take military action, either in the form of Armed Forces invasion or naval blockades. I personally do not feel qualified or well enough informed at this time to make this recommendation to you, since I do not have benefit of the restricted intelligence reports available only to you to properly form an opinion. I know that you are weighing these demands against the probable reactions and results.

The responsibility you bear is a heavy one, and I can see that unilateral action on our part through direct intervention has many ramifications that could be detrimental to our Nation. A naval blockade, as requested by many, would be ineffective without the complete cooperation of our Latin American neighbors in imposing an economic embargo, for an airlift to Cuba would be as effective as history proved our airlift to Berlin to be.

I do feel qualified to make the following recommendations. I strongly urge that an economic blockade be imposed immediately. I wholeheartedly recommend that you stop the purchase of any and all items from Cuba, and at the same time prohibit from export any goods of any nature to Cuba.

I ask that you immediately call upon those nations who proclaim to be our friends to also institute this economic blockade, and by a united front the Organization of American States should lead the way.

This will call for some sacrifice in trade by the other nations of the world, but the United States and its citizens have been sacrificing for a good many years through our foreign aid program to help these very same nations bolster their economies.

Now is the time for these nations to make some repayment on this aid. I am confident that such action should immediately call to the attention of Cuba that they have as a leader one who does not merit their support and one who cannot be trusted to head a nation in harmony with the rest of the world.

I urge your serious consideration of these recommendations at this critical period.

I wish to state, Mr. President, that whatever your decision might be, it is my opinion that the people of the 22d District of Texas will stand behind you in the strongest action that you deem advisable to free the people of Cuba from despotism.

Respectfully,

BOB CASEY.

Mr. GROSS. Mr. Speaker, I yield 1 minute to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Speaker, I shall address myself to Reorganization Plan No. 6. I merely want to state that I have not studied this plan as much as I have Reorganization Plans Nos. 2 and 5. I would like to state, however, Mr. Speaker, my friends in the savings and loan business advise me that Mr. McMurray is doing an excellent job under the present organization and would continue to do a good job if the reorganization plan is not disapproved.

Mr. GROSS. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Speaker, I have never hesitated to oppose attempts to usurp power or to create domineering bureaucracy, but I am frank to admit that Reorganization Plan No. 6 does not fall into these categories. For one thing, this plan has the support of the savings and loan business, which is the only business affected by the Federal Home Loan Bank Board. The savings and loan business is a very active and vocal group and you can be sure you would be hearing from them if this plan had the detrimental effect that some of its opponents say it does. I well recall another reorganization plan affecting the Federal Home Loan Bank Board several years ago which the savings and loan business did vigorously oppose and which the House rejected. So if this plan were controversial or defective you would have heard from your savings and loan constituents. But I would be surprised if anyone has received even a single letter of opposition. I know I have none, even though there are a great number of active savings and loans in my district.

There are a great many valid and important issues with which the House should concern itself, but this does not appear to be one of them. I have known the Chairman of the Federal Home Loan Bank Board, Joseph McMurray, for many years and he has always been a vigorous, dedicated administrator. I am sure he has the confidence of the many Members of the House who have known him through his previous work both here in Washington and as Housing Commissioner of New York. The Federal Home Loan Bank Board has a very important task in directing the savings and loan business to its maximum usefulness in the important field of thrift and homeownership. We should give them the organizational setup needed to do their job.

Mr. GROSS. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Iowa [Mr. GROSS].

The motion was rejected.

AGRICULTURAL BILL OF 1961

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (S. 1643) to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 839)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1643) to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Agricultural Act of 1961'.

"DECLARATION OF POLICY

"Sec. 2. In order more fully and effectively to improve, maintain, and protect the prices and incomes of farmers, to enlarge rural purchasing power, to achieve a better balance between supplies of agricultural commodities and the requirements of consumers therefor, to preserve and strengthen the structure of agriculture, and to revitalize and stabilize the overall economy at reasonable costs to the Government, it is hereby declared to be the policy of Congress to—

"(a) afford farmers the opportunity to achieve parity of income with other economic groups by providing them with the means to develop and strengthen their bargaining power in the Nation's economy;

"(b) encourage a commodity-by-commodity approach in the solution of farm problems and provide the means for meeting varied and changing conditions peculiar to each commodity;

"(c) expand foreign trade in agricultural commodities with friendly nations, as defined in section 107 of Public Law 480, 83d Congress as amended (7 U.S.C. 1707), and in no manner either subsidize the export, sell, or make available any subsidized agricultural commodity to any nations other than such friendly nations and thus make full use of our agricultural abundance;

"(d) utilize more effectively our agricultural productive capacity to improve the diets of the Nation's needy persons;

"(e) recognize the importance of the family farm as an efficient unit of production

and as an economic base for towns and cities in rural areas and encourage, promote, and strengthen this form of farm enterprise;

"(f) facilitate and improve credit services to farmers by revising, expanding, and clarifying the laws relating to agricultural credit;

"(g) assure consumers of a continuous, adequate, and stable supply of food and fiber at fair and reasonable prices;

"(h) reduce the cost of farm programs by preventing the accumulation of surpluses; and

"(i) use surplus farm commodities on hand as fully as practicable as an incentive to reduce production as may be necessary to bring supplies on hand and firm demand in balance.

"TITLE I—SUPPLY ADJUSTMENT AND PRICE STABILIZATION

"SEC. 101. This title may be cited as the 'Agricultural Enabling Amendments Act of 1961'.

"Subtitle A—Consultation on agricultural programs

"SEC. 102. (a) Notwithstanding any other provision of law, whenever the Secretary of Agriculture determines that additional legislative authority is necessary to develop new agricultural programs involving supply adjustments or marketing regulations through marketing orders, marketing quotas, or price support programs with respect to any agricultural commodity, or to make substantial revisions in any existing agricultural legislation or programs, he may consult and advise with farmers, farm organizations, and appropriate commodity organizations, if any, for the commodity involved, to review the problems involved, the need for new legislation, and the provisions which should be included in any such proposed legislation.

"(b) In addition, whenever and to the extent he deems such action necessary or desirable, the Secretary of Agriculture may consult and advise with any person or group of persons, or organizations, including farmers, handlers, processors, or others connected with the production, processing, handling, or use of the commodity involved, with respect to the problems involved and need for legislation and the provisions which should be included in any such proposed legislation.

"(c) In order that the Secretary of Agriculture may be assured of being able to obtain the advice of any such person or organization, he is authorized, whenever he determines such action necessary, to pay for each day's attendance at meetings and while traveling to and from such meetings, transportation expenses and in lieu of subsistence, a per diem in the amount authorized under the Travel Expense Act of 1949 for Federal employees. No salary or other compensation shall be paid.

"SEC. 103. If the Secretary of Agriculture, after such consultation and receipt of such advice as provided in section 102 of this Act, determines that additional legislative authority is necessary to develop agricultural programs involving supply adjustments or marketing regulations through the use of marketing orders, marketing quotas or price-support programs, he shall formulate specific recommendations in the form of proposed legislation which shall be submitted to the Congress together with a statement setting forth the purpose and need for such proposed legislation.

"SEC. 104. Nothing in this Act shall be deemed to limit the authority of the Secretary of Agriculture under other provision of law or to establish or consult with advisory committees.

"Subtitle B—1962 wheat program

"SEC. 121. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting (1) after (c) and adding a new subparagraph (2) following subparagraph (c)(1) to read as follows:

"'(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1962 crop of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum. In the event notices of farm acreage allotments for the 1962 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2), new notices showing the required reduction shall be mailed to farm operators as soon as practicable.'

"SEC. 122. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(1)), the following provisions shall apply to the 1962 crop of wheat:

"'(1) If a national marketing quota for wheat is in effect for the marketing year beginning July 1, 1962, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in 1962. The farm marketing quota for such crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire 1962 wheat acreage on the farm: *Provided, however,* That the farm marketing excess shall not be larger than the amount by which the actual production, so established, exceeds the normal production of the farm wheat acreage allotment.'

"(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2)), the rate of penalty on wheat of the 1962 crop shall be 65 per centum of the parity price per bushel of wheat as of May 1, 1962.

"(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(3)), the following provisions shall apply to the 1962 crop of wheat:

"'(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon twice the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of twice the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or friendly foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.'

"(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), is amended to read as follows:

"'(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which, under regulations prescribed by the Secretary, the actual acreage planted to wheat for harvest of such crop does not exceed 15 acres: *Provided, however,* That a farm marketing quota on the 1962 crop of wheat shall be applicable to any farm on which the acreage of wheat exceeds the smaller of (1) 13.5 acres, or (2) the highest number of acres actually planted to wheat on the farm for harvest in any of the calendar years 1959, 1960, or 1961.'

"(e) Subsection (d) of section 335 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1335(d)), is hereby repealed effective with the 1962 crop of wheat.

"(f) Section 336 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1336), is amended by adding at the end thereof the following: 'Notwithstanding any other provision hereof, farmers who have not produced in excess of 13.5 acres of wheat in at least one of the years 1959, 1960, or 1961 shall not be entitled to vote in the referendum conducted with respect to the national marketing quota for the marketing year beginning July 1, 1962.'

"SEC. 123. Price support for the 1962 crop of wheat shall be made available, as provided in section 101 of the Agricultural Act of 1949, as amended, except that price support shall be made available only to cooperators, only in the commercial wheat-producing area, and if marketing quotas are in effect for the 1962 crop of wheat, wheat of such crop shall be eligible for price support only if the producers on the farm on which the wheat is produced participate in the special 1962 wheat program formulated under section 124 to the extent prescribed by the Secretary.

"SEC. 124. (a) If marketing quotas are in effect for the 1962 crop of wheat, producers on any farm, except a farm on which a new farm wheat allotment is established for the 1962 crop, in the commercial wheat-producing area shall be entitled to payments determined as provided in subsection (b) upon compliance with the conditions hereinafter prescribed:

"(1) Such producers shall divert from the production of wheat an acreage on the farm equal to either (i) 10 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961: *Provided,* That such acreage in each of such years did not exceed 15 acres, or (ii) 10 per centum of the farm acreage allotment for the 1962 crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended.

"(2) In 1962, such diverted acreage shall be devoted to conservation uses including summer fallow, approved by the Secretary, and such measures shall be taken as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents: *Provided,* That such diverted acreage may be devoted to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary, subject to the condition that no payment shall be made with respect to diverted acreage devoted to any such commodity.

"(3) The total acreage of cropland on the farm in 1962 devoted to soil-conserving uses, including summer fallow and idle land, but excluding the acreage diverted as provided above and acreage diverted under the special 1962 program for feed grains, shall not be

less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm in 1959 and 1960. Certification by the producer with respect to such acreage may be accepted as evidence of compliance with the foregoing provision. The total average acreage devoted to soil-conserving uses, including summer fallow and idle land, in 1959 and 1960 shall be subject to adjustment to the extent the Secretary determines appropriate for abnormal weather conditions or other factors affecting production, established crop-rotation practices on the farm, changes in the constitution of the farm, participation in other Federal farm programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history.

"(4) If the diversion of acreage is made pursuant to the provisions of (1)(i) of this subsection (a), the actual acreage of wheat planted on the farm for harvest in 1962 shall not exceed 90 per centum of the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961; and if the diversion of acreage is made pursuant to the provisions of (1)(ii) of this subsection (a), the farm shall be in compliance with the 1962 farm wheat acreage allotment.

"(b)(1) Upon compliance with the conditions prescribed in subsection (a) producers on the farm shall be entitled to payments which shall be made by Commodity Credit Corporation in cash or wheat equal to 45 per centum of the value, at the basic county support rate per bushel for No. 1 wheat of the 1961 crop for the county in which the farm is considered as being located for the administration of farm marketing quotas for wheat in effect at the time the payment rates for the 1962 special wheat program are established, adjusted to reflect changes between the national support rates for the 1961 and 1962 crops, of the number of bushels equal to the adjusted yield per acre of wheat for the farm, multiplied by the number of diverted acres other than acres devoted to castor beans, guar, safflower, sunflower, or sesame.

"(2) The Secretary may make such adjustments in yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual yields for the farm for the 1959 and 1960 crop years, such yields shall be used in making determinations.

"(3) The Secretary shall provide by regulations for the sharing of payments among producers on the farm on a fair and equitable basis. The medium of payment shall be determined by the Secretary. If payments are made in wheat, the value of the payments in cash shall be converted to wheat at the market price of wheat as determined by Commodity Credit Corporation. Wheat received as payment-in-kind may be marketed without penalty but shall not be eligible for price support.

"(c)(1) Producers who divert acreage on the farm under subsection (a) may divert additional acreage on the farm not in excess of the larger of three times the amount diverted under subsection (a) or such acreage as will bring the total acreage diverted to 10 acres: *Provided*, That the total acreage diverted under subsection (a) and this subsection (c) shall not exceed the larger of (i) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed 10 acres or (ii) the 1962 wheat acreage allotment.

"(2) Payments shall be made with respect to the acreage diverted under this subsection (c) in accordance with the terms and conditions prescribed in subsection (a): *Provided*, That (i) 60 per centum shall be substituted for 45 per centum in computing the amount of the payment, (ii) the acreage diverted under this subsection (c) shall be added to and deemed to be acreage diverted under subsection (a) for the purposes of paragraphs (2) and (3) of subsection (a), and (iii) if the diversion under subsection (a) is made pursuant to (1)(i) of said subsection, the actual acreage planted to wheat for harvest on the farm in 1962, shall be reduced below the highest actual acreage of wheat planted on the farm for harvest in any of the years 1959, 1960, or 1961, by the total amount of acres diverted under subsection (a) and this subsection (c), or, if the diversion under subsection (a) is made pursuant to (1)(ii) of said subsection, the 1962 wheat acreage on the farm shall be reduced by the total amount of acres diverted under subsection (a) and this subsection (c) below whichever of the following acreages is the larger—

"(A) the farm acreage allotment for the 1962 crop of wheat which would be in effect except for the reduction thereof as provided in section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended;

"(B) the highest actual acreage of wheat planted on the farm for harvest for any of the years 1959, 1960, or 1961, but not to exceed fifteen acres.

"(d) Any acreage diverted from the production of wheat to conservation uses for which payment is made under the program formulated pursuant to this section shall be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program except that the foregoing shall not preclude the making of cost-sharing payments under the agricultural conservation program or the Great Plains program for conservation practices carried out on any acreage devoted to soil-conserving uses under the program formulated pursuant to this section.

"(e) The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program formulated under this section.

"(f) Not to exceed 50 per centum of any payment to producers under this section may be made in advance of determination of performance.

"(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(h) Wheat stored to avoid or postpone a marketing quota penalty under the Agricultural Adjustment Act of 1938, as amended and supplemented, shall not be released from storage for underplanting based upon acreage diverted under subsection (a) or (c) above, and in determining production of the 1962 crop of wheat for the purpose of releasing wheat from storage on account of underproduction the normal yield of the diverted acres shall be deemed to be actual production of 1962 wheat.

"(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

"(j) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized herein and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1962. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"SEC. 125. Section 334(e) of the Agricultural Adjustment Act of 1938, as amended, relating to increased allotments for durum wheat, is amended to read as follows:

"'(e) If, with respect to any of the 1962, 1963, and 1964 crops of wheat, the Secretary determines that the acreage allotments of farms producing durum wheat are inadequate to provide for the production of a sufficient quantity of durum wheat to satisfy the demands therefor (but not including export demand involving a subsidy by, or a loss to, the Federal Government), he shall increase the farm marketing quotas and acreage allotments for such crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II), and (2) have produced such wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested. The Secretary shall determine the percentage factor by which the average acreage of durum wheat (class II) produced during the last two-year period for which statistics are available (excluding any increases in durum wheat acreage as a result of increases in wheat acreage allotments authorized by this subsection) must be increased to satisfy such demand. The wheat acreage allotment for any farm established for such crop without regard to this subsection, after reduction in the case of the 1962 crop as required by section 334(c)(2), (hereinafter referred to as the "original allotment") shall be increased by an acreage computed by multiplying the average acreage of durum wheat (class II) on the farm during such two-year period (excluding any increase in the acreage of durum wheat as a result of an increase in the wheat acreage allotment for the farm authorized by this subsection) by such percentage factor: *Provided*, That such increased allotment shall not exceed the cropland on the farm well suited to wheat. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of an acreage of durum wheat (class II) at least equal to the average acreage of such wheat produced during such two-year period plus the number of acres by which the allotment is increased. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. As used in this subsection the term "durum wheat" means durum wheat (class II) other than the varieties known as "Golden Ball" and "Peliss." Any farm receiving an increased allotment under this subsection shall not be required as a condition of eligibility for price support, or permitted, to participate in the special 1962 wheat program formulated under section 124 of the Agricultural Act of 1961. The Secretary shall give growers and millers of durum wheat and manufacturers of semolina products an opportunity to present their views and recommenadtions, prior to making any determination hereunder.'

"Subtitle C—1962 feed grain program

"SEC. 131. Section 105(c) of the Agricultural Act of 1949 is amended by adding the following new paragraphs (3) and (4):

"'(3) The level of price support for the 1962 crop of corn shall be established by the Secretary at such level not less than 65 per centum of the parity price therefor as the Secretary may determine. Price support for corn, grain, sorghums, and barley shall be made available on not to exceed the normal production of the 1962 acreage of corn, grain sorghums, and barley of each eligibile farm based on its average yield per acre for the 1959 and 1960 crop acreage.

"'(4) The Secretary shall require as a condition of eligibility for price support on the 1962 crop of corn and grain sorghums that the producer shall participate in the special agricultural conservation program for 1962 for corn and grain sorghums to the extent prescribed by the Secretary and (except in the case of a producer of malting barley as hereinafter described) shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. The Secretary shall require as a condition of eligibility for price support on the 1962 crop of barley that the producer shall participate in the special agricultural conservation program for 1962 for barley to the extent prescribed by the Secretary and shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960: *Provided,* That no producer of malting barley shall be required to participate in the special agricultural conservation program for 1962 for barley if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest in 1962, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, and does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960.'

"SEC. 132. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"'(d) Notwithstanding any other provision of law—

"'(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1962, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums, and barley, respectively, to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil conserving crops or practices including summer fallow and idle land by an equal amount: *Provided, however,* That any producer may elect in lieu of such payment to devote such diverted acreage to castor beans, guar, safflower, sunflower, or sesame, if designated by the Secretary. In order to be eligible for a payment, a producer (other than a producer of malting barley as described in section 105(c)(4) of the Agricultural Act of 1949) who participates in the special agricultural conservation program of 1962 for corn and grain sorghums must not knowingly devote an acreage on the farm in excess of the average acreage devoted on the farm to barley in 1959 and 1960, and a producer who participates in the special agricultural conservation program for 1962 for barley must not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960. Such special agricultural conservation program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from insects, weeds, and rodents. The acreage eligible for payments in cash or in an equivalent amount in kind under such conservation program shall be an acreage equivalent to 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960 or up to twenty acres, whichever is greater. Such payments in cash or in kind at the basic county support rate for the 1961 crop in effect at the time payment rates for the special feed grain program for 1962 are established, adjusted to reflect any changes between the national support rates for the 1961 and 1962 crops may be made on an amount of the commodity not in excess of 50 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. Payments in kind only may be made by the Secretary for the diversion of up to an additional 20 per centum of the average acreage on the farm planted to corn and grain sorghums, or barley, in the crop years 1959 and 1960. Payments in kind on such additional acreage may be made at the basic county support rate for the 1961 crop in effect at the time payment rates for the special feed grain program for 1962 are established, adjusted to reflect any changes between the national support rates for the 1961 and 1962 crops on an amount of corn and grain sorghums, or barley, not in excess of 60 per centum of the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre for the 1959 and 1960 crop acreage. The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

"'(2) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(d). Obligations may be incurred in advance of appropriations therefor and the Commodity Credit Corporation is authorized to advance from its capital funds such sums as may be necessary to pay administrative expenses in connection with such program during the fiscal year ending June 30, 1962, and to pay such costs as may be incurred in carrying out section 133 of the Agricultural Act of 1961.

"'(3) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.'

"SEC. 133. Payments in cash shall be made by Commodity Credit Corporation and payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the special feed grain program for 1962 authorized by this Act. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate.

"SEC. 134. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1962 authorized by this Act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

"Subtitle D—Marketing orders

"SEC. 141. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows:

"(1) Section 2 is amended by adding at the end thereof a new paragraph (5) reading as follows:

"'(5) Through the exercise of the power conferred upon the Secretary of Agriculture under this title, to continue for the remainder of any marketing season or marketing year, such regulation pursuant to any order as will tend to avoid a disruption of the orderly marketing of any commodity and be in the public interest, if the regulation of such commodity under such order has been initiated during such marketing season or marketing year on the basis of its need to effectuate the policy of this title.'

"(2) Section 8a(5) is amended to read as follows:

"'(5) Any person exceeding any quota or allotment fixed for him under this title by the Secretary of Agriculture and any other person knowingly participating or aiding in the exceeding of such quota or allotment shall forfeit to the United States a sum equal to the value of such excess at the current market price for such commodity at the time of violation, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.'

"(3) Section 8c(2) is amended—

"(a) by inserting '(A)' after 'applicable only to';

"(b) by inserting after 'grapefruit,' where it first appears 'cherries, apples, or cranberries,';

"(c) by striking out 'and Idaho, and not including fruits, other than olives and grapefruit, for canning or freezing)' and inserting in lieu thereof 'Idaho, New York, Michigan, Maryland, New Jersey, Indiana, California, Maine, Vermont, New Hampshire, Rhode Island, Massachusetts, and Connecticut, and not including fruits for canning or freezing other than olives, grapefruit, cherries, cranberries, and apples produced in the States named above except Washington, Oregon, and Idaho)';

"(d) by striking out 'soybeans,'; and

"(e) by striking the period at the end and inserting in lieu thereof the following: '; and (B) any agricultural commodity (except honey, cotton, rice, wheat, corn, grain sorghums, oats, barley, rye, sugarcane, sugarbeets, wool, mohair, livestock, soybeans, cottonseed, flaxseed, poultry (but not excepting turkeys), eggs (but not excepting turkey hatching eggs), fruits and vegetables for canning or freezing, and apples), or any regional or market classification thereof, not subject to orders under (A) of this paragraph, but not the products (including canned or frozen commodities or products) thereof. No order issued pursuant to this section shall be effective as to cherries, apples, or cranberries for canning or freezing unless the Secretary of Agriculture determines, in addition to other required findings and determinations, that the issuance of such order is approved or favored by processors who, during a representative period determined by the Secretary, have engaged in canning or freezing such commodity for market and have frozen or canned more than 50 per centum of the total volume of the commodity to be regulated which was canned or frozen within the production area, or marketed within the marketing area, defined in such order, during such representative period. No order issued pursuant to this section shall be applicable to peanuts produced in more than one of the following production areas: the Virginia-Carolina production area, the Southeast production area, and the Southwest production area. If the

Secretary determines that the declared policy of the title will be better achieved thereby (i) the commodities of the same general class and used wholly or in part for the same purposes may be combined and treated as a single commodity and (ii) the portion of an agricultural commodity devoted to or marketed for a particular use or combination of uses, may be treated as a separate agricultural commodity. All agricultural commodities and products covered hereby shall be deemed specified herein for the purposes of section 8c (6) and (7) of this title."

"(4) Section 8c(19) is amended to read as follows:

"'(19) For the purpose of ascertaining whether the issuance of an order is approved or favored by producers or processors, as required under the applicable provisions of this title, the Secretary may conduct a referendum among producers or processors and in the case of an order other than an amendatory order shall do so. The requirements of approval or favor under any such provision shall be held to be complied with if, of the total number of producers or processors, or the total volume of production, as the case may be, represented in such referendum, the percentage approving or favoring is equal to or in excess of the percentage required under such provision. The terms and conditions of the proposed order shall be described by the Secretary in the ballot used in the conduct of the referendum. The nature, content, or extent of such description shall not be a basis for attacking the legality of the order or any action relating thereto. Nothing in this subsection shall be construed as limiting representation by cooperative associations as provided in subsection (12) of this section.'

"(5) Section 8e is amended to read as follows:

"'Notwithstanding any other provision of law, whenever a marketing order issued by the Secretary of Agriculture pursuant to section 8c of this Act contains any terms or conditions regulating the grade, size, quality, or maturity of tomatoes, avocados, mangoes, limes, grapefruit, green peppers, Irish potatoes, cucumbers, oranges, onions, walnuts, dates, or eggplants produced in the United States the importation into the United States of any such commodity, other than dates for processing, during the period of time such order is in effect shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of such order or comparable restrictions promulgated hereunder: *Provided*, That this prohibition shall not apply to such commodities when shipped into continental United States from the Commonwealth of Puerto Rico or any Territory or possession of the United States where this Act has force and effect: *Provided further*, That whenever two or more such marketing orders regulating the same agricultural commodity produced in different areas of the United States are concurrently in effect, the importation into the United States of any such commodity, other than dates for processing, shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of the order which, as determined by the Secretary of Agriculture, regulates the commodity produced in the area with which the imported commodity is in most direct competition. Such prohibition shall not become effective until after the giving of such notice as the Secretary of Agriculture determines reasonable, which shall not be less than three days. In determining the amount of notice that is reasonable in the case of tomatoes the Secretary of Agriculture shall give due consideration to the time required for their transportation and entry into the United States after picking. Whenever the Secretary of Agriculture finds that the application of the restrictions under a marketing order to an imported commodity is not practicable because of variations in characteristics between the domestic and imported commodity he shall establish with respect to the imported commodity, other than dates for processing, such grade, size, quality, and maturity restrictions by varieties, types, or other classifications as he finds will be equivalent or comparable to those imposed upon the domestic commodity under such order. The Secretary of Agriculture may promulgate such rules and regulations as he deems necessary, to carry out the provisions of this section. Any person who violates any provision of this section or of any rule, regulation, or order promulgated hereunder shall be subject to a forfeiture in the amount prescribed in section 8a(5) or, upon conviction, a penalty in the amount prescribed in section 8c(14) of the Act, or to both such forfeiture and penalty.'

"Subtitle E—Wool

"SEC. 151. Section 703 of the National Wool Act of 1954, as amended (68 Stat. 910, 72 Stat. 994), is amended by striking from the second sentence thereof '1962' and inserting in lieu thereof '1966'.

"TITLE II—AGRICULTURAL TRADE DEVELOPMENT

"SEC. 201. Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

"(1) Section 101 is amended by adding at the end thereof a new subsection to read as follows:

"'(f) obtain rates of exchange applicable to the sales of commodities under such agreements which are not less favorable than the rates at which United States Government agencies can buy currencies from the United States disbursing officers in the respective countries.'

"(2) Effective January 1, 1962, section 103(b) is amended to read as follows:

"'(b) Agreements shall not be entered into under this title during the period beginning January 1, 1962, and ending December 31, 1964, which will call for appropriations to reimburse the Commodity Credit Corporation in a total amount in excess of $4,500,000,000: *Provided*, That agreements shall not be entered into during any calendar year of such period which will call for appropriations to reimburse Commodity Credit Corporation in amounts in excess of $2,500,000,000.'

"(3) Section 104 is amended—

"(a) by inserting after the words 'foreign currencies' in the introductory clause, the following: ', including principal and interest from loan repayments,';

"(b) by striking out in the final proviso in such section the language beginning with the words 'for the purpose' and ending with the words 'specified in' and inserting in lieu thereof the words 'pursuant to';

"(c) by adding after subsection (r) the following new subsection (s):

"'(s) For the sale for dollars to American tourists under such terms and conditions as the President may prescribe;';

"(d) by inserting in the second sentence of subsection (a) after the word 'made' where it first appears the words 'each year' and after the word 'be' where it first appears the words 'set aside in the amounts and kinds of foreign currencies specified by the Secretary of Agriculture and'; and by striking out from the third sentence of subsection (a) the words 'Particular regard shall be given to provide' and inserting in lieu thereof the words 'Provision shall be made'; and by striking out from the third sentence of subsection (a) the word 'may' and inserting in lieu thereof the words 'the Secretary of Agriculture determines to'; and by inserting in the third sentence after the word 'thereof' the following: '(not less than 2 per centum)'; and by inserting after the third sentence a new sentence as follows: 'Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this subsection and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this subsection'; and by striking out from the last sentence of subsection (a) the words 'agreements may be entered into' and by inserting in lieu thereof 'the Secretary of Agriculture is authorized and directed to enter into agreements'.

"(4) The first sentence of section 106 is amended by striking out 'or may reasonably be expected to be' and inserting 'at the time of exportation or donation'.

"(5) Section 109 is amended by striking out '1961' and substituting '1964'.

"SEC. 202. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

"(1) Section 203 is amended (a) by deleting the first sentence and substituting the following: 'Programs of assistance shall not be undertaken under this title during any calendar year beginning January 1, 1961, and ending December 31, 1964, which call for appropriations of more than $300,000,000 to reimburse the Commodity Credit Corporation for all costs incurred in connection with such programs (including the Corporation's investment in commodities made available), plus any amount by which programs of assistance undertaken in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than were authorized for such purpose during such preceding year by this title as in effect during such preceding year,'; and (b) by deleting 'such' the first time it appears in the second sentence.

"(2) Section 204 is amended by striking out '1961' and substituting '1964'.

"SEC. 203. In the conduct of foreign market development programs, the Secretary of Agriculture is authorized to credit contributions from individuals, firms, associations, agencies, and other groups, and the proceeds received from space rentals, and sales of products and materials at exhibitions, to the appropriations charged with the cost of acquiring such space, products, and materials.

"TITLE III—AGRICULTURAL CREDIT

"SEC. 301. (a) This title may be cited as the 'Consolidated Farmers Home Administration Act of 1961'.

"(b) The Congress hereby finds that the statutory authority of the Secretary of Agriculture, hereinafter referred to in this title as the 'Secretary,' for making and insuring loans to farmers and ranchers should be revised and consolidated to provide for more effective credit services to farmers.

"Subtitle A—Real estate loans

"SEC. 302. The Secretary is authorized to make and insure loans under this subtitle to farmers and ranchers in the United States and in Puerto Rico and the Virgin Islands who (1) are citizens of the United States, (2) have a farm background and either training or farming experience which the Secretary determines is sufficient to assure reasonable prospects of success in the proposed farming operations, (3) are or will become owner-operators of not larger than family farms, and (4) are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

"SEC. 303. Loans may be made or insured under this subtitle for acquiring, enlarging, or improving farms, including farm buildings, land and water development, use and conservation, refinancing existing indebtedness, and for loan closing costs. In making or insuring loans for farm purchase, the Secretary shall give preference to persons who are married or have dependent families and, wherever practicable, to persons who are able

to make initial downpayments, or who are owners of livestock and farm implements necessary successfully to carry on farming operations.

"SEC. 304. Loans may also be made or insured under this subtitle to any farmowners or tenants without regard to the requirements of section 302 (1), (2), and (3) for the purposes only of land and water development, use and conservation.

"SEC. 305. The Secretary shall make or insure no loan under sections 302, 303, and 304 which would cause (a) the unpaid indebtedness against the farm or other security at the time the loan is made to exceed $60,000 or the normal value of the farm or other security, or (b) the loan to exceed the amount certified by the county committee. In determining the normal value of the farm, the Secretary shall consider appraisals made by competent appraisers under rules established by the Secretary. Such appraisals shall take into consideration both the normal agricultural value and the normal market value of the farm.

"SEC. 306. (a) The Secretary also is authorized to make or insure loans to associations, including corporations not operated for profit and public and quasi-public agencies, to provide for the application or establishment of soil conservation practices, the conservation, development, use, and control of water and the installation or improvement of drainage facilities, all primarily for serving farmers, ranchers, farm tenants, farm laborers, and rural residents, and to furnish financial assistance or other aid in planning projects for such purposes. No such loans shall be made or insured which would cause an association's unpaid principal indebtedness under this section and the Act of August 28, 1937, as amended, to exceed $500,000 in the case of direct loans and $1,000,000 in the case of insured loans at any one time.

"(b) The service provided or made available through any such association shall not be curtailed or limited by inclusion of the area served by such association within the boundaries of any municipal corporation or other public body, or by the granting of any private franchise for similar service within such area during the term of such loan; nor shall the happening of any such event be the basis of requiring such association to secure any franchise, license, or permit as a condition to continuing to serve the area served by the association at the time of the occurrence of such event.

"SEC. 307. (a) The period for repayment of loans under this subtitle shall not exceed forty years. The Secretary shall from time to time establish the interest rate or rates at which loans for various purposes will be made or insured under this subtitle but not in excess of 5 per centum per annum. The borrower shall pay such fees and other charges as the Secretary may require.

"(b) The Secretary shall take as security for the obligations entered into in connection with loans, mortgages on farms with respect to which such loans are made or such other security as the Secretary may require, and for obligations in connection with loans to associations under section 306, shall take liens on the facility or such other security as he may determine to be necessary. Such security instruments shall constitute liens running to the United States notwithstanding the fact that the notes may be held by lenders other than the United States.

"SEC. 308. Loans under this subtitle may be insured by the Secretary, aggregating not more than $150,000,000 in any one year, whenever funds are advanced or a loan is purchased by a lender other than the United States. In connection with insurance of loans, the Secretary—

(a) is authorized to make agreements with respect to the servicing of loans insured hereunder and to purchase such loans on such terms and conditions as he may prescribe, except that no agreement shall provide for purchase by the Secretary at a date sooner than three years from the date of the note; and

"(b) shall retain out of payments by the borrower a charge at a rate determined by the Secretary from time to time equivalent to not less than one-half of 1 per centum per annum on the principal unpaid balance of the loan.

Any contract of insurance executed by the Secretary under this subtitle shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder has actual knowledge.

"SEC. 309. (a) The fund established pursuant to section 11(a) of the Bankhead-Jones Farm Tenant Act, as amended, shall hereafter be called the Agricultural Credit Insurance Fund and is hereinafter in this subtitle referred to as the "fund". The fund shall remain available as a revolving fund for the discharge of the obligations of the Secretary under agreements insuring loans under this subtitle and loans and mortgages insured under prior authority.

(b) Moneys in the fund not needed for current operations shall be deposited in the Treasury of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed by the United States. The Secretary may purchase with money in the fund any notes issued by the Secretary to the Secretary of the Treasury for the purpose of obtaining money for the fund.

"(c) The Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under this section and for authorized expenditures out of the fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Secretary under this subtitle. The Secretary of the Treasury is authorized and directed to purchase any notes of the Secretary issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Secretary. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

"(d) Notes and security acquired by the Secretary in connection with loans insured under this subtitle and under prior authority shall become a part of the fund. Notes may be held in the fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time. All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the fund.

"(e) The Secretary shall deposit in the fund such portion of the charge collected in connection with the insurance of loans at least equal to a rate of one-half of 1 per centum per annum on the outstanding principal obligations and the remainder of such charge shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually and become merged with any appropriation for administrative expenses.

"(f) The Secretary may utilize the fund—

"(1) to make loans which could be insured under this subtitle whenever the Secretary has reasonable assurance that they can be sold without undue delay, and may sell and insure such loans. The aggregate of the principal of such loans made and not disposed of shall not exceed $10,000,000 at any one time;

"(2) to pay the interest to which the holder of the note is entitled on loans heretofore or hereafter insured accruing between the date of any prepayments made by the borrower and the date of transmittal of any such prepayments to the lender. In the discretion of the Secretary, prepayments other than final payments need not be remitted to the holder until the due date of the annual installment;

"(3) to pay to the holder of the notes any defaulted installment or, upon assignment of the note to the Secretary at the Secretary's request, the entire balance due on the loan;

"(4) to purchase notes in accordance with agreements previously entered into; and

"(5) to pay taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections and other expenses and advances authorized in section 335(a) in connection with insured loans.

"Subtitle B—Operating loans

"SEC. 311. The Secretary is authorized to make loans under this subtitle to farmers and ranchers in the United States and in Puerto Rico and the Virgin Islands who (1) are citizens of the United States, (2) have a farm background and training or farming experience which the Secretary determines is sufficient to assure reasonable prospects of success in the proposed farming operation, (3) are or will become operators of not larger than family farms, and (4) are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

"SEC. 312. Loans may be made under this subtitle for (1) paying costs incident to reorganizing the farming system for more profitable operation, (2) purchasing livestock, poultry, and farm equipment, (3) purchaisng feed, seed, fertilizer, insecticides, and farm supplies and to meet other essential farm operating expenses including cash rent, (4) financing land and water development, use, and conservation, (5) refinancing existing indebtedness, (6) other farm and home needs including but not limited to family subsistence, and (7) for loan closing costs.

"SEC. 313. The Secretary shall make no loan under this subtitle (1) which would cause the total principal indebtedness outstanding at any one time for loans made under this subtitle and under section 21 of the Bankhead-Jones Farm Tenant Act, as amended, to exceed $35,000: *Provided, however,* That not more than 25 per centum of the sums made available for loans under this subtitle may be used for loans which would cause such indebtedness of any borrower under said Acts to exceed $15,000, (2) for the purchasing or leasing of land other than for cash rent, or for carrying on any land leasing or land purchasing program, or (3) in excess of an amount certified by the county committee.

"SEC. 314. Loans aggregating not more than $500,000 in any one year may also be made to soil conservation districts which cannot obtain necessary credit elsewhere upon reasonable terms and conditions for the purchase of equipment customarily used for soil conservation purposes.

"SEC. 315. The Secretary is authorized to participate in loans which could otherwise be made by the Secretary under this subtitle which are made by commercial banks, cooperative lending agencies, or other legally organized agricultural lending agencies up to 80 per centum of the amount of the loan.

"SEC. 316. The Secretary shall make all loans under this subtitle at an interest rate not to exceed 5 per centum per annum, upon the full personal liability of the borrower and upon such security as the Secretary may prescribe. Such loans shall be payable in not more than seven years, but may be renewed for not more than five additional years.

"Subtitle C—Emergency loans

"SEC. 321. (a) The Secretary may designate any area in the United States and in Puerto Rico and the Virgin Islands as an emergency area if he finds (1) that there exists in such area a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources (including loans the Secretary is authorized to make under subtitle B or to make or insure under subtitle A of this title or any other Act of Congress), at reasonable rates and terms for loans for similar purposes and periods of time, and (2) that the need for such credit in such area is the result of a natural disaster.

"(b) The Secretary is authorized to make loans in any such area (1) to established farmers or ranchers who are citizens of the United States and (2) to private domestic corporations or partnership engaged primarily in farming or ranching provided they have experience and resources necessary to assure a reasonable prospect for successful operation with the assistance of such loan, and are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

"SEC. 322. Loans may be made under this subtitle for any of the purposes authorized for loans under subtitle A or B of this title.

"SEC. 323. The Secretary shall make no loan under this subtitle in excess of an amount certified by the county committee.

"SEC. 324. The Secretary shall make all loans under this subtitle at a rate of interest not in excess of 3 per centum per annum repayable at such times as the Secretary may determine, taking into account the purpose of the loan and the nature and effect of the emergency, but not later than provided for loans for similar purposes under subtitles A and B of this title, and upon the full personal liability of the borrower and upon such security as the Secretary may prescribe.

"SEC. 325. The Secretary may make loans without regard to the designation of emergency areas under section 321(a) to persons or corporations (1) who have suffered severe production losses not general to the area or (2) who are indebted to the Secretary for loans under the Act of April 6, 1949, as amended, or the Act of August 31, 1954, as amended, to the extent necessary to permit the orderly repayment or liquidation of said prior indebtedness.

"SEC. 326. The Secretary is authorized to utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (hereinafter in this subtitle referred to as the 'Emergency Credit Revolving Fund'), for carrying out the purposes of this subtitle.

"SEC. 327. (a) All sums received by the Secretary from the liquidation of loans made under the provisions of this subtitle or under the Act of April 6, 1949, as amended, or the Act of August 31, 1954, and from the liquidation of any other assets acquired with money from the Emergency Credit Revolving Fund shall be added to and become a part of such fund.

"(b) There are authorized to be appropriated to the Emergency Credit Revolving Fund such additional sums as the Congress shall from time to time determine to be necessary.

"Subtitle D—Administrative provisions

"SEC. 331. For the purposes of this title and for the administration of assets under the jurisdiction of the Secretary of Agriculture pursuant to the Farmers Home Administration Act of 1946, as amended, the Bankhead-Jones Farm Tenant Act, as amended, the Act of August 28, 1937, as amended, the Act of April 6, 1949, as amended, the Act of August 31, 1954, as amended, and the powers and duties of the Secretary under any other Act authorizing agricultural credit, the Secretary may assign and transfer such powers, duties, and assets to the Farmers Home Administration, to be headed by an Administrator, appointed by the President, by and with the advice and consent of the Senate, without regard to the civil service laws or the Classification Act of 1949, as amended, who shall receive basic compensation as provided by law for that office.

"The Secretary may—

"(a) administer his powers and duties through such national, area, State, or local offices and employees in the United States and in Puerto Rico and the Virgin Islands as he determines to be necessary and may authorize an office to serve the area composed of two or more States if he determines that the volume of business in the area is not sufficient to justify separate State offices;

"(b) accept and utilize voluntary and uncompensated services, and, with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, territory, or political subdivision;

"(c) within the limits of appropriations made therefor, make necessary expenditures for purchase or hire of passenger vehicles, and such other facilities and services as he may from time to time find necessary for the proper administration of this Act;

"(d) compromise, adjust, or reduce claims, and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into or administered by the Farmers Home Administration under any of its programs, as circumstances may require, but compromises, adjustments, or reductions of claims of $15,000 or more shall not be made without the approval of the Administrator: *Provided, however,* That—

"(1) compromise, adjustment, or reduction of claims shall be based on the value of the security and a determination by the Secretary of the debtor's reasonable ability to pay considering his other assets and income at the time of the action and with or without the payment of any consideration at the time of such adjustment or reduction;

"(2) releases from personal liability may also be made with or without payment of any consideration at the time of adjustment of claims against—

"(A) borrowers who have transferred the security property to approved applicants under agreements assuming the outstanding secured indebtedness;

"(B) borrowers who have transferred the security property to approved applicants under agreements assuming that portion of the secured indebtedness equal to the current market value of the security property or transferred the security property to the Secretary;

"(C) borrowers who have transferred the security property to other than approved applicants under agreements assuming the full amount of, or that portion of the secured indebtedness equal to, the current market value of the security property on terms not to exceed five annual installments with interest on the unpaid balance at a rate determined by the Secretary; and

"(D) borrowers who transfer security property under subparagraphs (B) and (C) above for amounts less than the indebtedness secured thereby may be released from personal liability only on a determination by the Secretary that each such borrower has no reasonable debt-paying ability considering his assets and income at the time of the transfer and the county committee certifies that the borrower has cooperated in good faith, used due diligence to maintain the security property against loss, and has otherwise fulfilled the covenants incident to his loan to the best of his ability;

"(3) no compromise, adjustment, or reduction of claims shall be made upon terms more favorable than recommended by the appropriate county committee utilized pursuant to section 332 of this title; and

"(4) any claim which has been due and payable for five years or more, and where the debtor has no assets or no apparent future debt-paying ability from which the claim could be collected, or is deceased and has left no estate, or has been absent from his last known address for a period of at least five years, has no known assets, and his whereabouts cannot be ascertained without undue expense, may be charged off or released by the Secretary upon a report and favorable recommendation of the county committee and of the employee having charge of the claim, and any claim involving a principal balance of $150 or less may be charged off or released whenever it appears to the Secretary that further collection efforts would be ineffectual or likely to prove uneconomical; and

"(5) partial releases and subordination of mortgages may be granted either where the secured indebtedness remaining after the transaction will be adequately secured or the security interest of the Secretary will not be adversely affected, and the transaction and use of proceeds will further the purposes for which the loan was made, improve the borrower's debt-paying ability, permit payments on indebtedness owed to or insured by the Secretary, or permit payment of reasonable costs and expenses incident to the transaction, including taxes incident to or resulting from the transaction which the borrower is unable to pay from other sources:

Provided further, That no such compromise, adjustment, or reduction shall be made hereunder after the claim has been referred to the Attorney General unless agreed to by the Attorney General.

"(e) collect all claims and obligations arising or administered under this title, or under any mortgage, lease, contract, or agreement entered into or administered pursuant to this title and, if in his judgment necessary and advisable, pursue the same to final collection in any court having jurisdiction.

"SEC. 332. (a) The Secretary is authorized and directed to appoint in each county or area in which activities are carried on under this title, a county committee composed of three individuals residing in the county or area, at least two of whom at the time of appointment shall be farmers deriving the principal part of their income from farming. Committee appointments shall be for a term of three years except that the first appointments for any new committee shall be for one-, two-, and three-year periods, respectively, so as to provide continuity of committee membership. The Secretary may appoint alternate committeemen. The members of the committee and their alternates shall be removable for cause by the Secretary.

"(b) The rates of compensation, the number of days per month each member may be paid, and the amount to be allowed for necessary travel and subsistence expenses, shall be determined and paid by the Secretary.

"(c) The committee shall meet on the call of the chairman elected by the committee or on the call of such other person as the Secretary may designate. Two members of the committee shall constitute a quorum. The Secretary shall prescribe rules governing the procedure of the committees and their duties, furnish forms and equipment necessary, and authorize and provide for the compensation of such clerical assistance as he finds may be required by any committee.

"SEC. 333. In connection with loans made or insured under this title, the Secretary shall require—

"(a) the applicant to certify in writing that he is unable to obtain sufficient credit elsewhere to finance his actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time;

"(b) except for loans under sections 306, 314 and 321(b)(2), the county committee to certify in writing that the applicant meets the eligibility requirements for the loan, and has the character, industry, and ability to carry out the proposed farming operations, and will, in the opinion of the committee, honestly endeavor to carry out his undertakings and obligations; and for loans under sections 306, 314 and 321(b)(2), the Secretary shall require the recommendation of the county committee as to the making or insuring of the loan;

"(c) an agreement by the borrower that if at any time it shall appear to the Secretary that the borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, the borrower will, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary or the insured lender, or both, and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan;

"(d) such provision for supervision of the borrower's operations as the Secretary shall deem necessary to achieve the objectives of the loan and protect the interests of the United States; and

"(e) the applications of veterans for loans under subtitle A or B of this title to be given preference over similar applications of nonveterans on file in any county or area office at the same time. Veterans as used herein shall mean persons who served in the Armed Forces of the United States during any war between the United States and any other nation or during the Korean conflict and who were discharged or released therefrom under conditions other than dishonorable.

"SEC. 334. All property subject to a lien held by the United States or the title to which is acquired or held by the Secretary under this title other than property used for administrative purposes shall be subject to taxation by State, territory, district, and local political subdivisions in the same manner and to the same extent as other property is taxed: *Provided, however,* That no tax shall be imposed or collected on or with respect to any instrument if the tax is based on—

"(1) the value of any notes or mortgages or other lien instruments held by or transferred to the Secretary;

"(2) any notes or lien instruments administered under this title which are made, assigned, or held by a person otherwise liable for such tax; or

"(3) the value of any property conveyed or transferred to the Secretary,

whether as a tax on the instrument, the privilege of conveying or transferring or the recordation thereof; nor shall the failure to pay or collect any such tax be a ground for refusal to record or file such instruments, or for failure to impart notice, or prevent the enforcement of its provisions in any State or Federal court.

"SEC. 335. (a) The Secretary is authorized and empowered to make advances, without regard to any loan or total indebtedness limitation, to preserve and protect the security for or the lien or priority of the lien securing any loan or other indebtedness owing to, insured by, or acquired by the Secretary under this title or under any other programs administered by the Farmers Home Administration; to bid for and purchase at any execution, foreclosure, or other sale or otherwise to acquire property upon which the United States has a lien by reason of a judgment or execution arising from, or which is pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of, any such indebtedness whether or not such property is subject to other liens, to accept title to any property so purchased or acquired; and to sell, manage, or otherwise dispose of such property as hereinafter provided.

"(b) Real property administered under the provisions of this title may be operated or leased by the Secretary for such period or periods as the Secretary may deem necessary to protect the Government's investment therein.

"(c) The Secretary may determine whether real property administered under this title is suitable for disposition to persons eligible for assistance under subtitle A. Any property which the Secretary determines to be suitable for such purposes shall, whenever practicable, be sold by the Secretary as expeditiously as possible to such eligible persons in a manner consistent with the provisions of subtitle A hereof. Real property which is not determined suitable for sale to such eligible persons or which has not been purchased by such persons within a period of three years from the date of acquisition, shall be sold by the Secretary after public notice at public sale and, if no acceptable bid is received then by negotiated sale, at the best price obtainable for cash or on secured credit without regard to the laws governing the disposition of excess or surplus property of the United States. The terms of such sale shall require an initial downpayment of at least 20 per centum and the remainder of the sales price payable in not more than five annual installments with interest on unpaid balance at the rate determined by the Secretary. Any conveyances under this section shall include all of the interest of the United States, including mineral rights.

"(d) With respect to any real property administered under this title, the Secretary is authorized to grant or sell easements or rights-of-way for roads, utilities, and other appurtenances not inconsistent with the public interest. With respect to any rights-of-way over land on which the United States has a lien administered under this title, the Secretary may release said lien upon payment to the United States of adequate consideration, and the interest of the United States arising under any such lien may be acquired for highway purposes by any State or political subdivision thereof in condemnation proceedings under State law by service by certified mail upon the United States attorney for the district, the State Director of the Farmers Home Administration for the State in which the farm is located, and the Attorney General of the United States: *Provided, however,* That the United States shall not be required to appear, answer, or respond to any notice or writ sooner than ninety days from the time such notice or writ is returnable or purports to be effective, and the taking or vesting of title to the interest of the United States shall not become final under any proceeding, order, or decree until adequate compensation and damages have been finally determined and paid to the United States or into the registry of the court.

"SEC. 336. No officer, attorney, or other employee of the Secretary shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this title other than such salary, fee, or other compensation as he may receive as such officer, attorney, or employee. No member of a county committee shall knowingly make or join in making any certification with respect to a loan to purchase any land in which he or any person related to him within the second degree of consanguinity or affinity has or may acquire any interest or with respect to any applicant related to him within the second degree of consanguinity or affinity. Any persons violating any provision of this section shall, upon conviction thereof, be punished by a fine of not more than $2,000 or imprisonment for not more than two years, or both.

"SEC. 337. The Secretary may provide voluntary debt adjustment assistance between farmers and their creditors and may cooperate with State, territorial, and local agencies and committees engaged in such debt adjustment, and may give credit counseling.

"SEC. 338. (a) There is authorized to be appropriated to the Secretary such sums as the Congress may from time to time determine to be necessary to enable the Secretary to carry out the purposes of this title and for the administration of assets transferred to the Farmers Home Administration.

"(b) When authorized by Congress, the Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds in such amounts as the Congress may approve annually in appropriation Acts for making direct loans under this title. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Secretary under this title. The Secretary of the Treasury is authorized and directed to purchase any notes of the Secretary issued hereunder, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Secretary. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

"(c) The appropriations for loans made under the authority of subsection (a) and funds obtained in accordance with subsection (b) of this section, and the unexpended balances of any funds made available for loans under the item 'Farmers Home Administration' in the Department of Agriculture Appropriation Acts current on the date of enactment of this title, shall be merged into a single account known as the 'Farmers Home Administration direct loan account', hereafter in this section called the 'direct loan account'. All claims, notes, mortgages, property, including those now

held by the Secretary on behalf of the Secretary of the Treasury, and all collections therefrom, made or held under the direct loan provisions of (1) titles I, II, and IV of the Bankhead-Jones Farm Tenant Act, as amended; (2) the Farmers Home Administration Act of 1946, as amended, except the assets of the rural rehabilitation corporations; (3) the Act of August 28, 1937 (50 Stat. 869), as amended; (4) the item 'Loans to Farmers—1948 Flood Damage' in the Act of June 25, 1948 (62 Stat. 1038); (5) the item 'Loans to Farmers (Property Damage)' in the Act of May 24, 1949 (63 Stat. 82); (6) the Act of September 6, 1950 (64 Stat. 769); (7) the Act of July 11, 1956 (70 Stat. 525); and (8) under this title shall be held for and deposited in said account.

"The notes of the Secretary issued to the Secretary of the Treasury under said Acts or under this title and all other liabilities against the appropriations or assets in the direct loan account shall be liabilities of said account, and all other obligations against such appropriations or assets shall be obligations of said account. Moneys in the direct loan account shall also be available for interest and principal repayments on notes issued by the Secretary to the Secretary of the Treasury. Otherwise, the balances in said account shall remain available to the Secretary for direct loans under subtitles A and B of this title, and for advances in connection therewith, not to exceed any existing appropriation or authorization limitations and in such further amounts as the Congress from time to time determines in appropriation Acts. The amounts so authorized for loans and advances shall remain available until expended. Subject to the foregoing limitations, the use of collections deposited in the account may be authorized by the Congress in lieu or partially in lieu of authorizing the issuing of additional notes by the Secretary to the Secretary of the Treasury, and the account shall be budgeted on a net expenditure basis.

"(d) The Secretary may sell and assign any notes and mortgages in the direct loan account with the consent of the borrower or without such consent when the borrower has failed to comply with his agreement to refinance the indebtedness at the request of the Secretary. Such loans may be sold at the balance due thereon or on such other basis as the Secretary may determine from time to time.

"(e) At least 25 per centum of the sums authorized in any fiscal year for direct loans to individuals to be made by the Secretary under subtitle A of this title shall be allocated equitably among the several States and territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary.

"SEC. 339. The Secretary is authorized to make such rules and regulations, prescribe the terms and conditions for making or insuring loans, security instruments and agreements, except as otherwise specified herein, and make such delegations of authority as he deems necessary to carry out this title.

"SEC. 340. The President may at any time in his discretion transfer to the Secretary any right, interest, or title held by the United States in any lands acquired in the program of national defense and no longer needed therefor, which the President shall find suitable for the purposes of this title, and the Secretary shall dispose of such lands in the manner and subject to the terms and conditions of the title.

"SEC. 341. (a) Reference to any provisions of the Bankhead-Jones Farm Tenant Act or the Act of August 28, 1937 (50 Stat. 869), as amended, superseded by any provision of this title shall be construed as referring to the appropriate provision of this title. Titles I, II, and IV of the Bankhead-Jones Farm Tenant Act, as amended, and the Act of August 28, 1937 (50 Stat. 869), as amended, the Act of April 6, 1949 (63 Stat. 43), as amended, and the Act of August 31, 1954 (68 Stat. 999), as amended, are hereby repealed effective one hundred and twenty days after enactment hereof, or such earlier date as the provisions of this title are made effective by the Secretary's regulations except that the repeal of section 2(c) of the Act of April 6, 1949, shall not be effective prior to January 1, 1962. The foregoing provisions shall not have the effect of repealing the amendments to section 24, chapter 6 of the Federal Reserve Act, as amended, section 5200 of the Revised Statutes, section 35 of chapter III of the Act approved June 19, 1934 (D.C. Code, title 35, section 535), enacted by section 15 of the Bankhead-Jones Farm Tenant Act, as amended, and by section 10(f) of the Act of August 28, 1937 (50 Stat. 869), as amended.

"(b) The repeal of any provision of law by this title shall not—

"(1) affect the validity of any action taken or obligation entered into pursuant to the authority of any of said Acts, or

"(2) prejudice the application of any person with respect to receiving assistance under the provisions of this title, solely because such person is obligated to the Secretary under authorization contained in any such repealed provision.

"(c) If any provision of this title or the application thereof to any person or circumstance is held invalid, the remainder of the title and the application of such provision to other persons or circumstances shall not be affected thereby.

"SEC. 342. Title III of the Bankhead-Jones Farm Tenant Act, as amended, is further amended by the following new section 35:

"'SEC. 35. The provisions of this title shall extend to Puerto Rico and the Virgin Islands. In the case of Alaska, Puerto Rico, and the Virgin Islands, the term "county" as used in this title may be the entire area, or any subdivision thereof as may be determined by the Secretary, and payments under section 33 of this title shall be made to the Governor or to the fiscal agent of such subdivision.'

"TITLE IV—GENERAL

"SEC. 401. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by changing the third sentence of paragraph (1) of subsection (b) to read as follows: 'Such contracts may be entered into during the period ending not later than December 31, 1971, with respect to farms and ranches in counties in the Great Plains area of the States of Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming, designated by the Secretary as susceptible to serious wind erosion by reason of their soil types, terrain, and climatic and other factors.'

"SEC. 402. The Act of July 1, 1958, as amended (72 Stat. 276), is further amended by adding a new section as follows:

"'SEC. 2. There is hereby authorized to be appropriated for the fiscal year beginning July 1, 1962, and for each of the four fiscal years thereafter, such sums as may be necessary to enable the Secretary of Agriculture, under such rules and regulations as he may deem in the public interest, to encourage consumption of fluid milk by children in the United States in (1) nonprofit schools of high school grade and under, and (2) nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. For the purposes of this Act, "United States" means the 50 States and the District of Columbia.'

"SEC. 403. Section 202 of the Agricultural Act of 1949, as amended, is amended by striking the phrase 'December 31, 1961' each place it appears therein and inserting in lieu thereof the phrase 'December 31, 1964'."

And the House agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
CARL ALBERT,
PAUL C. JONES,
CHARLES B. HOEVEN,
PAGE BELCHER,
ALBERT H. QUIE,
Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
JAMES O. EASTLAND,
GEORGE D. AIKEN,
MILTON R. YOUNG,
BOURKE B. HICKENLOOPER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill S. 1643, to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefore, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

Both S. 1643 and H.R. 8230 contain four titles. Title I deals with: (A) consultations with farmers in the development of agricultural programs; (B) 1962 Wheat Program; (C) 1962 Feed Grains Program; (D) amendments to the Agricultural Marketing Agreement Act of 1937; and (E) extension of the Wool Act of 1954. Title II deals with the extension and amendment of Public Law 480, The Agricultural Trade Development and Assistance Act. Title III deals with the consolidation and simplification of the agricultural credit laws administered by the Farmers Home Administration. Title IV deals with an extension of the Great Plains Conservation Program, and an extension of the special milk programs for children, the Armed Forces and veterans dairy program.

The House amendment struck out all after the enacting clause of the Senate bill and substituted the language of H.R. 8230 as passed by the House. The Committee of Conference has agreed upon a substitute to the House amendment which contains most of the provisions of the House bill. Following are the major provisions of each Title of the Conference substitute with an indication of the Conference Committee action:

Declaration of Policy: (Language of House bill accepted by Conference.)

TITLE I—SUPPLY AND PRICE STABILIZATION

Subtitle (A)—Consultation on Agricultural Programs: Provides authority for consulting and advising with farmers and farm and commodity organizations in developing agricultural programs. (Senate bill language accepted in lieu of House language on formulation of commodity programs.)

Subtitle (B)—1962 Wheat Program:

(1) A mandatory reduction of ten percent in wheat acreage and offers incentives for producers to reduce their acreage voluntarily another thirty percent to a maximum forty percent acreage curtailment on individual farms. A producer could retire up to forty percent of his allotment or ten acres, whichever is greater, and receive payment for such diversion. (The House bill provided for retirement up to forty percent or fifteen acres,

whichever is greater. The Senate did not have the fifteen-acre land retirement provision. The conferees accepted the House language but changed the fifteen acres to ten.)

Secretary of Agriculture Freeman has stated that "under such a program it would be our judgment that the support price (for wheat) should be fixed at a national average of $2 a bushel." This would be 83½ percent of parity. The support this year is $1.79 or 75 percent of parity.

(2) An exemption from marketing quotas limited to 13.5 acres per farm or the highest acreage planted for harvest in 1959, 1960 or 1961. The present exemption is fifteen acres. (House and Senate bills both carried this provision.)

(3) Price support limited to producers who do not exceed their reduced 1962 acreage allotment and who divert an acreage at least equal to ten percent of their previous acreage allotment to conservation uses, with payments in cash or in kind on up to forty-five percent of normal production for such diversion. (The Senate provided forty percent payments on the ten percent reduction, the House fifty percent. The conferees agreed upon forty-five percent. On diversion to conservation uses of the land affected by the compulsory ten percent reduction in acreage, the conferees accepted the language of the Senate bill which had been stricken by an amendment to the House bill. The House action would have had the effect of permitting producers to plant any other crops except crops under allotments on the ten percent of the wheat acreage they were required to retire, if they elected to forego their payments for retirement of such acreage.)

(4) Payments in cash or in kind up to sixty percent on normal production on wheat acres voluntarily removed from production above the mandatory ten percent diversion. (The Senate provided payments of fifty percent, the House sixty percent. The House figure was accepted by the conferees.)

(5) Authority for producers to plant castor beans, guar, sunflower, safflower, or sesame, if designated by the Secretary, subject to the conditions that no payment shall be made with respect to diverted acreage devoted to any such commodity. (The conferees accepted the House language but added guar to the list of crops which might be planted on diverted acres under such conditions.)

(6) Increases the marketing penalty from forty-five to sixty-five percent of parity price and establishes stricter computation of amount subject to penalty, in cases of noncompliance with allotments. (Both bills contained this provision.)

(7) Provides that where producers can prove their 1959 and 1960 acreage and yields, these figures shall be accepted.

(8) Authority for 3 years, beginning with 1962, for the Secretary to increase durum wheat acreage allotments if the supply warrants. No export subsidies on durum if acreage is increased. (Both bills had versions of this provision.)

Subtitle C—1962 Feed Grains Program:

(1) A voluntary retirement of acreage previously devoted to corn, grain sorghum, and barley. The 1962 program would add barley to the grain program in operation for corn and grain sorghum in 1961. A special exemption is provided for producers of malting barley. (These provisions generally were similar in Senate and House bills. The Senate language on malting barley was accepted, with an amendment limiting price supports to producers who do not exceed 110 percent of their 1959–60 average acreage.)

(2) Payments to producers on retired acreage up to fifty percent of the normal value of production on these acres, at the current support rate, for the first twenty percent of the corn, grain sorghum, and barley acres retired to a conservation use, and payment up to sixty percent of the normal value of production on land retired above twenty percent of the previous acreage in these crops. Any producer may place a minimum of twenty acres of cropland in conservation use and receive payments.

(3) A price support level determined at the discretion of the Secretary of Agriculture, but not less than sixty-five percent of parity. Under similar provision in the 1961 program the Secretary set the support of corn at $1.20 a bushel or 74 percent of parity, and grain sorghum at $1.93 a hundredweight or 78 percent of parity. The corn support in 1960 was $1.06 and grain sorghum, $1.52.

(4) As a condition of eligibility for price support a producer of corn, grain sorghum or barley (except as provided for malting barley) must participate in the acreage reduction program for these crops in 1962, to the extent prescribed by the Secretary. To be in compliance with the program, a producer of corn or grain must not increase his acreage of barley and a producer of barley must not increase his acreage of corn or grain sorghum.

(5) Omits a provision in the House bill which would have denied ACP assistance to draining wetlands, if the Secretary of the Interior had determined that such drainage would be injurious to wildlife.

Subtitle (D)—Marketing Orders:

(1) Adds to the Agricultural Marketing Agreement Act of 1937, peanuts by areas of production, turkeys and turkey hatching eggs, cherries and cranberries for canning or freezing; and also adds apples, both fresh and for canning and freezing (and products except canned or frozen products are covered) in Michigan, New York, New England, Maryland, New Jersey, Indiana, and California. The provision relating to peanuts requires that if any orders are developed for peanuts, each of such orders shall be limited to peanuts produced in one of the areas named in the bill. Tobacco would remain in the list of commodities where producers, if they wish, could develop marketing orders. Soybeans are deleted from this list. (The Senate language was followed generally in this section. Chicken hatching eggs were in the Senate bill but were dropped by the conferees.)

(2) Requires processors representing over fifty percent of the volume of cranberries, cherries, and apples for canning or freezing to approve any marketing order, as well as producers, before it can become effective.

(3) Also includes Senate provisions: (a) amending the above-parity provision of the Act to prevent termination of orders prior to the end of the marketing season; (b) changes the civil penalty provision to aid enforcement by reducing the penalty and dropping "willful"; (c) permits orders for groups or portions of commodities; (d) requires referendums for initial orders and that the ballot describe the order; and (e) provides for processor referendums in cases where processor approval is required.

(4) Adds to the commodities subject to import regulation under Section 8e, when marketing orders are in effect on the same commodities in the United States, oranges, onions, walnuts, and dates except dates for processing. The House bill would have extended the provisions of this subsection to cover all agricultural commodities for which marketing orders are in effect whereas the Senate bill added no new commodities to this subsection.

Subtitle (E)—Wool: Extends the National Wool Act for four years to March 31, 1966. (The Senate bill provided a three-year extension, the House bill five years.)

TITLE II—EXTENSION AND AMENDMENT OF PUBLIC LAW 480 (AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT)

(1) Amends Title I (Sales of Commodities for Foreign Currencies) of Public Law 480 to—

(a) Extend title for 3 years.

(b) Establish a limitation of $4.5 billion on disposal of surpluses under Title I agreements for a 3-year period and an annual limit of $2.5 billion. The House bill placed no dollar limitation on such sales but contained a provision requiring an advance notice to the appropriate committees of the provisions of all agreements involving commodities valued at more than five billion dollars.

(c) Authorize the use of foreign currencies for dollar sales to American tourists.

(d) Improve the agricultural market development activities in foreign nations by setting aside five percent of the foreign currencies acquired each year to this purpose and by requiring that not less than two percent of the foreign currency sales proceeds be convertible into the currencies of other foreign nations as the Secretary of Agriculture deems necessary to improve overall U.S. market development activities.

(2) Amends Title II (food donations to relieve distress among friendly peoples) to—

(a) Extend Title II for three years through December 31, 1964.

(b) Extend authority for economic development for three years through December 31, 1964.

(c) Continue present authorization of $300 million per year, plus carryover.

(d) Make annual limitation applicable to amount programed rather than amount spent.

(3) Makes no change in Title IV of Public Law 480 (authorizing sale of surplus commodities on long-term credit). The Senate and House bills were sharply different on proposed amendments to Title IV and the Committee of Conference believes that amendment of this Title should be deferred until the House and Senate Agriculture Committees have had an opportunity to devote further study to the matter. The House conferees point out, however, that the interest rate stipulated in Title IV was intended as a maximum and urge the Secretary to make such reductions in the rate as may be necessary to move commodities out of storage, where they are now costing annually as much as 25 percent of their value.

(4) The Conference Committee specifically approved and reiterated the statement of policy with respect to Public Law 480 which appeared in the House Report (Report No. 754) on the House bill (H.R. 8230). Following is the text of this statement of policy.

"STATEMENT OF POLICY

"Title II of H.R. 8230 amends and extends the Agricultural Trade Development and Assistance Act, commonly known as Public Law 480. The general character of the amendments is to reemphasize this committee's consistent position that whatever may be the collateral benefits to be derived from the operation of Public Law 480 (and the committee recognizes that they are many) the basic purpose of the statute is that of an adjunct to our domestic agricultural programs to provide an orderly and beneficial means of disposing of commodities which are acquired by the Commodity Credit Corporation pursuant to its statutory price support operation or are designated as surplus by the Secretary of Agriculture as part of his statutory obligation of carrying out agricultural stabilization programs.

"Since it is the assets of the Commodity Credit Corporation which are involved in every operation under Public Law 480, it

seems clear to this committee that the basic responsibility for handling those assets is and must remain with the officer of government, the Secretary of Agriculture, who has the responsibility and obligation of managing and accounting for those assets.

"This does not mean that these assets of the CCC and the programs derived from their use cannot be potent instruments of our national policy throughout the world. The production of American farms, through the Marshall plan and subsequent programs, saved a large part of Europe from communism following World War II. This productivity of our agriculture is today the greatest single stabilizing influence in the economy of the free world.

"If there is any single field of endeavor where American superiority over the Communist world is clearly apparent it is in the field of agriculture. Even today with all of the accomplishments the Russians are demonstrating in astronautics, both Russia and Red China are unable to feed themselves adequately and are turning to the free world for food supplies. It seems to this committee that the citizens of a developing nation, if given a proper choice, would far rather cast his lot with a nation which has demonstrated it knows how to produce food in abundance than with a nation that might be able to shoot him around the world in a rocket. The committee hopes that our abundant food supplies will be used wherever possible to help demonstrate this basic contrast.

"The record of the committee with respect to authorizations for Public Law 480 will show that it has never hesitated to make available all of the assets of the CCC which the executive branch has requested for use in effectuating our international policy. At the same time the committee does not want the direct benefits to the American people and particularly to the American taxpayer to be overlooked in favor of the indirect benefits which may flow from the use of our food supplies in the international field.

"One of the basic objectives to be kept in mind in this program is the development of future commercial markets for American agricultural commodities. Every program that is undertaken under Public Law 480 should be geared to this objective and should be carried on in a form that will have greatest possibility of future commercial market development. There should also constantly be borne in mind the policy that disposal of our agricultural surplus should always be made in the manner which will give the greatest practicable return to the United States and to the Commodity Credit Corporation.

"In this connection, the committee expresses its disappointment that those delegated the authority of making purchases of sugar throughout the world to replace the quota withdrawn from Cuba have not made such purchases the basis of additional sales of American agricultural commodities, as they were directed by law to do. In spite of the clear directive in the law that 'special consideration' should be given to those countries which agreed to purchase our agricultural commodities in return for our purchase of their sugar, not one dollar's worth of agricultural commodities have been sold in return for our purchase of more than a million tons of such sugar and specific offers to make such transactions have been refused.

"With respect to Public Law 480 and other forms of export the committee believes and intends that the following order of priority should govern our sales and other disposal of agricultural products: 1. Sales for cash dollars. 2. Sales for short-term dollar credit. 3. Barter for strategic and other material. 4. Sales on long-term dollar credit under title IV. 5. Sales for foreign currency. 6. Donations.

"The committee believes that rather than emphasizing one program to the exclusion of all others with respect to a particular country, there are many instances where the most appropriate type of transaction will involve several of the available methods of disposing of these commodities. It is gratified to know that the Department of Agriculture has taken steps to coordinate all disposal programs into a single agency where a representative of a foreign government or a potential foreign purchaser can sit down and talk to the same individual about cash purchases, dollar credit, barter, purchases for local currency, and donations.

"The Commodity Credit Corporation is the largest owner, buyer, and seller of agricultural commodities in the world. The fundamental differences between the functions of Government carried out in its proprietary capacity (such as commercial sales of Commodity Credit Corporation stocks) and disposal operations conducted in the furtherance of foreign policy objectives, must be recognized. With respect to the former, there is no reason or occasion for subordinating the judgment or discretion of the Secretary of Agriculture to that of other agencies of Government.

"In the case of disposal operations involving government-to-government arrangements in furtherance of foreign policy objectives, there needs to be interagency coordination. But even in these instances, the judgment of the Secretary of Agriculture should be given full effect except to the extent that overriding foreign policy considerations require otherwise. In such instances these objectives should be clearly defined so that the cost of such operations cannot be fairly assessed against or charged to agriculture. The committee is insistent that the primary responsibility for programs under Public Law 480 must remain in the Department of Agriculture, but it recognizes the need as referred to above for the coordination of these programs with the policies of the State Department including ICA, USIA, and others. In view of the foregoing the committee looks with favor upon the effort made by the President to coordinate the various interests involving foreign policy consideration at the White House level."

(5) Exchange of Sugar for Surplus Agricultural Commodities:

The Committee of Conference deplores the fact that the responsible Departments of the Government have not taken the opportunity in purchasing ex-quota sugar (that bought from nonquota countries as the result of withdrawal of the Cuban quota) to sell additional quantities of agricultural commodities.

In the law extending the Sugar Act from March 31, 1961, to June 30, 1962, Congress provided that "special consideration" in the purchase of ex-quota sugar should be given to those countries purchasing U.S. agricultural commodities. In spite of this requirement, not one pound of surplus commodities has been sold under this provision.

Authority to administer this provision of law was delegated by the President to the Secretary of Agriculture in Proclamation Number 3401 in these words:

"Do hereby continue the delegation to the Secretary of Agriculture of the authority vested in the President by Section 408(b)(2) and Section 408(b)(3) of the Sugar Act of 1948, as amended, such authority to be continued to be exercised with the concurrence of the Secretary of State."

In spite of this clear delegation of authority, the Department of Agriculture did not establish any regular procedures or method for receiving proposals to exchange sugar for agricultural commodities and it appears that the part played by the Department of State has been substantially larger than the "concurrence" required by the President.

In testimony before the House Agriculture Committee, an Assistant Secretary of State asserted that he did not agree with the directive of Congress with respect to the exchange of sugar for agricultural commodities, that he considered this to be poor policy, and assumed full responsibility for turning down specific proposals for such an exchange which have been made by delegations from foreign countries.

This position was reiterated by another Assistant Secretary of State in a letter to a Member of Congress in which he said: "From the foregoing considerations, it was decided that proposals to make allocations of sugar quotas conditional, upon purchases of surplus wheat or other commodities or products would complicate administration of the sugar program and would be contrary to sound commercial trade policy. This view was made known to officials of the Brazilian Government when they requested a discussion of the matter."

Obviously some subordinate officials in the Department of State not only frown upon the clear intent and meaning of legislation which has been enacted by Congress, but arrogantly and deliberately refuse to execute the laws enacted as Congress has clearly indicated such laws should be administered.

While these officials and representatives of the Executive Branch of the Government might not be guilty of malfeasance they very well may be guilty of misfeasance of office.

Apparently every roadblock that can possibly be arranged and devised has been provided to obstruct and to delay the disposition of surplus agricultural commodities except for foreign currencies. Certainly strategic materials vital in our own economy are worth far more to our Government, in exchange for our agricultural commodities, than are foreign currencies of doubtful value. We still need many strategic materials in our stockpiles, yet those who are administering our programs seem to prefer stockpiles of these currencies of doubtful value which have accumulated and are being accumulated in many nations around the world.

If these programs which Congress has initiated and authorized are not honestly and fairly administered and executed, only representatives of the Executive Branch of the Government can be blamed. In no one of these programs has Congress written mandatory provisions, but on many occasions Congress has indicated that strategic materials, or sales for dollars or dollar credit, are to be preferred to sales for foreign currency. Notwithstanding we continue to accumulate these currencies instead of strategic and vital materials. If some drastic action is not taken by the Executive Branch of the Government the disposal of our agricultural commodities will be retarded and the taxpayers will bear the burden of the storage costs involved.

TITLE III—AGRICULTURAL CREDIT

(1) Real estate loans:

(a) To persons who are or will become owner-operators of not larger than family farms. (The House bill had included holders of fractional interests if all owners joined in the mortgage).

(b) Available to all farm owners and tenants for soil and water conservation measures.

(c) May be made to certain nonprofit associations for soil and water conservation, drainage, and flood control, with an insured loan limit of $1,000,000 and a direct loan limit of $500,000. (The House bill had an insured loan limit of $2.5 million.)

(d) Sets the limit on loans to individuals for land acquisition at $60,000. (The Senate bill had no such limit.)

(e) Both insured and direct loans may be made up to 100 percent of normal value of the farm.

(f) Provides interest rate of not to exceed five percent plus fees. Out of five percent paid by insured loan borrowers, one-half of one percent to go to insurance fund and one-half of one percent now used for ad-

ministrative expenses could go to the lender as additional interest.

(g) In determining eligibility for real estate loans the Secretary must consider prevailing private and cooperative interest rates in the community and must determine that the applicant is a U.S. citizen, has farm background and either training or experience and is or will become a family farm owner-operator.

(2) Operating loans.

(a) Increases loan limit from $20,000 to $35,000, and limits term of loan to 7 years. (The House bill had provided $30,000 and 10 years.) Not more than twenty-five percent of the annual appropriation can be used to create borrower indebtedness in excess of $15,000.

(c) Authorizes participation loans up to eighty percent with private lenders.

(d) Provides interest rate of not to exceed five percent.

(e) Authorizes loans to soil conservation districts which are unable to obtain necessary credit elsewhere on reasonable terms and conditions, to purchase farm equipment customarily used for soil conservation purposes. Single loans are limited to $35,000 outstanding indebtedness and total loans cannot exceed $500,000 in any one year.

(f) In determining eligibility for operating loans the Secretary must consider prevailing interest rates in the local community and must determine that the applicant is a U.S. citizen, has farm background and either training or experience and is or will become a family farm owner-operator.

(3) Emergency loans:

(a) Authorized in areas suffering from natural disaster conditions. (The House bill has also provided for loans in an "economic emergency.")

(b) Provides interest rate of not to exceed three percent under terms applicable to regular real estate or operating loans.

(c) In determining eligibility for emergency loans the Secretary must consider any established farmer or rancher or citizen of the United States or a private domestic corporation or partnership engaged primarily in farming or ranching in designated areas with experience and resources sufficient for probable successful operation, and persons or corporations outside designated areas who have suffered severe production losses not general to the area.

TITLE IV—GENERAL

Contains the following provisions:

(1) Extension of Great Plains conservation program to December 31, 1971.

(2) Extension of the school milk program for five years through June 30, 1967, with the House provision requiring annual appropriations.

(3) Extension of the veterans and Armed Forces dairy programs for three years through December 31, 1964.

(4) Omits a House provision which would have made additional State and local penal and correctional institutions eligible for donation of surplus foods.

(5) Omits the Senate provision relating to Cooperatives for the reason that the Committee of Conference considers the Senate language to be unnecessary and a mere restatement of existing law.

The Committee of Conference hereby reaffirms, consistent with the policy embodied in the Capper-Volstead Act, the Cooperative Marketing Act of 1962, the Agricultural Marketing Act of 1929, as amended, the Farm Credit Act of 1933, as amended, and related legislation, the national policy of aiding and encouraging the organization, operation, and sound growth of farmer cooperatives to the end that the farmers of the Nation may through group action conduct their business operations effectively to obtain a fair share of the Nation's income.

The Committee of Conference construes existing provision of law to mean that two or more cooperative associations, as defined in the Agricultural Marketing Act of 1929, as amended, may act jointly in a federation of such cooperative associations, or through agencies in common, in performing those acts which farmers acting together in one such association may lawfully perform.

HAROLD D. COOLEY,
W. R. POAGE,
CARL ALBERT,
PAUL C. JONES,
CHARLES B. HOEVEN,
PAGE BELCHER,
ALBERT H. QUIE,
Managers on the Part of the House.

Mr. COOLEY. Mr. Speaker, before presenting this conference report, I want to compliment and to commend the members of the staff of the House Committee on Agriculture, Mr. John Heimburger, Mr. Frank LeMay, Mr. Hyde Murray, and Mrs. Christine Gallagher, for the splendid work they have done. These four members of our staff have been with us through all the hearings, both the open hearings, the hearings in executive sessions, and the many conferences which have been held. They stayed with us through the long hours of the conference. Under my direction they prepared the conference report. We ended our labors at midnight last night, but they remained on duty until about 2 o'clock this morning.

Not only did these members of our professional staff perform the duties assigned to them, but the other members of our staff, the stenographic helpers, also worked long hours in the preparation of this report. I am certain that all the members of our great committee will join with me in thanking them for their splendid efforts.

Mr. Speaker, this long and hard fight for farm legislation started several months ago. I realized even before I introduced the administration's bill that it would become highly controversial. At the same time, I appreciated the fact that both our great President and our distinguished Secretary of Agriculture were prompted by the purest of motives when the bill was prepared and presented. While our committee was not willing to accept all of the recommendations of the President and the Secretary of Agriculture, I for one believe that we have saved just about all of the constructive provisions of the original bill. We eliminated most of the highly controversial provisions, and we now present the conference report which, if approved will provide programs, constructive programs, which will prove to be in the interest and welfare of all of the people of our Nation.

The bill in the final form now presented is not only good for producers, but it is likewise good for consumers and taxpayers. We believe that the programs provided by the legislation now under consideration will result in great financial savings to the taxpayers of the country. These programs will provide an abundance of food and fiber for the consumers of America. These programs will bring about a stability in the income of the agricultural producers of America.

All legislation is the result of compromise—and give and take. When the bill was first before the House, I agreed to accept and to take to conference certain amendments, and I assured the Members of the House that I would do the best I could to prevail upon Senate conferees to accept our bill and all House amendments thereto. That pledge I tried to keep, and I can assure you that all of the House conferees stood with me in my efforts to protect the House bill and all of the amendments here adopted. We were not completely successful in our efforts, but we did the best we could.

Here now is presented the finished product of our deliberations. We hope that this conference report, as presented, will be accepted.

Because the bill contains so many provisions and provides so many programs, we have worked through subcommittees in the preparation and presentation of the Agricultural Act of 1961. I am certain, therefore, that we shall be able to answer any questions which might be propounded concerning any of the provisions of this omnibus agriculture bill.

Mr. BROWN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN. For some time we have had before this body on different occasions legislation dealing with the question of including under marketing orders American-raised dates; there has been some opposition to that type of legislation because of the fact that for many obvious reasons it has been necessary for the cake-mix, cookie, and other industries in this country to import dates from abroad.

I am happy to see that evidently your committee has worked out a very, very satisfactory compromise of that issue.

Mr. Speaker, I would like to refer, if I may for just a moment, to ask the chairman of the committee a question. I note on page 12, section 8e, as you have amended it, dealing with the Marketing Act, you do include dates and other commodities such as walnuts under the Marketing Act, giving certain authority to the Secretary of Agriculture to expand it, but you have written in there words "other than dates for processing" which, if I understand the language correctly and understand the intent of the conferees, means that imported dates that are brought into this country to be processed into food material, mixes, and so forth, will not come under the control of the Secretary of Agriculture's Marketing Act; is that correct?

Mr. COOLEY. The gentleman is entirely correct. The dates that come in for processing, that go into the manufacture of some food product, would not be affected by any provision of this bill.

Mr. BROWN. Your understanding, then, is the same as mine—that the words "for processing" mean the same thing as "manufactured"?

Mr. COOLEY. Yes; the same as "manufactured."

Mr. BROWN. I thank the gentleman. I have asked this question in order to fix the legislative history, and also legislative intent, in case there is any question.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. Yes; I am glad to yield to my colleague, the ranking minority member on the committee, and see if he concurs in what I have just said.

Mr. HOEVEN. Exactly; and I support the conference report.

Mr. BROWN. Mr. Speaker, if the gentleman will yield further, the word "processing" means "manufacture"?

Mr. HOEVEN. That is the intention of the conferees.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. While we, of course, accept the statement of the distinguished gentleman from North Carolina, the chairman of this great committee, I regret that we have not had an opportunity to study this conference report. It has just been made available, and it was included in the RECORD only this morning. I regret that we have not had an opportunity to fully understand what has been incorporated in it, although I want to say that I accept the gentleman's word.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from California.

Mr. SISK. I should like to have one further clarification with relation to what the gentleman from Ohio [Mr. BROWN] said about dates. As I understand, the exception has to do with dates for manufacturing purposes only. I ask this in order to get a definition of the word "processing," because I would like to make sure that dates for sale in packages are covered. But we are talking about those dates only which will be ground up or cut up or in some manner used in baking or preparing other commodities of that type. Is that correct?

Mr. COOLEY. I think the gentleman is correct. Let me make this statement:

In referring to "dates for processing" the conference committee intended to distinguish between dates which are used in manufacturing cookies, candy, and other such products and dates which are sold as dates to consumers.

It is our understanding that virtually all imported dates are brought in in packages weighing about 70 pounds in which the dates are packed in a homogeneous mass. Before the dates are distributed to retail stores and other places for sale as dates it is our understanding that they are steamed and otherwise prepared for packing into retail containers. It may be that some of the dates which are used in manufacturing cookies and candy are also subjected to this steaming and handling process but it is not this process that the bill refers to.

The processing referred to in the bill is the processing of the dates into other commodities such as cookies or candy. Those which are used for this purpose will not be subject to the quality and grade regulations which will be established by the Secretary of Agriculture under the bill. Those which are used for sale as dates to consumers will be subject to such regulations.

Mr. SISK. I thank the gentleman.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. HOEVEN. Because of certain pending litigation, a number of members of the Committee on Agriculture, including myself, have been very concerned about some language that appeared in our House committee report on the omnibus farm bill. I would like to ask the chairman for a clarification of this language.

At page 50 of the House Report No. 754 on H.R. 8230, the following statement appears:

> In the case of milk orders, compensatory payments to the pool may be required on milk not subject to the minimum pricing and pooling provisions of the order to prevent such milk from having an unfair competitive advantage over priced milk and impairing the effective operation of such provisions.

I would like to know if the committee intended this language to be a statement of policy on behalf of the committee or merely a description of how the Department of Agriculture has in the past been administering Federal milk marketing orders?

Mr. COOLEY. Mr. Speaker, in response to the gentleman's question let me say that the sentence to which he refers on page 50 of the committee report on H.R. 8230 is not to be regarded as a statement of policy on the part of the committee nor as any interpretation by the committee of the construction of existing law.

If the gentleman will look on page 49 of the committee report he will see that the sentence referred to occurs in a section of the report entitled "General Background." This background material was prepared for the committee by the Department of Agriculture in order to give those who might not be entirely familiar with the operation of the Marketing Agreement Act some background information on this act and the manner in which it is administered by the Department. This part of the report, therefore, has no significance other than that of a general statement about the present operation of the act.

Insofar as this whole section of the report is concerned, therefore, it is merely a statement of the manner in which the Agricultural Marketing Agreement Act is now operating and no part of it should be construed as either a declaration of the committee's intent with respect to such operations nor as construction of the meaning of any part of the existing law.

Mr. HOEVEN. I am happy to concur with the gentleman from North Carolina. That is my understanding, too.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. JOHNSON].

Mr. ANDERSEN of Minnesota. Mr. Speaker, I make the point of order that a quorum is not present. Evidently I cannot secure the attention of the gentleman from North Carolina so that he will yield to me. I have been on my feet for some time asking him to yield.

Mr. COOLEY. I will yield to the gentleman after I have yielded to members of the committee.

Mr. ANDERSEN of Minnesota. If the gentleman will yield to me, I will withdraw the point of order.

Mr. COOLEY. I am yielding to everybody I can. I am yielding to members of the committee first.

Mr. ANDERSEN of Minnesota. Then I renew my point of order, Mr. Speaker.

Mr. COOLEY. Make the point of order. I will not yield to the gentleman under such circumstances.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

CALL OF THE HOUSE

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 129]

Blatnik	Harrison, Va.	Pfost
Blitch	Harvey, Mich.	Pilcher
Bow	Healey	Powell
Buckley	Hébert	Quie
Cannon	Kearns	Rabaut
Cederberg	Kelly	Rhodes, Ariz.
Cramer	Keogh	Roberts
Curtis, Mass.	McSween	Santangelo
Davis, John W.	Macdonald	Scherer
Dawson	Mailliard	Shelley
Dooley	Mason	Teague, Tex.
Flynt	Miller, Clem	Thompson, N.J.
Gallagher	Miller, N.Y.	Weis
Gray	Morse	Wilson, Calif.
Hardy	Norrell	Zelenko

The SPEAKER pro tempore (Mr. PRICE). On this rollcall, 390 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AGRICULTURAL ACT OF 1961

The SPEAKER pro tempore. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a telegram.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I have a question to ask of the gentleman from North Carolina, the chairman of our committee. The same question was asked by Mr. HOEVEN. I have received two telegrams from the attorney general of Wisconsin, Mr. John Reynolds, and the deputy attorney general of Minnesota, Mr. Sydney Berde. The telegram reads as follows:

> Your attention is called to House Report No. 754 to accompany H.R. 8230, dated July 22, 1961. On page 50 the report says that in the case of milk orders compensatory payments may be required on unpooled milk. This statement contrary to the act was neither debated nor considered and is opposed by midwestern dairy interests in the manner now administered by Dairy Branch. Decision of Federal circuit courts

contrary to the statement in the report. Question is now in the U.S. Supreme Court and will be heard this fall. Urgent action requested to remove statement from conference report. Same statement appears at page 38 of Senate Report No. 566 to accompany S. 1643.

The statement you just read to Mr. HOEVEN applies to this language also; is that right?

Mr. COOLEY. I think the gentleman is right; yes.

Mr. JOHNSON of Wisconsin. I thank the gentleman.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Speaker, we present to you a unanimous conference report on the omnibus farm bill. The conference report at best is only a skeleton of H.R. 6400, the original administration bill. Aside from the wheat section, what remains are mainly extensions and revisions of present laws. I think I should say in defense of the Committee on Agriculture and the conference committee that we have devoted a lot of time and effort to bringing this matter to a head in the form of a conference report.

There has been some criticism because the conference report was not available until this morning. I think that is understandable when I tell you that the conference committee sat in three long sessions, and as late as 9:15 last evening in an attempt to formulate this conference report and present it today. I am sure we are all interested in adjourning this session of the Congress as soon as possible, and so it is by way of trying to expedite the public business that this conference report is presented to you at this time.

In my humble judgment the conference report is much better than either H.R. 8230 or S. 1643 which passed the House only a few days ago. In the revision of my remarks I shall set out a complete list of everything that is in the bill and what has been taken out, so there will be no misunderstanding as to what is in the report.

The conferees have retained the policy statement which was incorporated in the House bill. This policy statement carries the so-called Latta amendment, which prohibits the exporting of subsidized agricultural commodities to any nations except friendly nations, a provision which is very timely and proper at this particular period in our Nation's history.

The bill provides for a 1-year wheat bill, which is really the only new feature in the report.

The report provides for a 1-year extension of the feed grain bill with one significant change, which I want to call to the attention of the Members of the House from the feed grain areas. We have had a lot of complaints about the determination of yields and acreage, so we have written the following provision into the bill:

The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage crop rotation practices, type of soil, soil and water conservation measures, and topography.

And this significant provision:

To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations.

So the burden of proof, as to yields, is on the farmer. If he can prove his particular yield, that will govern.

Further, some additions have been made in the marketing orders provision, including cherries, cranberries, turkeys, and turkey eggs. Chickens and hatching eggs are out. Apples of certain varieties are included. Peanuts are included on a regional basis to be determined by the particular regions involved. Soybeans are out. Oranges, walnuts, and dates, other than dates for processing, are included.

The conference report extends the Wool Act for 4 years. Let me say in passing that I think we have done a significant thing in limiting some of these permanent programs. The Wool Act is one of them. The conferees felt that the Congress should have the privilege and the prerogative of reviewing these programs every so often.

Public Law 480 is the section which deals with the disposal of surplus agricultural commodities. It is a law which is working out very well. I particularly regret the elimination of part of section 201 of title II regarding review of agreements over $5 million. I thought this was a very valuable provision in the bill, which would permit the Committee on Agriculture and the appropriate committee in the Senate to review any agreement in excess of $5 million.

Again, let me warn the House of Representatives that Public Law 480, which is within the jurisdiction of the Committee on Agriculture, is gradually being taken over in its administration by the State Department. We have constantly been fighting that trend. The elimination of this most important feature is another indication that the State Department is running the show.

If the Department of State wants to administer Public Law 480, let us surrender all of our rights and authority over to them, but let us not permit them to take over the way they have been doing.

Mr. ANDERSEN of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. I think the conferees have done a splendid job, especially in the determination of what a farmer shall have for his base under the feed grains section. I think also the conferees have done a splendid job in not agreeing to the inclusion of the so-called Reuss amendment which is simply a duck hunter's paradise at the expense of the small farmers in my area of Minnesota as well as in areas in South Dakota. The gentleman from Iowa is to be commended for his fine work for the farmers of the Midwest.

Mr. HOEVEN. I thank the gentleman for his contribution. May I also say in reply, I am satisfied that the new provision in the feed-grains section I referred to is going to result in more land being taken out of production.

Another provision of the conference report relates to agricultural credit, a nonpartisan, bipartisan effort which has been fully agreed upon.

The extension of the Great Plains conservation program for 10 years is also included.

The extension of the school milk program for 5 years is most important and let us not forget that. It is a very popular program.

The extension of veterans and Armed Forces dairy program for 3 years is also included.

The section relating to cooperators was completely eliminated. The conferees felt this provision was not necessary and that the provision was only a restatement of present law. However, I refer you to the report in this regard which specifically points out the conference position.

Section 404 regarding surplus food distribution to correctional institutions was eliminated from the bill.

A section of the marketing order which has created a lot of controversy relating to the so-called checkoff system for marketing research and advertising and so forth was completely eliminated from the bill.

So what we have left is a statement of policy which is not controversial.

The wheat bill, for 1 year. At least this is an attempt to do something about the wheat surplus problem.

Secondly, an extension of the feed-grains program, much revised and much more acceptable to the feed-grain areas of this country which, in my judgment, will result in more land being taken out of production.

Certain additions to the marketing orders.

The extension of the Wool Act.

The extension of Public Law 480.

The agricultural credit section.

Extension of Great Plains conservation program for 10 years.

Extension of the school milk program for 5 years.

Extension of veterans and Armed Forces dairy program for 3 years.

With the most controversial provisions eliminated from the bill. It has been cut down to size and should be acceptable to most Members.

In order that there may be no misunderstanding as to the major provisions in the conference report, I submit the following list of major provisions of conference report on S. 1643:

First. Declaration of policy: Accepted the House version which includes an expression of congressional intent that the administration shall in no manner either subsidize the export, sell, or make available any subsidized agricultural commodity to Soviet Russia or nations or areas dominated or controlled by communism.

Second. Formulation of new policies: Accepted the Senate version which authorizes the Secretary of Agriculture to

consult with farmers, farm organizations, commodity organizations, handlers, processors, consumers and others in the formulation of new farm programs. Any new program must be submitted to Congress for action in the traditional and constitutional manner.

Third. Wheat:

(a) Payment rates: Established payment rates of 45 percent of the farm average yield for the first mandatory 10-percent cut in wheat acreage and set the payment rate at 60 percent for the second voluntary 30-percent cut in wheat acreage. The Senate bill had provided for 40- to 50-percent rates, and the House bill had provided for 50 to 60 percent.

(b) Cross-compliance: Accepted Senate language in regard to cross-compliance for wheat producers. The amendment by Mr. BATTIN, of Montana, adopted on the House floor, was deleted by the conference.

(c) New farms: The conference accepted the House provision preventing farmers who receive a new farm allotment in 1962 from participating in the land retirement program in 1962.

(d) Guar: Conference accepted Senate provision which will allow wheat farmers to raise guar on acres diverted from wheat in lieu of payments—along with safflower, sunflower, sesame, and castor beans.

(e) Jennings amendment: Conference modified the Jennings amendment to allow small wheat farmers to place up to 10 acres into the special land retirement program in 1962. The House bill allowed these farmers to retire 15 acres. The Senate limited participation to 40 percent of the producer's allotment or planting.

(f) Durum wheat: Included a provision which will be effective for the next 3 years allowing the Secretary to increase the Durum wheat allotments in certain States, if the supply situation so requires. The conferees added a further restriction that if this special authority is used by the Secretary the export subsidy would have to be removed. The House bill was for 1962 only, the Senate bill was permanent.

Fourth. Feed grains:

(a) Wetland drainage: The conference struck from the House bill a provision adopted as an amendment by Mr. REUSS, of Wisconsin, which would have dealt with wetland drainage. There was no comparable provision in the Senate bill.

(b) Malting barley: The conferees accepted the modified version of the Senate provision on malting barley, allowing the production of up to 110 percent of the 1959–60 average farm acreage of barley.

(c) Escape clause: Accepted the Senate amendment which authorizes the Secretary to limit participation in the 1962 program due to emergencies or shortages of feed grains.

Fifth. Marketing orders:

(a) The following commodities are included in the conference bill: Cherries for canning or freezing, cranberries for canning or freezing, and apples both fresh and for canning or freezing in 12 States—New York, New Jersey, Maryland, Michigan, California, Indiana, Maine, Massachusetts, Rhode Island, Connecticut, New Hampshire, and Vermont—turkeys, turkey hatching eggs, tobacco, peanuts in three production areas—Southeast, Southwest, and Virginia-Carolina—and all commodities except those specifically excluded.

(b) The following commodities are specifically excluded from the conference bill: Chicken eggs for hatching, soybeans, honey, cotton, rice, wheat, corn, grain sorghum, oats, barley, rye, sugarcane, sugarbeets, wool, mohair, all livestock, cottonseed, flaxseed, poultry—other than turkeys—eggs—other than turkey hatching eggs—fruits and vegetables for canning and freezing—other than those listed in (a) above—and apples—other than those listed in (a) above.

(c) Any marketing order for apples in the States indicated in (a) above for canning or freezing, any marketing order for cherries for canning or freezing or any marketing order for cranberries for canning or freezing must be approved by processors representing more than 50 percent of the volume of such commodity during a representative period.

(d) Import restrictions: The conference bill adds onions, oranges, walnuts, and dates—except dates for processing—to the list of commodities which must meet the same standard when imported as that which must be met when produced in the United States under a marketing order. The House included all agricultural commodities in this provision and the Senate had no comparable section.

(e) Mandatory checkoff for research, advertising, and promotion: This provision was in the Senate bill and was dropped by the conferees.

(f) Expansion of orders to areas larger than a regional basis: This provision was in the Senate bill and was dropped by the conferees.

(g) Continuation of an order if the price of a commodity is in excess of parity: This provision was in the Senate bill and accepted by the conferees.

Sixth. Wool:

The conference bill extends the National Wool Act for 4 years to March 31, 1966. The House bill called for a 5-year extension; the Senate bill for a 3-year extension.

Seventh. Public Law 480:

(a) Time of extension: The conferees extended titles I and II of Public Law 480 for 3 years through December 31, 1964.

(b) Rate of expenditures: The conferees accepted the Senate provision which limits agreements under title I calling for appropriations to reimburse CCC to $4.5 billion with a provision that during any 1 year no more than $2.5 billion may be committed. The House provision calling for the submission of proposed title I agreements to the Committees on Agriculture of the House and Senate before such agreements could be finally consummated was dropped by the conferees after being initially included. Three hundred million dollars per year is authorized for title II.

(c) Tourist sales for dollars: The Findley amendment which was in the House bill was accepted by the conferees, thus allowing subsequent title I agreements to include a provision for the sale to American tourists for dollars for the foreign currencies accrued pursuant to the sale of surplus farm commodities.

(d) Title IV dollar sales: The conferees made no changes in title IV of Public Law 480. The House provisions calling for a number of amendments to this law were dropped.

(e) Market development: The conferees accepted the House provision which strengthens market development under Public Law 480. The conference bill earmarks 5 percent of the foreign currency sales from each transaction for this purpose and requires that 2 percent of such sales be in a convertible currency to be used for this worthwhile purpose.

Eighth. Title III, farm credit:

(a) Eligibility: The conferees accepted the Senate provision requiring the Secretary to consider local interest rates in determining whether an applicant is eligible for an FHA loan.

(b) Limit on real estate loans: The conferees accepted the House limitation of $60,000 on both insured and direct real estate loans.

(c) Soil and water conservation loans: The conference set the limit for these loans at $500,000 on direct loans and $1 million on insured loans.

(d) Operating loans: the conference set the operating loan limit at $35,000. The House version was $30,000; the Senate version was $40,000.

(e) Loans for rental of farm equipment: The conference limited any loans to soil conservation districts to the acquisition of equipment for soil conservation purposes only and struck the language of the House bill authorizing rental of such equipment to farmers.

Ninth. Cooperatives: The antitrust status of farm cooperatives. This provision was in the Senate bill but was dropped by the conference.

Tenth. School milk program: The conference accepted the House version of the extension of the special milk program for children which extends it through June 30, 1967. Commencing with fiscal year 1963, it calls for direct appropriations rather than the impairment of the capital stock of CCC as is presently done.

Eleventh. Veterans and Armed Forces dairy programs: The conference accepted the House provision extending this program for 3 more years through December 31, 1964.

Twelfth. Donations of surplus food to State and local penal institutions: This provision was in the House bill—adopted on the House floor as an amendment offered by Mr. MACGREGOR, of Minnesota—and was dropped by the conference.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. In the feed grain section the gentleman called attention to the provision which allowed the Secretary to take into consideration the

amount that was actually produced in 1959 and 1960, but there is nothing in the report that states that once the farmer proves his production he shall thereafter be entitled to that production; it is only one of the elements the Secretary may take into consideration.

Mr. HOEVEN. I think the gentleman is mistaken in that respect. The other considerations mentioned will be taken by the Secretary in a case where a farmer cannot prove his case. Let me again read the section:

The Secretary may make such adjustments in acreage and yields for the 1959 and 1960 crop years as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop rotation practices, type of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm for the 1959 and 1960 crop years, such acreages and yields shall be used in making determinations. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

Mr. SAYLOR. It is the opinion of the gentleman that if the producer can make that showing the Secretary must accept those figures.

Mr. HOEVEN. That is my understanding.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Speaker, I rise here in opposition to the conference report. I do so with esthetic regrets, but with no doubt at all on the merits of my position.

Just a week ago this body by an overwhelming voice vote adopted an amendment which provided that when the Secretary of the Interior finds that a proposed subsidized drainage of wet lands would materially harm wildlife preservation, then the Secretary of Agriculture must cease and desist, and cannot go ahead with subsidizing that particular drainage. The amendment was supported by almost every conservation organization in the country. Conservationists everywhere have been deeply disturbed by the fact that our continental supply of ducks and geese is in great danger of extinction.

Today the Wildlife Federation reported that it had made two surveys of the duck-breeding wet lands of the Central States, one in 1957 and one just a few weeks ago. In 1957 there were 500,000 potholes and wet lands in this area on which waterfowl nested and rested. Today, in 1961, there are less than 50,000. In other words, 90 percent of this priceless heritage has been blotted out, not all, I must say, by the subsidized drainage program, but by a combination of that and the natural drought which is going on.

In 77 percent of the cases last year where the Secretary of the Interior said to the Department of Agriculture, "No, thou shalt not drain this particular wet land because it will ruin wildlife," the Department of Agriculture went right ahead in the face of that mandate from the Department of the Interior, and subsidized the drainage.

The purpose of the amendment which was adopted by an overwhelming voice vote is to prevent this situation from continuing. If Members will support the proposal which will shortly be made to reject the conference report, the distinguished members of the conference committee can speedily reconvene another conference, walk down the hall, and tell the Senate conferees that the House meant what it said. They can be back here in 10 minutes, and I for one will be delighted to support the farm bill which emerges from conference—one which combines a good farm program with a good conservation program.

I know it will be said that you cannot beat the powerful House Committee on Agriculture—and maybe it is so. But I would recall to Members that David took a chance in his encounter with Goliath. Let us see what the vote will determine.

Mr. DINGELL. Mr. Speaker, I would like to stress to my colleagues that a vote against this conference report does not necessarily constitute a vote against the farm program, nor does it prevent us from having a farm program. It merely says that the House stands firmly on its position, that this drainage program shall be conducted within the boundary of wisdom and commonsense, that it shall not be discontinued but shall be conducted in a sane manner. The conferees can meet and return to us with an intelligent farm program, including the prohibition against Federal assistance to finance an unwise drainage program, and we can have within a matter of hours or minutes a new farm program to vote on in the House of Representatives.

Mr. REUSS. I thank the gentleman.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. The Secretary of Agriculture is draining wet land and the Secretary of Interior is spending tax money to preserve and to create wet lands. All the Reuss amendment did was to ask that the two Secretaries get together and determine where the Federal money shall be spent. If in their opinion it should be drained then drainage will take place. If it is determined that a greater advantage will result by keeping the area as wet lands then there will be no money spent for drainage.

It is a good amendment. It should be adopted. It is placing a little consistency in these two departments of Government with regard to a common problem. And I am surprised that the House conferees yielded and took it out. If the agricultural representatives in Congress are really interested in preserving their system, they would have kept this in, and they would have cooperated with the Department of the Interior, would save the taxpayers' money and would have had a much better bill.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Speaker, in the bill under consideration, the authors have handed the House an omnibus bill containing both good features and bad features. This is an obvious strategy to induce the balking Members to approve the entire package in order to be recorded in favor of the few aspects of the bill which they approve.

I personally am strongly in favor of such programs as extension of the school milk program and the veterans and Armed Forces dairy programs. However, these matters can be handled in separate bills. I do not intend to be stampeded into support of other disastrous provisions of this bill in order to attain the few good provisions.

I oppose paying subsidies to farmers not to produce. If a laborer asks for 8 hours' pay for 4 hours of work, it is called featherbedding. When a farmer asks 8 acres' income for 4 acres of crops, it is called farm policy.

If a clothing manufacturer experiences economic difficulty, he gets no subsidy. The little storekeeper in economic trouble receives no handouts. Why should we subsidize one segment of our economy?

Furthermore, the entire price support program must result in higher prices to food consumers. Is it not high time we showed some concern about the consumer? Is it not also time we started looking at the real problem; namely, why farmers' incomes are so low and food prices so high? The answer may be in the profits of the giant food companies which act as jobbers and middlemen. This is the field in which Congress should show real concern.

Mr. COOLEY. Mr. Speaker, I would like to call attention to a typographical error in the statement of the managers on the part of the House.

On page 37 the reference is to the Cooperative Marketing Act of 1962. That should be to the Cooperative Marketing Act of 1956.

Mr. Speaker, I now yield such time as he may desire to the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Speaker, one of the provisions in the farm bill which this body has passed is the extension of the National Wool Act. One of the important provisions of this act is a self-help feature through which growers of lambs and wool have twice voted in a referendum to permit a deduction of 1 cent per pound of wool they sell, to go into a fund for the betterment of their products through advertising and promotion. The growers themselves have expressed to me that they look upon promotion as including marketing and development research as a mean of finding better ways to merchandise lambs and wool. In fact, there is a dire need at the present moment for such marketing research in order to merchandise the products of the sheep industry to the best possible advantage. The U.S. Department of Agriculture is also in accord with this thinking.

Since I can find no previous legislative history in this regard, I would like to ask the chairman of the House Committee on Agriculture if he feels that

such marketing research can be considered as a proper and worthwhile function of this program which has as its aim improved merchandising of lamb and wool.

Mr. COOLEY. Mr. Speaker, I would like to yield to the gentleman from Texas [Mr. POAGE], chairman of the subcommittee of the House Committee on Agriculture, and ask him to respond to the question.

Mr. POAGE. Mr. Speaker, I agree with the gentleman from Texas that if expenditures for advertising of lamb and wool, or any other agricultural commodity, are to be utilized to their fullest, it is necessary to determine through research the most effective ways to merchandise these products. I think it goes without saying that marketing and development research is an integral part of this self-help program. Furthermore, I am sure that was the intent of the Committee on Agriculture when the hearings were held this spring on extension of the National Wool Act. Indeed, I think that was the intention of the original National Wool Act, and I cite the gentleman to section 704 of the act of 1954, which is the basic Wool Act. I think it clearly authorizes this type of expenditure and I commend the growers of lamb and wool for their desire to seek, through research, ways to make advertising dollars go further in effectively promoting their products.

Mr. FISHER. I thank the gentleman.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Speaker, during the discussion on the feed grain section, I posed two questions that should be cleared up. I think our minority leader has answered the questions, but for the record I would like to restate the following question:

> It has been the practice of affording protection to the farmer who has had land in the soil bank to such an extent that it decreases his corn base. In these instances, the Department has come back to pick up his normal corn acreage history in establishing his base for the new program. The question arises then: If a farmer has soil banked his normal corn acreage at his own expense, why should he be penalized as compared to the farmer who has soil banked a part of his usual corn acreage at the taxpayers expense?

I believe this is covered in subtitle C of the bill, if I am not mistaken. Could this be cleared for the record?

Mr. COOLEY. I will yield to the gentleman from Texas [Mr. POAGE], to respond to the gentleman's inquiry.

Mr. POAGE. I think it is quite clear that if a man simply abandoned the growing of corn or any other grain and did not grow it in 1959 or 1960, he gets no credit for it and he has no base. On the other hand, if the man was following a practice of rotation and was either rotating or using that land for legumes or other rotation crops, or if he was fallowing it in a regular rotation, I think it is clear that the provisions of this bill give the Secretary of Agriculture the opportunity and the right to take that into consideration in determining what his base was. But, I do not think the mere fact that the man did not plant in 1959 and 1960, if it was his own action, that the Secretary would have a right to give him any base.

Mr. NELSEN. Sweet corn, as I understand, is not considered to be corn under the terms of the bill, and I want to have an understanding. If a man has sweet corn, is that considered to be corn?

Mr. POAGE. I am afraid that I have in previous private conversations possibly misinformed the gentleman from Minnesota. I advised the gentleman from Minnesota that the statute describes corn as field corn, and that is correct. But there is another point in the statute where it is provided that corn for silage is corn, and consequently I think, on reflection, we would have to decide that if the corn, whether it be sweet or field, is cut for silage, that it is corn under the terms of the basic law and consequently I would be of the opinion that the Secretary could, in the future, if he saw fit, consider corn, whether sweet or field corn, that is being cut for silage, as being subject to the terms of this law and could make the payments and provide for the reduction in acreage.

Mr. NELSEN. I thank the gentleman. It is my understanding that there has been a method devised to get around the intent of the feed grain bill by putting sweet corn into silage, which I think negates the intention of the act, and I believe it would be a mistake to permit such a practice to continue.

Mr. POAGE. The gentleman should bear in mind that the base years are 1959 and 1960, and unless a farmer was growing sweet corn for silage in 1959 or 1960—and I do not know of any farmer who was; I am sure that in 1960 there were farmers who did that sort of thing—the growth of sweet corn in 1960 would give them no base. The growth of it in 1959 would give him a base.

Mr. NELSEN. I thank the gentleman.

Mr. ANDERSEN of Minnesota. Mr. Speaker, will the gentleman yield, whom I have always considered up to this minute one of the best friends of the farmers of the United States?

Mr. COOLEY. Mr. Speaker, I want to say to my friend that I have already yielded to five Republican Members and I have not yielded to a single Democrat. The gentleman from Wisconsin [Mr. JOHNSON], a member of my committee, was seeking recognition, and was on his feet just as long as the gentleman from Minnesota [Mr. ANDERSEN], has been on his feet.

Mr. Speaker, I am glad to yield the gentleman from Minnesota [Mr. ANDERSEN] 5 minutes, and let him make a speech.

Mr. ANDERSEN of Minnesota. Mr. Speaker, if we here today agree with the gentleman from Wisconsin [Mr. REUSS] in his attempt to defeat and vote down the conference report, then each and every one of us would be placing the welfare of the duck hunters from Milwaukee ahead of the welfare of the small farmers throughout the Midwest. I want to tell you why.

The gentleman from Wisconsin opposed the appropriation for our agricultural conservation program recently because of the drainage practices affecting potholes on midwest farms. He failed that attempt. The gentleman then turned to the new agricultural bill for 1962 and succeeded in amending that bill in the House in order to damage the ACP by giving the Department of the Interior, through the Fish and Wildlife Service, the right to superimpose its judgment on that of the Department of Agriculture. The gentleman's amendment would have given veto powers to the Fish and Wildlife Service, over the actions of the ACP.

Now the Fish and Wildlife Service is a good service. I am as much in favor of wildlife conservation as any man in this House. Some years ago, Mr. Hope and I started the pilot watershed program under which my friends, the sportsmen, benefited, and they do today.

I do not dislike duck hunters. I have hunted ducks myself and I love to go duck hunting. It is a good sport, and good recreation, and should be encouraged. I hope to be able to do some more of it, in the future, and therefore I am strongly in favor of the conservation of wildlife.

But the gentleman from Wisconsin wants to carry it to the point where the Department of the Interior would have the right to veto the programs of the Department of Agriculture.

If my neighbor, for example, came to the ASC county committee or the SCS technician and said, "I would like a little assistance in putting in a sod waterway." The Department of the Interior could say to him, "That sod waterway would drain one of these little potholes on the farm. Therefore it is too bad; but you cannot have any assistance to drain that pothole, because you might have a spot there on which a duck could raise a little flock of fledglings. No; you cannot drain that."

They could superimpose their judgment on that of the county committee and the SCS technician, and refuse to allow them to assist the farmer with his sod waterway. All because it might take out of existence some of these little potholes that infest the farms of the Midwest; that dry up in the middle of the summer; and which provide better breeding places for mosquitoes than they do for ducks.

The gentleman from Wisconsin did not think much about that when he tried to put through his amendment not long ago, to curtail the appropriation for ACP and for the farmers. Oh, no. He nearly accomplished it in the House, and it is a matter of record.

Mr. Speaker, why do something here today to put the farmers of my area against the sportsmen? I do not want to see a situation where the farmer will stand with a shotgun and tell the duck hunters from Minneapolis and St. Paul and Milwaukee to keep out. We have a good relationship with them today; but my friends, if you listen to my friend from Wisconsin [Mr. REUSS] and his appeal to put the duck hunter against the small farmer, that is going to be the end of that good relationship.

Mr. Speaker, we have here, a good conference report on the farm bill. Let

us not open it up. Let us not imperil all of these other provisions. Let us adopt it.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Speaker, I yield to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Speaker, I appreciate the gentleman yielding. I want to ask the chairman of the committee a question, if he will permit me to do so at this time. He said earlier that this farm bill would cost the taxpayers less money. Yet I see in the Federal Personnel Act that between May and June of 1961 the personnel increased by 11,000 in the Department of Agriculture. Also, during the months of April and May the cost of additional personnel in those months was $4,348,000. Now, there is an additional 11,000 personnel in June over May. I wonder what that is going to cost the taxpayers, and how that is going to reduce the cost of the farm program? I wonder if the gentleman from North Carolina could answer the question?

Mr. COOLEY. I shall be very glad to answer the gentleman's question, but not in the time of the gentleman from Ohio.

Mr. BECKER. Will the gentleman answer it soon?

Mr. COOLEY. Yes.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, I have been invited to explain in connection with the discussion on the floor earlier today that the hijackers, the pirates, have given up, all passengers have left the plane, and no one has been hurt. There are no further details at this time.

Mr. LATTA. Mr. Speaker, I should like to ask my distinguished chairman a question on the feed grain section. As I understand, there has been a slight change in the language in the feed grain section. I am concerned with the farmer who in 1959 and 1960 had an average production of 100 bushels of corn to the acre on his farm. The way this bill is now written, can he get that same production under this program?

Mr. POAGE. If he can prove his production, the Secretary of Agriculture is required to give him all of the history that he can prove.

Mr. LATTA. Even though there has been a change in the language, the same procedure in administering this act will be used in 1962 that was used in 1961?

Mr. POAGE. No. I think we will get a better procedure in 1962 than we had in 1961, because in 1961 a man had to get his history and then appeal. We now provide that before there is any appeal, in making the original allotment to the extent that a producer proves the actual acreage and yield for the farm for the 1959 and 1960 crop years, such acreage and yield shall be used in making the determination. In other words, we put the burden on the Secretary to use them in the first place, what the farmer proves. In the 1961 program the Secretary did not have to use those yields, but he did have to give them on appeal. That is the difference now.

Mr. LATTA. I thank the gentleman.

One further question on the feed grain section. I notice that the words "adversely affecting production" have been removed from the feed grain bill. If a person had an abnormal yield in 1959 and 1960 and can prove it, may I ask whether he will still be entitled to that abnormal production in 1962?

Mr. POAGE. That was certainly the intention. I think the language is perfectly clear, that to the extent that he proves his actual yield that shall be used in making the determination.

Mr. LATTA. I thank the gentleman.

I want to say to the House that I am very proud of the job our conferees have done to preserve certain House provisions and amendments. I think they have retained most of the important provisions that we passed in the House that were not in the Senate bill. Naturally, I am still opposed to the wheat section of this bill and to certain sections of the feed grain title. However, I realize that this section and titles have already been acted upon and decided by the House and as such are not now at issue. I am particularly pleased that the conferees kept in the amendment I submitted, which would establish it to be the policy of the Congress to oppose the subsidized sales of foodstuffs to Russia and the Eastern European Communist bloc countries. The Congress has now put the Commerce Department on notice in this bill that we do not approve of such sales. Therefore, as soon as this bill becomes law, these sales should cease and the Department's order of June 22 revoked.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from New Mexico [Mr. MORRIS].

Mr. MORRIS. Mr. Speaker, I take this time to ask the chairman of the committee a couple of questions. I should like to call the attention of this House to pages 34 and 35 of the report. As I understand it, the Assistant Secretary of State testified before your committee that he did not agree with the directive of Congress with respect to the exchange of sugar for surplus agricultural commodities. He said he considered this to be poor policy and assumed the full responsibility for turning down specific proposals, for the exchange of sugar for our surplus wheat, as presented by the Government of Brazil.

Mr. COOLEY. I would like to advise the gentleman from New Mexico that the President in the following language delegated the authority to the Secretary of Agriculture. He says:

> I do hereby continue the delegation to the Secretary of Agriculture of the authority vested in the President by section 408(b)2 and section 408(b)3 of the Sugar Act of 1948, as amended. Such authority to be continued to be exercised with the concurrence of the Secretary of State.

Unfortunately, the State Department operating through a man by the name of Martin seems to be making all of the decisions with regard to the purchases of sugar from all sources for our own domestic market. Mr. PAUL JONES of Missouri is chairman of our Legislative Oversight Subcommittee, and he has conducted hearings and has had Mr. Martin before the committee. I sat in on part of the hearings. I am frank to say Mr. Martin was arrogant and utterly indifferent to the clear intent and meaning of the language of the law that we wrote when we extended the Sugar Act the last time. He took full responsibility. We intended that consideration—yes, special consideration should be given to countries purchasing our agricultural surplus commodities. Apparently, that language in the law has been completely ignored by Mr. Martin in the State Department because it developed before Mr. JONES' committee that not only had Brazil offered to buy a ton of wheat for every ton of sugar that she was permitted to sell in our market, but it wound up somewhat differently. I will repeat, the Brazilian proposal contemplated the sale of a ton of American wheat to Brazil or to people in Brazil for every ton of sugar which she was permitted to sell in our market. The final decision provided that Brazil should be permitted to sell into our market 225,000 tons. Someone told me that the sponsors of the project would not have to buy our wheat. When that was reported to me, I tried to ascertain the name of the person who made that suggestion and everything pointed to Mr. Martin. I am convinced, and I think our committee is convinced that Mr. Martin is the man who relieved the sponsors of the necessity of purchasing American wheat to the extent of 225,000 tons. The same situation existed in connection with the project submitted by some people in India. India ended up by being permitted to sell 225,000 tons in our market, and India was not required to buy a single ton of American wheat. The Fiji Islands had somewhat similar proposition. And there are other proposals pending. Mr. Martin, notwithstanding the language of this act of Congress, said that anyone who specifically proposes a bilateral proposition of that type had one strike against him to start with. I submit we will never get rid of these surplus commodities, if we always have some bureaucrat putting roadblocks in the way. The Brazilians did just what I told Mr. Martin they probably would do, and that is, they purchased their wheat requirements from Russia rather than from the United States.

Mr. MORRIS. That is just exactly what I understood. I would like to ask the chairman of the committee this question. If the Legislative Oversight Committee, headed by the gentleman from Missouri [Mr. JONES] will take action against this arrogant bureaucrat down in the State Department who flaunts the laws of this Nation?

Mr. COOLEY. I do not know what action Mr. JONES' committee will take, but I am sure that Mr. JONES will continue his efforts in behalf of this surplus disposal program because no member on the committee has been worrying where we are going to obtain our sugar from, but we are concerned over not being able to dispose of our surplus agricultural commodities.

Mr. MORRIS. I thank the gentleman.

Mr. COOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I want to thank the chairman of the Committee on Agriculture for his courtesy to me, and I would like to point out that it is not my purpose to oppose agricultural legislation as such.

The distinguished colleague from Minnesota made some remarks about the Reuss amendment. The gentleman's remarks show that he is just thoroughly mistaken on this issue. The issue is not whether or not there is going to be a farm bill here today; it is whether or not the unwise drainage shall be continued under Government subsidy. I repeat, the question is whether or not the unwise drainage which has had such a terribly adverse impact upon our waterfowl population in this country is going to be continued under Government subsidy.

The simple thing that can be done today is for the House to send the bill back to conference. The Reuss amendment does not stop drainage, which was left out by the conferees. It would simply say that if you favor the preservation of waterfowl, if you favor the preservation of migratory birds—and each of us have duck hunters in our districts; Milwaukee is not the only place where they have duck hunters—vote down the conference report, send the conferees of the House back to conference with instructions to support the position which the House accepted overwhelmingly only last week, which the distinguished chairman of the Committee on Agriculture accepted. The chairman and a number of the conferees have advised me that they diligently and strongly supported this measure. If we support them by returning this issue to the conferees we can vote favorably on a new conference report including, as it should, the Reuss amendment. Members who are interested in flood control should realize that this drainage is destroying one of the finest flood-control systems imaginable. Many farmers who have drained wet places under the agriculture conservation program would now like to have that water back on their land in view of the serious drought that affects the northern Great Plains.

Mr. JOHNSON of Maryland. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Maryland.

Mr. JOHNSON of Maryland. The Senate version contained a provision giving rather extensive powers to co-ops in their right to negotiate with private corporations and other co-ops. The House, I believe, struck that provision from the bill. I would like to ask whether the conference report did or did not restore the Senate provision?

Mr. COOLEY. All reference to co-ops in both bills was eliminated, but we did write some language on page 37 of the conference report concerning this matter. If he will read this I think it will answer his question.

Mr. JOHNSON of Maryland. The original provision of the Senate bill was not restored in the conference report?

Mr. COOLEY. All reference to co-ops was stricken out because we are of the opinion that existing law covers the situation.

Mr. HARVEY of Indiana. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. I would like to ask the gentleman from North Carolina what was the final provision in the matter of Public Law 480 5-percent set-aside for market development?

Mr. COOLEY. I think the bill provides for a 5-percent set-aside to be used for the purposes specified in the bill for marketing development.

Mr. HARVEY of Indiana. Is any amount of this 5 percent to be made convertible, for transfer?

Mr. COOLEY. Two-fifths of it will be convertible.

Mr. HARVEY of Indiana. In other words, 2 percent.

Mr. COOLEY. That is right.

Mr. HARVEY of Indiana. I thank the gentleman.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. FINDLEY. We heard today a number of statements in eloquent and proper words protesting the invasion of American rights at the hands of Castro's airplane hijackers. I think it ought to be remembered that the liberty of the American people—including the American farmers—can be invaded very subtly but very substantially by the American Government itself. In my opinion that is the effect of this legislation. It will put the entire grain crop of the United States in the palm of the hand of the Secretary of Agriculture and make more difficult the ultimate restoration of freedom to the American farmer.

Mr. COOLEY. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has 2 minutes remaining.

Mr. COOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Speaker, I am sure the gentleman from Illinois [Mr. FINDLEY] who just addressed the House, is very sincere in the remarks which he made. But in all fairness to everyone I think it should be said that there is not a single line of compulsion in the 50-odd pages of the bill which is now before the House in the form of a conference report. There is no regimentation, there is no compulsion. That should be remembered by all. Even the acreage allotments under the wheat bill are not imposed unless and until the farmers themselves have approved same by a two-thirds vote in a referendum.

Mr. Speaker, this has been a rather significant day. I have been in this House a good while. I have heard and participated in many debates on farm legislation. The approach which is so noticeable here today is one which all of us should welcome and appreciate. We recall that back in the thirties, at the beginning of the depression, farm legislation was placed on our statute books through bipartisan effort. Some good many years thereafter—I do not know when, I would not want to fix the time—agricultural legislation fell into partisan politics. Some contend that this took place during the administration of former Secretary Brannan, some say it took place under Secretary Benson.

I do not know when or where it was begun. I am not interested in that. I do know that for a good many years now the debate on farm legislation has been most partisan and sometimes quite bitter. I know that the situation has damaged our farmers. It has damaged farm programs. It has even damaged the consumers. No one has gained. Everyone has been the loser.

So, I am here to say on behalf of my farmers, and I believe on behalf of 20 million people who live on the farms of this country, they are glad that at long last we now seem to have the farm politics behind us. Again we are approaching the solution of farm problems on a bipartisan basis. At least, that is the way it appears to me. From the fine spirit of cooperation that prevails here this afternoon, I feel that we are off to a good start in restoring the American farmer to his rightful status in the economy of our Nation.

This is not to say, Mr. Speaker, that there has been full agreement within our committee on this bill from the beginning. Indeed, there has been some disagreement. However, our differences have been quite well resolved with the result that there is strong support among both Democrats and Republicans for the pending conference report.

I desire to congratulate my chairman, Mr. COOLEY, for the fine leadership he has given in perfecting this legislation. I also wish to congratulate the ranking minority member, Mr. HOEVEN, for his fine work.

In closing, Mr. Speaker, we of the Committee on Agriculture do not contend that the legislation is perfect. We do contend however that it is good, that its enactment is desirable, and that it is a forward step in behalf of farmers and consumers. We, therefore, respectfully urge you to support the conference report.

Mr. LAIRD. Mr. Speaker, this afternoon we are being asked to act on the 1961 Agricultural Act which was not finally written until late last evening in the conference committee between the House and the Senate. The conference report was not available for the consideration of any Member of Congress until late this morning. This is a major piece of legislation and affects every farm family in America. Members of Congress should have been given an opportunity to study this bill for at least 48 hours. I regret that the conference report has been called up today. This is unreasonable, I believe, and could have been delayed for final action until at least tomorrow or Monday.

I have made a practice since being a Member of Congress to discuss farm legislation with farm advisers in my congressional district. In the 2 hours that I have had available this new legislation covered by this conference report, it has

been impossible for me to consult with the farm people in my congressional district who are vitally concerned with this legislation. I wish to render my protest by going on record against the hasty consideration of this new bill which was finally drafted late last night. It seems to me unreasonable to ask the Members of the House to enact this new legislation without proper study and deliberation.

I have great confidence in the House conferees that considered this bill. I do feel, however, as a Member of Congress, that I cannot transfer my responsibilities for action to them on legislation as vital as the 1961 Agricultural Act which we are being asked to approve today.

Mr. FINDLEY. Mr. Speaker, in the debate this date on the conference report on the Agricultural Act of 1961, the gentleman from Mississippi [Mr. ABERNETHY] stated, in response to my own remarks that the legislation before the House contained not one line of compulsion.

Time for debate expired, preventing me from responding.

Compulsion is both specific and implied. The wheat section would require 10 percent mandatory acreage reduction, and provides penalties for those not complying. This compulsion is subject to approval in referendum, but experience here shows plainly that participation in referendums is so slight, and the alternative questions so constructed that it is no true reflection of voter opinion.

Moreover, even if referendum accurately reflected producer opinion, the element of compulsion would still be as big as life: In this case the authority of the majority to compel the minority to trot in harness.

A similar degree of compulsion is present in the extension of market order authority. The compulsion is carried one step further because entire memberships in cooperative organizations can be voted as a bloc.

The principal compulsion embodied in the legislation is implied. For example, feed grains producers are not literally compelled to sign up under the feed grains section, but our experience with the 1961 program has already demonstrated that the threat of Government grain dumping presents producers with such foreboding alternatives that many feel compelled to sign up as a matter of self-preservation.

The Secretary of Agriculture has already shown his willingness to dump grain to force compliance under the program. Abnormal dumping of Government grain is already twice that of the last marketing year. The price of corn is 5 cents under last year's price.

The Secretary of Agriculture now holds more than $300 million in feed grains certificates. He can release Government grain to fund these certificates at will. So long as he holds these certificates and the ones he will acquire under the 1962 program—the Secretary will be able to manipulate grain prices at will.

The bill does not say, "The Secretary has the power to control the grain market" in so many words, but the effect is the same.

Mr. HARSHA. Mr. Speaker, one of the unfair features of any omnibus bill is that good and bad features are all lumped together in the hope that Congress will accept the bad to obtain the good.

Unfortunately, the omnibus farm bill is no exception. This bill contains extensions of the milk programs for schools, Armed Forces, and veterans, Public Law 480, the Wool Act, and needed revisions and adjustments of farm credit legislation. These are programs which I support. However, it contains many other provisions which I do not support and it is, therefore, very unfair to make a Member vote for unrelated programs which he opposes in order to be recorded in favor of the aforementioned programs which have merit. The only reason for including all such programs in any one bill is to use them as bait to obtain the necessary votes to pass the bad features of the legislation.

While this bill is a vast improvement over the bill introduced by the administration it is far from perfect.

It has been my position that the sooner we can get the Government out of the farmers hair the better off he is going to be financially. More Government controls, more dictation from Washington as to what, when, and where to plant is depriving the farmer of one of his inalienable rights. This bill in its present form attempts to eliminate the free enterprise feature from the farming industry. The bill extends the Feed Grain Act of 1961 for another year and adds to it another grain—barley. This act was passed only 4 months ago as a temporary measure. No real judgment as to the value of this act can be obtained until after this year's harvest. There is ample time in the winter months of the next session to extend this law if it proves feasible. Personally, I am opposed to the Feed Grain Act because I feel that it will further regiment the farmer.

Another objectionable feature of this bill is the failure to recognize the different classes or types of wheat. Wheat is treated generally and an across-the-board 10-percent cut of all wheat is ordered. This is a discrimination against Ohio wheatgrowers in favor of Great Plains farmers. Most Ohio wheatgrowers plant Soft Red Winter wheat. There is only 1 month's supply of this wheat in surplus while there is approximately a 2-year supply of Hard Red Winter wheat grown by the Great Plains farmers. Yet the small family farmer of Ohio must cut his acreage the same proportion as the large western farmer. The same rule applies to the farmer with a 15-acre exemption. Moreover, if he has not planted this 15-acre exemption within the last 3 years he is denied the right to grow any wheat for sale. This is a discriminatory and arbitrary action against the small family farmer of Ohio to which I am opposed.

Still another objectionable feature is the expansion of the Agricultural Marketing Agreement Act of 1937 to include other commodities. This is simply placing more of the agricultural economy under Federal controls. Three-fourths of our agricultural economy, before the passage of the Feed Grain Act of 1961, was not under Government controls and regulation; however, it was the healthiest phase of that economy. Experience has proven that agriculture is better off—far better off—if Government will let it alone. We have need for less controls, not more.

While I feel that the conference report on the omnibus farm bill is far better than the original bill itself and there were, as I stated above, some provisions and programs that were extended that are very worthwhile measures, the overwhelming reason that I voted for the acceptance of the conference report is that this bill and conference report contain the provision that in no manner shall the United States either subsidize the export, sale, or make available any subsidized agricultural commodities to any nations other than friendly nations which means, in effect, that the recent decision by the Department of Commerce to sell our subsidized surplus products to Russia and her Eastern satellite countries shall come to an end. I strongly oppose the sale or use of any of our surplus commodities that were subsidized by the taxpayer to Russia or any Communist country. It is not only extremely dangerous, but foolhardy, to subsidize the economic well being of a Communist country on one hand and turn around and spend billions of American taxpayers' dollars to defeat that same communism. I felt so strongly about such actions that I introduced two bills to prevent such action. Knowing full well that the normal legislative process takes considerable time, I felt this was the quickest way to stop forthwith and put an immediate end to such transactions by adopting this conference report which will prevent the Commerce Department or any other department of the U.S. Government from using our surplus food products to aid Russia or any Communist nation.

Mr. DOLE. Mr. Speaker, my remarks relate to the conference report accompanying S. 1643. The conferees of the House and Senate have spent many, many hours in an effort to compromise differences in the bills passed by the House and Senate and the net result in some areas has been improvement but in other areas, and particularly with reference to the 1962 wheat program, the changes made were certainly not in the best interest of western Kansas wheat producers.

Specifically the wheat program contains these features which, in my best judgment, appear to be undesirable:

First. A mandatory 10-percent cut in acreage is still required. This will mean a loss of over 1 million acres of production to the State of Kansas, at the very time the present administration is daily facing new crises all over the world and at the very time the U.S. Department of Agriculture is making secret plans to spend $70 million to relocate approximately 200 million bushels of wheat from

Kansas and the Midwest to certain urban areas for emergency or disaster purposes. Is there actually a surplus or do we in fact simply have an adequate reserve?

Second. The wheat program is only a 1-year program and testimony of Department witnesses has indicated the 10-percent reduction will have very little, if any, effect on overall production in 1962. Western Kansas farmers are willing to make adjustments but they expect and are entitled to a long-range program so that adjustments may be freely and normally made.

Third. The 1962 wheat program discriminates against the traditional wheat producing areas in that it provides continued favored treatment for the so-called 15-acre producer. Only a small percentage of the 15-acre producers are required to take the mandatory 10-percent acreage cut, and still another section gives the small producer with historic plantings of 10 acres or less the opportunity to retire his entire acreage, and receive payment therefor, which opportunity is not provided to those with wheat bases in excess of 10 acres.

Fourth. The Secretary has indicated the 1962 support price would be around $2 per bushel which is only 83½ percent of parity and then only available to those who takes the mandatory 10-percent acreage cut.

Fifth. The conferees agreed to reduce payments in cash or in kind to 45 percent of normal production on those acres mandatorily diverted. The House bill had provided 50-percent payments, or in other words, anyone participating in the program will have suffered because of action by the conferees.

Sixth. A very important point not to be overlooked was the Senate provision agreed upon by the conferees. The House bill would have permitted producers to plant any other crops, except under allotments on the 10 percent of the wheat acreage they were required to retire if they elected to forgo payments for retirement of such acreage. The conference provision permits only conservation uses and practices on the compulsory 10-percent acreage reduction and therefore imposes "compulsory cross-compliance" on wheat, while other basic crops do not have such a requirement.

As I stated on July 27, page 13808, CONGRESSIONAL RECORD, the wheat legislation passed more or less confirms my opinion that the Hard Red Winter wheat producer has become the "whipping boy" under this program. Even though payments will be made for diverted acres there will be a chain reaction because of the acreage reduction effective not only to the farmer, but farm businesses, and in fact, entire communities and small towns throughout the Midwest.

OTHER OBJECTIONABLE FEATURES

Perhaps one of the most significant changes occurred in title II which is an extension and amendment of Public Law 480, technically known as the Agricultural Trade Development Act. The House provision wisely provided no dollar limitation on title I sales of surplus commodities but contained a provision requiring advanced notice to the House and Senate Committee on Agriculture involving contracts of more than $5 million. In other words, the House provision simply provided for prior congressional review of agreements to be entered into by the Department of Agriculture. The House conferees completely capitulated with reference to this provision so that under the law as passed, neither the House nor Senate Committee on Agriculture will have a right to review any agreement made with any country even though throughout the bill and debate, Members paraded to the floor deploring agreements made with not only Communist countries, but those loosely made with many others. As a member of the Departmental Oversight and Consumer Relations Subcommittee of the Committee on Agriculture, I have witnessed firsthand the attitude of the bureaucrats in both the State and Agricultural Departments who seem more intent on piling up foreign currencies than in disposing of surplus wheat or other agricultural commodities. The record is clear that these programs are not being administered in the interest of the farmer, the country involved, and last, but by no means least, the American taxpayer. Though the Sugar Act clearly provides that special consideration should be given to countries who agree to purchase our agricultural commodities in return for our purchase of their sugar, not a penny's worth of our surplus commodities have been sold these countries though we have purchased more than 1 million tons of sugar from them. It might be well that Congress concern itself with disposal of "surplus employees" who refuse to carry out the clear intent of laws passed by Congress and signed by the President.

FEED GRAIN EXTENSION

I will briefly mention the unlimited authority the Secretary of Agriculture has under the extension of the feed grain bill. The law provides no guidelines for the Secretary of Agriculture concerning disposal of Commodity Credit stocks of surplus grain, commonly known as certificate grain, already under his control as a result of the 1961 program. This large accumulation virtually permits the Secretary to control the market.

I voted for the original feed grain bill and believe it has been succesful but honestly feel Members of Congress are entitled to know the cost of a program and entitled to assurance that the Secretary will so dispose of surplus feed grains so as to not interfere with the market.

NONCONTROVERSIAL PROVISIONS

Many of the programs contained in the omnibus bill are not controversial; namely, the extension of the Wool Act, extension and amendment of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, extension of the Great Plains conservation program, school milk program, Armed Forces and veterans programs, or the great majority of revisions contained in the Farmers Home Administration credit section of the bill. These provisions, with the exceptions previously noted herein, are for the most part simple extensions of previous programs which have worked well and in the interest of the farmer and others effected thereby.

THE OMNIBUS FEATURE

The bill agreed upon by the conferees is still an omnibus bill and again as I stated on July 27, the strategy used in such a measure is clear in that it forces Members of Congress to make a determination whether the total good outweighs the total bad. This is unfortunate not only in that it deprives us of considering each measure separately and on its own merits but also many deserving provisions escape the attention of Members of Congress because features which have been subject to controversy and publicity are dwelled upon at great length when the bill is debated on the floor.

CONCLUSION

Farmers can take heart controversial sections of title I were eliminated from the bill and that Congress will still legislate in this and every other important field and that their voice can be heard through their elected representatives to Congress.

It is my opinion farmers throughout our country are interested in parity of opportunity and I mean by this the opportunity to produce, to work, and to expand for the benefit of their family, rather than be idle with idle acres.

Because the objectionable features pointed out herein and others referred to in the conference report, I cannot in good conscience support this omnibus legislation. In considering the entire measure, I cannot conclude it is in the best interest of the family farmer, tenant farmers, part-time farmers, farmer customers, farm businesses, as well as all other segments of agriculture I represent in western Kansas.

Mr. HAGEN of California. Mr. Speaker, I would like to comment on the meaning of some of the conference report language with respect to the amendment of the Marketing Agreements Act.

I refer first to the changes in the present language of commodity coverage established by section 8(c) of that act. The amendment establishes two subsections for that section, to wit (A) and (B). It removes from present eligibility only one commodity, soybeans.

The additions for eligibility are made as follows: by subsection (A):

First. For marketing orders on commodities in unprocessed state:

Apples from California, New York, Michigan, Maryland, New Jersey, Indiana, Maine, Vermont, New Hampshire, Rhode Island, Massachusetts, and Connecticut.

Second. For marketing orders on commodities sold for processing by canning or freezing:

Apples from the above-named States, cherries, and cranberries.

Apparently this subsection would permit marketing orders on the products themselves except in the case of named canned or frozen products.

By subsection (B): This subsection takes in all other agricultural commodities, including turkeys and turkey hatch-

ing eggs, except those specifically excluded. These specifically excluded commodities are honey, cotton, rice, wheat, corn, grain sorghums, oats, barley, rye, sugarcane, sugarbeets, wool, mohair, livestock, soybeans, cottonseed, flaxseed, poultry, eggs, apples, fruits, and vegetables for canning or freezing or any regional or market classification thereof.

Apparently the commodities added by this subsection are commodities designed for sale to other than processors, with the exception of those to which specific reference is made in the other subsection (A) in a canning or freezing context.

My second and final reference is to the conference report amendment of section 8(e) of the Marketing Agreements Act of 1937. This section simply provides that when producers of certain named commodities eligible for a Federal marketing order have established grade, quality, and maturity standards for their product, imports of such product from abroad shall meet the same standards.

The amendment adds to the list of such commodities eligible for such protection the following new commodities: Oranges, onions, walnuts, and dates—other than dates for processing. These additions are matters of great import for California Congressmen and we have worked hard for them.

Mr. COOLEY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. REUSS) there were ayes 110, noes 57.

Mr. REUSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 225, nays 170, not voting 42, as follows:

[Roll No. 130]

YEAS—225

Abbitt	Breeding	Elliott
Abernethy	Bromwell	Everett
Albert	Brooks, La.	Evins
Alexander	Brooks, Tex.	Farbstein
Andersen, Minn.	Brown	Finnegan
	Burke, Ky.	Fisher
Andrews	Burleson	Flood
Anfuso	Celler	Forrester
Arends	Chelf	Fountain
Ashmore	Chenoweth	Frazier
Aspinall	Coad	Friedel
Avery	Colmer	Garmatz
Baker	Cook	Gary
Baldwin	Cooley	Gathings
Bass, Tenn.	Cunningham	Glaimo
Battin	Daddario	Gilbert
Beckworth	Davis, James C.	Glenn
Belcher		Grant
Bennett, Mich.	Davis, Tenn.	Griffiths
Berry	Dawson	Gross
Blatnik	Delaney	Hagan, Ga.
Boggs	Denton	Hagen, Calif.
Boland	Diggs	Hansen
Bolling	Dominick	Harding
Bonner	Dowdy	Hardy
Boykin	Downing	Harris
Brademas	Doyle	Harrison, Wyo.
Bray	Edmondson	Harsha
Harvey, Ind.	McMillan	Rostenkowski
Hays	McVey	Roudebush
Hemphill	Macdonald	Roush
Henderson	MacGregor	Rutherford
Hoeven	Machrowicz	Ryan
Holtzman	Madden	Saund
Horan	Magnuson	Schwengel
Huddleston	Mahon	Scott
Hull	Marshall	Selden
Ichord, Mo.	Matthews	Shipley
Ikard, Tex.	May	Short
Inouye	Mills	Shriver
Jarman	Montoya	Siler
Jennings	Morgan	Sisk
Jensen	Morris	Slack
Johnson, Calif.	Morrison	Smith, Iowa
Johnson, Md.	Moss	Smith, Miss.
Johnson, Wis.	Moulder	Smith, Va.
Jonas	Multer	Spence
Jones, Ala.	Murphy	Springer
Jones, Mo.	Murray	Stafford
Judd	Natcher	Steed
Karsten	Nelsen	Stubblefield
Karth	Nix	Sullivan
Kastenmeier	Nygaard	Taylor
Kee	O'Brien, Ill.	Thompson, Tex.
Kilday	O'Brien, N.Y.	Thomson, Wis.
Kilgore	O'Hara, Mich.	Thornberry
King, Calif.	O'Konski	Trimble
King, Utah	Olsen	Tuck
Kirwan	O'Neill	Ullman
Kitchin	Passman	Van Pelt
Kluczynski	Patman	Vinson
Knox	Perkins	Watts
Kornegay	Pfost	Westland
Kowalski	Poage	Whitener
Kyl	Pucinski	Whitten
Landrum	Rains	Wickersham
Langen	Randall	Williams
Lankford	Reece	Willis
Latta	Reifel	Wilson, Ind.
Lennon	Rhodes, Pa.	Winstead
Lesinski	Riley	Wright
Loser	Rivers, Alaska	Yates
McCormack	Rogers, Colo.	Young
McDowell	Rogers, Tex.	Zablocki
McFall	Rooney	
McIntire	Roosevelt	

NAYS—170

Adair	Fallon	Minshall
Addabbo	Fascell	Moeller
Addonizio	Feighan	Monagan
Alger	Fenton	Moore
Anderson, Ill.	Findley	Moorehead, Ohio
Ashbrook	Fino	
Ashley	Fogarty	Moorhead, Pa.
Auchincloss	Ford	Mosher
Baring	Frelinghuysen	Norblad
Barrett	Fulton	O'Hara, Ill.
Barry	Garland	Osmers
Bass, N.H.	Gavin	Ostertag
Bates	Goodell	Pelly
Becker	Goodling	Philbin
Beermann	Granahan	Pike
Bell	Green, Oreg.	Pillion
Bennett, Fla.	Green, Pa.	Pirnie
Betts	Griffin	Poff
Bolton	Gubser	Price
Brewster	Haley	Ray
Broomfield	Hall	Reuss
Broyhill	Halleck	Riehlman
Bruce	Halpern	Rivers, S.C.
Burke, Mass.	Hechler	Robison
Byrne, Pa.	Herlong	Rodino
Byrnes, Wis.	Hiestand	Rogers, Fla.
Cahill	Hoffman, Ill	Rousselot
Carey	Hoffman, Mich.	St. George
Casey	Holland	St. Germain
Chamberlain	Hosmer	Saylor
Chiperfield	Joelson	Schadeberg
Church	Johansen	Schenck
Clancy	Kearns	Schneebeli
Clark	Keith	Schweiker
Cohelan	Kilburn	Scranton
Collier	King, N.Y.	Seely-Brown
Conte	Kunkel	Shelley
Corbett	Laird	Sheppard
Corman	Lane	Sibal
Curtin	Libonati	Sikes
Curtis, Mass.	Lindsay	Smith, Calif.
Curtis, Mo.	Lipscomb	Staggers
Dague	McCulloch	Stephens
Daniels	McDonough	Stratton
Dent	Mack	Taber
Derounian	Mailliard	Teague, Calif.
Derwinski	Martin, Mass.	Thomas
Devine	Martin, Nebr.	Toll
Dingell	Mathias	Tollefson
Dole	Meader	Tupper
Donohue	Merrow	Udall, Morris K.
Dorn	Michel	
Dulski	Miller, George P.	Utt
Durno		Vanik
Dwyer	Miller, N.Y.	Van Zandt
Ellsworth	Milliken	Wallhauser
Whalley	Widnall	Younger
Wharton	Wilson, Calif.	

NOT VOTING—42

Alford	Harrison, Va.	Powell
Ayres	Harvey, Mich.	Quie
Bailey	Healy	Rabaut
Blitch	Hébert	Rhodes, Ariz
Bow	Holifield	Roberts
Buckley	Kelly	Santangelo
Cannon	Keogh	Scherer
Cederberg	McSween	Teague, Tex.
Cramer	Mason	Thompson, La.
Davis, John W.	Miller, Clem.	Thompson, N.J.
Dooley	Morse	Walter
Flynt	Norrell	Weaver
Gallagher	Peterson	Weis
Gray	Pilcher	Zelenko

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Quie for, with Mr. Mason against.

Mr. Hébert for, with Mr. Morse against.

Mr. Keogh for, with Mr. Scherer against.

Mr. Santangelo for, with Mrs. Weis against.

Mr. Clem Miller for, with Mr. Cramer against.

Mrs. Kelly for, with Mr. John W. Davis against.

Mr. Harrison of Virginia for, with Mr. Gallagher against.

Mr. Buckley for, with Mr. Rhodes of Arizona against.

Mr. Bow for, with Mr. Dooley against.

Mr. Healey for, with Mr. Ayres against.

Mr. Thompson of Louisiana for, with Mr. Cederberg against.

Mr. Zelenko for, with Mr. Walter against.

Mr. Weaver for, with Mr. Harvey of Michigan against.

Mr. JOHNSON of California and Mr. JOHNSON of Maryland changed their votes from "nay" to "yea."

Mrs. GRANAHAN, Mr. TOLL, and Mr. ASHLEY changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7208) entitled "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to Senate amendment No. 52 to the above-entitled bill.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2245. An act to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation.

GENERAL LEAVE TO EXTEND REMARKS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative

days in which to extend their remarks in the RECORD on the conference report just adopted.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

COMMITTEE ON RULES

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FACILITATING THE PROMPT AND ORDERLY CONDUCT OF THE BUSINESS OF THE FEDERAL COMMUNICATIONS COMMISSION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 400 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7856) to amend the Communications Act of 1934, as amended, for the purpose of facilitating the prompt and orderly conduct of the business of the Federal Communications Commission. After general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Kansas [Mr. AVERY], and pending that I yield myself such time as I may consume.

Mr. Speaker, I know of no particular controversy over the rule. The bill which will be made in order under this rule and on which there will be 2 hours of general debate is technical and complicated and will be thoroughly explained by members of the committee on Interstate and Foreign Commerce.

Mr. Speaker, I reserve the balance of my time.

Mr. AVERY. Mr. Speaker, I know of no opposition to the rule on this side. There is some opposition to the bill which will be brought out in general debate.

Mr. Speaker, I have no further requests for time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7856) to amend the Communications Act of 1934, as amended, for the purpose of facilitating the prompt and orderly conduct of the business of the Federal Communications Commission.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7856, with Mr. YATES in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HARRIS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this afternoon the Committee on Interstate and Foreign Commerce brings to the House for its consideration H.R. 7856, a bill to amend the Communications Act of 1934, for the purpose of facilitating the prompt and orderly conduct of the business of the Federal Communications Commission. The bill has been favorably reported by our committee without amendment, but I announce to the Members of the House at the outset that there will be two or three amendments that will be offered to make certain and beyond any question as to what is intended by the committee in reporting the language included in this bill.

Now, Mr. Chairman, this legislation is the outgrowth of the President's Reorganization Plan No. 2. You will recall that I opposed that reorganization plan, as did many other Members of the House. We opposed it not on the basis that something was not needed to bring about improved procedures, to permit the Federal Communications Commission to facilitate the work of that Commission, but we opposed it on the basis that in our judgment it went beyond what was intended by the reorganization legislation authorizing such plans.

You will also recall that during the debate in which I stressed opposition on behalf of our committee, we promised the House that we would introduce legislation, conduct hearings, and consider legislation in the proper way in order that the Congress would assume its responsibility in bringing about such needed reform legislation. As a result of that action I introduced, Mr. Chairman, following the action of the House in disapproving the President's proposal, H.R. 7333.

We asked for reports in the usual way and handled the legislation in the regular and orderly way as it should be handled by the committee and later by the House.

In the reports we received, the Communications Commission unanimously recommended legislation along this line, but in a proposal that was submitted in a bill introduced in the other body, S. 2034. We conducted hearings on H.R. 7333. All members of the Commission came before the committee during the course of the hearings. The Commission unanimously recommended to the committee provisions along the lines of the Senate bill, S. 2034. The committee decided that the approach in this matter would be more acceptable than H.R. 7333, the bill which I introduced as the result of the action on Reorganization Plan No. 2.

So, the committee then approved the language substantially along the line unanimously recommended by the Commission.

Mr. Chairman, in many respects and, in fact, in most respects, H.R. 7856 is identical to S. 2034. We did amend it to the point to clarify it and to insure that there would be no doubt as to what we intended to do.

Because of the complexity of the Communications Act, the terms of H.R. 7856 are necessarily complex. But the aims are very simple. All of us are familiar with the criticism that has increasingly been leveled at the Commission. Its backlog of cases is large, and delays in the settlement of disputes abound. While these conditions still prevail, and I regret to say that they are widespread in our Federal regulatory agencies, I hasten to say that there has been great improvement. We have seen within the last year or two these improvements, and they are doing much better now. But the result of such lag and delay is an increase in cost and expense to regulated interests and to the public. Still worse, these delays are an open invitation to the use of improper influences and pressures, as was shown in the investigations conducted by our Legislative Oversight Committee.

Mr. Chairman, the members of the Commission complained, and I think justly, that too much of their time is occupied with relatively routine and unimportant matters. It is said, and again I agree, that the Congress must authorize some manner of reorganization so that the members of the Commission who are appointed by the President and confirmed by the Senate can devote more time to the consideration of vital and pressing communications policy matters, such as problems of spectrum allocations, communications satellites, more effective carrier regulation and major contested cases, to name only a few illustrations.

Mr. Chairman, basically there are alternative ways by which we could reorganize the Commission in order to serve these ends. The first would be to enlarge the membership of the Commission from 7 to 9, or 11, or even more Commissioners. The Congress has recently taken comparable action with respect to Federal courts. Such a move would permit the Commission to divide itself into more or less permanent specialized panels. This has been done long since in the Interstate Commerce Commission, yet I have heard few people, indeed, if any, seriously urge the enlargement of the Federal Communications Commission as a satisfactory remedy for its present ills. Certainly no suggestion has been presented to our committee. A much more sensible solution, it seems to me, is to permit the Commission, in its own discretion, to delegate certain of its more or less routine functions to subordinates within the Commission, subject to the control and supervision of the Commission. The Commission has long had such authority with respect to all functions, except

cases of adjudication, and I want you to keep this in mind: Not a single charge has ever come to our attention that the Commission has abused this delegation function.

Now, what would this bill do? It would authorize the Commission, with certain limitations and ample safeguards imposed by the Administrative Procedure Act and by this bill, to designate panels of Commissioners, individual Commissioners, employee boards and individual employees to perform certain hearing and review functions in cases of adjudication.

Many of these cases involve well-settled policies and are routine and relatively insignificant insofar as national communications policy is concerned, yet they are numerous enough and often involve tedious details which require time and energy that the Commission should be devoting to matters of major communications importance.

During the course of our committee investigation in the last 3 to 4 years we found that that was a serious problem and difficulty, that because of the congested docket and the workload of the Commission, and the fact that under the law they were required to handle these matters individually, they could not possibly get to the work. It was humanly impossible to do it, and it piled up and lent itself, then, to this maneuvering around that resulted in the important and unfortunate matters that we brought to the attention of this Congress and the country.

This proposal is an effort to overcome that situation we found that needed attention so badly.

How does this bill differ from President Kennedy's Reorganization Plan No. 2, which was defeated in the House? In some respects it has some of the basic objectives. However, the committee opposed the plan not because of disagreement with the basic objectives but because it felt these objectives could be carried out properly only by amending present law. The committee believes that this bill makes the essential amendments.

The principal respect in which this bill differs from the reorganization plan is that it does not make review of an initial decision in an adjudication case discretionary upon the vote of a majority of the members of the Commission less one. Instead, a party will have a right to obtain review of an initial decision but not necessarily by the full Commission.

The bill also omits the proposal in the plan to give the Chairman of the Commission the authority to designate the Commission's personnel, including members of the Commission, who would exercise the functions delegated by the Commission. Under the bill, the power to assign or designate personnel would remain where it is at present and has been, with the Commission.

What changes does the bill propose and make in present law? Under present law parties may file exceptions to an initial decision of the hearing officer. The law provides that the full Commission must pass on each and every such exception. In addition, the law requires that the Commission must grant oral argument on exceptions if it is requested. This bill would change this in two respects.

The full Commission would not be required to pass on all exceptions to an initial decision. Many of these are routine, and they take time and can be handled in a different manner. That function could be delegated to a panel of Commissioners, even to a single Commissioner, or a panel of highly qualified and experienced employees. That will be the subject of an amendment I shall offer to make sure that these employees will be employees qualified to assume this responsibility.

Under the bill the authority passing on exceptions would permit oral argument but could refuse to do so if it would not serve a useful purpose.

Unless an aggrieved party sought further Commission review, the decision of such panel or other authority within the Commission designated to pass on exceptions would become administratively final but would still be subject to judicial review.

If a party felt aggrieved by the decision of the board or other authority designated to pass on the exceptions of the initial decision, that party would have the right under this bill to file an application for review by the full Commission. The Commission would be required then to consider the application, but it could in its discretion either grant or deny further review. If the Commission denied review, the matter would become administratively final at the first review level, and an aggrieved party could then seek judicial review by the court of appeals. The Commission would not have to specify any reason for denying review. If the Commission granted review in whole or in part, it could consider the case with or without oral argument.

The bill also contains a provision that in cases not involving issues of general communications importance, the Commission could by published rule or by order preclude in advance the filing of an application for review by the full Commission.

We are providing, however, in an amendment that we will offer, that in those cases in which an application for review is not precluded by Commission rule in accordance with the proviso in paragraph (4) the Commission must pass on any and every case on which exceptions have been filed and which has been decided by an employee board.

This provision is designed to free the Commission from having to consider frivolous and time wasting applications, in cases where the Commission policy is well settled and where review by the Commission is not likely to bring about a reversal of the decision.

Another section of the bill abolishes the Commission's review staff. The review staff was created by the Communications Act Amendments of 1952. The 1952 amendments provided that the review staff shall be directly responsible to the Commission and shall perform no duties other than to assist the Commission in cases of adjudication in certain specified ways. Among other things, the review staff is directed to prepare for the Commission or any member thereof without recommendation and in accordance with specific directions, memorandums, opinions, decisions, and orders. The Commission is directed not to permit any employee who is not a member of the review staff to perform the duties and functions which are to be performed by the review staff. This provision has not worked out satisfactorily at all because of its rigid requirements. No similar provision is applicable to any other Federal regulatory agency. The Commission originally opposed its enactment and now favors its repeal. It feels that the restrictions on the activities of the review staff result in waste and inefficiency because they have the effect of depriving the Commission of the full assistance which the personnel of the review staff are capable of furnishing. The committee is in thorough accord with this view and has so included it in this legislation.

Further, since the review staff cannot make recommendations, it must first receive instructions from the Commission on all interlocutory matters no matter how simple or how routine and then return again with a draft opinion and order for the Commission's approval. The Chairman of the Commission testified that the repeal of this provision would result in a substantial saving in time and energy by the Commission. After the repeal, the personnel of the review staff can be used by the Commission to greater advantage than at present.

Another section of the bill deals with the internal separation of functions, with ex parte representations in adjudication cases. The purpose of this section is to place the FCC in the same position as other agencies whose procedures are governed by the Administrative Procedure Act. The 1952 McFarland amendments—and for the benefit of those who may not recall what is meant by the McFarland amendments, that refers to the amendments to the Communications Act which were approved finally in 1952 and sponsored by Senator McFarland when he was a Member of the other body—the amendments known as the McFarland amendments to the Communications Act tightened up procedural requirements at the Commission and in these respects so much so that the Commission has been seriously hampered in its regulatory work. Those of us who have observed the situation through the years have seen how the Commission has actually been hampered by these rigid restrictions. I see no reason why the Commission in trying to do its job should be handicapped unnecessarily beyond the requirements applicable at least to other regulatory agencies.

I cannot stress too strongly, Mr. Chairman, the importance of this legislation. As you know, the Committee on Interstate and Foreign Commerce, and its Subcommittee on Regulatory Agencies, formerly the Subcommittee on Legislative Oversight, have been working for years to improve the effectiveness

of many of these regulatory agencies, but it has become increasingly apparent with technological changes and population growth, among other things, that our regulatory machinery has become ineffectual and in need of improvement. And many critics of regulatory agencies both in and out of the Congress are fearful that unless remedial measures are taken immediately our regulatory system will break down.

It is my firm conviction that the primary responsibility for leadership in this field lies here in the Congress. It is true that cooperation with the executive branch is essential, and we have offered and given our cooperation. We welcome suggestions from whatever source. We have sought them in this regard.

Congress has extended the Reorganization Act of 1949 which authorized the President to transmit reorganization plans to the Congress. Some of these plans, as you know, have already become effective, but this one, as I have said, was disapproved. It was considered fatally defective in that it purported to amend basic substantive provisions of the Communications Act by reorganization plan rather than by statute.

In addition to the Commission's unanimous recommendation and support of this legislation, the industry is in support of it. I have a letter of June 14 which is filed in part of the hearings from the Honorable LeRoy Collins, former Governor of Florida, and now president of the National Association of Broadcasters, in which he recommends that provisions of this bill, along the lines of S. 2034, would be a workable and acceptable plan. I will have the letter included in the RECORD along with my remarks.

NATIONAL ASSOCIATION OF BROADCASTERS,
Washington, D.C., June 14, 1961.

Re H.R. 7333.

Hon. OREN HARRIS,
Chairman, Special Subcommittee on Regulatory Agencies, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the National Association of Broadcasters, I respectfully request that this letter be made a part of the hearing record on the above as an expression of the views of the board of directors of this association.

This bill proposes revisions in the procedures of the Federal Communications Commission. The same broad objective of improved efficiency was included under Reorganization Plan No. 2, submitted to the Congress on April 27 by the President, and by S. 2034 now pending before the Senate Commerce Committee.

With this broad objective we are in accord, as we have indicated previously in a statement of position filed in the record on the President's proposal. We reaffirm our feeling that this subject should be dealt with by legislative action rather than by Executive order.

The two pending legislative proposals (H.R. 7333 and S. 2034) have been carefully reviewed, and we are pleased to note that the delegatory features of Reorganization Plan No. 2 which met with very wide objection have not been carried forward in this proposed legislation.

S. 2034, according to our understanding, represents the "consensus" view of the FCC, and has been submitted to your subcommittee by the Commission in its report on H.R. 7333. This is the agency most affected, and its members should be most knowledgeable of its procedural needs. In our view, it presents a workable and acceptable plan.

Sincerely,

LEROY COLLINS.

There are those who have some fears about the delegation of authority. Mr. Chairman, I do not yield to anyone in my desire for the Congress to establish policies for these arms of the Congress, major regulatory agencies, to carry out their functions effectively. I yield to no one, Mr. Chairman, in my desire to see that these agencies do the job that Congress has given them to do. If there has been any one single objective in my mind, it is to get good men in these agencies, men capable of administering the law, and men who will assume their responsibilities and will rule their own house, responsible for the employees, who will supervise the employees and take full responsibility for the work which the Congress has delegated to them to do. To me, that is all this legislation has for its objective; to me, that is what this legislation will do.

I do not know any more important agency of this Government than the Federal Communications Commission. The work of this Commission has far-reaching influence over the American people.

Today the Commission, in my judgment, is administering the program and assuming its duties and responsibilities as the Commission has not done since the Federal Communications Act of 1934 was enacted. We take encouragement from that. In view of the safeguards here, I do not feel that we need to have any fear that there is excessive delegation of authority because the Commission has the final responsibility and the final decision in any action that comes before it.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. One of the best provisions of the bill is the part that eliminates the so-called review staff. We found as a result of our investigation by the Legislative Oversight Committee that looked into Commission activities that the Commission would after deliberations on the part of the hearing examiner, and then upon review and oral argument before the full Commission, reach a decision. Then, instead of writing a decision and issuing an order based upon it, the Commission would turn this whole matter over the a group of attorneys or experts in the agency who were called the review staff. Those people did not know anything about the case, they had not heard it, they had not read the record. So they were perfectly cold, as far as the facts of the case were concerned. They would have to proceed to read the record, look at the exhibits, then try to write an opinion that conformed to the decision that the Commission had rendered.

We found in some cases, for instance in the contested television cases, that it was 18 months after the Commission had decided the case before the review staff was able to write an opinion carrying out the decision of the Commission. Meanwhile, there were pressures being put on the Commission members by interested parties, and so forth. A very, very bad situation resulted.

May I ask this question: Since this section has been repealed, when the Commission renders a decision will it have authority to delegate to one of its members the duty of writing the decision or will it again transfer this duty to some other employee who may not be called a review staff member, by some other employee who will dillydally with the case for 6 months or a year, the same as the review staff did? Are there any safeguards, restrictions, or instructions in that regard?

Mr. HARRIS. During the course of the hearings it was explained, and I think very clearly, that these people who now compose the review staff will be utilized by the Commission to assist in more efficiently performing the functions of the Commission, but will not have the rigid restrictions as to their use.

Mr. BENNETT of Michigan. Will the Commission fall back into the same rut they were in, assuming they wanted to do that?

Mr. HARRIS. They were not in a rut when these restrictions came about. It was not that at all.

What brought that on was the complaint that the Commission itself was not assuming its responsibility, and that was away back in the late forties and the early fifties; that the Commission was not assuming its responsibility but they were listening too much to the staff on the inside. Now, that brought on rigid restrictions which went too far the other way.

Now, what does this mean? It gives the Commission the right to utilize these employees in performing the duties and the work that the Commission has before it.

Mr. BENNETT of Michigan. But the thing we are trying to do—and I am sure it is the objective that the chairman is seeking and I think every member of the committee is seeking by repealing the review staff section—is to expedite the Commission's business.

Mr. HARRIS. That is the purpose of it.

Mr. BENNETT of Michigan. To have the opinion written and the order issued.

Mr. HARRIS. Yes.

Mr. BENNETT of Michigan. Now, my question is this: Is it our intent or is it your intent that by repealing this section the Commission should not fall back upon the same procedure after having reached a decision, turning it over to some staff member and leaving them dillydally about it for 6 months before they reach a decision?

Mr. HARRIS. Of course, the committee expects the Commission to do its job and in this way to utilize the staff as efficiently as possible to get the work expedited.

Mr. BENNETT of Michigan. The whole purpose is to expedite the work.

Mr. HARRIS. That is the purpose of it, and the Chairman has given assurance that that is what it will do.

Mr. BENNETT of Michigan. I just have one other question about the employee board. As I understand, there are employees appointed to review the hearing examiner's decision, but some restriction is placed upon the qualifications and the caliber of people who will be put upon these boards. I wonder if the chairman would go into that a bit.

Mr. HARRIS. That question was raised. The committee discussed it, and during the course of the hearings we developed a record on it by which it was made clear to the committee that the most experienced, qualified, able, and senior people would be utilized for this purpose. The bill, I thought, as the committee originally reported it, made that very clear, but during our discussion before the Committee on Rules the question was brought up again, and as the result I told the Committee on Rules that the committee had a clear intent as to what should be done in this field and that we would offer an amendment on the floor of the House to make the language clear and certain, so that there could not be any doubt at all in anybody's mind, and I intend to offer that amendment.

Mr. BENNETT of Michigan. What will the amendment do?

Mr. HARRIS. The amendment will provide that the persons serving on the employee board, to which the Commission may delegate such review functions, shall be well qualified by reason of training, experience, and competence to perform such review functions. The employees shall be given no other duties and shall be paid compensation at a rate commensurate with the quality and the importance of their duties. Such employee shall not be responsible or subject to supervision or direction of any person engaged in the performance of investigating or prosecuting functions for the Commission or any other agency of the Government.

Now, to carry out this legislative intent, I have a letter from the Chairman of the Federal Communications Commission where he reiterates what he told us during the course of the hearings, that the procedure that they would follow would be in line with the language that I just read, which will be offered as an amendment.

Mr. BENNETT of Michigan. The people on these employee boards, at least, will have the same qualifications of experience as that of the trial examiners who initially handle the case?

Mr. HARRIS. That is the intention, and that is what the Chairman says in his letter here. We thought that this language that was prepared by the staff would reach that without any question whatsoever, and we felt that they would at least have to have qualifications no less than the qualifications of a hearing examiner.

But we did not want to limit it to hearing examiners, because in other fields it is necessary to have people who are knowledgeable, such as perhaps engineers and, perhaps, have not only legal but other qualifications that are necessary, since they are so familiar with their particular field.

Mr. BENNETT of Michigan. Could the Commission go outside the present employees of the Commission itself to make these appointments?

Mr. HARRIS. No, sir; they would have to utilize the employees of the Commission.

Mr. BENNETT of Michigan. They would have to take the present employees? Could they appoint special employees or have a pool, let us say, of employees which would handle a particular kind of matter?

Mr. HARRIS. I suppose it would be possible for someone with the training and experience who is not with the Commission to be eligible and be assigned. But that certainly is not the intent here, as so well expressed in the hearings and also in a letter which I will include in the RECORD from the Chairman of the Commission.

Mr. BENNETT of Michigan. Would these employees that go on the boards have other duties to perform?

Mr. HARRIS. They would have no other duties nor functions to perform.

Mr. BENNETT of Michigan. Then, they would be a new group of employees appointed especially for this type of work? Is that the gentleman's understanding?

Mr. HARRIS. That is true.

Mr. MONAGAN. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Connecticut [Mr. MONAGAN].

Mr. MONAGAN. First of all I would like to compliment the gentleman from Arkansas [Mr. HARRIS] and the members of his committee, for the very prompt and effective work in having hearings on this legislation and bringing it to the floor of the House.

The gentleman will remember that at the time we voted down Reorganization Plan No. 2, there was a certain amount of criticism to the effect that we were in effect sort of repealing the projected reforms of the Federal Communications Commission.

Mr. Chairman, I would like to ask the gentleman if it is his opinion that this legislation that we are considering today substantially brings about the basic ends that were sought in Reorganization Plan No. 2?

Mr. HARRIS. Yes. The aims of the bill are essentially the same as those of the plan. But it does not use all of the same provisions. I was opposed to some of the basic provisions in that proposal. It sought to give certain unusual powers to the Chairman, as a matter of fact, and this bill does not do that. This maintains the Commission's full responsibility, as the law intended.

Mr. MONAGAN. I understand that there is a distinction between Reorganization Plan No. 2 and this legislation here. But I understood the gentleman to say that it would have the effect that was sought in Reorganization Plan No. 2.

Mr. HARRIS. The basic objectives here are the same.

Mr. MONAGAN. And will bring about the desired results, in the opinion of the gentleman?

Mr. HARRIS. We hope and we feel that we will get better results as a result of this legislation.

Mr. MONAGAN. At the time Chairman Minow appeared before the House Government Operations Committee he said that there were two methods that might be followed in bringing about these necessary reforms. One would be through reorganization and the other would be through legislation. He said he did not have any opinion as to which would be preferable.

Would the gentleman say that what we have done here in turning down Reorganization Plan No. 2 and in passing this legislation, if we do it, would be taking the legislative road toward bringing about the reforms that have been sought in this Commission?

Mr. HARRIS. I agree with what the gentleman has said. I strongly believe it should be done by appropriate legislation. I voted for the reorganization plan affecting the Civil Aeronautics Board and the one affecting the Federal Trade Commission, as well as the one affecting the Securities and Exchange Commission. They had the same basic objectives. However, with all deference to those in the White House who prepared those plans and sent them up here, in my judgment they could have been much better prepared.

Mr. Chairman, I think this legislation is a much better approach to it. I like it much better, very frankly. I think it will be easier to understand and will clear up any question about what we intend to do.

Mr. MONAGAN. It certainly should have the effect of increasing efficiency and the operations of the Federal Communications Commission?

Mr. HARRIS. There is no doubt in my opinion but what it will.

Mr. MONAGAN. I thank the gentleman.

Mr. MACK. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Illinois [Mr. MACK], a member of the committee who also was very effective in helping to work out this proposal in light of the experience he has had on our Legislative Oversight Committee.

Mr. MACK. I asked the gentleman to yield for the purpose of commending him on the good job he has done in bringing this bill before the Congress, also to commend him on the tremendous job he did as chairman of the Legislative Oversight Committee, which was a very difficult program to carry out, and to congratulate him on the work that he has done in this general area in regard to regulatory commissions.

The gentleman has pointed up many deficiencies existing in our regulatory commissions. As I understand, the bill the gentleman has brought back to the House today is designed to eliminate some of the problems that were exposed during the legislative oversight hearing.

Mr. HARRIS. Yes, to reform procedures.

Mr. MACK. One of the major problems, I understood at the time, was undue delay in processing applications.

Mr. HARRIS. That undoubtedly is the most worrisome problem in all these agencies, which gradually is being overcome week by week, and I might say by the action of the committee, too.

Mr. MACK. One of the problems caused by these undue delays was improper ex parte contacts within the Commission.

Mr. HARRIS. Because of these long and unnecessary delays, the situation lends itself to improper contacts and undue influence. That is the great difficulty we ran into.

Mr. MACK. Then in addition to improving the efficiency of the Federal Communications Commission, this will also have the effect of reducing the possibility of ex parte contacts in the future?

Mr. HARRIS. No doubt about it, and that is one of the purposes of this reform procedure.

Mr. MACK. I want to thank the gentleman. One of the cases in which I was particularly interested was the Sangamon Valley case, which was pending before either the Commission or the courts for some 12 years. I hope that we are successful in enacting this legislation and can improve the operation of the regulatory commissions.

Mr. HARRIS. I thank the gentleman, and I thank him for the high compliment he has paid to me. I want also to state that the gentleman as well as other members of the committee were with me in this very difficult responsibility we have.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from North Carolina.

Mr. JONAS. May I invite the gentleman's attention to the proviso on page 3, under subsection (4), which reads as follows:

Provided, That the Commission, by published rule or by order, may limit the right to file applications under this subsection for review of orders, decisions, reports, or actions of panels of commissioners or employee boards.

Does the committee contemplate that by published rule or order the Commission will establish regular procedures in advance, or is it contemplated that they will do so in individual cases?

Mr. HARRIS. No, by rulemaking would mean in general. It would be regular procedures to follow when individual cases are brought.

Mr. JONAS. It would be adopted in advance so all parties would know about the rules?

Mr. HARRIS. That is right. Under the regular procedure of holding hearings, first you ask for comment, then hold hearings, and so forth, in order to arrive at appropriate rules for the purpose.

Mr. JONAS. So parties would know in advance whether and under what conditions they might ask for a review of the order?

Mr. HARRIS. Yes, that is true.

Now, Mr. Chairman, I would like to state again that I believe we have a good bill. I believe this is a bill that is badly needed. It is one thing to recognize the need for reform, it is another thing to bring it about. We have thoroughly explored this field. This Congress knows we have developed information making it abundantly clear that there are some needed reforms in procedures in order that this and other agencies may expedite the work they have before them.

We have had many actions taken thus far—some by legislation which we reported last year, as you well know about—we have had action taken by the various regulatory agencies to improve the procedures by internal organization. I have memorandums in the committee files on what has been done. I am encouraged and very proud of the actions that have been taken for such improved procedures. But here is something that has to be done and has to be done only by the Congress.

I want to emphasize the importance of congressional leadership in this field. The Federal Communications Commission and other regulatory agencies must be given the tools to carry out the duties assigned to them, and only the Congress can give those tools—it is our responsibility. If we permit delays, heavy expenses, redtape, and other defects to continue in the Federal Communications Commission, we will be held answerable to the American people for such an intolerable condition.

Mr. Chairman, I urge the House to approve this legislation.

The CHAIRMAN. The gentleman from Arkansas has consumed 47 minutes.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, some weeks ago when the reorganization plan for the Federal Communications Commission was before the House, I stood in this spot and said I felt the reorganization plan, as written, was wrong; that it was wrong as applicable to the Commission itself; it was wrong as applicable to the public because it was not in the public interest; and it was wrong because hearings were not held by a committee qualified to hear such a bill and determine whether the things mentioned in that reorganization plan were good. I did say at the same time that if they would reject that plan which was sent down by the President that our committee would hold hearings on it. I had the assurance of the chairman that we would, when I made those statements, and we are back here today trying to make good on our promise that we made to you then that we would come back and not only with a bill but that was in the public interest and one by which the Federal Communications Commission could accomplish the things that were needed in the public interest.

Immediately thereafter, the chairman of the committee introduced H.R. 7856 which is before the House today. On the Senate side, there was introduced S. 2034. The bill, as drawn and introduced by the chairman, was a good bill and is a good bill. The bill which resulted on the Senate side was largely due to the chairman of a subcommittee there who asked the Commission itself in light of all that had been said here in the Congress to draw up a bill that met those objections and still allow the Commission to accomplish the things that ought to be done in the public interest. May I say that the Federal Communications Commission did write an excellent bill. S. 2034 is a fine bill, in my estimation, and it is every bit as good as the bill we have on this side. There are not too many differences between the two bills. S. 2034 was largely drawn by Commissioner Ford at the instruction of the Chairman of the Federal Communications Commission, which was agreed on by all seven of the Commissioners.

When they were before our committee we asked them for the specific objections they had to H.R. 7856, and they said they did not have any objections, that they just felt that the bill they had drawn was the one they wanted to recommend, and they did recommend it to us. So much for how the legislation reached this floor.

There are basic objections, as you all know, to the reorganization plan as sent down by the President. In the first place it did create, in my estimation and in the minds of many in this body, a dictator in whose hands most of the affairs down at the FCC could be garnered.

The main objection, of course, was to the assignment of Commissioners; and may I say that the Commissioners themselves when they appeared before our committee were against this particular provision of the President's reorganization plan by a vote of 7 to 2. So the Commission itself was overwhelmingly against the President's reorganization plan.

The third was the question of the assignment of personnel. That was objectionable to most of the Commissioners and it was certainly objectionable to us. Now, let us come to what the bill does. I think there are two or three things that the Commission has needed in all the years I have been on this committee.

First of all, the Commission needed more flexibility of the rules under which they were operating down there together with the law under which the Commission was operating. Conditions were too inflexible for them to do the amount of work that had to be done in the period of 12 months and still keep up with the calendar. It was simply an impossibility to keep up with the work—under the law as it was written. So flexibility was one of the major things we have attempted to achieve in this particular bill.

The second was the speed with which the Commission could move. In other words, I am not talking about the speed of the Commission from day to day; I am talking about the time that elapses from the initiation of a case until decision is handed down and is in the hands of the party. It has been an unreasonable length of time, and to shorten this time is one of the things we were attempting to do in what we bring before you today. We think under the provisions of this bill it will be possible for them to speed up the decision of a case.

A third advantage will be that it will be possible for the Commission to utilize its personnel to its greatest efficiency.

These are the three major things I conceive that this legislation which is before you today will do.

There is a fifth thing and that has to to do with appeals. We believe that in setting up these panels of employees which the Commission now has the authority to set up, we are also speeding the process of law there. These appeals have been one of the bottlenecks in the whole Federal Communications Commission's proceedings. We believe this appeal provision is one they can live with and one under which they can accomplish the work with the least amount of effort and the greatest speed.

The abolition of the review staff has helped a great deal because the review staff was one of the bottlenecks. We abolished that, and that is one of the good things in this bill.

Lastly—and the Chairman, as I recall, did not talk too much about this—when we went before the Rules Committee, that committee raised certain questions in clarifying the intent of the legislation in two respects: First, that the Commission may not delegate its function to reviewing decisions of employee boards which are excepted to, especially exceptions to the initial decisions of the examiners; and, secondly, to set out specifically in the bill the qualifications of the employees who will be designated by the Commission to serve on the employee boards, and also to provide specifically that the function of considering exceptions to initial decisions may not be delegated to employee boards consisting of fewer than three employees. That the bill was intended to reach these results is apparent from a reading of the committee report, and to remove any doubt about this that some may have, it appeared desirable to include specific language to that effect in the bill, which the amendments later to be introduced by the chairman of the Committee on Interstate and Foreign Commerce will specifically do.

Mr. Chairman, when the original reorganization plan was before the House, it seemed like everybody was objecting to it except the Chief Executive and two members of the Federal Communications Commission. I could not find much support for the reorganization plan other than from those two sources. Some of that in the White House grew out of the Landis report. They figured they could do this better than the committee could. I think it demonstrates again to the House the importance of bringing this kind of a change or reform in the law before the committee which ought to hear the matter and where we can work out all of the quirks.

I believe today everyone is together on this particular bill, insofar as I know. I do not know of any substantial opposition to the bill. Since this bill came from the committee as it unanimously did, it ought to have the support of the House. The committee is for it, the Commission is for the bill, the industry is for the bill, and I believe if the public properly understood it and had a chance to read it and know the provisions contained in the bill compared with what the law was before that, the public itself would endorse it. I believe the bill itself is in the public interest, and that is why I recommend it to the House today and also to the public at large.

Mr. BENNETT of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. ARENDS].

LEGISLATIVE PROGRAM FOR WEEK OF AUGUST 7

Mr. ARENDS. Mr. Chairman, I wonder if the gentleman from Massachusetts will inform us as to the legislative program for next week.

Mr. McCORMACK. Mr. Chairman, after disposition of this bill there will be no further business for the rest of the week, and I shall ask unanimous consent to go over until Monday.

Monday is Consent Calendar day. There are also 16 suspensions, the first of which is House Concurrent Resolution 351, supporting the President's reply to Soviet aide memoire on Germany and Berlin.

That will be the first suspension called up, and on that I understand there will be a rollcall.

The following suspensions will be considered:

H.R. 7724, armed services, dependents advance pay.

H.R. 7913, U.S. Military and Air Academies, increased cadets.

H.R. 7727, armed services, acceptance of fellowships or grants.

H.R. 7728, Armed Forces, sales in case of emergency.

H.R. 4785, National Guard, withholding of employer contributions.

H.R. 4792, National Guard, status of personnel.

H.R. 4786, National Guard, reservists travel allowances.

H.R. 5144, Indians, Lower Brule Sioux Reservation.

H.R. 5165, Indians, Big Bend Dam and Reservoir.

H.R. 4458, Idaho, replace pipelines.

H.R. 8140, Crimes and offenses, bribery, graft, and conflict of interest.

H.R. 8095, nonmilitary activities, NAS Act.

H.R. 7108, strengthen Federal Savings and Loan Insurance Corporation.

H.R. 2429, crimes and offenses, property in interstate commerce.

H.R. 1022, to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

For Tuesday and the balance of the week the program is as follows:

On Tuesday, bills on the Private Calendar will be called.

Then there will be a resolution to send H.R. 7576, the Atomic Energy Commission authorization bill, to conference.

A rollcall on this is likely.

There is also H.R. 7726, relating to loan of vessels to friendly nations.

H.R. 8033, a bill relating to the orders of hearing examiners in the Interstate Commerce Commission.

H.R. 6882, providing one additional Assistant Secretary of Labor.

H.R. 6302, involving transfer of Freedmen's Hospital.

There are the usual reservations that conference reports may be brought up at any time.

There is a conference report to be brought up on Monday, the independent offices appropriation bill.

Any further program will be announced later.

Mr. ARENDS. I thank the gentleman.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I take this time not to comment on the particular bill but rather to discuss procedure and at the same time compliment the committee for what I think is an excellent job. That is regardless whether I agree or disagree with the committee on the issue itself. It seems to me that now that the heat is out of all of this, we ought to reexamine this question of our Reorganization Act.

I served my first term on what was then called the Committee on Expenditures in the Executive Departments, now the Committee on Government Operations, and early became acquainted with the Reorganization Act. Many people felt it was unconstutitional. I feel it is unconstitutional. I grant that that is not usually the argument that people are concerned much about these days, but I would like to just examine briefly the reason why it is unconstitutional from a practical standpoint. It puts the legislative branch of the Government in the position of vetoing, while it puts the executive branch of the Government in the business of legislating, and we see that in particular in this issue before us.

The executive branch of the Government has not the techniques developed for holding public hearings and having people with different views come before it. It does not have the functions of amendment and debate in a public forum which are peculiar to the legislative branch of the Government. That is the process of legislating, and the very arguments that were heard in opposition to the reorganization proposal of the President are borne out here in the well of the house.

Here we have the legislative committee that had the knowledge and the background of the Federal Communications Commission; a background of long experience in dealing with it; going in and considering how this agency should be set up. The committee also had the opportunity for amendment, and certainly there was opportunity for people coming before the committee in public hearings, if that were necessary, to discuss it.

I want to compliment this committee for being jealous of its jurisdiction that it insisted upon correct legislation procedure. I wish that the other committees of the House had been equally diligent on these other reorganization plans, other than this one and the National Labor Relations Board reorganization, for the very same reason that that is the correct procedure. I can see why the Reorganization Act was enacted back in the days when we had not taken a big look at the executive branch of the Government for some time. Maybe then a lot of this housekeeping was done better quickly and

through executive flat. But, I think the time has now come when it is not expedient and we can remove the Reorganization Act from the books and go about legislating in the proper fashion. It becomes particularly important, I might say, when we are dealing with these independent agencies which most of us have always thought of as arms of the Congress. The regulatory bodies are arms of the Congress. The executive branch has construed the Reorganization Act to include not only bureaus that are really executive units but organizations that are these extensions of the regulatory powers of the Congress. I am particularly cognizant of one such agency that the Committee on Ways and Means is constantly dealing with, the Tariff Commission, which we have always looked upon as an arm of the Congress. But, if the President feels that these are executive arms to the extent that he will reorganize them under the Reorganization Act, I think we in the Congress, who are anxious to preserve the separation of powers, both according to the Constitution but even more important, the reasoning behind the Constitution, should pay attention and take action.

I think this has been a good object lesson for us. Here we have not lost anything by taking the time necessary. The committee has done a good, adequate job, and we are able to work our will in this area. I think the same thing could have been done in every one of these reorganization plans that created so much heat and so little light in the past month or so.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Illinois.

Mr. SPRINGER. It was my understanding when I came to the Congress 11 years ago, when we had many of these reorganization plans come before us—I do not remember any particular ones, where you changed the statutory authority of the particular body to do certain things. Most of the reorganizations as I saw them that were sent down by both President Truman and President Eisenhower were rather in the nature of increasing efficiency. I am talking about getting rid of unneeded employees and the bureaus that no longer had any functions and abandoning them or consolidating them.

But in this kind of reorganization as I saw it, and as it came before our committee, it was really an entire reorganization of the powers of the Commission and reorienting the powers in different directions which would have brought all those powers up to the Chairman of the Commission. I am not saying anything with reference to the present Chairman, but I am saying that under an unscrupulous chairman all of this could be channeled to the administrative branch or the White House or otherwise. This in my opinion was the immediate danger we saw in the reorganization of the powers, as the gentleman from Missouri [Mr. CURTIS] has mentioned.

Mr. CURTIS of Missouri. I thank the gentleman for his comment. I think that is a very well taken point. I think it might be free advice, but this is not, I think we recognize, a matter of Republican and Democrat, because this was done under the Republican administration and under the Democrat administration. I do think, however, that the Committee on Government Operations ought to take a new look at the Reorganization Act itself in light of our experience here and see if we cannot either get rid of it, which I think we should do, or at least tighten it up so it would do what the gentleman from Illinois [Mr. SPRINGER] has been saying—a housekeeping kind of performance. We do not get into substantive legislation.

Mr. HARRIS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. ROGERS], a member of the committee.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Sixty-eight Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 131]

Anfuso	Harrison, Va.	Quie
Ayres	Harsha	Rabaut
Bass, Tenn.	Harvey, Mich.	Rains
Blitch	Healey	Rhodes, Ariz.
Boland	Hébert	Roberts
Bolton	Hoeven	Roush
Bow	Hoffman, Mich.	St. George
Boykin	Holland	St. Germain
Brooks, La.	Kelly	Santangelo
Broomfield	Keogh	Scherer
Buckley	Kilburn	Scott
Cahill	Kilday	Short
Cannon	Kirwan	Smith, Miss.
Carey	Kluczynski	Spence
Cederberg	Kyl	Teague, Tex.
Celler	McDowell	Thompson, La.
Colmer	McSween	Thompson, N.J.
Cramer	Machrowicz	Tollefson
Davis, John W.	Mason	Utt
Dent, Pa.	Miller, Clem	Vinson
Dooley	Minshall	Walter
Evins	Morrison	Weaver
Flynt	Morse	Widnall
Fogarty	Norrell	Willis
Gallagher	O'Konski	Winstead
Glenn	Peterson	Zelenko
Gray	Pilcher	
Green, Pa.	Powell	

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ALBERT) having assumed the chair, Mr. YATES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7856, and finding itself without a quorum, he had directed the roll to be called, when 356 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. ROGERS of Texas. Mr. Chairman, I might say in the beginning that I rise in opposition to this bill and vigorously oppose it. I find it rather distasteful to be at difference with my chairman, but I cannot take a different position, and I want to tell you exactly why.

It was said when the reorganization resolution was before this House that this was a highly technical bill and that it would be fully explained. Well, now, there have not been very many Members on the floor, and I agree that it is a highly technical bill. It is a bill that is so highly technical that every Member of this House ought to be interested in what is in it, because you are going to face this piece of legislation and similar legislation a number of times in the next decade. Now, mark my words, you are going to face it on the political platform and you are going to face it in your congressional districts.

Now, it was said that this was similar to the reorganization plan brought up here to reorganize the Federal Communications Commission. As a matter of fact, this bill is almost identical to the reorganization plan that was prepared by Landis and brought up here and was defeated by this House of Representatives. The reorganization plan that was brought up here—I forget the number of it, but it was one having to do with the FCC—had one provision in it, of course, which delegated to the Chairman of the Federal Communications Commission the right to make assignments of duties within the Commission.

Now, a great deal has been said about having taken that out of this legislation. It does not make a great deal of difference. I do not think that Mr. Landis, or Dean Landis, or whatever you call him, was very much disturbed about that power, because at the hearings he indicated it did not make a great deal of difference to him. He said:

> The power is in the Commission. The Commission itself can delegate to the Chairman of the Commission the right to delegate these powers to any employee he wants.

The main point in this bill is this: It is the thing that Landis was after; it is the thing the executive branch of this Government has been after since the regulatory commissions were first set up, and it is the thing they are going to keep after until they get it; and I do not want them to have it, and that is the reason I am here today protesting this legislation.

It is very simple. It simply vests in civil service employees adjudicative powers. I challenge anyone to show me anything different, because these Commissions have full powers right today to delegate the duties and the work and things of that kind—functions, if you want to call them that. The word has been overused. We had a big fuss in the committee about this type of legislation and the word "powers" had been used and used and used. I said that under the law you cannot delegate powers to these civil service employees whose job protection rights and who in many instances cannot be removed even when they are suspect insofar as patriotism is concerned, and you are extending to them adjudicative powers. So, the word "function" was adopted. Anything short of adjudicative powers can already be delegated to all of these underlings in these commissions.

You are going to have another bill in a very few days having to do with the Interstate Commerce Commission doing this very same thing. The one thing that they want is adjudicative powers in the civil service employees. The result of that would simply be this. It will

make it possible for a civil service employee to render a decision in a case, and that case goes through and into the courts without it ever having been reviewed by the Commission for which this examiner works.

Mr. Chairman, it was argued in the first place in the committee that this legislation made it possible for the Commission to assign a case to an examiner and then to permit that examiner's decision to be reviewed by an employees board made up of some more examiners, but to permit that employees board's decision to be examined by another employees board, and the matter would never have gotten to the Commission or a division of the Commission.

Mr. Chairman, the people who are appointed by the President of the United States and subject to confirmation in the Senate could sit as a Supreme Court in this matter and simply say "We refuse to review your application for review." Yet that case, if it had been so handled as I have outlined, or if under the bill as it will be amended, if that case is so handled, and goes to the courts, the courts are bound by the substantial evidence rule and the result of that is simply this: That the rights and privileges, the powers and immunities of the citizens of this country will have been determined by a civil service employee and the courts will be wholly powerless to overturn it.

Mr. Chairman, I do not believe that the people of this country want that kind of legislation. We have heard a great deal about expediting business. Now, the primary objective here should not be the convenience of these commissions or what needs to be done to expedite the handling of business. What ought to be done is to look and see what is happening to the rights of the American people and their protection under the separation-of-powers theory of government. We are not doing that here. I will tell you what you can do. They say we cannot expand these commissions. Why can we not expand these commissions if we need to? Let us look at the problem for a second. What are we faced with? We are faced with the situation where the only excuse for this legislation is that the Commission is overworked. A commission of public employees drawing tax money is overworked. That is the only excuse for this legislation. Why is that? The reason is that after these boards were set up the population of this country continued to expand. We have an expanding economy. There were other matters that had to come up and be decided. So, the workload did increase.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I would be very happy to yield to the distinguished minority leader.

Mr. HALLECK. Mr. Chairman, I have been very much interested in what the gentleman has to say about this matter primarily because the other day we had here a plan to reorganize the National Labor Relations Board where the very problems that the gentleman is talking about were involved. Now, in respect to the right of review, as I read the provisions, the Commission can limit the right to file applications for a review to proceedings involving issues of general communications importance.

How limiting would that language be? Can the gentleman tell us what sort of matters coming before the Commission might be delegated as a matter of final adjudication to the employee boards or employees that would not come within this definition of matters of general communications importance? In other words, an application for a license to run a TV or radio station, would that be a matter of general communications importance?

Mr. ROGERS of Texas. Let me answer the gentleman this way: I think his question is most appropriate because it points up the problem. It points up the fact that this language is so technical and so few people understand it that this Congress of the United States ought not to do something without knowing exactly what is happening. I can envision a situation involving what the gentleman is talking about as to what is a general communications case. If the Commission simply says, "We refuse to review your application for review," or refuse it or deny it, as you would a writ of certiorari to the Supreme Court, then suppose the examiner has said that this is not a matter of general communications importance. They refuse to review the case because they turned down his application. The matter goes to the court and, if the substantive evidence rule is applicable, the court would be powerless to overturn it. Who is going to determine whether that is a matter of general communications? The Commission itself can decide that by simply not deciding anything.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Texas.

Mr. HALLECK. If the gentleman will yield further, Is an application for review of a decision by an employee a matter of right? I might ask that of the gentleman from Texas or the chairman of the committee.

Mr. ROGERS of Texas. I will be happy to yield to the chairman of the committee.

Mr. HARRIS. Let me respond to the question the gentleman asked a moment ago. The matter involving a license would be of communications importance. But the Commission would determine the rulemaking procedure after inviting comment and having hearings and adopting a rule to carry out the procedure. So these would be made known to everyone prior to any case before the Commission.

Mr. HALLECK. The gentleman refers to communications importance. The word "general" is used. I may very frankly say to the gentleman that the use of that word disturbs me, because generally speaking it would seem to me that that would permit the Commission to set up rules by which there would be no guaranteed right of review by the Commission except in those areas where maybe a broad policy in connection with all manner of licenses falling within a given category might be at issue.

Mr. HARRIS. That is not the situation at all. The same provision has been in the Interstate Commerce Act for many years. It has never been questioned. There has never been any difficulty with in. We are trying to separate the routine cases from the cases that are actually of importance to communications and to the American people.

Mr. HALLECK. I am seeking information because I am not sure what I ought to do about this particular measure. May I ask the chairman of the committee if an application for a license for a TV or radio station, in his opinion, standing by itself, where the determination has to be made as to who gets it, would be a matter of such general communications importance as to give the party who is aggrieved by the determination a review as a matter of right to the Commission?

Mr. HARRIS. He would file exceptions. If it is a case of an examiner that goes to the division, an employee board, or to the Commission. He would file exceptions to the examiner's initial decision. If, by the Commission passing on it first, it was assigned to an employee board for review and the aggrieved party wanted to get that proceeding reviewed, he would file an application for review which would go to the full Commission.

Mr. HALLECK. Would that be discretionary or would it be mandatory?

Mr. HARRIS. He would have the right to file his exceptions to the examiner's initial decision. It would be discretionary as to whether or not the Commission would approve his application for review.

Mr. HALLECK. And they would undertake to review it?

Mr. HARRIS. It would be discretionary with the Commission as to whether or not they would undertake to review it with full hearings and oral arguments.

Mr. ROGERS of Texas. Let me say in further answer to the distinguished minority leader insofar as this discretionary situation is concerned, you understand that what is happening is that the Commission is being set up like a Supreme Court and what you do is make application to the Commission to be heard and to have it reviewed. The Commission can say they refuse to review it, and that is the end of it.

Let me get back to this other point about the expansion of the population and the increase of these problems. At the time these commissions were set up, they were organized to do this work and they were set up commensurate with the demands at that time, and commensurate with the size of this country. Now the size of this country has increased. There is more work and this is a problem that is going to have to be faced, and it is going to have to be faced after exhaustive study to answer these problems in keeping with the principle of the seperation of powers of our Government. You cannot handle this matter on a patchwork basis. It must be faced straight across the board, if we are going to handle the problem. It is not going

to be faced by simply dodging our responsibility and turning these decisions over to the civil service employees.

As I told you a few minutes ago, a vote for this bill can be construed very easily as a vote for the expansion of bureaucracy. I doubt there is a Member within the sound of my voice who has not made a speech against overencroachment of bureaucracy boards and commissions in Washington. Your mail every day is filled with that. You are dodging the issue here of vesting the responsibility to meet these problems in duly constituted appointees of the President, affirmed by the Senate, and you are shifting it over into the civil service area where they have job protection and, actually, where they are tied to the executive branch of the Government.

Now the executive branch of the Government has for a long time wanted this authority. They want these boards and they want these regulatory agencies. This, my friends, is a step toward giving it to them. Let me read you just one thing that James Landis said that points this up in support of it to show you that what they want is the adjudicatory power vested in executive department employees and in civil service employees. James Landis also says:

> Turning to section 3, I think section 3 is very wise in abolishing section 409(a) of the Communications Act and rewriting it because section 409(a) prohibits the assignment of an adjudicative matter to a single commissioner, which assignment is contemplated in the Administrative Procedure Act of 1946.

Now he stopped there, and he did not tell you that what they were doing was extending it far beyond a single commissioner and down to an employee who has job right protections that you or I or the Congress or no one else can touch.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I want to take exception to the views expressed by my colleague the gentleman from Texas [Mr. ROGERS] in several respects. In the first place he quoted what Dean Landis wanted. Dean Landis wanted a dictator in each one of these agencies. As you will recall, when he was appointed and made his first report he said—and it was quoted in the papers—that he was recommending in the President's office a supervisor over all the Federal agencies under the President. We questioned Dean Landis. When he was before us I raised that point and while his recommendation was turned down, he still tried to get the same Presidential control by having the Commission place all their functions and authority in the hands of the Chairman who served at the will of the President.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. No; I have no time to yield.

The dean still said that he wanted control by one individual and he had not changed his mind. Let us look at this bill in another way.

The Commission under this plan has the final authority, and they must exercise it in every one of the cases. Section 4 on page 3 of the bill provides that any person aggrieved by any such order, decision, report, or action, may file an application for review by the Commission within such time and in such manner as the Commission shall prescribe. I have an amendment here which has been agreed to and accepted by the Chairman, which provides that every such application shall be passed upon by the Commission. There is no question about of having the final authority in civil service employees, the Commission itself must pass finally on every one of these cases provided the person aggrieved wants to make that appeal.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. Yes, I yield to the chairman of the committee.

Mr. HARRIS. In view of the statement that has been made, and since many Members were not here when I explained the provisions of the bill earlier, I would like with the gentleman's indulgence to explain to the Members just how this works. I can do it in a very brief time. It is easy to misunderstand the technical provisions of the bill, and this is highly technical.

First let me say that there has been authority in a provision in the Communications Act since 1934 as to nonadjudicatory work—I do not care whether you call it "powers" or "functions"—authority to delegate nonadjudicatory work to employees of the Board. This bill extends the authority of the Commission to delegate certain adjudicatory functions to certain types of employee boards. The way it works is this: When a case of adjudication is filed before the Commission, the Commission assigns it to a hearing examiner.

The hearing examiner conducts the hearings and makes the record.

I may say to the gentleman from Texas that the employee board has nothing to do with making that record. Consequently, the court review under the substantial evidence rule is on the record made by the hearing examiner. The hearing examiner then files his initial decision with the Commission.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BENNETT of Michigan. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. HARRIS. The hearing examiner files his initial decision which goes to the Commission. There are many routine cases that come up in that fashion. From the information that our subcommittee developed, at that particular time there are certain advantages that have been taken by so many people arbitrarily to delay and postpone action. They file exceptions to it, and the exceptions go to the full Commission. Even though they are routine cases, that necessarily prolongs and delays. The Commission cannot as a matter of physical possibility immediately pass on so many of those things that pile up in that manner. If they are routine cases, this bill provides an intermediary proceeding whereby the Commission determines that this particular order that comes from the hearing examiner can be reviewed by a certain type of employee board. Then they assign for review to this board. If the aggrieved party then wants to object, under this proceeding he files his exceptions, which go to either a panel of employees or to a division of the Commission or to the full Commission itself.

The legislation provides that the aggrieved party in interest may then file for review through its application for review to the Commission, or the Commission on its own initiative may consider the matter in full review. So the parties are amply protected. I think the safeguards are such that you cannot say there are arbitrary powers that are being delegated to any civil service employee because the Commission must pass on it finally.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from New York.

Mr. BECKER. I want to get one point straight. Who designates the panel, whether a panel appointed by the Commission or Commission members? Who designates the panel or the member who shall do the reviewing?

Mr. YOUNGER. The Commission.

Mr. HARRIS. The Commission itself.

Mr. BECKER. In other words, they have that power under the rule?

Mr. HARRIS. It is not a rule.

Mr. BECKER. The Commission makes the final decision as to the Commission members?

Mr. HARRIS. That is right.

Mr. BECKER. I thank the gentleman.

Mr. YOUNGER. There is one thought I would like to leave with you. Under the present act the Commission must hear oral argument. Every litigant who wants to appeal has that right, and the Commission cannot turn it down. That is what has gummed up, so to speak, the work of the Commission, because if they give out a little license for a radio on a fishing boat, it may take hours of the Commission's time. Yet it is nothing of importance to the general public. They do not have the time to devote to the important business. This will clear the record, but the decision finally must rest with the Commission.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Illinois.

Mr. COLLIER. I had some very definite reservations about this legislation as it was originally presented, as will be recalled. I think we are losing sight of one very important factor in this, and that is actually the Congress may well exercise greater control. Certainly the Commission, as well as the delegated employees, know too well that we at any time may remove the authority that we grant in this bill; is that correct?

Mr. YOUNGER. That is correct.

Mr. HARRIS. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Chairman, I just want to say, very shortly, that I rise in support of this legislation.

I believe it has been well thought out. It gives adequate protection. It has brought about a complete change in the approach to this problem from the reorganization plan in that it avoids the proposed power of the Chairman, increases it somewhat, yet keeps it in the entire Commission. This legislation has the approval of the broadcasting industry, as was stated earlier by the Chairman. It has the approval of all the present Commissioners of the FCC, and has the approval of the committee which very diligently studied this legislation and has recommended it for the approval of the House.

The CHAIRMAN. The time of the gentleman from Florida has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 5 of the Communications Act of 1934, as amended, relating to a "review staff", is hereby repealed.

SEC. 2. Subsection (d) of section 5 of the Communications Act of 1934, as amended, is amended to read as follows:

"(d)(1) When necessary to the proper functioning of the Commission and the prompt and orderly conduct of its business, the Commission may, by published rule or by order, delegate any of its functions to a panel of commissioners, an individual commissioner, an employee board, or an individual employee, including functions with respect to hearing, determining, ordering, certifying, reporting, or otherwise acting as to any work, business, or matter. Any such rule or order may be adopted, amended, or rescinded only by a vote of a majority of the members of the Commission then holding office. Nothing in this paragraph shall authorize the Commission to provide for the conduct, by any person or persons other than persons referred to in clauses (2) and (3) of section 7(a) of the Administrative Procedure Act, of any hearing to which such section 7(a) applies.

"(2) As used in this subsection (d) the term 'order, decision, report, or action' does not include an initial, tentative, or recommended decision to which exceptions may be filed as provided in section 409(b).

"(3) Any order, decision, report, or action made or taken pursuant to any such delegation, unless reviewed as provided in paragraph (4), shall have the same force and effect, and shall be made, evidenced, and enforced in the same manner, as orders, decisions, reports, or other actions of the Commission.

"(4) Any person aggrieved by any such order, decision, report, or action may file an application for review by the Commission within such time and in such manner as the Commission shall prescribe: *Provided,* That the Commission, by published rule or by order, may limit the right to file applications under this subsection for review of orders, decisions, reports, or actions of panels of commissioners or employee boards, in cases of adjudication (as defined in the Administrative Procedure Act), to proceedings involving issues of general communications importance. The Commission, on its own initiative, may review in whole or in part, at such time and in such manner as it shall determine, any order, decision, report, or action made or taken pursuant to any delegation under paragrph (1).

"(5) In passing upon applications for review, the Commission may grant, in whole or in part, or deny such applications without specifying any reasons therefor. No such application for review shall rely on questions of fact or law upon which the panel of commissioners, individual commissioner, employee board, or individual employee has been afforded no opportunity to pass.

"(6) If the Commission grants the application for review, it may affirm, modify, or set aside the order, decision, report, or action, or it may order a rehearing upon such order, decision, report, or action in accordance with section 405.

"(7) Unless exercise of the right to file an application for review has been precluded by a rule or order adopted under paragraph (4), the filing of an application for review under this subsection shall be a condition precedent to judicial review of any order, decision, report, or action made or taken pursuant to a delegation under paragraph (1). The time within which a petition for review must be filed in a proceeding to which section 402(a) applies, or within which an appeal must be taken under section 402(b), shall be computed from the date upon which public notice is given of orders disposing of all applications for review filed in any case.

"(8) The Secretary and seal of the Commission shall be the secretary and seal of each panel of the Commission, each individual commissioner, and each employee board or individual employee exercising functions delegated pursuant to paragraph (1) of this subsection."

SEC. 3. Section 405 of the Communications Act of 1934, as amended, is hereby amended to read as follows:

"REHEARINGS

"SEC. 405. After an order, decision, report, or action has been made or taken in any proceeding by the Commission, or by any designated authority within the Commission pursuant to a delegation under section 5(d)(1), any party thereto, or any other person aggrieved or whose interests are adversely affected thereby, may petition for rehearing only to the authority making or taking the order, decision, report, or action; and it shall be lawful for such authority, whether it be the Commission or other authority designated under section 5(d)(1), in its discretion, to grant such a rehearing if sufficient reason therefor be made to appear. A petition for rehearing must be filed within thirty days from the date upon which public notice is given of the order, decision, report, or action complained of. No such application shall excuse any person from complying with or obeying any order, decision, report, or action of the Commission, or operate in any manner to stay or postpone the enforcement thereof, without the special order of the Commission. The filing of a petition for rehearing shall not be a condition precedent to judicial review of any such order, decision, report, or action, except where the party seeking such review (1) was not a party to the proceedings resulting in such order, decision, report, or action, or (2) relies on questions of fact or law upon which the Commission, or designated authority within the Commission, has been afforded no opportunity to pass. The Commission, or designated authority within the Commission, shall enter an order, with a concise statement of the reasons therefor, denying a petition for rehearing of granting such petition, in whole or in part, and ordering such further proceedings as may be appropriate: *Provided,* That in any case where such petition relates to an instrument of authorization granted without a hearing, the Commission shall take such action within ninety days of the filing of such petition. Rehearings shall be governed by such general rules as the Commission may establish, except that no evidence oth rethan newly discovered evidence, evidence which has become available only since the original taking of evidence, or evidence which the Commission or designated authority within the Commission believes should have been taken in the original proceeding shall be taken on any rehearing. The time within which a petition for review must be filed in a proceeding to which section 402(a) applies, or within which an appeal must be taken under section 402(b) in any case, shall be computed from the date upon which public notice is given of orders disposing of all petitions for rehearing filed with the Commission in such proceeding or case, but any order, decision, report, or action made or taken after such rehearing reversing, changing, or modifying the original order shall be subject to the same provisions with respect to rehearing as an original order."

SEC. 4. Section 409 (a), (b), (c), and (d) of the Communications Act of 1934, as amended, are amended to read as follows:

"(a) In every case of adjudication (as defined in the Administrative Procedure Act) which has been designated by the Commission for hearing, the person or persons conducting the hearing shall prepare and file an initial, tentative, or recommended decision, except where such person or persons become unavailable to the Commission or where the Commission finds upon the record that due and timely execution of its functions imperatively and unavoidably require that the record be certified to the Commission for initial or final decision.

"(b) In every case of adjudication (as defined in the Administrative Procedure Act) which has been designated by the Commission for hearing, any party to the proceeding shall be permitted to file exceptions and memoranda in support thereof to the initial, tentative, or recommended decision, which shall be passed upon by the Commission or by the authority within the Commission, if any, to whom the function of passing upon the exceptions is delegated under section 5(d)(1).

"(c)(1) In any case of adjudication (as defined in the Administrative Procedure Act) which has been designated by the Commission for a hearing, no person who has participated in the presentation or preparation for presentation of such case at the hearing or upon review shall (except to the extent required for the disposition of ex parte matters as authorized by law) directly or indirectly make any additional presentation respecting such case to the hearing officer or officers or, upon review, to the Commission or to any authority within the Commission to whom, in such case, review functions have been delegated by the Commission under section 5(d)(1), unless upon notice and opportunity for all parties to participate.

"(2) The provision in subsection (c) of section 5 of the Administrative Procedure Act which states that such subsection shall not apply in determining applications for initial licenses, shall not be applicable hereafter in the case of applications for initial licenses before the Federal Communications Commission.

"(d) To the extent that the foregoing provisions of this section and section 5(d) are in conflict with the provisions of the Administrative Procedure Act, such provisions of this section and section 5(d) shall be held to supersede and modify the provisions of that Act."

SEC. 5. Notwithstanding the foregoing provisions of this Act, the second sentence of subsection (b) of section 409 of the Communications Act of 1934 (which relates to the filing of exceptions and the presentation of oral argument), as in force at the time of the enactment of this Act, shall continue to be applicable with respect to any case of adjudication (as defined in the Administrative Procedure Act) designated by the Federal Communications Commission for hearing by a notice of hearing issued prior to the date of the enactment of this Act.

Mr. HARRIS (interrupting the reading of the bill). Mr. Chairman, I ask

unanimous consent that the bill be considered as having been read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRIS: Page 2, line 4, after the word "functions" insert the following: "(except functions granted to the Commission by this paragraph and by paragraphs (4), (5), and (6) of this subsection)".

Mr. HARRIS. Mr. Chairman, this is the first of three amendments that I will offer. The gentleman from California will offer another amendment, and they are to be considered together, in order to make it clear that there will be no doubt in anyone's mind as to the delegation of review functions. These three amendments provide that the employee board shall consist of three or more members and they shall have qualifications at least as great as the qualifications of an examiner and that they shall have no other duty to perform except this function itself; furthermore, that no review shall be delegated by the Commission of the action of an employee review board. In other words, the Commission itself is going to pass on any application for review filed from any employee board which has reviewed the work of the hearing examiner. That is the purpose of this amendment, in order that it may be abundantly clear as to what we intend by this legislation.

Mr. ROGERS of Texas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, these amendments, I hope, will be adopted not because I think they will do anything to remedy the situation that I pointed out a minute ago, but the fact that these amendments are being offered here on the floor points up the very thing I said a minute ago, and that is this, that until this bill got to the Committee on Rules the bill had been written and no one had suspected that an employee board could be the last appeal that a man in this country, with some right involved before a board of this kind, would have. It was only after the hearing before the Committee on Rules that these amendments were prepared and submitted to the Committee on Rules as an indication that it would take care of the proposition; that the employee board would not be the final place of appeal for some litigant in a matter of this kind.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. Yes, I yield.

Mr. HARRIS. Mr. Chairman, I know that the gentleman wants to be abundantly fair, as he always is, as a member of the committee. The gentleman knows of the discussion we had, and I told the Rules Committee that it was our feeling that the bill as reported to the committee did exactly this. The gentleman from Texas [Mr. ROGERS] knows that in the committee report there is a paragraph on page 7 where there is stated positively that it is not intended that the Commission shall be able to delegate to any other authority either the powers granted to it by this paragraph or any of the powers or duties imposed upon it by paragraphs 4, 5, and 6 of subsection (d) as proposed to be amended, and that is the fact, and the history of this legislation.

Mr. ROGERS of Texas. There is a little more history to that, and I am sure the chairman of the committee wants to be eminently fair, as he always has been. The fact of the matter is that this matter was discussed at length in the committee when we were writing up this bill. At that particular time this point was made. If there is any doubt in the minds of the people, this bill could have been written in the first place to nail down the proposition that an employees board would not be the final judge insofar as a thing of this kind was concerned at an administrative level. I simply point this out to bring to your mind the fact that there was sufficient doubt in this particular to cause this proceeding on the floor right now. Now, if that is true, why would it not be reasonable to suspect that there may be other flaws in this legislation? I would submit to any Member of this House that if you will read the section that the minority leader read just a moment ago about the powers of the Commission to limit the applications for right of appeal, and I submit to you that you will agree that perhaps this matter ought to go back to the committee and be restudied and approached on an entirely different basis so that the czar that my friend, the gentleman from California, Mr. YOUNGER, is so fearful of, may not come into being in a very few years.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. HARRIS].

The amendment was agreed to.

Mr. HARRIS. Mr. Chairman, I offer two other amendments which I would like to have considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. HARRIS of Arkansas:

Page 2, line 8, strike out "matter." and insert in lieu thereof the following: "matter; except that in delegating review functions to employees in cases of adjudication (as defined in the Administrative Procedure Act), the delegation in any such case may be made only to an employee board consisting of three or more employees referred to in paragraph (8)."

And on page 4, after line 17, insert the following:

"(8) The persons serving on employee boards to which the Commission, pursuant to paragraph (1), may delegate review functions in cases of adjudication (as defined in the Administrative Procedure Act) shall be well qualified, by reason of their training, experience, and competence, to perform such review functions. Such employees shall be given no other duties and shall be paid compensation at rates commensurate with the difficulty and importance of their duties. Such employees shall not be responsible to, or subject to supervision or direction of, any person engaged in the performance of investigative or prosecuting functions for the Commission or any other agency of the Government."

And in line 18 strike out "(8)" and insert "(9)".

The CHAIRMAN. Without objection, the amendments will be considered en bloc.

There was no objection.

Mr. HARRIS. I have already explained the amendments, Mr. Chairman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Arkansas.

The amendments were agreed to.

Mr. YOUNGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNGER of California: Page 3, line 6, strike out the word "prescribe" and insert in lieu thereof the following: "prescribe, and every such application shall be passed upon by the Commission".

Mr. YOUNGER. Mr. Chairman, I just want to remind the members of the committee that in the consideration of this bill the legislative counsel, the Federal Communications Commission counsel and a majority of the attorneys on our committee felt that we had covered the question of the Commission's final decision, but as long as there was a difference even on the part of our good colleague, the gentleman from Texas [Mr. ROGERS], we thought we would add these amendments so as to make doubly sure that no lawyer would have any opportunity to say that the Commission did not have the final jurisdiction.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Arkansas.

Mr. HARRIS. May I say that the gentleman has discussed this amendment with me and I think it is appropriate. We accept it.

Mr. YOUNGER. I thank the gentleman.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when a bill comes along, after we voted down a reorganization plan on the same subject, and the bill is now being amended on the floor to the extent this bill is being amended, I wonder how much attention was given to it. I heard this afternoon that this had been given such vast attention in the committee. Now we find it being amended all over the place. I think that what we have here is a watered-down version of Reorganization Plan No. 2, and I am not going to vote for it.

Mr. GRIFFIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I heard the chairman of the committee, I believe, indicate that the employees on the employee boards in accordance with the amendment which he intended to offer and which was adopted would have qualifications at least equal to those of a hearing examiner, but when I heard the amendment read I thought I heard it read that they shall be well qualified. Did the amendment go any further than that, may I ask the chairman? Of course, I am in favor of that amendment. They should be well qualified. All employees should be well qualified. But did it go beyond that?

Mr. HARRIS. It is difficult for us to draw language to spell out what the

qualifications of these employees should be. The hearing examiners have general qualifications under the Administrative Procedure Act. The purpose of this language is to insure that the legislative record, together with the letter I have from the Chairman of the Federal Communications Commission, which I have already referred to and stated I would include in the RECORD, made it definite and clear that the qualifications of these special employee boards for this purpose would be at least that of examiners, heads of bureaus, assistant heads of bureaus, and such types of qualified men, and that they would receive salaries commensurate with those responsibilities. That is just about as clear as the staff technicians in this field could prepare this in order to accomplish what we sought.

FEDERAL COMMUNICATIONS COMMISSION,
Washington D.C., July 31, 1961.

Hon. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to clarify the Commission's position with respect to one aspect of H.R. 7856. Except for review functions in adjudicatory cases, the Commission now has the authority to delegate any of its functions to employees or employee boards, whose decisions are then subject to an application of review addressed to the Commission. Section 5(d) (1), (2), Communications Act of 1934, as amended. Under H.R. 7856, the Commission would be given the authority to delegate review functions in adjudicatory cases to employee boards.

This additional authority is much needed, both to cut down on the Commission's backlog and to free the Commissioners to concentrate on the more important matters of policy and planning, such as in the field of space satellite communications. I wish to emphasize that we will not employ this authority to avoid decision by the Commission on important matters or on any significant developments in communications law or policy. Only routine matters would be delegated to an employee board. And, even as to them, adequate safeguards would be provided. The application for review to the Commission (grant of which is discretionary) and the appeal to the courts (which is a matter of right).

Some question has arisen as to the nature of the employees who would be selected to serve on the employee board. The Commission will take great pains to select the most qualified personnel to fill these important assignments. Such personnel will be chosen from among our most senior and responsible employees, including our hearing examiners. Indeed, the only reason why we will not limit our range of selection solely to the body of hearing examiners is that we want to choose the very best, wherever he may be located within the Commission. For, unless the very best and most responsible employees are chosen, the Commission and the public will not derive the benefits contemplated by this remedial legislation.

In short, the Commission pledges that it will select the most competent persons, that these persons will be in a grade classification commensurate with their important duties and certainly not lower than that of the examiner, that they will perform no duties inconsistent with their review duties, and that they will be assigned to cases on a rotational basis.

Again, my thanks to you and your committee for your interest in this matter.

With all good wishes.

NEWTON N. MINOW, *Chairman.*

In case you should need a legislative proposal along the above lines, I have enclosed the following for your consideration:

"5(d)(9). The employees to whom the Commission may delegate review functions in any case of adjudication (as defined in the Administrative Procedure Act) shall be qualified, by reason of their training, experience, and competence, to perform such review functions, and shall perform no duties inconsistent with such review functions. Such employees shall be in a grade classification or salary level commensurate with their important duties, and in no event less than the grade classification or salary level of the employee or employees whose actions are to be reviewed. Such employees shall be assigned to cases in rotation so far as practicable and shall not be responsible to or subject to the supervision or direction of any officer, employee, or agent engaged in the performance of investigative or prosecuting functions for any agency."

Mr. GRIFFIN. I think that perhaps the legislative history that is now being made establishes it, but when I heard the amendment read the only thing I heard was that they should be well qualified. It did not spell out what those qualifications were. I assume we are relying on the legislative history to establish the point.

Mr. HARRIS. In order to clarify the language we have here in the amendment, yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. YOUNGER].

The amendment was agreed to.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word, and I do this for the purpose of asking the chairman of the committee a few questions.

If the distinguished chairman, the gentleman from Arkansas, will yield, I would like to inquire if any consideration was given in the consideration of this legislation to increasing the size of the Federal Communications Commission by adding to the number of Commissioners, to try to retain this adjudicatory authority within the Commissioners themselves?

Mr. HARRIS. Yes, that was discussed. Even during the course of the hearings that was discussed.

Mr. JONES of Missouri. I am sorry I was not present at the time.

Mr. HARRIS. I have found no sympathetic attitude on the part of anyone and have heard no one even suggest that the Commission be expanded. As a matter of fact, a lot of people think some of these commissions are too big now. On the other hand, I feel that these five-man commissions ought to be expanded and have so proposed legislation in the case of the Federal Power Commission. The Federal Communications Commission has seven members. If they would be permitted to divide themselves up in panels, as this bill proposes and authorizes, as the Interstate Commerce Commission has had authority to do throughout the years, then it will help them to perform their duties more expeditiously.

Mr. JONES of Missouri. Would it be your idea that that would be one way to approach this, by enlarging the Commission and dividing up this workload, so to speak? Can the gentleman answer that question "yes" or "no"?

Mr. HARRIS. Yes, as an alternative that would be one way.

Mr. JONES of Missouri. May I ask the gentleman another question. Is it the opinion of the committee that there are an insufficient number of employees in the Federal Communications Commission at the present time to carry on their work as promptly and as expeditiously as possible or as is desirable?

Mr. HARRIS. We think the Commission has sufficient personnel, if they can be given some flexibility in the utilization of the personnel, which this bill gives to them.

Mr. JONES of Missouri. Is it not a fact, it requires about a year and a half now for an ordinary application to go through the various stages even if there are no complications?

Mr. HARRIS. I think the time could not be pinned down to any given time. It depends upon the extent of the hearings by the hearing examiner how long that would take.

Mr. JONES of Missouri. I mean before you get to that stage. I am talking about just a routine application for a construction permit that would go through without any delays or anything getting in the way of the application, that the number of employees there are not sufficient to carry out the workload. I am not being critical of the people who are doing the work now, but I am inclined to believe that they do not have enough personnel there. What I am leading up to is this—I have always advocated a licensing of the facilities on which the Federal Communications Commission issues a license. I would like to ask you now if your committee has had any official request from the Chairman of the Federal Communications Commission, Mr. Minow, in the form of a suggestion that he made some time ago, which was given some publicity in the papers, where he advocated a four-tenths of 1 percent of the gross business as a licensee fee? Has he approached or discussed that with you in your committee?

Mr. HARRIS. I have had some discussion with him and I have had some communications on the subject. The Commission feels they have the authority to establish fees under the present law and consideration is being given to it.

Mr. JONES of Missouri. Do you agree that they do have the authority?

Mr. HARRIS. After reading his comments and finding out that it was a provision of legislation which was adopted in an appropriation bill some years ago, I say, "Yes, I would agree with their interpretation."

Mr. JONES of Missouri. In other words, you agree that they do have the authority to levy a license fee?

Mr. HARRIS. I would agree with their interpretation that they do have the authority to levy fees.

Mr. JONES of Missouri. Would these fees in excess of expenses go into the general revenue?

Mr. HARRIS. Yes, they would.

Mr. JONES of Missouri. And you think without any further legislation, the Commission could levy fees and that those fees could be used toward maintaining and paying the expenses of the

Commission and that any excess would go into the general revenues.

Mr. HARRIS. In my judgment, they could.

Mr. JONES of Missouri. I am glad to hear you say that. I hope the Commission takes notice of that and at least starts to do that so that the people who are benefiting from these licenses would contribute to the expenses of maintaining this important Commission. It is also my opinion that by the payment of such licenses and fees we would eliminate the necessity of using taxes to support this Commission, and in addition to this saving the U.S. Treasury would benefit to the extent of many millions of dollars annually.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word, for the purpose of asking the chairman of the committee and our distinguished colleague, the gentleman from California [Mr. YOUNGER], about a matter of interpretation. The gentleman from California offered an amendment on page 3, line 6, adding after the words "shall prescribe" these words "and every such application shall be passed upon by the Commission."

Obviously, those words are included in an effort to provide, as I understand it, that the Commission shall pass upon any application for a review by an aggrieved party. My question is simply this. The proviso that follows, apparently, gives the Commission the right by published rule or order to limit the right to file applications for review and limiting it as a matter of right to proceedings involving issues of general communications importance.

In other words, my question is this: Would the language which has been offered by the gentleman from California to that proviso prevail in such manner as to make it possible for the Commission by rule or order to prohibit in the first instance the right of an aggrieved party to file an application for review?

Mr. HARRIS. On certain well-established policies of the Commission, yes; but that would have to be after the usual procedure of hearing and all parties having an opportunity to present their views to the Commission before such order or rule was adopted; and then, of course, it has been interpreted to mean that if there is any substantial question on any matter before the Commission, anyone who is capable of making a record could develop proceedings that would involve matters of importance.

The purpose of this act, I say to the gentleman, is to try to expedite a number of these routine matters that are taken just as a matter of course.

Mr. HALLECK. I appreciate that, and the gentleman knows I served on the Committee on Interstate and Foreign Commerce for many years.

Mr. HARRIS. And very efficiently.

Mr. HALLECK. And have been tremendously interested in all the activities of that committee since that time. But I must say that if that interpretation of the proviso is to prevail, the language added by the gentleman from California would be almost meaningless so far as its practical effect is concerned.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. YOUNGER. Present law provides that every such application shall be passed upon by the Commission. That was stricken from the original law. I understand legally the presumption would be that it was stricken for a certain reason, and I would presume it was stricken so that the right to pass on applications could be delegated to somebody other than the Commission. Now we are putting it back into the law the same as it is at the present time, so there would be no presumption whatsoever that we struck out a provision with the idea that it should be passed on. The balance of that, I understand, was put in there by legal counsel to make this bill conform to the Administrative Procedure Act.

Mr. HALLECK. That may be, and I am not going to prolong the discussion, but I must say that as long as the proviso stays in the law, if it is to become law, it seems to me very clear that the Commission by published rules or order may so limit the right to apply for review that in many, many instances no such right would prevail.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. HARRIS. I might say to the gentleman that this intended to apply only to such routine cases as would come to the Commission and take up the Commission's time unnecessarily. That is really the purpose of this provision.

Mr. HALLECK. If I could be perfectly sure that was the sole intent of this provision I would have no fear about it at all, but I must say I have some reservations about it.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and Mr. ALBERT having assumed the chair as Speaker pro tempore, Mr. YATES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 7856, to amend the Communications Act of 1934, as amended, for the purpose of facilitating the prompt and orderly conduct of the business of the Federal Communications Commission, pursuant to House Resolution 400, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. ROGERS of Texas) there were—ayes 93, noes 81.

Mr. ROGERS of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were yeas 198, nays 151, not voting 88, as follows:

[Roll No. 132]

YEAS—198

Addabbo	Grant	Moss
Addonizio	Green, Oreg.	Moulder
Albert	Gubser	Multer
Ashley	Hagen, Calif.	Murphy
Avery	Halpern	Nix
Ayres	Hansen	O'Brien, Ill.
Baldwin	Harding	O'Brien, N.Y.
Barrett	Hardy	O'Hara, Ill.
Bates	Harris	O'Hara, Mich.
Beckworth	Hays	O'Konski
Bell	Hechler	Olsen
Bennett, Fla.	Holifield	O'Neill
Bennett, Mich.	Holtzman	Passman
Boggs	Hosmer	Patman
Boland	Huddleston	Perkins
Bolling	Hull	Pfost
Bonner	Ichord, Mo.	Philbin
Brademas	Ikard, Tex.	Pike
Breeding	Jarman	Price
Brewster	Jennings	Pucinski
Brooks, Tex.	Joelson	Randall
Burke, Ky.	Johnson, Calif.	Reuss
Burke, Mass.	Johnson, Md.	Rhodes, Pa.
Byrne, Pa.	Johnson, Wis.	Rivers, Alaska
Clark	Jones, Ala.	Rodino
Cohelan	Jones, Mo.	Rogers, Colo.
Collier	Karsten	Rogers, Fla.
Conte	Karth	Rooney
Cook	Kastenmeier	Roosevelt
Cooley	Kee	Rostenkowski
Corbett	Keith	Ryan
Corman	King, Calif.	Saund
Curtin	King, Utah	Schweiker
Curtis, Mo.	Kluczynski	Schwengel
Daddario	Kowalski	Seely-Brown
Daniels	Kunkel	Selden
Davis, Tenn.	Lane	Shelley
Dawson	Langen	Sheppard
Delaney	Lankford	Shipley
Denton	Lennon	Sikes
Derounian	Libonati	Sisk
Diggs	Lindsay	Slack
Dingell	Loser	Smith, Iowa
Donohue	McCormack	Spence
Downing	McFall	Springer
Doyle	Macdonald	Staggers
Dulski	Machrowicz	Stratton
Dwyer	Mack	Stubblefield
Edmondson	Madden	Sullivan
Elliott	Magnuson	Taylor
Ellsworth	Mahon	Thomas
Everett	Mailliard	Thomson, Wis.
Fallon	Marshall	Thornberry
Farbstein	Mathias	Toll
Fascell	Matthews	Trimble
Feighan	Merrow	Udall, Morris K.
Finnegan	Michel	Ullman
Flood	Miller, George P.	Vanik
Fountain	Mills	Van Zandt
Frazier	Moeller	Wickersham
Friedel	Monagan	Willis
Garmatz	Montoya	Yates
Gary	Moorhead, Pa.	Young
Gathings	Morgan	Younger
Giaimo	Morris	Zablocki
Gilbert	Morrison	
Granahan		

NAYS—151

Abbitt	Battin	Church
Abernethy	Becker	Clancy
Adair	Beermann	Colmer
Alford	Belcher	Cunningham
Alger	Berry	Curtis, Mass.
Andersen, Minn.	Betts	Dague
Anderson, Ill.	Bray	Davis, James C.
Andrews	Brown	Devine
Arends	Broyhill	Dole
Ashbrook	Bruce	Dominick
Ashmore	Burleson	Dorn
Auchincloss	Byrnes, Wis.	Dowdy
Bailey	Casey	Durno
Baker	Chamberlain	Fenton
Barry	Chelf	Findley
Bass, N.H.	Chenoweth	Fisher
	Chiperfield	

Ford	McIntire	Rutherford
Forrester	McMillan	Saylor
Frelinghuysen	McVey	Schadeberg
Fulton	MacGregor	Schenck
Garland	Martin, Mass.	Schneebeli
Gavin	Martin, Nebr.	Scranton
Goodell	May	Shriver
Goodling	Meader	Sibal
Griffin	Miller, N.Y.	Siler
Gross	Milliken	Smith, Calif.
Hagan, Ga.	Minshall	Smith, Va.
Haley	Moore	Stafford
Halleck	Moorehead,	Stephens
Harrison, Wyo.	Ohio	Taber
Harsha	Mosher	Teague, Calif.
Harvey, Ind.	Murray	Thompson, Tex.
Henderson	Natcher	Tollefson
Hiestand	Norblad	Tuck
Hoffman, Ill.	Nygaard	Tupper
Horan	Osmers	Utt
Jensen	Ostertag	Van Pelt
Johansen	Pelly	Wallhauser
Jonas	Pillion	Watts
Judd	Pirnie	Weis
Kearns	Poage	Westland
Kilgore	Poff	Whalley
King, N.Y.	Ray	Whitten
Kitchin	Reece	Widnall
Knox	Reifel	Williams
Kornegay	Riehlman	Wilson, Calif.
Landrum	Riley	Wilson, Ind.
Latta	Robison	Winstead
Lipscomb	Rogers, Tex.	Wright
McCulloch	Roudebush	
McDonough	Rousselot	

NOT VOTING—88

Alexander	Gallagher	Nelsen
Anfuso	Glenn	Norrell
Aspinall	Gray	Peterson
Baring	Green, Pa.	Pilcher
Bass, Tenn.	Griffiths	Powell
Blatnik	Hall	Quie
Blitch	Harrison, Va.	Rabaut
Bolton	Harvey, Mich.	Rains
Bow	Healy	Rhodes, Ariz.
Boykin	Hébert	Rivers, S.C.
Bromwell	Hemphill	Roberts
Brooks, La.	Herlong	Roush
Broomfield	Hoeven	St. George
Buckley	Hoffman, Mich.	St. Germain
Cahill	Holland	Santangelo
Cannon	Inouye	Scherer
Carey	Kelly	Scott
Cederberg	Keogh	Short
Celler	Kilburn	Smith, Miss.
Coad	Kilday	Steed
Cramer	Kirwan	Teague, Tex.
Davis, John W.	Kyl	Thompson, La.
Dent	Laird	Thompson, N.J.
Derwinski	Lesinski	Vinson
Dooley	McDowell	Walter
Evins	McSween	Weaver
Fino	Mason	Wharton
Flynt	Miller, Clem	Whitener
Fogarty	Morse	Zelenko

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. John W. Davis against.

Mr. Bass of Tennessee for, with Mr. Herlong against.

Mr. Quie for, with Mrs. Blitch against.

Mr. Glenn for, with Mr. Hemphill against.

Mr. Nelsen for, with Mr. Alexander against.

Mr. Thompson of New Jersey for, with Mr. Whitener against.

Mr. Powell for, with Mr. Rhodes of Arizona against.

Mr. Keogh for, with Mr. Scherer against.

Mr. Buckley for, with Mr. Bow against.

Mr. McDowell for, with Mrs. Bolton against.

Mr. Anfuso for, with Mrs. St. George against.

Mr. Santangelo for, with Mr. Kyl against.

Mr. Harrison of Virginia for, with Mr. Bromwell against.

Mrs. Kelly for, with Mr. Weaver against.

Mrs. Norrell for, with Mr. Dooley against.

Mr. Kirwan for, with Mr. Cramer against.

Mr. Thompson of Louisiana for, with Mr. Wharton against.

Mr. Green, of Pennsylvania for, with Mr. Mason against.

Mr. Fogarty for, with Mr. Hoffman of Michigan against.

Mr. Celler for, with Mr. Hoeven against.

Mr. Dent for, with Mr. Scott against.

Mr. Holland for, with Mr. Hall against.

Mr. Carey for, with Mr. Kilburn against.

Mr. Zelenko for, with Mr. Morse against.

Until further notice:

Mr. St. Germain with Mr. Broomfield.

Mr. Healey with Mr. Fino.

Mr. Evins with Mr. Cahill.

Mr. Blatnik with Mr. Short.

Mr. Inouye with Mr. Derwinski.

Mr. Gallagher with Mr. Cederberg.

Mrs. Griffiths with Mr. Harvey of Michigan.

Mr. Peterson with Mr. Laird.

Mr. KARTH changed his vote from "nay" to "yea."

Mr. ASHMORE changed his vote from "yea" to "nay."

Mr. GATHINGS changed his vote from "nay" to "yea."

Mr. GUBSER changed his vote from "nay" to "yea."

Mr. JOHNSON of Maryland changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from further consideration of the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. HARRIS moves to strike out all after the enacting clause of the bill S. 2034, and insert the provisions of the bill H.R. 7856, to amend the Communications Act of 1934, as amended, for the purpose of facilitating the prompt and orderly conduct of the business of the Federal Communications Commission, as passed.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill, H.R. 7856, were laid on the table.

ADJOURNMENT TO MONDAY, AUGUST 7

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY BUSINESS DISPENSED WITH ON AUGUST 9

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday next may be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON FOREIGN AFFAIRS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent, on behalf of the gentleman from Pennsylvania [Mr. MORGAN], chairman of the Committee on Foreign Affairs, that the Committee on Foreign Affairs may have until midnight Saturday to file a report on the bill H.R. 8400.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDMENT TO DAVIS-BACON ACT

Mr. MACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MACK. Mr. Speaker, in the Davis-Bacon Act Congress established the policy of requiring prevailing wage rates to be paid to employees of companies engaged in the construction of Federal buildings.

This requirement does not apply, however, to construction projects financed by private interests but intended for occupancy by the Federal Government under long-term leases.

Most post-office construction is in this category. These buildings are erected to Government specifications. While the leases generally run for 5 years, they are renewable. The Post Office Department, I am sure, envisions occupancy of each of these new buildings for many years to come.

Aside from post offices, many other Federal agencies throughout the country are contracting to lease new buildings built to their specifications by private interests. They are, in fact, Federal building in everything except ownership of the real estate.

Mr. Speaker, I believe that Congress, in passing the Davis-Bacon Act, intended that fair wages should be paid to workers on all Federal building projects. This principle is being circumvented by many contractors on buildings constructed under the leasing program.

For this reason, I have today introduced a bill to amend the Davis-Bacon Act to make it applicable to contracts under which a building is to be constructed or altered for lease to the Federal Government.

CONSIDERATION OF FOREIGN AID BILL

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I take this time to ask the distinguished majority leader if he can give us any indication of when the foreign giveaway bill will come to the floor of the House.

Mr. McCORMACK. May I say that the bill, which is so important in the national interest of our country and which the gentleman refers to in such erroneous language——

Mr. GROSS. What kind of language?

Mr. McCORMACK. I will answer the question and I will express myself in my own way. The bill has been reported out of the committee, the report to be filed on Saturday. I cannot tell on what date it will come up, but I think I can say it will not be programed for next week. That is a sufficient answer to the question.

Mr. GROSS. That was the answer I expected the gentleman to give, since he did not announce it as even a possibility of being programed for next week.

Mr. McCORMACK. When inquiry is made, it is always nice to ask the majority leader, who happens to be myself at the present time, if he can give any information as to when the bill will come up. A little colloquy is friendly.

Mr. GROSS. Of course. Always friendly as far as the gentleman from Massachusetts is concerned.

Mr. McCORMACK. I hope insofar as the gentleman is concerned, too.

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, if the distinguished gentleman from Massachusetts will yield at this point, may I say to him with all respect, sir, you do not "happen" to be majority leader, we picked you.

Mr. McCORMACK. I thank the gentleman and I appreciate that very much.

FAMILY FALLOUT SHELTERS

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, today I have introduced a bill that is expressly designed to comply with the President's request that all citizens be educated to the ways and means of protecting themselves in the event of a nuclear war, or any type of war for that matter. This bill would authorize the Director of Civil and Defense Mobilization to "provide for the construction of family fallout shelters at each of the 175 largest public museums in the United States." These shelters would be maintained as permanent exhibits and would be fully equipped and sufficiently stocked with food and medical supply for 14 days. The bill further provides for a proclamation designating the day on which the shelters are donated as National Fallout Shelter Day.

This legislation has been in the drafting stage since before the present Berlin crisis because it has been my feeling that in this era of nuclear weapons and highly refined methods of destruction it is imperative that our citizens be fully educated in the methods of self-preservation under any and all emergencies. The need for such education has, however, been enhanced by the worsening situation in Berlin.

A major point in the President's report to the Nation on the Berlin crisis was that one of our gravest responsibilities at this moment is to assure that our citizens know where to go and what to do in case of a direct attack on our shores. He has asked for funds for the purpose of making space available in existing private and public buildings that can be used for shelter; to stock these shelters with the essentials for survival; to improve the warning and fallout detection systems; and to take any further steps that may be necessary for the purpose of saving as many lives as possible should we ever be threatened.

Since our citizens have never had to fear a direct attack on their homeland, it is difficult to impress upon them the necessity of such preparation. It seems to me that the first step is to make samples of shelters available to them along with information explaining the extent to which they will be protected in the shelters and the amount of supplies that will be necessary for an extended stay in such surroundings. Along with this, it also would be effective to provide examples of what could happen if these shelters were not available to their families—this, perhaps, would be the most effective teaching device in our course on survival.

Mr. Speaker, no one knows what hour a nuclear war will burst. While we bend on our knees and pray for the peace of mankind, we must not be blinded to the dangers that may be thrust upon us by those who wish no peace. Today, for the second time, an American plane carrying Americans over their own American territory has been hijacked. If it is established that the hijackers acted for a foreign government, this is as much an act of war as though a foreign army had landed on American soil intent on hostile invasion. Whether in this, if proved, is a Soviet design only to accelerate the tensions close at home while the tension over Berlin approaches its climax, or is in fact the prelude to consequences of the gravest nature only time can tell. In a world of atomic and nuclear dangers, when we know not what is in the minds of those who may conspire to destroy our way of life, it is folly to be complacent. While we hope and pray for understanding and for peace, a failure now to prepare for the means of survival if, unhappily, war should come would be a criminal neglect in complacency. I hope that the bill I have introduced today will have early and favorable committee hearing and promptly will be enacted into law.

PUBLIC WELFARE AND RELIEF

Mr. DORN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN. Mr. Speaker, the Newburgh, N.Y., welfare controversy points out the need for strengthening the law. I have today introduced a bill which would guarantee local control of relief and welfare.

It is my belief that the city of Newburgh in formulating recent welfare and relief regulations acted properly and wisely in the best interest of all her people. While I believe it was the intention of Congress to leave the administration of relief at the local level, the amendment I am introducing would make it crystal clear. This bill is an expression of confidence in local government. It is an expression of confidence in the citizens ability to administer at the local level and to do what is morally right at the local level. No one is better prepared to administer relief and welfare programs of this nature than those who live with the problems and know the individuals involved. No one will be more sympathetic, understanding, or humanitarian than the people at the local level. Also, no one will be more realistic and practical and economical than people at the municipal and county level. Conditions vary from community to community and even moral standards and ethics vary. Local people must be given the authority and expression of confidence necessary to handle these purely local problems and determinations concerning relief.

Mr. Speaker, this bill should be favorably considered by the Congress. In this time of increasing delinquency, it will help protect the morals of local communities. It will promote better homelife and protect the sanctity of our homes.

MONTGOMERY CONFIRMS LITTLE ROCK AS WARNING

Mr. ALFORD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ALFORD. Mr. Speaker, for many years I have been a student of the Constitution of the United States and basic American history. Thus, it was shocking to read in the August 1, 1961, issue of the Washington Evening Star certain statements attributed to our youthful Attorney General, Robert Kennedy, in a TV interview at Atlanta, Ga., on that day in which he defended the unlawful actions of the present administration in invading the State of Alabama with Federal marshals in connection with the recent race disturbances at Montgomery.

When asked why Federal marshals were not sent to Chicago to take care of its race trouble, Kennedy replied in an

obvious comparison to the police of Montgomery:

> Chicago police are not standing back and waiting for people to be beaten up for 10 or 12 minutes and then stepping in. If they know there is going to be disorder they come in and try to deal with the trouble. That is all we are asking.
>
> If there had been concerted effort on the part of the authorities in Alabama we would not have had to send marshals in there. * * * I have no apologies to make.

These statements show that the Attorney General set up for himself an arbitrary standard of 10 or 12 minutes to gage when he will usurp powers not granted him. As these statements alone convict him of the crime of attempted usurpation of the police powers of the State in violation of his oath to support the Constitution, they are of interest to all Members of the Congress who are likewise sworn.

The question, Mr. Speaker, is not whether the Attorney General of the United States thinks that the police of Alabama waited for "10 or 12 minutes" and did not measure up to his standard of promptitude or a matter for which "apologies" can be made. The question is the crucial one of what is the law.

Congress is authorized to make laws to regulate interstate commerce. No authority is given to the Congress to invade the State for enforcement of this law and no authority is given the President to invade the State on any pretext except on request of the legislature or of the Governor when the legislature is not in session.

When the Congress passes a law that is within its authority under the Constitution, it automatically becomes the duty of the Governor of the State to enforce it. If the Governor fails in his duty that is a matter between him and the people who elected him or their legislature. No authority is given to the Federal executive or judicial departments to do anything about it; and no authority can be claimed by any of these three agencies of government established by the States, under the Constitution except the authority therein granted.

In these general connections, Mr. Speaker, ever since first becoming a Member of the Congress, I have stressed at every possible opportunity the constitutional relationship of the several governments in our constitutional system—the sovereign States and the three Federal agencies created by them. Public response to my statements, has indeed been gratifying.

Of all the Members of this body, as far as can be ascertained, I am the only one who witnessed the unconstitutional and illegal invasion in 1957 of my native State of Arkansas by the Armed Forces of the United States under the orders of a former President.

In so violating a Federal statute that prohibited the use of military forces for such purposes; in violating an express provision of the Constitution—article IV, section 4—that Federal forces shall protect each State against invasion and not be the instrument of invasion; and in making such transgressions to enforce unauthorized and illegal decrees by members of the Federal judiciary seeking to overthrow the lawful order in my State, the then President forswore his oath—article II, section 1, U.S. Constitution. This oath "bound" him to "support this Constitution"—not to violate it.

The overthrow by force of the lawful government of any State represents a misuse by sinister forces of a power to protect lawful order. It represents the misuse of this power to oppress brave and defenseless people.

In the recent disturbance at Montgomery, Ala., incited by agitators known as freedom riders, who were admittedly encouraged in their raids by officials of the executive branch of the Federal Government, this agency, without request from the Governor of Alabama or its legislature, again attempted to intervene with force in normal law enforcement processes.

Despite the fact that the Governor of Alabama had declared martial law in Montgomery and that law and order was being enforced by those officials responsible for the exercise of the police power of the State, there were anonymous veiled threats published of the possibility of the use of regular troops in addition to marshals.

Such use of the Federal forces, Mr. Speaker, in this country that prides itself on the fidelity of its public institutions in upholding the law, is an ominous revealment of the power and ruthlessness of the subversive forces that control the channels of communications between our great people and their representatives in this body as well as the constitutional illiteracy on the part of our officials, both Federal and State.

In reading the press stories and their sensational headlines about the riot in Montgomery, I was impressed by the similarity of their treatment to that applied in 1957 to Little Rock. There were, with few exceptions, the same distortion, the same deception, and the same failure to present the full story to our people or to clarify the constitutional questions involved.

So obvious was the exaggerated reporting that many asked why the propaganda buildup. The communistic objective of using the race issue to incite civil strife is well known and extensively documented. Was the undue emphasis in the press treatment a deliberate attempt by its controllers to divert attention from the Cuban fiasco and the dangerous situation in the Caribbean in order to beguile our people? Was it designed to embarrass our President who was then on the eve of a vitally important international conference? It certainly served those purposes and should be so recognized.

Fortunately, today we understand the constitutional relationship regarding the maintenance of public order better than in 1957. Among the papers clarifying the "law of the land" that was overthrown at Little Rock was one by Alfred J. Schweppe, broadcast on January 12, 1958, over the Manion Forum Network.

As one of the leading legal scholars of the Nation, a distinguished professor of constitutional law, and a former head of the Law School of the University of Washington, Dean Schweppe possesses high qualifications for the conclusions that he reaches.

In order that his constructive contribution may be available to all leaders of our Government, both State and Federal, who no longer can plead ignorance of what is the "law of the land," I quote this broadcast, two editorials by David Lawrence, and an article by Thurman Sensing, and commend them for study by every official of our governments, Federal and State:

EISENHOWER'S INVASION OF LITTLE ROCK ILLEGAL

Dean MANION. It has long been our prideful boast that we are governed by inflexible laws and not by the whims of men. This principle is one of the hallmarks of liberty. Can the President set aside the law and substitute his personal judgment of right and wrong in an emergency?

Did the President do this in the Little Rock school disturbance? My distinguished guest tonight will answer this question and he is well qualified to answer it. He is a former dean of the University of Washington Law School, a teacher of constitutional law, a member of the board of editors of the American Bar Association Journal and a nationally prominent practicing attorney.

It is my pleasure to present the Honorable Alfred J. Schweppe, of Seattle, Wash.

Mr. SCHWEPPE. Thank you, Dean Manion. The use of troops in domestic affairs is, indeed, a very grave matter—the deep concern of every citizen—and may involve fundamental questions of self-government and of civil liberties—questions as basic as the question involved in the great civil liberties case of *Ex Parte Milligan* (1866) 4 Wall. 2, which invalidated an Army court-martial approved by President Lincoln in a northern area where the civil courts were regularly functioning.

The legal problem is simply stated, namely: Where does the legal power reside to enforce Federal court decrees rendered under article III, the judicial article, of the Federal Constitution?

The issue, of course, is only one of legal power. The President, like everyone else, is, as Lord Coke said of James I, "under the law." The issue has nothing to do with segregation or desegregation, but only with the lawful manner of enforcing Federal court decrees.

The President himself has said specifically that troops are in Little Rock "not to enforce or advance any governmental policy respecting integration, desegregation, or segregation" but only to enforce a U.S. district court decree.

The Federal Constitution, in article I, delegates all legislative power to Congress. Article II delegates the executive power to the President, including the duty to "take care that the laws shall be faithfully executed." Article III delegates the judicial power of the United States to the Supreme Court and such inferior courts as Congress may establish.

Article I delegates to Congress many specific legislative powers and finally the broad power "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department of officer thereof."

Thus the lower Federal courts are exclusively created and exclusively regulated by Congress. The Supreme Court has affirmed this clear constitutional principle hundreds of times.

Acting under these constitutional powers, Congress from the beginning provided that Federal court decrees rendered under judicial article [III] of the Constitution shall be executed by the U.S. marshal, now title 28,

United States Code, section 547, which provides that the U.S. marshal "shall execute all lawful writs, processes, and orders issued under the authority of the United States and to command all necessary assistance to execute his duties."

The assistance which he may command has since ancient times been known as a posse comitatus.

This power of the marshal to carry into effect the judicial article [III] of the Constitution could derive only from Congress, as decided by the Supreme Court [Chief Justice Marshall] in *Wayman* v. *Southard* in 1825.

The President, who has the duty under article II to "take care that the laws shall be faithfully executed," has no power to enforce, or aid in enforcing, Federal court decrees rendered under the judicial article III of the Constitution unless Congress invests him with such power.

The only statute that ever gave the President the power to employ the land and naval forces or militia "to aid in the execution of judicial process" was section 9 of the act of April 9, 1866, and section 13 of the act of May 31, 1870.

The latter was the Civil Rights Act of 1870, passed to "enforce" or implement the terms of the 14th and 15th amendments, as provided in those amendments. Sections 9 and 13 of the 1866 and 1870 statutes were reenacted as section 1989 of the Revised Statutes of 1873, becoming section 1993 of title 42, United States Code.

On February 16, 1957, a high Government official was interrogated by the Senate Judiciary Committee on the intention of the administration to use troops to enforce Federal district court decrees in school integration cases under section 1989 of the Revised Statutes.

Though a negative answer was given, still, undoubtedly at the instance of members who feared the power might be used, section 1989 of the Revised Statutes was expressly repealed in the Civil Rights Act of 1957, of which section 122 reads as follows: "Section 1989 of the Revised Statutes (42 U.S.C. 1993) is hereby repealed." The President signed this bill on September 9, 1957.

IKE'S ONLY RELIANCE WAS REPEALED

Thus, in September 1957, with the President's express approval, there was repealed the only statute in the United States Code giving the President power to use military force to aid in the execution of judicial process.

Congress in 1957, when the matter became a direct issue, clearly intended that the President should have no power in respect of Federal court decrees in civil rights cases. The repeal of a statute specifically dealing with enforcement of court decrees would in any event control over a general statute, if any is otherwise applicable, on executing the laws of the United States.

Hence, under present congressional legislation, only the U.S. marshal has power to enforce court decrees rendered under article III of the Constitution.

That, by way of virtually a simple syllogism, is the answer to the problem.

The answer can be supported in other ways. The Supreme Court has often held that the laws which the President shall faithfully execute are the acts of Congress. It was so decided in the recent Steel Seizure cases, in 1952, written by Mr. Justice Black, of Alabama, and in Ex Parte Quirin, written by the late Chief Justice Stone in 1942.

As succinctly put by Mr. Justice Douglas in his concurring opinion in the Steel Seizure cases:

"The power to execute the laws starts and ends with the laws Congress has enacted."

Under the Constitution, the lawmaking power is in Congress alone. Only Congress makes laws of the United States. Supreme Court decisions and district court decisions are not laws of the United States in the constitutional and statutory sense.

They are merely decisions between parties to a case or controversy which interpret or declare what law is binding between these parties. They do not bind any other person anywhere.

On the other hand, laws of the United States passed by Congress bind everybody everywhere within the jurisdiction of the United States.

It is, of course, well known that President Andrew Jackson, who had been a judge of the Supreme Court of Tennessee, did not think that a Supreme Court decision was a "law of the United States" that he was bound faithfully to execute. When he was advised in 1832 of the Supreme Court's decision in *Worcester* v. *Georgia*, involving Cherokee Indians, he said, "John Marshall wrote it; let him enforce it."

Moreover, and obviously, a U.S. district court decree cannot properly be held to be a law of the United States. Such a decree is binding only on the parties, is a precedent only within the district, and not binding on a Federal judge who disagrees.

The statutory sections on which the President relied in his proclamation of September 23, 1957, entitled "Obstructions of Justice in the State of Arkansas," namely sections 332, 333, and 334 of title 10, relating to the Armed Forces, as revised in 1956, cannot by any fair construction be made to give him, under the guise of enforcing the laws of the United States, the power to enforce Federal court decrees in civil rights cases, of which Congress, with his own consent, had stripped him exactly 2 weeks before.

Sections 332 and 333 empower the President to "call into service such of the militia of any State, and use such of the Armed Forces, as he considers necessary" when "unlawful obstructions, combinations, or assemblages" make it "impracticable to enforce the laws of the United States in any State or territory by the ordinary course of judicial proceedings."

These sections themselves clearly differentiate betwen "laws of the United States" and judicial decrees to enforce them. There is no conflict between section 1989 of the Revised Statutes, just repealed, and sections 332 and 333 of title 10 governing the Armed Forces. Section 1989 was a specific statute relating to the execution of judicial process. Sections 332 and 333 relate to enforcement of laws of the United States where judicial proceedings are impracticable.

The difference is sharp and clear. There is, as everyone knows, no act of Congress requiring integrated schools. In fact, in addition to establishing and maintaining segregated schools in the District of Columbia schools for many decades right down to the recent decision of the Supreme Court in the Brown case, Congress directly recognized segregated schools in the States as late as 1946 in the school lunch legislation, by requiring separate but equal distribution of the Federal funds provided for that purpose (42 U.S. Code 1760).

The President has, as noted at the outset, squarely predicated his action on an assumed duty to enforce Federal court decrees on the basis of sections 332 and 333 of title 10, and not on the basis of suppressing "domestic violence." That is the only way he could avoid a clash with article IV, section 4, of the Constitution, which says that the United States shall protect each State against invasion "and on application of the legislature, or of the Executive—when the legislature cannot be convened—against domestic violence."

FEDERAL INTERVENTION MUST BE INVITED

The Federal Government is not to interfere in a case of domestic violence within a State unless invited by the representatives of the people. The Constitutional Convention was even fearful of reposing this inviting power in one man alone, but insisted that the State legislature do the inviting, if at all possible.

The Founding Fathers were taking no chances with an all-powerful Central Government and did not want that Government to interfere within a State unless expressly invited. The tread of Redcoats on the streets of Boston was still ringing in their ears. Fresh was the memory that royal governors did the inviting—not members of colonial assemblies.

The Founding Fathers closed the book forever on the exercise of such unrestrained executive power as led to the Revolution. They remembered Cromwell and George III. They knew history. They knew despotism; and they provided against it.

While, under article II, they made the President Commander in Chief of the Army and Navy of the United States, "and of the militia of the several States when called into actual service of the United States," and imposed on him the duty to "take care that the laws of the United States be faithfully executed," they were careful to spell out that Congress should have power "to provide for calling forth the militia to execute the laws of the Union," and that Congress should have the power "to make rules for the government and regulation of the land and naval forces."

These subjects were advisedly delegated to Congress under article I and not to the President under article II. (See the Federalist, No. 24.) Hence, Congress alone was empowered to determine how, when, and in what circumstances the President may call forth the militia to execute the laws of the Union within the United States.

The laws of the Union to be executed by the militia are, of course, the same laws that the President is faithfully to execute under Article II, namely, acts of Congress, as the court has held in many cases, the latest being the famous Steel Seizure cases.

And it should be emphasized again that the President can only use force to execute the laws of the Union in the manner and to the extent authorized by Congress. He has no power to use force except as authorized by Congress. The Founding Fathers saw to that.

In consequence, however we proceed, we end up with the conclusion that military States and judicial proceedings to enforce Federal court decrees because the only specific statute was repealed in 1957, or (2) to execute the laws because (a) statutes on which he relied are inapplicable and themselves distinguish between laws of the United States and judicial proceedings to enforce them, and because (b) court decrees are not laws of the United States in the constitutional and statutory sense.

Clearly, only, the U.S. marshal has the power and duty to execute Federal court decrees with the assistance, if need be, of a posse comitatus, not including military forces. (Sec. 1385 of title 18, United States Code).

The President's action at Little Rock is, in my judgment, utterly illegal and beyond his constitutional and statutory powers.

Dean MANION. Thank you, Alfred Schweppe, for this objective, clarifying discussion of the law of the land at Little Rock.

[From the Evening Star, May 23, 1961]

RIGHTS AND INCITEMENT TO RIOT—JOURNEY OF FREEDOM RIDERS IN ALABAMA VIEWED AS VIOLATION OF CONSTITUTION

(By David Lawrence)

There is a constitutional right to free speech, but—as the Supreme Court has said—there is no right falsely to cry "Fire!" in a crowded theater.

There is a constitutional right to demonstrate, but not a right to provoke or incite people to riot.

There is a constitutional right to assemble in a hall to espouse any cause, but not a right to organize a sit-in demonstration for the express purpose of using private property—against the wishes of the owners—to stir up passions and create incidents of disorder.

For decades now the American people have been denouncing lynch rule and mob action, and the cry has been for adherence to constitutional law and the orderly procedures of the courts.

But what happened in Alabama over the weekend reveals clearly that incitement to riot is the fundamental cause of the trouble. Mayor Robert Wagner of New York, not many months ago, rightly refused to give a permit to a rabble-rouser who wanted to defend the Nazi point of view at meetings in the heart of the metropolis, where the bulk of the population was bound to resent such statements and perhaps be stimulated to mob action.

It was all very well for civic groups later to argue that a permit should have been granted by the mayor and that the champion of Nazi doctrines had a right to free speech, but the mayor knew what the consequences would be and acted wisely. Alabama's attorney general has just told the same rabble-rouser to keep out of the State.

Today the Federal Government under the Kennedy administration has made the same mistake at Montgomery as did the Eisenhower administration at Little Rock. Both refused to let local authorities deal with the situation. The more than 400 Federal marshals, fully armed, who were mobilized in Montgomery last Sunday were, as Senator DIRKSEN, of Illinois, says, hardly different from Federal troops.

There are, of course, plenty of legalisms involved. At Little Rock the Governor of Arkansas ordered out the National Guard to prevent mob violence around the school. But the Federal Government construed this as an impediment to the enforcement of a Federal court order on desegregation of public schools.

In Alabama a court order issued by an Alabama State judge had called on the so-called "freedom riders" to abstain from their demonstrations on buses which had been advertised in advance and were certain to stir up trouble. Notwithstanding the existence of this State court order, the Federal Government intervened with Federal marshals, claiming that "law and order" had broken down.

Indeed, an 1871 Federal statute was cited by the U.S. Department of Justice as authority for the step, though this law specifically refers to Federal intervention only where there is insurrection or domestic violence due to a refusal or inability of a State to grant protection. It can hardly be said that the action of a mob, even though some negligence is temporarily displayed by local police, constitutes such an insurrection in a constitutional sense. On the contrary, the Governor of Alabama recognized the right of the bus to engage in interstate travel and the right of passengers on the bus to be protected. Just how this gets to be insurrection is hard to understand. Neither the Governor nor the legislature requested the Federal intervention as the Constitution prescribes must be done when domestic violence develops beyond the State's control.

It is true that the U.S. Attorney General and the Governor of Alabama discussed beforehand the events leading up to the crisis on Saturday, but this does not justify Federal intervention any more than it justifies mob action. Unless the regular processes of the law are permitted to take their course, the whole thing just becomes an emotional spectacle with politics and the bid for votes in the populous Northern States playing its part, both under a Democratic and a Republican national administration.

If, as Supreme Court decisions in the past have indicated, there is a right of any citizen to travel through a State or inside a State without color discrimination on vehicles of transportation, the proper course for the aggrieved parties is to apply for court orders. Long drawn out as the cases might be, the necessary court support would be forthcoming and arrests for contempt for violating court orders would follow as a routine procedure.

To say that all this takes too much time, and that we have waited long enough is exactly what the mobsters used to argue passionately as they prepared to lynch a rapist. The cry was then heard: "He's guilty anyhow, why wait for the courts."

Unfortunately, the 14th amendment, under which equal protection of the law has been fostered, was itself ratified at the point of the bayonet when, 3 years after the Civil War was over, the Southern States were coerced—by militiamen sitting in the State legislatures—into ratifying the amendment. The Constitution itself prescribes a proper method of ratification, and the present generation is suffering 100 years later the consequences of the disregard of the Constitution in the period immediately after the Civil War. The Supreme Court has ruled on many 14th amendment cases but has consistently refused to pass upon any case involving the legality of the ratification of the 14th amendment itself.

[From the Evening Star, June 7, 1961]

FEDERAL POWER OVER THE STATES—U.S. BRIEF ON PUBLIC SCHOOL SYSTEMS CALLED MASTER-AND-SLAVE ACTION

(By David Lawrence)

The Kennedy administration has asked the courts, in effect, to make the Federal Government master and compel the States to be servants—a form of slavery and subservience never envisioned by the framers of the Constitution.

The Department of Justice has just filed a brief with a three-judge Federal court asserting that the National Government may force a State legislature to appropriate funds or levy certain taxes as the Federal bosses in Washington may dictate. If a State wishes education to be conducted in private schools altogether in a State or county, with perhaps tuition grants to parents, the Kennedy administration says this must not be permitted and that every State must be required—against the will of its voters—to maintain a public school system throughout a State.

This usurpation of power—unprecedented in American history—is unequivocally urged by Attorney General Kennedy. It is, in reality, a demand that the 10th amendment of the Constitution be either repealed or ignored. This amendment reserves to the States the powers not delegated in the Constitution to the Federal Government and those not prohibited by the Constitution to the States.

The three-judge court in Louisiana asked these two questions of all the State governments as well as the Department of Justice:

"Would the abandonment by a State of its public school system deprive children of right guaranteed by the due process or equal protection clauses of the 14th amendment?

"Would the answer be the same if the abandonment were on a local option basis after a vote of the electorate authorizing county school authorities to close the public schools?"

The Kennedy brief answered both questions in the affirmative. It said previous cases "establish the principle that where a State has provided a valuable opportunity, whether it be called a 'right' or a 'privilege,' and then attempts to withdraw that opportunity for irrational or discriminatory reasons, it violates due process rights."

This is an extraordinary claim. It might mean that a Democratic administration on being elected to office in a State couldn't fire a Republican or vice versa. There are many ramifications to the word "irrational" or to the definition of "privilege." It is certainly novel to find the U.S. Department of Justice insisting on uniformity of "privileges" within a State.

The major argument made, of course, by the Department of Justice is that education is a "necessity" and that only through public school systems can the citizens of one State compete with the citizens of another State in the struggle for professional and economical achievement. This certainly downgrades private schools and places public schools on a level of superiority which nothing in the Federal Constitution would seem to justify.

It so happens that when the attorneys general of all the States were invited to submit by June 5 briefs on this all-important issue, a significant document was filed by Attorney General Richard W. Ervin and Assistant Attorney General Ralph E. Odum of Florida. It flatly contradicts the argument of the Federal Government. The Florida brief says in part:

"Our present Constitution, including the 14th amendment, has not delegated to the United States the power to establish State-operated public school systems; to compel States to operate public school systems; to compel States to levy taxes for public school purposes or to determine the adequacy or inadequacy of a State-operated public school system.

"We respectively submit that an affirmative answer to this question by the Supreme Court of the United States would be tantamount to a judicial repeal of the 10th amendment. The Supreme Court has no such power under our Constitution.

"All States are not required by the 14th amendment to offer their citizens the same public services and facilities regardless of how important and necessary such services and facilities may appear to be."

The Florida brief goes on to point out the variations in laws between the States, in both criminal and civil matters, and the many deviations as between forms of government among counties within States. The brief adds:

"The 14th amendment does not guarantee that all States shall have identical laws, but it does provide for the equal administration of such laws as the States may enact."

Finally the Florida attorney general quotes from a decision of the Supreme Court of the United States (*Bowman* v. *Lewis*) which says:

"The 14th amendment does not profess to secure to all persons in the United States the benefit of the same laws and the same remedies."

Certainly there are no uniform State laws on all subjects, nor for instance, statutes in all States forbidding the intermarriage of certain races.

It could conceivably be argued by the Federal Government some day that intermarriage of races is desirable as a means of impressing the new African states that the United States has no racial barriers. Also, it could be contended that certain States don't appropriate enough money for this or that worthy purpose, or that cities do not properly take care of certain groups of citizens, and that unless the States come up to the standards in such matters set by a Federal dictatorship in Washington, the States will be accused of being irrational and of violating the due process clause of the Constitution. This could reach into housing and urban development and put an end to home rule by States and localities in America.

THE SOUTH INVADED

(By Thurman Sensing, executive vice president, Southern States Industrial Council)

Invasion of the Southern States by the freedom riders (surely the most inappropriate description ever used of any group) is further evidence of the revolutionary design against this region, a strong bulwark of constitutional government in the United States.

Calling themselves "nonviolent demonstrators," the agitators from the Congress of Racial Equality (CORE) actually are seeking violence. They were successful in some communities in provoking some elements into bloody clashes. As a whole, however, the southern people have displayed a remarkably temperate response in the face of the most blatant and outrageous provocation.

These agitators have entered States with the deliberate purpose of breaking the law. Then they immediately demand that Federal law be invoked to protect them in their nefarious schemes.

The country should take a close look at the leadership of CORE and other demonstration groups. One CORE leader on the trip served 3 years in jail for draft dodging during World War II and also had been arrested for trespassing on an atomic weapons test site. Another one of the freedom riders had sought to enter the Eniwetok atom test site in the Pacific in 1958. He was arrested in Honolulu. Does the administration know what kind of individuals it is defending?

Indeed, many of the organizations now stirring up trouble in the South have long records of involvement with questionable causes. The Fellowship of Reconciliation, which trained the leading sit-in leader in Nashville last year, recently opposed a strong U.S. defense posture against Fidel Castro.

The Federal Government has a duty to probe CORE and the other groups, but it apparently is unwilling to do its duty. In the absence of Federal investigations, the States should have their legal officers dig out the radical records of these groups and membership. Once the country understands the character of these groups, it will view the southern position with greater understanding.

The timing of the freedom rides should be of interest to all Americans. The bus invasion of the South coincides with protest movements elsewhere in the world—protests which hit at the best interest of the United States. In Scotland, radical demonstrators swarmed into a small seaport to protest against the basing there of a supply ship for American nuclear submarines. In Cambridge, Mass., 42 professors at Harvard signed an "Open Letter to the President" urging a soft policy on Red Cuba. In Aspen, Colo., an organization known as the Conference on Science and World Affairs, has launched a drive to have Chinese Communist scientists admitted to the United States this fall.

It is clear that since the collapse of the Cuban invasion, a mighty leftwing pressure campaign has been underway in the United States. Congress should consider this matter of the timing of the freedom rides into the South.

Certainly, there is irony—if not tragedy—in the Kennedy administration's response to the bus invasion. Whereas the administration wouldn't order troops into Cuba to put down a Communist regime, it acted like lightning in ordering Federal marshals into Alabama to police a community where local and State authorities were fully capable of putting down further demonstrations. It is distressing and troubling that the U.S. Government won't act against Communists at our national doorstep but will use all available force to stamp down southerners whose only crime is that they ask respect for the system of States rights ordained by the Founding Fathers of this Republic.

Now that the leaders of the riders have blatantly rejected Robert Kennedy's appeal for a cooling-off period, perhaps it will soak in on even the U.S. Attorney General that these agitators are not interested in either law or reason. Even so, the Justice Department has announced it is joining the riders in a suit to overthrow State laws. Does the Justice Department itself also want to tear down the constitutional form of government created for us by our forefathers?

RURAL DEVELOPMENT

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Washington [Mrs. MAY] is recognized for 60 minutes.

Mrs. MAY. Mr. Speaker, one of the major weaknesses in the total resources and economy of the United States is underemployment among farm and nonfarm rural people. This underemployment in agriculture is the equivalent of nearly one and a half million unemployed persons.

More than income is at stake in effective development of rural America. It is the progress and well-being of fine rural families. We must continue to look to rural America for the social stability and the spiritual and cultural strength to continue us as a great and powerful nation.

This afternoon, Mr. Speaker, it is my privilege to present, with the fine cooperation of my able colleague, the gentleman from Kansas [Mr. MCVEY], a discussion of the problems and solutions in the successful development of the new rural America. Our discussion will be a continuation of the series on unemployment in the dynamic American economy, a project of the House Republican policy committee's special committee on special projects.

We will use, as the basis of this discussion, an excellent and provocative paper by True D. Morse, business and agricultural consultant of Austin, Tex. Mr. Morse for 8 years was Under Secretary of Agriculture in the Eisenhower administration and is former chairman of the Committee for the Rural Development Program, initiated in 1955 under President Eisenhower.

Underemployment and unemployment in rural America is due in great part to the greatest advance in efficiency ever known to agriculture anywhere in the world, which, in itself, is a fact of which America can be justifiably proud.

In America today one farmworker produces enough food and fiber for 26 persons. One hour of farm labor today produces four times as much food and fiber as in 1919–21.

In contrast, the employment of about half of the work force of Russia is required in agriculture to feed that Communist nation, and in most areas of the world the great majority of the population is engaged in agriculture and food still is scarce.

The general economy would experience a substantial buoyancy by the restoration of rural purchasing power. The greatest underdeveloped markets for the goods produced by factories and labor in the cities now are in rural America.

In spite of many difficult obstacles, the rural development program has consistently been enlarged and made more effective year by year since it was announced in 1955. This program is now widely accepted as a major national approach to helping rural people improve farming, obtain off-farm work, and build better, more prosperous communities. The record of achievement and progress has been remarkable, especially when compared with the problems to be overcome.

Mr. MCVEY. Mr. Speaker, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman from Kansas.

Mr. MCVEY. Mr. Speaker, first of all I wish to compliment the gentlewoman, who is my colleague, on her fine work in behalf of agriculture as a member of the Agriculture Committee of this body.

Mr. Speaker, former President Eisenhower set the stage for the rural development program in his message to Congress on April 26, 1955, when he said:

> More than one-fourth of the families who live on American farms still have cash incomes less than $1,000 a year. They neither share fully in our economic and social progress nor contribute as much as they would like and can contribute to the Nation's production of goods and services.

It was felt that a continuation of indiscriminate Federal handouts would only treat the symptoms rather than the basic illness of the rural economy, which seemed to be worsening.

An interdepartmental committee was created to provide leadership for the rural development program and to coordinate its activities. This committee included Under Secretaries of Agriculture, Commerce, Health, Education, and Welfare, Labor, and Interior, as well as the Small Business Administrator and a member from the Council of Economic Advisers.

The program was to strengthen the Nation's agricultural economy and it has done so by creating additional sources of income and supplemental employment opportunities, by encouraging the introduction of new farm products, by expanding more efficient farm marketing, and by enlarging vocational guidance and training programs. By 1958, 30 States and Puerto Rico were participating in the program.

Mrs. MAY. Mr. Speaker, as the gentleman has pointed out, in the progress of this program I would like to also continue and add statistics.

In 1956, less than 25 rural counties in only a handful of States had begun formal programs. Today more than 210 counties in all major sections of the Nation have the work underway or in the planning stage.

Reports show more than 2,000 projects to improve farms, build new industries and expand existing ones, help both youth and adults to obtain the training they need, improve health, and accomplish other aims.

Thirty-five States and Puerto Rico now have rural development work underway. Regional meetings are going forward throughout the Nation to help leaders in all States plan and inaugurate rural development activities.

Rural development has brought increased understanding that farm im-

provement alone cannot solve the problem of a concentration of low incomes in certain rural areas.

The approach must be one of balancing improved agriculture with industrial and business development and building the kind of community facilities that will help rural people—especially younger people—prepare for the opportunities and challenges of the future.

Probably the most significant accomplishment of the program has been to establish a climate of opinion permitting broader use of nonfarm solution to the low-income farm problem.

Mr. McVEY. Mr. Speaker, will the gentlewoman yield?

Mrs. MAY. I will be glad to yield to the gentleman from Kansas.

Mr. McVEY. In your opening remarks, you stated that underemployment in agriculture is equivalent of nearly one and a half million unemployed persons. This was verified by the testimony of the Secretary of Agriculture on February 27, 1961, wherein he stated:

> There is enough underemployment each year among workers 20 to 64 years of age who live on farms to equal a full year of employment for 1,400,000.

Many people possibly do not understand the meaning of this statement. If if it were stated in another way, it would simply be that these farm people have off seasons when there is no crop to plant or harvest and this idle time represents wasted man-hours which could be devoted to other employment. In other words, these people are underemployed and if they were included in the unemployment figure for our Nation, it would add 1,400,000 to the total. Underemployment and unemployment are twins and should be considered together.

The farmer is ensnared in his own efficiency. With improved farming practices and automation, it is possible to get larger crop yields from smaller acreages than ever before. Also, less time is required so that it is no wonder that U.S. Department of Labor projections reveal that employment of farmers and farmworkers in the next 10 years will drop 17 percent, when demand for professional and technical workers will go up nearly 40 percent, and most other occupations will increase in size. Thus, your figure of one and a half million unemployed persons will be appreciably increased in the next 10 years unless the underemployed problem is solved.

Mrs. MAY. I would like to carry this on further as we are preparing here to study the problem before we go into the solution that in April 1955, the report, "Development of Agriculture's Human Resources," was released following a year of cooperative study by private organizations and Federal and State agencies. On release of this report, the Committee for Rural Development Program stated:

> The problem is more basic than low incomes expressed in dollars; it embodies human values, the lives and welfare of people and of families.
>
> Clearly a broad, aggressive, well-coordinated assault is urgently needed. New measures must be launched; established activities must be strengthened.

Private and governmental action was recommended to:

First, strengthen industry in low-income rural areas and widen the range of off-farm job opportunities; second, help families with the desire and ability to stay in farming gain tools and information so they could farm successfully; third, provide more job training, education, and health services.

No rapid, easy solutions were offered; no schemes to buy the problem away with massive public funds; no plans to move responsibility and direction from the areas concerned to Washington, D.C.

Mr. McVEY. Mr. Speaker, will the gentlewoman yield further?

Mrs. MAY. I yield.

Mr. McVEY. May I point out that when we speak of rural America in this discussion that the term has a double meaning. Out of every eight people living in rural residences, only three can be classified as farm people; however, many of the nonfarm people are faced with the same problems of low income and underemployment.

Mrs. MAY. Certainly an important factor in solution to the problem facing rural America is in training and retraining those who are unable to compete in what has become the highly competitive and scientific field of farming. This remedy, however, is not an easy one to apply, as my colleague, Mr. CURTIS, of Missouri, pointed out in his remarks on page 12210 of the CONGRESSIONAL RECORD on July 10. The remedy does not lend itself to one quick application, but rather requires patience, perseverance, and tedious attention. As Mr. CURTIS so ably stated:

> The remedy will not be found in the rather offhand fashion that the Kennedy administration has sent up to the Congress, the recommendation that the Congress enact a Federal program for retraining calling for Federal expenditures of almost $1 billion in the next few years. We need knowledge and analysis. I hope the Kennedy administration will learn that Federal dollars are not proper substitutes for applied brains in this area or any other area.

Mr. McVEY. Mr. Speaker, will the gentlewoman yield further?

Mrs. MAY. I will be glad to.

Mr. McVEY. It would seem that State and local education departments can assist with projects to improve education and vocational training for low-income people. Mr. MORSE points out in his paper that 76 percent of farmers and farmworkers have less than a high school education. All of us know this amount of education is inadequate in our modern world, and such a condition affects our national economy as well as local economies. Obviously, one of the solutions to our rural underemployment problem is to give our rural people the kind of education that will train them in a skill that is in demand in the area where they live. The State of Kentucky is doing this, by taking vocational training into rural areas with mobile units and teaching trades, such as plumbing, electrical work, and mechanics, on the spot.

Also, we must inaugurate stay-in-school campaigns to encourage our youth to acquire a useful education. Aptitude testing should be made available to our rural citizens and also employment services and job counseling, just as these services are now made available to urban citizens.

Mrs. MAY. I also would like to point out that the recently enacted Area Redevelopment Act is a very good case in point on this matter of training and retraining.

As you will recall, one of the provisions in the bill set up a new $4.5 million per year vocational training and retraining program.

The substitute proposal offered by Mr. WIDNALL, however, recognized that since this occupational training was the only help some of the unemployed in depressed areas would get out of the administration proposal, the amount provided for occupational training in the administration bill was inadequate. Mr. WIDNALL'S bill more than doubled the amount by increasing the program from $4.5 to $10 million.

Further, the authorized appropriation would have been placed on a 1-year basis to force the coordination within that time of this new program with the existing vocational training programs of the Department of Health, Education and Welfare.

I believe the substitute measure, if it had prevailed, would have provided a much more effective means with which to combat the unemployment problems of depressed areas, and I regret that the substitute proposal did not prevail.

Mr. McVEY. Mr. Speaker, will the gentlewoman yield further?

Mrs. MAY. I would be very glad to yield to the gentleman.

Mr. McVEY. When people think of my State of Kansas, they envision the vast wheat farms of the West, with endless miles of treeless plains, but this is not typical of my district, which lies in the southeastern corner of the State. It is hilly and wooded, with many rivers and streams, so that the farms in this area are small farms by comparison and the fields are irregular in shape and sometimes hilly, which makes them difficult to farm. These are really the "family farms," although many of them are owned by urban residents and farmed by tenants. As might be expected, these farmers are not as influential politically as their wealthier counterpart and their economy is not benefited so greatly by the Federal farm programs. These are the rural people who really need the most help. They are least benefited by price supports which completely ignore many farm products such as poultry and eggs, vegetables, and other produce. In fact, most of these low-income farms are not benefited by price supports, for the price supports they receive are very small. There are no large industrial cities in my district where the underemployed rural people can look for employment. The towns are small towns which have been established principally as farm marketplaces in the past. I doubt that this problem is peculiar to my district. Probably it applies to other parts

of the Nation as well, and in this instance, at least, the failure of rural economies may bring about the failure of urban economies unless private industries and governmental departments and functions are moved into these areas to furnish employment.

Long overdue is the need for an overall plan to distribute industry throughout the Nation and also to distribute governmental offices and functions so that all the people in all the States may enjoy the fruits of American prosperity. Too long have the "plums" dropped into the same baskets. National defense alone dictates that the population be encouraged to spread rather than to concentrate in a few urban areas, but the present patronage system forces millions of our population to leave their chosen homes and to move to "favored" States and cities. I propose that rather than doling out subsistence in the form of handouts to the underemployed that the Federal Government lead the way to a solution of rural underemployment by spreading its departmental offices throughout the Nation rather than concentrating them in Washington, D.C., and a few other favored cities.

No matter how much is said or done about retraining rural people, retraining programs are useless unless the people have jobs to go to. More than that, most people probably do not want to move to Washington, D.C., to find a job because they prefer to live in their chosen States. Instead of forcing people to move to the jobs, let us take the jobs to the people and balance our economic strength.

It has been proven in my district that this will work, for twice the agricultural census has been conducted from my district at both Pittsburg and Parsons, Kans., with outstanding success. The Census Bureau in its interim report on the 1960 census, made to the House Committee on Post Office and Civil Service on May 5, 1961, said:

> A favorable statement can be made concerning the labor force available at both of these locations (Pittsburg and Parsons, Kans.). The general educational level and the initiative and resourcefulness of the individuals passing the test resulted in low training costs, high productivity, high quality work, low sick leave rates, and an unusually low turnover rate for temporary work. Also, at both locations, local officials and the public generally gave enthusiastic support which was of material assistance in establishing and operating these decentralized facilities.

In support of my theory, the report continues:

> The Bureau of the Census feels that planned decentralization carefully considered against the specific criteria outlined above is an effective way to carry out temporary mass-processing type operations and at the same time do much to bolster local economies.

The centralization of most governmental departments and bureaus in Washington, D.C., is actually an archaic plan resulting from the limited communication facilities of colonial days. The U.S. Air Force Strategic Air Command efficiently operates its worldwide network of bases from Omaha, Nebr. Can other governmental departments with less urgent functions do just as well on a nationwide network? The need for government departmental centralization no longer exists.

Mr. ELLSWORTH. Mr. Speaker, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman from Kansas.

Mr. ELLSWORTH. I would like to compliment the gentlewoman from Washington and also the gentleman from Kansas on their contribution to this problem. The rural portions of my district are contiguous to the gentleman's district and identical with his in many respects. On behalf of the people in my district I should like to express to the gentlewoman and the gentleman both my appreciation for the tremendous job they are doing here, and for the contribution they are making to the thinking in this area and the excellent presentation they are making this afternoon. I am listening to it with a great deal of interest.

Mrs. MAY. I thank the gentleman.

While we are on this subject, my distinguished colleague from Kansas has brought up a number of instances where people can be taken from areas of rural unemployment and given employment in other fields. I would like to speak specifically of one area that comes to my mind, that we really have before us in this session of Congress, and this concerns the U.S. sugar program.

There are a number of areas in which the Federal Government can offer leadership in helping the employment problem in rural America, which could prove most effective if studies were undertaken and were followed by appropriate policy.

One of these that immediately comes to mind is the U.S. sugar program. I hope that all Members of Congress, if they were not on the floor of the House at the time, will read in the CONGRESSIONAL RECORD the very excellent and informative discussion pertaining to our sugar program as it took place on the floor of the House on Monday of this week, July 31.

The sugarbeet is a good, solid cash crop, and the American farmer is pleading with the Congress for the right to grow sugarbeets. We used to obtain one-third of our national supply from Cuba, but now that this source is cut off, the Cuban quota has been reallocated to other foreign suppliers, and not 1 ounce of the Cuban quota has gone to American farmers. These farmers are willing to grow sugarbeets. They have the ability. If the administration would announce a willingness to allow them to grow only a portion of the former Cuban quota, and that policy were put into meaningful legislation, new sugarbeet processing factories could be built in old and new sugarbeet growing areas in many parts of the Nation, and the economies of these rural areas would receive a substantial boost.

Mr. DOLE. Mr. Speaker, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman from Kansas.

Mr. DOLE. This is true not only of the State of Washington but of the State of Kansas and many, many other States. Is that correct?

Mrs. MAY. That is correct. I do not know that the figures are accurate because we have not done tests in all the States, but it is possible to grow sugarbeets in the rural areas of 20 or more States of the United States, and it may be that every State in the Union has a potential for growing sugar.

Mr. DOLE. Coming from the State of Kansas, one of the potential areas, I know many of our growers could find jobs on the farms or in processing plants if we could have some sugar legislation. It means we are more intent on helping someone in foreign countries than we are in helping American farmers.

Mrs. MAY. I am sure the gentleman would agree that bringing processing plants for any commodity into any community helps with the freight rate problem, the creation of new jobs, and getting our agricultural products to market. This is not a surplus commodity. Most of all, this would be accomplished through private enterprise. In the simplest of terms, the Government needs only to say to these American farmers that it believes in their ability to become efficient and help themselves make good.

Mr. DOLE. Since the gentlewoman is a member of the Committee on Agriculture, I hope she will do all she can to have hearings held on this subject.

Mrs. MAY. I am doing everything in my power, I am sure, to get those hearings called.

I certainly am hopeful, throughout this discussion today and other discussions we have had on the floor of this House, that all Americans will learn the facts about the sugar situation in America today, as I feel they might be rather surprised and even shocked to find out what has happened to the Cuban quota, while American farmers have been denied.

Mr. McVEY. Mr. Speaker, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman from Kansas.

Mr. McVEY. I have another suggestion to strengthen our rural economy. As I have already emphasized, this is not merely a farm problem, for five out of every eight persons living in rural areas are nonfarmers. City dwellers are moving to suburbia which is that area outside the corporate limits of our cities. A few enterprising farmers and more city real estate brokers have made a neat profit by subdividing farms into lots and selling them to people wishing suburban residences. Strangely, the Federal Housing Administration does not have authority under the law to make subdivision loans. Amending the law to provide this assistance would undoubtedly stimulate our rural building economy and also enhance the economic status of many farmowners.

Mrs. MAY. Mr. Speaker, the Family Farms Subcommittee of the House Committee on Agriculture has long recognized that there is a deterioration of the economic structure of the family farm, already manifest in the disappearance of thousands of small family-operated farm units. The answer ultimately must be the decision of the American people—urban and rural people alike—on the fundamental question whether the Nation can afford to risk the consequences of a decadence of the basic rural system

that pioneered and for so long a time has nourished the American economic, social, and political order.

The subcommittee, of which I am pleased to be the ranking minority member, impresses particularly upon all thoughtful persons, the place of the family farm in the free enterprise system.

By the proportion the Nation permits a lessening of the number of opportunities for venture into individual enterprises—for one to own his own farm or his own business—then by an even larger measure will the free enterprise system be weakened. Free enterprise is the spirit of the frontier. The frontier must be kept open for men to venture into, and to achieve independence in, individual and family enterprises. The self-interest of those who have a stake in the American system—and that is all Americans—requires this.

Mr. BEERMANN. Mr. Speaker, will the gentlewoman yield?

Mrs. MAY. I am glad to yield to my colleague.

Mr. BEERMANN. Mr. Speaker, as a member of the Committee on Agriculture and serving on the same committee with the gentlewoman from Washington, and knowing the gentleman participating in this discussion, we have friends in common, I appreciate their remarks and the work that they have done to present this matter to us, especially about the sugar program and its relationship to increasing jobs, and private enterprise participation in this kind of program in each of your States as well as my own State. We have an industry called the alfalfa dehydrating industry. It is a private enterprise industry and is serving in a capacity for rotation of crops and cash markets for crops in those areas and I liken it as very similar to the sugarbeet industry except that it is completely a free enterprise industry. I appreciate your remarks very much.

Mrs. MAY. I would like to say to my distinguished colleague who is a member of the Committee on Agriculture, I understand that he and the gentleman from North Dakota [Mr. SHORT] plan to present some very interesting figures later on to the House of Representatives as to the potential of job creation, the creation of new jobs in rural areas by the establishment of processing plants for sugarbeets in our various States.

Mr. BEERMANN. We will do our best to present those figures and try to help in the solution of that problem.

Mrs. MAY. We will be very glad for your help.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentlewoman yield?

Mrs. MAY. I am glad to yield to my colleague from Missouri.

Mr. CURTIS of Missouri. I first want to commend both you and your colleague, the gentleman from Kansas [Mr. MCVEY] for undertaking this subject and developing it as you have. To me, it is one of the most important aspects of this problem of employment in our dynamic economy because it, probably more than any other area of our economy demonstrates what really has been going on, that the unemployment problem in rural areas is the result of the success of the agricultural system where one person is now providing the food and fiber when it used to take five people. In that process of achieving that success, we have created obsolescence in skills and we no longer need the unskilled and semiskilled worker to the extent that we used to. This is not failure, however, and that is the point—this is not failure that has produced this result. It is the very success that has done that. The question you have been posing is whether or not this system that has produced these successes can meet these new problems that result from success, and I am satisfied and I know the way that this matter has been presented here that you feel it can be solved, if we direct our attention to it in the proper way and diagnose it properly and avoid calling success a failure in trying to grapple with these problems.

Another point I would like to make, Mr. Speaker, is to emphasize that the Keynesian economists who seek to solve the problem of unemployment by increasing the purchasing power in aggregates of our people say that just by doing that, and they usually want to use the Government to do it, and it does not matter what the money is spent for just so long as it is spent, will solve these problems.

In the farm sector, the agricultural sector, it is pretty hard to demonstrate why that will not happen because even if our people throughout the country have more money it is very questionable whether they would buy more agricultural produce as a result, because, if anything, our doctors are telling us to eat less rather than more, and it would hardly have an impact on the agricultural surplus that we have.

I wanted to point out something that I had not thought of before but the gentlewoman's discussion has brought it to mind. Some years ago we used to speak of food and fiber, but actually today our agricultural produce is coming into another area which is quite interesting, the area of industrial produce. Soybeans, for example, are not fibers, but they are not used entirely for food; actually, they are being used in manufacturing processes. A great deal of sugar is not being used for food, and certainly in wartimes it is not; it becomes industrial alcohol and is used in making artificial rubber and many other commercial and industrial products. This is an area in agriculture that is somewhat new, almost what one would call industrial agriculture, and it would look as though there were a considerable future in this area, and the gentlewoman from Washington has very aptly pointed that out.

I wanted to make these observations and again commend both the gentlewoman from Washington and the gentleman from Kansas for this discussion and the contribution to this study which we are trying to make into employment in our dynamic economy.

Mrs. MAY. I thank the gentleman from Missouri.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include related matter, in particular a statement prepared by Mr. True D. Morse.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

(The statement referred to follows:)

RURAL DEVELOPMENT: REDUCES UNDEREMPLOYMENT AND INCREASES INCOMES

(By True D. Morse)

(NOTE.—Business and agricultural consultant, 3302 Big Bend Drive, Austin 3, Tex. (for 8 years of Eisenhower administration, was Under Secretary of Agriculture; former chairman, committee for rural development program).)

Waste of manpower is a serious problem among rural people of the United States. This includes nonfarm people as well as farm people.

This results from serious and chronic underemployment and periodic unemployment in widespread areas of the United States.

About one-half of the farm families and large numbers of rural nonfarm people have low incomes and a level of living far below that enjoyed by most people.

As a whole, underemployment among farm and nonfarm rural people is a major weakness in the total resources and economy of the United States.

Underemployment in agriculture is the equivalent of 1,400,000 unemployed people. This fact was brought out in the testimony of the Secretary of Agriculture, February 27, 1961. He said:

"There is enough underemployment each year among workers 20 to 64 years of age who live on farms to equal a full year of unemployment for 1,400,000 workers. That is to say—if we did not have so many people underemployed in agriculture the Nation would have roughly 1,400,000 more unemployed workers than are currently reported.

"It is clear that unemployment and underemployment are basically the same condition."

This is not a new problem—it has existed down through the years.

But it was not until the rural development program came into being in 1955 that a national effort was made to get more income for rural people who lack full-time employment either on or off their farms. This program was moving forward in some 35 States and Puerto Rico by January 1961. Other States were getting rural development work started.

Farming alone cannot overcome low incomes and poverty of farm families on small and low-production farms, with few exceptions.

It has not in the past—in spite of all the great scientific and educational advances in agriculture.

It cannot in the future.

Farming alone need not be the sole source of income for the fine farm families who need more income and a better way of life.

Our great and prosperous industrial Nation has jobs for these people. The talents and labor of the underemployed farm families are needed. More and more factories and businesses are locating in small towns and rural areas where farm and other rural people can commute to their employment.

Farm people with small and low-production farms are eagerly reaching out for off-farm employment. Many are driving 20 or 40 or 60 miles to industries, towns and cities to earn money with which to supplement their farm incomes.

While city people are exploding out into the suburban and rural areas to get country living—farm people who already have a country home are commuting to offices and industries for employment.

It is highly desirable that even more families live in the country. But this country living must be accompanied by the opportunity to have adequate incomes.

The low incomes and poverty of too many family farms that have existed down through the years must not be tolerated for the future.

Dr. William H. Nicholls, of Vanderbilt University, has analyzed and discussed on various occasions rural low incomes and rural poverty. He says, "After nearly 20 years of national prosperity, the families of the Southern States have average incomes only about two-thirds as high as those in the rest of the United States. * * * Southern farm families even now have incomes only about one-half of those of farm families elsewhere in the United States."

This situation should not—and need not—continue to exist.

The family farm is changing—rapidly changing.

Farms are much larger—up from an average of 174 acres in 1939 to 302 acres, which is now the average for the United States. This has meant fewer farms. The average size of commercial family farms will continue to increase.

Much has been said about family farms. Much said is untrue—causing confused thinking and misunderstanding.

Farms continue to be family operated. Over 95 percent of all farms are family operated—as high a proportion as 20 or 30 years ago.

The family farm is not vanishing.

In fact, with modern equipment farms are operated even more as family units—since there are now fewer sharecroppers and less use of employed labor.

Farms will continue to be family operated.

People are not being driven off farms as some say. The unprecedented continuous prosperity of the United States in recent years has been pulling people out of farming. Newspapers have been filled almost constantly with "help wanted" advertisements. There have been special recruitment efforts.

Commercial family farms have been able to increase rapidly in size only by buying up adjoining or nearby farms. Guaranteed prices for support crops have helped give extra dollars to the larger operators with which to outbid the little, low-income farmer who has been even more in need of additional land with which to have an efficient farm.

However, even more people now live in suburbs and out in rural areas as the new rural America has been taking shape. This is good for America.

Increasing numbers of families living on small farms or poor land can continue to live at home and commute to off-farm employment. Thus, country living is being combined with greatly increased incomes to help banish the age-old poverty or near poverty that has been the lot of too many fine farm and other rural people.

The new rural America is characterized by such trends and facts as:

There are now five nonfarm people for every three farm people living in rural America. The number of rural residences—in contrast to farms—will rapidly increase.

People: families want to live in suburban and rural areas. Witness the "explosion" of population centers. The flight to the fringe of cities and the urban sprawl will rapidly put more nonfarm people out in the country.

Mixed income and diversified income areas will become more common. They will be more actively promoted for the good of farm and town people alike.

Farm families now receive about $1 out of each $3 of total income from off-farm employment and other nonfarm sources. This income from off-farm sources will grow rapidly and be actively promoted as a means for overcoming low incomes of both farm and nonfarm rural people.

An increasing number of rural families have both farming and industrial or other nonfarm employment. These mixed income and diversified activities will continue to increase rapidly. This will be true especially for small and low income farm families.

Some 2 million farms now produce over 90 percent of the farm products marketed.

There will continue to be a declining need for farmers and farmworkers. It is the only major occupational group for which the Government forecasts less manpower demand during the 10 years ahead, the 1960's. farmers and farmworkers down 17 percent, while other except unskilled workers increase sharply. ("Manpower Challenge of the 1960's," U.S. Department of Labor.)

The great new highway system under construction with the improved connecting roads will put all of America on Main Street. Every area will be accessible. People of practically every area can commute to employment. Manufactured goods and farm products can flow more readily to markets.

As economists point out "communities like clusters of leaves along the main stem and branches of highways and roads" have grown in recent years at about 3½ times the rate of gain in national population. More and better highways and roads will speed up this population growth in the rural and farming areas.

Power, transportation, and communications now serve all communities and areas.

Milk, bread, and the daily paper are delivered along the country road in growing communities—city life widely spaced.

The one-room country school has all but disappeared. Larger and larger areas are being served by consolidated schools.

The country church, like the little country school, tends to grow larger and often gives way to the town and country church in the towns and villages.

Rural communities are being remade. Farm and nonfarm families, including the people in small towns, villages, and suburban areas, increasingly work, play, worship, and study together. There are many occupations represented among the neighbors in these new communities.

All this and much more adds up to a rapidly changing agriculture and a new rural America—today and more especially for tomorrow.

Underemployed rural people will find more complete employment in the dynamic American economy—and in turn will give our country an even more dynamic economy than would otherwise be the case.

The central purpose of the rural development program is to increase the incomes of farm families who do not have enough productive land for an adequate living. These higher incomes will be largely spent for a higher level of living and will thus help stimulate the total economy.

About 35 States and Puerto Rico, with rural development programs, have been clearly demonstrating how to bring higher incomes to farm families and entire rural areas. Here are examples drawn from the rapidly growing list of accomplishments, which illustrate what is being achieved—and how:

1. Farming is made more efficient and profitable as some of the farms become larger and sufficiently productive to be commercial farms. A wide variety of activities is increasing farm incomes. For example:

In Bertie County, N.C., in 2 years the vegetable industry was expanded from practically nothing to 1,700 acres. A produce company was organized and a $70,000 market built.

Georgia organized a peach-packing plant which increased peach shipments from 83 cars annually to 390 cars.

In Cumberland County, Va., a special feeder pig production and marketing program added $8,000 of income. Commercial laying flocks and aromatic tobacco added another $21,000.

Minnesota has organized feeder pig marketing associations in two rural development counties.

Farm families, without such potentials, diversify and supplement their incomes with off-farm employment or other sources of incomes. For example:

2. Industries and businesses already operating are often expanded. Area leaders look first to see if such can be enlarged to employ more people.

A lumber mill in Twiggs County, Ga., has grown from a 10-man operation to employ 100 workers.

Madison County, Ark., rural development leaders have helped a lumber company double its payroll to 16—making furniture frames under contract.

Amite County, Miss., encouraged a prefabricated house manufacturer to expand his plant. Now 200 instead of 60 are employed.

3. New industries are being started. The list is long and growing constantly, but a few examples will illustrate what is being accomplished:

Huntsville, Ark., starting 2 years ago has a thriving new garment factory employing over 150 people. Another company has eight men making furniture.

Suwannee County, Fla.: During the past year four new industries have begun operations and the plant for a fifth is under construction. These employ over 200 workers with annual payrolls well in excess of half a million dollars.

Price County, Wis., was among the first to report more industry and more off-farm employment. It is a challenging success story.

Missouri reports that "within the next year, almost 1,000 new full-time jobs and over 300 part-time jobs, with an annual payroll of $2,750,000 will be available to the people in the six rural development counties."

Lincoln County, Nev., has a new plant under construction that will employ 75 workers.

Tennessee says, "New industries are going in, new businesses are springing up—in the past year alone new and expanded industry employed an additional 400 people with an estimated payroll of $1 million."

Illinois lists a quarter of a million-dollar woodchip mill has been established.

Carroll and Grayson Counties, Va., stimulated by rural development, organized a chamber of commerce that is very active. One result is a new underwear factory under construction that will employ nearly 1,000 people.

Hillsville, Va., has a sewing enterprise employing 25 women—expected to later provide work for 100.

4. Forests are being made much more productive. Entire areas are awakening to the fact that trees are a valuable crop.

Low income farm areas are about one-half in timber. Therefore the forestry committee often becomes the most active and productive part of the rural development program where there is timber.

"For every dollar the timber owner gets for his stumpage, an average of $17.60 more value" can be added by the time it reaches consumers. These additional dollars go to workers and various businesses—more income for areas with timber. (See "Forest Industry Opportunities in Rural Development," USDA Information Bulletin No. 222.)

Amite County, Miss., planted 2 million pine seedlings to start its reforestation program.

In Minnesota several counties have organized Christmas tree growers' associa-

tions—for more profitable production and marketing.

These are but two of the hundreds of successful forestry projects.

5. Outdoor recreation is a cash crop that is being cultivated to produce more income. Americans have 50 percent more leisure time today than a few decades ago. We take longer vacations and more of them.

The northern peninsula of Michigan, found that hunters, fishermen, and tourists bring in $9 of income for every $1 of farm income. So area leaders set to work to cultivate the $9 crop to make it flourish and produce more—while not neglecting the $1 crops and livestock.

Stephens County, Wash., is actively promoting the tourist business.

Director L. E. Hoffman after spending 2 days in the rural development county of Crawford, Ind., wrote: "I was amazed at the amount of thorough planning. I agree with them that one of their greatest opportunities is recreation." The area close to the Ohio River has Wyandotte Cave, claimed to be "the second largest cave in the world."

Washington County, Maine, conservatively estimates $1.5 million more annual income largely from sportsmen and tourists as a result of rural development activities. The growing demand for campsites opens up opportunities for farmers. A campground can be built and equipped during the winter. The operation and maintenance can often be done by the farmer's family. People are willing to pay to use a good camp area.

6. Tourist business is a growing and expanding source of income. There may be 80 million more people in just 20 years and 180 million more in 40 years. They will want to travel—and have healthful outdoor recreation.

It is big business—for attractive towns and areas that hang out a welcome sign—and prepare for travelers.

In the 15-county Upper Peninsula of Michigan a training program reached 1,500 people working with the growing tourist business, and 125 businessmen serving tourists attended special classes.

7. Country homes and retirement homes help build up the economy of areas that are made attractive as places to live. There is a rapidly growing proportion of the population of retirement age—and they have money to spend on their homes and in the communities where they live.

For example, Arkansas, Louisiana, and Florida are among the States having rural development areas featuring retirement homes.

8. More education and the kind of vocational training that boys and girls can use in their life's work are major activities of local people working together on rural development.

Leaders face up to the hard fact that 76 percent of farmers and farmworkers have less than a high school education. Only unskilled workers have more—80 percent. This is not enough in the atomic and space age of the 1960's.

County and area rural development committees go into action—to give their youth a better chance in life. For example:

Kentucky took vocational training out into the country with mobile units—teaching plumbing, electrical wiring, mechanics, etc.

Rural development committees have carried on stay-in school campaigns and programs to encourage boys and girls with ability to get education beyond high school.

The Upper Peninsula of Michigan has set up rural counseling services staffed by leaders in business, banking, farming and education to advise farm families on small farms about needed farm and off-farm adjustments.

Stevens County, Wash., has a new junior college as a result of their rural development program.

The Joint Congressional Committee on the Economic Report (Senate and House) 84th Congress, said there should be greater opportunity for rural people to obtain training for nonfarm occupations * * * to improve the education of farm people, to make training in industrial skills available to them, and to overcome obstacles faced by people who wish to make the transition from farm to nonfarm work.

9. Employment services, job counseling, and aptitude testing are being carried forward. Pilot programs carried out by State agencies and the U.S. Department of Labor in Arkansas, Kentucky, Tennessee, and Wisconsin show tremendous potentials. In the four-county rural development area of Batesville, Ark., in the Ozark Mountains, over 7,000 people voluntarily took aptitude tests—ages 15 to over 65. The area is getting a new rubber factory after Governor Faubus convened the State legislature and enabling legislation was passed so that areas could meet financial requirements for new industries.

10. Better health has been among the first and most vigorous action programs. No county or area need wait to push ahead.

Report after report shows stepped up inoculations against disease, and more X-rays. Health clinics and hospital facilities have been installed—improved diets, water supplies, sewage disposal and sanitation have come through local people actively working with available medical and health associations and State and Federal agencies and departments.

The philosophy and concepts of rural development in terms of "The Challenge Ahead" are ably set forth by Dr. Ernest J. Nesius, dean of agriculture in West Virginia. He says:

"Rural development is, perhaps, more than anything else, an expression of need—a need to do something for those families that seem to be frozen or otherwise stalemated in their efforts to obtain some of the benefits of our American productivity and wealth."

He recognizes five distinct concepts:

"1. Rural development was launched on the premise that agriculture alone could not solve the problem of low incomes for the families living on the land because the answer, or some segment of the answer, was to be found in nonfarm situations. * * *

"2. Another idea that has borne fruit has been the increased emphasis on cooperation and working together by agencies—State, Federal, and county; public and private; tax supported and member supported. * * * Their efforts can complement rather than compete. * * * The idea of close agency cooperation as a concept of rural development has been truly a tremendously hopeful one. * * *

"Uniting capabilities into a unified program in an agreed upon direction, in which each agency acts independently and retains its identity and claims credit for what it has accomplished, has been a most promising and encouraging development in agency cooperation.

"3. Local leadership has been recognized and featured as the primary vehicle for action. * * *

"4. We have come to recognize more clearly that the economic flows and social phenomena are not contained by political boundaries. So we think in terms of trade areas or regions. * * *

"5. Rural development has caused us to more sharply define process and to adjust our program activities accordingly. * * * Process here is contrasted with a single event at a given time and at a given place. Process is a stream of events in sequence and in some direction."

Dean Nesius then goes on to observe:

"From experience in rural development there appears to be more specialized resources available by the agencies and organizations to the community than it knows how to use effectively. * * *

"I am repeatedly amazed at the kinds of varied and free services available to the individual and the community. We haven't done a good enough job of showing our talents in present-day situations. * * *

"Within the matrix of the local economy more attention needs to be given to finding and developing off-farm job opportunities for the underemployed people. We haven't begun to exploit the possibility of the new business that starts small and grows as the man and the market grows.

"The heavenly dream of attracting industry which employs a number of people is, indeed, a beautiful one—but its realization is rare. The traditional American success story starts with conditions of limited resources, hardships, failures, and eventual success. * * *

"Decisions are the focal points of thinking and action; therefore, our activities as agencies bear fruit when good decisions are made. Good decisions are founded on vision, objectivity, knowledge, and known goals with procedures for implementing the goals."

Effective development of rural America should be the concern of every thoughtful citizen—whether city dweller or farmer or rural resident—and regardless of occupation.

More than income is at stake. It is the progress of well-being of fine rural families.

We must continue to look to rural America for the social stability and the spiritual and cultural strength to continue us as a great and powerful Nation.

Of such are the opportunities and challenges of the rural development program. It can be of major help in achieving a stronger and more dynamic American economy for the future.

ATTAINING HIGH EMPLOYMENT AND ADEQUATE GROWTH RATES WITHOUT INFLATION

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Missouri [Mr. CURTIS] is recognized for 60 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include related matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I will not take the 60 minutes, but in continuing a discussion of this program of employment in our dynamic economy, this is part of the same Republican study into employment. My topic is "Attaining High Employment and Adequate Growth Rate Without Inflation."

Dr. Fellner of Yale University has prepared a splendid paper entitled "Attaining High Employment and Adequate Growth Rates Without Inflation," pointing out the many questions involved in dealing with the basic economic aggregates which relate to attaining high employment. I shall include this paper following my remarks.

The Employment Act of 1946 set out as our national goals maximum employment commensurate with maximum economic growth and—impliedly—maximum price stability. It is important to review the debate which occurred in the

Congress over whether the term "maximum employment" would be placed in the act or the term "full employment." This was not a futile exercise in semantics as the proponents of the term, full employment, who lost the debate, would have us now believe.

The issue involved is the basic relationship of government to the private enterprise system in our society. The term maximum employment recognized what I believe are the economic facts of life that employment comes essentially from a system of private enterprise and that government at best can merely be a helper, not even a copartner, in attaining this goal. The goal is the maximum employment attainable without sacrificing our progress toward the other two economic goals—maximum economic growth and maximum price stability.

The term full employment on the other hand was meant to mean that the Government had a responsibility for guaranteeing jobs to all of our people, and that therefore, government could create jobs and should create jobs whenever the private sector of the economy failed to create them. Under this concept government is not the mere handmaiden of the private sector, it is at least a copartner and at the most the major partner in a society. This theory was rejected by the Congress, but its proponents have been trying to minimize their defeat ever since by pretending that they never offered the challenge. Furthermore, they have been advancing their theories as if the Employment Act was not written as it was written and that the Federal Government has accepted as one of its goals guaranteed jobs for all its citizens.

Those of us who regard the political government as the handmaiden of the private sector of the economy in this matter of employment do not do so because we are opposed to full employment, indeed we hope that maximum employment will be full employment. We do so because we are convinced that government fiat cannot change the basic laws of economics any more than could King Canute cause the tides to cease by a governmental order. Economically, there is unemployment in the countries that have their governments guarantee to their people full employment. These countries merely hide their unemployment. I am satisfied that an objective economic analysis of Russia and of other nations that claim to be communistic and socialistic, and it is difficult to get these analyses, would reveal that their unemployment has been greater and more severe than the societies which have not in braggadocio manner claimed they could repeal economic laws and guarantee full employment to their people.

Of course, a society can hide unemployment temporarily by make-work laws, but upon analysis make-work laws are nothing more than spreading the wealth in accordance with the principle to each according to his needs from each according to his abilities. These laws do not create wealth. As Russia has found, this principle does not lead to either maximum employment, economic growth or price stability.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I think the gentleman is speaking directly to the point. He brings in the relationship of the planners of government to produce full employment and the performance of the Government that has attempted to do so. We find in many instances that the people who espouse the political theory of the Government guaranteeing in effect cradle to the grave prosperity to its citizens finds that the Government also manufactures, shall we say, distressed areas? Which creates a crisis by which to continue their program.

On the other hand, we find with a reasonable amount of understanding and confidence on the part of Government officials and the public in the free enterprise system, we achieve far more effective results with less cost to the taxpayers.

I think the gentleman is speaking directly to the point when he points out the artificiality of government manipulation of economy, as seen in other countries, that we are forewarned not to take that tragic step.

Mr. CURTIS of Missouri. I thank the gentleman for his comments. That is exactly what I am trying to point out. This kind of a guarantee is a false illusion, that really we cannot make. Jobs are only created in the economic process and in the private sector.

The Russian political leaders are pragmatists, not theorists, and accordingly they have been instituting in recent years a system of incentive pay which in the areas where it applies is considerably beyond the differentials which exist in many sectors of the private economy of the United States. They still talk socialism, but they are beginning to practice capitalism and to the extent they have started this practice they have reaped some real economic rewards. Conversely in some respects we in the United States have been talking capitalism and practicing a bit of socialism and accordingly we have been reaping some bitter economic fruits. Public housing, for illustration, is one of the many unripe persimmons we have plucked.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I would like to give the gentleman one practical illustration of the point he made, concerning the development of capitalism under a Communist government. Two years ago when I was in Poland I had occasion to observe the construction of homes in the rural areas, and an interesting story was told. It seems when the Polish Government, under pressure of a series of crop failures, turned from the collective farm program and returned to free enterprise, letting individual farmers produce on their own land, a tremendous boom developed in homebuilding in the rural areas, because prior to that, on account of being forced to live and work on the collective farms and therefore working entirely for the Government, the people maintained these minimum standards, but when there was a degree of private property restored to them, they immediately turned their energies into rebuilding their homes, working with their neighbors and building individual homesites because of the fundamental investment they had in it at the time their property was taken. They were capitalists, and they were willing to work for it.

Mr. CURTIS of Missouri. I thank the gentleman for that illustration.

Indeed that is all, really, that the private enterprise system is, when you boil it down: It is the emphasis on the individual, and the individual is the unit, and its society is the handmaiden or servant of the individual, not the individual the servant of the government. And, it is that that produces real wealth. I like to use this as an illustration to many of my doubting friends who think that you can accomplish things simply by ordering that it be done.

After 1946 it became very important to our society to get uranium ore. Now, there were two ways we could have gotten uranium ore: one by creating a bureau that would hire a lot of people to go out with Geiger counters and go around the wastelands of the West and try to find it, working 8 hours a day. If we had followed that procedure, I suspect we still would be minus a lot of uranium ore. Instead of that we followed what is traditionally an American system. We said that these are public lands out in the West, as most of them are, and under the law any individual who wants to take a Geiger counter anywhere around out there and can find it, it is his; he can stake out a claim. "Sure," you say, "but what right has that individual to that ore? He just found it. It is on public land. Why is that not something that the Government should take?" The answer is: What were we after? We were after uranium ore, and by putting the emphasis on individual initiative, we got more uranium ore than we can actually use at the present time. But, there is a real contrast between the private enterprise system and this foolish will-o'-the-wisp that the Government, by just ordering things, can accomplish these results.

I do not intend to go over the excellent discussion Dr. Fellner has presented in detail. There is much room for agreement and disagreement on many of his observations and proposals. The main purpose that Dr. Fellner's paper serves, and it serves admirably in the discussion the Republican task force on employment in our dynamic economy has undertaken, is to point up the economic balances that are involved in attaining maximum employment, maximum economic growth, and maximum price stability. It also points up the important position that Government has to play in maintaining these balances even though its function is ancillary, not primary.

Dr. Fellner's paper also points up, through his selection of details to illustrate his points, that this is not mere academic discussion. Here the Ways and Means Committee has before it at this very moment a question of modifying its basic tax laws by including a tax

credit for corporate investment in growth measured by depreciable capital assets. Should the committee follow this recommendation or should it, as Dr. Fellner discusses, lower the corporate tax rate? The two alternatives hit at the same goals—maximum employment, maximum economic growth, and maximum price stability.

There has not been one economic expert called before the Ways and Means Committee to discuss the problem. Neither the Treasury Department, the Ways and Means Committee, nor the Senate Finance Committee with all their staff experts are geared to discussing tax problems or broad fiscal problems in relation to their economic impact. Yet the questions Dr. Fellner raises in his paper should have been the starting point of the hearings before the Ways and Means Committee.

I have one other observation I would like to make at this time. Dr. Fellner in his paper and the Employment Act of 1946 deal in terms of economic aggregates.

We have to start somewhere and I believe dealing in national accounts or aggregates is as good a place to start as any. However, I have observed that in this process there has been a tendency to forget that aggregates are made up of component parts and that frequently, indeed usually, the components are going in diverse directions.

I believe it is imperative that we do more to break down our aggregates into component parts for study if we are to come up with the correct answers of the ancillary part that Government should be playing in the economic scheme of things. This is particularly important in the area of employment and unemployment in our dynamic economy.

There has been such single attention directed to aggregates by our professional economists that the President's Council of Economic Advisers is approaching the problem of employment by riveting its attention on aggregate unemployment. They do so because their interpretation of the economic aggregates, not broken into component parts, suggests that our economy has not been attaining its potential economic growth. This analysis based on aggregates leads to make-work programs and juggling Federal monetary and fiscal policies.

On the other hand people like myself believe that the problem is primarily one of unfilled employment opportunities resulting from unusually rapid economic growth. We concentrate our attention for further growth on filling these employment opportunities. In the search for people to fill these jobs we look to the pockets of unemployed people. This analysis leads us to establish programs to make workers skilled and to keep Federal monetary and fiscal policies neutral.

I believe a study of the components that go to make up our aggregate statistics in employment, in unemployment, in gross national product, in productivity, in price indices, in consumer credit, in money and in other things, would reveal whether it is an economic sickness we are trying to cope with, as the President's Council of Economic Advisers seem to think it is, or growing pains, as I think it is. The remedy for growing pains obviously is a great deal different than the remedy for a sickness. We need a correct diagnosis lest we do irretrievable damage to our economic system which in spite of the abuse we have given to it, remains the greatest in the world today.

At this time I wish to thank my colleague, Dr. EDWIN DURNO, of Oregon, for his cooperation in analyzing this topic and this paper by Professor Fellner. I am especially pleased to note the interest and the quality of the work done by him and by the other first-term Congressmen who have participated in this project.

Mr. Speaker, Dr. Fellner's paper follows:

ATTAINING HIGH EMPLOYMENT AND ADEQUATE GROWTH RATES WITHOUT INFLATION

(By William Fellner, Yale University)

Section I attempts to place the problem in its proper setting.

Section II stresses the need to coordinate monetary and fiscal policies with a program to increase the mobility of labor.

Section III is concerned with the need to step up investment and with shaping budgetary policy in view of this need. This section contains also an appraisal of the administration's tax-credit proposal and of some possible alternatives. Further, the section contains observations on certain differences between the methods of taxation used in the United States and in other countries.

Tables I and II, which are appended to this paper, compare the extent of reliance on direct versus indirect taxation in the United States with the extent of reliance on these methods of taxation in other countries.

I. NATURE OF THE PROBLEM

Government policy can obviously influence cyclical movements as well as long-run trends in the economy. At present it should be an objective of public policy to stimulate an increase of the rate of output which is big enough to reduce the unemployment ratio. This involves a gradual increase of output whose effect on the demand for labor outweighs those factors which make more labor available for employment. We may distinguish the following three factors which make increasing amounts of labor available as the economy expands: (1) The increase in output per man-hour (i.e., the decrease in man-hour requirements per unit of output, as a consequence of rising productivity); (2) the increase of the labor force; (3) the lengthening of the average workweek. We want the unemployment ratio to decline, and this implies that the increase in output must be big enough to have a stimulating effect on the demand for labor such as outweighs the effect of the three factors we have just listed.

This proposition will stay true for some time to come, but it will have to be modified for the advanced stages of the expansion. In the advanced stages of a true recovery, the appropriate further rate of increase of output will become smaller. This is because by that time the employed ratio of the labor force should have increased (the unemployment ratio should have declined) to a level which can be accepted as more or less normal. From there on the increase of output should increase the demand for labor to about the extent required for offsetting—but not for significantly outweighing—the joint effect of the factors enumerated in the preceding paragraph. If, after completion of the recovery, the effect of these factors, which make more labor available, is just about offset, then the employed proportion of the labor will stay approximately unchanged in a gradually growing economy. Futhermore, the force of the first two of the three factors listed in the preceding paragraph becomes reduced when the recovery is completed and the economy is growing in a state of already achieved high utilization; and the third factor ceases to play any role whatever (indeed, the third factor may in the long run be turned around, since the lengthening of the workweek during the cyclical recovery may gradually give way to a slow trend-like shortening of the workweek). These are the reasons why the appropriate rate of increase of output becomes smaller once the recovery is completed.

It follows that during the recovery period we should be aiming at a supernormal rate of increase of output. But it will be argued in this paper that it is necessary to watch some aspects of the situation carefully if significant disturbances are to be avoided during the recovery process. These disturbances could prevent the economy from completing the recovery or from subsequently making a smooth and gradual transition from a supernormal rate of expansion to a normal rate of growth. Consequently, while high speed of recovery is a desirable objective per se, single mindness concerning the speed of recovery would in all probability prove self-defeating. We should be aiming for the maximum speed of recovery which is compatible with certain other considerations, so that it should be possible to complete the recovery and to mitigate the subsequent fluctuations around the growth path of the economy. What are these other considerations?

II. LABOR MOBILITY

The present unemployment problem has the characteristics that a good many unemployed members of the labor force were employed in industries and regions different from those in which they could eventually become employed again in a state of reasonably full employment. In other words, it seems that a relatively high proportion of the unemployed are occupationally and regionally maldistributed.

According to newspapers, the administration is considering a program for promoting the processes of relocation and retraining. It is to be hoped that a constructive program of this sort will actually be put into effect without delay and that it will be roughly synchronized with a program of providing monetary and fiscal stimuli for recovery and long-run growth. Exclusive reliance on monetary and fiscal inducements for an ambitious program of high employment would result in inflation, i.e., in a rising general price level. This is because, in the absence of a deliberate policy effort for greater mobility, a boom of inflationary dimensions would be required in the expanding sectors to overcome quickly the rigidities now tying a considerable proportion of the unemployed workers to specializations and to regions from which they should be moving out. On the other hand, a program of relocation and retraining is not feasible if expanding sectors are incapable of absorbing those whom the program is intended to redirect.

Consequently, a constructive approach requires that monetary and fiscal policies, such as are helpful to the recovery process, should become coordinated with policies of relocation and retraining. It is the task of monetary and fiscal policies to shape the environment in such a way that buyers' preferences should create enough demand in some sectors to reduce the overall unemployment ratio; and it is the task of policies promoting the process of relocation and retraining to make labor available to the sectors favored by buyers' preferences ("expanding" sectors). These are essentially

two halves of one and the same program, a program of reducing the unemployment ratio within a reasonable period of time by noninflationary methods. A noninflationary process of expansion is one in which output increases along with demand, and the general price level stays constant.

It seems to me that constructive criticism of the policies of the administration should point out the fact that while specific elements of such a program have received attention on various occasions, a consistent and integrated plan of action has not so far emerged. The policy should be one of using monetary and fiscal inducements of a size sufficient for decreasing the unemployment ratio without price inflation, in circumstances where labor mobility is enhanced by the proper governmental policies. To be effective, this should become an integrated program without further delay. It would be highly desirable that the relocation policies should at least start bearing fruit during the coming 2 or 3 years over which, we hope, the present cyclical expansion may extend. (One may hope that over a longer period further favorable results would show in a gradual reduction of the normal unemployment ratio which is observable at peak levels of the business cycle.)

III. WHAT SORT OF MONETARY-FISCAL INDUCEMENTS?

It should be an essential objective of economic policy to increase the amount of productivity-raising investment. International comparisons of investment activity have many pitfalls, but it is nevertheless reasonable to conclude that the United States uses for capital formation a smaller proportion of its output than do, for example, the leading nations of the European Continent. This obviously has an influence on the rate at which various nations are putting new technological methods into effect. A steep rate of technological advance requires an adequate amount of new capital formation.

Quite aside from the question of what value each of us may wish to place on the rate of economic development per se, it must be recognized that our chances to avoid appreciable price inflation will be very much better if we succeed in establishing once more a high rate of increase in productivity. Some years ago the rate of increase of money wage rates was so high that it seemed inevitable to place emphasis on monetary-fiscal restraints rather than on efforts to match the money-wage increases by productivity increases. It would have been hopeless to try to raise the long-run rate of productivity increase to 5 percent per year. But in this regard the situation has improved to some extent, and a policy of accelerating our productivity trends through the right kind of investment might now very well bring the productivity trends in the vicinity of the observable money-wage trends.

Limitations of credit policy: One way of favoring investment is to provide the demand stimuli for recovery by easing credit conditions. But a policy limiting itself to this method would probably not be a very powerful policy. Furthermore, this method needs to be used with caution in any period in which a balance-of-payments deficit is creating difficulties or is threatening to do so. Given the effects of the expansion of domestic output and income on the balance of trade, the effect of the policy on the total balance of payments will be more adverse if the expansion is accompanied by great ease of credit than if it is not. This is because, other things equal, easy credit leads to capital exports and to a loss of reserves. At present, effective stimuli for domestic expansion must, therefore, come largely from fiscal policy rather than from credit policy in the narrower sense; and the objective should be to provide these fiscal stimuli primarily to investment rather than directly to consumption.

An appraisal of the administration's tax-credit proposal versus the lowering of corporate income tax rates: In general, the tax-incentive program of the administration which was described in the President's special tax message of April 20 is directed to the right problem. Various parts of the program—for example, those relating to expense-account deductions—will, I think, rightly receive almost universal support. However, the program has some weaknesses, and I would like to call attention to two points. To anticipate my main conclusion, I believe that a reduction of the corporate income tax rate would have been preferable to the proposed plant-and-equipment credit; and that if, nevertheless, the plant-and-equipment credit should be enacted, it would not be preferable to abolish the dividend exclusion and the dividend credit. I now turn to my two points, in support of these propositions.

1. I shall argue here that the administration's tax-credit proposal is more conducive to the concentration of economic power (and also to investment decisions of a somewhat arbitrary character) than would be a reduction of corporate income tax rates, or than would be the proposed tax credit without abolition of the dividend exclusion and of the dividend credit. It is undesirable to promote mainly those acts of investment which are internally financed out of the undistributed earnings of enterprise that is already highly profitable. Lopsided stimulation of these particular investments may well lead to further concentration of economic power. Internal financing has also the disadvantage of channeling funds into the process of capital formation by administrative rules of thumb of corporate management.

These rules of thumb governing the allocation of undistributed internal funds are not fully equivalent to the criteria of selection directing funds into the most promising channels in a nationwide capital market. To be sure, there exists no "general case" against internal financing; this method of obtaining investable funds has some economic advantages as well as drawbacks. But pressing self-financing too far would have several undesirable consequences, and hence a balanced program should give additional inducements to invest and also additional inducements to accumulate savings out of personal income. These individual or personal savings are the funds which are channeled into investment through the capital market. Misgivings seem justified against the proposal that additional inducements to invest should become coupled with measures such as reduce the personal savings of individual income recipients out of any given national income. Yet, abolition of the dividend exclusion and of the dividend credit is likely to have just this effect if this measure is coupled with the proposed plant-and-equipment credit.

I am not suggesting that leaving the 1954 dividend-exclusion and dividend-credit provisions on the statute books and then adopting the proposed plant-and-equipment credit would be the ideal solution. As I said above, lower corporate rates, possibly with no dividend credit, might have certain advantages over the investment-credit plans.

The objection that a reduction of the corporate rate might make corporations more satisfied with the profits they already earn, and hence may not induce them to engage in additional risky investments, seems very unconvincing. At any rate, if this objection were based on correct psychological assumptions, then the objection would apply to the administration-sponsored plant-and-equipment credit as well. Against the tax-credit proposal of the administration one could, for example, argue in this fashion: a corporation might go on investing at a rate no higher than that at which it has been investing (or it may go on investing at a reduced rate); it could, nevertheless, cash in on the proposed tax credit; thereby it could increase its net profits; this might make the management more satisfied with the present position of the corporation; and the management might therefore shy away from increasing its risky investments. I think these are exceedingly unrealistic assumptions. However, the point is that these assumptions are no more realistic for the simple device of reducing the corporate income tax rate than for the complicated tax-credit device which has been proposed.

It is true that against the idea of reducing the corporate income tax rate it might be possible to voice also the following objection: One might argue that, while on reasonable assumptions this measure would indeed directly increase the desirable investment expenditures of business, there would at the same time be some undesirable immediate increase in consumption expenditures. I believe that this objection against reducing the corporate rate is as weak as the previously discussed one. If, for example, the corporate rate were reduced to 45 percent, it would be reasonable to estimate that of a corporate tax saving of roughly 3 billion an amount of 1.5 billion or more would go into additional investment via plowed-back profits, and that a good part of the remaining 1 to 1.5 billion (which would become diminished by personal taxes) would go into further investment via increased personal savings out of dividends. Further, a stimulus would be provided also to the investment of funds now held in liquid form. It is unlikely that the direct consumption-raising effect of the tax cut (via dividend payments) would amount to more than about $500 million and a small leakage of this sort is in practice inevitable in connection with any tax-incentive device for investment. I might add here that, according to the data published on page 47 of the April 1961 Monthly Letter of the First National City Bank, all other Western countries have either appreciably lower corporate tax rates than ours or have appreciably higher dividend-credit provisions than those which the administration now wishes to abolish. (I have not myself collected data on this aspect of the problem and I am therefore referring to the monthly letter for further details.)

However, as an investment-stimulant the administration's tax-credit proposal is superior to a cut in the corporate rate if the situation we are considering for illustration has the following special characteristics. The corporation under consideration assigns an exceedingly high probability to its earning appreciable profits on its basic operations, but the risk of loss on additional plant-and-equipment projects is considered prohibitive. The potential loss on these additional projects would make these unpalatable, even if a tax cut should increase the wealth of the enterprise and the net profits earned on its basic operations. The additional projects can be made acceptable only by a reduction of the potential loss on these projects. These projects are so much worse than the projects which have already been undertaken that the management will not turn to them merely because a tax cut increases the net profits on the basic operations and the wealth of the corporation.

On these assumptions, one does indeed arrive at the conclusion that the administration's proposal is superior to a tax cut. The proposal leaves the 52-percent tax rate on the potential net profits of the additional project unchanged, and also leaves the 52-percent tax saving on the potential loss caused by the specific project unchanged, and reduces the potential loss on the project by granting a bonus on the additional investment, regardless of the profitability of the latter (a set of conclusions which we should presumably regard as favorable); while a cut in the corporate rate has merely

the effect of increasing the potential net profits of the additional project in the same proportion as the tax saving on the potential loss (a set of conclusions which we should presumably regard as unfavorable).

The cut in the corporate rate does not achieve its objective because a reduction of the risk of loss on the additional investment is the only change that would make the additional project acceptable, and a cut in the corporate rate does not accomplish this. Yet this argument breaks down whenever the management regards the given risk of loss on various additional projects as acceptable if the net profits on the previous operations and the wealth of the corporation increase. On this assumption, which for well-established enterprise, I consider much more realistic, a cut in the corporate rate is likely to be a very effective method of stimulating investment, and it is a much less arbitrary device that the tax-credit plan now proposed.

However, there exist situations (which I would not consider typical) to which the administration's proposal is tailor made. This should be admitted. My belief that a cut in the corporate rate would be preferable is based on the conviction that it is less important to keep these special situations in mind than it is to increase the personal savings of individuals along with the corporate savings of large and well-established enterprise.

Moreover, I believe that the question whether the initial cost of such a program, in terms of tax revenue, is a billion greater or smaller is a matter of no great importance. On the other hand, the removal of impediments to investment is no doubt of primary significance, and the 52-percent corporate rate is a considerable impediment. The reduction of this impediment would lead to more personal savings of a diffused sort as well as to more corporate savings of large enterprise, while the administration's tax-credit proposal does not stimulate personal savings (indeed, if the dividend credit were abolished the proposal would reduce personal savings).

This concludes the argument under my first point, an argument which so far has not taken account of the fact that the administration's proposal provides greater direct benefits to enterprises whose present profitability is already great than to enterprises which are not yet very profitable. My second point relates to this question.

2. I do not see how the carry-forward period for the administration-sponsored tax credit could be made long enough not to harm new or as yet insignificant enterprises also for the reason that the present profits of such enterprises are insufficient for making them full beneficiaries. This may turn out to possess an important bearing on the position of firms that could increase the degree of competition in now highly concentrated ("oligopolistic") industries. I have in mind the position of new enterprises relative to the position of growing but already well-established "dominant" corporations. New firms, or firms that are initially insignificant, have no accounting profits at the outset, or they have at best profits which are very small as compared to the bulky investment expenditures needed to raise them to significance. They would have very little from which to deduct the plant-and-equipment credit. It seems to me that it would take carryforward periods of impractical duration to let such firms benefit from the planned measures to an extent that would not place them at a significant disadvantage in comparison with growing firms which have already reached a stage of high profitability. Even a carry-forward period of 5 years would not eliminate this handicap because even the 5-year profits of rapidly growing new enterprises are likely to stay smaller relative to their present investment expenditures than are the corresponding 5-year profits of well-established enterprises relative to their present investments.

For this reason, and also for the reason that was already explained under (1), it would, I think, have been preferable to reduce the corporate income tax all around (and in this case perhaps to abolish the dividend exclusion and dividend credit, as is planned even in connection with the administration's tax-credit plan which in my opinion should not have been supplemented by this abolition). I believe that in the event of a reduction of the general corporate rate, new and as yet unprofitable firms would be more willing to anticipate that from now on all corporations will be subjected to lesser taxation than how willing a new and as yet unprofitable firm would be to anticipate that, on the basis of the administration's proposals, it will be able to deduct within, say, 5 years, a fair proportion of its present investment expenditures from future tax liabilities. This is not merely a psychological difference: significant ventures frequently mature after a gestation period of considerable length, this being a period which elapses between the time when large investment expenditures are made and the time when the costs start coming back with profit.

In summary, I don't see the need for introducing complicated gadgets instead of using the simple method of reducing the corporate income tax rate. As for the alternative possibility of pushing "accelerated depreciation" further, my feeling about this would be that by going too far in this direction one might increase the difficulties of many specific firms and industries which after a rapid rate of expansion will sooner or later have to make adjustments to more stabilized conditions in their specific markets. At that time, accelerated depreciation will catch up with them, i.e., will result in much higher tax liabilities for them, although the device will never catch up with the economy as a whole if the general economic growth rate does not slacken. In other words, the dictum that by permitting accelerated depreciation the Treasury is granting merely a loan will in the predictable future stay fictitious for the aggregate economy, but this dictum will assert itself as a piece of truth to specific firms and industries at a time when they will have to make a difficult transition to less dynamic market conditions (and when other firms and industries will take over the role of leaders in dynamic development).

The question remains whether those favoring a general reduction of the corporate income tax rate would not be placing themselves open to the political criticism that their sense of equity is smaller than is that of their opponents. I am, of course, not competent to judge this specifically political aspect of the matter. It seems to me, however, that one's ideas about the efficiency and also about the equity of various tax structures must, to some extent, be adjusted to the tasks with which a country is confronted in some given period. If it is our present task to develop good longrun growth rates in a market economy, without heavy reliance on direct controls, and with that amount of redistribution which is really helpful to the lower income classes, then we should, I think, have an open mind about modifying various features of the present American tax structures. It is, for example, not at all clear in what sense any income group is supposed to benefit from our holding the line on the 52-percent corporate rate (and on some other features of the present tax system).

Direct versus indirect taxes in the United States and in other countries: A comparison of the American tax structure with that of foreign countries shows that we collect our tax revenues from personal-plus-corporate taxation to an appreciably greater extent, and from indirect taxes to an appreciably smaller extent, than is usual even among very progressive and socially minded nations. The data which I have summarized in table I and in table II make this clear. Our savings and capital formation have been smaller relative to output than has been that of a good many other important countries, and our recent growth rates have also been on the low side. Considering the requirements of the present period, it would be desirable gradually to correct those features of the tax structure which in the long run are likely to hamper private saving and capital formation (and thus are likely to be harmful to the longrun interests of all social classes).

Government expenditures and the question of budgetary balance: The foregoing observations relate to tax policies, that is, to the revenue side of the budget. So far as the expenditure side is concerned, comparisons with other advanced private-enterprise economies do not point to our total government expenditures being particularly high relative to GNP. As our GNP rises along the growth path of the economy we should take a positive attitude to public expenditures of a productive kind, and also to public as well as private efforts to eliminate pockets of poverty. However, a desirable program should, I think, place great stress on (1) the need to concentrate on those expenditure items which are either defense oriented or are genuine complements of private investment, and (2) the need to reduce pressure-group expenditures such as indirectly subsidize the consumption of individuals whose public support cannot be justified on grounds of inevitable hardship. This adds up to the following: we should give monetary and fiscal inducement to recovery and growth; these inducements should be made noninflationary by being coordinated (synchronized) with programs for increasing the mobility of labor; and the inducements should have the result of stepping up the amount of productivity-raising investment as well as the amount of personal savings. One important implication of these statements is that we should be moving gradually toward a tax structure which is more in keeping with growth objectives.

Whether a program of recovery and growth will prove compatible with a reasonably stable general price level depends in part on the factors just discussed (labor mobility, the amount of productivity-raising investment), and in part on the behavior of large unions and large corporations. These are questions of great significance. On the other hand, I believe that not much importance attaches to the question whether in a growing economy a completed cycle of, say, 4 years' duration ends with a moderate budgetary surplus or with a moderate budgetary deficit (i.e., whether the deficit in years of subnormal activity are or are not fully made up by surpluses in subsequent years of advanced expansion). A reasonable program should be aimed at the objective of noninflationary growth in the absence of direct controls and with primary reliance on market processes; within the limits in which such a program is likely at all to create either deficits or surpluses, these deficits and surpluses should be viewed not as direct targets of policymakers but as byproducts of a reasonable policy. Aside from rather severely depressed periods (which we hope it will be possible to avoid), large deficits will be inconsistent with the principles here discussed because large deficits would be generating money demand at an inflationary rate (i.e., at a rate overtaxing the mobility of labor and overtaxing the ability of output to keep pace with demand); large surpluses, too, will be incompatible with the principles by which we should be guided because, in a period in which balance-of-payments considerations exclude easy-credit policies, large

surpluses would depress demand. Within the narrow limits in which surpluses and deficits may develop as a result of an otherwise reasonable policy, it does not matter too much how they come out. It seems singularly unconvincing to me to make our choice among tax-incentive plans dependent on whether at the start they cost $1.7 billion or, say, $2 to $3 billion.

In general, we need a flexible tax policy, one that is conducive to the expansion of demand within those limits in which output can keep pace with demand (i.e., within the limits of noninflationary expansion). The present recovery has started in a fiscal year which will end with a small deficit, and the following fiscal year is likely to end with a somewhat bigger deficit. Expansion phases of the American business cycle have on the average lasted more than 2 but less than 3 years (although some were longer than here suggested, while others were shorter). We should not run the risk of killing the expansion early by an attempt to match the numerical amount of the deficits now in sight by subsequent surpluses before the expansion phase of the present cycle ends. Such attempts at precise numerical balance may easily prove self-defeating. As for the present and the coming fiscal year, the character of these 2 years (their location in the cyclical sequence) does seem to justify the size of the prospective deficits during this early stage of the upgrade. I would be more critical of the fact that some of this deficit will be created by the wrong kind of public expenditure, and that not enough is being done to promote growth in the private sector by means of tax policy.

Any otherwise desirable expenditure program that transcends the limits of noninflationary expansion—i.e., creates demand at a rate with which output cannot keep pace, so that inflationary price movements develop—should I think be fought because of these inflationary consequences. While it is safe to infer that in the present circumstances large deficits (over the cycle as a whole) would indeed be inflationary, and large surpluses deflationary, economic analysis does not support the claim that the twin objectives of good growth rates and of reasonable general price stability would always call for a precise numerical matching of the deficits of some years with the surpluses of other years over the cycle.

TABLE I.[1]—*Central and local tax revenues (1957)*

Country [2]	Direct taxes as percent of GNP	Indirect taxes as percent of GNP	Total government revenue as percent of GNP	Ratio, direct taxes to indirect taxes
Sweden	17.7	9.5	32.1	[3] 1.87
United States	14.2	8.9	28.2	1.61
Luxembourg	12.8	9.4	33.3	1.37
Netherlands	13.0	10.1	32.9	1.29
Switzerland	[4] 7.7	[4] 6.2	[5] 18.0	1.24
Norway	[1] [4] 14.7	13.5	31.3	1.09
Denmark [6]	11.7	11.4	26.0	1.03
Finland	[4] 14.7	[4] 15.5	[4] 35.4	.95
United Kingdom	12.6	13.5	31.5	.93
Austria	11.9	13.7	34.9	.87
Canada	10.4	12.8	27.7	0.81
Belgium	7.3	9.6	23.8	.76
Germany	9.5	14.7	35.3	.64
Portugal	5.4	8.5	18.6	.64
Spain [6]	[4] 4.6	[4] 8.6	[4] 17.1	.53
Italy	5.8	13.8	29.3	.42
France	5.8	16.9	31.9	.35
Ireland	5.4	16.8	25.8	.32
Greece	3.6	11.7	20.3	.31

[1] Real estate taxes are included in indirect taxes; social-security contributions are omitted from both direct and indirect taxes; total government revenue includes direct taxes, indirect taxes, social-security contributions, and governmental revenues from entrepreneurship. Figures are for 1957.

[2] Source, unless otherwise indicated: (1) Tax and total revenue figures, "OEEC Statistics of Sources and Uses of Finance, 1948–58," Paris, 1960; (2) GNP, "U.N. Yearbook of National Accounts Statistics, 1958," New York, 1959.

[3] While I have not tried to work changes since 1957 into this material systematically, it should be pointed out that on Jan. 1, 1960, Sweden introduced a 4-percent general purchase tax and that there has occurred a minor reduction of direct taxes in Sweden.

[4] Source: United Nations Economic Commission for Europe, "Economic Survey of Europe, 1959," ch. 5, p. 9, Geneva, 1960.

[5] OEEC estimate published in their country paper on Switzerland.

[6] 1956 figures.

TABLE II.[1]—*Central and local tax revenues (1957)*

[For differences between the 2 tables, see footnotes]

Country [2]	Direct taxes as percent of GNP	Indirect taxes as percent of GNP	Total government revenue as percent of GNP	Ratio, direct taxes to indirect taxes
Luxembourg	20.7	9.4	31.1	2.21
Sweden	20.4	9.3	33.2	[3] 2.19
Netherlands	20.4	10.1	32.8	2.02
United States	17.6	8.7	26.3	2.01
New Zealand	15.8	8.4	27.0	1.88
Austria	19.4	13.7	34.2	1.41
Belgium	13.4	9.6	23.8	1.39
Union of South Africa	9.1	6.7	17.4	1.35
Germany	18.9	14.7	36.7	1.28
Norway	17.0	13.5	31.5	1.26
Denmark [4]	12.8	11.3	25.9	1.13
Finland	17.4	15.4	35.9	1.13
United Kingdom	14.8	13.5	29.4	1.10
Peru [5]	6.8	6.3	13.6	1.07
Portugal	9.1	8.5	19.1	1.07
Japan	[6] 10.2	9.7	20.9	1.05
Italy [7]	14.4	13.8	29.3	1.04
Australia	11.3	12.0	25.4	.94
Canada	11.3	12.6	26.3	.90
France	15.0	16.9	32.8	.88
Greece	7.2	11.7	20.6	.61
Colombia	5.9	9.3	13.1	.42
Ireland	6.5	15.9	23.6	.41
Philippines	2.5	7.3	10.4	.34

[1] The main difference between the concepts used here and those in table II is that in the present table social-security contributions are included in direct taxes. Also, here in col. 3, governmental entrepreneurship income is not consistently included.

[2] Source for all countries except Italy: United Nations, "Yearbook of National Accounts Statistics, 1958," New York, 1959.

[3] While I have not tried to work changes since 1957 into this material systematically, it should be pointed out that on Jan. 1, 1960, Sweden introduced a 4-percent general purchase tax and that there has occurred a minor reduction of direct taxes in Sweden.

[4] 1955 figures.

[5] 1956 figures.

[6] Other current transfers from households and private nonprofit institutions included with direct taxes. This element is not large in the accounts of most other countries.

[7] Source: Same as in table II. The only change from the data in table II is that social insurance contributions have been added to direct taxes.

EMPLOYMENT AS A GOAL IN PUBLIC POLICY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. GOODELL] is recognized for 60 minutes.

Mr. GOODELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GOODELL. Mr. Speaker, this is another in the continuing series of papers presented by the House Republican policy subcommittee "Operation Employment." I have had the pleasure of participating in discussion of other papers emanating from this laudable and constructive effort on the part of our Republican Members of the House. Today's subject is "Employment as a Goal in Public Policy." I am proud to be able to present this discussion in conjunction with my distinguished colleague from the Sixth Congressional District of Kansas, the Honorable ROBERT DOLE.

As you are all aware, each phase of "Operation Employment" begins with a basic paper which has been prepared outside of the Halls of Congress by a leading authority in the academic world. In this instance, Prof. Don Paarlberg, of Purdue University, has written a paper which I am pleased to make a part of the RECORD at the conclusion of my remarks, with the unanimous consent of my colleagues.

In discussing employment and public policy, we should first have a clear understanding of our objectives. First of all, we Republicans start with the basic

premise that capitalism is and will continue to be a conspicuous economic success. We believe that the dynamic record of the past can be improved in the future provided we do not tamper with the fundamental principles which have permeated our system and produced our success in the past. In 1946, the Congress adopted the Employment Act which proclaimed national policy, as follows:

The Congress declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

I would emphasize that the Employment Act says that Federal responsibility for producing "useful employment opportunities for those able, willing, and seeking to work" should be pursued "in a manner calculated to foster and promote free competitive enterprise and the general welfare."

The act of 1946 also provided for the creation of a Council of Economic Advisers in the Executive Office of the President. This Council is composed of three members appointed by the President, by and with the advice and consent of the Senate.

Mr. DOLE. Mr. Speaker, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Kansas.

Mr. DOLE. So that the RECORD may show it, may I ask who is the present head of the President's Council of Economic Advisers?

Mr. GOODELL. That is Dr. Heller, the Economic Adviser to the President. He is the Chairman of that group. Of course, they advise the President directly on economic problems.

The Council members are charged with the responsibility of appraising present programs and formulating national economic policy "to promote employment, production, and purchasing power under free competitive enterprise." In addition, the Employment Act of 1946 provides for an annual Economic Report from the President to be referred to a new Joint Economic Committee of Congress.

The Employment Act provides a foundation upon which the Congress may build in the future. We all recognize today the potential of the Federal Government to moderate severe economic fluctuations. This can be done in a number of ways: through fiscal and monetary action, through the Federal budget, through tax legislation, through legislation restricting abuses of the marketplace, and so on.

But let me emphasize here today my faith, and I believe the faith of the Republican Party, that the basic mechanism of competition in the free marketplace must be preserved in our system. We have developed an ingenious economic apparatus for meeting the needs of our people. Generally speaking, the decisions of our marketplace are made in a decentralized fashion that does not permit domination by excessive private or public monopoly, nor by Government. We believe that the automatic workings of supply and demand, the free price system, and the driving motivation of competition are the best ways to utilize our productive resources and attain rapid economic progress.

We all recognize unemployment as a personal tragedy. It is also a national tragedy if it is permitted to persist and if the talent of our energetic people is permitted to stagnate. In other words, we must find ways to cut the ragged edges from our free economy so that it not only continues to produce the great material abundance that is our heritage in this country, but at the same time minimizes the human toll of misery that is inherent in every economic system known to man.

Mr. DOLE. Mr. Speaker, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Kansas.

Mr. DOLE. I would like to emphasize that paragraph because you clearly state we all recognize unemployment as a personal tragedy. At times the Republican Party is accused by some people of being indifferent so far as concern for the unemployed and the workingman is concerned. I merely want to add my emphasis to the point you very clearly stated.

Mr. GOODELL. I think that is an excellent point. I might emphasize here that the Republican position is that in helping the people who are unemployed, we do not want to destroy the very genius of the system that has given us the most abundant economy in the world.

Let us start by recognizing that maximum employment cannot be maintained by a forced draft of excessive Federal expenditures. Let us recognize frankly and honestly that the New Deal failed to achieve maximum or full employment after 7 years of Federal manipulation and deficit spending. If the New Deal proved anything at all, it proved that erratic and insensitive meddling in our free economic system by the Federal Government cannot, in and of itself, cure anything. The New Deal also taught us many constructive lessons. We have many weapons of public policy available today with which to solve our economic problems. Let us not embrace the repudiated policies of the past. We must avoid a simple resort to centralized control and vast Federal expenditures as the answer to all our economic problems.

This country can achieve maximum employment if we adopt Federal policies which stimulate and reinforce a free and vigorously competitive economy. Maximum employment can and should be attained without rampant inflation. One of our primary goals must be maximum employment in an economic atmosphere of price stability. The American people do not have to choose between inflation with maximum employment and price stability with underemployment. Our American economy does not depend upon Federal expenditures nor inflation to maintain maximum employment. This has been dramatically demonstrated in the past as our economy adapted with speed and efficiency to the extreme distortions of war and subsequent conversions to peace.

In his paper, Professor Paarlberg has placed great emphasis on the role of education in promoting maximum employment. We all recognize that with education and training go greater adaptability. One out of every five unskilled workers today is without a job. As pointed out by Professor Paarlberg, the rate of unemployment for the poorly educated is about three times as great as for the trained. I believe that Federal stimulus and coordination can promote a diversified attack on the problem of retraining and reeducating our unskilled workers. We have a bipartisan bill, H.R. 7373, which, in my opinion, will take this country a long stride forward in this critical area.

The statement by Don Paarlberg, of Purdue University, previously referred to, is as follows:

EMPLOYMENT AS A GOAL IN PUBLIC POLICY
(By Don Paarlberg)

Even during a time of widespread unemployment, the metropolitan newspapers will carry many columns of "help wanted" advertising. These will be, for the greater part, appeals for people with special skills and with better-than-average educational attainment. To some extent these job openings will be filled by qualified people who temporarily are unemployed. But some of these openings will go unfilled because there just are not sufficient numbers of qualified people to fill them.

Thus, some share of the unemployment problem represents not the inability of the economy to create jobs but our failure to train people who are qualified to fill them.

What kind of workers are seeking jobs? The answer is amply documented: in the main, the poorly educated and the unskilled.

What kind of jobs are seeking workers? The answer is equally clear: for the greater part, those that require considerable education and those that require a skill, even though it be a humble one.

The 1959 census reported that almost exactly half the men and women in the civilian labor force had stopped short of completing high school. Almost three-fourths of the unemployment was found among this half of the labor force. The other half of our working force, those with above average educational attainment, experienced only about one-fourth of the unemployment. This means a rate of unemployment for the poorly educated which is about three times as great as for the well trained.

The 1950 census has been carefully analyzed with respect to the effect of education on employment and unemployment. This is the overall relationship among male workers:

Education attainment and percent of the labor force unemployed

No school	7.3
1 to 4 years	6.1
5 to 7 years	5.8
8 years	4.6
1 to 3 years high school	4.3
4 years of high school	2.8
1 to 3 years of college	2.6
4 or more years of college	1.5

Education has the great advantage that it increases mobility. The worker who will consider any of several jobs, at home or at

a distance, is more likely to find one than the worker who will not shift his vocation or his place of residence. Education of almost any kind increases awareness of new opportunities and diminishes the fear of change. These attributes of education may be more important job-getting factors than the improved qualifications which result from specific training.

Still another advantage of education, as regards employment opportunities, is that it prolongs the useful life of the worker. Among workers past 65, college people participate in the labor force at a rate about 50 percent higher than is true for workers with less than high school training. In other words, the years of earnings forgone to school attendance in one's youth are compensated by added years of earning power as an adult.

The educational attainment of the working force has been steadily rising:

TABLE 1.—*Trends in educational attainment of the labor force 18 to 64 years old, 1940–59*

Age group and year	Percent completing at least 4 years of high school	Percent completing 4 years or more of college
18 to 64 years:		
March 1959	50.9	9.7
March 1957	48.5	9.2
October 1952	44.5	8.1
April 1940	32.0	5.7
18 to 34 years:		
March 1959	61.9	10.2
October 1952	55.8	8.1
April 1940	40.5	5.4
35 to 44 years:		
March 1959	53.6	10.4
October 1952	46.0	8.8
April 1940	27.3	6.7
45 to 64 years:		
March 1959	38.0	8.9
October 1952	30.5	7.5
April 1940	21.6	5.5

There is reason to believe that the complexity of society is increasing even more rapidly than these very significant advancements in educational attainment. Thus, despite rapid and widespread progress in education, the training task which confronts us grows steadily greater.

Studies in the United States and abroad in industry and agriculture almost invariably indicate that the increased investments in physical capital explain only a part of the overall advances in productivity. On one set of assumptions, reported by Prof. T. W. Schultz, of the University of Chicago, the unexplained part amounts to nearly three-fifths of the total increase between 1929 and 1956. The presumption is strong that a large share of this unexplained increase results from the additional education of workers and employers. The obvious conclusion is that additional education not only greatly increases the employability of the workers but also much increases their productivity.

Returns to capital invested in the human being in the form of improved education may appear to be high. G. S. Becker, in the American Economic Review of May 1960, places the return on investment in college education at 9 percent. This is computed from a measure of costs which takes into account not only the private but also the public outlay for education. In addition, it makes a charge for income forgone during the college period. It allocates all these costs to economic objectives, none to cultural or consumption purposes. The estimated 9 percent return on investment in education therefore seems conservative.

At what levels of education should additional increments of effort be primarily directed? The ready and appropriate answer of the educator is "at all levels." Considering costs and results and in terms of enhanced employability per dollar spent, improved and more generally available elementary and secondary education seems to merit priority. Of course, for highly technical job openings such as in the electronics industry only those with advanced education find their qualifications acceptable.

Liberal and vocational training have their respective merits and their advocates; on-the-job training, vocational retraining and adult education have their defenders and their undoubted merits. Apart from the highly technical subjects, the fact that one has studied something appears to be the important consideration.

The respective shares of the educational cost which should be borne by the individual and by the society are not a concern of this paper. Nor does this brief discourse relate to the appropriate means of sharing the public cost of education among local, State, and Federal governments. It is hoped that discussions of these issues will not deter us from getting on with the educational task.

The major point of the paper is that, in attacking unemployment, we should focus more attention on training prospective employees for the increasingly demanding jobs that will be available during the rest of the 20th century. This does not detract in any way from the importance of encouraging investment so as to create jobs. The problem of unemployment can best be solved by working on both the employer and the employee sides of the job equation.

Mr. DOLE. Mr. Speaker, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Kansas.

Mr. DOLE. Will the gentleman briefly explain for the RECORD the possible benefits of the bill, H.R. 7373.

Mr. GOODELL. The bill, H.R. 7373, as it came out of committee is quite a different article from what was recommended originally by the President. It is a program set up to retrain workers, particular emphasis being placed upon those workers who have been unemployed for a long period of time. The training is set up under the legitimate existing framework of the vocational training program under the Department of Health, Education, and Welfare, and primarily under the jurisdiction of the States themselves. It would give assistance to those workers who are unemployed and who want to learn a new skill. It would be coordinated very, very carefully with the private employer and labor facilities that are available and are being used today to meet this problem.

I might emphasize that we eliminated from the bill which came out of the committee the relocation allowance which would have placed the Federal Government in a position of going into a community that it feels is an area of labor surplus and in effect moving workers out of that area to another area in the country. They would have done this by a payment of the cost of transportation and, of course, getting an agreement before they retrain the worker that he would be willing to go.

Mr. DOLE. It does represent, in the gentleman's opinion, a realistic effort to get at the core of the problem.

Mr. GOODELL. I think it is a very good effort, and I might point out that the concern of a great many of the Members is that this retraining be coordinated with the unemployment compensation system which is in existence today, and there is a feeling that this bill may be the first step in an attempt to federalize the unemployment compensation or superimpose that system on the unemployment compensation system and thereby neutralize the present system of unemployment compensation that is operated primarily through our States.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I want to discuss this very point, but before I do so let me compliment both the gentleman from New York and the gentleman from Kansas for the work they have done in preparing this aspect of the problem. I want to commend the gentleman and the other members of the committee, and in particular the chairman of that subcommittee, of the Committee on Labor and Education, the gentleman from Pennsylvania [Mr. HOLLAND], for moving into this area and coming out with legislation. I had the pleasure of testifying before the subcommittee on this matter because I felt it was so important.

The gentleman is very right in pointing out an area that has worried the Ways and Means Committee members who have had it called to their attention, which I have done to be sure that this is coordinated with the unemployment insurance program. Many people do not realize it, but actually our present unemployment insurance program, which is a Federal-State program, works in reverse at least in 40 of the 50 States. If a person takes retraining he goes off of unemployment insurance. Only 10 States have seen the wisdom of making retraining a part of the whole program, but I am very hopeful about the situation. I have worked very closely with the gentleman from Pennsylvania [Mr. HOLLAND], and the gentleman from Arkansas [Mr. MILLS], chairman of the Ways and Means Committee to try to get this coordinated. Our efforts have not been completed, but I am very hopeful we will do that.

There is one point I did want to bring out in this bill which the gentleman mentioned which to me is the safety factor in it. It requires, as I understand, the Department of Labor, and I think also the Department of Health, Education and Welfare, to report back. Am I correct?

Mr. GOODELL. Yes.

Mr. CURTIS of Missouri. It requires both departments to report back within a year as to what they have done in this area.

The thing that disturbs me after reading some of the transcripts of the gentleman's committee's hearings and also from my own personal investigation, is that too little has been done in the Department of Labor and in the Department of Health, Education and Welfare in this area of retraining of labor, either identifying new skills or anticipating skills that are going to become obsolete. Many of the skills are so new we do not even have names for them. The Department of Education, in turn, has the

problem of vocational education, and there has been very little coordination between them; and I can say this as a Republican, because for the past 8 years these two Departments were under our own administration; so this is not a political observation. We should have this reporting back by these two Departments within a year, telling us what they have done, once they get this information and find out what has been done by the States. The State of New York, the gentleman's own State, has done a tremendous job in this area. They are so far ahead of the Federal Government it really causes comment. I did want to make those observations.

Mr. GOODELL. I appreciate those observations. We are proud of our record in New York State, and I agree with the gentleman's comment. I also agree wholeheartedly with the gentleman's commendation of the chairman of our subcommittee, the gentleman from Pennsylvania [Mr. HOLLAND].

We received a recommendation for legislation in this field which involved an expenditure of $700 million over a period of 4 years in this retraining bill. I agree most emphatically with the comments of the gentleman from Missouri that our main problem here in terms of the role of the Federal Government is that the precise agencies we were going to give the $700 million to are the agencies that have not done the basic work up to this time. They were not equipped to move in with a large scale program that efficiently and effectively would meet the problem. It was in our opinion another illustration of the philosophy that you cannot solve those problems by putting a massive amount of money into them. That is the hardest way and the most wasteful way, and in many instances does more harm than good.

I hope we will work out this problem with reference to the unemployment compensation system. New York does permit workers to undergo training and continue to receive unemployment benefits. It seems to me to be shortsightedness on the part of our society to insist a worker must cease to get any benefits at all if he tries to improve himself so he can get a job and be productive in our society again.

I hope this question will be resolved.

I want to thank the gentleman from Missouri publicly for his hard and concentrated effort in this field. He has been most helpful. I believe we will work it out with the assistance of the chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS] and the gentleman from Pennsylvania [Mr. HOLLAND] and the subcommittee.

Much as we want to solve the problem of unemployment, let us remember that we do not have to sacrifice our other values in order to eliminate needless unemployment. There are even higher values in our society than offering every able-bodied man and woman an opportunity to work. We can guarantee maximum employment by strangling our free economy, by loading it down with the heavy weight of bureaucracy, by punishing initiative and imagination through the agonies of administrative regulation and confiscatory taxes, by stoking the furnace of inflation with Federal greenbacks and by a number of other means which all add up to the stifling of the genius of our system. Socialism and communism and fascism have solved the unemployment problem by destroying the most cherished human values. We must not accept that tempting and too-easy alternative.

Let us recognize that a substantial portion of our unemployed in the United States today is a product of the dynamism in our economy, not a product of stagnation. The last thing we want to do is to freeze people in obsolete jobs. Often the destruction of a job in a plant is just the first and immediate impact of progress. We cannot afford to become obsessed with that initial step to the point that we feel our problem of unemployment will be solved if we merely prevent the destruction of jobs.

The genius of a free system is the very fact that a multitude of adjustments and changes and adaptations are being made throughout our economy at every instant. Jobs are being destroyed in one place while other new and better jobs are being created in other places. In this connection, a free capitalistic system is analogous to the human body. Certain cells in our bodies have an average life of something less than 30 days. An obsolete human cell dies and is replaced by a new and healthy cell. So in our free capitalistic economy, an obsolete job dies and is replaced by a new and more productive job.

Public policy can and should moderate the human impact of job destruction and job creation in a capitalistic economy, but public policy must never impede the process of shedding obsolescence in our economy. I expect that, as we learn more about the ways of coping with these problems, we will find that public policy must stimulate rather than stultify the rapid responses of a free economy to ever-changing conditions.

Mr. DOLE. Mr. Speaker, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Kansas.

Mr. DOLE. Mr. Speaker, it is a pleasure for me to participate in "Operation Employment" and to discuss specifically "Employment as a Goal in Public Policy."

This project, undertaken by the House Republican policy subcommittee, constitutes a completely objective approach to a fundamental problem confronting, not only Congress, organized labor and industry, but all Americans sincerely interested in the free capitalistic system. I consider it a privilege to present this topic in cooperation with the Honorable CHARLES E. GOODELL from the 43d Congressional District of New York.

The basic paper on "Employment as a Goal in Public Policy" has been prepared by Prof. Don Paarlberg, of Purdeu University, which has been made part of the RECORD and as he states, "The problem of unemployment can best be solved by working on both the employer and the employee sides of the job equation."

The new unemployment statistics released on August 2 reemphasize the need for both the private and public sectors of our economy to take a careful look at what each can do to alleviate our present unemployment problem. Despite the continuing upward trend of our economy toward its former high levels, the national rate of unemployment shows no sign of decreasing markedly. It remains close to the alleged recession peak and 6.9 percent of the American labor force are now jobless. In June, 928,000 of those unemployed had been out of work for 27 weeks or more and another 647,000 unemployed from 15 to 26 weeks. It is this group—1.6 million men and women—somewhat larger now, who deserve the attention of the Congress and the business community—for in my opinion, they represent the hard core of the unemployed.

Mr. GOODELL. Mr. Speaker, will the gentleman yield at that point?

Mr. DOLE. I yield to the gentleman from New York.

Mr. GOODELL. The point is well taken. In emphasizing the percentage of unemployed, I notice that this morning's paper reported that the Labor Department had announced that the unemployed for 6 months or more had now been raised to 1,026,000. The New York Times describes this 6.9 percent unemployment rate as one that statisticians recognize as virtual stability. It would appear that the rather frantic efforts to spend our way out of unemployment has had virtually no impact at all upon this unemployment rate and particularly on the long-term unemployed in this country in the last 6 months.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. The thing I wish the people would pay attention to, at the same time these unemployment figures are discussed, referring to the New York Times on Sunday, you will notice in the want ads there will be column after column, page after page, of skills that are in demand at the same time we have this other problem.

Mr. DOLE. I thank the gentleman from Missouri. I mention that later in my paper, and I want to agree with the gentleman from New York. Actually, the longtime unemployed have increased 100,000 a year. So, as the gentleman from New York [Mr. GOODELL] has said, despite all the frantic measures taken by the Federal Government in pump priming, unemployment has actually increased; the longtime unemployment has increased. At the present time there are 5,140,000 unemployed, but the longtime unemployed have increased over the month of June.

The economic progress of our society and the ever present change in consumer demands will cause dislocations in various segments of the economy. The demand for coal as fuel declined following World War II, for example, resulting in a 65-percent drop in coal mining employment. The cause was a shift to oil, natural gas, and other forms of fuel plus the greater degree of mechanization in the coal industry. This shift in demand

has occurred many times before in our history, and many times the economy has made its adjustments to new situations without massive Federal Government pump-priming programs.

In this 87th Congress we have witnessed a parade of essentially pump-priming programs which we were exhorted to pass to aid the plight of our unemployed. Depressed areas legislation which President Eisenhower wisely vetoed, was pushed through the Congress with overinflated claims it would bring relief to the many pockets of concentrated unemployment caused by economic dislocation. Results of Government measures, such as this one, at best accomplish only limited and temporary results at extremely high cost and in many instances result in shoringup a basically unsound local economic structure.

Mr. GOODELL. Mr. Speaker, will the gentleman yield?

Mr. DOLE. I yield to the gentleman.

Mr. GOODELL. The gentleman mentioned the depressed areas legislation and the President's veto of this legislation last year—President Eisenhower. I think this is a very good example of the type of program which neutralizes itself and ends up really only spending a lot of the taxpayers' money from Washington.

Mr. Speaker, the depressed areas program, as it finally passed and was signed by President Kennedy, had virtually no priorities in it. It spread the Federal moneys all over the country to so many different places that the truly chronically depressed areas where they had a problem of a structural nature in their economy found themselves competing for Federal money and therefore found themselves competing for Federal money with many areas that have just a temporary problem and do not belong in the classification of a depressed area.

Mr. Speaker, one of the items that President Eisenhower objected to most strenuously in the depressed areas legislation last year in his veto was the fact that they were going to spend about 25 percent or one-fourth of the total amount of money on rural depressed areas. When it came down to defining and putting under the magnifying glass all these rural depressed areas there were about 88 percent of them in the South, areas that were competing with Northern industrial areas for industry, and in many respects caused a part of the dislocations in these Northern States.

Mr. Speaker, in the bill that passed the Congress there was $100 million of the $394 million that was going into these rural depressed areas. I might point out that this morning's paper said that of the 150 major industrial areas in this country classified by the Department of Labor, 88 of them are classified as areas of substantial labor surplus. This means that well over half of our major industrial areas are so classified. If the Federal Government is going to help everybody, the person that gets the aid is going to find that it does not mean too much.

Mr. DOLE. I certainly agree. I think the only priority passed by this Congress was a political priority. That may or may not be true, but I think the program for construction in the South was, of course, I might say a political priority, and a measure necessary to secure adequate votes.

Mr. GOODELL. If the gentleman will yield further?

Mr. DOLE. I yield to the gentleman.

Mr. GOODELL. I do not want to make it appear that we have anything against our colleagues in the South. They will participate equally in the entire program. But this particular rural section was obviously put in there just as political bait of some kind, and then I would add that it was so much out of proportion to the other areas of our country that I am afraid it does more harm than good for the whole economy of our country.

Mr. DOLE. I also come from a rural area in rural Kansas, and we are not yet a depressed area. However, we are beginning to have our doubts.

In the past few years the tendency of many in Government has been that the injection of public funds would solve all problems. This feeling has, to some extent, even permeated the thinking of the American public. I, for one, reject this philosophy but I am concerned about our unemployed, and do not believe we should just let nature take its course. We must get to the core of the problem and take prompt and sound action necessary to eliminate the basic causes of unemployment.

The Employment Act of 1946 pledged our national efforts to the achievement of a high, stable rate of employment. It set as a standard of economic justice that no individual who wants to and is able to work should be deprived of a job. This is a goal few could disagree with, as long as it is held in balance with two other important economic goals—those of general price stability and continuing economic growth.

Who then are the unemployed who have been out of work 15 weeks or more? Why have they been unemployed so long? What promise of future employment can we hold out to them?

Records conclusively indicate high incidence of unemployment occurs among the unskilled with scant education and training or among older workers with obsolescent skills and less inclination to migrate to new labor centers. The groups most affected by unemployment include young workers—particularly dropouts from high school—older workers, women, handicapped persons, Negroes and other minority groups. Prejudice plays an important part in their unemployment status and this is something requiring our persistent efforts to eliminate. The key elements, however, are lack of education and vocational training. Almost one-half of our civilian labor force for various reasons failed to complete high school, and three-fourths of our unemployed are among this group. The "help wanted" ads are still plentiful, yet the greater demand, by far, is for applicants with special skills and a better than average education. A great percentage of our unemployed are victims of the failure of our education system to meet the needs of today's world.

Mr. GOODELL. If the gentleman will yield, Mr. Speaker, I should like to emphasize that last sentence of the remarks of the gentleman from Kansas, which I think puts it very well regarding the failure of our education system to meet the needs of today's world. We have had testimony in our subcommittee that the vocational training system in many respects was teaching obsolescent skills. Under those circumstances, putting more money into the process of teaching obsolescent skills certainly does not seem to be the answer. We are going to need some rather drastic changes in the approach of both the Labor Department and the Department of Health, Education, and Welfare, presumably in the vocational training field, in order to update our methods and teach the skills that are most important to our economy today.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. CURTIS of Missouri. I was quite interested in the statement made to me as the result of a discussion I had with one of the leaders of the NAACP who was in charge of their educational program. He told me that as far as his people were concerned the vocational education program largely—he used that word, if I recall it correctly—was training their people in obsolescent skills. I can imagine nothing so discouraging for a young person who has worked hard in a vocational school than to find out when he or she graduates that there is no demand for that skill. Therefore, the Department of Labor and the Office of Education ought to be doing something, because almost all of our vocational education programs do give Federal grants. One thing that the Office of Education at the national level could be doing would be interchange of information. I, for the life of me, cannot see an excuse for continuation of vocational education in obsolete skills. This testimony of the gentleman from the NAACP, in charge of this, and who has made a deep study of it, I think is something that needs a great deal more public dissemination, although I did bring it to the attention of the Holland subcommittee.

Mr. GOODELL. If I might comment in that respect, the testimony from the administration spokesmen denies that they are teaching obsolescent skills in our vocational training program. That gave me even less confidence in the original approach of the Kennedy administration in just funneling more funds into these programs. We had such testimony both before the committee and privately, that in many respects these vocational schools are teaching obsolescent skills, which is not entirely their fault. As the gentleman from Missouri earlier emphasized, to a large degree we have had no real scheduling of the jobs that are in demand in this economy, the types of jobs in which, if we train the workers for such jobs, they can go out and find employment.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. Yet, some of this is being done. I remember a lit-

tle booklet that I brought before the Holland subcommittee, put out by the New York State Employment Agency. If I recall, the title of it is "Jobs in Electronics in 1964." In other words, there the State employment agency is looking forward into the future as to what jobs are going to be created in this dynamic economy. This was an excellent study. It was in pamphlet form so it was disseminated, I am sure, throughout the State of New York as a guide to vocational educators as well as to the employment bureaus. The evidence shows that in some instances, some of the skills in demand are so new that we do not even have the nomenclature to describe it.

Mr. GOODELL. This sort of central coordination and guidance is to me the most important role that Government can perform in trying to stimulate our economy and train the workers in the skills that are really in demand today.

Mr. CURTIS of Missouri. I certainly agree with the gentleman.

Mr. DOLE. I thank the gentleman. I have heard it said that some of our educational methods are comparable to teaching our Army to use bows and arrows. We really do not need bows and arrows, although some say that we are going to go back to conventional arms. It is about the same comparison. I would like to point out that education, I think, is the key to this thing and retraining and things of that kind.

In terms of increased mobility, rising productivity and a longer period of possible employment, education rewards the investor many times and more than repays him for the loss of some early working years.

A concrete suggestion has been proposed by our distinguished colleague from Missouri [Mr. CURTIS], to encourage educational pursuits. Mr. CURTIS recommends giving workers a special tax deduction for courses they take to improve their job training or to retrain to meet changing employment needs. He also recommends tax deductions for parents sending their children to colleges or technical institutes.

These proposals seem sound to me and far preferable to the administration's program.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. Not only should we have some affirmative legislation along these lines, but actually our tax laws now discourage this. This was brought to my attention a few years ago when I was talking to a group of schoolteachers. They said to me, "Congressman, why is it we cannot deduct the cost of going to summer school as a business expense?" And I, with my great wisdom, said, "I thought you could." A chorus of noes from the attending teachers showed me that I was wrong. I checked into it. I found out a curious thing. I was wrong except for one thing. If a school board called a teacher in and said, "Look sister, you go to summer school or you will lose your job." Then, she could deduct that money on her income tax return. But in the case of a teacher trying to improve herself and maintain her skills, that teacher could not deduct that expense on her income tax return. Through discussions with the Bureau of Internal Revenue, I was able to get them to change that by regulation. But, it really should have been changed by law because they were basing that decision on what is the general interpretation of the law, that if you upgrade your skill, you are just trying to improve yourself and, therefore, a person should not be given any special tax deduction for that. So our tax laws today actually are negative on this thing, and not only do we need to make them neutral, in my judgment, but I would suggest and as the gentleman so kindly pointed out, we should make them affirmative and encourage them.

Mr. DOLE. I think they do certainly discourage any improvement or betterment of any person at this time.

In addition to improving our educational system, we can fight against creeping unemployment by encouraging private industrial development and expansion. Since the end of World War II, Federal Government programs, and more particularly Federal income tax rates, have discouraged business growth and have reduced business investment incentives. The private sector of the economy must offer the prime source of expanded permanent job opportunities, however, if returns on capital investments are not attractive in the United States, capital funds will seek markets overseas—as we have painfully witnessed in recent months—and they will be hoarded until a better investment opportunity appears.

We have heard much in the past year about how America must increase her economic growth rate—I could not agree more, but when will Government take the steps essential to promote such growth?

We cannot expect to achieve an income tax rate-schedule which will foster increased capital investment by permitting our Government to sink deeper and deeper into deficit spending as this necessarily precludes a sound revision of existing tax laws. Efficiently administered national defense expenditures are essential, of course, but Government expenditures in other areas could be sharply curtailed. Capital accumulation must precede capital formation for if business profits are half taxed away to pay for the many Government ventures, capital accumulation is severely restricted. Our present tax structure digs deeply into the very sources on which capital investment and a growth in our national employment depends. If we are to have a 3-, 4-, or 5-percent economic growth rate, we must revise our thinking about unfettered Government spending programs

As stated initially, Members of Congress have an obligation to the 5.6 million unemployed and, more particularly, to the 1.6 million longtime unemployed. A realistic reappraisal of our national unemployment problem should be made, for the present administration has already demonstrated millions of dollars alone will not change the statistics. The administration is gearing its efforts to the results of unemployment, rather than the cause of the problem. The unemployed men and women, particularly those with families, cannot wait forever for a solution to their distress. It is time the widely circulated, fine sounding phrases of expanding job opportunities be replaced with the action necessary to encourage a growing economy, and an appropriately trained labor force.

Mr. GOODELL. Mr. Speaker, will the gentleman yield?

Mr. DOLE. I yield.

Mr. GOODELL. I think the point made by the gentleman is very definitely underscored by the statements which are made by the administration that we are at this moment in our economy on the upward move, as a matter of fact, rather dramatically moving upward, and it is anticipated that we will have .n the period of high prosperity by the winter of 1961–62—and yet the administration spokesmen have been making it clear that they anticipate an unemployment low point of about 6 percent next winter. This in spite of their big spending program, in spite of their deficit financing, and presumably they are going to go ahead and spend more money from the Federal Government to try to correct this problem, even in a period of high prosperity. I think it is generally conceded by even the economists who feel we should spend more than we take in in periods of recession, but certainly we should not do it in periods of prosperity because then you are just stoking the fires of inflation.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. CURTIS of Missouri. The gentleman from New York is certainly correct in his statement. The thing that to me is tragic is the way the administration spokesmen say that if they get to a 4-percent unemployment figure, that is what we are always going to have. I do not understand such a negative approach to this thing, but they nonetheless have said that. In my judgment and in the judgment of many others I think we should not be content with such a figure.

Mr. GOODELL. It is almost as if they were anticipating the failure of their own program and are laying the groundwork in advance to prepare the public for the failure.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. DERWINSKI. The point that the gentleman from New York just made was excellent because in 1960, during the campaign, there was a deliberate attempt first of all to plant a fear psychology in the minds of the people and then to work from that point.

Coming into power we find that a lot of their basic philosophies are antifree enterprise, anti-American business. The unemployment statistics which the gentleman gives show a high and continued rate of unemployment which is at least in part the result of anti-America free

enterprise attitude on the part of key administration officials.

Mr. DOLE. According to the administration, it will be the latter part of next year before we will have a substantial reduction in unemployment. We can account for a large part of that. That is not due to anything except the fact we have appropriated $3.5 billion for defense. This will create new jobs. We are going to draft a couple of hundred thousand people, we are going to call the Reserves. That will take care of some unemployment. I do not think that is what we had in mind when we talked about an objective solution of this problem.

Mr. CURTIS of Missouri. I am glad the gentleman mentioned that. We are going to take care of 200,000 to 300,000 young people by putting them in the armed services. The reason that is important is this: In the past 8 years of the recent administration, spokesmen of the present administration were constantly critical of this area of unemployment. They pointed to the recession year of 1954. I would point out that at that time we had just closed down the Korean war. We had returned out of the armed services many hundreds of thousands of young men, as well as many people from munition plants. We had to find jobs for them. To this day the administration spokesmen and economists will not pay any attention to the impact of war on employment. Sure, you can solve unemployment tomorrow by going to war. The gentleman in his speech referred to the fact that the New Deal did not solve unemployment in the great depression; in fact, there were over 10 million unemployed after 6 or 7 years of its operation. Unemployment and the depression were solved by World War II, by America becoming the arsenal for the democracies. That is the record.

Our job is to try to figure out how we can take care of unemployment based upon a peacetime economy, not a wartime economy. I hope that the Kennedy administration will bear in mind as we look into these next few months that they have not been able to help alleviate unemployment by drafting people into the service.

I hope they do not try to take credit for that method of operation.

Mr. GOODELL. Regardless of whether they try to take credit for it or not, I hope they will assign the right reasons for the improvement in unemployment. I would agree it is related to the fact we have gone into an emergency, we are drafting more people, and it would be a sorry thing for them to claim that the big spending programs they have initiated were the reasons for some improvement in this figure. I think we all anticipate there will be a slight improvement due to the fact they are going to draft more people and take people in the Reserves. But that is not the way we want to solve the unemployment problem.

Mr. DOLE. I have heard it said they could draft people from the State Department and solve two problems: First, help unemployment, and, second, the world situation in general.

Full employment is and will continue to be a primary goal of the Republican Party. Full employment cannot be attained by wishful thinking, by massive expenditure of public moneys, by high sounding phrases, tours of inspection, or by Executive order. We are dealing with deep personal misfortunes of millions who have every right to expect progress, not pity, cooperation not charity, and, most of all, results not regimentation by Federal bureaucracy. To this end Congress should be dedicated.

Mr. GOODELL. I conclude by thanking my colleagues for their contribution to this discussion and particularly to pay tribute to the chairman of our Operations Employment Committee, the gentleman from Missouri [Mr. CURTIS] for the very great and constructive effort that he has put forth, and we are very proud of it—our party—both as Republicans and as Americans.

PROPOSAL FOR THE ESTABLISHMENT OF A SPECIAL HOUSE COMMITTEE ON CAPTIVE NATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. DERWINSKI] is recognized for 30 minutes.

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, since last March the proposal for the establishment of a Special House Committee on Captive Nations has been before the Rules Committee. Hearings on the measure were conducted on two occasions, and all essential aspects of the numerous resolutions advancing this important proposal have been carefully considered. I know that I express the thoughts and hopes of an overwhelming number of my colleagues when I say that the necessity and urgency of such a committee warrant immediate final determination of these resolutions. Time is running out in more ways than one.

WIDE SUPPORT OF THE RESOLUTIONS

Wide popular support of the resolutions calling for a Special Committee on Captive Nations is clear and unmistakable. In these many months an impressive amount of evidence substantiating this support has accumulated. Led by the original resolution of the gentleman from Pennsylvania [Mr. FLOOD] almost two dozen similar resolutions have been submitted as a clear reflection of this growing support.

Consistently, week after week, letters have been pouring in from all parts of the country in favor of such a special committee. The RECORD has shown some of this two or three times a week since last March. Moreover, in response to this popular support, the House Republican policy committee placed itself on record on May 23, 1961, fully and unequivocally backing the proposal of a Special Committee on Captive Nations.

CAPTIVE NATIONS WEEK CRYSTALLIZES SUPPORT

Mr. Speaker, this year's observance of Captive Nations Week crystallized this support for a special committee. In area upon area one of the major themes of the observance was the creation of a Special Committee on Captive Nations in this session of Congress. And, as was shown over a week ago in this Chamber, this paramount theme was sounded not only in cities like New York, Chicago, and San Francisco, but also in Miami, New Orleans, and Los Angeles. I should like to add to the material and evidence provided in that discussion on Captive Nations Week, 1961, and the necessity of a Special Committee on Captive Nations—RECORD, July 24, pages 13168–13196. I request that at the conclusion of my address, this material from the Miami Herald, New Orleans Times Picayune, the Denver Register, and other sources be inserted in the RECORD. The mounting interest in the strategic importance and value of all the captive nations, as shown in every section of our country, offers solid justification for the establishment of a Special House Committee on Captive Nations. It cannot be emphasized too often that nowhere in this Nation is there any systematic, methodic and continuous study being made of the captive nations in the aggregate.

We in this body have now an excellent opportunity to satisfy this urgent need and to meet and abet the interest shown by our people in the captive nations. This need, this interest—can be effectively realized and satisfied only by the creation of this special committee.

THE BERLIN CRISIS, THE PRESIDENT, AND MOSCOW

Mr. Speaker, it has frequently been pointed out that there is nothing more irritating, more fear inducing, more disturbing to the Moscow colonialists than the subject of captive nations. As a matter of fact, except for the U–2 incident last year, no single event in the last 10 years has produced such an outburst of staged indignation and hurt than the passage of the Captive Nations Week resolution by Congress in 1959. The most sensitive chord of Moscow's colonial empire was struck. Khrushchev knew it and most of us did.

We cannot ignore the fact that last year and, significantly again this year, Moscow and its colonial puppets have reacted even more vehemently and vituperatively to the Captive Nations Week observances. Last week, others pointed to the sharp attack in Izvestia and many puppet organs against President Kennedy's Captive Nations Week proclamation. To this I should like to add the fact that the Russian organ, Pravda, launched a similar attack in its July 21 issue. More than this, a report distributed by the American Committee of Liberation, which I append to my remarks, shows the staff of Radio Moscow going to the lengths of calling Mississippi Gov. Ross R. Barnett to establish for its listeners the fantastic thesis of enslaved people in the United States.

These and other facts demonstrate beyond doubt that we have pierced the

sprawling Bear where it hurts most. We should be guided by this evidence and also profit by it, particularly in this period of the Berlin crisis. We should uncover, cultivate, and disseminate such facts in the interest of American public enlightenment and also of U.S. policy and action. Once again, for the purpose and objective only a Special Committee on Captive Nations can do the enormous job required.

Mr. Speaker, it is necessary to mention a grievous error committed by the President in his address to the Nation last week on the Berlin crisis. But this also proves the need for precise and sound knowledge about the captive nations which a special committee, by its specialized undertaking of study and information, can guarantee and insure. The President's statement, "We recognize the Soviet Union's historical concern about their security in central and eastern Europe after a series of ravaging invasions," is shocking for its historical inaccuracy and lack of factual base. I shudder to think what the Lithuanian, Latvian, Ukrainian, White Ruthenian, Polish, Byelorussian and other captives in and outside the Soviet Union must feel upon hearing this—their lands ravaged and exploited by Moscow. But this dominant fact is rationalized away by an American President under the cloak of some fictitious historical concern on the part of the Soviet Union for its security. And this only 1 week after the President's proclamation of Captive Nations Week.

ADDITIONAL REASONS FOR A SPECIAL COMMITTEE

Mr. Speaker, when we witness such gross inaccuracies and historical fatuities on the highest levels of our Government, what could be expected from some other spheres of our society with regard to accurate knowledge and understanding of our natural allies, the captive nations? This should be reason enough for the establishment of a special committee devoted to this vital subject. However, there have been many reasons offered by my colleague from Pennsylvania and others—reasons which have yet to be refuted—CONGRESSIONAL RECORD, May 10, page 7741.

I should like to add to those reasons and arguments the following points which have emerged in discussion about this crucial subject:

First. A Special Committee on Captive Nations would have definite legislative intent. This intent is indicated in the proposal and resolutions. The sequence of events leading to the full realization of this intention would be:

(a) Extensive and intensive study and investigation;

(b) Conclusions based on the committee's findings;

(c) Recommendations founded on conclusions for legislative action; and

(d) Formulation of legislative acts in connection with the captive nations. A whole spectrum of activities in relation to the Red colonial empire could conceivably come for reexamination in the light of the committee's findings.

Second. In reality, such a committee would not encroach upon the work of any standing committee. The outstanding fact is that none of our committees is engaged in a systematic, methodic, and continuous study of the captive nations as a whole, in the aggregate. Indeed, our committee structures do not even run along these lines to perform the tasks contemplated. For example, with the draft of the 20-year plan announced in Moscow, it is appropriate to ask what committee has had the time and resources to investigate the reality of economic imperialism and colonialism within the Soviet Union or the plight of the over 30 million Moslems in this empire? Yet, one need not think twice about the possible impact that detailed facts in these areas could produce on our legislation and general policy.

Third. These examples alone suggest that considerable time, effort, and application would be necessary for the fulfillment of the objectives of such a committee. No existing committee could possibly afford this. A special committee, comprised of Members who have a profound interest in the captive nations and are dedicated to the task of showing the tremendous strategic value the captive nations have for the security of our Nation and the free world, could alone meet these requirements.

Fourth. There are, of course, numerous proposals and resolutions made for special and select committees to deal with various matters. But who, in these times of foreign crises, the threat of Moscow, and the threat of war, would deny the priority of purpose and value attached to the necessity of studying, knowing, understanding, and functionally appreciating the captive nations both within and outside the Soviet Union? It is an open secret that we lag badly in this important respect and yet, sooner perhaps than we think, we may have to depend heavily on these natural allies in the Red colonial empire.

Mr. Speaker, it is for these reasons and the many others that have been given since the beginning of March that I urge speedy bipartisan action on the resolutions proposing a Special Committee on Captive Nations. The full justification for such a committee is being discussed and well received in many quarters of this Nation. As a further example of this, I wish to introduce as part of my remarks the lecture delivered by Dr. Lev E. Dobriansky, of Georgetown University, on "A History of Communist Aggression." This lecture was given last week at the anticommunism strategy seminar held at the U.S. Army Command and General Staff College, Fort Leavenworth, Kans. One of the conclusions reached by Dr. Dobriansky is that our general knowledge of the history of Communist aggression is basically faulty. In the public interest, in the interest of our national security, this defect can be rapidly overcome by the work and effort of a Special Committee on Captive Nations.

In addition, Mr. Speaker, I place in the RECORD at this time an editorial from the Chicago Daily News of Tuesday, August 1, entitled "Ventriloquist," which is illustrative of the Red propaganda against Western imperialism and other illogical suggestions that we turn the tables on the Communists in this arena.

Mr. Speaker, to sum up my purpose in once more calling this matter to the attention of the House, may I point out that we are obviously in the homestretch of this congressional session. It would be most practical for the Rules Committee to approve a captive nations resolution so that the House could act, and the committee organize and commence this most needed work immediately at the close of the session. It is my understanding that the chairman of the House Foreign Affairs Committee has had numerous invitations to appear before the Rules Committee on this subject, and has failed to avail himself of the opportunity.

I certainly hope, Mr. Speaker, that I am in error if I draw the conclusion that there is a deliberate attempt being made to block the creation of this Special House Committee on Captive Nations. Surely there must be some people in our State Department with enough imagination and energy to realize that we must take the counteroffensive in propaganda against the Soviet Union, and that this special House committee would perform a tremendously important function to the benefit of our State Department in its concern with international problems. I have repeatedly emphasized the value of this committee to our representatives in the United Nations and to the entire American position in world affairs. I am convinced that a vast majority of House Members would give the creation of this committee their vigorous support, and I express my appreciation to my colleagues who have been untiring in their efforts to achieve this goal.

The sands of time in this session, Mr. Speaker, are running out. They must not do so before we have created this committee, put it to work, and then properly anticipate its progress, accomplishments, and effective contribution to the cause of freedom for the enslaved captives of communism.

A HISTORY OF COMMUNIST AGGRESSION

(By Dr. Lev E. Dobriansky, Georgetown University, to the anticommunism strategy seminar held at the U.S. Army Command and General Staff College, Fort Leavenworth, Kans.)

"History is bunk"—so observed one of America's foremost industrialists and a prominent maker of history. Instinctively, of course, we would brush this statement aside, as, indeed, many in the past have. But actually this extreme observation cannot be written off entirely because, in fact, there is much bunk in the written histories of Eastern Europe and central Asia which constitute primary and basic parts of the composite history of Communist aggression. In our schools and in the public forum much of this bunk is being uncritically transmitted, and the results become clearly and appallingly evident in the bleak record of our struggle with communism.

For some quite intellectually vulnerable critics of these indispensable seminars this may be the introduction to an extremist speech. However, it cannot be too strongly emphasized that the contents of this lecture are open to any honest criticism by popular deliberation rather than by secret memoranda. Many scholars, writers, and leaders with a keen sense of history have pointed to

this grave defect in the fundamental history of Communist aggression. Among them, even President Truman has said: "I have several histories of Russia—not one of which has been satisfactory. Most of them are based on ideas that were formed before the man started his book and are not based on facts."[1] In short, if our historical accounts of Russia, the base of the world Communist conspiracy, are inaccurate and even fictitious, then what can be expected of our higher formulations of thought, concept, policy, and operation regarding this global menace?

LESSONS FROM THE HISTORY OF COMMUNIST AGGRESSION

"Human history," said H.G. Wells, "is in essence a history of ideas." The history of Communist aggression is undoubtedly a major episode of human history and in basic essence sharpens the contrast between the ideas of national and personal freedom and those of imperialist domination and totalitarian control. History, one can say, is philosophy teaching by examples, and the examples we shall consider here are not, as Khrushchev would have it, evidence of any spurious contest between communism and capitalism but, instead, growing examples of Soviet Russian imperialism and colonialism versus national self-determination and personal liberty. Needless to say, those who do not know or remember the history of Communist aggression are condemned to repeat it.

What, then, can we learn from this history? What are the general lessons to be gained from the history of Communist aggression? For one, this history provides an indispensable background for our understanding of the motives, aims, and actions of the last formidable imperialist power on earth. It, more than anything else, empirically and concretely answers the essential question, "How did this menace come to be what it is?" In effect, it answers the further crucial question, "What is the nature of the threat?" Second, the history of Communist aggression portrays a genetic development of conquest, predation, and exploitation without which pure analysis remains sterile. In this respect, our short understanding of this history explains in largest measure our persistent misconception of the Soviet Union, our gullibility for skillful Russian propaganda, and our constant reactionism to the cold war ventures of the adversary.

The third important product of a complete history of Communist aggression is a vivid appreciation of what the aggressed, the conquered think and feel about the nature of the disease rather than what we, at a remote distance in time, place, or experience, think it to be or what the conqueror pretends it to be. For example, in 1956 the Hungarian patriot shouted, "Russkie, go home" instead of wasting his breath on the myth of communism, and earlier in the same year the Georgian patriot scrawled on the public buildings of Tiflis the positive slogan "Long live an independent Georgia" instead of the negative one "Down with communism!" These and endless more teachings by example lead to the fourth benefit derived from the history of Communist aggression; namely, the insights obtained for opportunities of action, of the positive offensive, against the calculating and increasingly confident enemy.

Thus a complete and factually grounded history of Communist aggression is indispensable to our thoughts and actions in the permanent cold war staged by Moscow. It is no more necessary for our behavior and operations in any hot global war. The history of Communist aggression is the very basis of justification and confirmation of the sound warning given by the renowned Russian philosopher, Nicholas Berdyaev: "It is particularly important for Western minds to understand the national roots of Russian communism and the fact that it was Russian history which determined its limits and shaped its character. A knowledge of Marxism will not help in this."[2] As one views the history of Communist aggression over the years—including even the form of spiritual aggression against certain non-Russian nations prior to 1917—this sober warning sounded by one of Russia's greats in this century cannot be repeated too often.

THE BACKGROUND OF THE WHITE RUSSIAN EMPIRE

It is an open secret that we Americans are not exactly conspicuous in the areas of historical research, interpretation, and analysis. In fact, until recently, in our schools and in our daily existence we have even shown a disdain for historical inquiry and historical understanding. With regard to the reality of Communist aggression some of us woke up only when colonial Moscow took to overt means of threat and bluff against the interests of the United States following World War II. Of little concern was it to most of us that we, by private or official agency, helped substantially to build up this monster from 1917 to the present, either by commission or omission of various deeds and works. Without the indispensable aid of history we were content to form our illusions, some of which thrive this very day, such as the illusion that the cold war began in 1947, or the illusion that Communist aggression commenced with the Russian invasion of Poland in September 1939, or the illusion that if Marx hadn't existed, we would not be threatened from the Russian source today. These and other illusions can only be permanently dissolved by grasping the major forces and patterns in the history of Communist aggression.

As Berdyaev, Struve, and others solidly teach, it is impossible to arrive at such a grasp without an intensive analysis of the real, empirical background to the series of Communist aggressions in our time. The roots of these aggressions by Soviet Russia rest deep in the background presented by the White Russian empire of the czars.

Every conceivable Communist technique today has an able institutional precedent in the empire-building enterprise started by Ivan the Terrible in the 16th century: divide and conquer, conspiratorial networks, genocide, Russification, two steps forward and one backward, broken treaties, a self-assuring mystical messianism, smokescreens of totalistic ideologies, political partitionism, the police state, inventions and distortions of history, incitement of class struggles, slave labor, anti-Semitic pogroms, Potemkin village tactics, peaceful coexistence—in brief, the fashioned implements of cold war gaming aimed at eventual conquest.

Lest we deceive ourselves, we are bucking up against 500 years of cumulative empire-building experience from which Lenin primarily drew on and Von Clausewitz distilled his classic cold war formulations. It is an experience based on the institutional nexus of internal totalitarian rule and external imperialism and colonialism. It is an experience masked by a succession of deceptive ideologies: the third Rome doctrine of orthodox supremacy, racist pan-Slavism, and materialistic communism.[3] Where it serves Moscow's purposes, each of these is put into use today. For example, the Morros testimony which led to the Soble spy case in New York brought out the fact that, as Morros put it, the "Russian plot * * * goes beyond communism. They are for pan-Slavism on a scale more ambitious than Hitler's fanatical dreams of world conquest."[4] And Morros operated with functionaries on the highest levels of the Kremlin conspiratorial setup.

But more immediate to the first phase in the history of Communist aggression is the period from the end of the 19th century to the downfall of the White Russian empire. We cannot intelligibly comprehend the first wave of Soviet Russian aggression unless we come to know and appreciate the powerful force of nationalism which manifested and expressed itself in the empire during this period. Regrettably our studies of this subject are virtually nil, and as a consequence we are ill prepared today to exploit in behalf of world freedom this same force operating within the Soviet Union.

The White Russian empire suffered from the same rebellious upsurge of patriotic nationalism that the Austro-Hungarian and Ottoman Empires did. We know of the Polish resistance and fight for national freedom in the spirit of Mickiewicz, Kosciusko, and Pulaski, but do you know of the freedom fighters and the resistance against Russian domination elsewhere within the empire: the White Ruthenians, Kalinovsky and Hryniavetski, who assassinated Alexander II in 1881; the Ukrainian Shevchenko and the pervasive spirit of Mazepa in subjugated Ukraine; the jealous independence of the Don and Kuban Cossacks in the spirit of Razin and Pugachov; Chamyl, the freedom star of the Caucasus and the innumerable revolts of the North Caucasian peoples throughout the 19th century; the Muslim Congresses of 1905–06 through which Turkestani and Azerbaijani formed a religious common front against Russian colonialism?

This is only a small fraction of the history for freedom in eastern Europe and central Asia—a history that assumes increasing meaning, value, and significance in the light of current developments in Turkestan, Georgia, Idel-Ural, Ukraine, and other non-Russian nations in the U.S.S.R. In marked measure the Russian defeat in the Russo-Japanese War was attributable to the rumblings and dissension of the subjugated non-Russian peoples, and the revolution of 1905 was in part the explosion of this force of nationalism. A decade later, in World War I, mass desertions of these non-Russian nationals crippled the so-called military steamroller of the Russian Empire; and over two decades later—after a long period of ostensible Communist indoctrination—millions of these non-Russians deserted again, practically placing the platter of victory before the Germans. Even the socialist movement in the White Russian Empire was split along national lines, such as the Armenian Socialist Party, the Tartarian Socialist Revolutionary Party, the Ukrainian Socialist Democratic Party and others.

Although we still have to uncover and make use of these facts, in the field of experience the Bolsheviks led by Lenin knew them well and used them well for their own ends. Today, this account would be condemned by Moscow as "the provocations of bourgeois nationalism"; before the collapse of the White Russian Empire it was accepted by the forthcoming heirs of the empire in the name of national self-determination. "If Finland, if Poland, if the Ukraine break away from Russia," wrote Lenin, "there is nothing bad about it. * * * Anyone who says there is, is a chauvinist. No nation can be free if it oppresses other nations."[5] As today in Africa and Asia, this record on national self-determination was played over and over again until the overwhelming force of non-Russian nationalism contributed

[1] Hillman, William, "Mr. President," New York, 1952, p. 232.

[2] Berdyaev, Nicholas, "The Origin of Russian Communism," London, 1948, p. 7.

[3] Radzinski, John M., "Masks of Moscow," Illinois, 1960, p. 268.

[4] The New York Times, Aug. 13, 1957.

[5] Lenin, V.I., "The Right of Nations to Self-Determination," New York, 1951, p. 123.

heavily to the breakup of the White Russian Empire in 1917. But it wasn't too long before Lenin and the heirs of the empire proved themselves as outright chauvinists. By the established techniques of lies and deception they committed a spiritual aggression even before 1917.

You and I know of the two Russian revolutions in 1917, but how many of us are aware of the widespread non-Russian revolutions for national freedom and independence at that time? Yet the significance of these non-Russian wars of independence cannot but have profound meaning for us today. Independent national republics were established in area after area: Idel-Ural, November 12, 1917; Finland, December 6, 1917; Ukraine, January 22, 1918; Kuban Cossackia, February 16, 1918; Lithuania, February 16, 1918, followed in that year by Estonia, White Ruthenia, Don Cossackia, North Caucasia, Georgia, Azerbaijan, Armenia, Poland, and Latvia. In Siberia, on April 4, 1920, the Democratic Republic of the Far East was founded, and in central Asia a republic was proclaimed by Turkestan on April 15, 1922. With some of these, such as Georgia, Poland, and Ukraine, formal recognition was tendered by Soviet Russia by treaty or official declaration. Yet, in short time, only a few of these independent nations and states survived the first wave of Soviet Russian imperialism.

THE FIRST WAVE OF COMMUNIST AGGRESSION

As shown in part by the former Select House Committee on Communist Aggression, the history of Communist aggression commenced with the onslaught by Trotzky's Red Russian Army against most of these non-Russian republics.[6] States like Ukraine and Georgia were subverted, conquered, and made to appear as independent Soviet Republics by the end of 1920. Familiar techniques of "intensive revolution," infiltration, propaganda distortion, espionage, conspiracy, and planted governments were in full use before the military blow struck. One republic was picked off after another on the traditional basis of divide-and-conquer. By 1922 the first wars between non-Russian nations and Soviet Russia were over, and on January 31, 1924, the forcible incorporation of these many nations into the new prison house of nations was formally declared with the establishment of the Union of Soviet Socialist Republics. A new Red Russian empire was now in being.

This eventful period gives us much cause for serious and sober reflection, and the fruits of this reflection may have considerable bearing on our own future and destiny. The "ifs" of history are just as much parts of reality as the "whens." If the leaders of the victorious West had understood the nationalist forces at work throughout the Russian empire and fully supported them on the principle of national self-determination, it is reasonable to assume that communism would have only been a short echo in the arena of human history. If the Russians desired to apply its philosophy on the legitimate terrain of Russia, then, as in the similar case of Germany, nazism and non-Germans, non-Russians wouldn't go to war over it. If these newly independent non-Russian republics had formed a common front against Soviet Russian imperialism, the outcome of world developments would surely have been different. Little is it appreciated that the first smashing defeat of the imperialist forces of Soviet Russia was registered in 1920 by the Polish-Ukrainian alliance between Pilsudsky and Petlura. If their combined forces had crossed the proper borders of Russia and completely wiped out the Red Russian Army, Europe and the rest of the world would certainly have benefited from far more than a 20-year breathing period. As reflections of historical reality many of these "ifs" have pointed meaning for us today.

Foolish, indeed, is the notion that Soviet Russian aggression starts and finishes with a military war. After the conquest of any non-Russian country the aggression continues—in fact is intensified—against the institutions, the historical past, and the future hopes and aspirations of the conquered people. Finland, Poland, Lithuania, Latvia, and Estonia escaped the ravages of this aggression in the 1920's and 1930's. The other non-Russian nations, now parts of the Red Russian empire under the guise of the Soviet Union, were not this fortunate. The two decades are historically replete with deportations, slave labor, a horrible man-made famine in 1931–32, severe Russification, the Vinnitsa genocide, and extensive economic colonialism. It is in this period that Khrushchev first soaked his hands in the blood of these early and first captive peoples.[7] It is also in this period that so-called Soviet history is punctuated with recurring uprisings, passive resistance, and the mortal danger of "bourgeois nationalism," as witness the uprisings of 1929–30 and the purges of 1935 and 1937 in Georgia, the revolt of the young Turkestani in the Basmachi underground during 1935–41, the armed revolts of the Azerbaijani in 1925, 1929–30, and 1933, and the persistent opposition of the Ukrainians which caused a Russian satrap, Kossior, to blurt out in 1933 that "Ukrainian nationalism is our chief danger." Aside from revisionism, the greatest and most enduring of crimes in the Soviet Union today is so-called bourgeois nationalism, which for us is plain national patriotism.

Most important in this first stage of Soviet Russian aggression is the dominant fact that the imperio-colonial foundation was laid for the subsequent waves of Moscow's aggressions, whether direct or indirect. History was indeed repeating itself. The cycle of Russian conquests in the 18th and 19th centuries was again in motion. Without these conquered non-Russian areas, Russia and its 100 million people in itself could only be a second- or third-rate power. Ukraine by itself stands as the largest non-Russian nation both in the Soviet Union and behind the Iron Curtain. It should be noted, too, that the major economic resources in the U.S.S.R. are largely concentrated in the non-Russian nations. Turkestan, which Moscow deliberately partitioned into five artificial central Asiatic republics and exploits severely, literally abounds in diverse natural resources. Over 110 million non-Russian captives under the alien yoke of Moscow live in the Soviet Union today. About 24 million were added in the second wave of Soviet Russian aggression in World War II.

THE SECOND WAVE OF SOVIET RUSSIAN AGGRESSION

This second wave of Soviet Russian aggression was really triggered off by Moscow signing a 10-year nonaggression treaty with Berlin on August 24, 1939. The treaty paved the way to the Nazi invasion of Poland, the outbreak of World War II followed, and the opportunity for Russian colonial expansion presented itself in Poland, Finland, and the Baltic States. The paramount feature of this massive aggression was, of course, the forced incorporation of Estonia, Latvia, and Lithuania into Moscow's prison house of nations. The fate met by other non-Russian nations in 1924 now, inevitably, befell these. Dependent on the fortunes of World War II, it was only a matter of time before others would meet a similar fate.

The struggle for national freedom in eastern Europe and central Asia in the very course of World War II is a saga of invincible will and heroism still to be written for the benefit of the free world. While the war gave Soviet Russia the opportunity to extend its colonialism, it also gave the non-Russian captives an equal opportunity to strike for national freedom. Even some freedom-loving Russians saw their opportunity, too. As in World War I, mass desertions from the polyglot multinational armed forces of the U.S.S.R. were the order of the time. White Ruthenians, Cossacks, Bashkiri, Georgians, Tartars, Chechens, Ukrainians, and others who were supposed to be hopelessly indoctrinated by communism deserted in the millions in the hope of fighting for the freedom of their lands. For example, let's listen to the words of a German journalist on the eastern front: "The steady flow of Ukrainian volunteers for the German forces we ignored. The millions of Ukrainians, who by themselves could have turned the scales in the east, were not only being left unused, but were actually being repulsed and disillusioned."[8]

Here, in a nutshell, is the explanation of the unsurpassed political blunder in this century. The German Nazis attempted to foist their type of imperialist totalitarianism upon these non-Russian nations and in reality, fortunately for us, it cost them the war and victory. Throughout this period and, as a matter of fact, up to 1950 the national underground systems of Lithuania, Ukraine, White Ruthenia, Turkestan, and others engaged in guerrilla warfare against both the Russian and German totalitarians and later against the Russians and their colonial puppets. Our interest in guerrilla warfare today can be well satisfied by a study of the warfare waged by the Ukrainian insurgent army in that period.[9] To project this further, there is abundant evidence to show that throughout the last decade this resistance and opposition of so-called bourgeois nationalism has by no means diminished in the Soviet Union. Arrests for this crime of crimes continue under Khrushchev.

As we now turn to the third wave of Soviet Russian aggression, the tragedy of having won the war but lost the peace should awaken us to some grave defects and failures of our thinking and policymaking regarding aggressive Soviet Russia. Imagine, twice in this century we have suffered this tragedy. The colossal naivete of our leaders was displayed in the Yalta agreements and other unnecessary concessions made to the greatest imperialist power on earth. Up to that time hundreds of agreements, treaties, and promises had been callously broken by colonial Moscow but, for a variety of reasons, our leaders felt it could not happen to us. The roots of today's Berlin crisis go back to this period, and so does the captivity of many additional non-Russian nations. The causal reasons of ignorance and even degrees of Russophilism, then, are still at work today.[10]

THE THIRD WAVE OF SOVIET RUSSIAN AGGRESSION

In short, by these reasons, we, the victors of World War II and the advocates of national independence and personal freedom, literally accommodated the third wave of Soviet Russian aggression. The list of victims is as long as that of the first wave in 1920–23: In 1945, Poland, Moldavia, East Germany, multinational Yugoslavia, Outer Mongolia; 1946, Albania, Bulgaria; 1947, Hungary; 1948 Czechoslovakia, North Korea, Rumania; 1949, mainland China, where, we

[6] Investigation of Communist Takeover and Occupation of the Non-Russian Nations of the U.S.S.R., House of Representatives, 1954.

[7] "The Crimes of Khrushchev," pt. 2, Committee on Un-American Activities, House of Representatives, Washington, 1959.

[8] Kern, Erich, "The Dance of Death," New York, 1951, pp. 103–104.

[9] Codo, Enrique M., "Guerrilla Warfare in the Ukraine," Military Review, Fort Leavenworth, Kans., November 1960.

[10] Crocker, George N., "Roosevelt's Road to Russia," Chicago, 1959, p. 248.

were told, an "agrarian revolution" was under way.

Whether by military occupation or by indirect means of the traditional Russian borderlands policy or "intensive revolution," the process of aggression and the end result of conquest and domination of a people are the same. Satraps in most of these areas are Moscow-bred, and although differences have arisen, as in the cases of captive Poland, satellite Yugoslavia, the junior partner, Red China, or rascal Albania, who logically can deny that the permanence of the unrepresentative regimes in any of these areas is inseparably bound up with the strength and future of their originator, Soviet Russia? Aggression by indirection was shown in Korea in 1950.

With the inner colonial ring in the Soviet Union and now the outer colonial ring in central Europe and Asia, Moscow had placed itself in position to penetrate, directly or indirectly—through its captives, junior partner, satellite, or quisling Communist groups in the world at large—any area of the free world, including ours. The world's masters in empire building continued to reap successes of indirect aggression despite the alliances, the United Nations, the horrendous presence of nuclear weapons, the Maginot wall of containment. By the use of Moscow's traditional argument of no interference in internal affairs, by skillful propaganda inducing fears of war, and by gaining sanctuary from us in the consolidation of their vast empire, they have a free field for subversion, infiltration, and indirect aggression in the nontotalitarian free world.

FREE AGGRESSIVE PLAY IN THE FREE WORLD

By our basic policy of containment we accommodate colonial Moscow in a free aggressive play in the nontotalitarian free world. Tibet in 1951, North Vietnam in 1954, and Cuba in 1959 are further results of this play. What new nations will be listed into captivity in this decade: Laos, Cambodia, Iran, Iraq? These and others are real possibilities for which economic aid, military assistance, the United Nations, singly or in combination, are not the adequate answer.

To approach the adequate answer, it is necessary to keep firmly in mind this outline of the history of Communist aggression. Within the framework of this outline many other detailed acts of aggression can be included, as, for example, in Spain, Greece, Iran, Guatemala, and elsewhere. But whatever additional facts are assembled, it should be clear that as the permament instigator of the cold war, Moscow is a constant aggressor. In less speedy times and with less advanced technology the princes of Muscovy were also on the permanent aggressive, and with patience, skill, fraud and deception, built an enormous and unique empire. The inheritors of that empire may use different specious arguments but employ substantially the same techniques and, above all, have the same patience and propaganda skills. As before, so now, what falls under the Iron Curtain becomes an "internal affair," and what lies outside the curtain of the empire is the field for free aggressive play. What, then, can we do? Or, in other words, what profits us to know the history of Communist aggression?

THE LESSONS AND GUIDELINES OF THIS HISTORY

The "ifs" of history, as I said, are parts of our reality, for they continually haunt us into wiser and more intelligent action in the present and for the future. If, for example, our Western leaders had a vivid appreciation of the first wave of Soviet Russian aggression and the already long record of Moscow's broken agreements, with proper action in 1945 we would not today be confronted by any Berlin crisis. These "ifs" sharpen the lessons of history and contribute to its guidelines of our action in the present.

These lessons and guidelines of the history of Soviet Russian aggression are as follows:

1. The nature of the threat, or the disease, or the cancer—characterized however you will—is the imperio-colonial system of Soviet Russia. This system has historical roots in 500 years of empire building. By virtue of its materialistic basis and character, the ideology of communism—in essence a millenarian ideology of economic myth—is only a weapon of deception but more powerful than the preceding ideological weapons of orthodox supremacy and pan-Slavism. It is hardly encouraging to know that we are fighting against an ideological myth. In posing the spurious conflict between communism and capitalism Khrushchev would want us to fight the myth rather than the blood-and-flesh reality of totalitarian Russian domination. Philosophically and economically, Marxism bears as much relationship to the Red totalitarian empire as mercantilism does to our society. As one writer aptly puts it, "Like a bull in the arena, we have been concentrating on the red cloth rather than the matador behind it."[11]

2. The paramount challenge is not in the area of comparative military power and buildup but in the determining area of propoganda, political psychology, and psychological warfare. It is in this latter area that images are built up, minds are moved, and loyalties shifted. Bred on Pushkin, Dostoyevsky, Tolstoy, and 500 years of empire building, the present Russian totalitarians are masters of the art and experts in Potemkin village tactics, stretching from space to athletics. On the basis of all available evidence, the Gagarin story may well turn out to be the gangrene story of history, and I am convinced that Moscow cannot possibly, with any hope of victory, commit its multinational armed forces in any serious military engagement. We saw what happened in Hungary; we saw what happened in the two World Wars and the Russo-Japanese War. In comparison with these political psychological experts, we've been but puny amateurs, despite the ace cards available to us. It requires little imagination to call men to arms; it requires much in imagination and vision to exploit the weaknesses of the enemy to eventually strangulate him without the horrible costs of a hot war.

3. The policy of liberation, accurately construed, is inescapable for our country if we are determined to survive as an independent nation.[12] In addition to the given quantity of armed protection, the greatest weapon we have is the captive nations of Europe and Asia. The case of Hungary proved our failure to implement this policy, not the inefficacy of the policy itself. With good reason there is nothing more frightening to Moscow than a developing concentration by us on the numerous captive non-Russian nations within the U.S.S.R. itself.[13] In the U.N. debate on colonialism and imperialism last year the Canadian Prime Minister had the courage to bring up the colonialism and imperialism rampant in the Soviet Union, and Moscow went into convulsions.[14] The image of Russian power could be changed overnight with this concentration on Russian colonialism and imperialism within the U.S.S.R., and with enormous impact on Asia, Africa, and Latin America.[15] Many of us still haven't pondered over the question, "Why was it that Khrushchev, sitting on a pile of missiles and nuclear bombs and boasting about economic progress and victory of communism, almost suffered apoplexy when Congress passed the Captive Nations Week Resolution in 1959?"[16] The answer was the call for this concentration. Today a proposal is before the House Rules Committee to establish a Special Committee on Captive Nations for the purpose of achieving this concentration. But there is no question that Russophilic and other elements in our Department of State resist and oppose endeavors in this area.

(4) Based on the salient features of the history of Communist aggression and also the unique development of our Nation, our course of policy and action must be in the explicit and frank terms of a universalized declaration of independence. A declaration aimed primarily at all the captive non-Russian nations in the Red totalitarian empire and also at the freedom-loving rather than just the peace-loving masses of the Russian nation.

Paradoxically enough, Marx recognized a century ago the same problem that faces us today: "They will have learned before that the idea of Russian diplomatic supremacy owes its efficiency to the imbecility and the timidity of the Western nations, and that the belief in Russia's superior military power is hardly less a delusion. There is only one way to deal with a power like Russia, and that is the fearless way."

[From the Miami Herald, July 17, 1961]

K.'s FREEDOM TALK A CRUEL JOKE—THE CAPTIVES REMEMBERED

Two holes in the Iron Curtain are leaking people by the thousands.

The closest is Cuba. Fugitives from short rations and militarization there are streaming across the Florida Straits any way they can. Immigration officials expect the torrent of refugees to crest during the next 8 days. Cubans fear the Red dictator Fidel Castro's blatantly advertised speech on July 26 will seal the island tight, forbidding the departure of anyone but the aged.

But the biggest leak remains in West Berlin, an enclave of freedom more than 100 miles inside Communist East Germany. Since 1949, about 2.6 million East Germans have fled to the West. The flow increased sharply when Nikita Khrushchev began whipping up a new Berlin crisis. Now it is nearly 5,000 a week.

On the other side of the globe, Hong Kong is jampacked with fugitives from starvation in Red China. Tibetans are trudging over high mountain passes into India to avoid extermination at the hands of Chinese Communists.

All these refugees are the lucky ones: they got away.

What of the 840 million other men, women, and children held in bondage by communism, the only expanding colonial empire on earth today? They have not been forgotten, in the United States, at least.

Captive Nations Week, which started yesterday, is designed to remind the world of the victims of Sino-Soviet imperialism. Its sponsors are men who made their way to this country from once-free nations conquered by Communist force or guile.

The list is long and melancholy. It begins with nations or land areas incorporated, willy-nilly, into the Soviet Union. Their names are familiar in some cases—Ukraine, Georgia, Armenia, Azerbaijan, Lithuania,

---

[11] Radzinski, John M., "Masks of Moscow," p. xiii.

[12] Dobriansky, Lev E., "A Policy of Emancipation and Liberation of Khrushchev's Captives," CONGRESSIONAL RECORD, July 20, 1961, pp. 12174–12176.

[13] Smal-Stocki, Roman, "The Captive Nations," New York, 1960, pp. 98–101.

[14] "Colonialism in the Soviet Empire," Neve Zuercher Zeitung, Switzerland, Nov. 20, 1960.

[15] Barton, Paul, "Imperialism in the Soviet Union," NATO letter, June 1961 (CONGRESSIONAL RECORD, July 24, pp.1225–1227).

[16] Dobrianski, Lev E., "The Captive Nations Week Resolution," CONGRESSIONAL RECORD, Jan. 21, 1960, pp. 918–923.

Latvia, Estonia, East Prussia. Others have exotic titles which mean little to most Americans—Bessarabia, Bukovina, Sub-Carpathian Ruthenia, Karelia, Sakhalin, Tannu Tuva, the Kurile Islands.

The new colonialists maintain the myth of independence for many of their captive nations, but they are truly colonies of the Sino-Soviet Communist empire. Next-door Cuba is the latest.

"You know that on the national question the Soviet Union is invariably guided by the principle of the right of nations to self-determination," Khrushchev blandly told an African assembly.

Then he bellowed like a bull under the branding iron when the National Captive Nations Committee suggested free elections behind the Iron Curtain.

A counteroffensive for freedom has been proposed by Dr. Charles Malik, the Lebanese diplomat who was President of the United Nations General Assembly in 1958. He is now professor or philosophy at the American University in Washington.

Dr. Malik urges the United States to take the offensive in debates with Communists in the United Nations and elsewhere.

"Those who believe in the dignity of man and his freedom, who know truth and trust in God * * * must pass to the offensive, not only of thought and conviction, but of that real, decisive, historical action which shall cause the Communists to take to their heels," says the philosopher-statesman.

This week is as good a time as any to commence.

[From the Miami Herald]

COMMUNISM: WHAT IT MEANS TO YOU

THEIR WORK WILL GO ON—LEGAL? ILLEGAL? REDS DON'T CARE

(By Jeanne Bellamy)

New rulings by the U.S. Supreme Court should handicap the efforts of Communists to conquer this country. But the Reds will keep trying. They have orders to work illegally even if outlawed.

The Court upheld the right of Congress to find that the Communist movement is controlled by the Soviet Union. Therefore, it and its members must register as agents of a foreign power and tell where the party's money comes from.

Citizens are free to join the Communist Party, but they are guilty of a crime if the Government can prove they know its purpose is to establish Communist totalitarian dictatorship by whatever means necessary.

This applies to outright members of the party. They are a small part of the Communist network. They work through fellow-travelers, fronts, sympathizers, and dupes. The party members are the trained, dedicated conflict managers—the self-starters for the whole apparatus serving as communism's transmission belt.

What they are trying to foist on this Nation and every other is an idea more than a century old which history's march has made obsolete. Karl Marx, founder of communism, based his theory on conditions which existed in the infancy of the industrial age. He lived at a time when laborers in factories and on farms worked long hours for low pay. He decided, erroneously, that the cure was for these workers to seize all real estate by violence, throw out the owners and run everything themselves.

Marx claimed infallibility for his doctrine. However, he has been proved wrong on at least two counts. He failed to foresee that employees would become capitalists, as in the United States today. He thought his revolution would occur first in the most industrialized countries, but only the least developed have fallen into its clutches.

Nothing much was done about Marx's proposal until Russians rebelled against their czar in 1917. Nikolai Lenin, who had studied Marx's writings, added some thoughts of his own and put the combination into practice. With a few henchmen, Lenin overthrew the real revolutionists in Russia, and took over.

Lenin's contribution to Marxism was absolute regimentation. He said political, economic, and intellectual life must be ruled by the Communist Party—an elite group unbound by any law or ethical consideration. Individual rights should be disregarded, according to Lenin, and terrorism used at will to enforce conformity.

The methods of Lenin and his successors date back nearly a thousand years. Then the hordes of Genghis Kahn, a Mongol warlord, overran Asia and Eastern Europe, including Russia and Poland, to the gates of Vienna. Like those ancient barbarians, modern Communists get control of a country any way they can, by force or guile. Then they kill or imprison every leader who opposses them, and proceed to rule through handpicked stooges.

From their base in Russia, Communists quickly enlarged their empire. First, they conquered nearby nations, forcing them to join the Soviet Union. Today they control over one-third of the earth's surface and one-fourth of the human race, including China.

A recent conquest is the island of Cuba, only 90 miles from the United States. Their announced purpose is to use Cuba as a springboard for taking over the rest of the Western Hemisphere.

They never have made a secret of their aim. It is simply to conquer the whole world by fair means or foul; by subversion, if possible; by shooting, if necessary.

To that end, they have set up Communist Parties in 83 countries. The 33 million members are mostly in the Soviet Union and Communist China. The rest, whether in large groups or small, work day and night, openly or secretly, to extend communism's domain.

Present membership in the Communist Party of the United States is estimated at fewer than 22,000. But that number cannot be dismissed as insignificant. Party members are an organized, disciplined force, shrewd and determined to reach their goal. They are backed by the immense resources of their international army. Their power can be measured by the fact that when Lenin captured Russia, his followers numbered only 240,000 out of a population greater than the present 183 million in the United States.

Why would any American, or any thinking person, join this worldwide plot against freedom? Because Marxism-Leninism has been turned into a religion, a devilish faith which demands blind obedience. Its appeal is not, as its propagandists claim, to the poor. Communism fishes for and hooks intelligent men and women who can be trained to manipulate ignorant mobs to do their bidding.

The basic teachings of Marxism-Leninism are four:

1. Everything that exists is due to the interaction of material things struggling against each other and adapting their forms to the nature of the conflict.

2. Man is solely a product of his environment, and has developed to his present form through natural selection. The main influence on mankind's destiny is economic conditions.

3. The moral code of any era is determined by the necessities of the time. It is not wrong to kill, lie, cheat, steal or commit any crime if it advances communism. The end justifies the means.

4. Belief in a deity is a trick invented by the leaders of society to control the other classes. Marx called religion "the opium of the people." Atheism is required for membership in the Communist Party.

These contemporary heathens tell one another their beliefs are "scientific." However, they rewrite history and twist proved principles of science to fit their materialistic dogmas.

The main power of communism is that it proclaims itself sure to win. Its adherents are taught that they are worthless except insofar as they serve the Communist cause. They are drilled to believe that by living or dying for communism, they attain the highest virtue of working for the final victory of communism everywhere.

Communists call themselves the only "progressives" but their theory and practice resemble those of the assassins in the Dark Ages. The original assassins were fanatics who believed that murder of their sect's enemies was a sacred duty. They were drugged and sent out to slay, assured that if killed they would go straight to a paradise full of material rewards—beautiful women, food, drink, and high living.

Communism is the 20th century version of thousand-year-old practices.

AND THEIR RULES DON'T CALL FOR A FAIR FIGHT—

WE'RE NO. 1 ON RED HATE LIST

To Communists the No. 1 enemy is the United States of America.

They hate everything this Nation holds dear. They fear U.S. military and productive power. Most of all, they dread the American ideal of individual freedom and responsibility under God. That is what communism is bent on stamping out.

So the Reds are waging all-out war against the United States. They are using weapons never before wielded on a worldwide scale. They are attacking from two directions.

Globally, they are trying to annex every free nation to their slave empire. They shoot whenever they think they can get away with it. They stop short of acts which would send atomic warheads crashing onto Soviet soil. They like guerrilla warfare and sabotage—hard to pin on them. Their pet trick is to turn other people against the United States: "Let's you and him fight." That way, they don't appear in it themselves.

Communists also bore from within. Their chief tool is a poisonous emotion: hate. They know that hate can enflame men to action as love cannot. Their aim is to widen every line of division, however tiny, among Americans.

Their agents and dupes also try to sap the will to resist communism. To that end, they sow uncertainty and doubt. They strive to undermine the morale of the Armed Forces. They sneer at patriotism, spreading distrust of representative government, justice, and the free-enterprise system.

Bribery, blackmail, and character assassination are other devices for Communist subversion.

The blueprint for Communist conquest of the world was drawn nearly 40 years ago by Nikolai Lenin, cofounder of Marxism-Leninism.

That declaration of war was repeated and amplified last December 5 in a 15,000-word manifesto from Moscow. It calls the United States "an enemy of the whole world," meaning the Communist world, of course.

The manifesto gives the marching orders for Communists everywhere. For example:

"It is the supreme internationalist duty of every Marxist-Leninist party to work continuously for greater unity in the world Communist movement," directed from the Kremlin.

Like all Communist talk, the December 5 manifesto is written in a "doublespeak" jargon to deceive non-Communists. Instead of calling themselves Communists, the Reds use the less-despised term, "Socialists." "Democracy" on their tongue spells Communist rule. "Peace" to them means no resistance to communism.

Their current line is "peaceful coexistence." But they are bold enough to say:

"Peaceful coexistence of countries with different social systems does not mean conciliation of the Socialist and bourgeois

ideologies. On the contrary, it implies intensification of the struggle of the working class, of all the Communist Parties, for the triumph of Socialist ideas."

If anyone tries to oppose them, "the possibility of nonpeaceful transition to socialism should be borne in mind."

The manifesto gives the "comrades" specific instructions.

They are to push for total disarmament, the end of free world defense treaties and the closing of military bases maintained by the United States and its allies. They must insist on noninterference in the internal affairs of countries which the Communists are trying to take over.

They are ordered to form "united fronts" with political parties in free nations as the first step toward seizing control.

They must infiltrate labor unions. They must stir up strife and riots by playing on racial tensions, nationalism, resentment, and discontent of every kind. They must denounce anticommunism as "a witch hunt."

A clear line is drawn between nuclear war and local wars for extending the Communist domain. Every new or emerging nation is to be a battleground for the Reds. There, and in other free lands, they will try to squeeze out and bar the door to American economic aid and private investment—"monopoly" is their word for it.

Latin America, France, Italy, Spain, and Portugal are among the countries pinpointed for Communist agitation.

Their object is simple: to isolate the central fortress of freedom, the United States. That way, they believe, this country will fall into their hand like an overripe plum. Shooting would come afterward, merely to liquidate their opponents.

Of course, the Communist Party line is subject to change without notice. It reversed direction three times to match shifts in Soviet relations with Nazi Germany. When Adolf Hitler was rising to power, the Soviets were afraid of him, so Communists were hot against nazism. They did an about-face the day Josef Stalin signed an alliance with the Nazis and was given part of Poland in 1939. They flip-flopped again when Hitler invaded Russia in 1941.

Communist policy anywhere, any time, is whatever will help communism enslave more people.

CHECK YOUR PERSONAL ARMOR—WHO'S TO FIGHT REDS?—ONLY YOU

America's chance of beating communism depends on you.

"Why me?" you may ask.

Because the strength of any free nation springs from the stamina and patriotism of its people.

There are about 183 million men, women, and children in the United States. Each is like one link in the chain-mail armor of national defense against outside attack and subversion within. Each is like a molecule of steel in a sword, our country's power to overcome its enemies.

National character, like an object, is only as strong as its weakest point.

It's useless to wag our heads and complain that "So-and-so isn't doing his share to combat communism." That way lies the Red trap of suspicion and division among ourselves.

The Communists—if they believe what they say—consider us soft, weak, and corrupt. They think we have lost the spirit which moved Patrick Henry to shout: "Give me liberty or give me death."

Nor do they respect our belief in individual responsibility. They look on 183 million Americans as on their 700-million Chinese slaves—as faceless masses to be manipulated by clever Communist bosses.

So the finger points to each of us. What are we doing about it? What are you doing?

Each of us must rise to new heights if our country is to stand united and unconquerable.

Here is a little checklist to help you rate the strength of your link in America's defense against today's barbarians:

Are you strong and healthy? Do you eat right, sleep well and get enough exercise to keep a sound mind in a sound body?

Do you give a full day's work for a full day's pay?

Are you honorable in your dealings? Do you shun shady practices in work, business or personal affairs?

Do you keep informed on what's happening in your community, State, Nation, and the rest of the world? Do you commend your elected representatives for good decisions and scold them when you think they have erred?

Do you obey the law?

Have you read the U.S. Constitution lately? Do you know your liberties under the Bill of Rights, and the duties that go with them?

Do you vote in all elections for which you are eligible? Do you serve on juries when called?

Are you loyal to the United States and proud of it? Do you show respect for the flag and the national anthem, and encourage others to do likewise?

Do you really do unto others as you would have them do unto you, in traffic, at home, wherever you are?

Do you use your right to worship God as you choose?

If your answer to all these questions is "yes," you are doing your part to make America strong.

This is not to say that every American must be superhuman. We can hate, too. Hating evil as as much a mainspring for right action as fighting for something good. We can do both.

The Communists use hatred to destroy us, cynically fabricating it out of lies and false insinuations. Their wicked doctrine deserves to be hated. All we have to do is tell the truth about communism.

The Reds cannot prevail against 183 million Americans who are incorruptible and live by our national motto: "In God We Trust." That is their undoing—a faith and dedication better than theirs.

You can be sure that communism isn't going to vanish overnight like a bad dream. It is real, entrenched, and vicious. Turning the tide against it will be a long, hard job. Are you ready to start?

SPECIAL REPORT—WHAT'D LIFE BE LIKE IF REDS TOOK UNITED STATES?

If Communists should ever take over the United States, here's what would happen to you:

You would do exactly as you were told. If you objected, you would be killed or put in jail.

You would be assigned to a job, and you couldn't quit.

Your home or business and any other property you own would be subject to confiscation.

Your children and neighbors would be taught to spy on you and report anything you said against your Communist bosses.

If you went to church or said prayers at home, you would lose any chance of getting ahead in the world.

You could never tell when a man in uniform might knock on your door in the middle of the night and haul you off to prison for any reason or no reason.

This is the kind of living death the Communists are trying to spread all over the world.

SPECIAL REPORT—YOU COULD BE HELPING REDS PENETRATE THE UNITED STATES

Without knowing it, you may be the weak spot through which communism can penetrate America.

Are you lazy and flabby?

Do you loaf on the job?

Are you proud when you've "pulled a fast one?"

Do you ignore news of public significance?

Do you think it's smart to break the law?

Do you harp on "what's wrong" with the United States?

Are you a snob?

Have you forgotten how to pray?

If so, chances are that Communists are rubbing their hands in glee over you. They're counting on apathy and corruption to let them snatch control of America.

Our national character is made up of 183 million men, women, and children.

SPECIAL REPORT—ARE YOU PLAYING INTO REDS' HANDS? THEY HOPE SO

Do you look upon any group of your fellow Americans with dislike or suspicion? If so, watch out. Communists are working to widen every tiny split among citizens of the United States.

"Divide and conquer" is their aim.

They will use any trick to turn us against one another. They are busy day and night to get us fighting among ourselves.

They use words as dumdum bullets. You may never know what hit you until you're boiling with hate, ready for violence. That's what the Communists want. Then, they figure, they can move in and enslave us all without firing a shot.

Stiff-arm Communist booby-traps. They can't hurt you when you know what they're doing. Learn about their tireless efforts to conquer the United States.

[From the New Orleans (La.) Times Picayune, July 20, 1961]

HONOR FOR RED CAPTIVES URGED—ACTIVE MAYOR PROCLAIMS WEEK'S OBSERVANCE

A proclamation designating the week of July 16 through 22 "Captive Nations Week" was issued Wednesday by Acting Mayor Victor H. Schiro.

The proclamation urged "all our citizens to appreciate and recognize the fact that the captive nations in the aggregate constitute not only a primary deterrent against a hot global war and further overt aggression by Moscow's totalitarian imperialism, but also a positive means to the cause of freedom for captive peoples everywhere."

The proclamation stated that "the fundamental conviction that the central issue of our times is imperialist totalitarian slavery versus democratic national freedom dictates we commence to win the cold war by assembling and forthrightfully utilizing all the truths and facts pertaining to the enslaved condition of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslavakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, North Vietnam, North Korea, Cuba, and all the rest.

Schiro presented the proclamation on the second floor balcony of city hall to a committee composed of Festus Brown, chairman of the Un-American Activities Committee of the Louisiana Department of the American Legion; Anthony Naquin, commander of the Legion's first district in Louisiana; and George Soule. The ceremony was attended also by a group of women including various members of the American Legion Auxiliary, the Daughters of the American Revolution, and other patriotic organizations.

Schiro, in a brief address traced the evolution of the United States from its beginnings to its status as the greatest nation in

the world, but warned against the sort of complacency which he said had caused the fall of Rome.

Brown in an address asserted that: "While we stand as the greatest republic in the history of mankind, we have retreated from our historic policy of courage and forthrightness that once held the respect of all nations of the world."

He expressed the belief that "the people of America must call an immediate halt to the strange policy of our Government of fraternizing with, or honoring in a manner reserved for respectable leaders, the heads of the Red conspiracy—of sending tanks, guns, ammunition, fighter planes, food, money, and supplies to strengthen the very same bloody butchers whose atheistic conspiracy not only holds in bondage these nations and these people we honor today, but who are this very minute plotting, scheming, and driving to destroy America itself both economically and militarily."

At the request of some of those present, a city hall aid hauled down the United Nations flag from the staff where it was flying while the ceremony was going on. In its place was transferred from another flagstaff, the flag of Louisiana in a position next to the flag of the United States which the U.N. flag had occupied.

[From the Denver (Colo.) Register, June 18, 1961]

CAPTIVE NATIONS WEEK

The third week of July provides for the public pronouncement of a foreign policy that has proved its worth.

Public Law 86-90 authorizes and requests the President of the United States to proclaim Captive Nations Week, as President Eisenhower did in 1959, to the great consternation of Khrushchev.

President Kennedy is not bound by law to issue such a proclamation; he is simply authorized and requested by Congress to do so. We believe, judging from the irate reaction of Khrushchev, that it would be good policy; for it hits him where it hurts.

Writing in the Ukrainian Quarterly, Edward M. O'Connor, former U.S. Commissioner of Displaced Persons, declares that the slogan "Africa for the Africans" would have real meaning if translated into a policy of "Russia for the Russians."

The Russians number only 55 percent of the population of the many-nationed U.S.S.R. So powerful have been the stirrings of the submerged nations in what is carelessly called Russia, that many think that the collapse of the czars in 1917-18 was brought about by the national independence movements in the non-Russian nations of the empire.

Since the Soviets have been so successful in exploiting the legitimate yearnings of the peoples of Africa for national independence, why could we not make the same appeal to the submerged nations of Eastern Europe and the U.S.S.R., some of whom, like Poland, have proudly enjoyed a thousand years of Christian heritage and a nationhood such as Russia never knew?

OMAHA CAPTIVE NATIONS WEEK OBSERVANCE PROGRAM, SATURDAY, JULY 22, 1961, AT 7 P.M. AT THE OMAHA PLAYHOUSE, OMAHA, NEBR.

Placing a wreath at the World War II Memorial Saturday, July 22, 1961, at 12 a.m. from the captive nations of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, East Germany, White Ruthenia, Rumania, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others.

II

1. Presentation of colors.
2. National anthem (soloist Mrs. John Gunig).
3. Invocation (Msgr. Floid Fisher).
4. Welcome by the chairman of Omaha Captive Nations Week Committee (Mr. Ben C. Sulskis).
5. Greetings.
6. Address (Albert C. Walsh, attorney).
7. Adoption of resolution.

(Ten-minute intermission.)

III

Performance of national groups:
Czechoslovaks, East Germans, Latvians.
Lithuanians, Poles, and Ukrainians.
Master of ceremonies: Joe Martin, radio WOW.

PROCLAMATION OF THE STATE OF NEBRASKA

Whereas many nations throughout the world have been made captive by the imperialistic and aggressive policies of Soviet communism, and

Whereas the people of the Soviet-dominated nations have been deprived of their national independence and their individual liberties, and

Whereas the citizens of the United States are linked by bonds of family and principle to those who love freedom and justice on every continent, and

Whereas, it is appropriate and proper to manifest to the peoples of the captive nations the support of the Government and the people of the United States of America for their just aspirations for freedom and national independence:

Now, therefore, I, Frank B. Morrison, Governor of the State of Nebraska, do hereby proclaim the week of July 16 through 22, 1961, as "Captive Nations Week."

In witness whereof, I have hereunto set my hand and caused the great seal of the State of Nebraska to be affixed.

Done at Lincoln this 17th day of July in the year of our Lord 1961.

FRANK B. MORRISON,
Governor.

FRANK MARSH,
Secretary of State.

SENATE JOINT RESOLUTION 111

Joint resolution providing for the designation of the third week of July as "Captive Nations Week"

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

[From the Philadelphia (Pa.) America, July 27, 1961]

THE REDS—WHAT NOW?

(By Louis Francis Budenz)

GIVE HOPE TO CAPTIVE NATIONS

By a happy coincidence, Our Captive Nations Week was prefaced by the publication of Pope John's Encyclical on Social Justice.

This papal document is marked by the same sense of balance as distinguishes all Vatican utterances on the social question—voicing opposition to the tyranny of communism but insisting upon the need for many and deep reforms among ourselves. We can observe at once two major points in the encyclical which expose the falsity of allegations distributed by the Communists in their present worldwide war on the church. In recommending large-scale aid to underdeveloped countries, that message emphasized that such assistance should not be given in such a way as to be merely "a new form of colonialism."

AIM OF THE CHURCH

Of that caution, much can and will be said in the future, but for the present, we can note that this explodes the Communist lies that Catholic missionaries are "neocolonialists in cassocks." It demonstrates the fallacious character of the Communist statement that "the aim of the church" is to turn "from a faithful servitor of the old colonialism into an instrument of neocolonialism."

Both of these fantastic declarations appear in a lengthy directive in the May World Marxist Review, which is being widely distributed here as well as elsewhere.

The same thing happens with the fantasies disseminated by the Kremlin regarding the church's stand on private property. The encyclical brings out that defense of the right of private property is for the purpose of assuring its wider distribution among the working people. It is not, as the Kremlin's "philosophers" have contended in the March, 1960, World Marxist Review and thereafter, that the stand for private property "expresses the interests of the bourgeoise—today it would be more except to say the interests of monopoly capital."

Refuting such an accusation, the encyclical goes on to give the real basic reason for the right of private property, as "the guarantee of the essential freedom of the individual."

That such is the case—that where private property is abolished complete freedom does not exist—is silently testified to by the long line of refugees fleeing East Germany. This flight has become so marked that Chancellor Konrad Adenauer has described it as a "panic."

The Soviet rulers are very sensitive to the desire for freedom on the part of the enslaved peoples. Congressman DANIEL FLOOD of Pennsylvania, who has introduced a resolution in the House of Representatives to create a special committee on the captive nations, has disclosed what fear spread recently among those rulers in the Ukraine alone. The more speech by Premier John Diefenbaker of Canada in the United Nations, denouncing Soviet colonialism, caused a panic of enforced letter writing and mass meetings throughout the Ukraine, called by the official party hacks.

EATON STATEMENTS

In their endeavor to shut off all real examination of the slavery in the captive nations, Moscow has also sent around the world during the last few weeks a series of statements by Cyrus Eaton, American industrialist and winner of the Lenin Peace Prize.

After a tour through Czechoslovakia, Hungary, and Bulgaria—and Eaton's tour reminds us again that the United Nations has never been allowed inside Red Hungary—he writes:

"These countries have competent and intelligent men heading their governments, and the U.S. obsession that there is any substantial opposition to the political leadership of these nations is erroneous and should be abandoned in the interest of a practical U.S. policy."

To which he adds:

"It is abundantly clear to an objective observer that Czechoslovakia, Hungary, and Bulgaria are completely committed to their present forms of government and to their political and economic systems, and that their relations with the Soviet Union are cordial."

So well does the Kremlin think of this declaration that it plays it up in the June 26, 1961, New Times, coming here from Moscow. But Congressman FLOOD has the proper answer to such drivel, and we can support him in his attempt to get a permanent congressional committee on these "socialist countries." In describing Khrushchev's cynicism in saying on December 27 last that "the subjugated colonial peoples" can depend for their freedom on Soviet Russia, Congresman FLOOD goes on to ask:

"But aside from the underlying objectives, can we truthfully say that our demonstrated and sincere interest in all of the captive nations, particularly those in the U.S.S.R. itself, exceeds the cynical interests displayed by Moscow in the peoples of Africa and Asia? I think not."

[From the Brooklyn (N.Y.) Tablet, July 8, 1961]

CAPTIVE NATIONS WEEK WILL BE OBSERVED

WASHINGTON, D.C.—Captive Nations Week, sponsored by the National Captive Nations Committee in implementation of Public Law 86-90, will be observed this year from Sunday, July 16, through Saturday, July 22. In announcing plans this week for the second anniversary observance of the week, Dr. Lev E. Dobriansky, chairman of the committee and professor of economics at Georgetown University, stated that major themes this year would be "a firm policy on Berlin and determined opposition to the admission of Red China into the United Nations."

In coordination with National Captive Nations Committee, the Assembly of Captive Nations, American Friends of the Captive Nations, and other groups, cities throughout the country will join in ceremonies reaffirming the belief that "our freedom will be secure only when all men everywhere are free." Mayor Daley in Chicago and Mayor Wagner in New York City, among many others, are sponsoring huge citywide ceremonies.

Dr. Dobriansky, who originated and authored the Captive Nations Week resolution, said: "The 1960 observance was so successful that the vehemence and vituperation of Moscow and its puppets exceeded that of Khrushchev's explosion the year before. We intend to surpass last year's successes.

"The committee is now looking forward to an early proclamation of the week by President Kennedy. President Eisenhower proclaimed the week twice, in 1959 and 1960, and on the basis of President Kennedy's expressed feelings in the past, we expect him to issue the proclamation soon."

National Captive Nations Committee, which depends on contributions to carry out its year-round program of informing the public on developments behind the Iron Curtain countries, has a growing membership of university presidents, labor leaders, church officials, industry executives, newspaper editors, publishers, and civic, patriotic, and ethnic groups. It is headed by a newly elected board of directors. In addition to chairman Dobriansky, the board consists of: Col. Charles H. Kraus, vice chairman; Col. Daniel F. Boone, executive director; Mrs. Colby Bowden, secretary-treasurer; and John T. Doolittle, assistant secretary. Seventeen Senators and sixty-five Congressmen comprise the honorary committee membership. The headquarters of the National Captive Nations Committee is at 1000 16th Street NW., Washington, D.C.

[From the Ukrainian Weekly, July 22, 1961]

GREATER NEW YORK OBSERVES CAPTIVE NATIONS WEEK

NEW YORK.—Captive Nations Week observances in New York City were held under the official chairmanship of the Hon. Robert F. Wagner, mayor of New York, and received wide publicity in the New York metropolitan press, including pictures of Ukrainians, some in Ukrainian costumes. Mayor Wagner accepted the chairmanship of the week in response to a request by five American organizations concerned with the plight of the captive nations.

On July 12, 1961, a delegation from these organizations, including several Ukrainian members, received the proclamation from Mayor Wagner at city hall.

New York observers of Captive Nations Week began on Sunday, July 16, with a solemn high mass at St. Patrick's Cathedral, which was celebrated by Rt. Rev. Msgr. John Balkunas. A special sermon on the suffering and plight of the captive nations was delivered by Bishop James H. Griffiths, auxiliary bishop of the archdiocese of New York, and Francis Cardinal Spellman presided. Similar religious services were held in Protestant churches and Jewish synagogues in the city. At St. Patrick's Cathedral the Ukrainian national flag was among the flags of other captive nations and representatives of the Ukrainian Congress Committee of America were present.

ATTORNEY GENERAL LEFKOWITZ READS GOVERNOR ROCKEFELLER'S PROCLAMATION

On the same day two separate ceremonies were held in New York City. The Assembly of the Captive European Nations, held a flag-raising ceremony at United Nations Plaza, where Representative EMANUEL CELLER, of Brooklyn, was the principal speaker.

Late in the evening the American Friends of the Anti-Bolshevik Bloc of Nations held a special observance of Captive Nations Week at the Hotel New Yorker, at which Attorney General Louis J. Lefkowitz read the proclamation of Governor Rockefeller and urged that the captive nations be supported morally and materially by the American people and the U.S. Government. Justin McCarthy, New York radio commentator, was master of ceremonies, and among the speakers were Mrs. Catherine Dorney, secretary of the American Educational Association, and Ignatius M. Billinsky and Charles Andreanszky, chairman and secretary general of the American Friends of the Anti-Bolshevik Bloc of Nations, respectively.

IMPRESSIVE CEREMONY AT CITY HALL

The culminating and final ceremony dedicated to the observance of Captive Nations Week was held at noon, on Monday, July 17, 1961, on the steps of city hall, during which Mayor Wagner read his official proclamation of Captive Nations Week.

Among the participants were the representatives of organizations supporting the captive nations, many in national costumes, city officials, and American veterans.

The master of ceremonies was City Councilman Thomas J. Cuite of Brooklyn, representing the National Captive Nations Committee in Washington, D.C. The program included the rendition of the American national anthem by Neil Carlin of the Oriel Society, the invocation by Rabbi Leo Storozum, prayer by Msgr. Bela Varga, and, benediction by Rev. Imre Kovacs, and short addresses by the following speakers: Christopher Emmet (American Friends of the Captive Nations); Dr. Vaclovas Sidzikauskas (Assembly of Captive European Nations); Stephen J. Jarema (American Conference for the Liberation of the non-Russian Nations in the U.S.S.R.); and Rt. Rev. John Balkunas (Conference of Americans of Central and Eastern European Descent).

There were over 300 participants and several flags of the captive nations. The Ukrainian group, organized by the United Ukrainian American Organizations of Greater New York, a branch of the Ukrainian Congress Committee of America, was the largest ethnic group at city hall.

In his short address Mayor Wagner said that New York City was always a haven for European refugees and escapees from tyranny. He promised that the city will always assist those freedom fighters who struggle for the liberation of their native countries.

Neil Carlin concluded the ceremony by singing the "Battle Hymn of the Republic." There were many cameramen and reporters, and the entire observance was broadcast over New York City municipal radio station WNYC.

[From the Brooklyn (N.Y.) Tablet, July 22, 1961]

SEEK ECONOMIC BOYCOTT OF REDS—NASSAU CONSERVATIVES SEE IT AS HELP TO CAPTIVE NATIONS

"An economic boycott against the Communist world" is called for by the Nassau

Conservatives in a resolution adopted for Captive Nations Week, July 16–22.

Such a boycott "would breed discontent and increase the chance of revolution and eventually freedom and peace behind the Iron Curtain," the conservatives declare "and, by multiplying the problems of the Communists at home, would increase the chance of peace in the free world."

Following is the text of the resolution:

"Whereas loyal Americans, whether conservative or liberal, admit that world communism is a continuing threat to peace,

"Whereas our national policy of diplomatic recognition, foreign trade, and cultural exchange has done nothing to lessen the threat,

"Whereas a new policy is needed to put the Communist tyrants on notice that we will actively oppose their further advances and that we will not rest until the captive nations have been freed,

"Whereas the international conspiracy is dependent upon the free world for the machinery, tools, food, foreign aid, etc., necessary to continue its subjugation of the captive nations,

"Whereas an economic boycott would be cheaper than war, in money and material as well as in the most precious commodity of human lives,

"Whereas an economic boycott would breed discontent and increase the chance of revolution and eventually freedom and peace behind the Iron Curtain, and, by multiplying the problems of the Communits at home, would increase the chance of peace in the free world: Therefore be it

"Resolved, That the Nassau Conservatives do hereby beseech our national leaders in the legislative and executive branches to give immediate and full consideration to the implementation of an economic boycott against the Communist world."

"Мир и Дружба"—
("Peace and Friendship")

Under this banner, Kremlin Boss Khrushchev is coming to the United States.

To Khrushchev, "peace and friendship" means the total enslavement of all nations, of all peoples, of all things, under the God-denying Communist conspiracy of which he is the current czar.

In exploiting his hypocritical theme, he promises profitable trade to the businessman and heaven on earth to the workingman.

No one, however, has better translated his real meaning and purpose than has Khrushchev, himself, in his ugly boast: "We will bury you."

This invitation to visit the United States will give Khrushchev the additional standing he needs among the Russian people and among the peoples of those countries teetering on the Communist edge. It will also create despair among the peoples of his Communist-enslaved nations.

If our statesmen or business leaders overlook that Khrushchev is reputed to be one of history's most brutal murderers and most vicious liars they will tend to rob the Khrushchev captive peoples of their belief that their best hope for liberation is through the United States.

It is imperative for our national survival that our people realize the vast difference between what Khrushchev says and what Khrushchev does.

The terrible brutality of burial into Communist enslavement is known to the people of the 22 captive nations listed below.

Let there be no concessions, no appeasement, no deals with Khrushchev. Let us not be negotiated into that position which Khrushchev plans for us—the position of becoming his greatest captive nation.

Meanwhile, let us remember those thousands who died trying to defend their freedom in these Khrushchev controlled captive nations: Poland, Hungary, Latvia, Estonia, Lithuania, Tibet, North Korea, North Vietnam, mainland China, Czechoslovakia, East Germany, Albania, Idel-Ural, Cossackia, Turkestan, Azerbaijan, White Ruthenia, Georgia, Ukraine, Armenia, Bulgaria, and Rumania.

The Allen-Bradley Co., Milwaukee, Wis., urges you to hold fast to your American freedoms. These include your freedom to live, your freedom to worship God, and your freedom to work and to vote as you choose. These freedoms are still with us in the United States of America. But these freedoms have been destroyed by the Communists in those large portions of the world where the Communists have seized control. Don't let it happen here.

The Allen-Bradley Co. manufactures quality motor controls and quality electronic components. With this public service advertisement, the Allen-Bradley Co. is trying to sell you nothing except the importance of recognizing and understanding the horrible threat posed by Kremlin-directed international communism against our country, our people, and our incomparable American free enterprise way of life.

Appeal of Bishop Senyshyn on Captive Nations—Recommended Special Prayers on Sunday, July 23, in the Stamford Diocese

(Editor's Note.—Following is the appeal of the Most Reverend Ambrose Senyshyn, exarch of the Ukrainian Catholic Diocese of Stamford, which was issued on the occasion of Captive Nations Week and read on Sunday, July 23, 1961, in all the Ukrainian Catholic churches in the diocese of Stamford.)

"O God, hear our prayer. Woe has befallen our land."—(From a prayer for the Ukrainian people.)

Very reverend and reverend fathers, dearly beloved in Christ, no one would have suspected that after World War II we would be faced with the appalling fact of the suppression of people behind the Iron Curtain. Did the American soldiers—many of them of Ukrainian descent—lay down their lives in distant lands so that godless invaders could put many nations—among them the Ukrainian nation—into heavy bondage? No. They gave their lives so that all could enjoy freedom. Unfortunately, the lack of foresight evidenced by certain powerful nations pushed all the Ukrainian people and many others into slavery. One day history will make known these gravediggers of freedom, but until then a multitude of innocent people suffers a violence of body and soul in the prison of the nation.

On the 100th anniversary of the death of Taras Shevchenko, the entire Ukrainian nation, in spite of all its efforts to gain freedom, finds itself in so mournful a state as that described so vividly by the greatest bard of suffering Ukraine. Today millions in Ukraine and on the limitless wastelands of Siberia still sing sorrowfully Shevchenko's words: "I count in prison days and nights, and I lose the count; O Lord, how slowly these days pass by." Today the best sons of Ukraine along with Metropolitan Joseph Slipy suffer in Siberian labor camps because they love their church and nation and wish these to be free.

The concept of freedom which Taras Shevchenko preached with the fiery word and for which the choicest sons of the Ukrainian people suffer, became the foundation of the universal concept of freedom and found its expression in the law of Congress by which the Captive Nations Week was declared in 1959.

In celebrating Captive Nations Week I call upon all of you, in the words of the great Pope Pius XII to unite in prayer: "Therefore in this very difficult moment, when human strength seems to fail, nothing else is left for us, venerable brethern, than to implore the most merciful God, who renders justice to the afflicted, judgment to the poor (Psalms 139, 13), that He Himself would deign to still this violent storm and bring it to this end." (Encyclical letter "Ad omnes Ecclesias Orientales," Rome, 1946). Let us beseech the Almighty God, that He might send us a Washington with his just laws. Always remember the prayerful address of Taras Shrevchenko to the Mother of God:

> "Just and Holy Mother,
> Blessed among women,
> Mother of the Son of God on earth,
> Don't let us perish in slavery."

Millions of our enslaved brothers and sisters await our help, but most of all our prayers for their perseverance in holy faith, for constancy and fidelity in religious and national ideals.

Let us bring to the freedom-loving peoples with whom we live the truth about our suffering church and our oppressed nation. And may these words of Taras Shevchenko find a sympathetic echo in our hearts:

"Give strength to the weakened soul,
That it might speak with fiery words,
That it might spread fire,
That it might melt the hearts of people,
That it might go to Ukraine
And that there it might be hallowed,
This word—incense of God,
The incense of truth. Amen."

In celebrating Captive Nations Week let us celebrate it with humble and sincere prayers to the Almighty for a better fortune for our people behind the Iron Curtain. To this purpose I enjoin upon all the clergy to celebrate after each divine liturgy on Sunday, July 23, an impetratory moleben to the Almighty for our suffering church and our people behind the Iron Curtain that God may take mercy and free our church and people from chains of cruel bondage.

The Week in Soviet Propaganda—July 19–26, 1961

CAPTIVE NATIONS WEEK

The Soviet Government newspaper Izvestia charged President Kennedy with aping former President Eisenhower in the observance of Captive Nations Week. While "the oversea provocateurs" call for "liberation" of these nations, there is also Portuguese oppression in Angola, Izvestia proclaimed.

Besides angry outbursts of this type, Soviet media borrowed a device from Western correspondents—the personal interview by phone. Raising, by long-distance connection, Mississippi Gov. Ross R. Barnett, a staffer from radio Moscow cornered him with questions on the legal basis for the arrest of freedom riders, on their danger to the security of the State's population, on their number in prison, and their treatment there. When the last question was sidestepped, the voice of a freedom rider was inserted describing various indecencies allegedly inflicted on the Negro freedom riders. "Thus," concluded radio Moscow, "one need not go far in the United States to find enslaved people."

(Prepared by the Central Research Department of Radio Liberty in Munich for use by the programing staff. Distributed in the United States and Canada by the Press and Publications Division, American Committee for Liberation, 1657 Broadway, New York 19, N.Y.)

Ventriloquist

The Czechoslovak Minister of Foreign Affairs, Vaclav David, has condemned the French "aggression" in Tunisia, declaring

that the Czechoslovak Government "resolutely supports the demand to liquidate the shameful colonial system in all its forms and manifestations, and is doing everything possible to help make this demand a reality."

Minister David is evidently something of a ventriloquist, appearing here as a cat speaking with the voice of the canary inside. Since 1948, when the Communists ousted President Benes, the Czechoslovak Government has been firmly under the thumb of the Soviet Union, with the Politburo of the Communist Party charting its policies.

We have here another example of the curious Communist mentality which considers a "colony" to be a subject territory which is reached by crossing water. When it lies just across a boundary line, the captive state is assumed to obey and contribute out of love and admiration for the master nation.

It reminds us of some trained animal acts we have seen. One can, if he wishes, applaud the lions and the elephants which dance and jump through hoops even when the whip is out of sight. We think of the beatings it took to inculcate such docility, and find it profoundly pathetic.

MUTUAL SECURITY PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Florida [Mr. HALEY] is recognized for 60 minutes.

Mr. HALEY. Mr. Speaker, in the near future, we are going to receive from our Committee on Foreign Affairs its recommendations on another extension of what is loosely called the mutual security program, which more accurately should be called the foreign handout program. Regardless of what is said about the program, we know that testimony after testimony, statement after statement, has been presented to the Congress and to the American people to show that this program has actually been losing friends for the United States and that it has disrupted governments it was intended to help and it has corrupted officials in those governments.

Of course, I do not know what will be the full content of the report of the Foreign Affairs Committee. But from what I can learn in advance, I must say that I will be forced to oppose the new foreign aid authorization bills on the grounds that it is unconstitutional and that, even if it were a legal exercise of our powers under the Constitution, it is unwise and unsound, wasteful and destructive of this country's very economy.

I am a Democrat and have always been a Democrat. However, I had hoped, when I assisted last fall in the election of a Democratic administration, there would be some change in this program. In short, I had truly hoped that there would be a New Frontier in our foreign policy.

I am disappointed by the knowledge that there is no New Frontier in foreign policy. The administration has asked us to continue the old policy of the open checkbook.

It is indeed true that the New Frontier has offered a new name for the foreign aid program. That is an old trick to disguise the real nature of an increasingly unpopular program. Foreign aid has at one time or another been called emergency redevelopment or international cooperation or mutual security, and now we are asked to approve something called AID—all in capital letters and meaning Agency for International Development.

It has been said and known for centuries that a rose by any other name would smell as sweet. I say that foreign aid by whatever name it may be called must smell as rank as we all know it has smelled in the past. Our administration, I am sorry to say, has not come up with a new program. It has merely come up with a new, Madison Avenue advertising agency type tag—the attractive gimmick name "AID"—as a device for extension of a program which in its useless and wasteful expenditure of the moneys of the American taxpayers, its destruction of American jobs and industries, smells to high heaven.

I am sorry that this is so. I am distressed that within the next few days, at a time when our Nation is at what may be the crossroads between life and death, we in the Congress are being told by the administration we must support, or run the risk of being labeled as unpatriotic, this foreign aid program. Indeed, we are not only being told this by the administration—we are being told it by foreign emissaries who have little hesitation in bluntly demanding that we open our checkbooks for their benefit, or run the risk that they will abandon the free world in favor of a higher bid by the Communist aggressor.

I refer, of course, to the recent appearance before us of the President of Pakistan. This, incidentally, is the same gentleman who only a few days later in a nationwide television broadcast said he was in favor of admitting Red China into the United Nations.

That worthy gentleman, the President of Pakistan, in his appearance in the U.S. House of Representatives, told us quite plainly and bluntly that his country wanted U.S. dollars for its development. Equally plainly and bluntly he told us if his nation did not get our dollars, it would look elsewhere—meaning, of course, to Russia—for aid in its development.

I do not blame the President of Pakistan for this. He was looking out for his own interests, for the interests of his own country. Under his oath of office, he should have been doing just that.

But I would suggest to my colleagues in the House that we, too, take an oath of office, to look out for our own country. And in the light of that oath, Mr. Speaker, I must say that I was surprised to realize that all around me, on that occasion, were colleagues who were applauding what they later called the frankness and the candor of the President of Pakistan. I recognize just what his frankness and candor was—it was a threat, a crude one at that, to blackmail the Congress of the United States into giving him aid. He made no bones at all about what he was up to when he made his "or else" proposition to the Congress. He plainly said to us that "you give us the money we want or you will wish you had—because if you do not, we will get it from your mortal enemy."

That the President of Pakistan would do this does not surprise me—he had his duty to his own country. What does surprise me is that Members of the Congress of the United States would be so taken in by this sort of tactic that they would sit up and applaud this frankness and candor.

What surprises me even more is the fact that this man, and others who have preceded him and followed him, have come before us with similar, if less bluntly expressed, demands for aid—and have come before us because they were invited to this country by the administration, which knew full well, once the invited guests were here, they would be invited as a courtesy to address the Congress or its two Houses separately.

Over a period of years it has been observed that whenever the Navy's appropriations bill was about to come before the Congress, there would be reports of a rash of mysterious and unexplained visits to the coastal waters of the United States of one or more mysterious and unidentified submarines. It has been alleged that once the Navy's supply bill was passed, the mysterious submarines would disappear without a trace—until the following year's naval appropriations bill came up, at which time the mystery submarines would reappear.

It seems to me, as I look at the record, that our President, himself a former naval officer, may have been deluded by this naval tactic. It seems to me that at a time when the decision on extension of foreign aid is coming up, we are being subjected to an invasion of foreign potentates who arrive in this country—by invitation of the administration—just in time to tell the Congress just how important foreign aid extension is to the country's future. To tell us, in short, that if we do not have the dollars to buy friendship, the enemy may very well have the equivalent of those dollars.

I do not go for blackmail. But even if I did, I do not and cannot believe it would be in the interests of this country's welfare—to extend—and extend apparently without realistic limitation—a program which has a demonstrated record of costly failure over the years.

Moreover, many Americans feel that the administration, the Congress, and our entire bureaucratic Federal Government, for too long a time have been too concerned about what other nations thought of our actions. I think it is high time that all Americans begin to think about what is going on in our own country and do the things which are necessary for the good of the United States.

I will not go into great detail over the failures of the foreign-aid program. I know that every Member who sits in this House today is fully aware of what the foreign-aid program has not accomplished in such critical areas as Laos, Cuba, and Korea. The foreign-aid program has been in effect since 1947. Since then, communism has spread to an appalling extent. We have lost friends every year. Our prestige abroad has dropped alarmingly and at an accelerated rate. We have been powerless to promote stable democratic government even where our aid and intervention have been the greatest.

The bitter truth is that since the end of World War II, our foreign-aid programs, totaling $90 billion, have been responsible for our net budget deficit and our entire increase in national debt, without accomplishing anything for us. The program has been known to cost $90 billion; but no one knows how much more than this has been spent in aid, but has not been shown in the record. Foreign aid has been the chief cause of our inflation, our unfavorable balance payments, and our loss of gold.

Despite all of this, we sit here today facing the fact that the administration wants us not only to increase outlays for foreign-aid handouts substantially. It also wants us to surrender our power, as the Congress, to deny or grant our approval of borrowing—over the next 5 years—of $7.3 billion to finance a long-range handout program.

To the whole program, I say "No," but say so realizing that it is likely I will be overridden. But to the proposition that the Congress surrender its year-to-year power of review, I utter an explosive "No," with the hope that a number of my colleagues will join in the defeat of this abortive proposal that the Congress of the United States abdicate not only this power—but its sworn constitutional duty to supervise the spending of the taxpayers' dollars.

If the Congress continues to abdicate its powers—particularly the power to control the public purse—by approving the backdoor spending of tax money without congressional review—we might as well resign—go home—and tell our constituents that not only have we failed to uphold the Constitution, but that we have turned over the functions of the Congress to our bureaucratic executive department.

I have said in this and in other speeches I have made here in opposition to this program that, leaving aside the question of its ultimate usefulness, it has been wastefully and at times dishonestly administered. I am sorry to say that the outlook for it under the New Frontier program seems to be no better than has been in the past.

Those of us who supported the installation of the new administration had, I think, the right to expect a little better than we have gotten. We had, I think, the right to expect at least honesty in foreign aid administration, and a determination to expel from it the proven rascals of other years.

But have we realized that right? I do not think so. In fact, I think the testimony of our new foreign aid Director, Mr. Henry Labouisse, before the House Foreign Affairs Committee, shows conclusively that he not only condones misfeasance and malfeasance in the foreign aid setup in the past, but has no intention to make any changes to correct the situation.

I think the citation of two instances is sufficient to prove my point.

All of you know, I think, of the scandal with regard to the construction of the highway in Cambodia with this country's money. The foreign aid Director, as a matter of fact, admits that it is—and I quote him—"a sorry page in the history of this operation."

But what has happened to the International Cooperation Administration official responsible for this sorry mess? Why, he is now engaged in building, under Mr. Labouisse, a highway in Burma.

And what has happened to the ICA contractor whom Mr. Labouisse admits botched the Cambodia job? Why, he has been awarded another ICA contract in Afghanistan.

That is not all.

There is the case of Mr. Carter de Paul. Mr. de Paul is an ICA agent who bought an automobile for $800 and then sold it to an ICA contractor for a $3,000 fat profit. Thereafter, records of hearings before a committee of this Congress show, Mr. de Paul gave false testimony under oath about this shady deal.

And where is Mr. de Paul now? He is not in prison, where many perjurers go. No, indeed. Mr. de Paul is still working for the ICA, under Mr. Labouisse. Fittingly enough, in view of his successful automobile deal, Mr. de Paul is in the division of private enterprise in the ICA.

The important thing in this is not Mr. de Paul. The important thing is Mr. Labouisse's attitude. Mr. Labouisse told our Foreign Affairs Committee he did not want blanket authority to fire men like Mr. de Paul—he might, he said, find reasons why they should be kept on the payroll.

The case of the Cambodian contractor and the grade 15 used-car dealer are not, in themselves, particularly important. They are but samples of the chicanery which exists in any multimillion-dollar program.

But I say to you, that when such cases of dishonesty and wasteful inefficiency occur in one administration and are condoned by the new administration, they become important. They become important because they are indicative of the fact that, beyond a change in name, the new administration's foreign aid program is not basically different from that of any other administration.

If any one wants further illustration of the dishonesty and wasteful inefficiency in the foreign aid program, he has only to look at the House Government Operations Committee's, Hardy subcommittee's recent report on "U.S. Aid Operations in Peru." This report, House Report No. 795, was transmitted to the Speaker of the House on July 26, 1961.

I sincerely believe that the people of the United States never would have accepted this foreign aid program in any form had not the program had the support of powerful organizations such as the Chamber of Commerce of the United States and the National Association of Manufacturers. I can understand why they support the program because I realize the companies of their members make huge profits out of the program.

But I cannot understand why—or how—the leadership of our powerful labor unions would—or could—support the foreign aid program. Through our loans for the development of industries in other countries, we are actually strangling our own economic progress by exporting employment which is so badly needed here at home.

Earlier this year, the Development Loan Fund boasted of a $129.6 million loan to build a Turkish steel mill in the shadow of the Communist border. What will the mill do? It will make steel. It, also, will throw some 4,000 American steelworkers, and some 12,000 other Americans in related industry, out of jobs. American dollars thus will finance increased unemployment in a basic American industry.

This is no isolated case. Development Fund loans recently have been made in the amounts $2.1 million to manufacture nitroglycerin and other explosives in Manila; $6 million for an Israel telephone system; $3.2 million for a nylon plant, and $3.3 million for a chemical plant in Korea; $7.2 million for the manufacture of automobile parts in India; and $31 million for airports and aircraft development in Ethiopia, Ceylon, and Tunisia.

Development Loan Fund officials have smugly said that much of the money will be used to purchase U.S. materials; but these officials have been careful to avoid pointing out that each job created abroad by American dollar advances will be a job taken away from an American labor force already stricken by massive unemployment. Look at our steel industry—our textile industry—at other industries and see what is happening to us at home.

We seem to have forgotten that we made the path very easy for Japan prior to World War II. Now, we are in another war—a cold war, perhaps—but a deadly war in which the stakes are high. Yet, we allow the leaders of our Nation to give away the technical know-how of the United States to many nations—many of whom are known to be hostile to us.

The old story continues. When the American people begin to find out just what is going on in this foreign aid program, an immediate effort is made to change its name—and to bring in the beneficiaries of the program to threaten, or blackmail, us into continuing this program—a program of monstrous waste and gross inefficiency, which will bankrupt the United States if it is not brought to an end.

We are about to be asked to write "House of Representatives" into the signature line of a blank check for foreign aid appropriations which may well run into 11 figures—$10 billion and up. I personally would not put my name on any blank check, and I doubt that anyone listening to me would. I urge all of you not to put the signature of this House on a blank check for foreign aid.

MUST WE HAVE VOICELESS, FACELESS MILITARY PERSONNEL?

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 15 minutes.

Mr. SIKES. Mr. Speaker, I am amazed and shocked at what appears to be a definite program of activity

within some levels of Government to shut off military participation in information programs. If the military personnel are to be only voiceless and faceless numbers who dare not express their patriotism or their belief in America or their desire to uphold democracy, then we are in a worse position than the Communists who at least direct their military leaders to speak out for Communist way of life. I cannot possibly comprehend the attitude of any person who seeks to defend and preserve this country but who wants to deny to military personnel the constitutional right of freedom of speech which is a basic part of Americanism.

Strangely, it appears that all the criticism has been directed at those members of the military services who have spoken out in behalf of patriotic organizations and who have defended Americanism or who have denounced communism. What then I pray should our military personnel uphold? What principles should they defend? What side should they be on? Are they to serve as cannon fodder only; to be denied a place in normal American life?

Zeal for this Nation and its survival are something that should be shared by all of us. Those who are critical of military personnel who speak out for America will do well, Mr. Speaker, to remember this.

I find that Project Alert is one of the activities which has been singled out for criticism in connection with its work in Pensacola, Fla., in my district, by Senator FULBRIGHT who appears to be one of the principal objectors to freedom of expression by military personnel. I know something about Project Alert. I have spoken at its meetings. I am proud to have done so. It is a patriotic organization which upholds this country and its beliefs. It is an organization which stoutly resists communism. It has done very fine work.

Undoubtedly, Senator FULBRIGHT is badly misinformed. I am afraid that Mr. FULBRIGHT has been misinformed on other matters as well. I note that he is quoted as objecting to strong action on Cuba; that he is quoted as believing that more talk is the proper approach to the Berlin problem. I remind the distinguished Senator that already we have talked too long. For a decade we have done but little other than talk, and nearly every conference has lost ground for the democracies. I say that it is time for an end to talk and time for action.

I am proud of the patriotic Americans who wear our country's uniform; proud they have the courage to stand and be counted; proud they are willing to express themselves for our country. I defend them and their right to do so. I deplore efforts from any level of government to muzzle them. I trust that the personal expression by Senator FULBRIGHT does not become the policy of our Nation. And I call upon the Congress to insure that no such policy will ever become official.

NATIONAL LABOR RELATIONS BOARD

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LIPSCOMB] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, I would like to bring to the attention of the House of Representatives what to me is a good example of why many citizens, experiencing endless delays, and postponed decisions in their dealings with the Federal Government, can lose faith in Federal bureaucracy.

The matter to which I am referring is a case pending before the National Labor Relations Board which at present involves claims for backpay for some 70 discharged employees. Several of the claimants are residents of the congressional district I represent. No mention is made to the name of the case, for that is irrelevant to my purpose.

This matter has now strung along an unbelievable 10 years. As a matter of fact it has now extended over the course of approximately 10 years and 1 month, having begun when a number of striking employees were discharged in July 1951.

It is understood of course that cases involving a large number of backpay claims such as this involve many complicated questions of fact and law. But certainly when the matter of salaries is involved—the very means of livelihood of many people concerned—every reasonable attempt should be made to bring such a case to a speedy conclusion.

The record in the case, however, shows a series of one discouraging delay after another toward reaching settlement.

Following are a few of the highlights of this long, involved matter.

In 1953, about 2 years after the employees were discharged, the National Labor Relations Board issued a decision and order. In the words of the Board, it found "that the company had committed numerous violations of the Labor Management Relations Act. Among other provisions the order required the company to offer reinstatement to a large number of employees and make them whole for losses of pay and losses of medical and hospitalization benefits which they suffered by reason of the company's illegal discrimination against them."

Upon noncompliance with the Board's order, in 1955 the Board obtained a court decree enforcing the Board's order. When the company offered reinstatement to the employees, computations were made of the amount of backpay to which each of about 150 employees was entitled.

The backpay calculations were challenged and a formal hearing resulted. The backpay hearings were held from November 18, 1957, to January 29, 1958, producing a record of over 4,000 pages.

In June 1958 the National Labor Relations Board trial examiner issued a supplemental intermediate report, making backpay determinations for 79 employees, but by that time as a result of a court decision in another case, the instant case had to be reopened to allow certain cross-examinations.

About a year later, in July 1959, the trial examiner issued a second supplemental intermediate report. Shortly after that the matter was referred to the Board.

Now, 2 years later, there still has been no decision.

I, on various occasions, wrote to the National Labor Relations Board and at other times the Board has been contacted by telephone to determine the progress being made on the case. The answers always were in essence that it was a long, involved case and there was no way of knowing when it would be resolved.

Finally, on June 29, 1960, I wrote to the Chairman of the Board in part, as follows:

> The purpose of this letter is to inquire whether there is any possible way that this matter may be expedited to a final decision. I, of course, make no comment as to the merits of the claims of any of the various parties involved or urge any particular result, but merely wish to see that justice is done through a timely decision so that the rights of the individuals involved may be resolved.

This was followed in my letter with the statement that in view of the exceedingly long time the case had dragged along it seemed to me reasonable to expect that every possible effort would be made to bring it to a final determination.

The reply, dated July 8, 1960, was, in part, as follows:

> Unfortunately, I must advise you that the case it still under review, and the indications are that the Board's decision will not be forthcoming until about October of this year. We regret that this case has taken so long, but in the process of handling thousands of cases, it is inevitable that a small percentage of these cases takes what appears to be an interminable length of time to conclude.

It seemed encouraging at this point that an October 1960 date had been established for the Board's decision.

October came and went, as did November and December, and no decision.

On January 10, 1961, I again inquired as to the status of this case. The reply, dated January 17, 1961, stated in part, as follows:

> This case is still under consideration by the Board and it appears that further discussion will be necessary before any decision can be reached. As you know, the record is extremely long and the issues are considerably involved, so that this has prevented any immediate decision by the Board.

In April 1961, the National Labor Relations Board advised the House Appropriations Committee that it was "happy to advise that the analysis and review of this abnormal matter is now complete and a proposed decision is in the last stage of preparation for submission to

the Board. We trust that the Board's decision may be expected within a matter of a few weeks."

Those few weeks are long since past.

Subsequent informal inquiries I have made concerning the case produced assurances that it was hoped a decision might be forthcoming in a week or two, or in a week or 10 days.

There is still no decision in this matter and I have received no further word as to when such decision might be forthcoming.

It appears to me that the taxpayers have every right to expect conscientious, expeditious service from their Government. This is admittedly a difficult case but I sincerely believe that the matter could have been handled in a far more satisfactory manner than it has been.

Again, I wish to emphasize that I am not commenting on the merits of the claims involved in this case or urge any particular result. I do however wish to see justice done through having cases as the instant one resolved through timely decisions. The cause of justice is sorely tried when the parties involved are required to wait over 10 years in a matter such as this.

I have no way of knowing with accuracy as to what this 10-year case has cost the taxpayers thus far. However, it would seem that the costs of salaries, transportation expenses, printing, and the various other costs involved certainly must have run into many, many thousands of dollars.

Many other Members of the House, I believe, will be concerned over the near incredible length of time it is taking to settle this matter, which has resulted in an over 10-year delay in considering these claims and a large bill to the taxpayers who are paying for the seemingly endless delays and deliberations.

In my view it is time for a complete reappraisal of the procedures under which backpay cases such as this are handled both in the interest of assuring timely decisions and in the interest of avoiding needless expenditures of the taxpayers' money.

NO DEFENSE WITHOUT TRANSPORTATION

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. BYRNES] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, it is inconceivable that an American defense endeavor would have any prospect of desired success in the absence of an adequate and strong transportation industry. Unfortunately, we do not have such a transportation industry now.

Recent developments suggest a prospect of endless bureaucratic study without the implementation of Government policies revitalizing our transportation industry. There now seems little hope for decisive legislative action in this session of Congress that would provide realistic and meaningful solutions to the problems besetting the industry. The Government has regulated and studied without action and seems inclined to follow a course of more of the same.

Last June during consideration of tax rate legislation, the Republican members of the Committee on Ways and Means joined in separate views in the committee report accompanying H.R. 7446. In these views we cited our reasons for urging the repeal of the 10 percent Federal tax on transportation of persons. At that time we said in part as follows:

VIEWS OF THE MINORITY MEMBERS ON H.R. 7446

* * * * *

We are convinced that the retention of the tax on transportation of persons is not in the national interest. It is a tax that was imposed during World War II for the purpose of deterring travel and providing revenue. From the standpoint of commerce and defense considerations there is no longer a place for a deterrent to travel as a matter of national policy. From the fiscal standpoint the tax is a poor revenue raiser in that it discriminates among modes of travel and against domestic travel as compared with foreign travel. It has a consequence that tends to necessitate Government subsidization of segments of the transportation industry to offset the tax impact on the carriers.

* * * * *

During the committee consideration of our efforts to obtain repeal of the 10 percent transportation tax, those members who opposed the repeal argued that the tax should not be repealed because of the need for imposing a user charge with respect to Government costs incurred in connection with civil airway operations. They advocated that the repeal of the tax be deferred until the user tax problem is solved. We agree with the user charge concept but we point out that the problem is not likely to lend itself to prompt solution * * *. The plight of our transportation industry demands action now and the repeal of the transportation tax is widely and generally recognized as being action in the right direction. Its repeal would contribute significantly to the strengthening of our Nation's transportation system in the interest of economic progress and national security.

In urging the repeal of this tax, it is appropriate that we should comment on the fiscal implications that attend this recommendation. In the face of a budget deficit we would tend ordinarily to oppose a tax rate reduction of this type. However, we offer the following reasons why the transportation tax should be repealed now even in the face of a budgetary deficit. The Congress has in the past acted under similar circumstances to provide a necessary excise tax adjustment in the case of an industry that is experiencing economic hardship in part attributable to the existence of the excise tax. Also, it has been estimated that a substantial portion of the excise tax revenue loss from repeal of the transportation tax will be offset by revenue gain from the elimination of a deductible expense and that the revenue offset would be further enhanced by the likelihood of a more profitable transportation industry. In addition, we are influenced in our position of advocating repeal of this tax by the fact that the present administration seems determined to spend far in excess of any willingness to tax or to be taxed.

* * * * * *

The apparent compulsion of the administration to spend ever-mounting sums for programs of relatively less priority than the urgent requirements for a sound transportation system causes us to support the repeal of the 10 percent transportation tax even under conditions of a budgetary deficit.

Mr. Speaker, in those views we also cited the unanimous positions of the Interstate Commerce Commission and the Civil Aeronautics Board—the agencies of Government best informed on the needs of the rail, bus, and air travel industry—in support of the prompt repeal of the transportation tax on travel. We quoted from the testimony before the Committee on Ways and Means by the Chairman of the Interstate Commerce Commission as follows:

We believe that the loss of revenue resulting from the repeal of this tax would be offset to a considerable extent by additional income tax receipts resulting from increased public use of common carriers and the public interest in strengthening and preserving a transportation system capable of meeting adequately our country's need for service both in peacetime and during emergencies in conformity with the national transportation policy, as declared by the Congress. * * * The Commission strongly urges that your committee give favorable consideration to the repeal in its entirety of the 10-percent excise tax on the transportation of passengers.

In addition, we quoted testimony by the Chairman of the Civil Aeronautics Board as follows:

In view of the substantial financial problems facing the airline industry today, it is clear that the industry is not capable of absorbing a tax increase at this time. * * * It is the Board's view that the continuation of the 10-percent excise tax on passenger transportation will aggravate the critical financial situation facing the airline industry today.

Mr. Speaker, during the floor debate on H.R. 7446 the Republican-sponsored motion to recommit included instructions to repeal the transportation tax on persons. This motion was defeated largely as a consequence of the vote of the Members of the majority party. At that time I observed that if we had presented to the House a bill calling for billions of dollars of spending to subsidize the transportation industry instead of a bill providing only millions in tax relief to help an industry achieve solvency through self-help, the majority would undoubtedly be in the forefront of those supporting the proposal. It was argued by spokesmen for the majority that we should not act at that time because the committee had directed a study by "the interested executive departments and agencies relative to the consequence of these taxing proposals" on the transportation industry. The committee also stated in the majority report that "it is expected that every effort will be made to expedite this study and that a report will be made to your committee at the earliest possible date."

Mr. Speaker, I have in my possession a letter signed by the Honorable Robert C. Turner, Assistant Director of the Bureau of the Budget, which was written after the tax rate extension bill had received Executive approval. One paragraph of that letter states the administration's considered decision not to transmit to the Congress the report requested by the Ways and Means Committee in spite of the agreement to do so by administration spokesmen during our executive consideration of the tax rate extension bill. That paragraph of the letter reads in full as follows:

The administration has initiated a thorough review of the resources and needs of the transportation industry. It is our feeling that it would be premature to separate any one phase or any one part of that industry and express an opinion prior to the completion of this review. For this reason, it has been decided not to transmit a report to the Ways and Means Committee at this time.

Mr. Speaker, has the plight of our transportation industry improved during the time that the executive has been studying the problem? A look at the facts would emphatically answer that question in the negative and would indicate further deterioration in the economic well-being of that industry. In the first 6 months of 1961 the trunk airlines lost $20 million and sustained a 2-percent drop in passenger traffic volume. With respect to the railroads, there are so many figures revealing hardship that it is difficult to select the ones that are the most significant. However, the rate of return for the 12-month period ending May 31, 1961, for the railroad industry was only 1.45 percent—the lowest since the depression days of the 1930's. The latest figures for 1961 show that rail passenger miles have dropped 12 percent for first-class traffic and almost 6 percent for coach travel. With respect to the bus industry, exactly one-half of the class I intercity motor passenger carriers finished in the first quarter of 1961 in the red. The position of the class II and III carriers is substantially worse.

Mr. Speaker, I do not represent that repeal of the transportation tax would solve all of the problems of our transportation industry. I do assert that the repeal of the tax when urged by the Republican members of the Ways and Means Committee would have been a step in the direction of proper positive action to ameliorate many of these problems. The repeal would have benefited the carriers as well as our American traveling public and would have been an insignificant revenue loss factor for the Treasury when we consider the billions of dollars in increased spending that Treasury and other administration spokesmen have supported since the Treasury opposed the repeal of the transportation tax. I have said that it is unlikely that decisive action will now occur in this session of Congress because of the attitude of delay on the part of the administration. If delay is to be the main component of our national policy on this urgent subject, I think it is important that we recognize that we are restricting the potential effectiveness of our current defense endeavors by refusing to recognize the important role that our Nation's transportation system must perform in that defense endeavor.

Mr. Speaker, the Washington Post for July 29, 1961, contained an article captioned "As Industry Grows Sicker U.S. Transport Action Put Off to 1962." I will include as a part of my remarks excerpts from that article.

AS INDUSTRY GROWS SICKER: U.S. TRANSPORT ACTION PUT OFF TO 1962

(By Julius Duscha)

The Nation's long-ailing and much investigated transportation industry will have to wheeze along until at least 1962, when the administration says it will take up the matter.

This means that railroad service will continue to decline, that airlines will go on losing money, and that bus companies will cut back their schedules still further.

It also means that regulated trucking firms and other common carriers will lose more business to unregulated trucks and barges.

Even drastic action next year may be too late to prevent the nationalization of railroads within 10 to 15 years, a substantial reduction in the number of airlines, and the tight regulation of what would become an essentially noncompetitive transportation system.

Administration officials concerned with the transportation crisis have decided to put off action because more study is needed before plans can be formulated and given a clear track.

But transportation executives say that there already are too many studies and that quick action is desperately needed.

Transportation experts—inside as well as outside the administration—suspect that the real reason for delay is a reluctance to face up to problems that are as difficult to solve as they are numerous.

FACTS AND FIGURES CITED

The critics of the administration's failure to move boldly in dealing with transportation policies cite facts and figures such as these:

Railroads are earning only 1.45 percent (6 percent is considered a fair return) on their investment, carloadings are 13 percent under a year ago and expenditures for new equipment are off one third.

Airlines lost almost $20 million in the first 5 months of 1961 and made less than $2 million last year, despite total revenues of nearly $2 billion, because of the high cost of new jet planes, ferocious competition for business on the lucrative routes and flights that have been running 40 percent empty.

Intercity buses are carrying only 18 or 19 passengers on an average trip, the same number as 10 years ago, while the capacity of the larger buses now in service is 39 passengers compared with 35 in the early 1950's.

Trucks and barges that do not now come under effective Federal regulation haul one-third of the intercity freight, compared with 21 percent in 1946, and are expected to handle 61 percent of the business 10 years from now.

Pointing to these trends, transportation experts say that the crisis is building up with jet-like speed.

A Senate staff study estimated earlier this year that at least $50 billion will be needed in the next decade to keep the transportation industry abreast of the Nation's needs.

Yet, said the report, prepared by retired Gen. John P. Doyle for the Senate Commerce Committee, the industry can be expected to generate only 10 to 20 percent—or $5 to $10 billion—of the $50 billion needed for investment funds.

Massive Government aid which means stepped-up subsidies, nationalization or carefully regulated competition, rather than merely tax relief or relaxed ratemaking rules, will be needed.

This explains much of the administration's reluctance to plunge into the transportation crisis and its preference to put off decisions in the name of additional study.

COORDINATOR URGED

James M. Landis, President Kennedy's adviser on regulatory agencies as well as on transportation problems, has opposed suggestions that a Department of Transportation and a Federal Transportation Commission be set up to coordinate transportation policies and regulations.

Rather, Landis has suggested that a White House coordinator be appointed to see that agencies concerned with transportation are not working at cross-purposes. To a very limited extent, Landis has exercised some of these functions.

A Department and a consolidated regulatory agency for transportation were among the key recommendations of a massive 732-page report to end all transportation reports prepared by Doyle for the Commerce Committee.

In his final budget message last January former President Eisenhower called for the establishment of a Transportation Department.

Except for the functions of the Federal Aviation Agency, most transportation administrative functions are centered in the Commerce Department. Regulatory activities are parceled out among the Interstate Commerce Commission, Civil Aeronautics Board, and Federal Maritime Board.

A rough draft of a suggested Presidential message on transportation was prepared recently by a group made up of two assistants to Landis, Commerce Department advisers, and staff members of the Senate Commerce Committee.

The draft was abandoned, however, partly because of a feeling on the part of Mr. Kennedy that there had already been too many Presidential messages this year, but largely because administration thinking on the transportation questions had not yet crystallized.

The proposed message offered such palliatives as greater control over private trucks and barges, an easing of railroad depreciation and ratemaking regulations, reducing the tax obligations of railroads, and a survey of international aviation problems.

Najeeb Halaby, the new FAA Administrator, has two study groups at work on the problems of the air industry.

One, Project Horizon, is looking at economic problems that will face the aviation industry during the next 10 to 20 years. Its report is expected within 2 weeks.

The other study group is primarily concerned with air safety problems and will report later this year.

But Halaby, who is by far the administration's ablest appointee in the transportation area, frankly admits that he is concerned solely with promoting aviation even though such activities may be to the detriment of railroads or buses on short-haul routes that could be just as well or better served by surface transportation.

A study primarily concerned with urban transportation is under way in the Commerce Department. It is being directed by Wilfred Owen, a Brookings Institution transportation expert.

Alan S. Boyd, the new Chairman of the CAB, has indicated that he believes more consolidations such as the recent Capital-United Airlines merger are needed to strengthen the industry.

Both the ICC, where the chairmanship still rotates and cannot be controlled by the administration as it can be in the other agen-

cies, and the White House itself have been concerned with the shaky structures of many railroads and the proposals for mergers.

MERGERS BEFORE ICC

Landis and Myer Feldman, a White House aid, have spent a great deal of time trying to put the New Haven railroad, which recently went into receivership, back on a solid mainline.

The proposal to combine the Baltimore & Ohio and the Chesapeake & Ohio Railroads is now before the ICC, but it will take months for this slow freight of an agency to resolve the issue.

A plan to reorganize the Maritime Board has been supported by the House but its approval by the Senate is not at all certain.

The plan would drastically revise the procedures of this sluggish board and would relieve the agency of its responsibilities as a promoter of the shipping industry.

All of these stirrings, useful as each is in its limited area, do not add up to a comprehensive transportation policy.

The CAB and FAA still do not talk to the ICC or the Maritime Board. The railroad industry is pressing for relief for its own problems while the airlines are pushing for their own pet schemes without one knowing much about what the other is doing.

The classic example of the lack of cooperation in an area crying for coordinated policies is the expansion of air traffic and the decline of railroads over such short routes as Washington to New York or Boston to New York.

Here are routes where railroad or even bus transportation could be as convenient as air travel from the crowded skies over Washington or Boston to the even more congested New York approach patterns.

ROOFTOP TO ROOFTOP

But the only imaginative work being done on short-haul transportation is in the air industry. There no-reservation, busline plane service is proving profitable. Furthermore, research engineers are developing small planes combining the features of the straight-up lift of a helicopter with the forward thrust of a conventional plane. The engineers are looking toward the day of rooftop-to-rooftop service between, say, Washington and New York.

In the meantime, the railroads are trying to get out of the now unprofitable passenger business and buses are not expanding their services to any substantial degree.

Transportation experts readily acknowledge the enormity of the Nation's billion dollar air, rail, bus, truck, and automobile problems.

There is no easily available right-of-way to the solution of these problems. Entrenched vested interests, which include unions as well as management, oppose any basic changes in transportation, and they have many supporters on Capitol Hill.

Even the $4 billion highway program has moved slowly, despite its political popularity and the persuasive lobbying activities of the automotive and trucking industries.

Highway construction is hardly keeping pace with the ever-widening ring of traffic congestion in and around big cities. Within the cities traffic problems, of course, remain hopelessly snarled.

But the experts are still hopeful that the administration will come to grips next year with the transportation problem as an entity before the last train leaves Washington and traffic jams aloft become as bad as those on the ground.

PERSONAL EXPLANATION

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ALGER. Mr. Speaker, yesterday at 2:30 I missed rollcall No. 127 on the bill authorizing additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, because my Committee on Ways and Means was in session and I was questioning an important witness before the committee. Drs. Leonard Larson, Edward R. Annis, and Ernest B. Howard, and Mr. C. Joseph Stetler, representatives of the American Medical Association were giving important testimony and I felt it necessary to complete my questioning and to wait for their final statement on the medical care to the aged proposal.

If I had been present and voting, I would have voted in favor of the bill because I wholeheartedly support the development to the fullest extent of our most powerful weapons and military potential.

FEDERAL HOME LOAN BANK

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, having been actively associated in the savings and loan business prior to coming to the House, I have followed matters relating to the Federal Home Loan Bank Board and the savings and loan business quite closely. I would be a vigorous opponent of any plan detrimental to the operations of the Federal Home Loan Bank Board and its member institutions. But I can read into this no more than a mere housekeeping change. It does not affect the power of the three Board members on policy or substantive matters, it just gives the Chairman a type of internal administration that he should have and did have prior to 1956. From all reports the new Board Chairman, Joe McMurray, is working hard to meet the problems he faces, and has the support of both Government and business leaders.

The Board is trying to tune up the Federal Home Loan Bank Board operation to keep pace with the tremendous growth of the savings and loan business it supervises. The President and the Federal Home Loan Bank Board think this reorganization plan is essential to that objective. I believe the House should support them in this objective and should allow Reorganization Plan No. 6 to become effective.

CONTINENTAL AIR LINES 707 JET TRANSPORT HIJACKED

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. LINDSAY] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LINDSAY. Mr. Speaker, I am shocked to learn today that an American transport plane was abortively hijacked by gunmen in an attempt to fly the plane to Cuba. A Continental Airlines 707 jet transport was held on the ground at International Airport in El Paso with hostages held at bay by two or more unknown gunmen. This is the third such hijacking incident in recent months.

In May a National Airlines plane was forced to land in Cuba by a gunman. On July 24, another gunman forced an Eastern Air Lines pilot to fly to Cuba. This second plane, worth $3½ million, is presently held in that country.

I think that we have reached the limit of our endurance.

These hijackings by fanatic Castro sympathizers and crazed gunmen have endangered the lives of many Americans. Once again the United States is humiliated, for this is only one in a series of unhappy events which flow from an absence of clear policy with respect to Cuba.

First, we had the abortive and totally disastrous administration-sponsored invasion of Cuba. Then we had the spectacle of the U.S. Government's acquiescence in, and indeed sponsorship, of the foredoomed tractors-for-prisoners exchange. In the absence of policy this apparently was the best that the administration could muster as a substitution for policy. Now, in a short span of time, three American planes have been hijacked.

These events mirror a state of confused thinking on the part of the administration—foreign policy on a crisis-to-crisis basis; little or no planning; too many cooks.

The very least that we in the Congress can do at this juncture is to enact legislation which will prevent further hijacking of American aircraft and further mistreatment of American citizens. Today's incident in El Paso should not be allowed to occur again. Present sanctions are woefully inadequate. For this reason I am introducing, in support of my able colleague, the gentleman from Colorado [Mr. DOMINICK], a bill to provide that forceful interference with any flight crew member in the performance of his duties by anyone while such aircraft is in flight will be a criminal offense subject to a fine of $10,000 or imprisonment up to 20 years or both. If in the commission of such acts, a dangerous or deadly weapon is used, the penalty shall be life imprisonment.

Unauthorized carrying of arms on an aircraft in flight shall be punishable by a fine of not more than $1,000 or imprisonment of not more than 1 year or both.

This proposal should receive the immediate attention of the Congress.

INFLATION AND FISCAL POLICY

Mr. HOFFMAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. BYRNES] may extend his remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, last Monday during remarks on the floor of the House, I included as a part of my comments a table showing principal fiscal totals in Federal budgets for fiscal years 1961 and 1962. That table can be found on page 13093 of the RECORD of July 31, 1961.

These totals show a Kennedy administration increase of $15 billion in new obligational authority over the Eisenhower budget proposals. This $15 billion total is allocated for the most part—63 percent—to programs of other than a military character and only 37 percent to military programs. It has taken the Kennedy administration just 6 months to recommend this shocking increase. Another total included in this table shows that the Eisenhower cash budget surpluses for the 2 fiscal years, totaling $2.4 billion, have been transformed into cash budget deficits totaling $8.6 billion for a net shift from surplus to deficit of $11 billion. This alarming shift has also been accomplished in 6 months' time. Last week the public debt reached a record high of $293.2 billion. In short, Mr. Speaker, the Kennedy administration is piling a record debt to be imposed on our children in record time largely for nondefense programs that the administration has decided should not be paid for at the present time. It is a policy of what has been ably described as "soaking the kids."

The President of the United States in a recent address to the Nation stated that our economy was going through a period of economic resurgence. The buoyancy in a period of economic upswing tends itself to be somewhat inflationary. To impose as an additional inflationary pressure deliberate deficits of the magnitude recommended by the Kennedy administration is to flirt dangerously with price-wage instability and to court unrestrained inflation. A deliberate fiscal policy that seeks inflation is a course of Government that is dishonest as it affects our people at home and is perilous in its impact on our Nation's foreign policy.

Some time ago the perceptive political writer, Dr. Raymond Moley, described inflation as being:

> The prescription for bureaucratic tyranny which thwarts the individual's means of self-help and personal security by withering his savings and the value of his income * * * transforms the normal transactions of business into speculative gambles, especially for small businesses * * * spawns demagogs to make the processes of politics and government a compound of false promises, deceptions, hidden taxes, and worthless benefits * * * rots the fabric of constitutional government. * * * The Nation's credit is the final, ultimate sacrifice. This means economic disaster * * * eagerly awaited by communism.

The seeds of inflation are now being sown in present policies and pose a dangerous threat to our immediate solvency and in the long run to the very survival of our freedom and liberty. If inflation is allowed to dilute the purchasing power of the dollar, we can inevitably anticipate that foreign governments and nationals of other countries will be less willing to hold obligations against the dollar; they will seek to convert their dollar holdings to demands against our gold. As I indicated in my floor remarks last Monday, the United States has approximately $17.5 billion in gold stock. We require $11.3 billion of this gold stock as legal reserve requirements for our currency. But foreign central banks and foreign nationals now hold approximately $17 billion in dollar obligations that can quickly become a demand for gold if any reason arises for a withdrawal of confidence in our Government's determination to protect the value of the dollar. Mathematical genuis is not required to visualize the problems involved in attempting to make $17 billion in gold do the job of $28 billion in gold if there is an absence of confidence in the intent of the United States to pursue a course of fiscal responsibility.

Mr. Speaker, the deficit spending policies of the Kennedy administration do not encourage confidence on the part of world opinion with regard to the soundness of our fiscal operations. The Wall Street Journal for August 3, 1961, contains an editorial captioned "Disease of the Spirit," which deals with the effect of the Kennedy administration programs and policies on the prospects for inflation. I will, as a part of my remarks, include that editorial.

DISEASE OF THE SPIRIT

With understandable pleasure at the economic recovery so far, President Kennedy the other day said that the second quarter of 1961 "was the first in 8 years in which our production has increased without an increase in the overall price index."

His pleasure, of course, is rich in political overtones. Not only because good business is good politics for the party in power, but also because the situation he describes sounds like a stinging refutation of the argument that he has embarked the Nation on an inflationary course. If prices are relatively stable, how can here be inflation?

Actually, there's no paradox. The Nation has enjoyed relative price stability for several years, and nothing President Kennedy has done in 6 short months could reasonably be expected to significantly affect the price level so soon. But that does not mean he has not set the dial for inflation; he most certainly has, with his huge spending for anything and everything, his deficits, and his "cheap" money bias.

Just how and whom this will be reflected in a new wage-price spiral, we know no more than he. It is conceivable that it would not be so reflected for some time; inflation is not a definition of a wage-price spiral, but a cause of it, and in times past it has taken months and even years for an inflation to translate itself into a spiral. Meantime, it's true enough the inflationary spending the President has set in motion is likely to accelerate the boom he so devoutly desires.

If these are reasonable possibilities, then what's the fuss about inflation? An inflation both stimulating and painless begins to sound more like a good thing than a bad thing, and a number of people in Washington do view it that way.

The case against inflation in present circumstances, it seems to us, is not that it is sure to bring on a disastrous bust any time soon. It may do that, given the right combination of conditions. But the more certain case against inflation is less dramatic and more complex, which makes inflation all the more insidious.

To begin with, the inflation will soon or late, this year or next year, show up in a wage-price spiral. Even if it is a gradual one, it is painful for almost everyone, and especially for those whose income depends on a dollar of stable purchasing power.

Moreover, it is not true, whatever the Government's economic experts may think, that our economy needs the stimulation of inflation in order to grow. Some of the mose prosperous periods in our history have been noninflationary. The incredible prosperity of West Germany, with its soaring economic growth, is grounded in anti-inflationary policies.

Indeed, the kind of growth inflation spurs is almost bound to be harmful. An excess of money in the economic body opens the way to all kinds of diseases. Anything goes; marginal ventures are undertaken; factories are built that never should be built; unjustified expansions are carried out. Speculative excesses multiply in the stock and other markets. This is not theory; it has happened in the not so distant past, and some of it is already happening again.

When that distorted growth gets sufficiently out of hand, and speculative fever is consuming the populace, then you may in fact have the conditions for a thorough crash. Let us not be so naive as to think that the Government or anything else has outlawed the possibility of depression.

Short of that, there is still another vicious effect of inflation. A Government policy of inflation is basically a dishonest policy. It is a refusal by Government to meet its fundamental responsibility of providing sound money; and it rests on the dishonest assumption that one can have things one can't pay for.

Thus it generates a certain looseness among the people: Men work less than they are capable of; a so-what, get-rich-quick psychology grows. If war has been called a moratorium on morality, so in its own way, is inflation. It is a disease of the spirit before it is a disease of the economy.

For these reasons no Government has the right to adopt a policy of inflation. And we as a Nation must be getting a little morally calloused to even let it try.

CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. CONTE] is recognized for 20 minutes.

Mr. CONTE. Mr. Speaker, during the past weeks most of us from this body and many of our esteemed colleagues from the U.S. Senate joined with thousands of our fellow Americans in the observance of Captive Nations Week.

The purpose of the week was set forth in unmistakable terms in the proclamation by the President in which he urged all the people of our country to recommit themselves to the support of the just aspirations of all peoples for national independence and freedom. I think that the Congress can take jus-

tifiable pride in the observances which took place during Captive Nations Week and in the results it has obtained. It was the Congress which created the law establishing Captive Nations Week in 1959.

Our voices raised in support of freedom have been heard inside the captive nations. Those voices have produced a noticeable effect in the one-third of the world where the lights of liberty have been extinguished by Communist tyranny. While Captive Nations Week was still underway, the Soviet Government newspaper, Izvestia, charged that our peaceful observances were provocative and an interference in the internal affairs of Communist-controlled nations. Publications and propagandists throughout the Communist bloc have done the same. Why? Because the proclamation of freedom anywhere in the world is a threat to Communist tyranny. It is a self-evident right that touches an exposed nerve in Moscow. It reminds Communist rulers and the entire world that, if the captive peoples had a free vote, they would throw the Communists out.

This is a situation, Mr. Speaker, which deserves the rapt attention of the Congress. It warrants the attention of all free peoples because the truth expressed during Captive Nations Week is of such power that it can make men, filled with ambition for world rule, hesitate in their reckless course. In its essence, the truth is that man's deepest political yearning is for individual and national freedom and independence, and that these inalienable rights of man are being denied to millions of captive peoples by Communist tyranny.

Seldom does a day go by that we do not learn of the desperate actions people are taking to turn their yearning for freedom into reality. Right now, men, women, and children are streaming out of East Germany and into West Berlin. According to all reports, refugees explain that they simply could not hold out any longer. They say that there is nothing worth staying for in a land ruled and ruined by the Communists. Within the past few days reports have reached us that peasants inside Red China are being driven to the point of revolt by the oppressive and cruel measures of Communists in Peiping. Refugees are risking their lives to escape from Red China this very day.

We have seen this yearning for freedom explode spontaneously into flame in Hungary in 1956. We have heard reports of similar, although smaller, expressions of the will to be free from inside the Soviet Union itself.

The existence behind the Iron and Bamboo Curtains of millions of men, women, and children, many related by blood or by common heritage to millions of our citizens, must give rulers in the Kremlin a deep feeling of insecurity. They certainly ask themselves whether they can risk a final decision with the United States and the free world when vast numbers of their subjects stand ready to throw them out of power at the first opportunity.

Indeed, peoples in the captive nations know the scourge of Communist imperialism. Those countries now emerging from colonialism in Africa and Asia can learn much from the bitter experience of Hungary, Poland, Czechoslovakia, and Lithuania, to name only a few. There are hard facts to be learned if these new nations are to avoid the tragedy of rising from one colonialism, only to fall prey to another much worse one.

The ending of Captive Nations Week does not mean that the question of captive nations will be pushed aside for another year. The Congress in 1959 called upon the President to issue a proclamation "Each year until such time as freedom and independence shall have been achieved for all captive nations of the world." In a like manner, the question remains before us today. It will continue to remain before us every hour, every day, every week, until it is finally and victoriously answered. The President and the American people made a telling point with Captive Nations Week this year, but, in the words of Leonardo da Vinci:

> Iron rusts from disuse, stagnant water loses its purity even so does inaction sap the vigors of the mind.

In these critical days, particularly in these hours as we approach a serious testing with the Kremlin over Berlin, the Congress and the Nation need a continuing study of conditions in the captive nations. We need to know more about the workings of Communist colonialism, how a nation is infiltrated, the actual conditions inside the colonies of Communist domination, and how the captive peoples are being exploited to build Communist power. In my opinion, continuous study of these subjects is needed to enable Congress to better make its decisions in these crucial times. Had we possessed information in 1956, which such studies could have provided us, Hungary, and possibly Poland, might be free nations today. Undoubtedly, Cuba would be a free nation today.

Looking to the future, we face two major tasks which override the limitations of business-as-usual procedures. One is to prevent any free nation from becoming a captive of Communist tyranny. The other is to support all of the now captive nations in their just aspirations for self-determination and independence. To fulfill the confidence free peoples have in our leadership, and to assist us in approaching these two tasks with hope of success, we must have the steady flow of information about the captive nations which only can be provided by a continuing study conducted by a special committee of Congress dedicated to this specific area of study.

I therefore urge all of my colleagues in the House to support the resolution establishing a Special Committee on Captive Nations as a fitting end to a successful Captive Nations Week, and as a fitting beginning to new hope for all captive peoples.

MILITARY PREPAREDNESS

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, during the debate on Senate Joint Resolution 120, authorizing the President to order units and members of the Ready Reserve to active duty, the emphasis was directed toward that portion of the President's recent address to the Nation, with respect to the Berlin crisis, which stressed military preparedness. Similarly, in news reports, comments were oriented, almost exclusively, to the President's proposals to strengthen our military posture in order that we might better meet any challenge to our security. It is proper that this aspect of our program to cope with the Berlin problem be fully explicated and understood, for we must make it abundantly clear that we are prepared to defend our rights in Berlin. In fact, it is our moral duty to make well known our willingness to stand by our commitments to the people of Berlin in order to forestall a conflict resulting from a naive misunderstanding of our determination to take all necessary steps to meet these commitments. There should be no doubt anywhere that we are firm, resolved, and united in our desire to defend freedom. A miscalculation of our implacable dedication to honor our commitments would be the sheerest folly. We will not placidly stand by while fragments of the free world are subjected to the threat of totalitarian captivity.

Without depreciating the intensity of our willingness to sacrifice that which is necessary in a contest to maintain our rights, preserve freedom, and fulfill our commitments, it should be further emphasized that we are not bound by an inflexibility which rejects the possibility of reasonable negotiations among mature people. "As signers of the U.N. Charter," the President stated, "we shall always be prepared to discuss international problems with any and all nations that are willing to talk, and listen, with reason. If they have proposals, not demands, we shall hear them. If they seek genuine understanding, not concessions of our rights, we shall meet with them."

At this incomparably critical period in world history, when a limited military conflict could escalate into a vast and uncontrolled thermonuclear war, resulting in virtual annihilation of not only the major contestants, but of innocent nonparticipants as well, every possible alternative to armed conflict must be given serious consideration.

We are cognizant of the historic foolhardiness of seeking an acceptable solution to an international controversy from a position of relative weakness. A realistic appraisal of present conditions demonstrates the impossibility of reaching an acceptable settlement to this dispute should we negotiate from a position of inadequate strength. We are only secure when we are capable of standing firm in the face of threats of force, knowing that we need not concede because of weakness. We are in a contest with men who recognize the rights of others only

when those rights are protected by adequate defenses—men whose only respect for the rule of law derives from an awareness of the might of potential law enforcers. It is quite clear then, we cannot afford to submit to threats of force, but we can afford to discuss problems peacefully and rationally, secure in the knowledge that we are sufficiently strong to refuse to concede on matters of principle and security.

The President has expressed our willingness to talk where talk will help. However, he also spoke of our willingness to use force if we are called upon to use it. Either alone would be insufficient, but both together can serve the cause of freedom and peace.

Negotiations must, of necessity, be somewhat circumscribed. We cannot negotiate away the freedom of Berlin or the German people. We cannot honorably reject commitments. We cannot in any way diminish the security of our people. But, within these limits, we can seek to reach an agreement consistent with the preservation of peace and freedom and with the legitimate security interests of all nations.

Our position is both legally and morally secure. From such a position it could only be beneficial to submit this issue to the people of the world for their consideration. The United Nations could provide a forum for such a debate. The world population has a great stake in the peaceful settlement of this crisis, in fact, they have the greatest of all stakes—their lives. Would it not be proper and fitting that they be invited into the discussion designed to achieve an amicable and just settlement to this dispute which threatens their future as well as ours?

In the present titanic struggle to preserve existing free institutions, and, where possible, to secure similar rights for others, it seems that to present this issue to an international body would demonstrate our faith in democratic procedures and in the ability of mankind to consider important problems and develop fair and equitable remedies.

Moreover, consistent with our national goals and with an appreciation of our willingness to accept a peaceful, just, and equitable solution which will preserve the freedom of the people of Berlin, we have much to gain. First, if a settlement is devised, we have achieved our goals in a peaceful manner; second, if a settlement is frustrated due to Soviet intransigence, it will reinforce our declarations of true Soviet ambitions with a concrete example, and further, it will accomplish this feat before an international assembly which will subject it to the humiliation of widespread adverse publicity. And, third, we will have reasserted a fundamental and traditional predicate to U.S. action—a decent respect to the opinions of mankind.

In conclusion, I would like to reaffirm my support of the President's proposals to increase our military strength. This is absolutely necessary. I would also like to reassert my enthusiastic support of that portion of the President's speech to the Nation which expressed the great desire of this country to seek an amicable settlement through honest negotiation. Emphasizing the negotiations aspect of the President's address will once again demonstrate our continuing desire to maintain peace, but a peace based upon the recognition of our great esteem of freedom and democratic institutions and our constant willingness to honor our commitments to preserve such institutions.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. VINSON, for 5 days, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HOLIFIELD (at the request of Mr. DORN), for 30 minutes, on Monday next.

Mr. SIKES, for 15 minutes, today, to revise and extend his remarks and include extraneous matter.

Mr. HECHLER, for 10 minutes, on Monday, August 7.

Mr. MEADER, for 1 hour, on Wednesday, August 9.

Mr. CONTE (at the request of Mr. HOFFMAN of Illinois), for 20 minutes, today.

Mr. HOSMER (at the request of Mr. HOFFMAN of Illinois), for 1 hour, on Monday, August 7.

Mr. LAIRD (at the request of Mr. HOFFMAN of Illinois), for 1 hour, on August 8.

Mr. NELSEN (at the request of Mr. HOFFMAN of Illinois), for 1 hour, on August 10.

Mr. CURTIS of Missouri (at the request of Mr. HOFFMAN of Illinois), for 2 hours on August 14.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. VINSON and to include a tribute to Hon. PAUL J. KILDAY.

Mr. WHITTEN and to include a statement.

Mr. VAN ZANDT and to include extraneous matter.

Mr. LAIRD, the remarks he made in connection with sending the HEW appropriation bill to conference, and to include a letter to the President of the United States and the Secretary of Health, Education, and Welfare.

Mr. HALEY to revise and extend the remarks he made today in his special order and include extraneous matter.

Mr. HARRIS, to revise and extend the remarks he made in the Committee of the Whole today on the bill H.R. 7856 and include extraneous matter.

Mr. FEIGHAN.

(The following Members (at the request of Mr. HOFFMAN of Illinois) and to include extraneous matter:)

Mr. KEARNS.

Mr. ROUSSELOT.

Mr. FINO.

Mr. JOHANSEN.

Mr. HALPERN.

Mr. SCHENCK in two instances.

Mr. HOSMER.

(The following Members (at the request of Mr. RHODES of Pennsylvania) and to include extraneous matter:)

Mr. PETERSON.

Mr. GIAIMO.

Mr. ROUSH.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 77. An act to establish the Chesapeake and Ohio Canal National Historical Park in the State of Maryland, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 981. An act to extend certain authority to the Secretary of the Interior exercised through the Geological Survey of the Department of the Interior, to areas outside the national domain; to the Committee on Interior and Insular Affairs.

S. 1899. An act to increase the fees of jury commissioners in the U.S. district courts; to the Committee on the Judiciary.

S. 2245. An act to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation; to the Committee on Interior and Insular Affairs.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 857. An act to provide for the establishment of Cape Cod National Seashore.

ADJOURNMENT

Mr. RHODES of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 37 minutes p.m.), under its previous order, the House adjourned until Monday, August 7, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1193. A letter from the Comptroller General of the United States, transmitting a report on review of private shipbuilders' rent-free use of Department of the Navy facilities in the construction of commercial ships; to the Committee on Government Operations.

1194. A letter from the Director, Central Intelligence Agency, relative to three grants having been made under the authority of Public Law 85-934, during fiscal year 1961 by the Central Intelligence Agency, pursuant to Public Law 85-934; to the Committee on Science and Astronautics.

1195. A letter from the Secretary of State, transmitting a draft of a proposed bill entitled "A bill to implement the agreement on the importation of educational, scientific, and cultural materials, opened for signature at Lake Success on November 22, 1950"; to the Committee on Ways and Means.

1196. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order granting the application for

permanent residence filed by Feiga Altmann Rock, A7116387, pursuant to the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

1197. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of an order entered under the authority contained in section 13(b) of the act as well as a list of the persons involved, pursuant to the act of September 11, 1957; to the Committee on the Judiciary.

1198. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Chan Chew Kwan, A12261123, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

1199. A letter from the Secretary of Health, Education, and Welfare, transmitting a report covering personal property received by State surplus property agencies for distribution to public health and educational institutions and civil defense organizations for the calendar quarter April 1 through June 30, 1961, pursuant to the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 1222. An act relating to documentation and inspection of vessels of the United States; without amendment (Rept. No. 840). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 685. An act to amend the Coast and Geodetic Survey Commissioned Officers Act of 1948, as amended, and for other purposes; with amendment (Rept. No. 841). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 2292. A bill to authorize the Secretary of the Treasury to issue certificates of honorable discharge in lieu of certificates of disenrollment to certain persons who served as temporary members of the U.S. Coast Guard Reserve during World War II; without amendment (Rept. No. 842). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 3156. A bill to make the Panama Canal Company immune from attachment or garnishment of salaries owed to its employees; without amendment (Rept. No. 843). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 404. Resolution providing for sending the bill, H.R. 7576, a bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes to conference; without amendment (Rept. No. 844). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 206. A bill to facilitate administration of the fishery loan fund established by section 4 of the Fish and Wildlife Act of 1956, and for other purposes; without amendment (Rept. No. 845). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 606. An act to provide for the construction of a shellfisheries research center at Milford, Conn.; without amendment (Rept. No. 846). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 1289. An act to amend sections 337 and 4200 of the Revised Statutes of the United States so as to eliminate the oath requirement with respect to certain export manifests; without amendment (Rept. No. 847). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 405. Resolution for the consideration of H.R. 6302, a bill to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes; without amendment (Rept. No. 848). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 406. Resolution for consideration of H.R. 6882, a bill to provide for one additional Assistant Secretary of Labor in the Department of Labor; without amendment (Rept. No. 849). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RUTHERFORD:

H.R. 8484. A bill to authorize establishment of the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, New York, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ASPINALL:

H.R. 8485. A bill to authorize establishment of the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, New York, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SAYLOR:

H.R. 8486: A bill to authorize establishment of the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, New York, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CHENOWETH:

H.R. 8487. A bill to authorize establishment of the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, New York, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BLATNIK:

H.R. 8488. A bill to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. BATTIN:

H.R. 8489. A bill to grant minerals, including oil, gas, and other natural deposits, on certain lands in the Northern Cheyenne Indian Reservation, Mont., to certain Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CELLER:

H.R. 8490. A bill to amend the act of September 2, 1958, establishing a Commission and Advisory Committee on International Rules of Judicial Procedure, as amended; to the Committee on the Judiciary.

By Mr. DOMINICK:

H.R. 8491. A bill to confirm rights to the use of water acquired under State law, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DORN:

H.R. 8492. A bill to amend title IV of the Social Security Act to permit Federal grants for aid to dependent children to be made thereunder even though the parents or other relatives with whom such children are living are required to perform services in a work relief program as a condition of such aid; to the Committee on Ways and Means.

By Mr. EDMONDSON:

H.R. 8493. A bill to amend the provisions of title 18, United States Code, relating to kidnaping so as to specifically provide that the penalties provided for kidnaping shall apply to confining or transporting in an aircraft in interstate or foreign commerce any person held against his will; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 8494. A bill to amend the provisions of title 18, United States Code, relating to kidnaping so as to specifically provide that the penalties provided for kidnaping shall apply to confining or transporting an aircraft in interstate or foreign commerce any person held against his will; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 8495. A bill to amend section 1201 of title 18 of the United States Code relating to kidnaping; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 8496. A bill to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHANSEN:

H.R. 8497. A bill to amend chapter 2 of title 18 of the United States Code to prohibit the taking of certain aircraft, and for other purposes; to the Committee on the Judiciary.

By Mr. LESINSKI:

H.R. 8498. A bill to provide for redistricting of any of the several States by the Director of the Bureau of the Census for the election of Representatives in Congress in certain cases in which the State fails to redistrict in the manner provided by the law thereof, and for other purposes; to the Committee on the Judiciary.

By Mr. MACK:

H.R. 8499. A bill to amend the Davis-Bacon Act to make it applicable to certain contracts under which a building is to be constructed or altered and leased to the United States; to the Committee on Education and Labor.

By Mr. MATTHEWS:

H.R. 8500. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that under certain conditions officers of the executive branch of the Federal Government appointed by the President shall be exempt from such act; to the Committee on the District of Columbia.

By Mr. O'HARA of Illinois (by request):

H.R. 8501. A bill to authorize the Director of the Office of Civil and Defense Mobilization to donate family fallout shelters to public museums; to the Committee on Armed Services.

By Mr. ST. GERMAIN:

H.R. 8502. A bill to require the expenditure of 75 percent of the funds expended for the conversion, alteration, and repair of naval vessels to be expended with private ship repair yards; to the Committee on Armed Services.

By Mr. CASEY:

H.R. 8503. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LINDSAY:

H.R. 8504. A bill to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. WHARTON:

H.R. 8505. A bill to amend the Internal Revenue Code of 1954 so as to terminate the special tax treatment now accorded certain employee stock options; to the Committee on Ways and Means.

By Mr. BENNETT of Michigan:

H.R. 8506. A bill to grant a pension of $100 per month to all honorably discharged veterans of World War I who are 60 years of age; to the Committee on Veterans' Affairs.

By Mr. LANE:

H.R. 8507. A bill to extend the time limitation for filing claims under the provisions of the War Claims Act Amendment of 1954; to the Committee on Interstate and Foreign Commerce.

By Mr. HALPERN:

H.R. 8508. A bill to amend section 1201 of title 18, United States Code, so as to extend the provisions of such section to the detention of persons aboard certain aircraft; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 8509. A bill to amend section 2732 of title 10, and section 490 of title 14, United States Code; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 8510. A bill to amend the Soil Conservation and Domestic Allotment Act to prohibit assistance for the drainage of wet lands when such drainage will harm wildlife preservation; to the Committee on Agriculture.

By Mr. SAYLOR:

H.R. 8511. A bill to amend the Soil Conservation and Domestic Allotment Act to prohibit assistance for the drainage of wet lands when such drainage will harm wildlife preservation; to the Committee on Agriculture.

By Mr. DINGELL:

H.R. 8512. A bill to amend the Soil Conservation and Domestic Allotment Act to prohibit assistance for the drainage of wet lands when such drainage will harm wildlife preservation; to the Committee on Agriculture.

By Mr. UTT:

H.J. Res. 515. Joint resolution expressing a declaration of war against the 98 Communist Parties constituting the international Communist conspiracy; to the Committee on Foreign Affairs.

By Mr. FRIEDEL:

H. Res. 402. Resolution providing for an additional clerk in the House stationery room; to the Committee on House Administration.

By Mr. KITCHIN:

H. Res. 403. Resolution creating a select committee to conduct an investigation and study of the administration, operation, and enforcement of the Export Control Act of 1949, and related acts; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS:

H.R. 8513. A bill to provide for a cash award in recognition of the scientific contributions in the field of electronic guidance and gyroscopic stabilization made by Garnett J. Dye and offered to the U.S. Government; to the Committee on the Judiciary.

By Mr. FRIEDEL:

H.R. 8514. A bill for the relief of Nui Sheung Chiu; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 8515. A bill for the relief of James R. Banks; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H.R. 8516. A bill for the relief of Dr. Leonide Goldstein and his wife and minor children; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

201. By Mrs. ST. GEORGE: Petition of the Kiwanis Club of Minisink Valley, Inc. in support of the Freedom Academy bill; to the Committee on Un-American Activities.

202. By the SPEAKER: Petition of Mrs. Regina Paruszewski, vice president, Delaware Division of the Polish American Congress, Wilmington, Del., petitioning consideration of their resolution with reference to appealing to the Members of Congress to keep the faith and give every support necessary to keep the House Committee on Un-American Activities at full strength so it may continue to do an all-American job; to the Committee on Rules.

EXTENSIONS OF REMARKS

Spain Thwarts Communism

EXTENSION OF REMARKS
OF
HON. M. BLAINE PETERSON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 3, 1961

Mr. PETERSON. Mr. Speaker, in our omnipresent struggle against oppressive communism, significant hope and incentive may be derived from the people of Spain who are celebrating their 25th year free from communism.

Most assuredly this victory will serve as an example of hope to the captive people of the Iron Curtain and motivate the free world to redouble its efforts toward the emancipation of all nations which have succumbed to the snare of the Reds.

This was no easy victory for the Spanish people—certainly they were courted by the Reds with a velvet lure and then odiously threatened. To snub such overtures represents the ultimate in courage, sacrifice, and self-control.

Undeniably religion has been the uniting factor with these Spanish people—their belief in God and faith in His wisdom guided them in overcoming the temptations for temporal gain that are so effectively used by the Communists in winning over peoples struggling for a livelihood.

Spain and her wonderful people are to be commended for the outstanding example they have given the world in resisting communism. The United States is also grateful to Spain for her permission to base defense installations in her country, without which our military prototype would most assuredly be weakened.

My words of admiration for the Spanish people on the occasion of their 25th anniversary come from heartfelt admiration for their courage and tenacity, respect for their steadfast faith and perseverance and confidence that their sacrifices have not been in vain.

India's Prize Bond Program

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 3, 1961

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the gambling operation of the Government of India. India does not conduct a national lottery, but rather operates a prize bond scheme.

India's prize bond program, patterned after the British premium bond scheme, revolves around the issuance of government bonds which, instead of bearing interest, offer the opportunity to win prizes. An amount equal to 3½ percent per annum of the total value of the bonds in each series is made available for prizes drawn quarterly.

In 1960, gross receipts from the sale of prize bonds came to $25 million. Prizes amounted to $1.3 million. The remainder of the receipts did not constitute a profit inasmuch as it represented a debt outstanding. The benefit of the prize bond scheme was that government bonds were made more appealing through the presentation of an opportunity to win large prizes. India realizes that a recognition of the gambling urge can be a great help in handling the nation's finances.

DeMolay Honored in Middletown, Ohio

EXTENSION OF REMARKS
OF
HON. PAUL F. SCHENCK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 3, 1961

Mr. SCHENCK. Mr. Speaker, the future of America will depend upon the good citizenship resulting from the training of our young people. Today there are many opportunities and also many disappointments facing our country's youth.

In times like these it is encouraging to recognize the fine principles of such an organization for young men as the International Order of DeMolay. A number of the Members of this House and of

the Senate have been members of this organization.

Our Third District of Ohio is glad to note that this year the DeMolay chapter in Middletown will celebrate its fifth anniversary. On October 14, 1961, the regular fall installation of officers will be held. It will be unusual in that two brothers will play the leading parts as Terry E. Lawrence, a Representative DeMolay and blue honor keyholder, the younger of the two, will be installed as master councilor of the chapter by U. Ronald Lawrence, a charter member of the chapter, Representative DeMolay, chevalier, past master councilor and blue honor keyholder. In addition the chapter will be presented three schoolbooks with a message from former Presidents of the United States personally inserted in each urging the youth to study their country's history, government, and literature. The presentation will be made by a former President's son.

Ohio will have its part in the ceremony, too, as a State senator presents an Ohio flag to the chapter. The City Commission of Middletown will proclaim DeMolay Week for the city and during this time the DeMolay boys will work for the city without remuneration.

Such organizations as DeMolay exemplify the very best kind of training for tomorrow's leaders.

The code of a DeMolay follows so that all may know of the aims of these young men:

A DeMolay serves God.
A DeMolay honors all womanhood.
A DeMolay loves and honors his parents.
A DeMolay is honest.
A DeMolay practices honest toil.
A DeMolay is loyal to ideals and friends.
A DeMolay's word is as good as his bond.
A DeMolay is courteous.
A DeMolay is at all times a gentleman.
A DeMolay is a patriot in peace as well as war.
A DeMolay is clean in mind and body.
A DeMolay stands unswervingly for the public school.
A DeMolay always bears the reputation of a good and law-abiding citizen.
A DeMolay by precept and example must preserve the high standards to which he has pledged himself.

Foreign Aid Blackmail

EXTENSION OF REMARKS
OF
HON. AUGUST E. JOHANSEN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 3, 1961

Mr. JOHANSEN. Mr. Speaker, one of the numerous foreign aid lobbying outfits, the so-called Citizens Committee for International Development, has sent me a copy of a press release disclosing the total amount spent in the State of Michigan and in the various cities of Michigan for foreign aid programs during the period from January 1954 through June 1960.

The timing of this release on the eve of consideration of the foreign aid authorization bill underscores the obvious hope that pressures will be generated back home to bring Members of Congress in line in support of this bill.

I can assure the House that the strategy will not work so far as I am concerned, and I suspect will not work so far as the overwhelming majority of my constituents is concerned.

The report shows that for the 6½-year period, foreign aid expenditures in the State of Michigan totaled $20,044,067.

The expenditures during this period in cities in the Third Congressional District of Michigan are listed as follows: Battle Creek, $444,906; Coldwater, $408,089; and Kalamazoo, $278,532, or a total of $1,131,527 for the Third District.

In my judgment the attempt to sell foreign aid on this basis is a phony. Whatever the immediate and transitory economic benefits to my State, district, or communities, it is the type of economic benefit and gain which would result in a far more solid fashion from normal trade relations or transactions abroad. It is a charge against the taxpayers of the Nation, including the taxpayers of Michigan and the Third Congressional District. I would venture the guess that taxpayers of my district would be ahead in terms of financial benefit through tax savings if the foreign aid expenditures were sharply reduced or eliminated, and I am positive they would welcome the tax relief which this would involve.

The simple truth is that if and insofar as there is any justification for foreign aid in terms of the national interest and security of the United States, that is the sole justification for such expenditures of tax funds.

The effort to justify this program and its expansion on the basis of dollar returns in my district strikes me as lacking economic validity. The attempt to promulgate this type of information as part of the lobbying campaign for the foreign aid bill strikes me as political blackmail.

Foreign Service Academy

EXTENSION OF REMARKS
OF
HON. JOHN H. ROUSSELOT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 3, 1961

Mr. ROUSSELOT. Mr. Speaker, I have introduced in the current session of Congress a bill, H.R. 7291, providing for the establishment of a U.S. Foreign Service Academy. The bill reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Foreign Service Academy Act".

SEC. 2. (a) The Secretary of State is authorized and directed to establish and maintain a United States Foreign Service Academy (hereinafter referred to as the "Academy") for the instruction and training of Foreign representatives of the United States Government.

(b) In carrying out his functions under this Act, the Secretary of State shall act in cooperation with the Secretary of Defense; however, primary responsibility for the day-to-day administration of the Academy shall be in the Secretary of State. In the event of disagreement betwen the Secretary of State and the Secretary of Defense with respect to any matter arising under this Act, such disagreement shall be resolved by the President.

SEC. 3. (a) The Secretary of State shall determine the location of the Academy within the United States in the following manner:

(1) The Secretary of State shall establish immediately a Commission, and appoint five members thereof, to advise him in connection with the selection of a permanent location for the Academy. The Commission shall make its report to the Secretary as soon as practicable.

(2) The Secretary shall accept the unanimous decision for a permanent location by such Commission. In the event such recommendation is not unanimous, the Commission by a majority vote shall submit to the Secretary three sites from which the Secretary shall select one as the permanent location.

(b) Following the selection of a location for the Academy, the Secretary of State is authorized—

(1) to acquire land from other Government agencies without reimbursement, with the consent of such agencies,

(2) to acquire lands and rights pertaining thereto, or other interests therein, including the temporary use thereof, by donation, purchase, exchange of Government-owned lands, or otherwise;

(3) to prepare plans, specifications, and designs, to make surveys and to do all other preparatory work, by contract or otherwise, as he deems necessary or advisable in connection with the construction, equipping, and organization of the Academy at such location; and

(4) to construct and equip temporary or permanent public works, including buildings, facilities, appurtenances, and utilities, at such location.

SEC. 4. For the purpose of providing temporary facilities and enabling early operation of the Academy, the Secretary of State is authorized to provide for the erection of the minimum additional number of temporary buildings and the modification of existing structures and facilities at an existing State Department installation and to provide for the proper functioning, equipping, maintaining, and repairing thereof; and to contract with civilian institutions for such operation or instruction as he may deem necessary.

SEC. 5. The Secretary of State may appoint or assign such officers and civilian instructors as the needs of the Academy require. The Secretary of State and the Secretaries of the Army, Navy, and Air Force, are authorized to enter into agreements whereby members of the faculties of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy may temporarily serve as members of the faculty of the United States Foreign Service Academy.

SEC. 6. The supervision and charge of the Academy shall be in the Department of State, under such officer or officers as the Secretary of State may appoint for or assign to that duty, and under such regulations as the Secretary of State may prescribe.

SEC. 7. In the operation of the Academy the Department of State shall work in conjunction with the Board of Trustees.

SEC. 8. (a) The Board of Trustees shall consist of—

(1) the Secretary of State;

(2) the Secretary of Defense;

(3) three educators of prominence appointed by the President;

(4) two Members of the United States Senate, of different political parties, one appointed by the President of the Senate, and

one appointed by the minority leader of the Senate; and

(5) two Members of the House of Representatives of different political parties, one appointed by the Speaker of the House of Representatives, and one appointed by the minority leader of the House of Representatives.

(b) Members of the Board of Trustees shall be appointed for four-year terms and shall be eligible for reappointment.

(c) In the event of a vacancy on the Board caused by death, resignation, or failure of reelection of a member appointed from the Senate or House of Representatives, the vacancy shall be filled in the same manner as in the case of the original appointment.

SEC. 9. (a) The authorized number of students to be appointed to the Academy each year shall be as follows:

(1) four students from each State, two nominated by each Senator from the State;

(2) two students from each congressional district, nominated by the Representative from the district;

(3) two students from Puerto Rico, nominated by its Resident Commissioner;

(4) three students from the District of Columbia, one nominated by each of the Commissioners of the District of Columbia;

(5) one student from each State, nominated by the Governor thereof; and

(6) fifty students from the United States at large—

(A) forty-eight nominated by the President; and

(B) two nominated by the Vice President.

(b) No person may be nominated under clauses (1) to (5), inclusive, of subsection (a), unless he is domiciled in the State, or in the congressional district from which he is nominated, or in the District of Columbia or Puerto Rico, if nominated from one of those places.

(c) If, as a result of redistricting a State, the domicile of a student, or a nominee, nominated by a Representative falls within a congressional district other than that from which he was nominated, he shall be charged to the district in which his domicile so falls. For this purpose, the number of students otherwise authorized for that district shall be increased to include him. However, the number as so increased shall be reduced by one if he fails to become a student at the Academy or when he is finally separated from the Academy.

SEC. 10. In order to permit an orderly increase in the number of students at the Academy during the period ending not more than four years after the entrance of the initial class at the Academy, the Board of Trustees may limit the number of students appointed each year during such period.

SEC. 11. The Academy shall operate as a coeducational institution. No person shall be appointed to the Academy unless he shall have passed such physical and mental examinations as the Secretary of State shall prescribe. Such examinations, which shall be designed to measure physical condition, scholastic aptitude, and leadership qualities, shall be given annually in each State, the District of Columbia, and the Commonwealth of Puerto Rico, at such time and in such manner as shall be prescribed by the Secretary of State.

SEC. 12. The students at the Academy shall receive the same pay and allowances as are received by cadets at West Point.

SEC. 13. The Secretary of State shall prescribe a five-year course of instruction and training for students at the Academy. The curriculum for the first four years shall be the equivalent of the curriculum prescribed by accredited colleges and universities as a prerequisite to the granting of the degree of bachelor of arts. The curriculum for the fifth year shall be the equivalent of the curriculum prescribed by accredited colleges and universities as a prerequisite to the granting of the degree of master of arts. In prescribing the course of instruction and training, the Secretary of State shall require instruction in three basic foreign languages, the history, culture, and customs of the nations in which students may serve, extensive United States history and governmental processes, psychological warfare, including Communist propaganda techniques, survival in jungle and remote areas, and military strategy in relation to diplomacy. Upon satisfactory completion of the first four years of the prescribed course of instruction and training, students shall be granted the degree of bachelor of arts, and upon satisfactory completion of the fifth year, students shall be granted the degree of master of arts.

SEC. 14. (a) The course of instruction and training at the Academy shall, during each year of its operation, be organized as follows:

(1) the months of September to May, inclusive, shall be devoted to classroom instruction of students at the Academy;

(2) the period from June 1 to June 30, inclusive, shall be devoted to annual leave for all students;

(3) the months of July to August, inclusive, shall be devoted to practical field training for students at the Academy.

(b) Such field training shall consist of service in positions under appropriate departments of the Government, whether within or outside the United States, by students assigned thereto by a faculty board on field training, with the approval of the Secretary of State.

SEC. 15. Each student selected for admission to the Academy shall sign an agreement that, unless sooner separated, he will—

(1) complete the course of instruction and training at the Academy; and

(2) accept an appointment and serve, as an officer or employee of the United States, in any position for which he qualified by reason of his special training at the Academy, for at least the five years immediately following his completion of the course of instruction and training at the Academy.

SEC. 16. (a) Each graduate of the Academy shall be available for appointment as an officer or employee of the United States, in any position for which he is qualified by reason of his special training at the Academy, in accordance with the following priorities:

(1) the Department of State;

(2) the Department of Defense;

(3) the Department of Commerce;

(4) the Department of Agriculture;

(5) the Department of the Treasury; and

(6) any other department, agency, or instrumentality of the United States.

(b) The Secretary of State may, notwithstanding any provision of the Foreign Service Act of 1946, appoint a graduate of the Academy as an officer in the Foreign Service of the United States.

SEC. 17. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) The United States Foreign Service Academy shall have power to acquire and hold real and personal property and may receive and accept gifts, donations, and trusts.

Mr. Speaker, at its national convention held last June in Atlanta, Ga., the U.S. Junior Chamber of Commerce adopted a resolution favoring the creation of a Foreign Service Academy. Under unanimous consent I include the resolution in the RECORD.

Whereas the ultimate future of the world, whether it is to be composed of democratic free societies or communistic slave states, will not be decided on battlefields but rather in the minds of men; and

Whereas dedicated, well-trained agents are working for the Communist cause all over the world; and

Whereas there is a definite need for qualified career diplomats and personnel who are proficient in language, customs, and history of the country to which they are assigned to represent the best interest of our country; and

Whereas this need can be resolved by establishing an educational program to prepare Americans for effective service to foreign lands: Now, therefore, be it

Resolved, That the U.S. Junior Chamber of Commerce, assembled this 21st day of June 1961, in Atlanta, Ga., urge the Congress of the United States to enact legislation encouraging the establishment of schools of foreign service in our colleges and universities and/or the establishment of a Foreign Service Academy.

Tribute by House Armed Services Committee to Hon. Paul J. Kilday

EXTENSION OF REMARKS
OF
HON. CARL VINSON
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1961

Mr. VINSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following proceedings before the House Committee on Armed Services on August 2, 1961, during which tribute was paid to Hon. PAUL J. KILDAY, of Texas:

HOUSE OF REPRESENTATIVES, COMMITTEE ON ARMED SERVICES, WASHINGTON, D.C., WEDNESDAY, AUGUST 2, 1961

The committee met at 10 a.m., Hon. CARL VINSON (chairman) presiding.

The CHAIRMAN. Let the committee come to order.

Mr. Vice President, distinguished guests, ladies and gentlemen, and members of the committee.

The purpose of our meeting today is to do honor to one of the most distinguished members of this committee and the Congress, who is leaving the task of a legislator to assume the task of a jurist on the Court of Military Appeals.

It is no secret that the Committee on Armed Services, the 20th Congressional District of Texas, and the Congress are losing the direct service of one of the greatest men ever to have served in the Congress of the United States.

But while our loss in the Congress is irretrievable, nevertheless the American people and especially the American serviceman's gain is inestimable, because we all know that PAUL KILDAY will make available his unequaled attributes of wisdom, clarity, integrity and sincerity in the highest military court of the country.

PAUL KILDAY first came to the Congress in the election of 1938. He immediately became a member of the Military Affairs Committee in 1939. His reputation grew in leaps and bounds. By the time the Committee on Armed Services was formed in 1947, he had acquired a reputation as one of the Nation's outstanding legislators in military matters.

And each succeeding year he has added a laurel to that crown of greatness, which he wears so modestly and so unassumingly. For among the other great attributes that he possesses, none is more endearing than his sense of modesty, his sense of humbleness, and his sense of humility.

For 22 years he has devoted a major portion of his working hours, not only to the legislative problems of the Congress and the

people, but more especially the problems of national security.

This is a sad occasion for me, because I am losing my right arm. But it is a happy day for PAUL KILDAY and his family, for he has achieved a recognition based upon his legal training which he so richly deserves.

Now he will be able to devote himself exclusively to the profession of his choice. He will be able to write in judicial terms those brilliant thoughts and conclusions which he has so often expressed as a Member of the Congress.

Hereafter they will carry judicial weight and that weight will be felt in years to come, for his opinions will most assuredly establish precedents that will be quoted by military lawyers yet unborn.

The members of the Committee on Armed Services have a token of affection and esteem for PAUL KILDAY, which I will present in a few moments. It is a token made of silver, because we wanted something that would demonstrate our imperishable feeling of friendship for this truly great man. On it is the signature of each member of this committee.

It is a fitting tribute to a man who has demonstrated time and time again his amazing grasp of military problems, his analytical ability in clarifying complex problems, and his gentle but nevertheless firm insistence upon writing into law proper conclusions upon which to base our military posture.

When PAUL KILDAY leaves this committee, the Armed Forces to a man will lose a legislative champion who has battled for 22 years for those rights and privileges to which service personnel are entitled.

And I think we can all recall occasions when his calmness and wise counsel has brought about the quick and successful passage of bills that might otherwise have passed into oblivion for lack of a clear explanation.

Just as the members of the uniformed services of the United States are losing a legislative champion, so do we as a committee lose a bright star, who has played a brilliant role in the development of our national defense and has brought nationwide prominence to this great committee.

And the Congress is losing a clear-minded, fair-minded, objective legislator, who, notwithstanding the time and devotion spent on military matters, has also had the ability to fully grasp the countless other problems that confront Members of Congress.

So, with a great deal of personal sadness because of your leaving, mixed with a sense of satisfaction that you are leaving us to accept an important position which recognizes your tremendous abilities in the judicial field, I present to you, PAUL KILDAY, in the name of the members of the Armed Services Committee, this silver tray, which symbolizes our very great respect and admiration and affection for you. [Standing applause.]

The CHAIRMAN. Mr. ARENDS.

Mr. ARENDS. Mr. Vice President, Mrs. Kilday and family and friends, Mr. Chairman, and members of the committee.

On this occasion I believe I should make a formal statement to protect myself and all my legal rights. I am not just certain what kind of a proceeding this is: legislative, judicial, or quasi-judicial. But all I know is that as a witness in this case, in re PAUL KILDAY, I shall tell the truth, the whole truth, and nothing but the truth, without imploring help from anyone.

I am not a lawyer. I am not a member of the bar. As a matter of fact I never really knew what you lawyers meant when you referred to the bar, until someone generously explained to me that it is not the same as the 19th hole.

You who are learned in the law classify me as a layman. That is the legal way to speak to a plain country boy. You have me correctly characterized and classified.

You lawyers, who packed the Congress but refused to pack the Court, have unwittingly taught me a thing or two. In the testimony I am about to give, let the record show that in this case of PAUL KILDAY, it is one of the few cases where the witness testifying sits on the bench with the judge himself. Maybe this has something to do with his personal ruling, that there should be a change of venue from the Congress to the Court of Military Appeals.

You see, while I am not a lawyer, I have been associated with you lawyers for so long I am beginning to talk your lingo. The lawyers on this side tell me, Mr. Chairman, that the lawyers on your side are outstanding, that their reasoning is always excellent, but their conclusions are invariably wrong.

I know this, and it applies to you lawyers on both sides. You are the fellows we go to and to whom we pay a handsome fee to have you get us out of trouble we wouldn't have gotten into if we hadn't gone to you for advice in the first place.

Now, quite seriously, Mr. Chairman, for this is to me a serious occasion, however much I might try, I can't with levity conceal, even if I would, that which all of us on this committee so deeply feel.

There are no words by which I can adequately express our mixed emotions with the loss of PAUL as a member of this great committee.

We are at the same time both glad and sad. We rejoice that this honor as a judge on the U.S. Court of Military Appeals should come to PAUL KILDAY.

No one is more deserving, nor is there anyone more richly endowed with the knowledge, the habits of mind and temperament than he to serve in this important judicial capacity.

We all know the painstaking thoroughness with which he studied the legislation which constantly has been before our committee. He many times demonstrated his mastery of detail, and many times guided us through a maze of detail to a sound conclusion.

With the possible exception of our distinguished chairman, Mr. VINSON, no one knows better than I the keen and penetrating manner in which he analyzed problems which were presented. It was my privilege, and truly a rewarding privilege, to serve with him on the Subcommittee on Military Personnel. His contribution to the work of that subcommittee is beyond measure.

Indeed, his contribution to the work of our entire committee is far beyond measure.

And so while we rejoice that this recognition of the talents and service of our colleague has been made by the President and promptly concurred in by the Senate, we are saddened with the realization that this committee and the Congress are suffering a real, a great loss.

To feel this way is doubtless selfish of us. Our loss is not solely PAUL KILDAY'S knowledge and skill. That will be difficult to replace, if at all. Our loss goes even deeper.

Our loss is the presence of the man KILDAY, those attributes of character and personality that encourage and inspire. This cannot be replaced, not at all.

Texas and everything from it may be big, but they don't make them any bigger nor finer than PAUL KILDAY.

Mr. Chairman, we Republicans want PAUL KILDAY, the Democrat, to know that we consider him one of the ablest and one of the noblest of men to serve in the Congress. We consider it a richly rewarding privilege to have served with him on this committee. We are grateful for his friendship. And I am proud to call him my friend. And we shall never forget him.

We wish for him and his wonderful family the very best of everything. [Standing applause.]

Mr. KILDAY. Mr. Chairman. After the very generous remarks made by you and the gentleman from Illinois, I know you wouldn't expect me to be able to properly respond.

Right now I am wishing I was just about half as smart as you said I was, in the remarks you made here, because then I could probably think of the proper things to say at this moment.

But I actually don't know any way to embellish the words "Thank you," if they are spoken sincerely.

So I do thank you, Mr. Chairman, and you, Mr. ARENDS, for the very generous remarks you have made.

I thank all of you for the good will and the good wishes which are carried with this tray. Nothing that you could have given me would have pleased me more than to have the signature of each member of this committee.

Mr. Chairman, I have enjoyed my service here. In many respects I regret leaving, although I do look forward with a great deal of pleasure to serving on the bench.

The court is located at Fifth and E. That is not very far from this building. And we shall have the opportunity to be together as time goes on.

I appreciate the attendance of all of you here, and I particularly appreciate, of course, the attendance of the Vice President.

I am very glad my family got to hear what kind of a fellow I am. And I hope that they won't forget it when we get back home. And I trust that they can convince themselves that they are worthy to continue to live with me.

I do thank all of you. I appreciate the opportunity I have had to be associated with you. And I am glad to know that that opportunity will continue.

So I say it very sincerely, thank you. [Rising applause.]

Television Bill Extending Present Obscenity Penalties to Broadcasting of Crime, Violence, and Brutality Programs Hailed as Step in the Right Direction by Catholic Leader

---

EXTENSION OF REMARKS

OF

HON. CARROLL D. KEARNS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1961

Mr. KEARNS. Mr. Speaker, the principles contained in my bill, H.R. 8435, amending title 18 of the United States Code to provide that the present penalties for obscenity on radio and television programs shall extend to the broadcasting of crime, violence, and brutality programs have been hailed as "a step in the right direction" by one of our country's outstanding church leaders.

The Right Reverend Monsignor Joseph E. Schieder, director, youth department, National Catholic Welfare Conference, in testimony before the Senate Juvenile Delinquency Committee, pointed out that there was a 98-percent increase in crime in the period 1950 to 1960, and that the year 1960 in itself presented to the Nation a 14.2-percent increase over 1959. He called these figures "shocking in the

full sense of the word" and said they were "almost incredible statistics."

He declared that—

I cannot conscientiously dismiss the idea of a basic relationship between these gross percentages and the same decade in which television passed from the status of luxury to that of practical necessity, and proved to have an almost totalitarian grip on the minds of the people. Further, that decade saw the rise of the great program cycles which are recognized in the programing of the industry: the cops-and-robbers cycle, the cycle of the western, of the private eye, and so on. A minimum of recollection will remind us that the dominant characteristic of the cycles, however, has been crime and violence.

The Right Reverend Monsignor Joseph E. Schieder then said:

Those of us who are professional youth workers have come to have a very healthy respect for the power and influence of so-called audiovisual techniques. There is hardly an up-to-date school or leisure-time program in the United States which is not equipped, today, with the latest technical facilities in sound, cameras, and projectors. The monetary investment alone, to say nothing of the operational successes, testifies to the extreme impact which such techniques have. Following that line of thought, therefore, I suggest that the same power—blissfully controlled in classroom, community center, parish hall—is literally raging uncontrolled from our television sets. And far from hitting an environment-disciplined audience, it is hitting an audience comprised of young people and children who quite normally savor the sweet taste of rebellion—a well-documented temptation to youth.

He went on to say that in looking to solutions to the rise in crime, we can accept solace from such effective measures as those established in Canada in the recent past, where a rigid penalty structure exists in reference to a hard and realistically broad definition of obscenity.

My bill, H.R. 8435, the principles of which this distinguished churchman called "a step in the right direction," is based on a 1959 amendment to Canada's criminal code, which provides that:

Any publication, a dominant characteristic of which is the undue exploitation of sex, or of sex and any one or more of the following subjects; namely, crime, horror, cruelty, and violence, shall be deemed to be obscene.

Certainly we can learn from Canada, and, in this instance, it is high time we did learn if we are to successfully protect the very foundations of our society from criminal elements.

My bill will arm the Department of Justice with power to deal with the undue exploitation for profit of crime, horror, cruelty, brutality, sex, and violence by those who broadcast programs which appeal to our baser instincts, and which go far beyond the bounds of liberty to license.

Attorney General Robert Kennedy has several times declared that there is a definite relation between our rising crime rates and some of our TV programs.

Senator THOMAS J. DODD, chairman of the Senate Juvenile Delinquency Subcommittee, recently produced written evidence of orders calling for more stress on sex and violence on TV programs.

I include here, as part of my remarks, the statement of the Right Reverend Monsignor Joseph E. Schieder, and the text of my bill, H.R. 8435:

TESTIMONY BY THE RIGHT REVEREND MONSIGNOR JOSEPH E. SCHIEDER, DIRECTOR, YOUTH DEPARTMENT, NATIONAL CATHOLIC WELFARE CONFERENCE, REGARDING CRIME, VIOLENCE, AND BRUTALITY AS PORTRAYED ON TELEVISION

As director of the youth department of the National Catholic Welfare Conference, I am honored to add my voice and opinions to the record of your inquiry into the portrayal of crime, violence, and brutality in television.

That these disorders are portrayed needs no certification: not only can we simply flick a television dial to prove the point, but also we can consult printed guides and newspaper schedules—to find the succinct sentences which describe a fantastic variety of bloody or brutal offerings.

At the outset, I note that in the last few days press notice has been given to a report prepared by the Federal Bureau of Investigation, in which some almost incredible statistics are projected: that there has been in the United States a 98-percent increase in crime in the period 1950 to 1960, and that the year 1960 in itself presented to the Nation a 14.2-percent increase over 1959.

These figures are shocking in the full sense of the word. Indeed, I strongly hope that they are sufficiently shocking to force a truly responsible public inquiry into their meaning for a free and democratic society. And, while it may seem too pat an approach, I cannot conscientiously dismiss the idea of a basic relationship between these gross percentages and the same decade in which television passed from the status of luxury to that of practical necessity, and proved to have an almost totalitarian grip on the minds of the people. Further, that decade saw the rise of the great program cycles which are recognized in the programing of the industry: the cops-and-robbers cycle, the cycle of the western, of the private eye, and so on. A minimum of recollection will remind us that the dominant characteristic of the cycles, however, has been crime and violence.

Those of us who are professional youth workers have come to have a very healthy respect for the power and influence of so-called audiovisual techniques. There is hardly an up-to-date school or leisure-time program in the United States which is not equipped, today, with the latest technical facilities in sound, cameras, and projectors. The monetary investment alone, to say nothing of the operational successes, testifies to the extreme impact which such techniques have. Following that line of thought, therefore, I suggest that the same power—blissfully controlled in classroom, community center, parish hall—is literally raging uncontrolled from our television sets. And, far from hitting an environment-disciplined audience, it is hitting an audience comprised largely of young people and children who quite normally savor the sweet taste of rebellion—a well-documented temptation to youth.

I turn to another parallel. We have all heard it said that the United States is the most diet-conscious culture in the world. Millions of dollars are spent in the mere devising of biochemical and nutritional combinations which will effect this or that result: we put on, we take off weight; we build up muscle, we break down fat. But common to all these regimens is the notion of consistency: "Be consistent and you'll make it." Similarly, our social and industrial psychologists, and even our mail-order charm courses, emphasize the role of habit in attaining this or that desirable trait. Thus it would be ludicrous, gentlemen, to ignore or deride the influence of habit, and the product of habit, when it comes to the impact of television on our society.

In terms of the work of this body, then, two paramount aspects of television must be considered the basis of investigation: that is, the power of the medium in itself, and the multiplication of that power by habitual resort to the medium. Add to these factors the excess and glorification of crime.

I for one do not hesitate to echo the sentiments of the Attorney General of the United States, as reported recently,[1] that the portrayal of crime and violence is "a major factor" governing the appalling increase of juvenile delinquency.

What are some of the observable effects of the type of television programing we are discussing? For a moment, I would like to depart from comment on the clear-cut juvenile delinquency problem, and draw your attention to a more shadowy reality. In our regular dealings with great numbers of youth, the vast majority of whom would probably be labeled as "outstanding" or good, we find in the year 1961 young people possessed of an almost appalling sophistication. They are accustomed to the idea of vice, of violence, of the element of the brutal in human life, to a degree that stuns. Now, we are far from applauding the vague and naive young person; nevertheless, it is a serious matter when one encounters in fairly virtuous young people a tolerance of evil induced by nothing more nor less than the diet of terror fed them from the mass communications media—and more forcefully by television. I wonder if we intelligently and honestly can expect them not only to remain free of the taint, but to develop the public and private conscience upon which our society must rest. And I would say at this point that there is no dreamy indictment of the harsh realities of life in that last statement: yes—our young people must be aware of reality. However, I submit that the violence and brutality which we are discussing is not only excessive but also a distortion of reality which relegates the virtues, the law, and common civilization to a very poor last place.

Again, on the point that our youth should be made aware of reality, I submit that there is an astronomical distance between the portrayal of the universal idea of man's struggles and the portrayal in glowing and instructive detail of the techniques of sadism and brutality. Profoundly related to this aspect of the problem is the perversion of the awe-inspiring ability of the human being—particularly the young human being—to identify himself with an object or action outside of himself. To put it bluntly, we are in large part asking our youth to identify themselves with the cripples and scum of society.

The insidious character of the problem is highlighted in my opinion by the fact that we in the United States are not alone with the difficulty. As you may have seen in the press of a few days ago, England's Cardinal Godfrey and Dr. Ramsey both pointed the finger of guilt at graphic portrayal of vice as a central factor in the decline of British public morality. Considering this, I offer the opinion that the free and advanced nations of the West face a critical need to reinforce, or even rebuild, their internal, societal self-discipline—lest they abdicate their freedom and strength in favor of slow but certain moral decline. (And, in view of the FBI statistics, not too slow.)

What steps can be taken in the situation? A few suggest themselves immediately: industry self-policing, enforcement and where necessary expansion of existent legislative controls, and perhaps the most necessary, the relief of advertising and sponsorship

[1] Evening Star, July 12, 1961.

pressures on program directors—pressures related to the "giving the public, or the kids, what they want" school of thought. The latter often seems tantamount to offering courses in moral anarchy, and in terms of youth is often a degenerate appeal to buying power.

In looking to solutions, we can accept solace from such effective measures as those established in Canada in the recent past, where a rigid penalty structure exists in reference to a hard and realistically broad definition of obscenity. We can also see a step in the right direction in such legislation as that offered by Congressman McDOWELL, whose bill 8109 is presently in committee. Whatever courses are taken, however, must deal with tremendous forces and already massively entrenched results.

As a citizen responsibly and professionally committed to the field of youth work, I strongly urge that research be matched by action, that the common good in the spirit and letter of our Constitution be a guide, and that economic and artistic freedoms and interests be expressed in disciplined contexts worthy of a free nation.

The consciences of youth themselves are in the process of formation, as are their tastes and habits. Let us not give them a serpent instead of the bread they deserve.

H.R. 8435

A bill to amend title 18 of the United States Code to provide that the present penalties for obscenity on radio and television programs shall also include and extend to undue emphasis upon crime, violence, and brutality

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title 18 of the United States Code is amended by inserting after chapter 97 thereof a new chapter as follows:

"CHAPTER 98—RADIO COMMUNICATIONS

"Sec.

"2001. Obscene language.

"2002. Exploitation of sex.

"2003. Exploitation of crime, etc.

"§ 2001. Obscene language

"Whoever utters any obscene, indecent, or profane language by means of radio communication shall be fined not more than $10,000 or imprisoned not more than two years, or both.

"§ 2002. Exploitation of sex

"Whoever broadcasts, by means of radio communication, any matter a predominant characteristic of which is the undue exploitation of sex shall be fined not more than $10,000 or imprisoned not more than two years, or both.

"§ 2003. Exploitation of crime, etc.

"Whoever broadcasts, by means of radio communication, any matter a predominant characteristic of which is the undue exploitation of crime, horror, or violence shall be fined not more than $10,000 or imprisoned not more than two years, or both."

(b) The table of chapters at the beginning of part I of such title 18 is amended by inserting after

"97. Railroads"

the following:

"98. Radio communication".

SEC. 2. The following provisions of such title 18 are repealed:

(1) section 1464 (which prohibits the utterance of obscene language by radio communication); and

(2) that part of the analysis of chapter 71 which reads as follows:

"1464. Broadcasting obscene language."

SEC. 3. (a) Chapter I of title 18 of the United States Code is amended by adding at the end thereof a new section as follows:

"§ 15. Radio communication and broadcast defined

"The terms 'radio communication' and 'broadcast', as used in this title, have the same meaning that such terms have when used in the Communications Act of 1934."

(b) The analysis of such chapter I is amended by adding at the end thereof the following:

"14. Radio communication and broadcast defined."

American Nazi Party

EXTENSION OF REMARKS

OF

HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1961

Mr. HALPERN. Mr. Speaker, yesterday I called on the Secretary of Defense to look into reports that a civilian employee of the Department, a strategic technician, has figured in the notoriety of the American Nazi Party of George Lincoln Rockwell. This employee is reported to have furnished the so-called hate bus used by the Nazis to stir up racial and religious strife exploited by Communist propaganda. The employee has been reportedly involved in previous links with Rockwell's agitation. Surely an investigation of these reports is essential and, in my letter, I call on the Secretary of Defense to initiate such action immediately.

Mr. Speaker, the letter I sent to Secretary McNamara follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 2, 1961.

Hon. ROBERT S. MCNAMARA,
The Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: I am writing out of the deepest concern that, at a time when our Nation is seeking unity to face an unprecedented external peril, an employee of your Department is reportedly retained in a strategic job despite his association with George Lincoln Rockwell's so-called American Nazi Party to the extent that he purchased a hate bus for this group to send agitating storm troopers through the troubled Southern States.

Communist propaganda seeks to undermine NATO, with charges of "nazism" and "revanchism" while applying pressure on Berlin. This is hardly the time for Defense Department employees to associate themselves with Nazi groups and even provide a swastika-decorated hate bus. The Washington Post on July 30 reported violations of law by the Nazi group and the impounding of the notorious hate bus, a vehicle exploited by the Communist propaganda press and television in Moscow, East Germany, Red China, and even Havana, Cuba.

The Washington newspapers' report on July 30 said that "Arlington police said that tags for the bus are registered in the name of Schuyler Ferris, an Army Map Service employee." This was contained in news on Nazi depredations in nearby Arlington, Va. Mr. Ferris has previously been mentioned in connection with Nazi agitation and a Fascist front group for Rockwell called Fighting American Nationalists.

The Rockwell group officially claims affiliations in various foreign nations, among them Germany, Japan, Italy, Spain, Argentina, South Africa, and others. The enclosed official letterhead illustrates the international character of the movement with which your employee is apparently linked. If so, he should be required to register as a foreign agent under the United States Code 18 and certainly should have no access to classified data or even the right of employment in any capacity by the Department of Defense.

The Communists have cleverly exploited and exaggerated the continued existence and revival of vestiges of Nazism. I do not understand how the U.S. Government can justify continued employment of an individual so unstable politically that he facilitates totalitarian extremism and propaganda activities, whether Nazi, Fascist, or Communist. He is hardly the man to have access to our strategic maps at a time when the Nation is mobilizing in response to the President's call for a militant alert.

I would appreciate knowing whether Mr. Ferris is to be retained and what actions have been taken in the matter. I regard this as a matter of gravity and am perplexed that such an individual has classified access to our Army's secret maps. Please advise at your earliest convenience on your inquiry and be assured of my sincere appreciation.

Yours truly,

SEYMOUR HALPERN.

Higher Education and the 87th Congress

EXTENSION OF REMARKS

OF

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1961

Mr. GIAIMO. Mr. Speaker, this House cannot evade the problems facing our Nation's educational system. The American people, in this challenging time, are concerned lest their investment in education today prove inadequate to the demands of tomorrow. I am confident, therefore, that, regardless of their individual viewpoint on the question of Federal participation in education, the American people will not tolerate evasion of the issue on the part of their elected leaders and representatives. Questions affecting the education of our people are of vital interest to every American who places concern for the future of this Nation above personal desires and prejudices. I submit, gentlemen, that these good citizens will not allow this body to shirk its responsibility to air the matter in free, open debate, and that in the very near future, this House must come to grips with the problems of the American educational system.

In expectation of that discussion, I wish to call attention to comments penned some months ago by my good friend and respected colleague, Congressman JOHN BRADEMAS, of Indiana. In the April issue of the magazine Higher Education, Representative BRADEMAS discusses with admirable perception the responsibilities which rest

with this Congress regarding education legislation. I ask that the Congressman's article be reprinted at this point in the RECORD:

HIGHER EDUCATION AND THE 87TH CONGRESS

(By Hon. JOHN BRADEMAS, of Indiana) [1]

(The reader is asked to keep in mind that Congressman BRADEMAS completed this article early in March, for what was then hoped would be a late March or early April publication. The ensuing developments in the Congress have borne out the major conclusions reached by Mr. BRADEMAS, and attest his splendid grasp of the issues at stake.)

The Government has no inclusive and consistent public policy as to what it should or should not do in the field of education. Whatever particular policies it seems to be pursuing are often inconsistent with each other, sometimes in conflict. They suggest a haphazard development, wherein policies of far-reaching effect have been set up as mere incidents of some special attempt to induce an immediate and special efficiency.

Without a comprehensive, forward-looking, and coherent public policy in regard to education the present educational situation in the Federal Government cannot be greatly improved.

This wry assessment does not represent the findings of one of the task forces commissioned by President Kennedy last year. The conclusion appears in a report published in 1931 by the National Advisory Committee on Education appointed by President Herbert Hoover.

I would begin an appraisal of the prospects for action by the 87th Congress on higher education by predicting that no grand design will be achieved. Rather I expect that Congress will continue its pragmatic, piecemeal approach in considering proposals in this field.

I anticipate that Congress will follow its pattern in higher education of enacting legislation aimed at meeting specific and widely recognized needs rather than pass any broad programs of aid. We can also assume that any education legislation will carry precautions against Federal interference.

For a variety of reasons, the outlook for favorable action by the 87th Congress on education generally, including higher education, is better than it has been for many years. A fact of major importance is that the President and the majority in Congress are of the same political party. Democrats in Congress are naturally more likely to look with sympathy at the proposals of a Democratic than of a Republican President, the southern Democratic-Republican coalition notwithstanding. In addition, I think that a bloc of 20th-century Republicans is very likely to support a number of President Kennedy's recommendations on domestic policy, specifically including education.

I think it is also a matter of the first importance to recall that no candidate for the Presidency in history has given such attention in a campaign to the issue of education as John F. Kennedy.

THE PRESIDENT'S PROPOSALS

Because Mr. Kennedy gives every sign of being a Chief Executive who will exercise strong leadership, it would be wise to look to his special message to Congress on education of February 20, 1961, to see what he proposes in the field of higher education.

The President characterized his recommendations as "an essential though modest contribution which the Federal Government must make to American education."

In his message President Kennedy called for:

1. Extension of the present college housing loan program with a 5-year, $250 million annual program for residential housing.

2. Establishment of a new long-term, low-interest-rate loan program, also for 5 years, at $300 million a year, for academic facilities—classrooms, laboratories, and libraries.

3. Inauguration of a 5-year program with an initial authorization of $26,250,000 for scholarships for college students chosen on the basis of talent and financial need. Twenty-five thousand scholarships would be offered the first year averaging $700 each, 37,500 the second, and 50,000 for each succeeding year, the maximum stipend to be $1,000. An additional allowance of $350 for each scholarship student would be provided the college or university he attended.

That the President's proposals for higher education are in fact modest is immediately apparent when they are compared with other recent recommendations made in this field. For example, the Task Force Committee on Education to Mr. Kennedy, chaired by the president of Purdue University, Frederick L. Hovde, urged a combined program of loans and matching grants for academic facilities of at least $500 million for the first year, this figure to increase in succeeding years. The Hovde report of January 6, 1961, also called for an annual authorization under the college housing loan program of $350 million rather than the $250 million requested in the President's message.

The American Council on Education 1 month later, on February 11, 1961, proposed a comprehensive legislative program for higher education which included slightly less money for college housing loans than did the Hovde committee. The council also asked for a combined loan-grant program for academic facilities in the same ratio as the Hovde report (70 percent for matching grants and 30 percent for loans) but for twice as much money. The ACE asked for a 4-year loan-grant program averaging $1 billion a year: the Hovde committee urged $500 million the first year; the President asked only $300 million, and for loans only.

Another indication that President Kennedy's recommendation for a new program for academic facilities is far from radical was the action taken on January 11, 1961, by the Association of American Colleges, the new president for which is another distinguished Indiana eduactor, the Reverend Theodore M. Hesburgh, president of the University of Notre Dame.

The AAC asked not only for Federal loans for academic facilities but for the alternative of matching grants as well. Because the AAC represents 800 accredited liberal arts colleges, about 95 percent of all within this category in the country, and because some institutions had previously been opposed to Federal grants, the New York Times described this resolution as "significant."

I think it also significant that the 17th American Assembly of May 1960, held at Arden House, Harriman, N.Y., in which this writer was a participant, strongly recommended Federal matching grants for academic facilities. I say "significant" because the recommendations of the assembly were considerably more conservative than those of either the Hovde committee, the ACE, or the AAC.

In sum, as the columnist Roscoe Drummond, who describes himself as "a middle-of-the-road conservative," wrote last month, "President Kennedy has submitted to Congress a prudent and carefully conceived aid to education bill which should win maximum Democratic and Republican support."

But resolutions and reports are not enough. Nor is it prudent to conclude that, because a bill has been assigned a high priority by the President, has attracted support in Congress, and even been favorably reported by the responsible committee, it will win early and easy passage. Why not?

The legislative traffic is heavy. In one session of Congress, some 15,000 bills may be introduced. Still more important, the President has many other measures in which he is interested. Legislation on higher education must in this sense compete with bills on depressed areas, housing, health insurance for the aging, and the minimum wage, to cite just a few major issues on which the President has pledged action.

The economic recession and the widespread unemployment which it brings is already demanding much of the time and energy of the new administration. Foreign policy aside, it is the battle to reverse the economic slump that will require most of the President's troops and supplies, for a time at least.

Yet President Kennedy has expressed himself with such urgency on education during the campaign and since his election that there can be little doubt that he feels deeply about the subject.

The proponents of a wider role for the Federal Government in higher education can take heart at other signs in addition to the President's commitment to action in this field. Two significant changes have already occurred in the 87th Congress that should make more likely legislative support for higher education.

PROSPECTS FOR SUPPORT

Speaker RAYBURN'S January victory in the struggle for control of the House Rules Committee over the Republican-Dixiecrat coalition removes a formidable obstacle from the path of bills for higher education as well as many other proposals that President Kennedy will offer. The leading figure in the House of Representatives in higher education, the father of the National Defense Education Act, and one of the ablest and most distinguished Members of Congress, CARL ELLIOTT, of Alabama, has left the Education and Labor Committee to join the Rules Committee. Happily, Congressman ELLIOTT will be replaced as chairman of the subcommittee which deals with higher education (the Special Subcommittee on Education) by one of the most intelligent and effective Representatives in the House, Mrs. EDITH GREEN of Oregon. The other Democratic members of this subcommittee are all strong Kennedy supporters: ROBERT N. GIAIMO, of Connecticut, NEAL SMITH, of Iowa, and the writer of this article.

The Republican members of the subcommittee, JOHN M. ASHBROOK, CHARLES E. GOODELL, and ALBERT H. QUIE, are all young, able, and intelligent Congressmen and all likely to be somewhat more conservative with respect to education than the Democratic members but, I should think, open-minded.

In the Senate, the chief champion of higher education is Senator JOSEPH S. CLARK, of Pennsylvania. Because the conservative coalition is less effective in the Senate than in the House, I should think the President's proposals for education would have far less trouble there. And therefore, as is likely to be the case with nearly all the Kennedy do-

---

[1] Member of the House Education and Labor Committee and its general and special Subcommittees on Education—87th Cong. On Nov. 4, 1958, Mr. BRADEMAS was elected as a Democrat to represent Indiana's 3d Congressional District in the U.S. House of Representatives. He received the B.A. degree from Harvard in 1949 and, as a Rhodes Scholar for Indiana, received the Ph. D. degree from Oxford University, Oxford, England, in 1954. He served as administrative assistant to U.S. Representative THOMAS LUDLOW ASHLEY, of Ohio, in 1955; legislative assistant to U.S. Senator PAT MCNAMARA of Michigan, also in 1955; executive assistant to Adlai E. Stevenson, 1955–56; and assistant professor of political science, St. Mary's College, Notre Dame, Ind., 1957–58.

Congressman BRADEMAS served in the U.S. Navy during World War II (1945–46).

mestic programs, the House will be the chief battleground.

The second significant factor in the improved outlook for congressional action on higher education is the new chairman of the House Education and Labor Committee, Congressman ADAM CLAYTON POWELL, of New York. Mr. Powell, who talked with a large number of university presidents during his 1960 campaign tour on behalf of the Kennedy-Johnson ticket, can be counted upon as a strong advocate of more Federal support for higher education.

It is also important to say that Mr. POWELL, author in past years of the controversial amendment to withhold Federal funds from educational institutions practicing segregation, has indicated he may not offer such an amendment to the Federal aid bill for elementary and secondary education this year. He hopes that Executive action will make such a rider unnecessary.

On the other hand, the Civil Rights Commission, on January 12, 1961, urged the Federal Government "by executive or, if necessary, by congressional action," to bar all aid from public colleges and universities that exclude or discriminate against Negroes.

At this writing, it is not possible to predict with any certainty the impact of the civil rights issue on legislation either for elementary and secondary or for higher education. I think the problem of aid to private and parochial institutions, on which I shall comment later, is likely to be a more dangerous reef for education bills than the issue of segregation.

TIME TO ACT

It is from beyond the commitee room and the floors of Congress, however, that public opinion acts with force to enhance or impair the prospects for passage of specific legislation. For this reason, I must make the perhaps paradoxical point that on legislation of benefit to higher education, those with most at stake and most prestige to lend frequently do least for their own cause. Few college and university teachers and administrators have fought through the heat of the midday when legislation on higher education has been pending in Congress. Many, however, are articulate in their criticism of the shortcomings of Congress in attempting to remedy the shortages in education.

I find it revealing that major Federal programs in higher education have seldom been passed for the sake of higher education. The Morrill Act was enacted in the name of the mechanical arts and agriculture. The buildings the PWA constructed on college campuses during the 1930's were the fruit of an antidepression program. The GI bill was recommended as veterans' legislation. It was more on the "defense" in the title of the National Defense Education Act of 1958 than on education that Members of Congress justified their votes for the bill.

I am aware that many university administrators feel that the needs of higher education are self-evident and that the national interest clearly requires Federal assistance. I have also detected a strong reluctance on their part to lobby for such assistance coupled with a considerable lack of knowledge of how to do it. That there is a price to be paid for such fastidiousness and ignorance I think the story of the (a) loyalty oath and (b) affidavit of disclaimer of disloyalty in the National Defense Education Act clearly illustrates. A similar oath and a disclaimer were included in the law which created the National Science Foundation a decade ago. I do not recall that these features aroused any strong protest from the university community. The oath and disclaimer were added to the National Defense Education Act in the Senate a matter of weeks before the bill was passed. Opposition, particularly to the affidavit, gathered force only after the bill was passed, and the regulations accompanying the law were published. Last year, while President Kennedy served in the Senate, he led an attempt to remove the disclaimer affidavit.

Although both former President Eisenhower and President Kennedy favor repeal of the affidavit and although certain organizations representing university teachers and administrators have passed resolutions for repeal, there has been astonishingly little mail to Members of Congress, even to those of us on the Education and Labor Committee from either professors or presidents asking repeal. Members of Congress are very busy and are subject to a great variety of pressures. I would, therefore, ask: If only a few of those most directly concerned trouble to make their views known on an issue such as repeal of the affidavit, why should Members of Congress become particularly excited? A Congressman who votes for repeal of the affidavit, even if supported by the views of Eisenhower and Kennedy, may face the charge of voting against loyalty. If the principle involved is cited as the reason a Congressman should be self-generating on this issue, I can only reply that there are more principles to champion than a Congressman has time for if he is to be an effective Representative.

There is, however, hopeful evidence that academic organizations and administrators are becoming more aware of the importance of organized support for Federal measures they regard with favor. I have referred to the January 1961 resolution of the Association of American Colleges for grants and loans for the construction of academic facilities for colleges and universities. I have cited the February action of the American Council on Education in proposing a massive program of nearly $6 billion of Federal aid tc colleges over the next 4 years.

These are recent examples which indicate a change in attitude. But I must reiterate that resolutions are not enough. The land-grant colleges and the State universities, with their experience of dealing with State legislatures, are much more sophisticated and active in working in Washington for programs they favor than are the private colleges and universities. For example, it is now apparent that there is considerable organized support behind proposals to expand university extension programs backed by Federal funds. I expect that legislation to this end will be considered by the 87th Congress.

WHAT AID FOR HIGHER EDUCATION?

For some of the reasons I have suggested, it is hazardous to predict in March what proposals offered in the 87th Congress will be enacted into law. I think we can fairly assume that during the next 2 years, the Congress will move to extend and modify the National Defense Education Act and that there will be a strong effort to make Federal funds available to the universities and colleges to build academic facilities, in line with President Kennedy's proposal for long-term, low-interest rate loans, at least, and perhaps through grants as well.

Unlike dormitories and student union buildings, which now qualify for construction loans under the college housing loan program, classrooms and laboratories (for which, to repeat, President Kennedy has just proposed loans as well) produce no revenue and are therefore not "self-liquidating." If Congress should decide to provide institutional grants for academic facilities, as distinguished from loans, I believe Congress would wish to be certain that such grants would be used to meet genuine deficiencies in academic facilities and not be diverted to such purposes as gymnasiums, community service projects, or public relations programs.

The fact that the President recommended only loans and not grants for academic facilities unquestionably disappointed many colleges and universities. The Hovde task force has urged a larger amount a year for such construction, 70 percent of it in grants and the rest in loans. The grant proposal was especially significant to the many State universities and land-grant colleges which are financed by State funds and have no authority to borrow.

Some university educators were also dismayed that the President had not asked for more money for higher education.

I would point out, however, that Congress has not yet passed legislation for aid to elementary and secondary schools, a far more widely debated and widely recognized need. It seems to me unreasonable to expect Congress to act favorably on a broader program for higher education until (a) there has been action on an elementary and secondary school bill, and (b) there has been a more aggressive campaign than at present on behalf of legislation for higher education.

I expect that President Kennedy and the friends of higher education in the 87th Congress will move to extend and expand the National Defense Education Act during this session. The recent report of the consultants to the Secretary of Health, Education, and Welfare and the Commissioner of Education of January 4, 1961, offers a useful starting point for a discussion of possible changes in the NDEA. The President has said he will send Congress his own recommendations on the NDEA at a later date.

The panel of 21 consultants included a heavy representation of capable public school administrators together with presidents and deans of colleges and universities, both private and State supported. In the group were such prominent commentators on educational policy as Dr. James B. Conant and Prof. Arthur Bestor. This was primarily an educational administrators' panel and the members therefore brought to their task an intimate experience with the NDEA as it operates.

The present act will expire June 30, 1962. The consultants urged that the law be extended for 5 years with a substantial increase in funds to enable institutions to make longer range plans. I think it likely that Congress will agree during this term to an extension of the NDEA for a period of 5 years.

The consultants also recommended that the loan program for college students be continued and that the provision of the law which permits cancellation of up to 50 percent of a loan for students who enter public school teaching be extended to all school and college teachers. This proposal, of course, raises the sensitive issue of whether Federal funds can appropriately be used for private schools. In this connection, it is perhaps significant that both the Hovde report and the more conservative 17th American Assembly agreed that the forgiveness feature should be extended to all teachers.

AID TO PRIVATE SCHOOLS

I suppose this is as good a place as any to note that the general issue of public moneys going to private schools will be a major factor in the development of all legislation for education, whether for elementary and secondary schools or for higher education, and that tensions over the issue are likely to rise rather than to diminish.

There will be those who say that the Constitution is clear in specifying that Federal funds shall not be used for private purposes. Against this view, many will argue strongly that the national need for teachers is imperative and that Federal aid of this sort is being given an individual, not an institution.

President Kennedy certainly has made his position clear. He is opposed to any direct aid to private schools and believes such aid prohibited by the Constitution.

The President does not agree, however, that his proposal for scholarships that may be used by students attending private colleges is subject to the same prohibitions.

At his March 1 press conference, Mr. Kennedy said, "The aid that we have recommended to colleges is in a different form. We are aiding the student in the same way the GI bill of rights aided the student. The scholarships are given to the students who have particular talents and they can go to the college they want. In that case it is aid to the student, not to the school or college, and, therefore not to a particular religious group. That is the distinction between them."

INSTITUTES FOR TEACHERS

The consultants propose also a broadening of the summer institutes provided under title VI of the act, which now provide for summer training for elementary and secondary school teachers of foreign languages. They ask that the institutes also be operated for elementary and secondary teachers of English.

The letters that cross a Congressman's desk document the deplorable fact that our schools are producing too many semiliterates. Surveys such as the recent one of teacher preparation by the National Council of Teachers of English make it clear that we need more English teachers and better ones. It seems to me that the summer institutes in foreign languages operated under the NDEA and those in mathematics and science financed through the National Science Foundation have proved a most effective means of raising the competence of the teachers already in the schools by remedying their deficiences in subject matter and acquainting them with new materials and techniques.

I believe the case for adding institutes in English to the NDEA program is a strong one. With the inclusion of English, inservice training programs (which already embrace foreign languages, mathematics, and science) would cover most of the subjects essential for college preparation.

In this context, I think it also fair to observe that the institutes have restored to the liberal arts colleges and the universities a greater share of the responsibility for raising the level of competence of teachers in our schools. I have heard that the institutes are looked upon with disapproval in some universities as simply adding a further strain to overtaxed facilities and overburdened faculties. But the institutes and the idea of inservice training they represent are hopeful examples of a way in which higher education can directly and constructively influence the schools.

SCHOLARSHIPS FOR STUDENTS

For the most part, the consultants recommended including more programs within the National Defense Education Act and more money for them. Their major proposal for a new title in the law, the creation of a Federal scholarship program for undergraduates, was in broad outlines adopted by President Kennedy in his February message. The consultants called for some 25,000 4-year undergraduate scholarships annually with awards of up to $1,000 a year for each recipient and $500 to be paid to the institution in which the scholarship holder is enrolled.

In the late days of debate over the National Defense Education Act in 1958 a scholarship program was dropped from the act. Although there was a good deal of support in Congress for a scholarship program, it appeared that the sacrifice of the scholarships was the price of acceptance of the rest of the bill by many Members of Congress. I would think the outlook for the President's scholarship proposal this year to be a far brighter one. If such a general scholarship program is passed early enough in the 87th Congress, there will probably be a waning of the support for the proposal of another champion of higher education in Congress, Senator RALPH YARBOROUGH, Democrat, of Texas, for an extension of the GI bill for some half million peacetime veterans.

CONGRESSIONAL ATTITUDES

In attempting to assess the temper of Congress on legislation for higher education, I would say that most Members of Congress are aware of the immense pressures on the colleges and universities. The relentless projections show that college population will double by 1970 and that there will be a serious shortage of college teachers. Not only will it be necessary to raise faculty salaries to make university careers more attractive, but it will also be necessary to make the investment to expand satisfactorily the facilities and faculties for graduate study and research.

I believe that Congress will act to help the colleges meet the emergency of numbers. But this does not mean that we will see higher education "federalized." The values and the vitality of our mixed system of private and public institutions depend on their continued support by tuition, philanthropy, and State and municipal funds. I think it is clear, however, that the size of the Federal Government's contribution to higher education will grow, and in terms of the economics of higher education, must grow.

Members of Congress also know that in addition to specific Federal programs affecting higher education, the Government makes grants for research to universities totaling some half billion dollars a year, which amount to a significant 15 to 20 percent of university budgets.

Congressmen understand, as well, that many irritations and some genuine grievances are generated both by the system of grants and by the Federal aid programs, which can be more accurately described as a purchase of services by the Government. For example, although 15 percent overhead payments do not fully cover such costs, no provision for administrative expenses is made in Federal loan programs. To cite another example, some argue that the Government gets campus facilities for ROTC programs free.

Not all of these difficulties can or should be resolved in such a way as to enable the universities to participate in Government programs at a bookkeeping profit. Yet I am convinced that a much wiser and more efficient use of Federal funds can be made and that new Federal programs can be better programs if university authorities take a greater part in what political scientists call the decisionmaking process.

We Need Relief for Textiles, but Not at Expense of Farmers

EXTENSION OF REMARKS

OF

HON. JAMIE L. WHITTEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1961

Mr. WHITTEN. Mr. Speaker, I am serving my 12th year as chairman of the Agriculture Appropriations Subcommittee. I have probably worked as close to the cotton and cotton textile problem for a long period of time as any other Member here.

This year I joined with some 130 of my colleagues, with the gentleman from Georgia, Congressman CARL VINSON, acting as chairman, in efforts to get action by our Government to protect the domestic textile industry against increased imports of textile goods. Such imports have more than tripled in a very short time. It is my opinion that the cheap labor which is available to foreign mills makes relief under section 22 of the Agricultural Adjustment Act necessary.

Unfortunately, efforts at relief now seem to be directed toward either giving up foreign markets for U.S. cotton or reducing domestic prices to world levels. I believe this has resulted because the full story has not been told to my colleagues and to the President.

On July 27, 1961, the gentleman from Georgia, Congressman VINSON, chairman of the congressional group, issued a news release in which, among other things, he stated the following:

> The next concerns the differential that now exists between the domestic price of cotton and the much lower price at which cotton can be purchased by foreign textile manufacturers. Until this differential is offset, the U.S. industry is at a serious competitive disadvantage.

Earlier, on May 2, 1961, following the visit of the gentleman from Georgia [Mr. VINSON] and Representatives of our group in the Congress with President Kennedy, the White House issued a news release which contained the following statement:

> Fourth, I have directed the Department of Agriculture to explore and make recommendations to eliminate or offset the cost to U.S. mills of the adverse differential in raw cotton costs between domestic and foreign textile producers.

Mr. Speaker, the American textile industry has, and does now receive, a cash differential to offset the competitive price of cotton sold abroad. Since we started offering cotton at competitive prices in world trade, the following payments have been made to the American textile industry to offset such competitive world price offerings in world trade:

1956–57	$13,895,998.11
1957–58	15,549,304.77
1958–59	13,159,356.04
1959–60	17,187,224.01
1960–61 (through Nov. 21, 1961)	14,208,530.78
Total	74,000,418.71

I am sure these facts have not been fully presented to our colleagues or to the President. It makes me fearful that the real desire of some outside interests is to use this issue to destroy all farm price supports. Some of these interests have opposed any price protection for the farmer over the years.

If cotton prices in the United States were dropped to world levels, with present high costs of production, it would bankrupt American cotton producers. On the other hand, unless our offering price on raw cotton in world trade is kept competitive, American cotton producers will lose their foreign exports which are one-third of their market; and this, too, would mean bankruptcy—and the effect in either case would be disastrous to the overall U.S. economy.

I repeat—relief for the American textile industry is needed. It should come under section 22 of the Agricultural Adjustment Act. The authority to limit imports is clear and the need is great.

In this connection, under leave to extend my remarks, I submit a statement on competitive sales in world trade, the necessity for it, its justification and history, which I issued on February 14, 1961. This statement was carried in full in the March–April 1961 edition of Cotton Farming.

May I say, subsequent to release of the statement, the majority leader advised me the quotation attributed to him by the press had been lifted out of context

The statement follows:

STATEMENT BY CONGRESSMAN JAMIE L. WHITTEN, APPROPRIATIONS COMMITTEE—CHAIRMAN, SUBCOMMITTEE FOR AGRICULTURE

An article carried by the American press under Associated Press dateline of February 10, 1961, quotes what purports to be a statement of the majority leader of the U.S. Senate, then visiting in Mexico, as follows:

"He said he hoped the cotton-dumping program would ease off, and pointed out that during the last 2 years it already has been decreased."

Competitive price is essential to sell and seling competitively certainly is in no way dumping. I trust if any such statement was made by our Senate majority leader it was in reply to a "loaded" inquiry and does not represent a prepared statement of the Government of the United States.

Selling at competitive prices in world trade is a right exercised by all nations of the world. Much of U.S. agriculture has historically been dependent upon export sales for its economic health. It is a matter of record that much of the present plight of U.S. agriculture is a direct result of our Government holding U.S. production off world markets for a number of years.

The words attributed to the majority leader are most unfortunate. They may be used by some to again argue that American products should be held off world markets at competitive prices. The Secretary of Agriculture of Mexico and other Mexican representatives have spent hours here in Washington trying to get us to agree to return to the policy of holding U.S. commodities off world markets at competitive prices, so as to hold an umbrella over the expanded Mexican production. This we have refused to do.

In the absence of international agreements, all countries offer the commodities they have for sale in world markets for what they will bring: competitive prices; and we have limited ourselves to less than our historical market. It appears, however, that those who can benefit from the United States holding its offering price above world market prices continue to claim that the United States should hold an umbrella over its competitors. They maintain that the United States is unfair when it attempts to preserve its share of export markets through competitive sales. They know that domestic price supports are to offset high American costs and have no relation to export sales at competitive prices. Except for competitive pricing, the Government would be billions of dollars worse off and American farmers completely bankrupt.

To return to the shortsighted, noncompetitive pricing of the past would wreck American agriculture, would greatly increase the drain on the U.S. Treasury, and would destroy any effort by the new Secretary of Agriculture to place American agriculture on a sound economic basis before he gets started.

We should review the record.

COMPETITIVE SALES FOR DOLLARS ESSENTIAL

The charter of the Commodity Credit Corporation has always provided for the sale of CCC-owned commodities in world trade at competitive prices. After wartime demand dropped off, the Department, as a governmental policy, refused to use this authority, presumably to help in the restoration of the economy of certain foreign governments. During a period of several years, the United States offered its agricultural commodities in world trade at fixed prices, which had the effect of holding an umbrella over our competitors, including Mexico, who offered their production at prices just under our offering prices. They got the markets, and we filled up our warehouses.

U.S. commodities, not offered competitively but held in warehouses, were then used to bring about further reductions in U.S. acreage for a number of basic commodities. During this period CCC holdings increased from $1 billion in 1952 to $5 billion in 1955.

Our committee, in an effort to find out why any department would follow such a policy, developed the fact that the chief proponents of this policy of holding U.S. production off world markets were the large U.S. international producers and merchants who have huge investments and holdings in Mexico and other countries. The names and facts are to be found in volume I of our hearings for 1957, pages 121 to 149.

With regard to cotton during this period, the United States attempted to bring world production and supply into balance by reducing its production. Special committee studies show that acreage in the United States was reduced from a prewar average of 28.4 million acres to 16.5 in 1955. They also indicate that during this period when the United States reduced its acreage, foreign acreage increased at a rate which more than offset U.S. production (pp. 100–102, vol. I, 1957 hearings).

These studies show further that foreign cotton production increased 49 percent between 1949 and 1954, while U.S. production, as a result of cuts in acreage, decreased 16 percent (p. 4, special CCC hearing, 1956).

While the statement attributed to the Senate majority leader has to do with cotton, the erroneous and shortsighted policy of our Government for a number of years applied to all commodities of which we had a surplus. Our committee studies show that, during the period 1951 to 1955, foreign countries increased production of all basic commodities (p. 83, vol. I, 1957 hearings).

COMPETITIVE SALES PROGRAM SUCCESSFUL

It was at the instance of our committee that the Department was finally prevailed upon to move back into world markets on a competitive basis, in line with the policy followed by other countries.

In 1954 the Department offered a limited number of commodities at competitive prices in world markets. These included small amounts of peanuts, whey, barley, beans, cottonseed oil, linseed oil, oats, rye, flaxseed, vetch, and grain sorghums. Sales totaled about $93 million (pp. 1691–1692, vol. IV, 1957 hearings).

In 1955, after further urging by our committee, the Department offered all CCC-held commodities except cotton for sale in competitive world trade, including butter, dried milk, cheese, corn, rice, wheat, and soybeans, not previously offered. The resulting sales reached $219.5 million (pp. 1693–1695, vol. IV, 1957 hearings).

By December 31, 1955, holdings of CCC-owned cotton had reached 7.9 million bales worth nearly $1.5 billion—all held off world markets due to the Department's erroneous export policies (p. 1686, vol. IV, 1957 hearings).

In January 1956, under continuing pressure from our committee, the Department finally offered 1 million bales of cotton for sale in world markets at competitive prices. Much to the surprise of Department officials, who expected a 6-month program, this cotton was sold in less than 2 months (pp. 11–35, special CCC hearing, 1957).

Despite this successful experience, however, the Department delayed further offerings at the request of the large American international cotton traders. After three successive failures to make such offerings, the Congress passed the "Export Sales Act of 1956" which required the Department to use its authority to sell cotton and other commodities competitively in world markets. Special studies made by the committee indicated that this new policy was well accepted abroad and gave confidence to users of American commodities that the United States would again become a regular and dependable world supplier of such commodities (p. 106, vol. I, 1958 hearings).

As a result of this new law, and further urging by our committee, the Department again began offering its commodities, including cotton, for export sales on a competitive basis. Dollar exports of U.S. products totaled $2.8 billion in fiscal year 1957, including 4.2 million bales of cotton worth $660 million. In fiscal year 1958, dollar exports again reached $2.8 billion, including 5.7 million bales of cotton worth $553 million.

The Department again abandoned its competitive export sales program for cotton for the crop year 1958–59 at the insistence of the same international cotton traders. While dollar exports were $2.4 billion during this period, cotton exports dropped to 1.3 million bales worth only $153 million (about one-fourth of the 2 previous years when the competitive export program was in effect).

After a full investigation of the Department's failure to maintain export sales on a competitive basis in 1958–59, the Comptroller General of the United States ruled that it was in violation of the Export Sales Act of 1956. He stated, "This action, in our opinion, does not comply with the requirement of section 203 of the Agricultural Act of 1956 (7 U.S.C. 1853)."

Competitive sales were started again for the 1959–60 crop year as the result of special hearings and strong recommendations of our committee. As a result, dollar exports for the fiscal year 1960 increased to $3.2 billion. Cotton exports increased to 5.4 million bales worth $671 million, the levels of 1957 and 1958 when the competitive export program was in effect.

SIGNIFICANT FINDINGS

Special investigations made by the committee during the years 1954 through 1957 developed the following significant findings:

1. Reductions in U.S. agricultural production did not cut back world production. Foreign production increased as U.S. production was reduced. Between 1951 and 1955, foreign production of the basic commodities increased as follows: Cotton, 28 percent; wheat, 6 percent; corn, 19 percent; rice, 13 percent; tobacco, 9 percent; peanuts, 14 percent (pp. 83–89, vol. I, 1957 hearings).

2. Much of the increased production in other countries has been supported by American capital and know-how. The assurance of a U.S. umbrella over world prices has enabled those concerns to develop profitable operations in countries where labor and other costs of production are much below those in the United States (pp. 89–92, vol. I, 1957 hearings).

3. Nearly $1 billion of U.S. foreign aid has been used between 1948 and 1955 to promote agriculture in foreign countries. In addition, $710 million of U.S. counterpart funds has been used to improve and increase agricultural production. At one time, there were 738 U.S. agricultural technicians abroad under the foreign aid program advising other countries in these matters (p. 79, vol. I, 1957 hearings).

4. Cotton production in Mexico increased from a prewar 5-year average of 334,000 bales to 1.8 million bales in 1954. Mexican cotton exports increased during the same

period from 105,000 bales to 1.2 million bales (p. 95, vol. I, 1957 hearings).

5. During the period 1935 to 1939, the United States had 42 percent of the world export markets for cotton. By 1955–56, this was reduced to only 19 percent and Mexico had become the second largest exporter with 16 percent of the world cotton market. Much of this expansion was U.S. financed (p. 249, vol. VI, 1958 hearings).

Schedule of Grassroots Conferences in Third Ohio District

EXTENSION OF REMARKS
OF
HON. PAUL F. SCHENCK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 3, 1961

Mr. SCHENCK. Mr. Speaker, it is an honor and a privilege to represent the people of the Third District of Ohio here in the Congress of the United States. I am deeply grateful for this opportunity to be of service, and it is my constant desire to serve my constituents in the best way possible. During my service here I have made it my regular policy to keep in close touch with the people of my district so that I may know how they feel about the many important issues facing us here in Congress.

In the face of the critical worldwide conditions presently before us these conferences become even more meaningful in reflecting the opinions of the folks in our district.

I have considered it my duty, as the representative of this great district, not only to be well informed of the opinions of my constituents but also to be of the greatest possible service to persons having problems dealing with agencies or departments of our Federal Government.

Ten years ago I initiated the idea of holding grassroots conferences throughout our district, and I have continued this practice each year during the time Congress is in adjournment. I also have a full-time congressional service office at the U.S. postoffice building in Dayton, where I can meet with people personally at any time that my official duties permit me to return to the district.

During the time I am in Washington attending to legislative and official duties, a competent secretary is in charge of my district service office to assist callers and to help them with requests for aid in dealing with the Federal Government so that I can be of every proper assistance to them.

In these ways I have sincerely tried to keep well informed as to the personal opinions of my constituents, and I have also tried continuously and sincerely to be of every proper service to them.

Members of Congress are constantly called upon to give careful and earnest consideration to legislation dealing with many complex national and international problems. These day-to-day decisions often affect the lives and living of every citizen in our Nation. Consequently, these personal and private conferences help me to serve all of the people in my district in a much more effective manner.

This year, during our official congressional recess, I am again taking time to hold these grassroots conferences throughout our district at convenient public buildings. I deeply appreciate the fine cooperation of the many officials who have made these meeting places available to me as an aid in rendering this public service.

This is the schedule I have arranged:

Dayton Post Office, room 314, October 2 and 3, 9 a.m. to 4 p.m.

Germantown City Building, October 5, 4 p.m. to 8 p.m.

Miamisburg City Building, October 6, 4 p.m. to 8 p.m.

Phillipsburg City Building, October 7, 1 p.m. to 3 p.m.

Brookville City Building, October 7, 4 p.m. to 8 p.m.

Hamilton Courthouse, October 9, 9 a.m. to 4 p.m.

Middletown American Legion, October 10, 9 a.m. to 4 p.m.

Oxford Municipal Building, October 11, 4 p.m. to 8 p.m.

Fairfield City Building, October 12, 4 p.m. to 8 p.m.

I have been greatly encouraged by the increased attendance at these conferences each year. It is sometimes surprising to see how much can really be accomplished when a citizen and his Congressman can sit down face to face and talk over problems of mutual concern.

Special appointments are not necessary for these conferences, and I sincerely urge individuals or groups to meet with me on the date and at the place most convenient to them. The knowledge obtained through these grassroots conferences will help me to render better service, both legislative and personal, to all of the people of our important Third District as their Representative in the Congress of the United States.

Nation's Top Teenage Driver To Be Honored

EXTENSION OF REMARKS
OF
HON. J. EDWARD ROUSH
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 3, 1961

Mr. ROUSH. Mr. Speaker, the importance of safe driving habits in our youthful drivers cannot be overemphasized. The traffic toll in loss of human life, in human suffering, and in property destruction is staggering. If we are to ever make significant progress in accident prevention, our young people who are just learning to drive must prepare to assume their responsibilities for safety behind the wheel.

Tonight, here in Washington, America's top teenage driver will be honored. For the past 4 days, 50 young men and 1 young girl representing each of the States and the District of Columbia have been competing for the distinction and honor of being our Nation's outstanding young driver.

The occasion is the 10th annual Teenage Safe Driving Road-E-O of the U.S. Junior Chamber of Commerce. This year Jaycee-sponsored Road-E-O's in more than 2,000 local communities across the land attracted nearly one-half million contestants. Although just one youngster will be honored tonight, all America will benefit from this competition, because nearly a half million of her newest drivers have learned more about driving and the need for safety on the road.

I congratulate the U.S. Junior Chamber of Commerce for this fine program of traffic safety education. I commend the sponsors of the Road-E-O whose contributions make the program possible. They are the Insurance Institute for Highway Safety, the Pure Oil Co., and the Chrysler Corp. I urge that they continue to promote safe driving through this worthwhile program.

The purpose of the National Teenage Safe Driving Road-E-O is "to instill in the minds of the Nation's youth in their formative years skill in driving, knowledge of the rules of the road, and to promote the establishment of driver training programs in all public high schools."

The contestants in the national finals here this week are champions all. I would like to recognize them and congratulate them on their achievement. They are: L. E. Ladnier III, Mobile, Ala.; Duane Torgeson, Ketchikan, Alaska; Thomas Edward DeKellis, Tempe, Ariz.; Bob Manatt, Hot Springs, Ark.; Nicky Ellis Carter, San Jose, Calif.; David C. M. Wood, Boulder, Colo.; Garry H. Sutliffe, Manchester, Conn.; Jay Todd, Seaford, Del.; S. Weldon Brown, Washington, D.C.; Henry C. Dolive, Deland, Fla.; Dewey Moss, Dalton, Ga.; Paul Kanemitsu, Kaunakakai, Molokai, Hawaii; Mike L. Taylor, Rupert, Idaho; David Robinson Bullen, Wheaton, Ill.; Gary Leslie, Indianapolis, Ind.; Alan Arthur Kirchhoff, Humboldt, Iowa; Janice Nusser, Garden City, Kans.; Dean W. Dixon, Russellville, Ky.; Lee Graves, Slidell, La.; Raymond Nelson, Hampden Highlands, Maine; John Carlson Ames, Pasadena, Md.; Paul Jasper, Boylston, Mass.; Carl Pickles, Clayton, Mich.; John Benedett, St. Charles, Minn.; Kyle Stephens Wood II, Hattiesburg, Miss.; Dwayne Ralph Brees, Princeton, Mo.; Carl Donald Lawson, Great Falls, Mont.; Robert L. Johnson, Hastings, Nebr.; Ronald Dee Larsen, Ely, Nev.; Andrew Christie, Jr., Kingston, N.H.; James Gottschamer, Kenvil, N.J.; Fred Smith, New Mexico; David Brownell, Castleton, N.Y.; Turner Bryson, Franklin, N.C.; Darryl Gait, Carrington, N. Dak.; Gary Clea Smith, Blair, Okla.; Tom Fountain, Springfield, Oreg.; J. Kenneth Gurysh, Northumberland, Pa.; Peter H. Yost, East Greenwich, R.I.; John Caldwell, Frogmore, S.C.; Larry Hanson, Rapid City, S. Dak.; Larry Davis, Covington, Tenn.; Jeff Crossland, Howe, Tex.; Robert E. McGee, Provo, Utah; Larry J. Day, Williamstown, Vt.; Mack W. Pitts III, Falls Church, Va.; Gordon D. Ham, Bellevue, Wash.; Paul Gock-

stetter, Benwood, W. Va.; Leighton John Mangels, Jr., Brookfield, Wis.; James R. McCue, Cheyenne, Wyo.

These young contestants aspire to driving excellence and they recognize the seriousness of our traffic problems. In a letter addressed to the President and left with one of his assistants on their visit to the White House they asked his support for a program of positive action in the field of highway safety. They wrote:

> In view of the serious crisis confronting our Nation and all the free world it is more important than ever that the United States have all its strength and power to cope with the many exigencies of the times. We, the finalists of the 10th annual National Teenage Safe Driving Road-E-O call upon you, Mr. President, to invoke a meeting of all the Governors of all the States for the purpose of presenting the citizens of the United States with a plan for reducing the high toll of traffic accidents and fatalities.

Again, I commend the U.S. Junior Chamber of Commerce and its affiliated clubs throughout the Nation for their worthwhile and imaginative program of safe driving education. I thank their cooperating sponsors for helping make America a safer place to drive and I urge that they continue to enjoy the success which has marked the first 10 years of this fine program.

Why I Will Vote Against House Concurrent Resolution 351

EXTENSION OF REMARKS
OF
HON. MICHAEL A. FEIGHAN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 3, 1961

Mr. FEIGHAN. Mr. Speaker, House Concurrent Resolution 351 is scheduled to be considered first under suspension on the floor of the House next Monday, August 7.

I will vote against House Concurrent Resolution 351. A reasoned conviction compelled me to this decision, which was arrived at only after long and careful study of the language of that resolution in the light of President Kennedy's reply to the Russian demands on Berlin and his forthright address to the American people on July 25. It is not an easy decision to take a stand which may set one Member apart from his colleagues on an issue of this magnitude.

I will vote against House Concurrent Resolution 351 for the following reasons:

I am convinced beyond doubt that its language is inconsistent with the political objectives outlined by President Kennedy on the third Berlin crisis. President Kennedy has called for a change in the present unnatural situation with respect to Berlin and a partitioned Germany. That is, a change for the better based upon the freely expressed will of the German people. House Concurrent Resolution 351 does nothing more than call for a maintenance of a status quo on Berlin. That is, support for the partition of Germany which makes it convenient for the Russians to provoke a crisis in Berlin at times and under circumstances of their choosing. No expression of Congress should avoid the basic issue of a free and united Germany.

House Concurrent Resolution 351 will accomplish nothing more than is already known to and accepted by every American—that we will not stand by while the Russians extinguish the flame of freedom which burns in free Berlin. In my view Congress should not be used as a forum for telling the American people or any other people something they already know.

The Berlin crisis is primarily a political problem and secondarily a military problem. It is a political problem first because the people in East Berlin and in the Russian zone of military occupation have been denied the right of self-determination. The Russian autocrats have denied 17 million German people this universally accepted political principle and have imposed upon them an alien regime which lacks popular support and serves no interest but those of the leaders in the Kremlin. Unless we resolve that political problem we will be faced with recurring military crises on Berlin. President Kennedy has proposed that the political problem be resolved so that the military threat to the peace will be removed. The formula proposed by President Kennedy for resolving the political problem, is application of the principle of self-determination to the 17 million people in East Germany. House Concurrent Resolution 351 turns its back on this political problem and denies the solution thereto proposed by President Kennedy. Moreover it restricts our position to a defense of our legal rights to be in Berlin. I oppose such restrictions because it would tend to tie the hands of our President in his courageous efforts to bring a peaceful solution to the basic political problem resulting from the unnatural partition of Germany.

For all too long Presidents of the United States have been roundly criticized for advocating policies which are no more than reactions to Russian initiative. President Truman and President Eisenhower received more than their fair share of such criticism. Up until a few days ago President Kennedy was the target of criticism calling for positive, affirmative action to meet the worldwide challenge of imperial Russian communism. But his meaningful reply to the Russian aide memoire on Berlin and his stirring call for a positive solution to the problem of Germany has stilled, at least temporarily, those voices of criticism. The language of House Concurrent Resolution 351 provides no support to President Kennedy in the political initiative which he has taken. It advocates no more than maintaining the present unnatural situation with respect to Berlin and a partitioned Germany. Congress should not put itself on record as opposing change for the better in that situation of perpetual crises. My vote against House Concurrent Resolution 351 will put me on record as favoring change for the better and as an opponent of status quo.

Anti-Communist Instruction for Military Personnel

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 3, 1961

Mr. HOSMER. Mr. Speaker, the Los Angeles Herald Express recently carried an editorial cartoon of particular significance. It showed a bombastic character labeled "Leftwing American Strategists," snatching out of the hands of an American soldier a document entitled "What Communism Is and How To Fight It." The cartoon was titled "Yours Not To Reason Why, Yours But To Do and Die."

The editorial accompanying the cartoon read as follows:

MUZZLING THE SERVICES

Perhaps one of the greatest shocks to the people of this Nation in peacetime was the order to commanders of military services which has practically shut their mouths against attempting to imbue their troops with patriotism and knowledge of the enemy—communism.

Imagine what would have happened if such an order had been issued while our fighting men were engaged in the First World War against Germany, or the Second World War against Germany and Japan.

It is all right to say, we are not at war now, but we are right on the doorstep, and the American people should know more about the present enemy who has threatened to "bury" us and to annihilate 140 million people.

And yet the troops who will have to do the fighting if war actually comes have been denied the privilege of having leaders or lecturers tell the truth about the enemy they must fight.

Who is responsible for this order?

According to dispatches from Washington, the roots lie in what is referred to as a memorandum from Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas, to Secretary of Defense Robert S. McNamara.

In this memorandum, Senator FULBRIGHT objected to military sponsorship of public forums featuring what he referred to as "radical rightwing speakers." No reference was made to "radical leftwing speakers."

Subsequently, there was a Defense Department directive on the subject.

All over the country, this chilling influence is now being felt in the services. Generals, admirals, captains, colonels, and those of even lower rank are afraid to open their mouths for fear of being disciplined from the very top.

Senator STROM THURMOND, Democrat, of South Carolina, is hotly critical, referring to this insidious memo as attacking efforts of military leaders "to give American citizens the facts about communism and the cold war."

Senator THURMOND has charged that Communists originated an "anti-anti-Communist campaign subtly concealed behind a nonexistent conflict between civil authority and military leadership."

He said the campaign is focused principally "in an attack on our military leaders."

The South Carolina Senator also declared that "there is specific evidence that attempts to create the impression that this administration wants anticommunism softpedaled have borne fruit."

He added that he certainly did not believe either the President or responsible officials

in the administration want anticommunism soft-pedaled.

But he also charged that "this censorship of military men's speeches spills over to the point where it allows no criticism of any Marxist-Socialist-Communist theories or practices."

Just where does this leave the common, ordinary citizens of America? At the least, it leaves most in a state of utter confusion.

It leaves before them a frightening question as to the future of this country.

At about the same time the Herald-Express ran the above items, the Long Beach Press-Telegram ran a letter to the editor along much the same lines. It reads as follows:

WHAT'S WRONG WITH HITTING ENEMY?

EDITOR:

President Kennedy should instruct the Department of Defense to initiate forceful anti-Communist programs and cease from subjecting patriotic Americans to harassment, censorship, and disgrace, as for instance, Major General Walker and Admiral Burke.

It seems now to be becoming popular in the National Government to investigate and censure military men who have any words of warning to say about Communist influences in American life.

Men who have fought in wars must wonder what kind of struggle we are waging when it becomes a censurable offense to discuss the tactics of the enemy.

Even though our peril is so great, we find a situation developing where military commanders are in danger of being charged with rightwing political theories if they have the temerity to call attention to our danger and point out the methods used by our enemies.

We are counting on the President to help save our country and shall be praying for his wisdom and guidance.

IDAH K. JENSEN.

The disturbing thing both the Herald and Mrs. Jensen hint at but do not discuss in detail is that not only do people in the armed services need basic instruction in what communism is and how to fight it, but Americans generally. Both anti-Communists and anti-anti-Communists tend to intermix politico-socio-economic issues legitimately within the framework of American political action with the question of communism.

By way of extreme examples it works this way: The anti-Communist properly denounces communism and seeks to fight it; he also holds strong beliefs about keeping the private enterprise system uncontaminated by such things as say, social security; although he may not intend it, soon his listeners are gaining the impression he is labeling "social security" as "communism" and anybody that is for it is a Communist. Then along comes the anti-anti-Communist. He is for social security; although he may not intend it, soon his listeners are gaining the impression that anybody against social security is some kind of a nut and therefore anybody that is against communism must also be some kind of a nut.

I repeat that the foregoing example is extreme, but it illustrates the point, many who may be on either side of this issue understand the nature and danger of communism so vaguely, at least, in relation to what is not involved and what is involved, that the business of how to get on with disposing of the challenge to freedom gets obscured by the resulting oratorical smog. And it is precisely this, meeting and disposing of the challenge, that is our vital business today. Muzzling the services under the drooping banner of anti-anticommunism only serves dangerously to gum up that business. Mixing up a lot of non-anti-Communist issues with legitimate anti-communism merely gums it up in another way.

What we really need, and what thus far our Government and even our schools have failed in great part to supply, is a nationwide education program which deal sensibly and understandably with just what communism is and just how to fight it, without mixing it up with anything else.

And we must never forget, that the job of fighting it successfully is one which requires mobilization of the spirit and efforts of every American in Government service and in private life. It seems to me that Mr. Kennedy should dramatically fuse this country's effort together to do this job. A good way to start would be to require every person on the Government payroll, from himself on down, to satisfactorily pass a good course in "What Communism Is—and How To Fight It" before he can draw his paycheck.

The Hanford Sham Battle

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1961

Mr. VAN ZANDT. Mr. Speaker, on July 31, the Washington Post carried a lead editorial entitled "The Hanford Battle." Because of the tenor of the statement and the shallowness of its arguments, I think the editorial should have been more appropriately titled "The Hanford Sham Battle."

It was a significant editorial, however, because it clearly identifies the Hanford proposal for what it really is. Despite the protestations of its proponents in both the Senate and the House that the Hanford project should not be considered in the light of the so-called private versus public power controversy, the Washington Post identifies it as "the major public power controversy before this Congress." Let the Members of this House not be fooled about the true public power nature of the proposal; the Washington Post certainly was not.

Mr. Speaker, those of us who are opposed to the addition of 800,000 kilowatts of electric generating capacity to the plutonium production reactor being constructed at Hanford have been consistent in our efforts to keep the record straight by sound and reasonable arguments devoid of emotionalism. As a continuation of this policy, I think it would be appropriate to examine carefully the Washington Post editorial to see how well it stands up under the glaring light of exposure.

Let us examine it sentence by sentence. The editorial begins by saying:

The major public power controversy before this Congress concerns the proposal to construct a $95 million nuclear plant at Hanford, Wash.

As indicated before, this statement clearly recognizes the Hanford proposal as being a public power controversy. It might also be pointed out that there is more involved than merely a $95 million power generating plant because, if this project be authorized, an additional $20,850,000 will be required to construct the transmission system necessary to carry the power from the generating facility to power-consuming centers. There is every indication, also, that an additional several million dollars will be required later to construct additional transmission lines. Perhaps we should use a figure of almost $120 million rather than $95 million when discussing this project. The editorial continues:

In essence, the choice is whether the new plant should be restricted to producing plutonium weapons, or whether in addition it should provide public power for the Northwest.

Again the editorial openly admits the public power nature of the proposal. It is a gigantic oversimplification to say the choice is whether the new plant should be restricted to producing plutonium or whether it should also provide public power. Those of us who have listened carefully to the extensive hearings and debate on this proposal are well aware that the issue is far more serious than the Washington Post editorial would have its readers believe. It would be more realistic to say the choice is whether we should lose hot air or waste Federal taxpayers' funds at this time in our national life when we are going to be called upon to spend ever-increasing quantities of funds for our national security and survival. The separate statement to the Joint Committee on Atomic Energy report on the AEC authorization bill signed by myself and four other members of that committee clearly and succinctly elaborated upon 10 compelling reasons why this project should not and must not be authorized. I would heartily recommend that this statement be made compulsory reading for the advocates of the Hanford project.

The editorial stated:

The Senate has already approved a dual-purpose plant, but in the House foes of public power have succeeded in deleting the provision for power from the atomic energy authorization bill.

The construction of this sentence seems to be designed deliberately to deceive the reader into believing that the House has created this disagreement. The record is clear—the House bill—H.R. 7576—which we are still considering, did not contain the Hanford project, but the Senate initiated the controversy by amending H.R. 7576 to include this and another project.

Here, also, the editorial attempts to characterize any Members of this House who in their wisdom and conscience

evaluated this unnecessary project and alined themselves with the best interests of their taxpaying constituents as being "foes of public power." If this be the criterion for being a "foe of public power," then I can only say proponents of public power must be blind in their approach to any issue regardless of its merits and regardless of its cost to the Nation's taxpayers.

Continuing the editorial said:

To further complicate matters, Republican Majority Leader Charles Halleck is trying to prevent a House-Senate conference from agreeing on a dual-purpose plant.

I am sure the gentleman from Indiana will be both pleased and surprised to note that the Washington Post now considers him to be the majority leader, but I am not too sure our distinguished colleague from Massachusetts [Mr. McCORMACK] will be willing to admit to the veracity of at least this statement in the Washington Post editorial.

It is completely unfair and purposefully misleading to accuse the gentleman from Indiana [Mr. HALLECK] of trying to prevent a House-Senate conference from agreeing on a dual-purpose plant. If the writer of that editorial had taken the trouble to read the gentleman's brief statement in objecting to the unanimous-consent request for the House to ask for a conference with the Senate on this question, he would have realized the purpose was to protect the rights of the majority of the House. The gentleman from Indiana [Mr. HALLECK] properly pointed out—

Already in this session of Congress on several occasions the House has been foreclosed from working its will on a conference report because the other body acted first, and discharged the conferees.

It should be remembered that the issue in controversy was raised by the Senate when it amended H.R. 7576. The House of Representatives is not disagreeing with the Senate, but rather the Senate is disagreeing with the House. For this reason, it would seem to me to be appropriate for the Senate to request a conference to resolve the disagreement. As an example of what would seem to be the reasonable approach to such a question, may I refer my colleagues to page 14164 of the CONGRESSIONAL RECORD for Monday, July 31, 1961, which shows the Senate action on the independent offices appropriation bill. On that occasion the distinguished senior Senator from Washington [Mr. MAGNUSON] said upon passage of the bill:

Mr. President, I move that the Senate insist on its amendments and request a conference with the House on the disagreeing votes of the two Houses.

If the other body had followed this same procedure and requested a conference with the House on the disagreeing vote on the AEC authorization bill (H.R. 7576) the present situation would not have arisen. The distinguished gentleman from Indiana [Mr. HALLECK] then would not have been compelled to try to protect the rights of the majority of the House of Representatives.

He is asking the Rules Committee to intercede so that the House would have an opportunity to strike out any public power authorization from a conference committee report.

The discussion on the previous sentence should be sufficient to indicate the desire of the gentleman from Indiana on this matter. As he so properly pointed out in his colloquy with the chairman of the Joint Committee on Atomic Energy [Mr. HOLIFIELD]:

After the measure left this body, it went to the other body. That item was put back in the bill in the other body; the bill was messaged back with the amendment. Under the regular rules that generally operated, the House would have acted first on the conference report. I have some very definite convictions about the right of the membership of the House of Representatives to have something to say about what finally shall be in these bills.

Mr. HALLECK seems determined to prove that nothing smacking of socialism will take place in Hanford.

All that I think needs to be said about this particular sentence is—thank heavens for Mr. HALLECK or anyone else who will do everything in his power to see that socialism does not get a hold in Hanford or anywhere else in this fair land of ours.

But scare words should not be permitted to becloud a simple question of commonsense.

This sentence is so ridiculous that it should not be dignified by any comment. It just serves to prove the old adage that commonsense is a very uncommon thing, and this Nation can well do without this kind of commonsense. The Montana Standard Post, of Butte, Mont., editorially "belled this particular cat" on July 24. The editorial pointed out that "socialism, not electricity [is] seen as byproduct." I recommend the reading of this editorial to my colleagues so I am inserting it in the RECORD at the conclusion of my remarks.

When the Hanford plant is constructed, it will necessarily generate steam which can be used for power as well as weaponry—the estimate is that it could produce from 700,000 to 800,00 kilowatts of power.

This, of course, is a misstatement of fact. The Hanford production reactor will produce byproduct heat which can be turned into steam.

It will not necessarily generate steam. The editorial does not point out that it would be uneconomic and wasteful to spend almost $120 million on the generating and transmission facilities required to use the heat for power production. Nor does it point out that these $120 million could be spent to far greater advantage in a multitude of other ways to strengthen our defense posture at this time when the President is calling for sacrifices from all of us.

If the Hanford plant should produce for peace as well as war, it would become by far the biggest nuclear powerplant in the world.

The editorial might have gone on to say that it would be the biggest, most obsolete and unnecessary boondoggle in the world. As the distinguished senior Senator from Utah [Mr. BENNETT] so aptly pointed out during debate in the other Chamber on this project:

This would be like building the biggest model T factory in the world.

He went on to say that "the wasteful expenditure of $95 million for an outdated, antiquated, inefficient 800,000-kilowatt teakettle would make us the technological laughingstock of the world."

Although it would involve no technical innovations, the size alone would be an advertisement of this country's determination to use atoms for peace.

Well, at least the editorial admits that this proposal would not contribute to technological development of the nuclear art. As far as Hanford's contribution to America's prestige, our extremely able colleague from California [Mr. HOSMER] has already pointed out the fallaciousness of such an argument by saying:

How much international prestige are you going to get by going back almost a century and a half in technology? None at all. The people overseas are going to look at such foolishness and laugh at us. We would not gain prestige; we would lose it by foolishness like this.

Furthermore, the Northwest is in desperate need of additional power to assure the region's growth.

In my opinion this, too, is an untrue statement. The public power proponents attempt to tell us that in the years 1965–66 there may possibly be a shortage of something over 100,000 kilowatts of power in the Bonneville area. They play down the fact that this shortage could only occur if there is at that time an almost unprecedented shortage of water in the Columbia River system.

The proponents fail to point out, however, that there is in the western part of the Northwest nearly half a million kilowatts of steam-electric generating capacity which at this moment is on reserve and which could be used in 1965 to meet any deficiency in hydropower. Furthermore, by 1965 there will be some 300,000 to 500,000 kilowatts of surplus power in Idaho, Montana, and Utah which can be exported to the western areas of the Columbia Basin to meet any possible power deficiency. So, I fail to see the "desperate need of additional power" in the Northwest. There is a desperate need for wise and sound use of Federal funds at this time.

The Hanford plant could also be used to facilitate the tieline which the Department of the Interior hopes to construct as a power link between southern California and the Pacific Northwest.

This is perhaps the most significant sentence in the entire editorial, for it clearly points out perhaps the true reason for the public power proponents' vigorous fight to get Hanford authorized. There is obviously more than meets the eye. They must have this project as a key part in their plans to federalize western power development through steam-generating facilities and, more importantly, to justify a prime leg of an all-Federal transmission grid.

Significantly, the dual-purpose conception is warmly endorsed by the Joint Committee on Atomic Energy and by the Atomic Energy

Commission, the agency which would administer the plant.

This, again, is an untrue statement. Some of the members of the Joint Committee endorse this project, but there is also a sizable number of the Joint Committee members who are vigorously opposed to it.

The editorial concluded:

For these reasons, we hope that Mr. HALLECK's maneuver will be rejected by the Rules Committee, and that Congress will have an opportunity to make the Hanford plant more than a factory for destructive weapons.

Mr. Speaker, in light of the sham battle which the Washington Post editorial attempts to purvey, I sincerely hope the large majority of the Members of the House of Representatives reject forthrightly the opinions expressed by that editorial. We should stand four-square with the gentleman from Indiana [Mr. HALLECK] in his sincere effort to assure that we have the proper opportunity to express again the will and determination of this body to delete the Hanford steamplant from the AEC authorization bill; and, thereby, save the taxpayers of this Nation almost $120 million for more vital purposes.

[From the Montana Standard-Post, Butte, Mont., July 24, 1961]

SOCIALISM, NOT ELECTRICITY, SEEN AS BYPRODUCT

The question of whether electric power will be generated as a byproduct at a plutonium plant at Hanford, Wash., being built by the Atomic Energy Commission will be settled by a conference between the Senate and House, the Senate having approved the idea while the House rejected it.

Because Democrats will dominate the Joint Committee, it has been predicted that the measure which calls for an expenditure of an extra $95 million will win approval.

But, meanwhile, let us in our mild way register an objection.

We might be in favor of it if we knew all about it or if we could even find out all about it. But we can't. Neither can anybody else. So much of the project is hidden by secrecy that it is not possible to make a clear judgment.

It is argued that sufficient heat to make 800 kilowatt-hours of electricity will be generated in the process of manufacturing plutonium out of uranium. It is enough electricity to serve a city of a million people. But how is anyone to know whether or not this is the most efficient use of the heat? It is said that otherwise the heat will be wasted. But how do we know?

It is impossible to get meaningful cost statistics, so no one excepting a few Government functionaries would know how much the electricity is costing.

We do not know whether the most important factor is politics, economics, defense, or what. There was a strong suspicion among House Members that the most important factor was political, so the Members of that body defeated the proposal to hook on electrical generators to the $145 million reactor.

If the dominant factor is politics, then it is the old scheme by Fabian Socialists to capture or control the power of the Nation in order to implement their Socialist desires. It worked in the United Kingdom. Their motto is: "If you control the nation's power you control the nation."

This part of the argument deserves more than cursory consideration.

A project as steeped in secrecy as this one would be an ideal vehicle for Socialist plotters. Working behind a screen, they could have the country in their grip without anyone knowing about it until they sprung their trap.

But are we not making the plutonium in the first place to protect ourselves against just such a contingency?

So is not socialism the real byproduct, and not electricity?

SENATE

FRIDAY, AUGUST 4, 1961

The Senate met at 10 o'clock a.m., and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

This day, O Master, let us walk with Thee. Teach us Thy patience. Help us to learn more and more to live by the faith that life's true values are spiritual and are expressed in our daily contacts, by character unsullied, and kindness, cheerfulness, humility, and compassion. In Thy light may we see clearly that the chief issues we face lie deeper far than human praise or blame and have to do with life's meaning and purpose and ultimate goals.

God, the all righteous One.
Man hath defied Thee;
Yet to eternity, standeth Thy word;
Falsehood and wrong shall not tarry beside Thee;
Give to us peace in our time, O Lord.

Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 3, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions, with an amendment, in which it requested the concurrence of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour, for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate Committee on the District of Columbia; the Subcommittee on Aviation of the Committee on Commerce; and the Committee on Commerce were authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar, beginning with the new reports.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar, beginning with the new reports, will be stated.

POST OFFICE DEPARTMENT

The Chief Clerk read the nomination of William J. Hartigan, of Massachusetts, to be an Assistant Postmaster General.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

OFFICE OF CIVIL AND DEFENSE MOBILIZATION

The Chief Clerk read the nomination of John E. Cosgrove, of Maryland, to be an Assistant Director of the Office of Civil and Defense Mobilization.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Marine Corps.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

ARMY NOMINATIONS PLACED ON THE SECRETARY'S DESK

The Chief Clerk proceeded to read sundry nominations in the Army which had been placed on the Secretary's desk.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

AIRPLANE HIJACKINGS

Mr. DIRKSEN. Mr. President, how quickly the fiasco of tractors for freedom, with all its inanities, has been forgotten and the money returned to the donors; and how quickly the plane hijacking on May 1, 1961, over the Florida Keys has become a bit of dull history; and how quickly the hijacking job on July 24 has been erased from memory by swift-moving events; and how quickly the latest adventure at El Paso will be swallowed up in time's swift current. What a tribute to our capacity for forgetting—or is "ignoring" a better word?

The accounts of what happened are simple—in fact, far too simple. It was simply a gay car salesman and his son, with petty crime as a sideline, and a great urge to go to Cuba, who thought hijacking a $3,500,000 plane, with 73 persons aboard, was the simplest way to get a free one-way trip to Cuba. Well, Mr. President, how perfectly disarming! Snatching a purse or crashing a jeweler's window or stealing a car would have been so much simpler and devoid of risk. Even a crook responds to the most impelling of all urges; namely, the desire to live.

Some questions are in order: Does a two-bit, petty criminal, who at great risk hijacks a jetliner with 73 persons aboard, do so without the very strongest of incentives? Did they pick out Havana, instead of Mexico City or Guatemala City, unless they expected a safe haven without fear of extradition? Was his visit to the Cuban Embassy in Mexico City, 8 months ago, mere happenstance; or did he go there to practice his Spanish with the Ambassador, or to sell him a new Thunderbird?

Are three hijacking efforts in the last 2 months, with Havana as the destination, unrelated and do they indicate no conspiratorial pattern stemming from Cuba? Do the actors have to be Cubans to serve the Castro apparatus?

One look at the files of the Internal Security Subcommittee of the Senate, of which I am a member, will quickly disclose the number of non-Cubans in this country who are giving aid, comfort, and encouragement to Castro, including the defecting radio announcer who, somehow, escaped the committee's subpena. Is anyone so naive as to believe that Cuban intelligence is not working diligently in the United States, or that this inspired pattern of Communist criminality will stop, since a Communist oasis exists but 90 miles from Miami?

With the grip of a single-party police state so firmly upon Cuba now, does anyone embrace the hope or the belief that the same brutal techniques of barbarity, subversion, liquidation, violence, deceit, and penetration will not continue on an even larger scale?

Is the lesson of other American adventurers behind the Iron Curtain lost upon us, and that to achieve the Cuban curtain is now infinitely easier?

This simple, unadorned hijacking story of a $3½ million jetliner is just a little too hard to swallow. Never in the history of commercial aviation, except in the case of a drunk or drug addict, has such a serious or fantastic adventure taken place. Not until Castro put the manacles of the police state upon Cuba, aided by the diabolical brains of Soviet Reds and Chinese Reds, have we ever been confronted with such an unparalleled situation.

But Castro is doing business. He rated a visit by Gagarin, the Soviet Red space hero. This Communist-riddled base, just a few hundred miles from industrial and military targets, is a reality. This stark menace is real. Its infection is spreading.

Meanwhile we pursue a Fabian policy, in the chimerical hope that something might happen to bring collapse from within. Since 1917 we have entertained a similar hope about Communist Russia. But instead of collapse, she has become the most powerful, ruthless, and unrelenting foe in all the world.

To crown our folly, it has even been suggested that armed guards ride American planes as they fly over American soil, between American cities. How silly can we be? It is difficult to imagine a more fantastic, intolerable situation than this.

The PRESIDENT pro tempore. The time of the Senator from Illinois, under the 3-minute limitation, has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Illinois may proceed for an additional minute.

The PRESIDENT pro tempore. Without objection, it is so ordered, and the Senator from Illinois may proceed.

Mr. DIRKSEN. Mr. President, how long shall this deadly epidemic go on? Perhaps we prefer the dawdling, unrelenting chess game in Laos, 12,000 miles away, rather than some purposeful poker only 90 miles from Miami.

Mr. MANSFIELD. Mr. President, I have listened with a great deal of interest to what the distinguished minority leader has had to say. I would agree with him that the hijacking of the Continental jetplane, in El Paso, was fantastic.

However, I would point out that, so far as I can ascertain, the President has been in constant touch with the situation, and detailed the FBI and the border patrol to see that the plane did not escape from American soil, and that it was held, no matter at what cost.

Then it was found that, instead of being abductors or kidnapers or hijackers from Cuba, they were American citizens from the State of Arizona. I do not know whether or not the story about one of the kidnapers making a trip to Mexico City and visiting the Cuban Ambassador there is correct. I would assume the story is true. But I do not believe he went down there to learn Spanish or to sell the Cuban Ambassador in Mexico a Thunderbird. It appears to me what happened was a case of deliberate piracy in the air. I was happy to note yesterday that the distinguished Senator from New Hampshire [Mr. BRIDGES], the distinguished Senator from Texas [Mr. YARBOROUGH], the distinguished Senator from California [Mr. ENGLE], and other Members of this body proposed legislation seeking to bring incidents of this kind under strict control.

I can find no fault with Mr. Halaby, Administrator of the FAA, for giving authority to American airlines to arm members of the crews of planes with sidearms. In a sense, it is a return to the Old West, when we used to have shotgun guards riding the stagecoaches for the protection of the drivers, also armed, and, most importantly, the passengers riding the stagecoaches. I think the administration was "on top" of this matter. I think the President did everything he possibly could do to keep it under control. I think the FBI and the border patrol are entitled to great commendation.

I am hopeful that, out of this unsavory and unhappy incident, there will come legislation which will impose long terms of imprisonment, and fines of sufficient magnitude; and that something will be done about installing radar or sonic or other kinds of devices, by means of which there can be detected passengers who are carrying arms of any kind, just as I assume they are being canvassed now for the carrying of bombs and the like. So perhaps out of this sorry episode will come something in the way of good measures to take care of similar incidents.

It is true, in my opinion, that what started in Florida as the hijacking of an American plane flying, I believe, for the

Eastern Air Lines, has developed in the El Paso incident seemingly in the same pattern.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the majority leader may have 2 additional minutes.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. DIRKSEN. I should like to make the suggestion that I do not know that I will be in an easy frame of mind if I know the pilot and copilot and the navigator and engineer in a large airliner have .45's strapped to the hip, anticipating difficulty. I do not think it is going to add to their ease of mind, for one thing, and it is not going to convey any composure to the passengers.

I emphasize what an amazing thing it is that a plane flying from El Paso to Los Angeles, or vice versa, or to Miami, or Atlanta, has to have armed crews, when those airplanes are flying over our own terrain, in order to forestall situations of this kind.

Finally, I merely want to emphasize the fact that I am one of those who do not swallow the very simple explanation of the incident and accept the statement that it has no identity with the festering sore located just 90 miles from our mainland.

Mr. MANSFIELD. Mr. President, in response to the statement just made by the distinguished minority leader, I merely wish to say that, insofar as the carrying of sidearms is concerned, as I understood Administrator Halaby's suggestion, it was purely a suggestion, and it would be discretionary with the American companies running the airline business. They could do it or not, as they desired. But may I point out that, insofar as domestic transportation is concerned, not only did we have guards with shotguns riding on the stagecoaches in the early days of the West—and not so many years ago, by the way—but also, if my memory serves me correctly, we detached marines to man the mail trains in the early thirties because of the number of robberies that were being committed. Again I am speaking from memory. So the use of armed guards for domestic transportation is nothing new. Certainly, the suggestion by Administrator Halaby was, I believe, made in good faith, with good intentions, seeking to bring about the right kind of protection for passengers who are unwittingly involved in incidents of this kind.

Mr. DIRKSEN. If my distinguished friend will yield, I have only one difficulty there, and that is, how to reconcile a jet airliner with the old frontier.

Mr. MANSFIELD. They both involve modes of transportation; do they not? They both relate to the transportation of passengers. The jet airliner, of course, represents the new frontier; but some times the new and the old frontiers are not too far apart.

Mr. BENNETT. Mr. President, the colloquy to which we have just listened gives added point to an editorial that appeared in the Wall Street Journal on the 26th of July, entitled "Hijacking," and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HIJACKING

Now we see where the United States has sent a note asking the Cuban Government to return the airplane hijacked the other day and flown over to Havana. But if we were Fidel Castro, we don't know that we'd bother.

How many years has it been now since the United States has really made any forceful protests when foreign governments, not just in Cuba but all over the world, have quietly taken unto themselves the private property of Americans?

True, the takers have not always been so blatantly lawless as the man who put a pistol point at the head of the Eastern Air Lines pilot. Indeed, the hijacking has quite often been obscured by the majesty of "laws" which with due process enabled the governments themselves to be the takers. But the list of American private property thus "nationalized" by foreign governments over the years is almost endless.

Mr. Castro himself has quite a list. A turboprop Electra is a valuable piece of property, but it is nothing compared to the value of the sugar farms and mills, the industrial plants and the banks that the Castro government has nationalized; i.e., taken away from their rightful owners.

And before anyone leaps up to say that the United States has protested these doings of the Castro government, he might reflect that the indignation came after it became quite clear that the Castro government was doing other nefarious things also. The mere act of taking, if it be called nationalization, no longer makes the U.S. Government indignant. You have to go back a long way before you find a U.S. Government ready to say "You can't do that" and prepared to take any forceful action to see that the property of Americans was protected.

If anything, our Government has displayed a bias in favor of nationalization, especially in underdeveloped countries, like Cuba. We have lent both money and encouragement to help these countries develop a socialized economy. And if this has meant nationalization of private property, some of it American—well, that's just too bad. Foreign private property in a country is just exploitation anyway, robbing the Mexicans or whomever of those oil wells, or whatever, that ought to belong to the people.

Indeed, the atmosphere of Washington these days is full of doubts whether private property is a good thing at all. It's the public sector of the economy that needs to get bigger; it's the private sector that needs to be diminished. So if the Government has to confiscate a little more by taxation, who should stand up and defend the rights of private persons to their private property?

We are as well aware as anyone that all this seems a different order of things from putting a pistol point at a man's head and snatching a purse. Still, how do we protest the hijacking of an airplane when the taking over of a whole airline industry would leave us silent?

So if we were Mr. Castro we think we'd just pass a law and nationalize that Electra. The secret of being a brigand, these socialized days, is to be a big one.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON PERSONAL AND REAL PROPERTY RECEIVED BY OR DISPOSED OF TO PUBLIC HEALTH AND EDUCATIONAL INSTITUTIONS

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on personal and real property received by or disposed of to public health and educational institutions, for the period April 1 through June 30, 1961 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF RESERVATION OF ARMY EXCESS MATERIAL FOR MILITARY ASSISTANCE PROGRAM

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a review of the reservation of Army excess material for the military assistance program, dated July 1961 (with an accompanying report); to the Committee on Government Operations.

REPORT ON GRANTS UNDER PUBLIC LAW 85-934

A letter from the Director, Central Intelligence Agency, Washington, D.C., reporting, pursuant to law, on grants made under authority of Public Law 85-934; to the Committee on Government Operations.

SUSPENSION OF DEPORTATION OF A CERTAIN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of the order suspending deportation in the case of Chan Chew Kwan, together with a statement of the facts and pertinent provisions of law as to the alien, together with reason for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

STATUS OF PERMANENT RESIDENCE OF A CERTAIN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of the order granting the application for permanent residence filed by Feiga Altmann Rock, together with a statement of the facts and pertinent provisions of law as to the subject and the reasons for granting the application (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented and referred as indicated:

By the PRESIDENT pro tempore:

Two resolutions adopted by the midwestern regional conference of the Council of State Governments, at Rapid City, S. Dak., favoring the establishment of a midwestern agriculture committee in that council, and favoring a plan for agricultural products utilization; to the Committee on Agriculture and Forestry.

Two resolutions adopted by the midwestern regional conference of the Council of State Governments, at Rapid City, S. Dak., relating to highway safety compacts, and billboard regulation on the Federal highway system; to the Committee on Commerce.

Three resolutions adopted by the midwestern regional conference of the council of State Governments, at Rapid City, S. Dak., relating to inheritance, estate and gift taxes, Federal income-tax credit for educational programs, and social welfare programs; to the Committee on Finance.

A resolution adopted by the midwestern regional conference of the Council of State Governments, at Rapid City, S. Dak., favoring the enactment of legislation to provide Federal health grants; to the Committee on Labor and Public Welfare.

A resolution signed by Eishin Kaneshiro, mayor, Gushikawa Son, Seitoku Tomegawa, chairman, Gushikawa Son Assembly, and Josei Omine, chief, Gushikawa Son Land Committee, of the Ryukyu Islands, expressing thanks for the introduction of the Ryukyuan pre-peace treaty claims payment bill; to the Committee on Foreign Relations.

CONCURRENT RESOLUTION OF OKLAHOMA LEGISLATURE

Mr. KERR. Mr. President, I ask unanimous consent to have printed in the RECORD a concurrent resolution of the Legislature of the State of Oklahoma, favoring the establishment of a water pollution research center within the State of Oklahoma.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

ENROLLED SENATE CONCURRENT RESOLUTION 55

Resolution relating to water pollution research centers; requesting the Oklahoma congressional delegation to support the establishment of such a research center by the Federal Government within the State of Oklahoma

Whereas the U.S. Congress has recently enacted legislation authorizing the establishment of water pollution research centers at five locations throughout the United States; and

Whereas the problem involved in conserving and purifying water has long been a subject of paramount interest to the people of Oklahoma; and

Whereas the mineral salts located in the soil of Oklahoma, the drilling activity of the petroleum industry, and the growth of population within the State of Oklahoma have all given reason for concern by the people, business concerns, and the State government, resulting in an advanced program of research and development of various water pollution preventive policies and practices; and

Whereas State and private institutions of higher education, research centers, and private corporations have all actively cooperated to resolve the various problems encountered in the control of water pollution; and

Whereas the Oklahoma State Health Department has long conducted a study of water pollution and has obtained equipment designed for the purpose of revealing pollution of matter by radiation; and

Whereas the institution of higher education in Oklahoma has entered into an exchange plan with the Massachusetts Institute of Technology, thereby making the staff and facilities of this world-famous scientific institution available for research studies by scientists and students in Oklahoma: Now, therefore, be it

Resolved by the Senate of the 28th session of the Oklahoma Legislature (the House of Representatives concurring therein):

SECTION 1. That the Oklahoma congressional delegation of the U.S. Congress be requested to encourage the Department of Health, Education, and Welfare of the Federal Government to cause to be located within the State of Oklahoma one of the water pollution research centers authorized to be established by recent legislation of the U.S. Congress.

SEC. 2. That duly authenticated copies of this resolution be prepared and forwarded to each member of the Oklahoma congressional delegation and to the Secretary of the Department of Health, Education, and Welfare of the Federal Government.

Adopted by the senate the 28th day of July 1961.

BOYD COWDEN,
Acting President of the Senate.

Adopted by the house of representatives the 28th day of July 1961.

J. D. MCCARTY,
Speaker of the House of Representatives.

Attest:

LEO WINTERS,
Secretary of the Senate.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

S. 1606. A bill to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act (Rept. No. 664); and

S. 1607. A bill to amend the Federal Power Act to prohibit abandonment of facilities and service without the consent of the Federal Power Commission (Rept. No. 663).

By Mr. MAGNUSON, from the Committee on Commerce, with amendments:

S. 1595. A bill to amend the Natural Gas Act to give the Federal Power Commission authority to suspend changes in rate schedules covering sales for resale for industrial use only (Rept. No. 665); and

S. 2187. A bill to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954 (Rept. No. 666).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BEALL:

S. 2378. A bill to provide for the conveyance of certain real property of the United States to the State of Maryland; to the Committee on Armed Services.

By Mr. HUMPHREY:

S. 2379. A bill for the relief of Dr. Shaoul G. S. Shashoua; to the Committee on the Judiciary.

S. 2380. A bill to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73 million for that purpose; to the Committee on Foreign Relations.

(See the remarks of Mr. HUMPHREY when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. GORE (for himself and Mr. KEFAUVER):

S. 2381. A bill to provide flood control on the Big South Fork, Cumberland River Basin; to the Committee on Public Works.

By Mr. MONRONEY (for himself, Mr. HAYDEN, Mr. MANSFIELD, Mr. CLARK, Mr. RANDOLPH, Mrs. NEUBERGER, Mr. MUSKIE, and Mr. GRUENING):

S. 2382. A bill to adjust postal rates, and for other purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER (for himself and Mr. KEATING):

S.J. Res. 123. Joint resolution to amend the Constitution to authorize Governors to fill temporary vacancies in the House of Representatives; to the Committee on the Judiciary.

(See the remarks of Mr. KEFAUVER when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTIONS

COMMENDATION OF JOHN EDGAR HOOVER, DIRECTOR OF FEDERAL BUREAU OF INVESTIGATION

Mr. DIRKSEN (for himself and Mr. MANSFIELD) submitted an original resolution (S. Res. 190) highly commending John Edgar Hoover for his devoted and effective service to the Nation as Director of the Federal Bureau of Investigation, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. DIRKSEN, which appears under a separate heading.)

USE OF MILITARY PERSONNEL AND FACILITIES TO AROUSE THE PUBLIC TO THE MENACE OF THE COLD WAR

Mr. THURMOND submitted a resolution (S. Res. 191) to authorize the Committee on Armed Services to study use of military personnel and facilities to arouse the public to the menace of the cold war, which was referred to the Committee on Armed Services.

(See the above resolution printed in full when submitted by Mr. THURMOND, which appears under a separate heading.)

PHILIPPINE WAR DAMAGE COMMISSION

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to authorize payment of the balance in full of awards for war damage made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946.

As a member of the Senate Foreign Relations Committee and after much careful study I have come to the conclusion that Congress should consider and review the Philippine unpaid war damage claims.

PHILIPPINE REHABILITATION ACT OF 1946

The original Philippine Rehabilitation Act of 1946 provided for the payment of claims for war damages in the Philippines. Under title I of this act the Philippine War Damage Commission was established to receive and adjudicate claims for loss or destruction of or damage to property in the Philippines during World War II resulting generally from World War II; $400 million was appropriated to carry out this title, from which the administrative expenses of the Commission were to be paid.

In settling claims, the law required the Commission to utilize replacement cost or actual cash value at the time of the loss, whichever was lower. In 1946–47 the replacement values were approximately three times the value in 1940.

The 1946 act required that where the aggregate amount of claims payable to any one claimant exceeded $500 the amount approved in favor of the claimant would not exceed 75 percent of the excess over $500. Claims of less than $500 were paid in full. The $400 million appropriated to carry out the 1946 act made it possible for the Commission to pay claimants with awards over $500 a sum equal to 52.5 percent of the 75 percent which they were authorized to receive. This bill will make it possible to pay the claimants the remaining 22.5 percent due them under the terms of the 1946 act.

When the original legislation was being considered it was impossible to determine the extent of the damage in the Philippines. The war had recently terminated and no reasonable estimates could be ascertained. An authorization of $400 million appropriated funds was a conservative estimate at the time. During committee consideration and debate on the floor it was stated that an additional appropriation would probably be required to discharge the obligation in full.

The disproportion between the amount of the original authorization of funds and the total of the actual damage incurred in the Philippines became evident after the first half million claims were processed and adjudicated. Legislative efforts in 1949 and 1950 for a supplemental appropriation to pay the remaining war damage claims were deferred pending the preparation and consideration by the War Claims Commission, created under the War Claims Act of 1948, of a report on all claims arising out of World War II. At the outbreak of hostilities in Korea in 1950 legislation concerning further consideration of the payment of claims was suspended.

The Commission completed its work in 1951. After its dissolution, the records of the Commission were turned over to the Treasury Department, in whose custody they remain. Although bills have been introduced in the intervening Congresses for the fulfillment of our obligation under the 1946 act, these were not given active consideration until 1959.

As to the methods and techniques for accomplishing the payment of the unpaid balances, the Foreign Claims Settlement Commission, a U.S. agency which has the personnel and experience to perform this function efficiently and economically, will administer the provisions of this bill.

The PRESIDING OFFICER (Mr. METCALF in the chair). The bill will be received and appropriately referred.

The bill (S. 2380) to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73 million for that purpose, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Foreign Relations.

POSTAGE REVISION ACT OF 1961

Mr. MONRONEY. Mr. President, in his report to the American people on the situation in Berlin the President took occasion to remind the Congress of the responsibility which is imposed on it by the increased expenditure for military defense required by the worsening international situation. The President indicated, I believe wisely, that a general tax increase is neither necessary nor desirable at this time. However, he pointed out that it was urgently necessary for the Congress to provide the additional revenues which he has recommended through adjustments in the tax laws and increases in postal rates.

There is, of course, no direct relationship between rising defense costs and postal rates. But there is a direct relationship between postal rates and the postal deficit, and the latter constitutes an unnecessary drain on the Treasury at the very time it is subject to the even greater drain of increased defense expenditure. Any move to reduce the postal deficit makes available additional revenues to defray military costs without a general tax increase.

As chairman of the Subcommittee on Postal Affairs of the Senate Committee on Post Office and Civil Service, I can no longer justify to my conscience our failure to give responsible consideration to the President's request for an increase in postal rates. I cannot justify voting for a bill to call up members of the Reserve and National Guard and yet contend that those of us not called upon to make this sacrifice cannot afford to pay another penny to mail a letter, or to have publishers of magazines pay a higher rate, or to have the third-class users pay a higher rate.

Early in this session the Post Office Department forwarded, and subsequently the Senator from New Jersey [Mr. WILLIAMS] and others introduced at the President's request, the bill, S. 1812, which had been prepared by the Eisenhower administration prior to the change of government. Many of us who have been concerned with postal affairs over the years were critical of this bill, as we had been of earlier versions, because it did not recognize that a substantial portion of the postal deficit was incurred in providing public services which Congress had imposed upon the Post Office Department by statute, and which were not properly chargeable to users of the mails and recovered in postal rates. Subsequently, the administration has submitted a revised version of this bill recognizing that a larger share of postal costs is properly attributable to public service and designed to produce added revenues of $591 million as compared to $741 million under the original bill. The revised proposal was introduced in the House by Mr. HENDERSON as H.R. 7927.

Those of us in the Senate have, of course, been able to explain our inaction on the basis that this is a revenue-producing measure which must originate in the House, and that any action in the Senate is premature. While it is necessary that we ultimately act on a House bill, one is now pending before the House Committee on Post Office and Civil Service following hearings.

The facts are that House action has been postponed because members of the House committee have been advised that there is no possibility that hearings will be held on a postal rate increase in the Senate this year. There is no reason why the Senate committee should not hold hearings on the administration proposal and every reason why we should do so and be prepared to act quickly in the event a bill can be passed in the House. There is no reason to assume that the members of the House of Representatives will be any less responsive to the new conditions created by the defense emergency than would the Members of the Senate.

Mr. President, whether it is popular or not, this is a responsible recommendation by the President of the United States to increase the revenues of the Federal Government in the face of rising and unexpected expenditures. It deserves the careful and immediate consideration of the appropriate committee of the Senate. I am not familiar in any detail with the technical provisions of this bill. It is quite possible that the Congress will conclude that it does not fairly distribute the burden of the increase among the various classes of mail users, but these are matters which can be adjusted after hearings on the measure. The fact that some inequities exist is no excuse to refuse to act on the proposal at all rather than correct the inequities.

Mr. President, I introduce a bill to adjust postal rates and for other purposes. It is the revised bill recommended by the President and is identical to H.R. 7927.

The bill is sponsored by myself, the chairman of the Committee on Appropriations, the distinguished Senator from Arizona [Mr. HAYDEN], the majority leader, the Senator from Montana [Mr. MANSFIELD], the Senator from Pennsylvania [Mr. CLARK], the Senator from West Virginia [Mr. RANDOLPH], and members of the Post Office and Civil Service Committee, being the Senator from Oregon [Mrs. NEUBERGER], the Senator from Maine [Mr. MUSKIE], and the Senator from Alaska [Mr. GRUENING].

I ask unanimous consent to have printed at this point in the RECORD the bill recommended by the President of the United States, and also some explanatory material.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and explanatory material will be printed in the RECORD.

The bill (S. 2382) to adjust postal rates, and for other purposes, introduced by Mr. MONRONEY (for himself and other Senators), was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Postage Revision Act of 1961".

POSTAL POLICY

SEC. 2. (a) Section 2302(c)(4) of title 39, United States Code, is amended by striking out "deemed to be attributable to the performance of public services under section 2303(b) of this title" and inserting in lieu thereof "determined under section 2303 of this title to be attributable to the performance of public services".

(b) Section 2303(a) of title 39, United States Code, is amended—

(1) by amending the heading so as to read

"§ 2303. Identification of public services and costs thereof";

(2) by striking out paragraph (2) and renumbering the succeeding paragraphs accordingly; and

(3) by adding at the end thereof the following new sentence:

"The terms 'total loss' and 'loss' as used in this subsection mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303(b) of title 39, United States Code, is amended to read as follows:

"(b) The Postmaster General shall report to the Congress, on or before April 1 of each year beginning with the year 1962, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section exceeds the revenue received by the postal establishment for the performance of each such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establishment in the performance of such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees."

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof.".

FIRST-CLASS MAIL

SEC. 3. Section 4253 of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

AIRMAIL

SEC. 4. Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six"; and

(3) by striking out the phrase "3 cents an ounce or fraction thereof" in paragraph (2) of subsection (d) and inserting in lieu thereof the phrase "the rate of postage for other first-class mail matter".

SECOND-CLASS MAIL BEYOND COUNTY OF PUBLICATION

SEC. 5. Section 4359 of title 39, United States Code, is amended—

(1) by striking out so much of subsection (b) as precedes the table and inserting in lieu thereof the following:

"(b)(1) Subject to the minimum rate provided for publications of qualified nonprofit organizations and classroom publications by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed both by the piece as provided in paragraph (2) of this subsection and by the pound as provided in the following table:

"[IN CENTS]"; and

(2) by adding at the end of subsection (b) a new paragraph (2), as follows:

"(2) The piece rates of postage are charged on each individually addressed copy of a publication (except a publication of a qualified nonprofit organization and a classroom publication) mailed in accordance with subsection (a) of this section in addition to the pound rates. The piece rates are as follows:

"Publications other than classroom publications and other than publications of qualified nonprofit organizations—½ cent, effective on and after January 1, 1962, and before January 1, 1963; and 1 cent, effective on and after January 1, 1963."

MINIMUM POSTAGE RATES ON SECOND-CLASS MAIL

SEC. 6. (a) Section 4360 of title 39, United States Code, is amended to read as follows:

"§ 4360. Minimum postage for second-class mail

"The minimum rate for each individually addressed copy of a publication of a qualified nonprofit organization and for each individually addressed copy of a classroom publication, mailed for delivery within or beyond the county of publication, is ⅛ cent. The minimum rate for each individually addressed copy of a publication (other than a publication of a qualified nonprofit organization or a classroom publication) mailed before January 1, 1962, for delivery within or beyond the county of publication is ½ cent."

(b) The analysis of chapter 63 of title 39, United States Code, is amended by deleting

"4360. Minimum postage."

and inserting in lieu thereof

"4360. Minimum postage for second class mail.".

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 7. Section 4422 of title 39, United States Code, is amended by striking out "1 cent" and inserting in lieu thereof "3 cents".

THIRD-CLASS MAIL

SEC. 8. (a) Section 4451(a) of title 39, United States Code, is amended, effective on the date of enactment of this Act—

(1) by striking out the word "and" at the end of paragraph (2) thereof;

(2) by striking out the period at the end of paragraph (3) thereof and inserting in lieu of such period a semicolon and the word "and"; and

(3) by adding immediately below such paragraph (3) a new paragraph (4), as follows:

"(4) not mailed during the period December 15 to December 25, inclusive, of each year.".

(b) Section 4452 of title 39, United States Code is amended—

(1) by amending the table in subsection (a) to read as follows:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	1½	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (c) of this section of—		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants—		
(i) Qualified nonprofit organizations	10	Each pound or fraction thereof.
(ii) Others	12	Do.
(B) Other matter	16	Do."

(2) by amending the table in subsection (b) to read as follows:

"Mailed by—	*(In cents)*
Other than qualified nonprofit organizations	3
Qualified nonprofit organizations	1¼";

and

(3) by striking out "six cents" in subsection (c) and inserting in lieu thereof "four and one-half cents".

EDUCATIONAL AND LIBRARY MATERIALS

SEC. 9. Section 4554 of title 39, United States Code, is amended—

(1) by amending that part of subsection (a) which precedes paragraph (1) to read as follows:

"(a) Except as provided in subsection (b) of this section, the postage rate is 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—

(2) by amending paragraph (5) of subsection (a) to reads as follows:

"(5) sound recordings;";

(3) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon and the word "and";

(4) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation.";

(5) by inserting "(including cooperative processing by libraries)" immediately following "loaned or exchanged" in paragraph (1) of subsection (b);

(6) by striking out the word "students'" immediately preceding the word "notations" in paragraph (2) of subsection (b);

(7) by striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and"

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;

"(E) sound recordings; and"; and

(8) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

METHOD OF DETERMINING GROSS RECEIPTS

SEC. 10. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85–426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

EFFECTIVE DATES

SEC. 11. Except as otherwise provided in this Act, the provisions of this Act shall become effective as follows:

(1) Sections 1, 2, 6, 8(a), 9, 10, and this section shall become effective on the date of enactment of this Act.

(2) Sections 3 and 4, and the rate adjustments provided for individual pieces by section 8(b), shall become effective on October 1, 1961.

(3) Sections 5 and 7, and the rate adjustments (other than the rate adjustments for individual pieces) provided by section 8(b), shall become effective on January 1, 1962.

The explanatory material presented by Mr. MONRONEY is as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., August 4, 1961.

THE PRESIDENT OF THE SENATE,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: On April 14, 1961, I submitted to the Congress proposed legislation for postal rate revision and for other purposes.

Since that date hearings held on this proposed legislation by the House Post Office and Civil Service Committee have clarified a number of issues. As a result of this clarification revised rate legislation was introduced. This revised proposal, submitted to the House of Representatives as H.R. 7927, has been endorsed by this administration. A copy of H.R. 7927 is attached.

I am submitting this bill as a substitute for my earlier proposal and urge the Senate to give it prompt and favorable attention.

H.R. 7927 provides a revised procedure for determining the costs of public services, which are to be excluded for the purposes of postal rate requirements. Under this bill we estimate public service costs in 1962 will be $235 million. The earlier proposal to the Senate was based on an assumption of $63 million of public service costs, as determined by the previous administration.

Because of the proposed increase in the amount set aside for public services, the requirement for increased postal revenue is correspondingly reduced. H.R. 7927 calls for revenue increases estimated to yield up to $591 million at an annual rate, as compared with the earlier proposal that called for increases estimated to yield $741 million.

H.R. 7927 provides for certain staggered increases until January 1, 1963. Using the effective dates provided in H.R. 7927, additional estimated revenues in fiscal year 1962 will be $390 million; fiscal year 1963, $582 million; and in fiscal year 1964, $591 million. These projections are based on 1962 estimated volume.

Using cost estimates based on present wage rates and other cost elements, the proposed public service allowances and rate revisions will enable the postal service to balance its costs and revenues by fiscal year 1963.

Our review of H.R. 7927 and our principal comments were reported to the chairman, House Committee on Post Office and Civil Service, as follows:

"The subject bill would modify the Postal Policy Act (now 39 U.S.C. 2303) as follows:

"(a) It deletes from the present list of public services the 'loss resulting from the operation of such prime and necessary public services as the star route system and third- and fourth-class post offices.' (39 U.S.C. 2303(a)(2)).

"(b) For the enumerated public services, 'loss' or 'total loss' would be the excess of their allocated costs over revenues.

"(c) By April 1 of each fiscal year, the Postmaster General would be required to estimate the public-service losses for that year and the corresponding amount would then be deducted from the total costs of the Department for purposes of adjusting postal rates and fees.

"The Department endorses these changes for the following major reasons:

"(a) They would facilitate compliance with the Postal Policy Act (39 U.S.C. 2302(c)(4)) by recognizing total losses on public services before balancing costs and revenues. In the past 3 years, fulfillment of the financial objectives of the Postal Policy Act has been hampered because of differences in the Congress concerning the amounts to be appropriated for public services. The subject bill corrects the underlying cause by clarifying the guidelines for computing public services. The major issue has centered on two possible approaches in determining losses on free and reduced-rate mail: revenue foregone versus total loss. Enactment of the proposed legislation would resolve that controversy.

"(b) The precise amounts to be ascribed to public services would be determined routinely as a byproduct of Post Office cost ascertainment. There would no longer be any need for an annual public-service review with its attendant delays and added burdens for the Congress.

"(c) Deletion of losses on star routes and small post offices would remove an objectionable feature from the present enumeration of public services. Star routes and small posts offices are integral parts of a nationwide communications and transportation complex. Without these facilities the postal service could not fulfill its recognized responsibility, as stated in the Postal Policy Act, to 'unite more closely the American people, to promote the general welfare, and to advance the national economy.'

"Retention of star routes and small post offices in 39 U.S.C. 2303(a) would result in a partial double counting of public service allowances under the proposed language defining these losses. Significant portions of the cost of star routes and small post offices have been allocated to the costs of handling free and reduced-rate mail and to special services such as money orders and c.o.d.'s. The losses from these mails and services are already stipulated as public service credits under 39 U.S.C. 2303(a). To count these costs again in determining the loss on star routes and small post offices represents an unjustifiable charge against the Treasury for public service credits.

"Adoption of the public service provisions of the subject legislation would call for a new approach to rate adjustment within the framework of the Postal Policy Act. The amount of additional revenue to be sought through higher postal rates is reduced.

"The subject bill proposes increases in rates sufficient to bring postal revenues in line with costs after allowance for revised public services. The increases proposed would provide the minimum amount of additional postal revenues needed for a more equitable sharing of costs between the taxpayer and the users of the mails.

"In consonance with 39 U.S.C. 2302(c)(2), the subject legislation requests first-class postage rates which represent fair and reasonable prices for this primary service of the postal system, prices consistent with the value of the services received by the users of first-class mail. These first-class postage rates are sufficient to cover allocated expenses plus an additional amount for the value of preferential handling. This pricing approach stems from the fact that costs alone do not reflect value. Many services and privileges attached to first-class mail service are intangible in the sense that they cannot be included in allocated expenses. But the inability of cost-accounting processes (by which expenses are allocated) to place a price tag on these intangible benefits does not diminish their real and significant value to the patrons of the mail.

"A value-of-service, or premium price, for preferred handling is the traditional and economically accepted pricing practice throughout the world, in industry, and in government.

"It is the pricing formula prescribed by the Universal Postal Union for international letter mail.

"It is the method employed by most foreign postal administrations in setting rates for their domestic mails.

"It is the approach long followed by the Interstate Commerce Commission in approving transportation rates.

"It is the approach which the Congress of the United States endorsed for many years when the value-of-service premium on first-class mail averaged 40 percent in excess of cost in the period from 1926 through 1941.

"Revenues from first-class mail are now slightly below allocated costs and substantially below any reasonable level based on value of service. The proposed 1-cent increase in first-class mail is necessary to enable lagging rates to catch up with cost increases. Since 1932, when a 3-cent letter rate was first approved, the Consumer Price Index has risen 118 percent and the cost of handling a first-class letter has increased 130 percent. But letter rates have gone up only 33 percent. A 5-cent rate would bring the total increases since 1932 to 67 percent.

"In second- and third-class mail, the subject legislation proposes higher postage to adjust for cost increases which have arisen since rates were last modified in 1958. These further rate adjustments, together with the proposed modifications for computing public services, would result in substantially higher coverage of costs in both classes of mail.

"Cost coverage for free and reduced-rate mails would be raised to 100 percent by reason of the 'total loss' approach for public services. For the classes as a whole, the Department's revenues would be about 55 percent of cost in second class and 83 percent in third class. The relatively low cost coverage for second class, though substantially higher than in the past, is consistent with the established congressional policy of below-cost rates for newspapers and periodicals. From the very beginning of the U.S. postal system, low postage rates for these media have reflected the belief of Congress that wide distribution of reading matter should be encouraged for the public good.

"From the standpoint of clarity, it seems desirable to make one technical revision in H.R. 7927, as follows: On page 5, line 20, strike out 'within or.'"

This Department urges the enactment of the proposed legislation as proper and necessary revision of postal rates.

The Bureau of the Budget has advised the Department that enactment of this legislation is in accord with the program of the President.

Sincerely yours,

H. W. BRAWLEY,
Acting Postmaster General.

SUMMARY OF RATE PROPOSALS—S. 1812 COMPARED WITH S. 2382

S. 1812 provides $741.1 million of added revenue. S. 2382 provides $591.3 million of added revenue.

First-class mail: S. 1812 and S. 2382 both provides a 1-cent increase. The rate for letters would rise from 4 cents per ounce to 5 cents and for post cards from 3 to 4 cents. This would yield about $409 million. Airmail postage would rise from 7 cents per ounce to 8 cents for letters and from 5 to 6 cents for post cards. This would yield $13.7 million.

Second-class rates: Second class is the mail service for magazines and newspapers.

Under S. 1812 increases in this class would total $78 million.

Under S. 2382 increases on in-county mailings, nonprofit publications, and classroom publications are eliminated. Reduced increases for regular publications provide a one-half cent per piece charge effective January 1, 1962, which would yield $22.5 million, and a similar increase of one-half cent per piece effective January 1, 1963, for a total increase after both steps of $45.7 million.

Third-class rates: Third-class mail consists largely of advertising circulars mailed at bulk rates. It also includes fairly sizable quantities of catalogs and small parcels.

S. 1812 provides for $212 million of new revenue.

S. 2382 provides for a reduced minimum piece rate on bulk mailings of 3 cents (opposed to 3½ cents in S. 1812). It also eliminates any increases on nonprofit mail and reduces the increase on regular rate books and catalogs. In summary S. 2382 provides $103.6 million of added revenue.

Other changes: The increase provided in S. 1812 on educational materials and library materials is eliminated in S. 2382.

The effect on Government mail is unchanged in S. 2382.

Analysis of proposed postal rate revisions

Section	Analysis	Mail class	Present rate	H.R. 6418/S. 1812 Proposed rate	H.R. 6418/S. 1812 New revenues	H.R. 6418/S. 1812 Increase in rates: Over current	H.R. 6418/S. 1812 Increase in rates: Over 1950	H.R. 7927/S. —— Alternative rate	H.R. 7927/S. —— New revenues	H.R. 7927/S. —— Increase in rates: Over current	H.R. 7927/S. —— Increase in rates: Over 1950
	H.R. 6418/S. 1812				*Millions*	*Percent*	*Percent*		*Millions*	*Percent*	*Percent*
2	Increases the postage rates on 1st-class mail by 1 cent.	1st class:									
		Letters	4 cents per ounce	5 cents per ounce	$382.8	25	67	5 cents per ounce	$382.8	25	67
		Drop letters	3 cents per ounce	4 cents per ounce	1.7	33	300	4 cents per ounce	1.7	33	300
		Cards	3 cents each	4 cents each	24.7	33	300	4 cents each	24.7	33	300
		Total			409.2				409.2		
3	Increases the postage rates on airmail other than air parcel post by 1 cent.	Airmail:									
		Letters (to 8 ounces)	7 cents per ounce	8 cents per ounce	12.7	14	33	8 cents per ounce	12.7	14	33
		Cards	5 cents each	6 cents each	.2	20	50	6 cents each	.2	20	50
		Parcel post (over 8 ounces)	Zone rates	No change [1]	.8			No change [1]	.8		
		Total			13.7				13.7		
4	Imposes a piece rate of ¼ cent on all within-county mailings except those on which postage is presently fixed by the piece. It also increases the existing per pound rates on within-county mailings by ½ cent, and applies these rates to publications now mailed free of postage.	2d class (magazines and newspapers):									
		In-county:									
		Free-in-county (rural post offices)	Free	¼ cent per piece plus 1½ cents per pound.	2.1	(Infinite)		No change			
		1 cent a pound matter (city post offices)	1 cent per pound; ½-cent minimum per piece.	¼ cent per piece plus 1½ cents per pound.	2.8	155	155	do			
		1 cent and 2 cents per copy (local carrier service, nonweeklies)	1 cent to 2 ounces; 2 cents over 2 ounces	No change [2]				do [2]			
5	Imposes a piece rate postage charge to all mailings beyond the county of mailing except transient mailings. The piece rate is 1½ cents except that in the case of classroom publications and for all nonprofit groups, it is ¼ cent.	Outside county:									
		Nonprofit publications	1½ cents per pound; ¼ cent minimum per piece.	¼ cent per piece plus 1½ cents per pound.	3.7	81	81	do			
		Classroom publications:									
		Editorial	1½ cents per pound.	Current pound rate plus ¼ cent per piece.	.2	27	27	do			
		Advertising	50 percent of regular rates. (½ cent minimum per piece.)								
		Regular publications:									
		Editorial	2½ cents per pound.	Current pound rates plus 1½ cents per piece.	68.8	83	247	Current pound rates plus piece charges as follows:			
		Advertising: Zones—									
		1 and 2	3 cents per pound. (½ cent minimum per piece.)					Effective Jan. 1, 1962, ½ cents.	(22.5)	(27)	(136)
		3	4 cents per pound.					Effective Jan. 1, 1963, 1 cent.	45.7	55	192
		4	6 cents per pound.								
		5	8 cents per pound.								
		6	10 cents per pound.								
		7	12 cents per pound.								
		8	14 cents per pound.								
		Total			77.6				45.7		
7	Increases the rate of postage on controlled circulation publications to 14 cents a pound and the minimum to 3 cents a piece.	Controlled circulation (periodicals without paid subscribers)	12 cents per pound; 1 cent minimum per piece.	14 cents per pound; 3 cents minimum per piece.	1.0	17	40	12 cents per pound; 3 cents minimum per piece.	.1	2	4
8	Increases the single piece rates on 3d-class mail to 4 cents for the 1st 2 ounces, and 2 cents for each additional ounce. It increases the bulk rate on books, catalogs, seeds, cuttings, bulbs, roots, scions, and plants to 18 cents a pound, and on other 3d-class matter to 21 cents. The rate for bulk mailings of 3d-class matter is increased by 1 cent except that the minimum for qualified nonprofit organizations is raised ½ cent. The minimum charge for odd size pieces was fixed at 3½ cents by P.L. 86-56. This section increases that rate to 4½ cents.	3d class (printed matter and merchandise less than 16 ounces):									
		Single piece rate	3 cents 1st 2 ounces; 1½ cents each additional ounce.	4 cents 1st 2 ounces; 2 cents each additional ounce.	52.4	33	100	4 cents 1st 2 ounces; 1½ cents each additional ounce.	38.4	24	87
		Bulk rate:									
		Regular:									
		Circulars, etc	16 cents per pound	21 cents per pound	8.7	31	50	No change			
		Books, catalogs, etc	2½ cents minimum per piece	3½ cents minimum per piece	117.4	40	250	3 cents minimum per piece	58.7	20	200
			10 cents per pound	18 cents per pound	17.3	80	80	12 cents per pound	4.3	20	20
			2½ cents minimum per piece	3½ cents minimum per piece	4.5	40	250	3 cents minimum per piece	2.2	20	200
		Nonprofit:									
		Circulars, etc	16 cents per pound	21 cents per pound	1.1	31	50	No change			
		Books, catalogs, etc	1¼ cents minimum per piece	1¾ cents minimum per piece	10.1	40	75	do			
			10 cents per pound	18 cents per pound	.6	80	80	do			
			1¼ cents minimum per piece	1¾ cents minimum per piece	.3	40	75	do			
		Odd size, minimum	3½ cents per piece	4½ cents per piece	[3]	29	50	4½ cents per piece	[3]	29	50
		Total			212.4				103.6		
9	Increases the rates on educational materials to 10 cents for the 1st pound and 6 cents for each additional pound, and on library materials to 5 cents for the 1st pound and 3 cents for each additional pound.	4th class:									
		Educational materials	9 cents 1st pound; 5 cents each additional pound.	10 cents 1st pound; 6 cents each additional pound.	6.2	16	40	No change			
		Library materials	4 cents 1st pound; 1 cent each additional pound.	5 cents 1st pound; 3 cents each additional pound.	2.0	104	104	do			
		Total			8.2						
		Federal Government mail	Applicable class rates	Applicable class rates	22.0	23	58	Applicable class rates	22.0	23	58
		Mail mix adjustment			−3.0				−3.0		
		Total all classes			741.1				591.3		

[1] Air parcel post law requires payment of not less than 1st-class rates for 1st class sent by air.

[2] Included in other 3d-class rate categories.

[3] Applicable at original entry office only.

Mr. MONRONEY. As chairman of the Subcommittee on Postal Affairs of the Committee on Post Office and Civil Service, I am prepared to call immediate hearings on this measure as soon as it is referred to the subcommittee. I can assure the Members of the Senate and the Members of the House that there is no reason that the Senate cannot be prepared to act promptly on this bill in the event that action is taken in the House. It is my personal conviction that this Congress should not adjourn until we have done so.

PROPOSED AMENDMENT TO CONSTITUTION, RELATING TO FILLING OF TEMPORARY VACANCIES IN HOUSE OF REPRESENTATIVES

Mr. KEFAUVER. Mr. President, on behalf of myself and the distinguished Senator from New York [Mr. KEATING], I introduce a joint resolution to amend the Constitution, so as to authorize the Governors of the various States to make appointments to fill temporary vacancies in the House of Representatives in time of emergency.

ARTICLE —

SECTION 1. On any date that the total number of vacancies in the House of Representatives exceeds one-third of the authorized membership thereof, and for a period of sixty days thereafter, the executive authority of each State shall have power to make temporary appointments to fill any vacancies, including those happening during such period, in the representation from his State in the House of Representatives. Any person temporarily appointed to fill any such vacancy shall serve until the people fill the vacancy by election as provided for by article I, section 2, of the Constitution.

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

The provisions of this joint resolution were approved yesterday by the Subcommittee on Constitutional Amendments, of which Senator KEATING and I are both members, when the subcommittee considered Senate Joint Resolution 18, which I have previously introduced. The present resolution combines certain features of Senate Joint Resolution 18 with other provisions suggested by Senator KEATING and supported by him in the past.

This amendment will close a loophole in our Constitution and continue representative constitutional government in the unhappy event that some disaster, such as nuclear attack, eliminates a large portion of the Members of the House of Representatives.

In the event of such a disaster, presidential succession is insured by law. The Constitution authorizes appointments by Governors to fill vacancies in the Senate. But special elections are required by the Constitution to fill vacancies in the House of Representatives. During the period of waiting for such special elections in times of national emergency, the efficiency and representative character of the Congress would be greatly impaired.

Measures similar to this have been approved by the Senate by overwhelming votes three times previously, in the 83d, 84th, and 86th Congresses. Its need has been urged by Civil Defense officials and Attorneys General of both parties. As the Deputy Attorney General stated in a recent report to the Judiciary Committee:

The need for this amendment, especially during a period of national emergency or disaster, is pointed up by the critical world conditions today, and the ability of some nations, through the use of atomic and hydrogen devices, to wreck mass destruction in target areas.

The joint resolution which Senator KEATING and I introduce today authorizes such appointments only when the number of vacancies in the House exceeds one-third of its authorized membership. Senate Joint Resolution 18, which I previously introduced, sets the operative number of vacancies at one-half. In the 86th Congress, Senator KEATING'S Senate Joint Resolution 85 set this figure at one-third. Amendments containing both figures have passed the Senate at different times in the past. The report recently received by the Committee on the Judiciary from the Department of Justice suggested that Senate Joint Resolution 18 be amended to set the operative number of vacancies at one-third instead of one-half, and it is now the opinion of the Subcommittee on Constitutional Amendments that one-third is a more suitable figure.

Senator KEATING'S previous proposals and the Department of Justice's recommendations also provided a procedure to notify the States by proclamation when the requisite number of vacancies exist. In the past, the Senate has approved this measure, at different times, both with and without such a provision. Senator KEATING and I, along with other members of the Subcommittee on Constitutional Amendments, now agree that such a notification procedure is desirable but it would be better to specify it by the more flexible method of statutory enactment than by detailed inclusion in the Constitution. For this reason, the resolution which Senator KEATING and I now offer simply authorizes Congress to enforce the article by appropriate legislation.

We are now in a time of international crisis when the Nation is demonstrating to its potential enemies that it is determined to defend freedom at all costs. We have increased defense expenditures and have given the President extensive new powers in demonstration of our readiness if the enemies of freedom precipitate war. Prompt action on this amendment will show Mr. Khrushchev that America is prepared governmentally as well as militarily, and Senator KEATING and I urge its prompt approval.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 123) to amend the Constitution to authorize Governors to fill temporary vacancies in the House of Representatives, introduced by Mr. KEFAUVER (for himself and Mr. KEATING), was received, read twice by its title, and referred to the Committee on the Judiciary.

JOHN EDGAR HOOVER

Mr. DIRKSEN. Mr. President, with the concurrence of the majority leader, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The resolution (S. Res. 190) was read, as follows:

Whereas John Edgar Hoover has rendered 37 years of distinguished service to the United States as Director of the Federal Bureau of Investigation, having been appointed to that position in 1924 during the Presidency of Calvin Coolidge and having served continuously in that capacity during the terms of office of Presidents Herbert C. Hoover, Franklin D. Roosevelt, Harry S. Truman, Dwight D. Eisenhower, and John F. Kennedy; and

Whereas through the vigor and effectiveness of the leadership of John Edgar Hoover, the Federal Bureau of Investigation has been developed and maintained as a law enforcement agency of unparalleled efficiency, impartiality, and integrity; and

Whereas, during the service of John Edgar Hoover as Director of the Federal Bureau of Investigation, the Federal Bureau of Investigation, in close and effective cooperation with State and local police agencies, has led successfully the fight against crime, corruption, and communism within the United States; and

Whereas, through its services to the Nation under the direction of John Edgar Hoover, the Federal Bureau of Investigation has earned the trust, confidence, and appreciation of all Americans: Now, therefore, be it

Resolved, That it is the sense of the Senate that John Edgar Hoover is deserving of the highest possible commendation for the continued excellence of his devoted and effective service to the Nation.

SEC. 2. The Secretary of the Senate shall transmit copies of this resolution to the Director of the Federal Bureau of Investigation, the Attorney General, and the President.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and unanimously agreed to.

The preamble was agreed to.

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENTS

Mr. PROUTY submitted amendments, intended to be proposed by him, to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. MUNDT (for himself, Mr. DIRKSEN, Mr. BRIDGES, Mr. KUCHEL, Mr. HOLLAND, Mr. MILLER, Mr. TOWER, Mr. COTTON, Mr. YOUNG of North Dakota, Mr. SCHOEPPEL, Mr. WILEY, Mr. SMATHERS, Mr. LAUSCHE, Mr. BUSH, and Mr. BEALL) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1983, supra, which was ordered to lie on the table and to be printed.

(See the remarks of Mr. MUNDT when he submitted the above amendment, which appear under a separate heading.)

Mr. SALTONSTALL (for himself, Mr. KEATING, Mr. BUSH, and Mr. MORTON) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1983, supra, which was ordered to lie on the table and to be printed.

(See the remarks of Mr. SALTONSTALL when he submitted the above amendment, which appear under a separate heading.)

Mr. MONRONEY submitted an amendment, intended to be proposed by him, to Senate bill 1983, supra, which was ordered to lie on the table and to be printed.

Mr. MUNDT. Mr. President, I send to the desk an amendment and ask that it be printed in the body of the RECORD at this time. It is not an amendment to the present bill, but an amendment to the bill S. 1983. The amendment would provide funds for the impacted area school program, and would be added to the foreign aid bill as a separate title. In that bill we shall be appropriating money for schoolchildren abroad. We should be paying attention also to the educational needs of the impacted areas at home.

I ask that the amendment be printed, printed in the RECORD, and that it lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment, intended to be proposed by Mr. MUNDT (for himself, Mr. DIRKSEN, Mr. BRIDGES, Mr. KUCHEL, Mr. HOLLAND, Mr. MILLER, Mr. TOWER, Mr. COTTON, Mr. YOUNG of North Dakota, Mr. SCHOEPPEL, Mr. WILEY, Mr. SMATHERS, Mr. LAUSCHE, Mr. BUSH, and Mr. BEALL) to Senate bill 1983, the Act for International Development of 1961, is as follows:

PART V

Title VII—Amendments to Public Laws 815 and 874

Extension of Temporary Provisions of Public Law 815

SEC. 801. (a) The first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 633), is amended by striking out "1961" and inserting in lieu thereof "1964".

(b) Subsection (b) of section 14 of such Act is amended (1) by striking out "1961" each time it appears therein and inserting in lieu thereof "1964", and (2) by striking out "$40,000,000" and inserting in lieu thereof "$60,000,000".

(c) Paragraph (15) of section 15 of such Act is amended by striking out "1958–1959" and inserting in lieu thereof "1961–1962".

Extension of Temporary Provisions of Public Law 874

SEC. 802. The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by striking out "1961" each time it appears in sections 2(a), 3(b), and 4(a) and inserting "1964" in lieu thereof.

Extension of Laws to American Samoa

SEC. 803. (a) The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by inserting "American Samoa," after "Guam," each time it appears in sections 3(d), 6(c), and 9(8).

(b) The Act of September 23, 1950, as amended (20 U.S.C. 631–645), is amended by inserting "American Samoa," after "Guam," in section 15(13).

DEFENSE APPROPRIATION BILL—CHANGE OF CONFEREE

Mr. MANSFIELD. Madam President, I ask unanimous consent that in the conference on House bill 7851, the Department of Defense appropriation bill for 1962, the Senator from Mississippi [Mr. STENNIS] be appointed a conferee, in lieu of the Senator from New Mexico [Mr. CHAVEZ].

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF HEARING ON NOMINATIONS OF GUTHRIE F. CROWE TO BE U.S. DISTRICT JUDGE, DISTRICT OF CANAL ZONE; AND WILLIAM T. BEEKS TO BE U.S. DISTRICT JUDGE, WESTERN DISTRICT OF WASHINGTON

Mr. ERVIN. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, August 11, 1961, at 10:30 a.m., in room 2228 New Senate Office Building, on the following nominations:

Guthrie F. Crowe, of the Canal Zone, to be U.S. district judge, district of the Canal Zone, term of 8 years (now serving under an appointment which expired July 2, 1960).

William T. Beeks, of Washington, to be U.S. district judge, western district of Washington, vice John C. Bowen, retired.

At the indicated time and place persons interested in the hearings may make such representations as may be pertinent.

The subcommittee consists of the Senator from Mississippi [Mr. EASTLAND] chairman, the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Nebraska [Mr. HRUSKA].

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. ERVIN. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Brockman Adams, of Washington, to be U.S. attorney, western district of Washington, term of 4 years, vice Charles P. Moriarty.

George A. Bukovatz, of Montana, to be U.S. marshal, district of Montana, term of 4 years, vice Louis O. Aleksich.

George M. Stuart, of Alabama, to be U.S. marshal, southern district of Alabama, term of 4 years, vice James L. May.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Friday, August 11, 1961, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD as follows:

By Mr. BYRD of West Virginia:

Address delivered by him on July 29, 1961, before the West Virginia chapter, National Association of Postmasters, at Martinsburg, W. Va.

THE NEED FOR ADDITIONAL BOMARC MISSILES IN OUR NEW DEFENSE PLAN

Mr. BENNETT. Mr. President, after talking with military experts about the new problems we are facing as a result of mounting tension in Europe and elsewhere, I am convinced that we are paying too little attention to one of the most important aspects of defense—our defense against enemy air attack.

We realize that if the United States is attacked, the assault will be primarily an aerial assault. And the recent air show in Moscow, at which new and greatly improved Soviet bombers were unveiled, makes it clear that the Soviet Union is continuing to rely heavily upon manned aircraft for delivery of nuclear weapons.

The establishment of a Communist satellite in the Western Hemisphere, in Cuba, further increases the need for effective defense against manned aircraft, since no longer does the Soviet Union have to rely on long-range ICBM's for delivery of nuclear weapons. The Mig flyover at the recent 25th of July celebration in Cuba was a reminder that Cuba is getting more and more Russian aircraft.

Yet, after studying the testimony on the military buildup now being planned, I find there is little provision for air defense.

Development of the Nike-Zeus antimissile missile is progressing, and we have authorized and appropriated funds for Nike-Hercules ground-to-air missiles and F–105 fighter aircraft. But one weapon that is important to our defense has not been mentioned, despite the fact that it is our best answer to aircraft. The Bomarc apparently will be allowed to disappear from the catalog of our defense weapons, with production of this tested and proven ground-to-air missile ending in the late summer of 1962.

Time and time and time again this missile has demonstrated its ability to intercept targets at greater altitude and distance than any other defensive weapon. It has successfully sought and intercepted a supersonic target almost 450 miles away at an altitude of 100,000 feet. No other missile presently available is capable of this.

The Bomarc is able to stop aggressive aircraft long before they are in a position to drop their bombs. The people of this country need and deserve a defensive weapon with this capability. Yet, if production is permitted to end next summer, they will not have it.

Over the years, we have seen the impossibility of reinaugurating production once it has been stopped. There are many reasons for this, but two are outstanding: first, the corps of subcontractors and suppliers is dissipated and often cannot be reconstituted; second, a trained and experienced work force is

lost and cannot be regained. Unlike a kitchen faucet that can be turned on and off at will, a weapon production line cannot be turned on again once it has been turned off.

It is incumbent upon us to examine closely any decision to terminate production of a weapon so basic to our protection. Bomarc offers an alternative to life in a hole in the ground. It offers an opportunity to stop an aggressor before he reaches his target.

DISARMAMENT AGENCY

Mr. CLARK. Mr. President, yesterday I learned the good news that hearings will shortly be held by the Committee on Foreign Relations of this body on a bill to establish a U.S. Disarmament Agency for World Peace and Security. I personally believe this is one of the most important measures before this body. I hope very much that at the conclusion of the hearings the measure will be reported and passed by the Senate before we adjourn.

I ask unanimous consent that an excellent editorial appearing in the Philadelphia Inquirer on Tuesday, July 18, 1961, entitled "Amid Crisis, a Disarmament Bid," appear at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AMID CRISIS, A DISARMAMENT BID

On the face of it, there would seem to be no more inauspicious time than now to begin new discussions with Russia on the subject of disarmament.

John J. McCloy, disarmament adviser to President Kennedy, is in Moscow to keep an appointment with Soviet disarmament "negotiator," Valerian Zorin, that was made weeks ago—before the crisis over Berlin and all its ramifications boiled up to a feverish pitch.

Now Mr. McCloy finds himself in the somewhat anomalous position of trying to find a cooperative Kremlin ear to listen to disarmament suggestions while the Soviets are more immediately concerned with digesting the notes from President Kennedy and Allies on the defense of freedom in West Berlin.

Meanwhile, back in Washington, nothing could seem farther from reality than talk of disarmament. From the White House to the Capitol to the Pentagon, and points between, the focus of attention is on plans and proposals for more arms, more men, more planes, more just about everything of a military nature. "Mobilization" is the word that can be heard on every side these days.

Despite the seemingly impossible task confronting Mr. McCloy, we believe that the worsening international situation makes his mission all the more important and the need for progress toward disarmament more vital than ever.

In fact, Congress could find no more opportune moment than now to initiate action on President Kennedy's recent request in line with recommendations by Mr. McCloy, for the creation of a new Federal agency in the executive branch devoted entirely to matters of disarmament and weapons control.

A continuous, organized effort is required to achieve meaningful steps toward disarmament. We agree with President Kennedy that a special agency, functioning closely with the White House and the Department of State, should be established for this purpose.

In the present atmosphere of invective—with threats and warnings filling the air—it would be unreasonable to expect Mr. McCloy to come home from Moscow with a Soviet disarmament pledge in his pocket. His perspective must be long range. He must seek diligently for a beginning, a starting point.

One such point well might be an intensified drive to reach agreement with Russia on a ban of nuclear weapons testing through some reliable system of international control, perhaps within the framework of the United Nations.

We in America, much closer to the hue and cry in Washington than to Mr. McCloy's lonely mission, ought not to allow the necessary preparation for imminent peril to deter us from a resolute, relentless search for an end to the arms race—for a beginning of real peace maintained by the promise of a better life, instead of an uneasy truce sustained by threats of nuclear annihilation.

Mr. CLARK. I wish to read an important sentence from the editorial, as follows:

We in America, much closer to the hue and cry in Washington than to Mr. McCloy's lonely mission, ought not to allow the necessary preparations for imminent peril to deter us from a resolute, relentless search for an end to the arms race—for a beginning of real peace, maintained by the promise of a better life.

COOPERATION TO IMPROVE TRANSIT FACILITIES IN THE PHILADELPHIA AREA

Mr. CLARK. Mr. President, on June 30 President Kennedy signed into law the Housing Act of 1961, which contained the first provisions ever enacted to aid the cities of America in the solving of their urgently pressing problems of mass transportation.

The Philadelphia area has taken immediate advantage of this new law, and I am happy to note that five counties in the Greater Philadelphia area have already agreed on a pact to improve future area transit, with the help of Federal assistance. Mr. President, I ask unanimous consent that an article which was published in the Philadelphia Inquirer of August 2, 1961, may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIVE COUNTIES AGREE ON PACT TO IMPROVE PHILADELPHIA AREA TRANSIT

A five-county compact, with the aim of improving transit facilities in the Philadelphia area, was approved Tuesday by the city and Bucks, Chester, Delaware, and Montgomery Counties.

The action, taken at a meeting of county solicitors in the Montgomery County Courthouse, Norristown, was hailed as the start of an integrated transit program, the first phase of which is expected to be a cooperative project on the North Penn branch of the Reading Railroad.

SIX PROJECTS OPERATING

Six such projects already are in operation under the city's nonprofit Passenger Service Improvement Corp. They are Operations Northwest (the Chestnut Hill lines of both the Reading and Pennsylvania Railroads), Northeast (the Reading's Fox Chase line), Torresdale (PRR), Manayunk (PRR) and Shawmont (Reading).

City Solicitor David Berger said he would ask Deputy Managing Director John Bailey to set up a meeting of technicians as rapidly as possible to make plans for the new project as well as the entire regional setup.

The compact approved Tuesday will require the approval of the city council for the county of Philadelphia and the boards of commissioners for the four suburban counties.

CONFEREES LISTED

In addition to Berger and Assistant City Solicitor Clyde McIntyre, the conferees were Bucks County Solicitor Samuel S. Gray, Jr.; Assistant County Solicitor James E. O'Neill, Jr., of Chester, and Montgomery County Solicitor Roger B. Reynolds.

Delaware County was not represented at the meeting, but the other solicitors said they would submit their findings to that county for appraisal and transmittal to the county commissioners.

In a news conference following the meeting, Berger said that Federal subsidy is the key to the entire situation.

U.S. FUNDS NEEDED

"No regional transportation solution is possible without Federal funds," Berger said. He added that the new plans do not come under PSIC, which at present is limited to lines which operate wholly within the city.

"We agreed that cooperative action by the four counties and Philadelphia is a necessity if we are to help the citizens of our area," a joint statement issued after the session said.

"It was agreed unanimously by us that the formation of a compact by the four counties and Philadelphia would be the best method by which to proceed. Such a compact would indicate our willingness to cooperate in a regional effort."

OPERATIONS STUDIED

The conferees said that although the North Penn operation—which runs between Lansdale and the Reading Terminal—would be the first, others are contemplated. They are the main line commuter road, the Levittown, Pa., line, the Chester commuter lines in this area.

Aside from the rail commuter lines, the solicitors said, the program would include bus feeder branch and others of the six Reading and six Pennsylvania lines and highways to form a regional transportation program.

The object of the program is to furnish frequent, comfortable public transportation at reasonable cost and thus lure motorists away from their cars and onto mass transit lines in an effort to cut down highway congestion in the area, especially during the peak hours.

COMBINED APPLICATION

"The compact will enable the four counties and the city of Philadelphia to apply jointly for Federal funds which include planning and demonstration grants for the proposed pilot project on the Reading's North Penn branch," the statement said.

"It should be understood that the only financial commitments involved in this project (North Penn) would be borne by Montgomery County and Philadelphia."

The proposed compact provides for the formation of an action committee of two members from each county and two from Philadelphia.

"We feel such a committee will be able to coordinate and plan cooperative action in the southeast section of the State," the conferees said. "The committee should be able to carry out the work and objectives of all cooperative plans.

"We believe that this compact will furnish the means by which citizens in the four counties and Philadelphia will be greatly served. We feel the compact will benefit the State itself, which has the primary duty of promoting intercounty highways.

"We are convinced that the prompt and proper use of Federal funds, as well as State and local resources, will ultimately enable us to attain a modern, coordinated, and efficient transit system which would help us avoid the spiraling and tremendous costs involved if we were to resort to highway construction and use alone."

Mr. CLARK. Mr. President, the action of the Congress and of the President in making the funds available both for loans to rehabilitate mass transit systems and for grants for planning purposes has been a real spur to the people of my State, in the southeastern Pennsylvania area. This move also has received editorial support, and I ask unanimous consent that an editorial from the Philadelphia Inquirer of yesterday morning entitled "Cooperation for Public Good" may be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COOPERATION FOR PUBLIC GOOD

Regional cooperation for the improvement of mass transportation in this area, something that the city of Philadelphia has been seeking for months, has apparently now been achieved.

The agreement reached at a meeting of county solicitors in Norristown on Tuesday calls for integrated action on a transit program by the five counties affected, including, in addition to Philadelphia, Montgomery, Delaware, Bucks, and Chester.

This city has had its own subsidized commuter-aid program in operation on the six Pennsylvania and Reading branches within the city limits. These operations have been successful in providing better service at bargain fares, in reducing use of automobiles for daily commutation purposes and thereby cutting down highway congestion at peak hours.

It has been evident all along that this program, excellent as it may be, could have no more than limited results until the rail commuter lines serving the four suburban counties were brought into it. For some time, however, suburban authorities hesitated about joining up with Philadelphia on any regional plan. There was reluctance to become a part of the city's Passenger Service Improvement Corp. project, which runs the low-fare operations in Philadelphia, or to spend county funds to defray any railroad operating losses.

The desirability of improved commutation service, however, has been recognized by the county governments. Montgomery County recently decided to launch Operation Lansdale on the Reading's North Penn branch as a first step along these lines. Affiliation with the PSIC has not been considered necessary in connection with this plan.

What has been found necessary, if Federal funds are to be obtained to promote improved mass transportation facilities in the Philadelphia area, is regional cooperation. The newly agreed upon, five-county board, known as the southeastern Pennsylvania compact, is to bring about this cooperation and, if possible, attract Federal aid.

After Operation Lansdale, the group will explore the possibility of setting up similar low-fare operations, with improved service, on the Pennsylvania's line to Levittown, which runs into Bucks County; on the Pennsylvania's main line, which furnishes the Paoli local service in four of the five counties, and the rest of the Pennsy and Reading branches in the area.

Part of the overall improvement plan is the proposed linkup of the Pennsylvania and Reading lines by an underground connection between the suburban stations of the Pennsylvania and Reading terminals.

How much Federal assistance the five-county region can expect, and how much suburban county funds will be required for the program, have not yet been estimated. But the benefits to the regional community from a plan that would supply fast, frequent, and comfortable transportation at reasonable fares, luring motorists away from their cars for commuter travel, are evident.

Should the rail commuter lines vanish, or their service be radically curtailed, the highway space and the parking facilities required for motor traffic throughout the metropolitan area are beyond computation.

Mr. CLARK. Mr. President, I am hopeful that we in the Senate, and also those in the Community Facilities Administration of the Housing and Home Finance Agency will be able to expedite the necessary planning grant and loan to make it possible for Philadelphia to be the pioneer city in the United States of America in a five-county pact to improve its mass transit.

NATIONAL INSTITUTES OF HEALTH

Mr. BUSH. Mr. President, in view of the action of the Senate earlier this week in appropriating for the National Institutes of Health approximately $253 million more than President Kennedy's budget requests, I have made inquiry to determine whether the NIH was able to expend all the money made available to it in the last fiscal year.

I am advised that the 1961 appropriations for all the institutes was $560 million. The unobligated balance, as of June 30, 1961, was approximately $25 million. Of this, however, $12,169,000 was earmarked for a neurological research building on which only $11,000 was spent.

Mr. President, I ask unanimous consent to insert in the RECORD a table which shows the amounts made available to NIH activities, and the amounts remaining unobligated at the end of the last fiscal year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Activity	Available	Unobligated
General research	$83,900,000	$327,000
Cancer Institute	111,000,000	4,013,000
Mental health	98,761,000	3,697,000
Heart Institute	86,900,000	612,000
Dental Health Institute	15,500,000	887,000
Arthritis and metabolic diseases	61,200,000	2,612,000
Allergy and infectious diseases	44,000,000	220,000
Neurology and blindness	49,600,000	1,255,000
Total	547,861,000	13,631,000

Mr. BUSH. Mr. President, the table shows that the NIH was unable to put to use $13,631,000 of the funds made available last year. It raises serious questions as to the wisdom of the Senate in exceeding the President's budget requests by $253 million and in providing the NIH with $140 million more than it had itself requested of the Bureau of the Budget.

NATIONALIST CHINA

Mr. MORSE. Mr. President, yesterday the Washington Post and Times Herald published an editorial entitled "Looking at China." I think it is the finest, most keen analytical editorial on the subject matter I have read for a long, long time. I not only shall ask to have it printed in the RECORD, but I wish to read a paragraph or two:

There is very little likelihood in the foreseeable future of correct, let alone friendly, relations with such a regime.

The reference is to Red China—

But distaste for the government scarcely ought to be the ruling criterion of American policy. Within China are more than 650 million people, almost one-quarter of the entire human race.

An American policy of nonrecognition and isolation during the past 12 years has not served to prevent the consolidation of communism in China, whatever the difficulties there. Indeed, it has abetted continuation of the unnatural marriage between China and the Soviet Union. Perhaps it has served temporarily as a shield for the governments of southeast Asia, but the price has been a distorted and unreliable relationship.

Now the United States is faced with a very practical problem. The question of a seat for Communist China in the United Nations is certain to arise this fall, with many indications that there will be sufficient votes soon to put it across. Thundering pronouncements and congressional resolutions will not alter this problem.

Nor, Mr. President, will they change a single vote in the United Nations. The question in the United Nations, so far as the United States is concerned, is whether we are willing to debate the question on the merits and to present our case against Red China. We have a good case. We should not be afraid to present it because of any risk that once the China issue is put on the United Nations agenda for debate the result will be the admission of Red China. I just do not believe that is true. However, I think that if we continue to try to pressure our friends in the United Nations to vote against even letting the Red China issue be debated on its merits at the next United Nations General Assembly then there is a very real danger that we will be outvoted in the United Nations on this issue.

The editorial continues:

It is this point, and the accompanying artificial estrangement of the United States from many other countries, that argues strongly for freeing American policy from the Nationalist kite.

Mr. President, I am glad that point was made, because here is one Senator who is growing a little weary of having representatives of foreign governments, such as the Vice President of Nationalist China and the President, in name only, in my opinion, of Pakistan, and other foreign visitors, come to this country and turn the United States into a forum for their propaganda. Under such circumstances we are placed in a position in which good manners and hospitality and courtesy do not make it possible for us to reply immediately.

It is very important that these representatives of foreign governments come to the United States and confer

with our President and with our diplomats, but if they are going to spread the kind of propaganda which the Vice President of Nationalist China has been spreading, including his very fallacious and unsound speech before the National Press Club, then it is time we present to the American people at the same time some answers to their propaganda. It would have been very interesting to have the Vice President of Nationalist China discuss before the National Press Club the question, "Does a free press exist in Formosa?" Or to discuss the extent to which a bill of rights is guaranteed in Formosa. Or discuss the police state policy of Formosa.

In my judgment, the position of the United States in the United Nations should be taken quite independent of Nationalist China. I would have the leaders of Nationalist China keep in mind where they would be if it were not for the billions of dollars that the American taxpayers have poured into that U.S. puppet state. When all is said and done, in fact, that is what the United States has done for Nationalist China.

I am in favor of protecting the Nationlist Chinese and the people of Formosa against a Red Chinese bloodbath. However, I am one Senator who does not propose to remain silent and to let the Nationalist Chinese try to determine what American foreign policy shall be in the United Nations. I think their propaganda seeking to influence American public opinion should be answered. A good many statements of the Vice President of Nationalist China made in our country were most unfortunate.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LOOKING AT CHINA

Vice President Chen Cheng of Nationalist China gave the expected warning during his visit here against any shift in American policy toward the Communist regime in Peiping. He also asserted that the Nationalist Government will veto the admission of Outer Mongolia to the United Nations. From the standpoint of the officialdom on Taiwan, General Chen's strictures are quite understandable. It by no means follows, however, that the interests of the Chiang Kai-shek government and the interests of the United States are identical.

The Nationalist regime on Taiwan would like to be back on the mainland, and it has sought to muster U.S. support toward that end. Officially, at least, the Nationalist hierarchy has never reconciled itself to the concept of a separate and independent Taiwan where its future lies. Yet, though the reemergence of the Nationalist regime on the mainland would be infinitely preferable to the tyranny that exists there, the chance that this will happen is extremely remote.

Let there be no misunderstanding of attitudes toward Communist China. The crew in Peiping runs as fiendish and fanatical a regime as there is on this earth—aggressive, xenophobic, and totally hostile to non-Communist society. Its economic accomplishments are ground out through the most brutal kind of human slavery. The Communist revolution in China is still in the violent stage, without the mellowing that has occurred in the Soviet Union. The propagandists in Peiping never cease to play upon the one China sentiment on Taiwan, or to emphasize their aim of eliminating American influence in Asia.

There is very little likelihood in the foreseeable future of correct, let alone friendly, relations with such a regime. But distaste for the government scarcely ought to be the ruling criterion of American policy. Within China are more than 650 million people, almost one-quarter of the entire human race.

An American policy of nonrecognition and isolation during the past 12 years has not served to prevent the consolidation of communism in China, whatever the difficulties there. Indeed, it has abetted continuation of the unnatural marriage between China and the Soviet Union. Perhaps it has served temporarily as a shield for the governments of southeast Asia, but the price has been a distorted and unreliable relationship.

Now the United States is faced with a very practical problem. The question of a seat for Communist China in the United Nations is certain to arise this fall, with many indications that there will be sufficient votes soon to put it across. Thundering pronouncements and congressional resolutions will not alter this problem. It is this point, and the accompanying artificial estrangement of the United States from many other countries, that argues strongly for freeing American policy from the Nationalist kite.

By the same token, a redefined policy of independence for the separate regime on Taiwan would command a great deal of support. The question of diplomatic recognition (which the Peiping government might well refuse) need not enter the present consideration—though the ultimate advantage of firsthand information and a listening post in the increasing squabble between Peiping and Moscow could be very important indeed.

There is far less controversial case for the establishment of relations with Outer Mongolia which, despite its Communist antecedents and ideology, is a country that has committed no aggression against the United States.

(At this point, Mr. YOUNG of Ohio took the chair as Presiding Officer.)

ENVIRONMENTAL HEALTH CENTER AT ROCKVILLE

Mr. LAUSCHE. Mr. President, in the transcript of the testimony taken in regard to the bill for the Department of Health, Education, and Welfare there was a discussion of an item in which the Department asked for enough money to buy, I believe, 689 acres of land at a cost of $3,000 an acre near Rockville, to be used in the development of what is called generally an Environmental Health Center.

The Senate Committee rejected that request. In the transcript of the testimony questions were put by the Senator from Virginia [Mr. BYRD] to the witnesses. The Senator's argument related to the fact that the Congress is passing legislation for the purpose of inducing the channelization of new industries into depressed areas. There are in existence laws for the allocation of Government procurement contracts to channelize the work to different States, where it will help the economies. The Senator, in effect, pointed out that on the one hand we are spending money to decentralize, and, on the other hand, if the 689-acre tract of land, which eventually would involve a cost of over $40 million, is purchased, we shall be centralizing in Washington, D.C.

The point I wish to make is that we ought to give serious consideration to the purpose of ending the wish of our bureau leaders in Washington to centralize everything in this concentrated community. Such a course of action is not sound from an economical standpoint. It is not sound from the standpoint of security in the event trouble should occur. Nevertheless, military, bureau, and agency leaders are all desirous to centralize in Washington.

The project of which I speak might go to West Virginia or to some other State, and if it does it will serve the economy. It will eliminate the danger of centralization, and will serve the economy generally.

INCREASE IN NUMBER OF FEDERAL EMPLOYEES

Mr. BUSH. Mr. President, in the press of yesterday it was reported that there has been a steady increase of 66,844 Federal employees in the last 5 months of the fiscal year, starting in February, the month after the Kennedy administration took over. The increase is in sharp contrast to the record of the preceding administration, which over a period of 8 years reduced the number of Federal employees by approximately three times the amount of this reduction.

I point out this fact as a danger signal. The trend is not in accordance with what the President intended to do during the campaign of 1960, and the assurances that he gave us led us to believe that employment within the Federal Government would be kept under good control.

The move is, in my judgment, inflationary and a very disagreeable one to contemplate. I hope that we shall not see a continued increase in the number of Federal employees, because if we do, it will merely further increase the cost of the Federal Government, which will in turn further increase the deficit which we face, which now is estimated variously from $5 billion, $6 billion, $7 billion, $8 billion, and even to as high as $10 billion by one of the most respected and authoritative sources on the subject of Government finances.

No doubt this situation and others have prompted the Wall Street Journal yesterday to publish an editorial entitled "Disease of the Spirit." The disease of the spirit is actually an evidence of the callousness that seems to be developing toward the whole question of inflation, and the tendency to accept this evil hidden tax as a way of life.

Since I think the concept is such a false and dangerous one to millions and millions of Americans and to our whole system of Government, I ask unanimous consent that the editorial be printed in the RECORD following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 3, 1961]

DISEASE OF THE SPIRIT

With understandable pleasure at the economic recovery so far, President Kennedy

the other day said that the second quarter of 1961 "was the first in 8 years in which our production has increased without an increase in the overall price index."

His pleasure, of course, is rich in political overtones. Not only because good business is good politics for the party in power, but also because the situation he describes sounds like a stinging refutation of the argument that he has embarked the Nation on an inflationary course. If prices are relatively stable, how can there be inflation?

Actually, there's no paradox. The Nation has enjoyed relative price stability for several years, and nothing President Kennedy has done in 6 short months could reasonably be expected to significantly affect the price level so soon. But that does not mean he has not set the dial for inflation; he most certainly has, with his huge spending for anything and everything, his deficits, and his cheap money bias.

Just how and when this will be reflected in a new wage-price spiral, we know no more than he. It is conceivable that it would not be so reflected for some time; inflation is not a definition of a wage-price spiral, but a cause of it, and in times past it has taken months and even years for an inflation to translate itself into a spiral. Meantime, it's true enough the inflationary spending the President has set in motion is likely to accelerate the boom he so devoutly desires.

If these are reasonable possibilities, then what's the fuss about inflation? An inflation both stimulating and painless begins to sound more like a good thing than a bad thing, and a number of people in Washington do view it that way.

The case against inflation in present circumstances, it seems to us, is not that it is sure to bring on a disastrous bust any time soon. It may do that, given the right combination of conditions. But the more certain case against inflation is less dramatic and more complex, which makes inflation all the more insidious.

To begin with, the inflation will soon or late, this year or next year, show up in a wage-price spiral. Even if it is a gradual one, it is painful for almost everyone, and especially for those whose income depends on a dollar of stable purchasing power.

Moreover, it is not true, whatever the Government's economic experts may think, that our economy needs the stimulation of inflation in order to grow. Some of the most prosperous periods in our history have been noninflationary. The incredible prosperity of West Germany, with its soaring economic growth, is grounded in anti-inflationary policies.

Indeed, the kind of growth inflation spurs is almost bound to be harmful. An excess of money in the economic body opens the way to all kinds of diseases. Anything goes; marginal ventures are undertaken; factories are built that never should be built; unjustified expansions are carried out. Speculative excesses multiply in the stock and other markets. This is not theory; it has happened in the not so distant past, and some of it is already happening again.

When that distorted growth gets sufficiently out of hand, and speculative fever is consuming the populace, then you may in fact have the conditions for a thorough crash. Let us not be so naive as to think that the Government or anything else has outlawed the possibility of depression.

Short of that, there is still another vicious effect of inflation. A Government policy of inflation is basically a dishonest policy. It is a refusal by Government to meet its fundamental responsibility of providing sound money; and it rests on the dishonest assumption that one can have things one can't pay for.

Thus it generates a certain looseness among the people: Men work less than they are capable of; a so-what, get-rich-quick psychology grows. If war has been called a moratorium on morality, so in its own way, is inflation. It is a disease of the spirit before it is a disease of the economy.

For these reasons no government has the right to adopt a policy of inflation. And we as a nation must be getting a little morally calloused to even let it try.

GOVERNOR ROCKEFELLER PROCLAIMS UNCLE SAM DAY

Mr. KEATING. Mr. President, for a number of years the fine people of Troy, N.Y., have been working diligently to establish that city's claim to the symbol of Uncle Sam. There is presently pending before the Judiciary Committee a resolution which I sponsored, Senate Concurrent Resolution 14, recognizing Samuel Wilson, of Troy, N.Y., as the progenitor of the symbol of Uncle Sam. It is my hope that this measure will soon be reported favorably to the Senate. The evidence supporting Troy's claim to Uncle Sam is overwhelming and recognition of this by the Congress is long overdue.

The Governor of New York has also recognized Uncle Sam's connection with the State of New York by proclaiming September 13, 1961, as Uncle Sam Day. His proclamation gives greater weight to the claim of New York State.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a copy of Governor Rockefeller's Proclamation of Uncle Sam Day.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION

For upward of a century the figure of Uncle Sam has stood throughout the world as a symbol of our country, of the best in Americanism.

Uncle Sam was a New Yorker. His name was Samuel Wilson and he was one of the foremost merchants of Troy, and a supplier to our military forces. According to legend, his integrity was such that the initials "U.S." stamped on containers represented "Uncle Sam" or "United States."

In 1959 a joint resolution of the New York Legislature requested me to issue a proclamation in honor of Uncle Sam, which I was happy to do.

Now a subcommittee of the U.S. Senate Judiciary Committee has approved a bill in the Congress officially recognizing Samuel Wilson, of Troy, as our country's "Uncle Sam." Favorable action on this measure by the Congress would be a fitting affirmation of the principles of Americanism which Samuel Wilson personified.

Now, therefore, I, Nelson A. Rockefeller, Governor of the State of New York, do hereby proclaim September 13, 1961, as Uncle Sam Day in New York State in honor of the memory of Samuel Wilson, of Troy.

Given under my hand and the privy seal of the State at the capitol in the city of Albany this 1st day of August in the year of our Lord 1961.

NELSON A. ROCKEFELLER.

RESOLUTION OF THE UNDERWEAR INSTITUTE

Mr. KEATING. Mr. President, there has been increased concern among various sectors of the textile industry about administrative and legislative steps to relieve the trade problems faced by the manufacturers of several major types of apparel. The Congress will air this subject fully in connection with the debate on the Reciprocal Trade Act. I have introduced a bill, S. 675, which, like many others, seeks to develop a middle-ground position whereby our present relief-giving mechanisms will be made more meaningful as regards affected industries.

In the meantime, the administration has taken steps to assist affected domestic industries both as regards the implementation of existing trade-relief mechanisms and as regards multilateral negotiations between the United States and other textile-producing nations.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a copy of a petition submitted to me by the Underwear Institute, the national association of the underwear and allied products manufacturing industry. This resolution supports the position of the Pastore subcommittee and also indicates support for the President's seven-step program to deal with the trade problems of the textile industry.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY THE BOARD OF DIRECTORS OF THE UNDERWEAR INSTITUTE

Whereas growth and the creation of full employment is a major economic aim for America; and

Whereas an additional objective is world trade of a nature which will not upset existing markets nor create tensions; and

Whereas the textile industry (including the fiber and apparel industries) in America employs 4 million people and it is vital that this industry be a growing and aggressive one, particularly to enable it to fulfill its patriotic obligations in time of international emergency; and

Whereas the excessive and rising importation of textile products and textiles in general, because of the unfair competitive nature of these products, is rapidly destroying growth initiative; and

Whereas the present imbalance and growing trend toward greater imports have a detrimental effect on our gold position through a worsening of our balance-of-payments position, make impossible sound forward planning so necessary to the industry's economic growth, and cause not only permanent losses to the working force but increased unemployment and reduced worktime: Now, therefore, be it

Resolved, That the Underwear Institute is firmly in accord with the aims and suggestions of the Pastore committee as they affect the textile industry and, further, that the Underwear Institute is fully in accord with the action of President Kennedy in his creation of a Textile Advisory Committee to study and, more importantly, to take action concerning the entire textile import problem and, finally, that the Underwear Institute recommends that the activities of the aforementioned committees be coordinated and implemented with a minimum of delay.

EMPHASIS IN NEWBURGH CONTROVERSY

Mr. KEATING. Mr. President, the controversy over Newburgh's 13-point welfare program has been raging for several months. There have been charges, countercharges, and denials in the press as to the legality and moral

underpinnings of the key points in the Newburgh code.

I think it is desirable that, wherever possible, we emphasize constructive and not destructive aspects of the Newburgh experiment. I personally feel that the townsmen of Newburgh have largely accomplished their major purpose in that they have focused widespread national attention on the need to tighten up many of our relief programs and on the concomitant need to stress getting people back to work, as opposed to building up the attitude that relief is and should be a way of life. Such an emphasis is to the advantage, not just of the community, but also of the men and women who are in the "dumps" and are forced to turn to the community for help. We need to help people help themselves, we must avoid structuring our relief programs in such a way that they become a rut, so that once you are in it, you never get out.

Mr. President, I am happy to call attention today to a thought-provoking editorial which appeared in the Rochester, N.Y., Democrat and Chronicle. It suggests that the purpose of the Newburgh plan has been to "marshal public attention on the twin trouble spots of heavy welfare expenditures and inadequate efforts or capacities to return employables to work rolls."

These are valid and constructive points which should suggest to other communities that greater enforcement efforts are needed to prevent welfare abuses and that simultaneously in cases of real and legitimate need, we also must accentuate the positive and place even more stress upon finding work for those on relief. I ask unanimous consent to have printed at this point in my remarks the text of the editorial to which I referred from the Rochester Democrat and Chronicle.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEWBURGH: FOCAL POINT FOR NEW LOOK AT WELFARE

Whether Newburgh wins its struggle to slice through redtape and handle welfare problems with a unique brand of toughness, it is now clear that this little city on the Hudson has done a nationwide service by inspiring thought and debate on this aggravating subject.

Lest there be doubt of Newburgh's achievement as a focal point of bewilderment and dismay over increasing welfare expenditures, one can cite a number of county boards of supervisors in Newburgh's stringent welfare code.

Monday's news reported that petitions of support have been sent to Governor Rockefeller from Brockport. Other cities, Richmond, Va., to name one, are considering emulation of some features of the Newburgh plan. Both Senators JAVITS and KEATING have publicly expressed support of the Newburgh objectives without necessarily endorsing every provision of its code.

The entire letters section of the New York Times yesterday was devoted to the Newburgh issue.

Running through messages of encouragement to Newburgh has been a tribute to its determination to restore home rule in welfare matters.

That a large percentage of welfare recipients could be restored to earning roles, a major thesis in the Newburgh plan, is indicated in the yearly report of the State department of social welfare which so stoutly resists the Newburgh plan. In Westchester County in less than 7 months after the transfer of 152 cases to a special multiproblem project, one-third were helped to adequate independent living and nearly two-thirds showed progress toward self-sufficiency. In Niagara County, of 38 problem cases, 17 got jobs, and 3 were rehabilitated in a similar project.

More recently a Rockefeller Foundation-financed report found that too many of the Nation's voluntary health and welfare agencies are in "bitter, wasteful competition" for the $1.5 billion a year contributed by the public; are spending money on bettering social ills rather than trying to prevent them, and are operating in "an antique, patched-up, and jealously centered way."

Not for years has anything approaching Newburgh's bold experiment occurred to marshal public attention on the twin trouble spots of heavy welfare expenditures and inadequate efforts or capacities to return employables to work rolls.

The resulting healthy rash of public discussion and new and searching reexaminations of welfare programs everywhere, whatever the fate of the Newburgh plan, have redounded in the public interest.

Mr. KEATING. Mr. President, the controversy in Newburgh is, I have always felt, primarily a New York State matter, and should continue to be such. On those points in the Newburgh package which may be a violation of State law, the State has already taken action to enforce its laws. There is, of course, the possibility that at some point the Federal Government could have some role to play in this situation as regards the several relief categories for which Federal aid is available, for example, the aged, the blind, the disabled, and dependent children.

Despite possible Federal involvement, I am glad to report that the Department of Health, Education, and Welfare has informed me that they are taking a hands-off position in Newburgh. I recently made an inquiry on this subject of the Department and yesterday received a reply from Miss Kathryn D. Goodwin, Director of the Bureau of Public Assistance, which I also ask unanimous consent to be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF
HEALTH, EDUCATION AND WELFARE,
SOCIAL SECURITY ADMINISTRATION,
BUREAU OF PUBLIC ASSISTANCE,
August 1, 1961.

DEAR SENATOR KEATING: This is in reply to your letter asking about the effect of Newburgh's welfare regulations upon the eligibility of New York State for public assistance grants.

This particular issue has not yet arisen. Rather, it is still a matter between the State and locality and the New York Department of Social Welfare is determining whether or not State laws and rules are being violated. We are looking to the State agency to assure that uniform standards conforming to the requirements of the Federal law are maintained and have not intervened in the situation.

It is possible that State plans may be called into question. However, until we know what provisions of Federal law are involved it is both impossible and inappropriate for us to comment.

Sincerely yours,
KATHRYN D. GOODWIN,
Director.

Mr. KEATING. Mr. President, as far as I am concerned, the "hands off" policy expressed by Miss Goodwin is entirely correct.

Rather than expand the controversy raging in Newburgh, we must seek to emphasize and apply the constructive points which the Newburgh program has so forcefully brought to public attention.

REORGANIZATION PLAN NO. 7—FEDERAL MARITIME BOARD

Mr. DIRKSEN. Mr. President, the distinguished Senator from Maryland [Mr. BUTLER] has offered a resolution of disapproval of Reorganization Plan No. 7, which proposes a reorganization of the Federal Maritime Board.

Just 11 years ago, in 1950, President Truman submitted to Congress Reorganization Plan No. 21 which abolished the U.S. Maritime Commission and created the present Federal Maritime Board. Now President Kennedy has submitted Reorganization Plan No. 7 under which the Board would be abolished and we would go back to a Federal Maritime Commission.

"What's in a name?" That is often said to be the question, but the important thing is what is behind the name? To determine that let us go back to 1950 and President Truman's message in connection with Reorganization Plan No. 21 of that year.

First, let us take the number of members of the agency. President Truman said:

> The Maritime Board will consist of three members. The Board, therefore, will be a smaller and more wieldy body which can function with greater expedition and efficiency than the existing five-member Commission.

Yet, Reorganization Plan No. 7 sent to Congress by President Kennedy provides for a five-man agency. Apparently they disagree, but one might ask whether the administration had given sufficient consideration to President Truman's determination:

> A three-member Board will be a smaller and more wieldy body which can function with greater expedition and efficiency than the existing five-member Commission.

It should be noted, too, that whatever good or bad effect these two additional members would have on the efficiency and wieldiness of the Commission, they will also make it more expensive. Each will receive a salary of $20,000 a year, and there will be other expenses to the Government for maintaining them, including their offices which must be suitable for commissioners, secretarial and staff help, technical, administrative, and legal assistants.

Indeed, it might well be true that President Truman was right when he said that a three-man agency would be a smaller and more wieldy body which can function with greater expedition and efficiency than a five-member commission and, I might add, in these times of sacrifice and large defense expenditures, that a three-man body would certainly function with greater economy.

Next, let us take a point of considerable importance. President Kennedy in his message accompanying plan 7 said

that the determination and award of subsidies would be concentrated in one man, the head of the Department of Commerce.

On this point President Truman in his message said:

> While the award of subsidies is a promotional rather than a regulatory function and might logically be assigned to the Maritime Administration instead of the Board, its impact on the shipping industry and on individual carriers is such as to make desirable the deliberation and combined judgment of a board. Accordingly, I have adhered to the recommendation of the Commission on Organization that this function be vested in a multiple body rather than a single official.

President Truman went on to say:

> The Board, however, and it alone, will determine to whom subsidies shall be granted and will make and award to subsidy contracts. Its actions therein will be conclusive and will not be subject to modification by any other agency or officer of the Department of Commerce.

If this idea of an independent, unbiased award of subsidies was good in 1950, why is it not as good today? Why does President Kennedy want to put the award of subsidies under the control of a member of his Executive family? Is it for a political purpose?

Turning next to section 105 of Reorganization Plan No. 7, we find that it is a familiar provision. It is the same section which caused the defeat of the reorganization plans for the Securities and Exchange Commission and the Federal Communications Commission. It was substantially incorporated in the plan for the National Labor Relations Board which was also defeated. Basically it provides that the new Commission "shall have the authority to delegate any of its functions to a division of the Commission, an individual Commissioner, hearing examiner, or an employee or employee board."

What would these functions which can be delegated to any employee be? They are set out in section 103 of the plan and they include "the regulation and control of rates, services, practices, and agreements of common carriers by water and of other persons; the making of rules and regulations affecting shipping in the foreign trade"; and all the functions with respect to adopting rules and regulations under the provisions of the enumerated sections of the Merchant Marine Act of 1936.

Indeed, under Reorganization Plan No. 7, the Commission could delegate to an employee the entire control of domestic and foreign shipping under its jurisdiction. I seriously doubt the wisdom of such a proposal.

Section 105 of the plan does not stop here, however, with the authorization of the delegation of any functions to any employee. In paragraph (b) it goes on to provide that there shall be no right on the part of the public to a review by the Commission of the decision of a subordinate to which such power has been delegated. Thus we have the public cut off in the first instance from having the matter decided by the Commission, should it decide to delegate the task, and then by paragraph (b) from obtaining a review of that decision by the Commission.

Section 105(c) goes still further and transfers to the Chairman the function of assignment of all personnel, including other Commissioners, to perform any functions which may have been delegated. During the hearings on the reorganization plan for the FCC it was suggested that this might permit a Commissioner to be sent abroad by the Chairman for an international conference at a time when some crucial matter was coming before the Commission. In this same situation, under plan No. 7, it raises the specter of "a slow boat to China." There is no need for such provision in this reorganization plan. If the Commission is to consist of five members having equal powers and equal vote except that one of them shall be designated Chairman, then there is no valid argument that can be made for giving one of them the power to assign the others to any delegated duty.

Turning now to part II of Reorganization Plan No. 7, we find that the Secretary of Commerce will have certain functions. Section 202 provides:

> (a) Except to the extent inconsistent with the provisions of section 101(b) or 104(b) of this reorganization plan there shall remain vested in the Secretary of Commerce all the functions conferred upon the Secretary by the provisions of Reorganization Plan No. 21 of 1950.

And, in addition, that there shall be transferred to the Secretary of Commerce:

> (b)(2) Except to the extent transferred to the Commission by the provisions of section 103(e) of this reorganization plan, the functions described in section 103(e);
> (b)(3) Any other functions of the Federal Maritime Board not otherwise transferred by the provisions of part I of this reorganization plan;
> (b)(4) Except to the extent transferred to the Chairman of the Commission by part I of this reorganization plan, the functions of the Chairman of the Federal Maritime Board.

I hope that someone will be able to determine what functions the Secretary of Commerce is granted by this plan. To give some idea of the difficulty in doing this I turn first to section 101(b) of the plan. Reading it into section 202 (a) I find that the section would then read:

> Except to the extent inconsistent with the provision that the Commission shall not be a part of any executive department or under the authority of the head of any executive department there shall remain vested in the Secretary of Commerce all functions conferred upon the Secretary by the provisions of Reorganization Plan No. 21 of 1950.

I must confess that the meaning of this provision would not be clear to me.

However, once each of these provisions are straightened out, if they can be, and all of the functions of the Secretary of Commerce become known, we have another sweeping provision. Section 203 of Reorganization Plan No. 7 then becomes applicable and permits the Secretary of Commerce to delegate the performance of any functions given him under this reorganization plan to any employee of the Department of Commerce. With all of this transferring and delegation of functions it might be next to impossible to find out who is doing what with respect to the Maritime Administration.

And then let us be sure to note that in spite of all of these people who can or might be carrying out some function under the plan, delegated or otherwise, the plan also contains a provision for one man for whom no duties at all are prescribed. He has the title of Maritime Administrator. He is appointed by the President by and with the advice and consent of the Senate. He has a salary of $20,000 per year. He is at the head of the Maritime Administration. Yet he is given no duties by the plan except those which the Secretary of Commerce shall prescribe. Somehow, I cannot but have the feeling that the draftsman of this plan ran out of steam.

Functions are created, transferred, and abolished with abandon. Delegation is provided on every hand. But no functions are specifically provided for a $20,000-a-year Government official.

I have seen many reorganization plans in my years in the Congress, but this plan appears to do less good, at a much greater cost to the taxpayer, than any plan I can remember. It seems to rely mainly on creating three new $20,000-a-year jobs, with all the offices and personnel which would go with them, and a permission for whoever holds the functions and powers to delegate them to anyone else to perform. If ever a plan should be disapproved by the Congress, I believe this one should be.

The deadline on the proposed reorganization plan is on the 10th of August, Therefore between now and that time this matter must be called up. I wanted the Senate to be alerted to some of these items to show the difference of approach between President Kennedy and President Truman.

AID TO FEDERALLY IMPACTED AREAS

Mr. LAUSCHE. Mr. President, yesterday afternoon I indicated my desire to be a cosponsor of the amendment offered by the Senator from South Dakota [Mr. MUNDT] dealing with aid to the schools which are serving the children of our military personnel in various parts of the country. In Ohio there are 144 school districts receiving help under this program. In 1962, if the program is not extended from the standpoint of the operation of the schools, there will be a loss of $5,794,000 covering all pupils; that is, A, B, and C class of pupils.

One of these classes is permanently taken care of under present legislation; hence I am unable to say what the loss actually will be in dollars, but it will be substantially in accord with the total figure that I have mentioned, $5,794,000. The loss will definitely be not less than 70 percent of the $5,794,000.

Under Public Law 815 the loss will be approximately 55 percent of $714,700. I do not believe that our school districts in Ohio can afford to lose this sum of money to which they are justly entitled.

It seems now that there is a likelihood that no law will be adopted to continue

this help. I do not believe that that should happen. I will give my vigorous support to the amendment of the Senator from South Dakota [Mr. MUNDT].

SPACE COMMUNICATIONS SYSTEM

Mr. HUMPHREY. Mr. President, I invite the attention of Senators to an article which appeared in this morning's New York Times entitled "Phone Satellites Stir Policy Clash."

The Monopoly Subcommittee of the Senate Small Business Committee is conducting a comprehensive congressional examination of public policy problems posed by the coming of space communications.

The political and economic problems inherent in this vast change in world communication will indeed effect the entire business community as well as the foreign policy of our country.

The complex problems in the fields of science technology, economics, and foreign relations arising from this concept are vast, but not insoluble.

The considerations arising from this facility are of importance not only to the United States but to the entire world.

Without communications there can be no understanding.

Without understanding there is no chance for survival.

Several days ago in Switzerland I proposed that we consider the possibility of a special agency of the United Nations to operate such a system.

Thus I say that these problems are of sufficient magnitude that the Congress of the United States should investigate them thoroughly.

Senator RUSSELL LONG is to be congratulated for his work.

I ask unanimous consent that the article from the New York Times be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 4, 1961]

PHONE SATELLITES STIR POLICY CLASH—U.S. OWNERSHIP PLEA REVIVED AT SENATE HEARINGS

(By John W. Finney)

WASHINGTON, August 3.—The possibility of Government ownership of a space communications system underwent a significant revival in Congress today. Hitherto, it had long been regarded as a dead issue and had been rejected by the Kennedy administration.

The revival stemmed from developments in the caucus room of the Old Senate Office Building and in a conference room of the Federal Communications. The events made it apparent that a debate along the classical lines of public versus private ownership was building up over the first commercial application on the new frontier of space.

Officially, the Government was pressing ahead to implement the administration's new policy. This policy would turn over ownership and operation of a communications satellite system to private industry.

At the Federal Communications Commission, 10 international communications companies met with Government representatives to begin drafting plans for a private consortium to own and operate the communications network. The participants ranged from the giant American Telephone & Telegraph Co. to the South Puerto Rico Sugar Co.

MISGIVINGS INCREASING

On Capitol Hill, however, it was becoming apparent that there were considerable misgivings about turning over ownership to a "joint venture" of international communications companies. Partly this was based on concern that the consortium might become dominated by A.T. & T. There also was an increasing desire to study the possibility of Government ownership, if only on an "interim basis."

A sudden upsurge of congressional interest has been stimulated in part by some intensive industrial lobbying in recent months on behalf of private ownership. It was also becoming evident that the question of ownership of a communications satellite system was likely to be settled ultimately in Congress, rather than in the White House and the Federal Communications Commission.

For the moment, the first comprehensive congressional examination of the manifold public policy problems posed by the coming of a space communications system was coming from an unexpected quarter. This was the Antimonopoly Subcommittee of the Senate Small Business Committee.

The subcommittee is holding several days of hearings into space communications policy. In the process, it is stimulating some jurisdictional interest and jealousy in committees more directly concerned with the problem such as the Space and Commerce Committees.

GOVERNMENT RULE PROPOSED

Today, the subcommittee heard Dr. Dallas W. Smythe, research professor of communications at the University of Illinois, propose that ownership and operation of a satellite system be turned over to a Government authority. A platoon of industrial representatives listened in the Senate caucus room as he testified.

Dr. Smythe, chief economist of the Federal Communications Commission from 1943 to 1948, criticized the administration's policy of private ownership. He said it was based on invalid and unrealistic assumptions that do not take into account the revolutionary technical, economic, and diplomatic aspects of a global communications system based on satellites.

"Communications satellites," he contended, "do not fit traditional patterns by which Government discoveries can be turned over to private industry for commercial exploitation."

He proposed that a "communications satellite authority" owned by the Government run the satellite system as a "carrier's carrier" for all domestic and foreign communications companies. The companies would lease radio space from the authority and would continue to compete in the traditional way in obtaining and transmitting traffic.

Ultimately, he said, the satellite authority should become an authority of the United Nations. Unless communications satellites are placed securely under United Nations auspices, he said, "they could become another battleground in the cold war, with the United States and Russian systems vying with each other in ways which would be damaging to all nations."

JAVITS SEEMS IMPRESSED

The professor's arguments against private ownership appeared to impress Senator JACOB K. JAVITS, Republican of New York and a subcommittee member. The testimony prompted the Senator to suggest an alternative approach of a Government-industry organization to run the satellite system.

Such a mixed enterprise, Mr. JAVITS said, might more easily solve the policy problems than either a private or public approach. As outlined by the Senator, the cooperative enterprise would be jointly owned and managed by Government and industry and have its own corporate organization to run the satellite system.

Meanwhile, there is considerable belief in Congress and industry that the administration and the Federal Communications Commission have laid down such stringent terms for private ownership that the Government may have to own the satellite system in its early stages.

Two conditions are causing the most concern in industry. One would require that a commercial system be inaugurated at the earliest possible time. The other would insist that the system provide global coverage, including nonprofitable areas.

In the view of some industry participants, the Government is asking private industry to spend hundreds of millions of dollars to install a space communications system before it would be justifiable on an economic basis and before the crucial technological problems have been solved. The necessary capital investment, it is believed, may be as high as $400 million.

The possible reluctance of industry to risk an immediate capital investment was alluded to in testimony by Dr. Elmer W. Engstrom, senior executive vice president of the Radio Corp. of America.

If the satellite program were based solely on "economic business considerations," he said, "it would probably be desirable to time the investment to coincide with the growth of traffic to the point where it will effectively load the system."

He pointed out that a satellite system would have 20 to 30 times the capacity of the present transatlantic cables, and said:

"We may expect that it will be several years before the traffic potential would develop to and beyond the break-even point relative to the investment."

STUDY ON RIFT BETWEEN RED CHINA AND THE SOVIET UNION

Mr. WILEY. Mr. President, the Moscow-Peiping axis, continues to be the major, powerful threat to world peace.

Unified in ultimate goals—but differing somewhat on tactics—they continue, however, to mobilize manpower, brainpower, and resources to conquer the globe and to bury us.

Recently, frequent reports have emerged from splits and cracks in the Bamboo and Iron Curtains, respectively, that all is not "peace and friendliness" behind the curtains.

We recognize, of course, that any real dissension in the Communist world would be significant to Western policy. Consequently, I requested the Library of Congress to evaluate the reported rifts between Moscow and Peiping.

The study is now complete. Overall, it gives credence to the following conclusions:

First. There is a power struggle between Khrushchev and Mao Tse-tung for leadership in the Communist world. Because of superior Soviet power and technological, scientific, industrial superiority, however, Mr. K. will, in all likelihood, remain top Red dog for the foreseeable future.

Second. The bone of contention between the Red leaders involves tactics rather than ultimate objectives—which still aim toward world conquest.

Third. Major features of the disagreements in the Sino-Soviet axis include:

(a) Khrushchev would like to single-handedly wield power of the whole Communist bloc; to have top command of the Communist forces, feeling free to call the signals, to decide when to have revolutions, when and where to take risks, when and where to withdraw, at what time to launch a drive for peace or for war. Mao doggedly prefers to retain his limited, though growing, voice in Red policy.

(b) Khrushchev prefers a flexible policy of striking and feinting, including a variety of tactics—sometimes contradictory, such as: Disarmament campaigns, good-will tours, diplomatic offers, rocket threats, arms on easy credit, commercial blandishments, development loans, technical assistance, threats to wreck the United Nations, and active support of revolution and civil war. By contrast, Mao prefers hard, aggressive pressures against the West and non-Communist world.

(c) In principle, the Chinese Communists have never accepted the Khrushchev policy that prevention of another world war is not only possible, but desirable, even though capitalism still prevails in some parts of the world.

Fourth. Generally, such extremist views can be eliminated, as: First, that Khrushchev and Mao are drifting toward irreconcilable hostility and possible violent clash; second, that the Chinese are ready and anxious to launch a "holy Communist war" against imperialism, regardless of arms, cost, dangerous weapons involved; and third, that Khrushchev is so devoted to peaceful coexistence as to have altogether foresworn violence against the non-Communist world.

In conclusion, then, the Moscow-Peiping rift—though existent—offers no immediate hope of violent clashes or breakup of the Communist empire. Rather, the Reds, though differing in tactics—can be expected to continue to cooperate in pushing forward on all fronts to further their aim of world conquest.

Reflecting upon the areas of Sino-Soviet agreement and design—I ask unanimous consent to have the splendid study prepared by the Library of Congress printed in the body of the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

THE DISAGREEMENTS OF THE SOVIET UNION AND RED CHINA

(Prepared by the Library of Congress)

In the face of the welter of opinion currently in circulation on the meaning and implication of the difference of opinion between the Chinese and Russian leaders, perhaps the best way to begin an inquiry into this subject is by trying to determine what these differences do not mean. It ought to be easy to establish at the outset, for example, that the present open disagreements between the two political high commands on vital issues do not mean (a) that they are drifting toward irreconcilable hostility and a possible violent clash; or (b) that the disagreement is a sham operation staged for the purpose of confusing and entrapping the nations of the West.

As the next step in our process of elimination, we can also dispose of the oversimplified version of the Soviet-Chinese differences, all too often reflected in our daily press, according to which (1) the Chinese are ready and anxious to launch a "holy war" against imperialism, regardless of the odds, costs, or the weapons involved; and that (2) the Khrushchev school of politics is so devoted to the notion of peaceful coexistence as to have altogether foresworn violence against the non-Communist world.

We may, in fact, begin with Khrushchev. It is easy to see that far from being a man committed to a fixed approach, Khrushchev has pursued, in a most flexible way, a wide range of action: Diplomatic offers, disarmament campaigns, good will tours, rocket threats, arms on easy credit, commercial blandishments, development loans, technical assistance, threats to wreck the United Nations, as well as the active support of revolution and civil war.

Whatever Mao may believe about each of these tactics in particular, the fact remains that he does not physically possess the same wide range of weapons available to his richer comrade-in-arms. Hence, he may be inclined to belittle the need for flexibility and insist upon the usefulness of more direct, less subtle, methods for undermining the position of the West around the globe.

There is little room for doubt that on the basic world issues the leaders of the two Communist nations see eye to eye. Quite obviously, they agree on the following:

1. That the Communist revolution is sweeping forward relentlessly, "destined by history" to engulf the whole world.

2. That capitalism is receding, "weakened by its own contradictions," by its failure to organize its economic life rationally, its failure to suppress the discontent and revolutionary drive of its downtrodden masses.

On the basis of their common philosophy, therefore, the partners are equally anxious to accelerate the triumph of the Communist cause. Inevitably, too, each partner would like to earn for himself the reputation of being the superior strategist in this "holy war against imperialism" and, hence, more qualified for the role of leadership of the entire Communist camp.

This ambition seems to be basic. Each of the two protagonists of world revolution would like to persuade the other, as well as the lesser fry in the camp, that he has devised the most effective strategy for a quick and certain Communist victory. Yet, both partners must be careful not to press their differences too far. Both must try to avoid disunity and to preserve the fiction that their common ideology helps them to see their role as the "agents of history" in essentially the same light.

However, regardless of the visible public effort for unity, grave and far-reaching differences do exist. These differences may be summed up under the following headings:

PEACEFUL COEXISTENCE

The Soviet Union today is pursuing its interests as a self-conscious world power, something it did not do during the life and times of Stalin. Soviet ambitions under Stalin were indeed as broad as the whole world. Operational policies, however, were limited to the range of the Red Army's artillery. Stalin hoped to carry the revolution forward under the cover of his big field guns. By contrast, Khrushchev is utilizing the power created by Stalin to project the influence of the Soviet Union to all corners of the globe. He is expressing his involvement not only in the language of propaganda but in terms of active political pressure against the West.

The Chinese, too, are pursuing their imperial aims on a global scale. But the difference is this: Khrushchev's world policy is more complex and flexible. He accepts the nuclear stalemate, with its implication that world war has become extremely improbable and undesirable. What is more, he is no longer seriously afraid that someone will start a war. He knows that this is not the problem.

The problem, as Khrushchev sees it, is to devise means for advancing the perimeter of Communist power by indirect means. To do this effectively, he knows he must continue to develop, test, and improve the means of indirect aggression. For this line of policy, Khrushchev wants to feel free to weigh and choose the risks involved at all times, to keep his flexibility, and not to be committed to warlike action by any other member of his own camp.

THE COMMUNES

In the spring of 1958, the Chinese leaders, disappointed over the scale of economic assistance provided by Russia, deliberately struck out along an extreme, radical line of policy, both internally and externally. At their eighth party congress, they launched the now historic great leap forward and proceeded to set up the communes. By the latter move, presumably, China forged ahead of the Soviet Union in "Socialist organization." Pointed criticism of Soviet foreign policy soon began to follow in the Chinese press. But the quarrel was patched up in the winter of 1958–59. This time, the Chinese beat a temporary retreat on their ideological claims for the communes and admitted in public the "leading role" of the Soviet Union in world communism. For this they were rewarded with a substantial new installment of Soviet economic aid in 1959.

THE ATOMIC CLUB

The reconciliation did not last. Khrushchev's flexible diplomacy, especially his trip to the United States in September 1959, left the rulers of China out in the cold. When he stopped in Peiping on the way back from the United States, the cool atmosphere in the relations between the two partners attracted worldwide notice.

Ever since the spring of 1958, the Chinese made no secret of the fact that they wanted to become an atomic power. All they got from the Soviets was help with atomic reactors, but no help in the field of atomic weapons. More than that, the Chinese dreaded the possibility that Russia might agree with the West to close the atomic club. To this day, they continue to remain suspicious of any negotiations on nuclear tests as well as on disarmament in general. They do not want to be frozen out.

DISARMAMENT

Quite openly, the Chinese continue to attack the whole Soviet formula of general and complete disarmament. They label this formula as very effective propaganda, but consider it dangerous to the Communist camp as a source of illusion that could blunt the edge of popular feeling in the struggle against "imperialism." Any step in a scheme for disarmament seems to the Chinese as an accommodation with the West. And any such accommodation would have to come at the expense of open support for revolutionary action in critical parts of the world.

LOCAL REVOLUTIONS

The Soviet leaders find their own flamboyant public championship of peace so useful an asset in their worldwide, zigzag diplomacy that they say, in effect, that local revolutions must in certain circumstances be subordinated to peace. The Chinese, in contrast, hold that revolutions must take precedence over peace, because they help to reduce the power of imperialism and thereby

bring nearer the day of total peace. This conflict between the degree of priority for the peace campaign and the support of revolution lies at the heart of the quarrel over world strategy between the Soviet and Chinese party leaders.

THE CARDS IN KHRUSHCHEV'S HANDS

Both sides are well aware that Russia has the upper hand in this contest for political leadership of the Communist bloc. The two things most needed by China, namely atomic weapon technology and modern industrial capital, must come from Russia. The Soviets do not hesitate to flaunt their superior position. Khrushchev, for example, has made visits of state to India and Indonesia at a time when these countries were engaged in open disputes with China. He has, moreover, intervened directly in the economic, military, and political affairs of the Asian Communist countries located on China's borders. When China was hit by a severe drought and short crop in 1960, Russia kept up the shipment of industrial equipment, at the same time relieving China of the need to ship out her foodstuffs. By this gesture, Russia assumed the role of heavy creditor versus its Asian partner. In 1 year, China incurred a debt of $317 million on her trade with the Soviet Union. The suspension of food shipments to Russia has been extended through 1961.

CHINESE PRESSURE DEVICES

The only weapon China has at her disposal for applying pressure upon her stronger partner is the weapon of direct action in revolutions all around the world. This she has not hesitated to do. China has acted in recent years to intervene directly in revolutionary movements in Asia, in Africa, Latin America. As Russia sees it, action of this sort could work havoc with the planned impact of Soviet diplomacy. It is not that Khrushchev is opposed to the use of threats or civil wars. Rather, he wants to remain master of the situation, free to decide when to shift from threats to blandishments, and vice versa. He does not want anybody else to commit him to the support of an outside revolution.

China, by contrast, is engaged in a worldwide campaign to encourage dissidents to take to the field of battle, on the understanding that they will get help, because it is the duty of Communists everywhere, in the mother country in particular, to support any and all revolutions against the status quo.

A case in point is Algeria. For years the Russians had kept out of the Algerian crisis, in the hope of disengaging France from her alliance with the United States. The Chinese, however, proceeded to force the hand of Khrushchev by offering open aid to the Algerian rebels, who were advised, at the same time, to remind the Russians that it was also their revolutionary duty to help defeat French colonialism. Before long, Khrushchev was forced to make a public statement to the effect that the Algerian rebellion was a "just war," precisely the formula favored by the Chinese.

Another attempt to stage a public reconciliation, between Russia and China, made in June 1960 by Khrushchev at a Bucharest meeting of the world Communist Parties, failed miserably. By August, the verbal brickbats were flying in both directions. The Soviet press pinned the label of "Trotskyist adventurism" on Mao and his followers. A number of Communist Parties began to line up behind one or the other of the two antagonists.

THE INEVITABILITY OF WAR

One specific issue on which the battling leaders cannot agree is the doctrine proclaimed by Khrushchev at the 20th Party Congress (1956) that the prevention of another world war was possible even while capitalism prevails in some parts of the world. The Chinese have never accepted this doctrine. The Soviets, for their part, would like to arrive at a single Communist position on this issue. If they could get this basic idea accepted, they would acquire enough authority over the world Communist movement to prevent confusion within the camp, to enforce discipline in tactical operations. They want to be free to call the signals, to decide when to have revolutions, when and where to take risks, when to unleash a drive for peace or for war. Khrushchev would like to be able to mobilize the forces of the entire Communist bloc under a single authority, the party presidium (Politburo) of the Soviet Union. Thus far, the Chinese have refused to allow Moscow a free hand in the pursuit of its flexible diplomacy.

THE DECEMBER MANIFESTO

The most recent attempt to resolve the differences between the views of the Russian and Chinese parties was made in November 1960, on the occasion of the annual congregation of party leaders in Moscow to celebrate the 1917 revolution in Russia. On that occasion, the discussion among the party leaders proved to be an unusually prolonged affair reflecting the extreme difficulty in arriving at a position acceptable to the parties of the two giant nations.

Finally on December 6, 1960, after almost a month of deliberations, the Pravda published a 14,000-word statement signed by 81 Communist Parties including those of Russia and China.

On the subject of world war, the statement did not go as far as the previous (November 1957) joint statement, in which it was asserted that war "was not fatally inevitable." Instead, the 1960 formula on the subject stated that war "can be prevented by the joint efforts of the world socialist camp, the international working class, the national liberation movement, all the countries opposing war, and peace-loving forces everywhere."

In general, the manifesto bears all the earmarks of a compromise document, worded so carefully as to avoid offending either Moscow or Peiping. Each side could recognize in the text, elements of its own view, especially on the controversial issues of the inevitability of war and peaceful coexistence. Each side could point to parts of the document containing political formulations representing its own position. In substance, nothing has changed. The positions of the two parties remain as far apart as ever before.

However, we must not lose sight of the fact that the main intent of the manifesto, signed by both parties, is to provide a platform around which the Communist Parties of the world could rally support for continuing their attack against the freedom and independence of the nations of the world. All signatories of this document agreed on their common hostility to the status quo and to the process of orderly change, stating that "the interests of the Communist movement require solidarity in adherence to the common tasks of struggle against imperialism, for peace, democracy, and socialism jointly reached by the fraternal parties at their meetings." In short, the clear, open signs of disagreement among the two contenders for leadership over the world Communist forces ought not divert our attention from the high degree of deadly discipline with which the Communist Parties all too frequently act against the sovereign, independent nations that have not taken the precaution of acting in unison with other freedom-loving nations in their common defense for survival.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed. Under the agreement entered into yesterday the Chair lays before the Senate H.R. 7851, Department of Defense appropriations, 1962.

The Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. MUNDT], as modified. Thirty-nine minutes remain for debate; 16 minutes under the control of the Senator from South Dakota [Mr. MUNDT], and 23 minutes under the control of the majority leader.

Mr. ROBERTSON. Mr. President, in order to put Senators on notice of the pending business, I ask unanimous consent that I may suggest the absence of a quorum, with the time not to be taken out of the 39 minutes which remain for debate on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, I yield 5 minutes to the distinguished Senator from Montana.

Mr. METCALF. Mr. President, I think we should review some of the history of impacted areas legislation. When it was first passed, it was a program to help the areas affected by defense installations; to relieve the impact caused by Army bases. Young men were called into the armed services. Their children attended the local district schools. That attendance caused a severe impact, especially in small towns and small school districts located around military bases. After the first 3 years, the situation began to get worse, and the impacted areas legislation was passed to relieve it.

Members of Congress from the Western States, especially, appealed to Congress for assistance. There has always been Federal impaction in certain areas. The Federal Government supervises the Indian reservations; it operates the Forest Service, which has control of much of the western land. There are the public domain lands. So the impacted areas legislation was gradually expanded to include other Federal officials and employees. At the same time, the temporary, impermanent nature of the defense impact legislation was recognized. Because it did not completely relieve the situation, it was made permanent.

To propose, as an addition to this bill, relief for impacted areas on the basis that it relates to defense is completely

irrelevant. The impacted areas benefits which we seek to extend result from Federal employment on Indian reservations, in the Forest Service, and in other categories. The defense impact, the impact of a man who goes into the armed services and moves on to an Army base or an Air Force base, and sends his children to the adjacent district school, comes under the heading of permanent legislation and is continuous.

I understand that about 30 percent of the payments under Public Law 874 for the operation and maintenance of school districts adjacent to Army bases come under category A, which is permanent and will go forward as a defense impact, whether we adopt the amendment or pass title II of S. 1021.

The other factors are completely irrelevant to the bill. They are important to the senior Senator from South Dakota [Mr. MUNDT] so far as the Indian reservations in his area are concerned; they are important to the Senator from Montana so far as they concern the Forest Service and the public domain land; but they do not relate to the defense impact and have nothing at all to do with defense installations.

Many of the impacts are such that they should be studied and evaluated. Many of the elements which caused genuine impacts 10 years ago, when the legislation was first considered and first passed, no longer cause impacts in the communities. As I stated the other day, one of the big advantages of title II of S. 1021 is that a study and a report will be made by the Department of Health, Education, and Welfare to enable Congress to reconsider the whole problem of temporary legislation, with a view to restoring the equities.

Located in Montana is Fort Harrison Veterans Hospital. The children of the employees at Fort Harrison are included within the benefits of the impacted areas legislation. They come into the city of Helena and attend the public schools there. They are the so-called category B children. Those people pay taxes to the community for those benefits just as any other citizens.

We should consider the fact that that impact, just as the impact across the river from Washington, in Arlington, Alexandria, and other places adjacent to the District of Columbia, is not of the same kind as was sought to be provided for in the original legislation. That is why this proposal on an appropriation bill, this attempt to consider complex, complicated legislation to cover a situation which has grown and expanded over the years, is completely irrelevant and should not be considered at this time. It is really not germane to the question involved here at all. Really, the proposal should have been offered to the Department of the Interior appropriation bill, to a bill appropriating money for the Forest Service, or to an agriculture bill. Then it would have been much more relevant and germane. The impact which we are considering is that type of impact, not a defense installation impact.

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

Mr. BUSH. Mr. President, will the Senator from South Dakota yield me 3 or 4 minutes?

Mr. MUNDT. Mr. President, may I inquire as to the time remaining on both sides?

The PRESIDING OFFICER. The Senator from South Dakota has 16 minutes remaining; the Senator from Montana has 18 minutes remaining.

Mr. MUNDT. Mr. President, I yield 3 minutes to the Senator from Connecticut.

Mr. BUSH. Mr. President, I strongly support the amendment of the Senator from South Dakota. Late in June, I visited the town of North Stonington, in southeastern Connecticut, where I addressed the graduating class of Wheeler High School. There I had the opportunity to talk with Karl Ginand, the superintendent of schools for Bozrah, Franklin, Lisbon, North Stonington, Preston, and Voluntown, all neighboring towns in that area, under the jurisdiction of the Bureau of Rural Services of the State of Connecticut. He pointed out to me the pressing need for assistance under Public Law 874; and he has given me figures relating to these six towns. They show that the number of federally connected pupils in those schools was 18 percent of the total enrollment, as of October 1960, the beginning of the last school year, whereas under Public Law 874 the entitlement from the Federal Government would be only $29,308, out of a budget of $656,000, or only 5 percent. In other words, although 18 percent of the pupils are federally connected, only 5 percent of the budget comes from the Federal entitlement under Public Law 874.

Mr. President, in my State there are other towns where the Federal Government has created an intolerable situation in regard to our schools; and it is absolutely unrealistic to expect a community to go without help when it receives a big neighbor like the Federal Government, which brings many families there and is putting very heavy extra burdens on the school system and also on the other services of the area, for additional police protection is needed, and additional public works are needed. For instance, the highways are worn out because of these penetrations by the Federal Government.

Especially is help needed in the field of education, which generally accounts for at least one-third of the budget in almost any community—one-third to one-fourth is not unusual, I believe.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The time yielded to the Senator from Connecticut has expired.

Mr. BUSH. May I have 1 more minute?

Mr. MUNDT. I yield 1 more minute to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 1 more minute.

Mr. BUSH. So, Mr. President, I think we should take advantage of this opportunity to assure these towns that they will not be left high and dry.

I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, the letter which the superintendent of schools, Mr. Ginand, has addressed to me, and also the enclosures with his letter; and I make a similar request in regard to a letter I have received from Herbert J. Duke, secretary of the Board of Education of Windsor, Conn.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATE OF CONNECTICUT,
BUREAU OF RURAL SERVICES,
Norwich, Conn., July 31, 1961.

Senator PRESCOTT BUSH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BUSH: This office serves six towns in southeastern Connecticut. In acting as the superintendent of schools to these six towns—Bozrah, Franklin, Lisbon, North Stonington, Preston, and Voluntown—I have certain responsibilities relating to the public schools of these towns and not the least of these responsibilities are those relating to the costs of education.

Each of these towns has a sufficient number of families so that we have been able to qualify for certain assistance under Public Law 874 and to a lesser extent Public Law 815.

With the shelving of the general aid to education bill the above-named funds would no longer be available to these communities unless something is done. I have prepared and attached a summary of the amounts of money that each of these towns is likely to receive for children who have been federally connected during the most recently completed school year. Further, it shows the total current expenses for all children. It is fairly obvious that moneys received under Public Law 874 is a significant item in this area.

In two of these towns, Preston and Voluntown, the respective boards of education have instructed me to communicate with you in their behalf. Those communications are enclosed. In two of the other towns, Franklin and North Stonington, it was agreed that communications would be sent to you by an officer of the board of education. I have not met with the boards of education in Bozrah or Lisbon since the general aid to education bill was shelved by the House Rules Committee, and I, therefore, am not privileged to speak officially for them. I do believe, however, that the figures speak for themselves. I believe that you may be even more aware than I that the several Federal installations in this area are vital parts of our communities economy, and most of us are ready to admit that the presence of these installations do serve in a marked degree to pump a significant flow of dollars into certain aspects of the communities financial life. However, the federally connected children do represent an additional expense insofar as educational costs are concerned, and particularly in our suburban communities such as are served by this office, these additional school costs are not compensated for by an equal amount of additional incoming finances.

We know that you will want to keep this in mind as you work on matters of legislation in the very near future.

Very truly yours,

KARL D. GINAND,
Superintendent of Schools.

Implications of Public Law 874 funds—Bozrah, Franklin, Lisbon, Preston, North Stonington, Voluntown

[The towns served by the Norwich office, Bureau of Rural Services, Connecticut State Department of Education]

Town	Number of pupils federally connected Oct. 31, 1960 [1]	October 1960 enrollment [2]	Public Law 874 entitlement, year ending June 30, 1961 [3]	Current expenses, 1960-61 [4]
Bozrah	46	330	$3,868	$92,242
Franklin	8	142	350	45,765
Lisbon	64	336	5,141	108,028
North Stonington	118	509	9,591	182,261
Preston	85	437	7,235	144,401
Voluntown	41	244	3,123	83,768
Total	362	1,998	29,308	656,465

[1] As per RSF-1 form, p. 4, table 2A (U.S. Office of Education form).
[2] Enrollment figures for towns of Bozrah, Franklin, and Preston are for elementary only because grades 9 through 12 attend a private school not eligible for Public Law 874 funds. Lisbon enrollment is composed of 314 elementary, and that portion of grade 9 through 12 pupils who attend a public school eligible for Public Law 874 funds. Enrollments for North Stonington and Voluntown are for grades 1 through 12.
[3] Public Law 874 entitlement, year ending June 30, 1961, may be subject to corrections upon final review by U.S. Office of Education representative. The figure for Franklin is our estimate. In this town present federally connected pupils are insufficient to qualify under a new application but Purtell amendment appears to entitle the town to such funds as would be applicable to pupils presently federally connected.
[4] Current expenses 1960-61 are to nearest whole dollar and as they will be reported on Connecticut State Department of Education statistics form I for the school year 1960-61. The expenses listed cover grades 1-12 in Voluntown and North Stonington; grades 1-8 in Bozrah, Franklin, and Preston; and for Lisbon, grades 1-8 and those pupils in grades 9-12 who attend a public high school on a tuition basis. (See footnote 2 above.) The figures as given in the table may be subject to some minor adjustments.

In addition to the Public Law 874 funds at least two of these towns have either received or have been declared eligible to receive Public Law 815 funds. For a recently completed addition in North Stonington some $44,000 was so obtained and an application in behalf of Lisbon amounting to $19,500 has been approved.

STATE OF CONNECTICUT,
BUREAU OF RURAL SERVICES,
Norwich, Conn., July 25, 1961.

Senator PRESCOTT BUSH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BUSH: At a meeting of the Preston Board of Education, held on July 24, it was regularly moved, seconded, and unanimously voted to instruct the superintendent of schools to communicate with you relative to the implications of the discontinuation of certain Federal assistance. Specific reference was to Public Law 874.

If aid under this program is discontinued as we understand will be the situation with the shelving of the Federal aid to education program, the town of Preston will tend to lose some $7,000. The exact entitlement, based upon our application for aid for the 1960-61 school year was $7,235. Although this amount is relatively small compared with grants received in certain larger communities it nevertheless is significant in that this represents just about 3 percent of the total school budget for the forthcoming year. It also represents about 1½ mills based upon the local tax structure.

The Preston Board of Education respectfully requests that you give this matter your earnest consideration.

Very truly yours,

KARL D. GINAND,
Superintendent of Schools.

STATE OF CONNECTICUT,
BUREAU OF RURAL SERVICES,
Norwich, Conn., July 31, 1961.

Senator PRESCOTT BUSH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BUSH: At the meeting of the Voluntown Board of Education held on July 25, the superintendent was instructed to communicate with you concerning that part of the general aid to education bill which relates to Public Law 874. Voluntown does qualify as an area in which federally connected children make the town eligible for certain Public Law 874 funds.

For the recently completed school year, entitlement to funds was nearly $3,000 from a total school budget of just under $84,000, or very nearly 4 percent of total current expense.

The Voluntown Board of Education requests that you give this matter your consideration.

Very truly yours,

KARL D. GINAND,
Superintendent of Schools.

BOARD OF EDUCATION,
Windsor, Conn., August 1, 1961.

The Honorable PRESCOTT BUSH,
The U.S. Senate,
Washington, D.C.

DEAR SENATOR BUSH: The town of Windsor is vitally interested in the extension of Public Law 874. The failure of Congress to extend this law will not only work a hardship on the people of Windsor but nearly all of the people of central Connecticut.

The Windsor Board of Education urgently requests you to assist in any way possible the favorable consideration of Senate bill 1678 or H.R. 5349.

Your prompt attention to this matter will be appreciated by all Windsor residents.

Very truly yours,

HERBERT J. DUKE, *Secretary.*

Mr. ROBERTSON. Mr. President, does the proponent of the amendment wish to use additional time at this point?

Mr. MUNDT. I suggest that the opponents now use some of the time available to them.

Mr. ROBERTSON. Very well; inasmuch as the opponents have available at this time 5 minutes more than does the proponent, I yield 3 minutes to the Senator from Pennsylvania [Mr. CLARK].

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 3 minutes.

Mr. CLARK. Mr. President, I should like to make four points in opposition to the pending amendment.

First, the procedure under which we are operating now is entirely unsound. General legislation on an appropriation bill is not the way for the Senate to express its will. All through Anglo-Saxon parliamentary history, for well over 100 years, going back to the foundation of our Republic, sound students of legislation have been in accord that general legislation on an appropriation bill is wicked and vicious, and is not the candid, frank, and proper way to pass important legislation.

It is true that the Senate rules provide that by two-thirds vote the rule can be suspended; and of course the Senate must be in a position to work its will whenever a very large majority believes that should be done. Of course there are exceptions to every rule. But certainly this is no case in which to violate the sound, general rule that legislation on an appropriation bill is all wrong. So on this procedural point, I urge my colleagues to support the general proposition that the Senate is not going to make an exception in this case to the sound, general rule that we must not permit general legislation to be attached to an appropriation bill.

My second argument is by way of rebuttal to the suggestion that we who supported Senate bill 1021 are holding the impacted area legislation as a hostage, in order to require passage of that bill by the other body. I am frank to admit that this I intend to do, to the extent of my ability. In the somewhat less than 5 years that I have been in the Senate, I have noticed, year after year, how it would have been impossible every year to get decent housing legislation unless we held FHA extension as a hostage, so as to insist on the enactment of sound legislation in the areas of public housing and urban renewal. The lobby interests in this country are strong. I have no doubt that otherwise a majority of Senators would have voted to pass extensions of the FHA, year after year, and would have turned their backs on the problem of slum clearance and would have turned their backs on the small people of this country who cannot afford a safe, sanitary, and decent home.

The PRESIDING OFFICER. The time yielded the Senator from Pennsylvania has expired.

Mr. CLARK. Mr. President, I should like to have 2 minutes more, if I may.

Mr. ROBERTSON. Mr. President, I yield 2 additional minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 2 more minutes.

Mr. CLARK. Mr. President, we who serve on the Banking and Currency Committee, despite the able opposition of its chairman—and I smile at him as I say this—have, nonetheless, succeeded in keeping majorities that insist that FHA legislation shall be a part of urban renewal and public housing legislation. We prevailed in the committee and on the floor, and I am glad we did; and I hope we prevail again in the same area, where impacted area legislation is sought to be divorced from Federal aid to education generally.

My third point is that those who want to see impacted area legislation passed at this time are clearly in favor of Federal aid to education for some, but not for others. In my judgment, the distinction is ingenuous; and it may even be ingenious. But it is utterly unsound. If it is wise to have Federal aid to education in impacted areas, certainly it is

equally wise to have Federal aid to education generally.

Pennsylvania has many school districts which will be affected both under category B aid and category C aid to impacted areas; and my vote on this measure will not be very popular back home. But it is sound and it is wise.

As my fourth point, I ask that Senators stick to their guns. The Senate passed a good bill in Senate 1021. Let us keep the feet of the other body to the fire and get them to pass that bill and send it to conference, and have the victory that President Kennedy would like to see us give him—a sound Federal aid to education bill which includes assistance to impacted areas, but does not single out that measure as one to be removed from the other salutory and, in my judgment, far more important parts of a Federal aid to education bill.

Mr. MUNDT. Mr. President, I yield 2 minutes to the Senator from California [Mr. KUCHEL].

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes.

Mr. KUCHEL. Mr. President, I wish to say I completely and vigorously disagree with my friend, the Senator from Pennsylvania.

I happen to be a U.S. Senator who has voted, under both this administration and the prior administration, for Federal aid to education. I support the principle that we should continue to discharge a moral obligation to the people of the United States and thus should continue to provide Federal assistance to impacted school districts.

Some persons oppose any kind of Federal school legislation, including assistance to impacted school districts.

Just the other day, one distinguished Member of Congress with great glee pointed to the impasse in regard to school legislation that has developed in the Rules Committee of the House of Representatives. He said that one of the great byproducts of the impasse is that we are going now to get rid of assistance to federally impacted school districts.

Mr. President, I hope he is wrong. But the fact of the matter is that at the moment, apparently, every piece of school legislation is locked up in the House Rules Committee.

For more than 10 years the Congress has authorized, under legislation originally sponsored by the late, great Senator Robert A. Taft, of Ohio, Federal assistance to areas which constitute federally impacted school districts in America.

Now the law is dead with respect to about 75 percent of the students who attend impacted school districts; and if this Congress fails to resuscitate that legislation, it will have done a frightful disservice to the American people.

So I simply say that here is an opportunity for Members of the Senate to continue to discharge a moral and equitable responsibility of the Federal Government to the people of the country. I hope my friends on the Democratic side will join with us over here on the Republican side to suspend the rules, to approve our amendment continuing aid to impacted school districts, all 4,000 of them, and send this bill to the House of Representatives.

Mr. MUNDT. Mr. President, I yield 2 minutes to the distinguished Senator from Ohio [Mr. LAUSCHE], a cosponsor of the amendment.

May I at this time ask unanimous consent that the Senator from Maryland [Mr. BEALL] be added as a cosponsor of the amendment?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, I recognize the deep sincerity of the Senator from Pennsylvania in the presentation of his views on the item now pending before the Senate. He contends it is wicked and improper to attempt to amend this bill, providing for appropriations, with the proposal to make certain that the impacted areas will get help. My view, on the contrary, is that the act of tying the impacted areas law into the new proposal to give Federal aid to schools is the error that has been committed. These subjects are different. Providing aid for the impacted areas borders practically upon a legal obligation, without any declaration being made in any law that it should be done. It would be unconscionable not to aid those communities that have been burdened with a responsibility far beyond what their local tax ability is able to carry. Federal bases have been established, Federal military men have been sent into the communities. I submit that those people ought not to be made to bear the obligation of paying the expense of teaching the children of these transients.

On the question of general aid to schools, it is thoroughly obvious that it falls into a different category. There is practically unanimity of opinion that aid should be granted to impacted areas. There is a serious difference about the propriety of the Federal Government financing the operation of the schools, either in whole or in part. If there is a difference in those two subjects, then they should not have been tied into one bill at the beginning.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. LAUSCHE. May I have 1 more minute?

Mr. MUNDT. I yield 2 more minutes to the Senator from Ohio.

Mr. LAUSCHE. The other day I made the statement that there is current the story that, under present conditions in the Congress, no aid to impacted areas will be accepted unless we approve general Federal aid to public schools. I said that it was blackmail in attaching to our right to obtain what justly belonged to us a condition that we do an act against our will. Perhaps that term was too severe, because the term "blackmail" sometimes connotes criminality. If the term "blackmail" was too severe, I probably should have used the word coerce, intimidate, compel, bludgeon, pressure, or a word of that character. It is one of those words that I want to use today.

The effort to compel the acceptance of the general proposition that the Federal Government should finance the operations of our schools as a condition for obtaining aid to impacted areas in my mind, is bludgeoning, coercing, intimidating, and should not be tolerated.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. ROBERTSON. Mr. President, I yield 2 minutes to the distinguished Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, I want to make several pleas to my colleagues on both sides of the aisle, but particularly to my colleagues on this side of the aisle. Shortly we are going to vote on whether or not we are going to sustain our majority leader, because the majority leader, in my judgment, ought to have every presumption in his favor in handling the procedures of the Senate and the legislative program of the Senate. In my judgment, this attempt is really one to take the leadership of the Senate away from the majority leader in regard to this parliamentary situation.

Second, I point out that, in my opinion, this effort is an affront to the legislative committees of the Senate. This matter belongs, not in the Appropriations Committee, but in the Committee on Labor and Public Welfare. I think it will be a sad day in the Senate if we start getting a train of precedents established by which we pass over to the Appropriations Committee the legislative functions of the Senate. That is what this effort adds up to.

Next, I want to make the plea—and I speak as chairman of the Subcommittee on Education, and the majority leader and members of the committee know whereof I speak when I say this—that great progress is being made with regard to educational legislation.

I can say that over on the House side there are daily conferences going on, as well as many conferences between leaders of the House, the White House, and the Department of Health, Education, and Welfare, about what is going to be done upon the education legislative program. Only yesterday I talked to the Secretary of Health, Education, and Welfare. He advised me that, through House channels, there will be submitted to him early next week, and, through him, to the White House and to my Subcommittee on Education, some proposals for breaking the so-called bottleneck in the House on education legislation. Therefore, I wish to say, from the standpoint of orderly procedure in the Senate, the proposal of the Senator from South Dakota ought to be overwhelmingly voted down.

I point out that there are Senators who voted against S. 1021, including the Senator from South Dakota. I can well imagine that fact is not a very happy fact for them, because S. 1021 contained a 3-year extension of federally impacted areas legislation. The Senator from South Dakota had an opportunity earlier to continue federally impacted areas legislation in the field of education, but he voted against S. 1021. I know there are other Senators with a similar voting record who are making a great plea this morning to give over the legislative functions of the Labor and Public Welfare

Committee to the Appropriations Committee. They wish us to follow a course of action today which is a mistaken one.

Furthermore, let me say, on the substantive question, some of the most seriously impacted schools in the country are not federally impacted schools at all. The Senate will stir up a great storm in all educational circles in this country. Senators will find that thousands upon thousands of school administrators and teachers will be embittered over any such proposal as is being made, because in too many schools, that are not the so-called federally impacted area schools, classrooms are being held in cellars, cafeterias, gymnasiums, and stages. In some areas school authorities are borrowing places in the neighborhood in which to hold classes.

So far as education in this country is concerned, this is a totality problem. We should not draw the line of discrimination among the schoolchildren of America which the Senator from South Dakota is proposing to draw this morning.

We should take the time necessary to work out with the House an education bill which we can all accept, or with which a majority of us can go along, which will include a continuation of Public Laws 874 and 815.

The pending motion is a parliamentary tactic, I say most respectfully, on the part of some who are simply opposed to any Federal general aid to education, although at the same time they are strongly for Federal aid to education for one-third of the schoolchildren of America. That is what is involved in Public Laws 874 and 815.

This is not fair. In my book, it is not cricket. I do not think that is the proper way to treat the schoolchildren of this country. I think we ought to do as the Senator from Pennsylvania [Mr. CLARK] and the Senator from Montana [Mr. METCALF] said earlier in the debate. We ought to recognize that we have an obligation to all the schoolchildren in this country.

I happen to think we ought to consider the problem in its totality, and not to draw the kind of discriminatory lines being proposed by the Senator from South Dakota this morning.

Mr. President, Senators can forget about me, but in behalf of my committee, I wish to say that I know what my committee has done this year. I know the hours of work the committee members have put in, for they are dedicated men. I would not be much of a chairman of the Education Subcommittee if I did not stand up on the floor of the Senate this morning to protest what I consider to be an affront to my committee, because I think my committee deserves the confidence of the Senate. I think we have earned the confidence of the Senate. I think we should be given the time necessary to continue our work. As I have said, we are working daily with the Representatives of the House and with the Secretary of Health, Education, and Welfare to try to get this problem handled satisfactorily through the proper legislative processes of the Senate. This should be done through members of the appropriate legislative committee, rather than to relegate, or to delegate, to the Appropriations Committee a legislative function of a legislative committee.

Now, Mr. President, I raise a point of order that the amendment of the Senator from South Dakota is out of order because it constitutes legislation on an appropriation bill. I understand that the point of order has to be raised before we can consider the motion of the Senator from South Dakota to suspend the rules, because the point of order has to be raised in order to bring forth a motion to suspend the rules. I make the point of order.

Mr. MUNDT. Mr. President——

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. MUNDT. I concede the point of order. It was on that basis I gave notice of the motion to suspend the rules.

Mr. MORSE. Mr. President, will the Senator yield in my time?

Mr. MUNDT. According to the notice I served on the Senate, I now move to suspend the rules.

Mr. MORSE. Mr. President, will the Senator yield in my time? I have a right to have a ruling from the Presiding Officer on my point of order. I do not have to accept the concession of the Senator from South Dakota, and I do not. I want an official ruling on my point of order from the Presiding Officer that the amendment of the Senator from South Dakota is out of order.

The PRESIDING OFFICER. The Senator has 3 minutes of time for debate upon the point of order, and then the ruling may be made.

Mr. MORSE. I do not wish to debate on the point of order. My point of order does not need debate. Anyone can take judicial notice of it. I simply wish to have a ruling from the Presiding Officer as to whether my point of order is well taken.

The PRESIDING OFFICER. The Senator from South Dakota has 3 minutes.

Mr. MORSE. I thought the Presiding Officer said I had 3 minutes. I beg the Presiding Officer's pardon.

The PRESIDING OFFICER. Then the Chair will decide the question of the point of order. The Senator from South Dakota has the floor.

Mr. MUNDT. Mr. President, if a point of order is to be raised I assure you the Senator from South Dakota has a great deal more time at his command than 3 minutes. I now move to suspend the rules. Has the Presiding Officer ruled on the point of order?

The PRESIDING OFFICER. Then the Chair will rule on the point of order. The amendment of the Senator from South Dakota [Mr. MUNDT] would extend two public laws from 1961 to 1964. It would amend the act of September 30, 1950, and the act of September 23, 1950, by extending them to American Samoa. The amendment is therefore legislation, and the Chair sustains the point of order of the Senator from Oregon.

Mr. MUNDT. Mr. President, pursuant to the notice which I filed on the clerk's desk 24 hours before the bill was considered, I now move to suspend the rule so that we may proceed to vote upon this amendment, which is concededly legislation upon an appropriation bill. For that reason, I gave due warning I was going to follow this procedure.

The PRESIDING OFFICER. The purpose of giving notice for the motion the Senator suggests, specifically, is to suspend paragraph 4 of rule XVI.

Mr. ROBERTSON. Mr. President——

Mr. MUNDT. Mr. President, I have the floor.

Mr. ROBERTSON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MUNDT. Mr. President, I am not prepared to make a unanimous-consent agreement at this time. I make a point of order that a quorum is not present.

Mr. ROBERTSON. Mr. President, will the Senator withhold that?

Mr. MUNDT. I withhold it.

Mr. ROBERTSON. Mr. President, I ask that we have the yeas and nays on the Mundt amendment. I ask that the yeas and nays be ordered on the Mundt amendment.

Mr. MORSE. On the motion?

Mr. ROBERTSON. On the motion to suspend the rules. I ask for the yeas and nays.

Mr. MORSE. That is not on the amendment; that is on the motion.

The PRESIDING OFFICER. There is a sufficient second.

The yeas and nays were ordered.

Mr. MUNDT. Mr. President, I now make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MORSE. Mr. President, I raise a point of order.

Mr. MANSFIELD. Mr. President——

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. How much time does the Senator from South Dakota have remaining to discuss his motion to suspend the rules?

The PRESIDING OFFICER. There is no additional time on the original amendment because, by virtue of the ruling of the Chair sustaining the point of order, the remaining time was extinguished.

Mr. MORSE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Is the Senator from Oregon correct in his understanding that after the quorum call the Senate will proceed immediately to vote on the motion of the Senator from South Dakota to suspend the rules?

The PRESIDING OFFICER. The motion to suspend the rules is debatable; therefore, debate will continue on the motion after the quorum is obtained.

Mr. MORSE. And the motion to suspend the rules is subject to unlimited debate?

The PRESIDING OFFICER. There is no limit on the debate.

Mr. ROBERTSON. A parliamentary inquiry, Mr. President. Was not a limit put on the amendment and everything pertinent thereto? Everything pertaining to the amendment was limited to 30 minutes on a side. I understood that was the unanimous-consent agreement. We did that so we would not be plunged into an interminable debate

Mr. MUNDT. A point of order, Mr. President. No such agreement was arrived at. We made an agreement on the amendment and amendments thereto. This is not an amendment, because the point of order raised by the Senator from Oregon knocked out the amendment.

The PRESIDING OFFICER. The understanding of the Chair, in answer to the Senator from Virginia, is that by virtue of the point of order having been raised and sustained, the amendment is obliterated, and also all amendments that were appertaining thereto.

Mr. MORSE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Is it not necessary to raise a point of order to the amendment in order to place the amendment in a category that it would require a a two-thirds vote to agree to the motion to suspend the rules; otherwise, the amendment could have been considered and agreed to by a majority vote?

The PRESIDING OFFICER. Will the Senator restate his request?

Mr. MORSE. Was it not necessary to raise the point of order against the amendment in order to subject the amendment to a requirement of a motion to suspend the rules, which motion would require a two-thirds vote, because in the absence of a point of order against the amendment, the amendment could have been considered on the basis of a majority vote?

The PRESIDING OFFICER. The Senator is correct.

Mr. MORSE. May I say that we are now confronted with a technicality in regard to a unanimous-consent agreement. I respectfully submit, as pointed out by the Senator from Virginia [Mr. ROBERTSON], it was the understanding of the Senate last night that we had entered into a unanimous-consent agreement to have debate for 30 minutes on each side. The procedure was proposed by the Senator from South Dakota [Mr. MUNDT]. The essence of the procedure was to vote on whether or not we were going to suspend the rules. In my judgment, such action was clearly contemplated and understood in connection with the unanimous-consent agreement, and I regret if we have gotten to the point, before we enter into a unanimous-consent agreement here, that we must spell these things out in great detail and raise all possibilities in regard to any possible way of debating the clear intent of the agreement. I am satisfied that the clear intent was to take 30 minutes on each side to discuss the question as to whether or not we would suspend the rules by a two-thirds vote.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. MANSFIELD. I must say that I agree 100 percent with what the distinguished Senator from Oregon [Mr. MORSE] has said. When the Senator from South Dakota announced to the Senate that he would move to suspend the rules to consider his amendment on the impacted areas school bill, he was well aware of the fact, I am sure, that his motion would require a two-thirds vote. The proposal for the agreement that was reached yesterday as originally made by the Senator from South Dakota was that an hour be allocated to his amendment, and that he would be satisfied. I discussed the question with the chairman of the subcommittee. He said he was agreeable. I discussed it with the distinguished minority leader. He was agreeable. On that basis it was my understanding that when the motion was considered, the vote would come at the end of an hour's debate, and that a point of order had to be raised to keep in accord with the spirit of the proposal offered by the distinguished Senator from South Dakota.

On that basis I told certain Senators that that would be the case. I urged them to be back here by 11 a.m. today, at the earliest, if they could do so. Some Senators could not keep engagements. Others had to speed up engagements. The result is a situation which I am sure has not been fully understood. I hope that now it is being fully explained. In good faith it was my understanding that there would be an hour's debate on this particular amendment, that there would be of necessity a point of order raised, and that the point of order would be sustained. It was understood that the motion of the Senator from South Dakota for a suspension of the rules would be allowed, and on that basis a two-thirds vote would be necessary.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. ROBERTSON. Several members of the Appropriations Committee had important engagements for today. They were very anxious to finish consideration of the bill yesterday. We had hoped and expected to conclude the consideration yesterday. We were interrupted by the priority status of the agricultural conference report. Unfortunately, consideration of the conference report required an hour and a half. Then, when it was doubtful as to whether we could finish consideration of the bill, I conferred with my distinguished colleague, and I said:

> Every Senator knows whether he wants to vote for or against aid for impacted areas. Let us limit the debate. Will 30 minutes be sufficient?

He said:

> No, we want an hour; 30 minutes on each side.

So we agreed. We agreed to do what? The Senator from South Dakota had filed a motion to suspend the rules. Every Senator knew that such motion would be subject to a point of order unless we suspended the rules. We knew the agreement related to a motion to suspend the rules, and that, if the motion carried, there would be action on the motion to adopt the amendment. So I hope that we will carry out the spirit of the amendment and not find ourselves debating anew all afternoon this subject, with which every Senator is thoroughly familiar.

Mr. MUNDT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. MUNDT. I certainly never intended to engage the Senate in a sham battle. I offered my amendment in good faith. My amendment was to add the title of the impacted aid to schools provisions to the bill. It had nothing to do with a point of order. It had been rumored that someone would raise a point of order, and considering the possibility of such action, because of the parliamentary legerdemain employed the day before, I took the precaution to file a motion to suspend the rules in the event that action should take place. Up until the time the point of order was raised by the Senator from Oregon [Mr. MORSE], no Senator from the other side had told me that he intended to raise a point of order. Senators have a right to do so. I had a right to suspect that they would do so. The Senator from Oregon did do so, thereby denying me the concluding remarks that I had intended to make in the time remaining to me. Therefore, I have made an altogether different motion, in conformity with the rules of the Senate, which is the one I served notice in advance I would make, and it is of course debatable. I now propose to debate it.

I checked the point with the Parliamentarian in advance. I said:

> If they are going to let us go through a sham battle on my amendment to provide assistance for schools in impacted areas and then raise a point of order and move to suspend the rules, would such a motion be debatable?

He said, "Yes."

The Chair has so ruled. So the motion is debatable.

The Senator from South Dakota is perfectly willing to accept a reasonable length of time for debate on the new motion, but he does not expect to be taken out of court by any type of parliamentary legerdemain.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. ROBERTSON. I am perfectly willing to concede that the Senator did not expect to lose the remaining 3 or 5 minutes that he had reserved under the time limitations. On this side, 3 minutes remain. Would the Senator from South Dakota be willing, after we have a quorum call, to finish within the time which he would otherwise have?

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERTSON. How much time do we have remaining?

The PRESIDING OFFICER. All time has elapsed. The question properly should be how much time would there have been remaining.

Mr. ROBERTSON. How much time would there be remaining if time had not been cut off by the point of order?

The PRESIDING OFFICER. Three minutes.

Mr. ROBERTSON. The Senator from South Dakota had 3 minutes?

The PRESIDING OFFICER. The Senator from South Dakota had 3 minutes remaining.

Mr. ROBERTSON. The Senator from Montana also had 3 minutes remaining.

Mr. President, I ask unanimous consent that, after a quorum call, the Senator from South Dakota be given 5 minutes to conclude his debate.

Mr. MUNDT. Mr. President, I wonder if that time would be sufficient, with this new development.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the Senator from South Dakota be given 10 minutes.

Mr. MUNDT. Mr. President, reserving the right to object, I wish to say that after a quorum call to establish the fact that a quorum is present, the Senator from South Dakota is perfectly willing to limit the time to 10 minutes on a side in order to discuss the motion before the Senate, which is a motion to suspend the rules.

Mr. MANSFIELD. Mr. President, will the Senator make a unanimous request at this time with that understanding?

Mr. MUNDT. I so request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota?

Mr. DIRKSEN. Mr. President, reserving the right to object—and I would like to have the attention of the distinguished Senator from Oregon [Mr. MORSE]—the record is pretty clear that the limitation of time was on the amendment and not on the motion to suspend, as I read the record.

If the time on the amendment has been concluded, is the Senator from Oregon willing then to accept the time limitation on the motion to suspend so that the RECORD will be clear on that point?

Mr. MORSE. I did accept it.

Mr. DIRKSEN. I merely wanted to be sure that the language would be incorporated in the RECORD, so that there can be no misconception.

Mr. MORSE. I am perfectly willing to accept an agreement on debate on the motion to suspend, but I wish to say to my friend that the RECORD is not nearly as clear as the Senator from Illinois seems to think it is. I think we all know what agreement we entered into last night. We all knew that we were entering into a package disposal of the problem.

Mr. DIRKSEN. Mr. President, I ask the distinguished Senator from Virginia if he will restate specifically his unanimous consent request.

Mr. MUNDT. It was the Senator from South Dakota who made the unanimous consent request. My request was that the debate on the motion to suspend the rule be limited to 20 minutes, 10 minutes on a side. It was not stated, but I am sure it was understood, that 10 minutes would be under control of the majority leader and 10 minutes under the control of the maker of the motion, the Senator from South Dakota.

The PRESIDING OFFICER. Does the Senator from Virginia understand that to be the request?

Mr. ROBERTSON. That was my understanding. It is perfectly agreeable to me.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. MUNDT. Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. The time for the quorum call will be outside the allotted time, as I understand.

Mr. MUNDT. That is correct.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MUNDT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUNDT. Mr. President, I yield myself 5 minutes.

The issue is pretty clear now. It was for that reason that I agreed to this new sharp limitation of 10 minutes on a side. Every Senator knows by now that the purpose of the motion to suspend the rule is to make it in order for the Senate, by a simple majority, to pass impacted school aid legislation, which is so desperately needed.

We are now well into the first week of August. All over the length and breadth of this land school administrators in impacted areas are concerned about the fact that they cannot make arrangements for the opening of their schools because legislation upon which they depend for a part of the money to meet the increasing needs of the schools for their schoolchildren in impacted areas is not forthcoming, because the law has expired. They cannot make financial commitments based on a vague hope Congress will enact new legislation in sufficient time.

I believe the Senate is pretty well agreed as to the need of the legislation. Therefore, the question comes: "When do you want it? Do you want it in time to be helpful, or do you want to continue to keep impacted aid legislation as a political pawn, or as a club to force some reluctant Members into voting for overall Federal aid to education?"

That is clearly the issue. The Senator from Oregon and the Senator from Montana were forthright enough to state it, although not in quite as blunt terms as I have put it. But the implication is just as clear. And so is the issue.

So far as its being an affront to any committee is concerned, that argument I reject out of hand. I hope we do not develop a royal family so complex in Congress so that every time an amendment like this is offered it will be said, "This is an affront to a legislative committee. Oh, this is an affront to the chairman. This is an affront to the majority leader."

We might as well close up shop and go home, if it is going to be considered an affrontery to offer amendments on the floor of the Senate which some committee chairman or even the majority leader might oppose.

The issue is clear. Do we want to provide impacted area school aid legislation this year, in time to help the communities involved, or do we want to gamble with the political power operations going on in the Rules Committee in the other body, or hope that it may be possible to bang enough heads together to get some other kind of legislation passed?

Even if that is done, the legislation will not come out until September or October or November, and then we shall have lost an entire school year.

I submit that this issue is too important to do that, and the Senate should be too independent and too influential a branch of Government to let this matter be used as a pawn by political bigwigs, while the schools continue to suffer. That is why we want a rollcall on this issue, to provide an opportunity for Members of the Senate to stand up and be counted as to whether they want to make this aid available this year in time to be helpful, or hope that it may be made available later, after the school year has opened, or hope that perhaps the power and the sugar and the persuasion involved may be able to get enough votes to get enacted S. 1021, which also contains this type of legislation.

Mr. President, I reserve the remainder of my time.

Mr. ROBERTSON subsequently said: Mr. President, in order to show the basis on which the Parliamentarian ruled that the debate was limited to the amendment, and did not apply to the motion to amend the rules, I ask unanimous consent to have printed, just before the Chair ruled on that question, the language of the unanimous-consent agreement of yesterday.

There being no objection, the unanimous-consent agreement was ordered to be printed in the RECORD, as follows:

Mr. MANSFIELD. After consulting with the Senator in charge of the bill, the Senator from South Dakota, and leaders on both sides, I wish to propound a unanimous-consent request.

I ask unanimous consent that 1 hour be allocated on the pending amendment, one-half hour to be allotted to the Senator from South Dakota [Mr. MUNDT], and one-half hour to the majority leader.

The PRESIDING OFFICER. Is there objection? Without objection——

Mr. BUSH. Madam President, reserving the right to object, I think this is an important question, and I would like a little time on it. Cannot the time be stretched a little?

Mr. MANSFIELD. I may inform the Senator that this time has been agreed to. It has been thoroughly discussed. I hope on

this occasion the Senator will not insist, because he will get time from this side.

Mr. BUSH. I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. ROBERTSON. Mr. President, I yield 5 minutes to the distinguished Senator from Oregon.

Mr. MORSE. Mr. President, I shall simply reiterate what I said earlier. First, there is no question that this proposal is an attempt to legislate on an appropriation bill. There is no question that it is an attempt to transfer to the Committee on Appropriations the legislative function in a field which ought to be reserved to the proper legislative committee. The Senator from South Dakota denying that it is an affront to a legislative committee does not change the fact that it is an affront. I would not be much of a chairman of a subcommittee if I did not defend the dedicated men who have been working on the committee in the field of education and seek to prevent having this kind of legislative rug pulled out from under them by this parliamentary tactic.

Second, I wish to make it perfectly clear to the Senate, and especially to Senators on the Democratic side of the aisle, that the question now is whether the majority leader will be in charge of the legislative program of the Senate, from the standpoint of its being a Democratic program, or whether, by this parliamentary tactic, he will be stripped of his power and have it transferred to the Committee on Appropriations, where it has no place at all.

Third, the proposal of the Senator from South Dakota is discriminatory. I can well understand that some Members of the Senate who voted against S. 1021, which contained the impacted areas provision—we have it in S. 1021—find their votes a little embarrassing now in federally impacted areas or territories in their States. But that is no justification for discriminating unfairly, as this proposal does, among the other two-thirds of the schoolchildren of the United States. Do not forget that there are thousands upon thousands of schoolchildren who are attending schools in non-Federal areas; schools which are suffering a greater student impact than are those in many of the federally impacted area schools. Many of the schools in federally impacted areas are in pretty good shape. In fact, arguments can be made in support of the President's position when he first proposed a tapering off of some of the Federal support for some of the impacted area schools. Much can be said about some communities which were anxious to have Federal projects come to their area. Many other communities would have been glad to have them.

Mr. President, this proposal discriminates unfairly against thousands and thousands of children who ought to be considered in connection with a total education bill.

Lastly, members of the Subcommittee on Education are working daily with Members of the House of Representatives. I said earlier—and I think it needs repeating—the Secretary of Health, Education, and Welfare called me yesterday to say that the leaders in the House are preparing and will have ready for submission this weekend a proposed compromise education bill which will go to the White House early next week for consultation, which then will come to the subcommittee of which I am the chairman, for consultation. It is most unfair to a legislative committee which has worked in behalf of the Senate on the educational problem to pull the rug out from under it this morning, and thus, in my judgment, make it almost impossible for us to move forward with a well-considered legislative solution of the education problem.

Also, the proposal of the Senator from South Dakota will stir up bitter recriminations within the educational profession of the United States. There are dozens and dozens of schoolteachers and school administrators who believe that assistance to federally impacted areas, unless similar benefits come to their schools, is unfair. They will not look with kindness on our singling out one group of schools to benefit, and then going home without doing anything for the benefit of the other children who, likewise, are suffering from our failure to provide at least some Federal assistance to afford relief from the conditions which they are suffering. Some school districts are conducting classes in gymnasiums, cellars, and stages of schools; yes, they are even borrowing facilities, sometimes warehouses, near the schools.

I shall close now, because I desire the majority leader to have time to comment, by saying to Democratic Senators that there are two things we should keep in mind: We should sustain the right of the majority leader to determine the legislative program of the Senate. The proposal of the Senator from South Dakota is, in my judgment, an attempt to undercut him.

Second, we ought to sustain the administration in its desire to work out with the House a compromise in regard to the educational program. By the course of action proposed by the Senator from South Dakota, that opportunity will be destroyed.

Mr. MUNDT. Mr. President, I yield 4 minutes to the distinguished minority leader.

Mr. DIRKSEN. Mr. President, the distinguished Senator from Oregon does not state the case at all. I think it is the most beautiful, classical example of begging the question that I have seen in a long time. The only question before the Senate is, Will it refuse to do today what it did on May 25, when it passed this identic proposition? Will it refuse to do today what it has done over and over again since the days of World War II, when the Federal Government recognized its obligation, by piling in the youngsters who were the children of Federal employees working on installations and facilities in so-called Federal areas?

The issue is, Will the Federal Government refuse now, through some parliamentary device, to recognize the obligation it has, because of the burden which has been placed upon local school facilities? That burden is not of their making.

Here are involved the facilities for some 219,000 children. I estimate, by the rule of thumb, that that would require perhaps 8,000 classrooms and perhaps 8,000 teachers. Over and over again, by unanimous vote, the Senate has undertaken this obligation in speaking for the people. Over and over again, by solemn vote, it has approved this program. It approved it the last time on May 25. Now, simply because there is before the Senate a proposal which is definitely within the rules of the Senate, and is definitely in order, shall we push back what is our solemn obligation to the impacted areas of the Nation? That is the real issue today.

The Senate can offer no excuse which is logical or valid or persuasive by failing to support the position which is taken by the distinguished Senator from South Dakota. That is how simple the proposition is today. No amount of argument that we are moving to suspend the rules in order to place this proposal on an appropriation bill will prevail, for the simple reason that the standing rules of the Senate provide for this sort of procedure. If some Senator wishes to argue that there is something inherently wrong in attaching a legislative proposal to an appropriation bill, the answer is that that practice has been followed ever since the Senate began to function as an institution. I remember my days in the House, when appropriation bills were fairly loaded with legislation of all kinds. It was used as an instrumentality for legislation because it was necessary to do so. I know that no really valid objection was made.

In this instance, we are within the rule. We have followed this practice over and over for a great number of years. The Senate approved this very proposal on the 25th of May. Cite me a reason now why the Senate should not fulfill its obligation to the folks back home in the impacted areas and approve the proposal which is before us.

Mr. MORTON. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MORTON. Is this a question of parliamentary procedure; or is it a question of the education of 219,000 schoolchildren?

Mr. DIRKSEN. It is exactly a question of the education of the children.

Since the course now proposed is entirely within the rules and the order of procedure here, I can think of no valid reason against it, unless some desire to have some impact upon a situation which presently obtains in another legislative body.

Mr. CASE of South Dakota. Is it not also important to the defense effort? And is it not also appropriate at this time, in view of the fact that we are now dealing with the Department of Defense appropriation bill?

Mr. DIRKSEN. Exactly.

Mr. President, imagine an attempt to go back home and make a presentation to the parents of the schoolchildren who may be denied the needed educational facilities. Let those who would do that see how far they will get. They will be told, "Do not give me the parliamentary

book. Just tell me how you voted on this business."

Mr. President, that is the issue before us.

The PRESIDING OFFICER. The time yielded to the Senator from Illinois has expired.

Mr. ROBERTSON. Mr. President, I yield 2 minutes to the Senator from West Virginia [Mr. RANDOLPH].

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 2 minutes.

Mr. RANDOLPH. Mr. President, as a member of the Subcommittee on Education of the Senate Committee on Labor and Public Welfare, I urge the Senate to sustain that committee and the leadership of the majority by defeating the pending motion to suspend the rules.

In subcommittee, in full committee, and through 8 long days of debate on the floor of the Senate, many of us labored carefully to make sure that Federal financial assistance to the States for the education of all of the Nation's schoolchildren could be achieved.

We were advised to curtail assistance under the provisions of Public Laws 815 and 874. After full and careful consideration, we decided against this advice until we could judge the effects upon these programs of the general aid title of the bill. We refused to retrench in this area until we knew it to be warranted, and we allowed a 3-year period of straight extension in which to develop the necessary factual basis for future consideration.

As a Senator from West Virginia, I was proud to be counted in the majority of 49 to 34 by which the bill was passed, knowing as I did that title II of S. 1021 continued aid to federally impacted areas for 3 years.

Mr. President, if we adopt the method now proposed for dealing with this subject, we shall be, in effect, depriving the House of Representatives of an opportunity to follow orderly procedure in the discussion and determination of its own problems in regard to school legislation.

We have no reason to distrust the other body and its Members in working out its own solution. Certainly we must realize that if we follow the advice of the Senator from South Dakota [Mr. MUNDT], we shall be actually forestalling, at this time, a possibly fruitful series of negotiations which are now taking place. Let us not, by precipitate action, close the door to those talks.

Furthermore, we would, by approving the motion, upset orderly conference committee procedure. Do not forget that the defense bill must go to a conference committee composed of members of the two Appropriations Committees, none of whom necessarily heard the testimony in committee, or wrote the report, or participated on the floor during debate concerning the education bill. Why should a complex matter, such as the impacted aid to school districts across the length and breadth of this land, based as it is on the technicalities of category A children, category B children, and category C children be thrown into the appropriation pot?

Mr. President, I add my voice to those who are concerned to see that all American schoolchildren, every boy and girl, shall have the opportunity to attend good schools in order to receive the best instruction we can give to them. This is not just a procedural matter of sustaining the leadership or the committee, this is also the heart of the matter for those of us who want to do justice and right to our public school children. I believe we must realize that more than only one-third of our schoolchildren need to be helped. Let us remember the other two-thirds by our vote this morning.

Mr. President, it is my considered judgment that to adopt the proposal of the Senator from South Dakota would be to do violence to the orderly consideration of legislation which is pending in the Congress of the United States, and, in effect, we would be giving evidence of distrusting the other body in connection with the orderly consideration of legislative proposals for assistance to the schoolchildren of the Nation, by means of a measure now pending in that body.

I have every reason to believe that the effective leadership will be supported by all Members on this side of the aisle.

Mr. ROBERTSON. Mr. President, I yield 2 minutes to the majority leader, the Senator from Montana [Mr. MANSFIELD].

The PRESIDING OFFICER. The Senator from Montana is recognized for 2 minutes.

Mr. MANSFIELD. Mr. President, I can only express my wholehearted accord with the arguments previously presented to the Senate by the chairman of the Subcommittee on Education, the distinguished senior Senator from Oregon [Mr. MORSE], and by his colleagues on that committee, the distinguished Senator from Pennsylvania [Mr. CLARK], the distinguished Senator from West Virginia [Mr. RANDOLPH], and my own colleague, the distinguished Senator from Montana [Mr. METCALF].

Some statement has been made to the effect that this motion is an attack on the leadership. I do not regard it so much as an attack on the leadership, as I do a questioning of the Subcommittee on Education, under the distinguished chairmanship of the senior Senator from Oregon [Mr. MORSE]. That subcommittee and the full Committee on Labor and Public Welfare have reported a good bill, S. 1021. That bill, or at least a part of it, is now in the House of Representatives. So long as the House is in session, despite what the Rules Committee does, there is always a chance that something may be done in the way of an adjustable solution.

I recall that on June 27 and on June 29, the distinguished Senator from South Dakota brought up the question of aid to impacted school areas; and on June 29, I stated:

I can only give the Senator—

The Senator from South Dakota [Mr. MUNDT]—

my assurance, but I think, knowing the way the Senator "bulldogs" these matters, having had close contact and experience with him over the past 19 years, what he has in mind will be forthcoming, and that the need for a continuation of this program will be met and complied with.

I think the recent action of the Senator from South Dakota indicates that the use of the word "bulldog" was not ill advised. But I hope we can have some time to consider this matter, and that for the present, at least, the motion of the Senator from South Dakota will be defeated.

Mr. MUNDT. Mr. President, how much time remains under my control?

The PRESIDING OFFICER. The Senator from South Dakota has 2 minutes remaining under his control.

Mr. MUNDT. Mr. President, let me say that if there is still any doubt in the mind of any Senator as to what is involved in this matter, I wish to read from a news dispatch which was just now handed to me. It quotes the assistant Democratic leader, the Senator from Minnesota [Mr. HUMPHREY], who has served notice to the Associated Press that Congress will have to vote on school construction grants if it wants to continue aid to impacted areas.

There is the challenge to us. We can measure up to it, or we can surrender to it. But there is the challenge he has made to us.

Incidentally, let me say that the Senator from Minnesota is, himself, something of a "bulldog"; and he has served notice on the House Democratic leaders that the Senate will not accept a simple extension of Federal aid to impacted school districts in areas into which many families have been crowded because of Federal installations.

So, Mr. President, if some Senators do not really want this Federal assistance given to the school districts, of impacted areas they have only to vote against the pending motion, and then such assistance will not be given. In short, Senators now have a chance to duck behind a procedural question—or they can utilize this opportunity to vote needed assistance to schools in impacted areas.

But, Mr. President, it seems passing strange that the Senator from Oregon [Mr. MORSE], once the indomitable independent, the courageous advocate again and again in connection with matters upholding the authority of the Senate, would now be stating that in order not to give affront to the majority leader, Senators should vote against the pending motion. Mr. President, I have known the majority leader a long time, and he is not easily affronted; he does not wear a hair shirt. He operates on the basis of his convictions and he expects all other Senators to operate on the basis of their own convictions, not as a bunch of rubberstamps delegating their souls and votes to the leadership.

Mr. President, here is a chance for Senators to vote as they should on a vital matter of needed assistance in the field of education. Let no Senator fail to realize that that is what is involved in the pending motion.

It is said by some that the Senate should reject this motion, and should wait until later on. But, Mr. President, this matter will not wait until tomorrow or next week, or next month, or next

year, because the school districts are now hiring the teachers they need; and the schools—certainly at least many of them—must make their plans now.

Mr. President, the Senator from Virginia [Mr. ROBERTSON] was formerly, for many years, a Member of the House of Representatives; and he knows that this matter can be worked out in conference. Furthermore, the procedure called for by my motion is provided for in the Senate rules. I hope we can thus proceed to legislate today.

Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is on agreeing to the motion of the Senator from South Dakota [Mr. MUNDT], under notice in writing previously given by him, that paragraph 4 of rule XVI be suspended, for the purpose of proposing the amendment heretofore ruled out of order.

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Michigan [Mr. HART], the Senator from North Carolina [Mr. JORDAN], the Senator from Oklahoma [Mr. KERR], the Senator from Missouri [Mr. LONG], the Senator from Massachusetts [Mr. SMITH], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from Michigan [Mr. HART], the Senator from Missouri [Mr. LONG], the Senator from Massachusetts [Mr. SMITH], and the Senator from Alabama [Mr. SPARKMAN], would each vote "nay," and the Senator from North Carolina [Mr. JORDAN] would vote "yea."

On this vote, the Senator from Maryland [Mr. BUTLER] and the Senator from New Hampshire [Mr. BRIDGES] are paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Maryland and the Senator from New Hampshire would each vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Iowa [Mr. MILLER] and the Senator from Kansas [Mr. CARLSON] are paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Kansas and the Senator from Iowa would each vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. SCOTT] and the Senator from Kansas [Mr. SCHOEPPEL] are paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Pennsylvania and the Senator from Kansas would each vote "yea," and the Senator from Oklahoma would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senators from Kansas [Mr. SCHOEPPEL and Mr. CARLSON] are absent on official business.

The Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Iowa [Mr. MILLER] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Maryland [Mr. BUTLER] are paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from New Hampshire and the Senator from Maryland would each vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Kansas [Mr. CARLSON] and the Senator from Iowa [Mr. MILLER] are paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Kansas and the Senator from Iowa would each vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Kansas [Mr. SCHOEPPEL] and the Senator from Pennsylvania [Mr. SCOTT] are paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Kansas and the Senator from Pennsylvania would each vote "yea," and the Senator from Oklahoma would vote "nay."

The yeas and nays resulted—yeas 37, nays 47, as follows:

[No. 130]

YEAS—37

Aiken	Ervin	Robertson
Allott	Fong	Russell
Beall	Goldwater	Saltonstall
Bennett	Hickenlooper	Smathers
Boggs	Holland	Smith, Maine
Bush	Hruska	Talmadge
Byrd, Va.	Keating	Thurmond
Capehart	Kuchel	Tower
Case, S. Dak.	Lausche	Wiley
Cotton	McClellan	Williams, Del.
Curtis	Morton	Young, N. Dak.
Dirksen	Mundt	
Dworshak	Prouty	

NAYS—47

Bartlett	Hartke	Metcalf
Bible	Hayden	Monroney
Burdick	Hickey	Morse
Byrd, W. Va.	Hill	Moss
Cannon	Humphrey	Muskie
Carroll	Jackson	Neuberger
Case, N.J.	Javits	Pastore
Church	Johnston	Pell
Clark	Kefauver	Proxmire
Cooper	Long, Hawaii	Randolph
Douglas	Long, La.	Stennis
Ellender	Magnuson	Symington
Engle	Mansfield	Williams, N.J.
Fulbright	McCarthy	Yarborough
Gore	McGee	Young, Ohio
Gruening	McNamara	

NOT VOTING—16

Anderson	Eastland	Schoeppel
Bridges	Hart	Scott
Butler	Jordan	Smith, Mass.
Carlson	Kerr	Sparkman
Chavez	Long, Mo.	
Dodd	Miller	

The PRESIDING OFFICER. Two-thirds of the Senators present not having voted in the affirmative, the motion to suspend is not agreed to.

Mr. ROBERTSON. Mr. President, I ask for the yeas and nays on the question of passage of the bill.

The yeas and nays were ordered.

Mr. YOUNG of Ohio. Mr. President, I call up my amendment at the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out title V of the bill and to renumber succeeding sections.

Mr. ROBERTSON. Mr. President, will the Senator yield for 30 seconds?

Mr. YOUNG of Ohio. I yield to the Senator from Virginia, with the understanding that I shall not lose my right to the floor.

Mr. ROBERTSON. I hope Senators will stay on the floor. I have been assured by our distinguished colleague that he can present the issue of striking out the civil defense money in 3 minutes. The acting chairman of the committee does not intend to argue the question, because the Senate voted to keep this in the bill yesterday. At the end of 3 minutes we shall have a voice vote. I assume the Senate will vote as it did yesterday.

Mr. YOUNG of Ohio. Mr. President, I shall be very brief and to the point, as stated by the distinguished Senator from Virginia. It is my intention, when the short debate on the amendment is concluded, to ask for a division and not a yea-and-nay vote. I hope my colleagues will remain in the Chamber.

Mr. President, in this connection I ask unanimous consent to have a statement I have prepared printed in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR YOUNG OF OHIO

The legislation before us today contains an appropriation of $207,600,000 for civil defense purposes as requested by President Kennedy in his message to Congress. This in addition to the $95 million we approved for civil defense in the independent offices appropriation bill which is presently in conference. I question the advisability of this proposed added expenditure at this time.

Frankly and it is with reluctance I state this, I am not in agreement with the President's request. For the most part, this money has been requested to identify and mark space in existing structures for fallout shelters and for shelters in new Federal office buildings. Of course, the great majority of these buildings are in urban metropolitan areas which possibly would be targets in a nuclear war were the Soviet Union to make a nuclear attack on us. It is doubtful whether these shelters would prove of any use whatever against the blast and heat of a nuclear explosion.

Assuming for the sake of argument they would, what if an attack came after working hours when these buildings are empty?

Our cities following an atomic attack might be blazing pyres and a mass of pulverized radioactive debris. Shelters in the target area would be crushed. Their occupants charred and suffocated by the blast and heat. Shelters would become nothing more than blazing tombs. Any who managed to escape their blazing tombs would be immediately killed by the firestorms and explosions raging for miles around. Surrounding areas for many square miles would be covered with deadly radioactive fallout.

The bombs that would be used today in a nuclear war are equal to millions of tons of TNT. One such bomb would set everything ablaze instantly within 25 miles or

more. Columns of flame miles high would engulf any target area. This kind of fire surpasses imagination. Fire companies would have been destroyed by the blast. In all probability there would be more than one of these bombs on each target area. There is no reason to expect that the enemy who knows that he must knock us out with one massive blow would be merciful. And there would be no outside help arriving. There would be no medical supplies, food, water, or transportation.

For those few who managed to survive, there would be no water that was left uncontaminated for them to drink or to wash away the radioactive ash and dust. All vegetation would be contaminated.

A hydrogen bomb produces deadly byproducts that do not decay as rapidly as some initial fallout does. It produces strontium 90, which takes 40 years to decay and goes right to human bone marrow. Strontium 90 is absorbed by food and plants. There is no way to get rid of it. You can't boil it away like bacteria. It is there to stay.

Nor is strontium 90 the only type of radioactive material these explosions produce. There are many other deadly byproducts which would live for hundreds, if not thousands of years, perhaps eventually doing away with all human habitation on this planet.

Thus radiation would catch up with us, even for those of us who were in shelters far enough away from the blast area.

I am not opposed to voting for additional civil defense appropriations if there is a chance that they will be of real use in saving American lives. However, if a shelter program is to be at all effective it will require an eventual expenditure of anywhere from $50 to $200 billion, according to various experts on the subject.

The very real problem of obsolescence also exists. It is quite apparent from the extensive advances being made today in rocket and nuclear technology that any shelter program conceivably would be obsolete before it was half completed. Then, there is also the possibility of more deadly types of warfare—chemical and biological warfare.

Unless we are prepared to embark on such a vast program, it seems futile to me to waste additional hundreds of millions of dollars of taxpayers' money at this time when we are faced with so many more essential needs and with a possible tax increase to finance them. It would be far better to spend this money in strengthening our ground forces and our retaliatory capability.

In my opinion, this program is impractical because it will offer no protection worth mentioning at a cost that would be a tremendous burden on American taxpayers. It is also dangerous because it fosters the delusion that there is some measure of security in a nuclear attack. The truth is that people living far enough away from the blast area might be able to protect themselves for the first 48 hours of intense radiation. Perhaps even the first 2 weeks. After that, the chances for their survival are indeed slim. It has been estimated that the radioactive cloud from a single relatively small nuclear bomb may be expected to cover an area downwind for fully 200 miles. No one knows how many bombs could be dropped or missiles fired in a nuclear holocaust or what weather conditions would be at that time.

It is my fervent hope that those now charged with the responsibility for protection of our civilians in time of war will immediately embark on a vigorous and continuing campaign of education on realistic self-protection in a nuclear war using all media of communication at our command—television, radio, newspapers, magazines, and our schools.

Furthermore, no reasonable person would object to the Federal Government's advising citizens on the type, effectiveness, and cost of various fallout shelters. A modest amount of money could be appropriated for research and dissemination of this information. If the individual citizen then wants to build his own shelter and feels that he lives in an area where it could possibly be of some use to him and his family, perhaps as a recreation room, that is his business. He would be putting his money in circulation by helping a building contractor.

President Kennedy has called for sacrifice in this time of emergency. Surely, it is not too much sacrifice for Americans to provide protection for themselves and their families. It is the duty of their Government to advise them on how to do this—if such a thing is possible—but not to do it for them. Our forefathers in settling this land and in pushing back the frontier knew this well.

All of us can be proud of the thousands of patriotic Americans who, as volunteers, gave their time and effort often at great risk to themselves in times of flood, fire, and other natural disasters. These Americans have, and always will, continue to help their neighbors regardless of the doubtful leadership of the OCDM and paid officials safe behind desks.

Surely we should not at this time appropriate $207,600,000 until after the hearings now proceeding in the other body are completed. Within 2 or 3 weeks, the Military Operations Subcommittee of the Government Operations Committee, of which Congressman CHET HOLIFIELD is the chairman, will publish the hearings and issue their report.

To my knowledge, no hearings whatever were held by the Senate Committee on Appropriations regarding this matter. Insofar as the President's request for additional defense expenditures are concerned, I fully agree that the evidence for their need is great and there was no necessity for hearings; however, it is my belief that this request for money for fallout shelters as outlined in the President's message and in recent statements by the Secretary of Defense warrants further investigation before any appropriation is made.

The Secretary of Defense himself admitted in a letter to the distinguished junior Senator from Virginia that this subcommittee was not afforded the opportunity of giving its customary and careful consideration to this matter. Secretary McNamara assured the Senator from Virginia that he would personally satisfy himself as to the necessity of each program to assure that these funds are spent wisely and economically.

Although I have complete faith in the judgment and ability of the Secretary of Defense, it is my feeling that the situation is not so urgent as to abdicate our responsibility regarding use of taxpayers' money. I am sure that an additional month or so will not jeopardize this proposed program if it is in fact worthy. This time will, however, give us the opportunity to soberly and carefully examine the wisdom of embarking on such an extensive program.

Assuming for the sake of argument that there is some value in a shelter program, it is my view that the purpose for which this money is to be allocated—shelters in Federal buildings—will offer no protection whatsoever and will be a complete waste of taxpayers' money.

Therefore, I have introduced an amendment which would eliminate this $207 million appropriation.

I urge that before we take any further action on this matter, careful and extensive hearings from expert witnesses and others who are concerned with this vital problem be held by the proper committee of the Senate, otherwise we would be committing ourselves to a program vast in its implications without having fully explored the problem thoroughly.

All agree that we are living in a grim period of Soviet bluster and threats. However, we must not allow this fact to cloud our judgment regarding defense of civilians in the event of an attack. We should not embark on expensive schemes that will prove of no real value in event of war. The new civil defense programs should be carefully examined and tested before additional money is authorized.

Mr. YOUNG of Ohio. Mr. President, the amendment would strike out and eliminate from the bill, H.R. 7851, title V, as it was amended last evening. For the information of Senators, Mr. President, since the present title V is not printed in the bill, I ask to have it read by the clerk.

The PRESIDING OFFICER. Title V will be read for the information of the Senate.

The legislative clerk read as follows:

TITLE V—CIVIL DEFENSE, DEPARTMENT OF DEFENSE

For expenses, not otherwise provided for, necessary for carrying out civil defense activities, including the hire of motor vehicles and the providing of fallout shelters in existing or new Government-owned or leased buildings, as authorized by law, $207,600,000.

Mr. YOUNG of Ohio. Mr. President, the purpose of the amendment is to strike out and to eliminate altogether the $207.6 million requested by the President for fallout shelters.

The only argument I shall make at this time, in addition to what I have had printed in the RECORD—and the repeated arguments I have made in this Chamber against civil defense as now conducted—is that in the other body at the present time and continuing throughout next week, the Subcommittee on Military Operations of the Committee on Government Operations, under the chairmanship of Representative CHET HOLIFIELD, is holding hearings on the question of the value or lack of value of shelters against nuclear attack, the question of whether they will do good or not.

Physicists and noted experts in the country will testify before the committee. The Secretary of Defense and other officials have already testified and will testify this week.

The hearings will be concluded next week. I receive daily a copy of the hearings. The entire hearings will be available to all Senators in about 3 weeks from now.

Recently, in the independent offices appropriation bill, the Senate authorized an appropriation of $95 million for civil defense. The other body authorized $80 million. Something between $95 and $80 million will eventually be appropriated by this Congress.

I hope my amendment will be seriously considered, and will be agreed to. There are ample funds available for civil defense purposes. After 3 weeks the hearings of the subcommittee in the House of Representatives will disclose whether the money has or has not been wasted, and the feasibility of an extended program such as contemplated by title V of this bill.

I feel, therefore, that we ought to try to save money in this very large appro-

priation bill, which is necessary for the defense of our country. I support the bill. But I do not support an expenditure of $207 million to be utterly wasted, as has more than $1 billion been wasted in the past.

I ask the Senate to agree to the amendment. Let us wait for the report of the chairman of the House committee and early next year, if it is desired to make a further appropriation for civil defense, then let us do so.

Mr. ROBERTSON. Mr. President, yesterday the Senate voted funds for civil defense. This effort is the second one to take the provision out of the bill. I hope Senators will vote against the proposal.

Mr. LAUSCHE. Mr. President, I wish to express my concurrence with the views stated by my colleague. In my opinion, adequate study has not been made of the civil defense program. The probability is that approving the proposed expenditure at this time would constitute throwing $207 million down the drain. There ought to be a full and complete study made of what utility will be provided by the dugouts and reinforced basements which will be built, and until that study is undertaken, I do not think the money ought to be expended.

Mr. YOUNG of Ohio. I thank my colleague from Ohio.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I yield to the distinguished senior Senator from Oregon.

Mr. MORSE. I have been greatly persuaded by the Senator from Ohio. I think we should develop the facts to find out whether the investigation in the House will show that the proposal for large expenditures of funds for a shelter building program is a sound defense proposal. I cannot think of anything that would be more cruel or unfair than to give the American people the impression and hope that we are providing for their security against a nuclear attack, if scientists should come forward with findings that the effort would not accomplish that purpose. I think that with the $95 million already appropriated a start could be made on any shelter building program which would be sufficient until we can return and pass a supplemental budget, if necessary, next January. I shall support the amendment of the Senator from Ohio.

Mr. YOUNG of Ohio. I thank the Senator.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I yield to the distinguished Senator from Alaska.

Mr. GRUENING. I rise to support the amendment of the Senator from Ohio. I think that the $95 million appropriated is ample to tide us over and do what needs to be done. More studies are needed on this subject between now and the next session of Congress. The $207 million would possibly be wasted. There will be plenty of time to act on the measure at the next session, if necessary. This is one place where we can safely economize.

Mr. YOUNG of Ohio. I thank the Senator from Alaska.

Mr. President, I yield back the remainder of my time.

Mr. ROBERTSON. Mr. President, I yield back the remainder of my time. I ask for a division.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio. All time has been yielded back and a division has been requested.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

SUPPORT OF NATION'S RELIGIOUS LEADERS FOR FOREIGN AID

Mr. JAVITS. Mr. President, foreign aid is one of our country's most important means in winning the underdeveloped regions of the world to the side of freedom. It is the means by which we take the offensive against communism, it is our initiative for a breakthrough for freedom. There are great moral as well as strategic implications in our foreign aid program, and it is to these values that hundreds of the Nation's religious leaders have addressed themselves in announcing their support for the foreign aid program.

I ask unanimous consent to include in my remarks a statement issued on July 31 by Warren Lee Pierson, chairman of the Citizens Committee for International Development, together with the statements of the group from each great religious faith, signed by 257 Protestant, Catholic, and Jewish clergymen and lay leaders.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Religious leaders of all faiths in America are overwhelmingly behind the President's new foreign aid program, including the 5-year financing plan for the loan development fund.

"These moving statements," Mr. Pierson said, "are evidence of America's moral concern which is implicit in the foreign aid program. I am certain that in considering the program which the President has placed before Congress, the support of these religious leaders will be given every consideration by Members of the Congress."

The statements and lists of signers follow:

Protestants, related to the National Council of the Churches of Christ in America, as individuals, who have united in "urging Congress to adopt a comprehensive foreign aid program which includes the 5-year financing provision recommended by President Kennedy."

Rev. Hampton Adams, minister, Park Avenue Christian Church, New York, N.Y.

Arthur A. Atha, attorney, Protestant Council of the City of New York.

Rev. David W. Barry, executive director, New York City Mission Society.

Norman J. Baugher, general secretary, Church of the Brethren, Elgin, Ill.

Wilmer V. Bell, chairman, Maryland Council on Christian Social Relations.

Edwin Berry, Chicago, Ill.

Frederick H. Biederstedt, president, New York State Council of Churches, Syracuse, N.Y.

Rev. Eugene Carson Blake, stated clerk, United Presbyterian Church in the U.S.A., Philadelphia, Pa.

Mrs. H. C. Bleckschmidt, president, United Church Women of St. Louis.

Rev. Harold A. Bosley, Methodist pastor, Evanston, Ill.

Rev. H. C. Bradshaw, executive secretary, St. Paul Area Council of Churches.

The Right Reverend Allen W. Brown, bishop, Albany diocese, Protestant Episcopal Church, Syracuse, N.Y.

Coleman Burke, attorney, New York, member executive committee, World Council of Christian Education.

Rev. Hugh Chamberlain Burr, recently retired, executive director, Rochester (N.Y.) Council of Churches.

Dr. John J. Burt, president, Southern California Council of Churches, Pasadena, Calif.

Rev. John E. Buteyn, executive secretary, Board of World Missions, Reformed Church in America.

Very Rev. John V. Butler, dean, the Cathedral Church of St. John the Divine, New York, N.Y.

Rev. Erston Butterfield, Cleveland Congregational Union, Cleveland, Ohio.

Fannie P. Byrd, United Church Women, New York, N.Y.

Rev. Alford Carleton, executive vice president, the United Church Board for World Missions, United Church of Christ, Boston, Mass.

David B. Cassat, vice president, National Council of Churches, Dubuque, Iowa.

Rev. Samuel McCrea Cavert, former general secretary, National Council of Churches, Bronxville, N.Y.

Dr. Edgar H. S. Chandler, executive vice president, Church Federation of Greater Chicago, Ill.

Robert Childers, Houston, Tex.

Rev. Theodore L. Conklin, associate general secretary, New York State Council of Churches, Syracuse, N.Y.

Mrs. Clifford C. Cowin, Oberlin, Ohio.

Rt. Rev. William F. Creighton, bishop coadjutor, Protestant Episcopal Diocese of Washington.

Rt. Rev. Archie H. Crowley, D.D., Episcopal Diocese of Michigan.

Dr. Robert E. Cushman, dean, Duke Divinity School, Durham, N.C.

Rev. Edwin T. Dahlberg, minister, Delmar Baptist Church, St. Louis, Mo., and former president, National Council of Churches.

Rev. Gardiner M. Day, minister, Protestant Episcopal Church, Cambridge, Mass.

Dr. Harry Denman, general secretary Methodist Board of Evangelism.

Hubert A. Elliott, staff, Protestant Council of the City of New York.

Bishop F. Gerald Ensley, resident bishop, Iowa area, the Methodist Church, Des Moines, Iowa.

Robert A. Fangmeier, national director, Department of Christian Action and Community Service, United Christian Missionary Society, Disciples of Christ.

Dr. Harold D. Fasnacht, president, La Verne College, La Verne, Calif.

Rev. Richard Felton, associate secretary, Ohio Christian Missionary Society, Cleveland, Ohio.

Dr. Harold E. Fey, editor, the Christian Century, Chicago, Ill.

A. Dale Fiers, president, United Christian Missionary Society, Disciples of Christ, Indianapolis, Ind.

Rev. John F. Fisler, staff, Protestant Council of the City of New York.

Hon. Arthur S. Flemming, president, University of Oregon, Eugene, Oreg.

Rev. Harry Emerson Fosdick, retired, New York, N.Y.

Rev. Leland Gartrell, staff, Protestant Council of the City of New York.

Mrs. Manfred J. Gerhardt, San Antonio, Tex.

Rev. Ray Gibbons, director, Congregational-Christian Council for Social Action, New York.

Rev. Frederick L. Gilson, South Park Baptist Church, Buffalo, N.Y.

Bishop Charles F. Golden, resident bishop, Nashville-Birmingham area, the Methodist Church, Nashville, Tenn.

Rev. Luther A. Gotwald, New York, N.Y.

Bishop Raymond Grant, resident bishop, Portland area, the Methodist Church, Portland, Oreg.

Bishop S. L. Green, AME Church, Atlanta, Ga.

John Gresham, district superintendent, southwest district, Minnesota Methodist Conference, Mankato, Minn.

George T. Guernsey III, vice president, Manchester Bank, St. Louis, Mo.

John Halko, secretary-director, Department of Research and Planning, Greater Philadelphia Council of Churches, Baptist.

Francis Stuart Harmon, vice president, the Interchurch Center, New York.

Rev. Herbert Harrison, Asbury-Delaware Methodist Church, Buffalo, N.Y.

Dr. G. Weir Hartman, executive secretary, Columbus, Ohio, Area Council of Churches.

Rev. Dr. Vladimir Hartman, executive secretary, Capitol Area Council of Churches, Albany, N.Y.

Bishop E. C. Hatcher, AME Church, Cleveland, Ohio.

Rev. Joseph H. Heartberg, executive secretary, New Jersey Baptist Convention.

Rev. Reginald H. Heifferich, executive secretary, Commission on World Service, Evangelical and Reformed Church, St. Louis, Mo.

Rev. Ellis L. Hemingway, associate superintendent, Middle Atlantic Conference, United Church of Christ.

Rev. James E. Hoffman, stated clerk, reformed Church in America, New York.

Guy T. O. Holyday, Maryland Council of Churches, Baltimore, Md.

Dr. Caradine R. Hooton, general secretary, Methodist Board of Christian Social Concerns, Washington, D.C.

Rev. Richard N. Hughes, executive secretary, Rochester Area Council of Churches, New York.

Baron Hunter, executive secretary, Department of Christian Action and Community Service, United Christian Missionary Society, Disciples of Christ.

Dr. Angus Hull, Cleveland Baptist Association, Cleveland, Ohio.

Dr. R. Lanier Hunt, staff, National Council of Churches, New York.

Robert W. Inglis, executive secretary, Colorado Congregational Conference, Denver, Colo.

Rev. Keith Irwin, Leonia, N.J.

Rev. Herbert C. Jackson, director, Missionary Research Library, New York.

Rev. J. H. Jackson, president, National Baptist Convention, U.S.A., Chicago, Ill.

Miss Elizabeth Johns, staff, United Church of Christ, New York.

Dr. F. Ernest Johnson, professor emeritus, Teachers' College, Columbia University, New York; consultant, Department of The Church and Economic Life, National Council of Churches.

Dr. Harold G. Jones, United Church of Christ, Claremont, Calif.

Orrin G. Judd, attorney, New York, N.Y.

Rev. Dean M. Kelley, Bronx, N.Y.

Rev. George Kaslow, Jr., director, Department of Research and Field Survey, New Jersey Council of Churches, East Orange, N.J.

Bishop Gerald H. Kennedy, Methodist Church, Los Angeles, Calif.

Harold Kilpatric, Austin, Tex.

Rev. Hubert F. Klemme, minister, United Church of Christ, Cleveland, Ohio.

Rev. Gerald E. Knoff, executive secretary, Division of Christian Education, National Council of Churches, New York.

Rev. Dr. Julius W. Kuck, president, New York Synod, Evangelical and Reformed Church, Syracuse, N.Y.

Jacob M. Lashly, vice president, Metropolitan Church Federation of Greater St. Louis.

Very Rev. William S. Lea, dean, St. John's Episcopal Cathedral, Denver, Colo.

Dr. G. Merrill Lenox, executive director, Detroit and Michigan Council of Churches.

Rev. Harold C. Letts, Teaneck, N.J.

Rev. James Craig Livingston, Central Presbyterian Church, New York.

Rev. Virgil E. Lowder, executive director, Council of Churches, National Capitol area, Washington, D.C.

Rev. Maurice F. Lyerla, executive secretary, Colorado Disciples Conference, Denver, Colo.

Dr. Frank Madsen, president, Michigan Synod of the United Lutheran Church.

Rev. H. Waldo Manley, minister, St. Mary's Protestant Episcopal Church, Brooklyn, N.Y.

Bishop William C. Martin, Dallas area, the Methodist Church.

Bishop James Matthews, resident bishop, Boston area, the Methodist Church, Boston, Mass.

Rev. O. Clay Maxwell, Jr., pastor, Baptist Temple, New York, N.Y.

Rev. Clarence F. McCall, Jr., Claremont, Calif.

James McCracken, Tenafly, N.J.

Rev. Robert J. McCracken, minister, the Riverside Church in the city of New York.

Mr. Harold C. McKinney, Jr., director, general operations of Michigan Council of Churches and director of public affairs of the Detroit Council of Churches.

Arthur L. Miller, Montview Boulevard Presbyterian Church, Denver, Colo.

Richmond Miller, associate secretary, Philadelphia yearly meeting, Society of Friends, Philadelphia, Pa.

Rev. Hermann N. Morse, secretary emeritus, Board of National Missions, United Presbyterian Church in the United States of America.

Bishop Reuben H. Mueller, president, Board of Bishops, the Evangelical United Brethren Church, Indianapolis, Ind.

Bishop Frederick Buckley Newell (retired), the Methodist Church, New York.

Prof. Neils Nielsen, Houston, Tex.

Rev. Victor Obenhaus, Chicago Theological Seminary, Chicago, Ill.

Rev. Frank A. P. Pehrson, executive, New Jersey Synod, United Presbyterian Church in the United States of America.

Dr. Jesse F. Perrin, superintendent, United Church of Christ, Los Angeles, Calif.

Mrs. Richard B. Persinger, chairman, National Public Affairs Committee of the YWCA, Dobbs Ferry, N.Y.

Dr. Paul W. Poley, executive secretary, Philadelphia Missionary Society and Church Extension, Methodist Church, Philadelphia, Pa.

Rev. W. H. Porter, associate general secretary, American Baptist Convention, New York.

Rev. J. Manning Potts, editor, the Upper Room, Nashville, Tenn.

Rt. Rev. Noble C. Powell, Protestant Episcopal bishop of Maryland.

Rev. Frank W. Price, former moderator, general assembly, Presbyterian Church in the United States, Staunton, Va.

Mr. Wayne Proudfoot, president, National Conference, the Methodist Church Student Movement, Tacoma, Wash.

Dr. Darrell Randall, associate executive director, department of international affairs, National Council of Churches, New York.

Dr. F. Eppling Reinartz, president, Lutheran Theological Southern Seminary, Columbia, S.C.

Rev. Paul W. Rishell, United Church of Christ, New York.

Rev. Kenneth A. Roadarmel, executvie secretary, New York State Council of Churches, Syracuse, N.Y.

Rev. Bruce Roberts, executive secretary, Syracuse Area Council of Churches, Syracuse, N.Y.

Rev. Albert C. Ronander, United Church of Christ, New York.

Joseph Salem, Sudan, Tex.

F. Burton Sawyer, chairman, Department of Christian Community Action, Metropolitan Church Federation of Greater St. Louis, Mo.

Dr Eugene L. Smith, general secretary, Division of World Missions, the Methodist Church, New York.

Rev. Howard C. Schade, executive secretary, Board of North American Missions, the Reformed Church in America, New York.

Elroy Schinkles, First Baptist Church, Denver, Colo.

Fred Schmidt, Austin, Tex.

Dr. Carl M. Schneider, superintendent, Atlantic District Northeastern Conference, Evangelical United Brethren Church, Philadelphia, Pa.

Rev. Howard Schomer, Chicago Theological Seminary, Chicago, Ill.

Rev. Alexander H. Shaw, general secretary, New Jersey Council of Churches, East Orange, N.J.

Dr. James H. Sheldon, chairman, Congregational Christian, New York State Committee on Social Action.

George F. Sisler, Chicago, Ill.

Virgil A. Sly, executive chairman, World Mission, and executive secretary, India, United Christian Missionary Society, Disciples of Christ, Indianapolis, Ind.

Dr. John Coventry Smith, general secretary, Commission on Ecumenical Mission and Relations, United Presbyterian Church, U.S.A., New York, N.Y.

Bishop B. Julian Smith, Chicago area, C.M.E. Church.

Dr. Ralph W. Sockman, minister, Christ, Methodist Church, New York, N.Y.

Dr. Donald H. Stewart, pastor, First Presbyterian Church of Kirkwood, Mo.

Donald C. Stone, dean, Graduate School, Public and International Affairs, University of Pittsburgh, Pa.

Dr. Frank H. Stroup, executive secretary, Presbytery of Philadelphia, Pa.

Rev. Harry Sweitzer, minister, Central Presbyterian Church, St. Paul, Minn.

Rev. Gardner C. Taylor, minister, Concord Baptist Church, Brooklyn, N.Y.

Charles P. Taft, member, central committee, World Council of Churches, Cincinnati, Ohio.

Mrs. William Sale Terrell, chairman, United Church Women, West Hartford, Conn.

Willard L. Thorp, Merrill Center for Economics; Member Committee, Department of International Affairs, National Council of Churches, Southampton, Long Island, N.Y.

Bishop Donald Harvey Tippet, resident bishop of San Francisco area, the Methodist Church, San Francisco, Calif.

Rev. Edward B. Tuller, general secretary, American Baptist Convention, New York, N.Y.

Dr. Charles J. Turck, former president, Macalester College; consultant; Protestant Council of the City of New York.

President Henry Pitney Van Dusen, Union Theological Seminary, New York.

Dr. O. Walter Wagner, executive director, Metropolitan Church Federation, Greater St. Louis, Mo.

Rev. Robert C. Walker, executive, Long Beach Council of Churches, Long Beach, Calif.

Rev. Bishop W. Ralph Ward, Jr., bishop, Syracuse area, the Methodist Church, Syracuse, N.Y.

Dr. Luther A. Weigle, dean emeritus, Yale Divinity School, New Haven, Conn.

Forrest C. Weir, executive, Church of Los Angeles, Los Angeles, Calif.

Rev. Dr. S. Arnold Westcott, pastor, First Baptist Church, Syracuse, N.Y.

Rev. B. Bruce Whittemore, executive director, Cleveland Council of Churches, Ohio.
Rev. Edward L. Whittemore, executive secretary, Colorado Council of Churches, Denver, Colo.
Bishop Lloyd C. Wicke, New York area, the Methodist Church, New York, N.Y.
Dr. Elam Wiest, president, Northeast Ohio Synod, Evangelical and Reformed Church, Cleveland, Ohio.
Mrs. Frank G. Wigginton, Carnegie, Pa.
Rev. Donvel C. Wildey, executive secretary, Maryland Council of Churches.
Dr. John M. Wilson, executive secretary, Ohio Council of Churches, Columbus, Ohio.
Dr. Roy L. Winters, superintendent, Board of Home Missions, Lutheran Ministerium of Pennsylvania, Philadelphia, Pa.

Statement on foreign aid endorsed by Catholic bishops, prelates, priests, and laymen:

"Even the most superficial understanding and appreciation of the present world situation must convince anyone, beyond doubt, of the grave need to endorse the administration's foreign aid proposals. In this crucial hour, we urge all citizens of this great Nation to unite in echoing the United States traditional commitment to freedom, peace, progress, and dignity for all men, by expressing wholehearted support for this vital contribution to world peace."

Most Rev. Karl J. Alter, D.D., archbishop of Cincinnati, Ohio, chairman of the Administrative Board, National Catholic Welfare Conference.
Most Rev. Patrick A. O'Boyle, archbishop of Washington, D.C.
Most Rev. William O. Brady, D.D., archbishop of St. Paul, Minn.
Most Rev. Emmet M. Walsh, D.D., bishop of Youngstown, Ohio.
Most Rev. Joseph M. Gilmore, S.T.D., bishop of Helena, Mont.
Most Rev. Lawrence J. Shehan, D.D., bishop of Bridgeport, Conn.
Most Rev. Albert R. Zuroweste, D.D., bishop of Belleville, Ill.
Most Rev. Edward E. Swanstrom, D.D., New York, N.Y.; executive director, National Catholic Welfare Conference.
Rev. John T. Arsenault, Portland, Maine.
Rev. John M. Bann, Little Rock, Ark.
Rev. William A. Barron, Trenton, N.J.
Rev. Paul P. Bassompierre, Pittsburgh, Pa.
Rev. John J. Berube, M.S., New York, N.Y.
Rev. Sylvester A. Borusky, Green Bay, Wis.
Rt. Rev. Msgr. William Cassin, Springfield, Ill.
Rev. Joseph Conway, Albany, N.Y.
Very Rev. Msgr. Lawrence J. Corcoran, Columbus, Ohio.
Very Rev. Msgr. Joseph A. Costello, Newark, N.J.
Rev. John P. Craddick, St. Louis, Mo.
Very Rev. Msgr. Thomas Daly, Rockville Center, Long Island, N.Y.
Rt. Rev. Msgr. Joseph F. Denges, Washington, D.C.
Rev. Charles F. Dewey, Boston, Mass.
Rev. Caesar Donanzan, New York, N.Y.
Rt. Rev. Msgr. Herman Fedewa, Lansing, Mich.
Very Rev. Msgr. J. Richard Felten, Winona, Minn.
Rt. Rev. Msgr. Newman Flanagan, Sioux City, Iowa.
Rev. Fabian Flynn, Union City, N.J.
Very Rev. Norbert F. Gaughan, Greensburg, Pa.
Rev. Joseph B. Gremillion, New York, N.Y.
Rev. George R. Grotkin, Montfort, Wis.
Rt. Rev. Msgr. Joseph J. Harnett, Philadelphia, Pa.
Rt. Rev. Msgr. Wilson E. Kaiser, Great Falls, Mont.
Rt. Rev. Msgr. Leo Keating, Grand Island, Nebr.
Rt. Rev. Msgr. Emil Komora, New York, N.Y.
Rev. Robert Lawler, Ogdensburg, N.Y.
Rev. Michael L. Maher, Saginaw, Mich.
Rt. Rev. Msgr. John E. Maney, Rochester, N.Y.
Rev. Francis A. McCarthy, North Dighton, Mass.
Rt. Rev. Msgr. John F. McCarthy, New York, N.Y.
Rt. Rev. Msgr. Charles B. McGinley, Philadelphia, Pa.
Rev. Allen J. Meier, Covington, Ky.
Rt. Rev. Msgr. Frederick Mohan, Cleveland, Ohio
Very Rev. Msgr. Frederick A. Nelan, New York, N.Y.
Rev. Morton E. Park, Portland, Oreg.
Very Rev. Msgr. John J. Reed, Fort Wayne, Ind.
Rev. William B. Rochford, Neosho, Mo.
Rt. Rev. Msgr. Joseph T. Ryan, Albany, N.Y.
Very Rev. Msgr. Robert W. Schiefen, Miami, Fla.
Rev. Dunstan Schmidlin, Gallup, N. Mex.
Rev. Alfred A. Schneider, Green Bay, Wis.
Rev. Joseph Semancik, East Chicago, Ind.
Rev. Michael J. Shanahan, Rockford, Ill.
Rt. Rev. Msgr. David P. Speigatti, Marquette, Mich.
Rt. Rev. Msgr. Joseph V. Sullivan, Kansas City, Mo.
Rt. Rev. Msgr. Paul Tanner, Washington, D.C.
Rt. Rev. Msgr. Joseph C. Walen, Grand Rapids, Mich.
Rt. Rev. Msgr. Charles M. Williams, Nashville, Tenn.
Rev. Anthony Zoghby, Mobile, Ala.
Mr. Edward M. Kinney, New York, N.Y.
Hon. Juvenal Marchisio, New York, N.Y.
Miss Margaret Mealey, Washington, D.C.
Mr. James J. Norris, Elizabeth, N.J.
Mr. Daniel Quinn, New York, N.Y.
Mr. Martin Work, Washington, D.C.; executive director, National Council of Catholic Men.
Mrs. Arthur L. Zepf, Toledo, Ohio.

The Jewish statement:

"As religious leaders, we once again reaffirm our support of the President's foreign aid program. At this moment of world peril, we reassure the world community of the understanding of our clear moral obligation in helping them realize those goals which we hold so near and dear to ourselves. We stand ready to accept the mantle of leadership and responsibility which history now places on us; to share the abundance with which the Almighty has blessed us and scourge poverty, disease, and ignorance, and to replace it with abundance, health, and enlightenment."

Rabbi Theodore L. Adams, New York, N.Y.
Rabbi Maurice Bloom, New York, N.Y.
Rabbi Aaron Blumenthal, New York, N.Y.
Rabbi Balfour Brickner, New York, N.Y.
Rabbi Seymour J. Cohen, Chicago, Ill.
Rabbi Max D. Davidson, Perth Amboy, N.J.
Rabbi Maurice Eisendrath, New York, N.Y.; president, Union of American Hebrew Congregations.
Rabbi Abraham J. Feldman, Hartford, Conn.
Rabbi Theodore Friedman, South Orange, N.J.
Rabbi Arthur Hertzberg, Englewood, N.J.
Rabbi Philip Hiat, New York, N.Y.; executive director, Synagogue Council of America.
Rabbi Robert P. Jacobs, St. Louis, Mo.
Rabbi Israel Klavan, New York, N.Y.
Rabbi Wolfe Kelman, New York, N.Y.
Rabbi Eugene Litman, Washington, D.C.
Rabbi Joseph Lookstein, New York, N.Y.
Rabbi Julius Mark, New York, N.Y.
Rabbi Uri Miller, Baltimore, Md.
Rabbi David Panitz, Paterson, N.J.
Rabbi Ely Pilschik, Newark, N.J.
Rabbi Stanley Rabinowitz, Washington, D.C.
Rabbi William F. Rosenbloom, New York, N.Y.
Rabbi Edward P. Sandrow, New York, N.Y.
Rabbi Max Schenk, New York, N.Y.
Rabbi Bernard Segal, New York, N.Y.
Rabbi David J. Seligson, New York, N.Y.
Rabbi Saul Teplitz, Harrison, N.Y.
Rabbi Charles Weinberg, Malden, Mass.
Rabbi Dudley Weinberg, Milwaukee, Wis.
Rabbi Samson P. Weiss, New York, N.Y.
Rabbi Joel Y. Zion, New York, N.Y.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

Mr. LAUSCHE. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. On page 27, line 12, it is proposed to strike "$207,600,000" and insert in lieu thereof "$100,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. LAUSCHE. Mr. President, the effect of the amendment would be to reduce the amount of $207,600,000, which we have just discussed and which was the subject of the amendment offered by my colleague, to $100 million.

I ask for a division.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio. A division has been requested.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. CANNON. Mr. President, prior to final passage, I have a few short questions I should like to propound to the Senator from Virginia.

Section 636 as now in the bill would strike and replace section 537 in the bill from the House. Opponents of the move to restrict or eliminate abuses by defense contractors in the field of institutional and personnel recruitment advertising have contended that this amendment is the forerunner of an attempt to restrict all advertising.

Mr. ROBERTSON. That is not correct. The provision does not apply to any advertising with respect to which a person has a contract obtained by competitive bidding. The contractor can do all the advertising he wishes, and charge it off to the cost of doing business to the extent that the Bureau of Internal Revenue will permit.

Mr. CANNON. The pending proposal would simply eliminate the advertising that has heretofore been 100 percent chargeable to the Government.

Mr. ROBERTSON. The Senator is correct.

Mr. CANNON. Is it not true that trade and technical publications under existing regulations are singled out for preferential treatment not enjoyed by other segments of our press?

Mr. ROBERTSON. That is what the Senator testified before the committee. I do not know too much about the subject.

Mr. CANNON. I should like to ask the Senator a further question. As the amendment is written, the decision of what is acceptable in the way of recruitment advertising is left to the Department of Defense. Is it the intent of the committee that the Department of Defense should screen very carefully the advertising material that is used, to determine that the recruitment ads are absolutely necessary and vital to the completion of the Government defense contract?

Mr. ROBERTSON. The intent was that the Department should not permit promotional advertising under the name of recruiting for help, nor should contractors be authorized to pirate engineers from one firm to another. In an emergency the Secretary can issue regulations to permit advertising for employees.

Mr. CANNON. It is contemplated that that would be limited to an emergency. Is that correct?

Mr. ROBERTSON. The Senator is correct.

Mr. CANNON. In my testimony before the committee, I stated that it was essential that loopholes must be closed which cause waste and extravagance within our defense procurement program and thereby diminish our military strength by diverting funds for advertising away from purchase of needed hardware. I should like to ask the chairman if it is not true that this amendment is a necessary and important step in the direction of economy in procurement and elimination of two liberal cost and allowance policies of the Pentagon.

Mr. ROBERTSON. The committee felt so, and so stated at page 45 of the report.

Mr. CANNON. Is it the belief of the committee that the exemptions permitted in the amendment will result in negligible costs to the Government and will, in fact, not be of a nature involving tremendous expenditures?

Mr. ROBERTSON. We have no way of knowing exactly what the cost to the Government will be, but it will be greatly reduced from what it has been. We authorized what we felt was appropriate.

Mr. CANNON. This will result in a saving of millions of dollars. Is that correct?

Mr. ROBERTSON. We hope the savings will be substantial. We do not know what the cost to the Government will be.

Mr. CANNON. Mr. President, I ask unanimous consent that the statement I have prepared on this subject be inserted at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CANNON

As the need for increased military preparedness and heavier defense expenditures increases, this phase of our national effort has become bigger and bigger business.

That is why some months ago I became interested in specific items of waste, extravagance, and inefficiency inherent in our defense procurement policies.

One of the most obvious areas of abuse, it is apparent to me, is the field of defense advertising. In the years before World War II it was thought that American industrial technology, particularly in the field of aviation, would be strengthened by allowing advertising in a trade and technical publication to become part of a defense contract, 100 percent chargeable to the Federal Government. Perhaps this was necessary to increase the dissemination of information in a field of endeavor that was just beginning to make itself felt.

In the intervening two decades the fact that such advertising in trade and technical journals can be and often is 100 percent deductible if it serves the purpose of dissemination of information has caused scores of such publications to spring up throughout the country. They have a good sales pitch. They can tell the defense advertiser it does not cost them a dime, so why not advertise?

One aviation company that I know of spent, last year, the sum of $500,000 on such advertising, which constituted 40 percent of its entire advertising budget. Multiply this by 100 other companies getting similar tax writeoffs not available to other industrialists and you begin to see what is happening to the taxpayers' dollars. You also begin to realize why we don't have all the airplanes we would like; why we cannot have more missiles and more Polaris submarines; and why we must strain our national resources to an enormous extent in order to prepare for the military security of this country.

The law which the committee is seeking to correct provides for a full writeoff for advertising which disseminates information within the industry. I am told by Pentagon officials that they themselves do not know what constitutes legitimate dissemination of technical information within the trade—the yardstick by which the Pentagon seeks to determine the suitability of such advertising costs as a part of a defense contract. And well they might ponder, because many of the ads, of which I have seen hundreds, are purely promotional and obviously designed to enhance the prestige or financial position of the firms involved.

Similarly, the exemption allowed for recruitment of personnel advertising had resulted in higher cost of obtaining qualified personnel than might have been obtained through legitimate employment agencies. Some firms spend thousands of dollars per engineer because they advertise everywhere and use this loophole as just another method of self-esteem—even when they have no real need for engineers.

There is an overriding consideration that I urge the Senate to consider. That is that we are in a position of countenancing a form of vicious subsidy which is both corrosive and self-defeating to an industry upon which our very survival depends.

Why must we, under the guise of national defense, provide Government subsidized advertising to one segment of the press and, in effect, tell the defense industry where they must advertise?

Fortunately, not every industry is guilty of availing itself of this abuse. Several refrain from fully tax deductible advertising and advertise only out of profits, because they know it is an abuse even though it is permitted by the Department of Defense.

And so, who wants this subsidized advertising? The Department of Defense officials charged with administering and regulating this portion of the "ASPR" say themselves that they see no need for it whatever and favor its elimination entirely.

What would be the result of cutting out 100-percent deductible advertising in trade and technical publications? The good magazines will continue to operate, on their merit, healthy and vigorous, surviving and growing on their own merits, rather than on subsidy. Those marginal operators would unquestionably fold—or some of them would—and that would be no great loss, either to journalism or to national security and defense procurement.

I have had many letters on this subject, and virtually all of them, including some from advertising agencies themselves, condemn this practice and demand that Congress take steps to enact some corrective legislation. The section we are dealing with today is a step in the right direction.

Mr. SALTONSTALL. Mr. President, I support what the Senator from Virginia has said, to the effect that we considered what would be the best way of doing this. We did not go into the question at all of whether it affected trade journals or newspapers or magazines. We did what was felt was right and what would save the Government money.

Mr. CANNON. It would be an economy move and would eliminate some of the waste and abuse of the past.

Mr. SALTONSTALL. The Senator is correct.

The PRESIDING OFFICER. The question is, Shall the bill—H.R. 7851—pass? The yeas and nays have been ordered, and the clerk will call the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Michigan [Mr. HART], the Senator from North Carolina [Mr. JORDAN], the Senator from Missouri [Mr. LONG], the Senator from Massachusetts [Mr. SMITH], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that if present and voting the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Michigan [Mr. HART], the Senator from North Carolina [Mr. JORDAN], the Senator from Missouri [Mr. LONG], the Senator from Massachusetts [Mr. SMITH], and the Senator from Alabama [Mr. SPARKMAN] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senators from Kansas [Mr. SCHOEPPEL and Mr. CARLSON] are absent on official business.

The Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Iowa [Mr. MILLER] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], the Senator from Iowa [Mr. MILLER], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

The result was announced—yeas 85, nays 0, as follows:

[No. 131]

YEAS—85

Aiken	Goldwater	Morse
Allott	Gore	Morton
Bartlett	Gruening	Moss
Beall	Hartke	Mundt
Bennett	Hayden	Muskie
Bible	Hickenlooper	Neuberger
Boggs	Hickey	Pastore
Burdick	Hill	Pell
Bush	Holland	Prouty
Byrd, Va.	Hruska	Proxmire
Byrd, W. Va.	Humphrey	Randolph
Cannon	Jackson	Robertson
Capehart	Javits	Russell
Carroll	Johnston	Saltonstall
Case, N.J.	Keating	Smathers
Case, S. Dak.	Kefauver	Smith, Maine
Church	Kerr	Stennis
Clark	Kuchel	Symington
Cooper	Lausche	Talmadge
Cotton	Long, Hawaii	Thurmond
Curtis	Long, La.	Tower
Dirksen	Magnuson	Wiley
Douglas	Mansfield	Williams, N.J.
Dworshak	McCarthy	Williams, Del.
Ellender	McClellan	Yarborough
Engle	McGee	Young, N. Dak.
Ervin	McNamara	Young, Ohio
Fong	Metcalf	
Fulbright	Monroney	

NOT VOTING—15

Anderson	Dodd	Miller
Bridges	Eastland	Schoeppel
Butler	Hart	Scott
Carlson	Jordan	Smith, Mass.
Chavez	Long, Mo.	Sparkman

So the bill (H.R. 7851) was passed.

Mr. ROBERTSON. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. METCALF in the chair) appointed Mr. ROBERTSON, Mr. CHAVEZ, Mr. HAYDEN, Mr. RUSSELL, Mr. BYRD of Virginia, Mr. SALTONSTALL, Mr. BRIDGES, and Mr. YOUNG of North Dakota, conferees on the part of the Senate.

DELEGATION OF FUNCTIONS BY FEDERAL COMMUNICATIONS COMMISSION IN ADJUDICATORY CASES

Mr. PASTORE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2034.

The PRESIDING OFFICER (Mr. METCALF in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions, which was, to strike out all after the enacting clause and insert:

The subsection (c) of section 5 of the Communications Act of 1934, as amended, relating to a "review staff", is hereby repealed.

SEC. 2. Subsection (d) of section 5 of the Communications Act of 1934, as amended, is amended to read as follows:

"(d)(1) When necessary to the proper functioning of the Commission and the prompt and orderly conduct of its business, the Commission may, by published rule or by order, delegate any of its functions (except functions granted to the Commission by this paragraph and by paragraphs (4), (5), and (6) of this subsection) to a panel of commissioners, an individual commissioner, an employee board, or an individual employee, including functions with respect to hearing, determining, ordering, certifying, reporting, or otherwise acting as to any work, business, or matter; except that in delegating review functions to employees in cases of adjudication (as defined in the Administrative Procedure Act), the delegation in any such case may be made only to an employee board consisting of three or more employees referred to in paragraph (8). Any such rule or order may be adopted, amended, or rescinded only by a vote of a majority of the members of the Commission then holding office. Nothing in this paragraph shall authorize the Commission to provide for the conduct, by any person or persons other than persons referred to in clauses (2) and (3) of section 7(a) of the Administrative Procedure Act, of any hearing to which such section 7(a) applies.

"(2) As used in this subsection (d) the term 'order, decision, report, or action' does not include an initial, tentative, or recommended decision to which exceptions may be filed as provided in section 409(b).

"(3) Any order, decision, report, or action made or taken pursuant to any such delegation, unless reviewed as provided in paragraph (4), shall have the same force and effect, and shall be made, evidenced, and enforced in the same manner, as orders, decisions, reports, or other actions of the Commission.

"(4) Any person aggrieved by any such order, decision, report, or action may file an application for review by the Commission within such time and in such manner as the Commission shall prescribe, and every such application shall be passed upon by the Commission: *Provided*, That the Commission, by published rule or by order, may limit the right to file applications under this subsection for review of orders, decisions, reports, or actions of panels of commissioners or employee boards, in cases of adjudication (as defined in the Administrative Procedure Act), to proceedings involving issues of general communications importance. The Commission, on its own initiative, may review in whole or in part, at such time and in such manner as it shall determine, any order, decision, report, or action made or taken pursuant to any delegation under paragraph (1).

"(5) In passing upon applications for review, the Commission may grant, in whole or in part, or deny such applications without specifying any reasons therefor. No such application for review shall rely on questions of fact or law upon which the panel of commissioners, individual commissioner, employee board, or individual employee has been afforded no opportunity to pass.

"(6) If the Commission grants the application for review, it may affirm, modify, or set aside the order, decision, report, or action, or it may order a rehearing upon such order, decision, report, or action in accordance with section 405.

"(7) Unless exercise of the right to file an application for review has been precluded by a rule or order adopted under paragraph (4), the filing of an application for review under this subsection shall be a condition precedent to judicial review of any order, decision, report, or action made or taken pursuant to a delegation under paragraph (1). The time within which a petition for review must be filed in a proceeding to which section 402(a) applies, or within which an appeal must be taken under section 402(b), shall be computed from the date upon which public notice is given of orders disposing of all applications for review filed in any case.

"(8) The persons serving on employee boards to which the Commission, pursuant to paragraph (1), may delegate review functions in cases of adjudication (as defined in the Administrative Procedure Act) shall be well qualified, by reason of their training, experience, and competence, to perform such review functions. Such employees shall be given no other duties and shall be paid compensation at rates commensurate with the difficulty and importance of their duties. Such employees shall not be responsible to, or subject to supervision or direction of, any person engaged in the performance of investigative or prosecuting functions for the Commission or any other agency of the Government.

"(9) The Secretary and seal of the Commission shall be the secretary and seal of each panel of the Commission, each individual commissioner, and each employee board or individual employee exercising functions delegated pursuant to paragraph (1) of this subsection."

SEC. 3. Section 405 of the Communications Act of 1934, as amended, is hereby amended to read as follows:

"REHEARINGS

"SEC. 405. After an order, decision, report, or action has been made or taken in any proceeding by the Commission, or by any designated authority within the Commission pursuant to a delegation under section 5(d)(1), any party thereto, or any other person aggrieved or whose interests are adversely affected thereby, may petition for rehearing only to the authority making or taking the order, decision, report, or action; and it shall be lawful for such authority, whether it be the Commission or other authority designated under section 5(d)(1), in its discretion, to grant such a rehearing if sufficient reason therefor be made to appear. A petition for rehearing must be filed within thirty days from the date upon which public notice is given of the order, decision, report, or action complained of. No such application shall excuse any person from complying with or obeying any order, decision, report, or action of the Commission, or operate in any manner to stay or postpone the enforcement thereof, without the special order of the Commission. The filing of a petition for rehearing shall not be a condition precedent to judicial review of any such order, decision, report, or action, except where the party seeking such review (1) was not a party to the proceedings resulting in such order, decision, report, or action, or (2) relies on questions of fact or law upon which the Commission, or designated authority within the Commission, has been afforded no opportunity to pass. The Commission, or designated authority within the Commission, shall enter an order, with a concise statement of the reasons therefor, denying a petition for rehearing or granting such petition, in whole or in part, and ordering such further proceedings as may be appropriate: *Provided*, That in any case where such petition relates to an instrument of authorization granted without a hearing, the Commission shall take such action within ninety days of the filing of such petition. Rehearings shall be governed by such general rules as the Commission may establish, except that no evidence other than newly discovered evidence, evidence which has become available only since the original taking of evidence, or evidence which the Commission or designated authority within the Commission believes should have been taken in the original proceeding shall be taken on any

rehearing. The time within which a petition for review must be filed in a proceeding to which section 402(a) applies, or within which an appeal must be taken under section 402(b) in any case, shall be computed from the date upon which public notice is given of orders disposing of all petitions for rehearing filed with the Commission in such proceeding or case, but any order, decision, report, or action made or taken after such rehearing reversing, changing, or modifying the original order shall be subject to the same provisions with respect to rehearing as an original order."

SEC. 4. Section 409 (a), (b), (c), and (d) of the Communications Act of 1934, as amended, are amended to read as follows:

"(a) In every case of adjudication (as defined in the Administrative Procedure Act) which has been designated by the Commission for hearing, the person or persons conducting the hearing shall prepare and file an initial, tentative, or recommended decision, except where such person or persons become unavailable to the Commission or where the Commission finds upon the record that due and timely execution of its functions imperatively and unavoidably require that the record be certified to the Commission for initial or final decision.

"(b) In every case of adjudication (as defined in the Administrative Procedure Act) which has been designated by the Commission for hearing, any party to the proceeding shall be permitted to file exceptions and memoranda in support thereof to the initial, tentative, or recommended decision, which shall be passed upon by the Commission or by the authority within the Commission, if any, to whom the function of passing upon the exceptions is delegated under sections (d)(1).

"(c)(1) In any case of adjudication (as defined in the Administrative Procedure Act) which has been designated by the Commission for a hearing, no person who has participated in the presentation or preparations for presentation of such case at the hearing or upon review shall (except to the extent required for the disposition of ex parte matters as authorized by law) directly or indirectly make any additional presentation respecting such case to the hearing officer or officers or, upon review, to the Commission or to any authority within the Commission to whom, in such case, review functions have been delegated by the Commission under section 5(d)(1), unless upon notice and opportunity for all parties to participate.

"(2) The provision in subsection (c) of section 5 of the Administrative Procedure Act which states that such subsection shall not apply in determining applications for initial licenses, shall not be applicable hereafter in the case of applications for initial licenses before the Federal Communications Commission.

"(d) To the extent that the foregoing provisions of this section and section 5(d) are in conflict with the provisions of the Administrative Procedure Act, such provisions of this section and section 5(d) shall be held to supersede and modify the provisions of that Act."

SEC. 5. Notwithstanding the foregoing provisions of this Act, the second sentence of subsection (b) of section 409 of the Communications Act of 1934 (which relates to the filing of exceptions and the presentation of oral argument), as in force at the time of the enactment of this Act, shall continue to be applicable with respect to any case of adjudication (as defined in the Administrative Procedure Act) designated by the Federal Communications Commission for hearing by a notice of hearing issued prior to the date of the enactment of this Act.

Mr. PASTORE. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. PASTORE, Mr. THURMOND, Mr. MCGEE, Mr. CASE of New Jersey, and Mr. COTTON conferees on the part of the Senate.

FOREIGN ASSISTANCE ACT OF 1961

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 584, S. 1983.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations, with amendments, on page 2, line 21, after the word "nations", to insert "freedom of the press, information, and religion,"; in line 25, after the word "religion", to insert "In the administration of all parts of this Act these principles shall be supported in such a way as to avoid taking sides in any controversy between countries having friendly relations with the United States while urging both sides to adjudicate the issues involved by means of procedures available to the parties."; on page 3, line 7, after the word "available,", to insert "upon request,"; on page 4, line 19, after the word "Development", to strike out "Loans" and insert "Loan Fund"; after line 19, to insert a new section, as follows:

SEC. 201. GENERAL AUTHORITY.—(a) The President shall establish a fund to be known as the "Development Loan Fund" to be used by the President to make loans pursuant to the authority contained in this title.

At the beginning of line 24, to strike out "Sec. 201. General Authority. (a)" and insert "(b)"; in line 25, after the word "loans", to strike out "repayable" and insert "payable as to principal and interest"; on page 5, line 16, after the word "objectives", to strike out "and"; in line 19, after the word "clear", to strike out "willingness" and insert "determination"; in line 20, after the word "measures", to insert "and (6) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the loan involved."; at the beginning of line 25, to strike out "(b)" and insert "(c)"; on page 6, line 2, after the word "section", to strike out "613(a)" and insert "614 (a)"; in line 9, after the word "be", to strike out "$900,000,000" and insert "$1,187,000,000"; in line 11, after the word "be", to strike out "$1,600,000,000" and insert "$1,900,000,000"; after line 24, to strike out:

(b) United States dollars which are derived directly or indirectly on or after the effective date of this Act from payment of obligations under which the United States Government may require payment exclusively in United States dollars and which were created under (1) an Act to promote the defense of the United States as amended (22 U.S.C. 411 et seq.), (2) the Surplus Property Act of 1944, as amended (50 U.S.C. App. 1622 et seq.), (3) Public Law 79-569 (22 U.S.C. 286l, 286m), (4) the Economic Cooperation Act of 1948, as amended (22 U.S.C. 1501 et seq.), (5) the German and Japanese Government and relief in occupied areas programs, and (6) loans under the Mutual Security Act of 1954, as amended (22 U.S.C. 1750 et seq.) (other than military assistance), shall be available for use for purposes of this title, notwithstanding the provisions of any other Act referred to in this subsection. In the case of any such payments which, were it not for the provisions of this subsection, would have been used to retire notes or obligations issued to finance the activity from which the payments were derived, the President shall assume such notes or obligations, together with any interest accrued and unpaid thereon, in an amount equivalent to such payments.

On page 7, at the beginning of line 22, to strike out "(c)" and insert "(b)"; in line 23, after the word "the", to insert "corporate entity known as the"; in line 24, after the word "Fund", to insert "established by section 202 (a) of the Mutual Security Act of 1954, as amended,"; on page 8, line 1, after the word "unobligated", to insert "and not committed for loans repayable in foreign currencies"; at the beginning of line 3, to strike out "the" and insert "such"; in line 5, after the word "Provisions", to strike out "(a) All receipts from loans made under and in accordance with this title shall be available for use for the purposes of this title. Such receipts and other funds made available under this title for use for the purposes of this title shall remain available until expended."; at the beginning of line 11, to strike out "(b)" and insert "(a)"; in line 17, after the word "available", to strike out "pursuant to this part for the purposes of" and insert "for"; at the beginning of line 19, to strike out "(c)" and insert "(b)"; on page 9, line 6, after the word "section", to strike out "201 (a)" and insert "201 (b)"; in line 10, after the word "Committee", to insert "(a)"; in line 17, after the word "States", to insert "Except in the case of officers serving in positions to which they were appointed by the President by and with the advice and consent of the Senate, officers assigned to the Committee shall be so assigned by the President by and with the advice and consent of the Senate."; after line 21, to insert:

(b) There shall be within the agency primarily responsible for administering this part an Office of the Development Loan Fund. Such Office shall provide staff assistance to the Development Loan Committee established by subsection (a) of this section and shall perform such other functions under this part as the President shall prescribe.

On page 10, line 4, after the word "Grants", to insert "And Technical Cooperation"; in line 6, after the word

"Authority", to insert "(a)"; at the beginning of line 11, to insert "through such means as programs of technical cooperation"; in line 23, after the word "measures", to insert "and to pay a fair share of the cost of programs under this title"; after line 24, to insert:

(b) In countries and areas which are in the earlier stages of economic development, programs of development of education and human resources through such means as technical cooperation shall be emphasized, and the furnishing of capital facilities for purposes other than the development of education and human resources shall be given a lower priority until the requisite knowledge and skills have been developed.

On page 11, line 13, after "SEC. 213.", to insert "(a)"; after line 18, to insert:

(b) The United States share of the cost of any research reactor made available to another government under this section shall not exceed $350,000.

On page 12, line 8, after the word "any", to strike out "Act for" and insert "Act, for"; in line 14, after "Sec. 215.", to insert "(a)"; at the top of page 13, to insert:

(b) Where practicable the President shall make arrangements with the receiving country for free entry of such shipments and for the making available by that country of local currencies for the purpose of defraying the transportation cost of such shipments from the port of entry of the receiving country to the designated shipping point of the consignee.

In line 17, after the word "program", to strike out "Each such" and insert "The guaranty program authorized by this title shall be administered under broad criteria, and each"; in line 20, after the word "President", to strike out "and by the government concerned"; in line 23, after the word "associations", to strike out "in which the majority beneficial interest is held" and insert "created under the law of the United States or of any State or territory and substantially beneficially owned"; on page 14, line 16, after the word "war", to strike out the comma and "revolution, insurrection, or civil strife accompanying war, revolution, or insurrection, or due to any sanction which is imposed by any government against the government of the area where the project is located and which materially adversely affects the continued operation of the project"; on page 15, line 3, after the word "loss" to strike out "in whole or in part of a loan investment due to nonpayment for any reason, or assuring against loss in whole or in part of any other form of investment due to such risks as the President may determine, upon such terms and conditions as the President may determine" and, in lieu thereof, to insert "of not to exceed 75 per centum of any investment due to such risks as the President may determine, upon such terms and conditions as the President may determine: *Provided*, That guaranties issued under this paragraph (2) shall emphasize economic development projects furthering social progress and the development of small independent business enterprises, and no such guaranty shall exceed $10,000,000: *Provided further*, That no guaranty of an equity investment issued under this paragraph (2) shall assure against loss resulting from fraud or misconduct in the management of the enterprise, or from normally insurable risks"; in line 23, after the word "the", to strike out "value" and insert "dollar value, as of the date of the investment,"; on page 16, line 19, after the word "collected", to insert "in connection with guaranties issued"; in line 20, after the word "section", to strike out "all fees heretofore collected"; on page 17, line 4, after the word "amended", to strike out "and all reserves maintained for any guaranties heretofore issued pursuant to section 202 (b) of the Mutual Security Act of 1954, as amended,"; in line 17, after the word "fees", to strike out "and reserves"; on page 18, line 9, after the word "of", to insert "funds specifically reserved for such payment pursuant to the proviso to the second sentence of section 222(e), and thereafter shall be paid out of"; in line 12, after the word "fees", to strike out "and reserves"; in line 13, after the word "fees", to strike out "and reserves"; in line 21, after the word "all", to strike out "guaranties issued after June 30, 1956, shall, and all"; in line 23, after the word "guaranties", to strike out "may, be considered" and insert "and all guaranties issued under section 202 (b) of the Mutual Security Act of 1954, as amended, may be considered, and all other guaranties shall be considered"; on page 19, line 15, after "1956", to insert "and guaranties issued under section 202(b) of the Mutual Security Act of 1954, as amended,"; in line 19, after the word "any", to strike out "subsequent guaranty" and insert "other guaranties"; in line 22, after the word "liabilities", to insert "or to meet management and custodial costs incurred with respect to assets acquired,"; on page 20, line 8, after the word "fees", to strike out "collected under" and insert "collected, under"; after line 10, to strike out:

(f) The guaranty program authorized by this title shall be administered under broad criteria so as to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed countries and areas.

In line 18, after the word "techniques", to strike out "by any person"; on page 21, line 2, after "(a)", to strike out "In order to encourage and promote the undertaking by private enterprise of surveys of investment opportunities, other than in extractive industries, in less developed countries and areas, the President is authorized to participate in the financing of such surveys, on such terms and conditions as he may determine, but not in excess of fifty per centum of the total cost of each survey. Such surveys shall be approved by the President and the government concerned." and, in lieu thereof, to insert "In order to encourage and promote the undertaking by private enterprise of surveys of investment opportunities, other than surveys of extraction opportunities, in less developed countries and areas, the President is authorized to participate in the financing of such surveys undertaken by any person: *Provided*, That his participation shall not exceed 50 per centum of the total cost of any such survey. The making of each such survey shall be approved by the President."; on page 22, line 10, to strike out "expended," and insert "expended."; in line 14, after the word "association", to strike out "in which the majority beneficial interest is held" and insert "created under the law of the United States or of any State or territory and substantially beneficially owned"; after line 17, to strike out:

(b) the term "extractive industries" means any business undertaking which involves only ascertaining the existence, location, extent, or quality of any deposit or pool of ore, oil, gas, or other mineral, or extracting and exporting the same, or both.

And, in lieu thereof, to insert:

(b) the term "survey of extraction opportunities" means any survey directed (i) to ascertaining the existence, location, extent, or quality of any deposit of ore, oil, gas, or other mineral, or (ii) to determining the feasibility of undertaking operations for the mining or other extraction of any such mineral or for the processing of any such mineral to the stage of commercial marketability.

On page 23, line 8, after the word "to", to insert "use fund made available for this part to"; after line 14, to strike out:

SEC. 242. AUTHORIZATION. There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of this title not to exceed $20,000,000, which shall remain available until expended.

On page 24, line 18, after the word "Authorization", to insert "(a)"; in line 22, after the word "exceed", to strike out "$153,000,000" and insert "$153,500,000"; after line 23, to insert:

(b) Of the funds appropriated under this section, in the fiscal year 1962 the following amounts may be used for the following respective purposes pursuant to section 301:

(1) Not to exceed $40,000,000 for contributions to the United Nations Expanded Program of Technical Assistance and the United Nations Special Fund.

(2) Not to exceed $12,000,000 for contributions to the United Nations Children's Fund.

(3) Not to exceed $13,350,000 for contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

(4) Not to exceed $62,000,000 for contributions to the programs of the United Nations in the Congo.

(5) Not to exceed $1,800,000 for contributions to the budget of the United Nations Emergency Force.

(6) Not to exceed $3,400,000 for contributions to the malaria eradication, water supply, and medical research programs of the World Health Organization.

(7) Not to exceed $750,000 for contributions to the International Atomic Energy Agency.

(8) Not to exceed $16,900,000 for contributions to the Indus Waters Development Fund.

(9) Not to exceed $1,800,000 for contributions to the science program of the North Atlantic Treaty Organization.

(10) Not to exceed $1,500,000 for contributions to the technical cooperation program of the Organization of American States.

(c) The monetary limitations in subsection (b) of this section shall not apply to the exercise of the authorities in sections 451(a) and 610.

On page 26, line 7, after the word "Development", to strike out "Funds" and insert "in the event that funds"; in line 9, after "part II", to strike out "to be" and insert "are"; in line 15, after the word "Asia", to insert "such funds"; on page 27, line 13, after the word "exceed", to strike out "$581,000,000" and insert "$450,000,000"; in line 18, after the word "exceed", to strike out "$500,000,000" and insert "$300,000,000"; in line 23, after the word "the", where it appears the second time, to strike out "appropriate committees of the Congress" and insert "Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives"; on page 28, after line 6, to strike out:

SEC. 502. STATEMENT OF POLICY. The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except for individual or collective self-defense. The Congress hereby finds that the efforts of the United States and other countries to promote peace and security require additional measures of support based upon the principle of continuous and effective self-help and mutual aid. It is the purpose of this part to authorize measures in the common defense against internal and external aggression, including the furnishing of military assistance to countries and international organizations. In furnishing such military assistance, it remains the policy of the United States to continue to exert maximum efforts to achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, including armed forces, under adequate safeguards to protect complying nations against violation and evasion.

The Congress recognizes that the peace of the world and the security of the United States are endangered so long as international communism and the countries it controls continue by threat of military action, by the use of economic pressure, and by internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and countries once free but now subject to such domination.

In enacting this legislation, it is therefore the intention of the Congress to promote the peace of the world and the foreign policy, security, and general welfare of the United States by fostering an improved climate of political independence and individual liberty, improving the ability of countries and international organizations to deter or, if necessary, defeat Communist or Communist-supported aggression, facilitating arrangements for individual and collective security, assisting countries to maintain internal security, and creating an environment of security and stability in the developing countries essential to their more rapid social, economic, and political progress. Finally, the Congress urges that all other countries able to contribute join in a common undertaking to meet the goals stated in this part.

And, in lieu thereof, to insert:

SEC. 502. STATEMENT OF POLICY.—The Congress reaffirms the policy of the United States to achieve international peace and security through the United Nations and through the creation of conditions under which international disputes will be settled by peaceful means. The Congress recognizes that this goal cannot be achieved so long as the world is threatened with aggression by the forces of international communism, and the Congress reaffirms its belief that in these circumstances the security of the United States is strengthened by the security of other free and independent countries. Accordingly, it is the policy of the United States to furnish to such countries, upon request, cooperative military assistance of a kind and in an amount reasonably designed to help them provide for their own security against such aggression and for the security of international organizations of which they may be members. It is the sense of the Congress that an important contribution toward peace would be made by the establishment under the Organization of American States of an international military force.

On page 31, after line 12, to strike out:

SEC. 504. AUTHORIZATION.—There is hereby authorized to be appropriated to the President such sums as may be necessary from time to time to carry out the purposes of this part, which sums shall remain available until expended.

And, in lieu thereof, to insert:

SEC. 504. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for use beginning in the fiscal years 1962 and 1963 to carry out the purposes of this part, the sum of $1,800,000,000 for each such fiscal year, which sums shall remain available until expended.

(b) In order to make sure that a dollar spent on military assistance to foreign countries is as necessary as a dollar spent for the United States military establishment, the President shall establish procedures for programing and budgeting so that programs of military assistance come into direct competition for financial support with other activities and programs of the Department of Defense.

On page 32, line 20, after the word "articles", to strike out "or defense services"; in line 21, after the word "country", to insert "on a grant basis"; in line 24, after the word "articles", to strike out "or services"; on page 33, line 3, after the word "transfer", to strike out "or divulge,"; in line 4, after the word "transfer", to strike out "or divulge,"; in line 5, after the word "articles", to strike out "or services, as the case may be,"; in line 7, after the word "articles", to strike out "or services"; at the beginning of line 11, to strike out "or services,"; at the beginning of line 13, to strike out "or services"; in line 17, after the word "such", to strike out "articles and services, other than those acquired by purchase or exchange; and" and insert "articles;"; after line 19, to insert:

(d) it will—

(1) join in promoting international understanding and good will, and maintaining world peace.

(2) take such action as may be mutually agreed upon to eliminate causes of international tension,

(3) fulfill the military obligations, if any, which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength, and

(5) take all reasonable measures which may be needed to develop its defense capacities;

On page 34, at the beginning of line 14, to strike out "(d)" and insert "(e)"; in line 17, after the word "articles", to strike out the comma and "other than those acquired by purchase or exchange,"; on page 37, line 5, after the word "exceed", to strike out "$400,000,000" and insert "$200,000,000"; after line 16, to insert a new section, as follows:

SEC. 511. RESTRICTIONS ON MILITARY AID TO LATIN AMERICA.—(a) The value of grant programs of defense articles for American Republics, pursuant to any authority contained in this part other than section 507, in any fiscal year beginning with the fiscal year 1962, shall not exceed $55,000,000: *Provided*, That an amount equal to the amount by which the foregoing ceiling reduces the program as presented to the Congress for the fiscal year 1962 shall be transferred to and consolidated with the appropriation made pursuant to section 212 and shall be used for development grants in American Republics.

(b) Internal security requirements shall not, unless the President determines otherwise, be the basis for military assistance programs for American Republics.

On page 39, line 23, after the word "Business", to insert "(a)"; on page 40, line 13, after the word "articles", to insert "and"; after line 18, to insert:

(b) There shall be an Office of Small Business, headed by a Special Assistant for Small Business, in such agency of the United States Government as the President may direct, to assist in carrying out the provisions of subsection (a) of this section.

After line 23, to insert:

(c) The Secretary of Defense shall assure that there is made available to suppliers in the United States, and particularly to small independent enterprises, information with respect to purchases made by the Department of Defense pursuant to part II, such information to be furnished as far in advance as possible.

On page 41, line 6, after the word "transportation", to insert "between foreign countries"; in line 18, after the word "States", to strike out "unless" and insert "only if"; in line 19, after the word "will", to insert "not"; in line 25, after the word "States", to insert "and only if the price of the commodity procured is lower than the market price prevailing in the United States at the time of procurement, adjusted for differences in the cost of transportation to destination, quality, and terms of payment"; on page 42, line 14, after the word "and", to strike out "where, in" and insert "when in"; in line 19, after the word "supply", to strike out "the" and insert "emergency"; on page 44, line 10, after the word "of", to strike out "Claims within" and insert "Claims, within"; on page 46, line 3, after the word "domestic", to strike out "and" and insert "or"; in line 5, after "(40 U.S.C. 471 et seq.)", to strike out "and" and insert "or"; after line 16, to strike out:

SEC. 609. TRANSFER OF STOCKPILE AND OTHER MATERIALS.—(a) Upon request from the agency primarily responsible for administering part I, specified amounts of designated materials in the categories described in paragraphs (1) and (2) below may be transferred to that agency for use pursuant to the provisions of part I without reimbursement (except for costs incident to such transfer, which shall be paid or reimbursed from funds available under part I: *Provided*, That it has been determined in accordance with the

laws referred to in paragraphs (1) and (2) below that such amounts are not required for the national security and that their transfer is not inconsistent with the national interest:

(1) materials held for United States Government use or resale pursuant to section 303(a) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2093(a)), and

(2) materials held in the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act, as amended (50 U.S.C. 98 et seq.), and materials held in the supplemental stockpile established pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(b)).

(b) Materials described in subsection (a) of this section may be used to pay in kind costs of providing through normal commercial channels for the refining or processing of other such materials to be transferred under that subsection into a form better suited for use pursuant to the provisions of part I. Such refining or processing may take place either before or after the transfer to the agency primarily responsible for administering part I.

(c) In the case of transfers or other uses pursuant to this section of materials described in paragraph (1) of subsection (a) of this section, notes payable to the Secretary of the Treasury and issued pursuant to section 304(b) of the Defense Production Act of 1950, as amended (50 U.S.C. app. 2094(b)), which represent the acquisition costs of such materials, shall be canceled.

(d) Materials described in paragraph (2) of subsection (a) of this section shall not be transferred pursuant to this section until sixty days after the submission to the Congress and publication in the Federal Register of a plan of transfer which shall be fixed with due regard for the value of the transfer in furthering the purposes of part I and for the protection of producers, processors, and consumers against serious disruption of their usual markets, and which shall state the amount of materials involved. Such materials shall be transferred only if the Congress shall not have disapproved such plan before the termination of such sixty-day period.

And, in lieu thereof, to insert:

SEC. 609. SPECIAL ACCOUNT.—(a) In cases where any commodity is to be furnished on a grant basis under part I under arrangements which will result in the accrual of proceeds to the recipient country from the import or sale thereof, the President may require the recipient country to establish a Special Account, and

(1) deposit in the Special Account, under such terms and conditions as may be agreed upon, currency of the recipient country in amounts equal to such proceeds;

(2) make available to the United States Government such portion of the Special Account as may be determined by the President to be necessary for the requirements of the United States: *Provided*, That such portion shall not be less than 10 per centum in the case of any country to which such minimum requirement has been applicable under any Act repealed by this Act; and

(3) utilize the remainder of the Special Account for programs agreed to by the United States Government to carry out the purposes for which new funds authorized by this Act would themselves be available: *Provided*, That whenever funds from such Special Account are used by a country to make loans, all funds received in repayment of such loans prior to termination of assistance to such country shall be reused only for such purposes as shall have been agreed to between the country and the United States Government.

(b) Any unencumbered balances of funds which remain in the Account upon termination of assistance to such country under this Act shall be disposed of for such purposes as may, subject to approval by the Act of the Congress, be agreed to between such country and the United States Government.

On page 52, at the beginning of line 6, to insert "which are in excess of amounts reserved under authority of section 105(d) of the Mutual Educational and Cultural Exchange Act of 1961 or any other Act relating to educational and cultural exchanges,"; in line 14, after the word "of", to insert "the amounts so reserved and of"; after line 21, to insert a new section, as follows:

SEC. 613. ACCOUNTING, VALUATION, REPORTING, AND AUDITING OF FOREIGN CURRENCIES.—(a) Under the direction of the President, the Secretary of the Treasury shall have responsibility for accounting and valuation with respect to foreign credits (including currencies) owed to or owned by the United States. In order to carry out such responsibility the Secretary shall issue regulations binding upon all agencies of the Government.

(b) The Secretary of the Treasury shall have sole authority to establish for all foreign currencies or credits the exchange rates at which such currencies are to be used by all agencies of the Government.

(c) Each agency or department shall report to the Secretary of the Treasury an inventory as of June 30, 1961, showing the amount of all foreign currencies on hand of each of the respective countries, and the Secretary of the Treasury shall consolidate these reports as of the same date and submit to the Congress this consolidated report broken down by agencies, by countries, by units of foreign currencies and their dollar equivalent. Thereafter, semiannually, similar reports are to be submitted by the agencies to the Treasury Department and then presented to the Congress by the Secretary of the Treasury.

(d) The Comptroller General is instructed to audit this first Treasury Department's report as of June 30, 1961, and report to the Congress his findings. Thereafter, the Comptroller General is given discretionary authority to audit subsequent reports.

On page 53, at the beginning of line 25, to change the section number from "613" to "614"; on page 55, at the beginning of line 5, to change the section number from "615" to "616"; at the beginning of line 9, to change the section number from "616" to "617", and in the same line, after the word "Assistance", to insert "(a)"; in line 11, after the word "by", to strike out "Act of the Congress" and insert "concurrent resolution"; after line 16, to insert:

(b) In any case in which the President determines that subsequent to July 24, 1959, a country has nationalized or expropriated the property of any United States citizen, or any corporation, partnership, or other association created under the law of the United States or of any State or territory and substantially beneficially owned by United States citizens, and has failed within six months of such nationalization or expropriation to take steps determined by the President to be appropriate to discharge its obligations under international law toward such citizen, corporation, partnership, or association, the President shall, unless he determines it to be inconsistent with the national interest, suspend assistance under this Act to such country until he is satisfied that appropriate steps are being taken.

On page 56, after line 5, to insert a new section, as follows:

SEC. 618. ECONOMIC ASSISTANCE TO LATIN AMERICA.—Economic assistance to Latin America pursuant to chapter 2 of part 1 of this Act shall be furnished in accordance with the principles of the Act of Bogotá signed on September 13, 1960.

After line 10, to insert a new section, as follows:

SEC. 619. ASSISTANCE TO NEWLY INDEPENDENT COUNTRIES.—Assistance under part I of this Act to newly independent countries shall, to the maximum extent, appropriate in the circumstances of each case, be furnished through multilateral organizations or in accordance with multilateral plans, on a fair and equitable basis with due regard to self-help.

In line 18, after "Chapter 2", to strike out "Administration" and insert "Administrative"; on page 57, line 5, after the word "the", to insert "corporate entity known as the", and in the same line, after the word "Loan", to strike out "Fund," and insert "Fund and"; in line 6, after the word "Cooperation", to strike out "Administration, and the Office of the Inspector General and Comptroller" and insert "administration"; in line 15, after the word "the", where it appears the third time, to insert "corporate entity known as the"; in line 20, after the word "obligations", to strike out "liabilities" and insert "and liabilities of,"; on page 58, line 2, after the word "agency", to insert "all personnel of the Fund, and"; in line 3, after the word "functions", to strike out "personnel,"; in line 4, after the word "the", to strike out "fund" and insert "Fund", and in the same line, after the word "necessary", to insert "Not later than ninety days after the date of such transfer, the President shall transmit to the Congress a final report of the operations and condition (as of the date of the transfer) of such Fund."; in line 9, after the word "Administration", to strike out "and the Office of the Inspector General and Comptroller,"; in line 12, after "part I", to insert "all personnel of such agency, and"; in line 13, after the word "functions", to strike out "personnel,"; in line 14, after the word "agency", to strike out "and office"; after line 15, to insert:

(e) On the date of the abolition of the agencies referred to in subsections (c) and (d) of this section, the President shall designate an officer or head of an agency of the United States Government carrying out functions under part I to whom shall be transferred, and who shall accept, the assets, obligations, and liabilities of, and the rights established or acquired for the benefit of, or with respect to, the Export-Import Bank of Washington related to the loans made by the Bank pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)). In addition, on such date the President shall designate such officer or head of agency to be sued in the event of default in the fulfillment of such obligations of the Bank, and shall transfer to such officer or head of agency such records of the Bank as may be necessary.

On page 59, after line 6, to insert a new section, as follows:

SEC. 622. COORDINATION WITH FOREIGN POLICY.—(a) Nothing contained in this Act

shall be construed to infringe upon the powers or functions of the Secretary of State.

(b) The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission. The Chief of the diplomatic mission shall make sure that recommendations of such representatives pertaining to military assistance are coordinated with political and economic considerations, and his comments shall accompany such recommendations if he so desires.

(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the assistance programs authorized by this Act, including but not limited to determining whether there shall be a military assistance program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.

On page 60, after line 3, to insert a new section, as follows:

SEC. 623. THE SECRETARY OF DEFENSE.—(a) In the case of aid under part II of this Act, the Secretary of Defense shall have primary responsibility for—

(1) the determination of military end-item requirements;

(2) the procurement of military equipment in a manner which permits its integration with service programs;

(3) the supervision of end-item use by the recipient countries;

(4) the supervision of the training of foreign military personnel;

(5) the movement and delivery of military end-items; and

(6) within the Department of Defense, the performance of any other functions with respect to the furnishing of military assistance.

(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense.

At the beginning of line 24, to change the section number from "622" to "624"; on page 61, line 10, after the word "Department", to insert "of whom one shall have, among the duties delegated to him, general supervision over the Development Loan Fund established pursuant to section 201(a)"; in line 17, after the word "Department", to insert "of whom one shall be the head of the Office of the Development Loan Fund established pursuant to section 205(b)"; on page 62, after line 3, to strike out:

(c) Any person who was appointed, by and with the advice and consent of the Senate, to any statutory position authorized by any provision of law repealed by section 642(a) may be appointed by the President to a position authorized by subsection (a) of this section without further action by the Senate.

And, in lieu thereof, to insert:

(c) Any person who was appointed, by and with the advice and consent of the Senate, to any statutory position authorized by any provision of law repealed by section 642(a) and who is serving in one of such positions at the time of transfer of functions pursuant to subsections (c) and (d) of section 621, may be appointed by the President to a comparable position authorized by subsection (a) of this section on the date of the establishment of the agency primarily responsible for administering part I, without further action by the Senate.

In line 23, after the word "sections", to strike out "205(b), 527(b), and 533A" and insert "205(b) and 527(b)"; on page 63, at the beginning of line 5, to change the section number from "623" to "625"; in line 12, after the word "compensated", to strike out "and" insert "or"; in line 20, after the word "Provided," to strike out "That persons appointed to serve in the agency primarily responsible for administering part I or in the agency responsible for coordinating part I and part II, who have served in such agency prior to appointment to one of the above positions shall be entitled to reinstatement in such agency" and insert "That, under such regulations as the President shall prescribe, officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, to reinstatement"; on page 64, line 25, after the word "employees", to strike out "of" and insert "by"; on page 66, at the beginning of line 15, to strike out "tion, standards" and insert "tion standards"; in line 20, after the word "law", to insert "but subject to an appropriate administrative appeal," at the top of page 67, to strike out:

(f) Agreements with foreign countries providing for the use of funds made available under this Act for programs of assistance may include provision for the furnishing of services of personnel employed by the United States Goverment.

And, in lieu thereof, to insert:

(f) Funds provided for in agreements with foreign countries for the furnishing of services under this Act shall be deemed to be obligated for the services of personnel employed by the United States Government as well as other personnel.

After line 9, to insert:

(g) The principles regarding foreign language competence set forth in section 578 of the Foreign Service Act of 1946, as amended (22 U.S.C. 801), shall be applicable to personnel carrying out functions under this Act and the Secretary of State shall make appropriate designations and standards for such personnel.

After line 15, to insert:

(h) Notwithstanding any other provision of law, officers and employees of the United States Government performing functions under this Act shall not accept from any foreign country any compensation or other benefits. Arrangements may be made by the President with such countries for reimbursement to the United States Government or other sharing of the cost of performing such functions.

At the beginning of line 23, to change the section number from "624" to "626"; on page 70, at the beginning of line 4, to change the section number from "625" to "627"; at the beginning of line 15, to change the section number from "626" to "628"; at the beginning of line 25, to change the section number from "627" to "629"; on page 71, line 2, after the word "section", to strike out "625 or 626" and insert "627 or 628"; in line 12, after the word "section", to strike out "625, 626, or 629" and insert "627, 628, or 631"; at the beginning of line 21, to change the section number from "628" to "630"; in line 22, after the word "section", to strike out "625 or 626" and insert "627 or 628"; on page 73, line 8, after the word "section", to strike out "627" and insert "629"; at the beginning of line 9, to change the section number from "629" to "631"; in line 24, after the word "section", to strike out "623(d)" and insert "625(d)"; at the top of page 74, to strike out:

SEC. 630. JOINT COMMISSION ON RURAL RECONSTRUCTION IN CHINA. The President is authorized to continue to participate in the Joint Commission on Rural Reconstruction in China, and to appoint United States citizens to the Commission.

At the beginning of line 6, to change the section number from "631" to "632"; on page 75, at the beginning of line 21, to strike out "509" and insert "510"; on page 77, line 1, after the word "commodities", to strike out "services" and insert "defense articles, services (including defense services)"; at the beginning of line 25, to strike out "636" and insert "637"; on page 78, at the beginning of line 6, to change the section number from "632" to "633"; in line 16, after the word "provisions", to strike out "as the President may specify"; in line 18, after the word "as", to strike out "amended." and insert "amended, as the President may specify."; at the beginning of line 24, to change the section number from "633" to "634"; on page 79, line 9, after the word "interest", to insert "In the case of each loan made from the Development Loan Fund established pursuant to section 201(a) the President shall make public appropriate information about the loan, including information about the borrower, the nature of the activity being financed, and the economic development objectives being served by the loan."; on page 81, line 3, after "610", to strike out "613(a), or 613(b)" and insert "614(a), or 614(b)"; at the beginning of line 5, to change the section number from "634" to "635"; in line 12, after the word "this", to strike out "Act." and insert "Act, and shall emphasize loans rather than grants wherever possible."; on page 83, line 1, after the word "ownership", to insert "(provided that equity securities may not be directly purchased although such securities may be acquired by other means such as by exercise of conversion rights or through enforcement of liens or pledges or otherwise to satisfy a previously incurred indebtedness)"; in line 25, after the word "of", to insert "investment guaranty"; on page 84, line 1, after the word "operations", to strike out "under this Act"; in line 2, after the word "arbitrated", to insert "with the consent of the parties,"; at the beginning of line 15, to change the section number from "635" to "636"; in line 25, after the word "leased", to strike out "properties, without regard to the limitation contained in section 322 of Public Law 72–212, as amended (40 U.S.C. 278a)" and insert "properties"; on page 85, line 8, after the word "section", to strike out "624" and insert "626"; at the beginning of line 21, to strike out "outside the United States"; at the beginning of line 22, to insert "outside the United States"; on page 86, line 3, after the word "section", to strike

out "629" and insert "631"; on page 88, line 11, after the word "of", where it appears the first time, to strike out "employees" and insert "commissioned officers"; in line 14, after the word "twenty", to strike out "employees" and insert "commissioned officers"; on page 89, line 11, after the word "the", to strike out "United States, for" and insert "United States for"; in line 18, after the word "law", to insert "not to exceed $4,000,000 of the"; on page 90, line 24, after the word "section", to strike out "623(d)(2)" and insert "625(d)(2)"; on page 91, line 22, after the word "section", to strike out "636" and insert "637"; on page 92, line 7, after the word "extraordinary", to insert "(not to exceed $300,000 in any fiscal year)"; in line 15, after "(3)", to strike out "construction,"; at the beginning of line 23, to change the section number from "636" to "637"; on page 93, line 2, after "part I", to strike out "incident to carrying out the provisions of part I, and to exercising functions under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 et seq.), and under the Act to provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes (22 U.S.C. 1942 et seq.)"; in line 10, after the word "Date", to insert "And Short Title"; in line 11, after the word "enactment", to insert "and may be cited as the 'Foreign Assistance Act of 1961'. Programs under this Act shall be identified appropriately overseas as 'American Aid'"; in line 20, after "417", to strike out "502, and 523(d)" and insert "502(a), 502(b), 514, 523(d), 533A, 536, and 552"; on page 94, line 5, after the word "amended", to insert "and"; in line 7, after the word "of", to strike out "1960; and" and insert "1960"; after line 7, to strike out:

(9) Section 7307(b) of title 10 of the United States Code.

On page 98, line 4, after the word "Services", to strike out "include" and insert "includes"; on page 99, after line 21, to strike out:

SEC. 702. Section 1 of the Defense Base Act, as amended (42 U.S.C. 1651), is further amended as follows:

(1) In paragraph (5) of subsection (a), strike out "(other than title II of chapter II thereof)" and substitute "or any successor Act (other than a contract financed by loan repayable in United States dollars, unless the Secretary of Labor, upon the recommendation of the head of any department or other agency of the United States, determines such contract should be covered by this section)".

(2) In subsection (e) strike out "June 30, 1958, but not completed on July 24, 1959" and substitute therefor "but not completed on the date of enactment of any successor Act to the Mutual Security Act of 1954, as amended".

On page 100, after line 9, to strike out:

SEC. 703. In paragraph (4) of section 101(a) of the War Hazards Compensation Act, as amended (42 U.S.C. 1701), strike out "(other than title II of chapter II thereof)" and substitute therefor "or any successor Act (other than a contract financed by loan repayable in United States dollars unless the Secretary, upon the recommendation of the head of any department or agency of the United States, determines such contract should be covered by this section)".

At the beginning of line 18, to change the section number from "704" to "702"; on page 101, line 2, after "1951", to strike out "affected" and insert "effected"; at the beginning of line 6, to change the section number from "705" to "703"; at the beginning of line 11, to change the section number from "706" to "704"; at the beginning of line 15, to change the section number from "707" to "705"; in line 17, after the word "sentence", to insert "as follows:"; at the beginning of line 21, to change the section number from "708" to "706", and on page 102, after line 8, to insert a new section, as follows:

SEC. 707. Section 523(d) of the Mutual Security Act of 1954, as amended (22 U.S.C. 1783(d)), is amended by striking out the words "achievement of United States foreign policy objectives" and inserting in lieu thereof the words "prevention of improper currency transactions".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PART I

Chapter 1—Short title and policy

SEC. 101. SHORT TITLE.—This part may be cited as the "Act for International Development of 1961".

SEC. 102. STATEMENT OF POLICY.—The Congress of the United States reaffirms its belief that peace in the world increasingly depends on wider recognition, both in principle and in practice, of the dignity and interdependence of man, and that the survival of free institutions in the United States can best be assured in a worldwide atmosphere of expanded freedom. To this end, the United States has in the past provided assistance to help strengthen the forces of freedom by aiding peoples of less developed countries of the world to develop their resources and improve their living standards, to realize their aspirations for justice, education, dignity, and respect as individual human beings, and to establish responsible governments. The Congress declares it to be a primary necessity, opportunity, and responsibility of the United States, and consistent with its traditions and ideals, to renew the spirit which lay behind these past efforts, and to help make a historic demonstration that economic growth and political democracy can go hand in hand to the end that an enlarged community of free, stable, and self-reliant nations can reduce world tensions and insecurity. In addition, the Congress declares that it is the policy of the United States to support the principles of increased economic cooperation and trade among nations, freedom of the press, information, and religion, freedom of navigation in international waterways, and recognition of the right of all private persons to travel and pursue their lawful activities without discrimination as to race or religion. In the administration of all parts of this Act these principles shall be supported in such a way as to avoid taking sides in any controversy between countries having friendly relations with the United States while urging both sides to adjudicate the issues involved by means of procedures available to the parties. Accordingly, the Congress hereby affirms it to be the policy of the United States to make assistance available, upon request, under this part in scope and on a basis of long-range continuity essential to the creation of an environment in which the energies of the peoples of the world can be devoted to constructive purposes, free of pressure and erosion by the adversaries of freedom. It is the sense of the Congress that assistance under this part should be complemented by the furnishing under any other Act of surplus agricultural commodities to the maximum extent possible, and that increased disposal be made of excess property and stockpile materials under this part and other Acts.

In order to achieve these basic goals, to the extent practicable, assistance should be based upon well-conceived plans; be directed toward the social as well as economic aspects of economic development; be responsive to the efforts of the recipient countries to mobilize their own resources and help themselves; be cognizant of the external and internal pressures which hamper the transition to growth; and should emphasize long-range development assistance as the primary instrument of such growth. In order continually to increase the effectiveness of development assistance, intensive research should be carried on into the technique of such assistance. Since economic and political stability are indispensable to economic growth and to social progress, it is further the policy of the United States to provide assistance to countries and areas in order to support or promote such stability. The Congess also recognizes the important contribution of the United Nations and its specialized agencies, and of other international organizations and agencies, to the attainment of these goals, as well as to relief of human distress and to scientific progress, and declares that it is the policy of the United States to provide for contribution to those activities of such organizations and agencies which are directed toward such objectives and goals. Finally, the Congress urges that all other countries able to contribute join in a common undertaking to meet the goals stated in this part.

Chapter 2—Development assistance

Title I—Development Loan Fund

SEC. 201. GENERAL AUTHORITY.—(a) The President shall establish a fund to be known as the "Development Loan Fund" to be used by the President to make loans pursuant to the authority contained in this title.

(b) The President is authorized to make loans payable as to principal and interest in United States dollars on such terms and conditions as he may determine, in order to promote the economic development of less developed countries and areas, with emphasis upon assisting long-range plans and programs designed to develop economic resources and increase productive capacities. In so doing, the President shall take into account (1) whether financing could be obtained in whole or in part from other free-world sources on reasonable terms, (2) the economic and technical soundness of the activity to be financed, (3) whether the activity gives reasonable promise of contributing to the development of economic resources or to the increase of productive capacities in furtherance of the purposes of this title, (4) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives, (5) the extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear determination to take effective self-help measures, and (6) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the loan involved. Loans shall be made under this title only upon a finding of reasonable prospects of repayment.

(c) The authority of section 610 may not be used to decrease the funds available under this title, nor may the authority of

section 614(a) be used to waive the requirements of this title.

SEC. 202. CAPITALIZATION.—(a) The President is authorized to issue, during the fiscal years 1962 through 1966, notes for purchase by the Secretary of the Treasury in order to carry out the purposes of this title. The maximum aggregate amount of such notes issued during the fiscal year 1962 shall be $1,187,000,000, and the maximum aggregate amount of such notes issued during each of the fiscal years 1963 through 1966 shall be $1,900,000,000: *Provided*, That any unissued portion of the maximum amount of notes authorized for any such fiscal year may be issued in any subsequent fiscal year during the note issuing period in addition to the maximum aggregate amount of notes otherwise authorized for such subsequent fiscal year. Such notes shall be redeemable at the option of the President before maturity in such manner as may be stipulated in such notes, and shall have such maturity and other terms and conditions as may be determined by the President. Payment under this subsection of the purchase price of such notes and repayments thereof by the President shall be treated as public-debt transactions of the United States Government.

(b) Except as otherwise provided in this part, the United States dollar assets of the corporate entity known as the Development Loan Fund established by section 202(a) of the Mutual Security Act of 1954, as amended, which remain unobligated and not committed for loans repayable in foreign currencies on the date prior to the abolition of such fund shall be available for use for purposes of this title.

SEC. 203. FISCAL PROVISIONS.—

(a) The President is authorized to incur in carrying out the purposes of this title obligations which may not at any time exceed the sum of (i) all funds made available and all funds authorized to be made available pursuant to the authority, and subject to the fiscal year limitations, provided in section 202(a), and (ii) all other funds made available for this title.

(b) In carrying out the purposes of this title, the President shall prepare annually and submit a budget program in accordance with the provisions of sections 102, 103, and 104 of the Government Corporation Control Act, as amended (31 U.S.C. 847–849).

SEC. 204. REPORTS.—At the close of each quarter of the fiscal year, the President shall submit to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives a report of activities carried out in such quarter under this title, including appropriate information as to the amount of loans made under section 201(b), and notes issued under section 202(a), as well as any undertakings which have committed the United States Government to future obligations and expenditures of funds.

SEC. 205. DEVELOPMENT LOAN COMMITTEE.—(a) The President shall establish an interagency Development Loan Committee, consisting of such officers from such agencies of the United States Government as he may determine, which shall, under the direction of the President, establish standards and criteria for lending operations under this title in accordance with the foreign and financial policies of the United States. Except in the case of officers serving in positions to which they were appointed by the President by and with the advice and consent of the Senate, officers assigned to the Committee shall be so assigned by the President by and with the advice and consent of the Senate.

(b) There shall be within the agency primarily responsible for administering this part an Office of the Development Loan Fund. Such Office shall provide staff assistance to the Development Loan Committee established by subsection (a) of this section and shall perform such other functions under this part as the President shall prescribe.

Title II—Development Grants and Technical Cooperation

SEC. 211. GENERAL AUTHORITY.—(a) The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of less developed countries and areas, with emphasis upon assisting the development of human resources through such means as programs of technical cooperation. In so doing, the President shall take into account (1) whether the activity gives reasonable promise of contributing to the development of educational or other institutions and programs directed toward social progress, (2) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range development objectives, (3) the economic and technical soundness of the activity to be financed, and (4) the extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear willingness to take effective self-help measures and to pay a fair share of the cost of programs under this title.

(b) In countries and areas which are in the earlier stages of economic development, programs of development of education and human resources through such means as technical cooperation shall be emphasized, and the furnishing of capital facilities for purposes other than the development of education and human resources shall be given a lower priority until the requisite knowledge and skills have been developed.

SEC. 212. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of section 211 not to exceed $380,000,000, which shall remain available until expended.

SEC. 213. (a) ATOMS FOR PEACE.—The President is authorized to use, in addition to other funds available for such purposes, funds available for the purposes of section 211 for assistance, on such terms and conditions as he may determine, designed to promote the peaceful uses of atomic energy outside the United States.

(b) The United States share of the cost of any research reactor made available to another government under this section shall not exceed $350,000.

SEC. 214. AMERICAN SCHOOLS AND HOSPITALS ABROAD.—(a) The President is authorized to use, in addition to other funds available for such purposes, funds made available for the purposes of section 211 for assistance, on such terms and conditions as he may specify, to schools and libraries outside the United States founded or sponsored by United States citizens and serving as study and demonstration centers for ideas and practices of the United States.

(b) The President is authorized to use, notwithstanding the provisions of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), foreign currencies accruing to the United States Government under any Act, for the purposes of subsection (a) of this section, and for assistance, on such terms and conditions as he may specify, to hospitals outside the United States founded or sponsored by United States citizens and serving as centers for medical treatment, education, and research.

SEC. 215. (a) VOLUNTARY AGENCIES.—In order to further the efficient use of United States voluntary contributions for relief and rehabilitation, the President is authorized to use funds made available for the purposes of section 211 to pay transportation charges from United States ports to ports of entry abroad, or, in the case of landlocked countries, to points of entry in such countries, on shipments by the American Red Cross and United States voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid.

(b) Where practicable the President shall make arrangements with the receiving country for free entry of such shipments and for the making available by that country of local currencies for the purpose of defraying the transportation cost of such shipments from the port of entry of the receiving country to the designated shipping point of the consignee.

Title III—Investment Guaranties

SEC. 221. GENERAL AUTHORITY.—(a) In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less-developed countries and areas, the President is authorized to issue guaranties as provided in subsection (b) of this section of investments in connection with projects, including expansion, modernization, or development of existing enterprises, in any country or area with the government of which the President has agreed to institute the guaranty program. The guaranty program authorized by this title shall be administered under broad criteria, and each project shall be approved by the President.

(b) The President may issue guaranties to United States citizens, or corporations, partnerships, or other associations created under the law of the United States or of any State or territory and substantially beneficially owned by United States citizens—

(1) assuring protection in whole or in part against any or all of the following risks:

(A) inability to convert into United States dollars other currencies, or credits in such currencies, received as earnings or profits from the approved project as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof,

(B) loss of investment in the approved project due to expropriation or confiscation by action of a foreign government, and

(C) loss due to war:

Provided, That the total face amount of the guaranties issued under this paragraph (1) outstanding at any one time shall not exceed $1,000,000,000; and

(2) where the President determines such action to be important to the furtherance of the purposes of this title, assuring against loss of not to exceed 75 per centum of any investment due to such risks as the President may determine, upon such terms and conditions as the President may determine: *Provided*, That guaranties issued under this paragraph (2) shall emphasize economic development projects furthering social progress and the development of small independent business enterprises, and no such guaranty shall exceed $10,000,000: *Provided further*, That no guaranty of an equity investment issued under this paragraph (2) shall assure against loss resulting from fraud or misconduct in the management of the enterprise, or from normally insurable risks: *Provided further*, That the total face amount of the guaranties issued under this paragraph (2) outstanding at any one time shall not exceed $100,000,000.

(c) No guaranty shall exceed the dollar value, as of the date of the investment, of the investment made in the project with the approval of the President plus actual earnings or profits on said investment to the extent provided by such guaranty, nor shall any guaranty extend beyond twenty years from the date of issuance.

(d) The President shall make suitable arrangements for protecting the interests of

the United States Government in connection with any guaranty issued under section 221(b), including arrangements with respect to the ownership, use, and disposition of the currency, credits, assets, or investment on account of which payment under such guaranty is to be made, and any right, title, claim, or cause of action existing in connection therewith.

SEC. 222. GENERAL PROVISIONS.—(a) A fee shall be charged for each guaranty in an amount to be determined by the President. In the event the fee to be charged for a type of guaranty authorized under section 221(b) is reduced, fees to be paid under existing contracts for the same type of guaranty may be similarly reduced.

(b) All fees collected in connection with guaranties issued under this section, under sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and under section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (22 U.S.C. 1509(b)(3)) (exclusive of fees for informational media guaranties heretofore or hereafter issued pursuant to section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442) and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended), shall be available for meeting management and custodial costs incurred with respect to currencies or other assets acquired under guaranties made pursuant to section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), and shall be available for expenditure in discharge of liabilities under guaranties made pursuant to such sections, until such time as all such property has been disposed of and all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this section.

(c) In computing the total face amount of guaranties outstanding at any one time for purposes of paragraph (1) of section 221(b), the President shall include the face amounts of outstanding guaranties theretofore issued pursuant to such paragraph, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended, but shall exclude informational media guaranties.

(d) Any payments made to discharge liabilities under guaranties issued under section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), shall be paid first out of funds specifically reserved for such payments pursuant to the proviso to the second sentence of section 222(e), and thereafter shall be paid out of fees referred to in section 222(b) as long as such fees are available, and thereafter shall be paid out of funds, if any, realized from the sale of currencies or other assets acquired in connection with any such guaranties as long as such funds are available, and finally shall be paid out of funds realized from the sale of notes issued under section 413(b)(4)(F) of the Mutual Security Act of 1954, as amended, and section 111(c)(2) of the Economic Cooperation Act of 1948, as amended.

(e) All guaranties issued prior to July 1, 1956 (exclusive of informational media guaranties), and all guaranties issued under section 202(b) of the Mutual Security Act of 1954, as amended, may be considered, and all other guaranties shall be considered for the purposes of section 3679 (31 U.S.C. 665) and section 3732 (41 U.S.C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States Government of all outstanding guaranties. Funds obligated in connection with guaranties issued under section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), shall constitute a single reserve, together with funds available for obligation hereunder but not yet obligated, for the payment of claims under all guaranties issued under such sections: *Provided*, That funds obligated in connection with guaranties issued prior to July 1, 1956, and guaranties issued under section 202(b) of the Mutual Security Act of 1954, as amended, shall not, without the consent of the investor, be available for the payment of claims arising under any other guaranties. Funds available for obligation hereunder shall be decreased by the amount of any payments made to discharge liabilities, or to meet management and custodial costs incurred with respect to assets acquired, under guaranties issued pursuant to section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), and shall be increased by the amount obligated for guaranties as to which all liability of the United States Government has been terminated, and by the amount of funds realized from the sale of currencies or other assets acquired in connection with any payments made to discharge liabilities, and the amount of fees collected, under guaranties issued pursuant to such sections (exclusive of informational media guaranties).

SEC. 223. DEFINITION.—As used in this title the term "investment" includes any contribution of capital commodities, services, patents, processes, or techniques in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings, or profits of any such project, and (4) the furnishing of capital commodities and related services pursuant to a contract providing for payment in whole or in part after the end of the fiscal year in which the guaranty of such investment is made.

Title IV—Surveys of Investment Opportunities

SEC. 231. GENERAL AUTHORITY.—(a) In order to encourage and promote the undertaking by private enterprise of surveys of investment opportunities, other than surveys of extraction opportunities, in less developed countries and areas, the President is authorized to participate in the financing of such surveys undertaken by any person: *Provided*, That his participation shall not exceed 50 per centum of the total cost of any such survey. The making of each such survey shall be approved by the President.

(b) In the event that a person who has undertaken a survey in accordance with this title determines, within a period of time to be determined by the President, not to undertake, directly or indirectly, the investment opportunity surveyed, such person shall turn over to the President a professionally acceptable technical report with respect to all matters explored. Such report shall become the property of the United States Government, and the United States Government shall be entitled to have access to, and obtain copies of, all underlying corerspondence, memorandums, working papers, documents, and other materials in connection with the survey.

SEC. 232. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of this title not to exceed $5,000,000, which shall remain available until expended.

SEC. 233. DEFINITIONS.—As used in this title—

(a) the term "person" means a citizen of the United States or any corporation, partnership, or other association created under the law of the United States or of any State or territory and substantially beneficially owned by United States citizens; and

(b) the term "survey of extraction opportunities" means any survey directed (i) to ascertaining the existence, location, extent, or quality of any deposit of ore, oil, gas, or other mineral, or (ii) to determining the feasibility of undertaking operations for the mining or other extraction of any such mineral or for the processing of any such mineral to the stage of commercial marketability.

Title V—Development Research

SEC. 241. GENERAL AUTHORITY.—The President is authorized to use funds made available for this part to carry out programs of research into the process of economic development in less-developed countries and areas, into the factors affecting the relative success and costs of development activities, and into the means, techniques, and such other aspects of development assistance as he may determine, in order to render such assistance of increasing value and benefit.

Chapter 3—International organizations and programs

SEC. 301. GENERAL AUTHORITY.—(a) The President is authorized to make voluntary contributions on a grant basis to international organizations and to programs administered by such organizations on such terms and conditions as he may determine, in order to further the purposes of this part.

(b) Contributions to the United Nations Expanded Program of Technical Assistance and the United Nations Special Fund for the calendar years succeeding 1961 may not exceed 40 per centum of the total amount contributed for such purpose (including assessed and audited local costs) for each such year.

(c) In determining whether or not to continue furnishing assistance for Palestine refugees in the Near East through contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the President shall take into account (1) whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of such refugees, and (2) the extent and success of efforts by the Agency and the Arab host governments to rectify the Palestine refugee relief rolls.

SEC. 302. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for use, in addition to funds available under any other Act for such purposes, beginning in the fiscal year 1962 to carry out the purposes of this chapter not to exceed $153,500,000, which shall remain available until expended.

(b) Of the funds appropriated under this section, in the fiscal year 1962 the following amounts may be used for the following respective purposes pursuant to section 301:

(1) Not to exceed $40,000,000 for contributions to the United Nations Expanded Program of Technical Assistance and the United Nations Special Fund.

(2) Not to exceed $12,000,000 for contributions to the United Nations Children's Fund.

(3) Not to exceed $13,350,000 for contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

(4) Not to exceed $62,000,000 for contributions to the programs of the United Nations in the Congo.

(5) Not to exceed $1,800,000 for contributions to the budget of the United Nations Emergency Force.

(6) Not to exceed $3,400,000 for contributions to the malaria eradication, water supply, and medical research programs of the World Health Organization.

(7) Not to exceed $750,000 for contributions to the International Atomic Energy Agency.

(8) Not to exceed $16,900,000 for contributions to the Indus Waters Development Fund.

(9) Not to exceed $1,800,000 for contributions to the science program of the North Atlantic Treaty Organization.

(10) Not to exceed $1,500,000 for contributions to the technical cooperation program of the Organization of American States.

(c) The monetary limitations in subsection (b) of this section shall not apply to the exercise of the authorities in sections 451(a) and 610.

SEC. 303. INDUS BASIN DEVELOPMENT.—In the event that funds made available under this Act (other than part II) are used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the development of the Indus Basin through the program of cooperation among South Asian and other nations of the free world, which is designed to promote economic growth and political stability in South Asia, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of the purposes of such programs: *Provided*, That compensating allowances are made in the administration of other programs to the same or other areas to which the requirements of said section 901(b) are applicable.

Chapter 4—Supporting assistance

SEC. 401. GENERAL AUTHORITY.—The President is authorized to furnish assistance on such terms and conditions as he may determine, in order to support or promote economic or political stability.

SEC. 402. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of this chapter not to exceed $450,000,000, which shall remain available until expended.

Chapter 5—Contingency fund

SEC. 451. CONTINGENCY FUND.—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1962 not to exceed $300,000,000 for use by the President for assistance authorized by part I in accordance with the provisions applicable to the furnishing of such assistance, when he determines such use to be important to the national interest.

(b) The President shall keep the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives currently informed of the use of funds under this section.

PART II

Chapter 1—Short title and policy

SEC. 501. SHORT TITLE.—This part may be cited as the "International Peace and Security Act of 1961".

SEC. 502. STATEMENT OF POLICY.—The Congress reaffirms the policy of the United States to achieve international peace and security through the United Nations and through the creation of conditions under which international disputes will be settled by peaceful means. The Congress recognizes that this goal cannot be achieved so long as the world is threatened with aggression by the forces of international communism, and the Congress reaffirms its belief that in these circumstances the security of the United States is strengthened by the security of other free and independent countries. Accordingly, it is the policy of the United States to furnish to such countries, upon request, cooperative military assistance of a kind and in an amount reasonably designed to help them provide for their own security against such aggression and for the security of international organizations of which they may be members. It is the sense of the Congress that an important contribution toward peace would be made by the establishment under the Organization of American States of an international military force.

Chapter 2—Military assistance

SEC. 503.—GENERAL AUTHORITY.—The President is authorized to furnish military assistance on such terms and conditions as he may determine, to any country or international organization, the assisting of which the President finds to be in the national interest, by—

(a) acquiring from any source and providing (by loan, lease, sale, exchange, grant, or any other means) any defense article or defense service;

(b) making financial contributions to multilateral programs for the acquisition or construction of facilities in foreign countries for collective defense;

(c) providing such other financial assistance as may be necessary to carry out this part, including expenses incident to participation by the United States Government in regional or collective defense organizations; and

(d) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense solely to assist in an advisory capacity or to perform other duties of a noncombatant nature, including those related to training or advice.

SEC. 504. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for use beginning in the fiscal years 1962 and 1963 to carry out the purposes of this part, the sum of $1,800,000,000 for each such fiscal yeear, which sums shall remain available until expended.

(b) In order to make sure that a dollar spent on military assistance to foreign countries is as necessary as a dollar spent for the United States military establishment, the President shall establish procedures for programing and budgeting so that programs of military assistance come into direct competition for financial support with other activities and programs of the Department of Defense.

SEC. 505. UTILIZATION OF ASSISTANCE.—(a) Military assistance to any country shall be furnished solely for internal security, for legitimate self-defense, to permit the recipient country to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security.

(b) To the extent feasible and consistent with the other purposes of this part, the use of military forces in less developed countries in the construction of public works and other activities helpful to economic development shall be encouraged.

SEC. 506. CONDITIONS OF ELIGIBILITY.—In addition to such other provisions as the President may require, no defense articles shall be furnished to any country on a grant basis unless it shall have agreed that—

(a) it will not, without the consent of the President—

(1) permit any use of such articles by anyone not an officer, employee, or agent of that country,

(2) transfer or permit any officer, employee, or agent of that country to transfer such articles by gift, sale, or otherwise, or

(3) use or permit the use of such articles for purposes other than those for which furnished;

(b) it will maintain the security of such articles and will provide substantially the same degree of security protection afforded to such articles by the United States Government;

(c) it will, as the President may require, permit observation and review by, and furnish necessary information to, representatives of the United States Government with regard to the use of such articles;

(d) it will—

(1) join in promoting international understanding and good will, and maintaining world peace,

(2) take such action as may be mutually agreed upon to eliminate causes of international tension,

(3) fulfill the military obligations, if any, which it has assumed under multilateral or bilateral agreements or treaties to which the United States is a party;

(4) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength, and

(5) take all reasonable measures which may be needed to develop its defense capacities;

(e) unless the President consents to other disposition, it will return to the United States Government for such use or disposition as the President considers in the best interests of the United States, such articles which are no longer needed for the purposes for which furnished.

SEC. 507. SALES.—(a) The President may furnish defense articles from the stocks of the Department of Defense and defense services to any country or international organization, without reimbursement from funds made available for use under this part, if such country or international organization agrees to pay the value thereof in United States dollars. Payment shall be made in advance or, as determined by the President to be in the best interests of the United States, within a reasonable period not to exceed three years after the delivery of the defense articles, or the provision of the defense services. For the purposes of this subsection, the value of excess defense articles shall be not less than (i) the value specified in section 644(m)(1) plus the scrap value, or (ii) the market value, if ascertainable, whichever is the greater.

(b) The President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of defense articles or defense services for sale to any country or international organization if such country or international organization provides the United States Government with a dependable undertaking (i) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, and (ii) to make funds available in such amounts and at such times as may be required to meet the payments required by the contract, and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due.

SEC. 508. REIMBURSEMENTS.—Whenever funds made available for use under this part

are used to furnish military assistance on cash or credit terms, United States dollar repayments, including dollar proceeds derived from the sale to any agency of the United States Government or program of foreign currency repayments, shall be credited to the current applicable appropriation, and shall be available until expended solely for the purpose of furnishing further military assistance on cash or credit terms, and, notwithstanding any provision of law relating to receipts and credits accruing to the United States Government, repayments in foreign currency may be used to carry out this part.

SEC. 509. EXCHANGES.—Defense articles or defense services transferred to the United States Government by a country or international organization as payment for assistance furnished under this part may be used to carry out this part, or may be disposed of or transferred to any agency of the United States Government for stockpiling or other purposes. If such disposal or transfer is made subject to reimbursement, the funds so received shall be credited to the appropriation, fund, or account funding the cost of the assistance furnished or to any appropriation, fund, or account currently available for the same general purpose.

SEC. 510. SPECIAL AUTHORITY.—(a) The President may, if he determines it to be vital to the security of the United States, order defense articles from the stocks of the Department of Defense and defense services for the purposes of part II, subject to subsequent reimbursement therefor from subsequent appropriations available for military assistance. The value of such orders under this subsection in any fiscal year shall not exceed $200,000,000. Prompt notice of action taken under this subsection shall be given to the Committees on Foreign Relations, Appropriations, and Armed Services of the Senate and the Speaker of the House of Representatives.

(b) The Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursements in amounts equivalent to the value of such orders under subsection (a) of this section. Appropriations to the President of such sums as may be necessary to reimburse the applicable appropriation, fund, or account for such orders are hereby authorized.

SEC. 511. RESTRICTIONS ON MILITARY AID TO LATIN AMERICA.—(a) The value of grant programs of defense articles for American Republics, pursuant to any authority contained in this part other than section 507, in any fiscal year beginning with the fiscal year 1962, shall not exceed $55,000,000: *Provided*, That an amount equal to the amount by which the foregoing ceiling reduces the program as presented to the Congress for the fiscal year 1962 shall be transferred to and consolidated with the appropriation made pursuant to section 212 and shall be used for development grants in American Republics.

(b) Internal security requirements shall not, unless the President determines otherwise, be the basis for military assistance programs for American Republics.

PART III

Chapter 1—General provisions

SEC. 601. ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION.—(a) The Congress of the United States recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to economic progress and development. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other countries to increase the flow of international trade, to foster private initiative and competition, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture, and commerce, and to strengthen free labor unions; and to encourage the contribution of United States enterprise toward economic strength of less developed countries, through private trade and investment abroad, private participation in programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this subsection.

(b) In order to encourage and facilitate participation by private enterprise to the maximum extent practicable in achieving any of the purposes of this Act, the President shall—

(1) make arrangements to find, and draw the attention of private enterprise to, opportunities for investment and development in less-developed countries and areas;

(2) accelerate a program of negotiating treaties for commerce and trade, including tax treaties, which shall include provisions to encourage and facilitate the flow of private investment to, and its equitable treatment in, countries and areas participating in programs under this Act; and

(3) seek, consistent with the national interest, compliance by other countries or areas with all treaties for commerce and trade and taxes, and take all reasonable measures under this Act or other authority to secure compliance therewith and to assist United States citizens in obtaining just compensation for losses sustained by them or payments exacted from them as a result of measures taken or imposed by any country or area thereof in violation of any such treaty.

SEC. 602. SMALL BUSINESS.—(a) Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the President shall assist American small business to participate equitably in the furnishing of commodities, defense articles, and services (including defense services) financed with funds made available under this Act—

(1) by causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with such funds;

(2) by causing to be made available to prospective purchasers in the countries and areas receiving assistance under this Act information as to such commodities, articles, and services produced by small independent enterprises in the United States; and

(3) by providing for additional services to give small business better opportunities to participate in the furnishing of such commodities, articles, and services financed with such funds.

(b) There shall be an Office of Small Business, headed by a Special Assistant for Small Business, in such agency of the United States Government as the President may direct, to assist in carrying out the provisions of subsection (a) of this section.

(c) The Secretary of Defense shall assure that there is made available to suppliers in the United States, and particularly to small independent enterprises, information with respect to purchases made by the Department of Defense pursuant to part II, such information to be furnished as far in advance as possible.

SEC. 603. SHIPPING ON UNITED STATES VESSELS.—The ocean transportation between foreign countries of commodities and defense articles purchased with foreign currencies made available or derived from funds made available under this Act or the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 et seq.), and transfers of fresh fruit and products thereof under this Act, shall not be governed by the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), or any other law relating to the ocean transportation of commodities on United States flag vessels.

SEC. 604. PROCUREMENT.—(a) Funds made available under this Act may be used for procurement outside the United States only if the President determines that such procurement will not result in adverse effects upon the economy of the United States or the industrial mobilization base, with special reference to any areas of labor surplus or to the net position of the United States in its balance of trade with the rest of the world, which outweigh the economic or other advantages to the United States of less costly procurement outside the United States, and only if the price of the commodity procured is lower than the market price prevailing in the United States at the time of procurement, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

(b) No funds made available under this Act shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

(c) In providing for the procurement of any surplus agricultural commodity for transfer by grant under this Act to any recipient in accordance with its requirements, the President shall, insofar as practicable and when in furtherance of the purposes of this Act, authorize the procurement of such surplus agricultural commodity only within the United States except to the extent that such surplus agricultural commodity is not available in the United States in sufficient quantities to supply emergency requirements of recipients under this Act.

SEC. 605. RETENTION AND USE OF ITEMS.—(a) Any commodities and defense articles procured to carry out this Act shall be retained by, or upon reimbursement, transferred to, and for the use of, such agency of the United States Government as the President may determine in lieu of being disposed of to a foreign country or international organization, whenever in the judgment of the President the best interests of the United States will be served thereby. Any commodities or defense articles so retained may be disposed of without regard to provisions of law relating to the disposal of property owned by the United States Government, when necessary to prevent spoilage or wastage of such commodities or defense articles or to conserve the usefulness thereof. Funds realized from any disposal or transfer shall revert to the respective appropriation, fund, or account used to procure such commodities or defense articles or to the appropriation, fund, or account currently available for the same general purpose.

(b) Whenever commodities are transferred to the United States Government as repayment of assistance under this Act, such commodities may be used in furtherance of the purposes of this Act.

SEC. 606 PATENTS AND TECHNICAL INFORMATION.—(a) Whenever, in connection with the furnishing of assistance under this Act—

(1) an invention or discovery covered by a patent issued by the United States Government is practiced within the United States without the authorization of the owner, or

(2) information, which is (i) protected by law, and (ii) held by the United States Government subject to restrictions imposed by the owner, is disclosed by the United States Government or any of its officers, employees, or agents in violation of such restrictions, the exclusive remedy of the owner, except as provided in subsection (b) of this section, is to sue the United States Government for reasonable and entire compensation for such practice or disclosure in the District Court of

the United States for the district in which such owner is a resident, or in the Court of Claims, within six years after the cause of action arises. Any period during which the United States Government is in possession of a written claim under subsection (b) of this section before mailing a notice of denial of that claim does not count in computing the six years. In any such suit, the United States Government may plead any defense that may be pleaded by a private person in such an action. The last paragraph of section 1498(a) of title 28 of the United States Code shall apply to inventions and information covered by this section.

(b) Before suit against the United States Government has been instituted, the head of the agency of the United States Government concerned may settle and pay any claim arising under the circumstances described in subsection (a) of this section. No claim may be paid under this subsection unless the amount tendered is accepted by the claimant in full satisfaction.

SEC. 607. FURNISHING OF SERVICES AND COMMODITIES.—Whenever the President determines it to be in furtherance of the purposes of part I, any agency of the United States Government is authorized to furnish services and commodities on an advance-of-funds or reimbursement basis to nations, international organizations, the American Red Cross, and voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid. Such advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered, may be credited to the current applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used.

SEC. 608. ADVANCE ACQUISITION OF PROPERTY.—The President is authorized to maintain in a separate account, which shall, notwithstanding section 1210 of the General Appropriation Act, 1951 (64 Stat. 765), be free from fiscal year limitation, $5,000,000 of funds made available under section 212, which may be used to pay costs of acquisition, storage, renovation and rehabilitation, packing, crating, handling, transportation, and related costs of property classified as domestic or foreign excess property pursuant to the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), or other property, in advance of known requirements therefor for use in furtherance of the purposes of part I. Property acquired pursuant to the preceding sentence may be furnished (i) pursuant to any provision of part I for which funds are authorized for the furnishing of assistance, in which case the separate account established pursuant to this section shall be repaid from funds made available for such provision for all costs incurred, or (ii) pursuant to section 607, in which case such separate account shall be repaid in accordance with the provisions of that section for all costs incurred.

SEC. 609. SPECIAL ACCOUNT.—(a) In cases where any commodity is to be furnished on a grant basis under part I under arrangements which will result in the accrual of proceeds to the recipient country from the import or sale thereof, the President may require the recipient country to establish a Special Account, and—

(1) deposit in the Special Account, under such terms and conditions as may be agreed upon, currency of the recipient country in amounts equal to such proceeds;

(2) make available to the United States Government such portion of the Special Account as may be determined by the President to be necessary for the requirements of the United States: *Provided*, That such portion shall not be less than 10 per centum in the case of any country to which such minimum requirement has been applicable under any Act repealed by this Act; and

(3) utilize the remainder of the Special Account for programs agreed to by the United States Government to carry out the purposes for which new funds authorized by this Act would themselves be available: *Provided*, That whenever funds from such Special Account are used by a country to make loans, all funds received in repayment of such loans prior to termination of assistance to such country shall be reused only for such purposes as shall have been agreed to between the country and the United States Government.

(b) Any unencumbered balances of funds which remain in the account upon termination of assistance to such country under this Act shall be disposed of for such purposes as may, subject to approval by the Act of the Congress, be agreed to between such country and the United States Government.

SEC. 610. TRANSFER BETWEEN ACCOUNTS.—Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available for any provision of this Act may be transferred to, and consolidated with, the funds made available for any other provision of this Act, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount of funds made available for such provision.

SEC. 611. COMPLETION OF PLANS AND COST ESTIMATES.—(a) No agreement or grant which constitutes an obligation of the United States Government in excess of $100,000 under section 1311 of the Supplemental Appropriation Act, 1955, as amended (31 U.S.C. 200), shall be made for any assistance authorized under titles I and II of chapter 2 and chapter 4 of part I—

(1) if such agreement or grant requires substantive technical or financial planning, until engineering, financial, and other plans necessary to carry out such assistance, and a reasonably firm estimate of the cost to the United States Government of providing such assistance, have been completed; and

(2) if such agreement or grant requires legislative action within the recipient country, unless such legislative action may reasonably be anticipated to be completed in time to permit the orderly accomplishment of the purposes of such agreement or grant.

(b) Plans required under subsection (a) of this section for any water or related land resource construction project or program shall include a computation of benefits and costs made insofar as practicable in accordance with the procedures set forth in Circular A–47 of the Bureau of the Budget with respect to such computations.

(c) To the maximum extent practicable, all contracts for construction outside the United States made in connection with any agreement or grant subject to subsection (a) of this section shall be made on a competitive basis.

(d) Subsection (a) of this section shall not apply to any assistance furnished for the sole purpose of preparation of engineering, financial, and other plans.

SEC. 612. USE OF FOREIGN CURRENCIES.—Except as otherwise provided in this Act or other Acts, foreign currencies received either (1) as a result of the furnishing of nonmilitary assistance under the Mutual Security Act of 1954, as amended, or any Act repealed thereby, and unobligated on the date prior to the effective date of this Act, or (2) on or after the effective date of this Act, as a result of the furnishing of nonmilitary assistance under the Mutual Security Act of 1954, as amended, or any Act repealed thereby, or (3) as a result of the furnishing of assistance under part I, which are in excess of amounts reserved under authority of section 105(d) of the Mutual Educational and Cultural Exchange Act of 1961 or any other Act relating to educational and cultural exchanges, may be sold by the Secretary of the Treasury to agencies of the United States Government for payment of their obligations outside the United States, and the United States dollars received as reimbursement shall be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the amounts so reserved and of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President, may be used, notwithstanding any law relating to receipts and credits accruing to the United States Government for programs of assistance in furtherance of the purposes of part I.

SEC. 613. ACCOUNTING, VALUATION, REPORTING, AND AUDITING OF FOREIGN CURRENCIES.—(a) Under the direction of the President, the Secretary of the Treasury shall have responsibility for accounting and valuation with respect to foreign credits (including currencies) owed to or owned by the United States. In order to carry out such responsibility the Secretary shall issue regulations binding upon all agencies of the Government.

(b) The Secretary of the Treasury shall have sole authority to establish for all foreign currencies or credits the exchange rates at which such currencies are to be used by all agencies of the Government.

(c) Each agency or department shall report to the Secretary of the Treasury an inventory as of June 30, 1961, showing the amount of all foreign currencies on hand of each of the respective countries, and the Secretary of the Treasury shall consolidate these reports as of the same date and submit to the Congress this consolidated report broken down by agencies, by countries, by units of foreign currencies and their dollar equivalent. Thereafter, semiannually, similar reports are to be submitted by the agencies to the Treasury Department and then presented to the Congress by the Secretary of the Treasury.

(d) The Comptroller General is instructed to audit this first Treasury Department's report as of June 30, 1961, and report to the Congress his findings. Thereafter, the Comptroller General is given discretionary authority to audit subsequent reports.

SEC. 614. SPECIAL AUTHORITIES.—(a) The President may authorize in each fiscal year the use of funds made available for use under this Act and the furnishing of assistance under section 510 in a total amount not to exceed $250,000,000 without regard to the requirements of this Act, any Act appropriating funds for use under this Act, or the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), in furtherance of any of the purposes of such Acts, when the President determines that such authorization is required by the national interest.

(b) Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin, and without regard to such provisions of law as he determines should be disregarded to achieve this purpose.

(3) The President is authorized to use amounts not to exceed $50,000,000 of the funds made available under this Act pursuant to his certification that it is inadvisable to specify the nature of the use of such funds, which certification shall be deemed to be a sufficient voucher for such amounts.

SEC. 615. CONTRACT AUTHORITY.—Provisions of this Act authorizing the appropriation of funds shall be construed to authorize the

granting in any appropriation Act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations.

SEC. 616. AVAILABILITY OF FUNDS.—Except as otherwise provided in this Act, funds shall be available to carry out the provisions of this Act as authorized and appropriated to the President each fiscal year.

SEC. 617. TERMINATION OF ASSISTANCE.—(a) Assistance under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for a period not to exceed twelve months from the date of termination of assistance under this Act for the necessary expenses of winding up programs related thereto.

(b) In any case in which the President determines that subsequent to July 24, 1959, a country has nationalized or expropriated the property of any United States citizen, or any corporation, partnership, or other association created under the law of the United States or of any State or territory and substantially beneficially owned by United States citizens, and has failed within six months of such nationalization or expropriation to take steps determined by the President to be appropriate to discharge its obligations under international law toward such citizen, corporation, partnership, or association, the President shall, unless he determines it to be inconsistent with the national interest, suspend assistance under this Act to such country until he is satisfied that appropriate steps are being taken.

SEC. 618. ECONOMIC ASSISTANCE TO LATIN AMERICA.—Economic assistance to Latin America pursuant to chapter 2 of part I of this Act shall be furnished in accordance with the principles of the Act of Bogotá signed on September 13, 1960.

SEC. 619. ASSISTANCE TO NEWLY INDEPENDENT COUNTRIES.—Assistance under part I of this Act to newly independent countries shall, to the maximum extent appropriate in the circumstances of each case, be furnished through multilateral organizations or in accordance with multilateral plans, on a fair and equitable basis with due regard to self-help.

Chapter 2—Administrative provisions

SEC. 621. EXERCISE OF FUNCTION.—(a) The President may exercise any functions conferred upon him by this Act through such agency or officer of the United States Government as he shall direct. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions, and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions, to any of his subordinates.

(b) Notwithstanding the provisions of section 642(a), the corporate entity known as the Development Loan Fund and the International Cooperation Administration shall continue in existence for a period not to exceed sixty days after the effective date of this Act, unless sooner abolished by the President. There shall continue to be available to each such agency and office during such period the respective functions, offices, personnel, property, records, funds, and assets which were available thereto on the date prior to the effective date of this Act.

(c) On the date of the abolition of the corporate entity known as the Development Loan Fund, the President shall designate an officer or head of an agency of the United States Government carrying out functions under part I to whom shall be transferred, and who shall accept and assume, the assets, obligations, and liabilities of, and rights established or acquired for the benefit of, or with respect to, the Fund as of the date of abolition and not otherwise disposed of by this Act. In addition, on such date the President shall designate such officer or head of agency as the person to be sued in the event of default in the fulfillment of the obligations of the Fund, and shall transfer to such officer or head of agency all personnel of the Fund, and such offices, entities, functions, property, and records of the Fund as may be necessary. Not later than ninety days after the date of such transfer, the President shall transmit to the Congress a final report of the operations and condition (as of the date of the transfer) of such Fund.

(d) On the date of the abolition of the International Cooperation Administration the President shall transfer to an officer or head of an agency of the United States Government carrying out functions under part I all personnel of such agency, and such offices, entities, functions, property, records, and funds of such agency, not otherwise disposed of by this Act, as may be necessary.

(e) On the date of the abolition of the agencies referred to in subsections (c) and (d) of this section, the President shall designate an officer or head of an agency of the United States Government carrying out functions under part I to whom shall be transferred, and who shall accept, the assets, obligations, and liabilities of, and the rights established or acquired for the benefit of, or with respect to, the Export-Import Bank of Washington related to the loans made by the Bank pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)). In addition, on such date the President shall designate such officer or head of agency to be sued in the event of default in the fulfillment of such obligations of the Bank, and shall transfer to such officer or head of agency such records of the Bank as may be necessary.

SEC. 622. COORDINATION WITH FOREIGN POLICY.—(a) Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

(b) The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission. The Chief of the diplomatic mission shall make sure that recommendations of such representatives pertaining to military assistance are coordinated with political and economic considerations, and his comments shall accompany such recommendations if he so desires.

(c) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the assistance programs authorized by this Act, including but not limited to determining whether there shall be a military assistance program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.

SEC. 623. THE SECRETARY OF DEFENSE.—(a) In the case of aid under part II of this Act, the Secretary of Defense shall have primary responsibility for—

(1) the determination of military end-item requirements;

(2) the procurement of military equipment in a manner which permits its integration with service programs;

(3) the supervision of end-item use by the recipient countries;

(4) the supervision of the training of foreign military personnel;

(5) the movement and delivery of military end-items; and

(6) within the Department of Defense, the performance of any other functions with respect to the furnishing of military assistance.

(b) The establishment of priorities in the procurement, delivery, and allocation of military equipment shall be determined by the Secretary of Defense.

SEC. 624. STATUTORY OFFICERS.—(a) The President may appoint, by and with the advice and consent of the Senate, twelve officers in the agency primarily responsible for administering part I, of whom—

(1) one shall have the rank of an Under Secretary and shall be compensated at a rate not to exceed the rate authorized by law for any Under Secretary of an executive department;

(2) two shall have the rank of Deputy Under Secretaries and shall be compensated at a rate not to exceed the rate authorized by law for any Deputy Under Secretary of an executive department, of whom one shall have, among the duties delegated to him, general supervision over the Development Loan Fund established pursuant to section 201(a); and

(3) nine shall have the rank of Assistant Secretaries and shall be compensated at a rate not to exceed the rate authorized by law for any Assistant Secretary of an executive department, of whom one shall be the head of the Office of the Development Loan Fund established pursuant to section 205(b).

(b) Within the limitations established by subsection (a) of this section, the President may fix the rate of compensation, and may designate the title of, any officer appointed pursuant to the authority contained in that subsection. The President may also fix the order of succession among the officers provided for in paragraphs (2) and (3) of subsection (a) of this section in the event of the absence, death, resignation, or disability of the officers provided for in paragraphs (1) and (2) of that subsection.

(c) Any person who was appointed, by and with the advice and consent of the Senate, to any statutory position authorized by any provision of law repealed by section 642(a) and who is serving in one of such positions at the time of transfer of functions pursuant to subsections (c) and (d) of section 621, may be appointed by the President to a comparable position authorized by subsection (a) of this section on the date of the establishment of the agency primarily responsible for administering part I, without further action by the Senate.

(d) Notwithstanding the provisions of sections 642(a)(1) and 642(a)(2), any person who, on the date prior to the effective date of this Act, held an office or a position authorized pursuant to sections 205(b) and 527(b) of the Mutual Security Act of 1954, as amended, and Reorganization Plan Numbered 7 of 1953, may continue to hold such office or position, subject to the discretion of the head of the agency primarily responsible for administering part I, for a period of not more than sixty days following the effective date of this Act.

SEC. 625. EMPLOYMENT OF PERSONNEL.—(a) Any agency or officer of the United States Government carrying out functions under this Act is authorized to employ such personnel as the President deems necessary to carry out the provisions and purposes of this Act.

(b) Of the personnel employed in the United States to carry out part I or coordinate part I and part II, not to exceed eighty-five may be appointed, compensated, or removed without regard to the provisions of any law, of whom not to exceed sixty may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended (5 U.S.C. 1071 et seq.), and of these, not to exceed ten may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year: *Provided,* That, under such regulations as the

President shall prescribe, officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(c) Of the personnel employed in the United States to carry out part II, not to exceed twelve may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(d) For the purpose of performing functions under this Act outside the United States the President may—

(1) employ or assign persons, or authorize the employment or assignment of officers or employees by agencies of the United States Government, who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), together with allowances and benefits thereunder; and persons so employed or assigned shall be entitled, except to the extent that the President may specify otherwise in cases in which the period of employment or assignment exceeds thirty months, to the same benefits as are provided by section 528 of that Act for persons appointed to the Foreign Service Reserve, and the provisions of section 1005 of that Act shall apply in the case of such persons, except that policymaking officials shall not be subject to that part of section 1005 of that Act which prohibits political tests; and

(2) utilize such authority, including authority to appoint and assign personnel for the duration of operations under this Act, contained in the Foreign Service Act of 1946, as amended, as the President deems necessary to carry out functions under this Act; and such provisions of the Foreign Service Act of 1946, as amended, as the President deems appropriate shall apply to personnel appointed or assigned under this paragraph, including in all cases, the provisions of section 528 of that Act: *Provided, however,* That the President may by regulation make exceptions to the application of section 528 in cases in which the period of the appointment or assignment exceeds thirty months: *Provided further,* That Foreign Service Reserve officers appointed or assigned pursuant to this paragraph shall receive within-class salary increases in accordance with such regulations as the President may prescribe: *Provided further,* That under this paragraph the President may initially assign personnel for duty within the United States for periods not to exceed four years prior to assignment outside the United States.

(e) The President is authorized to prescribe by regulation standards or other criteria for maintaining adequate performance levels for personnel appointed or assigned pursuant to paragraph (2) of subsection (d) of this section and section 527(c)(2) of the Mutual Security Act of 1954, as amended, and may, notwithstanding any other law, but subject to an appropriate administrative appeal, separate employees who fail to meet such standards or other criteria, and also may grant such personnel severance benefits of one month's salary for each year's service, but not to exceed one year's salary at the then current salary rate of such personnel.

(f) Funds provided for in agreements with foreign countries for the furnishing of services under this Act shall be deemed to be obligated for the services of personnel employed by the United States Government as well as other personnel.

(g) The principles regarding foreign language competence set forth in section 578 of the Foreign Service Act of 1946, as amended (22 U.S.C. 801), shall be applicable to personnel carrying out functions under this Act and the Secretary of State shall make appropriate designations and standards for such personnel.

(h) Notwithstanding any other provision of law, officers and employees of the United States Government performing functions under this Act shall not accept from any foreign country any compensation or other benefits. Arrangements may be made by the President with such countries for reimbursement to the United States Government or other sharing of the cost of performing such functions.

SEC. 626. EXPERTS, CONSULTANTS, AND RETIRED OFFICERS.—(a) Experts and consultants or organizations thereof may, as authorized by section 15 of the Act of August 2, 1946, as amended (5 U.S.C. 55a), be employed for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of $75 per diem, and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence at the applicable rate prescribed in the standardized Government travel regulations, as amended from time to time. Contracts for such employment with such organizations, employment of personnel as experts and consultants, not to exceed ten in number, contracts for such employment of retired military personnel with specialized research and development experience, not to exceed ten in number, and contracts for such employment of retired military personnel with specialized experience of a broad politico-military nature, not to exceed five in number, may be renewed annually.

(b) Service of an individual as an expert or consultant under subsection (a) of this section shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, or 284 of title 18 of the United States Code, or of section 190 of the Revised Statutes (5 U.S.C. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States Government, except insofar as such provisions of law may prohibit any such individual from receiving compensation in respect of any particular matter in which such individual was directly involved in the performance of such service. Nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 13 of the Civil Service Retirement Act, as amended (5 U.S.C. 2263), section 212 of Public Law 72–212, as amended (5 U.S.C. 59a), section 872 of the Foreign Service Act of 1946, as amended, or any other law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities.

(c) Notwithstanding section 2 of the Act of July 31, 1894, as amended (5 U.S.C. 62), any retired officer of any of the services mentioned in the Career Compensation Act of 1949, as amended (37 U.S.C. 231 et seq.), may hold any office or appointment under this Act, but the compensation of any such retired officer shall be subject to the provisions of section 212 of Public Law 72–212, as amended.

(d) Persons of outstanding experience and ability may be employed without compensation by any agency of the United States Government for the performance of functions under this Act in accordance with the provisions of section 710(b) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2160(b)), and regulations issued thereunder.

SEC. 627. DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS.—Whenever the President determines it to be in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail or assign any officer or employee of his agency to any office or position with any foreign government or foreign government agency, where acceptance of such office or position does not involve the taking of an oath of allegiance to another government or the acceptance of compensation or other benefits from any foreign country by such officer or employee.

SEC. 628. DETAIL OF PERSONNEL TO INTERNATIONAL ORGANIZATIONS.—Whenever the President determines it to be in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail, assign, or otherwise make available to any international organization any officer or employee of his agency to serve with, or as a member of, the international staff of such organization, or to render any technical, scientific, or professional advice or service to, or in cooperation with, such organization.

SEC. 629. STATUS OF PERSONNEL DETAILED.—(a) Any officer or employee, while assigned or detailed under section 627 or 628 of this Act, shall be considered, for the purpose of preserving his allowances, privileges, rights, seniority, and other benefits as such, an officer or employee of the United States Government and of the agency of the United States Government from which detailed or assigned, and he shall continue to receive compensation, allowances, and benefits from funds appropriated to that agency or made available to that agency under this Act.

(b) Any officer or employee assigned or detailed under section 627, 628, or 631 of this Act is authorized to receive under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131). The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 1765 of the Revised Statutes (5 U.S.C. 70).

SEC. 630. TERMS OF DETAIL OR ASSIGNMENT.—Details or assignments may be made under section 627 or 628 of this Act or section 408 of the Mutual Security Act of 1954, as amended—

(1) without reimbursement to the United States Government by the foreign government or international organization;

(2) upon agreement by the foreign government or international organization to reimburse the United States Government for compensation, travel expenses, and allowances, or any part thereof, payable to the officer or employee concerned during the period of assignment or detail; and such reimbursements (including foreign currencies) shall be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses, or allowances, or any part thereof, payable to the account currently available for such purposes;

(3) upon an advance of funds, property, or services by the foreign government or international organization to the United States Government accepted with the approval of the President for specified uses in furtherance of the purposes of this Act; and funds so advanced may be established as a separate

fund in the Treasury of the United States Government, to be available for the specified uses, and to be used for reimbursement of appropriations or direct expenditure subject to the provisions of this Act, any unexpended balance of such account to be returned to the foreign government or international organization; or

(4) subject to the receipt by the United States Government of a credit to be applied against the payment by the United States Government of its share of the expenses of the international organization to which the officer or employee is detailed or assigned, such credit to be based upon the compensation, travel expenses, and allowances, or any part thereof, payable to such officer or employee during the period of detail or assignment in accordance with section 629.

SEC. 631. MISSIONS AND STAFFS ABROAD.—(a) The President may maintain special missions or staffs outside the United States in such countries and for such periods of time as may be necessary to carry out the purposes of this Act. Each such special mission or staff shall be under the direction of a chief.

(b) The chief and his deputy of each special mission or staff carrying out the purposes of part I shall be appointed by the President, and may, notwithstanding any other law, be removed by the President at his discretion. Such chief shall be entitled to receive (1) in cases approved by the President, the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the Foreign Service Act of 1946, as amended, or (2) compensation and allowances in accordance with section 625(d), as the President shall determine to be appropriate.

SEC. 632. ALLOCATION AND REIMBURSEMENT AMONG AGENCIES.—(a) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this Act, including any advance to the United States Government by any country or international organization for the procurement of commodities, defense articles, or services (including defense services). Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred.

(b) Any officer of the United States Government carrying out functions under this Act may utilize the services and facilities of, or procure commodities and defense articles from, any agency of the United States Government as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

(c) In the case of any commodity, service, or facility procured from any agency of the United States Government to carry out part I, reimbursement or payment, when required, shall be made to such agency from funds available to carry out such part. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to by the owning or disposing agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts, from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning or disposing agency determines that such replacement is not necessary, any funds received in payment therefor shall be deposited into the Treasury as miscellaneous receipts.

(d) Except as otherwise provided in sections 507 and 510, reimbursement shall be made to any United States Government agency, from funds available for use under part II, for any assistance furnished under part II from, by, or through such agency. Such reimbursement shall be in an amount equal to the value (as defined in section 644(m)) of the defense articles or of the defense services (other than salaries of members of the Armed Forces of the United States), or other assistance furnished, plus expenses arising from or incident to operations under part II. The amount of such reimbursement shall be credited to the current applicable appropriations, funds, or accounts of such agency.

(e) In furnishing assistance under this Act, accounts may be established on the books of any agency of the United States Government or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States, (i) against which letters of commitment may be issued which shall constitute recordable obligations of the United States Government, and moneys due or to become due under such letters of commitment shall be assignable under the Assignment of Claims Act of 1940, as amended (second and third paragraphs of 31 U.S.C. 203 and 41 U.S.C. 15), and (ii) from which disbursements may be made to, or withdrawals may be made by, recipient countries or agencies, organizations, or persons upon presentation of contracts, invoices, or other appropriate documentation. Expenditure of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditure of funds of the United States Government: *Provided*, That such expenditures for commodities, defense articles, services (including defense services), or facilities procured outside the United States may be accounted for exclusively on such certification as may be prescribed in regulations approved by the Comptroller General of the United States.

(f) Credits made by the Export-Import Bank of Washington with funds allocated thereto under subsection (a) of this section or under section 522(a) of the Mutual Security Act of 1954, as amended, shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945, as amended (12 U.S.C. 635e).

(g) Any appropriation or account available to carry out provisions of part I may initially be charged in any fiscal year, within the limit of available funds, to finance expenses for which funds are available in other appropriations or accounts under part I: *Provided*, That as of the end of such fiscal year such expenses shall be finally charged to applicable appropriations or accounts with proper credit to the appropriations or accounts initially utilized for financing purposes: *Provided further*, That such final charge to applicable appropriations or accounts shall not be required in the case of expenses (other than those provided for under section 637) incurred in furnishing assistance by the agency primarily responsible for administering part I where it is determined that the accounting costs of identifying the applicable appropriation or account to which such expenses should be charged would be disproportionate to the advantages to be gained.

SEC. 633. WAIVERS OF CERTAIN LAWS.—(a) Whenever the President determines it to be in furtherance of the purposes of this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1961, as amended (50 U.S.C. App. 1211 et seq.)), regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

(b) The functions authorized under part II may be performed without regard to such provisions of the joint resolution of November 4, 1939 (54 Stat. 4), as amended, as the President may specify.

(c) Notwithstanding the provisions of sections 3544(b) and 8544(b) of title 10 of the United States Code, personnel of the Department of Defense may be assigned or detailed to any civil office to carry out this Act.

SEC. 634. REPORTS AND INFORMATION.—(a) The President shall, while funds made available for the purposes of this Act remain available for obligation, transmit to the Congress after the close of each fiscal year a report concerning operations in that fiscal year under this Act.

(b) The President shall, in the reports required by subsection (a) of this section, and in response to requests from Members of the Congress or inquiries from the public, make public all information concerning operations under this Act not deemed by him to be incompatible with the public interest. In the case of each loan made from the Development Loan Fund established pursuant to section 201(a) the President shall make public appropriate information about the loan, including information about the borrower, the nature of the activity being financed, and the economic development objectives being served by the loan.

(c) None of the funds made available pursuant to the provisions of part I shall be used to carry out any provision of part I in any country or with respect to any project or activity, after the expiration of the thirty-five-day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under this Act, has delivered to the office of the head of any agency carrying out such provision, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or control relating to the administration of such provision in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee or subcommittee, as the case may be, (1) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested, or (2) a certification by the President that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing.

(d) After the close of each fiscal year, the President shall notify the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives of all actions taken during such fiscal year under this Act which resulted in furnishing assistance of a kind, for a purpose, or to an area, substantially different from that included in the presentation to the Congress during its consideration of this Act or any Act appropriating funds pursuant to authorizations contained in this Act, or which resulted in obligations or reservations greater by 50 per centum or more than the proposed obligations or reservations included in such presentation for the program concerned, and in his notification the President shall state the justification for such changes. In addition, the President shall promptly notify the Committee on Foreign Relations and the Committee on Appropriations of the Senate

and the Speaker of the House of Representatives of any determination under section 303, 610, 614(a), or 614(b).

SEC. 635. GENERAL AUTHORITIES.—(a) Except as otherwise specifically provided in this Act, assistance under this Act may be furnished on a grant basis or on such terms, including cash, credit, or other terms of repayment (including repayment in foreign currencies or by transfer to the United States Government of commodities) as may be determined to be best suited to the achievement of the purposes of this Act, and shall emphasize loans rather than grants wherever possible.

(b) Except as otherwise specifically provided in this Act, the President may make advances and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, government or government agency, whether within or without the United States, and international organizations in furtherance of the purposes of this Act.

(c) The President may accept and use in furtherance of the purposes of this Act money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purpose.

(d) Any agency of the United States Government is authorized to pay the cost of health and accident insurance for foreign participants in any program of furnishing technical information and assistance administered by such agency while such participants are absent from their homes for the purpose of participation in such program.

(e) Alien participants in any program of furnishing technical information and assistance under this Act may be admitted to the United States if otherwise qualified as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101(a)(15)), for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

(f) In making loans under this Act, the President—

(1) may issue letters of credit and letters of commitment;

(2) may collect or compromise any obligations assigned to, or held by, and any legal or equitable rights accruing to, him, and, as he may determine, refer any such obligations or rights to the Attorney General for suit or collection;

(3) may acquire and dispose of, upon such terms and conditions as he may determine, any property, including any instrument evidencing indebtedness or ownership (provided that equity securities may not be directly purchased, although such securities may be acquired by other means such as by exercise of conversion rights or through enforcement of liens or pledges or otherwise to satisfy a previously incurred indebtedness), and guarantee payment against any such instrument;

(4) may determine the character of, and necessity for, obligations and expenditures of funds used in making such loans and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to corporations of the United States Government; and

(5) shall cause to be maintained an integral set of accounts which shall be audited by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions as provided by the Government Corporation Control Act, as amended (31 U.S.C. 841 et seq.), and no other audit shall be required.

(g) A contract or agreement which entails commitments for the expenditure of funds made available under titles II and V of chapter 2 of part I and under part II may, subject to any future action of the Congress, extend at any time for not more than five years.

(h) Claims arising as a result of investment guaranty operations may be settled, and disputes arising as a result thereof may be arbitrated with the consent of the parties, on such terms and conditions as the President may direct. Payment made pursuant to any such settlement, or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

(i) The provisions of section 955 of title 18 of the United States Code shall not apply to prevent any person, including any individual, partnership, corporation, or association, from acting for, or participating in, any operation or transaction arising under this Act, or from acquiring any obligation issued in connection with any operation or transaction arising under this Act.

SEC. 636. PROVISIONS ON USES OF FUNDS.—(a) Appropriations for the purposes of or pursuant to this Act (except for part II), allocations to any agency of the United States Government, from other appropriations, for functions directly related to the purposes of this Act, and funds made available for other purposes to the agency primarily responsible for administering part I, shall be available for:

(1) rent of buildings and space in buildings in the United States, and for repair, alteration, and improvement of such leased properties;

(2) expenses of attendance at meetings concerned with the purposes of such appropriations or of this Act, including (notwithstanding the provisions of section 9 of Public Law 60–328 (31 U.S.C. 673)) expenses in connection with meetings of persons whose employment is authorized by section 626;

(3) contracting with individuals for personal services abroad: *Provided*, That such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Civil Service Commission or any other law;

(4) purchase, maintenance, operation, and hire of aircraft: *Provided*, That aircraft for administrative purposes may be purchased only as specifically provided for in an appropriation or other Act;

(5) purchase and hire of passenger motor vehicles: *Provided*, That, except as may otherwise be provided in an appropriation or other Act, passenger motor vehicles for administrative purposes outside the United States may be purchased for replacement only, and such vehicles may be exchanged or sold and replaced by an equal number of such vehicles, and the cost, including exchange allowance, of each such replacement shall not exceed $3,500 in the case of an automobile for the chief of any special mission or staff outside the United States established under section 631: *Provided further*, That passenger motor vehicles, other than for the official use (without regard to the limitations contained in section 5 of Public Law 63–127, as amended (5 U.S.C. 78(c)(2)) and section 201 of Public Law 85–468 (5 U.S.C. 78a–1)) of the head of the agency primarily responsible for administering part I, may be purchased for use in the United States only as may be specifically provided in an appropriation or other Act;

(6) entertainment (not to exceed $25,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

(7) exchange of funds without regard to section 3651 of the Revised Statutes (31 U.S.C. 543) and loss by exchange;

(8) expenditures (not to exceed $50,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act) of a confidential character other than entertainment: *Provided*, That a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the head of the agency primarily responsible for administering part I or such person as he may designate, and every such certificate shall be deemed a sufficient voucher for the amount therein specified;

(9) insurance of official motor vehicles or aircraft acquired for use in foreign countries;

(10) rent or lease outside the United States for not to exceed ten years of offices, buildings, grounds, and quarters, including living quarters to house personnel, and payments therefor in advance; maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government or made available for use to the United States Government outside the United States; and costs of fuel, water, and utilities for such properties;

(11) expenses of preparing and transporting to their former homes, or, with respect to foreign participants engaged in any program under part I, to their former homes or places of burial, and of care and disposition of, the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities carried out with funds covered by this subsection;

(12) purchase of uniforms;

(13) payment of per diem in lieu of subsistence to foreign participants engaged in any program under part I while such participants are away from their homes in countries other than the United States, at rates not in excess of those prescribed by the standardized Government travel regulations, notwithstanding any other provision of law;

(14) use in accordance with authorities of the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), not otherwise provided for;

(15) ice and drinking water for use outside the United States;

(16) services of commissioned officers of the Coast and Geodetic Survey, and for the purposes of providing such services the Coast and Geodetic Survey may appoint not to exceed twenty commissioned officers in addition to those otherwise authorized;

(17) expenses in connection with travel of personnel outside the United States, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel), and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the same fiscal year, and cost of transporting to and from a place of storage, and the cost of storing automobiles of such personnel when it is in the public interest or more economical to authorize storage.

(b) Funds made available for the purposes of this Act may be used for compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purposes of this Act, for printing and binding without regard to the provisions of any other law, and for expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of funds of the United States Government as may be necessary to accomplish the purposes of this Act.

(c) Notwithstanding any other law, not to exceed $4,000,000 of the funds available for assistance under this Act (other than title I of chapter 2 of part I) may be used in any fiscal year (in addition to funds available for such use under other authorities in this Act) to construct or otherwise acquire outside the United States (1) living

quarters, office space, and necessary supporting facilities for use of personnel carrying out activities authorized by this Act, and (ii) schools (including dormitories and boarding facilities) and hospitals for use of personnel carrying out activities authorized by this Act, United States Government personnel, and their dependents. In addition, funds made available for assistance under this Act (other than title I of chapter 2 of part I) may be used, notwithstanding any other law, to equip, staff, operate, and maintain such schools and hospitals.

(d) Not to exceed $1,500,000 of the funds available for assistance under this Act (other than title I of chapter 2 of part I) may be used in any fiscal year to provide assistance, on such terms and conditions as are deemed appropriate, to schools established, or to be established, outside the United States whenever it is determined that such action would be more economical or would best serve the interests of the United States in providing for the education of dependents of personnel carrying out activities authorized by this Act and dependents of United States Government personnel, in lieu of acquisition or construction pursuant to subsection (c) of this section.

(e) Funds available under this Act (other than title I of chapter 2 of part I) may be used to pay costs of training United States citizen personnel employed or assigned pursuant to section 625(d)(2) (through interchange or otherwise) at any State or local unit of government, public or private nonprofit institution, trade, labor, agricultural, or scientific association or organization, or commercial firm; and the provisions of Public Law 84-918 (7 U.S.C. 1881 et seq.) may be used to carry out the foregoing authority notwithstanding that interchange of personnel may not be involved or that the training may not take place at the institutions specified in that Act. Such training shall not be considered employment or holding of office under section 2 of the Act of July 31, 1894, as amended (5 U.S.C. 62), and any payments or contributions in connection therewith may, as deemed appropriate by the head of the agency of the United States Government authorizing such training, be made by private or public sources and be accepted by any trainee, or may be accepted by and credited to the current applicable appropriation of such agency: *Provided, however,* That any such payments to an employee in the nature of compensation shall be in lieu, or in reduction, of compensation received from the United States Government.

(f) Funds made available under section 212 may be used for expenses (other than those provided for under section 637) to assist in carrying out functions under title I of chapter 2 of part I, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 et seq.), and under the Act to provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes (22 U.S.C. 1942 et seq.), performed by the agency primarily responsible for administering part I.

(g) Funds made available for the purposes of part II shall be available for—

(1) administrative, extraordinary (not to exceed $300,000 in any fiscal year), and operating expenses;

(2) reimbursement of actual expenses of military officers detailed or assigned as tour directors in connection with orientation visits of foreign military personnel, in accordance with the provisions of section 3 of the Travel Expense Act of 1949, as amended (5 U.S.C. 836), applicable to civilian officers and employees; and

(3) maintenance, repair, alteration, and furnishing of United States-owned facilities in the District of Columbia or elsewhere for the training of foreign military personnel, without regard to the provisions of section 3733 of the Revised Statutes (41 U.S.C. 12) or other provision of law requiring a specific authorization or specific appropriation for such public contracts.

SEC. 637. ADMINISTRATIVE EXPENSES.—There is hereby authorized to be appropriated to the President for the fiscal year 1962 not to exceed $51,000,000 for necessary administrative expenses of the agency primarily responsible for administering part I.

Chapter 3—Miscellaneous provisions

SEC. 641. EFFECTIVE DATE AND SHORT TITLE.—This Act shall take effect on the date of its enactment, and may be cited as the "Foreign Assistance Act of 1961". Programs under this Act shall be identified appropriately overseas as "American Aid".

SEC. 642. STATUTES REPEALED.—(a) There are hereby repealed—

(1) Reorganization Plan Numbered 7 of 1953;

(2) the Mutual Security Act of 1954, as amended (except sections 143, 402, 405(a), 405(c), 405(d), 408, 414, 417, 502(a), 502(b), 514, 523(d), 533A, 536, and 552);

(3) section 12 of the Mutual Security Act of 1955;

(4) sections 12, 13, and 14 of the Mutual Security Act of 1956;

(5) section 503 of the Mutual Security Act of 1958;

(6) section 108 of the Mutual Security Appropriation Act, 1959;

(7) section 501(a), chapter VI, and sections 702 and 703 of the Mutual Security Act of 1959, as amended; and

(8) section 604 and chapter VIII of the Mutual Security Act of 1960.

(b) References in law to the Acts, or provisions of such Acts, repealed by subsection (a) of this section shall hereafter be deemed to be references to this Act or appropriate provisions of this Act.

(c) The repeal of the Acts listed in subsection (a) of this section shall not be deemed to affect amendments contained in such Acts to Acts not named in that subsection.

SEC. 643. SAVING PROVISIONS.—(a) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by section 642(a) shall continue in full force and effect until modified by appropriate authority.

(b) Wherever provisions of this Act establish conditions which must be complied with before use may be made of authority contained in, or funds authorized by, this Act, compliance with, or satisfaction of, substantially similar conditions under Acts listed in section 642(a) or Acts repealed by those Acts shall be deemed to constitute compliance with the conditions established by this Act.

(c) Funds made available pursuant to provisions of law repealed by section 642(a)(2) shall, unless otherwise authorized or provided by law, remain available for their original purposes in accordance with the provisions of law originally applicable thereto, or in accordance with the provisions of law currently applicable to those purposes.

(d) No provision of this Act shall affect, or be deemed to affect, except as the President may determine, the agency within the Department of State known as the Peace Corps, nor any of the functions, offices, personnel, property, records, and funds available thereto on the date prior to the effective date of this Act, pending the enactment of legislation for the Peace Corps or the adjournment of the first session of the Eighty-seventh Congress, whichever is earlier.

SEC. 644. DEFINITIONS.—As used in this Act—

(a) "Agency of the United States Government" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States Government.

(b) "Armed Forces of the United States" means the Army, Navy, Air Force, Marine Corps, and Coast Guard.

(c) "Commodity" includes any material, article, supply, goods, or equipment used for the purposes of furnishing nonmilitary assistance.

(d) "Defense article" includes—

(1) any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war;

(2) any property, installation, commodity, material, equipment, supply, or goods used for the purposes of furnishing military assistance;

(3) any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any article listed in this subsection; or

(4) any component or part of any article listed in this subsection; but
shall not include merchant vessels or, as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011), source material, byproduct material, special nuclear material, or atomic weapons.

(e) "Defense information" includes any document, writing, sketch, photograph, plan, model, specification, design, prototype, or other recorded or oral information relating to any defense article or defense service, but shall not include Restricted Data and formerly Restricted Data as defined by the Atomic Energy Act of 1954, as amended.

(f) "Defense service" includes any service, test, inspection, repair, training, training aid, publication, or technical or other assistance, including the transfer of limited quantities of defense articles for test, evaluation, or standardization purposes, or defense information used for the purposes of furnishing military assistance.

(g) "Excess defense articles" means the quantity of defense articles owned by the United States Government which is in excess of the mobilization reserve.

(h) "Function" includes any duty, obligation, power, authority, responsibility, right, privilege, discretion, or activity.

(i) "Mobilization reserve" means the quantity of defense articles determined to be required, under regulations prescribed by the President, to support mobilization of the Armed Forces of the United States Government in the event of war or national emergency.

(j) "Officer or employee" means civilian personnel and members of the Armed Forces of the United States Government.

(k) "Services" includes any service, repair, training of personnel, or technical or other assistance or information used for the purpose of furnishing nonmilitary assistance.

(l) "Surplus agricultural commodity" means any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either publicly or privately owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for United States dollars, as determined by the Secretary of Agriculture.

(m) "Value" means—

(1) with respect to excess defense articles, the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying such articles; and

(2) with respect to nonexcess defense articles the price obtaining for transfers of such articles between the Armed Forces of the United States Government, or, where such articles are not transferred between

the Armed Forces of the United States, the gross cost to the United States Government adjusted as appropriate for condition and market value.

SEC. 645. UNEXPENDED BALANCES.—Unexpended balances of funds made available pursuant to the Mutual Security Act of 1954, as amended, are hereby authorized to be continued available for the general purposes for which appropriated, and may at any time be consolidated, and, in addition, may be consolidated with appropriations made available for the same general purposes under the authority of this Act.

SEC. 646. CONSTRUCTION.—If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act and of the applicability of such provision to other circumstances or persons shall not be affected thereby.

PART IV

SEC. 701. Section 203 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484), is amended by adding a new subsection (p) reading as follows:

"(p) In disposing of surplus property, the Administrator is authorized to accept payments in foreign currency, under regulations prescribed by the Administrator."

SEC. 702. (a) Section 305 of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.) is amended to read as follows:

"SEC. 305. There is hereby authorized to be appropriated to the Department of State such sums as may be necessary from time to time to carry out the objectives of this Act."

(b) The amendment to section 305 of the Mutual Defense Assistance Control Act of 1951 effected by subsection (a) of this section shall not be deemed to affect the repeal of laws effected by that section prior to such amendment.

SEC. 703. Section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)), is amended by substituting "such agency as the President shall direct" and "agency" for "the Export-Import Bank" and "bank", respectively.

SEC. 704. Section 5 of the joint resolution to promote peace and stability in the Middle East (22 U.S.C. 1964) is amended by substituting "whenever appropriate" for "within the months of January and July of each year".

SEC. 705. Section 5(f) of the International Health Research Act of 1960 (22 U.S.C. 2103(f)) is amended by adding a new final sentence as follows: "The President may delegate any authority vested in him by this section to such other officer or head of agency of the United States Government as he deems appropriate."

SEC. 706. The Act to provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes (22 U.S.C. 1942 et seq.), is amended by adding a new section 4 reading as follows:

"GENERAL PROVISION

"SEC. 4. Funds appropriated under sections 2 and 3 of this Act may be used for assistance under this Act pursuant to such provisions applicable to the furnishing of such assistance contained in any successor Act to the Mutual Security Act of 1954, as amended, as the President determines to be necessary to carry out the purposes for which such funds are appropriated."

SEC. 707. Section 523(d) of the Mutual Security Act of 1954, as amended (22 U.S.C. 1783(d)), is amended by striking out the words "achievement of United States foreign policy objectives" and inserting in lieu thereof the words "prevention of improper currency transactions".

CONGRESSIONAL OVERSIGHT OF FOREIGN AID BORROWING AUTHORITY

Mr. SALTONSTALL. Mr. President, I have always supported a strong and responsive foreign aid program. America must provide the leadership to help overcome the tremendous problems of poverty, disease, and illiteracy which exist in most areas of the world today. Both our own security and our traditional ideals call for such leadership, and I believe that we have the resources to provide it. The huge standard-of-living gap which exists in the world today is the biggest single root cause of war, and therefore, in the final analysis, a good foreign aid program is as essential for the security of freedom as are missiles, bombers, and modern conventional weaponry.

The problems are the worst in the underdeveloped areas of the world, which require capital development assistance to achieve stable and growing economies. The assurance of dependable long-term help is needed in development aid or the job simply cannot be done. I therefore support the principle of some long-term borrowing authority in order to efficiently finance a meaningful development loan program. It is significant that the Soviet Union—well understanding the value of help in the poorer areas as an instrument toward world domination—offers capital development aid which achieves the ends of flexibility and long-term planning. We must do so also.

On the other hand, many of us in Congress are seriously concerned that Congress keep its strong control over the expenditures of the Federal Government. Sufficient opportunity for such continuing control is simply not present in title I of chapter 2 of the AID bill.

Mr. President, I therefore send to the desk and ask to have printed an amendment to S. 1983, in which the junior Senator from New York [Mr. KEATING], the senior Senator from Connecticut [Mr. BUSH], the junior Senator from Connecticut [Mr. DODD], and the Senator from Kentucky [Mr. MORTON] have joined me as cosponsors. These Senators have given immeasurable help in preparing the amendment.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. SALTONSTALL. Mr. President, this amendment would strengthen the congressional oversight of the lending of borrowed Treasury funds under the development loan program without damaging the instrument of long-term borrowing authority.

The amendment provides that a detailed report with respect to any proposed loan over $10 million be submitted to Congress by the executive branch. According to the technique of the Reorganization Act of 1949, if neither House of Congress adopts within 30 days a resolution disfavoring the loan, it will go through. The amendment provides for congressional postponemert of proposed loans when Congress is out of session if a special subcommittee disfavors the loan. In this event, the loan would be considered under the normal procedure of the amendment when Congress reconvened.

Mr. President, I believe this to be a careful and serious proposal which can achieve the dual objective of proper congressional control and an effectively long-term development aid program, and I hope that it will receive close study from the Members of the Senate.

Mr. KEATING. Mr. President, I am very happy to cosponsor the amendment offered today by the senior Senator from Massachusetts [Mr. SALTONSTALL]. This measure grew out of informal discussions earlier this week. The distinguished Senator from Massachusetts has studied the idea very carefully, on the basis of his long experience as a member of the Committee on Appropriations, and has substantially improved the original idea. The amendment is now in a form in which it offers very real advantages, not only as a compromise position, but also, and even more important, as a valid method of assuring a reasonable and continuing degree of congressional oversight on the activities of the Development Loan Fund, or its successor.

Mr. President, the real problem is how to combine long-term planning of foreign assistance with continued congressional control and oversight of the purse. This proposal provides an excellent way of doing that. Basically, it would require that any proposed loan over $10 million, financed by borrowing from the Treasury, be laid before the Congress for 30 days and come into effect only if no resolution of disapproval was passed by a majority of either House in that time. During periods when Congress was not in session, subcommittees from each Appropriations Committee would review the proposal and if they disapproved, then it would be resubmitted to the Congress again as soon as the Congress came back into session. This procedure would apply only to loans of over $10 million.

Mr. President, this procedure, which is modeled roughly on that of agency reorganization plans, permits congressional oversight and review on lending operations before a final commitment is made. It gives Congress an opportunity, in the few instances where this may be necessary, of offering constructive advice and corrective action before loans actually come into effect. It does not hamstring long-term planning, but it does provide a congressional check. It does not require any new or basically different procedures. It would operate through existing committees. The only innovation would be the creation of a subcommittee when Congress was not in session.

Mr. President, the need for further control of the borrowing authority than is provided by the administration is clear to anyone who has looked closely at the bill. The amendment is designed to spell out more carefully and with procedures clearly established the extent of congressional oversight on long-term

DLF loans. I believe it offers a reasonable and in fact valuable substitute both for the complete abnegation of congressional power now provided in the bill and for the more drastic elimination of borrowing authority proposed by the Byrd amendment. It is my hope that every Senator who is concerned with this problem will take the opportunity to study this amendment carefully.

Mr. President, Arthur Krock's column in today's New York Times contains a most perceptive discussion of some of the principal points involved in this controversy.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FOREIGN AID BORROWING AUTHORITY ISSUE

(By Arthur Krock)

WASHINGTON, August 3.—The conflict in Congress over the President's request for a 5-year advance appropriation for foreign aid is one of the steadily recurring instances in government when both advocates and opponents have strong points in their favor. Often these conflicts have been resolved by an adjustment in which the fundamentals of both positions are preserved.

The President is employing the immense personal and ex officio pressures at his command, and those contributed by the Berlin crisis, to get unmodified approval of his proposal. But the opposition—particularly evident in the House—is such that the prospect of adjustment cannot wisely be foreclosed until the key votes are taken in both branches. And of these key votes, unless there are off-the-floor agreements beforehand, the most significant will be on the amendments prepared by Senators BYRD, of Virginia, and KEATING, of New York, a Democrat and a Republican.

The Byrd amendment would commit Congress, morally, to supply the $8.8 billions which will permit the Executive to make plans on which loans for long-range foreign aid development projects can be firmly founded. Under the present system, and not necessarily in the amount requested by the President, Congress annually makes available to him only a year's supply of money for these loans. The obvious consequence is that the foreign aid agencies can make loans only year by year for projects that require many years for completion.

This is an unsatisfactory method of financing either private or public long-term projects. This defect being self-evident, the administration turned to what in private enterprise would be the practical way to remove it. This is, for Congress to empower the Executive in advance to borrow money from the Treasury over a span of 5 years until the $8.8 billion has been used up.

POINTS OF OPPOSITION

But, from the viewpoints of Congress and critics of the administrative record and results of the foreign aid programs, the objections to this grant to the Executive of borrowing power for several years beyond the fixed 2-year life of the Congress that assigned it are equally practical. They include:

For 5 years Congress would cease to control the expenditure of foreign aid and hence forgo to the degree the constitutional check-and-balance of its power of the purse. Congress could demand periodic accounting of the expenditures made under the development program. But Congress, instead of the Executive as at present, would have the burden of proving that the funds were not soundly disbursed or administered. And if the Congress which made the grant, or the next, exercised its right to terminate the borrowing privilege it granted, the U.S. Government would stand before the world in default of foreign aid commitments made with full legal authority at the time. Or, since technically the Executive could commit in 1 fiscal year the entire $8.8 billion Congress had given it for 5 years, there conceivably could be no money left for Congress to recapture.

Senator BYRD's amendment is designed to meet these objections, and at the same time to give formal approval of Congress to the principle of guaranteeing the loans required to complete long-term foreign aid development projects. He would authorize (guarantee) the $8.8 billion requested by the President for this purpose. But he would require actual annual appropriation by Congress in fulfilling the commitment to which it was pledged. Senator KEATING would give the President the full advance $8.8 billion borrowing authority he wants, thus obviating annual appropriations by Congress. But his amendment would provide that any proposed foreign aid loan from $10 million upward, and of more than a year's duration, must first be submitted to Congress and become operative only when, after 30 days, neither branch had disapproved it.

If something has to give, as is characteristic of major legislative-executive conflicts, and the Byrd amendment fails, the Keating amendment may well be that something so far as the Senate is concerned. But the President, could defeat both in that branch, and still have to give ground in the House.

SUPPORT OF NATO BY OUR ALLIES

Mr. DWORSHAK. Mr. President, the total augmentation of our Army Forces alone in Europe, as provided for in the defense appropriation measure just approved, could involve about 38,000 men, and an increase of approximately $150 million for military personnel and operation and maintenance costs. This is over and above the manpower and money we are now providing for Europe, and does not include other increases in our military called for in this measure.

If NATO's house is in order, why do we have to send our men over there? I recall that the former President, Dwight D. Eisenhower, said before he left office that probably we ought to recall some of our military personnel from Europe.

But we are reversing our policy again. Now we are going to send more of our men over there. In the past several years I have tried to emphasize that perhaps there is some justification for sending American dollars over there; but with the other NATO countries having more than double the population we have, it seems incredible and indefensible that we have to send more American youths, many of them drafted, to supplement the military personnel of NATO. Let us concede they may need some financial assistance from us, but do they need our military manpower, too?

For the past several years we have been receiving soothing assurances that NATO was fit and ready for any responsibility. But now, when we prepare for meeting a real threat, we find that these assurances have not been altogether correct. In fact, as my distinguished colleague, the senior Senator from Louisiana [Mr. ELLENDER], has said many times in the past, "NATO has not been much more than a blueprint in recent years." One thing that this Berlin crisis is doing is to alert the American people to realize what I and other members of the Senate Appropriations Subcommittee handling the defense budget have been maintaining for several years; namely, that our NATO allies are not meeting their commitments.

I am aware of the validity of the statements Defense Department officials have made in recent weeks—that the form of Soviet aggression has changed, and that this, in itself, makes some modification of NATO structure necessary. I agree with Secretary of Defense McNamara that partially because of that shift in their tactics, the NATO nations combined must increase their military options and military alternatives, to meet this new challenge. But I say we must be assured that our allies are going to put more than blueprint military forces into NATO while we send American men and American dollars to NATO.

Following World War II, we sent billions of dollars to Europe, to help rehabilitate the physical and economic structures of the nations that were devastated by the ravages of that conflict. Our program there has been successful, as is witnessed by the remarkable economic recovery of most of these nations. They are no longer on their knees economically, and they should be willing now to assume their full obligation, in every way possible, to NATO defenses.

The most difficult problem now facing the United States is persuading its NATO allies to finance more of the defense bill in Europe—both in men and in money.

Mr. President, reports from Europe indicate a general apathy on the part of the European public to the threats posed by the current crisis. Great Britian is launching an austerity program, and this year ended its military draft program; France is harassed in north Africa; and there is little change in the military callups of other NATO nations at present. This compares with our call for an increase in the selective service, our callup of Reserve units, and our approval of the largest peacetime defense budget in history.

In our subcommittee hearings on the defense budget, I have listened intently, and believe that Secretary of Defense McNamara is well informed on the vital points of our defense needs; and I want to reiterate here my commendation made at the subcommittee hearing:

Secretary McNamara has been much more forthright than other witnesses have been in past years in trying to be realistic in appraising the status of NATO. I think that his testimony indicates that he is fully alert to our need of getting more cooperation from our NATO allies.

I certainly do not want the RECORD to indicate in any way that I am unmindful of the fine contribution our NATO allies have made; but I want to emphasize that we have been living in a dream world for several years, when we were forced to make no showdown in the face of Soviet aggression. This Berlin development, the President's recent challenging message, the plans to call up thousands of men for the military, and the plans to spend billions of

dollars for military appropriations all reflect the very imperative need to enlist the full capabilities of the free nations of the world. Some spokesmen in this administration should be sent to convince our NATO allies, particularly, that they ought to be willing to stand up with the United States and to shoulder as much of this burden as is necessary for their own survival, as well as ours. Just increasing our contributions to NATO is not enough; we must work out a program that will bring into action the capabilities of all NATO nations to meet this Soviet challenge. Our NATO defense chain can be no stronger than its weakest link.

Mr. President, when requests are made for military budget increases and foreign aid, we are continually told that these actions provide assurances to our allies of our willingness to fight in their behalf. I cannot question this psychological conclusion; but I wonder whether there is any determination or willingness on the part of our allies, particularly in NATO, to cooperate with us, first, in furnishing essential manpower, and to have the determination to meet the Soviet aggression. I say it is time that we determine whether our allies have the same determination to cooperate with us.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement entitled "Cooperation of NATO Allies," which appears on page 4 of the report submitted by the Appropriations Committee on the defense budget.

There being no objection, the excerpt from the report (No. 653) was ordered to be printed in the RECORD, as follows:

COOPERATION OF NATO ALLIES

In this bill the committee has granted all of the requests of the President and the Department of Defense to meet the current emergency and, in fact, has added to some of these requests.

However, action by the United States alone will not be sufficient to increase the NATO force to the levels required. We hope and expect that our NATO allies will complement our action with action of their own which, combined with ours, will lead to a substantial increase in the military power of our NATO alliance. The committee strongly recommends that the executive branch of the Government on all levels do its utmost to secure from our NATO allies the cooperation necessary to strengthen the combined NATO forces by meeting their commitments. It is only reasonable to expect that all nations of the free world living under the threat of Soviet aggression do their part by providing the military strength to which they have agreed. The committee believes that the United States has repeatedly demonstrated that it can be counted on to provide its share of the men and material necessary to carry out our common purpose. Certainly, our NATO allies should show, by fulfilling their past promises, that they intend to cooperate with us in meeting new problems as they may develop.

"KERR-ENT STATUS"

Mrs. SMITH of Maine. Mr. President, I think that Congress perhaps is the most prolific provider of journalism per capita of any organization in our country—or the world, for that matter. For we have more columnists per Member than any other organization that I know of.

I do not have the statistics on the number of newsletters or congressional columns and reports distributed by the Members of Congress but I am sure that the total is well in the several hundred.

In fact, I know, from the situation in my own home State of Maine, which, at one time, had five congressional columnists mailing out weekly or monthly columns to the newspapers back in Maine. I was one of that group of two Senators and three Representatives writing such regular reports.

Ultimately, I concluded that such a heavy concentration was such a burden on the Maine newspapers—particularly the Maine weekly newspapers with their limited space—that I decided to give them some relief by discontinuing the congressional column or report that I had been mailing regularly to them.

And I know that they were relieved and were grateful that I made such a contribution to lessen the cluttering up of their mail and easing their space problem. I am sure that many of them were happy about it as it gave them room to publish the weekly report of a State senator or a State representative on the doings in the Maine State Legislature.

But a new publication from the Halls of Congress commands the greatest respect from me. It is something new. It is not merely a monthly congressional report. It is not merely a weekly congressional report. It is a daily congressional report.

More than that—it is not just a report. It is a newspaper. And it is the hottest off-the-press newspaper I have ever seen—for it carries news items that are but minutes old—it prints the news almost before it happens.

It is brief—being only one page. But there is more congressional news packed in that one page than you will find in any daily newspaper or any national magazine.

It has excellent humor—humor that equals that of the New Yorker magazine or Bob Hope or Senator Kenneth Keating or Senator Hugh Scott.

It has pithy condensation that excels the capsule sheets of the U.S. News & World Report and the Washington Post Newsweek.

It is as accurate as the New York Times—and it truly prints all the congressional news that's fit to print.

It is uniquely colorful—with even great imagination in its color—for the paper it is printed on, with refreshing rotation, encompasses all the colors of the rainbow range.

It has a wide and facile range of expression, whether the form be a menu in French or an Oklahoman bill of fare.

It is must reading—and very seriously I look forward to it every day, not only to get myself informed on the top news and the schedule of congressional activities, but also to have a few gems of humor to lift my spirits.

My only complaint and criticism is that it is only an afternoon paper. I wish there were a morning edition of it, so that I could start my day so pleasantly instead of having to wait until around 3 or 3:30 in the afternoon to have the splendid benefit of it. Yes; I want it to be both a morning and an afternoon paper.

I am, of course, speaking of the one and only "Kerr-ent Status," published by the senior Senator from Oklahoma, and edited by his excellent staff member, Paul McBride.

I know that many Senators share my feeling of gratitude to him and I wish to say in all seriousness that his daily publication is not only unique, but it is also a real public service—and a public service which I feel deserves the fullest recognition.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of amendment.

Mr. ELLENDER. Mr. President, reserving the right to object, even with the adoption of these amendments, any amendment from the floor will be in order, would it?

The PRESIDING OFFICER. The Senator is correct. Is there objection to the request of the Senator from Arkansas?

There being no objection, the committee amendments were agreed to en bloc.

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Virginia.

Mr. BYRD of Virginia. Mr. President, I offer amendment "7-28-61—A" and ask to have it stated and made the pending question.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 6 it is proposed to strike out lines 4 to 24, inclusive, and insert the following:

SEC. 202. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for use in carrying out the provisions of this title such sums, not to exceed $1,187,000,000 for use beginning in the fiscal year 1962 and not to exceed $1,900,000,000 for use beginning in each of the fiscal years 1963 through 1966, as the Congress shall hereafter determine to be necessary, which amounts shall remain available until expended.

On page 8, line 13, beginning with "(i)" it is proposed to strike out down to the comma in line 16, and insert the following:

(i) all funds appropriated pursuant to the authorization contained in section 202(a).

On page 8, it is proposed to strike out lines 19 to 23, inclusive.

On page 9, lines 6 and 7, it is proposed to strike out "and notes issued under section 202(a),".

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. How long does the Senator wish to speak?

Mr. JAVITS. Five minutes.

Mr. FULBRIGHT. Mr. President, I yield to the Senator from New York for a short statement.

Mr. JAVITS. Mr. President, I ask unanimous consent that my remarks may follow those of the Senator from Arkansas in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. GORE. Mr. President, will the Senator from Arkansas yield so that I may suggest the absence of a quorum?

Mr. FULBRIGHT. I should like to make a short statement first, and then I will yield to the Senator.

THE RIGHT TO TRAVEL FREELY WITHIN ALL SECTORS OF BERLIN

Mr. FULBRIGHT. Mr. President, last Sunday I appeared on the ABC network television and radio program, "Issues and Answers." In the course of that program one of the exchanges led to an unfortunate and erroneous impression of my views. When asked if I thought the West should make any concessions on the question of the flight of East German refugees to West Berlin, I responded that this, too, is something that could be discussed, because—and this is the point—the East Germans have the ability to control travel within East Germany.

The imposition of tighter travel restrictions by the East Germans on travel of East German citizens within East Germany could restrict access of East German citizens to all of Berlin, thus depriving a large number of potential refugees from East Germany—as distinguished from East Berlin—of this convenient means of escape.

As I pointed out in the TV and radio interview, I know of no agreements to which the Western Powers are party which prohibit the East Germans from restricting the travel of East German citizens within East Germany—outside of Berlin. It is to that point of reference that my response was intended in the interview.

I certainly did not intend to imply that the West should execute any agreement whereby the West would assist in enforcing any restrictions imposed by East Germany on travel within East Germany nor that the West should consider changing existing agreements and consent to closing West Berlin to refugees wishing to enter.

The right of persons to move freely within all sectors of Berlin is entirely another matter and is guaranteed by post-war agreements signed by the United States, Britain, France, and the Soviet Union. I do not consider such right to be negotiable.

THE UNITED ARAB REPUBLIC

Mr. FULBRIGHT. Mr. President, there is a profound lack of understanding in this country of the developments in the United Arab Republic.

I congratulate the Washington Post and Times Herald for carrying an article from the Times of India about the UAR, and I ask unanimous consent that the article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NASSER'S DECADE: A FRIENDLY VIEW

(By Don Passos)

The 10th year of his revolution finds President Gamal Abdel Nasser face to face with a challenge in some respects greater than any he has met so far. This is the challenge of internal consolidation.

The revolution unleashed in Egypt 9 years ago has now acquired a symbolic value in the Arab world. If it has not pulled down so many physical frontiers, it has certainly demolished the frontiers that once kept the Arab mind divided.

With all their painful problems of growth, the Arabs now know what they do not want. They do not want foreign domination or intervention. They do not want regimes based upon denial of freedom and progress. They do not want to live in stagnant societies and slow-moving economies.

They also know certain things they do want. They want land reforms. They want industry. They want the thrill of freedom and they value the rights they have won. They are proud, even a little too sensitive, of their hard-won sovereignty. Echoing the words of a great Indian patriot, they say, "It is better to be poor and free than to be rich and in bondage."

These negative and positive desires make out the basic philosophy of Nasser's revolution. A revolution, unfortunately, must always begin negatively. It first destroys, then builds. But what it builds must be more massive, more meaningful than what it destroys.

Nasser destroyed the Egyptian monarchy and built the Egyptian Republic; he went a step further and brought about the union of Egypt and Syria. He destroyed the British hold on Egypt, and built a proudly sovereign nation which loathes nothing more than the slightest shade of foreign interference or domination.

Nasser has taken several things away. He has taken away the people's right to form political parties, to own property as they like. He has taken away the right of the newspapers to write whatever they like. He does not allow an opposition to function in the manner in which it functions in several countries.

But he has given to his people so far more than he has taken away from them. He has given land to the landless. He has given women of Egypt the right to vote, to get elected to Parliament, to take part freely in the multiflowing life of the country. He has built a network of heavy industry no Arab country could ever dream of 10 years ago—a steel plant, oil refineries, automobile factories, machine-building plants, a shipyard.

He has kept hunger away from Egypt and Syria; there has been no great shortage of food. Huge desert areas have been reclaimed, and even bigger projects are underway.

But the question that torments an observer is whether economic progress alone keeps a revolution from spending itself. Nasser, at least, does not appear to think it does. For the past 2 years or so, his deeply contemplative mind has been vigorously working on the meaning of his revolution.

Currently, he is engaged in finding a sufficiently radical, and yet not uncontrollable, political, and economic content for his revolutionary regime. Hence, his repeated emphasis on democracy, socialism, and cooperation—the three pillars on which he wants his regime to rest.

Nasser's socialism does not envisage a violent transformation of the economy; it gives the state a paternal role, seeks to create an expanding public sector, and to keep private enterprise under control and supervision. What distinguishes it from the socialism of other Afro-Asian countries is that it embraces land and agriculture.

Nasser's socialism goes hand in hand with cooperation; together, they constitute the revolution's economic philosophy which, in a nutshell, is that society must rest on the aggregate of common ideals, aspirations, and endeavors; its aim should be to hold together, not divide, the people.

Nasser's main problem is about the political meaning of the revolution. He wants to inform democracy with an oriental content and give it a structure that suits the oriental frame of mind.

He is working on a pyramidal structure, broad at the base: his task is to give the people a lasting feeling of freedom, to stimulate debate, encourage opposition, and still avoid the degeneration of party politics. A difficult task; it faces all the new nations of Asia and Africa.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. GORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GORE. Before the Senator begins his speech, I should like to say that for 4 weeks the chairman of the Committee on Foreign Relations, the distinguished junior Senator from Arkansas [Mr. FULBRIGHT] performed one of the most remarkable tasks as chairman of the committee that I have witnessed in several years service in both Houses of Congress. He was patient, he was fair, and he was considerate of the points of view of all Senators. I believe the bill has had the most thorough consideration that any bill on this subject has received by the Congress at any time. The distinguished chairman is now about to present one of the largest and most important bills to be considered at this session of Congress. I shall suggest the absence of a quorum.

Mr. MANSFIELD. Before the Senator makes his request, I should like to associate myself with the remarks made by the distinguished Senator from Tennessee. The chairman of the Committee on Foreign Relations has shown great patience, great wisdom, great understanding, and great tolerance. It was not easy to sit through those hearings. Every Senator had a right to express his views. Every Member had a right to offer any amendment he desired. Every Member was treated with the utmost courtesy. I wish to aline

myself with what the distinguished Senator from Tennessee has said about the outstanding work of a great chairman, the junior Senator from Arkansas [Mr. FULBRIGHT] in that respect.

Mr. FULBRIGHT. I thank both the Senator from Tennessee and the Senator from Montana for their very kind words. Of course, without cooperation we never could have gotten a reasonable bill out of the committee. Both the Senator from Tennessee and the Senator from Montana were constant in their attention and their attendance at the committee meeings, and they made a great contribution to the final form of the bill. I appreciate the kind words of the Senators.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG of Louisiana. I add my word of commendation with respect to the magnificent manner in which the chairman of the Committee on Foreign Relations conducted the hearings, and I note particularly the long hours of executive sessions. I believe there were about 64 hours of executive sessions alone, not counting the great number of hours devoted to the hearing of witnesses of the administration, starting with the Secretary of Defense, the Secretary of State, and going on down. The chairman of the committee showed infinite patience in handling the many conflicting views of Senators, including my own, of course, at the hearings. He showed us the utmost courtesy and consideration. I believe that while we cannot always agree on these subjects, we can agree, and the committee agrees, that the chairman did a most outstanding piece of work in handling the bill.

Mr. FULBRIGHT. I appreciate the kind remarks of the Senator from Louisiana.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, we take up this foreign-aid bill at a moment fraught with danger for the people of this Nation. We know this to be true. Members of the Senate last week recognized the danger when we unanimously approved legislation to strengthen our military defenses and as we did likewise today in voting for the defense appropriation bill.

It will be argued from this moment of crisis that the bill before us (S. 1983) should be approved without change; that the potential enemy will measure our firmness by our votes on this bill.

There are others who will argue that the tinderbox situation we face in Berlin requires reduced commitments to foreign aid. They will urge that the required strengthening of our defense forces compels a slash in aid.

I suggest, Mr. President, that those who take either of these extreme positions miss the point of foreign aid generally and miss the thrust of this bill in particular.

The aid programs embodied in the pending bill are not to be viewed as financial spigots to be turned off or on in response to specific foreign crises. These programs, despite their burdensome cost, must be viewed by the American people as an enduring price to pay in an effort to create a world in which the freedoms man has developed throughout the ages may not only be preserved, but strengthened and expanded.

Our perils will surely multiply if we destroy this bill; they will not cease if we pass it.

Foreign aid, now an established if not a venerable instrument of our foreign policy, is not a panacea for the ills that afflict the world. It is not a magic formula but a calculated risk—calculated to alleviate some at least of the unbridled forces of upheaval that threaten us. We have had enough experience with foreign assistance to know that it is not an instrument well conceived to win unswerving allies for the United States, or eternally grateful friends. Nor does our aid program guarantee stunning progress in the economic development of all recipient nations. The results have been impressive in many areas. In a few they have been very disappointing.

The program, nonetheless, is an imperative of our foreign relations. Where it is wisely conceived and skillfully executed, the probability of success is high. The compelling rationale of foreign aid is twofold. First, it purports to advance the security interests of the United States by helping to stabilize the emergent nations which in the decades ahead will almost certainly constitute the decisive weight in the world balance of power. Secondly, our aid aims to provide succor for the needy—the materially and spiritually deprived majority of mankind. There is a pulse of sympathy in our assistance, an instinct of compassion that, with few exceptions, has figured prominently in our foreign relations since the founding of the Republic.

A risk is as good as the calculations on which it is based. The calculations upon which this year's legislation is based have made it, in my judgment, the best foreign aid bill we have had. It represents a new departure, based on sound assessments of current trends and future prospects. Its thrust is toward a decade of development, coherently planned and efficiently implemented. This year's bill represents a worthy start toward a whole new concept of foreign aid—a concept based on long-range development rather than piecemeal projects, on progress toward self-sustaining growth rather than short-range relief, on multilateral assistance by all of the prosperous free nations, rather than unilateral American responsibility.

The bill before us is oriented to the realities of the 1960's. Its aim is to alleviate disruptions while hastening the processes by which traditional societies in Asia, Africa, and Latin America are struggling to achieve 20th century political and economic institutions. The bill before the Senate embodies a moderate shift of direction in a year of transition. In the words of the report of the Committee on Foreign Relations, "foreign aid represents the only means of alineing this country and its allies with the forces that are shaping the world that lies ahead."

While the requirements for a successful aid program in the 1960's are hardly comparable with those of the Marshall plan, the necessity for assistance to the underdeveloped countries is rooted in the same basic considerations that motivated the Marshall plan. Our objective is the same as it was when Senator Vandenberg reported the Economic Cooperation Act of 1948 with these words:

> This legislation, Mr. President, seeks peace and stability for free men in a free world. It seeks them by economic rather than by military means. It proposes to help our friends to help themselves in the pursuit of sound and successful liberty in the democratic pattern. The quest can mean as much to us as it does to them.

Little purpose would be served by a lengthy recitation of the detailed provisions of the bill and of the action taken by the committee. These are accomplished by the committee report. Instead, I wish to comment briefly on only the most significant provisions of the bill and then to turn to broader considerations.

The emphasis of the program is shifted to development loans repayable on manageable terms and conditions and in dollars rather than soft currencies.

The heart of the new legislation, its principal departure and its principal merit, is the provision for long-term financing of the development loan program, with authority for the Executive to borrow from the Treasury $1.187 million in fiscal year 1962 and up to $1.9 billion in each of the next 4 fiscal years. The unused portion of the maximum allowed for 1 fiscal year will become available for use in any subsequent year of the note-issuing period. Thus the full amount authorized for development loans over a 5-year period will be approximately $8.8 billion.

Much of the current discussion overlooks the fact that—in accordance with past congressional advice—the emphasis of the program will be shifted substantially from grants to loans, and the loans must be good risk ventures. Section 201(a) of the bill states that—

> Loans shall be made * * * only upon a finding of reasonable prospects of repayment.

The record of other lending programs since the war offers considerable reassurance, despite current allegations that loans are not repaid. As of December 31, 1960, foreign loans extended under mutual security and related legislation amounted to nearly $3 billion. There have been no defaults or delinquencies on these transactions. While there have been delays in payments on some loans extended by the Development Loan Fund, there have been no defaults.

All loans extended under the new authority must be repaid in dollars over

terms of up to 50 years and at low rates of interest or in some cases perhaps without interest. In the past a large proportion of so-called soft loans amounted in practice to grants, owing to the fact that local currencies used for repayment normally cannot be spent outside of the country of issue and the uses to which these currencies can be put are in many countries severely limited. The result has been steady accumulations of local currency balances by the United States, which have at times created difficulties and misunderstandings with host governments.

It is the conviction of the Committee on Foreign Relations, as stated in the report, "that the long-term borrowing authority sought by the President is the most important part of this legislation." It represents the very core of a sound foreign aid program for the 1960's. Its purpose is to help generate long-range productive capacity for countries which demonstrate a clear determination to take effective measures of self-help in response to the vital economic, political, and social needs of their people. The President is expressly directed to take account of these considerations before extending loans. The basic premise of the plan is that aid programs must be related to a country's growth process as expressed in a broad development plan.

The Treasury borrowing procedure is by no means unfamiliar to our Government. Many agencies and programs, beginning with Reconstruction Finance Corporation in 1932, have been financed, in whole or in part, by this method.

Congress, in authorizing the borrowing procedure, would not be surrendering legislative control.

This, I think, is the most important part, perhaps the core of the principal controversy concerning the proposed legislation. I draw particular attention to it.

As a result of the inclusion in the bill of a provision making applicable to the development lending program certain provisions of the Government Corporation Control Act, the exercise of the borrowing authority will be subject to annual review by the Appropriations Committees of both Houses and by Congress. The amounts to be borrowed by the aid agency must be included each year in the Federal budget. Section 104 of the Government Corporation Control Act contains an explicit provision to the effect that the use of funds may be limited if Congress so determines.

As applied to the development lending program the following procedure would prevail: The President would annually submit a declaration of obligations and expenditures for the lending program as a part of the budget. Congress would have the responsibility of reviewing the program. This review, in accordance with past practice, would take place in the first instance in the Appropriations Committees of both Houses. Congress could limit the use of funds according to its judgments. Limitations could be proposed by the Appropriations Committees or by amendment on the floor of either House, as is the case with other items. If in any year Congress should disapprove the budget program for that fiscal year, the development lending program could not enter into further obligations or make further expenditures.

While limitations on the development lending program can thus unquestionably be imposed, it is also clear that it was the intent of Congress, in enacting section 104 of the Government Corporation Control Act—as would be the case in the pending bill—that limitations on budget programs would be imposed only where there are affirmative reasons for doing so. Congress might thus be expected to impose limitations only for the purpose of assuring that the executive branch carries out the will of Congress with respect to the development lending provisions of the aid legislation.

Mr. ELLENDER. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ELLENDER. What is the difference between the procedure which the Senator from Arkansas now proposes and the procedure under which the existing Development Loan Fund operates? As I understand, the existing Development Loan Fund gets an appropriation of so much money, and the Bureau of the Budget allots the amount to be obligated for the current fiscal year. If under the new procedure, which is now being discussed, Congress still has the power to raise or lower the amount sought, I wonder what the difference is.

Mr. FULBRIGHT. I think it is a very importance difference. In a word—I shall try to develop it at length later—I believe the burden of taking the initiative to upset and change the policy as determined by Congress is shifted from the executive to the legislative branch. It is not, of course, an exact analogy, but we know how important in judicial proceedings is the meaning of the expression "shifting the burden of proof." Under this proposal, there is such a shift. Nevertheless, Congress can change it. We can pass a bill. But the next Congress can repeal it. Congress may act by a direct repealer or, in this case, under the Government Corporation Control Act, passed in 1945—made applicable to this bill—Congress can review administrative expenses as well as operating expenses. We can act just as we do with respect to such agencies as the former RFC or other corporate bodies.

No one would question the power of Congress to change its mind. I do not believe the Senator would say that if Congress passed a bill to authorize a 4-year program for borrowing, it could not next year consider a repealer of that act.

In the course of orderly procedure, the requests for budget approval of these agencies go to the Committees on Appropriations—normally they will go first to the House committee—and those committees may offer limitations upon the amounts requested. In my opinion, the Committees on Appropriations could say that for the next year—they could not make it retroactive, they could say that for the succeeding period, due to certain circumstances, they propose Congress take affirmative action to limit the amount to $1 billion, instead of the larger figure. Does the Senator disagree with that?

Mr. ELLENDER. I am trying to ascertain the difference between this new proposal and the present development loan program. The budget is presented to Congress by the President. Then Congress has the right to raise or lower it, through the authorization and appropriations processes. In this instance, what is being done—rather, not being done, but proposed to be done——

Mr. FULBRIGHT. It is all right to let the first statement stand.

Mr. ELLENDER. The present proposal contemplates a 5-year period, during which as much as $1,800 million a year may be obligated.

Mr. FULBRIGHT. One billion nine hundred million dollars.

Mr. ELLENDER. Under present operating procedure, when the President submits a budget estimate of $1,900 million for the Development Loan Fund, as the Senator knows, Congress has the right to allow the amount requested, or to lower the sum should it so desire.

Mr. FULBRIGHT. That is my belief.

Mr. ELLENDER. Then what is the difference between the two methods?

Mr. FULBRIGHT. There is a big difference, as I said. There is the burden of what I would call moving or initiating the change. Congress must take the initiative in reviewing the Development Loan budget plan. There must be affirmative reasons for any change in the plan, otherwise Congress will not be living up to its responsibilities. There is quite a difference, it seems to me, between whether the Executive takes the initiative to change the course of events or the Congress does.

Congress, I should say, would be operating under the presumption that its earlier decision should stand, and full amounts budgeted should be used. I would not for a moment leave the impression that I do not believe there is no difference. I think there is a very important difference. Once we did authorize a 2-year program. I shall comment on that a little later. It was only an authorization. The burden was then still upon the Administration to come to Congress and request the amount and justify it in the usual way.

The burden of responsibility under the type of procedure proposed in this bill—the borrowing procedure—is usually greater upon Congress to refuse to accept the budget as presented.

I do not wish to say there is no difference. I simply say that despite the shifted burden, the power still remains in Congress to rescind its action altogether, if it wishes to, even if there were no Government Corporation Control Act. Congress has the power to do this. Morally, it may be indefensible; or politically, unacceptable, but the power remains in Congress to change its mind and rescind the entire action.

The only point is that we are seeking to give assurance not only to our own administrators that they will have something on which to plan, but especially assurance to whomever they are dealing with that this proposal will not be a

flash in the pan or something on which they cannot rely.

Under existing annual appropriation procedures, the whole tendency is to say, "We can't undertake any worthwhile, long-term, firm project. All we can do is undertake something that can be finished in the next few months."

Mr. AIKEN. Mr. President, will the Senator from Arkansas yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Arkansas yield to the Senator from Vermont?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. In response to the question asked by the Senator from Louisiana, I would say that the practical advantage of the new plan supported by the Senator from Arkansas is that for the next 5 years Congress would have a right to look into the stall where the horse used to be.

Mr. FULBRIGHT. I do not agree with that, at all. The horse is still in the stall; and the question is whether Congress wishes to take the drastic action of cutting his throat.

In my opinion there is a real difference, because the power of Congress to do nothing is very great. We know that under our procedure and traditions, one Member has the power to hold up the Senate for a very long time. So in the Congress there is a great power of resistance to action.

This plan would shift the burden, so that Congress must take the initiative if it is to upset a well-considered—I hope it is—program that would extend over a period of years. I believe this is a very important difference. But I think it quite in error to say that Congress would give up its power to control this program. That would not be the case.

Mr. ELLENDER. I understand what the Senator has in mind.

Mr. AIKEN. Let me say that I shall go into the details later on.

Mr. ELLENDER. Yes, I understand. But my question was directed to the Senator from Arkansas, in light of the law to which he referred. It strikes me that if the amount requested by the President for the Development Loan Fund for the next 5 years may be increased or decreased, following authorization, by Congress. I see no difference.

Mr. FULBRIGHT. If the Senator from Louisiana thinks there is no difference, then, for goodness sake, I hope he will vote for the committee bill. If the Senator from Louisiana thinks the new arrangement would be the same as the old one, we welcome his support.

Mr. ELLENDER. If there is no difference then I would rather continue under the present system.

Mr. FULBRIGHT. But if the Senator from Louisiana sees no difference, why does he not vote for this, in order to show his agreeable nature?

Mr. ELLENDER. In light of what the Senator from Arkansas has said about the new procedure, how could the administrator of the Fund proceed to bind the Congress for 5 years hence?

Mr. FULBRIGHT. He could not bind the Congress irrevocably. But as a practical matter—let me say that I do not like to use the word "moral" in connection with these matters; there is no morality about them—as a practical, political matter, under this plan the administrator will have far greater assurance that the funds will be forthcoming, as compared with the situation under the present arrangement. The Senator from Louisiana knows as well as I do the power of resistance inherent in this body, as a practical matter.

This plan transfers from the Administration to the Congress the burden of initiating a change in the accepted policy.

Mr. GORE. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. GORE. Is it not true that on an annual basis alone, the administrator of the program, as well as the countries with which the administrator would be developing programs of betterment and actions for improvement, could only assume that Congress in the following year would authorize and approve the program, whereas under the pending bill there is a 5-year authorization which, as the chairman of the committee has said, would not be irretrievable or irrevocable. It would remain in the power of Congress to repeal the act or to limit the expenditures or to withdraw the power and the authorization. But the assumption would remain that unless the program came afoul of mistakes which would bring about very unfavorable reaction in the country and in the Congress, the 5-year authorization could be contemplated and could be depended upon, in other words, by the administrator and by the beneficiary countries.

Mr. FULBRIGHT. I think that is quite correct.

Mr. SYMINGTON. Mr. President, will the distinguished Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. SYMINGTON. Mr. President, the people of the United States have always prided themselves on their ability to organize and manage successfully, especially in the fields of industry and finance. Does not the able Senator from Arkansas believe that the Government should be allowed the same type and character of efficient, long-range planning in the handling of this loan program that is essential for the proper conduct of any industrial corporation or financial institution in the United States?

Mr. FULBRIGHT. I certainly do. I think the procedure we have followed makes it almost inevitable that the program will be wasteful and inefficiently administered. I know of no business which follows any such procedure.

Mr. SYMINGTON. Mr. President, will the Senator from Arkansas yield further to me?

Mr. FULBRIGHT. I yield.

Mr. SYMINGTON. Is it not true that many, if not most, of the critics of this program emphasize, in reaching their conclusions, the fact that the program has at times been mismanaged and at times has had in its operation a great deal of waste? But, despite that fact, these critics are unwilling—even recognizing the added problems incident to good management because of the absence of the profit motive—to let the program have that same type and character of managerial capacity they would insist upon in a corporation in which they were investors.

Mr. FULBRIGHT. I think that is entirely the case. It seems to me that those who disapprove of foreign aid and intend to vote against the bill—although recognizing the possibility that they may not prevail and that aid will, nevertheless, be provided—should vote for this long-term borrowing authority simply because, if there is to be such a program, they should want it put on a reasonably businesslike basis.

Of course, I realize there are many persons who believe we should never have entered this field, and that it is a mistake; and I realize that certain Members always have opposed foreign economic aid programs. Certainly it is their right to oppose them if they wish. But even such persons should not insist that the programs be inefficiently and improvidently administered, as tends to be the case when the administrators cannot plan ahead.

So I think that even they should agree with the purpose of the borrowing authority; they should agree that if there is to be such a program it should be conducted in an efficient manner.

Mr. ELLENDER. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ELLENDER. As the Senator knows, Congress provided for a 2-year program in the present Development Loan Fund.

Mr. FULBRIGHT. It was an authorization, was it not?

Mr. ELLENDER. Yes, and the funds were subsequently made available by appropriations. Is it not a fact that under this method the Congress was irrevocably committed and the administrator of the fund could then obligate these funds up to the amounts appropriated? Furthermore the funds were appropriated on a no-year basis, since the funds were made available until expended, and the administrator had all the time needed to plan his loan commitments in an efficient manner.

Mr. FULBRIGHT. I fail to follow the Senator's question.

Mr. ELLENDER. Well, when the Senator speaks of a loan, he means that it is on a long-term basis; does he not?

Mr. FULBRIGHT. Yes.

Mr. ELLENDER. Is it not a fact that under the 2-year authorization program, which the Senator will remember was voted by the Congress for the Development Loan Fund—the money appropriated under the authorizations was made available by the Appropriations Committee until expended and the administrator had the power to enter into long-term loans for whatever period was deemed necessary?

Mr. FULBRIGHT. I think the Senator from Louisiana is correct, with the exception that following that 2-year authorization for $1,800 million, as I recall, the actual appropriation was $650 million less than the authorization.

That sort of thing is to be expected under the present procedure. Therefore, the administrator cannot reasonably plan to loan, during the second year, any known amount.

After the first year's appropriation—which, as I recall, was $550 million—he could not reasonably count on any particular amount for the next year, because under the procedures and practices of the Congress he had no idea what he would get.

He did know he would not get anything close to what was authorized. I think it would be different under this proposal.

Mr. ELLENDER. Since the Senator admits that the program would have to be resubmitted to the Congress from year to year to get the appropriation——

Mr. FULBRIGHT. I do not admit it; I assert it. I did not state that I admit it. I stated it.

Mr. ELLENDER. I know.

Mr. FULBRIGHT. There is a difference between admitting and asserting. The Senator is not forcing me to reveal this. I said clearly it was that way.

Mr. ELLENDER. The moment the Congress passes the appropriation bill, it is then up to the administrator to make that money available to such countries as are qualified to receive loans. For the life of me, I cannot see any difference between the two procedures.

Mr. FULBRIGHT. All I can say is, if the Senator does not see a difference, I hope he will do the committee the courtesy of accepting its recommendation. I personally think there is a difference, and a very important one. I think the administrator, under the bill, would feel justified in making commitments over a longer period of time, and entering into, for example, the type of project we recently entered into, under different authority, namely, the Indus River Basin, going over a number of years.

It is true the commitment beyond the first year is a conditional one, but it is upon a reasonable condition, and it is a commitment on which reasonable men would rely. The Senator knows, and we all know, that if something drastic happened, Congress could, or would, repeal or rescind the borrowing authority. If war broke out, this program would undoubtedly come to an end, and undoubtedly we would not proceed in the second year. Congress would rescind it. Or, if some terrible scandal or change in conditions, that I cannot foresee, should take place, Congress would also rescind or repeal the authority. But reasonable men could rely on such an authorization to borrow.

This is true not merely as a technical matter, but we have had the experience in which Congress has controlled this kind of authority. Congress has exercised this kind of authority for many years, at least 30 years, if not longer; and the practice in these cases has been, where the Congress has solemnly and deliberately authorized borrowing authority, as is provided here, that we do not interfere with the authority except in unusual cases. In the case of the Commodity Credit Corporation, the RFC, the farm credit programs, and so on—about 20 different ones—Congress has not substantially interfered with the authority conferred.

The budget programs have been submitted, and, almost without exception, the Congress has accepted them. This does not mean that Congress does not have the power at any time to change them, but reasonable men would interpret, from the course of events, the practice of borrowing, that an administrator of programs of this kind could make commitments over the period authorized with reasonable assurance that they would be carried out. It would be conditional, technically; and if we changed it it would not be a breach of a legal commitment; it would be what we call a moral commitment. It would be up to Congress to decide whether it wished to do anything about honoring it.

But there is a difference, in my opinion, and in the committee's opinion, and in the Administration's opinion. Nobody is trying to fool anyone. I certainly would not want to say that we should accept the proposal because there is no difference. I would be deceiving the Senate. I do not want to leave the impression that there is not a substantial difference. But, on the other hand, to take the extreme view of the author of the pending amendment, the argument is going to be made here by the sponsors and the supporters of the amendment that Congress is giving up all its powers to control the future course of this program; that no longer will Congress be able to review it or have any influence on it. That is wrong, and it is not true. Congress will have the power to control, stop, or limit it.

Supporters of the amendment of the senior Senator from Virginia [Mr. BYRD] are not going to make the argument of the Senator from Louisiana that there is no difference, that the borrowing authority is just the same as an authorization. I guarantee they are not going to say that. They are going to say borrowing authority is a horrible, dreadful thing, because Congress is being asked to give up its whole power to control the program and its future course. But I say, this is not the case.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. As a predicate for my two questions, I want to say that I agree with the Senator from Arkansas in his premise that the two programs are different. There is no way to make them the same. But I disagree with him in his statement that Congress will continue to have control except conditionally. For instance, I ask the distinguished Senator if it is not true that, failing a two-thirds majority in both Houses, enough to override a Presidential veto, Congress would not have authority to call off the program if the President felt and ruled otherwise.

Mr. FULBRIGHT. It is no different from any other bill. We have not the power to pass any bill unless we can muster a two-thirds vote in favor of it to override a veto if the President wishes to veto it. No item veto is authorized of appropriation bills. The approval of the Development Loan budget would be only a small part of an appropriation bill. I want to emphasize also that this item for borrowing is only a part of the overall program of aid in the pending bill. For instance, there is $4,300 million in this bill, of which only $1,187 million is affected by this authority. So this is only a relatively small part of the overall program. When the time comes to act on this year's and next year's aid appropriations, the President would be in a position of having to veto the whole bill. He could not pick out just this item and veto it. He would have to veto the whole bill—a very serious responsibility—and if the Congress changed the portion dealing with the Development Loan budget, I would say any President would take a very long time before he would exercise a veto of the entire bill.

I agree with the statement of the Senator. It is true of this bill as it is of any other piece of legislation—that Congress has no power to pass any bill, if the President vetoes it, unless it can muster a two-thirds vote to overrule the veto.

Mr. HOLLAND. In this case, without being able to muster a two-thirds vote in both Houses, Congress would not have the authority, by its own act, to call off this part of the program. Is that not correct?

Mr. FULBRIGHT. I would say that is correct. But the same is true of any other legislative act taken by Congress. I have often regretted that in these matters where we make serious and solemn commitments on important matters, we do not require more than a bare majority to carry it into effect. But that is true in the current status of the Senate rules. We have done so in the past. I have always regretted that we have moved toward a bare majority move, because I think if we make these commitments, if we are serious about the programs, they ought not to be changed for trivial reasons. It ought to take a two-thirds vote. And if it is so serious as is contemplated, or suggested, perhaps, by the line of questions, that it would require an overriding of the President's program, I have no doubt that Congress would do it. I do not see that there is any difference, on that basis, from any other act we pass.

Mr. HOLLAND. I differ with the distinguished Senator, because the other acts we pass, as a rule, deal with annual authorizations, and, as a rule, with annual appropriations; and this portion of the act, which involves an authorization for a period of years, is decidedly different from the normal action of Congress.

Mr. FULBRIGHT. May I say, in that connection, if this stood alone, unaccompanied by anything else, I think the Senator would have a pretty good point. I do not think it is a very valid point when it is only a part of the program, involving $1.8 billion in military aid and nearly $1 billion of other types of aid.

Does the Senator think any President is going to risk the stoppage of the whole program because of a single element with regard to borrowing authority? I do not think that is reasonable, and I do not think he would, and I do not think this or any other President would veto a bill

containing an element such as this, and run the risk, or the certainty, for that matter, of having no bill at all in the field of military assistance, supporting assistance, and all the other items of this bill.

I do not think it is a reasonable assumption that the President would do such a thing. If the Congress puts a limitation on this, he would accept it, rather than to veto the entire bill. If such a provision stood alone, and with all that was in the bill, I think the Senator from Florida would have a very good point.

Mr. GORE. Mr. President, will the Senator yield, before leaving that point?

Mr. FULBRIGHT. I yield.

Mr. GORE. It is true, as the distinguished senior Senator from Florida says, that we usually appropriate on an annual basis. However, there is a procedure for a continuing appropriation, for the appropriation of funds to remain available until expended. Would it not be impossible for the Congress to rescind such an appropriation except by mustering a two-thirds majority, if the President should choose to veto?

Mr. FULBRIGHT. Yes.

Mr. GORE. The point I am making is that there is a distinction involved. The Administration under the proposal could proceed with assurance that with prudent administration the program would continue on a long-term basis. However, it would remain within the power of the Congress not only to limit the program but also to entirely repeal the authorization.

Mr. FULBRIGHT. The Senator is quite correct.

Mr. GORE. The legislation to authorize borrowing from the Treasury is, in fact, a continuing appropriation; that is what it amounts to.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

Mr. FULBRIGHT. I yield to the Senator from Florida.

Mr. HOLLAND. Both the distinguished Senator from Arkansas and the distinguished Senator from Tennessee have suggested something which I think is fundamental to the whole discussion; that is, that there has been an administration of this fund in the past which causes us all concern. The Senator has spoken of mistakes in administration. The Senator from Tennessee did not use those same words, but he implied them in his use of the term "good administration" of the Fund.

I think both Senators know perfectly well that there is tremendous opposition to this program, based largely on the fact that so many mistakes of judgment have been made, and some mistakes which probably went further than mistakes of judgment, in the administration of the foreign-aid program.

I am asking the Senator from Arkansas if he does not think that one of the ways—and a very certain way—to overcome some of the opposition and some of the reluctance on the part of the general public to accept passage of the bill would be to assure the annual revision of the program by the Congress and the annual control over it, by retaining the appropriations function from year to year.

Mr. FULBRIGHT. I make two observations in that connection. One is that during this period in which many people have been very critical Congress has had exactly that authority. Congress has done exactly what the Senator has said. Therefore, I think a reasonable man would say that perhaps some different approach might be called for.

Mr. HOLLAND. Does the Senator mean it might be more wasteful?

Mr. FULBRIGHT. No. Well, that is not our objective. I assure the Senator it is not my objective to make this program more wasteful than it is.

Mr HOLLAND. I know that.

Mr. FULBRIGHT. Nor is that the objective of the committee.

Mr. HOLLAND. I interpolate to say that I know perfectly well the motives of the Senator from Arkansas are very fine and very high. I remind the Senator that from year to year, as he has led the fight or aided in the leading of the fight, much more often than not the Senator from Florida has voted with him, both with respect to amendments and with respect to passage of the bill. The Senator from Florida is not among those to whom the Senator referred when he said they would be against the loan approach because they are against the bill and its purpose. I am not among that group.

I feel that, after all, we are representatives of the public, and we cannot ignore the public thinking, which is that there has been too much looseness and there have been too many mistakes in this field and that some degree of reassurance should be given. I think a reasonable degree of reassurance would be given by knowledge of the fact that the Congress will not surrender its appropriation right, will continue its revision right from year to year throughout the period of this program. I am asking the Senator if he does not think that there is public sentiment adverse to this program. I believe the Senator knows there is a good bloc of such public sentiment.

Mr. FULBRIGHT. I assure the Senator that I know it. I think I receive more letters than any other Senator complaining about the program.

Mr. HOLLAND. Does not the Senator think that attitude has to be considered, and that one way to attempt to meet the attitude is to let the public know we do not intend to surrender all vestige of our control during the period of the operation of the Loan Fund?

Mr. FULBRIGHT. In my feeble way I have been trying to say that this program does not surrender the power of the Congress. I do not believe it surrenders the power of Congress to supervise, to revise, and to limit the program, if Congress sees fit to to so.

I go further to say, with respect to the first part of the Senator's statement, I know that anyone can question the judgment of someone else. The committee considered this problem even before I became chairman of the committee. This is the second or third time the Committee on Foreign Relations, deliberately, after long consideration, has decided that this kind of authority would promote efficiency of administration, rather than the opposite. It would not take away, on the one hand, the congressional power of revision, but it would give to the Administration an assurance it could make longer term plans for the development of any particular country. What it will amount to is that an administrator will be able to say to a prospective borrower, "In 3 years"—to use that as an example—"I am reasonably sure I can follow through." Of course, the first year would be easy. He could say, "We can make plans for pursuing a certain development 3 or 4 or 5 years."

The administrator would have to make it clear that the program could be and would be subject to cancellation by the Congress, but it would be subject only to affirmative action by the Congress, and the burden of changing it would be upon the Congress.

I have already covered the point, and I do not wish to repeat myself, but as a practical matter, from our knowledge of the Congress, our actual practice under such authority has been that Congress has been very loath and reluctant to change, although it has the power to change.

I wish to emphasize that there has grown up a slogan of "back-door financing." I think one of the worst habits of our whole public life is the adoption of all kinds of slogans, such as "soft on communism" or "back-door financing" and so on, in an effort to simplify some very complicated concepts.

This so-called "back-door financing," which I think is an utterly inappropriate term to apply, does not mean what it is sought to convey in meaning to the public; that is, that the Congress no longer has the power to control, to change, or to limit the program. The authorization does not provide that. It would change the burden of taking the affirmative action from the administration to the Congress.

This is important. We know it is important in a great body with 437 Members in the House of Representatives and 100 in the Senate. We know it is a tremendous burden to move anything through this body, whether it be on the part of the administration or on the part of those who seek to upset it. It is a very arduous thing to get anything through the two bodies of Congress. These things are very carefully examined. Time is required. A small, determined group can do a lot to prevent something from passing. We know all those things.

I do not wish to minimize the importance of this. I cannot go along with the Senator from Louisiana when he says, "This is all the same; therefore, why do you want it?"

I think there is a very important difference. I disagree that the Congress will be giving up the power to carefully examine the program and to limit it, as is true under the present system. Congress will look at the budget estimates just as carefully. The business-type budget will have to be presented to the committees.

The committee cannot merely say, "We do not like it," and do nothing. If the committee wishes to make a change, it must say that, "For such-and-such reasons" which I assume must be reasonable or affirmative reasons—"we are going to take affirmative action." The only limitation, as the Senator has said, is that there would remain the power of veto. But I submit that since this question is only a part of the program that will be presented, as in the past, it is a part of the overall program, and it would be an extremely serious thing if the President would ever veto such a bill.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. I have great respect for the Senator. I know he is devoted to this cause.

Mr. FULBRIGHT. I am not devoted to "this cause" in the sense that the bill is my bill. It does not mean any more to my State than to any other State. But I rather dislike always having the bill called "the Fulbright bill." There is no such thing. I handle the bill only because I am chairman of the committee. I think the bill is in the national interest, and I do not want to take all the responsibility for the bill.

Mr. HOLLAND. I revise my statement by saying that I believe the Senator has one of the most difficult positions of leadership in the Senate. He has fulfilled his responsibility well, and I am sure he is doing a fine piece of work on this measure.

If I thought the Senator was correct in the conclusion which he stated, I would be asking the Senate to change our practice with reference to domestic improvements of the greatest importance. I am perfectly willing to come here one year and ask for funds for advance planning to improve an important river or for a navigation project, and the next year to ask for a slice of the structural or construction appropriation. Following that, year after year, I would make my request. I think that is the sound way to approach the matter. Certainly we have not even considered appropriating in advance to cover advance planning and each year's construction right through to the end, because Congress has insisted upon keeping jurisdiction of those questions and reviewing progress, and considering the kind of future action which is proposed in each of the reports. If I felt the Senator was correct in his position, I would feel that the program should be extended to important projects in our own country, to which we have never even considered extending the principle.

I believe that much of the value of the supervision of Congress, which is our duty, would be lost if we did not retain with that supervision the power to control appropriations from year to year. That is our policy and our principle in connection with domestic projects of the very greatest importance, not only to local communities, but to the whole Nation.

I feel that the Senator is not sound in his conclusion that his proposal should apply to very important commitments of foreign aid funds by our Nation, but that the principle should not be applied on the domestic scene.

Mr. FULBRIGHT. I hope that I have the attention of the Senator from Florida, because he has raised a very important question.

First, I note that the operation would be a lending operation and not an expenditure upon a development. In the bill are items such as supporting assistance, technical assistance, and so on, which are comparable, I think, to a program of development internally. We are not asking borrowing authority for those items. I emphasize that we are asking for appropriations for the operating part of these projects as we do for domestic operations. But for dollar loan purposes we ask for borrowing authority just as we do for similar domestic programs. Since some forget this point, I want to read into the RECORD quickly a list of agencies dealing with domestic operations, with respect to which this identical procedure for financing has been followed:

Reconstruction Finance Corporation.
Commodity Credit Corporation.
Defense Production Act of 1950.
Export-Import Bank of Washington.
Federal Deposit Insurance Corporation.
Farmers Home Administration.
St. Lawrence Seaway Development Corporation.
Federal home loan banks.
Federal National Mortgage Association.
Housing and Home Finance Administration.
Federal Savings and Loan Insurance Fund.
Rural Electrification Administration.
Federal Ship Mortgage Insurance Fund.
Federal Civil Defense Act of 1950.
Small Business Administration.
Informational Media Guaranty Fund.
Veterans direct loan program.
Investment guaranty program.
Panama Canal.
Virgin Islands Corporation.
District of Columbia.
Helium Act, as amended.
Area Redevelopment Act of 1961.
Tennessee Valley Authority.

These were all important domestic concerns. The Senator from Florida was not here when all those programs were submitted, but I have no doubt that the Senator has voted for many of them, in which he has done what he said he did not think his constituents would want. The Senator said that we had given up authority to review and to limit these activities. I can only say that the Senator is in error. We did not give up the authority to limit them. We used borrowing authority, for the very good reason of providing some continuity of operation, and of giving the Administrator some opportunity to lay down plans in order to develop programs. Of course in those operations there may have been some defects here and there. Nevertheless, all, or certainly a great majority of those operations, were great projects that meant a great deal to this country.

I know that the ones with which I am familiar were helpful to my own State and I believe to the national welfare. But I think that the reasoning of the Senator from Florida is not sound in that sense. I make that statement with all due deference. The program about which he is talking is not the kind of program that would provide grants for development. It is a lending program, similar to many of the other programs I have mentioned, and designed for the same reasons. It is proposed to provide some continuity for operations in foreign fields.

The Senator made the comment that we are dealing with foreign countries, as opposed to operations in the domestic field. In our long exercise of congressional procedure in the United States, we have developed great confidence among ourselves and our own people. All the projects of a domestic nature which the Senator has mentioned had supporters within the Congress and without the Congress, including constituents, lobbyists, and others. So there is a feeling of assurance and confidence on the part of the people in my State, for example. They feel assured when Congress says, "We authorize a program on the White River." Finally the first downpayment is made, and the people feel an assurance that they can trust the Congress, because the Senator from Arkansas [Mr. MCCLELLAN], a prominent and influential Senator, and a number of prominent Members of the House are watching their interests. They can proceed with assurance.

None of this assurance is present in a foreign country. In most cases we are dealing with people who know very little about us, and there is no reason for them to have the same feeling about an administrator who says, "I think perhaps we might be able to get more money."

He can always point to what the experience has been in the past. There has been no continuity. I think this point enters into one's judgment as to whether or not the contemplated approach is a reasonable way to proceed, and whether the program is an efficient one.

Mr. HOLLAND. Mr. President, I have one more comment. I am very appreciative of the courtesy of the Senator. I remind him again that he is not talking to one who has not voted with him on these programs, and he is not talking to one who does not expect to vote for some substantial program this time.

I invite the attention of the Senator to the fact that we have proceeded by back-door financing in several domestic fields to a greater extent than I would have liked. While we have had a good deal of grief from some of the projects, we have not done so in financing other projects that are exactly alike. With respect to many projects, we will be asked to make loans out of this fund. I refer to such projects as the development of flood control projects, the development of navigational projects, the development of power projects, and the development of highway projects. The Senator will remember that we are now in the midst of a very important and expensive highway system construction program. Only a few days ago we passed—and I note the President has signed—a measure that was prepared by a subcommittee over which I happen to preside, which appropriated for expenditure this year approximately $3 billion for the Federal part of the Interstate Highway System. The Senator from Louisiana

has been working for months as few Senators have worked in trying to bring out a sound public works appropriation bill which is based upon the idea that the projects which may be approved for their progress and for their promise for the future and for their soundness from year to year will get into that bill and that the others will not.

We have not been willing to apply to matters of the greatest importance to us and to our people the principle which the Senator from Arkansas advances with reference to the loan fund in the pending bill. I do not believe any Senator would have any serious thought of doing such a thing.

Mr. FULBRIGHT. The Senator completely ignores the distinction I tried to make, that all of these important activities that he has mentioned are not insignificant. The Tennessee Valley Authority, rural electrification, small business—I shall not name them all—are all lending operations. That administrator, in a lending operation does not know in advance who the borrower will be or what the loan will be. He cannot schedule an imagined program. When we gave authority to the RFC to borrow, they did not come in and lay out the program. It is impossible to do so. That is why there is a difference in the method of financing. Other portions of the aid program are comparable to the program the Senator mentions. We do not ask for borrowing authority in those cases. But in the case of loans, the administrator cannot come in and program them in advance. This is utterly different.

This is one of the inconsistencies which has resulted, in my opinion, in contributing to much of the inefficiency and ineffectiveness of the program as it exists. Congress has insisted upon requiring for one kind of operation a procedure which is appropriate to another kind of operation and quite inappropriate to this kind of operation. This is basic to this program. I do not believe that the Senator, whatever he may finally agree on, ought to compare this with our domestic road program. He ought to compare the road program with the grant portions of the aid program. We are not asking for borrowing on the grant parts of the program.

Mr. HOLLAND. The Senator has been extremely gracious. I would remind the Senator, however, that in the field of development of hydroelectric dams for public power, which is certainly a controversial field domestically, we have not even sought to proceed other than on the basis of annual appropriation.

Mr. FULBRIGHT. What about TVA?

Mr. HOLLAND. In connection with TVA we got away from any further Federal appropriations for development by finally giving to the TVA itself—very unwisely, I thought—the authority to borrow.

The second point I make today is that in our Constitution itself there is a provision giving Congress power, "To raise and support armies" with the proviso that appropriations for such purpose cannot be made "for a longer term than 2 years."

We have a settled responsibility here to try to keep control of the important operations of this Government. Recognizing fully the good intentions of the distinguished Senator from Arkansas and his committee, and having the greatest confidence in most of the things his committee recommends, as the RECORD will show, I nevertheless do not feel that when we are doing this important job for the rest of the world we can afford to follow a principle which we refuse to apply to much of our most important work here.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Missouri.

Mr. SYMINGTON. I congratulate the able Senator from Arkansas for his logic in the matter under discussion which in effect states the principle: Shall we give the same type and character of good business management to taxpayer money we demand in a corporation, or shall we not? The Senator from Florida mentioned what the Constitution states about the Army. Over the years, as other services came into being, it was found this clause in article I, section 8 of the Constitution was, from a practical standpoint, unworkable; and therefore methods for circumventing it were established as procedure in the operation of our defenses.

I remember one of the so-called back-door financing undertakings. It had to do with the Reconstruction Finance Corporation, originated at the time of our most serious domestic economic trouble—the depression of the early thirties.

The Reconstruction Finance Corporation was originated by Mr. Herbert Hoover. This back-door financing agency saved a large bank in Chicago, with a loan of some $90 million. Then it began to save railroads, under long-term agreements. Their work would have been impossible unless it had embraced long-term financing.

It was my privilege at one time to direct the policies of the Reconstruction Finance Corporation and its relationship to industries and banks. It would have been impossible to run those projects under sound accounting principles, with good business management, unless there had been some of this back-door financing.

I would think it important to maintain now, on an international basis, the same type and character of procedure we maintained when we were in serious domestic difficulty.

There are countries we are anxious to see remain free and grow; and it would seem necessary to place ourselves in a position where we can say to them, "If you will agree on certain terms as to the nature of your progress, we in turn will agree, over a period of time, to give you the following financial assistance in the form of a loan."

If we offered a loan on the basis of "Well, we will do it this year, but cannot let you know at this time whether we can commit ourselves for next year," there would be difficulties, based on what I have seen in foreign countries, places where we offered no assistance until it was too late.

Now as far as the law is concerned, and the assertion this proposal is in any sense unique, I would present, if I may, to the Senate and the able chairman of the committee a law "Limitation on Administrative and Nonadministrative Expenses, Federal Housing Administration," contained in Public Law 86–626, July 20, 1960. This is a Government corporation subject to the Corporation Control Act, and there follows what that particular law provides:

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, FEDERAL HOUSING ADMINISTRATION

For administrative expenses in carrying out duties imposed by or pursuant to law, not to exceed $8,550,000 of the various funds of the Federal Housing Administration shall be available, in accordance with the National Housing Act, as amended (12 U.S.C. 1701), including uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131): *Provided*, That funds shall be available for contract actuarial services (not to exceed $1,500): *Provided further*, That nonadministrative expenses of all kinds regardless of source classified by section 2 of Public Law 387, approved October 25, 1949, including all appraisal fees regardless of source or method of financing shall not exceed $50,000,000.

In other words, here is a clear and current case of so-called back-door financing, written into law on a domestic program. This program is important, but surely from the standpoint of the security of our country not as important as the program which the distinguished chairman is now presenting in his typically able fashion to the Senate.

I thank the Senator from Arkansas.

Mr. FULBRIGHT. I thank the Senator from Missouri for his observation. He is, of course, quite correct. It seems unfortunate to me that those who have opposed the program and criticized it most vigorously insist that we not permit any improvements to be made. If they do not like this way of improving it, I should like to have some suggestions as to how they think the program can operate more efficiently. I do not see how operation on a hand-to-mouth basis can be justified without any chance of improved administration.

Mr. GORE. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. GORE. I wish to suggest one additional thought for the benefit of the distinguished senior Senator from Florida.

Mr. HOLLAND. I appreciate any suggestion made for my benefit. I shall listen very carefully to it.

Mr. GORE. I mean that in the proper light, because I know the able Senator from Florida is interested in the international security programs. He has been a supporter of them, and in this case I feel certain he wishes to have the fullest possible measure of understanding.

I suggest that we are undertaking to induce other countries to make reforms within their own domestic economies—tax reforms, monetary reforms, and the

like; and to institute within their societies changes which will promote the development of the democratic processes, which will promote beneficial economic policies, policies beneficial to the broad mass of the people.

These changes are resisted and will be resisted; but in the considered opinion of the Committee on Foreign Relations and many other students of international affairs, certain changes, particularly in countries in Latin America, are necessary in order to avert revolutions and possible overthrows of governments.

This is a program, in essence, to help underdeveloped countries to help themselves. The power of inducement is multiplied by the capacity of the administrators of the program and the President to proceed on a longer term basis than annual appropriations provide. I simply wished to offer that additional thought. It is one additional reason for the necessity of the longer term authorization, which does not prevail to the same extent with respect to an irrigation project or a hydroelectric dam project within our own country.

Mr. FULBRIGHT. Mr. President, I express my appreciation to the Senator from Tennessee. What he has just said is significant. When these programs were started in the Marshall plan era, we were dealing with highly developed, sophisticated countries, in which there was no need to consider so-called changes of conditions. Those countries already had very advanced, prosperous civilizations, but they had been destroyed to a great extent by the war. That was a different thing.

In dealing with the underdeveloped countries, we have found by experience that very drastic changes are called for in many areas, as has been set forth in the Act of Bogotá. In those areas, unless we can prevail upon those countries to make serious changes—and many of them wish to make such changes—the program will not succeed. The comment by the Senator from Tennessee is extremely important in justification of the change. This is the only way the committee could think of to be able to go to a country and propose that it undertake long-range changes. The countries will not undertake changes except in a long-term form. No country can be expected to change its ways suddenly. If we request that they make changes, it is necessary to have more assurance than there is under the annual authorization process that we will continue our participation in whatever project is undertaken.

If the Senator from Florida refuses to give that kind of authority to the Executive, and if he is not satisfied with the present authority, I should like to know what he would suggest to improve the administration's program.

Mr. HOLLAND. Mr. President, let me address myself first to the comment made by the distinguished Senator from Tennessee. I remind him that the Senator from Florida has not been unwilling at all, but has joined in establishing certain lending operations or in helping to establish them. The Latin American Bank, which is a major enterprise, in which the United States is contributing a large part of the capital, is one example. The capital can be loaned to a bank, and the bank, if it is sound, can borrow from others. That is an enterprise the Senator from Florida has supported.

The Senator from Florida has supported the World Bank. He has supported the creation of the International Development Fund. All those activities are based on the lending of money which Congress has appropriated.

Here it is proposed to allow a lending agency to draft upon regular resources in the Treasury for a long period of time, without mutuality, and placing our participation in the funding of such money operations on a preferred basis, so far as the appropriation is concerned, above the funding of the same kind of operations in our own country.

I notice that the Senator from Arkansas mentions the REA as one of the agencies which was empowered to do back-door borrowing. There is a certain amount of truth in what he says. However, the fact is that the REA is limited in what it can lend, by the action of Congress upon the report of the agricultural appropriation bills each year, as to what it can get from the Treasury and can then lend to the REA and the Rural Telephone Association. Incidentally, they take security for repayment. However, my point is that it is not open-ended authority to draft upon Uncle Sam's dollars in the Treasury at will, but instead is limited by annual appropriations. To that degree, the REA does not come at all within the area of the unlimited back-door borrowing which, for instance, the Reconstruction Finance Corporation had, an agency which was set up in the depression years as a depression measure. The Senate will remember that when the depression years were over, there was an immediate effort to close out the RFC, and that effort, in which Congress joined, was eventually successful. I suspect that Senators who are now participating in this debate voted for the discontinuance of the RFC, which had that special type of power, when it was clear that there was no emergency need for that power to be further given.

Mr. FULBRIGHT. I wish to correct the Senator. I did not vote to abolish the RFC. I think its abolishment was a mistake. I think experience has shown that its abolishment was a mistake. It was necessary for Congress to turn right around and create the Small Business Administration, which now has the authority which the RFC had. That agency is in existence today, but I know of no one who is seeking to abolish it.

What happened in the case of the RFC was that in an effort to improve the administration of that agency, a misconception arose that it was a bad agency. Those who had always opposed any kind of Government activity in this field took advantage of the misconception and succeeded in having the agency abolished.

The RFC was a very good agency. On final liquidation, it showed a net profit of more than $300 million. Congress often makes mistakes, but I do not like to be reminded of them. The abolishment of the RFC was one of its mistakes. The RFC was a going concern. It had a mass of experience with which to work. The Small Business Administration is a worthy successor, but I doubt that it has done as good a job as RFC did, or better. However, that is beside the point. I did not vote to abolish the RFC. Its abolishment was a mistake.

Mr. HOLLAND. The Senator from Florida did vote to abolish the RFC. He believes a vast majority of the Members of both the Senate and of the House did so, because they realized that it was an unusual emergency organization. When the emergency had passed, Congress abolished the agency. But they realized it was an unusual organization, formed to deal with the emergency; and when the emergency passed, they abolished the organization.

I call the Senator's attention to the fact that the Small Business Administration does not begin to have either the power or the finances of the Reconstruction Finance Corporation. The field of the Small Business Administration covers only a small part of what was covered by the RFC. The Small Business Administration could not have begun to make the loan to the Dawes Bank, of Chicago, or the loan of $4,500,000 to the Everglades Drainage District, in Florida, which I happen to know about, or many, many other loans to public and private institutions which in no sense were in the field of small business. The Small Business Administration is exclusively confined to the field of small business, except in the case of the disaster loans, which are in a completely different field.

I thank the Senator for his courtesy.

Mr. ERVIN. Mr. President, will the Senator from Arkansas yield for a question?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Arkansas yield to the Senator from North Carolina?

Mr. FULBRIGHT. I yield.

Mr. ERVIN. I think the Senator from Arkansas will agree with me on the proposition that the Constitution of the United States gives the Congress power to control the purse of the Nation.

Mr. FULBRIGHT. Yes.

Mr. ERVIN. If Congress were to pass legislation granting to those who administer this loan program authority to finance it for a period of 5 years by obtaining loans from the Treasury, instead of by obtaining the necessary appropriations from the Congress, is it not true that Congress, by enacting such legislation, would deprive itself of the power of the purse, insofar as this program is concerned, for a period of 5 years, unless at some time during that period it took affirmative action to recover that constitutional power?

Mr. FULBRIGHT. I do not agree that that is a fair representation of the situation. The Senator from North

Carolina is extremely astute in the handling of matters of complexity, such as this. I would say Congress would not thus deprive itself of any important power to control the purse. What we propose here has been done in many cases; and I think Congress still controls the purse.

Under this plan Congress would have every power to control the purse that it has had before. The question of whether such action is taken on its own initiative or in response to stimulus by the administration seems to me to have nothing to do with the situation. Congress still has control of the purse and still has the power to rescind, abolish, or control in any way the amount of money to be spent.

Mr. ERVIN. I agree with the Senator that Congress would still have power by affirmative vote to recapture its right to exercise that power.

Mr. FULBRIGHT. And Congress could do it annually, too—not deferred for 5 years. Congress can do it next year.

Mr. ERVIN. Yes. But unless Congress did step in and, by affirmative vote, recapture its right to exercise this power, the power would be exercised by those charged with the execution of the program, would it not?

Mr. FULBRIGHT. I think that is correct. But I do not see that that presents any constitutional question. The Constitution does not provide that in the exercise of this power, Congress must respond only to a stimulus or requirement from someone else. Congress can take affirmative action without any stimulus from the administration, if it chooses. Congress can exercise the initiative on its own directive, or in response to a request, or in any way it chooses. Congress has the power to provide for the expenditure of the funds.

Mr. ERVIN. Does the Senator from Arkansas agree with me that if the Congress does enact this bill in its present form into law, it will be delegating to the ICA or to those who may be in charge of the execution of the program the power to exercise what is actually a congressional power, namely, the power to appropriate and make use of money for a period of 5 years?

Mr. FULBRIGHT. I do not see that that is deciding in this case, any more than when Congress makes money available to the Department of Defense. Once the money is made available, the Department spends it.

Mr. ERVIN. I disagree with the view that Congress does that in the case of the Department of Defense. Congress first passes authorization bills, and then proceeds to appropriate the funds, annually, for defense purposes. That has been true ever since I have been in the Senate, and, so far as I know, before I came to the Senate. I think there is no similarity between that process and the proposed loan program.

Mr. FULBRIGHT. A moment ago I made a distinction between a loan program and a spending program. But even so, very broad authority is given under contract power or authority. But today the Defense Department has so much power that there is no doubt in the minds of those in the Department that they can get whatever they need from the Congress, regardless of whether authority for it already exists.

I mentioned the case of the Export-Import Bank of Washington, the Farmers Home Administration, the St. Lawrence Seaway, and various other organizations—all these lending agencies with borrowing authority; and the Senator from North Carolina and his predecessors in this body have voted for them.

Mr. ERVIN. I can state that whenever I have had a chance to vote against what is popularly known as back-door spending, I have consistently voted against it.

Mr. FULBRIGHT. I do not agree with the use of the term "popularly known." The phrase "back-door spending" is generally used by those who are opposed to the programs. But the Secretary of the Treasury defends this plan; and it is just as much "front door" as "back door."

Mr. ERVIN. I was not using that phrase critically.

Mr. FULBRIGHT. But it is always used critically. I said "the Senator and his predecessors." I mean that Members of Congress have voted for these for years. Actually, the Senator from North Carolina was not even here when some of them were voted for, and neither was I. But Congress has approved all of these.

Mr. ERVIN. Does not the Senator from Arkansas think there is a vast distinction between those charged with our national defense, who have been trained for that purpose, and those who administer programs of this kind, who in many cases are not experienced?

Mr. FULBRIGHT. I agree. I said Congress has confidence in them. Those who administer our national defense have, in fact, inspired so much confidence, in one way or another, that we are virtually their agents; and, in fact, we press upon them more money than they request—as we have done now. This, to me, is not a rational procedure. To me, it is an indication that we are not very far removed from the old tribal society, and that the only thing we do with enthusiasm is to get ready to bash somebody in the snoot. That is the way Congress seems to operate continually.

Mr. ERVIN. But the congressional procedure——

Mr. FULBRIGHT. And it is a very casual one.

Mr. ERVIN. No——

Mr. FULBRIGHT. I say it is notorious that in many cases biggest bills are passed without even a record vote; or if there is a record vote, the bills are passed almost unanimously. I have read accounts of the passage by the House of $30 billion bills with only four or five Members on the floor. In short, the Members realize that the bill will be passed; so they ask, "Why go there and waste time on it?"

Mr. ERVIN. I want to thank the Senator from Arkansas for yielding. I also wish to ask him one other question. Does not the Senator have misgivings concerning a program which is based upon the thesis that we ought to tell any country that we aid that they are conducting their affairs unwisely?

Mr. FULBRIGHT. I have very great misgivings about this whole undertaking, and have had from the beginning. There is no question about that. The point at issue, it seems to me, is not that. In my view, the point at issue is that, since we have the program, and I am convinced we are going to have it whether I am for it or not, it is my purpose to try to make it as efficient as we can and try to give those in charge of it the appropriate tools with which to discharge their duties and obligations. It seems to me very unfair to have a program and expect them to carry it out, and then hogtie them so that they cannot do it.

As for the basic problem of whether we should be in this program at all, I have been very much bothered as to whether a country set up as we are, a huge continental country, dominated to a great extent by local and provincial interests, interests which are perfectly proper, will be able to conduct continuous programs in the international field that will be effective. I think we must resolve that question. I am not at all sure we can do it, because we are very inexperienced people in any kind of international relations except war. The only successful international enterprise which we have enjoyed is in the prosecution of war. We have done that twice in recent years. With nuclear weapons, I do not know. I will leave that for future discussion.

I share the Senator's misgivings. The United States can, with all its great virtue, provide a good life for its people, developing the country locally. But so far as concerns playing a responsible, intelligent part in international relations, I share the Senator's misgivings, because we refuse to give any continuity to plans, in any respect, not only in this field, but in other fields, for the next year or the year after. We always look at them as if they were domestic, local matters, and as though we were the city council.

I have misgivings about our capacity to run these programs. But the decision that we participate in international affairs was made before I came to Congress, and I have a feeling it will continue, because there is the feeling that we should participate. So we have this bill. We are going to pass it. The only point at issue is, are we going to give it a reasonably good chance to succeed, or tie it down so it will not have any chance to succeed? That is the only point at issue.

I solicit the Senator's sympathy. The question is not whether we should have a program or not. I have great misgivings——

Mr. ERVIN. Mr. President, if the Senator will yield, I wish to make an observation that I have very grave misgivings about a procedure which involves winning friends and influencing people by telling them they are acting a very

unwise way and that they should change their ways. I have had that kind of misgiving for a long time. I remember, as a child, hearing my maternal grandfather, whose name was William E. Powe, tell a story that one time many years before when he was driving a buggy by a house, he heard a woman in the house scream as if she was being murdered. He jumped out of the buggy, ran up to the house, looked through the open door and saw a man he knew beating his wife. My grandfather said, "John, you ought to be ashamed of yourself, beating your wife." Whereupon the wife reached down to the hearth picked up a skillet and brandished it at my grandfather, and said, "Mr. Powe, if my husband wishes to beat me, he has a perfect right to do it without strangers interfering."

I fear we are going to make more enemies than we make friends by going into countries and suggesting that they ought to change their ways.

I thank the Senator for his courtesy in yielding.

Mr. FULBRIGHT. I think the Senator can make a good case for his view, but I do not see that it is relevant as to how the program is financed. His point is relevant to whether the program should be in effect. However, in the Act of Bogotá, we did not inspire these provisions about reform. The Latin-American countries themselves were anxious to enter into the obligations of reform. I had the feeling, and still have, that many of the enlightened leaders, of which there are certainly some in those countries, desire the support of this country and our policies in helping them to achieve what they know to be necessary to bring their countries to a more enlightened and progressive administration. But I submit that what the Senator now mentions has nothing to do with how the program is financed. Even though he decides to vote against it because he is convinced—and I certainly have great respect for him; he is one of the most highly intellectual and intelligent Members of this body; and I have often observed it; and I regret I do not agree with him on this—and even if he is going to object to the whole program, at the same time recognizing, however, that it will probably be enacted, I ask him not to hogtie it so it will not be effective. Even though he thinks it is a misguided program that cannot succeed, at least give it a chance. Do not permit our commitments to be burdened with the hobbles which we all feel have developed in a program that is less than satisfactory and that needs improving.

Mr. President, I have taken longer than I intended to. I appreciate the interest of my colleagues in this matter. It is an important matter. I always regret that it follows an appropriation bill for the armed services, in which we have already approved a program for the expenditure of almost $50 billion, which was enacted with great enthusiasm. I heard no one saying it was a disagreeable or disappointing program. I venture to say it is not entirely without waste, as we use that term. I point out that $1,800 million of this program is for the military, and that fact should be realized. It is for military arms; it is not for economic improvement. I personally feel that economic improvement is of greater future significance to the country than military aid. But that military item is in here, and it should be realized that the same military personnel who are going to use the military appropriations are going to be the ones concerned with the $1,800 million provided in this bill.

Mr. ERVIN. Mr. President, if the Senator will yield, I will say that I look with favor upon a program which gives military aid to nations which have manifested a willingness to stand on the side of the free world in any possible Armageddon with Russia. However, with the bill as it is drawn, even though I favor the military aid, there is no way I can take the orange juice without taking the castor oil with which it is mixed.

Mr. FULBRIGHT. If I ever saw a country that needed castor oil, it is this one. I hope they will take it, if I can persuade them to do it. But it is a strange thing that, when the military appropriation bill comes before us, everybody falls over himself recommending it. This is not ICA military aid. The very same soldiers are going to administer this military aid as are going to administer the military appropriation bill.

Mr. ERVIN. Can the Senator tell me some way in which I can vote for the military part of the program without voting for the other part? Is that not a legislative impossibility?

Mr. FULBRIGHT. No. I suppose the Senator could move to strike out every part of the bill except for military aid. That is always possible. I do not know of any rule of the Senate that prevents him from moving to strike everything from the bill except the part pertaining to military aid. I hope he will not do that, but he has a right to do it.

Mr. ERVIN. But that is procedure which does not exist when the bill weathers such proposed amendments and is put on final passage.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SYMINGTON. Does the Senator not agree that when a country is extremely in need and is very new and requests no military aid be given to it, but a relatively small amount of economic aid, that request should be given some consideration from the standpoint of our foreign policy?

Mr. FULBRIGHT. I certainly would agree with the Senator. The subject opened up by the Senator from North Carolina is a very broad one. I was tempted to get into it, but I thought, having occupied the floor a very long time, it would be better not to enter into the wide general policies involved in the administration of this program.

Mr. SYMINGTON. Mr. President, I shall speak at further length on the bill.

Mr. FULBRIGHT. I hope the Senator will.

Mr. SYMINGTON. Based on what the Senator has said, I shall try to develop the point.

Mr. FULBRIGHT. I hope the Senator will. I do not wish to cut the Senator off. I simply do not care to occupy the time of the Senate too much.

Mr. SYMINGTON. I understand. I appreciate the Senator's courtesy. I do not consider myself to be cut off at all.

Mr. FULBRIGHT. I would welcome the Senator's observations. I hope he will make his comments when more Senators are present. As the Senator knows, few Senators are now present.

Mr. SYMINGTON. I think, considering the way the Senate has been going lately, a surprisingly large number of Senators are present.

Mr. FULBRIGHT. In any case, apropos of the remarks of the Senator from North Carolina, the broad subject brought up causes me to add only that when the Senator says he would advocate giving aid to those who pledged themselves to stand up in an Armageddon I do not disagree, to a point, but I would remind the Senator that the object of this program is not solely, nor perhaps even primarily, to win an Armageddon. The object of the program, I think, is to prevent having an Armageddon.

I know the Senator is aware of the fact that many responsible people say that if we have an Armageddon between 125 and 150 million people will be killed. Frankly, while I have gone along with all of the military appropriations, and shall continue to do so, it seems to me that some of us ought to be concerned with how to prevent an Armageddon from taking place.

Many people have concluded that this is hopeless and have said, "We are going to have a war anyway, so forget about anything designed to prevent the Armageddon."

Essentially the part of the program I am now talking about is designed not to win an Armageddon, but to try to create a condition which will prevent it from coming about. This is a program for peace, rather than a program of preventive war. We wish to prevent the outbreak of war, rather than to get the war over with.

I am always amazed when I see intelligent people get so frustrated that they say, "If we are going to have a war, let us have it now and get it over with, for I am tired of worrying about it." That is somewhat comparable to the man who jumped off the bridge, who said, "I am going to die some day, so I might as well get it over with." And he died then. This is the result of frustration and disappointment by lack of success of our policies.

I wish to say, since we have opened up the subject, I think many of us—I hope I do not—overstress our difficulties.

I note quotations in the newspapers. Many people say that we have lost the cold war, that the program has gone down the drain, that our program is no good at all. I think this is an utter exaggeration of the fact.

I noticed in this morning's newspaper that the British Empire has agreed to

join the Common Market. This is an extraordinarily significant thing, which passes almost unnoticed in our press, because of a preoccupation with hijacking. It is extremely important. If these people actually do merge their great countries, there will be a great advance in the power of the free peoples of the world. This is what has been lacking among us. I think if it happens, eventually, this country will give serious consideration to joining, and eventually will probably join, because it is in this direction in which the salvation of the free peoples lies.

These are very broad questions of policy which do not go to the question of financing of this particular activity. I wish to remind the Senator from North Carolina that the program is designed—perhaps only hopefully, but it is so designed—to try to prevent the Armageddon which he mentions in regard to the arms program.

It is not contended that this procedure will have no effect in limiting the authority of the Appropriations Committees and the Congress. While there will be unquestioned authority to reduce or even eliminate funds available for development lending, in practice the Appropriations Committees in the past have seldom exercised this authority with respect to such Government corporations and agencies as the Export-Import Bank.

The reason for this restraint lies in the fact that authorizing legislation sets forth the intent of Congress, and it is not properly within the domain of the Appropriations Committee to reverse the legislative intent through the device of reducing or eliminating the funds.

The distinction between legislation and the limitation of funds is one that is clear in theory but fuzzy in practice. The important point here is that under the aid bill and the Government Corporation Control Act it is left to the Congress to determine where the line is to be drawn. In short, the legislation before us does provide for restraint on the normal appropriations process, but it is self-restraint. This being so, there can be no danger of Executive usurpation. Congress is indeed being asked to give new authority to the Executive. The commitment is a real one, but it is also tentative, subject to modification or withdrawal.

Mr. President, I have a very fine editorial from the Kansas City Star entitled " 'Back-Door' Aid Is Just Business Sense." The Kansas City Star is one of the great conservative newspapers of this country. I ask unanimous consent to have the editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BACK-DOOR AID IS JUST GOOD BUSINESS SENSE

In less than a week, both the House and Senate Foreign Affairs Committees have endorsed President Kennedy's foreign aid program. Each committee made relatively small reductions in the recommended appropriation. But each approved what is the real heart of the program: the 5-year authority to borrow money from the Treasury for long-range aid to developing nations. On the floor, we can be sure, the fight will center on this so-called back-door spending. But committee approval should carry some weight.

It is unfortunate that this type of spending should be burdened with the prejudicial back-door title. It conjures up pictures of foreign aid people sneaking out of the Treasury, money sacks loaded, while no one was looking. The picture is false. Careful checks would still be possible. Congress would still hold the power of investigation.

Besides, how can we expect the developing nations to limit their development to 1 year at a time? Such a piecemeal approach is contrary to the recognized practices of private business and governments alike. It simply does not make sense.

Moreover, the money at issue would be used for loans, not grants. The House bill provides that the repaid loans would go into a revolving fund for aid purposes. The Senate committee calls for repayment to the Treasury general fund. At any rate, we have nothing here that approximates the giveaway.

We can understand the emotionalism that surrounds back-door spending in Congress. Many lawmakers regard the device as a method of bypassing the traditional authority of the Appropriations Committees. Obviously this method of spending authorization should be used with extreme caution. We would hate to see it become standard practice. But the Nation, and its Congress, must realize that in cold war, certain methods may be the most efficient, even though, under other circumstances, it would be better to avoid them.

Frankly, we would be much happier if this were a time in which the great burden of aid could be laid down and forgotten. But today the United States has no choice. The expense must be borne. The job must be done. It must be done in the most efficient manner possible.

Back-door spending is simply a means of obtaining efficiency. In effect, it means that the United States would be able to assure the developing nations that they could safely plan ahead. It would let them know that a change in the political climate here would not cut off their source of borrowing. It is ridiculous to think that the other countries can move forward on a year-to-year basis. Yet the recipient nations have no assurance, at present, that a project once started will not have to be halted for lack of funds.

Under back-door spending Congress would retain its control over the total amount to be passed out in loans. It would be able to extend the program, once the 5 years have ended, or to end it then and there. Perhaps, at the end of 5 years, so massive an aid effort would no longer be necessary.

Mr. FULBRIGHT. Mr. President, the enactment of the borrowing authority in the aid bill will thus constitute an expression of intent on the part of Congress to provide funds over the 5-year period. The executive branch will be free to make conditional commitments of these funds. In effect, the burden of initiative is shifted from the Executive to Congress. The Executive will be entitled to assume that funds will be available while Congress, if it chooses, can reduce or withhold funds for affirmative reason.

The Executive is further required to submit quarterly reports on lending operations to Congress and an annual presentation covering all development lending operations must be made available to the authorizing committees of Congress. The ultimate authority of Congress is retained in its power at any time to change the lending criteria or to curtail or even to end the borrowing authority or any part of it.

While Congress thus retains legislative control, the program would have the great merit of encouraging recipient countries to undertake comprehensive development plans with reasonable assurance that programs undertaken would be supported through completion. Continuity is essential to economic growth. Without it there can be neither efficient nor economic use of resources. Moreover, our ability to pledge aid in advance should be a major factor in obtaining assurances of contributions from other industrialized countries. The Committee on Foreign Relations firmly believes that the long-term borrowing authority "will promote efficiency, economy, and above all, durable economic growth."

The Soviet Union has most skillfully used its ability to make long-range commitments for the purpose of subjecting developing nations to economic dependence on Soviet support. The long-term borrowing authority will enable the United States to help developing nations to become self-sufficient, independent of American support and of Communist enticements as well.

Supplementing the hard loans for development, the bill authorizes $380 million in development grants. This category of aid is comparable to technical assistance under existing programs. In short, it is intended principally for the development of human resources in societies still in the earlier stages of economic development.

The military assistance provisions of the bill are based on the conviction of Congress, as expressed in section 502 of the bill, that "the security of the United States is strengthened by the security of other free and independent countries."

Mr. GORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GORE. Before the Senator proceeds further beyond the treatment of the loan program, I wish to invite to his attention the fact that many people refer to the loan program as a giveaway program. It is true that some loans may never be repaid. I suppose every bank operates upon the assumption of such a possibility.

Lest this canard go unanswered, I should like to invite to the Senator's attention the fact that through Democratic and Republican administrations from July 1, 1945, to June 30, 1960, the U.S. Government has issued credits to the extent of $18,654 million, and $6,588 mil-

lion of that amount has been repaid. Will the Senator be kind enough to permit me to have printed at this point in the RECORD a tabulation showing not only the total credits utilized and loans repaid, but also a breakdown as to countries?

Mr. FULBRIGHT. I think it would be very fine to have it in the RECORD. I ask unanimous consent that the table supplied by the Senator from Tennessee be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Total U.S. credits utilized, and loans repaid, July 1, 1945–June 30, 1960

[Millions of dollars]

	Credits utilized	Loans repaid [1]	Loans outstanding June 30, 1960 [2]
Grand total	18,654	6,588	12,862
Far East	1,784	1,026	806
Burma	17	4	13
China, Republic of	305	132	222
Indonesia	183	49	134
Japan	967	730	237
Korea	28	4	24
Philippines	196	100	96
Thailand	38	7	30
Vietnam	50	(3)	50
Near East and south Asia	1,786	403	1,523
Near East	969	230	752
Greece	190	68	120
Iran	195	19	176
Iraq	1	1	(3)
Israel	310	59	252
Jordan	(3)		(3)
Lebanon	2	2	
Saudi Arabia	19	17	15
Turkey	209	46	164
United Arab Republic	43	18	25
South Asia	817	173	771
Afghanistan	51		51
Ceylon	6	(3)	5
India	550	139	502
Pakistan	210	34	213
Africa	247	72	180
Algeria	1	(3)	(3)
Angola	(3)	(3)	(3)
British East Africa	2	(3)	2
Congo (Leopoldville)	2	2	
Equatorial Africa (French)	4	1	2
Ethiopia	11	10	5
Liberia	43	7	40
Libya	3		3
Morocco	110	18	92
Nigeria	1	1	
Rhodesia and Nyasaland	61	33	27
Somali Republic	(3)		(3)
Sudan	5		5
Tunisia	4		4
Latin America	2,700	1,205	1,689
Argentina	289	69	220
Bolivia	45	9	36
Brazil	1,020	487	589
Chile	250	113	152
Colombia	220	93	138
Costa Rica	15	7	15
Cuba	48	14	36
Ecuador	43	17	31
El Salvador	1	2	
Guatemala	3	2	1
Haiti	26	6	28
Honduras	7	2	6
Mexico	410	217	201
Nicaragua	3	4	3
Panama	8	4	4
Paraguay	18	6	17
Peru	202	36	166
Uruguay	16	14	8
West Indies	21	21	
Venezuela	24	20	6
Unspecified	32	62	32
Europe	11,314	3,478	8,188
Austria	79	37	42
Belgium-Luxembourg	245	121	124
Denmark	57	15	42
France	2,503	944	1,557
Germany (Federal Republic)	1,356	510	845
Iceland	26	1	25
Ireland	128	4	124
Italy	548	306	242
Netherlands	439	261	214
Norway	141	88	53
Poland	134	34	103
Portugal	57	8	48
Spain	232	41	192
Sweden	24	7	17
United Kingdom	5,035	1,073	4,278
Yugoslavia	210	19	191
Coal, Steel Community	100	9	91
Other	65	15	50
United Nations	65	15	50
Other, non-MSP programs	758	388	424
Australia	14	19	3
Canada	163	170	
Czechoslovakia	30	25	5
Finland	145	75	94
New Caledonia	2	(3)	
New Zealand	18	9	9
Hungary	16	6	10
Union of South Africa	148	64	84
U.S.S.R.	222	4	219
Other Arabian Peninsulas (Bahrein)		16	

[1] These repayments are the total during the period, and are not necessarily against the credits utilized during the period, as they include repayments against loans extended prior to fiscal year 1946.

[2] See the following:

Loans outstanding on June 30, 1960	$12,862
Repayable in local currency	3,436
Repayable in dollars	9,426

[3] Less than $500,000.

Source: "Foreign Grants and Credits by the U.S. Government," June 1960.

Mr. FULBRIGHT. I wish to make clear that approximately 2 or 3 years ago we authorized the making of loans available in local currency. I believe the authorization has been greatly misunderstood. Some of those so-called loans were not loans in the true sense and should not be interpreted as such, because under the provisions of the act, they were repayable in local currency, but the local currency was retained for investment in the country. For practical purposes that type of loan is a form of grant.

Mr. GORE. I agree. However, it is a grant limited by the ability of the United States to direct expenditures for purposes of its own choosing in agreement with the recipient country.

Mr. FULBRIGHT. The Senator is correct. I think the project served a legitimate national interest. That is not the point. I agree that it does, and we justified it to those who look at the loans in an orthodox manner as a bank loan. It was intended to be considered as such.

Mr. GORE. It was never intended that so many dollars would be repaid to the Treasury of the United States.

Mr. FULBRIGHT. The Senator is correct.

Mr. GORE. But the local currency is available for the use of the United States within those countries for the purposes of our own choosing and subject to agreement with those countries.

Mr. FULBRIGHT. Yes, mutual agreement.

This debate reminds me of the analogy of the RFC. One of the reasons the RFC was often misunderstood was that, in addition to its lending authority, which was legitimate and well conducted, by and large, from time to time Congress passed bills directing the RFC to subsidize a domestic producer of a commodity. This subsidization was confusing in the minds of the public, and the RFC lost a great deal of money. But they were only carrying out the will and direction of Congress.

Mr. GORE. The same problem arose with respect to the Commodity Credit Corporation.

Mr. FULBRIGHT. The Senator is correct. The agency does only what Congress directs it to do, which is to pay

a subsidy. In making this kind of loan, the foreign aid program would be doing only what we would tell them to do, which is to make this type of loan, which is really not repayable in dollars and should not be considered a regular loan.

Mr. GORE. The use of agricultural surplus commodities brought some criticism of that program.

Mr. FULBRIGHT. That is true. In the rush of modern life and the inadequacy of newspaper coverage, it was not clarified.

Mr. GORE. But so far as the bill is concerned, the loans are not to be repayable in local currencies.

Mr. FULBRIGHT. With respect to the Development Loan Fund, which we are discussing, the Senator is correct. Those loans are repayable specifically in dollars, and only in those cases in which there is a reasonable prospect of repayment as provided in the bill.

A 2-year authorization is provided under which the sum of $1.8 billion is made available for each of the fiscal years 1962 and 1963, with the funds to remain available until expended. It is specified that military assistance to any country is to be furnished only for internal security, for legitimate self-defense, and for participation in collective security arrangements consistent with the United Nations Charter. It is also recommended that military assistance programs encourage the less developed recipient countries to use their military forces in projects of economic development. The emphasis of the program is on assistance to countries, particularly those bordering on the Sino-Soviet empire, which face the threat of external aggression, internal subversion, or both.

Many Americans have become disillusioned with the foreign aid program, as with other aspects of our foreign policy, because after years of sustained efforts the vision of a secure and peaceful world seems as remote as ever. It is felt that we have done all of the proper, decent, and noble things, but to no avail. This widespread feeling of frustration results largely from the discovery that we are not able to fix things up quickly, that in spite of our prodigious efforts, a free, secure, and prosperous world has not resulted.

These despairing views reflect both excessive hopes and an unduly pessimistic assessment of the accomplishments of recent years. We have not yet fully accepted the fact that there are limits to foreign policy, that there are no absolute solutions to the problems that beset us. I think that our pessimism is rooted in the grand old American idea that "we can do anything, and do it quickly once and for all." It was a splendid idea, reflecting the effervescence of our youth as a nation. Now we have come of age and we must recognize that some problems cannot be solved but can only be mitigated and some we must learn to live with. The lesson is not an easy one, but once we have learned it, I suspect, much of our pessimism will give way, if not to vibrant optimism then at least to a mature serenity.

There are those among us who contend that foreign aid is good money thrown after bad, that the underdeveloped and uncommitted nations are irretrievably hostile to Western democracy and increasingly receptive to the enticements of communism. I believe this defeatism to be profoundly mistaken and unwarranted. It falsely equates the designs of Communist imperialism with the worldwide movements of social reform and social revolution which almost everywhere seek economic well-being, social justice, national independence, and nonalinement with the great powers.

The result of this confusion is unwarranted despair and a tendency at times to "write off" nations that in fact are not "gone." In 1955, for example, we were told that Egypt, Syria, and Iraq, and all of the oil of the Persian Gulf, were "gone" or "going." When we look at this area now, we see that none of these countries have become Communist. The United Arab Republic has stirred the wrath of Premier Khrushchev by its policy of continuing to consign its local Communists to jail. Colonel Nasser played a decisive role in preventing the flow of Soviet arms to rebel forces in the Congo. A more recent example is provided by Guinea, which 6 months ago was being written off as "gone." Now, despite—or perhaps because of—the presence of several hundred Soviet technicians, Guinea is clearly not "slipping into the Soviet orbit" and the chances are good that it will ultimately line up with the rest of independent Africa as a neutralist state.

The wave of the future is not Communist domination of the world according to the Marxian scripture. The wave of the future is social reform and social revolution driving toward the goals of national independence, social justice, and a better material life for the two-thirds of mankind who live in bitter deprivation. As Walter Lippmann wrote in a recent article: "If we make our own policy one of opposition to this worldwide movement of social change, we shall lose the cold war and Mr. Khrushchev's hopes will be realized. If, on the other hand, we befriend and support with active measures the movements of social change, their leaders will not submit to Moscow because they do not have to submit to Moscow. They do not wish to submit to Moscow because what they want is independence."

Perhaps a concrete illustration can help to illuminate the way in which our foreign aid program contributes to the worldwide drive for social reform and economic advance.

The Iranian village of Barquijan is a small community of 1,500 people. Its story is reported by Mr. Roy Vicker in a recent article in the Wall Street Journal. For 2,000 years Barquijan was isolated by mountains from the outside world. In 1959, the American aid program advanced $4,000 for tools, engineering assistance, and cement for the construction of a road. Over a period of 12 months the villagers built the road with picks, shovels, and wheelbarrows. The building of a road to the outside world was the central fact in opening the door to the 20th century for the people of Barquijan. Before it was built fertile lands could not be developed for lack of markets. The villagers raised only what they could store and eat and had little money for the lean time of year before the new crops are harvested.

The road has broken the pattern of 2,000 years. Daily bus and truck service now connects the village with the outside world. The road made it possible to lure teachers to Barquijan and a new six-room schoolhouse is now in operation. Many new projects were stimulated by the road: A foot bridge, two new mosques, a community bath. A government health officer now comes to examine the villagers every 10 days instead of once a year. This means a great deal to a community where formerly 5 of every 10 children died before reaching their teens. One hundred and twenty-five acres of new land have been put under cultivation now that the villagers can send their produce to outside markets.

Barquijan is a very small but very impressive example of what can be done when a modest amount of American aid—$4,000 in this case—is placed at the disposal of local populations who have the will to help themselves.

A more comprehensive if less dramatic story is told by a few statistics. In South Vietnam, despite chronic internal strife, agricultural production doubled between 1955 and 1960 and electric power production increased by more than 40 percent. In India, the gross national product in stable prices went up 19 percent between 1955 and 1960; industrial production increased 38 percent; electric power production increased 87 percent. In Pakistan agricultural production increased by 17 percent, industrial production by 61 percent, electric power production by 162 percent. The comparable figures for the United States for the period between 1955 and 1960 are: agricultural production up 14 percent, industrial production up 12 percent, and electric power production up 33 percent.

American assistance has played a major role in these impressive achievements. In a few areas, however, the contribution of our aid has been vitiated by waste and inefficiency, feudal conditions, and corruption among officials and administrators. The few instances of failure must be the object of our close concern and the subject of thoroughgoing reappraisal. In advocating such reappraisal I cannot emphasize too strongly the importance of maintaining a rigorous sense of proportion. There could be no greater folly than a descent into black pessimism over the whole foreign aid program because of a very few instances of inadequate performance. The program on the whole has been productive and the legislation now before the Senate represents a significant departure toward programs that promise to be more productive than even our most successful efforts in the past.

Having made these extremely important qualifications, I, for one, am not willing to be bound by an uncritical orthodoxy that seems to afflict some of the most sincere and zealous supporters of foreign aid. There have been fail-

ures and disappointments and the highest purposes of our foreign aid program and of our foreign policy in general are ill served by halfhearted rationalizations designed to explain away these failures. It is a far more constructive contribution to explore the causes of isolated failure with a view to remedy and more effective performance in the future.

The Republic of Korea is a striking example of performance for short of reasonable hopes and expectations. Admittedly Korea is in many respects a special case warranting special treatment. Korea is a classic example of the problem of balancing the special case of a client state to which the United States is deeply committed against the requirements of worldwide policy. In the words of George Liska, author of a recently published book on foreign aid as an instrument of American foreign policy:

> The policymaker's dilemma is chiefly this: how much should each decision fit the particular case rather than conform to the requirements of consistency and coherence of the overall foreign aid policy. The two requirements are equal in standing as long as they are reconcilable; if they are not, the second must prevail.

Between 1946 and 1960 the United States extended almost $3 billion to Korea in economic aid and over $1.5 billion in military aid, a total of almost $4.5 billion.

There is little to show for this massive infusion of American capital. While it is readily understood that the results of our initial aid were more than wiped out by the ravages of war, the fact is that results have been extremely disappointing in the 8 years since the end of the Korean war.

Mr. President, to further illustrate these points, I ask unanimous consent to have printed in the RECORD at this point an article entitled "Korean Business Still at a Standstill," by Alan Cline, which appeared in the Washington Post on July 31.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GLOBAL TRADE: KOREAN BUSINESS STILL AT A STANDSTILL

(By Alan Cline)

SEOUL, July 30.—After pumping $4.5 billion into South Korea since the end of the Korean war, the United States has an ally considered strong militarily but economically on the ropes.

A close look at one of America's most costly wards shows a peninsula of poverty where the average annual wage totals $60. Unemployment in the overcrowded land of 25 million approaches the 3 million mark.

The military men who ousted the elected government of Premier John M. Chang May 16 used the extreme depressed state of the nation as a prime reason for their coup.

Ten weeks later there is no change economically. Business remains at a standstill.

What happened to the $2.5 billion in economic aid alone poured into South Korea since the end of the Korean war in 1953?

Why did the Senate Foreign Relations Committee only last week say results of the aid program have been discouraging—to put the case mildly?

There is no clear-cut answer to this complex situation. Americans tend to blame the Koreans. The Koreans blame their past Governments and the Americans.

Not to be discounted is the 600,000-man South Korean army, said to be necessary to protect the country from invasion from the Communist North.

The military eats up nearly half the annual budget—nearly $500 million this year—and gets millions in support and equipment from the United States.

American aid officials here in the main do not see the $2.5 billion in economic assistance as a sorry waste. They cite one pertinent fact: South Korea still is in the Western camp.

The most glaring example of dollar loss is in the 29 factories completed with the aid of U.S. dollars but not operating. Most of the $2,747,000 involved went for machinery. Only 26.3 percent of the 114 projects completed at a cost of $15,893,000 are operating at a 100 percent capacity.

The Americans say what happened was that the Korean wanting to build went to the Government Reconstruction Bank and applied for a loan. In most cases of failure, it was a case of faulty financing. But if the bank didn't object and the man's papers were in order the loan was made.

A loan for a new small business project hasn't been granted since 1958.

The American economic people here point out that aid began in a postwar period in a land of total devastation. The main aim was restoration—transportation, power, some semblance of a working economy—and, of course, to feed the people. Mistakes may have been made in those early days, said one American, but they were human errors caused by the impatience of well meaning men to get something done in a hurry.

There are other reasons for the plight of the Korean economy.

It was unbalanced, abnormal, fragile, and backward after the country was freed from 50 years of Japanese rule in 1945. The Korean has his own way of doing business. Some of his methods are part of tradition. Keeping three sets of books as a means of dodging taxes and the tendency to bribe officials when seeking favor are not the ideal ways to build a stable economy.

A handful of industrialists control the economy. They were in solid with past governments. They asked for favors. The U.S. administration at the time supported the existing government and the American officials here went along with what the Korean Government wanted. Now there is a lack of sufficient managerial and technical talent.

Now there also is a feeling among many Koreans that the United States is using their country as a dumping ground for its surplus products.

Especially disturbing is the "Buy American" policy which requires the Korean using American aid dollars to buy and ship American.

The businessman would rather trade with Japan. He can buy there cheaper, ship cheaper and save money on interest rates for the hwan loan he needs to get the aid dollars.

He cannot get too excited about America's problems with gold reserves and foreign exchange. What he wants is a fast return on his investment and "Buy American" is hampering that. Some Koreans contend shipment of surplus farm commodities, despite its use in feeding hungry people, only hurts the local price structure.

"We cannot deny management of American funds was not perfect under the former corrupt regimes," says Premier Song Yo-Chan, a retired lieutenant general. But he claims all that has been changed now and America and the Western allies should provide Korea with more aid than in the past.

Mr. FULBRIGHT. Mr. President, on all counts except literacy, Korea remains today a country still in a very early stage of development, deficient in the preconditions for sustained economic growth. The Government has been chronically unstable, marked by incompetent administration, widespread corruption, and, except for a brief period, by totalitarian rule. Communications and public services remain primitive. Per capita gross national product has increased only to a very small degree and there is widespread unemployment and underemployment.

A strong case can be made for the thesis that American funds have been used inefficiently and that American interests and objectives in connection with their use have not been adequately defined and defended. According to the study of American foreign policy in Asia prepared by Conlon Associates, Ltd., for the Committee on Foreign Relations in 1959:

> Basically, we have had a weak policy toward Korea in terms of stipulations, controls, and supervision. We have usually invoked the time-honored maxim noninterference in the internal affairs of another State, despite the fact that massive aid obviously is interference and our responsibility for overall trends in Korea—and its ultimate defense—cannot be avoided. Our techniques of aid, and our responsibilities in connection with aid need to be basically reassessed.

Taiwan is another special case as to which legitimate questions may be raised regarding our foreign aid investment. Since 1946 we have provided Nationalist China with almost $1.9 billion in economic aid and over $2 billion in military aid, for a total of almost $3.9 billion. We have provided more overall assistance to Korea and almost as much for Taiwan as for all of the countries of Latin America, which since 1946, have received aggregate aid amounting to something over $4.4 billion. The exceutive branch is on notice that these cases will be exhaustively reviewed by the Committee on Foreign Relations next year, and that new arguments may be required to justify some of them.

Our resources are limited. Because they are, it is imperative that the requirements of our overall foreign aid policy interests, take priority over aid policy, and indeed of our overall foreign policy interests, take priority over the needs of special cases. It seems advisable, therefore, that the executive branch soon undertake a thoroughgoing reappraisal of foreign aid, setting each category of aid and each country program against the requirements of overall policy. The guiding principle of such a reappraisal must be the basic long-range interests of the United States. We cannot afford—either politically or economically—to permit our aid program to be dominated by obsolete predilections which have been frozen into public opinion or by sentimental attachments to old friends and lost causes.

It is now over a decade since the provision of economic assistance on a planned and organized basis became an established instrument of American foreign policy. On the basis of this experience it should now be possible to devise an overall concept of foreign aid rooted

both in the national interest and in the realities of economic development.

In the past we have erroneously assumed that the overriding or even sole requirement for the development of a poor country was foreign capital and a certain amount of technical assistance. There are other requirements which are the indispensable preconditions for economic growth. There can be no durable, self-sustaining growth in the absence of a substantial degree of literacy and at at least a small number of people with the higher education and technical skills needed for the managerial and technical tasks of development. There must also be a substantial degree of social justice—if the ordinary individual is to contribute to the development program of his country, he must be free of the yoke of usurers and feudal landlords and given a personal stake in his country's future.

An effective and reasonably honest apparatus of Government and public administration is indispensable—there can be no self-sustaining growth in the absence of law and order and the capacity for planning, organization, and the management of fiscal and material resources. There must also be a clear and purposeful view of what development involves—it must be understood in hard economic terms and not merely in the romantic terms of nationalist feeling. Successful development programs require all these before large-scale capital investment can be productively employed.

We can and should assist those countries which lack some or all of the preconditions for sustained growth. But we must assist them with the things that they immediately need, not with great infusions of capital that they lack the capacity to absorb. Our assistance to such countries must consist of programs of predevelopment while our overall aid program must attack all of the barriers to growth. Education, social reform, and public administration are thus seen to be as important as capital investment.

It follows that the great bulk of development funds under our foreign-aid program must be concentrated on those countries which have largely fulfilled the preconditions for growth. The Secretary of State expressed this proposition admirably in his statement to the committee on May 31. Humiliating strings must be avoided, he said:

> But we do believe that our investments should be good investments, that we should be given something to support, and that honest and diligent administration is indispensable if outside help is to be productive. Self-help must be our principal string—and an insistent one.

Certain countries have largely fulfilled the preliminary requirements for development. Among these are Pakistan, India, Brazil, and perhaps also Ghana and Nigeria. In India there is a large literate minority and a highly educated elite, a considerable degree of social justice, an effective administration, and a clear sense of direction. As a result, India has been making substantial industrial progress.

The aid program reflected in the bill before the Senate is in great measure oriented to these considerations. Approximately three-fourths of the funds intended for development lending are earmarked for India, Pakistan, and Brazil—all countries which have largely fulfilled the prerequisites for economic growth. These are key countries both economically and politically. They are committed to realistic development plans. Their prestige and influence are on the rise and their examples are certain to exert a powerful attraction on other countries which are economically underdeveloped and politically uncommitted. Our aid to them, by all reasonable calculations, is an excellent investment toward the realization of self-sustaining growth.

If the development programs of such countries are successful, it is not unreasonable to hope that in due course they will be able to share the burden of assisting in the development of their smaller and weaker neighbors. If some of the large sums that have been expended to little avail in Korea and Taiwan had instead been invested in India and Brazil, those countries would now in all probability be considerably farther along the road to self-sustaining growth.

The program before us is a worthy start toward an aid policy based on rigorous selectivity according to where the prospects of success are greatest. It is my hope that the executive branch will continue to reassess overall aid policies. As John Kenneth Galbraith wrote in a recent article on the requirements of economic growth:

> We must have a design for economic development which extends to all of the barriers to advance; it must be adaptable to the situation of the individual country; and we must have some objective test of progress. We can no longer allow ourselves to assume progress where, in fact, there is none. If we are contributing to development, we need to know it and stick to our course. If we are on the wrong path, we also need to know it and change.

An extremely important factor in the new phase which foreign aid has entered is the fact that the United States need no longer bear the aid burden alone. The major powers of Western Europe, themselves the important prominent beneficiaries of American assistance, are now in a position to make important contributions to the development of the southern continents. One of the principal purposes of the Organization for Economic Cooperation and Development is to coordinate the aid programs of the Western nations and Japan.

In the words of the committee report:

> The pattern for the future of foreign aid is being laid down now; and 1961 should be regarded by future historians as the transitional year in which the United States, Japan, and Western Europe joined their efforts to narrow the dangerously widening gap between the rich societies and the poor.

The wealthy nations of Europe are giving increasing recognition to their political and moral obligation to share the burden of assisting the underdeveloped lands. This does not mean that the responsibilities of the United States will be lightened. It means that the other wealthy nations of the free world are ready to make proportionate contributions. Together with the United States, these countries have a preponderance of the world's financial, scientific, and technological resources. They are now ready to put these to generous use. As the London Economist recently put it, there is a desperate need for "the idealism of the old world to redress the aid weariness of the new."

Our aid program, as I said at the beginning of these remarks, is a calculated risk. It is not the solution to all problems and it may fail altogether. By every reasonable calculation, however, it will not fail. A realistic assessment of the powerful forces of social change that engulf the world suggests that a continuing aid program that is wisely conceived and executed is the best possible investment we can make toward the realization of a new world community of free and prosperous nations. No objective is more clearly in the interests of the United States.

Self-interest alone, however enlightened, is not an adequate guidepost for our assistance to the poor nations of the world. There is a moral compulsion as well, a simple acknowledgment of the fact that we cannot honorably live in a world in which we are growing ever more affluent while hundreds of millions of people sink deeper into misery and deprivation. Surely considerations of social justice, humane concern, and Christian compassion are, in the final analysis, a more compelling motive than narrow self-interest.

Mr. COOPER previously said: Mr. President, I know it is appropriate that the chairman of the Foreign Relations Committee, and the one who will handle the bill on the floor should speak first in this debate, but he has been very kind to permit me to speak at this time briefly, because I cannot speak very long.

I ask unanimous consent that my remarks of 6 or 7 minutes may follow his in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COOPER. Mr. President, as the debate on S. 1983 proceeds, I expect to elaborate my reasons for supporting the committee bill, which embodies the President's recommendations for foreign aid. Today, in this short statement, I express my strong support of the provisions of the bill which insure the continuity of our foreign-aid program over a period of 5 years, and its effective financing by means of Treasury borrowing, within dollar limits fixed by the Congress.

My support of a 5-year program and long-term financing is not new. In 1955 and 1956, when I was serving as Ambassador of the United States to India, I saw then that the system of yearly appropriations limited the effective and economical use of our aid funds—large as they were. In 1956, I recommended to the Department of State that a 5-, or even a 10-year, program should be adopted, and some means of capital financing provided. And in speeches in

the Senate and throughout the country since that time, I have continued to urge long-term financing as an imperative condition toward making our foreign-aid program truly effective.

Newly developing countries with meager resources must plan the careful use of their meager funds and of the foreign assistance which may be made available to them over a period of years. This is particularly true with respect to the development of wealth-generating industrial projects upon which economic growth, employment, and production of consumer and capital goods must ultimately depend. These major projects cannot be planned or completed in a year, or 2 or 3 years, in these backward countries, just as they cannot be completed in our own country. It follows that the governments of these countries cannot plan or use with maximum effectiveness our assistance—large as it may be—because they cannot be assured that American aid will be forthcoming beyond the current year. As a result, I saw that a portion of our aid tended to drift into less-important projects, and our foreign aid personnel—already too large—grew and grew to manage these secondary projects.

I saw also that the Soviet Union aid program, with its 12- to 15-year loans at low interest rates, often was better designed to meet the needs of the developing countries, particularly in the construction of large industrial projects, than was the U.S. program.

I must say I think the term "back-door financing" is a misnomer and a diversion in this debate on foreign aid. Treasury borrowing has been accepted by the Congress since 1933, for at least 25 programs, because it is appropriate to lending programs and because the Congress likes these programs, perhaps, better than foreign aid. Examples are the Commodity Credit Corporation, for which Treasury borrowing is approved year after year for the price support and disposal of surplus agricultural products, our housing program, and the operations of the Export-Import Bank.

Treasury financing is appropriate to lending operations of the Development Loan Fund of our foreign-aid program which would make loans to the developing countries on a long-term basis, at low interest rates. In the consideration of this bill, we ought not to be diverted from the true issue by the slogan—the fictitious term—"back-door spending." The Congress should apply the same test to Treasury borrowing as a means of financing the foreign-aid program that it applies to other congressional approved programs financed by Treasury borrowing.

The true issue is clear. We must decide whether Treasury borrowing is a better means of financing our foreign-aid program than yearly appropriations. Will it make our foreign-aid program more effective? Will it insure a more economical use of our revenues? Will it be more likely to attract the aid of other industrially developed countries? And, in doing these things, will the Treasury borrowing give greater assurance that the foreign policy objectives of our foreign-aid program may be attained?

Despite all the objections made to foreign aid, it has continued since World War II—and we know that it will continue for many years. This being true, I believe it is the obligation of the Congress to provide the means to give our foreign-aid program maximum effectiveness. I believe year-to-year appropriations have not given it maximum effectiveness, and that the 5-year assurance of funds through Treasury borrowing can do so.

If we do not make this decision this year, our foreign-aid program will continue to creak along, disillusioning and disappointing our country, because it cannot develop maximum effectiveness, because it cannot be the best program for our country and for the countries we help, and because it is likely to become second-best in those countries where both the United States and the Soviet Union have aid programs.

Finally, I hope very much that the Republican Party will not accept the slogan "Back-Door Spending," and allow its attention to be diverted from the true issues involved and from the important goals of our foreign-aid program. Our party holds that it believes in the economical use of our resources. We ask often for a new initiative in our foreign policy—and foreign aid is an aspect of our foreign policy. This is the chance to use the power of the Republican Party in the Congress to move toward achievement of these aims. I point out that it was President Eisenhower and Secretary of State John Foster Dulles who, in 1957, first urged the Congress to adopt Treasury borrowing over a 3-year period, and said that it was an imperative necessity to make our foreign-aid program effective. And in that year, when the Senate voted on this plan, 35 of the 46 Republicans in the Senate supported it. Even if later withdrawn, their reasons are even more cogent and persuasive today than they were in 1957.

We owe it to the people of this country, who contribute large sums for foreign aid, to make our program truly effective. And in this day when the people of our country and free peoples throughout the world are concerned about the threat of war, the adoption of a 5-year program, with adequate and assured financing, will give notice to the world that the United States intends to pull through the Berlin crisis. It will indicate that we are creative in policy, and that we are still concerned with the necessity of assisting the developing countries to raise the standards of living of their people, because this is an important requirement of a peaceful and just world.

Mr. JAVITS. Mr. President, I commend my colleague from Kentucky, who, with his usual perception in the foreign policy field, has made some very important statements with respect to his support of the bill. I wish to add one other point with respect to my party.

We are a party of business. We should be proud of it. We should cause that to be one of the reasons we are commended to the American people.

Mr. President, for the party of business to show itself, through a majority, to be in opposition to a long-term program dealing with the fundamental financing or development of a particular country or of a particular area would indeed be an anomaly. I hope, along with the Senator from Kentucky, that the majority of the Members on this side of the aisle will be found on the side of that businesslike approach to foreign aid.

Secondly, it seems to me—and I urge my colleague from Kentucky to give this consideration—that if there is one thing to which my party should devote its attention it is the private enterprise participation in the foreign aid program, which is to this day its greatest lack.

The closest we have come to that is a billion dollars in guarantees for overseas private investment.

In terms of the enormous pool of technical and professional personnel in American business, in terms of the brains and the resources of American business and management, these things have not begun to be tied in to the foreign aid program. I should like to see my party devote its efforts to seeing that in every mission abroad there is an important component of American business—and that includes American labor and American farmers—as well as Government employees in Government service from the Foreign Service or other services. That, to my mind, would be the real way to make the foreign aid program work.

I should like to see counterpart activities in each of these countries by their own private enterprise systems, to coordinate with ours. That, and the implementation of it, would be a real mission for my party to achieve.

I cannot see how we can possibly oppose long-term financing for long-term efforts when every business tells us one needs at least a 5- or 10-year term in order to work out a long-term development program. That is what these programs are.

Mr. President, I would have hoped that private enterprise participation—and I shall have some amendments on that score as we go along—would have been one of the two big questions with respect to the bill.

Instead, we are a little bit bogged down—and I do not use that term invidiously, because I have the highest respect for the Senators involved—with the question of the so-called back-door financing.

I should like to add to what my colleague, the Senator from Kentucky, so eloquently stated, without repeating, the following point. If we are talking about congressional control, I have made a very intimate study of the bill, and I have come to the conclusion that the only thing needed is a coordinated auditing medium to gather up all of the threads which exist. The bill itself is

full of checks and balances in terms of congressional control and in terms of the authority of the Appropriations Committee to act in the most decisive way on every possible appropriation.

Mr. President, the key to everything we do is the power of the Congress, through its established Houses, without the President, to adopt a concurrent resolution to terminate any program. This is contained in section 617 of the bill. I have had experience with such a provision, because I joined in causing such a provision to be inserted into the original Marshall plan bill when I was a member of the House Committee on Foreign Affairs. I shall file a legal brief and shall be prepared to argue the question as to the validity of this kind of provision in the bill and as to its effectiveness, if we would only use it.

Second, I invite attention to the whole network of controls; through the Government Corporation Control Act, which is made applicable by section 203(b); through the Comptroller General's authority, which is made applicable by section 613(d) and section 635(f)(5); through the reports to the committees and the power of the committees to compel the production of papers and books so that they may investigate, which is made applicable by section 204, section 634(c) and section 634(d); and finally, Mr. President, through the power of the Inspector General, an official appointed by the Congress, which is continued in effect by section 642(a)(2) of the bill.

I shall be discussing these things later on in detail, but I thought, in setting the frame of reference for the struggle about this problem, it would be useful to outline the legal situation.

I close, Mr. President, upon another note. I am for, and I shall support, some coordinating committee medium. I have not as yet heard any proposal which would do the job of picking up all the threads of control and vesting them in one central authority, in terms of some congressional committee, which could then put them into action in terms of implementation by legislative recommendations to both bodies of the Congress.

This is the way to have business administration and at the same time to preserve the authority of the Congress. The other ways being proposed will only hamper us in doing what the very long-term authority proposed we should do, which is to redeem the program from the superficial basis in which it has been bogged down for years.

Mr. President, so far as Communist competition is concerned, I hope that we shall have an adequate debate on the floor in this regard. We are no longer alone in foreign aid. We face the Communists, both the Soviet Union and Red China.

Finally, let us recognize that whereas the Russian offensive is one of backing insurrections and subversion in particular countries, in the manifold ways in which they do it, and by aggression, direct and indirect, our offensive is in this very program. People talk about what we are going to do to defeat communism and to win for freedom. This is it. This is what we are going to do. This is the offensive of the United States.

Let us see, Mr. President, whether we can think in the dimensions we thought only a few minutes ago, when we voted unanimously for the armed services program, which is for defense. This program, Mr. President, is for the kind of offense we want, the kind of offense we should provide, for Mr. Khrushchev has said he will bury us. This is the kind of offense we ought to welcome, because we are the greatest business and production power the earth has ever seen.

Mr. President, I deeply feel that if we take this line our allies all will be with us, because it will be good for them not only in terms of their security, something they understand, but also in terms of their own prosperity and of the prosperity of the world. Rarely in history has a nation fighting for a cause been in the position that the weapon it employed—in our case the weapon of economics, the weapon of foreign aid—could be as productive and constructive for itself and for the cause for which it was fighting.

I thank my colleague.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. WILEY. Madam President, I was seated at lunch at 2 o'clock this afternoon with a very distinguished citizen from India when word came that I should hurry over to the Senate Chamber as I would be expected to take the floor and talk in 5 minutes.

It is now 20 minutes to 5. It all reminds me of two instances which occurred when I was chairman of the Committee on Foreign Relations. I had occasion to go to Ireland, and after discussing a matter with the Premier, Costello by name, he said in his good Irish brogue, "By the way, Senator, where did your forebears come from? I would like to know where your forebears came from."

Responding in the same brogue, I said, "You mean you want to know where me mother and me father were born."

"That's right, lad," he said "that's what I'm asking."

I said, "They were both Vikings. They were born in Norway."

"My Lord," he said, "you're 1,200 years late. 'Twas the Vikings that settled Dublin in 750."

I said, "Put it here, cousin."

That was 1,200 years late. It is not that much today. I was not late. However, the order in the Senate, as it was set up did not function as it should have.

The other instance that I have in mind is that when I came to the Senate there was a distinguished gentleman in the Senate by the name of Vandenberg. He was chairman of the Committee on Foreign Relations. Whenever he got up to speak the seats in the Senate were filled. With dignity, he would say, "Mr. President, gentlemen of the Senate, I am going to talk today. I ask that I be not interrupted. But when I am through, I shall be glad to respond to any questions."

I remember speaking to him about that. He said:

> Yes, when that occurs, anyone can take the RECORD afterward and see what I had to say. However, if you have a bunch of interruptions, you don't know who said what or what said who.

So I am following in Vandenberg's lead and the directive he laid down, when I ask that I be not interrupted by this vast audience of Senators in the Chamber. [Laughter.] When I am through, if I have agitated any gray matter, shoot.

Mr. President, I rise to take my stand in support of S. 1983, the proposed Foreign Assistance Act of 1963. May I say why? I urge my colleagues to join me in closing ranks behind the President in this critical period, for the future not only of our beloved Nation but of the whole world is at stake.

Secretary of State Rusk has again gone to Europe. Why? Well, he expects to come back with some answers. Let us hope that they are little different than the answers General McCloy gave the President. Whom is he going to see? Khrushchev. Who is Khrushchev? I will answer that question.

First, 23 years ago, when I came to the Senate, I was a noninterventionist—not an isolationist, but a noninterventionist. So was George Washington. Why? The best reason for being a noninterventionist was the European nations were always fighting among themselves, and they were so far away that it did not make any difference.

It was not long before I found out that the geography of the world had changed. With its changing came a new perspective, a new responsibility. When I came to the Senate it took days to cross the Atlantic. Now we can cross it in hours. Yes, when I came to the Senate there had not been an atomic bomb. A few years afterward that bomb exploded at Hiroshima, and it took 70,000 lives, and wounded 70,000 more. That was a baby bomb. Now we have a bomb that could destroy New York City. The Russians have the same thing.

I had before me in the Foreign Relations Committee, Secretary Rusk. I ask unanimous consent that the questions and answers which appear from page 51 to page 53 of the testimony of Secretary Rusk, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WILEY. Mr. President, he told why it was necessary that we have this bill.

Who is Khrushchev? I will answer that question. When I came to Washington there was no Khrushchev. There

was no Communist-dominated world. That is all changed. Khrushchev is the head of that movement. He has taken into his orbit over 1 billion human lives.

Let there be no mistake about it. It is not only our friends and our allies who are waiting to see how we hold the reins of leadership which are thrust into our hands. No, Mr. President; Moscow and Peiping are avidly watching our every move—or our failure to move—as they hurl repeated challenges in our teeth.

This is not time for us to falter in the great task we have set for ourselves. We must continue and heighten our efforts to insure that liberty and human dignity will not wither and eventually vanish under the constant blows of adversaries who advance a totalitarian and inhuman view of the meaning of life.

It was an English poet who said:

> Life has meaning, and to find its meaning is my meat and drink.

It was Lincoln who recognized in time that challenge. When there was no other place to go, he went to his knees.

If we are only 15 minutes away from Russia, and Khrushchev is in control, it is time we forget the petty things. It is time we face the real issue.

The real issue is war or peace. It is true that in very recent days we have taken vitally important steps at the President's request to bolster our national defense posture. There may be those who will argue that we cannot sustain the additional expense of a large and burdensome foreign aid program.

We have heard some of that argument today on the floor. Where the very lives of our people are at stake, I submit that we can bear whatever expense we consider really necessary.

According to the official figures, the cost of the total administration's foreign aid request averages out to about $27 for each American citizen. A great many friends of mine smoke more than that in a couple of months. A heavy smoker can almost literally burn up six to eight times that amount of money in a year.

What is the purpose of the bill? I can state it without reading it. I refer to page 1 of the report, and I ask that a small part of it, consisting of two paragraphs, outlining the main purpose of the bill, be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. WILEY. At the same time I ask, what does the bill provide? I ask unanimous consent that there be printed at the conclusion of my remarks a portion of the report beginning at page 2 and continuing over to page 3, because it outlines definite answers to the discussions that we have heard on the floor today.

I am hurrying along, Madam President. The word "necessary" also bulks large in the perennial question as to whether our expenditures for foreign assistance are in anything like the same category of importance as our outlays for military preparedness at home.

Every President, Secretary of State, and Chairman of the Joint Chiefs over the last dozen years has urgently testified that they are. We all remember that President Eisenhower appointed to the so-called Draper Committee a number of our most talented and objective citizens—representing the professions, business, and many other walks of life—and asked them to give the foreign aid program a thorough "new look." Did they conclude that large elements of the program were unnecessary and could be slashed without impairment of the national interest? On the contrary, they strongly recommended the authorization of $400 million more than the President's request, and considered this a minimum adequate response to the situation abroad.

The fact of the matter is that our military expenditures give us one vital but basically static arm of our foreign policy. Within this defensive capability should, of course, be included roughly half the actual sums involved in the foreign assistance bill on a direct or indirect basis.

What do I mean? I mean that one-half the amount we have been discussing today is spent for military needs. As indicated by the answers of the Secretary, 80 percent of every dollar is spent in the United States. Five hundred thousand men receive employment by virtue of it. This is not a giveaway. It is, instead, a mutual assistance program. However, being prepared for war is not an answer in itself; it merely gives us the shield behind which we can develop and undertake more positive aspects of our foreign policy. Remove the nonmilitary elements of the foreign aid program and we will have destroyed the most important offensive tools at our command.

Let me stress that the Soviets and the Chinese Reds are not about to deny themselves these capabilities. Indeed, they are devoting constantly growing efforts and resources to nonmilitary programs around the globe.

Not counting military aid, and excluding all expenditures in the satellites and other Communist countries, the Sino-Soviet bloc in 1960 gave almost $1.2 billion in economic and technical assistance to 24 of the world's less developed countries. Moreover, according to our Government experts:

> On the whole, it would appear that the aid of the Communist bloc countries has been negotiated and administered with skill, speed, and sensitivity.

Other elements of the bloc offensive in the underdeveloped part of the world have shown corresponding or even greater increases. I shall point out only a few of these categories for the purposes of illustration. Soviet educational exchanges—or, more accurately, indoctrination programs—increased by 50 percent with respect to the less developed countries last year. For the same period, bloc radio broadcasts to Africa almost doubled, and comparable increases were achieved in range and effectiveness. The Communist Chinese have made a particular effort in exchanging delegations under a so-called people-to-people program; well over 550 delegations from Latin America, Africa, and Asia visited Red China in 1960.

It is alarming, but no less interesting, that the bloc has set out with such vigor to imitate programs in which the United States has been engaged for quite some time. Apparently the Communists have a higher regard for our efforts than we ourselves do in all too many cases.

We appear to have become so obsessed with an acknowledged sizable amount of waste—we hear much about that—or misdirected effort that we tend to overlook the many solid accomplishments of our foreign aid programs. It is easy enough to find in the press the evidence of a failure or a blunder. It does not seem newsworthy that through U.S. aid, for example, Liberia has doubled the yield of its upland rice; that Ecuador has brought under control the disease afflicting its bananas; or that India expects to have the problem of malaria licked by 1965. We are much too ready to sit back and indulge in excessive self-criticism.

This program is a matter of self-defense for the United States. That is not only my judgment; it is also the judgment of men like Eisenhower, like Kennedy, like our military leaders. It seems to require some sort of crisis to make us aware of the spirit of quiet confidence, idealism, and self-sacrifice which is always present in the American people, ready to be called forth in time of need.

I call attention to what has happened in 23 years. When I came to the Senate, the world was so big that it took weeks to travel around it. Now it takes a matter of only a few hours. Then we lived away off from our neighbors. Europe was far away. Not now. As I have said, missiles can reach us in 15 minutes. As for bombs, that depends on what the Kremlin can do with its submarines and its planes.

Madam President, I am no happier than any of my colleagues that we are compelled to consider this bill in the shadow of an extraordinarily menacing world situation. Indeed, I have been in Washington for too many years to have any illusions about the degree to which any administration may seek to capitalize upon such a situation. Yet I know of no remedy. As the late Senator Vandenberg wrote in 1947:

> The trouble is that these crises never reach Congress until they have developed to a point where congressional discretion is pathetically restricted.

We were asleep at the time of Pearl Harbor. We overlooked what we should have done in Korea. But in both instances, the world was big. Since then, the world has contracted, and such a tragedy must not happen again. If it does, the free nations of Europe and the Western Hemisphere may be annihilated.

Madam President, the hard fact remains that there is an entirely genuine crisis threatening world peace and the very existence of the world as we know it. We did not create the peril; it is wholly manufactured and exported by the Kremlin. Yet we have no choice but

to confront it with the confident determination and strength of freemen, or we shall not remain freemen much longer.

I do not argue that we must accept the bill as it stands after committee action. On the contrary, it is an essential feature of the Vandenberg definition of bipartisanship in foreign policy that there be full and free debate of any and all issues of great importance to the Nation.

The committee adopted the bill. I voted for the 2-year extension. I voted for the 3-year extension. When neither of them could be obtained, I voted for the 5-year extension. I feel it is more important that we not lose our heads by arguing over a situation in which we may lose our liberty.

Let me say that I felt no such restraint in committee. Nor shall I hesitate to vote as my conscience directs as we consider amendments on the floor of the Senate. In this connection, I am proud that during committee consideration of S. 1983, I took the initiative in restoring to the bill the full statement of policy which had both been hammered out and tested by the previous administration, and accepted by the present one. Embodied in that statement are found some of the most profound and historic truths to which this great country has always adhered. Under no circumstances could I have sat silent while a truncated and inelegant version was substituted for fundamental statements of principle.

My vote in favor of the long-term lending authority was entirely consistent with a refusal to change convictions to match a change in administrations. I agreed with the necessity for this provision when it was requested by President Eisenhower, and I am willing to comply, now that it has been sought by President Kennedy. For I know full well that much of the success of Soviet economic assistance is derived from the Kremlin's ability to employ long-term credits and to plan for the long-range future. On the other hand, I saw nothing sacrosanct about any particular level of loan funds and voted—unsuccessfully as it happened—to eliminate the extra $300 million annually which seemed to have been hiding under another guise.

No, Madam President, I do not ask for any restraint on our historic right to contest any and all items in the bill before us. I do ask that we submerge our dissatisfactions and our differences when we reach the vote on final passage of S. 1983. Let us tell the Kremlin with one voice that our country stands ready to fulfill its global responsibilities; that it will never be deterred from its duty by the fulminations of the tyrant and the bully.

I have had a number of communications suggesting that we cut out what has been called foreign aid. In a sense, it is American aid, as I have already stated.

It aids America. It is one of the great deterrents in our defense.

Everything we do is designed to stop rocking the boat. Please realize, of course, that the big issue is war or peace. If we were to cut out foreign aid now or mutual assistance, as it has been called, it would be the "go ahead" sign to Khrushchev.

It is well for us to analyze just what we mean by foreign aid. In one of my letters, in response to a criticism of the program, I wrote as follows:

> You are aware, of course, that (1) most of the funds go directly for military defense; (2) that a substantial portion of the funds are spent right here in this country; (3) that, in addition to strengthening our defense, an estimated half-million jobs are created for American workers; and (4) unless the program is continued, the overall defense of the Western World will be seriously jeopardized.

We recognize, of course, that there have been mistakes in handling the program, as well as shortcomings in the program itself.

Of course, Madam President, we cannot ignore mistakes. Because of this, Congress can—and must—turn a microscopic eye on the proposals. Overall efforts are needed to: First, weed out unnecessary provisions; second, clarify objectives; third, sharpen up the administrative machinery; fourth, eliminate waste, duplication, and the undertaking of unnecessary projects; fifth, imbue its administrators with a greater sense of responsibility to the Congress and to the American taxpayer; and make other efforts to assure that the program serves our national interests.

In my judgment, then, the facts of life in 1961 do not permit an abrogation of our responsibility for free world leadership. Why? Here are some additional factors that I believe warrant consideration:

First. The Communist bloc—the greatest threat to freedom in history—strongly adheres to its oft-stated goals of world conquest. Mobilized for this objective, its military, economic, cultural, social, ideological programs have one target: That of surpassing and burying the free world.

Second. The Red manpower in their military forces substantially exceeds that of the free world.

Third. The Soviet Union and Red China are engaging in a broader propaganda campaign than the West.

Fourth. Conducting a global espionage, sabotage, and subversion ring, the Communists have an estimated 36 million conspirators operating in about 86 countries. Their aim is to take over these nations. This Red army of conspirators represents a threat equal to—if not greater than—the military power of an ever-threatening nuclear war.

In view of these and other threatening factors, it is essential that we maintain a strong alliance for free world security.

Madam President, as I have already said, Secretary Rusk has left for Europe. We hope he will return with good news.

As Premier Khrushchev finds himself at six's and seven's, as we know he does, with Mao Tse-tung and Marshal Tito, let us hope that situation will not cause him to apply the old maxim of Napoleon—namely, that for domestic troubles, the cure is foreign war.

Someone has said that Khrushchev is afraid of the splintering effect on communism of Tito's rightiest government, on the one hand, and of Mao Tse-tung's leftist government, on the other. Is this Khrushchev's reason for being on the Berlin warpath? Madam President, I do not know; I cannot look into the mind of that leader of the great, dynamic, evil movement called communism. How serious he is about Berlin is almost anyone's guess.

But we have definitely stated that we are in earnest about protecting the freedoms of the people of West Berlin; and the action taken by Congress in the last few days confirms the fact that once again American unity is in the saddle in relation to foreign policy. Congress has voted all that the Chief Executive has asked; we are one in the defense of America.

Madam President, I was much interested to read an article entitled "Behind the Berlin Crisis." The article was written by Roscoe Drummond; and I ask unanimous consent that it be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. WILEY. Madam President, in the article Mr. Drummond asks—

> Question. Isn't there so much news coming out of Washington about the "military buildup" that it gives the impression that the United States looks upon force as the only response?
>
> Answer. The military buildup is the essential first phase of the American reply to the crisis.

Mr. Drummond also writes:

> Question. What is there to negotiate?
>
> Answer. The Soviets propose to make a treaty recognizing the "independence" of the East Zone Communist government which is entirely under Moscow domination. This is like making a treaty with yourself. Mr. K. contends that a Soviet peace treaty with East Germany will cancel Western rights in West Berlin and that thereafter the existence of these rights will depend upon the wishes of the East German Government.

His next question:

> Question. What is Mr. K. really after?
>
> Answer. The Soviets say they want and will respect West Berlin as a "free city."

Madam President, all of us know from past experience that we cannot trust the Communists.

Mr. Drummond's next question:

> Question: Might the Berlin crisis bring on war?
>
> Answer. The Berlin crisis is deadly serious and uncertain. War could come, but the highest officials of the Government do not believe that Mr. Khrushchev intends to risk war and that the best way to preserve the peace is to make sure that the Kremlin understands that it cannot have its way by threatening war. That is the reason for the United States and NATO military alert.

Madam President, today the chairman of the Foreign Relations Committee read into the RECORD certain matters. On page 10 of the committee's report on the Foreign Assistance Act of 1961 appears a list showing the agencies which have received so-called back-door financing—a large group. I ask that the

list be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 5.)

Mr. WILEY. Madam President, I also ask unanimous consent to have printed in the RECORD a statement showing the amount of foreign aid funds spent in the State of Wisconsin between 1954 and 1960. It amounts to approximately $20 million.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 6.)

Mr. WILEY. Madam President, I have consumed some 20 minutes. I thank the Chair very much.

EXHIBIT 1

STATEMENT BY THE HONORABLE ALEXANDER WILEY, OF WISCONSIN

The CHAIRMAN. The Senator from Wisconsin.

Senator WILEY. I wanted to say that I appreciated your statement very much, sir.

The matter of foreign aid, I believe, will have to be resold to the American people, because of the sort of misrepresentations and articles that the chairman referred to.

My mail indicates clearly that people have an idea that foreign aid doesn't result in any domestic aid. Your own statement makes it very clear that the purpose of foreign aid is, as far as possible, to build allies and keep us out of a third world war. Am I right in that respect?

Secretary RUSK. It is one of the great efforts toward peace in which we can engage.

Senator WILEY. I think there is another sales job that needs to be made. The American people must not only understand the details of foreign aid, but also what it does for them. How much money do you expect to spend the first year in foreign aid?

Secretary RUSK. You mean under this program?

Senator WILEY. Yes.

Secretary RUSK. $1,690 million plus the $900 million borrowing authority is the new obligational authority we are asking for.

Senator WILEY. Will we have a sheet telling us how much is going into country X, Y, and Z?

Secretary RUSK. Yes, sir; that is worked out in the total detail that will be presented in executive session.

FOREIGN AID FUNDS SPENT FOR GOODS AND SERVICES IN THE UNITED STATES

Senator WILEY. I think it is all important to show that a great deal of the foreign aid will create jobs in this country if we make what other countries need and that we will have employment resulting therefrom. Am I right in that respect?

Secretary RUSK. A very large portion of foreign aid funds will be spent for goods and services originating in this country.

Senator WILEY. Do you have the figures on that? What percentage of the total that you have just given us is that?

Secretary RUSK. Under the programs as presently designed, actually these expenditures will be almost 100 percent except for salaries spent overseas.

Senator WILEY. I didn't hear that.

Secretary RUSK. It would be almost 100 percent except for salaries to people overseas in terms of expenditures. This would be an original expenditure of 80 percent in this country beginning now, let us say, and another 10 percent spent back here in this country shortly thereafter.

So somewhere between 90 and 100 percent—90 percent in terms of goods and services spent in this country.

Senator WILEY. Have you any estimate as to the number of jobs that that would create?

Secretary RUSK. A study has been made on that, sir. I don't have those figures immediately at my fingertips.

USE OF SURPLUS OF COMMODITIES

Senator WILEY. There is another thing I think that the American public should be informed on, and that is that a considerable part of our foreign aid will be in the form of surplus farm products; is that right?

Secretary RUSK. Yes.

Senator WILEY. How much surplus commodities in terms of dollars will we send?

Secretary RUSK. The proposed authorization under Public Law 480 establishes a $2.5 billion limit on the level of sales agreements in any calendar year. We anticipate that about $1.7 billion at CCC costs and approximately $1.2 billion in U.S. export market costs would be distributed in fiscal year 1962 under title I sales of this program.

JOBS CREATED BY FOREIGN AID

Senator WILEY. Did you give me the figures of how many will be employed in America as a result of the program?

Secretary RUSK. I am informed that some years ago in a study, which I do not have at my fingertips, that it was estimated that some 750,000 jobs would result from the foreign aid program. That would have to be recalculated, I suppose, at the present time.

(The information referred to is as follows:)

"The only available estimate of the number of employees whose work is attributable to the foreign aid program is that of the National Planning Association which in 1957 conducted a study of the relationship of the foreign aid program to the U.S. economy. The association reported that approximately 530,000 persons were directly or indirectly employed in providing goods and services for the foreign aid program. In addition, an estimated 184,000 workers were employed in producing, processing, and transporting that portion of the surplus agricultural commodities and military hardware abroad under our aid programs. Thus, the association concluded, total foreign aid expenditures, including surplus shipments, accounted for 715,000 jobs in 1957."

Senator WILEY. If that many are employed, that makes a contribution to the economic health of this country, does it not?

Secretary RUSK. Yes.

Senator WILEY. Did I understand you to say that all except 10 percent of the funds would be spent in this country?

Secretary RUSK. That is the present estimate.

BREAKDOWN OF COUNTRY FIGURES

Senator WILEY. Will you give us a statement for the record showing the estimated breakdown of what you expect to spend by country for the first, second, and third year?

Secretary RUSK. We will submit that for the record, sir, for the 3-year period. I am not sure that we have the estimates on the third year, but we can give you the best we have.

(The information referred to is as follows:)

"We expect that our lending programs will total $1.2 billion in fiscal year 1962 (including $300 million in loan repayments); $1.9 billion in fiscal years 1963 and 1964.

"It is not possible to break out these programs in advance by geographic area at this time. However, it is known that for fiscal year 1962, India, Pakistan, and Brazil will account for a very large share of the development lending. In executive sessions on Thursday and Friday, we will be prepared to go into further detail on the individual country eligibility for development loans."

BENEFITS OF PROGRAM

Senator WILEY. Is it a matter of history that the Marshall plan has practically resulted in the recovery of our allies, like Britain, France, and others and they are economically sound again?

Secretary RUSK. This is one of the most far-reaching facts of the history of the postwar world, yes.

Senator WILEY. Is it also believed that the aid that we have given in the past has resulted in keeping us out of a third world war?

Secretary RUSK. It has helped a great deal in building a world community which is moving toward a peaceful society, working through such organizations as the United Nations. Had the disorders which followed World War II been continued indefinitely without massive help from us, we could easily have been in world war III by this time and had these newly independent countries not been given some chance in many cases to get off the ground and start their forward movement in economic and social development, I think the disorders and the unrest might easily have drawn us into a war.

Senator WILEY. I hope I can be here Tuesday when you come back. This morning I have three subcommittees meeting at the same hour. I want to go into executive session with you on specific territories and ask some questions that I don't care to ask publicly and that I think are very pertinent. I feel if there is anything that needs to be done it is to make the American people aware of what you have testified to this morning—first, your statement, which I think is a very brilliant statement of the reasons for foreign aid; and secondly, your replies to my questioning showing that the foreign aid is really domestic aid, insofar as America is concerned. It has been keeping us out of war, keeping the economy healthy, keeping men employed, keeping industry busy and keeping the farm products going out. All of those things, in my opinion, are arguments in favor of this program that you are now presenting.

Thank you, Mr. Chairman.

EXHIBIT 2

MAIN PURPOSE OF THE BILL

The main purpose of the bill is to give vigor, purpose, and new direction to the foreign aid program. Thus, the stress of the program is shifted to development loans repayable on manageable terms and conditions but in dollars. Long-term financing becomes available to the new aid agency, a simpler structure which will include the Development Loan Fund and the International Cooperation Administration. Less emphasis is placed on and fewer funds are granted to direct support programs. Self-help and long-term development planning are now the chief criteria against which the bulk of economic aid is programed.

Funds for categories of economic and technical assistance other than the contingency fund, are authorized to be made available until expended. The same is true of military assistance. This means that unused funds in these categories are carried over into another fiscal year instead of automatically returning to the Treasury. The bill, in short, stresses orderly economic growth and gives continuity to the programs that will encourage and sustain much of this growth.

EXHIBIT 3

In addition, the bill contains these major provisions:

1. It repeals and supersedes the Mutual Security Act of 1954, as amended.

2. It authorizes funds that will remain available until expended for development

grants, supporting assistance, investment surveys, international organizations and programs, and military assistance that will remain available until expended. The primary purpose of providing this kind of authority is to discourage the practice of hastily obligating funds near the end of the fiscal year in order to place aid administrators in a stronger position to seek further appropriations.

3. The development loan program is given long-term financing with authority to borrow up to $1.187 billion from the Treasury in fiscal year 1962 and $1.9 billion in each of the following 4 fiscal years.

4. The military assistance program is given a 2-year authorization at the level of $1.8 billion a year.

5. The President is authorized to draw on up to $200 million of existing Department of Defense stocks for the military assistance program.

6. The sum of $5 million is authorized for the purpose of encouraging surveys of investment opportunities by private interests (title IV). This is a new authorization.

7. Authority is provided to carry out programs of development research into various problems of economic and social development (title V). This is a new authorization.

8. Technical cooperation programs are continued, but within the framework of a new category, development grants, which will emphasize the development of human resources and the institutions necessary to social and economic development.

9. Authority is provided to continue issuing investment guarantees up to $1 billion total face value. Also, in special situations the President may issue guarantees against a portion of loss due to any risks not otherwise insurable. The authority for guaranteeing risks of this character is limited to $100 million.

10. The aid program is reorganized. A new aid agency will be established within the Department of State. The International Cooperation Administration is eliminated, and the Development Loan Fund in a new form is to become a part of the new agency. Provision is also made for improved administrative and personnel practices.

11. There is provided a $5 million revolving fund for the procurement of excess Government property that can be utilized by the aid program.

EXHIBIT 4

BEHIND THE BERLIN CRISIS

(By Roscoe Drummond)

WASHINGTON.—Here are answers to the questions most frequently asked a Washington correspondent about the Berlin crisis:

Question. Isn't there so much news coming out of Washington about the "military buildup" that it gives the impression that the United States looks upon force as the only response?

Answer. The military buildup is the essential first phase of the American reply to the crisis. It is the necessary prelude to having any chance of useful negotiation. The United States must negotiate from strength if it is to negotiate successfully. The United States must demonstrate its strength and its firmness if it expects Britain, France, and our North Atlantic Treaty Organization allies to do the same.

American officials believe that Premier Nikita S. Khrushchev has been assuming we would not have either the strength or the stamina to resist his objective of getting West Berlin under Communist rule.

The first phase of our response had to center upon disabusing Mr. Khrushchev of the false premise that he could bluster and blackmail the West into appeasement.

Question. What next?

Answer. The United States is willing and expects to undertake four-power negotiations with the Soviets with respect to Berlin. The American, British, and French Foreign Ministers will concert their ideas at a conference in Paris in early August and will consult with Bonn. If the Soviets want to negotiate, the West will be ready and willing.

Question. What Western rights are at stake in the Berlin matter and how did the West acquire these rights?

Answer. Western rights in West Berlin do not come from the Soviet Union and cannot be unilaterally extinguished by the Soviet Union. There are three central "rights":

The freedom of the 2,225,000 people of West Berlin whom we have pledged to protect.

The right of these people to a government of their own choosing.

Full allied access to West Berlin along air, rail, and road routes accepted by all four powers at the end of the war and reaffirmed in the agreement which ended the Soviet blockade in 1949.

The West's rights in Berlin stem from the defeat of Nazi Germany. It was the original hope that Berlin would be governed as one unified city by the four powers and ultimately be a part of a unified Germany. When the Soviet Union put its zone in East Berlin under Communist rule and, in effect, made it part of its East Zone Communist regime, the four-power government of Berlin broke down and West Berlin has been supervised by the three allies.

The Soviet Union's rights in East Berlin were not given it by the West, and Western rights were not given to America, Britain, and France by the Soviet Union. This is why the Soviet Union has no title to extinguish those rights.

West Berlin, though surrounded by East Zone territory, does not stand on East German soil. It stands on its own soil as prescribed in the occupation statute which was signed by the four powers.

Question. What is there to negotiate?

Answer. The Soviets propose to make a treaty recognizing the independence of the East Zone Communist government which is entirely under Moscow domination. This is like making a treaty with yourself. Mr. K. contends that a Soviet peace treaty with East Germany will cancel Western rights in West Berlin and that thereafter the existence of these rights will depend upon the wishes of the East German government.

The allies refuse to accept the proposition that any action by the Soviet Union can affect Western rights since these rights did not come from the Soviet Union. They came from the defeat of Germany and are confirmed in agreements with the Soviet Union even as Soviet rights in East Berlin were confirmed in agreements with the West. Now Mr. Khrushchev proposes that the Communists retain their rights in East Berlin and that the West give up its rights in West Berlin.

The West will not do so. The West will not renege on its moral and political obligation to defend the freedom of the people of West Berlin. But it will negotiate how these rights can more smoothly, more harmoniously, more effectively, more prudently be safeguarded and utilized.

Question. What is Mr. K. really after?

Answer. The Soviets say they want and will respect West Berlin as a free city. That's not a reliable guarantee as Hungary, Poland, Rumania, Albania, Czechoslovakia, Latvia, Lithuania, and Estonia have found out to their sorrow.

Moscow had treaties of nonaggression with these countries. At Yalta, the Soviets promised free elections so these countries could have governments of their own choice. The Soviet Union took over all of these countries and so when Mr. Khrushchev promises to respect Berlin as a free city, we have to realize that he is playing with words.

In more candor, Mr. Khrushchev has described West Berlin as a bone in my throat. If West Berlin—prosperous, democratic, a radiant oasis of liberty which attracts 4,000 to 5,000 of fleeing East Germans weekly—is a bone in Mr. Khrushchev's throat, he will hardly be removing it by making Berlin a truly free city. It is more realistic to assume that he means to pluck it out—if possible.

Question. Might the Berlin crisis bring on war?

Answer. The Berlin crisis is deadly serious and uncertain. War could come, but the highest officials of the Government do not believe that Mr. Khrushchev intends to risk war and that the best way to preserve the peace is to make sure that the Kremlin understands that it cannot have its way by threatening war. That is the reason for the United States and NATO military alert.

EXHIBIT 5

Reconstruction Finance Corporation.
Commodity Credit Corporation.
Defense Production Act of 1950.
Export-Import Bank of Washington.
Federal Deposit Insurance Corporation.
Farmers Home Administration.
St. Lawrence Seaway Development Corporation.
Federal home loan banks.
Federal National Mortgage Association.
Housing and Home Finance Administration.
Federal Savings and Loan Insurance Fund.
Rural Electrification Administration.
Federal Ship Mortgage Insurance Fund.
Federal Civil Defense Act of 1950.
Small Business Administration.
Informational Media Guaranty Fund.
Veterans direct loan program.
Investment guaranty program.
Panama Canal.
Virgin Islands Corporation.
District of Columbia.
Helium Act, as amended.
Area Redevelopment Act of 1961.
Tennessee Valley Authority.

EXHIBIT 6

WISCONSIN

Total, January 1954–June 1960

City:	
Appleton	$1,741
Baraboo	13,874
Belgium	6,891
Beloit	184,493
Burlington	2,640
Clintonville	532,671
Eau Claire	137,967
Edgerton	22,621
Fond du Lac	502,464
Fort Atkinson	11,520
Green Bay	2,335
Janesville	56,940
Kenosha	1,860,792
Kohler	114,326
La Crosse	392,745
Madison	246,251
Manitowoc	1,621
Marinette	18,972
Milton	362
Milwaukee	11,834,485
Oshkosh	552,544
Port Washington	1,855
Racine	3,347,227
Rothschild	2,710
Sheboygan	12,700
Superior	2,181
Waukesha	42,174
West Allis	38,726
West Bend	38,552
Total, Wisconsin	19,984,380

Mr. MANSFIELD. Madam President, I wish to compliment the distinguished

Senator from Wisconsin, the ranking minority member of the Foreign Relations Committee. As always, he has shown great courage and great understanding, regardless of which administration is in power; and I want him to know that I am deeply appreciative because of the understanding he has shown and the statesmanlike attitude which has consistently been his, both as chairman of the Foreign Relations Committee and as its ranking minority member.

Mr. WILEY. Madam President, permit me to express my appreciation. After all, if there is anything a Republican likes to have from a Democrat, it is more appreciation. [Laughter.]

Mr. CASE of South Dakota. Madam President, I would not want Democratic Senators to be the only ones to express appreciation of the dynamic speech delivered by the Senator from Wisconsin. Of course I do not always agree with everything that is said on the floor of the Senate; but I heartily congratulate the Senator from Wisconsin on his vigorous presentation and on his firmness in presenting an American viewpoint.

Mr. WILEY. Madam President, let me also express my appreciation to the distinguished Senator from South Dakota. It is most encouraging to one who refuses to speak a great deal in the Senate Chamber to get his message across at a time when the attendance is so large.

Mr. JOHNSTON. Madam President, for nearly 17 years we have poured money out hand over fist to the four corners of the world to try to stop communism and preserve the peace, and today we find ourselves in the same fix we would have been in if we had never spent one nickel on foreign aid—we must stand prepared to fight for freedom as men have had to do ever since history has been recorded. We cannot buy freedom with money, and for this reason during my 17 years in the Senate I have always opposed foreign aid programs.

Back in 1950, one of the issues raised against me in my campaign for reelection to the U.S. Senate was my opposition to the original of all foreign aid programs. I can remember when I was the only Member of the U.S. Senate standing against such programs, but today the picture is different.

There are many other Members of the Congress and the Senate who are opposing foreign aid, and proponents of this latest long-range foreign giveaway project are reported to be in a position to compromise on some of the more objectionable features of the bill.

I am pleased to see this change in outlook by some of the Members. I think if they will only consider this proposed bill with me for a while, they will come to agree that there is nothing in it which is not objectionable and vote to kill it.

Through the years there have been many labels applied to the various and sundry foreign aid projects pushed through the Congress. They have been called the Marshall plan, the economic recovery program, mutual security, international cooperation, and a multitude of other slang titles applied by the newspaper writers. None of these names has ever fooled me, for each and every one of these projects has been nothing but a giveaway bill amounting to nothing less than a gigantic handout.

When I first opposed these programs I opposed them on what I believed to be sound reasons, such as the age-old theory that we cannot buy friends with money, and that when we give money away to friends you create enemies and stir up jealousies. In the zeal of their campaign to buy world friendship through our purse strings, proponents of foreign aid waved aside every time-honored logical reason against the program.

The belief that money talks ruled the temperament of administrations and Congress. As a result, our foreign policymakers have sat back in a state of lethargy, leaving it up to all this money to do our talking for us. Today we are reaping the harvest of threats, coercions, and Communist aggressions and advancements on all fronts in the world.

I think it is imperative, before the Congress votes on the pending foreign aid bill, that we look at the failures and shortcomings of what has gone before. There is nothing like a little history to teach us the errors of our ways.

In the first place, there has been too little control and too few strings attached to these handouts. The money, once it has left our country, has been allocated in all directions into practically every kind of program in the world except what the American people thought it would be used for when it left their hands. We know from investigations, newspaper reports, committee hearings, and by other means, that in most of the countries the net result of these giveaways has been to make the rich richer and the poor poorer. It has magnified classism in nations, leaving the ruling class to benefit from our foreign aid money and the poorer class to drift aimlessly into the hands of Communist propaganda.

One beautiful example of this messy creation of ours can be found in Korea where the people themselves have risen up in revolt against the ruling class because of the ineffective handling of foreign funds and because of corruption which developed in the ruling class as a result of our foreign aid program.

It is true that the Communists have not taken over in South Korea, but I would dare to say that the morale of the South Korean nation is at a lower point today as a result of our foreign aid than it was before we started it. If war were to develop in Korea, I doubt seriously if South Korean forces would last long and American forces would once again have to intervene and do the fighting. That being the case, I do not see where foreign aid has done any good in this country.

As further testimony against more foreign aid, we have only to look to the statement of Maj. Gen. You Sang Hoo. Arriving in Los Angeles last month on a good-will tour, he said of our foreign aid program:

> You poured water in a bucket that has many holes.

He said the aid was wasted because of corruption and charged that the military junta took over in Korea because of this corruption. In addition, he charged that the previous cabinet, which is now under arrest, had established direct connections with North Korean Communist agents. What further proof do we need of the complete failure of our foreign aid than this?

In the case of Laos, another recipient country of our foreign aid, the same situation holds true. We have poured over $300 million into that country of over 2 million people, and today its military machine is on the verge of collapse in the face of Communist guerrilla forces. In June 1959, before many Americans aside from the foreign aid program people, had heard of Laos, I warned that we were pouring money down a rathole in that country. I pointed out that we were sustaining the entire military budget of that nation.

We were paying the salaries of the soldiers, paying for their food, their clothing, and their military equipment.

At that time, even though we were completely sustaining that nation's 25,000-man army, the military leadership in Laos adamantly refused to take the military advice given them by our advisers who were on the scene handling the foreign-aid program. Obviously, the money was not used wisely, and today we see the consequences.

Let me read to the Senate what I said in 1959, long before the Lao crisis erupted. This is a direct quotation from the CONGRESSIONAL RECORD:

> Mr. President, I charge that a 25,000-man army in Laos could not hold back a single attack from the Red Chinese hordes if they ever decide to go into that country, and certainly a 25,000-man army against 600 million people is not frightening anybody from making such an invasion. The truth is that all this money for military and economic assistance has accomplished little or nothing in Laos or any other southeast Asian country, and I doubt if it has in any foreign country.

Madam President, this is one of the saddest "I told you so" stories I have ever had to recite. Regrettably, it is not the only one, and probably will not be the last. Today, to the embarrassment of us all, we face the same situation elsewhere.

Let me call to your attention a statement I issued to the press in response to Pakistan President Ayub Khan's recent message to Congress. I warned that his words amounted to no more than a threat of intimidation. He was giving us a subtle ultimatum—either we pay his country millions of dollars to embrace democracy or he would turn to communism. The Pakistan President was telling us in no uncertain terms that when the money runs out so does the friendship.

At this very moment, the same ultimatum is being hurled in our faces. Instead of the Pakistan President, it is the Tunisian Government that is threatening to seek Russian aid in the clash over Bizerte. It all amounts to a case of blackmail to turn the United States against France. The words of Tunisian Ambassador Habib Bourguiba as he left

the conference table with Secretary of State Dean Rusk are practically identical to those of the Pakistan President. His words were:

I suggest the free world act now before another world does.

Need I say more about "I told you so's"? Here is a case of our foreign aid in action. It took barely 2 weeks for another country to issue its ultimatum to the United States.

If the United States is going to permit itself to surrender to this kind of blackmail, then it might just as well hand over its position as leader of the free world.

There is no question but that we have been on the wrong foreign-policy track too long. The right track is the one that the President outlined in his address to the Nation on the Berlin crisis. We must spend this money to build up our own military defenses and to stand as guardian for these nations if we intend to save them from communism. We cannot do it with dollars alone, as money will never create "free" nations. There is no price tag for democracy. It cannot be bought; it must be won through suffering, perseverance, and brotherly love. The longer we attempt to buy democracy for others, the longer we will end up at the conference table giving away something.

We have lost half of Korea at the conference table; we lost half of Vietnam at the conference table; we are losing half of Laos at the conference table. We have lost Cuba right under our noses, and despite warnings from me and other responsible people who knew that Castro was tied in with the Communist elements, but whose voices were drowned out by the liberal press and the foreign aid one-world theorists in the State Department. We have lost ground in Africa and we have lost ground in the Near East.

Despite the nearly $90 billion which has been spent in all forms of foreign aid over the past 15 years—and this includes money in the pipelines—we have not gained 1 single inch of territory for freedom. We have not saved a single soul from communism. To the contrary, communism has gobbled up millions of people and millions of square miles of territory.

There is only one answer to communism and it is not the dollar diplomacy of our foreign aid programs. It is strength, a show of force, and the resoluteness to follow through and show the world that we mean what we say when we state our position or make our stand. As I told the U.S. Senate in 1959, when Khrushchev was planning to come to America on his so-called good-will tour:

Khrushchev is swayed by power, not reason.

Madam President, when we go to the conference table we attempt to use reason. Similarly, when we embark on foreign aid programs we attempt to use reason. The reasoning in foreign aid stems from the theory that we are doing something nice and good for someone or some country and therefore that country is naturally going to want to be like us. The Communists are not sitting idly by doing nothing while we are throwing away money. The Communists are at work night and day spending their money on military might, threats, and propaganda. This, to some underprivileged nation sitting just across the street from the Russian Kremlin, has more effect than our dollar diplomacy.

When our dollars are spent, those nations still will be sitting there with the same situation facing them. Let us consider what Russia has done in Cuba if we wish to see how the Communists work. Russia gives Mr. Castro planes, ships, guns, tanks. Mr. Castro gives Mr. Khrushchev sugar. The United States sent foreign aid to Cuba, but what good did it do?

The completely idiotic aspect of the whole program can be summed up in the $52 million in foreign aid money which we have given Cuba since 1945. I ask the advocates of foreign aid are we getting $52 million worth of cooperation and mutual security from Cuba? I do not hear the advocates of foreign aid saying too much about that these days. I simply cannot for the life of me understand such reasoning. The only thing we have received from Cuba for having given them $52 million has been the seizure of every penny's worth of private property owned by Americans in that nation. They have robbed our people of all private property, they have coerced our citizens, jailed some, and even executed some. They have confiscated property valued at approximately $1,500 million.

I know immediately the advocates of foreign aid will say, "but most of our foreign aid assistance to Cuba came before Castro." This may be true, and if it is, it simply underscores the futility of foreign aid. Our dollars appear to have bought us nothing more than a cigar-smoking, carbon copy of Khrushchev.

However, it is even more difficult to explain the 1959 and 1960 foreign aid funds given to Cuba as found in the ICA Office of Statistics and Reports report dated March 31, 1961. It shows that Communist Cuba has received approximately $1.9 million in assistance of various kinds since Castro took over. This, to me is the height of mismanagement and certainly is an insult to the taxpayers of America, who must dig up out of their pockets not only to repay this money but also to pay interest upon it, I daresay until our grandchildren die—money which we had to borrow. How many Americans will have to pay income taxes in order to repay the almost $2 million which has been sucked down the Cuban Communist drain? Every American taxpayer and certainly every U.S. Senator before he votes on this preposterous foreign aid bill should understand that the money we sent to Cuba to build democracy has constructed a Communist stronghold which is kicking us in the rear end every time we turn around.

Even so, I daresay there are some daydreamers down in the State Department planning right now to rush down to Havana with more aid, if not directly, then through the United Nations.

Consider Japan. I do not think anyone can and prove to me that our foreign aid has brought us any tremendous friendship and alliance with Japan. This, at least, was the argument used by the State Department for years against halting the importation of Japanese textile goods to this country. This was a form of foreign aid, in addition to all our other projects of help to that nation. When our President wanted to go to Japan last year on a good will visit, the Japanese Government was so weak it could not prevent a Communist-led mob from stirring up so much disapproval throughout Japan that our President had to cancel his trip. That was the thanks we received for having invested millions of dollars in foreign aid, rehabilitation funds, food, clothing, and so forth, in Japan. It makes no difference that Communist mobs stirred up the violence; it simply points up the failure of foreign aid. All told, latest figures indicate we pumped $3,462 million into Japan, in rehabilitating her industries and pump priming her commerce and economic posture. As one on-the-scene correspondent testified before the Foreign Relations Committee, regarding our foreign aid operations in Japan, we were taken for suckers.

I wonder whether any one of the sponsors of the foreign aid bill can tell me to what lengths and to what extent the Japanese people, the Japanese military, and the Japanese Government would go to defend the United States, should we be unilaterally attacked by Russia. Would we receive $3,462 million worth of support, or would Communist mobs disrupt the function of the Japanese Government, tie up its ports, and prevent her from even giving us token support?

Let us look at another ridiculous aspect of this foreign aid program in relation to our domestic economy. The United States Government bought from foreign producers, through the foreign aid program, 62 percent of all its textile needs. This represented in that year alone $16 million worth of textile goods purchased on the foreign market.

Madam President, think of what a $16 million purchase placed with the domestic American textile producers would do for our textile industry, which has been threatened with extermination by foreign competition. We sent the money and technical assistance, through foreign aid programs, to Japan and other nations, to build up their textile industries. They have no depreciation allowance problems; they buy the cotton off the American market at prices lower than those at which the American textile manufacturers can buy it; and they use the cheapest labor in the world to compete unfairly with our industries and workers. This is bad enough, but to have our Federal Government purchase more than one-half of all its needs in this field from foreign mills is horrifying.

If this keeps up and if our domestic textile industry goes broke and stops producing—as one stupid spokesman in the State Department has implied should happen—where will the American Government purchase textile goods in case of war? If we suddenly have to have 5 million uniforms for our soldiers, are we going to depend on the Japanese textile industry? If our President could not visit Japan in time of peace because of Communist riots, how can we expect to obtain permanent delivery of military

clothing in time of war? I presume the State Department officials who say the American textile program can be sacrificed under our foreign aid program have some secret way to keep the Japanese mills running for us during war, and to get the goods back to us, over thousands of miles of open Pacific Ocean, without having the ships sent to the bottom.

Madam President, it should be remembered that Japan had no textile industry after World War II. The United States at that time was the world's largest and foremost producer and exporter of textiles. In the brief span of 15 years, without machinery, our money, our technical know-how, our markets, and our cotton, Japan has become the world's largest single textile manufacturer and exporter. This is foreign aid, all right; but I fail to see what good it is doing for America or for peace.

In my opinion, our foreign aid program has accomplished for the Japanese one thing which armies and navies could not do in World War II—namely, the capture of our textile markets throughout the world.

All this points up a side of this foreign aid program which in my opinion is even more important than its ineffectiveness abroad. This is the ill effect which foreign aid is having on our own economy. In the first place, it should be pointed out that ever since foreign aid programs were conceived, they have continued to grow. We have become involved in responsibilities we can never discharge or complete. If we spend a dollar this year, next year we shall need $2 to carry it on, and the following year we shall need $3 to complete it, and so on. The appropriations and demands keep multiplying. It is an endless treadmill for the American taxpayer. Throughout it all, no thought is being given to what the program is doing to the poor taxpayer and to the Nation's economy.

Madam President, if we had all this money to spare, so that we were free to give it away, and did not have to tax our people for it, that would be different. But these funds are obtained only by taxing the American people; and the tax burdens we must therefore impose on them may continue for 100 years.

Our foreign aid program has been one of the most carelessly operated programs in the history of our Nation. Never have so few wasted so much on so little in such a short time. Ninety billion dollars have been thrown down the drain in 15 years by a small army of bureaucrats whose sole design in connection with most of the program has been to create a never-ending operation which will perpetuate them in office forever.

Many times more consideration is given to stretching out the job and the work than is given to whether the program is needed or is doing any good. Paved highways have been built through jungle territory, where the people have never seen a car, and aircraft have been given to nations who have no airports on which to land them. There is even the historical record of a huge hydroelectric power dam built in a land where the people did not want it and could not use the power it generated. The list is long of failures, mismanagements, and ridiculous situations perpetrated on the American taxpayers by this monumental fraud called mutual security.

In many of the nations where we have poured millions upon millions of dollars, the entire population is completely ignorant of the fact that one penny, one piece of equipment, one mouthful of food originated out of the pockets of hard-working American taxpayers. In many of these very same countries, the population does not even benefit by our good acts.

When we gave away our first dollar of foreign aid we opened up the biggest international Pandora's box in the world's history. To those whom we give, we must keep giving or they threaten to reject us and turn to the Communists. Those to whom we have not given, threaten to turn to the Communists unless we do.

On some occasions our Government has even poured foreign aid into the hands of Communist ruled nations. In fact, a great deal of foreign aid was sent behind the Iron Curtain while our Government was neglecting Latin America. The Philippines and the Liberians and other friends, bitterly complain that we have done nothing or not enough for them. The whole situation reminds me of the reading of the late rich uncle's will. No matter what he gave to anyone, it was not enough or it was the wrong thing. We are in the same boat as a nation. We either do not do enough or it is the wrong kind to the wrong people. We should have never even started. When the money is gone and the taxpayer is broke and our backs are against the wall, we will find out that the only thing foreign aid has done is to create jealousies and enmities among nations and weakened our economy.

To highlight the idiocy of our foreign aid program, I would like to bring to the attention of the Senate the fact that the United States under its technical and economic cooperation program constructed in Poland behind the Iron Curtain a $2,500,000 continuous operation steel-galvanizing factory, the only one of its kind in the entire Communist world.

This plant was dedicated by Red Poland's acting premier on July 12. This is the same Polish Communist who in April of this year led an anti-U.S. rally in Poland. When the new plant opened, he praised the technical and economic cooperation program which brought the facility to Poland. It is easy to see why he would praise a program that would take money out of the pockets of American taxpayers and construct a factory in Communist Poland to help the Reds in their rearmament program, not to mention the boost to Red employment and economy. This plant was not built in a day and was under construction at the time the Polish Premier was leading the anti-U.S. rally. Neither has this plant—called the Lenin Steel Works in honor of the first great Russian Communist leader—deterred Mr. Khrushchev in his saber rattling over Berlin nor has it engendered Polish friendship. We are still the suckers. I hate to tell the taxpayers of America this, but I am afraid their $2½ million have gone down the drain to come back at us in the form of Soviet arms at some future date. It is sadly reminiscent of the scrap iron exports to Japan that preceded World War II. The dreamers who hope to democratize Red Poland with American industry had better take a more practical look up the barrels of Mr. Khrushchev's guns before they send more money after bad.

There is another interesting aspect of our foreign aid program and its effect upon the people it is supposed to be helping. For example, in India we devoted eight times as much money to the development of heavy industry in that nation, all of which will be, if not now, competitive with American industry, than we spent on elementary education for India. In fact, they spent twice as much on one steel mill in India as they did on all elementary education. Our planners have gone crazy. Instead of educating the ignorant masses into the ways of democracy and freedom, they have spent money building steel mills to compete with us abroad.

There are more, unbelievably more, examples of waste, inefficiency and ineffectiveness initiated by this program. It is a blind program, a program which wears a disguise, and we are quickly being caught in its trap.

I have pointed out examples. I have shown what foreign aid has brought us in Cuba, in Korea, in Laos, in Pakistan, in Japan, in Poland. But that is not all—the list is endless. And, I warn you, the longer we continue to tease these underdeveloped countries with America's "free" money, the longer we will be playing a treacherous game of dishonesty.

In this pending bill the American people are being asked to throw $8,800 million down the drain. Such a reckless bill will only bring more threats and ultimatums, more galvanized steel mills behind the Iron Curtain, and more red flags waving 90 miles from our own shores. The very people who have been charged with bungling foreign aid programs and wasting billions of taxpayer dollars will now have 5 years—unchecked by Congress—to give handouts to neutrals, enemies, or anyone else who will accept them. This bill is a lifetime license to squander. As judges over the record of previous foreign aid, it is our duty to revoke the license—not renew it for life.

Let me remind the Senate that the power to appropriate and raise revenues rests with Congress and not with the executive branch. It is the Members of Congress who must bear the burden and heavy responsibility for inflation, for unbalanced budgets, for our all-time high public debt.

To further emphasize the financial burden of this proposal, let me quote a comparison made before the hearings conducted by the Senate Foreign Relations Committee on this bill. Mr. Elgin Groseclose, who was representing the Citizens Foreign Aid Committee, declared that:

> Our oversea payments are the equivalent of the receipts of our entire telephone industry; or that it takes all the income of the automobile industry, both returns to

workers and to investors, to meet this foreign aid bill; or that we pay out through our various oversea programs all the revenues generated by the gas and electric utilities industries.

For Congress to throw away its responsibility to check upon and to make appropriations would be disastrous. It would be a violation of the trust placed upon each of us by the U.S. Constitution and the people of this country.

This pending bill amounts to reprehensible back-door spending on an unprecedented scale. The annual appropriation system, which has previously provided for vastly expanding U.S. Government activities, including two major wars, most of our domestic programs, including billions in foreign aid, is now suddenly considered inadequate to finance the social development of Africans, Asians, and Polynesians. Consequently, this outrageous proposal authorizes the President to make loans for projects in unspecified areas of up to $900 million in 1962, and $1,600 million for each 4 years thereafter by borrowing from the Treasury. In short, it all boils down to a devious method of putting foreign aid casually and carelessly outside of our regular appropriation process.

In my opinion, the strongest drive behind this long-range 5½-year bill lies not with need, but with fear—fear from the foreign aid backers that public opinion will overwhelm the program in another year and someone may be out of not only money, but a program and a job.

Those who would be the first to be dropped from the payroll if we did away with foreign aid are the very ones who have been the chief advisers for keeping the program operating.

They advised former President Truman and former President Eisenhower, and now they are advising President Kennedy to advocate and to spend $10 billion on the same misleading ideology. They plan the program, run the program, and, quite naturally, they support and praise the program.

The bill grabs $300 million a year from repayments to the Treasury, which would in normal circumstances go to reducing the national debt or perhaps even to relieving the taxpayer. But that is still not the complete picture. The bill gives the President such wide authority to tap other programs and resources, including military and strategic stockpiles, that the total outlay will be far greater than $8,800 million. I would estimate an approximate total of $10,500 million will be spent over the next 5 years, not including $1,800,000 in military aid, plus such sums as may be necessary to implement the act.

Some of the proponents of foreign aid spending have had the nerve to raise the point that, by increasing postal rates, we may be able to help balance the budget and eliminate some of our deficits. The Washington Daily News recently attacked my position opposing postal rates, charging that I "apparently do not care about deficits or fair play for the taxpayers."

Those proponents of postal rate increases would lead the Nation to believe that we could pay for our rearmament program and our foreign aid program by increasing postal rates. This is ridiculous. If the Washington Daily News and similar advocates of a balanced budget really want to do something about our deficit and deficit financing, they should join those of us who oppose foreign aid. If we had the $90 billion that have been spent on foreign aid, our country would not be in a position of having to borrow money.

We would have a balanced budget instead. Now we must pay approximately $3 billion interest on that $90 billion. That is about what it costs us today.

It has been pointed out that the Government may have to borrow $7 billion this year to meet expenses.

I should like to point out that, at the end of the 5 years during which this proposed foreign aid bill extends, we shall have paid out approximately $625 to $630 million in interest alone. But that is by no means the end of the interest debt. After these 5 years have gone by, the interest cost on this one bill will continue at the fantastic amount of approximately $215 to $220 million per year. It should be clear that I refer only to this newly proposed obligation.

The truth is that, of $75 billion, $900 million spent between July 1945 and June 1961 on foreign aid, we paid a total of almost $16,760 million in interest. This assumes we borrowed the money. We did have to borrow it.

The proposed postal rate increases would only raise roughly one-half billion dollars, which would hardly meet even the interest payments on the proposed pending foreign aid bill now before us. The fact is, more than two-thirds of all the new revenue that would be raised by proposed postal rate increases would come from the first-class letterwriter. Only about one-third would come from second- and third-class mail. Once again, the attempt is to put the burden on the little people.

Those who are proposing postal rate increases try to say we can pay the cost of meeting the Berlin crisis with a 5-cent stamp. This is utter nonsense. Even if it were possible to do so, it would certainly be an unfair method of financing. I do not think the American public desires to demand that first-class mail users finance our military budget or the monstrous foreign aid program. The first-class mail user, now paying 4 cents for the average letter, is actually paying far beyond the cost of handling his mail.

Attempts by the wild spenders to finance their programs at the expense of the first-class mail user is ridiculous. Any defense or foreign aid expenditure is a cost which should be met by all Americans, not just mail users. If the big spenders desire to do something for their country, they will join in the fight to stamp out foreign aid giveaway programs, and certainly oppose long-range, expensive borrowing as proposed in this bill.

I dare anybody to stand on the floor of the Senate to propose that there be attached to the bill the revenue necessary to pay the costs of the bill, then to see whether or not the bill will pass.

The State Department's argument that other programs have been financed by this inflationary back-door method is hardly impressive when we consider the true realities.

I cannot believe that any Congress would give up rights specifically entrusted to it by the U.S. Constitution and every American citizen. To do so for no more critical emergency than the doling out of ineffective funds to underdeveloped countries would be insanity.

Some backers of the bill say we must pass it because of the Berlin crisis. I say, foreign aid has nothing to do with Berlin or our national defense posture except to be a drag upon our economy. If foreign aid is connected to the Berlin crisis, then it is a big flop, for we stand in Berlin under threats from the Red bloc just as we stood at the end of World War II. I fail to see any connection between foreign aid and Berlin.

I warn Senators—and I hope this warning never turns into another "I told you so"—that the pending legislation will commit us to ends and responsibilities which, by their very nature, we are powerless to attain. But above all, we shall be giving billions of dollars which will never create security or stability, but—as our past experience has proved—will build new and more menacing battlefields upon which our Western freedom must struggle with Soviet totalitarianism. Is this what we have been elected to do? To sit here and throw away almost $10 billion to create another Laos or another Cuba? If this so-called aid which has turned starving nations into battlefields has humanitarian implications, then its connection with America's security and interests is difficult, if not impossible, to establish.

We cannot force or buy in dollars and cents the democracy and liberty which has taken decades for Americans to build. Whether we give our handouts in 1-year or 5-year or 10-year packages, it will only lead, as it has in the past, to insults, ultimatums, inflation, and eventually perhaps even war.

Foreign aid has never been, and will never be, an effective weapon with which to combat Communist aggression. If Mr. Khrushchev wants to commit fiscal suicide with Soviet funds, then give him the rope with which to hang. Let us not hang ourselves. We have learned the lessons of foreign aid. We cannot afford to ignore them. The future of our Nation is at stake.

It is our duty to leave Americans with a more lasting heritage than a colossal economic hangover brought on by the tragically ineffective narcotics of foreign aid.

The United States has always been a leader, and today stands as the leader of the free world. We cannot afford to falter. We must not permit ourselves to be led astray by attempting to follow programs similar to those advocated by the Kremlin. Ours must be a different choice.

We must pour our every resource into the development of our strength and the strength of our allies. The only way we can ever accomplish freedom and liberty for all peoples is to kill this ridiculous theory of foreign aid, and take up the task of meeting commitments to our allies in the common defense of the free

world. For strength, show of force, and the will to live up to convictions is the only language which has been understood by tyrants, dictators, and aggressors throughout history.

The very life of our Nation and the freedom of our allies may well depend on the decision you make here today. I urge every Member of the Senate, for the protection of the citizens of the United States and of our allies all over the world, to vote against this monstrous legislative proposal, which would give up our legislative right and the privilege granted to us under the Constitution of the United States.

ORDER FOR ADJOURNMENT TO 10 A.M. ON MONDAY NEXT

Mr. MANSFIELD. Madam President, I ask unanimous consent that when the Senate adjourns this evening it adjourn to meet at 10 a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDEDAL AID TO EDUCATION

Mr. HRUSKA. Madam President, in recent days there has been considerable discussion of Federal aid to education with particular reference to federally impacted areas.

My attention has been called to a two-installment editorial discussion of Federal aid to education in the Norfolk (Nebr.) Daily News in its July 24 and 25 editions.

That journal for many years had for its publisher the late Gene Huse, beloved and respected by Nebraska citizenry and its editors. Since his recent decease, the News is published by his son Jerry Huse, who is admirably carrying on the tradition so well established by the father.

Mr. Emil "Scotty" Reutzel, who recently assumed editorship of that very respected journal, is responsible for the two editorials therein to which I refer.

In the conclusion of his first editorial, he stated:

> It is possible to admit that many areas of our country are below a desirable norm and still conclude that the appropriation of Federal money will not provide the answers.

He pointed out that the Federal Government does have a role in education in specialized and limited respects. One of those he mentions is that "during the time that our shortage of scientists presents danger to the Nation, it is a proper function of government to encourage a buildup in that field and to provide direct assistance through the granting of fellowships to teachers in order that they may learn better methods of instruction, to provide funds for specialized teaching equipment and to issue scholarships."

This particular reference caused the Senator from Nebraska to recall the debates and the passage of the National Defense Education Act of 1958.

It will be recalled that the Russian sputniks went into orbit in November of 1957. Advocates of Federal aid to education immediately assumed the role of alarmists and vociferous crapehangers. There ensued a postsputnik hysteria which was immediately capitalized upon by such advocates who successfully sponsored the passage of the National Defense Education Act of 1958, and the law in August of that year.

This measure was adopted on the assumption that this act was a temporary measure—with a 4-year term—designed to meet a genuine emergency seriously affecting our national defense. In fact, section 101 of the act in the findings and declarations of policy states that, due to existing imbalances in our educational programs, the purpose of the act is to educate more of our population in science, mathematics, and modern foreign languages.

Within that framework of reference, preference was to be given to students who show outstanding ability in any of these fields of science, mathematics, and modern foreign languages.

RECORD OF THE PAST 3 YEARS

So here we are in August of 1961, 3 years later. We can now consider the Department of Health, Education, and Welfare National Defense graduate fellowship announcements for the period from enactment of the law up to 1961–62.

These announcement reports show the graduate training for prospective college and university teachers under title IV of the National Defense Education Act for the period mentioned.

They show a total of 3,840 graduates being trained. Of these only 27 percent were in the fields of physical sciences and mathematics and engineering. The balance were fellowships granted in the field of the humanities.

Only three fellowships were granted in nuclear engineering, which is one less than the four fellowships of graduates who devoted their time and the U.S. taxpayers' funds to Buddhist studies—cultural.

Over 400 of these fellowships spent their time and tax funds to study the classics, drama and the theater, speech, folklore, music, philosophy, religion, fine arts, and social studies of foreign areas.

The Senator from Nebraska would be the last to say that these courses are not valuable in education. He would not want to downgrade them for 1 minute for their real cultural and educational value. They certainly belong in the educational activity of any nation which claims to be civilized and which is striving to improve itself and the future of mankind.

The thing that is just a little difficult for one to perceive and appreciate is how such courses of study cure the "existing imbalances in our educational programs" which the act of 1958 seeks to cure by educating "more of our population in science, mathematics, and modern foreign language."

Mr. Reutzel's editorials, after pointing out that by resorting to Federal assistance the ability to influence education locally will disastrously deteriorate, concludes by pointing out that local judgment is not yet bankrupt, and that if Federal assistance is used to cure situations in some school districts which are not meeting their needs, the price of Federal strictures and controls would have to be paid by thousands of other school districts that have consistently taxed themselves heavily to meet their needs, and have done so effectively as educational systems.

The second editorial's concluding paragraph reads:

> With the typical impatience of any American who finds something wrong, those who have found educational ills have made a faulty diagnosis, they have prescribed heart surgery when indigestion is really the trouble.

I ask unanimous consent that the two editorials be printed in the RECORD at this point, together with a table showing the graduate training provided for prospective college and university students under title IV of the National Defense Education Act.

There being no objection, the editorials and table were ordered to be printed in the RECORD, as follows:

[From the Norfolk (Nebr.) Daily News, July 24, 1961]

FEDERAL AID FOR OUR SCHOOLS

Nebraskans, though they reside in a State that ranks highest among the 50 in the proportion of local spending for schools, should show little grief at the initial defeat of Federal aid for education measures.

"Initial" is the right qualifier, for measures to assist in school construction and to improve teachers' salaries are certain to crop up again, though least likely in this session of the Congress, despite President Kennedy's urging. The Rules Committee of the House—the same committee liberalized at the urging of the new administration by enlargement of the membership—voted this week not to have the measure considered. Now, only an unusual action by the House will resurrect them before adjournment.

Up to the present time, Federal assistance to local school districts has been principally in the fields of vocational agriculture, vocational home economics training, in encouraging scientific pursuits through scholarships and special instructor training, and also in direct assistance to areas where the population has swelled because of nearby Federal installations—so-called impacted areas. The school lunch program is another instance.

Each of these has been an area of legitimate concern to the Nation as a whole at one time or another. Today, however, the encouragement of scientific training through scholarships, provision of equipment, and teacher training, is the only area remaining where the reason for Federal assistance, that is, to meet a vital national need, can be used.

The Federal Government does have a role in education. It is one of assisting, in an advisory capacity, the States and local governments to meet their needs. On rare occasions it should enter into programs—assistance in science and mathematics, for example—where the lack of progress is directly related to our effectiveness in that most important battle we are waging and will be waging for many years: the one for freedom and against communism.

During the time that our shortage of scientists presents danger to the Nation, it is a proper function of Government to encourage a buildup in that field and to provide direct assistance through the granting of fellowships to teachers in order that they may learn better methods of instruction, to provide funds for specialized teaching equipment, and to issue scholarships.

But those who seek further Federal intervention into the conduct of our schools as a means not simply to meet critical national needs but to cure all the ills in our education system, must remember that in resorting to Federal assistance, the ability to influence education locally will deteriorate.

Advocates of Federal aid seek to raise the level of education in some areas of the country where statistics may show teachers are not paid enough, classrooms are deficient or instructors lack desirable qualifications.

It is possible to admit that many areas of our country are below a desirable norm and still conclude that the appropriation of Federal money will not provide the answers.

[From the Norfolk (Nebr.) Daily News, July 25, 1961]

FEDERAL AID AND LOCAL CONTROL

It is important to remember that in a nation as vast and diverse as ours, the public educational system is never likely to reach uniformity—just as the economies of each section of our country will not reach uniformity under our system of government. We would hope that there will never be a uniformity of our people, either.

Our educational system must serve us and in that sense, it is vital that public and private schools prepare our students for the individualistic society that we hope will continue far beyond their own lifetimes. There is a lack of understanding about this purpose of our educational system.

It happens to be incidental, though important, that today our students are subject to comparisons—at every grade level—of their progress as opposed to that of Russian pupils. This race must not obscure the principal purpose of American education: To teach our youths to live and serve and work as responsible members of a democratic society.

While our eyes must be focused on our standing in the educational field in relation to the Communists, our goals must be met without resorting to authoritarian methods.

Today, local school boards and State educational authorities exercise the judgment that enables us to work toward our goals. Local school officials are able to recognize the educational problems, judge the needs and meet them—all in their own ways and at a rate of speed which they set.

It is important that this be continued and that local influence not be whittled away. Because of the influence that is exercised locally, it is possible for students in Nebraska to learn a little more about farming than the youngsters in Boston and it is possible for the students in Virginia to know more about the history of their State than would be taught in Nevada.

Today, it is still possible for local boards of education to set salaries, to oversee the education of their youngsters, to hire and fire teachers and to see that building bond issues are put before the voters.

These things would not immediately be canceled merely because Federal aid is adopted and accepted. But the means to Federal control would exist.

As citizens, we must applaud the fact that Federal expenditures result in Federal scrutiny and Federal regulation of that for which the money is spent. It is this process that protects the money we submit to the Treasury each year.

But why, when we have the opportunity to avoid Federal regulation, do we ask for it? Surely local judgment is not yet bankrupt and local initiative not stilled forever.

It is on the basis that some school districts, somewhere, are not meeting their needs that the specter of Federal aid is raised. But the price that would have to be paid by the thousands of other school districts that have consistently taxed themselves heavily to meet their needs is far too high.

With the typical impatience of any American who finds something wrong, those who have found educational ills have made a faulty diagnosis, they have prescribed heart surgery when indigestion is really the trouble.

Graduate training provided for prospective college and university teachers under title IV of the National Defense Education Act of 1958 from 1959 up to 1961–62

Teaching profession	Beginning training in 1959		Beginning training in 1960		To begin training in 1961		Total being trained	
	Number	Percent of 1959	Number	Percent of 1960	Number	Percent of 1961	Number	Percent
Classics	8		23		29		60	
English language and literature	81		91		96		268	
Comparative literature	12		19		19		50	
Modern European languages and literature	66		130		118		314	8.1
Linguistics and communications	8		17		16		41	
Drama and theater	6		6		10		22	
Speech	5		6		4		15	
Folklore	3		5		5		13	
Music	6		15		17		38	
Philosophy	18		43		46		107	
Religion	15		14		10		39	
Buddhist studies (cultural)	0		0		4		4	
Fine arts	5		2		4		11	
Education	47		104		122		273	7.1
Sociological studies of foreign areas	28		44		36		108	
Business administration and accounting	26		25		32		83	
Economics	44		106		85		235	
Geography	0		0		6		6	
History	38		125		96		259	
Political science	60		77		95		232	
Sociology and anthropology	33		52		53		138	
Psychology	31		16		31		78	
Zoology	21		17		18		56	
Various biological sciences	106		115		123		344	
Total, all humanities and percent per year	667	70.0	1,052	73.7	1,075	72.7	2,794	72.0
Physical sciences and mathematics:								
Astronomy	9		8		7		24	
Chemistry	59		63		64		186	
Geology	5		16		18		39	
Mathematics	78		98		72		248	6.4
Oceanography	0		4		4		8	
Physics	67		53		74		194	
Subtotal and percent per year	218	22.0	242	17.0	239	16	699	18.0
Engineering:								
Chemical engineering	13		21		36		70	
Civil engineering	9		23		33		65	
Electrical engineering	23		30		25		78	
Mechanical engineering	8		31		33		72	
Aeronautical engineering: Missile and aircraft	7		2		3		12	
Nuclear engineering	0		0		3		3	
Other engineering specialties	8		26		13		47	
Subtotal and percent per year	68	7.0	133	9.0	146	10.0	347	9.0
Grand total							3,840	

Source: HEW: National defense graduate fellowship announcements, 1959, 1960, and 1961.

MILITARY ANTI-COMMUNIST SEMINARS AND STATEMENTS

Mr. THURMOND. Madam President, for a number of days now there has been discussion on the Senate floor with reference to a campaign designed to prevent military leaders from participating in activities to inform the American public and their personnel on the nature of communism. The Department of Defense has recently altered its former policy with regard to this subject, and press reports have attributed the change in policy to the contents of a memorandum which originated on Capitol Hill. On July 21, 1961, an article in the Washington Post over the byline of David Burnham reported, and I quote from the first paragraph of the article:

A Senate Foreign Relations Committee memorandum has warned that rightwing propaganda activities by military officers may create "important obstacles" to President Kennedy's programs.

The article further stated that the study, "was made available to United Press International yesterday." Under these circumstances, Madam President, I did not consider it to be out of order, and certainly not impertinent, to request from the chairman of the Foreign Relations Committee a copy of a memorandum which, according to the press, had been made available to one of the national wire services, especially after my staff was advised by the UPI that the memorandum was released on Capitol Hill.

I requested the copy in an hour and explained that I was scheduled to leave town after that period. Madam President, I ask unanimous consent that a copy of my letter of July 21 to the chairman of the Foreign Relations Committee and his reply of the same date be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 21, 1961.

Senator J. WILLIAM FULBRIGHT,
Chairman, Senate Foreign Relations Committee, U.S. Senate, Washington, D.C.

DEAR BILL: I am attaching copies of two articles, one from this morning's Washington Post and another from this morning's New York Times, which shocked and disturbed me very much. In essence the articles report that a Senate Foreign Relations Committee memorandum has urged that military leaders be curbed in their efforts to indoctrinate servicemen and the American

public as to the insidious nature of world communism and the grave dangers which it poses to our Nation, both from without and within the borders of our own country. The New York Times article states further that the Defense Department has issued a directive in compliance with your committee staff memorandum.

I sent a member of my staff to the committee this morning to obtain a copy of this memorandum, but he was informed that the memorandum is not to be made available to the public, although the UPI story in the Washington Post says that the study "was made available to United Press International yesterday."

I then went to your office to talk with you and personally request a copy of the memorandum. Since you were not in, I talked with your assistant, Mr. Lee Williams. He informed me that you had no copies available—not even for yourself. He said that one copy had been sent to the President and another copy to the Secretary of Defense. I assume that in view of this action in sending a copy of the memorandum to the President and the Secretary of Defense that the memorandum has been approved by you and the full committee.

I am writing this letter to personally request that I be provided with a copy of this memorandum within the next hour as I would like to read its contents and possibly comment on it before leaving Washington after lunch.

With best wishes.

Sincerely,

STROM THURMOND.

JULY 21, 1961.

Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR STROM: In reply to your letter of this morning, the UPI story in the Washington Post was in error.

You will note that the New York Times states clearly that this was a private memorandum to the Secretary of Defense, based primarily upon heretofore published reports. The memorandum is in no way a committee memorandum, no member of the committee even knew about it, and the committee takes no responsibility for it. Since it is a private communication to the Secretary of Defense, I have not felt that it is necessary to make it available to anyone else.

I am very sorry that this misunderstanding has arisen, but I have found the press sometimes to be unreliable in the way it presents such matters. Where it obtained the memorandum is a mystery to me, as I did not make it available to anyone except the highest officials in the Government.

Very truly yours,

BILL,
J. W. FULBRIGHT.

Mr. THURMOND. Madam President, I was advised by the office of the Senator from Arkansas that they had had innumerable requests for copies of the memorandum, particularly from the press; and one member of the Foreign Relations Committee advised me that he had unsuccessfully tried to obtain a copy himself.

Madam President, I in no way intended that my request to see a copy of this memorandum be interpreted as an ultimatum, nor do I believe that any such inference can be logically drawn from my request. At the time the request was made, I was under the impression, as I stated in my letter, that the memorandum was a committee document, as the press had reported.

It was not, and is not, my intention to inject personalities into this matter. It so happens that I disagree completely with the Senator from Arkansas on a matter which, in my opinion, is vital to our Nation. It is a matter which bears on the survival of our country. It is a matter which must be discussed, debated, and, I sincerely hope, investigated, on its merits without regard to the individuals or personalities who may hold conflicting views on the subject.

Madam President, one thing above all should be understood with regard to the matter under discussion. The issue is not a question of subordination of the military to civilian control. There is not, nor has there been, any challenge to the firmly rooted fundamental that policy of the United States shall be made by elected civilian officers of Government, and as provided in the Constitution. The real issue in this matter is whether the American people shall be given the facts whereby they, themselves, can exercise the sovereignty which is theirs; and whether the American people, through the machinery of our Republic, shall have the final say on policies of the United States of America. This, Madam President, is the issue. This, Madam President, is obviously the reason for the secrecy of the attempt to withhold the facts from the American public.

The memorandum caused to be printed in the RECORD on August 2 in two places, first by myself, and later in the day by the Senator from Arkansas, is important, not primarily because of its origin—although that, too, is important—but above all for its content which reveals the real fears which underlie the exposure to the American public, in the Armed Forces and out, of the total nature of communism and the history of its many tactics of aggression.

This memorandum does attack our military leaders and their participation in efforts to give American citizens the facts about communism and the cold war. The attack of the memorandum on the military, however, is merely the application, in this instance, of the philosophy candidly expressed in the memorandum, that the American people are not to be trusted with governing themselves, particularly with reference to matters of foreign policy.

This memorandum does express fear of the military, and even apologetically cites the revolt of the French generals; but the ultimate fear expressed by the memorandum is not of the military, but of the American people themselves.

Three paragraphs from this memorandum constitute its heart; and every American should read all of this memorandum, but particularly these three paragraphs:

> The American people have never really been tested in such a struggle. In the long run, it is quite possible that the principal problem of leadership will be, if it is not already, to restrain the desire of the people to hit the Communists with everything we've got, particularly if there are more Cubas and Laos. Pride in victory, and frustration in restraint, during the Korean war, led to MacArthur's revolt and McCarthyism.
>
> This problem of democratic attitudes toward foreign policy has never been better stated than by De Tocqueville, who wrote:
>
> "Foreign politics demand scarcely any of those qualities which a democracy possesses; and they require, on the contrary, the perfect use of almost all those faculties in which it is deficient * * * a democracy is unable to regulate the details of an important undertaking, to persevere in a design, and to work out its execution in the presence of serious obstacles. It cannot combine its measures with secrecy, and it will not await their consequences with patience. These are qualities which more especially belong to an individual [a dictator], or to an aristocracy [or an oligarchy or presidium]."
>
> He also wrote of "the propensity which democracies have to obey the impulse of passion rather than the suggestions of prudence, and to abandon a mature design for the gratification of a momentary caprice."

This, Madam President, is not an indictment of military leaders for usurping civilian control, but an indictment of the ability of the American people to govern themselves and to know what is best for themselves.

Madam President, I am fully aware that few American citizens had the opportunity to study at Oxford; only a minute minority had the opportunity of attending Harvard; indeed, many of our citizens are not blessed with the opportunity of going to any college. Formal education is not, however, the sole source of knowledge and commonsense. Our entire history as a nation attests to the fact that the American people are qualified to exercise the sovereignty which belongs to them. To question the ability of the American people to govern themselves, much less to attack it, is to strike at the fundamentals of our governmental system, and its highest end—individual liberty. As I have stated previously, the American people will not stand for such an attack to be made publicly; and I could not live with my conscience if I knowingly let such an attack remain secret from them.

Madam President, when this memorandum is understood for what it is—an outright attack on the ability of the American people to govern themselves—it is not surprising to find in the memorandum the statement:

> Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war.

Madam President, unless our most urgent problem is the Communist menace, then truly, there is little need to alert the American public to the menace of the cold war. The need to give the American people the facts about communism exists only if communism is our No. 1 problem. This memorandum states, however, that the principal problem is to restrain the desire of the people to hit the Communists with everything we have got, particularly if there are more Cubas and Laoses.

Madam President, I have been told by the Assistant Secretary of Defense for Public Affairs that everybody knows the enemy. I must be very confused, for I thought the enemy was communism. I did not realize that, as this memorandum says so bluntly, the American public constitutes the principal problem.

As a matter of fact, I must confess my own sense of identity with the "uneducated" public, for even after reading this enlightening memorandum, I still think that our enemy is communism; and I fear naught from the patriotic

emotions of Mr. Average American Citizen.

Madam President, this memorandum not only states in emphatic terms that the American people are not qualified to decide national issues for themselves, particularly in the field of foreign relations, but it goes further and offers an example of such inability. The memorandum states:

> It is probably the view of most Members of Congress today that if foreign aid were laid before the people in a referendum, it would be defeated.

Madam President, I, personally, would not presume to predict the outcome of such a national referendum, but whatever might be the attitude of the majority of Americans on foreign aid, I would as soon, or rather, trust the judgment of Americans as I would the judgment of those who administer the foreign aid program and present to us in Congress the proposals to trust their judgment and discretion for long-term commitments of a previously badly bungled program. I must confess that I am not one of those who believes that Washington is the seat of all wisdom.

As I have stated, I would not presume to predict the outcome of a national referendum on the question of foreign aid when put on an all-or-nothing basis. I must further confess, however, that on the question of giving assistance to Communist nations, as was proposed by the amendment to the Battle Act which passed this body recently, I have no doubts that the overwhelming majority of Americans would resoundingly vote "No." But they, like me, are deceived; for they too, I am convinced, are laboring under the assumption that communism is the enemy.

Madam President, this memorandum does not attempt to make a case of the military usurping or even challenging the policies made by duly authorized civilian authorities. Indeed, the first paragraph of the memorandum states:

> 1. Under a National Security Council directive in 1958, it remains the policy of the U.S. Government to make use of military personnel and facilities to arouse the public to the menace of the cold war.

The National Security Council directive of 1958 is still in effect, but there has apparently been a change, or at least a modification, of policy in its application—reportedly at least, as a result of this memorandum. It is with the change or modification in policy, and the reason which prompted such a change or modification, that I take issue. If this memorandum is the basis, even in part, for the change or modification in policy, the American people—civilians that they are—should also have the facts on which to judge the sufficiency of the basis for such a change or modification in policy. I, therefore, will do anything in my power to lay bare to the American people not only this memorandum but also any other facts and circumstances, now shrouded by secrecy, which underlie the change or modification in policy by the Department of Defense.

Madam President, I do not propose to discuss in detail at this time either the allegations in the attachments, on which the memorandum is purportedly based, nor the recommendations of the memorandum itself, although I shall have more to say concerning them in days to come. I should feel remiss, however, if I did not at least mention them in passing at this time.

The first attachment professes to list 11 instances of "education and propaganda activities of military personnel." I do not have the facilities which would have made it possible for me to have investigated each of these instances in detail in the short time the memorandum and its attachments have been available. All of the instances are reported in vague terms—and there are many other patent errors. The style of reporting, if this aggregation can be so dignified, is confused and, in places, obviously purposely misleading.

Great stress seems to be placed on the fact that at many of the conferences mentioned the film "Operation Abolition" was shown. It is an aggregate of allegations which deserves not only careful and skeptical reading, but also a judgment based on some knowledge of the individuals named, many of whom I know to be distinguished patriotic Americans, and a personal viewing of the films referred to, namely, "Operation Abolition," "Communism on the Map," and "Communist Encirclements—1961."

The recommendations of the memorandum itself each merit a separate discussion. At this time, however, I shall confine myself to comments on their composite aim. In essence, these recommendations would appear to seek a military which, as Adm. Arleigh Burke so aptly phrased it yesterday, "could be turned on and off like a faucet." All of the military under these recommendations would be turned off completely until there could be developed, and I quote, "a program for exposure of promising military officers to broader educational opportunities." From this I cannot escape the implication of the memorandum that the real objection to the military is that they have not been indoctrinated as to the identity and the source of the principal problem, which, according to the memorandum, is not communism, but the emotions of the American people.

According to the memorandum, military officers are so poorly indoctrinated as to the identity of the real enemy that the memorandum recommends that the control of the National War College be transferred from military to civilian hands, and that military officers not even be allowed to conduct troop information and educational programs at unit level, for that too, according to the memorandum, should be left to civilian hands. The question arises in my mind: On what criteria are such civilians, who are to be entrusted with this present military function, to be selected? It would be interesting to know just who are the civilians who have been exposed to such "broader educational opportunities."

Madam President, I have on previous occasions been impressed with, and I have stated, the need for an investigation of the basis of the change in policy in this regard by the Department of Defense. After carefully studying this memorandum and its assertion that it is the American people within whom resides the principal problem, I am more convinced than ever that a comprehensive investigation is essential. I, therefore, send to the desk for appropriate reference and printing a Senate resolution authorizing and directing the Armed Services Committee of the Senate to investigate this matter in its entirety.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 191) was referred to the Committee on Armed Services, as follows:

Resolved, That the Committee on Armed Services or any duly authorized subcommittee thereof is authorized and directed to make a full and complete study and investigation of the use of military personnel and facilities to arouse the public to the menace of the cold war, particularly with respect to: (1) the origin and basis for past and existing policy; (2) the content and the criteria for judging the content of troop informational and educational programs; (3) the role of the National War College; (4) the policies and practices of the Department of Defense with regard to the release or withholding of unclassified information; and (5) the delineation between the proper role of civilian authorities and military personnel within the Department of Defense and the Departments of Army, Navy, and Air Force.

The committee shall report to the Senate at the earliest practicable date the results of the study and investigation, together with such recommendations as it may deem advisable.

SEC. 2. For the purpose of this resolution the Senate Armed Services Committee is vested with the full subpena powers of the Senate.

SEC. 3. For the purposes of this resolution the committee, from September 1, 1961, to June 30, 1962, inclusive, is authorized: (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,400 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 4. Expenses of this committee under this resolution, which shall not exceed $75,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ADJOURNMENT UNTIL 10 A.M. MONDAY, AUGUST 7, 1961

Mr. MCNAMARA. Madam President, if there is no further business to come before the Senate at this time, I move, pursuant to the order previously entered, that the Senate adjourn until 10 o'clock a.m. next Monday.

The motion was agreed to; and (at 5 o'clock and 34 minutes p.m.) the Senate adjourned, under the order previously entered, until Monday, August 7, 1961, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 4, 1961:

THE JUDICIARY

William T. Beeks, of Washington, to be U.S. district judge for the western district of Washington, vice John C. Bowen, retired.

U.S. MARSHAL

George M. Stuart, of Alabama, to be U.S. marshal for the southern district of Alabama for the term of 4 years, vice James L. May.

BUREAU OF CUSTOMS

DuBrutz Cutlar Moore, Sr., of North Carolina, to be collector of customs for Customs Collection District No. 15, with headquarters at Wilmington, N.C.

BUREAU OF INDIAN AFFAIRS

Philleo Nash, of Wisconsin, to be Commissioner of Indian Affairs.

PUBLIC HEALTH SERVICE

The following-named persons to be members of the Board of Regents, National Library of Medicine, Public Health Service, for terms of 4 years expiring August 3, 1965:

Dr. Norman Q. Brill, of California.
Dr. Saul W. Jarcho, of New York.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 4, 1961.

POST OFFICE DEPARTMENT

William J. Hartigan, of Massachusetts, to be an Assistant Postmaster General.

OFFICE OF CIVIL AND DEFENSE MOBILIZATION

John E. Cosgrove, of Maryland, to be an Assistant Director of the Office of Civil and Defense Mobilization.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade indicated, subject to qualification therefor as provided by law:

To be major generals

John P. Condon
Robert E. Cushman
Richard G. Weede
Leonard F. Chapman, Jr.
Henry W. Buse, Jr.
Herman Nickerson, Jr.

The following-named officers of the Marine Corps for temporary appointment to the grade indicated, subject to qualification therefor as provided by law:

To be brigadier generals

Carl A. Youngdale
Ormond R. Simpson
John G. Bouker
Norman J. Anderson
Keith B. McCutcheon
Ronald R. Van Stockum

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3307:

To be major general, Medical Corps

Maj. Gen. Clinton Stone Lyter, O18291, Army of the United States (brigadier general, Medical Corps, U.S. Army).

To be major general

Maj. Gen. William Wilson Quinn, O19283, Army of the United States (brigadier general, U.S. Army).

The following-named officers for temporary appointment in the Army of the United States, to the grades indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major generals

Brig. Gen. James Benjamin Lampert, O20147, Army of the United States (colonel, U.S. Army).

Brig. Gen. Chester Victor Clifton, Jr., O20246, Army of the United States (colonel, U.S. Army).

Brig. Gen. John Arnold Heintges, O20281, Army of the United States (colonel, U.S. Army).

Brig. Gen. Oliver Clark Harvey, O38776, Army of the United States (colonel, U.S. Army).

Brig. Gen. James Leslie Snyder, O19627, Army of the United States (colonel, Medical Corps, U.S. Army).

Brig. Gen. Ethan Allen Chapman, O19076, Army of the United States (colonel, U.S. Army).

Brig. Gen. Jonathan Owen Seaman, O19385, Army of the United States (colonel, U.S. Army).

Brig. Gen. John Francis Franklin, Jr., O19476, Army of the United States (colonel, U.S. Army).

Brig. Gen. Stanley Robert Larsen, O22094, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Andrew Jackson Goodpaster, O21739, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Andrew Ralph Lolli, O29844, Army of the United States (colonel, U.S. Army).

Brig. Gen. Andrew Joseph Adams, O18579, U.S. Army.

Brig. Gen. Berton Everett Spivy, Jr., O19479, U.S. Army.

To be brigadier generals

Col. Arthur Houston Frye, Jr., O19716, U.S. Army.

Col. George Henry Walker, O20617, Army of the United States (lieutenant colonel, U.S. Army).

Col. James Emile Graham, O19622, Medical Corps, U.S. Army.

Col. John Marshall Kenderdine, O43446, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward Clare Dunn, O20245, U.S. Army.

Col. Ephraim Foster Graham, Jr., O20838, Army of the United States (lieutenant colonel, U.S. Army).

Col. Adam Watts Meetze, O30087, U.S. Army.

The U.S. Army Reserve officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, section 3384:

To be major general

Brig. Gen. John William Libcke, O233642.

To be brigadier generals

Col. Frederick Victor Austin, Jr., O252501, Corps of Engineers.

Col. Herbert Borden Brand, O916491, Transportation Corps.

Col. Philip Joseph Donovan, O1577103, Transportation Corps.

Col. Selig Jacob Levitan, O276524, Chemical Corps.

Col. William Surles McArthur, O312407, Artillery.

Col. Philip Daniel Myers, O293334, Artillery.

Col. Roy William Peters, O309977, Infantry.

Col. Laddie L. Stahl, O448301, Artillery.

Col. Hugh Reid Thompson, Jr., O342933, Infantry.

Col. Robert Cleland Tyler, O281150, Corps of Engineers.

Col. John Wister Wurts, O283443, Artillery.

The Army National Guard of the United States officers named herein for promotion as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sec. 3385:

To be major general

Brig. Gen. Harley Bruce West, O268317.

To be brigadier generals

Col. Charles Watts Fernald, O1287851, Adjutant General's Corps.

Col. George Oliver Pearson, O253334, Adjutant General's Corps.

Col. Noble F. Schlatter, O408711, Adjutant General's Corps.

Col. Charles C. Thorstensen, O283700, Artillery.

Col. Howard Samuel Wilcox, O423347, Infantry.

The nominations beginning Oliver R. Buesing, to be colonel in the Regular Army, and ending Alan A. Word, to be second lieutenant in the Regular Army, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 25, 1961.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 4, 1961

The House was not in session today. Its next meeting will be held on Monday, August 7, 1961, at 12 o'clock noon.

Pursuant to an order of the House on Thursday, August 3, 1961, Mr. THOMAS submitted a conference report on H.R. 7445, independent offices appropriation bill, fiscal 1962.

EXTENSIONS OF REMARKS

The Postmaster as a Community Leader—Address by Senator Byrd, of West Virginia, Before West Virginia Postmasters

EXTENSION OF REMARKS
OF
HON. ROBERT C. BYRD
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Friday, August 4, 1961

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a speech which I made on July 29 before the West Virginia chapter, National Association of Postmasters, at Martinsburg, W. Va.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AN ADDRESS BY HON. ROBERT C. BYRD, OF WEST VIRGINIA, BEFORE THE WEST VIRGINIA CHAPTER, NATIONAL ASSOCIATION OF POSTMASTERS, MEETING AT MARTINSBURG, W. VA., JULY 29, 1961

The New England essayist, Ralph Waldo Emerson, once said, "Conversation is the laboratory and workshop of the student." This convention of West Virginia postmasters will no doubt prove the correctness of Mr. Emerson's contention. Gathering together to discuss your problems should not only lead to solutions, but also to further progress in the mail service of the State.

Americans have always taken pride in our mail service. From childhood up, each of us has come to understand that despite the vagaries of weather—rain, sleet, snow, or the burning sun on a humid day—the delivery of mail is a certainty. Few of us realize, however, what it takes, administratively, to give America the best mail service ever.

But every step that is taken to improve and strengthen the postal service, is also a step

that serves to bolster the economy of the Nation. This is proven history.

Take, for example, the suggestion which the postal service made to the banking business several years ago—that the mails should be considered for the sending of checks for deposit to customers' accounts. Within the span of a few years, the volume of such check-deposit mail handled by the Nation's banks has placed this service in fifth position among the more than 20 services daily performed by banks.

Within the past 10 days the postal service has launched a new program under the title of "Nationwide Improved Mail Service." As you know, the largest mailers in each city have been given membership in the Citizens Advisory Council for Postal Operations. As a whole, these large mailers generate approximately 70 percent of our country's mail volume. By working with these citizen groups, it may be possible to help them plan for a rescheduling of the vast amount of mail they now deposit in the late afternoon—a flow which creates an evening peakload of mail instead of a balanced flow during the entire course of the day.

Thus, this step—the creation of the Citizens Advisory Council—can only lead to a better than ever mail service, and this will prove a boon to the economy of the country.

But the role of the postmaster goes beyond that of seeking ways to speed the delivery of mail. He must also have an intimate concern with the problems of his community—the social ones as well as the economic ones—for as his community grows and prospers, so will his post office grow and prosper.

The economic potentials of West Virginia are nothing short of tremendous. For the most part these potentials are inherent in our many natural resources—resources which literally beg for development and exploitation. The development of these resources, however, calls for the imagination, the energy, and the resourcesfulness of leaders in each and every one of our communities.

The postmaster, by his very position, is a leader in his community. He knows the shape and character of his community. He knows the human potentials of his community. It is logical, therefore, that he is also intimately aware of his community's social and economic needs, and perhaps has also given much thought to how improvements can be made in each direction.

This knowledgeable man, the postmaster—this man who has an encyclopedic store of community information—should be an active member of any local group of citizens concerned with community development. Moreover, he is an ideal man for such a group, because he has no ax to grind, no vested interest to be concerned with other than his vested interest in the growth and progress of his community. He can be an impartial arbiter of differences of opinion, a valued mentor whose thoughts would be respected.

Now that the Area Redevelopment Act is the law of the land, there is opportunity for every West Virginia community that has suffered economic decline to invigorate itself, to enrich itself with job opportunities through the attraction of new industries or the expansion of existing ones. Certainly, industry contemplating moving into a depressed community would be concerned with the kind of postal service that would be available. Here, then, would be an opportunity for a postmaster to secure the future of his community by pledging expeditious service—the kind of service that may require a bit of shuffling around of routes, a realinement of clerical help, and perhaps a rescheduling of working hours.

Tourism holds forth a great economic potential for West Virginia. There can be no denying the beauty and grandeur of our State. But there are other attractions which should interest outsiders and encourage them to visit with us. For example, in the very near future we are going to celebrate our 100th birthday as a State, and we shall do this with numerous activities in many sections of the State. Here, then, is a proposition for this convention to consider:

In certain instances the Post Office Department permits the use of slogans with cancellation dies. Permission has been granted for the use of such slogans as "Keep Maine Green," and others dealing with historical events. Why not plan now, on a Statewide basis, to have a cancellation die slogan such as: "Help West Virginia celebrate her century of statehood in 1963." This kind of cancellation die slogan on every letter mailed in West Virginia, could be very helpful in giving a solid spurt to tourism in our State.

I firmly believe that the postmasters of West Virginia can help our people end the paradox of economic distress amid the vast natural wealth of our State. I believe this because the postmasters of West Virginia have always been a constructive force—a progressive force which wisely maintains a mutuality of interest with the people of their communities. As people dedicated to the service of other people, our postmasters always seem to extend themselves beyond the call of the postal service. They represent themselves not only as servants of the postal system, but also as servants of the entire U.S. Government.

They willingly post their office walls with notices and announcements from a vast number of Federal departments and agencies. Often, their walls are not large enough for the posting of everything sent them, but they do their best to get the welter of such material pinned up for public perusal.

This very clutter of notices and announcements, however, often repels, rather than attracts, readers. Unfortunately, this may mean an unawareness of some important fact, or even a post-employment opportunity.

Take, for example, postings of civil service examination notices. Because of the excessively high rate of unemployment in our State, such notices of job opportunities are especially important to West Virginians. But if such notices are part of a clutter—as they most often are—they may not get read.

Here again, then, is an opportunity for the kind of community service that makes our postmasters outstanding citizens. A busy man always finds time for some additional work. In this instance, the additional work would be to advise local newspapers and radio stations of the civil service examination notices the moment they come to the office. You will find these news media more than anxious to make known, to the entire area that they cover, the Federal job opportunities that are available.

The good people that Uncle Sam wants for Federal employment may be your post office customers. Certainly, they could be members of your community. Thus, you may be performing a doubly good deed by widely publicizing Federal job opportunities—helping someone find useful employment, while helping the Government obtain the best possible employable persons.

Today, the U.S. postal service is the biggest mail service in the world. Although our country occupies only one-fiftieth of the land surface of the globe, the people of America send and receive nearly two-thirds of the total world's mail volume. Yet, we are not satisfied. We believe we should be sending even greater volumes of mail—intracity, intrastate, and interstate.

The free flow of mail—of correspondence—is a guarantee of freedom, for so long as we can freely communicate among ourselves, we shall fight to be a free people. For the expeditious and free flow of our mails, we have our postmasters to thank. And in thanking you, our West Virginia postmasters, I am mindful of what William Makepeace Thackeray once wrote: "Next to excellence is the appreciation of it."

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 7, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 119: 165: *Great peace have they who love Thy law.*

O Thou who art able and willing to do for us abundantly above all that we ask and think, we humbly confess that we daily need Thy help for we are unequal to our tasks and responsibilities.

However desperate and dire our needs may be, grant that we may never be tempted to feel that all that is noble and good in our civilization is at the mercy of the powers of darkness.

When fears and anxieties storm the citadel of our souls inspire us to carry on bravely, believing that the future is as bright as this glorious promise: "Thou wilt keep him in perfect peace whose mind is stayed on Thee."

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, August 3, 1961, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On July 20, 1961:

H.R. 866. An act to amend section 4004 of title 38, United States Code, to require that the Board of Veterans' Appeals render findings of fact and conclusions of law in the opinions setting forth its decisions on appeals;

H.R. 3385. An act to amend the Tariff Act of 1930 to provide for the free entry of electron microscopes and certain other apparatus imported by, or on behalf of, certain institutions;

H.R. 6441. An act to amend the Federal Water Pollution Control Act to provide for a more effective program of water pollution control, and for other purposes; and

H.J. Res. 472. Joint resolution providing for the apportionment to the Commonwealth of Massachusetts of its share of funds authorized for the National System of Interstate and Defense Highways for the fiscal year ending June 30, 1963.

On July 21, 1961:

H.R. 2645. An act for the relief of Wieslawa Alice Klimowski;

H.R. 2953. An act to amend section 521 of title 38, United States Code, to provide that certain service shall be creditable for pension purposes;

H.R. 4349. An act to place Naval Reserve Officers' Training Corps graduates (Regu-

lars) in a status comparable with U.S. Naval Academy graduates;

H.R. 6269. An act to extend the provisions for benefits based on limited periods immediately following discharge from active duty after December 31, 1956, to veterans discharged before that date;

H.R. 6874. An act to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction of facilities, and for other purposes; and

H.R. 7148. An act to equalize the provisions of title 38, United States Code, relating to the transportation of the remains of veterans who die in Veterans' Administration facilities to the place of burial.

On July 25, 1961:

H.R. 4324. An act to provide uniformity in certain conditions of entitlement to reenlistment bonuses under the Career Compensation Act of 1949, and for other purposes.

On July 26, 1961:

H.R. 929. An act to amend the Internal Revenue Code of 1954 to permit the prepaid dues income of certain membership organizations to be included in gross income for the taxable years to which the dues relate;

H.R. 1353. An act for the relief of Max Bieler;

H.R. 1477. An act for the relief of Mansureh Rinehart;

H.R. 1620. An act for the relief of Kejen Pi Corsa;

H.R. 1626. An act for the relief of Jack Konko;

H.R. 1915. An act for the relief of Mrs. Sode Hatta;

H.R. 1986. An act to repeal the provisions of section 5 of the act of July 28, 1916, as amended, relating to the furnishing of information to the Postmaster General by the Interstate Commerce Commission with respect to revenue received by railroads from express companies for the transportation of express matter;

H.R. 2360. An act for the relief of Mrs. Tome Takamoto;

H.R. 4557. An act for the relief of Manuel Martinez-Lopez;

H.R. 4591. An act to continue until the close of June 30, 1962, the suspension of duties on metal scrap, and for other purposes;

H.R. 5548. An act to authorize the Secretary of the Interior to acquire approximately 9 acres of land for addition to Cumberland Gap National Historical Park, and for other purposes;

H.R. 7444. An act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1962, and for other purposes; and

H.J. Res. 392. Joint resolution to amend the joint resolution of March 25, 1953, relating to electrical and mechanical office equipment for the use of Members, officers, and committees of the House of Representatives to provide that Members having constituencies of 500,000 shall be entitled to an additional $500 worth of equipment; to increase the number of electric typewriters which may be furnished Members; and for other purposes.

On July 31, 1961:

H.R. 1336. An act for the relief of Anna Catania Puglisi;

H.R. 1379. An act for the relief of the dependents or estate of Carroll O. Switzer;

H.R. 1390. An act for the relief of Jung Ngon Woon;

H.R. 1391. An act for the relief of Mrs. Wong Lau Sau Kam;

H.R. 1486. An act for the relief of Mrs. Vicenta A. Messer;

H.R. 1499. An act for the relief of Manuel Nido;

H.R. 1699. An act for the relief of Nick George Boudoures;

H.R. 1704. An act for the relief of Lee Shee Won;

H.R. 1706. An act for the relief of Adela Michiko Flores;

H.R. 1911. An act for the relief of Ricaredo Bernabe Dela Cena;

H.R. 2354. An act for the relief of Mr. Louis Fischer, Feger Seafoods, and Mr. and Mrs. Thomas R. Stuart;

H.R. 2674. An act for the relief of Eva Nowik;

H.R. 5432. An act to make permanent certain increases in annuities payable from the civil service retirement and disability fund;

H.R. 7454. An act consenting to the amendment of the compact between the States of Pennsylvania and Ohio relating to Pymatuning Lake; and

H.J. Res. 463. Joint resolution to extend through June 30, 1962, the life of the U.S. Citizens Commission on North Atlantic Treaty Organization.

On August 3, 1961:

H.R. 1182. An act to create the Wyandotte National Wildlife Refuge;

H.R. 1383. An act for the relief of Hyacinth Louise Miller;

H.R. 1891. An act for the relief of Engineman First Class William J. Stevens;

H.R. 1903. An act for the relief of Mrs. Amina Youssif Cosino (nee Simaan);

H.R. 2086. An act for the relief of Earl H. Spero;

H.R. 2249. An act to authorize the Secretary of Agriculture to convey certain property in the State of California to the county of Trinity;

H.R. 2250. An act to authorize and direct the Secretary of Agriculture to convey certain lands in Lassen County, Calif., to the city of Susanville, Calif.;

H.R. 2616. An act for the relief of Habib Mattar Nacol;

H.R. 2750. An act to provide for the relief of certain enlisted members of the Air Force;

H.R. 4328. An act to reassign officers designated for supply duty as officers not restricted in the performance of duty in the Marine Corps;

H.R. 6345. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1962, and for other purposes;

H.R. 7577. An act making appropriations for the Executive Office of the President, the Department of Commerce, and sundry agencies for the fiscal year ending June 30, 1962, and for other purposes; and

H.J. Res. 124. Joint resolution to provide for amending section 3 of the Puerto Rican Federal Relations Act (64 Stat. 319), as amended (64 Stat. 458).

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 181. An act to amend sections 3253 and 8253 of title 10, United States Code;

H.R. 4321. An act to amend section 303 of the Career Compensation Act of 1949 to authorize the transportation of dependents and baggage and household effects of certain retired members;

H.R. 4323. An act to amend the Career Compensation Act of 1949 with respect to special pay for diving duty, and for other purposes; and

H.R. 7722. An act to amend section 3579, title 10, United States Code, to provide that commissioned officers of the Medical Service Corps may exercise command outside the Army Medical Service when directed by proper authority.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7851. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ROBERTSON, Mr. CHAVEZ, Mr. HAYDEN, Mr. RUSSELL, Mr. BYRD of Virginia, Mr. SALTONSTALL, Mr. BRIDGES, and Mr. YOUNG of North Dakota, to be the conferees on the part of the Senate.

The message further announced that the Senator from Mississippi, Mr. STENNIS, be appointed conferee on the bill (H.R. 7851) entitled "An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1962," in place of the Senator from New Mexico, Mr. CHAVEZ, excused.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2197. An act to amend section 107(a)(3) of the Soil Bank Act, as amended.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2034) entitled "An act to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. THURMOND, Mr. MCGEE, Mr. CASE of New Jersey, and Mr. COTTON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1643) entitled "An act to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes."

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1962

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and

appoints the following conferees: Messrs. MAHON, SHEPPARD, CANNON, FORD, and TABER.

CONTINENTAL AIRLINES

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ROGERS of Colorado. Mr. Speaker, Continental Airlines is to be commended for the extraordinary devotion to duty and concern for their passengers which was exhibited by Continental Airlines' employees during the attempt to hijack a jet airplane en route from Phoenix to El Paso on August 3.

Robert F. Six, president of Continental Airlines, was in constant control of the situation as far as the airline was concerned and he was in immediate and constant contact with the administration, the Federal Aviation Agency, the law enforcement agencies, and his own employees aboard the aircraft during the 9-hour siege. Mr. Six was on the scene at El Paso when the long vigil finally culminated in a successful apprehension of the bandits.

Eyewitnesses to the attempted hijacking were unanimous in their praise of the Continental employees who showed extraordinary courage and concern for the safety of their passengers on the flight.

The crew members were: Byron D. Rickards, captain; G. L. Wagner, first officer; Norm Simmons, second officer; Lou Finch, director, passenger service; Lois Carnagey, hostess; and Tonie Besset, hostess.

Special notice should be taken of a Continental Airlines employee who was a passenger on the plane when the bandits, with arms drawn, asked for four hostages to stay with the aircraft to Cuba. One of the first who volunteered for this dangerous assignment was J. P. Casey, assistant terminal operations supervisor, Houston, Tex.

Certainly all Continental Airlines passengers, as well as all airline passengers everywhere, can be assured of the high caliber and devotion to duty shown by these employees typical of all certificated airline employees in this country.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I also want to commend President Six on the efficient manner in which he handled this very difficult situation. I also commend the members of the crew on their bravery and devotion to duty in the face of imminent danger. Their performance was outstanding and typical of the fine service rendered by Continental Airlines.

Mr. DOMINICK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. DOMINICK. Mr. Speaker, I take this opportunity of joining with my colleagues from Colorado in complimenting Continental Airlines for the manner in which they handled the recent attempted hijacking of their 707 jet en route from Phoenix to El Paso on August 3.

They were kind enough to keep me informed of developments and I can assure you their primary concern was for the safety and welfare of their passengers and this was exemplified by the action of one of their employees who volunteered to act as one of the hostages demanded by the hijackers.

Mr. Six, president of Continental Airlines, was in constant attendance at the scene and was in contact with the administration, the FAA, the local law enforcement agencies, and his own employees aboard the aircraft during the 9-hour siege. In my opinion, Mr. Six should be most pleased with the conduct of his employees and should be personally congratulated for the responsibility and determination which he, as the chief executive officer of the company, showed during the crisis.

The members of the crew who were involved in this fine feat were as follows: Byron D. Rickards, captain; G. L. Wagner, first officer; Norm Simmons, second officer; Lou Finch, director, passenger service; Lois Carnagey, hostess; and Tonie Besset, hostess.

Certainly all members of the aviation industry should be proud of the way Continental handled this terrible problem and airline passengers everywhere can take heart in the reassertion of the airlines high feeling of responsibility and devotion to duty as shown on this occasion.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I wish to join with my Colorado colleagues, Congressmen ROGERS, CHENOWETH, and DOMINICK, in a word of commendation to Continental Airlines and its president, Bob Six, for the fine manner in which they handled the attempted hijacking of Continental's plane at El Paso last week. When I heard that Mr. Six had gotten in touch with the President of the United States and then followed explicitly the wishes of the President in the matters surrounding the attempted holdup, I was very pleased. My congratulations to Continental and its personnel.

FACTS ABOUT THE FOREIGN AID PROGRAM

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Speaker, I am placing in the RECORD, as an extension of my remarks, a recapitulation of the funds on hand to the credit of the mutual security program as of June 30, 1961, in the amount of $5,443 million. Most of this money is to pay for long-range programs and projects now in progress and under construction.

Foreign aid projects and programs presently are on a 5-year planning basis, or for even longer. Those are the instructions that go out to the field, and that is the basis for handling these operations.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Michigan.

Mr. FORD. I want to compliment the gentleman from Louisiana on the very fine job he did yesterday.

Mr. PASSMAN. I thank the gentleman very much.

Mr. Speaker, as chairman of the Foreign Operations Subcommittee on Appropriations, I feel that I have a responsibility to provide the membership with some documented facts about the foreign aid program.

If the executive branch succeeds in getting a portion of the foreign aid program on the Treasury back-door financing basis, the Congress then would, for all practical purposes, surrender control of the purse strings. If the proposed legislation is approved:

First. The executive branch would no longer have to justify funds for the development financing program. Rather, the legislative branch would have to show sufficient cause for making any reduction. It would require an act of Congress to reduce the amount of the borrowing authorization.

Second. The executive witnesses admit that once given this authority, they do not expect the Congress to attempt to take it back.

Third. The administration could, directly or indirectly, commit the entire $8.8 billion during the first fiscal year of the authorization, and these commitments, based upon the inaccurate estimates of cost of the program in the past, could lead to a further request of double or triple the present amount to bring the programs to completion.

Fourth. In effect, the executive could commit this country to the entire amount before the Congress knew to what countries, to what programs, or to what projects the funds would go.

Fifth. The executive prefers not to refer to the program as a loan program, but rather as a development financing program. Most of the funds would be advanced on a 50-year-term basis, without interest, and with a 10-year grace period before any repayments are required.

Sixth. The administration refers to this as a 5-year program, but since there would be no substantial repayments on the loans for 10 years, it is possible there would be a similar request after the first 5 years. Since high officials of the administration admit that this could be a 30-year program, how far afield could we go before it crushes our own economy, already strained by excessive spending and deficit spending?

Seventh. The administration proposes back-door spending only on approximately one-third of the total annual aid cost. However, the executive witnesses are frank in stating they expect other portions of the program to be shifted to the new back-door-spending approach. As each year passes, Congress would lose control over more and more phases of the program.

So unfirm have been the estimates in the past, and so uncertain the actual need, that even after the Congress reduced the executive's requests in the past 6 years by $4½ billion, the Congress still appropriated so much in excess of needs that the cumulative unobligated balances for the same period exceeded $1½ billion.

The executive witnesses admit that they do not anticipate better programs or better projects, but the need is for long-term financing. They state that some nations hesitate to enter into needed self-reforms because they could not trust America to fulfill its commitments.

Beautiful phrases, carefully worded reports, claims, and executive courtesies cannot change the facts, as above indicated. The record of the hearings thus far held by our subcommittee documents the facts I have presented.

The recapitulation sheet which I am extending in the RECORD indicates the latest estimate of unobligated and unexpended funds on hand June 30, 1961.

Foreign Operations Subcommittee on Appropriations (foreign aid funds, by program and amount on hand unexpended, June 30, 1961)

Military assistance	$2,519,643,000
Defense support	673,491,000
Development Loan Fund	1,488,758,000
Development assistance	36,632,000
Special assistance	207,171,000
President's Asian fund	50,757,000
President's contingency fund	252,106,000
Technical cooperation, bilateral	155,068,000
Technical cooperation, United Nations	12,900,000
Technical cooperation, Organization of American States	1,201,000
Atoms for peace	6,959,000
Intergovernment Commission for European Migration	5,615,000
U.N. Refugee Fund	800,000
Escapee program	4,490,000
U.N. Children's Fund	8,542,000
U.N. Relief and Works Agency	9,274,000
Ocean freight	588,000
NATO science program	
Administrative expense, ICA	8,494,000
Administrative expense, State	923,000
Grand total	5,443,412,000
Unexpended funds on hand June 30, 1961	5,443,412,000
Unexpended funds on hand June 30, 1960	4,713,665,000
Increase in unexpended funds during last fiscal year	729,747,000

The SPEAKER. The time of the gentleman from Louisiana has expired.

AMERICA

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, I would like to call attention to a splendid article which appeared in yesterday's issue of the Sunday Star, written by Dr. Frederick Brown Harris, Chaplain of the U.S. Senate. The title of this article on the editorial page is "Who Sends the Worst?" in which Dr. Harris says among other things:

> Somebody is selling America down the river. Somebody is exporting America's worst. In pictures and plays sent abroad, the image of this sweet land of liberty displayed before the eyes of the multitudes is not only that of the "Ugly American," but also of a depraved America.

In closing the article, he states:

> Who among us for personal gain is engaging in such traitorous practices as they interpret liberty as license to betray? Whoever they are, the spiritual descendants of Judas who for the lure of 30 pieces of silver multiplied by millions are dealing in lewd pictures of America at its worst.
>
> When the world depends for its future so largely upon America's best, it is being maliciously shown America's worst. God forgive them, for they know not what they do.

I hope all Americans will read this article which appeared in the Washington Sunday Star of yesterday. I do not intend to ask permission to insert the article because I am sure some Member of the other body has made this request.

THE EFFECT OF DRAINAGE PROJECTS ON AMERICA'S WILDLIFE

Mr. JOHNSON of Wisconsin. Mr. Speaker. I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I have today introduced legislation to cover the situation brought up last Thursday when the agriculture bill was before the House. Three others of our colleagues have also introduced legislation along that line—they are the gentleman from Wisconsin [Mr. ZABLOCKI], the gentleman from Wisconsin [Mr. KASTENMEIER], and the gentleman from Florida [Mr. SIKES].

Mr. Speaker, this legislation would deny cost-sharing and technical assistance to farmers for drainage projects which the Department of the Interior considers to be materially harmful to wildlife habitat.

Prior determinations of the specific areas of the farm where this would be so must be made by the Department of the Interior and notice thereof filed with the Department of Agriculture in order for the legislation to apply.

Present requirements of law do not permit the Secretary of Agriculture to direct the withholding of cost-sharing assistance from drainage projects merely because they adversely affect wildlife.

The Department of the Interior is carrying out a program for the acquisition of wildlife resources. This legislation will strengthen that program.

The Department of the Interior already has authority to offer lease or purchase arrangements to the farmer whom this legislation deprives of assistance in improving the agricultural use of the wetland area of his farm.

FORESTRY RESEARCH

Mr. McINTIRE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. McINTIRE. Mr. Speaker, like many of my colleagues, I follow with deep interest the development and utilization of our forest resources. As a member of the House Committee on Agriculture for the past 10 years, I have been closely associated with legislation relating to the forest industry and the U.S. Forest Service. In my own State of Maine, the management and utilization of forest land involves one of the greatest resources of the Pine Tree State.

A sound research program is vital to preservation and wise use of these resources. It is recognized by Congress that our forest areas can attain their maximum service to the people if management is based on the multiple-use principle.

In order to develop the skills essential to the protection, management, and utilization of our forest resources, we depend on our forestry schools for academic and technical training. The place of the schools of forestry is already established. These schools are a vital part of the high level of competence in the science of forestry already attained in this country. Graduates are found in every aspect of our forestry economy. The purpose of the legislation which I am proposing is to build an even stronger competency in this field.

The bill authorizes such sums as the Congress may wish to appropriate to be used to assist accredited State schools of forestry in expanding forestry research. These funds would be administered by the Secretary of Agriculture, but it is understood that the U.S. Forest Service would, of course, be the agency in the Department to which the administrative functions would be assigned. A program of research would be developed by the State forestry school. Federal funds would be matched on an equal basis. These matching funds would come from State or private sources. A national advisory board of not less than five officials of eligible State institutions would be chosen by a majority of those institutions. In making apportionments, consideration would be given to pertinent factors, including areas of non-Federal commercial forest land and volume of timber cut annually from growing stock.

Research would be directed to all problems related directly to the production, protection, and utilization of our forest resources.

I believe that this legislation is a constructive step in assuring this country of a stronger program of forestry research. It would also strengthen our schools of forestry upon which this country depends for the training of those who will manage these resources in the future.

ANNUAL REPORT, OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Annual Report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1960.

JOHN F. KENNEDY.

THE WHITE HOUSE, *August 7, 1961.*

THE CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the calendar.

LIMIT PRIORITY AND NONDISCHARGEABILITY OF TAXES

The Clerk called the bill (H.R. 4473) to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy.

Mr. GROSS. Mr. Speaker, reserving the right to object, this is the first of three or four bills on the calendar today dealing with bankruptcy. I wonder if someone interested in this legislation can tell me whether these changes in the law are made necessary by reason of the increase of bankruptcies in this country?

Mr. FORRESTER. I do not think the increase of bankruptcies is of any materiality in connection with this particular legislation; as a matter of fact, the bill presently before us more or less recognizes the fact that the Government has moved into the tax field to an extent that has never existed before in our history.

Mr. GROSS. I do not care to prolong this. I remember earlier in this session in one of the appropriation bills the funds for the bankruptcy courts was substantially increased. We now see these bills coming on, and I wondered if there were any connection. I do know bankruptcies in this country are increasing, which ought to be notice to the Members of the Congress of the United States that it is about time to stop profligate spending on unessential enterprises of one kind and another. That is the point I wanted to make and the reason for my reserving the right to object to this bill.

I am glad to hear the gentleman say this legislation is not designed to take care of the increasing load of bankruptcies in the courts in this country.

Mr. FORRESTER. That is correct.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subdivision (a) of section 2 of the Bankruptcy Act, as amended (11 U.S.C. 11), is amended by inserting after paragraph (2) the following new paragraph:

"(2A) Hear and determine, or cause to be heard and determined, any question arising as to the amount or legality of any unpaid tax, whether or not previously assessed, which has not prior to bankruptcy been contested before and adjudicated by a judicial or administrative tribunal of competent jurisdiction, and in respect to any tax, whether or not paid, when any such question has been contested and adjudicated by a judicial or administrative tribunal of competent jurisdiction and the time for appeal or review has not expired, to authorize the receiver or the trustee to prosecute such appeal or review;".

SEC. 2. Clause (1) of subdivision a of section 17 of such Act, as amended (11 U.S.C. 35), is amended to read as follows:

"(1) are taxes which became legally due and owing by the bankrupt to the United States or to any State or any subdivision thereof within three years preceding bankruptcy: *Provided, however,* That a discharge in bankruptcy shall not release a bankrupt from any taxes (a) which were not assessed in any case in which the bankrupt failed to make a return required by law, (b) which were assessed within one year preceding bankruptcy in any case in which the bankrupt failed to make a return required by law, (c) which were not reported on a return made by the bankrupt and which were not assessed prior to bankruptcy by reason of a prohibition on assessment pending the exhaustion of administrative or judicial remedies available to the bankrupt, or (d) with respect to which the bankrupt made a false or fraudulent return, or willfully attempted in any manner to evade or defeat; but a discharge shall not be a bar to any remedies available under applicable law to the United States or to any State or any subdivision thereof, against the exemption of the bankrupt allowed by law and duly set apart to him under this Act: *And provided further,* That a discharge in bankruptcy shall not release or affect any tax lien."

SEC. 3. Clause (4) of subdivision a of section 64 of such Act, as amended (11 U.S.C. 104), is amended to read as follows:

"(4) taxes which became legally due and owing by the bankrupt to the United States or to any State or any subdivision thereof which are not released by a discharge in bankruptcy: *Provided, however,* That no priority over general unsecured claims shall pertain to taxes not included in the foregoing priority: *And provided further,* That no order shall be made for the payment of a tax assessed against any property of the bankrupt in excess of the value of the interest of the bankrupt estate therein as determined by the court;".

SEC. 4. If any provision of this Act, or any amendment made by it, or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions of this Act, or other amendments made by it, or applications thereof which can be given effect without the invalid provision or application.

SEC. 5. (a) Nothing in this Act, or in the amendments made by it, shall operate to release or extinguish any penalty, forfeiture, or liability incurred under the Bankruptcy Act before the effective date of this Act.

(b) The amendments made by this Act shall govern proceedings so far as applicable in cases pending when it takes effect.

SEC. 6. This Act shall take effect on the ninetieth day after the date of its enactment.

With the following committee amendment:

Page 4, strike out lines 1 through 4 and substitute the following:

"SEC. 5(a) Nothing in this Act shall operate to release or extinguish any right existing under the Bankruptcy Act before the effective date of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAKING NATIONALS, AMERICAN AND FOREIGN, ELIGIBLE FOR CERTAIN SCHOLARSHIPS UNDER THE SURPLUS PROPERTY ACT OF 1944, AS AMENDED

The Clerk called the bill (S. 539) to make nationals, American and foreign, eligible for certain scholarships under the Surplus Property Act of 1944, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 32(b)(2) of the Surplus Property Act of 1944 (58 Stat. 765, 782) as amended (50 U.S.C. App., sec. 1641(b)(2)), is further amended by adding the words "or nationals" after the word "citizens" wherever it appears in such section.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADVANCE PAY OF ARMED SERVICES MEMBERS TO DEPENDENTS IN EVENT OF EMERGENCY EVACUATION

The Clark called the bill (H.R. 7724) to provide for advances of pay to members of the armed services in case of emergency evacuation of military dependents from oversea areas and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, if I understand correctly, this is unlike the bill which was passed a few days ago with respect to the dependents of civilians in case of an emergency evacuation. This bill does not provide as did that bill for such advance payments in the continental United States?

Mr. KILDAY. No, that is not correct, but I shall have to refer to a portion of the bill which justifies my statement. This would not be available to those in the continental United States.

The gentleman will notice in section 2, page 1, line 8, that the language is "on duty at a place outside the United States, or such other place as the President may designate," and so forth.

The reason my answer of "No" is correct will be found on page 2, beginning in line 2, reading:

> Advances of pay under this section are not subject to the conditions under which advances of pay are authorized in section 1 of this Act but may be made only if all military dependents are ordered evacuated from the place where the member's dependents are located and the amount of advance pay may not exceed two months' basic pay of the member concerned.

I take that to mean that should all dependents be ordered evacuated, for instance from Alaska, which is within the United States, then they could be given the advance. I cannot conceive of a situation in which all dependents within the continental United States would be ordered evacuated. My answer to the gentleman is it would be overseas only.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of October 5, 1949, chapter 600 (63 Stat. 703; 37 U.S.C. 310c), is amended by inserting the following section after section 1:

"SEC. 2. Subject to regulations to be prescribed by the heads of the departments concerned, advances of pay to members of the armed services on duty at a place outside the United States, or such other place as the President may designate, may be made directly to dependents previously designated by the member in the event such dependents are ordered evacuated by competent authority. Advances of pay under this section are not subject to the conditions under which advances of pay are authorized in section 1 of this Act but may be made only if all military dependents are ordered evacuated from the place where the member's dependents are located and the amount of advance pay may not exceed two months' basic pay of the member concerned."

SEC. 2. Section 2 of the Act of October 5, 1949, chapter 600 (63 Stat. 704; 37 U.S.C. 310d), is redesignated as "section 3" and is amended by striking out "section 1" and inserting "sections 1 and 2" in place thereof.

SEC. 3. Section 3 of the Act of October 5, 1949, chapter 600 (63 Stat. 704), is redesignated as "section 4".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE BANKRUPTCY ACT RELATING TO STATUTORY LIENS AND THE POWERS OF THE TRUSTEE

The Clerk called the bill (H.R. 1961) to amend sections 1, 17a, 57j, 64a(5), 67b, 67c, and 70c of the Bankruptcy Act, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. POFF. Mr. Speaker, reserving the right to object, I should like to make the following statement in explanation of the bill.

Mr. Speaker, H.R. 1961 deals with two problems in the administration and distribution of a bankrupt estate. The first of these is the problem of preserving the recognized interests of security holders. The second concerns the powers of the trustee.

One of the fundamental purposes of the Bankruptcy Act is to assure an equitable distribution of the bankrupt's assets. Ideally, this would be accomplished by giving each creditor a pro rata share of the estate. However, the demands of social economic, and political policy have resulted in deviations from a strict rule of equality among creditors. Through the creation of priorities and the recognition of security interests, favored treatment has been accorded to certain classes of creditors. Thus, the Bankruptcy Act has traditionally recognized that a lien is a valid property right which must be satisfied out of the assets to which it attaches before any part of those assets becomes available for distribution to unsecured creditors. Among unsecured creditors, the act established an order of payment which favors the costs of administering the estate, wages, taxes, and rent over general creditors.

As a result of these prior payments to lien holders and priority claimants, the amount available for distribution to general creditors is considerably diminished and often entirely consumed. To increase their share of the estate, various classes of general creditors at first sought priority status under State law. However, in 1938, in the interest of national uniformity in distributions the Chandler Act eliminated the recognition of State priorities in bankruptcy proceedings, except for a limited priority for landlords, which was placed on the lowest of the five rungs of the priority ladder erected by section 64. The act also gave explicit recognition for the first time to the general validity of statutory liens. Thus, if a class of creditors could obtain State legislation transforming their debts into liens, they would then be in a position superior not only to all other general creditors but to priority claimants as well. This would be the result not only in the case of liens creating a noncontingent property interest in a specific asset but also in the case of liens which became effective only in the event of insolvency or which did not attach to any particular asset. These spurious liens were in reality disguised priorities and the effect of their recognition in bankruptcy would be to distort the federally ordered scheme of distribution by depressing the position of priority claimants. The problem was intensified by the contemporary development of a proliferation of taxes at all levels of government. With little formality and frequently without any of the normal attributes of a lien interest, these claims were raised to the dignity of statutory liens.

It became obvious that all statutory liens, regardless of what they were in substance, were to be treated as liens in bankruptcy the order of federally created priorities would be completely disrupted. In an attempt to protect what it considered to be the most important of the priorities, Congress in the Chandler Act subordinated the most transparent liens to the priorities for costs of administration and wage claims. Thus, section 67c of the Bankruptcy Act provided that statutory liens on personal property not accompanied by possession were to be postponed in payment to the debts specified in clauses (1) and (2), of subdivision a of section 64; namely, costs of administration and wages. In addition, section 67c postponed liens of distress for rent whether statutory or not and whether or not accompanied by possession. Here, too, the purpose was to protect costs of administration and wages from a type of claim which frequently consumed all of the assets especially in the smaller estates. Section 67c also limited postponed liens for wages and rent to the same extent as they were restricted as to priority in section 64. In the case of rent, this meant only the liability for actual occupancy accruing within 3 months prior to bankruptcy. For wages it meant not more than $600 to each claimant earned within 3 months before bankruptcy.

The purpose of restricting these liens was to protect unsecured creditors rather than junior leinholders. The Chandler Act therefore prescribed that liens should be restricted except as against other liens. Unfortunately the effect of this exception was to produce unanticipated results where, as a result of the fortuitous intervention of a junior lien, the rent or wage lien became unrestricted at the expense of the general creditors—*In re Eakin Lumber Co.*, 39 F. Supp. 787 (N.D. W. Va. 1941), aff'd sub nom. *R.F.C.* v. *Sun Lumber Co.*, 126 F. 2d 731 (4th Cir. 1942).

The problem raised in the Eakin decision had its legislative repercussion when Congress in 1952 amended the Bankruptcy Act by deleting this exception and adding a provision subrogating the trustee to the amount of the lien in excess of the priority restriction. The position of the general creditors was additionally buttressed by the invalidation as against the trustee of all statutory liens created or recognized by State law on personal property not accompanied by possession, levy, sequestration, or distraint. By this amendment, which became section 67c(2), Congress sought further to implement the established policy of preventing State liens which were essentially priorities from frustrating the order of distribution established by the Bankruptcy Act.

However, the invalidating provision of section 67c(2) was simply tacked on to the postponement provision in section 67c(1) with a resulting overlap which raised substantial difficulties in statutory interpretation. This is especially acute insofar as State taxes and rent are concerned. For example, do statutory liens for debts owing to a State include liens for taxes? If so, the lien is invalidated; if not, it is merely postponed. The question was considered sufficiently troublesome to precipitate the introduction of clarifying legislation in the 83d Congress at the request of State tax authorities—H.R. 5786, 83d Congress, 2d session, 1954. The question was finally litigated

in *Rochelle* v. *City of Dallas* (264 F. 2d 166 (1959)), where the fifth circuit held that "debts" do not include taxes.

The legislative report that accompanied the bill amending the Bankruptcy Act in 1952 observed that the exception "as against other liens" made it difficult to avoid a construction which would introduce circuity of liens—H. Rept. 2320, 82d Congress, 2d session, page 14, 1952. Circuity of liens results when lien B is subordinate to lien A but prior in right to lien C, which, however, is in turn entitled to priority over lien A. Although the 1952 amendments eliminated the circuity problem insofar as it arose from the restriction of wage and rent liens, there was a failure to anticipate the possibility of a circuity problem arising where State law places a lien postponed under the Bankruptcy Act in a position senior to liens unaffected by postponement. The problem thus created has been characterized as a first-rate legal puzzle insoluble on any known legal principles.

In 1955, the problem was brought to a head by the decision in *In re Quaker City Uniform Company* (134 F. Supp. 596 (E.D. Pa.)). In that case a bank and another creditor had advanced money to the debtor long before bankruptcy. As security they had taken chattel mortgages which they promptly recorded. When the debtor went into bankruptcy there were four claims upon the proceeds from the sale of property which was subject to the chattel mortgages. They were:

First. Chattel mortgages, which were prior in time to all other claims;

Second. Costs of administering the estate;

Third. Rent owing to the landlord who had distrained but had not caused any of the property to be sold under the distraint;

Fourth. Wage claims.

Under Pennsylvania law a lien of distraint for rent is superior to a chattel mortgage even though the chattel mortgage is prior in time.

In a series of decisions demonstrative of the difficulties inherent in section 67c the referee, district court, and court of appeals all arrived at different and conflicting orders of distribution. The referee held that the chattel mortgages were not postponed and that they should be paid first followed by the costs of administration, wages, and the rent lien. The district court rejected this order of distribution and held that although the chattel mortgages should be paid first, they were under Pennsylvania law subordinated to the rent lien and therefore the landlord should be paid out of the amount set aside for the chattel mortgages. After recalling a decision in which it held the chattel mortgage to be a statutory lien, the court of appeals held—238 F. 2d 155, 3d Circuit 1956—that the proceeds from the sale of the mortgaged property was to be distributed in the following order:

First. Costs of administration;

Second. Wage claims;

Third. Rent;

Fourth. Chattel mortgages.

The costs of administration and wage claims having consumed the estate, neither the landlord nor the chattel mortgages received anything. The court reached this result upon the theory "that Congress did not intend by section 67c, to disturb the priority of liens established by State law." Since section 67c postponed the lien for rent to costs of administration and wage claims, and since Pennsylvania law subordinated the chattel mortgages to the landlord's lien, the court concluded that the chattel mortgages must also be subordinated not only to the landlord's lien but also to the costs of administration and wages. The rule of the Quaker City case was adhered to in *In re Einhorn Bros., Inc.* (272 F. 2d 434 (3d Cir. 1959)).

Although the effect of section 67c appears settled in the third circuit, the conflicting conclusions reached in other circuits emphasizes the uncertainty which plagues any application of section 67c. In *New Orleans* v. *Harrell* (134 F. 2d 399 (5th Cir. 1943)), the fifth circuit held that since chattel mortgages were unaffected by the postponement provision of section 67c(1), they should be paid first and then the costs of administration, wages, and the city's tax lien. This disposition was rejected by the ninth circuit in *California State Department of Employment* v. *United States* (210 F. 2d 242 (1954)). In that case it was held that an amount should first be set aside equal to the claim of the lien which was senior outside of bankruptcy but was subordinated by section 67c. Out of this sum the costs of administration were to be paid. The unsubordinated lienor would then have the right to be satisfied first out of the remainder of the estate, if any.

The overall effect of these decisions on the commercial world has been to create considerable uncertainty as to the strength of secured credit. As a result of the Quaker City decision, particularly, the problem has become serious in the entire field of secured financing. By destroying the position of valid consensual liens solely because of the fortuitous intervention of a postponed lien, the Quaker City doctrine can only result in either the curtailment of credit or an increase in interest rates. This is especially so in the case of the marginal businessman who was able to get secured credit at a reasonable rate but will be unable to do so if security is made meaningless.

However, aside from the merits or shortcomings of these decisions, the simple fact that a section of law is susceptible to a seemingly unlimited variety of interpretations is reason enough for its amendment.

To overcome the problems created by subdivision c of section 67, section 6 of this bill completely revises that subdivision. New standards are established for the invalidation of statutory liens and the circuity potential in the present section is eliminated.

Since the effect of section 67c is limited to statutory liens and does not include consensual liens, it is essential that the term "statutory lien" be clearly defined. The Bankruptcy Act nowhere defines that term. Therefore, section 1 of the bill provides that a statutory lien shall mean a lien arising solely by force of statute upon specified circumstances or conditions, but shall not include any lien provided by or dependent upon an agreement to give security, whether or not such lien is also provided by or is also dependent upon statute, and whether or not the agreement or lien is made fully effective by statute.

The defintion is directed at preventing a recurrence of the misapplication which appeared in the first decision in the Quaker City case. There the court held that since the chattel mortgage depended upon the Pennsylvania recording statute for its effectiveness against subsequent transferees, the chattel mortgage was a statutory lien. The purpose of section 1 is to specifically embody the meaning which Congress originally intended in the act and thus to assure that consensual securities are not subjected to any of the tests of validity prescribed by the new section 67c.

It will be recalled that one of the major objectives of the Chandler Act was to overcome the distortion of the Federal order of distribution by the creation of spurious statutory liens. To upset these liens which were in reality priorities, the authors of the Chandler Act decided that if statutory liens on personal property, unaccompanied by possession, were postponed to wages and costs of administration, the most serious effects of these liens could be overcome. This provision was strengthened in 1952 when most liens of this nature were completely invalidated. However, a recent reexamination of State lien statutes has shown that neither the standard of possession nor the distinction between real and personal property is an entirely satisfactory criterion. Some liens which are genuine property rights are affected and others which were essentially State-created priorities escape.

To insure the supremacy of the order of distribution provided in the Bankruptcy Act insofar as it is consistent with the continued recognition of genuine lien interests, this bill would eliminate lack of possession of personal property as the standard for upsetting liens and would instead invalidate as against the trustee every lien which falls within any of the following categories:

First. Every statutory lien which first becomes effective upon the insolvency of the debtor, or upon distribution or liquidation of his property, or upon execution against his property levied at the instance of one other than the lienor.

Second. Every statutory lien not perfected at the date of bankruptcy as against a subsequent bona fide purchaser from the debtor on that date.

Third. Every statutory lien for rent and every lien of distress for rent.

The first of these provisions strikes at liens which merely determine the order of distribution upon insolvency or liquidation. This kind of lien is not a specific property right which may be asserted independently of a general distribution and regardless of the transfer of the property. This is clearly a disguised priority.

The second provision strikes at a lien which is so tenuous that it can be defeated by transfer to a bona fide purchaser. The holders of such liens have reason to know that their security is extremely

vulnerable. It would seem that if, apart from bankruptcy, a lien is not good against a bona fide purchaser, then it should not be valid against the trustee. However, it should be noted that under the proviso to the new section 67c(1)(B), the substance of which is now found in section 67b, a lien that is valid against the creditors described in section 70c (and therefore against the trustee) may thereafter be perfected against bona fide purchasers and therefore against the trustee by filing notice with the bankruptcy court.

The new section 67c(1)(C) invalidates statutory liens for rent and liens of distress for rent, whether statutory or not. Under present law, statutory liens for rent unaccompanied by possession or distraint are likewise invalidated, but common-law and statutory liens of distress for rent are postponed and restricted where accompanied by an actual levy of distraint or possession in the lienor. Section 64a(5), as proposed in this bill, would specifically give a restricted priority to debts for rent owing to a landlord who is entitled to a priority by applicable State law or who is entitled to priority by section 67c(2). The proposed section 67c(2) provides that invalidated rent liens should be allowable with a restricted priority "even though not otherwise granted priority." Thus, although a priority for rent heretofore has been recognized only if State laws granted the priority, the new section 67c(2) accords priority to the holder of an invalidated rent lien, even though no State law otherwise grants priority to such a landlord. Through recognizing State priorities for rent and in granting a priority status to invalidated rent liens, the bill respects a policy widespread among the States of granting a preferred status to landlords' claims, but brings it within the scheme of distribution of the Bankruptcy Act.

It is believed that these amendments, in addition to implementing the distributive scheme of the Bankruptcy Act, will provide a standard which is clear and more easily applicable than exists under present law.

The compound confusion of circuity demonstrated in the Quaker City case discussed above is dealt with in the new section 67c(2) which is found in section 6 of the bill. That subdivision provides that any lien which is invalidated against the trustee shall be invalid against all liens indefeasible in bankruptcy. Thus under this bill the chattel mortgage in the Quaker City case, which was a lien indefeasible in bankruptcy, would not be subordinated to the landlord's lien. While this provision may in some cases result in a ranking of liens in bankruptcy different from what it would be apart from bankruptcy, this is necessary if the paramount order of distribution created in the Bankruptcy Act is to prevail.

Although new section 67c establishes more effective standards for the treatment of statutory liens, the new section 67c(1)(B), which permits perfection by notice filing rather than possession, may nevertheless result in the consuming of assets otherwise available for paying administrative costs and wages. This is an especially acute problem in view of the continuing increase in the tax burden at all levels of government. The committee believes that if the policy of the Chandler Act to protect the costs of administration and wages is to be given effect, it is necessary to postpone to the costs of administration and wages at least those tax liens which are on personal property and are unaccompanied by possession. It would be grossly unfair for the bankruptcy court and the attorneys who have labored to wind up the bankrupt's affairs and to accumulate an estate for distribution to receive nothing for their labors. It is also socially desirable that the claims of the wage earner who is normally entirely dependent upon his wages for the necessities of life should be paid to the extent of the restriction in section 64a(2) before the estate is subject to the heavy burden of all tax liens.

The amendment to section 67c in this bill retains the provision of existing law which postpones a tax lien on personal property not accompanied by possession to the debts specified in clauses (1) and (2) of subdivision (a) of section 64. However, the treatment of the circuity problem here is somewhat different from that in the bill which passed both Houses in the 86th Congress. In that bill, H.R. 7242, the recurrence of circuity confusion was prevented by specifically providing that postponement shall be not only to the debts specified in section 64 (a) (1) and (2) but also to all liens indefeasible in bankruptcy. While this language would effectively prevent the circuity which occurred in the Quaker City case, the Treasury Department, after passage by the House, objected to this approach on the ground that it would result in a windfall to secured claims recorded after the filing of notice of a tax lien.

In order to avoid this result, the proposed section 67c(3) in this bill provides that where a postponed tax lien is prior in right to liens indefeasible in bankruptcy, the court shall order payment from the proceeds derived from the sale of the personal property to which the tax lien attaches, less the actual cost of that sale, of an amount not in excess of the tax lien, to the debts specified in clauses (1) and (2) of subdivision (a) of section 64 of this Act. If the amount realized from the sale exceeds the total of such debts, after allowing for prior indefeasible liens and the cost of the sale, the excess up to the amount of the difference between the total paid to the debts specified in clauses (1) and (2) of subdivision (a) of section 64 of this act and the amount of the tax lien, is to be paid to the holder of the tax lien.

This approach adopts the solution which three courts have already innovated under the existing language of section 67c. See *California State Department of Employment* v. *United States* (210 F. 2d 242 (9th Cir. 1954)); *In re American Zyloptic Co., Inc.*, (181 F. Supp. 77 (E.D.N.Y. 1960)); *In re Empire Granite Co.* (42 F. Supp. 450 (M.D. Ga. 1942)).

In order to compare the different results which would occur under the various rules of distribution which have been discussed, let us assume the following hypothetical situation:

Chattel mortgage No. 1, recorded Jan. 1, 1961	$7,000
Tax lien on personal property, unaccompanied by possession, recorded Feb. 1, 1961	8,000
Chattel mortgage No. 2, recorded Mar. 1, 1961	4,000
Costs of administration	1,000
Wage claims	2,000

Assume further that the bankrupt estates is $15,000.

Under the principle of the Quaker City decision the estate would be distributed as follows:

Costs of administration	$1,000
Wage claims	2,000
Tax lien	8,000
Chattel mortgage No. 1	4,000
Chattel mortgage No. 2	0

It will be noted that under this distribution chattel mortgage No. 1, which was recorded prior to the tax lien, received only $4,000 of the $7,000 due it, whereas the subsequent tax lien was paid in full.

Under H.R. 7242 the distribution would be as follows:

Chattel mortgage No. 1	$7,000
Chattel mortgage No. 2	4,000
Costs of administration	1,000
Wage claims	2,000
Tax lien	1,000

Under this distribution, chattel mortgage No. 2, which is junior to the tax lien, is paid in full but the tax lien receives only $1,000.

Finally, under the amendment to section 67c in H.R. 1961, the estate would be distributed as follows:

Chattel mortgage No. 1	$7,000
The amount of the tax lien, $8,000 to be paid as follows:	
Costs of administration	1,000
Wage claims	2,000
Tax lien	5,000
Chattel mortgage No. 2	0

This solution would prevent the subordination of the tax lien to chattel mortgage No. 2, a subsequent consensual lien. It would also assure priority over the tax lien of chattel mortgage No. 1, a lien which is prior to the tax lien.

This solution thus avoids the situation where the fortuitous intercession of a subsequent tax lien may result in little or nothing being left for the secured creditor as occurred in Quaker City. At the same time, it prevents a lienor who has a lien subsequent to a tax lien from receiving more than he would get if bankruptcy had not occurred.

It should be noted, too, that in a case where there is not enough to pay the tax lien in full, any deficiency remains a claim which, under section 64a(4), is entitled to a priority on the unsecured assets of the estate. In addition, under present law, the tax debts are not dischargeable, and any deficiency remains a claim against the debtor even after bankruptcy.

In respect to the relation between new sections 67c(1) and 67c(3), it is the intention of the committee that a statutory tax lien on personal property not accompanied by possession shall first be tested by the standards of section

67c(1). Section 67c(3) is then to be applied to those liens which have not been invalidated by section 67c(1).

The second major problem with which this bill is concerned arises from the application of section 70 of the Bankruptcy Act. Section 70 is the "title" section of the act and provides many of the legal tools for assembling the bankrupt's estate. It defines the rights and remedies of the trustee in this process. This bill deals only with the second sentence of section 70c which is derived from the "strong arm" amendment of 1910. That sentence gives the trustee the position of a hypothetical judicial lien creditor as of the date of bankruptcy. The question arises, however, as to whether this standard includes that of a judgment creditor. The answer to that question is particularly important because section 6323 of the Internal Revenue Code provides that a Federal tax lien is not valid "against any mortgagee, pledgee, purchaser, or judgment creditor until notice thereof has been filed" in the appropriate office.

As a result of several recent decisions, it would appear that the courts are of the view that the trustee does not have the status of a judgment creditor for purposes of section 6323. The direction of judicial thinking is discernible from the decisions in *United States* v. *Gilbert Associates, Inc.* (345 U.S. 361 (1953)) and *United States* v. *Acri* (348 U.S. 211 (1955)). In Gilbert, the court upheld the validity of the Federal tax lien against a prior lien which, under New Hampshire law, was given the status of a judgment. In Acri the court similarly upheld the Federal tax lien against a prior attachment lien which, under the law of Ohio, was deemed to be "an execution in advance." The rationale of the court's decisions is that a uniform application of the Federal tax law required that the term "judgment creditor" be defined in the "usual conventional sense of a judgment of a court of record" which is common to all States (*United States* v. *Gilbert*, supra, at 364).

Although these cases did not involve the interrelationship of the Internal Revenue Code with the Bankruptcy Act, the limitation of the term "judgment creditor" to one holding a judgment of a court of record was subsequently extended to the application of section 70c. In 1960, the issue came before the third circuit in *In the matter of Fidelity Tube Corp.* (278 F. 2d 776). After hearing the case reargued twice, the court in a 5–2 decision held that the trustee was not a judgment creditor for purposes of the Internal Revenue Code. The court declared that its ruling turned in large part upon its interpretation of Gilbert.

In *Brust* v. *Sturr* (237 F. 2d 135 (1956)), the second circuit, also on the basis of the Gilbert case, reversed the position which it had previously taken in *United States* v. *Sands* (174 F. 2d 384 (1949)), and held that the trustee was not a judgment creditor within section 3672 of the Revised Statutes—now section 6323 of the Internal Revenue Code. This view had already been taken by the sixth circuit in *In re Talorcraft Aviation Corporation* (168 F. 2d 808 (1948)), and by the ninth circuit in *United States* v. *England* (226 F. 2d 205 (1955)).

The effect of these decisions is that the Federal Government's unrecorded tax lien prevails over the rights of the trustee under section 70c. This would appear to be contrary to the legislative purpose which gave the trustee all the rights of an ideal judicial lien creditor. Prior to 1950, the trustee was given the status of a judicial lien creditor as to all property coming into the possession of a bankruptcy court. As to all other property, he was given the rights of a judgment creditor holding an execution returned unsatisfied. In 1950, the distinction which turned on possession was eliminated and the trustee was simply given the rights of a judicial lien creditor. The House report which accompanied the bill indicates that the purpose of Congress was not to contract but rather to expand the rights of the trustee under section 70c. The report states that the amendment to section 70c "has been placed in the bill for the protection of trustees in bankruptcy as correlative to the amendment to section 60, and also to simplify, and to some extent expand, the general expression of the rights of trustees in bankruptcy"—House Report No. 1293, 81st Congress, 2d session, page 7, 1949.

As a matter of general law, the holder of a lien by legal proceedings has greater rights than a judgment creditor who usually has no rights in the personal property of the debtor by virtue of his judgment. Even as to real property it is frequently necessary for the judgment creditor to take further action after judgment to create a lien. It would seem anomalous to allow judgment creditors to prevail over secret tax liens and to deny that right to a judicial lien holder. As against liens and transfers other than Federal tax liens, it has generally been held that a trustee in bankruptcy does have the rights of a judgment creditor. See, e.g., *McKay* v. *Trusco Finance Co.* (198 F. 2d 431 (5th Cir. 1952)); *Sampsell* v. *Straub* (194 F. 2d 228 (9th Cir. 1951), cert. denied, 343 U.S. 927 (1952)).

The need for forthright congressional action in this matter was underscored by the decision in Fidelity Tube, supra. There the court pointed to the fact that legislation clarifying the status of the judgment creditor was pending before Congress and further declared that it considered the enactment of such legislation necessary if the trustee was to have the status of a judgment creditor vis-a-vis the Federal tax lien.

In order to assure the trustee of this status, section 7 of H.R. 1961 specifically provides that a trustee shall have the rights and powers of "a creditor who obtained a judgment against the bankrupt upon the date of bankruptcy, whether or not such a creditor exists."

The question of whether the higher standing given the trustee by the 1950 amendment includes lesser rights has been raised in another context. Prior to 1950, the trustee specifically had the rights of a judgment creditor holding an execution returned unsatisfied insofar as property not coming within the custody of the court was concerned. It is now feared, however, that the trustee may be denied remedies which, under State law, are available only to creditors holding executions returned unsatisfied. Since the trustee often gains title to property the extent and location of which is unknown to him, he may wish to resort to discovery proceedings. Yet, in some States, if the trustee does not have the rights of a judgment creditor holding an execution returned unsatisfied, such proceedings are not available to him under State law. In order to assure that the trustee is given the rights and powers of a judgment creditor holding an execution returned unsatisfied, section 7 of this bill specifically grants those rights and powers to him.

If a security transaction or other transfer involving a debtor's property is valid in part against creditors whose rights and powers are conferred upon the trustee by the proposed amendment, it seems clear that it should be valid to the same extent against the trustee. While nothing in the proposed or existing legislation empowers the trustee to invade interests that no creditor described in the new version of the "strong arm" clause could have reached, it has been thought advisable not to leave this limitation in the realm of inference. Thus, a security transaction involving property located in more than one county or State may be perfected against creditors having the rights conferred upon the trustee by the proposed subdivision, only in respect to the property located in one of the jurisdictions. The security transfer would remain valid against the trustee under the proposed section 70c insofar as property in the one jurisdiction is covered. In like manner, a security transaction duly perfected as to one kind of property but not as to another, or valid to the extent of only a part of the consideration given, would remain valid pro tanto against the trustee so far as this subdivision would apply.

Section 70c expressly confers upon the trustee a variety of legal positions. Related to State and Federal law those positions carry with them a substantial number of rights. To exercise an effective general levy upon the property of the bankrupt, the trustee must be allowed to bring to bear upon each party or transaction whichever of his rights may be necessary. However, it would seem improper to allow him to occupy inconsistent or repugnant positions with reference to a particular party or transaction. Nevertheless, having chosen a position with respect to one set of circumstances, the trustee as a representative of all of the creditors of the bankrupt should not be barred from asserting a different position in other circumstances. The proposed section 70c therefore contains what has been called a chameleon clause, safeguarding the trustee's right to take inconsistent positions with respect to different parties, remedies, or transactions.

As rewritten in H.R. 1961, section 70c presents a clearer and more complete expression of basic bankruptcy policy.

In the course of remedying the major problems to which this bill is directed, a number of clarifying amendments were

made to involved and related sections of the act. A brief explanation of these may be helpful.

First. Section 64a(5): In amending section 64a(5) the word "debts" was modified by the phrase "other than for taxes." Section 64a(4) expressly creates a priority for taxes. Since the term "debts," apart from any consideration of legislative purpose in a particular context, includes all liabilities, there is an apparent overlap between sections 64a (4) and 64a(5). By modifying the term "debts" to exclude taxes, the ambiguity is eliminated.

Second. Section 67b expresses the general policy in bankruptcy of recognizing the validity of statutory liens. This policy is, of course, qualified by section 67c which invalidates liens that are essentially disguised priorities. In order to clarify the interrelationship between the two subdivisions, the language "and except as otherwise provided in subdivision c of this section" is inserted in the first sentence of present section 67b. Since landlords' liens are expressly invalidated under the proposed section 67c, the term "landlords" has been deleted from among the enumerated liens in 67b. In the interest of clarity the substance of the last sentence of subdivision b has been deleted and instead inserted as a proviso in section 67c(1)(B).

Third. Section 57j: Another aspect of the broad problem of statutory tax liens in bankruptcy is raised by the conflicting interpretations placed upon section 57j. That subdivision provides that debts owing to any governmental unit as a penalty or forfeiture shall not be allowed, except for the amount of the pecuniary loss and reasonable costs with interest incurred by the Government in connection with the penalty or forfeiture. Since the purpose of a penalty is to punish the wrongdoer, that purpose is in no way furthered by permitting a penalty assessed against the bankrupt to be allowed against the bankrupt's estate. As a charge against the estate, it is the bankrupt's creditors and not the bankrupt who is punished thereby.

The question arises, however, as to the applicability of section 57j when the penalty is secured by a statutory lien. In *Grimland* v. *United States* (206 F. 2d 599 (1953)), the 10th circuit held that where a penalty was secured by a lien, the penalty was enforcible against the estate. The same court adhered to Grimland 6 years later in *United States* v. *Mighell* (273 F. 2d 682 (10th Cir. 1959)). Accord, *In re Parchem* (166 F. Supp. 724 (D. Minn. 1958)); *In re John S. Goff, Inc.* (141 F. Supp. 862 (D. Me. 1955)); *In re Urmos* (129 F. Supp. 298 (E.D. Mich. 1955)). A contrary result has been reached in both the fourth and fifth circuits in *United States* v. *Harrington* (269 F. 2d 719 (4th Cir. 1959)), and *United States* v. *Phillips* (267 F. 2d 374 (5th Cir. 1959)), as well as by a number of district courts *In re Lykens Hosiery Mills, Inc.* (141 F. Supp. 895 (S.D.N.Y. 1956)) and *in re Hankey Baking Co.* (125 F. Supp. 673 (W.D. Pa. 1954)).

In order to resolve this conflict in a manner consistent with the theory of punishment, section 2 of this bill inserts the words "whether or not secured by lien" in section 57j. With the addition of this language section 57j specifically disallows debts for penalties regardless of whether they are secured or unsecured. It appears to the committee that the question of whether a penalty is secured or unsecured is irrelevant to the basic policy involved.

Insofar as a lien securing a penalty is invalidated by 57j, as amended, it would be eligible to be preserved for the benefit of the estate under section 67c(2). However, a lien preserved for the estate benefits only unsecured creditors. Yet there is no reason in the policy of the act why junior lien holders should be bypassed in these circumstances. Accordingly section 67c(4) in H.R. 1961 provides that where a penalty not allowable under subdivision j of section 57 is secured by a lien, the portion of the lien securing such penalty shall not be eligible for preservation under subdivision c.

The Treasury Department objected to the amendment to section 57j on the ground that if penalties and forfeitures are not, in any case, to be chargeable against the estate on the theory that it is the bankrupt and not the creditor who is the wrongdoer, then the same theory would require that the bankrupt should not be relieved of those penalties and forfeitures by his bankruptcy. Proponents of this legislation accepted this position and, consequently, H.R. 1961 contains a new provision, section 3 of the bill, which specifically makes penalties and forfeitures due the United States or State and local governments nondischargeable.

I believe that this bill represents an effective and equitable solution to a number of problems which are creating serious difficulties in the commercial community. I hope that the House agrees that these problems should be remedied and that it will give favorable action to this bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 (11 U.S.C. 1) of the Bankruptcy Act approved July 1, 1898, as amended, is amended by inserting after paragraph 29 the following new paragraph:

"(29a) 'Statutory lien' shall mean a lien arising solely by force of statute upon specified circumstances or conditions, but shall not include any lien provided by or dependent upon an agreement to give security, whether or not such lien is also provided by or is also dependent upon statute and whether or not the agreement or lien is made fully effective by statute."

SEC. 2. Subsection j of section 57 of said Act (11 U.S.C. 93(j)) is amended by inserting in the first line after the word "Debts" a comma and the words "whether or not secured by lien,".

SEC. 3. Clause (1) of subsection a of section 17 of said Act (U.S.C. 35) is amended to read as follows:

"(1) are due as a tax, penalty, or forfeiture to the United States, or any State, county, district, or municipality;"

SEC. 4. Clause (5) of subsection a of section 64 of said Act (11 U.S.C. 104(a)) is amended to read as follows:

"(5) debts other than for taxes owing to any person, including the United States, who by the laws of the United States is entitled to priority, and rent owing to a landlord who is entitled to priority by applicable State law or who is entitled to priority by paragraph (2) of subdivision c of section 67 of this Act: *Provided, however,* That such priority for rent to a landlord shall be restricted to the rent which is legally due and owing for the actual use and occupancy of the premises affected, and which accrued within three months before the date of bankruptcy."

SEC. 5. Subsection b of section 67 of said Act (11 U.S.C. 107(b)), is amended to read as follows:

"b. The provisions of section 60 of this Act to the contrary notwithstanding and except as otherwise provided in subdivision c of this section, statutory liens in favor of employees, contractors, mechanics, or any other class of persons, and statutory liens for taxes and debts owing to the United States or to any State or any subdivision thereof, created or recognized by the laws of the United States or of any State, may be valid against the trustee, even though arising or perfected while the debtor is insolvent and within four months prior to the filing of the petition initiating a proceeding under this Act by or against him."

SEC. 6. Subsection c of section 67 of said Act (11 U.S.C. 107(c)) is amended to read as follows:

"c. (1) The following liens shall be invalid against the trustee:

"(A) every statutory lien which first becomes effective upon the insolvency of the debtor, or upon distribution or liquidation of his property, or upon execution against his property levied at the instance of one other than the lienor;

"(B) every statutory lien which is not perfected or enforceable at the date of bankruptcy against one acquiring the rights of a bona fide purchaser from the debtor on that date, whether or not such purchaser exists: *Provided,* That where a statutory lien is not invalid at the date of bankruptcy against the trustee under subdivision c of section 70 of this Act and is required by applicable lien law to be perfected in order to be valid against a subsequent bona fide purchaser, such a lien may nevertheless be valid under this subdivision if perfected within the time permitted by and in accordance with the requirements of such law: *And provided further,* That if applicable lien law requires a lien valid against the trustee under section 70, subdivision c, to be perfected by the seizure of property, it shall instead be perfected as permitted by this subdivision c of section 67 by filing notice thereof with the court;

"(C) every statutory lien for rent and every lien of distress for rent, whether statutory or not. A right of distress for rent which creates a security interest in property shall be deemed a lien for the purposes of this subdivision c.

"(2) The court may, on due notice, order any of the aforesaid liens invalidated against the trustee to be preserved for the benefit of the estate and in that event the lien shall pass to the trustee. A lien not preserved for the benefit of the estate but invalidated against the trustee shall be invalid as against all liens indefeasible in bankruptcy, so as to have the effect of promoting liens indefeasible in bankruptcy which would otherwise be subordinate to such invalidated lien. Claims for wages, taxes, and rent secured by liens hereby invalidated or preserved shall be respectively allowable with priority and restricted as are debts therefor entitled to priority under clauses (2), (4), and (5) of

subdivision a of section 64 of this Act, even though not otherwise granted priority.

"(3) Every tax lien on personal property not accompanied by possession shall be postponed in payment to the debts specified in clauses (1) and (2) of subdivision a of section 64 of this Act. Where such a tax lien is prior in right to liens indefeasible in bankruptcy, the court shall order payment from the proceeds derived from the sale of the personal property to which the tax lien attaches, less the actual cost of that sale, of an amount not in excess of the tax lien, to the debts specified in clauses (1) and (2) of subdivision a of section 64 of this Act. If the amount realized from the sale exceeds the total of such debts, after allowing for prior indefeasible liens and the cost of the sale, the excess up to the amount of the difference between the total paid to the debts specified in clauses (1) and (2) of subdivision a of section 64 of this Act and the amount of the tax lien, is to be paid to the holder of the tax lien.

"(4) Where a penalty not allowable under subdivision j of section 57 is secured by a lien, the portion of the lien securing such penalty shall not be eligible for preservation under this subdivision c.

"(5) This subdivision c shall not apply to liens enforced by sale before the filing of the petition, nor to liens against property set aside to the bankrupt as exempt, nor to liens against property abandoned by the trustee or unadministered in bankruptcy for any reason and shall not apply in proceedings under section 77 of this Act, nor in proceedings under chapter X of this Act unless an order has been entered directing that bankruptcy be proceeded with."

SEC. 7. Subsection c of section 70 of said Act (11 U.S.C. 110(c)) is amended to read as follows:

"c. The trustee may have the benefit of all defenses available to the bankrupt as against third persons, including statutes of limitation, statutes of frauds, usury, and other personal defenses; and a waiver of any such defense by the bankrupt after bankruptcy shall not bind the trustee. The trustee shall have as of the date of bankruptcy (without the benefit of any fiction of relation back prior to bankruptcy and without any added rights of a creditor extending credit at an earlier date) the rights and powers of: (1) a creditor who obtained a judgment against the bankrupt upon the date of bankruptcy, whether or not such a creditor exists, (2) a creditor who upon the date of bankruptcy obtained an execution returned unsatisfied against the bankrupt, whether or not such a creditor exists, and (3) a creditor who upon the date of bankruptcy obtained a lien by legal or equitable proceedings upon all property, whether or not coming into possession or control of the court, upon which a creditor of the bankrupt upon a simple contract could have obtained such a lien, whether or not such a creditor exists. If a transfer is valid in part against creditors whose rights and powers are conferred upon the trustee under this subdivision, it shall be valid to a like extent against the trustee. In cases where repugnancy or inconsistency exists with reference to the rights and powers in this subdivision conferred, the trustee may elect which rights and powers to exercise with reference to a particular party, a particular remedy, or a particular transaction, without prejudice to his right to maintain a different position with reference to a different party, a different remedy, or a different transaction."

With the following committee amendment:

On page 6 strike out the parenthetical expression in lines 19 through line 22.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING TITLE 10, UNITED STATES CODE, TO BRING THE NUMBER OF CADETS AT THE U.S. MILITARY ACADEMY AND THE U.S. AIR FORCE ACADEMY UP TO FULL STRENGTH

The Clerk called the bill (H.R. 7913) to amend title 10 United States Code, to bring the number of cadets at the U.S. Military Academy and the U.S. Air Force Academy up to full strength.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4343 of title 10, United States Code, is amended to read as follows:

"§ 4343. Cadets: appointment; to bring Corps to full strength

"(a) The Secretary of the Army shall determine each year the number by which the number of cadets at the Academy during the succeeding academic year will be below the authorized number. Within that determination, the Secretary may select for admission to the Academy qualified candidates who have been nominated by the persons named in clauses (1)–(6) of section 4342(a); and clause (2) of section 4342(e), of this title, and from qualified candidates holding competitive nominations under any other provision of law who are recommended and found qualified by the Academic Board.

"(b) At least 85 per centum of those selected for admission under this section shall be selected from qualified alternates who have been nominated by the persons named in clauses (1)–(6) of section 4342(a) and clause (2) of section 4342(e), of this title, and the remainder from qualified candidates holding competitive nominations under any other provision of law. An appointment under this section is an additional appointment and is not in place of an appointment otherwise authorized by law."

SEC. 2. Section 9343 of title 10, United States Code, is amended to read as follows:

"§ 9343. Cadets: appointment; to bring to full strength.

"(a) The Secretary of the Air Force shall determine each year the number by which the number of cadets at the Academy during the succeeding academic year will be below the authorized number. Within that determination, the Secretary may select for admission to the Academy qualified cadets who have been nominated by the persons named in clauses (1)–(6) of section 9342(a), and clause (2) of section 9342(e), of this title, and from qualified candidates holding competitive nominations under any other provision of law who are recommended and found qualified by the Academy Board.

"(b) At least 85 per centum of those selected for admission under this section shall be selected from qualified alternates who have been nominated by the persons named in clauses (1)–(6) of section 9342(a), and clause (2) of section 9342(e), of this title, and the remainder from qualified candidates holding competitive nominations under any other provision of law. An appointment under this section is an additional appointment and is not in place of an appointment otherwise authorized by law."

Mr. GROSS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 3, after line 14, insert the following:

"SEC. 3. (a) Paragraph (2) of section 4348, paragraph (2) of section 6959, and paragraph (2) of section 9348 of title 10 of the United States Code are each amended by striking out 'three' and inserting in lieu thereof 'seven'.

"(b) The fourth sentence of section 182 of title 14 of the United States Code is amended by striking out 'four' and inserting in lieu thereof 'seven.'

"(c) The amendments made by this Act shall apply only with respect to cadets and midshipmen accepted for admission to the service academies after the date of enactment of this Act, and shall not affect the obligated period of service of any cadet or midshipman accepted for admission to one of the service academies on or before the date of enactment of this Act."

Mr. GROSS. Mr. Speaker, this amendment simply does what a good many Members of the House have long thought ought to be done and that is to increase the period of obligated service of the cadets at the various service academies. That is exclusively what this amendment does. I have tried for a long time to get a bill to this effect out of the Committee on Armed Services of the House, but I have not had any luck.

We spend $40,000 to $45,000 a year educating cadets at the various service academies; yet, at the end of 4 years—3 years in some instances—they can resign and go their merry way. This simply provides that they must give 7 years of obligated service instead of 3 and by order or regulation 4 years in some instances. This would add either 3 or 4 years, depending on the regulations now in effect, to their obligated service, including the Coast Guard Academy.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Certainly, I yield to the gentleman from South Carolina.

Mr. RIVERS of South Carolina. Of course, we want to go into these things, and we will be very glad to discuss it with the gentleman. Naturally, I cannot accept this amendment. As a matter of fact, we accept just about everything you bring up, you know.

Mr. GROSS. I did not hear that last statement.

Mr. RIVERS of South Carolina. I said, we accept about 90 percent of what you suggest, but we cannot accept this amendment at this time. Why do you not withdraw this amendment and let the committee have an opportunity to go into it?

Mr. GROSS. And then wait another 6 years and not get any action at all?

Mr. RIVERS of South Carolina. Well, I cannot commit myself on these things. I do not run the committee.

Mr. GROSS. Does not the gentleman think that the taxpayers of this country are entitled to more than 3 years of obligated service after they have given a young man an opportunity to go to

an academy to make a career of the military service?

Mr. RIVERS of South Carolina. Of course I do.

Mr. GROSS. He ought to serve more than 3 years.

Mr. RIVERS of South Carolina. Of course he ought to.

Mr. GROSS. The Government ought to get a far greater obligation from the graduate of a service academy, who is educated at great expense from public funds, than from the young man in the university or college who goes into the ROTC program. Yet the Government gets a greater or equal obligation from the latter, and their expenses are paid by their parents. If education at a service academy is designed to provide for a military career let them understand it is to be their career when they get into it and hold them to it.

Mr. RIVERS of South Carolina. Mr. Speaker, I ask that this bill be passed over without prejudice.

Mr. GROSS. Mr. Speaker, it cannot be passed over without prejudice by ordinary request. It must be done by unanimous consent.

The SPEAKER pro tempore. The gentleman is correct, and that unanimous-consent request must be acceded to.

Mr. RIVERS of South Carolina. Mr. Speaker, then I object to it.

The SPEAKER pro tempore. The objection comes too late. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

Does the gentleman from South Carolina desire recognition on the amendment?

Mr. RIVERS of South Carolina. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, we have not had an opportunity to go into this amendment. I do not know what the import of this amendment is since I have not had an opportunity to study it. A substantive legislative change of this type should properly be given the careful scrutiny of the Committee on Armed Services before it is acted upon by the House.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RIVERS of South Carolina. Positively I yield.

Mr. GROSS. I told the gentleman and the Members of the House precisely what this amendment does. It increases the obligated service to 7 years.

Mr. RIVERS of South Carolina. It may be a good thing, I do not know, but we certainly ought to have hearings on this matter. I therefore repeat my recommendation that this matter be resolved after appropriate committee hearings. I have nothing else to say, Mr. Speaker.

Mr. FORD. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, it seems to me that we cannot justify a 3-year period of obligation after the cadet has spent 4 years at a military academy. There is certainly a need, a necessity, for some extension of this period of obligation. It seems to me that we have drifted along in this area for too long a period of time. Unfortunately unique opportunities, like this bill, do not arise very often, and as long as the Committee on Armed Services apparently is not going to take the initiative there is no alternative but corrective action under these circumstances.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I should like to point out to the Members of the House that the bill itself increases the number of cadets at some of the service academies. If you pass the bill to which the amendment is offered, you are going to increase the number and you are going to continue, unless my amendment is approved, this unreasonably short period of obligated service to the academies.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Illinois.

Mr. ARENDS. Mr. Speaker, I can see some reason why there is argument on this very point. However, I understand the Department downtown, as well as the Committee on Armed Services, have discussed this very issue on many occasions; and while there may be a desire to increase the period of service somewhat, I question the advisability of increasing it to 7 years. I should like to ask the gentleman from Iowa [Mr. GROSS] if he would be agreeable to an amendment providing for 5 years of obligated service. A man goes to school for 4 years. Then we are going to say to him that he must stay another 5 years. We do not want to kill the goose that lays the golden egg, because if this amendment were to pass, you are going to reduce the number of applicants and you are going to lose quite a number of good men after the 7 years of service. If we brought the period of service down from 7 years to 5 years, I would, myself, entertain the amendment.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, the statutory requirement is 3 years. Some of them have raised it to 4 years by regulation.

Mr. ARENDS. Mr. Speaker, for the information of the gentleman I think they are all 4 years now. If the gentleman would agree to an increase to 5 years, I think I would go along with him.

Mr. GROSS. But that would be almost no increase, and the gentleman knows it.

Mr. ARENDS. I am opposed to a period of 7 years of service. It is too long.

Mr. COLMER. Mr. Speaker, will the gentleman from Michigan yield?

Mr. FORD. Mr. Speaker, I yield to the gentleman from Mississippi.

Mr. COLMER. Mr. Speaker, I would like to ask the gentleman from Michigan or the gentleman from Iowa [Mr. GROSS] whether his amendment applies merely to the increase or to the whole present body of cadets.

Mr. GROSS. It would apply to all Academies, but it would not apply to any of those presently at the Academies, nor to those under orders to enter the Academies this year. It would only apply with the entrance of new classes at the various Academies.

Mr. COLMER. Mr. Speaker, I thank the gentleman for the explanation.

Mr. FORD. Mr. Speaker, may I add to what I have already said that under these circumstances I do not believe that we can condone a 3- or even 4-year obligation as far as the cadets are concerned. I am not certain that it ought to be 7 years, but I think we ought to take some corrective action here today. For that reason I intend to support the amendment, which I believe the gentleman from Wisconsin [Mr. LAIRD] is going to offer to make it a lesser figure than seven, but more than the four.

Mr. LAIRD. Mr. Speaker, I offer an amendment to the amendment of the gentleman from Iowa [Mr. GROSS].

The Clerk read as follows:

Amendment offered by Mr. LAIRD to the amendment offered by Mr. GROSS: "Strike out the word 'seven' where it appears and insert 'five'."

Mr. LAIRD. Mr. Speaker, I do feel that the time has come for us to make a correction in the period of obligated service for service academy graduates. In two sections of the statute it appears as 3 years, whereas the obligation in one section is 4 years. This amendment will provide henceforth that a minimum 5-year service obligation will be placed upon each cadet attending the service academies. I feel that this is a good amendment, and I ask the support of the House.

Mr. GROSS. Mr. Speaker, I rise in opposition to the amendment to my amendment. This is no real increase. Let me point out to you again that when a young man goes into, for instance, flight training in the ROTC at the University of South Carolina, if they have flight training there, he must sign up for a 5-year obligation, and this young man will have been educated by his parents. By this amendment you are providing only for the same period of obligation for a young man who has been educated by the taxpayers at the Air Force Academy at a cost of $40,000.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. RIVERS of South Carolina. It is all a matter of time. If the gentleman wants 5 years, it is all right. I will agree with the gentleman from Michigan. If you want him to go along under a 5-year obligation, I think about it as he does, if you want it for 5 years; but we have not gone into it.

Mr. GROSS. I want it to be 7 years, and I oppose the amendment just offered for the reason that it does not require the amount of obligated service that we ought to have from the individuals who go to these academies.

Mr. COHELAN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. COHELAN. Can the gentleman from Iowa tell me if he has any data on this subject? I think there is a great deal of sympathy with the gentleman's objective, but to what extent is it a problem and to what extent would it inhibit or curtail attendance at the Academies?

Mr. GROSS. On two or three occasions I got all the data I could from the Defense Department. There is a very considerable attrition. I got these figures in years gone by, but I never could move the House Committee on Armed Services into giving me a hearing on this bill. I cannot run to the Defense Department every day to get the figures for the last 6 months or the last year and with no hope of getting an audience before the legislative committee.

Mr. FISHER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. FISHER. I think there is considerable merit in the gentleman's amendment increasing the time of service. I believe the 5-year figure would be a good compromise. After all, this is a matter on which the committee has not had hearings, and we have not received reports on it. It is a rather important matter because it has far-reaching effects and would affect many people in the future. Under the circumstances, it seems to me reducing it to 5 years would be proper.

Mr. GROSS. There is a Reserve requirement of 7 years. The gentleman is well aware of that, being a member of the House Committee on Armed Services.

Mr. FISHER. That is not active duty service.

Mr. GROSS. I understand that, but we are supposed to be educating these young men to be career officers.

Mr. FISHER. I hope the gentleman will agree to the 5 years. We will go along with that.

Mr. GROSS. That is an increase of only 1 year for some and I cannot agree to that.

Mr. FORD. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I think there is considerable merit to changing this period of service to 5 years under this amendment. This is an improvement over the current situation. Let me ask the gentleman a question. If we go along with the Laird amendment to the Gross amendment, can we have the assurance of the House conferees that they will stick with it when they go to conference with the Senate?

Mr. RIVERS of South Carolina. Why do we not——

Mr. FORD. The question is asked. Yes or no.

Mr. RIVERS of South Carolina. Certainly I will.

Mr. FORD. The gentleman will hold fast with this?

Mr. RIVERS of South Carolina. Of course I will. I would not go back on what I say.

Mr. KILDAY. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I was not a member of the subcommittee which reported this bill. However, in the last Congress I was the author of an identical bill. I offered it at that time because last year I was a member of the Board of Visitors to the U.S. Military Academy. I agree thoroughly that those who accept appointment to the service academies should serve an adequate period of time, and in accordance with their agreement, in all fairness and justice, the Government should get from these men trained at Government expense, an adequate amount of service.

Of course, when you start extending this period of service too long, you are not doing anything for the benefit of the Government. It is something like adverse selection in actuarial work—the longer you make it and the more onerous you make it and the longer time you hold a man when he does not want to stay, the more you are militating against the welfare of the United States. A reasonable period of time should be exacted.

As a matter of fact, you ought not to have to exact from the man who should have never been sent to the Academy in the first place, because if he were not career motivated, he certainly should not, in all honesty and fairness and good faith, have accepted the appointment. There are occasions when circumstances arise subsequent to the acceptance of the appointment which justify a man's release at an earlier date. At the present time, this control, as I recall it, although I have not reviewed the record this year, my recollection is that this is controlled by regulation as to the length of time they shall serve. I would certainly prefer to see it left as it is now, and in those instances in which it is necessary to retain the man longer, that a longer period be imposed by the Government. But let us not make this so rigid that you are not going to be able to get the best men available in the United States. If you are going to say to young men about to enter college that if he signs up under the conditions proposed, that means 11 years of his life that he is going to be bound—4 years at the Academy and 7 years beyond that or in the substitute—a total of 9 years. To some of us, of course, 9 and 11 years seems to be a rather short period of time because time has been running on us for some good while—but when it comes to a youngster, 18 or 19 years of age, if you tell him, once you accept this you are bound for 9 years or you are bound for 11 years, you are very likely not going to get the fellow who can be choosey—you will be able to get the fellow, of course, who cannot be choosey and for whom this may be his only chance.

Mr. Speaker, I would trust that this provision be left as it is.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. ARENDS. Mr. Speaker, I was going to express the hope that the gentleman from Texas might see his way clear to accept the 5-year compromise because, I think, maybe we could work it out on that basis. Furthermore, I think what he just said goes right to the point. I think someone else has an obligation in respect to these boys who go to the Academy besides the boys and that is those who name them, that is, the man who appoints a person to the Academy.

Mr. KILDAY. The gentleman is correct.

Mr. ARENDS. Personally, I ask every single one of my applicants whether they are going to make this a life career or not.

Mr. KILDAY. The applicant commits himself to me in writing that it is his intention to make the military his career.

Mr. ARENDS. We have a responsibility in selecting these boys and getting the best qualified men.

Mr. KILDAY. With reference to the question about getting the conferees to agree to retain the 5-year requirement, because of the exigencies of the situation, it could likely be that I would neither be here at the time the conferees are appointed nor at the time they meet. Therefore, I cannot make such a commitment. However, I would certainly hope that this requirement would not apply. I think it is wiser if the Congress would reject both amendments.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the amendment offered by the gentleman from Wisconsin [Mr. LAIRD] to the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment to the amendment was agreed to.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS], as amended.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRANTING 81 ACRES OF PUBLIC DOMAIN TO THE COCOPAH INDIANS IN ARIZONA

The Clerk called the bill (S. 54) to grant 81 acres of public domain to the Cocopah Indians in Arizona.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the right, title, and interest in the following described public domain are hereby declared to be held by the United States in trust for the Cocopah Indians in Arizona, subject to any valid existing rights heretofore initiated under the public land laws: lots 14 and 15, section 30, township 9 south, range 24 west; and lots 3, 4, and 5, section 25, township 9 south, range 25 west, Gila and Salt River meridian, Arizona, containing 81.64 acres.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT HALL INDIAN IRRIGATION PROJECT

The Clerk called the bill (H.R. 3531) to supplement and amend the act of

June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the bill (S. 1294) to supplement and amend the act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936, be considered in lieu of the House bill.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the order of the Secretary of the Interior dated May 12, 1960, which provides for the elimination from the Fort Hall Indian irrigation project of four hundred sixty-eight and twenty one-hundredths acres and one hundred twenty-nine and thirty-seven one-hundredths acres of land, and which provides for the cancellation of penalty charges against the eliminated land, which order was made pursuant to the Act of June 22, 1936 (49 Stat. 1803), is hereby approved, and the lands when eliminated shall not thereafter be entitled to water from the project.

SEC. 2. Section 4 of the Act of June 30, 1948 (62 Stat. 1167), is hereby amended to read as follows:

"SEC. 4. The net irrigable area of the Fort Hall Indian irrigation project is hereby established at forty-seven thousand sixty-four and sixty-three one-hundredths acres, more or less, and the Secretary of the Interior is authorized to redesignate the project within the limit of the acreage authorized by this Act. The noninclusion of the Fort Hall townsite within the net irrigable area of the project shall not prevent the obtaining of water rights therefor in accordance with the Act of March 1, 1907 (34 Stat. 1015, 1025), as amended or supplemented."

SEC. 3. Section 2 of the Act of June 30, 1948 (62 Stat. 1167), is amended to read as follows:

"SEC. 2. The duty of water on the Fort Hall Indian irrigation project until modified by the Secretary of the Interior shall be three and five-tenths acre-feet per acre per annum if available, and available excess water may be furnished for use on project lands on terms, conditions, and rates prescribed by the Secretary."

Mr. HALEY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALEY: On page 2, lines 21 and 22, strike out "until modified by the Secretary of the Interior".

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H.R. 3531) were laid on the table.

CONFEDERATED TRIBES, WARM SPRINGS RESERVATION, OREG.

The Clerk called the bill (H.R. 5235) to authorize the Confederated Tribes of the Warm Springs Reservation of Oregon to acquire land within the boundaries of their reservation.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any general statutory prohibition against the use of tribal funds to acquire land in Oregon if the acquisition would exempt the land from local taxation, the Secretary of the Interior is authorized to purchase with funds made available by the Confederated Tribes of the Warm Springs Reservation of Oregon any land or interests in land within the boundaries of their reservation, and to take title to the land or interests acquired in the name of the United States in trust for the tribes. Any such purchase under an installment purchase contract shall not be regarded as an encumbrance or mortgage within the meaning of the tribal constitution, charter, and bylaws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PEANUTS FOR BOILING

The Clerk called the bill (H.R. 1021) to extend for 2 years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C., sec. 1359 note), is amended by striking out "and" and by inserting after "1961" the following: ", 1962, and 1963".

With the following committee amendment:

Strike out everything after the figure "1957" in line 6 and substitute the following: "(71 Stat. 344), as amended by the Act of September 22, 1959 (73 Stat. 642), is further amended by striking out 'and' and by inserting after '1961' the following: ', 1962, and 1963'."

The committee amendment was agreed to.

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MATTHEWS. Mr. Speaker, I wish to express my deep appreciation to the chairman and the members of our House Committee on Agriculture for bringing to the floor my bill, H.R. 1021, to extend for 2 years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938.

This bill will provide a 2-year extension of the definition of "peanuts" which is now contained in section 359(c) of the Agricultural Adjustment Act of 1938, as amended. Under this definition, any peanuts which are marketed, before drying or removal of moisture—either by natural or by artificial means—for consumption exclusively as boiled peanuts are excluded from the provisions of acreage allotments and marketing quotas. The present law will expire after the 1961 crop of peanuts. This bill will extend the definition through the 1962 and 1963 crops.

The reason for excluding peanuts from acreage allotments and marketing quotas is because in some parts of the United States, and especially in my own part of the country, immature peanuts are boiled and eaten as a green vegetable, similar to spinach or other fresh garden produce. These peanuts never enter the market in competition with salted peanuts or other forms of the product. This bill is a continuing recognition of the fact that peanuts from boiling are an entirely different commodity from other peanuts and should not be included in the programs designed to regulate the production of peanuts for conventional use.

The total exempted acreage involved is less than 3,000 acres and is primarily concentrated in five States: Alabama, Florida, Georgia, South Carolina, and Mississippi. Several small plants in Florida are now canning boiled peanuts and putting them on the market. This represents the development of a new industry, and it should be emphasized again that this is not in conflict with the other uses of peanuts which come under acreage allotments and marketing quotas.

I think it would be of interest to also point out that many small farmers are interested in planting peanuts for boiling purposes. In my section of the country, many youths of school age are able to supplement family income by selling boiled peanuts at various community gatherings.

I plead for the passage of H.R. 1021.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PARIS CONVENTION ON PATENTS AND TRADEMARKS

The Clerk called the bill (H.R. 5754) to carry into effect a provision of the Convention of Paris for the Protection of Industrial Property as revised at Lisbon, Portugal, October 31, 1958.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 119 of title 35 of the United States Code, entitled "Patents", is amended by adding the following paragraph thereto:

"In like manner and subject to the same conditions and requirements, the right provided in this section may be based upon a subsequent regularly filed application in a foreign country, instead of the first filed foreign application, provided that any foreign application filed prior to such subsequent application has been withdrawn, abandoned, or otherwise disposed of, without having been laid open to public inspection and without leaving any rights outstanding, and has not served, nor thereafter shall serve, as a basis for claiming a right of priority."

SEC. 2. Section 44(d) of the Act approved July 5, 1946, Public Law 489, Seventy-ninth

Congress, chapter 540 (60 Stat. 427; 15 U.S.C. 1126(d)), is amended by adding the following paragraph thereto:

"In like manner and subject to the same conditions and requirements, the right provided in this section may be based upon a subsequently regularly filed application in a foreign country, instead of the first filed foreign application: *Provided*, That any foreign application filed prior to such subsequent application has been withdrawn, abandoned, or otherwise disposed of, without having been laid open to public inspection and without leaving any rights outstanding, and has not served, nor thereafter shall serve, as a basis for claiming a right of priority."

SEC. 3. This Act shall take effect on the date when the Convention of Paris for the Protection of Industrial Property of March 20, 1883, as revised at Lisbon, October 31, 1958, comes into force with respect to the United States and shall apply only to applications thereafter filed by persons entitled to the benefit of said convention, as revised.

With the following committee amendment:

Page 1, line 9, and page 2, line 12, strike out "a foreign country" and insert in lieu thereof "the same foreign country".

Page 2, line 24, after "filed" add "in the United States".

Page 2, line 25, after "revised" add "at the time of such filing".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MEMBERSHIP OF DISTRICT JUDGES ON JUDICIAL COUNCILS

The Clerk called the bill (H.R. 6690) to amend section 332 of title 28, United States Code, in order to provide for the inclusion of a district judge or judges on the judicial council of each circuit.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first paragraph of section 332 of title 28 of the United States Code is amended to read as follows:

"The chief judge of each circuit shall call, at least twice in each year and at such places as he may designate, a council at which he shall preside consisting of (1) the circuit judges for the circuit in regular active service, (2) the district judge in regular active service from such circuit selected as provided in section 331 of this title to serve as a member of the Judicial Conference of the United States, and (3) in any circuit having five or more circuit judges in regular active service, an additional district judge in regular active service who shall be chosen for a three-year term by the district judges in regular active service of the circuit at the next annual judicial conference of the circuit held after the conference at which the district judge in regular active service is selected to serve as a member of the Judicial Conference of the United States and, excepting in the District of Columbia circuit, such additional district judge shall be from a different district than the district judge then serving as a member of the Judicial Conference of the United States as provided in section 331 of this title. Each member of the council, unless excused by the chief judge, shall attend all sessions of the council."

(b) Such section is further amended by adding at the end thereof the following new paragraph:

"Each judicial council shall have a secretary, who shall be the clerk of the United States court of appeals."

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McCULLOCH. Mr. Speaker, H.R. 6690 will provide for representation on the judicial councils of each circuit a district judge or judges. Accordingly, it amends section 332 of title 28, United States Code.

Under the provisions of this bill, the judicial councils would consist, as they do now, of all the circuit judges in regular active service and also of the district judge who had been selected by the district judges to represent that circuit on the Judicial Conference of the United States.

In addition, it provides that where a circuit has five or more circuit judges in regular active service, then a second district judge shall be selected to sit on the judicial council for the circuit. This second judge must come from a district other than the district whose judge is the Judicial Conference representative. An exception is provided, of course, for the District of Columbia.

Finally, the bill provides that the clerk of the U.S. court of appeals for the circuit shall serve as secretary of the council for that circuit.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

USE OF FUNDS BY POTAWATOMI NATION OF INDIANS

The Clerk called the bill (H.R. 5964) to authorize the use of funds arising from a judgment in favor of the Potawatomi Nation of Indians, and for other purposes.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the funds on deposit in the Treasury of the United States to the credit of the Potawatomi Nation of Indians that were appropriated by the Act of September 8, 1960 (74 Stat. 830), to pay a judgment by the Indian Claims Commission dated February 26, 1959, and the interest thereon, be divided on the basis of 780/2,180ths to the Prairie Band of Potawatomi Indians of Kansas, and 1,400/2,180ths to the Citizen Band of Potawatomi Indians of Oklahoma, and the funds so divided, including the interest accruing thereon, after payment of attorney fees and expenses, may be advanced or expended for any purpose that is authorized by the respective tribal governing bodies and approved by the Secretary of the Interior. Any part of such funds that may be distributed per capita to the members of the bands shall not be subject to Federal or State income tax.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REVISING ORGANIC ACT OF THE VIRGIN ISLANDS PERTAINING TO THE SALARY OF THE GOVERNMENT COMPTROLLER

The Clerk called the bill (H.R. 7666) to amend section 17(a) of the Revised Organic Act of the Virgin Islands pertaining to the salary of the Government comptroller.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That subsection (a) of section 17 of the Revised Organic Act of the Virgin Islands, as amended (48 U.S.C., sec. 1599(a)), is amended by striking out the first sentence of said subsection and inserting in lieu thereof the following: "The Secretary of the Interior shall appoint a government comptroller who shall receive an annual salary at a rate established in accordance with the standards provided by to the Classification Act of 1949, as amended."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF CERTAIN FEDERAL PROPERTY TO THE GOVERNMENT OF AMERICAN SAMOA

The Clerk called the bill (S. 1087) to authorize and direct the transfer of certain Federal property to the government of American Samoa.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Navy is hereby authorized and directed to transfer, without reimbursement or transfer of funds, to the government of American Samoa, within ninety days after the date of enactment of this Act, title to all property, real and personal, which is located in American Samoa on the date of enactment of this Act and which is owned by the United States and is within the administrative supervision of the Department of the Navy on such date: *Provided*, That title to any personal property which was located in American Samoa on July 1, 1951, and was made available to the government of American Samoa by the Department of the Navy, but which has been consumed or disposed of since such date, shall be deemed to have been transferred to the government of American Samoa on July 1, 1951.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN REAL PROPERTY OF THE UNITED STATES TO THE CITY AND COUNTY OF HONOLULU, HAWAII

The Clerk called the bill (H.R. 1794) to provide for the conveyance of certain real property of the United States situated in Hawaii to the city and county of Honolulu, Hawaii.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Navy shall convey, without monetary consideration therefor, to the city and county of Honolulu, Hawaii, all right, title and interest of the United States in and to the real property described in section 2 of this Act.

SEC. 2. The real property referred to in the first section of this Act comprises a total of 33.289 acres, more or less, and is more particularly described as set forth in the following descriptions numbered 1 and 2:

DESCRIPTION NUMBERED 1

Military Road (commonly called Salt Lake Boulevard) being 100 feet wide right-of-way and comprised of parcels A through G, for a total area of 29.980 acres and described as follows:

Parcel A—Land situate at Halawa, Ewa, Oahu, Hawaii

Being a portion of Royal Patent Numbered 6717, land commission awards numbered 7712 and 8516–B to M. Keguanaoa and Kamaikui.

Being a portion of the land acquired by the United States of America described as parcel B in the declaration of taking filed in Civil Action Numbered 535 in the United States District Court for the District of Hawaii, Honolulu, Hawaii.

Beginning at the northwest corner of this piece of land on the southerly side of Aiea Naval Hospital Access Road, the coordinates of which referred to Government survey triangulation station "Salt Lake", beginning 3,345.45 feet north and 8,160.33 feet west, and running by azimuths measured clockwise from true south: along the southerly side of Aiea Naval Hospital Access Road on a curve to the right with a radius of 2,834.79 feet, the chord azimuth and distance being:

1. 245 degrees 47 minutes 14 seconds 161.88 feet, thence along remainder of land commission awards numbered 7712 and 8516–B to M. Kekuanaoa and Kamaikui on a curve to the left with a radius of 30 feet, the chord azimuth and distance being:

2. 22 degrees 53 minutes 42 seconds 42.08 feet;

3. 338 degrees 22 minutes 488.50 feet along remainder of land commission awards numbered 7712 and 8516–B to M. Kekuanaoa and Kamaikui;

4. 39 degrees 42 minutes 93.79 feet along same; along United States Naval Reservation (Civil Numbered 684);

5. 5 degrees 03 minutes 30 seconds 46.56 feet along same;

6. 160 degrees 27 minutes 88.47 feet along remainder of land commission awards numbered 7712 and 8516–B to M. Kekuanaoa and Kamaikui;

7. 158 degrees 22 minutes 479.47 feet along same, thence along same on a curve to the left with a radius of 30 feet, the chord azimuth and distance being:

8. 111 degrees 15 minutes 32 seconds 43.96 feet to the point of beginning and containing an area of 55,093 square feet or 1.265 acres, as shown on 14ND real estate drawing numbered SK–880.

Parcel B—Land situate at Halawa, Ewa, Oahu, Hawaii

Being a portion of Royal Patent Numbered 6717, land commission awards numbered 7712 and 8516–B to M. Kekuanaoa and Kamaikui.

Being the land acquired by the United States of America and described as parcel A in the declaration of taking filed in Civil Action Numbered 684 in the United States District Court for the District of Hawaii, Honolulu, Hawaii, said pleading recorded in the Bureau of Conveyances of the State of Hawaii in liber 1981, pages 267–279.

Beginning at the south corner of this piece of land being also the northwest corner of lot numbered 30 as shown on map 14 of land court application numbered 966, the coordinates of said point of beginning referred to Government survey triangulation station "Salt Lake", being 1,370.44 feet north and 7,404.36 feet west, and thence running by azimuths measured clockwise from true south:

1. 160 degrees 27 minutes 1,515.96 feet along the remainder of Royal Patent Numbered 6717, land commission awards numbered 7712 and 8516–B to M. Kekuanaoa and Kamaikui;

2. 185 degrees 03 minutes 30 seconds 46.56 feet along same, along United States Naval Reservation (Civil Numbered 535);

3. 219 degrees 42 minutes 93.79 feet along same;

4. 340 degrees 27 minutes 1,392.56 feet along the remainder of Royal Patent Numbered 6717, land court awards numbered 7712 and 8516–B to M. Kekuanaoa and Kamaikui, to the north corner of lot numbered 30 of land court application numbered 966;

5. 357 degrees 25 minutes 56.30 feet along lot numbered 30 of land court application numbered 966;

6. 345 degrees 10 minutes 168 feet along same;

7. 76 degrees 40 minutes 70.16 feet along same to the point of beginning and containing an area of 3.523 acres.

Parcel C—Land situate at Halawa, Ewa, Oahu, Hawaii

Being the land acquired by the United States of America and described as parcel B in the declaration of taking filed in Civil Action Numbered 684 in the United States District Court for the District of Hawaii, Honolulu, Hawaii.

Being lot numbered 30 containing 7.778 acres as shown on map numbered 14, filed in the Land Court of the State of Hawaii in land court application numbered 966, and being a portion of the land described in land court certificate of title numbered 36,746.

Parcel D—Land situate at Halawa, Ewa, Oahu, Hawaii

Being a portion of Royal Patent Numbered 6717, land court awards numbered 7712 and 8516–B to M. Kekuanaoa and Kamaikui, being a portion of exclusion numbered 5 shown on map numbered 1 of land court application numbered 966.

Being a portion of lot "E" of the former Makalapa Military Reservation acquired by the United States of America in civil action numbered 87, filed in the United States District Court for the District of Hawaii, Honolulu, Hawaii.

Beginning at the southeast corner of this piece of land at a point on the easterly boundary of lot numbered 30 as shown on map numbered 14 of land court application numbered 966, being also the south boundary of exclusion numbered 5 of land court application numbered 966 the coordinates of which referred to Government survey triangulation station "Salt Lake", being 208.67 feet north and 6,836.58 feet west, and running by azimuths measured clockwise from the true south:

1. 84 degrees 05 minutes 30 seconds 5.19 feet along portion of lot numbered 30 of land court application numbered 966;

2. 174 degrees 50 minutes 30 seconds 28.24 feet along same, thence along the remainder of exclusion numbered 5 of land court application numbered 966, on a curve to the right with a radius of 2,914.93 feet the chord azimuth and distance being:

3. 344 degrees 26 minutes 03.5 seconds 28.64 feet to the point of beginning and containing an area of 0.002 acre.

Parcel E—Land situate at Halawa, Ewa, Oahu, Hawaii

Being a portion of Royal Patent Numbered 6717, land court awards numbered 7712 and 8516–B to M. Kekuanaoa and Kamaikui, being a portion of exclusion numbered 9 shown on map numbered 1 of land court application numbered 966.

Being a portion of lot numbered 3 of the former Aliamanu Military Reservation acquired by the United States of America in Civil Action Numbered 87 filed in the United States District Court for the District of Hawaii, Honolulu, Hawaii.

Beginning at the south corner of this piece of land being the northwest corner of lot numbered 33 as shown on map numbered 14 of land court application numbered 966, the coordinates of which referred to Government survey triangulation station "Salt Lake", being 1,904.94 feet south and 6,406.66 feet west, and running by azimuths measured clockwise from true south:

1. 165 degrees 54 minutes 50 seconds 80.57 feet along the remainder of exclusion numbered 9, land court application numbered 966;

2. 249 degrees 43 minutes 30 seconds 100.59 feet along lot numbered 30 of land court application numbered 966;

3. 345 degrees 54 minutes 50 seconds 80.99 feet along the remainder of exclusion numbered 9, land court application numbered 966;

4. 69 degrees 58 minutes 100.54 feet along lot numbered 33 of land court application numbered 966 to the point of beginning and containing an area of 0.185 acre.

Parcel F—Land situate at Halawa, Ewa, Oahu, Hawaii

Being the land acquired by the United States of America and described as parcel E in the declaration of taking filed in Civil Action Numbered 684 in the United States District Court for the District of Hawaii, Honolulu, Hawaii.

Being lot numbered 33, containing 1.654 acres, as shown on map numbered 14 filed in the Land Court of the State of Hawaii in land court application numbered 966 and being a portion of the land described in land court certificate of title numbered 36,746.

Parcel G—Land situate at Moanalua, Honolulu, Oahu, Hawaii

Being the land acquired by the United States of America and being a portion of the land described as Parcel D–15 in the declaration of taking filed in civil action numbered 684 in the United States District Court for the District of Hawaii, Honolulu, Hawaii.

Being lot numbered 38–A, containing 15.573 acres, as shown on map numbered 129 filed in the Land Court of the State of Hawaii in land court application numbered 1074 and being a portion of the land described in land court certificate of title numbered 38,093.

DESCRIPTION NUMBERED 2

Military road (Salt Lake Boulevard) extension—Land situate at Moanalua, Honolulu, Oahu, Hawaii

Being a part of the several pieces of lands required for and being within 100 feet wide right-of-way and being the land shown on the maps hereinafter referred to by number filed in the Land Court of the State of Hawaii, Honolulu, Hawaii, in land court application numbered 1074 and being a portion of the land described in land court certificate of title numbered 38,092. Being a portion of the land acquired by the United States of America described as parcel D–6 in the declaration of taking filed in civil action numbered 525 in the United States District Court for the District of Hawaii, Honolulu, Hawaii.

Being lot numbered 45–B–2, containing 20,076 square feet (0.461 acre), lot numbered 45–B–3, containing 99,239 square feet (2.278 acres), and lot numbered J–9–B, containing 895 square feet (0.020 acre), all as shown on map numbered 129; lot numbered J–8, containing 0.279 acre (12,155 square feet) as

shown on map numbered 74, and that certain parcel of land, being a portion of parcel D–6 acquired as aforesaid and being also a portion of parcel D–14 described in the declaration of taking filed in civil action numbered 548, to be designated lot numbered 45–A–2, in the subdivision of lot numbered 45–A as shown on map numbered 128, and containing 11,814 square feet (0.271 acre), more or less.

Total area: 3.309 acres.

With the following committee amendment:

On page 1, lines 4 and 5, strike the words "city and county of Honolulu, Hawaii" and insert in lieu thereof "State of Hawaii".

On page 10, following line 17, add a new section, section 3, as follows:

"SEC. 3. In making the conveyance authorized by this Act, the Secretary of the Navy shall reserve and except therefrom on behalf of the United States, easement interests of existing rights-of-way for utility and communication lines owned by the United States and the conveyance shall be made subject to such additional terms, conditions, and reservations as the Secretary of the Navy shall determine to be in the public interest."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

The title of the bill was amended to read: "A bill to provide for the conveyance to certain real property of the United States situated in Hawaii to the State of Hawaii."

A motion to reconsider was laid on the table.

RECONVEYANCE OF PROPERTY TO MALONE, N.Y.

The Clerk called the bill (H.R. 7725) to authorize the Secretary of the Army to reconvey to the town of Malone, N.Y., certain real property heretofore donated by said town to the United States of America as an Army Reserve center and never used by the United States.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is hereby authorized and directed to reconvey by quitclaim deed to the town of Malone, New York, the four acres of land and appurtenant easements conveyed on July 26, 1956, and September 17, 1958, by said town to the United States of America as the site for a United States Army Reserve Center and never used for that purpose.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIRL SCOUTS 1962 ENCAMPMENT

The Clerk called the bill (H.R. 5228) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1962 Girl Scouts senior roundup encampment, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Defense is hereby authorized, under such regulations as he may prescribe, to lend to the Girl Scouts of the United States of America, a corporation created under the Act of March 16, 1950, for the use and accommodation of approximately ten thousand Girl Scouts and officials who are to attend the Girl Scouts senior roundup encampment to be held in July 1962, at Button Bay State Park, Vermont, such tents, cots, blankets, commissary equipment, flags, refrigerators, vehicles, and other equipment as may be necessary or useful to the extent that items are in stock and available and their issue will not jeopardize the national defense program.

(b) Such equipment is authorized to be delivered at such time prior to the holding of such encampment, and to be returned at such time after the close of such encampment, as may be agreed upon by the Secretary of Defense and the Girl Scouts of the United States of America. No expense shall be incurred by the United States Government for the delivery and return of such equipment and the Girl Scouts of the United States of America shall pay for the cost of the actual rehabilitation and repair or replacement of such equipment.

(c) The Secretary of Defense, before delivering such property, shall take from the Girl Scouts of the United States of America a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

SEC. 2. The Secretary of Defense is hereby authorized, under such regulations as he may prescribe, to provide to the Girl Scouts of the United States of America, in support of the encampment referred to in subsection (a) of the first section of this Act, such communication, medical, engineering, protective, and other logistical services as may be necessary or useful to the extent that such services are available and the providing of them will not jeopardize the national defense program.

SEC. 3. Each department of the Federal Government is hereby authorized under such regulations as may be prescribed by the Secretary thereof to assist the Girl Scouts of the United States of America in the carrying out and the fulfillment of the plans for the encampment referred to in subsection (a) of the first section of this Act.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. STAFFORD. Mr. Speaker, I am most gratified that the House has passed H.R. 5228, authorizing the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States for use at their 1962 roundup encampment at Button Bay, Vt.

It was my privilege, while serving as Governor of Vermont, to extend the State's invitation to the Girl Scouts to hold their 1962 roundup in our State and to learn of their acceptance of it.

All Vermont looks forward to their coming.

Our people appreciate the great value which the Girl Scout movement possesses in terms of developing the type of future citizens, mothers and civil leaders upon which this Nation's existence depends in the years ahead.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMITTING MEMBERS OF ARMED FORCES TO ACCEPT FELLOWSHIPS, SCHOLARSHIPS, OR GRANTS

The Clerk called the bill (H.R. 7727) to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants.

Mr. GROSS. Mr. Speaker, reserving the right to object, I would appreciate a brief explanation of what is being done in this bill.

Mr. PHILBIN. I shall be very happy, Mr. Speaker, to explain to the distinguished gentleman.

This bill is designed to do two things:

First. To provide a legal basis for a practice which has actually been concurred in by the Congress for many years.

Second. To remove an inequity in existing law.

Briefly, the situation is this: Existing law prohibits a Government official or employee from receiving any salary in connection with his services from any source other than the Government of the United States.

However, the Government Employees Training Act provides an exception to existing law for civilian officers and employees of the Government, including officers of the Coast and Geodetic Survey to accept contributions and awards incident to training in non-Government facilities.

So, we have the anomaly of one group of Government employees being permitted to accept scholarships, fellowships, and grants while another group is prohibited from accepting fellowships, scholarships, and grants.

It will be noted that the bill requires that a scholarship, grant, or fellowship may be accepted by a military officer first, in recognition of outstanding performances in his field; second, to undertake a project that may be of value to the United States; or third, for development of his recognized potential for future career service.

It is clear from the foregoing that the United States is benefited by this additional education and the Armed Services Committee can see no reason why military officers should be excluded from the benefits which are available to other employees of the Government.

In brief, then, all the bill will do is to permit the acceptance of these benefits by our military officers.

This bill was reported unanimously by the Armed Services Committee.

Mr. GROSS. A graduate of West Point by the name of Pete Dawkins, a football star, has been for 2 years allegedly studying at Oxford University in London. He has never served a day

in the military service since he was graduated from the Academy, but has been playing cricket and said to be studying at Oxford University. Only recently his period of study was extended for another year. Apparently it will be 3 years before this Dawkins gives anything in the way of military service to his country. Is this bill designed to encourage that sort of thing?

Mr. PHILBIN. I remember Mr. Dawkins, and obviously he is going to Oxford to improve his potentials, so far as military service is concerned.

Mr. GROSS. Are the British teaching him military tactics? Is he getting anything in the way of military science at Oxford?

Mr. PHILBIN. I am not familiar with the course Mr. Dawkins is taking there, but I would suggest that it is designed to improve and increase his potential as a member of the armed services.

Mr. GROSS. I may say to the gentleman that under the circumstances I think this Pete Dawkins would be doing this country and the taxpayers a far greater service if he had been in training at the infantry school at Fort Benning along with the officers who came out of West Point 2 years ago. It appears that it will be 3 years before this man ever serves a day in the service for which he was educated. I do not like that. If this bill is for the purpose of encouraging that sort of thing or for the purpose of taking care of the extension of this man's education at Oxford University, I am opposed to it.

Mr. PHILBIN. All of the officers of the military would be authorized to accept fellowships and grants. They are now barred from this privilege. All this bill does is to make it possible for them to avail themselves of grants and fellowships that are available for their higher and further education to increase their potentials as members of the armed services.

Mr. GROSS. By going to Oxford University they are going to be of little help to us at a time when the military is increasing its numbers.

Mr. PHILBIN. I feel certain that these courses are designed to promote their broader military education. I am fully convinced of that fact.

Mr. GROSS. I never heard of Oxford University teaching military science. I thought that was taught at Aldershot or some such place in England. I never heard of Oxford University having any courses in military science.

Mr. PHILBIN. I would not want to say what the curriculum is at Oxford because I could not discuss that with the gentleman. But I do think the courses these officers take at Oxford will be in the interest of the Government and the Nation. There are all kinds of courses given at Oxford, of course, and these courses are in the interest of improving the general education, and perhaps the specialized training of those who attend.

Mr. GROSS. Mr. Speaker, I would like to take another look at this bill; therefore I ask unanimous consent that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AUTHORIZING THE SECRETARY OF A MILITARY DEPARTMENT TO SELL GOODS AND SERVICES TO AIRCRAFT OWNERS

The Clerk called the bill (H.R. 7728) to amend title 10, United States Code, to authorize the Secretary of a military department to sell goods and services to the owner of an aircraft or his agent in an emergency, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SISK. Mr. Speaker, since this bill is calendared to be called up under suspension of the rules, I ask unanimous consent that the bill be passed over without prejudice?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

RETROCEDE LEGISLATIVE JURISDICTION OVER FORT SHERIDAN

The Clerk called the bill (H.R. 7721) to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within the Fort Sheridan Military Reservation, Ill.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, the Secretary of the Army may, at such times as he may deem desirable, relinquish to the State of Illinois all, or such portion as he may deem desirable for relinquishment, of the jurisdiction heretofore acquired by the United States over any lands within the Fort Sheridan Military Reservation, Illinois, reserving to the United States such concurrent or partial jurisdiction as he may deem necessary. Relinquishment of jurisdiction under the authority of this Act may be made by filing with the Governor of the State of Illinois a notice of such relinquishment, which shall take effect upon acceptance thereof by the State of Illinois in such manner as its laws may prescribe.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMERGENCY FEED FOR WILDLIFE

The Clerk called the bill (S. 614) to authorize the use of Commodity Credit Corporation owned surplus grain by the States for emergency use in the feeding of resident game birds and other resident wildlife; to authorize the use of such surplus grain by the Secretary of the Interior for emergency use in the feeding of migratory birds, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of meeting emergency situations caused by adverse weather conditions or other factors destructive of important wildlife resources, the States are hereby authorized, upon the request of the State fish and game authority or other State agency having similar authority and a finding by the Secretary of the Interior that any area of the United States is threatened with serious damage or loss to resident game birds and other resident wildlife from starvation, to requisition from the Commodity Credit Corporation grain acquired by the Corporation through price support operations. Such grain may thereafter be furnished to the particular State for direct and sole utilization by the appropriate State agencies for purposes of this Act in such quantities as mutually agreed upon by the State and the Commodity Credit Corporation and subject to such regulations as may be considered desirable by the Corporation. The Corporation shall be reimbursed by the particular State in each instance for the expense of the Corporation in packaging and transporting such grain for purposes of this Act.

SEC. 2. Upon a finding by the Secretary of the Interior that migratory birds are threatened with starvation in any area of the United States, the Secretary is authorized to requisition from the Commodity Credit Corporation grain acquired by that Corporation through price support operations in such quantities as may be mutually agreed upon. The Corporation shall be reimbursed by the Secretary for its expense in packaging and transporting of such grain for purposes of this Act.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to reimburse the Commodity Credit Corporation for its investment in grain transferred pursuant to this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RULES OF PRACTICE AND PROCEDURE UNDER BANKRUPTCY ACT

The Clerk called the bill (H.R. 7405) to provide for the promulgation of rules of practice and procedure under the Bankruptcy Act, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 28 of the United States Code is amended by inserting in chapter 131 thereof immediately following section 2074 of that chapter a new section reading as follows:

"§ 2075. Bankruptcy rules

"The Supreme Court shall have the power to prescribe by general rules, the forms of process, writs, pleadings, and motions, and the practice and procedure under the Bankruptcy Act.

"Such rules shall not abridge, enlarge, or modify any substantive right.

"Such rules shall not take effect until they have been reported to Congress by the Chief Justice at or after the beginning of a regular session thereof but not later than the first day of May and until the expiration of ninety days after they have been thus reported.

"All laws in conflict with such rules shall be of no further force or effect after such rules have taken effect."

SEC. 2. The analysis of chapter 131 of title 28 of the United States Code, immediately preceding section 2071 of that chapter, is amended by inserting therein immediately after item 2074 thereof a new item reading as follows:

"2075. Bankruptcy rules."

SEC. 3. Section 30 of the Bankruptcy Act is repealed but its repeal shall not operate to invalidate or repeal rules, forms, or orders prescribed under the authority of that section by the Supreme Court prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAPATO INDIAN IRRIGATION PROJECT, WASHINGTON

The Clerk called the bill (H.R. 115) for the allocation of costs on the Wapato-Satus unit of the Wapato Indian irrigation project.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall (a) designate within one year from the date of this Act the lands that are capable of being served by the irrigation works that have already been constructed on the Wapato-Satus unit of the Wapato Indian irrigation project, (b) determine the final construction costs of such works, (c) allocate the costs on a per acre basis to the land capable of being served, (d) assess the costs so allocated to land in non-Indian ownership, and (e) defer the assessment of the costs so allocated to land in Indian ownership in accordance with the Act of July 1, 1932 (47 Stat. 564).

SEC. 2. The Secretary of the Interior is authorized to install trash racks at the Yakima River diversion headworks of the Wapato-Satus unit, and the cost thereof shall be allocated and either assessed or deferred in accordance with the provisions of section 1 of this Act.

SEC. 3. The Secretary of the Interior is authorized (a) to designate additional lands that could be served by the Wapato-Satus unit if additional works were constructed, and (b) to construct such additional works: *Provided,* That no land in non-Indian ownership shall be included until an agreement satisfactory to the Secretary has been reached with the owner thereof for payment of the construction cost.

SEC. 4. If the Secretary of the Interior determines that an operation and maintenance assessment for the repair or replacement of any irrigation works that have been or may be constructed on the Wapato-Satus unit exceeds the amount that should reasonably be paid in one year, he may provide for payment over such period of time as he deems reasonable.

SEC. 5. The proportionate share of the cost incurred under sections 2 and 3 of this Act that is allocated to land in Indian ownership shall be added to the deferred construction charges determined under section 1 of this Act, and the total amount shall be assessed on a per acre basis when the deferment is terminated.

SEC. 6. The Secretary of the Interior is authorized to redesignate from time to time the lands that are capable of being served by the irrigation works of the Wapato-Satus unit. Any Indian or non-Indian land that is removed from the project by such redesignation shall bear its proportionate share of the construction costs, either deferred or assessed, and its proportionate share of the operation and maintenance costs to the date of such removal, if the removal is based on a redesignation for a higher use. If the lands removed are in Indian ownership, and the removal is based on any other factor, the lands shall not thereafter be assessed for construction charges.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE ACT OF MARCH 8, 1922

The Clerk called the bill (H.R. 2925) to amend the act of March 8, 1922, as amended, pertaining to isolated tracts, to extend its provisions to public sales.

There being no objection, the Clerk read the bill as follows:

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of March 8, 1922 (42 Stat. 415; 48 U.S.C. 376, 377), as amended, is hereby further amended by adding a new section thereto reading as follows:

"SEC. 3. The Secretary of the Interior may sell under the provisions of section 2455 of the Revised Statutes (43 U.S.C. 1171), as amended, lands in Alaska known to contain workable coal, oil, or gas, or that may be valuable for the coal, oil, or gas contained therein, and which are otherwise subject to sale under said section 2455, as amended, upon the condition that the patent issued to the purchaser thereof shall contain the reservation required by section 2 of this Act."

With the following committee amendment:

Page 1, line 9, strike out "gas" and insert "gas deposits,".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING THE ACT OF OCTOBER 22, 1919

The Clerk called the bill (H.R. 6241) to repeal the act of October 22, 1919 (41 Stat. 293; 43 U.S.C. 351–355, 357–360), and the act of September 22, 1922 (ch. 400, 42 Stat. 1012; 43 U.S.C. 356), and to require that entrymen of lands in Nevada under the Desert Land Act be resident citizens of Nevada.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to any valid rights and obligations existing on the date of approval of this Act, the Act of October 22, 1919 (41 Stat. 293; 43 U.S.C. 351–355, 357–360), and the Act of September 22, 1922 (ch. 400, 42 Stat. 1012; 43 U.S.C. 356), are hereby repealed.

SEC. 2. Section 8 of the Act of March 3, 1877 (19 Stat. 377), as added by section 2 of the Act of March 3, 1891 (26 Stat. 1095, 1096), and as amended by the Act of January 6, 1921 (41 Stat. 1086; 43 U.S.C. 325), is further amended by deleting therefrom the words ", excepting in the State of Nevada,".

With the following committee amendment:

Strike out all after the enacting clause and insert: "That, subject to any valid rights and obligations existing on the date of approval of this Act, the Act of October 22, 1919 (41 Stat. 293; 43 U.S.C. 351–355, 357–360), is hereby repealed."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read:

A bill to repeal the Act of October 22, 1919 (41 Stat. 293; 43 U.S.C. 351–355, 357–360).

A motion to reconsider was laid on the table.

REPEAL OF ANNUAL APPRAISAL REQUIREMENT

The Clerk called the bill (S. 763) to authorize annual appropriations to reimburse Commodity Credit Corporation for net realized losses sustained during any fiscal year in lieu of annual appropriations to restore capital impairment based on annual Treasury appraisals, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ARMED FORCES OATH OF ENLISTMENT

The Clerk called the bill (H.R. 218) to provide that individuals enlisted into the Armed Forces of the United States shall take an oath to support and defend the Constitution of the United States.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Act entitled "An Act to unify, consolidate, revise, and codify the Articles of War, the Articles for the Government of the Navy, and the disciplinary laws of the Coast Guard, and to enact and establish a Uniform Code of Military Justice", approved May 5, 1950 (50 U.S.C. 737), is hereby amended to read as follows:

"OATH OF ENLISTMENT

"SEC. 8. Every person who is enlisted in any armed force shall take the following oath or affirmation at the time of his enlistment: 'I, , do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; and that I will obey the orders of the President of the United States and the orders of the officers appointed over me, according to regulations and the Uniform Code of Military Justice. So help me God.' This oath or affirmation may be taken before any officer."

SEC. 2. Section 70 of the Act entitled "An Act for making further and more effectual provision for the national defense, and for other purposes", approved June 3, 1916 (32 U.S.C. 123), is hereby amended to read as follows:

"SEC. 70. FEDERAL ENLISTMENT CONTRACT.—Men enlisting in the National Guard and Air National Guard of the several States, Territories, and the District of Columbia, shall sign an enlistment contract and subscribe to the following oath or affirmation:

"I do hereby acknowledge to have voluntarily enlisted this day of 19 , in the National Guard (Air National Guard)

of the State of for a period of —— year(s) under the conditions prescribed by law, unless sooner discharged by proper authority.

"'I, ————, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and of the State of ———— against all enemies, foreign and domestic; that I will bear true faith and allegiance to them; and that I will obey the orders of the President of the United States and the Governor of ———— and the orders of the officers appointed over me, according to law and regulations so help me God'.

"The oath of enlistment prescribed in this section may be taken before any officer of the National Guard (Air National Guard) or any other person authorized to administer oaths of enlistments in the National Guard of the several States, Territories, and the District of Columbia, by respective laws thereof."

SEC. 3. The amendments made by this Act shall not be construed to invalidate or otherwise affect any oath taken before the date of enactment of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That section 501 of title 10, United States Code, is amended as follows:

"'§ 501. Enlistment oath: who may administer

"'Each person enlisting in an armed force shall take the following oath:

"'"I, ----------, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; and that I will obey the orders of the President of the United States and the orders of the officers appointed over me, according to regulations and the Uniform Code of Military Justice. So help me God."

This oath or affirmation may be taken before any commissioned officer of any armed force.'

"SEC. 2. Section 304 of title 32, United States Code, is amended to read as follows:

"'§ 304. Enlistment oath

"'Each person enlisting in the National Guard shall sign an enlistment contract and subscribe to the following oath:

"'"I do hereby acknowledge to have voluntarily enlisted this ------ day of ----------, 19----, in the ---------- National Guard of the State of ---------- for a period of ------ year(s) under the conditions prescribed by law, unless sooner discharged by proper authority.

"'"I, ----------, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and of the State of ---------- against all enemies, foreign and domestic; that I will bear true faith and allegiance to them; and that I will obey the orders of the President of the United States and the Governor of ---------- and the orders of the officers appointed over me, according to law and regulations. So help me God."

This oath may be taken before any officer of the National Guard of the State or territory, or of Puerto Rico, the Canal Zone, or the District of Columbia, as the case may be, or before any other person authorized by the law of the jurisdiction concerned to administer oaths of enlistment in the National Guard.'

"SEC. 3. This Act does not affect any oath taken before one year after its enactment."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT TO THE VILLAGE OF HIGHLAND FALLS, N.Y.

The Clerk called the bill (H.R. 763) to provide for an additional payment of $165,000 to the village of Highland Falls, N.Y., toward the cost of the water filtration plant constructed by such village.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the second proviso of Public Law 627, Eightieth Congress, approved June 12, 1948 (62 Stat. 381), the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the village of Highland Falls, New York, the sum of $165,000. The payment of such sum shall be in full settlement of all claims of the village of Highland Falls, New York, against the United States for contribution toward the cost of the water filtration plant constructed by such village as a result of construction activities by the Department of the Army on the military reservation at West Point: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, strike out "$165,000" and insert "$30,000".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read:

A bill to provide for an additional payment of $30,000 to the village of Highland Falls, New York, toward the cost of the water filtration plant constructed by such village.

A motion to reconsider was laid on the table.

CONTRIBUTION TO OKLAHOMA FOR CIVIL DEFENSE PURPOSES

The Clerk called the bill (H.R. 2877) to authorize the Director, Office of Civil and Defense Mobilization, to approve a financial contribution for civil defense purposes to the State of Oklahoma.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Director of the Office of Civil and Defense Mobilization is authorized and directed (if otherwise approvable in accordance with law) to approve a financial contribution to the State of Oklahoma for the city of Tulsa, and to authorize the payment from appropriations currently available for such purposes, the said financial contribution to be in the amount of $8,481.38 toward the purchase price of a certain generator acquired for civil defense purposes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WITHHOLDING FOR CERTAIN NATIONAL GUARD EMPLOYEES

The Clerk called the bill (H.R. 4785) relating to withholding for State employee retirement, disability, and death benefit system purposes, on the compensation of certain civilian employees of the National Guard.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 5, United States Code, section 84b, is amended to read as follows:

"That where—

(1) the law of any State or Territory provides for the payment of employee contributions to State or Territorial employee retirement systems or any State or Territorial sponsored plan providing retirement, disability or death benefits, by withholding sums from the compensation of State or Territorial employees and making returns of such sums to the authorities of such State or Territory or to the person or organization designed by such authorities to receive sums withheld for such program; and

(2) civilian employees of the Army National Guard and the Air National Guard other than those employed by the National Guard Bureau are eligible for membership in a State or Territorial employee retirement system, or other State or Territorial sponsored plan, then the Secretary of Defense, pursuant to such regulation as may be promulgated by the President, is authorized and directed to enter into an agreement with such State or Territory within one hundred and twenty days of the request for agreement from the proper official of such State or Territory. Such agreement shall provide that the Department of Defense shall comply with the requirements of such law in the case of employees subject to this Act who are eligible for membership in a retirement system for State or Territorial employees, and the disbursing officers paying such employees shall withhold and pay over to such retirement system or to the person or organization designated by the authorities of such State or Territory to receive sums withheld for such purposes the employee contributions for such employees."

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Act of June 15, 1956 (ch. 390, 70 Stat. 283; 5 U.S.C. 84d), is amended to read as follows:

"'Where—

"'(1) the law of any State or territory or Puerto Rico provides for the payment of employee contributions to employee retirement systems of such State or territory or Puerto Rico or to any plan sponsored by such State or territory or Puerto Rico providing retirement, disability, or death benefits, by withholding sums from the compensation of employees of such State or territory or Puerto Rico, and making returns of such sums to the authorities of such State or territory or Puerto Rico, or to the person or organization designated by such authorities to receive sums withhold for such programs; and

"'(2) civilian employees of the Army National Guard and the Air National Guard, other than those employed by the National Guard Bureau, are eligible for membership in an employee retirement system of a State or territory or Puerto Rico or other plan sponsored by the State or territory or Puerto Rico, then the Secretary of Defense, pursuant to such regulation as may be promulgated by the President, is authorized and directed to enter into an agreement with such State or territory or Puerto Rico within one hundred and twenty days of the request for agreement from the proper official of such State or territory or Puerto Rico. Such agreement shall provide that the Department of Defense shall comply with the requirements of such law in the case of employees subject to this Act who are eligible for membership in retirement system for employees of a State or territory or Puerto Rico, and the disbursing officers paying such employees shall withhold and pay over to such retirement system or to the person or organization designated by the authorities of such State or territory or Puerto Rico to receive sums withheld for such purposes from the employee contributions for such employees.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL GUARD CIVILIAN CARETAKERS

The Clerk called the bill (H.R. 4790) to amend section 709 of title 32, United States Code.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 709 of title 32, United States Code, is amended—

(1) by amending subsection (b) to read as follows:

"(b) Civilians may be employed as caretakers under this section. In addition, members of the National Guard may be employed as caretakers under this section in a civilian capacity without regard to their military grade. Compensation for such a member under this section is in addition to compensation otherwise provided for a member of the National Guard.";

(2) by striking out the last sentence of subsection (c);

(3) by striking out subsection (d); and

(4) by redesignating subsections (e) and (f) as subsections "(d)" and "(e)", respectively.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STATUS OF NATIONAL GUARD PERSONNEL AT SCHOOLS

The Clerk called the bill (H.R. 4792) to clarify the status of members of the National Guard while attending or instructing at National Guard schools established under the authority of the Secretary of the Army or Secretary of the Air Force, as the case may be, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 32, United States Code, is amended, as follows:

(1) Section 502 is amended by adding the following new subsection at the end thereof:

"(f) Under regulations to be prescribed by the Secretary of the Army or Secretary of the Air Force, as the case may be, a member of the National Guard may, with his consent, be ordered to perform training or other duty in addition to that prescribed under subsection (a)."

(2) Section 504 is amended to read as follows:

"§ 504. National Guard schools and small arms competitions

"(a) Under regulations to be prescribed by the Secretary of the Army or Secretary of the Air Force, as the case may be, members of the National Guard may—

"(1) attend schools conducted by the Army or the Air Force, as appropriate;

"(2) conduct or attend schools conducted by the National Guard; or

"(3) participate in small arms competitions.

"(b) Activities authorized under subsection (a) for members of the National Guard of a State or territory, Puerto Rico, the Canal Zone, or the District of Columbia may be held inside or outside its boundaries."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EQUALIZING TRAVEL ALLOWANCES FOR RESERVISTS

The Clerk called the bill (H.R. 4786) to provide travel and transportation allowances for members of the National Guard and Reserve components when travel is performed in an active duty on inactive duty training status in compliance with Federal directives.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 501(b) of the Career Compensation Act of 1949, as amended, is amended by striking out the words "furnished with transportation to and from such duty, with subsistence en route" in the first sentence and inserting the words "authorized the travel and transportation allowances prescribed in section 303(a) of this Act for travel performed to and from such duty" in place thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROTC GRADUATES IN THE COAST AND GEODETIC SURVEY

The Clerk called the bill (H.R. 7719) to amend section 6(d) of the Universal Military Training and Service Act (50 App. U.S.C. 456(d)) to authorize certain persons who complete a Reserve Officers' Training Corps program to be appointed as commissioned officers in the Coast and Geodetic Survey.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(d) of the Universal Military Training and Service Act (50 App. U.S.C. 456(d)) is amended—

(1) by amending the fourth sentence of paragraph (1) by striking out the word "Upon" and inserting the words "Except as provided in paragraph (5), upon" in place thereof; and

(2) by adding the following new paragraph at the end thereof:

"(5) Notwithstanding paragraph (1), upon the successful completion by any person of the required course of instruction under any Reserve Officers' Training Corps program listed in clause (A) of the first sentence of paragraph (1) and subject to the approval of the Secretary of the military department having jurisdiction over him, such person may, without being relieved of his obligation under that sentence, be tendered, and accept, a commission in the Coast and Geodetic Survey instead of a commission in the appropriate reserve component of the Armed Forces. If he does not serve on active duty as a commissioned officer of the Coast and Geodetic Survey for at least six years, he shall, upon discharge therefrom, be tendered a commission in the appropriate reserve component of the Armed Forces, if he is otherwise qualified for such appointment, and, in fulfillment of his obligation under the first sentence of paragraph (1), remain a member of a reserve component until the sixth anniversary of the receipt of his commission in the Coast and Geodetic Survey. While a member of a reserve component he may, in addition to as otherwise provided by law, be ordered to active duty for such period that, when added to the period he served on active duty as a commissioned officer of the Coast and Geodetic Survey, equals two years."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENTS ON CLAIMS FROM AIRCRAFT ACCIDENTS

The Clerk called the bill (H.R. 7934) to authorize the Secretaries of the military departments to make emergency payments to persons who are injured or whose property is damaged as a result of aircraft or missile accidents, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 163 of title 10, United States Code, is amended—

(1) by adding the following new section at the end thereof:

"§ 2736. Property loss; personal injury or death: incident to aircraft or missile operation

"(a) Under such regulations as the Secretary of a military department may prescribe, payment of an amount not in excess of $1,000 may be made in advance of the submission of a claim to or for any person, or his legal representatives, who was injured or killed, or whose property was damaged or lost, as the result of an accident involving an aircraft or missile under the control of that department for which allowance of a claim is authorized by law. Payments under this subsection are limited to those which would otherwise be payable under section 2733 or 2734 of this title or section 715 of title 32.

"(b) Any amount paid under subsection (a) shall be deducted from any amount that may be allowed under any other provision of law to the person, or his legal representative, for injury, death, damage, or loss attributable to the accident concerned.

"(c) So far as practicable, regulations prescribed under this section shall be uniform for the military departments.

"(d) Payment of an amount under subsection (a) is not an admission by the United States of liability for the accident concerned."; and

(2) by adding the following new item at the end of the analysis:

"2736. Property loss; personal injury or death: incident to aircraft or missile operation."

With the following committee amendment:

Page 2, line 5, strike out "$1,000" and insert "$2,000".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WATERFOWL FEATHERS FROM NATIONAL STOCKPILE

The Clerk called the bill (H.R. 7447) to amend the Strategic and Critical Materials Stock Piling Act to provide for the immediate disposition of certain waterfowl feathers.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the first full sentence of paragraph (c) of section 3 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)) the Administrator of General Services is authorized and directed to immediately dispose of the two million pounds of waterfowl feathers which the Director of the Office of Civil and Defense Mobilization has determined to be obsolescent for use in time of war.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Administrator of General Services is hereby authorized and directed to dispose of not more than two million pounds of waterfowl feathers and down, determined by the Director of the Office of Civil and Defense Mobilization to be obsolescent for use in time of war, in accordance with the notice of proposed disposition published in the Federal Register of April 6, 1961, volume 26, number 65, page 2881. Notwithstanding the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)) such disposition may be commenced immediately."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read:

A bill to amend the Strategic and Critical Materials Stock Piling Act to provide for the immediate disposition of certain waterfowl feathers and down.

A motion to reconsider was laid on the table.

PRACTICABILITY OF ADOPTING THE METRIC SYSTEM

The Clerk called the bill (H.R. 2049) to provide that the National Bureau of Standards shall conduct a program of investigation, research, and survey to determine the practicability of the adoption by the United States of the metric system of weights and measures.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I note that this study is going to cost some $500,000.

Mr. GEORGE P. MILLER. If the gentleman will yield, it will cost some $500,000 to perfect this study. Might I point out to the gentleman that it is estimated, if we adopt the amendment, the savings would be many millions of dollars on a continuous basis.

Mr. Speaker, this is one of the only major countries of the world at the present time that is not on the metric system.

Mr. GROSS. It seems to me that this has been under study, according to your report, since 1791. Can the gentleman give me any information as to how much has been spent on studies of this problem through the years?

Mr. GEORGE P. MILLER. I do not think it has been under study for any length of time. When the Constitution was adopted, they tried to adopt the metric system in this country. We did adopt the metric system on money, but we did not adopt it on weights and measures. Subsequent to that time it was applied and it is legal in this country now. The very basis of our measurements is on the metric system.

Mr. GROSS. Let me say to the gentleman that I have no quarrel with the purpose and intent of this legislation, except for this study provision. Your own report says that the United States has debated and studied the metric system question at intervals since its introduction by the French in 1791.

Mr. GEORGE P. MILLER. That is right.

Mr. GROSS. Let me ask the gentleman this question: Cannot the Bureau of Standards now make recommendations as to whether this country should adopt the metric system, rather than spending another one-half million dollars of the taxpayers' money on further studies?

Mr. GEORGE P. MILLER. I do not believe the Bureau of Standards with its limited personnel and the amount of work that is placed upon the Bureau at this time, when every agency of this Government is calling upon them for reports, have the personnel to make this study without some additional expense. The additional expense, of course, would have to be justified to the Appropriations Committee.

Mr. GROSS. I will say to the gentleman that he has not convinced me of the necessity for spending $500,000 on further studies when I am just as sure as I am standing here that the Bureau of Standards could tell us today whether this country ought to go on the metric system. With practically all the other countries of the world on the metric system why not bring in legislation to fix a firm date and put this Nation on the metric system? I do not think we need to dissipate another $500,000 of the taxpayers' money when the Bureau of Standards can give us the answers now.

Mr. GEORGE P. MILLER. I might say to the gentleman, in order to prevent the fact that the charge is made that we are trying to push this on someone, because there are certain phases of industry that may not like the change, the Bureau thought it was better that we refer it to the Bureau of Standards to give at least the people who might be opposed to it an opportunity to make their position known. It is a highly technical question and one that neither the gentleman nor I would want to be put in the position of deciding.

Mr. GROSS. Is the gentleman saying that this is for a study or for the purpose of propagandizing certain industries in this country into accepting the metric system? Which is it?

Mr. GEORGE P. MILLER. No, I think that is an inference that the gentleman drew. I did not say that anyone is trying to propagandize. Let me say to the gentleman that the Bureau of Standards is one of the well-recognized scientific groups in this country which would never seem inclined to force itself to the front through propaganda or anything else.

Mr. GROSS. Mr. Speaker, I am not satisfied with this bill. Therefore, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

DISPOSAL OF PROPERTY IN IDAHO, WYOMING, AND WASHINGTON

The Clerk called the bill (H.R. 7601) to provide for the disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to sell the following described lands, together with any improvements located thereon:

(a) Block 67 of the reclamation townsite of Rupert, Minidoka project, Idaho, containing 1.64 acres, more or less;

(b) Lots 21 and 22, block 48, of the reclamation townsite of Powell, Shoshone project, Wyoming, containing 0.48 acre, more or less; and

(c) Block 23, town of Zillah, Washington, containing 1.65 acres, more or less; a parcel located in the south half northeast quarter southwest quarter southwest quarter of section 25, township 9 north, range 24 east, Willamette meridian, Washington, lying below the Sunnyside main canal, containing 4.36 acres, more or less, and that part of the northwest quarter southeast quarter of section 12, township 8 north, range 22 east, Willamette meridian, Washington, containing 1.16 acres, more or less, beginning at the northwest corner of the southeast quarter of said section 12, township 8 north, range 22 east, Williamette meridian,

thence north 89 degrees 44 minutes east 337.9 feet; thence south 9 degrees 58 minutes west 35 feet; thence south 14 degrees 18

minutes west 25 feet; thence south 19 degrees 23 minutes west 25 feet;

thence south 24 degrees 46 minutes west 25 feet; thence south 34 degrees 46 minutes west 25 feet; thence south 53 degrees 13 minutes west 25 feet; thence south 64 degrees 13 minutes west 20.8 feet;

thence north 87 degrees 22 minutes west 253.3 feet, more or less, to the north-south line of the centerline of said section 12; thence north 00 degrees 22 minutes west along said north-south centerline 136.3 feet, more or less, to the point of beginning.

Sales shall be by public auction to the highest qualified bidder, but in no event shall any sale be for less than the appraised valuation, as approved by the Secretary. Any of the lands described above, together with improvements located thereon, which are not sold after being offered for sale at public auction, shall remain available for sale at not less than the appraised valuation, until withdrawn from sale by the Secretary.

SEC. 2. The proceeds from the sale of the property described in section 1(a) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Gravity division of the Minidoka project, Idaho. The proceeds from the sale of the property described in section 1(b) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Shoshone project, Wyoming. The proceeds from the sale of the property described in section 1(c) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Sunnyside division, Yakima project, Washington.

SEC. 3. Any of the proceeds from the sales which are authorized by section 1 of this Act and which are not required for the construction of operation and maintenance headquarters and related facilities, as authorized by section 2 of this Act, shall be applied as provided by subsection I, section 4, Act of December 5, 1924 (43 Stat. 703).

SEC. 4. The Secretary is hereby authorized, subject only to the provisions of this Act, to perform such acts, to delegate such authority, and to prescribe such rules and regulations and establish such terms and conditions as he may deem necessary and proper for the purpose of carrying the provisions of this Act into full force and effect: *Provided, however,* That nothing in this Act shall be construed as authorizing additional appropriations in carrying out the provisions of this Act.

Mr. ROGERS of Texas. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Texas: Page 3, line 2, change the period to a comma, and add the words "all located on the Yakima project, Washington."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1085) to provide for the disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes, a bill similar to the one the House just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to sell the following described lands, together with any improvements located thereon:

(a) Block 67 of the reclamation townsite of Rupert, Minidoka project, Idaho, containing 1.64 acres, more or less;

(b) Lots 21 and 22, block 48 of the reclamation townsite of Powell, Shoshone project, Wyoming, containing 0.48 acre, more or less; and

(c) Block 23, town of Zillah, Washington, containing 1.65 acres, more or less; a parcel located in the south half northeast quarter southwest quarter southwest quarter of section 25, township 9 north, range 24 east, Williamette meridian, Washington, lying below the Sunnyside main canal, containing 4.36 acres, more or less, and that part of the northwest quarter southeast quarter of section 12, township 8 north, range 22 east, Williamette meridian, Washington, containing 1.16 acres, more or less beginning at the northwest corner of the southeast quarter of said section 12, township 8 north, range 22, east, Williamette meridian, thence north 89 degrees 44 minutes east 337.9 feet; thence south 9 degrees 58 minutes west 35 feet; thence south 14 degrees 18 minutes west 25 feet; thence south 19 degrees 23 minutes west 25 feet; thence south 24 degrees 46 minutes west 25 feet; thence south 34 degrees 46 minutes west 25 feet; thence south 53 degrees 13 minutes west 25 feet; thence south 64 degrees 13 minutes west 20.8 feet; thence south 87 degrees 22 minutes west 253.3 feet, more or less, to the north-south line of the centerline of said section 12; thence north 00 degrees 22 minutes west along said north-south centerline 136.3 feet, more or less, to the point of beginning, all located on the Yakima project, Washington.

Sales shall be by public auction to the highest qualified bidder, but in no event shall any sale be for less than the appraised valuation, as approved by the Secretary. Any of the lands described above, together with improvements located thereon, which are not sold after being offered for sale at public auction, shall remain available for sale at not less than the appraised valuation, until withdrawn from sale by the Secretary.

SEC. 2. The proceeds from the sale of the property described in section 1(a) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Gravity division of the Minidoka project, Idaho. The proceeds from the sale of the property described in section 1(b) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Shoshone project, Wyoming. The proceeds from the sale of the property described in section 1(c) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Sunnyside division, Yakima project, Washington.

SEC. 3. Any of the proceeds from the sales which are authorized by section 1 of this Act and which are not required for the construction of operation and maintenance headquarters and related facilities as authorized by section 2 of this Act, shall be applied as provided by subsection I, section 4, Act of December 5, 1924 (43 Stat. 703).

SEC. 4. The Secretary is hereby authorized, subject only to the provisions of this Act, to perform such acts, to delegate such authority, and to prescribe such rules and regulations and establish such terms and conditions as he may deem necessary and proper for the purpose of carrying the provisions of this Act into full force and effect: *Provided, however,* That nothing in this Act shall be construed as authorizing additional appropriations in carrying out the purposes of this Act.

Mr. ROGERS of Texas. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Texas: Strike out all after the enacting clause and insert the provisions of the bill H.R. 7601 as passed, as follows: "That the Secretary of the Interior is authorized to sell the following described lands, together with any improvements located thereon:

"(a) Block 67 of the reclamation townsite of Rupert, Minidoka project, Idaho, containing 1.64 acres, more or less;

"(b) Lots 21 and 22, block 48, of the reclamation townsite of Powell, Shoshone project, Wyoming, containing 0.48 acre, more or less; and

"(c) Block 23, town of Zillah, Washington, containing 1.65 acres, more or less; a parcel located in the south half northeast quarter southwest quarter southwest quarter of section 25, township 9 north, range 24 east, Willamette meridian, Washington, lying below the Sunnyside main canal, containing 4.36 acres, more or less, and that part of the northwest quarter southeast quarter of section 12, township 8 north, range 22 east, Willamette meridian, Washington, containing 1.16 acres, more or less, beginning at the northwest corner of the southeast quarter of said section 12, township 8 north, range 22 east, Willamette meridian,

"thence north 89 degrees 44 minutes east 337.9 feet; thence south 9 degrees 58 minutes west 35 feet; thence south 14 degrees 18 minutes west 25 feet; thence south 19 degrees 23 minutes west 25 feet;

"thence south 24 degrees 46 minutes west 25 feet; thence south 34 degrees 46 minutes west 25 feet; thence south 53 degrees 13 minutes west 25 feet; thence south 64 degrees 13 minutes west 20.8 feet;

"thence north 87 degrees 22 minutes west 253.3 feet, more or less, to the north-south line of the centerline of said section 12; thence north 00 degrees 22 minutes west along said north-south centerline 136.3 feet, more or less, to the point of beginning, all located on the Yakima project, Washington.

"Sales shall be by public auction to the highest qualified bidder, but in no event shall any sale be for less than the appraised valuation, as approved by the Secretary. Any of the lands described above, together with improvements located thereon, which are not sold after being offered for sale at public auction, shall remain available for sale at not less than the appraised valuation, until withdrawn from sale by the Secretary.

"SEC. 2. The proceeds from the sale of the property described in section 1(a) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Gravity division of the Minidoka project, Idaho. The proceeds from the sale of the property described in section 1(b) of this Act shall be available for expenditure by the Secretary for the

construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Shoshone project, Wyoming. The proceeds from the sale of the property described in section 1(c) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Sunnyside division, Yakima project, Washington.

"SEC. 3. Any of the proceeds from the sales which are authorized by section 1 of this Act and which are not required for the construction of operation and maintenance headquarters and related facilities, as authorized by section 2 of this Act, shall be applied as provided by subsection I, section 4, Act of December 5, 1924 (43 Stat. 703).

"SEC. 4. The Secretary is hereby authorized, subject only to the provisions of this Act, to perform such acts, to delegate such authority, and to prescribe such rules and regulations and establish such terms and conditions as he may deem necessary and proper for the purpose of carrying the provisions of this Act into full force and effect: *Provided, however,* That nothing in this Act shall be construed as authorizing additional appropriations in carrying out the provisions of this Act."

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Speaker, these amendments do not in any way affect the sales procedure? As I understand it, in the bill before the House the areas were to be sold to the highest qualified bidder for not less than the appraised value. The amendments in no way affect that requirement?

Mr. ROGERS of Texas. The gentleman is exactly right. The amendments are only for the purpose of perfecting the bill in order to get the matter as it was intended to be, as far as the metes and bounds description is concerned.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 7601) was laid on the table.

BRIDGE ACROSS COLORADO RIVER NEAR NEEDLES, CALIF.

The Clerk called the bill (H.R. 1102) to authorize the transfer of a Bureau of Reclamation bridge across the Colorado River near Needles, Calif., and Mohave County, Ariz.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 809, be considered in lieu of the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to negotiate and effect the transfer of a Bureau of Reclamation bridge which crosses the Colorado River approximately one mile east of Needles, California, together with appropriate easements for the approach roads thereto, to the counties of San Bernardino, California, and Mohave, Arizona, subject to such terms and conditions as are specified by the Secretary, including those in connection with the maintenance of the bridge and the maintenance of the approach roads, the transfer to be contingent upon approval of the location and plans of the bridge in accordance with the provisions of the General Bridge Act approved August 2, 1946, as amended (33 U.S.C. 525–533): *Provided, however,* That terms and conditions shall include commitments by the counties that the bridge shall not be operated as a toll bridge. The Secretary is further authorized, if satisfactory terms and conditions are agreed to, to transfer the said bridge and easements without monetary consideration.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 1102) was laid on the table.

ALBANY COUNTY, N.Y.

The Clerk called the bill (H.R. 4917) for the relief of Albany County, N.Y.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Albany County, New York, the sum of $6,688.99 in full settlement of its claims against the United States for reimbursement, in accordance with the provisions of the Federal Civil Defense Act of 1950, of one-half the cost to that county of leasing communications equipment, maintained for civil defense purposes in the event of emergencies, for the fiscal year ending June 30, 1960: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REVISING THE LAWS RELATING TO DEPOSITORY LIBRARIES

The Clerk called the bill (H.R. 8141) to revise the laws relating to depository libraries.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. PELLY. Reserving the right to object, Mr. Speaker, may I inquire of the author of the bill or someone on the committee why the opposition of the Superintendent of Documents is not contained in the report?

Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

SELLING PHOSPHATE INTERESTS IN HIGHLANDS COUNTY, FLA.

The Clerk called the bill (H.R. 6102) to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands located in the State of Florida to the record owners of the surface thereof.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to convey, sell, and quitclaim all phosphate interests now owned by the United States in and to the hereinafter described lands to the present record owner or owners of the surface rights thereof:

That part of southeast quarter of southeast quarter of section 20, township 37 south, range 30 east, and that part of southwest quarter of southwest quarter of section 21, township 37 south, range 30 east, lying west of State Highway 25, also commencing at a point on the south boundary of section 21, township 37 south, range 30 east 293.74 feet south 89 degrees 49 minutes east from the southwest corner thereof, said point being in the northeasterly right-of-way line of State road numbered 25, run thence north 28 degrees 52 minutes west following the northeasterly right-of-way line of State road numbered 25 a distance of 846.3 feet to point of beginning;

Thence run south 89 degrees 49 minutes east a distance of 1,199.37 feet to a one and one-quarter-inch iron pipe in the shore line of Lake Grassy; thence run northwesterly along the shore line of Lake Grassy to an iron pipe, said iron pipe being 100 feet north of the line extending south 89 degrees 49 minutes east 1,199.37 feet from point of beginning;

Run thence north 89 degrees 42 minutes west a distance of 1,067 feet to the west boundary line of said section 21; run thence north 89 degrees 21 minutes west a distance of 147.32 feet to the northeasterly boundary line of said State road numbered 25; run thence southeasterly along the northeasterly boundary line of State road numbered 25 to point of beginning, all in Highlands County, Florida.

SEC. 2. In the event that the Secretary of the Interior determines that the lands described in the first section are not prospectively valuable for phosphate, he shall convey the reserved phosphate interests to the present record owner or owners of the surface rights upon the payment of a sum of $200 to reimburse the United States for the administrative costs of the conveyance; otherwise, the phosphate interests shall be sold to the record owner or owners of the surface rights upon the payment of a sum equal to $200 plus the fair market value of the phosphate interests as determined by the Secretary after taking into consideration such appraisals as he deems necessary.

SEC. 3. Proceeds from the sale made hereunder shall be covered into the Treasury of the United States as miscellaneous receipts.

With the following committee amendments:

Page 1, line 9, and page 2, lines 1 and 2, strike out the words "and that part of southwest quarter of southwest quarter of section 21, township 37 south, range 30 east,".

Page 2, strike out all of lines 11 through 19 and insert in lieu thereof:

"Thence run south 89 degrees 49 minutes east to the west boundary line of section 21; run thence north a distance of 100 feet along the west boundary line of section 21;".

Page 3, line 5, after the figure "$200" insert "plus the cost of a supplemental survey".

Page 3, line 8, after the word "plus" insert "the cost of a supplemental survey and".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read:

A bill to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands located in Highlands County in the State of Florida to the record owners of the surface thereof.

A motion to reconsider was laid on the table.

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

The Clerk called the bill (H.R. 7108) to amend the Federal Home Loan Bank Act and title IV of the National Housing Act, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 6 of the Federal Home Loan Bank Act, as amended, is hereby amended to read as follows:

"(c) (1) The original stock subscription of each institution eligible to become a member under section 4 shall be an amount equal to 1 per centum of the subscriber's aggregate unpaid loan principal, but not less than $500. The bank shall annually, as of the close of the calendar year, adjust, at such time and in such manner and upon such terms and conditions as the Federal Home Loan Bank Board may, by regulations or otherwise, prescribe the amount of stock held by each member so that such member shall have invested in the stock of the Federal Home Loan Bank at least an amount calculated in the manner provided in the next preceding sentence (but not less than $500). If the bank finds that the investment of any member in stock is greater than that required under this subsection it may, unless prohibited by said Board or by the provisions of paragraph (2) of this subsection, in its discretion and upon application of such member retire the stock of such member in excess of the amount so required. Said Board, in its discretion, may, by regulations or otherwise, provide for adjustments in amounts of stock to be issued or retired in order that stock may be issued or retired only in entire shares.

"(2) The provisions of paragraph (1) of this subsection shall be subject to the following limitations:

"(i) No member which is a member on the date of the enactment of this paragraph (2) shall be permitted to reduce its stock to an amount which is less than the amount held by it as of the close of such date, except that a member may at any time reduce its stock to an amount which is not less than 2 per centum of its aggregate unpaid loan principal as of the beginning of the calender year in which the reduction is made (but not less than $500): *Provided,* That if the amount to which such stock is so reduced is less than 2 per centum of such member's aggregate unpaid loan principal as of the close of the date of the enactment of this paragraph (2) such reduction may be made only to such extent as said Board in its discretion may by regulations or otherwise provide.

"(ii) Notwithstanding any other provision of this subsection, no action shall be taken by any bank with respect to any member pursuant to any of the foregoing provisions of this subsection if the effect of such action would be to cause the aggregate outstanding advances, within the meaning of the last sentence of subsection (c) of section 10 or within the meaning of regulations of said Board defining said terms for the purposes of this sentence, made by such bank to such member to exceed twelve times the amounts paid in by such member for outstanding capital stock held by such members.

"(3) Except as provided in subsection (i), upon retirement of stock of any member the bank shall pay such member for the stock retired an amount equal to the par value of such stock, or, at the election of the bank, the whole or any part of the payment which would otherwise be so made shall be credited upon the indebtedness of the member to the bank. In either such event, stock equal in par value to the amount of the payment or credit, or both, as the case may be, shall be canceled.

"(4) For the purposes of this subsection, the term 'aggregate unpaid loan principal' means the aggregate unpaid principal of a subscriber's or member's home mortgage loans, home-purchase contracts, and similar obligations.

"(5) The Federal Home Loan Bank Board, by regulations or otherwise, may require each member to submit such reports and information as said Board, in its discretion, may determine to be necessary or appropriate for the purposes of this subsection."

SEC. 2. Subsection (1) of section 6 of the Federal Home Loan Bank Act, as amended, is hereby repealed.

SEC. 3. Subsection (a) of section 404 of the National Housing Act, as amended, is hereby amended to read as follows:

"(a) The Corporation shall establish a Primary Reserve which shall be the general reserve of the Corporation and a Secondary Reserve which shall consist of the prepayments made by insured institutions pursuant to subsection (d) and the credits made pursuant to the first sentence of subsection (e).

"(b) (1) Each institution whose application for insurance is approved by the Corporation shall pay to the Corporation, in such manner as it shall prescribe, a premium for such insurance equal to one-twelfth of 1 per centum of the total amount of all accounts of the insured members of such institution plus any creditor obligations of such institution. Such premium shall be paid at the time the certificate is issued by the Corporation under section 403, and thereafter annually, except that under regulations prescribed by the Corporation such premiums may be paid semiannually.

"(2) If, at the close of any December 31, the Primary Reserve equals or exceeds 2 per centum of the total amount of all accounts of insured members and creditor obligations of all insured institutions as of such close, no premium under paragraph (1) of this subsection shall be payable by any insured institution with respect to its premium year beginning during the year commencing on May 1 next succeeding such December 31, except that the foregoing provisions of this sentence shall not be applicable to any insured institution with respect to any of the twenty premium years beginning with the premium year commencing with the date on which such certificate is issued.

"(3) The Corporation is authorized to prescribe such rules and regulations as it may determine to be necessary or appropriate to accomplish the purposes and provisions of this subsection."

SEC. 4. Subsection (c) of section 404 of the National Housing Act, as amended, is hereby repealed: *Provided,* That the repeal effected by this section shall not affect any right existing on the effective date of such repeal.

SEC. 5. Subsection (b) of section 404 of the National Housing Act, as amended, is hereby amended by striking "(b)" at the beginning thereof and inserting in lieu thereof "(c)".

SEC. 6. Section 404 of the National Housing Act, as amended, is hereby amended by adding thereto at the end thereof the following new subsections:

"(d) Each insured institution, except as otherwise provided in this section, shall annually pay to the Corporation at such time and in such manner as the Corporation shall by regulations or otherwise prescribe, an additional premium in the nature of a prepayment with respect to future premiums of such institution under subsection (b) equal to 2 per centum of the net increase in all accounts of its insured members during the next preceding calendar year, less an amount equal to any requirement, as of the end of such calendar year, for the purchase of stock of the Federal Home Loan Bank of which such institution is a member, calculated in accordance with the provisions of subsection (c) of section 6 of the Federal Home Loan Bank Act and without regard to any net increase during such calendar year in its holdings of such stock, and such prepayments shall be credited to the Secondary Reserve: *Provided,* The Federal Home Loan Bank Board shall by regulations or otherwise provide for the furnishing to the Corporation of all necessary information with respect to Federal Home Loan Bank stock.

"(e) The Corporation, in accordance with such regulations as it may prescribe, shall credit to the Secondary Reserve, as of the close of each calendar year which begins on or after the effective date of this subsection, a return on the outstanding balances of the Secondary Reserve during such calendar year, as determined by the Corporation, at a rate equal to the average annual rate of return to the Corporation during the year ending at the end of the month next preceding the month of such close, as determined by the Corporation, on the investments held by the Corporation in obligations of, or guaranteed as to principal and interest by, the United States. Except as provided in subsections (f) and (g), the Secondary Reserve shall be available to the Corporation only for losses of the Corporation and shall be so available only to such extent as other accounts of the Corporation which are available therefor are insufficient for such losses. No right, title, or interest of any institution in or with respect to its pro rata share of the Secondary Reserve shall be assignable or transferable whether by operation of law or otherwise, except to such extent as the Corporation may by regulation or otherwise provide for transfer of such pro rata share in cases of merger or consolidation, transfer of bulk assets as defined by the Corporation by regulation or otherwise for the purposes of this sentence, and similar transactions as so defined.

"(f) If (i) the status of an insured institution as an insured institution is terminated pursuant to any provision of section 407 or the insurance of accounts of an insured institution is otherwise terminated, (ii) a conservator, receiver, or legal custodian is appointed for an insured institution under the circumstances and for the purpose set forth in subdivision (d) of sec-

tion 401, or (iii) the Corporation makes a determination that for the purposes of this subsection an insured institution has gone into liquidation, the obligation of such institution to make prepayments under subsection (d) of this section, including any prepayments as to which such institution is obligated at the time of such termination, appointment, or determination, shall cease, and the Corporation shall pay in cash to such institution its pro rata share of the Secondary Reserve, in accordance with such terms and conditions as the Corporation may prescribe by regulations or otherwise, or, at the option of the Corporation, the Corporation may apply the whole or any part of the amount which would otherwise be paid in cash toward the payment of any indebtedness or obligation, whether matured or not, of such institution to the Corporation, then existing or arising before such payment in cash: *Provided*, That such payment or such application need not be made to the extent that the provisions of the exception in the last sentence of subsection (e) are applicable. The Corporation in its discretion may provide by regulations or otherwise for the reinstatement in whole or in part, upon such terms and conditions as to payment or otherwise as it may prescribe, of the pro rata share of an institution in the Secondary Reserve in the event that such status or such insurance is restored by action of the Corporation or of a court in reversing or setting aside such termination, or in the event that, after such appointment or such determination, an institution is restored to operation as an insured institution, and for the payment, waiver, or other treatment in whole or in part of any prepayments which, in the absence of the first sentence of this subsection, would have accrued under subsection (d) or would be payable thereunder.

"(g) If, at the close of any December 31, the aggregate of the Primary Reserve and the Secondary Reserve equals or exceeds 2 per centum of the total amount of all accounts of insured members and creditor obligations of all insured institutions but the Primary Reserve does not equal or exceed such 2 per centum, no insured institution shall be obligated to make any prepayment under subsection (d) during the year beginning with May 1 next succeeding such close, and each insured institution's pro rata share of the Secondary Reserve shall be used, to the extent available, to discharge such institution's obligation for its premium under subsection (b) for the premium year beginning in such year; and the suspension of obligation to make such prepayments and the use of such pro rata shares as provided in this sentence shall continue unless and until the next to last sentence or the last sentence of this subsection shall become operative. Notwithstanding the foregoing provisions of this subsection, if, at the close of any December 31 except any such close occurring at any time after such a close as is referred to in the last sentence of this subsection the aggregate of the Primary Reserve and the Secondary Reserve is not at least equal to 1¾ per centum of the total amount of all accounts of insured members and creditor obligations of all insured institutions, (i) the obligation of insured institutions to make prepayments under subsection (d) shall resume on May 1 next following such December 31 and shall continue unless and until the first sentence or the last sentence of this subsection shall become operative, and (ii) the use of any insured institution's pro rata share of the Secondary Reserve under the first sentence of this subsection shall terminate with respect to its premium under subsection (b) for the premium year beginning during the calendar year commencing on May 1 next succeeding such December 31, and such termination shall continue unless and until the first sentence of this subsection shall become operative. If, at the close of any December 31, the Primary Reserve equals or exceeds such 2 per centum, the Corporation shall, at such time (which shall be the same for all insured institutions and shall not be later than May 1 next succeeding such close) and in such manner as the Corporation shall determine, pay in cash to each insured institution its pro rata share of the Secondary Reserve and shall not, after such time, accept or receive further prepayments under subsection (d)."

SEC. 7. This Act shall become effective on January 1 next following the date of its enactment.

With the following committee amendments:

Page 3, line 3, strike out "calender" and insert "calendar".

Page 4, line 15, strike out "(1)" and insert "(l)".

Page 4, lines 22 and 23, insert "to" after "Reserve", and strike out "consist" and insert "be credited the amounts".

Page 6, lines 8 and 9, strike out "amended" and insert "in effect prior to the amendments made by this Act".

Page 7, line 4, after "Reserve" insert a colon and the following: "*Provided*, That in the case of an insured institution which was not an insured institution at the beginning of such next preceding calendar year the 2 per centum aforesaid shall be 2 per centum of the net increase in all accounts of its insured members during that part of said calendar year which begins with the close of the day on which such institution becomes an insured institution and the amount deducted from such 2 per centum under the foregoing provisions of this sentence shall not exceed one-half of such 2 per centum as calculated in accordance with this proviso."

Page 7, lines 19 and 20, strike out "which begins on or after the effective date of this subsection".

Page 7, lines 24 and 25, strike out "end of the month next preceding the month of such close", and insert "close of November 30 of such calendar year,".

Page 10, line 20, strike out "to last".

Page 10, line 22, strike out "Notwithstanding" and all that follows down through "subsection" on page 11, line 2, and insert the following: "If, at the close of any December 31 occurring before the last sentence of this subsection shall become operative".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELECTION OF DIRECTORS OF FEDERAL HOME LOAN BANKS

The Clerk called the bill (H.R. 8277) to amend the Federal Home Loan Bank Act to simplify and improve the election and appointment of directors of the Federal home loan banks.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (a) through (h) of section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427) are amended to read as follows:

"(a) The management of each Federal home loan bank shall be vested in a board of twelve directors, eight of whom shall be elected by the members as hereinafter provided in this section and four of whom shall be appointed by the Federal Home Loan Bank Board referred to in subsection (b) of section 17, hereinafter in this section referred to as the Board, all of whom shall be citizens of the United States and bona fide residents of the district in which such bank is located: *Provided*, That in any district which includes five or more States the Board may by regulation increase the elective directors to a number not exceeding thirteen and may increase the appointive directors to a number not exceeding one-half the number of elective directors: *Provided further*, That if at any time the number of elective directors in the case of any district is not at least equal to the number of States in such district the Board shall exercise the authority conferred by the next preceding proviso so as to increase such elective directors to a number at least equal to the number of States in such district.

"(b) Each elective directorship shall be designated by the Board as representing the members located in a particular State, and shall be filled by a person who is an officer or director of a member located in that State, each of which members shall be entitled to nominate an eligible person for such directorship, and such office shall be filled from such nominees by a plurality of the votes which such members may cast in an election held for the purpose of filling such office, in which election each such member may cast for such office a number of votes equal to the number of shares of stock in such bank required by this Act to be held by such member at the end of the calendar year next preceding the election, as determined pursuant to regulation of the Board, but not in excess of the average number of shares of stock in such bank required by this Act to be held at the end of such calendar year by the respective members of such bank located in such State, as so determined. As used in this subsection and in subsection (c) of this section, the term 'member' means a member of a Federal home loan bank which was a member of such bank at the end of such calendar year.

"(c) The number of elective directorships designated as representing the members located in each separate State in a bank district shall be determined by the Board in the approximate ratio of the percentage of the required stock, as determined pursuant to regulation of the Board, of the members located in that State at the end of the calendar year next preceding the date of the election to the total required stock, as so determined, of all members of such bank at the end of such year, except that in the case of each State such number shall not be less than one and shall not be more than six. Notwithstanding any other provision of this section, if at any time the number of elective directorships so designated as representing the members located in any State would not be at least equal to the total number of elective directorships which, on December 31, 1960, were filled by officers or directors of members whose principal places of business were located in such State, the Board shall add to the board of directors of the bank of the district in which such State is located such number of elective directorships, and shall so designate the directorship or directorships thus added, that the number of elective directorships designated as representing the members located in such State will equal said total number. Any elective directorship so added shall exist only until the expiration of its first term. The Board shall, with respect to each member of a Federal home loan bank, designate the State in the distirct of such bank in which such member shall, for the purposes of this subsection and subsection (b) of this section, be deemed to be located, and may from time to time change any such designation, but if the principal place of business of any such member is located in a State of such district it shall be the duty of the Board to designate such State as the State in which such member

shall, for said purposes, be deemed to be located. As used in the second sentence of this subsection, the term 'total number of elective directorships' means the total number of elective directorships on the board of directors of the bank of the district in which such State was located on December 31, 1960, and the term 'members' where used for the second time in such sentence means members of such bank.

"(d) The term of each elective directorship shall be two years and the term of each appointive directorship shall be four years. If any person, before or after, or partly before and partly after, the date of the enactment of this sentence, has been elected to each of three consecutive full terms as an elective director of a Federal home loan bank in any elective directorship or elective directorships and has served for all or part of each of said terms, such persons shall not be eligible for election to an elective directorship of such bank for a term which begins earlier than two years after the expiration of the last expiring of said three terms. The Board is hereby authorized to prescribe such rules and regulations as it may deem necessary or appropriate for the nomination and election of directors of Federal home loan banks, including, without limitation on the generality of the foregoing, rules and regulations with respect to the breaking of ties and with respect to the inclusion of more than one directorship on a single ballot and the methods of voting and of determining the results of voting in such cases.

"(e) Each term, outstanding on the date of the enactment of the amendment to this section abolishing the division of elective directors into classes, of an elective or appointive directorship then existing shall continue until its original date of expiration, and any elective or appointive directorship in existence on said date shall continue to exist to the same extent as if it had been established by or under this section on or after said date. The Board in its discretion may extend any such term of an elective directorship for not to exceed one year from such original date of expiration, but such term shall in such event be deemed to become vacant at the close of such original date of expiration, if it shall not sooner be or become vacant. The term 'States' or 'State' as used in this section shall mean the States of the Union and the District of Columbia.

"(f) In the event of a vacancy in any appointive or elective directorship, such vacancy shall be filled through appointment by the Board for the unexpired term: *Provided*, That if any director shall cease to have the qualifications set forth in subsection (a), or if any elective director shall cease to have any qualifications set forth in this section, the office held by such director shall immediately become vacant, but such director may continue to act as such director until his successor assumes the vacated office or the term of such office expires, whichever shall first occur.

"(g) The Board shall designate one of the directors of each bank to be chairman, and one to be vice chairman, of the board of directors of such bank.

"(h) If at any time when nominations are required members shall hold less than $1,000,000 of the capital stock of the Federal home loan bank, the Board shall appoint a director or directors to fill the place or places for which such nominations are required, and the Board may, prior to the filing of the certificate mentioned in section 12, appoint directors who shall be respectively designated by it as appointive directors and as elective directors, in accordance with the provisions of this section."

SEC. 2. The amendment made by this Act shall take effect on the first day of the first calendar year which begins after the date of enactment of this Act.

With the following committee amendments:

Page 5, lines 23 and 24, insert "effective" before "date", and strike out "of the enactment".

Page 6, lines 6 to 12, inclusive, strike out "extend any such term of an" and insert "shorten the next succeeding term of any such"; and strike out "for not to exceed one year from such original date of expiration, but such term shall in such event be deemed to become vacant at the close of such original date of expiration, if it shall not sooner be or become vacant" and insert "to one year, and may fill such term by appointment".

Page 7, line 13, strike out "first" where it first appears in such line and insert "second".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF TOBACCO ALLOTMENTS

The Clerk called the bill (H.R. 1022) to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FINDLEY. Reserving the right to object, Mr. Speaker, H.R. 1022 will tend to stimulate tobacco overproduction through consolidation of small inefficient units, and this will probably require further acreage cutbacks.

Loans to tobacco growers are often based on the real estate value of their tobacco allotments. Allotments sometimes add as much as $2,500 an acre to the land value. If such an allotment is separated from a particular parcel of land by lease agreement, the landowner's credit will probably be impaired.

Long-range consequences of this bill involve every farmer in America.

This bill is another step, small and innocent though it may seem, down the road to regimentation of American agriculture.

The end of the road is Government control of farm production through licensing the right to produce. We have already traveled far enough down the road to wonder if it has any places to turn around.

In tobacco, the first step was to control production through acreage allotments. As yields increased, acreage was cut back to the dismay of both the tobacco growers in the South and the corn producers in the Midwest. Tobacco growers were dismayed when they found their allotments dwindling to "shoebox" size. Corn producers were dismayed when they saw acreage formerly used for tobacco production now planted in feed grains. This can be described as exporting the tobacco problem to the Midwest.

As tobacco growers witnessed the fragmentation of allotments through controlled cutbacks, they began to seek the right to consolidate the fragments—hence H.R. 1022, with authority to transfer or lease allotments.

This bill does not authorize sale of allotments, but let no one be fooled. Sale is the next step, and it will follow H.R. 1022 as surely as night follows day. Leasehold interest is much akin to outright ownership of property. A few years of repeated leasing, and the plea for authority to sell will be irresistible.

Indeed an administration spokesman, testifying before the tobacco subcommittee, asked that this bill be amended to grant immediate authority to sell allotments. In a message to Congress earlier this year, the administration asked that authority to sell allotments be extended to all commodities. The crystal ball is not hard to read.

The law which originally authorized tobacco allotments was once considered a strange departure from the American tradition of freedom of choice agriculture. Now it is accepted.

Today the proposal to license the right to produce seems strange and offensive. And yet, in H.R. 1022, we are on the threshold of such a system. Buying and selling the right to produce is just a hop and a skip from the license program.

Those who loudly declare, "We won't let it happen here," should wipe the dust from their eyes and see how far we have already progressed down the road to regimentation.

H.R. 1022 is another step, so brace yourself. At various milestones we will find ourselves licensing the right to produce tobacco, cotton, wheat, corn, soybeans, and livestock.

Mr. Speaker, I shall not persist in my objection to this bill, and withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 315 the following new section:

"SEC. 316. (a) Notwithstanding any other provision of this Act, the owner and operator of any farm for which a tobacco acreage allotment is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met.

"(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed from year to year, if the parties so agree.

"(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and approved by the county committee of the county in which the farms involved are located. If the county committee determines that the farms involved in the lease and transfer are approximately equally productive, the lease and transfer may be approved acre for acre. If the lease and transfer results in acreage allotment for tobacco being placed on a farm which is substantially more productive, such

as an irrigated farm as compared with a dry land farm, the county committee shall make a downward adjustment in the amount of acreage allotment transferred so that the production from the transferred acreage will be approximately equal to that which would have been obtained on the farm from which the acreage was leased.

"(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for tobacco for the farm from which such acreage allotment is leased or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purposes of determining future allotments to have been devoted to tobacco on such farm: *Provided*, That the acreage so leased and transferred shall not operate to continue the farm's status as an 'old farm'.

"(e) The lease and transfer of allotment acreage under provisions of this section shall not operate to increase the acreage of tobacco on a farm to more than 60 per centum of the cropland on such farm."

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the Agricultural Adjustment Act of 1938, as amended, is further amended by adding the following new section:

"'SEC. 316. (a) Notwithstanding any other provision of this Act for the crop years 1962 and 1963, the owner and operator of any farm for which a tobacco acreage allotment is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met.

"'(b) Any lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto agree. No lease shall be entered into for any period in excess of one crop year, but may be renewed for the 1963 crop year, if the parties so agree.

"'(c) The lease and transfer of any allotment shall not be effective until a copy of such lease is filed with and determined by the county committee of the county in which the farms involved are located to be in compliance with the provisions of this section. Such lease and transfer shall not be effective unless a copy of the lease is filed with the county committee prior to a closing date established by the Secretary, which date shall be no later than the normal planting time in the county. If the normal yield established by the county committee for the farm to which the allotment is transferred does not exceed the normal yield established by the county committee for the farm from which the allotment is transferred by more than 10 per centum, the lease and transfer shall be approved acre for acre. If the normal yield for the farm to which the allotment is transferred exceeds the normal yield for the farm from which the allotment is transferred by more than 10 per centum, the county committee shall make a downward adjustment in the amount of the acreage allotment transferred by multiplying the normal yield established for the farm from which the allotment is transferred by the acreage being transferred and dividing the result by the normal yield established by the farm to which the allotment is transferred.

"'(d) The lease and transfer of any part of a tobacco acreage allotment determined for a farm shall not affect the allotment for the farm from which such acreage allotment is transferred or the farm to which it is transferred, except with respect to the crop year specified in the lease. The amount of acreage allotment which is leased from a farm shall be considered for purpose of determining future allotments to have been planted to tobacco on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for subsequent years for the farm to which such allotment is transferred. The lessor shall be considered to have been engaged in the production of tobacco for the purpose of eligibility to vote in the referendum.

"'(e) Under the provisions of this section not more than five acres of allotment may be leased and transferred to any farm: *Provided*, That the total acreage allotted to any farm after such transfer shall not exceed 50 per centum of the acreage of cropland in the farm.

"'(f) The Secretary shall prescribe such regulations as he considers necessary for carrying out the provisions of this section.'"

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MATTHEWS. Mr. Speaker, I want to thank the chairman and the members of our House Committee on Agriculture for reporting favorably my bill, H.R. 1022, to provide for lease and transfer of tobacco acreage allotments.

The purpose of this bill is to authorize the transfer by lease—for the crop years 1962 and 1963 only—of tobacco acreage allotments from one farm to another within the same county.

In many areas, especially in my Eighth District of Florida, tobacco acreage allotments have become so small—thousands of them only a fractional part of an acre—that producers holding such small allotments frequently find that the planting of their allotment in any particular year is an uneconomic operation. This bill will authorize, for 2 crop years only, the holders of such small allotments to transfer their allotment to another tobacco producer in the same county, if they choose to do so. Tobacco experts of the Department of Agriculture estimate that the authorization will be exercised by only about 2 percent of the tobacco growers, but I believe that for those who will be concerned it will be of substantial assistance in their farming operations. Other than some slight additional administrative work, there will be no additional cost to the Government as a result of this legislation.

I have been interested in this bill for about 5 years. Two years ago the Subcommittee on Tobacco of our House Committee on Agriculture honored me by holding meetings in my district at Live Oak, Fla., to talk about the provisions of the bill. Among the several hundred farmers present, there was almost unanimous approval of the main features of this bill. After hearings on the measure this year, our Committee on Agriculture embodied safeguards and limitations recommended not only by the Department of Agriculture but by tobacco producers and others interested in the welfare of the tobacco industry. Included in these limitations are:

First. Both farmers involved must be in the same county and the lease must be filed with, and approved by, the county committee.

Second. If the normal yield for the farm to which the allotment is being transferred exceeds the normal yield of the farm from which the transfer is being made by more than 10 percent, the transferred allotment will be adjusted downward in the same ratio as the difference in yields.

Third. Not more than 5 acres of allotment may be leased and transferred to any farm.

Fourth. Only farms already having tobacco allotments for the same kind of tobacco are eligible to lease allotments.

Fifth. The acreage is considered as having been produced on the farm from which the allotment is transferred for purposes of future allotments and referendum voting rights.

Sixth. The bill applies only to the 1962 and 1963 crops. We included the last provision in the bill so that if the lease and transfer arrangements prove detrimental to the tobacco program we can halt this new program after the 1963 year.

The Department of Agriculture was not opposed to this legislation, but felt that we should go further especially by extending its provisions to other crops and by making provisions for the sale of allotments.

I personally feel that this more moderate approach is better, and I am particularly hopeful that it will be beneficial to the small producer. I feel that there will be many small producers who, if this legislation is passed, will be able, by leasing a small tobacco acreage allotment, obtain a unit of production large enough to make an economical and profitable operation possible. I surely hope the House will pass by an overwhelming vote this important piece of legislation.

Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. KORNEGAY] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. KORNEGAY. Mr. Speaker, I take this opportunity to rise and state my support of and urge the passage of H.R. 1022. This bill authorizes the holders of small tobacco allotments to lease or transfer their allotment to another tobacco grower in the same county. The provisions of this bill relate only to the crop years of 1962 and 1963. Thus by limiting the duration of this measure to 2 years, an opportunity will be afforded to the small tobacco growers of this country and to Congress to determine the effectiveness of the program.

In my opinion there is a great need for this type of legislation in my district and in my State. The State of North Carolina is reputed to have a larger number of farms than any other State in the Union; therefore, a large number of them must of necessity be small. Many of these small farms have tobacco allotments but in so many instances the

size of the allotment has diminished to the point that it is not economical for the individual farmer to utilize his allotment. By allowing the lease or transfer of these small allotments it will be possible for a single farmer to increase the size of his acreage sufficiently to make it economically practical to remain in the business of growing tobacco. Also, I would like to point out that under the terms of this bill, the transfer or lease of tobacco allotments must be made within the county and therefore eliminating any trend to consolidate extremely large acreage in certain counties to the exclusion of others.

Mr. Speaker, this is an adjustment under the Agricultural Adjustment Act of 1938 which is long overdue and which I feel is of tremendous importance to the tobacco growers of my State and district and I want to urge the support of this measure upon my colleagues in the House.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FUGITIVE FELON ACT

The Clerk called the bill (H.R. 468) to amend section 1073 of title 18, United States Code, the Fugitive Felon Act.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMITTING DOCUMENTATION OF VESSELS SOLD OR TRANSFERRED ABROAD

The Clerk called the bill (S. 881) to revise section 4166 of the Revised Statutes (46 U.S.C. 35) to permit documentation of vessels sold or transferred abroad.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4166 of the Revised Statutes (U.S.C., 1958 edition, title 46, sec. 35) is amended to read as follows:

"A vessel of the United States which, while outside the limits of a customs collection district of the United States and not in any port designated as a port of documentation outside any such customs collection district, is sold or transferred in whole or in part to a citizen of the United States, may be documented anew as a vessel of the United States in such manner and upon such conditions as may be prescribed by the Secretary of the Treasury: *Provided,* That, if any vessel so sold or transferred is not redocumented while abroad, it shall nevertheless be entitled to all the privileges and benefits of a vessel of the United States up to and for the purpose of its first arrival thereafter within a customs collection district or within a designated port of documentation outside any such customs collection district."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMITTING CERTAIN FOREIGN-FLAG VESSELS TO LAND THEIR CATCHES OF FISH IN THE VIRGIN ISLANDS IN CERTAIN CIRCUMSTANCES

The Clerk called the bill (H.R. 3159) to permit certain foreign-flag vessels to land their catches of fish in the Virgin Islands in certain circumstances, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4311 of the Revised Statutes, as amended (46 U.S.C., sec. 251), is further amended by designating the present section as subsection (a) and by adding the following new subsections:

"(b) Subsection (a) of this section shall not be deemed to prohibit the landing by a foreign-flag vessel of not more than fifty feet overall length in a port of the Virgin Islands of the United States for immediate consumption in such islands of its catch of fresh fish, whole or with the heads, viscera, or fins removed, but not frozen, otherwise processed, or further advanced. No fish landed under this authorization shall be sold or transferred except for immediate consumption. Sale or transfer to an agent, representative, or employee of a freezer or cannery shall be deemed to be prohibited in the absence of satisfactory evidence that such sale or transfer is for immediate consumption. For the purposes of this subsection, the term 'immediate consumption' shall not preclude the freezing, smoking, or other processing of such fresh fish by the ultimate consumer thereof.

"(c) Any fish landed in the Virgin Islands of the United States which are retained, sold, or transferred other than as authorized in subsection (b) of this section shall be liable to forfeiture and any person or persons retaining, selling, transferring, purchasing, or receiving such fish shall severally be liable to a penalty of $1,000 for each offense, in addition to any other penalty provided in law."

SEC. 2. Any fine, penalty, or forfeiture incurred under the provisions of this Act shall be subject to remission or mitigation in accordance with section 5294 of the Revised Statutes, as amended (46 U.S.C. 7).

SEC. 3. The Secretary of the Treasury may issue such regulations as he deems necessary for the enforcement of the provisions of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. That is the last eligible bill on the Consent Calendar.

RESTORING CAPITAL IMPAIRMENT OF COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to return to the Consent Calendar No. 186 for the present consideration of the bill (S. 763) to authorize annual appropriation to reimburse Commodity Credit Corporation for net realized losses sustained during any fiscal year in lieu of annual appropriations to restore capital impairment based on annual Treasury appraisals, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 1 and 2 of the Act of March 8, 1938, as amended (15 U.S.C. 713a–1, 2), are hereby repealed.

SEC. 2. There is hereby authorized to be appropriated annually for each fiscal year, commencing with the fiscal year ending June 30, 1961, out of any money in the Treasury not otherwise appropriated, an amount sufficient to reimburse Commodity Credit Corporation for its net realized loss incurred during such fiscal year, as reflected in its accounts and shown in its report of its financial condition as of the close of such fiscal year. Reimbursement of net realized loss shall be with appropriated funds, as provided herein, rather than through the cancellation of notes.

SEC. 3. In the event the accounts of the Commodity Credit Corporation reflect a net realized gain for any such fiscal year, the amount of such net realized gain shall be deposited in the Treasury by the Commodity Credit Corporation and shall be credited to miscellaneous receipts.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMITTING MEMBERS OF ARMED FORCES TO ACCEPT FELLOWSHIPS, SCHOLARSHIPS, OR GRANTS

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to return to the Consent Calendar No. 177 for the present consideration of the bill (H.R. 7727) to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. PHILBIN]?

Mr. FORD. Mr. Speaker, reserving the right to object, has this been cleared with the Member who asked that this bill be passed over?

Mr. PHILBIN. Yes, it has been cleared.

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 155 of title 10, United States Code, is amended—

(1) by adding the following new section at the end thereof:

"§ 2603. Acceptance of fellowships, scholarships, or grants

"Notwithstanding any other provision of law, a fellowship, scholarship, or grant may, under regulations to be prescribed by the President or his designee, be made by a corporation, fund, foundation, or educa-

tional institution that is organized and operated primarily for scientific, literary, or educational purposes to any member of the Armed Forces, and the benefits thereof may be accepted by him—

"(1) in recognition of outstanding performance in his field;

"(2) to undertake a project that may be of value to the United States; or

"(3) for development of his recognized potential for future career service.

The benefits of such a fellowship, scholarship, or grant may be accepted by the member in addition to his pay and allowances."; and

(2) by adding the following new item at the end of the analysis:

"2603. Acceptance of fellowships, scholarships, or grants."

SEC. 2. Section 221 of the Public Health Service Act, as amended (42 U.S.C. 213a), is amended by adding the following new clause at the end thereof:

"(9) Section 2603, Acceptance of fellowships, scholarships, or grants."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUSE CONCURRENT RESOLUTION 351

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Speaker, I request that the concurrent resolution, House Concurrent Resolution 351, be removed from the suspension list so that the Committee on Foreign Affairs can give further consideration to this matter.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. McCORMACK. The gentleman from Pennsylvania has taken this up with the sponsor of the resolution and the committee as well as with the Speaker.

Mr. MORGAN. The gentleman is correct.

INDEPENDENT OFFICES APPROPRIATION BILL, 1962

Mr. THOMAS. Mr. Speaker, I call up the conference report on the bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 850)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7445) "making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 13, 16, 17, 18, 19, 30, 41, 43, 44, 48, 58, 60, and 70.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 20, 22, 28, 31, 32, 33, 34, 42, 56, 62, 63, 68, 69, 71, 72, 73, 74, 75, and 76, and agreed to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

Restore the matter stricken by the amendment, amended to read as follows: "That the foregoing amount shall be available for not to exceed 310 positions in the District of Columbia area: *Provided further,*"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,050,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,000,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$78,250,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,000,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$21,349,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows:

Restore the matter stricken by the amendment, amended to read as follows: ": *Provided,* That the Civil Service Commission shall include annually, in its estimates to the Bureau of the Budget, estimates of the appropriations necessary to reimburse the civil service retirement and disability fund for the amounts paid out of the fund by reason of the enactment of Public Law 85-465, and the Bureau of the Budget shall submit such estimates annually to the Congress"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,074,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$434,300,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows:

Restore the matter stricken by the amendment, amended to read as follows: "That total costs of aviation medicine research for the Federal Aviation Agency, whether provided in the foregoing appropriation or elsewhere in this Act, shall not exceed $2,000,000 or include in excess of 130 positions: *Provided further,*"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,000,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$10,345,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$173,000,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$188,946,500"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,593,500"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$28,374,500"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,000,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,400,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$14,566,450"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert: "$100,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,000,000"; and the Senate agree to the same.

UNIVERSITY OF MICHIGAN LIBRARIES

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert:

"URBAN STUDIES AND HOUSING RESEARCH

"For urban studies and housing research as authorized by the Housing Acts of 1948 and 1956, as amended, including administrative expenses in connection therewith, $375,000."; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$22,075,000"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,197,500"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$206,750,000"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,220,000,000"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$245,000,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,500"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$263,250,000"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,800,000"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$161,773,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$43,876,500"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$29,500,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$76,250,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,000,000"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$700,000"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$59,650,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 23, 26, 29, 35, 36, 47, and 80.

ALBERT THOMAS,
SIDNEY R. YATES,
CLARENCE CANNON,
HAROLD C. OSTERTAG,
JOHN TABER,
Managers on the Part of the House.

WARREN G. MAGNUSON,
LISTER HILL,
ALLEN J. ELLENDER,
A. WILLIS ROBERTSON,
SPESSARD L. HOLLAND,
ROBERT S. KERR,
GORDON ALLOTT,
LEVERETT SALTONSTALL,
MILTON R. YOUNG,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I

Office of Civil and Defense Mobilization

Amendment No. 1: Inserts language as proposed by the Senate for the purchase of one passenger motor vehicle at not to exceed $6,000.

Amendment No. 2: Authorizes $3,000 for emergency and extraordinary expenses as proposed by the House instead of $6,000 as proposed by the Senate.

Amendment No. 3: Deletes language proposed by the Senate relating to rental of passenger motor vehicles from the General Services Administration.

Amendment No. 4: Restores House language relating to positions in the District of Columbia amended to provide a ceiling of 310 positions instead of 303 as proposed by the House.

Amendment No. 5: Appropriates $5,000,000 for civil defense and defense mobilization functions of Federal agencies as proposed by the Senate instead of $6,567,000 as proposed by the House.

Amendment No. 6: Appropriates $30,050,000 for emergency supplies and equipment instead of $21,600,000 as proposed by the House and $38,500,000 as proposed by the Senate.

Amendment No. 7: Appropriates $2,000,000 for research and development instead of $1,500,000 as proposed by the House and $2,500,000 as proposed by the Senate.

Civil Aeronautics Board

Amendment No. 8: Appropriates $78,250,000 for payments to air carriers instead of $74,800,000 as proposed by the House and $81,700,000 as proposed by the Senate.

Amendment No. 9: Authorizes not to exceed $6,000,000 for subsidy for helicopter operations during the current fiscal year instead of $5,000,000 as proposed by the House and $6,900,000 as proposed by the Senate.

Civil Service Commission

Amendment No. 10: Appropriates $21,349,000 for salaries and expenses instead of $21,029,000 as proposed by the House and $21,669,000 as proposed by the Senate.

Amendment No. 11: Restores House language relating to payment to the civil service retirement and disability fund with technical amendment.

Amendment No. 12: Authorizes $1,074,000 for administrative expenses, employees health benefits fund, instead of $1,000,000 as proposed by the House and $1,148,000 as proposed by the Senate.

Amendment No. 13: Delete item proposed by the Senate for $30,000 for the Official Register of the United States.

Federal Aviation Agency

Amendment No. 14: Appropriates $434,300,000 for operations instead of $428,000,000 as proposed by the House and $440,600,000 as proposed by the Senate.

Amendment No. 15: Restores House language earmarking funds for aviation medical research amended to provide $2,000,000 and 130 positions instead of $1,500,000 and 120 positions as proposed by the House.

Amendments Nos. 16 and 17: Appropriate $120,000,000 for facilities and equipment as proposed by the House instead of $124,577,000 as proposed by the Senate; and restore House provision prohibiting use of funds for the construction of a new wind tunnel.

Amendments Nos. 18 and 19: Delete language proposed by the Senate authorizing the purchase of passenger motor vehicles.

Amendment No. 20: Appropriates $20,100,000 for construction and development of the additional Washington airport as proposed by the Senate instead of $26,100,000 as proposed by the House.

Amendment No. 21: Appropriates $11,000,000 for feasibility studies of the development of a civil supersonic aircraft instead of $10,000,000 as proposed by the House and $12,000,000 as proposed by the Senate. The committee of conference does not intend that such study be undertaken at a cost of $50 million over a two year period as indicated in the Senate report, but that the total cost should be held down to not more than $20 million as testified to the House when it considered the item.

Federal Communications Commission

Amendment No. 22: Appropriates $12,525,000 for salaries and expenses as proposed by the Senate instead of $12,400,000 as proposed by the House.

Amendment No. 23: Reported in disagreement.

Federal Trade Commission

Amendment No. 24: Appropriates $10,345,000 for salaries and expenses instead of $10,000,000 as proposed by the House and $10,690,000 as proposed by the Senate.

General Services Administration

Amendment No. 25: Appropriates $173,000,000 for operating expenses of the Public Buildings Service instead of $170,000,000 as proposed by the House and $176,000,000 as proposed by the Senate.

Amendment No. 26: Reported in disagreement.

Amendment No. 27: Appropriates $188,946,500 for construction of public buildings projects instead of $171,600,000 as proposed

by the House and $194,456,500 as proposed by the Senate.

Amendment No. 28: Deletes House language and inserts language proposed by the Senate.

Amendment No. 29: Reported in disagreement.

Amendment No. 30: Deletes language proposed by the Senate for the General Services Administration stores depot at Denver, Colorado.

Amendment No. 31: Inserts Senate language and authorizes $789,000 for the project at Tupelo, Mississippi.

Amendment No. 32: Inserts Senate language and authorizes $20,000,000 for the project at Pittsburgh, Pennsylvania.

Amendment No. 33: Inserts Senate language and authorizes $901,000 for the project at Dyersburg, Tennessee.

Amendment No. 34: Inserts Senate language and authorizes $1,258,000 for the project at Montpelier, Vermont.

Amendment No. 35: Reported in disagreement.

Amendment No. 36: Reported in disagreement.

Amendment No. 37: Appropriates $3,593,500 for operating expenses of the Federal Supply Service instead of $3,450,000 as proposed by the House and $3,737,000 as proposed by the Senate.

Amendment No. 38: Appropriates $28,374,500 for expenses of supply distribution instead of $27,375,000 as proposed by the House and $29,374,000 as proposed by the Senate.

Amendment No. 39: Appropriates $6,000,000 for capital for the General Supply Fund instead of $4,000,000 as proposed by the House and $8,000,000 as proposed by the Senate.

Amendments Nos. 40 and 41: Appropriate $2,400,000 for operating expenses of the Transportation and Public Utilities Service instead of $2,475,000 as proposed by the House and $2,175,000 as proposed by the Senate; and delete language proposed by the Senate. In agreeing to a lesser amount the managers on the part of the House do not agree with the application of the reduction as stated in the Senate report. The reduction below the House amount is to be applied uniformly to all activities financed from this appropriation.

The conferees expect the General Services Administration to act with good judgment and not enter into any harassing activities, to avoid trivialities, and protect the interest of the Government as a consumer. The conferees also suggest that the respective legislative committees review the basic legislation to determine if any revision is needed.

Amendment No. 42: Appropriates $40,000,000 for strategic and critical materials as proposed by the Senate instead of $30,000,000 as proposed by the House.

Amendments Nos. 43 and 44: Restore language proposed by the House and stricken by the Senate.

Amendment No. 45: Authorizes $14,566,450 for the administrative operations fund instead of $14,268,900 as proposed by the House and $14,864,000 as proposed by the Senate.

Amendment No. 46: Inserts Senate language and appropriates $100,000 for the working capital fund instead of $150,000 as proposed by the Senate.

Amendment No. 47: Reported in disagreement.

Housing and Home Finance Agency

Amendment No. 48: Restores language proposed by the House and stricken by the Senate relating to urban planning grants and planned public works advances.

Amendment No. 49: Appropriates $7,000,000 for the Public Works Planning Fund instead of $6,000,000 as proposed by the House and $8,000,000 as proposed by the Senate.

Amendment No. 50: Restores language proposed by the House and deletes language proposed by the Senate, and appropriates $375,000 for urban studies and housing research instead of $450,000 as proposed by the House and $125,000 as proposed by the Senate. The committee of conference has denied the request for funds for a study of new standards of housing and neighborhood quality, but has allowed funds for special census data on housing conditions of the elderly; periodic statistics on sales prices and sales volume of new homes; study of credit factors in mortgage foreclosures; family displacement by public improvement programs; and intermunicipal approaches to planning, development and renewal.

Interstate Commerce Commission

Amendment No. 51: Appropriates $22,075,000 for salaries and expenses instead of $21,950,000 as proposed by the House and $22,200,000 as proposed by the Senate.

National Aeronautics and Space Administration

Amendments Nos. 52 and 53: Authorize $9,197,500 for expenses of travel instead of $8,000,000 as proposed by the House and $10,395,000 as proposed by the Senate, and appropriate $206,750,000 for salaries and expenses instead of $191,750,000 as proposed by the House and $221,750,000 as proposed by the Senate.

Amendment No. 54: Appropriates $1,220,000,000 for research and development instead of $892,000,000 as proposed by the House and $1,278,000,000 as proposed by the Senate.

Amendments Nos. 55 and 56: Appropriate $245,000,000 for construction of facilities instead of $116,250,000 as proposed by the House and $249,250,000 as proposed by the Senate, and delete House language earmarking funds as proposed by the Senate.

Amendment No. 57: Authorizes $17,500 for emergency or extraordinary expenses instead of $15,000 as proposed by the House and $20,000 as proposed by the Senate.

National Capital Housing Authority

Amendment No. 58: Restores House language concerning operation and maintenance of properties under title I of the District of Columbia Alley Dwelling Act.

National Science Foundation

Amendment No. 59: Appropriates $263,250,000 for salaries and expenses instead of $250,000,000 as proposed by the House and $276,500,000 as proposed by the Senate.

Amendment No. 60: Authorizes $37,600,000 for tuition, grants, and allowances as proposed by the House instead of $32,200,000 as proposed by the Senate.

Amendment No. 61: Authorizes $1,800,000 for purchase of foreign currencies instead of $1,600,000 as proposed by the House and $2,000,000 as proposed by the Senate.

Renegotiation Board

Amendment No. 62: Inserts language as proposed by the Senate authorizing not to exceed $45,000 for expenses of travel.

Securities and Exchange Commission

Amendment No. 63: Inserts language as proposed by the Senate authorizing payment to individuals for services at rates not to exceed $100 per diem.

Veterans' Administration

Amendment No. 64: Appropriates $161,773,000 for general operating expenses instead of $161,500,000 as proposed by the House and $162,046,000 as proposed by the Senate.

Amendment No. 65: Appropriates $43,876,500 for medical administration and miscellaneous operating expenses instead of $40,700,000 as proposed by the House and $47,053,000 as proposed by the Senate.

Amendment No. 66: Authorizes $29,500,000 for medical research instead of $27,000,000 as proposed by the House and $32,000,000 as proposed by the Senate.

Amendment No. 67: Appropriates $76,250,000 for construction of hospital and domiciliary facilities instead of $75,000,000 as proposed by the House and $77,500,000 as proposed by the Senate.

Amendments Nos. 68 through 72: Make technical corrections in reference to the loan guaranty revolving fund as proposed by the Senate, and restore House limitation of $120,624,000 on funds for property acquisitions and other loan guaranty and insurance operations.

Independent offices—General provisions

Amendments Nos. 73 and 74: Insert language regarding payments to interagency motor pools as proposed by the Senate.

TITLE II—CORPORATIONS

Federal Home Loan Bank Board

Amendments Nos. 75 and 76: Adopt Senate language inserting reference to section 408 of the National Housing Act.

Housing and Home Finance Agency

Amendment No. 77: Authorizes $2,000,000 for administrative expenses in connection with College Housing Loans instead of $1,900,000 as proposed by the House and $2,100,000 as proposed by the Senate.

Amendment No. 78: Authorizes $700,000 for administrative expenses in connection with Public Facility Loans instead of $650,000 as proposed by the House and $750,000 as proposed by the Senate.

Amendment No. 79: Authorizes $59,650,000 for nonadministrative expenses, Federal Housing Administration, instead of $58,000,000 as proposed by the House and $61,300,000 as proposed by the Senate.

Amendment No. 80: Reported in disagreement.

ALBERT THOMAS,
SIDNEY R. YATES,
CLARENCE CANNON,
HAROLD C. OSTERTAG,
JOHN TABER,
Managers on the Part of the House.

Mr. THOMAS (during the reading of the statement). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. THOMAS. Mr. Speaker, when this bill left the House, it showed a reduction of about $221 million under the budget. The budget figure was $8,625,561,000. It went to the other body. We wound up with 80 items in disagreement, and I can report to the House, in truth and in fact, there are no items in disagreement. Under the rules, we bring back to you only seven items in technical disagreement while, in truth and fact, there is not one single item in disagreement. When the other body considered the bill, they raised the House figure about $694 million. The two big items constituting the raise are the space agency, in the amount of some $549 million, and the addition of $25 million for sites and planning of public buildings. That item went out on the floor of the House on a point of order. The point of order was sustained and rightly so, but the legislative committee has recently authorized the projects. So there are the two big points so far as the money items are concerned. The conference figure is $8,966,285,000. We reduced the Senate figure in the neighborhood of about $132 million.

Mr. Speaker, in the absence of any questions, I move the adoption of the conference report.

UNIVERSITY OF MICHIGAN LIBRARIES

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 23: Page 16, line 23, insert: *"Provided,* That the limitation until June 30, 1962, on the availability of the appropriation for a special ultra-high frequency television study, contained in the Independent Offices Appropriation Act, 1961, under the head 'Federal Communications Commission', is hereby extended until December 31, 1962."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 19, line 16, insert: "and buildings under the control of another department or agency where alteration of such buildings is required in connection with the moving of such other department or agency from buildings then, or thereafter to be, under the control of General Services Administration".

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 29: Page 20, line 18, insert: "Los Angeles-Long Beach Harbor".

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 29 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 35: Page 22, line 19, insert: *"Provided further,* That funds in the amount of $5,601,500 appropriated under this head in the Independent Offices Appropriation Act, 1961, for a construction and alteration project at Philadelphia, Pennsylvania, since abandoned as to its previously approved scope, are hereby made available for the purposes of this appropriation."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 36: Page 23, line 1, insert:

"SITES AND EXPENSES, PUBLIC BUILDINGS PROJECTS

"For an additional amount for expenses necessary in connection with the construction of public buildings projects not otherwise provided for, as specified under this head in the Independent Offices Appropriation Acts of 1959 and 1960, including preliminary planning of public buildings projects by contract or otherwise $25,000,000, to remain available until expended."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 36 and concur therein with an amendment, as follows: In lieu of the matter inserted by the Senate insert the following:

"SITES AND EXPENSES, PUBLIC BUILDINGS PROJECTS

"For an additional amount for expenses necessary in connection with the construction of public buildings projects not otherwise provided for, as specified under this head in the Independent Offices Appropriation Acts of 1959, 1960 and 1961, including preliminary planning of public buildings projects by contract or otherwise, $25,000,000, to remain available until expended."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: Page 30, line 17, insert: "Not to exceed 2 per centum of any appropriation made available to the General Services Administration for the current fiscal year by this Act may be transferred to any other such appropriation, but no such appropriation shall be increased thereby more than 2 per centum: *Provided,* That such transfers shall apply only to operating expenses and shall not exceed in the aggregate the amount of $2,000,000."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 47 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 80: Page 54, line 18, insert: *"Provided further,* That the foregoing limitation shall not apply to fees and other expenses paid by and between private parties in connection with cases processed under the Certified Agency Program."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 80 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to insert a table at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The table referred to follows:

Summary of independent offices appropriation bill, 1962

Item	Budget estimates (revised)	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimates	House	Senate
Executive Office of the President: National Aeronautics and Space Council	$320,000	$320,000	$320,000	$320,000			
Office of Civil and Defense Mobilization	104,200,000	79,167,000	95,500,000	86,550,000	−$17,650,000	+$7,383,000	−$8,950,000
Funds appropriated to the President: Disaster relief	6,000,000	6,000,000	6,000,000	6,000,000			
Civil Aeronautics Board	90,750,000	83,700,000	90,600,000	87,150,000	−3,600,000	+3,450,000	−3,450,000
Civil Service Commission	95,502,000	91,844,000	92,514,000	92,164,000	−3,338,000	+320,000	−350,000
Federal Aviation Agency	744,300,000	723,500,000	736,677,000	724,800,000	−19,500,000	+1,300,000	−11,877,000
Federal Communications Commission	12,525,000	12,400,000	12,525,000	12,525,000		+125,000	
Federal Power Commission	8,793,000	8,793,000	8,793,000	8,793,000			
Federal Trade Commission	10,690,000	10,000,000	10,690,000	10,345,000	−345,000	+345,000	−345,000
General Accounting Office	43,000,000	43,000,000	43,000,000	43,000,000			
General Services Administration	552,170,000	510,390,000	580,382,500	568,904,500	+16,734,500	+58,514,500	−11,478,000
Indefinite appropriation of receipts	(3,935,000)	(3,935,000)	(3,935,000)	(3,935,000)			
Housing and Home Finance Agency	445,500,000	426,918,000	428,593,000	427,843,000	−17,657,000	+925,000	−750,000
Interstate Commerce Commission	22,200,000	21,950,000	22,200,000	22,075,000	−125,000	+125,000	−125,000
National Aeronautics and Space Administration	1,784,300,000	1,200,000,000	1,749,000,000	1,671,750,000	−112,550,000	+471,750,000	−77,250,000
National Capital Housing Authority	40,000	40,000		40,000			+40,000
National Science Foundation	277,000,000	250,000,000	276,500,000	263,250,000	−13,750,000	+13,250,000	−13,250,000
Renegotiation Board	3,000,000	2,900,000	2,900,000	2,900,000	−100,000		
Securities and Exchange Commission	11,015,000	11,000,000	11,000,000	11,000,000	−15,000		
Selective Service System	34,475,000	33,670,000	33,670,000	33,670,000	−805,000		
Veterans' Administration	4,924,846,000	4,884,571,000	4,893,970,000	4,889,270,500	−35,575,500	+4,699,500	−4,699,500
Grand total:							
Definite appropriations	9,170,626,000	8,400,163,000	9,094,834,500	8,962,350,000	−208,276,000	+562,187,000	−132,484,500
Indefinite appropriations	3,935,000	3,935,000	3,935,000	3,935,000			
Total	9,174,561,000	8,404,098,000	9,098,769,500	8,966,285,000	−208,276,000	+562,187,000	−132,484,500

AUTHORIZING THE SECRETARY OF A MILITARY DEPARTMENT TO SELL GOODS AND SERVICES TO AIRCRAFT OWNERS

Mr. PHILBIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7728) to amend title 10, United States Code, to authorize the Secretary of a military department to sell goods and services to the owner of an aircraft or his agent in an emergency, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 147 of title 10, United States Code, is amended as follows:

(1) By adding the following new section at the end thereof:

"§ 2483. Supplies and services: aircraft owner or his agent

"(a) The Secretary of a military department, under regulations to be prescribed by him, may authorize any military activity under his department to sell any of the following supplies or services to the owner of an aircraft, or his agent, when in an emergency it is necessary to enable an aircraft to proceed to its next stop or when in the best interests of the United States:

"(1) Fuels and lubricants.
"(2) Equipment.
"(3) Parts.
"(4) Supplies.
"(5) Mechanical and maintenance service.
"(6) Food.
"(7) Shelter and other assistance.

"(b) Sales under subsection (a) shall be for cash, or on terms that will assure prompt payment, and at prices that the Secretary concerned, or his designee, considers adequate reimbursement for the items sold.

"(c) If the items set forth in clauses (1)–(7) of subsection (a) are reasonably available from commercial sources, they may not be sold under subsection (a). Whenever the present or anticipated activity at a facility which has no commercial supply sources would support such a source, the Secretary concerned shall encourage its creation unless such a source would conflict with intergovernmental agreements relating to that facility, military security interests, or the discharge of the functions of that facility.

"(d) Whenever such a use would benefit the United States and would not interfere with its need for those supplies or facilities, the Secretary concerned may contract, without net cost to the United States, and at reasonable charges, for—

"(1) the use or bulk transfer of refined petroleum supplies of the United States that are under his jurisdiction, on a cash or reimbursable-in-kind basis; and

"(2) the use of any fuel or lubricant storage facility or distribution system under his jurisdiction.

"(e) Subsections (a)–(d) apply also to aircraft owned by, or registered in, any friendly foreign nation.

"(f) Except as otherwise provided by law, amounts received under this section shall be credited to the current applicable appropriation, fund, or account, and may be used for any purpose for which that appropriation, fund, or account may be used, including the procurement of goods and services similar to those furnished under those subsections.

"(g) This section does not affect the authority of the Secretary of the Navy to furnish supplies or services under section 7227 of this title."

(2) By adding the following new item at the end of the analysis:

"2483. Supplies and services: aircraft owner or his agent."

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I know some fear has been expressed by airport managers here in the United States that we might be putting the military into the business of selling goods and services in competition with private operators.

Nothing could be further from the truth, as a matter of fact. Virtually all of the testimony that was taken referred to oversea bases. Greenland, Wake Island, some points in Alaska, Japan, these were the areas constantly referred to.

As we all well know, there are commercial sources for goods and services scattered throughout the United States. There simply is not any real need for the use of this authority in this country.

The only exception which was brought out during the hearings on this bill was with respect to contract carriers of the Air Force. Let us say that the contract involves picking up cargo at Andrews Air Force Base and bringing it to the west coast. In this case, fuel would be sold to the contract carrier at Andrews Air Force Base.

Otherwise, the carrier would have to land at Washington National Airport, pay the landing fees, purchase his fuel, then take off and fly to Andrews to pick up the contract cargo.

Obviously this would be not only inconvenient but would also involve a greater expense to the Federal Government since the landing fee and other expenses which would be involved would find themselves in the contract price. This is inevitable.

Mr. Speaker, I think the objections that have been made to this bill arise from a misunderstanding of its objectives, and possibly of its provisions.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I yield to the gentleman from California.

Mr. SISK. Mr. Speaker, I appreciate very much the explanation the gentleman from Massachusetts has made on this particular piece of legislation. I am not opposing it, and I do not expect to vote against it. However, some questions have been raised by airport managers and other people interested in our civilian airports in California.

I would like to ask the gentleman this question:

To what extent does the gentleman feel that base commanders or others to whom a decision might be left with reference to whether or not an aircraft might meet the qualifications in this bill, to what extent may he go beyond the normal requirements in the procedure which the gentleman has described?

I agree that in connection with emergency cases there is no question but what these planes should be serviced. The point is that many privately owned and municipally owned airports depend on their income from local merchants in the dispensation of oil, parts, and so forth. I hope we are not getting into something where the Federal Government is going into business in competition with these people.

Mr. PHILBIN. This bill will not permit that result. It is only when it is certain that these supplies and services are not reasonably available from commercial sources that the bill applies. An emergency must exist. That is the way the bill will be interpreted in my judgment and that is the intent of the measure.

Mr. SISK. I would like to ask one further question.

I have a letter from the local manager of my own airport in Fresno, Calif., in which he says:

It is felt that H.R. 7728 is too broad inasmuch as the title itself reads, "A bill to amend title 10, United States Code, to authorize the Secretary of a military department to sell goods and services to the owner of an aircraft or his agent in an emergency, and for other purposes." No one would have any objection to military airfields providing fuel, food, and maintenance to any aircraft landing at a military installation due to an emergency and needing these services to get to its next stop or destination. Further, no one would have any objection to such services being rendered to civil aircraft by military agencies if such aircraft were engaged in an airlift or other contract agreements with civil aircraft or air carriers; however, on page 2, lines 19 through 25, H.R. 7728, it provides: "Whenever the present or anticipated activity at a facility which has no commercial supply sources would support such a source, the Secretary concerned shall encourage its creation unless such a source would conflict with intergovernmental agreements relating to that facility, military security interests, or the discharge of the functions of that facility.

This I feel to be too broad coupled with the last few words of the title, "and for other purposes."

This primarily, is the language with which they are very much concerned.

Mr. PHILBIN. As I stated, no such contingency would develop, as these services would be rendered only in emergencies under the language provided in the bill.

Mr. SISK. In other words, it would be my understanding, then, that in the event there should be any abuses, let us say, an effort to expand this service to the extent where a substantial amount of supplies were being purchased from the military bases, your committee, I am sure, would step into this matter and correct the situation.

Mr. PHILBIN. In that event, the gentleman may be assured that our committee would immediately step in and handle the situation and promptly move to rectify such abuses as were shown to exist.

Mr. SISK. I thank the gentleman.

Mr. GROSS. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. GUBSER].

Mr. GUBSER. Mr. Speaker, I was a member of the full committee when this bill was rather hurriedly considered; at that time I sought the opportunity to

DIGITIZED BY MICHIGAN STATE UNIVERSITY LIBRARIES

present some amendments. That opportunity was denied me.

After the bill was passed from the full committee, I contacted the manager of my local airport in San Jose, Calif. This manager expressed a great deal of concern regarding this bill, and requested my opposition.

I submit herewith a copy of a letter written by Mr. James N. Nissen, airport manager, at San Jose, Calif., to the Honorable CARL VINSON.

JULY 25, 1961.

Hon. CARL VINSON,
Chairman, Armed Services Committee, House of Representatives, Washington, D.C.
(Attention of Phil Kelleher).

DEAR MR. VINSON: H.R. 7728 has been brought to my attention. Congressman GUBSER has informed me that he intends to have the legislative intent established so that the bill would become acceptable. I do not agree that this will solve the problem, and on behalf of the city of San Jose and together with other of Mr. GUBSER's constituents, am requesting and urging that he oppose the bill.

Our opposition to the bill is based upon the fact that it establishes a major national policy without benefit of consideration or recommendation of the owners of public airports in the United States. The American Association of Airport Executives was not informed of this bill, nor was the California Association of Airport Executives. To my knowledge, no organization representing the public airports of the Nation were informed or invited to participate in the consideration of this bill.

This bill would make it permissive to establish a national system of federally owned airports, under the control of the military, which would be used jointly by the military and civil. The military would be leasing space to operators on military fields and would in some cases provide the fueling and maintenance facilities themselves. While it is recognized that the use of bases by the military is decreasing and will probably continue to decrease in the future, it is believed that there are other more desirable ways of continuing use of the facilities under civil ownership and use. While it might not be intended in the bill that military airports would be in direct competition with civil airports, it can very well occur, even though the airports may be a hundred miles apart. As an example—an airline serving San Jose, Vandenberg, Los Angeles, and San Diego on a military charter basis, could purchase all their fuel and maintenance at Vandenberg, since they could take advantage of the military contract price of fuel without the markup which is necessary for operation of civil airports. They could also use the military personnel for maintenance of their aircraft at a far lower hourly rate than that necessary by private enterprise. Lines 17, 18, and 19 on page 2 do not, in our opinion, prevent the occurrence of the above-mentioned objections.

The effects of H.R. 7728 are so far-reaching that it is believed that a full hearing in which the owners and operators of civil airports should be permitted to state their case, should be required before this bill should become law.

For the above reasons, we have requested Congressman GUBSER to vigorously oppose the passage of this bill, unless it were amended to be applicable only for aircraft in case of emergency.

Very truly yours,

JAMES M. NISSEN,
Airport Manager.

After receiving a copy of the above-mentioned letter, I decided to oppose this bill on the Consent Calendar and so notified the committee staff. Immediately thereafter I learned that H.R. 7728 would be considered under suspension of the rules.

When I learned on Friday of the plan to suspend the rules, I again contacted my constituent, Mr. Nissen. He immediately contacted national trade associations and I might say that a great deal of opposition was generated in one short weekend.

I have received telegrams and letters from the National Aviation Trades Council; California Aeronautic Association; Addison Airport in Dallas, Tex.; an airport official in Montgomery, Ala.; one in Delaware, and another in New Jersey; one in Daytona Beach, Fla., another in Malta, Mont.; a letter from the South Dakota Aviation Trade Association; a letter from Van Nuys, Calif.; the Council of Aviation Operators; another letter from Long Beach, Calif.; the Indiana Airport Officials Association; a letter from Anderson, Ind., and others. None of these national associations knew of the existence of this bill until last Friday.

To summarize their opposition I am going to read one letter to you. This was delivered to me this morning from the National Aviation Trades Association:

AUGUST 7, 1961.

The Honorable CHARLES S. GUBSER,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. GUBSER: National Aviation Trades Association is adamantly opposed to the passage of H.R. 7728 which would openly permit military bases to sell goods and services to aircraft owners and their agents.

If private enterprise is to continue to grow and provide more extensive services to the public, it must not be further crippled by unfair competition from the Federal Government and its military services. The military services are already selling goods and services in the form of gas, oil, and other items to civil operators who hold military cargo and personnel transportation contracts and land on military bases. In the case of the Air Force, this practice is provided for under the terms of AFR 67–53.

NATA members are business firms engaged in providing aviation goods and services to the general public. Many of them have suffered greatly as a result of unfair competition from nearby military bases which regularly supply contractors with goods and services which our members are established to provide. We find that the Air Force is even selling these items on a credit basis and Middletown Depot publishes a list of contractors eligible to buy on a credit basis.

We believe the above practices should be stopped. And we could, in no conceivable way, approve of the extension of the above practices as contemplated by H.R. 7728 which would only make an improper, unfair, and unwarranted situation worse.

NATA, with a membership of some 350 local firms located in all States, hopes the Congress will reject this obnoxious bill as being contrary to the long-range interests of the American economic system.

NATA will appreciate whatever assistance you can provide in seeing to it that H.R. 7728 does not become law.

Respectfully yours,

ROBERT E. MONROE,
Executive Director.

Other letters and telegrams follow:

STATE OF CALIFORNIA,
CALIFORNIA AERONAUTICS COMMISSION,
Sacramento, Calif., August 4, 1961.

Hon. CHARLES S. GUBSER,
House of Representatives,
Washington, D.C.

DEAR MR. GUBSER: We consider that H.R. 7728 is not in the best interest of California unless amended to limit the military from development of Federal system of civil airports and base services in competition to civil industry.

Our experience has shown that the public interest is best served when such services are negotiated by contract or by bid.

Sincerely,

CLYDE P. BARNETT,
Director.

DALLAS, TEX., *August 4, 1961.*

Hon. CHARLES GUBSER,
U.S. House of Representatives Office Building, Washington, D.C.:

We definitely oppose H.R. 7728. It is another case of the Government in competition with our free enterprise system.

HENRY STUART,
Addison Airport.

ANDERSON, IND., *August 4, 1961.*

Congressman CHARLES GUBSER,
House Office Building,
Washington, D.C.:

Understand H.R. 7728 coming out Monday. This puts the Government in direct competition with private business. Let's keep the Government out of private business.

ART DARLINGTON,
President, Anderson Aviation, Inc.

ELKHART, IND., *August 4, 1961.*

Hon. CHARLES GUBSER,
House of Representatives,
Washington, D.C.:

Against passage of House bill H.R. 7728. Feel too much Government in business at present.

JAMES HANLEY.

GLENDALE, CALIF., *August 4, 1961.*

Congressman CHARLES GUBSER,
House of Representatives,
Washington, D.C.:

I wish to express my disapproval of H.R. 7728. It is not acceptable and I vigorously oppose the enactment of this bill.

A. BIEDERMAN.

DAYTONA BEACH, FLA., *August 4, 1961.*

Hon. CHARLES GUBSER,
U.S. House of Representatives,
Washington, D.C.:

Proposed H.R. 7728 places Government in competition with private enterprise. We oppose it.

E. B. OLIVER,
President, Volusia Aviation Service, Inc.

TEXARKANA, TEX., *August 4, 1961.*

Congressman GUBSER,
U.S. House of Representatives,
Washington, D.C.:

Please use your influence to kill House bill H.R. 7728 as this would be a death blow to many airports and airport operators throughout the United States.

HOWARD E. WEBB,
Webb Flying Service.

VAN NUYS, CALIF., *August 5, 1961.*

Hon. CHARLES GUBSER,
U.S. House of Representatives,
Washington, D.C.:

We are definitely opposed to putting Government installations in competition with the private facilities in which millions of

dollars are already invested in equipment and personnel. Therefore we urge you to do your utmost to oppose H.R. bill 7728 at the appropriate time.

NORMAN LARSON CO.,
NORMAN LARSON,
Distributor for Beech Aircraft.

MONTGOMERY, ALA., *August 4, 1961.*

Hon. CHARLES GUBSER,
House of Representatives,
Washington, D.C.

DEAR SIR: This is to thank you for the work we understand you are doing regarding H.R. 7728. We in aviation industry believe that it should be obvious that this would be unnecessary evil and work an unnecessary hardship on the aviation industry. Again thank you, and we urge your continued support of the aviation industry.

MONTGOMERY AVIATION,
ROBERT P. HUDGENS.

COLUMBUS, IND., *August 5, 1961.*

Hon. CHARLES GUBSER,
Representative from California,
House of Representatives Building,
Washington, D.C.:

Please work for defeat of H.R. 7728. This is unfair to the aviation industry and puts the Government in private business where it does not belong. Your full cooperation will be appreciated.

JOHN T. OWENS,
President, Indiana Airport Officials Association.

LONG BEACH, CALIF., *August 5, 1961.*

Hon. CHARLES GUBSER,
House of Representatives,
Washington, D.C.:

H.R. 7728—We oppose bill H.R. 7728. This puts the military in competition with us and private enterprise.

THE AIR OASIS CO.,
LARRY HUNT.

SANTA MONICA, CALIF.,
August 6, 1961.

Hon. CHARLES GUBSER,
House Office Building,
Washington, D.C.:

Opposing House bill 7728 which would permit military bases to sell fuels, parts, etc., to civilians. We are opposed to Government facilities being in competition with free enterprise.

GUNNELL AVIATION, INC.,
ROBERT F. GUNNELL,
President.

SOMERVILLE, N.J.,
August 1, 1961.

Congressman CHARLES GUBSER,
House Office Building,
Washington, D.C.:

Reference H.R. 7728 we feel Air Force should not service civil aircraft in competition with private enterprise except in emergency or where no civil facilities are available.

SOMERSET AIR SERVICE.

MALTA, MONT.,
August 6, 1961.

Hon. CHARLES GUBSER,
Member of Congress,
Washington, D.C.:

We urge your vigorous opposition to House bill H.R. 7728.

MALTA FLYING SERVICE.

HURON, S. DAK.,
August 5, 1961.

The Honorable CHARLES GUBSER,
U.S. House of Representatives,
Washington, D.C.:

We strongly oppose H.R. 7728. Your consideration of our wishes would be appreciated.

SOUTH DAKOTA AVIATION TRADES ASSOCIATION,
ROY C. CRISMAN, *President.*

HELENA, MONT., *August 7, 1961.*

Hon. CHARLES GUBSER,
Washington, D.C.:

In behalf of private enterprise and the Nation's small business as represented by the general aviation operators we wish to enter vigorous opposition to H.R. 7728 now before you for consideration.

NORTHWESTERN AVIATION OPERATORS COUNCIL,
INTERNATIONAL NORTHWEST AVIATION COUNCIL,
IDAHO AVIATION TRADES ASSOCIATION,
MONTANA AVIATION TRADES ASSOCIATION,
OREGON AVIATION TRADES ASSOCIATION,
WASHINGTON AVIATION ASSOCIATION.

HAYTI, MO., *August 5, 1961.*

Hon. CHARLES GUBSER,
U.S. House of Representatives Office Building, Washington, D.C.:

The operators in the State of Missouri are unalterably opposed to House bill H.R. 7728 regarding sale aviation fuel to civilians at military installations. This will cause hardships and cut into area of income obtained from selling fuel by fixed-base operators.

MISSOURI AVIATION OPERATORS ASSOCIATION.
RICHARD READE, *Vice President.*

WILMINGTON, DEL., *August 5, 1961.*

Hon. CHARLES GUBSER,
U.S. House of Representatives, Washington, D.C.:

We object to H.R. 7728 as it is presently written and strongly urge you to vote against its passage.

ATLANTIC AVIATION CORP.,
D. R. REDPATH.

WALTHAM, MASS., *August 7, 1961.*

Representative CHARLES GUBSER,
U.S. House of Representatives, Washington, D.C.:

Please record my opposition to H.R. 7728 permitting sales of gas and oil to civil aircraft landing on military bases, except on emergency basis to the extent required to permit civil aircraft to proceed to the nearest acceptable civil facility. Military service should not be permitted to compete with established civil airport businesses.

EAST COAST AVIATION CORP.,
LEXINGTON, MASS.,
JOHN T. GRIFFIN, *President.*

As I bring my argument to its summation, I make this point. No one in a national trade association knew of this bill until last Friday. Not a single airport official across the United States—that is, a private airport—knew about it in time to testify before the committee. In 3 short days great opposition, at least serious doubt, has arisen.

Mr. Speaker, I do not question the extension of these services on an emergency basis. But I do contend that the great civil aviation industry across this country has a right to be considered and should have a chance to appear before the committee and testify. Therefore, reluctantly, I must ask that this bill be defeated under suspension of the rules and that we take it up in an orderly fashion.

Mr. GROSS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, the vote on this bill will be an illustration of what happens when bills are brought up under suspension. I doubt that one-third of the Members—yes, that 50 Members of this House know what is in this bill. Not 60 Members are present. I ask the gentleman from Massachusetts [Mr. PHILBIN], who presented the bill, Is it not a fact that under this bill anyone operating a plane, private or commercial, under the circumstances stated here, may go to any military airport and purchase whatever may be on hand, and is needed?

Mr. PHILBIN. Only in an emergency; and also usually at oversea bases spread throughout the world, of which we have quite a number.

Mr. HOFFMAN of Michigan. This bill applies not only to bases outside of the continental United States, but it applies to airports in this country; does it not?

Mr. PHILBIN. According to the testimony offered before the committee, it applies to bases overseas. Of course it does.

But the bill is not limited to overseas bases. Line 8, on page 1, expressly states:

> The Secretary of a military department * * * may authorize any military activity under his department to sell any of the following supplies or services to the owner of an aircraft, or his agent, when in an emergency it is necessary to enable an aircraft to proceed to its next stop or when in the best interests of the United States.

And the supplies and services are:

> (1) Fuels and lubricants, (2) equipment, (3) parts, (4) supplies, (5) mechanical and maintenance service, (6) food, and (7) shelter and other assistance.

Mr. HOFFMAN of Michigan. According to the bill he can drop down on any military base, and if there is no commercial seller there, whoever is in charge will sell to him. Since when has the United States gone into the business of civilian or private planes? Why should it engage in that business? Certainly so doing will interfere with the military use of these airports.

Every airfield in or near any large city is now being used to its full capacity. We have been continually seeking funds, not only for the enlargement of the airports in or near the various cities, but there is a shortage of facilities to care for our ever-increasing military planes, especially for the jets which require a longer landing strip than is now available. If private and commercial planes can drop in on any military base and buy whatever they please, supplies and services, what is the use of establishing a military base for the defense of the country?

If we establish the proposed practice, private and commercial planes, including planes hauling freight in competition

UNIVERSITY OF MICHIGAN LIBRARIES

with trucks and the railways, will shortly be using a Federal facility in a competitive manner.

Mr. Speaker, I see no reason why this bill should be brought up under suspension of the rules.

Mr. PHILBIN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. PHILBIN. I may say to the gentleman that these services would be available only in an emergency and then only if commercial sources were not available. So that I think the gentleman's premise does not take into account the purpose and the intent of the bill.

Mr. HOFFMAN of Michigan. Oh, yes, I noticed that word "emergency." That may be answered in two ways. In the case of a real emergency, that is, where life was endangered, not a single military man in charge of an airport would refuse a needed article or service. That word "emergency" is only a subterfuge. On page 2 of the report, beginning in line 5, you state that the service is not limited for strictly emergency reasons. In the 17th line on page 2 of your report, you expressly state, and I quote:

> The bill applies not only to emergency situations but also, as described immediately above, to situations where "the best interests of the United States will be served."

And you repeat that thought in the next paragraph when you state:

> The purpose of the bill is to authorize the Secretary of a military department to sell supplies or services to the owner of an aircraft, or his agent, when in an emergency it is necessary to enable an aircraft to proceed or when in the best interest of the United States.

Note the last nine words. Is there any reason why private citizens operating planes for pleasure or for profit should be allowed to drop in at any time and to demand service on a military base?

Mr. PHILBIN. I want to assure the gentleman that I would militantly oppose such a system, to allow the Government to compete with retail outlets.

Mr. HOFFMAN of Michigan. That is just what this bill will permit. I suggest that the gentleman read the bill; that is all he need do.

My information is that a company operating an airline in California desiring to make a profit wants to be in a position where it can drop in at any military base—and there are many such throughout the country near which there are no commercial airports—and there get service at a field maintained at the expense of all taxpayers. I am satisfied that while this bill will pass because all too often Members follow the suggestion of a party employee and vote yea or nay as they are advised as they enter when the roll is called, a majority of the Members —I believe I am safe in saying—do not know what is in the bill, much less its implications.

Mr. PHILBIN. If the gentleman will read the bill carefully he will find that the bill covers emergency situations and its provisions are not applicable unless these conditions are met and unless these supplies and services are not reasonably available at commercial outlets.

Mr. HOFFMAN of Michigan. Sure. And the out is in the nine words I just read. I am not persuaded by what the gentleman says, I know the word "emergency" is in there. On the third line of the second page the word "emergency" is used. But, as in the past, there will always be an emergency when a plane lands on a field and does not have gas enough or enough of something else. In the 25 years I have been here there has never been a time when a department or agency could not come up with an emergency seeming to but not justifying anything wanted. And here we have along this line a bill putting Uncle Sam into the business of servicing private and commercial planes. Why not autos and boats?

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not a fact they now supply them if there is an emergency?

Mr. HOFFMAN of Michigan. If there is a real emergency, yes. If you want the Government to go into the business of serving private or commercial planes, this is your opportunity. If that is what you want, vote for this measure. If you do not, you do not want any part of it.

Mr. PHILBIN. Mr. Speaker, during the testimony on H.R. 7728, the witness pointed out what I think is an excellent example of why this legislation is needed.

It was testified that during the construction of the distant early warning line along the northern perimeter of North America, it was necessary to use one of our bases in Greenland.

Much of the equipment and supplies for the construction of this line had to be flown in—in view of the very short construction season.

In this case, we find that one privately owned airplane would fly in with necessary supplies and another privately owned airplane would fly in carrying nothing but fuel since under the law, no fuel could be sold to the contract carrier on the base.

Not only was the operation itself expensive but obviously the United States paid for the added costs of flying gasoline in there.

I concede that this is a rather unusual example. Nevertheless, it points up one of the great needs that will be met by this bill, when we consider that at the present time we have bases spread all over the world, some of them thousands of miles from land, some of them located on islands in the Pacific, others thousands of miles from the nearest place where these services and supplies of fuel can be secured.

So I repeat, it is only with regard to these emergency conditions, and then only under carefully regulated limits that these fuels and services will be supplied.

I hope that the House will take account of these emergency situations, not only with respect to our aircraft, but every difficult and critical situation that exists throughout the entire world with reference to the security of the United States, which is of such deep concern to us all at the present time.

It goes without saying, Mr. Speaker, that if this bill is enacted, and I urge that it be enacted, it is designed to promote the security of the United States, to make available fuel supplies for aircraft wherever they may be on their very important journeys throughout the entire globe. I urge that this bill be passed by the House.

Mr. GROSS. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. BEERMANN].

Mr. BEERMANN. Mr. Speaker, as a private pilot and one who has had a chance to partake of the services we are discussing here, it is a little difficult to say whether I am for or against this bill.

I oppose this bill on the basis that never have I been denied facilities on any military base. We carry a certificate of insurance in our plane. If we are in an emergency and need to land on a military field, we get permission by requesting the tower to let us land. We have never been turned down in an emergency. If you are flying along and have 30 or 40 miles to go and fly over a military base and have 10 minutes of fuel left, it is time to sit down. You can sit down. They will help you. I do not see any reason to buy gas there unless none is available anyplace else. I think it is a matter of discretion with the commander of the base. Again I say, never in my life have I been turned down. Every flier appreciates the military, and every military man appreciates the civilian flier. I see no reason to pass any additional legislation. It is permissible to get your repairs, if you do land, at a base in an emergency. You certainly have to justify landing there. So I do not see any reason to pass this bill. People are human. If you land on a base and need some help, they will help you. I ask you to turn the bill down.

Mr. GROSS. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. BOLLING). The question is: Will the House suspend the rules and pass the bill, H.R. 7728, as amended?

The question was taken.

Mr. GUBSER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 307, nays 78, not voting 52, as follows:

[Roll No. 133]

YEAS—307

Abbitt	Baldwin	Boykin
Abernethy	Baring	Brademas
Adair	Barrett	Breeding
Addabbo	Barry	Brewster
Addonizio	Bass, Tenn.	Brooks, La.
Albert	Bates	Brooks, Tex.
Alexander	Becker	Broyhill
Alford	Beckworth	Burke, Ky.
Andrews	Bennett, Fla.	Burke, Mass.
Anfuso	Bennett, Mich.	Burleson
Ashley	Blatnik	Byrne, Pa.
Ashmore	Blitch	Cahill
Aspinall	Boggs	Cannon
Avery	Boland	Carey
Bailey	Bolling	Casey
Baker	Bonner	Celler

Chelf	Holtzman	Passman
Chenoweth	Huddleston	Patman
Chiperfield	Hull	Pelly
Church	Ichord, Mo.	Perkins
Clancy	Ikard, Tex.	Peterson
Clark	Inouye	Pfost
Coad	Jarman	Philbin
Cohelan	Jennings	Pike
Colmer	Jensen	Pirnie
Conte	Joelson	Poage
Cooley	Johnson, Calif.	Poff
Corbett	Johnson, Md.	Price
Corman	Johnson, Wis.	Pucinski
Curtin	Jonas	Randall
Daddario	Jones, Ala.	Rhodes, Pa.
Dague	Jones, Mo.	Riehlman
Daniels	Karsten	Riley
Davis, James C.	Karth	Rivers, Alaska
Davis, John W.	Kee	Robison
Davis, Tenn.	Keith	Rodino
Dawson	Kelly	Rogers, Colo.
Delaney	Keogh	Rogers, Fla.
Dent	Kilday	Rogers, Tex.
Denton	Kilgore	Rooney
Derwinski	King, Calif.	Roosevelt
Diggs	King, Utah	Roudebush
Dingell	Kirwan	Roush
Dominick	Kitchin	Rutherford
Donohue	Kluczynski	Ryan
Dorn	Kornegay	St. Germain
Dowdy	Kowalski	Santangelo
Downing	Kunkel	Saund
Doyle	Landrum	Schneebeli
Duiski	Lane	Schweiker
Dwyer	Lankford	Schwengel
Edmondson	Latta	Scott
Elliott	Lennon	Scranton
Ellsworth	Libonati	Seely-Brown
Everett	Lindsay	Selden
Fallon	Loser	Shelley
Farbstein	McCormack	Sheppard
Fascell	McDowell	Shipley
Feighan	McFall	Sibal
Fenton	McMillan	Sikes
Finnegan	McSween	Siler
Fisher	Macdonald	Sisk
Flood	Machrowicz	Slack
Flynt	Mack	Smith, Iowa
Fogarty	Magnuson	Smith, Miss.
Forrester	Mahon	Smith, Va.
Fountain	Marshall	Spence
Frazier	Martin, Mass.	Springer
Friedel	Matthews	Stafford
Fulton	May	Staggers
Gallagher	Meader	Stephens
Garland	Merrow	Stratton
Garmatz	Michel	Stubblefield
Gary	Miller, Clem	Sullivan
Gathings	Miller, George P.	Taylor
Gavin	Miller, N.Y.	Teague, Calif.
Giaimo	Milliken	Teague, Tex.
Gilbert	Mills	Thomas
Goodell	Moeller	Thompson, N.J.
Goodling	Monagan	Thompson, Tex.
Granahan	Montoya	Thornberry
Grant	Moorhead, Pa.	Toll
Gray	Morgan	Tollefson
Green, Oreg.	Morris	Trimble
Green, Pa.	Morrison	Tuck
Griffiths	Morse	Tupper
Hagan, Ga.	Moss	Udall, Morris K.
Hagen, Calif.	Multer	Ullman
Haley	Murphy	Vanik
Halleck	Murray	Van Zandt
Hansen	Natcher	Wallhauser
Harding	Nelsen	Watts
Hardy	Nix	Weis
Harris	Norblad	Whalley
Harrison, Wyo.	Norrell	Whitener
Healey	O'Brien, Ill.	Whitten
Hechler	O'Brien, N.Y.	Wickersham
Hemphill	O'Hara, Ill.	Widnall
Henderson	O'Hara, Mich.	Williams
Herlong	O'Konski	Wright
Holifield	Olsen	Yates
Holland	O'Neill	Zablocki
		Zelenko

NAYS—78

Alger	Bruce	Hiestand
Andersen, Minn.	Byrnes, Wis.	Hoffman, Mich.
Anderson, Ill.	Chamberlain	Horan
Arends	Cunningham	Hosmer
Ashbrook	Curtis, Mo.	Johansen
Auchincloss	Derounian	Judd
Ayres	Devine	Kastenmeier
Beermann	Dole	King, N.Y.
Bell	Durno	Knox
Berry	Findley	Kyl
Betts	Ford	Laird
Bow	Frelinghuysen	Langen
Bray	Griffin	Lipscomb
Bromwell	Gross	McCulloch
Broomfield	Gubser	McDonough
Brown	Harsha	McIntire
	Harvey, Ind.	McVey
MacGregor	Pillion	Smith, Calif.
Mailliard	Ray	Taber
Martin, Nebr.	Reece	Thomson, Wis.
Mathias	Reifel	Utt
Moore	Rousselot	Van Pelt
Moorehead, Ohio	Saylor	Westland
	Schadeberg	Wilson, Calif.
Mosher	Schenck	Wilson, Ind.
Nygaard	Scherer	Younger
Ostertag	Shriver	

NOT VOTING—52

Bass, N.H.	Harvey, Mich.	Rains
Battin	Hays	Reuss
Belcher	Hébert	Rhodes, Ariz.
Bolton	Hoeven	Rivers, S.C.
Buckley	Hoffman, Ill.	Roberts
Cederberg	Kearns	Rostenkowski
Collier	Kilburn	St. George
Cook	Lesinski	Short
Cramer	Madden	Steed
Curtis, Mass.	Mason	Thompson, La.
Dooley	Minshall	Vinson
Evins	Moulder	Walter
Fino	Osmers	Weaver
Glenn	Pilcher	Wharton
Hall	Powell	Willis
Halpern	Quie	Winstead
Harrison, Va.	Rabaut	Young

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. Buckley with Mr. Fino.
Mr. Winstead with Mr. Mason.
Mr. Harrison of Virginia with Mr. Kilburn.
Mr. Hays with Mr. Glenn.
Mr. Rains with Mr. Hall.
Mr. Roberts with Mr. Belcher.
Mr. Lesinski with Mr. Bass of New Hampshire.
Mr. Evins with Mr. Collier.
Mr. Cook with Mr. Battin.
Mr. Thompson of Louisiana with Mr. Harvey of Michigan.
Mr. Hébert with Mr. Minshall.
Mr. Madden with Mr. Cramer.
Mr. Willis with Mr. Osmer.
Mr. Powell with Mr. Weaver.
Mr. Steed with Mrs. St. George.
Mr. Vinson with Mr. Wharton.
Mr. Pilcher with Mr. Cederberg.
Mr. Moulder with Mr. Short.
Mr. Young with Mr. Rhodes of Arizona.
Mr. Rabaut with Mr. Kearns.
Mr. Rostenkowski with Mr. Hoeven.
Mr. Rivers of South Carolina with Mr. Hoffman of Illinois.
Mr. Reuss with Mr. Quie.

Mr. BREEDING changed his vote from "nay" to "yea."

The vote was announced as above recorded.

The doors were opened.

The title of the bill was amended so as to read:

A bill to amend title 10, United States Code, to authorize the Secretary of a military department to sell goods and services to the owner of an aircraft or his agent in an emergency, or when in the best interests of the United States, and for other purposes.

A motion to reconsider was laid on the table.

LANDS OF THE LOWER BRULE SIOUX RESERVATION, S. DAK.

Mr. HALEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5144) to provide for the payment for individual Indian and tribal lands of the Lower Brule Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in furtherance of the Big Bend Dam and Reservoir project authorized by the Flood Control Act of December 22, 1944 (58 Stat. 887, 891)—

(a) The entire interest, including gravel but excluding the interest in oil, gas, and all other minerals of any nature whatsoever, in approximately 14,299.03 acres of land within the taking area described in this Act in the Lower Brule Sioux Reservation in South Dakota, in which the Lower Brule Sioux Tribe or individual Indians have a trust or restricted interest, and any interest the tribe or Indians may have within the bed of the Missouri River so far as it is within the boundaries of the reservation are hereby taken by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and in consideration thereof and for trust or restricted lands heretofore acquired by the United States in condemnation proceedings for the Big Bend project the United States will pay to the tribe and the individual Indian owners, out of funds available for the Big Bend Dam and Reservoir project—

(1) a sum aggregating $825,000, to be disbursed in accordance with the provisions of schedules prepared pursuant to section 2(b) of this Act; and

(2) the amount of $400,715, which shall be in settlement of all claims, rights, and demands of the tribe and individual Indians arising out of the taking under this Act, to be disbursed in accordance with the provisions of section 2 hereof.

(b) Upon a determination by the Secretary of the Army, within two years from the date of enactment of this Act, filed among the appropriate land records of the Department of the Interior, that any of the lands described in this Act are not required for Big Bend project purposes, title to such land shall be revested in the former owner.

(c) If the Secretary of the Army determines that additional Indian lands, tribal or individual, within the Lower Brule Reservation are required for project purposes, other than for fish, wildlife, and migratory waterfowl, he may acquire such lands by purchase with the approval of the Secretary of the Interior or by condemnation.

SEC. 2. (a) The payments authorized by section 1 of this Act, less the amounts heretofore deposited by the United States in the case entitled United States of America, Plaintiff against 867.50 acres of land, etc., and Crow Creek Tribe of Sioux Indians et al., Defendants, civil numbered 335, filed in the United States District Court for the District of South Dakota, for trust property acquired in the taking area described in this Act, shall be deposited to the credit of the tribe in the Treasury of the United States and shall draw interest on the principal at the rate of 4 per centum per annum until expended.

(b) The amount paid pursuant to section 1(a)(1) of this Act shall be allocated in accordance with Indian ownership schedules prepared by the Secretary of the Interior, after consultation with the Lower Brule Tribal Council to correct known errors and to insure fair and equitable allocation. These schedules shall reflect the amount agreed upon by the Secretary of the Army and the Secretary of the Interior as the basis for negotiation, after appropriate acreage adjustments, increased by a uniform percentage to equal the amount paid. The amounts allocated for payment of property owned by individual Indians shall be credited to their respective individual Indian money accounts. No part of the compensation provided for in section 1 shall be subject to any lien, debt, or claim of any nature whatsoever against

UNIVERSITY OF MICHIGAN LIBRARIES

the tribe or the individual Indian owners entitled to the compensation, except delinquent debts owed to the United States by the tribe, or delinquent debts owed to the tribe or to the United States by the individual Indians entitled to the compensation: *Provided*, That such compensation shall not be applied to the payment of such individual delinquent debts unless the Secretary of the Interior first determines and certifies that no hardship will result from the payment of such delinquent debts. The amounts allocated for payment of tribal property that consists of improvements that are to be replaced by the Secretary of the Army pursuant to section 6 of this Act shall be withdrawn from the credit of the tribe and transferred to the funds available for the Big Bend Dam and Reservoir project upon request of the Secretary of the Army after completion of the work.

(c) The tribal council, with the approval of the Secretary of the Interior, shall make available from the funds authorized by section 1(a)(2) of this Act not to exceed $247,325, to pay the expenses, costs, losses, and damages incurred by members of the tribe as a direct result of moving themselves and their possessions, including dwellings and other buildings owned by the individual members, on account of the acquisition referred to in section 1 of this Act. The balance of the amount paid pursuant to section 1(a)(2) shall be consolidated with the appropriation authorized by section 3(a) of this Act and shall be expended in accordance with the provisions of section 3(a).

SEC. 3. (a) There is authorized to be appropriated the additional sum of $2,670,300 which shall be deposited in the Treasury of the United States to the credit of the tribe and which shall draw interest on the principal at the rate of 4 per centum per annum until expended, for the purposes of developing individual and family plans, housing on or near the reservation including Pierre, South Dakota, enterprises and programs, and for relocating, reestablishing, and providing other assistance designed to improve the economic and social conditions of enrolled members of the tribe on the date of enactment of this Act. The funds authorized by this section shall be expended in accordance with plans and programs approved by both the tribal council and the Secretary of the Interior: *Provided*, That $400,000 shall be allocated exclusively for industrial development on the reservation or within fifty miles of any exterior boundary of the reservation with preferential right of employment for members of the tribe. Nothing in this Act shall be construed to prevent cooperative action with the Crew Creek Sioux Tribe on industrial development or other programs.

(b) The Secretary of the Interior is hereby authorized to convey without charge to the Lower Brule Sioux Tribe, or to the Lower Brule Sioux Tribe and the Crow Creek Tribe jointly, land owned by the United States that is under the jurisdiction of the Department of the Interior, in such acreage as may be reasonably required for the industrial development program or tribal housing projects. Any such land so conveyed that is located within the exterior boundaries of the reservation or of the Pierre Indian Agency and boarding school reserve shall be conveyed in trust status. Any land so conveyed that is outside the exterior boundaries of the reservation or the aforesaid reserve shall be conveyed in a fee simple status subject to a restriction against alienation without the consent of the Secretary of the Interior, but shall not be exempt from taxation.

SEC. 4. The Secretary of the Army, out of funds appropriated for the Big Bend project other than funds provided by this Act, is authorized and directed to relocate and reestablish such Indian cemeteries, tribal monuments, and shrines within the taking area of the Big Bend project as the tribal council, with the approval of the Secretary of the Interior, shall select and designate: *Provided*, That reinterment of individual remains, but not entire cemeteries, outside the reservation boundaries is authorized if desired by the next of kin and approved by the tribal council, but in no event will reinterment be made to a site which exceeds the equivalent distance from the disinterment site to the farthest point at which reinterment could be made within the reservation boundaries.

SEC. 5. The Secretary of the Army is authorized and directed out of funds appropriated for the Big Bend project other than funds provided by this Act (a) to construct access roads to Indian homes on the reservation, as required in accordance with plans approved by the Secretary of the Interior; (b) to construct an access road between Big Bend Dam and the relocated town of Lower Brule; (c) to protect, replace, relocate, or construct any essential governmental and agency facilities on the reservation, including schools, hospitals, Public Health Service and Bureau of Indian Affairs offices, facilities, service buildings, and employees' quarters, roads, bridges, and incidental matters or facilities in connection therewith, which the Secretary of the Interior determines will be impaired or required by reason of the Big Bend project; (d) to mark in a clearly identifiable manner the common boundary between the reservation and the Fort Randall and Big Bend projects; and (e) to take appropriate steps to protect from fire, Indian land adjoining the Fort Randall and Big Bend project lands.

SEC. 6. The Secretary of the Army, under plans approved by the Secretary of the Interior after consultation with the Lower Brule Tribal Council, is authorized and directed, out of funds appropriated for the Big Bend project other than funds provided by this Act, to locate and construct the new town of Lower Brule on tribal land on a site selected by the Lower Brule Sioux Council with the approval of the Secretary of the Interior, including blacktop streets, sidewalks, gutters, curbing, utilities, including water, sewage, and electricity, taking into account the reasonable future growth of the new town, dwelling houses for sixty-one Lower Brule Indian families of which not less than thirty shall be new construction, dwelling houses for Bureau of Indian Affairs and Public Health Service personnel, elementary school building and related equipment, facilities, recreational facilities, a municipal building providing space and facilities for agency offices, a tribal council room, tribal offices, tribal courtroom, jail, quarters for police and extension personnel, reservation library and Bureau of Indian Affairs and Public Health Service quarters and facilities. The tribal council is authorized, with the approval of the Secretary of the Interior (a) to convey, with or without compensation, tribal land, exclusive of minerals, for church or cemetery purposes for so long as the land is used for such purposes, and (b) to sell unimproved lots, exclusive of minerals, in the relocated town of Lower Brule at competitive sale to the highest qualified bidder but for not less than the appraised value, pursuant to such terms and conditions as the Secretary of the Interior may prescribe.

SEC. 7. All minerals of any kind whatsoever, including oil and gas, but excluding gravel, in the lands taken by this Act are hereby reserved for the benefit of the tribe or individual Indian owners as their interests may appear. All right, title, and interest of the United States in such minerals in trust or restricted land heretofore acquired by the United States for the Big Bend project are hereby revested in the former owners. All such minerals in trust or restricted land hereafter acquired by the United States for the Big Bend project shall be reserved for the benefit of the owners as their interests may appear. Notwithstanding the foregoing provisions of this section the exploration and development of such minerals, including oil and gas, within the taking area shall be subject to all reasonable regulations of the Secretary of the Army necessary for the protection of the Big Bend project.

SEC. 8. Members of the Lower Brule Sioux tribe now residing within the taking area of the Big Bend project shall have the right without charge to remain on and use the lands taken by this Act until required to vacate at such times as may be fixed by the Secretary of the Army, with the approval of the Secretary of the Interior.

SEC. 9. Individual Indians and the tribe are authorized without charge to retain timber and improvements removed by them from their respective trust or restricted lands on the reservation acquired by this Act and heretofore acquired by the United States for the Big Bend project. Up to sixty days before the individual Indian landowners and the tribe are required to vacate the taking area in accordance with this Act, they shall have the right, without charge, to cut and remove all timber and to salvage any improvements on their respective lands, but, if such rights are not exercised or are waived within the time prescribed, the tribe, through its tribal council, may exercise such rights: *Provided*, That the timber cut and the salvage permitted by this section shall not be construed to be compensation.

SEC. 10. Subject to the right of the United States to accupy, use, and control trust and restricted lands acquired by this Act and heretofore acquired in condemnation action civil numbered 335 for the construction, operation, and maintenance of the Big Bend Dam and Reservoir project pursuant to the Flood Control Act of 1944, approved December 22, 1944, and amendatory laws, as determined necessary by the Secretary of the Army adequately to serve said purposes, the Lower Brule Sioux Tribe and the individual members thereof shall be permitted, after the Big Bend Dam gates are closed and the waters of the Missouri River impounded, to graze stock without charge for a period of five years on such of the land described in this section as lies between the level of the reservoir and the taking line described in section 16 of this Act and as is not devoted to other beneficial uses. The tribe and members thereof shall have without cost the right of free access to the shoreline of the reservoir including the right to hunt and fish in and on the aforesaid shoreline and reservoir, subject, however, to regulations governing the corresponding use by other citizens of the United States.

SEC. 11. Notwithstanding any other provision of law, for the purposes of (1) providing substitute land for individual Indians who owned land within the taking area of the Fort Randall or Big Bend projects, (2) consolidating landholdings, and (3) eliminating fractionated heirship interests within the reservation, the Secretary of the Interior is authorized to purchase, with funds made available by such individual Indians or by the tribe, land or interests in land, and to sell tribal land upon request of the tribe, but no service charge shall be made by the United States. The land selected by and purchased for individual Indians may be either inside or outside the boundaries of the reservation. Title to any land or interests in land acquired within the boundaries of the reservation shall be taken in the name of the United States in trust for the tribe or the individual Indian for whom the land is acquired, and title to any land or interests in land acquired outside the boundaries of the reservation shall be taken in the name

of the individual for whom it is acquired: *Provided*, That title to lands outside the exterior boundaries of the reservation acquired by the tribe shall be taken in the name of the tribe subject to a restriction against alientation without the consent of the Secretary of the Interior, but shall not be exempt from taxation.

For the purposes of this section, the Secretary of the Interior is authorized to partition or sell individually owned lands in which all interests are held in trust or restricted status (1) upon the request of the owners of not less than a 25 per centum interest in such land where ten persons or more own or claim interests in the land, or (2) upon the request of the owners of not less than a 50 per centum interest in such land where fewer than ten persons own or claim interests in the land. For the purpose of this section, the Secretary of the Interior may represent any Indian owner who is a minor or who is under any other legal disability, and the Secretary, after first giving reasonable notice by publication of the proposed sale, is authorized to represent any Indian owner or claimant who cannot be located after reasonable and diligent search. Sales of all Indian trust or restricted interests in land shall be in accordance with the following procedure:

(a) Upon receipt of requests from the required ownership interests, the Secretary shall notify the tribe and each owner of an undivided Indian interest in the land by a letter directed to his last known address that each such owner and the tribe has a right to purchase the land for its appraised value, unless one of the owners objects within the time fixed by the Secretary, or for a lower price if all of the owners agree, and that if more than one owner or if one owner and the tribe wants to purchase the land it will be sold on the basis of sealed competitive bids restricted to the owners of undivided interests in the land and the tribe.

(b) If no Indian owner of an undivided interest in the land elects to purchase the land within the time fixed by the Secretary, and the tribe owns no interest in the land, the Secretary shall offer to sell the land at its appraised value to the tribe, unless one of the Indian owners or his authorized representative objects within the time fixed by the Secretary to a sale to the tribe at the appraised value.

(c) If any Indian owner or his authorized representative objects to a sale to the tribe at the appraised value, the Secretary shall offer the land for sale by sealed competitive bid with a preferential right in the tribe or any Indian owner to meet the high bid, unless one of the Indian owners or his authorized representative objects within the time fixed by the Secretary to the grant of such preferential right. All bids shall be rejected if no bid substantially equal to the appraised value is received.

(d) If any Indian owner or his authorized representative objects to a sale by sealed competitive bid with a preferential right to meet the high bid, the Secretary shall offer the land for sale by sealed bids without such preferential right: *Provided*, That, if at any time before sealed bids are invited the tribe or one of the Indian owners asks that the land be sold at auction, then after notice to all interested parties, including the tribe, the land shall be sold at auction immediately after the opening of the sealed bids and auction bidding shall be limited to the Indian owners, the tribe, and persons who submitted sealed bids in amounts not less than 75 per centum of the appraised value of the land. The highest sealed bid shall be considered the opening auction bid. No sale shall be made unless the price is equal to the highest sealed bid and substantially equal to the appraised value.

(e) The Secretary may, when he deems it in the best interests of the Indian owners, obtain a power of attorney from the owner of a non-Indian interest in the land to be sold authorizing the Secretary to sell and convey the interest of the non-Indian owner in accordance with any part of the procedure provided in this section.

SEC. 12. The Secretary of the Treasury, upon certification by the Secretary of the Interior, shall reimburse the tribe for fees and expenses incurred in connection with the taking of Indian lands within the reservation for the Big Bend project: *Provided*, That such reimbursable fees and expenses shall not exceed in the aggregate, $125,000: *Provided further*, That attorney fees shall be paid under the terms of a contract approved by the Secretary of the Interior.

SEC. 13. (a) Any individual Indian who has been duly tendered payment in accordance with the schedules prepared pursuant to section 2(b) of this Act, shall have the right to reject the sum tendered by filing a notice of rejection with the Chief of Engineers, United States Army, Washington, District of Columbia, or with the superintendent of the Pierre Indian Agency, Pierre, South Dakota, within one year from the date of enactment of this Act or within ninety days after the tender is made, whichever date is later. For the purpose of this section, the Secretary of the Interior and the tribe are authorized to represent any Indian entitled to payment who is a minor, or under any other legal disability, or who cannot be located after a reasonable and diligent search, and any person who is an undetermined heir or devisee of a deceased Indian.

(b) If the land of any Indian rejecting payment is included in condemnation proceedings heretofore instituted, the court in those proceedings shall proceed to determine the just compensation to which the individual is entitled and, if the land is not included in such condemnation proceedings, jurisdiction is hereby conferred upon the United States District Court for the District of South Dakota to determine just compensation in accordance with procedures applicable to the determination of just compensation in condemnation proceedings. No court or statutory costs, but all other costs and expenses, including attorney's fees, shall be at the contesting individual's expense. Suit may be brought on behalf of any individual rejecting payment within one year after the date of the rejection. If a notice of rejection of the tender of payment is filed, at least 10 per centum of the tender deposited in the individual Indian money account shall be withheld from disbursement pending a final determination under this subsection.

SEC. 14. No part of any expenditure made by the United States under any of the provisions of this Act shall be charged by the United States as an offset or counterclaim against any tribal claim against the United States which has arisen prior to the date of enactment of this Act. The payment of Sioux benefits as provided for in section 17 of the Act of March 2, 1889 (25 Stat. 888), as amended, shall be continued under the provisions of section 14 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984), on the basis now in operation without regard to the loss of tribal land within the taking area for the Big Bend project.

SEC. 15. There is hereby authorized to be appropriated such amounts as may be necessary for the purposes of this Act.

SEC. 16. The land taken by section 1 of this Act, embracing approximately 14,299.03 acres, and the land heretofore acquired in condemnation proceedings by civil numbered 335, embracing approximately 310.00 acres, are the lands identified and delimited on a map entitled, "A map delimiting tribal and individual Indian trust and restricted land of the Lower Brule Sioux Reservation acquired by the United States for the Big Bend Dam and Reservoir project for the sum of $825,000". Legal descriptions of the lands shown therein shall be prepared by the Secretary of the Army and attached thereto. The map and descriptions shall be prepared by the Secretary of the Army and shall be filed among the land records of the Bureau of Indian Affairs in Washington, District of Columbia, and a duplicate original filed and maintained at the agency in Pierre, South Dakota. A true and correct copy of the map and descriptions shall be furnished without cost to the tribe. The Secretary of the Army shall prepare and furnish the Secretary of the Interior and the tribe tract by tract legal descriptions of trust and restricted land acquired by this Act within two years of enactment of this Act: *Provided*, That within thirty days after notice of rejection is filed pursuant to subsection 13(b) the Secretary of the Army shall furnish to the individual Indian and to the Superintendent of the Pierre Indian Agency a legal description of the lands covered by the rejection.

SEC. 17. All funds authorized by this Act paid to the tribe and individual Indians shall be exempt from all forms of State and Federal taxation, including Federal excise taxes on purchases made by the tribe.

SEC. 18. The Secretary of the Army is authorized and directed to pay to any bona fide lessee or permittee owning improvements situated on Indian tribal land the fair value, as determined by the Secretary, or by a court of competent jurisdiction, of any such improvements which will be rendered inoperative or be otherwise adversely affected by the construction of the Big Bend Dam and Reservoir project.

The SPEAKER pro tempore. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HALEY. Mr. Speaker, I yield 5 minutes to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, each and every one of us not only have a strong feeling of friendship but I know a strong feeling of respect and admiration for the distinguished gentleman from Missouri [Mr. CANNON]. There is no harder working or more able Member of Congress than the distinguished gentleman from Missouri. I have had the pleasure of serving with him in this body for 33 years, and each day, if it is possible, my admiration for him increases, as well as my friendship.

Several weeks ago I was sorrowed, as were my colleagues, to hear that he was confined to the hospital. I am so glad, and I know my colleagues join me in this feeling, to see that he is back with us today. Speaking for myself, I welcome that distinguished colleague of ours, that great American, that dedicated legislator, the gentleman from Missouri [Mr. CANNON], back to the floor of the House.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. YATES. I should like the gentleman to know that the membership of the Committee on Appropriations join and endorse his sentiments completely. We are delighted to have our beloved boss back with us again.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who may desire to do so may extend their remarks at this point in the RECORD regarding our distinguished colleague, the gentleman from Missouri [Mr. CANNON].

The SPEAKER pro tempore. Without objection, it is ordered.

There was no objection.

Mr. THOMAS. Mr. Speaker, I join our majority leader, the gentleman from Massachusetts [Mr. McCORMACK], in welcoming back to the Chamber our distinguished and beloved colleague, the gentleman from Missouri [CLARENCE CANNON]. In spirit and mental alertness he is one of the youngest men in the House. He demonstrates this daily by long hours and hard work. He has recently had a small sick spell, but now he is well, hearty, and active again in his duties.

The House rose and cheered the remarks of the gentleman from Massachusetts, Congressman McCORMACK. This warm standing ovation to our chairman, Mr. CANNON, is just one of the many measures of esteem and affection in which he is held by all of us and a demonstration of the deep appreciation for the outstanding service he renders to his district, to the grand State of Missouri, and to the Nation.

Mr. HALEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the principal purpose of the bill H.R. 5144 is to reimburse the individual Indians and the tribe for the taking of the trust lands and the acquiring of lands for the construction of a dam on the Missouri River. The construction of this dam and reservoir project was authorized as a part of a comprehensive plan for flood control protection of the Missouri River Basin provided for in the Flood Control Act of December 22, 1944.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Colorado, the chairman of my full committee.

Mr. ASPINALL. Mr. Speaker, I take this time to commend the gentleman from Florida [Mr. HALEY], the chairman of the subcommittee handling this legislation, and the gentleman from South Dakota [Mr. BERRY], his counterpart on the subcommittee handling the legislation, and also the members of the committee who worked with these two gentlemen. This is a very technical piece of legislation. It is very important to the particular tribe, in this instance the Lower Brule and in the next bill, the Crow Tribe. The gentleman from Florida can explain the intricacies of this bill in a very few minutes, but we would like to have the provisions of the legislation understood, because this bill is going to be part of a pattern of similar and later legislation which is to come before Congress in order to see that equity is done to our fellow citizens, the American Indians. I thank my colleague for yielding.

Mr. HALEY. I thank my chairman.

Mr. Speaker, this is a very important bill because it will set the pattern, I think, in our future dealing with our Indian tribes. This bill merely does this—it compensates the Indians for their lands and other intangibles that we think they are justly entitled to be compensated for. It also sets up a rehab program which we think is very necessary to see that these Indians make the progress we hope they can make in this kind of a situation. I think the bill is more than fair and eminently so. I think it does justice to the taxpayers of the United States, and I think it does justice to the Indians. I urge that this bill be passed.

Mr. SAYLOR. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I take this time to pay particular tribute to the gentleman from Florida [Mr. HALEY] and the gentleman from South Dakota [Mr. BERRY] for the work they have done on this bill. The Army Engineers were authorized to construct a dam and they were given the authority to condemn and pay for all lands owned by our white brethren. However, there was no authority whatsoever given to them to pay for any part of the Indian reservations that would be flooded by the construction of this dam. This bill is that authority and it fixes the values to be paid for the taking of individual and tribal lands. The tribal council through its representatives, the Department of the Interior through the Bureau of Indian Affairs, and the Department of the Army through their bureau of Engineers, all worked hard on this bill. They all agreed on certain features, and then they presented their respective views on the points of difference.

It was only due to the work of the gentleman from Florida [Mr. HALEY] and the gentleman from South Dakota [Mr. BERRY] that the differences between these three groups were finally reconciled and that we are able to present this bill to you today.

Mrs. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I wonder if the gentleman can assure us regarding two points: Are the Indians themselves satisfied with the settlement? And, since this is to be the basis of future settlements, what was the ratio of compensation agreed on, or the method of determining the ratio?

Mr. SAYLOR. I can only tell the gentlewoman that the tribal council through their attorneys, who were present, were satisfied with the settlement, and the gentleman from North Dakota who will address us shortly will give us the details of how the differences were settled.

Mrs. CHURCH. I thank the gentleman from Pennsylvania.

Mr. HALEY. Mr. Speaker, I have no further requests for time.

Mr. SAYLOR. Mr. Speaker, I yield 10 minutes to the gentleman from South Dakota [Mr. BERRY.]

Mr. BERRY. Mr. Speaker, first of all I want to commend the chairman of our subcommittee, the gentleman from Florida [Mr. HALEY]; the chairman of our full committee, the gentleman from Colorado [Mr. ASPINALL]; and the members of this committee who have done such a terrific job, spent so much time in working out not only this settlement but also as has been indicated, a determination for settlements of this kind in the future.

I shall take just a minute to give you a very brief history of the need for this legislation.

Prior to 1943, almost every spring, as the snows of the Northwest went off, the Missouri River flooded its banks. Every 4 or 5 years the old river went on a rampage, doing millions of dollars in damage in Sioux City, Iowa, and all the way down to New Orleans.

After the big flood in 1943 Congress, in order to stop this tremendous annual destruction and damage, passed the Flood Control Act in 1944 in which it authorized the construction of five mammoth dams, four of which are located in South Dakota and one in North Dakota, which impounds all floodwaters and retains those waters in gigantic lakes, with the Corps of Engineers releasing these floodwaters throughout the entire year, keeping the Missouri River completely harnessed and protecting life and property below Sioux City, Iowa.

What has actually happened, of course, is that instead of floods covering the river bottom lands for a few days each year and doing millions of dollars in damage, this program floods thousands and thousands of acres of land of equal value in North and South Dakota, not for a few days, but forever.

The Corps of Engineers makes payment to the property owners as they take their land, but the corps is without authority to make settlement for Indian lands on the various Indian reservations in North and South Dakota without special action and legislation on the part of Congress.

The bills we have before us today are special legislation in which Congress is authorizing the Corps of Engineers to take allotted and tribal lands away from the Indian people, and providing compensation to them for such taking.

This is the seventh time Congress has been called upon to work out a settlement with these Indian tribes and during the past 8 years our committee has learned a great deal in bringing to this Congress legislation which is fair to the Indians and yet protects the taxpayers of the Nation.

This bill today follows almost exactly the settlement that was made 2 years ago on the Standing Rock Reservation. The Crow Creek bill, which is to follow the passage of this bill, follows almost exactly the pattern established in this bill.

First. Direct damages: What the bill does is to provide $825,000 for land taking. It provides:

Second. Intangible damages in the amount of $400,715, including the bed of the river, given by treaty to these tribes, damages to the individuals and to the tribe for the taking of their timber,

their wild fruits, their vegetables, their livestock protection, and so forth.

Third. Rehabilitation is provided in the amount of $2,670,300 for the rehabilitation of the members of the tribe. This Congress has done, in all of these settlements, because of the fact that the Indian people on these reservations live in a communal society and as we remove the Indians from the taking area we force them back onto the remainder of the reservation, disrupting the society and the economy of the entire reservation.

As I indicated at the outset, your committee and the Indian Affairs Subcommittee has learned a great deal in the last 8 years on how best to handle these settlements and these bills today are a result of the experience of this committee that has done a terrific job of learning to do by doing. We feel that the settlement offered to this House today provides the best opssible settlement with the Indians and the best protection and investment to the taxpayers of the Nation.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Florida that the House suspend the rules and pass the bill H.R. 5144.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The title was amended to read as follows: "A bill to provide for the acquisition of and the payment for individual Indian and tribal lands of the Lower Brule Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes."

A motion to reconsider was laid on the table.

NO NEED FOR GENERAL FEDERAL AID TO EDUCATION

Mr. BROYHILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BROYHILL. Mr. Speaker, by its prompt action to expand our defense capabilities, Congress is demonstrating our national determination to defend the free world's rights in Berlin and elsewhere around the earth. In this, we find no serious dissent and no real argument. We speak for the American people in making it clear to Khrushchev and company that we are in complete support of the President's firm rejection of their bully-boy demands that the free world surrender its legal rights.

In view of the troubled international situation and the soaring defense demands on our economy, however, the administration would do well to lay aside some of its more controversial domestic programs. The United States can ill afford to add to the strain on its already burdened economy by undertaking welfare programs for which no real necessity can be shown. Efforts to push such proposals to enactment now could lead only to controversy at a time when unity is essential.

We hear that the administration has decided not to push this year for its widely criticized medical care program. This decision is commendable.

But we also hear and see that the administration still is trying to force congressional approval of its general Federal aid to education program. In the face of obviously widespread disapproval of this plan, it should back off this one, too, rather than force a battle which can only create ill feeling.

No need has been or can be shown for general Federal aid to education. By dint of strenuous and earnest local efforts, American communities already have made tremendous strides in improving their educational facilities and opportunities. They will continue doing so in the future, if allowed to without Federal interference.

The Kennedy administration, however, is extending its heavyhanded political wheeling and dealing in an effort to force Congress to enact this program. One of its bludgeoning power plays toward this end has been to tie in with the general program. Obviously, the administration by this move hopes to blackjack support for the general program, from some Members whose home districts are in sore need of the impacted areas funds.

To call the impacted areas program "aid," is to apply a misnomer. Funds distributed under it represent Federal payments to compensate for the burden put on affected communities by large nontaxable Federal installations, and exemption by Federal law of military personnel living in a community from State and local taxes paid by the civilian members of the community. In a district such as the 10th District of Virginia, this amounts to millions of dollars each year. The communities find themselves in the unhappy position of having to provide local services, including education, to employees at such installations, but without being able to collect taxes on the installations to help finance the services. The Federal payments under this program thus represent simple justice to affected communities, a payment on an obligation which the Federal Government owes morally but not legally.

As a Member of Congress, I will continue doing everything I can toward extension of the impacted areas progam. I will also do everything I can to prevent passage of the unnecessary and controversy-provoking general Federal aid program.

THE CROW CREEK SIOUX INDIANS

Mr. HALEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5165) to provide for the payment for individual Indian and tribal lands of the Crow Creek Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, special, and economic development of the members of the tribe, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in furtherance of the Big Bend Dam and Reservoir project authorized by the Flood Control Act of December 22, 1944 (58 Stat. 887, 891)—

(a) The entire interest, including gravel but excluding the interest in oil, gas, and all other minerals of any nature whatsoever, in approximately 6,283.57 acres of land within the taking area described in this Act in the Crow Creek Sioux Reservation in South Dakota, in which the Crow Creek Sioux Tribe or individual Indians have a trust or restricted interest, and any interest the tribe or Indians may have within the bed of the Missouri River so far as it is within the boundaries of the reservation are hereby taken by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and in consideration thereof and for 132.61 acres of trust or restricted lands heretofore acquired by the United States in condemnation proceedings for the Big Bend project the United States will pay to the tribe and the individual Indian owners, out of funds available for the Big Bend Dam and Reservoir project—

(1) a sum aggregating $355,000 to be disbursed in accordance with the provisions of schedules prepared pursuant to section 2(b) of this Act; and

(2) the amount of $209,302, which shall be in settlement of all claims, rights, and demands of the tribe and individual Indians arising out of the taking under this Act, to be disbursed in accordance with the provisions of section 2 hereof.

(b) Upon a determination by the Secretary of the Army within two years from the date of enactment of this Act, filed among the appropriate land records of the Department of the Interior, that any of the lands described in this Act are not required for Big Bend project purposes, title to such land shall be revested in the former owner.

(c) If the Secretary of the Army determines that additional Indian lands, tribal or individual, within the Crow Creek Reservation are required for project purposes, other than for fish, wildlife, and migratory waterfowl, he may acquire such lands by purchase with the approval of the Secretary of the Interior, or by condemnation.

SEC. 2. (a) The payments authorized by section 1 of this Act, less the amounts heretofore deposited by the United States in the case entitled United States of America, Plaintiff, against 867.50 acres of land, etc., and Crow Creek Tribe of Sioux Indians et al., Defendants, civil numbered 335, filed in the United States District Court for the District of South Dakota, for trust property acquired in the taking area described in this Act, shall be deposited to the credit of the tribe in the Treasury of the United States and shall draw interest on the principal at the rate of 4 per centum per annum until expended: *Provided,* That there shall not be deducted from the payments authorized by section 1 of this Act amounts deposited as compensation in the aforesaid case for improvements located on lands not owned by the individual Indian owner of the improvements.

(b) The amount paid pursuant to section 1(a)(1) of this Act shall be allocated in accordance with Indian ownership schedules prepared by the Secretary of the Interior, after consultation with the Crow Creek Tribal Council to correct known errors and to insure fair and equitable allocation. These schedules shall reflect the amount agreed upon by the Secretary of the Army and the Secretary of the Interior as the basis for negotiation, after appropriate acreage adjustments, increased by a uniform percentage to

UNIVERSITY OF MICHIGAN LIBRARIES

equal the amount paid. The amounts allocated for payment of property owned by individual Indians shall be credited to their respective individual Indian money accounts. No part of the compensation provided for in section 1 shall be subject to any lien, debt, or claim of any nature whatsoever against the tribe or the individual Indian owners entitled to the compensation, except delinquent debts owed to the United States by the tribe, or delinquent debts owed to the tribe or to the United States by the individual Indians entitled to the compensation: *Provided,* That such compensation shall not be applied to the payment of such delinquent debts unless the Secretary of the Interior first determines and certifies that no hardship will result from the payment of such delinquent debts.

(c) The tribal council with the approval of the Secretary of the Interior shall make available from the funds authorized by section 1(a)(2) of this Act not to exceed $77,550, to pay the expenses, costs, losses, and damages incurred by members of the tribe as a direct result of moving themselves and their possessions, including dwellings and other buildings owned by the individual members, on account of the acquisition referred to in section 1 of this Act. The balance of the amount paid pursuant to section 1(a)(2) shall be consolidated with the appropriation authorized by section 3(a) of this Act and shall be expended in accordance with the provisions of section 3(a).

SEC. 3. (a) There is authorized to be appropriated the additional sum of $4,002,000 which shall be deposited in the Treasury of the United States to the credit of the tribe and which shall draw interest on the principal at the rate of 4 per centum per annum until expended, for the purposes of developing individual and family plans, housing on or near the reservation including Pierre, South Dakota, enterprises and programs, and for relocating, reestablishing, and providing other assistance designed to improve the economic and social conditions of enrolled members of the tribe on the date of enactment of this Act. The funds authorized by this section shall be expended in accordance with plans and programs approved by both the tribal council and the Secretary of the Interior: *Provided,* That $400,000 shall be allocated exclusively for industrial development on the reservation or within fifty miles of any exterior boundary of the reservation with preferential right of employment for members of the tribe. Nothing in this Act shall be construed to prevent cooperative action with the Lower Brule Sioux Tribe on industrial development or other programs.

(b) The Secretary of the Interior is hereby authorized to convey without charge to the Crow Creek Sioux Tribe, or to the Crow Creek Sioux Tribe and the Lower Brule Tribe jointly, land owned by the United States that is under the jurisdiction of the Department of the Interior, in such acreage as may be reasonably required for the industrial development program or tribal housing projects. Any such land so conveyed that is located within the exterior boundaries of the reservation or of the Pierre Indian Agency and boarding school reserve shall be conveyed in trust status. Any land, so conveyed, that is outside the exterior boundaries of the reservation or the aforesaid reserve shall be conveyed in a fee simple status subject to a restriction against alienation without the consent of the Secretary of the Interior, but shall not be exempt from taxation.

SEC. 4. The Secretary of the Army, out of funds appropriated for the Big Bend project other than funds provided by this Act, is authorized and directed to relocate and reestablish such Indian cemeteries, tribal monuments, and shrines within the taking area of the Big Bend project as the tribal council, with the approval of the Secretary of the Interior, shall select and designate: *Provided,* That reinterment of individual remains, but not entire cemeteries, outside the reservation boundaries is authorized if desired by the next of kin and approved by the tribal council, but in no event will reinterment be made to a site which exceeds the equivalent distance from the disinterment site to the farthest point at which reinterment could be made within the reservation boundaries.

SEC. 5. The Secretary of the Army is authorized and directed out of funds appropriated for the Big Bend project other than funds provided by this Act (a) to construct access roads to Indian homes on the reservation, as required in accordance with plans approved by the Secretary of the Interior; (b) to protect, replace, relocate, or construct any essential governmental and agency facilities on the reservation, including schools, hospitals, Public Health Service and Bureau of Indian Affairs offices, facilities, service buildings, and employees' quarters, roads, bridges, and incidental matters or facilities in connection therewith, which the Secretary of the Interior determines will be impaired or required by reason of the Big Bend project; (c) to mark in a clearly identifiable manner, the common boundary between the reservation and the Fort Randall and Big Bend projects; and (d) to take appropriate steps to protect from fire Indian land adjoining the Fort Randall and Big Bend project lands.

SEC. 6. The Secretary of the Army, under plans approved by the Secretary of the Interior after consultation with the Crow Creek Tribal Council, is authorized and directed out of funds appropriated for the Big Bend project other than funds provided by this Act, to locate and construct on tribal land selected by the Crow Creek Tribal Council with the approval of the Secretary of the Interior, a townsite adequate for seventy-five homes, including blacktop streets, sidewalks, gutters, curbing, utilities, including water, sewage, and electricity, taking into account the reasonable future growth of the townsite, a community center containing space and facilities for community gatherings, tribal offices, tribal council chamber, Bureau of Indian Affairs and Public Health Service offices and quarters and a combination gymnasium and auditorium: *Provided,* That not to exceed $350,000 shall be withdrawn from funds of the tribe authorized under section 3 of this Act, and transferred to funds available for the Big Bend Dam and Reservoir project upon request of the Secretary of the Army after completion of the work.

The tribal council is authorized with the approval of the Secretary of the Interior (a) to convey, with or without compensation, tribal land, exclusive of minerals, for church or cemetery purposes for so long as the land is used for such purposes, and (b) to sell unimproved lots in the townsite, exclusive of minerals, at competitive sale to the highest qualified bidder but for not less than the appraised value, pursuant to such terms and conditions as the Secretary may prescribe.

SEC. 7. All minerals of any kind whatsoever, including oil and gas, but excluding gravel, in the lands taken by this Act are hereby reserved for the benefit of the tribe or individual Indian owners as their interests may appear. All right, title, and interest of the United States in such minerals in trust or restricted land heretofore acquired by the United States for the Big Bend project, are hereby revested in the former owners. All such minerals in trust or restricted land hereafter acquired by the United States for the Big Bend project shall be reserved for the benefit of the owners as their interests may appear. Notwithstanding the foregoing provisions of this section the exploration and development of such minerals, including oil and gas, within the taking area shall be subject to all reasonable regulations of the Secretary of the Army necessary for the protection of the Big Bend project.

SEC 8. Members of the Crow Creek Sioux Tribe now residing within the taking area of the Big Bend project shall have the right without charge to remain on and use the lands taken by this Act until required to vacate at such times as may be fixed by the Secretary of the Army, with the approval of the Secretary of the Interior.

SEC. 9. Individual Indians and the tribe are authorized without charge to retain timber and improvements removed by them from their respective trust or restricted lands on the reservation acquired by this Act and heretofore acquired by the United States for the Big Bend project. Up to sixty days before the individual Indian landowners and the tribe are required to vacate the taking area in accordance with this Act, they shall have the right, without charge, to cut and remove all timber and to salvage any improvements on their respective lands, but, if such rights are not exercised or are waived within the time prescribed, the tribe, through its tribal council, may exercise such rights: *Provided,* That the timber cut and the salvage permitted by this section shall not be construed to be compensation.

SEC. 10. Subject to the right of the United States to occupy, use, and control trust and restricted lands acquired by this Act and heretofore acquired in condemnation action civil numbered 335 for the construction, operation, and maintenance of the Big Bend Dam and Reservoir project pursuant to the Flood Control Act of 1944, approved December 22, 1944, and amendatory laws, as determined necessary by the Secretary of the Army adequately to serve said purposes, the Crow Creek Sioux Tribe and the individual members thereof shall be permitted, after the Big Bend Dam gates are closed and the waters of the Missouri River impounded, to graze stock without charge for a period of five years on such of the land described in this section as lies between the level of the reservoir and the taking line described in section 16 of this Act and as is not devoted to other beneficial uses. The tribe and members thereof shall have without cost the right of free access to the shoreline of the reservoir including the right to hunt and fish in and on the aforesaid shoreline and reservoir, subject, however, to regulations governing the corresponding use by other citizens of the United States.

SEC. 11. Notwithstanding any other provision of law, for the purposes of (1) providing substitute land for individual Indians who owned land within the taking area of the Fort Randall or Big Bend projects, (2) consolidating land holdings, and (3) eliminating fractionated heirship interests within the reservation, the Secretary of the Interior is authorized to purchase, with funds made available by such individual Indians or by the tribe, land or interests in land, and to sell tribal land upon request of the tribe, but no service charge shall be made by the United States. The land selected by and purchased for individual Indians may be either inside or outside the boundaries of the reservation. Title to any land or interests in land acquired within the boundaries of the reservation shall be taken in the name of the United States in trust for the tribe or the individual Indian for whom the land is acquired, and title to any land or interests in land acquired outside the boundaries of the reservation shall be taken in the name of the individual for whom it is acquired: *Provided,* That title to lands outside the exterior boundaries of the reservation acquired by the tribe shall be taken in the name of the tribe subject to a restriction against alienation without the consent of the Sec-

retary of the Interior, but shall not be exempt from taxation.

For the purposes of this section, but without limiting the authority contained in the Act of June 25, 1910 (36 Stat. 855), as amended, the Secretary of the Interior is authorized to partition or sell individually owned lands in which all interests are held in trust or restricted status (1) upon the request of the owners of not less than a 25 per centum interest in such land where ten persons or more own or claim interests in the land, or (2) upon the request of the owners of not less than a 50 per centum interest in such land where fewer than ten persons own or claim interests in the land. For the purpose of this section, the Secretary of the Interior may represent any Indian owner who is a minor or who is under any other legal disability, and the Secretary, after first giving reasonable notice by publication of the proposed sale, is authorized to represent any Indian owner or claimant who cannot be located after reasonable and diligent search. Sales of all Indian trust or restricted interests in land shall be in accordance with the following procedure:

(a) Upon receipt of requests from the required ownership interests, the Secretary shall notify the tribe and each owner of an undivided Indian interest in the land by a letter directed to his last known address that each such owner and the tribe has a right to purchase the land for its appraised value, unless one of the owners objects within the time fixed by the Secretary, or for a lower price if all of the owners agree, and that if more than one owner or if one owner and the tribe wants to purchase the land it will be sold on the basis of sealed competitive bids restricted to the owners of undivided interests in the land and the tribe.

(b) If no Indian owner of an undivided interest in the land elects to purchase the land within the time fixed by the Secretary, and the tribe owns no interest in the land, the Secretary shall offer to sell the land at its appraised value to the tribe, unless one of the Indian owners or his authorized representative objects within the time fixed by the Secretary to a sale to the tribe at the appraised value.

(c) If any Indian owner or his authorized representative objects to a sale to the tribe at the appraised value, the Secretary shall offer the land for sale by sealed competitive bid with a preferential right in the tribe or any Indian owner to meet the high bid, unless one of the Indian owners or his authorized representative objects within the time fixed by the Secretary to the grant of such preferential right. All bids shall be rejected if no bid substantially equal to the appraised value is received.

(d) If any Indian owner or his authorized representative objects to a sale by sealed competitive bid with a preferential right to meet the high bid, the Secretary shall offer the land for sale by sealed bids without such preferential right: *Provided*, That, if at any time before sealed bids are invited the tribe or one of the Indian owners asks that the land be sold at auction, then after notice to all interested parties including the tribe, the land shall be sold at auction immediately after the opening of the sealed bids and auction bidding shall be limited to the Indian owners, the tribe, and persons who submitted sealed bids in amounts not less than 75 per centum of the appraised value of the land. The highest sealed bid shall be considered the opening auction bid. No sale shall be made unless the price is equal to the highest sealed bid and substantially equal to the appraised value.

(e) The Secretary may, when he deems it in the best interests of the Indian owners, obtain a power of attorney from the owner of a non-Indian interest in the land to be sold authorizing the Secretary to sell and convey the interest of the non-Indian owner in accordance with any part of the procedure provided in this section.

SEC. 12. The Secretary of the Treasury, upon certification by the Secretary of the Interior, shall reimburse the tribe for fees and expenses incurred in connection with the taking of Indian lands within the reservation for the Big Bend project: *Provided*, That such reimbursable fees and expenses shall not exceed in the aggregate $125,000: *Provided further*, That attorney fees shall be paid under the terms of a contract approved by the Secretary of the Interior.

SEC. 13. (a) Any individual Indian who has been duly tendered payment in accordance with the schedules prepared pursuant to section 2(b) of this Act, shall have the right to reject the sum tendered by filing a notice of rejection with the Chief of Engineers, United States Army, Washington, District of Columbia, or with the superintendent of the Pierre Indian Agency, Pierre, South Dakota, within one year from the date of enactment of this Act or within ninety days after the tender is made, whichever date is later. For the purpose of this section, the Secretary of the Interior and the tribe are authorized to represent any Indian entitled to payment who is a minor, or under any other legal disability, or who cannot be located after a reasonable and diligent search, and any person who is an undetermined heir or devisee of a deceased Indian.

(b) If the land of any Indian rejecting payment is included in condemnation proceedings heretofore instituted, the court in those proceedings shall proceed to determine the just compensation to which the individual is entitled and, if the land is not included in such condemnation proceedings, jurisdiction is hereby conferred upon the United States District Court for the District of South Dakota to determine just compensation in accordance with procedures applicable to the determination of just compensation in condemnation proceedings. No court or statutory costs but all other costs and expenses including attorney's fees shall be at the contesting individual's expense. Suit may be brought on behalf of any individual rejecting payment within one year after the date of the rejection. If a notice of rejection of the tender of payment is filed, at least 10 per centum of the tender deposited in the individual Indian money account shall be withheld from disbursement pending a final determination under this subsection.

SEC. 14. No part of any expenditure made by the United States under any of the provisions of this Act shall be charged by the United States as an offset or counterclaim against any tribal claim against the United States which has arisen prior to the date of enactment of this Act. The payment of Sioux benefits as provided for in section 17 of the Act of March 2, 1889 (25 Stat. 888), as amended, shall be continued under the provisions of section 14 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984), on the basis now in operation without regard to the loss of tribal land within the taking area for the Big Bend project.

SEC. 15. There are hereby authorized to be appropriated such amounts as may be necessary for the purposes of this Act.

SEC. 16. The land taken by section 1 of this Act, embracing approximately 6,283.57 acres, and the land heretofore acquired in condemnation proceedings by civil numbered 335, embracing approximately 132.61 acres, are the lands identified and delimited on a map entitled, "A map delimiting tribal and individual Indian trust and restricted land of the Crow Creek Sioux Reservation acquired by the United States for the Big Bend Dam and Reservoir project for the sum of $355,000". Legal descriptions of the lands shown therein shall be prepared by the Secretary of the Army and attached thereto. The map and descriptions shall be prepared by the Secretary of the Army and shall be filed among the land records of the Bureau of Indian Affairs in Washington, District of Columbia, and a duplicate original filed and maintained at the agency in Pierre, South Dakota. A true and correct copy of the map and descriptions shall be furnished without cost to the tribe. The Secretary of the Army shall prepare and furnish the Secretary of the Interior and the tribe tract by tract legal descriptions of trust and restricted land acquired by this Act within two years of enactment of this Act: *Provided*, That within thirty days after notice of rejection is filed pursuant to subsection 13(b) the Secretary of the Army shall furnish to the individual Indian and to the Superintendent of the Pierre Indian Agency a legal description of the lands covered by the rejection.

SEC. 17. All funds authorized by this Act paid to the tribe and individual Indians shall be exempt from all forms of State and Federal taxation, including Federal excise taxes on purchases made by the tribe.

SEC. 18. The Secretary of the Army is authorized and directed to pay to any bona fide lessee or permittee owning improvements situated on Indian tribal land the fair value, as determined by the Secretary, or by a court of competent jurisdiction, of any such improvements which will be rendered inoperative or be otherwise adversely affected by the construction of the Big Bend Dam and Reservoir project.

The SPEAKER pro tempore. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

Mr. HALEY. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HALEY. Mr. Speaker, the explanation of the other bill, H.R. 5144, thoroughly explains this one. The other bill involved Indians on one side of the river, belonging to another tribe. The explanation given on the previous bill is applicable as well to this one. The same formula of compensation for the land and other things was used in this bill as in the other bill.

Mr. SAYLOR. Mr. Speaker, I concur in the statement made by the gentleman from Florida [Mr. HALEY].

Mr. Speaker, I now yield such time as he may desire to the gentleman from South Dakota [Mr. REIFEL], the author of the bill.

Mr. REIFEL. Mr. Speaker, I want to thank the distinguished chairman and members of his committee on Interior and Insular Affairs, and particularly Chairman HALEY and his Subcommittee on Indian Affairs for the sincere, dedicated, and diligent manner in which they gave of their time over many days and long hours in hearings to work out the previsions of this bill.

It sets out a settlement and programs for the Crow Creek Sioux Indians that is eminently fair and humanely considerate as this subcommittee and the whole committee have always been in all matters before them in respect to our Indian Americans.

The majority of the Crow Creek Sioux Indians, 1,183 of them on the reservation and in the immediate vicinity—an additional 600 are nonresidents not in

UNIVERSITY OF MICHIGAN LIBRARIES

the immediate area—are among the most needy and impoverished of our citizens. Per capita income: $260.

The rehabilitation features of this bill, if enacted into law, will, for the first time, give these people an adequate opportunity, with the assistance of the Bureau of Indian Affairs, to find a meaningful place in this great country of ours which was their ancestral home.

If the provisions of this bill become law all the Members of this Congress and the people of America can look with pride and deep satisfaction that upon such action once again justice to the Indian American in this situation has been extended in full measure.

I believe it will be of interest to relate some background in regard to Fort Thompson, the townsite mentioned in this bill and the Crow Creek Reservation and the Indians who reside there and those who have lived there.

Congress in February 1863 following Sioux uprisings in western Minnesota directed Winnebagoes, and some bands of Santee Sioux who were implicated in those disturbances, be removed to some point outside the boundaries of any State.

A reservation was surveyed in this Big Bend area.

The agency post, later called Fort Thompson, was established at the mouth of Crow Creek. The post was named for Clark W. Thompson, superintendent of the northern division of Indian agencies who located the site. I might add that a distinguished Member of this House, from the great State of Texas, by the same name is a grandson. Although it was an agency post because of its stockades it was regarded as a semimilitary fort and for some time was garrisoned by U.S. soldiers.

On May 30, 1863, about 3,500 exiled Winnebagoes and Minnesota Sioux Indians were landed on this new reservation. These Indians were later removed to agencies further south—the Winnebagoes in 1864 to the Omaha Reservation and the Santee Sioux in 1866 to their present reservation at the mouth of the Niobrara in Nebraska. The Crow Creek Reservation was subsequently occupied by the Yanktonai Band of the Sioux.

Gen. D. S. Stanley, in command of the middle district, with headquarters at Fort Sully, D.T., reporting on the general condition of the Sioux or Dakota Indians, August 20, 1869, said:

> Lower Yanktonai, 1,000; peaceable. The Lower Yanktonai are peaceable and are trying to farm at Fort Thompson.

There are presently 1,873 members of the Crow Creek. The latest reports indicate that 1,024 reside on the reservation or live nearby.

The original reservation of the Crow Creek Tribe, established by the Great Sioux Treaty of March 2, 1889, consisted of some 279,790 acres. Through the subsequent allotment of this reservation into individual ownerships and permission to sell, together with the taking of 1,152 acres for the Fort Randall Reservoir leaves these people with only 119,562 acres—less than half their original estate with about the same population of some 90 years ago.

This next taking of their lands, 6,416 acres from Crow Creek cuts in again to remove all their best bottom lands along the Missouri River.

The Crow Creek Indians, in the taking for the Fort Randall Reservoir, did not have their hospital, high school, and agency buildings replaced. Their agency headquarters, which was near the center of this reservation, is now located in Pierre at the Indian school there which is over 60 miles from the original site.

This bill provides for the following expenditures: $355,000 for lands to be taken, $209,302 for intangible values, $77,550 for removal and relocation costs of members of the tribe, $4,002,000 for rehabilitation, $125,000 for expenses and attorney fees, a total of $4,768,852.

There will be additional costs for relocation and construction of facilities, townsite, cemeteries, and roads estimated at $3,100,000.

The estimated cost of this dam is reported presently at $127,500,000.

With the rehabilitation program and reestablishment and construction of facilities as contemplated in this bill, if enacted into law, the Crow Creek Sioux Indian people will have provided for them a great opportunity which will help this needy group to find a new day in their own land.

Mr. HALEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON of Texas. Mr. Speaker, I appreciate very deeply the remarks of the gentleman from South Dakota [Mr. REIFEL]. He referred to the fact that the reservation was named after my illustrious grandfather. It would be of interest, I think, to the Republican Members of the House to know that on my wall in my home here in Washington hangs the commission to my grandfather, signed by Abraham Lincoln; a prized possession, of course, in the Thompson family. I am not so sure that my grandfather would approve of the side of the aisle I am sitting on, but since he was a liberal in those days, perhaps from his high place in heaven, he has forgiven me now. If he were alive today, I believe his political philosophy and mine would be parallel.

Since the gentleman from South Dakota [Mr. REIFEL] has so graciously made reference to my grandfather, I avail myself of this opportunity to pay a humble tribute to my ancestor. He was born on July 23, 1825. Coming into the Middle West as a young man, in 1850 he crossed the country to California and after a few years there, he returned to the Midwest, finally settling in LaCrosse, Wis., from which city he projected and built the Southern Minnesota Railroad. In the intervening years, he had served as the gentlemen from South Dakota has told you, as Superintendent of Indian Affairs for the Northwest superintendency, with headquarters at St. Paul. The informal history in our family, which I believe will be confirmed by those in South Dakota, that my grandfather was a great benefactor of the Indians under his jurisdiction. He held office as long as President Lincoln lived and so discharged its duties in a time of peculiar difficulty and embarrassment as to command the confidence and approval of his superior officers. At the time of his death, the Daily Pioneer Press of St. Paul made the following comments:

> So well pleased was the Secretary of Interior with the manner in which Colonel Thompson has discharged the duties of his office that in the early part of 1865, he was sent by the Interior Department on a secret and confidential mission to California connected with the management of Indian affairs in that State.

In the course of the construction of the Southern Minnesota Railroad, my grandfather founded the town of Wells, Minn., which was named for my grandmother's family, which then and still does claim Milwaukee as home. In the vicinity of Wells, he entered into farming on an extensive scale and the Pioneer Press said of him:

> He has probably done as much as any one man in Minnesota to bring the importance of those interests before the farmers throughout the State. In 1881 he was appointed president of the State Fair Association, which position he held for 3 years. Last year, Mr. Thompson was pressed by the people in the section where he resided, as a Republican candidate for the nomination of Governor.

Since the family history tells of his service in the State legislature, it would appear that we have now discovered where I get my political instincts. I trust that when it comes my time to bow out of public life, I may merit the closing comments of the Pioneer Press at the time of my grandfather's death, which read:

> Indeed, it may well be doubted whether any single man in Minnesota has done more than he to advance the interests of the people where he lived, or has shown a deeper interest in the advancement of the best interest of the entire State.

Mr. BERRY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. BERRY. Mr. Speaker, I want to join with my colleague, BEN REIFEL, of South Dakota, in commending the chairman of the Indian Affairs Subcommittee, the gentleman from Florida [Mr. HALEY]; the chairman of the full committee, the gentleman from Colorado [Mr. ASPINALL]; and the members of both the subcommittee and the full committee on the very fine job they have done in developing a fair and just settlement for the Indians of both the Lower Brule and Crow Creek Reservations. Both of these bills were considered line by line by the subcommittee. The authorizations for appropriations were very carefully scrutinized with a view of not only being fair to the Indian tribes involved, but at the same time protecting the interests of the taxpayer.

As I indicated in my remarks on H.R. 5144, the need for this legislation has arisen because of the fact that Congress in 1944 passed the Flood Control Act au-

thorizing the construction of four large dams in South Dakota and one in North Dakota, flooding forever the thousands of acres in these two States in order to protect from flood damage lives and property, primarily from Sioux City to the mouth of the Mississippi River.

As far as the Indian people are concerned, they would many times rather have their lands and their reservations left intact than giving up these valuable assets forever for the protection of the people in the lower reaches of the river. The comment has been made that the Indians are receiving a high price for their land and their property. It should be pointed out that this is an involuntary sale and that so far as the Indian people themselves are concerned, they would many times rather be left alone than to be disrupted by this development program.

As has been indicated by the chairman, the bill follows the pattern established in previous land settlement acts and establishes three classes of payments, as follows:

First. Direct damages in the amount of $355,000.

Second. Indirect, or intangible, damages in the amount of $209,302. This includes payment for their interest in the bed of the river as provided by treaty and for such damages as the loss of their timber, their wildlife, their fruits and vegetables.

Third. A rehabilitation program in the amount of $4,002,000, $400,000 of which will be used by the tribe in establishing industrial development on or near their reservation.

The committee has watched with searching eye the rehabilitation programs established in the Cheyenne River and the Standing Rock settlement bills, and has developed a rehabilitation plan in these bills which they felt would be most beneficial to the Indian tribes themselves and would bring about the greatest good for the largest number of Indian people.

I feel certain this is a good bill. I feel certain it is equitable insofar as land values and intangible damages are concerned, and that the investment the taxpayers are making in the rehabilitation program will pay dividends to the taxpayers in providing opportunity for these Indian people—the first real opportunity most of them have ever had.

The SPEAKER pro tempore. The question is, will the House suspend the rules and pass the bill H.R. 5165, with amendments?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The title was amended so as to read: A bill to provide for the acquisition of and the payment for individual Indian and tribal lands of the Crow Creek Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes.

A motion to reconsider was laid on the table.

REPLACE PIPELINES AT CERTAIN IRRIGATION DISTRICTS, IDAHO

Mr. ROGERS of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4458) to authorize the Secretary of the Interior to replace lateral pipelines, line discharge pipelines, and to do other work he determines to be required for the Avondale, Dalton Gardens and Hayden Lake Irrigation Districts in the State of Idaho, as amended.

The Clerk read as follows:

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to replace lateral pipelines, perform interior lining of discharge pipelines, and to do other work he determines to be required in replacement, modification, or improvement of the facilities heretofore constructed by the United States for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho.

SEC. 2. Each irrigation district, starting with the year following the completion of the work for the district under the authority of this Act, shall repay the United States toward the cost thereof over a forty-year period annual installments which, when added to those payments required by existing repayment contracts between the United States and the district, will be equal to the amortization capacity of the lands of the district as that amortization capacity has been heretofore established by the Secretary. In the event works or capacity are provided hereunder at the request of the district in addition to those heretofore constructed by the United States and being replaced or improved under authority of this Act, such work may be undertaken by the Secretary at a cost not to exceed $125,000, and payment therefor shall be made concurrently with other annual payments as provided for herein.

SEC. 3. Prior to initiating actual construction of any of the work authorized in section 1 of this Act, the district shall be required to enter into a contract with the United States satisfactory to the Secretary to repay the United States toward the cost thereof as provided in section 2 of this Act.

SEC. 4. The remaining costs of the work completed hereunder for each district shall be returned to the reclamation fund within the period provided for in section 2 of this Act from revenues derived by the Secretary of the Interior from the disposition of power marketed through the Bonneville Power Administration.

SEC. 5. There are hereby authorized to be appropriated such sums, but not more than $1,611,000, as are necessary to carry out the provisions of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. SAYLOR. I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ROGERS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation can be summed up very quickly, and I shall try to do it for the benefit of the Members; and if there are any questions I hope Members will ask them.

Mr. Speaker, this legislation is necessary because a mistake was made by the Bureau of Reclamation with relation to the work that was done on the three irrigation projects named in the bill. What happened was this; the lateral lines and the line discharge lines, the pipe used in the irrigation project was bare pipe. That was in 1954 and 1955. Shortly after these pipes had been laid it was determined that a mistake had been made. Acid in the soil was deteriorating the pipe and also the water was causing the pipe to corrode inside. Something had to be done to correct this situation that probably could have been corrected in the first instance if wrapped pipe had been used or other type pipe had been used. But the fact of the matter is it was not, so these people were faced with this situation. In order to conserve the investment already made in the project and in order to protect these people who were parties to these irrigation projects they had to come back to the Federal Government and ask for additional money with which to replace these lines that were deteriorating.

The additional amount of money involved is about $1.4 million, and there is $125,000 allowed in addition for extensions and additions allowed to the people in this district. They have to vote before that money will be available or can be used. All of the money provided in this will be repayable. Approximately $160,000 will be paid back by the irrigators themselves in addition to the original amount of about $1 million when this original work was done. The balance of it will come out of the revenues of the Bonneville Power System.

I think that sums up the proposition.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. The amendments which were adopted by our committee saw to it that the farmers in the district will not be penalized by the mistake made by the Bureau of Reclamation?

Mr. ROGERS of Texas. That is exactly right. There was a great deal of attention given to this piece of legislation. I think it is a matter of just rectifying a mistake that was made. Whether it is an honest mistake or due to negligence it is hard to tell, but I think it is a matter that ought to be looked into at length by the Department of the Interior, and our committee has so suggested.

Mr. Speaker, I have no further requests for time.

Mr. GROSS. Mr. Speaker, will the gentleman from Pennsylvania yield?

Mr. SAYLOR. I yield.

Mr. GROSS. What is this going to cost because of this honest mistake, or whatever it is?

Mr. SAYLOR. It will cost the Federal Government nothing.

Mr. GROSS. Somebody is going to have to pay it.

Mr. SAYLOR. This will be paid by the farmers and the power users.

Mr. GROSS. In the form of increased rates, or something like that?

Mr. SAYLOR. In the form of increased rates, that is right.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the gentlewoman from Idaho [Mrs. PFOST] may extend her remarks at this point in the RECORD.

UNIVERSITY OF MICHIGAN LIBRARIES

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mrs. PFOST. Mr. Speaker, my bill—H.R. 4458—which we are considering this afternoon, would authorize the Secretary of the Interior to make much needed improvements to the pipelines in the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts located in my congressional district in Idaho.

I join the able and distinguished gentleman from Texas [Mr. ROGERS], chairman of the House Irrigation and Reclamation Subcommittee, in urging approval of this measure.

The bill has been gone over with a fine tooth comb, first in subcommittee and subsequently it was carefully scrutinized by the full membership of the House Interior Committee. Both groups gave their unanimous stamp of approval to the legislation as being vital and necessary to the hundreds of families in north Idaho who are living on the 3,283 acres served by the three irrigation districts. The improvements need to be made immediately to assure these families of a workable community water system without a break in service.

Chairman ROGERS has already outlined some of the background of this legislation, but I would like at this time to underscore some of the points he made.

The Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts are located in the Coeur d'Alene area of north Idaho. They include 914 acres in the Avondale district, 911 acres at Dalton Gardens, and 1,425 acres at Hayden Lake.

I have visited the area many times in recent years and have talked to the residents there. In fact, it was at their request that I introduced the bill that is before us.

The water supply of the average community is something that is generally taken for granted. But this, unfortunately, is not the case for the folks living in these irrigation districts. Repeated leaks and pipeline failures have too often left their taps dry. And, for the small farmers, it has meant crops burned by the hot northwest sun for lack of irrigation water.

This is the kind of emergency situation which is hanging over the heads of the residents of these irrigation districts these days. The pipelines installed there under authority of the Interior Department have not been functioning properly because of severe corrosion and resulting leaks caused by an unusual combination of soil and water chemicals.

The Department of Interior representatives readily admit that a mistake was made in the initial installation of the pipelines. Represenatives of the Bureau of Reclamation testified that their decision to install bare steel pipe was made after careful consideration of soil and water conditions and review of the long and successful life of the other bare steel pipe installations in the area. Studies and analyses of the soils in the project area at that time showed that the soils were free draining and nearly acid free. Existing galvanized and uncoated steel pipe in extensive use in the area for nearly 50 years was found to be in good serviceable condition. The Armco Steel Corp. recommended the use of its bare steel pipe at the sites in question. There were other indications as well that bare steel pipe would be adequate.

Unfortunately, past performance did not fit the Avondale, Dalton Gardens, and Hayden Lake districts. Thus, Interior Department engineers have recommended the improvements specified in my bill.

I also want to mention that two amendments were adopted in committee. One reduced the period of payment for water users from 50 to 40 years, and this will save these folks an estimated $183,000 over the period of the loan. The additional funds will come from surplus revenues of the Bonneville Power Authority. The other amendment would permit the districts to put in new lines, if necessary, at a cost not to exceed $125,000 which would be paid for by the specific irrigation district concerned. In most cases, this new work simply entails extending the pipelines to serve new homes which have been built on the outskirts of the irrigation districts.

In conclusion, I again urge—as Congressman ROGERS has already done—quick passage of this bill by the House. Its importance to the people of north Idaho cannot be overstated With the specter of drought and water shortages ever present in parts of the Northwest, the need for passage of my bill is nothing short of an emergency.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill H.R. 4458, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

FORT RALEIGH NATIONAL HISTORIC SITE IN NORTH CAROLINA

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5518) to revise the boundaries of Fort Raleigh National Historic Site in North Carolina, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 6, strike out lines 15, 16, and 17.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

TO EXCHANGE CERTAIN PROPERTY IN ROCKY MOUNTAIN NATIONAL PARK, COLO.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2203) to authorize the Secretary of the Interior to exchange certain property in Rocky Mountain National Park, Colo., and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 5, line 2, strike out "of line" and insert "line of".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

BRIBERY, GRAFT, AND CONFLICTS OF INTEREST

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8140) to strengthen the criminal laws relating to bribery, graft, and conflicts of interest, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) so much of chapter 11 of title 18 of the United States Code as precedes section 214 is amended to read as follows:

"CHAPTER 11—BRIBERY, GRAFT, AND CONFLICTS OF INTEREST

"Sec.
"201. Bribery of public officials and witnesses.
"202. Definitions.
"203. Compensation of Members of Congress, officers and others, in matters affecting the Government.
"204. Practice in Court of Claims by Members of Congress.
"205. Activities of officers and employees in claims against and other matters affecting the Government.
"206. Exemption of retired officers of the Armed Forces.
"207. Disqualification of former officers and employees in matters connected with former duties or official responsibilities; disqualification of partners.
"208. Acts affecting a personal financial interest.
"209. Salary of Government officials and employees payable only by United States.
"210. Offer to procure appointive public office.
"211. Acceptance or solicitation to obtain appointive public office.
"212. Offer of loan or gratuity to bank examiner.
"213. Acceptance of loan or gratuity by bank examiner.
"214. Offer for procurement of Federal Reserve bank loan and discount of commercial paper.
"215. Receipt of commissions or gifts for procuring loans.

"216. Receipt or charge of commissions or gifts for farm loan, land bank, or small business transactions.
"217. Acceptance of consideration for adjustment of farm indebtedness.
"218. Voiding transactions in violation of chapter; recovery by the United States.

"§ 201. Bribery of public officials and witnesses

"(a) For the purpose of this section:

"'public official' means Member of Congress, or Resident Commissioner, either before or after he has qualified, or an officer or employee or person acting for or on behalf of the United States, or any department, agency or branch of Government thereof, in any official function, under or by authority of any such department, agency, or branch of Government, or a juror; and

"'person who has been selected to be a public official' means any person who has been nominated or appointed to be a public official, or has been officially informed that he will be so nominated or appointed; and

"'official act' means any decision or action on any question, matter, cause, suit, proceeding or controversy, which may at any time be pending, or which may by law be brought before any public official, in his official capacity, or in his place of trust or profit.

"(b) Whoever, directly or indirectly, corruptly gives, offers or promises anything of value to any public official or person who has been selected to be a public official, or offers or promises any public official or any person who has been selected to be a public official to give anything of value to any other person or entity, with intent—

"(1) to influence any official act; or

"(2) to influence such public official or person who has been selected to be a public official to commit or aid in committing, or collude in, or allow, any fraud, or make opportunity for the commission of any fraud, in the United States; or

"(3) to induce such public official or such person who has been selected to be a public official to do or omit to do any act in violation of his lawful duty, or

"(c) Whoever, being a public official or person selected to be a public official, directly or indirectly, corruptly asks, demands, exacts, solicits, seeks, accepts, receives, or agrees to receive anything of value for himself or for any other person or entity, in return for:

"(1) being influenced in his performance of any official act; or

"(2) being influenced to commit or aid in committing, or to collude in, or allow, any fraud, or make opportunity for the commission of any fraud, on the United States; or

"(3) being induced to do or omit to do any act in violation of his official duty; or

"(d) Whoever, directly or indirectly, corruptly gives, offers, or promises anything of value to any person, or offers or promises such person to give anything of value to any other person or entity, with intent to influence the testimony under oath or affirmation of such first-mentioned person as a witness upon a trial, hearing, or other proceeding, before any court, any committee of either House or both Houses of Congress, or any agency, commission, or officer authorized by the laws of the United States to hear evidence or take testimony, or with intent to influence such person to absent himself therefrom; or

"(e) Whoever, directly or indirectly, corruptly asks, demands, exacts, solicits, seeks, accepts, receives, or agrees to receive anything of value for himself or for any other person or entity in return for being influenced in his testimony under oath or affirmation as a witness upon any such trial, hearing, or other proceeding, or in return for absenting himself therefrom—

"Shall be fined not more than $20,000 or three times the monetary equivalent of the thing of value, whichever is greater, or imprisoned for not more than fifteen years, or both, and may be disqualified from holding any office of honor, trust, or profit under the United States.

"(f) Whoever, otherwise than as provided by law for the proper discharge of official duty, directly or indirectly gives, offers, or promises anything of value to any public official, former public official, or person selected to be a public official, for or because of any official act performed or to be performed by such public official, former public official, or person selected to be a public official; or

"(g) Whoever, being a public official, former public official, or person selected to be a public official, otherwise than as provided by law for the proper discharge of official duty, directly or indirectly asks, demands, exacts, solicits, seeks, accepts, receives, or agrees to receive anything of value for himself for or because of any official act performed or to be performed by him; or

"(h) Whoever, directly or indirectly, gives, offers, or promises anything of value to any person, for or because of the testimony under oath or affirmation given or to be given by such person as a witness upon a trial, hearing, or other proceeding, before any court, any committee of either House or both Houses of Congress, or any agency, commission, or officer authorized by the laws of the United States to hear evidense or take testimony, or for or because of his absence therefrom; or

"(i) Whoever, directly or indirectly, asks, demands, exacts, solicits, seeks, accepts, receives, or agrees to receive anything of value for himself for or because of the testimony under oath or affirmation given or to be given by him as a witness upon any such trial, hearing, or other proceeding, or for or because of his absence therefrom—

"Shall be fined not more than $10,000 or imprisoned for not more than two years, or both.

"(j) Subsections (d), (e), (h), and (i) shall not be construed to prohibit the payment or receipt of witness fees provided by law, or the payment, by the party upon whose behalf a witness is called and receipt by a witness, of the reasonable cost of travel and subsistence incurred and the reasonable value of time lost in attendance at any such trial, hearing, or proceeding, or, in the case of expert witnesses, involving a technical or professional opinion, a reasonable fee for time spent in the preparation of such opinion, and in appearing and testifying.

"(k) The offenses and penalties prescribed in this section are separate from and in addition to those prescribed in sections 1503, 1504, and 1505 of this title."

"§ 202. Definitions

"(a) For the purpose of sections 203, 205, 207, 208, and 209 of this title the term 'special Government employee' shall mean an officer or employee of the executive branch of the U.S. Government, of any independent agency of the United States or of the District of Columbia, who is retained, designated, appointed, or employed to perform, with or without compensation, for not to exceed 130 days during any period of 365 consecutive days, temporary duties either on a full-time or intermittent basis. Notwithstanding section 29 (c) and (d) of the act of August 10, 1956 (70A Stat. 632; 5 U.S.C. 30r (c) and (d)), a Reserve officer of the Armed Forces, or an officer of the National Guard of the United States, unless otherwise an officer or employee of the United States, shall be classified as a special Government employee while on active duty solely for training. A Reserve officer of the Armed Forces or an officer of the National Guard of the United States who is serving a period of extended active duty in excess of 130 days shall be classified as an officer of the United States within the meaning of section 203 and sections 205 through 209 and 218. The terms 'officer or employee' and 'special Government employee' as used in sections 203, 205, 207 through 209, and 218, shall not include enlisted members of the Armed Forces.

"(b) For the purposes of sections 203, 205, and 207 of this title, the term 'official responsibility' mean the direct administrative or operating authority, whether intermediate or final, and either exercisable alone or with others, and either personally or through subordinates, to approve, disapprove, or otherwise direct Government action.

"§ 203. Compensation to Members of Congress, officers, and others in matters affecting the Government

"(a) Whoever, otherwise than as provided by law for the proper discharge of official duties, directly or indirectly receives or agrees to receive, or asks, demands, solicits, or seeks, any compensation for any services rendered or to be rendered either by himself or another—

"(1) at a time when he is a Member of Congress, Member of Congress Elect, Resident Commissioner, or Resident Commissioner Elect; or

"(2) at a time when he is an officer or employee of the United States in the executive, legislative, or judicial branch of the Government, or in any agency of the United States, including the District of Columbia, in relation to any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest, before any department, agency, courtmartial, officer, or any civil, military, or naval commission, or

"(b) Whoever, knowingly, otherwise than as provided by law for the proper discharge of official duties, directly or indirectly gives, promises, or offers any compensation for any such services rendered or to be rendered at a time when the person to whom the compensation is given, promised, or offered, is or was such a Member, Commissioner, officer, or employee—

"Shall be fined not more than $10,000 or imprisoned for not more than two years, or both; and shall be incapable of holding any office of honor, trust, or profit under the United States.

"(c) A special Government employee shall be subject to subsection (a) only in relation to a particular matter (1) in which he has at any time participated personally and substantially as a Government employee or as a special Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or (2) which is or within two years has been a subject of his official responsibility, or (3) which is pending in the department or agency of the Government in which he is serving: *Provided,* That clause (3) shall not apply in the case of a special Government employee who serves no more than fifteen days during any period of three hundred and sixty-five consecutive days.

"§ 204. Practice in Court of Claims by Members of Congress

"Whoever, being a Member of Congress, Member of Congress Elect, Resident Commissioner, or Resident Commissioner Elect, practices in the Court of Claims, shall be

UNIVERSITY OF MICHIGAN LIBRARIES

fined not more than $10,000 or imprisoned for not more than two years, or both, and shall be incapable of holding any office of honor, trust, or profit under the United States.

"§ 205. Activities of officers and employees in claims against and other matters affecting the Government

"Whoever, being an officer or employee of the United States in the executive, legislative, or judicial branch of the Government or in any agency of the United States, including the District of Columbia, otherwise than in the proper discharge of his official duties—

"(1) acts as agent or attorney for prosecuting any claim against the United States, or receives any gratuity, or any share of or interest in any such claim in consideration of assistance in the prosecution of such claim, or

"(2) acts as agent or attorney for anyone before any department, agency, court, court-martial, officer, or any civil, military, or naval commission in connection with any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest—

"Shall be fined not more than $10,000 or imprisoned for not more than two years, or both.

"A special Government employee shall be subject to the preceding paragraphs only in relation to a particular matter (1) in which he has at any time participated personally and substantially as a Government employee or as a special Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise, or (2) which is or within two years has been a subject of his official responsibility, or (3) which is pending in the department or agency of the Government in which he is serving: *Provided*, That clause (3) shall not apply in the case of a special Government employee who serves no more than fifteen days during any period of three hundred and sixty-five consecutive days.

"Nothing herein prevents an officer or employee from taking uncompensated action, not inconsistent with the faithful performance of his duties, to aid or assist any person who is the subject of disciplinary, loyalty, or other personnel administration proceedings with respect to those proceedings.

"Nothing herein or in section 203 prevents an officer or employee, including a special Government employee, from acting, with or without compensation, as agent or attorney for or otherwise aiding or assisting his parents, spouse, child, or any person for whom he is serving as guardian, executor, administrator, trustee, or other personal fiduciary except in those matters in which he has participated personally and substantially as a Government employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which are the subject of his official responsibility, provided that the Government official responsible for appointment to his position approves.

"Nothing herein or in section 203 or 207 prevents a present or former special Government employee from aiding or assisting another person in the performance of work under a contract with or for the benefit of the United States provided that the head of such special Government employee's department or agency shall certify in writing that the national interest requires such aid or assistance.

"Such certification shall be published in the Federal Register.

"Nothing herein prevents an officer or employee from giving testimony under oath or from making statements required to be made under penalty for perjury or contempt.

"§ 206. Exemption of retired officers of the Armed Forces

"Sections 203 and 205 of this title shall not apply to a retired officer of the Armed Forces of the United States while not on active duty and not otherwise an officer or employee of the United States, or to any person specially excepted by Act of Congress.

"§ 207. Disqualification of former officers and employees in matters connected with former duties or official responsibilities; disqualification of partners

"(a) Whoever, having been an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, after his employment has ceased, knowingly acts as agent or attorney for anyone other than the United States in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest and in which he participated personally and substantially as an officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, while so employed, or

"(b) Whoever, having been so employed, within two years after his last employment has ceased, appears personally before any court or department or agency of the Government as agent, or attorney for, anyone other than the United States in connection with any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or directly and substantially interested, and which was under his official responsibility as an officer or employee of the Government at any time within a period of two years prior to the termination of his employment—

"Shall be fined not more than $10,000 or imprisoned for not more than two years, or both.

"(c) Whoever, being a partner of a former officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a former special Government employee, engages, during a period of two years following the termination of the latter's employment by the Government, in any activities which such former officer or employee of the Government or special Government employee is himself prohibited from engaging in by subsection (a) hereof; or

"(d) Whoever, being a partner of an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, acts as agent or attorney for anyone other than the United States, in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest and in which such officer or employee of the Government or special Government employee participates or has participated personally and substantially as a Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise, or which is the subject of his official responsibility—

"Shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"A partner of a present or former officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia or of a present or former special Government employee shall as such be subject to the provisions of sections 203, 205, and 207 of this title only as expressly provided in subsections (c) and (d) of this section.

"§ 208. Acts affecting a personal financial interest

"(a) Except as permitted by subsection (b) hereof, whoever, being an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, participates personally and substantially as a Government officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise in a Government action, proceeding, or other particular matter in which, to his knowledge, he, his spouse, child, partner, business organization in which he is serving as officer, director, trustee, partner or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest,

"Shall be fined not more than $10,000, or imprisoned not more than two years, or both.

"(b) Subsection (a) hereof shall not apply (1) if the officer or employee first advises the Government official responsible for appointment to his position of the nature and circumstances of the action, proceeding, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by such official that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from such officer or employee, or (2) if, by general rule or regulation published in the Federal Register, the financial interest has been exempted from the requirements of clause (1) hereof as being too remote or too inconsequential to affect the integrity of Government officers' or employees' services.

"§ 209. Salary of Government officials and employees payable only by United States

"(a) Whoever receives any salary, or any contribution to or supplementation of salary, as compensation for his services as an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality; or

"Whoever, whether an individual, partnership, association, corporation, or other organization pays, or makes any contribution to, or in any way supplements the salary of, any such officer or employee under circumstances which would make its receipt a violation of this subsection—

"Shall be fined not more than $5,000 or imprisoned not more than one year, or both.

"(b) Nothing herein prevents an officer or employee of the executive branch of the United States Government, or of any independent agency of the United States, or of the District of Columbia, from continuing to participate in a bona fide pension, retirement, group life, health or accident insurance, profit-sharing, stock bonus, or other employee welfare or benefit plan maintained by a former employer.

"(c) This section does not apply to a special Government employee or to an officer or employee of the Government serving without

compensation, whether or not he is a special Government employee, or to any person paying, contributing to, or supplementing his salary as such."

"(d) This section does not prohibit payment or acceptance of contributions, awards, or other expenses under the terms of the Government Employees Training Act (Public Law 85-501, 72 Stat. 327; 5 U.S.C. 2301-2319, July 7, 1958)."

(b) Sections 214 and 215 of chapter 11 of title 18 of the United States Code are respectively redesignated sections 210 and 211;

(c) Sections 216 and 223 of chapter 11 of title 18 of the United States Code are repealed;

(d) Sections 217, 218, 219, 220, 221, and 222 of chapter 11 of title 18 of the United States Code are respectively redesignated sections 212, 213, 214, 215, 216, and 217;

(e) Chapter 11 of title 18 of the United States Code is further amended by adding at the end thereof the following new section:

"§ 213. Voiding transactions in violation of chapter; recovery by the United States

"In addition to any other remedies provided by law the President or, under regulations prescribed by him, the head of any department or agency involved, may declare void and rescind any contract, loan, grant, subsidy, license, right, permit, franchise, use, authority, privilege, benefit, certificate, ruling, decision, opinion, or rate schedule awarded, granted, paid, furnished, or published, or the performance of any service or transfer or delivery of any thing to, by or for any agency of the United States or officer or employee of the United States or person acting on behalf thereof, in relation to which there has been a final conviction for any violation of this chapter, and the United States shall be entitled to recover in addition to any penalty prescribed by law or in a contract the amount expended or the thing transferred or delivered on its behalf, or the reasonable value thereof."

SEC. 2. Sections 281 and 283 (except as they may apply to retired officers of the Armed Forces of the United States), 282 and 284 of chapter 15 of title 18, section 434 of chapter 23 of title 18, and section 1914 of chapter 93 of title 18 of the United States Code are repealed and will, respectively, be supplanted by sections 203, 204, 205, 207, 208, and 209 of title 18 of the United States Code as set forth in section 1 of this Act. All exemptions from the provisions of sections 281, 282, 283, 284, 434, or 1914 of title 18 of the United States Code heretofore created or authorized by statute which are in force on the effective date of this Act shall, on and after that date, be deemed to be exemptions from sections 203, 204, 205, 207, 208, or 209, respectively, of title 18 of the United States Code except to the extent that they affect officers or employees of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, as to whom they are no longer applicable.

SEC. 3. Section 190 of the Revised Statutes (5 U.S.C. 99) is repealed.

SEC. 4. This Act shall take effect ninety days after the date of its enactment.

The SPEAKER pro tempore. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second, if no one else will, to be sure there will be debate on this matter.

Mr. McCULLOCH. Mr. Speaker, I demand a second, in order that we may have full discussion on the bill.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York is recognized for 20 minutes and the gentleman from Ohio [Mr. McCULLOCH] is recognized for 20 minutes.

Mr. CELLER. Mr. Speaker, the purpose of this bill H.R. 8140 is, first, to strengthen, revise, and simplify existing Federal conflict-of-interest laws; second, to make appropriate general provision for consultants and temporary employees in the executive branch, the independent agencies and the District of Columbia; and third, to incorporate these conflict-of-interest laws with recodified prohibitions of bribery and graft, so that improper and unethical practices will be prevented without depriving the Government of the services of competent men and women.

Present law in this area presents a crazy quilt of contradictory provisions. As a 1958 staff report of Subcommittee No. 5 of the Committee on the Judiciary observed:

Existing conflict-of-interest law comprises overlapping, inconsistent and incomplete provisions.

Similarly, in 1960, the chairman of a Special Committee on Federal Conflict-of-Interest Laws of the Association of the Bar of the City of New York which conducted an extensive study of these laws has testified that:

The statutory law—most of it a century old—is not broad enough to protect the Government against the manifold modern forms of conflict of interest.

The President, in a special message to Congress on conflicts of interest transmitted last April, stated:

The fundamental defect of these (conflict of interest) statutes as presently written is that: On the one hand, they permit an astonishing range of private interests and activities by public officials which are wholly incompatible with the duties of public office; on the other hand, they create wholly unnecessary obstacles to recruiting qualified people for Government service.

This latter deficiency is particularly serious in the case of consultants and other temporary employees and has been repeatedly recognized by the Congress in its enactment of special exemption statutes.

The previous administration also took a profoundly constructive interest in the problems of conflict of interest in Federal employment, and in June 1960, an Assistant Attorney General testified in detail and at length before Subcommittee No. 5 of the Committee on the Judiciary calling for a thorough revision and strengthening of existing law.

The bill before us, which might well be called the Celler-McCulloch-Lindsay bill is the product of more than 3 years of work by Subcommittee No. 5 of the Committee on the Judiciary combining features of H.R. 3411 and H.R. 3412, identical measures introduced by Representative McCULLOCH and myself; H.R. 3050, the result of a 2-year study by a special committee of the Association of the Bar of the City of New York, introduced by Representative LINDSAY; and the administration proposal, H.R. 7139, introduced by Representative HOLTZMAN.

H.R. 8140, the bill before us, continues with strengthening changes the prohibitions of present conflict of laws and makes special provisions applicable to consultants and temporary employees; consolidates and revises the laws prohibiting bribery, and incorporates the revised bribery and conflict-of-interest provisions in a single chapter of the criminal code.

I commend the members of Subcommittee No. 5 of the Committee on the Judiciary—Representatives RODINO, ROGERS of Colorado, HOLTZMAN, DONOHUE, TOLL, McCULLOCH, MILLER of New York, and MEADER for their painstaking work, in studying and fashioning the bill.

I commend also the members of the staff, Messrs. Maletz, Fuchs, and Crabtree, for their fine work in connection with this bill.

Section 281 of present law prohibits officers and employees of the Government, together with the Members of Congress, from receiving compensation for services rendered before Federal agencies in matters in which the United States is interested. The section is amended to prohibit payment as well as receipt of the forbidden compensation. Both payor and payee are now to be covered.

Section 282 of the present law prohibits Members of Congress from practicing in the Court of Claims. This section is continued without change.

No other conflict-of-interest provision affects Members of Congress. The discipline of Members must come from the electorate. A Congressman offending against good morals must face the voters who can condemn by refusing to reelect him.

The bill continues the prohibition of section 283 of the present law against Government employees acting as agent or attorney in the prosecution of claims against the Government.

The courts, however, have held that the term "claim against the United States" is limited to a demand against the United States for money or property, and the effect of this limitation renders present section 283 inadequate. Accordingly, the bill additionally prohibits an officer or employee of the Government from acting as agent or attorney for anyone before a Federal agency or a court in connection with any matter in which the United States has a direct and substantial interest.

Amplifying that, I want to indicate that where some of the conflict-of-interest statutes are restricted to "claims against the United States"—18 U.S.C. 283, 284; 5 U.S.C. 99—the courts have held that they do not protect the Government against the use of official position, influence, or inside information to aid private parties in Government proceedings which involve no claim for money or property. Yet the danger of abuses of Government position exist to an equal if not greater degree in proceedings such as applications for television and radio licenses, airline routes, electrical power sites, and the like. Literally read, existing law thus makes it a crime punishable by fine and imprisonment for a postal clerk to assist his mother in filing a routine claim for a tax refund, but does not prohibit a Cabinet officer from seeking to influence an independent agency to award a license for

UNIVERSITY OF MICHIGAN LIBRARIES

a valuable television station to a business venture in which he shared the profits.

There are many other technical inadequacies and statutory gaps. Section 434 of title 18, born of the Civil War procurement scandals, prohibits a Government official interested in the pecuniary profits of a business entity from acting as an officer or agent of the United States for the transaction of business with that business entity. By limiting its scope to "business entities" the statute does not cover the many other organizations which deal with the Government. In addition, the concept of "transacting business," if narrowly construed—as would be likely in a criminal prosecution—would exclude many dealings with the Government, such as the clearance or rejection of license applications in the executive branch or before an independent agency.

H.R. 8140 makes important changes in present postemployment prohibitions. Section 207(a) of the bill prohibits a former Government employee of the executive branch, an independent agency, or the District of Columbia from at any time acting as agent or attorney for anyone in connection with any particular matter before the Government, in which the United States has a direct and substantial interest and in which he participated personally and substantially as a Government employee. This is a lifetime bar, preventing the employee from switching sides to the detriment of his Government employer.

In addition, section 207(b) of the bill prohibits such a former Government employee, within 2 years after his last employment has ceased, from appearing personally before any court or Federal agency for a private party in connection with any particular matter in which the United States has a direct and substantial interest and which, within 2 years preceding the termination of his employment, was under his official responsibility.

A Government officer has official responsibility in a matter if he has certain decisionmaking authority with respect thereto. For example, the head of an executive department is responsible for all matters in the department. On the other hand, a general counsel of an agency, such as the Treasury Department, has official responsibility only for those matters which fall within his operating responsibility and with regard to which he has authority to make decisions for the Department.

The obligations of partners of Government employees under the conflict-of-interest statutes are also specified. For 2 years after a Government employee leaves the Government, his firm must stay out of matters in which he has participated personally and substantially for the Government. And while the Government partner remains in the Government, his firm must stay out of matters in which he participates or has participated or which are under his official responsibility.

Present section 434 prohibits officers or employees of the United States from transacting business on behalf of the United States with any business entity in which they are interested. Under section 208 of the bill, the prohibition will not apply if the officer or employee makes full disclosure of his interest in the matter to the official responsible for appointments to his position and receives a written determination that the interest is too insubstantial to affect the integrity of the service, or if, by general rule or regulation published in the Federal Register, the financial interest has been exempted from the prohibition as too remote or inconsequential.

Section 1914 of present law prohibits Government officers and employees from receiving from private sources any salary "in connection with" their Government service, and also prohibits private parties from contributing to or supplementing Government salaries. Section 209 of the bill continues these prohibitions with minor changes.

No present conflict-of-interest statute of general application makes separate provision for consultants or other temporary employees of the Government. Such employees have had to serve under the full rigor of existing general prohibitions, or have ignored these prohibitions, or have been made the subject of numerous nonuniform exemptions.

To correct this situation the bill creates a class of "special Government employee" to whom special conflict-of-interest rules are made applicable, namely, an officer or employee of the executive branch of the Government or of any independent agency or of the District of Columbia who is employed for not more than 130 days in any 365-day period to perform temporary duties.

Under the bill, a "special Government employee" is prohibited from rendering services or accepting compensation for services in relation to particular matters in which the United States has a direct and substantial interest and from prosecuting claims against the United States, in relation to particular matters—first, in which he has at any time participated personally and substantially as a Government employee; or, second, which are or within 2 years have been a subject of his official responsibility; or third, if he serves more than 15 days in any 365-day period, which are pending in the department or agency in which he is serving.

A special Government employee would also be subject to the postemployment prohibitions and the prohibitions against participating for the Government in matters in which he has a financial interest, but is exempt from the prohibition against supplementation of Government salary by private sources.

The bill makes no change whatever in existing law affecting retired officers of the Armed Forces.

The bill combines into a single section and renders uniform the disparate provisions of the nine general bribery sections affecting Government employees; Members of Congress; judges and judicial officers, including jurors; and witnesses. This consolidation renders uniform the law describing a bribe and prescribing the intent or purpose which makes its transfer unlawful, and makes penalties more uniform.

The bill also empowers the President to void contracts in relation to which there has been a violation of the statutes prohibiting bribery, graft, and conflicts of interest.

The act would take effect 90 days after its enactment.

Mr. Speaker, this bill has the support and approval of the present administration and its objective has had the support of the previous administration. It has the support of the Association of the Bar of the City of New York's special conflict-of-interest committee whose 2-year study represents a notable contribution. I know of no opposition to the bill.

Mr. McCULLOCH. Mr. Speaker, I rise to support H.R. 8140, a bill to strengthen the criminal laws relating to bribery, graft, and conflict of interest. In my opinion a general revision of the statutory law on this subject is long overdue.

Earlier this year I joined with the chairman of the Judiciary Committee, the gentleman from New York [Mr. CELLER], in introducing identical bills, H.R. 3411 and H.R. 3412, in order to carry forward into this Congress the unfinished work of the Judiciary Committee on this important subject. My colleague on the committee, the gentleman from New York [Mr. LINDSAY], again introduced the proposal of the New York Bar Association, H.R. 3050, much of which he was instrumental in formulating. The gentleman from New York [Mr. HOLTZMAN], another colleague on the committee, introduced the administration measure, H.R. 7139.

The bill which we are now considering is a composite and contains the best provisions from each of these bills. It is also the product of extensive hearings, in which the views of both the prior administration and the present administration were sought. I might add these views have been of considerable assistance in the final selection of the provisions incorporated into the bill.

The first part of the bill rewrites and brings together into one section of the Criminal Code the several disparate laws on bribery of public officials and witnesses. Here the object of the committee was to bring uniformity into the law, both with respect to the criminal conduct which constitutes bribery and the penalty for the offense. This will be a great improvement over the present code provisions which comprise nine general bribery sections and four sections prohibiting bribery in special cases.

The next section of the bill which warrants discussion prohibits Members of Congress and officers and employees of the Government from receiving compensation for official services rendered in proceedings in which the United States is a party or has a direct and substantial interest. This section strengthens present law in that it prohibits payment as well as receipt of compensation for these services. It applies to "special" or temporary Government employees with respect to those matters in which they have participated personally and substantially or which within 2 years has been the subject of their official responsibility.

The next section prohibits Members of Congress from practicing in the Court of Claims. This is simply a reenactment of present law.

The remainder of the bill, with the exception of a provision which relates to retired military officers, and another provision which permits cancellation of contracts, relates: First, to prohibitions against officers and employees of the Government prosecuting claims against the United States or acting as agent or attorney in matters in which the United States has a direct and substantial interest; second, to the disqualification of former officers and employees of the Government to participate in proceedings in which they had personally participated while they were with the Government; third, to prohibitions against participating in matters in which the Government officer or employee has a financial interest; and fourth, to a prohibition against the payment of supplementary salaries to Government officers or employees by outside sources. None of these provisions apply to Members of Congress.

Also with each of these provisions special exemptions from the blanket coverage of the law are recognized for the temporary or part-time Government employee. Here the problem has been to isolate these employees from conflicts on the particular matters in the particular agencies in which they devote their part-time services.

Likewise special provisions are made for the business or professional partners of the former as well as part-time Government employees in order to isolate them from transactions in which conflicts are likely to occur. The uncertainties of the present law have made it imperative to clarify the status of the part-time Government employee in order to permit these individuals to participate in the vital areas of Government where their services as experts or consultants are needed. In very fine and understandable detail this objective has been accomplished by the present bill.

I know of no objection to the approach of the bill to the very serious problem of clarifying and strengthening the criminal law relating to bribery and conflict of interest. The objectives of the bill have been approved by both the present and the prior administrations. I hope that my colleagues on both sides of the aisle will join the sponsors in voting to suspend the rules and pass the bill.

Mr. Speaker, I now yield 7 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Speaker, for my own part this bill now before us—the Celler-McCulloch-Lindsay bill—marks almost the end of the road of over 3 years of intensive work on the subject of conflicts of interest. In 1958, before coming to Congress, I was privileged to be a member of a special committee of the Association of the Bar of the City of New York, funded by the Ford Foundation, to study conflicts of interest in the executive branch of the Federal Government.

Members of the committee were the following:

Roswell B. Perkins, chairman, former Assistant Secretary of Health, Education, and Welfare.

Howard F. Burns, distinguished Cleveland lawyer and member of the Council of the American Law Institute.

Charles A. Collidge, eminent Massachusetts lawyer, former Assistant Secretary of Defense for Legal and Legislative Affairs, and former Special Assistant to the Secretary of Defense to recommend on the Hoover Commission reports and on reorganization.

Paul M. Herzog, former Chairman of the National Labor Relations Board, and former associate dean of the Graduate School of Public Administration, Harvard University.

Alexander C. Hoagland, Jr., distinguished New York lawyer and former fellow, the Association of the Bar of the City of New York.

Everett L. Hollis, corporation counsel, General Electric Co., and former General Counsel of the Atomic Energy Commission.

Charles A. Horsky, eminent Washington lawyer, partner in Covington & Burling.

John E. Lockwood, leading New York attorney, former General Counsel, Office of Inter-American Affairs, Department of State.

Samuel I. Rosenman, eminent lawyer and former special counsel to Presidents Roosevelt and Truman, and myself.

The staff director was Prof. Bayless Manning, of Yale Law School, and the associate staff director was Prof. Marver H. Bernstein, of Princeton University. Professor Manning subsequently became one of the three Presidential advisers of this administration on the subject of conflicts of interest.

In 1960, this committee published a book entitled "Conflict of Interest and Federal Service," which is regarded as the leading study on the subject of conflicts of interest in the executive branch. The committee drafted a bill which I introduced in the 86th Congress.

As reviewed in the committee report, the bill before us today is a composite of the efforts of the House Judiciary Committee, spreading over a period of years, of the special committee of the Association of the Bar of the City of New York, and the administration's own review of the subject. The bill before us is built largely around the recommendations of the bar association committee.

It is seldom that a legislator has the satisfaction of seeing something through from beginning to end when the end result emerges in near-perfect form. Our usual experience is to see a good beginning emasculated along the way, or so encumbered by amendments as to be unrecognizable. This was not the case here. For this, the distinguished chairman of the Judiciary Committee, the gentleman from New York [Mr. CELLER], and the ranking minority member, the gentleman from Ohio [Mr. MCCULLOCH], deserve the thanks of the Congress. Another reason that this was made possible was because of the unusually able and competent assistance given to the Committee on the Judiciary by committee counsel, Herbert Malletz; assistant counsel, Herbert Fuchs, and Julian Singman; and minority counsel, William Crabtree. I should like to pay special tribute also to Assistant Attorney General Nicholas Katzenbach for his lawyerlike approach to the subject and his sensible suggestions.

This is one of the most difficult subjects to legislate that one can possibly imagine. In fact, the argument is made more often than not that it is impossible to legislate morality—be it public or private. Nonsense. We legislate on the subject of morality every day of the week—and sometimes it is good legislation and sometimes bad. The fact is that it is done, and I suppose that the Committee on the Judiciary has more to do on the subject than any other committee.

We approach this subject with two themes in mind. The first is that ethical standards in the U.S. Federal Government must be beyond reproach. The second is that the Federal Government must be in a position to obtain the personnel and information it needs to meet the demands of the 20th century. These themes are coequal. Neither may be safely subordinated to the other.

A conflict of interest does not necessarily presuppose that action by the official favoring one of these interests will be prejudical to the other, nor that the official will in fact resolve the conflict to his own personal advantage rather than the Government's. If a man is in a position of conflicting interests, he is subject to temptation however he resolves the issue. Regulation of conflicts of interest seeks to prevent situations of temptation from arising. An Internal Revenue agent auditing his own tax return would offer a simple illustration of such a conflict of interest. Perhaps the agent's personal interest in the matter would not affect his discharge of his official duty; but the experience of centuries indicates that the contrary is more likely, and that affairs should be so arranged as to prevent a man from being put in such an equivocal position.

The danger of such conflicts of interest was noted long ago; even before the Sermon on the Mount warned against serving two masters, Plato had forbidden his philosopher kings to hold any personal economic interests whatever. In America the problem was recognized early. When the United States was new, its first Congress forbade the holder of the office of Secretary of the Treasury to invest in Government securities; and the bulk of our present conflict-of-interest statutes dates from the 19th century. But since the end of World War II the attention of the American public has been drawn to conflict-of-interest problems with a new frequency and intensity.

I should like to talk about that aspect of the bill not concerned with the subject of bribery. I am more concerned for the moment about those sections which deal with the classical subject of conflicts of interest. The committee has sought in this connection to modernize and to

make understandable seven ancient statutes which since the middle of the 19th century have formed the core of legislation and general application dealing with the conflict-of-interest problem among executive branch employees.

In general, what do these seven statutes do? Three of them restrict Government employees or former employees from assisting others in the prosecution of claims against the United States. A fourth is sighted essentially on the same target but is focused a little differently: it forbids Government employees to assist others for pay before a forum of the executive branch in any matter in which the United States is interested. The fifth statute prohibits a Government official from acting for the Government in transactions with a business entity in which he has an economic interest. The sixth forbids the official to receive pay from non-Government sources in connection with his official services. And the seventh forbids the official to receive pay for assisting another in obtaining a Government contract.

More tersely, five of the seven provisions forbid officials to assist outsiders in their dealings with the Government; one requires officials to disqualify themselves from acting in Government matters in which they have a conflicting personal economic interest; and one prohibits outside pay for Government work.

Some incidental facts about these statutes are of preliminary interest. Five of the seven were enacted between 1853 and 1872. Three were responses to the venalities of the Civil War. All but one are criminal statutes, in the style of the 19th century, with differing penalties ranging from $1,000 to $10,000 and from 6 months' to 2 years' imprisonment. It is the executive branch that feels the main sting of the provisions, with Members of Congress expressly covered by only two of them, and the judiciary by none. Five apply to employees when in Government service; the other two—both of them prosecution of claims statutes—restrict the activities of former Government employees for a period of 2 years. No two of the provisions use the same drafting language in defining the scope of their application or the offense proscribed, though three of them refer expressly to prosecution of Government claims.

For the lawyer called upon to give an opinion interpreting these statutes, they are a nightmare; they spew up one unanswerable question after another. Who is an officer or employee under section 281, for example? The term has been interpreted to include not only full-time regular personnel but part-time and intermittent personnel, whether or not paid by the Government. It is usually a surprise to an intermittent adviser to learn that he is legally an employee of the Government—and not just on the days on which he is actually doing Government work.

To take another recurrent problem under sections 281, 283, 284, and 99, what does it mean to assist in prosecuting a claim? May one appear as a witness to testify in favor of a claim against the Government? If not, what can one do if subpenaed by the claimant. Does one act as counsel if he writes a memorandum on a point of law? Again, the answers may vary from statute to statute.

Perhaps the most baffling problems of interpretation arise from the connecting phrases in the statutes—key phrases purporting to define the limits of these criminal offenses. Section 281 forbids the employee to assist the outsider in an executive forum in any "matter in which the United States is directly or indirectly interested." In what matter coming before the executive branch is the United States not directly or indirectly interested? Section 284 forbids the former employee for 2 years to assist in prosecuting claims involving any subject matter directly connected with which he was employed by the Government. If a claimant is suing on a defense procurement contract, should the phrase be interpreted to bar a former Government employee only if he worked on that contract? If he worked on other contracts for the same kind of commodities? If he worked on other contracts for another armed service in the Department of Defense? and so forth. How direct a participant must he have been to be barred?

These statutes are shot full of exceptions. In a helter-skelter way Congress has frequently recognized that the rigidity of the general statutes on conflict of interest makes them unworkable as applied to intermittent employees and particular Government positions. The United States Code is peppered with spot exceptions and exemptions, total or partial, enacted piecemeal to meet special cases. Inevitably, this process has produced an arbitrary pattern of controls and exemptions, working unequally, for no apparent reason, from position to position, and from office to office. This bill would make all of these special exceptions unnecessary.

Finally, Mr. Speaker, there is a great problem of varying interpretation regarding outside compensation restrictions, largely embodied in present-day section 1914 of title 18. For example, to what extent are preexisting stock options, pension plans, and insurance plans outlawed compensation under the statute? When are the rights under these plans vested and when not? In an effort to comply with section 1914 and simultaneously to maintain the appointee's eligibility under these security plans, subtly differing degrees of quasi-resignation or leave of absence are devised. For services carefully designated as past, substantial severance payments may be made, with the payments themselves sometimes spread forward in installments over the period of the appointee's Government service. Formal written resignations are executed for the record when the clear expectation of all concerned is that the appointee will in fact return after his stay in Washington.

No one can say with any confidence which of these arrangements, or whether any or all of these arrangements, are legal and permissible under the existing statutes. In the overwhelming majority of instances it appears that, where the statutes are recognized and considered at all, Government appointees and their lawyers lean over backward in an effort to comply, but the crude style of the ancient conflict-of-interest statutes is an inducement to artifice, and there will always be a minority ready to pursue every advantage. When compliance with the law becomes mainly a matter of form, the law is made to appear ludicrous, legal administration is undermined, the underlying policy of the law may be subverted, and the most conscientious bear the heaviest burden. And it is usually a sign that the law is out of touch with reality.

Mr. Speaker, this bill before us today consolidates the scattered conflict-of-interest laws into one unified act, with a common set of definitions and consistent approach; broadens the scope of the conflict-of-interest laws to cover the full range of modern governmental activities; differentiates in some respects between regular and intermittent employees and accommodates itself to the modern use of intermittent personnel; generally strengthens the restraints against conflicts of interest, and elevates to statutory level some important restraints now in regulations or not covered, particularly relating to gifts and use of office to obtain something of value from persons doing business with the Government; recognizes the legitimate private economic interests of Government employees, and permits employees to retain certain security-oriented economic interests, particularly continued benefits in outside pension plans.

More specifically, the program tightens up all existing conflict-of-interest laws in the following general ways:

First. Persons occupying a position inside Government must not be allowed to tamper with the wheels of Government to the special advantage of themselves or any entity on the outside in which they have a personal economic interest.

Second. Persons occupying a position inside Government must not be allowed to help an individual or entity on the outside, where the latter is seeking to make the wheels of Government move in a particular way.

Third. Persons occupying a position inside Government must not be allowed to use their office as a source of power or of confidential information for purposes of advancing their personal economic interests.

One of the significant contributions that this bill makes to this field is the clarification that it lends to a heretofore muddy field. It is important that men who lend their services to the Government have a clear idea as to where they stand insofar as outside interests are concerned and the position that they will be in after leaving Government service. For example, the heretofore murky and dangerous waters surrounding the problem of partners of Government employees and former Government employees is clarified. I refer specifically now to the committee report on pages 11 and 12 which discusses the question of postemployment and partners. The status and obligations of partners of Government employees under the con-

flict-of-interest statutes is not specified in present law. Under the Canons of Ethics of the American Bar Association (canons 6, 36, and 37), and at common law—see *United States* v. *Standard Oil Co.*, 136 F. Supp. 345 (D.C.N.Y., 1955)—the activities of partners are to some extent imputed to each other and to some extent disqualify non-Government partners from activities with which Government partners have become identified. The unsettled state of the law has given rise to serious confusion as to the precise limits of the doctrine of imputation. For this reason, the bill—section 207 (c) and (d)—prescribes the disqualification of partners of Government employees and former Government employees in the executive branch, the independent agencies, and the District of Columbia, and the limits on such disqualification.

Section 207(c) provides that for 2 years after the termination of a Government employee's service his partners must refrain from any activities from which the ex-Government partner is prohibited from engaging by section 207(a). This means that if a Government employee or special Government employee has participated directly and substantially in a matter in which the United States is directly and substantially interested not only is he personally prohibited from representing private parties in that particular matter, but his firm is barred with respect thereto for 2 years following his departure from Government.

In addition, section 207(d) provides that, during the continued service of a partner as a Government employee or special Government employee, his firm is barred from acting in particular matters in which the Government partner has at any time participated, or which is the subject of his official responsibility.

Finally, in order to mark the limits of the imputation doctrine, section 207 provides that a partner of a present or former Government employee or special Government employee in the executive branch, an independent agency, or the District of Columbia, shall as such be subject to the provisions of sections 203, 205, and 207 only as expressly provided in subsections (c) and (d) of section 207. In short, after a Government employee leaves the Government, his firm must for 2 years stay out of matters in which he has participated for the Government. And while the Government partner remains in the Government, his firm must stay out of matters in which he participates or has participated or which are under his official responsibility. However, it is not the intent of the provisions of section 207 (c) and (d) that the fact that a partner of a Government employee or former Government employee is also a partner in a firm in which the Government employee or former Government employee is now a member should disqualify the latter firm. Existing law with respect to the rights and obligations of partners of officers and employees and former officers and employees of the United States in the legislative and judicial branches is left unaffected by the bill.

Mr. Speaker, I wish I had time to discuss in far greater detail the provisions of this bill and the importance of the legislation in general. The chairman of the Committee on the Judiciary has discussed the separate provisions of the bill and I shall not repeat him. Suffice it to say that loopholes are closed and the lines are clarified. At the same time, archaic and unnecessary provisions are eliminated.

It is vital at all times that the public interest be safeguarded and that the highest standards of integrity in the public service be maintained. It is equally vital that the Government be able to attract men of ability and competence into Government service. They will not be attracted if the law is so written that they must be unnecessarily penalized for accepting Government service. Both points of view must be accommodated, namely, a body of law which is clear, reasonable, and protects the public from abuse of office, and at the same time which makes possible the recruitment into Government service of men of talent and ability who as public-spirited citizens wish to serve their Government.

I urge the enactment of the bill.

Mr. SANTANGELO. Mr. Speaker, will the gentleman from New York yield for a question?

Mr. LINDSAY. I yield to my colleague from New York.

Mr. SANTANGELO. Some Members of Congress happen to be executors of estates. Under the provisions of this bill would you say that a Member of Congress who as an executor files a Federal estate tax report and seeks to obtain a determination of the Federal tax, is in violation of the conflict-of-interest statute?

Mr. LINDSAY. I would say to the gentleman that a Member of Congress is in no different position under this bill than he ever has been in the past. This bill does not make any change in substance to the body of law that has built up over Members of Congress. Basically, the answer to the gentleman's question is "no," provided he does not appear personally before a department or agency and receive compensation therefor.

Mr. SANTANGELO. If the gentleman will yield further, as I read the provisions of the report on page 9, it would seem to spell out that there would be a violation and some of the Members have asked for clarification. I would like the record to determine whether or not it is the opinion of my colleague from New York whether this particular filing of a report by an executor who happened to be a Member of Congress would be a violation of the bill that the gentleman is recommending for adoption.

Mr. LINDSAY. No; if the gentleman will permit me to answer, a Member of Congress is forbidden to accept compensation for appearing before any Government department or agency. That, incidentally, is no change from the present law.

Mr. SANTANGELO. If a Member of Congress is attending a conference to determine the amount of the Federal estate tax, would that be a violation of this particular statute?

Mr. LINDSAY. In my opinion, it would not be.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from New York.

Mr. CELLER. If it involved the filing of a report, I do not think there would be a violation. If it involved appearance and argument before a Federal agency, that would be a different matter.

Mr. SANTANGELO. If a law partner of a Member of Congress took it up, would that be a violation on the part of the partner or of the Member?

Mr. CELLER. I do not think it would be a violation for a law partner of the Member of Congress, unless the Member shared in the emoluments. If the law partner acted separately from the Congressman, I do not think any violation is involved.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Arkansas.

Mr. HARRIS. May I ask either the gentleman from New York [Mr. LINDSAY], or the gentleman from New York [Mr. CELLER], if in dealing with the conflict of interest in the amendments anything is included in reference to ex parte contacts?

Mr. LINDSAY. Ex parte contacts on the part of outsiders with the agency?

Mr. HARRIS. Ex parte contacts that are made with reference to matters that might be pending before agencies of the Government.

Mr. CELLER. The answer is "No." Ex parte contacts are not covered by the pending bill.

Mr. HARRIS. As the gentleman knows, we have given a great deal of study to this matter in our committee. In view of the investigations we have had in the past, it appears to us that there is need for some approach to these problems. We are trying to work on it, as I know the gentleman's committee is.

Mr. CELLER. We were very careful not to cover this, since it is a matter for your committee.

Mr. HARRIS. I am interested in that there are some questions involved in these problems of the Government that we cannot reach and the gentleman's committee can.

Mr. McCULLOCH. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, knowing the members of the Committee on the Judiciary, I have no doubt this is the best legislation on this subject that could be drawn at this time. There is something in the bill about the "conflict of interest." The bill does apply to Congressmen. Then it states you cannot do anything to get something for yourself. Does that prohibit my voting for an increase in salary?

Mr. McCULLOCH. In my opinion, it would not.

Mr. HOFFMAN of Michigan. Or soliciting the gentleman's support or trying to influence him, if that could be done, and, of course, I assume it could not.

Mr. McCULLOCH. I am of a like opinion in answer to that question, too.

Mr. HOFFMAN of Michigan. Assuming I have a share of stock in a Federal savings and loan association or a share in a national bank, would that prevent me from appearing before the Committee on Ways and Means, urging the committee to vote one way or another on a tax bill, or voting for or against a bill imposing a tax on either, or exempting either from a tax?

Mr. McCULLOCH. In my opinion, it certainly would not.

Mr. CELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Speaker, I would like to congratulate the chairman and the members of the committee. Usually Members who congratulate a committee are members of that committee, but I am not. I have watched their fine work in bringing up this measure. I note it sets a high standard for the conduct of official business. Further, as President Kennedy has said, "it eliminates the technical deficiencies and anachronisms of existing laws, and makes it possible for the Government to mobilize a wide range of talent and skill."

Mr. Speaker, in 1951, I introduced a bill in this field, H.R. 4389.

In subsequent Congresses, I introduced similar bills. The current bill I introduced in this field is H.R. 302. I am very interested in this general field of legislation. I feel that the committee tackled a very tough subject and did an excellent job. I particularly congratulate the committee on clarifying and modernizing the ancient statutes that we have had on the books heretofore.

The old section 284 refers to "a claim against the United States," which was narrowly construed by the courts.

Section 207(a) of the substitute bill substitutes for this narrow provision things having to do with a "proceeding, contract, claim, controversy," and so forth, which is very much broader language. This legislation covers partners of ex-employees and clarifies a lot of the difficulties in situations like that. It voids contracts if they are found to be the result of a violation of this law.

Mr. Speaker, in sum and total, I think this committee has done an excellent job on a problem to which it put its shoulders a number of years ago. It has made a scholarly approach to this question, and in my opinion should be very strongly commended by the Congress. I believe this is one of the most important measures to be brought forth by this session of the Congress, and I am very happy to have the opportunity to speak in behalf of this measure today.

Mr. McCULLOCH. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, with respect to the compensation of Members of Congress, may I ask the gentleman from New York [Mr. CELLER] this question. Does this bill do anything with respect to Members of Congress who are compensated as members of the Armed Forces Reserves?

Mr. CELLER. I will answer categorically, the bill does not affect that problem at all.

Mr. GROSS. The gentleman is aware that Members of Congress are so compensated?

Mr. CELLER. Yes, I am aware of that.

Mr. GROSS. I suspect the gentleman from New York is also aware that a good many years ago, the Congress deprived a Member of the House of Representatives of his membership in Congress because he was receiving compensation as an officer in the armed services while he was a Member of the House. The gentleman has not given that any consideration, I take it?

Mr. CELLER. We have given it consideration. We have made no change in the law in that regard.

Mr. GROSS. Why not?

Mr. CELLER. Because of the very arguments that the gentleman expounded just now.

Mr. GROSS. I did not argue against it. I said the situation developed whereby a Member was deprived of his seat in the House of Representatives because he was also accepting compensation as a member of the Armed Forces and that, it was determined, established a conflict of interest as well as compensation from another branch of Government.

Mr. CELLER. We deemed it advisable not to touch that subject at all.

Mr. GROSS. I see—that is a little different answer than I got the first time.

Now may I ask the gentleman another question. The gentleman spoke of consultants a little while ago. We had the situation of a retired general who was hired by the Pentagon as a consultant to set up a training school in Washington. When the training school was established, upon the recommendation of this retired general, it went to a contract operator and the general then became the directing head of this institution. Today, if he is still there, and I assume he is because I have heard nothing to the contrary, and he has been there for 2 or 3 years, this retired general is drawing dual compensation, a fat salary plus his retirement. Can the gentleman tell me if this bill does anything to correct that kind of situation?

Mr. CELLER. I will read briefly from the report on the bill at page 10, under the caption "Retired Officers." Under the present law, retired officers of the Armed Forces of the United States while on active duty occupy a peculiar and complex position. They are not, by reason of such status, subject to the provisions of section 281 or 283 of the present conflict-of-interest statutes. We do not cover them in the present bill.

Mr. GROSS. You do nothing about that kind of situation?

Mr. CELLER. No.

Mr. GROSS. I wanted to be able to compliment the committee, but this bill is far short of what it ought to be if it does not go into situations of the kind I have cited.

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent to revise and extend the original remarks I made on this proposal immediately following the remarks of the gentleman from New York [Mr. CELLER].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SANTANGELO. Mr. Speaker, will the gentleman yield?

Mr. CELLER. Mr. Speaker, I yield 1 minute to the gentleman from New [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Speaker, I want to compliment the committee as far as it has gone, but I am very disappointed that they did not try to solve the problem of the sacred cow, the retired military officer. You may recall that this last year the House passed a bill which sought to eliminate conflicts of interest on the part of officers who had either resigned or retired. The year before that the House defeated my amendment to bar employment to retired officers with defense contractors for 5 years on the promise that there would be an investigation. We passed a bill last year and that bill died in the Senate and nothing has been done in connection with that problem. We hoped the Judiciary Committee would go into the problem that is costing the taxpayers millions of dollars because of conflict of interest; and while I want to compliment you on what you have done in fields other than the military, I think the committee has failed to tackle an important problem, that is, the conflict of interest on the part of retired officers above the rank of captain or colonel. I am sorry that this committee which has worked for 3 years could not have taken another 6 months to solve that very important problem.

It has been brought to my attention that the Defense Department within the past 2 weeks has issued new regulations which, among other things, pertain to activities of retired military officers. I believe this is a significant step, but I, personally, would have preferred that this Code of Conduct be regulated by legislation rather than by Defense Department regulations.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill H.R. 8140, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the bill was passed.

A motion to reconsider was laid on the table.

AMENDING THE NATIONAL AERONAUTICS AND SPACE ACT OF 1958

Mr. BROOKS of Louisiana. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8095) to amend the National Aeronautics and Space Act of 1958, as amended, and for other purposes.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the

National Aeronautics and Space Act of 1958, as amended, is amended as follows:

(a) Section 203 is amended—

(i) by striking out "to lease to others such real and personal property;" in paragraph (b)(3) and inserting in lieu thereof the following: "to lease to others such real and personal property, and any such lease may provide, notwithstanding section 321 of the Act of June 30, 1932 (40 U.S.C. 303b), or any other provision of law, for the maintenance, protection, repair, or restoration, by the lessee, of the property leased, or of the entire unit or installation where a substantial part of it is leased as part or all of the consideration for the lease;";

(ii) by striking out "and" at the end of paragraph (12) of subsection (b), by striking out the period at the end of paragraph (13) of such subsection and inserting in lieu thereof, "; and", and by adding at the end of such subsection the following new paragraph:

"(14) to acquire releases, before suit is brought, for past infringement of patents."

(b) Section 204 is repealed.

(c) Section 205 is redesignated as section 204.

(d) Section 206 is redesignated as section 205, and such section as so designated is amended by striking out "semi-annually" in subsection (a) and by inserting in lieu thereof "once a year".

(e) Section 304 is amended by striking out "certified by the Council or the Administrator, as the case may be," in the first sentence of subdivision (b) and inserting in lieu thereof "certified by the Council or the Administrator or designee thereof, as the case may be,".

(f) Title III is further amended by adding at the end thereof the following new section:

"INDEMNIFICATION

"SEC. 308. (a) With the approval of the Administrator or his designee, any contract of the Administration for research or development, or both, the performance of which involves a risk of an unusually hazardous nature, may provide that the United States will indemnify the contractor against either or both of the following, but only to the extent that they arise out of the direct performance of the contract and to the extent not covered by the financial protection required under subsection (e):

"(1) Liability (including reasonable expenses of litigation or settlement) to third persons, except liability under State or Federal Workmen's Compensation Acts to employees of the contractor employed at the site of and in connection with the contract for which indemnification is granted, for death, bodily injury, or loss of or damage to property, from a risk that the contract defines as unusually hazardous.

"(2) Loss of or damage to property of the contractor from a risk that the contract defines as unusually hazardous.

"(b) A contract that provides for indemnification in accordance with subsection (a) must also provide for—

"(1) notice to the United States of any claim or suit against the contractor for death, bodily injury, or loss of or damage to property; and

"(2) control of or assistance in the defense by the United States, at its election, of any such suit or claim for which indemnification is provided hereunder.

"(c) No payment may be made under subsection (a) unless the Administrator, or his designee, certifies that the amount is just and reasonable.

"(d) Where the total amount of claims arising out of a single incident and certified under subsection (c)—

"(1) exceeds $100,000, payments may be made from funds specifically appropriated therefor;

"(2) does not exceed $100,000, payments may be made from (i) funds obligated for the performance of the contract concerned, or (ii) funds available for research or development, or both, and not otherwise obligated.

"(e) Each contractor which is a party to an indemnification agreement under subsection (a) shall have and maintain financial protection of such type and in such amounts as the Administration shall require to cover liability to third persons and loss of or damage to the contractor's property. The amount of financial protection required shall be the maximum amount of insurance available from private sources, except that the Administration may establish a lesser amount, taking into consideration the cost and terms of private insurance. Such financial protection may include private insurance, private contractual indemnities, self-insurance, other proof of financial responsibility, or a combination of such measures.

"(f) In administering the provisions of this section, the Administration shall use, to the maximum extent practicable, the facilities and services of private insurance organizations, and the Administration may contract to pay a reasonable compensation for such services. Any contract made under the provisions of this subsection may be made without regard to the provisions of section 5 of title 41, upon a showing by the Administration that advertising is not reasonably practicable, and advance payments may be made.

"(g) The authority to indemnify contractors under this section does not create any rights in third persons which would not otherwise exist by law.

"(h) As used in this section, the term 'contractor' includes subcontractors of any tier under a contract in which an indemnification provision pursuant to subsection (a) is contained."

SEC. 2. The Act of April 29, 1941, as amended (40 U.S.C. 270e), is amended (1) by striking out "or the Secretary of the Treasury" and inserting in lieu thereof "the Secretary of the Treasury or the Administrator of the National Aeronautics and Space Administration", and (2) by striking out "or Coast Guard" and inserting in lieu thereof "Coast Guard, or National Aeronautics and Space Administration".

SEC. 3. Section 2302 of title 10 of the United States Code is amended by striking out "or the Administrator of the National Aeronautics and Space Administration." and inserting in lieu thereof "or the Administrator or Deputy Administrator of the National Aeronautics and Space Administration.".

The SPEAKER pro tempore. Is a second demanded?

Mr. FULTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

The gentleman from Louisiana [Mr. BROOKS] will be recognized for 20 minutes and the gentleman from Pennsylvania, [Mr. FULTON] for 20 minutes.

The gentleman from Louisiana is recognized.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield myself 10 minutes.

The SPEAKER pro tempore. The gentleman from Louisiana is recognized.

Mr. BROOKS of Louisiana. Mr. Speaker, this measure is brought up, as everybody realizes, at a very timely moment in current affairs. The bill itself does not involve the authorization of any money and certainly not the appropriation of any money. It involves a number of changes to the basic National Aeronautics and Space Administration Act, some relatively minor, some of greater importance. I will take them up in the order in which we have set them forth in the bill.

The first of these changes is one that will authorize the National Aeronautics and Space Administration to engage in leases for compensation other than money. For instance, at the NASA field station located on Wallops Island, Va., the local people are very anxious to do some work on the reservation and in return they want the use of a portion of the reservation for grazing purposes. They are willing to maintain the runways and the area around the runways in excellent shape. But NASA is not able to engage in that sort of agreement with those people because under the law, it is required to accept only a cash consideration for leases.

We have thus provided in this measure that in exceptional, and only in exceptional, cases NASA shall be permitted to accept considerations for a lease other than cash considerations.

We have next, in the order of amendments presented in this bill, a provision for settling certain claims arising out of the normal course of NASA's work which involve the infringement of patent rights. There can be certain alleged violations of patent rights. Most of them are relatively small claims. But to allow a delay of such claim settlements could hold up the work of NASA. This bill would authorize NASA to make adjustment in cases of alleged claims of the violation of patent rights.

There is another matter in the bill that is important. We abolish the Civilian-Military Liaison Committee that was established by the Select Committee on Astronautics and Space Exploration, headed by the distinguished majority leader of this House. We find it is not necessary to have this Civilian-Military Liaison Committee. Both NASA and the Department of Defense prefer to have what is called the Aeronautics and Astronautics Coordinating Board. That Board was set by administrative decree and is cochaired by the Deputy Administrator of NASA and by the Director of Defense Research and Engineering of the Defense Department. That Board is working, they say, very well. Both agencies like the arrangement and have asked that we repeal the authority which we originally gave to the Civilian-Military Liaison Committee. This bill will do that.

It provides a further minor amendment. The original law provided for reports to be made by NASA to the Congress twice a year, or every 6 months. We find that is not necessary. Furthermore, it puts additional labor on the agency. Therefore, we withdraw that provision and simply require one annual report to be given by NASA to the Committee on Science and Astronautics of the Congress of the United States.

We provide also for the delegation of authority in very limited cases involving security matters. For instance, only the Administrator at the present time has

authority to authorize certain employees to have access to restricted data. This would allow him to delegate to a designee the authority to act for him in these particular cases. This is a matter of routine, really, that we are relieving him of in this particular change.

Next is a matter that I think should be given consideration by this Congress. That is the matter of indemnification. I appointed a subcommittee, headed by the gentleman from Utah [Mr. KING], to investigate the many aspects of indemnification that could result from a disastrous accident. NASA is dealing with explosives of the greatest violence. I think the chemicals, the liquid propellants, and the materials used by NASA are as potentially violent and explosive as any obtainable in the entire world.

Mr. BROWN. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Ohio.

Mr. BROWN. Will the gentleman tell us whether or not in the past the Federal Government has furnished indemnification for contractors making different materials for the Federal Government? In other words, will the Federal Government itself be responsible for the indemnification of the contractors?

Mr. BROOKS of Louisiana. I will be glad to answer that. The armed services do and so does the Atomic Energy Commission. They are dealing with very explosive and very hazardous materials and they have indemnification authority similar to the one we have adopted.

Mr. BROWN. Let me ask one other question. In other words, during World War II the manufacturers of high explosives, such as TNT bombs and so forth, were indemnified by the Federal Government against loss of life in their own plants at the expense of the Federal Government?

Mr. BROOKS of Louisiana. I cannot say that was done in World War II. But I can say that the Defense Department and the Atomic Energy Commission today have such authority and they exercise that authority.

Let me tell my distinguished friend from Ohio that this provision on indemnification does not add one jot or tittle to the obligation of the United States. The United States is still obligated under the general tort laws and contract laws of the Nation to pay for damages as damages occur as a result of Government activities. This provision simply organizes the method whereby indemnification may be made in the event of an accident. For instance, small claims may be paid without being submitted to Congress, but major claims can be paid only after being authorized by the Congress.

Mr. BROWN. Mr. Speaker, will the gentleman yield further at this point?

Mr. BROOKS of Louisiana. I yield.

Mr. BROWN. Of course, there are a great many hazardous industries in the United States that are not connected in any way with the Federal Government. In those industries often the State workmen's compensation laws apply and the charges and the costs to those hazardous industries for coverage, to cover any damage or loss of life and so forth and so on, sometimes are very high. Now, in connection with this indemnification that the gentleman has been discussing, in the savings that may accrue to the individual contractor or the private contractor as the result of the Government becoming responsible for indemnifying for these losses, are these costs taken into consideration, or those savings, in dealing with the contractors to reduce the cost to the Federal Government that much?

Mr. BROOKS of Louisiana. I am glad the gentleman brought this matter up. The gentleman has given thought, time, and study to it.

Under this bill, for instance, those employees who are covered by State and Federal Workmen's Compensation Acts are not covered by this statute.

Furthermore, I want to call the gentleman's attention to the fact that this provision is going to result in a tremendous saving to the U.S. Government. We require under this particular statute that all private insurance coverage obtainable by a contractor and a subcontractor shall be effective before any recourse can be had against the United States. That may run to $15 million or $20 million. Private insurance companies will not insure contractors for more than $15 million or $20 million.

But under this bill we require that contractors must have all available private insurance. The Government actually is going to save a lot of money, in the long run, if there are any claims filed under this act.

Mr. BROWN. Mr. Speaker, if the gentleman will yield further; in other words, if I understand the gentleman correctly, this bill in no way eliminates or reduces the responsibility of the contractor in case of accident?

Mr. BROOKS of Louisiana. On the contrary, we make it mandatory that the contractor obtain the insurance to take care of his losses.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to my distinguished friend from Pennsylvania.

Mr. FULTON. Tort claims would arise under the laws of the particular local jurisdiction. That would be under the State jurisdiction. And they might come under the Federal law of torts as they exist between private individuals. But this legislation would not in any way affect the rights of those claiming injury.

Mr. BROOKS of Louisiana. The claims will be against the contractors of the U.S. agency, NASA. But by making this private insurance mandatory, we lessen the liability of the United States.

Mr. FULTON. And it should be pointed out that both Federal and State workmen's compensation laws are excluded. The coverage is adequate. Claims of third persons or of employees of contractors covered by either State or Federal workmen's compensation laws do not come under this act. They are specifically taken out.

Mr. BROOKS of Louisiana. That is correct.

Mr. FULTON. Likewise, it should be pointed out that this indemnity provision, does not apply to any kind of production or procurement contracts. The indemnification is only for research and development contracts. It is limited to contractual research and development activities considered by the Administrator of NASA to be unusually hazardous.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I yield to the chairman, the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. I have very little to add to what has been said in reference to the indemnification provision. I think it is extremely important to realize that this is applicable only in cases of extremely hazardous conditions occurring entirely, as the gentleman has well said, within the scope of research and development contract activities of the NASA agency.

Mr. FULTON. And the provision does not in any way involve procurement or production contracts. We are limiting very much the application of indemnification authority.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Iowa.

Mr. GROSS. Does this bill in any way deal with personnel or pay of personnel including those under the Classification Act or the hiring of consultants?

Mr. FULTON. This bill in no way deals with the pay of personnel nor the classification of personnel. For example, it deals with the repeal of the civil-military liaison committee which had been originally created for DOD–NASA liaison. This is now felt to be not necessary. The repeal of the CMLC is the only provision that would in any way affect personnel. But this simply eliminates a liaison function. The possible payment of money involves only the indemnity provision. I might say that an employee of a contractor or a third person covered by the Federal or State Workmen's Compensation Acts, is provided for under those particular acts. This bill does not set the rate nor the amount, nor the instance when payment is made.

Mr. GROSS. But it is in no way designed to increase personnel nor to increase pay in NASA?

Mr. FULTON. That is a very good question. This bill in no way affects NASA's budget for personnel nor the budget.

Mr. GROSS. I thank the gentleman.

Mr. FULTON. There is, of course, one minor aspect affecting the budget. There is now an authorization to make leases for considerations other than money, as the gentleman has very adequately pointed out, such as for services performed. But that does not increase the budget. That just allows payment in terms other than money.

Mr. Speaker, I want to say that I agree with the chairman's statement. May I congratulate the chairman, the members on both sides of the Science and Astronautics Committee, the committee staff, and the subcommittee that worked

on this bill. They have produced very workmanlike answers. I believe this is one of the best enabling acts we have passed here.

In conclusion may I say that I expect that NASA has adequate military liaison. There is a free exchange of information between NASA and the Department of Defense.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Ohio.

Mr. BOW. May I refer to the language of the bill on page 4 and of the committee report on page 6.

Mr. FULTON. That provides for the overall limitation on liability.

Mr. BOW. That is, we take away any congressional review of the liability.

Mr. BROOKS of Louisiana. If the gentleman will yield on that point; No I would not say so. Small claims arise from time to time. Then a subsequent review is made. However, for major claims we have stipulated that a major action involving many claims totaling more than $100,000 cannot be disposed of without coming to Congress.

Mr. FULTON. Our purpose is that Congress shall authorize the payment of such claims. I think the chairman is right in that we in no way take away the right to act on these claims. I can say that the tort liability in the first place is on the contractor, under State or Federal laws, as separate from this law. What we are interested in is the United States either indemnifying on the claims or paying the losses.

Mr. BOW. As I read the report, referring again to page 6, under the previous law no payment could be made until the expiration of 30 days after the adjournment of Congress, and amounts to be paid under $100,000. That apparently is no longer being done, and on those amounts under the $100,000, they can now be paid upon certification by the Administrator out of funds available for research and development, and they do not come here. Is there a chance for Congress to review if the administrative payment is paid out of funds for research and development? Am I correct on that?

Mr. BROOKS of Louisiana. Not necessarily. If one accident involves claims less than $100,000, the Administrator is permitted to go ahead and make settlement under the general tort laws of the Government. Then he comes to Congress and shows what he has done. The reason for that is obvious. In many cases people are maimed and hurt, and there is need for early action. But if the damages are major and exceed $100,000, then in that event he must come to Congress for authorization. There may be a Texas City disaster. In that event, the Administrator has to come to Congress and get permission before he can act. In either case we have a review.

Mr. FULTON. Remember, we are talking of making indemnity payments to people who have been hurt through the actions of a NASA contractor. This is the U.S Government underwriting the cost. It is really a claim against a contractor or subcontractor to begin with. The claims that arise against the Federal Government arise in the first place against a contractor. The question is: How much will the Administrator accept and indemnify? We felt that the Administrator can pass on claims under $100,000. It would be better management to let him make payment rather than have him delay until the expiration of 30 calendar days of a particular session of Congress before payment is made. We could really see no gain in that.

Mr. BROOKS of Louisiana. May I say that the first indemnity procedure is not going to be against the Government, but would be against the insuring companies that insured the contractors and the subcontractors. These insurance policies may run to $10 or $15 million. It is only when the amount of commercial insurance is exceeded that recourse can be sought against the United States. I think we are pretty well protected.

Mr. FULTON. I would like to read from page 4 of the committee report. I direct the attention of the gentleman from Ohio to this. The reports reads as follows:

> The bill would indemnify contractors against damage arising "out of the direct performance of the contract" and to the extent not compensated by insurance or otherwise in regards to (1) claims by third parties, including employees of the contractor, except those covered by State or Federal Workmen's Compensation Acts, and (2) property damage sustained by the contractor. Indemnity would be limited to cases where the contract has defined the risk as "unusually hazardous."

That explains the procedure to you. If you would look over on page 6 and read what you see there in relation to that kind of amendment, I think it explains it further.

Mr. BROOKS of Louisiana. Mr. Speaker, I congratulate the subcommittee on doing an excellent job.

The SPEAKER pro tempore. The question is: Will the House suspend the rules and pass the bill H.R. 8095?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PROHIBITING DESTRUCTION OF OR INJURY TO ANY SHIPMENT OF PROPERTY MOVING IN INTERSTATE OR FOREIGN COMMERCE

Mr. WILLIAMS. Mr. Speaker, I move that the House suspend the rules and pass the bill (H.R. 2429) to prohibit damage to, or destruction of, any shipment of freight or express moving in interstate or foreign commerce, and for other purposes, with a committee amendment.

The Clerk read as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) it shall be unlawful for any person willfully to destroy or injure any property moving in interstate or foreign commerce in the possession of a common or contract carrier by railroad, motor vehicle, or aircraft, or willfully to attempt to destroy or injure any such property.
>
> (b) Whoever violates any provision of subsection (a) of this section shall be fined not more than $5,000 or imprisoned not more than ten years, or both.
>
> (c) To establish the interstate or foreign commerce character of any property involved in any prosecution under this section, the waybill or similar shipping document of such property shall be prima facie evidence of the place from which and to which such property was moving.
>
> SEC. 2. A judgment of conviction or acquittal on the merits under the laws of any State or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico, shall be a bar to any prosecution under this Act for the same act or acts.

The SPEAKER pro tempore. Is a second demanded?

Mr. SPRINGER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. WILLIAMS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of this legislation is to provide criminal penalties against persons who commit the crime of willfully damaging or attempting to damage shipments of goods moving in interstate commerce. The need for this legislation was very forcefully brought to our attention a year or so ago when a shipment of automobiles arrived at its destination by rail, and it was discovered that some 200 automobiles had been damaged by vandals who had thrown acid on the automobiles. Since the automobiles had moved through several States, obviously, it was impossible to determine where the incident had occurred. When the authorities began to check into the possibility of a Federal crime having been committed, it was found that while our laws cover a number of crimes against interstate commerce, this particular crime was not covered by any existing statute. This legislation, insofar, as I know, has no opposition from any quarter. It is supported by the several agencies of the executive department and no one appeared in the committee in opposition to the bill. In view of this, Mr. Speaker, I urge the passage of the legislation.

Mr. Speaker, under leave to extend my remarks, I shall include a more detailed explanation of the bill and its provisions.

Mr. Speaker, the purpose of the bill being considered by the House today is to discourage the willful destruction of, or injury to, any property moving in interstate or foreign commerce while in the possession of a common or contract carrier by railroad, motor vehicle or aircraft, by providing for criminal sanctions against any person who commits, or attempts to commit such acts. The reason we are omitting from this legislation property shipped by water carriers is that such property appears to be adequately protected against willful destruction or damage by section 2275 of title 18 of the United States Code.

Thus, the bill would supplement existing Federal criminal laws in order to provide more effective deterrents to the

willful commission of acts to destroy or damage property moving in interstate or foreign commerce. Of course, there is no intention to make this law applicable to Federal Government representatives or other law enforcement officers where the inspection of property is necessary in furtherance of their enforcement duties.

NEED FOR LEGISLATION

Title 18 of the United States Code now prohibits, in varying degrees, the willful destruction of or injury to property or transportation equipment in interstate or foreign commerce and any attempt to destroy or injure such property or equipment. The need for this legislation arises, however, because the existing Federal laws require that the acts now prohibited by such laws be committed, first, with intent to damage, destroy, or wreck the equipment used to transport persons or property in interstate or foreign commerce, second, with intent to injure an individual being transported on such equipment, or third, with a reckless disregard for human life. In the absence of proof as to the specific intent required, an individual who willfully injures or destroys property moving in interstate or foreign commerce could avoid prosecution or conviction under existing Federal laws.

Thus, section 1991 of title 18 of the United States Code sets forth penalties against anyone who willfully or maliciously enters any railroad train, car, or locomotive with intent to commit certain crimes, such as murder, robbery, or assault. Section 1992 sets forth penalties against anyone who willfully derails, disables, or wrecks any train, engine, or car. It also covers acts of damage to certain other railroad facilities where the intent is to derail, disable, or wreck such train, engine, or car. Section 2117 makes it a crime to break the seal or lock of any railroad car, vessel, aircraft, motortruck, or other vehicle containing interstate or foreign shipments of freight or express or to enter such vehicle with intent to commit larceny therein.

Section 32 of title 18 of the United States Code provides for criminal penalties for the willful destruction of, or damage to, civil aircraft used in interstate, oversea, or foreign air commerce. This section also extends to any acts of destruction or damage to aircraft parts or facilities used, or intended for use, in the operation of such aircraft, or any cargo carried on such aircraft, where the intent is to damage or disable such aircraft.

Similarly, section 33 of title 18 provides for criminal penalties for the willful destruction of, or damage to, any motor vehicle used in interstate or foreign commerce where the intent is to endanger the safety of any person on board, or where there is a reckless disregard for human safety. This prohibition also extends to the destruction of or damage to the cargo on the motor vehicle, and the facilities used in connection with its operation, where the intent is to endanger the safety of any person on board or where there is a reckless disregard for human safety.

None of these sections, however, extends to acts of willful damage to, or destruction of, property per se in the possession of a carrier if the carrier's own property is not damaged coincidentally, or if such acts are not intentionally performed for the purpose of damaging the carrier's own property or endangering the safety of any person.

The Subcommittee on Transportation and Aeronautics of the Committee on Interstate and Foreign Commerce held hearings on this bill at which a witness for the Association of American Railroads testified with respect to two acts of vandalism which occurred last year and involved the interstate shipment of new automobiles by railroad on flatcars. When delivered at their destination it was discovered that more than 200 automobiles had been damaged by acid sprayed on these vehicles while in transit. No Federal statute could be found which would make these acts of vandalism a Federal crime.

While State laws relating to damage and destruction of property may provide adequate penalty in many cases, the speed at which railroads, motor carriers, and especially aircraft travel makes it difficult to enforce those laws. A chain of events set in motion in one State may not result in damage until the carrier has passed through the jurisdiction of many States. State authorities, under such circumstances, could be confronted with many difficulties in establishing that a crime has been committed in a particular State, and serious jurisdictional and other technical legal problems inevitably would be involved. Sanctions do differ from State to State, and equal and certain punishment for the same crime could not be assured.

Enactment of this legislation would fill a vacuum in our Federal criminal statutes and would act as a deterrent to the willful commission of acts to destroy or damage property moving in interstate or foreign commerce by common or contract carriers.

There was no opposition to this legislation. I urge the House to pass the bill.

Mr. SPRINGER. Mr. Speaker, one of the difficulties that we are now experiencing with shipments in interstate commerce in the matter of damages is the question of proving where the particular incident took place even though they might know who the guilty party is. All of this will be cured by this legislation which now puts the prosecution of this kind of vandalism in the Federal Government.

When damage to this particular shipment was discovered it was not even possible for the Federal Bureau of Investigation to look into the matter because no Federal statute was involved, even though it was in interstate commerce.

This bill will bring these interstate shipments within the investigatory power of the Federal Bureau of Investigation where it is possible to cross State lines in order to make a complete investigation of what took place and determine whether or not only local law was violated or Federal law. If it is determined as a result of the investigation that Federal law was involved the case can be brought in the U.S. district court in the proper district.

I think the subcommittee went into considerable detail to be sure that we were not operating in a field that ought to be covered by local law rather than Federal. This will not preempt this field; it will still be possible to prosecute in State courts for violations of State or local laws, such as ordinances passed by a city should the shipment be damaged in a particular city. This is a law that is needed in this particular field. There are other Federal laws to cover other instances but apparently there is not any Federal law that covers the particular situation involved, as pointed out by the gentleman from Mississippi [Mr. WILLIAMS].

I believe all the evidence was in the affirmative. I know of no opposition to the bill; no one appeared in opposition to the bill. Insofar as I know there is no opposition on either side of the aisle to the passage of this bill. I therefore recommend that the bill be passed.

Mr. WILLIAMS. Mr. Speaker, I have no further requests for time, but I ask unanimous consent to revise and extend the remarks I made and include a detailed analysis of the situation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. The question is, will the House suspend the rules and pass the bill H.R. 2429 as amended.

The question was taken; and (two-thirds having voted in favor thereof) the bill was passed.

A motion to reconsider was laid on the table.

The title of the bill was amended to read: "A bill to prohibit destruction of, or injury to, certain property moving in interstate or foreign commerce, and for other purposes."

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7445) entitled "An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to Senate amendment No. 36 to the above-entitled bill.

ARTIFACTS OF THE RYUKYUAN PEOPLE

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of H.R. 8461, to authorize an investigation relating to the restoration and preservation of certain cultural and historical

artifacts of the Ryukyuan people, and that the bill be rereferred to the Committee on Armed Services.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

EXTENSION OF REMARKS

Mr. HOLIFIELD. Mr. Speaker, following the special order of the gentleman from Texas, the gentleman from Michigan [Mr. MEADER], has a special order; and following that special order, I ask unanimous consent that the remarks which I had intended to make today be inserted in the RECORD at that point, and that I may include tables.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

FOREIGN AID

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, with many other Members of Congress, I support President Kennedy's foreign aid bill because I am convinced of the importance of this program to our national security at a time of increasing challenge from the Communist world.

I am also convinced, along with many other Members of Congress, that our foreign aid programs abroad can be conducted much more efficiently and effectively.

It is for this reason that on Friday, August 4, on behalf of 29 other Members of the House of Representatives, I sent a letter to Mr. Henry Labouisse, Director of the International Cooperation Administration, asking detailed answers to four questions about the administration of the foreign aid program.

I would like at this point in the CONGRESSIONAL RECORD to insert the text of our letter to Mr. Labouisse together with the names of the 30 signers.

Mr. HENRY R. LABOUISSE,
Director, International Cooperation Administration, Washington, D.C.

DEAR MR. LABOUISSE: The signers of this letter agree that a program of foreign aid such as that embodied in the President's proposed Act for International Development is both essential to the security of the United States and consistent with the desires of the American people to encourage economic development and strengthen free political institutions in other nations.

Because of the importance of this program and the large sums requested to finance it, and because we recognize that there are many difficulties involved in operating such a program in underdeveloped nations, we would like to raise these questions:

1. What will be done under the proposed new AID agency to insure that agency staff members abroad are fully informed on new policies; and what steps will be taken to insure that these policies are being carried out? What are you doing to find the best possible personnel to administer aid programs in the field and what is being done and will be done to remove those whose performance is unsatisfactory?

2. What measures will your agency take to deal with the problems faced by responsible U.S. private business firms in underdeveloped countries—problems such as the blocking of currency and the threat of expropriation.

3. Documented instances of bad planning, waste, and unsuitable projects have strongly affected public attitudes toward foreign assistance programs. What specifically will be done to prevent the repetition of such instances?

4. President Kennedy has indicated that the new aid program will call for self-help measures such as tax and land reform on the part of receiving nations. What steps do you propose to insure that our aid goes to the people who need it?

We would very much appreciate your responding in some detail to these questions. We believe it is our duty as Members of Congress who understand the importance of a sound foreign aid program to be constructively critical. We wish to assure you that we will continue to observe AID operations closely.

Sincerely,

JOHN BRADEMAS, THOMAS L. ASHLEY, JOHN A. BLATNIK, FRANK W. BURKE, JEFFERY COHELAN, ROBERT E. COOK, JAMES C. CORMAN, EMILIO Q. DADDARIO, WINFIELD K. DENTON, ROBERT N. GIAIMO, EDITH GREEN, RALPH R. HARDING, KEN HECHLER, CHET HOLIFIELD, LESTER HOLTZMAN, ROBERT KASTENMEIER, CLEM MILLER, WALTER H. MOELLER, WILLIAM S. MOORHEAD, ABRAHAM J. MULTER, JAMES G. O'HARA, OTIS G. PIKE, HENRY S. REUSS, GEORGE M. RHODES, JAMES ROOSEVELT, DAN ROSTENKOWSKI, JOHN M. SLACK, JR., FRANK THOMPSON, JR., JIM WRIGHT, SIDNEY R. YATES, Members of Congress.

BEHIND-THE-SCENES BATTLE OVER GIVEAWAY TO A.T. & T. ON SATELLITE COMMUNICATIONS

Mr. RYAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and to include a newspaper article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Speaker, I would like to call to my colleagues' attention an article which appeared on August 4, 1961, is the New York Post entitled "Behind-the-Scenes Battle Over 'Giveaway' to A.T. & T." It is a comprehensive analysis by Milton Viorst, the New York Post's able Washington correspondent, of the questions raised by space communications.

The ultimate ownership of a satellite communications system is a grave public policy question which should be thoroughly examined by Congress. There are complicated scientific, economic, and international problems involved which affect the whole world.

A global system of communications with access for all nations would increase understanding among nations.

I have introduced House Concurrent Resolution 360 to provide that the Government retain ownership and control for at least 2 years. In that way the technological development can be expedited, while the policy questions are fully considered.

Under unanimous consent I include the New York Post article by Milton Viorst at this point in the RECORD:

SATELLITE COMMUNICATIONS — BEHIND-THE-SCENES BATTLE OVER GIVEAWAY TO A.T. & T.

(By Milton Viorst)

WASHINGTON, August 4.—The Kennedy administration is bitterly divided over an impending triumph of American technology that threatens to become a multibillion-dollar giveaway.

It is a satellite communications system that will wing messages, and eventually television images, to and from any place on earth where men choose to build sending and receiving stations.

On July 24, President Kennedy heralded its coming as a system that will relay ideas to "the farthest corner of the globe." He spoke of operating it in the interest of world peace and closer brotherhood among peoples.

As a dramatic, useful and peaceful application of space science, it would be a source of enormous prestige for the United States. It would break up the logjam that already exists in transatlantic telephonic communications.

Despite its obvious potential as a great national asset, however, powerful pressures are operating to make it a private monopoly—and a sensational coup for private interests.

It would mean huge profits for the world's biggest, most powerful corporation at virtually no risk. At the same time, it would deprive the American people of the fruits of billions of dollars they have spent in an effort to win the race in space.

Most of this money was invested in the Government's building rockets to soar into the atmosphere bearing satellites. No communications instruments could get aloft without these rockets.

"The missile has cost so vastly more to develop and to bring to its present stage than [the satellite]," a student of the subject told Congress recently, "that there is no comparison."

"If I evaluate it correctly," he said, "it is sort of like the relationship between the windshield wiper and the automobile."

NETWORK AWAITS 1963 PARLEY

Scientists estimate that a practical, operating satellite communications network can be fired into space as soon as an international conference scheduled for 1963 assigns the United States the necessary frequencies.

This satellite communications system, the President said in his policy statement, should preferably be privately, not publicly, owned. In effect, he said, the profits from running the automobile shall go to the developer of the windshield wiper.

Only the National Aeronautics and Space Administration has the capacity and authority to send the satellites—private or public—into orbit.

According to current thinking, the Government will be paid for NASA's out-of-pocket costs of firing the missile. But it will be paid nothing to defray the billions that were spent to develop the missile that made the satellite system possible.

ONE-HUNDRED-BILLION-DOLLAR INVESTMENT

No one knows how profitable space satellities will be. Lloyd V. Berkner, Chairman of the Space Science Board of the National Science Foundation, has estimated that they will have promoted an investment of $100 billion within 10 to 15 years.

The President's policy statement—drawn up for him by the Space Council—laid out certain conditions that private industry—recipient of these billions—must meet to assure the operation of the system in the public interest.

The Space Council, an advisory body under the chairmanship of Vice President JOHNSON, was known to be deeply divided over

the question of conditions. NASA Administrator James E. Webb and Defense Secretary McNamara argued, for the sake of speed, in favor of the loosest possible controls.

The matter went to Kennedy himself, who insisted on rigid adherence to the principles of the antitrust laws. Private industry can do the job, he said, only if it serves the public interest.

The President, however, gave no details about how this was to be achieved. Under the law, such decisions are made by the Federal Communications Commission, an agency independent of Presidential control.

The FCC, claiming authority under the 1934 Communications Act, barely waited for the ink to dry on the President's statement before issuing an invitation to 10 companies to meet and submit proposals on a corporate form suitable to the ownership and operation of the satellite system.

Because these 10 are now in the business of transmitting messages overseas, the FCC said, they form a "rational class" to transfer their experience to satellites.

But, of the 10, 6 are merely communications subsidiaries to such other enterprises as tire manufacturing, sugar production, and news gathering. None of the six has any expertise in the field of space. None showed any interest in investing in satellites.

The remaining four expressed a desire to participate. They were the American Telephone & Telegraph Co., the International Telephone & Telegraph Co., the Radio Corp. of America, and Western Union Telegraph Co.

Though all know their way intimately in communications, one by far dominates the rest. It is A.T. & T., which controls 80 to 90 percent of all international communications traffic.

OFFERED OWN SYSTEM

A.T. & T. had earlier offered to put up a communications satellite system completely on its own. The FCC, six of whose seven members were appointed by President Eisenhower, was willing to approve it. So, apparently, was NASA. But the antimonopoly forces stepped in to stop it.

A decade ago, the Truman administration tried to break up A.T. & T.—whose assets are double those of the world's next ranking private concern—for violation of the Sherman Antitrust Act.

In addition to its command of the international market, A.T. & T. owns or controls the entire Bell System, the domestic telephone monopoly; Bell Laboratories, a giant research corporation, and Western Electric, itself the Nation's fifth largest manufacturer.

The tieup between Bell and Western Electric destroyed competition in the telephone industry, the Justice Department had said.

Before the case came to trial, however Truman was replaced by Eisenhower. After a series of unusual meetings, Attorney General Brownell reached an out-of-court agreement with A.T. & T.

NOTHING LOST

The Eisenhower administration ballyhooed the agreement as a great victory for antimonopoly forces. But an investigation by Representative CELLER's Antitrust Subcommittee disclosed beyond doubt that A.T. & T. gave up nothing that was essential to its monopoly control.

When the Kennedy administration took office, Lee Loevinger, Assistant Attorney General in charge of the Antitrust Division, indicated his dissatisfaction with the arrangement Brownell had made and announced he would reexamine the question.

In the meantime, he said, he was strenuously opposed to any plan that would significantly extend A.T. & T.'s power over the communications industry.

Loevinger suggested widening of the base of ownership of the satellites by admitting the manufacturers of communications equipment into the proposed space corporation. General Electric and Lockheed had asked to join. So did General Telephone, which owns a small part of the domestic communications market.

Loevinger compared the FCC proposal to entrusting the development of the trucking industry, in its early stages to the railroads. By eliminating competition, he said, the growth of long-distance highway transit would have been stunted, perhaps for all time.

But the FCC rejected Loevinger's view.

FCC ASSURANCE

Newton Minow, the FCC Chairman who has made a reputation by demanding that the TV industry act in the public interest, has given his assurance that A.T. & T. will not be permitted to run the ownership corporation.

But experts were at a loss to determine how a corporation of oversea communications firms could be formed that A.T. & T., with its overwhelming resources, would not dominate.

Minow said that he did not know either. It would be up to the firms to devise a plan, he said. He has given assurances that the FCC will tolerate no corporate structure that does not meet the requirements of the antitrust laws.

But he has been vague in explaining his insistence on limiting ownership to 10 firms, all of which are pygmies compared to a single goliath.

"The Commission has taken the position, unanimously, I might add," he told a House committee recently, "that for the time being we think it [ownership] should be limited [to the oversea communications corporations] because they are licensed by us subject to Government regulations, because they are in the business, because they have got counterparts abroad and partners and relationships with foreign countries; and for other reasons."

He did not elaborate on the other reasons.

RESIST RATE CUTS

As for Government regulations, however, it is true that the FCC has the statutory power to set telephone and telegraph rates. But the Commission has never been rigorous with A.T. & T. Under Eisenhower, it acted more like A.T. & T.'s pal than policeman.

Recently the FCC, disturbed at A.T. & T.'s high rate of profit, has been trying to get a reduction in interstate and foreign telephone rates. But A.T. & T. has resisted and will give in, if at all, only after months of delaying action.

Under Eisenhower, the FCC did not seem troubled that A.T. & T.'s profit margin was close to 8 percent. Since Minow took office, he has talked of trying to get it nearer to 7 percent.

The Commission concedes, however, that it is not pressing too hard to cut profits because A.T. & T. must accumulate enough capital to pay for the final research, the manufacture and the sending into orbit of the communications satellites.

In other words, this means that A.T. & T. has the choice of investing its money in satellites or reducing phone rates. The decision is not hard to foresee.

THE PUBLIC'S MONEY

In a very real sense, therefore, the money A.T. & T. puts into the satellites is not private capital at all. It is the public's money that the FCC lets A.T. & T. amass as a regulated monopoly.

With each successive investment, A.T. & T. strengthens the argument that it must keep rates up to assure reasonable return on its net worth. Acceptance of this argument virtually eliminates the element of risk in investment expenditures.

Until the satellites begin to pay off A.T. & T. will maintain phone rates at a high enough point to guarantee profits for the entire corporation.

As Loevinger told a House committee: "When A.T. & T. says it is going to spend money, what it is saying in effect is that we will collect from our users to cover this cost." Since A.T. & T. is a monopoly, a telephone user who objects to rate increases cannot go elsewhere.

Webb, the NASA Chief, has been the Administration's most active promoter of a quick agreement with private enterprise, and particularly with A.T. & T., no matter the cost to the public.

WHAT'S THE BEST?

"My view is that we will get further and faster if we turn it [satellite development] over to private industry," said Webb, a nonscientist with a long career in industry as well as in Government.

Webb and A.T. & T. recently signed a contract which passed Justice Department scrutiny only after the Antitrust Division won several significant changes—to put two to four experimental satellites aloft in the coming months. A.T. & T. will pay the expense and give the Government all the information it obtains.

"I think it is very wonderful that this company is willing to spend its money, do this work and make this information available for the ongoing program of the United States," Webb told a congressional committee.

But Loevinger was more skeptical. "I assume that they [A.T. & T.] believe they would not get the same degree of benefit out of it," he said, "if someone else did it."

Webb has also dismissed the possibility that the owners of the satellite system will favor their own firms in the manufacture of equipment. This was one of Loevinger's concerns when he learned of the FCC decision to exclude the manufacturers from ownership.

Webb says he is certain that the best equipment designs will win out after submission to competition. But a decade ago, A.T. & T. was charged with an antitrust violation for compromising quality, price and technical progress to favor its subsidiary, Western Electric.

The satellite owners are in a strong position to determine the specifications of equipment needed for ground stations. If A.T. & T. came to dominate ownership, it could multiply its domination of every phase of international communications.

In objecting to the FCC's organization plan, Loevinger testified:

"We felt that it would be difficult to provide a free opportunity to all manufacturers to sell to the system if one manufacturer had an ownership participation and other manufacturers did not * * *.

"My essential reason did not have to do with an opportunity of particular manufacturers to sell to this system, but with the considerations of the public interest.

"I believe that by channeling the purchase and sale to a particular one or structurally limited group of companies that you inhibit the incentive and the opportunities for research and development.

"I believe that the degree of concentration in this field may very well be one of the reasons why America is not further advanced in the field than it is."

CONGRESS LAGS

Congress, meanwhile, has been slow to fix its attention on the FCC's haste in setting up the ownership corporation. Since the administration chose to act on its own, it did not notify Congress of its intentions until the major decisions had been all but made.

No lobby existed to alert the liberals in the House and the Senate. Groups promoting public utilities or consumer interests ignored satellite communications, although its costs to the public might far exceed, for instance, Dixon-Yates or gouging in the drug

industry. The press generally has overlooked the question, also.

The subject was first mentioned on Capitol Hill at the NASA appropriations hearings in April. No effort was made to look into the matter further until hearings of CELLER's Antitrust Subcommittee in June. The Committees on Science and Astronautics and Interstate and Foreign Commerce held hearings in July. The Senate Small Business Committee is looking into the matter now.

Groups of Congressmen and Senators are at last beginning to get interested. Secret meetings have been held to discuss possible action. Representative RYAN, Democrat, of New York, has submitted a resolution to try to keep the satellites in Government hands for at least 2 more years.

The feeling among the antitrust forces is that if the administration can be slowed down, Congress will have time to examine the question with care, without jeopardizing the satellite program.

INFLUENCE

But satellite communications have not evoked much heat back home. A.T. & T., on the other hand, has telephone business in every constituency and influential residents of each congressional district in its employ.

It is generally acknowledged that there is no substantial feeling in Congress for public ownership of the satellite system. President Kennedy, according to one theory, decided in favor of private enterprise carefully restricted and supervised, rather than go down to defeat on the question of public ownership.

Awareness over the potential give-away of communications satellites is still slight. But it is growing and, though there is little enthusiasm in Congress for a fight with the world's biggest corporation, there is hope the monopoly can be kept from becoming an even more powerful force than it is today.

LID LIFTED ON INFORMATION ABOUT TAX-EXEMPT FOUNDATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN], is recognized for 60 minutes.

Mr. PATMAN. Mr. Speaker, I am happy to advise the House of Representatives that the Secretary of the Treasury has informed me that he has instituted reforms within the Department which substitute light for the darkness that has existed since November 1958 in the highly controversial area of tax-exempt foundations.

By letter to me, dated August 3, 1961, the Secretary states that he has ordered the amendment of regulations under section 6104 of the Internal Revenue Code of 1954, relating to publicity of information required from tax-exempt foundations and certain tax-exempt trusts, in order to permit the furnishing of photographic copies of certain documents to all Members of Congress, the press, and the public. The changes in Treasury Department procedure provide as follows—T.D. 6565:

First. The Internal Revenue Service will furnish photographic copies of pages 3 and 4 of the annual information returns—form 990–A—showing income, expenditures balance sheet, etc., including supporting documents, of tax-exempt foundations and certain trusts.

Second. The Internal Revenue Service will furnish photographic copies of applications for tax exemption—form 1023—including supporting documents, which were approved subsequent to 1947. Applications approved for exemption prior to 1948 were destroyed some time ago under congressional authority.

PHOTOGRAPHIC COPIES NOW AVAILABLE

Thus, for the first time since November 1958, photographic copies of important information regarding tax-exempt foundations and certain trusts will be furnished to the public. This is a reversal of the previous administration's prohibition of photographic copies of public information in the files of the Internal Revenue Service regarding tax-exempt foundations. From November 1, 1958, to the present time, the Treasury Department has permitted the public to manually copy the material which was open to public inspection, but it would not furnish photographic copies, in spite of the fact that such prohibitions are clearly contrary to the intent of the Revenue Act of 1950. Of course, the previous administration's requirement that copying of such material could only be done manually limited its usefulness and curtailed inspection by the public.

Many of us will recall that the hearings and reports on the Revenue Act of 1950 clearly indicate the desire of Congress to prevent certain abuses, including secrecy, which existed prior to 1950 among certain tax-exempt organizations. There is nothing in the legislative history of the Revenue Act of 1950 which suggests the prohibition of photographic copies of information to be made available to the public regarding tax-exempt foundations. On the contrary, the history of the act, as set forth below, leaves no doubt as to the intent of Congress.

First. The conferees agreed that certain tax-exempt organizations shall furnish annually information respecting income, expenses, disbursements, accumulations, and a balance sheet, which information is to be made available to the public—House Report No. 3124—page 37, 81st Congress, 2d session, 1950.

Second. Public Law 814, 81st Congress, 2d session, provides as follows:

(c) Information Available to the Public—The information required to be furnished by subsections (a) and (b), together with the names and addresses of such organizations and trusts, shall be made available to the public at such times and in such places as the Secretary may prescribe (64 Stat. L., part 1, p. 960, sec. 341 creating sec. 153(c) of the Revenue Code of 1939).

STOPPED IN 1958

Instead of following the congressional intent to make readily available the information, which, by law, had to be filed with the Internal Revenue Service, it was made difficult to obtain. It is my understanding that the rule of procedure, which prohibited photographic copying of such material, was urged upon the Treasury Department by Under Secretary Fred C. Scribner, Jr., and was prescribed by Treasury Decision 6331, approved on October 30, 1958. Prior thereto photographic copying was permitted, and the 1958 prohibition was, without question, a sheer distortion of congressional intent, and utterly indefensible; it only served to keep the public in the dark, and to promote secrecy in Government.

TREMENDOUS GROWTH OF FOUNDATIONS

As another "first," the Treasury Department has furnished me with statistical data showing the tremendous growth in the number of foundations since 1952. Such data have not been made available during the past 8 years. Indeed, in past years, congressional committees have complained of the dearth of accurate information regarding tax-exempt foundations, despite the fact that the Treasury Department has the greatest amount of information on the subject. In 1954, the report of the Reece committee stated that "no comprehensive statistics are available." The same committee estimated that there were between 6,000 and 7,000 foundations at that time. Hence, the tabulation, as set forth below, which was prepared for me by the Treasury Department, constitutes figures never before disclosed to the Congress. It indicates the number of annual information returns—form 990–A—which the Internal Revenue Service has received from tax-exempt foundations and certain trusts during each year beginning in 1952. This tabulation excludes the following types of tax-exempt organizations, among others, since they are not required to file form 990–A: First, religious organizations; second, educational organizations of a certain type; and third, charitable organizations, or those for the prevention of cruelty to children or animals, which are supported in whole or in part by Federal or State governmental units, or primarily by contributions from the general public. The figures show that the number of tax-exempt foundations totaled 12,295 at the end of 1952, and rose to the staggering figure of 45,124 at the close of 1960, an increase of 367 percent.

Number of returns (form 990–A) received by the Internal Revenue Service

Period:	
1952	12,295
1953	21,598
1954	24,839
1955	28,859
1956	30,021
1957	33,373
1958	39,264
1959	41,444
1960	45,124

I wish to commend the Secretary of the Treasury for the prompt and vigorous steps he has taken to improve the flow of Government information on tax-exempt foundations. Such reforms indicate a full and faithful adherence to President Kennedy's desire to give the American people all possible information.

The Wall Street Journal of July 10, 1961, carried a front-page story entitled "Charity and Business," which I consider appropriate for insertion herein. The article points up the fact that many tax-exempt foundations are part and parcel of the business operations of the directors or trustees who control them—that is, they—the foundations—have major holdings or controlling stock in such businesses.

[From the Wall Street Journal, July 10, 1961]

CHARITY AND BUSINESS: MORE FOUNDATIONS GET INVOLVED IN DEALINGS OF THEIR OWN OFFICERS; TAX-FREE UNITS HAD ROLE IN GLEN ALDEN TAKEOVER BID; SCHENLEY HEAD IN DISPUTE; GIVEAWAY STOCK AND PROFIT

(By Howard Merry)

NEW YORK.—When Jonathan Logan, Inc., decided toward the end of 1960 to acquire a

competing dress manufacturer, Linsk of Philadelphia, for 137,500 shares of stock, Logan's president, David Schwartz, hit upon an idea to minimize the number of new shares his company would have to issue. He had Logan buy from the David Schwartz Foundation, a charitable organization he had set up in 1945, 100,000 Logan shares at $10 a share, the market price at the time.

Mr. Schwartz also worked out an arrangement that in effect extended the time Logan had to pay for the stock. The foundation agreed to donate $1 million, its proceeds from the sale, to the Albert Einstein College of Medicine of Yeshiva University in New York, the contribution to be made in three installments. As the installments come due, the money is being paid by Logan to the foundation, which is turning it over to the school.

This transaction points up what appears to be a growing trend: Many charitable foundations are becoming deeply involved in the business affairs of the trustees or directors who control them. Because foundations are granted tax exemption on the theory they exist only for charitable purposes, the question arises, to what extent is this activity proper and where may it conflict with the public interest? Although the legality of the Logan case is not in question—charity clearly was a beneficiary here—many officers of large foundations are disturbed by other uses to which some foundations have been put of late.

THE BATTLE FOR ALLEGHANY

During the struggle between Allan P. Kirby and the brothers John and Clint W. Murchison, Jr., of Texas, for control of Alleghany Corp., the Fred M. Kirby Foundation, of which Mr. Kirby is president, purchased at least 91,100 shares of Alleghany common, a stock which at the times of the purchases had never paid a dividend. Interestingly, Mr. Kirby apparently had second thoughts about this acquisition. He arranged in March 1961, before he knew the outcome of the proxy battle, to buy 100,000 Alleghany shares from the foundation for his own account. Associates of Mr. Kirby believed he did this so the tax-exempt status of his foundation would not be in question.

In the abortive attempt earlier this year by Glen Alden Corp. to gain control of shoe producer Endicott Johnson, two charitable foundations figured in an unusual exchange of stock. J. M. Kaplan, an Endicott Johnson director who favored the Glen Alden bid, exchanged 60,000 Endicott shares, of which some 54,000 had been held by the J. M. Kaplan Fund, Inc., for 140,000 Glen Alden shares held by the Albert A. List Foundation. Mr. List is head of Glen Alden.

When, several weeks later, strong support for Endicott Johnson's management forced Glen Alden to withdraw its bid, the 60,000 Endicott shares obtained by the List Foundation were sold to the Endicott Johnson employees' pension fund. While the proxy struggle was still underway, the Internal Revenue Service was asked by supporters of Endicott's management to investigate the exchange of shares by the two tax-exempt foundations.

FOUNDATIONS MULTIPLY

One factor which, authorities agree, undoubtedly has contributed to the rising role of foundations in business affairs is simply the marked growth in recent years in the size and number of foundations themselves.

F. Emerson Andrews, director of the Foundation Library Center, an independent agency in New York City which gathers information on foundations and makes its material available to the public, estimates that U.S. foundations today have assets of more than $12 billion and are making grants of about $625 million a year. The center's files list 13,000 foundations, 87 percent of which have been established since 1940. Mr. Andrews estimates about 1,200 new foundations are created every year.

Not all foundation authorities believe it is possible or necessarily desirable to separate the affairs of foundations from the affairs of businesses whose stock they hold. A number of foundations have been set up with gifts or bequests of major holdings, often controlling interests, in corporations; if the foundations are to look after their own interests, this reasoning goes, they must be concerned with how the corporations are run.

A few years ago, trustees of the Kress Foundation, for example, became worried about declining sales and profits of S. H. Kress & Co. in which the foundation held a 42-percent voting interest. The trustees placed four men on the Kress board of directors in March 1958 and soon thereafter the board received the resignations of four Kress executives including the president.

The largest single stockholder in the Great Atlantic & Pacific Tea Co. is the John A. Hartford Foundation, Inc., whose trustees are headed by Ralph Burger, president of A. & P. There is no question that the foundation trustees have had a strong voice in the operation of A. & P. down through the years.

SEVERAL TYPES OF FOUNDATIONS

In its broadest sense, the foundation "is an instrument for contributing private wealth to public purpose," as Mr. Andrews of the Foundation Library Center puts it. There are several types of foundations. Communities often set up foundations to receive and sometimes pool gifts and bequests from residents. Many big corporations establish foundations through which to channel their charitable giving. These foundations generally have funds just large enough to enable the corporations to maintain their customary level of giving for 1 or 2 years should profits slump sharply or evaporate.

There are special purpose foundations, usually established by wills to carry out well-defined desires of the donors. One such New Jersey foundation with a self-explanatory name: The Dr. Coles Trust Fund for Ice Cream for the Pupils of Scotch Plains and Fanwood. There are general research foundations, which usually have relatively large endowments and broad charters; this category includes most of the large foundations and an estimated 66 percent of the assets of all foundations. There also are family foundations, generally set up by living donors and started with relatively small contributions.

Such foundations, as well as other charities, have benefited significantly in recent years from Federal tax laws. In some cases, taxpayers with substantial incomes actually can retain more of their money by giving away assets than by selling them.

Consider the hypothetical case of an unmarried taxpayer with an adjusted gross income—essentially, gross income less business deductions—of $200,000 and a taxable income of $150,000. If this taxpayer wishes to dispose of $60,000 worth of stock which he bought some years ago for $10,000, he would end up with $5,700 more by contributing the securities to certain charities than he would by selling the shares. Here is how this is figured:

The tax on a taxable income of $150,000 is $111,820. If the taxpayer sells his stock, he also would have to pay on his $50,000 profit the maximum long-term capital gains tax of 25 percent, or $12,500. Thus, the taxpayer would pay Uncle Sam $124,320. He would keep $88,180 of income and $47,500 from the stock sale, including the original $10,000 investment, or a total of $135,680.

DONATING AND DEDUCTING

If a taxpayer elects to donate his stock to charitable organizations, he may deduct up to 30 percent of his adjusted gross income if he allocates his contributions to conform with the tax laws; in this case, the taxpayer could deduct the full $60,000 value of his stock. This would reduce his taxable income to $90,000, on which the tax is $58,620, and he would have no other tax to pay. Thus, if the taxpayer chooses this course, he would pay Uncle Sam $58,620 and keep $141,380 of income, $5,700 more than he would retain if he sold the stock.

One authority on such matters notes that the taxpayer might further elect to set up a charitable foundation, install himself as the principal officer or trustee, and make at least part of his donation to his own foundation. In this way, he not only could take the course most advantageous to him financially, he also could retain control of the stock.

Or, if the stock is in a company with a relatively small number of shares outstanding and the taxpayer is interested in raising the stock's price—perhaps he is donating only a part of his holdings—he can insist on being given an investment letter by each charity to which he contributes securities. The investment letter is a device by which the receiver of the shares agrees to hold them as an investment for a stated period. This step would have the effect of keeping the stock off the market, reducing the supply. Generally, the thinner the supply, the stronger the price trend of any stock.

INFLUENCE OF TAX POLICIES

Mr. Andrews of the Foundation Library Center comments: "Certainly the tremendous growth in foundations in the past decade and a half as substantial relation to the tax levels and policies of that period, and the financial structures of a few foundations suggest that industrial control was at least one strong motive in creating them." But Mr. Andrews adds: "Many of the larger and older foundations were set up before there was a personal income, estate, or corporation tax of significant size, and nearly all the larger foundations are now administered by boards independent of the original donor and dedicated to spending the income, and sometimes the principal as well, for the public welfare."

Paul Windels, Jr., a New York lawyer and the regional administrator here of the Securities and Exchange Commission until his resignation earlier this year, believes "the use of charitable organizations as personal vehicles is a widespread practice."

A current court case in Los Angeles contains charges along this line. The dispute involves Lewis S. Rosenstiel, president of Schenley Industries, and his daughter, Mrs. Louise S. Frank.

The controversy relates to the administration of the Lewis S. and Dorothy H. Rosenstiel Foundation, which has assets of nearly $15 million. In an affidavit filed in Los Angeles Superior Court, Mrs. Frank states that the Rosenstiel Foundation was established by her mother shortly before her death in 1944. The mother's original gift to the foundation, according to the affidavit, was 125,000 shares of Schenley stock. Taking into account subsequent stock splits, this contribution has grown into a block of almost 450,000 Schenley shares worth about $12 million.

In fighting an attempt by her father to confirm the election earlier this year of three new directors of the Rosenstiel Foundation, Mrs. Frank charges Mr. Rosenstiel with using the foundation's Schenley holdings, along with his own and those of trusts under his control, to dominate Schenley.

Mrs. Frank asserts that Robert S. Marx, a former director of the Rosenstiel Foundation who died in September 1960, "repeatedly stated to me that the emoluments flowing from this domination, consisting at that time of $300,000 per year, lucrative stock options and the opportunity to charge enor-

mous expenses to Schenley, were essential to (Rosenstiel's) style of living." Mrs. Frank charges that in recent months facts have come to her attention which "raised doubts in my mind" whether Mr. Rosenstiel "is in fact exercising his domination and control over Schenley for the benefit of Schenley's stockholders and thus for the foundation's benefit."

The affidavit points to a suit settled in New Castle County, Del., chancery court in January. The suit, brought by Schenley stockholders, charged among other things, that Mr. Rosenstiel's salary and stock options were out of line and that Schenley had reimbursed Mr. Rosenstiel "or paid on his behalf certain business expenses which were excessive." In the settlement resulting from the legal action, Mr. Rosenstiel agreed to take a cut in his annual pay from $300,000 to $250,000, to reduce his vacation period from 3 months to 2 months every year, to increase by $3 a share the price he would pay for Schenley shares acquired upon the exercise of certain options, to refund $135,000 he had received from Schenley in the past, and to relinquish some other benefits.

"In all," says Mrs. Frank in her affidavit, "it was represented to the [Delaware] court [that] more than $900,000 in benefits were retrieved for the benefit of the corporation" as the result of the settlement with Mr. Rosenstiel.

MR. ROSENSTIEL'S REPLY

Replying to Mrs. Frank, Mr. Rosenstiel states that "this entire matter has arisen because of my desire to perpetuate the foundation which, since its incorporation in California in 1944, has made gifts exceeding $6 million to educational, scientific, and religious organizations.

"As a result of deaths, the directors of the foundation, within the past year, have been reduced to two—my daughter and myself. I propose adding Cardinal Spellman, Rabbi Nelson Glueck, president of Hebrew Union College-Jewish Institute of Religion (in Cincinnati), and Russell G. Smith, executive vice president emeritus of Bank of America and prominent California philanthropist. * * * I believe the addition of these gentlemen was desirable because their wisdom, knowledge, and experience would be invaluable in helping to guide the foundation's future activities.

"My daughter opposed this plan and thus it became necessary for me, if the foundation is to continue its good work, to seek a declaratory judgment in the California courts."

The charters and policies of some foundations limit their financial position in any single company. The Carnegie Corp. of New York, founded by Andrew Carnegie in 1911, has two such self-denying rules. This foundation, whose $261 million in assets rank it among the Nation's largest, will not put more than 5 percent of its investments in common stocks into any one business corporation and will not hold in its portfolio more than 1 percent of the stock of any corporation.

Mr. Andrews of the Foundation Library Center believes that "if the voting power of nonprofit institutions continues to increase, such agencies may have to face realistically their responsibility to use their new power both toward efficient management and for the general welfare, since their funds are public in character."

Federal laws regulating foundations require, among other things, that foundations must not accumulate out of income an amount that is "unreasonable in amount or duration." This is aimed at getting foundations to make their grants as soon as is practicable after receiving their income and at preventing a foundation manager from using the charitable organization to build control of a business or businesses.

In April, the Danforth Foundation, of St. Louis, filed suit to recover $557,809 in taxes and penalties assessed by Internal Revenue for 1951 and 1952. The Danforth Foundation, with $110 million in assets, was founded by the late William H. Danforth, founder and chairman of the Ralston Purina Co., and his wife. The Danforths' son, Donald, is now president of the foundation.

The Internal Revenue Service ruled the foundation had forfeited its tax-exempt status for 1951 and 1952 by not having spent more of its income for those 2 years. The foundation concedes it didn't spend all its income for the years in question, but contends it hired a new executive director at the time and needed a reasonable period for him to develop plans and policies. The foundation believes that if it had spent more in the period, it might have spent the money unwisely.

Since 1953, the Danforth Foundation has awarded more than $18 million in grants, fellowships, and special gifts to colleges and universities, the foundation's petition states.

Despite all this, it still is possible to run up the assets of foundations; for one thing, capital gains do not come under the regulations on accumulation.

FOUNDATION-CONTROLLED BUSINESSES HURT SMALL BUSINESS

A foundation's income from stockholdings is tax exempt. At the same time, the businesses under their control are competing with taxpaying businessmen. For example:

First. The John A. Hartford Foundation, of New York City, is the largest single stockholder in the Great Atlantic & Pacific Tea Co. Mr. Ralph Burger, president of the A. & P. heads its board of trustees. According to the Wall Street Journal of July 10:

> There is no question that the foundation trustees have had a strong voice in the operation of A. & P. down through the years.

The Hartford Foundation holds 7,799,822 shares—33.96 percent—of A. & P. Thus, the foundation's tax-exempt income from its A. & P. stock was in the neighborhood of $7,500,000 in 1960, and over $8 million in 1959.

Various members of the Hartford family own a total of 8,297,041 shares—38.35 percent—of A. & P., so the foundation and the Hartford family have the company well locked up.

Second. The Samuel H. Kress Foundation of New York City owns 995,064 shares—42 percent—of S. H. Kress & Co., a chainstore operation with 266 stores in 30 States. Mr. R. H. Kress, honorary chairman of the board of S. H. Kress & Co., is president of the foundation; he owns 104,697 shares—4.5 percent—of the company, and is trustee for another 4,000 shares.

According to the Wall Street Journal of July 10, the foundation has been directly involved with the management of S. H. Kress & Co. In 1958, the trustees of the foundation placed four men on the company's board of directors, and "soon thereafter the board received the resignation of four Kress executives, including the president."

The foundation's tax-exempt income from its S. H. Kress & Co. stock totaled over $497,000 in 1960, and over $1,990,000 in 1959.

Third. The Kresge Foundation of Detroit holds 1,900,000 shares—34.4 percent—of S. S. Kresge Co. Mr. Stanley S. Kresge, a director of S. S. Kresge Co., is president of the foundation; he owns 75,000 shares of the company. Mr. S. S. Kresge, chairman of S. S. Kresge Co., is treasurer of the foundation; he holds 26,300 shares of the company.

The foundation's tax-exempt income from its S. S. Kresge Co. stock totaled $3,040,000 in 1960 and $3,040,000 in 1959.

BIGGER TAX BURDEN FOR OTHERS

Such exemptions, of course, create a greater tax burden for the rest of the American people.

The unfairness and the dangers are self-evident:

First. There is, at present, no limit on the number of tax-exempt foundations.

Second. Foundations are established with money a large part of which would otherwise go into the Federal Treasury as taxes.

Third. We are faced with a rapidly increasing number of foundations being used to perpetuate control of businesses by families or small groups controlled by them.

This poses some real problems for our economy.

NO COMPREHENSIVE DATA

The public need for comprehensive, basic information on foundations has not been satisfied by private surveys of the foundation field. Undoubtedly, Treasury Department obstructionist tactics during the past several years have contributed, in a very substantial degree, to the scarcity of comprehensive published data on tax-exempt foundations. Most of the surveys published are written by foundation administrators or persons closely connected with foundations.

The Foundation Library Center, incorporated in 1956 as an educational institution under authority of the Board of Regents of the University of the State of New York, has been described as the factfinding, statistical organization on foundations. According to the Foundation Directory of 1960:

> It is an independent agency under its own board of trustees, men knowledgeable about foundations but representing the public interest. With an initial grant from the Carnegie Corp. of New York, it is charged with the tasks of gathering comprehensive information about foundations, stimulating adequate reporting where such does not exist, and making its collections freely and generally available.

Yet, recently, the center wrote me that it was unable to furnish me with first, a study or analysis of investment portfolios of foundations—that is, an analysis of their investments in common stocks, preferred stocks, and so forth, and second, names and addresses of foundations which are the largest single stockholders or major stockholders in a commercial enterprise.

The public need for information has been only partially satisfied by the Foundation Directory of 1960. This directory, prepared by the Foundation Library Center published by the Russell Sage Foundation with grants from the Carnegie Corp. of New York and the Ford Foundation, lists 5,202 foundations. For the most part, the figures shown are for

a calendar or fiscal year 1956, 1957, or 1958; only 8 percent are for 1959.

The Foundation Directory of 1960 discloses expenditures amounting to $686 million for 5,143 of the total of 5,202 foundations listed, but it omits income figures. The directory contains no income figures despite the fact that it was compiled from first, records in the Foundation Library Center's extensive files; second, detailed questionnaires—which included a request for income data—sent to 5,000 foundations; third, public records of the district offices of the Internal Revenue Service, and fourth, news reports. However, an income tabulation is shown in the book "Philanthropic Foundations" by Mr. F. Emerson Andrews, director of the Foundation Library Center, and published by the Russell Sage Foundation in 1956. Income, for the purposes of the tabulation, is defined as income from investments. Profit or loss from security transactions, or income in the form of new gifts, is not included. In his 1956 volume, Mr. Andrews says that income from assets for 77 larger foundations totaled $165,996,000 in 1953. Despite the fact that the Revenue Act of 1950 denies tax exemption to an organization that engages in an unreasonable accumulation of income, the expenditures of a number of them in 1953, were considerably less than their income. Some such examples are listed below:

	Income from assets, 1953	Expenditures, 1953
Carnegie Corp. of New York, New York City	$7,572,000	$4,957,000
China Medical Board of New York, New York City	1,116,000	292,000
Danforth Foundation, St. Louis	1,089,000	148,000
Duke Endowment, New York City	6,800,000	5,587,000
Hartford (John A.) Foundation, New York City	1,706,000	377,000
Mellon (Richard King) Foundation, Pittsburgh	779,000	537,000
Noble (Samuel Roberts) Foundation, Ardmore, Okla	1,024,000	534,000
Olin Foundation, New York City	2,129,000	1,094,000
Reynolds (Z. Smith) Foundation, Winston-Salem, N.C	1,103,000	453,000
Rockefeller Foundation, New York City	17,586,000	14,523,000
Woodruff (Emily and Ernest) Foundation, Atlanta, Ga	1,108,000	607,000

FOUNDATIONS CONTROL BUSINESSES

As for the investment policies of the foundations, Mr. Andrews observes, in his 1956 book, that the foundations' sharp swing toward common stocks "raises a fresh problem. As foundations increase common stockholdings, which involve voting rights, they may require a substantial voice in the business, personnel, and social policies of those companies." He also points out:

In Ontario Province, Canada, the 1950 Charitable Gifts Act limits to 10 percent a charitable trust's holdings in any business. In the absence of any such legislation in the United States, foundations in recent years have become owners of substantial blocks of stock, and sometimes effective control, in many businesses. No broad survey has yet disclosed how this new responsibility is being discharged.

Apropos of Mr. Andrews' observations, the Rockefeller Foundation annual report for 1959 lists a securities schedule totaling $584,456,318—based on market quotations of December 31, 1959—of which $498,198,262 was in the common stock of 36 companies.

In 1916, the report of the Commission on Industrial Relations estimated that the Rockefeller and Carnegie Foundations together had funds amounting to at least $250 million yielding an annual revenue of at least $13,500,000—final report and testimony submitted to Congress by the Commission on Industrial Relations, Senate Document No. 415, 64th Congress, 1st session, 1916. By way of contrast, despite 45 years of expenditures, the Rockefeller Foundation had total assets of over $588 million, as of December 31, 1959—based on market quotations of the same date—and income from securities of $23,044,031 during 1959. The Carnegie Foundation of New York had assets of $259 million, as of September 30, 1960—based on market quotations of the same date—and income from securities of $9,914,681 for the year ended September 30, 1960.

TAX-EXEMPT STATUS

In the Foundation Directory of 1960, Mr. F. Emerson Andrews, now director of the Foundation Library Center, points out:

A wave of foundations of a new type has crested in the past decade. These "company-sponsored" foundations are tax exempt, nonprofit legal entities separate from the parent company but with trustee boards consisting wholly or principally of corporation officers and directors.

The Foundation Directory lists 1,333 company-sponsored foundations. Five of them had assets exceeding $20 million each: Ford Motor Company Fund, Dearborn, Mich., year ended December 31, 1958; General Electric Foundation, Ossining, N.Y., year ended December 31, 1958; Sears-Roebuck Foundation, Chicago, Ill., year ended April 30, 1959; Standard Oil Foundation, Chicago, Ill., year ended December 31, 1958; and United States Steel Foundation, New York City, year ended November 30, 1958.

Neither labor nor individual stockholders are kindly disposed toward company-sponsored foundations. Labor says that a company's extra surplus should be paid out in increased wages, and the individual stockholder feels that any extra surplus should go to him in the form of dividends.

USING PUBLIC'S MONEY

The company-sponsored foundations, like all others, are using the public's money without Government supervision. It is the public's money because foundations are recipients of certain Federal tax exemptions:

First. The foundation pays no Federal income tax.

Second. The donor neither pays gift tax nor estate tax on contributions to the foundation.

Third. For income tax purposes, an individual donor is granted a deduction up to 20 percent of his net income; a corporate donor is allowed to deduct up to 5 percent.

Fourth. The donor's contributions constitute capital to the foundation, not income, and thus need not be distributed.

The mail I have received from all parts of the country, as well as press stories such as the following editorial from the Omaha Morning World-Herald, dated May 21, 1961, indicate a growing public concern over the lack of adequate regulation of privately controlled, tax-exempt foundations. Some question the economic consequences of vast fortunes being held in unregulated foundations; others express fear of possible control of businesses by foundations through acquisition of large amounts of stock.

[From the Omaha Morning World-Herald, May 21, 1961]

GROWING FOUNDATIONS

In 1955, tax-exempt foundations possessed $7,500 million of accumulated wealth.

By 1959, the figure was $11,500 million, and there were 757 foundations with assets of more than $1 million.

The statistics are those of Representative WRIGHT PATMAN, Democrat, of Texas, who told the House the other day they had been prepared by the Library of Congress. The list of million-dollar-plus foundations, their assets and disbursements for the latest year in which records are available takes up 10 pages in the May 8 CONGRESSIONAL RECORD.

To Representative PATMAN and to a good many other Americans, the swiftly growing, uncontrolled foundations are both a promise and a threat.

The promise is reflected in the good that many foundations have done and can be expected to do.

The threat lies in the fact there is no adequate public regulation of their assets, their grants, or the purposes of their existence.

The Internal Revenue Act of 1950 prohibits an unreasonable accumulation of wealth in such funds, but Internal Revenue officials say the provision is ambiguous and unenforceable. How much is an unreasonable amount?

Mr. PATMAN says the larger foundations appear to make grants of between 3 and 3.5 percent of total assets each year. The assets in most instances are accumulating at a higher rate. Some foundations dispose of their assets and are self-liquidating. Some try to preserve a balance between income and outgo. Still others—apparently the majority—grow and grow and grow, as Mr. PATMAN's figures indicate.

When they grow to the size of the Ford Foundation, which has more than $3,300 million in assets, they rival in wealth all but the very largest of America's industrial complexes. Their governing boards, answerable to no one but themselves, may be carrying out the intentions of the donor or they may not. They may or may not be serving the public interest. In the case of the Ford Foundation, there is some question whether the first Henry Ford would approve the social, economic, and political experimentation that has been paid for with his money.

How to regulate foundations without destroying them is a sizable problem. It is complicated by the fact that some foundations, such as Omaha's Eppley Foundation, are truly philanthropic trusts, while others are set up largely as tax gimmicks.

But no matter what the motivation behind them, foundations which qualify under the Treasury's regulations now enjoy a special privilege in the form of tax exemption.

Congress should require that they use their money in ways which unquestionably are philanthropic. It should end the tax exemption of foundations which use their millions to promote political or economic causes.

PERPETUITY OF WEALTH

Since the extent and character of the investment of such foundations touch the affairs of the people of the entire country, I am making a definitive study of the problem in order to determine whether the "dead hand" of wealth does dominate our economy, as has been charged by some observers of the national scene.

Briefly stated, I am at present concerned with first, foundation-controlled businesses competing with small businessmen; second, the economic effect of great amounts of wealth accumulating in privately controlled, tax-exempt foundations; third, the problem of control of that capital for an undetermined period—in some instances perpetuity—by a few individuals or their self-appointed successors; and fourth, the foundations' power to interlock and knit together through investments, a network of commercial alliances, which assures harmonious action whenever they have a common interest.

In these times, when the American people are overburdened with taxes, they are, in my view, completely justified in casting a jaundiced eye at the tax exemption of foundations and their control of businesses.

In Texas, the attorney general has recently established a new division in his department to "ride herd" on the 200 or more foundations and trusts in the State. Attorney General Will Wilson explained the reasons for his action as follows:

> We face an increasing number of legal problems as to whether these tax-exempt funds are being used as a vehicle for empire building. Because of the tax exemption granted them they must be dedicated to public purposes, and they are public trusts, administering funds of which the public is the equitable owner.

THE 1916 WALSH REPORT

Private controlled, tax-exempt foundations, as a continuing problem, was pretty well predicted as far back as 1916. In that year, the Commission on Industrial Relations, under the chairmanship of Senator Thomas J. Walsh, of Montana, issued a report on its investigations of the labor conditions of the times which had resulted in what was called the "Ludlow massacre" when employees of the Colorado Fuel & Iron Co., a Rockefeller company, were on strike. The report on the Walsh investigation dealt, in part, with foundations; it contains some highly interesting and significant insights regarding the impact of tax-exempt foundations on our economy. Witnesses included such well-known figures as John D. Rockefeller, Sr., John D. Rockefeller, Jr., J. P. Morgan, August Belmont, Daniel Guggenheim, Roger W. Babson, Samuel Untermyer, and Louis D. Brandeis.

In 1910, the Rockefellers had a bill introduced in the Senate which would have granted a charter to the Rockefeller Foundation under an act of Congress. Previously, the Congress had granted charters to the General Education Board, a Rockefeller-supported foundation, and to the Carnegie Foundation in 1903 and 1906, respectively. However, the bill to grant a Federal charter to the Rockefeller Foundation—which was described as a means of increasing the Rockefeller power and perpetuating its wealth—was buried under a volume of protests. Thus, the Rockefeller Foundation was incorporated in New York in 1913.

URGED RECTIFYING ABUSES

While the report of the Commission on Industrial Relations admitted that many of the largest foundations or endowments, which were in the hands of private trustees, had "a beneficial effect on the work of State and governmental institutions, and it would be a misfortune if private endowments, unless plainly shown to have committed abuses, should be prohibited," it advocated that their abuses be rectified by the legislature through its control over charters and recommended a "Federal fund for social welfare in order that the Nation may compete with or displace private foundations in this vital matter."

BACKGROUND OF FOUNDATION WEALTH

I am inserting here a few condensed statements of the Commission on Industrial Relations of 1916. The evidence developed by the Commission's hearings and investigations was the basis for the following observations, among others, in a chapter of the report entitled "The Concentration of Wealth and Influence":

First. The domination by the men in whose hands the final control of a large part of American industry rests is not limited to their employees, but is being extended largely through the creation of enormous privately managed funds, called foundations.

Second. Two groups of the foundations; namely, the Rockefeller and Carnegie Foundations, together have funds amounting to at least $250 million, yielding an annnual revenue of at least $13,500,000, which is at least twice as great as the appropriations of the Federal Government for similar purposes; namely, education and social services.

Third. The funds of these foundations are exempt from taxation, yet during the lives of the founders are subject to their dictation for any purpose other than commercial profit. In the case of the Rockefeller group of foundations, the absolute control of the funds and of the activities of the institutions now and in perpetuity rests with Mr. Rockefeller, his son, and whomsoever they may appoint as their successors.

Fourth. The control of these funds has been widely published as being in the hands of eminent educators and public-spirited citizens. In the case of the Rockefeller foundations, however, not only is the control in the hands of Mr. John D. Rockefeller, Jr., and two of the members of the personal staff of Mr. John D. Rockefeller, Sr., who constitute the finance committee, but the majority of the trustees of the funds are salaried employees of Mr. Rockefeller or the foundations, who are subject to personal dictation and may be removed at any moment.

Fifth. The funds of these foundations are largely invested in securities of corporations dominant in American industry. The policies of these foundations must inevitably be colored, if not controlled, to conform to the policies of such corporations.

Sixth. The powers of these foundations are practically unlimited, except that they may not directly engage in business for profit. President Schurman, of Cornell, himself a trustee of the Carnegie Foundation, described the proposed Rockefeller Foundation charter as follows:

> Under the terms of this broad charter there is scarcely anything which concerns the life and work of individuals or nations in which the Rockefeller Foundation would not be authorized to participate. As the safety of the state is the supreme condition of national civilization the foundation might in time of war use its income or its entire principal for the defense of the Republic. In time of peace it might use its funds to effect economic and political reforms which the trustees deem essential to the vitality and efficiency of the Republic. The foundation might become the champion of free trade or protection, of trusts, or of the competing concerns out of which they grow, of socialism or individualism, of the program of the Republican Party or the program of the Democratic Party. It might endow the clergy of all religious denominations, or it might subsidize any existing or any new religious denomination. Tomorrow it might be the champion of the Christian religion, and a hundred years hence furnish an endowment for the introduction of Buddhism into the United States. It might build tenement houses for the poor in New York City or carry the results of science to enrich the exhausted soils of the East or the arid tracts of the West. It might set up an art gallery in every State of the United States or endow universities which would rival the great State universities of the West. With the consent of the legislature it might relieve any State of the care of its insane, pauper, and dependent classes or construct roads for the benefit of farmers and motorists. These may not be likely objects for the application of the funds of the Rockefeller Foundation. I am not, however, attempting to forecast its work but to understand its charter.
>
> And, so far as I can see, the proposed charter would authorize all these and a multitude of similar activities. If the object of the Rockeller Foundation is to be coextensive with human civilization, then it may do anything and everything which its trustees think likely to effect reform or improvement in the material, economic, intellectual, artistic, religious, moral, and political conditions of the American people or of mankind.

Seventh. The charters of these foundations, with their almost unlimited powers, were granted under condtions of such laxity that it has been testified by an eminent legal authority who made an extensive investigation that those granted by New York State are legally defective and unconstitutional. Furthermore, evidence developed by the hearings of the Commission showed that in increasing the number of its trustees without complying with the requirements of the law governing corporations the

Rockefeller Foundation has already been guilty of a breach of the law.

Eighth. These foundations are subject to no public control, and their powers can be curbed only by the difficult process of amending or revoking their charters. Past experience, as, for example, in the case of the insurance companies, indicates that the public can be aroused only when the abuses have become so great as to constitute a scandal.

Ninth. As regards the foundations created for unlimited general purposes and endowed with enormous resources, their ultimate possibilities are so grave a menace, not only as regards their own activities and influence but also the benumbing effect—a striking illustration of the benumbing effect of such foundations was revealed by the almost complete cessation of private activity for the relief of the Belgians as soon as the Rockefeller Foundation issued to the press a statement of its intention to undertake such relief—which they have on private citizens and public bodies, that if they could be clearly differentiated from other forms of voluntary altruistic effort it would be desirable to recommend their abolition. It is not possible, however, at this time to devise any clear-cut definition upon which they can be differentiated.

Tenth. As the basis for effective action, the Commission made the following recommendations, among others: The enactment by Congress of a statute providing that all incorporated nonprofitmaking bodies whose present charters empower them to perform more than a single specific function and whose funds exceed $1 million shall be required to secure a Federal charter.

The Federal charter should contain the following provisions: First, definite limitation of the funds to be held by any organization, at least not to exceed the largest amount held by any at the time of the passage of the act; second, definite and exact specifications of the powers and functions which the organization is empowered to exercise, with provision for heavy penalties if its corporate powers are exceeded; third, specific provision against the accumulation of funds by the compounding of unexpended income; fourth, rigid inspection of the finances as regards both investment and expenditure of funds; fifth, complete publicity through open reports to the proper Government officials; and, sixth, provision that no line of work which is not specifically and directly mentioned in the articles of incorporation shall be entered upon without the unanimous consent and approval of the board of trustees, nor unless Congress is directly informed of such intention through communication to the Clerk of the House and the clerk of the Senate, which shall be duly published in the CONGRESSIONAL RECORD, nor until 6 months after such intention has been declared.

Eleventh. As the only effective means of counteracting the influence of the foundations, as long as they are permitted to exist, consists in the activities of governmental agencies along similar lines, the appropriations of the Federal Government for education and social service should be correspondingly increased.

In 1948, a Senate Subcommittee on Interstate and Foreign Commerce investigated the closing of Nashua, N.H., mills and the Textron trusts, created by Mr. Royal Little, president of Textron, Inc. This involved charitable trusts that were being used primarily for the benefit of Mr. Little's businesses. Reporting measures followed.

NEED AND PURPOSE OF STUDY

As shown in my earlier remarks, the staggering growth of foundations to a total number of 45,124 at the close of 1960 compound the earlier problems and demonstrate the overwhelming need for a continuing examination of the economic consequences of the granting of tax exemption to privately controlled foundations. Their number and size make it desirable to examine in detail their impact on our economy.

I am confining my study to privately controlled, tax-exempt foundations which are required to file form 990–A. This excludes first, religious organizations; second, educational organizations of a certain type; and third, charitable organizations, or those for the prevention of cruelty to children or animals, which are supported in whole or in part by Federal or State governmental units, or primarily by contributions from the general public.

From time to time, I shall report my findings to the House of Representatives.

DOGS IN THE MANGER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD], is recognized for 30 minutes.

Mr. HOLIFIELD. Mr. Speaker, I have been a member of the Joint Committee on Atomic Energy since its establishment in 1946. By virtue of the statute which provides for alternating the chairmanship of the Joint Committee, between the House of Representatives and the U.S. Senate every 2 years, I have the honor and privilege of being chairman of this important committee during the 87th Congress.

During the 15 years of my membership on this committee, I have dedicated my services to two objectives. First, the development of a varied and adequate inventory of military weapons to give us the strength to defend the freedom and liberty of our Nation and our friendly nations in the free and uncommitted world. Second, to develop the peacetime application of atomic energy in the fields of biology, agriculture, diagnostic and curative uses, and other beneficial uses in the wide field of industry.

In my opinion, we stand preeminent today in the field of military strength due to the variety and power of atomic-hydrogen weapons. The deterrent power of these fearsome weapons and the capability to deliver them stands as the one great deterrent to the Soviets' aggressive domination of the free world.

The members of the Joint Committee on Atomic Energy can and do have a deep pride in their contribution toward this factor of national strength.

I share that pride with humility and with deep gratitude for the opportunity given me to participate in the development of this great deterring strength.

In the field of peacetime application of atomic energy, we also can point with pride to notable accomplishments. Through the use of radioactive isotopes as tracers we have advanced in a few years the art of diagnosis, more than with any other method used in the past century. There have been modest but important advances in the curative arts in certain fields and great advances in the treatment of anemia, leukemia, and malignancies may be just around the corner. Important research is being conducted in both private and national laboratories.

In the field of agriculture we have developed certain mutations in wheat and oat seeds which promise increased resistance to plant diseases that rob the human race of millions of tons of food annually.

In the industrial field we have developed more than 1,100 uses for radioactive elements and their use is bringing more than one-half billion dollars in savings yearly according to an estimate prepared by the Atomic Energy Commission.

In the specific area of developing electricity from the process of atomic fission, we have made substantial progress but that progress has been bedeviled and obstructed by the privately owned electric utilities. They have bitterly fought the Federal Government's sustained and orderly development program. I do not deny the fact that there has been private research and development by the private utilities and they have built a few reactors. With the exception of only two or three cases, their reactors were financed with considerable Federal subsidies. In all cases their reactors were founded on free research and development expenditures by the Federal Government, running into hundreds of millions of dollars in tax moneys.

In most of the cases, specific reactors were assisted directly or indirectly by Federal funds. In most instances there was a waiver of 5 years' use of Government-owned uranium fuel and this amounted usually to several million dollars' reduction in their capital investment. The Federal Government came to their rescue on liability insurance and, in effect, extended at nominal cost—up to ten times and in some cases more—the protection which private insurance companies would offer.

Here are some of the prominent cases of Federal subsidy: Power Reactor Development Co., Yankee Atomic, Philadelphia Electric Co., Northern States Power Co., Carolina-Virginia Nuclear Power Associates, Consumers Power of Michigan, East Central Nuclear Group,

Inc., and Florida West Coast Nuclear Group.

More of these private electric utilities are standing in line for additional subsidies. All of them expect to benefit from millions of dollars of research now being conducted in Federal laboratories.

The atomic electric power development is one of the most heavily subsidized developments in the history of our industrial development.

The members of the Joint Committee on Atomic Energy, including the present speaker, have supported this heavy subsidization in this new field of science.

Why?

We have believed it to be of great national and international importance to develop an additional source of energy for mankind's use.

We did not support this program for the specific benefit of the privately owned or the publicly owned electric utilities. Neither did we support it for the specific benefit of the great machinery companies who produce generating equipment. We supported this program for the benefit of humanity, to increase the source of energy for the lifting of the burdens from the backs of all men, everywhere.

The electric utilities, however, stand to reap financial benefits for their private gain which will, over the course of the next few decades, profit them by many billions of dollars.

You would think the privately owned electric utilities would be grateful for the Federal program of atomic-electric development which, in effect, will hand them a basically new energy source on a silver platter.

But they are not grateful; they are only grasping and greedy. From the very start they have used every means possible to fasten a patent monopoly on the atomic-electric development. In league with most of their machinery suppliers, they have fought the patent clause in the Atomic Energy Act which sought to preserve to all American industry free access to techniques and devices produced by public funds. It is a well-established principle of our capitalistic society that patents belong to those who pay for their development. In this case the U.S. Government was and is spending millions of dollars in research and development. The U.S. Government is entitled to claim, own, and use any and all patents which public moneys develop. That ownership has been claimed in more than 1,100 instances and made available on a royalty-free basis to all of our country's industries, large and small. What could be fairer? What could be more in line with basic patent equities?

If we had followed the advice of the privately owned electric utilities and their machinery suppliers, a few of the really big machinery corporations and the big electric utilities would have purloined these tax-funded patent rights from the American people. They could then have imposed royalty fees on their small competitors or they could have refused to grant their competitors licenses to use their patents.

When the private electric utilities and their machinery suppliers failed in their efforts to expropriate the taxpayers' patent rights, they embarked on a conspiratorial effort to block the Federal building of reactors. They were responsible for the defeat of the Gore-Holifield bill in 1956 which would have built reactors in several areas of technological need. Gradually they built a few reactors by various methods, in most instances with partial Federal subsidies.

We are in the midst of a further fight with the private electric utilities, but the Hanford reactor fight is not to prevent the Federal Government from building an atomic reactor. This fight is a real demonstration of greed and irresponsibility on the part of this monopolistic segment of our society.

At this point, I believe it necessary to describe the advantageous position of the privately owned electric utilities. They are the first to yell "private enterprise" in describing their industry. They are the first to yell "socialism" against the rural cooperative electric utilities, the great Federal, regional, and municipally owned utilities which, incidentally, comprise only 20 percent of our national total generating capacity. Any time the people of a city or region decide to bond themselves to produce their own electricity, they—the private utilities—are the first to yell "socialism" or "tax evaders."

Let's look at their operation and compare it to real competitive private enterprise.

First. They operate in defined areas on the basis of a monopolistic franchise. In most instances no competition is permitted.

Second. They are allowed to amortize their capital plant investment on either regular or accelerated formulas of amortization—more on this later.

Third. All of their costs of doing business are allowed in computing their rate levels. This includes high salaries for their executives and top officers and lobbyists. This includes interest rates on borrowed money; taxes which they continuously and piously proclaim; and national advertising campaigns—so-called institutional advertising—most of which has a definite political propaganda slant in favor of their monopolistic operation.

Fourth. Their monopolistic franchises have the effect of creating captive customers. The users of their product are forced to take their rates and their services or do without.

Fifth. They are guaranteed a specific profit on their operations. They take no risk of capital investment loss or loss of steady profits. Their profits are based on their overall cost of operation and usually are much higher than the average citizen can obtain for his investment in a savings account.

Of course, I know franchises are necessary in many instances and, of course, I know the argument regarding regulation by public officials who are appointed to protect the public against exorbitant rates. Assuming for the moment all public regulatory officials are appointed on the basis of protecting the public interest and never, under any circumstances, owe any obligation to the interests who publicly or privately sponsor their appointment—you still have a segment of our economy operating in a monopolistic, noncompetitive, and profit-guaranteed position. Compare the value and security of their stock with the stock and profit yield position of the average-sized business firms, and make your own judgment as to whether the privately owned electric utilities occupy a preferred status or not.

But I have not finished describing the various subsidies which benefit the privately owned utilities. I mentioned in my list of five major points of advantage "accelerated formulas of amortization". I will include, at this point, some pages listing the names of privately owned electric utilities which received this preferential treatment.

(See app. A.)

To summarize:

From the year 1950 to September 15, 1959, the privately owned electric utilities received preferential rapid acceleration certificates amounting to $3,231,788,000. This special amortization privilege would benefit these utilities to the extent of an additional $1,428,436,000 in interest-free loans. If this amount were invested at 6 percent over the 33⅓ year period of normal amortization it would provide a net subsidy of $4,855,972,000.

Another privilege which is common among private electric utilities is the allowance of tax-free dividends. I am including, at this point, a partial list of utilities enjoying this access to capital on a preferential basis. You will note this type of subsidy which is extended to this favored elite in our capitalistic society runs from a low of 4 percent to a high of 100 percent. The average runs more than 42 percent.

(See app. B.)

Of course, the free enterprise competitive part of our society does not enjoy the special preferential privileges of this favored group. The utilities can ill-afford the spotlight of comparison with the rest of our business society that really have to compete in the market place and who have neither captive customers, freedom from competition, no risk of capital investment, guarantee of profit, nor the haven of tax-free dividends.

I say the private utilities are in a preferred status and I warn them to restrain their greed. They might read one of Aesop's fables about the dog who made his bed in the hay manger. He would not eat the hay nor would he let the cattle eat it.

This fable is a perfect illustration of the selfish attitude of the privately owned electric utilities. The former Chairman of the Atomic Energy Commission offered this byproduct steam to the private utilities and, for reasons of their own, they turned him down. Like the dog in the manger, they will not use this waste steam and they will not let

the people of the Northwest use this great national resource.

While we are on the subject of dogs in the manger, let me call to their attention another Aesop fable. This one is also about a dog, a very greedy dog. This dog, we are told, was crossing a footbridge over a river. He had a luscious bone in his mouth. He looked down into the smoothly flowing river and saw his reflection, but the bone in the mouth of the dog in the reflection looked much larger than his own bone. He opened his mouth and tried to grab the larger bone he saw in the reflection. The luscious bone he had in his mouth was lost in the river and his jaws snapped shut on emptiness.

Once again I warn the privately owned utilities to guard their luscious bone of captive customers, noncompetitive franchises, guaranteed profits, and rapid amortization.

In their dog-in-the-manger selfishness they might start a train of events which could result in the loss of the luscious bone they now have.

APPENDIX A

TABLE 42.—*Amount of accelerated depreciation granted commercial electric utilities from the beginning of the program in 1950 through Sept. 15, 1959, with estimated interest-free loans and subsidy benefits by company*

[In thousands of dollars]

Name of company	Amount certified for accelerated depreciation	Amount of interest-free loan	Net subsidy over 33⅓-year period at 6 percent return [1]
Alabama Power Co	57,478	25,405	86,364
American Gas & Electric Service Corp	539	238	810
Appalachian Electric Power Co	113,683	50,248	170,816
Arizona Edison Co., Inc	257	114	386
Arizona Public Service Co	11,119	4,915	16,707
Arkansas-Missouri Power Co	71	31	107
Arkansas Power & Light Co	33,683	14,888	50,611
Atlantic City Electric Co	7,625	3,370	11,457
Basin Light & Power Co	67	30	101
Black Hills Power & Light Co	71	31	107
Boston Edison Co	14,086	6,226	21,165
California Electric Power Co	9,240	4,084	13,884
California-Oregon Power Co	35,324	15,614	53,076
Carolina Power & Light Co	48,695	21,523	73,167
Central Arizona Light & Power Co	88	39	132
Central Hudson Gas & Electric Co	4,385	1,938	6,589
Central Illinois Electric & Gas Co	4,330	1,914	6,506
Central Illinois Public Service Co	1,705	754	2,562
Central Kansas Power Co	1,187	525	1,784
Central Louisiana Electric Co., Inc	12,055	5,328	18,113
Central Maine Power Co	27,325	12,078	41,058
Central Power & Light Co. (Texas)	22,761	10,060	34,200
Central Illinois Light Co	5,378	2,377	8,081
Central Vermont Public Service Corp	1,187	525	1,784
Chicago District Electric Generating Corp	2,640	1,166	3,966
Cincinnati Gas & Electric Co	46,018	20,340	69,145
Citizens Utilities Co	739	327	1,110
Cleveland Electric Illuminating Co	98,604	43,583	148,159
Colorado Central Power Co	706	339	1,151
Columbus & Southern Ohio Electric Co	19,510	8,623	29,315
Commonwealth Edison Co	33,981	15,020	51,058
Connecticut Light & Power Co	16,676	7,371	25,057
Connecticut Power Co	2,038	901	3,062
Consolidated Edison Co. of New York	57,512	25,420	86,415
Consolidated Gas & Electric (Maryland)	24,939	11,023	37,472
Consumers Power Co	52,460	23,187	78,824
Dallas Power & Light Co	21,489	9,498	32,289
Delaware Power & Light Co	27,314	12,073	41,041
Derby Gas & Electric Co. (Connecticut)	150	66	225
Detroit Edison Co	72,080	31,859	108,305
Eastern Shore Public Service Co. (Maryland)	822	363	1,235
El Paso Electric Co	7,308	3,230	10,981
Empire District Electric Co. (Kansas)	9,106	4,025	13,682
Florida Power & Light Co	48,104	21,262	72,279
Florida Power Co	28,350	12,530	42,598
Frontier Power Co. (Colorado)	198	88	298
Georgia Power & Light Co	212	94	319
Georgia Power Co	60,540	26,759	90,965
Gulf Power Co	12,261	5,419	18,423
Gulf States Utilities Co. (Louisiana and Texas)	23,335	10,314	35,062
Hartford Electric Light Co	20,322	8,982	30,535
Houston Lighting & Power Co	37,745	16,683	56,714
Idaho Power Co	10,827	4,786	16,268
Illinois Power Co	19,473	8,607	29,259
Indiana-Michigan Electric Co	114,970	50,816	172,750
Indianapolis Power & Light Co	19,430	8,588	29,195
Iowa Electric Light & Power Co	2,272	1,004	3,414
Iowa Power & Light Co	14,973	6,618	22,498
Iowa Public Service Co	5,128	2,267	7,705
Iowa Southern Utilities Co	4,460	1,971	6,701
Kansas City Power & Light Co	10,741	4,748	16,104
Kansas Gas & Electric Co	23,711	10,480	35,627
Kansas Power & Light Co	25,252	11,162	37,942
Kentucky Power Co	715	316	1,074
Kentucky Utilities Co	6,031	2,666	9,062
Kentucky-West Virginia Power Co	286	126	430
Kingsport Utilities, Inc	1,022	452	1,536
Knoxville Power Co	528	233	793
Lake Superior District Power Co	1,148	507	1,725
Long Island Lighting Co. (New York)	27,687	12,238	41,601
Louisiana Power & Light Co	30,559	13,508	45,916
Maine Public Service Co	819	362	1,231
Marietta Electric Co. (Ohio)	49	22	74
Michigan Gas & Electric Co	14	6	21
Milan Transmission Co. (Texas)	850	376	1,277
Minnesota Power & Light Co	18,649	8,242	28,022
Mississippi Power & Light Co	19,999	8,840	30,050
Mississippi Power Co	13,377	5,912	20,100
Missouri Public Service Co	2,885	1,275	4,335
Monongahela Power Co. (West Virginia)	16,938	7,486	25,450
Montana-Dakota Utilities Co	3,040	1,344	4,568
Montana Power Co	11,285	4,988	16,956
Nantahala Power Co. (North Carolina)	5,111	2,259	7,680
New England Power Co	29,705	13,130	44,634
New York State Electric & Gas Corp	25,858	11,430	38,854
Niagara Mohawk Power Corp	41,008	18,126	61,617
Northern Indiana Public Service Co	446	180	670
Northern States Power Co. (Minnesota)	22,230	9,826	33,402
Northern States Power Co. (Wisconsin)	626	277	941
Northern Virginia Power Co	356	157	535
Ohio Edison Co	70,354	31,096	105,712
Ohio Power Co	184,882	81,718	277,798
Oklahoma Gas & Electric Co	30,383	13,429	45,652
Pacific Gas & Electric Co	178,544	78,916	268,274
Pacific Power & Light Co	75,194	33,236	112,984
Pennsylvania Electric Co	24,252	10,719	36,440
Pennsylvania Power & Light Co	59,321	26,220	89,134
Pennsylvania Power Co	11,326	5,006	17,018
Pennsylvania Water Power Co	6,772	2,993	10,175
Philadelphia Electric Co	52,875	23,371	79,448
Portland General Electric Co	30,898	13,656	46,426
Potomac Edison Co	13,824	6,110	20,771
Potomac Electric Power Co	18,390	8,132	27,646
Potomac Light & Power Co	2,005	886	3,013
Public Service Co. of Colorado	28,970	12,805	43,529
Public Service Co. of Illinois	522	230	784
Public Service Co. of Indiana, Inc	53,018	23,434	79,662
Public Service Co. of New Hampshire	13,656	6,036	20,519
Public Service Co. of New Mexico	7,617	3,366	11,446
Public Service Co. of Northern Illinois	341	151	512
Public Service Co. of Oklahoma	43,065	19,035	64,708
Public Service Electric & Gas Co. (New Jersey)	40,750	18,012	61,230
Rockland Light & Power Co. (New York)	9,408	4,158	14,136
South Carolina Electric & Gas Co	24,837	10,978	37,320
South Carolina Generating Co	20,248	8,950	30,424
South Pennsylvania Power Co	179	79	269
Southern California Edison Co	126,041	55,710	189,385
Southern Indiana Gas & Electric Co	5,280	2,334	7,934
Southern Nevada Power Co	5,233	2,313	7,863
Southwestern Gas & Electric Co	12,085	5,342	18,158
Southwestern Public Service Co	35,759	15,806	53,730
Texas Electric Service Co	30,347	13,414	45,598
Texas Power & Light Co	46,743	20,660	70,234
Toledo Edison Co	18,468	8,163	27,749
Union Electric Co. of Missouri	44,092	19,488	66,252
Union Electric Power Co. (Illinois)	5,689	2,514	8,548
Union Light, Heat & Power Co. (Kentucky)	1,062	469	1,596
United Illuminating Co. (Connecticut)	4,665	2,062	7,009
Upper Peninsula Power Co. (Michigan)	75	33	112
Utah Power & Light Co	2,038	901	3,062
Virginia Electric & Power Co	102,559	45,331	154,101
Washington Water Power Co	30,020	13,269	45,107
West Pennsylvania Power Co	35,734	15,794	53,692
West Texas Utilities Co	7,818	3,456	11,747
Western Light & Telephone Co. (Kansas)	7,137	3,155	10,724
Western Massachusetts Electric Co	3,387	1,498	5,090
Wheeling Electric Co	2,134	944	3,206
Wisconsin Electric Power Co	16,957	7,495	25,479
Wisconsin-Michigan Power Co	1,387	613	2,084
Wisconsin Power & Light Co	15,423	6,817	23,174
U.S. total	3,231,788	1,428,436	4,855,972

[1] This understates the case somewhat since the normal life for a number of included projects would be 50 years rather than 33⅓ years.

NOTES.—Components do not always add to totals because of rounding. Applications under the electric power generation goal were suspended in December 1953; reopened in April 1955 and closed again on Jan. 1, 1956; applications under the electric transmission goal were closed on Feb. 28, 1957. First certificates were actually issued in June of 1951.

Source: National Rural Electric Cooperative Association (based on data from Office of Defense Mobilization).

APPENDIX B

Private power companies paying tax-free dividends in 1960

Company	1960 dividends paid	Percent nontaxable [1]
Arizona Public Service	$1.20	20
Atlantic City Electric Co	1.10	63
Brockton Edison	4.00	36
California Electric Power	.83	80
California Oregon Power	1.60	100
Central Hudson Gas & Electric	.94	34
Central Louisiana Electric	.925	52
Central Maine Power	1.40	8
Connecticut Light & Power	1.125	26
Detroit Edison	2.00	25
Duquesne Light Co	1.14	4
El Paso Electric	1.16	21
Fall River Electric Light	2.95	40
Fitchburg Gas & Electric Light	3.00	13
Gulf States Utilities	1.00	24
Hartford Electric Light	3.00	60
Idaho Power	1.75	45
Maine Public Service	1.21	30
New England Electric System	1.08	39
Niagara Mohawk Power	1.80	60
Oklahoma Gas & Electric	1.12	35
Pacific Gas & Electric	2.60	7
Pacific Power & Light	1.60	100
Portland General Electric	1.23	78
Public Service of Indiana	2.10	53
Public Service of New Hampshire	1.04	51
Southwestern Electric Service	.73	52
Union Electric	1.76	49
Utah Power & Light	1.32	23
Virginia Electric & Power	1.20	7
Washington Water Power	2.00	67

[1] Subject to capital gains tax if stock is sold, but not taxable as ordinary income.

Source: Barron's, Apr. 3, 1961, pp. 11, 13, and 15.

Executive salaries

(From 1960 annual reports filed with Federal Power Commission)

Consolidated Edison Co.: Chairman, Harland C. Forbes, $150,000; president, Charles E. Eble, $120,000.

Pacific Gas & Electric Co.: Chairman, James B. Black, $120,000; president, N. R. Sutherland, $145,833.33; executive vice president, Robert H. Gerdes, $97,916.67.

Cleveland Electric Illuminating Co.: Chairman, Elmer I. Lindseth, $120,000 [1]; president, Ralph M. Besse, $80,000.[1]

Detroit Edison Co.: president, Walker L. Cisler, $125,000.

Tennessee Valley Authority (the Nation's largest integrated power system): Chairman of the Board, $20,500.

American Electric Power Co. prospectus filed with Securities and Exchange Commission September 9, 1959, shows salary of Philip Sporn "as president, director, and member of the executive committee of the [holding] company and president and director of subsidiaries," as $129,290 annually.

[1] Footnote explains, "Does not include extra compensation awarded at year end."

DECLARATION OF CONFLICT AGAINST THE INTERNATIONAL COMMUNIST CONSPIRACY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HOSMER] is recognized for 60 minutes.

Mr. HOSMER. Mr. Speaker, we can freeze to death in cold war as easily as we can burn to death in hot war.

Until such time as this fact is brought home to our people and necessary actions taken, this Nation will remain in great peril.

As an initial step I have today introduced a joint resolution which recites that unprovoked acts of nonmilitary aggression have been committed against the United States and its free world allies by the international Communist conspiracy, declares the existence of a state of conflict and calls forth the resources of the Nation to bring it to a successful conclusion.

The declaration is patterned after the Declaration of War following Pearl Harbor because its aim is to meet as deadly a threat to the existence of the United States as was the armed aggression of the Imperial Japanese Government.

The threat we face is a new and unique one: aggression aimed at the extermination of nations by nonmilitary warfare just as surely as by military warfare. Meeting it requires new and imaginative techniques. The declaration of conflict is one such technique which can be the basis for many others.

Since Marx and Engels first put pen to paper the persistent and continuing goal of the international Communist conspiracy has been the domination of the world and the extinction of all that is non-Communist.

Communist dogma holds that national governments are only transitory instrumentalities to be utilized in achieving that goal. When it is reached, governments are to be disbanded in favor of the despotism of universal rule by dictatorship of the Communist elite. That is why the declaration is aimed at the conspiracy itself, rather than at puppet and captive governments which are mere temporary vehicles for stocking and deploying weapons of the Communist arsenal of conflict.

Communist dogma also holds that any action, however violent, however perfidious, is usable as a means of achieving its ends. Thus, any mischief, from dropping pamphlets to dropping thermonuclear bombs is approved for use wherever, whenever, and however it will advance the cause of world domination.

The only restriction of choice of means is a practical one, imposed by the Marxist-Leninist laws of historical materialism. It is, that under the historical circumstances of the moment, the selected action must be that which most forwards Communist goals while least endangering the sources of Communist aggressive strength. Yet the restriction works both ways. It is as great a deviation from Communist philosophy to proceed with less violence than circumstances require as it is to proceed with more violence.

At the present moment Communist leaders recognize that U.S. nuclear retaliatory forces are capable of striking back with unacceptable damage to Communist sources of strength if they initiate all-out nuclear action. Thus deterred from extreme violence by application of the laws of historical materialism to current historical circumstances, communism's present selections of means for aggression are limited to conventional war, nonmilitary war, and the gray areas in between. Practically, difficulty in calculating the possibility of conventional war escalating dangerously into all-out nuclear war tends to limit them to choices within the cold war and gray areas.

Nonetheless their efforts in these areas are massive. We have not yet begun to appreciate their extent and danger. Hampered by conventional concepts of peace and war and the regulation of relations between nations by established concepts of international law, the free world simply has yet to recognize the deadly challenge that has been thrust upon it or even the true identity of the challenger.

Although cold war has become a common phrase in our language, the intensity of purpose with which it is being waged against us still has not become understood. It is little realized that a total challenge comes from the international Communist conspiracy rather than from a bloc of nations merely bent on implementing limited national objectives. It has escaped recognition even by some of our most perceptive leaders that nonmilitary conflict is not necessarily a mere preliminary bout, that it can well be the main event in which the loser will have no second chance for a rematch.

It is in these decisive battlegrounds of the cold, nonmilitary war that our defenses are shamefully weak, our generalship appallingly bad, and our effort woefully inadequate.

It would be madness to attempt fighting a military war without national strategy, without top-level command, without war plans, without planned offenses and planned defenses, without mobilizing the national effort, without appealing to the patriotism of the people for the blood, sweat, toil, and tears needed to win it.

Yet without any of these things we are engaged in a new, strange, and deadly kind of war, a nonmilitary war, in which the stakes nevertheless are survival and which we are not winning.

We must quickly organize to fight the cold, nonmilitary war in terms of a major enterprise, on a scale for victory, and with all the brains, weapons, and resources we can mobilize.

The declaration of conflict is designed as a dramatic call to, and blueprint for, such mobilization.

It aims to close this deadly gap in our total defense structure.

Its purpose is to prepare psychologically ourselves and our allies in the free world to do it with all the speed, vigor, imagination, and physical, mental, and moral resources free people can command when they are aroused and determined to save their freedom—a power infinitely greater in magnitude than ever can be commanded from the slave populations of the Communist world.

Not only are Americans anxious for the call this declaration makes, but, as well, free people throughout the world who look to the United States for leadership. They, too, want to fight effectively in the common cause. They, too, have their worries, their doubts, their fears that the time of freedom is running short. But until the United States moves, and moves decisively, as a world leader

should, others cannot be expected to go it alone in these battles. The declaration is the beginning of such moves.

In closing I wish to refer to the commendable resolutions of similar nature introduced by two of our colleagues: House Joint Resolution 447 by the gentleman from New York [Mr. PILLION] which expresses a declaration of war against the 98 Communist Parties constituting the international Communist conspiracy; and, House Joint Resolution 444 by the gentleman from Indiana [Mr. BRUCE] expressing a declaration of the will of the American people and purpose of their Government to achieve complete victory over forces of the world Communist movement.

In introducing my own resolution in a different form I have in mind its unique adaptability to certain follow-on measures which I will discuss at a later date.

The text of the resolution I have introduced is as follows:

H.J. RES. —

Joint resolution declaring that a state of conflict exists between the international Communist conspiracy and the Government and the people of the United States and making provisions to prosecute the same

Whereas the international Communist conspiracy has committed repeated acts of nonmilitary aggression against the Government and the people of the United States of America and the governments and people of free nations allied with the United States of America: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the state of nonmilitary conflict between the United States and the international Communist conspiracy which has thus been thrust upon the United States is hereby formally declared; and that the President be and he is hereby authorized and directed to employ the entire power of the United States and the resources of the Government to carry on nonmilitary conflict against the international Communist conspiracy; and to bring the conflict to a successful termination all the resources of the country are hereby pledged by the Congress of the United States.

POLICY FOR THE WEST: A FREE WORLD COMMON MARKET

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, for the past 5 years the United States has been busy painting itself into a corner.

On the one hand, we have helped bring into being the Common Market—Benelux, West Germany, France, Italy, and perhaps Greece—a customs union which by January 1, 1970, will have eliminated internal tariffs and will have an external common tariff which sharply discriminates against the United States and the rest of the free world.

On the other hand, we have been encouraging the United Kingdom, and the other European Free Trade Association countries—Denmark, Norway, Sweden, Switzerland, Austria, Portugal, and perhaps Finland—to give up European Free Trade Association and join the Common Market. The United Kingdom has now said that she will, despite the hazards to her agriculture, her Commonwealth, and her political sovereignty. The rest of the European Free Trade Association countries will shortly be lining up for membership in the Common Market too. So now we have our heart's desire. Our U.S. officialdom is expressing its delight at the state of affairs.

The point I want to make, Mr. Speaker, is that, if the United States does nothing more than watch a Europewide Common Market keep out our exports by discriminatory tariffs, the consequences for us and the rest of the free world will be economically harmful and politically divisive. We will then indeed have painted ourselves into a corner.

What are these consequences?

In a speech earlier this year, reported in the CONGRESSIONAL RECORD for February 23, 1961, pages 2606–2609, I pointed out some of the economic consequences to this country, and to the rest of the free world, of the Common Market. What I said there applies with renewed force now that the Six of the Common Market is apparently to be joined by the Seven of EFTA, with perhaps the British Commonwealth countries thrown in.

The United States needs to export more—in order to remedy our payments deficit, in order to cure our 7-percent unemployment rate, and in order to enjoy a more favorable rate of economic growth than we have had in recent years.

The Six and the Seven are a vitally important U.S. export market. Last year it took 30 percent of all U.S. commercial exports. Unless we are kept out by tariff walls, our exports to the Six and the Seven should increase, since Western Europe has the fastest growing purchasing power in the free world.

But if nature is allowed to take its course, our exports to the Six and the Seven will be seriously hampered. As their internal tariffs move progressively down toward zero, their producers will benefit from lower costs and greater efficiency, due to larger markets and more competition. U.S. exports are going to find it heavier going in Western Europe, both through keener competition and the necessity for scaling external tariff barriers. Furthermore, Western Europe may well find that its lower costs will enable it to obtain a larger share of the world export market outside Europe, at our expense.

It is true that the new, large area of the Six and the Seven will in all likelihood enjoy a continuing boom, which would normally make it a good market for exports from the United States. But with highly productive countries like West Germany and the United Kingdom within the discriminatory tariff wall of the Six and the Seven, they, not us, are likely to capture most of the increased Western European market.

On top of the discriminations inherent in the internal tariff's removal, the common external tariff of the Common Market, as expanded, will produce further difficulties for us and the rest of the free world.

The common external tariff is the simple arithmetical average of the duties prevailing in the constituent countries as of the date of the institution of the Common Market. Using the arithmetic average, rather than a weighted average depending on the amount of goods that has actually moved, or could reasonably be expected to move, is very detrimental to us. While countries like Benelux and West Germany have generally low tariffs, countries like France and Italy have very high tariffs, frequently so high that no goods of ours could come through. An arithmetical average, therefore, will mean that our trade with the low-tariff countries will be considerably hurt, without our trade with the high-tariff countries necessarily being helped in equivalent amount. In my February 23 speech, I gave numerous specific examples of our export commodities—automobiles, radios, vacuum cleaners, dishwashers, washing machines, leather, varnishes, putty, oil burners, machinery, machine tools, office machinery—for which the Common Market external tariff is going to prove a particularly discriminatory handle.

Our problem with the external tariff is further complicated by the action taken by the Common Market with respect to the very welcome 1957 25 percent tariff reduction by Germany, and the 1951 10 percent tariff reduction by Italy. In determining what were the preexisting individual tariffs upon which to construct the common external tariff, these reductions—without legal justification, in my opinion—were rescinded.

The negotiations of the General Agreement on Tariffs and Trade at Geneva, which have been going on since September 1960, are currently bogged down. No agreement has been reached on the proposed level of the Common Market's external tariff. While the Common Market countries have reportedly offered the rest of the world a 20-percent across-the-board tariff reduction—with complete reciprocity seemingly not expected from the rest of the world—this is not even remotely sufficient to repair the discrimination suffered by the rest of the free world.

What it all boils down to is that the Common Market's discrimination will hurt our exports at just the time in our history when they need help. And the political effects of the Common Market, with or without its expansion, are almost as disturbing as the economic.

Where the West should be united, it may well become divided into two segments—Western Europe, and the rest of the West. Secondly, the United Kingdom and the other countries of European Free Trade Association may well resent our pushing them into the Common Market, with its supranational institutions so difficult for insular Britain and neutral Sweden, Switzerland, and Austria, to swallow. And our friends in Latin America and in parts of Asia and the Middle East may not relish a discriminatory trade bloc of the Six and the Seven, with its advantages for the former colonies or associates of the United Kingdom, the Netherlands, France, Belgium, or Portugal.

But the most disturbing political byproduct of the Common Market, as expanded, may be right here at home. The Reciprocal Trade Agreements Act, first adopted in 1934, is due to expire on June 30, 1962. In my opinion, it needs

to be improved and expanded. But how are we going to keep even what we have if the protectionist sentiment in this country can point, next January, to the fact that the great Western European trading bloc is undertaking to discriminate against our products?

These, then, are the perils inherent in a discriminatory Western European trading bloc. But to list them is not to overlook the great benefits to the free world of the Common Market movement.

Economically, it can provide for Europe the same kind of vast internal market which has furnished the economic underpinning for the United States of America.

Politically, it can reduce the historic tensions between Germany and France, and can insure that West Germany is pulled firmly into the family of the West. The hope of European unity is an ancient one, going back to Charlemagne, the Holy Roman Empire, the grand design of Henry IV, the pan-European movement of Aristide Briand, and all the impetus toward European integration following World War II.

But was it necessary to divide the free world in two—Western Europe and its dependencies on the one hand, and the rest of the West on the other—in order to obtain these economic and political benefits? The United States in Marshall plan days encouraged Western Europe to discriminate against U.S. goods because it was Western Europe that was suffering a severe deficit in payments. Yet now that the shoe is on the other foot—now that it is the United States that faces the payments deficit, while most of Western Europe has a whopping surplus—we find ouselves still insisting on the Common Market, and on the expansion of the discrimination against us by a host of additional countries.

In short, we have encouraged a European particularism at just the stage in history when we should have been discouraging a European particularism in favor of a free world generalism.

Is there not some way in which Western Europe can be given the spark of economic competition and of a large free market, and by which Germany can be bound to the West, without setting up a discriminatory Western European economic enclave? I firmly believe that there is.

Mr. Speaker, the Common Market holds out for us not only danger, but opportunity. Though we may have painted ourselves into a corner by our espousal of the Common Market and its expansion, we cannot retreat into discriminatory protectionism ourselves. What we need to do, rather, is come out of our corner fighting, resolved that the best defense is an offense.

Specifically, we should consider proposing to our leading industrial trading partners represented in GATT the formation of a free world Common Market, in which each adhering member would agree to cut tariffs on industrial goods 10 percent a year for the next 10 years, down to zero. By thus generalizing to the whole free world the presently discriminatory tariff reductions of the Six and the Seven, we could at one stroke retain the good of the Common Market and get rid of the bad.

As with the present Common Market, agricultural goods are another matter, and there the goal should be painstaking and steady negotiation to move away from autarchy and toward comparative advantage in free world farm policy.

I am convinced that as bold an approach as a free world Common Market is necessary if we are not to cast aside the principle of an expanding free world trade which we have espoused ever since 1934. Our 1934 act allowed us to cut tariffs by 50 percent; the 1945 act by another 50 percent; the 1955 act by another 15 percent; and the current, 1958 act by another 20 percent. While not all of these authorities have been used, our tariffs are now only about 20 percent of what they were in 1934—perhaps averaging around 12 percent of the value of all goods on which duties are levied.

The momentum to trade liberalization given by the Common Market, and by its expansion, must be seized by us and directed to the benefit of the whole free world.

It will help us. Currently, our exports are running at the rate of around $20 billion a year, our imports at the rate of around $15 billion. Expanded free world trade is by far our best hope of balancing our international payments, and of causing a sustained industrial boom and an end to mass unemployment in this country. We have much more to gain than to lose. And the losses should be the subject of direct treatment, by adjustment aid, to communities, firms, and workers hurt by increased imports, as part of the 1962 trade legislation.

For the United Kingdom and the other countries of EFTA who are currently applying for Common Market membership, the formation of a free world Common Market offers a solution to the very problems which have so far kept EFTA on the outside looking in.

For the Six of the original Common Market, the generalization of the Common Market to the free world has advantages, too.

If they can stand the competition of other members of the Six, including West Germany, they can stand competition from the United States and from the rest of the free world. And their export markets will be greatly improved.

For Latin America, there will be relief from threatened discrimination for her exports of coffee, cocoa, oil, wheat, meat, and other commodities. The same will be true for the areas of Asia and Africa not now associated with the European Common Market.

Most important of all, a free world Common Market would restore a sense of forward motion to the whole free world. Its 10-year goal of free trade could cause an economic surge forward unparalleled in Western history.

It would be the best possible answer to Khrushchev's challenge of competitive coexistence—particularly if it could be pointed out to the people of the Communist world that the blessings of free trade could be theirs, too, whenever their rulers saw fit to call off their expansionist ideas.

A free world Common Market would obviously need to be accompanied by free world machinery for working together. Fortunately, almost miraculously, such machinery is either on hand or on order. Militarily, the NATO alliance is in its 12th year. For the coordination of fiscal, monetary, and social policies of the leading Atlantic countries, there is the Organization for Economic Cooperation and Development, due to be born next month. For the coordination of aid to underdeveloped areas, there is the Development Assistance Group of OECD. For providing means of avoiding crises in international payments, so as to give countries a chance to adjust to new conditions, there will shortly be new arrangements under the International Monetary Fund, and perhaps under the OECD. For administering the free world Common Market, a new General Agreement on Tariffs and Trade to replace the existing 1948 agreement would be necessary.

For political integration, there are the supranational agencies of the European Six, available to such additional countries as wish them. Later on, perhaps the practical working together of all these military and economic and payments and aid and trade organizations, and of the legislatures of the constituent countries, can produce some viable free world political institutions. But what is needed at once is a trade policy.

Mr. Speaker, the time to evolve a U.S. proposal for a free world trade policy is now. When Congress reconvenes in January, one of our first orders of business will be trade legislation. We must be thinking, now, of the direction in which we shall go.

The new expansion of the Common Market—if stopped now—will lead to divisive rivalry between the separate areas of the free world: Europe pitted against the rest of the West.

But that same expansion, if carried forward by its own logic and by intelligent U.S. policy, can bring a new unity to the West—the unity of a free world Common Market.

The choice is ours.

A SALUTE TO THE AMERICAN TAXPAYER

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SCHADEBERG. Mr. Speaker, I want to congratulate the taxpayers of the United States for their most recent achievement in space, that of successfully putting a man in orbit around the earth during which he made 16 complete swings around the globe and then was brought safely back to earth. It is with regret that after so great an effort and sacrifice, our taxpayers cannot claim the honor of sending an American astronaut

aloft, but we rejoice that our efforts were not entirely in vain.

It was the U.S. taxpayer who gave over $11 billion of his hard-earned dollars to Communist Russia in the so-called lend-lease program during World War II.

It was the U.S. taxpayer who gave his sons and who spent billions of his dollars to defeat Nazi Germany so that Communist Russia could be rewarded with the factories and machines along with the craftsmen of East Germany and the East European states.

It was the American taxpayer who allowed his own national interest to be sacrificed in behalf of the Communist countries and countries sympathetic to Communist Russia that made it possible for Communist Russia to concentrate her efforts in space while he was willing to pay and pay to ease the suffering of people whose countries were pushed into chaos by Communist intervention and to pick up the tab to support United Nations effort which Russia in many instances refused to support—choosing to channel her just share into her space effort.

It was the U.S. taxpayers who paid for research in space projects which were given free of charge to Russian scientists while his own country's scientists were denied information even of a meager sort that would have proved helpful. Through this generosity Communist Russia was relieved of the effort to make a breakthrough in some fields and could thus concentrate on solving more advanced problems.

These are noble sacrifices made by the taxpayers of the United States which made possible the achievement made in yesterday's space shot.

The American taxpayer can take further pride in the knowledge that this feat was not accomplished at the expense of the enslaving and starving of thousands of his fellow citizens. We regret, of course, that the people of Russia and the enslaved satellite countries had to pay so big a price for this Communist propaganda victory but they, unlike us, had no choice.

My hat is off to the American taxpayer for this most spectacular achievement in space. I wonder, however, when the taxpayer will be permitted to be relieved of his burden that makes it possible for Communists to achieve their victories.

THE HANFORD PROJECT—CLASSIC STUDY IN WASTE

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOSMER] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HOSMER. Mr. Speaker, this body recently refused to approve spending $95 million to tack electric generating facilities onto the plutonium production facility being built at Hanford, Wash. It did so because of a series of economic studies based on unrealistically hopeful assumptions produced no more than a classically "iffy" response to the question of whether or not the taxpayers would ever get their money back.

It did so because the proposal, incorporating steam conditions closer to Fulton's steamboat than modern day technology, would be a technological retrogression which could only depress further whatever prestige the United States has left in the world.

It did so because any threat of a temporary tight supply of power in the Pacific Northwest during the period of the mid-1960's can easily be averted if the threat of Government competition is eliminated and private, taxpaying utilities are allowed to get on with the job. And, get on with it not at a cost of $95 million to the taxpayers, but at no cost to the taxpayers. With no burden on anybody except, perhaps, what slight increase in rates power users in the Northwest would pay and which would not even then bring their power costs up anywhere near that which Americans in other parts of the country pay fairly under public regulated rates.

While the final verdict is not yet in on this matter of Hanford, because the other body put the $95 million back into the bill, tomorrow we will all have a chance to go on record concerning it when the motion is made to instruct the House conferees not to agree with the other body's amendment.

The sum of $95 million is not "play" money and this is not "kiddyland." It is hard, round U.S. dollars that are taken out of the pockets of taxpaying U.S. citizens. And, this body is a supposedly responsible one—responsible for a trust to spend that money wisely and in the best interests of our country and its citizens. The magnitude of the sum involved should not escape us. It is equivalent to all the personal income taxes collected in a whole year from all the taxpayers of the average congressional district. It takes just about 430,826 taxpayers, on the average, to "pony up" $95 million and 430,826 is just about the average number of citizens per congressional district.

Any Member of this body who votes against instructing the conferees not to accept the other body's amendment will have to answer to each and every one of his constituents and will have the impossible job of explaining why he voted to spend every last hard-earned cent paid in income taxes by every last one of his constituents on this Hanford foolishness.

Truly it can be said, if this project should ever come to pass, that never in the annals of peacetime government has so much been spent for so little by so few.

I am proud that this body has once already rejected the proposal and stood firm in its determination for fiscal and technological sanity. I am confident that it will do so again and again, as many times as may be necessary to place this proposal how and where it should be; namely, dead and buried in its final resting place.

If we fail in this responsibility we will plead guilty to the charge that the public purse in our hands, the hands of Congress, is about as safe as as a hog in Chicago.

It is our duty to reject this classic study in waste, this outrageous scheme, which, contrary to the claims of its advocates, would enhance neither the nuclear prowess nor the global prestige of the United States. Contrarily, it would accomplish the opposite.

Even a fraction of the sum of $95 million, used wisely to encourage atomic power development in this country, would get our atomic-energy-for-peace development off dead center. It will produce hundreds of thousands more additional nuclear electric kilowatts than the $95 million "boondoggle." And, no amount of public verbal whippings of the private power industry and manufacturers of electrical equipment by public power adherents can deny this fact. It serves only to obscure it.

Furthermore, if that kind of a program is to be blocked by public power adherents in their pique over Hanford, then there is yet another alternative way to spend the money benefically for the country if they must have it spent. The Government could sponsor installation of nuclear powerplants around the country in bomb protected caves, salt mines, and other locations. These, for that amount of money, should provide up to one-half million kilowatts installed capacity which would be available to get the country back on its feet again after enemy attack. Should the program, as part of civil defense, be carried on by 20 percent Government participation and 80 percent private power participation, I estimate that over 2 million kilowatts of capacity could be installed and serve the Nation in peacetime as well as after attack. And, best of all, they would operate on a basis which would insure the Federal taxpayers getting back their $95 million plus interest.

In closing, I would like to reiterate this: no amount of attack on the private power industry and its equipment suppliers, whether that attack is justified or unjustified, has any bearing on the merits and demerits of the Hanford project. When it comes at a time to cloud the issue it amounts to nothing more than the old debaters trick of avoiding an issue on which you know you are weak on facts and logic, know you cannot persuade, know you cannot win.

The following editorial along the lines which I have spoken appears in this week's issue of Barron's magazine:

MONUMENTAL WASTE: THE HANFORD POWER PROJECT IS A CASE IN POINT

While the final verdict on its labors must be left either to history or to Heaven, the 87th Congress—and especially the Senate—has staked out at least one claim to legislative fame. Never in the annals of peacetime Government has so much been spent for so little by so few. Time after time the lawmakers, in weighing the massive budget requests of the White House, have wound up by throwing in hundreds of millions for good measure. Thus, both Chambers recently approved a housing act designed to cost nearly $1.5 billion more than the original administration blueprint. The Senate has voted an

extra $600 million for studying the oceans, while the Senate Labor Committee has added $3.5 billion to bills affecting veterans and the Youth Conservation Corps. In the hands of its current custodians, evidently, the public purse is as safe as a hog in Chicago.

At one piece of extravagance, however, even this free-and-easy Legislature—or more, precisely, its lower Chamber—has balked. Despite repeated administration urging, the House recently refused to approve the construction of power facilities at the Hanford (Wash.) plutonium plant of the Atomic Energy Commission. The Representatives also have gone to extraordinary lengths to forestall its passage by a House-Senate conference. While all too rare these days, their stubborn stand is exceedingly welcome. For it holds out the hope of saving the taxpayer nearly $100 million—no great sum as Federal spending goes, to be sure, but still worthwhile. More important, it also promises to rebuff an outrageous scheme which, contrary to the claims of its advocates, would enhance neither the nuclear prowess nor the global prestige of the United States. In developing the atom for peaceful purposes, this country is making great strides. Its nuclear future, however, depends not on grandiose and wasteful gestures by Government, but on the persistent and painstaking efforts of private industry.

The current controversy over the Hanford reactor strikingly illuminates the contrast. The trouble actually started 2 years ago, when Congress, in approving the expansion of plutonium capacity at the AEC installation, was talked into voting extra funds to make the new facilities "convertible"; i.e., capable not only of producing weapon elements, but also, with additional equipment, of generating electricity. Some weeks ago, by a large majority, the House rejected a proposal which, at a further cost of $95 million, would have authorized the construction of a 700,000-kilowatt power station at Hanford. Shortly afterward, the Senate approved. In the ordinary course of events, the next step would have been a conference between both Chambers. However, fearing a surrender on the issue by its own colleagues, the House refusing to follow the customary procedure, simply has bottled up the bill in committee. There the matter rests.

While the outcome remains in doubt, the merits of the case—or, rather, the obvious lack of them—should be perfectly clear to all. True, the project's advocates, with a zeal worthy of a better cause, have sought to make much out of little. The Hanford reactor, they argue, would help to stave off a threatened power shortage in the Pacific Northwest 4 to 5 years hence. It would put to productive use vast quantities of energy which now go to waste. It would make a valuable contribution to nuclear technology. Finally, so we are told, as the largest atomic powerplant in the world, it would mightily enhance the Nation's prestige abroad.

Unconvincing at best, the case for the Hanford reactor collapses under a hard, point-by-point rebuttal. First, according to the Bonneville Power Administration (which happens to be a friendly witness), the region's generating capacity, even under the most adverse weather conditions on record, would fall short of estimated needs by no more than 1 percent over the next half decade. Right now the supply of electricity actually exceeds demand. As to exploiting the unused heat from Hanford, this sounds logical and sound; in fact, however, since the cost of the necessary equipment would exceed the probable value of what it produced, the transaction would be tantamount to throwing good money after bad. Furthermore, as one of its stanch supporters admits, Hanford would make no contribution whatever to the advance of reactor technology. On the contrary, scientifically speaking, it would represent a long step backward. For as a plutonium plant, Hanford yields only low-pressure actuated steam, of a kind more suitable to an old-fashioned locomotive than to a modern turbine. Hence, while Hanford would be the largest power reactor in the world, it also would be the least efficient. Far from serving as a symbol of U.S. industrial prowess to the rest of the world, it would constitute a monumental waste.

Whether this shameful edifice ever will materialize remains to be seen. In any case, with respect to nuclear progress, the United States plainly must look elsewhere. Happily, under private auspices the state of the art has been making noteworthy strides. For example, a group of utilities headed by Philadelphia Electric Co. is building a high-temperature, gas-cooled reactor, which would be the first of its kind in this country. The Yankee Atomic Electric Co., organized by a group of New England utilities, this summer brought in its reactor at well below original budget estimates. Last month, finally, Pacific Gas & Electric Co. announced plans to build a 325,000-kilowatt nuclear power station at Bodega Bay, Calif. Employing steam at a temperature and pressure far higher than Hanford, and incorporating such novel features as underground construction, the Bodega Bay reactor is scheduled to generate electricity that at long last will be competitive with that produced from fossil fuels.

Here is progress, actual and potential, of which the Nation truly may be proud. As one AEC official, even prior to the breakthrough by P.G. & E. was moved to observe: "Gaged by the time required to bring other major industrial advances to a wide and competitive marketability, the atomic power developments of the United States will compare very favorably." To proclaim its nuclear achievements private enterprise needs no monument. The record speaks for itself.

THE BERLIN SITUATION

Mr. RYAN. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Speaker, at this crucial hour in international relations it is vital that we express support for the President's firm resolve to preserve the freedom of the 2 million people in West Berlin and to defend our legal rights against unilateral Soviet abrogation.

The President's reply of July 18 to the Soviet aide memoire clearly outlines our rights and obligations.

Our rights in West Berlin are based, not on Soviet sufferance, but on the protocol of 1944 agreed to by the United States, Britain, and Russia; surrender of Nazi Germany; the Potsdam Agreement of 1945; and multilateral agreements immediately after World War II which set up the occupation arrangements for Berlin including allied access rights to the city. Also the four-power agreement of June 20, 1949, reaffirmed the Soviet obligation to keep open the routes of transport and communication between West Berlin and the Western Zone of Germany.

The reply clearly states:

> This legal situation was thus jointly created by the four powers and cannot be altered except by the common consent of all of them.

Although the reply is firm, it is not belligerent. It states:

> The U.S. Government fully concurs with the Soviet Government that a peace settlement is long overdue. * * * the United States is not wedded to one particular arrangement for Berlin.

The President said:

> As in the past the U.S. Government is always prepared to consider in agreement with its allies a freely negotiated settlement of the unresolved problems of Germany.

It is to the question of a freely negotiated settlement that I wish to address my remarks.

The Berlin question and the entire German issue is the switch which, if pulled, could turn off the cold war and turn on a hot war.

The distinguished majority leader of the Senate has underscored the immense importance of finding a solution to the Berlin question with these words:

> What is involved at Berlin is not some obscure situation, distant from our own concern or the concern of the Soviet Union. Berlin is at the core of these concerns. Berlin is the lever which may ease Europe toward a more durable security or push the Western Nations and the Soviet Union into a new vortex of irrationality at whose center lies the graveyard of humanity (CONGRESSIONAL RECORD, June 14, 1961, p. 10328).

Underlying the problem is the probability that a war over Berlin would be a nuclear holocaust. The comparative geographical position of the United States and the Soviet Union and the comparative conventional weapon strength of both powers indicate that a Western victory in a conventional European war is dubious. James Reston made that point:

> For example, the Russians have 1,200 tanks within 50 kilometers of Berlin, and 175 divisions within easy striking range of the boundary between East and West Germany. Thus, even if the British, who in a masterpiece of mistiming announced today that they were reducing their defense expenditures, increased their forces in Germany, and if Germany increased its mobilization, and France and the United States strengthened the defenses of the West in Germany, the Allies would still face the choice of waging a nuclear war or negotiating (the New York Times, July 26, 1961, p. 30).

No doubt, Deputy Secretary of Defense Roswell L. Gilpatric had this situation in mind when he recently stated:

> The current doctrine is that if NATO forces were about to be overwhelmed by nonnuclear attacks from the Communist bloc countries, NATO would make use of nuclear arms (New York Times, June 7, 1961, p. 9).

At the same time the Deputy Defense Secretary eliminated the possibility of a limited nuclear war. He stated:

> I for one have never believed in a so-called limited nuclear war. I just don't know how you build a limit into it once you start using any kind of a nuclear bang.

It is apparent that the destruction of Western civilization is possible in an ultimate showdown on Berlin. While we must make it unmistakably clear that we will stand by our commitment to the freedom of West Berlin, all reasonable efforts must be undertaken to avoid the hour of ultimate decision and resort to military measures.

Every area of possible negotiations should be explored. To do less would be an abdication of our world leadership position.

We cannot view the Berlin situation with a "things must stay the same at all costs" attitude. Nor can we approach it with the idea of appeasing the Soviet Union. The solution to this crisis will be found, if any solution can be found, through what British Foreign Secretary Home described as "quiet techniques of diplomacy"—Washington Post, July 20, page A9.

Negotiation requires a proper climate of opinion. Hysteria and panic are inimical to diplomacy. President Kennedy stated the case well when he said:

Let us never negotiate out of fear. But let us never fear to negotiate (inaugural address, January 20, 1961.

The President gave assurances in his July 25 address that we will face the danger in Berlin "using restraint in our words as well as our weapons." He also said:

We are willing to consider any arrangement or treaty in Germany consistent with the maintenance of peace and freedom, and with the legitimate security interest of all nations.

In the spirit of that statement and the President's view, which I fully share, that "the freedom of that city—Berlin—is not negotiable," I suggest there are possible areas of negotiation. I advance two proposals for further exploration.

First. East and West Berlin a "free city" under a United Nations guarantee.

On June 14 Senator MANSFIELD proposed in the Senate a possible solution to the Berlin problem:

Let this whole city be held in trust and in peace by some international authority until such time as it is again the capital of Germany. Let the routes of access to this whole city be garrisoned by international peace teams in the effective pattern of those now operating between Israel and the Arab States (CONGRESSIONAL RECORD, June 14, 1961, p. 10330).

It seems to me that this proposal should be explored. Even if the storm clouds blow over, West Berlin will still remain a potential tinderbox—a situation ready to be exploited by the Soviets. All of Berlin as a free city under a United Nations guarantee would deprive Khrushchev of a furnace to fire the cold war. But it would do more than that. A United Nations guarantee of freedom and the free flow of transport and communications in Berlin would not only reduce world tensions but stabilize the status of Berlin.

A United Nations guarantee would make Berlin the responsibility of all nations and would mobilize world opinion against any move by the Soviet Union to threaten the peace of that city.

Any such change in the status of Berlin would have to be incorporated into specific written agreements, filed with the United Nations, which would protect access rights and the freedom of the Berliners. As part of this arrangement, it would be advisable for all powers concerned to agree to refer any dispute which might arise over the rights and obligations under the agreements to the World Court for adjudication and pledge to abide by the Court's decision. If a nation did not live up to its pledge to remove disputes from the arena of the cold war to the courtroom, it would face condemnation at the bar of world opinion.

Second. Disarmament in central Europe. Various plans for a demilitarized zone in central Europe have been offered in recent years. As early as 1954 Sir Anthony Eden, then Foreign Secretary, suggested "the possibility of a demilitarized area between East and West"—Kessing's Contemporary, Archives, 1955, pages 14326–14327. His plan included inspection teams and reciprocal control.

Western proposals to the Foreign Ministers Conference of October 1955, included limitation of forces and armaments with inspection and control.

Hugh Gaitskell in the July 1958 issue of Foreign Affairs proposed disarmament with controls in central Europe. Adam Rapacki, Foreign Minister of Poland, in 1957 put forth a plan for the creation of an atom-free zone in central Europe.

Let us consider the advantages of a hypothetical central European disarmament agreement under these terms:

First. The evacuation of all foreign forces from an area comprising West Germany, East Germany, Poland, Czechoslovakia, and Hungary.

Second. The reduction of military forces of the above countries to internal security strength only.

Third. A United Nations and four-power guarantee of the borders of the above countries.

Fourth. An International Central European Disarmament Authority with the right of inspection and control agreed to by the countries involved and the four powers.

If this proposal were adopted, East Germany, Poland, and Czechoslovakia would, in effect, be liberated through peaceful means. The basis for Soviet control in these areas is the Red army. The most eloquent testimony to dissatisfaction with Soviet rule is the steady stream, now almost a torrent, of East German refugees into West Berlin. Once Soviet troops were withdrawn, these areas would be afforded freedom of choice in their local affairs. Forbidden to arm beyond their internal security needs, they could deploy their energies and industries to raise living standards. This proposal holds out the prospect of a peaceful and prosperous central Europe.

This arrangement would enable Germany to work out its own political destiny without raising fears of a resurgence of German militarism.

Even from the Russian point of view, such an agreement might seem advantageous. Fear of a militaristic Germany would be eliminated. It is conceivable that Russia might regard the liquidation of its eastern European commitments within a framework of controlled disarmament as an opportunity to build her economy, improve her standard of living, and answer the demands of her people for more consumer goods.

The possibility of a nuclear war would be lessened. United Nations and a four power guarantee would reduce the possibility of the Soviet Union violating the demilitarized zone. The moral and political force of the United Nations would support the agreement.

Such a disarmament plan might serve as a model for other areas of the world.

I have outlined these possible areas of negotiation to engender discussion and enlarge the debate—not necessarily as the solution.

I also hope that we will not overlook a most significant statement in the President's July 25 address:

If anyone doubts the legality of our rights in Berlin, we are ready to have it submitted to international adjudication.

This is an offer our representatives at the Foreign Ministers meeting might repeat time and again.

Although firm in our commitments, we must not be sterile of ideas or inflexible in approach. Imagination kindled by our passion for peace should conceive of a number of alternatives to nuclear annihilation on the one hand and appeasement on the other hand. Let us take up the diplomatic offensive.

REPORT ON SMALL BUSINESS ADMINISTRATION ACTIVITIES FIRST 6 MONTHS OF 1961

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, it is with considerable pleasure that I have just completed reading the semiannual report issued by the Small Business Administration, under the able leadership of its Administrator, the Honorable John E. Horne. This report covers the SBA's activities for the first 6 months of 1961, and shows unprecedented activity, resulting in substantial assistance to the small business segment of the American economy.

The Small Business Administration was created by the Congress of the United States for the prime purpose of rendering aid and assistance to small business. This was done in recognition of the fact that our traditional American economic freedom and, indeed, our political freedom as well, are dependent on the maintenance of an economic climate in which small business concerns can be established, and existing ones may grow and flourish.

It was the clearly declared policy of the Congress when it established the SBA:

The Government should aid, counsel, assist, and protect, insofar as is possible, the

interests of small business concerns, in order to preserve free competitive enterprise.

It is indeed gratifying to see that the spirit of the Small Business Act, and clearly expressed intent of the Congress of the United States, have now been given expression through affirmative action by the new administration.

The aid given small firms through major SBA programs was greater in January–June 1961 than in any comparable period since the start of that agency.

The SBA has made all of its services more effective than ever before, and has given maximum aid to small businesses and communities in areas of substantial unemployment. An instance of the more effective implementation of the Small Business Act may be cited by the fact that the number of set-asides for small business bidding was 81 percent higher in the 6-month period than in the same period last year, and the number of contract awards resulting from set-asides was 69 percent higher.

In all areas in which the SBA is empowered to act, such as in rendering financial assistance through small business loans, and assistance under the Small Business Investment Act, new highs have been reached.

In order that my colleagues in the Congress and the public at large may be better informed about the increased tempo of the activities of this agency, I submit Mr. Horne's report. I feel that in the light of the accomplishments thus far, the small business segment of the economy can look forward to receiving an even greater share of assistance, and thus regain its rightful place as the backbone of American economy.

Mr. Horne's report is as follows:

REPORT ON SBA ACTIVITIES IN FIRST HALF OF 1961—HIGHLIGHTS OF REPORT

Recent gains in significant economic indexes show clearly that the Nation is moving out of the business recession, and an economic resurgence is now underway. Small firms are benefiting from this economic upturn, and a continued rise in business activity should bring further improvement in the position of small business in the last half of 1961 and the early part of 1962.

At the same time, various economic barometers indicate that the recession had an especially sharp impact on small firms, and that small business therefore has further to go than other sectors of the business population in regaining lost ground.

In the 6 months which ended June 30, 1961, and which marked the start of new leadership of the Small Business Administration, the agency gave record assistance to small business.

Without exception, the aid given small firms through each major SBA program was greater in January–June 1961 than in any comparable period since the start of the agency.

This record volume of assistance to small business resulted primarily from objectives set for the agency by the present SBA Administrator after he took office on February 6, 1961.

Specifically, SBA has sought since then to make all its services to small business more effective than ever before; to give maximum aid to small businesses and communities in areas of substantial unemployment; and through this expansion of assistance, to help attain President Kennedy's goals of recovery for economically depressed areas, and more rapid growth of the national economy.

Accomplishments in each major SBA program in January through June 1961, with significant comparisons, are summarized below:

Business loans: SBA received 6,356 applications for $403,901,000 and approved 3,068 loans for $154,170,000. This was a 47-percent increase over the 4,329 applications for $236,752,000 received in January–June 1960, and almost a 47-percent increase over the 2,091 loans for $98,887,000 approved in that period.

Government contracts: SBA and cooperating purchasing agencies jointly set aside 22,320 proposed Government purchases totaling $998,464,102 to be bid on solely by small business; 22,361 contracts amounting to $746,827,443 were awarded to small firms as a result of set-asides. (The number of proposed purchases set aside for small business bidding and the number of contract awards resulting from set-asides do not necessarily correspond in a given period, because bids may not be asked on a set-aside purchase for several months. Further, a single set-aside may result in several contract awards to small business.) The number of set-asides for small business bidding was 81 percent higher in this 6-month period than in January–June 1960; the number of contract awards resulting from set-asides was 69 percent higher. It should be noted, however, that contract awards resulting from the joint set-aside program for small business are only a part of total Government contract awards to small firms.

Therefore, an increase in small business awards under the set-aside program does not necessarily lead to an increase in overall awards to small business by the military and civilian agencies. In fact, as discussed subsequently, despite continuing progress of the SBA-Department of Defense joint set-aside program, the small business percentage of total military purchasing declined steadily from fiscal year 1954 until the early part of calendar year 1961.

Small business investment companies: In January–June 1961, SBA licensed 128 additional investment companies to provide equity capital and long-term loans to small business. By comparison, in January–June 1960, SBA licensed 48 small business investment companies. From August 18, 1958, when the program was authorized by the Small Business Investment Act, to January 1, 1961, SBA licensed 175 companies. As of June 30, 1961, SBIC's had total funds of $240.5 million for small business loan and investment purposes; if their authority to obtain operating loans from SBA totaling up to 50 percent of their capital and surplus is included, their potential capital as of June 30 was $360 million.

Development company loans: In January–June, SBA approved 37 loans for $4,480,000 to local development companies, and 2 loans for $490,000 to State development companies, to help provide financing and facilities for small business. In January–June 1960, SBA approved 19 loans for $1,972,000 to local development companies, and 2 loans for $1,300,000 to State development companies. In almost 2½ years' operation of the program prior to January 1, 1961, SBA approved 81 loans totaling $9,349,000 to local development companies, and 5 loans for $3,614,000 to State development companies.

Management assistance: In January–June 1961, SBA and 144 leading educational institutions cosponsored 207 administrative management courses which were attended by more than 6,700 small businessmen. This compares with 123 courses, cosponsored by 113 schools and attended by 5,000 businessmen in January–June 1960. In the management publications program, businessmen obtained nearly 1,370,000 copies of SBA publications in the first half of this year, compared with approximately 932,000 in the same period of 1960.

SBA ACTIVITIES IN JANUARY–JUNE 1961

I. Introduction: Economic position of small business

Recent gains in a number of significant indexes show clearly that the Nation is moving out of the business recession of 1960, and an economic resurgence is now underway.

Personal income has been increasing. In February of this year, the seasonally adjusted annual rate was $406.2 billion; by June it was $416.5 billion. In June of 1960, the annual rate was $406.1 billion.

As a result of the rise in personal income, retail sales have improved. On a seasonally adjusted basis, they increased from $17.8 billion in February to $18.1 billion in May. Department store sales during the 4 weeks ended June 24 were better than a year ago—42 percent above the 1947–49 average, compared with 39 percent a year ago.

Manufacturers' new orders (seasonally adjusted) increased from $29.1 billion in February to $31.07 billion in May; in durable goods, the increase was from $13.36 billion to $14.87 billion. The trend is up.

Industrial production also is increasing. The seasonally adjusted index of production, based on the year 1957, rose from 102.1 in February to 108.2 in May.

The average workweek in manufacturing industries (seasonally adjusted) also has risen, from 39 hours in January to 39.8 hours in May. An increase in the average workweek typically occurs during the months just prior to new hiring.

Small business—like all business—has benefited from the economic upturn. Furthermore, a continued rise in economic activity should lead to still greater improvement in the position of small firms in the last half of 1961 and the early part of 1962.

At the same time, there is abundant evidence, such as a slowdown in growth of the business population and a continued high rate of business failures, that the 1960 recession was especially severe on small firms. The small business sector of the economy therefore has further to go than the other business sectors in regaining lost ground, and in recapturing stability and profitability.

Business Population

Because most businesses start out as small ones, growth of the business population largely reflects the small business "birth rate." A slackening in this rate has been evident since the third quarter of 1960. In that quarter, the business population increased by 15,000, compared with increases of 20,000 in each of the two preceding quarters. In the fourth quarter, the quarterly increase was only 5,000. In the first quarter of 1961, the increase was 10,000, a gain over the fourth quarter of 1960, but still only half the business population increase in the first and second quarters of 1960.

Business Incorporations

Figures on business incorporations also provide a measure of small business growth, since about half of all new, and primarily small businesses, choose the corporate form of organization.

According to Dun & Bradstreet, Inc., business incorporations were 5 percent lower in the first 5 months of this year than in the same period of 1960. This year, there were 77,600 incorporations; in 1960, there were 81,441.

Business Failures

Business failures, which also relate primarily to small concerns, have continued at a high level. Through the week ended July 13, Dun & Bradstreet reported 9,568 failures this year, compared with 8,356 in the same period of 1960. If failures were to continue at this same rate throughout the remainder of the year, the total would be nearly 18,000.

In view of the recent business upturn, this high a total seems unlikely. Nevertheless, the number apparently will be greater than in any other year since the end of World War II.

Sales and Earnings of Small Manufacturers

Data on sales and earnings of small manufacturing concerns—the only small firms for which such current data are available—show that small manufacturers continue to be caught in a profits squeeze that was evident last year.

In the first quarter this year, small manufacturers (those with assets of under $1 million) were able to increase their sales slightly, to $11,202 million, compared with $10,744 million in the first quarter of 1960. However, their aftertax earnings dropped sharply, and were only $24 million this year, compared with $118 million in 1960.

Similarly, in all of 1960, small manufacturing firms were able to hold their level of sales to $46 billion, compared with $46.8 billion in 1959, but saw their aftertax earnings drop to $546 million, compared with $806 million in 1959.

Small Business Share of Military Purchasing

Overall, the small business percentage of purchasing by the Department of Defense continued to decline, on a percentage basis, during fiscal year 1961.

During the first 10 months of the fiscal year—that is, from July 1960 through April 1961—small businesses received 15.5 percent of total net military prime contract awards, compared with 16.1 percent in the same period of fiscal 1960. From a dollar standpoint, small firms fared somewhat better, receiving $2,674 million of total military purchases of $17,201 million compared with $2,514 million of total purchases of $15,599 million in the same 10-month period of fiscal 1960.

Contracts for research and development make up an increasingly larger share of total military purchasing, and were 26.2 percent of the net value of awards in the first 10 months of fiscal 1961, compared with 25.5 percent in the same months of fiscal 1960. At the same time, the small business share of these awards continues to decline. From July 1960 through April 1961, small firms received awards totaling $107 million, or 2.4 percent of total awards of $4,507 million. A year earlier, small firms received contracts totaling $121 million, or 3 percent of awards totaling $3,970 million.

A Defense Department report on military prime contract awards in calendar year 1960 shows that 74.6 percent of all awards amounting to $10,000 or more went to 100 large companies and their 135 subsidiary corporations. All other large businesses received only 9.6 percent of such awards.

II. Special SBA assistance to areas of substantial unemployment

The SBA has taken the following special actions to stimulate business activity and create additional jobs in areas of substantial unemployment:

1. Assignment of high priority to requests for Government contracts, loans, and other assistance to small businesses and development companies in these areas.

2. Reduction of the interest rate on the SBA share of business and development company loans in these areas to 4 percent, compared with the usual rate of 5½ percent on business loans and 5 or 5½ percent on development company loans.

3. Liberalization of SBA's business size standards to permit financial and other assistance to firms in substantial unemployment areas which are up to 25 percent larger than the businesses normally helped.

III. Small business loans

Record activity in SBA's business loan program in the first half of 1961 resulted from adoption of policies designed to make SBA financial assistance available to a greater number of small businesses, and particularly those in economically depressed areas; revision of procedures to give faster service on loan applications; and wider dissemination of information about SBA's loan and other services.

Unfortunately, the Agency has not been able to employ sufficient personnel to serve adequately the increased requests from small businesses.

Applications and Approvals

In January through June 1961, SBA received a record number and dollar amount of 6,356 business loan applications for $403,901,000 and approved a record number and dollar amount of 3,068 loans for $154,170,000.

As of June 30, 1961, business loan approvals, on a cumulative basis, totaled 25,351 for about $1.2 billion.

The SBA approved about 56.1 percent of all business loan applications processed in January through June. By contrast, the percentage of approvals in the 6-month period which ended December 30, 1960, was 49.5 percent, and in the first half of 1960 was 51.9 percent.

Business loan applications reached a monthly record of 1,332 in March, and have continued at a high level since then. The April, May, and June totals were the highest for those months since the start of SBA.

Action To Step Up Services

To meet the rising demand for loans, and give faster, more efficient service on applications, SBA has made major organizational and procedural changes.

Regional offices have been given expanded authority to approve loans. They may now approve direct loans (loans made entirely by SBA) up to $50,000, and loans made jointly by SBA and banks up to $150,000, compared with previous direct loan authority of $20,000, and participation loan authority of $100,000. Approximately 75 percent of all loan applications may now be approved locally.

The SBA also has liberalized its special loan programs for small retail, service, and wholesale businesses. Where there is bank participation the SBA has raised its maximum share from $15,000 to $25,000, and where the loan is made entirely by SBA the maximum has been increased from $12,000 to $25,000.

Less emphasis is being placed on collateral and more emphasis on ability to repay where businesses are soundly managed, and have good earnings and credit records, and good prospects.

As a result of the great increase in loan applications, pending applications have risen from 1,063 on December 31, 1960, to 1,501 as of June 30, 1961. This increase in backlog has occurred despite the fact that productivity of the agency's financial staff has risen in each month since February.

Actions being taken to reduce the present backlong of applications and otherwise improve service in the loan program are these: Streamlining and simplification of loan processing and closing procedures, including development of simplified loan application forms; development of participation loan procedures under which banks may close disburse and service loans, thus freeing SBA personnel for financial counseling and loan administration; an intensive effort to recruit additional loan examiners where vacancies permit; and borrowing of qualified personnel from other agencies to help handle the tremendous volume of loan inquiries.

New Responsibilities

(a) The SBA is moving ahead on a loan program authorized by the Housing Act of 1961, for small businesses displaced by Federally financed urban renewal, highway, and other construction projects. The agency has developed necessary loan procedures and, with the cooperation of the Urban Renewal Administration, is streamlining operating procedures to give more effective aid to displaced businesses.

(b) The SBA is working closely with the Area Redevelopment Administration on policies and plans for the redevelopment program, and on plans for SBA administration of all commercial and industrial loans made under the program. The SBA will also participate in technical assistance activities, and in increasing Government contract awards in redevelopment areas.

IV. Disaster loans

Disaster loan activity varies greatly with the extent of storms, droughts, and similar disasters. In January–June, SBA received 911 applications for $12,419,000 from persons whose homes or businesses had been damaged by storms or other disasters, and from small businesses suffering economic injury through drought or excessive rainfall. It approved 946 loans for $10,423,000 (total includes some loans pending as of January 1, 1961). In January–June 1960, SBA received 349 disaster loan applications for $4,172,000 and approved 305 loans for $2,510,000.

Through June 30, 1961, SBA had approved a cumulative total of 12,019 disaster loans for $122,767,000.

V. Government contracts assistance

During this 6-month period SBA expanded and intensified its help to small firms in obtaining Government price contracts and subcontracts. The cooperative program under which SBA and purchasing agencies set aside purchases to bid on solely by small business was strengthened at the policymaking and purchasing office levels, resulting in record set-asides and contract awards; action was taken to increase the small business share of subcontracts and of research and development contracts; and greater assistance was given individual small businesses.

Joint Set-Asides for Small Business

During January through June 1961, SBA and cooperating purchasing agencies jointly set aside 22,320 proposed Government purchases totaling $998,464,102 to be bid on solely by small business; 22,361 contracts amounting to $746,827,443 were awarded to small firms as a result of set-asides.

The number of set-asides for small business bidding was 81 percent higher this period than in January–June 1960; the number of contract awards resulting from set-asides was 69 percent higher. The January–June 1960 figures were 12,333 purchases totaling $630,412,540 earmarked for small business bidding, and 13,163 contracts for $484,924,485 awarded small firms.

The joint set-aside program also reached new highs in the fiscal year which ended June 30, 1961. A total of 34,256 Government purchases amounting to $1.6 billion were set aside for small business bidding, compared with 21,592 proposed purchases amounting to $1.1 billion in fiscal year 1960. Contract awards resulting from set-asides numbered 34,272 for $1.2 billion in fiscal year 1961, compared with 24,152 contracts for $878,168,714 in fiscal 1960.

As of June 30, 1961, a cumulative total of approximately 119,000 purchases amounting to about $6.8 billion had been set aside for small business bidding since start of the agency; a cumulative total of about 128,000 contracts for approximately $4.8 billion had been awarded small firms as a result of set-asides.

Two arrangements that contributed significantly to the set-aside program in January–June 1961 are "class set-asides" and set-asides of construction contracts.

In the case of class set-asides, a cooperating purchasing agency and SBA agree that purchases of a particular item or group of items, on which small bidders have been

competitive in the past, will be set aside in the future without formal determination. This arrangement led to set-asides totaling $186,818,214 this period.

In the second arrangement, the Defense Department and SBA assume that SBA has proposed a set-aside on any construction procurement that is over $2,500 and under $500,000. This arrangement resulted in set-asides totaling $411,081,928 in January–June.

The joint set-aside program with the Department of Defense was strengthened greatly by the President's announcement of March 15, 1961, that the military departments had been instructed to increase the small business share of their contracts by at least 10 percent. The SBA regards this as a minimum goal, however, and will seek a larger increase.

The program also has been strengthened by closer SBA liaison with the military and civilian departments and agencies. In the most important action in this regard, SBA has appointed representatives to work with the Assistant Secretaries of the Army, the Navy, and the Air Force who determine purchase requirements, plan purchases, and establish purchasing regulations.

SBA officials also have initiated a series of meetings with representatives of major purchasing agencies to discuss ways to further increase the small business share of their purchases.

Future actions to improve the program include: Wider and more intensive SBA efforts to obtain set-asides at major purchasing centers; greater efforts to have contracting officials use more adequate purchase descriptions and specifications and drawings, so as to encourage small business competition, and greater emphasis on obtaining opportunities for small business to bid on purchases now supplied by one or a few large businesses.

Certificates of Competency

When a small firm has bid low on a contract, and the contracting officer questions its financial or productive capacity to perform the contract successfully, the firm may appeal to SBA. If SBA determines that the firm is competent to fulfill the contract, it issues a certificate of competency. The purchasing officer must accept the certificate as conclusive, as far as financial and technical requirements of the contract are concerned.

In January–June, SBA received 241 applications for certificates, and issued 134 certificates relating to contracts valued at nearly $60 million. In January–June 1960, SBA received 160 applications for certificates, and issued 68 certificates relating to contracts totaling $10,683,000.

The saving to the Government resulting from the January–June 1961 certificates, based on the difference between the small firms' low bids and those of the next lowest bidders, who otherwise would have received the contracts, was $3.8 million.

Through June 30, 1961, SBA had issued a cumulative total of 904 certificates relating to contracts valued at $175.7 million. The overall saving to the Government through these certificates has been about $14.3 million.

Subcontracting Assistance

Because the emphasis in military purchasing is now on large and highly complex items such as missiles and electronic equipment, prime contract opportunities for small business have decreased. To offset this decrease, SBA is pressing for increased subcontract awards to small firms.

Toward this end, agency officials have scheduled meetings with representatives of major defense prime contractors, industry associations, and Government agencies to plan joint action to increase subcontract awards to small business.

The SBA also has made many contacts with prime contractors and large subcontractors to arrange cooperative subcontracting programs. Agreements have been concluded with 49 large contractors. These led to development of 936 subcontract opportunities in January–June, and SBA called these opportunities to the attention of more than 1,900 qualified small firms.

Research and Development Contracts

Another prime SBA objective is to increase the small business share of research and development contracts. These contracts make up a growing proportion of all military purchasing, yet the small business share of the contracts has declined steadily in the past 4 fiscal years.

During this 6-month period, SBA worked with top officials of the Department of Defense, the individual military departments, and the National Aeronautics and Space Administration to establish joint small business research and development programs.

As a result of these meetings, the Departments of the Army and Air Force now are providing SBA advance information about future research and development projects, and SBA is locating qualified small firms to bid on them. In January–June, it referred about 1,000 small firms to these bidding opportunities, or 4 times as many as in the same period last year. Efforts by SBA and NASA to boost the small business share of NASA research and development requirements also are making progress. In the 9 months which ended March 31, 1961, small firms received 15 percent of the dollar amount of such NASA contracts.

Other Contracts Assistance Services

The SBA made record or substantial progress in other contracts assistance programs in January–June 1961. It helped more than 21,000 small firms obtain listing on appropriate bidders lists and with other problems related to selling to the Government; located about 8,000 small firms to provide small business competition on more than 1,600 purchases where such competition had been lacking; participated in or cosponsored 55 contract opportunity and similar meetings for small business owners; processed 6 applications for approval of small business production or research and development pools; and developed plans for improving SBA's facilities inventory, which now includes data on the productive capabilities of 75,000 small firms, through conversion to a punchcard system.

VI. Assistance in buying Government timber and surplus property

The SBA is giving small firms increased help in buying Government-owned timber and surplus property. In fiscal 1961, SBA and cooperating agencies made about 120 set-asides of timber in Federal forests for sale to small business. These involved approximately 225 million board-feet of timber valued at $4.5 million. Other recent actions include revision of the definition of a small concern in the forest-products industry to make certain that logs purchased in small business set-aside sales will go largely to small firms when resold; agreement with the Defense Department on set-asides of Government-owned timber from military reservations, and development of a program of loans to small loggers and sawmill operators to help them meet the access-road financing requirements of Government timber sales contracts.

VII. Assistance under Small Business Investment Act

Tremendous impetus has been given the small business investment company program this 6-month period by speeding up licensing of applicants through improved procedures; eliminating unnecessary paperwork that had served to discourage prospective organizers of SBIC's; recodifying and simplifying SBA regulations so they are more readily understandable and useful to SBIC's, and providing widest possible dissemination of information about the program.

During January–June, the SBA licensed 128 additional small business investment companies (SBIC's) to provide equity capital and long-term loans to small business. By comparison, in January-June 1960, SBA licensed 48 SBIC's.

As of June 30, 1961, the agency had licensed a total of 303 SBIC's, of which 298 licenses remained in force (5 companies had surrendered their licenses).

Like the number of companies, total capitalization of SBIC's has shown a sharp rise, from $167 million in early February to $240 million at June 30. Of this figure, only $36 million has been committed by SBA in return for subordinated debentures issued by licensees. Thus, for each dollar of Federal funds committed to SBIC capitalization, $6 have been supplied by private sources, including 54 commercial banks which have formed, or helped form, SBIC's.

Firm plans of SBIC's could bring into the program an additional $208 million in the next few months. Of this amount, $81 million is represented by applications for licenses in process at June 30 (most of these applications have already received conditional approval). The remaining $127 million is represented by proposed additional public offerings of stock by SBIC's.

If funds available to SBIC's in the form of operating loans from SBA are included, the grand total potentially available to small concerns under the program reaches $672 million.

Development Company Loans

The SBA also has taken action to emphasize and expand the State and local development company lending programs. As a result, the programs made record progress during January through June. In this period, SBA approved 37 loans for $4,480,000 to local development companies, and 2 loans for $490,000 to State development companies to help provide financing and facilities for small business.

In January–June 1960, SBA approved 19 loans for $1,972,000 to local development companies, and 2 loans for $1,300,000 to State development companies.

Cumulative totals as of June 30, 1961, were 118 loans for $13,829,000 to local development companies, and 7 loans for $4,104,000 to State development companies.

To make certain all States and local communities know that development company loans are available, a widespread informational program was conducted beginning in March. This program included a letter from the Administrator to all State Governors; to approximately 5,000 local development companies, chambers of commerce, and other organizations concerned with economic development, and to 2,000 county and municipal officials.

Action was taken to increase the number of businesses eligible for financial aid under the lending programs, by authorizing development companies to use optional size standards in determining whether firms may be helped with the SBA loan funds.

The special measures SBA has taken to aid areas of substantial unemployment—reduction of the interest rate on loans in these areas, and provision for a 25 percent upward adjustment in business size standards—also have spurred the program.

Where an SBA loan is to be used to help a specific small business in an economically depressed area, SBA may waive its requirement that the development company provide 20 percent of the cost of the project. Moreover, where there has been community participation in previous development projects and additional local funds are not available, the 20-percent requirement may be waived.

To help small firms obtain access to leased space in shopping centers, SBA is permitting development companies to use loans for construction of shopping centers. As a further step, it is considering the feasibility of some form of rental insurance or guarantee.

VII. Management and research assistance

Each program of management assistance to small business—publications, administrative management courses, research on small business management, and assistance with individual problem—made record progress in January–June.

Management Publications

Forty-eight new publications were issued, compared with 43 in January–June 1960. Businessmen obtained nearly 1,370,000 copies of SBA publications in the first half of 1961, compared with about 932,000 in the same period of 1960. More than 10,450,000 copies of SBA's management publications have been distributed since start of the agency.

One publication issued this period that is worthy of special mention is "A Survey of University Business and Economic Research Projects, 1957–61." It provides information about nearly 3,000 business and economic research projects completed or in progress in 320 colleges and universities.

Administrative Management Courses and Conferences

In January–June, SBA and 144 educational institutions cosponsored 207 administrative management courses for small business owners and managers. This compared with 123 courses cosponsored in the same period of 1960, and makes a total of more than 1,100 courses which have been cosponsored by SBA. More than 6,700 businessmen attended the courses this 6-month period, bringing total attendance to date to more than 36,000.

The agency is now seeking to reach additional small businessmen by offering early morning and televised courses. A televised course will be given in Washington County, Md., this fall.

In January–June, CBA and trade associations and other groups also cosponsored 16 conferences and similar meetings aimed at improving small business management.

Management Research

During January-June, SBA approved for publication 28 studies of small business management financed through grants to State agencies and public and private educational institutions in fiscal years 1959 and 1960. Typical of these projects was a University of Minnesota study of "Organizational Relationships in the Growing Small Manufacturing Firm" and an Indiana University report on "Control for Profit in a Retail Automobile Dealership."

The 105 grants made by SBA in fiscal 1959 and 1960—one grant of up to $40,000 in every State each year—will result in a total of some 225 separate research projects. Pending an evaluation of the program, no funds were provided for grants in fiscal year 1961.

Management Counseling

The SBA counsels new, prospective, or established small businessmen through personal interviews, specialized publications, and other forms of assistance. In January-June, about 6,000 inquirers were assisted, compared with 5,600 in the same period last year.

IX. Export trade opportunities

The SBA is planning increased assistance to small business concerns engaged in, or seeking entrance to, the foreign trade field. The agency plans establishment of an Office of Foreign Trade, which will seek to alert small firms to oversea opportunities, to encourage them to explore such opportunities, and to instruct them in methods to be followed in setting up a successful export business. Among other activities, this office will arrange conferences on export opportunities for small manufacturers, such as those cosponsored by SBA last year with the University of Toledo, Toledo, Ohio, and the Babson Institute of Business Administration, Wellesley, Mass. The SBA has underway several research projects concerning various aspects of foreign trade as they affect small business, and will issue publications of special interest to small exporters, and give small firms other assistance in this field.

X. Other activities

The Small Business Administration is appointing small business advisory councils at the National, regional, and State levels. Through the councils, it will be able to draw upon the advice of approximately 1,000 leading small businessmen and others who have a knowledge of and interest in SBA programs and in the problems of small business.

In the area of small business size standards, SBA is seeking to make its criteria more understandable and useful to small firms, and perhaps ultimately to consolidate them into one or a few standards applicable to all SBA programs.

PERSONAL ANNOUNCEMENT

Mr. REUSS. Mr. Speaker, on rollcall No. 133 earlier this afternoon I was absent on official business at the Joint Economic Committee, of which I am a member. Had I been present I would have voted "aye."

CONSENT JUDGMENTS IN DEPARTMENT OF JUSTICE ANTITRUST CASES

Mr. RYAN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, it has been brought to my attention that the Department of Justice, on June 29, 1961, made an announcement to the effect that all proposed consent judgments in Department of Justice antitrust cases will be made public at least 30 days before they are entered in court. Inasmuch as I had introduced legislation intending to bring about the same procedural change, I found this of very great interest, and I am sure that my colleagues will be equally interested and pleased. This change in policy should minimize the adverse effects which unforeseeably arise, on occasion, when consent judgments become final. The text of the Attorney General's announcement and order No. 246–61 are as follows:

DEPARTMENT OF JUSTICE,
Washington, D.C., June 29, 1961.

Attorney General Robert F. Kennedy today announced that all proposed consent judgments in Department of Justice antitrust cases will be made public at least 30 days before they are entered in court.

In an official order issued today, Mr. Kennedy said the purpose of the new policy is to provide opportunity for comment or criticism from persons or firms who are not parties to an action in which a consent judgment is involved.

Previously, the terms of consent judgments have not been made public until they were entered finally.

A consent judgment is a court-enforced agreement terminating a civil case in which the plaintiff and defendant settle their differences before the completion of the trial.

More than 70 percent of the Justice Department's civil antitrust cases have been terminated by consent judgments in the past. Generally, Mr. Kennedy said, the defendant firm agrees in private negotiations to cease practices which the Government believes violate antitrust laws. This agreement then is made binding by the court.

"By making the terms public before they become final," Mr. Kennedy said, "it is our purpose to minimize any unforeseen adverse effect of a consent judgment.

"The 30-day period should allow competing firms and other persons and agencies to comment and thereby to keep the Department and the court fully informed of all relevant facts."

Several bills requiring advance notice of proposed consent judgments have been introduced at various times in both Houses of Congress.

Under the new Department of Justice policy, each proposed consent judgment shall be filed in court or made available upon request to interested persons as early as possible but at least 30 days prior to entry by the court.

Between the time the judgment is made public and its final entry, the Department will receive and consider any written comments, views, or relevant allegations relating to the proposed judgment.

Mr. Kennedy said the Department may, in its discretion, disclose these views to the defendants and shall reserve the right "to withdraw or withhold its consent" if the views presented indicate "that the proposed judgment is inappropriate, improper, or inadequate."

The Department also reserves the right "to object to intervention by any party not named as a party by the Government."

Mr. Kennedy's order authorized Lee Loevinger, Assistant Attorney General in charge of the Antitrust Division, to establish procedures implementing the policy, and providing for exceptions to the 30-day notice requirement in extraordinary cases.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., June 29, 1961.

(Order No. 246–61)

CONSENT JUDGMENT POLICY

It is hereby established as the policy of the Department of Justice to consent to a proposed judgment in an action to prevent or restrain violations of the antitrust laws only after or on condition that an opportunity is afforded persons (natural or corporate) who may be affected by such judgment and who are not named as parties to the action to state comments, views, or relevant allegations prior to the entry of such proposed judgment by the court.

Pursuant to this policy, each proposed consent judgment shall be filed in court or otherwise made available upon request to interested persons as early as feasible but at least 30 days prior to entry by the court. Prior to entry of the judgment, or some earlier specified date, the Department of Justice will receive and consider any written comments, views, or relevant allegations relating to the proposed judgment, which the Department may, in its discretion, disclose to the other parties to the action. The Department of Justice shall reserve the right (a) to withdraw or withhold its consent to the proposed judgment if the comments, views, or allegations submitted disclose facts or considerations which indicate that the proposed judgment is inappropriate, improper, or inadequate and (b) to object to

intervention by any party not named as a party by the Government.

The Assistant Attorney General in charge of the Antitrust Division may establish procedures for implementing this policy. The Attorney General may permit an exception to this policy in a specific case where extraordinary circumstances require some shorter period than 30 days or some other procedure than that stated here, and where it is clear that the public interest in the policy hereby established is not compromised.

ROBERT F. KENNEDY,
Attorney General.

CIVIL RIGHTS COMMISSION

Mr. RYAN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD and include extraneous matter.

Mr. SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I am in receipt of a communication from Lawrence F. O'Brien, special assistant to the President, in response to a message from me with respect to the extension of the Civil Rights Commission. The letter reads:

DEAR CONGRESSMAN: For the President, I would like to acknowledge your recent letter regarding the extension of the term of the Civil Rights Commission.

On July 19, the House Judiciary Subcommittee ordered reported to the full committee the Celler bill, H.R. 6496, amended to extend the Civil Rights Commission for 2 years, and it is expected that the full committee will consider the measure in the near future.

I can assure you that extension of the Commission is high on the President's priority list of legislative proposals to be enacted during this session of Congress.

Sincerely yours,

LAWRENCE F. O'BRIEN,
Special Assistant to the President.

Inasmuch as I am in complete agreement as to the importance of this matter, I would like to state my hope that the Judiciary Committee will give favorable consideration to this measure in the near future, and certainly before adjournment of this session of the Congress.

WHO IS BLOCKING PRESIDENT KENNEDY'S PEACEFUL SOLUTION TO THE POLITICAL PROBLEM OF BERLIN AND GERMANY?

The SPEAKER. Under the previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 30 minutes.

Mr. FEIGHAN. Mr. Speaker, will Congress back President Kennedy on the peaceful political solution he has proposed for the third Russian-provoked crisis on Berlin? This is a pertinent question because a revised resolution expressing full support of the stand President Kennedy has taken was scheduled to come before the House today for a vote under suspension. The Members of the House were not given an opportunity to act on the revised resolution. There is disappointment among many Members of the House who have been aware of the basic issues involved and the efforts that have been made to resolve the disagreements among the Members who have offered resolutions for the purpose of expressing the support of Congress for President Kennedy's position on the problem of Berlin and East Germany.

It is my purpose at this time to acquaint those Members, who may not be aware of all that has happened during the past 10 days, with the effects that have been made to reconcile differences of opinion among those who have taken an active role in the movement to give the strongest possible support through a sense-of-Congress resolution backing the President.

The distinguished chairman of the House Foreign Affairs Committee, took the initiative to reconcile the differences that existed among the gentlemen from New Jersey [Mr. GALLAGHER], the gentleman from Mississippi [Mr. COLMER] and me. This was a time-consuming work, and I am happy to say that a generous approach by all those directly concerned and participating resulted in a revised resolution which was enthusiastically endorsed by all those participating. This agreement was reached late in the day on last Friday. I was informed that even the State Department had no objection to the revision of House Concurrent Resolution 351, which was printed under date of August 5, 1961 in the form of a committee print, copies of which were made available to Members of the House today. I do not suggest that agreement of the Department of State is necessary for any action which is brought before the House for consideration. I merely note this fact because the attitude of the State Department was injected into this issue at an early date.

House Concurrent Resolution 351, as revised, which was scheduled to, and should have, come before the membership of the House today, is consistent with the position taken by President Kennedy in his answer to the Russian aide memoire on Germany and Berlin and in his stirring address to the American people on this issue. It rejects the negative, sterile concept of status quo on Berlin and the Russian-occupied portions of East Germany which cause the present partition of Germany and which President Kennedy has said is one of the reasons for the dangerous tensions which grip the world today. It is positive in that it backs President Kennedy's call for a change, that is, change for the better in Berlin and East Germany. It is consistent in that it stands solidly behind the President in his call for the application of self-determination for the people of East Berlin and East Germany. It is peaceful in purpose in that it advocates a settlement of the long-festering problem of a partitioned Germany by means that accord with the freely expressed will of the people directly concerned. It is practical in that it calls for the same peaceful solution by means of political methods which were proposed by President Kennedy and which are both universally accepted and understandable to the common man the world over.

In the 10 days which have passed since House Concurrent Resolution 351 first came to the floor of the House and to which I objected for reasons which are well known to most of the Members of the House and which appear in the CONGRESSIONAL RECORD, much has happened on both sides of the Russian Iron Curtain. On the one hand the Russians and their unpopular regimes from some of the captive nations have held a conclave in Moscow out of which comes word that the Russian colonial leaders seek a permanently partitioned Germany as a Western affirmation of the unchangeable nature of their Communist empire. The Russians seek a continuation of the present unnatural situation in East Germany and change in Berlin which would signal the end of freedom for the people of West Berlin. Hence, the Russian objective is now clear. It is maintenance of a status quo with respect to the present partition of Germany. It is equally clear that the Russian leaders seek to make permanent the present, unnatural partition of Germany. Great care must be taken by the House to reject the maintenance of a status quo with respect to East Berlin and East Germany. Action taken by the House which does not express this rejection will be interpreted by the Russians as a sign of division in our ranks and an open invitation to press their case for the legalization of the puppet regime which they have imposed by force on the people of East Germany.

On the other hand, there is abundant evidence of a public awakening in the United States to the political objective set forth by President Kennedy as the formula for a peaceful settlement to the Russian-provoked crisis in Berlin. One example is the Gallup poll which reports that 61 percent of the American people would go to war, if needs be, in support of the principle of self-determination for Germany. This is significant, particularly in light of the fact that very little has been done by Congress and the free press in the United States to emphasize and crystallize the political issues involved in the German problem. However, the New York Times of yesterday, August 6, in the News of the Week in Review, carried a significant observation on the central political issue which I now quote:

President Kennedy has emphasized that "our response to the Berlin crisis * * * will be more than merely standing firm." He wants to drive home the point that "the source of the world trouble and tension is Moscow."

The administration sees the issue of self-determination as a valuable tool in this effort. The aim is to emphasize that Mr. Khrushchev, while championing self-determination for the emerging nations of Africa and Asia, denies it to the Germans and the peoples of other Communist satellites in Europe.

Mr. Kennedy sounded the theme in his speech to the Nation the week before last. He pointed out that Russia had ruled out free elections in East Germany. But the East Germans, he said, are voting for freedom "with their feet" by their mass exodus to the West.

Washington has moved vigorously to exploit this theme. The Voice of America has transmitted Mr. Kennedy's speech in 34 languages. The U.S. Information Agency is sending abroad films of the speech with sound tracks dubbed in in 29 languages.

There are signs that in pushing the self-determination theme Washington has touched a sore spot. Last week Moscow declared that "manipulations with the slogan of self-determination of the German nation in conditions when the two independent states exist are a rather cheap trick."

It is important to note that the U.S. Information Agency is now engaged in a worldwide exploitation of the proposal made by President Kennedy. A strong emphasis has been placed on the issue of self-determination for the people of East Germany—an issue created by the Russian refusal to permit the people of East Germany to freely choose their form of government. While the Russians call for self-determination of nations and peoples in Africa and Asia, they refuse it to all the nations and peoples behind the Iron Curtain. The result is that self-government does not exist anywhere behind the Iron Curtain. In its stead we find the biggest and most despotic colonial empire in the history of mankind, an empire which submerges the liberties and national independence of no less than a score of once free nations, an empire which is presided over by the new Russian imperialists, the new Russian colonialists. The full exposure of this condition is long overdue. Congress should support President Kennedy in his efforts to alert the peoples of the world that this condition is responsible for the tensions which divide the world and threaten the peace. The U.S. Information Agency is to be commended for the steps which it has taken to inform the peoples of the world about the real issue on Berlin and East Germany.

That the political initiative taken by President Kennedy has caused a major upset in the well-laid plans of the Kremlin is attested to by selected excerpts from a statement issued August 4 by the Russian News Agency Tass, which I quote:

Speaking of Germany's unification, the United States Government deemed it appropriate to touch on the question of the right to self-determination. Thus it appears that the right of self-determination is defended by those who in real life serve as bulwark of colonial order and every time block the way to this or that people when it begins the struggle for the right to independent national development.

From a reading of this excerpt there should be no doubt that the time has come for the Congress to put itself on record in support of the principle of self-determination for all nations and peoples without exception. The political crisis provoked by the Russians on Berlin is the place for the United States to make a stand in support of that principle. The attention of the peoples of the world is now concentrated on the Berlin crisis, making it an ideal situation in which to clarify once and for all who supports the principle of self-determination, and who gives lip service to it while at the same time denying it to hundreds of millions of captive peoples. This is an unusual opportunity afforded our Government to assume the political offensive against the new Russian colonialism, the new Russian imperialism, and it should not be lost because of individual whims and obstinancy.

At another point the news release issued by Tass in Moscow on August 4 makes the following charge: "For many years the United States has been evading peaceful settlement with Germany, putting it off until the indefinite future." This charge, of course, is a sly means of avoiding the proposal made by President Kennedy for a peaceful settlement of the basic issue of a united Germany. President Kennedy proposes that the will of the German people be freely expressed on this issue. The Russians are fearful of the political results that the freely expressed will of the German people will bring and thus are trying to confuse the proposal made by President Kennedy.

At another point the August 4 news release of Tass makes this observation—"The problem of Germany's unification is purely an internal problem of the German people" with which everyone agrees, but which is denied in the same sentence through the following conditions which the Russians attach, "and it can be solved only on the basis of agreement between the two German states". From this statement by the Russians it is obvious that Moscow intends to avoid the question of self-determination by claiming the existence of two German states. But no amount of deception on the part of the Russians can disguise the fact that the East German regime imposed by Moscow is the antithesis of government by self-determination. The people of the world know that the government of the German Federal Republic is the expression of the will of the German people through free and unfettered elections and in which the Communist system was totally rejected by the people of West Germany. The people living in the East German Zone of Russian occupation have not been able to freely choose their form of government—they have been denied the right of self-determination. The problem of Germany's unification is a purely internal problem of the German people, and thus is not a proper concern of the unpopular regime imposed by the Russians on the people of East Germany.

House Concurrent Resolution 351, as revised, provides a forceful answer to the Russian efforts to confuse the issue of self-determination and to camouflage their denial of the right to self-determination to the people of East Germany.

The present problem of Berlin and East Germany is primarily a political problem. As such, it calls for a political solution. Congress must make up its mind whether it will take a position on the political issues involved. It is my strong feeling that unless we intend to become fully engaged in the political implications of the problem, Congress should stay out of the problem altogether.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HARRISON of Virginia. (At the request of Mr. SMITH of Virginia), for today and the balance of the week on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. REUSS, for 30 minutes, today.

Mr. MAGNUSON, for 10 minutes, today.

Mr. FEIGHAN. for 30 minutes, today.

Mr. WRIGHT (at the request of Mr. ASPINALL), for 60 minutes, on Tuesday, August 15.

Mr. DOYLE (at the request of Mr. APINALL), for 30 minutes, on Wednesday, August 9.

Mr. PATMAN, for 30 minutes, on Thursday, to revise and extend his remarks, and to include extraneous matter.

Mr. HECHLER, for 10 minutes, on tomorrow.

Mr. CLARK (at the request of Mr. RYAN), for 1 hour, tomorrow, Tuesday, August 8.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PRICE.

Mr. FERNÓS-ISERN.

Mr. HOSMER in four instances, in each to include extraneous matter.

Mr. MCCORMACK and include extraneous matter.

Mr. SIKES.

Mr. EVINS.

(The following Members (at the request of Mr. LANGEN) and to include extraneous matter:)

Mr. FINO in two instances.

Mr. MORSE in four instances.

Mr. HIESTAND.

Mr. ALGER.

Mr. VAN ZANDT in two instances.

Mr. SAYLOR.

Mr. BATES.

(The following Members (at the request of Mr. RYAN) and to include extraneous matter:)

Mr. ULLMAN.

Mr. ANFUSO in two instances.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 845. An act to amend title 38, United States Code, to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and for other purposes;

H.R. 3279. An act to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes; and

H.R. 7208. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1643. An act to improve and protect farm prices and farm income, to increase

farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes; and

S. 2197. An act to amend section 407 of the Agricultural Act of 1949, as amended.

ADJOURNMENT

Mr. RYAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 33 minutes p.m.) the House adjourned until tomorrow, Tuesday, August 8, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1200. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 26, 1961, submitting a report, together with accompanying papers and an illustration, on a review of reports on Portland Harbor, Maine, requested by a resolution of the Committee on Public Works, House of Representatives, adopted August 20, 1957 (H. Doc. No. 216); to the Committee on Public Works and ordered to be printed with one illustration.

1201. A letter from the Comptroller General of the United States, transmitting a report on the audit of the general supply fund, General Services Administration (GSA), for the fiscal year ended June 30, 1960; to the Committee on Government Operations.

1202. A letter from the Comptroller General of the United States, transmitting a report on the review of the reservation of Army excess material for the military assistance program (MAP); to the Committee on Government Operations.

1203. A letter from the Secretary of the Army, transmitting a draft of a proposed bill entitled "A bill for the relief of Wilfrid M. Cheshire"; to the Committee on the Judiciary.

1204. A letter from the Secretary of the Army, transmitting a draft of a proposed bill entitled "A bill for the relief of Dennis H. O'Grady"; to the Committee on the Judiciary.

1205. A letter from the Secretary of Commerce, transmitting a report relating to providing war risk insurance and certain marine and liability insurance for the American public as of June 30, 1961, pursuant to the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of August 3, 1961, the following conference report was filed on August 4, 1961:

Mr. THOMAS: Committee on Appropriations. H.R. 7445. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 850). Ordered to be printed.

Under clause 2 of rule XIII, pursuant to the order of the House of August 3, 1961, the following bill was reported on August 4, 1961:

Mr. MORGAN: Committee on Foreign Affairs. H.R. 8400. A bill to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes; without amendment (Rept. No. 851). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, pursuant to the order of the House of August 2, 1961, the following bills were reported on August 5, 1961:

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 5144. A bill to provide for the payment for individual Indian and tribal lands of the Lower Brule Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes; with amendment (Rept. No. 852). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 5165. A bill to provide for the payment for individual Indian and tribal lands of the Crow Creek Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes; with amendment (Rept. No. 853). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted August 7, 1961*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MACK: Committee on Interstate and Foreign Commerce. Report on World Newsprint Supply—Demand Outlook Through 1963 (Rept. No. 854). Referred to the Committee of the Whole House on the State of the Union.

Mr. HENDERSON: Committee on Post Office and Civil Service. H.R. 4975. A bill to permit the entry and mailing as second-class mail of publications of elementary and secondary institutions of learning, and for other purposes; with amendment (Rept. No. 855). Referred to the Committee of the Whole House on the State of the Union.

Mrs. GRANAHAN: Committee on Post Office and Civil Service. H.R. 7021. A bill to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes; without amendment (Rept. No. 856). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAGAN of Georgia: Committee on Post Office and Civil Service. H.R. 7061. A bill to amend title 39 of the United States Code to provide for payment for unused compensatory time owing to deceased postal employees, and for other purposes; with amendment (Rept. No. 857). Referred to the Committee of the Whole House on the State of the Union.

Mrs. GRANAHAN: Committee on Post Office and Civil Service. H.R. 7532. A bill to amend title 39 of the United States Code relating to funds received by the Post Office Department from payments for damage to personal property, and for other purposes; without amendment (Rept. No. 858). Referred to the Committee of the Whole House on the State of the Union.

Mr. DULSKI: Committee on Post Office and Civil Service. H.R. 1010. A bill to amend the Classification Act of 1949, as amended, to provide a formula for guaranteeing a minimum increase when an employee is promoted from one grade to another; without amendment (Rept. No. 859). Referred to the Committee of the Whole House on the State of the Union.

Mr. HENDERSON: Committee on Post Office and Civil Service. H.R. 2587. A bill to extend the postage rates for books and other educational materials to 8-millimeter films and 8-millimeter film catalogs for educational use; with amendment (Rept. No. 860). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COHELAN (by request):

H.R. 8517. A bill to grant emergency officer's retirement benefits to certain persons who did not qualify therefor because their applications were not submitted before May 25, 1929; to the Committee on Veterans Affairs.

By Mr. CORMAN:

H.R. 8518. A bill to provide for planning the participation of the United States in the International Exposition for Southern California, to be held at Long Beach, Calif., in 1966, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DOWDY:

H.R. 8519. A bill to amend chapter 81 of title 18 of the United States Code to provide that certain offenses committed on board aircraft shall constitute the crime of piracy, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSON of Wisconsin:

H.R. 8520. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to section 16 to limit financial and technical assistance for drainage of certain wetlands; to the Committee on Agriculture.

By Mr. ZABLOCKI:

H.R. 8521. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to section 16 to limit financial and technical assistance for drainage of certain wetlands; to the Committee on Agriculture.

By Mr. KASTENMEIER:

H.R. 8522. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to section 16 to limit financial and technical assistance for drainage of certain wetlands; to the Committee on Agriculture.

By Mr. SIKES:

H.R. 8523. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to section 16 to limit financial and technical assistance for drainage of certain wetlands; to the Committee on Agriculture.

By Mr. FASCELL:

H.R. 8524. A bill to provide travel and transportation allowances for members of the National Guard and Reserve components when travel is performed in an active duty or inactive duty training status in compliance with Federal directives; to the Committee on Armed Services.

H.R. 8525. A bill to provide for advances of pay to members of the armed services in cases of emergency evacuation of military dependents from oversea areas, and for other purposes; to the Committee on Armed Services.

H.R. 8526. A bill to amend title 10, United States Code, to bring the number of cadets

at the U.S. Military Academy and the U.S. Air Force Academy up to full strength; to the Committee on Armed Services.

H.R. 8527. A bill to amend the Federal Home Loan Bank Act and title IV of the National Housing Act, and for other purposes; to the Committee on Banking and Currency.

H.R. 8528. A bill to prohibit damage to, or destruction of, any shipment of freight or express moving in interstate or foreign commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 8529. A bill to strengthen the criminal laws relating to bribery, graft, and conflicts of interest, and for other purposes; to the Committee on the Judiciary.

H.R. 8530. A bill to amend the National Aeronautics and Space Act of 1958, as amended, and for other purposes; to the Committee on Science and Astronautics.

H.R. 8531. A bill to amend the Tariff Act of 1930 to impose a duty on shrimps and to provide for duty free entry of unprocessed shrimps annually in an amount equal to imports of shrimps in 1960; to the Committee on Ways and Means.

By Mr. GOODLING:

H.R. 8532. A bill to amend chapter 15 of title 38, United States Code, with respect to eligibility for special pension in the case of individuals awarded the Congressional Medal of Honor; to the Committee on Veterans' Affairs.

By Mr. HOSMER:

H.R. 8533. A bill to provide for planning the participation of the United States in the International Exposition for Southern California, to be held at Long Beach, Calif., in 1966, and for other purposes; to the Committee on Foreign Affairs.

By Mr. LINDSAY:

H.R. 8534. A bill to provide for periodic congressional review of Federal grants-in-aid to States and local units of Government; to the Committee on Government Operations.

By Mr. McINTIRE:

H.R. 8535. A bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes; to the Committee on Agriculture.

By Mr. PIRNIE:

H.R. 8536. A bill to amend section 3402 of title 38, United States Code, to provide for the recognition by the Administrator of Veterans' Affairs of the Italian American War Veterans of the United States for the prosecution of veterans' claims; to the Committee on Veterans' Affairs.

By Mr. POAGE:

H.R. 8537. A bill to amend and extend the provisions of the Sugar Act of 1948, as amended; to the Committee on Agriculture.

By Mr. RUTHERFORD:

H.R. 8538. A bill to amend the act of March 24, 1948, which establishes special requirements governing the selection of superintendents of national cemeteries; to the Committee on Interior and Insular Affairs.

By Mr. SCHWENGEL:

H.R. 8539. A bill to confer jurisdiction over the Iowa Ordnance Plant reservation upon the State of Iowa; to the Committee on Armed Services.

H.R. 8540. A bill to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes; to the Committee on Government Operations.

By Mr. THOMPSON of Louisiana:

H.R. 8541. A bill to require that title to certain vessels supplied directly or indirectly by the United States for oceanographic research shall remain in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BATES:

H.R. 8542. A bill to provide for adjusting conditions of competition between certain domestic industries and foreign industries with respect to the level of wages and the working conditions in the production of articles imported into the United States; to the Committee on Ways and Means.

By Mr. BELL:

H.R. 8543. A bill to provide for planning the participation of the United States in the International Exposition for Southern California, to be held at Long Beach, Calif., in 1966, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FRELINGHUYSEN:

H.R. 8544. A bill to establish a commission to study problems arising in connection with the inability of the President to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. MORRIS:

H.R. 8545. A bill to amend the act of July 3, 1952, to authorize the Navajo Tribe of Indians to make certain contracts with the approval of the Secretary of the Interior; to the Committee on Interior and Insular Affairs.

By Mr. FASCELL:

H.R. 8546. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PELLY:

H.R. 8547. A bill to prohibit exports to Communist countries; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H.J. Res. 516. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HOSMER:

H.J. Res. 517. Joint resolution declaring that a state of conflict exists between the International Communist conspiracy and the Government and the people of the United States and making provisions to prosecute the same; to the Committee on Foreign Affairs.

By Mr. SHELLEY:

H.J. Res. 518. Joint resolution relating to mileage for Members of the House of Representatives and certain employees in connection with trips to and from congressional districts, and for other purposes; to the Committee on House Administration.

By Mr. SMITH of Virginia:

H. Res. 407. Resolution to amend clause 3, of rule XIII of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Arizona memorializing the President and the Congress of the United States relative to recommending that research be undertaken in five major areas relating to narcotic drug addiction and methods of treating narcotic drug addicts, which was referred to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FEIGHAN:

H.R. 8548. A bill for the relief of Krystyna Pietrzycki and Ignacy Pietrzycki; to the Committee on the Judiciary.

By Mr. KILGORE:

H.R. 8549. A bill for the relief of George H. Peters; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H.R. 8550. A bill for the relief of Theodore Zissu; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 8551. A bill for the relief of Chih-Min Wang; to the Committee on the Judiciary.

By Mr. SIBAL:

H.R. 8552. A bill for the relief of Dr. Peter A. Del Missier; to the Committee on the Judiciary.

By Mr. WICKERSHAM:

H.R. 8553. A bill for the relief of Grover C. Kerley; to the Committee on the Judiciary.

SENATE

MONDAY, AUGUST 7, 1961

The Senate met at 10 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Lord of all being, whose banners are law and love, at another week's beginning, freighted with heavy tasks we bow at this altar of prayer in humility and with reverence for the things unseen and eternal.

On this speck of matter in the mighty whirlpool of the sky we feel ourselves so little when compared with the immensities of the universe in which we live. When we realize that beams of light which reached our planet in last night's darkness started on their long way before Jesus was born in an eastern town, the news that puny man can now circle the earth a tiny inch above its surface but emphasizes the vastness of it all which staggers our finite minds.

We turn to Thee who art the center and soul of every sphere, knowing that the only thing that lifts our littleness into greatness and grandeur is that such frail creatures as we can be tied to Thy eternal purpose for the redemption of all mankind.

Give us, we pray in our valley of toil, a glowing vision of the final coronation of Thy goodness that shall shame our pessimism and gloom and send a shining ray far down the future's broadening way.

We ask it through riches of grace in Christ Jesus, our Lord. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 4, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 3, 1961, the President had approved and signed the act (S. 2311) to authorize additional appropriations for aircraft, missiles, and naval vessels for the Armed Forces, and for other purposes.

REPORT OF OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on the Judiciary:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, the Annual Report of the Office of Alien Property, Department of Justice, for the fiscal year ended June 30, 1960.

JOHN F. KENNEDY.

THE WHITE HOUSE, *August 7, 1961.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 23, 26, 29, 35, 47, and 80 to the bill, and concurred therein, and that the House receded from its disagreement to the amendment of the Senate numbered 36 to the bill, and concurred therein, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes; that the House had agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAHON, Mr. SHEPPARD, Mr. CANNON, Mr. FORD, and Mr. TABER were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2197. An act to amend section 407 of the Agricultural Act of 1949, as amended;

H.R. 845. An act to amend title 38, United States Code, to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and for other purposes;

H.R. 3279. An act to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes; and

H.R. 7208. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Production and Stabilization Subcommittee of the Banking and Currency Committee was authorized to meet during the session of the Senate today.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON PROVISION OF WAR RISK INSURANCE AND CERTAIN MARINE AND LIABILITY INSURANCE FOR AMERICAN PUBLIC

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of war risk insurance and certain marine and liability insurance for the American public, as of June 30, 1961 (with an accompanying report); to the Committee on Commerce.

ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT ACT OF 1961

A letter from the Secretary of State, transmitting a draft of proposed legislation to provide for the appointment of a representative of the United States to the Organization for Economic Cooperation and Development, and to make other provisions with respect to the participation of the United States in that organization, and for other purposes (with an accompanying paper); to the Committee on Foreign Relations.

AUDIT REPORT ON GENERAL SUPPLY FUND, GENERAL SERVICES ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the general supply fund, General Services Administration, fiscal year 1960 (with an accompanying report); to the Committee on Government Operations.

WILFRID M. CHESHIRE

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Wilfrid M. Cheshire (with an accompanying paper); to the Committee on the Judiciary.

DENNIS H. O'GRADY

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Dennis H. O'Grady (with an accompanying paper); to the Committee on the Judiciary.

POSTAGE REVISION ACT OF 1961

A letter from the Acting Postmaster General, transmitting a draft of proposed legislation to adjust postal rates, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Arizona; to the Committee on Labor and Public Welfare:

"SENATE CONCURRENT MEMORIAL 1

"Concurrent memorial recommending to the Congress of the United States that research be undertaken in five major areas relating to narcotic drug addiction and methods of treating narcotic drug addicts

"To the Congress of the United States of America:

"Your memorialist respectfully represents:

"Whereas the American Bar Association and the American Medical Association established a joint committee for the purpose of studying the problem of narcotic drug addiction in the United States; and

"Whereas the Joint Committee of the American Bar Association and the American Medical Association on Narcotic Drugs concluded that the problem of narcotic drug addiction and its solution is of paramount importance to the people of the United States; and

"Whereas the joint committee issued an interim and final report of its study and research on narcotic drugs, which contained recommendations for research in five major areas; and

"Whereas the Legislature of the State of Arizona believes that the Congress of the United States can play a major role in eradicating the evils existing in drug addiction.

"Wherefore your memorialist, the Senate of the State of Arizona (the House of Representatives concurring), prays:

"1. That the Congress of the United States exert every effort to place into effect the following recommendations proposed by the Joint Committee of the American Bar Association and the American Medical Association on Narcotic Drugs:

"(a) An experimental facility for the outpatient treatment of drug addicts, to explore the possibilities of dealing with at least some types of addicted persons in the community rather than in institutions.

"(b) An extensive study of relapse and causative factors in drug addiction.

"(c) The development of sound and authoritative techniques and programs for the prevention of drug addiction.

"(d) A critical evaluation of present legislation on narcotic drugs and drug addiction.

"(e) A study and analysis of the administration of present narcotic laws.

"2. That the Honorable Wesley Bolin, secretary of state of the State of Arizona, be authorized to transmit a copy of this senate concurrent memorial to the President of the U.S. Senate, to the Speaker of the U.S. House of Representatives, and to each Member of the Congress of the United States."

A resolution adopted by the Western Regional Conference of the Council of State Governments, at San Francisco, Calif., relating to the sale of milk to Federal agencies; to the Committee on Agriculture and Forestry.

A resolution adopted by the Western Regional Conference of the Council of State Governments, at San Francisco, Calif., relating to the availability of surplus military, first aid, office, and medical supplies and property and expenses for training to State military departments; to the Committee on Government Operations.

Three resolutions adopted by the Western Regional Conference of the Council of State Governments, at San Francisco, Calif., relating to (1) mineral royalties, (2) legislative jurisdiction over Federal lands, and (3) opposing the enactment of the wilderness preservation system; to the Committee on Interior and Insular Affairs.

STRONG SUPPORT FOR A NEW APPROACH TO NARCOTICS PROBLEM—RESOLUTION

Mr. KEATING. Mr. President, on July 19, 1961, at its meeting in Portland, one of the principal cities of the home State of the distinguished and gracious Senator from Oregon [Mrs. NEUBERGER],

the National District Attorneys' Association, composed of district attorneys and other prosecuting attorneys from every State in the Union, unanimously adopted a resolution with respect to the hospitalization and treatment of narcotic addicts. The resolution gives specific support to S. 1693 and S. 1694 and urges early hearings and action on these bills.

Mr. President, these bills were prepared with the help of several district attorneys from New York, notably Mr. Frank Hogan, district attorney of New York County, whose assistant, Mr. Kuh, was extremely helpful. He conferred at length with Senator JAVITS and me over a long period of time and also with the Attorney General, who expressed great interest in the problem.

These measures, which were jointly sponsored by Senator JAVITS and myself and cosponsored by other Senators, would provide for a Federal grant-in-aid program for the construction of narcotic addict hospital facilities and permit the courts in dealing with narcotic offenders to exercise judgment as to the form of treatment or punishment which should be accorded to most effectively protect the interests of the community.

The National Association of District Attorneys' resolution outlines very concisely and persuasively the basis for its support of these measures. It reflects the best tradition of law enforcement in that it seeks a scientific and enlightened method for protecting the security of the community and not a vengeful, self-defeating, and narrow commitment to old techniques which experience shows have not worked.

The strong support of this association for our proposals should be very helpful in bringing our Nation closer to a solution of this terrible problem.

I join in the hope that the Committee on Labor and Public Welfare, to which one bill was referred, and the Committee on the Judiciary, to which the other was referred, may be able to hold early hearings on the bills.

Mr. President, I ask unanimous consent that the text of the resolution may be printed at this point in the RECORD, and that the resolution be appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

NARCOTIC LEGISLATION RESOLUTION

Whereas since World War II there has been an increase in the incidence of narcotics addiction in the United States, constituting a grave menace to public morals, health, and welfare, and resulting in an increase in crime; and

Whereas we deem it folly to view narcotic addiction complacently as a problem limited to certain few urban areas, having ourselves seen its inroads throughout the Nation, and recognizing that no community can assume continued immunity to its depredations; and

Whereas, as prosecutors, we recognize the inadequacies of a wholly penal system of dealing with addiction, and further recognize the inhumane aspects of depending wholly upon such penal treatment in this age; and

Whereas hospitalization of narcotic addicts serves as a type of quarantine and thus prevents the spread of addiction among persons whom existing addicts might otherwise influence to become addicts, and that hospitalization also is a humane 20th-century manner of helping addicts toward ultimate rehabilitation; and

Whereas the Federal Government has major responsibility with respect to the problem of addiction in the United States due to the fact that (a) the Federal Government has exclusive jurisdiction over the regulation of imports into the United States, (b) most narcotic addiction in the United States is heroin addiction, and (c) all heroin in the United States is imported from abroad; and

Whereas, in order to combat more effectively the problem of narcotic addiction in the United States, the States should be encouraged and assisted by the Federal Government in establishing and operating needed hospital facilities for the treatment and cure of narcotic addicts: Now, therefore, be it

Resolved, That the National District Attorneys' Association, in convention assembled in Portland, Oreg., do hereby urge:

(a) That all persons concerned with the health and moral fiber of Americans join with us in supporting a program calling for the massive civil hospitalization of narcotic addicts, under medical supervision, rather than continuing to place exclusive reliance upon penal procedures that have not proven effective in stemming the national blight of addiction; and

(b) That in furtherance of this goal, we pledge our support to two bills that have been introduced in the U.S. Senate, Senate bills 1693 and 1694, and urge that the Senate Committee on Labor and Public Welfare schedule early hearings on these bills so that constructive suggestions for amendment may be made and public support may be rallied for a narcotics addict hospitalization program, and so that this legislation, or amended proposals of this same basic nature, may receive favorable congressional action at an early date.

PATRICK BRENNAN.

Attest:

JOHN M. PETERSON,
Chairman, Resolutions Committee.

Adopted unanimously, July 29, 1961.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. BARTLETT, from the Committee on Commerce, with an amendment:

S. 1808. A bill to amend the Merchant Marine Act, 1936, as amended, to encourage the construction and maintenance of American-flag vessels built in American shipyards (Rept. No. 667).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ENGLE (for himself and Mr. KUCHEL):

S. 2383. A bill to provide for planning the participation of the United States in the International Exposition for Southern California, to be held at Long Beach, Calif., in 1966, and for other purposes; to the Committee on Foreign Relations.

(See the remarks of Mr. ENGLE when he introduced the above bill, which appear under a separate heading.)

By Mr. BENNETT:

S. 2384. A bill to amend the act entitled "An act to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation, and for other purposes," approved March 1, 1933; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

PLANNING PARTICIPATION OF UNITED STATES IN THE INTERNATIONAL EXPOSITION FOR SOUTHERN CALIFORNIA, TO BE HELD AT LONG BEACH IN 1966

Mr. ENGLE. Mr. President, California is the Nation's fastest growing State. Our fellow Americans by the thousands every year are making the Golden State their permanent home. For vast numbers of others, California is vacationland, and the symbol of the good life.

It is, therefore, especially fitting that southern California should be the site of an international exposition, to be held in the year 1966, carrying the theme, "The Planet of Man." In that exposition exhibitors from all over the United States and the free world will be invited to participate, contributing to its five-realm story of the planet of man—the realm of living, the realm of learning, the realm of working, the realm of moving, and the realm of playing.

The City Council of the City of Long Beach has expressed enthusiastic approval of the plan to present the exposition in that city. The Long Beach Press-Telegram, in a warm editorial in its August 2 issue, "An Exciting Prospect for Long Beach in 1966," welcomes the exposition. The Legislature of California has asked the President and the Congress to designate Los Angeles County as the site of an international exposition in 1966, and the Board of Supervisors of the County of Los Angeles has lent its support.

Additionally, municipalities in the county and organizations representing many segments of the community have adopted resolutions urging participation in this great civic endeavor.

I urge that the U.S. Government take part, and on behalf of my colleague, the senior Senator from California [Mr. KUCHEL], and myself, I introduce, for appropriate reference, a bill to provide for planning the participation of the United States in the International Exposition for Southern California, to be held at Long Beach in 1966. Companion legislation is being inroduced in the House of Representatives.

I ask unanimous consent that a number of editorials and resolutions pertinent to the proposed legislation be printed at this point in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the matters referred to will be printed in the RECORD.

The bill (S.2383) to provide for planning the participation of the United States in the International Exposition for Southern California, to be held at Long Beach, Calif., in 1966, and for other purposes, introduced by Mr. ENGLE (for himself and Mr. KUCHEL), was received, read twice by its title, and referred to the Committee on Foreign Relations.

The resolutions and articles presented by Mr. ENGLE are as follows:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH ENDORSING IN PRINCIPLE A "PLANET OF MAN INTERNATIONAL EXPOSITION" IN 1966 IN THE CITY OF LONG BEACH

Whereas it has been proposed by executives of the International Exposition of Southern California, Inc., that a Planet of Man International Exposition be held in Long Beach in the year 1966; and

Whereas the city of Long Beach is gaining recognition throughout the world as an international city; and

Whereas such an international exposition would be in furtherance of the long-range objectives of the city of Long Beach as an international city; and

Whereas the Long Beach City Council recognizes the high honor and prestige that such an international exhibition would bring to the city of Long Beach, the county of Los Angeles, the State of California, and the United States of America; and

Whereas peace and international good will would most certainly be enhanced by such a worthy endeavor: Now, therefore, the City Council of the City of Long Beach resolves as follows:

SECTION 1. That the City Council of the City of Long Beach does hereby endorse in principle and approve enthusiastically the plan to present the Planet of Man International Exposition in the year 1966, in the city of Long Beach, and calls upon its elected representatives in the Congress of the United States, and other interested citizens, to assist in the furtherance of this program so that it may become a reality.

SEC. 2. That the city clerk be, and is hereby, authorized and directed to forward certified copies of this resolution to Senator CLAIR ENGLE, Senator THOMAS KUCHEL, Congressman CRAIG HOSMER, and others whom the mayor may determine will be interested in this action of the city council.

EDWIN W. WADE,
Mayor of the City of Long Beach.

Attest:

MARGARET L. HEARTWELL,
City Clerk.

[From the Long Beach (Calif.) Press-Telegram, Aug. 2, 1961]

AN EXCITING PROSPECT FOR LONG BEACH IN 1966

An exciting prospect has been opened for this community in 1966.

We refer, of course, to the proposal that Long Beach serve as the site of a world's fair, described officially as the Planet of Man International Exposition of Southern California.

Both the harbor board and the city council this week gave their wholehearted endorsement to the proposal, setting the stage for the campaign for Federal legislation.

Meanwhile, the exposition committee has stopped its search for a site and is proceeding on the assumption that the fair will be held here.

Fred Hall, former Governor of Kansas and now an executive of the International Exposition of Southern California, Inc., told Long Beach leaders this week: "We want an indication of your approval so we can tell Congress."

The city's official bodies responded at once, and we can assure the Congressmen that the entire community invites this splendid opportunity and will do everything possible to make the project a success.

The theme of the exposition fits perfectly with the image this city has been building as an international center. The Planet of Man Exposition will act as a showcase for the talents, achievements, and plans of the entire world.

Naturally, the community is not blind to the benefits which go with an exposition of this magnitude.

The exposition at Brussels, Belgium, in 1958 attracted 42 million visitors from around the world during a 6-month period in spite of bad weather and travel restrictions. By conservative estimate, the 1966 exposition in Long Beach would draw 50 million.

Construction costs and administrative and operational budgets for the great show are tentatively estimated at $123 million.

The construction and maintenance of the exposition will inject a big economic booster shot into the local economic system, as will the spending by the millions of visitors.

One of the potential benefits of the exposition arises from the challenge it poses in the field of transportation. The proposed site is a 311-acre pier (yet to be built) in Long Beach Harbor. Construction of the exposition at that site would speed up the development of the freeway system and rapid transit facilities connecting the harbor with surrounding areas.

Long Beach is equal to this and the other challenges which a world's fair poses, and is more than willing to assume the responsibility. This newspaper pledges its full support.

Let's get the show in orbit.

SENATE JOINT RESOLUTION 32

Joint resolution relative to an international exposition in 1966

Whereas in the past, four international expositions have been held in California, two in San Diego and two in San Francisco, but none in Los Angeles; and

Whereas no more fitting and appropriate site than the modern, dynamic Los Angeles area could be named for an exposition dedicated to the unity of the peoples of all nations and the dignity of man; and to the promotion of trade and industry in our new age of space; and

Whereas the consummation of an international exposition in Los Angeles in 1966 will bring renown, prestige, and innumerable economic advantages to our entire State, and particularly to the Los Angeles area; and

Whereas no greater contribution to peace and international good will could be made than to demonstrate to the world that the people of the State of California are dedicating the next 5 years to the preparation and consummation of the greatest exhibition of peaceful pursuits ever held in the history of the world: Now, therefore, be it

Resolved by Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to designate Los Angeles County as the site of an international exposition in 1966; and be it further

Resolved, That this resolution shall not be construed to commit, nor to imply that a commitment may be forthcoming from, the State of California, or any agency or political subdivision thereof, for any financial support, contributions, or assistance for such international exposition; and be it further

Resolved, That the secretary of the senate is hereby directed to transmit copies of this resolution to the President and Vice President of the United States, and to the Speaker of the House of Representatives and to each Senator and Representative from California in the Congress of the United States.

The Los Angeles County World's Fair Committee transmits resolution and report, advising that said committee was appointed in August 1959 to survey the feasibility and desirability of holding a world's fair in the vicinity of Los Angeles and to coordinate the efforts in securing such a fair.

The said committee reports as follows:

1. That it is feasible and desirable to have an international exposition in the year 1966;

2. That much of the data has been furnished through the research efforts of a nonprofit corporation known as the International Exposition for Southern California, Inc.;

3. That studies furnished by this corporation make it unnecessary for this committee to spend the $5,000 previously allocated for this use and said money will be returned to the proper government department;

4. That the Los Angeles World's Fair Committee recommends to its appointing bodies that they in joint endeavor with the hundreds of cities, counties, civic organizations, and private citizens throughout the West support the program to bring into reality an international exposition of the greatest magnitude in the year 1966.

Your committee has noted the above and recommends that same be concurred in and thereafter the matter be filed.

Respectfully submitted.

STATE, COUNTY, AND FEDERAL AFFAIRS COMMITTEE.

BOARD OF SUPERVISORS,
COUNTY OF LOS ANGELES,
Los Angeles, Calif., February 28, 1961.

L. O. GRIFFITHS,
Chairman, Los Angeles County International World's Fair Committee, Wilmington, Calif.

Mr. LORNE D. MIDDOUGH,
Secretary, Long Beach, Calif.

GENTLEMEN: At its meeting on February 21, 1961, the board of supervisors adopted an order approving the resolution of the Los Angeles County International World's Fair Committee and asking the members of the committee to stand by.

The board also accepted the rendering of the world's fair prepared by International Exposition for Southern California, Inc.

Very truly yours,

GORDON T. NESVIG.

ELIMINATION OF RESTRICTIONS ON USE OF NAVAJO TRUST FUNDS

Mr. BENNETT. Mr. President, I introduce, for appropriate reference a bill which will greatly benefit members of the Navajo Indian Tribe residing in San Juan County, Utah.

The Utah State Indian Affairs Commission was created to administer a trust established by Congress through an act approved March 1, 1933 (47 Stat. 1418). The act annexed certain lands to the Navajo Indian Reservation and provided that 37½ percent of the net royalties derived from tribal leases from any oil or gas that might be developed should be paid to the State of Utah. However, the act required the State to expend all of the royalties to pay the tuition of Indian children in white schools, or to pay for the building or maintenance of the roads across reservation lands, or for the benefit of the Indians residing on the lands annexed in 1933.

Both the Navajo Tribal Council and the Utah State Indian Affairs Commission strongly feel that the statutory language should be broadened to eliminate the restrictions limiting the area and narrowing the purposes for which the trust moneys may be used. My bill would remove these restrictions and permit the money to be used for the general benefit of all the Navajos residing in San

Juan County, Utah. Thus, many Navajos who are presently denied the benefits of the 1933 act will be able to receive them. This is particularly significant since significant oil and gas discoveries have been made and are developed in the area annexed in 1933.

My bill provides that the trust funds shall be administered under the direction of a joint commission to be established by the State of Utah, composed of members from the State, the Navajo Tribe and from San Juan County, Utah. The bill is supported by both the Navajo Tribe and the Utah Commission. I sincerely hope that it will be speedily approved by Congress, and I have invited my junior colleague from Utah to join with me in sponsoring this meritorious piece of legislation.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2384) to amend the act entitled "An act to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation, and for other purposes," approved March 1, 1933, introduced by Mr. BENNETT, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

EXTENSION OF NATIONAL DEFENSE EDUCATION ACT OF 1958—AMENDMENTS

Mr. RANDOLPH submitted amendments, intended to be proposed by him, to the bill (S. 2345) to extend and improve the National Defense Education Act of 1958, and for other purposes, which were ordered to lie on the table and to be printed.

EMPLOYMENT SECURITY AMENDMENTS OF 1961—ADDITIONAL COSPONSOR OF BILL

Mr. McCARTHY. Mr. President, I ask unanimous consent that at the next printing of Senate bill 2084, the Employment Security Amendments of 1961, introduced by me on June 15, 1961, the name of the Senator from Illinois [Mr. DOUGLAS] be added as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered.

CONSTRUCTION OF FLAMING GORGE DAM AND RESERVOIR PROJECT, UTAH — ADDITIONAL COSPONSORS OF BILL

Mr. MOSS. Mr. President, I ask unanimous consent that on future printings of the bill (S. 2303) to provide for certain highway and bridge construction as part of the Flaming Gorge Dam and Reservoir project in the State of Utah, that the names of the senior Senator from Wyoming [Mr. McGEE] and the junior Senator from Wyoming [Mr. HICKEY] appear as cosponsors of that bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PROPOSED ESTABLISHMENT OF SELF-GOVERNMENT FOR THE DISTRICT OF COLUMBIA—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of July 31, 1961, the names of Mr. GRUENING and Mr. CLARK were added as additional cosponsors of the bill (S. 2342) to provide an elected mayor, city council, and nonvoting Delegate to the House of Representatives for the District of Columbia, and for other purposes, introduced by Mr. BIBLE (for himself and other Senators) on July 31, 1961.

NOTICE OF HEARINGS ON SENATE BILL 2180, TO ESTABLISH A U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

Mr. FULBRIGHT. Mr. President, I desire to announce that the Committee on Foreign Relations will hold 2 days of public hearings, Monday, August 14, and Tuesday, August 15, on the bill S. 2180, to establish a U.S. Disarmament Agency for World Peace and Security.

Scheduled for appearances before the committee will be Dean Rusk, Secretary of State, Robert S. McNamara, Secretary of Defense, John J. McCloy, and Gen. Lyman L. Lemnitzer. The committee also expects to hear former Ambassador Henry Cabot Lodge and Robert A. Lovett, formerly Secretary of Defense.

Both hearings will be held in room 4221, New Senate Office Building, beginning at 10 o'clock.

NOTICE OF HEARING ON NOMINATION OF RICHARD B. AUSTIN TO BE U.S. DISTRICT JUDGE, NORTHERN DISTRICT OF ILLINOIS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, August 14, 1961, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Richard B. Austin, of Illinois, to be U.S. district judge, northern district of Illinois, vice Walter J. LaBuy, retired.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Illinois [Mr. DIRKSEN], and myself, as chairman.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Macon L. Weaver, of Alabama, to be U.S. attorney, northern district of Alabama, term of 4 years, vice William L. Longshore.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, August 14, 1961, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING ON NOMINATION OF M. JOSEPH BLUMENFELD TO BE U.S. DISTRICT JUDGE, DISTRICT OF CONNECTICUT

Mr. DODD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, August 10, 1961, at 10 a.m., in room 2228, New Senate Office Building, on the nomination of M. Joseph Blumenfeld, of Connecticut, to be U.S. district judge, district of Connecticut, a new position.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Tennessee [Mr. KEFAUVER], the Senator from Wisconsin [Mr. WILEY], and myself as chairman.

NOTICE OF HEARING ON NOMINATION OF BAILEY BROWN TO BE U.S. DISTRICT JUDGE, WESTERN DISTRICT OF TENNESSEE

Mr. JOHNSTON. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, August 16, 1961, at 10.30 a.m., in room 2228, New Senate Office Building, on the nomination of Bailey Brown, of Tennessee, to be U.S. district judge, western district of Tennessee, a new position.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Michigan [Mr. HART], the Senator from New York [Mr. KEATING], and myself as chairman.

APPOINTMENTS BY THE VICE PRESIDENT

Mr. MANSFIELD. Mr. President, I understand the Vice President has an announcement he wishes to deliver concerning appointments.

The VICE PRESIDENT. The Chair announces the following appointments:

To the Interparliamentary Union, to be held at Brussels, September 14 to 22, 1961: The Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from South Carolina [Mr. THURMOND], the Senator from Michigan [Mr. HART], the Senator from Wyoming [Mr. HICKEY], and the Senator from Oklahoma [Mr. MONRONEY]. Alternates appointed are the Senator from Hawaii [Mr. LONG], the Senator from Missouri

[Mr. SYMINGTON], the Senator from Rhode Island [Mr. PASTORE], the Senator from Maine [Mr. MUSKIE], the Senator from Montana [Mr. MANSFIELD], and the Senator from Alabama [Mr. SPARKMAN].

To the Commonwealth Parliamentary Association to be held in London, September 24 to October 1, 1961: The Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Ohio [Mr. YOUNG]. The alternates appointed are the Senator from California [Mr. ENGLE], and the Senator from Alaska [Mr. BARTLETT].

To the conference of parliamentarians from North Atlantic Treaty Organization countries to be held in Paris, November 13 to 18, 1961: The Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Nevada [Mr. CANNON], the Senator from Montana [Mr. METCALF], the Senator from West Virginia [Mr. BYRD], and the Senator from Missouri [Mr. LONG]. The alternates appointed are the Senator from Ohio [Mr. LAUSCHE], the Senator from North Carolina [Mr. JORDAN], the Senator from Wyoming [Mr. MCGEE], the Senator from North Dakota [Mr. BURDICK], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Indiana [Mr. HARTKE].

Mr. MANSFIELD. I thank the Vice President for the selections which he has made and are within the jurisdiction of his authority under the law. I am very happy the Vice President has seen fit also to agree to the appointment of alternates to these delegations, because I think in that way the delegations will be strengthened and their responsibilities carried out more effectively and more efficiently.

I express the hope that Senators who have not been appointed to positions on these delegations this year will recognize the fact that all of the Members of the Senate cannot be appointed at once. Those who have been appointed this year should not look upon their selections as being permanent, by and large, but should recognize that next year and in years to follow other Members of the Senate, at least on this side of the aisle, will be given consideration and urged to participate in these international conferences.

Again I thank the Vice President for exercising this authority and making this list known at this time, so that appropriate measures can be undertaken to participate in these conferences.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Tennessee.

Mr. GORE. I wish to associate myself with the remarks by the distinguished majority leader with respect to the action of the Vice President. I respectfully suggest that the Interparliamentary Union meeting which will begin in Brussels on September 14 will be an important one, in my opinion, coming as it does at the time of the Berlin tension, the meeting in Western Europe, and the meeting in Belgium with the overtones of the Congo situation. I am sure the majority leader recognizes the sensitivity of the meeting. I am honored to have been chosen as President of the U.S. Interparliamentary Union group, but if the distinguished majority leader could find it at all possible to go, I should be only too delighted, and think I should be serving the public interest well, to retire from that capacity and to solicit him to undertake the responsibility.

Mr. MANSFIELD. The Senator from Tennessee has made a suggestion which would be impossible to fulfill. I know of no one who would be more effective as the president or the presiding officer of the U.S. delegation than would the distinguished Senator from Tennessee, whom I have had the pleasure of knowing for 19 years in the Congress of the United States, for whom I have the greatest admiration and respect, and in whom I repose the greatest confidence. I know that he will do an outstanding job. I am personally very happy that his colleagues have seen fit to give him this honor, because I know that in his hands the functions inherent in the responsibility will be carried out effectively, efficiently, and well.

Incidentally, for the first time, at least in many years, a Senator will be the presiding officer or president of the U.S. group. Such an event is due to the fact that in the Committee on Appropriations having to do with the State, Justice, and judiciary, under the chairmanship of the present Vice President of the United States, who was then the distinguished majority leader of the Senate and the chairman of that committee, we were able to bring about a change whereby instead of Senators being nominated, I believe, by officials outside the Senate, the Senators were to be nominated by the Presiding Officer: to wit, the Vice President. In this respect and for the first time that legal procedure is being carried out. I know that all of us in the Senate are especially glad that the very able Senator from Tennessee [Mr. GORE], for whom we have great admiration and respect, is to be the president of this body. I know that I speak for all of us in the Senate, including the Vice President, in making that statement.

Mr. GORE. I thank the Senator from Montana very much. I do most seriously suggest that he consider, however, that as the distinguished majority leader he would go to the meeting with more prestige. I ask him to consider the leadership of the delegation. If he would do so, it would please me very much. I will not press him on the request.

I express the hope that the minority members of the Interparliamentary Union be appointed as quickly as the distinguished Vice President can do so, because we want to divide ourselves into working groups to prepare resolutions and to do the necessary research in order to be well prepared for speeches and debate at this crucial meeting.

Mr. MANSFIELD. Mr. President, I am delighted that the Senator from Tennessee has said that he would not press his request, because I want to assure him that it would be useless. Under no circumstances would such a proposal be entertained. Furthermore, because I think that no one is more qualified than is the Senator from Tennessee to head the delegation, I reaffirm my statement. I wish to thank the Vice President for his forbearance and courtesy in this and other matters.

The VICE PRESIDENT. The Chair appoints from the minority as representatives to the Interparliamentary meeting to be held at Brussels, Belgium, September 14 through September 22, 1961, the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Colorado [Mr ALLOTT], and the Senator from New York [Mr. KEATING].

To the Commonwealth Parliamentary Association to be held in London, England, September 24 to October 1, 1961, the Chair appoints on behalf of the minority the Senator from Maryland [Mr. BEALL] and the Senator from Texas [Mr. TOWER].

To the NATO Parliamentarians Conference to be held in Paris, France, November 13 to 18, 1961, the Chair appoints the Senator from South Dakota [Mr. MUNDT], the Senator from New York [Mr. JAVITS], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Iowa [Mr. MILLER].

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts from address prepared for delivery by him over Wisconsin radio stations on August 7, 1961, regarding tourist expansion program for Wisconsin.

Excerpts from address prepared for delivery by him over radio station WGN, Chicago, on August 7, 1961, dealing with utilization and replenishment of U.S. natural resources.

By Mr. DWORSHAK:

Article entitled "How Do You Stand, Sir?" by Senator BARRY GOLDWATER, published in the Idaho Daily Statesman, issue of July 4, 1961.

PAUL JOHNSON

Mr. MANSFIELD. Mr. President, it is my sad duty to inform the Senate that one whom many of us have known for years, and whose service to the Senate has outspanned the life of many of us, has passed to his reward. I refer to Paul Johnson, who has served the Senate since, I believe, the year 1900. For the past 30 years or so he has been the maitre d'hotel of the Senate restaurant, and, as such, has come to know many Senators—if not all of them—individually. He has been noted for his courtesy, his knowledge of history, and his attention and devotion to duty.

All of us will miss Paul Johnson, because he was one of the chosen few who had the opportunity, while serving this body, to note the events of history from 1900 on.

Paul Johnson was a faithful and devoted official of the Senate; and I take this means to extend to his family our

UNIVERSITY OF MICHIGAN LIBRARIES

deep regret at his passing, and our condolences and sympathy in their hour of need.

May his soul rest in peace.

Mr. DIRKSEN. Mr. President, I consider it a high achievement when a person through a lifetime of more than a decade and three score years has for more than three score of them served the same institution of government. I think Paul Johnson was 72 years of age at the time of his passing. He must have come here when he was a youngster—to have served more than 60 years the Senate, as an institution, and the individual Members of the Senate. In an age of uncertainty, when life is so fluid, the very constancy of that service is indeed a remarkable thing.

Having known Paul Johnson a long time and having known him so well, I wish to state that we shall mourn his passing, and shall mourn, also, the loss of the fellowship he had with everyone who came to the Senate restaurant.

Mr. ALLOTT. Mr. President, I join the distinguished majority leader and the distinguished minority leader in their tributes to Paul Johnson. Our tributes go to him not only because he filled so well the position of maitre d'hotel of the Senate dining room, but also because of the uniformly courteous and gracious manner in which he handled the duties of a position which was not always easy and was subject to a great many stresses and strains.

On behalf of Mrs. Allott and myself, I extend our deepest sympathy to his family.

Mr. CARLSON. Mr. President, I wish to join the majority leader, the minority leader, and the Senator from Colorado [Mr. ALLOTT], in expressing sincere regret at the death of Paul Johnson.

Paul Johnson was truly a gentleman. He rendered outstanding service to the Members of the Senate, and he was always courteous. He will be sadly missed in the Senate dining room.

As I look back, he certainly has been privileged to have had these decades of service during which he had the opportunity to meet Senators as they come and go, as the membership of this body is continually changing.

I wish to extend my sincere sympathy and regret to the members of Paul Johnson's family.

Mr. WILEY. Mr. President, I wish to join with Senators who have expressed their high regard for a great soul who passed away recently, Paul Johnson. He was headwaiter, or in charge of the dining room, when I came here 22 years ago.

I must say he had a way about him that gave one a feeling that, "Here is a perfect gentleman, who lives right."

I am sure Paul Johnson will be missed by his many friends. I know I shall miss him.

Mr. KUCHEL. Mr. President, Senators and their families mourn the passing of Paul Johnson. This quiet, unassuming man ministered to the needs of all of us, of our wives, of our families, and of our friends for over 60 years.

I associate myself with the comments which have been made by the able majority leader, the able minority leader, and others. We send our deepest sympathy to his family.

Mr. BARTLETT. Mr. President, I join my colleagues in expressing sorrow at the death of Paul Johnson. He was faithful and he was able. He was kind and he was considerate. In a very particular way the Senate was his entire career and his whole life. We shall miss him.

Mr. GORE. Mr. President, I join my colleagues in an expression of heartfelt regret at the passing of this man who proved to be a great public servant in his field. It matters not what is one's station in life. One can perform it well and be great in that position, if he performs with dedication, with earnestness, with energy, and with kindliness. Truly Paul Johnson did all those things.

To his family, I express my deepest sympathy.

Mr. McGEE. Mr. President, I wish to join those of my colleagues who have expressed deep sorrow at the passing of Paul Johnson.

I do not suppose it would be easy to find any one personality who, in his own life, commanded as great a perspective of the history and the personalities of as much of our country's activities in the first 60 or so years of this century as Paul Johnson.

He had many, many fascinating personal memories to recount, which applied to the giants and the great men of the Senate of the United States, from the dawn of the 20th century. It was my observation it was always with the utmost of discretion that he discussed these individuals. Never did I hear him betray an unkind thought or what might be peddled in the vernacular of others as gossip. Even so, the contribution he had to make about the Senators of the past and of the present in my judgment, as I said to Paul Johnson on many occasions, would have made a very rich and rewarding collection of memoirs which would have helped to "flesh out" any story an individual would care to write about this body of the Government of the United States.

So I express my own deep personal sorrow at the passing of Paul Johnson.

TRIBUTE TO OFFICERS AND EMPLOYEES OF CONTINENTAL AIRLINES

Mr. ALLOTT. Mr. President, Continental Airlines is to be commended for the extraordinary devotion to duty and concern for its passengers which was exhibited by Continental Airlines' employees during the attempt to hijack a jet airplane en route from Phoenix to El Paso on August 3.

Robert F. Six, president of Continental Airlines, was in constant control of the situation, so far as the airline was concerned; and he was in immediate and constant contact with the administration, the Federal Aviation Agency, the law enforcement agencies, and his own employees aboard the aircraft, during the 9-hour seige. Mr. Six was on the scene at El Paso when the long vigil finally culminated in a successful apprehension of the bandits.

Eyewitnesses to the attempted hijacking were unanimous in their praise of the Continental employees who showed extraordinary courage and concern for the safety of their passengers on the flight. The crewmembers were: Byron D. Rickhards, captain; G. L. Wagner, first officer; Norm Simmons, second officer; Lou Finch, director of passenger service; Lois Carnagey, hostess; Tonie Besset, hostess.

Special notice should be taken of a Continental Airlines employee who was a passenger on the plane when the bandits, with arms drawn, asked for four hostages to stay with the aircraft to Cuba. One of the first who volunteered for this dangerous assignment was J. P. Casey, assistant terminal operations supervisor, Houston, Tex.

Certainly all Continental Airlines passengers, as well as all airline passengers everywhere, can be assured of the high caliber and devotion to duty shown by these employees, typical of all certificated airline employees in this country.

Mr. KUCHEL. Mr. President, the distinguished Senator from Colorado has paid a deserved tribute to the officers and employees of Continental Airlines for their conduct during the attempted hijacking of one of the planes of that airline last week. I join with him in that tribute. Indeed, I am sure the people of the United States do.

This is a group of American citizens, like you and like me, Mr. President, who were working for one of the great American commercial airlines of the country, who were faced with a sudden, dangerous, and desperate situation, and who comported themselves in an excellent and courageous fashion, to their eternal credit. I simply wish to have the RECORD show that this is an instance in which there was an immediate response by the employees of that airline with the top thought in mind of the protection of citizens who were on board the aircraft.

Mr. CARLSON. Mr. President, the officers and personnel of the Continental Airlines are to be commended for their demonstrated ability to handle an emergency such as arose in the hijacking of one of their airliners last week. I think it is a test of this type that again demonstrates the ability of men and women who are handling large operations in the way of commercial aircraft in this Nation.

Robert Six, president of the Continental Airlines, has built that organization from a very small operation of some years back to the huge operations which practically circle the globe at the present time. I think the incident demonstrates once again that when these situations do arise, we have men who are qualified to handle them. The incident that occurred in El Paso certainly was one in which there was not only a local and national interest, but also international interest.

I wish to commend all that had anything to do with it, including the employees of the airline and the local officials in Texas who cooperated so magnificently with the Federal agencies in handling the situation that could have

caused the loss of life. I think we were very fortunate that the situation cleared up as it did.

FOREST RESEARCH IN ALASKA

Mr. BARTLETT. Mr. President, on August 1, the distinguished junior Senator from Mississippi [Mr. STENNIS] described to the Senate the forest-research facilities which will be made available under an appropriation of $26,368,000 included in the Interior Department appropriation bill. Typical of the untiring energy of the Senator from Mississippi was his concern for the deletion of an additional $1,245,000 included for this purpose in the Senate-passed bill, but eliminated in conference. I share the concern of my colleague, and will do all possible to assist him in the long continuing effort he has led to establish a farsighted and long-range national research program for forest protection and utilization. It is my hope that the appropriation lost to forest research this year will be given the highest possible priority for fiscal year 1963.

Included among the 16 construction projects for forest research in the 1962 appropriation is a forest research station to be constructed at the University of Alaska, near Fairbanks. This station will house the present small staff of foresters in interior Alaska and will provide space for additional personnel. Present plans call for a permanent staff of 8 to 10 foresters and support personnel at this $350,000 research laboratory. Although none of the forests of the interior is under Forest Service jurisdiction, the Forest Service will provide here, as elsewhere, cooperative research services to the Interior Department in protecting the public domain.

I should like to describe the nature of the work to which the efforts of this research unit will be directed; but, first, I think it appropriate to describe generally the forest resources of Alaska and the manner in which they have been managed by the Federal Government.

At the outset, it should be recognized that, with the exception of land very recently acquired by the State of Alaska under statehood land grants, all forest areas in Alaska are federally owned. Alaska forests are generally divided into two general categories, the coastal and the interior.

The coastal forests of Alaska are within two great national forest reservations administered by the U.S. Forest Service—the Tongass, in southeastern Alaska; and the Chugach, south and southeast of Anchorage. These forest protection areas were set aside in 1907, and total almost 21 million acres.

An area now within the Chugach National Forest was, perhaps, the first Alaska timber area to attract the official attention of the Federal Government. As early as 1892 the Afognak Forest and Fish Culture Reserve was established, and later was included within the Chugach. In 1902, the Alexander Archipelago Forest Reserve—now a part of the Tongass National Forest—was also created by executive action.

Credited with the foresight which must have been necessary to have seen in then remote Alaska potentialities of growth and development are Theodore Roosevelt, Gifford Pinchot, and others of that period who early recognized the need for sustained yield and multiple-use management of the public domain.

Unfortunately, the foresight which led to the protection of these timber areas did not extend to accomplish much more than custodial care of the Alaska coastal forests. Little more than mapping and fire protection were attempted by the skeleton staff of foresters charged with the responsibility of managing these two areas placed under Federal stewardship. Nothing at all seems to have been done to preserve the forests of the interior, which remain today in the public domain. With the exception of a short period between 1924 and the middle 1930's, there was little, if any, actual forest research in Alaska. In 1924, work was begun by the Forest Service to learn more about the resources held under protection. Except for the remeasurement of permanent plots, the effort was completely discontinued during the depression years of the 1930's. It was not until 1948 that the Alaska Forest Research Center was established at Juneau.

It should be added at this point that a man recognized nationally, as well as in Alaska, as a leader in the struggle to develop and protect American timber resources, came upon the official scene during these early years. The Honorable B. Frank Heintzleman, later appointed Governor of Alaska, became regional forester in 1937, succeeding C. H. Flory, who held the post from its inception in 1921.

Around the time of his appointment as regional forester, Frank Heintzleman held another governmental post. He was a member of the Alaska Resources Committee, appointed by Secretary of the Interior Ickes, at the direction of the President.

It is highly significant, I believe, that included in the forestry section of this early Alaska study was the following recommendation:

> Planned programs of study should be started to determine the basic information needed: (1) For growing timber as a crop, such as rate of growth on sites of various types, how to favor the desirable species in the new crop, insect and disease control, best methods of harvesting, methods to insure reproduction under varying conditions, and market possibilities; (2) for maintaining and improving the character and volume of forage crops on the range lands and increasing the numbers of the more desirable game animals; (3) for controlling the very destructive forest, grass, and timber fires that now occur in interior and northern Alaska.
>
> To further this investigative program Alaska should have a forest and range experiment station.

More than 10 years passed after the publication of this report before the recommended action was undertaken in Washington. In 1948 the Juneau center was established. As I turn my attention from the coastal forests of Alaska to those in the interior of the 49th State, it will become apparent that the funds and facilities which were made available to this establishment were far below those required for realistic Alaska forest research.

Before turning to the interior forests, however, the size, productivity, and nature of the coastal forests should be described. The coastal forests cover some 21 million acres, 6 percent of the entire surface of Alaska. Included along their boundaries is a navigable coastline of about 10,000 miles. It is estimated that 75 percent of the commercial timber within the coastal forests is located within 2½ miles of tidewater.

The coastal forests are predominantly of pulp quality. The Tongass Forest alone has, according to the Forest Service, an estimated 92 billion feet gross volume on operable commercial forest land. An additional 54 billion feet is classed inoperable, primarily because of inaccessibility.

Both the Tongass and the Chugach are predominantly made up of western hemlock, although slightly more than one-quarter of commercial volume consists of Sitka spruce. Other varieties include western red and Alaska cedars and some quantities of cottonwood and red alder.

In recent years, since 1951, large-scale pulp and timber operations have developed in southeastern Alaska. Plants have been constructed at Ketchikan, Sitka, and Wrangell. At Ketchikan and Sitka modern pulp mills have been erected. Each of these plants operates under long-term sustained yield timber contracts with the Forest Service. The Ketchikan plant, completed in 1954, has a capacity of between 550 and 600 tons of high grade dissolving pulp; while the Sitka mill, opened in 1959, produces a 450-ton yield of high grade alpha cellulose pulp. At Wrangell, a modern sawmill has been built as the first phase of a combined timber-pulp development plan. In connection with the Sitka plant, a new vista for Alaska in foreign trade has been opened. The plant produces almost exclusively for Japanese industrial consumption.

The economic development of the interior forests of Alaska has naturally not been so rapid as that which has occurred in the coastal areas. Problems of transportation and accessibility have not only prevented any substantial utilization, but have been particularly troublesome in the protection of interior timber from the ravages of disease and fire.

It will be recalled that the 1937 report from which I quoted earlier called for the development of control procedures to meet the threat of fire which is so costly to interior Alaska timber resources. Sadly, the farsighted recommendation for Alaska research in this area has not guided a reluctant Congress. The result, despite the gallant efforts of Bureau of Land Management foresters battling tremendous odds, has been the devastation of great masses of land within the interior forest.

Organized fire control did not even begin in Alaska until 1940. Since that

time, annual forest losses have averaged 1.2 million acres. In 1957, 5 million acres of the public domain forest and rangeland burned. According to Bureau of Land Management officials, 80 percent of Alaska's forest lands has been burned over one or more times.

The interior forest land of Alaska under the jurisdiction of the Department of the Interior is a resource so great that it defies the imagination. For purposes of comparison, I note that its estimated 125 million acres approximates 2½ times the entire surface of the State of Washington. Because, however, of the ravages of past fires, diseases and insects, only 40 million acres may fairly be classified as commercial timberland. In the interior, as in the coastal forests, the timber is predominently softwood of pulp quality. The predominant species in these public domain forests are white spruce, white birch, and aspen. However, great stands of cotton wood are also to be found in some portions.

To date, there has been no real utilization of interior Alaska timber resources. Ninety percent of the local timber consumption is imported. There are some 70 small sawmills in operation. However, production has been negligible, in comparison with local demand and the forest's potential sustained yield. Virtually no plans have been revealed for pulp operations in the interior. The development, however, of Alaska hydroelectric power may, combined with improved transportation, provide the impetus needed to attract new investment in the area.

I have described in the most general terms the timber resources of Alaska. I have described, too, the terrible losses which have occurred, especially in the interior forests, which might have been prevented, or at least reduced, had the Federal Government recognized earlier its clear responsibility. The appropriation of $350,000, which recently was approved by Congress to meet further this responsibility, could not be better spent.

The forest laboratory which will be built near Fairbanks with this appropriation will be under the general direction of the U.S. Forest Service Northern Forest Experiment Station, at Juneau. Heretofore, a small group of foresters, operating out of a suitcase, as it were, has been stationed in the interior. Their efforts have been largely restricted to conducting an inventory of the interior forests. In order to accomplish this task, which, because of the very size of the land area involved, is unique, the foresters have taken to the air. Aerial photography has provided a method of inventory which has proved highly successful and economical. The initial survey is now near completion; and although it will have to be brought up to date from time to time, the enlarged laboratory staff will now be able to turn its total attention to the pressing problems of disease, fire, and restoration.

Three facets of this program will require the immediate attention of the foresters at Fairbanks. First, there is the ever-constant threat of fire. In this respect, as in others, the Alaska problem has no parallel. The distances involved in forest management require that many traditional procedures be abandoned, and new approaches be developed. Two possibilities which seem promising for early development are the use of electronic devices to measure the direction and distance of electric storms and the development of new and more effective chemical firefighting agents. New methods of delivering these new agents will also be required.

Should the efforts of those assigned these problems bear fruit—and I am confident they will—there can be effected an immediate savings in dollars, as well as in resources. An adaptation of radar and spheres detection equipment to the control of fires will allow an efficient utilization of aircraft and manpower never before possible. Fires may then be anticipated, localized, and brought under early control.

A second area which requires immediate attention in interior Alaska is the development of reforestation technique and understanding. We do not know what species might best grow in these forests. We have no knowledge of seeding and thinning in the sub-Arctic forests of the interior. The inventory which will soon be completed will provide needed information as to the present forest crop. However, we have yet to determine the reproductive power of the forest in natural and stimulated conditions. It may be found that a species now extant or one previously destroyed by fire is no longer suitable. All of these questions must be answered before action for the future may be attempted.

The third, though certainly not the least challenging, task which will face forestry experts at Fairbanks is the isolation and control of insect pests and timber diseases. I am informed that virtually nothing is known about the degree to which the interior forests are being damaged by insects and disease. According to one knowledgeable administrator in the Forest Service, every new expert who has entered the interior forests of Alaska has returned to report an insect or disease problem which had not previously been known. Obviously, we cannot afford to continue in this luxurious ignorance if we are to fulfill our responsibility of protecting for future generations the renewable resources of the forests in Alaska and elsewhere.

Mr. President, no individual has done more to make known the needs of American forestry than has the distinguished and able junior Senator from Mississippi [Mr. STENNIS]. Future generations will be in his debt as they enjoy the benefits of the American forests, conserved for their enjoyment under programs of development and conservation which have enjoyed his ardent and effective support. In Alaska, an area which will immediately feel the impact of this program, that debt of gratitude is a present one.

JOHN C. MEISZNER

Mr. DIRKSEN. Mr. President, last year it was my pleasure to suggest for appointment by the President the name of John C. Meiszner as collector of customs for the Chicago district. My confidence and trust in him were not misplaced, because he made an outstanding record in that office, as indicated by an article published in the Chicago Tribune of Sunday, July 30.

Mr. Meiszner's collections, the service he has rendered, the morale he has maintained among the staff, the around-the-clock service he made possible at O'Hare International Airport, and the other improvements he has effected in the Customs Service add up to an outstanding record, for which he merits the congratulations and the compliments of the citizenry of the country who are served by this office.

To all this I add my own congratulations, and express my profound pride in the discharge of his responsiblities. I ask unanimous consent to have the Tribune article made a part of my remarks in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

O'HARA CUSTOMS UNIT IMPROVED—QUICK WORK NOW FOR TRAVELERS

(By Wayne Thomis)

Local authorities reported yesterday that the special Federal services—customs, immigration, public health, and plant quarantine—have been improving at O'Hare International Airport. Travelers in the past have criticized delays and confusion in customs and other inspections.

Passengers arriving directly from European capitals and from Mexico City—foreign departure points where there is no pre-clearance by American inspectors—have tripled in the last 12 months. In the next 2 months there may be as many as 16,000 persons cleared through the makeshift International Arrivals Building on the north fringe of the O'Hare domestic terminals area.

PROCESSING IS EFFICIENT

In spite of crowding, of rushed and often overworked field agents in each of the services, records kept by city and airline observers indicate that riders of incoming jet flights of 100 to 160 persons are processed as swiftly and efficiently at Chicago as at any port of entry in the United States.

Recent jet arrivals with 100 or more passengers have been timed through the various inspection areas. From time of leaving the airplane until walking out the front door of the arrivals building—free to go anywhere in the country—the individual passenger averages 50 minutes.

Every effort is made to bypass individuals or families where entry papers, customs forms, or possessions cause prolonged conferences. Such persons or groups are put into hold rooms until the rest of the passengers have been cleared and then the individual difficulties are considered.

LAUD CITY COOPERATION

Immigration and public health inspectors usually are more directly concerned with passengers than the other services. C. V. Perry, supervising immigration inspector at O'Hare, and Edward Duerden, public health inspector who also is known as the supervising quarantine officer there, head staffs that must handle the rush from every foreign jet.

"I must say," Perry replied in answer to questions, "that we are not ideally situated here at O'Hare Field but the city has been most understanding and has cooperated well with our district director, W. T. Flagg."

"We all realize we are doing our jobs right in the center of a tremendous airport building program and during a period in which

the airlines are adding new jet flights in all directions and enormously increasing their traffic."

INSPECTORS HAVE ASSISTANTS

Perry said that "for the moment," immigration has sufficient interviewing space for the five inspectors at O'Hare. The men are assisted by three young women who are "port receptionists." They are uniformed assistants with insignia of the immigration service on oversea caps, and assist travelers in preparing for immigration interviews with inspectors.

"Public health has just been given a second holding room and this permits us now to work two incoming flights that have arrived simultaneously," said Duerden. "By law, the health service is not permitted to mix passengers from two flights before they have passed health examinations."

Prior to obtaining the second hold room, Inspector Duerden said that when two flights rolled up on the arrivals ramp together the passengers in one simply were held in the cabin until the other flight "cleared."

SCHEDULES ADD WOES

Scheduling arrangements by the international carriers have added somewhat to the woes of the Federal services here. On some days three airplanes, one from London, one from Frankfurt, Germany, and one from Paris have arrived within 5 minutes of each other. Five foreign flights regularly arrive at O'Hare on Saturdays within a 2-hour period.

"Our work is vital," said Duerden, "and we have the fullest cooperation from the airline people and from other services. I have timed our inspections recently in cases where there have been up to 100 passengers from an Air France flight and found that they all passed through our department in 37 minutes."

CONFISCATE SEEDS, FRUIT

Probably the least understood of the services is that of plant quarantine, represented by W. C. Wakefield, inspector in charge for the agriculture department. There are only seven inspectors in the city but one man is kept at O'Hare on a full-time basis.

"We find that incoming passengers—many of them aliens—simply do not comprehend why we confiscate certain seeds, fruit, straw, and packing materials. Even when it is explained they are skeptical and suspicious."

The Department of Agriculture is charged with preventing introduction into the country of destructive or infectious beetles, insects, types of plants, and any form of life that has been shown to be inimical to indigenous American plants or food animals.

Customs under John C. Meiszner, Chicago collector of customs, is the largest of the special Federal departments. There are 28 inspectors and 2 supervisors under Meiszner and they provide 24-hour service at O'Hare plus notification services at Midway Airport.

INSPECT ALL BAGGAGE

Customs must inspect baggage and cargo for all incoming foreign flights and for this purpose a customs cargo area has been set aside. Aircargo arriving at O'Hare can be unloaded, housed until inspected, and then released at O'Hare Field. No other airport of entry in the country except New York's Idlewild has similar facilities.

"Our records show," said Meiszner, "that in April 1960 the majority of our business was at Chicago's Midway Airport—then the world's busiest. In that month, 3,636 passengers cleared their baggage and cargo shipments. At O'Hare Field in that same month there were only 792 foreign passengers arriving.

"The terrific shift to O'Hare came that same summer. By September 1960 only 59 were cleared at Midway but O'Hare's foreign arrivals were up to 11,762 persons.

EXPECTS NEW RECORD

"We have had no month this year with less than 5,200 passengers and we expect August and September this year to establish new records of about 16,000."

"Our little customshouse at O'Hare—so called because of the larger Chicago customs house at 610 South Canal Street –has been a success and we soon will require more room. Just where that will be is uncertain but there is talk that we will have quarters in what is now the main passenger terminal after the domestic airlines move to their permanent O'Hare Field sites in the new passenger service buildings."

COLD WAR GI BILL

Mrs. NEUBERGER. Mr. President, I was extremely gratified to learn that the Committee on Labor and Public Welfare on Tuesday, August 1, approved S. 349, the cold war GI bill, which would provide readjustment benefits for persons serving in the military between January 31, 1955 and July 1, 1963.

As a cosponsor of this proposed legislation, I have followed its progress with particular interest, and the distinguished chairman of the Subcommittee on Veterans' Affairs, the senior Senator from Texas [Mr. YARBOROUGH], is to be commended for the devoted leadership he has exercised over the cold war GI bill. I have been keenly aware of this bill for another reason, Mr. President. My husband actively sponsored similar legislation in the last three sessions of Congress, and we were heartened by Senate passage of a cold war GI bill, S. 1138, by a vote of 57 to 31 in the 86th Congress.

There are today nearly 2 million cold war veterans, many of whom have served in trouble spots like Berlin, Formosa, and Korea, and such remote locations as Greenland, Okinawa, and North Africa. Amidst new and more serious Communist threats, our Chief Executive has found it necessary to increase the military readiness of the country and it seems only simple equity that those who serve the United States in these crisis-filled days should have an opportunity to regain time lost in extended tours of military service.

Our Nation is today faced with a crisis in education which must be dealt with promptly and effectively, or the machinery which sustains our democratic society will begin to slow down, endangering not only our standard of living but our position in the world. We are engaged with Russia in the cold war of the classroom. The National Defense Education Act of 1958 was an important postsputnik achievement in helping train scientists and engineers, and the GI bill can offer an additional bulwark in meeting the Soviet challenge.

Mr. President, I sincerely hope the Senate will follow through on the action of the Committee on Labor and Public Welfare and expedite the passage of S. 349, the cold war GI bill.

ELECTRONICS TRAINING AND DEVRY TECHNICAL INSTITUTE

Mr. WILEY. Mr. President, once again the technicians in Rusisa have demonstrated their advances. This took place Sunday, when Maj. Gherman Stepanovich Titov was rocketed into orbit around the earth.

This brought to mind that recently, when I was in Chicago, I heard of the DeVry Institute of Chicago and Toronto—one of the Nation's largest, oldest, and most successful electronic training centers. Mr. T. J. Lafeber is president of this institute.

For sometime, now, the eyes of all the world have been fixed with interest on the achievements of astronauts in outer space, satellites in orbit, and ballistic missiles launched and controlled. In these days, too, the anxious interest of all America has been centered on assessing our defensive assets, both in materiel and in men skilled to handle it. For our defense efforts in the realm of space require a stupendous array of equipment; and that equipment demands a whole host of electronic engineers and technicians to maintain it.

When we consider the bewildering number and complexity of the electronic devices, instruments, and parts which the launching of a satellite, the firing of a missile, and the placing of men in space require, we can readily see that our national safety, as well as our future scientific and economic growth, will demand electronic technicians in great numbers and of highest skill.

The electronic technician is the man who installs, calibrates, maintains, adjusts, and services the intricate electronic gear on which so much of our Nation's safety and advancement rests. He is the good right arm of the electronic scientist and of the electronic engineer. He is one of our great national assets—and today, unhappily, he is in short supply.

This shortage looks all the more serious when, as a member of the Foreign Relations Committee, I can assure the Senate of the frantic efforts put forward by potential enemy governments to train hundreds of thousands of their young men as electronic technicians. And the situation looks positively critical when we remember the present crowded condition of our American schools and colleges, and the dangerous scarcity of qualified science teachers.

In view of all these facts. I deem it my duty to call to your attention the significance of a forward step recently made by President T. J. Lafeber of DeVry Technical Institute of Chicago and Toronto, one of the Nation's largest, oldest, and most successful electronic training centers.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Wisconsin may proceed for 2 additional minutes.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. WILEY. Mr. President, DeVry Tech has inaugurated a space and missile electronics training program, in which thousands of men can thoroughly train to become the kind of electronic technicians that our defense effort so

sorely lacks. Very significant is the fact that these men can train at home, keeping their regular jobs and investing their spare time. Most significant is the fact that their training is thorough, following the methods made famous by DeVry Technical Institute for the past 30 years: the use of motion pictures, practical experiments, the same techniques which were used to train our specialists during World War II. This space and missile electronics training program, Mr. Lafeber assures me, will be conducted with the same thoroughness that built DeVry Technical Institute to its present size and success—with 2,600 resident students in its Chicago laboratories, more than 18,500 men enrolled in its home-study courses, and more than 100,000 alumni.

Here are Americans by the thousands, many of them who could never afford to enter a university, using their own money and investing their own spare time to fit themselves for a larger share of responsibility in the electronic age.

For this is the electronic age—just as definite an era of human advancement as the age of electricity and the age of steam. Today it is electronics that helps to keep wheels turning, communications open, the economy running, prosperity growing. If America is to give the lie to a recent Soviet boast, "We will bury you," it is our leadership in electronics that can help prevent that threatened interment.

There are several excellent electronic training centers throughout our land. Tonight there will be thousands of young men poring over textbooks and electronic diagrams, and studying home-training motion pictures. All this is an encouraging sign; and electronics home training is a movement worthy of our encouragement.

And most encouraging is the movement, as exemplified by DeVry Technical Institute, which is located at 4141 Belmont Avenue, in Chicago, to apply their already proven success in training electronic technicians in the skills applicable to industrial aspects of the science to the know-how needed to back up the efforts of the scientists, the engineers, and the astronauts working on outer space projects.

And as a member of the Foreign Relations Committee, I strongly recommend to the Members of this distinguished body that they advise young men of the advantages of home training in electronics. As I have been informed by Mr. Lafeber, president of DeVry Technical Institute, young men need no previous technical experience, no advance mathematical training, in order to enroll in a home-study program that promises so much to the individual, and means so much to his country.

FALLOUT SHELTER CANNOT GUARANTEE SURVIVAL

Mr. YOUNG of Ohio. Mr. President, for the Cleveland Plain Dealer, one of the great newspapers of the Middle West, Philip W. Porter, wrote an important column which is most noteworthy. This column in the Plain Dealer of August 4, 1961, is entitled "Porter's Column—Fallout Shelters Can't Guarantee Survival."

Colonel Porter served in combat in World War II. His column and comments are widely read and respected. He believes in a strong national defense and feels that Khrushchev will never undertake an all-out atomic attack on this Nation if we keep our manned jet bombers and intercontinental ballistic missiles on an operational basis capable of instant and tremendous destruction and devastation of the Soviet Union following an attack on us.

Furthermore, all along he has supported my views that the defense of American citizens is a major factor in the defense of our Nation and that President Kennedy properly placed this responsibility under the Secretary of Defense, as I have advocated for more than 2 years.

His column is so important and convincing, I embody his statements in my remarks and ask unanimous consent that they be printed at this place in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FALLOUT SHELTER CAN'T GUARANTEE SURVIVAL

(By Philip W. Porter)

Come to think of it, President Kennedy really didn't ask much of us in beefing up the national defense, to show Khrushchev we mean business in Berlin. Phrases like stepped-up draft calls, activating reserves, etc., sound big but the total effect on our manpower is hardly noticeable.

In this county, on the new basis, only 250 young men a month would be vulnerable to draft, and about 50 more might be called up as reservists. That's peanuts, in a population of 1,500,000. Fact is, the draft has been practically at a standstill for months, because enlistments were sufficient. When they start sending to camp a couple hundred draftees a day and taking young fathers and men with minor physical ailments, then you'll know things are getting serious.

President Kennedy had to do something tangible to back up his strong words, and from a national standpoint, he did. He had to do something to make people more conscious of the menacing situation. But I'm sorry he felt impelled to drag in civil defense, which most people have wisely ignored, because so much of it has been and still is obvious nonsense.

SIMPLY CANNOT BE DONE

He's our No. 1 official, and we've got to pray for him, as he asked, but he's going to need more than prayer to get us to take this stuff any more seriously now than we have for the last 10 years. Asking for more tax money for such purposes, is not going to convince the skeptics. He should have liquidated the entire boondoggle, rather than try to expand it.

The reason people don't take CD seriously is that it defies commonsense, and simply cannot be executed. Shelters in new public buildings would accomplish little, except increase their costs—they couldn't protect enough people to put in your eye. Citizens are not going to spend a thousand bucks on their own to add shelters to their homes, because they know that if a big bomb should land anywhere near, the entire house, plus the inhabitants, would be incinerated anyway, so why try to kid about it?

Not enough people understand fallout sufficiently to fix up a shelter that could withstand lethal radioactivity. They wouldn't know when to take shelter, how long to stay, when it was safe to come up.

BACKS SENATOR YOUNG

They're not going to spend their own money on shelters; they're waiting for Uncle Sam to cough up another Federal handout. And Uncle Sam would have to double the national debt to build sufficient home shelters in all vulnerable cities. Most folks know that is not going to happen.

Senator STEVE YOUNG has been right in his long campaign to cut the waste, reduce the confusion (one official says evacuate cities, another says all crawl into shelters), the useless effort, the made work. It's discouraging to hear the President ignoring all this, and suggesting we pour more money down this rathole.

Before the speech there were signs that commonsense was dawning. The Ohio Legislature drastically cut the State appropriation for CD and what happened? Nothing, except a half dozen well-paid paper-pushers went off the payroll. Mayor Bill Stapleton, of Shaker Heights, at a ribbon-cutting ceremony for a model shelter, said he thought the shelter idea was absurd.

FREEMAN'S SUGGESTION

The nuttiest recent idea came from Agriculture Secretary Freeman. He suggested moving surplus wheat, accumulated through the idiocy of his own Department, to various cities as CD stockpiles. It hadn't occurred to him, apparently, that you have to grind it into flour before it's edible. Ever try eating wheat kernels?

The President made the right move in shifting responsibility for CD to the Secretary of Defense, for, as Senator YOUNG has so often said, in case of emergency, the military will take over, anyway. But neither the President nor Secretary McNamara is going to sell Congress on the necessity or the expense of shelters for all.

If the chips were down, the American people wouldn't suddenly flee into the desert or the mountains. They wouldn't crawl underground, each into his own shelter.

They'd make the best of a bad lot, as the British did during severe attacks, realizing plenty of people would get killed and hurt, no matter what.

No genius has yet invented a formula for avoiding all disease throughout life, nor a way to avoid casualties in war. Try to avoid the war, of course, but if it should come, face it. Thinking up gimmicks like fallout shelters won't guarantee survival.

YOUTH CONSERVATION CORPS

Mr. MOSS. Mr. President, the Senate now has before it for consideration the Youth Conservation Corps bill, which has aroused a great deal of interest in my State. The problem not only is the preservation of our natural resources but also the providing of a worthwhile outlet for the energies of youthful members of society who are seeking employment.

Mr. President, the Salt Lake Tribune in April presented a very able editorial entitled "Another Way To Invest in U.S. Youth." I ask unanimous consent that the editorial may be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ANOTHER WAY TO INVEST IN U.S. YOUTH

It is only natural that increased unemployment should stimulate the move for formation of a Youth Conservation Corps similar to the Civilian Conservation Corps of the depression era.

The program is being advanced primarily for furnishing healthful, outdoor work for youths who drop out of school prematurely. The bill seemingly most favored by the Kennedy administration would set up a task force of 150,000 boys from 17 to 19, accepted as volunteers for a year's work under the National Parks Service, the U.S. Forest Service, and other conservation agencies. The youths would be paid token wages and would live in camps as did the CCC. Some schooling, mostly of a remedial nature, would be available.

Labor Secretary Goldberg's report on how machines are absorbing jobs faster than new employment can be provided is anything but reassuring. It is all the more grim when one considers that unemployment among teenagers is three times the national average. Their 20-percent unemployment rate is the highest of any age category because job opportunities for unskilled youths have diminished with the rising demand for skilled labor.

It may be argued that boys 17 to 19 should remain in school at least 9 months of the year, but the fact remains that almost 1 in 3 drop out of school for some reason or another. To force them to stay in school would be detrimental to both the youths and the schools in many cases.

In addition to giving employment and helping prevent delinquency, the Youth Corps plan would help catch up with an enormous amount of forest water, park, and soil improvement work.

One critical observer has said that if so much conservation work is really needed, it should be done by skilled career people.

Actually, there is a serious shortage of forest rangers and related personnel, and there is need for getting work done at a minimum reasonable cost to the taxpayer.

Sending 150,000 teenage youths into the field to serve as laborers, technician's helpers, and light construction workers will not make a big dent in the Nation's unemployment problem. The time may be near, however, when a larger program of this kind will have to be considered. Added to the 9-year experience of the CCC, the experience of a new pilot Youth Conservation Corps could prove helpful in coping with a variety of problems.

Mr. MOSS. Mr. President, thereafter an editorial was published in another great daily newspaper of Salt Lake City, the Deseret News, entitled "Problem of Jobs for Juveniles." This editorial deals with the subject that it is necessary for juveniles to have employment if we are to deal properly with the problem of delinquency, which is constantly increasing in our society. I ask unanimous consent that this editorial may be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PROBLEM OF JOBS FOR JUVENILES

Five teenagers in a comfortable midwestern community are currently at work three nights a week, polishing up brass and chrome, cleaning and sweeping and doing whatever other chores may be necessary in the town's firehouse. These boys, reportedly from well-to-do families, also have been placed on probation, required to pay damages and restricted in leaving their homes.

Their offense? Setting off fires and explosions in stores and warehouses because they were "looking for something to do."

News items like this one which rated a couple of paragraphs in most newspapers, seem to be on the increase. Indeed, according to one psychologist, Dr. Walter B. Miller, the current public furore over juvenile delinquency is due not so much to the general increase in delinquency itself as to the increased delinquency among middle-class and well-to-do families.

The essential problem of such alienated youngsters is that they have not found a satisfactory avenue or channel of growth toward adult responsibility, regardless of their good homes. Since most of them are failing in school, they cannot grow up by means of the school. They need an alternative pathway to that offered by the school as we know it.

The boys want the same things in life as their friends who are growing up successfully. They would like to have money, a job and good clothes. As they grow older they crave the use of an automobile so they can take out their girl friends. Unlike "the other kids," they do not enjoy the combination of family assistance, the intelligence, the social skills and the proper study and work habits necessary to achieve these goals legitimately.

Years ago there were also many boys and girls who could not grow up through the school system. But at that time there was a clear alternative road to adulthood—the road of work. A boy could quit school at 14, 15, or 16 and get work on the farm or in a store or factory. In 1920, for example, more than half the boys in the United States dropped out of school before graduation from high school. At that time a boy could easily follow a common nonacademic pathway from early adolescence to adulthood.

Since 1940 the number of jobs open to juveniles has steadily decreased. Jobs as telegraph messengers, delivery boys, office boys, elevator operators, and farmhands have grown scarce. The farm population has decreased greatly and with it the farm as a place where a youngster could do a man's work at age 16.

Employers, faced with the oversupply of adult workers, have attempted to solve the problem by adopting a standard for employment, the minimum age of 18, or high school graduation. The 1960 employment census shows that fewer than 35 percent of the boys through 14 to 17, were employed during those years. The jobs they did have were generally part time. In the mid-1950's when the general rate of unemployment in the United States was 5 percent, the teenage unemployment rate was 12 percent, and 17-year-olds who had dropped out of school had an unemployment rate of 22 percent.

The road to adulthood through juvenile work has narrowed alarmingly in the past 30 years and at the current rate will become even more constricted during the coming decade, unless some way can be found to create or find more juvenile jobs. And since jobs for juveniles are not likely to increase, it becomes necessary to provide boys with some type of moral equivalent to work, or work experience that has the growth value of a regular job.

We just cannot have these youngsters going around setting fires while looking for something to do.

Mr. MOSS. Mr. President, this was followed by a very penetrating editorial published in one of the small weekly newspapers of Utah, the Spanish Fork Press, entitled "Child Labor Laws Should Be Changed for Good of Youth."

The burden of this editorial is to the effect that we have constantly increased the level of employment supervision, to the point that children are now denied the opportunity of working in various activities of which we knew in our youth, and that perhaps we have gone too far in investing time and energy in providing recreation but not job opportunities.

All of these editorials tie together and have particular significance because of the bill with respect to the Youth Conservation Corps which will be before the Senate shortly for a vote. I ask unanimous consent that the editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CHILD LABOR LAWS SHOULD BE CHANGED FOR GOOD OF YOUTH

Whenever the subject of juvenile delinquency is mentioned, someone usually suggests that what is most needed is more recreational facilities. They suggest that, in order to more adequately take care of the "spare itme" of our young people, we would provide more of such things as baseball and softball diamonds, bowling alleys, or a swimming pool. And along with their suggestion that these things be provided, usually at Government expense, is the implication that when the new facilities are in operation the juvenile delinquency problem will diminish.

Such things are nice for a community to have. Surely recreation is with us to stay, and a community needs certain facilities which cannot be financed or provided by the ordinary channels of free enterprise. But many of the suggestions are not within this realm, in our opinion. And anyone who has made a study of statistics will agree that our juvenile problems have not yet been solved.

Is recreational facilities the answer? Or are we neglecting a field of community endeavor which may bear more fruit?

We hold with the latter idea.

We are in agreement with Secretary Abraham A. Ribicoff, Secretary of the U.S. Health, Education, and Welfare Department, who has suggested a revision of our child labor laws to make work opportunities more varied for our youth. Secretary Ribicoff pointed out recently that of the several jobs which he worked at during his youth (from 12 years of age) only one is now legally available to our youth. Ribicoff delivered milk at the age of 12, pumped gasoline in a garage at 14 and worked with a road construction crew at 16. All of these jobs would now be a violation of the current child labor laws. Only one job he had as a youth is now available—delivering newspapers.

"We have too many laws for coddling of children," Mr. Ribicoff said. "There is nothing that will lift up self-respect as much as doing a worthwhile task."

Children, of course should be barred from hazardous jobs, and our laws should protect them from exploitation by the unscrupulous. But certainly there are hundreds of things that young boys and girls can do prior to the time they reach the age of 16 or 18, when the laws suddenly consider them as adults.

Work is a vital and necessary part of the successful person's life. We cannot teach children how to work by simply teaching them how to play—with recreation. In recent years we have noticed a trend in thinking and talking which we consider very dangerous, not only for individuals, but for our country. That is the idea that the chief goal in life is to play and have fun. Much of our present social custom has this theme today. The idea of shorter hours of work, and more free time for recreation is pervading the country on an ever-increasing spiral. Work is no longer enthroned as the provider of success and happiness as well as the material necessities. It now seems pictured as the necessary evil through which we might obtain pleasures of recreation.

The scriptures do not teach recreation as the producer of good things. But they do, in many instances, glorify the value of work.

We do not just grow up naturally liking to work and knowing how to work. Children must be taught early in life the value of

work, how to enjoy it, and what it will mean in their future. But you cannot teach these lessons merely with words. They must have actual experience. It has been our observation that by the time a boy reaches the legal working age (16 in some instances, 18 in others) he has largely lost his enthusiasm and desire to learn to work which he had earlier. Today, he has learned well the lesson of play. We therefore need to give our children work experience at earlier ages than the law now allows—just as Secretary Ribicoff has suggested.

We believe that if people of this country, or this community, put as much effort and thought and money into providing more and better work opportunities for our children, as we now put into recreation, we would see real advances in such problems as juvenile delinquency. If we expect our children to grow into responsible citizens and world leaders, we must teach them the value of working toward a goal, and putting the sweat and sacrifice into it that accomplishment always demands.

TRIBUTE TO ADM. ARLEIGH BURKE

Mr. KUCHEL. Mr. President, Adm. Arleigh Burke has retired, after an unprecedented 6 years as Chief of Naval Operations. For 42 years Admiral Burke has served this Nation well, both in peace and in war, as a naval officer serving on active duty. Here is a magnificent example of a dedicated and distinguished American patriot, who has given long years of his life to the course of American liberty and to its perpetuation.

The other day Admiral Burke spoke before the Press Club. It was a clear and vigorous portrayal of the peril free peoples face, and of our own duty to stand firm before international communism. In connection with that excellent address, the Washington Daily News of last Friday paid him a deserved tribute.

Admiral Burke continues to serve the people of the United States in his capacity as a private citizen. He recognizes full well what each of us should understand, that the individual citizen has a right and also a responsibility in respect to the free government of our country. It is important, he said, that we stand together, unflinching, before the contemplated Soviet slicing process begins. He referred, not alone, to the problems in Berlin, but, in a larger sense, the attempted Red probings, all interconnected, in almost every part of the earth.

I ask unanimous consent that the text of the editorial and Admiral Burke's excellent address may be printed in the RECORD.

There being no objection, the editorial and address were ordered to be printed in the RECORD, as follows:

THE CONVICTIONS OF A PATRIOT

It is unfortunate a speech made by Arleigh Burke yesterday to a couple of hundred members of the National Press Club couldn't have been televised nationally as was President Kennedy's July 25 call for a buildup in our defenses to meet the Berlin crisis.

Admiral Burke has just retired as Chief of Naval Operations. After 42 years in the Navy and an unprecedented 6 years as top man, he was making his first public statement, by invitation, as a private citizen.

Some retiring officers have used such an opportunity to complain, to disagree with policy, to grind their own axes. Not Admiral Burke. His naval duties, he said, are in the hands of his successor, but he could never relinquish his responsibilities as a citizen.

As a citizen, then, with a background few citizens could possess, he summed up the problem we face, and how to meet it.

Khrushchev, he said, is growing arrogant out of his own belief that when the chips are down, Americans won't risk a fight, that we will not stand up for our principles. The Berlin issue, initiated by Khrushchev, is only one of his periodic efforts to test American mettle.

His analysis of Communist tactics was expert. There will be no Pearl Harbor, he predicted, to galvanize us. The Reds are more subtle. They use the slicing process, encroaching bit by bit until one day we wake up and discover we have been had.

"That is why," he said, "it is important that we stand firm now, at the beginning, before the slicing process begins."

This involves "tremendous risks," he said, but the irony of it is if we show we do mean business, the risk of war will be reduced.

"The Soviets are well aware of our tremendous strength," the admiral said. "They question only our willingness to use it."

The admiral has no doubt of our willingness. Our people have no doubt of it. The danger is in Khrushchev's disbelief of it—despite the record of the last three wars, which were started by tyrants who made similar miscalculations. That, he said, explains the "tremendous importance of taking the steps (military) that President Kennedy called for last week."

This was a private citizen, a patriot of rare conviction and unique experience, speaking from the heart to rally other citizens in support of the national security. This is a voice to listen to.

ADDRESS BY ADM. ARLEIGH BURKE, U.S. NAVY (RETIRED), BEFORE THE NATIONAL PRESS CLUB, WASHINGTON, D.C., AUGUST 3, 1961

It is a particularly great honor to be invited to talk before the National Press Club, for the members of the press through the years have proved themselves singularly effective in safeguarding the fundamental values and institutions of the American way of life. I have had the privilege and the responsibility of speaking in this room on two previous occasions, and on each occasion I have been impressed, perhaps even more than you, with the importance of this forum.

From the earliest days on record, the members of the press have been in the van of the efforts to mold our Nation and to preserve its security. Indeed, even before our Nation became a reality, Peter Zenger—with courage and determination—scored an important victory for freedom in the English Colonies. With the political freedom that was soon to follow, the press exerted a vast and continuous impact on the trend of our national affairs. The Federalist Papers, for example, had a tremendous influence on the final form of our Constitution and on its ultimate ratification. And surely, as our Nation grew, no group of men played a more important role in directing our attentions and energies than men like Greeley, Dana, Reid, and Pulitzer.

Thus I feel greatly honored to have this opportunity to speak to the members of the press. You have inherited the proud traditions of your profession, and you bear the grave responsibilities which those traditions impose.

My own career in the naval service has now come to a close. After 42 years of duty—many years of peace, and some of war—I am starting my retirement with considerable anticipation. And I know my long-suffering wife shares that anticipation with me. There is no question that retirement brings with it a certain sense of relief. I've sailed with the Navy all my adult life, in fair weather and foul. And as I left her Tuesday, she still remained the finest fighting force the world has ever seen. I am confident she will move out smartly in the future, under the very able leadership of our new Chief of Naval Operations.

I have left my naval duties in the hands of Admiral Anderson. But there are other responsibilities that I can never relinquish: the responsibilities that every citizen in our democracy faces. For no matter what our professions may be, no matter whether we are active or retired, each of us bears the responsibilities of his citizenship. Each of us carries his own share of the responsibilities that are fundamental to our concept of government—responsibilities that are dictated by conscience and directed by principles. These responsibilities are not unique to our era. My father and your fathers—all of our forebears—were required to meet the same type of responsibilities. And fortunately for this Republic, history shows that our forebears met them well, met them with wisdom and with the God-given strength that walks hand-in-hand with courage.

Each age faces its own conflicts and its own challenges. But the fundamental fact of our age, a fact blurred neither by symbolism nor by rhetoric, is that the future of the free world, the conditions of human life for years to come, are being determined now. The fate of our country—the future existence of our way of life—depends on what we as a nation, what we as individual citizens are willing to do today. That is why I would like to discuss briefly some of the forces at work in this troubled world, and how those forces may well affect the lives of our own generation and of generations to follow. Now, I'm not really going to say anything new about those forces this afternoon. Nor will I advocate anything you don't already believe. But I do want to give added emphasis to the seriousness of the present world situation and to the tremendous importance of our taking the steps that President Kennedy called for last week.

Clearly astride our path toward a world of justice and order stands the relentless force of communism, a godless ideology that finds its seat of power and its center of control in the Soviet Union. Now one thing is most apparent about the leaders of the Soviet Communist state today. They have become confident—very confident. And with their confidence they have developed arrogance. That is why they are talking tough; that is why Khrushchev has dared to challenge us over Berlin. The reason for this confidence is that some fundamental changes have occurred in Soviet Russia, particularly in the last 5 or 6 years.

Just a little over 40 years ago, communism was virtually confined to a rented room in Zurich. When the Bolsheviks seized power they had nothing—certainly nothing to be proud of. In every area of the world there were countries with better industries, better schools, better farms, and better housing. The Communist leaders felt inferior—and they were inferior. But men like Lenin and Stalin were, above all, realists. They recognized this inferiority, and they developed programs to change matters The fantastic cost of these programs—not just in rubles, but in degradation, deceit, and despair—was of no consequence. The Communist hierarchy readily accepted the law that "the end justifies the means." Purges, pogroms, and persecution were integral parts of their 5-year plans. Yet these men were as diligent as they were ruthless. They worked hard, with concentration and great singleness of purpose; and now, in the last decade, their plans have begun to pay off.

The Soviet emphasis on scientific training gave birth to sputnik, to lunik, and to their

man in space. And this scientific skill, combined with espionage and dogged determination, produced the Soviet missile capability: the "rockets" which Khrushchev so often rattles at the free world. For the first time in Soviet history, they accomplished something before anyone else; and real accomplishment, in any society, is the father of confidence. The Communists now feel they are better than the rest of the world.

That is one reason why they are confident. But there is another reason which is just as important. The Communists have watched their enemies in the West very closely. They have looked for signs of weakness; for weakness in our alliances, for weakness in our decisiveness, for weakness in our will. The Communists have probed the soul of the free world to see if we really practice what we preach, if we are really willing to stand up for principles—rather than merely spout pious platitudes. They have watched our deeds and ignored our diction. And all too often they found us wanting, our words trailing off to inaction and our opulence expressing itself in complacency.

Many of the Communist leaders do not believe that we in the United States will stand up for our principles. They do not believe that we will risk a fight for what we know is right. Menshikov has expressed this attitude very clearly. He stated that "When the chips are down the American people won't fight for Berlin." He would like to promote such a notion.

And so with a growing arrogance born of their own confidence and of our suspected weakness, Khrushchev has thrown the issue of Berlin in our faces.

But in considering Berlin it is extremely important that we recognize one fact. The future of the half-city of Berlin, this bone in Khrushchev's throat, is not an issue distinct and separate from the many other pressing international issues that confront our Nation. Berlin is isolated geographically, but politically, it is intimately related with everything else that is unfolding in the world: with the Communist aggressions in Laos and South Vietnam; with Communist exploitation of the situation in Cuba; and with the growing pressures throughout Latin America. The question of the freedom or slavery of West Berlin is a very real part of all our relations with the Sino-Soviet bloc.

It is obvious that these relations are at present based on challenge and response—whether that challenge and that response be in southeast Asia, in our own hemisphere, or in central Europe; and our willingness and ability to respond in one area is directly related to our willingness and ability to meet challenges in other areas.

Even if Khrushchev had not chosen to confront us with this issue at this time and at this place; or if the issue of Berlin becomes not a crisis but an unresolved question, we can be sure that the Communists will still continue to present us with other issues, at other times and other places, in their drive toward world empire. Sometimes these issues will be primarily of a military nature at other times they will be economic, or psychological, or political. But one thing is certain: The patterned policy of Communist pressure and conflict will continue at an accelerated rate as long as they can hope that such a policy will be rewarding.

Naturally, of course, our attentions are now focused on Berlin. Our efforts and our energies are directed toward Berlin because the issue is related to far more than the hopes and aspirations of 2 million Berliners, far more than to the ultimate reunification of a free Germany. Berlin is a symbol—a symbol of freedom—safeguarded by Western unity and resolve. And the nature of our response can either strengthen that freedom, that unity, and that resolve—or it can bring an end to our united strength. Our treaties and treaty obligations are all in jeopardy, and should we vacillate or falter, the ultimate collapse of NATO—of SEATO and CENTO—of all our arrangements for mutual security, could well be measured in months, if not in weeks.

You can be sure that Khrushchev recognizes the broad import of this issue. He is initiating the crisis in Berlin. There would be no crisis without his action. He is using this issue to test free world stamina, courage, and strength of purpose. He is initiating this test of will, or perhaps it should be, this test of willingness to stand for principle.

Khrushchev, perhaps better than many Americans, is aware of the profound effect this issue will have not only on those allied with us in common defense, but—just as importantly—on the uncommitted nations, on the emergent countries, on the wavering and the faltering. By pressing the question of Berlin in an acute and threatening form, Khrushchev hopes to impress these countries with the strength and power of the Communists, and to demonstrate that the way of the future will be the Communist way.

At this point in history there is little to be gained by examining the wartime circumstances and the subsequent treaty agreements which determined the present status of Berlin. Nor would it be profitable to reiterate the repeated violation of those agreements by the Communists in an attempt to pry concessions from the West, or to test the viability and the will of free society. It should suffice to say that the Kremlin has been able to exploit this situation for the simple reason that we trusted them as a wartime ally—that we failed to recognize that their good words were only a mask for their bad deeds.

We overlooked the fact that a favorite Soviet card game is Otchko, where the rules make it illegal to deal off the top of the deck. And this time the Soviets have dealt themselves a good card, a high trump from the bottom.

Now the Communists are trying to force us to knuckle under. They want us to accept their superiority—to back down, to walk back the cat.

The complicating factor is that they don't plan to take over Berlin in one swallow. As Willy Brandt puts it, the Soviets will use "salami tactics" to slice away freedom a bite at a time, just as they are seeking to do in the rest of the world.

The Communists will not confront us with the direct question of Soviet Union supremacy because they know we wouldn't accept that supremacy. But they will use the East German Government to serve as their proxy, to gradually erode our legal rights—rights that were obtained not by grant nor by negotiations with the Soviets, but rights that were won by war and confirmed by a series of agreements since 1944.

First they will want us to accept the validity of the German Democratic Republic, a tyranny neither chosen by the people nor responsive to their will. The Communists will make it appear that what is at stake is not freedom of West Berlin and Western access, but merely a legal title, a paper transaction with all rights remaining intact.

In the beginning, the status of Berlin may appear unchanged. But with the passage of time, the controls will tighten; regulations will become more stringent. Bit by bit, we will be forced to pay greater tribute for access to Berlin—tribute in the form of harassment, difficulties, and delays. The encroachments on our rights will increase, and slice by inevitable slice, freedom will disappear until one day a city, now free, will be lost to the forces of communism without any issue appearing important enough for us to take a stand—without any "Pearl Harbor" to galvanize our actions.

That is why it is so important that we stand firm now, at the beginning, before the slicing process commences. Certainly, we should always be prepared to negotiate with the Soviet Union on the modalities, on the details of occupation and access to Berlin. That is in keeping with our national policy. But at the same time we can never negotiate on our fundamental rights in Berlin. We must make it firmly understood that our rights—our obligations—to live up to the treaty obligations we accepted in regard to Berlin, just as our rights and our obligations to free men everywhere, are not subject to negotiations nor to compromise. Our firmness, of course, will involve substantial risks—tremendous risks—but we must accept them. We must be prepared to do anything and everything our stand implies. The irony of the matter is that once the Soviets are convinced that we do mean business, that we will remain in Berlin at all costs, the risks of general war diminish rather than increase. The Soviets are well aware of our tremendous strength. They question only our willingness to use it.

Our ability to convince our Communist adversaries that we are determined to stand fast will, of course, depend on more than threats or statements of intent. The credibility of our position will depend essentially on two factors. The first of these is the willingness of the people of the United States to acknowledge, and to accept, the possibility of a general war—the willingness to go all the way to win. Only after this decision has been reached and made abundantly clear both at home and abroad can the military decisions be made to handle the situation as it develops. But in times of peace—yet times of very definite peril—this willingness is sometimes difficult to engender. The pleasures of an easy summer and the comforts of a thriving economy can well obscure the seriousness of our times.

And it is here, in this area, that you gathered in this room can make your most telling contributions to our national security. For it is you, the members of the press, who make our citizens aware of the issues, who can inspire our citizens with the will to win.

Without undue preoccupation with the military aspects, without belligerence or propaganda, without exaggeration or dramatic speculation, you can mobilize the opinions of 180 million people. You can point out the meaning of our commitment. You can discuss the pitfalls and the perils. And with such enlightenment will come the individual and national willingness that will give credence to our words.

Naturally, the credibility of our stand would be seriously impaired should we fail to support our national will with the material things, with military hardware to reinforce our determination to help make our resolution both effective and believable. That is why in his speech last week President Kennedy, when he addressed himself to the problem of Berlin, also called for increased measures to strengthen our military forces in order to give us the additional naval power, the additional ground forces and air support, and the heightened readiness, to more fully prepare us for whatever the future may bring, whether that future will continue to be an uneasy peace or a future darkened by limited or even a general nuclear war. Knowing the tremendous strength of our military forces, I can assure you that we will be ready for any eventuality.

The coming months and years will offer the supreme test of our concept of life, a concept based on the abilities of the sovereign individual; on disciplined individuals motivated by fundamental principles, by a sense of justice, by moderation and integrity.

We live in a free world, but we are confronted by a world of coercion, a world where men are disciplined by force, by terror and intimidation. There is only one effective response to this challenge. We must provide

our own form of discipline—the discipline that springs from within: self-discipline. This is the only effective form of discipline possible in a democracy. For discipline imposed from some other source, such as laws or regulations, can have only a limited effect. Laws dictate what we should not do. But the vital issues of our times are not a question of what we should not do, but much more what we should do. When President Kennedy said, "Ask not what your country can do for you—ask what you can do for your country," I believe it was a question to which, deep in our hearts, we already knew the answer.

If we want to preserve our society, we must practice the virtues that we praise. We must work harder to enlarge the advantages of free competition. As citizens, we must be willing to compete with one another and with the world; we must be determined that the United States will win that competition. We must have the will to win. As a nation we must strive to excel. Every worker, every union member, every executive, and every student must reemphasize the high standards of performance that are the backbone of our national strength. And with every act to improve ourselves and our Nation, we must recognize that the very heart of any nation is its principles. Our principles must be the driving force behind our actions and the standard against which those actions are measured. For our principles and our willingness to stand up for them made this Nation what it is today; and those same principles, that same willingness, will preserve us in the future.

As I close, permit me to voice one more thought, directed not to Americans but to those outside this Nation, to those who choose to stand with us, and to those who may choose to stand against us. In the tragic aftermath of the Second World War, the United States expended significant energy and resources for the cause of all mankind. With a compassion and an understanding unique in history, we have aided both friend and former foe alike to recover from the destruction brought on by war. In the interest of the dignity and welfare of man we developed the Marshall plan and other measures to alleviate misery, to raise hope in areas where there was only despair. We have not always been successful, but we have tried. We have given freely and we have asked little in return. But there is one thing that we will never give, either willingly or through coercion—and that is our freedom, or the freedom of those who ask our help.

There have been other men in other eras who misconstrued the temper of our people. The last three wars were started by nations that did not realize we would fight for our principles. They judged our efforts to promote peace as a sign of cowardice. They looked on our debates as a sign of division. They ridiculed our efforts to help others as do-goodism, betraying weakness. To anyone in our era who might be prompted to make the same fatal miscalculation, I urgently suggest that he look to the past, before he projects himself into a fearful future.

Two hundred years ago our forefathers, while recognizing the horrors of war, understood that people must stand ready to fight for what is right. Despite the passage of time, despite the prosperity of our Nation, Americans retain this fundamental conviction. I am confident that they stand ready to meet the challenges of the future—whatever they may be.

TRIBUTE TO PREMIER FANFANI OF ITALY

Mr. KUCHEL. Mr. President, several weeks ago a distinguished, courageous, and persuasive advocate for freedom came from his homeland, Italy, to this city and paid his respects to the President of the United States, to our people, and to our Government.

Amintore Fanfani, the Premier of Italy, is one of the great men of our times. I remember listening to him in the Foreign Relations Committee. He and the great people he represents are stanch friends of freedom. Last Saturday the distinguished columnist, William S. White, writing in the Washington Evening Star, paid tribute to this gallant leader whom he terms "a singular hero, a man standing out erect against the great collective backdrop of the cold war." Such a man, indeed, is Premier Fanfani. Here is a distinguished statesman who does not falter before communism's truculence.

I ask unanimous consent that the text of Mr. White's column may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FANFANI STANDS UP FOR THE WEST—ITALIAN'S COLD TALK TO SOVIET DICTATOR CALLED REAL HEROISM IN U.S. VIEW

(By William S. White)

Heroism has on the whole gone out in these days of massive alliances and counter-alliances, in which vast blocs of peoples utterly overshadow people just as individual people.

Still, a singular hero, one man standing out erect against the great collective backdrop of the cold war, does now and then raise his unterrified head.

Such a man is Amintore Fanfani, the Premier of Italy. He has taken his stand, moreover, from a power base that is very small in a country that has borne many hard times. And that country will almost certainly be crushed like a bit of unnoticed garden under the wheels of tanks if the giants, the United States and the Soviet Union, ever actually come to war.

In his Moscow confrontation with Nikita Khrushchev, Signor Fanfani has not only taken a line of honorable toughness and determination unexcelled by Allied colleagues from incomparably more powerful countries. It is not only that he took off his coat, in figurative and literal bluntness, at the moment Mr. Khrushchev took off his own coat.

It is not only that he told Mr. Khrushchev, plainly and face to face, that Signor Fanfani and Italy were staying with the West, come what might. And it is not only that he coolly advised Mr. Khrushchev to look into his own purposes and mind if he really wanted to avoid war over Berlin.

This meeting was far more than all this. It was an achingly apt tableau of the differences between West and East, as perfectly symbolized by these two men and all they have and are.

Here, standing up all the way to the head of the immense, brooding hulk that is international communism, was an exact personification of what we mean by a phrase some do not use anymore in this time of machines and monoliths. The phrase is "Western civilization."

The long story of that civilization would be a shorter and a poorer story, indeed, but for Rome—whether one thinks of "Rome" as the cradle of Christian faith or simply as the universal capital of the finest works, in art, in architecture, in the good life in general, which that world has ever known.

Here was Western man, the heir to centuries of fairness, of free government, confronting Eastern man, the symbol of a politics of brutality in a place of faceless men without pride in past or hope for future except for what might come from a frowning and shuttered thing called the Soviet state.

The westerner, Signor Fanfani, has come from a land which has the largest Communist minority within any country of the free world. It is a minority nevertheless allowed, because Mr. Fanfani and Italy really believe in freedom to dissent, to go on not only uncurbed but also unjailed.

The easterner, Mr. Khrushchev, is troubled by no minority. Nor is he hampered by the memories of far more than 2,000 years of continuity which lay upon Western statesmen the deep necessity to think of the great past as well as of the dangerous future. (What monuments in Russia are left to be destroyed by bombs? The tractor works at Omsk? The missile factories at Tomsk, or maybe Leningrad?)

Still, in all his handicaps, with all his knowledge that the Communists at home in Italy could press a button at any moment and perhaps smash his efforts to secure his country, here still stood Signor Fanfani, the memorable picture of a civilized man in civilized resolve.

Whether his mission to Moscow will win him praise and new strength at home, this correspondent cannot say. But one thing is sure. Signor Fanfani of Italy—already the most faithful of all the partners in the Western alliance—is today a great man in the United States of America, among its leading politicians and its people alike.

Mr. KUCHEL. Mr. President, when the free peoples and free governments are led by courageous patriots such as the Premier of Italy is, we in the West may take renewed hope for the future of our kind of free ciliziation.

SOVIET SPACE FEAT

Mr. KEATING. Mr. President, in addition to being a very significant scientific achievement, the orbiting of another space man by the Soviet Union is nicely timed by Khrushchev to strengthen his hand in the Berlin crisis. It shows us once more what we must never forget, that the cold war has many fronts. Berlin is only one of them, and in the long run it may well prove to be a decoy for more important Soviet moves elsewhere. It is a warning to us right now that we must not concentrate on Berlin alone to the exclusion of other possible propaganda or military or political moves by the Communists.

So far, Mr. Khrushchev has failed at Berlin. Rather than split the West asunder with his threats, he has solidified the entire Western alliance.

Mr. President, at this point I wish to pay my respects to the magnificent performance of Premier Fanfani, of Italy, in Moscow. He was a true spokesman for the West in a forthright, courageous manner. All the free nations with whom we are allied owe to Premier Fanfani a great debt of gratitude.

Mr. President, Mr. Khrushchev thoroughly realizes his failure, but he does not want the people of Russia to realize it. This latest space shot was an international political move.

To counteract his political failure at Berlin, the Russian dictator has attempted to mollify and pacify the people of his country in the economic and social field through the outrageous claims of his 20-year plan and

through spectacular space shots. The American people must never forget, in observing the puzzling antics of the Red Bear, that internal politics in the Soviet Union is a very rough business indeed. The only way for Khrushchev to keep his position in the Soviety hierarchy is to keep coming up with something to distract attention from the widespread discontent of the Russian and other captive peoples. Of course, Khrushchev never gets to the heart of the discontent of the Russian people, but so long as he can make them think that he is doing something, he can keep his dictator's chair.

Anyone who has carefully studied the Communist techniques, including those exercised in the past by Mr. Khrushchev and other leaders of the Kremlin, is certain to come to this conclusion.

While we should congratulate the Russians on their outstanding space feat, we must be skeptical of the propaganda use which they will undoubtedly make of their scientific achievement. Mr. Khrushchev is trying to recoup himself on the psychological cold war fronts of the world, and we must keep on the alert.

THE PUBLIC AND TV

Mr. McGEE. Mr. President, I should like to call the attention of this body to a column that appeared in the Washington Post this morning entitled "The Public and TV," written by Mr. Roscoe Drummond. The burden of the column is that in Mr. Drummond's judgment, the American people are far more sophisticated about the state of television and radio programing in this country than the industry itself gives them credit for. Mr. Drummond alludes to the caliber of the correspondence that has been pouring into the office of Mr. Newton D. Minow, the new Chairman of the FCC. The burden of the mail suggests that the people know the difference between the responsibilities of the FCC in requiring an improvement of programing and activities that could otherwise pass as an attempt at censorship.

The attempt on the part of the industry to confuse censorship with their public responsibilities is the line of delineation so carefully drawn by this column. I ask unanimous consent that the column in its entirety be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PUBLIC AND TV—FCC PROTECTION ENDORSED

(By Roscoe Drummond)

The American public in large numbers is taking a healthy and hopeful attitude toward TV—and the prospect of better programs.

This is evident in the massive volume of letters which continue to arrive on the desk of Newton N. Minow, the let's-have-better-programs Chairman of the Federal Communications Commission.

Already some 5,000 viewers from 50 States have written to Mr. Minow to tell him what they think. There are two dominant themes which run through all of these letters:

They feel that most TV programing in prime time is monotonously bad, often harmful, and want the FCC to protect the public interest.

They declare with equal force that they do not want Government-censored television.

Though you might not believe it if you listened only to the virtuous epithets which many in the industry hurl at the FCC Chairman, Mr. Minow does not want censorship either. The cries of censorship are a smokescreen to hide resistance to program reform.

A breakdown of the letters—they are still coming in—showed that only 55 out of 2,542 think the FCC should exert no influence toward better programing. The others believed Chairman Minow's efforts to get more and better public-service programs should be pressed. Only 42 out of this same number favor Government-controlled TV.

It seems to me that this spontaneous poll of TV viewers shows that public opinion is far more mature and discerning than many in the television industry are ready to admit. This poll shows public opinion standing 60 to 1 against Federal censorship of television and 46 to 1 in favor of the FCC's keeping after the networks and the stations to put on more programs of excellence and fewer programs of treacle and violence.

I think that the public is instinctively cutting through the false argument that for the FCC to demand that the TV stations serve the public interest more fully and more diversely is the same as telling the stations how they shall do it.

What we must always keep in mind is that the number of airwaves are limited and belong to the public; they do not belong to the networks. Therefore Congress determined years ago that in being allowed to use the public's airways, every radio and TV station must serve the public interest. Every station in applying for a license sets out how it will serve the public interest.

When you consider that the American people support more symphony orchestras than all the rest of the world and that twice as many people visit the New York Metropolitan Museum of Art as visit the Louvre in Paris, there is good reason to believe that better TV programs can get good audiences.

THE BERLIN CRISIS

Mr. McGEE. Mr. President, I have in my hand a speech of a former colleague of mine at the University of Wyoming, delivered at the Rocky Mountain Assembly held at Brigham Young University early in the month of June. It was a series of comments by a real professional on the question of the Berlin crisis.

The professional to whom I refer is Dr. Charles P. Beall, who at one time was the director of international affairs at the University of Wyoming. He has been in Berlin on occasions, and has long been a student of the German question. I believe that his remarks will contribute to the efforts of this body to explore all of the avenues of possibility for either negotiation or solution of the Berlin question. I ask unanimous consent that the address in the form of a series of articles published in the Laramie Boomerang of recent date be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Laramie Boomerang, July 28, 1961]

THE PROBLEM OF AMERICAN FOREIGN POLICY TOWARD BERLIN

Although the World War II alliance of the U.S.S.R. and the United States rapidly deteriorated in the early postwar years of 1946 and 1947, it was not until the Berlin crisis of 1948 that we can say the cold war really got underway, and now 13 years later the German question and Berlin in particular continues to be one of the key pivot areas of tension between the U.S.S.R. and the United States.

Of the three disputes or problems to be considered the Berlin question is potentially the most serious. As a matter of fact no dispute during the entire period of the cold war has more directly affected the two citadels of world power nor has any dispute posed a more ominous threat to world peace than Berlin.

The paradox of the problem is that Berlin itself is not a strategic "must" geopolitically or militarily for either the Soviet Union or the United States. Yet both sides have so committed themselves in Berlin, particularly the United States, that the city has become a sort of holy relic, or symbol, from which neither side feels it can retreat or compromise without grave consequences to its prestige and leadership position in the power struggle.

Since it is my role in this forum to present the Berlin question as a problem of American foreign policy I should like to present some of the historical facts and events since World War II surrounding the Berlin question and then discuss Berlin as an objective in American foreign policy from legal, moral, and power politics viewpoints.

According to the protocol signed by the Allied Powers on September 12, 1944, and as amended in November of that year, the Berlin area was to be jointly occupied by the Armed Forces of the United States, United Kingdom, and the Soviet Union. France was given an occupation zone at Yalta in February 1945.

The joint occupation of Berlin was confirmed in an Allied statement of June 1945. An inter-Allied governing authority subsequently known as the Allied Kommandatura was created to direct the administration of Greater Berlin. On July 7, 1945, the Kommandatura was established and started on the joint Allied administration of the city. It was to be the supreme authority for Berlin affairs subject only to the Allied Control Council and each military commander representing the respective governments was to have jurisdiction in his part of the city.

Since Soviet troops had occupied Berlin well in advance of the establishment of the Kommandatura, the U.S.S.R. had already established a provisional city government based on the Berlin charter of 1920 so that the Western allies were confronted with a "fait accompli" in the early period.

In spite of disagreements, the four power administration of Berlin proceeded with relative smoothness and efficiency for over a year with agreements reached on several points including an air-corridor policy, common objectives on denazification, a uniform court system, agreements on technical matters such as postal, telephone, telegraph, and public health services, sewage disposal, and garbage removal, rubble clearance, and school reform. A temporary constitution for the city was drawn up by the Soviet-appointed Berlin executive council and was approved and came into effect in September 1946.

Disagreements, however, developed over policy administration, the amount of discretion to be given local German civil officials, and press and radio control.

After the Communist defeat in the all-city elections of October 20, 1946, the Russians became obstructionists in the city administration, finally withdrawing from the Allied Control Council in March 1948 and walking out of the Kommandatura on June 16, 1948.

As a result of this and Western currency reform on June 13, 1948 the four zones of occupation became permanently split. Although there has been gradual revision of

the governing principles in the three Western sectors of Berlin through the years since, the termination of the allied occupation of the Federal Republic of Germany in 1955 was not accompanied by similar developments by the allied powers in Berlin. The Kommandatura remains "de jure" the governing authority for all of Berlin, although Berliners themselves aren't often conscious of this fact.

The Federal Republic considers Berlin a land or state of the German Federal Republic and laws passed by the German Government in Bonn are laws for Berlin if approved by the Berlin city council in the Western zones and if they are not revoked by the Western allied authorities in Berlin. Berlin has consultative representation in the German Bundestag and Willy Brandt, the Social Democratic mayor of Berlin, is his party's candidate for German Chancellor in the forthcoming elections.

Ever since the complete deterioration of relations between the Western allies and the Soviet Union in 1948 culminating in the Berlin blockade by the Soviets of surface transportation and the counter action by the Western allies in breaking the blockade by the heroic airlift, the Soviet Union has periodically sought to revise the status quo of Berlin for reasons of greater consequences than the Berlin area itself.

[From the Laramie Boomerang, July 2 1961]

THE PROBLEM OF AMERICAN FOREIGN POLICY TOWARD BERLIN

The Soviets hope, of course, for a four-power agreement to sign peace treaties with each of the two German governments which would supposedly incorporate a guarantee binding the four Allied Powers of World War II and the two German governments to recognize the three western sectors of Berlin as a "free city" or an internationalized city with the present Soviet sector completely integrated into the Democratic Republic of East Germany. This proposal was first enunciated by Khrushchev in November 1958. This would, of course, involve the withdrawal of all allied troops from Berlin and place the present western sectors at the mercy of the East German Communist regime protected only from their coercive threats by treaty agreement.

In lieu of obtaining this objective the Soviets have repeatedly threatened in recent years, including the present year, to take unilateral action and withdraw from their sector in Berlin, sign a peace treaty with the German Democratic Republic and turn their sector over to the complete jurisdiction of the East German regime.

Excluding any agreement on Berlin in the recent talks between President Kennedy and Premier Khrushchev in Vienna let us assume that the Soviet Union does carry out its intentions to sign a peace treaty with the German Democratic Republic and hand over to that government the jurisdiction of East Berlin and control of access to Berlin.

We must then be prepared for obstructionist policies by the German Democratic Republic that might result in the threat of a new Berlin blockade as a weapon to gain political recognition of the German Democratic Republic by the West and to force Western troops out of Berlin. We further know that if the East Germans impose a blockade a new airlift would not be sufficient means alone in overcoming the blockade as it was in 1948. This would pose for us the possible need of forcing our way to Berlin by use of an armored column. Such a possibility must be considered. There is reason to believe that neither France nor the United Kingdom would be willing to support this action.

Thus the United States might be forced to pursue a coercive action unilaterally or lose prestige by meeting the East German requests. Unilateral coercive action by the United States would appear as an aggressive action thus forcing us out of the moral and psychological advantage we now have.

The United States and its Western allies have repeatedly reaffirmed their determination to stay in Berlin and to maintain the present status quo. Only last month at the Oslo meeting of NATO this Western position was restated.

Should the Soviet Union attempt to carry out its threat, American policy toward Berlin and more broadly toward the two German regimes is placed in an extremely difficult position—legally, morally, and politically.

Under international law the right of the Western allies to remain in Berlin seems to be clear regardless of the Soviet action. Yet the right of access by the allies to Berlin is open to serious question.

The corridor agreement was between the Soviet Union and the Western allies. The German Democratic Republic, should it assume jurisdictional control of East Berlin and sign a peace treaty with the U.S.S.R., would not be bound to honor the corridor agreement since it was not a party to that action; on the other hand according to chapters 53 and 107 of the United Nations Charter we can find legal arguments for taking coercive unilateral action against the East German regime should they obstruct our access to Berlin.

But more important perhaps is the fact that should the Soviets carry out their threat which we cannot effectively prevent, it means that from that time on we will have to deal with the German Democratic Republic concerning access to Berlin. This might well force us into a treaty agreement with that government thus extending de jure recognition or we might in some other manner be forced to recognize the East German regime as a price of access to Berlin.

Such a result would mean the open acknowledgement by the United States of a permanent legal division of Germany into two separate states and perhaps the permanent recognition of the Oder-Neisse as the boundary between Poland and the German Democratic Republic.

This price is extremely high considering the overall moral and psychological effect upon the German people of sacrificing our position of standing for self-determination and a future united German Government obtained through democratic elections.

Certainly the price is high to pay for a highly abnormal situation now where allied troops are maintained in an island 100 miles inside the territory of an East German state. Such troops now symbolic of Berlin's freedom might in time become symbolic of foreign occupation with the Communists pointing out that only the Western States maintain occupation zones in Berlin.

The Soviet Union's objectives seem to be clear in pushing the Berlin issue. First they desire recognition of the German Democratic Republic by the Western allies thus guaranteeing legal recognition of the division of Germany which for the future would mean that any reunification would have to come from coequal participation of two sovereign independent German States. And secondly the Soviet Union desires for psychological and prestige purposes the withdrawal of allied troops from Berlin.

[From the Laramie Sunday Boomerang, July 30, 1961]

THE PROBLEM OF AMERICAN FOREIGN POLICY TOWARD BERLIN

Thus Berlin is a problem in itself because both sides have so committed themselves on the prestige symbolism of the city that compromise is extremely difficult without fear of losing the symbol of power. But Berlin is also part of the greater problem of the division of Germany. Frankly, there is a question from our viewpoint of the desirability in the indefinite continuation of Western troops in Berlin. Also there is a question of whether or not it is desirable for American policy to continue to ignore diplomatically the de facto condition of two Germanys.

But this is exactly the reason why the Berlin question is such an important case study of American foreign policy problems.

We know that Germany will remain divided indefinitely and we know that continuation of allied occupation sections in Berlin indefinitely can pose more danger than safety to our security and further that the Soviet proposals are not inconsistent with possibilities of successful compromise—yet this is one of the few places in the world where we are politically and morally on the offensive.

By our professed aim of a free reunited Germany and by our perpetuation of Western troops in Berlin behind the Soviet orbit, where we are maintaining an island of freedom and Western orientation, we are psychologically on the offensive in the eyes of world public opinion. Thus for us to compromise on the Berlin question and to give legal recognition to the existing status quo of two Germanys would appear as a diplomatic defeat.

A further paradox to the situation is that there is some real question as to whether we want a reunited Germany. Neither France nor the United Kingdom are in fact sympathetic to a reunited Germany while we might very well find far more serious tensions and dangers stemming from a reunited German state seeking revision of the Oder-Neisse boundaries and reestablishment of German suzerainty over territories now incorporated into Poland and the Soviet Union.

Briefly it appears that for reasons of prestige and the psychological impact of public opinion we are forced to follow a foreign policy with regards to Germany, and Berlin in particular, that adheres to high principles and idealistic objectives that works to our great advantage in the diplomatic cold war, but at the same time is not in keeping with the professed objectives of reducing tension, by finding a solution to the problem based upon the realities of the status quo power relationships in that area.

The dilemma is that any significant change in our policy would weaken our position, yet continuation of our present policy perpetuates an extremely tense situation that might in the long run be more harmful to our position. What has been a successful policy in the past and what seems to be a good policy now may not continue to remain so.

Although we are not to propose solutions to these problems, but only to present them in these papers, I should like to suggest the following proposals that might reduce tensions while maintaining the West's position in Berlin.

1. Obtain a six-power peace treaty involving the two German states, the three Western allies, and the Soviet Union, thus giving "de jure" recognition to "de facto" conditions.

2. Provide in the treaty for the termination of allied occupation of Berlin with provisions for incorporating East Berlin into the German Democratic Republic and the incorporation of West Berlin into the Federal Republic of West Germany.

3. Provide for West German troops to replace American, British, and French troops in Berlin with a guarantee of an access corridor similar to that which now exists.

These proposals have the advantage of meeting many of the requests of the Soviet Union but at the same time by providing for the complete integration of Berlin into the FRG brings Berlin under NATO protection which is not now the case.

Further, such proposals concerning a corridor impose legal obligations on the Ger-

man Democratic Republic to respect the corridor which is not true now.

Finally it permits the United States to withdraw from an untenable military position on Berlin and the danger of direct conflict between United States and Soviet troops.

Such proposals would also eliminate the possibility of unilateral Soviet withdrawal in East Berlin where the Soviet Union without directly involving its own forces in risky ventures could have greater flexibility by indirectly committing the East Germans to test the intentions of the West. Remember that safe from direct involvement itself the Soviets carried out venturesome aggressive actions in Korea, Indochina, and Laos.

The greatest objection to these proposals would come from the Federal Republic of Germany, but these objections might be more vocal than real for it leaves the West Germans no false hopes of reunification and no real course of action except further integration into and development of the European Community economically and politically.

Whether you agree with these proposals or not, I should like to conclude by stating six basic rules that should be observed in determining a policy toward Berlin. These are rules that are applicable in the determination of foreign policies toward other areas as well.

1. Do not permit a policy to develop rigidity merely because of its success in the recent past and present. It must constantly be reappraised in the light of changing times and conditions.

2. Be sure that the objectives of a foreign policy are clearly understood. Seeking a reduction of tensions is often not compatible with maintaining the political initiative and diplomatic advantage. One of these objectives must often be compromised for the sake of the other.

3. A foreign policy must be based on the realities of power relationships. This is obvious, but power is more than military, economic, or political strength. World public opinions and emotions are of such increasing importance that the psychological and moral attitudes of a country become elements in power determination.

4. Foreign policy must take into consideration the objectives of the foreign policies of other states. On the Berlin question, France, the United Kingdom, and the Federal Republic of Germany are as vitally concerned as we are while the East German regime and Poland are as directly affected as the Soviet Union. Their foreign policy objectives and power relationships must constantly be reappraised.

5. Be careful that weaker allies do not commit us to foreign policies contrary to our own national interests. It is a national objective for the German Federal Republic to seek reunification of Germany but we should not permit some future German Government to commit us to this objective unless it serves our own interests to do so.

6. Do not confuse the symbol of power for power itself. We must be willing to sacrifice the form for the real substance of power and we must clearly distinguish in a potential enemy his substantive from his symbolic powers.

These are but a few of the rules that we should observe in developing a foreign policy position, but rules of important application in the Berlin question.

IS THE GRASS GREENER IN CONNECTICUT?

Mr. McGEE. Mr. President, in the July 30 issue of the Denver Post appeared an article entitled "The Grass Is Greener in Connecticut?" It is an article that describes the comments of Mary O'Hara, with respect to Cheyenne, Wyo., where the present occupant of the chair, the Vice President of the United States, made a great hit only a year ago this summer. In connection with "frontier days" Miss O'Hara has taken her new play, "Oh, Wyoming," to Cheyenne, and in the article she has spelled out some of her philosophy in terms of the West, and yet her accommodation of that philosophy to her residence in a New England State.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GRASS IS GREENER IN CONNECTICUT?

(By Olga Curtis)

Some of the nicest things ever said about Wyoming were said by Mary O'Hara in her books "My Friend Flicka," "Thunderhead," and "Green Grass of Wyoming."

So why does Miss O'Hara make her home in Connecticut?

"Because the winters are easier where I have an oil furnace and a nice warm even temperature, and where I can get where I want to get easily," says the 76-year-old author.

"But I still love Wyoming and I miss the parts of Wyoming I loved—the plains, the sky, the low horizon. And real sourdough bread."

Miss O'Hara is probably the only woman alive who could say Wyoming looks better from Connecticut and still be treated like the Equality State's favorite daughter. She got a royal reception last week when she returned to Wyoming for the first time in 15 years—as a musical playwright. Miss O'Hara's first effort for the musical stage, "Oh, Wyoming," was put on as part of the "Frontier Days" celebration under the name "Top o' the Big Hill." It got somewhat lukewarm reviews, but that didn't bother Miss O'Hara.

"One man told me the show wasn't a bit Broadway. I think that's a compliment. Maybe it ought to worry me.

"But it's exactly what I say it is—a folk tale of the western plains with music."

The idea for the show, like the idea for her famous books, stemmed from the 15 years the author lived at Remount, a ranch located just off the Lincoln Highway between Cheyenne and Laramie. Today it's a dude ranch, but when Miss O'Hara first moved there in 1930 she tried to run sheep.

"We went broke at it," Miss O'Hara admits, "but for a time we had a sheepherder—and I learned the legend that old Wyoming sheepherders had such interesting careers elsewhere they had to come to Wyoming. And there was the gem of my plot—about a sheepherder searching for his lost grandson."

"My Friend Flicka," which has been translated into 62 languages, 1 movie, and a TV serial, also originated in Wyoming.

"Yes, there was a real Flicka," said Miss O'Hara with a smile. "People always ask me that. Flicka was a real horse. Thunderhead was imaginary. Flicka died, but his descendants are still around."

Miss O'Hara didn't plan to visit her old ranch or Flicka's relations during her Wyoming visit.

The sprightly, slight, brown-haired woman says, "Nowadays I just live from day to day. I don't plan ahead." But that's her only concession to the years. In fact, if you ask her age Miss O'Hara blandly replies, "49. I like 49."

Seriously, she prefers to keep her memories of Wyoming unspoiled.

"The plains and sky I fell in love with are unchanged. The cities and towns, too," she said. "I'm told Cheyenne has spread out but it hasn't altered in character. Block by block it's still a small town and that's the nice thing about it."

Cheyenne is a roaring metropolis compared with Monroe, Conn., where Miss O'Hara lives alone with her oil furnace. Her son and three grandchildren live in Washington, D.C., but she visits them frequently—and is proud that Flicka makes her grandsons important in school.

"You see, grandmother wrote that TV horse," she explained with a laugh. But grandmother herself hasn't ever seen the TV show. She's too busy with her music.

"That's why I'm so pleased with 'Oh, Wyoming,'" she noted. "I've been meaning to write it for 30 years. That's how long I've been composing songs—and I've always thought of myself as a songwriter interrupted by books.

"All my time and energy is in this show now. I don't intend to make a book out of it, and I have no other books planned. I've already told people how beautiful Wyoming is."

CIVIL RIGHTS CODE IN VIRGIN ISLANDS

Mr. GOLDWATER. Madam President, Mr. Walter I. M. Hodge, a friend of mine who lives in the Virgin Islands, has sent me a copy of bill No. 1433 of the Fourth Legislature of the Virgin Islands, which in section 1 would amend title 10 of the Virgin Islands Code relating to civil rights.

The revisions of the Civil Rights Act of the Virgin Islands appear to this layman to be a rather destructive effort toward the right of association. Not being a lawyer, I asked Mr. Kim Rose, who is a senior law student at the University of Arizona, and who is acting as an intern in my office this summer, to read the amendment and make an analysis of it. Mr. Rose has done so.

I ask unanimous consent to have printed at this point in my remarks an analysis of the Virgin Islands civil rights legislation of 1961, followed by bill No. 1433 of the Fourth Legislature of the Virgin Islands, to which I have referred.

There being no objection, the analysis and bill were ordered to be printed in the RECORD, as follows:

ANALYSIS OF THE VIRGIN ISLANDS CIVIL RIGHTS LEGISLATION OF 1961

(Prepared by Kim Rose, intern to Senator BARRY GOLDWATER, of Arizona)

The most repressive effect of this piece of legislation is that it approaches the maximum control and restriction of private organizations, including fraternal organizations, political groups, schools, country clubs, private dinner clubs, yacht clubs, etc. The only kind of private organization which would be able to function under this act without being in violation thereof and subject thereto would be as follows:

The organization would be composed of friends. It would have no set of written rules such as a constitution and bylaws. It would own no physical property as a group. It could sell nothing to members of the group such as food, drink, clothing, literature, etc., and one member of the group probably could not sell anything exclusively to other members of the group. And, the group could not employ anyone to render a service for the group. If such a group did any of the above things it would be subject to the provisions of the act and could be forced to open its membership to anyone who desired to associate with it regardless of the feelings of the

members. The only alternative would be for the group to disband.

The act concludes by stating that the courts shall liberally construe the act in furtherance with the stated public policy. This provision would make it possible for a lawyer to convince the court that an individual should be prosecuted or made liable in a civil action for his own personal discrimination against another individual. This is approaching the ultimate in the legislation of thought and morals for the individual.

1. STATEMENT OF PUBLIC POLICY

Racial or national discrimination in any form is against the public policy of the Virgin Islands. The "therefore" clause of the statement says that all persons on the islands are entitled to full and equal rights of entry and membership into any group or place of gathering, public or private, if the group or place sells any commodities or employs other persons, or can be construed to be a "place of public accommodation." In the last paragraph of this section, it is declared to be against the public policy to practice discrimination in any form directly or indirectly in public places: in the sale of real estate, in union membership, in the sale of commodities, in employment or in the establishing of "* * * a private clientele of either members or guests, which they have selected, and with which persons alone will they transact their business and commerce." Therefore, what the act is stating, in effect, is that it is an illegal practice of discrimination for any group, public or private, to sell any commodity or service to any person, even though it might be selling exclusively to its members. To be legal, the group must sell to anyone regardless of race, creed, color, national origin, or membership.

2. DEFINITION

"Place of public accommodation, resort, or amusement" means any place where food or drink is sold * * * or any places where food is sold for consumption on the premises * * * public or private schools, clubs (if food, drink, or other commodities are sold there).

"Club" means any association of individuals banded together by their free accord for any lawful purpose. The provisions of this act shall not bar any club organized and operated exclusively for pleasure, recreation, or other noncommercial purposes, which is supported by or derives its funds entirely from dues and contributions from its membership. This gives the appearance of being an exception for private clubs such as fraternal organizations, women's groups, and so forth. However, when read in the light of the full text of the bill, if any "noncommercial" organization sells to its members food to be consumed on the premises (for example) it becomes a place of public accommodation and falls under the act. Further, if it employs one person to serve the group, the club also falls under the purview of the act. Therefore, the restriction which is placed on a group which desires to form a private club of exclusive membership is that it may employ no one to work for it and it must furnish its own food on a voluntary basis and may sell nothing to raise funds, even though it is to members only. This so restricts private group activity so as to limit any private organization to a group of friends getting together for an evening of bridge.

The first two paragraphs on page 4 of the bill are most revealing about the extent of restrictions on private clubs, which could be reasonably construed to include churches. For example, in the last line of the first paragraph, the use of the words "on any discriminatory basis whatsoever" could be construed to mean that churches must take anyone as a member whether or not he was felt by the congregation to be a Christian and therefore worthy of membership.

3. RIGHTS OF PERSONS; PROHIBITION AGAINST DISCRIMINATION

Subsections a, b, and c give all natural persons the right not to be discriminated against in the Virgin Islands, in their employment or in a union.

"(d) No person, being the owner, proprietor, lessee, superintendent, agent, or employee of any place of public accommodation, resort, or amusement, shall directly or indirectly or by subterfuge—

"(1) withhold from or deny to any other person any of the accommodations, advantages, facilities, or privileges thereof; or

"(2) adopt or pursue any custom, policy, practice, requirement, or secret understanding, or any custom or policy of nonmembership discrimination or guest-card requirement with respect to the operation or management of such place which is intended, calculated, or designed to, or which shall have the effect of discriminating against any other person on account of race, creed, color, or national origin, or by reason of nonmembership in a club."

This subsection, I think, is self-explanatory.

Subsection (e) covers the sale of real estate and (f) prohibits the use in deeds of restrictive covenants which run with the land when they are discriminatory and further prevents the use or effect of covenants in such deeds which work to the effect that should the purchaser decide at a later date to sell the property, he will give the original owner the first opportunity to repurchase. Subsection (g) uniquely prohibits private discriminatory roads into or out of any area of 10 or more dwellings.

4. FILING INFORMATION AS TO CLUB FACILITIES, LICENSES, CHARGES, ETC.

Determination and registration

(a) Any club which has any sort of physical property must file with the government secretary a statement of licenses held, articles sold, rooms rented, and other facilities maintained for charge and a copy of the group's constitution and bylaws, list of officers, directors, and members, all certified under oath.

(b) If any charges are made to members or nonmembers of clubs, there must be filed an affidavit by the president and manager that there is no discrimination based on nonmembership.

(c) Any place at or on which charges are made in any manner for any article, or service, is expressly declared to be a place of public accommodation * * * and must be registered. This could conceivably be construed to include a private residence if, for example, an accountant were to collect $10 for doing a friend's income tax return.

6. ENFORCEMENT BY COMMISSIONER OF PUBLIC SAFETY

The commissioner may name a panel of police officers to make inspections to determine if there is any discrimination by any group or place or person covered by the act, such inspections being made at intervals of not less than 60 days.

7. PENALTIES FOR VIOLATIONS

Persons covered under this section include: owner(s), officer, manager, agent, employee or person who conspires with another to violate the act.

Penalties: liability for actual damages and for punitive damages not to exceed $5,000 (civil action); fine of not more than $2,000 or 6 months or both; and each day of violation is a separate offense.

The owners can be held jointly or severably liable for suit or prosecution when the discrimination was committed by their officer, manager, agent, or employee. A criminal prosecution under the act is not a bar to a civil action for the same offense and the one shall not preclude the other.

8. REVOCATION OF LICENSE BY THE DISTRICT COURT, PROCEDURE

This a mandatory provision that the court must revoke a license of any alleged violator who fails to adequately answer a show cause order from the district court.

9. REVOCATION OF LICENSE OR TAX EXEMPTION BY GOVERNOR

In addition to the other penalties of the act, any license or tax exemption of a "* * * person who violates * * *" the act may "* * * in the discretion of the Governor, after adequate notice and hearing, be revoked, suspended or its renewal denied."

10. CONSTRUCTION OF ACT

"The courts shall construe this act liberally in furtherance of its intent as stated in section 1 of this title."

BILL NO. 1433, FOURTH LEGISLATURE OF THE VIRGIN ISLANDS OF THE UNITED STATES, REGULAR SESSION, 1961

An act to amend and revise title 10 of the Virgin Islands Code relating to civil rights

Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. Title 10 of the Virgin Islands Code, relating to civil rights is hereby amended and revised to read as follows:

"TITLE 10—CIVIL RIGHTS ACT

"Chapter 1. Equal rights of all persons against discrimination.

"Section analysis:

"1. Statement of public policy.

"2. Definitions.

"3. Rights of persons; prohibition against discrimination.

"4. Filing information as to club facilities, licenses, charges, etc.; determination and registration.

"5. Tuition charges by parochial or denominational schools, admission to religious bodies maintaining schools.

"6. Enforcement by commissioner of public safety.

"7. Penalties for violations.

"8. Revocation of license by district court; procedure.

"9. Revocation of license and tax exemption by Governor.

"10. Construction of act.

"1. STATEMENT OF PUBLIC POLICY

"Whereas this title 10 is enacted under the police power of the Territory of the Virgin Islands, for the protection of the public welfare, order, health, safety, and peace of all of the people therein; and

"Whereas the legislature finds and hereby declares that practices of racial discrimination against any of the inhabitants of the Virgin Islands because of race, creed, color, or national origin not only threatens the rights and proper privileges of its inhabitants but menaces and threatens the foundations of a free and democratic territory and menaces and threatens the peace, order, health, safety, and general welfare of its inhabitants; and

"Whereas it is the cultural and democratic heritage of the people of the Virgin Islands to respect the human and civil rights of all people and to judge all persons according to their individual merit without reference to race, creed, color, or national origin; and to cherish the racial equality, harmony, and good will that exists in the Virgin Islands; and

"Whereas racial discrimination, segregation, and other forms of bias and bigotry are not part of the way of life of the people of the Virgin Islands:

"Now, therefore, it is declared to be the public policy of the Virgin Islands that all natural persons within its jurisdiction shall

be entitled to the full and equal accommodations, advantages, facilities, and privileges of any place of public accommodation, resort, or amusement, and to the equal opportunity and treatment in employment in any and all businesses and industrial establishments, and to membership in all labor organizations, and to equal privileges in the purchase, lease, or rental of real estate, and in the purchase of any commodity or service offered for sale; subject only to conditions or limitations imposed by law and applicable in like manner to all persons.

"In order to implement this public policy, it is the intent of this act to prevent and prohibit discrimination in any form based upon race, creed, color, or national origin, whether practiced directly or indirectly, or by subterfuge in any and all places of public accommodations, resort, or amusement, and in all sales of real estate, goods, articles, accommodations, commodities, or services, and in the employment of persons, or their working conditions, or obtaining union membership, and to prohibit clubs from establishing a private clientele of either members or guests, which they have selected, and with which persons alone will they transact their business and commerce.

"2. DEFINITIONS

"As used in this act—

"'Discrimination' includes refusal of sale or service, employment or of setting up different standards in any of these, or segregation, based on race, creed, color, or national origin.

"'Place of public accommodation, resort, or amusement' means any place where food or drink is sold, or rooms rented, or charge is made for admission or service, or occupancy or use of any property or facilities, including but not limited to inns, hotels (whether conducted for the entertainment of transient guests or for the accommodation of those seeking health, recreation, or rest), taverns, roadhouses, roominghouses, restaurants, eating houses, or any places where food is sold for consumption on the premises, buffets, saloons, barrooms, parks or enclosures where food, spiritous or malt liquors, wines, soft drinks or beer are sold; bathing houses, beaches, swimming pools, barbershops, beauty parlors, soda fountains, drink parlors of all kinds, shops, stores, gardens, amusement and recreation parks, theaters, golf courses, public and private schools, clubs (if food, drink or other commodities are sold there), public conveyances operated on land or water or in the air as well as the stations or terminals thereof, or any hospital, sanitarium, dispensary, or clinic.

"'Club' means any association of individuals banded together by their free accord for any lawful purpose. The provisions of this act shall not bar any club organized and operated exclusively for pleasure, recreation or other noncommercial purposes, which is supported by or derives its funds entirely from dues and contributions from its membership.

This act does not prohibit such lawful private clubs; it does not regulate their free selection of club membership; and does not restrict their freedoms of choice or association. This act does, however, prohibit such clubs, along with all other persons, from selling, leasing, or renting real estate, and from entering the field of business and commerce by selling food or drink or any other commodity or charging for the use of any beach or other club facility or service, or from using the license issued to them to do so, on any discriminatory basis whatsoever.

"Whenever or wherever a club sells any of the commodities or services mentioned in this act either to its membership or its guests selected by itself, it is hereby declared to have entered the field of business and commerce, and, therefore, to be a place of public accommodation under the meaning of this act.

"3. RIGHTS OF PERSONS; PROHIBITION AGAINST DISCRIMINATION

"(a) All natural persons within the jurisdiction of the Virgin Islands, without regard to race, creed, color, or national origin, and subject only to the conditions and limitations established by law and applicable in like manner to all persons, are entitled to—

"(1) Equal treatment with respect to employment, pay and working conditions in any and all businesses and industry, and with respect to union membership.

"(2) The full and equal accommodations, advantages, facilities, and privileges of any place of public accommodation, resort, or amusement.

"(3) The full and equal privilege to purchase or rent any item of real estate, goods, commodities, service, or any other thing offered for charge to others.

"(b) No person being the owner, proprietor, superintendent, manager, agent, or employee of any publicly licensed business or any other business or industrial establishment, shall directly, indirectly or by subterfuge, deny employment in or at such business to any applicant therefor, or engage in or permit any discrimination or differential in pay or working conditions for workers doing the same work, on account of race, creed, color, or national origin, subject only to the conditions and limitations established by law and applicable in like manner to all persons.

"(c) No person being an officer, agent or employee of a labor organization shall directly, indirectly or by subterfuge deny membership in such organization to any applicant therefor, on account of race, creed or color, or national origin, subject only to the conditions and limitations established by law and applicable in like manner to all persons.

"(d) No person, being the owner, proprietor, lessee, superintendent, agent, or employee of any place of public accommodation, resort or amusement, shall directly or indirectly or by subterfuge—

"(1) withhold from or deny to any other person any of the accommodations, advantages, facilities, or privileges thereof; or

"(2) adopt or pursue any custom, policy, practice, requirement or secret understanding, or any custom or policy of nonmembership discrimination or guest-card requirement with respect to the operation or management of such place which is intended, calculated or designed to, or which shall have the effect of discriminating against any other persons on account of race, creed, color, or national origin, or by reason of nonmembership in a club.

"(e) No person, being an officer, owner, proprietor, manager, superintendent, lessee, agent or employee of any business or club, engaged in selling, leasing or renting any plots of land, building sites, lots, estates, houses, apartments, or any other item of real estate shall, directly, indirectly or by subterfuge, deny to any other person the right to purchase, lease or rent any such item of real estate, on account of race, creed, color or national origin, subject only to the conditions and limitations established by law, and applicable in like manner to all persons.

"(f) Any restrictive covenant or condition or other provision in a deed, contract or writing of whatsoever nature relating to the conveyance, sale, lease or rental, of real estate, or any interest therein, which in any manner prohibits or restricts the reconveyance or resale, ownership, use or enjoyment of such real estate or interest therein on account of race, creed, color or national origin, is contrary to public policy and hereby declared null and void and of no effect whatsoever. Likewise any covenant, condition, or provision in such deed, contract or writing requiring resale back to the seller or to some other particular person, corporation or group or any other special option on the part of the seller, except in family relationship and government homestead deeds, is hereby declared to be subterfuge and also void and of no force whatsoever.

"(g) The use of any roadway or street into, within or through any subdivision of of residential development of 10 or more dwellings, which roadway or street is open to the use of any other persons as guests, visitors or permitees, other than the actual inhabitants thereof, shall not be denied or restricted directly, indirectly or by subterfuge, to any person on account of race, creed, color, or national origin, subject only to the conditions and limitations established by law and applicable in like manner to all persons.

"4. FILING INFORMATION AS TO CLUB FACILITIES, LICENSE, CHARGES, ETC.; DETERMINATION AND REGISTRATION

"(a) No later than January 15 of each year, any person maintaining, owning, leasing, possessing, or operating any club facilities consisting of physical property such as land, beaches, or buildings shall file with the government secretary—

"(1) a statement of the licenses he holds to sell liquor, food or drink, or to rent rooms, or to charge for any other use or occupancy of property, facility, service or beach, together with a statement of what articles, if any, are sold, what rooms, if any, are rented, and what other facilities or services are maintained for charge; and

"(2) if an incorporated or unincorporated association of individuals, a copy of its constitution and bylaws, together with a list of all duly elected officers and directors and a list of all members of the association—

all of which must be certified upon oath.

"(b) If any charges, as described in subsection (a) of this section, are made either to members or nonmembers of clubs, the statement required by such subsection shall also include an affidavit by the president and manager of the club in each such case, certifying that there is no discrimination in such sales, renting, or use based upon race, creed, color, national origin, or nonmembership in the club.

"(c) Any place at or on which charges are made in any manner for any article, or for the use or occupancy of any property, facility, or service located or operated thereon is expressly declared to be a place of public accommodation, resort, or amusement within the spirit and meaning of this act, and shall, upon determination as such by the government secretary or the District Court of the Virgin Islands, be so registered in the office of the government secretary.

"5. TUITION CHARGES BY PAROCHIAL OR DENOMINATIONAL SCHOOLS; ADMISSION TO RELIGIOUS BODIES MAINTAINING SCHOOLS

"This act shall not be construed as preventing a reasonable difference in charges by parochial or denominational schools for tuition of members and nonmembers or preference in admission to members of the religious body maintaining the school.

"6. ENFORCEMENT BY COMMISSIONER OF PUBLIC SAFETY

"The commissioner of public safety shall name a panel of police officers, selected for their tact and intelligence, who shall be authorized to make periodical inspections, at reasonable times of all places holding any licenses whatsoever, or other business establishments selling any article whatsoever as covered in this act, or upon reasonable cause to investigate any club in order to see that the provisions of this act are complied with. The commissioner shall be responsible for

making said inspections either personally or by members of the panel which he has set up. Such inspections shall be made at intervals of not less than 60 days. The inspecting officer or officers shall file with the commissioner a written report on the findings of each inspection. These reports shall form a permanent record in the office of the commissioner of public safety. Any violations revealed by said reports shall be immediately referred to the office of the attorney general.

"7. PENALTIES FOR VIOLATIONS

"Whoever, whether as owner, officer, manager, agent, or employee of any business or industrial establishment, labor organization, place of public accommodation, resort or amusement, or club, violates any of the provisions of this act, shall, for each and every such violation be—

"(1) liable in actual damages, and in addition, thereto, to punitive damages not to exceed $5,000 to be recovered in a civil action by the person aggrieved thereby or by any resident of the Virgin Islands to whom the person aggrieved may assign his cause of action; and

"(2) fined not more than $2,000 or imprisonment not more than six months, or both.

"(3) the owner or owners of any business where an offense mentioned herein has been committed by his or its officer, manager, agent, or employee, such owner or owners shall be severally and/or jointly liable with the offender for the actual and punitive damages provided for herein.

"(4) each day of violation shall constitute a separate offense.

"(5) neither penalty nor action listed above, in subsections (1) and (2) of this section, shall be a bar to the other, and recovery or action in one shall not preclude action or recovery in the other or of any other lawful remedy otherwise possessed by an aggrieved person.

"(6) any person who conspires with another person to violate any of the provisions of this act shall be liable as a principal violator and subject to all of the penalties above.

"8. REVOCATION OF LICENSE BY THE DISTRICT COURT, PROCEDURE

"Whenever the attorney general of the Virgin Islands has information that any person engages in any act, or adopts or pursues any custom, policy, practice, or requirement amounting in effect to violation or evasion of this act, he shall procure a rule to show cause to issue out of the District Court of the Virgin Islands requiring such person to show cause before such court why his license to do business should not be revoked because of an act or acts committed against public policy.

"If the court finds that such person has violated or is violating any of the provisions of this act, it shall order his license revoked or suspended because of an act or acts committed against public policy.

"9. REVOCATION OF LICENSE OR TAX EXEMPTION BY GOVERNOR

"In addition to any other penalties provided for in this act, the license to conduct a business, or to sell any articles or facilities or services, or any tax or fee exemption or subsidy granted under the provisions of title 33, V.I.C., subtitle 4, or any person who violates any of the provisions of this act in connection with such business, sale of articles or facilities or services may, in the discretion of the Governor, after adequate notice and hearing, be revoked, suspended or its renewal denied.

"10. CONSTRUCTION OF ACT

"The courts shall construe this act liberally in furtherance of its intent as stated in section 1 of this title.

"SEC. 2. This act shall become effective immediately upon approval."

Thus passed by the Legislature of the Virgin Islands on June 2, 1961.

Witness our hands and the seal of the legislature this 2d day of June A.D. 1961.

WALTER I. M. HODGE,
President.

JOHN L. MADURO,
Legislative Secretary.

PROPOSED JOINT COMMITTEE ON FOREIGN INFORMATION AND INTELLIGENCE

Mr. McCARTHY. Mr. President, on April 27, I introduced Senate Joint Resolution 77 on behalf of myself and 20 other Senators. The resolution would establish a Joint Senate-House Committee on Foreign Information and Intelligence. I have long felt the need for such a committee and have introduced a similar resolution in several previous Congresses.

In the light of the involvement of the Central Intelligence Agency in the Cuban invasion, I feel more than ever the necessity for the creation of such a committee. I have read with interest the articles which have appeared recently in various magazines, analyzing the Central Intelligence Agency, the Cuban invasion, and proposing various methods for improving the effectiveness of CIA or redirecting its activities. I am of the opinion that none of these proposed solutions will be effective without some measure of congressional supervision of the Central Intelligence Agency. Sufficient guarantees of secrecy can be given so that the Congress in fulfilling its duty can exercise some measure of direction and control. I was pleased to note that the distinguished military analyst of the New York Times, Mr. Hanson W. Baldwin, continues to believe a joint congressional committee is necessary to supervise CIA.

I ask unanimous consent to have printed at this point in the RECORD an article entitled "The Cuban Invasion—II," written by Hanson W. Baldwin, and published in the New York Times of Tuesday, August 1, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CUBAN INVASION—II—REBELS' DEFEAT IS ASCRIBED TO ERRORS IN PLAN AND EXECUTION IN WASHINGTON

(By Hanson W. Baldwin)

The invasion of Cuba last April, it is now clear, was lost in Washington.

The small invading force was adjudged shortly before the operation, in a written report submitted by a Colonel Hawkins of the Marine Corps, to be "battleworthy" and comparatively almost as well equipped as a similar U.S. unit. This judgment had some effect in Washington and, observers contend, was borne out by the actual fighting.

Despite the casualty statistics (some 1,200 of the 1,500 to 1,600 captured), the invaders gave a good account of themselves. Most sources agree that the refugees fought well until their ammunition ran out, that they inflicted more casualties on Fidel Castro's forces than he had conceded, and that the Cuban militia in the area of the landing almost immediately defected in scores to the invaders' side only to defect back again to Dr. Castro after the failure of the invasion became obvious.

Like the British and French invasion of Port Said during the Suez crisis of 1956, the Cuban operational plans and their implementation were watered down and the invasion was doomed by nonmilitary considerations.

The errors made and the blame for them are widespread.

ERRORS LAID TO KENNEDY

President Kennedy, new to supreme power, showed uncertainty in one of his first tests as Commander in Chief and met the opposing opinions of his advisers by compromise instead of clear-cut decision. His announcement a few days before the invasion that in no circumstances would U.S. Armed Forces be used to overthrow the Cuban Government should have led to cancellation, or major revision of the operation, for use of the U.S. Armed Forces was the one factor that could absolutely insure success.

Similarly, the cancellation of the preinvasion air strike—a key to the achievement of air superiority, a stipulated precondition for success—was the final counterweight against the invaders.

But it is also true that the President inherited the Cuban problem and a plan that had grown too big, physically and because of its political implications, for the Central Intelligence Agency.

In effect, everybody had a hand in the Cuban venture and yet nobody was clearly in charge. It was bureaucracy at its worst, with the right hand sometimes not knowing (as in the case of Adlai E. Stevenson at the United Nations) what the left hand was doing.

The close and careful liaison between political and military planning that is absolutely essential to strategic success was lacking.

In fact, neither the military nor the State Department was the primary planner or executor of the Cuban invasion.

The invasion, partly because the original plan just grew and expanded, partly in the interests of security and secrecy (which could not possibly be maintained when the operation became so large), was primarily the "baby" of the Central Intelligence Agency. The Agency made mistakes in planning, execution, and judgment. Allen W. Dulles, its director, and Richard M. Bissell, the deputy for plans and operations and in direct charge of the Cuban affair, will probably bear the burden of failure by resigning their offices.

FAILURES OF JOINT CHIEFS

The Joint Chiefs of Staff made mistakes in failing to be explicit and emphatic—in not pounding the table enough and in failing to commit all their ideas and viewpoints to paper. (In the interests of secrecy much of the Cuban planning and direction was oral.)

The White House believes the military judgments were faulty and the studies inadequate, but Pentagon sources deny this.

The State Department and other advisers bear responsibility for contributing to confusion and defeat by insisting upon legalisms that the guilty conscience of a democracy so often demands when it resorts to naked force.

McGeorge Bundy, a Presidential assistant, shares, and manfully has accepted blame for insufficiently emphasizing to the President the dangerous and negative aspects of the operation. And the President himself has assumed full responsibility for the failure.

But the assessment of fault, although essential to analysis, is far less important than the lessons learned.

The primary lesson is the importance of the principle of the objective, as it is known in military parlance, or in slang terms, "keeping your eye on the ball."

The original objective was the overthrow of Dr. Castro. Whether this was an adequate

political objective, or whether there should have been another constructive long-term goal, is open to question. But even this original objective was rendered impossible of accomplishment before the assault started.

A considered statement of what one is trying to accomplish, with political, military, and economic factors all carefully weighed, is the essential first step for any operation.

The operational plan must be capable of accomplishing this objective. In the Cuban invasion the objective itself seems to have become fuzzy, and the invasion plan as actually modified in execution could not possibly have accomplished the overthrow of Dr. Castro.

NEED FOR U.S. FORCES

The political and military disadvantages of any given plan must be weighed against the advantages obtained by accomplishment of the objective.

The disadvantages of the Cuban invasion were so great that either it had to succeed or it should never have been attempted. To insure success, the support of U.S. Armed Forces was essential, yet this was ruled out before the start of the operation.

The world respects power successfully used to accomplish national objectives. A successful invasion of Cuba and the overthrow of Dr. Castro backed by the United States would probably have overbalanced the adverse political, legal, and moral effects of our open intervention in Cuban affairs.

As it was, we suffered all the opprobrium that attaches to failure, and all the psychological and political disadvantages associated with the term "Yankee imperialism." And our backing of the Cuban refugees was so thinly disguised that it immediately exposed Washington to the same charges we would have faced had the U.S. Armed Forces been employed.

The second great lesson of Cuba is the importance of tight policy control, direction and management of any venture involving the application of military power, no matter how small.

This control and management must center in the President as Commander in Chief; each President will use the machinery of Government differently, but history has shown that ordered discussion and debates and staff work, and recorded decisions may bring new insight and prevent major mistakes. These procedures were largely lacking in the Kennedy administration prior to the time of the Cuban invasion.

MISTAKES OF THE CIA

A third lesson of Cuba is that no military or paramilitary operation should be under the control of the Central Intelligence Agency if it is of such a size and character that it is bound to become overt or open, rather than covert or secret. Operations of the size of the Cuban invasion should be managed by the Defense Department, which is far better staffed and has more expert military knowledge than the CIA.

Another lesson is the necessity of keeping all secret intelligence activities and operations under constant top-echelon surveillance and review. Machinery for a critical and objective analysis of all such efforts should be strengthened by the creation of a joint congressional watchdog committee, and by a careful supervision of the CIA by the National Security Council and other White House staff agencies.

But the Cuban failure offers no valid reason for dismembering the CIA, or for changing its name. Intelligence operations of many different kinds—black or concealed radio, propaganda, sabotage, and so on—must be conducted by some agency of Government. Most of these do not properly fit into the Pentagon, except, of course, when the operation assumes a character distinctly military and a size and complexity that make the Pentagon the obvious place to handle it.

But specialized and distinctive secret operations of various sorts are best handled by some separate, centralized agency. There is no magic in separating these specialized operations from intelligence-gathering collection and evaluation; in fact the two must work hand in hand.

One man, as Mr. Dulles now does, could well head both, but the organization must provide, as CIA now does, for separate but coordinated efforts in secret operations and in intelligence.

LESSON FOR INTELLIGENCE

The CIA, whether we like it or not, is an inevitable part of the modern machinery for national survival in the nuclear age. It has made mistakes in the past and will again in the future. But it has also had great successes in the past, as in the U–2 operation. It must be improved, not made a scapegoat. It probably employs too many people and its administrative machinery could be considerably improved.

Power—the power of secret information—is insidious, and some of CIA's personnel need to relearn the lesson of humility and of human failure. But the CIA is here to stay.

The Joint Chiefs of Staff similarly is a key body in our national security machinery. They, too, have human weaknesses and they, too, have made mistakes. But the principles they embody—differing military approaches to the same military problem; the right of dissent; collective wisdom as opposed to the judgments of a single military mind—are essential in the future as they have been in the past.

In sum, the failure of Cuba was a failure of bureaucracy, but as in all failures it was essentially a failure of men rather than of organization.

Rear Adm. H. E. Eccles, retired, comments in "Notes on the Cuban Crisis," a paper prepared under the sponsorship of the George Washington University logistics research project, that "somehow or other there seemed to be a complete divorce between the national policy and the power allotted to the task at hand."

He points out that "in great matters of state, the President simply cannot afford to leave these vital three (analysis of objectives, clear conceptual unity and careful followup) to his subordinates. The price of failure or of mediocre execution is too great."

And Admiral Eccles stresses that the Cuban venture again emphasizes that in "the protracted conflict with the totalitarian concept the fate of the free society will be determined much more by the understanding of human emotion and the exercise of intellectual power and moral values than by technological factors."

RAILROAD MERGERS

Mr. McCARTHY. Mr. President, in justification of the present rash of railroad mergers, railroad management of the country and the financial interests proposing them make promises to shippers, passengers, and communities located alone the line of the railroads merging that such consolidations will improve service.

Experience after the fact, of course, is the only possible way of positively checking such claims, but unfortunately, once a merger has been approved, there is no way, under present law, for the Interstate Commerce Commission to undo its mistake in granting approval when the merged railroad fails to live up to its promises in the way of later performance. For this reason, it is extremely important that we weigh the present railroad merger proposals against our experience of what has happened, and is happening, to service on those railroads which have been permitted to merge on the basis of their claims that better service and more efficient operations would result.

Judged by this practical test, the record is such that thoughtful people must seriously doubt claims that the railroad mergers now proposed will mean better service and more efficient operations. In fact, the record in this regard is so negative that one must seriously question whether the only other justification for mergers; namely, higher earnings for railroad stockholders—is sufficient cause for permitting the adverse effects which past mergers generally have had upon railroad efficiency and service to the public.

This view is borne out by a study just completed by the dean of America's university teachers of transportation, Kent T. Healy, T. Dewitt Cuyler professor of transportation at Yale University. Professor Healy, with the help of other experts in transportation economics, has made a careful statistical analysis of the effects of size upon railroad efficiency and economy which is published by the committee on transportation of Yale University under the title "The Effects of Scale in the Railroad Industry."

In view of the present proposals before the Interstate Commerce Commission for the creation of several new supergiant railroads of unprecedented size, it is important to note that Professor Healy's findings show that as a railroad increases in size beyond 10,000 employees, its efficiency goes down. Among Professor Healy's conclusions are first, smaller systems have a lower capital investment per unit of composite output than larger systems; second, as scale increases, wages per unit of output increase; third, with increasing scale, there is increased transportation expense per unit.

Dr. Healy writes:

In summary, the analysis indicates that an increase in scale above 10,000 employees is associated with an increase in wages and transportation expenses and with lower rates of return, and above 19,000 with an increase in unit capital requirements. These conclusions are strengthened by the fact that where there is interdependency between ratios, namely the capital-wage ratio and the rate of return as they relate to other ratios, there is complete consistency.

Professor Healy does not, however, seek merely to establish the case against further mergers in the railroad industry, but he attempts to explain the casual factors which account for his findings. I ask unanimous consent that the six paragraphs from his study dealing with this aspect of the problem be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Finally, consideration can be given to the causal factors that may account for these significant relationships. First it should be noted that with few exceptions there are few gains with increasing scale by way of

ability to use larger labor or capital saving physical operating units. For instance any of the railroad systems in the sample do, as conditions other than scale warrant, use the heaviest locomotives or rail, and centralized traffic control and all use the same freight cars and similar passenger cars. The intensity of their use may vary with density, however. But the analysis suggests that once a certain average density of traffic is reached, around the $40,000 to $50,000 level of annual revenue per mile, there are no opportunities for further density advantages.

On the output side increasing size might be expected to provide greater control over the market, with resultant higher prices and greater shares of the market. Rates are in fact the same regardless of size. The analysis of revenue offers no evidence that divisions of through rates have been usually in favor of the larger systems. As to share of the market, obviously a large system tapping four times the economic activity of the country than a smaller system does, will have, other things being equal, four times the traffic. But beyond that it is common knowledge that where lines are in the same territory and parallel, smaller systems have often, by their superior service, been able to attract traffic away from larger ones. The more intimate contact possible between shippers and the whole railroad organization in the case of smaller systems can lead to better communications, faster response and more mutual understanding and working together. All this can in turn be credited with reinforcing employee morale.

Finally, coming to what may be the heart of the problem, the larger organizations by more layers in the vertical and vastly wider spread in the horizontal lines of authority and communication introduce frictions and inertia that make for slower responses, less sense of urgency and responsibility, less individual initiative, and more of what are known as bureaucratic tendencies. Esprit is harder to build up and maintain, leadership is more difficult to establish and convey through the ranks. For a manufacturing enterprise these problems can be more readily compensated for by physical quality control and rejection of what does not come up to standard. For a railroad which is performing a service, the delays cannot be shunted off and the human aspects of performance are an integral part of the service.

The differences between manufacturing and railroading may be further stressed. A characteristic of the railroad industry in contrast to manufacturing, for example, is that labor costs are a substantially higher proportion of revenue. Wages alone are nearly 50 percent of revenue. Also a large share of labor is more decentralized, not working under close supervision within the confines of a building. Much of labor is also not machine paced as it is with manufacturing. All this provides the opportunity for serious adverse results in railroads with large-scale organization resulting in poorer morale or esprit and reduced control over performance.

These are the likely causes for the empirical showing that increasing scale for railroads beyond some 10,000 employees leads to poorer performance. Together these conclusions have important policy implications. They suggest that the wave of enthusiasm for creating vast railroad systems needs critical examination. Consolidation proposals are advocated on the grounds of cost saving and they also involve consideration of gain in ability to garner traffic and diversify regionally as well as in type of freight carried. The snowballing of railroad consolidation proposals to an important degree grows out of a supposed need on the part of one carrier or group of carriers to defend their market position against the threat of the consolidation of other carriers. The proposals are also in response to an overall change in transport technology with a decline in the railroad share of the total picture, and with changing technology in railroading itself. But the 40 or 37 railroad systems of this study are almost without exception the result of earlier consolidations. These were consolidations decided upon after studies of possible economies, competitive gains in shares of traffic, and need for defense against other consolidations, much the same factors as are now operative. Financial factors and personal ambitions also had their part, as they do now.

The conclusions of this study suggest two things. First, for roads of low traffic density, consolidation which transforms low density systems into a single system with traffic density in the higher ranges will offer economic benefit if the resultant system scale does not get so large that scale losses offset density gains. To avoid this hazard much more serious consideration should be given to the alternatives of coordination, for instance joint-track operation with abandonment of one of the other companys' lines, to increase density without incurring the disadvantages of increased scale. Second, where density is already high, enlargement of scale above a level of some 10,000 employees will most likely be accompanied by real diseconomies.

Mr. McCARTHY. Mr. President, let me emphasize again that Professor Healy's careful analysis of the results of those mergers which have already taken place in the railroad industry warns us that in the public interest we must not permit future mergers on the basis of unsound economic arguments. As his study points out:

> Where density is already high, enlargement of scale above a level of some 10,000 employees will most likely be accompanied by real diseconomies.

The theory that by combining and eliminating a large portion of allegedly unnecessary and duplicating service, railroads which merge can produce higher profits for their stockholders is also questionable. Professor Healy's study casts real doubt upon the assumption that higher profits will result.

Substantiation of Professor Healy's findings that railroad service deteriorates rather than improves as a result of railroad mergers is also to be found in the recent experience of shippers in Minnesota and other States, following the granting of permission by the Interstate Commerce Commission for the merger of the Minneapolis & St. Louis into the Chicago & North Western Railroad. Literally hundreds of complaints have been received by the Minnesota Railroad and Warehouse Commission about the deterioration of C. & N.W. freight service since it was allowed to acquire control of the M. & S.L. last year. Newspaper stories recently carried an account of this deterioration, in which they quoted a letter from Paul A. Rasmussen, chairman of the Minnesota commission, to Ben W. Heineman, chairman of the board of C. & N.W., enclosing a letter from a grain company manager as an example of the complaints about C. & N.W.'s cuts in service.

This merger, of course, was permitted by the ICC on grounds that service and efficiency of operations to the public allegedly would be improved.

Because Chairman Rasmussen's letter and that of the grain company manager which he enclosed are concrete examples of what shippers have actually experienced after a railroad merger has been consummated, I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MINNESOTA RAILROAD AND
WAREHOUSE COMMISSION,
St. Paul, Minn., July 7, 1961.

Mr. BEN W. HEINEMAN,
Chairman of the Board, Chicago & North Western Railway Co., Chicago, Ill.

DEAR MR. HEINEMAN: I am enclosing a copy of a letter which I received from the manager of the Ormsby Farmers Grain Co., Mr. Kerman Thorson.

I feel pretty much as Mr. Thorson states in his letter, that to properly describe the service your railroad provides for certain sections of the area you serve would merit diction and terminology that a person should not use in dictating to his secretary.

In this day and age of modern service, to have a railroad tender such a deteriorating, inferior service is disgusting to say the least. If your railroad does not plan to serve the people in the area you acquired from the M. & St. L., the best thing for you to do would be to offer this railroad for sale and I am quite confident that there would be parties who would be willing to purchase it. I can safely say that since your railroad purchased the M. & St. L., we have received hundreds of letters complaining regarding the service.

On many occasions, I have contacted your attorney, Philip Stringer, and it is conspicuously evident that you are not at all interested in the movement of l.c.l. freight. There are three companies that have petitioned for authority as regular route common carriers to service this area, but due to the fact that the legislature was in session and the attorneys representing the companies requested our commission to wait until the legislature adjourned before setting the matter down for a hearing, we were forced to delay the matter. However, it has now been set for hearing on September 11, and shortly after the hearing, the people along the M. & St. L., route will once again be privileged to have prompt, reliable, courteous l.c.l. service.

The letter I am enclosing, however, deals with another matter, concerning the facilities your railroad affords for the movement of grain. As you can read from the letter, Mr. Thorson is of the opinion that in tolerating this unsatisfactory type of freight service, our commission does not carry out its responsibilities.

At the present time, there is absolutely no excuse for not having an abundance of freight cars available, and the shortsighted policy of the railroad industry in expecting the grain elevators to cooper its cars, just is not going to be tolerated.

The tariff stipulations upon which your rates are based require that cars, when they are spotted for the movement of grain, flour, or any commodity, shall be serviceable and that the patrons should not be expected to assume the responsibility of coopering the cars and making them temporarily serviceable.

The deplorable status of boxcars throughout the entire Midwest is an indictment of the business ethics and standards characteristic of the entire railroad industry. There is no other industry in America that deals with the public in as inefficient, careless, and indifferent a manner as what is characteristic of the railroads in the services they are performing today.

A company that ships over 250 cars of grain annually certainly deserves prompt, re-

liable, courteous consideration on the part of the railroad that has the privilege of serving it.

If the merging of railroads results in the inferior type of service that is characteristic of what you have offered the M. & St. L. patrons since acquiring this railroad, then such petitions on the part of the railroads should be denied.

Some of the reports that we have received currently from your attorney, Philip Stringer, indicate that some of your men in top positions of authority are not aware of what is taking place on your own railroad.

Our commission has spent months trying to have the management of your railroad handle this problem, and if the situation is not improved, the only recourse left for our commission will be to have an investigation on our own motion as to the type of service you render and to establish rates accordingly.

The ancient Greeks had a proverb that "Bad government is good if it is bad enough," and the philosophy that prompted this statement is applicable to your operation over the M. & St. L. It is just so bad that something has to be done to improve it.

As I have stated, for months we have been calling this inferior service to the attention of some of the heads of your departments and your lawyers, and all we get in reply to our complaints is a letter containing some rather superficial excuses and an indication that you must have something more definite.

I hope that this situation is not of such magnitude that your railroad is not equal to the responsibility involved.

Cordially yours,

PAUL A. RASMUSSEN,
Chairman.

ORMSBY FARMERS GRAIN CO.,
Ormsby, Minn., June 30, 1961.

DEAR SIRS: How can you people on the railroad and warehouse board sit idly by and let the C. & N.W. take over the M. & St. L. railroad and cut the service the way they are doing? We had wonderful service when the M. & St. L. owned it, but I cannot find words that I dare print to tell you the service we are getting now. We get a train 2 days a week. It only runs from Estherville to the Y at St. James on Tuesday and Friday. We can have cars ordered for 10 days sometimes before we get any. If there doesn't happen to be any empties at St. James on the Y then we can go a week without cars. This is something that calls for immediate attention.

I know you have been informed on this before and we demand an investigation and restoration of the old M. & St. L. service.

To give you an example, I ordered four cars on June 22. June 27 we got three cars and two of them were hay cars so bad we did not dare load grain in them. On June 29, they picked up the one loaded one and when they returned south in the evening there were no cars left here. Now we will have to wait till Tuesday night, July 4, before we will know if we get any cars.

If you are going to let this thing continue and let the railroads run things their way then you certainly cannot call yourselves public servants elected by the public.

In the past year, we have shipped over 250 cars of grain and would have had more but were forced to use trucks to keep going. We do not like to use trucks and have not in years past.

KERMAN THORSON,
Manager.

Mr. McCARTHY. Mr. President, many railroads are trying to get out of handling less-than-carload freight, others are not interested in mail or railway express business, still more are discrediting their passenger train operations. As an example, I would point to what has happened in recent years on C. & N.W. passenger trains Nos. 510 and 511 operating between Chicago, Ill., and Duluth, Minn. In a recent brief submitted to the ICC on behalf of the Minnesota Railroad and Warehouse Commission, Attorney Oliver A. Ossanna has detailed the steps by which the C. & N.W. railroad drove business away from these trains as a means of seeking their complete removal. While this is the story of the mismanagement of only two trains on one railroad, I am informed by railroad workers that the identical pattern is being followed by other railroads in many other areas. Moreover, I am sure that the personal experience of most Senators who have recently had occasion to take a train trip is such as to fully support such a conclusion.

Mr. President, because I believe that the brief of the Minnesota Railroad and Warehouse Commission is a detailed and well-documented story of how our once great railroad passenger service is being deliberately destroyed by the carrier managements, I ask unanimous consent that it be printed in the RECORD at this point as a conclusion to my remarks.

There being no objection, the brief was ordered to be printed in the RECORD, as follows:

BRIEF ON BEHALF OF THE MINNESOTA RAILROAD AND WAREHOUSE COMMISSION

(Before the Interstate Commerce Commission, ICC Finance Docket No. 21366; MRC Docket No. A-7898; investigation of proposed discontinuance by Chicago & North Western Railway Co. of passenger trains Nos. 510 and 511 operating between Chicago, Ill., and Duluth, Minn.)

The above entitled matter came on for hearing before Examiner John L. Bradford of the Interstate Commerce Commission on February 6 at Madison; February 8 at Eau Claire; February 9 at Spooner, Wis.; and February 10, 1961, at Duluth, Minn. The proposal of the Chicago & North Western Railway Co. to discontinue passenger trains Nos. 510 and 511 operating between Chicago, Ill., and Duluth, Minn., was part of a similar application heard in Finance Docket No. 20681 in August of 1959. On November 19, 1959, the Interstate Commerce Commission, hereinafter called the "ICC," denied said application so far as passenger trains Nos. 510 and 511 operating between Chicago, Ill., and Duluth, Minn., were concerned, and found that public convenience and necessity required said operation; that said operation was not an undue burden on interstate or foreign commerce, and that said service continue for a period of 1 year from November 19, 1959. The order requiring the operation of said trains for a year was affirmed on appeal by the U.S. District Court for the Northern District of Illinois.

Thereafter, the company filed an application on or about November 1960 with the ICC requesting permission to discontinue passenger trains Nos. 510 and 511 between Chicago, Ill., and Duluth, Minn., and trains 514 and 515 operating between Elroy, Wis., and Mankato, Minn. The Commission decided not to investigate that part of the application relating to the operation between Elroy, Wis., and Mankato, Minn., and assigned for investigation the proposal to discontinue the passenger trains operating between Duluth, Minn., and Chicago, Ill.

The applicant points out that the express and mail has been removed with its consequent loss in revenue. The reason for loss of express is the unwillingness of the applicant to participate in the recent railway express contract entered into by and between various class I railroads and the Railway Express Agency, and the desire of the applicant to discontinue the operation of practically all of its passenger trains has discouraged the U.S. Post Office Department to the extent that it has apparently determined it necessary to find other means of transportation for the delivery of mail (H-1, p. 2).

In ICC order, Finance Docket No. 20681, decided November 19, 1959, the Commission found that the applicant enjoyed mail revenue of $209,112 in 1957, and $284,345 in 1958, and express revenue of $67,135 and $98,194 for the same years respectively, accruing to trains 510 and 511. The desire of the applicant to retain said revenue has been conspicuous by its absence and consequently much of the revenue loss that has been incurred during the first 8 months of 1960 was lost through the indifference of the applicant toward retention of this type of revenue; and, the discontinuance of dining, buffet, and parlor car service, which together resulted in a revenue of approximately $87,000 in 1958, and $80,000 in 1959 (parlor car service was discontinued at an early date in 1959), discouraged many passengers from using the service.

The net loss before interest or return for the first 8 months of 1960 was $559,032, of which $260,541 is solely related (exhibit H-3). In spite of the fact that the ICC has already held that "only those expenses which would be eliminated by the discontinuance of the trains should be included in the out-of-pocket costs of providing the service" (see Finance Docket No. 21137, Chicago & North Western proposal to discontinue service between Mankato, Minn., and Rapid City, S. Dak.; Great Northern Railway Co., discontinuance of service Williston-Watford, N. Dak.; and Richey, Mont. (307 ICC 59)). The applicant has included under solely related expenses such operating expenses as maintenance of way and structures and general and traffic expenses. These expenses are not properly includible as out-of-pocket costs to be considered in a train discontinuance case. By eliminating $11,991 for maintenance of way and structures, $8,307 for traffic and $9,000 for general expenses, for the first 8 months of 1960, the solely related net loss before interest or return would then be reduced to $231,243.

It appears from testimony of Witness Provo for the applicant that revenues and expenses relating to the operation of passenger trains 514 and 515 between Mankato, Minn., and Elroy, Wis., and trains 507 and 508 between Madison, Wis., and Chicago, Ill., were intermingled to some extent with the revenues and expenses involved in the operation of passenger trains 510 and 511, and that, therefore, true and accurate calculations of the exact revenues and exact true out-of-pocket expenses could not be determined. To that extent it seems to me that exhibits H-1 and H-2, so far as they relate to the revenues and direct out-of-pocket expenses, should be rejected, particularly in view of the apparent errors and the inclusion of expenses that on various occasions have been eliminated by the ICC in other proceedings (transcript, pp. 422-535). If these exhibits are rejected, then the case of the applicant must fail.

Without going into minute detail of the testimony of various public witnesses, suffice it to say that the witnesses in this case testified as to the need and convenience of passenger trains 510 and 511 as they did in the previous case in ICC Finance Docket No. 20681. We believe that is ample evidence upon which the ICC may base a decision to discontinue this investigation and to require the applicant to continue the operation of trains 510 and 511. We believe that the applicant's curtailment of service by the discontinuance of dining car and buffet service, and by its failure to retain mail and express service, has deliberately deteriorated the kind of service heretofore afforded the public with the specific intent of looking toward the elimination of said

passenger trains. We suggest that the ICC require the applicant not only to retain this service, but to require it to upgrade the service that is now afforded the public.

Respectfully submitted.

RAILROAD AND WAREHOUSE COMMISSION OF THE STATE OF MINNESOTA,
OLIVER A. OSSANNA,
Attorney and Practitioner.

Dated at St. Paul, Minn., this 14th day of March 1961.

A STUDY OF THE AMERICAN CHARACTER

Mr. McCARTHY. Mr. President, the Center for the Study of Democratic Institutions of the Fund for the Republic late in May sponsored a week long conference in Washington, D.C. This conference marked the opening of the Center's project to make a study of the American character.

As a part of the conference, a dinner meeting honoring Justice Hugo Black of the U.S. Supreme Court was held on June 1. The chairman of the meeting was Elmo Roper, and the main speakers were Dr. Robert M. Hutchins of the Fund for the Republic, and Dr. Reinhold Niebuhr, two men who have done much to influence the course of philosophy, of theology, and of education in the United States in this century. Their speeches were important in two respects: First, in setting the framework for an inquiry into the American character; and second, as a means of giving direction to that inquiry. We must not expect a study of the American character to deal only with the good, the reasonable, and the logical. We must expect it to deal also with contradictions, with faults of character, with inadequacies.

Dr. Niebuhr's speech was not so much a criticism of the American character as an objective, honest, and searching inquiry. The burden of his plea was basically this, that we be honest with ourselves.

Dr. Hutchins spoke primarily of political philosophy, the Constitution, and the role of law and of education. A necessary part in clarifying our judgments concerning the American character is the capacity for self-criticism, both as to our ideas and our institutions and procedures. These two speeches, together with the remarks of Elmo Roper and the gracious response of Justice Hugo Black should sustain and stimulate every American who is concerned to know himself and his country better.

I ask unanimous consent to have printed in the RECORD the speeches of Dr. Reinhold Niebuhr and Dr. Robert Hutchins, together with the introductory remarks of Elmo Roper, chairman of the board for the Fund for the Republic, and also the remarks of Justice Black made at the dinner meeting in his honor.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

STATEMENT BY ELMO ROPER, CHAIRMAN OF THE BOARD OF THE FUND FOR THE REPUBLIC, IN INTRODUCING DR. REINHOLD NIEBUHR AT A DINNER MEETING ON THE AMERICAN CHARACTER AT THE SHOREHAM HOTEL, WASHINGTON, D.C., JUNE 1, 1961

Ladies and gentlemen, distinguished Members of the Congress, fellow Americans, I should now like to introduce to you a distinguished scholar, theologian, and social critic, a man whose contribution to the thought of our time has arisen from a unique ability to understand both sides of any intellectual or social problem, to grasp the ambiguity of all human truth and the transitoriness of all human solutions, but who has never let his all-encompassing insight paralyze his ability to judge and to act in the name of the highest religious ideals.

He has had the courage and clear-sightedness to work for the relative and partial goods that are attainable on earth. He has never fallen under the spell of utopian dreams that permanent social justice can be achieved, and he has never forgotten that the only justification of social reforms lies in their ability to enlarge the freedom of the individual human being. Yet he has never drawn from these insights into the nature of man the conclusion that social change is futile and that things were better left as they are. On the contrary, through his double vision of man's divine potentiality and man's human actuality he has been inspired to work for as much liberty, equality, and justice as it is humanly possible to achieve.

In his 30 years as professor of applied Christianity at Union Theological Seminary and in his even longer career as writer, he has inspired students, religious scholars, and secular thinkers by his religious and social insights.

I present to you the vice president emeritus of Union Theological Seminary, Reinhold Niebuhr.

ADDRESS BY DR. REINHOLD NIEBUHR

Mr. Chairman, Mr. Justice Black, and ladies and gentlemen, apologies are boring and I am not going to spend time in apologizing for speaking even for half an hour on this tremendous subject of "The American Character," particularly to an audience that is made up of learned scholars and learned practitioners of the political art who, as it were, know American character in the raw. I can only say that we of the Center for the Study of Democratic Institutions have launched this project this week—our study of the American character—and I hope, though it is precarious and hazardous, that it will succeed and be creative and that my contribution this evening will be valid if it is related to the historical setting.

Let me begin by giving my definition of "character." I think that the character of individuals and of nations is a pattern of consistency that is woven by historical circumstances. The "woof" is the physical circumstances of life, and the warp comprises the cultural, spiritual, and moral endowments of individuals or of nations.

I think all judgments about character are bound to be speculative and challengeable though they can be partially validated by setting them in historical context.

As far as our great Nation is concerned, we can simply define the "woof and warp" of it. The "woof" is the fact that we were born on a virgin continent. (My English friends remind me that it really wasn't "virgin"; there were Indians here, and after we prayed to God we preyed upon them). Anyway we were on a partially virgin continent and had a tremendous hinterland and could occupy it without let or hindrance under the sanction of "manifest destiny." And the continent was endowed with great natural resources. This is the "woof" of our national character.

The "warp" of it is that we fancied, for obvious but in the light of history, not very plausible reasons, that we had embarked on an entirely new beginning for mankind. The settlers of Massachusetts thought they had made a new beginning for a purified church; in Virginia settlers thought they had made a new beginning for a purified political community, because they assumed that if you got rid of the absolutism of monarchy, you got rid of evil—as the Communists now think if you get rid of capitalism, you get rid of evil. There has been, therefore, a note of messianism in our national character from that day to this day. Think of how near hysterical we have been recently about the national purpose, whether we have a national purpose or what the national purpose is. (Obviously our national purpose is to do our duty within the limits of our capacities in the situation in which we find ourselves.)

So we are basically Messianists. The spiritual endowments we have and on which we pride ourselves are also somewhat dubious, more dubious than we like to admit. The Calvinists of Massachusetts said the proof of our virtue would be found in our prosperity—which was a questionable proposition, because in this great country we were bound to be prosperous, but prosperity would make for self-righteousness.

This was the original woof and warp of our historical destiny. I am going to speak briefly now of how this has worked out in history on various levels of life and in different realms of thought and action. I will begin with the obvious—our character in the international community. All of our thoughts and responsibilities are now suffused with the idea that we are one of the two great imperial powers that control the world; we are engaged with the other imperial power in a tremendous wrestling match on the abyss of a possible nuclear catastrophe.

How did we get this way? It was only a quarter of a century ago that we were isolationists, and rather neurotic isolationists at that. A persistent theme running through our national life was the idea of designing European devils trying to outrage our American innocence and to draw us into the competitions of Europe. For instance, we were—in our own view—seduced into the First World War. But then we emerged out of the Second World War the most powerful democratic nation on earth. I think we have to admit now that we are the leader of the free world not purely by our virtue, but by our power, by controlling—as the Russians control—a vast continental economy.

It is an interesting thing that our isolationism was partly selfish. It wasn't quite what the psychiatrists call a "return to the womb" that we sought—it was merely a grasping after the cradle of our continental security. After technology had overwhelmed this continental security, the original desire for our primitive innocence remained. We had a dark suspicion that power meant responsibility and responsibility meant guilt—the guilt that we are involved in by the evil that we do in order to do good. We are never quite willing to accept that there is evil in our good—that's what makes us rather vexatious partners to our allies.

But we have done fairly well, and now we are in this imperial position, knowing full well that our power spells responsibility, and that exercising that responsibility means that our actions are all mixed with guilt.

There are some remaining problems for us. There is, for instance, the problem that we think our own history should point the way to the world how to get out of the nuclear dilemma. Weren't we one of the two nations (with Israel of old) that was formed by a contract? Can't we form a world community by a similar contract? Can't we get rid of all this terrible conflict and competition between two communities by a contract? By a world constitutional convention? I know that I am stepping on the tender toes of some of my intimate colleagues in this vicinity when I say that this is an evasion. I don't see how it is possible to establish a supersovereignty by a pure contract and subordinate the prestige and

the power of these two great imperial nations, the United States and U.S.S.R., not to speak of de Gaulle's France.

Another great temptation that we have faced with relative success is that it is very difficult for us, who believe we are masters of our fate and destiny, to be so frustrated in the day of our great power. Can't we use our power to cut through all these frustrations? But that might entail bringing history to a tragic end by bringing it to a neat conclusion.

Now I don't think I can solve the nuclear dilemma, but I would like to observe that we all hope some kind of disarmament agreement will gradually come—some solution will emerge out of these tortuous negotiations. I assume of course that there is a possibility of some kind of uneasy partnership between these two imperial nations despite the fact that one of them is governed by a very dogmatic utopian and messianic creed.

In regard to adjusting ourselves to an industrial civilization, let me be equally modest and say that I think we ought to realize that not only we but all the Western European democracies had the great problem in the late 19th century of adjusting the individualistic idealism of the 18th and early 19th century to the social facts of an industrial civilization, which is bound to be collective. Here we succeeded as did the West European nations and the British Commonwealth. All of us, therefore, made ourselves immune to the Communist rebellion against democracy.

We succeeded, first, because we had proved on the one hand that there was a real force in equal political power guaranteed by the right of suffrage. And secondly, we established justice by raising up a countervailing power—the strong labor union—against the power of the corporation, which had centralized power by its innate capacities. So we have two quasi-sovereignties today, the big union and the big corporation.

There is no way to establish a tolerable justice without an equilibrium of power. That is what we have learned and learned it rather tardily. But why were we so tardy? Because, among other reasons, we were a wealthy nation and our social mobility made class resentment less pervasive. The class resentment that for good reasons was the instrument of social change in Europe evaporated among us. And then there was the frontier. You could always solve the vexatious problem of collective justice, or at least put it off, by heeding Horace Greeley's advice, "Young man, go west." So we had the frontier. The frontier established the kind of liberty and equality without revolution that eluded the most radical revolution—the democratic revolution of Europe. But this put a note of sentimentality into all our politics. I don't think there is a question about it, a note of sentimentality. We think all these things are easier than they are: we do not recognize fully the recalcitrance of human nature against the norms and ideals of human history and destiny.

Let me move on to another great question about our national character—racial justice. You remember the distinguished Swedish social scientist Gunnar Myrdal wrote on the American dilemma, how tragic that dilemma is. A dilemma throughout our history. For instance, while Jefferson wrote in the Declaration of Independence, "We hold these truths to be self-evident, that all men are created equal," Negro slaves were working in his garden. It may be heretical to say anything critical of Thomas Jefferson, but I am going to repeat what John Quincy Adams said; he said that Thomas Jefferson himself wasn't rigorous enough in applying the Declaration of Independence to the conditions of Virginia. Anyway the Declaration of Independence didn't help our Negro friends very much nor were the 13th and 14th amendments of immediate help. Now we are engaged in the agonies of establishing the validity and the honesty of our democratic creed for our Negro fellow citizens.

This is a tortuous process. I mustn't speak too much about that in the presence of distinguished members of the Supreme Court, because what is involved in it, I think, is a fascinating relationship between the majesty of the law, and the recalcitrance of local mores. I have had some difference of attitudes about the great decision that your Court made, Mr. Justice Black, 7 years ago. Sometimes I thought it was morally the greatest thing; then I thought since it tended to polarize and make the bad people worse and the good people better, it wasn't politically prudent even though it might be morally wise. But now I realize that it was absolutely necessary, because the basic difficulty is that the Negro is guilty of a crime against the rest of us: he diverges so obviously from the white man's God-like image of himself. You cannot get rid of that, either by moral suasion or by law but you have to do it both ways.

And I am glad we are doing it both ways. I am sorry that in this respect the Protestant Church has been so tardy. I say the Protestant Churches not the Catholic Church because the Protestant Church has proved itself in this case to be a kind of middle-class white conventicle that has forgotten the universal norms of the Christian faith. But we are making progress here too, so we can be moderately proud and moderately humble about our character as an interracial com munity.

Certainly, as Henry Steele Commager reminded us during our conference this week, our religious life is unique on account of our pluralism. We have every Protestant sect in America and here every sect becomes a church, and every church becomes a sect. Even the Catholic Church becomes a sect in America—that is, not in their esteem but in our esteem.

We have the largest and most creative Jewish religious minority group of any Western nation. I am particularly interested in this, because the relationship of Christians to Jews is one of the scandals of Western civilization as we all know. When I took the position 5 years ago—I took it 20 years ago but it was not publicized until 5 years ago—that Christians didn't have any business converting Jews, I had three kinds of reactions to my proposal. One was, "You are right, no matter what." The second was, "You're right, but you are heretical." And the third was, "You are wrong because you are heretical."

There is a simple way of solving the third one by saying, "You must have a wrong definition of heresy."

There was this great challenge, a Jewish minority. We haven't begun fully to fulfill our democratic and Christian moral creed in regard to the Jewish minority, particularly with reference to recognizing that the Jews—in my opinion—have a positive ability, not to say genius, for civic righteousness. I could elaborate on that much more but I'll leave it at that.

Another important challenge was the growth of a great disciplined Church, the Roman Catholic Church, first by immigration, and then, may I say, perhaps by outbreeding us, they have become more numerous. So all of our defensive reactions as Protestants are engaged in the power of this great Church. We had some experience in the last campaign which would indicate that this is not an academic question. The amount of hate mail I received from Protestant sectarians—on the whole from the fundamentalist sects—was shocking. They thought that if we elected Mr. Kennedy President, the Pope would run America. At that time I had a little dialog with the distinguished Jesuit theologian, Gustave Weigel, and I agreed that he was right in saying that the Catholic Church allows Catholic statesmen to speak for a consensus beyond anything the church might say, but I added what also must be observed, that frequently the Catholic statesman takes more freedom than the church finds convenient.

I think we non-Catholics ought to appreciate this church that from our standpoint may represent a bit of medieval vestigial remnant. We ought not condescend to it like that, because we ought to recognize that it has two great virtues which, on the whole, individualistic Protestantism, or secularism, or what-have-you does not have. I am going to say this in appreciation of Catholicism. I hope that Monsignor Lally after I have finished won't say, "God deliver us from our friends." I appreciate the Catholic Church because it was able to do something that I think is quite marvelous and that is, to take a priestly monarchy which at one time in the Middle Ages thought it was going to be the supersovereignty over all the nations, and make it a general instrument of a universal religious community, the only really universal Christian community. Incidentally, I hope that this isn't a liberal heresy—but I don't think this can be done without the institution of monarchy. If that be heresy, make the most of it.

Now the Catholic Church has two great advantages, one is that it never questions the social substance of human existence, that we are not just individuals but individuals who are fulfilled in, and frustrated by, our communities. The Catholic Church has an abiding sense of community. Its conceptions of justice are too fixed for me; they do not care enough about or take enough cognizance of the historical contingencies. For instance, take the population problem—the church's prohibition of birth control. But why should I go into this, when I want to appreciate the fact that the Catholic Church supports a natural law that has some relevance to an industrial civilization? I think it is marvelous that a church which I once thought could not extricate itself unaided from a medieval society has done very well in adjusting itself to a modern industrial society—better than most of us. This is one of its great virtues.

It is also a citadel which has guarded by its dogmas, which are probably irrelevant to many modern secular or Protestant Americans, the integrity and responsible freedom of the individual against the hazards of a technical, technocratic culture and civilization. This is a tremendous achievement.

I don't say that the Catholic Church is the only one that does this. I think that every institution of learning, and every religious institution ought to do this, but one of the great problems of the American character is how are we going to come to terms with the pressing problems of a technical society? We define "technique" simply as the mastery of nature, man's scientific mastery of nature, which leaves many questions of human existence out, particularly the question about the individual, and the question about the meaning of his existence. Here is the Catholic Church, which is a very nonindividualistic institution, nevertheless having this citadel for the individual. I think we ought to be grateful that in an open society, there could be this voice about individual destiny that transcends all our social destinies.

What about this strange and pathetic individual, who is so insignificant in the coherences and incoherences of nature and history and so significant to himself and to the people who love him? He is going to die as all the animals die. Though he thinks he ought not to die and hopes that he is not going to die, he would not know what to do with eternity if he had it—what are you going to do with the pathos and incongruity of this individual existence? And what are

you going to do if he asks the question, "What is the meaning of my individual and my collective destiny anyway?"

Now, here I must confess another heresy. Being a liberal in politics I have been rather consistently antiliberal in culture because I think it is rather pathetic that this great liberal culture or ours, this Western culture of ours, should interpret the meaning of human existence in terms of two very dubious dogmas, the "perfectibility of man," and the "inevitability of progress" in a nuclear age. Certainly, there must be some voice that says "this isn't true," and for my part I am glad that we have an open society in which either the Christian standpoint, or the Catholic Christian standpoint is not annulled or silenced, and where the secular society with all its wonderful scientific disciplines can challenge the inevitable obscurantism of the religious community, which is always involved in obscurantism because it claims that its symbols or its historical facts are more than historical facts. This is, in other words, a problem we are not going to solve, but thank God we have a community in which every one of these answers is still heard. We haven't solved the problem of the meaning of our existence and it has become more unsolvable because we are in conflict, in competition, with a very technocratic society that defines the uniqueness of man by saying that he is a toolmaking animal. We are certainly a little more than that.

I must admit that my friend Sir Charles Snow is right and say we have a particular reason for being somewhat technocratic because all the poor nations of the world are trying to get our technocracy; we are legitimately technocratic, but we ought to have some apprehensions about the preoccupation of man with the tools of life.

I must come to a conclusion. There are many other problems we could consider in the American character. I should say that any of our studies would have to analyze the American heritage in order to show what is perennially valid in this glorious liberal heritage of the 18th century Founding Fathers, and what must be adjusted to the facts of a collectivist society. There, I think it is worth observing that we don't necessarily turn from error—the error of utopianism, messianism, and liberalism and individualism—to the truth of our realism, but that we are turning back to a much richer truth that our Founding Fathers collectively had. You take the idealism of Jefferson, the sober realism of a Madison, and the wintry pessimism of John Adams, not to say the cynicism of an Alexander Hamilton, all have their place in the threshing floor of an open society where truth is separated from error and error from truth. Incidentally, in this open society, we have a place even for those systems which believe that the truth should be guaranteed by authority, religious or political, against error. This is also a great achievement of our free society.

We must look at the past not only because it shows us how finite we are, what creatures of our determinations, but because we are also responsible agents in history and we must study the past to free ourselves for the future. Freedom is the knowledge of necessity, though not in the way that Hegel and Marx said it was. We must have the knowledge of our finite determinations of the past, in order that we may be free to master our destiny in the future. We must know the past, and then we must not be preoccupied with it.

I must close with a word from one of the greatest statesmen of our age, Sir Winston Churchill. In a memorable address he made in New York after the war, during the Berlin airlift, he said something like this about the past and the future and about man's determination of freedom. He said: "Our airlift has won us the hearts of the German people, gentlemen. I hope you won't be offended that I think it important to win the hearts of the German people seeing they did us so much wrong—but, gentlemen, let us only remember so much of the past as will make us creative in the future."

STATEMENT BY ELMO ROPER, CHAIRMAN OF THE BOARD OF THE FUND FOR THE REPUBLIC, IN INTRODUCING DR. ROBERT M. HUTCHINS AT A DINNER MEETING ON THE AMERICAN CHARACTER AT THE SHOREHAM HOTEL, WASHINGTON, D.C., JUNE 1, 1961

And now I should like to introduce a man whose interests have spanned many areas but who has devoted his life to a single faith: faith in human rationality. Faced with overwhelming evidence of man's unreason, he has nevertheless subbornly maintained his belief that man at his best is a wonderful thing, and man at his best is man thinking. Perhaps I should say man speaking, for it is the great dialogue between the best minds of the ages, between the developing minds of today and the great minds of the past, through which Robert Hutchins has always believed human enlightenment will come.

As a corollary to this faith in reason, he has also placed his faith in democracy and in freedom. Only in an atmosphere of freedom, when there are no restrictions on man's inquiring mind and when no sacred body of so-called truth is allowed to block the flow of man's intellectual adventuring, can civilized discourse flourish and rationality be a governing principle in human affairs. So Robert Hutchins has fought for freedom, and for the freedom of all men. Knowing that most journies into truth have been taken first by lonely, stubborn men, he has upheld the right of lonely, stubborn men everywhere to seek the truth and declare it as it appears to them. His life has been a steadfast dedication to the famous proposition of John Stuart Mill: "If all mankind minus one were of one opinion, and only one person were of the contrary opinion, mankind would be no more justified in silencing that one person, than he, if he had the power, would be justified in silencing mankind."

From time to time there have been those who wished to silence, or at least to tone down, Robert Hutchins, resenting his gadfly probing into the sacred areas of American complacency or shocked at his defense of such dubious documents as the Bill of Rights, but like most gadflies he has persisted in his ways, and I daresay he will be remembered when his critics are forgotten.

The radical concept of education Dr. Hutchins developed as president and then chancellor of the University of Chicago is considered by many the most revolutionary phase of his career. Yet it well may be that the present phase at the Fund for the Republic's center for the study of democratic institutions will ultimately seem even more revolutionary, because in that a man steeped in a tradition of Aristotelian logic, 18th century rationalism and old-fashioned Yankee independence, has undertaken a study of a uniquely modern phenomenon, the impact on freedom of 20th century institutions, with a view to making a reevaluation of the meaning of freedom in contemporary life.

I present to you the president of the Fund for the Republic, Dr. Robert M. Hutchins.

THE CONSTITUTION AND THE POLITICAL COMMUNITY

(By Robert M. Hutchins, president, the Fund for the Republic, Inc.)

Our guest of honor accepted our invitation on one condition, and that was that no complimentary remarks should be made about him. Since it is impossible to ignore a guest of honor, I have no course but to make uncomplimentary remarks about him. This I shall do from a deep sense of personal grievance.

When I taught law, we taught that law was what the courts would do. Although there were some progressives who thought that what the courts did was determined by what the judges had for breakfast—tell me what you eat and I'll tell you what you are—the more authoritative view was that the courts would do what they had done. Among other unattractive subjects, I taught the law of public utilities. What the Supreme Court had done, in 1898, was to hold, in *Smyth* v. *Ames*, that regulatory bodies could not constitutionally fix rates that did not give a fair return on the fair value of the property, and fair value came to mean cost of reproduction new, less depreciation. My course was based on *Smyth* v. *Ames*.

What a bonanza the rule of *Smyth* v. *Ames* turned out to be. Almost everybody, except the public, profited by it. When New York City began its rate case against the Edison Co., that corporation's expenditures for appraising, accounting, and legal fees were over $4 million. New York Telephone's, in a similar case, were over $5 million. And in 1932 it appeared that the valuation of the American railroads, which had been going on for 18 years, had cost $178 million.

No sooner had Justice Black got on the Court than he attacked the rule of *Smyth* v. *Ames*. Perhaps little more could have been expected of a man who as a Senator had announced that stare decisis, adherence to precedent, did not apply to the Constitution. We took some temporary comfort in the fact that his attack was a dissent. But such was the pertinacity and persuasiveness of our guest of honor that by 1944 he had brought the majority around to his opinion, and *Smyth* v. *Ames* was overruled. Thus at one stroke Justice Black hit the utilities, and the appraising, accounting, engineering, and legal professions a tremendous blow in the pocketbook—and repealed everything my students ever knew.

Most of my colleagues of those days will tell you the same story. What Justice Black did to me and my students he did to them and their students. He assailed the rule, unquestioned since 1842, on the interpretation of State law by the Federal courts, and got it overturned in 1938. He inveigled the Court into upsetting an almost equally ancient tradition by holding that insurance was commerce. He seemed to suggest in *Marsh* v. *Alabama*, decided in 1945, that corporations, under certain circumstances, might be subject, like governments, to the prohibitions of the Bill of Rights. In the Lovett case he renovated an almost forgotten piece of furniture, the bill of attainder, and turned it into a weapon with which he repulsed a rapacious majority in Congress.

Nor is this all. If we explore the Black country, the world of Justice Black's dissenting opinions, we see that if we lived there we should be living in a different atmosphere. The protections accorded the accused in criminal cases would be extended. Aliens would be treated almost as well as citizens. The protection of the fifth amendment would be broadened. It would be regarded as guaranteeing the right to be silent; the waiver of the privilege would be more narrowly interpreted; and no governmental penalty of any kind could be inflicted on a witness availing himself of it. The immemorial rule permitting the trial of criminal contempts without a jury would be abolished. So would blue-ribbon juries. The rights of labor unions to picket peacefully and to engage in political activity would be widened. No test oaths of any sort would be permitted. Censorship, obscenity legislation, and group libel would be unconstitutional. A corporation would not be a person within the meaning of the 14th amendment, as it has been ever since Roscoe Conkling,

by carefully editing history, convinced the Court many years ago. The Federal Government would be held to have completely preempted the field of repressing subversion. The House Un-American Activities Committee would be regarded as an un-American activity. The whole of the Bill of Rights and not just part of it, would operate against the States. The doctrine that the necessities of the community must be balanced against the rights of the citizen, so that the citizen usually loses, would go out the window. Neither subway conductors nor applicants for admission to the bar would be declared unreliable because they refused to answer questions about membership in the Communist Party.

When we recall that all the great movements in constitutional law in the last 75 years have been made by dissenting opinions, we recognize that such opinions are not to be trifled with. We ought to make up our minds whether we like the Black country. We may find ourselves living in it.

I like it. But the question is why. I can't say I like it because I like it. If I did, all anybody else would have to say would be that he didn't like it.

I can't say I like it because I was brought up that way. Too many people were brought up another way.

I can't say I like it because it reflects the consensus in the United States. It probably does not.

I can't say I like it because I think it would work well. Though I have no doubt that what is not true will somehow fail to work, the crucial word is "somehow," which includes "sometime." Life is so complicated, and so short, that I am not sure that I would know whether or not something was working. And what is the standard of working well, and where do I get it?

I can't say I like the Black country because an historical investigation of what the Founding Fathers meant convinces me that they intended us to live there. Such investigations are likely to be as useless as the Court says they were to it in the desegregation decision, or as the Fund for the Republic found they were when it tried to determine the historical origins of the religion clauses of the first amendment. We certainly are not to take the meaning of the fathers at the time they wrote as binding on us today. Only Chief Justice Taney ever did that. Of course in the Dred Scott case he misrepresented the founders. But even if he had told the truth he would not have been using a good method of constitutional interpretation.

I can't say I like the Black country because the precise words of the Constitution compel me to. The plain language of constitutions, statutes, and precedents requires interpretation. The precise words of the religion clauses of the first amendment are as precise as any in the Constitution. The phrase "separation of church and state" does not appear in that document. Still less is there any talk therein of a high and impregnable wall of separation. Yet these phrases are the commonplaces of judicial discussion of the freedom and establishment of religion.

The precise words and plain language of the religion clauses, though very precise and exceedingly plain, were not sufficiently so to produce a line of decision from the Everson case, through the McCollum case, to the Zorach case that was altogether clear to the non-judicial mind. These words and language have not always seemed to be precise and plain even to the judicial mind, as the praiseworthy changes of that mind in the flag-salute cases show.

In 1934, Chief Justice Hughes said, delivering the opinion of the Court, "The vast body of law which has been developed was unknown to the fathers, but it is believed to have preserved the essential content and the spirit of the Constitution * * *. This development is a growth from the seeds which the fathers planted." The Founding Fathers meant us to learn. They meant us to learn how to form a more perfect union, to establish justice, to insure domestic tranquillity, to provide for the common defense, to promote the general welfare, and to secure the blessings of liberty to ourselves and to our posterity. They founded a political community; a community learning together to discover and achieve the common good, the elements of which they set forth, but did not elucidate, in the preamble. The reliance on us to continue learning is evident in every line of the Constitution and in the brevity of the whole.

The Constitution is to be interpreted, therefore, as a charter of learning. We are to learn how to develop the seeds the fathers planted under the conditions of our own time. This political botany means that nothing we have learned and no process of learning could be unconstitutional. What would be unconstitutional would be limitations or inhibitions on learning. I like the Black country because this is the essential content and spirit of its constitution. Justice Black is a great teacher of the challenges posed in our time by our Constitution to the American character.

Learning is a rational process. Law is an ordinance of reason, directed to the common good. The process of deciding to make or not to make a law, or the process of reaching a judicial conclusion, is to be criticized in terms of its conformity not to local or popular but to universal standards of reasonableness. If the Constitution is to teach us, and we are to learn under its instruction, the dialogue that goes on about its meaning must be about what is reasonable and unreasonable, right and wrong, just and unjust. The question is not what interests are at stake, not what are the mores of the community, not who has the power or who is the dominant group, not what the courts will do or the legislature has done, but what is reasonable, right, and just.

Certainly conformity to the precise words of the laws and the Constitution is not enough. It is well to remember that Hitler was called Adolf Legalité. Everything he did, like everything that is being done in South Africa, was strictly according to law. Critics of President Eisenhower were correct in saying that his defense of the desegregation decision was ineffectual. He should have said not merely that the decision was the law of the land, but also that it was based on reason, right, and justice.

Since, as John Dewey remarked, we have a government of lawyers, and not of men, lawyers should understand that there is or ought to be a normative jurisprudence which prescribes something more than correct procedure. The lamentable state of legal education, admirably exemplified by the way I used to teach public utility law, is one of the principal obstacles to our learning in and through the political community.

There are others. Our ideology, by which I mean that set of ideas which has hardened into a linear series of slogans, one of which leads into the other without the intervention of thought, is far behind the facts of life. Our institutions, operated in terms of that ideology, seem sometimes primitive, sometimes unreal, sometimes fantastic, when we think of the obligations and opportunities of our country in the contemporary world. We know that tremendous changes are going on, and that still greater are impending. Of the two pillars of our society, property and work, the first has now been transformed; it has changed from tangible goods into a series of claims; and the second is certain to disappear. We are going to have to live in a world without work, a world without want, a world without disease, and, if we are to live at all, in a world without war.

With the gross national product hovering around an alltime high, one-third of the productive capacity of our industries lies idle. What are we going to do with our goods? What are we going to do with ourselves? We now have to learn more, and learn it faster, than any other people in history. The time to revive and reconstruct the political community is at hand.

It seems likely that this age will be one either of innovation or of extinction. Without innovation the human race may not be extinguished, though the technical means of achieving this result are now available. What will be extinguished, in the absence of innovation, is the free society, the political community. Only if we can tear ourselves loose from our prejudices, from our ideology, from slogans, only if we can take a fresh look at the world and exercise the same kind of intelligence, character, and inventiveness that the Founding Fathers showed can we hope to revive, reconstruct, and preserve the political community. Take 4 successive days out of the last 10 in the work of the Center for the Study of Democratic Institutions. On the first our staff economist demonstrated that the market was not working and could not work. He then demonstrated with equal clarity that economic planning, the only visible alternative to the market, was not working either. He said it would be necessary to develop new economic ideas and new economic institutions to meet the problems of a totally new world.

On the second day a Canadian expert reporting on experience with broadcasting in Canada and England and his observations elsewhere declared that no form of public, semipublic, or quasi-public control of broadcasting had been able to resist the advertising agencies anywhere and that if they were to be resisted, which he thought essential to the health, morals, and sanity of the world, new ideas would have to appear and new methods be invented.

On the third day a professor from the Australian National University, beginning with a conviction that the United Kingdom would join the European Common Market, and going on to trace the effect of this action on the British Commonwealth, concluded that we were rapidly moving into some form of world political organization, and speculated that, if such an organization was to be in any sense free and democratic, new political forms would have to be developed. Something is going to replace the nation states. But what?

On the fourth day a student of the American character from Berkeley recalled de Tocqueville's remark that the individual is a defaulted citizen, that democracy fosters individualism, and that individualism first saps the virtues of public life and ends in pure selfishness. De Tocqueville said that democracy, by way of individualism, throws every man "back forever upon himself alone and threatens in the end to confine him entirely within the solitude of his own heart." The citizens of the United States, De Tocqueville thought, would escape this fate because our Constitution required us to learn together to seek the common good. We would be forced, he said, by the necessity of cooperating in the management of our free institutions, and by our desire to exercise our political rights, into the habit of attending to the interests of the public.

The student of the American character from Berkeley pointed out that de Tocqueville's expectations had not been fulfilled, that the people of the United States are in fact defaulted citizens, with an indifference and even a hostility to government, politics, and law that would have astounded de Tocqueville—and the Founding Fathers. Instead of being a citizen, the American individual is a consumer, an object of propaganda, and a statistical unit. The conclusion of the professor from Berkeley was that the

political community had been wrecked on the rocks of our ideology, by such slogans as free enterprise and that government is best which governs least, and was now extinct. In view of the condition of our education, our mass media, and our political parties, he believed that in the absence of some dramatic new effort to reconstruct our attitudes and our institutions the outlook for democracy, for the free society, and for the political community was hopeless.

All the studies that the center has been carrying on come out at the same place. We are entering a totally new world, and we are not very well prepared for it. The new world is described by the great French historian and philosopher, Étienne Gilson, as follows: "The throes of the contemporary world are those of a birth. And what is being born with such great pain is a universal human society. * * * What characterizes the events we witness, what distinguishes them from all preceding events back to the origins of history is * * * their global character, or to say it perhaps more exactly, their planetary character. The unity of the planet is already accomplished. For reasons economic, industrial, and technical, reasons all linked to the practical applications of science, such a solidarity is established among the peoples of the earth that their vicissitudes are integrated in a universal history of which they are particular moments. * * * These peoples are in fact parts of a humanity * * * something of which they must now become conscious, in order to will it instead of being subject to it, in order to think it with a view to organizing it."

The demands of this new world, like the demands of the political community, are first of all demands that we think, and learn. We face them ill prepared. Our educational system is not unfairly characterized by reference to the course in family living in the high school of Lockport, N.Y. The last unit of this course is called, "How To Be Livable, Lovable, and Datable." Or, as bearing more directly on our topic, you may prefer reference to the Resource Guide for English and Social Studies for the 10th Grade, published by the Pasadena schools. It reads as follows: "In the 10th grade, study is concentrated on the growth of democracy, and especially on the form of government which developed. Such a study should be brief and to the point, in order to allow time for the unit on driver education."

I remind you that on April 14 the superintendent of schools of New York City announced that 10,000 seventh-graders under his jurisdiction could not read third-grade books. The education of adults, which might be the answer to the question: What shall we do with ourselves? is in a deplorable state. Thirty million Americans, for example, are without any library service whatever.

We have triumphantly invented, perfected, and distributed to the humblest cottage throughout the land one of the greatest technical marvels in history, television, and have used it for what? To bring Coney Island into every home. It is as though movable type had been devoted exclusively since Gutenberg's time to the publication of comic books. William Berkeley, Governor of Virginia in the 17th century, said, "Thank God there are no free schools or printing, for learning has brought disobedience and heresy into the world, and printing has divulged them. God keep us from both." We are combining Berkeley's ideal of no communications at all with the democratic ideal of communications for everybody by having mass communications without content. In the same way it sometimes seems as though we are trying to combine this ideal of no schools at all with the democratic ideal of schools for everybody by having schools without education.

When it comes to learning through the political community, the object is to learn how to be a responsible citizen, enjoying liberty under law. The freedom of the individual must be protected, but in addition the citizen must grow in responsibility if our country is to become conscious of itself as a part of humanity and to think humanity in order to organize it. Individual freedom and liberty under law are not incompatible, and they are both indispensable.

Law is a great teacher. It does not represent that minimum of morality necessary to hold the community together. It stands rather for such moral truth as the community has discovered that can and should be supported by the authority of the community. The conception of law as coercion, or the command of the sovereign, or the expression of power, or what the courts will do leads to the conclusion that every effort should be made to avoid law and that it is proper to do anything that nobody can compel you to abstain from doing. Some such misconception must have been in the mind of our Government when it organized a foray into Cuba in violation of our own laws and in violation of international law. This fiasco suggests either that our officials are hypocritical when they make obeisance to the rule of law or that when they use the words "rule of law" they do not know what they are talking about.

Some of the principles of world law are of great antiquity. Others are gradually emerging. Justice Black referred to them in 1941 in the submerged land cases and again in 1946 when he said that "there has grown up in the field of international relations a body of customs defining with more or less certainty the duties owing by all nations to alien residents." The principles of world law are the principles of thinking humanity in order to organize it. Of necessity they must be principles of universal validity. I think they will be found to be the principles embodied in the preamble to the Constitution of the United States.

We must revive and reconstruct the political community in the United States because the task before us is nothing less than the organization of the world political community. We have thought that we had hold on some truths that would mean something in the universal history of mankind. The Founding Fathers believed that the truths in which America was conceived would stir the aspirations of all men everywhere. If we are now to exemplify these truths, we have to keep hold on them; we have to keep learning them; we have to learn all they can imply for today and tomorrow. The proposition to which the Declaration of Independence and Abraham Lincoln dedicated us now extends to the whole world. Once more Americans, on a new scale, have the duty of forming a more perfect union, which will involve establishing justice, promoting the general welfare, and securing the blessings of liberty to ourselves and to all the peoples of the earth.

RESPONSE OF JUSTICE BLACK TO DR. HUTCHINS

Mr. ROPER. I would like to ask Justice Black to stand up so that we can all pay our respects to him directly. Justice Black. [Applause, audience rising.]

Justice BLACK. I like that introduction. It is better than the one that makes you feel that you don't know yourself as well as you thought you did. I like it because it is very much like Mark Twain's—his favorite—and I can think of no better one, because it is very short.

A man was called on to introduce him who had never seen him. Didn't know anything about him. The man said: "I have been asked to introduce the speaker of the evening. There are only two things I know about him. One is that he has never been in the penitentiary, and the other is I cannot imagine why."

That has always seemed to me like a better introduction than one that lasts about 15 minutes, preaching at your funeral. I am very happy to be here. I came not to talk, but to listen.

I wanted to sit at the feet of a man whom I have admired for many, many years, a man who in my judgment has contributed far more to the ideas of liberty than I have. When I first heard about him he was making people think. When I next heard about him he was still making people think. Tonight you have heard him, and he has made you think. What greater service can a man live—perform—in a world that depends more than anything else upon what people think, far more in my judgment than what people do.

It is because he told me—or I was told—that this meeting was to be dedicated largely to the idea of liberty, the idea of freedom, the idea of expanding freedom in this country, that I was happy to come to the gathering. As I have looked around tonight from the time I entered the door until now, I have looked into the faces of men and women who have been contributing and are now contributing very greatly to the basic ideas of a free democratic country. Such men and women will continue to do what Dr. Hutchins said that the Founding Fathers hoped this Nation would do—to practice a type of government and to utter thoughts of freedom that would be an inspiration to the people of the world.

I thank all of you for coming here, to hear Dr. Hutchins and Dr. Niebuhr. I must confess that Dr. Niebuhr disturbed me once or twice. [Laughter.] He mentioned a name that I have somehow become familiar with the last few years. I don't know exactly how to pronounce it, but it is something like Gunnar Myrdal, I believe he said. [Laughter.]

Again he disturbed me a little because he said—didn't disturb me, he gave me hope, he said that the foundation (the Fund for the Republic) had decided that the thing to do was to get people together with different ideas and let them fight it out among themselves. That disturbed me a little because I belong to two or three organizations where numbers of the people have different ideas and I do not want them to be inspired into fighting it out any more than they do. [Laughter. Applause.] But it is a grand fight I can assure you. [Laughter and applause.]

And I want to correct one idea that seems to have spread abroad. I had a letter a few days ago from a fan, not on my side [laughter] but this fan suggested, in a way, that these ideas might be beyond my comprehension—as a matter of fact it was suggested that they probably were—but that if I would be kind enough, if it was possible for me to do so, to pass them on to my brethren on the Court they would appreciate it [laughter].

I want to assure you it was no difficulty at all to pass them on to my brethren. The Supreme Court does have its differences. I hope it will always have. It does have men who express their differences. I hope it will always have, because I fully subscribe to the belief that there is no progress possible anywhere where the differences of people are stifled, their voices are not able to be heard, and where they all speak as one voice, when all of us know that human beings don't feel that way.

Dr. Hutchins, I appreciate the honor of being with you. I wish I could say just how much I know has been done for the cause of liberty in this country by many people I see before me, far more than I have or can. I have sat at the feet not merely of you tonight but I have sat at the feet of some of these people here. It is grand to be with

you. It is grand to be a part of what I have come to believe in 24 years time is the greatest stabilizing force, a great stabilizing force for this Nation. To a large extent the Supreme Court represents the difference between the country that must depend upon the guns flashing to get rid of tyranny, and a country that depends upon its people, their institutions, with open minds and open hearts. I am proud to have served as a part of this Government, the time I have.

This is more than I intended to say, more than I should have said. I have no pessimism for the future, however, I should say. I'm not even afraid for people to think. I'm not even afraid for them to talk. With the stubborn men I have had to come in contact with all my life that I couldn't convert, I'm not afraid of people with silly ideas converting the people of this country to depart from the good solid faith of a great democratic nation. [Applause, the audience rising.]

BORROWING AUTHORITY FOR DEVELOPMENT LENDING

Mr. FULBRIGHT. Mr. President, there may be some Senators who have not yet studied closely the question of borrowing authority versus annual appropriations for development loans, which is the issue involved in the pending amendment. Such Senators may, however, feel that this discussion has a familiar ring to it. That may be because this question has been before the Senate twice before; in 1957, when President Eisenhower proposed borrowing authority for the fiscal years 1959 and 1960 and again in 1959, when the Committee on Foreign Relations proposed borrowing authority for a 5-year period.

Those interested in the history of this question may wish to read a "Short History of Proposals for Borrowing Authority for Development Loans" which I have had prepared and am about to insert in the RECORD. Members of the minority party will be particularly interested to note that 21 of their number who are still in the Senate voted to support President Eisenhower's request for borrowing authority in 1957.

Mr. President, I ask unanimous consent that this "Short History of Proposals for Borrowing Authority for Development Loans" may be inserted in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SHORT HISTORY OF PROPOSALS FOR BORROWING AUTHORITY FOR DEVELOPMENT LENDING

President Eisenhower in his mutual security message of May 21, 1957, proposed the establishment of a Development Loan Fund to be financed by the authorization then of an appropriation of $500 million to be available commencing in fiscal year 1958 and of $750 million borrowing authority commencing in fiscal year 1959 and—additional $750 million of borrowing authority commencing in fiscal year 1960. He said in his message: "Such borrowing authority has been used to finance many other U.S. lending operations. I believe this financing mechanism is well suited to the character of the fund."

Secretary Dulles, when he appeared before the Foreign Relations Committee the next day, vigorously urged the committee to approve the President's proposal including particularly funding through borrowing authority. He again pointed out that such borrowing authority has been used to capitalize other U.S. lending agencies.

Secretary Dulles attacked the concept of funding the lending program on the basis of authorization of annual appropriations. He said:

"Sixth, the fund should be established upon a basis of continuity with sufficient capital for several years' operation. As I said here last month, economic development is a long-term process. It is not an annual event. If our assistance is to be useful at all, it should be provided on a sustained basis that is consistent with the long-term nature of the job to be done" (hearings, p. 6).

In contrasting the borrowing authority proposal with the annual appropriations method, he said:

"This new approach we contemplate requires that we get away from annual authorization or appropriations. These inevitably tend toward a system of 'illustrative programs' as a basis for justifications. These are not compatible with the assurance of continuity essential to good planning and to the new long-term loaning concept. They are not compatible with cooperation with such organizations as the International Bank for Reconstruction and Development and Export-Import Bank, which operate on a long-term businesslike basis with established capital."

The borrowing authority proposal was the principal new idea in the mutual security bill in 1957.

The Committee on Foreign Relations in its report said that it had considered limiting the lending capacity of the fund to $500 million for 1 year or $1.2 billion to $1.5 billion for 2 years but had rejected this course on the ground that it would not provide sufficient resources or time for the fund to be established on a businesslike basis. The committee report also said:

"In any event, Congress may at any time repeal or modify the power of the fund to borrow $750 million from the Treasury in fiscal year 1959 and fiscal year 1960 if such a course should provide desirable" (p. 13 of Rept. No. 417 dated June 7, 1957).

The committee report made clear the view of the committee at that time that despite the provision for borrowing authority the Congress retained power to repeal or modify the authority given to the President.

When the bill reached the floor of the Senate, Senator MORSE moved to delete the second and third year of the proposal. His amendment was not based on opposition to borrowing authority. He stated that he felt the program should be established for the first year in order to study it to provide the basis for permanent legislation. Nevertheless, the effect of his amendment would have been to limit the bill to the authorization of a 1-year appropriation and to delete the borrowing authority provided for the second and third year. The Department of State, under the direction of Secretary Dulles, strongly opposed this amendment. It submitted a memorandum which Senator MORSE incorporated into the June 14, 1957, CONGRESSIONAL RECORD, page 8217. The memorandum stated: "If we are thus forced back into dependence on annual appropriations for development financing, all the major deficiencies in the present system will be perpetuated." It also said: "Only if the fund is assured of future resources can it employ businesslike procedures which will stimulate the receiving countries and other financing sources to greater activity." It also said: "A general declaration in the law or even an advance authorization for these appropriations would provide no reasonable assurance that they would be forthcoming."

These arguments advanced by the State Department under Secretary Dulles and President Eisenhower were apparently accepted by Republican Members of the Senate at that time for the Morse amendment was defeated 32 to 54. The vote is attached in a note at the end of this history. Thirty Republicans voted against the amendment and therefore in favor of the second and third year of borrowing authority. Twenty-one of these Republicans are still in the Senate. Twenty-four Democrats also voted against the amendment.

Among the Democrats supporting President Eisenhower's request was Senator Kennedy. The Senate approved the bill including the 2 years of borrowing authority by a vote of 57 to 25.

HOUSE ACTION

The House Foreign Affairs Committee first adopted an amendment, by a majority of one vote, eliminating the second and third year of the Development Loan Fund.

The Eisenhower administration immediately urged a reconsideration in the Foreign Affairs Committee. The White House telephoned Foreign Affairs Committee members over the weekend urging them to be at the committee meeting on Monday and to restore the full 3 years including the borrowing authority. This was done. One of the Democratic members moved the reconsideration. The proposal for 2 years of borrowing authority was reinstated by a vote of 17 to 10.

House Report No. 776 dated July 9, 1957 dealt at length (pp. 20–22) with the advantages of the long-term commitment arrangement and of borrowing authority. The committee report also dealt at length with the problem of congressional supervision (pp. 24–25) saying that in the opinion of the committee it had satisfactorily accomplished in the bill the two important objectives of "retaining assurance of adequate congressional control over the operation of the fund and at the same time avoiding the uncertainty as to annual appropriations which would prevent the effective accomplishment of the Fund's objectives'" (p. 24).

The report then referred to the protection of the rights of the Congress through application of the Government Corporation Control Act. The language from the report follows: It is significant that the proposals for the protection of the rights of Congress made by President Kennedy and included in the bill by the Foreign Relations Committee and the Foreign Affairs Committee this year are identical with the proposals made by President Eisenhower and Secretary Dulles in 1957 and approved by those committees in that year.

The report said: "In addition, as specified in section 204(c), the Fund is required to submit each year to the Congress, in accordance with the provisions of the Government Corporation Control Act, a business-type budget program reflecting the Fund's financial condition and setting forth estimates on its proposed operations for the coming year. This budget program will be reviewed each year by the Appropriations Committees which may then recommend legislation to Congress with respect to that program. It is expressly provided in the Government Corporation Control Act that this legislation may place limitations upon the use of the Fund's resources. Such limitations may, of course, include limitations on the obligations which the Fund may make each year against its borrowing authority.

"The committee also made certain that in addition to the control provided for the Appropriations Committees in future years, the authorizing committees retain the power to take corrective action should the Fund not work out as planned. The executive branch will include in its annual presentation on the mutual security program before the authorizing committees a full review of the past and planned operations of the Fund. This will give the committees the necessary information to determine whether

it is desirable to recommend in the annual mutual security authorizing legislation changes in the statutory provisions governing the Fund, curtailment of its resources, or, indeed, termination of the Fund itself. Because the capital of the Fund as provided in this bill is made available only in annual segments and obligations can be made against it only on the basis of the capital becoming available in each fiscal year, the Congress will have ample opportunity to take action to cut off the second or third annual segments before obligations are made against them.

"The committee further has made sure that the Congress will have continuing information regarding the use of the Fund. Section 534 of the act, as amended by S. 2130, requires semi-annual reports to the Congress of the Fund's operations. In the intervals between such reports, details of the operations will be available to the Congress through continuing consultations between the administrators of the Fund and the interested congressional committees."

HOUSE FLOOR DEBATE

When the bill reached the floor of the House it was apparent that there were not enough votes to sustain the committee's recommendations for 3-year funding. Representative PILCHER intended to offer an amendment to delete the Development Loan Fund in its entirety. To forestall this, Representative SELDEN proposed the amendment which he had proposed in the committee and which had been adopted in the first instance to limit the Development Loan Fund to the authorization of a $500 million appropriation for fiscal year 1958 but with no year funds.

Representative MERROW opposed the amendment. Representative Vorys said he would not oppose the amendment because it was the best that could be gotten under the circumstances to start the DLF. He was plainly in support of the committee's original report. Mr. HALLECK said:

"I would like to say here and now that I think the committee in its work did a good job. They have made certain reductions. This arrangement for the Loan Fund is a good one, it is in the right direction, but I also agree that there are many who are fearful about starting out on a 3-year program without some prior experience, probably in sufficient number to defeat it. So far as I am concerned, I believe this is a good approach. I am going to support the Selden amendment because I believe it is the best we can get" (CONGRESSIONAL RECORD, vol. 103, pt. 9, p. 12189).

Representative JUDD supported the committee's proposal at length, saying: "I wish we might have had the longer range program, because it would be put on a businesslike basis, like our other lending agencies, and help cure the defects of the present setup which are being criticized. I do not have the apprehension of some that neither the authorizing committee nor the Appropriations Committee would have adequate control over this Loan Fund" (CONGRESSIONAL RECORD, vol. 103, pt. 9, p. 12196).

Representative JUDD continues (CONGRESSIONAL RECORD, vol. 103, pt. 9, p. 12196): "It seems to me the bill as written is the sound, sensible way to handle this matter, but if under the realities of the situation we must take the Selden amendment and go ahead with 1 year of trial, I must accept it, but warn that it will not do as good a job in correcting the defects of the past as the committee bill would have made possible."

The Selden amendment was adopted by a voice vote.

A motion by Representative PILCHER to cut out the Development Loan Fund entirely failed 86 to 126.

A motion by Representative SMITH to recommit and cut out the DLF failed 181-227.

NINETEEN HUNDRED AND FIFTY-NINE

In 1959 the executive branch requested an authorization of a 1-year appropriation of $700 million for the Development Loan Fund in fiscal year 1960. Senators Fulbright, Humphrey, and Kennedy proposed an amendment in the Foreign Relations Committee for an authorization of borrowing authority for 5 years in annual increments of $1,500 million.

The committee reported a recommendation of a 5-year program to be funded by borrowing authority at the rate of $1 billion per year. Senator DIRKSEN proposed a substitute in the form of an appropriation of not to exceed $1,500 million of which not to exceed $700 million was to be advanced prior to July 1, 1960, not more than $500 million prior to July 1, 1961, and not more than $300 million prior to July 1, 1962.

The Fulbright-Humphrey-Kennedy proposal was in the form of an amendment to the existing law. It did not indicate on its face that the Government Corporation Control Act would apply to it and that the availability of funds for obligation and expenditure would be subject to action by the Congress through an appropriation act. This is clear from the colloquy between Senators LAUSCHE and DIRKSEN on CONGRESSIONAL RECORD, volume 105, part 10, page 12420. Senator LAUSCHE said "that means that under the provisions of the pending bill it will become mandatory each year, regardless of what the appropriations committee does, to make $1 billion available for the plan; is that correct?"

Senator DIRKSEN replied: "Yes, the appropriations committee would have nothing to say about the amount."

Senator DIRKSEN stated that his proposal was made with the approval of President Eisenhower.

Senator FULBRIGHT placed in the RECORD a letter of June 4, 1959, to him from President Eisenhower which made three principal points:

"1. It is desirable to put the Development Loan Fund on a long-term basis in order to insure the best planning and utilization of economic assistance through this program.

"2. In his budget message he had expressed the hope that the Congress will again consider ways by which it can more effectively overcome * * * the provision of new obligational authority outside of the appropriations process. The letter added: "This is now established administration policy and recommendations of previous years for spending from debt receipts that were made while such policy was being formulated must yield to it. Accordingly, I do not look with favor upon the provisions of your amendments which authorize the Development Loan Fund to borrow from the Treasury."

"3. The best means of funding long-term lending is through the authorization of an appropriation sufficient to cover several years, portions of the appropriation to become available in each succeeding year and to remain available until expended" (vol. 105, pt. 10, p. 12423).

During the ensuing debate Senator AIKEN (vol. 105, pt. 10, p. 12423) recalled that he was glad to support the 1957 proposal for funding the program by borrowings from the Treasury because he felt the President was making a very sound proposal to the Congress. He added that the method of financing now proposed (by the committee) would not be a precedent. He then pointed out some twenty separate agencies funded in this way. He said (vol. 105, pt. 10, p. 12423): "As I have stated, in the beginning I was glad to support the President when he recommended this method 2 years ago. But for the life of me, I do not know what caused the reversal of position."

Senator MORSE indicated that his study of this problem and his experience as a member of the Foreign Relations Committee has convinced him that his 1957 position was wrong. He urged the rejection of the Dirksen amendment (vol. 105, pt. 10, p. 12427).

During the debate Senator CASE of South Dakota made a point of order that the committee's proposal constitutes an appropriation and could not be made on a legislative bill because the Constitution provides that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law" (vol. 105, pt. 10, p. 12435).

The ensuing debate was on the point of order.

The Chair overruled the point of order.

Senator CASE of South Dakota appealed (vol. 105, pt. 10, p. 12437).

After extended debate Senator AIKEN, opposing the appeal, moved that the appeal be laid on the table (vol. 105, pt. 10, p. 12444). This failed 42–48 (vol. 105, pt. 10, p. 12444), the vote appears at the end of this statement.

Senator Kennedy said: "Does not the question really come down to whether we consider this an appropriation or not? If we consider it an appropriation, the point of order is well taken. The thesis of the Senator from Arkansas and of some of the others of us is that it is not an appropriation; it is a loan program and a borrowing from the Treasury. When there is an appropriation there is no repayment. This bill provides for a loan which will be repaid. Therefore, it is not an appropriation. I think if a Senator favors the program he may well accept the thesis that this is not an appropriation, but is a borrowing from the Treasury, which will have to be repaid under the terms of the law, and therefore does not fall within the limitations of rule XVI" (vol. 105, pt. 10, p. 12448).

Senator Kennedy later pointed out: "The Constitution of the United States is not involved in this discussion, because when the Constitution was written the Appropriations Committees were not established" (vol. 105, pt. 10, p. 12448).

Senator MORSE (vol. 105, pt. 10, p. 12460) emphasized the point made by Senator HUMPHREY that the Constitution merely says that "No money shall be drawn from the Treasury, but in consequence of appropriations made by law." It does not say that such an action by law must go to the Appropriations Committee. He pointed out that title 31 of the United States Code defines the term "appropriation" to include "in appropriate context, funds and authorizations to create obligations by contract in advance of appropriations, or any other authority making funds available for obligation or expenditure" (Budget and Accounting Procedure Act of 1950).

The following day, Thursday, July 2, 1959, the majority leader announced that he had agreed with the minority leader on an amendment to be substituted for the Dirksen amendment which will authorize the appropriation of $2 billion over the next 2 years, not more than $750 million of which shall be available in the first year.

Senator CASE of South Dakota withdrew his appeal from the decision of the Chair. The Johnson-Dirksen amendment was agreed to without objection.

Attachments:

Following is the vote in 1957 on a Morse amendment to eliminate 2 years of borrowing authority for development lending:

Yeas 32: Anderson, Barrett, Bible, Bricker, Butler, Byrd, Chavez, Curtis, Dworshak, Eastland, Ellender, Frear, Hruska, Jenner, Johnston of South Carolina, Kerr, Long, Magnuson, Malone, Mansfield, McClellan, Morse, O'Mahoney, Revercomb, Robertson, Russell, Scott, Stennis, Talmadge, Thurmond, Williams, Young.

UNIVERSITY OF MICHIGAN LIBRARIES

Nays 54: Aiken, Allott, Beall, Bennett, Bush, Capehart, Carlson, Carroll, Case of New Jersey, Case of South Dakota, Church, Clark, Cooper, Cotton, Dirksen, Douglas, Flanders, Fulbright, Gore, Green, Hayden, Hennings, Hickenlooper, Hill, Holland, Humphrey, Ives, Jackson, Javits, Johnson of Texas, Kefauver, Kennedy, Knowland, Kuchel, Lausche, Martin of Iowa, Martin of Pennsylvania, McNamara, Morton, Mundt, Murray, Neuberger, Pastore, Purtell, Saltonstall, Schoeppel, Smathers, Smith of Maine, Smith of New Jersey, Sparkman, Symington, Thye, Watkins, Wiley.

Not voting: Bridges, Ervin, Goldwater, Langer, Monroney, Neely, Payne, Potter, Yarborough.

Following is the vote on July 1, 1959, on the motion of Senator AIKEN to lay on the table an appeal by Senator CASE of South Dakota described in the foregoing text (CONGRESSIONAL RECORD, vol. 105, pt. 10, p. 12444):

The result was announced—yeas, 42, nays 48, as follows:

Yeas 42: Aiken, Anderson, Bartlett, Cannon, Capehart, Carlson, Carroll, Case of New Jersey, Church, Clark, Cooper, Dodd, Douglas, Engle, Fulbright, Hart, Hartke, Hennings, Humphrey, Jackson, Javits, Johnson of Texas, Kefauver, Kennedy, Kerr, McCarthy, McGee, McNamara, Magnuson, Mansfield, Morse, Moss, Muskie, Neuberger, Prouty, Proxmire, Randolph, Sparkman, Symington, Williams of New Jersey, Yarborough, Young of Ohio.

Nays 48: Allott, Beall, Bible, Bridges, Butler, Byrd of Virginia, Byrd of West Virginia, Case of South Dakota, Cotton, Curtis, Dirksen, Dworshak, Eastland, Ellender, Ervin, Frear, Goldwater, Gruening, Hayden, Hill, Holland, Hruska, Johnston of South Carolina, Jordan, Keating, Kuchel, Langer, Lausche, Long, McClellan, Martin, Monroney, Morton, Mundt, Pastore, Robertson, Russell, Saltonstall, Schoeppel, Scott, Smathers, Smith, Stennis, Talmadge, Thurmond, Wiley, Williams of Delaware, Young of North Dakota.

Not voting 8: Bennett, Bush, Chavez, Gore, Green, Hickenlooper, Murray, O'Mahoney.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the items on the calendar to which there is no objection be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none.

JURISDICTION OF CERTAIN NORTH CAROLINA HIGHWAYS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 632, Senate bill 2079.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2079) to retrocede to North Carolina jurisdiction over the southern eastbound lanes of North Carolina Highway 24 and the eastern northbound lanes of U.S. Highway 17 as these highways traverse and parallel Camp Lejeune, N.C.

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 656), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of this measure is to retrocede to the State of North Carolina concurrent jurisdiction over portions of North Carolina Highway 24 and U.S. Highway 17 within Camp Lejeune, N.C. Authority is provided for the State of North Carolina to enforce the laws of that State on the described portions of Highways 17 and 24.

EXPLANATION OF THE BILL

Portions of the U.S. Highway 17 and North Carolina State Highway 24 traverse and parallel Camp Lejeune, N.C. The State of North Carolina now has jurisdiction over the northern westbound three lanes of travel on North Carolina Highway 24, but is without jurisdiction over the southern eastbound two lanes of travel. With respect to U.S. Highway 17, the State has jurisdiction over the western southbound lanes of travel, but is without any jurisdiction over portions of the eastern northbound lanes of this highway.

In 1941 the United States acquired, by condemnation, fee simple title to the land in Onslow County, N.C., which now comprises Camp Lejeune. The Secretary of the Navy accepted exclusive jurisdiction from the State of North Carolina over these lands. In 1954 the Government granted to the State an easement over a portion of the land for the purpose of constructing, maintaining, and operating additional lanes of traffic on North Carolina Highway 24 as it traverses and parallels Camp Lejeune. A similar easement was granted in 1959 with regard to U.S. Highway 17. At the time these grants were made steps were not taken to retrocede to the State jurisdiction over the affected land. This has resulted in a confused jurisdictional situation. This measure will correct the jurisdictional problem by granting concurrent jurisdiction to the State thus facilitating more effective traffic control and the enforcement of State laws with respect to those portions of these highways involved. The Department of Defense favors the enactment of this legislation.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby granted to the State of North Carolina a retrocession of jurisdiction over the area within Camp Lejeune, North Carolina, utilized by the State of North Carolina for the southern, eastbound lanes of North Carolina Highway 24, as specifically referred to in Document Numbered NOy (R)–49273, and over the area within Camp Lejeune, North Carolina, utilized by the State of North Carolina for the eastern, northbound lanes of United States Highway 17, as specifically referred to in Document Numbered NOy (R)–65515, to the extent that all laws of the State, as well as all laws of the United States, shall be applicable thereon and the United States and the State shall exercise concurrent jurisdiction thereover.

SEC. 2. The retrocession of jurisdiction provided for in the first section of this Act shall take effect upon acceptance thereof by the Legislature of the State of North Carolina.

AMENDMENTS TO UNITED STATES CODE

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 633, H.R. 181.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 181) to amend sections 3253 and 8253 of title 10, United States Code.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 657) explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

This bill would authorize peacetime enlistments in the Army and the Air Force by persons who have been lawfully admitted to the United States for permanent residence.

EXPLANATION

Sections 3253(c) and 8253(c) of title 10, United States Code, provide that in time of peace no person may be accepted for original enlistment in the Army or the Air Force unless he is a citizen of the United States or has made a legal declaration of intention to become a citizen. Section 4a of the Universal Military Training and Service Act provides for the registration and induction into the Armed Forces of male aliens under certain conditions. Many such aliens, after serving a part of their military obligation, desire to enlist and to make a career of military service. Because of assignment overseas or other circumstances they sometimes are unable to comply with the requirement of existing law that an alien must make a legal declaration of intention to become a citizen of the United States before he may be accepted for enlistment. Such a declaration may be made only when the person is physically present in the United States.

The bill would eliminate the requirement that an alien must have made a legal declaration of his intention to become a citizen of the United States before he is eligible to enlist in the Army or the Air Force. In the future the Army and the Air Force would permit to enlist persons who could furnish proof of lawful admission to the United States for permanent residence. Since the Navy has no statutory restriction on the enlistment of aliens, the bill applies only to Army and Air Force enlistments.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 181) was read the third time and passed.

AMENDMENT TO CAREER COMPENSATION ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar 634, H.R. 4321.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 4321) to amend section 303 of the Career Compensation Act of 1949 to authorize

the transportation of dependents and baggage and household effects of certain retired members.

The VICE PRESIDENT. The question is on the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 658), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

This bill would amend the provisions of the Career Compensation Act relating to the shipment of household goods and the transportation of dependents in connection with a member's retirement by—

1. authorizing a retired member to ship household effects to a place other than that originally selected if the member pays any costs in excess of those that would have been incurred if shipment had been made to the home of original selection, and

2. authorizing surviving dependents of retired members to travel and to ship household goods at Government expense to the home of selection in those cases where a retired member dies prior to the movement of his dependents and the shipment of his household goods to a selected home.

EXPLANATION

Under current regulations a retired member of the uniformed services may select, within 1 year of his retirement, a home for the purpose of being reimbursed for his travel, that of his dependents, and the shipment of household goods. The Comptroller General has ruled that shipment of household goods is authorized only to the home of original selection notwithstanding comparative costs. The Comptroller General has also ruled that the right to reimbursement for travel of dependents and for shipments of household goods does not survive to the dependents when the travel and the shipment have not been performed prior to the death of the retired member.

There are instances in which retired members have desired to change the location to which household goods are to be shipped before shipment has been made. If shipment is made to a second location, the entire cost must be paid by the retired member even though shipment to the new location would be less expensive to the Government than shipment to the home first selected. The following two cases illustrate the problems now existing in this area:

1. An Army officer who retired in Washington, D.C., chose La Jolla, Calif., as his home, traveled there at Government expense and was then advised by doctors that he should move to a drier climate. He then proceeded to Desert Hot Springs, Calif., and requested that his household goods be transported there. Under the existing law and regulations the only place that his household goods could be transported was to La Jolla, which was 200 miles farther from the point of origin than Desert Hot Springs. The officer then had to make special arrangements for reshipment and pay the reshipment costs from La Jolla to Desert Hot Springs.

2. In another case, a naval officer who retired at Seattle, Wash., selected Coral Gables, Fla., as his home upon retirement, traveled to Coral Gables and was paid mileage for his travel and that of his dependents to this selected home. The official home of this officer was Gainesville, Fla., approximately 340 miles closer to Seattle than Coral Gables. He decided not to live in Coral Gables and tendered a cashier's check to the Treasurer of the United States for his travel pay to Coral Gables and asked that he be authorized to select another place as his home incident to retirement, presumably Gainesville. The Comptroller General, in decision No. B-131645, June 3, 1957, ruled that since this officer changed his mind on the place of retirement after receiving his travel allowances to Coral Gables that "under such circumstances Coral Gables must be considered as his home of selection within the contemplation of the applicable statute and regulations. Paragraph 4158-1a of the joint travel regulations specifically provides that once a home is selected and travel thereto is performed such selection is irrevocable."

The decision further stated that the officer could not revoke his selection of Coral Gables as his home and select some other point as his home incident to his retirement. That being so, he is entitled to shipment of his household effects at Government expense from storage to Coral Gables but not to some other place, comparative cost notwithstanding.

The bill provides that shipment of household goods may be made at Government expense to a second home if the retired member pays any difference in cost between shipment to the original and the second home of selection. This part of the bill involves no additional cost.

The second change proposed by the bill would provide that the rights of a retired member concerning the travel of dependents and the shipment of household goods will survive to the dependents in the event of the retired member's death before the exercise of these rights. Under interpretations of existing law the right of a retired member to transportation of dependents and household effects accrues only to the retired member—not to his dependents—and such right does not survive the member's death or accrue to his estate where the travel or the shipment of the effects was not performed or made prior to his death. If this bill is enacted, the transportation of dependents and the movement of household goods to a selected home would be authorized in the event a retired member who had these entitlements dies before exercising them. If the member has no survivors, the household effects could be shipped to the home of the person legally entitled to them. If the costs of shipment are more than those involved in shipment to the home selected by the member, the surviving dependents or the person entitled to the household effects would have to pay the excess costs.

The purpose of the year of grace permitted under current regulations for the selection of a home is to allow a reasonable amount of time in selecting a future residence. Such a provision recognizes long and faithful service and the fact that military personnel generally have no recognized home during a long career. Health is often a major factor in the selection of a home, and many members choose to delay their selection until after evaluating the results of medical treatment. The absence of survivorship in the right to the transportation of dependents and household effects tends to offset the basic purpose of allowing a 1-year period within which to select a home.

COST

The Department of Defense estimates that this bill would involve costs to the Government not to exceed $220,000 annually and that these costs can be absorbed without the necessity of additional appropriations.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 4321) was read the third time and passed.

MEDICAL SERVICE CORPS AUTHORITY

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 636, H.R. 7722.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 7722) to amend section 3579, title 10, United States Code, to provide that commissioned officers of the Medical Service Corps may exercise command outside the Army Medical Service when directed by proper authority.

The VICE PRESIDENT. The question is on the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 660), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

This bill would provide permissive authority for officers of the Medical Service Corps of the Army to exercise command of troops that are not part of the Army Medical Service.

EXPLANATION

Section 3579 of title 10, United States Code, prohibits a commissioned officer of the Army Medical Service from exercising command except within the Army Medical Service.

The mission of the Medical Service Corps is to furnish scientific, technical, and administrative support of the Army Medical Service. Included within the corps are sections on pharmacy, supply, allied sciences, optometry, and scientific engineering. The corps consists of approximately 3,500 officers, many of whom possess graduate degrees in scientific, professional, and technical fields.

By education and experience, many of the Medical Service Corps officers are qualified to command on the same basis as officers of other technical services. The absence of authority to exercise command outside the Army Medical Service limits the utilization of the officers of this corps.

This bill would give the Secretary of the Army discretionary authority to use a qualified officer of the Medical Service Corps in command assignments.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 7722) was read the third time and passed.

LOAN OF MILITARY EQUIPMENT FOR 1962 GIRL SCOUTS ENCAMPMENT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 637, S. 1240.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1240) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1962

UNIVERSITY OF MICHIGAN LIBRARIES

Girl Scouts senior roundup encampment, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 661), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

This bill would permit the Secretary of Defense to give support, in the form of both equipment and services, to the Girl Scouts of America in connection with the senior roundup encampment to be held in July of 1962 at Button Bay State Park, Vt.

EXPLANATION

The senior roundup encampment of the Girl Scouts of America to be held at Button Bay State Park, Vt., in July of 1962 will be attended by approximately 10,000 Girl Scouts and Girl Scout officials. The Congress has previously recognized that it is in the national interest to authorize support for such activities by the youth of the Nation. It has become traditional for the Government to assist the Boy Scouts and Girl Scouts in connection with their national jamborees and encampments.

The equipment that may be loaned is that which is in stock and available and the issuance of which will not jeopardize the nation defense program. Typical items that are furnished under authorizations of this type include tents, cots, blankets, commissary equipment, flags, refrigerators, and vehicles. Under the authority of the language "other equipment" and "other logistical services as may be necessary or useful" that has appeared in previous acts for support of similar Boy Scout or Girl Scout activities, the following types of support have been furnished without reimbursement:

(1) Equipment such as tents, cots, refrigerators, vehicles, and similar items for administrative support, and the operation of such equipment. Logistical services to be provided are such as communications, medical, and engineering.

(2) Personnel for security, accounting, and organizational maintenance of the equipment loaned.

(3) Administrative support personnel such as supervisors, medical and dental technicians, military police, and bandsmen.

(4) Temporary duty and per diem costs of the foregoing support personnel as authorized by law.

The bill provides that no expense shall be incurred by the U.S. Government for the delivery and return of the equipment to be loaned and that the Girl Scouts of America shall pay for the cost of the actual rehabilitation and repair or replacement of such equipment.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Defense is hereby authorized, under such regulations as he may prescribe, to lend to the Girl Scouts of the United States of America, a corporation created under the Act of March 16, 1950, for the use and accommodation of approximately ten thousand Girl Scouts and officials who are to attend the Girl Scouts senior roundup encampment to be held in July 1962, at Button Bay State Park, Vermont, such tents, cots, blankets, commissary equipment, flags, refrigerators, vehicles, and other equipment as may be necessary or useful to the extent that items are in stock and available and their issue will not jeopardize the national defense program.

(b) Such equipment is authorized to be delivered at such time prior to the holding of such encampment, and to be returned at such time after the close of such encampment, as may be agreed upon by the Secretary of Defense and the Girl Scouts of the United States of America. No expense shall be incurred by the United States Government for the delivery and return of such equipment and the Girl Scouts of the United States of America shall pay for the cost of the actual rehabilitation and repair or replacement of such equipment.

(c) The Secretary of Defense, before delivering such property, shall take from the Girl Scouts of the United States of America a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

SEC. 2. The Secretary of Defense is hereby authorized, under such regulations as he may prescribe, to provide to the Girl Scouts of the United States of America, in support of the encampment referred to in subsection (a) of the first section of this Act, such communication, medical, engineering, protective, and other logistical services as may be necessary or useful to the extent that such services are available and the providing of them will not jeopardize the national defense program.

SEC. 3. Each department of the Federal Government is hereby authorized under such regulations as may be prescribed by the Secretary thereof to assist the Girl Scouts of the United States of America in the carrying out and the fulfillment of the plans for the encampment referred to in subsection (a) of the first section of this Act.

SPECIAL PAY FOR DIVING DUTY

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 638, H.R. 4323.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 4323) to amend the Career Compensation Act of 1949 with respect to special pay for diving duty, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 662), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to repeal the existing provisions authorizing various forms of pay for personnel engaged in diving duty and to establish a maximum rate of $110 per month as special pay for military personnel performing diving duty. Under the proposed authority, the Secretary of the Navy will establish a flat rate of $110 for all officers performing diving duty and a scale from $55 to $100 per month for enlisted personnel depending upon skill and experience.

EXISTING PROVISIONS OF LAW PERTAINING TO DIVING-DUTY PAY

Provisions which would be repealed by the bill

There are three separate types of pay now authorized for persons performing certain types of diving duty. All of these provisions which are discussed below would be repealed by this bill.

First there is the hazardous-duty pay presently fixed at $110 per month for officers and $55 per month for enlisted members. This pay, authorized under section 204(a) of the Career Compensation Act of 1949, as amended, is prescribed for duty at a submarine escape training tank when such duty involves participation in training (sec. 204(a)(8)), duty at the Navy Deep Sea Diving School, or the Experimental Diving Unit (sec. 204(a)(9)), and duty involving the use of helium-oxygen for a breathing mixture in the execution of deep-sea diving (sec. 204(a)(12)).

The second type of diving-duty pay, authorized in section 205(a) of the Career Compensation Act of 1949, as amended, authorizes special diving pay not to exceed $33 per month for enlisted qualified divers who do not receive diving pay under the hazardous-duty provisions.

The third category, authorized in section 205(b) of the Career Compensation Act of 1949, as amended, authorizes diving pay for both officer and enlisted personnel at the rate of $5.50 per hour for diving performed under the following conditions: (a) If the diving is in depths greater than 90 feet and involves actual salvage or repair, and (b) if the diving is in less than 90-foot depths involving actual salvage or repair if extraordinarily hazardous conditions exist. The hourly rate of pay is in addition to the types of diving pay discussed above.

Related provision not repealed

There is one provision of existing law relating to pay for diving personnel which would not be repealed. This is section 204(a)(7) of the Career Compensation Act of 1949, as amended, which authorizes hazardous-duty pay ($110 for officers and $55 for enlisted men) for duty involving demolition of explosives as a primary duty. Navy divers whose primary duty involves the demolition of explosives underwater presently receive pay under this provision. This subsection also authorizes hazardous-duty pay for Army and Air Force personnel whose duties involve the demolition of explosives without regard to diving. Technically, this section could be used by the Navy for the purpose of paying the qualified Navy divers who perform the underwater demolition duty. The Navy has indicated, however, that they intend to pay such personnel under the rates which the bill proposes.

NEED FOR LEGISLATION

Inequities under present system

The Navy has indicated that the present system of diving duty pay has caused inequities among the diving personnel, principally because of the $5.50 hourly pay provision which causes emphasis to be placed on the number of diving hours performed. Often the number of hours performed does not take into account the comparative risk involved. For instance, diving involving the use of helium-oxygen as a breathing mixture requires a diver to go to depths of about 300 feet. At this depth, however, the divers must surface after a relatively short period. Under the hourly rate schedule he earns relatively less than the diver who may be engaged in diving in less than 90-foot depths but who may remain submerged over a

longer period of time. Moreover, in most cases the diver at 300 feet is under more hazardous conditions than the diver in less than 90 feet of water. In substance, the present system of hourly pay places a premium on diving in relatively shallow depths, as compared to deep diving with helium-oxygen as a breathing mixture.

In addition, the hourly rate itself is authorized only if the diver is engaged in actual salvage or repair operations. No hourly pay can be authorized if the diving is performed for some other purpose.

The premium on the hourly pay is emphasized by the fact that fractions of an hour are counted as a full hour. As an example, a man who surfaces after 61 minutes underwater receives pay for 2 hours of diving. The Navy has indicated that the hourly pay system encourages divers to take undue and sometimes unnecessary risks in order to qualify for the extra $5.50 per hour.

Difficulties in administering the present system

The Navy has experienced a great difficulty in defining the term "extraordinarily hazardous conditions," which must be prevailing for a diver to receive the hourly rate of pay while engaged in actual salvage or repair operations in depths of less than 90 feet. Under existing provisions of law the officer in charge at the scene of diving operations makes the determination. Despite departmental guidelines, the standards for making such determinations vary with the knowledge and experience of many individuals. This practice has resulted at times in inequitable disbursements of diving pay. In some cases determinations of extrahazardous conditions were later invalidated. In such cases where overpayments have been made, checkages in the member's pay have resulted, involving difficult problems in administration and morale.

ADVANTAGES OF NEW RATE

By eliminating the variables of the present system, the bill will permit the Navy to establish a simplified equitable system of diving pay. As already indicated, there will be a flat rate for officers of $110 and a scale for enlisted personnel ranging from $55 to $100 per month. The inequities and administrative difficulties under the present system will be eliminated.

It is significant that the Navy divers themselves favor a flat-rate system of special pay. The new system will provide a stabilized monthly income and eliminate the constant trend of pay checkages resulting from improper determinations of entitlement.

PROBABLE SAVINGS

The total appropriation now required for diving pay in the Navy is approximately $2,989,000 per year. The Navy estimates that with enactment of this legislation the total appropriation for diving pay for all persons will approximate only $2.5 million annually. At the present time there are approximately 2,419 persons assigned to diving duty, 2,026 of which are enlisted personnel and 393 of which are officers. After enactment of the bill, the Navy plans to increase the number involved to 2,587, consisting of 2,026 enlisted personnel and 561 officers. Despite the addition in personnel, the above saving is anticipated due to the elimination of the $5.50 per hour rate provision.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 4323) was read the third time and passed.

SOVIET POLICY—TESTIMONY OF DR. STEFAN T. POSSONY

Mr. KEATING. Mr. President, on June 16, 1961, I presided at a meeting of the Senate Internal Security Subcommittee, which heard testimony from Dr. Stefan T. Possony. Dr. Possony, a professor of international politics in the Graduate School at Georgetown University, sharply outlined the objectives of Soviet policy as related in a speech on January 6, 1961, by Premier Khrushchev.

On July 27, Charles Warren, substituting on the Fulton Lewis, Jr., newscast, commented upon Dr. Possony's testimony. His remarks are to the point. Dr. Possony's testimony was an astute analysis of communism's plan for world conquest as publicly stated by Mr. Khrushchev. I believe Mr. Warren's comments deserve the attention of my colleagues, and I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KHRUSHCHEV'S MEIN KAMPF

(By Charles Warren)

While the attention of most of the world is riveted on Berlin, the specialists in communism, or the Kremlinologists, as they are called, are preoccupied with the broader question of the overall strategy of the Soviet—of which the Berlin crisis is but one manifestation. You can only understand the part, they insist, if you understand the whole. And Berlin, though an important part of total Soviet strategy, is still only a part.

A remarkable thrust in the direction of understanding total Soviet strategy has been delivered by Dr. Stefan T. Possony, professor of international politics in the Graduate School of Georgetown University. Professor Possonoy's analysis of the Soviet enemy appears in the latest study of the Senate Internal Security Subcommittee, bearing the somewhat noncommittal title: "Analysis of the Khrushchev Speech of January 6, 1961."

Actually, this speech of Khrushchev's, though unknown to the general public, is one of the most important statements delivered by a leading Russian Communist in recent times. Khrushchev's January 6 speech was delivered in Moscow to the ideological elite of the Soviet Communist Party. Dr. Possony calls this speech, "Khrushchev's Mein Kampf," for, like Hitler's "Mein Kampf," it lays bare, for those who know how properly to read it, a plan for world conquest.

The Senate Internal Security Subcommittee especially requested Dr. Possony to prepare a written analysis of the Khrushchev speech and to give oral testimony at a public hearing. Although professionals in the field of Communist study are deeply impressed by Professor Possony's analysis, there has so far been little comment by the press and other communications media.

Because of the epoch-making importance of Khrushchev's January 6 speech, I should like to share with you, ladies and gentlemen, some of Dr. Possony's penetrating comments and insights.

In his testimony before the Senate Internal Security Subcommittee, Dr. Possony emphasized and reemphasized the similarity between Hitler and Khrushchev. For one, each put down on paper his plan for world conquest. Hitler in "Mein Kampf" and Khrushchev in his carefully written speech of January 6, 1961.

Also, both project a self-image of a great leader in world history. Hitler, in his grandiose phrase, said, "Providence chose me to be the greatest liberator of mankind." Khrushchev means much the same thing when he boasts of "burying" the United States.

Hitler was sure that nazism was going to win and that he was an instrument of history, having once said, "With the assurance of a sleepwalker, I am walking the road which providence has asked me to go."

Khrushchev, too, believes that history is all laid out in advance. There is no question in the mind of Khrushchev and his Communist colleagues that communism is going to win and that the Soviet Union is history's chosen instrument for bringing about communism.

Professor Possony pointed out to the subcommittee that both Hitler and Khrushchev had the same arrogance; both assumed they knew what history is planning, and both believed that history was planning to satisfy their hopes and desires. And while both believed that history was on their side, at the same time they saw themselves as the creator of history and events.

Professor Possony points out still another parallel between Hitler and Khrushchev. Both believe in the use of violence. Hitler called violence the motor of history. The Bolsheviks, from Lenin to Khrushchev, see violence as the locomotive of history. As Dr. Possony puts it: "The parallel is not a superficial one. All aggressors in history were worshipers of force."

Indeed, in Khrushchev's January 6 speech, he says clearly and repeatedly, that if the Western World does not itself surrender, he will force their surrender.

So much for the uncanny parallelism between Hitler and Khrushchev.

COMMUNIST TIMETABLE OF WORLD CONQUEST

In further analysis of Khrushchev's January 6 speech, Dr. Possony discovers and elucidates the Communist timetable of world conquest. The Communists believe that the final decision in the world struggle will be reached in our present era in history, and not in some far off, remote future. In their conception, their victory should occur about the year 1975. The real turning point will come some time between 1965 and 1970, if the Soviet Union then overtakes the United States in military technology. The Soviet Communists, led by Khrushchev, sincerely believe they will indeed achieve such superiority at that time.

In the meantime, and until communism reaches that strength, Khrushchev will seek to avoid a global thermonuclear war. An effort will be made to paralyze the free world by other means. These include so-called liberation wars and uprisings, prevention of any free world military initiative by means of Soviet nuclear blackmail, incessant peace propaganda, brainwashing, infiltration, and endless diplomatic negotiations.

While all this is going on, the Soviet strategy (as revealed in Khrushchev's January 6 speech) is to achieve maximum military power at home while building up Communist-front organizations throughout the free world.

The paramount objective of Soviet strategy right now is to achieve the military, political, and psychological paralysis of the free world. Propaganda on disarmament, particularly nuclear disarmament, as well as disarmament negotiations, are part of the Soviet strategy aimed at paralyzing the free world and strengthening the power of communism.

Through this strategy, Khrushchev works toward the surrender of the free world, short of global war. Should this strategy fail, however, it is the Soviet intent to destroy the United States by nuclear weapons.

UNIVERSITY OF MICHIGAN LIBRARIES

All this, testifies Dr. Possony, is laid out in "Khrushchev's Mein Kampf," his January 6, 1961, speech delivered to the Soviet Party organizations in Moscow.

A gruesome picture, indeed, ladies and gentlemen. But we can't say we haven't been warned by Khrushchev himself.

But Dr. Possony is not pessimistic. This is his concluding statement to the Senate Internal Security Subcommittee: "However, sophisticated the current Soviet strategy may be, it is not sophisticated enough to accomplish Communist victory. The cause of freedom in history was often considered lost, but usually good sense prevailed after democratic hesitations, and one after another, the main threats to freedom were defeated.

"Still, I am concerned that the Kremlin may have become overconfident and is inclined to underrate Western power and resolution. There is no question but that free world policies are partially responsible for this dangerous frame of mind in the Soviets. Cockiness and cocksureness have been more frequent causes of war than a rational evaluation of risks, chances, and purposes.

"To convince the Kremlin that we are not about to commit suicide—superior strength, sustained firmness, greater willingness to assume risks, and at long last, greater comprehension of the real nature of the Communist threat are mandatory. True to its traditions, the United States will prove worthy of its responsibilities." The Senate study, "Analysis of the Khrushchev Speech of January 6, 1961," may be procured from the U.S. Government Printing Office, at Washington, D.C., for 30 cents.

THE PRESIDENT'S DECISION

Mr. MANSFIELD. Mr. President, there appears in the Christian Science Monitor, August 3, 1961, a column by Richard L. Strout entitled "The President's Decision."

In clear and precise language, Mr. Strout sets forth the immense burden which rests on the President in the light of the constricting international situation. We can argue over this or that; the man in the street can go about his daily business as though everything will be the same on the morrow. But the President must live as Mr. Strout notes, day and night with the lonely problem of the decisions which mean peace or war for all of us.

In referring to the problems confronting the President—I might say any President—Mr. Strout says:

Nobody likes to think about such hazards; but the President of the United States, the lonely young man of 44 in the White House, has to think about them. He has the best, the most numerous advisers available to anyone in the world, but ultimately, in certain untoward circumstances, he must go into a lonely room and make the decision himself.

It is basically a moral problem. The atomic weapon was used in Hiroshima and Nagasaki, and it is now in the armory of the two great rivals who are spokesmen for a divided globe. Everyone knows this and nobody wants to think about it. There is talk of fallout shelters and civilian defense. People mention these matters glibly—sometimes casually and brightly—but not very many people really care to contemplate what their use would mean. Why should they? Can anybody believe that Mr. Khrushchev wants cities decimated, or would commit the ultimate folly of loosing atomic war? And anyway, it is the responsibility of the President.

This column is sober reading and I commend it to the attention of the Senate, in the hope that it will make us all a little more aware and understanding of the great emotional and intellectual responsibility which we have placed upon the President and impel us to give him every support that we can. I ask unanimous consent, Mr. President, that the article previously referred to be incorporated at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Aug. 3, 1961]

THE PRESIDENT'S DECISION—AN INTIMATE MESSAGE FROM WASHINGTON

(By Richard L. Strout)

The loneliest man in the world today may be President Kennedy. America puts extraordinary burdens on its President. Now events are building up to a great choice on Berlin. Ultimately, at some final point, it will almost certainly be Mr. Kennedy who makes the choice. It would probably help the President if Americans generally understood the alternatives that may face him.

Mr. Kennedy's television speech, July 25, shocked many into a first awareness of the serious possibilities of the Berlin controversy. The mood in Washington is grim but calm. There is no hysteria. Mr. Kennedy repeatedly emphasized that he was leaving the door to negotiation wide open. It is almost universally accepted here that events will not lead to war. This is postulated on the idea that the United States and the West will stand firm and that at some point Soviet Russia will give way.

If Soviet Russia doesn't give way? The man in the street can say, "we will cross that bridge when we come to it." But hardly the President. Under the American system which piles almost unbearable burdens on one man—the elected monarch as some students call him—he must think ahead to the risks involved.

It is hard to recall a time quite like this in history. Indeed, the presence of the nuclear bomb makes the situation unique. Washington had his military problems mostly behind him when he took office. Lincoln inherited a war, he did not make it, he did not have the fearful modern choice that is implicit in man's unloosing the secret of atomic energy.

Nobody likes to think about such hazards; but the President of the United States, the lonely young man of 44 in the White House, has to think about them. He has the best, the most numerous advisers available to anyone in the world, but ultimately, in certain untoward circumstances, he must go into a lonely room and make the decision himself.

It is basically a moral problem. The atomic weapon was used in Hiroshima and Nagasaki, and it is now in the armory of the two great rivals who are spokesmen for a divided globe. Everyone knows this and nobody wants to think about it. There is talk of fallout shelters and civilian defense. People mention these matters glibly—sometimes casually and brightly—but not very many people really care to contemplate what their use would mean. Why should they? Can anybody believe that Mr. Khrushchev wants cities decimated, or would commit the ultimate folly of loosing atomic war? And anyway, it is the responsibility of the President.

The fact that Mr. Kennedy is now building up nonnuclear defenses shows that nuclear war is not expected. These give him a middle choice between humiliation and the use of the absolute weapon. Some urge that Berlin be surrendered. Better anything than war. But if Berlin were surrendered could the Western Alliance—NATO and the rest—be held together? It is questionable. The choice is not just a matter of prestige nor even of what is described as national honor; it is a question of whether the United States would any longer be safe, or would have allies, if it abandoned one part of the great alliance under the naked threat of force.

People search for an easy way out. One hears it in the Bertrand Russell phrase, "better Red than dead." At least this is frank and, one must assume, honest. But it is not the thinking of Washington today, nor of Congress, nor the President, nor the American people.

However, it is fairly easy to go along with what everybody else says. Somebody in Washington must weigh the risks, too, and under certain circumstances assume that final responsibility of making the moral decision.

Under America's system it is the President. It would help him perhaps if his responsibilities were better understood. Mr. Kennedy seemed to be saying as much between the lines of his July 25 speech. He ended it with the postscript:

"In meeting my responsibilities in these coming months as President, I need your good will and your support—and above all your prayers."

He did not say this with any marked change of voice for he dislikes emotion, but the words spoke for themselves.

THE SECRETARY OF DEFENSE

Mr. MANSFIELD. Mr. President in the Saturday Evening Post of August 5, 1961, there appears an article entitled "Master of the Pentagon." It deals with the Secretary of Defense, Robert McNamara and his approach to the responsibilities of his assignment.

The article is well balanced and highly informative. It indicates that we have in Mr. McNamara a Secretary of Defense with the intellectual stature, the scientific understanding, and the organizational requirements of this Cabinet post.

I am delighted to bring the article to the attention of the Senate. We need to know more about this outstanding man who is bringing about useful changes in an orderly manner in the huge Defense Establishment of this Nation. I ask unanimous consent that the article referred to, and a news story about Secretary McNamara be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

HAPPY MANAGER

(By Mary McGrory)

Secretary of Defense Robert S. McNamara is so far the success story of the Kennedy Cabinet.

A stranger to the President when chosen for the second highest administrative post in the Government, he has come to be regarded by Mr. Kennedy, according to White House sources, as the most useful member of his official family. Like the rest of Washington, Mr. Kennedy is impressed by McNamara's spectacular intelligence, his grasp of the details of his job.

McNamara's performance on Capitol Hill has dizzied congressional committees. On July 28, he testified for 4 hours without a break before the House Armed Services Committee, answered questions from its 37 members, muffed only one—which, as it happened, did not relate directly to the matter at hand.

But even more marvelous has been McNamara's conquest of the Pentagon. He has established his dominion over the Military Establishment so completely that already it is unthinkable that anything like the revolt of the admirals or the messy Army-McCarthy row could possibly occur during his regime.

"A manager's job is to manage," says McNamara with the economy of phrasing he has vainly tried to induce in Pentagon memo writers. "I intend to manage.

"Men don't like taking orders from a man they think has less experience or information than they have," he says. He was taking control of his vast empire through the simple expedient of acquiring more information than anybody else on any given subject.

The military are not happy with this strong man in their midst. While every suggestion for change is tactfully put in question form, there is no question about who is in charge.

"Their idea of a Defense Secretary," says one of McNamara's brainy civilian aids, "is a man who represents them on Capitol Hill on legislation, and doesn't concern himself with military planning."

McNamara knows the fine points of every major military plan in the Pentagon files. Every plan, at his instance, has a number, an alternative solution, and a price tag.

Interviewed in his large office overlooking the river, McNamara said he sees no great difference in managing the 60,000 employees in his charge at the Pentagon from running the Ford Motor Co. He is somewhat impatient of the rituals, procedures, and ceremonies that run through military bureaucracy but he concedes there may be a reason for them.

"Running the Pentagon is about as different from running the Ford Motor Co. as running the Pentagon would be from running the Catholic Church," says McNamara, who is an elder in the Presbyterian Church. "Of course the leadtime is different. At Ford, it's about 2 years before you can see how effective your policies are. It's longer here—maybe 5 years. In the Catholic Church, I think it would be even longer, although I don't really know."

As for the split personality of his domain, he insists for the record that he thinks there is no such thing as "the military mind," though characteristically he has just read a treatise on the subject by a Michigan sociologist.

"Generals use as much paper as anyone," he says with a smile, indicating 18 inches of paper in his "in" box. "Besides, look at Rickover."

McNamara's uniformed detractors complain that he is trying to reduce the art of military strategy to exact science.

"He runs it through a computer," they wail.

But if he gives the impression that he knows where every gun in our mighty arsenal is and how much it cost, McNamara is far from being the literal mind at work. He is as receptive to abstractions as he is to statistics.

It is only in the twilight zone of personalities and politics that McNamara is not at home. Officers grumble that he displays intellectual arrogance in dealing with them, makes them feel inadequate and uncomfortable. He has cut off their retreat to the press. He has cracked down hard on offenders, instituted a stern policy that reporters must get their information from official, authorized sources only. He has also cut off their retreat to the public, having muzzled speechmaking generals and admirals.

His own relations with the press have been tense since he displayed his initial innocence over the missile gap.

To McNamara's bright and shining mind, all problems are susceptible to solution. At the end of a day, talking with a reporter, he moved from a discussion of sole source procurement to talk about the unhappy home lives of three geniuses, Tolstoy, Van Gogh, and Wagner. McNamara who is considered an organizational genius, obviously has no intention of being unhappy.

MASTER OF THE PENTAGON

An oddly dramatic question-and-answer exchange took place last February at a closed committee meeting on Capitol Hill. The actors in this little drama were crotchety old Representative CARL VINSON, of Georgia, chairman of the House Armed Services Committee, Republican Representative LEON GAVIN, of Pennsylvania, and the new boss of the Pentagon, Secretary of Defense Robert McNamara. Leaving out a few inessentials, here is what was said:

"Mr. VINSON. Mr. Secretary, you use the President's famous statement in his inaugural address: 'Only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed.' How much is enough, when it boils down? Now will you be in a position to advise the President * * * that we have a sufficiency beyond a doubt?

"Mr. MCNAMARA. Yes, sir. That is the objective of our studies. As I stated earlier, we expect to complete them at the time scheduled—that is, the end of the month.

"Mr. VINSON. You will be in a position to tell the committee, then, from your study, what we need in the field of missiles, aircraft, and vessels?

"Mr. MCNAMARA. Yes, sir.

"Mr. VINSON. You will be able to tell us what we need?

"Mr. MCNAMARA. Yes, sir.

"Mr. GAVIN. And hardware?

"Mr. MCNAMARA. Yes, sir.

"Mr. GAVIN. Thanks."

This exchange may not seem at first glance especially dramatic. Yet McNamara's thrice-repeated "Yes, sir" was about as startling a statement as has been heard in Washington for a long time. For consider what that "Yes, sir" meant. The question old CARL VINSON asked—"How much is enough?"—is, among many hideously difficult questions confronting the American Government, the most nearly unanswerable. For in order to answer it with any assurance, you must first answer another question—Enough for what kind of war? And no man can really predict the kind of war this Nation might be called upon to fight.

Mixed into VINSON's conundrum, moreover, there are innumerable subsidiary but vital problems, from the real value of the M14 rifle (which could spell victory or defeat in a conventional war) to the nature of the American nuclear response to Communist aggression in, for example, Berlin (which could spell the survival of Western civilization, or its end). McNamara's quietly confident "Yes, sir" amounted to a promise that he would come up with sound solutions to all such problems.

He promised to come up with his solutions, moreover, within a matter of a few weeks of taking office. Robert Lovett, one of McNamara's predecessors and also one of the wisest Government servants of our times, has said that a Secretary of Defense needs 2 years in office before he begins to "pay good dividends." McNamara's thrice-repeated "Yes, sir" was uttered when he had been in office hardly more than a month.

Surely this is startling enough. What is even more startling is that McNamara, true to his promise, did indeed come up with his answer to CARL VINSON's conundrum within the specified time. And in the brief months since he became Secretary of Defense he has done much more than that. As we shall see, McNamara has quietly but radically revised the way our huge, and hugely expensive, Defense Establishment is run. He has also radically revised the theories on which American global strategy and defense planning are based.

Whether all that McNamara has done is sound and wise remains to be seen. But the above is enough to suggest that Robert Strange McNamara is an unusual man. In this reporter's opinion he is more than merely unusual—he is what biologists call a "sport" or "mutation" in that he has certain characteristics that are outside the range of normal human experience. And yet, except for the prison pallor of a man who works 75 hours or more a week, this man, whose course will affect the future of all of us, does not look particularly unusual.

There is something teacherish in his appearance. You might mistake him for a mathematics professor in a small college—it is easy to imagine him at the blackboard, patiently pointing out the errors of his duller students. He comes by this academic aura honestly.

He was born in San Francisco 45 years ago, the only son of a sales manager of a shoe company. His father was 25 years older than his mother. Both parents doted on him, and although he had an adventurous moment, when he went to sea at 16 as an ordinary hand, he seems to have been the kind of precise and studious boy designed by nature for the academic life. At school, at the University of California, and then at Harvard Business School, he was the brightest boy in his class, or very nearly so. He married a nice, pretty and intelligent college classmate, Margaret Craig, and returned to Harvard Business School to teach. A pleasant academic career seemed to stretch out in front of the young McNamaras. But then, as with so many other men his age, the war changed everything.

He joined the Army Air Forces, ended up as a rear-echelon light colonel and one of a 10-man team specializing in logistics. The team hired itself out as a body to the Ford Motor Co., where they were known as the Whiz Kids, and McNamara soon gained the reputation of being the whizziest of the lot. Quickly he climbed the Ford ladder and he had just reached the highest rung, the presidency, when he was tapped for his present job. But McNamara never behaved like an auto magnate.

Typically, an auto magnate lives in Grosse Pointe and sees other auto magnates. Instead McNamara lived in Ann Arbor, seat of the University of Michigan, where his friends were mostly professors, and he divided his spare time between his duties as an elder in the Presbyterian church—where there are few McNamaras—and reading the likes of Spengler and Toynbee. The fact is that McNamara is a businessman by accident, by nature an intellectual.

But not all intellectuals are also intelligent, and what really sets McNamara apart from other men is his mental equipment, which is genuinely extraordinary. McNamara has been called "the kindly computer," but it would be wrong to picture him as a sort of walking mechanical brain. On private occasions he is a friendly and unpretentious man with a mild, slightly acid sense of humor. But one quickly senses in him a total confidence in his own ability to come up with the right answers—a confidence reflected in that thrice-repeated "Yes, sir."

When McNamara is testifying before Congress one is reminded of P. G. Wodehouse's great literary creation, Jeeves the butler. When Jeeves' master, the egregious Bertie Wooster, asked him a question, Jeeves always had the answer and he gave it at some length, in impeccable grammar, with a wealth of allusion and detail and with much use of the word "sir." So does McNamara-Jeeves when he is answering the questions of Bertie-Congress. And McNamara has the

UNIVERSITY OF MICHIGAN LIBRARIES

true Jeevesian qualities of total recall, imperturbability, and inevitable, unarguable rightness.

Reading the record of McNamara's testimony, you wait in suspense for the inevitable human error, for McNamara to forget a fact or get his grammar mixed up, but you wait in vain. What is really breathtaking is McNamara's mastery of the most complex technical details, from the way "discrimination radar" works to the precise difference in cost between the mobile-based and stationary-based Minuteman missile. One Republican Senator was urged to challenge McNamara on a technical issue.

"Listen," he said, "I'll tangle with anybody else, but not with that guy."

Capitol Hill is not the only place where the unwisdom of tangling with McNamara has been widely recognized. Another place is the Pentagon. And here we come to the first of the vital changes which McNamara has introduced into his vast domain during his brief tenure as Secretary. It concerns the way the Defense Establishment is run, and it can be fairly described as revolutionary. This change in the way the Defense Department is run can be summed up in three words: "McNamara runs it."

It may not seem a revolutionary change that the Secretary of Defense runs the Department of Defense. But it is. From the moment when the three services were ostensibly "unified" by the National Security Act of 1947, the Secretary of Defense has always had an almost impossible job. For one thing, the military men—the Joint Chiefs of Staff—were given a curious coequal position as "advisers" to the President and to Congress. For another, there is a certain built-in illogic in a mere civilian's giving orders to a lot of much-decorated, four-star professional soldiers. For such reasons most of McNamara's predecessors shied away from what one of them, Charles E. Wilson, used to call "all that military stuff."

The trouble is that every major decision that confronts the Secretary of Defense is inevitably deeply mixed up with "all that military stuff." Take, for example, the ancient, bitter battle over "roles and missions." The issue goes right to the heart of the unending rivalry between the services, for it concerns what part each service is to play in case of war. The first Secretary of Defense, James Forrestal, tried desperately to get the three services to agree to a joint strategic plan with the missions of each service defined in advance. He failed, and the failure helped to drive him to his grave.

The issue has never since been really resolved. When McNamara first found this out, he was frankly amazed. At the Ford Co., he said, they would have put a task force to work on the matter with instructions to come up with a solution in a week or so.

The remark was thereafter repeated with amusement as a measure of McNamara's naivete. But the fact is that the ancient issue has been resolved, and in just about the way McNamara's remark forecast. So have a whole series of previously insoluble issues, like the problem of which service was to be responsible for space weapons. (McNamara's sensible answer: the Air Force.) McNamara's way of resolving such issues is typical of the man. It falls into three parts.

The first part is summed up in a favorite McNamara remark: "I want to have people working for me who are smarter than I am." Few if any of the people McNamara has brought into the Pentagon are that smart. But they are very smart people.

In general, they are of two types. First there are the old hands, men who, unlike McNamara, have had a lot of Washington experience. No. 1 man in this category is McNamara's very able deputy, Roswell Gilpatric, a brilliant New York lawyer and former Under Secretary of the Air Force. McNamara recruited Gilpatric by telephoning him at 6 o'clock on a Saturday morning. As Gilpatric has since remarked ruefully, this should have been sufficient warning of what he was in for. Like the other inhabitants of McNamara's Pentagon, Gilpatric works almost as long hours as McNamara—but not quite.

Other old Washington hands include Air Force Secretary Eugene Zuckert, Navy Secretary John Connally, and Assistant Secretary Paul Nitze, who was Dean Acheson's chief policy planner. Besides being an old hand, Nitze is also a sort of dean or elder statesman to the second group of men whom McNamara has brought into the Pentagon. These are members of the new breed of defense intellectuals, many of them spawned by the Rand Corp. and other brain factories handsomely supported by Pentagon money.

This category includes such Rand graduates as Comptroller Charles Hitch, and Alain Enthoven and Henry Rowen, two very young men who have contributed heavily to the McNamara defense doctrines, of which more later. Others in the same general category are Research and Engineering Director Harold Brown, a brilliant physicist who is at 33 the chief military scientist in the country; Nitze's very able deputy, William Bundy; and McNamara's special assistant, Adam Yarmolinsky. All of these people are genuine intellectuals, a type not always heavily represented in the Pentagon in the past.

The second part of the McNamara technique of making decisions is to assign the smart people who work for him—both military and civilian—to task forces to examine major problems and come up with solutions. At last count, McNamara had assigned upward of 150 such task forces to consider problems ranging from how to stop news leaks to a complete assessment of all antimissile missile programs. Having got his task-force recommendations, McNamara himself then takes over, studying the problem, mastering every detail and consulting all interested parties.

Among the parties McNamara consults are the military, conspicuously including the Joint Chiefs of Staff. The oft-repeated charge that McNamara bypasses the Joint Chiefs fills him with indignation. And it is not true in the sense that McNamara makes no important decision with military implications without consulting the Chiefs. But, as Gen. Lyman Lemnitzer, Chairman of the Chiefs, complained in a memorandum to McNamara, he often asks to have their views within a week or even 5 days, which is no time at all by the leisurely past standards of the Pentagon. And when the military have had their say, McNamara is likely to start a sentence with three key words: "I have decided."

McNamara, in short, himself provides the final answers to the questions he asks. Unabashedly he makes the decisions, including those decisions with vital military strategic implications which his predecessors hesitated to make. This is the third and most vital part of the McNamara decisionmaking process.

It is hard to exaggerate its importance. It means, quite simply, that unification of the services is becoming a practical reality for the first time since the National Security Act was passed in 1947. Quietly—for he is no table-banger—McNamara has achieved administrative unification, a phrase he admires. He has done so without asking for legislation to create a single Chief of Staff, or other drastic measures proposed in the past to achieve unification. "Hell," one military man in the Pentagon has remarked, not without bitterness, "we've already got a single Chief of Staff. He's it."

Besides revolutionizing the way the Defense Establishment is run, McNamara has also radically revised the theories on which our defense effort is based. From the first, McNamara's orderly mind demanded a solid theoretical basis for the American defense effort. "Bob kept asking," one of his Pentagon imports recalls, "'What are we trying to do here?'" The result of this questioning has been a couple of new strategic doctrines—the doctrine of the controlled response and the doctrine of the conventional option.

According to the first doctrine, what McNamara calls the hair-trigger response must be avoided. Instead we must have the kind of forces which could ride out a nuclear attack and which could be applied with deliberation and always under the complete control of the constituted authority.

In other words, if nuclear war comes, our reaction must not be an automatic thermonuclear spasm designed to reduce the other side to a waste howling wilderness. Retaliation for its own sake is irrational. It should be selective and controlled—"an eye for an eye, a tooth for a tooth, a Minsk for a Hartford."

The complementary McNamara doctrine of the conventional option means, in McNamara's words, that "the decision to employ tactical nuclear weapons in limited conflict should not be forced upon us." In other words, if we wish to do so, we must be able to respond to limited Communist aggression without using nuclear weapons.

Taken together, these twin McNamara doctrines mean the final abandonment of the previous doctrine of massive retaliation, which implied the use of nuclear weapons on a very big scale as an automatic American response to Communist aggression. As the Soviets become more and more clearly capable of turning the United States into a wilderness, the notion that we would respond to any major Communist aggression by turning Russia into a wilderness became less and less rational and believable. This is the fact that McNamara has faced squarely, and his fact facing represents a major turning point.

The McNamara doctrines that have resulted from the fact facing are not empty words. They have intimately and directly affected the McNamara defense planning. The controlled response, for example, makes sense only if both our command and communications systems and the bulk of our strategic forces survive, in case of a surprise attack. Both these matters—"survivability" and "poststrike control and communications," as they are known in Pentagonese—are under intensive study by McNamara's collection of defense intellectuals.

Under study are such questions as whether a shelter for the President, blastproof against even a very big thermonuclear bomb, is technically feasible. This sort of thing is in the top secret category as are studies of manned systems other than the traditional big, expensive bombers, for delivering nuclear weapons to target. But the major changes made as a result of the new doctrines are on the public record.

For example, the smaller, more mobile solid-fuel missiles are much more survivable than either the manned bombers or the huge liquid-fuel missiles, which are dangerously vulnerable to surprise attack. Thus the Polaris and Minuteman solid-fuel missile programs have been steeply increased, while the liquid-fueled Titan program has been cut back and the B-70 bomber program has been chloroformed, if not killed outright.

If McNamara does not change his plans—which he may, in the light of Berlin and other sinister portents—the last manned bomber will be produced next year. After that the long "Billy Mitchell era" will begin to come to an end. Meanwhile, for some years—perhaps until 1970—the United States will continue to be heavily dependent on the manned bombers of the Strategic Air Command. Therefore, to assure "survivability" McNamara has ordered a sharp stepup in

both SAC's 15-minute ground alert and in its ability to launch on short notice a round-the-clock air alert.

At the same time various steps have been taken to increase our conventional—or nonnuclear—power, to provide the "conventional option." Reserve-force readiness has been stepped up, more money has been provided for Army weapons modernization, the divisional structure has been drastically reorganized, and the Marine Corps has been increased by some 15,000 men.

All this has caused deep unhappiness in the three services. At first blush this unhappiness may seem surprising. The Army, for example, has been crying to high heaven for years for more limited-war capability. McNamara agrees. Logically, therefore, the Army ought to be happy with the "doctrine of the conventional option." In fact, the Army is even unhappier than the two other services. The reason is simple.

One of the first facts the perceptive McNamara brain bumped up against was the fact—which the Army hates to talk about—that there are more than 70,000 men in Army uniform for every combat-ready Army division of about 13,000 men. McNamara ordered a detailed comparison to be made between the American Army's ratio of noncombat to fighting men, and that of the Canadian, French, British, and West German armies.

The Army was shaken to its bureaucratic foundations by this impious request, and all sorts of reasons were found why it simply could not be complied with, including the ludicrous complaint that it would require the examination of "600,000 tables of organization." But as this is written, McNamara is still grimly insisting that the comparison be produced.

McNamara is also grimly insisting that the Army must deliver a lot more combat power out of the men already in Army uniform. There are, to be sure, certain valid reasons why the American Army's noncombat tail is longer than that of any other Army in the world. But almost all serious students of the subject—including the wiser Army officers—agree that McNamara is dead right when he insists that the tail is too long. The Army, however, automatically counts as an enemy anyone who threatens to cut its tail. And when McNamara offered a manpower increase to the Marine Corps, while denying one to the Army, that was in Army eyes the unkindest cut of all.

One Air Force general explained the unhappiness in the Air Force in this way: "It's like you were a football coach and you had a pretty good team, but the university president and all the faculty thought football was immoral." Since Hiroshima, the Air Force has been taught that its honorable and essential mission is simply to knock the enemy out of existence in case of war. To the big-bomber men especially, the "doctrine of the controlled response" sounds suspiciously sissified—the more so because under the McNamara program the day will come when there will be no more big bombers.

Even the Navy is not jumping for joy, despite the big increase in appropriations for nuclear subs. Submariners are a small minority in the Navy, and the air and surface men have an uneasy feeling about the future. And there are other reasons for the unhappiness in the Pentagon.

McNamara's insistence on decisions within a few weeks or even a few days is contrary to hallowed Pentagon custom. Some of the younger men whom McNamara has brought into the Pentagon display occasionally the intellectual arrogance that is the chief failing of the overintelligent. "McNamara's whiz kids" the disgruntled military call the young defense-intellectuals, or "those damned Rand boys."

Unhappiness is not confined to the Pentagon. In the operational units there is a feeling that McNamara, who has rarely shown his face outside of Washington, is not interested—that he is concerned with "slide rules, not soldiers." Outside the services important defense contractors have been hurt by certain cutbacks, and powerful politicians have been embittered by McNamara's courageous and long-overdue program for closing pork-barrel military installations. But the root cause of the much-publicized "turmoil in the Pentagon" is the sense among the military that the real power has passed, perhaps irrevocably, into the hands of McNamara and his civilians. The passing of power always causes pain, especially in Washington, for power is what Washington is all about.

No one can say with assurance whether all of McNamara's decisions have been good decisions, simply because no one can answer CARL VINSON's conundrum with assurance. Certainly some of the things McNamara has done—like his chloroforming of the B–70 program—have been open to question. But in this reporter's opinion, what McNamara has been doing needed doing very badly all the same.

Our Defense Establishment has long threatened to become a monstrous self-consuming bureaucracy, run chiefly for the benefit of big contractors, local political interests, and military officers who have no more to do with soldiering than adagio dancers or accountants have. At the same time American strategy and planning have been based less and less on realities and more and more on budgetary or political pressures, and on such illusions as the amazingly longevous notion that the American atomic monopoly still exists.

McNamara has been trying earnestly to bring the Defense Department back to its essential job of defending the United States in the most dangerous period in American history. In trying to do this job (which was begun, it is only fair to say, by his predecessor, Tom Gates), McNamara has necessarily stepped on a lot of powerful toes. Some of those toes badly needed stepping on, but in the process McNamara has inevitably made a lot of enemies. And there is one area where—so far, at least—McNamara has failed.

His relations with the press are a symptom of this failure. At first his press relations were downright superb. Like a good reporter he is interested in facts rather than windy generalities. He is also, when relaxed, a most likable man. So at first the press was ready to fight and die for him. But the love affair was of short duration.

From the beginning there were warning signs of trouble to come. McNamara always insisted on having a third man—usually his popular and able press secretary, Arthur Sylvester—sit in with him when he talked to a reporter. To any old Washington hand this means that the official distrusts either himself or the reporter. He also had a habit of telling reporters that he "authorized" them to see so-and-so. This may be normal in Detroit, but in Washington a reporter needs no man's permission to talk to a public official.

His relations with the press began to turn sour early. McNamara thought, with some reason, that he had been badly treated when the politically touchy view that there was no missile gap was attributed to him as a result of a not-for-attribution briefing. Things got worse when a couple of confidential memorandums were leaked. They got worse still when the President ordered the FBI to investigate Pentagon press relations after a news magazine had published a rather routine reconstruction of certain Berlin contingency plans.

Nowadays the business of stopping leaks has become an obsession with McNamara—it is the one subject that causes him to lose his jeevesian imperturbability—and he has clearly begun to think of the press as the enemy. But McNamara's unhappy press relations are only a symptom of a larger weakness. For there was nothing in his background to prepare him for one aspect of his job. The man who holds McNamara's job, whether he likes it or not, must in the nature of things be a politician, in the best sense of that misused word.

McNamara is too intelligent a man to fail to recognize the political overtones of his job. In contrast to Charley Wilson, who used to address august Senate committees as "you men," McNamara is careful to call the lowliest Congressman "sir," and his congressional testimony has been brilliantly persuasive. He also often sees journalists—always with that third man present—to explain or defend his program.

But all this is not enough. "The trouble is," one old friend has said of McNamara, "that Bob's really an inside man." He is used to working as a private citizen, in a private company. But he is now a public man, running the biggest public enterprise in the Western World. As such, the essentially political task of public education, explanation, and persuasion is an indispensable part of the job he has to do. Tom Gates, the only Secretary of Defense to leave the Pentagon with his reputation enhanced, has testified that he discovered that this task was "about half the job," and every successful high public official sooner or later makes the same discovery.

The president of a great company need only do a good job to succeed. But the holder of a high public office must persuade the voters, who are in the long run his bosses, that the job he is doing is good. This effort of public persuasion is also, as every successful public official has discovered, the best way to stop leaks, on the old vacuum-filling principle. Moreover, if the effort is to succeed, the press must be not the enemy of the official but his indispensable ally. If McNamara fails as Secretary of Defense, it will be because of a failure of public persuasion, since under our system one failure begets the other.

But despite all those toes he has stepped on, and the almost impossible nature of his job, it is somehow difficult to imagine McNamara's failing at anything. Somehow it seems more likely that the promise McNamara made back in February—that amazing, thrice-repeated "Yes, sir"—will come true, despite the odds.

PROPOSED COAL RESEARCH PROJECT FOR ATOMIC ENERGY COMMISSION WOULD BE COORDINATED WITH OFFICE OF COAL RESEARCH; PROGRAM DETAILS ARE OUTLINED; NEWSPAPERS LAUD WEST VIRGINIA LEGISLATORS' POSITION ON AEC BILL

Mr. RANDOLPH. Mr. President, when the Senate, on July 18, 1961, amended H.R. 7576, a bill to authorize appropriations for the Atomic Energy Commission, one of the major actions was addition of project 62–e–4 to the measure to authorize study, development, and design for nuclear processes which have application for improving and utilizing coal and coal products, and for these purposes the sum of $5 million would be authorized.

The amendment, which I submitted for myself, my able colleague from West Virginia [Mr. BYRD], and the distinguished senior Senator from Pennsylvania [Mr. CLARK], was adopted without a word of opposition having been uttered against it in the Senate.

Following that Senate action, however, the RECORD has contained matter inserted by a Member of the House of Representatives in which he commented negatively about the pertinence of the coal research and development item—project 62–e–4—as an authorization for the Atomic Energy Commission. He indicated that he would propose the deletion of this Senate amendment from H.R. 7576 and, at what he termed "an appropriate time" he would offer legislation to have the purposes of project 62–e–4 included within the appropriations for the Office of Coal Research, Department of the Interior. The inference is that efforts are being made to create a jurisdictional problem as another hurdle to be surmounted by vitally needed coal research. This is an attitude to be deplored.

Mr. President, I am aware that under Public Law 86–599 the Department of the Interior has established the Office of Coal Research for the purpose of improving the utilization of coal. We are aware of the difficulties which had to be surmounted to attain passage and Presidential approval of that legislation in the 86th Congress. As a Senator from the leading bituminous coal-producing State, I am most pleased that the Office of Coal Research is in being and is functioning under very capable direction. I have no desire to see its problems compounded in any degree, because I am most optimistic that through programs of research and development the future of our vital natural resource, coal, will be substantially brightened and that new jobs and new growth will be a positive result of successful research.

To the skeptics who seek to create false impressions concerning the validity of the Senate's $5 million authorization amendment for coal research through the application of nuclear processes, I point out that funds frequently are shifted between Departments and Agencies of the Government for the performance of specialized functions. I have discussed this matter with the Secretary of the Interior and have had communications from the Atomic Energy Commission and the Joint Committee on Atomic Energy concerning it. There is no concern among them about their ability to get together and work out the best possible methods and agreements necessary to see that the work of the Atomic Energy Commission and the Office of Coal Research is properly and adequately coordinated in this field. Atomic Energy Commission has indicated that it may be desirable to transfer a portion of the funds which would be authorized under my amendment to the Office of Coal Research for administration.

Mr. President, there have been allegations that the Senate amendment adding the coal research project to the AEC authorization bill was an ill-advised, hastily improvised action as part of a so-called barter arrangement between the managers of the measure and Members of the Congress from coal-producing regions. I addressed myself to that subject on July 24, 1961; but since then my attention has been brought to bear upon a newspaper story, published in West Virginia newspapers on July 28, 1961, in which a United Press International dispatch with a Washington dateline commences with this paragraph:

> West Virginia's lone Republican Congressman has lashed out at the State's two Democratic Senators for voting for a nuclear power bill which included a coal research program.

The article continues:

> Representative ARCH MOORE, JR., said he was amazed that the best interest of coal miners and the coal industry were traded for peanuts on the floor of the U.S. Senate.
>
> Both Senators JENNINGS RANDOLPH and ROBERT C. BYRD voted in favor of a bill calling for a $95 million authorization for a nuclear power project at Hanford, Wash. It included a $5 million coal research amendment.

Mr. President, when Representative MOORE declared—if he was quoted accurately—that "the best interest of coal miners and the coal industry were traded for peanuts on the floor of the U.S. Senate," he charged in effect, that I uttered a falsehood in the Senate on July 24 when I said:

> Having been the principal sponsor of the amendment adding the $5 million coal research item to the Atomic Energy Commission authorization legislation, I am the person who can best answer the question of whether or not there was "a barter arrangement" allegedly involving my vote and others for the Hanford project item to the bill, presumably in exchange for approval of the coal research item.
>
> I state emphatically that there was no "barter arrangement." I announced my support of the Hanford project on its merits and without any reservations or commitments involving any other item in the AEC authorization bill or any other legislative measure. By the same token, I offered the amendment to add the $5 million coal research project to the AEC authorization bill on its merits, without relationship to any other legislative consideration.

Of course, Mr. President, I resent Representative MOORE's implication that I spoke untruthfully in that July 24 statement. But I believe he went beyond being inaccurate and unfair in charging that "the best interest of coal miners and the coal industry were traded for peanuts on the floor of the U.S. Senate"; he was impugning the integrity of the Senate and its membership as a whole. Inasmuch as the $5 million coal research amendment was adopted by the Senate without a dissenting voice having been heard or recorded, Representative MOORE's unfortunate use of the word "trade" is equivalent to charging all Senators with complicity in a conspiracy—which I am sure is a figment of the gentleman's imagination—against the coal miners and coal producers of the United States. I regret that a fellow West Virginian has instigated such a false charge.

Of course Representative MOORE is entitled to his views as to whether or not the inclusion of the Hanford reactor conversion project in the Senate version of the AEC authorization bill is or is not in the best interest of coal miners and the coal producers—and he has the right and the responsibility to express himself on the subject.

But to allege a "trade for peanuts on the floor of the U.S. Senate" is to carry an expression of views to an unjust and intolerable extreme.

At this point, Mr. President, I believe it is pertinent that we examine and evaluate the "peanuts" to which Representative MOORE referred.

He was saying, of course, that the $5 million coal research amendment to the bill represents "peanuts," the implication being that the $95 million Hanford reactor conversion project would cost the coal miners and the coal producers many times the value to be received from a $5 million investment in coal research, through application of nuclear processes and principles.

I challenge the gentleman's power of perception and ability to look into the future even 4 to 10 years hence and predict with certainty that the $95 million Hanford project will damage the equity of the coal miners or the coal producers in any degree. And especially do I challenge his rights to classify a $5 million coal research investment as "peanuts," and thereby imply that it will produce no more in beneficial results for the coal miners and the coal industry in general than would the purchase of $5 million worth of "peanuts." I truly hope both the Hanford and the coal research amendments to House bill 7576 will be adopted; and I am willing to leave to the judgment of history the question of whether my views or Representative MOORE's were sound and in the best interest of not only the coal miners and the coal industry but, indeed, also that of the Nation as a whole.

Mr. President, when our coal research amendment to the AEC authorization bill was presented for consideration in the Senate, a brief memorandum of its purposes was inserted in the RECORD. I have since received a more detailed backup statement of the proposed program for utilization of the $5 million which would be authorized if the Senate amendment were to be retained in the AEC measure. It is not a "peanuts" program; rather, it is one which merits the support of all persons interested in the future of the coal industry and in technological and industrial progress in the United States.

Mr. President, I ask unanimous consent that the memorandum prepared jointly by the staffs of the Atomic Energy Commission and the Joint Committee on Atomic Energy be inserted in the RECORD at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

IMPROVEMENT OF COAL PRODUCTION AND THE UTILIZATION OF COAL PRODUCTS

(Project 62–e–4 of H.R. 7576, authorization of appropriations for the Atomic Energy Commission, added as a Senate amendment on July 18, 1961, would provide for study, development, and design for nuclear processes which have application for improving and utilizing coal and coal products. Authorization, $5 million.)

EXPLANATION OF PROPOSED PROGRAM

Atomic energy holds the promise of being of great assistance to the coal industry. The scope of areas in which atomic energy could be of help extends from the actual mining operations through the development of new uses and markets for coal and coal products.

A beginning program of work in these several areas includes: (1) general and specific laboratory studies of processes which utilize coal as a raw material, (2) investigations of nuclear energy applied to coal gasification, including possible pilot plants, (3) development of radioisotope applications to the coal industry, including the use of isotopes to improve the health and safety of mining operations, and (4) assistance to universities in coal areas to stimulate research in coal and coal products. The total program outlined would cost an estimated $5 million in fiscal year 1962.

1. Laboratory investigations

General studies (estimated cost, $400,000): Basic studies will be conducted to determine the mechanisms of radiation-induced chemical reactions. The effectiveness of different types of nuclear radiations to promote chemical changes will be investigated. This basic work will be aimed at finding the types of reactions which should be looked into further as promising methods for the development of products of added utility from coal.

Specific chemical reactions (estimated cost, $1,500,000): Some specific chemical reactions induced by nuclear radiation will be experimentally investigated to determine their economic and technical feasibility. Included in these investigations will be reactions of coal with water, hydrogen, nitrogen, oxygen, and other compounds, to produce chemicals for industry and agriculture.

Included in the estimated cost is the cost of sponsoring information meetings, obtaining materials and constructing loops and other experimental apparatus necessary for the investigations. Work would be carried out at universities, national laboratories, and industrial concerns having available facilities.

Theoretical and engineering studies (estimated cost, $400,000): A number of studies would be undertaken to determine feasibility and specific unknowns involved in applying nuclear processes to the coal industry. Two general areas are under consideration:

(a) The practicality and economics of coupling a nuclear reactor or nuclear processes with a coal mine so that high temperature and pressure steam from a reactor could be used to extract the coal directly in the form of gaseous or liquid products.

(b) A number of chemicals are today produced from oil or natural gas, such as benzene, anthracene, ammonia, etc., which formerly were produced from coal. Studies will be undertaken to determine if, by nuclear processes, the production of these materials from coal can be made competitive with those produced from liquid or gaseous hydrocarbons.

2. High-temperature nuclear process heat for coal gasification

Conceptual design of nuclear reactor (estimated cost, $300,000): A conceptual design study of a nuclear reactor experiment to serve as a heat source for a coal gasification unit will be undertaken. Operating conditions contemplated include about 2,200° F. outlet temperature. The design would be based on the utilization of high temperature fuel elements which contain no metallic cladding.

Conceptual design of coal gasification plant (estimated cost, $300,000): A conceptual design study of a coal gasification plant to be coupled to the above-outlined nuclear heat source would be undertaken to establish operating requirements of the various components in the process system.

Development of reactor fuel (estimated cost, $1 million): The most critical and most developmental item in the design of a high temperature nuclear reactor for the processing of coal is the nuclear fuel element which is the source of heat for the process. The small amount of work which is in progress on this item indicates the need for much more extensive efforts to develop the types of elements required.

Work in the high temperature reactor fuel element field will be accelerated. Emphasis will be given to the development of methods of coating of fuel particles by the deposition of compounds in the form of vapors. Irradiation tests will be performed to obtain performance data on high temperature fuel elements. Also, experiments will be conducted to find out the degree of radioactive contamination which can be tolerated in a practical reactor processing plant. This work could be started immediately.

Development of plant components (estimated cost, $400,000): Development work will be performed on the plant components which, in the case of a coal gasification process, must operate at extremely high temperatures. Components of high reliability and ease of maintenance under conditions of radioactivity must be developed and tested. This work will primarily be performed by industrial firms engaged in the development and manufacture of components for the chemical industry.

3. Radioisotope applications for improving the health and safety of mining and efficiency of coal production and utilization (estimated cost, $500,000)

The use of radioactive isotopes to improve the health and safety of mining operations appears to have considerable promise. Research and development in this field is planned to develop the required techniques for such applications. Some of the specific applications which will be investigated are:

(a) Use of the radiation from isotopes to eliminate static electricity from the atmosphere in mines and thereby eliminate or reduce the possibility of explosions.

(b) Trace the flow of noxious gas and water streams by the use of minute amounts of radioactive isotopes to improve the control of pollution caused by mining operations.

(c) Use of gaging and detection equipment utilizing radioactive isotopes for on-the-spot checks of the structural integrity of roof support structures, hoisting equipment, and other critical equipment.

Radioisotopes also hold considerable promise for the improvement of the production efficiency of mining operations and the efficiency of product utilization. Some of the specific techniques which will be looked into in this area are:

(a) Use of radioisotope gages in boreholes to determine coal reserves and information on the quality of the deposits.

(b) Use of radioisotopes sensing instruments to automatically control mining transportation and blending equipment.

(c) Use of radioisotope gages to analyze coal for more efficient utilization in boilers, cooking plants, and in the byproduct chemical industry.

4. Grants to universities (estimated cost, $200,000)

A program of grants to universities in coal mining areas would be established. Such grants would be used by these universities to acquire equipment and facilities for research in the area of coal production or use.

Mr. RANDOLPH. Mr. President, concerning the matter of press reaction in West Virginia to the Hanford and AEC coal research issues, I call the attention of our colleagues to editorial comment published in the newspapers of coal-conscious West Virginia. I ask unanimous consent to have printed in the RECORD the following:

The Charleston Gazette's "West Virginians in Washington" column of July 25, 1961, headed, "Political Courage Displayed."

Mary Chilton Abbot's "Washington Watch" column in the July 27, 1961, editions of the Charleston Gazette under the headline, "RANDOLPH Votes His Convictions."

An editorial entitled, "West Virginia Lawmakers Take Stand for Progress," from the July 26, 1961, the Huntington Advertiser.

An editorial under the headline, "The Hassle Over Hanford," from the July 28, 1961, issue of the Fairmont Times.

And finally, the most recent editorial of which I have any knowledge, from the August 4, 1961, Charleston Gazette, headed "Three Weren't Fooled by Selfish Interests."

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Charleston (W. Va.) Gazette, July 25, 1961]

WEST VIRGINIANS IN WASHINGTON—POLITICAL COURAGE DISPLAYED

What is an act of political courage? For Congressmen, the definition is a pragmatic one:

To cast a vote in support of the national interest, as they see it, which happens to clash head on with the desires of the most powerful forces in their State or district.

Three West Virginia Congressmen displayed just such courage recently—supporting a project which was adamantly opposed by both the United Mine Workers and coal operators.

They were U.S. Senators JENNINGS RANDOLPH and ROBERT C. BYRD and Representative KEN HECHLER, of Huntington.

The issue on which they eschewed what HECHLER called an easy vote involved authorizing the Atomic Energy Commission to spend $95 million to provide electric generating facilities for the new Hanford, Wash., plutonium production reactor.

Opponents of the Hanford project argued its production of electric power would damage the already shrinking market for coal—a dominant influence in West Virginia politics.

But Senator RANDOLPH, in a speech praised by several colleagues, argued that wasn't true, quoting a Congressman from the Northwest:

"The Pacific Northwest buys almost no coal to produce power; and when the time comes that it does, I doubt if much coal will be purchased in Pennsylvania, West Virginia, or Kentucky.

"To argue that disapproval of the Hanford powerplant will help the hard-pressed miners of the Appalachian region is to foster a cruel illusion.

"The depressed coal-mining areas should not be persuaded to seek to solve their problems by blind opposition to any and all power projects which do not employ coal as a fuel."

RANDOLPH said opponents of the Hanford powerplant were using "sympathy for the depressed condition of the coal industry as a crutch, but know full well that the crutch will not be employed to aid the sick coal industry in that region where abundant water resources are utilized primarily to generate electricity."

In the House of Representatives, Representative HECHLER said, "coal and atomic energy have been, and can continue to be, eminently successful partners."

"Atomic energy has proved to be one of coal's best customers," he added, pointing out three AEC facilities in the Appalachian region consume more than 20 million tons of coal annually.

"And the future for the partnership of coal and atomic energy can be made even brighter by expanding the uses of atomic

energy," he said, citing work already underway in gassifying coal with process heat from nuclear reactions.

But as HECHLER observed, "the coal companies and the mineworkers don't see it this way yet."

Telegrams opposing the Hanford project were sent to Congress by L. N. Thomas, of Charleston, president of the Carbon Fuel Co., and former Gov. Cecil Underwood, of Huntington, who is now a vice president of Island Creek Coal Co.

The basic conflict, as the Congressmen themselves saw it, was the national interest versus what some considered their region's interest.

"I would remind the gentleman that I represent a district in the State of West Virginia and that I shall vote to protect the interest of that district regardless of how the gentleman characterizes it," said Representative CLEVELAND M. BAILEY, who opposes the Hanford project.

But Senator RANDOLPH and Representative HECHLER disagreed with their colleague's view of a Congressman's role. Said HECHLER:

"We in West Virginia are interested in helping the economy of other sections of this great Nation. We can no longer afford, either as an industry or as a State, to look inward, to be isolationist, to think only of our own, to fight a rearguard action against progress. We must think in terms of the national interest of this, the greatest free Nation on the face of the earth."

And RANDOLPH observed: "Ours is a Union of States, an amalgamation of regions. More often than not, that which is good for a region likewise has the capacity to benefit the country as a whole.

"I believe it is becoming more apparent, as time passes, that many of the problems of our Republic will have to be solved on a region by region basis before the whole of the country can become strong and basically prosperous."

Proponents of the Hanford project insisted it would be wasteful to fail to convert the energy from the reactors into electricity, which would result in the largest nuclear powerplant in the world and thus contribute to America's international prestige by advancing peaceful uses of the atom.

How could their votes in favor of the Hanford project affect the three West Virginia Congressmen who supported it? HECHLER gave this version of what might have happened if he had voted against it:

"This could be a very easy vote for me. I could silently cast my vote against the proposal for Hanford, and my local newspapers would praise me editorially, the big contributors would help me in my campaigns, the John Birch Society, which has been yapping at my heels, would not have something to yap about, and everybody would nod and say, 'You are a smart politician.'

"I come from a close district, marked for conquest every 2 years without fail. I think I know the formula for survival—pay attention to your mail, do some favors, get back to the district often, and do not stick your neck out in your voting record."

Then why did HECHLER stick his neck out? "But mere survival here can be a form of personal death," he said.

To RANDOLPH, BYRD, and HECHLER, their votes on the Hanford project were clearly in the national interest. And, to them, the national interest was more important than any political repercussions at home.

[From the Charleston (W. Va.) Gazette, July 27, 1961]

MARY CHILTON ABBOT'S WASHINGTON WATCH—RANDOLPH VOTES HIS CONVICTIONS

WASHINGTON.—The tieup—let's not call it a coalition—between the big coal interests and the private power groups has once more resulted in a firm stand against progress.

Fortunately, Senator JENNINGS RANDOLPH has the gift of seeing beyond the tip of his own nose and he refused to engage in the fossil thinking which all too often has been the chief characteristic of West Virginia's elected representatives in matters concerning the fossil fuels.

His action in supporting the $95 million atomic power reactor in Hanford, Wash., brought swift condemnation from the National Coal Association, and from Raymond Lewis, George Titler, and Cecil Urbaniak. These are powerful voices to a West Virginia Senator but RANDOLPH stood firm in his decision.

Private power is, of course, one of the largest of coal users and means the difference between life and death to the coal industry. Some coal executives, therefore, have allowed themselves to be persuaded that private power should call the turn on almost any issue.

One of the most vehement in his opposition to the atomic power reactor is Stephen F. Dunn, president of the National Coal Association, and a former National Association of Manufacturers bigwig. Dunn likes to think of himself as the one big power in the coal industry.

Following the Randolph vote on the Hanford reactor and the subsequent adoption of his Senate amendment authorizing $5 million for coal research and development under the Atomic Energy Commission program, Dunn announced his "unequivocal opposition" to the Hanford reactor.

This argument revolves around whether some 11 million pounds of steam produced every hour by the Hanford reactor shall be allowed to dissipate in the air or whether it shall be used to produce electricity for the power-hungry Northwest.

The power so produced would be wholesaled to public and private electric utilities on an equitable basis. None would be retailed. The private power interests are opposed to this plan—as they are opposed to any project which might bring the Government into the power picture. This opposition maintains regardless of the effect on the consumer.

Private power interests see the handwriting on the wall. Everywhere that public power enters the picture, prices per kilowatthour begin to fall. The corollary rise in consumption, which maintains profits, is ignored by them. They simply and adamantly oppose any public power facility whatever.

Coincidentally, the National Coal Association, through its spokesman, Dunn, also opposes the atomic coal research program in a classic piece of gobbledygook which reads like this: "Desirable as such a research program as that proposed in the Senate may be, we recommend that the atomic coal research program be deleted from the legislation and considered by the Congress on its merit when appropriate."

RANDOLPH'S entirely pertinent reply before the Senate last Monday was to ask when could be a more appropriate time than during congressional consideration of a bill to authorize appropriations for the AEC program?

The West Virginia Senator further expressed his amazement that the head of a trade association representing the coal industry should suggest the desirability of atomic coal research and then ask that it be stricken from the bill.

In the same speech RANDOLPH denied that the Senate voted to include his $5 million amendment in return for his vote on the Hanford reactor. He supported each measure, he said, on its merits and no "barter" was involved.

[From the Huntington (W. Va.) Advertiser, July 26, 1961]

WEST VIRGINIA LAWMAKERS TAKE STAND FOR PROGRESS

A proposal in Congress to authorize the Atomic Energy Commission to use the new Hanford, Wash., plutonium production reactor for generating electricity posed a blunt challenge to representatives from coal States.

Conventional electric generating facilities are heavy users of coal. In future years, as their size grows to meet increasingly heavy demand for power, they are expected to become even bigger bituminous markets.

Consequently coal producers and the United Mine Workers oppose outlays of Government money to develop atomic generators that may offer competition with coal-burning powerplants.

This issue was sharply drawn in congressional debate on using the Hanford reactor to produce power. Some representatives from coal States opposed the proposal.

Others took a courageous stand for the measure. Among the latter were Senators JENNINGS RANDOLPH and ROBERT C. BYRD, both Democrats of West Virginia, and Representative KEN HECHLER, Democrat from the Fourth West Virginia District.

Senator RANDOLPH pointed out that at present practically no coal is used in the Northwest for producing electric power. If at any time in the future it does go into general use, it will not come from the mines of far-away West Virginia, Kentucky, or Pennsylvania.

Representative HECHLER declared atomic energy is now one of coal's greatest customers and that expansion of AEC facilities would increase the demand.

"In the future," he said, "the partnership of coal and atomic energy can be made even brighter by expanding the uses of atomic power." Work is already under way in gasifying coal with heat from nuclear reaction.

These broader views of the problem also took into account the potential national benefits from the development of atomic energy. Senators RANDOLPH and BYRD and Representative HECHLER stood on the side of progress.

They took in effect the same attitude as officials of the United Mine Workers who declined to stand in the way of mechanization of the mines to enable coal producers to compete more successfully with other fuels.

Had the mines not replaced picks and shovels with machines, most of them would be out of business now because of the high price of coal, and the miners would be out of work.

The issue of progress versus standpat stagnation developed violent controversies at the beginning of the industrial revolution of the 18th century.

Workmen mobbed inventors of machines and exerted pressure for outlawing labor-saving devices.

But experience has repeatedly demonstrated that although new machines and new processes may cause temporary unemployment and economic dislocations, they eventually bring greater prosperity than before because they encourage the development of new industries providing new jobs.

If experience is a reliable guide for the future, the coal industry and its employees can benefit most not by opposing the development of atomic energy, but by using it and other progressive means for increasing the demand for coal.

One means to this end is pressing for progress in the gasification of coal from atomic energy. There are numerous other means not now even suspected that can spring from the magic wand of research.

What the Nation needs is more magic wands in all industries.

[From the Fairmont (W. Va.) Times, July 28, 1961]

THE HASSLE OVER HANFORD

Honest differences of opinion among a group of Senators and Representatives from coal-producing States seem to have arisen over the question of adopting a reactor designed to produce plutonium at Hanford, Wash., for the generation of electrical power and a collateral plan to have the Atomic Energy Commission use $5 million of its appropriation for coal research.

The subject, it seems to us, does not lend itself to partisan politics. U.S. Senators JENNINGS RANDOLPH and ROBERT C. BYRD, of West Virginia, and JOSEPH CLARK, of Pennsylvania, all Democrats, were sponsors of an amendment to the pending AEC appropriations bill which provided the additional fund for coal research. All have done yeoman service for their constituents, in and out of the coal business.

In the House, Representative JAMES E. VAN ZANDT, a Pennsylvania Republican, led the fight to exclude the Hanford generating plant from the AEC bill. He was joined in his efforts by all members of the West Virginia delegation save Representative KEN HECHLER, of Huntington, five of them Democrats and the other a Republican. HECHLER, of course, is known to be as loyal and liberal a Democrat as any in the House of Representatives, but he did not share the views of his colleagues.

Only Representative ARCH A. MOORE, JR., the lone Republican in the House delegation from West Virginia, has attempted to make political capital of the stand taken by Senators RANDOLPH and BYRD. He is "amazed," he says, that "the best interests of the coal miners and the coal industry were traded for peanuts on the floor of the U.S. Senate."

He should be amazed, since not even the National Coal Association nor the district presidents of the United Mine Workers of America had taken a position on the Hanford proposal or the research fund amendment until after the AEC appropriations bill had passed the Senate and was ready to go to conference where the differences between it and the House measure were to be resolved.

Senator RANDOLPH, as sponsor of the amendment to increase the AEC appropriation by $5 million earmarked for coal research and development, is the best authority for his own action. He has flatly denied there had been any barter deal to exchange votes for the Hanford powerplant to obtain the research appropriation, and his statement Monday on the floor of the Senate has not been successfully challenged.

He further said he had not consulted the National Coal Association through its president or any associates before offering his amendment. And it was not until at least a day after the Senate voted on the AEC bill that the first protests against the Hanford proposal came from West Virginia district presidents of the UMW.

RANDOLPH decided—and a majority of his colleagues concurred—that it was in the public interest to utilize the equivalent of 11 million pounds of steam an hour produced in the reactor instead of permitting the energy to be blown off and wasted. Should the House view prevail, the Hanford reactor would be restricted to the production of plutonium for weapons. Wealthy as this Nation is, its lawmakers might have trouble justifying such wanton waste of energy as would then occur.

President Stephen F. Dunn of the National Coal Association, who, as a former executive of the National Association of Manufacturers, is against public power in any form and totally opposed to the so-called encroachment of Government into private business, does not disagree with the principles of using AEC funds for coal research.

"Desirable as such a research program as that proposed in the Senate may be, we recommend that the atomic coal research program be deleted from the legislation and considered by the Congress on its merit when appropriate," he said.

To which RANDOLPH replied by asking, "When would be a more appropriate time than during congressional consideration of a bill to authorize appropriations for the program of the Atomic Energy Commission to give attention to the inclusion of a project for 'atomic coal research?'"

JIM VAN ZANDT, arguing that research funds should be supplied solely through the Office of Coal Research, Department of the Interior, said Representative CLEVELAND M. BAILEY had been given the runaround by the AEC and the Joint Committee on Atomic Energy. They told BAILEY, according to VAN ZANDT, that they had no way of supplying through a reactor the 3,300° heat necessary to break coal down into its component parts to produce high-octane gasoline and lubricating oil.

The Pennsylvania Republican said it would appear that RANDOLPH and BAILEY "are in complete agreement as to the need for application of nuclear energy to coal research, and may I say that I join them in such agreement." There is a possibility that the AEC, using the coal research fund provided in the Senate amendment, might some day come up with the answer to the problem propounded by BAILEY.

The National Coal Association fears—perhaps rightly so—that the Hanford project would be but the first step in a gigantic power grid financed by the Federal Government and including all but the New England States. That, not "waste steam," is the issue, it says in a printed four-page pamphlet on the subject.

The powerplant research amendments, now have so many ramifications that it is almost impossible to judge them as being all wrong or all right. Perhaps the arguments on both sides have been stretched almost to the breaking point.

There is, of course, danger to the coal industry if federally supported nuclear generators replace steamplants. But wasn't it contended when the Tennessee Valley Authority was under consideration that it would ruin the coal business, and wasn't it later found that the coal-fired steamplants were still needed as much as ever? The Hanford hassle may turn out to be a case of the same old girl in a new kimono.

[From the Charleston Gazette]

THREE WEREN'T FOOLED BY SELFISH INTERESTS

The current flap involving three West Virginia Congressmen and Stephen F. Dunn, president of the National Coal Association (and to a much lesser extent three top UMW officials in this State) is further evidence of the purely selfish attitude adopted by coal interests on any issue relating to coal—no matter how slight. The Senators are RANDOLPH and BYRD, while the Representative is HECHLER.

Dunn has chastised Senator RANDOLPH (and presumably the others) for voting with the majority in favor of equipping the world's largest nuclear reactor at Hanford, Wash., for peaceful as well as military purposes. The House earlier voted to restrict the facility solely to armament production.

The National Coal Association is worried that if this facility is used for commercial purposes a drop in coal tonnage might ensue. It has a right to worry about such a prospect, but it is hardly in the national interest to worry negatively—in other words to try to restrict a project so important to the Nation.

Rather than allow the steam that would be generated to be converted to some utilitarian purpose the NCA urges wasting this power.

Senator JACKSON, Democrat, of Washington, has put his finger squarely on why the Senate version of the bill providing for this project should be adopted:

"The real question at Hanford is whether, in the name of false ideology, we are going to waste this steam. I am astounded at the argument that it would be better to waste this steam than to convert it into kilowatts."

So, too, apparently, were Senators RANDOLPH and BYRD and Representative HECHLER, and they are to be congratulated for putting the national interest above a short-sighted, illogical State interest.

As a matter of fact, it is highly questionable whether the development at Hanford would have an effect upon the production of West Virginia coal one way or the other.

Mr. RANDOLPH. Mr. President, this time has been used because Senators who are intensely interested in this subject matter will find it not only informative but enlightening to learn the manner in which the $5 million would be spent, in accordance with the amendment authorized in the Senate of the United States.

Also, I have felt it necessary to vigorously reply to the unwarranted charges of my colleague in the Congress, Representative ARCH MOORE, JR., from the First District of West Virginia. I have felt it pertinent to include for the RECORD several editorials from major daily newspapers in West Virginia commending the action taken by my esteemed colleague, Senator BYRD, and my esteemed colleague in the House, Representative HECHLER.

For that reason I am grateful that the Senator from Wisconsin afforded me the opportunity to present this factual information with reference to the Hanford project and the coal research authorization.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the distinguished senior Senator from Texas [Mr. YARBOROUGH], who is a strong proponent of the nomination and is championing it with his usual skill and ability. I understand he wants me to yield on another point, and I ask unanimous consent that I may do so without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YARBOROUGH. Mr. President, I have just listened with great interest to the statement by the distinguished Senator from West Virginia on a West Virginia matter, in which I have no personal interest, but I assure him of my unbounded confidence in his accuracy, ability, and high regard for veracity. I am making this statement because the Senator from Oregon [Mrs. NEUBERGER] and I were guests of the Senator at Charles Town, W. Va., where there was enacted the world premier of the play "The Anvil." It was a dramatization of the trial of John Brown, written by Julia Davis, daughter of John W. Davis, 1924 Democratic candidate for President, who was there at the world premier of the play, which was performed in the same courthouse at which John Brown was tried in 1859. The manacles which John Brown and his followers wore in 1859 were the same ones worn by the players. The couch on which the actor reclined was the same one on which John Brown reclined in 1859. It was an intensely moving reenactment of the trial, and the distinguished author received guests at her home at Medea, which had been the plantation home of her mother and the place where her father, John W. Davis, brought his bride.

This was an historic era of America, and the present Presiding Officer and I were guests of the distinguished Senator from West Virginia. I appreciate the privilege of having seen this moving drama. It was one of the first literary productions to come out of the centennial of the Civil War. It was a part of the Civil War commemoration. I want to express my appreciation for having been honored and having had the privilege of being there.

Mr. RANDOLPH. Mr. President, may I be allowed to comment on the gracious manner in which my colleague from Texas has spoken?

Mr. YARBOROUGH. The Senator from Wisconsin has the floor.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from West Virginia without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, West Virginians were honored by the presence of Senators NEUBERGER and YARBOROUGH on Saturday evening in Charles Town. I do not want to be placed in the position of advertising, as it were, a magnificent production which is playing twice nightly in our historic courthouse, because, frankly, the absorbing drama will play to capacity audiences all this week.

I wish, however, to express my genuine thanks to my colleague from Texas, who is one of the outstanding historians in this body and whose knowledge of the events of the Civil War commends itself. He is a member on the Civil War Centennial Commission and his observations are pertinent as proper commemorative programs are held during this anniversary year.

I express for those persons—especially in Jefferson County and the eastern panhandle of West Virginia—their delight to have had the Senators from Oregon and Texas in the audience for the premier. We are most grateful for the favorable observations and comments which they gave during their visit and which have been supplemented in this body by the cogent comments of my esteemed colleague from Texas [Mr. YARBOROUGH].

Mr. YARBOROUGH. Mr. President, I thank the distinguished Senator from West Virginia for his kind comments about me. I think they are a little overextravagant, due to our friendship. I have not quite earned them. However, there was nothing overextravagant about his or my comments on the hospitality of the good people of Charles Town, of Harpers Ferry, and of Jefferson County, W. Va., because I have never seen people who were more hospitable or who extended greater effort toward furnishing hospitality than those whose hospitality we enjoyed last week.

COLD WAR GI BILL NEEDED NOW TO MOVE UNITED STATES IN EDUCATION AND SPACE

Mr. YARBOROUGH. Mr. President, I have recently received through the mail a certified copy of a resolution passed by the American GI Forum of Texas at its 13th annual convention in Lubbock, Tex., July 3, 1961. This resolution came to me from Ed Idar, Jr., executive secretary. It is a resolution which was passed July 3, and seems to me to be prophetic with respect to what happened yesterday, because it starts out:

> Whereas the urgent needs of the Nation must be guided to keep ahead of Soviet Russia in all phases of progress and development.

This is an educational resolution, calling for educational progress. It further states:

> Whereas the technological advances of the times make it imperative that the youth of our Nation be as highly prepared as possible in education; and
>
> Whereas Veterans of World War II and the Korean conflict made wide use of their respective GI bills, thus providing a halt to loss of unrecognized talent that, because of economic hardship, would never have attained any training and education at all: Therefore be it
>
> *Resolved by the American GI Forum of Texas in convention assembled at Lubbock, Tex.*, That the cold war GI bill be supported strongly by this organization, that we instruct all local groups to write letters to their lawmakers in Washington, and that we call on our national organization to take at their Las Vegas national convention next month, the stated action we are taking at our State convention.

Mr. President, the American GI Forum of Texas is now the national GI forum, with chapters in 24 States of the Union. The American GI Forum of Texas is an organization of men who have served their country and who are keenly aware of the importance of higher education in these crucial times, when technological knowledge can mean survival.

The resolution points up the steadily growing support for the cold war GI bill, which was introduced in the U.S. Senate in January 1961, with 37 cosponsors—S. 349. The bill was approved by the Senate Committee on Labor and Public Welfare, August 1, 1961. The vote in the Senate Committee on Labor and Public Welfare this time was much stronger in favor of the bill than a similar vote taken 2 years ago in the same committee.

Their support coincides with a recent joint resolution adopted by the Legislature of the State of Illinois, asking for extension of GI education benefits to all veterans who have entered or will enter military service on or after February 1, 1955, and asking that such educational benefits be extended as long as the provision of the draft law shall exist.

The resolution was placed in the RECORD on Tuesday, August 1, the very date the Senate Committee on Labor and Public Welfare was so strongly supporting the cold war GI bill. I do not wish to take space in the RECORD to reoffer the joint resolution of the Illinois Legislature, but I simply refer to it as having been printed on page 14196 of the RECORD for August 1, 1961, incorporating it by reference only without having it reprinted at this point.

Mr. President, I point out that the Illinois Legislature believes that, as long as the draft is continued, to all persons serving in the Armed Forces there should be extended the educational benefits granted to veterans serving prior to February 1, 1955. It is also recited that the veterans' education program has been an integral factor in strengthening the defense system of our country, and the continuation of this program may be justified in terms of educational ideas and ideals.

Mr. President, the achievement of our opponents in the cold war yesterday, by keeping a man in space 24 hours as he orbited around the earth, illustrates the need for an increased educational drive in this country.

This year Communist Russia will graduate over 200,000 technicians. We in the United States will graduate about 16,000. The Soviets are graduating, at a rate of 15 to 1, more technicians this year than we are.

With respect to college education, this year the Russian Communists are graduating three times as many people from universities in Russia in the technocracies—meaning those engaged in chemistry, in physics, in engineering, and in related sciences.

Mr. President, we have permitted education to lag. I serve as the chairman of the Veterans' Subcommittee, but I also serve on the Education Subcommittee. I have heard the testimony on all the education bills, as well as the testimony on the cold war GI bill. The cold war GI bill would put more young men into school at the college level than all the other education bills pending in the Congress combined. It is the key bill. The others we might call the fringe benefits.

If we really mean to educate these young people and if we are really serious about keeping ahead in science, we must put these young people in college, not in a trickle of 1,500 or 5,000 a year, but by the hundreds of thousands.

These cold war GI's are mostly men. Many of them have worked in radar installations and with machinery of some kind in the armed services. More of those men go into the physical sciences than students from any other category. The experience after World War II and the Korean conflict showed that this is the group from which we got the reservoir with which we went ahead in most sciences. We are using up that reservoir. If we do not do something to replace it, we shall be behind in 10 years.

This is not my estimate, Mr. President. It is the estimate of Dr. Teller, who is credited with the invention of the H-bomb. It is the estimate of Admiral Rickover, who was the developer of the atomic submarine. It is the estimate of scientists working in the applied sciences as well as in the research sciencies. We must step up our education in the sciences at the college level if we are to stay ahead.

Mr. President, I ask unanimous consent that the resolution of the American GI Forum of Texas be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF AMERICAN GI FORUM OF TEXAS, 223 SOUTH 17TH STREET, MCALLEN, TEX.

Whereas the urgent needs of the Nation must be guided to keep ahead of Soviet Russia in all phases of progress and development; and

Whereas the technological advances of the times make it imperative that the youth of our Nation be as highly prepared as possible in education; and

Whereas veterans of World War II and the Korean conflict made wide use of their respective GI bills, thus providing a halt to loss of unrecognized talent that, because of economic hardship, would never have attained any training and education at all: Therefore, be it

Resolved by the American GI Forum of Texas in convention assembled at Lubbock, Tex., That the cold war GI bill be supported strongly by this organization, that we instruct all local groups to write letters to their lawmakers in Washington, and that we call on our national organization to take at their Las Vegas national convention next month, the stated action we are taking at our State convention.

ADEQUATE LAWS NEEDED TO PROTECT U.S. PLANES

Mr. YARBOROUGH. Mr. President, on August 3, 1961, I introduced in the Senate S. 2373, a bill to amend the Federal Aviation Act of 1958 to prohibit the forceful seizure of aircraft in air commerce.

Mr. President, the bill provides:

Whoever, while on board an aircraft operated by an air carrier in air commerce, seizes or otherwise takes control of, or attempts to seize or otherwise take control of, such aircraft through the use of firearms or other deadly or dangerous weapon, shall be punished by death, or by imprisonment for life, or for such term of years not less than five, as the jury may direct.

Mr. President, quite frankly, some people think that is a fairly stringent punishment. I point out that a mandatory death sentence is not provided. The jury would have the option of providing punishment as low as 5 years' imprisonment, depending upon the circumstances. The opportunity for a death sentence is available, and the deterrent of the death penalty is provided.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial from the El Paso Times of Friday, August 4, 1961, which uses much stronger language than the sentiment expressed in my bill. The title of the editorial is "Hang Air Pirates." It calls for protection of planes and people.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the El Paso Times, Aug. 4, 1960]

HANG AIR PIRATES

A number of events were involved in the unsuccessful attempt of a father and son to hijack a Continental Airlines jetplane in El Paso, Thursday.

Apparently the previously arranged code by which a crew could tell ground forces that a plane had been hijacked played a very important role. Then the shooting out of the tires on the jet as an attempt was being made to take off at International Airport grounded that multimillion-dollar aircraft.

Highly exciting minutes and hours followed, culminated by the overpowering of the two bandits.

All that is history now.

What is of tremendous importance is this:

What is going to be done with those two pirates and others who may attempt to hijack American planes?

We have seen entirely too much of that type of outlawry.

The time has arrived when it must be brought to an end.

We agree wholeheartedly with what U.S. Senator RALPH YARBOROUGH, of Texas, said on the floor of the Senate Thursday after he learned of the hijacking of the Continental plane in El Paso. He said in part:

"The people of the United States have been very, very patient with Mr. Communist Castro, but patience ceases to be a virtue when it permits the practice of international piracy and banditry in the United States, on American planes, on American airports and in American skies, with the lives of American passengers and pilots the dice Castro's bandits roll.

"We as a people can no longer tolerate this driving of American passengers off American planes in the skies of the United States.

"I recommend the passage of a law to make hijacking of planes at gunpoint a crime punishable by death.

"I strongly urge that the U.S. Government demand the return of the hijacked Eastern airliner in Cuba within 48 hours, and if it is not returned, I recommend that an embargo and blockade be imposed on Communist Castro, and that all means of transport entering Cuba be stopped and searched for war material and anti-American propaganda.

"The time is late, but it is never too late to start, and we should protect the lives and property of our people here at home in the United States today.

"When civilized nations began to hang ship pirates, piracy disappeared from the high seas. When civilized nations begin hanging air pirates, piracy will disappear from the airlanes."

We hope the entire Senate will pay attention to what Senator YARBOROUGH had to say.

The American people cannot tolerate hijacking of airplanes, regardless of whether they are destined to be flown to Cuba or anywhere else.

Mr. YARBOROUGH. The people who live in Florida and in Texas, where the planes are being seized, I think, perhaps have much stronger feelings than people who live thousands of miles away, who do not feel in any imminent danger.

Mr. President, this is the largest daily paper in El Paso. It says we must have an opportunity to inflict the death penalty if we are going to protect these planes and these people seeking air passage.

I point out that the incident is not comparable to the seizure of a vessel on the high seas. Such a vessel could be seized by a pirate, and unless he intended to kill people, there probably would be no one to kill. But when a plane is seized, the slighest accident could kill everyone on the plane in a few seconds.

I call to the attention of Senators the very forceful editorial, and I plead with the Senate of the United States to pass the proposed legislation to provide the penalty that I have suggested in the bill I have introduced.

TRUTH IN LENDING

Mr. CLARK. Mr. President, will the Senator yield, with the understanding that he will not lose his right to the floor?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Pennsylvania, with that understanding.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. CLARK. Mr. President, I have been a member of the American Bar Association, the professional organization of American lawyers, for many years. During those years I have seen the association acquire greater and greater respect from the American people, who recognize it as a group dedicated to the maintenance of an independent and wise judiciary and to the enactment of equitable, sensible, and understandable law.

Thus it was with disappointment that I last week heard a representative of the bar association, Mr. Charles W. Steadman, testify before the Subcommittee on Production and Stabilization in opposition to S. 1740, the truth-in-lending bill. In my opinion, this decision to oppose a bill whose sole purpose is to require lenders to tell the truth to borrowers about the cost of credit available to them in plain terms has somewhat tarnished the bar association's deserved reputation as a friend of justice and fair dealings.

Mr. Steadman proved an able and adroit advocate. But in my opinion the two basic arguments on which his case was built are totally without foundation. Mr. Steadman first attempted to demonstrate that State credit regulation laws now being added to the statute books in many States eliminate the need for such a proposal as S. 1740. Yet the facts are that not one single State has a law which requires a lender to print on the credit document his schedule of finance charges in terms which will permit the borrower to know at once what price he is paying for the loan in terms of interest and dollar charges. Little truth-in-lending bills were proposed this past year in some 12 State legislatures. In each of these States the bill was killed after credit industry representatives testified that State action was unnecessary because a nationwide law was pending in Congress. The credit industry representatives further argued that such State laws would be unfair because they would not control credit activities outside the States in which they were enacted, thus endangering the competitive position of some lenders.

Mr. Steadman next endeavored to suggest in the most carefully qualified language that S. 1740 may be unconstitutional. He and I engaged in a lawyers' discussion, a portion of which I will add to the RECORD at the close of my remarks. This colloquy, in my opinion, indicates Mr. Steadman's suggestion of possible unconstitutionality has no substance in law.

At the conclusion of our colloquy I said to him:

Now, Mr. Steadman, you are a very able lawyer. You have demonstrated that in your testimony before this committee in the last 45 minutes. If I were a client, I would like

to have you for my lawyer. And I will say also that I am sure you are a lawyer of the highest ethics and best professional standards. And you are not willing to tell this committee that this act is unconstitutional, are you?

And Mr. Steadman replied:

No, I am not.

Mr. President, I wrote earlier this week to Mr. Whitney North Seymour, president of the American Bar Association, protesting its stand on the truth-in-lending bill. I quote the final paragraph of that letter:

Most of the opposition to S. 1740 has come from groups who would be directly affected by its provisions. Their opposition is understandable and, of course, within their rights. In looking over last year's hearings on S. 2755, a similar credit labeling bill, I find that the American Bar Association maintained a discreet silence. Under the circumstances the association decision to oppose S. 1740 seems to me to have been wholly unwarranted.

Mr. President, I ask unanimous consent that the portion of the subcommittee transcript to which I referred and the text of my letter to Mr. Seymour be inserted in the RECORD at this point.

There being no objection, the excerpt and letter were ordered to be printed in the RECORD, as follows:

EXCERPT FROM HEARING BEFORE PRODUCTION AND STABILIZATION SUBCOMMITTEE ON S. 1740, JULY 26, 1961

Senator CLARK. Then actually, all you are telling us is that, having found no case which would sustain the constitutionality of this act, either under the commerce clause or the money clause, you think it may be unconstitutional. That is about as far as you are willing to go.

Mr. STEADMAN. I think in constitutional parlance that is about as far as anybody can go and I think that is as far as I have gone.

Sentor CLARK. I think you are right. The point I am making is that your attack on constitutionality of this act is in your own words and consequently pretty weak. You wouldn't be willing to give an opinion to a client that this act is unconstitutional?

Mr. STEADMAN. We do give an opinion here that under the money power there is no precedent for this kind of legislation.

Senator CLARK. That is not what I asked you. You would not be willing to give a client an opinion that this act is unconstitutional and put your name on the bottom of that opinion, would you?

Mr. STEADMAN. I wouldn't be willing to go further than this statement.

Senator CLARK. You say that this bill may be unconstitutional, that grave questions of constitutionality are raised.

Mr. STEADMAN. I say that they are grave. I say there is not one single solitary case under the money power that gives any support for constitutionality. The Constitution, Senator, as you know, has been described as a living document. But apparently it hasn't lived long enough yet to encompass this sort of thing by having any pronouncement by the Court to the effect that this is the kind of legislation that falls under the money power.

Now, they had an opportunity to do that when the credit regulation acts under the last war were before them, and they didn't do that, they sustained it under the war powers.

Senator CLARK. Now, Mr. Steadman, you are a very able lawyer. You have demonstrated that in your testimony before this committee in the last 45 minutes. If I were a client, I would like to have you for my lawyer. And I will say, also, that I am sure you are a lawyer of the highest ethics and best professional standards. And you are not willing to tell this committee that this act is unconstitutional, are you?

Mr. STEADMAN. No, I am not.

AUGUST 1, 1961

Mr. WHITNEY NORTH SEYMOUR,
President, American Bar Association,
Washington, D.C.

DEAR MR. SEYMOUR: As a longtime member of the American Bar Association, I want you to know of my disappointment that the association has put itself on record in opposition to S. 1740, the truth-in-lending bill, a proposal of which I am a cosponsor.

In my opinion, the association erred in deciding to oppose this bill, whose sole purpose is to make lenders tell the truth to the American borrower about the amount of interest he is paying on his loans. The decision tends to tarnish the ABA's deserved reputation as a friend of justice and fair dealing between private citizens.

Mr. Charles W. Steadman, who appeared before the Production and Stabilization Subcommittee as the association's representative, proved an able and adroit advocate. But his suggestion that the bill may be unconstitutional is hardly worthy of serious consideration. He was unable to cite a single case in his prepared statement which supported his view.

Nor do I feel that the bar association assisted in the search for truth when it suggested that increasing credit regulation by individual States makes such a bill as S. 1740 unnecessary. All of the State laws to which Mr. Steadman referred do no more than limit the amount of finance charges for some or all types of credit. Truth-in-lending bills, requiring lenders to divulge their credit charges in a standard and thus comparable form, have been fought by the credit industry at all levels of government and have been enacted nowhere.

Most of the opposition to S. 1740 has come from groups who would be directly affected by its provisions. Their opposition is understandable and, of course, within their rights. In looking over last year's hearings on S. 2755, a similar credit labeling bill, I find that the American Bar Association maintained a discreet silence. Under the circumstances the association decision to oppose S. 1740 seems to me to have been wholly unwarranted.

Sincerely,

JOSEPH S. CLARK.

Mr. CLARK. I thank the Senator from Wisconsin for his courtesy in yielding to me.

Mr. PROXMIRE. Mr. President, I thank the Senator from Pennsylvania.

SPEECH OF C. K. CHOI BEFORE ROANOKE COLLEGE, SALEM, VA.

Mr. CURTIS. Mr. President, it has been my privilege to count as a friend an outstanding young man from Korea, Mr. C. K. Choi, who has been attending Roanoke College in recent years. Before leaving college he spoke to the student body. His remarks contain many lessons for all of us. He makes it possible for us to better understand Korea and also he makes it possible for us to better understand the Korean's attitude toward the United States.

Mr. President, I ask unanimous consent to have Mr. Choi's speech printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY C. K. CHOI

Fellow Roanoke College students, Korea has about 90,000 square miles of land. It is a little larger than Utah, and there are over 30 million people. Korea was founded about 4,000 years ago. She was a kingdom and her culture and civilization were greatly influenced by China until 1900 B.C. In 1905, Japan colonized Korea. The Koreans suffered at the hands of the cruel Japanese for 14 years. At last, in 1919, the Koreans declared the independence of Korea against Japan. It was greatly influenced by the American President Woodrow Wilson's speech about the self-determination of people. The declaration of Korean independence failed due to the power of the Japanese police, but the spirit and the rights of Korean people were well recognized by the whole world.

During 30 years of Japanese colonization, the Koreans suffered and were killed by the Japanese. The Japanese Government intended the complete colonization of Korea by forcing the Japanese language on the Korean schools. They built Shintoism and forced us to believe in it. We had to use the Japanese flag and national anthem instead of our own language, flag, anthem, and religion for 30 years.

I do not intend to create a bad feeling against the Japanese people this morning. I do frankly admit that the Japanese colonization came from the weakness, and ignorance of the Korean king and his members. These days are past and there is nothing we can do about it. I will forget and I shall forgive. I only hope that we, Korea and Japan, become friendly nations from now on.

In 1945, on August 15, Japan lost the Second World War by tasting the two atomic bombs. The end of the war made Korea an independent nation, but within a week Russia and America occupied Korea. They divided it into two parts—North and South Korea, by using the 38th parallel and having a good reason, such as: "We will stay and help Korea until they organize their own government." It resulted in disaster for Korea because Russia organized a communistic country in the North, and America helped to organize a democratic nation—the Republic of Korea.

The 38th parallel brought a complete Iron Curtain. No communication was allowed between North and South Korea. In the Germans' case, East and West German people can communicate with each other, but not in Korea.

At present, half of the South Koreans come from the north. They left their homes, families, relatives, and friends in North Korea, but they could not communicate for over 15 years. I, myself, came from North Korea where my father owned a large amount of land and business in North Korea. The Communists ran after my father, thus we had to move to Seoul, South Korea, in 1946. Without our belongings, we fled at night by train. We still do not know who is living in our house or who is using our land, nor what happened to our relatives and friends in North Korea. My father had a rough time trying to start a new business in Seoul for 2 years. Then he finally started a small trading company, importing goods from Japan and Hong Kong.

In 1950, North Korea attacked South Korea with Russian help. I am sure you have heard and seen the Korean war by radio, TV, and magazines, so I will not go into the details. What I want to ask you is this: Whose war was it? Wasn't it a war between communism and democracy?

It was a minor fight in the beginning, but it got bigger and bigger during 3 years. At

first North Korea conquered Seoul, the capital of South Korea, within a week and marched farther south. Fortunately, the United Nations, consisting of forces from 16 countries, helped South Korea so that she could recover her capital several months later. This time South Korea marched to North Korea and conquered most of the northern part. The people were very happy because they could have unification as a Republic of Korea, but Red China helped North Korea and pushed onward to the south. Thus, America brought more soldiers, heavy arms such as jet planes, tanks, and the 7th Fleet. They recovered Seoul again—1½ years later. It was a severe fight. Many buildings and houses were destroyed and so many civilians killed. America completely controlled air and ocean. They had to drop bombs on Seoul and many other big cities because there were a lot of Red Chinese and North Korean soldiers there with military bases. My home was completely destroyed by an American bomb. For several years again, my father had a difficult time supporting us. For these things my parents will always have my love and respect.

After more than 3 years of fighting, the war ended with the word "truce." As you know, General MacArthur wanted to bomb Manchuria and Red China, but Harry Truman relieved him of his duties. Over 1 million soldiers, both North and South Korean, were dead or wounded. Over 2 million civilians were killed. More than 100,000 American soldiers were killed in a strange, foreign country, Korea. About 2,000 U.N. soldiers died, too. How about the Red Chinese soldiers? We did not fight for a truce, but for unification, and so the war never actually ended. That is why we Korean people, including high school and college students, demonstrated for a month. I still remember the slogan: "We don't want truce, we want unification." In spite of this, the U.N. made a Korean truce, promising that they would unite Korea by negotiation. It has been over 7 years now, but there is no sign of unification yet.

Korea needs good leaders and can get friendly guidance, understanding, and support from the outside world. In the meantime, North and South Korean leaders must open their minds and get together, so that we can unite as a nation. Then half of Korea's troubles will be solved.

People hopelessly say that the fate of Korea will be decided by communism or democracy. In other words, if Russia wins the war, Korea will unite as a communistic country. If the United States wins, Korea will be a democratic nation. What I want to know is this: When and how long do we have to wait?

I do admit that it is the Koreans' tough luck and their own problems—it is not Russian or American; therefore, we should, we must, solve it ourselves. I also believe that the U.N. made the 38th parallel, therefore they are responsible for dissolving it because the function of the U.N. is to help weak nations, prohibit misbehavior of strong nations and bring about world justice and peace. Before it is too late, the 38th parallel must be destroyed and the Koreans be united. In my opinion, we should have openminded meetings and solve our problems between our own North and South Korean leaders without Russia, America or any foreign countries intervening. I do admit that it is a very idealistic, impossible, and dangerous suggestion, but I strongly believe that nothing is impossible if we know how and if we present it with determined action. Whoever thought it possible to send man into space?

MILITARY PROBLEMS

In case of war, South Korea is handicapped geographically. If North Korea invades, she has no place to go but into the ocean. However, North Korea has Russia and China across her borders. In case of defeat from South Korea, she can take refuge in these countries, and there prepare for counterattack.

South Korea is still busy maintaining a million soldiers because no one knows when another war will occur. South Korea has to spend over 50 percent of her national budget to keep her large army, even though the United States contributes Korean uniforms, arms and war equipment. Korea pays for the salaries and food for the army. Here again—of what use is a large army to such a weak nation as Korea in the day of the atomic bomb, missiles and satellites?

North and South Korea must have a sincere meeting to disarm Korean soldiers and we must, together, contribute our strength for the national growth. Why can we not cooperate and live together instead of fighting among ourselves? Why make ourselves a battleground for democracy and communism?

EDUCATION

I have been asked by Americans, "what is the Korean educational system like; do they have universities and so on?" I will simply answer by saying this: The South Korean educational system is very similar to the American. I think the North Korean system is like the Russian or Chinese. And I will add to this that the difference between the educational systems of North and South Korea will bring the greatest disaster to Korea when we unify because the younger generations of Korea are receiving a different education. In other words, South Korean students are receiving democratic education both at home and abroad. On the other hand, North Korean students are receiving a communistic education both at home and abroad, such as in Russia and Red China. When we become the leaders of Korea, as we will, we will not understand each other and will insist on our own ideas and beliefs. Therefore, Korea must unite now when the old people are still the leaders because they do understand each other and they have received the same education. Can you see my point?

ECONOMIC PROBLEMS

Many Americans ask me, "Why does Korea not develop like Japan after the Second World War?" As you know, a nation's economy largely depends on natural resources, political and military security, and education. South and North Korea need each other because North Korea has industries, plentiful waterpower, and many natural resources such as iron, gold, coal, silver, and lumber. However, South Korea has only her agriculture.

There are not enough skillful workers in Korea because of 30 years of Japanese colonization. The Japanese stopped education for Korean people and educated persons were killed by the Japanese.

Furthermore, the Korean war destroyed most of our factories and big cities. On the other hand, the war stimulated the Japanese economy because the American Army bought most of its war equipment and goods during the war from Japan.

As you can see Korea will not have national security until the unification of South and North Korea. That is why both still maintain a million soldiers. It costs too much to keep these armies for a small country.

Also, foreign investors are not interested in putting their capital in such an insecure nation. U.S. aids were mainly military goods and finished consumer goods. This does not solve basic Korean economic problems. Korea needs educational institutions and factories to build an industrial nation for the future.

In the case of the Japanese, even though they lost the war, they had many skilled workers. Also, Japan is not divided like Korea. That is why they have national security. Japan cannot have an army, thus American aid has built up new Japanese industries. Foreign investors and banks are more willing to invest and loan money to Japan. If she were divided into two countries like Korea, I am sure that she could not develop as she has today.

As I mentioned earlier, Korea's political, economic, and military problems of today all stem from the 38th parallel.

Suppose Korea were not divided. Then we could build a sound nation like Japan. Millions in American aid, foreign investments, and the 50 percent of the national budget for military—all of this money could be used to develop the betterment of Korean economy and culture. Today, the Korean economy is very unstable and there is no way to solve the main problems without unification. Taxes are high. Businessmen don't invest. Rates of interest are too high. There are too many unemployed and the wages are low. These factors cause the Korean economy to get worse. People start to complain about government policy and officers. But actually, Korean problems today could not be solved by a Winston Churchill or a Jack Kennedy.

How about religion? Korean religion has changed with her history. Ancient Koreans believed in Animism, Confucianism, Buddhism, Taoism, Shintoism, Protestantism, and Roman Catholicism. After the Second World War, Shintoism, the Japanese religion was completely opposed by Korean people and government policy. Buddhism was well spread until 1950, but it is getting weaker. During the Korean war, most of the Buddhist temples on the deep mountain were destroyed. They cannot rebuild the temples because of lack of financing. Christianity continues to grow. American missionaries are developing many churches, schools, and hospitals for the Korean people.

The Bible and hymns were translated into Korean a long time ago. Another interesting fact is that Korean children love Christmas like the Americans. I attended the Chosun Christian University in Seoul just before I came to Roanoke College. We had chapel every Wednesday from 10 to 11. We had a chapel card and no one could cut just like at Roanoke. I learned the song "Silent Night" in Korea. That is why I could sing it in 1959 at the college Christmas service. I am sure some of you remember my odd singing.

At present, South Korea is very much influenced by America. New Korean customs and culture are conforming to Western ways. People are eager to learn English in spite of their own good language. You can imagine the same thing is happening in North Korea only it is related to the Red Chinese and Russian way.

I am personally glad to see the Korean culture change to a better one, but it seems to me that it changes the wrong way. Korea is trying to imitate America or Russia instead of trying to adjust to her own environment. I believe any culture has its own beauty and value. For example, the Korean language is as good as English. English is becoming a universal language today, not because it is a better one, but because of the power and influence of Western culture. If Korea were a world power, you would learn Korean. I would like to talk about the Korean language. American friends have often asked me, "Do you use Japanese or Chinese?" I replied, "No, we have our own good language. Why should we use Japanese or Chinese?" Korean language is completely different from Japanese or Chinese. We have always spoken Korean, but up until 600 years ago, we had written in Chinese. It was too hard to learn. That is why the greatest King, Seh Chong, called all the famous Korean scholars at that time and made a written Korean language based on the spoken. It consists of 24 letters, 10 vowels and 14 consonants. The vowels and consonants are put together to make a word just as the English do.

The letters are different from Chinese, Japanese or the English alphabet.

During the 1958 Christmas vacation, I went to the International House in New York City for a Christmas party given by the Korean Embassy. There I met one of my Korean friends. I was so happy to meet him in America that I shook his hand and started to talk in Korean. He always spoke in English. When the party ended, I went to his apartment and was introduced to his American roommate, and then I started to speak in English. My friend said to me later, "Choi, you speak English very well. I thought you could not speak English because you spoke in Korean when we first met". I replied, "I shall speak Korean when I meet Koreans and I shall speak English when I meet English people." My friend said not a word.

I feel that Korea is my first country and America my second. During the 3½ years of American life, I learned that there is no place like home, there is no country like my country, no matter what troubles or failings it may have. American friends have asked me, "Are you going to stay in America or go back to your country?" My answer is always the same. I shall return home as soon as I finish my education or when my home needs me, or when I tire of foreign life." I shall live with my family and people no matter what happens in Korea, revolution or war.

I have also learned international friendship from being in America. Many Americans are very frank, understanding, goodhearted, and respectable people. I shall love to have them as friends as long as I live. I have found that any country has good people and bad people. I like and respect some Koreans, but I dislike and disrespect others. By the same token, some Americans I like and respect. Others drive me crazy and I don't like to associate with them. I treat a person by his individual qualities, not by race or nationality.

Through my American living, I have had many occasions to think about racial problems and nationalities. I strongly believe that all races, Caucasian, Mongoloid, Negroid, are the same. There is no inferior race or superior race. Thinking makes that so—the only difference comes from environment.

I can say that America is most fortunate in its environment. It is not that Americans are superior; it is that they have been able to take advantage of their tremendous natural resources. America is very generous to Korea and other nations because she can afford to be generous. Korea would love to help the United States and other nations, but with what? With all kinds of Korean troubles? All people are selfish, all races are selfish, all nations are selfish—their own benefits come first. The stronger one is right and he will be a winner. The weaker one is wrong and he will be a loser. Today Korea is weak and she is a loser. I would love, and I shall still try, to make Korea and the Mongoloid race strong and a winner.

For me, Roanoke College has been an excellent place for learning English, American customs, and making friends. I have had so much fun with students in sports, travels, studying poop, fraternity parties and dormitory life. After graduation, I will be going to Duke University for my postgraduate work.

Some of you I shall never see again. Good luck on your final exams and be happy. I shall remember all of you.

Thank you.

INDEPENDENT OFFICES APPROPRIATION BILL, 1962—CONFERENCE REPORT

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Washington, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MAGNUSON. Mr. President, for the information of the readers of the RECORD and of Senators who are present, I wanted to bring the conference report up now because the bill contains the large appropriation for the space program; namely, $1.6 billion-plus. The Senate added the $549 million asked for by the President and authorized by the two Space Committees unanimously about 2 weeks ago, and this amount was reduced by $77 million in the conference. The budget estimates for 1962 totaled $1,784,300,000, and the conference agreement of $1,671,750,000 is a reduction of $112 million.

Other than that, the conference with the House resulted in very little disagreement. For some of the independent agencies, the Senate had recommended the budget amount and the House had recommended less. In many cases we split the difference with the House, so that the agencies will have sufficient money to proceed with the public business.

The bill also had in it the controversial language of the Senate regarding the activities of the General Services Administration in the field of representing the Government in public utility hearings. The Senate language was stricken from the bill. A part of the money that had been reduced was agreed to. The amount agreed to is $100,000 below the budget estimate for the service. The report contains language agreed to by both Houses, with the hope that the proper legislative committees will go into this matter in both the House and the Senate, because it is primarily a legislative matter concerning the extent of the activities of GSA.

The Senate put in the bill four new projects for public buildings; namely, at Tupelo, Miss.; Dyersburg, Tenn.; Montpelier, Vt.; and the large one at Pittsburgh. The House agreed with the Senate that the four items in the so-called priority list of the General Services Administration were all projects that could begin this next year.

We had a cutoff date of December 31.

Other than that, the House and Senate were pretty much in agreement with respect to all the items.

Several Senators expressed interest in the research item for the Housing and Home Finance Agency. The Senate cut out the money which the House had provided, mainly because we did not know with which of the 11 suggested research projects the House was concerned. We ended up by allowing five of the projects with an appropriation of $375,000, which coincides with the House amount of some $450,000, with the deletion of one of the projects given on a priority list. Other than that, the bill remains practically the same as passed by the Senate.

The bill as a whole is $208 million under the budget estimates.

I should like to have the conference report agreed to today, if possible, because of the importance of permitting the National Aeronautics and Space Administration to know exactly the amount of money it will have available for the space program.

Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SPARKMAN. I wished to check on the particular item having to do with housing research. Is $475,000 the correct figure?

Mr. MAGNUSON. The budget estimate was $900,000.

Mr. SPARKMAN. The House made that $450,000?

Mr. MAGNUSON. The House provided for 11 different projects.

Mr. SPARKMAN. Yes.

Mr. MAGNUSON. The House cut the figure to $450,000. As the Senator will remember, we took out the entire amount, so that we could find out with which projects the House wished to proceed.

Mr. SPARKMAN. That is correct.

Mr. MAGNUSON. A list of six projects was submitted, and the conferees agreed to five. One project was a little confusing in the minds of the conferees, so we accepted 5 of the 11 projects. That was the amount provided.

Mr. SPARKMAN. It totals up to $375,000.

Mr. MAGNUSON. They are the main projects the Senator from Alabama was interested in.

Mr. SPARKMAN. It includes housing for the elderly?

Mr. MAGNUSON. It includes housing for the elderly.

Mr. SPARKMAN. That was marked at $125,000, and agreed to by the Senate.

Mr. MAGNUSON. Mr. President, I understand from the distinguished acting minority leader [Mr. FONG] that the Senator from Colorado [Mr. ALLOTT], a member of the committee and one of the conferees, wished to be present when the report was considered, so I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield for that purpose?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield for that purpose without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, the purpose of suggesting the absence of a quorum was to make it possible for the distinguished Senator from Colorado [Mr. ALLOTT] to be here. The Senator worked very hard in regard to the whole appropriation bill, as well as in the conference. I believe the Senator has some comments to make on the conference report.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Colorado.

Mr. ALLOTT. Mr. President, one of the items which I wished to discuss, covered in the conference report on the independent offices appropriation bill, is the item for the General Services Administration. The Senate committee originally made a reduction of $300,000 in funds for the activities of GSA before the various public utility and railway commissions of the country, as well as before the regulatory bodies of the Federal Government.

Because of personal circumstances beyond my control I was not able to be in the Senate the day the bill was discussed and the day the amendment seeking to change this provision was defeated by a very strong vote of the Senate.

The bill which has come from the conference to the Senate is a bill in which certain portions have been stricken, and language has been modified, but I think it is significant to note two or three things.

First of all, there is a reduction in the requested appropriation. The testimony before the committee was unequivocal that the GSA, in its legal activities before the various regulatory agencies of the State governments, and even before the regulatory agencies of the Federal Government, had gone far beyond the scope that had originally been intended when asked to represent the Federal Government as a consumer or user of the various services. With this particular aspect, no one can quarrel. It was the intention of Congress—and I believe the distinguished chairman of the subcommittee originally started this plan—that the GSA appear before the regulatory agencies to represent the Federal Government as a consumer or user, as the case might be, and see that the Government is not discriminated against in any way. I call particular attention to the following language in the Appropriations Committee report on the independent offices appropriation bill this year:

> GSA's obligation to participate in major transportation and utility regulatory proceedings is not disputed. It is accepted that they should appear as necessary to represent the interests of the Government as a user and insure that the rates and services provided are reasonable and fair as they apply to the Government, in comparison with rates charged other users. What is disputed is participation in these proceedings for the presentation of evidence and argument covering broad matters of regulatory policy such as valuation, rate of return, and other subjects related to overall regulatory policy of the various commissions.

If the Federal Government regulatory agencies are not representing the public—and I do not say that they are in this position—then it is time for us to take a good, long, hard look and find out what we can do about the situation. Government regulatory agencies, as well as State regulatory agencies, showed some annoyance at the rather high-handed manner in which GSA had appeared in some of the proceedings. It had attempted not merely to appear as a user or consumer, but actually to influence and control the regulatory policies of the Federal and State regulatory agencies—policies which, in the case of the State regulatory agencies, are set by State law.

It is the latter procedure to which we have objected. The House also commented on this point, and the prohibition in the bill was severe. But it would still have permitted GSA to appear as representatives of the consumers. We have taken out that harsh language in the final bill. I read from the conference report:

> Amendments Nos. 40 and 41: Appropriate $2,400,000 for operating expenses of the Transportation and Public Utilities Service instead of $2,475,000 as proposed by the House and $2,175,000 as proposed by the Senate; and delete language proposed by the Senate. In agreeing to a lesser amount the managers on the part of the House do not agree with the application of the reduction as stated in the Senate report. The reduction below the House amount is to be applied uniformly to all activities financed from this appropriation.

The further language appears:

> The conferees expect the General Services Administration to act with good judgment and not enter into any harassing activities, to avoid trivialities, and protect the interest of the Government as a consumer. The conferees also suggest that the respective legislative committees review the basic legislation to determine if any revision is needed.

I call particular attention to the language in the report, which states:

> To protect the interest of the Government as a consumer.

I do not think we want the GSA to come into any regulatory commission of any State, nor do we want them to come into the regulatory commissions of the Federal Government, under the cloak and disguise of representatives of the Federal Government, to tell the regulatory agencies what to do. Lest there be any mistake on the part of GSA as to the role it is to play in this field, I call particular attention to the following clause:

> protect the interest of the Government as a consumer.

It is this provision that we expect to govern them. I believe the intent of the committee is that we expect them to do that and no more. We do not intend to have them attempt to control the basic overall valuation of utilities or to try to establish the rate policies of the utilities. These policies are prescribed by law, in the case of either the State or the Federal Government. I certainly do not want to see GSA attempt to take over de facto the basic ratemaking or regulatory functions of the Commissions.

I think it might be significant at this point, when we are talking about the growth of the Federal Government, to note a little item of $300,000 cut out of a budget for a department which had very greatly outgrown itself and was following the best traditions of Parkinson's law; yet all sorts of pressure would have been brought to bear on many people to attempt to obtain a revision of this cut.

The testimony of the GSA itself before the subcommittee indicates that they really do not think they should abandon the policy which they have pursued.

I wish to make the record perfectly clear now that GSA is empowered by law to represent the Federal Government as a consumer and as a user. Certainly the vote of the Senate showed that we expect the GSA to appear and act for, and to argue the interests of the Federal Government as consumer and user. We do not expect them to attempt to interfere with the ratemaking policies of either the State commissions, in the one instance, or the Federal regulatory commissions in the other.

Mr. MAGNUSON. Mr. President, I said I would furnish for the RECORD the amounts involved. The total budget amounts for the independent agencies was $9,170 million. The Senate bill provided $8,962 million, or a reduction from the budget of $208 million.

Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7445, which was read, as follows:

> *Resolved*, That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7445) entitled "An Act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes".
>
> *Resolved*, That the House recede from its disagreement to the amendments of the Senate numbered 23, 26, 29, 35, 47, and 80 to aforesaid bill, and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 36 to aforesaid bill, and concur therein with an amendment, as follows: In lieu of the matter inserted by the Senate insert the following:

"SITES AND EXPENSES, PUBLIC BUILDINGS PROJECTS

"For an additional amount for expenses necessary in connection with the construction of public buildings projects not otherwise provided for, as specified under this head in the Independent Offices Appropriation Acts of 1959, 1960, and 1961, including preliminary planning of public buildings projects by contract or otherwise, $25,000,000, to remain available until expended."

Mr. MAGNUSON. Mr. President, the House message clears all amendments in disagreement except as to Senate amendment No. 36. I move that the Senate concur in the amendment of the House to Senate amendment No. 36.

The motion was agreed to.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement showing action on the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INDEPENDENT OFFICES APPROPRIATION BILL, 1962

Comparative statement of appropriations for 1961 and estimates and action taken on items in the bill for 1962

Item	Appropriations, 1961	Budget estimates, 1962	House bill	Senate bill	Conference action
TITLE I					
EXECUTIVE OFFICE OF THE PRESIDENT					
National Aeronautics and Space Council		$320,000	$320,000	$320,000	$320,000
OFFICE OF CIVIL AND DEFENSE MOBILIZATION					
Salaries and expenses	$25,346,000	30,500,000	25,000,000	25,000,000	25,000,000
Civil defense and defense mobilization functions of Federal agencies	6,567,000	8,700,000	6,567,000	5,000,000	5,000,000
Federal contributions	16,000,000	22,000,000	22,000,000	22,000,000	22,000,000
Emergency supplies and equipment	9,175,000	36,000,000	21,600,000	38,500,000	30,050,000
Research and development	4,000,000	4,500,000	1,500,000	2,500,000	2,000,000
Construction of facilities		2,500,000	2,500,000	2,500,000	2,500,000
Total, Office of Civil and Defense Mobilization	61,088,000	104,200,000	79,167,000	95,500,000	86,550,000
FUNDS APPROPRIATED TO THE PRESIDENT					
Disaster relief		6,000,000	6,000,000	6,000,000	6,000,000
INDEPENDENT OFFICES					
CIVIL AERONAUTICS BOARD					
Salaries and expenses	7,852,500	[1] 9,050,000	8,900,000	8,900,000	8,900,000
Payments to air carriers	82,500,000	81,700,000	74,800,000	81,700,000	78,250,000
Total, Civil Aeronautics Board	90,352,500	90,750,000	83,700,000	90,600,000	87,150,000
CIVIL SERVICE COMMISSION					
Salaries and expenses	20,761,000	21,829,000	31,029,000	21,869,000	21,349,000
Investigation of U.S. citizens for employment by international organizations	462,000	438,000	430,000	430,000	430,000
Annuities under special acts	2,316,000	2,248,000	2,248,000	2,248,000	2,248,000
Government payment for annuitants, employees health benefits fund	2,500,000	5,450,000	4,500,000	4,500,000	4,500,000
Government contribution, retired employees health benefits fund	1,625,000	20,900,000	19,000,000	19,000,000	19,000,000
Payment to civil service retirement and disability fund	46,329,000	44,637,000	44,637,000	44,637,000	44,637,000
Administrative expenses, employees health benefits fund (limitation)		(1,148,000)	(1,000,000)	(1,148,000)	(1,074,000)
Administrative expenses, employees life insurance fund (limitation)	(260,000)	(262,000)	(260,000)	(260,000)	(260,000)
Official Register				30,000	
Total, Civil Service Commission	73,993,000	95,502,000	91,844,000	92,514,000	92,164,000
FEDERAL AVIATION AGENCY					
Operations	388,164,000	441,000,000	428,000,000	440,600,000	434,300,000
Facilities and equipment	164,600,000	126,000,000	120,000,000	124,577,000	120,000,000
Grants-in-aid for airports (liquidation of contract authorization)	80,000,000	70,000,000	70,000,000	70,000,000	70,000,000
Research and development	64,480,000	65,000,000	60,000,000	60,000,000	60,000,000
Operation and maintenance, National Capital airports		6,000,000			
Operation and maintenance, Washington National Airport	3,230,000		3,225,000	3,225,000	3,225,000
Operation and maintenance, Dulles International Airport	2,450,000		1,975,000	1,975,000	1,975,000
Construction, Washington National Airport	4,500,000	4,200,000	4,200,000	4,200,000	4,200,000
Construction and development, additional Washington airport		20,100,000	26,100,000	20,100,000	20,100,000
Civil supersonic aircraft development		12,000,000	10,000,000	12,000,000	11,000,000
Total, Federal Aviation Agency	707,424,000	744,300,000	723,500,000	736,677,000	724,800,000
FEDERAL COMMUNICATIONS COMMISSION					
Salaries and expenses	13,789,000	12,525,000	12,400,000	12,525,000	12,525,000
FEDERAL POWER COMMISSION					
Salaries and expenses	8,163,500	8,793,000	8,793,000	8,793,000	8,793,000
FEDERAL TRADE COMMISSION					
Salaries and expenses	8,009,500	10,690,000	10,000,000	10,690,000	10,345,000
GENERAL ACCOUNTING OFFICE					
Salaries and expenses	42,179,000	43,000,000	43,000,000	43,000,000	43,000,000
GENERAL SERVICES ADMINISTRATION					
Operating expenses, Public Buildings Service	169,992,000	176,000,000	170,000,000	176,000,000	173,000,000
Repair and improvement of public buildings	58,000,000	60,000,000	58,000,000	58,000,000	58,000,000
Construction, public buildings projects	165,441,000	181,325,000	171,600,000	194,456,500	188,946,500
Sites and expenses, public buildings projects	21,000,000	5,000,000		25,000,000	25,000,000
Payments, public buildings purchase contracts	4,000,000	5,200,000	5,200,000	5,200,000	5,200,000
Construction, Federal Office Building No. 7, Washington, D.C.		26,175,000	23,700,000	23,700,000	23,700,000
Operating expenses, Federal Supply Service	4,422,000	3,737,000	3,450,000	3,737,000	3,593,500
Indefinite appropriation of receipts	(3,243,500)	(3,935,000)	(3,935,000)	(3,935,000)	(3,935,000)
Expenses, supply distribution	24,425,000	29,374,000	27,375,000	29,374,000	28,374,500
General supply fund	20,000,000	8,000,000	4,000,000	8,000,000	6,000,000
Operating expenses, National Archives and Records Service	10,179,000	14,159,000	14,000,000	14,000,000	14,000,000
Operating expenses, Transportation and Public Utilities Service	2,536,000	2,500,000	2,475,000	2,175,000	2,400,000
Strategic and critical materials	26,235,000	40,000,000	30,000,000	40,000,000	40,000,000
Salaries and expenses, Office of Administrator	247,000	250,000	290,000	290,000	290,000
Allowances and office facilities for former Presidents	250,000	300,000	300,000	300,000	300,000
Refunds under Renegotiation Act	2,500,000				
Administrative operations fund (limitation)	(14,113,200)	(14,864,000)	(14,268,900)	(14,864,000)	(14,566,450)
Working capital fund		150,000		150,000	100,000
Total, General Services Administration	509,227,000	552,170,000	510,390,000	580,382,500	568,904,500

INDEPENDENT OFFICES APPROPRIATION BILL, 1962—Continued

Comparative statement of appropriations for 1961 and estimates and action taken on items in the bill for 1962—Continued

Item	Appropriations, 1961	Budget estimates, 1962	House bill	Senate bill	Conference action
TITLE I—Continued					
INDEPENDENT OFFICES—Continued					
HOUSING AND HOME FINANCE AGENCY					
Office of the Administrator:					
Salaries and expenses	$11,015,000	$13,150,000	$12,900,000	$12,900,000	$12,900,000
Urban planning grants	4,000,000	10,000,000	3,600,000	3,600,000	3,600,000
Public works planning fund	6,000,000	8,000,000	6,000,000	8,000,000	7,000,000
Urban renewal fund (liquidation of contract authorization)	150,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Urban studies and housing research		900,000	450,000	125,000	375,000
Housing for the elderly fund	20,000,000	30,000,000	25,000,000	25,000,000	25,000,000
Total, Office of the Administrator	191,015,000	262,050,000	247,950,000	249,625,000	248,875,000
Public Housing Administration:					
Annual contributions	140,000,000	169,300,000	165,000,000	165,000,000	165,000,000
Administrative expenses	13,868,000	14,150,000	13,968,000	13,968,000	13,968,000
Total, Public Housing Administration	153,868,000	183,450,000	178,968,000	178,968,000	178,968,000
Total, Housing and Home Finance Agency	344,883,000	445,500,000	426,918,000	428,593,000	427,843,000
INTERSTATE COMMERCE COMMISSION					
Salaries and expenses	21,451,500	22,200,000	21,950,000	22,200,000	22,075,000
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Salaries and expenses	170,760,000	226,686,000	191,750,000	221,750,000	206,750,000
Research and development	670,453,000	1,295,539,000	892,000,000	1,278,000,000	1,220,000,000
Construction of facilities	122,787,000	262,075,000	116,250,000	249,250,000	245,000,000
Total, National Aeronautics and Space Administration	964,000,000	1,784,300,000	1,200,000,000	1,749,000,000	1,671,750,000
NATIONAL CAPITAL HOUSING AUTHORITY					
Operation and maintenance of properties	40,000	40,000	40,000		40,000
NATIONAL SCIENCE FOUNDATION					
Salaries and expenses	175,800,000	275,000,000	250,000,000	276,500,000	263,250,000
Salaries and expenses (special foreign currency program)	(1,600,000)	2,000,000	(1,600,000)	(2,000,000)	(1,800,000)
Total, National Science Foundation	175,800,000	277,000,000	250,000,000	276,500,000	263,250,000
RENEGOTIATION BOARD					
Salaries and expenses	3,015,000	3,000,000	2,900,000	2,900,000	2,900,000
SECURITIES AND EXCHANGE COMMISSION					
Salaries and expenses	9,517,500	11,015,000	11,000,000	11,000,000	11,000,000
SELECTIVE SERVICE SYSTEM					
Salaries and expenses	33,169,400	34,475,000	33,670,000	33,670,000	33,670,000
VETERANS' ADMINISTRATION					
General operating expenses	164,350,000	162,046,000	161,500,000	162,046,000	161,773,000
Medical administration and miscellaneous operating expenses	35,165,000	15,053,000	40,700,000	47,053,000	43,876,500
Medical care	863,206,000	1,009,171,000	987,171,000	987,171,000	987,171,000
Compensation and pensions	3,800,000,000	3,543,000,000	3,500,000,000	3,500,000,000	3,500,000,000
Readjustment benefits	344,000,000	80,376,000	80,000,000	80,000,000	80,000,000
Veterans' insurance and indemnities	48,800,000	39,200,000	39,200,000	39,200,000	39,200,000
Grants to the Republic of the Philippines	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Construction of hospital and domiciliary facilities	75,000,000	75,000,000	75,000,000	77,500,000	76,250,000
Loan guarantee revolving fund (transfer)					
Outpatient care (consolidated)	10,034,000				
Maintenance and operation of supply depots (consolidated)	2,643,000				
Total, Veterans' Administration	5,424,198,000	4,924,846,000	4,884,571,000	4,893,970,000	4,889,270,500
Total, definite appropriations	8,490,299,900	9,170,626,000	8,400,163,000	9,094,834,500	8,962,350,000
Total, indefinite appropriations	3,243,500	3,935,000	3,935,000	3,935,000	3,935,000
Total, title I	8,493,543,400	9,174,561,000	8,404,098,000	9,098,769,500	8,966,285,000

Administrative and nonadministrative expenses

[Limitations on amounts of corporate funds to be expended]

Corporation or agency	Authorization, 1961	Budget estimates, 1962	House bill	Senate bill	Conference action
TITLE II—CORPORATIONS					
Federal Home Loan Bank Board:					
Administrative expenses	($2,071,000)	($1,725,000)	($1,725,000)	($1,725,000)	($1,725,000)
Nonadministrative expenses	(8,819,000)	(10,366,000)	(10,366,000)	(10,366,000)	(10,366,000)
Federal Savings and Loan Insurance Corporation	(857,000)	(890,000)	(890,000)	(890,000)	(890,000)
General Services Administration:					
Federal Facilities Corporation	(20,000)				
Reconstruction Finance Corporation Liquidation Fund	(43,000)	(42,500)	(42,500)	(42,500)	(42,500)
Housing and Home Finance Agency:					
College housing loans	(1,580,000)	(2,100,000)	(1,900,000)	(2,100,000)	(2,000,000)
Public facility loans	(537,500)	(750,000)	(650,000)	(750,000)	(700,000)
Revolving fund (liquidating programs)	(148,500)	(150,000)	(145,000)	(145,000)	(145,000)
Federal National Mortgage Association	(6,900,000)	(7,450,000)	(7,400,000)	(7,400,000)	(7,400,000)
Federal Housing Administration:					
Administrative expenses	(9,011,000)	(9,675,000)	(9,600,000)	(9,600,000)	(9,600,000)
Nonadministrative expenses	(52,988,000)	(62,300,000)	(58,000,000)	(61,300,000)	(59,650,000)
Public Housing Administration:					
Administrative expenses	(13,868,000)	(14,150,000)	(13,968,000)	(13,968,000)	(13,968,000)
Nonadministrative expenses	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Total, administrative and nonadministrative expenses	(98,043,000)	(110,798,500)	(105,886,500)	(109,486,500)	(107,686,500)

Mr. PROXMIRE. Mr. President, I think the action just taken by the Senate is very appropriate. I am delighted to see that the language the Senate inserted regarding the GSA participation was taken out in conference. This act accomplishes what the Proxmire amendment intended to accomplish, and I think it is a great victory for the taxpayer.

Mr. ALLOTT. Mr. President, will the Senator yield at that point?

Mr. PROXMIRE. I am happy to yield.

Mr. ALLOTT. I wish to make a comment on the remark the Senator has made. In my recent remarks upon the floor, I tried to make the situation perfectly clear. The conference report does not leave the situation as the Senator from Wisconsin surmises. If it did, I would have come to the floor and asked that the conferees on behalf of the Senate be required to insist upon its language. It would be a great mistake to think that we had receded from the position that the Senate took a week ago Saturday.

No such intention appears in the language of the report, in which it says that the General Services Administration is expected to represent the interest of the Government as a consumer. I wished to call the Senator's attention to that language. The surmise that the Senate has receded is not in accord with the fact and not in accord with the discussions in the committee. That is the reason I took the floor a few minutes ago to call the attention of the Senate to this matter. I do thank the Senator from Wisconsin for yielding to me at this time.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Alaska.

Mr. GRUENING. I wish to ask my friend from Colorado, if he thinks the Senate has not receded, what has the Senate done when it has gone along with the House in the restoration?

Mr. ALLOTT. We took out the drastic language. We put in the language which states that we expect GSA to represent the consumer, and not interfere with the regulatory policies imposed upon commissions by State law or with the regulatory policies of the Federal agencies as imposed by Federal law.

Mr. GRUENING. The cut was not as drastic as the one that had been proposed.

Mr. ALLOTT. It was modified somewhat.

Mr. GRUENING. As I am in favor of GSA continuing in that position, I am glad for what we got. I am sorry we did not get all of it.

Mr. ALLOTT. All I can say is that if the Senator will study the regulatory laws he will find it to be clear that if we are going to concede the position of the proponents of the amendment we might just as well do away with our Federal regulatory agencies and give GSA the complete power to make the rates.

Let me tell the Senate of one specific case in which GSA overstepped themselves very drastically, in which they left out a $4 million indebtedness. If the regulatory agency involved had accepted the figures of GSA in that instance it would have resulted in an immediate benefit, of course, by way of rates to the Government, but it also would have imposed additional rates on every other consumer affected by the additional rates decision.

The regulatory agencies have competent staffs to handle the peculiar problems each has, either in regard to geographical area or subject matter.

The testimony at the hearings shows unequivocally that each of these agencies—the ICC, the FPC, and all the others—has capable staffs and that they stated they were capable of presenting the Government's view and also of protecting the consumer's interest.

This is an obligation and duty put on them by law. GSA has come along as a sort of superpoliceman and has said that its judgment about regulatory matters is better than that of the staffs of the various commissions. We do want to protect the Government, as far as its rates for transportation, or gas, or electricity, or telephone service are concerned, and to see that they are adjusted fairly. We do not believe they have the right to come in with all the force of the Federal Government and say, "This is the Federal Government speaking," present their case for changes in basic regulatory policy, and then walk out again. They do not have the right before a State commission or before a Federal regulatory commission to usurp, either in law or in fact, the powers that have been placed upon a State commission by a State legislature or by a State constitution and upon a Federal commission by Congress itself.

Mr. GRUENING. I thank the Senator. However I disagree with him in saying that the regulatory agencies have consistently performed competent jobs. It has been my observation that they have frequently failed to protect the interest of the consumer. I am glad to know that we have had an agency such as GSA which can help rectify that situation. It may be that the GSA has erred on occasion, but on balance I would say it has performed a most useful service. I am hopeful it will continue to render such service.

Mr. ALLOTT. I would say this frankly to the Senator from Alaska. I believe that in the activity to which they should be confined they have done a relatively good job. Beyond that, however, they cannot point with pride to their activities, because they have not accomplished anything. If we are going to impose this power on GSA, we might as well introduce a bill tomorrow—the Senator from Alaska and I—to do away with CAB and FPC and ICC, and all the other regulatory agencies. Undoubtedly, the Senator has in mind the Federal Power Commission. I am not unaware—and I could not be unaware—sitting as I have been sitting week after week in the Subcommittee on Independent Offices Appropriations, of the great backlog of cases. We have done everything we could do to try to help them reorganize themselves and to reorganize their procedures. We have provided them with more examiners and legal help in order to help them reduce the backlog. I am not unaware of this great problem, which undoubtedly the Senator is speaking of. However, this is not entirely the fault of the regulatory agencies, who have been working in many instances under great handicaps. Within the last 2 years, I believe the Senator will be interested in knowing, all of these agencies have undergone drastic procedural changes within their agencies in order to speed up the processing of this backlog of cases.

Mr. GRUENING. I hope the result will be not merely a speeding up, but a greater awareness of the public interest rather than of the special interest. That is why I welcome the activities of the the GSA.

Mr. ALLOTT. I am in favor of protecting the public interest. I also believe that the man who invests money in a project should also be protected. The man who puts his investment on the line is also entitled to protection. If we are to abandon the concept of private property, and everything is going to be done for the good of the consumer, it will be a step that I will not be willing to take. We cannot say that we are going to look at the consumer interest alone. If that were so, we would have a 5-cent bus fare in Washington, D.C. We must also look at the interest of the man who puts his time and money on the line in order to try to make a fair return. That is all that these people are entitled to. That is all they are getting. I thank the Senator from Wisconsin for yielding.

Mr. PROXMIRE. Once again I reassert what I said. The Proxmire amendment has in effect been restored. It seems to me that all that we were asking for and all that we wanted to get was to permit GSA to represent the Government as a consumer. We did not ask for anything else. Under the conference report the GSA can represent the Government right down the line. It is the kind of compromise I like. About 90 percent of the appropriations were left in.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. GRUENING. I congratulate the Senator from Wisconsin for his very able fight in the Senate to restore these powers to GSA. That it has been accomplished, and that the bill is a much better bill than when it left the Senate is largely due to the efforts of the Senator from Wisconsin.

Mr. PROXMIRE. I deeply appreciate the Senator's remarks.

Mr. KEFAUVER. Mr. President, I would like to call attention to a victory achieved today in behalf of the American taxpayer.

This was the restoration in conference of funds to permit the GSA to continue its proper function representing the Government as a consumer in the field of utility rate regulation—and the adoption by the Senate of this conference agreement.

The Allott amendment would have removed this function from GSA. This amendment was accepted by the Senate.

I spoke in this chamber on this point and warned of the dangers involved, of the millions of dollars of the taxpayers' money at stake, and of the pressures which brought this amendment into being in the independent offices appropriation bill. I regret that the Senate failed to defeat this portion of the bill.

I am happy to say that the conferees saw the light, restored the funds, and struck the language which would have tied GSA's hands and opened the door to uncontrolled millions of tax dollars.

In connection with this victory, I ask unanimous consent that three newspaper accounts of this battle—a story by Walter Pincus appearing in the Washington Post of August 5, 1961; and two accounts written by Jack Steele of Scripps-Howard which appeared, respectively, in the Washington Daily News on August 3, 1961, and on August 5, 1961—be placed in the RECORD at this point in my remarks.

There being no objection, the articles were ordered printed in the RECORD, as follows:

[From the Washington Daily News, Aug. 3, 1961]

SAVED UNITED STATES $160 MILLION—PRESSURE MAY WIPE OUT RATE AGENCY

(By Jack Steele)

House-Senate conferees will decide late today the fate of a drive to all but wipe out a Government agency which has saved the taxpayers and consumers hundreds of millions of dollars on utility and transportation rates.

The little-known agency is the Transportation and Public Utilities Service of the General Services Administration (GSA), which for years has represented the Government—and indirectly all consumers—in rate cases before Federal and State regulatory bodies.

The Government is the Nation's biggest consumer of telephone, telegraph, power, and transportation services.

This tiny GSA agency has saved the Government $160 million in the last decade by obtaining reductions in utility and transportation rates. And it has saved the Government and consumers untold millions more by blocking proposed rate increases.

RIDER GETS OK

Yet the Senate, in a move which virtually escaped notice, approved on Monday a rider to the independent offices appropriation bill which would practically destroy the agency.

The rider would cut the agency's funds this year from $390,000 to $90,000 and bar it from presenting any evidence on the reasonableness of rates before Federal and State regulatory agencies.

The Senate vote climaxed a lobbying drive by utility and transportation interests led by the American Telephone & Telegraph Co. (A.T. & T.), whose rates have been a prime target of the agency.

Its most celebrated case in 1956 forced A.T. & T. to slash $100 million from the rates it proposed to charge the Government for telephone circuits for SAGE, a complex system to defend the Nation against manned bomber attacks.

WARNINGS

Representative JOHN W. MCCORMACK, of Massachusetts, House Democratic leader, warned his colleagues yesterday that the Senate rider would cost the Government and consumers "untold millions" in higher utility and transportation charges.

Representative MCCORMACK, who had a major role in uncovering the excessive rates sought by A.T. & T. in the SAGE case, noted that Congress itself had insisted on creating the GSA agency to protect the Government from overcharges for such services.

Representative ALBERT THOMAS, Democrat, of Texas, chairman of the House Appropriation Subcommittee which handles the bill, pledged that House conferees would not agree to the rider.

But the Senate on Monday struck down, by a 55 to 32 vote, an amendment by Senator WILLIAM PROXMIRE, Democrat, of Wisconsin, which would have killed the rider.

CHARGE

It did so despite a charge by Senator PAUL DOUGLAS, Democrat, of Illinois, that the rider was simply a reprisal against the GSA for its actions in forcing A.T. & T. to cut its rate to the Government.

Senator ESTES KEFAUVER, Democrat, of Tennessee, told the Senate that A.T. & T. was the real power behind the lobby which had pushed the rider in the Senate.

He noted that the U.S. Chamber of Commerce had led the fight for the lobby through its committee on communications and transportation. This committee, he reported, is headed by Ed Crosland, an A.T. & T. vice president.

[From the Washington Post, Aug. 5, 1961]

GSA'S WATCHDOG OVER RATES BEING MUZZLED BY UTILITIES

(By Walter Pincus)

A watchdog contingent within the General Services Administration, which has kept the Federal Government from paying more than $160 million in excess utility and transportation charges, is being leashed and perhaps muzzled by a legislative maneuver directed mainly by utility company lobbyists.

Each year, the Government spends an estimated $817 million for utility services and another $386 million for communications. Thirty-nine men in three special divisions of GSA's Transportation and Public Utilities Service oversee these expenditures and represent the consumer interests of the Government in State and Federal regulatory hearings.

In many of these hearings, when user rates are determined, the Government is the largest and sometimes the only consumer involved.

The GSA presentation, based heavily on evidence concerning competitive prices, capital cost valuations and allowable return of investment, has over the years been forceful and oftentimes most effective. So effective, in fact, that utility companies appear to have adopted the old legislative adage, "If you can't beat 'em, take away their appropriation."

BILL PASSED BY SENATE

The vehicle being employed is the Independent Offices Appropriation Act, which last week passed the Senate.

The Senate Appropriations Committee, with active encouragement from the companies and over GSA objections, tacked a six-line legislative limitation on the operating expenses of GSA forbidding the use of funds "for the preparation or presentation of evidence or arguments before Federal or State regulatory agencies concerning the regulatory policies of such agencies on overall earnings level or total property evaluation of transportation or utility companies."

Proponents of the limitation say it will permit GSA to appear at hearings to argue the "fairness" of rates and services charged to the Government as compared with rates charged other users. It will prevent the introduction of statistical facts that, they say, are the responsibility of the commissions, not GSA.

Opponents argue that almost all rate hearings turn on issues that can be discussed only through the use of investment and profit figures and analyses, and that to deny GSA the ability to introduce such matter would destroy the effectiveness of its participation.

FUND CUT $300,000

To emphasize that it meant business the Senate committee also chopped $300,000 from the $400,000 programed to operate GSA's regulatory activity in fiscal 1962.

The Senate retained the committee limitation by a 55-to-32 vote, but during the debate, a number of Senators noted that GSA regulatory interventions caused no problem until 1958.

That was the year when the Federal Communications Commission ordered the American Telephone & Telegraph Co. to reduce its private-line telephone rates by 15 percent, an action that saved the Government, as a consumer, about $10 million a year.

GSA's regulatory watchdog bureau played an active role in the Federal Communications Commission investigation that led to the reductions. In fact, incentive awards totaling $10,000 were divided among 12 GSA employees for extraordinary efforts that resulted in rate reductions far beyond expectations.

In 1959, a few questions were raised about these activities in appropriations hearings. But, the direct attack wasn't launched until November 1960, when the U.S. Chamber of Commerce released a 40-page report that concluded by recommending a limitation on "GSA's appropriation to expand its operations in the field of rate and fare regulation."

CROSLAND COMMITTEE JOB

This chamber report, according to Senator ESTES KEFAUVER, Democrat, of Tennessee, was prepared by a committee whose chairman was A.T. & T. Vice President Ed Crosland. Since its release, KEFAUVER added, the lobby has "been working in the Nation's Capital, on both sides, trying to get something done."

Also in November, the National Association of Railroad and Utilities Commissioners, meeting in Las Vegas, adopted a resolution calling for restrictions on GSA's activities. Maine Public Utilities Commissioner Richard J. McMahon, who attended the session, called it "basically a fight between American Telephone & Telegraph and the Federal Government."

McMahon added, in a letter to Senator EDMUND S. MUSKIE, Democrat, of Maine, that the resolution was adopted by voice vote in a room containing possibly 100 commissioners and another 200 guests of the convention representing the affected industries. Requests for a rollcall vote were denied.

Armed with this resolution and the chamber report, lobbyists persuaded Senator GORDON ALLOTT, Republican, of Colorado, to introduce the limitation. The language was such as to eliminate effective future GSA participation in any general rate hearing similar to the A.T. & T. case of 1958.

SENATORS GET CALLS

By the time the bill reached the floor, according to one Senate aid, A.T. & T. affiliates throughout the country were in contact with their Senators pushing support for the limitation.

One southern Senator, for example, who clearly sided with the utility, was visited in his office by representatives of Southern Bell on the Friday before the vote, and early Monday morning, the day of the vote, received a call from the Bell Telephone president of his State.

Conjuring up visions of days when legislatures sat in fear of big utility trusts, Senator PAUL H. DOUGLAS, Democrat, of Illinois, closed debate on the limitation by telling his colleagues:

"We all know what is behind this move. The General Service Administration has obtained reductions of $145 to $150

million from the American Telephone & Telegraph Co. The proposal of the committee is a reprisal against good work of the GSA in recovering these millions from A.T. & T."

What happens to the limitation when it gets to the House-Senate conference is not certain. But it surely depends on how much public protest is raised over what is going on.

[From the Washington Daily News, Aug. 5, 1961]

HOUSE OVERRULES SENATE RIDER—CURB ON GSA AGENCY IS BLOCKED

(By Jack Steele)

The House has stopped a Senate move to hamstring an obscure Government agency which has saved the taxpayers and consumers millions of dollars by blocking utility and transportation boosts.

The Senate voted Monday to all but wipe out the Transportation and Public Utilities Service of the General Services Administration (GSA)—despite its record of having saved the Government at least $160 million in the last decade.

The Senate agreed to slash the agency's funds from $390,000 to $90,000 a year and to bar it from challenging the "reasonableness of rates" before Federal or State regulatory commissions.

WON'T JOIN IN

But House conferees led by Representative ALBERT THOMAS, Democrat, of Texas, refused yesterday to join in.

As a result, a Senate-House conference committee agreed to restore all but $75,000 of the agency's funds and to reaffirm its right to represent the Government as a consumer before Federal and State regulatory bodies.

Both Representative THOMAS and Representative SIDNEY YATES, Democrat, of Illinois, who also had sharply criticized the Senate's action, said they were "satisfied" with the conference action.

"This GSA agency will be able to continue to protect the taxpayers against excessive utility and transportation charges and will have adequate funds to operate," Representative YATES said.

IN PAST

He noted that the agency in the past had aided consumers only indirectly by opposing rate increases which would boost utility and transportation charges for both the Government and consumers.

The Senate rider which would have curbed its powers and funds was pushed by lobbyists for utility and transportation interests.

The Government is the Nation's biggest consumer of utility and transportation services, for which it spends about $2 billion a year.

OFFICIAL REGISTER OF THE UNITED STATES

Mr. KEATING. Mr. President, we have just passed an important appropriation bill, that for the independent offices. While I am glad that this legislation is now on the books, I wish briefly to express myself and comment for my colleague [Mr. JAVITS] on the amendment which the Senate adopted to continue the publication of the Official Register of the United States.

First of all, Mr. President, I regret that my colleague is absent, for he led the fight in the Senate to have the funds for the Official Register restored in the appropriation for the Civil Service Commission. I supported him in this amendment and, of course, share his disappointment that the conference committee bill for the independent offices does not include this item.

My colleague has asked me to speak for him today to the effect that he regrets the deletion of this item and that he personally pledges his efforts to continue the fight to restore the funds for this important publication in fiscal 1963. I commend the Senator for the way in which he handled his amendment. I think he is 100-percent correct, and I shall be happy to join with him in his future efforts to make available to the public the valuable information contained in the Official Register of the United States.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

FEDERAL POWER COMMISSION

Mr. MANSFIELD. I move that the Senate proceed to the consideration of the nomination of Lawrence J. O'Connor to be a member of the Federal Power Commission.

The VICE PRESIDENT. The nomination will be stated.

The legislative clerk read the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the nomination.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

Mr. PROXMIRE. Mr. President, I move to recommit the nomination of Lawrence J. O'Connor to the Commerce Committee with instructions to report it back to the Senate in 1 week.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Montana.

Mr. MANSFIELD. The Senator from Wisconsin does not mean to ask for a vote on that motion now, does he?

Mr. PROXMIRE. I have no intention of calling for a vote now.

Mr. MANSFIELD. At the proper time the Senator intends to offer that motion?

Mr. PROXMIRE. I have already offered the motion. I obtained the floor to make the motion. I am speaking on the motion. I have not spoken on the nomination itself, but I am now speaking on the motion to recommit the nomination to the Commerce Committee for 1 week.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, with the proviso that the Senator from Wisconsin does not lose his right to the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none. The question is on agreeing to the motion of the Senator from Wisconsin to recommit the nomination to the Commerce Committee with instructions. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. PROXMIRE obtained the floor, and yielded to various Senators, whose remarks appear elsewhere under the appropriate headings.

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. PROXMIRE. Madam President, I wish to accommodate Senators as much as possible during the course of this speech. Necessarily, it will be a long speech. I shall do my best to make it as germane as possible. I have no intention whatsoever of preventing a vote on the nomination, because there will be a vote on the nomination. However, I believe that before the vote is taken, the complete record of Mr. O'Connor, should be made known to the Senate and should be discussed in considerable detail. For that reason, my speech will take considerable time.

GAS MAN ON FPC

The nomination of Lawrence J. O'Connor puts a gas industry man on the inside of a body which was created to regulate the gas industry.

I have an editorial published by the Racine Journal-Times, an independent newspaper, which has never supported me for office, although I have run for office five times in Wisconsin. The Racine Journal-Times on July 28, 1961, published an editorial entitled "Proxmire Position Well Taken." This is what the editorial declared:

Appointing Lawrence O'Connor to the Federal Power Commission is like appointing Mickey Mantle to umpire Yankee baseball games," Senator WILLIAM PROXMIRE, of Wisconsin, told a Senate committee Wednesday, and therein the Wisconsin Senator summed up very well the case against O'Connor's appointment. He is being asked to regulate an industry of which he has for years been an integral part.

Lawrence O'Connor, of Texas, is an oilman. That is his business, literally and figuratively, and his right. He is a former vice president of a Texas oil company. He is a member of several associations and organizations of oil men (incidentally one of them is most active in trying to get the FPC out of the business of regulating the industry altogether).

But Lawrence O'Connor has no vested right to a position on the Federal Power Commission, which is supposed to regulate the natural gas segment of the oil industry, and the President of the United States has no business appointing him to that position.

But the Kennedy administration is showing itself no less vulnerable to the oil industry's boring from within than was the Eisenhower administration, the Truman administration or the Harding administration.

Kennedy has named an oil man as his Secretary of the Navy, and another one as Assistant Secretary of Interior.

CONFLICT OF INTEREST

Incidentally, Madam President, I opposed both those nominations. Both those nominations were clearly representative of a conflict of interest. The appointment of John Connally as Secretary of the Navy was the appointment of a man who is executor of one of the two or three largest private oil estates in the world. As Secretary of the Navy he buys all the oil for all the armed services, and he sits on top of the study of what is perhaps the most important competitive fuel—atomic energy.

The appointment of John M. Kelly as Assistant Secretary of the Interior is, in my judgment, even worse, because Mr. Kelly, as Assistant Secretary of the Interior, is in charge of minerals, which means that he is head of the Oil and Gas Office, head of the Oil Import Administration, head of virtually every agency of the Government which regulates the oil and gas industry; although Mr. Kelly disposed of millions of dollars of his holdings, he still holds on to millions of dollars in addition, and one of his richest and most important oil holdings he gave to his children, putting his own personal attorney in charge. I thought the conflict of interest was very sharp and very clear, and I protested it.

SHOCKING APPOINTMENT

Madam President, I feel that the appointment of Lawrence O'Connor is really shocking, because this man would be in the position of referee, umpire, and judge over the gas industry, in determining what rates it could charge; and, as I believe I can establish in the course of my presentation, the nominee has been thoroughly connected with the oil and gas industry. In fact, that has been his principal connection during his adult years.

I now read further from the editorial:

O'Connor, incidentally, has been serving in the Interior Department for the last 2 years. Those two Federal agencies are particularly subject to oil industry pressure.

Even with O'Connor's background, it is hard to see where he could make the Federal Power Commission's protective feeling for the oil industry more intense, or the FPC's neglect of the public interest more evident. Since Harry Truman's time, the FPC has been trying to abdicate its power to regulate the price of natural gas at the wellhead, a relaxation of utility price control that would be felt right down to your gas furnace or gas stove in Racine. This is a strange sort of conduct for a Federal regulatory agency. (The U.S. Supreme Court found it so strange that it has repeatedly ordered the FPC to do its plain duty.) But the FPC just doesn't want to regulate the price of natural gas, and it will not do so. Senator PROXMIRE pointed out Wednesday that the cost of natural gas for home heating purposes has risen 44½ percent in the past 12 years. For example, the gas company for which O'Connor himself worked as a vice president has been granted three increases in rates during the past 3 years, without a breath of FPC opposition or control.

"STRIKE AGAINST CONSUMER"

Madam President, this is the company of which the nominee for membership on the Federal Power Commission was a vice president until 1959.

I read further from the editorial:

PROXMIRE calls this action by the alleged regulatory agency "a sitdown strike against the consumer."

Now an attempt is being made to subvert this regulatory body to the business it regulates still further, by putting an oil man on the Power Commission.

PROXMIRE is fighting the appointment, although it was made by the administration controlled by his own party. He may be fighting in vain, because the oil industry is not without influence in the Senate itself. But the Wisconsin Senator deserves the support of all those who are interested in impartial Federal utility regulation, to protect the consumer and the taxpayer against the kind of gouging they get from the oil industry.

Madam President, the appointment of Lawrence O'Connor would seem to me to mean built-in, guaranteed inflation to the 27 million gas-consuming families in the Nation—including the 500,000 gas-consuming families in my own State of Wisconsin. With such a background, the record is very clear that Commissioners who have that viewpoint are very susceptible to the pleas of the gas industry for rate increases, and are also very susceptible to pleas of the producing industry to be exempted from regulation by the Federal Power Commission, as I think I can show convincingly.

TRIES TO BLOCK FPC

The fact is that Mr. O'Connor has been a leading member of the gas industry's association that has dedicated itself to preventing the Federal Power Commission from fulfilling its plain duty, according to the Supreme Court, to regulate the price of gas at the wellhead.

Madam President, the central importance of Federal Power Commission appointments should be recognized by the Senate when it acts on the question of confirmation of such a nomination. The fact is that those the President chooses to serve on the Federal Power Commission, the team he chooses, determine the action the Commission will take. In many ways, these selections are far more important than the legislation Congress passes.

As a matter of fact, in the Natural Gas Act of 1938, the Congress said that the Federal Power Commission should regulate the gas industry and the sale of gas in interstate commerce. Since 1954 there has been no question about that, because in the Phillips case, the Supreme Court interpreted that act, and made it clear that it meant the regulation of natural gas at the wellhead—the regulation of the producers. But in spite of this, the Federal Power Commission has simply refused to do it. If the Senate should advise and consent to the nomination of Lawrence O'Connor, the Senate would be advising and consenting to the nomination of a man who, on the record, and in view of his associations, obviously would continue to ignore this duty of the Federal Power Commission. This would result in frustration of the clear language of the Natural Gas Act of 1938.

O'CONNOR APPOINTMENT MEANS HIGHER GAS PRICES

Madam President, it seems to me that this nomination comes before the Senate at a time when we should be particularly conscious of what the Senate has done to the American taxpayers and the American consumers in the past week or 10 days. The appointment of Lawrence O'Connor, if confirmed, would add to the cost of living; and in studying the action of Congress in the last week or so on the Kennedy budget requests, it is obvious that the increased cost to John Q. Public, by way of higher taxes, will be substantial and specific. It is true that each determination by the Senate to increase appropriations over the amounts the President had requested—decisions which of course result in increased Government spending and increased taxes—is relatively modest and small in itself, in its impact on the taxpayers. But in the aggregate, they are substantial. However, their impact on the average citizen will be far, far less than the impact of the appointment of Lawrence O'Connor to the Federal Power Commission, because his appointment is going to result in higher gas prices, resulting in an additional cost of hundreds of millions of dollars, and in only a few years an additional cost of literally billions of dollars, to the gas consumers in the United States; and a very large proportion of all Americans are gas consumers.

Madam President, we have only to recollect what the Senate has done in the last few days. In dealing with the independent offices appropriation bill, the Senate voted for $50 million more than the President had requested—$50 million more of higher taxes, obviously, in the near future.

EXCEEDED PRESIDENT'S REQUESTS

In dealing with the appropriation bill for the Department of Health, Education, and Welfare, Congress voted appropriations $300 million in excess of the President's requests, in the case of specific items; and Congress did that in a field in which the President himself is especially expert and compassionate. Of course that means $300 million of higher taxes which the consumers will have to pay.

In dealing with the appropriation bill for the Department of Defense, Congress voted substantially more than the President's requests, particularly in appropriating for additional B–52 bombers—a 10-year-old bomber, a subsonic bomber that is not competitive, according to even the testimony of proponents of this increased appropriation, with the best Russian bombers—against the advice of the Secretary of Defense, against the advice of the President, and at a cost to the taxpayers of $525 million.

An even bigger blow to the pocketbook of the taxpayer and the consumer was the decision of the Senate—which has been largely canceled out by conference action—in the independent offices appropriation bill in providing that the General Services Administration should be disqualified from representing the

Government, to a very great extent, at least, in utility cases.

TAXPAYER LOSES REPRESENTATION

This particular action by the Senate relates directly to the appointment of Mr. O'Connor. The issue was whether the GSA should be disqualified from intervening in utility rate regulation matters in behalf of the Federal Government as a major customer of utilities of all types. The Senate adopted the Appropriations Committee recommendations to limit GSA efforts to get lower rates, thus saving tax dollars. Although the conference committee knocked out the Senate language, it did reduce the GSA appropriation substantially, which means that the taxpayer's representative, the Government, is going to be handicapped, because it will not be able to prepare properly the cases in opposition to the extremely skillful and highly paid representatives of the utility companies—all of whose costs are subject to inclusion in rates charged to the consumer.

The chairman of the Appropriations Subcommittee [Mr. MAGNUSON] made the following statement while discussing the GSA's right to appear in rate cases on fundamental issues:

I am for regulation of this kind of activity (i.e., regulation by independent agencies like FPC). But I say that we ought to start nailing responsibility down sooner or later. Either the Government agencies are not now doing it, which would require some other agency like GSA to step in, or else, if the agency is doing a proper job, there may be duplication.

Perhaps we ought to have, for want of a better term, a public defender in GSA or in the Department of Justice, or in some other agency, to represent the so-called Federal Government interests and the consumer interests in those cases.

It was obvious from the debate that the position of those who voted to restrict the GSA was that this was a job for the Federal Power Commission, that the protection of the consumer was the function of the regulatory agency. I think the Senator from Washington has put it very well when he suggests that a public defender should represent the Federal Government and the consumer in these rate cases, because the fact is that the consumer has as little control over his utility rates as he has over his taxes.

CONSUMER IS HOOKED

Once the gas consumer is hooked up to the gas pipeline, has all his appliances in, he is locked in, just as once the consumer is hooked up to the telephone line or the electrical transmission line, he is also locked in. He cannot bargain or haggle about prices. He cannot negotiate. He cannot refrain from using the services. He is not only hooked up—he is hooked.

CONSUMER NEEDS PUBLIC DEFENDER

As the Senator from Washington [Mr. MAGNUSON] has suggested, he needs a public defender to keep prices he pays from rising higher and higher and higher.

The understanding of the Senator from Washington, who is chairman of the Commerce Committee, is that this is a responsibility of the regulatory agencies; that they should be public defenders; the FPC should defend the public against rate increases. This understanding seems to be shared by tens of millions of Americans. Can anyone seriously suggest that the Federal Power Commission will have such a public defender when a man is taken out of the gas industry, who has vastly diversified interests, as is shown on the chart, and which I will speak about later?

WHAT KIND OF DEFENDER?

Mr. O'Connor is to divest himself of these holdings, but he held on to them while he was head of the Oil Import Administration, which is a conflict of interest, very seriously and emphatically. He has had associations in that industry through all of his adult life, as a member of the industry and as a spokesman for the industry with principal lobbying interests. So what kind of public defender is Mr. O'Connor going to be?

I think this nomination is sufficiently serious to make it necessary and desirable that there be a discussion of the philosophical justification of regulation itself and of the regulated industries. I have done my best to excerpt only the most appropriate and pertinent parts of an excellent discussion of this subject by Marver H. Bernstein, published by the Princeton University Press on "Regulating Business by Independent Commission."

I want to discuss this matter as quickly as I can, but I do have substantial material, because this is a very detailed and complicated kind of situation. I feel very strongly that, unless it is put into proper perspective, it is very hard, on the record, for the Senate to make an adequate judgment.

The early history of the Interstate Commerce Commission reveals that the first national regulatory commission developed during a period in which the political majority effectively demanded reform but did not know how to translate its demands into regulatory policy and administrative operations. Congress willingly passed on to the Commission the burden of resolving policy issues that it could not resolve itself.

HOSTILITY TO REGULATION

The unsympathetic attitude of the courts toward administrative regulation, the opposition of the railroads, and the prevailing conservatism with respect to expanding governmental powers produced an atmosphere hostile to regulation. The Commission's survival in such an environment was defined in terms of a slow evolution of regulatory policy within the framework of judicialized operation. The Commission's adjustment to political antagonism was symbolized by its emphasis on expert, impartial, passive administration.

I think this point should be entirely and clearly understood—that we have been very gradual, careful, and moderate in our approach to regulation. We have tried to have the regulatory agency adjust to the practical problems of the regulated industry or business. It has been done with the greatest kind of care. But we have to insist, if regulation is going to mean anything, on impartiality, on a regulator who is not going to be beset with the kind of special interests which will obviously disqualify him from doing an adequate regulatory job.

A change, although it was an evolutionary change, took place in the attitude toward regulation during the period from 1906 to 1917.

THE PROGRESSIVE REFORM MOVEMENT, 1906–17

The second period in the development of the independent regulatory commission was the period of Progressive reform from 1906 to 1917. The Progressive reformers were mainly middle-class, urban citizens who were shocked by the corruption and fraud of American politics at the turn of the century. Progressive reform was a manifestation of moral uplift and indignation directed at the degradation of American politics. Its principal preoccupations were the purification of political life and the achievement of a higher measure of social justice for most Americans. It embraced government as a primary instrument of social reform, provided honest men could obtain power. It fought for decency and against corruption and privilege.

The Progressives had an abiding faith in regulation, expertness, and the capacity of American Government to make rational decisions provided experts in the administrative agencies could remain free from partisan political considerations. They confidently believed that regulation would overcome privilege, restore decency, and save industry from its own avarice and self-destruction.

It is perfectly obvious that the Progressives were somewhat naive in their feeling that we could secure regulators who would not be constantly under the pressure of regulated industry day in and day out pushing for their own interests, and that the viewpoint of the public interest would be relatively diverse and rare, and therefore very much weaker.

WISCONSIN IN VANGUARD

The modern commission movement was given great impetus by the establishment of public utility commissions in New York and Wisconsin in 1907, and the Federal Trade Commission in 1914. I am very proud of the fact that my State has been in the vanguard of the regulation of public utilities. We have had distinguished graduates of our system, including David Lilienthal and many others who have gone on to great national distinction.

The typical progressive position on the regulatory commission was summarized by Samuel Dunn in 1914, when he said:

The development of the policy of regulation by commission has grown out of the belief that lawmaking bodies, courts, and the ordinary executive officials are incompetent to deal with problems raised by unsatisfactory relations between public utilities and the public. The legislatures cannot deal with these problems intelligently and effectively, because to do so requires a body possessing expert knowledge and in practically continuous session. In both of these respects lawmaking bodies are deficient. The courts cannot satisfactorily deal with these

problems because they lack expert knowledge and have many other kinds of business to transact, and because their slow, cumbrous, and formal process excludes classes of evidence which, while logically irrelevant to a lawsuit, are precisely the consideration that would influence a businessman in deciding a business proposition.

JUDICIAL SPIRIT NEEDED

The ordinary executive or law-enforcing officials are incompetent to deal with the problems of regulation because they lack expert knowledge, because they have other and entirely different duties to perform, and because a regulating body should approach its work in a judicial spirit which is incompatible with the executive spirit by which ordinary law-enforcing officials should be animated.

It is perfectly obvious that the country has only proceeded to the regulatory commission approach gradually and reluctantly, because it is the only way utilities can be regulated and the only way in which the public interest can be protected.

Although our preference is for action by the courts, action by legislatures, and action by the executive branch—and it could be done that way—because of the disqualifications mentioned, the regulatory commission approach has been attempted. In our pragmatic and practical country we have tried to approach it as moderately and carefully as we could.

Mr. Dunn went on to say:

The disqualifications of legislatures, courts, and ordinary executive officials for the regulation of business suggest some of the qualifications that ought to be possessed by the members of regulating commissions. Ability, expert knowledge, fairness in utterance and act, moral courage to resist public opinion when it is wrong, as well as to enforce their duty on refractory public utility managements when they are wrong—these are the prime essentials.

MUST PROMOTE PUBLIC WELFARE

More than any other contemporary analyst of the political scene, Herbert Croly understood the requirements of effective regulation in the public interest. He realized that the commission was not merely a pawn in the struggle between private interests but had a part to play in the definition of public policy and the identification of the public interest. He had no simple pressure group theory about the nature of the political process. He appreciated the need for expertness in administration but insisted that the expert in administration must also be a promoter of and propagandist for the public welfare.

Can anyone argue that the nominee, Lawrence O'Connor, with his background and association with the gas industry—the gas industry being by far the most controversial with regard to FPC regulation, with a long record of gas industry dominance of the Federal Power Commission—would fulfill the Croly requirement of a promoter of and a propagandist for the public welfare?

In "The Promise of American Life," "He must," said Croly, "share the faith upon which the program depends for its impulse."

Can we make that statement about a man who has been in the gas industry, an industry which has been trying as hard as it can to exempt itself from regulation and from jurisdiction? The gas industry has been contending over and over again that it should not be regulated. It seems to me that if the program has any meaning, if faith in the program has any significance, the Croly edict that the Commissioner should share the faith upon which the program depends for its impulse is completely vitiated by this kind of appointment.

FIRST FROM INDUSTRY

As I intend to document in great detail, this is the very first time in the history of the Federal Power Commission that any President has appointed a man to the Federal Power Commission from the gas industry.

This man has not only a seat in the gas industry, but he has enormous holdings in that industry, diversified and rich.

Croly went on and said:

The expert qualifies for his work as an administrator quite as much by his general good faith as by his specific competence.

General good faith, of course, goes to his whole orientation.

Croly said:

Effective regulation must be based on "an honest popular aspiration for social improvement, a sufficient popular confidence in the ability of enlightened and trained individuals to find the means of accomplishment, and the actual existence for their use of a body of sufficiently authentic social knowledge."

The question is not merely a matter of accounting knowledge, in which Mr. O'Connor is an expert and has had training, not merely understanding the viewpoint of the industry, in which Mr. O'Connor is an outstanding member, but social knowledge as a defender of the consumers' interest.

Croly urged the commissions to abandon their passive role of deciding the individual case brought to their attention by the private parties and instead to assert the public interest aggressively. The duty of the commission, according to Croly, "is not to prevent injustice to individuals and, consequently, to society, but to discover and define better methods of social behavior and to secure cooperation in the use of such methods by individuals and classes. It is, as we have seen, a social promoter, and its whole work is one of circumspect but intrepid social enterprise."

Among the progressive reformers of his day, Croly was one of the very few who did not regard the Commission as the ideal type of Government agency for the administration of economic controls. He understood that technical competence alone was not sufficient to bring about effective regulation, and he appreciated the need for a more positive approach toward the formulation of regulatory policy.

In his judgment, informed, popular support for regulation was a prerequisite of satisfactory performance. I repeat, Madam President, informed, popular support for regulation is a prerequisite of satisfactory performance.

PUBLIC'S ONLY OPPORTUNITY

If my speech today has any meaning, any significance, it lies in an effort to try to secure some measure of popular support for regulation. Unless, when controversial appointments of this kind come before the Senate, they are discussed by those of us who believe in regulation, there is no opportunity for the public to become informed, except as their indignation rises, along with their gas bill.

Croly had at least an inkling of the problem of securing the compliance of the regulated as an absolute prerequisite for a commission to do any kind of effective job.

In "Dissertations by Mr. Dooley" written by Finley Peter Dunn, Mr. Dooley concluded:

It seems to me that th' on'y thing to do is to keep pollyticians an' business men apart. They seem to have a bad influonce on each other. Whiniver I see an aldherman an' a banker walkin' down th' sthreet together I know th' recordin' angel will have to ordher another bottle iv ink.

The recording angel will have to order more than one bottle of ink if the Senate insists on approving the nomination of a man of, by, and for the industry to serve as a Commissioner of the Federal Power Commission.

In Public Utility Regulation 1933, Mosher and Crawford stated:

The original conception of the commission as an administrative agency representing the public must be reborn; it must permeate commission practice and procedure in all of its ramifications.

I submit, Madam President, that as an administrative agency representing the public—not representing the industry, but representing the public—this agency will not represent the public in the future, even as well as it has in the past, which has been pathetically inadequate, if the President makes an appointment of this kind and the Senate agrees to approve it.

MUST RESIST PRESSURE

Bernstein's "Analysis of the Evolution of Regulatory Commissions" suggests why the O'Connor nomination is so poor. What we need is a clear-eyed resistance to the kind of industrial pressure that is certain to be exerted, as it has been in the past. Certainly we will not get it by this kind of appointment.

When a regulatory commission is established—this is in the discussion by Bernstein—and all this underlines the importance of a commission like the FPC, which is a relatively mature Commission, having been in existence for 31 years—its real and potential capacities contrast sharply with those of the regulated groups. It lacks administrative experience, its policy and objectives are vague or unformed, its legal powers are unclear and untested, and its relations with Congress are uncertain.

On the other hand, the regulated groups are well organized, with vital interests to protect against the onslaught of the regulators. The regulatory agency usually begins to formulate its program and to block out its major policies at a time when the regulated enter-

prises are highly developed and their technologies far advanced.

This is an important description of what happens in the beginning. On the other hand, Bernstein goes on to show that the agency ordinarily begins its administrative career in an aggressive, crusading spirit. It may resolve to meet the opposition of the regulated with firmness in order to promote the public interest. It tends to take a broad view of its responsibilities; and some members of the commission, at least, will develop a fair measure of daring and inventiveness in dealing with their regulatory problems. The spirit of youthful vigor in the commissions has been described by Kenneth Davis:

Characteristically, the great Federal regulatory agencies in the early years of their existence have been fired with an inspiration to achieve the goals laid down for them by Congress. During those years the political pressures which have given birth to the agency are still felt, and the agency is acutely aware of its responsibility. Alertness is natural and necessary, for the agency is pioneering; new paths must constantly be broken. The newness of the tasks and the absence of familiar patterns force the agency and its staff to draw constantly upon their own resourcefulness. Young agencies are dominated by the qualities of youth—energy, ambition, imagination.

APPOINTMENT TRAGIC MISTAKE

It seems to me that this description can apply to a new administration, to a time when a new President takes office. Even though an agency is one which has been long established, it gives the President an opportunity to appoint a commission and to infuse a spirit of dedication to the public interest in the regulatory bodies, to the advantage of the public, because ordinarily the public is at such an enormous disadvantage as compared with the producing industry. This once again is why the appointment of Mr. O'Connor at this time is such a tragic mistake.

If the agency is to act in the public interest, it must do so while it still commands public support and can count on sympathetic political leadership both in the Presidency and in Congress. If powerful political support and leadership are available to the commission, it may have "the opportunity—pehaps the only one it will ever have—to make a material contribution to the shape of things."

What kind of leadership do we give the FPC when we approve a Presidential appointment for the first time in the entire history of the FPC of a man who comes from the gas industry, the industry which is most controversial and most dominant in its success with the FPC?

PUBLIC NOT AROUSED

What is happening is that the public has not been aroused lately. It was aroused at the time of the Phillips case, but it is inclined to be aroused only when there is a significant, substantial, or exciting development. It is up to Senators to act emphatically and decisively when an opportunity such as this comes before us.

It is remarkable how quickly political interest disappears. If an agency is to take advantage of the favorable political situation, "it must establish its beachheads quickly, and extend and fortify its lines without delay. Standards for conduct of private enterprise, guiding standards for the administrative agency, and the position of the agency may be established before the political force behind the agency's directive is spent and the dissident groups have found ways of moderating or checkmating the new program."

Once again, I believe this is an opportunity, at the beginning of a new administration, which has been in office for less than a year, for the Senate, if not the President, to insist that appointments at this time, of all times, be of men who have a deep and abiding public interest and public dedication.

Senators and Representatives hesitate to remain identified as champions of public control of business except in periods when support for such control is overwhelming in their constituencies. Frankly, that kind of support is obviously not forthcoming at the present time. Divisions within each major party are aggravated by regulatory controversies, and each party is anxious to heal the wounds to party unity. Finally, the cohesiveness of industrial groups cannot be matched by the inchoate, relatively unorganized, and frequently disorganized public.

ISOLATED UNTIL CRISIS

This is not only a statement of theory, but a statement of precise historical record. The cohesiveness of industrial groups cannot be matched by the inchoate, relatively unorganized, and frequently disorganized public. Consequently, the new commission may be left in splendid isolation until some new crisis attracts public attention and regulation again becomes a vital public issue.

That is why this is such an uphill fight. I recognized that the prospects of blocking the O'Connor nomination in committee were very adverse; and certainly the prospects of blocking it on the floor and preventing its confirmation are not encouraging. But this, I think, is mainly because there has not been the kind of crisis which attracts public attention and public support. I wish to do the best I can to make a record, so that there still will be at least a broad public understanding now, if possible, or if not possible now, in the future.

The origin of the Federal Power Commission can be traced to the gradual development of the national movement to conserve natural resources in the first decade of the 20th century. Conservationists, supported by Theodore Roosevelt, led the fight for national regulation of waterpower sites, while power interests consistently fought against control.

After two decades of struggle, Congress passed the Federal Water Power Act of 1920, which created a Federal Power Commission composed of the Secretary of War, the Secretary of the Interior, and the Secretary of Agriculture. This Commission was to license all water-power developments on national public land or on navigable waters subject to national jurisdiction.

In the political climate of the 1920's, the Federal Power Commission was not prepared to use its regulatory authority. Its personnel was inadequate, its leaders were burdened with other, more important responsibilities, and there was little demand from Congress, the administration, or the country for national regulation of electric power development. In 1930, the Commission was reorganized as an independent body with five full-time Commissioners; but, under extremely conservative direction, it remained largely inactive.

RECREATED BY NEW DEAL

While the FPC existed before 1933, it was in effect recreated by the New Deal; and it could be and should be recreated by the New Frontier, because now there is a far stronger case to provide the kind of revision in the public interest that is needed. It is not a matter of a few million dollars which are at stake; it is a matter actually of billions of dollars, in the cost of gas to consumers throughout the country.

In the 1930's, the profound change in public attitudes toward the role of Government in economic affairs was quickly reflected in the Federal Power Commission. Once key personnel changes were made in the Commission and its staff, it began to exert its authority and to expand its operating jurisdiction.

It is clear from the experience the country had with the FPC during the New Deal that it is possible now for the new administration, without a drastic revision of the law, to secure a great change by appointing the right kind of Commissioners.

As I said, in 1933, new life was infused in the Commission by the appointments made.

The New Frontier has the same chance now with the opportunity of the President to make appointments. Regardless of the great respect and admiration that most of us in Congress feel for the President of the United States, I think there are times when we should necessarily be critical. That is our job.

TIME TO DO OUR DUTY

We are given the duty under the Constitution of advising and consenting on nominations, which means that we must take a discriminating and critical viewpoint. Now certainly seems to be one of those times if the present administration is to infuse in the Federal Power Commission the crusading and the kind of channelized public interest viewpoint that are needed. The appointment of Mr. O'Connor to serve for a number of years will go a long way to prevent this.

The Roosevelt administration did not merely make appointments. It also succeeded in the adoption of very significant and far-reaching legislation. For example, in 1935, with the support and leadership of the President, Congress passed the Federal Power Act, which provided for regulation of interstate transmission of electrical energy. In 1938 Congress passed the Natural Gas Act, conferring upon the FPC the power to regulate the transportation and sale of natural gas in interstate commerce.

These successive additions to its jurisdiction and continued support and leadership by the President were the principal factors in maintaining a spirit of freshness and vigor in the revitalized FPC for a few years. The crusading spirit characteristic of a commission in its first years of regulation was evident in the FPC not in the 1920's, when the Power Commission was first created, but rather in the early years under the New Deal.

But contrary to the theory of most writers who see a commission coming into being because of a public outcry, being vigorous in its championing the public interest, and later becoming amateur and losing its vitality, the Federal Power Commission was reluctant, slow, gradual, and almost inactive in the 1920's, and it was only after it had been in existence for some time that the power of the Roosevelt legislation and, I think, more importantly, the Roosevelt appointments, made itself felt.

What opportunity have we for that kind of duty and that kind of constructive public regulation of utilities if we have appointments of this kind to the Federal Power Commission?

SPIRIT FADES OUT

Mr. Bernstein argues in his outstanding study and analysis of the regulatory agencies:

Gradually, the spirit of controversy fades out of the regulatory setting, and the Commission adjusts to conflict among the parties in interest. It relies more and more on settled procedures and adopts itself to the need to fight its own political battles unassisted by informed public opinion and effective national political leadership.

It does so, of course, until it is infused with new spirit by appointees of a new administration.

Emmette Redford, in "Administration of National Economic Control," has described this period as follows:

Later, there comes a period of maturity, when the agency has lost the original political support, when it has found its position among the contending forces in society, and when it has crystallized its own evolved program. It then becomes part of the status quo and thinks in terms of the protection of its own system and its own existence and power against substantial change.

I might intercede at this point to say that where it looks for protection for its own existence, it obviously must look at the area where most of the pressure and drive and virtually all of the study and relentless day-after-day criticism comes from, which is the industry itself.

Mr. Redford went on to say:

Its primary function in government is to operate the mechanisms which have been developed in its creative stage and adjust these as circumstances change. * * * It is too much to expect that, after maturity is reached, government will find all the origination and perspective which it needs in its administrative institutions alone.

So much for Mr. Redford. That point emphasizes once again the importance of appointing to the Commission individuals who really believe in the public interest and, at the very least, are separated from an identification with the vested interest which will be regulated.

In the period of maturity, regulation usually becomes more positive in its approach. Its functions are less those of a policeman and more like that of a manager of an industry. The approach and point of view of the regulatory process begin to partake of those of business management. The commission becomes accepted as an essential part of the industrial system.

As the program of regulation becomes broader in scope and impinges more directly on the functions of management, the stakes become greater.

PUBLIC NEEDS RALLYING POINT

They become greater for whom? Obviously, they become greater for both the public and the regulated industry, but the public, as we said before, is inchoate. It is disorganized. It has no rallying point, unless it can find a rallying point in the Congress of the United States, and especially in the U.S. Senate, at the time appointments are made to the commission.

The commission is no longer concerned with protecting the public, which was, of course, the initial purpose of this regulatory body—its only real excuse for being. Instead it is involved with the industry it regulates, and, cut off from the mainstream of public standards. Consequently its regulations are determined in the light of the desires of the industry affected.

When we appoint a man from the industry to serve as a Commissioner, we appoint a man who has worked with the industry. In this case it is a man who has been the vice president of a gas company, a company which has had rate increases approved by the Federal Power Commission.

We are being asked to take such a man out of industry and put him on the Commission. He is being taken from the industry itself. The industry will make representations to him when he sits on the Commission. The industry will be in constant touch with him. The public will not be heard from. It is unlikely that the Commission, in this period, will be able to extend regulation beyond the limit acceptable to the regulated groups.

Perhaps the most marked development in a mature regulatory commission is the growth of a passivity that borders on apathy. There is a desire to avoid conflicts and to enjoy good relations with the regulated groups.

EASY TO GIVE IN

After all, the most common attribute of most people, especially successful people, is to adjust themselves to their friends and neighbors. None of us likes to be disliked. None of us likes to be criticized. Therefore, the thing to do, especially when one is active in public life, is to do all one can to give in to whatever pressure is exerted. That is the easy way. It is the predictable way. There is a desire to have good relations with the people with whom one comes in contact on such a commission—the lawyers, the owners, the accountants, the statisticians, and other representatives of the gas industry itself.

Without the spur of congressional demand for regulatory progress and without prodding and leadership from the White House, a commission is apt to take a rather narrow view of its responsibilities. We know this on the basis of the clear record, and we also know that if Mr. O'Connor's nomination is confirmed, that narrow concept of responsibility and the industry-oriented attitude are absolutely certain to become even more so.

Emery Troxel's picture of the mature State public utility commission is equally applicable to the National Commission:

A commission can become so firmly attached to certain purposes and procedures of control that the study of new objectives and experimentation with new regulatory methods is neglected. Like any other organization in our society, a commission acquires some inflexibility as it ages. And a regulator often wants to avoid constant conflicts with utility companies.

SHOULD REPRESENT PUBLIC INTEREST

Madam President, this is exactly why a nominee to a regulatory commission should be a man who will be willing to accept these conflicts, to meet them, and to recognize them as a challenge. He should be a man who feels very strongly that his job is to do all he can to provide public representation of the broad public interest.

Reliance on conventional standards and a quiet administrative life are preferable to the turmoil of frequent regulatory changes.

It seems to me that this is a precise description of the attitude of the Commissioners of the Federal Power Commission in the past. It is a certainty that that attitude will prevail and dominate in the future with this kind of nomination.

The tendency of commissions to be passive toward the public interest is a problem of ethics and morality as well as administrative method. Graham compares the passive immorality of mature commissions to the willingness of many municipal police systems to come to terms with the forces of organized crime.

In saying that, I wish to make it clear in the RECORD that the gas industry is a very important and vital industry which performs a useful and necessary service. However, I believe that this is an interesting analogy. The police come to terms with organized crime, and the regulators of the gas industry come to terms with the people they are supposed to regulate.

BLOW TO DEMOCRATIC GOVERNMENT

Acceptance by Government officials of an alliance with regulated groups is an abdication of responsibility and must be considered a blow to democratic government and responsible political institutions.

However, a mature agency cannot count on congressional support for firm regulation. I ask whether there is any action the Senate could take, or for that matter that the President could take, that better indicates apathy and lack of concern on the part of Congress for a vigorous regulatory policy by the FPC than the confirmation of Mr. O'Connor, with his record and his background, to the Federal Power Commission? I do not believe there is.

Congress, at this time, is reluctant to increase the Commission's authority and finds it difficult to overcome its traditional particularism and localism and devote constructive attention to national economic policies.

It seems to me that Congress, if the Senate approves the O'Connor appointment, will show a continued reluctance to devote constructive attention to national economic policies.

Important developments concerning staff, workload, and appropriations should be noted. A spirit of professionalism gradually becomes entrenched in the staffs of most mature commissions. Lawyers, engineers, and economists vie with each other for dominance in the policymaking channels of the agency. Each professional group likes to have veto power over the policy proposals of the other. Professional interests tend to narrow the point of view adopted with respect to regulatory matters, and the dependence on precedent becomes almost ironbound. The major result is a myopic view of the public interest which rationalizes the regulatory status quo.

COMMISSION LOSING GROUND

There is a tendency, because of this professionalism, because of the identification with what has gone before, and because of concern over interagency interest, to refrain from vigorous regulation of an industry under the jurisdiction of an agency, and therefore lose sight of the public interest.

In terms of workload, the commission tends to get further and further behind in managing its activities. Certainly the Federal Power Commission has probably gotten further behind than any other agency in the history of the country.

Backlogs keep attention focused on yesterday's problems. Little or no attention is given to the need for progressive revision of regulatory methods and statutory standards.

"The close of the period of maturity is marked by the commission's surrender to the regulated," writes Bernstein. If ever there was an act which would more clearly signify such a surrender it is this appointment.

CAPTIVE OF REGULATED GROUPS

Politically isolated, lacking a firm basis of public support, lethargic in attitude and approach, bowed down by precedent and backlogs, unsupported in its demand for more staff and money, the commission finally becomes a captive of the regulated groups.

This is true. This is a sorry and depressing description of what actually has happened in regulatory bodies so often in the past. Not only the experiences of the New Deal with the FPC, but also other experiences have indicated that a regulatory body cannot be revivified and reconstructed if appointments to it are of people who are not vigorous and dedicated to effective regulation in the public interest. How can anyone argue that the appointment of Mr. O'Connor represents a dedication to the public interest?

The development of the characteristics of old age is not confined exclusively to independent regulatory commissions. But commissions seem more susceptible to debility and eventual collapse than other types of agencies. As multiheaded agencies normally cut off from continuing political support of the Chief Executive, they tend to lack dynamic administrative leadership.

PASSIVITY TO DEBILITY

The only direct connection with the Executive, the only time when it is possible to infuse real leadership into a commission, is when appointments of new commissioners are made. The appointment of Mr. O'Connor represents just that type of situation. That is why it is so tragic in this instance, and that is why the Senate should not concur.

As Government agencies operating in a web of controversial and hostile economic relationships, those relationships tend to relate their goals and objectives to the demands of dominant interest groups in the economy. Ignored or abandoned by an unorganized public, commissions tend to play for safety in policy decisions. Passivity deepens into debility. Certainly this has been the demonstrated history of the Federal Power Commission.

The nomination of Mr. O'Connor to the Federal Power Commission, it seems to me, is a clear indication of a period of maturity and age in the passivity of the Federal Power Commission, regardless of how the age of an agency is measured in terms of chronological years.

What happened during this period is that the working agreement that a commission reaches with the regulated interests becomes so fixed that the agency has no creative force left to mobilize against the regulated groups. Any study of what has happened to the Federal Power Commission over the last 8 years certainly underlines this point.

If there has been any creative force mobilized against the gas industry, it has been invisible. I do not believe there has been any. There was some hope that that spirit might have changed with the new administration, but with the appointment of Mr. O'Connor it will not.

SUPPORTS STATUS QUO

The primary mission of the agency seems to be, in this case, the maintenance of the status quo in the regulated industry and its own position as the recognized protector of the industry. The status quo is one in which the price of natural gas increases, and the price to the consumer at the burner tip increases. The price to every housewife in Washington and in Wisconsin of the gas she buys goes in one direction—and that direction is up.

The institutionalization of favoritism toward dominant groups in the regulated industries is fostered by the narrow jurisdiction of the commission. Dealing with only one industry or a group of related industries, its vision of the public interest lacks the breadth and scope that a wider jurisdiction would tend to force upon it.

BAD PUBLIC POLICY

Madam President, this is why I say, once again, that the appointments made to such commissions are so important, because they should bring into the agency persons whose viewpoints have not become localized, concentrated, and concerned with only one group. The proper appointments should bring to such agencies persons with a broader viewpoint and broader experience than that of Mr. O'Connor. But in the case of Mr. O'Connor, the appointment is of a man whose adult life has been devoted to working in this industry.

The appointment of a person such as Mr. O'Connor is not only bad public policy, because it puts the one who has been regulated in a position to regulate, but it is also bad public policy because it does not result in giving the Commission the kind of broad scope and broad view which, perhaps above all, a public agency of this kind needs.

Graham notes that—

> Once quasi-judicialitis grips an independent commission, it is difficult to arrest the course of the disease, which is progressive and leads to chronic invalidism.

THE RESULT: HIGHER PRICES FOR CONSUMER, A CAUSE OF INFLATION AT LEAST AS IMPORTANT AS GOVERNMENT SPENDING

(At this point Mr. METCALF took the Chair as Presiding Officer.)

Mr. PROXMIRE. Mr. President, of course the result is not only a tragedy to those who believe in morality and who think that a monopoly should not be permitted to charge ever-higher prices, it is also a tragedy—and in the course of my remarks I shall document this point as thoroughly as I can—in terms of the price the housewife has to pay for gas. It is a tragedy in that it is a wholly unjustified addition to inflation.

In its report on "Ethical Standards in Government," a subcommittee of the Senate Committee on Labor and Public Welfare, reported unanimously—and I emphasize the word "unanimously" to the Senate as follows:

> A subtle malady which is apparently institutional rather than personal in its incidence is the tendency of the independent regulatory commissions not to die, but to fade away; with advancing age they tend to become the servants rather than the governors of the industries which they regulate, and attain a sort of dignified stability far from the objectives which they originally sought.

APPOINTMENTS ONLY SOLUTION

Mr. President, that is not a statement by a professor at some university, writing in bitterness in his ivory tower. It is a unanimous report by a subcommittee of the Senate Committee on Labor and Public Welfare, which agreed that this is what happens to agencies; and that the one kind of regular, systematic, and decisive action the Congress can take to correct this situation is to insist that those who are appointed to the agencies have a fresh, new, public viewpoint. Obviously, if industry representatives are appointed to the agency, the result is a predictable continuation of the kind of dominance which seems to be inevitable in the life of these commissions.

HOW "SERVANTISH" CAN WE BECOME?

The subcommittee stated that "the apparent inability of the Government to establish independent regulatory agencies which maintain their original direction and momentum has its ethical aspects," and that "probably a radical

remedy"—in the medical sense—"is required."

But, Mr. President, certainly it is not a remedy to appoint a person who hails—as does this nominee—directly from the industry itself.

Mr. President, in the hearings on the O'Connor nomination, it was argued, in favor of confirmation of Mr. O'Connor's nomination, that he had experience in the industry, that he was an expert in regard to matters pertaining to the industry, and that he knows the industry.

First, Mr. President, I wish to make clear that Mr. O'Connor is not a lawyer, and he has not had legal experience. For one who is appointed to the Federal Power Commission, such training is extremely important; and without such training, he labors under a severe handicap.

Furthermore, Mr. O'Connor is not an engineer, and has not had experience of that sort, which would be very useful.

What kind of experience has Mr. O'Connor had? He has been an accountant, and he has an understanding of the cost problems involved in the industry. However, his viewpoint as an expert is that of one who has been nurtured, developed, and instructed in the industry which, as a member of the Commission, he would have to regulate.

AN UNDESIRABLE IMPACT

Mr. President, as a consumer, the last I would want appointed to such a regulatory agency would be one who was an expert against me. I can see how an argument could be made in favor of the appointment of an expert who was for me, although in a moment I shall point out why even the appointment of one in that situation would raise questions. But to appoint to the Commission one who would be looked to for advice and expert understanding, but who would instead, because of his background and his viewpoint, take a position contrary to the best interests of the consumers, obviously would have a most undesirable impact on the Commission. To state the matter in its simplest terms, such an appointment would have a most unfavorable impact on the price the housewife would have to pay and on the price charged for gas used by the industries in the North, or at least those outside of Texas.

One of the reputed advantages of the independent commission is its facility for recruiting a staff of experts to handle the day-to-day tasks of administrative regulation. It is commonly believed that a commission, which would be independent of the troublesome and shifting sands of political fortune, would be more successful than executive departments in attracting highly qualified employees and officials and would be able to command their services and loyalty over a longer period of time. Reformers who looked upon the independent commission as a major instrument of regulatory reform regarded the political process as incompatible with the growth of expertness and professional skill in governmental administration.

WITHOUT EXCESSIVE BETRAYAL

Herbert Croly understood that "the irresponsible partisan executive did not want expert officials, because his success in office did not depend upon the carrying out of an administrative or legislative policy. It depended on his ability to satisfy his partisan superiors and associates without an excessively flagrant betrayal of the public service."

As Croly suggested, the presence of experts in administrative agencies under such circumstances was "superfluous" and "inconvenient."

Expertness does not exist in a vacuum, nor does it exist as an independent entity. Expertness must be related to a particular process, subject, or purpose before it can be given any significance. The first question that must be asked about expertness is: Expertness for what? What functions, purposes, and processes are served best by the expert staffs of the regulatory commissions? Does the expertness of a commission help it make policy where a high degree of discretion is involved? Does it enable the commission to formulate a comprehensive concept of the public welfare, plan regulatory programs, and carry out judicial duties?

EXPERTS LESS SENSITIVE

First, in situations where the scope of discretion is great and the complexity of the problems is considerable, the contribution of experts to the process of policy formation is severly limited. Experts tend to be influenced heavily by the precedents built up through the exercise of professional judgment and, therefore, to be less sensitive to subtle changes in the context and nature of regulatory problems.

I think that would be especially true of Mr. O'Connor, whose expertness has been so limited and so concentrated in the particular industry he would regulate.

The technical competence and skill of Government employees is adapted best to the application of accepted policy to relatively uncomplicated situations rather than to the formulation of policy itself. At best, the special training and ability of the recognized administrative expert equip him to deal not necessarily with broad considerations of public policy but rather with the application of settled policy to delicate, complex situations. His expertness does not make available any special competence to exercise the discretion required for the formulation of regulatory policies.

I wish to emphasize and reemphasize that last sentence, because the expertness should be in the staff. Here is where it is well to employ a competent accountant or lawyer or statistician. Such a person is hired for the staff because he understands those problems.

PUBLIC POLICY INVOLVED

However, the problems dealt with by such a commissioner are not expert problems. Instead, they involve matters of public policy, matters which require having the broadest sort of understanding of the ethical implications, as well as the legal and economic implications, in making decisions.

When one such as Mr. O'Connor is appointed—one who comes, in this case, from the gas industry itself—such an appointee does not bring to the commission the kind of relevant expertness that is required of a commissioner. The appointee might be a very excellent person to be appointed to the accounting division of the Federal Power Commission. To appoint him to be a member of the Commission itself is to overlook the principal role of a commission.

Second, the expertness of a commission does not lead automatically to the development of a comprehensive view of the public interest in regulation of economic affairs. Certainly not in this case, unless, as Croly suggests, the expert is committed to support of the regulatory statute and the purposes which it seeks, unless he is willing to be "a promoter and propagandist" for the regulatory program, his concept of the public interest in regulation will have little relevance to public needs and desires.

Mr. President, some 14 years ago I studied under Prof. E. Pendleton Herring at Harvard University Graduate School. Professor Herring makes the same point in his discussion of the trials and tribulations of the Federal Radio Commission, and I think he is recognized as one of the outstanding professionally qualified specialists in this area:

> "Expertise" can apply only to scientific problems and, while it insures a grasp of technical limitations and possibilities, it does not contribute to a positive elucidation of the public welfare. Here even the expert must rely upon his fallible judgment and his integrity.

Third, does the expertness of commissions improve the planning of the regulatory programs? The evidence suggests not. Some of the closest observers of commission regulation, and even some distinguished commissioners, have recognized that the commissions lack the capacity for planning their regulatory programs. In a discussion of planning in commissions, Robert Cushman concluded:

> The independent regulatory commissions cannot carry on continuous longtime policy planning and they ought not to be asked to do so.

RESPONSIBILITIES BEYOND COMPETENCE

The commissions may be competent to prepare plans and proposals dealing with narrow and specific problems within the areas of their experience, but they should not be burdened with responsibilities beyond their competence.

In his final report as Coordinator of Transportation, Joseph Eastman wrote:

> Students of Government relations to transportation have often pointed out a defect in our system of regulation, and that is the absence of any sufficient provision for planning and prevention. * * * Anyone who has served on the Interstate Commerce Commission knows that it is not well adapted to such work.

Fourth, is the expertness of a commission well adapted to the discharge of its judicial functions?

I might say, before I proceed to go into detail on that point, it is obvious that the expertness of this nominee has no relevance to judicial functions, because he is not a lawyer. He has had no law practice or no law experience whatsoever. His background has been entirely in the accounting field.

But, so far as concerns the expertness of a commission to be well adapted to the discharge of its judicial functions, the usual view is that commissions are weak in the handling of normal administrative duties and strong in the adjudication of cases brought before them. But Robson, the distinguished analyst of the administrative tribunals in Great Britain, finds that the narrow specialization of those tribunals operates disadvantageously:

While technical knowledge is often needed for the adjudication of disputes, there are grave objections to giving judicial power into the hands of specialists whose outlook is confined to a single field.

LACKS BROAD PERSPECTIVE

Once again, this is particularly true of a man whose whole background and experience are not one of broad public policy. This is not a man who has served in a regulatory body or in Congress or as a judge. This is not a man with a broad perspective as to public policy. This is a man who has served as an accountant and vice president of an oil and gas company.

I continue the quotation from Robson:

The worst defect of our domestic tribunals * * * is the opportunity they provide for narrow professional instincts and group habits to assert themselves without let or hindrance; and the main disadvantage of such tribunals is the domination of the judicial process by petty loyalties and outworn traditions which predetermine the conclusion and render an impartial investigation impossible.

Expertness in commissions appears to be most valuable and acceptable when the following conditions are approximated:

First, the scope of the problem is narrow.

I think we all know the scope of the problem of the Federal Power Commission is anything but narrow. It is broad, not only in terms of the amounts of money involved, but the field of regulation. This is true of all regulatory commissions.

Second, the task of collecting data and analyzing facts is difficult and complex.

It may be that this particular requirement is true of the Federal Power Commission.

Third, discretion is severely limited.

Congress has done its very best to make discretion as broad and wide as the Federal Power Commission would like it, although the Commission has been reluctant to take advantage of that.

Fourth, expertness in commissions appears to be most valuable and acceptable when the task involves the application of settled policy to regulatory situations, and does not concern the formulation of basic regulatory policy.

NO SETTLED POLICY

Certainly, in the FPC there is no settled policy. That has been the difficulty. Congress has been trying very hard and the Supreme Court has been trying to get settled policy out of the FPC. There has not been any. In these cases, expertness is of no relevance. The worst kind of person that can be obtained for this task is a person who has had a narrow background and one which has been limited very largely to one field.

In the fifth place, expertness may be valuable when Congress has defined the public interest with sufficient clarity to guide the discretion and content of public policy.

Certainly, in the area, insofar as the Federal Power Commission is concerned, Congress has tried, but has had great difficulty in getting an interpretation of the 1938 Natural Gas Act; and the interpretation of the Supreme Court in the Phillips case in 1954 is still subject to great controversy. Certainly, the Commission, itself, and the industry have been arguing as vehemently as they can that there has not been any clarity for guidance in public policy.

So in four out of five areas in which expertness is useful, the nominee would not be qualified. Therefore, the experience of a man who has specialized in accounting in the oil and gas industry would be irrelevant.

The work situation in commissions rarely fulfills these conditions. Normally, the regulatory process there is characterized by the following situations, and I think this is true of the FPC:

One, a high degree of discretion is involved.

That is true of the FPC.

Two, the emphasis is on the formulation of policy.

That is certainly true of the Commissioners. That is their job.

Three, while their jurisdiction is narrowly confined to certain industrial fields or practices, the responsibilities of commissions within these fields are intensive and detailed.

Four, a commission has a broad mandate for interpreting the public interest in the light of vague statutory standards and goals.

NO RELATIONS TO NEEDS

That is absolutely true of the Federal Power Commission, which is another reason why any kind of specialist, such as a cost accountant, has no relation to the needs of the agency at all.

Five, commissions are insulated from the political strength of the President and generally lack sympathetic support in Congress.

That seems to be very true of the Federal Power Commission as demonstrated by the record since 1938.

Finally, commissions are subject to the pressures of private interests under circumstances which leave considerable room for the play of clientele influences.

That is almost a precise description of the Federal Power Commission and another reason why expertness is not what is needed. What is needed is a firm devotion to the public interest and the kind of public service record, in some capacity, showing the man has a capacity to stand up to pressures, understand them, resist them, and come out with the public interest intact and the public interest firmly represented.

EXPERTS DEVELOP MYOPIA

These latter conditions I have described suggest a number of obstacles confronting the development of a satisfactory place for expertness in a commission. Experts tend to develop myopia in interpreting the public welfare. The lack of effective coordination of regulatory and national economic policies strengthens the parochial influence of expertness within each commission. Expertness plays into the hands of the regulated interests.

It certainly does when there is picked a man who is an expert in that particular industry and who has been a top officer in it and has been lobbying with the Federal Power Commission in order to secure the interests of the industry.

The alleged incompatibility of politics and expertness cuts the commission's staff off from popular contacts and political strength and makes them more subservient to the demands of the regulated groups.

That would certainly be true in the case of the O'Connor appointment.

Dislike of and disdain for politics encourage the growth of passivity in the regulatory process.

I think this was the greatest weakness in the Progressives' concept of what regulatory agencies could do—that, somehow, they could be divorced from politics, and the very life and breath of the commissions must be, in that sense, devoted to the public interest.

COUNTERBALANCE UNLIKELY

As professional groups become entrenched in a commission, opportunity lessens for the administrative generalist to counterbalance narrow professional views with the infusion of a broader perspective.

Certainly we are asked to approve the appointment of a man with relatively narrow views, who is anything but a generalist.

It becomes more difficult to devise instruments of internal coordination. Finally, expertness becomes transformed into a strongminded professionalism that narrows the concept of the public interest, promotes traditionalism, encourages long delays in the dispatch of regulatory business, and makes for inflexibility and stolidity in regulation.

I should like to read that last sentence in relation to the proposed appointment of Mr. O'Connor, because this is exactly the difficulty we face with regard to the Federal Power Commission. It is a difficulty which is recognized not only by people who are interested in lower gas rates in Wisconsin, Illinois, West Virginia, or California; but also by professors and people of an academic turn of mind; as well as by those in the business community.

HAVOC BY FPC

I have in my possession an article, with respect to which I intend to go into detail later, from Fortune magazine, which represents the thinking of the top people in American industry, and which regularly speaks out from an industry viewpoint. It is pointed out in the article what havoc has been wrought by the Federal Power Commission and by those biased toward the producers.

This is far from the plea of a reformer. It is simply a matter of getting a practical viewpoint—practical in the sense of having represented the public interest, which has not been represented on the Federal Power Commission—placed before the Congress. It seems to me this

description of the Federal Power Commission, which the appointment of Mr. O'Connor would aggravate, is an accurate description:

Expertness becomes transformed into a strong-minded professionalism that narrows the concept of the public interest—

That is certainly true—

promotes traditionalism—

That would be true, certainly—

encourages long delays in the dispatch of regulatory business—

No record of any agency that has had such delays as the Federal Power Commission exists, to my knowledge—

and makes for inflexibility and stolidity in regulation.

Certainly that is an accurate description.

Mr. President, the limitations of the expert are relevant to all public agencies. But they appear to apply with special force to independent commissions. In commissions the staff experts are rarely balanced by commissioners who possess not the detailed knowledge of the experts but the aptitude for gaging the public mind and for integrating the points of view and proposals of the experts into a policy in the public interest.

EXPERTS SHOULD BE AT STAFF LEVEL

This is why I say we need expertness, of course, in these regulatory bodies. We need experts wherever a competent and understanding and intelligent job is to be done, but the expert should come at the staff level, at the level where expertness is appropriate. This specialized and particularized kind of expertness represented by an accountant, it seems to me, can be represented very well at the staff level. At the Commissioner level the viewpoint should be of broad gage concern with the public interest.

Close contacts between a commission and regulated groups dull the perspective of the agency. The senior Senator from Vermont [Mr. AIKEN] and Louis Brownlow recently discussed the problem in congressional hearings.

The Senator from Vermont [Mr. AIKEN] said:

Is not most of our trouble in the regulatory commissions due to the fact that the members are thrown in a constant association with the people they are supposed to regulate, rather than the public which they are supposed to represent and protect? It takes almost superhuman powers on the part of a regulatory commissioner, after he has been in office for a certain length of time, not to promote the business he is supposed to regulate instead of regulating it. I find that in the States as well as in the Federal Government. I have seen it.

Mr. BROWNLOW. I believe it thoroughly. The first time I heard that theory expressed was by Commissioner Prouty of the ICC.

Senator AIKEN. He was from my State.

Mr. BROWNLOW. He was from your State. He was a hard-boiled Vermonter, and he was on the Commission a long time, and I came to know him very well almost 50 years ago. He said, "We don't see anybody but the railroads and the shippers. We don't see any other lawyers but railroad and shipping lawyers. We naturally get interested in the railroad business. It is a big business. It is difficult not to become absorbed in one subject.

(At this point, Mr. HICKEY took the chair as Presiding Officer.)

Mr. PROXMIRE. It is perfectly obvious from that exchange between Louis Brownlow, a great expert in this field, and the Senator from Vermont [Mr. AIKEN], who is such a fine and outstanding Senator, that what happens on the commission, in addition to the great advantage the regulated industries have, is that they are able to hire the best brains that money can buy—legal brains, statistical brains, public relations brains, engineering ability.

WHAT CHANCE HAS CONSUMER?

In addition to all that, the fact is that those are the people who are in regular, constant contact and association with the commissioners. What chance has the consumer? What chance has Mrs. Housewife, who must use gas for heating or cooking, to keep her rates down when the commissioners are in such constant association with the industry they regulate, unless the President appoints commissioners with a broad public interest, those who are dedicated to and will fight for the public viewpoint? Certainly we shall not get that kind of attitude from the present appointee.

As I said in the hearings and as I have repeatedly said elsewhere, I have nothing against the appointee personally. I have met him only once, and that was the time of the hearing. But when we take a man out of the industry to which he has devoted much of his adult years, a man whose viewpoint has been that of an executive, a vice president of an oil company, and make him a Commissioner, obviously the housewife, and the northern industry that buys gas, will not have the benefit of the kind of representation they should have a right to expect from a dispassionate and objective Commissioner.

COMMISSIONS ARE VULNERABLE

The weak defenses of a regulatory commission against attack by the regulated groups are illustrated in the following exchange of comments in the same congressional hearings between the Senator from Illinois [Mr. DOUGLAS] and Mr. Coy, who was Chairman of the FCC:

Senator DOUGLAS. I have just one question I would like to ask. I have noticed that the members of regulatory commissions, such as FCC, FTC, Federal Power Commission, and so forth, are in a very exposed position if they are militant in defending what they believe to be the public interest. If there are not appreciable groups of consumers or general public who stand behind them to protect them, they do not get much popular support.

On the other hand, the interests which are affected adversely by their position open up a drumfire of criticism against them, not merely in the trade journals, but by whispering and in Congress, and frequently that becomes a campaign of public vilification. I think certain members of the FCC in the past experienced that.

Mr. COY (Chairman of the FCC). Do not count me out.

Senator DOUGLAS. * * * That puts them in the position where they know they are in for a lot of trouble, and they will not get much support. Is this observation of mine strained, or is it fairly accurate as a reflection of what happens?

Mr. COY. I think it is quite an accurate reflection. It is a very accurate description of what we face.

Senator DOUGLAS. Therefore, a man has to be of heroic mold, so to speak, once he gets on the Commissions, to be militant in defense of the general interest. Since by definition the number of heroes is limited, does not that put the public at something of a disadvantage?

Mr. COY. I do not think that it is such a burden as you might imply from your statement. As a matter of fact, I find it rather easy dealing with most of the problems that we have to deal with. The only problem that I have to keep reminding myself of, as a means of making the problem somewhat easy, is that I live in a very small community, and that people can really understand these issues, and that I have to be able to explain the problem to them, and if I cannot explain it to them, then I have arrived at probably the wrong conclusion about the matter.

I grew up in a small town in Indiana of 6,500 people. Everything that a public official did there was in a goldfish bowl. We live in that in the Federal Communications Commission. If I keep thinking about where I grew up or if I can solve a problem or vote on a problem in a way that I could explain to the people that I grew up with, I am more concerned about that than I am about the people who go yapping about you.

Senator DOUGLAS. I think that your illustration is interesting, but I do not think it is appropriate. In your community in Indiana, the general interest was dominant. The people in the main were taxpayers, consumers, and what not, and you therefore could always appeal not only to their knowledge but to their interest, but I suppose you say now that you live in a small community industrially, in the communications industry, but they have very definite interests which are not necessarily the interests of the community as a whole, and frequently are not the interest of the community as a whole, and you might be approved by the industry, and yet not be serving the general interest.

This was a colloquy in which the Senator from Illinois [Mr. DOUGLAS] engaged some years ago, but it applies incidentally to the FCC today in the case of Chairman Minow, a man who has been battling hard for public interest. He has been the victim of attack, and has become a controversial figure because he has done so.

HOW TO AVOID CONTROVERSY

It seems to me that the statements I have read put the question appropriately and properly. The difficulties in which the commissioners find themselves are that they are constantly associated with the people whom they regulate. They want to be liked. They do not want to be criticized. They want to get along. They want to show that they understand the problems of the industry. The easiest way to do so, of course, is to be friendly and flexible and adjust to the industry itself. This is the way to avoid becoming a controversial figure.

But, as the Senator from Illinois [Mr. DOUGLAS] said, by definition, few men are heroes. This is not a question of appointing a hero to the Federal Power Commission. This is a question of appointing a man to the Federal Power Commission who has been associated with the industry during most of his adult life, and who is the only man in the history of the country who has been appointed to the Federal Power Commission from the industry. It has never

been done before. The circumstances are totally without precedent. Mr. O'Connor is a man who, as Federal Power Commissioner, would bring to that body an industry viewpoint.

INDUSTRY REPRESENTATION OVERWHELMING

It is particularly bad, damaging, and destructive so far as the public is concerned because the industry viewpoint is already overwhelmingly represented on the Commission. It is bound to be so in the future because of the practical nature of the way in which the Commission operates.

I have before me a detailed history of the Federal Power Commission between 1920 and 1960. The foreword is written by Mr. Kuykendall, the present Chairman. In order to save time, I shall abbreviate it. I think I can present it in about 2 minutes. But I think the history of the Federal Power Commission is appropriate because of the nature of the nomination.

On June 10, 1920, after extensive hearings and debate the Congress enacted a Federal Water Power Act. The act established a Federal Power Commission consisting of the Secretaries of War, Interior, and Agriculture. The Commission was authorized to issue and administer preliminary permits, authorizing the exploration and investigation of powersites and to grant licenses for not more than 50 years for the development and utilization of water power resources at these sites.

Secretary of War Newton Baker was the first Chairman. On June 23, 1930, an act to reorganize the Federal Power Commission was signed into law. This act created a five-man independent body, and it took the place of the previous Federal Power Commission, which consisted of three Cabinet officials. Because Cabinet officials were busy men, obviously they could not function very widely.

GAS PROVISION ELIMINATED

In 1935 the Public Utility Act was passed. As originally drafted, the bill provided for Federal regulation of interstate commerce in natural gas as well as electric energy. Before the bill was enacted, however, the provisions for gas regulation were eliminated. So the regulation of natural gas has been a gradual process in Congress. The public knew it was coming, and it was regulated in 1935. In 1938 the Natural Gas Act was passed. This act vested in the Commission responsibility for regulating the transportation of nautral gas in interstate commerce, the sale in interstate commerce of natural gas for resale for ultimate public consumption, and the natural gas companies engaged in such transportation or sale. The sale in interstate commerce has become the most controversial phrase, perhaps, in the act.

REFUSAL TO REGULATE

On June 7, 1954, the Supreme Court ruled, in the Phillips case, that independent producers selling gas for resale in interstate commerce to the ultimate public consumer are subject to the Commission's jurisdiction. The impact of this decision should have been the vesting of a new major functional responsibility in the Commission. However, for 6 or 7 years since then the Federal Power Commission has been resisting the clear language of the Phillips decision in refusing to regulate the industry.

With the appointment of Mr. O'Connor, a man who has been an important and active official in the Independent Petroleum Producers Association, which has fought the Phillips decision and argued that the Federal Power Commission should not enforce the Phillips decision, it is obvious that the industry will be very well represented.

In the period 1938 to 1941 the Commission brought 28 rate proceedings under the Natural Gas Act.

Effective January 1, 1940, the Commission issued an order requiring a uniform system of accounts for natural gas companies.

The Natural Gas Act was amended in 1942 to make the Commission responsible for the certification of facilities for the transportation and sale for resale of natural gas in interstate commerce, without regard to whether or not the facilities were to reach areas already receiving service.

During the period 1945 to 1954, "notable changes in the composition of the Commission program at this time included a shift of emphasis from original cost work relating to electrical utilities to similar work relating to natural gas in a concentration on power surveys."

In July 1954, the Commission issued its initial order prescribing regulations governing the independent natural gas producers.

IMPORTANCE OF GAS TO FPC

This history, as I say, is by the Commission itself, with a foreword by Mr. Kuykendall, who has not been known as a vigorous advocate of regulation. Therefore I believe I can read from it and quote it as an authority as to the responsibilities of the Federal Power Commission and how important this field is to the Federal Power Commission, to which the nominee has been nominated as a Commissioner.

In fiscal year 1957, according to Mr. Kuykendall's history, the Commission made several important changes in key staff positions, although these are not reflected in organization charts. It reduced the number of assistants general counsel from four to three, and appointed one of them to the position of solicitor. It increased the number of cases from 30 to 75. That is some indication, although a relatively minor indication, of the great importance of natural gas regulation by the Federal Power Commission.

It seems to me that any nomination of this importance to a regulatory body should not be considered without Senators having an opportunity to amply consider the evidence in the light of very exhaustive analysis of the regulatory process which has been made by Dean Landis, former dean of the Harvard Law School, a very distinguished man. Dean Landis' analysis was made after a very thorough consideration of all aspects of regulation. Because of its importance I wish to relate this very historic and significant report to this nomination.

In his report to the President-elect, in December 1960, Dean Landis has this to say:

> No better service could be rendered to the administrative agencies as a whole than by gradually restaffing them with men who, because of their competence and their desire to fulfill the legislative mandates described in the basic statutes establishing these agencies, will inspire a sense of devotion to and pride in the public service by their many employees.

Mr. President, as Dean Landis says, no better service could be rendered to the administrative agencies as a whole than by gradually restaffing them with men who, because of their competence and desire to fulfill the legislative mandates, will make the necessary sacrifices and take what risks are necessary, and do whatever is necessary to carry out those mandates.

FPC SAID "NO"

Therefore, Mr. O'Connor is being appointed by the Federal Power Commission, a Commission which is the most notorious example in Washington of an agency which has refused to abide by the law as interpreted by the Supreme Court. The Supreme Court has ordered and required the Federal Power Commission to regulate the sale of gas at the wellhead. The Federal Power Commission has said "No."

As Dean Landis properly says, the kind of men we want in these commissions are men who believe in Federal law and in the legislative mandate behind the law. Mr. O'Connor comes from an industry in which he has been an official. He has been an official in the Independent Petroleum Producers' Association, the very organization which has condemned the decision and has successfully lobbied the Federal Power Commission not to enforce this provision, and which has done everything possible to prevent it from doing so.

Mr. President, I shall quote from the important sections of the Landis report. As I say, the report is less than a year old. It is a relatively new report. It is pertinent to the nomination we have before us. If we are to get the kind of action out of a regulatory agency which is essential to an orderly and fair adjustment of the role of these industries to the American economic life, it is highly pertinent that Congress consider this report.

Dean Landis states:

> Effective procedural solutions, so necessary to the proper functioning of the administrative agencies, have admittedly not been achieved despite the sweeping studies which culminated in the Administrative Procedure Act of 1946 and the many studies which have followed. Spectacular instances of executive, legislative, and industry interference with the disposition of matters before the agencies have been uncovered—

This is what Dean Landis says. He has made a complete study of the subject—

> Spectacular instances of executive, legislative, and industry interference with the disposition of matters before the agencies have been uncovered.
>
> Expansion of the role, power, and duties of the agencies has continued, and despite the absence of effective solution of and increasing concern with their problems, they

now embrace within their regulatory powers almost every significant aspect of our national being.

These agencies are extremely important. It has been argued that in the aggregate their responsibilities exceed those of the Congress. I believe an effective argument can be made along that line in terms of economic well-being.

Their continued existence is obviously essential for effective government. The complexities of our modern society are increasing rather than decreasing. The advent of atomic energy, of telecommunications, of natural gas, of jet aircraft, to cite only a few examples, all call for greater surveillance by Government of the appropriate use of these resources to further the admittedly dim but recognizable aims of our society.

A reappraisal of the various functions and activities of the regulatory agencies is thus desirable at this very critical period of our national life for reasons that are only too apparent. The scope of responsibility entrusted to these agencies is enormous, exceeding in its sweep, from the standpoint of its economic impact perhaps the powers remaining in the executive and the legislative.

This is why the appointment of Mr. Lawrence O'Connor is so immensely important. It is not simply the appointment of a man to a minor job, a man who will have little discretion and whose decisions will be of minor importance. It is a matter of appointing a man to one of the most powerful regulatory agencies in Government. He will have wide discretion to determine the price which millions of families in America will pay for gas in the next several years.

GAS BILLS WILL RISE

This appointment is more directly related to the cost of living and to inflation than any appropriation bill which the Congress will consider this year, with the possible exception of the bill which the Senate passed unanimously the other day, providing $47 million for the Defense Department. With the kind of attitude which Mr. O'Connor will represent on the Commission, housewives all over America can expect their gas bills to increase.

The consumers of gas number 500,000 families in Wisconsin and 27 million families in the United States—families, not individuals. Multiply those figures by four, and it will be seen what an enormous proportion this is of the total population. Those people will have to pay more for their gas, because on the Federal Power Commission will be a man having a viewpoint adverse to their interests.

Dean Landis, indicating the importance of the administrative agencies, states:

This is true despite the fact that such powers as they exercise are generally delegated to them by the legislative. This delegation followed upon the conviction that the problems in a particular area were so manifold and complex that the Congress simply had neither the time nor the capacity to handle them. Similarly the delegation to them of adjudicatory powers stemmed from the conviction that the issues involved were different from those that theretofore had been traditionally handled by courts and thus were not suited for judicial determination. These delegations, once made, are rarely recalled or retracted; on the contrary, the tendency is to expand them as more and more complex problems arise—

Mr. O'Connor, as a member of the Federal Power Commission, will have wide discretion, great authority, and vast power; and on the basis of all the evidence of history he will have not less power during his term of office, but more and more.

The legislative standards under which the delegations are made are similarly increasingly loosened so that not infrequently the guide in the determination of problems that face the agencies is not much more than their conception of the public interest.

This reappraisal to be of any value as a guide for action must have concreteness. Mere generalities will be useless. Nevertheless, absent generalizations than can be spelled out of facts, forward and constructive thinking is difficult. The experience of the past 25 years cannot be overlooked, nor can the existence of a problem in one agency be evaluated without the recognition that it has basic common aspects with like problems in other agencies—

This is why the junior Senator from Wisconsin feels so very deeply about the nomination and so strongly opposed to it. He bases his opposition not simply on a cursory discussion of a few minutes in the hearings, not simply upon a consideration of the kind that had to be given rather briefly at the time the Committee on Commerce met, but in terms of the whole sweep of regulatory agencies; the functions they are supposed to perform; why Congress created them; what degree of power they have; what responsibilities they must fulfill.

Dean Landis says:

The approach, moreover, must be impartial in the sense that it should neither be a diatribe against the administrative process—a tendency characteristic of able but older scholars of the 1930's; nor should it have a bias in favor of the administrative disposition of matters, an attitude not uncommon among Government servants too imbued with the bureaucracies that they administer—

I wish to make that clear. In spite of my criticism of the Federal Power Commission, criticism which has been quite widely shared by Fortune magazine, by the Supreme Court, and by many other commentators, I recognize the overwhelming importance of the Nation's administrative agencies and the necessity for them—

Finally, it must be remembered that we cannot regard our Government as simply a government of laws and not of men, but rather a government of laws by men.

LAW WILL NOT BE ENFORCED

Once again, this is why it is important that ours be a government of laws not of men. Congress passes laws, but if the Executive appoints as administrators of the laws persons who do not believe in them, as the Independent Petroleum Producers' Association says it does not believe in this agency, and men are appointed from that association to the Federal Power Commission, the result is predictable. The law will not be enforced.

Dean Landis continues:

Although the mechanisms we create for administration may be more or less well adapted to a particular task, the individuals that operate them singly or as a group have the ultimate responsibility of guidance and control.

Any study of a history of the experience of administrative agencies indicates the overwhelming importance of the appointments to them.

Contrast the appointment of John Doerfer to be head of the Federal Communications Commission with Newton Minow. I suppose the industry would be much happier to have Mr. Doerfer as the head of the Commission, because he represented the industry point of view quite faithfully, rather than Mr. Minow, whose concept of the public interest is vigorous and whose views are refreshing, although perhaps controversial.

COMMISSIONERS HAVE POWER

Congress argued for a long time, held extensive hearings, and made many investigations before it created the agency or gave it legislative authority; but the people who are appointed to the agency dwarf in their power, philosophy, attitude, or action anything which Congress can do by legislation.

Contrast the difference in the Federal Power Commission between a Kuykendall, on the one hand, and a Leland Olds, on the other; or between an O'Connor, on the one hand, and a Connole, on the other. I shall have more to say about Mr. Connole later. He was one of the most able and distinguished Federal Power Commissioners ever to serve on the Commission; a man who dissented from the rest of the Commissioners, and whose dissent was sustained by the Supreme Court. He was a real scholar of the subject and a man of great ability. If the country could have appointed to the Federal Power Commission men of his caliber, its effectiveness in regulating in the public interest would be vastly increased.

On the other hand, with the appointment of a man of, by, and for the industry, like O'Connor, we cannot have an effective Power Commission; we are certain to have higher gas rates for industry and for the housewife.

Dean Landis continues:

The results of their operations will thus reflect not only efficiency or inefficiency but more importantly the ideals and goals that within the framework of the basic law can fairly be achieved.

I. THE PROBLEMS

There is no single solution which can be projected for problems common to all the regulatory agencies. Indeed, no one can even correctly define the term "regulatory agency," or enumerate the group that comes within such a concept. Classification of these agencies under the category of "independent" or "executive" is also meaningless. No rational line has been pursued by the Congress in differentiating the "independent" agencies from those embraced within some executive department. The regulation of stock exchanges, for example, has been delegated to an "independent" agency whereas the regulation of commodity exchanges is under the jurisdiction of an executive department. Similarly misrepresentation in the sale of articles, including drugs, is the concern of an independent agency, whereas so-called mislabeling of foods, drugs, and insecticides, which reaches far beyond the mere label, is a concern of an executive department.

At various times in the last 25 years so-called general problems came to the surface. Twenty or more years ago the procedural

aspect of administrative regulation and adjudication was the uppermost problem. The prime emphasis then was placed on the combination of prosecuting and adjudicatory functions within the same agency. It was the concern with this problem that led eventually to the passage of the Administrative Procedure Act of 1946 with its emphasis upon the internal separation of these functions within the agency and the granting of some degree of independence to the hearing examiners. It was the same emphasis that altered the pattern in 1947 of the National Labor Relations Board to deprive the Board of much of its power to initiate proceedings, transferring this function to an independent General Counsel—an experiment which after a decade of trial and error is not likely to be repeated.

Of late the emphasis has shifted to questions of conflicts of interest and ex parte presentations as well as to an effort to transfer certain adjudicatory functions to administrative tribunals or courts. The tendency here is again further to judicialize the administrative process and, in the opinion of many observers, to overjudicialize it to a point where stagnation is likely to set in. More recently a less legalistic approach has been taken; namely to treat the agency as more of a managerial mechanism so as to free it in its broader aspects from the burdens entailed by judicial requirements.

This, for example, is the basic thought underlying such studies as those of Prof. Emmette S. Redford of the University of Texas and those initiated through various management consultant firms by the Bureau of the Budget.

All of these have had their value and in their way have alleviated certain distressing tendencies becoming apparent on the administrative scene. Certain fundamental problems have, however, not been solved. On the contrary, their persistence is too serious to be longer ignored, for their prevalence is threatening to thwart hopes so bravely held some two decades ago by those who believed that the administrative agency, particularly the independent agency, held within it the seeds for the wise and efficient solution of the many new problems posed by a growingly complex society and a growingly benevolent government. It is to these problems that this report addresses itself.

Delays in the disposition of adjudicatory proceedings

Inordinate delay characterizes the disposition of adjudicatory proceedings before substantially all of our regulatory agencies. In the Civil Aeronautics Board, for example, the average age of dockets closed by formal proceedings in 1960 was some 32 months—

Almost 3 years—

As of June 30, 1959, out of 464 proceedings then pending, 166 had been pending for more than 3 years. The Federal Trade Commission as of June 30, 1959, had 309 cease and desist orders pending, of which 118 had been pending for more than 1 year and 30 for more than 3 years. In the Federal Power Commission the backlog of pending cases in 1959 was almost four times as great as in 1957.

Mr. President, here is the most outstanding example of delay after delay at the expense of the consumer, because what happens as regards the Federal Power Commission—thanks to the successful pressure by the gas industry, thanks to the effectiveness of the Independent Petroleum Producers Association, of which the nominee, Mr. O'Connor, has been a very, very active member—is that when there is delay, the consumer pays the increased rate, because after the 5-month period the increase in the rate goes into effect. Then the consumer—whether a resident or an industry—has to pay the increased rate.

CONSUMER LOAN TO INDUSTRY

It is true there is a refund later on, if the purchaser of the gas can then be located; but very often there is only an adjustment, by reducing the rates temporarily below what they otherwise would have been—which, in effect, means that the consumer is required to make a compulsory loan to the industry.

Dean Landis says:

Only last September that Commission announced that it would take 13 years with its present staff to clear up its pending 2,313 producer rate cases pending as of July 1, 1960, and that with the contemplated 6,500 cases that would be filed during that 13-year period it could not become current until 2043 A.D., even if its staff were tripled.

Mr. President, this nominee is to be a Commissioner of an agency which probably is farther behind in its work than any other agency in the history of the United States has ever been. It is farther behind because it has been successful, in proceeding after proceeding, in delaying and postponing its decisions to such an extent that the industry has been very greatly benefited, because the the industry obviously is greatly benefited by such delays.

DELAYS HELP INDUSTRY

The farther behind in its work the Commission becomes, the greater the benefits to the industry; and the farther behind the Commission gets in its work, the better off the industry and the more tentative, unapproved rate increases can be foisted upon the consumers, for the benefit of the gas industry.

Then Dean Landis says:

Contested proceedings before the Interstate Commerce Commission tend to run from 18 to 36 months, and numerous proceedings before the Federal Communications Commission and the Maritime Board have been pending for more than 3 years.

But, of course, the Federal Power Commission is the worst example of all.

Dean Landis then says:

The statutory period of 20 days during which a normal registration statement covering the issuance of new securities becomes effective under the Securities Act of 1933 has in practice been lengthened to some 40 to 60 days. Numerous similar statistics can be gathered from other agencies, including individual instances when even 10 and 14 years have elapsed before a final determination has been made. They all corroborate the fact of interminable delay.

Mr. President, it occurs to me to call the attention of the Senate to what would happen if what Dean Landis points out were to become true. In that event, all that the industry would have to do would be to apply for a rate increase, and it would be the year 2043—more than 80 years from now—before the Commission would act. In the meantime the consumers would have to pay the increase. But not a single person in this room will be alive then, so how could any of us get a refund?

It is perfectly obvious why the industry has favored such an arrangement, and it is perfectly obvious what enormous inequity it involves for the consumers.

I read further from Dean Landis:

The causes making for delay are not uniform. Some are due to inadequate budgets. A period of economic rigor, if not parsimony seems to have characterized the Bureau of the Budget's attitude toward the various agencies beginning in 1952, an attitude that was slowly being relaxed in 1960. During the fiscal year 1950, when 496 registration statements were filed with the Securities and Exchange Commission, the Bureau of the Budget approved 1,130 employees for the Commission, of which 1,060 were authorized by Congress. As of fiscal year 1955 with 849 registration statements filed with the Commission, only 717 employees were approved by the Budget Bureau, of which 699 were authorized by Congress. As of fiscal year 1960 with 1,628 registration statements filed with the Commission only 978 employees had been approved by the Budget Bureau, of which 954 were authorized by Congress. Obviously either extravagance characterized the situation in 1950 or parsimony in 1960. In any event, the statutory waiting period during that decade was in substance tripled. Similar situations prevailed in many other agencies.

Once again it is obvious that what is needed is the appointment of Commissioners who are willing to come before congressional committees and fight hard for adeqaute staffs, so that proper jobs can be done.

But what can we expect to happen when the industry itself benefits by delay on the part of the Federal Power Commission, and when there are appointed to the Federal Power Commission men who have an industry viewpoint and are opposed tc solutions, because solutions of the problems will not benefit the power industry or the gas industry. They are now in the happy position of being able to apply for rate increases and get the benefit of them for many, many years, no matter how unjust, unfair, or improper such requests may be.

SUCCESSIVE INCREASES PENDING

As a matter of fact, some of these concerns have applied, not for one rate increase, but for two, three, or four increases; and by the time the first one is acted upon, the others are pending, and so forth. In such a situation it is thus possible for an industry to have a tremendous advantage, based upon such a policy by the regulatory agency.

Mr. President, today the Senate is called upon to act on the question of whether that policy shall be allowed to be continued, by acting on the question of confirmation of the nomination of one who has been appointed to serve on the Federal Power Commission, although virtually all his adult life has been devoted to the industry which the Commission will regulate.

Dean Landis then says:

The blame, if any, for this situation does not rest purely on the Budget Bureau.

Mr. President, I think that is a masterpiece of understatement. Certainly the blame rests on the President of the United States and on the Senate, as the result of Presidential appointment and Senate confirmation of those who are members of the Commission. It is their responsibility to see to it that those who

are appointed to the Commission will fight for enforcement of the law.

Dean Landis then says:

The agency heads themselves, presumably under the general direction of the Executive Office of the President, curtailed their requests despite the growing pressure of the business pending before them for disposition. Congress similarly exhibited the same tendencies. Indeed, despite the decision of the Supreme Court of the United States in the *Phillips* case in 1954 (347 U.S. 672) empowering in the Federal Power Commission to fix rates for producers of natural gas and clearly envisaging a need for greatly expanding personnel, a request for a supplemental appropriation of $300,000 was cut to $100,000.

Some causes for delay are peculiar to the particular agency. Following the Phillips case, the Federal Power Commission was flooded with rate filings by the numerous producers of natural gas. In general, these new rates were allowed to go into effect on the condition that any reductions later determined by the Commission should be refunded to the consumers.

That was the point I just made.

I continue the quotation from Dean Landis:

Since legislation was shortly thereafter introduced to deprive the Commission of this aspect of its ratemaking power, the Commission appears to have refrained from any real effort to deal with its docket on the theory that the passage of these bills, in the manner of a deus ex machina, would relieve them totally and finally of this sudden accretion in their business. The bills, however, were vetoed on two occasions and the problem in an immensely exaggerated form still rests on the doorstep of the Commission, since rate increase has now been pancaked upon rate increase. The consequences of this inaction have been serious, particularly to the individual natural gas consumers since, unlike the large industrial consumers, they cannot easily convert to a cheaper fuel and thus benefit from the restraint placed upon rising prices to industrial consumers by the existence of competitive fuel prices.

CONSUMER HAS NO CHOICE

I think that fact ought to be emphasized very strongly. This is not simply a matter of the consumer of natural gas having to pay higher prices for heating his furnace or providing gas for cooking. The consumer has no choice. He has no alternative. He cannot say, "Well, natural gas rates are going up, so I will buy oil." He cannot do that unless he spends $1,000 or $1,500 to convert to that fuel. The consumers are frozen in; they are locked in. That is the reason for giving those consumers the kind of consideration which the Federal Power Commission gives as an objective and fairminded body and which consists of Commissioners who do not come from the industry in question. That is why the appointment of Mr. O'Connor is such a mistake.

Dean Landis goes on to discuss costs:

Originally it was believed that a public benefit would ensue from the fact that the cost of pursuing an administrative remedy would be substantially less than the existing method of resort to the courts. This hope has not been realized except in those instances when the Government itself has the duty in the public interest to pursue a remedy which otherwise would have had to be pursued by the private individual.

Studies as to the extent of these costs—strange as it may seem—have not been made. Apart from the costs to the individual petitioner, the costs to the Government itself must be considered. The over-all costs themselves derive from two factors: first, the time element involved in waiting for an ultimate administrative determination and judicial review, if any, and, second, the length of the hearings that precede such a determination.

I might add, so far as the Federal Power Commission is concerned, the cost is direct, immediate, and specific for the gas consumer. It is the cost of that rate increase. He has to pay it. He has no alternative, and he has no equity, because there will be no decision on the question for years and years. The former dean of Harvard Law School, one of the most competent men in this field, says if conditions continue as they are, it may be 80 years before we can expect a determination.

I continue to read from the Landis report:

Given a hearing with a record of some 20,000 pages, the costs merely of the acquisition of that record alone will total some $20,000. Additional costs in the preparation of numerous exhibits, the hiring of experts, such as engineers and accountants, fees paid to lawyers, and the expenses of housing and feeding this group of men during the weeks of hearings, bring the total to a very substantial sum. If some 20 or 30 participants or intervenors are involved in the proceeding, the overall cost becomes staggering. In the Seven States case before the Civil Aeronautics Board, in which there were 150 parties and intervenors with 225 appearances noted and in which hearings lasted for 20 days, or the Phillips Petroleum Co. rate case before the Federal Power Commission in which 76 lawyers entered appearances for 33 parties and intervenors and in which the hearings consumed 82 days and oral argument before the Commission 2 further days, the total costs must have run into the millions. This latter case incidentally was only a later phase of proceedings initiated in 1948, and the decision recently made in 1960 is likely to be subjected to further review.

These examples of the scope of costs are not unusual. They mean that to be successful in a petition for an important certificate of public necessity and convenience or a television or radio license the petitioner must be well supplied with funds, which the petitioner must be willing to wager on his chances of being successful. The result is that in many situations the small businessman is practically excluded from an opportunity to compete. A factor that tends to increase these costs is that in many cases they are passed on to the public in the form of rate increases or subsidies based upon their allowance as an operating expense, so that the companies lack any real incentive to cut them down.

This seems to me to be the reason why little producers should be separately exempted from regulation by the Federal Power Commission. It is a proposal that is favored by the senior Senator from Illinois [Mr. DOUGLAS]. He has introduced legislation to accomplish this purpose. It makes sense. It would greatly reduce the burdens of the Federal Power Commission. It would be in the public interest. But it is opposed vehemently by the gas industry. If there is appointed to the Commission a man of, for, and by the gas industry, like the distinguished nominee, we can expect that the Federal Power Commission will give no assistance to Congress to that end.

(At this point Mr. PROXMIRE yielded for consideration of the conference report on the independent offices appropriation bill, in the debate on which he participates.)

Mr. PROXMIRE. Mr. President, as the Senator from Alaska [Mr. GRUENING] so well knows, the GSA has saved, according to estimates made by Represenative VINSON, more than $850 million in one case alone. I cannot see anything wrong with that. That did not deprive any utility or utility stockholder of any rightful income, because the decision was made on the basis of the facts.

It seems to me that this whole very interesting discussion between the distinguished Senator from Alaska and the distinguished Senator from Colorado underlines what I am trying to emphasize today; namely, that the regulatory bodies are not rendering adequate service to the consumers of the United States. The facts are simply overwhelming that they are not. Did anyone ever hear of a utility company going broke—at least a utility having any kind of market? Of course not. Utility stocks have been increasing in price and improving their position. They have been doing very well.

OIL PROFITS ENORMOUS

So far as oil stocks are concerned, I shall place in the RECORD documents to show that their profits are enormous and their taxes, thanks to the depletion allowance formula, are low; and that any consideration of equity and justice must recognize that oil companies have been doing very well indeed. It is the consumer who has been paying far more than he should have to pay in rates.

Dean Landis, in his most interesting and useful analysis of regulated prices, made less than a year ago, continues:

Indirect costs stemming from the factor of delay in the final determination can also assume large proportions.

I am speaking of the fact that the cost to the Government and the cost to the consumers' representatives of appearing before a regulatory body, just as before any other tribunal, is very high. The cost to the utility is virtually negative, so far as the stockholders and owners are concerned, because that cost becomes a part of their rate base. They can include it in their regular cost of operations. It is included as a legitimate, proper cost to the utility. The result is that it does not have to be concerned. It hires the best lawyers money can buy to represent it before regulatory bodies. The consumer is in a different situation. He has to pay. Usually it is the city attorney or a State attorney or a State group, and it is necessary to pay for them. It is the taxpayers who pay that fee.

Referring to costs, Dean Landis says:

They are difficult to measure but from testimony recently adduced they can run into the millions with respect to a particular case. Delays in the issuance of pipeline certificates by the Federal Power Commission have resulted in increased costs of from $2 million to $10 million, costs that are inevitably passed on the public. Delays in the establishment of rates for the transportation of gas are presently holding up programs for expansion which can involve over $100 million of steel construction, which in the light of the present employment of our

steel capacity means much to the steel industry and the unemployment situation.

That is exactly because there is a reluctance to "get" with the law. The purpose of industry delay is to take advantage of an increase in rates which they can receive, and the benefits of that increase from the time they apply. If the application is not acted upon within 5 months, they get, in effect, a forced loan from the public. If the agency takes as long to get around to deciding a case as Dean Landis expects, then that is equivalent to an outright gift during the lifetime of most consumers. Dean Landis continues:

Some $500 million is now held up under the suspension policy of the Federal Power Commission with reference to rates filed by natural gas producers, some of which is theoretically distributable to consumers but which practically after the lapse of 4 to 6 years may never reach them.

Mr. President, a $500 million rate increase application will be paid by consumers all over the country. That includes people who have gas furnaces and gas ranges; it includes industrial consumers all over the Nation. It is they who will have to pay, whether the rate is justified or not.

NOMINATION INDEFENSIBLE

Let Senators ask themselves: Will O'Connor's appointment aggravate the situation or help it? It seems to me that this nomination is indefensible, in view of the fact that this man has been one of the principal proponents of the viewpoint of the Independent Petroleum Producers' Association, an officer in that organization and very active in that organization. It is apparent that his appointment will make the situation of the gas consumers worse. Dean Landis continues:

The delay in route cases before the Civil Aeronautics Board, such as the Southern Transcontinental Route case, has held up procurement policies for commercial aircraft to an unknown degree. Delays in the time in which registration statements have become effective due to the burden of work before the Securities Exchange Commission have increased underwriting costs and forced resort to means of financing less desirable and more expensive.

Personnel

It is generally admitted by most observers that since World War II a deterioration in the quality of our administrative personnel has taken place, both at the top level and throughout the staff.

Mr. President, certainly this appointment goes right to the heart of that question, as I think I can develop. Dean Landis continues:

The causes for this are complex. The years since 1946, despite the Korean war, have been years of relative complacency as contrasted with the period from 1933 to 1941. The fires that then fed a passion for public service have burned low, making recruitment an increasingly difficult task. Careful scrutiny of agency members from the standpoint of their qualifications as well as their prejudices in behalf of administering the legislative goals to which they were to be committed, was during these years too often replaced by a consideration of what political obligations could be repaid through appointments.

That is a pertinent observation, in view of the present appointment.

The area of so-called schedule C appointments, free from Civil Service requirements, was increased affecting seriously the morale of those persons who looked upon Government service as a career. Advancement to choice positions were also less rarely made from the staff. Instead outsiders not infrequently less qualified were appointed to these positions.

These attitudes have had a serious impact upon the regulatory agencies. At the top level initial expertise would be lacking and the want of devotion to the public service militated against its acquisition through continuing tenure. Top administrative positions appear to have been sought frequently as stepping stones to further political preference or to positions of importance within the industries subject to regulation.

Here we have such an unusual situation that instead of what has been an unfortunate custom in Washington governmental regulatory bodies, of a man leaving a body to enter the industry, there is the unparalleled, unprecedented situation, so far as the Federal Power Commission is concerned, of taking a man from the industry.

ALREADY HAS INDUSTRY VIEW

It is not a question of his possibly acquiring the industry viewpoint from his service on the Commission. In this instance, the nominee comes right from the industry. His position was that of vice president of the Goldston Oil Corporation. That was his principal occupation.

Dean Landis continues:

A too common complaint at the bar is that the staffs have captured the commissions and that independent and bold thinking on the part of the members of these agencies is absent. These factors in turn reacted upon the staffs.

This is important. The kind of people who are placed on the staff will have an influence upon the Commissioners. If the Commissioners do not act in the public interest, that will be detrimental to the kind of persons who are appointed to the Commission staff. Dean Landis continues:

Lacking challenges for creative effort, recruitment of outstanding younger men lagged perceptibly. Where in the 1930's a majority of the leading graduates of our better law schools chose public service, in the 1950's only a handful could be drawn away from the opportunities offered them by private practice. Even the spirit once displayed by the veterans of the early years ebbed through the absence of leadership at the top.

Two measures designed to cure this situation have failed to do so. The first was a general and, indeed, generous increase in compensation payable, particularly at the top and bottom rungs. But even where salaries were made comparable in large measure to those paid by private industry this situation has not been corrected. The spark, the desire for public service, has failed of reignition.

Incidentally, Mr. President, one of the reasons why it has failed of reignition is the kind and the type of policy appointments made to the Commission itself. These have a tremendous effect on the attractiveness or the lack of attractiveness of the agency itself.

A little later Dean Landis says:

The obvious design of the provision of the various reorganization plans was to make the chairman the contact for agency affairs with the office of the President and, by enhancing his powers, to increase his prestige and to put him in a real position of leadership with reference to his agency. The measure has failed to achieve this purpose. Some chairmen, for fear of upsetting their colleagues, have not exercised the power delegated to them but referred responsibilities entrusted to them to the collective judgment of their colleagues. Some chairmen designated by the President have simply not had the qualifications or commanded the respect required to assume their rightful position. A device, that could have been of great value, has thus not been properly utilized.

Again, Mr. President, I wish to call attention to the great importance of the Commissioners. No matter how able or how strong the Chairman of the Commission may be, his effective strength depends on the attitude of the other Commissioners. They can always overrule him or hamstring him. He has constantly to consider their viewpoint.

COULD BE CHAIRMAN

Although Mr. O'Connor probably will not be Chairman of the Federal Power Commission, the attitude of the chairman will have constantly to be adjusted and modified in accordance with the views of Mr. O'Connor, when he is a member of the Commission. And, of course, Mr. O'Connor could be Chairman of the Commission.

Dean Landis also says:

Much attention has recently been centered on efforts, unfortunately too frequently successful, to sway the judgment of the members of regulatory agencies by so-called ex parte approaches or arguments usually personalized, made off the record in proceedings that should be decided on the record. The extent of these ex parte approaches has only partially been revealed. They come from various sources—the Office of the President, Members of the Congress, and the regulated industries.

Of course the regulated industries are the ones which would be mostly likely to make such an approach and to try to influence the agency, for the industries have stakes at interest, and can see higher profits, higher dividends, and greater returns on their investments if only the agency will see things their way.

But the gas industry will—if this nomination is confirmed—be in a position in which the ex parte approach will very likely be unnecessary, because who will be one of the Commissioners? Mr. Lawrence O'Connor, formerly vice president of a gas company, who has been outstandingly in favor of the industry and a principal exponent of the industry's point of view, will then be a member of the Commission. That will make concern about ex parte approaches unnecessary, it seems to me. So that situation will be all the more shocking if the industry itself is then represented on the Commission, as will be the case if this nomination is confirmed.

Dean Landis then says:

Some are made in good faith; others to further a personal desire regardless of the public interest. Many of them emanate from lawyers striving to press their clients' cause, indeed, one of the worst phases of this situation is the existence of groups of lawyers, concentrated in Washington itself, who implicitly hold out to clients that they have

means of access to various regulatory agencies off the record that are more important than those that can be made on the record. These lawyers have generally previously held positions of more or less importance in the Government. The examination of the appointment diary of one of the present Commissioners gives strong inferential although not definitive proof of what these off-the-record approaches can imply.

Instances have also recently been uncovered of actual malfeasance in the sense of bribery among high administrative officials. More serious than these are the subtle but pervasive methods pursued by regulated industries to influence regulatory agencies by social favors, promises of later employment in the industry itself, and other similar means.

But, Mr. President, of course the entire purpose of such methods—social favors, promises of later employment, entertainment, ex parte approaches, lobbying, and other attempts—is what? The purpose is to get the agency to take an industry viewpoint.

POSITION TO INFLUENCE

In this case, if the Senate confirms this nomination, the Senate will be doing exactly that. It will be putting the industry viewpoint right on the Commission. In fact, in that event, the wooden horse will already have been taken within the gates of Troy, because Mr. O'Connor, as the industry representative, as a man with the industry viewpoint, will be sitting right on the Commission itself, in a position day after day—in executive sessions or in any other kinds of meetings of the Commission—to influence the other Commissioners.

So confirmation of the nomination will not involve an ex parte approach.

Instead, it will involve a case in which an industry will actually be represented on the Commission; and then, for the first time in the history of the United States, the President will have placed on such a Commission itself a man taken directly out of the industry to be regulated.

Dean Landis then says:

Malfeasance to some degree will always characterize any human institution. The Federal judiciary has not been immune from it. Laws exist which make malfeasance by administrators a crime and in the graver situations convictions of offenders have been obtained. The ex parte problem, however, is more insidious and more difficult to cope with. To shut off administrators from contact with the regulated industries except through formal proceedings is to restrict their means of gathering that very expertise that was the reason for the creation of the agency. To shut them off from persons, such as mayors and Members of Congress, who are pressing for the public interest as they see it, is to keep them away from a grass-roots exploration of what the needs of any segment of the public are.

I think that is correct; I think it is perfectly proper and desirable that representatives of the public—for instance, mayors, Members of the House of Representatives, Senators, or the President of the United States or his office, or representatives of the industry—be in constant association with members of the Commission. The members of the Commission should have a constant understanding of what is going on, and they can get that only if they are in such association. They cannot get it if they remain in a vacuum or in an ivory tower. So this point by Dean Landis is a very important one.

WHAT GAS LOBBY WANTS

But I believe we should also recognize that a Commissioner can react only in proper perspective and with wise understanding to such pressure if he has a deep appreciation of the public interest. If he has a broad view—not the kind of narrow perspective Mr. O'Connor has—and if he is able to understand the public viewpoint at least as well as he can understand the industry viewpoint, such an approach can be very desirable.

Of course, a very good way to accomplish the best interests of the gas industry is by doing exactly what the O'Connor appointment would do; and it would result, if not in the best interests, at least in the high-profit, short-term interest of what the gas lobby wants, because the agency would then be staffed with industry people. The agency would be turned right over to the industry.

Dean Landis then says:

On the other hand, some restraints upon off-the-record approaches must be placed, in view of the fact that the extent of these has grown rather than lessened since World War II. Means of dealing with this problem are suggested in a later section of this report.

Administrative procedures

Administrative procedures and practices have been a constant concern of the agencies themselves, the courts, the bar and scholars for a time long antedating World War II. Pleas for flexibility in these procedures characterized the situation in the early 1930's. Application of even lax rules of evidence to administrative proceedings, particularly when they were being conducted by laymen, was thought undesirable. Commingling of the prosecuting and adjudicatory functions was deemed not only necessary but advisable.

A reaction to these tendencies set in during the latter part of that decade. Records had become unduly long, causing expense and delay. Procedures unchecked by basic requirements other than loose concepts of due process varied from agency to agency bringing a sense of confusion into the entire administrative process. The combination of the functions of prosecutor and judge, especially in the hands of laymen, developed a belief that elements of fairness were too frequently absent. Courts through their exercise of the power of judicial review sought to remedy some of these matters but the cures suggested frequently only increased the difficulties faced by the agencies in disposing of the business that confronted them.

Mr. President, let me dwell for just a moment on that sentence by Dean Landis:

The combination of the functions of prosecutor and judge, especially in the hands of laymen, developed a belief that elements of fairness were too frequently absent.

Mr. President, "in the hands of laymen." Dean Landis, an accomplished lawyer, and former dean of the faculty of the Law School of Harvard University, is obviously referring to nonlawyers. Although, as I have said, under unusual circumstances nonlawyers may be qualified for service on an agency such as the Federal Power Commission, I think they should have other qualifications that are very strongly in favor of service in such a position. I do not know how anyone could argue, however, that the nominee has such qualifications.

INVITATION TO DISASTER

The fact is that Mr. O'Connor is not a lawyer. That makes his associations more biased and more deadly. If he were a lawyer, I think the whole sense of the judicial process, the importance of judicial balance, would be more evident to him. But having a man who has not had legal experience in the position of being a commissioner and having to make judiciary decisions seems to me to be inviting disaster.

I continue reading from Dean Landis:

Beginning about 1938 concerted efforts were made to deal with these problems. At the outset, spurred on by an antagonism to the very powers exercised by the regulatory agencies, the bar as a whole sought to impose the straitjackets of traditional judicial procedure on the agencies. They were countered by other forces which sought to retain the value of the administrative process but still advocated reforms that would assure fairness in the exercise of powers delegated to the agencies. Some 8 years thereafter a compromise between these two opposing views was affected by the enactment of the Administrative Procedure Act of 1946. That act, however one may evaluate it, is far from a definitive solution of the problems with which it dealt. It has achieved some uniformity of procedure, some assurance of the application of fairer standards, but with its emphasis on "judicialization" has made for delay in the handling of many matters before these agencies.

Revisions and amendments to the Administrative Procedure Act are a constant and continuing concern of both the bar and the Government. This is bound to continue and it is good that it should continue. No single mind and no group of minds can in any short period of time grapple with all the complexities of administrative procedure and bring forth a reasonably definitive code. This is a problem which has to be tackled piece by piece and year by year by men who have a continuing concern with its ever-changing phases. No Hoover Commission or advisory committee established other than on a continuing basis can hope to evolve those procedures that should govern the many different problems that the various regulatory agencies face.

This is why the appointment of Mr. O'Connor is so crucial. As Dean Landis says:

The traditional concepts themselves are elusive. Ratemaking, for example, has as many different facets as a diamond.

That is why the built-in bias of a man from the industry itself should be eliminated from such an appointment. The subject is so complicated, subtle, and varying that only a person who has a dispassionate objectivity and a deep belief in the public interest can serve in this position and serve the public interest.

I continue to read from Dean Landis:

In the regulation of railroad rates consideration of railroad rates considerations are present that are wholly different from the regulation of rates for electric power or the transmission of gas or oil. Air passenger fares and air freight rates present variant problems due in part to the rapid obsolescence of equipment. Rates for natural gas producers pose an entirely different story. The attempt to analogize these methods

through a common concept of a rate of return on invested capital has a more theoretical than realistic basis. Procedures for the discovery of the facts upon which these differing judgments must be made cannot (and should not) necessarily be uniform.

There is no agency of Government to which these remarks of Dean Landis are more pertinent or appropriate than the Federal Power Commission, and there has never been a time when they are more pertinent than they are today. The Federal Power Commission is particularly striving to find a method of determining fairly the regulation of the rates of producers of natural gas. In so striving, it is very important that the personnel on the Commission be without bias, without prejudice, in this instance.

WELLHEAD PRICE SOARS

I have a chart in the back of the Chamber showing the story of what happened to the wellhead price of natural gas over the past 25 years. It is obvious from the chart that in the first 10 years the wellhead price was almost stationary. It varied from 2½ cents per 1,000 cubic feet to 3 cents. But, beginning in 1945, it has gone up at a tremendously rapid pace. It has not merely doubled or tripled. It has almost quintupled. It is almost five times as high.

It is obvious what this does to the profits of the enormously rich producers of oil and gas. The price has gone from 3 cents to an average of 14 cents per 1,000 cubic feet—a perfectly enormous increase.

No simple method of regulating the price of natural gas will solve this problem, because it is complicated and extremely difficult. But we are not going to solve the problem of regulating the price of gas to the housewife and gas furnace users—and there are 27 million of them—or to industrial users by putting on the Commission to decide this question a man who has such a deep-vested interest—or at least has had virtually all of his adult life—as this nominee has.

In discussing administrative organization, Dean Landis says:

Akin to the problem of administrative procedure is that of the organization of the regulatory agencies. Various general proposals have been made during the past few years. One of the most radical, recently pressed by a former member of the Civil Aeronautics Board, is a separation of their policy functions from the adjudicatory functions. These policy functions would be transferred to an executive department, leaving the adjudicatory functions with the commission members. The commission as a body is said to be incapable of policymaking since it is required to adopt the wrong procedures, namely quasi-judicial methods, to formulate policy.

Admittedly, many of the commissions have neglected their planning or creative functions. This is due in large part to the burden of the routine business thrust upon them and also to the caliber of appointments which have been made in recent years. Planning and policymaking have, however, on occasion been carried on effectively by commissions.

What chance does effective policymaking have, tough as it is in this situation, to be carried out when we place on the commission to make policy a man who comes from a narrow background, within this particular interest, and is biased, and has a built-in, ingrained, educated bias, based on years and years of experience from the industry's point of view?

Dean Landis says:

The specialist study—by the Securities and Exchange Commission, its unlisted trading study, its examination of corporate reorganizations, its investment company study, its examination of corporate trustees, the public utility holding company study of the Federal Trade Commission, its basing point study, the international route study of the Civil Aeronautics Board, are all examples of effective studies and planning undertaken by commissions, all of which have eventuated in basic national policies.

It is, on the contrary, recognized by people in the industry, as well as outside the industry, that it is time for that kind of study of the gas industry. It should be made. It should have been made a long time ago. But what confidence can the public have in a study to be made by a commission on which a commissioner, for the first time in the history of the Nation, has been appointed, as Mr. O'Connor has been, directly out of the industry itself?

Mr. President, as Dean Landis says:

Policy is also formulated in the process of decisionmaking as witness the differentiation of private versus public offerings of securities or the contrasting roles of trunk and local service carriers. Decisionmaking, however, throws up issues less rarely as a result of deliberate planning and most frequently as a result of the incidence or accidence of cases or controversies.

When the policy is the result of decisions which have been made, of course the decisions, so far as the natural gas industry is concerned, involve a principal controversial area of jurisdiction between the advocates of the industry viewpoint on the one hand and the advocates of the consumer viewpoint on the other. Now, for the first time, the Commissioner who will be sitting on the case will be a man whose experience has been gained entirely and exclusively in years and years spent in the industry itself—

Policy also emanates from rulemaking where forward-planning is more possible as, for example, the current effort of the Securities and Exchange Commission to fit so-called variable annuities into the existing pattern of regulation of financial mechanisms designed to absorb the people's savings.

The real issue is not whether the planning function should be delegated to an executive or to a commission but whether the individuals entrusted with such a responsibility have the capacity and the time with which to discharge it.

In other words, the real issue, in the appointment of personnel, is whether commissioners will be appointed to these bodies who will have the ability, the attitude, the training, the experience and the broad viewpoint which will enable them to look at the problem from a traditional standpoint, and to consider it from the standpoint of the public interest as well as the industry interest. I submit the proposed appointment is really stacking the cards, or loading the dice, in favor of the industry and against the consumer—

A subsidiary issue is whether the individuals to whom such a function is entrusted are free to use flexible procedures in the search for ideas and policies, or are bound either as a matter of routine or law to pursue procedures ill-adapted for the performance of such a function. In both respects many of our commissions suffer. On the other hand, they can bring to the process of planning a wealth of information and knowledge based upon their experience and their realization of the practical limits of administrative action. These qualities are important as contrasted with planning functions performed in the isolation of an ivory tower.

Some functions that are more truly planning than adjudicatory have been forced too rigidly into the latter mold. This is true of the grant of airline certificates, of licenses for radio and TV transmission, of the reorganization and recapitalization of utility holding companies, of the issuance of pipeline certificates and of ratemaking in general. The cure here is not the transfer of these functions to an executive department but the adoption and initiation of procedures more suited to deal with the problems they present.

Indeed, some such transfers of these functions have not proved to be too successful. No policy, not even a discernible pattern, has emerged from the President's handling of international air routes and air carriers—

The entire discussion emphasizes the regulatory process is one from which we cannot escape. We have to solve the problem of regulating these industries. We cannot do it by having the executive take over more power. That has been tried and has not worked. It must be done by the regulatory body itself. I submit that the only way it can properly be done is to appoint people who are dispassionate, objective, and fairminded, and who have the broad public viewpoint rather than the viewpoint of the industry itself—

Considerable controversy attends the promulgation of rules by the one-man Federal Aviation Agency without following procedures that admit of participation by the various segments of the industry in their formulation. The planning now centered in the General Counsel of the National Labor Relations Board by virtue of his control over the initiation of complaints, has in the opinion of many observers been more of a hit-and-miss operation than a comprehensive and cohesive approcah to a difficult problem.

Generalizations as to the organization of administrative agencies are not only difficult but dangerous to make. One generalization, however, can safely be made. Unlike the judges of the Federal judiciary, members of administrative commissions do not do their own work—

I wish to emphasize this again. This is one of the reasons why it is so important to have people of the most independent frame of mind and of the most decisive character. They should be people who have shown by their records—and I think, most desirably, by a public record—an ability to stand up against pressure—

In adjudicatory matters, the drafting of opinions is delegated to opinion writing sections or assistants—

This is a great distinction from a judge serving on the bench, who will have to justify any decision or opinion, which is subject to public scrutiny and reversal, as well as dissent. In this case, Commissioner O'Connor, if appointed, would not have to draft an opinion. That would be delegated to opinion writing sections or assistants.

As Dean Landis says:

In adjudicatory matters, the drafting of opinions is delegated to opinion writing sections or assistants so that the rationalization upon which a purportedly informed decision rests is not truly their own. One can well imagine the morass which would characterize our constitutional law dealing with "due process" had the Justices of the Supreme Court for the last half century had their opinions drafted by clerks and issued anonymously. Who could then assay the work or the philosophy of a Holmes, a Brandeis, a Hughes, or a Cardozo? Yet, this is substantially the state of the law emanating from the thousands of decisions issued by the Civil Aeronautics Board, the Interstate Commerce Commission, the Securities and Exchange Commission, the Federal Power Commission, and the National Labor Relations Board. But worse than this, it is a general belief, founded on considerable evidence, that briefs of counsel, findings of hearing examiners, relevant portions of the basic records, are rarely read by the individuals theoretically responsible for the ultimate decision.

Mr. President, let me emphasize that. Not only do these Commissioners not write their own opinions, but they do not even read the essential information which goes into making the opinions. This is, as Dean Landis subsequently points out, almost inevitable, because they are swamped with work.

APPOINTMENTS MOST IMPORTANT

This emphasizes the importance of appointing the proper people, since they do not have to justify their positions and since they do not, under the burden of enormous workloads, even read the material which goes into the decisions. It is of immense importance to appoint people who have no built-in proindustry bias before they achieve power.

As Dean Landis says:

It is difficult for them to do otherwise, for as the analysis of the workload of one Commissioner indicated, he had to make a decision during his work day every 5 minutes, or as another Commissioner recently testified, he made 18,000 decisions in 5 years. The fact is that delegation on a wide scale, not patently recognized by the law, characterizes the work of substantially all the regulatory agencies and certainly all the major ones. Absent such delegation, the work of these agencies would grind to a stop.

At the same time, I think this underlines the importance of arriving at a system of regulation of the gas industry which is workable. The resistance of the industry to doing that has been certainly anything but in the public interest. There has been industry resistance.

CONCENTRATE ON GIANTS

The fact that some 600 producers of natural gas who are regulated produce only 10 percent of the natural gas used simply means that they are not nearly an important enough commercial factor to justify regulation. They ought to be taken out from under regulation, and the big producers—the 200 who produce 90 percent of the gas which is used—should be regulated. It is practicable. It is feasible. It has been suggested by the senior Senator from Illinois [Mr. DOUGLAS], but of course, it has been successfully fought by the gas industry and opposed by the same people who have been identified so closely and so constantly with the nominee whose nomination is before the Senate now.

The real issue that we face is whether to recognize openly this fact of delegation or continue with the present facade of nondelegation, which prevents administrators from doing the work for which they have been appointed—

It really emphasizes that without the discipline of opinion writing, with the easy opportunity to get away from reading this important material, there is an immense importance in having the ablest kind of appointees and the most unbiased and objective kind—

There are answers to this problem as will be indicated later but they entail broad changes in the presuppositions the public has been led to believe underlie the work of our regulatory agencies—

I shall omit a substantial part of Dean Landis' report. On the formulation of policy within the agency, he said:

A prime criticism of the regulatory agencies is their failure to develop broad policies in the areas subject to their jurisdiction. As this report noted earlier policy formulation can be made in various ways including the adjudicatory process. The failure to utilize other methods for policy formulation is due primarily to the pressure of business on the adjudicatory side.

"Policy formulation," unless required by the disposition of a particular case, means planning measures as how best to dispose of pending problems or how best to forecast and explore solutions to problems still on the horizon—

He refers to how best to dispose of pending problems. Dean Landis continued—

In the former field there are outstanding failures such as the allocation problem in the television field and rate regulation of natural gas producers.

In fact, it has been called the outstanding failure of any administrative body in Washington; and with O'Connor's appointment, can anyone honestly conclude that such failure would not be continued in view of the fact that the failure has been based upon what is transparently the desire of the gas industry to prevent effective regulation, or at least, to achieve a situation in which the industry can continue to apply for rate increases and enjoy receiving those rate increases over a period of many years without any judicial determination being had? Dean Landis said:

A series of other hiatuses in various regulatory fields can be mentioned, arising out of the inability to fashion viable patterns through the process of adjudication. Thus, the licensing of television and radio stations forms no decipherable pattern to permit the adjudicatory process to be both fairly and relatively easily exercised. The certification of air carriers on particular routes presents the same picture. Enforcement of the Robinson-Patman Act, due to the vagaries of the basic legislation, suffers from the same fault. In areas such as these where the case-by-case method has failed to prick out decipherable patterns and create policies, other methods of policy planning are required.

Where, however, the greatest gaps exist are in the planning for foreseeable problems. Absent such planning the need for ad hoc solutions to the particular manifestations of the problem precede and, indeed, may preclude any basic policy formulation. The duty to undertake such planning is set forth with considerable specificity in many of the basic statutes creating the agencies, and yet plans have failed to evolve.

Planning of this kind involves aggressive commitment to the public interest. It involves a continuous commitment. Can anyone suggest that an industry man, such as the present nominee, would represent that kind of conduct? I certainly doubt it.

Dean Landis discusses the importance of interaction among the agencies, the Federal Power Commission, and the various other agencies involved. I am skipping over most parts of that discussion, but a very pertinent part is the point at which he discusses the area of energy. He said:

Energy is another area where interaction is essential and where substantially none exists. If we would increase our energy resources and utilize them wisely, coordination both as to utilization and conservation is essential. Various departments and agencies have a concern with segments of this problem. Surface transportation of oil, coal, and liquefied gas lies within the purview of the Interstate Commerce Commission and the Federal Maritime Board, and surface transportation of fuels is of enormous consequence in view of the importance of transportation costs in the pricing of the product. Natural gas is a concern of the Federal Power Commission. Electric power in its various forms falls within the purview of the Federal Power Commission, the Department of the Interior, the Corps of Army Engineers, the Tennessee Valley Authority, and similar entities. The derivation of energy from fissionable materials is the business of the Atomic Energy Commission. General concern over the conservation of resources from which energy is developed rests primarily with the Department of the Interior, whereas the State Department and the Tariff Commission are factors in dealing with the extent to which our foreign investment is concerned with the production of fuel abroad as well as the extent to which these fuels should enter the domestic market—

Above all, a broad national perspective is needed, not an industry-biased perspective. It is tough enough to get that particular perspective, even with commissioners who have not been involved in the industry before they are appointed. But how can we expect a broad, overall, total economy viewpoint from a man whose entire experience has been within the natural gas and oil industry? Obviously, if that kind of experience is needed, we shall not get it from the nominee. It seems to me that any kind of effective relationship of organization or "interagency interaction," as Dean Landis puts it, would certainly be badly served by the approval of the appointment of Mr. O'Connor—

Government actually controls to a considerable extent the degree to which these fuels are competitive and the exercise of these controls can affect to a great degree the rate of consumption of our resources. Indeed, the rate at which our own resources of natural gas are being tapped to a point where within a foreseeable period they may be exhausted is, in the opinion of many, a worrisome problem. But the coordination of policies with regard to their use and their conservation has not developed; indeed, an overall concern with these questions has hardly been evidenced.

As a Senator from Wisconsin, I am, of course, very much aware of what hap-

pened to our own great natural resource of timber in Wisconsin. One of the classic actions of an unconcerned industry destroyed the marvelous resources of timber in the Midwest, and especially in Minnesota, Wisconsin, and Michigan.

Industry is likely to be unconcerned. It has a responsibility and an immediate one. It is a shortrun responsibility to the stockholders. It is judged by the profit and loss statement. What industry must do is to show profits and returns.

USE OF RESOURCES

Of course, in the industry are statesmen, who are to be admired, encouraged, and praised. The thrust of industry, by and large, is to use up natural resources rapidly. There is a demand, and industry wishes to satisfy the demand. It seems to me that is one of the strongest arguments as to why a man who has been identified as closely as has the nominee with the industry viewpoint, consistently and constantly throughout his adult life, should not serve on the Federal Power Commission. This kind of viewpoint has not encouraged anyone who is concerned with the future of America's limited and precious natural resources, especially in the oil and gas field.

Perhaps more important than this is the matter of continued development of other resources:

Perhaps more important than this is the matter of the continued development of other sources of energy. In this area the hydrogenation of coal and oil-bearing rock is outstanding. In the opinion of many an all-out national effort similar to that which has harnessed atomic energy might well solve this problem in such a way that we might not need to concern ourselves with sources of energy for another hundred years. But interagency mechanisms for planning or even suggesting such projects are absent.

Can one imagine an oil industry man serving on the Federal Power Commission being actively and aggressively interested, with a broad public approach in the development of a competitive fuel for oil or a competitive fuel for gas? Such points of view should be the chief concern of a Commissioner. But a man who has been as closely identified with the industry as has the nominee, and who then goes into the Commission, where the industry has opportunity to bring constant pressure upon him, is very unlikely to cooperate with other agencies and press vigorously for the development of a competitive fuel.

Here is a man who has been closely identified with the industry, who has been nominated to fill this position on the Commission, before which the industry is represented, and where he would be constantly pressured by the industry. Therefore, it is very unlikely that he would cooperate with other agencies to push hard for the development of competitive fuels.

Dean Landis goes on to say:

Still other areas point up the need for coordination or the elimination of overlapping jurisdictions. Chief among these are the areas of monopoly and unfair trade practices. In the former the Federal Trade Commission and the Department of Justice have an overlapping jurisdiction, although they employ different sanctions to achieve their results. Some concern with the problems of monopoly are also the concern of the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Power Commission and the Federal Communications Commission—

Mr. President, the nominee comes from an industry and is therefore concerned with a monopoly, in view of his identification with the industry. Certainly he is different from a man who has a public background, a broad public view, and a broad public interest, and who is not closely identified with the industry which he is appointed to regulate.

Dean Landis goes on to say:

The sanctions possessed by the Department of Justice appear over the years to be more effective and more expeditious than are employed by the Federal Trade Commission. In the field of unfair trade practices, particularly false advertising, there is also an overlap between the Federal Trade Commission and the Food and Drug Administration now under the Department of Health, Education, and Welfare. Efforts to resolve this jurisdictional conflict were undertaken without success in 1933–34 and have intermittently been tackled since—

Dean Landis then discusses the necessity for an all-along-the-line closer coordination and a greater degree of sensitivity to the overall public interest and the necessity of subordinating the interest of a particular industry, or giving one industry an opportunity to move in and move ahead. When this kind of conflict develops the public interest cannot be served by an industry man.

Dean Landis says:

The relationship of the agencies to the Executive has never been appropriately defined. It probably cannot be, but the shadows that now surround it can to a degree be lifted. In this respect there is not too great a difference between the allegedly independent agencies and those technically a part of some executive department. The President's arbitrary interference with the operations of the Commodity Exchange Administration would be subject to resentment equal to that engendered by a similar interference with the Securities and Exchange Commission. The same would hold whether it involved Food and Drug Administration or the Federal Trade Commission. Whatever relationship can be spelled out as appropriate for the independent agencies, such a relationship would a fortiori hold for the other agencies.

The independent agencies are clearly dependent upon the executive in four respects. The first is, of course, in the matter of appointments at the commissioner level. The degree to which they are subject to removal at the pleasure of the President is not uniformly clear. Where the statute prohibits their removal except for cause the President's power of removal is limited to cause, *Humphrey's Executor* v. *United States* (295 U.S. 602 (1934))—

The reference to the Humphrey case should remind us of the fact that when the pending nomination is confirmed we are stuck with this nominee for a number of years. He is going to serve as the Commissioner of the Federal Power Commission, and there is no way that the President of the United States, regardless of his attitude, can change that situation.

The report says:

But there is no suggestion as to the extent to which judicial review could be had over a finding of "cause" by the President. Where no such prohibitions exist in the statute, a similar limitation may, however, be read into the statute for appointees who exercise quasi-judicial duties.

Consultations may occur with more but usually with less frequency between the President and the chairman or members of the agency. The absence of national politics pricked out by the agencies and the complexity involved in the handling of any national problem due to its Balkanization among a series of agencies makes worthwhile consultations of this type rare and consequently infrequent.

In the absence of the President of the United States coordinating the activities of these agencies from the broad public standpoint, it is extremely difficult to get the public interest served unless broad-gaged and broad-perspective Commissioners are appointed.

Among the arguments that can be made for the present nominee certainly no argument can be made that this man has a broad industrial background. It can hardly be more concentrated than it is.

Dean Landis comments:

A device has thus grown up in the past two administrations of delegating these agency and interagency problems to one or more "White House assistants." This procedure has had its shortcomings. These assistants have either not had the knowledge or the prestige to be effective in handling agency chairmen and members, especially those in the "independent" category; or, if the assistant possesses the prestige sufficient to qualify him popularly as an "Assistant President" he tends to overstep the bounds of his authority and tends to interfere in the disposition by the agency of individual cases. A reference to the interference of Sherman Adams in the Dixon-Yates matter or to the Murry (Chotiner)—Sherm (Adams) correspondence in the North American Airlines case pending before the Civil Aeronautics Board is sufficient to illustrate this point.

There is an obvious necessity for the President to keep abreast of such national policies as may or may not be in the making or the handling or failure to handle national problems of national impact. He has also the constitutional duty to see that the laws are faithfully executed and this duty is applicable to the execution of laws entrusted to regulatory agencies, whether technically independent or not. The patent failure of the Federal Power Commission to execute the laws relating to natural gas production is thus rightly a matter of constitutional concern to him—

That is what Dean Landis says. Certainly the patent failure of the Federal Power Commission to execute the laws of the United States in regard to natural gas production is the issue which is before the Senate at this moment. We are considering whether we will confirm the nomination of a man who has been identified with the viewpoint of the industry that has been seeking to prevent the Federal Power Commission from exercising its jurisdiction, its duty, and its right under the law to regulate natural gas production.

As to this failure the Circuit Court of Appeals of the District of Columbia on December 8, 1960, had this to say:

We believe that the Supreme Court (in the Catco case) meant to impress upon the Commission an interpretation of the "public interest" which, in the context of a rising natural gas market, demands a real administrative effort to hold back prices. We

find nothing in the record before us which would justify the conclusion that the Commission had adequately performed this duty.

This indictment by a Federal court of the Federal Power Commission is so serious and significant, and so right on the point before us, it seems to me that it should be reread. We should keep in mind the effect of confirming the nomination of Mr. O'Connor on this point.

The Circuit Court of Appeals of the District of Columbia said:

We believe that the Supreme Court (in the Catco case) meant to impress upon the Commission an interpretation of the "public interest" which, in the context of a rising natural gas market, demands a real administrative effort to hold back prices. We find nothing in the record before us which would justify the conclusion that the Commission had adequately performed its duty.

The refusal to fix wellhead prices for natural gas resulted in higher prices for every consumer in Washington, Maryland, Virginia, Wisconsin, Michigan, Montana, and elsewhere throughout the country. As a reflection of what the court is talking about, this is a moral issue, and a very serious moral issue.

The fact is that this agency is not enforcing the law of the land as announced by the Supreme Court. Therefore the breadwinners of the families of America are forced to pay more than they should be legally required to pay for heating fuel. The reason why their gas bills are high is that the ruling of the Supreme Court has not been obeyed.

Dean Landis proceeds:

Whether such failure adequately to perform a statutory duty would be cause for removal is a question as to which lawyers might argue but which from the practical governmental standpoint permits of only one answer.

The practical answer is that he cannot be removed.

What is the attitude of O'Connor and the Independent Petroleum Producers Association, of which he has been such an active member? What is the attitude of the gas industries? It is exactly what the Federal Power Commission decision has been all along: namely, that the FPC should not regulate producers; that it should not limit the kind of rise from 3 cents to 13 cents that has taken place over the past 15 years in the prices the producer gets and the consumer has to pay.

Dean Landis continues:

The congestion of the dockets of the agencies, the delays incident to the disposition of cases, the failure to evolve policies pursuant to basic statutory requirements are all a part of the President's constitutional concern to see that the laws are faithfully executed. The outcome of any particular adjudicatory matter is, however, as much beyond his concern, except where he has a statutory responsibility to intervene, as the outcome of any cause pending in the courts and his approach to such matters before the agencies should be exactly the same as his approach to matters pending before the courts.

Delegation of his constitutional responsibilities in this area is obviously essential, but, on the basis of past experience the device of one or more "White House assistants"—

Such as "Sherm" and Murray, for instance—

is not the answer.

Then Dean Landis discusses the relationship of agencies of the Legislature—to Congress. He says:

The relationship of the agencies to the Congress generally speaking is that of any statutory branch of the executive to the Congress, with certain exceptions. Oversight of their activities is naturally a concern of the Congress. But with respect to their quasi-judicial functions they should have the same immunity as courts. This does not mean that the Congress should not inquire into any improprieties in their quasi-judicial behavior. In this respect the opportunity of inquiry is, perhaps, greater than with respect to Federal judges, but, given no impropriety, the rationality of their decisions or their attitude toward the handling of pending causes, even though some of them may not yet have reached the adjudicatory stage, should not be subject to inquiry. Their independence in this respect should be as much respected as that of the judges.

It seems to me that this, perhaps, is a peculiar attitude. I think Congress should inquire vigorously on questions of policy, but especially on the appointive process which determines the law.

MUST BELIEVE IN LAW

Virtually the only way in which Congress can have a role in the effect on regulatory bodies is to take a careful, discriminating, critical view of the persons appointed to the regulatory agencies. It is true that by legislative enactment we can have effect; but I believe the frustration which Congress and the country suffer from after passing a good Natural Gas Act in 1938, having it interpreted 16 years later in 1954, and then having it ignored by the responsible agency ever since then, indicates that the one way in which Congress can work its will effectively is to make certain that when persons are appointed to commissions, they believe in enforcing the law. Dean Landis continues, with respect to the responsibility of the Commissions to Congress:

Their responsibility is to the Congress rather than solely to the Executive. The policies that they are supposed to pursue are those that have been delineated by the Congress not by the Executive. Departure from these policies or the failure to make them effective or their subordination of legislative goals to the directions of the Executive is thus a matter of necessary legislative concern.

There is no question but that Congress has both the right and duty to inquire into effectiveness of the operation of the regulatory agencies and their handling of the broad powers that have been delegated to them. The real issue is the capacity of the Congress to keep abreast of the programs and the policies being carried out by these agencies.

Indeed, it is difficult for Congress, with all its other duties and responsibilities, and with the enormous amount of time consumed by the legislative process, and the heavy burden under which Senators and Representatives have to work, to engage in the kind of continuing study, oversight, and scrutiny which these agencies would require if there were placed on them persons who came directly from industry.

INDUSTRY VERSUS PUBLIC

One action that Congress can take to protect the public viewpoint is to appoint to an agency persons who believe in executing the law, persons who believe in the public interest, persons who will fight for that interest, and will be devoted. Unless members of a commission are willing to take the risks, become controversial, and be willing to oppose industry constantly, because the only predictable factor is that industry will be interested in getting its way, when so often industry viewpoint contradicts and conflicts with the public interest. Dean Landis continues:

In this respect Congress is faced with the same difficulties that attach to the Executive, namely the need to delegate its responsibilities in the face of other demands on its time and the difficulties of evaluating the basic national problems involved because of the many agencies dealing with them. The agencies touch the Congress, at least at two points—the Appropriations Committee and the appropriate committee, such as the Committees on Interstate and Foreign Commerce—

Which is now, in the Senate, the Committee on Commerce—

having jurisdiction over their subject matter. Since the Legislative Reorganization Act of 1946, these committees have been furnished with better and more competent staffs. This is a definite help and enables the committee to pierce the self-serving testimony normally adduced from the agencies. Relatively substantial improvement has thus occurred in this field, but more is needed. The committee staffs are often not too competent or have such short lives that they cannot become too familiar with the complex problems facing the major agencies. It is not easy quickly to evaluate the competency and efficiency of any particular agency especially when its activities fail to give an integrated picture.

Usually these investigations or hearings are sporadic in nature having been sparked by some incident that has caught the attention of the press. Regular surveys of their activities would be far more valuable.

However, regular surveys of activities are rare and cannot be continuous because committees are too busy. That is why the advise and consent process, which gives the Senate an opportunity at regular intervals to discuss the commissions and to consider the caliber, qualifications, background, attitude of the persons who are appointed to the commissions is so important. That is why the decision which the Senate will make on the nomination of Lawrence O'Connor will determine more than anything else the kind of Federal Power Commission the country will have. That kind of decision will determine, more than anything else the Senate can do, the kind of Federal Power Commission we shall have in the future. Dean Landis continues:

Usually their annual reports, always too self-serving, suggest some change in their basic statutes and this request for legislative aid gives a good ground for a survey of their past record. Annual or even biennial committee examination, based upon thorough prior preparation, would permit the Congress to have a better knowledge of the caliber of their personnel and the manner in which they are discharging their responsibilities.

Then Dean Landis suggests some possible remedies. He shows how difficult these other remedies are to achieve. He says:

> These then are the major problems that face our growingly important scheme of administrative regulation. It is not possible to deal with all these problems either administratively, by executive action, or by legislation. They will require the use of every method, but executive action promises more expeditious handling of many of them. The fact is that during the last decade the Executive appears to have had no real concern with their operation. True, beginnings have been made to survey their capacity to manage their business, in keeping track of their operations through the accumulation of statistics by the establishment of an Office of Administrative Procedure in the Department of Justice, in stimulating conferences on administrative procedure, in studying some of the elements essential to the development of a national transportation policy, and in advancing the career service of the hearing examiners.

But—

Says Dean Landis—and I call special attention to this—

> such advances have been nullified by the appointment of members of these agencies on political grounds, and by not advancing to posts of significance within the agencies men experienced by long service in their business.

The O'Connor nomination is a prime example of that. It is a prime example of the power of oil; of the sheer, unadulterated political power of that vast industry, the most powerful industry in America, without question; an industry that has had the most fantastic tax advantages—as I shall point out later—any industry has enjoyed; an industry which pays only one-third of the taxes on net profits that other industries pay.

INDUSTRY POWER IRRESISTIBLE

Mr. President, this is really what is at issue. I shall explore that aspect of the nomination a little later; but it is clear that all the reforms in the world, all the discussions of administrative procedure, all the discussions of how to get more competent staff, all such efforts and work, will mean nothing if there are appointed to the Commission men who are appointed because of the vast and seemingly irresistible power of the industry itself.

This industry has been able to have appointed to key positions oil people—for instance, the Secretary of the Navy, Mr. Connally, who is the executor of one of the very largest oil estates—the multimillion-dollar oil estate of Sid Richardson; and the Assistant Secretary of the Interior, Mr. John Kelly, who in that position is in charge of minerals, and is the one who is head of the Oil and Gas Office, and is head of the Oil Import Administration, and is head of virtually every other agency of the Government which regulates the oil and gas industry. Mr. Kelly has been up to his neck in oil, and is still the holder of vast oil properties, worth millions of dollars, giving him a large oil income; and now, for the first time in the history of the United States, we have the appointment to the Federal Power Commission of a man whose entire background, orientation, and identification are with the oil industry.

Dean Landis goes on to say:

> Largely on political grounds, outsiders lacking necessary qualification for their important tasks have been appointed. There has also been too much of the morale-shattering practice of permitting executive interference in the disposition of causes and controversies delegated to the agencies for decision. Never before recent times in the history of the administrative process have the Federal courts been compelled to return administrative decisions to the agencies, not because they have erred, but because they have departed from those fundamentals of ethics that must characterize equally the performance of quasi-judicial and judicial duties. Cancers such as these sweep through the entire process dulling the sense of public service and destroying the confidence that the public must repose in public servants.

Then Dean Landis specifically considers the Federal Power Commission. I think the first several sentences of his consideration of it should be considered very carefully by all Members of the Senate, especially in view of the pending nomination. Dean Landis says:

> The Federal Power Commission without question represents the outstanding example in the Federal Government of the breakdown of the administrative process. The complexity of its problems is no answer to its more than patent failures. These failures relate primarily—

To what? To electric utilities or electric power companies? No. Dean Landis says:

> These failures relate primarily to the natural gas field, in the Commission's handling of its responsibilities with respect to the transmission and the production of natural gas.

Mr. President, Dean Landis has told us this is the worst breakdown of the administrative process of government. Why? It is a breakdown because the Federal Power Commission has refused to regulate the natural gas producers at the wellhead. And now we have before us the appointment to the Commission of a man who comes from the producing industry, and is identified with the Independent Petroleum Producers Association, and is an active committee chairman of that organization, which has been dedicated—and its raison d'être has been—to prevent the Federal Power Commission from enforcing this law.

Dean Landis says further:

> Enough has already been said about the delays in this field, so terribly costly to the public and so productive of unemployment in other basic industries.
>
> These defects stem from attitudes, plainly evident on the record, of the unwillingness of the Commission to assume its responsibilities under the Natural Gas Act and its attitude, substantially contemptuous, of refusing in substance to obey the mandates of the Supreme Court of the United States and other Federal courts.

Once again, Mr. President, I ask, do we solve the problem by confirming the nomination of Mr. O'Connor? No, Mr. President; it is perfectly obvious that if the Senate confirms the nomination, the Senate will simply be concurring in the contemptuous attitude the industry and the Federal Power Commission have had toward the Supreme Court, by refusing to abide by the law and to regulate the gas rates so they stay down and so the 27 million consumers of gas in the United States, the 500,000 in Wisconsin, the far more than 1 million in the State of the distinguished minority leader [Mr. DIRKSEN], and the many thousands of citizens in the State of the distinguished Senator now presiding over the Senate, the Senator from Montana [Mr. METCALF] will receive fair treatment.

These are the ones who have been suffering from having the gas rates increased. What they ask is not that increases be cut off. They only ask that they receive simple, due process of law justice, so that the regulatory agency will do what it is told to do by the Supreme Court in interpretating the law of the land.

Dean Landis proceeds:

> The Commission has exhibited no inclination to use powers that it possesses to get abreast of its docket.

Mr. President when the Federal Power Commission says it cannot do many of the things it should do, because—so it says—it has too much work to do and cannot take jurisdiction because it cannot afford to do it, I think we should be alert to the action it can take to reduce this enormous burden.

We should also be alert, I think, as we consider the question of confirmation of the nomination of Mr. O'Connor, to the fact that the gas industry, of which Mr. O'Connor has been a very active member, has a very deep-vested interest in these delays. The longer the delay, the more assured the gas industry can be that its rates will be higher.

Dean Landis says:

> The Commission—

That is to say, the Federal Power Commission—

> has exhibited no inclination to use powers that it possesses to get abreast of its docket. Thousands of rate cases dealing with independent gas producers clutter its docket. Of this mass of cases Senator PAUL H. DOUGLAS, of Illinois, has pointed out that an exemption of producers of natural gas in interstate commerce for resale of less than 2 billion cubic feet per year would take 4,191 producers, whose total production of natural gas was only 9.26 percent of the total volume of gas purchased by interstate pipeline companies in 1953, out of the jurisdiction of the Commission. The portion of the total production accounted for by these small producers may have varied slightly since then but still remain insufficient to require them to be subjected to regulation in order to provide adequate protection to natural gas consumers against monopoly prices. Nevertheless, no effort has been made by the Commission to clear its docket of these inconsequential cases in order to come to grips with the relatively few remaining producers who do matter.
>
> The recent action of the Commission on September 28, 1960, in promulgating area rates, whether ultimately legal or not, has come far too late to protect the consumer. The area prices there set forth substantially reject the rate base approach and the fixed area prices come close to approximately current maximum prices, which have more than doubled in the past 5 years. The Commission's past inaction and past disregard of the consumer interests has led the States to seek to force it to discharge its responsibilities.

That is a very serious charge, as made by the former dean of Harvard Law School against the Federal Power Commission; and I now repeat the sentence I last read:

The Commission's past inaction and past disregard of the consumer interest has led the States—

And Wisconsin is one of the States that has taken an active interest—

to seek to force it—

The Federal Power Commission—

to discharge its responsibilities.

Can anybody argue that the appointment of Mr. O'Connor will do anything to prevent the Federal Power Commission from assuming the consumer's interest, which it should assume? I certainly doubt it.

Says Dean Landis:

It is somewhat of a phenomenon in our national life for the State utility commissions to be ranged against a Federal commission in an effort to protect consumers against monopolistic and excessive rates. That, however, is today's picture of Federal regulations of the natural gas industry.

The transmission side of that industry presents the same picture. Delay after delay in certifications and the prescription of rates has cost the public millions of dollars.

An example of the inability of the Commission to control the disposition of its business is afforded by the following.

A substantial number of certificate filings made by independent producers and pipelines request nothing more than the authority to make increased or additional sales of natural gas to existing customers or to customers within the same areas. These applications do not pose complex problems, but the paperwork and the dozens of steps taken while processing those applications contribute materially to the backlog which presently confronts the Commission. Not only do these relatively minor cases stack up, but also their presence delays Commission action on the other vital matters before it.

At the specific request of the Commission, the Congress amended the Natural Gas Act in order to provide a simplified procedure to cope with problems in this category. In 1942, in response to the Commission's urgent pleas, Congress enacted section 7(f) of the Natural Gas Act which provided, in the plainest terms, that the Commission should determine the service area for a regulated company, and "Within such service area as determined by the Commission a natural gas company may enlarge or extend its facilities for the purpose of supplying increased market demands in such service area without further authorization."

Under the procedure presented by section 7(f), the Commission could readily eliminate thousands of unnecessary requests for authorizations.

It would thus permit them to act on the really big and important rate cases and put the Commission in a position where it could break down the enormous burden that has been placed on the gas consumer by the policy adopted by the Federal Power Commission of permitting gas companies to put into effect their applications for rate increases, pending decision by the Federal Power Commission, without any consideration by the Federal Power Commission, no matter how exorbitant, high, excessive, or unjustified those rate increases may be.

For example—

Dean Landis says—

even though an independent producer holds a certificate to sell gas to a pipeline from certain leases, the subsequent acquisition of additional leases requires the independent producer to obtain further authorization in order to increase its sales to the same pipeline. There is not a single instance in which this authority has ultimately been denied. Nevertheless, the Commission has needlessly required the filing of separate applications.

Why in the world would the Commission do this, except that it obviously serves the interests of the gas industry? It damages the consumer, because it means the Federal Power Commission cannot get around to acting on other cases. As long as it does not, the rate the gas industry wants the consumer to pay, the consumer has to pay until the Federal Power Commission can get around to acting on the application. The more delay, the more postponement of action, the longer the consumer will have to pay higher rates, the more the income of the gas producing company, and the more remote the ultimate recourse of the consumer is going to be.

To continue:

Similarly, the Commission requires the complete gamut of pleadings and processing in order to enable an established producer to sell gas from a new well to an established pipeline at a price completely in line with prices theretofore certificated.

An identical problem is posed to a pipeline which wishes to meet the increased requirement of a distributor, even though no change in rate is involved.

It was to do away with these problems that section 7(f) was enacted.

Not only, therefore, has the Federal Power Commission refused to enforce the act to regulate the price of gas at the wellhead, but it has refused to comply with the clear requirement of the Congress, under section 7(f), that it streamline its operations, eliminate its backlog, and do an efficient job.

I continue to read:

Nevertheless, during the 18 years that provision has been in the statute, the Commission has not utilized it on a single occasion.

It has never utilized it. It is one of the several reasons why we have what Dean Landis calls a prime example of a complete breakdown of the administrative process. It has never been utilized.

Dean Landis continues:

In 1944, the Commission attempted to justify its inaction on grounds that the wartime conditions required all available manpower for other purposes. However, the Commission added: "This work, on the determination of service areas should be pressed forward as vigorously as possible, as soon as the exigencies of war make it practicable for the Commission and the companies to conduct the necessary investigations and hearings."

Despite this and subsequent pious expressions, the Commission has literally done nothing to reduce the delays which have constantly increased. Instead, when Congress requested action the Commission merely addressed a letter on May 8, 1946, to all natural gas companies requesting their views regarding administration of the service area provision of the act. The Commission simply ignored the replies.

The Commission ignored the replies.

In January 1947, the Commission's staff prepared and submitted an extensive report to the Commission strongly recommending implementation of section 7(f), and recommended the preliminary action be taken forthwith "to effectuate the intent of Congress expressed in section 7(f)."

If the Commission has any legitimate reason for its 18 years of failure to implement section 7(f), it has not given any expression thereto. Moreover, any possible criticism of the service area procedure provided by Congress at the Commission's request could readily be handled by the attachment of suitable conditions to service area determinations.

Once again I ask, Will the appointment of Mr. O'Connor be likely, in the light of the attitude of the industry, to assist the Federal Power Commission to overcome its reluctance to take advantage of section 7(f), and to take advantage of the clear directive of the Congress to streamline its operations and operate more efficiently?

Dean Landis goes on to say:

Other instances of ineffective administration are legion. Indeed, the dissatisfaction with the work of the Commission has gone so far that there is a large measure of agreement on separating from the Commission its entire jurisdiction over natural gas and creating a new Commission to handle these problems exclusively.

There may have been that consideration, but in view of the fantastic political power of the oil industry, the likelihood that we would get this, or, if we did, that that agency would effectively administer the oil and gas industry, is practically nil.

Dean Landis continues:

It is probably unnecessary to go this far. However, certain amendments to the Natural Gas Act are essential. The Commission might well be increased to seven members so as to permit it to sit in two panels of three, with final decision in each panel, so as to help it clear up its enormous backlog. But primarily leadership and power must be given to its Chairman and qualified and dedicated members with the consumer interest at heart must be called into service to correct what has developed into the most dismal failure in our time of the administrative process.

I wish to read that again. What a joke it is to appoint Lawrence O'Connor, of Goldston Oil Corp., an oil consultant, a man who has been a leader in the Independent Petroleum Producers' Association, in the light of the clear direction from Dean Landis, when he says:

Primarily, leadership and power must be given to its Chairman and qualified and dedicated members with the consumer interest at heart must be called into service to correct what has developed into the most dismal failure in our time of the administrative process.

Dean Landis goes on to discuss personnel:

The prime key to the improvement of the administrative process is the selection of qualified personnel. Good men can make poor laws workable; poor men will wreak havoc with good laws.

Mr. President, if there is any theme for my objection to the nomination and my insistence on making this long speech and this long record, it is implicit in the language of Dean Landis. He says:

As long as the selection of men for key administrative posts is based upon political reward rather than competency, little else

that is done will really matter. Thus, the real issues are two: (1) are these posts sufficiently attractive to draw good men, and (2) how can these men be found?

I think the Senate should keep this in mind, not only in terms of the appointment of Mr. O'Connor but also in terms of the implication, the impact, and the consequence of the appointment of Mr. O'Connor.

Good men are primarily attracted by the challenge inherent in a job. Salary is a secondary consideration, provided only that it is high enough to enable them to meet reasonable standards of living comparable to their positions in the society. Our universities have known and, indeed, traded on these facts. Tenure is another consideration of more importance than salary, for with tenure goes independence and the opportunity for long-range planning.

Basic challenges have been missing in the last decade. Good men cannot be attracted to agencies if they see that the colleagues with whom they are called upon to work, the staffs that they must utilize, are not measurable by standards they believe to be appropriate.

Mr. President, when young men out of law school, who are able, dedicated men, interested in public service, anxious to do what they can to fulfill what they conceive to be their obligation to society, consider an agency like this—which, for the first time, with this appointment, will have as a commissioner a man straight out of the natural gas industry and the oil industry—how can they feel that there is an adequate opportunity to do a job to represent the public viewpoint, to fight for equity and justice, with a commissioner who is directly—pretty much completely—out of the industry itself?

Dean Landis goes on to say:

Such a condition implies a lack of concern or a lack of understanding of the regulatory process by the President, either or both of which are destructive of the very thing that could hold an appeal.

He also says:

Given competent appointments to deal with real challenges which can be made to exist, the recruitment of a competent staff is not difficult.

I repeat that:

Given competent appointments to deal with real challenges which can be made to exist, the recruitment of a competent staff is not difficult.

This depends on the Commissioners' being willing to lay down challenges, being determined to do a job in the public interest.

As Dean Landis maintains:

Great universities have never had their difficulties on this score and great administrative agencies could offer a similar challenge. Both should possess essentially the same opportunity of objectivity and the same urge to search for answers to pressing problems, with the balance, so far as the practically minded man is concerned, in favor of the latter. But the key to staff competence can only be found through the existence of inspiration and competency at the top level.

That is why this proposed appointment can have such a devastating effect on the whole operation of the Federal Power Commission.

Industry orientation of agency members is a common criticism.

Mr. President, incidentally, "industry orientation" is a nice choice of words. I might say industry domination, or industry control. It is a case of the regulatees having become the regulators. The regulators are being dominated by and serve the regulated.

Industry orientation of agency members is a common criticism, frequently expressed in terms that the regulatees have become the regulators. Of course, if this type of orientation characterizes an individual prior to his appointment, there is little that can be done about it.

Dean Landis says:

Of course, if industry orientation characterizes an individual prior to his appointment, there is little that can be done about it.

Dean Landis was, of course, not aware that this appointment would be made at the time he wrote the report in December, because this is the first appointment of this kind which ever has been made. Therefore, he would not consider it a real problem.

As Dean Landis said, nothing can be done about the problem if a man is appointed from industry with an industry viewpoint to the Federal Power Commission; we might as well forget about doing what we can to insulate or to protect or to defend the industry from being swallowed up and being dominated by that viewpoint. We are simply handing it to them on a silver platter.

Dean Landis goes on to say further:

But the real problem relates to those who are originally oriented toward the public interest but who gradually and honestly begin to view that interest more in terms of the private interest.

That is the "real problem" only because this is the first time the industry has been able to forget about orienting the particular Commissioners toward the industry viewpoint. He already has their viewpoint. That has been the identification he has had virtually all his adult life.

Dean Landis says further:

This is particularly likely to occur in agencies which in addition to their regulatory functions have promotional functions. It was manifested in the innate reaction of the Civil Aeronautics Board to the nonscheduled airlines and to the newer all-cargo carriers. The Civil Aeronautics Board to date has not considered the provision of subsidy to these all-cargo air carriers. This is not a plea that it should urge the provision of such subsidy, but some rationalization for the grant of subsidy to local service carriers and its denial to the all-cargo air carriers should be made, since there is an obvious national interest in expanding the development of this branch of our transportation system. The Interstate Commerce Commission has frequently been characterized as railroad minded, the Federal Communications Commission as dominated by the networks—

And then Dean Landis says—

while the actions of the Federal Power Commission speak for themselves.

Indeed they do. Dean Landis says that the ICC has frequently been characterized as being railroad minded, that the FCC has been characterized as dominated by the networks. And he is correct in saying that nobody can consider the actions of the Federal Power Commission without knowing that the Commission has been dominated by or been influenced by the industry itself. He does not say that, but it is certainly implicit in his criticism and it is certainly implicit in his statement.

DIFFICULT TO DEAL WITH

Mr. President, how thoroughly this will be expected and understood with the appointment of Mr. O'Connor. The actions of the Federal Power Commission then will hardly be in question.

Dean Landis says further:

This tendency toward industry orientation is subtle and difficult to deal with.

It is not very subtle under these circumstances, because we are putting the industry right on the Commission.

It arises primarily from the fact that of necessity contacts with the industry are frequent and generally productive of intelligent ideas. Contacts with the public, however, are rare and generally unproductive of anything except complaint. For example, the public that our security legislation is designed to protect is the investor, but the investor rarely appears and when he does he is too rarely an investor and too frequently a speculator who deserves exactly what happened to him.

In this case, so far as the Federal Power Commission is concerned, the public rarely does appear, except through public service commissions, who have to take the rare and unusual step of appearing before the Federal Power Commission.

(At this point, Mr. BURDICK took the chair as Presiding Officer.)

Mr. PROXMIRE. Mr. President, the result is that if the public is not represented by the appointment of the Commissioners—if the Commissioners do not have the public viewpoint and do not have a broad-gage appreciation of what is the public interest—then we know, on the basis of our experience, that the public will not have a chance.

O'CONNOR APPOINTMENT UNPRECEDENTED

Mr. President, never before in the history of this country has there been a situation in which a man has been appointed to the Federal Power Commission who, before, had as his primary interest—virtually his total interest—an identification with the industry itself.

What chance will the consumer have? Dean Landis went on to say:

Irrespective of the absence of social contacts and the acceptance of undue hospitality, it is the daily machinegunlike impact on both agency and its staff of industry representation that makes for industry orientation on the part of many honest and capable agency members as well as agency staffs. A device, employed in some agencies, is some protection against this tendency. This is the device of the public counsel, the effectiveness of whose function is in almost direct relationship to his capacity to irritate the agency members.

LESSONS OF GSA DEBATE

We were reminded of this point a little earlier this afternoon when the distinguished Senator from Washington [Mr. MAGNUSON] submitted a conference report on the independent offices appropriation bill and when the distinguished

Senator from Colorado [Mr. ALLOTT] and the senior Senator from Alaska [Mr. GRUENING] and I had our exchange. In this case, the GSA had represented the Government in hearings before public utilities. The GSA had performed well enough to aggravate and alienate the communications industry. The communications industry was so irritated that representatives of the industry testified before committees of Congress and tried to "gut" the operation of GSA. They nearly succeeded in doing so. They even persuaded the Appropriations Committee to reduce the appropriations for the GSA operation in this field by about 85 percent, and they were successful in inserting language in the bill which passed the Senate that would have prohibited the GSA from making an effective case before a Government agency. They could not argue on questions of public policy. They were not allowed to do so by a provision in the appropriations bill which passed the Senate. Fortunately, that provision was eliminated in conference. I tried to eliminate it by my amendment, which did not carry, but the provision was eliminated in conference.

This incident and the discussion which surrounded the situation underlines the overwhelming importance of some kind of consumer-oriented viewpoint, some kind of broad public understanding in the Commission itself.

The Senator from Colorado [Mr. ALLOTT], the Senator from Washington [Mr. MAGNUSON], and other Senators who defended the Appropriations Committee said, "What is the regulatory body for, if it is not fighting for the interest of the consumer, and if the agency does not look at the question from the public viewpoint?"

If we confirm the nomination of Mr. O'Connor, I think the attitude of the Federal Power Commission will be perfectly obvious. Talk about stacked cards or loaded dice. The situation will be that the Federal Power Commission, certainly as far as the Commissioner whose nomination is being considered is concerned, will be well oriented towards the gas industry viewpoint.

Dean Landis went on to say:

> It should be encouraged, however, and the public counsel, in those cases where he has intervened, should be granted the right of seeking review from the decisions of trial examiners to the agency itself on terms accorded to the parties themselves, although a right to seek judicial review of decisions that have achieved finality should naturally be denied him since the public interest has presumably by that time coagulated in the agency's decision.

"PUBLIC COUNSEL" IDEA HAS MERIT

While this public counsel idea is an intricate and attractive one, and perhaps has a great deal of merit, the fact is that from a practical standpoint the consumer will have to wait a long time before such a plan will go into effect nationally. Obviously there is no disposition on the part of Congress to put such a plan into effect. We must rely on the agencies.

Therefore we must insist on appointments to agencies of persons with the broadest kind of public viewpoint and public perspective, and certainly we should not shatter all previous precedents by appointing for the first time in the history of the Federal Power Commission a man who has been active in the particular private industry involved.

Mr. President, I have finished with my discussion of the Landis report. I shall summarize the report as it pertains to the nomination.

In the first place, the report states that all our regulatory agencies have become negligent of the public interest and stand in need of reform. They have not been operating efficiently. But we should be particularly aware that Dean Landis singled out the Federal Power Commission as the No. 1 example of the breakdown of the administrative process.

The Federal Power Commission has not been serving the public interest.

In two great areas it has violated the intent of Congress. In the first place, the Commission has refused to abide by the Natural Gas Act of 1938, which clearly requires the Commission to regulate the sale of natural gas in interstate commerce, which includes the sale of gas at the wellhead.

The Federal Power Commission has not done so, notwithstanding the fact that in the Phillips case the Supreme Court specificially directed it to do so. In the Catco case the Court specifically denounced the Commission for having failed to do so.

In the second place, the Commission failed to take advantage of a law passed by Congress in 1942, particularly section 7(f), which gave the Commission an opportunity to greatly streamline its operations and take a series of steps which would have greatly lessened the burden upon it. So in these two respects it has not abided by the will of Congress.

It seems to me that all Members of Congress should be concerned with this serious problem in an exceedingly important area.

O'CONNOR AND THE IPPA

Can anyone argue that the appointment of Mr. O'Connor will solve either one of these problems? Mr. O'Connor represents one of the principal groups, the Independent Petroleum Producers Association, of which he has been a committee chairman, and a district vice president.

This association has argued constantly against the Phillips decision and against the Federal Power Commission abiding by the Phillips decision. Mr. O'Connor's principal employment has been with the industry which has gained and which continues to gain by this delay.

Many gas companies simply apply for a gas rate increase, and if the Federal Power Commission does not give it to them, in 5 months the gas increase goes into effect anyway. The consumer pays and the industry benefits.

Mr. President, so far I have tried to show the philosophical reason and the historical justification, as stated in Dean Landis' competent analysis, for effective operation of the Federal Power Commission in the public interest.

WHAT DOES HOUSEWIFE PAY FOR GAS?

I should now like to bring this matter down to the practical realities of the kind of gas rates that the housewives and homeowners in Washington, Wisconsin, and North Dakota and elsewhere must pay.

I would like to present at this time a study of the share of the consumer dollar received by the producers of natural gas for residential and industrial consumption in nine States which import gas and in five producing States from 1950 to 1959.

The share of the consumer's dollar received by the producer has increased markedly in every State since 1950, and in many cases the amount of the increase to the consumer is exactly paralleled by increases in the wellhead price of natural gas. For each of the nine gas-importing States, I will give the percentage of residential users' and industrial users' prices which the producer receives, based on the national average wellhead price.

In five States where the natural gas used is produced in the States, I relate the residential consumers' price and industrial users' price to the average wellhead price of natural gas in that State for each year. All figures are taken from the Minerals Year Book published by the Bureau of Mines, and therefore I presume that the figures are accurate.

This goes to the heart of my case, that the Federal Power Commission has permitted the industry to increase the price of natural gas. The result of this has been higher prices paid by gas consumers all over America.

In the State of Illinois, in 1950, the price of natural gas to residential users was 97.6 cents per 1,000 cubic feet, and the price to industrial users was 24.1 cents per 1,000 cubic feet. That same year the national average wellhead price was 6.5 cents per 1,000 cubic feet. This amounted to 6.66 percent of the price to residential users and 26.97 percent of the price to industrial users.

In almost every year the price paid by the consumer in Illinois increased. There was a parallel increase of the wellhead price. There was also an increase in the percentage of the consumer cost, and an increase in the percentage that was paid the producers. It is the unregulated producer, as indicated on the chart, who in the judgment of many experts is one of the principal reasons for the relentless increase in the cost of natural gas.

It is the same producer whose regulation is at issue.

If Mr. O'Connor's nomination is confirmed, the attitude of the Federal Power Commission against regulation of natural gas is likely to continue and will be emphasized and strengthened. If his nomination is not confirmed, the prospects that the Federal Power Commission will have a more discriminating viewpoint and will consider the consumers' viewpoint will certainly be greatly enhanced.

The price of natural gas in 1951 to residential gas consumers in Illinois had not increased. That was one of only 2 years when the price had not increased. It had decreased to 94.1 cents for residential consumers. The industrial price, however, rose to 26.9 cents. The average wellhead price had gone up to 7.3 cents, a sharp increase from 6.5 cents in the preceding year.

The percentage of the residential price had increased from 6.66 percent to 7.76 percent, an increase of more than 10 percent. The percentage of the industrial price had gone to 27.14 percent.

In 1952, the residential price was also a little less, at 93.4 cents. The industrial price was 27.5 cents. The average wellhead price was 7.8 cents. The percentage of the residential price was 8.35 percent, another substantial increase. The percentage of the industrial price received by the producer was also up—this time to 28.36 percent.

In 1953, the residential price jumped from 93.4 cents to 95.6 cents. The industrial price went up also to 29.4 cents. The average wellhead price increased from 7.8 cents to 9.2 cents. The percentage of the residential price received by the producer went up from 8.35 percent to 9.62 percent. The percentage of the industrial price had gone up to 32.39 percent.

In 1954, there was a very substantial increase, perhaps the most significant that has been suffered by the gas consumer. The price jumped from 95.6 cents to 102.9 cents, or to more than a dollar. The industrial price rose from 29.4 cents to 30.8 cents. The average wellhead price increased from 9.2 cents to 10.1 cents. The percentage of the residential price received by the producer climbed again, from 9.62 percent to 9.82 percent. The percentage of the industrial price rose from 32.39 percent to 32.80 percent.

In 1955, the residential price remained above a dollar, although it was not quite as high as in 1954. It was 100.3 cents, or slightly above a dollar. That was the residential price. The industrial price once again rose, from 30.8 cents to 32 cents. The average wellhead price rose to 10.4 cents. The percentage of the residential price had climbed once again, to 10.37 percent. The percentage of the industrial price rose to 32.50 percent.

What happens—and this is a very interesting fact—is that the pipeline, which is regulated and which everyone inside and outside the industry agrees should be regulated, and the distributing utility, which is regulated, and which everyone agrees should be regulated, obviously sometimes decrease the price. This is the reason why in some years residential prices are less and sometimes industrial prices may be less.

PRODUCER PRICES ALWAYS GO UP

However, the price which the producer at the wellhead receives is never less. It is always higher. It always climbs. It always goes up. Why? Because the Federal Power Commission has refused to regulate the producer at the wellhead.

Furthermore, the household consumer who has his own furnace and his own gas range is the principal victim of these increases. The gas distributor is very much aware of the competition so far as the industrial user is concerned. The industrial user can shift to competitive fuels. In many cases, he can shift to coal or perhaps to oil—not always, but usually. But the household user is frozen in. He has no alternative, unless he is willing to make what would be a large investment for most householders.

If he has a gas furnace and wishes to convert to oil, the conversion may cost hundreds of dollars, perhaps as much as a thousand dollars. If he has a gas range and wishes to convert to electricity or some other source of fuel, he will have to spend a large sum of money; and few householders feel that they can afford to do so. The result is that the distributor is always able to pass onto the householder the higher price charged by the producer.

Thus, the industrial price in Illinois during these years is about a third of the price to the residential user. The residential user pays a much higher price. The price increased substantially over the years of the past decade and reflected an increase in the price paid to the producer at the wellhead.

In 1956, in Illinois, the residential price was 103.3 cents. That was a substantial increase. The industrial price was 33.3 cents. The wellhead price, once again, went up to 10.8 cents.

Once again, the residential price climbed 10.45 percent, and the industrial price climbed, this time, 32.73 percent.

In 1957, owing entirely to the fact that the utility or pipeline wished to reduce its operation, the housewife received a reduction in price; but she still had to pay a high price. She would have received a bigger reduction in price if she had not had to pay the producer the increase, because in that year the residential price declined by 1 cent per 1,000 cubic feet. The industrial price declined one-third of a cent. But the average wellhead price increased by half a cent. The percentage of the residential price, once again, climbed to 11.05 percent. The percentage of industrial price climbed this time to 34 percent.

In 1958 there was the biggest, most decisive rise in any one year in the price to the housewife—this time, from 102.3 cents to 110.7 cents. That was a sharp increase. The industrial price also went up, rising from 33 cents to 37.9 cents. The average wellhead price went up, once again, as it always does, this time to 11.9 cents.

The percentage of the residential price occupied by the producer went to 10.75 percent; and the percentage of the industrial price to 31.40 percent.

In 1959, the residential price again climbed. This time the householder had to pay 114.2 cents. The industrial price went to 38.4 cents, a new high—as was the residential price. The average wellhead price once again went up, this time to 12.9 cents—almost 13 cents. The percentage of the residential price climbed to 11.30 percent, a new high. The percentage of industrial price climbed to 33.59 percent.

In Illinois, during this period, there was an increase in the residential price from 97.69 cents, in 1950, to $1.14 in 1959. The increase in the industrial price was from 24.1 cents to 38.4 cents. The increase in the price at the wellhead was from 6.5 cents to 12.9 cents, almost double in 10 years.

The proportion which the producer received of the amount the householder paid went from 6.6 percent to 11.30 percent, a very sharp increase in a period of 10 years. The percentage of industrial price jumped from 26.9 percent to 33.9 percent. That is the percentage the producer received.

I recognize that it takes time to present these statistics, but I am doing so because I feel strongly that this case ought to be made in detail. It is exactly the kind of hard, tedious detail which is necessary to make the point.

I was challenged in the hearing by the distinguished Senator from Texas [Mr. YARBOROUGH], the distinguished Senator from South Carolina [Mr. THURMOND], and the distinguished Senator from Oklahoma [Mr. MONRONEY], most of whom argued that the producer is not really important; that he is not getting very much; that I was talking about the wrong group; that I ought to go after the lions, as it is said. It is argued that the producer is relatively insignificant.

WELLHEAD PRICE SIGNIFICANT

I have here statistics—and I have many more to place in the RECORD—which are overwhelming in their indication that the residential price has been rising. The proportion which the producer has been getting has been climbing relentlessly and steadily. It is becoming a more and more significant part of the amount the householder has to pay, and it is already substantially more than one-third of the amount industry has to pay. Furthermore, it gives a big impetus to the whole cost of natural gas. It is the reason why the householder has to pay more in virtually every year. It is the reason why this increase has been far more inflationary than other elements in the cost of living.

I shall discuss the rest of the statistics more rapidly, because I wish to finish this subject.

In Iowa, in 1950, the price of natural gas to residential users was 68.8 cents a thousand cubic feet. To industrial users, the price was 19.9 cents a thousand cubic feet.

That same year the national average wellhead price was 6.5 cents a thousand cubic feet. This amounted to 9.45 percent of the price to residential users, and 32.55 percent of the price to industrial users.

SOARING PRICE INEVITABLE

The 68.8 cents a thousand cubic feet which Iowa householders had to pay climbed in the next year to 76.3 cents, then to 78 cents, then to 80 cents in 1953, and finally, in 1959, to 86.2 cents. It was a steady, relentless, inevitable climb.

The amount the industrial users had to pay climbed steadily from 19.9 cents in 1950 to 22 cents, 25 cents, and finally, to 30.8 cents in 1959.

Mr. MANSFIELD. Mr. President, will the Senator from Wisconsin yield, without losing his right to the floor?

Mr. PROXMIRE. Mr. President, I yield to the distinguished Senator from Montana, provided I do not lose the floor.

Mr. MANSFIELD. Mr. President, with the understanding that the Senator from Wisconsin will not lose the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Madam President, I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION TOMORROW

As in legislative session,

On the request of Mr. MORSE, and by unanimous consent, the Education Subcommittee of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate tomorrow.

Mr. MORSE subsequently said: Madam President, will the Senator from Wisconsin yield to accommodate me once more?

Mr. PROXMIRE. Madam President, I ask unanimous consent that I may yield to the Senator from Oregon without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. MORSE. Madam President, I was requested to come to the Senate and to make a unanimous-consent request that the Subcommittee on Education of the Committee on Labor and Public Welfare proceed tomorrow with its hearings. I understood that was quite proper.

My friend from Illinois, the minority leader [Mr. DIRKSEN], tells me there may be some objection on the part of some Senator. Therefore, I ask unanimous consent to vacate the order giving authority for the committee to meet until the minority leader can confer further.

Let the RECORD show that I announced the hearings would be held. I served notice of the hearings last week. I think—I say to the Senator from Illinois—it was on Friday. We can check that, and the RECORD will show.

Witnesses have been invited from all over the country to testify in these hearings. The hearings are being held on the Hill higher education bill, which is the administration higher education bill. I am simply a servant of the people in regard to this. I am the chairman of the subcommittee, with a duty of conducting the hearings.

I am sure my friend from Illinois knows how I conduct hearings. Witnesses come to testify before the committee and to tell their story. We get our record first. That is what I plan to do.

I would, on bended knee, beseech my friend to urge his colleagues to let the hearings proceed, so that we may make the record. There will be no votes, but only the taking of a public record.

I served notice last Friday. My statement made clear that 75 copies of testimony of witnesses had to be filed with the committee, in the usual formal announcement. I see no reason why the testimony cannot be taken. It would be quite a different matter, it seems to me, if there were to be a meeting at which we would have any votes, but we are not having such a meeting.

Mr. DIRKSEN. Madam President, if the Senator will yield, he was entirely within his right to make the request.

I, too, am a servant of the people and, in addition, I serve my party. I find it necessary always to confer with Senators to see whether there is objection. The custom has been, of course, to clear these requests through the leadership.

I should be more than delighted to get in touch with members of the committee at once, to see whether an objection would lie, or whether any objection will be withdrawn.

Mr. MORSE. I shall appreciate any help the Senator can give.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? Without objection, the order is vacated.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 54. An act to grant 81 acres of public domain to the Cacopah Indians in Arizona;

S. 539. An act to make nationals, American and foreign, eligible for certain scholarships under the Surplus Property Act of 1944, as amended;

S. 614. An act to authorize the use of Commodity Credit Corporation-owned surplus grain by the States for emergency use in the feeding of resident game birds and other resident wildlife; to authorize the use of such surplus grain by the Secretary of the Interior for emergency use in the feeding of migratory birds, and for other purposes;

S. 763. An act to authorize annual appropriation to reimburse Commodity Credit Corporation for net realized losses sustained during any fiscal year in lieu of annual appropriations to restore capital impairment based on annual Treasury appraisals, and for other purposes;

S. 809. An act to authorize the transfer of a Bureau of Reclamation bridge across the Colorado River near Needles, Calif., to San Bernardino County, Calif., and Mohave County, Ariz.;

S. 881. An act to revise section 4166 of the Revised Statutes (46 U.S.C. 35) to permit documentation of vessels sold or transferred abroad; and

S. 1087. An act to authorize and direct the transfer of certain Federal property to the government of American Samoa.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 2203) to authorize the Secretary of the Interior to exchange certain property in Rocky Mountain National Park, Colo., and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 5518) to revise the boundaries of the Fort Raleigh National Historic Site in North Carolina, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1643), an act to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes, and it was signed by the President pro tempore.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

Mr. PROXMIRE. Madam President, as I was saying, in Iowa there were increases all along the line—in the residential price, the industrial price, in the average wellhead price, in the percentage of the residential price received by producers, and in the percentage of the industrial price received by the producers. All of them went up; and the statistics in this connection are very surprising. In Iowa, the residential price jumped from 68.8 cents to 86.2 cents; the industrial price rose from 19.9 cents to 30.8 cents; and the average wellhead price rose from 6.5 cents to 12.9 cents—it virtually doubled, as was the case in Illinois; and the percentage of the residential price received by producers went up from 9.45 percent to 14.97 percent. In other words, the producers at the wellhead—not the pipelines, not the distributing utilities, but the producers—are receiving more and more and more; and although they received practically 15 percent of the residential price, they received 41.88 percent of the industrial price, in Iowa, in 1959.

TREND IS CONSTANT

I do not have the statistics for either Illinois or Iowa for 1960–61, of course; but if I had them, I am sure they, also, would indicate that the producers are receiving increasingly more, and that this trend, which has been so firm and so constant, has continued.

I ask unanimous consent that the table in regard to Iowa be printed in its entirety at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Iowa, 1951–59

Year	Residential price	Industrial price	Average wellhead price	Percent of residential price	Percent of industrial price
	Cents	*Cents*	*Cents*		
1951	76.3	22.1	7.3	9.57	33.03
1952	78.6	25.6	7.8	9.92	30.47
1953	80.0	21.8	9.2	11.50	42.20
1954	80.1	27.1	10.1	12.61	37.27
1955	82.8	28.2	10.4	12.56	36.88
1956	82.4	29.6	10.8	13.11	36.49
1957	83.7	29.9	11.3	13.50	37.79
1958	83.8	31.1	11.9	14.20	38.26
1959	86.2	30.8	12.9	14.97	41.88

Mr. PROXMIRE. Madam President, in the State of Michigan, in 1950, the price of natural gas to residential users

was 85.4 cents per 1,000 cubic feet, and the price to industrial users was 50.3 cents per 1,000 cubic feet. The same year the national average wellhead price was 6.5 cents per 1,000 cubic feet. This amounted to 7.61 percent of the price to residential users and 12.92 percent of the price to industrial users.

In the period between 1950 and 1959, the householder had to suffer an increase from 85.4 cents to 95.1 cents; and although the increase was not regular, it was obviously in only one direction—up. The industrial price also increased—from 50.3 cents to 61.3 cents. Once again the producer at the wellhead was receiving more and more. The national average wellhead price rose in that period from 6.5 cents per 1,000 cubic feet to 12.9 cents per 1,000 cubic feet—it virtually doubled. Once again the percentage of the residential price received by the producers rose—in this case, from 7.61 percent of the price to the residential users to 13.56 percent of the price to the residential users; and the percentage of the individual price received by the producers rose from 12.92 percent in 1950 to 21.04 percent in 1959.

PRODUCERS GET INCREASING PORTION

Obviously the producers are getting a larger and larger proportion, and clearly the producers are an increasingly important element in the price that the housewife and industry in Michigan, Illinois, and Iowa have to pay for their gas. This is why the decisions of the Supreme Court in the Phillips case and in the Catco case are so enormously important, and this is why the opposition to those decisions and the opposition to that policy of regulation of the industry by those closely associated with the nominee and by the Independent Petroleum Producers Association, of which the nominee has been a very active member, are also so important.

Madam President, I ask unanimous consent that the entire table relating to Michigan be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Michigan, 1951–59

Year	Residential price	Industrial price	Average wellhead price	Percent of residential price	Percent of industrial price
	Cents	*Cents*	*Cents*		
1951	83.8	53.2	7.3	8.71	13.72
1952	85.0	51.0	7.8	9.18	15.29
1953	97.1	54.1	9.2	9.47	17.00
1954	95.2	54.8	10.1	10.61	18.43
1955	93.1	53.3	10.4	11.17	19.51
1956	94.1	54.8	10.8	11.48	19.71
1957	92.8	53.6	11.3	12.18	21.08
1958	94.4	54.9	11.9	12.61	21.67
1959	95.1	61.3	12.9	13.56	21.04

Mr. PROXMIRE. In the State of Minnesota in 1950, the price of natural gas to residential users was 72.3 cents per 1,000 cubic feet and the price to industrial users was 22 cents per 1,000 cubic feet. In the same year the national average wellhead price was 6.5 cents per 1,000 cubic feet. This amounted to 8.99 percent of the price to residential users and 29.55 percent of the price to industrial users.

Again the price of natural gas climbed relentlessly—in the case of the residential price, from 72.3 cents per 1,000 cubic feet to 97.1 cents per 1,000 cubic feet in 1959. So in Minnesota, as in other States, the residential user had to pay more. In Minnesota the industrial price also increased during the same period—from 22 cents per 1,000 cubic feet to 28.6 cents per 1,000 cubic feet. And again, as in all cases, the wellhead price increased; in fact, in Minnesota it virtually doubled. And the percentage of the residential price received by producers increased from 8.99 percent to 13.29 percent; and the percentage of the industrial price received by the producers increased from 29.55 percent—almost 30 percent—to more than 45 percent.

PRODUCERS ARE IMPORTANT

When the senior Senator from Texas says—as he said in the hearing—that the producers are not really a very important factor in the cost of gas to the ultimate users, this evidence in regard to Minnesota overwhelmingly contradicts that statement, it seems to me, because the producer was the overwhelmingly important factor. He received almost as large a proportion as the combined amounts received by the pipelines and the distributing facilities. Furthermore, Michigan and Minnesota, unlike Texas and Oklahoma, do not have the advantage of being right in the major gas-producing area; and, accordingly, the enormous proportion which the producers receive is particularly pertinent.

I ask unanimous consent that the entire table in regard to Minnesota be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Minnesota, 1951–59

Year	Residential price	Industrial price	Average wellhead price	Percent of residential price	Percent of industrial price
	Cents	*Cents*	*Cents*		
1951	69.3	23.8	7.3	10.53	30.67
1952	75.8	27.3	7.8	10.29	28.57
1953	77.5	29.6	9.2	11.87	31.08
1954	79.9	31.6	10.1	12.64	31.96
1955	88.1	30.7	10.4	11.80	33.88
1956	94.3	28.3	10.8	11.45	38.16
1957	94.2	27.9	11.3	12.00	40.50
1958	97.4	27.9	11.9	12.22	42.65
1959	97.1	28.6	12.9	13.29	45.10

Mr. PROXMIRE. In the State of Missouri in 1950, the price of natural gas to residential users was 69.9 cents per 1,000 cubic feet, and the price to industrial users was 20.3 cents per 1,000 cubic feet. In the same year the national average wellhead price was 6.5 cents per 1,000 cubic feet. This amounted to 9.30 percent of the price to residential users and 32.02 percent of the price to industrial users.

But by 1959 the residential price had increased from 69.9 cents to 80.2 cents. For industrial users the price jumped from 20.3 cents to 28.1 cents in Missouri.

The average wellhead price was the same in Missouri as it was in the other States.

Therefore, the percentage received by the producer for residential production climbed from 9.3 percent to 16 percent.

In industrial price, the producers received 32 percent in 1950 and 45.91 percent in 1959.

Obviously the producer, as he has been, and as the industry wants him to do, is receiving a larger and larger share, a very nearly dominating share, nearly half the share in the State of Missouri, of the amount paid by industrial users of gas.

I ask unanimous consent to have the table on Missouri printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Missouri, 1951–59

Year	Residential price	Industrial price	Average wellhead price	Percent of residential price	Percent of industrial price
	Cents	*Cents*	*Cents*		
1951	67.5	22.6	7.3	10.81	32.30
1952	60.1	23.7	7.8	11.45	32.91
1953	72.3	24.3	9.2	12.72	37.86
1954	71.6	26.1	10.1	14.11	38.69
1955	75.5	26.3	10.4	13.77	39.54
1956	75.1	26.5	10.8	14.38	40.75
1957	73.8	27.4	11.3	15.31	41.24
1958	81.6	26.5	11.9	14.58	44.91
1959	80.2	28.1	12.9	16.08	45.91

Mr. PROXMIRE. In the State of New York in 1950, the price of natural gas to residential users was 88.7 cents per 1,000 cubic feet and the price to industrial users was 60.1 cents per 1,000 cubic feet. That same year the national average wellhead price was 6.5 cents per 1,000 cubic feet. This amounted to 7.33 percent of the price to residential users and 10.82 percent of the price to industrial users.

Between 1950 and 1959, the householder in New York faced an increase in price from 88.7 cents per 1,000 cubic feet to 165.3 cents—a great increase in cost.

The price for industrial users jumped from 60.1 cents per 1,000 cubic feet to 65.1 cents in 1957. Then it dropped to 61.5 cents in 1959.

There again, it is clear that the strong competitive position of the industrial users, who were able to use competitive fuels, enabled them to prevent the very much larger increase in prices which the housewife had to pay. The increase in payment was made more and more to the producer. The percentage received by the producer increased to 7.80 percent in New York.

NEW YORK POOR EXAMPLE

The reason why it did not increase more rapidly and the reason why it is as low as it is, is, of course, due to the engineering situation in New York City and other areas. The cost of installing a gas pipeline in Manhattan and in the other boroughs of New York City is very high, particularly in Manhattan, because it is based on bedrock. Pipelines can be installed there only by very expensive blasting through bedrock. Therefore, the pipeline companies must charge a higher proportion, because it is the only way they can be compensated for the great expense of installing a pipeline there.

This is the reason why the proponents of exemption always point to New York City and say the producer is not getting

very much, because the producer gets only 7 or 8 percent of the price the housewife has to pay. New York City is exceptional because of the engineering problems involved in installing a pipeline there.

I ask unanimous consent that the table pertaining to New York be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

New York, 1951–59

Year	Residential price	Industrial price	Average wellhead price	Percent of residential price	Percent of industrial price
	Cents	*Cents*	*Cents*		
1951	127.7	47.2	7.3	5.71	15.47
1952	176.0	55.5	7.8	4.43	14.05
1953	152.6	66.7	9.2	6.03	13.79
1954	147.5	63.4	10.1	6.85	15.93
1955	111.4	60.4	10.4	9.34	17.22
1956	122.7	64.8	10.8	8.80	16.66
1957	152.2	65.1	11.3	7.42	17.36
1958	148.7	63.8	11.9	8.00	18.65
1959	165.3	61.5	12.9	7.80	20.98

Mr. PROXMIRE. In the State of Ohio in 1950, the price of natural gas to residential users was 60.4 cents per 1,000 cubic feet and the price to industrial users was 39.8 cents per 1,000 cubic feet. That same year the national average wellhead price was 6.5 cents per 1,000 cubic feet. This amounted to 10.76 percent of the price to residential users and 16.33 percent of the price to industrial users.

The experience in Ohio was so similar to the other States I have mentioned that I ask unanimous consent to have the table pertaining to Ohio placed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Ohio, 1951–59

Year	Residential price	Industrial price	Average wellhead price	Percent of residential price	Percent of industrial price
	Cents	*Cents*	*Cents*		
1951	60.0	40.5	7.3	12.17	18.02
1952	60.7	43.2	7.8	12.85	18.06
1953	64.2	45.7	9.2	14.33	20.13
1954	66.4	47.5	10.1	15.21	21.26
1955	67.2	47.3	10.4	15.48	21.99
1956	68.2	47.4	10.8	15.83	22.78
1957	71.8	48.9	11.3	15.74	23.11
1958	73.1	50.3	11.9	16.14	23.66
1959	74.5	51.5	12.9	17.32	25.05

Mr. PROXMIRE. Pennsylvania, which is a producer as well as a consumer of natural gas, is in a somewhat different position from some of the other States I have mentioned. Nevertheless, Pennsylvania is far more of a consumer of natural gas than a producer, and Pennsylvania users suffered an increase that was sharper than that in many other areas.

In the Commonwealth of Pennsylvania in 1950, the price of natural gas to residential users was 76 cents per 1,000 cubic feet and the price to industrial users was 36 cents per 1,000 cubic feet. This amounted to 9.7 percent of the price to residential users and 18 percent of the price to industrial users.

The price of natural gas to residential users increased from 67 cents per 1,000 cubic feet in 1950 to 103.5 cents in 1959.

For industrial users it increased from 36 cents per 1,000 cubic feet in 1950 to 53 cents per 1,000 feet in 1959.

The average wellhead price was the same in Pennsylvania as elsewhere. The percentage of residential price received by producers jumped from 9.7 percent to 12.46 percent; and the percentage of the industrial price increased from 18 percent to 23.34 percent in that 10-year span.

I ask unanimous consent that the table for Pennsylvania be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Pennsylvania, 1951–59

Year	Residential price	Industrial price	Average wellhead price	Percent of residential price	Percent of industrial price
	Cents	*Cents*	*Cents*		
1951	79.8	39.5	7.3	9.14	18.48
1952	86.4	40.5	7.8	9.02	19.25
1953	90.7	42.2	9.2	10.14	21.80
1954	91.9	44.7	10.1	10.90	22.50
1955	99.4	52.7	10.4	10.40	19.70
1956	91.9	50.5	10.8	11.70	21.30
1957	95.5	50.1	11.3	11.80	22.55
1958	100.6	48.2	11.9	11.83	24.69
1959	103.5	53.0	12.9	12.46	24.34

Mr. PROXMIRE. Madam President, I am going into detail because it seems to me each of these tables tells the most important kind of story about the impact on the consumer, as a matter of documented fact, of the policies of the Federal Power Commission, policies which are sure to be encouraged and continued if the appointment of Mr. O'Connor is approved.

In the State of Kansas in 1950, the price of natural gas to residential users was 48.1 cents per 1,000 cubic feet and the price to industrial users was 13.3 cents per 1,000 cubic feet. That same year the average State wellhead price was 6.6 cents per 1,000 cubic feet. This amounted to 13.72 percent of the price to residential users and 49.62 percent of the price to industrial users.

The fact is that the residential price increased from 48.1 cents per 1,000 cubic feet to 56.1 cents during the decade.

The industrial price increased from 13.3 to 20.2 cents.

The producer got a larger and larger share, so that by the end of the decade, in 1959, the producer was receiving 21.39 percent of the residential price and he was receiving 59.40 percent of the industrial price.

So the argument by the distinguished Senator from Texas and the Commission that the producer is not much of a factor, and that he never received anything like 50 percent of the costs, is not true, based on the statistics. The fact is that in 1959, in Kansas the producer was receiving 59 percent of the price of industrial gas.

I ask unanimous consent to have the table relating to Kansas printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Kansas, 1951–59

Year	Residential price	Industrial price	Average wellhead price	Percent of residential price	Percent of industrial price
	Cents	*Cents*	*Cents*		
1951	47.3	14.2	8.1	17.12	57.04
1952	48.5	15.8	8.3	17.11	52.53
1953	49.4	16.2	8.6	17.41	53.09
1954	50.3	18.0	10.6	21.07	58.88
1955	57.7	27.2	11.1	19.23	40.08
1956	55.6	18.9	11.3	40.64	59.78
1957	55.0	19.2	11.4	20.72	59.38
1958	60.4	20.4	11.4	18.87	55.88
1959	56.1	20.2	12.0	21.39	59.40

Mr. PROXMIRE. Madam President, the State of Louisiana is a very important producer of natural gas. In the State of Louisiana in 1950 the price of natural gas to residential users was 60.2 cents per thousand cubic feet. The price to industrial users was 10.1 cents per thousand cubic feet. That same year the average wellhead price was 5.3 cents per thousand cubic feet.

This is a really dramatic example of the benefits the producer receives from an increase in prices to the householder.

WELLHEAD PRICE TRIPLED

In Louisiana the price of natural gas to the householder increased to 61 cents during the decade. The industrial price jumped from 10.1 cents to 18.8 cents, or almost doubled. The average wellhead price went from 5.3 cents to 15.4 cents, or virtually tripled. The percentage of residential price received by the producer went from 8.8 percent to 25.24 percent, or virtually tripled.

Even more interesting is the proportion of the price paid by industrial users received by the producers.

I ask Senators to keep in mind that the Senator from Texas [Mr. YARBOROUGH] argued in the committee that the producers are not a very significant factor and that he has never heard of their getting more than 50 percent. The fact is that in Louisiana the producers received 52.48 percent in 1950, but by 1959, the end of the decade, they were receiving 81.91 percent of the amount which was paid by industrial users of natural gas—81.91 percent. Anyone who argues that the producer's rate is not a significant factor—is small or modest or unimportant—has only to look at the situation in Louisiana.

I ask unanimous consent that the table for Louisiana be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Louisiana, 1951–59

Year	Residential price	Industrial price	Average wellhead price	Percent of residential price	Percent of industrial price
	Cents	*Cents*	*Cents*		
1951	59.6	11.0	5.8	9.89	52.73
1952	60.2	11.3	6.7	11.13	59.29
1953	62.0	13.4	8.2	13.23	61.19
1954	60.9	14.3	8.9	14.45	62.23
1955	62.9	14.8	11.3	17.96	76.35
1956	64.5	15.4	11.4	17.67	74.02
1957	65.0	15.9	11.2	17.23	70.44
1958	63.0	16.8	12.9	20.47	76.79
1959	61.0	18.8	15.4	25.24	81.91

Mr. PROXMIRE. In the State of New Mexico in 1950 the price of natural gas to residential users was 66 cents per 1,000 cubic feet, and the price to industrial users was 16.5 cents per 1,000 cubic feet.

The price jumped, in the case of residential users, from 66 cents to 79 cents. The householder had to pay that much more. The gas bills went up by that much. That was an increase of about 20 percent to the householder during the brief 10-year period.

The price for industrial users climbed from 16.5 cents up to 19.7 cents.

The average wellhead price moved from 3 cents up to 10 cents.

The percentage of the residential price moved from 4.55 percent of the price to residential users in 1950 to 12.65 percent in 1959.

The percentage of the price paid by industrial users moved up from 18.18 percent in 1950 to 50.76 percent in 1959.

I ask unanimous consent that the table on New Mexico may be printed in the RECORD, at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

New Mexico, 1951–59

Year	Residential price	Industrial price	Average wellhead price	Percent of residential price	Percent of industrial price
	Cents	*Cents*	*Cents*		
1951	67.3	8.5	3.8	5.65	44.71
1952	69.2	8.8	4.6	6.65	52.27
1953	67.8	19.9	6.1	9.00	30.65
1954	67.9	17.9	7.8	11.49	43.58
1955	67.5	18.3	8.9	13.19	48.68
1956	74.1	20.4	8.8	11.88	43.14
1957	73.3	18.0	9.4	12.82	52.22
1958	73.7	20.1	10.4	14.11	51.74
1959	79.0	19.7	10.0	12.65	50.76

Mr. PROXMIRE. In the State of Oklahoma in 1950 the price of natural gas to residential users was 31.3 cents per 1,000 cubic feet, and during the next 10 years it jumped from 31.3 cents to 66.8 cents. It doubled. That was more than a 100-percent increase, between 1950 and 1959, for the householders who used natural gas.

So far as industrial users are concerned, the price climbed from 11.6 cents per 1,000 cubic feet to 17.5 cents.

During this period the average wellhead price moved from 4.9 cents to 10.0 cents.

Once again, the producer received a larger and larger share. His share moved from 11.7 percent in 1951 up to 14.97 percent of the price for the residential user in 1959.

Almost half the price paid for industrial gas, 42.24 percent, went to the ultimate producer in 1950 in Oklahoma, but by 1959, 57.71 percent went to the ultimate producer. In other words, he received substantially more than half.

I ask unanimous consent to have the table with reference to the State of Oklahoma printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Oklahoma, 1951–59

Year	Residential price	Industrial price	Average wellhead price	Percent of residential price	Percent of industrial price
	Cents	*Cents*	*Cents*		
1951	45.3	11.8	5.3	11.70	44.92
1952	50.8	12.4	5.4	10.63	43.55
1953	55.7	14.3	6.9	12.39	48.25
1954	60.6	16.1	7.0	11.55	43.48
1955	60.8	16.7	7.4	12.17	44.31
1956	61.6	16.5	8.0	12.99	48.48
1957	61.0	16.7	8.3	13.61	49.70
1958	66.9	17.3	10.1	15.09	58.38
1959	66.8	17.5	10.0	14.97	57.71

Mr. PROXMIRE. In the State of Texas in 1950 the price of natural gas to residential users was 38.9 cents per thousand cubic feet, and the price to industrial users was 8.8 cents per thousand cubic feet. The State of Texas is the great producing State of the Union. Even there the consumers greatly outnumber the producers.

In the State of Texas residential users found the prices going from 38.9 cents up to 76 cents.

The industrial price went from 8.8 cents to 17 cents, or nearly double.

PRODUCER PERCENTAGE JUMPED

The average wellhead price climbed from 4.7 cents per thousand cubic feet to 10.8 cents, or much more than double.

The percentage of the residential price which the producer received jumped from 8.63 percent in 1951 to 14.21 percent in 1959.

The percentage of the industrial price received by the producer went from 53.41 percent to 63.52 percent, from more than one-half to just about two-thirds.

I ask unanimous consent that the table for Texas may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Texas, 1951–59

Year	Residential price	Industrial price	Average wellhead price	Percent of residential price	Percent of industrial price
	Cents	*Cents*	*Cents*		
1951	62.6	9.7	5.4	8.63	55.67
1952	65.1	10.9	6.2	9.52	56.88
1953	69.5	11.7	7.6	10.94	64.96
1954	70.8	12.0	8.5	12.01	70.83
1955	71.4	14.4	8.0	11.20	56.11
1956	72.5	14.0	8.7	12.00	62.14
1957	65.7	14.8	9.7	14.76	65.54
1958	71.1	16.0	10.0	14.06	62.50
1959	76.0	17.0	10.8	14.21	63.52

Mr. PROXMIRE. Madam President, let me summarize what I just read into the RECORD. It is clear from the RECORD that the price of natural gas to householders throughout America, on the basis at least of these studies, generally has been climbing. It is also clear that the price to industrial users of natural gas has been climbing. It is also clear that the price of gas to householders is far greater than the price to industrial users.

IS IT JUSTIFIED?

There are reasons for that difference. But whether those reasons are justified or not is a considerable question. But it is emphatically clear that the producers of natural gas are receiving a larger and larger price. They are receiving more each year. Furthermore, they are receiving a larger proportion of the amount paid by the householder, and they are receiving a larger proportion of the price paid by the industrial user. They are becoming a far more significant factor than they have been in the past. They are approximately twice as significant a factor in the cost of gas to a householder. The gas industry is becoming an extremely important factor—ranging from about one-third to as high as 80 percent in the case of Louisiana—in the cost of gas to the industrial user. So in spite of protestations to the contrary in the hearings, on the basis of the statistics and the facts which the Bureau of Mines has supplied to me it is perfectly obvious, first, the producer is a very important factor in the cost of natural gas to the consumer; second, the price has been going up; third, it has been going up very rapidly.

This point is a central issue in the nomination of Mr. O'Connor, because Mr. O'Connor is an important representative of the Independent Petroleum Producers Association. Mr. O'Connor, as vice president of the Goldston Oil Co., has been identified constantly with the viewpoint that producers should not be regulated.

LAW IGNORED

The law of the land, as stated by the Congress of the United States in the Natural Gas Act of 1938, as underlined and emphasized by the Supreme Court in the Phillips case in 1954, as brought out in the Catco case by the Supreme Court in 1959, has been ignored by the Federal Power Commission. With the appointment of an industry man like Mr. O'Connor to the Commission, it is predictable and virtually certain that at least this representative on the Federal Power Commission will continue to have that viewpoint.

(At this point Mr. HICKEY took the chair as Presiding Officer.)

Mr. PROXMIRE. Mr. President, I now wish to discuss the hearings, and in order to save time, I ask unanimous consent to have the hearings, relating to Mr. O'Connor, which were relatively brief, consuming a little over an hour, printed at this point in the RECORD.

There being no objection, the transcript of the hearing was ordered to be printed in the RECORD, as follows:

NOMINATION OF LAWRENCE J. O'CONNOR, JR., OF TEXAS, TO BE A MEMBER OF THE FEDERAL POWER COMMISSION, FOR THE TERM OF 5 YEARS EXPIRING JUNE 22, 1966, VICE ARTHUR KLINE, TERM EXPIRED

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C.,
Wednesday, July 26, 1961.

The committee met, pursuant to notice, at 10 a.m., in room 5110, New Senate Office Building, HON. WARREN G. MAGNUSON (chairman of the committee) presiding.

The CHAIRMAN. Mr. Lawrence J. O'Connor, Jr., of Texas, to be a member of the Federal Power Commission. Mr. O'Connor is here, I know. Will you please come forward?

STATEMENT OF HON. RALPH YARBOROUGH, OF TEXAS

Senator YARBOROUGH. Mr. Chairman, I would like to have the privilege of introducing this resident of my home State.

The CHAIRMAN. We will be glad to have you do so, Senator.

Senator YARBOROUGH. Mr. Chairman, Mr. O'Connor is a resident of my State. Unfortunately he is not a native of Texas, but he was born pretty close by in Tulsa, Okla., was carried to Pennsylvania when a youth and grew up in Pennsylvania, but got back to Oklahoma in time to graduate from Central High School, and showed better judgment from then on.

He went to Rice University for his bachelor's degree and then received a master's degree in business administration from Harvard University.

Since then he has lived in Houston, and has been in business there. He was director and vice president of the Houston district of the Independent Petroleum Association of America, chairman of the tax study committee of that association and on committees dealing with oil and gas supply and demand and with natural gas, oil and gas productive capacity and economic and cost studies, and has served as director and vice president of the Houston chapter of the Tax Executives Institute.

He is a licensed certified and public accountant in Texas.

Mr. Chairman, I think it is an unusual tribute to Mr. O'Connor, that when he became assistant director of the Department of Oil and Gas in the Interior Department in 1959, I heard no protest. Now, to those who don't know about the oil and gas industry, it is torn asunder by internal differences of opinion. I see the distinguished Senator from Kansas smile. He knows from his State how bitter the fight between the companies is. Mr. O'Connor then was administrator of the Oil Import Administration, Department of Interior, appointed on July 1, 1960, by Secretary of the Interior Fred Seaton, and has served under both Republican and Democratic administrations, appointed by both. I have never had a complaint in my office from the industry about his service, and that is in an industry that is torn by factionalism. I think it is a high tribute to him that he could serve in this critical area of oil imports, where they allocate between companies how much oil each company can import, with so little complaint of him.

It shows a great aptitude, I think, for administration. I personally never heard of Mr. O'Connor taking part in any partisan politics in Texas. He has shown a judicious temperament in his actions and a great governmental capacity for giving the patient and careful consideration that the complaints merited. They thought they had a fair shake and didn't have to come and complain to the Senate about the consideration or lack of it or favoritism.

I think it is the type of administration that helps us a great deal in these regulatory bodies, if we can put people on there that are so fair in their attitude we don't have any complaints. I want to commend him for the way he discharged the duties of the office down there in that critical field, where he has been able to so conduct himself as to cause no complaints to my office in all the time he has been there.

I am happy to recommend him to the committee and recommend that this committee vote approval of the President's appointment of him to the Federal Power Commission.

The CHAIRMAN. Thank you, Senator. Mr. O'Connor submitted his biography, which we will place in the record in full.

(The biography referred to follows:)

"LAWRENCE J. O'CONNOR, JR., ADMINISTRATOR, OIL IMPORT ADMINISTRATION

"Lawrence J. O'Connor, Jr., Houston, Tex., was appointed Administrator of the Oil Import Administration of the Department of the Interior on July 1, 1960, by Secretary of the Interior Fred A. Seaton.

"Mr. O'Connor served as Assistant Director of the Department's Office of Oil and Gas since October 15, 1959.

"Mr. O'Connor was born at Tulsa, Okla., on December 29, 1914. He spent most of his early childhood in Butler, Pa., and then returned to Tulsa where he graduated from Central High School. He received his B.A. degree from Rice University and a master's degree in business administration from Harvard University.

"He has served as director and vice president, Houston district, Independent Petroleum Association of America. He was chairman of the tax study committee of that association and on committees dealing with oil and gas supply and demand, natural gas, oil and gas productive capacity, and economic and cost studies. He has served as director and vice president, Houston chapter of the Tax Executives Institute. O'Connor is a licensed certified public accountant in Texas.

"During the period September 1, 1938, to March 1, 1945, he was employed by the certified public accounting firm of Haskins & Sells, Houston, Tex. From April 1, 1945, to September 30, 1958, he was employed by the Goldston Oil Corp. of Houston where he advanced to vice president and treasurer. From October 1, 1958, to October 1959, he was self-employed as a consultant, engaged in special studies and programs for future oil and gas exploration activities.

"Federal Power Commission

"Name	Term expires	Politics	Residence
Arthur Kline	June 22, 1961	Republican	Wyoming.
Jerome K. Kuykendall	June 22, 1962	do	Washington.
Howard Morgan	June 22, 1963	Democrat	Oregon.
	June 22, 1964		
Joseph C. Swidler	June 22, 1965	Democrat	Tennessee.

"Commissioners are appointed for 5-year terms. Not more than three Commissioners shall be appointed from the same political party. A Commissioner may remain in office until his successor has qualified, but not longer than the end of the next session of the Congress subsequent to the expiration of the fixed term. A member is designated Chairman by the President and remains Chairman until the end of his term."

The CHAIRMAN. This has been fairly well covered by the Senator from Texas. It contains information of his association with the Independent Petroleum Association of America, and other duties he has performed.

Are you still an active CPA, Mr. O'Connor?

Mr. O'CONNOR. Yes, Senator MAGNUSON.

The CHAIRMAN. I presume that you feel that you could be of some service to the Federal Power Commission with that background, because of the fact that so much of it is looking over books, accounts, statements, and many other sundry and distaff things regarding applicants for pipelines, powerplants, and other things before the Commission.

Mr. O'CONNOR. Yes, sir.

The CHAIRMAN. The Senator from Texas said as far as he knew, you never played any part in partisan politics. Now, that may be commendable in some cases, but in other cases it may not be. Texas is a little confusing to me in this situation, but the law requires that not more than a majority of the Commission shall be members of the same political party. The Commission as now constituted consists of Arthur Kline, the Republican appointee from Wyoming; Mr. Kuykendall, the Republican appointee from my State; Mr. Morgan, a Democrat from Oregon; and Mr. Swidler, a Democrat from Tennessee.

I am going to have to ask you under the law, What are your politics, if any?

Mr. O'CONNOR. I am a Democrat, Senator MAGNUSON.

The CHAIRMAN. That will make three Democrats, one Republican, and there is one vacancy to still be filled on the Commission.

All right. We will go now to those who wish to testify on Mr. O'Connor and I see Mr. Casey is here, and the Senator from Texas, Senator TOWER is here, and Senator PROXMIRE, and we will hear from them first.

Senator TOWER, now we would be glad to hear from you.

STATEMENT OF HON. JOHN G. TOWER, OF TEXAS

Senator TOWER. Mr. Chairman, I will be brief. I would like to speak in support of the nomination of Mr. Lawrence J. O'Connor to the Federal Power Commission.

I believe he is a man of high character and integrity. He is well educated and a hard worker. I believe he will be fair and impartial and professionally sound in his deliberations and judgments as a member of the Commission. He possesses a depth of understanding of and objectivity toward the issues that will confront him. He has my wholehearted endorsement and I would respectfully urge this committee to endorse his nomination.

The CHAIRMAN. We thank you for coming up here and giving us the benefit of your views on this matter, Senator Tower.

Senator PROXMIRE, I believe wants to testify also.

STATEMENT OF HON. WILLIAM PROXMIRE, OF WISCONSIN

Senator PROXMIRE. Mr. Chairman, I oppose the confirmation of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission. It is with great reluctance that I speak against the appointment of a man who is not from the State I represent, and it is with equal reluctance that I oppose the confirmation of a member of my own party, and an appointee of President Kennedy, especially on the morning following his brilliant appeal for national support in the international crisis, but my State has a very deep interest in this appointment. Half a million Wisconsin families heat their homes with natural gas. They have every reason to take alarm at this appointment.

I oppose Mr. O'Connor's confirmation because he is obviously an industry man. Even before he is appointed, he is of, by, and for the industry he is appointed to regulate.

Until he entered the Interior Department in October of 1959, O'Connor was a consultant to gas and oil companies. It is a shocking fact that the new FPC Commissioner's principal employment has been as vice president of a Texas oil and gas company.

During the past 2 years, three rate increases have been put into effect by the company Mr. O'Connor worked for until 1958 and they have gone unchallenged by FPC. The Independent Petroleum Association of America, of which Mr. O'Connor is a former director and committee chairman, seeks actively to get the Federal Power Commission out of natural gas regulation.

Appointing Mr. O'Connor to the FPC is like appointing Mickey Mantle to umpire

Yankee baseball games. It is about as fair as a fourth strike. It is about as ethical as brass knuckles.

Men with oil industry backgrounds are already serving as Navy Secretary and Assistant Secretary of the Interior. Oil has become the tragic Achilles heel of an otherwise splendid public interest administration.

My reason for opposing the confirmation of this appointment is not a personal one. Mr. O'Connor is not known to me personally. I oppose this appointment because it would continue the history of the Federal Power Commission, which has been so badly marred by subservience to the industry's point of view. The FPC has been, and continues to be, the most infamous example of a regulatory agency fallen captive to the industry itself. A year ago, four Federal Power Commissioners out of five wanted to get the FPC out of producers' rate regulation entirely. I want to emphasize the fact that the failure of the Federal Power Commission in recent years is not just an aspect of a tug of war between several competing interest groups. This is a subject about which the U.S. Congress, the President, and the Supreme Court have repeatedly pronounced. There is every ground for suspicion, on the basis of his past associations, that the nominee will follow the gas industry's firmly stated opposition to the law of the land.

The reason this appointment is so crucial to 27 million natural gas consuming families is evident from the FPC's recent experience with producers' rate regulation. The Supreme Court stated in dictum in the Interstate Natural Gas Co. case in April 1945, that the Federal Power Commission had the power, under the Natural Gas Act, to regulate wellhead sales of natural gas by producers to pipeline companies. The natural gas producers cried out against the verdict and persuaded the FPC that it had no authority over such sales, despite the fact that they were clearly in interstate commerce and fell within congressional intent in drafting the Natural Gas Act.

In July of 1950 the Commission clearly stated that it had such authority and soon afterward started proceeding against the Phillips Petroleum Co.

The reaction on the industry's part was a determined effort to win control of the Federal Power Commission. When the Kerr bill to relieve producers from wellhead rate regulation was sent to President Truman, Commissioners Draper and Buchanan and Chairman Wallgren advised the President to veto the bill, which he did.

By August of the same year, however, Commissioners Draper and Wallgren had changed their minds to join with the two Commissioners who had dissented in April of that year in deciding that FPC did not have jurisdiction over producers' sales.

With the appointment of Commissioners Kuykendall, Stueck, and Digby in the first year of the Eisenhower administration, the industry's point of view was upheld by a decisive majority of Federal Power Commissioners. Commissioner Digby made no bones about insisting the the FPC had no jurisdiction whatsoever over producers' rates.

Then began the sensational price rises in the natural gas fields: from 9.1 cents per thousand cubic feet in 1953 to 10 cents in 1954 to 15 cents in 1959.

The Commission was embarrassed by the Supreme Court's decision in the Phillips case that the Natural Gas Act did not exempt producers from the FPC's jurisdiction. Its reaction took the form of requests to Congress for release from the regulatory duties which the Court said it had under the Natural Gas Act. When the Commission should have been working on a formula for keeping producers' rates to the "just and reasonable" levels required by law, it failed to do so.

For every point the cost of living rose on its 1947–49 base, the cost of natural gas for home-heating purposes rose 2 points, totaling 44½ percent over the past 12 years. Natural gas companies became used to charging all that the market would bear, and then some. Gas companies have "socked" the consumer with never-ending rate increases, because the FPC can't bring itself to act in holding rates to the reasonable levels required by law. Twenty-seven million American gas-consuming families are suffering exploitation because the FPC has gone on a sitdown strike against the consumer.

If the FPC does not pass upon a producers' rate increase within 5 months, it goes into effect pending FPC action.

The CHAIRMAN. I want to suggest to the Senator from Wisconsin that there is pending before this committee a bill introduced by and sponsored by several Senators, that would not allow a rate to go into effect until it is actually ruled on by the Federal Power Commission. We are holding hearings on it. I just wanted to let the Senator know that is pending before the committee.

Senator PROXMIRE. I certainly support that legislation. Over half a billion dollars is collected annually in the form of rate increases on which the FPC has failed to act.

In the Catco case in 1959 the Supreme Court ordered the FPC to act on spiraling rate increases. In its report for that year FPC replied by requesting to be freed from such requirements. The U.S. Circuit Court of Appeals for the District of Columbia stated on December 8, 1960:

"We believe that the Supreme Court (in the Catco case) meant to impress upon the Commission an interpretation of the 'public interest' which, in the context of a rising natural gas market, demands a real administrative effort to hold back prices. We find nothing in the record before us which would justify the conclusion that the Commission has adequately performed this duty."

Recent contract prices in Texas have reached 20 cents per thousand cubic feet, 24–26 cents in Louisiana, and 35 cents in Pennsylvania. Many contracts contain escalation clauses to drive the price up still further. FPC tried to take action in February of this year with order 232 banning indefinite escalation clauses. But after industry's outcry, FPC climbed down and issued order 232A of March 31, permitting redetermination clauses operative once every 5 years (if based on jurisdictional rates not at issue). The record is clear.

Last week was Captive Nations Week—well, this is "Captive Regulatory Commissions Week"—starring the Federal Power Commission in the grasp of the natural gas industry.

The FPC has taken so little action in pruning increases that homeowners who bought stoves and furnaces when gas was cheap are now paying heavily for the inaction of the Federal Power Commission.

Mr. Chairman, this is very hard on consumers. My constituents in Wisconsin have invested, I think, very nearly half a billion dollars in gas equipment. They are captives; they can't convert to oil and coal or any substitute fuel. They have to pay whatever the gas company charges. Of course, that makes them the victim of the increases that the producers have been successful in achieving.

The Independent Petroleum Association of America, of which Mr. O'Connor is a former director and committee chairman, has repeatedly urged the FPC to get out of producers' rate regulation. The will of the industry is clear.

The consuming public hasn't much of a chance before the FPC. The gas industry has had the best legal, statistical, and technical brains money can buy lobbying the Commission from the outside. With O'Connor's appointment they will have their boy on the inside. The public must have Commissioners dedicated to fight for the public right above any private-special interest; men who will stand up to terrific gas industry pressure. Is anyone so naive as to argue that O'Connor is this kind of man?

At its present rate of action FPC would take 13 years to clear up cases now pending, during which time some 6,500 more cases would come in, which the Commission, even with triple its present staff, could not dispose of until the year 2043 A.D. Meanwhile, millions of consumers will have to pay hundreds of millions of dollars a year in unjustified rate increases that even the FPC will later disapprove. These cases pile up because the Commission has not been able to devise a formula for settling producers' rate cases.

Recently the FPC has begun to move toward an area-pricing system, under which prices would be set for each of the major producing regions. A crucial question, on which the industry's point of view is well known, is whether the area price is merely to reflect the going field rate, or whether such prices are to be adjusted to the actual costs of producing gas in each field. The industry has been keeping such costs under tight wraps. At the Permian Basin prehearing conference on March 6 of this year, companies stated that they would surrender their cost data to Stanley S. Porter of the New York firm of Arthur Young & Co. only if consumer intervenors would accept Porter's results without trying to force him to divulge the figures for individual companies. The cost issue is central to the future of area pricing, on which effective regulation of producers' rates depends.

In view of the industry's reluctance to make costs available, I conclude that effective rate regulation depends upon consumer representatives' seeing that cost data. Once area prices become effective, no consumer representative will be able to assemble enough data to challenge them. Consumers should not accept the imposition of area prices without adequate reassurance that they will be represented when area prices are calculated.

Once again, let me say, the public must have Commissioners dedicated to fight for the public right above any private special interest—men who will stand up to terrific gas industry pressure. Is anyone so naive as to argue that O'Connor, although a man of excellent education and fine character, is this kind man?

I reluctantly but vehemently oppose this nomination because justice and public interest will be sacrificed to the most powerful special interest in Government—the oil-gas industry.

The CHAIRMAN. Thank you, Senator PROXMIRE.

Do any members have questions?

Senator YARBOROUGH. Yes, Mr. Chairman.

I appreciate the diligence with which our able Senator from Wisconsin defends the people of his State, the interests of the people of his State, and the vigilance with which he looks after their interests. I think he has been vigilant in this matter, and I don't believe, Senator PROXMIRE, that you would object if I ask a question.

Isn't it a fact you have studied pretty thoroughly Mr. O'Connor's background and that you have found no derogatory act in his life, nothing but a life of honor and uprightness in everything you have learned about him?

Senator PROXMIRE. I concluded my testimony by saying he was a man of excellent education, fine character, but what I am trying to emphasize throughout is that the important prejudicial fact is that his whole association, his principal background, his orientation, is toward the industry.

Senator YARBOROUGH. Now when gas is sold in a city in Wisconsin, who gets the lion's

share of the money for that thousand cubic feet of gas? Isn't it your local utility in the city? Doesn't it get way over half of everything a thousand cubic feet of gas brings to the burner tip, in Wisconsin?

Senator PROXMIRE. It varies around the country, as the Senator from Texas knows, and I am going to answer the question by saying in a city like New York, the utility and the pipeline and so forth gets most of the funds and the producer will get very little.

In areas near the producing area, the producer will get as much, I understand, as 85 to 90 percent. In Wisconsin it is true that the utility, which is regulated by the public service commission in the State, will get most of what is received. But the other point I would like to emphasize is that increases have been forced on the gas consumers because they have originated with the gas producer. And on these increases, the Wisconsin Public Service Commission, which regulates the utility, has no alternative except to pass them on to the consumer.

Senator YARBOROUGH. Could you name me a city in America where the producer gets 85 to 90 percent of the price received for gas?

Senator PROXMIRE. I don't have the statistics available. That is my understanding. I will be happy to try and corroborate that for the record.

Senator YARBOROUGH. I feel certain there is not a city in my State, where they are right by the fields, where the producer gets as much as 50 percent of the price of the gas. Now isn't it a fact that what ultimately goes into the price of the burner tip to the housewife is made up of three segments, what the producer gets for his raw gas he sells at the wellhead, what the interstate pipeline company gets to carry the gas to the city, and then what the local utility gets?

Isn't it a fact, Senator PROXMIRE, that relatively over the country, about 10 percent of that price goes to the producer, about 30 percent to the big interstate gas pipelines and about 60 percent to the local utility company; and the local utility company, in the usual city, gets more money than this big interstate utility, and the gas producer at the wellhead? Isn't that a fact?

Senator PROXMIRE. Well, the Senator is absolutely correct in describing the three institutions which receive the money; that is, the utility, the pipeline, and the producer. He is generally correct, as I understand it, in that the producer receives a smaller share than the other two. However, as I say, the real driving force that has been pushing up rates is the fact the producer is not regulated and the other two are, and the producer has been getting an enormous increase.

My statement of 44½-percent increase for the consumer since 1947–49 was the price he pays; the amount that the producer has been receiving, of course, is an infinitely higher percentage.

Senator YARBOROUGH. Of course a producer in the Southwest, who is getting 9 or 10 cents per thousand cubic feet was drooling pretty much over the Pennsylvania producers getting 35 cents a thousand cubic feet. Naturally they wanted some fair price in relation to gas. Pennsylvania brings 35 cents a thousand cubic feet.

Senator PROXMIRE. I am sure the Senator is well aware of the differences between Texas and Pennsylvania in the cost of producing natural gas.

Senator YARBOROUGH. The reason for my question, to go back to your testimony, in relationship to your statement here, you are talking about the gas industry, and you say with O'Connor's appointment, they will have their boy on the inside. Have you ever found any representation by Mr. O'Connor of these public utilities that sell gas in the cities, or the interstate pipeline companies?

Senator PROXMIRE. I think the Senator is well aware of the fact that the gas companies are, at least in my State and I think in every State, under effective regulation. There is no question that they are. The pipelines are, but the producers are not. And Mr. O'Connor's experience has been with the producers.

Senator YARBOROUGH. Just how effective is that regulation, when the big interstate pipelines and the big utilities distributing to big cities in the North get 90 percent and that farmer or rancher, producer, in Texas, is getting 10 percent of what is paid at the burner tip? You say effective regulation. Just how effective is that regulation? Just how effective is regulation by city councils in America of public utilities in their cities?

Senator PROXMIRE. It can't be effective as long as one of the three elements is not under regulation, as long as they have the monopoly power they have to push prices up and as long as they have exhibited as they have. As the Senator knows, he quoted 9 and a fraction cents, and it seems to me it is higher than that, but at any rate, that is up from about 4 cents a few years ago; an enormous increase.

Senator YARBOROUGH. Of course, I am not debating the regulatory problem with you, but because of your sentence about Mr. O'Connor, that they would have their boy inside—now you have three segments of this thing in furnishing gas, and if the public interest is really followed, they wouldn't be in bad with each other.

Senator PROXMIRE. The fundamental controversy is over the producer and whether or not the producer——

Senator YARBOROUGH. Why? Simply because the big utility is able to kick the little producer in the teeth? The little producer is in the same shape as the housewife. You don't hear any controversy about the bigs. That is the local utility distributing in the city and the big pipeline that carries it up there. They manage to get somebody else kicked in the teeth, the little producer or consumer. Who is getting the money out of this thing? It is the big lines taking it up there and the biggest slug of all, the local distributing utility.

Senator PROXMIRE. My heart bleeds for the little producer, it really does. But the little producer isn't a commercial factor. It is the big producer that sells in Wisconsin, the producers that sell less than 2 billion cubic feet don't constitute an important source of production for most of the country, and certainly not in my State. It is the big producer who grosses millions of dollars and sells an enormous amount that is the real factor here. He is in a position to push prices up and does it. And the record is clear he has done it.

Senator YARBOROUGH. But the relative proportions, I think you will find that I have given you—I won't debate that, that really isn't in issue here with Mr. O'Connor, I don't think. But I want to point out I think this sentence is harsh and unfair, a man with no connection with these utilities, to say he is those utilities' boy. It is the interstate pipeline company and the local utility that is getting the lion's share.

Senator PROXMIRE. I am delighted the Senator sharpens this. I think he puts it well. I won't say the big utilities' boy, pipelines' boy. I think this is a fine man, not anybody's errand boy. His experience, however, has been with the gas producers and here is where the real crux, the real problem, in regulation is, with the producer.

Senator THURMOND. Would the Senator yield on that point?

Senator YARBOROUGH. Yes.

Senator THURMOND. I think the questions that have been asked here by the Senator from Texas are very pertinent. My State produces no gas. I have no interest in the world in any gas production, but I remember several years ago we had hearings on this question, and I just happened to make some notes in my notebook, and I looked back and found them and found in the city of New York, when gas was selling for $2.43, the producer got only 10 cents.

Senator PROXMIRE. The reason for that in New York, of course, is because of the bedrock situation on which New York buildings are based, and the enormously heavy cost of putting pipelines in there.

Senator THURMOND. In Philadelphia, where gas was selling for $1.36 at that time, the producer got only 10 cents. Now it seems to me that the producer is certainly not making the profit out of this gas. It is either the pipeline or the local utility that sells the gas. And I would suggest that the Senator, if he wants to pursue this matter further, consider taking some steps against these utilities, if he wishes to, that actually dispense, sell this gas to the consumers. I agree with the Senator that in many instances gas is too high, it is too high in my home city of Aiken, S.C., and I have complained about it. But I don't blame the producer. He is getting very little out of it. Others are getting too much out of it. But this man here, Mr. O'Connor, from Texas, simply because he has been connected in some way with producers, it seems to me that warrants no condemnation, because the crowd he was with is the one that is getting the least out of it. They are getting very little out of it. It is the utility that is making the big profit out of it.

I have a very high regard for the Senator from Wisconsin, but I feel in fairness to Mr. O'Connor, I ought to bring out that point.

Senator PROXMIRE. Well, I would say the example of Philadelphia is a good one. You said the producers used to receive 10 cents. I am informed the producers now get 20 cents. That is 100-percent increase and that is passed on directly to the consumer. The increases the utility has gotten there are under strict regulation and I haven't seen any showing that that has been reason at all for the sharp increase in what the consumer pays to the ultimate producer for the gas.

The CHAIRMAN. I might indicate in the record at this point the importance of what the Senator is discussing. I have a report from the Federal Power Commission as of May 31, 1961, pipeline rate increases suspended or pending, 107 cases, with value approximately $387 million. Pipeline certificate applications pending, 197, representing approximately $872 million worth of facilities of which about $250 million is being constructed under temporary authority.

Independent producers rate increases suspended and pending, 3,821, value approximately $172 million. Independent producers certificate applications pending, 3,038, of which 70 percent are operating now under temporary authority.

Now this shows the magnitude of this problem in dollars and cents and the magnitude of its importance to the economy of the consumers of this Nation, just the cases pending.

Senator PROXMIRE. I thank you very much, Mr. Chairman.

It seems to me those figures showing the independent producers pending, $132 million, I think was the figure——

The CHAIRMAN. One hundred and seventy-two million dollars, rate increases pending, 3,821.

Senator PROXMIRE. One hundred and seventy-two million dollars.

The CHAIRMAN. But the Senator from Texas says there are a great number of them.

Senator YARBOROUGH. I beg your pardon?

The CHAIRMAN. There are 3,000 of them pending, 3,800 pending, independent producers rate increases, whereas the pipeline cases pending are pretty well concentrated

in the big pipelines, they total approximately 200, but the value of the facilities and the rate increases involved run well over $1 billion.

Senator PROXMIRE. May I simply say to the chairman that one of the interesting aspects of that is of course these 3,000 applications don't come, as the Senator knows, from 3,000 companies. They are one piled on top of another, sometimes many, many requests, and that $172 million, much of that, if it has been pending for more than 5 months, has already gone into effect, as far as consumers are concerned. They are paying it, and they are going to pay it even if it is denied. Of course they get an interest return, but they are making a forced loan to the company.

Senator YARBOROUGH. May I make a comment, Mr. Chairman?

The CHAIRMAN. Yes, the Senator from Texas.

I thought this would be a good time to put these figures in the record, to show the magnitude of the problem we are dealing with.

Senator YARBOROUGH. I want to thank the Chairman for placing those figures in the record. It shows the pipeline increases are much more than all the increases asked by producers. Thirty-eight hundred companies, producers, that would be $172 million, as against the pipelines asking for over a billion.

Senator PROXMIRE. But the pipelines are paid for over a period of many years and that is the reason that that increase is that big on pipelines, because the cost of constructing the pipelines is extremely great. As far as the direct impact on the consumer is concerned, it is my argument that the impact of the producer increase is extremely important, very great.

Senator YARBOROUGH. I share with the distinguished Senator from Wisconsin his concern for producers generally. My State is now urbanized. We had in 1940, 45 percent of our people living on farms and ranches. Now our percent of urbanization is as high as the State of Michigan. We have changed to city dwellers, and they are interested in lower gas rates too, and we have this same issue.

I agree with the Senator that gas rates are terribly high in many cities, it seems to me too high. I made some investigation of this 3 years ago, when this question came up before this committee on something else. Right here in Washington, the company furnishing gas was making more net profit a thousand cubic feet than the producer in the Southwestern States was getting for his gas at the wellhead. They made more net profit on it. Well, to that farmer, when the gas in gone, it is gone forever. His resources are gone. They can find other sources of supply—I understand they are building pipelines into Wisconsin now from the Canadian fields.

Senator PROXMIRE. The Senator from Texas keeps talking about the small farmer and rancher, and it is the big companies that are involved here.

And the senior Senator from Illinois has proposed recent legislation, and I support it, that the small companies ought to be exempt.

Then you could go a long way toward regulating this industry. But the industry has resisted that proposal. We want to exempt all but the really big producers.

Senator YARBOROUGH. I have introduced a bill in the past session to exempt these small producers.

Senator PROXMIRE. I am enthusiastic for that.

Senator YARBOROUGH. I believe in that. They are in the same shape as the housewife. I am not trying to hold up high gas rates for the consumers, I am for lower rates to the consumers. But I am pointing out to the able Senator from Wisconsin, he is putting the shoe on the wrong foot.

Those are not the people getting the big money out of this; it is a lot of homegrown utility companies, in these big cities, that are getting the lion's share of what the housewife is paying. It is easy to overlook them and jump on what some farmer is getting for gas.

As to Mr. O'Connor, there is no showing he is connected with any of these utilities. He has been representing the independent producer, Goldston Oil Corp. of Houston, where he worked as vice president and treasurer. He severed his connection there and was a self-employed consultant, until he went into Government service, and there is no complaint that he has been biased in favor of any segment of the industry or the industry itself.

I am not quarreling with the Senator from Wisconsin about his dedication to the interest of the consumer. That is mine too. I have shown that in my public record in Texas, as an assistant attorney general and otherwise, in trying to get gas rates down. But the Senator is pointing arrows at the weak segment.

Senator PROXMIRE. May I say in conclusion——

Senator YARBOROUGH. I say go out after the lions.

Senator PROXMIRE. There is not one single thing the Congress of the United States can do, in my judgment, about regulating a utility in Wisconsin. That is under the public service commission of my State, under the Governor and State legislature.

I think our public service commission has a good record; we have been pretty tough; we have graduated some fine and outstanding people, like Lilienthal and others, to greater service.

But as far as the Congress is concerned, what we can do is to see that those who are in interstate commerce, the producers, are effectively regulated as the Supreme Court and Congress said they should be.

Senator YARBOROUGH. Well, the two first State regulatory utility agencies set up in America, in the same year, were in Wisconsin and Texas, the railroad commission in Texas, and the regulatory agency in Wisconsin, and I agree your agency has in the past had a good record.

The public utility reports from your regulatory agency in Wisconsin have been widely quoted by other agencies in the course of history and I agree you have had a lead in that field in the past in Wisconsin.

I just, Senator PROXMIRE, ask this, not to argue with you, but point out this in the weakest segment of this business and the applicant here is not from the utility industry?

Thank you.

Senator MONRONEY. Mr. Chairman?

The CHAIRMAN. The Senator from Oklahoma.

I hope we will reserve some of this debate for the Senate floor.

Senator MONRONEY. I will try to be brief, Mr. Chairman.

Have you ever known Mr. O'Connor?

Senator PROXMIRE. I beg your pardon?

Senator MONRONEY. Have you ever known Mr. O'Connor?

Senator PROXMIRE. No. I saw Mr. O'Connor for the first time this morning.

Senator MONRONEY. You evidently have done a good deal of research on this situation before coming before this committee. This is well prepared and from your standpoint a very well-documented presentation.

I wonder if in your studies you have investigated his character?

Senator PROXMIRE. I heard nothing whatsoever adverse to the character of Mr. O'Connor.

Senator MONRONEY. He is morally honest and upright and a man of good patriotic intent?

Senator PROXMIRE. I am sure.

Senator MONRONEY. You do not suspect him of being susceptible to bribery?

Senator PROXMIRE. No, sir.

Senator MONRONEY. Or suspect that he would willfully, with the facts clearly on one side, hold on the other side, because of his past association?

Senator PROXMIRE. No, sir. I think in answer to that particular question, however, I would say that the record of the Federal Power Commission indicates that they have had many fine men of high character, men whose attitude has been oriented toward the industry and in my viewpoint at least have made decisions which have assisted the producers and industry generally and damaged the consumer.

Senator MONRONEY. Of course, Mr. O'Connor has never been a Federal Power Commissioner.

Senator PROXMIRE. I know, but this has been the record of other people of high character and otherwise good qualifications.

Senator MONRONEY. And these appointments have been made over a period of years by President Truman, President Eisenhower, and President Kennedy.

I am a little shocked to read this statement about appointing Mr. O'Connor to the FPC is like appointing Mickey Mantle to umpire Yankee baseball games, and it is about as fair as a fourth strike, and about as ethical as brass knuckles. And on page 2 you say the FPC has been, and continues to be, the most infamous example of regulatory agency fallen captive to the industry itself:

"There is every ground for suspicion, on the basis of his past associations, that the nominee will follow the gas industry's firmly stated opposition to the law of the land."

Skipping—

"Gas companies have socked the consumer with never-ending rate increases, because the FPC can't bring itself to act in holding rates to the reasonable levels required by law."

And on the bottom of page 4, you say:

"Last week was Captive Nations Week—well, this is 'Captive Regulatory Commissions Week'."

And on page 5, you say:

"With O'Connor's appointment, they will have their boy on the inside."

I think there is a certain morality attached to men going into public service, and since you say you have heard nothing wrong, you have found no rumors clouding this man's character, I think your statement would at least be open to some criticism of being unfair.

This committee has in the last 2 months confirmed two men to the Federal Power Commission, and Senator Yarborough and myself are vitally interested, as this is one of the principal products of our State, the same as you are interested in cheese in Wisconsin, and we are anxious to see that the fair economic benefits that flow from our resources are at least in the hands of men who are not prejudging the case, and yet in the case of Mr. Swidler there was considerable opposition against his appointment.

I don't believe you appeared against him.

Senator PROXMIRE. No, sir; I did not appear against Mr. Swidler. I voted for Mr. Swidler and Mr. Morgan. I thought they were both excellent appointments.

Senator MONRONEY. You were aware, of course, that Mr. Swidler—and I voted for him too, because I judged he was honorable—a man of character and integrity and although his life had been spent in public service as general counsel for the TVA, I did not think he would be unfair to private power.

And when he appeared before us and testified, I cast my vote in behalf of Mr. Swidler. By the same token, when Mr. Morgan was here, who has spent some time on a regulatory commission, dedicated of

course to the consumer side, in Oregon, in an area in which public power is predominant, I felt he would make a very good Commissioner, because of his past experience in this field and I felt both Mr. Swidler and Mr. Morgan, although they were to regulate both public and private power, were able to dismiss as unimportant their previous association and would not be prejudiced in any way.

Now it seems to me the shoe should fit the foot, and if it works in public power versus private power, to accept, as we readily did, these men on the Federal Power Commission, the fact a man has had vast experience in the petroleum industry with the Independent Producers Association, which is one of the organizations made up of the nonmajor companies, that experience is not necessarily to disqualify him for the task of serving on the Power Commission whose duty in part will be the regulation of the gas industry, both the pipeline industry, the feeder collecting industry, and the producing industry.

Senator PROXMIRE. I would be delighted to answer that. It seems to me there is no record that the Federal Power Commission has been biased in favor of the public power industry. I do not know anybody who has argued that. There is an overwhelming record the FPC has been very much in favor of the private producers of gas. It is overwhelming, the Supreme Court has spoken out on it, and the intent of Congress, it seems to me, has been directly violated, and the reason for it is very obvious. That is because the private power people, the private gas people I should say, have a great deal of money to invest in this, all of it tax deductible. They hire the best legal and statistical brains, public relations brains, and do a job on the FPC and they have done it.

I think everybody knows if the public power people try to do anything there will be a far more effective counterbalancing pressure on FPC from the other side.

There is no chance FPC will become a captive of the public power industry. It is almost a joke to suggest it, but there is a definite danger it is going to continue to be dominated by the viewpoint of the private gas industry.

Senator MONRONEY. Why do you think it will be dominated by the private gas industry? If the man is morally honorable, I think you are doing a great disserve to assume——

Senator PROXMIRE. I would enthusiastically support this man for any number of Government posts. I think he has good qualifications and as other Senators brought out, his character is good. But it seems to me it is a mistake to appoint a man to FPC, who has been identified as closely as this man has with the gas-producing industry, when this is the real crux of dispute over FPC and when it is subject to such legitimate criticism.

Senator MONRONEY. I don't want to retry the gas case but what is the burner tip rate of the consumer in Wisconsin?

Senator PROXMIRE. $1.25.

Senator MONRONEY. And raw gas, you say, costs 15 cents?

This is one of the examples, I think, that Mr. YARBOROUGH was bringing out, the gas that comes from Oklahoma is worth 10 cents, according to the last Bureau of Mines statistics, and I believe the gas from Texas. So this is a problem that will be with us for quite a while, because of the very fact of trying to apply a public utility return rate to production of a natural resource, which is akin to mining, and has thus far defied the best efforts of any of the Commissioners and certainly many of the men who have gone on the Commission deciding that public utility rates could apply. After years of experience they found they have bogged down in the morass that is presented here with the constant changing cost of production and the dry holes and all of the other, mixture between oil and gas production, to where it is difficult to find out what is a valuation base of a dry hole that might have been drilled either for oil or gas but can wind up very easily in the valuation rate as a gas well, an effort to discover gas instead of oil.

For that reason, since we have raised no prejudice in any way against Mr. Morgan or Mr. Swidler, both of whom I say come from backgrounds that were antagonistic at least in the pricing theory to private power, this committee raised no bar against them and I do not see why experience with independent producers would necessarily be a bar against Mr. O'Connor, or subject him to having his appointment called as ethical as brass knuckles.

Senator PROXMIRE. I think I have made my position clear. I feel the record of FPC is pertinent here and the evidence is overwhelming that the private gas people have great influence, great dominance, and it has been held by the highest court in our land as being, in consequence, improper, and the effect on gas consumers not only in Wisconsin but all over the country has been bad.

Senator MONRONEY. I can't quite agree that people who have grown up in oil-producing States and have managed to help supply the necessary oil and gas for our Nation are second-class citizens or because they happen to understand the business are suspect if they are nominated for the Federal Power Commission job, if there is nothing else you can question in their character whether they are nominated for the Secretary of Navy or Assistant Secretary of the Interior.

Senator PROXMIRE. I have never argued that.

I certainly would not argue that the people from any State, regardless of what the main resource is, should be barred from receiving appointments.

I have argued in the case of the Navy Secretary, that he should not have been appointed because as Navy Secretary he continued to be the executor of one of the biggest private oil estates in the world, and as Secretary of the Navy buys all the oil for the armed services.

Mr. Kelly I opposed for Assistant Secretary of the Interior because he held on to much of his important oil holdings and as Assistant Secretary of the Interior he was in charge of virtually every important regulatory agency that deals with oil. His is the principal office in the executive branch.

These appointments were wrong not because of the State represented but because of the obvious conflict of interest.

Mr. Kelly, as the Senator knows comes from New Mexico, not Texas.

Senator MONRONEY. But I still say if a man is honest in his background, unless he has been involved in something questionable, he should not be ruled out for public service and certainly some experience in the vital necessity of developing of our natural resources is not so objectionable as to disqualify a man for public service, particularly in agencies and departments dealing with development of oil or natural resources.

Senator PROXMIRE. Well, I think that in any number of agences these men would be well qualified for but not in those in which their own particular background is so deeply involved.

This is particularly true of FPC, which, as the Senator knows, is independent of the President, and properly so, is quasi-judicial, makes virtually definitive decisions only subject to court review and has this enormous amount of power.

It is particularly unwise to appoint a man with this kind of background to that kind of body.

Senator MONRONEY. That is all.

The CHAIRMAN. Any further questions?

Senator ENGLE. Just one question.

Senator PROXMIRE, do you believe that this committee, in considering nominees to these regulatory agencies, ought to, as a matter of principle, exclude anybody who has had any association with the industry to be regulated?

Senator PROXMIRE. Generally I would say that if they have had an association with an industry that is to be regulated, a close association, over much of their lives or are from a group that will exert concentrated and effective pressure on that agency, I would say if I were on the committee, I would vote against that kind of appointment.

Senator ENGLE. In other words, we will exclude everybody who has had enough experience to know what they are doing on the Commission?

Senator PROXMIRE. No, I think if a man had been on a regulatory body, I think if a man had taught in a university for a number of years and had become an outstanding scholar and expert on it, if a man's background were this kind, I think he should go on it.

But I think while expertise is important, expertise can be developed and can also to some extent be hired in terms of a staff. But if you compromise on expertise to the extent of appointing people who are from the industry that has the vested interest and is going to exert overwhelming pressure on that body, then I think you can predict what the outcome is going to be, the industry will win, the public interest lose.

Senator ENGLE. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Schoeppel?

Senator SCHOEPPEL. I don't have any questions but I want to associate myself with the position taken by the distinguished Senators from Texas, California, and Oklahoma. I have a great respect for the distinguished Senator from Wyoming—excuse me, I mean Wisconsin.

Senator MCGEE. I hope Wyoming, too.

Senator SCHOEPPEL. Incidentally, I do not think the Senator from Wyoming would hold as suspect anyone ever connected with his State if he should come up for confirmation before this committee.

I have great respect for the Senator from Wisconsin.

He has a right to take any position he wants to take. Here before our committee is a man I did not know, I had only heard about him in the Interior Department. As a member of this committee, I think he is before us to evaluate whether we should confirm him or not. His background has been honorable, aboveboard, and open to the public.

I played some athletics in my day and I loved the game and I loved the referees when they blew the whistle. But this statement I cannot let go unchallenged as it relates to this man who is here before us, qualified and experienced as he is, and a man who has a good public record. When you say it is like appointing Mickey Mantle to umpire the Yankee ball games or about as ethical as brass knuckles.

Senator PROXMIRE. If the Senator would yield, I would like to say, this is a good point, because I certainly would not question the character of Mickey Mantle or Roger Maris. They are fine Americans. But I would not want them to umpire a Yankee baseball game.

I feel the same about Mr. O'Connor. He is a fine American, an excellent man, but not for the Federal Power Commission.

Senator SCHOEPPEL. Poor Eddie Rommel, who was a great pitcher for the Athletics, has made a splendid record umpiring.

Senator PROXMIRE. Did he umpire in the league in which he developed his reputation?

Senator SCHOEPPEL. I am surprised that the Senator from Wisconsin did not know that.

Senator PROXMIRE. Oh, I knew it. I wanted the Senator from Kansas to tell me in what league Eddie Rommel umpired.

Senator SCHOEPPEL. If you would apply the yardstick the Senator would apply to Mr. O'Connor, you would have to bar Joe Louis forever from crawling in a ring, the great Negro heavyweight, who fought with distinction and had a record of unqualified cleanliness. He never could referee a bout.

Senator PROXMIRE. He could referee every bout, providing Joe Louis, Jr., was not one of the contestants.

Senator SCHOEPPEL. Just a minute. And Walter Eckersoll, the great Chicago football player, all-American, and I know he blew the whistle on Wisconsin teams, you would bar him?

Senator PROXMIRE. Another excellent example. He came from the University of Chicago and he never refereed a Chicago football game. He refereed many others, but not Chicago. That is one of the things they do in athletics to be fair. They keep the alumni from refereeing the games the school plays.

Senator SCHOEPPEL. The point I want to make to the distinguished Senator from Wisconsin, I cannot let this record stand with some of the statements in here against Mr. O'Connor.

I do not think that a man, because he has a background of some experience, ability, in an industry that is up for regulation, should be forever and completely barred. I think that is cutting it a little too fine.

I just could not go along with you, Senator. And from all I have heard about this man, and I have checked into his record, I think he has made a good record. And I think the presumption should be, when men come up that way, they are entitled at least to a break, without being prejudged.

I am sorry I have to disagree with my distinguished friend from Wisconsin in the sharp distinction he is drawing against this man. I just cannot see it.

Senator PROXMIRE. I think the Senators from Kansas, California, Texas, and Oklahoma have all made an excellent case. I do think that many people would disagree with my position, perhaps the majority. But I think in this agency, at this time, this is the wrong kind of appointment.

Senator ENGLE. Would the Senator yield, because I want the record straight.

I am not sure I disagree in all particulars with the Senator.

I asked a question as to whether or not you were going to exclude anybody from appointment to one of these regulatory agencies who has had any experience in connection in the field to be regulated.

As I listened to the answer, the answer was generally "Yes."

Senator PROXMIRE. Let me clarify the answer.

The answer was, No, I would not disqualify them unless they had been associated with a particular pressure group which was obviously clearly effective in influencing the body to be regulated. If, on the other hand, he had been in the regulatory end of it, or no such record as this, I wouldn't disqualify him.

Senator ENGLE. I think it can get to be a question of degree. You could have someone come up here, who obviously was so enmeshed in the industry, whose financial interests were so clearly identified with it, you would not only have a clear conflict of interest, but a philosophical orientation to the case that wouldn't make it possible for that person to be fair.

Now, I would exclude that person. But the question I raise is that I am not convinced that Mr. O'Connor has that sort of identification with this industry and I think that you can't say as a broad proposition that everybody who is associated with an industry is automatically precluded from serving on a regulatory board. I think it is a matter of the degree, the type of association he has had with the industry and notwithstanding his association with it, which gives him experience and expertise in the area which would be helpful to him. And he is not so closely associated as to distort his performance on the board, I wouldn't exclude him for that reason. I wanted to make that clear in the record so it doesn't appear I am 100 percent for either side here. I think there is a matter of degree involved.

The CHAIRMAN. I think you both have a point there and there is another phase that sometimes this committee must consider. I voted against a Power Commissioner once, not because he was ever associated with the industry, but because I felt that his philosophy, on Hells Canyon, he would vote against us and I thought the majority of the people in my area wanted Hells Canyon.

It turned out he did vote against us. And I think you get into a question of how a man applies his philosophy. I think a man can divorce himself from his past association, and men have. But that is a question for the committee to decide.

Senator McGEE do you have any questions?

Senator McGEE. No, I have no questions really. I can't resist a comment on my friend, Mickey Mantle, with the hope that the Senator from Wisconsin would advise us if there were some way we could get him in as umpire of the Yankee games, as a stop-the-Yankee fan, I think we would have a better chance of stopping them if he were umpiring.

Senator PROXMIRE. I am mainly concerned in having Mantle acting as plate umpire when he is batting.

The CHAIRMAN. We are getting into the ninth inning here now and we better——

Senator YARBOROUGH. May I make one more observation, Mr. Chairman?

The CHAIRMAN. All right.

Senator YARBOROUGH. Senator PROXMIRE, lest we leave in the record the erroneous impression that by virtue of the price of gas, that these producers in Texas are getting an undue share of this world's goods, I would like to point out that our average annual per capita income in Texas is $1,943 a year, and we're 32d among the States of the Union in the average annual per capita income. We are not pulling up from the past few years our relative status among the States. We don't rate as high as Wisconsin on the average annual per capita income and we are not going to pull up out of 32d place on 9-cent gas.

Senator PROXMIRE. I would say there is an unfortunate amount of absentee ownership. Somehow many Americans have gotten the impression there are some Texans who are not crowding the poorhouse; there are some Texans who obviously have the goods of the world and know how to spend it and spend it beautifully.

Senator YARBOROUGH. The recent articles in the New Yorker would create such erroneous impressions. I want to point out you mentioned in your statement a few minutes ago that these people have the best lawyers, the best accountants, and the Commission can't cope with them.

These 3,800 small producers cannot hire lawyers and counsel to come to Washington, and they are forced to sell out to big companies. It is wiping out the independent operators.

Senator PROXMIRE. We continue to talk about different things. I am talking about the big producers, 200 or 300 big producers that produce the large proportion of all the gas sold throughout the country and in my State of Wisconsin. These are the ones that have the money to hire the lawyers and accountants and do it. And they produce and sell practically all the gas.

Senator YARBOROUGH. And this man here hasn't represented, he hasn't worked for them at all.

Senator PROXMIRE. But he has worked with the Petroleum Association, been a top official.

Senator YARBOROUGH. The Petroleum Association is a group of people like a bar association. You have a damage suit lawyer in the bar association, with a corporate lawyer. The fact you belong to the bar association, doesn't mean you represent a certain interest in the economy of the country.

Senator PROXMIRE. The viewpoint of the Petroleum Association is pretty clear, as far as the differences between the producer, the gas producer and the consumer.

Senator YARBOROUGH. I won't quarrel with you. Mr. Swidler was experienced in the valuation of electrical utilities, in having been with TVA. We need someone on the Commission that knows how to value these things.

Senator PROXMIRE. I am delighted you raised that point. Who do you want on the Commission who knows how to value these properties? Maybe the accounting background of the nominee would be helpful, but helpful to whom? Who is the expert? Who would the Commission turn to for expert advice on the gas industry? They turn to the man who has been president of the Goldston Oil Co., the man who has been an active officer of the petroleum association that represents the industry viewpoint. They turn to him. He would be the expert, the fellow giving the advice. What a wonderful position of power the gas producers will be in.

Senator YARBOROUGH. You are presupposing the man is dishonest?

Senator PROXMIRE. Not a bit, I am sure he is not.

The CHAIRMAN. Let us confine ourselves to questions here. We can discuss this on the Senate floor.

Senator YARBOROUGH. Mr. Chairman, in the interest of time, I forgo further questioning.

The CHAIRMAN. If there are no further questions, thank you, Senator PROXMIRE.

Congressman CASEY, you have a brief statement, I believe. Sorry to keep you waiting.

STATEMENT OF HON. BOB CASEY, MEMBER OF CONGRESS FROM THE 22D DISTRICT OF THE STATE OF TEXAS

Mr. CASEY. Thank you, Mr. Chairman.

Members of the committee, I am BOB CASEY. I am Mr. O'Connor's Congressman, 22d District of Texas, in Houston. I must say that in the interest of time, I will refrain from all of the argument in rebuttal to the previous distinguished Senator, because I don't like to see my constituents kicked around, gentlemen, and I am inclined to make you a very long discourse, but I will not.

I have known Mr. O'Connor for many years. I have held public office in Harris County for better than 12 years, and in all that time, I think you might be interested to know in the community of Houston, Harris County, Mr. O'Connor is held in the very highest regard, and I think that his experience is an argument for his appointment, because if I were going to have someone set the price on cheese, I would want someone to know about the cost of manufacturing and the cost of producing this cheese.

By the same token, I think Mr. O'Connor's experience is going to be of great benefit on the board, on the Commission, in regard to meeting the very problems raised by the distinguished Senator that preceded me.

Gentlemen, I sincerely urge your favorable consideration of Mr. O'Connor for the Federal Power Commission.

The CHAIRMAN. Like mighty Casey at the bat, you haven't struck out.

Mr. CASEY. I get that thrown at me once in a while but I say always remember he had a

damn good batting average, or he wouldn't have been remembered.

The CHAIRMAN. Thank you, Congressman.

Now, Mr. O'Connor, if you will take the witness chair, there are a few questions I think the members of the committee want to ask you.

STATEMENT OF LAWRENCE J. O'CONNOR, JR., OF TEXAS, NOMINEE TO BE A MEMBER OF THE FEDERAL POWER COMMISSION

The CHAIRMAN. I wanted to ask you, Mr. O'Connor, one question. There are several—not several, but three or four that I personally know of—very important cases pending before the Federal Power Commission involving the matter of hydropower licenses and other things, not rates, but licenses. Some of these cases have taken months, they have been pending for months and one or two of them have had weeks of testimony on all sides. I believe in one or two of the important ones, there have been examiner or staff reports. They are now before the Commission, as I understand it, for decision.

The Commission has been somewhat shorthanded, not due to the fault of the Congress, but the names of the other two Commissioners didn't come up here until way the latter part of March, and we did dispatch their nominations, I think, very expeditiously.

Do you have any ideas now as to whether or not, when the decisions are to be made by the Power Commission itself, whether you would participate in a case that has been pending so long a time, with volumes of testimony, argument, and witnesses, that you did not hear or were not associated with?

Mr. O'CONNOR. Senator MAGNUSON, I would say that I would hope it wouldn't be necessary to participate in one where it had come to the decision stage. However, as you know, there will be four new Commissioners, presumably, within the next 2 months. I would presume under that circumstance, some of these cases will have to be decided on that basis. I would only say I would have to have time to look into the background and study them.

The CHAIRMAN. That is what I was going to suggest, that there have been some cases, and these are very important cases, and I think you will find that most of the Commissioners are new and in order to have a majority decision one way or another in a particular case, you may have to participate and you may have to go back and do a lot of homework in order to arrive at some decision.

Mr. O'CONNOR. I think that is part of the job I will have to take on, sir.

The CHAIRMAN. Now you have heard here a lot of discussion regarding gas cases, and the chairman hears a lot of discussion every year as chairman of the Independent Offices Appropriations Committee, which handles the appropriations for the Federal Power Commission, and about the number of cases pending. There are 3,000-some certificate applications, and so on, and the Federal Power Commission comes before us with a budget estimate, to handle this workload, and we have continually asked them if they had enough people in the so-called Gas Division of the Commission to see if we couldn't do something to speed up the work down there.

Senator SCHOEPPEL and I are both members of that committee and this year we appropriated $8,783,000 for salaries and expenses, which is some $650,000 over last year's budget, and I hope you will read the testimony in that particular case, because the reason we did and the reason the House concurred, is that we were hopeful that the new Commissioners would use this increase and direct their energies toward cleaning up this terrific backlog of gas rate cases.

Do you share in that opinion?

Mr. O'CONNOR. Yes, sir.

The CHAIRMAN. I think maybe they should have had more, because at least one part of Senator PROXMIRE's statement that wasn't controversial was the time it takes to decide gas cases.

Now you have submitted for the files a list of your financial holdings, and you have submitted them for the committee and to the public if they want to look at them, so that the concern over conflict of interest in this particular case would be taken care of and for the purpose of the record, without reading them all, we will keep them in the files. I understand you have a new list now, is that correct?

Mr. O'CONNOR. That is right.

The CHAIRMAN. And you will submit that to the committee?

Mr. O'CONNOR. That is right.

The CHAIRMAN. Now since your name has been sent up by the President, what have you done with these personal holdings?

Mr. O'CONNOR. I have made no changes in them. I have reviewed with the committee staff and the Assistant General Counsel of the FPC, all of the financial interests, both in securities and in oil and gas mineral interests that I have ever owned. The FPC counsel made a review of the securities, and classified them into roughly three groups, a group of stocks over which the Federal Power Commission now has jurisdiction over the companies, and I will pass on to you a list he has made of this classification, which will indicate I will dispose of all of this group of stocks, prior to taking the oath of office.

There is a second group that he feels present a conflict of interest, and in this case, with the exception of one small company, with a few stockholders of which a considerable amount of my investment is notes, I will dispose of those and I will expeditiously as possible dispose of that company. It will be a little difficult to arrange to do that, without taking a substantial loss.

The CHAIRMAN. And the third group, as I look at the list, are general investments in companies that have no relation to the Federal Power Commission.

Mr. O'CONNOR. That is right. With respect to my mineral interests, I will dispose of those either by sale or gift, as expeditiously as I can. It takes some time to transfer title and to establish the sale value but I will conscientiously see that in none of these cases will I decide matters pertaining to these interests. All these interests are oil or gas royalties with the exception of one working interest and there are no gas contracts, as far as I know, that are before the Commission or could be.

The CHAIRMAN. When you list the royalty interest, there are several names here and the names are the names of the wells, is that right?

Mr. O'CONNOR. No, in my case the names could be the name of the well, it could be the name of the landowner from whom the interest has been purchased, but in most cases I would say it is the name of the lease.

The CHAIRMAN. Name of the lease?

Mr. O'CONNOR. Name of the lease: the designation that the well has in the Railroad Commission report.

The CHAIRMAN. The chairman has no further questions.

The Senator from Oklahoma?

Senator MONRONEY. Mr. O'Connor, do you know of any reason, because of your past experience——

The CHAIRMAN. Excuse me, Senator MONRONEY. I want to say that the list of the holdings, the new list which has been broken down as the nominee testified, will be available to anyone that wants to look at them. They will be in the committee files.

Senator MONRONEY. Do you know of any reason, because of your past experience and because of your past knowledge of the oil industry, that would interfere in any way with you deciding cases as the facts are presented to you, as a member of the Federal Power Commission, with complete impartiality?

Mr. O'CONNOR. No, sir.

Senator MONRONEY. And this allegation of your association with the industry and particularly with the Independent Producers Association of America, would in no way affect or bias any decision that would come before you on the Commission?

Mr. O'CONNOR. No, sir. I might add, as you know, but it wasn't clear in the record, the Independent Petroleum Producers Association of America is by and large an association of small producers.

Senator MONRONEY. Historically the small producers usually are arrayed, in most of their activities, in contest with the major oil company; is that correct?

Mr. O'CONNOR. That is correct.

Senator MONRONEY. And this would not, even though you represented the small producers, would not necessarily bias or prejudice you against the larger producers or against the consuming element, who are interested of course in the price they pay for the service they get?

Mr. O'CONNOR. That is correct, sir.

Senator MONRONEY. Thank you.

I have no further questions.

Senator MONRONEY (presiding). Senator Yarborough?

Senator YARBOROUGH. No.

Senator MONRONEY. Senator ENGLE?

Senator ENGLE. I think not.

Senator MONRONEY. Senator BARTLETT?

Senator BARTLETT. Mr. O'Connor, what is the Independent Petroleum Association of America?

Mr. O'CONNOR. Senator BARTLETT, the history of the association, it was established in 1929, at the time when imports of foreign crude oil were threatening the security of the country. It has been historically an association of the small producers, and there are some companies in there that have grown large, but basically speaking it doesn't include any major oil companies.

Senator BARTLETT. Now I notice you were director and vice president of the Houston district of this association. Is that one of the larger districts in terms of membership?

Mr. O'CONNOR. Yes, sir.

Senator BARTLETT. And what is the current program of that association, can you tell us?

Mr. O'CONNOR. Well, when I came to work for the Department of Interior I severed any relationship or membership in the association. I would say that in my position in the Department of Interior, I have been pretty well placed where I have received a good bit of their—know their stand and I don't think it has changed any. They are basically still an association of small producers, on a national basis.

Senator BARTLETT. At this time you have no active association with the group?

Mr. O'CONNOR. No, sir.

Senator BARTLETT. Now about the Goldston Oil Corp. of Houston, which you joined in 1945, and of which you became vice president and treasurer and continued in that capacity until September 30, 1958, how large a company is this?

Mr. O'CONNOR. Well, Senator BARTLETT, the Goldston Oil Corp. is actually an operating company and as such is not what you would call a large company, but they operate a considerable number of properties, of which the Goldston family and family trust had interest in and also outsiders. I would say they are a medium-sized company. They at one time had about 3,000 barrels a day production of oil.

Senator BARTLETT. About how many employees?

Mr. O'CONNOR. About 50.

Senator BARTLETT. I have no further questions.

Senator MONRONEY. You said they had 3,000 barrels of oil production. Did they have gas production?

Mr. O'CONNOR. Yes.

Senator MONRONEY. What was the extent of the gas production for the purpose of the record, since it will probably be at issue when the nomination goes to the floor?

Mr. O'CONNOR. I would say approximately 2 billion cubic feet a month that they operated.

Senator MONRONEY. 2 billion cubic feet. How would that figure out in value?

Mr. O'CONNOR. Well, the prices on that gas were by and large I would say 6 cents, 6 or 7 cents during the last few years I was there.

Senator MONRONEY. Did you have substantial interest in the Goldston Oil Co?

Mr. O'CONNOR. I had no interest in the company.

Senator MONRONEY. You were employed by them only and no beneficial interest in stock holdings or such?

Mr. O'CONNOR. That is correct.

Senator MONRONEY. And you severed your connections with them in 1958, which was over 3 years ago?

Mr. O'CONNOR. That is correct.

Senator MONRONEY. As a self-employed consultant, could you sketch out briefly the type of clients you had?

Mr. O'CONNOR. Well, my principal clients, since I severed my connection with Goldston, was the Goldston family, in settling Mr. Goldston's estate tax return, which was quite substantial, and I had two principal clients at the time for the year I was in business. One was the Goldston family, which I had already—by the time I had left, I had already completely severed my connection with them, even as a consultant, with the Goldston family.

Senator MONRONEY. This was primarily active in settling the estate and things of that nature.

Mr. O'CONNOR. That is right, evaluation, taxes.

Senator MONRONEY. Your previous employment, 1938–45, was with an accounting firm. Is that correct?

Mr. O'CONNOR. That is right.

Senator MONRONEY. And I presume since it was located in Houston, you did have oil clients?

Mr. O'CONNOR. Yes, sir; I would say approximately one-third of my work with Haskins & Sells was with oil clients and probably one-third with public utilities and one-third general.

Senator MONRONEY. Then you did not own the company; you were merely an employee of the company and went in, I presume, as a junior accountant and ended up as a senior accountant?

Mr. O'CONNOR. That is right.

Senator MONRONEY. Then in 1959, after you left the consultant work, during which you had two clients, one the Goldston Oil Co. and I don't believe you mentioned the other one?

Mr. O'CONNOR. The other one was J. Edwin Hill interests in Houston.

Senator MONRONEY. Are they producers?

Mr. O'CONNOR. Yes.

Sentor MONRONEY. Largely crude or substantially gas?

Mr. O'CONNOR. Well, I would say largely crude oil. He wasn't a substantial producer, he was just establishing himself.

Senator MONRONEY. You were working for him on a fee basis, as a lawyer would work for a client on a lawsuit, in other words.

Mr. O'CONNOR. Well, yes; that is right. I was on a salary basis with Mr. Hill.

Senator MONRONEY. No financial interest?

Mr. O'CONNOR. No, sir.

Senator MONRONEY. So far then as your entire experience, other than the—as we say in Oklahoma—dabbling in oil, you have never been a major stockholder or substantial stockholder in any company that was operating in oil or gas activities?

Mr. O'CONNOR. With one exception, which has been disposed of over a year ago. There was a small supply company I did have a 10-percent interest in which I disposed of about a year ago.

Senator MONRONEY. This was the sale of oilfield supplies?

Mr. O'CONNOR. That is right, and their total sales were in the neighborhood of $30,000 a year.

Senator MONRONEY. That is all I have. I just wanted the record clear on that. Thank you.

Senator MONRONEY (presiding). Any further questions?

Senator SCHOEPPEL. Mr. O'Connor, as you, of course, know, a large number of the States in the oil-producing and gas-producing sections have conservation laws. In other words, let me ask you this: Do you believe that the requirements for an orderly take from the fields merits support from the Federal Power Commission?

Mr. O'CONNOR. Yes, sir; I do. I think the conservation of our natural resources and their proper products in relation to the maximum efficient rate is one of the most important aspects of our mineral program, and it should be given prior consideration.

Senator SCHOEPPEL. By and large those conservation laws have proven themselves to be very helpful in the ultimate take from those fields, over which the States have jurisdiction within their boundaries; isn't that true?

Mr. O'CONNOR. Yes, sir.

Senator SCHOEPPEL. And it is a great conservation measure, conserving these resources and getting the utmost out of them for the longest period of time.

Mr. O'CONNOR. Yes, sir.

Senator SCHOEPPEL. If you should have a controversial case down there, and you will have several of them—I can assure you of that, from the past experience of this committee—would you be reluctant to dissent or file dissenting views, if you felt strongly and definitely that way, from the record that was presented before your Commission?

Mr. O'CONNOR. I feel, Senator SCHOEPPEL, that I would be, if I feel strongly about any issue. I think I would neither hesitate to affirm or dissent, express my view.

Senator SCHOEPPEL. You, of course, know that this is one of the agencies of Government that is under the jurisdiction—well, it is a creature of the Congress, let's put it that way. It is one of the independent agencies.

Now, if you serve as a Commissioner down there, and I fully expect you to, from the standpoint of your record and background, could you and would you call these shots and make your decisions down there, without fear or favor from the Congress or the White House or any place else, strictly on the record as you see it?

Mr. O'CONNOR. I think as a matter of integrity, that is the way anybody would have to do it.

Senator SCHOEPPEL. Do you know of any reason you would not be qualified to serve in that capacity?

Mr. O'CONNOR. No, sir.

Senator SCHOEPPEL. Now there is some testimony here, Mr. O'Connor, you have had a CPA experience and background, and that is your profession.

It appears that one of the great problems in the Commission and one of the delaying factors is the time required for a lot of these field audits.

Do you believe or feel that your CPA background will enable you to help break up this logjam and devise some new procedures to speed up this work?

Mr. O'CONNOR. I think it would be inappropriate of me to say I could but I would certainly think my background would assist in doing that.

Certainly the investigatory process has been very long and I know there is a strong feeling—I am sure people in the Commission and on the outside—that that in itself will assist materially in getting these cases developed and in the hands of the Commissioners for decision.

I feel that the background I have had would certainly assist materially, administratively, in the consideration of them to expedite their processing.

Senator SCHOEPPEL. As one member of this committee and as many of the other members know, we have had numerous series of complaints about the delays and the backlog down there and naturally it would be our hope that you could move into this with your experience and background, if you are finally confirmed, to clean up this backlog as quickly as possible.

As the chairman of this committee said here, on the Appropriations Committee additional funds have been provided and something should be done down there to expedite that work.

As far as I am concerned, I appreciate your coming into this position, the President designating you for this, with your background and experience.

Mr. O'CONNOR. I assure you I will do the best I can, Senator.

The CHAIRMAN. And of course you should know with your background, and I am sure you do, that the longer a case is pending, a rate case for instance, if the facts seem to be leaning toward the facts that rate should not have been put into effect, the longer that is pending, the harder it is to change it.

Mr. O'CONNOR. Yes, sir.

The CHAIRMAN. The companies come in with all kinds of reasons, rising costs, this and that, and it has been in effect and people are used to it and so forth. And you have got to be a public advocate down there in its very literal sense.

Mr. O'CONNOR. I assure you, Senator, I feel strongly when you take the oath of office down there, if you are a person of integrity, you represent the public and not the producers or distributors, transmission company, or the consumer company.

The CHAIRMAN. Senator McGEE?

Senator McGEE. I just want to observe in personal conversation with Mr. O'Connor and listening to the testimony this morning and studying his record, I am impressed with the concept of his obligation in terms of integrity and responsibility in the public interest.

I think this does credit to the job. But I think in all fairness, to be real candid, that Mr. O'Connor knows better than the rest of us that riding on his shoulder will be a little extra burden, an extra weight in this appointment, because of questions that have been raised, rightly or wrongly, fairly or unfairly.

Those are things beside the point right now. But he is going to be in special boots and it is a little rough to have to carry that extra responsibility.

I am impressed with his willingness to take that on, even so. He carries not only a special load in terms of this particular job in FPC, but he carries with it the kind of judgment that this committee subscribes to, in terms of tapping experienced men for public responsibility in the field of their real talent, and I don't need to repeat what Mr. O'Connor has already made abundantly clear and that is that that kind of obligation would set us back immeasurably, do irreparable harm, if this were not approached with the greatest dedication, his willingness to take this extra weight on his shoulders and I think it is highly commendable.

Mr. O'CONNOR. Thank you, Senator McGEE.

The CHAIRMAN. Mr. O'Connor, in 1960 the Senate passed Senate Resolution 338 which said in part and I quote:

"It is the sense of the Senate that individuals appointed to administrative or policymaking posts should be willing to serve for a period long enough to permit them to contribute effectively to their assigned task and it is the sense of the Senate the nominees appearing before the committees shall indicate their willingness to serve so long as the President desires."

What is your thought on your length of service?

Mr. O'CONNOR. I certainly intend to serve every day in this job, until June 22, 1966, if I am permitted to.

The CHAIRMAN. Are there further questions?

Senator YARBOROUGH. Mr. Chairman, I have one question only. Mr. O'Connor, if confirmed, will you, to the best of your capacity and ability, judge fairly and impartially, each case before you, with due regard to the interests of the consumers, the producers, the distributor, and the transporter and above all, the interests of the Government in seeing that fairness is done and justice to all concerned?

Mr. O'CONNOR. Yes, sir.

The CHAIRMAN. Thank you, Mr. O'Connor.

There will be placed in the record at this point letters endorsing Mr. O'Connor's nomination from the Honorable Albert Thomas, Representative from the Eighth Congressional District of Texas, the Honorable Stewart L. Udall, Secretary of the Interior, and the Honorable John M. Kelly, Assistant Secretary of the Interior.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 13, 1961.

In re Mr. Lawrence J. O'Connor, Houston, Tex.

Hon. W. G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: May I say a few words in behalf of Mr. O'Connor, who has been nominated a Commissioner of the Federal Power Commission.

I have known Larry for 12 or 15 years. He is a graduate of Rice and Harvard Universities. He is honest, capable, and highly dependable. He has that gift which so few administrators have—ability to do the job, follow the law, keep his employees happy and the public, too. He will bring to the Federal Power Commission talent that is badly needed on the Commissioner level and which has not been available among the Commissioners themselves for many years.

As you know, a large part of the workload of the Commission deals with accounting in ratemaking for electric power and gas. Accounting is one of the big functions and an important section of the Federal Power Commission. Mr. O'Connor is an expert certified public accountant. In addition, he has had commendable success and experience in the oil and gas business. These two qualities, besides his good common horsesense and his ability to do a job, should make him an outstanding Commissioner.

I hope your distinguished committee will confirm his nomination.

With kindest personal regards and best wishes, I am,

Sincerely yours,

ALBERT THOMAS.

THE SECRETARY OF THE INTERIOR,
Washington, July 14, 1961.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: During the past 5 months Mr. Lawrence J. O'Connor, Jr.—whose nomination for membership on the Federal Power Commission is now pending before your committee—has served in my Department as Administrator of the oil import program. Of course, this program is a highly complex one, and it has required the careful attention of a skilled administrator. During my tenure as Secretary, Mr. O'Connor has handled the problems of his office with sensitivity. He has always demonstrated a sense of balance in preparing the analyses which I have requested of him. His experience in this office has been a broad one, and he has developed the type of administrative experience which should qualify him for the higher administrative responsibilities that would be his as a member of the Federal Power Commission.

I would also like to advise your committee that during my acquaintance with Mr. O'Connor nothing whatsoever has occurred which would reflect adversely on his character and moral principles. Indeed, all of us in this Department take pride and satisfaction in the promotion which was accorded him by the President.

Sincerely,

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 12, 1961.

DEAR MR. CHAIRMAN: It gives me very real pleasure to endorse the nomination of Lawrence J. O'Connor, Jr., to membership on the Federal Power Commission. While I recognize that the Department of Interior will be losing one of its most competent administrators, I am convinced that the overall interests of the Government will be advanced by his appointment to this highly responsible post.

During Mr. O'Connor's tenure as Oil Import Administrator, significant progress has been made in developing the program of oil import controls. His energy, his ability to look at all sides of a problem, his unquestioned objectivity, and his mature judgment have made an essential contribution to the program's success.

Nor has Mr. O'Connor's contribution been limited to the program of controls on oil imports. Since entering the Department, I have sought and valued his wise counsel on energy matters well beyond the sphere of the oil import program and have always found his advice to be sound, constructive, and thoroughly unbiased.

Please accept my heartfelt endorsement of this well-deserved appointment.

Sincerely yours,

JOHN M. KELLY,
Assistant Secretary.

(Whereupon, at 12:15 p.m., the committee was adjourned.)

Mr. PROXMIRE. In the course of those hearings, in indicating in part my opposition to Mr. O'Connor, I stated the following:

I oppose Mr. O'Connor's confirmation because he is obviously an industry man. Even before he is appointed, he is of, by, and for the industry he is appointed to regulate.

Until he entered the Interior Department in October of 1959, O'Connor was a consultant to gas and oil companies. It is a shocking fact that the new FPC Commissioner's principal employment has been as vice president of a Texas oil and gas company.

During the past 2 years, three rate increases have been put into effect by the company Mr. O'Connor worked for until 1958 and they have gone unchallenged by FPC. The Independent Petroleum Association of America, of which Mr. O'Connor is a former director and committee chairman, seeks actively to get the Federal Power Commission out of natural gas regulation.

Appointing Mr. O'Connor to the FPC is like appointing Mickey Mantle to umpire Yankee baseball games. It is about as fair as a fourth strike. It is about as ethical as brass knuckles.

I went on to say:

The consuming public hasn't much of a chance before the FPC. The gas industry has had the best legal, statistical, and technical brains money can buy, lobbying the Commission from the outside. With O'Connor's appointment they will have their boy on the inside. The public must have commissioners dedicated to fight for the public right above any private special interest; men who will stand up to terrific gas industry pressure. Is anyone so naive as to argue that O'Connor is this kind of man?

I concluded by saying:

Once again, let me say, the public must have commissioners dedicated to fight for the public right above any private special interest—men who will stand up to terrific gas industry pressure. Is anyone so naive as to argue that O'Connor, although a man of excellent education and fine character, is this kind of man?

Mr. President, the hearings reveal the principal objection I had to Mr. O'Connor, and the analogy I drew between Mr. O'Connor's presence on the Federal Power Commission regulating the natural gas industry and Mickey Mantle umpiring a Yankee baseball game. The Senator from Kansas [Mr. SCHOEPPEL] entered into our colloquy and clearly delineated the nature of the parallel, although he disagreed sharply with my viewpoint. The Senator from Kansas said:

I played some athletics in my day and I loved the game and I loved the referees when they blew the whistle. But this statement I cannot let go unchallenged as it relates to this man who is here before us, qualified and experienced as he is, and a man who has a good public record. When you say it is like appointing Mickey Mantle to umpire the Yankee ball games or about as ethical as brass knuckles.

Senator PROXMIRE. If the Senator would yield, I would like to say, this is a good point, because I certainly would not question the character of Mickey Mantle or Roger Maris. They are fine Americans. But I would not want them to umpire a Yankee baseball game.

I feel the same about Mr. O'Connor. He is a fine American, an excellent man, but not for the Federal Power Commission.

Senator SCHOEPPEL. Poor Eddie Rommel, who was a great pitcher for the Athletics, has made a splendid record umpiring.

Senator PROXMIRE. Did he umpire in the league in which he developed his reputation?

Senator SCHOEPPEL. I am surprised that the Senator from Wisconsin did not know that.

Senator PROXMIRE. Oh, I knew it. I wanted the Senator from Kansas to tell me in what league Eddie Rommel umpired.

Senator SCHOEPPEL. If you would apply the yardstick the Senator would apply to Mr. O'Connor, you would have to bar Joe Louis forever from crawling in a ring, the great Negro heavyweight, who fought with distinction and had a record of unqualified cleanliness. He never could referee a bout.

Senator PROXMIRE. He could referee every bout, providing Joe Louis, Jr., was not one of the contestants.

Senator SCHOEPPEL. Just a minute. And Walter Eckersoll, the great Chicago football player, all-American, and I know he blew the whistle on Wisconsin teams, you would bar him?

Senator PROXMIRE. Another excellent example. He came from the University of

Chicago and he never refereed a Chicago football game. He refereed many others, but not Chicago. That is one of the things they do in athletics to be fair. They keep the alumni from refereeing the games the school plays.

He is, I hope, an alumnus. I hope he remains in that status, at least while he is on the Commission. He is an alumnus of the natural gas industry, and he is being asked to referee the contest.

NOT FAIR OR JUST

It is like calling in a football star who is devoted and dedicated to his alma mater, and who fights hard on the football field, to referee a game the next season between his own team and another. That is not done in sports, because it is recognized that it would not be fair or just. The opposing team would complain, and it would be right in doing so.

This example was not a farfetched analogy. It was brought out later by an exchange in the hearings with the Senator from Texas [Mr. YARBOROUGH], as follows:

Senator PROXMIRE. But he has worked with the Petroleum Association, been a top official.

Senator YARBOROUGH. The Petroleum Association is a group of people like a bar association. You have a damage suit lawyer in the bar association, with a corporate lawyer. The fact you belong to the Bar Association, doesn't mean you represent a certain interest in the economy of the country.

Senator PROXMIRE. The viewpoint of the Petroleum Association is pretty clear, as far as the differences between the producer, the gas producer and the consumer.

Senator YARBOROUGH. I won't quarrel with you. Mr. Swidler was experienced in the valuation of electrical utilities, in having been with TVA. We need someone on the Commission that knows how to value these things.

Senator PROXMIRE. I am delighted you raised that point. Who do you want on the Commission who knows how to value these properties? Maybe the accounting background of the nominee would be helpful, but helpful to whom? Who is the expert? Who would the Commission turn to for expert advice on the gas industry? They turn to the man who has been president of the Goldston Oil Co., the man who has been an active officer of the Petroleum Association that represents the industry viewpoint. They turn to him. He would be the expert, the fellow giving the advice. What a wonderful position of power the gas producers will be in.

He would be the expert giving advice. What a wonderful place of power the gas producer would be in.

Incidentally, I will go into detail and document later the attitude of the Independent Petroleum Producers' Association. In view of the challenge of the Senator from Texas [Mr. YARBOROUGH] that all the documentation should be put in the RECORD, and in view of his reputation and his position in the association, that will be done. However, we are considering the nomination of the advocate, the proponent, the industrial man who is to be placed on the regulatory body.

APPOINTMENT NOT ETHICAL

There are all kinds of concepts of what a regulatory body should be. There are all sorts of concepts of what kind of person should serve on such a regulatory body. However, it seems to me that we could not find any person—at least no professional judge or expert or scholar—who has studied the regulatory agencies, who would argue that we should take a man from the most controversial industry involved in this situation, and put him on the Commission as one of the Commissioners. It seems to me that is not ethical.

I do not see how it can be contended that this would be anything but bad news for the consumer, meaning higher rates, just as it has meant higher rates since 1945, as clearly indicated by the chart. Prices have increased almost threefold during the last 10 years. It could result only in an anticonsumer orientation on the part of the Commission. No personal investigation had been conducted of the nominee up to the time of the hearings, and I have not conducted any investigation of his personal background. However, a report was made of his holdings.

O'CONNOR'S HOLDINGS EXTENSIVE

On July 1, 1960, Mr. O'Connor was appointed Administrator of the Oil Import Administration in the Department of the Interior. Prior to that time, Mr. O'Connor served as assistant director of the Office of Oil and Gas. Mr. O'Connor has extensive holdings in the oil and gas industry, which I shall read into the RECORD shortly. In the light of these holdings, I wish to read first the duties of the Oil and Gas Office, and then of the Oil Import Administration, of which Mr. O'Connor is presently the Administrator. In the Office of Oil and Gas he serves as assistant to the Secretary for Mineral Resources. The first listed duty of the Office of Oil and Gas is to provide staff advice and assistance to the Assistant Secretary in development, coordination, and management of oil and gas programs and functions which are assigned to the Department by the President or the Congress.

I suppose there are many persons who are not concerned with conflict of interest, and who say it is not important, and can be ignored. However, I believe we must consider his extensive holdings and consider at the same time that he is charged in the Office of Oil and Gas with providing staff advice and assistance to the Assistant Secretary on oil programs. Thus the conflict of interest becomes apparent.

Also, the Office of Oil and Gas provides leadership in obtaining coordination and unification of oil and gas policies and related administrative activities of all Federal agencies and enlists their cooperation to assure adequate development, distribution, and utilization of petroleum of gas resources and facilities to meet civilian, industrial, and military requirements in time of peace or national emergency.

In the third place, the office serves as the principal channel of communication between the Federal Government and the Interstate Oil Compact Commission, State regulatory bodies, and the petroleum and gas industries, primarily through the National Petroleum Council, the Military Petroleum Advisory Board, and the Foreign Petroleum Supply Committee.

Fourth, it executes functions and responsibilities authorized by the Defense Production Act of 1950, as amended, with respect to petroleum and gas. Those functions are aimed at assuring adequate supplies of such products and facilities to fulfill civilian, industrial, and military requirements, and are similar to those performed jointly by the Office of Minerals Mobilization and General Services Administration with respect to metals and minerals.

Finally, the office appoints and trains a national defense executive reserve for petroleum and gas pursuant to Executive Order No. 10660 of February 15, 1956.

I now list the duties of the Oil Import Administration, of which Mr. O'Connor is the top man.

The Secretary of the Interior, pursuant to a Presidential proclamation dated March 10, 1959, established the Oil Import Administration within the Department, issued regulations for the operation of an oil import program, and developed the authority conferred upon him by the President to the Administrator.

OBJECTIVE: STABLE INDUSTRY

The objective of the oil import program is to insure a stable, healthy petroleum industry within the United States capable of exploration and development of new domestic petroleum reserves. In administering the program, the Oil Import Administration has these duties. Let us consider his holdings in the light of these duties.

The duties are:

Analyzes data prepared by the Department's Bureau of Mines relating to petroleum demand in the United States.

We should keep in mind, in connection with his duties at the present time, his holdings in oil companies which import oil into the United States. The first duty is to analyze data prepared by the Department's Bureau of Mines relating to petroleum demand in the United States by commodity type and petroleum districts, in order to regulate the overall amounts of crude and unfinished oil, and finished petroleum products to be allowed into the United States and Puerto Rico. We should consider his holdings in the light of this duty.

In the second place, the Administrator establishes equitable semiannual oil import allocations for individual eligible oil importers by product type and district, other than residential fuel oil, which is on a quarterly basis, and issues import licenses.

LICENSE POWER VITAL

Obviously there is a conflict in issue with respect to licenses. Can anyone think of any power that would be more important to the companies involved? Is it not perfectly apparent that there is an explicit conflict of interest if a stockholder of an importer is also the administrator of the program which determines how much the importer can import? There is no power more important.

The third duty is to analyze monthly reports from each importer showing the amount and disposition of petroleum imports entering the Nation under license,

and to issue public reports concerning the oil import situation and the administration of the program. Once again there is control over the imports, in which he has a financial interest.

There are additional duties, but those are the principal ones. Mr. O'Connor is still the administrator of the Oil Import Administration and has been since July 1960—for more than a year.

INFORMATION NOT AVAILABLE

In order to get detailed information, so that I would be in the best position to handle this subject, on Friday, August 4, 1961—last Friday—I asked a member of my staff to call the Committee on Commerce, according to my instructions of the previous evening. He asked the following questions and received the following answers from the chief counsel of the Committee on Commerce:

Question. Senator PROXMIRE has a copy of the list of financial holdings submitted by Mr. O'Connor to the committee. He instructed me to ask the committee for the amount of holdings in each case.

Answer. We don't give those out. We're only interested in what he's involved in. We don't think it is necessary to know how rich he is. We don't have those figures. We don't ask for them.

I digress at this point. It makes a considerable amount of difference whether a man has a very large interest in a particular stock or a particular company which is a big importer, or does not have. It is very hard for Senators to evaluate the delicate question of conflict of interest without having the facts. The committee does not have the facts. That is why it seems to me my motion to recommit the nomination, to discover this information, is pertinent and appropriate. How can the Senate possibly evaluate this kind of conflict of interest if we are not told what his holdings amount to?

SENATE HAS RIGHT TO KNOW

I serve on the Committee on Banking and Currency. When there is a possible conflict of interest involved, we request nominees who come before that committee to give us the facts and the amounts concerned. It seems to me this is a parallel situation. The Senate has the right to know, particularly in view of the fact that this man has been Oil Import Administrator, if there is a conflict of interest involved. If he tells companies of which he is a stockholder that they can import when they want to import, that, it seems to me, is significant.

Another question asked by the member of my staff of the chief counsel of the Committee on Commerce was:

Mr. O'Connor said he would dispose of part of his securities by gift. Is there any indication which holdings and to whom the gifts will be given?

ANSWER. There are some holdings that can't be disposed of on the market—fractional mineral interests for which there is no market.

Counsel for the committee then listed those holdings. I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

New Mexico: Nancy Jane Busby, L. R. Chamberlin, Gunderson Unit, Angic Haggerty, Rekdahl Unit, Mary L. Soule, Pat H. McClure, Yettie Meadors, O. A. Mudd, D. P. Peck, Simms-Hooks.

Montana: Retta M. Harris, Edith Thompson, Urquhart Gas Unit, L. J. Taylor.

Mr. PROXMIRE. Mr. President, in addition, the holdings of O'Connor include Anderson Prichard Co.—Apco Oil Corp.—which is licensed to import 3,110 barrels a day.

Canadian Husky Oil Ltd.

This is the man who is the Oil Import Administrator. These are his holdings, and some of the indications of quantities, in some cases. It is up to the Administrator to decide how large a quantity of oil the companies may import.

Commonwealth Oil Co.

Delhi Taylor Oil, which is licensed to import 3,276 barrels a day.

Fifteen Oil Co.

The Houston Corp.

Kewanee Oil.

Mountain Fuel Supply.

Murphy Corp., which is licensed to import 3,010 barrels a day.

Ohio Oil Co., which is licensed to import 8,506 barrels a day.

Marine Drilling, Inc.

Rare Metals Corp. of America.

Royal Dutch Petroleum.

San Jacinta Petroleum.

Shell Transport and Trading—Shell Oil of New York—which imports 44,468 barrels a day. Mr. O'Connor holds stock in that company, but the Committee on Commerce will not say how much. They do not know; they have not asked; but Mr. O'Connor is a stockholder.

He also owns stock in the South Texas Oil & Gas Co.

Standard Uranium Co. of America.

Sunray Mid-Continent Oil. That company imports 11,688 barrels a day. Mr. O'Connor, the Oil Import Administrator, is a stockholder in that corporation.

Tennessee Gas Transmission Corp., 4,283 barrels a day.

Texas Eastern Transmission Corp., 1,789 barrels a day. Mr. O'Connor, the Oil Import Administrator, owns stock in that corporation.

Texas Gulf Producing Corp.

Texas-Illinois Natural Gas.

Transcontinental Gas.

Western Natural Gas Co.

Continental Oil Co., of Houston, which imports 12,831 barrels a day.

People's Gaslight.

Mr. O'Connor is a stockholder in Standard Oil Co. of New Jersey, which is a large importer, importing 42,980 barrels a day.

Mr. O'Connor is a trustee of the First City National Bank of Houston, which imports 4,495 barrels a day.

Southern California Edison Co.

The nominee held all these securities. He had this large stock investment in big importers of oil at the time he was Oil Import Administrator and had discretion concerning the quotas and allotments that they would be permitted to import.

What does "conflict of interest" mean, if this is not a conflict of interest?

However, when he was asked by the committee, Mr. O'Connor said, in connection with his nomination to the FPC:

All of the above securities have either already been disposed of or will be disposed of prior to taking the oath of office.

Mr. O'Connor also holds stock in Canadian-Pacific Railway Co., Canadian Superior Oil Co., Movible Offshore Co., Truax-Traer Coal Co., and Westinghouse Electric & Manufacturing Corp. Concerning these securities he said:

All of the above securities with the exception of Movible Offshore Co. will be disposed of prior to taking the oath of office.

In addition, the nominee has the following holdings, which apparently would not be disposed of, and which he would continue to hold while he was a Federal Power Commissioner:

Airtex, Inc.; Allied Oil & Industries Corp. of Texas; Anderson-Clayton; British Petroleum Co., Ltd.; Burmah Oil Co., Ltd.; Caribbean Minerals, Inc.; Commonwealth Credit Corp.; Corona Silica Corp. preferred; Corona Silica Corp., common; Duncan Coffee Co.; the Duroflex Co.; Elder Mines, Ltd.; Federated Department Stores; First State Bank of Bellaire; Gulf Chemical Co.; Gulf Sulphur Corp.; Houston Country Club; the Igloo Manufacturing Co.; Interworld TV Films; Kaiser Aluminum; Lacks Wholesale Distributor, preferred; Leonard Refineries, which imports 2,612 barrels of oil a day; Magnolia Realty Co.; Midwestern Instruments, Inc.; Missouri Kansas Texas, preferred; Pacific Mutual Life Insurance; Petroleum Service & Research; Pigeon Hole Parking of Texas; River Brand Rice Mills; South Coast Life Insurance; Texas Fund, Inc.; Texas International Fund; University Savings & Loan; University State Bank; U-Tote 'M, Inc.; P. N. Hirsch & Co.; Trace Elements Corp.; Carver Crest Water; Gulf Chemical Co.; Gulf Sulphur Co.; U.S. war savings bonds; Louisiana Gas Service; the Ruberaid Co.; and American Tobacco.

Mr. O'Connor says all these stocks will be disposed of as soon as practicable, either by sale or gift.

I ask unanimous consent, in the interest of saving time, that a publication entitled "Interior Department Announces Oil Import Levels," published by the Department of the Interior, dated June 14, 1961, be printed at this point in the RECORD.

There being no objection, the publication was ordered to be printed in the RECORD, as follows:

INTERIOR DEPARTMENT ANNOUNCES OIL IMPORT LEVELS

(Release by the Department of the Interior Information Service, June 14, 1961)

Crude and unfinished oil import levels east of the Rocky Mountains (districts I–IV) will be limited to 670,983 barrels daily in the last half of 1961, the lowest level in the area since inception of mandatory controls in 1959, Secretary of the Interior Stewart L. Udall announced today.

In the seven-State area west of the Rocky Mountains (district V), crude and unfinished oil imports will be held to 230,298 barrels daily for the last half of 1961, the Secretary said.

Secretary Udall said, "Crude and unfinished oil imports into the continental

United States, Alaska, and Hawaii, have been reduced by about 66,400 barrels daily below the comparable levels for the last half of 1960. In districts I–IV, the cut is about 33,400 barrels daily, and in district V, the reduction totals 33,000 barrels daily."

Other allocations established for the last half of 1961 are as follows:

Districts I–IV: Finished petroleum products, 76,634 barrels daily.

District V: Finished petroleum products, 10,679 barrels daily, including residual fuel oil.

Puerto Rico: Crude and unfinished oil, 87,611 barrels daily; finished petroleum products, 1,998, including residual fuel oil.

Total crude oil and oil product imports into the United States and Puerto Rico in the last half of 1961 will be limited to 1,078,153 barrels daily, excluding residual fuel oil in districts I–IV, which is controlled on a yearly basis. During the last half of 1960, the comparable level was 1,137,765 barrels daily. Finished product levels are based on 1957 actual imports and remain the same in each allocation period.

The import level in districts I–IV includes a downward adjustment of 24,570 barrels daily over the level which would have otherwise prevailed. This reduction was computed by taking 9 percent of the amount by which estimated total demand in the second half of 1960 exceeded actual demand for the period, as prescribed in an amendment made last December to Presidential Proclamation 3279.

Bureau of Mines demand estimate for the second half of 1961 was 8,581,000 barrels per day in districts I–IV and, in District V, the difference between supply and demand was estimated at 305,000 barrels per day, of which approximately 64,000 barrels per day represent estimated exempt imports for the second half.

In districts I–IV, individual allocations have been awarded to historic importers on the basis of 70 percent of their last allocation under the voluntary oil import program and to other importers on the basis of the following refinery input formula:

Districts I–IV

Average barrels per day input:	Percent of input
0 to 10,000	11.1
10,000 to 20,000	10.2
20,000 to 30,000	3.3
30,000 to 60,000	8.3
60,000 to 100,000	7.4
100,000 to 150,000	6.5
150,000 to 200,000	5.5
200,000 to 300,000	4.5
300,000 plus	3.7

In district V, individual allocations have been awarded to historic importers on the basis of 70.3 percent of their last allocation under the voluntary oil import program and to other importers on the basis of the following refinery input formula:

District V

Average barrels per day input:	Percent of input
0 to 10,000	42.1
10,000 to 20,000	32.9
20,000 to 30,000	23.8
30,000 to 60,000	14.1
60,000 to 100,000	11.3
100,000 to 150,000	10.3
150,000 to 200,000	9.3
200,000 plus	7.4

District V consists of Alaska, Arizona, California, Hawaii, Nevada, Oregon, and Washington. Districts I–IV consist of the remaining States, but not including the Commonwealth of Puerto Rico.

The tabulation of individual oil import allocations is attached.

Tentative crude and unfinished oil import allocations, subject to certifications required in the application for import licenses, for the period July 1, 1961, through Dec. 31, 1961

DISTRICTS I–IV

Authorized importers:	Barrels per day
Acadia Corp., Shreveport, La	330
Advance Refining Co., Inc., Centralia, Ill	295
Allby Asphalt & Refining Corp., Hammond, Ind	298
Allied Materials Corp., Oklahoma City, Okla	243
American Petrofina, Inc., New York, N.Y	3,633
Anchor Gasoline Corp., Tulsa, Okla	121
Anderson Refining Corp., Palestine, Tex	100
APCO Oil Corp., Oklahoma City, Okla. (Anderson-Prichard Co.)	3,110
Arkansas-Louisiana Gas Co., Shreveport, La	183
Ashland Oil & Refining Co., Inc., Ashland, Ky	11,389
Atlantic Refining Co., Philadelphia, Pa	35,140
Atlas Processing Co., Shreveport, La	1,752
Bayou State Oil Corp., Shreveport, La	85
Bell Oil & Gas Co., Tulsa, Okla	1,870
Berry Asphalt Co., Magnolia, Ark	289
Big West Oil Co. of Montana, Spokane, Wash	243
Bird & Son, Inc., East Walpole, Mass	862
Bryson Pipeline and Refining Co., Bryson, Tex	80
Calumet Refining Co., Chicago, Ill	204
Century Refining Co., Kansas City, Mo	310
Champlin Oil & Refining Co., Fort Worth, Tex	2,791
Cities Service Co., New York, N.Y	19,460
Claiborne Gasoline Co., Dallas, Tex	186
Clark Oil & Refining Corp., Milwaukee, Wis	3,070
Colorado Interstate Gas Co., Colorado Springs, Colo	1,847
Continental Oil Co., Houston, Tex	12,831
Cooperative Refining Association, (The), Kansas City, Mo	3,447
Cosden Petroleum Corp., Big Spring, Tex	3,601
Cracker Asphalt Corp., Douglasville, Ga	156
Cross (Henry H.) Co., Chicago, Ill	328
Crown Central Petroleum Corp., Baltimore, Md	3,407
Danaho Refining Co., Houston, Tex	421
Debco Corp. of Texas, Abilene, Tex	62
Delhi-Taylor Oil Corp., Dallas, Tex	3,276
Delhi-Taylor Oil Corp., Mayfair Minerals, Houston, Tex	454
Diamond Asphalt Co., Chinook, Mont	71
Distillate Production Corp., Shreveport, La	57
Dow Chemical Co., Saginaw, Mich	1,890
Eddy Refining Co., Houston, Tex	231
Elk Refining Co., Charleston, W. Va	474
El Paso Natural Gas Co., El Paso, Tex	2,131
Empire Petroleum Co., Denver, Colo	512
Empire State Oil Co., Thermopolis, Wyo	345
Evangeline Refining Co., Inc., Jennings, La	87
Famariss Oil & Refining Co., Hobbs, N. Mex	168

Tentative crude and unfinished oil import allocations, subject to certifications required in the application for import licenses, for the period July 1, 1961, through Dec. 31, 1961—Continued

DISTRICTS I–IV—Continued

Authorized importers—Continued	Barrels per day
Farmers Union Central Exchange, Inc., St. Paul, Minn	1,993
First City National Bank of Houston, Houston, Tex	4,495
Frontier Refining Co. (The), Denver, Colo	2,502
Gabriel Oil Co., Houston, Tex	1,750
Gladieux Refinery, Inc., Fort Wayne, Ind	136
Great Northern Oil Co., St. Paul, Minn	19,670
Great Western Producers, Inc., Irving, Tex	251
Gulf Oil Corp., Pittsburgh, Pa	66,570
Hess, Inc., Perth Amboy, N.J	6,860
Howell Refining Co., San Antonio, Tex	495
Hunt Oil Co., Dallas, Tex	554
Husky Oil Co., Cody, Wyo	649
Ida Gasoline Co., Inc., Shreveport, La	52
Illinois Farm Supply Co., Chicago, Ill	511
Indiana Farm Bureau Cooperative Association, Inc., Mount Vernon, Ind	1,320
Ingram Oil & Refining Co., New Orleans, La	2,450
Jarvis Co. (S. D.) (The) Co., Decatur, Ill	109
Jet Fuel Refinery, Billings, Mont	32
Kendall Refining Co., Bradford, Pa	471
Kerr-McGee Oil Industries, Inc., Oklahoma City, Okla	3,936
Lakeside Refining Co., Trenton, Mich. (Petroleum Specialties, Inc.)	718
Laketon Asphalt Refining, Inc., Evansville, Ind	350
Leonard Refineries, Inc., Alma, Mich	2,612
Macmillan Petroleum Corp., Los Angeles, Calif	393
Mid-America Refining Co., Inc., Chanute, Kans	269
Midland Cooperatives, Inc., Cushing, Okla	1,358
Monarch Refining Co., San Antonio, Tex	270
Monsanto Chemical Co., Houston, Tex	3,868
Murphy Corp., El Dorado, Ark	3,010
Naph-Sol Refining Co., Muskegon, Mich	781
National Cooperative Refinery Association, McPherson, Kans	2,875
Northwestern Refining Co., St. Paul Park, Minn	8,050
Ohio Oil Co. (The), Findlay, Ohio	8,506
Oriental Refining Co., Denver, Colo	402
Osceola Refining Co., Inc., Reed City, Mich	170
Pennsylvania Refining Co., Butler, Pa	116
Permian Corp., Houston, Tex. (Cactus Petroleum, Inc.)	311
Petroleum Refining Co., Lueders, Tex	199
Phillips Petroleum Co., Bartlesville, Okla	15,370
Plateau, Inc., Bloomfield, N. Mex	103
Plymouth Oil Co., Houston, Tex	2,812
Pontico Corp., Corpus Christi, Tex	1,659
Pure Oil Co., Palatine, Ill	12,638
Quaker State Oil Refining Corp., Oil City, Pa	868
R.J. Oil & Refining Co., Inc., Terre Haute, Ind	371
Rado Refining Co., McAllen, Tex	50

Tentative crude and unfinished oil import allocations, subject to certifications required in the application for import licenses, for the period July 1, 1961, through Dec. 31, 1961—Continued

DISTRICTS I–IV—Continued

Authorized importers—Continued	Barrels per day
Richards (M. T.) Inc., Crossville, Ill	27
Rock Island Refining Corp., Indianapolis, Ind	1,733
Seminole Asphalt Refining, Ltd., St. Marks, Fla	199
Shamrock Oil & Gas Corp., (The) Amarillo, Tex	2,393
Shell Oil Cos., New York, N.Y	21,945
Signal Oil & Gas Co., Los Angeles, Calif	12,250
Sinclair Oil Corp., New York, N.Y	37,100
Sioux Oil Co., Newcastle, Wyo	519
Skelly Oil Co., Tulsa, Okla	4,669
Socony Mobil Oil Co., Inc., New York, N.Y	40,040
Sonneborn Chemical & Refining Corp., New York, N.Y	174
South Hampton Co., Houston, Tex	121
Southland Co. (The), Yazoo City, Miss	2,232
South Penn Oil Co., Oil City, Pa	1,087
Southwest Gas Producing Co., Inc., Monroe, La	444
Southwestern Oil & Refining Co., Corpus Christi, Tex	3,277
Standard Oil Co. of California, San Francisco, Calif	39,830
Standard Oil Co. (Indiana), Chicago, Ill	31,597
Standard Oil Co. (New Jersey), New York, N.Y	42,980
Standard Oil Co. (Ohio), Cleveland, Ohio	10,690
Sun Oil Co., Philadelphia, Pa	30,100
Sunray Mid-Continent Oil Co., Tulsa, Okla	11,688
Tennessee Gas Transmission Co., Houston, Tex	4,283
Texaco Inc., New York, N.Y	32,480
Texas Asphalt & Refining Co., Houston, Tex	1,400
Texas City Refining, Inc., Texas City, Tex	3,162
Texas Eastern Transmission Corp., Houston, Tex	1,789
Texas Gas Corporation, Houston, Tex	783
Texstar Corporation (The), San Antonio, Tex	203
Three Rivers Refinery, Tulsa, Okla	106
Tidewater Oil Co., Los Angeles, Calif	20,440
Uinta Oil Refining Co., Salt Lake City, Utah	151
Union Oil Co. of California, Los Angeles, Calif	329
United Refining Co., Warren, Pa	2,100
Vickers Petroleum Co., Inc. (The), Wichita, Kans	1,517
Vulcan Asphalt Refining Co., Cordova, Ala	176
Warrior Asphalt Corp, Tuscaloosa, Ala	104
Waskom Natural Gas Co., Houston, Tex	172
Western Natural Gas Co., Houston, Tex	1,537
Westland Oil Co., Williston, N. Dak	183
Wickett Refining Co., Wickett, Tex	196
Wolf's Head Oil Refining Co., Inc., Oil City Pa	195
Wyandotte Chemicals Corp., Wyandotte, Mich	257
Total	670,933

Tentative crude and unfinished oil import allocations, subject to certifications required in the application for import licenses, for the period July 1, 1961, through Dec. 31, 1961—Continued

DISTRICT V

Authorized importers:	Barrels per day
Caminol Co., Hanford, Calif	2,658
Century Oil Co., Long Beach, Calif	1,720
Continental Oil Co. (Douglas Oil Co. of Calif.) Los Angeles, Calif	7,149
Edgington Oil Refineries, Inc., Long Beach, Calif	3,243
Envoy Petroleum Co., Long Beach, Calif	844
Fletcher Oil Co., Wilmington, Calif	3,656
Golden Bear Oil Co., Los Angeles, Calif	2,102
Golden Eagle Refining Co., Los Angeles, Calif	2,737
Gulf Oil Corp., Pittsburgh, Pa	11,951
Lunday-Thagard Oil Co., South Gate, Calif	424
Macmillan Petroleum Corp., Los Angeles, Calif	3,093
Mohawk Petroleum Corp., San Francisco, Calif	3,782
Newhall Refining Co., Inc., Newhall, Calif	1,427
Nish-Paul Oil Co., Long Beach, Calif	984
Oxnard Oil & Refining Co., Oxnard, Calif	400
Palomar Oil & Refining Corp., Bakersfield, Calif	442
Powerine Oil Co., Santa Fe Springs, Calif	5,660
Richfield Oil Corp., Los Angeles, Calif	24,082
Shell Oil Co's., New York, N.Y	22,523
Signal Oil & Gas Co., Los Angeles, Calif	4,955
Socal Oil & Refining Co., Huntington Beach, Calif	1,078
Socony Mobil Oil Co., Inc., New York, N.Y	16,802
Standard Oil Co. of Calif, San Francisco, Calif	36,861
Sunland Refining Corp., Fresno, Calif	1,617
Texaco, Inc., New York, N.Y	14,818
Tidewater Oil Co., Los Angeles, Calif	24,957
U.S. Oil & Refining Co., Los Angeles, Calif	5,273
Union Oil Co. of California, Los Angeles, Calif	24,798
West Coast Oil Co., Oildale, Calif	262
Total	230,298

Tenative allocations for finished petroleum products other than residual fuel oil, subject to certifications required in the application for import licenses, for the period July 1, 1961, through Dec. 31, 1961

DISTRICTS I–IV

Authorized importers:	Barrels per day
Ballard Oil Co. of Hartford, Inc., Hartford, Conn	1,165
Blanchet & Fils, Ltd., Joseph H., Quebec, Canada	3
Castrol Oils, Inc., Newark, N.J	2
Gulf Oil Corp., Pittsburgh, Pa	2,723
Hess, Inc., Perth Amboy, N.J	3,234
Irving Pulp & Paper Co., St. John, New Brunswick, Canada	3.32
Leonhardt Associates, Otto, Baltimore, Md	.20
Military Petroleum Supply Agency, Washington, D.C	30,554
Pittston Co., (Metropolitan Petroleum Co.), Oradell, N.J	5,100
Pure Oil Co., Chicago, Ill	5.50

Tentative allocations for finished petroleum products other than residual fuel oil, subject to certifications required in the application for import licenses, for the period July 1, 1961, through Dec. 31, 1961—Con.

DISTRICTS I–IV—Continued

Authorized importers—Continued	Barrels per day
Robinson Lumber Co., Aroostock, Maine	1.25
Royal Petroleum Corp., New York, N.Y	1,476
Shell Oil Co's. New York, N.Y	9,812
Socony Mobil Oil Co., Inc., New York, N.Y	25
Standard Oil Co. of California, San Francisco, Calif	7,284
Standard Oil Co. (New Jersey), New York, N.Y	13,590
Sun Oil Co., Philadelphia, Pa	604
Texaco Inc., New York, N.Y	1,052
Total	76,634.27

DISTRICT V

Alaska Propane Co., Inc., Fairbanks, Alaska	35
Fairbanks Plumbing & Heating, Inc., Fairbanks, Alaska	3.33
Military Petroleum Supply Agency, Washington, D.C	3,876
Petrolane Gas Services, Inc., Long Beach, Calif	60
Shell Oil Co's., New York, N.Y	193
Standard Oil Co. of California, San Francisco, Calif	576
Suburban Gas, Pomona, Calif	2.10
Time Oil Co., Los Angeles, Calif	2,068
Total	6,813.43

Tentative allocations for crude and unfinished oil, finished petroleum products and residual fuel oil, subject to certifications required in the application for import licenses, for the period July 1, 1961, through Dec. 31, 1961

PUERTO RICO

CRUDE AND UNFINISHED

Authorized importers:	Barrels per day
Caribe Nitrogen Corp., Santurce, P.R	736
Commonwealth Oil Refining Co., Inc., Ponce, P.R	67,144
Pontico Corp. (Caribbean Refining Co.) Corpus Christi, Tex	19,731
Total	87,611

FINISHED PETROLEUM PRODUCTS

Military Petroleum Supply Agency, Washington, D.C	152
Shell Oil Co., New York, N.Y	57
Standard Oil Co. (New Jersey), New York, N.Y	104
Tropical Gas Co., Inc., Miami, Fla	41
Total	354

RESIDUAL FUEL OIL

Military Petroleum Supply Agency, Washington, D.C	20
Porto Rico Iron Works, Inc., Ponce, P.R	1,074
Standard Oil Co. (New Jersey), New York, N.Y	550
Total	1,644

Tentative allocations for residual oil used for fuel subject to certifications required in the application for import licenses, for the period July 1, 1961, through Dec. 31, 1961

DISTRICT V	Barrels per day
Authorized importers: Military Petroleum Supply Agency, Washington, D.C	3,866

Mr. PROXMIRE. Mr. President, it seems to me perfectly obvious why I should be, ought to be, and am determined to be concerned about the sensitivity of the nomination of Mr. O'Connor as a nomination in the public interest. This man has extensive holdings. More credit to the man for being successful. I think it is to his credit that he has been successful in accumulating money. I am trying to do the same thing myself. I have no criticism of his ability to acquire things. I think it is one of the grand things about our country that we can do it.

O'CONNOR'S PLANS QUESTIONED

However, I believe that when a man assumes the position of Oil Import Administrator, when he has authority over imports, authority to determine quotas and allocations, he should divest himself of his interest in the principal companies which are importing oil into this country. O'Connor did not do that. That, at the very least, raises a question concerning the sensitivity of the nominee, in the public interest, to the position of Commissioner on the Federal Power Commission.

Furthermore, it seems to me, it raises the question as to what plans the nominee may have with respect to those holdings. This is what Mr. O'Connor told the chairman in the hearings, in response to questions:

The CHAIRMAN. Now you have submitted for the files a list of your financial holdings, and you have submitted them for the committee and to the public if they want to look at them, so that the concern over conflict of interest in this particular case would be taken care of and for the purpose of the record, without reading them all, we will keep them in the files. I understand you have a new list now, is that correct?

Mr. O'CONNOR. That is right.

The CHAIRMAN. And you will submit that to the committee?

Mr. O'CONNOR. That is right.

The CHAIRMAN. Now since your name has been sent up by the President, what have you done with these personal holdings?

Mr. O'CONNOR. I have made no changes in them. I have reviewed with the committee staff and the assistant general counsel of the FPC, all of the financial interests, both in securities and in oil and gas mineral interests that I have ever owned. The FPC counsel made a review of the securities, and classified them into roughly three groups, a group of stocks over which the Federal Power Commission now has jurisdiction over the companies, and I will pass on to you a list he has made of this classification, which will indicate I will dispose of all of this group of stocks, prior to taking the oath of office.

There is a second group that he feels present a conflict of interest, and in this case, with the exception of one small company, with a few stockholders of which a considerable amount of my investment is notes, I will dispose of those and I will expeditiously as possible dispose of that company. It will be a little difficult to arrange to do that, without taking a substantial loss.

The CHAIRMAN. And the third group, as I look at the list, are general investments in companies that have no relation to the Federal Power Commission.

Mr. O'CONNOR. That is right. With respect to my mineral interests, I will dispose of those either by sale or gift, as expeditiously as I can. It takes some time to transfer title and to establish the sale value but I will conscientiously see that in none of these cases will I decide matters pertaining to these interests.

Of course, he has been deciding matters pertaining to these interests for more than a year, as Administrator of the Oil Import Administration.

He also said:

All these interests are oil or gas royalties with the exception of one working interest and there are no gas contracts, as far as I know, that are before the Commission or could be.

The CHAIRMAN. When you list the royalty interest, there are several names here and the names are the names of the wells; is that right?

Mr. O'CONNOR. No, in my case the names could be the name of the well, it could be the name of the landowner from whom the interest has been purchased, but in most cases I would say it is the name of the lease.

The CHAIRMAN. Name of the lease?

Mr. O'CONNOR. Name of the lease: the designation that the well has in the Railroad Commission report.

SECRECY SURROUNDING O'CONNOR'S STOCKS

Mr. President, my staff has been informed that no information was available in regard to how much of these stocks is owned by the nominee. Presumably tens of thousands of dollars' worth and possibly much, much more, are owned by him. Why the secrecy? What is wrong with reporting the amount of stock the nominee owns? He has been nominated to serve on the Federal Power Commission, and he has served on the Oil Import Administration. There is no question that the President of the United States is a very wealthy man, and that fact has not hurt his standing with the people of the country. People are proud that he is wealthy. There is no question that a number of distinguished Senators are very affluent, and that, too, is a matter of pride among the people of the country, and should be. So I can see no justification whatever for concealing from the public the amount of such holdings by a man who has been the Oil Import Administrator and has been in a position significantly to determine precisely and definitely the amount of oil that can be imported by the companies whose stock or securities that he owns. Mr. President, I think the Senate should find out; that is one of the reasons why this nomination should be recommitted and why I think the Senate should not act on the nomination without having that information.

The nominee has said that he intends to dispose of these holdings by sale or gift. There is no information at all as to whether these vast holdings will be distributed by sale or by gift, and that point is extremely important. If the gift is made to a close relative, there is still a degree of interest. If the gift is made to a business partner, there can be a degree of interest. But at the hearings there was not a word as to all that. Is this significant? John Kelly, the top man in the Interior Department who heads the agencies which have to do with various matters and questions pertaining to oil, conveyed his oil company ownership to his minor children when he was appointed. I felt very strongly—and it was one consideration which persuaded me to vote against confirmation of the nomination of Mr. Kelly—about the fact that the ownership by Mr. Kelly in an oil company had been given to his own children, with his own personal attorney as custodian. Certainly that is a far, far cry from disposing of those holdings.

Mr. President, it is never pleasant to discuss this subject. I have nothing but respect for the nominee, and also for Mr. Kelly. But the fact is that such a pecuniary interest is likely to make the nominee suspect and also is likely to make suspect his decisions in regard to oil matters which come before the agency on which he will serve. A disposition by gift is not proper, in my opinion, in the case of such a nominee.

GAS INDUSTRY NOMINATION UNPRECEDENTED

There are many reasons why the nomination should be recommitted, and I think this is only one of them. It seems to me this point should be carefully considered in order to put this nomination into proper perspective. It is important that the Senate recognize the extraordinary, unparalleled, unprecedented nature of this particular nomination. This is the first time the Senate has ever been asked to confirm a nomination of this type to the Federal Power Commission. It is the first time in the history of the United States that an appointment has been made directly from the gas industry to the Federal Power Commission. Of course, the nominee has served for the past 2 years on the Oil Import Administration, but his principal connection all along has been directly with the natural gas industry.

Furthermore, so far as we can determine—and my staff and I have carefully researched the situation—we can find no other Commissioner of the Federal Power Commission who has been an important stockholder in natural gas companies.

Because of the very proper perspective the Senate can obtain by considering past nominations, and since this agency, as such, has been in existence only since 1930, I shall now review as quickly as I can the previous nominees and shall consider their background.

CLAUDE L. DRAPER

Claude L. Draper, a Republican, was appointed for the term beginning December 23, 1930, and was reappointed continuously. His final term expired June 22, 1956. He was born in Cheyenne, Wyo., on December 14, 1875. He studied accountancy and stenography, and read law for 2 years. He was appointed to the State board of equalization, Wyoming, and was an ex officio member of the public service commission.

Mr. Draper previously had no connection with the oil or gas industry; and apparently—as far as we can determine from the record—he was not, prior to his appointment, a stockholder with a substantial interest in a company in the industry which he would regulate.

MARCEL GARSAUD

Marcel Garsaud, a Democrat, was appointed for a 2-year term beginning December 23, 1930, and ending June 22, 1932. He was born in France. He was

a graduate of Tulane University, with a degree in civil engineering. He served in the Corps of Engineers, and was in charge of flood protection for New Orleans, and was charged with the development of Lake Pontchartrain.

Mr. Garsaud, too, had no connection with the natural gas industry—as far as we can determine from the study we have been able to make.

RALPH B. WILLIAMSON

Ralph B. Williamson, a Republican, from the State of Washington, served on the Commission from December 23, 1930, to June 22, 1933. He was born in Tama, Iowa, July 31, 1879. He attended Cornell College, Mount Vernon, Iowa, and Harvard Law School. He was employed by the U.S. Reclamation Service, and engaged in private law practice in the State of Washington.

On the basis of the study we have made, he had no connection whatsoever with the gas industry or with any regulated industry.

FRANK RAMSAY M'NINCH

Frank Ramsay McNinch, Democrat, from North Carolina, was born in North Carolina in 1873. A lawyer, he first served on the Commission for the term from December 23, 1930, to June 22, 1934, and was reappointed to serve for the term ending June 22, 1939.

He was named Chairman of the Commission, and was its second Chairman. He resigned from the Commission in 1937.

Again, there is no indication whatsoever of any connection with the natural gas industry.

GEORGE OTIS SMITH

George Otis Smith, a Republican from the State of Maine, was not a lawyer. He entered the Government service in 1896, as a geologist, served in that capacity until 1909 and became Director of the U.S. Geological Survey in that year. He served in this capacity, except for 1 year, until appointment to the FPC. He was a strong proponent of private power.

During the course of the hearings, Senator Wagner, of New York, and Senator Dill, of Washington, carefully questioned Mr. Smith about his philosophy:

Senator WAGNER. You may think we have gone into a foreign arena in our discussion but I do not think so. I think it is very important to know the philosophy a particular candidate entertains in dealing with a subject as important to the public welfare as this, and with your antipathy toward public operation [meaning public power], I was somewhat concerned * * *.

Mr. SMITH. "Antipathy" is a strong word.

Senator WAGNER. That is not anything new. If you read the opinions of judges upon the bench, upon questions involving real public interest, public policy, police powers, and so forth, on nearly every opinion the philosophy which the particular judge entertains toward those questions is reflected, and it determines the result. So we are not getting into a philosophical atmosphere at all. It is a very practical inquiry * * *.

Mr. President, I am referring to this particular hearing because I think it emphasizes the care with which Senators have often considered such nominations and their concern with the philosophy of the nominee, even though the nominee had not previously been identified with the industry he would regulate—certainly not with the gas industry.

Later in the hearings Senator Dill commented:

I was making the statement * * * to the effect that I think it is extremely important that we know the view of these proposed Commissioners, for the reason that we are taking away from the President, through his appointees, the power to give away the use of these power sites, and turning it over to a hybrid organization called the Commission, that is neither administrative, legislative, or judicial, and there is no way to reach this Commission after it is once confirmed.

FRANK CLARK

Mr. Frank Clark, who was an assistant U.S. district attorney in Florida, a member of the U.S. Tariff Commission, and a Democratic Member of the House from 1905 to 1925, was nominated, but did not serve. However, he had no apparent connection with the industry.

HERBERT J. DRANE

Mr. Herbert J. Drane was appointed for the term from June 16, 1933, to June 22, 1937. He was born in Franklin, Ky., on June 20, 1863. He was a railroad builder and founder of Lakeland, Fla. He was engaged in the fire insurance, real estate, and orange-growing business. He was the mayor of Lakeland, a county commissioner, a member of the Florida House and Senate, and a Member of the U.S. Congress from 1917 to 1933. He declined reappointment to the Federal Power Commission. Obviously, there was no industry connection.

BASIL MANLY

Basil Manly served from June 22, 1933, to June 22, 1938. He was an economist. He was born March 14, 1886. He was a fellow in political science at the University of Chicago; an expert in the Bureau of Labor Statistics; a special assistant in the Federal Trade Commission; and a director of the Scripps Economic Bureau. He was a special assistant to the Senate Committee on Campaign Expenditures, and drafted the Corrupt Practices Act of 1934. He was Federal Power Commission Chairman and Vice Chairman.

There appears to be no indication that this man had a connection with the industry before he was appointed.

CLYDE L. SEAVEY

Mr. Clyde L. Seavey was appointed for the term from August 13, 1934, to June 22, 1935. He was born in Illinois on August 10, 1874. He had newspaper experience. He was a member of the State Board of Examiners of California; city manager of Sacramento; a member of the railroad commission; and chairman of the State tax commission.

SAMUEL S. ARENTZ

Mr. Samuel S. Arentz was also nominated but did not serve. He was a Republican, a former Nevada Representative in Congress, and a consulting engineer. But apparently he had no connection with the industry.

JOHN W. SCOTT

Mr. John W. Scott was appointed for the term beginning June 24, 1937, to June 22, 1942. He was born in Grand Rapids, Mich. He was a city comptroller of the city of Gary, Ind. He was a member of the Indiana General Assembly. He was a Special Assistant Attorney General of the United States from 1935 to 1937. He was a member of the Federal Power Commission. He was reappointed from June 23, 1942, to June 22, 1947. He was a lawyer, with no apparent identification with the gas industry.

LELAND OLDS

Leland Olds, a Democrat, from the State of New York, was appointed July 7, 1939, for the term ending June 22, 1944. He was reappointed in 1944, but the Senate refused to confirm him.

At the time of his appointment Mr. Olds said:

I have been associated with regulation and the study of regulation for a period of years since 1929 almost continuously.

He expressed a belief in competition rather than monopoly. He cited examples to show that monopoly in the power business, even with the help of able regulators, has failed to provide the possibility of full use of resources that would have been offered by free competition. He went on to say:

I have never heard of a power system assigning a group of engineers to the task of determining the lowest possible price at which electricity could be sold. Engineers are more apt to be assigned the problem of justifying existing rates on the basis of unchallenged costs which may involve retention in rate bases of obsolescent equipment and intangible values that would long ago have gone by the board in a competitive situation.

In 1943 Mr. Olds was a member of the New York Power Authority. He had been appointed to it in 1931.

At the time of the appointment, while being interrogated by the Senate committee, he was attacked as being very controversial. Of course, that whole situation became a matter of great controversy on the Senate floor. But there was never any indication that Leland Olds, controversial as he was, was ever identified with the gas industry or any other industry which was regulated by the Federal Government.

NELSON LEE SMITH

Nelson Lee Smith was an independent from the State of New Hampshire. He was appointed October 26, 1943, and was reappointed June 23, 1945. He was again reappointed June 23, 1950, for the term ending June 22, 1955. He was an economics professor from Dartmouth. While he was against expanding Federal Power Commission regulation to the field price of natural gas, there was no indication that Professor Smith, who later became a Commissioner of the FPC, had any identification with the industry or had worked with the industry before his appointment.

RICHARD SACHSE

Richard Sachse was appointed for the term November 1, 1945, to June 22, 1947. He was born in Saxony, Germany, in 1881. He was a consulting engineer, and he had worked for the U.S. Reclamation Service in Washington and Nevada in 1906 and 1907. He was chief engineer of the California Railroad Commission from 1912 to 1923. He was director of the Department of Natural Re-

sources of California in 1940 and 1941. He was commissioner of the California Railroad Commission from 1941 to 1943. Again, there was no indication that he had any holdings in the gas or oil industry.

HARRINGTON LEE WIMBERLY

Harrington Lee Wimberly, a Democrat from Oklahoma, was appointed October 5, 1945, for the term ending June 22, 1948.

He was reappointed June 23, 1948, for the term ending June 22, 1953. Mr. Wimberly's background was not in the gas industry but as a newspaper publisher.

THOMAS C. BUCHANAN

Thomas C. Buchanan, Democrat, from the State of Pennsylvania, was appointed July 14, 1948, for the term expiring June 22, 1952. He served as Chairman of the Commission. He was renominated in 1952, but his nomination was not confirmed by the Senate. He received an interim appointment July 7, 1952, and resigned May 15, 1953. He was succeeded by Mr. Kuykendall.

Mr. Buchanan was also a lawyer, and served on the Pennsylvania Public Utility Commission. He served as a commissioner of the public service commission. As Federal Power Commissioner, he took the position that the sale of natural gas across State lines was subject to regulation by the Federal Government. He earned the undying opposition of the gas and oil industry because of his role in the Phillips case.

It is interesting to observe that this kind of man, who had been a regulator fighting for the consumer, with this kind of attitude, was not confirmed by the Senate. That is what happens to a man with the public interest at heart. In this case, the oil industry, which had been trying to do so for years, succeeded in getting his scalp.

MON C. WALGREN

Mon C. Walgren, a Democrat from the State of Washington, was appointed October 18, 1949, for the term ending June 22, 1954. He was former Governor of the State of Washington. He was nominated for the National Security Resources Board, but the nomination was withdrawn. He was also a former U.S. Senator. He resigned from the Commission October 1, 1941. There was no indication that he was identified with any industry that the Commission was seeking to regulate—certainly not with the gas or oil industry.

DALE E. DOTY

Dale E. Doty, a Democrat from California, was appointed for the term from May 22, 1952, to June 22, 1954. He was a lawyer, with the Interior Department in various capacities, and was Assistant Secretary of the Interior in 1950. There was no indication that he had any connection with the gas industry.

JEROME K. KUYKENDALL

Jerome K. Kuykendall, Chairman of the FPC, and one of the most controversial appointments, was a Republican from the State of Washington. He was appointed for the term beginning May 15, 1953. He was reappointed in 1957, and a hot battle took place on the floor of the Senate at that time. That appointment was for the term ending June 22, 1962. Mr. Kuykendall graduated from the University of Washington Law School. He served as assistant attorney general of the State of Washington. He served on the Washington Public Service Commission.

It is true that he had represented a gas company before the public service commission, but no one can say that his principal identification or interest in that field was as significant or as widespread or as diversified, as a stockholder in the gas industry, as is true of the nominee. He certainly had no prejudicial background of the kind Mr. O'Connor has, yet he was subject to a very vigorous and vehement fight with respect to his nomination.

SEABORN R. DIGBY

Seaborn R. Digby served from August 17, 1953, to June 22, 1958. He was a lawyer. He was a district attorney of two parishes in Louisiana and a judge of the same two parishes from 1922 to 1924. He was the city attorney of Monroe. He was the commissioner of conservation and a member of the legal committee of the Interstate Oil Compact Commission. He was a Democrat, appointed by President Eisenhower.

There was no indication that Mr. Digby, although an attorney who came from Louisiana, was identified primarily with the gas industry.

FREDERICK J. STUECK

Frederick J. Stueck was nominated for the term on the Commission from July 9, 1954, to June 22, 1959. As is known, he recently died. He was born in 1906. He was a lawyer and a Missouri Republican. He served as executive assistant to Gov. Forrest C. Donnell, and also as chairman of the Missouri Public Service Commission. There is no record that Mr. Stueck ever held any position with any natural gas company or producing company or with any company under the jurisdiction of the Federal Power Commission.

WILLIAM CONNOLE

William Connole was an independent from the State of Connecticut. He was appointed for the term beginning June 23, 1955, and ending June 22, 1960. Mr. Connole was general counsel of the Connecticut Public Utilities Commission. It has been said that he was the youngest man ever to serve on the Federal Power Commission. He had an excellent record and his dissenting opinions have already become classics. Although his opinions often cost the oil and gas industry very heavily, they acknowledged that he was a man of great competence. I intend to contrast Mr. Connole's philosophy with that of the nominee. Mr. Connole had no connection whatsoever with any industry regulated by the Commission.

ARTHUR KLINE

Arthur Kine served as a Federal Power Commissioner from June 23, 1956, to June 22, 1961. He was born in Cheyenne, Wyo., on November 27, 1908. He was a lawyer, a town attorney, and an assistant attorney general of Wyoming. He also served as deputy secretary of state of Wyoming and as judge of the first judicial district of Wyoming. He was also a commissioner of Uniform State Laws of Wyoming. He is a Republican. Mr. Kline also had no evident connection with any regulated industry.

JOHN B. HUSSEY

John B. Hussey, of Louisiana, was appointed for a term beginning June 23, 1958, and which will end June 22, 1963. He died last year. He was a graduate of George Washington University and held a bachelor of law degree from that university. He was appointed Commissioner of Conservation of Louisiana in 1952 and served in that capacity until his appointment to the FPC. There is no evidence of his being primarily a product of a regulated industry.

PAUL A. SWEENEY

Paul A. Sweeney was an interim appointment for the remainder of John Hussey's term which expired on June 22, 1963. Mr. Sweeney is a Democrat from the State of Maryland and is also a lawyer who worked for the Department of Justice. In addition, he worked for the State Department as Chief of the Appellate Section of the Civil Division, and as Acting Assistant Attorney General in charge of the Office of Legal Counsel.

THOMAS JAMES DONEGAN

Thomas James Donegan received an interim appointment, which was never confirmed. He had been appointed for the term expiring June 22, 1965. He holds a law degree from Fordham University. He served with the FBI from 1933 to 1946, and also served as a special assistant to the Attorney General and as a member of the Subversive Activities Control Board.

HOWARD MORGAN

Howard Morgan is a Democrat from the State of Oregon. He served on the Public Utilities Commission for 2 years. He wrote his master's degree dissertation on the economic background of the Interstate Commerce Act of 1935. He worked at the Interstate Commerce Commission as an executive assistant to the Chairman of the Commission, and also served in the State Legislature of Oregon.

JOSEPH C. SWIDLER

Joseph C. Swidler was appointed for the remainder of the term ending June 22, 1965. He served as General Counsel for the TVA, beginning as an attorney in the Power Division. After leaving TVA he was a practicing attorney in Tennessee.

It is true that Mr. Swidler has had a connection with the power industry. That point was raised in the hearing. Objection was made as to the connection of the nominee with that industry. My answer then was the same as it is now, that it is a joke to think that the public power people are going to dominate the FPC. There is no question that their power and influence are far less than that of the private power people and that it is the latter, in the gas industry particularly, who exert a constant, ready, steady, dominant pressure on the Commission.

The fact is that of all these Commissioners—and I have named every one

who has ever been appointed to the Federal Power Commission since the Commission was formed in 1930—not one, before the present nominee, was ever appointed from the gas industry or from any other private industry which the FPC is to regulate. It seems to me that this is very important. It is most important that the Senate give this nomination the most careful and discriminating consideration. It would set a very bad precedent indeed if we were to confirm this nomination.

PRODUCERS DO INFLUENCE PRICES

Throughout the hearings the argument was made that it does not really make any difference if O'Connor does represent the producers. It was argued that they are small, weak, and unprofitable, and that they are not an important factor. We have already gone into the question in considerable detail as to whether or not they are an important factor. I have statistical evidence which indicates that they are a most important factor in many States in terms of the cost of producing industrial natural gas. The figures vary from about 27 percent of the revenue paid for natural gas up to 80-percent revenue. In many States it is from 45 to 50 percent. In Minnesota the producer gets 45 percent of the cost of natural gas. Producers get a substantially smaller proportion of the cost of the natural gas bought by the consumer. However, they are still a significant factor in the cost of natural gas. They are becoming more important with the passage of each year. In fact statistics indicate that their proportion is growing bigger and bigger every year.

So far as the other argument is concerned, I believe that the statement of the Senator from Texas [Mr. YARBOROUGH] in the hearings should be placed in the RECORD at this time. The Senator from Texas said:

Senator PROXMIRE, lest we leave in the record the erroneous impression that by virtue of the price of gas, that these producers in Texas are getting an undue share of this world's goods, I would like to point out that our average annual per capita income in Texas is $1,943 a year, and we're 32d among the States of the Union in the average annual per capita income. We are not pulling up from the past few years our relative status among the States. We don't rate as high as Wisconsin on the average annual per capita income and we are not going to pull up out of 32d place on 9-cent gas.

The Senator from Texas continued:

The recent articles in the New Yorker would create such erroneous impressions. I want to point out you mentioned in your statement a few minutes ago that these people have the best lawyers, the best accountants, and the Commission can't cope with them.

These 3,800 small producers cannot hire lawyers and counsel to come to Washington, and they are forced to sell out to big companies. It is wiping out the independent operators.

What are the facts regarding who produces and receives the profits? It is true that there are 3,800 or 4,000 or more of the smaller producers, but they contribute less than 10 percent of the Nation's gas supply. We are not talking about the small producers. So far as they are concerned, they are not a commercial factor. With the Senator from Illinois [Mr. DOUGLAS] and others, we believe that they should be taken out of regulation. The industry has blocked our attempt to take them out. We are discussing the 200 biggest producers, which produce more than 90 percent of the natural gas, according to an article published in Fortune magazine in September 1959. It is these companies with which I think we should be concerned.

Let us see if they are weak and small and unprofitable.

Consider the Phillips Petroleum Co., for example. They are the No. 1 producer. They sold 457 billion cubic feet of natural gas to interstate pipelines. The Stanolind Oil & Gas Co. is second, and it sold 202 billion cubic feet. I shall come in a moment to the kind of profits which these companies make, the extensive properties they own, the insignificant taxes they pay, and the kind of obvious power they have.

I think the implication is clear—and I shall make it even clearer later—as to the amount of political power which these companies have.

Humble Oil & Refining Co., the third largest producer, produced 196 billion cubic feet.

Mr. President, I ask unanimous consent that the entire table be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

25 largest nontransporting natural gas companies, 1953

Rank	Company	Annual sales in billion cubic feet to interstate pipelines	Reserve holdings reported, trillion cubic feet
1	Phillips Petroleum Co	457.4	13.2
2	Stanolind Oil & Gas Co	202.6	9.9
3	Humble Oil & Refining Co	196.6	16.0
4	Magnolia Petroleum Co	157.5	7.5
5	Shell Oil Co	156.3	(?)
6	Chicago Corp	155.6	(?)
7	Gulf Oil Corp. & Gulf Refining Co	138.4	4.0
8	Atlantic Refining Co	95.2	2.2
9	Shamrock Oil & Gas Corp	81.4	1.7
10	Skelly Oil Co	74.6	2.3
11	Sun Oil Co	69.0	(?)
12	The Texas Co	67.4	10.5
13	Carthage Corp. plant	66.6	(?)
14	Republic Natural Gas Co	63.2	(?)
15	Superior Oil Co	62.5	(?)
16	Sunray Oil Corp	53.7	1.5
17	Union Oil Co. of California	53.0	1.6
18	Continental Oil Co	52.9	2.2
19	Southwest Gas Producing Co., Inc	50.8	(?)
20	Panoma Corp	48.6	(?)
21	La Gloria Corp	48.0	(?)
22	Pure Oil Co	48.0	3.7
23	Ohio Oil Co	47.8	2.1
24	Abercrombie, J. S., Co	46.9	(?)
25	Tidewater Associated Oil Co	45.4	1.8
26	Sinclair Oil & Gas Co	43.4	1.7
27	American Gas Producing Co	43.3	(?)
28	Southern Production Co	42.1	1.3
29	Western Natural Gas Co	39.2	1.4
30	Taylor Oil & Gas Co	32.9	1.1
31	Union Sulphur & Oil Corp	28.2	.5
32	United Carbon Co	28.1	(?)
33	California Co. (subsidiary of Standard Oil of California)	26.4	4.5
34	Columbian Fuel Corp. (subsidiary of Columbian Carbon Co.)	26.3	1.6

25 largest nontransporting natural gas companies, 1953—Continued

Rank	Company	Annual sales in billion cubic feet to interstate pipelines	Reserve holdings reported, trillion cubic feet
35	Sohio Petroleum Co	25.8	0.7
36	Cullen, H. R	25.6	(?)
37	Hugoton Plains Gas & Oil Co	25.5	.5
	Other producers with interstate sales of less than 25,000,000,000 cubic feet (about 250 firms)		6.9
	Total reported		100.4

Source: E. J. Neuner, "The Natural Gas Industry," University of Oklahoma Press, 1960.

Mr. PROXMIRE. These are the big producers. Together they produce a great proportion of the gas sold in interstate commerce. They are typical of the firms with which we are concerned.

Let us consider the background of Phillips Petroleum Co. Is this the kind of small Texas farmer who cannot hire a competent lawyer to come before the Federal Power Commission? Phillips Petroleum Co., which sells 95 percent of all the natural gas purchased in my State of Wisconsin, is an operating and holding company, owning, as of December 31, 1960, 100 percent of the voting control of the following:

Drilling Specialties Co.—Delaware.
Penn-O-Tex Oil Corp.—Delaware.
Petroleum Terminal Co.—Delaware.
Phillips Chemical Co.—Delaware.
Phillips Terminal Co.—Delaware.
Phillips Quinica, S.A. de C.Y.
Phillips Natural Gas Co.—Delaware.
Phillips Petroleum International Corp.
Phillips Pipe Line Co.—Delaware.
Phillips Realty Co.—Delaware.

And at December 31, 1960, also owned 51-percent voting control of Phillips Pacific Chemical Co.

It also has vast additional investments which I shall not review.

This company began operations as a producer of crude oil and natural gas, being still engaged in the acquisition, development, and operation of petroleum lands. In 1927, by acquiring a refinery, initiated a program of integration which led to the company being engaged in the transportation by pipeline of crude oil, natural gas, and refined petroleum products, in the transportation by tank car and motortruck of refined petroleum products, in the refining and processing of crude oil and natural gas, and in the distribution and marketing of crude oil, natural gas, and refined petroleum products, carbon black and polyethylene plastic.

The point is that Phillips Petroleum is a very broad, diversified operation. As of December 31, 1960, its oil and gas properties consisted of 6,232,000 net acres located in Arkansas, Arizona, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Mississippi, Montana, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Texas, Utah, Virginia, West Virginia, Wyoming, Alaska, and offshore Louisiana, Texas, and California. The company has fantastic reserves. As of September 30, 1956, it had

proved liquid reserves totaling 1,435,532,000 barrels, of which 67.85 percent were owned, and 32.15 percent controlled.

It has 28 wholly owned and 8 jointly owned natural gasoline plants. It owns a great number of refineries, and it has more than 1,600 miles of crude oil trunklines 1,300 miles of gathering lines, and 2,900 miles of common carrier product pipelines. It has chemical marketing plants, a synthetic rubber plant, and a uranium mill.

With all of its property last year, this company had a gross operating income of 1,200 million. It had an operating profit of $153 million. It enjoyed other income, and its total balance of profit before income taxes was $170 million. In spite of that huge income, it paid taxes, not of $85 million, as might be expected, but of only $54 million.

The year before it had a profit of $161 million and paid taxes of $55 million. The year before that it had profits of $105 million. Normally, on the basis of 52 percent, one would think they would have paid $52 million or $54 million; instead, they paid only $21 million. This is a clear record of a company which has enjoyed very substantial profits but has paid taxes that are far less than might have been expected. As a matter of fact, its taxes normally seem to fall, at most, around 20 or 25 percent of its net income before taxes.

Obviously, Phillips Petroleum is a powerful company, a rich company, a company which can afford the best legal, statistical, and engineering talent that money can buy. It can hardly be classified as a poor Texas farmer, which seemed to be the classification of my opponents in the committee hearings, when we discussed this subject. It was argued that they were poor people and kicked in the teeth.

STANDARD OIL

Phillips Petroleum is the No. 1 producer. The No. 2 producer is the Standard Oil Co. of Indiana. It is one of the great, rich oil companies—one of the greatest in the world. It, too, is a company having enormous holdings and vast properties, and the companies it owns constitute a long and impressive list.

At the end of 1960, the company had 1,824,000 net acres of producing land, and 4,475,000 acres of undeveloped land in the United States and Canada. In addition, it held under reservation in Canada 29 million acres.

Its net proven reserves of crude oil and natural gas liquids totaled 2,346 million barrels. Of natural gas, it held 15,358 trillion feet at December 31, 1960. Obviously, the company holds property of vast size, and it produces large amounts of natural gas.

The statistics on net income and on income taxes are not entirely up to date. The latest convenient figures are those of income before taxes in 1954. I think this is typical of the way oil companies pay their taxes.

In 1954, the most recent available statistics indicate that the income before taxes of Standard Oil Co. of Indiana was $147 million. One would assume that corporation income taxes at 52 percent of this amount would be some $72 million or $73 million. Actually, the company paid income taxes not of more than $70 million, but of $30,277,000 in 1954.

GAS COMPANIES PAY ONE-THIRD LESS TAXES THAN OTHER INDUSTRIES

As one goes back through the years, he finds that virtually every year the amount of income taxes paid was far less than it should ordinarily be. As we have indicated in a study, these companies usually pay income taxes which are about one-third the taxes paid by other industries. Thus the oil and gas corporations have a great tax advantage. It has been my contention that this advantage is directly caused and defended by the vast political power which the oil industry possesses. It also has an important regulatory advantage, because the industry has a regulatory commission which, in spite of Congress and in spite of the clear edict of the Supreme Court, simply refuses to regulate the industry.

STANDARD OIL OF NEW JERSEY NO. 3 PRODUCER

The No. 3 producing company is the Standard Oil Co. of New Jersey. It can hardly be classified as a typical Texas farm operation. It is one of the largest sellers of natural gas in interstate commerce. This company, too, has extensive holdings and has a vast number of subsidiaries. Its business and its products are described in Moody's Industrial Manual as follows:

A holding company, subsidiaries, and other companies are engaged mainly in producing, from lands owned, leased, or held under concession, and in refining, transporting, buying, and selling crude petroleum and products derived therefrom at wholesale and retail. Certain subsidiaries are engaged in exploratory and development work to add to oil and gas reserves.

Subsidiaries are active in petrochemicals—

And so forth. Its plant and its amount of production, of course, are very great. This is one of the really decisive and important elements in the natural gas picture. Its operating statistics are also extremely impressive. Its gross operating income in 1960 was $8 billion. It can hardly be considered a typical Texas farmer. If it is, the Texas farmer is doing mighty well. Of course, the appealing argument made by the senior Senator from Texas is a strong one, and there are in Texas some persons who produce gas on a relatively small scale. But the difficulty is that in the case of the companies that produce the overwhelming amount of natural gas that is produced and then sold in interstate commerce, neither their officers nor their directors—generally—live in Texas.

For example, consider the situation in the case of the Standard Oil Co., of New Jersey. It has enormous holdings in Texas—as is also true of the Phillips Co., and of the Standard Oil Co. of Indiana. The names of its directors are given, but the locations are given only for the following: Mr. Boyer in New York; Mr. Elliott in New York; Mr. Lamont in New York; Mr. Page in New York; Mr. Rathbone in New York; Mr. Shepard in New York; Mr. Soubry in New York; and Mr. Welch in New York. So not one of them lives in Texas; every one of them lives in New York City.

SOCONY MOBIL OIL LISTS VAST HOLDINGS

The No. 4 producer of natural gas is the Socony Mobil Oil Co. This company also has enormous holdings and has vast properties. It is described in Moody's Industrial Manual as follows:

Company, together with subsidiaries and affiliates, is a complete unit in the petroleum industry, having crude oil production, pipeline and marine transportation facilities, refineries, and wholesale and retail distributing stations and equipment.

It goes on to point to its enormous properties:

Producing department: In the United States, owned or leased, on December 31, 1960, 620,950 acres of proven oil and gas lands and 7,242,065 acres of unproven.

Net crude oil production in 1960 by States and Provinces:

* * * * *

Grand total, 83,620,000 barrels.

Included in that figure was 33,959,000 barrels in Texas, 16,669,000 barrels in California, and so forth.

This is another company that has vast, diversified, and powerful holdings. The company enjoyed a gross operating income of $3,178,063,000, in 1960—more than $3 billion of gross operating income in 1960, Mr. President.

As in the case of other large oil companies, the taxes of Socony Oil were only a small fraction of the taxes paid by other industries, in proportion to its income before taxes.

This company has vast properties in Texas. Fortunately, the location of its directors is listed, so we know where they live—as follows:

Stamford, Conn.; Bronxville, N.Y.; Darien, Conn.; Plainfield, N.J.; Scarsdale, N.Y.; Douglaston, N.Y.; New York, N.Y.; New York, N.Y.; New York, N.Y.; Rye, N.Y.; Greenwich, Conn.; Upper Montclair, N.J.; Plainfield, N.J.; Darien, Conn.; Larchmont, N.Y.; and Bronxville, N.Y.

Although the company is engaged primarily in exploiting, developing, and using gasfields in Texas, all the directors of the corporation are from the eastern part of the country, and almost all of them have addresses listed in New York City. This very important producer—the Socony Mobil Oil Co.—can afford to hire the kind of talent to appear before the Federal Power Commission, which would give it adequate representation, and it certainly cannot be classified as a small, poor, little farmer who, after all, is not getting very much, and is being imposed upon by the powerful pipelines or the powerful distributing companies.

SHELL OIL HAS INTERNATIONAL OPERATION

The fifth largest factor is the Shell Oil Co., which, of course, is a tremendously large international operation. The locations of its directors are shown. Its chairman is from London, England. It also has directors with locations listed as follows: San Francisco; New York; New York; San Francisco; Cambridge, Mass.; New York; New York; New York; London, England; New York; London, England; New York.

It is obvious that its directors and its stockholders, to some extent, are also persons of considerable affluence. They

are dominant stockholders, and not Texas farmers.

In this case, the Shell Oil Co. had net sales, in 1960, of $1,827 million. The Shell Oil Co. enjoyed a balance to profits of $174 million. It paid taxes—not, as one might expect, of $85 million—but of only $29 million; and this company, too, is, as I have said, a principal element in the production of natural gas, and has greatly benefited by the policy of the Federal Power Commission which does not regulate the price the producer receives at the wellhead. This company is one of the largest companies in the group which includes Standard Oil of New Jersey, Standard Oil of Indiana, Socony Mobil Oil Co., and Phillips Petroleum Co. These companies are the largest and most important producers of natural gas, and they are the ones which have greatly benefited from the doubling, trebling, quadrupling, and even the fivefold increase in the price of natural gas at the wellhead that has been enjoyed by these producers in the past 15 years; and the householders of America are required to pay the resulting prices. They are willing to pay them, provided there is an opportunity for the Federal Power Commission to determine whether the price is fair. Congress has told the Commission to do so. But the Supreme Court has specifically said, in its decisions in two cases, that the Federal Power Commission is not abiding by the law. Despite this fact, the Federal Power Commission has refused to comply with the law.

If the nomination of Mr. O'Connor is confirmed by the Senate, and if he begins to serve on the Federal Power Commission, he will be the first man in the history of the United States to go from the natural gas industry to membership on the Federal Power Commission. It is apparent, on the basis of Mr. O'Connor's identification and his experience, that the result will be that the Federal Power Commission will continue to follow a policy which can result only in higher prices for the consumers and great exploitation of the consumers, for the benefit of the oil companies.

CHAMPLIN OIL & REFINING CO. SHOWS MODERATE SALES

The sixth largest producer is the Champlin Oil & Refining Co. In 1960 it had net sales of $74 million—relatively moderate, as compared with those of some of the giants; but it is still a big company. It enjoyed a balance to profits of $11 million. But instead of paying the $5 or $6 million which one might expect, it paid only $2 million in taxes. This company has nearly 6,000 wells in production. It had over $6 million invested in producing wells, as of 1960; and it has, I may note—the first in this group to have them—directors from the State of Texas, although the locations of the directors are quite diversified. The first director is H. A. Anderson, of Chicago. The board also includes Earl Baldridge, of Fort Worth, Tex.; J. L. Rune, of Fort Worth; Allan Shivers, who I imagine, although his location is not given, is the former distinguished Governor of Texas; and Richard Wagner, of Chicago.

It is apparent that this is hardly a small, modest Texas operation.

ATLANTIC REFINING IS ANOTHER POWERFUL PRODUCER

The next biggest producer, No. 8, is the Atlantic Refining Co. The business of Atlantic Refining is described as comprising the acquisition and development of oil and gas lands and leases, production, purchases, sale, transportation, and refining of crude oil, its products and derivatives, and the transportation and marketing of pertoleum products and natural gas.

At the end of 1960 the company's reserves of crude oil and other liquid hyrocarbons, domestic and foreign, were estimated at 884.4 million barrels and of natural gas at 3.9 trillion cubic feet.

This company had a gross operating income in 1960 of $561 million. It enjoyed an operating profit of $54 million. It is obviously a powerful company.

Its directors include T. F. Bradshaw, of Philadelphia; Robert H. Colley, of Philadelphia; Charles D. Dickey, who was formerly a partner of J. P. Morgan when I worked for them, and I believe he is active in Morgan Guaranty now; C. J. Ingersoll, of Philadelphia; Henderson Supplee, Jr., of Philadelphia; H. G. Schad, of Philadelphia; and D. T. Colley, of Philadelphia.

This company has vast holdings in an exceedingly important producer operation which can hardly be considered to be a small Texas operation.

SHAMROCK OIL & GAS SHOWS LARGE PROFITS

The next producer, No. 9, is Shamrock Oil & Gas Corp. Its business includes the acquisition and development of oil and gas leases. Its principal office is located at Amarillo, Tex. It owns the Sunray natural gasoline plant of Magnolia Petroleum Co. Shamrock has also been a very profitable operation. In 1959, the latest year for which figures are available, its net income exceeded $9 million.

Obviously, the Shamrock Oil & Gas Corp., like the Socony Mobil Oil Co., Standard Oil Co., Phillips, and other big oil producers, can hardly be considered to be a typical, small Texas operation, which my good friend, the distinguished Senator from Texas said, or seemed to imply, was typical of the kind of operators we are interested in.

Mr. DOUGLAS. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. PROXMIRE. I am delighted to yield.

Mr. DOUGLAS. First, I regret that I have not been on the floor this afternoon to hear the address of the Senator from Wisconsin, but I take it that he is pointing out that it is necessary to have a majority on the Federal Power Commission which will primarily represent the interests of the consuming public.

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. DOUGLAS. And that this can be done without any unfairness to the private utilities.

Mr. PROXMIRE. The Senator states it very well, and he emphasizes something that I have perhaps overlooked. The Senator from Wisconsin is interested only in equity and justice. He has no wish to harm the great oil and gas industry of America, which is very important to our economy. However, I feel justice is not done to the gas and oil industry when the Senate, if it does, confirms the appointment of the first man in the history of this country who has ever gone to the Federal Power Commission from the natural gas industry itself.

Mr. DOUGLAS. Is it not true that, in general, what happens in the commissions which are supposed to regulate private utilities is that the pressures of private utilities are so great that they ultimately regulate the commissions, instead of the commissions regulating them?

Mr PROXMIRE. The Senator is correct. That has been the history of the utilities. The steady, relentless, organized, well-financed pressure comes from the industry itself. The public is inchoate and unorganized, and becomes interested only if there is a scandal; and it is represented only, by and large, by city commissions, or, ultimately, by State commissions. There has been a great deal of talk about having public defenders. By and large, it has been the expectation that public defenders would not appear before Federal commissions. Therefore, it is mandatory that each person who serves on a regulatory body such as the Federal Power Commission be dedicated to an insistence on a broad public representation which will be fair to the consuming public.

Mr. DOUGLAS. Is it not true that in the past, when members of the Federal Power Commission tried to represent the public, it was made very difficult for them either to be reappointed or confirmed for reappointment?

Mr. PROXMIRE. The Senator is correct. I have gone over the names of all persons who were appointed to the Federal Power Commission. This has happened and as may be seen, frequently. One of the conspicuous examples was Commissioner Buchanan, who fought hard for the public interest.

Mr. DOUGLAS. And against whose public or private character no fault could be found.

Mr. PROXMIRE. That is correct. He was a man of exemplary character. He became controversial exactly because he was interested in representing the public interest. There was also the very distinguished and youngest member of the Federal Power Commission, William Connole, whom the Supreme Court held up as a model of competence and understanding and ability—not a man who was overzealous for the consumer, but who wanted justice done. He failed of reappointment because the natural gas industry, with all its great power, opposed him with great vigor, and, of course, with success.

Mr. DOUGLAS. Is it not true that, after the failure of President Eisenhower to reappoint Connole, without reflecting upon the private character of the members of the Commission, it was composed almost entirely, or entirely, of persons who primarily took the inter-

ests of industry as their guiding interest, and not the interests of the consumer?

Mr. PROXMIRE. I think the record is absolutely clear on that point. The interest of these people have been with the industry. They have even gone so far with the industry as to plead to be exempted from having to regulate the price of natural gas at the wellhead, and, with the exception of Connole, they deliberately avoided this duty. The record shows they did that deliberately, in spite of a clear directive of the Supreme Court——

Mr. DOUGLAS. In the Phillips case.

Mr. PROXMIRE. In the Phillips case, and again in the Catco case, to carry out the law and regulate the producers as they should be regulated.

Mr. DOUGLAS. Is it not true that, while two members of the Commission recently appointed by President Kennedy, namely, Mr. Swidler and Mr. Morgan, primarily represent the interests of the consumers, the Commission will not have a majority unless one of the other three has a point of view which is primarily in the interests of the consumers?

Mr. PROXMIRE. The Senator is correct. This appointment is extremely important, because this man will serve on the Federal Power Commission for a full term. Unless a vacancy is quickly filled with a man who vigorously represents the consumer's viewpoint, the gas industry will continue to dominate the Federal Power Commission in this country, at the expense of the household users and industrial users of Illinois, Wisconsin, and other States, to the great profit of the producing industry.

Mr. DOUGLAS. Is there any danger that the composition of the Commission may be made two to two—two pro industry and two pro public—and that therefore, until a fifth member is appointed to fill the vacancy created by the death of Mr. Stueck, it will be impossible for the Commission to issue rulings?

Mr. PROXMIRE. Yes. I think that is a very interesting speculation. It had not occurred to me before that there might be this kind of deadlock.

This is one of the principal reasons for objecting to the nomination, because I think all dispassionate, objective students of the Federal Power Commission will agree that one of the very serious shortcomings is its inability to move, its inability to make decisions, its inability to act. So long as there is this division, the deadlock will continue. It will operate to the very great detriment of the consumer, because there already has been a deadlock resulting in a fantastic backlog, one which dwarfs the experience of any other regulatory body.

The record was disclosed earlier today. Dean Landis in his study said that if the Federal Power Commission continues as it has in the past, not only will it not be able to handle the cases before it for 13 years, but also during that time it will accumulate a backlog which it will not be able to handle until the year 2043. Unless the Commission can move in and make decisions, streamlining the way the Congress in 1942 directed it to streamline, by the use of section 7(f) and other provisions, action will be delayed on these cases to the very great detriment of all concerned, except the big producers.

Mr. DOUGLAS. Is it not an open secret that great pressures are being brought to bear upon the President to appoint as the fifth member of the Commission a member of the Republican Party who will be highly responsive to the interests of the private utilities?

Mr. PROXMIRE. Not only do I think that is an accurate description of what has happened, but also that anybody who has watched the operations and vast success of the gas and oil industry in the past could predict it and expect it. This puts the President in a position in which he is subject to the most powerful kind of pressures.

Mr. DOUGLAS. The fifth appointee will have to be a member of the Republican Party, will he not?

Mr. PROXMIRE. He can be an independent, I believe.

Mr. DOUGLAS. He can be an independent.

Mr. PROXMIRE. He cannot be a Democrat.

Mr. DOUGLAS. He cannot be a Democrat. Of course, it is always dubious as to what credence should be given to rumor and gossip, however well founded one may believe it to be, but was the Senator from Wisconsin impressed with the fact that it was somewhat difficult to bring the nominations of Messrs. Swidler and Morgan to the Senate for action?

Mr. PROXMIRE. The Senator from Wisconsin was very much concerned about that. He contrasted it with the swift, certain, and decisive action with respect to the present nominee, Mr. O'Connor, whose nomination went through the committee with great rapidity and came to the Senate in virtually record time. This is a man who, in my judgment, is about as controversial as we could find. It is the most unfortunate nomination with which we have been presented—that of a man who comes directly from the natural gas industry.

Mr. DOUGLAS. I have watched the Federal Power Commission for many years. My own feeling has been precisely that of the Senator from Wisconsin, that slowly it has been made almost a captive of the industries it was supposed to regulate. While we should make it clear that we have nothing against the personal character or integrity of the gentleman whose name has been sent to Congress, we should be very careful in regard to the possibility of continuing the Commission under the control which has been exercised over it for a good many years.

Mr. PROXMIRE. I agree wholeheartedly with the Senator from Illinois.

I think that situation has been well documented and well established. The Senator from Illinois has certainly been the outstanding proponent of the public interest in regulatory matters in the U.S. Senate for many years. He has a marvelous record in that regard. It is a record which is—as is usually true with regard to the Senator from Illinois—based on careful and scholarly research. It is based on an objective and dispassionate approach to the problem. There has been no vindictiveness, but only a very careful statement of exactly what the facts warrant.

In my judgment, the facts indicate overwhelmingly that the Federal Power Commission has been dominated by industry, by the oil and gas industry in particular.

Mr. DOUGLAS. And by the electrical industry.

Mr. PROXMIRE. By the electrical industry also. Of course, I feel the most spectacular domination has come from the gas industry, although the electrical industry domination has been going on for many years.

Mr. DOUGLAS. I first had experience with this influence in my own State, when Samuel Insull controlled both the electrical and gas companies of the metropolitan region of Chicago. The record will show that he operated in the period of Republican domination of the 1920's and early 1930's. The chairman of the Illinois Commerce Commission, which was the regulatory body, was for many years Mr. Frank L. Smith, whose campaign for the U.S. Senate was financed with large contributions by Mr. Insull. Later Mr. Insull, already owning the elevated lines, attempted to take over the surface lines of Chicago, and "engineered" a traction bill which would have fixed a valuation of $260 million upon property which originally probably did not cost more than $140 million and which had been very much depreciated over a period.

This is really the baptism of the Senator from Illinois in politics. In the process I learned a good deal about moving forces. I found that Mr. Insull controlled the Republican Party and had a good deal of influence in the Democratic Party at that time. The later debacle of Mr. Insull is now known to the world. It was a very severe struggle that a number of us had with him, but it was an educational one. It made me realize the need, if we are to make regulation work, for having regulators outside the control of the interests which they are supposed to regulate and who will consider the public interest as primary, with due justice, of course, to the interests being regulated.

I commend the Senator from Wisconsin. I see that the very strict physical regimen which he carries out gives him the strength to continue in this course. I wish him well. I do this without the slightest reflection upon the character of the man whose nomination is now before the Senate.

Mr. PROXMIRE. I thank the Senator from Illinois very much for his extremely informative and helpful colloquy.

I repeat my statement, made at the hearings, that, so far as I am concerned, the nominee is a man of fine character as well as of splendid reputation. I have no desire to cast any reflection whatsoever upon his character, but I think we have a responsibility and a duty, under the Constitution, when we advise and consent to a nomination, to consider the nomination scrupulously and carefully.

I feel very strongly that the case has been made over the years by the distinguished Senator from Illinois that these

commissions have been dominated by the industry to be regulated. Nowhere is the case stronger than with regard to the Federal Power Commission and the gas industry. If we have ever had a situation in which the law has been more express or clear than the Natural Gas Act of 1938 with regard to the regulation of the interstate sale of gas, I do not know it. If there was any doubt about the law, it should have been removed in 1954 with the Phillips case. But still the Federal Power Commission has refused to abide by the law. Why? Obviously because the gas and oil industry is an enormously powerful and rich industry. They have been successful in persuading the Federal Power Commission not to abide by the clear directive of the Supreme Court and the clear intention of Congress. Before my colloquy with the Senator from Illinois I was discussing the Skelly Oil Co. The Skelly Oil Co. is an important factor in the natural gas industry. In 1960 it had a production of 124 billion cubic feet of gas. For many years it has had a very large production of gas. It sells the gas which it produces itself in interstate commerce. The company comprises an integrated unit in the petroleum trade. It is engaged in the acquisition and development of gas lands. The profits of the company are large, and it is a concern which can hardly be classified, as the distinguished senior Senator from Texas [Mr. YARBOROUGH] would seem to classify it, as a small Texas farmer.

SUN OIL LARGE FACTOR

The Sun Oil Co. is another large factor in the gas producing industry. It is No. 11 in terms of production. This company and its subsidiaries comprise an integrated unit in the oil industry, and, according to Moody's Industrial Manual, engages in the acquisition, development, and exploitation of oil and gas lands, the production, sale, and transportation of crude oil, and the refining of crude oil and its derivatives. It is engaged in the transportation and marketing at wholesale and retail of refined products in the United States, Canada, and abroad. This company enjoyed sales in 1960 of $749 million. Its profit balance was $54 million.

I ask, if a concern makes $54 million and it is operated for a profit, as was this concern, how much would Senators estimate it should pay in taxes? The Sun Oil Co. made $54 million. I suppose one would estimate that it would pay $27 million, or a little more, in taxes, based upon a rate of 52 percent. It paid $2,800,000. Why? Because it has the important tax privilege which the Government has given it, a privilege which is described by Fortune magazine, which is friendly to business interests, as the most notorious loophole in our taxes. Why? For the very same reason that we are getting Mr. O'Connor as a member of the Federal Power Commission. These interests have fantastic power. The result is that they enjoy great profits, pay almost nothing in taxes, and can use, sell, and exploit this great natural resource with complete contempt for the laws of our land, as declared by the Supreme Court, because they have a Federal Power Commission which has been subservient to them.

ANOTHER LOW TAXPAYER

The 12th largest producer is the Texaco Co. I do not think we can call Texaco a typical Texas farm operation. Texas Co. has subsidiaries and affiliates, making it one of the leading integrated organizations in the petroleum industry. It has crude oil production in all the important producing areas of the United States, with subsidiary companies in Canada, Venezuela, Colombia, and Trinidad.

It is a vast operation, producing and selling a great amount of gas also. Its gross operating income in 1960 was $2,980,000. The balance before Federal income taxes—and I ask Senators to observe the figure I am about to state—was $455 million. How much would such an income be expected to provide in income taxes? I suppose one would estimate that the taxes would be about $270 million—roughly 50 percent. Actually the income taxes of that company were not $270 million, or $200 million, or $100 million. Their income taxes were $11,600,000. In other words, they paid income taxes of about 3 percent of their net income instead of 52 percent. It would be fine if an ordinary taxpayer could get along at that rate. But the Texaco Co. had this vast political power that the oil industry enjoys, which gives us this very great tax advantage and virtual exemption from the regulation which Congress has prescribed and which the Supreme Court has insisted upon.

That kind of situation will be aggravated, of course, and reinforced by the appointment of Mr. O'Connor to the Federal Power Commission, if his appointment is confirmed.

ESCAPES REGULATION

Next, I direct attention to the Superior Oil Company. The Superior Oil Company is engaged in the acquisition through purchase, lease, or otherwise, of prospective oil and gas lands. It is one of the largest producers. I have it rated as 15th. This is a company which has enjoyed a very large and profitable operation and has properties located in the important Texas oil fields and in the California oil fields. In 1960 it had a gross operating income of $129 million and a net income of $21 million. The Federal income taxes are not shown in the Moody Industrial Manual, but on the basis of experience with other oil companies we can reasonably assume that the taxes were far less in proportion than the taxes paid by other industries. The Superior Oil Co., too, escapes regulation.

The Sunray Mid-Continent Oil Co. is the 16th operation in the industry. This company, too, has vast holdings, and is engaged in exploring, acquiring interest in, and developing prospective and proven gas lands. No statistics are given in Moody's Manual, at least in the copy I have. But it is a very large and powerful company, and obviously a company that is not being kicked in the teeth by any pipeline district or any private distributing utility, which was the description used by the senior Senator from Texas.

The Union Oil Co. of California is No. 17. This is a company which also has an important natural gas operation. Its net sales in 1960 were $427 million, and its operation was very widespread. It is a large, powerful, and influential concern.

WEALTHY TYPE OF FARMER

Continental Oil Co., No. 18, is the same kind of operation. It is also a very large operation, with a daily average in crude production in Texas of 40,000 barrels a day. In Wyoming the production is 45,000 barrels a day. The total is 156,000 barrels a day if we include the production in all the other States. That is obviously a widespread productive operation. It is also a very powerful company. In 1960 it had a gross operating income of $789 million, and its operating profit was $142 million. This is the kind of farmer I would like to be.

The Commonwealth Gas Corp. is another big factor in the industry. I cite also the Pure Oil Co., the Ohio Oil Co., Tidewater Oil Co., and United Gas Corp. This is an integrated operation. The Panhandle Eastern Pipeline Co. is also an integrated operation. I mention also the Texas Eastern Transmission Corp. and the Tennessee Gas Transmission Corp.

These are all important factors in the production of natural gas. In the aggregate they constitute a very large proportion of all the production.

The Phillips Co. produces 95 percent of all the natural gas bought by the people of Wisconsin. That is about as close to a monopoly as anyone can get. It seems to me that on the basis of the facts it is clear that the big producers are powerful, and that they are not weak. They have great tax benefits, and they are in a position where the clear law of the land and the declaration of the Supreme Court should be carried out.

NOT PERSECUTED MINORITY

What I have talked about so far, it seems to me, gives statistical foundation for my argument that the gas producers of Texas and of other parts of the country are not the kind of feeble, weak, and persecuted minority which the Senator from Texas indicated they were in the hearing.

They can hardly be considered the Widow Jones or the poor farmer who is the victim of a firm, strong, determined regulating process as it has been argued they are.

In order to give more body and understanding to these statistics which I have given on the principal producers, it seems to me that it would be useful to place in the RECORD at this point some pertinent excerpts from an article which John Bainbridge wrote and which was published in the New Yorker magazine entitled "The Super-American State: Oil." Mr. Bainbridge writes:

Of approximately 12,000 oil-producing firms in the United States, some 6,500 are domiciled in Texas. These full-time professional players are divided into two main groups, know familiarly as the majors and the independents. The majors consist of a small number of very large corporations, while the independents consist of a large number of relatively small operators. Altogether, only 21 oil companies in Texas are

classed as majors; their dominant position is indicated by the fact that the 6 largest—Humble, Pan American, Gulf, Magnolia, Texaco, and Shell—produce or purchase more than 80 percent of the oil that comes out of the State.

Though the top executives of the major companies enjoy the status of Texas millionaires, the vast majority of that happy breed come from the ranks of the independents—mostly men who started from scratch, or behind it, and created their fortunes singlehanded. In some respects, the interests of the majors and the independents diverge—for example, the majors, with heavy oversea investments, favor the importation of foreign oil, while the independents, whose holdings are mainly domestic, are generally against it—but in most matters they see eye to eye. There are at once competitors and partners—competitors because both are engaged in the search for oil, partners because they frequently share the cost of the search.

Beyond that, the independents are allied with the majors by necessity; the majors own practically all the pipelines and refineries, and it is consequently to them that the independents must sell their product if they want to sell it at all. Without the big companies, we couldn't exist. They buy our oil and gas. As it works out in practice, the independents are scouts for the majors. In allotting money for exploration, the big companies are bound by group decisions, accountability to stockholders, and other corporate impediments, whereas the independents are bound by nothing but their own judgment and their own bank balance or credit.

This is one of the most enlightening and interesting analyses of the depletion allowance, as given by Mr. Bainbridge, which I have seen. I skip over some of the material.

Mr. Bainbridge writes further:

Rule No. 1 permits a player to deduct 27½ percent of his gross income as "a depletion allowance," provided that this sum is not more than half of his net income. Thus, a player with an annual gross income of a million dollars may keep $275,000 tax free, as long as this does not exceed 50 percent of his net.

These are the reasons why these companies are able to receive the vast income which I have described and put in the RECORD, and to pay such diminutive taxes in relation to their income.

Mr. Bainbridge continues:

Rule No. 2 permits a player who drills a well that turns out to be a dry hole to deduct all the expenses of drilling it from his gross income. Rule No. 3 permits a player who drills a producing well to deduct from his gross income all the "intangible expenses" incurred in drilling the well. The intangibles, comprising items such as geological studies, equipment, labor, fuel, and testing, generally add up to at least 60 percent of the total drilling costs. The tax advantages granted by this set of rules are, of course, available to everybody—in theory, any number can play the oil game. However, because of the high stakes and big risks, new players now come mainly from the ranks of disquieted taxpayers in the higher brackets. A person whose income is subject to taxation at 90 percent has nearly ideal qualifications for getting into the oil game, because $9 of every $10 he puts into it are what are known in financially enlightened circles as tax dollars. As Ted Weiner has explained, "A tax dollar, to put it bluntly, is the name given to money that would normally be paid to the Internal Revenue Service." Owing to the nature of the income tax structure, therefore, a taxpayer in the 90-percent bracket has strong inducements to play the oil game. If he wins, he may, under rule No. 1, keep from each dollar of oil income 27½ cents free of tax; to this he may add 10 percent of the remaining 72½ cents, or 7¼ cents—since his normal tax situation allows him to retain 10 percent of his income, regardless of its source—making a total of 34¾ cents. Instead of reaping 10-cent dollars, he reaps 35-cent dollars. If a player decides to leave the game by selling his holdings, he can cash in his chips and take a capital gain, on which he will be taxed 25 percent; his reward comes not in 10-cent dollars but in 75-cent dollars. Of course, players lose much more often than they win; rule No. 2 provides for losing situations, such as the following: A player in the 90-percent bracket puts $100,000 into drilling a well, and it is a dry hole; he may therefore deduct the entire sum from his gross income. With his income thus reduced, he pays the Federal Government $90,000 less than he would have otherwise; the venture costs him $10,000. He has lost, but he has had the fun of taking a $100,000 gamble at a sensationally low price. If he has enough chips, he can continue to play, and eventually might beat the odds. The combination of rules No. 1 and No. 2 (rule No. 3, which some operators consider as important as rule No. 1, is self-explanatory) accounts for the gambit known as drilling it up; that is, the widespread practice among oilmen of spending their tax dollars on further exploration and drilling.

"What do they do with their money?" Byars once said in discussing oilmen's income.

"I'll tell you what they do—they put it back in the ground. Let's say 80 percent of it is lost. But you have to remember that money used like that is far from a total loss. Dry holes give us a lot of valuable geological information. Also, all the drilling and prospecting provide jobs, directly and indirectly, for thousands of people, and those people pay taxes. And, of course, the money we put back in the ground results in finding a great deal more oil, and that way we keep on increasing the country's reserves." Naturally, players who have success in drilling it up add to their personal oil reserves, which are just about as good as money in the bank.

Except for a few poor sports who consider their tax position oppressive, the players of the oil game are pretty well satisfied with the rules as they stand. The same near unanimity prevailed for many years in Congress, which acts as the game's rulemaking body.

Recently, however, Congress has shown an increasing interest in changing rule No. 1. to reduce the depletion allowance. As a consequence, a lively and often entertaining debate has developed between those who believe that the present depletion allowance is fair and those who believe that, as President Truman put it in a message to Congress in 1950, "no loophole in the tax law (is) so inequitable." The controversy has so far turned up some fairly wonderful nonsense, such as Leon Henderson's classic observation, "It is an impoverished science that permits an industry to continue to drill dry holes. The wells that are going to be dry should not be drilled."

The same spirit of informed reasonableness exists among partisans on the other side, such as Representative FRANK IKARD, of Texas, who has described advocates of changing the allowance as bomb-throwing liberals—a company presumably including many well-known leftist bombthrowers like the late Senator Robert A. Taft, who took the view that percentage depletion is to a large extent a gift * * * a special privilege beyond what anyone else can get. As usually happens in disagreements involving money, the heat obscures the light—a condition that is likely to continue.

Just about every oilman regards any reference to the depletion allowance that is not in unqualified support of it as something in the nature of an insult, like aspersing his wife's virtue. So far as the law is concerned, Congress established the present depletion allowance for oil in 1926. The principle was not new then, and it has since been so widely extended that practically all the extractive industries now receive a depletion allowance.

The petroleum percentage is the highest, but the law provides a 23-percent allowance to producers of sulphur, uranium, lead, platinum, zinc, and 32 additional strategic metals and minerals, and an allowance of 5 to 15 percent to producers of many other substances, including coal, lignite, slate, peat, ornamental stone, and clam and oyster shells. Back in 1942, when Congress was considering an extension of percentage depletion allowances, Senator Robert M. La Follette, Jr.—

Who was my predecessor, once removed, in the seat I now occupy—

expressed doubt about "vesting interests which will come back to plague us," adding:

"If we are to include all these things, why do we not put in sand and gravel?" Sand and gravel are now in, at 5 percent. The petroleum industry's percentage has remained unchanged through both Republican and Democratic administrations and in spite of the fact that efforts to reduce it were made by every Secretary of the Treasury in the 20 years before George Humphrey took office in 1953. The failure of those efforts is evidence of congressional approval of the depletion principle as well as a tribute both to the oilmen's generosity in financing an effective public relations program.

In 1957, Senator JOHN J. WILLIAMS, a Republican, of Delaware, using the simple stratagem of proposing an amendment to a tax bill that had already passed the House, brought the depletion measure to the floor of the Senate; the Williams amendment called for a reduction of the allowance to 15 percent. In the same session, Senator PAUL DOUGLAS, a Democrat, of Illinois, introduced an amendment to put the allowance on a graduated scale—27½ percent for producers with an annual income of less than a million dollars, 21 percent for those with an annual income of $1 to $5 million, and 15 percent for those with an annual income of more than $5 million.

Both amendments stirred up tremendous apathy. Only five Senators besides the sponsors were willing to go even as far as to commit themselves in favor of a rollcall vote; that is, to have their vote for or against even recorded. In 1958, Senator WILLIAMS again proposed his amendment; this time it was turned down by a vote of 63 to 26. By a slightly smaller margin, the Senate also defeated an amendment introduced by Senator WILLIAM PROXMIRE, a Democrat, of Wisconsin, that contained the graduated plan offered the year before by Senator DOUGLAS.

Since then, Senator DOUGLAS has twice reintroduced his favorite amendment, and it has twice been rejected, most recently in June 1960 by a vote of 56 to 30. Among those voting for it was Senator John F. Kennedy, a fact that was not lost sight of in Texas during the ensuing presidential campaign. Senator Kennedy's appeal to Texas oilmen was not enhanced by the Democratic platform, which pledged to "close the loopholes in the tax laws by which certain privileged groups legally escape their fair share of taxation," and went on to say:

"Among the more conspicuous loopholes are depletion allowances, which are inequitable."

Vice President Nixon declared firmly that he was for depletion all the way. Nevertheless, as Jim Clark pointed out early in the campaign, politically, the oil industry finds

itself between a rock and a hard place. The oilmen listened, but most liked the Republican talk better, and as a result, Clark said after the election, it was depletion more than religion that almost cost the Democrats the Texas vote. Though the consensus among oilmen seems to be that their depletion allowance is not seriously threatened at present, they continue to take frequent, full-page advertisements in Texas newspapers to convince one another that the depletion allowance is not a special tax privilege and that for adequate oil reserves the depletion allowance must be maintained.

All these arguments overlooked the fact that no legislation has been introduced by Senator WILLIAMS or anyone else to abolish the depletion allowance. "Eliminating the depletion allowance would be taxing capital," Erwin N. Griswold, dean of the Harvard Law School, has observed. "There would be no more sense in it than in eliminating the depreciation allowance. The Senate proposals have been to reduce the depletion allowance from 27½ percent—a figure that oilmen are fond of investing with a sacred quality, like 10 in connection with commandments, although it was, in the first place the result of a compromise between 25 percent favored by the House, and 30 percent favored by the Senate. Furthermore, those favoring a change have never minimized the petroleum industry's contribution to national defense; they just wonder whether its rewards for doing its duty have not been disproportionate. Dean Griswold, no foe of the depletion principle, has expressed this view.

"I admire its great achievements, and its great contributions to the country, its economy, and its defense," he has remarked. "But there are also many other forms of activity that contribute greatly to the country, its economy, and its defense. Why should they not all be treated the same? Why should the oil industry be the recipient of a tax deduction, enormous in the aggregate, which bears no relation to its costs, or to the capital invested in oil production?"

The main trouble with rule No. 1, according to those who think it should be changed—a group including many economists and lawyers specializing in taxation—is that the 27½-percent rate permits an oil producer to receive tax-free a return exceeding his actual capital investment. In no other industry can a taxpayer enjoy this benefit. Therefore, vis-a-vis players of the oil game, every other individual in the United States is at present adversely affected by the operation of Rule No. 1, which John P. Barnes, a Chicago lawyer who served from 1955 to 1957 as chief counsel of the Internal Revenue Service, has described as "the inequality in our tax law that, in my opinion, is the most indefensible of all." Another lawyer—Harry J. Rudick, of the New York firm of Lord, Day & Lord—has pointed out that because maximum corporate and personal income taxes have increase approximately threefold since 1926, the allowance is worth much more today than when it was adopted, and that for this and other reasons it has become an "unjustified subsidy." Horace M. Gray, a professor of economics at the University of Illinois, has called the allowance a "private tax-escape device" and remarked that "the Treasury is poorer by exactly the amount by which the beneficiaries of this special privilege are richer," adding, "Other taxpayers who must make good the resulting deficiency in the Federal revenue ultimately sustain this loss in the form of tax rates higher than otherwise would be necessary." Estimates of how much Federal revenue would be increased as a result of changing rule No. 1 vary from about two hundred million dollars in the opinion of its champions, to around a billion, in the opinion of its critics. According to the Treasury Department, a reduction in the allowance to 15 percent, as proposed by Senator WILLIAMS, would create a net revenue increase of $390 million; adoption of the graduated scale favored by Senators DOUGLAS and PROXMIRE would produce an increase of $310 million.

To counter Senator WILLIAMS and other advocates of changing rule No. 1, the oil industry has fashioned an elaborate and highly sophisticated defense of the 27½-percent allowance. It is essential, first, as an incentive to stimulate the continued exploration for oil, oilmen say; and, second, because of what Scott C. Lambert, general tax counsel of the Standard Oil Co. of California, has called the peculiar nature of the wasting-asset character of the oil industry. Lambert has said:

In reality the miner or oil-and-gas producer is in the inexorable process of liquidating his capital.

Every oilman has his own way of stating the proposition that the producer of oil depletes his capital asset. Paul Raigorodsky puts it this way:

Investing in oil is different from investing in office building. If you invest in building, you have it paid for in 20 years, and building is still there. In oil game, it is different. After 20 years, no oil. In building, you have capital structure. In oil, you have to replace capital structure. That means you have to find more reserves. To do that, you must have incentives and means. Those are supplied by 27½-percent depletion allowance.

Advocates of changing the allowance, while they may be inclined to agree with this much of the case, are less impressed with the rest of the industry's defense, which is a veritable labyrinth of arguments and rationalizations of varying degrees of ingenuity.

If Senator WILLIAMS has his way, so one of the arguments runs, the independents will be driven to the wall, and the majors will become a monopoly. "If it weren't for depletion, we'd all be out of business," Michel Halbouty has said. "Take away depletion and you absolutely wipe out the independents." The industry's champions also make much of the fact that oil is essential to national defense. "Oil, gentlemen, is ammunition," Gen. Ernest O. Thompson, commanding general of the Texas National Guard and the senior member of the Texas Railroad Commission, which, its name notwithstanding, is charged chiefly with regulating the oil industry in Texas, told a congressional committee.

"In defense," he added, "oil is a prime mover. Why tamper with a system that has twice in a generation brought forth a drilling, which is the only way to find oil, and has made oil available in such quantities that we have been able to win two wars?" And so it goes. A host of shuddersome consequences are, in the eyes of the industry's champions, certain to follow any change in the present depletion allowance. "In a relatively short time," as the comptroller of the Magnolia Petroleum Co. once summed it up, with noticeable constraint, "our entire economy and the well-being of every individual in the United States would be adversely affected."

However much the champions and the critics of rule No. 1 may differ on other matters, they are united in the conviction that no change should be made that would work a hardship on the small independent operator, who is customarily referred to as "the little fellow." The solicitude that the champions of rule No. 1 show for the little fellow is remarkable. In fact, he seems uppermost in their thoughts whenever they argue publicly for retention of the 27½-percent allowance. Perhaps nobody has been more consistently eloquent in pleading the cause of the little fellow than General Thompson. In testifying before the committee considering a reduction in the allowance, he said:

"It works against the little independent, who is the fellow who finds the oil. They said yesterday that a little fellow can discover it and sell it to somebody. Why should he sell it? Why, in a free nation, could he not produce? All these companies were little at one time. The Texas Co. started in Texas, the Gulf Co. started in Texas, and the Humble Co. started in Texas. Many big companies started there, and why can we not keep an opportunity open for the little man today? Why should he sell out to somebody else? Let him grow and prosper under the wise and beneficent law you passed here. It is a wise law, and gives a little man a chance to live."

The chance given the little man under the law was illustrated in a Senate speech in 1957 by Senator DOUGLAS, who presented figures showing the net incomes of 27 oil and gas companies and the Federal income taxes paid over a 10-year period. The companies, which included none of the big ones, like Standard, Gulf, or Texaco, were identified only by letters of the alphabet, because, DOUGLAS said, he was "striking at the evil but not at any person." In 1954 company A had a net income of $21,029,648 and paid Federal income taxes of $1,252,000, or 5.9 percent. The same year company E had a net income of $5,320,750 and paid no Federal income tax.

Senator DOUGLAS called attention to company I, which in 1951 had a net income of $4,477,673 and paid income taxes of $404, or 0.01 percent. That sum, DOUGLAS observed, is "a tax bill which is lower than the taxes paid by a married couple with three dependents with an adjusted gross income of $8,600 before deductions and exemptions." Company N also had no reason to doubt the wisdom of the law; its net income for the 3 years from 1952 through 1954 totaled $7,796,359 and its Federal taxes $128,491, or 1.8 percent. As for company W, DOUGLAS said, "This is a truly interesting situation. Here is a company, which in 1954 and 1953 had net incomes in excess of $10 million and $12.5 million, respectively, but which not only did not pay any taxes in those years but which had net tax credits of $100,000 and $500,000, respectively. What other kind of company in America can have a net income of $10 to $12 million per year and receive a tax credit from the Federal Government? Is their incentive being ruined?" Company Z was even more interesting, DOUGLAS said. "Here is a company which in 7 years has paid absolutely no taxes of any kind," he pointed out. "Yet, in those 7 years its income varied between $134,000 and $3.2 million a year. What further incentive is needed here? What more could a benevolent Government do for an individual or a company than to forgive all of its taxes?" Over the 10-year period, DOUGLAS noted, the 27 companies paid an average of 17 percent of their net income in Federal income taxes, compared with the general corporate rate of 52 percent. According to the Government publication, "Statistics of Income," in 1951 depletion allowances amounting to $2,100 million were claimed by corporations. Of the total, 63 percent was claimed by corporations with assets of $100 million or more, 84 percent by corporations with assets over $10 million, and 96 percent by corporations with assets of at least $1 million. So it would seem that none of the fellows, either big or little, who play the oil game have much reason for wanting to change the rules.

When a player beats the odds and finds oil, he enters the final, and most interesting, part of the game. He is now in

a position to make money through one of two moves. Either he can sell the oil-producing property and pay the capital-gains tax on his profit, or he can develop it and take advantage of the depletion allowance and other tax benefits. Though the second move contains a greater element of risk, it offers opportunity for a larger reward, and is preferred by most players. A development program requires the drilling of additional wells to provide efficient drainage of the field, the number depending on, among other factors, the size of the property.

Since wells cost about a hundred thousand dollars apiece, an operator working even a small field must put his hands on considerable capital. To get development money, approximately 9 oilmen out of 10 borrow from banks. The exceptions consist of players like Jake Hamon—"I worked for 'Mr. Interest' long enough"—who have accumulated enough funds to finance their operations without going to the bank, and who tend to play a comparatively tight game.

Operating on borrowed capital is such a common practice among oilmen that in their circles to be heavily in debt is no cause for chagrin; on the contrary, a talent for relieving financial institutions of large sums is considered a reliable measure of a player's skill. "Murchison, I'm a bigger success than you are," Sid Richardson once told his friend Clinton W. (Clint) Murchison after negotiating a rather spectacular loan. "Some of my paper is now in London." Though banks do not advance money to drill discovery wells as such, oil-producing property can be mortgaged to secure wildcatting funds, however. Texas banks compete in the lending of money to drill development wells.

The pattern is generally the same. As collateral for a loan to drill his second well, a player assigns to a bank the lease on his first well. If the second well comes in, he pledges the lease on that for money to put down the third. The lease on the third is then assigned as security for funds to drill the fourth. And so on. The borrow-drill-borrow procedure can be continued as long as a player guesses right more often than wrong, for as he acquires more successful wells than dry holes or marginal wells, he can move steadily ahead. If, however, he guesses wrong more often than right, he reaches what is known in the oil game—the term having been appropriated from the flying game—as the point of no return.

He has extended his operations beyond the point where they provide sufficient income to maintain payment on his bank loans, which in principal and interest customarily take from 70 to 80 percent of his production, and to pay his taxes and living expenses. He cannot add to his income by arbitrarily increasing the amount of his production, because that is set by law. To stay in the game, he is obliged to sell enough property to raise the cash he needs to pay off his debts.

Since selling property obviously has the result of reducing income, a player who repeatedly gets beyond the point of no return is at last penalized by losing all his chips and being retired from the game. If he can secure another stake, he may begin again from the starting point. A player who completes the course, avoiding the point of no return, repaying his loans, and finally securing ownership of a hundred percent of his production, wins the game.

Whatever else it takes to win in the oil game, the sine qua non is luck. Recently, H. L. Hunt was asked his formula for making money. "You have to be lucky," he began. Ted Weiner agrees. He has said:

Finding oil is 95 percent luck. In a way, it's like golf. All the pros make the green in par; it's the lucky players who putt out in one. In the oil game, the pros—the fellows who have a background of experience—are about evenly matched in the number of wells they find. It's the lucky ones who find the big wells. I suppose I've drilled about as many wells as Sid Richardson did in his lifetime, but where he had maybe a thousand million, I have—well, somewhat less.

Richardson held the same opinion. He once said:

Luck has helped me every day of my life. And I'd rather be lucky than smart, 'cause a lot of smart people ain't eatin' regular. I may not be the smartest fellow in the world, but I sure am one of the luckiest. Some people get luck and brains mixed up, and that's when they get in trouble.

A favorite story that oilmen tell, to show what they regard as the relative importance of intelligence and luck in the oil game, has to do with the exploits of the son of a very successful operator. An oilman who was acquainted with him has recalled:

The boy was a nice boy, but he wasn't quite right in the head. The trouble came on him gradually, after he'd got out of school and his daddy had set him up in the oil business. Folks began to notice something wrong when he started doing funny things, like when he went into a clothing store to buy a new suit of clothes. He looked at himself in one of those three-sided mirrors, and then he said, "I like them. I'll take all three." It got so bad they finally had to put him away in an institution, but by then he'd already had quite a time of it. He started out in the East Texas fields, and he really cleaned up. He didn't pay much attention to geologists' reports or anything else like that. He'd just look around and say, "This looks like a good place." And it didn't make any difference where he drilled—he couldn't miss.

Then he moved on to Louisiana and began doing business in even more peculiar ways. Finally he threw away the book completely. He went around giving those farmers fifty percent override, instead of the usual one-eighth, and the wells just kept coming in, one after another. The boy and the farmers were both making out real good. Then he took to whipstocking some of his wells—that means, after you've dug a well to a certain distance vertically and haven't hit oil, you drill at angle and hope to strike it, an expensive process—and, to everybody's surprise, practically everyone of those wells made money, too. Why, the boy must have made $20 million while he was going crazy.

Unlike most businessmen, who are inclined to credit their unwavering dedication to diligence, thrift, and honesty with boosting them to the top, oilmen, displaying a refreshing candor, take a positive pride in attributing their success to luck.

R. E. (Bob) Smith has said:

My west Texas oilfield was solely luck. It has 38 million barrels in reserve and cost me $5 an acre. The lesson you learn as you get older is that it's luck.

The lives of oilmen offer abundant proof of this. Early in his career, John Mecom had a choice between drilling in an area called South Mercy and an area called High Island. Partly on a hunch, he chose the latter, and brought in a well that gave him enough funds to start building his empire. He would have lost everything if he had chosen South Mercy, for when he got around to it later, he found nothing. With minor variations, that is the story of every man who succeeds in the oil game. It is a truism among the players that the indispensable quality for winning cannot be cultivated.

Jake Hamon said a while ago:

I have a friend who is an excellent geologist, an absolutely first-class man. I helped him get into several deals. There's every reason they should have paid off, and paid off well, but not one of them did. He never hit. There's no logical explanation, except that the man is simply not lucky. Every once in a while, young fellows come in to see me and ask my advice about going into the oil business. I never know just what to tell them, but I always get around to one thing: I ask them if they're lucky. Do they like to gamble? Are they good poker players? And how's their luck generally? If they like to gamble and if they're lucky, they'll probably do all right in the oil business.

In the end, all hands happily agree, it is not the smartest or the strongest or the meekest or the poorest in spirit or the purest in heart but just the luckiest who wind up in the oil game's hall of fame.

FOREIGN AID LOANS

Mr. HUMPHREY. Mr. President, on behalf of the distinguished Senator from Arkansas [Mr. FULBRIGHT], I ask unanimous consent to have a statement by him printed in the RECORD, along with comments upon the statement by the Senator from Virginia [Mr. BYRD].

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR J. W. FULBRIGHT, OF ARKANSAS

The senior Senator from Virginia made a statement on July 28 when he introduced his amendment to the foreign aid bill which contained a number of assertions about past foreign aid loans, about the procedures and policies under which loans are made, and about the way in which long-range borrowing authority would work if approved by the Congress.

I have asked representatives of the executive branch to go through it and comment on it. I now have such comments, and include them with this statement.

COMMENTS UPON STATEMENT OF SENATOR BYRD, DEMOCRAT, OF VIRGINIA, MADE ON JULY 28, 1961, IN THE CONGRESSIONAL RECORD, AT PAGE 13905

1. "This [borrowing authority] is the device frequently called back-door financing because it evades the appropriation process."

This statement would seem to indicate that the Appropriations Committees have

no review of the AID program. Such impression would be erroneous for several reasons. First, the Development Loan Fund is a vital portion of the AID program, but it is not the only part. The development grants, supporting assistance, contributions to international organizations and contingency fund categories are all vital parts of the program. Each of these categories is subject to the usual appropriations process. Second, the bill does provide for review by the Appropriations Committees of the Development Loan Fund. Senator BYRD does state that he is "unimpressed by the argument that review and control would be provided through routine reports to Congress and application of the [Government] Corporation Control Act." As he has indicated, there is a specific provision for quarterly reports to Congress. Furthermore, according to past practice under the Government Corporations Control Act, Congress has the responsibility of reviewing the proposed program and acting to authorize the use of the borrowing authority year by year. This review would take place in the Appropriations Committees, and the authorization for the use of the funds would appear in an appropriation bill. Congress could limit the use of funds, and such limitations could be proposed by the Appropriations Committees under appropriate circumstances. It would be expected that the circumstances surrounding any limitation would conform with past practice, and limitations would be made only in unusual circumstances.

2. "I doubt that the procedures of any sound banking institution or business would allow for high-risk 50-year loans, with no payment on principal in the first 10 years, at 1-percent interest or no interest at all."

The International Bank for Reconstruction and Development is ordinarily thought of as being a "sound banking institution." Its subsidiary, the International Development Association, has made such a loan. Furthermore, the loans contemplated are not particularly high-risk loans. However, the recipients may have some difficulty in repaying in dollars, unless the terms of the loans are adjusted to meet their requirements. Because of the foreign exchange positions of the recipients, it may be some considerable time until dollar repayment can be made.

3. "The committee report * * * lists 24 past and present Federal agencies and programs financed with debt receipts, and cites their 'excellent' record. * * * But, * * * to describe their record as 'excellent' would be an exaggeration. * * * The Treasury on June 30, 1960, had advanced $106.7 billion through these accounts; and net losses at that time in cancellation of notes and appropriations to restore impaired capital totaled $18.2 billion."

It is correct that the amount of borrowing authority advanced by the Treasury over the years exceeds $106 billion, and certainly this amount demonstrates that it is a well established practice. The claim by Senator BYRD that the "net losses" amount to $18.2 billion is a description of the record that would be an exaggeration. Of this $18.2 billion figure, about $10 billion is attributable to the RFC and a little over $8 billion is attributable to the Commodity Credit Corporation. Only about one-half of 1 percent of the total of these alleged "net losses" were attributable to any other agency.

Of the amounts attributable to the Commodity Credit Corporation, it is clear that the operation of that agency is a part of our farm policy. Appropriations for impairment of capital can hardly be said to detract from the operation of the corporation. With respect to the Reconstruction Finance Corporation, the cancellation of the notes arose out of wartime and emergency relief activities. These latter activities were not related to the operation of that corporation over a great number of years.

4. "The new fund (Development Loan Fund) would be headed by a part-time committee."

This statement is incorrect. The function of development lending will be subject to the control and be administered by the Administrator of the Agency for International Development. The Senate bill provides that the President shall establish the Development Loan Committee which shall, under the direction of the President (or his delegatee), establish standards and criteria for lending operations. The aid agency is charged with the responsibility of administering development loans. Within the agency, there is to be established an Office of the Development Loan Fund, but subject to the control of the Administrator.

5. "I find little reason to expect substantial repayment of the loans. They might as well be regarded as grants from the outset and provided for as such."

No basis for this belief is cited by Senator BYRD. The act specifically provides that: "Loans shall be made under this title only upon a finding of reasonable prospects of repayment." Failure to so find will constitute a breach of the act.

6. "Since the end of World War II, the United States has spent a gross total of $90.8 billion in foreign aid through June 30, 1961."

The total figures for "foreign aid" differ, largely because of the inclusion or exclusion of certain categories of activities. However, the figure of $90.8 billion apparently includes a number of activities financed by borrowing authority. If Senator BYRD is going to claim this figure as our gross total of foreign aid, he cannot make the earlier statement that Congress has taken the "sound position that these programs * * * require the effective annual review inherent in the appropriation process." The following activities are generally included in any gross figure of about $90 billion for foreign aid, and all were financed with borrowing authority (as of June 30, 1960):

	Millions
Marshall plan	$1,121.9
Public Law 480 (title I)	3,428.9
Public Law 480 (title II)	497.6
Public Law 480 (title III)	1,599.3
Export-Import Bank	5,992.3
Spanish loan	62.5
Indian food	27.3
British loan	3,750.0
Total	16,479.8

7. "As the committee foreign aid bill now stands before the Senate, it would authorize the use of another $11.6 billion in the current fiscal year 1962."

This statement is also erroneous. The committee bill authorizes for fiscal year 1962 new obligational authority of $4.327 billion. In order to arrive at his $11.6 billion figure, Senator BYRD adds in $5.478 billion in funds authorized in past years and already obligated, but not yet spent, for past or current programs. Furthermore, this $11.6 billion figure includes $631 million and $1 billion worth of foreign currencies. The derivation of these two figures is not disclosed, but it would appear that neither is attributable to the bill as reported from the committee. In any event, the committee foreign aid bill, as it now stands before the Senate, authorizes new obligational authority in the amount of $4.327 billion.

8. "Assuming annual appropriation authorizations at the 1962 level throughout the period 1962–66, along with other available funds, the 5-year cost of foreign aid as contemplated in this bill may be estimated at more than $36.6 billion."

This so-called 5-year cost of foreign aid repeats the errors made in the fiscal year 1962 computation. Thus, it includes $5.478 billion of economic and military assistance funds already appropriated and obligated, but not yet spent: amounts that cannot be attributed to this bill. It includes $5.631 billion of unidentified foreign currencies that do not appear to be attributable to this bill. It assumes a level of appropriations for the entire 5 years: a premise which is doubtful at best. There is no question that a substantial aid program will have to be continued for a number of years. President Kennedy has spoken of a decade of development. However, the future should be assessed realistically, not through double counting. It should be noted that our economy is becoming stronger and better able to sustain the aid effort. In 1949 our foreign assistance appropriations were about 2½ percent of our GNP; now it is about 1 percent. At the start of the Marshall plan our debt was more than 96 percent of our GNP; now it is about 57½ percent of our GNP.

9. "* * * the new Development Loan Fund could be described as a Federal bureau authorized to increase the debt of the American people by $8.8 billion in 5 years with few if any strings attached."

This statement might give rise to the impression that the funding of this program through borrowing authority has a different effect upon the national debt than similar funding through an ordinary appropriation. Such is not the case. Borrowing authority will not increase the public debt or borrowing from the public any more than any other form of funding. The effect of the foreign aid program upon the public will be exactly the same whether the program is funded by borrowing authority or by annual appropriations. The annual budget will include activities under borrowing authority for the foreign aid program, just as it already does for the more than 20 activities now financed through this medium.

10. "Proper consideration of this bill must take into account that the vast spending authority which it provides is coupled with 51 grants of discretionary power and 18 authorizations to disregard other laws applicable to foreign aid activities for an indefinite period."

Senator BYRD rightly points out that "most of the discretionary powers" given and "most of the authority to disregard existing laws" have been granted in previous legislation. What he claims is that it is the relationship of these matters to borrowing authority that is significant. In this connection it is interesting to note that of the purported 51 grants of discretionary power, only 5 have any specific application to the development lending function. (Others having general application, e.g., selection of personnel, do not have any impact upon the borrowing authority question.) Of these five grants of "discretionary power," three are the same as are applicable to the Development Loan Fund as it presently exists. The only two different "grants" are: One, the establishment of the Development Loan Committee to consist of such officers as the President may determine. However, each of the members of such committee shall have been confirmed "by and with the advice and consent of the Senate," either in his capacity as an officer already serving in a position to which he was appointed "by and with the advice and consent of the Senate," or as a result of his assignment to this committee. Such "grant" of power is hardly unfettered, and specifically allows the Senate to pass upon the qualifications of members of the committee. Two, the only new power that is related to borrowing authority is the authorization of the President to issue notes to the Treasury for the funds to be used in development lending, which notes contain such terms and conditions as he may determine. Since this provision is the heart of the requested borrowing authority, it is a new discretionary power. In fact, it is what the administration is requesting under this new program.

Spending authority for U.S. foreign aid programs provided in S. 1983, as reported to the Senate, July 24, 1961

[In millions]

Page	Line	Authorization and program	Fiscal year 1962				
			Amounts authorized specifically	Amounts authorized generally	Amounts provided from other sources	Total	As revised
		DEVELOPMENT ASSISTANCE					
6	9	Loans: Authority to spend from public debt receipts	$1,187			$1,187	$1,187
6	12						
		Grants, etc.:					
11	11	Development grants	380			380	380
14	25	Authority to guarantee investments abroad	(1,100)			(1,100)	(1,100)
15	22						
22	9	Surveys of investment opportunities	5			5	5
24	23	Contributions to international organizations and programs	154			154	154
27	13	Supporting assistance	450			450	450
27	18	Contingency fund	300			300	300
		Subtotal, grants	1,289			1,289	1,289
92	25	Administrative expenses	51			51	51
		Unexpended balances continued available:					
99	1	Appropriations and other authorizations		$3,108		3,108	[1] 2,924
51	21	Foreign currencies		631		631	(1)
		Subtotal, balances		3,739		3,739	2,924
		Other:					
45	3	Authority for Federal agencies to furnish service and commodities					
51	21	Authority to use foreign currency receipts from loans, Public Law 480 activities, etc., estimated			$1,000	1,000	(1)
		Total, development assistance	2,527	3,739	1,000	7,266	5,451
		MILITARY ASSISTANCE					
31	30	Grants, etc.	1,800			1,800	1,800
99	1	Unexpended balances of appropriations continued available		2,370		2,370	[1] 2,520
		Other:					
34	20	Authority to sell military stocks to foreign countries, etc.					
35	10	Authority to contract for procurement of military stocks for sale to foreign countries, etc.					
35	10						
37	5	Authority to use Department of Defense military stocks	200			200	200
		Total, military assistance	2,000	2,370		4,370	4,520
		Grand total	4,527	6,109	1,000	11,636	9,971

[1] Items revised. See attached note.

(NOTE.—The difference between Senator BYRD's figures and the revised column fall in three categories; i.e., unexpended balances from appropriations, unexpended foreign currencies and authority to use foreign currency receipts from loans, Public Law 480 activities, etc.

(We are unable to establish Senator BYRD's source for unexpended balances from appropriation accounts. The figures as they appear in the congressional presentation and related reports are shown in the "revised" column and all but the unobligated portion (estimated $145 million) of these balances are obligated and available only to liquidate such obligations and are not available for the financing of new programs in fiscal year 1962. The $9.9 billion spending authority includes $5.4 billion to pay for obligations and contracts already made.

(The unexpended foreign currency balances referred to under section 612 of the proposed bill revert to the Treasury and are only available for purchase with appropriated dollars for U.S. uses by any agency of the Government (except in instances in excess of U.S. use requirements) and therefore do not increase the availability for the foreign aid program. The amount of $1 billion equivalent of foreign currencies shown under columnar heading, "Amounts provided from other sources" may have been picked up from special analysis E, table 4 (summary of foreign currency transactions—U.S. uses) which appeared on p. 1013 of the fiscal year 1962 President's budget (this is the only figure that comes close). Again, these currencies are available to all Government agencies through purchase, from the Treasury, with appropriated dollars and therefore should not be added to the availability of the foreign aid program.)

MASTER PLAN FOR CALCUTTA

Mr. HUMPHREY. Mr. President, as Senators may recall, our Senate Chamber was recently honored by the presence of the Honorable Sudhir Ghosh, the distinguished parliamentarian from India. Mr. Ghosh, a Member of the upper House of the Parliament of India, is one of the most dynamic and farsighted leaders of his country.

As we all know, India is presently going through the growing pains which are inevitable to all new democracies. As a result, one of the immediate problems which must be met is the challenge of urban expansion and population growth. Mr. Ghosh has once again indicated his ability, resourcefulness, and wealth of exciting ideas by proposing the necessity for a master plan of redevelopment for Calcutta, one of the fastest growing cities in India. Mr. Ghosh has already put out the necessary feelers for the financial backing and technical know-how for this plan through the Ford Foundation, WHO, the World Bank, and so forth.

Mr. President, such a plan for Calcutta embodies the whole concept of helping the people while providing social change and progress. Therefore, Mr. Ghosh is indeed to be commended for his active and vital role in bringing such progress to India, and I wish him well on this project. In order to get a broader picture of what is to be accomplished if the master plan for Calcutta is effectuated, I ask unanimous consent that two comprehensive articles by Mr. Ghosh which appeared in the Indian Statesman be inserted in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

PROJECT CALCUTTA I: MASTER PLAN MUST EARN WORLD BANK CONFIDENCE—THE CHALLENGE OF CITY'S LIVING CONDITIONS

(By Sudhir Ghosh, Member of Parliament)

Now that the financial and technical resources for the redevelopment of Calcutta are in sight, there should be a public debate on this challenging problem.

A city is people; in accepting the challenge we must reckon the hopes and aspirations of 5½ million people who today live in Calcutta and its metropolitan area and the 14 million or so who will be living in this urban-industrial area in 30 years' time. The challenge is not just the building of a satellite town or houses in lakhs or building roads or laying sewer lines in tens of miles, but the forces which govern the life and living of people, give them the status of human beings, revitalize existing values and set new values and thereby determine the progress of civilization.

To understand the seriousness of the problem one has to ponder over the results of some researches recently carried out in the living conditions of the citizens of Calcutta. Taking into consideration all types of families living in Calcutta, the following figures are illuminating: people without any living accommodation—17 percent; three families living in one room—30 percent; two families in one room—6 percent; one family in one room—33 percent; one family in two rooms—9 percent; one family in three rooms—4 percent; and one family in four or more rooms (houses)—1 percent.

Taking an average, the figures for families enjoying the use of lavatories are: no lavatories—12 percent; 1 lavatory for 100 families and above—4 percent; 1 lavatory for 50 to 99 families—11 percent; 1 lavatory for 10 to 49 families—59 percent; 1 lavatory for 1 to 9 families—5 percent; and 1 lavatory for 1 family—9 percent. Twenty-eight percent of the households of the city representing about 27 percent of its population live in bustees, i.e., in mudhouses or houses built partly of mud and partly of bricks, where about 13 percent of the dwellings have electric lamps. No wonder that last year's World Bank Mission said in a report to the Government of India that the disintegration taking place in the life of Calcutta is a challenge to the political commonsense of those who rule India today.

ABSOLUTE BUNKER

The shocking figures given should move even the Finance Minister, who does not seem to have noticed the difference between the problem of Calcutta and that of Bombay and Madras. It appears however that the Prime Minister saw the difference and, due to his intervention at the January meeting

of the National Development Council, it became clear to our national planners that under the pressure of an additional 2.2 million east Pakistan refugees added to the population of the area, the water supply, sewage disposal, and drainage system of the area had gone to pieces and it was necessary to do something to meet this serious situation. Thus the plan provision was extended by Rs50 crores to include "projects like the redevelopment of Calcutta." Although the actual provision so far made by the Centre for Calcutta is only Rs10 crores (in addition to the state's provision of Rs10 crores), it is the inclusion of the Calcutta project in the third plan which is significant. This has made it possible for the U.S. Government to use some of its vast accumulation (1,056 crores) of rupees out of the Public Law 480 wheat loan on the redevelopment of Calcutta; this has also made it possible for the World Bank and the International Development Association, the U.N. Special Fund, and the Ford Foundation to participate in this project of international importance.

Before this stage was reached the various suggestions made to the Finance Minister by the former U.S. Ambassador, Mr. Bunker, about the use of Public Law 480 funds on Calcutta were ruled out of court because this was a nonplan project and supposed to be a special fad of the State Chief Minister, which led to the Finance Minister's famous remark and the Statesman's editorial, "Absolute Bunkum." The joke in the Finance Ministry is that in reply to the query of press reporters the Finance Minister had said "absolute Bunker," which was wrongly reported as "absolute bunkum."

The World Bank has taken a special and persistent interest in the problem of Calcutta which it described as one of the dangerous weaknesses of India's third plan. The World Bank only gives loans and that, too, to countries that are credit worthy; the interest rates and repayment terms are such that not many underdeveloped countries can afford to take World Bank loans. To meet the needs of the weaker ones among the underdeveloped countries and in particular of projects like water supply, sewage disposal, drainage, and port development which require social capital, as in the case of Calcutta, the International Development Association, under the management of the World Bank, was created in September 1960. It can advance loans and also sanction outright grants. The present capital of IDA is only $1 billion, but it is sure to grow. The value of the assistance that the World Bank/IDA can give the Calcutta project should not be judged by the number of millions of dollars it can provide as loans or grants (the size is bound to be small in view of the innumerable demands on IDA from Africa and Asia) but the Bank's significant contribution is its sponsorship and imprimatur.

For the development of the waters of the Indus Valley in both India and Pakistan the Bank's own financial contribution was small; but Indians and Pakistanis (and indeed the world) will always be in the debt of Mr. Eugene Black, the Bank's President, for the imagination and vision he displayed in persuading the more prosperous countries of the world to put together as much as $1,100 million for the development of the water resources of the Indus Valley for the benefit of both the countries and solved a long-standing and dangerous international dispute. Similarly the World Bank can provide the leadership and act as the collecting agent on behalf of the Calcutta project, if we set about it in the right way.

A MASTER PLAN

In view of the World Bank's interest in the Calcutta project, it is quite clear that, if the project costs approximately Rs300 crores (a capital of about Rs150 crores for water supply, sewage disposal, and drainage; Rs50 crores for slum clearance; and Rs100 crores for a new town), it is not money that is going to prevent it from being implemented. More important than money is the preparation of a framework—a master plan—for the development of an area, 30 miles in length and 10 miles in width—with the force of law behind it, within which development is to take place—and an authority created by law and consisting of a few men of outstanding talents and given the widest possible power and responsibility.

Whether the World Bank and other international agencies will actually get themselves involved in the financing of the Calcutta project will depend very much on the soundness of the framework—the master plan—prepared for the project. If the impression is created that we are putting forward ill-conceived, superficial, and socially or financially unsound proposals, they will politely keep out of it. If on the other hand, they are convinced that the project is well thought out and the detailed plans of development are competently prepared, then there are enough influential men interested in the project to devise ways of collecting the necessary financial resources. It is very fortunate, therefore, that the WHO (financed by the U.N. Special Fund) is preparing the detailed plans for a water supply system and an underground sewerage and drainage system for the entire area covered by the 32 municipalities from Tribeni and Bansberia in the north to Budge-Budge and South Suburban in the south, in addition to the core of Calcutta, and the Ford Foundation is preparing the overall master plan to regulate the housing and industrial development in an area of 300 square miles. The work of the one will be fitted into that of the other. About the coordination of the work of these two bodies the uninformed report has circulated in the last few months that the WHO preliminary report has been shelved.

If you provide only water supply, sewage disposal and drainage for the 32 municipal areas then, as a result of the provision of these very services, there will be a feverish spate of construction of houses and industrial units in these areas. Unless these construction activities are strictly controlled according to a town plan—a master plan—already prepared and enforced by law, the 32 municipal areas will be turned into a vast uncontrolled slum. Hence the necessity of a master plan and fitting into it the plans for water supply, sewerage and drainage. The two bodies are going to work together and there is no question of one delaying the other. The plans prepared with the imprimatur of these two authorities are sure to carry conviction to the international agencies and finance is not going to be the real obstacle.

SOCIAL CAPITAL

It is well known that the World Bank has indicated that it will be glad to provide the services of a financial expert to prepare a financial plan to show how the necessary funds (Rs300 crores or whatever the size) can be gathered together to finance the project. Apart from Rs10 crores provided initially by the center and another Rs10 crores provided by the state, the project requires only another Rs40 or 50 crores to make a beginning. As water supply, sewerage, and drainage services are extended to the areas covered by the 32 municipalities in the metropolitan area the unused land in the areas of these municipalities can be acquired, if the state government so desires, in the same way as land is acquired by the Calcutta Improvement Trust, on payment of fair compensation, and the available land can be sold as developed plots for houses and industries, according to the master plan; and thus the bulk of the necessary funds can be raised.

If it is desired to build 500,000 houses it is not necessary for the Government or the authority created by it to invest the money. The idea is to create a state of affairs in which forces of development are let loose; and 500,000 houses will be built by private individuals. The Government's contribution is to restrain speculators and other antisocial forces who will naturally attempt to make money out of the proposed investment. Some of the social capital invested in water supply, sewerage and drainage will naturally have to be provided as gifts from the international institutions because the project cannot be entirely self-financing.

PROJECT CALCUTTA, II: A FEW BOROUGHS IN PLACE OF 32 MUNICIPALITIES—IMPORTANCE OF HOOGHLY: A WORD FOR ARCHITECTS

(By Sudhir Ghosh, Member of Parliament)

None of the 32 municipalities of Metropolitan Calcutta is financially sound and viable. It may be a good idea to lump three or four together as one metropolitan borough and thus have eight or nine boroughs. The idea is what may be called total metropolitanism for the comprehensive area covered by the boroughs and the core of Calcutta.

Piecemeal addition of residential suburbs without any relation to the city creates new problems and aggravates the existing ones. The rational approach is to prepare a master plan for the metropolitan region and a redevelopment plan for the metropolis and fit all development programs within this framework. This will invigorate the new life in the immediate surroundings of this city.

The plan is conceived as a series of small satellites with areas earmarked for industry and housing. A circular highway and a circular electric railway for a very fast transportation system will connect these satellites with the metropolis while the river will be used for slow and bulk transportation. A green belt separates the industry from the transportation routes and housing from the industry. The advantages of such satellite development are (a) the existing villages will not break up for the pull to the metropolis but will merge with the satellite for better aspects; (b) a rural-cum-urban environment can be created in a satellite for limited size and isolation—as an intermediate environment of rural and urban; (c) a time-distance relation within the satellite can be maintained; for occasional visits to the metropolis, the fast transportation will be available. The entire area should be notified but the satellites can be developed in stages, some through a crash program of 2 years, so that the achievements in one satellite can be an incentive for the decentralization of population to the other satellites.

LAND VALUES

While the development of these satellites in stages will not be a burden on the financial resources, the experience of the development of one satellite and the economic return from it may be successfully employed in building the others. With the gradual decentralization of industrial population from the core of Calcutta the land value in the metropolis will be stabilized and thus it will be easier to redevelop the metropolis.

In addition to these satellites there have been various suggestions about building a new town as an extension of the city. Some people, including the West Bengal Development Corp., suggested one south of Behala; others suggested other areas. The state government has made it clear from time to time that it has an open mind on this subject and no final decision has been made. It is for the chief town planner, Mr. Edward Echeverria, whose services have been provided by the Ford Foundation to recommend a logical and suitable area for the development of the new town. If it is decided to build such a new town and if I as an in-

terested citizen were to make a suggestion, I would suggest the high and dry land in the triangle—Barrackpore—Barasat and Dum Dum.

However, in the planning of such a complicated and socially significant job as the redevelopment of Calcutta, it is important to insure that the planners and architects do not run away with the bit in their mouth. It is a common temptation among planners and architects to think of such a magnificent job as a monument to themselves. Mr. Edward Echeverria is reputed to be a very competent planner and organizer and he should be able to do a fine job, so long as he does not try out various fancy ideas (which all planners have) which are impracticable in our Indian situation. His Delhi master plan was praised as a good job but his proposal of a three-level high city for old Delhi, consisting of a lower level for industry, the second level for commerce and the top level for residential use (a la Florence of Leonardo da Vinci) was not a very practical one. A plan must be rigorously practical and capable of implementation. Architects and planners must have humility if they are to be of true service to the people. Mr. Echeverria may care to provide himself with the advisory services of a small group of internationally reputed town planners. Chandigarh, the only place in India where a successful town-planning job has been carried out in the last 10 years (and we can be legitimately proud of it) had to employ Corbusier, Jeanneret, Maxwell Fry, Jane Drew and a band of brilliant young Indian planners and architects for a project which in magnitude and complexity is a small fraction of the Calcutta project.

SPILL CHANNELS

But no master plan, however well-conceived, can save Calcutta unless a long-term solution is found to save the life of the Hooghly. The river is the combination of the Churni, Jalangi, and the Bhagirathi, all of which are spill channels from the Ganga (Padma). Due to a definite alteration in the flow of the Ganga toward the east the three small rivers have been reduced to spill channels only during the rainy season. More water comes up the Hooghly from the sea than the headwater flowing down from the Ganga into the Hooghly; the river bed is steadily silting up and the port cannot be kept alive indefinitely by dredging. The river is becoming a tidal basin and the degree of salinity in its water has increased to 2,480 parts per million as against 250 parts per million, which is the generally accepted drinking water tolerance. The solution is obviously the Farakka Barrage and diversion of more water from the Ganga to the Hooghly; but the successful implementation of that scheme requires an amicable settlement of an international dispute between India and Pakistan. It is very fortunate, therefore, that the World Bank is deeply interested in the Calcutta project. After all it was Mr. Black, the Bank President, who found a solution of the canal waters dispute between India and west Pakistan which baffled many for a long time. Here is another job which Mr. Black may feel persuaded to do.

As already indicated, the crux of the Calcutta project is not just the collection of the necessary financial resources but the creation of the right kind of authority and the discovery of a man of exceptional ability who can be the executive director of that authority for the implementation of the vast project. One suggestion is that the authority may be a small full-time board of directors and a general manager to be selected by the board of directors—a public corporation in perpetual existence and with specified right to sue and be sued, to exercise all powers for the accomplishment of the mission of the authority, including the right to levy taxes on general property up to a limit. Alternatively, it may be possible to create, not a perpetual authority but a special temporary authority for the initial period of 10 years or so, for the preparation of the master plan and the implementation of the basic part of it and then hand over to the reconstituted metropolitan boroughs the normal work of municipal administration and further development.

WANTED A GENERAL

It is for the state government to decide what shape should be given to the overall authority for the development of the metropolitan area and the redevelopment of the metropolis in all their aspects. But whatever may be the details of the legal provisions for the creation of the authority, it seems clear that a bureaucratic government department cannot do a job of this magnitude with the necessary speed. For the vital job of executive director it may be a good idea to take out of the army a senior general.

FOREIGN RELATIONS COMMITTEE LUNCHEON FOR GUESTS FROM INDIA

Mr. HUMPHREY. Mr. President, today the Committee on Foreign Relations was privileged to have as a guest at a luncheon Dr. B. C. Roy, the Chief Minister of West Bengal, India; along with Lt. Gen. D. N. Chakravardi, Mr. Sudhir Ghosh, a Member of Parliament of India, and Mr. B. N. Chatterjee, Minister of India, presently at the Indian Embassy in Washington, D.C.

Dr. Roy is one of the great statesmen of India. He was the personal physician to the late and beloved Gandhi. He has been a lifelong member of the Congress Party, which is the majority party in the Indian Government. He is an associate of and adviser to the Indian Prime Minister, Mr. Nehru. He is the Chief Minister of West Bengal, which is one of the important Provinces or States of India, with a population of approximately 33 million people.

Dr. Roy has attended the second session of the United Nations. He is an effective political leader in his country. He is dedicated to freedom. He is an effective anti-Communist not only because of his understanding of the activities and the plans of the Communists but also, and of equal importance, because of his progressive policies for the people of India and in particular for the people of the State of West Bengal.

Dr. Roy was here today visiting with members of the World Bank, and had an appointment with Mr. Black, the President of the World Bank. He also visited the President of the United States this afternoon. He was accompanied by Mr. Sudhir Ghosh, Lt. Gen. D. N. Chakravardi, and Mr. B. N. Chatterjee.

I am happy to say that Members of the Senate attending the luncheon found Dr. Roy to be most informative. We were particularly impressed by his explanation of the large and comprehensive rehabilitation and redevelopment project for the city of Calcutta—a city of several million people.

The importance of the gathering today is underscored by the determined effort the Communists are making to penetrate the political framework of West Bengal. The State of West Bengal has been selected by the Communist Party as the primary target area in the coming election in India. The election in the State of West Bengal will be in March of 1962. This state has geographical and political importance because it neighbors and borders upon China. It is in the northern sections of West Bengal that the Chinese Communist armies have penetrated Indian territory. The Communists are making a determined effort to take over the government of that state or province, because the plains of Bengal lead into the main area of India itself.

I hope our colleagues will pay particular attention to the plans of Mr. Sudhir Ghosh, Dr. B. C. Roy, and others who are attempting to do something constructive for their area in the great country of India, as a means not only of thwarting the Communist offensive but also of helping to promote the welfare of the people and the strength of their country.

FOREIGN ASSISTANCE ACT OF 1961

Mr. HUMPHREY. Mr. President, I shall during the debate on the foreign aid bill express myself relating to the provisions of this vital and all-important national security measure. Foreign aid has become an integral part of the defense structure and national security of our Nation. American foreign aid represents part of the vitality and strength of free societies today. These free societies are under terrific attack by the forces of communism and the forces of reaction and oppression throughout the world.

Mr. President, the Berlin crisis has served to emphasize the need for long-term consistent planning in America's foreign policies and programs. The Berlin crisis is not a single isolated threat of short duration but is a continuing part of a long and arduous struggle with the Soviet Union.

The West has been under pressure on Berlin for 15 years, and I believe we shall be compelled to look forward to a continuation of these rather unhappy and unfortunate conditions for years to come. I see nothing in the immediate future to indicate that there will be any major relaxation of international tensions. In fact, Mr. Khrushchev's speech of today indicates that we are faced with an ever-intensified Communist political offensive filled with threats and the possibility of war.

Mr. Khrushchev has made it crystal clear that the Soviet Union is utilizing its vast military power as a pressure and force to gain its will in this world struggle. It would be foolish on the part of the American people or on the part of any other people to relax for a moment.

As we debate the foreign aid bill we had better look upon it not, as some people have called it, as a giveaway, and not, as others have classified it, as a sort of world WPA, but rather as the frontline of the defense of freedom.

The weakness I see in the foreign aid bill is that it does not go far enough. I feel that we must be prepared to defend areas of freedom economically, socially, and politically as we are preparing to defend them militarily.

When I read of the great feat and accomplishments of the Soviets again in outer space, I am reminded of what I believe we can do in inner space. The Soviets are ahead of us in outer space science and technology—at least insofar as putting space ships or satellites into orbit. Their powerful rocket engines are superior to those that we have today. I regret that one must admit this. I regret it because I believe our present predicament is due to but one thing: the lack or the unwillingness in recent years to put adequate resources of manpower and finances behind the program of outer space development of science and technology that is required for leadership in this fantastic new era of space science. But we have the strongest economy in the world. We have the greatest industrial machine that the world has ever known. We have the finest agriculture that the world has ever known. To be sure, we can improve both our industry, our manufacturing processes, and our agriculture and production. But as they stand today, they are without equal anyplace in the world. We have a good system of education, but, it, too needs improvement. We ought to have as our goal not merely a flight to the moon, but also, in years ahead, the development of our economy at unprecedented rates. We should serve notice on the world that in the year 1962 we intend to have a $600 billion economy. That is the beginning.

Just as the Soviets soar into outer space with their space vehicles, so do we intend to have our economy claim new victories, greater in performance, greater achievements in our gross national product. To do too little in what we are attempting to do internationally on the economic and social front will be to put good money after bad. It will mean to lose all we have invested. We must think in terms of our economic programs in the future and do as we have recently done in terms of our military program.

Several Senators have said that they voted for items in the defense budget over and above what the budget really requested, merely because they wanted to be sure that there was enough. They did not want anyone to be able to say that we appropriated too little. Would that there were the same enthusiasm for our foreign aid obligations—to do a little bit more than some people think is required. Our timidity in this field is unbecoming this great American Republic. I know that we have spent billions. But we have not spent as much in foreign aid in 15 years as we have spent in 2 years of defense expenditures—outright military expenditures. We are spending less than 1 percent of our gross national product for foreign aid.

But I return to my theme. We ought to announce to the world that the United States intends to put its economy at such a high level that it will, for all practical purposes, be reaching to the heavens; that we intend to have by 1962 an economy that is operating at full employment, full steam ahead, capable of taking on any burden of national security in terms of our defense structure, and capable of improving, increasing, and expanding our foreign aid.

Then let Mr. Khrushchev try to match our achievement. There is no way to compete with this Soviet propagandist who tells us that he intends to outproduce us, this man who tells us he will blow us off the face of the earth, except to stand up and do better. I am not one of these pessimists who goes around feeling that we should quake in our boots every time Mr. Khrushchev lets out another one of his premeditated propaganda blasts.

I repeat that we are engaged in a big war. We are engaged in a long struggle in which most of the big battles are on economic and political fronts. The preparations and strategy cannot be based upon limited short-range planning. One area of need is for long-term development loan authority in America's foreign aid program, for Congress to refuse to support the President's request for long-term development loaning authority would be to retreat in the face of Mr. Khrushchev's threats and propaganda.

Worse than that, it would be bad economics, bad politics, and inexcusable negligence on our part in the light of the world situation.

As I said, the Senate added almost $1 billion to the President's defense budget request. I ask how the same legislators can deny the Commander in Chief the tools he asks for and needs for an effective program of international cooperation in foreign aid? The term or name foreign aid makes it appear to be doing something for somebody else without regard to our own needs. But our program of aid overseas, mutual security, international cooperation—call it what one will—is good politics and sound economics abroad, and it is good public policy and economics at home.

It helps to sustain the American economy. It helps to strengthen our position of leadership. It helps to build strong, viable societies overseas, thereby preventing Communist takeover.

Foreign aid is the front line of our battle for a better world and a life of freedom for all men. That battle will not be ended in a year—foreign aid planning cannot be restricted to a year.

As I said before, it is the kind of solid political, economic policy that not only makes friends abroad but represents jobs, industrial expansion, technological improvement at home. It is good political policy, good and sound economic policy, and I only hope that Congress will see fit to support the program with an overwhelming majority.

COLLEGE OF THE VIRGIN ISLANDS

Mr. HUMPHREY. Mr. President, Members of this body are aware of my keen interest in the welfare of the Virgin Islands and its people. It is with a strong feeling of pride and optimism that I recently learned of significant steps that have been taken to help establish for the islands an institution of higher education, a College of the Virgin Islands. The establishment of a college will go far toward helping the industrious, intelligent people of the Virgin Islands to realize the maximum of their potentialities. The result will inevitably produce a society of which we in the United States will be proud. My congratulations to Gov. Ralphael M. Paiewonsky for his energetic leadership and vision in this program.

Within the last few days, a number of outstanding educators and public leaders were invited by the Governor to attend the Virgin Islands Conference on Higher Education. This conference was very well received by the people in the islands. The conference resulted in a set of findings which are most encouraging. Those who participated in the conference are to be commended for their industry and understanding.

I ask unanimous consent that there be printed in the body of the RECORD at this point a copy of the opening remarks made by Governor Paiewonsky at the conference; a copy of an address made by Hon. Cyril E. King, government secretary of the Virgin Islands, made to the conference; a list of participants at the conference; and a copy of the preamble and summary findings of the conference.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF GOV. RALPHAEL M. PAIEWONSKY, BEFORE THE GOVERNOR'S CONFERENCE ON HIGHER EDUCATION FOR THE VIRGIN ISLANDS, BLUEBEARDS CASTLE HOTEL, JULY 27, 1961

My distinguished friends, the usual thing for a speaker at a public gathering like this one is to greet all the important personages by name, and then to finish by saying, "ladies and gentlemen." If I were to do this tonight I would take up most of my allotted time simply by reciting the names and the titles of the 21 participants of this conference. Quite frankly, this is the most remarkable assembly of eminent people that we have had in our islands in my memory. And my memory goes back a long way, because I was born here, and, as you can see by looking at me, I wasn't born yesterday.

It is quite fitting that this assembly of talent, reputation and wisdom should have come here to discuss with us the most serious long-range problem we Virgin Islanders are now facing. Let me first of all thank you, one and all, distinguished educators, distinguished administrators, distinguished public leaders, for accepting our invitation, and taking time from your busy lives to come here. We want you to enjoy yourselves. Our island territory is getting quite a reputation as a place for health and pleasure all the year round. We hope you'll find that the Virgin Islands live up to the rather glamorous name they are acquiring on the mainland. We have planned for your comfort and pleasure as well as we could. If there is any way in which we can increase your comfort, my telephone number at Government House is No. 1, and I go to bed late and get up very early.

We want you to enjoy yourselves, but we asked you here because we want your help. Out of this conference of first-rate talents my government hopes to get decisive guidance in its plans for creating a center of higher education in this territory.

Now I ought to make a few things very clear.

We are not embarking on plans for higher education because our elementary and secondary education is perfect, or even satisfactory. I have to tell you that our high schools are not accredited, and our elementary schools are below the general standards

of American education. My administration, which took office 4 months ago, is moving as fast as it can to change this state of affairs, but meantime those are the facts.

Nor are we seeking to establish a college here because our islands are bulging with thousands of college age youngsters demanding such facilities. We do have a sizable number of high school graduates who year after year seek and obtain a college education but, speaking numerically, they can be absorbed by the schools on the mainland.

Since these things are true, some people have said that we are being impractical and dreamy in setting afoot this movement to establish higher education in our territory. Such voices are in the minority. Most of our people strongly support the idea. But I'm willing to face the fact that you in your wisdom may advise me, after studying our situation, to give up the idea of a college. I don't think you will, and frankly I will need a lot of persuading on that point. But you are here to study our problem as earnestly as you can, and to give us your advice straight from the shoulder.

Now let me tell you why we want a college, and why I call this our most serious long-range problem. There are really two simple reasons.

The first is this: So long as we do not have higher education available here, our finest young people inevitably leave the island after finishing high school. They get their college education in the States. During these most impressionable years of their lives, they become emotionally and intellectually committed to life away from home. The problem resembles the general problem on the mainland of the drift from rural communities to the cities. But here, being a territory made up of our best young people is a kind of bloodletting that keeps our community weak, and stops its growth. Of course, I realize that, to a certain extent, young people of great talent will always gravitate from small communities to big cities, and we can accept such losses. But I do not think we can go on accepting the loss of virtually all our youngsters of ambition and superior intelligence. I am certain that if we had college facilities here—even a junior college—these young people could spend their most formative years right here in our beautiful islands, growing into the community and making their basic commitments here. Then we would keep most of them as citizens and enrich our reserve of talent and intelligence year after year.

After all, my friends, people from all over the United States, people of wealth and the highest culture, are coming to live in the Virgin Islands. They do so because they think that on these islands we have the pleasantest and most attractive way of life you can find under the American flag. It is really a shocking paradox that our own young people should leave these charming islands, which other people consider a paradise on earth—but they will continue to do so unless we give them higher education, because any youngster worth his salt wants knowledge, and more knowledge.

Now I will give you my second reason for wanting a college. You all know the old law of physics that water cannot rise higher than its source. I think it's true of culture. In any one community, culture cannot rise higher than its source. Almost all of you distinguished visitors enjoy the privilege of living in a great university, or near it. I don't have to tell you what a difference it makes to your lives, and to the life of the community around you. The influence that a center of higher education exerts can scarcely be put into words. It changes the whole tone of its environment.

This island territory has entered upon a great awakening. The world has become aware of us, and we have become aware of the world. Many things have caused this: Jet airplane, the population explosion, and perhaps, above all, the great question of racial harmony, which we in these islands have solved so well. We are more than ready for a great leap upward in our cultural life. Our people are hungry for it. But this cultural life must have a focus. I firmly believe that a college is the answer. It will become the goal for the young people. It will become a center for every form of intellectual and artistic life that we do not have now.

My distinguished friends, I have been a businessman all my life, and I do not harbor many illusions. I do not see a new Harvard University springing into existence in this territory of 33,000 souls. I do see that if the life of our Virgin Islanders is to become more fruitful, more meaningful, richer—and that is the whole goal of my administration—then we must have a center of culture in our territory. We need it for the young people. We need it for all our people. I think a college is the answer.

What we want from you is your professional advice about how to do it. Shall it be a junior college? Shall we begin by extending our high school curriculum upward? Shall we invite a mainland college to set up a branch here? Shall we start from scratch and open a school? These are the technical questions we want you to examine. The workbooks we have furnished you give a pretty complete picture of our finances, our population, and all the other information you need to reach such decisions. You are here for 5 days to fill out this abstract information with your own personal impressions and with your inquiries.

My friends, I was appointed by President Kennedy to bring the spirit of the New Frontier into these islands. The President has been clear and strong in his call for better education. My judgment is that in these islands better education is the whole key to improving our standard of living. I believe that a center of higher education will diffuse the standards of excellence, which we need so badly, all through our life. I believe it will restore to us, as permanent members of our community, our finest young people. I believe it will illuminate our existence with all the grace of the arts and the sciences. The people of the Virgin Islands want a center of higher education, my eminent friends. Tell us what to do, because you are men and women who know the answers, and we will get at the job at once.

I know we're not going to have our college tomorrow. I realize the magnitude of the undertaking, and I fully expect that our elementary education must be put in order and our high schools accredited. This we expect to accomplish without too much delay. This should not deter us in making a start toward a college now. When our youngsters are ready, in every respect, for a college in the Virgin Islands, we must be ready for them. With your wise counsel, I am sure we will be.

Dr. Moron, who is well known to most of you through his work in the field of education at Hampton Institute, has set forth in working papers a program of work for this conference. This should not limit the scope of your discussion on our educational needs or your recommendations. All of us here are at your service if we can be of help in your deliberations.

We are happy to have you here. Thanks for coming and, again, let me extend to you all a most cordial welcome.

ADDRESS BY HON. CYRIL E. KING, GOVERNMENT SECRETARY OF THE VIRGIN ISLANDS OF THE UNITED STATES, GOVERNOR'S CONFERENCE ON HIGHER EDUCATION, BLUEBEARD'S CASTLE HOTEL, JUNE 28, 1961

Mr. Chairman, Governor Palewonsky, distinguished guests, I am grateful for this distinguished pleasure of adding my greetings to Governor Palewonsky's remarks of last night. I also appreciate this opportunity of joining in welcoming you to this special Conference on Higher Education for the Virgin Islands.

It is a real pleasure to have you with us. But even more gratifying is the interest you have evidenced in these islands and their future by your willingness to share your experience with members of this community and to help in guiding us in our approach toward some form of education beyond the high school level.

In recent years these Virgin Islands have experienced considerable growth economically, politically, as well as socially. Future prospects for a continuation of this trend—possibly at a stepped rate in certain areas—are very bright.

We have been experiencing, especially here in St. Thomas, an unbelievable increase in tourism. The construction boom has shown no signs of any letup in the immediate future. The need for an ever greater number of vocationally trained, professional, administrative, and clerical assistance in government, as well as in private industry, continues to get increasingly acute.

The net effect of the foregoing upon these islands has been the exertion of tremendous pressures upon their labor market. In too many instances we simply are unable to meet the demands.

These islands can and should provide the trained manpower which is so vitally essential to their continued development and growth. The most meaningful way of helping to insure this is for these islands to make available to their people educational opportunities beyond the high school level.

There is no question that these islands with so rich a cultural background, having had compulsory school attendance as a part of their educational system even before systems in the United States, and whose students continue to achieve enviable records in colleges throughout the United States, should provide now for the establishment within their borders of educational facilities beyond the high school level.

On June 26 of this year, for example, the public high school in Christiansted, St. Croix, graduated 89 students. Of this number, 21 completed the college preparatory course; 6 the commercial course; and 10 the vocational course. The following night, the high school here in St. Thomas graduated 117 students of which 11 completed the college preparatory course; 17 the commercial course; 43 the vocational course; and 46 the general program.

If past averages hold true, approximately 15 percent of these students will leave these islands to further their education in Puerto Rico and the United States. Having had the privilege of being exposed to the stimulating experience of living in the United States I know how profitable it could be in the growth and development of these youngsters for them to become acquainted with life outside of these islands.

However, as so often happens, by the time the youngsters complete their 4, 6, or 8 years of schooling in the United States, they become involved and take roots in their new environment. The net result of which is that except for possible correspondence with friends and an occasional visit, their youth, their strength, their vigor, their skills, are lost to these islands and their people, since so very few return.

Of equal concern is the unfortunate plight of those students who for one reason or another cannot leave the islands to enter an institution of higher learning in Puerto Rico or in the United States. Their own future, as well as their contribution to the future of these islands are limited because of a lack of educational facilities here beyond the high school level.

These islands stand today at what I believe to be the threshold of a great and exciting era. The extent to which they are able to take advantage of the great opportunities which lie ahead will depend largely upon what educational facilities beyond the high school level are available to their people.

These are but some of the thoughts why in the mind of this administration a much greater sense of urgency is needed in meeting the educational needs of these islands. These are some of the reasons which have moved Governor Paiewonsky to taking action now and to calling this conference on higher education.

The objectives of this conference were outlined by the Governor in last night's address to you. As you approach this task I wish to reemphasize its importance to the progress of these islands and the future of their people. I also wish to reassure you of the gratitude of this community for sharing with us our growing pains and especially for your assistance in helping us to relieve them.

Thank you.

PARTICIPANTS IN THE VIRGIN ISLANDS CONFERENCE ON HIGHER EDUCATION, JULY 27–31, 1961

Dr. Homer D. Babbidge, Jr., Deputy Commissioner, Office of Education, Department of Health, Education, and Welfare, Washington, D.C.

Dr. Ronald C. Bauer, president, Inter American University, San German, P.R.

Mr. Gordon Boyce, private agency relations, Peace Corps, Washington, D.C.

Mr. Monroe Bush, Mellon Foundation, Washington, D.C.

Mr. James H. Case III, assistant dean, Harvard University, Cambridge, Mass.

Dr. Sydney J. French, dean, University of Southern Florida, Tampa, Fla.

The Honorable Edith Green, chairman, Subcommittee on Education and Labor, House of Representatives, Washington, D.C.

Mrs. Margaret Hickey, public affairs editor, Ladies Home Journal, New York, N.Y.

Dr. Jerome H. Holland, president, Hampton Institute, Hampton, Va.

Dr. Kenneth Holland, president, Institute of International Education, New York, N.Y.

Dr. Howard L. Jones, president, the Northfield Schools, East Northfield, Mass.

Mr. Max M. Kampelman, lawyer, Washington, D.C.

Mr. Harold Leventhal, counsel, Virgin Islands government, Washington, D.C.

Dr. Margaret Mead, associate curator, Museum of Natural History, New York, N.Y.

Mr. James J. Morrisseau, assistant education editor, New York Herald Tribune, New York, N.Y.

Very Rev. John S. Mueller, S.M., rector, Catholic University of Puerto Rico, Pence, P.R.

Dr. Edwards S. Noyes, acting president, College Entrance Board, New York, N.Y.

Dr. James W. Reynolds, professor, Department of Higher Education, University of Texas, Austin, Tex. (formerly president of Association of Junior Colleges).

Dr. G. Kerry Smith, executive secretary, Association for Higher Education, Washington, D.C.

Dr. Harold O. Voorhis, vice president and secretary, New York University, New York, N.Y.

Mr. Nick Zumas, legal counsel, Subcommittee on Higher Education, House of Representatives, Congress of the United States, Washington, D.C.

REPORT OF THE GOVERNOR'S CONFERENCE ON HIGHER EDUCATION FOR THE VIRGIN ISLANDS JULY 31, 1961

A. PREAMBLE AND SUMMARY FINDINGS

We the members of the conference would preface our report with an expression of lively appreciation of the generous, thoughtful and felicitous service afforded us by government authorities for the furtherance of our study and understanding of the complex subject submitted to us for consideration, namely, the feasibility of establishing an institution of higher education in the territory. The comprehensive information prepared for our initial orientation by Dr. Alonzo G. Moron, director of cultural affairs, and his colleagues, coupled with the lucid and significant testimony of other government officers and civic leaders in the course of our several conference sessions, have been indispensably helpful. We would commend those responsible for the skillful construction of our conference program and the efficiency of its management. The extraordinary hospitality of His Excellency, the Honorable Ralphael M. Paiewonsky, Governor of the islands, and his gracious lady, and the uniform courtesy and solicitude of all those who contributed to our comfort, convenience, and enjoyment of the experience will long be gratefully remembered.

From the statistical and other factual data at our command, the information given to us by educators on the islands and from the expressions of opinion at public meetings held with us both on St. Croix and St. Thomas, we are convinced that the establishment of a College of the Virgin Islands is a feasible and desirable development, subject to the broad considerations later outlined. We envision a public institution initially providing 2-year programs leading to an associate degree. We feel that it would be most unfortunate if every effort were not made to give early effect to such an extraordinary combination of favoring circumstances, remembering the force of the Shakespearean adage that "There is a tide in the affairs of men, which, taken at the flood, leads on to fortune."

We would strongly endorse the observation that the current concept of American education as a three-tiered system of interlocking elementary, secondary, and higher educational components is one that should characterize educational opportunity in these islands as well as elsewhere under the American flag. Any educational system denied the capstone of higher learning is handicapped in its effort to develop effective citizenship. Not only in the improvement of the usefulness and happiness of those privileged to qualify for such well-rounded educational training, but in the cultural effects of such a center of learning upon the body politic do we see advantages otherwise wanting.

These disadvantages obtain in every American community having broad access to educational facilities that extend from the kindergarten to the college levels. We feel they are peculiarly important to an insular economy less able to draw freely upon neighboring resources.

We recognize the important contributions made (to various phases of postsecondary education hitherto, and at the present time, in the Virgin Islands) by divers field operations of institutions of higher learning in Puerto Rico and on the mainland. We contemplate that they will have a continuing role, but we think the time has now come for a well-rounded, indigenous structure operated primarily by and for the citizens of the Virgin Islands.

An institution of higher education would undoubtedly encourage vocational preparation of a broader nature and better suited to changing technology and the economic development of the Virgin Islands. New horizons would also become apparent to adults who would find incentives to continue their education. Since a community "flourishes most in which men think grandly of their function," a new appreciation of excellence would be engendered. This could result in the leadership so essential to calling forth those qualities of vision and sacrifice that are fundamental to sustained financial support and citizen's interest.

Our attention has been directed to existing deficiencies in both the elementary and secondary schools of the islands. We feel that simultaneous continuing effort to remedy the weaknesses of the schools coupled with an early start upon the advanced program is more likely to result in a well-proportioned vertical structure than any other approach. The presence of a College of the Virgin Islands, however, modest in proportions, backed by the cooperation of sister institutions of strength, is likely, we believe, to hasten the much coveted improvement and accreditation of the schools.

"ODDS FAVOR THE WEST"

Mr. HUMPHREY. Mr. President, a few weeks ago I was able to travel to Europe on a personal factfinding mission. I visited Paris, Geneva, and Berlin, and was able to confer with American officials and negotiators, repsentatives of our allies, and local leaders within each city and country.

This trip was valuable and satisfying to me. I returned home with a renewed sense of confidence and pride in the strength, the vitality, and the power of the West.

I returned also with a better understanding of the nature of today's conflict with the Soviet Union, particularly as it relates to the Berlin crisis and the issue of disarmament.

Some of my observations and conclusions after returning to Washington were detailed in an article I wrote for the Washington Post. I ask unanimous consent that the article in the August 6 edition of the Washington Post, titled "Long View of Crisis Gives Odds on West," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LONG VIEW OF CRISIS GIVES ODDS ON WEST

(By Senator HUBERT H. HUMPHREY)

It is no accident that West Berlin has become a focal point for East-West tension. By contrast with East Berlin, the Western sector is enjoying a prosperity that cannot help but be both provocative and dismaying to those who rule East Germany. East Berlin has a quality of darkness, dullness, hardness that is disturbing and saddening to a Westerner. Small wonder that the escape hatch to West Berlin is crowded with East Germans.

There is no panic in West Berlin. Like the Finns, these people have been living cheek to jowl with the Communists for years. There is concern, of course, but in general the West Berliners appear calm and steadfast. They rely completely on the commitments of the Western Powers.

Conditions in East Berlin and East Germany are potentially explosive. Not only is there a tremendous drain of highly skilled East Germans through the escape hatch, but there is a daily contact of over 50,000 skilled East German workers who work in West Berlin with the free trade unions of West Berlin. Their consequent indoctrination in democratic procedures and ideals is a matter of real concern to the East German authorities.

BONE IN THROAT

The continuing failure of agricultural productivity in East Germany has direct implications in East Berlin, where the pressure is on city workers to move out to help with

the farmwork. This pressure has contributed to the general unrest among the East German workers. There is concern in both East and West Berlin about the possibility of another East Berlin uprising.

In short, the bone in Khrushchev's throat about which he spoke to me in late 1958, and which he again described to President Kennedy this year, is this fact of the intolerable contrast between a free and prosperous West Berlin and the surrounding depressed Communist society of East Germany, and the consequent instability of the East German Communist regime.

There is no military threat to the Soviet Union in the continued presence of Western troops in West Berlin. West Berlin is to Khrushchev a political problem.

To examine the comparative strengths of the two societies confronting each other over the Berlin crisis, let us take a fresh look at Western Europe.

ECONOMIC POWERHOUSE

We tend to overlook the tremendous aggregate economic and military strength of Western Europe. There is a vitality in the air. The people are at work; they are well fed. The supply systems, the transportation methods have been improved. Western Europe is an economic powerhouse. This is a great asset. Our people should understand that Western Europe is no longer the shaky, unstable, and uncertain society of the pre-Marshall plan era.

We can be reassured that the political leadership of the West has responded to the Berlin crisis with vigor and harmony. A common policy of military security is being strengthened. Powerful joint economic policies are being actively discussed. This has been one notable result of Khrushchev's pressure on Berlin.

The Allied Powers, working together, have a preponderance of real power—economic and military—that is significantly greater than the Communist bloc with its lesser productive capacity and severe agricultural problems. The question is whether this coalition can join its combined forces effectively behind a common policy in Central Europe.

Unquestionably, the Communists, with their presently overwhelming ground forces, largely mechanized and modernized, have a strong military backup for any test of military strength in the Berlin area. It must be made clear to Soviet military planners, therefore, that any attempt to bring the Soviet mechanized divisions into play could precipitate the use of every available weapon in the Western arsenal. I deplore the restriction on military choices open to the President in the coming months, due to the dismantling of our own conventional forces since 1954.

The President has wisely chosen to provide himself, as Commander in Chief, a future capability to choose to meet massive nonnuclear forces with matching force—rather than being forced to choose either retreat or nuclear warfare.

This is the significance of the President's request to Congress for additional funds for modernization and expansion of the Regular Forces.

What the President is in effect saying to the Soviet leadership is that the maintenance of huge Soviet ground forces will not in the future continue to be an asset to the Soviet Union, because we are prepared to offset it by the reconstruction of our own nonnuclear military forces. Khrushchev should see the fact that in a genuine arms race the economic powerhouse of the West can surely outdistance him.

With such a possibility facing him, Khrushchev may determine to seriously negotiate a meaningful reduction in military forces.

It should be obvious that the solution to the Berlin problem is not a military one. A war with modern weapons will surely destroy what Berlin is left and will make Europe the battleground of civilization's final hour.

Now that we have made it quietly and firmly clear that the West will not submit to being pushed out of West Berlin by military force, we must swiftly turn to the overriding political and economic decisions that must be made.

First of all, we must break out of the confining limits of a discussion solely on Berlin. Our position on Berlin must be crystal clear: that free access to Berlin from the West is not negotiable, that we are in Berlin by right and by agreement.

But the problems of central Europe—the failure to conclude a peace treaty with Germany, the continued presence of huge military forces in the area, the question of nuclear armament of both East and West Germans, the fears of both Soviet onslaught westward and German attack to the east—must be faced and discussed.

There should be early meetings of the Foreign Ministers, the Defense Ministers, the chief economic advisers, and the information officials of at least the more powerful Western allies, in order to develop coordinated policies. Next, the Soviet Union should be invited to a Four-Power summit conference to sit down and talk on a preliminary basis about what kind of fair and honorable settlement may be possible.

The suggestion made by Mayor Willy Brandt, of West Berlin, for a full-scale 52-nation conference to discuss a peace treaty with Germany has much merit. If the Soviet refuses to join the other victors over Germany in World War II, the public discussion of what can be done to protect the rights and freedoms of the people of West Berlin, and what can be done to prevent a disastrous war over the Berlin situation, can still be enormously effective.

Under the Charter of the United Nations, the Berlin question can be cited as a threat to the peace. A Soviet veto in the Security Council could be met by taking the matter to the General Assembly. It should be emphasized that in the great political struggle, the United Nations is critically important.

The Soviet Union has commenced a steady assault on the U.N. Khrushchev has expressed contempt for the U.N. He has expressed bitter resentment of the U.N. action in the Congo.

Yet, we ought to remember that the U.N. is the one chance for the small, new nations to be heard and to participate in the making of basic world decisions. They have a great stake in the U.N.

We should champion the United Nations, strengthen it, and encourage its active consideration of all major international political problems, such as the whole German question.

As we broaden the discussion from the confining limits of Berlin, I believe that the United States should renew the lagging discussion of measures for effective disarmament.

Indeed, nothing would so dramatize the American dedication to peace as a Presidential call for a special session of the U.N. General Assembly and a Presidential presentation of the full American plan for controlled disarmament, including measures for cooperation in the exploration of outer space.

The Soviet Union, I am convinced, does not want war. But I believe that Khrushchev intends to try to drive us to precipitous, hasty action on Berlin and other matters this fall. He has already launched a massive political and propaganda offensive with his announcement of a 20-year plan to surpass the United States in living standards.

This announcement has three goals: first, to paint the Soviet leadership as architects of a peaceful and better world, who can be frustrated only by the Americans and their allies; second, to rally his own people to additional sacrifices in the coming months and years ahead; third, to make it appear that American leadership is lagging in peaceful planning, and is concentrating only on stepping up the arms race.

Khrushchev will do his best to undermine and destroy the effectiveness of the United Nations. He will try to wreck once and for all the nuclear test ban conference, hoping that we will give him the excuse to resume nuclear weapons testing without the onus of having been the one who resumed first.

In the weeks preceding the October Communist conclave, which will focus the seething rivalries within the Communist orbit, we can expect Khrushchev to be particularly intransigent and abusive.

We will be sorely, severely tested in the coming months. There will be those among us who may lose their nerve and urge that the panic button be pushed. Khrushchev may succeed in playing upon the latent distrust of a united Germany and the very real fears of a nuclear holocaust throughout Europe. The effort to keep the Western Powers on a steady, even keel will test the courage and ability of the President and the other Allied leaders.

As some seem compelled to stare at the Cuban situation to the exclusion of the great inter-American picture, so will others find themselves hypnotized by a Berlin which is only one facet of the worldwide struggle with communism.

Others may satisfy themselves that everything possible is done when our military defenses have been looked to, blind to the reality that the strength of our Nation can be measured only when our total economy, our social structure, our educational, scientific, agricultural capabilities are considered as a whole.

We must see the Berlin crisis as only the currently hottest spot of a struggle between two great societies that must engage us for perhaps a generation. The long view compels us to recognize that there is nothing paradoxical about refusing to be pushed out of a position, and yet willing to seriously negotiate a peaceful resolution of disagreements.

It requires us to understand that a nation can decide to shore up its critically low defenses, while at the same time it creates a disarmament agency to help work out an eventual end to the arms race and a new system of international security.

Finally, let us remember our ultimate goals. Let us say to the world, and demonstrate by our actions that the democracies are ready to move forward in unison on all fronts, that while we will fight to protect ourselves, our drive for a better and peaceful world will never falter.

Though we arm, we also work. Though we spend new billions for weapons, we will not forget our basic purpose: to build, to create, to improve, to progress.

The democracies will defend themselves with arms if necessary. But the world must understand that the hope of the democracies is not for war, but for peace. It must understand that the strength of the democracies extends not only to our arms, but to our programs for a world in which there is both plenty and freedom.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENT

Mr. DODD submitted an amendment, intended to be proposed by him, to the

bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which was ordered to lie on the table and to be printed.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 7, 1961, he presented to the President of the United States the following enrolled bills:

S. 1643. An act to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes; and

S. 2197. An act to amend section 407 of the Agricultural Act of 1949, as amended.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. PROXMIRE. Mr. President, although I have other material to present, it seems to me that it would be wise for me to move now, with the approval of the distinguished majority leader, who is in the Chamber, that the Senate adjourn, under the order previously entered, until 10 o'clock tomorrow morning. I so move.

The motion was agreed to; and (at 7 o'clock and 54 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, August 8, 1961, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received from the Senate August 7, 1961.

U.S. ATTORNEY

Macon L. Weaver, of Alabama, to be U.S. attorney for the northern district of Alabama for the term of 4 years, vice William L. Longshore.

THE JUDICIARY

Richard B. Austin, of Illinois, to be U.S. district judge for the northern district of Illinois, vice Walter J. LaBuy, retired.

Bailey Brown, of Tennessee, to be U.S. district judge for the western district of Tennessee, vice a new position.

M. Joseph Blumenfeld, of Connecticut, to be U.S. district judge for the district of Connecticut, vice a new position.

EXTENSIONS OF REMARKS

Only 160 A-Bombs Needed To Deter Berlin War

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1961

Mr. HOSMER. Mr. Speaker, 160 A-bombs can obliterate Soviet war making capability, Khrushchev knows it and if Americans understand it too, war over Berlin is unlikely.

I base this statement on calculations showing that within a matter of hours U.S. Strategic Air Command's bombers can destroy the lifeline of communism's offensive network, the U.S.S.R.'s sprawling railway system.

Eighty-five percent of Soviet transportation moves on its overburdened railway system, which is so highly centralized that severing connections between approximately 160 load centers would shatter the country into many isolated segments and immobilize its military and industrial might.

Soviet military strength and industrial capacity are the principal forces on which communism relies to achieve world domination. Kremlin button-pushers cannot risk destroying them without endangering achievement of their goal. Even more important, losing them would permanently rid the world of the Marxist-Leninist cancer.

Soviet leaders are aware of this and thus are deterred from nuclear war. That is why they are concentrating on brushfire wars and cold war tactics.

However, no amount of retaliatory hardware will keep the Soviets deterred unless they remain convinced we are determined to use it if necessary. Keeping them constantly aware of our determination is the other side of the deterrent coin. It is as important in preventing nuclear attack as the hardware itself.

My analysis of targeting the Soviet railroad system to destroy Communist power is for illustrative purposes only and bears no necessary relation to SAC's actual plans for a retaliatory strikeback in case of nuclear attack.

The calculations I have made and why I am disclosing them is in an effort to convince the American people and our free world allies we are capable at this moment of deterring the Soviets from war by our ability to strike back effectively and impose unacceptable damage.

Public confidence in this capability makes more apparent to Soviet war planners our will to destroy their base of aggression if they attack. Thereby the strength of our deterrent is increased and the possibility of war by miscalculation is diminished.

Further, public confidence in our own strength has the bonus effect of denying Khrushchev the ability to blackmail concessions from the free world at Berlin and other trouble spots by rattling Soviet nuclear rockets.

I have drawn on no secret or classified documents in determining U.S. ability to destroy Soviet railways is a big deterrent to Communist aggression.

Anyone can conclude the Pentagon has ample retaliatory strike-back plans but cannot talk about them. And, anyone can piece together enough unclassified data, as I have done, to prove out our capability to destroy what Communist leaders know they cannot afford to lose.

The Soviet transportation system is noted for an especially heavy reliance on railroads, 85 percent of all tonnage, as compared to 50 percent in the United States. About 10 percent is shipped on inland waterways and the remaining 5 percent by highways, pipelines, coastal shipping, and air transports.

The Soviet national railway system covers about 80,000 miles in serving the two continents of Asia and Europe. Traffic density is close to theoretical capacity, and more than double that of U.S. railroads. Constant heavy use of the system obviously affects its general state of repair and efficiency. One Soviet leader has complained that a third of the mileage is in poor state and subject to speed restrictions.

Not only is the rail system always under extensive repairs, it is not easily defended against attack. Although industrial and military installations can be defended because of their centralized nature, the sprawling and remote railroads are impossible to defend to an effective degree.

Recent information shows that the estimated number of major load centers fed by the Soviet national rail network is 160. Therefore, only 160 nuclear knockout blows need be pressed home at freely chosen, less-defended locations to fragmentize the U.S.S.R.'s interdependent society into 160 cutoff and isolated sections.

Without rail transportation, the Russian industrial and military power would be rendered impotent as effectively as by actual destruction of factories and bases. And the United States is capable of such destruction.

Informed public estimates of the number of operational nuclear capable aircraft maintained by U.S. military forces range upwards from 2,000. Only 8 percent of this number would need to survive a surprise attack and successfully penetrate the Soviet defenses to do the job. This estimate does not include the potential of this country's ballistics missile systems

During World War II the Soviet railroad system proved highly efficient. Huge track-laying cranes were used to replace bombed track and service was restored quickly to full service by replacing only a single panel of track.

In contrast, destruction to rail facilities by nuclear explosives would be massive and the repair problems vastly complicated by the presence of radiation. About 10 miles of new track would be needed for each of the 160 bombs for a total of 1,600 miles of ruined track.

Under peacetime conditions, according to the latest figures, the Russian economy is capable of laying down only

about 534 miles of track a year. This is due to a heavy emphasis on industrial expansion. In order to conserve steel for industry, Soviet planners have consistently allocated a disproportionately small share of their nation's capital investment to the transportation system. Only by overburdening facilities to the maximum have transportation requirements been met.

A leading Soviet wartime planner has warned that the lack of proportion between the level of production and the size of the transportation system could bring the economy to a standstill.

It is therefore clear that this country is capable of deterring Soviet leaders from initiating nuclear war. This, of course, depends on an understanding by Soviet leaders that, if attacked, we possess the determination to strike back without hesitation and our targeting has been intelligently planned to destroy that which they know they cannot afford to lose.

Surplus Property for Domestic Programs of Education, Health, and Civil Defense

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1961

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks I am inserting into the CONGRESSIONAL RECORD a tabulation prepared by the Secretary of Health, Education, and Welfare which indicates that during the period 1946 through June 1961 there was made available to institutions of education, health and civil defense personal property in the amount of $2,731,008,962 and real property in the amount of $817,847,256 or a total of $3,548,856,218. It will be noted from the tabulation every State in the Union has participated in this important program.

Numerous statements have been made by educators and administrators of schools and hospitals throughout the Nation that this program has been of inestimable value to them and that the scope of many of the educational programs of the various institutions would have been much limited without the availability of surplus property.

Despite the large amount of property that has been made available for our institutions the Honorable Abraham Ribicoff, Secretary of Health, Education, and Welfare has recently stated that large amounts of property are still needed to meet the requirements, particularly of our educational institutions. He points out that there are 97,500 elementary schools, 26,000 secondary schools, 1,900 institutions of higher education, 6,000 hospitals, and 123,000 civil defense units.

He further states that educational institutions are currently receiving about 73 percent with 16 percent to civil defense units and 11 percent to health facilities.

The tabulation furnished by the Department of Health, Education, and Welfare follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Personal property made available for distribution to public health and educational institutions and civil defense organizations and real property disposed of to public health and educational institutions 1946 through June 30, 1961 (acquisition cost)

States	Personal property	Real property	Total
Total	$2,731,008,962	$817,847,256	$3,548,856,218
Alabama	79,607,436	15,292,000	94,899,436
Alaska	6,750,117	3,147,011	9,897,128
Arizona	25,845,113	8,054,376	33,899,489
Arkansas	29,759,667	26,434,527	56,194,194
California	313,430,175	60,125,442	373,555,617
Colorado	28,744,804	11,429,385	40,174,189
Connecticut	36,625,844	2,625,234	39,251,078
Delaware	10,200,697	2,363,512	12,564,209
Florida	94,821,843	22,753,341	117,575,184
Georgia	67,537,725	17,013,578	84,551,303
Hawaii	13,191,280	2,752,745	15,944,025
Idaho	16,321,643	22,169,721	38,491,364
Illinois	98,920,240	14,737,704	113,657,944
Indiana	61,176,615	3,912,550	65,089,165
Iowa	29,461,397	2,162,939	31,624,336
Kansas	29,194,645	9,581,743	38,776,388
Kentucky	50,717,814	2,664,682	53,382,496
Louisiana	45,026,014	12,895,789	57,921,803
Maine	19,918,180	535,217	20,453,397
Maryland	64,483,524	2,675,083	67,158,607
Massachusetts	80,356,167	30,419,842	110,776,009
Michigan	65,556,166	22,708,391	88,264,557
Minnesota	36,808,869	43,542,329	80,351,198
Mississippi	50,113,336	37,375,743	87,489,079
Missouri	52,128,813	34,896,223	87,025,036
Montana	12,810,256	524,970	13,335,226
Nebraska	23,877,453	1,104,309	24,981,762
Nevada	7,115,580	2,190,897	9,306,477
New Hampshire	11,216,334		11,216,334
New Jersey	49,622,972	916,863	50,539,835
New Mexico	21,453,860	8,757,653	30,211,513
New York	178,002,784	73,845,620	251,848,404
North Carolina	83,577,667	20,875,476	104,453,143
North Dakota	7,313,392	889,723	8,203,115
Ohio	108,082,207	10,757,064	118,839,271
Oklahoma	53,050,017	69,697,450	122,747,467
Oregon	44,067,005	14,813,187	58,880,192
Pennsylvania	116,808,499	4,255,339	121,063,838
Rhode Island	16,906,011	358,043	17,264,054
South Carolina	44,534,385	9,952,320	54,486,705
South Dakota	12,474,008	1,836,603	14,310,611
Tennessee	65,444,169	7,130,550	72,574,719
Texas	137,909,894	132,699,076	270,608,970
Utah	37,572,829	2,861,312	40,434,141
Vermont	8,094,921	69,911	8,164,832
Virginia	79,110,013	19,525,779	98,635,792
Washington	76,732,021	16,375,716	93,107,737
West Virginia	34,732,724	2,357,157	37,089,881
Wisconsin	52,403,021	1,266,467	53,669,488
Wyoming	8,456,499	1,569,879	10,026,378
District of Columbia	17,246,009	456,234	17,702,243
Puerto Rico	15,661,169	480,703	16,141,872
Virgin Islands	34,639	3,848	38,487
American Samoa	500		500
Guam		6,000	6,000

The Gambling Monopoly of the Austrian Government

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1961

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the gambling monopoly of the Austrian Government. Austria profits from several lotteries as well as from football and horseracing pools.

In 1960 the total gross receipts of the several operations came to $13.5 million. The total net income to the Government, which was not earmarked for any specific purposes, amounted to $3.2 million in 1960.

Austria is another of the nations where the Government recognizes that gambling is here to stay and profits accordingly. In Austria, the Government takes a cut of all gambling revenues—even deriving operating and monopoly fees from casinos. When will we profit from the example of Austria and other nations showing similar wisdom?

Utilization and Replenishment of U.S. Natural Resources

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES

Monday, August 7, 1961

Mr. WILEY. Mr. President, as a Nation, we need to develop more effective conservation, utilization, and replenishment policies for our natural resources—if we are to meet the needs of a fast-expanding population of progress and of security.

Yesterday, I was privileged to discuss highlights of our needs—as well as propose solutions for fulfilling our national requirements, in a broadcast over radio station WGN, Chicago.

I ask unanimous consent to have excerpts of the address printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS OF ADDRESS PREPARED FOR DELIVERY BY HON. ALEXANDER WILEY, REPUBLICAN, OF WISCONSIN, OVER RADIO STATION WGN, CHICAGO

Senator ALEXANDER WILEY, Republican, of Wisconsin, yesterday proposed a national study for more effective conservation, utilization, and replenishment of U.S. natural resources.

In a broadcast over radio station WGN, Chicago, Senator WILEY stated:

"A nation's ability to meet challenges, to defend itself against enemies, and to promote peaceful progress, depends upon a strong, purposeful, creative people, and adequate reservoirs of natural resources.

"Fortunately, we have been blessed with both of these assets.

"However, there are ever-increasing demands—particularly by a fast-expanding population—upon our mineral, soil, water, forest, and other natural resources.

"Consequently, it requires, in my judgment, a new look at our utilization, conservation, and replenishment practices. The objectives would be twofold: (1) To prevent too great depletion; and (2) attempt to assure an adequate supply for the future. Unless this is done, it could adversely affect our progress; and, also, weaken our ability to defend ourselves against threats to our security.

"Now, what should be done?

"First, let's take a look at the supply-demand situation in the Nation.

"According to experts: The production of mineral fuels, including oil, gas, coal, and nuclear fuel, will need to be doubled by 1975, and possibly doubled again by the year 2000.

"By 1980, we will need twice our current utilization of water, now totaling 300 billion gallons of water a day.

"In electric power, the Nation's production capacity also will have to be tripled by 1980.

"Timber requirements, too, are expected to double in the next 40 years.

"These are highlights of the national picture.

"Globally, also, a U.N. study indicates that world resources are too limited, even now, in 1961, to raise standards for all the nearly 3 billion people to current Western levels. What, then, about the future, with the population exploding at the rate of 5,600 every hour, or 49 million a year?

"Natural resources, we can be positive, will be of premium value.

"Now, what can we, as a nation, and citizens, do to insure better utilization, conservation, replenishment programs?

"As a first step, I believe that we could benefit immeasurably from a complete evaluation study of our natural resources. Why? To determine, as accurately as possible, (a) the ability of our resources and reserves for fulfilling our national needs; (b) the urgency of shortages; and (c) to provide directions for future programs.

"Then, we need to take additional actions, including further develop, and, as necessary, expand, local-State-Federal efforts to conserve our forest, water, soil, mineral, and other resources; better educate our citizens on the need for conservation and sound utilization practices, particularly in avoiding waste; promote multiple-use policies for such resources as water and forests; develop replenishment programs—fuel, soil fertility, reforestation, water reserve, and other resources.

"In summary, a good program should include efficient use; adequate development to expand reservoirs to meet the requirements of national security and a growing economy; effective conservation to provide for future generations; efforts to discourage wasteful exploitation; and equitable distribution of benefits from resources."

CONCLUSION

"In the face of threats to our security by a great powerful enemy, communism, then, development of more creative programs to best utilize our human and natural resources is not only desirable, but absolutely essential both for survival and for progress in a war-tense world," Senator WILEY concluded.

Can You Justify Spending All Income Taxes Collected From Your Constituents in a Year, $95 Million, for Power at Hanford, Wash.?

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 7, 1961

Mr. HOSMER. Mr. Speaker, it takes all the income taxes collected from 430,826 taxpaying American citizens, on the average, to collect the sum of $95 million.

The number 430,826 also is just about the average number of persons each Congressman has as constituents.

Can any Member of this body justify spending every cent of the income taxes collected from all his constituents for a whole year, $95 million, to build public power facilities at Hanford, Wash., new plutonium production reactor?

A vote to instruct House conferees not to agree to the amendment by the other body to the AEC authorization bill to spend $95 million for that purpose will avoid any necessity for attempting the impossible; namely, attempting to explain to each and every one of your constituents why you took every cent of the Federal income taxes each pays for a whole year and spent it in such a manner.

The House Was Justified in Rejecting the $95 Million Hanford Steam Electric Plant and Should Not Be the Victim of Scare Tactics by Receding From Its Position

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 7, 1961

Mr. VAN ZANDT. Mr. Speaker, for the purpose of alerting the Members of the House of Representatives to the fact that the Hanford steamplant issue will be considered by the House as the first order of business on Tuesday, August 8, I have written the following letter to my colleagues describing the parliamentary situation and the motion that I will make to instruct the House conferees not to agree to "Project 62–a–6 electric energy generating facilities for the new production reactor at Hanford, Wash., $95 million," as contained in the Senate amendment.

As mentioned in the letter, the proponents of the Hanford steamplant have failed to present conclusive arguments against the 10 critical points that were offered when the AEC authorization bill was on the floor of the House. Since that time, many threats have been directed against industry for the purpose of applying pressure on the Members of the House who supported the Van Zandt amendment which deleted the Hanford steamplant item from the bill by a teller vote of 176–140. In one instance the dire threat was made that if the Hanford steamplant project was not included in the AEC authorization bill, the bill would be skeletonized by taking from it many Federal projects in the field of atomic energy development, involving many of the Nation's leading manufacturers. Of course, should the bill be skeletonized and the development of atomic energy stymied, the responsibility would have to rest with those responsible for taking such action. In the meantime, however, those of us who oppose the Hanford steamplant project will stand by our guns because we feel the action taken by the majority of the House in rejecting the $95 million project was justified and for that reason, the House should not recede from its position.

The letter referred to follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 5, 1951.

MY DEAR COLLEAGUE: On Tuesday, August 8, the House will consider a rule (H. Res. 404) to take H.R. 7576, to authorize appropriations for the Atomic Energy Commission, from the Speaker's table and request conference with the Senate thereon. It will be recalled that this bill as amended by the Senate contains the questionable Hanford steam electric plant which the House has previously rejected by a teller vote of 176–140. The Senate initiated the disagreement by restoring the project, but then resorted to the parliamentary maneuver of messaging H.R. 7576 back to the House without a request for conference. This was done to assure that the other body would get first chance to consider the conference report and thus leave the House in the position of bowing to the will of the other body or voting the whole bill down.

Immediately after the rule is approved—but before conferees are appointed—I will make the privileged motion to instruct the Managers on the part of the House to disagree with the Senate amendment which restored the $95 million Hanford electric generating facility. It is necessary to make this motion so that the House may have the opportunity to express its will on this particular project rather than having the will of the Senate imposed upon us. A rollcall vote will be requested on my motion so the RECORD may show clearly the vigorous objection of the House of Representatives to including this item in the AEC authorization bill.

The distinguished chairman of the Joint Committee on Atomic Energy indicated to the Rules Committee last Thursday that he personally would not be willing to agree to instructing the conferees on this question. The gentleman reminded the committee that on past occasions the other body has refused to meet with House conferees when they were previously instructed by the membership of the House. In answer to this may I point out that if the Senate refuses to go to conference on this question—regardless of the reason—the burden will be on that body for refusing the AEC authorization bill, and the House will have had the opportunity to express its will on this particular project.

The Hanford issue has been discussed at considerable length since the bill was reported on June 21 (H. Rept. 562). In connection with that report, I joined a number of my colleagues on the Joint Committee on Atomic Energy in expressing your views in a separate statement relating to the Hanford proposal. In that statement we listed 10 reasons, compelling reasons, why the Congress should not authorize conversion of the Hanford reactor to generation of electric energy. I discussed these reasons with you in a letter sent to you on July 11, 1961.

In my opinion the proponents have failed to provide conclusive arguments against the 10 critical points which I and my colleagues raised in our separate statement on the Hanford steamplant. For example, they carefully avoid the legislative history of the Atomic Energy Act of 1954 and state categorically that this proposal is all the authorization that is needed to get the AEC into the business of producing power for commercial use, a business which, in the light

of the legislative history of the basic legislation, is something that the Congress, in its wisdom, said that AEC must not enter.

The question has been raised as to what the effect would be should the House stand firm on its decision to delete the Hanford project from the AEC authorization bill and the Senate continue its position. Cannon's Precedents of the House of Represenatives seems to give an answer to this question:

"Statement with reference to an unwritten rule of conference that the House proposing an amendment on which agreement cannot be secured must recede or accept responsibility for failure of the bill." (Cannon's Precedents, vol. 8, p. 709, sec. 3209.)

Therefore, I sincerely urge you to support my motion on Tuesday to instruct the House conferees to disagree with the Senate amendment in order that we have the right to work the will of the House on this project. Please remember that a vote to instruct the conferees can be interpreted as a positive vote for deleting the unnecessary and wasteful expenditure of this $95 million Hanford project from the AEC authorization bill.

Sincerely yours,

JAMES E. VAN ZANDT.

Greetings to National Rivers and Harbors Congress

EXTENSION OF REMARKS

OF

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1961

Mr. SIKES. Mr. Speaker, I am very pleased to have the privilege of bringing to the attention of my colleagues in the House the fine words of greeting extended to the delegates of the 48th National Convention of the National Rivers and Harbors Congress by our great congressional leaders. Following are the words of Vice President LYNDON JOHNSON, our Speaker, SAM RAYBURN, Senator EVERETT MCKINLEY DIRKSEN III. I insert also a letter from William H. Webb, executive vice president of the National Rivers and Harbors Congress, in the CONGRESSIONAL RECORD.

ADDRESS BY VICE PRESIDENT LYNDON B. JOHNSON

Mr. Chairman, ladies, and gentlemen, I just said to my beloved friends from the State which has given me the privilege and the honor of serving in Washington so long that during the last 14 days we have traveled around the world, and have visited with the heads of states in eight countries. Never in all of my 53 years have I been so proud to be an American.

I am proud because our people have a sense of history and a sense of adventure. I am proud because our people are stable and solid, yet unselfish. I am proud because our people realize that what affects the rest of the world is our concern.

Lady Bird and I have traveled in countries that have a population in excess of three-quarters of a billion people. In the whole world we are outnumbered 18 to 1. Yet we are conscious of the fact that a world will not long be peaceful where only one nation is affluent and all the others are impoverished.

The mother and father, wherever they live, cherish their young just as we do. But in most of the countries we visited their per capita income is less per year than yours is per week.

I told these people of the great progress we have made in the United States. I also disregarded the advice of some of the pessimists and I went out in the streets and the villages to meet the people.

There seemed to be calamities all around us. When we left the Philippines they had the biggest fire in history. When we pulled out of Hong Kong we were followed by the biggest typhoon in history. When we went down the streets of Vietnam it was on an evening when they were killing seven or eight people.

We found disturbances everywhere we went—but they were disturbances that were brought about because the Communist Party and its masters are trying to engulf and envelop areas and people who are resisting. Everywhere I went I also met people who loved America.

They told me that it was not the custom to shake hands in Thailand and they told me that it would be dangerous to walk through crowds on the streets of Pakistan. But in both of those countries it was only a short time until the young dashed through the police motorcade and security people and asked to grab our hands.

Their eager desire to greet a representative of America is one of the reasons I'm proud to be American and I am very proud to be here with you because you have helped to make America what it is. You have been concerned not only with our human resources but with our natural resources.

You have come here each year to give us the inspiration and the stimulation and the shove and the vision to go ahead and fully exploit and develop our great rivers and our great harbors. Because of that we are powerful; because of that we are leaders. So, in effect, you really constitute a substantial part of the leadership of all the world and we want to leave this a better world than we found it.

We want this world to be more enjoyable for our children than it has been for us. We have a higher goal and a higher ambition for them than our fathers had for us and we are going to realize it because men like you are not going to stand still. We are going to move ahead to new goals and to new achievements.

I am very grateful that you invited me to come here. I have taken too much of your time, but I am very appreciative of the contribution that you make to the development of the resources of this country. Thank you.

ADDRESS BY SENATOR EVERETT M. DIRKSEN, MINORITY LEADER IN THE SENATE OF THE UNITED STATES

Mr. President and my fellow Americans, I'm delighted to see you. I'm a little late for the program—we had a minority leadership meeting this morning which encompasses among other things a session with the press, newsreel and TV cameras, and, since they shifted it from Thursday until Friday, that accounts for my delay, otherwise I would have been a little more punctilious. Now I come to greet you and I think I come to lobby you this morning. When I say greet you I probably in other years could have done it with greater ceremony, for, once upon a time, I was the unofficial mayor of Washington. You may be interested in knowing how you become the unofficial mayor. When I came down in an opposition landslide in 1932 my hopes were high, my ego had been lifted to the skies, and I thought I could command anything that was within the gift of the leadership in the Congress. And so promptly I put in for two committees—first, Appropriations—I thought it would be more fun to be on a committee where you spend money. Secondly, Ways and Means—If I couldn't get on Appropriations then I'd be where I could tax the life out of you and that probably would be equal fun. And when I submitted the list and the committee on committees finally gave it careful scrutiny, I came out not with two committees but with four. I was on Insular Affairs, believe it or not and on Immigration, and on Territories, and on the District of Columbia, and if Illinois isn't far set from the jurisdiction of any of those committees then I give up. So for 16 years I have served the people in the Nation's Capital as a member of the District of Columbia Committee before I fell from grace and went to the Senate. But you see when you become chairman of the District Committee you become the unofficial mayor of Washington. And so this morning I must greet you as the former unofficial mayor of Washington, and I'm afraid under those circumstances I cannot well present you a key to the city. Now the second thing I think I ought to do is to congratulate you as probably the most refined, the most constructive, the most dedicated, and the most unselfish lobby that comes to Washington.

I say a refined lobby in the sense that I've never found you pushy—I think it's because you have confidence in your own cause and you know what you're about, and I say constructive because you have that felicitous way of dividing up these projects that come to your attention, holding hearings on them, and doing a great deal of the spadework before they ever land on Capitol Hill. And then I say "dedicated" because you're dedicated to the conservation of natural resources. And, finally, I say "unselfish" because you cover the gamut of the whole country—and so I congratulate you as a great and unselfish, constructive lobby that does a great deal of good. Your very longevity and the length of these conventions and, Mr. President, it's my understanding that this is your 48th convention, is the best testimony I know as to the durability of the cause and the good work that you contrive. You see that it's an easy date for me to remember. Your first convention came when I was graduating from high school in a country town in Illinois. And so you've been coming ever since or meeting one place and another to advance the cause of rivers and harbors and the conservation of those natural resources that mean so much to the survival of this country. And it will continue and continue because you are engaged in something that is dynamic rather than static, it doesn't stand still—nature changes face constantly, and always and always there is more work to be done. I sometimes think of Churchill attending a temperance luncheon given by the Women's Temperance Clubs of London, and when the chairlady introduced him she said, "Mr. Churchill, we are so proud of you and what contributions you've made to the cause of empire, but there is one think that gives us great distress, you've also gained a world-wide reputation as a drinker of Napoleon brandy. In fact, Mr. Prime Minister, we are advised that if all the brandy you've consumed were poured into this one room it would come up to here on the wall." And Churchill looked at her hand, he looked at the ceiling, he looked at the floor, and finally he says, "Oh, my dear, so much to be done, so little time in which to do it."

Now, I said I came here to lobby you and I wasn't fooling, because you see I read these things that come out. You divide up these various projects in divisions and I suppose everybody who has a project likes to get into division 1. Now for a Senator to come and lobby you is like the old story, "Man bites dog." Now I may be violating a Federal law * * * why the law books, you know, are so far in extent and I don't know all the things that are in them * * * and this may be a sheer violation of law, but that's one of the

risks and hazards that I've got to undertake. So you see, in division 2 marked "meritorious projects" is a project, in fact, it's second on the list. It has the docket number 1094–R1–1 and it's the Rend Lake project in Illinois and it's in the division of the lower Mississippi Valley. I know Rend Lake, I know what it means to southern Illinois, I know what it means to an area that has been tagged already as a part of the distress section and singled out for special consideration by the Congress. But I know the people there also, I know what they've done on their own and I know what the State has undertaken in order to consummate this, because one of the things we can do in southern Illinois, where temperatures are a good deal milder than they are in Chicago and the upper regions of the State * * * we can reach out, of course, and make some of these areas highly recreational in purpose and develop the water resources there and that's what would be consummated by the Rend Lake project. So, may I indulge, Mr. President, the rather prayerful hope this morning * * * and you can ignore me, if you will and it won't make any difference in our relations, because those will always remain felicitous and sympathetic and understanding, but there would be joy in the morning and great rejoicing, if some day I picked up this folder of yours and I found that Rend Lake had sneaked from division 2 to division 1, the projects that are endorsed. Oh, I would beat my breast in glee and I would go before the Budget Director and before the Appropriations Committee and the Public Works Committee * * * I'd say, "You can't turn it down, look what I've got, the Rivers and Harbors Congress has put it in division 1." I'm delighted to see you.

ADDRESS BY SAM RAYBURN, SPEAKER OF THE HOUSE OF REPRESENTATIVES

Mr. Chairman, Mr. Vice President, old friend Bob Sikes, and my friends who are assembled here to do some of the world's great work—and when I say "world's great work" I mean just that, because if there was ever a time in this Nation's history, or in the history of the civilization that we know and love, when dedication, when patriotic endeavor should come and remain, and we should be willing to make the sacrifices that are necessary in order to maintain our liberties and our freedom, in my book, that hour is now—I believe that the civilization that you and I know and love, that has come down to us for more than 1,900 years, Christian civilization, stands in greater danger today than it has at any time in the 19 centuries than we've known it. The President of the United States yesterday, with courage and with candor and with vision, laid before a joint session of Congress, the people of the United States, and the people of the world, in unvarnished language, what we as Americans must do if we are to retain the freedoms and the liberties that we have so long enjoyed and if we are to measure up to the inarticulate longings of humanity throughout the length and breadth of the earth by being their leader, standing up, willing to serve humanity here and elsewhere in time of uneasy peace like we have now, or in time of great stress and strain when bullets are flying and bombs are dropping. I can remember in 1938 and 1939 when I'd been majority leader of the House of Representatives, up into 1940, President Roosevelt had recommended, on account of the condition the world was in, when part of it was already aflame with war, that we should spend a little money to be ready to defend ourselves if the time should come. I'm sure he thought, as I thought, that a great disturbance could not happen anywhere in the world without engulfing the whole world. They said: "Who's going to fight us? We have two big oceans to wrap around ourselves here; that's going to keep us safe and secure." Those oceans turned out to be the greatest hazards that we had. We didn't spend the money to deter our enemies; and then it cost us, in less that 5 years, more than $400 billion to keep international desperadoes off our shores. We all want to preserve this civilization, these priceless freedoms and liberties, let me repeat, but it's going to cost money and it's going to cost a lot of money. Not $400 billion in less than 4 years, but many billions, and we're trying our best, and our economy is rising—there isn't any question about that—we're trying our best to make our people prosperous enough that they can pay the taxes that we may appropriate the money to make ourselves safe. Now this thing of going around wanting to be free and bellyaching all the time about having to pay taxes for that freedom just won't work. No country on the face of the earth ever had liberty and retained it that didn't pay the price for it.

Well, I think Bob asked me here to welcome you to Washington. I don't live here, I've been in and out of here for a little more than 48 years, but I live in Bonham, Tex. I've never traveled over the world like LYNDON has. The principal traveling I've done is between here and north Texas that I like a lot. But I do, on my part, welcome you here and congratulate you on the great ideas that you have for the future of our country, for its development materially, and want to say that we join with you in that effort to make our country greater, more prosperous, more comfortable, more convenient. I think this Congress has done great work in the past; I'm sure it will do more and more in the future; and, therefore, I'm happy to join with you this morning in greeting and welcoming you to the Capital of your country. Thank you.

NATIONAL RIVERS AND HARBORS CONGRESS,
Washington, D.C., July 18, 1961.

HON. ROBERT L. F. SIKES,
House of Representatives,
Washington, D.C.

DEAR BOB: We should be very glad if you could have inserted in the CONGRESSIONAL RECORD the greetings which were extended to the delegates at our recent 48th National Convention by Vice President LYNDON JOHNSON, Speaker SAM RAYBURN, and Senator EVERETT MCK. DIRKSEN, copies of which are enclosed.

With appreciation of your continued courtesy and cooperation, I am,

Sincerely yours,

WILLIAM H. WEBB,
Executive Vice President.

The State Lotteries of Australia

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, August 7, 1961

Mr. FINO. Mr. Speaker, I would like to point out to the Members of this House the several state lotteries of Australia. Most of the States of Australia are currently operating lotteries—and they are profiting accordingly.

Five Australian State governments, including the governments of the three most populous states, conducted lotteries in 1960. Gross receipts amounted to $78 million. Net income came to $25 million.

Lottery income earned by all states is earmarked for hospitals, mental institutions, and welfare organizations. In addition, the lottery of the State of New South Wales was used to help finance the construction of a new opera house in Sydney.

The Australians, like most other peoples, see nothing wrong with lottery revenues. Why is America less wise in this respect?

The Freedom of the Individual

EXTENSION OF REMARKS
OF
HON. HENRY DWORSHAK
OF IDAHO
IN THE SENATE OF THE UNITED STATES
Monday, August 7, 1961

Mr. DWORSHAK. Mr. President, I ask unanimous consent that an article entitled "How Do You Stand, Sir?" by Senator BARRY GOLDWATER, published in the Idaho Daily Statesman, issue of July 4, 1961, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW DO YOU STAND, SIR?

(By Senator BARRY GOLDWATER, of Arizona)

"When in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the laws of nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation."

Thus did Thomas Jefferson, working on a homemade portable desk, commence the Declaration of Independence which was ratified by the Members of the Continental Congress on July 4, 1776, in Philadelphia.

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem likely to effect their safety and happiness."

Although Jefferson did the actual drafting, he was assisted by a committee composed of John Adams, Benjamin Franklin, Robert R. Livingston, and Roger Sherman.

It might be well for all of us to reread this document. The preamble and the definition of man's estate and Jefferson's concept of the role of Government are quite familiar to most of us. The balance of the statement is, I think, accurately described as a catalog of government tyranny—a bill of particulars—a list of grievances against the King and his Ministers.

The gentlemen of 1776 did not suggest that all governments should be destroyed or that man could prosper without government. Their complaint was against the exercise of unlimited power over their lives by a remote King.

Modern day cynics, who have made it their mission to debunk all historical fact, suggest that the Revolution was based pri-

marily on economic reason and a desire on the part of some of the colonists to gain greater commercial advantage. I doubt if such a purpose would have enlisted the loyalties of those men who pledged to each other their lives, their fortunes, their sacred honor.

The American Revolution was waged against governmental tyranny. It was fought against the concentration of unbridled power. It says that men are to be treated as equals—not as members of a group or class or collective.

The Founding Fathers didn't seek concessions from the mother country; they were not after subsidies; they didn't want programs of royal assistance; they were not asking for royal aid to a depressed area or the King's assistance for education. All they asked for was freedom and an opportunity to be the masters of their own destiny.

As governments grow in size and function, the freedom of the individual is diminished, and is transferred to government, equality disappears and the collective is exalted.

The proper function of government is to protect men, not to provide for them; to guard against the greedy reach of more powerful neighbors; to enlarge opportunity for individual responsibility, not to shrink it.

A government which focuses its attention entirely on man's physical needs debases man, for the soul feeds on freedom and responsibility and acknowledgment of God's sovereignty. How do you stand, sir?

Solid Fuels Rocket Successfully Fired

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, August 7, 1961

Mr. ANFUSO. Mr. Speaker, it is a source of gratification to me, and I am sure to all my colleagues that concurrent to the last Russian achievement in outer space, a major company in the United States, United Technology Corp., on August 5, 1961, successfully fired a giant solid propellant rocket. Even more gratifying is the fact that this firing was successful on its first test.

On July 17, 1961, United Technology Corp. made the following announcement:

Current achievements by the rocket propulsion industry give reassuring evidence of this Nation's ability to seize the initiative in the development of large solid propellant boosters. This has special significance in the light of President Kennedy's appeal for this Nation to take a clearly leading role in space achievement. Now the industry looks forward to the next significant advance—firing of flight-weight segmented solid propellant rockets of 250,000 and 500,000 pounds thrust at UTC's development center.

As predicted, more than 1 year ago, the 250,000-pound rocket was fired and achieved all test goals.

This major advance in the national booster program which offers great hope in our race with Russian scientists, received national coverage in the press of August 7, 1961. The announcement gave new hope to those who are betting on solid rockets for the big booster in President Kennedy's "man-on-the-moon" program late in this decade.

Lt. Gen. Donald L. Putt, USAF, retired, president of United Technology Corp., revealed that his company had fired a record size "operational prototype" of a solid rocket motor.

The firing was conducted at UTC's isolated canyon facility about 60 miles south of San Francisco on Saturday. It was conducted for the National Aeronautics and Space Administration.

Fired nose down, the giant conical rocket motor, 26½ feet long and 7½ feet in diameter at its widest point, operated for 80 seconds and produced approximately 250,000 pounds of thrust.

The firing sent flames high above the facility's concrete test bay which is built to withstand thrusts of more than 2 million pounds.

By clustering such motors, UTC spokesmen said, thrusts as high as 25 million pounds can be produced. The Atlas liquid fuel missile produces 360,000 pounds.

Maj. Gen. Don R. Ostrander, launch vehicle chief of NASA, termed the firing "most encouraging." Large rockets of both solid and liquid type are being developed for the moon program. Until recently it was taken for granted by most persons that liquid rockets would be used because large solids had never been built.

On the heels of Saturday's firing, UTC announced plans to test an engine twice as big as the one just fired.

Solid-rocket enthusiasts envision the first-stage booster of the nova moon rocket as a cluster of seven or eight individual rockets, each rocket made up of as many as six or seven segments piled one on top of another. In this way, they say, large weight-lifting capability can be obtained with components that are individually manageable in size and weight.

Hanford Project

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 7, 1961

Mr. SAYLOR. Mr. Speaker, the Soviet's latest scientific accomplishment should provide sobering thought for all Members of Congress. Apparently there is general agreement among our own space experts and top defense officials that the newly developed ability to put a man in orbit around the earth has important military connotations. This being the case, there is added reason why we must maintain a most careful and most delicate watch over the course of our Ship of State.

Not that our objective is in any way affected. This Nation is committed to the defeat of international communism. Any other attitude would be fatal, for the Communist tyranny breeds on conquest and will retrogress, once more territory and more peoples are denied it.

Not that our answer to the Russians is to be revised. We have given our word on Berlin. Another achievement by Russia's scientists is of no consequence so far as our principles are concerned.

This weekend we look into the skies with mixed emotions. Knowing that a human being was revolving around the earth had to be a thrilling experience regardless of the insignia he wore. Our feelings, however, could not be of unrestrained joy because we realize that the nation this man represents would not permit even the scientists who made the feat possible to pay homage to the Supreme Being for the intellect which guided them; because we know that under the precepts advanced by Karl Marx the state alone—not society or the individual—is to reap the consequences of all technical advances; and because, so long as Khrushchev and his fellow butcherers are left to carry out the precepts, every new development that takes place behind the Iron Curtain will be utilized as a weapon in an effort to subdue the entire free world.

Congress will obviously make every effort to implement every phase of our defense program. Whatever military advantages Russia may have through the space ride must be dissipated through accelerated work in our space laboratories as well as in other areas of security operation. We have a costly job ahead, as has been emphasized by the weekend news story. We cannot withhold funds for defense purposes. It is all the more necessary for us to eliminate extravagances wherever else we can.

Tomorrow we can get off to a $95 million start in this pursuit of economy in Government. We can instruct our conferees on the Joint Atomic Energy Committee to stand firm on the House position previously adopted by a 176 to 140 vote to eliminate the Hanford project from H.R. 7576.

There is no military value to making electricity in competition with the industries and the people who pay our taxes. There is no military value in putting up a big plant to make power that is not needed. A vote against Hanford is a vote to prevent waste of the wherewithal that must be available to guarantee the safety of our country.

Cost, $95 Million, of the Proposed Hanford Electric Plant to Each of the 50 States

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 7, 1961

Mr. HOSMER. Mr. Speaker, the following table shows the percent of Federal taxes borne by each of the States and the cost to each of these States that would result unless the proposal to spend

$95 million for electric generating facilities at the new Hanford, Wash., plutonium reactor is laid to rest:

Cost to the States of the proposed Hanford, Wash., atomic reactor steam electric plant

State	Percent of Federal taxes borne	Cost to the States
Alabama	0.98	$931,000
Alaska	.11	104,500
Arizona	.57	541,500
Arkansas	.47	446,500
California	10.96	10,412,000
Colorado	.94	893,000
Connecticut	2.17	2,061,500
Delaware	.56	532,000
Florida	2.51	2,384,500
Georgia	1.33	1,263,500
Hawaii	.30	285,000
Idaho	.27	256,500
Illinois	7.17	6,811,500
Indiana	2.28	2,166,000
Iowa	1.19	1,130,500
Kansas	.96	912,000
Kentucky	1.05	997,500
Louisiana	1.19	1,130,500
Maine	.43	408,500
Maryland	1.92	1,824,000
Massachusetts	3.47	3,296,500
Michigan	4.47	4,246,500
Minnesota	1.61	1,529,500
Mississippi	.45	427,500
Missouri	2.29	2,175,500
Montana	.28	266,000
Nebraska	.63	598,500
Nevada	.21	199,500
New Hampshire	.33	313,500
New Jersey	4.35	4,132,500
New Mexico	.37	351,500
New York	13.68	12,996,000
North Carolina	1.38	1,311,000
North Dakota	.19	180,500
Ohio	5.78	5,491,000
Oklahoma	.93	883,500
Oregon	.95	902,500
Pennsylvania	6.95	6,602,500
Rhode Island	.53	503,500
South Carolina	.61	579,500
South Dakota	.20	190,000
Tennessee	1.19	1,130,500
Texas	4.33	4,113,500
Utah	.36	342,000
Vermont	.17	161,500
Virginia	1.70	1,615,000
Washington	1.63	1,548,500
West Virginia	.68	646,000
Wisconsin	2.07	1,966,500
Wyoming	.16	152,000
District of Columbia	.69	655,500
Total	100.00	95,000,000

Neutron Bomb Gives "Wider Choice Than Humiliation or All-Out Nuclear Action"

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 7, 1961

Mr. HOSMER. Mr. Speaker, development of the neutron bomb as a defensive weapon is the answer to President Kennedy's call for "a wider choice than humiliation or all-out nuclear action."

Creation of this weapon offers a feasible and practical alternative to weaknesses in the Western economic, political and defense strategy. It fills the need for a politically acceptable nuclear weapon. Developing it can be accomplished within fiscal limitations. It could be used without the devastating nuclear side effects of less discriminate weapons. It could be used by NATO in Europe without precipitating a general nuclear war.

For these reasons prompt resumption of nuclear testing is necessary in order to give the West opportunity to develop the neutron bomb and provide the free world a new line of defense, a defense which can offer hope rather than total destruction.

The idea of the neutron bomb is one of the most important to emerge since that of the thermonuclear weapon. It can be used effectively against enemy troop concentrations in the field without damaging physical facilities and without creating widespread radiation fallout.

Should enemy troops invade Western Europe, the neutron bomb could be used on the battlefield to stem the aggressors without destroying the lives of the friendly population, without causing wholesale physical damage to cities and farmlands and without inviting a rain of Soviet nuclear rockets on the cities of NATO allies, including the United States.

Worldwide publicity and, to an extent, U.S. national policy, have stressed the destructive capabilities of present A-bombs and H-bombs ever since they were first devised. In contrast, there has been little interest in developing a national philosophy of nuclear restraint, and little interest in developing weapons to implement this philosophy of restraint. The neutron bomb is the first weapon which fills this gap. Only by testing can it be developed to an assured capacity.

President Kennedy has spoken of an alternative to "humiliation or all-out nuclear action" in the context of beefing up U.S. conventional forces. Although strengthening these forces, now unacceptably weak, is required, the President misconceives it as the alternative he seeks.

In both the short range and the long range communism's conventional forces will continue to outweigh the West's by wide margins. A nuclear "equalizer" is a continuous need if the West is to survive this handicap and stem the rising tide of communism. But, if the probability escalation is to be minimized, this "equalizer" must be a discriminate one, possessing these three essential characteristics:

First. The weapon's effects must be limited to the battlefield.

Second. The weapon's control must be safely delegable to subordinate military levels at the battlefield.

Third. The weapon's use must be designed strictly for tactical response against clearly aggressive, invading military forces in action, thereby denying the enemy excuse for escalation to all-out strategic nuclear action against nonmilitary targets.

The neutron bomb fulfills each of these requirements and is the positive antidote to the "no hope" philosophy certain leading intellectuals attach to the use of nuclear weapons of any size, under any circumstances. They reason that human nature should refuse to accept a "no hope" situation for long, but turn, instead, to almost any alternative which seems less hopeless. Their humiliating "better Red than dead" attitude is the result.

Now, before this debilitating attitude infects and undermines our national strength and character, President Kennedy should stop stalling the resumption of underground, fallout-free nuclear testing. He should order rapid development of the neutron bomb as a spearhead for revitalized Western defenses, stressing that it would fill our present gap in military capabilities by providing a flexible discriminate response to Soviet aggression.

Here lies a significant potential for the dynamic leadership and initiative this country needs so badly now, which Mr. Kennedy has promised, but has not yet produced.

This step will provide a defense more deadly to invading troops than any current means. It will afford a permanent answer to Red manpower superiority. It will greatly reduce the danger of escalation from limited war to nuclear war. It is economically, technically, and politically feasible.

To NATO European citizens, faced with crises far beyond Berlin, it offers hope for the first time for practical and safe use of nuclear weapons of unprecedented military effectiveness in their own territory, in their own defense against aggression.

"Nothing is so powerful as an idea whose time has come." The neutron bomb concept could be the latest proof of the validity of this well-known quotation. There is every reason to believe it is.

A Total Embargo and Other Firm Actions Should Be Taken Against Castro and Communism in Cuba

EXTENSION OF REMARKS
OF
HON. JOE L. EVINS
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, August 7, 1961

Mr. EVINS. Mr. Speaker, under unanimous consent I include my weekly newsletter for August 7, dealing with the Cuban situation in the RECORD.

The newsletter follows:

CAPITOL COMMENTS: A TOTAL EMBARGO AND OTHER FIRM ACTIONS SHOULD BE TAKEN AGAINST CASTRO AND COMMUNISM IN CUBA

(By JOE L. EVINS, Member of Congress, Fourth District, Tennessee)

What to do about the continued disturbing influence of Fidel Castro in Cuba is certainly one of the most pressing and important problems facing the Nation at the present time.

While I feel every American wants to see the demise of Castro and of communism in Cuba as quickly as possible, the real problem is how best this may be brought about and properly accomplished. The United States is obviously strong enough to move into Cuba at any time and take over the entire country by military force. However, this action is not considered practical by many, for many reasons. America would be charged with being an aggressor and warmonger in the eyes of many nations. As a freedom-loving nation America must be particularly careful to keep our international image of promoting freedom and peace without prompting aggression unblemished.

Since Castro's first rise to power he has moved further and further toward communism and has sought more and more to aggravate the United States. On January 4 of this year the matter became so bad that the

United States officially broke diplomatic relations with the Castro government of Cuba. Since then conditions have deteriorated further.

Last month Castro sympathizers hijacked an Eastern Air Lines Electra jet. Castro not only has refused to return the plane to U.S. officials but has failed, as of this writing, even to reply directly to a U.S. request that the plane be returned.

The time has come for additional definite action to place this little but loud dictator in his proper place. Even though there has been a reduction in our trade with Cuba since the communistic turn in Cuba, some trade still is carried on with limited commerce. The State Department has advised that this Nation is now selling Cuban goods at the rate of $25 million per year. These are mostly foodstuffs; in particular, lard and other fats. The export figures reflect the lowest sales of any time in modern history with the rate twice that amount only months ago. However, this is too much. We must take steps to halt all trade with Cuba and this can and must be done in the form of a total embargo—a complete ban on the sale and shipment of all American manufactured or produced goods.

By invoking the Trading With the Enemy Act against the Fidel Castro regime, President Kennedy can halt all American trade with this nation which has proven an enemy to our country. This is a needed first step to let the people of Cuba and the world know that we will not tolerate the belligerence of Dictator Castro and communism.

The Congress is also urging the taking of other firm actions by the United States.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1961

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of August 5, 1961:

WASHINGTON REPORT, BY CONGRESSMAN BRUCE ALGER, FIFTH DISTRICT, TEXAS

AUGUST 5, 1961.

A MILITARY AND ECONOMIC POLICY THAT CORRECTLY REFLECTS U.S. STRENGTH

House Joint Resolution 505, to authorize the President to order units and members in the Ready Reserve to active duty for not more than 12 months, passed overwhelmingly. I was one of two to oppose it. I explained my position as follows:

"Mr. Chairman, in opposing this resolution, I am not doing so from any lack of patriotism, or in any way calling for a weakening of our Armed Forces, or indicating a division in American unity against a common enemy. I firmly believe we cannot defeat communism in limited wars by trying to outnumber them in manpower. The only hope for ultimate victory is to rely upon our superior nuclear power for massive retaliation which will mean the complete destruction of the Soviet Union if they are so foolish as to force a war upon the world.

"Giving the President almost unlimited, dictatorial powers to draft men may be misinterpreted by the rest of the world and the Soviets thinking we have changed from our policy of massive retaliation to one of putting out brush fires of the Communists' choosing. Any deviation from our policy of massive retaliation may mislead the Communists into starting a war they cannot win.

"The Berlin situation has not changed. Khrushchev is merely repeating what he has threatened before. The President's speech does not change the fact that we must rely on a powerful nuclear force in winning any war the Reds start. What is needed now, right at this moment, is action to back up the strong words the President used in his address to the Nation. That action can be forthcoming by moving to recover American property seized by the Communists in Cuba and thus serve notice on the Soviet Union that we are prepared to fight for freedom here, in Berlin, or anywhere it is threatened on our terms and under our rules and our choice of weapons.

"Putting hundreds of thousands of young men on draft call unnecessarily at this time, merely serves to upset careers and families without reason. There will be no problem in securing the manpower we need when we need it without giving added dictatorial powers to the President in the absence of an emergency or actual war.

"As a Member of this body, sworn to represent the people of my district and the Nation to the best of my ability, the only way I can emphasize my position for a military posture I think can win is to vote against this resolution. My 'no' vote is actually an affirmative vote. It is a call upon the administration to reemphasize the buildup of our nuclear power and the policy of massive retaliation. It is a call for action to back up our strong words. The action needed to halt present Communist aggression instead of waiting on Khrushchev's pleasure in Berlin, and I repeat, the action needed is to free American property in Cuba.

"In addition, and equally important, we need action on the domestic front in taking the steps necessary to maintain a solvent economy at home upon which we must build our defense posture. This means, not merely sacrifice on the part of the people, but sacrifice on the part of the Kennedy administration in cutting back on it's proposals for new programs, expanded welfare projects and higher and higher Federal spending. There is no point in giving the President unlimited power to call up our young men, asking them to sacrifice, when at the same time he has asked for more than $15 billion in new obligated authority over the Eisenhower proposals in 1961 and 1962.

"Our continuing mistake is in our appearing to have abandoned a policy of protecting American lives and property everywhere in the world. An immediate demand for the return or reimbursement of expropriated Cuban property coupled with an airtight economic blockade of Cuba will prepare the way for freeing Cuba from Communists. Castro must not be permitted to strengthen his military defenses; Castro must not be allowed to encourage hijacking or crime here and abroad against our citizens.

"We cannot permit any action of ours to project an appearance of weakness or an enemy may mistakenly initiate what he thinks will be a limited war. Any war in which we are engaged we must win. To win we must use weapons, we cannot match the enemy in manpower. Certainly we must never indicate that we may not use nuclear weapons. Since limited war can become full scale, even limited war by miscalculation must be prevented if humanly possible. The preventive is the ever constant threat of our massive nuclear retaliatory power, greater than all the rest of the world put together.

"Finally, our military strength is based on our economic solvency and productive ability. Burdensome taxation and ever increasing Federal nondefense spending is just as great a threat as military engagement. Indeed, it is more dangerous. There is less likelihood of any nation or combination of nations defeating us militarily, than there is in our "spending ourselves into bankruptcy", as Stalin predicted. Here the Kennedy administration is especially vulnerable.

"Under peril of national suicide, I believe we must cut back nondefense spending as we increase defense spending. We must be as tough as we talk and act to lead the free world successfully in these perilous times. Only this policy can prevent war."

Premier Fanfani, Spokesman for the West

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1961

Mr. ANFUSO. Mr. Speaker, during the past week Italian Premier Amintore Fanfani held a series of very interesting talks in Moscow with Soviet Premier Khrushchev. The stand taken by Mr. Fanfani and the firm views expressed by him should serve as a source of great encouragement to the West.

The Italian leader was not frightened by Khrushchev and his threats. He answered him frankly, bluntly, and with determination. He stated in unmistakable terms that Italy stands with the West and will not hesitate to support its Western allies, come what may over Berlin. With great calmness, as shown by few statesmen on such face to face occasions, Fanfani advised the Russian leader to carefully examine his own purposes and mind if he really desires to avoid a war over Berlin.

In fact, Fanfani even went so far as to warn Khrushchev against taking certain action regarding Berlin. "I urge you to think deeply and see whether all possible attempts at a solution have been made," he told Khrushchev. He then added that it would be "dangerous to believe that a solution of the present difficulties might come through unilateral acts."

He strengthened his warning by impressing upon the Communist leader that "the will to negotiate must not be taken for weakness." He reassured Khrushchev that "a will to peace" exists among the Western allies, but at the same time he expressed in clear and unmistakable language Italy's solidarity with her NATO allies and with the West.

I am not at all surprised to learn of Premier Fanfani's courageous stand and his admirable role in expressing Western determination. Italy is a member of the North Atlantic Treaty Organization, and its leader therefore spoke with a considerable measure of authority. But I have known Mr. Fanfani for many years and he has always impressed me as a man of courage, of leadership, of statesmanship, and of ability. It was my good fortune to meet him in 1956, when he first came to visit the United States in his capacity as secretary general of the Democratic Christian Party

of his country, and I had occasion to observe him closely.

Later, when he became Premier of Italy, I met with him on several occasions both in Italy and during an official visit to this country, and again I learned not only about his great courage but also his strong affinity to the United States. All of this he has now exemplified by his calm yet firm manner of talking to Khrushchev. In these confrontations with the Russian leader, Fanfani has spoken honorably yet tough, sincerely yet determined, a proud spokesman for Western civilization and the Western viewpoint in the present conflict between East and West. In this respect, he has been excelled by few statesmen of the West.

This honorable and fearless stand by Fanfani prompted one of our leading columnists, William S. White, to observe in his column of August 4, 1961, published in the Washington Evening Star and other newspapers:

Signor Fanfani of Italy—already the most faithful of all the partners in the Western alliance—is today a great man in the United States of America, among its leading politicians and its people alike.

Yes, it takes courage and leadership for one man to stand up, to raise his unterrified head, and to speak out loud and clear, against the backdrop of the cold war in the very heart of the Kremlin, and to say what Fanfani has said. And this he did despite the fact that Italy has the largest Communist minority within any country of the free world. If anything, his mission has served to encourage the peoples of the West. At the same time, it must have left an effective impression on Khrushchev that the West will not be terrified by his threats. In this respect, he has rendered a great service to the free world.

The Wrong Kind of War

EXTENSION OF REMARKS
OF
HON. EDGAR W. HIESTAND
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 7, 1961

Mr. HIESTAND. Mr. Speaker, many of us are convinced we may be waging war against the Communist conspiracy by a wrong kind of war. The Soviet achievements, though spectacular, are misleading. There is plenty of evidence that the Soviets do not want a shooting war. Their economy and production simply cannot stand it, and they are shrewd enough to avoid it.

I believe they are held in check solely by the threat of massive retaliation at the hands of our Strategic Air Command, the tremendous striking power of the B–52 bomber. But what of the future? If we can keep them off balance for another 10 years by reactivating the B–70 program, I believe we need have no fear of a military attack.

But, Mr. Speaker, they are at war with us, and a war in which we are not fighting back. It is a unique war, but a very dangerous one.

Our distinguished colleague, Hon. JAMES B. UTT, put it very effectively in his Washington Report for release August 10, which I submit for the attention of the House:

WASHINGTON REPORT

(By Hon. JAMES B. UTT, of California)

Last week I joined with others of my colleagues in introducing a joint resolution expressing a declaration of war against the 98 Communist Parties which constitute the International Communist conspiracy which is irrevocably committed to the dictatorial enslavement of every man, woman, and child.

These 98 Communist Parties are directed and controlled from the Kremlin. This international conspiracy is the most formidable foe which this country and the free world has ever faced. We have declared war upon lesser foes in the past; why should we hesitate to declare that a state of war exists and then proceed with every weapon at our command, both military and political, to the goal of total victory so that the blessings of freedom, hope, and spiritual satisfaction may be the heritage of all mankind.

This cannot be accomplished without such a declaration of war. Under this declaration, where a state of war exists, agents of the international conspiracy could be prosecuted for treason. Propaganda of the conspiracy could be confiscated, and the purveyors of this propaganda could be prosecuted, just as Axis Sally and Tokyo Rose were prosecuted for their propaganda in World War II.

We are spending more than $40 billion per year on military armaments to meet a war which I hope will never be fought. Russia has been restrained from military action directly against America, simply because of fear of massive military retaliation. Consequently, Khrushchev employs the other weapons more deadly than missiles.

Let us examine that arsenal of deadly weapons employed 24 hours a day by the international conspiracy: (1) propaganda, (2) organization, (3) infiltration, (4) popular fronts, (5) deceiving tourists in Russia, (6) destroying anti-Communists, (7) violence and murder, (8) Communist schools.

America and the free world are absolutely unprepared to meet this onslaught. Our great military strength will not save us if we are conquered by a war of words.

Let us look at the volume of propaganda in this arsenal of words. The Kremlin uses 150,000 hours per week of radio propaganda in every language; 200 big propaganda films per year; 120 million propaganda books each year (millions of these are carried free in our mails); 2 billion propaganda pamphlets every year; 20,000 Russian stars sent out every year on propaganda and publicity missions all over the world. Our propaganda is less than 1 percent of what I have just listed.

How frightened would you be if our military strength was equal to only 1 percent of that of Russia? One is just as deadly for you and your children as is the other, and yet at this critical time your Military Establishment has ordered that no one in the military may take part in any anti-Communist school or rightwing organization. Our Defense Department has fallen prey to Communist propaganda which is out to destroy all anti-Communist organizations.

America has never lost a war for lack of missiles, planes, or other weapons. Let's look at our losses and place the blame where it belongs: Yalta—a Communist victory because President Roosevelt did not recognize the danger of the international conspiracy. China—we lost in a torrent of massive propaganda which convinced the world that Mao Tse-tung was an agrarian reformer. Korea—we had the armaments to destroy Red China. Again Communist propaganda convinced England that we should not destroy Red China and England demanded the removal of General MacArthur. It was not missiles that kept President Eisenhower out of Tokyo. It was Communist propaganda. Cuba—we did not lose Cuba to the Reds for lack of military power. It was Communist propaganda that we would offend other countries if we took the action which we should have taken.

Until this country recognizes that we are losing every engagement to Communist propaganda and takes positive action to meet this enemy with the same weapons they use, we will fall like a ripe fruit, without firing a single missile.

Hanford Reactor

EXTENSION OF REMARKS
OF
HON. AL ULLMAN
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, August 7, 1961

Mr. ULLMAN. Mr. Speaker, I recently received a letter from Mr. Stephen Dunn, president of the National Coal Association, in respect to the Hanford power facilities project recommended by the Atomic Energy Commission. The letter enclosed a pamphlet which was entirely irrelevant to the Hanford issue now before the Congress and does not merit further comment. However, in his letter, Mr. Dunn touched on a subject of broader importance than he gives it when he stated that the coal industry is "unalterably opposed to Government subsidy of a competitor."

This policy has many ramifications, one of which I discuss in my reply to Mr. Dunn. I assume that every Member received a similar letter from Mr. Dunn and so I believe my reply might be of general interest:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 4, 1961.

Mr. STEPHEN F. DUNN,
President, National Coal Association,
Washington, D.C.

DEAR MR. DUNN: Thank you for your letter of July 28 in respect to the proposed Hanford reactor generating facilities. I appreciate having your views although, as you may know, I supported the installation of generating facilities at Hanford during the debate on July 13 in the House.

However, I do have some concern about the more general question raised by your letter of whether the Government should subsidize one type of fuel to the disadvantage of others. The numerous studies made of the proposed Hanford facilities make it clear that this project is not such a case. The issue here is whether to make economic use of a byproduct source of energy from a reactor which will make plutonium for weapons or waste the steam into the Columbia River. You are mistaken in believing that the Hanford power facilities would affect the coal industry adversely.

On the other hand, there can be little question that the regular commercial type of atomic powerplant does represent competition for the fossil fuels such as coal. Since the Hanford issue arose, I have been looking into some aspects of the U.S. atomic power program, and I find that the

government does appear to be subsidizing these commercial-type atomic powerplants through the prices it has guaranteed to pay through at least mid-1963 for the byproduct plutonium which they produce.

I wonder if you are aware of the fact that the present floor price the Atomic Energy Commission will pay utilities for their byproduct plutonium is $30 per gram, although the Commission estimates that its fuel value is only $9.50 per gram? The AEC price for plutonium thus appears to include a hidden subsidy of $20.50 per gram. I understand its value to a utility—on the average—is equivalent to about 1.5 mills per kilowatt-hour of power produced from an atomic powerplant.

Your association doubtless is also concerned about the effect on the coal industry of the atomic powerplants which the Pacific Gas and Electric Co. and the Southern California Edison Co. are planning to build in the near future in California. As you know, the combined generating capacity of these two large plants will be about 660,000 kilowatts or approximately the capacity of the power facilities recommended for Hanford. Southern California Edison, I understand, is asking almost $20 million in direct Federal grants for its project, partially from funds which would be authorized by H.R. 7576.

In addition, these power company plants would be heavily subsidized by the Government under present plutonium price policies. The 1.5-mill-per-kilowatt-hour Government plutonium subsidy would amount to about $7 million or $8 million per year for the two California plants or a total public subsidy exceeding $200 million during their 30-year lifetime if the Government continues to pay the $30 price for plutonium. Of course, similar benefits are available to the large atomic powerplants built by Commonwealth Edison in Illinois, Detroit Edison in Michigan, and the Yankee Atomic Electric Co., in Massachusetts, and the plant which Philadelphia Electric Co. is building in Pennsylvania.

I appreciate your concern regarding possible effects of Federal policies on the coal industry and would welcome your comments on this question of the above-mentioned subsidy involved in the AEC's plutonium purchase price as well as on the provisions in H.R. 7576 authorizing Federal grants to private atomic powerplants.

By copy of this letter, I am raising with the Chairman of the Atomic Energy Commission and the Chairman of the Joint Committee on Atomic Energy the basic question of why the taxpayer should be called upon to pay utilities a price for their byproduct plutonium which is any more than what the material is worth as fuel.

Sincerely yours,

AL ULLMAN,
Member of Congress.

Anniversary of the Commonwealth of Puerto Rico

EXTENSION OF REMARKS
OF
HON. A. FERNÓS-ISERN
RESIDENT COMMISSIONER FROM PUERTO RICO
IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1961

Mr. FERNÓS-ISERN. Mr. Speaker, July 25, 1961, marked the ninth anniversary of the establishment of the Commonwealth of Puerto Rico. It was an official holiday in Puerto Rico, and the commemoration of the event was by appropriate ceremonies.

Significantly, the White House on that date released the text of a memorandum from the President addressed to the heads of the executive departments and agencies which is to appear in the Federal Register.

Because of the importance of this memorandum to all Government officials dealing with matters affecting the Commonwealth of Puerto Rico, I feel it appropriate at this time to include it as an extension of my remarks so that its contents may be available also to the Members of Congress.

In addition, I offer the text of the President's July 25 message of greetings to the people of the Commonwealth of Puerto Rico:

Following is the text of a memorandum from the President addressed to the heads of the executive departments and agencies:

"THE WHITE HOUSE.

"Because of the importance and significance of Puerto Rico in the relations of the United States with Latin America and other nations, it is essential that the executive departments and agencies be completely aware of the unique position of the Commonwealth, and that policies, actions, reports or legislation, and other activities affecting the Commonwealth should be consistent with the structure and basic principles of the Commonwealth. On July 25, 1952, the Governor of Puerto Rico proclaimed the establishment of the Commonwealth of Puerto Rico under its constitution. This proclamation was the culmination of a series of legislative and electoral steps which began with the passage of Public Law 600, 81st Congress (64 Stat. 319 (1950)). Public Law 500 made provision for the organization of a constitutional government by the people of Puerto Rico. In a referendum, held on June 4, 1951, the proposals of this law received the overwhelming approval of the people of Puerto Rico.

"Following approval, a Puerto Rican constitutional convention drafted a constitution, which was approved by a referendum held on March 3, 1952. The Congress in turn approved this constitution (Public Law 447, 82d Cong., 66 Stat. 327 (1952)).

"The Commonwealth structure, and its relationship to the United States which is in the nature of a compact, provide for self-government in respect of internal affairs and administration, subject only to the applicable provisions of the Federal Constitution, the Puerto Rican Federal Relations Act, and the acts of Congress authorizing and approving the constitution.

"On November 27, 1953, the General Assembly of the United Nations recognized that the people of the Commonwealth of Puerto Rico, exercising effectively the right of self-determination in a free and democratic way, had achieved a new constitutional status and that, in view of this new status, it was appropriate that the United States should cease the transmission of information with regard to Puerto Rico under article 73(e) of the Charter. (U.N. Gen. Ass. Res. 748 (VII) (1953)).

"All departments, agencies, and officials of the executive branch of the Government should faithfully and carefully observe and respect this arrangement in relation to all matters affecting the Commonwealth of Puerto Rico. If any matters arise involving the fundamentals of this arrangement, they should be referred to the Office of the President.

"The legislative steps which have led to the achievement by Puerto Rico of Commonwealth status have made inapplicable the provisions of Executive Order No. 6726 of May 29, 1934, insofar as they pertain to or are connected with the administration of the Government of Puerto Rico. This order no longer applies to Puerto Rico.

"This memorandum shall be published in the Federal Register."

Message of greetings from the President to the people of the Commonwealth of Puerto Rico:

"THE WHITE HOUSE.

"My cordial greeting and best wishes go to Governor Muñoz-Marin and the people of Puerto Rico on this ninth anniversary of the establishment of the Commonwealth.

"The great social and economic accomplishments of the Commonwealth have evoked the admiration of your fellow citizens throughout the United States, and, indeed, of freedom-loving Americans throughout the hemisphere.

"In achieving the transition from a stagnant, low-income society to a dynamic, prospering community, Puerto Rico has been a source of hope and inspiration to those of us deeply concerned with charting new courses of social progress for our hemisphere.

"What we seek to accomplish in our Alianza Para el Progreso has already been accomplished to a remarkable measure in Puerto Rico. That the people of Puerto Rico have pioneered in translating objectives of social advancement, long-range economic planning, equitable tax structures, improved land use and vigorous investment in education, into visible realities is undeniable proof to all citizens of the Americas of the strength and creativeness of democratic ideals."

Annual Rally Men's Adult Bible Classes of Central Pennsylvania Counties Held August 6, 1961, at Rolling Green Park, Selinsgrove, Pa.

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1961

Mr. VAN ZANDT. Mr. Speaker, it was my privilege to deliver an address at the annual Rally Day program of the men's adult Bible classes from counties in central Pennsylvania held at Rolling Green Park at Selinsgrove, Pa., Sunday, August 6, 1961, at 9:30 a.m.

The annual Rally Day owes its origin to two events that occurred at Rolling Green Park 33 years ago. On the first Sunday of August in 1928, Dr. Dunkleberger, of the faculty of Susquehanna University, assembled his Bible class at Rolling Green Park for an out-of-door service. On the same date Professor Gaugler, Snyder County superintendent of schools, brought his Bible class from Middleburg for a similar outing. Neither Dr. Dunkleberger nor Professor Gaugler knew of each other's plan for an out-of-door service.

As a result of the chance meeting of the two Bible classes the Tri-County Bible Class Rally was organized embracing Union, Snyder, and Northumberland Counties. Later the organization was extended to include Bible classes within a radius of 50 miles of Rolling Green Park. Today there is a well-organized annual Rally Day observance participated in by men's adult Bible classes

from six counties of central Pennsylvania. It was a pleasure to participate in the 1961 annual Rally Day program and to deliver the following address:

ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT THE RALLY DAY PROGRAM SPONSORED BY THE CENTRAL PENNSYLVANIA MEN'S ADULT BIBLE CLASSES, SUNDAY, AUGUST 6, 1961, ROLLING GREEN PARK, SELINSGROVE, PA.

It is a pleasure to participate in the annual rally of men's adult Bible classes from central Pennsylvania counties.

I appreciate the kind invitation to join you on such a solemn and sacred occasion.

The observance of rally day is deeply rooted in the history of religion and of the church.

It is a day for renewing our faith in God's kingdom—confirming our convictions and for taking an inventory of our religious standards.

Rally Day—as observed this morning by the adult Bible classes from various counties—does not mean there is a dwindling of interest in Bible class activities.

It is evidence of the religious enthusiasm and faith of all in attendance.

This Rally Day observance is unique because it has gathered together the participating men's Bible classes from central Pennsylvania counties—in a spirit of love of God and in recognition of the importance of Holy Scripture in our individual and collective lives.

The Bible is the age-old and always reliable guide for our conduct.

The difficult and dangerous conditions we find in the world today can be mastered and improved if we will bring an ever-increasing proportion of mankind to an appreciation of the Bible message—and to the living of life according to the religious principles inculcated in the Bible.

In the books of the law and in the teachings and parables of Christ, we have the moral precepts necessary for the guidance of our conduct in all human relations—individual to individual, individual to government, and government to individual, and even government to government.

For though such individual human and Christian virtues as charity, self-sacrifice, and humility, may well be inappropriate to characterize governmental action—yet a government is as surely bound as an individual by the laws of justice and equity.

The government of any nation is in the position of custodian and guardian of the interests of its citizens—and it cannot, in the exercise of apparent virtue, sacrifice the material welfare, the military strength, or the prestige of this corporate body.

In the historical books of the Bible we have examples of right and wrong behavior—in the history of the Jewish people, and of their neighbor tribes and kingdoms in the ancient world.

These stories, rightly understood and pondered, carry their lessons for our conduct today—particularly in public business.

From the various books of the Bible which are grouped under the general heading of "writings"—we can draw many lessons helpful to our relations with our neighbors—and tending to the improvement of world conditions.

In the prophetic books—the devotional poetry and proverbial wisdom—we find material for the development of a spirit of prayer and worship.

In addition we find material for the growth of an adult outlook upon life compounded of serenity—a sense of proportion, a clear-eyed view of the world, and a focusing upon God as the source, guide, and goal of all our human life.

If, with this clear-eyed view of ourselves and our relation to God, we look upon our man-to-man relations with our immediate neighbors—we are likely to find much that is in need of correction—first in our own individual conduct and attitudes—and next in the community customs.

Our natural tendency toward selfishness leads us to dealings that may be within the law—yet cannot stand the bright light of moral scrutiny based on Biblical principles.

In competition we may be unfair—vindictive—and merciless—or in trying to avoid the ill effects of competition upon ourselves—we may victimize our customers by agreeing upon and maintaining artificially high prices.

The problems of competition and fair trade—conspiracy and government regulation—are problems complicated and difficult of solution, and I make no attempt to offer here a one-shot cure-all for this economic puzzle.

I do maintain, however, that the key to fair and equitable solution to all such problems of human relationships is the attitude of good will and devotion to justice founded on Biblical principles.

The religiously principled man will endeavor to turn an unprejudiced and objective eye upon his neighbors.

He will see that in the relations between man and his government—the citizen denied his full rights is also debarred from contributing his full share of judgment and support to his government.

Internationally, as well as nationally and locally, we must develop in ourselves a spirit of political good will, of teamwork, of fairness.

I am making no appeal for our being easy marks, or softly sentimental.

I have already said, and I reiterate for emphasis, that the primary purpose of government is to protect the interests of its own citizens.

Still each government, and all the citizens who are together responsible for the policies of each government, must act as bound by the divinely instituted laws of justice.

Entrenched selfishness, as a national economic policy, is shortsighted and self-defeating, but even if it were advantageous to us, we would be debarred from using it.

In national and governmental matters, as in individual conduct, there are moral absolutes—rules that must not be transgressed.

A government can stand strong and firm in the eyes of the world, and respected by the citizens of its own nation, only if those who make up that government—the officials and civil servants—and the citizens acting in their political capacity strive to govern their conduct by strict moral principles.

We in the United States are conducting a continuous campaign in this direction.

The code of ethics in government service adopted by House Concurrent Resolution 175 in the 85th Congress, expressed the feeling of the Congress about the moral responsibility of the individual in government service.

A similar spirit is evinced in the recent Executive order issued by President Kennedy applying moral rules to the conduct of employees in the executive departments of the administration.

I think it is a very right feeling that lies back of these actions by the Congress and the executive, and that this feeling reflects a popular conviction among the citizens that we must tighten up our observance of the moral code in our public service.

The attention given in newspaper stories to reports of bribery, collusion, conflicts of interest, and other aspects of the moral relationship between government officials and private citizens is another indication of public concern in this field.

More strict adherence to a code of ethics in government service would undoubtedly contribute substantially to the improvement of our foreign relations.

Our foreign aid programs have been dramatically portrayed notably in "The Ugly American" as severely handicapped by unethical taking of financial advantages and indulging in luxuries, both by our own representatives and by officials of foreign governments.

Allowing for possible exaggeration and misrepresentation—or simple misunderstanding and misinterpretation—in some of the attacks that have been made upon our programs and the men who handle them, it remains true that foreign aid programs must be watched with a keen and conscientious eye for waste and misappropriation.

Any accusation must be answered with facts—any reasonable question raised must be satisfied by a full and honest report.

Our own code of ethics demands, however, that we condemn no man or group of men unheard.

In international relations the interaction of institutions and professional groups offers a wide field for the ordering of peaceful cooperation according to moral laws, and toward the attainment of good ends.

Cultural, scientific, educational, and professional groups have their vast contributions to make toward the improvement of life for the individuals in all countries, and toward the establishment of peaceful relations between countries.

Our traveling entertaining troops of musicians and actors—our sports teams, our exchanges of books, and our conferences of librarians—all contribute toward the welfare of the people and the peace of the world.

The more people are drawn together in affection by visiting each other, talking together, and developing their common interests, the more likely they are to bring their governmental actions into harmony.

Similarly the churches whose work in foreign fields has long been handicapped by the visible rivalry and occasional ill will displayed between denomination and denomination can profit materially as well as spiritually by friendly cooperation.

Each denomination must of course be firm in holding to doctrine as it sees it.

Each man—and each church—must follow the dictates of conscience in this matter and permit no compromise with conscience.

Nevertheless I think it is a tremendous development for good that the world is now seeing in the movements of prayer and moral action that are taking place, reaching beyond the boundaries of creed and sect, and joining together in common feeling and enterprise, people whose traditional beliefs and modes of worship may be dramatically different.

It is excellent, I think, that there should be cordiality in agreement wherever possible, and cooperation and joint effort in many fields, both by the churches as organized groups, and by individuals of various religious identifications, in the great undenominational world enterprises.

There is a surge of moral force felt throughout the world in the form of various movements such as Father Keller's "Christopher movement," Frank Laubach's "literacy crusade," and many another application of moral urgency to the affairs of the world.

The Abbe Pierre, with his Paris ragpickers, and Father Bire, with his work for displaced persons, have captured the imagination and sympathy of the world.

Our churches join in discussions of theology and of the social applications of moral doctrine.

Churches act together in organizations like the World Council of Churches and its various agencies to bring the Christian conscience to bear on the world of today.

The churches of the United States join—well nigh unanimously—in sponsoring and supporting the great projects of aid to the

people in need everywhere in the world; One Great Hour of Sharing, the Bishops' Relief Fund, the United Jewish Appeal.

Other collections—annual or to meet particular emergencies—have been managed by joint action of the churches.

Prayer and morally motivated actions have come together from many denominations and faiths in the support of such essentially religious activities as Project Hope, the Peace Corps, the medical missions of Dr. Dooley and Dr. Schweitzer, and many another effort to aid the sick and underprivileged and unhappy peoples of the world.

I do not believe there is any single one-shot cure-all remedy available or to be invented for the complex ailments that beset the world at the present time.

I do not believe there is any one simple and single defense against a subtle and unscrupulous enemy.

But I do think that there is one single element that is necessary to any step we may take to aid our friends, to defend ourselves, and to defeat our enemies, and that element is strict morality.

I believe that world dangers are to be averted, distresses alleviated, self-government and self-support encouraged by a combination of individual action—church and other group action, and governmental action.

For the accomplishment of this many-faceted task, we shall need—and I pray that we may have—unselfish good will, wisdom, untiring energy, and the grace of God.

Before concluding, I wish to commend the officers and members of the various Bible classes participating in this central Pennsylvania annual Bible class rally.

Your presence here this morning is a manifestation of your sincere love of Almighty God and your deep reverence for the eternal truths revealed by Holy Scripture.

During these perilous days when faith in God is being constantly undermined by the atheistic forces of world communism, it behooves us all to rededicate ourselves to the great affirmation of Christians the world over by saying in all sincerity: "I believe in God, the Father Almighty, Creator of heaven and earth and in Jesus Christ, His only Son, our Lord."

With such deep-rooted faith in God we will obtain the courage and the strength to repulse the evil forces bent upon destroying every vestige of Christianity.

This is a fitting occasion to pledge anew our love of God and respect for the Holy Bible.

The sincerity of the American people in adhering to their religious convictions will play a vital part in this Nation's opposition to world communism.

If we remain true to our religious principles and to the Nation's ideals so eloquently symbolized by the flag of our country, we will be able under the inspiration of the cross and the flag, to march to the moral, the mental, and the spiritual mastery of mankind.

Tourist Expansion Program for Wisconsin

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, August 7, 1961

Mr. WILEY. Mr. President, over the weekend, I was privileged to make a broadcast over a network of Wisconsin radio stations. In the address I discussed a number of topics of interest not only to Wisconsin, but reflecting upon national and international affairs.

I ask unanimous consent to have excerpts of the address printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

WILEY OUTLINES TOURIST-EXPANSION PROGRAM FOR WISCONSIN

Friends, during this season, millions of Americans—including many of you—will take time out for a vacation.

Overall, about 85 percent of working Americans enjoy paid vacations, spending about $20 billion a year.

For Wisconsin, the tourist industry has become increasingly important to our State economy—its income amounting to about $600 million annually.

With untouched reservoirs of unique natural resources, however, I believe we can cut ourselves a still larger slice of this tourist pie.

Overall, tourism benefits not just a few, but many segments of the community's economy, including: services, transportation, accommodations, entertainment, cleaning services, products such as sporting equipment, souvenirs, fashions, etc.; utilities (power, water, light). The result: greater economic growth.

A great many communities, either by exploiting an existing potential or even by importing one, can probably turn themselves into "meccas" which will appeal to tourists. Examples of attractions:

A good inn, an historical landmark (battlesite, churches, mill, etc.);

A body of water; an animal preserve;

Hills, mountains, valleys, forests, or woods;

Geological formations and other natural or man-made features.

Additional programs that will develop tourist trade include:

A facelifting program for unsightly areas, refuse, junk; paint and spruce up; encourage clean, comfortable lodging places with well-cooked, well-served meals; developing or improving specific tourist attractions; obtain expert advice in restoring historic structures, draining lakes, etc.

In addition, we need strong forward-looking efforts to:

Improve our transportation system, especially the roads and trails leading to lakes, rivers, streams, and other recreational areas.

Expand and improve our already fine accommodations.

Further develop boating, skiing, and other outdoor sports.

Promote national and international tourist traffic, for example, through the St. Lawrence Seaway—particularly from our good neighbor Canada.

Generally, the expansion of the tourist industry, however, cannot be accomplished automatically or magically. Rather, it will require hard work; imaginative, creative salesmanship; further exploiting our recreational resources, and more attractive lures for visitors. This means real salesmanship in "selling Wisconsin" as a "top vacation spot" for Badgers, as well as for national and international travelers.

Incidentally, earlier this session, I invited fellow Senators and their constituents to visit Wisconsin and enjoy a truly great vacation, in a land of great natural beauty, unlimited opportunity for indoor and outdoor recreation, and a friendly, wonderful people.

PROMOTION OF FOREIGN TOURISM

For the future, Wisconsin will not only be uniquely diversified, all-year-round vacation utopia for Americans, but an attraction for our friends and neighbors abroad. With today's economical and rapid jet and conventional air—as well as sea—travel, more and more foreign visitors are beginning to visit the Midwest. Until recently, the majority of foreign vacationers practically ignored the United States as a vacationland.

Now, we have entered the "Visit-the-United States" tourist promotion field in competition with the other major nations in the world—most of which, by the way, have been promoting tourism in a big way for years.

For example, a U.S. Travel Service has been established in the Department of Commerce. In Secretary of Commerce Hodges' words, the new travel service is "important not only to attract the foreign tourist to our shores, but to send back a steady stream of contented visitors."

There are, of course, many problems which still must be solved in this connection. Let me review just a few:

Improvement of customs handling—the U.S. Customs for example lags behind other countries in the use of other languages as a sign of hospitality and welcome to foreign arrivals in this country;

The ironing out of financial difficulties foreign tourists encounter—usually having a lower cost-of-living and lower earning power in their home countries;

Some modification of the Immigration and Nationality Act in the issuance of visas authorizing aliens to enter the United States temporarily;

Establishment of U.S. tourist-information centers abroad.

In addition to Government-sponsored ideas for promoting the United States as a vacationland, private enterprise also is now spending approximately $15 million annually to promote foreign travel in the United States.

Our efforts during the past couple of years to encourage the travel of foreign tourists is beginning to show results. In Scandinavia, Germany, Switzerland, England and elsewhere people are planning—many of the first time—to visit our country.

Wisconsin offering a year-round playground for the pleasure seeking tourist—with such features as camping, riding, hiking, swimming, boating, fishing, hunting, skiing, skating, and other activities—will—if we promote creatively—act as host to more and more of these foreign tourists.

NO. 1 ISSUE: PEACE OR WAR

As we seek to promote tourism, and other programs for domestic progress—and find new ways to better serve and benefit our people—we cannot, of course, forget the hard facts of life in a war-threatened world.

The big issue, then, continues to be: peace or war.

Now, how can we best promote peace, or conversely, prevent war?

Confronted by an enemy who best understands the language of strength, we must:

Maintain and further strengthen our deterrent power;

Cooperate with other free nations to stop aggression and promote progress;

Win the majority of noncommitted nations; and, lastly

Develop an effective counteroffensive to whip the Reds on nonmilitary fronts, economic, social, cultural, ideological.

For that reason, I have supported efforts to:

1. Put more muscle into our Armed Forces;

2. Enact an effective mutual security program to strengthen the free-world alliances; and

3. Create an overall balanced force to defend ourselves against the Red enemy and to promote peace.

ANALYSIS OF COMMUNIST 20-YEAR PROGRAM

During this past week, Khrushchev published a new 20-year Communist program.

According to early analysis, Mr. Khrushchev's program represents one of the most dramatic and far-reaching manifestos in the Communist world since Lenin's edicts in

1919. Because of its possible impact on world peace, we cannot let this stand alone. Rather we must attempt to determine its significance, and develop policies and programs to counter it.

For a starter, I have suggested hearings by the Foreign Relations Committee. The purpose would be to get expert opinion and evaluation of Mr. Khrushchev's recommendations. This would include: Assessing its long-range objectives, determining any significant changes in Communist policy, and developing policies for coping with whatever new threat may be posed by the program.

In the past, the world has been warned by Lenins, Hitlers, Stalins, et al., of designs for world conquest. Too often, nations have been blind to such handwriting on the walls of history. What has been the result? War, crippling and death to millions, inestimable damage to property, retarding of human progress, and threats to the existence of freedom.

In my judgment, we must not again repeat this mistake. The Western nations—and particularly the United States—would commit a grave error if we failed to:

a. Put in perspective the real significance of this Communist document;

b. Develop countermeasures to cope with any new threats; and

c. Prepare a comparative document, demonstrating how freedom, not only now better serves a people, but how it will cap Communist programs for the future.

CONCLUSION

This, then, is a brief look at some of the opportunities, as well as challenges that confront us.

Appreciating the chance to discuss them with you, I shall, as always be glad to get your reactions.

Atomic Energy Commission and Department of Interior Plans for Coal Research Under the Randolph Amendment

---

EXTENSION OF REMARKS

OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1961

Mr. PRICE. Mr. Speaker, I would like to place in the RECORD an exchange of correspondence between Chairman CHET HOLIFIELD, of the Joint Committee on Atomic Energy, and Chairman Glenn T. Seaborg, of the Atomic Energy Commission, with respect to the programs and projects which are planned to carry out the Randolph amendment which would authorize $5 million for research on nuclear processes in the utilization of coal. From the AEC letter it will be apparent that the Commission has very well-defined plans and projects to carry forward this program during the coming fiscal year if this amendment is adopted and funds are made available.

I therefore ask unanimous consent that Chairman HOLIFIELD's letter of August 4, 1961, to AEC, and Chairman Seaborg's reply of August 7, 1961, be printed in the CONGRESSIONAL RECORD. There being no objection, the correspondence is ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON ATOMIC ENERGY,
August 4, 1961.

Dr. GLENN T. SEABORG,
Chairman, U.S. Atomic Energy Commission, Washington, D.C.

DEAR DR. SEABORG: It would be appreciated if the Commission would provide the Joint Committee with a statement indicating the program and projects which would be initiated or accelerated in the event the Congress adopts the amendment submitted by Senator RANDOLPH and approved by the Senate, providing $5 million for research on nuclear processes which have application for utilizing coal.

A question has been raised as to the role of the Department of Interior in such a coal research program. It had been my understanding that the Department of Interior would actively participate in this program through its Office of Coal Research and the Bureau of Mines by means of arrangements between AEC and the Department of Interior for the transfer of funds for carrying out large segments of the program. It would be appreciated if you would indicate in your statement in general how these arrangements would be implemented.

Sincerely yours,

CHET HOLIFIELD,
Chairman.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., August 7, 1961.

DEAR MR. HOLIFIELD: In your letter of August 4, 1961, you asked for information concerning the programs and projects which we would initiate or accelerate if the Congress adopts the amendment to our fiscal year 1962 authorization bill which authorizes us to spend $5 million for research on nuclear processes which would have application for utilizing coal.

In view of the fact that funds for such a program are not included in our fiscal year 1962 budget, we have not developed our plans as completely as we have for other programs which are in the budget. However, we have given quite a bit of thought to this area and the points discussed in this letter are reasonably firm.

There are a number of areas where nuclear energy holds promise of being of great assistance to the coal industry. The scope of the areas in which nuclear energy could be of help is very broad, extending from the actual mining operation through the development of new uses and new markets for coal and coal products. For example, nuclear radiation may make it possible to utilize coal as the raw material in the production of various materials for use in industry and agriculture which are now produced from other sources. Similarly, the heat generated by nuclear reactions may speed the day when gasification of coal is an economic reality rather than a dream, or it may point the way toward more efficient and more economic means of removing the coal values from their place in nature. Of equal importance is the fact that radioisotopes produced by nuclear processes may well be instrumental in improving health and safety conditions in mining operations as well as in showing the way to improvements in mining and processing operations themselves.

The programs which we would carry out starting in fiscal year 1962, should the necessary authorization and appropriations be given by Congress, cover all of the potential areas where nuclear processes may benefit the coal industry.

The largest program which we would undertake covers studies and research and development aimed at solving the problems of coal gasification. This program, which we estimate at approximately $2 million in fiscal year 1962, is divided into four parts as follows: (1) conceptual design of a nuclear reactor capable of delivering outlet coolant at 2,200° F. using long-lived low cost fuel, (2) conceptual design of a coal gasification plant to use the heat from such a reactor, (3) development and design of critical key components for the overall plant, including the reactor, and (4) an expansion of the work on high temperature, long-life fuels to be used in this reactor.

The results of this integrated program, some work on which has been underway for the past few years, should lead to a pilot plant and eventually to a prototype should the economics prove interesting.

The work on this program would be undertaken by our national laboratories and by industrial contractors, and would require very close cooperation with the Bureau of Mines, at the Morgantown, W. Va., site.

Another program, of almost equal magnitude, and possibly of more far reaching consequence to the coal industry in the event of success, deals with the possibility that chemical reactions induced by massive nuclear radiation may make possible the use of coal as the basic raw material in the production of chemicals which are used in large quantities by industry and agriculture. In this effort, we plan a two-pronged approach. One, which we estimate will cost of the order of $400,000 in fiscal year 1962, will be basic in nature and will be aimed at obtaining a better understanding of radiation induced reactions. This work would be done primarily at our laboratories and at those of the universities. The other part of this program would be of a more applied nature and would be aimed at determining the technical and economic feasibility of producing specific chemical compounds or mixtures of compounds by reacting coal with water, hydrogen, nitrogen, oxygen, and other materials under the influence of massive nuclear radiation. This latter effort, which would cost approximately $1,500,000 in fiscal year 1962, would be carried out at our laboratories, at universities and in the engineering laboratories of industry.

Another program which we feel can have immediate as well as long range beneficial impact on the coal industry is a proposed $500,000 program aimed at the use of radioisotopes to improve health, and safety conditions of mining operations and to increase efficiency in mining, processing, transportation and utilization of coal.

There are several areas where it appears that use of radioisotope tracer and gaging techniques can be useful in mine safety. In fiscal year 1962, we propose to initiate studies on such things as:

1. The use of radiation from radioisotopes to minimize the probability of static discharge and thus to lessen the chances of mine explosions.

2. The use of radioactive tracers to follow the flow of noxious gaseous and liquid mine effluent and thus to improve the control of pollution from coal mining and processing operation.

3. The use of radioisotope gaging and detection equipment for on-the-spot checks of integrity of roof support structures, hoisting equipment, and other critical equipment.

Aside from the safety directed programs, we would undertake work aimed at using radioisotope techniques to improve efficiency of operation. Examples of such activities are:

1. Use of radioisotope gages in bore holes to determine quality and extent of reserves.

2. Use of radioisotope gages in analyses of coal for more efficient burning and processing.

3. Use of radioisotope sensing instruments to assist in the automatic control of mining, transport and processing equipment.

The work on utilization of radioisotopes by the coal industry would be done largely by industrial laboratories and it would require very close cooperation, not only with the Office of Coal Research of the Department of Interior, but also with the mine and processing operators themselves.

In addition to these programs which have fairly definite objectives, we would propose to institute a series of longer range studies to determine in what other areas nuclear processing might be expected to have a beneficial impact on the coal industry. Our initial efforts in this work would be to look at the feasibility, practicality, and potential long-range economics of using nuclear reactors at mine sites to produce high temperature, high pressure steam which might be used to extract the coal values from their place in nature, not as a solid, but as a gaseous or liquid material.

In this general study program, we would also try to find out if nuclear processes could make it possible once again for coal to be the starting point in production of such things as benzene and anthracene which were once produced from coal but are now largely produced from liquid or gaseous hydrocarbons.

These general studies would cost an estimated $400,000 in fiscal year 1962, and would be made by industrial contractors or our laboratories working in close cooperation with the Office of Coal Research and the coal industry.

As one last and much longer range effort to assist the coal industry, we propose a program of grants to universities in coal producing areas to encourage increased efforts on research and development aimed at improving coal mining, processing, or utilization by means of nuclear processes. The cost of this phase of our proposed program in fiscal year 1962 is estimated at $200,000.

With regard to your questions about the role of the Department of Interior in the program, I have already indicated that large portions of the program must, of necessity, be carried out in close cooperation with the Office of Coal Research or with the Bureau of Mines. While we have not yet developed the details of such cooperation, it is clear the the full talents of both agencies, and of the entire coal industry, must be brought to bear if the program is to be a success. Some programs, such as conceptual design of reactors, development of nuclear fuels, studies of the effect of massive nuclear radiations on chemical reactions, and the construction and operation of any nuclear pilot plants or prototypes which might develop as the program progresses, together with all aspects of nuclear safety, are clearly areas where the AEC will take the lead and the Department of Interior will furnish support. In other cases, such as the programs aimed at utilizing radioisotopes to improve safety or to enhance operational efficiency of specific mining or processing operations, it seems equally clear that the Department of Interior will take the lead and the AEC will give technical support to the effort. In still other cases, such as design and development of overall coal gasification plants or studies of the possible use of nuclear reactors at mine sites, the joint talents of both agencies will be required.

In order to assure a unified program, aimed at the primary objective of using nuclear processes to assist the coal industry, I would suggest that funds for the entire program be appropriated to the AEC with such transfer to the Department of Interior as is required being made after more definitive agreements have been reached between the two agencies.

Sincerely yours,

GLENN T. SEABORG,
Chairman.

Hanford Raises Basic Policy Question

EXTENSION OF REMARKS
OF
HON. WILLIAM H. BATES
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1961

Mr. BATES. Mr. Speaker, the House will soon have another opportunity to express its will on the question of adding electric generating facilities to the new Hanford reactor. This will be a serious decision which every Member must make, for the outcome could have the effect of making a fundamental change in the basic policy which Congress has laid down for the AEC. Some proponents of a Hanford electric plant have tried to minimize the policy question or to say it does not exist in order to cloud the issue. For this reason and so that each of us may know just what is involved, let us examine the legislative history of the role which Congress has outlined for the AEC in relation to the generation of electric energy.

First of all, as some of the Members may know, the AEC published, in 1955, a tremendous three-volume legislative history of the entire Atomic Energy Act of 1954. In 3,994 pages just about every word that was ever spoken or written in the 83d Congress on this vital piece of legislation is recorded and indexed. This legislative history was compiled by Miss Madeleine W. Losee, the AEC's law librarian, and every student of atomic energy legislation owes her a deep debt of gratitude for her wonderful work.

If any Member doubts that the subject of electric power from atomic energy was not explored thoroughly and carefully in the 83d Congress, he need only look in the index to Miss Losee's legislative history of the act. There he will see more than three pages of entries under the heading, "Electric Power from Atomic Energy."

Section 44 of the Atomic Energy Act of 1954 provides for the disposition of electric energy generated by the Atomic Energy Commission in connection with its operations. The language has not been amended since its enactment in 1954.

The section reads as follows:

SEC. 44. DISPOSITION OF ENERGY.—If energy is produced at production facilities of the Commission or is produced in experimental utilization facilities of the Commission, such energy may be used by the Commission, or transferred to other Government agencies, or sold to publicly, cooperatively, or privately owned utilities or users at reasonable and nondiscriminatory prices. If the energy produced is electric energy, the price shall be subject to regulation by the appropriate agency having jurisdiction. In contracting for the disposal of such energy, the Commission shall give preference and priorty to public bodies and cooperatives or to privately owned utilities providing electric utility services to high cost areas not being served by public bodies or cooperatives. Nothing in this Act shall be construed to authorize the Commission to engage in the sale or distribution of energy for commercial use except such energy as may be produced by the Commission incident to the operation of research and development facilities of the Commission, or of production facilities of the Commission.

During consideration of the Atomic Energy Act of 1954 there was considerable discussion of the provisions of section 44 and of the prohibition contained in this section with respect to the "sale or distribution of energy for commercial use" by the AEC. From the legislative history of the act it may be seen what is and is not authorized under this section.

Seeking an interpretation of the then proposed section 44, Representative CHET HOLIFIELD, Democrat, of California, engaged in the following colloquy with the Chairman of the Atomic Energy Commission—Lewis L. Strauss—during the hearings on the bill. The gentleman from California put the question this way:

Let me ask you if your understanding of this is that the Commission is given a congressional direction at this time not to engage in the sale or distribution of energy for commercial use except in a completely incidental way?

The Chairman of the AEC replied and the colloquy is recorded in this manner:

Mr. STRAUSS. That is our understanding.

Reperesentative HOLIFIELD. That is your understanding. That is my understanding as to the meaning of the language. So this changes the present law where the Commission can produce power for its own use and sell that power in the commercial channels to a considerable extent; does it not? It puts it on the basis——

Mr. STRAUSS. That is correct, Mr. HOLIFIELD, but as I testified at the opening of these public hearings, we have no intention of going into the power business.

When the Joint Committee on Atomic Energy reported the legislation which became the Atomic Energy Act of 1954, it had something significant to say concerning the provisions of section 44. Quoting the pertinent words of that report we see that—

Section 44 permits the Commission to dispose of usable energy generated in the production facilities or in the experimental utilization facilities owned by the Commission, but does not permit the Commission to enter the power-producing business without further congressional authorization to construct and operate such commercial facilities.

When the matter came to the floor of the House after the conference on the differing versions of the bill, the chairman of the Joint Committee, Representative Sterling Cole, Republican, of New York, offered these comments on the version reported out of conference:

The first area of difference was with respect to public versus private power issue. The other body had put in a provision authorizing, if not directing, but at least authorizing the Atomic Energy Commission to build atomic energy plants for the purpose of generating commercial electricity. On the other hand, a provision was considered in the House which directed that the Commission should not participate in that very thing. However, in order to resolve that uncertainty, a provision has been adopted by the conferees which makes it very certain that the Commission may, if it obtains funds from the Congress, embark upon an atomic power reactor of whatever size it may feel desirable, but it must be on the basis of a research and development project and not

for the pure and sole purpose of generating commercial electricity.

From the other side of the aisle at that time we heard from our former colleague, the gentleman from North Carolina, Representative Carl Durham, Democrat, of North Carolina, whose words of wisdom, drawn from his many years in Congress and from his distinguished and dedicated service on the Joint Committee, often guided the Members on both sides of the aisle. Representative Durham had this to say about the provisions of section 44 as reported by the conference committee:

We have prevented the AEC from going into the power business. I do not believe any Member of the House wants the Atomic Energy Commission in the power business. But the AEC can only build a full-scale reactor in connection with its basic research programs. Of course, they can sell what comes from that, if necessary, or use it themselves. That is about as far as the bill allows the AEC to go into the power field. You have heard otherwise, but the problem is rather simple, and this is just what the bill does.

Thus we see the language of section 44 and some critical comments on the meaning of the language of this section. The meaning seems clear and the intent of the Congress in this matter seems clear also. However, rather than cut off my research into the legislative history of this section and rather than deny the Members the benefit of this research, let us look at some other comments on the problem of AEC in the power producing business.

When the different versions of the Atomic Energy Act of 1954 as approved by the two bodies went to conference, the version approved in the other body included a section 45 which was added there by a vote of 45 to 41. That section read as follows:

SEC. 45. ELECTRIC POWER PRODUCTION. (a) The Commission is empowered to produce or provide for the production of electric power and other useful forms of energy derived from nuclear fission in its own facilities or in the facilities of other Federal agencies. In the case of energy other than electric power produced by the Commission, such energy may be used by the Commission, or transferred to other Government agencies, or sold to other users at reasonable and nondiscriminatory prices. Electric power not used in the Commission's own operations shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power in accord with the provisions of section 5 of the Flood Control Act of 1944.

(b) The Commission may undertake any or all of the functions provided in subsection 45a, through other Federal agencies authorized by law to engage in the production, marketing, or distribution of electric energy for use by the public, and such agencies are hereby empowered to undertake the design, construction, and operation of nuclear power facilities and the disposition of electric energy produced in such facilities when funds therefor have been appropriated by Congress. Nothing in this Act shall preclude any Federal agency now or hereafter authorized by law to engage in the production, marketing, or distribution of electric energy from obtaining a license under section 103 of this Act for the construction and operation of facilities for the production and utilization of special nuclear material or atomic energy for the primary purpose of producing electric energy for disposition for ultimate public consumption.

In the Senate on July 21, 1954, the Senator from Rhode Island [Mr. PASTORE], who is now the vice chairman of the Joint Committee, discussed the provisions of the proposed section 45 with its sponsor, the former Senator from Colorado, Mr. Ed Johnson. The Senator from Rhode Island expressed the view that the proposed section would constitute "an authorization on the part of the AEC to build electric generating plants." Senator Johnson agreed.

The Senator from Rhode Island said also that the proposed section would provide "that the AEC should build its plants in parts of the country where the rates are already low. We would defeat the very purpose of the whole program." But Senator Johnson denied that his amendment—section 45—would provide any such thing.

In any event, the proposed section 45 was adopted by the Senate and became one of the matters to be settled in conference. The conferees eliminated the section and settled on the language of section 44 which is now contained in the Atomic Energy Act of 1954. Although we have seen what two influential Members of the House had to say about section 44 back in 1954, let us look at some other words on this section.

Commenting on the bill as amended in conference and reported to the House, the gentleman from California [Mr. HOLIFIELD] said:

The amendment to section 44 introduced by Representative COLE and adopted by the House would preclude the AEC from selling or distributing any power not produced incident to the operation of its research, development, and production of nuclear material facilities. This effectively eliminates the Commission as an important participant in supplying atomic power to municipal and rural cooperative electric systems.

Now it goes without saying that the gentleman from California was opposed to this restriction on the role of the Commission in power generation. Despite his opposition, however, he recognized clearly that the restrictions were there and are still there, and that it was the intent of the Congress then that the AEC would not be permitted to get into the business of generating electric power for commercial use.

In the other body during debate on the act in 1954, the Senator from Illinois [Mr. DOUGLAS], in a colloquy with the distinguished Senator from Rhode Island, commented:

I am very frank to say that I do not want to see the Government develop all the power which could be generated from uranium and plutonium. I should like to see the major portion of such power developed by private industry, but I would not want at this time to foreclose the Government from the authority to generate power from uranium and plutonium.

In reply the Senator from Rhode Island said in part:

We are trying to keep the Federal Government out of the power-producing business.

At another point in this colloquy we find these remarks by the two Senators:

Mr. DOUGLAS. The language of the authorization bill is such that, in the opinion of the majority of the Joint Committee, it would not permit the Commission to enter the power-producing business.

Mr. PASTORE. Except for the power which is necessary for its own operations. That is important.

Mr. DOUGLAS. It would not permit the development of electrical power for industrial or commercial use.

Mr. PASTORE. A pilot plant in order to prove the effectiveness and practicability of a reactor could be built, but the Commission could not build a powerplant anywhere in the country to compete with already established public utility companies. We say, when you get into that, you get into the basic philosophy of whether the Government will be in the electrical business, or whether private enterprise will conduct it. At that time you will have to come back to Congress.

Shortly after this exchange, the Senator from New Mexico [Mr. ANDERSON], who later served as chairman of the Joint Committee, directed a question to the Senator from Rhode Island. The brief colloquy is recorded in the RECORD as follows:

Mr. ANDERSON. I ask the Senator whether he does not agree with me that the bill does not permit the Atomic Energy Commission to generate electric energy as such for even its own operations, except in a pilot plant. Would the Senator not agree that if at Oak Ridge, for example, the Atomic Energy Commission required additional current for its gaseous diffusion plant, it could not take plutonium or uranium, or anything else, and generate current, except as a byproduct? In other words, it cannot set up a plant to generate current as current; it can only produce it as a byproduct. Is that correct?

Mr. PASTORE. That is correct.

Mr. ANDERSON. I do not say that is bad; it does bother me, however.

Mr. PASTORE. We are getting down to the philosophy of the subject.

Concerning the question of whether the Commission has authority to construct nuclear power stations of substantial size, the Senator from Iowa [Mr. HICKENLOOPER] inserted in the RECORD in 1954 a statement which notes, in pertinent part:

The authority contained in S. 3690 permitting the Commission to build and operate atomic powerplants arises from the research and development provisions of the bill.

Any projects for atomic powerplants construction and operation by the Commission, either singly or jointly in participation arrangements with others, must be primarily for research and development purposes.

Varying amounts of energy may be generated by such projects. Section 44 authorizes the Commission to dispose of this byproduct power which would be, in fact, incidental to the research and development objective, but it is not the intention of the framers of this legislation to turn the Commission into a federally sponsored, commercial electric power generating agency.

This is not a power bill. This is a bill to advance research and development in aid of the art of making atomic machines—or of using atomic fuel—for the generation of power.

It would be impossible to account here for all of the remarks made in the House and in the other body on section 44 of the Atomic Energy Act. Suffice it to say that the section was debated at considerable length by both sides and that all agreed as to the limitations imposed on the AEC by the language ultimately adopted.

Thus there was established a clear legislative background on which opponents of the Hanford steamplant project

can assert that the project is contrary to the spirit and intent of the Congress with respect to this section and the role of the AEC in the power-producing business.

If the Congress wanted to grant AEC blanket authority to get into the power business, or any other Federal agency for that matter, it had that opportunity in the language of the proposed section 45 which was adopted by the Senate and dropped in conference. The action of the committee of conference was sustained by both Houses, so there can be no doubt that the Congress expressed its will clearly on this matter, too.

Let us look for a moment at what was said at one point in the other body about section 45 and its effect. While the Senator from Iowa [Mr. HICKENLOOPER] was discussing this section, the Senator from Florida [Mr. HOLLAND] cut in to begin this exchange:

Mr. HOLLAND. If the Senator will yield right there, the Senator has read the sentence to which my inquiry is addressed.

The Senator from Florida was referring to the first sentence of the proposed section 45. He continued:

The Senator from Florida is unable to see any provision which would appear to confine that sentence to the manufacture by the Atomic Energy Commission of power primarily for its own use.

Mr. HICKENLOOPER. The Senator is correct. I point out to the Senator the next sentence—

Which the Senator from Iowa read. Then he continued:

The staff of the Joint Committee has studied the amendment from various angles. We are finally convinced that there can be no question that this amendment would put the Atomic Energy Commission into the business of a production agency for the commercial production of electric power; and I submit that this is not the concept of the duties of the Commission. It will place it in the category of an operation.

This exchange, as well as any found in the legislative history of the Atomic Energy Act, characterizes accurately the purpose and intent of the proposed section 45 which the Congress did not adopt. When the Congress failed to adopt that section it said, in effect, that it was opposed to putting the AEC into the power-generating business for commercial purposes.

The Members should understand clearly that this section of the Atomic Energy Act of 1954 has remained unchanged for a good number of years. Strong opposition to the provisions of section 44 and strong support for section 45 was voiced that year, and I respect those gentlemen deeply and sincerely for their views on the important subject of the AEC's role in power production. But I must remind the Members that in subsequent Congresses our colleagues have not once attempted to resurrect section 45 or amend section 44 to give the Commission broader authority with respect to generation of a sizable amount of electric power for commercial use. Instead, they have chosen to leave the words of the Atomic Energy Act as they are and to leave the legislative history of the act as it is, and now seek a back-door approach to the same end by means of this proposal to add 800,000 kilowatts of electric-generating capacity to the AEC's new plutonium-production reactor at Hanford.

We, who are opposed to the Hanford steamplant proposal, do not claim that it is in any way illegal for the Congress to authorize any Federal agency to perform any function or to engage in any sort of enterprise. It is for us here in Congress to decide, and only for us to decide, whether we shall change the established policy and authorize this project. But I would remind my colleagues that the Congress, in 1954, discussed this very matter at considerable length and explored it in considerable detail before arriving at a determination that the AEC should not get into the commercial power business. We cannot, in good conscience, overlook these facts of demonstrable history.

But I would suggest that the legislative history of section 44 has indeed been overlooked. The record of the debate on Hanford in the other body on July 18 seems to indicate this to me.

Through all of the legislative history of section 44 one word, more than any other, crops up time and again. It is the simple word "incident." This word is to be found in the language of section 44 and it is used to refer to power produced by the Commission. Read carefully the last sentence of section 44 and note where the word falls.

In my opinion much of the trouble with interpretation of section 44 rests in an understanding of what is meant by incident, or incidental. Webster's New International Dictionary, the unabridged second edition, dated 1942, defines "incident" as "coming or happening accidentally; not in connection with the main design; incidental; fortuitous." In this same dictionary, "incidental" is defined as "happening as a chance or undesigned feature of something else; casual; hence, not of prime concern; subordinate; as an incidental expense."

Let us now apply the test of this definition against the power to be produced at Hanford from conversion of the production reactor. If the reactor design included, as in the initial authorization 3 years ago, features permitting conversion to power generation, is the power incidental? Does it happen as a chance or undesigned feature of operation of the reactor? Obviously not.

We see, therefore, that the Hanford project goes directly contrary to the intent of the Congress which, in 1954, said that the Commission should not enter the power-producing field except in the course of research and development. Not a single Hanford proponent claims that this is a research and development project; indeed not, for the funds would come under the heading of production of special nuclear materials.

It is within the province of the Congress to change its mind from one Congress to another or from one session to another. But after the careful analysis of this subject which was carried out in these Chambers 7 years ago, I submit that Congress made up its mind once and for all on the role of AEC in the power field. I submit also that the Hanford project must fall of its own weight for this very reason.

We must not permit the back door to be opened at this time and in this manner to permit the AEC to enter the business of producing commercial electric power, for once opened, the door can never be barred again.

I would leave this suggestion with the Members. If the supporters of the Hanford project feel strongly enough and sincerely enough—as I am certain they do—that this proposal, which would put AEC into business as another Federal power-generating agency, is right and proper and just, let them come to the front door and ask that the Congress here assembled change the Atomic Energy Act to permit just this sort of thing. Let them introduce legislation to this effect for reference to the Joint Committee, for careful public hearings, and for action in these Chambers without affecting the other projects in the AEC authorization bill. If it be the will of Congress that the basic policy of the act be changed to permit this sort of activity on the part of the Commission, then so be it. But let the Hanford proponents establish a clear legislative record to reinforce their position. Let us not permit them to circumvent the clearly established intent of the Congress by going to the back door with a project of this importance.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 8, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

John 13: 35: *By this shall all men know that ye are my disciples, if ye love one another.*

Almighty God, as we unite in prayer, wilt Thou inspire us with a sense of Thy nearness and sustaining grace, and may we daily feel and enjoy the invisible fellowship of the just made perfect.

Deliver us from all thoughts and desires that are alien to the mind and heart of our blessed Lord who commanded His followers to make love for God and man the ruling passion of their lives.

We earnestly beseech Thee to purge the human race of all its enmities and hatreds, its suspicions and jealousies, and may these be supplanted by the spirit of brotherhood and good will.

Grant that being animated and impelled by noble and lofty ambitions, rulers and leaders of nations everywhere may strive to give the blessings of peace an ever-widening dominion.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1240. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide certain services to the Girl Scouts of the United States of America for use at the 1962 Girl Scouts senior roundup encampment, and for other purposes.

S. 2079. An act to retrocede to North Carolina jurisdiction over the southern, eastbound lanes of North Carolina Highway 24, and the eastern, northbound lanes of U.S. Highway 17, as these highways traverse and parallel Camp Lejeune, N.C.

PRESIDENT SIGNS AGRICULTURAL ACT OF 1961

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, this morning the President of the United States signed the Agricultural Act of 1961. This act is an important milestone in the history of agricultural legislation in this country. It is important to the farmers, to all the American people, and to freemen all over the world.

Mr. Speaker, no one depreciates and, certainly, I do not, the magnificent achievements of various nations on both sides of the Iron Curtain in the field of space. But there is no phenomenon in modern life, either at home or abroad, that is more spectacular than the capacity of the American farm population to produce food. While space ships circle the earth, the products of American farms find their way into the furthermost recesses of the world, bringing sustenance and better health to all mankind.

PROTECTING THE DOMESTIC SHRIMP INDUSTRY

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, I note that hearings were conducted this morning by the Committee on Ways and Means on H.R. 6168 and related bills.

The bill, H.R. 6168, is sponsored by our distinguished colleague, the gentleman from Louisiana [Mr. Boggs]. It is designed to protect the domestic shrimp industry from foreign competition.

Mr. Speaker, I welcome the distinguished gentleman from Louisiana to the ranks of those of us who have been fighting for years to protect American jobs and investment. I pledge to support his shrimp and hope I may have his support for West Virginia's coal, glassware, and pottery.

PRIVATE CALENDAR

The SPEAKER. This is the day for call of the Private Calendar. The Clerk will call the first bill on the calendar.

WORTHINGTON OIL REFINERS, INC.

The Clerk called the bill (H.R. 1414) for the relief of the Worthington Oil Refiners, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Worthington Oil Refiners, Incorporated, a Virginia corporation of Arlington County, Virginia, the sum of $60,000 in full settlement of all claims against the United States for compensation for the Federal share of the fair and agreed value of the real property known as the "Worthington Tract" situated at 2201 North Oak Street, Arlington County, Virginia, formerly owned by Worthington Oil Refiners, Incorporated, and acquired through purchase at a foreclosure sale by the Reconstruction Finance Corporation and deeded to the Commonwealth of Virginia for the purpose of utilizing the said tract for an approach to the George Washington Memorial Parkway, a part of the National Capital Park parkway and playground system: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7 strike out "$60,000" and insert "$37,000".

Mr. AVERY. Mr. Speaker, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. AVERY to the committee amendment: Strike out "$37,000" and insert in lieu thereof "$10,000".

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCHANGE LAND IN MADERA COUNTY, CALIF.

The Clerk called the bill (H.R. 1378) to authorize the Secretary of the Interior to enter into an exchange of certain land in Madera County, Calif., with Mary Saunders Moses.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to bring about desirable land-use and ownership adjustments relating to certain private and federally owned land adjacent to the Madera equalizing reservoir, a feature of the Central Valley project, California, and in order to facilitate the administration of such reservoir, the Secretary of the Interior is authorized, in his discretion, to exchange lands of approximately equal value as provided in this Act.

SEC. 2. The Secretary of the Interior is authorized to convey to Mary Saunders Moses, on terms and conditions mutually satisfactory, the following-described lands: 4 parcels of land in sections 7, 8 and 18, township 10 south, range 19 east, Mount Diablo meridian, in the county of Madera, State of California, being portions of the 579.2-acre parcel of land described as parcel 5 in the deed from Mary Saunders Moses to the United States of America, dated September 28, 1942, and recorded October 27, 1942, in book 314 of official records at page 219, having a combined area of 161.23 acres, and separately described as follows:

PARCEL ONE: Beginning at the southwest corner of the north half of the fractional west half of the northwest quarter of said section 18; thence along the westerly boundary of said section 18 north 00 degrees 03 minutes west 332.3 feet; thence entering said 579.2-acre parcel south 89 degrees 26 minutes east 314.2 feet to an angle point in the boundary of said 579.2-acre parcel; thence along last said boundary as follows: south 00 degrees 09 minutes west 332.2 feet; thence north 89 degrees 27 minutes west 313.0 feet to the point of beginning, containing an area of 2.39 acres, more or less.

PARCEL TWO: Beginning at a point in the southerly boundary of said section 8, said point being the southwest corner of the southeast quarter of the southeast quarter of the southwest quarter of said section 8; thence leaving said southerly boundary and running along the boundary of said 579.2-acre parcel as follows: north 00 degrees 26 minutes east 331.1 feet; thence south 89 degrees 13 minutes east 330.5 feet; thence north 00 degrees 26 minutes east 331.3 feet; thence south 89 degrees 15 minutes east 641.8 feet; thence entering said 579.2-acre parcel south 57 degrees 19 minutes west 570.5 feet; thence south 25 degrees 43 minutes west 384.2 feet to the southerly boundary of said section 8; thence along said southerly boundary north 89 degrees 11 minutes west 330.4 feet to the point of beginning, containing an area of 6.06 acres, more or less.

PARCEL THREE: That portion of said 579.2-acre parcel, described as followed: the west half of the west half of the southwest quarter of the southeast quarter of the southwest quarter, the west half of the northwest quarter of the southeast quarter of the southwest quarter, the northeast quarter of the northwest quarter of the southeast quarter of the southwest quarter, the east half of the east half of the east half of the southwest quarter of the southwest quarter, the northwest quarter of the northeast quarter of the southeast quarter of the southwest quarter, the west half of the southeast quarter of the northeast quarter of the southwest quarter, the southwest quarter of the northeast quarter of the southwest quarter, the northwest quarter of the northeast quarter of the southwest quarter, the northeast quarter of the northwest quarter of the southwest quarter, the northeast quarter of the northwest quarter of the northwest quarter of the southwest quarter, the southeast quarter of the southwest quarter of the southeast quarter of the northwest quarter, the west half of the southwest quarter of the southeast quarter of the northwest quarter, the west half of the northwest quarter of the southeast quarter of the northwest quarter, the east half of the southwest quarter of the northwest quarter, the east half of the southwest quarter of the southwest quarter of the northwest quarter, the southeast quarter of the northwest quarter of the southwest

quarter of the northwest quarter, the south half of the southeast quarter of the northwest quarter of the northwest quarter, the west half of the southwest quarter of the northeast quarter of the northwest quarter, all in said section 8, containing an area of 105.42 acres, more or less, subject to the right of the United States intermittently to flood, seep, and overflow those portions located below elevations 376.

PARCEL FOUR: Beginning at an angle point in the boundary of said 579.2-acre parcel, said point is the northwest corner of the south half of the southwest quarter of the southeast quarter of the northwest quarter; thence from said point of beginning along the boundary of said 579.2-acre parcel as follows: south 89 degrees 30 minutes east 660.0 feet; thence south 00 degrees 23 minutes west 329.6 feet to the northerly boundary of the south half of said section 7; thence along said northerly boundary south 89 degrees 30 minutes east 660.0 feet to the center quarter corner of said section 7; thence continuing along said northerly boundary south 89 degrees 30 minutes east 660.0 feet; thence leaving said northerly boundary and continuing along the boundary of said 579.2-acre parcel as follows: south 00 degrees 23 minutes west 659.5 feet; thence north 89 degrees 28 minutes west 330.0 feet; thence south 00 degrees 23 minutes west 659.4 feet; thence north 89 degrees 28 minutes west 990.0 feet; thence entering said 579.2-acre parcel north 00 degrees 23 minutes east 250.3 feet; thence north 34 degrees 41 minutes west 591.4 feet; thence north 18 degrees 54 minutes west 969.1 feet to the point of beginning, containing an area of 47.34 acres, more or less, subject to the right of the United States intermittently to flood, seep, and overflow those portions located below elevations 376.

SEC. 3. In exchange for the foregoing lands the Secretary of the Interior is authorized to accept on behalf of the United States from Mary Saunders Moses title to the following described lands, situated in sections 7, 8, 17, and 18, township 10 south, range 19 east Mount Diablo Meridian, in the County of Madera, State of California, having a combined area of 137.18 acres, more or less, and separately described as follows:

PARCEL ONE: Beginning at an angle point in the boundary of the 579.2-acre parcel of land described as parcel five in the deed from Mary Saunders Moses to the United States of America, dated September 28, 1942, and recorded in the office of the county recorder of said county on October 27, 1942, in book 314 of official records at page 219, that is distant south 89 degree 26 minutes east 314.2 feet from a point in the westerly boundary of said section 18, that is distant therealong south 00 degrees 03 minutes east 332.3 feet from the northwest corner of said section 18; thence from said point of beginning along the boundary of said 579.2-acre parcel as follows: south 89 degrees 26 minutes east 628.4 feet; thence south 00 degrees 33 minutes west 664.3 feet; thence leaving said boundary north 42 degrees 51 minutes west 914.5 feet to the point of beginning, containing an area of 4.79 acres, more or less.

PARCEL TWO: Beginning at an angle point in the boundary of said 579.2-acre parcel, at the most southerly corner of the hereinbefore described parcel one; thence along the boundary of said 579.2-acre parcel as follows: south 89 degrees 29 minutes east 311.9 feet; thence south 00 degrees 45 minutes west 332.1 feet; thence leaving said boundary north 42 degrees 34 minutes west 454.7 feet to the point of beginning, containing an area of 1.19 acres, more or less.

PARCEL THREE: Beginning at an angle point in the boundary of said 579.2-acre parcel, at the most southerly corner of the hereinbefore described parcel two; thence along the boundary of said 579.2-acre parcel as follows: south 89 degrees 28 minutes east 329.4; thence south 00 degrees 46 minutes west 664.1 feet; thence leaving said boundary north 25 degrees 40 minutes west 740.1 feet to the point of beginning, containing an area of 2.51 acres, more or less.

PARCEL FOUR: Beginning at a point in the boundary of said 579.2-acre parcel, that is distant south 89 degrees 29 minutes east 329.1 feet from the most southerly corner of the hereinbefore described parcel three, said point of beginning is also at the southeast corner of the northwest quarter of southeast quarter of the northwest quarter of said section 18; thence from said point of beginning along the boundary of said 579.2-acre parcel as follows: north 00 degrees 48 minutes east 332.0 feet; thence south 89 degrees 27 minutes east 658.6 feet; thence south 00 degrees 51 minutes west 331.8 feet; thence north 89 degrees 29 minutes west 658.3 feet to the point of beginning, containing an area of 5.02 acres, more or less.

PARCEL FIVE: That portion of the northeast quarter of the northeast quarter of said section 18 adjoining the boundary of said 579.2-acre parcel described as the northeast quarter of the northeast quarter of the northeast quarter; the east half of the west half of the northeast quarter of the northeast quarter and the west half of the southeast quarter of the northeast quarter of the northeast quarter of said section 18, containing an area of 25.14 acres, more or less.

PARCEL SIX: Beginning at the intersection of the easterly boundary of said 579.2-acre parcel with the southerly boundary of said section 8; thence from said point of beginning along said easterly boundary north 00 degrees 02 minutes west 141.9 feet to the southerly boundary of the 165.4-acre parcel of land described as parcel one in said deed from Mary Saunders Moses to the United States of America; thence along last said southerly boundary as follows: south 71 degrees 45 minutes east 266.5 feet; thence south 79 degrees 51 minutes east 153.0 feet; thence north 80 degrees 13 minutes east 154.7 feet; thence north 68 degrees 27 minutes east 222.0 feet; thence north 63 degrees 16 minutes east 139.0 feet; thence north 48 degrees 48 minutes east 140.3 feet; thence leaving the southerly boundary of said 165.4-acre parcel south 39 degrees 33 minutes west 395.3 feet to the southerly boundary of said section 8; thence along last said southerly boundary north 89 degrees 11 minutes west 740.6 feet to the point of beginning, containing an area of 1.72 acres, more or less.

PARCEL SEVEN: Beginning at the intersection of the boundary of said 579.2-acre parcel with the westerly boundary of the northeast quarter of said section 17, distant along said westerly boundary south 01 degrees 15 minutes west 330.8 feet from the northwest corner of the northeast quarter of said section 17; thence from said point of beginning along the boundary of said 579.2-acre parcel as follows: north 01 degrees 15 minutes east 165.4 feet; thence south 89 degrees 11 minutes east 1321.4 feet; thence leaving said boundary south 83 degrees 41 minutes west 1333.0 feet to the point of beginning, containing an area of 2.51 acres, more or less.

PARCEL EIGHT: Beginning at an angle point in the boundary of said 579.2-acre parcel at the most southerly corner of the hereinbefore described parcel seven; thence leaving said boundary south 45 degrees 58 minutes west 469.2 feet to an angle point in the boundary of said 579.2-acre parcel; thence along said boundary as follows: north 01 degrees 13 minutes east 330.9 feet; thence south 89 degrees 12 minutes east 330.3 feet to the point of beginning, containing an area of 1.25 acres, more or less.

PARCEL NINE: Beginning at an angle point in the boundary of said 579.2-acre parcel, at the most southerly point of the hereinbefore described parcel eight; thence leaving said boundary south 45 degrees 55 minutes west 469.1 feet to an angle point in the boundary of said 579.2-acre parcel; thence along said boundary as follows: north 01 degrees 12 minutes east 331.0 feet; thence south 89 degrees 13 minutes east 330.1 feet to the point of beginning, containing an area of 1.25 acres, more or less.

PARCEL TEN: Beginning at an angle point in the boundary of said 579.2-acre parcel at the most southerly corner of the hereinbefore described parcel nine; thence leaving said boundary south 45 degrees 53 minutes west 469.1 feet to an angle point in the boundary of said 579.2-acre parcel; thence along said boundary as follows: north 01 degrees 10 minutes east 331.1 feet; thence south 89 degrees 14 minutes east 330.0 feet to the point of beginning, containing an area of 1.25 acres, more or less.

PARCEL ELEVEN: Beginning at an angle point in the boundary of said 579.2-acre parcel at the most southerly corner of the hereinbefore described parcel ten; thence leaving said boundary south 27 degrees 34 minutes west 741.6 feet to a point in the boundary of said 579.2-acre parcel. Said point is also in the westerly boundary of the southeast quarter of the northwest quarter of said section 17 distant therealong south 01 degrees 9 minutes west 662.2 feet from the northwest corner of the southeast quarter of the northwest quarter of said section 17; thence along the boundary of said 579.2-acre parcel as follows: north 01 degrees 09 minutes east 662.2 feet; thence south 89 degrees 15 minutes east 329.9 feet to the point of beginning, containing an area of 2.51 acres, more or less.

PARCEL TWELVE: That portion of the fractional west half of the west half of said section 7 described as follows: Beginning at the northwest corner of the south quarter of the fractional west half of the west half of said section 7; thence along the westerly boundary of said section 7 north 00 degrees 03 minutes west 329.4 feet; thence entering said section 7 south 89 degrees 28 minutes east 955.4 feet; thence north 00 degrees 16 minutes east 1317.9 feet thence south 89 degrees 30 minutes east 321.0 feet to the easterly boundary of the fractional west half of the west half of said section 7; thence along said easterly boundary, which is in the boundary of said 579.2-acre parcel, south 00 degrees 23 minutes west 1647.6 feet to the northerly boundary of the south quarter of the fractional west half of the west half of said section 7; thence along said northerly boundary, which is in the boundary of said 579.2-acre parcel, north 89 degrees 28 minutes west 1271.4 feet to the point of beginning, containing an area of 19.30 acres, more or less.

PARCEL THIRTEEN: That portion of the south half of the south half of said section 7 adjoining the boundary of said 579.2-acre parcel, described as the east half of the southeast quarter of the southeast quarter, the northwest quarter of the southeast quarter of the southeast quarter, the north half of the southwest quarter of the southeast quarter, the north half of the southwest quarter of the southwest quarter of the southeast quarter, the northwest quarter of the southeast quarter of the southwest quarter of the southeast quarter, and the northeast quarter of the southeast quarter of the southwest quarter of said section 7, containing an area of 67.49 acres, more or less.

PARCEL FOURTEEN: Beginning at a point in the boundary of said 579.2-acre parcel at the southeasterly corner of the hereinbefore described parcel four; thence along the boundary of said 579.2-acre parcel as follows: south 89 degrees 29 minutes east 329.1 feet; thence south 00 degrees 52 minutes west 331.8 feet; thence leaving said boundary north 44 degrees 04 minutes west 465.9 feet to the point of beginning, containing an area of 1.25 acres, more or less.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GREGOIRE A. KUBLIN

The Clerk called the bill (H.R. 2822) for the relief of Gregoire A. Kublin.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Gregoire A. Kublin shall be held and considered to have been lawfully admitted to the United States for permanent residence upon payment of the required visa fee. Upon the granting of permanent residence as provided in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARIA A. SCHMOLDT

The Clerk called the bill (H.R. 3133) for the relief of Mrs. Maria A. Schmoldt.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212 (a) (4) of the Immigration and Nationality Act, Mrs. Maria A. Schmoldt may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act, under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That, unless the beneficiary is entitled to care under chapter 55 of title 10, United States Code, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *Provided, further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MATTHIAS NOCK, JR.

The Clerk called the bill (H.R. 3718) for the relief of Matthias Nock, Jr.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a) (9) of the Immigration and Nationality Act, Matthias Nock, Junior, may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMPTON JONES

The Clerk called the bill (H.R. 5136) for the relief of Compton Jones.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Compton Jones shall be held and considered to be the natural born alien child of Arthur F. Jones, citizen of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, line 4, after the words "Immigration and Nationality Act," strike out the remainder of the bill and insert in lieu thereof the following: "Compton Jones and Hulbert Jones shall be held and considered to be the natural-born alien minor children of Arthur F. Jones, a citizen of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read as follows: "A bill for the relief of Compton Jones and Hulbert Jones."

The amendment was agreed to.

A motion to reconsider was laid on the table.

MARIA CONCETTA COZZA

The Clerk called the bill (H.R. 6646) for the relief of Maria Concetta Cozza.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Maria Concetta Cozza, who lost United States citizenship under the provisions of section 401(e) of the Nationality Act of 1940 or section 349(a) (5) of the Immigration and Nationality Act, may be naturalized by taking prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Maria Concetta Cozza shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. TAKIMI YAMADA

The Clerk called the bill (S. 19) for the relief of Mrs. Takimi Yamada.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Takimi Yamada shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act upon payment of the required visa fee. Upon granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Takimi Yamada. From and after the date of the enactment of this act, the said Mrs. Takimi Yamada shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAOKO ISHIWATARI WHITE

The Clerk called the bill (S. 82) for the relief of Naoko Ishiwatari White.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 212(a) (23) of the Immigration and Nationality Act, Naoko Ishiwatari White may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA DOLORES VILLAR SALINAS, ET AL.

The Clerk called the bill (S. 85) for the relief of Maria Dolores Villar Salinas, Angela Casanova Cabello, Carmen Guenaga Anchustegui, and Flora Casals Pons.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Maria Rosario Barrena Villachica, Maria Dolores Villar Salinas, Angela Casanova Cabello, Carmen Guenaga Anchustegui, and Flora Casals Pons shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of

this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Page 1, line 4, strike out the name "Maria Rosario Barrena-Villachia,".

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "An act for the relief of Maria Dolores Villar Salinas, Angela Casanova Cabello, Carmen Guenaga Anchustegui, and Flora Casals Pons."

A motion to reconsider was laid on the table.

HELGA G. F. KOEHLER

The Clerk called the bill (S. 231) for the relief of Helga G. F. Koehler.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (28) of section 212(a) of the Immigration and Nationality Act, Helga G. F. Koehler may be issued an immigrant visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act: *Provided,* That this Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIN-SUN CHEN

The Clerk called the bill (S. 316) for the relief of Min-sun Chen.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

KNUD ERIK DIDRIKSEN

The Clerk called the bill (S. 435) for the relief of Knud Erik Didriksen.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Knud Erik Didriksen shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FUNG WAN (MRS. JUNG GUM GOON)

The Clerk called the bill (S. 700) for the relief of Fung Wan (Mrs. Jung Gum Goon).

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Fung Wan (Mrs. Jung Gum Goon), the widow of a United States citizen who served honorably in the Armed Forces of the United States, shall be held and considered to be within the purview of section 101(a)(27)(A) of that Act and the provisions of section 205 of that Act shall not be applicable in this case.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIUSEPPA ALONZI

The Clerk called the bill (S. 570) for the relief of Giuseppa Alonzi.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 4 of the Act of September 22, 1959, Giuseppa Alonzi shall be deemed to have been registered on a consular waiting list pursuant to section 203(c) of the Immigration and Nationality Act under a priority date earlier than December 31, 1953, and the visa petition approved in behalf of Giuseppa Alonzi shall be deemed to have been approved prior to January 1, 1959.

With the following committee amendment:

Page 1, at the end of the bill, change the period to a comma, and add the following: "and the visa petition approved in behalf of Giuseppa Alonzi shall be deemed to have been approved prior to January 1, 1959."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AIDEH KOBLER

The Clerk called the bill (S. 722) for the relief of Aideh Kobler.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, the provisions of sections 201(a), 202(a)(5) and 202(b)(2) of that Act shall not be applicable in the case of Mrs. Aideh Kobler.

With the following committee amendment:

On page 1, at the end of the bill, change the period to a comma and add the following: "and she shall be considered to be accompanying her spouse within the meaning of section 202(a)(2) of the said Act if she files an application for a visa within six months from the date of the enactment of this Act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VASILIKI YEANNAKOPOULOS

The Clerk called the bill (S. 825) for the relief of Vasiliki Yeannakopoulos.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Vasiliki Yeannakopoulos shall be held and considered to be the minor natural-born alien child of Peter Yeannakopoulos and his wife, Angelina Yeannakopoulos, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAJM BOULOS RIHANI

The Clerk called the bill (S. 944) for the relief of Najm Boulos Rihani.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mr. Najm Boulos Rihani shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIUSEPPA LANZA LASCUOLA

The Clerk called the bill (S. 1373) for the relief of Giuseppa Lanza Lascuola.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Giuseppa Lanza Lascuola, shall be held and considered to be the natural-born alien child of Henry Lascuola and Marian Elizabeth Lascuola, citizens of the United States: *Provided,* That the natural parents of the said Giuseppa Lanza Lascuola shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEE CHEK LIN AND GEE MING LIN

The Clerk called the bill (S. 1432) for the relief of Gee Chek Lin and Gee Ming Lin.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Shau Ying Lin, Gee Chek Lin, Gee Ming Lin, and Chi Fong Lin shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct the required numbers from the appropriate quota for the first year that such quota is available.

With the following committee amendments:

On page 1, line 4, strike out the name, "Shau Ying Lin,".

On page 1, line 4, after the name "Gee Chek Lin" strike out the comma, and insert the word "and".

On page 1, lines 4 and 5, strike out "and Chi Fong Lin".

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended to read as follows: "An act for the relief of Gee Chek Lin and Gee Ming Lin."

A motion to reconsider was laid on the table.

BLAGOJE POPADICH

The Clerk called the bill (S. 1673) for the relief of Blagoje Popadich.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Blagoje Popadich shall be held and considered to be the natural-born alien minor child of Mr. and Mrs. Lezar G. Popadich, citizens of the United States: *Provided,* That the natural parents of the said Blagoje Popadich shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 2. That, notwithstanding the provision of section 212(a)(6) of the Immigration and Nationality Act, Blagoje Popadich may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *And provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIE HALADJIAN

The Clerk called the bill (H.R. 5382) for the relief of Marie Haladjian.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Marie Haladjian shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Marie Haladjian. From and after the date of the enactment of this Act, the said Marie Haladjian shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. SETO YIU KWEI

The Clerk called the bill (H.R. 1325) for the relief of Mrs. Seto Yiu Kwei.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mrs. Seto Yiu Kwei, the widow of a United States citizen, shall be deemed to be within the purview of section 101(a)(27)(A) of the Immigration and Nationality Act, and the provisions of section 205 of that Act shall not be applicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FONG HOUCK PONG

The Clerk called the bill (H.R. 1349) for the relief of Fong Houck Pong.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Fong Chun Hong, shall be held and considered to be the natural-born alien child of Fong Houck Pong, a citizen of the United States: *Provided,* That the natural mother of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

Page 1, line four, strike out "the minor child,"

Page 1, line 6, after "alien" insert "minor"

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Fong Chun Hong."

A motion to reconsider was laid on the table.

MRS. AGAVNI YAZICIOGLU

The Clerk called the bill (H.R. 1422) for the relief of Mrs. Agavni Yazicioglu.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Agavni Yazicioglu shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Agavni Yazicioglu. From and after the date of the enactment of this Act, the said Mrs. Agavni Yazicioglu shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JEAN GOEDICKE

The Clerk called the bill (S. 207) for the relief of Jean Goedicke.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Jean Goedicke, of Casper, Wyoming, is relieved of liability to pay to the United States the sum of $628.25, representing the amount of rentals owed by the said Jean Goedicke as lessee of certain Federal lands under an oil and gas lease (Buffalo 038682) issued to her on August 1, 1945, as a result of her failure to file a timely surrender of such lease due to a misunderstanding as to her responsibilities under such lease.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DELLAROSE J. DOWLER

The Clerk called the bill (S. 489) for the relief of Dellarose J. Dowler.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Dellarose J. Dowler, of Murfreesboro, Tennessee, is hereby relieved of all liability for repayment to the United States of overpayments of salary as an employee of the Veterans Administration Hospital, Murfreesboro, Tennessee, for the period from October 18, 1959, to June 29, 1960, which she received as the result of her promotion from grade GS–7 to grade GS–9 in violation of section 1310 of the Supplemental Appropriation Act, 1952 (the so-called Whitten amendment), as amended, the said Dellarose J. Dowler having been eligible for original appointment at grade GS–9 under a change in qualification standards which became effective two days after her original appointment to grade GS–7 on June 29, 1959.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Dellarose J. Dowler, the sum of any amounts received or withheld from her on account of the payments referred to in the first section of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A. N. DERINGER, INC.

The Clerk called the bill (H.R. 1333) for the relief of A. N. Deringer, Inc.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized to pay, out of any money in the Treasury not otherwise appropriated, to A. N. Deringer, Incorporated, Rouses Point, New York, the sum of $7,580.49. The payment of such sum shall be in full satisfaction of the claim of said A. N. Deringer, Incorporated against the United States for repayment of excessive customs duties erroneously collected by the Bureau of Customs on flush wood doors which were imported by A. N. Deringer, Incorporated, between December 28, 1949, and August 6, 1951, and were were covered by the following entries:

Consumption entry No.:	*Date of entry*
A–4013	December 28, 1949
A–6081	April 6, 1950
A–6203	April 11, 1950
A–6995	May 15, 1950
A–7177	May 22, 1950
A–7489	June 5, 1950
A–7544	June 7, 1950
A–7617	June 12, 1950
A–7616	June 12, 1950
A–7752	June 19, 1950
A–7815	June 21, 1950
A–7915	June 26, 1950
A–126	July 7, 1950
A–271	July 14, 1950
A–375	July 18, 1950
A–435	July 20, 1950
A–454	July 21, 1950
A–515	July 24, 1950
A–610	July 27, 1950
A–678	July 31, 1950
A–680	July 31, 1950
A–827	August 4, 1950
A–955	August 9, 1950
A–1178	August 18, 1950
A–1360	August 28, 1950
A–1470	September 5, 1950
A–2017	September 22, 1950
A–2451	October 9, 1950
A–2452	October 9, 1950
A–2707	October 18, 1950
A–3041	October 30, 1950
A–3427	November 13, 1950
A–3667	November 20, 1950
A–4951	January 8, 1951
A–5043	January 12, 1951
A–5151	January 17, 1951
A–5482	February 1, 1951
A–5710	February 14, 1951
A–6230	March 6, 1951
A–6854	April 2, 1951
A–765	August 6, 1951

Provided, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$7,580.49" and insert "$7,175.52."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SFC. FREDERICK W. HEEDT

The Clerk called the bill (H.R. 1344) for the relief of Sfc. (E–7) Frederick W. Heedt, RA16247914.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of application and admistration of Public Law 769, Eighty-third Congress, of September 1, 1954, concerning annuities and retirement benefits of officers and employees of the United States, the conviction by a general court-martial on January 19, 1954, at Fort Benning, Georgia, shall not be held to bar Sergeant First Class (E–7) Frederick W. Heedt, RA16247914, who having been restored to honorable duty status on September 21, 1954, and who during the subsequent years has been promoted rapidly through the grades to the rank of master sergeant, receiving six commendations, of his right to retirement benefits based on his years of creditable service in the Armed Forces of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RICKERT & LAAN, INC.

The Clerk called the bill (H.R. 1616) for the relief of Rickert & Laan, Inc.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Rickert and Laan, Incorporated, of New Orleans, Louisiana, is hereby relieved of liability to the United States for the marking duties (aggregating $5,587) levied, pursuant to section 304(c) of the Tariff Act of 1930 (19 U.S.C. 1304(c)), upon certain nails imported through the port of New Orleans in three shipments identified as follows: C.E. 5251, November 3, 1959 (steamship Mondoro) 4,675 kegs; C.E. 6909, December 17, 1959 (steamship Monstella) 2,000 kegs; and C.E. 6964, December 18, 1959 (steamship Mongiola) 1,700 kegs. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for any amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Rickert and Laan, Incorporated, an amount equal to the aggregate of the amounts paid by it, or withheld from sums otherwise due it, in complete or partial satisfaction of the liability to the United States specified in the first section: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 12, strike out "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE EDWARD BARNHART

The Clerk called the bill (H.R. 6025) to confer jurisdiction on the U.S. Court of Claims to hear, determine, and render judgment on the claim of George Edward Barnhart against the United States.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That jurisdiction is hereby conferred on the United States Court of Claims to hear, determine, and render judgment on the claim of George Edward Barnhart, of Altadena, California, against the United States for the unauthorized manufacture, use and/or sale by or for the United States since December 31, 1946, of inventions covered by the following enumerated patents of and owned by the said George Edward Barnhart: United States Letters Patents Numbered 1,854,444, 1,974,407, 2,005,965, 2,026,727, 2,026,728, 2,041,688, 2,070,705, 2,158,686.

SEC. 2. All defenses of the United States based on laches lapse of time, or any statute of limitations are hereby waived. Proceedings for the determination of such claims, appeals therefrom, and payment of any judgment thereon, shall be in the same manner as in cases over which such court has jurisdiction pursuant to section 1491 of title 28 of the United States Code. Nothing in this Act shall be construed as an admission of liability on the part of the United States.

With the following committee amendment:

Page 1, line 8, strike out "December 31, 1946" and insert "May 8, 1951"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCIS AINSWORTH

The Clerk called the bill (H.R. 6120) for the relief of Francis Ainsworth.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Civil Service Commission is directed to authorize payment, out of the civil service retirement and disability fund, to Francis Ainsworth, of Fall River, Massachusetts, an amount equal to interest at 3 per centum per annum compounded annually, on the refund of retirement deductions which was due him upon his separation from Government service, from the date of such separation to the day of payment of such refund, such payment having been delayed for a period of fifteen years because of an error in the computation of the length of his allowable service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JULIUS BENIKOSKY

The Clerk called the bill (H.R. 6644) for the relief of Julius Benikosky.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Julius Benikosky, of Plainfield, New Jersey, the sum of $122.50 in full settlement of all his claims against the United States for reimbursement for a judgment rendered on November 20, 1960, against him individually on a claim arising out of an automobile accident in which he was involved on August 10, 1960, while engaged in his duties as a postal employee at Plainfield, New Jersey: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 10, strike out "1960" and insert "1959".

Page 2, line 1, strike out "in excess of 10 per centum thereof".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANTHONY PIROTTA

The Clerk called the bill (H.R. 6998) for the relief of Anthony Pirotta.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $381.21 to Anthony Pirotta of Two Hundred Thirty-nine McClean Avenue, Staten Island, New York, in full settlement of his claims against the United States based upon an accident on April 9, 1960, when an Army staff car collided with his private automobile on Staten Island, New York. This claim is not cognizable under the Federal Tort Claims Act: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY MASSARI

The Clerk called the bill (H.R. 6999) for the relief of Henry Massari.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,784.98 to Henry Massari, of One Hundred Ninety-one McClean Avenue, Staten Island, New York, in full settlement of his claims against the United States based upon an accident on April 9, 1960, when an Army staff car collided with his private automobile on Staten Island, New York. This claim is not cognizable under the Federal Tort Claims Act: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD J. MAURUS

The Clerk called the bill (H.R. 8125) for the relief of Edward J. Maurus.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward J. Maurus, former disbursing officer of the United States Navy, the amount of $170.72. This amount represents money paid from his personal funds to liquidate deficiencies incurred in his accounts, which deficiencies did not result from bad faith or lack of due care on his part.

SEC. 2. The relief herein authorized shall not bar recovery from the payees or beneficiaries of the amounts improperly received by them.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

C. W. JONES

The Clerk called the bill (H.R. 6649) for the relief of C. W. Jones.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

ISEI SAKIOKA

The Clerk called the bill (H.R. 1569) for the relief of Isei Sakioka.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. That concludes the call of the Private Calendar.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

CALL OF THE HOUSE

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 134]

Battin	Ikard, Tex.	Pilcher
Blatnik	Jones, Mo.	Powell
Buckley	Kilburn	Rabaut
Cook	Lesinski	Rains
Cramer	MacGregor	Rivers, S.C.
Davis, Tenn.	Madden	Roberts
Dooley	Mason	Rostenkowski
Evins	Milliken	Stafford
Fisher	Moorehead, Ohio	Vinson
Frelinghuysen	Moulder	Weaver
Hall	Nygaard	Wharton
Harrison, Va.	O'Brien, N.Y.	Winstead
Hoeven	Young	

The SPEAKER pro tempore. On this rollcall 397 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ATOMIC ENERGY COMMISSION APPROPRIATION BILL

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 404, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution the bill (H.R. 7576) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes, with the Senate amendment thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendment be, and the same is, disagreed to and a conference is requested with the Senate upon the disagreeing votes of the two Houses.

Mr. BOLLING. Mr. Speaker, I yield myself such time as I may require, after which I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, this resolution is self-explanatory. It provides for sending to conference the atomic energy bill. The rule itself is not controversial. The controversy comes a little later.

It might be worthwhile for me to describe the situation as I understand it. Immediately upon the adoption of the rule a preferential motion is in order. I understand such a preferential motion will be made by the gentleman from Pennsylvania [Mr. VAN ZANDT], and that is where the controversy will be. There will be 1 hour of debate, as I understand, to be equally divided between the gentleman from Pennsylvania [Mr. VAN ZANDT], and the gentleman from California [Mr. HOLIFIELD]. The issue then before the House will be debated during that hour, and therefore I reserve the balance of my time.

Mr. BROWN. Mr. Speaker, as the gentleman from Missouri has explained, adoption of House Resolution 404 would send to conference the bill H.R. 7576. There will be, as I understand, a motion made to instruct the conferees after this resolution is adopted.

However, I do not think we can brush off this situation easily, but, instead, we ought to look behind this resolution and see just what is actually involved here. And, I hope that I may be correct in my explanation of the parliamentary situation which confronts us.

You will remember that H.R. 7576, a bill to authorize appropriations for the Atomic Energy Commission, was before the House some 2 or more weeks ago. At that time, after some rather lengthy debate, an amendment was offered to strike out an item in the authorization bill, that is, H.R. 7576, which would have provided, as I recall, $95 million for the conversion and use of an atomic energy project at Hanford, Wash., for the purpose of producing electric energy to go into the Bonneville Dam grid, for distribution as a part of that great public power project out in the Pacific Northwest.

This amendment was adopted, striking out that item by a rather heavy majority on a teller vote, and quite amazingly the sponsors of the bill, and those who had, of course, defended the measure against the attempt to strike out this particular item for the Hanford project carried in the bill, did not ask for a rollcall vote on the amendment when the bill was brought before the House.

But instead they permitted it to go to the Senate with that particular item stricken out—the $95 million Hanford project item.

Then the other body in its great and innate wisdom saw fit to restore the $95 million item and return the bill to the House without requesting a conference. The gentleman from California [Mr. HOLIFIELD], the sponsor of the bill and also the defender of the Hanford item which had been deleted—the $95 million item—rose here in the House and asked that the Senate amendment be rejected and instead that the bill be sent to conference.

Actually, under a rather peculiar parliamentary procedure that is difficult for most of us to understand there has arisen in recent years the situation whereby the other body does not ask for a conference, but gets the House to ask for it, and then later they agree to a conference on the other side. That gives the other body the first opportunity to pass upon the conference report. The other body can consider the amendments or changes which may be made by the conferees and then the conference report comes back to the House. Then, as I understand it, when it does comes back to the House, the House is compelled to vote on the entire conference report, up or down, one way or the other, and is not given the opportunity to vote on the separate item which has been in controversy between the House and the Senate.

Following this request by the gentleman from California [Mr. HOLIFIELD], to send the bill to conference, knowing of this situation which exists here whereby the House would be blocked from any consideration of the details of the conference report, but would be required to vote upon the conference report as a whole one way or the other, up or down, the gentleman from Indiana, the minority leader [Mr. HALLECK], objected to the bill being sent to conference, so it came to the Rules Committee for consideration. Thereafter there was a conference with the Parliamentarian of the House who was called in before the Rules Committee and it was agreed that if this resolution reported from the Rules Committee to send this bill to conference and it is adopted, as it undoubtedly will be and as I favor it shall be, then someone can make a motion. I understand the gentleman from Pennsylvania [Mr. VAN ZANDT] will make a privileged motion, which will be in order, to instruct the conferees. That motion will be made immediately after the rule is adopted and before the conferees are appointed.

Under this privileged motion it is my understanding, from the Parliamentarian, that the motion to instruct the conferees will be given 1 hour, which will be divided equally between the proponents and the opponents of this particular amendment, to discuss the real subject of controversy, and the real reason for endeavoring to instruct the conferees—the Hanford project amendment.

Mr. Speaker, let me go a little further, if I may. It is my understanding, of course, that we cannot absolutely, or actually, except perhaps morally, bind any conferees by voting instructions. But it does put the House in the position to once more express its will as far as this particular amendment—this Hanford project item of $95 million—may be involved.

Before the Rules Committee the gentleman from California [Mr. HOLIFIELD] who is the chairman of the Joint Committee on Atomic Energy, when I asked him the direct question as to whether or not he would endeavor to uphold the position of the House when he went to conference on this bill and support the amendment adopted by the House to strike out the Hanford project item, frankly stated he had a conflict of responsibility, as I understood him. He stated he had some responsibility to support the position of the House, but he also had a responsibility to the other body inasmuch, as he was chairman of the Joint Committee, or at least to support the position of the full committee of which he is chairman. Is that correct?

Mr. HOLIFIELD. I think the gentleman is slightly in error. I said that in my position as chairman of the Joint Committee I of course had other responsibilities. I said that I owed a responsibility to my committee to consider my committee which, by a large majority, did report out favorably this item; but not to the Senate.

Mr. BROWN. The gentleman said the Senate had an equal voice on his committee——

Mr. HOLIFIELD. The Senate does have an equal voice on the committee——

Mr. BROWN. And that he had some responsibility there. That brings me right back to my point. May I ask the gentleman while he is on his feet, the same question I asked him in the Rules Committee: Will the gentleman support the position of the House if this bill goes to conference?

Mr. HOLIFIELD. The motion to instruct conferees allows a latitude of judgment between the conferees to settle differences between the two Houses. I do not know what the Members of the other body will do nor do I know what the Members of my own body will do.

Mr. BROWN. That is the answer I wanted the gentleman to give.

Mr. HOLIFIELD. Would the gentleman just offer a motion not to have any conferees?

Mr. BROWN. There was an objection on the floor to sending it to conference, and our Rules Committee decided to send it to conference, but with the right of making a privileged motion to instruct the conferees. As I have stated, it is my understanding, and the understanding of the House, I am sure, that the conferees are not actually bound by any such instructions although, in my opinion, when such instructions are voted by the House

the conferees certainly have some responsibility to attempt to maintain the position of the House.

Mr. HOLIFIELD. I certainly agree with the gentleman that there is that responsibility on the part of the conferees to take due cognizance of the action of the House and all other actions pertaining to the legislation.

Mr. BROWN. I think this discussion has clarified the atmosphere a little bit as to where everyone stands on this matter. So if this motion to instruct the conferees is adopted, and then the conference report comes back to the House in an unsatisfactory form because of this peculiar arrangement and parliamentary procedure, which gives to the other body the first opportunity to pass on it, so the House will be able to vote only on the question of either accepting or rejecting the conference report, and will force Members who are opposed to this particular item, if contained in the conference report, to vote down the entire conference report, and request new conferees be appointed in an attempt to maintain the position of the House.

I understand as soon as this rule is adopted the gentleman from Pennsylvania [Mr. VAN ZANDT] will make this privileged motion, and will control 1 hour of debate, which he has agreed to divide equally with the gentleman from California [Mr. HOLIFIELD], the sponsor of this legislation and a supporter of this amendment. Then a vote will come as to whether or not the instructions should be given the conferees to oppose the reinsertion of the Hanford project item into the bill.

Mr. Speaker, I yield 5 minutes to the gentleman from Kansas, a member of the Committee on Rules [Mr. AVERY].

Mr. AVERY. Mr. Speaker, I think the parliamentary situation has been adequately and entirely explained by both the gentleman from Missouri [Mr. BOLLING] and the gentleman from Ohio [Mr. BROWN]. I would only admonish you further to give particular consideration to what the gentleman from Ohio [Mr. BROWN] last said to you.

Whether it is the way it ought to be or not, we cannot escape the fact that the prevailing issue this afternoon revolves around whether we are going to interject the Federal Government into the further generation of public power. You can describe this argument under any other phrase or cliche you might prefer, but the basic issue this afternoon is just as clear as that: Is the Federal Government to be permitted to enter further the field of public power in this particular instance, through the field of atomic energy?

During my 4 years of service on the Committee on Interstate and Foreign Commerce, on several occasions the Federal Power Commission appeared before our committee to make various reports. One of the responsibilities of the Federal Power Commission is to survey the various power needs throughout the country and to balance them, if you please, with the amount of available power to satisfy these respective and identifiable needs, or the amount of power that has been committed to be generated over the immediate future. Now by a strange coincidence, every time the Federal Power Commission made a report, there were primarily only two deficit power areas in the United States—one down in the Tennessee Valley where we have public power and the other in the great Northwest where we may not have entirely a public power generation operation, but public power is dominant. So it seems to me very clear, Members of the House, that we can come to only one conclusion: wherever the manufacture and generation of power is left to private industry, private industry assumes that responsibility and provides for a sufficient amount of generation of power at nonpublic expenses to meet the needs of the area they serve and at a price that has received the approval and sanction of the regulatory body that has jurisdiction of that particular area. Those of you who have been Members of the House for two or more terms, I think if you will reflect just a minute, you will agree that the only time we have had discussions on this floor about a shortage of power has been in respect to one of these two areas. You will recall the continuing fight over Hell's Canyon in the great Northwest. You will recall for several years, we had controversy on the floor regarding the TVA. We were assured that if we gave them the authority to issue revenue bonds for expansion that that would be the end of Federal financial responsibility in the Tennessee Valley area. But, I think you will find that next week or the week after, when the public works appropriation bill is before the House, the Tennessee Valley is again coming back to the Federal Government asking for $32 million more. What for—I do not know. I had assumed that they could meet all these requirements, that is, all these financial requirements out of the authorization that we gave them for revenue bonds.

But, they continue to be a burden upon the taxpayers of the United States. Granted that they do repay a certain amount of money from time to time, but it seems that every time a dollar is repaid, there is a requirement for $2 extra of credit. So I think on balance, the decision that we have to make here this afternoon, those of us representing areas that are not within the preferential areas or that are not the beneficiaries of subsidized electric power, what we have to decide here is whether we are going to initially authorize and permit the Federal Government and the Federal Treasury to be responsible for the extension of subsidized public power or whether we are going to contain it to those areas that have already been established.

Mr. Speaker, I urge, of course, the adoption of this resolution. On that there is no controversy. Obviously we must authorize funds for the Atomic Energy Commission. I would further urge you to vote for the motion that is going to be offered by the gentleman from Pennsylvania [Mr. VAN ZANDT] to instruct the House conferees that their first responsibility is to remain by the position already taken by this House and to insist upon that, if you please, when they go to conference.

The SPEAKER pro tempore (Mr. ALBERT). The time of the gentleman has expired.

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. SEELY-BROWN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

AVOID BOONDOGGLING AT HANFORD

Mr. SEELY-BROWN. I am voting for the rule to take H.R. 7576 from the table and request a conference with the Senate, and I am counting upon the House conferees to uphold my position and that of a majority of those voting, who excluded from the Atomic Energy Commission appropriation bill the $95 million boondoggle which the other body since has added.

This appropriation is an addition to the AEC bill, and would add steam-power generating facilities to the Hanford, Wash., plutonium plant, to produce electric energy that is unneeded in the Northwest, and the production of which would add not an iota to nuclear technology.

The vigorous way in which the sponsors of the legislation for electric power production at Hanford have hopped onto this proposition, one would think that electric energy could be stockpiled. Of course it cannot.

A supposed justification of the $95 million expenditure is to convert the plutonium plant for electric power production so that the vast quantities of steam generated in the plutonium process at Hanford will not be wasted.

Unfortunately, in these days of bigger and bigger government, there are not many opportunities for us in Congress to save money for the taxpayers. There is one right here, however, and I intend to take advantage of that opportunity to the best of my ability, and I hope that the House conferees will do the same.

So that the importance of this bit of economy can be measured, I have been advised that to raise $95 million in Federal tax revenues, the income taxes of approximately 430,826 taxpayers would be required.

Now, the population of my district in the 1960 census was 411,919, which means that the taxes of more people than there are in all of eastern Connecticut would be required just to provide this unnecessary and wasteful bit of equipment at the Hanford atomic energy plant.

As a plutonium plant, Hanford yields only low-pressure actuated steam, something like the steam that the coal-fired boiler on the old-fashioned locomotive used to produce, to run the train. In the modern high-speed turbine, it would be about as useful as putting bunker C fuel oil in the crankcase of the latest model Cadillac.

The electric power generating at Hanford would contribute nothing to nuclear technology. It would produce power

that is not needed and that, at present, could not be used. And the converting of the Hanford plutonium plant so that it can generate electric power as a by-product would consume $95 million of the taxpayers' dollars, which could be wisely and prudently used in many other needs of government.

The House, after full consideration before and in the course of extensive debate, voted not to add the $95 million appropriation for the Hanford powerplant to the bill.

The other body voted to put it in.

I hope that the House will stand by its convictions and uphold its previous position.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. For what purpose does the gentleman from Pennsylvania [Mr. VAN ZANDT] rise?

Mr. VAN ZANDT. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. VAN ZANDT moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill H.R. 7576 be instructed not to agree to project 62-a-6, electric energy generating facilities for the new production reactor, Hanford, Wash., $95 million as contained in the Senate amendment.

Mr. VAN ZANDT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. VAN ZANDT. It is my understanding that following this motion we have an hour of debate. Is that correct?

The SPEAKER pro tempore. The gentleman is correct.

Mr. VAN ZANDT. Under these circumstances, Mr. Speaker, I yield to my colleague the gentleman from California [Mr. HOLIFIELD] 30 minutes and yield myself 13 minutes.

The SPEAKER pro tempore. The gentleman from Pennsylvania is recognized.

Mr. VAN ZANDT. Mr. Speaker, for the further information of the House, I would like to read again the motion now before us.

Mr. VAN ZANDT moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill, H.R. 7576 be instructed not to agree to project 62-A-6, electric energy generating facilities for the new production reactor, Hanford, Wash., $95 million as contained in the Senate amendment.

In plain words my motion if adopted, will instruct the conferees not to agree in conference to project 62-A-6 commonly known as the Hanford steamplant project.

It is recalled that the House on July 13 after several hours of debate and by a teller vote of 176-140 struck from H.R. 7576 the Hanford steamplant project 62-A-6.

Following this action, the House approved H.R. 7576, the AEC authorization bill for fiscal year 1962.

On July 18, the Senate debated and approved S. 2043, the AEC authorization bill for the fiscal year 1962. In so doing the Senate added a new project 62-E-4 which provides for the study, development, and design for nuclear processes which have application for improving and utilizing coal and coal products, $5 million. This project is commonly referred to as the $5 million Morgantown, W. Va., laboratory project for improving and utilizing coal and coal products.

Contained in Senate-approved bill, S. 2043, was the project 62-A-6 authorizing $95 million for the Hanford steam plant. A motion was made to strike this project from the bill. Since the motion lost, S. 2043 was approved by the Senate and retained the Hanford steam plant project.

With the Senate bill S. 2043 containing the $5 million Morgantown, W. Va., project and the $95 million Hanford steamplant, these two items which are lacking in the House version of the legislation represent the difference between the Senate and House bills making a conference between the two bodies necessary.

Those of us on the Joint Committee on Atomic Energy in opposition to the Hanford steamplant recognized the fact that the proponents of the Hanford steamplant project would dominate the conference committee. For that reason, the Senate could be expected to have the first opportunity to consider the conference report after which it would be returned to the House of Representatives for consideration.

In sending the conference report to the House after Senate approval, the House would be limited in its action by either accepting or rejecting the Senate-approved conference report in one package form.

Contained in this package would be the $5 million Morgantown, W. Va., laboratory project for the improving and utilizing of coal and coal products. In addition, the one package would also include the Hanford steamplant project. Therefore, opponents of the Hanford project who wish to support the $5 million Morgantown, W. Va., laboratory project would have no choice but to vote for both projects. This situation is typical of Senate strategy in forcing the House to bow to its will.

Confronted with this situation and desiring to protect the interests of those who rejected the Hanford steamplant project, the minority leader Mr. HALLECK, was asked to object to the House approved bill being sent to conference. By such action the bill could then be sent to the Committee on Rules for the granting of a rule.

The Rules Committee several days ago approved a resolution referring the bill to conference and at the same time afforded me as ranking minority member of the Joint Committee on Atomic Energy the right to offer a motion before the Speaker appoints the conferees, instructing the managers on the part of the House not to agree to the $95 million Hanford steamplant project 62-A-6. Therefore, the motion is now before us for consideration.

Your attention is called to the fact that my motion concerns only the $95 million Hanford steamplant and does not concern in any manner the $5 million Morgantown, W. Va., laboratory project. This means when you vote on the motion you are voting solely for or against the $95 million Hanford steamplant project.

Mr. Speaker, this subject was debated by the House on July 13 for several hours. At that time, we who opposed the project listed 10 compelling reasons why Congress should not authorize the conversion of the Hanford reactor to generation of electric energy.

In our opinion, the proponents have failed to provide conclusive arguments against the following 10 critical points which I wish to emphasize.

First. It would not advance nuclear power technology.

Second. It would be contrary to the spirit, intent, and specific language of section 44 of the Atomic Energy Act of 1954.

Third. It would violate assurances given to Congress in 1958 when the new production reactor at Hanford was authorized.

Fourth. It would not, as the proponents assert, aid national defense.

Fifth. It is not needed to meet the power requirements of the Pacific Northwest.

Sixth. It would be used to attract industry from other regions.

Seventh. It would be used also to justify the construction of transmission lines leading to a gigantic Federal electric power grid.

Eighth. It would not produce power economically.

Ninth. It would not enhance international prestige.

Tenth. It would constitute a precedent for the further encroachment of Government in private business.

Mr. Speaker, the question has been raised as to what the effect would be should the House stand firm on its decision to delete the Hanford project from the AEC authorization bill and the Senate continue its position. "Cannon's Precedents of the House of Representatives" seems to give an answer to this question:

Statement with reference to an unwritten rule of conference that the House proposing an amendment on which agreement cannot be secured must recede or accept responsibility for failure of the bill (Cannon's Precedents, vol. 8, p. 709, sec. 3209).

Mr. Speaker, unfortunately there has been injected into the debate on the $95 million Hanford steamplant many threats against industry for the purpose of applying pressure on the Members of the House who are opposed to the Hanford steamplant.

These scare tactics go so far as to threaten the skeletonization of the AEC authorization bill for fiscal year 1962 by wholesale elimination of many atomic energy development projects involving scores of the Nation's leading manufacturers.

In addition, we hear of the threat of an investigation by Congress of the so-called private power and coal lobby. Yet nothing is being said about the lobbying tactics by the proponents of the Hanford steamplant including the champions for the construction of Federal transmission lines leading to the construction of a giant national electric power grid.

These dire threats, Mr. Speaker, reveal the anxiety and frenzy of the proponents of the $95 million Hanford steamplant in trying to deny the membership of the House its right to oppose this project.

Mr. Speaker, a vote for my motion to instruct the conferees to stand firm can be interpreted as a positive vote for deleting the unnecessary and wasteful expenditure of this $95 million Hanford steamplant project from the AEC authorization bill.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman has referred to my action in objecting to this matter going to conference when the attempt was made to send the bill to conference. At that time I said I am sure those who have served with me know I have always tried to be cooperative in expediting the work of the House of Representatives; but, as the gentleman knows, and as I said then, first of all the House of Representatives, by a decisive vote that would have been more overwhelming if we had called the roll, decided the Hanford project should not be in this bill.

I suggested to the gentleman from California, who is my friend as I am his friend, if he would undertake to bring the papers back to the House first for action, which would give us the opportunity to offer a motion to recommit, striking out this item if the conferees put it in, I certainly would not object. He indicated at the time, as I remember it, that he could not make such a commitment.

I did say to others if we could be assured, if the item went back in the conference report, that the conferees would bring that item back in disagreement so that we could have a vote on it, in view of the decisive vote that was had, under those circumstances I would not object.

I want to say further I feel very strongly this item should not be in the bill for many, many reasons. Certainly it is not a partisan matter, and by what I say I do not want to be understood as injecting partisanship into this. It is no secret that through the years since we have had the Atomic Energy Commission there have been those who wanted the Commission to get over into the business of producing power, but time and time again the Congress has voted that that shall not be the purpose of the Commission, that certainly research and assistance in development we wanted to provide for. But, as I say, never was there any indication by the Congress of the United States that the Atomic Energy Commission should go into the business of producing and distributing power.

I might add one further word. It was not so long ago that we had here a bill to aid distressed areas. I think most of us were for some legislation in that direction. Some of us did not support the bill that came up here for consideration, but we were for that kind of legislation in principle. The thing that is sought to be done here, developed in too many places across the land, could defeat the clear objective of the depressed areas legislation by providing an arrangement by which business and industry could be lured from one area to another.

Mr. VAN ZANDT. The gentleman from Indiana has stated the facts. I thank the gentleman for his comments.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from West Virginia.

Mr. STAGGERS. I rise in order to clear one point. I have read the RECORD of July 18 very carefully and I cannot find any assurance in the RECORD that the research work will be done at Morgantown, W. Va. However, I heard the gentleman refer to it many times.

Mr. VAN ZANDT. It is in the Senate debate of July 18.

Mr. STAGGERS. It came out in our local papers that it was going to be in Morgantown, W. Va. I hope this is true, and that the full $5 million will be spent in this area.

Mr. VAN ZANDT. If the gentleman will consult with me, I will discuss this matter with him.

Mr. STAGGERS. And your motion has nothing to do with the proposed research on coal.

Mr. VAN ZANDT. It does not.

Mr. STAGGERS. I am very much in favor of coal research, but this is an entirely different subject we are voting on.

Mr. VAN ZANDT. An entirely different subject.

Mr. STAGGERS. I thank the gentleman.

Mr. HOLIFIELD. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, this motion is a most unusual one, because the action of sending the bill to conference is a procedural one. At no time during the last 8 years under former President Eisenhower have the Democrats made such a motion in the first instance on sending a bill to conference. The Republican leadership is establishing a very dangerous precedent in this motion that is being made today. The purpose of a conference is to settle the differences between the two branches. That cannot be done unless the conferees have freedom to make adjustments. The adoption of this motion is a message to the Senate that an open conference will not exist. This is most unusual and unwise and, in addition to closing the door to an open conference, it is an attack upon comity between the two branches.

One of the most powerful lobbies ever conducted has been in operation against the Hanford project. The private utilities have waged an aggressive lobby. As my friend, the gentleman from Indiana [Mr. HALLECK], said, certainly it is not a partisan matter. Well, I think when the rollcall is taken the people of the country, particularly those in the West, in that great area that this project will be located in, will be able to tell whether it is a partisan matter when they break down the rollcall vote, when they find that the great majority, the big majority, of the Democrats voted for the project and practically all of the Republicans as I expect, will vote against it.

Furthermore, reference has been made to the fact that the Atomic Energy Commission will operate this project and sell the electricity that is produced. Of course, the fact is the Atomic Energy Commission will not do that. The Atomic Energy Commission will transfer it, as I understand, to the Bonneville Power Administration. At the present time, so far as electricity is concerned, under the control of the Bonneville Power Administration, 53 percent of it is sold to private utilities and to private industry. Therefore, the approximate 800,000 kilowatts capacity that will flow from this project will be transferred to the Bonneville Power Administration and at least 53 percent of it, in turn, will be sold to private utilities and also private industry.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I should be glad to yield to the gentleman.

Mr. HOLIFIELD. The power will in effect be transferred to Bonneville?

Mr. McCORMACK. That is correct.

Mr. HOLIFIELD. And the 800,000 kilowatt capacity would run into billions of kilowatt-hours over the year.

Mr. McCORMACK. The project will be the world's largest nuclear plant. It will generate between 800,000 and 900,000 kilowatts of capacity and be about twice the size of the giant Grand Coulee Dam. Yet public funds in large amounts have been and will be allocated as assistance to private atomic energy plants. Unless this project is authorized, this great source, approximately between 800,000 and 900,000 kilowatts capacity will continue to go to waste. The very companies that are the beneficiaries, the recipients of atomic energy assistance tax dollars are the opponents of this great project which is of great national value and of particular importance and value to the people of the wide area of our country that it will serve.

This is another one of these fights that have taken place throughout the past 25 or 30 years. This is not a case of public power. That is not what is involved. It is a case of the public doing something that private interests cannot do and then selling the great majority of the product to private interests, directly to private utilities and also to private companies. This is a project which should be enacted into law after this vote and if it is adverse to this project, the people will be able to determine whether or not it was partisan by a breakdown of the rollcall vote.

Mr. VAN ZANDT. Mr. Speaker, inasmuch as we have consumed 12 minutes on this side, I would hope the other side might balance up the allocation of time.

Mr. HOLIFIELD. The gentleman does not yield at this time. They are alternating speakers, as I understand.

The SPEAKER pro tempore. The gentleman from California has 25 minutes remaining and the gentleman from Pennsylvania has 18 minutes remaining.

Mr. HOLIFIELD. The gentleman is aware of that.

Mr. VAN ZANDT. Under those circumstances, Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Speaker, there are many cogent reasons why the House should instruct its conferees not to agree to the Senate amendment.

When the Atomic Energy Commission was established and when the Joint Committee on Atomic Energy of the House and Senate was formed, it was for the primary purpose of advancing the nuclear art and its technology. This Hanford reactor does not do that. That is the primary purpose of the Atomic Energy Commission, but there is no authority who would contend that this in any way will advance nuclear technology, so it does not meet the first and the most important test.

Secondly, we are now entering the power business if this Hanford electrical plant is authorized. If you will refer to yesterday's CONGRESSIONAL RECORD you will see on page 14937 extensive remarks which I made on the question of public power from nuclear reactors. It has been clearly debated down through the years that only when power would be incidental would we engage in nuclear power which would go to the consumers. So this is a radical departure from everything we have ever done and, as a matter of fact, contrary to the intent of the law and contrary to the expressed opinion of the Committee on Atomic Energy.

Also, this will not enhance the international prestige of the United States. I think all of us can well understand that, especially as we compare this reactor with the Russian Astronaut Titov who made his flight only a few days ago.

It is also contended here that there is a power shortage in the Pacific Northwest. Of course, the facts do not substantiate that. Our hearings are replete with statements by expert witnesses who say that only in the years 1965 and 1966 might there be a shortage if water conditions during that period are the worst they have been in 60 years. If that terrible situation should come to pass, the shortage would amount to only 117,000 kilowatts, but in this proposal here there will be over 800,000 kilowatts, some 700,000 kilowatts more than would be needed if the worst conditions prevailed.

About the economic justification for this project, if you read the hearings and try to understand the economic feasibility you will not be able to do it. However, they do come to the conclusion of economic feasibility by eliminating many of the costs. That is the situation. They are willing to include the $95 million in the cost of power but they will not include the $25 million for the convertibility feature which has only to do with power, nor will they include some $30 million-odd which is in excess of the cost that would have to be incurred merely for the production of plutonium. So here we have a total cost of $155 million solely for power, and of that figure only $95 million will be taken into consideration in estimating the economic justification.

Early this morning when you went to your office you saw a letter on your desk, a message to Garcia, Custer's last stand, the ride of Paul Revere, dated yesterday, from the Atomic Energy Commission. That letter states:

> The General Electric Co. made available to our Hanford staff revised technical assumptions concerning possible performance.

Then they go on to say that there might be under their assumptions economic justification.

I have seen no report. All I have is this one letter. This last-ditch effort is an admission of weakness.

I urge you to support the motion offered by the gentleman from Pennsylvania to instruct the conferees to stand firm on the House position.

Mr. HOLIFIELD. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Speaker, as we have pointed out today, the principal issue in this debate is a matter of House procedure and principle as to whether we should instruct our conferees in advance. I believe it would serve no useful purpose to rehash the debate on this bill, but I do believe it may be helpful to indicate some changes that have taken place since the last House debate.

First, I would like to comment on the statement of the gentleman who just preceded me. He said that the use of the Hanford reactor for the production of electrical energy is contradictory to what we believe the concept of the Atomic Energy Act is. He pointed out that the act provides within the authority of the Commission to use this excess steam for electrical energy, if it is incidental to the operation of the reactor. The gentleman from Massachusetts made the point that in the Hanford case it is not incidental to the operation of the reactor. But, I cannot agree with him on that point because that is purely the case. The steam is incidental and electrical energy production from this steam would be incidental to the operation of the reactor.

Mr. BATES. Mr. Speaker, will the gentleman yield?

Mr. PRICE. Yes, I am glad to yield to my colleague.

Mr. BATES. The point I was making is that when we have to spend $155 million to put this heat to use, it is not incidental.

Mr. PRICE. I would say to the gentleman that the production of the steam is already there. You can either use that steam or waste it. I would say, it would be incidental and beneficial to the economy of the country, if this steam were put to use. I would say it would be an economy, if this excess steam were not wasted. Support of the motion of the gentleman from Pennsylvania would be failing to take advantage of the chance to make economic use of steam produced by the reactor.

Mr. BATES. Mr. Speaker, will the gentleman yield further?

Mr. PRICE. I yield further to the gentleman.

Mr. BATES. A year ago we had the identical issue before us when we had the question of excess heat from the Shippingport reactor, and at that time this committee and this Congress decided to build a dump sink to dispose of the steam rather than construct an additional electrical plant to utilize the heat by generating electricity.

Mr. PRICE. It was not an identical issue. I will say to the gentleman that the Shippingport reactor, which is in the home State of the gentleman from Pennsylvania and which is a completely, or almost completely, Government subsidized project producing electrical power in the heart of the coalfields of the country, is already in operation and is producing electrical energy and is not analogous to the present situation. The opponents of the Hanford project today did not oppose Shippingport. I would like to complete my statement.

Mr. BATES. But that was excess heat.

Mr. PRICE. Today we are talking about steam. I am sorry, I only have 5 minutes and I cannot yield further, but I would say Shippingport is in operation so the situation the gentleman mentions is not the same as the one at Hanford.

I would also like to answer another point that the gentleman from Massachusetts makes when he said that there were no new technological gains to be made as a result of this. We have had adequate testimony before the committee and, incidentally, every member of the Atomic Energy Commission and the former Chairman of the Atomic Energy Commission, Mr. John A. McCone, is a strong advocate of this because he believes, as most people believe who are completely familiar with this program, that it is wasteful and extravagant to waste this steam that will be produced regardless of what we do here today.

Mr. BATES. Will the gentleman yield on that point since he mentioned my name?

Mr. PRICE. I am sorry I cannot yield further to my colleague, I do not have the time because I want to answer the points made by the gentleman.

I want to point out some of the new technology that the Commission says will be gained from this project:

First. Valuable experience would be gained in the manufacture and operation of very large turbines employing low-pressure saturated steam.

Second. The project will provide important experience in operating large, nuclear powerplants in conjunction with existing large power systems.

The gentleman knows that we are in a power development program, and we are spending millions of dollars each year to assist private industry in the power development program, and this is of value to them in their program.

The third point I want to bring out is as follows:

Third. The generation of over 800,000 kilowatts from a single reactor would

provide confidence for the expansion of nuclear power technology using larger and more economical reactor types.

Fourth. These facilities will provide training in the operation of a large nuclear power generating plant. The extensive training of both public and private utility company employees will mutually facilitate the integration of nuclear power into existing utilities.

These are statements by the Atomic Energy Commission to show the value of the new technology and the new things you will learn from the operation of the plant.

Since the House considered this project several changes have taken place, which I would like to discuss.

First. The Senate, on a rollcall vote of 54 to 36, amended the AEC authorization bill to include the Hanford electric generating facilities. This was a higher percentage than the House teller vote of 176 to 140 against the project; 33⅓ versus 20 percent.

Second. A new review of the technical and economic aspects of the project by AEC shows that the economic feasibility of the project is almost twice as great as originally estimated. In a letter dated August 7, 1961, AEC Chairman Seaborg stated that the steam pressures for the turbines have been increased from 235 pounds per square inch absolute to 370. Power output would be increased from 786,000 kilowatts to 860,000 kilowatts in the power only phase.

Third. The construction of the world's largest atomic power project would not only increase U.S. world prestige at a time we sorely need a lift, it would also place the United States on a par with Soviet dual-purpose capacity in 1965. We must remember that all the atomic reactors the Soviets are building will be dual purpose—for plutonium and electric power. At the recent Mexico International Meeting on Power, Soviet experts have been reported to have stated that Russia will have a total of 1 million kilowatts of power from several dual-purpose plants.

Fourth. A recent AEC letter of August 7 indicates that the AEC and Interior Department have developed a very careful and comprehensive program for research on nuclear processes in the utilization of coal. This should refute arguments made by the minority against this research.

Mr. Speaker, I do not believe I need to rebut in detail the arguments made by the minority against this project.

I would like to emphasize that this project is a sort of innocent bystander in an effort of the private power companies to block atomic developments.

This project would have no effect on the coal industry. The Northwest does not use coal as a fuel for power.

It would not lure industry from the East.

It would not put AEC in the power business. This power would be incidental to the production of plutonium for weapons purposes.

This project would not be a precedent for other atomic projects. It is extremely unlikely that another plutonium reactor will be constructed.

In conclusion, Mr. Speaker, I believe my colleagues should think carefully—not only as to the undesirability of this resolution—as a matter of House procedure.

There is also the problem that on the merits you would be casting doubt on our ability to work out a compromise which would be acceptable to all concerned.

Finally, we should be careful not to reject a project which would be the world's greatest atomic powerplant at a time when we are sorely in need of national prestige.

We would be rejecting it—not on its merits—but because of blind pressure from private interests.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. VAN ZANDT. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Speaker, much has been said about the merits of this legislation, the necessity and the value of building the Hanford steamplant at a cost of $95 million, eventually costing $155 million; that is the use of the low-pressure saturated steam that will be produced residually from the plutonium plant now being built.

A statement was made by the majority leader, and I regret very much that he injected politics into this argument. I hope he is on the floor now, because he said that the vote on this issue would be determined as a matter of partisanship, by the vote that will be taken on this motion, and that the majority of Democrats will vote against it and the majority of Republicans for it, that that would determine the issue of partisanship. I would challenge the majority leader at this time to prove my partisanship on this particular issue, because I have voted for years against public power and I shall continue to do so as being uneconomical and against the best interests of the people of the country. So the plain issue of partisanship and politics has been injected, and I say it is unfortunate, because I believe there is merit in this issue on behalf of those who oppose the Hanford steamplant.

It was said a couple of weeks ago in debate on the floor of this House that it was a matter of national defense. Yes, the plant that is being built to produce plutonium is a matter in the interest of national defense, but certainly no one can inject national defense into the issue of building a $95 million steamplant to generate electricity, and then the added cost of transmission lines that go with it. No one by the widest stretch of the imagination can argue that that is in the interest of national defense.

Mr. HOLIFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. MORRIS].

Mr. MORRIS. Mr. Speaker, first I would like to show the Members of this body a picture of the steam facilities that have to be built regardless of whether we generate 1 kilowatt of electricity and this is only 1 of 10 which will be needed for the new production reactor.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from California.

Mr. HOLIFIELD. I hope the gentleman will show the House that picture again. This is a tremendous tank where the steam that is to be used in connection with the cooling of this reactor has to be contained. The tank is some 50 or 60 feet long and 15 feet in diameter. You can use this steam in one of two ways, either to produce electricity or to dump it in some fashion.

This is a picture from the magazine Business Week.

Mr. MORRIS. And I think the Members will realize that Business Week is a reliable magazine that would not publish this if it could not be depended upon.

The construction of the world's largest atomic power project would not only increase U.S. world prestige at a time when we sorely need a lift, it would also place the United States on a par with Soviet dual-purpose capacity in 1965. We must remember that all the atomic reactors the Soviets are building will be dual purpose—for plutonium and electric power. At the recent Mexico International Meeting on Power, Soviet experts have been reported to have stated that Russia will have a total of 1 million kilowatts of power from several dual-purpose plants.

There also seems to have arisen here the issue of public versus private power. It is my understanding, and the chairman of the committee will correct me if I misstate the situation, that this energy will be marketed by the Bonneville Power Administration and sold to private utilities in this area. As I understand it, there are either five or seven private utilities that may be concerned. They will be able to use this power and sell it to their customers.

Mr. HOLIFIELD. That is correct. The nonpreference power of the present Bonneville system amounts to about 53 percent at this time. It is being sold to private utilities and private industries.

Mr. VAN ZANDT. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. BRUCE].

Mr. BRUCE. Mr. Speaker, I find it most fascinating that the claims and the accomplishments of the Soviet Union are being used here. If we are going to accept this, we will have to accept also their original claim that they were the ones who first discovered electricity. According to the Communists, they also claim to be the inventors of television, radio, and everything else.

Mr. BATES. Mr. Speaker, will the gentleman yield?

Mr. BRUCE. I yield to the gentleman from Massachusetts.

Mr. BATES. A moment ago the gentleman from Illinois challenged a statement I made in respect to the fact this does not advance nuclear technology. He did not permit me to respond to him because of the shortness of time.

On page 258 of the hearings, Senator PASTORE, of Rhode Island, made the statement:

In other words, there is no pretense on the part of anyone this project is going to improve the nuclear technology.

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Mr. HOLIFIELD. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Speaker, I think the gentleman from Massachusetts overlooked one word in that statement. If he will look real close, he will find the word "primarily" in there.

Mr. BATES. I can read. The gentleman can read. The gentleman from Rhode Island said, "There is no pretense on the part of anyone that this project is going to improve the nuclear technology."

It seems to me that is quite clear.

Mr. PRICE. I may say to the gentleman the statement I read on the floor was directly quoted from the testimony of the Chairman of the Atomic Energy Commission. The gentleman can read any interpretation into it he wants, but I quoted exactly the opinion of the Chairman of the Atomic Energy Commission.

Mr. BATES. And I quoted the gentleman from Rhode Island, Senator PASTORE.

Mr. PRICE. The gentleman left out a very important word that the gentleman from Rhode Island used, and that was the word "primarily."

Mr. BATES. I read the entire sentence.

Mr. HOLIFIELD. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I shall not address myself today to the merits of this proposition. That has been adequately covered, in my opinion. I will address myself to the procedure which is contemplated under the motion offered by the gentleman from Pennsylvania, and I want the House to know that not only the two extra items contained in the Senate bill will be the subject of conference but every item in the bill will be the subject of conference if this is sent to conference with instructions.

Of course I rise in opposition to the pending motion.

We are witnessing today a dangerous and unwarranted attack on the normal procedures of the House. As the gentleman from Massachusetts [Mr. MCCORMACK], said, it has been more than a decade since there has been a motion offered to instruct the conferees on the first instance.

We are all aware of the meaning and purpose of the gentleman's motion to instruct. He seeks to bind the hands of the House conferees with respect to the Hanford project, stricken from the bill on a teller vote in the House, but included in the Senate version. Although this project was approved by a bipartisan majority of the Joint Atomic Energy Committee and recommended by every responsible agency of the Government, I do not intend at this time to reargue the merits of the project.

Those who support this motion argue that unless the House conferees are instructed with regard to the disagreement with the other body over the Hanford project, there will be no further opportunity to consider this specific item on its own merits. This claim is not true. If a majority of the House is opposed to any compromise which may be worked out by its managers after free conference with the conferees of the other body, it may vote down the conference report and return it to conference. At that time a motion to instruct would again be in order and is sometimes resorted to, in cases where a second conference has been necessary. Moreover, this is an authorization bill in which all projects authorized will be subject to separate action by the House as part of the public works appropriation bill now awaiting action in the Appropriations Committee pending the final disposition of the Atomic Energy authorization bill. All of these items will be subject to direct action, so do not let the proponents of the motion tell you that this is the last chance to operate on this specific item.

Mr. Speaker, we, who practice the art of legislating, know that reasoned compromise is the single most important ingredient in successful legislative activity. The essence of compromise is seen in the House-Senate conference procedure, time tested down through the history of our Congress and rooted in the traditions dating back hundreds of years in the operation of the British Parliament. The purpose of a conference is to resolve differences between the actions taken by the two bodies. It is through the free, give-and-take exchange of ideas, propositions, and frank discussion of the respective positions of both sides that the resolution of differences takes place and an acceptable compromise finally emerges.

Now, it is clear that if the hands of the conferees of either body are tied in advance by instructions, a free interplay does not take place in the conference committee and a resolution of differences becomes more difficult, if not impossible. I do not think that it is the purpose of the proponents of this motion to delay any longer the final action on this important legislation, which authorizes funds for our entire atomic energy program from weapons material production to research and development in the nuclear field. It is for this reason that I find so contradictory and unwise the action they propose here today.

Of course, the House rules and precedents do make in order the instruction of House conferees, but the propriety of doing so at the first conference is open to serious doubt, and I refer to Hinds' volume V, 6388 footnote. Members should be fully aware of all the implications of such action. The other body, on past occasion, has declined to participate in a conference where House conferees were bound by instructions. In another case in which the other body learned indirectly that the House had instructed its managers, it instructed its own conferees to withdraw if they should find the freedom of the conference impaired, declaring that the conference should be full and free, and I cite Hinds' volume V, 6406.

Now what the other body will do I do not know. I have not conferred with them on this point, but I am telling you what history records.

If a modern precedent is established today by the adoption of the pending motion to instruct, it could open a Pandora's box of parliamentary wrangling and impair the free and uninstructed conference procedure which has stood the test of time so well.

I say to you chairmen of committees, and to you ranking members who are conferees, mark well the vote on this particular point, because it may come back to haunt you some day. You may want to go into conference and have a free conference to resolve differences but you may be by this modern precedent—I will say that it has not happened in the last 11 years in my search of "Hinds' Precedents"—you may be setting an example which may rise to haunt you.

Those of us who have served on conference committees in the past and who will serve on conference committees in the future should carefully weigh the result of this motion.

I have been privileged to serve this body for almost 20 years. I respect its rules and I honor its traditions. I am acutely aware of the great responsibilities entrusted to me as chairman of this committee, and I am aware of the responsibilities which may be entrusted to me in going to conference. I shall certainly consider fairly and seriously all of those obligations.

In my opinion, the motion to instruct conferees would do grave damage to the basic principles involved in the conference procedure which is of such importance to this body and to the other body in the smooth functioning of the legislative process.

Mr. Speaker, I urge the defeat of this unnecessary and unwise motion so that the conferees may be appointed in the usual manner and the regular procedures of the House adhered to. This will assure that the conference can consider this bill in the normal way—unfettered by restricting instructions which could very well result in stalemate and frustration.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman.

Mr. VAN ZANDT. The gentleman mentioned that he has been here nearly 20 years. The gentleman from Pennsylvania has been here for about 20 years. The gentleman knows just as well as I do that on many occasions this House has instructed conferees. This is nothing unusual.

Mr. HOLIFIELD. The gentleman from California knows that the House has instructed conferees on the second and third occasion, but I say, I have looked through the books, and there has been no case of instructions to the first conference since 1950, or before 1950.

Mr. VAN ZANDT. Whether it is the first or the second conference, the fact remains this House has instructed conferees in the past.

Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. HOSMER].

Mr. HOSMER. Mr. Speaker, it is an old debating trick when you cannot win on the logic, when you cannot win on the facts, when you cannot persuade, when you cannot win the issue, you shift over and talk about something else.

Today and for the days previously we have had a literal cloud of oratorical fallout on public power and private power, on conference procedures, on partisanship and on comity between the Houses, and so on. But that is not the issue here. The issue is simply this, whether you can take $95 million, put in some machinery out at Hanford to use a byproduct of the plutonium production plant, the byproduct being heat, generate kilowatts, transmit the kilowatts, sell the kilowatts, and get your $95 million back. That has not been established.

Let us ask ourselves how much $95 million is. In terms of Federal income taxes, it takes just about 430,826 Federal income taxpayers on the average to pony up $95 million. And that figure, 430,826, is also just about the average number of persons in each and every congressional district of these United States.

In other words, if you do not instruct the conferees you are going to go home and justify to each and every one of your taxpaying constituents why you voted every cent of the hard-earned dollars that they paid in income taxes in a year and spent it out at Hanford on this proposal, this proposal which is so shaky that the message to Garcia in the form of a new letter from the Atomic Energy Commission had to come down again about the economic feasibility. And what did that letter offer? Not that good hard dollars that would be brought in by the project, but a comparison to some nonexistent steamplants that will never be built in this area of the country or any place else, and the statement that there would be a hypothetic benefit over these nonexistent projects, in short, asking you to cast $95 million on mythical seas of no return. Over and above that, it will accomplish nothing more than a technical waste to devote the talents and energy of engineers and scientists in this country to the building of an antique plant that will use steam and technology closer to Fulton's steamboat than to modern day developments. It would be a shameful waste of national assets, engineering talent and scientific brains at a time when the Soviets are evidencing a wiser allocation of resources and manpower by sending men in orbit over our heads. Who can justify spending $95 million of our resources, and wasting thousands and thousands of man-hours of our scientists to go back a century and a half in progress? I say that proposal is, indeed, an impossibility for any one of us to justify. It is something that we cannot go home, face our constituents, and explain in this day of great danger to the Nation.

I want to remind the House that I am discussing the merits of this particular issue. I am not trying to throw out a lot of fallout to draw your attention away from it. Somebody claimed there was some defense advantage to the proposal. There are no defense advantages whatsoever to it. We are going to have the plant out there to make plutonium anyway. Let us not tie an electric generator of this magnitude to a plutonium reactor that in case of enemy attack would not only be knocked out, but needed electrical power along with it.

I wish to remind this body that the present President of the United States and this House in 1952 established a precedent that might well be followed, the precedent of going on record against adding thermal powerplants to a hydrosystem, the TVA in that case, and here to the BPA.

If this House does not instruct these conferees as we ask you to do, never will so much have been spent by so few for so little. Truly the tax-paying American people could conclude that the public purse in the hands of the Congress of the United States is just about as safe as a hog in the Chicago stockyards.

Mr. HOLIFIELD. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I take this time to show the House once again one of the tremendous steam chambers or tanks which has now been finished at Chattanooga, Tenn., and is being shipped to Hanford to take the steam that comes from this reactor. We use steam in that reactor to cool the reactor, to cool the rods, and this steam is then contained in this tank. We are not talking about dry heat, we are talking about steam. If this generating facility is authorized, the steam from this tank will go through the generating facility and bring back 800,000, possibly 900,000 kilowatts per hour of electricity, and it will be turned into the Bonneville system by transfer.

We have a letter this morning dated August 7 from the Chairman of the Atomic Energy Commission, Dr. Seaborg, a Nobel Prize winner:

> The resulting present worths and financial benefits, computed in the manner used by the FPC are given in the attached classified tabulation. As may be noted, the improved design shows almost twice the net benefits calculated for the case used by FPC. This improvement is due both to greater efficiency associated with the higher steam pressure described above, and to the somewhat larger size of the turbine. It is presently estimated that the larger power capacity can be provided within the $95 million budget estimate.

The SPEAKER pro tempore. The gentleman from California has consumed 2 minutes.

Mr. VAN ZANDT. Mr. Speaker, it is my understanding that the minority will have the right to close this debate. We have 4 minutes remaining on this side, and I would appreciate it if the gentleman from California would use the remainder of his time.

Mr. HOLIFIELD. Mr. Speaker, at this time I yield to the gentleman from Missouri [Mr. CANNON], the balance of my time.

Mr. CANNON. Mr. Speaker, in the Second World War, we were in a race with Hitler on the atomic bomb. We developed the bomb—and we won the war.

From that time we have been continuously in race after race with Russia. And we have lost every race.

The Communists put the first satellite in orbit. We have never been able to get through the stratosphere.

The Communists took the first—and only—picture of the other side of the moon. Our scientists had just decided that we would never be able to map the other side of the moon—when a complete picture of the other side of the moon was printed in the Washington papers. The Russians had obligingly given it to us.

The Communists fired the first shot to hit the moon. Our observers saw the reaction when the missile struck the surface of the moon.

The Communists put the first man in orbit and brought him safely back to earth—a feat we have not yet been able to duplicate.

And here, yesterday, they repeat the feat with embellishments and take over the prestige and admiration of the world.

The Communists have built the largest hydroelectric plant in the world—2½ times the size of the Bonneville Dam. They take particular pleasure in showing the Members of the House and Senate through the plant when they visit Russia.

But here in the vote on the resolution now pending—we have the opportunity to establish one lonely record—the first since the atomic bomb. We by this vote can establish the largest nuclear powerplant in the world.

Now make no mistake about that. It will be beyond question the largest nuclear powerplant on the globe.

To indicate how impressive such achievements are to the rest of the world—every international official visitor—including the last such visitor to address the House—always asks that TVA be included in his itinerary while in the United States.

We are asked to commit the U.S. Treasury for $8 billion to try to send a man to the moon—to try to retrieve our damaged prestige. Eight billion dollars. While here for a mere $95 million we can put in operation the biggest plant of its kind ever built by man.

And mind you we get every dollar of the $95 million back with interest and profit.

We come now to the parliamentary situation.

Mr. Speaker, nothing could be more disruptive, more destructive to normal parliamentary procedure; to the comity which exists between the two Houses, than this motion.

It is an absurdity to begin with. The purpose of a conference is to bring the two bodies together for a free, independent, and untrammeled opportunity to compose their differences. The resolution does not propose a free conference. It proposes a conference in which the principal difference is determined in advance. It proposes a mere conference of ratification.

It is such a proposition as Khrushchev is accustomed to make—a sum-

mit conference to agree to what Mr. Khrushchev has demanded in advance.

Mr. Speaker, we should not because of some temporary exigency—some momentary need on a comparatively minor matter—completely change the procedure and precedents of the House for the last decade to entertain such a motion at this time.

Mr. Speaker, I trust the motion will be defeated.

Mr. VAN ZANDT. Mr. Speaker, I yield such time as she may desire to the gentlewoman from Washington [Mrs. MAY].

Mrs. MAY. Mr. Speaker, before this body takes final action on the extremely important question of the addition of power generating facilities to the new production reactor at Hanford, let us evaluate some of the questions and answers that have been brought forth during the recent weeks of debate on this question.

To those who feel that this authorization would be an initial step toward setting up a huge TVA-type Federal power grid in the Pacific Northwest, may I just say this: Power from this dual-purpose reactor would become part of the Northwest power grid to be sold by the Northwest Bonneville Power Administration. There is absolutely no new agency involved. I cannot see that the argument about a huge Federal power grid in the Northwest, therefore, is a valid point.

Mr. Speaker, I do not see this as a private versus public power issue. I call to the attention of the House a resolution which I introduced into the RECORD on August 3, which was sent to me by the Washington State Power Advisory Committee. This resolution gives unqualified endorsement to the authorization of the addition of electric generating facilities to the reactor. I shall not read this full resolution because of time limitations, but I feel that the Members of this body should know that the Washington State Power Advisory Committee is representative of nearly all, if not all, private and public power utility organizations, both large and small, in the Pacific Northwest. Membership on the committee is fully representative of both private and public power utilities.

As for those who have been saying that there is something wrong with authorizing an appropriation of $95 million to benefit one part of the United States, such as the Pacific Northwest, because it is taxpayers money, I point out that it has always been the reclamation and power principle in our Nation and of our Government that such appropriations are paid back into the U.S. Treasury. The Bonneville Power Administration is way ahead of its repayment schedule to the United States at this time.

Mr. Speaker, it is generally recognized that certain coal interests in our Nation have been working hard to defeat this authorization on the grounds that somehow, the authorization of this project would harm coal interests. Certainly we all recognize the coal interests are faced with serious unemployment problems, and they need assistance. I have long advocated meaningful assistance to the coal industry and have supported a number of worthwhile efforts in this field. I plan to continue to do so. But how is the coal industry going to be helped through the continued dumping of available energy into the Columbia River? I do not see authorization of this project as a threat in any way to the coal areas of the United States.

Mr. Speaker, this, I feel is a sound project, and it is a necessary one in view of the present international situation in which we find ourselves.

As I pointed out in the debate that took place on this floor on August 3, if this project is authorized, and the United States is party to a future agreement in connection with nuclear weapons production, operating this dual-purpose reactor for production of power only would keep on hand a hard core of trained scientists and technicians. If this hard core of scientists were not kept on hand, they would naturally be drawn to other fields. You cannot turn a switch to create training and know-how overnight. It is important that our Nation maintain its ability and flexibility to convert back to weapons plutonium production if necessary.

As I pointed out to the Members of this body on that earlier occasion, we believe that all of the newer plutonium producing reactors in the Soviet Union are dual-purpose reactors. We, in the United States, have none.

I would hope that the Members of this body will carefully weigh these points, Mr. Speaker. They are among the many reasons that I am giving my complete support to authorization of the power facilities to the reactor.

Mr. VAN ZANDT. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman from Pennsylvania is recognized for 4 minutes.

Mr. VAN ZANDT. Mr. Speaker, the gentleman from Missouri who preceded me in the well of the House made the statement that Mr. Khrushchev would probably make a motion of this type. I hope the gentleman was not referring to the gentleman from Pennsylvania, because if he was he would be somewhat challenging my sincerity in offering this amendment, and at the same time my loyalty to this country as well as my military service.

During the debate some weeks ago this question of national defense was raised and it was said then that if you vote against this amendment you are voting against national defense, and that if you vote for it you are voting for national defense. Of course, we who have served on the Joint Committee have worked diligently. We have the bomb, we have atomic-powered submarines, and we have several atomic powerplants in this country, not entirely Government owned but private plants operated on a Federal and private utility participation basis. On the other hand, Russia does not have that type of ownership for atomic powerplants.

Mr. BATES. Mr. Speaker, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Massachusetts.

Mr. BATES. I think the gentleman from Missouri indicated that we are in a technological race with the Soviets; therefore, we should approve this project. On July 18, in the CONGRESSIONAL RECORD, Senator PASTORE said this on this very subject:

> It would be deception of the Senate if we left the impression that the $95 million was being spent because we hoped to gain some great technological improvement or development from it. That would be a pretense.

Senator ANDERSON said: "That is not the purpose."

So I say that the gentleman's argument falls, because it is not the fact.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from California.

Mr. HOSMER. I think the argument of the gentleman from Missouri falls, because he misgages the standard by which international technical progress is made. It is not by crude quantity but by quality.

Certainly if we go back over a century in our technology, it could do nothing but increase the prestige of the United States. Whereas, if we proceed ahead as we have, if we spend $95 million, we must spend it in other ways and acquire electricity, not in the hundreds of thousands of kilowatts but in the millions of kilowatts, not of old-fashioned power but technically advanced nuclear power which will again lend prestige to the United States. That is the way we should spend this money.

Mr. VAN ZANDT. Exactly. The gentleman will recall that during the course of the hearings he asked the question of the representative of the Atomic Energy Commission whether any private utilities were interested in purchasing the steam, and the answer was "No," because it is a low-grade saturated steam.

Mr. HOSMER. In addition to that, they were asked if anybody would pay 5 cents for the technical information that would be gained from the operation of this plan, and the answer was "No."

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman referred to private reactors. The gentleman will concede, I am sure, that they received considerable subsidy from the Government?

Mr. VAN ZANDT. That is true. It is a Federal-private utility participating proposition the like of which Russia does not have.

Mr. Speaker, I hope the motion I have offered will be adopted.

Mr. ULLMAN. Mr. Speaker, other opponents of this motion have clearly shown how contrary it is to sound parliamentary procedure. Since the proponents of the motion have ignored this aspect of it and instead have continued to attack the proposed Hanford generating facilities, I want to set the record straight on the real merits.

The basic issue, as has been pointed out time and time again, is one of sheer, tragic, and unjustified waste. We have been told that we should not spend the

sum of $95 million to utilize the byproduct steam which will be generated by the Hanford reactor—as if we were proposing to throw away $95 million. The fact of the matter is that with these generating facilities the taxpayers of the United States will not only receive the full repayment of their $95 million investment, plus interest, but in addition will be repaid a very substantial part of the $145 million already authorized for the reactor itself. The Joint Committee heard competent testimony on this point and, as it made clear in its report on the bill, primarily based the recommendation for the authorization on that one factor. In short, if we vote to kill the Hanford generating facilities we are throwing away millions of dollars that are already committed in the reactor itself—if we vote to authorize the facilities, we act to save the taxpayers millions by utilizing the byproduct steam to pay for a part of the cost of the reactor.

The proponents of the motion clearly admit that this byproduct steam is going to be produced, but they would have you think that it cannot be used economically. In so arguing, they completely ignore the findings of the Atomic Energy Commission itself, including members appointed by former President Eisenhower; the General Electric Corp.; and the consultants to the Joint Committee on Atomic Energy. It is noteworthy that those who oppose these generating facilities want to have both sides of the argument. On the one hand, they imply that the proposed facilities are so experimental that there is no assurance that they are feasible but at the same time they argue that the technology involved is so old fashioned that it is not worth authorizing. This sort of verbal footwork should not be allowed to pass for substantive debate. As I have pointed out, the technicians who have studied the proposal are convinced that it is technically sound. They also point out that operation of the facilities will furnish valuable experience. But, again let me stress, that the primary point at issue is whether to waste this steam and pass up the opportunity to regain a very substantial part of the reactor's cost, or to utilize it to produce power that is clearly needed for the area. To those who are continually preaching to us the need to increase economy and efficiency in Government I would ask, what business firm in this country would be so wasteful as to throw away a byproduct worth millions of dollars a year? Yet that is what they want us to do.

Let me turn now to the charge that generation of electricity from this byproduct steam would be a subsidy to public power at the expense of the coal industry. This charge is not only a false one but it comes with bad grace from those who defend the real subsidies in the atomic power program, those going to the private power companies who are engaged in building and operating atomic powerplants, in some instances in the very heart of the coal-producing area. I call my colleagues' attention to the letter which I have sent to the president of the National Coal Association, a copy of which appears at page 14932 of yesterday's CONGRESSIONAL RECORD. In this letter, I point out that not only are direct Federal grants sought in some instances by private utilities who wish to construct atomic powerplants, but that the two-price system currently utilized by the Atomic Energy Commission with regard to plutonium purchases appears to provide a hidden subsidy of very great value to these private power companies. Here is a real issue of subsidy and it is being received by the same companies that are doing all in their power to defeat the economic utilization of the byproduct steam at Hanford.

This issue has been called one of public versus private power. If it is, it is because the private power companies insist on making it so, and I, for one, cannot comprehend their insistence on doing so unless it represents a general policy of rule or ruin. It has been clearly pointed out that private utilities and private industry already receive more than half the power sold by the Bonneville Power Administration. In addition it should be stressed that the potential deficit in firm power supplies which the Bonneville Power Administration faces—a deficit that can be eliminated by utilizing the Hanford facilities—is felt most keenly by the private power companies and the private industries of the area—the so-called nonpreference customers. It is in their own economic interest to support these facilities and testimony to that point is provided by the fact that the Advisory Council on Resources of the Governor of Washington, made up of both public and private power representatives, has unanimously endorsed these facilities.

Again, it is the opponents of the Hanford generating facilities who are trying to make this a sectional issue. It should not be so. Certainly, the proposal is of great importance to our area. But the charge which has been made that this will permit our area to "steal" industry from other areas is contrary to the clear record of history. Development of new industry has resulted from the availability of power in the Pacific Northwest—new industry which has not only created jobs in our own area but has increased the purchasing power of our people and has meant increased jobs for other areas which sell to the Pacific Northwest.

In summary, Mr. Speaker, all of the facts and arguments come back to one basic issue. We are building the reactor. It is necessary to our defense and will provide plutonium for weapons. It will cost us about $145 million whether we build generating facilities or not. The opposition has not and cannot deny that fact. Nor can they deny that the reactor will produce heat and that the facilities to cool the reactor will produce steam. Now we can invest $95 million and use that steam to generate electricity which is needed in the area; we can sell that electricity and get back not only our $95 million investment plus interest, but also a very substantial part of the cost of the reactor itself; and at the same time we can aid our economy, gain valuable experience in the field of atomic power, and secure the prestige of building the world's largest atomic powerplant as testimony to our determination to utilize atomic power for peace as well as defense. We can do all these things or we can vote for waste—and that, Mr. Speaker, is the real issue.

Mrs. GREEN of Oregon. Mr. Speaker, I would like to commend the gentleman from California for the outstanding work he has done in presenting this legislation to the House. I do not suppose anything that is said here today will change a single vote. The private utilities lobby and the mineworkers lobby have been carrying on a high-pressure campaign. But I would like to call the attention of the House to the excellent editorials which appeared in the Oregonian for July 13 and July 30. They very clearly and succinctly state the reasons why the Van Zandt amendment should be defeated, so that the Hanford power-generating facility will remain a vital part of this legislation:

[From the Oregonian, July 13, 1961]

LET'S KEEP IT SIMPLE

The House of Representatives probably will vote this week on the administration-backed plan to convert the vast amounts of heat energy now being wasted into the Columbia River at the Hanford plant into some 700,000 kilowatts of electrical energy. And the private utility industry is summoning its energies in a determined effort to kill this portion of the 1962 atomic energy authorization bill.

The motive of the electrical utilities is plain. They simply do not want the Atomic Energy Commission to join the Interior Department, the Army Corps of Engineers, and the Tennessee Valley Authority in the business of generating power for Uncle Sam to sell in competition with private industry. But there is a large flaw in their argument that placing generators at Hanford would give the Federal Government a new foot in the door of the power business.

Hanford is, and probably will continue to be, essentially a plutonium-producing plant. Ever since it went into operation during World War II it has been dissipating into the river enough heat to boil enough water to produce enough steam to spin turbines generating enough electricity to rival the output of Bonneville Dam. It is wrong to permit this waste to continue, when with a relatively small investment there can be added to the Northwest Power Pool the equivalent of the electrical energy yield of a major new hydroelectric project.

A number of extraneous arguments are being used by debaters on both sides of the issue, complicating it needlessly. For example, some backers of the proposal have said the Nation needs a dual-purpose, plutonium and power-producing reactor to put the United States on the same footing in disarmament negotiations with Russia, which has a similar facility. Should an agreement be reached, it is said, Hanford's plutonium output could be halted, while power production continued. Then if the Russians welshed on the bargain, a start-up of plutonium production at Hanford would be possible in a few days, whereas a shutdown, plutonium-only reactor could not be restarted for some time.

But the Electrical World, spokesman for the industry, argues editorially that the existence of dual-purpose reactors hinders rather than aids disarmament negotiations. Unless both nations agree to shut down their plutonium plants completely, says the magazine, neither could be sure the other was not cheating.

The Hanford plan actually is a simple one, and it should not be feared either by the private utilities or the peacemakers. Since

the plant is unique, it is not a "foot in the door" for the AEC, which certainly will build no new federally owned and operated atomic powerplants unless Congress wants them. All that the bill will do is to conserve a resource now being wasted, for the benefit of all Pacific Northwest residents, whether served by private or public power utilities. It should be enacted.

[From the Oregonian, July 30, 1961]

COAL BOYS OFF BASE

The report from Washington, D.C., that coal industry and coal mining opposition to the Hanford power reactor might be reduced by an amendment in the Senate is branded untrue by the National Coal Association.

The Coal Association, said President Stephan F. Dunn, had nothing to do with Senator RANDOLPH'S amendment providing for nuclear research in converting coal to gas, and "we are unequivocally opposed to the production of electrical energy for commercial use at the Hanford plant."

Coal industry opposition to the Government's obtaining 750,000 kilowatts of low-cost electricity by making the Hanford plutonium reactor dual purpose is even less to be supported than the private utilities' opposition. The Northwest is not going to ship in coal to produce electricity. The cost would be too great. Both private and publicly owned utilities have long-range plans to utilize the small low-grade coalfields of this region but this is not yet economically feasible and in any event the production would be a drop in the bucket measured by present and future need for electricity.

It may be hoped that a few Members of Congress from coal States, like Senator RANDOLPH, of West Virginia, will recognize the dog-in-manger attitude of the coal industry and will vote to let the Northwest utilize a resource now being wasted. Congress previously invested $25 million in the $145 million plutonium reactor to permit its dual-purpose conversion to electricity. The $95 million approved by the Senate but refused, in the first go-around, by the House, would give the region a bargain-priced block of power cheaper than hydro. It would be a one-shot deal, but a fine repayable investment for the Government and the region.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. CANNON. Mr. Speaker, I move that the motion to instruct conferees be laid on the table.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HALLECK. Under the rules of the House, is this motion to table in order?

The SPEAKER pro tempore. The motion is in order.

Mr. HALLECK. If the motion to table is voted down, will the vote then come on the motion itself?

The SPEAKER pro tempore. On ordering the previous question on the motion.

Mr. BASS of Tennessee. Mr. Speaker, the House has not been informed of what the gentleman from Missouri has offered. May the Members of the House be informed as to what the gentleman's motion is?

The SPEAKER pro tempore. The Chair will say that the motion offered by the gentleman from Missouri is to lay on the table the motion offered by the gentleman from Pennsylvania.

Mr. HOLIFIELD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOLIFIELD. Mr. Speaker, a yea vote on this motion would dispose of this matter and defeat the motion offered by the gentleman from Pennsylvania [Mr. VAN ZANDT]?

The SPEAKER pro tempore. It would have that effect.

Mr. HALLECK. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, a vote against tabling the motion offered by the gentleman from Pennsylvania would give us the right then to vote on the motion which has been offered by the gentleman from Pennsylvania?

The SPEAKER pro tempore. The gentleman has properly stated the situation.

Mr. VAN ZANDT. Mr. Speaker, is it not a rule of the House that a motion must be at the Clerk's desk in writing?

The SPEAKER pro tempore. It must be submitted in writing if a Member at the time insists, but such a demand is not in order at this time.

The question is on the motion offered by the gentleman from Missouri [Mr. CANNON].

Mr. HALLECK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 164, nays 235, not voting 38, as follows:

[Roll No. 135]

YEAS—164

Abernethy	Fogarty	McFall
Addabbo	Frazier	Machrowicz
Addonizio	Friedel	Mack
Albert	Gallagher	Madden
Andersen, Minn.	Garmatz	Magnuson
	Gilbert	Mahon
Andrews	Granahan	Marshall
Anfuso	Green, Oreg.	May
Ashley	Green, Pa.	Miller, Clem
Aspinall	Griffiths	Miller, George P.
Baring	Hagen, Calif.	
Barrett	Halpern	Moeller
Bass, Tenn.	Hansen	Montoya
Beckworth	Harding	Moorhead, Pa.
Bennett, Fla.	Healey	Morris
Blatnik	Hechler	Morrison
Boland	Hemphill	Moss
Bolling	Henderson	Multer
Brademas	Holifield	Murphy
Breeding	Holland	Murray
Brewster	Holtzman	Nix
Brooks, Tex.	Horan	Norblad
Burke, Ky.	Ichord, Mo.	O'Brien, Ill.
Burke, Mass.	Inouye	O'Hara, Ill.
Burleson	Joelson	O'Hara, Mich.
Byrne, Pa.	Johnson, Calif.	Olsen
Cannon	Johnson, Md.	O'Neill
Carey	Johnson, Wis.	Patman
Celler	Jones, Ala.	Pelly
Coad	Karsten	Pfost
Cohelan	Karth	Philbin
Corman	Kastenmeier	Poage
Daniels	Kelly	Price
Davis, Tenn.	Keogh	Pucinski
Dawson	Kilday	Randall
Delaney	Kilgore	Reuss
Diggs	King, Calif.	Rivers, Alaska
Dingell	King, Utah	Rodino
Donohue	Kirwan	Rogers, Colo.
Doyle	Kluczynski	Rooney
Edmondson	Kowalski	Roosevelt
Elliott	Lane	Roush
Everett	Lankford	Rutherford
Farbstein	Loser	Ryan
Feighan	McCormack	St. Germain
Finnegan	McDowell	Santangelo
Saund	Sullivan	Ullman
Shelley	Teague, Tex.	Vanik
Sheppard	Thomas	Westland
Shipley	Thompson, N.J.	Wickersham
Sisk	Thompson, Tex.	Wright
Smith, Iowa	Thornberry	Yates
Smith, Miss.	Toll	Zablocki
Steed	Tollefson	Zelenko
Stratton	Trimble	
Stubblefield	Udall, Morris K.	

NAYS—235

Abbitt	Findley	Mills
Adair	Fino	Minshall
Alexander	Fisher	Monagan
Alford	Flood	Moore
Alger	Flynt	Moorehead, Ohio
Anderson, Ill.	Ford	
Arends	Forrester	Morgan
Ashbrook	Fountain	Morse
Ashmore	Frelinghuysen	Mosher
Auchincloss	Fulton	Natcher
Avery	Garland	Nelsen
Ayres	Gary	Norrell
Bailey	Gathings	Nygaard
Baker	Gavin	Osmers
Baldwin	Giaimo	Ostertag
Barry	Glenn	Passman
Bass, N.H.	Goodell	Perkins
Bates	Goodling	Pike
Becker	Grant	Pillion
Beermann	Gray	Pirnie
Belcher	Griffin	Poff
Bell	Gross	Quie
Bennett, Mich.	Gubser	Ray
Berry	Hagan, Ga.	Reece
Betts	Haley	Reifel
Blitch	Halleck	Rhodes, Ariz.
Bolton	Hardy	Rhodes, Pa.
Bonner	Harris	Riehlman
Bow	Harrison, Wyo.	Riley
Boykin	Harsha	Robison
Bray	Harvey, Ind.	Rogers, Fla.
Bromwell	Harvey, Mich.	Rogers, Tex.
Brooks, La.	Hays	Roudebush
Broomfield	Hébert	Rousselot
Brown	Herlong	St. George
Broyhill	Hiestand	Saylor
Bruce	Hoffman, Ill.	Schadeberg
Byrnes, Wis.	Hoffman, Mich.	Schenck
Cahill	Hosmer	Scherer
Casey	Hull	Schneebeli
Cederberg	Jarman	Schweiker
Chamberlain	Jennings	Schwengel
Chelf	Jensen	Scott
Chenoweth	Johansen	Scranton
Chiperfield	Jonas	Seely-Brown
Church	Judd	Selden
Clancy	Kearns	Short
Clark	Kee	Shriver
Collier	Keith	Sibal
Colmer	King, N.Y.	Sikes
Conte	Kitchin	Siler
Cooley	Knox	Slack
Corbett	Kornegay	Smith, Calif.
Cramer	Kunkel	Smith, Va.
Cunningham	Kyl	Spence
Curtin	Laird	Springer
Curtis, Mass.	Landrum	Staggers
Curtis, Mo.	Langen	Stephens
Daddario	Latta	Taber
Dague	Lennon	Taylor
Davis, James C.	Libonati	Teague, Calif.
	Lindsay	Thomson, Wis.
Davis, John W.	Lipscomb	Tuck
Dent	McCulloch	Tupper
Denton	McDonough	Utt
Derounian	McIntire	Van Pelt
Derwinski	McSween	Van Zandt
Devine	McVey	Wallhauser
Dole	Macdonald	Walter
Dominick	Mailliard	Watts
Dorn	Martin, Mass.	Weis
Downing	Martin, Nebr.	Whalley
Dulski	Mason	Whitener
Durno	Mathias	Whitten
Dwyer	Matthews	Widnall
Ellsworth	Meader	Williams
Fallon	Merrow	Wilson, Calif.
Fascell	Michel	Wilson, Ind.
Fenton	Miller, N.Y.	Younger

NOT VOTING—38

Battin	Kilburn	Rivers, S.C.
Boggs	Lesinski	Roberts
Buckley	McMillan	Rostenkowski
Cook	MacGregor	Stafford
Dooley	Milliken	Thompson, La.
Dowdy	Moulder	Vinson
Evins	O'Brien, N.Y.	Weaver
Hall	O'Konski	Wharton
Harrison, Va.	Peterson	Willis
Hoeven	Pilcher	Winstead
Huddleston	Powell	Young
Ikard, Tex.	Rabaut	
Jones, Mo.	Rains	

So the motion to table was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Huddleston against.

Mr. Jones of Missouri for, with Mr. Hoeven against.

Mr. Evins for, with Mr. Harrison of Virginia against.

Mr. Moulder for, with Mr. Weaver against.

Mr. Boggs for, with Mr. Kilburn against.

Mr. Rostenkowski for, with Mr. Hall against.

Mr. Rabaut for, with Mr. Wharton against.

Mr. Powell for, with Mr. Battin against.

Mr. O'Brien of New York for, with Mr. Milliken against.

Mr. Roberts for, with Mr. MacGregor against.

Mr. Thompson of Louisiana for, with Mr. Stafford against.

Mr. Willis for, with Mr. Dooley against.

Mr. Rains for, with Mr. McMillan against.

Until further notice:

Mr. Peterson with Mr. O'Konski.

Mr. BONNER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

Mr. VAN ZANDT. Mr. Speaker, I move the previous question.

The SPEAKER pro tempore. Without objection the previous question is ordered.

The question is on the motion of the gentleman from Pennsylvania.

Mr. VAN ZANDT. Mr. Speaker, on this vote I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 235, nays 164, not voting 38, as follows:

[Roll No. 136]

YEAS—235

Abbitt	Clark	Goodell
Adair	Collier	Goodling
Alexander	Colmer	Grant
Alford	Conte	Gray
Alger	Cooley	Griffin
Anderson, Ill.	Corbett	Gross
Arends	Cramer	Gubser
Ashbrook	Cunningham	Hagan, Ga.
Ashmore	Curtin	Haley
Auchincloss	Curtis, Mass.	Halleck
Avery	Curtis, Mo.	Hardy
Ayres	Daddario	Harris
Bailey	Dague	Harrison, Wyo.
Baker	Davis, James C.	Harsha
Baldwin	Davis, John W.	Harvey, Ind.
Barry	Dent	Harvey, Mich.
Bass, N.H.	Denton	Hays
Bates	Derounian	Hébert
Becker	Derwinski	Herlong
Beermann	Devine	Hiestand
Belcher	Dole	Hoffman, Ill.
Bell	Dominick	Hoffman, Mich.
Bennett, Mich.	Dorn	Hosmer
Berry	Downing	Hull
Betts	Dulski	Jarman
Blitch	Dwyer	Jennings
Bolton	Elsworth	Jensen
Bonner	Fallon	Johansen
Bow	Fascell	Jonas
Boykin	Fenton	Judd
Bray	Findley	Kearns
Bromwell	Fino	Kee
Brooks, La.	Fisher	Keith
Broomfield	Flood	King, N.Y.
Brown	Flynt	Kitchin
Broyhill	Ford	Knox
Bruce	Forrester	Kornegay
Byrnes, Wis.	Fountain	Kunkel
Cahill	Frelinghuysen	Kyl
Casey	Fulton	Laird
Cederberg	Garland	Landrum
Chamberlain	Gary	Langen
Chelf	Gathings	Latta
Chenoweth	Gavin	Lennon
Chiperfield	Giaimo	Libonati
Church	Glenn	Lindsay
Clancy	Goodell	Lipscomb
McCulloch	Perkins	Sibal
McDonough	Pike	Sikes
McIntire	Pillion	Siler
McSween	Pirnie	Slack
McVey	Poff	Smith, Calif.
Macdonald	Quie	Smith, Va.
Mailliard	Ray	Spence
Martin, Mass.	Reece	Springer
Martin, Nebr.	Reifel	Staggers
Mason	Rhodes, Ariz.	Steed
Mathias	Rhodes, Pa.	Stephens
Matthews	Riehlman	Taber
Meader	Riley	Taylor
Merrow	Robison	Teague, Calif.
Michel	Rogers, Fla.	Thomson, Wis.
Miller, N.Y.	Rogers, Tex.	Tuck
Mills	Roudebush	Tupper
Minshall	Rousselot	Utt
Monagan	St. George	Van Pelt
Moore	Saylor	Van Zandt
Morehead, Ohio	Schadeberg	Wallhauser
	Schenck	Walter
Morgan	Scherer	Watts
Morse	Schneebeli	Weis
Mosher	Schweiker	Whalley
Natcher	Schwengel	Whitener
Nelsen	Scott	Whitten
Norrell	Scranton	Widnall
Nygaard	Seely-Brown	Williams
Osmers	Selden	Wilson, Calif.
Ostertag	Short	Wilson, Ind.
Passman	Shriver	Younger

NAYS—164

Abernethy	Griffiths	Murray
Addabbo	Hagen, Calif.	Nix
Addonizio	Halpern	Norblad
Albert	Hansen	O'Brien, Ill.
Andersen, Minn.	Harding	O'Hara, Ill.
	Healey	O'Hara, Mich.
Andrews	Hechler	Olsen
Anfuso	Hemphill	O'Neill
Ashley	Henderson	Patman
Aspinall	Holifield	Pelly
Baring	Holland	Pfost
Barrett	Holtzman	Philbin
Bass, Tenn.	Horan	Poage
Beckworth	Ichord, Mo.	Price
Bennett, Fla.	Inouye	Pucinski
Blatnik	Joelson	Randall
Boland	Johnson, Calif.	Reuss
Bolling	Johnson, Md.	Rivers, Alaska
Brademas	Johnson, Wis.	Rodino
Breeding	Jones, Ala.	Rogers, Colo.
Brewster	Karsten	Rooney
Brooks, Tex.	Karth	Roosevelt
Burke, Ky.	Kastenmeier	Roush
Burke, Mass.	Kelly	Rutherford
Burleson	Keogh	Ryan
Byrne, Pa.	Kilday	St. Germain
Cannon	Kilgore	Santangelo
Carey	King, Calif.	Saund
Celler	King, Utah	Shelley
Coad	Kirwan	Sheppard
Cohelan	Kluczynski	Shipley
Corman	Kowalski	Sisk
Daniels	Lane	Smith, Iowa
Davis, Tenn.	Lankford	Smith, Miss.
Dawson	Loser	Stratton
Delaney	McCormack	Stubblefield
Diggs	McDowell	Sullivan
Dingell	McFall	Teague, Tex.
Donohue	Machrowicz	Thomas
Doyle	Mack	Thompson, N.J.
Durno	Madden	Thompson, Tex.
Edmondson	Magnuson	Thornberry
Elliott	Mahon	Toll
Everett	Marshall	Tollefson
Farbstein	May	Trimble
Feighan	Miller, Clem.	Udall, Morris K.
Finnegan	Miller, George P.	Ullman
Fogarty		Vanik
Frazier	Moeller	Westland
Friedel	Montoya	Wickersham
Gallagher	Moorhead, Pa.	Wright
Garmatz	Morris	Yates
Gilbert	Morrison	Zablocki
Granahan	Moss	Zelenko
Green, Oreg.	Multer	
Green, Pa.	Murphy	

NOT VOTING—38

Battin	Kilburn	Rivers, S.C.
Boggs	Lesinski	Roberts
Buckley	McMillian	Rostenkowski
Cook	MacGregor	Stafford
Dooley	Milliken	Thompson, La.
Dowdy	Moulder	Vinson
Evins	O'Brien, N.Y.	Weaver
Hall	O'Konski	Wharton
Harrison, Va.	Peterson	Willis
Hoeven	Pilcher	Winstead
Huddleston	Powell	Young
Ikard, Tex.	Rabaut	
Jones, Mo.	Rains	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Huddleston for, with Mr. Buckley against.

Mr. Hoeven for, with Mr. Jones of Missouri against.

Mr. Harrison of Virginia for, with Mr. Evins against.

Mr. Weaver for, with Mr. Moulder against.

Mr. Kilburn for, with Mr. Boggs against.

Mr. Hall for, with Mr. Rostenkowski against.

Mr. Wharton for, with Mr. Rabaut against.

Mr. Battin for, with Mr. Powell against.

Mr. Milliken for, with Mr. O'Brien of New York against.

Mr. MacGregor for, with Mr. Roberts against.

Mr. Stafford for, with Mr. Thompson of Louisiana against.

Mr. Dooley for, with Mr. Willis against.

Mr. McMillan for, with Mr. Rains against.

Until further notice:

Mr. Peterson with Mr. O'Konski.

Mr. TEAGUE of Texas changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER appointed the following conferees: Messrs. HOLIFIELD, PRICE, and VAN ZANDT.

GENERAL LEAVE TO EXTEND REMARKS

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the resolution and motion just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

LOAN OF NAVAL VESSELS TO FRIENDLY FOREIGN COUNTRIES

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 394 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7726) to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Cali-

fornia [Mr. SMITH], and I yield myself such time as I may consume.

Mr. Speaker, House Resolution 394 provides for the consideration of H.R. 7726, a bill to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence. The resolution provides for an open rule, waiving points of order, with 1 hour of general debate.

The proposed legislation would authorize the extension of the existing loans made under the authority granted by the act of 1953, as amended by the act of 1956, of two destroyer escorts to the Government of Portugal and two destroyers to the Government of Spain. The legislation would also authorize the loan of a total of 14 vessels of the destroyer, destroyer escort, and submarine category of the reserve fleet to certain friendly foreign countries and also provide for two such vessels to be placed in a pool for loan to friendly foreign countries in an emergency. The loans to Portugal and Spain were for a period of 5 years and will expire on February 7, 1962, and May 15, 1962, respectively.

We have been informed that the ships proposed for loan under this bill will be used by the recipient countries to discharge naval responsibilities assumed by them in their areas. These ships will assist the recipient countries in maintaining their own internal security, in protecting their coasts and coastal lines of communication, and in protecting sea lines of communication.

The Department of Defense regards as important the achievement of a strong antisubmarine capability in the areas where these ships would be loaned. Any contribution by the recipient countries to offsetting a prospective submarine threat would enhance the total defense capability of the free world. To the extent that recipient countries develop an antisubmarine capability, U.S. naval forces will be freed from certain antisubmarine tasks.

Although the U.S. Navy Reserve Fleet is a source of great potential naval strength, this potentiality would be increased if all the ships could be adequately manned, operated, and maintained in an active status. The cost of such operation by the United States is prohibitive in peacetime. Operation and maintenance of the vessels by allies can assist in keeping the equipment ready for use and in good condition.

It is important to have naval forces properly positioned to counter an enemy threat. If the allies to whom the ships are to be loaned have the vessels functioning at the outbreak of any hostilities, time will be saved in the positioning of ships in the geographical areas where they are to be used.

It is proposed that, upon enactment of H.R. 7726 into law, a formal agreement will be concluded by the State Department with the recipient foreign government. It will be for a term of 5 years and will stipulate that the ships be used in accordance with the conditions of the mutual defense assistance agreement. The recipient government will have use of all equipment and spare parts on board the ships at the time of the delivery, but title remains in the United States even though the ships may be placed under the recipient government's flag. Possession of the ships will not be relinquished without consent of the United States, and no claims rising as a result of transfer and operation of the ships may be assessed against the United States. The United States may repossess these ships at any time if necessitated by its own emergency defense requirements. At the expiration of the loan, the ships will be returned in the same condition as when loaned, except for fair wear and tear, but if a ship is damaged or lost through enemy action, the recipient country is exempt from liability for such damage or loss.

Mr. Speaker, I urge the adoption of House Resolution 394.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Iowa.

Mr. GROSS. I would like to know why points of order are waived on this bill.

Mr. DELANEY. Points of order are waived because of the language on page 3, lines 3 and 4—expenses are being charged and funds have already been appropriated.

Mr. GROSS. I thank the gentleman.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the gentleman from New York has explained the rule and, as I understand it, it provides for 1 hour of general debate and points of order are waived. The only thing I can add is that it will have to do with 16 ships. Agreements have been made on 14 of them with various friendly countries. Two additional ships will be in a pool. In addition to that, it will extend the time for 5 years in connection with two ships now on loan to Portugal and two ships now on loan to Spain.

I know of no objection to the rule, and I have no further requests for time and yield back the balance of my time.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

AUTHORIZING DELEGATION OF CERTAIN DUTIES TO EMPLOYEE BOARDS—INTERSTATE COMMERCE COMMISSION

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 401) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8033) to amend section 17 of the Interstate Commerce Act so as to authorize the delegation of certain duties to employee boards. After general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield one-half of the time to the gentleman from California [Mr. SMITH].

Mr. Speaker, I know of no opposition to this rule.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Iowa.

Mr. GROSS. Was this bill scheduled to come up this afternoon?

Mr. DELANEY. It is on the list and is second in order.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I was unaware that this rule was coming up today. I thought the last bill was the only one we were going to consider. Actually, I do not have the rule before me. I did not hear the gentleman's statement as to the time. May I ask the gentleman from New York what the time is on this rule?

Mr. DELANEY. The resolution provides an open rule with 2 hours of general debate.

Mr. SMITH of California. Then, Mr. Speaker, as I understand, this measure as presented to the Committee on Rules; it is similar to the one we had the other day on the Federal Communications Commission. I anticipate there will be some objections to this particular bill along the same lines as was presented the other day by, I believe, the gentleman from Texas [Mr. ROGERS]. Other than that, I do not, however, know of any particular objection to the rule providing for the consideration of the bill.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

LOAN OF NAVAL VESSELS TO FRIENDLY FOREIGN COUNTRIES

Mr. HARDY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7726) to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7726, with Mr. WRIGHT in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Virginia [Mr. HARDY],

will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. VAN ZANDT], for 30 minutes.

The Chair recognizes the gentleman from Virginia.

Mr. HARDY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this legislation would authorize the loan of 16 naval vessels to friendly foreign nations and, in addition, would extend the existing loans of 4 other naval vessels presently on loan.

As Members of the House are aware, under existing law no combatant type vessel of the U.S. Navy may be sold, transferred, or otherwise made available to any foreign nation unless the transfer has been specifically authorized by the Congress. It is this provision of law that requires the type of legislative authority provided under this bill.

Under the terms of the bill the President would be provided authority to lend not more than 16 ships to friendly foreign countries. The proposed recipients of these ships are: six ships to the North Atlantic Treaty Organization and the European area. More specifically, two destroyers to Denmark; and two destroyers and two submarines to Greece.

Two ships to southern Asia. This would permit the transfer of two destroyers to Pakistan.

Six ships to the Far Eastern area. This would permit the transfer of one destroyer and two destroyer escorts to Korea; and two destroyers and one destroyer escort to the Republic of China.

Two ships would be retained in a so-called emergency pool for possible transfer to friendly foreign nations. It is contemplated that these ships would be available for loan to any of the nations to whom we have previously loaned vessels in the event replacement becomes necessary.

In summary, therefore, the President would be authorized to enter into agreement for new loans involving a total of 16 naval vessels.

In addition to the foregoing, this bill would also extend the existing loan of two destroyers to the Government of Spain and two destroyer escorts to the Government of Portugal. The loans to Spain and Portugal were previously authorized for a period of 5 years and will expire on February 7, 1962, and May 15, 1962, respectfully, unless extended by Congress.

The bill is identical in subject matter to previous general ship loan legislation and contains the usual following salient features: First, 5-year term; second, ships can be recalled at any time if needed in the defense of the United States; third, the Secretary of Defense, in consultation with the Joint Chiefs of Staff must determine that the loans are in the best interests of the United States; and fourth, the Department of Defense must keep the Committees on Armed Services informed periodically of loan agreements completed under the authorizing legislation.

At the present time, there is a total of 65 combatant-type vessels on loan to friendly foreign nations pursuant to legislation enacted by the Congress. All these vessels can be recalled by the United States in the event they are required for our own defense needs.

In addition, our Government has entered into agreements involving the loan of 13 naval vessels to the Governments of Brazil, Colombia, Peru, Argentina, and Chile. These transfers were authorized under the provisions of Public Law 85–532, which expired on December 31, 1960. However, physical transfer of the vessels has not been completed.

Thus, there will be a total of 78 combatant-type vessels on loan to friendly foreign nations under previously authorized legislation. There remains no other outstanding authority to permit additional loans beyond these 78 vessels. Consequently the present bill is necessary to permit the President to satisfy the most urgent requirements of our allies for combatant vessels.

There are a great many advantages inherent in these loan arrangements. The more obvious include the fact that these vessels will be maintained by our allies and deployed in a ready position to respond to our mutual defense requirements. If these vessels were not on loan to these nations they would be in the Reserve Fleet and not available for immediate deployment in emergency.

I wish to emphasize that these loans of naval vessels are to be based entirely on defense requirements and are not to be predicated on political considerations. There is included in the bill a statutory requirement that no loan may be made or extended unless the Secretary of Defense, after consultation with the Joint Chiefs of Staff, has determined that such loans are in the best interests of the United States.

The total estimated cost of activating the 14 vessels for which this authority is requested will be approximately $33 million. Under the terms of this bill, the activation costs will be charged either to funds programed for the recipient government as grant military assistance, or to funds provided by the recipient government under the reimbursable provisions of the Mutual Security Act of 1954, as amended, or its successor legislation.

The activation and overhaul of these vessels will be accomplished in the United States and will include some minimum modernization to accommodate new and modern equipment, the routine activation, and overhaul, and finally, a full allowance of ammunition and spare parts.

The only change made by the Committee on Armed Services to the bill as recommended by the administration was a deletion of language that would have permitted the executive branch to enter into these loan agreements for a total of 10 years. The Congress has traditionally limited these loans to a maximum of 5 years, and when this has elapsed extensions may be granted only by congressional approval of a bill like this. The committee was of the opinion that Congress should continue to exercise the same careful scrutiny of the loan program that it has in the past. Therefore, the committee approved an amendment deleting the language that would have permitted this additional 5-year extension period without reference to Congress.

The Committee on Armed Services approved this bill unanimously and I hope that this body will take similar action.

Mr. Chairman, if there are specific questions to be raised I shall be glad to answer them following the statement that the gentleman from Pennsylvania may make.

Mr. VAN ZANDT. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Yes, Mr. Chairman, I think I would like to ask the gentleman from Virginia a question or two concerning this bill. I would like first to ask if the House Armed Services Committee has been successful in getting out of the Act for International Development—I call it the foreign giveaway bill—a provision that the Secretary of State could peddle warships over the world?

Mr. HARDY. That is not permissible. There is no legislation now authorizing the transfer of modern naval ships.

Mr. GROSS. I think the gentleman misunderstands me. The question was whether the original Act for International Development carried a provision which would have eliminated the authority the gentleman is now asking of the House today. The provision of which I speak would have given the Secretary of State the right to peddle warships all around the world without any further sanction on the part of the Congress.

Does the gentleman know of that provision?

Mr. HARDY. In connection with the provision the gentleman is talking about, as I recall it there have been efforts in that direction in times past. A letter to the chairman of the Committee on Foreign Affairs and his reply to the chairman of the Committee on Armed Services might clarify the point which the gentleman from Iowa raises. These are short and I will read them.

The letter to the chairman of the Committee on Foreign Affairs from the chairman of the Committee on Armed Services is as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., July 5, 1961.

Hon. THOMAS E. MORGAN,
Chairman, Foreign Affairs Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: There has been brought to my attention a provision in H.R. 7372 which, if enacted, would repeal a current legal authority and responsibility which is vested in the House and Senate Committees on Armed Services.

I refer to the provision on lines 3 and 4, page 77, which would repeal section 7307(b) of Title 10 of the United States Code.

This matter has a rather long history, dating back to Public Law 3 of the 82d Congress, and more specifically to section 4 of that act. The section provides as follows:

"Notwithstanding the provisions of the Mutual Defense Assistance Act of 1949, as amended, or the provisions of any other law, no battleship, carrier, cruiser, destroyer, or submarine of the United States which has not been stricken from the Navy Register as provided by section 2 of the Act of August 5, 1882 (22 Stat. 296), as amended, or any interest of the United States in any such vessel, shall hereafter be sold, transferred, or

otherwise disposed of unless authorized hereafter by the Congress."

The legislative background of this matter is contained in the CONGRESSIONAL RECORD of January 17, 1951 when there was under consideration by the House H.R. 1001, which subsequently became Public Law 3, 82d Congress. Examination of the debate will disclose that senior Members of the House, who were not Members of the House Committee on Armed Services, were as surprised as I had been to learn that combatant vessels of the U.S. Navy could be disposed of under the Mutual Defense Assistance Act of 1949, as amended, without further reference to action by the Congress. There was overwhelming support for the adoption of the provisions to which I have previously referred, requiring an act of Congress before such disposals could be effected.

The executive branch and the Congress have operated under the foregoing provisions for the past 10 years and I am unaware of any evidence that this restriction has been detrimental to the conduct of our foreign affairs. In any event, I have the continuing conviction that the combatant vessels, which must be authorized in separate legislation by the Congress and become a part of the combatant inventory of the Navy, must not be disposed of to any foreign country without further legislative action on the part of the Congress.

I must confess my disappointment that the executive branch would propose the repeal of the above cited restrictions on transfers without having notified this committee of such a proposal. The fact remains that the committee received no such notice, either before or subsequent to the submission of the legislative proposal now embodied in H.R. 7372.

Upon calling your committee office this morning, I was advised that your committee would probably conclude hearings on H.R. 7372 on Thursday morning, July 6. Before your committee has taken final action, I want to convey to you and, through you, to your committee my total opposition to the language which I have cited on page 77 of the bill. It is my hope and my recommendation that the objectionable language be stricken from the bill before it is reported.

It is pertinent to note that there is now pending before this committee H.R. 7726, to extend the loan of certain vessels to friendly foreign countries and authorize the loan of additional vessels to other friendly foreign countries.

Sincerely yours,

CARL VINSON, *Chairman.*

The reply of the chairman of the Committee on Foreign Affairs to the chairman of the Committee on Armed Services is as follows:

CONGRESS OF THE UNITED STATES,
COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, July 6, 1961.

Hon. CARL VINSON,
Chairman, Committee on Armed Services, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thanks for your letter of July 5. I recall very well the debate that took place in January 1951, on the subject matter of section 7307(b) of title 10 of the United States Code, and I have the strong impression that over the years since there has been a clear understanding that the disposition of vessels and their transfer to another country came within the legislative jurisdiction of the Committee on Armed Services.

I shall personally offer an amendment during the markup session to delete lines 3 and 4 on page 77 of H.R. 7372.

Sincerely yours,

THOMAS E. MORGAN, *Chairman.*

Mr. GROSS. So the gentleman is saying whoever engineered this thing, and apparently the State Department must have been interested in it, was not successful in taking away the authority of the Committee on Armed Services of the House and through the Committee on Armed Services from the Members of Congress.

Mr. HARDY. The gentleman is correct.

Mr. GROSS. I want to compliment the gentleman's committee, the chairman, and the members of the committee for seeing to it that this giving away of warships all over the world is scrutinized by the gentleman's committee and by the House of Representatives. That is good.

Now, in connection with the loaning of vessels, are we giving any to the British?

Mr. HARDY. There is nothing provided in this bill for the British.

Mr. GROSS. Of course the President has jurisdiction over the disposal of a certain number; is that correct?

Mr. HARDY. There are only two in the emergency pool.

Mr. GROSS. The British seem to be in trouble. I noticed the other day they are borrowing $2 billion from the International Monetary Fund. Knowing that the House, with its usual charity to foreigners, suspended all payments by the British on the debts they owed this country, both principal and interest payments, some 6 or 7 years ago, I wondered if they have become so impoverished this Government would now have to give them a few warships.

Mr. HARDY. We have no knowledge that they are interested in any of our warships.

Mr. GROSS. I note, also with much interest, the happenings over the weekend down in Uruguay. A short year ago, this House was called upon to provide a blank check for the Bogotá Conference. But over the last weekend word went from the White House to the Uruguay Conference that there would be available $20 billion for the South Americans over a 10-year period. There has not been one word of approval on the part of Congress for this blank check operation for which President Kennedy has apparently taken full and complete responsibility and in so doing has ignored Congress.

Is this a sample of the operation of the New Frontier? What in the world is happening here? The Congress is no longer called upon to give even a semblance of approval to the commitment of such staggering sums as $20 billion.

Mr. Chairman, I do not know that I have any further comment to make upon this bill. I hope that in time we get these warships back. I could ask the gentleman the question that I have asked in the past: whether the French are using the aircraft carrier we gave them a few years ago in their fighting with the Tunisians and the Algerians.

Mr. HARDY. Mr. Chairman, if the gentleman will yield, I think I can inform the gentleman that that particular vessel has been returned.

Mr. GROSS. Well, I am glad to hear that, because I was afraid that before the French returned it to us, they would get us in deep trouble.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the leader of our party.

Mr. HOFFMAN of Michigan. I thank the gentleman, but I think you are mistaken—and it is very few times that you are mistaken—but the gentleman is the leader of the party I follow.

Mr. GROSS. I thank the gentleman.

Mr. HOFFMAN of Michigan. On line 5 of the bill it says "two destroyer escorts to the Government of Portugal." Is not Portugal having some trouble with some of its colonial possessions? Are they not having some trouble with someone? I want to know which side we are helping here. We are giving them to Portugal, but is this to help Portugal or is it to help the colony?

Mr. GROSS. Yes, I understand they are having colonial trouble.

Mr. HOFFMAN of Michigan. Which ones are we helping, or are we helping both of them?

Mr. GROSS. We are helping Portugal in this case.

Mr. HOFFMAN of Michigan. Well, that is what I understood the gentleman from Virginia to say about Laos one time, that we were helping all three sides. Which one is this?

Mr. GROSS. This is apparently to smooth the feathers of the Portuguese who did not like very well the manner in which we stuck our noses into their colonial trouble a little while back. So, we are apparently pouring a little oil on the water by loaning them these warships.

Mr. HOFFMAN of Michigan. Then, we are consistent in trying to tell somebody else what to do.

Mr. GROSS. I will accept the gentleman's statement.

Mr. HOFFMAN of Michigan. I thank the gentleman.

Mr. VAN ZANDT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. I am fully in accord with the purpose of this legislation, but I would like to ask the chairman of the subcommittee a question relative to the ships described under No. 4 on page 2.

Reference is there made to "a pool of not to exceed two such ships to be loaned to friendly nations in an emergency." I would like to ask the gentleman whether the definition of the word "friendly" corresponds to that carried in the Mutual Security Act presently in being and soon to be supplanted by a new act, presumably. If not, what is the meaning of "friendly," as used in the present bill under discussion?

Mr. HARDY. Mr. Chairman, if the gentlewoman will yield, without attempting a detailed definition of the word "friendly" let me say that these two vessels are intended primarily for use as replacements of existing vessels on loan, if replacement should become necessary.

Mrs. CHURCH. I was referring in particular to the two vessels which are

to be placed in the pool. On page 3 of the report reference is made to allied vessels, and I wondered if those two words, "allied" and "friendly" are to be considered interchangeable, in regard to this particular bill.

Mr. HARDY. I will say to the gentlewoman that I believe they may be used interchangeably so far as the purpose of the bill is concerned.

Mrs. CHURCH. As the gentleman may have gathered from my questioning, I am concerned whether in the name of foreign policy or the supposed betterment of relations between nations, there is any chance that any of these ships in this or former or future pools will be given to countries behind the Iron Curtain, or satellite countries.

Mr. HARDY. I can assure the gentlewoman that there is no contemplation that any of them would ever go to any country behind the Iron Curtain.

Mrs. CHURCH. The gentleman says "contemplation." Would there be any possibility under this act that such could be so allotted?

Mr. HARDY. I cannot conceive of any such policy. I do not want to say that anything is impossible, but I can conceive of no possibility of that at all. As I said, the reason for the pool is this: According to assurances given the committee, these two ships are to be used for emergency replacements in the event something should happen to a ship on loan. That is the real purpose of it. We have had a similar pool for a period of years. It has not been used in the past, and so far as we know it will not be required this time; but in case there should be the loss of a ship on loan this pool would make it possible to replace that ship without having to come back to the Congress.

Mrs. CHURCH. I certainly hope that the gentleman will use his influence to see that no such shift be ever made to a Communist country, or to any country not allied with us in defense of the free world.

Mr. HARDY. I can assure the gentlewoman that I will.

Mr. VAN ZANDT. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I rise in support of H.R. 7726 and wish to associate myself with the remarks made on this subject by my colleague from the Armed Services Committee, the gentleman from Virginia [Mr. HARDY].

Enactment of this legislation is vital to the continued defense of our Nation. Mr. HARDY has given the House a very thorough explanation of the various elements of the bill before you. I will not repeat this clear and comprehensive explanation. However, I wish to call the attention of the Members of the House to certain of the many advantages which are inherent in this legislation.

INTERNAL AND EXTERNAL SECURITY

The committee was informed that the ships proposed for loan under this bill will be used by the recipient countries to discharge naval responsibilities assumed by them in their areas. These ships will assist the recipient countries in maintaining their own internal security, in protecting their coasts and coastal lines of communication, and in protecting sea lines of communication.

ANTISUBMARINE CAPABILITY

The Department of Defense regards as important the achievement of a strong antisubmarine capability in the areas where these ships would be loaned. Any contribution by the recipient countries to offsetting a prospective submarine threat would enhance the total defense capability of the free world. To the extent that recipient countries develop an antisubmarine capability, U.S. naval forces will be freed from certain antisubmarine tasks.

READINESS AND MAINTENANCE

Although the U.S. Navy reserve fleet is a source of great potential naval strength, this potentiality would be increased if all the ships could be adequately manned, operated, and maintained in an active status. The cost of such operation by the United States is prohibitive in peacetime. Operation and maintenance of the vessels by allies can assist in keeping the equipment ready for use and in good condition.

DEPLOYMENT

Obviously, it is important to have naval forces properly positioned to counter an enemy threat. If the allies to whom the ships are to be loaned have the vessels functioning at the outbreak of any hostilities, time will be saved in the positioning of ships in the geographical areas where they are to be used.

DISPERSION OF OUR RESERVE FLEET

The U.S. Navy reserve fleet has been dispersed as widely as available berthing space and reasonable access to repair and overhaul facilities for periodic rehabilitation would permit. The loan of the ships that are the subject of this bill would tend to reduce undesirable concentration of reserve vessels.

EXTENSION OF U.S. INFLUENCE

The recipients of other loans of U.S. ships have tended to adopt U.S. Navy doctrines and standards of operation and maintenance. This result has come about under the personnel training program carried out before and after transfer of the ships. During such training, naval personnel of foreign nations have the opportunity to observe U.S. Navy organizations in action and to observe America and Americans during their periods of leave and liberty. The officers and men who receive this training will provide the leadership for their navies in the years to come.

In summary therefore, passage of this legislation is not predicated on any giveaway concept but is based entirely on our national defense concept. To the extent that we assist our friends and allies by the loan of these vessels, we thereby strengthen the defenses of the free world and share the burden of insuring the freedom of the seas.

I therefore urge unanimous approval of this legislation.

Mr. Chairman, I have no further requests for time.

Mr. HARDY. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. KOWALSKI].

Mr. KOWALSKI. Mr. Chairman, I am voting for this bill because I think that many of its provisions are important to the defense of the free world, but I have serious misgivings about our extensions at this time of the loan of two destroyer escorts to the Government of Portugal.

We could not have chosen a more unfavorable time to extend this assistance to the dictator of Portugal, Premier Salazar. He is now in the midst of a military campaign to crush the revolt in Angola, where Africans have been suppressed for four centuries.

A firsthand account of the Portuguese terror in Angola appeared in the Appendix of the daily CONGRESSIONAL RECORD of July 31, 1961.

This statement, introduced by ADAM CLAYTON POWELL, is the story of the Reverend Malcolm McVeigh, a Methodist missionary in Angola who was asked to leave his village March 18 because the Portuguese were about to bomb it.

Rev. Dr. McVeigh confirms what newspaper reports have reported—Portuguese troops are actually bombing and then machinegunning native villages in their efforts to stop the rebellion of natives who seek freedom from Portuguese cruelty and some form of political expression.

How are the Portuguese transporting these bombs and machineguns to their oversea province of Angola?

How did the Portuguese transport thousands of troops, equipped with NATO arms, to the West Coast of Africa?

How are the Portuguese supplying and supporting this war against all that the United States stands for in Africa?

With ships which we have either loaned or helped them to procure. If the Portuguese are not actually using the two destroyer escorts we are now discussing, the possession of them is freeing other Portuguese ships for this disgraceful war.

While the original loan of these destroyer escorts by an act of August 5, 1953, was justifiable in terms of NATO defense, and was restricted to use for purely defensive purposes, our extension of this loan today will certainly be interpreted by Africans and other former colonial countries as military and moral support of the present Portuguese suppression in Angola.

The United States cannot possibly serve its own interests by continuing this military support of a Portuguese campaign in Angola.

We should remember that in terms of lives being lost, both native and Portuguese, the war in Angola is the most serious disruption of peace in the world today.

Our tacit support of the Portuguese will contradict our efforts to convince the world that we support self-determination and responsible self-rule for all people.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. KOWALSKI. Yes, I yield to the gentleman.

Mr. RYAN. Mr. Chairman, I should like to commend the gentleman for calling the attention of the House to this provision. I also view with alarm the fact that this bill provides for ships for Portugal. I think for too long a time we

have not been concerned with the character of dictator governments in Portugal and in Spain. I think this is a matter of very serious note.

Mr. KOWALSKI. I thank the gentleman. I hope the statement which I made for the record will help to restrain the Portuguese in their activities in that area.

Mr. HARDY. Mr. Chairman, I have no further request for time.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman for a question.

Mr. RYAN. I have this question: Is there any prohibition in the bill or under present procedures against Polaris submarines being the subject of any of these loans?

Mr. HARDY. These vessels all come out of the reserve fleet. They would not come from the active fleet. They have already been identified to the committee. The committee has been advised what ships would be involved.

Mr. RYAN. It would not involve Polaris submarines?

Mr. HARDY. It definitely would not.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I want the record to show that there are some in this body who feel we should not forget our friends, either.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding section 7307 of title 10, United States Code, or any other law, the President may extend the loans of two destroyer escorts to the Government of Portugal and two destroyers to the Government of Spain on such terms and under such conditions as he deems are appropriate.

SEC. 2. The extensions of the existing loans authorized under this Act are extensions of the loans made under the authority granted by the Act of August 5, 1953 (67 Stat. 363), as amended by the Act of August 3, 1956 (70 Stat. 967).

SEC. 3. Extensions of existing loans shall be for a period of not to exceed five years and shall be made on the condition that they may be terminated at an earlier date if necessitated by the defense requirements of the United States.

SEC. 4. Notwithstanding section 7307 of title 10, United States Code, or any other law, the President may, under conditions which he prescribes, lend or otherwise make available to friendly foreign nations from the Reserve Fleet, on such terms and under such conditions as he deems appropriate, destroyers, destroyer escorts, and submarines as follows: (1) North Atlantic Treaty Organization and European area, not to exceed six ships; (2) southern Asia, not to exceed two ships; (3) Far Eastern area, not to exceed six ships; and (4) a pool of not to exceed two such ships to be loaned to friendly nations in an emergency.

SEC. 5. New loans executed under this Act shall be for periods not exceeding five years, but the President may in his discretion extend such loans for an additional period of not more than 5 years. All loans shall be made on the condition that they may be terminated at an earlier date if necessitated by the defense requirements of the United States.

SEC. 6. All expenses involved in the activation, rehabilitation, and outfitting, including repairs, alterations, and logistic support of vessels transferred under this Act, shall be charged to funds programed for the recipient government under the Mutual Security Act of 1954, as amended, or successor legislation, or to funds provided by the recipient government under the reimbursable provisions of that Act or successor legislation. In the event that a loan is terminated by the United States prior to the expiration of the loan period, the Secretary of Defense may reimburse the recipient government on a pro rata basis for funds provided by it under the reimbursable provisions of the Mutual Security Act of 1954, as amended, or successor legislation, in connection with the loan.

SEC. 7. No loan may be made or extended under this Act unless the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such loan or extension is in the best interest of United States. The Secretary of Defense shall keep the Congress currently advised of all loans or extensions made under authority of this Act.

SEC. 8. The President may promulgate such rules and regulations as he deems necessary to carry out the provisions of this Act.

SEC. 9. The authority of the President to transfer naval vessels under this Act terminates on December 31, 1963.

With the following committee amendment:

Page 2, line 20, strike out the comma and "but the President may in his discretion extend such loans for an additional period of not more than 5 years".

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WRIGHT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 7726) to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence, pursuant to House Resolution 394, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. HARDY. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

AUTHORIZING DELEGATION OF CERTAIN DUTIES TO EMPLOYEE BOARDS—INTERSTATE COMMERCE COMMISSION

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8033) to amend section 17 of the Interstate Commerce Act so as to authorize the delegation of certain duties to employee boards.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8033) with Mr. KILDAY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas [Mr. HARRIS] is recognized for 1 hour, and the gentleman from Michigan [Mr. BENNETT] is recognized for 1 hour.

Mr. ROGERS of Texas. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Fifty-one Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 137]

Anfuso	Huddleston	Rabaut
Auchincloss	Ikard, Tex.	Rains
Bailey	Jones, Mo.	Rivers, S.C.
Battin	Kearns	Roberts
Buckley	Kilburn	Rostenkowski
Cook	King, Utah	Spence
Davis, Tenn.	Lesinski	Stafford
Dawson	MacGregor	Steed
Dent	Milliken	Vinson
Diggs	Moulder	Weaver
Dooley	O'Brien, N.Y.	Wharton
Evins	O'Hara, Mich.	Williams
Fogarty	Peterson	Willis
Hall	Pilcher	Winstead
Hoeven	Powell	Young

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 8033, and finding itself without a quorum, he had directed the roll to be called, when 388 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. HARRIS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this is another one of those bills proposed for the purpose of bringing greater efficiency to the regulatory agencies. This one is applicable to the Interstate Commerce Commission. It deals with only one point, and that

is, employee boards in reviewing a recommended order or a decision of a hearing examiner. All the other provisions that we have had in other proposals here are already in the Interstate Commerce Act and have been there for many years. This is not a reorganization plan that has been submitted by the President; this bill is recommended by the Interstate Commerce Commission.

Mr. Chairman, the purpose of this bill, H.R. 8033, is to authorize the Interstate Commerce Commission to delegate to three-man employee boards the function of reviewing recommended orders entered in cases in which hearings have been held.

By the Transportation Act of 1940 the Interstate Commerce Commission was authorized—section 17(2) of the Interstate Commerce Act—to assign certain of its work to a division of the Commission, an individual Commissioner, or to an employee board. Such employee boards may be composed of examiners, directors, or assistant directors of bureaus, chiefs of sections, and attorneys.

Over the past 10 years the Commission has created four such boards: Suspension, fourth section relief, temporary authority, and transfer. Since the first of this year the Commission has created 12 additional boards: 2 operating rights, 3 finance, 3 motor carrier, 2 safety and service, a released rates, and a special permissions.

Matters assigned to the 16 boards under present law are those which do not involve taking of testimony at a public hearing or submission of evidence by opposing parties in the form of affidavits. Decisions of the boards may be appealed to one of the Commission's three—formerly four—divisions, and the division's decision is administratively final and generally not subject to review by the Commission.

While the Commission's reorganization program, effective under existing law, already has gone a long way in the expediting of its workload and in enabling Commissioners to devote more time to transportation issues of broad significance as it is estimated these 16 boards will handle some 28,000 cases annually, there is yet one area where the Commission believes substantial improvement may be made. In this area legislation is needed.

Under the provisions of H.R. 8033, it would be possible for the Commission under section 17(5) to establish one or more employee boards for each category of cases, that is, first, operating rights; second, rates and practices; and third, finance, safety, and service. These boards would be staffed by able, experienced attorneys in grade GS–15 or higher, having qualifications at least equal to those contemplated by section 11 of the Administrative Procedure Act. It is anticipated that these boards could, in time, handle many of the cases now being decided by divisions of the Commission. Since it is assured that an appeal would lie in every board-decided case to an appellate division of three Commissioners, or to the entire Commission in certain cases, the rights of the parties would be fully protected.

I, therefore, urge that H.R. 8033 be enacted.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman who is quite familiar with this problem.

Mr. AVERY. Mr. Chairman, I have two questions I would like to propound to the chairman of the Committee on Interstate and Foreign Commerce. At the present time there are how many Commissioners?

Mr. HARRIS. There are 11 Commissioners.

Mr. AVERY. And when it was originally established back in 1887—how many were there then? Well, there were less than 11, were there not?

Mr. HARRIS. Oh, yes, I believe it was 5 members when it was originally approved by the Congress, but it has been gradually increased over the years to 11 and it has been 11 now for a good many years.

Mr. AVERY. But there were less than 11 when it was first authorized?

Mr. HARRIS. Yes.

Mr. AVERY. And so experience has shown that one way of dispensing with the workload before the Commission was to increase the number of Commissioners?

Mr. HARRIS. That was the reason for increasing the number of Commissioners—so that they could divide themselves into divisions.

Mr. AVERY. In addition to that, they subsequently divided themselves, or they were authorized to delegate to a number of Commissioners, in a further effort to dispense with the workload that was accumulating? That happened, as I recall, as our transportation and as our commercial carriers and modes of transportation expanded.

Mr. HARRIS. Originally there was part I and later part II and then part III and now they have part IV to deal with all modes of transportation.

Mr. AVERY. Then my basic question is this. In the opinion of the gentleman from Arkansas, have we increased the size of the Commission to the extent that it is practicable and, therefore, we must revert to other means of dispensing with all this accumulated workload?

Mr. HARRIS. I think to increase the size of the Commission now would be foolish. I do not think it would add any efficiency at all and it would make the Commission larger when, under the law, the Commission must as a Commission make the final decision in these matters when they are urgent and they are brought up to them.

Mr. AVERY. One more question, Mr. Chairman, if I may. Is the Interstate Commerce Commission unanimous in support of this recommendation?

Mr. HARRIS. The Interstate Commerce Commission is unanimous in support of it and urges passage.

Mr. AVERY. And has it been mentioned—I am sorry I was not here to hear all the debate—how did the committee stand on this particular issue, that is, the legislative committee?

Mr. HARRIS. The legislative committee was sharply divided when the bill was reported.

Mr. AVERY. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. GROSS. On page 7 of the report, which is in part the letter of the Acting Chairman, Rupert L. Murphy, to the committee, do I understand that this calls for the creation of additional boards within the Interstate Commerce Commission?

Mr. HARRIS. This would deal only with one type of board action. The boards are already created within the Commission, and this would permit the Commission to utilize a board of employees only in reviewing recommended orders; that is all.

Mr. GROSS. Will this increase the personnel?

Mr. HARRIS. No, it is not contemplated that it will increase the personnel.

Mr. GROSS. As I read the letter, these boards will be staffed by attorneys of grade GS–15 or higher.

Mr. HARRIS. That is right.

Mr. GROSS. Is there anything in this bill to provide that you can pay the personnel hereby described above the pay of a grade 15?

Mr. HARRIS. No, but the Commission will select people within the Commission who are qualified for this particular kind of work, and it will require people in grade 15 or higher.

Mr. GROSS. Where will they get the "or higher" people? I may say to the gentleman that the higher classification of a supergrade is, of course, controlled by law; it is not just something the Commission can grant without violating the law.

Mr. HARRIS. Yes, but there are higher classifications within the Commission; they even have a few supergrades.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. YOUNGER. Without the words "or higher" they would not be higher than the trial examiner, more experienced, or of longer service than the trial examiner.

Mr. HARRIS. The purpose of this, I may say to the gentleman is that we do not want just an ordinary clerk to be reviewing the recommended order of a trial examiner after the examiner hears the evidence and makes the record.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. HARRIS. I yield.

Mr. GROSS. Some of the trial examiners are in grades GS–12 and GS–13.

Mr. HARRIS. Yes, unfortunately that is true.

Mr. GROSS. All right; and they are not called clerks.

Mr. HARRIS. No, but there has been discussion and some fear on the part of certain people that there will be ordinary employees to review these recommended orders, and we want to make it clear that only qualified people will be assigned to this work.

Mr. GROSS. If the gentlemen will yield further, I do not care to prolong this, but I am concerned about whether we may not be adding to the numbers of higher paid personnel.

Mr. HARRIS. No; they would utilize personnel they now have in the Commission.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. ROGERS of Texas. My distinguished chairman will recall the discussion we had on the floor the other day regarding the FCC in which the point was made with relation to the possibility of an application for review being granted by the Commission and being delegated to another employee board where there would be an employee board reviewing the decison of an employee board which had already heard the trial examiner's report; in other words.

So that there would not be any possibility of its getting out of hand, in all fairness, to clear up the point and in order to make legislative history and get the record straight, under this present bill as it is written it is confined to paragraph 5, and the phrase "employee board" in paragraph 6 is deleted, so that there is no necessity to amend this bill to avoid that possibility. Is not that correct?

Mr. HARRIS. That is true. Any order of the employee board where exceptions are filed has got to be considered and passed upon by the Commission.

Mr. ROGERS of Texas. If the gentleman will yield further, I wanted the House to know the situation on that. That does not alter my opposition to the basic principle involved.

Mr. HARRIS. I thank the gentleman, but I will say that the basic principle to which he is opposed is already contained in paragraph 2 of section 17 of the Interstate Commerce Act and has been there for many years, under which during this time the Commission has had the authority to make such designation.

Mr. ROGERS of Texas. That is one point I disagree on with my distinguished chairman, and I want to discuss that a little later, if the gentleman will give me time.

Mr. HARRIS. I shall be glad to. I also refer to the provisions of the act itself.

Under the present law—and I want you to listen to this because I know we all want these commissions to do their job. We want to do what is necessary and appropriate to see that they are in a position to do an effective job. Any man or any person, I do not care who he is or what work he is engaged in, can do only so much. There are just so many hours in a day.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. HARRIS. Mr. Chairman, I yield myself 5 additional minutes.

Under present law, in every case in which a hearing has been held and exceptions to a recommended order have been filed, it must go to the Commission or to a division of the Commission for decision. Approximately 5,000 cases heard by examiners are processed and decided by the Commission every year. Decisions are made by divisions of the Commission on these 5,000 cases to the extent of about 2,500 each year, which means in that many cases exceptions have been filed to the examiner's report and they must go to the Commission for decision.

The report of October 1, 1960, of the Special Advisory Board on Commission Practices and Procedures showed that in 1959 there were 1,686 adversary proceedings alone, in which it was necessary for a final report to be released by the division or by the Commission en banc. This averaged out 11 cases every week for each of the Commissioners.

In addition to this workload the Commissioners have other responsibilities as members of a division of the Commission, as well as the Commission itself. They analyze major cases before the full Commission to the extent of 175 important cases in addition to that. It is just physically impossible for one man to develop and consider and pass on that much work. That is the reason we have this provision.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. How does the gentleman think that by increasing the employee review boards it is going to expedite the work? I take it that is what they are under this bill. They are review boards, not trial boards.

Mr. HARRIS. Yes.

Mr. BENNETT of Michigan. How does the gentleman feel the creation of these appeal or review boards is going to expedite the work?

Mr. HARRIS. The record has shown that many of these cases to which exceptions are filed have been taken for the purpose of delay, just postpone the matter. When the exceptions are filed it does not go any further than action on those exceptions. Therefore, a lot of these are just routine which could be assigned for review by an employee board. If there is any objection on the part of any aggrieved party from there on, he then files under paragraph 6 of this same section his application for rehearing, and so forth, and takes it to the Commission. The Commission has got to reconsider and pass on it under that section.

Mr. BENNETT of Michigan. Is it not a fact that by this legislation you are creating one further layer of review within the Commission?

Mr. HARRIS. We are establishing a vehicle here of employee boards for review purposes in order to expedite a lot of routine matters which a division or the Commission itself must now consider. That is all it does.

Mr. BENNETT of Michigan. These review boards do not pass on routine matters, they pass on contested cases.

Mr. HARRIS. Of course they are contested or no exceptions would have been filed. They are contested when they are before the examiner.

Mr. BENNETT of Michigan. Then they go to this employee review board. The board reviews it, then they come to a decision. Then the litigant who is dissatisfied may take it to a division of the Commission or the Commission itself.

Mr. HARRIS. That is true.

Mr. BENNETT of Michigan. This adds one more layer and certainly will cause additional delay in many cases, at least, in the final analysis.

Mr. HARRIS. The gentleman is not familiar with the proceedings and how they work. I cannot agree that it causes additional delay. It will expedite matters. The Commission knows that, and those of us who heard all the testimony are convinced that that will be the case.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Virginia.

Mr. GARY. Do I understand from the remarks that the gentleman just made that this bill does carry an appeal of right?

Mr. HARRIS. Let me read it to the gentleman:

> If the decision, order, or requirement was made by a division, an individual Commissioner, or a board, such application shall be considered and acted upon by the Commission or referred to an appropriate appellate division for consideration and action.

So, as a matter of right, the man's case can be considered by the Commission.

Mr. GARY. We have in our State, and I think in most States, a court of small claims. People can go into those courts and have their cases adjudicated. They have an appeal of right to a court of record. But, about 80 or 90 percent of those cases are not appealed. In most instances the people are content to abide by the decision of the court of small claims, and I take it that this would accomplish the same thing; that it would eliminate a large number of cases of people who would abide by the decision, accept the decision, and not appeal.

Mr. HARRIS. Out of some 5,000 cases heard by examiners, there are some 175 or 200 that ever reach the Commission, as the record shows.

Mr. GARY. So long as it is an appeal of right, it seems to me that they are absolutely protected.

Mr. HARRIS. That is specifically provided for by statute.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. So that there will not be any misunderstanding about it—and I know the chairman wants this understood in detail—the appeal that the gentleman from Virginia is talking about is an appeal of right. Now, is it not so that in this situation the man has a right to ask that the matter be reviewed by the Commission, and if his request to have it appealed is turned down, he does not have that right?

Mr. HARRIS. I understood the gentleman from Virginia to ask: Does the man have a right to file an exception and go to the Commission for a determination of his case? And, that is true.

Mr. ROGERS of Texas. Now, would not the answer to that be, though, that

he files an application with the Commission for a review of his case, and if the Commission says "We turn down your application for review," he loses his right of review by the turning down of the application? So, his case is not reviewed by the Commission unless they agree to it.

Mr. HARRIS. The gentleman is splitting hairs, because the Commission determines the review when it passes on the exception. Let me read what it says:

> Rehearing, reargument, or reconsideration may be granted if sufficient reason therefor be made to appear; but the Commission may, from time time, make or amend general rules or orders establishing limitations upon the right to apply for rehearing, reargument, or reconsideration of a decision, order, or requirement of the Commission or of a division so as to confine such right to proceedings.

And so forth. In other words, that is a ruling of the Commission or division and not the employee board.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield further?

Mr. HARRIS. Yes.

Mr. ROGERS of Texas. If the members of the committee will look at the word "may," you will see the point. It is discretionary with the Commission whether or not they hear a man's appeal; it is not a matter of right.

Mr. HARRIS. I still say that if the gentleman is going to go back to the old proceedings that we had with the FCC so long and which made it mandatory for the Commission to hear every case, then you have not heard anything from your people back home yet.

The point we raise here is that we assure this House that there is the right to file exceptions to any recommended order anywhere along the line to a final determination of the Commission. Then, if a party is aggrieved by the decision of the Commission, he has the right of appeal to the courts.

Mr. Chairman, I think it is a good bill, and if we mean what we say, that we want these regulatory agencies to perform their duty and to serve the American people, yet with ample safeguards, this bill ought to pass and I heartily recommend it.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. Yes, I yield to the gentleman.

Mr. BENNETT of Michigan. Is it true that under the terms of the bill these employee boards may be composed of the very people who are concerned with the litigation heretofore?

Mr. HARRIS. No, it is not true.

Mr. BENNETT of Michigan. Is there a prohibition against it in the bill?

Mr. HARRIS. The provision, of course, is that employee boards—that is covered in paragraph 2 of section 17—shall be set up by the Commission. The boards are composed of employees within the Commission, their regular staff. Those involved with the evidentiary hearings are examiners who are not on the regular staff of the Commission at all. Consequently, the examiners make the record. You are talking about civil service employees having authority, as the gentleman from Texas [Mr. ROGERS] says, and if he has any logic to his argument, what he should do is to try to do away with examiners. They are the ones that hear the cases; they are the ones that make the record, they are the ones that pass on matters that have to go to the Commission or employee boards, or finally to the courts.

Mr. BENNETT of Michigan. As I understand it, the employee review boards are appointed from the Commission staff?

Mr. HARRIS. That is true.

Mr. BENNETT of Michigan. Which means that, for example, a bureau chief or the head of a department who is concerned either directly or indirectly with this problem, could be put on this board to review the trial examiner's decision; in other words, somebody who had an interest in the litigation. At least, I see nothing in this bill which prohibits the Commission from appointing from its own personnel people who may have an ax to grind, so to speak, or who may be interested in a policy or maintaining a policy or something of that sort, to be on this review board.

Mr. HARRIS. The gentleman, of course, is just trying to pick a flaw somewhere as I see it.

Mr. BENNETT of Michigan. No; I am not trying to pick a flaw.

Mr. HARRIS. I can say to the gentleman with all the assurance that I can give that that situation has not been true in the past, and it will not be in the future.

Mr. BENNETT of Michigan. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am opposed to the bill because in the first place the creation of these new employee boards which it authorizes will simply delay the proceedings and not expedite them. At the present time, except on relatively rare occasions, only two steps are involved. Either a hearing is held—the initial hearing followed by the examiner's report—and the final action, a decision of a division of the Commission. Under the Commission reorganization action of January 9 of this year, except in certain instances, this division report is administratively final.

Mr. Chairman, under the procedure provided by H.R. 8033 whenever exceptions are taken to the recommended report of the examiner, the new employee board will take jurisdiction of the parties then having the right to appeal the Board's decision to a division of the Commission. Thus the bill provides for three procedural steps rather than the two presently involved.

In the second place, I am opposed to the bill because other sections of the Interstate Commerce Act provide that the composition of these new employee boards may be the very same bureau chiefs or section chiefs whose bureaus or sections are involved in this very decision. That is one of the things I asked the chairman about, because that, in addition to the other shortcomings here, it seems to me, might create some very serious problems. That is because those of us who have been in touch with matters concerning these regulatory agencies for some years know how people at the staff level can get themselves prejudiced one way or the other in favor of a certain policy or a certain point of view and then try to impose or inflict that view upon everybody else with whom they come in contact.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Arkansas.

Mr. HARRIS. On that point, has the gentleman observed in any way any flaw in the utilization of the boards over the last 20 years?

Mr. BENNETT of Michigan. This is a different type of board.

Mr. HARRIS. No, it is not a different type of board at all.

Mr. BENNETT of Michigan. This is a review board.

Mr. HARRIS. The employee board proceedings have been in the act since 1940. The device has worked, I think, pretty well throughout the years. In our investigation the gentleman cannot point to one single instance where the employee board proceedings were not working all right. There was never any criticism that came to our attention.

Mr. BENNETT of Michigan. I can point to many instances, Mr. Chairman, and the gentleman knows them as well as I do, where people at the staff level in these agencies get themselves pretty well indoctrinated with one point of view or a certain type of policy and then they try to see that that policy prevails.

Mr. HARRIS. Will the gentleman cite me one instance in the Interstate Commerce Commission where that is true?

Mr. BENNETT of Michigan. Of course, I do not have specific cases at hand, but I have listened to these people testify for the last 14 or 15 years on our committee, and I think I know a little something of how they operate down there. We just got through voting for a bill here the other day allowing the Federal Communications Commission to establish these employee boards. I voted for that bill very reluctantly. I doubt very much that it is going to do the things we expect it to do. But I voted for it primarily because it does away with the opinion-writing staff of the committee, those experts down there who, after the Commission has rendered its decision, will take the case and fix it up the way they think it ought to be in accordance with their previous notions of how decisions should be made.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield.

Mr. ROGERS of Texas. The proposed boards, that have been in existence in the Interstate Commerce Commission for a number of years, have not had adjudicatory power.

Mr. BENNETT of Michigan. That is right.

Mr. ROGERS of Texas. Therefore, the board that is set up is an entirely different board. I do not care if you call it by the same name or not.

Mr. BENNETT of Michigan. That is right. I agree with the gentleman.

In the third place, I do not think this bill gets to the heart of the problems of

unnecessary delay and workload of the Commission. To me, it has not been an answer to the problem to do what the Commission has undertaken to do this year by the creation of 16 employee boards to handle this type of case. The Commission points with pride to the fact that the Commission's workload will be lessened by the referral to the employee boards of some 28,000 cases annually and perhaps one-half of the remaining 5,000 cases if this new board is created. Simply to shunt off some 30,000 cases onto employees, in an effort to free the Commissioners for consideration of broad transportation policy matters, seems to me to avoid the problem. The problem is, Why should there be 30,000 cases annually before the Commission in the first place? It would seem that a consideration of the basic statute, and the creation of statutory standards, and attention to the enunciation of proper rules and regulations should be done with the goal of relieving some of the burden itself.

Mr. HARRIS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Thank you, Mr. Chairman.

Mr. Chairman, I want to say again, as I said just a few days ago in the controversy concerning the Federal Communications Commission bill, I find it most distasteful to rise in opposition to my distinguished chairman. But, I feel very deeply about this matter and I intend to pursue it to the end whether it be in this Congress or in another Congress.

I rise in opposition to this bill, and I want to try to state the basis for my opposition as clearly and as concisely as possible and to try to give the Members of this House who are not particularly familiar with the technical situation involved here a picture of what you may be up against in future years. I was asked the question shortly after this bill was reported, and, incidentally, this bill came out of the Committee on Interstate and Foreign Commerce by a vote of 13 to 11—I was asked shortly after that why I did not file a minority report. Well, my answer was that I did not need to file a minority report because the report itself contained a letter from the Acting Chairman of the Interstate Commerce Commission, Mr. Rupert L. Murphy, under date of July 12, 1961, and that is a minority report which very clearly expresses my views on the subject. I want to read some of the statements in the report to you, and I think that will clarify the situation so far as this discussion that has been going on is concerned. Listen to this and listen very closely to it. This is what Mr. Murphy said, and he is the Acting Chairman of the Commission, and I say to you he is giving you his opinion as to what he wants done. Here is what he says:

H.R. 8033 would make it clear that the Commission may delegate to three-man employee boards the power—

Mind you, it is not the work but the power—

to make decisions in cases in which a hearing has been held, either by a hearing examiner or a joint board.

Now that is the crux of this whole argument here today, and that is, the delegation of adjudicatory powers to civil service employees.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I am happy to yield to the gentleman.

Mr. HARRIS. Is that not exactly what I said in my discussion of this bill when I was in the well of the House.

Mr. ROGERS of Texas. I do not recall.

Mr. HARRIS. The gentleman was listening.

Mr. ROGERS of Texas. I think where the chairman and I are in disagreement on this is this point: I do not want to see adjudicatory powers extended to civil service employees. Now why?

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Arkansas.

Mr. HARRIS. Then the gentleman is not in favor of assigning cases to hearing examiners which has been the procedure in administrative agencies for many, many years.

Mr. ROGERS of Texas. Oh, no, no, the gentleman is wrong on that. I do not want words put in my mouth. I am for getting all of the facts together, but I am for putting the responsibility in a duly constituted tribunal. I want to make this statement very clear—that if you pass this bill, you are going to say to the taxpayers of the United States of America that they formerly had a forum—they used to have a tribunal to which they could go, but now we have fixed it so that they must have their rights and their privileges and their powers and immunities that are guaranteed to them under the Constitution of the United States decided by an employee who is chosen out of a great mass of people by somebody who has been chosen by somebody—by somebody who has been chosen by somebody. How much further away can you get so far as responsibility is concerned—and that is exactly where you are going in this bill. The difficulty here is that the attention has been focused on the regulatory agencies need to relieve themselves of a burden, not what is best for the taxpayers.

We are dealing with people's rights, we are dealing with situations where there are adversaries in cases, and we are denying them the forum that the Constitution of this country guaranteed to them to have their rights heard.

There has been a lot said about rights, but let me first say that this bill is not the kind of law the Congress of the United States is intended to write; this bill is a recipe for the relief of an overworked bureaucracy; that is all it is. Let me show you where we are going if we pass this type of legislation. We are going to say to this man, you have a right to have your case heard by a civil service employee chosen by some fellow who has been designated by the full Commission to make a selection of an employee out of a great number. He asks: What about my right of review? What about my right of appeal? They say, You have the right of review.

What is that right of review? That right of review is by an employee board made up of the same kind of employees as the single one who decided the man's case in the first instance; and when you let a man review his own case he is going to make a decision favorable to what he said in the first place, because pride of authorship engulfs us all at times.

There has been talk about the right of appeal beyond that. There is not a right of appeal beyond that. You have the right to ask the Commission to hear your plea, to which the Commission can turn a deaf ear. It is discretionary with the Commission whether or not they want to hear you.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. The gentleman from California would not yield to me the other day, but I gladly yield to him.

Mr. YOUNGER. I will yield to the gentleman when I take the floor, I assure him.

Is not that the same position the Supreme Court is in? Does the gentleman object to the Supreme Court?

Mr. ROGERS of Texas. There has been some discussion about that Court. Does the gentleman mind if I do not make a decision about that until we get some of these matters cleared up?

Mr. HEMPHILL. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from South Carolina.

Mr. HEMPHILL. Talking about specific cases, the gentleman will recall the case before our committee dealing with a $5 million loan to a certain railroad and whether the ICC had violated certain legislative provisions. The railroad went into receivership and admitted they did not have collateral to warrant the loan, and the Commission, because of my objection, did not make any loan. Does the gentleman know that since that time the ICC has made the loan to the railroad, but had this legislation been the law at that time some flunky down the line not responsible to the Congress would have been able to make the loan without collateral and the ICC would have protected that employee before the committee because he would be shielded by the Commission. Does the gentleman agree?

Mr. ROGERS of Texas. I thank the gentleman for bringing out that point.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield.

Mr. PILLION. Do I understand that this examiner and the examining boards would have full power to make decisions and to adjudicate?

Mr. ROGERS of Texas. That is exactly right, and the right of review extends primarily to another employee or to an employee board. Whether or not the man ever has his case heard by the Commission that has been appointed by the President and confirmed by the Senate as the tribunal set up originally

under the ICC Act to hear these things, is a matter of discretion with those gentlemen.

Mr. PILLION. With regard to the handling and adjudication of cases by civil service employees, if a civil service employee is incompetent or venal it is rather difficult to get rid of him, and it makes a very perplexing problem, but the Commissioner who has not managed his duties responsibly will not be reappointed. That is not the case with civil service employees. It is awfully, awfully difficult to get rid of an incompetent civil service employee.

He should not be in a position of making final judgments in cases such as this.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HARRIS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Arkansas.

Mr. HARRIS. I think this House ought to understand what the law is. We are not changing this phase of it today. It is now a part of the statute. I am reading word for word:

If the decision, order or requirement was made by a division, an individual Commissioner or a board, such application shall be considered, and acted upon by the Commission or referred to an appropriate appellate division for consideration and action.

Mr. ROGERS of Texas. That is the present law?

Mr. HARRIS. That is the law. This does not change it. The gentleman, I am sure, is fully aware of that.

Mr. ROGERS of Texas. We disagree on that. The right is not a right of appeal. It is the right only to ask the Commission for permission to appeal.

Mr. HARRIS. The gentleman disagrees with the language in there?

Mr. ROGERS of Texas. Yes, we do, and that is what is causing this controversy. I respect the gentleman and his views, but I think this whole controversy will prove my point and can be substantiated exactly as I have stated. What I have said is true.

Let me show you something else in this report which I think is highly important. In the letter Mr. Murphy says:

As a part of its program to cope with this situation, the Commission has already taken steps under existing law to—

To what?—

limit the right of appeal from division decisions to the full Commission, generally, to those cases involving issues of general transportation importance.

Who decides whether they are of general transportation importance? The men who are making the decision. They do what? Limit the right of appeal. The right of who? Of an American citizen who is entitled to a forum or a tribunal set up to have his cases and his matters heard. He is being shuttled off to an employee of the Government. People tell me they are against bureaucracy and they are fighting bureaucracy. But I say to you the passage of this bill will do more for the expansion of bureaucracy than any one thing that has happened in a long time. This and the passage of the FCC bill the other day.

Let me tell you something else. This is the Acting Chairman still speaking. He says:

Under the provisions of H.R. 8033, it would be possible for the Commission to establish one or more employee boards for each category of cases, that is, (1) operating rights, (2) rates and practices, and (3) finance, safety, and service.

These boards will be staffed by able, experienced attorneys in grade GS–15 or higher.

I want to tell you that we had a hearing on this business one time before. We were investigating the ICC. I think the testimony will bear me out in that investigation, or another one, that their definition of a lawyer was a man who had a license for 1 year.

In handling many of the cases now being decided by divisions of the Commission, he states:

It is anticipated that this procedure is not available to the Commission under the present provisions of section 17 of the act. Since it is assured that an appeal would lie in every board-decided case to a appellate division of three Commissioners, or to the entire Commission in certain cases, the rights of the parties would be fully protected.

What he means is right to ask for permission to appeal.

As I said before, if you will take this report and read and digest the language of the Commissioner himself, who was the Acting Chairman, you will find the answer to the problem that unquestionably is besetting every Member of this Congress, or should be, and that is what is to the best interests of the people of this country in handling these administrative matters.

Now, when this board was originally set up it was not contemplated that employees of the Federal Government in civil service status would have the final deciding power. It was intended that a tribunal be set up so that it would be in the nature of a quasi-judicial organization, a tribunal where the man, the citizen of this country, could repair when he had any kind of complaint coming under the jurisdiction of this particular phase of our economy.

Now, as we have moved along there has been an increase in population; there has been an expansion of problems. There always will be. And, what we are doing here today is discussing the problem of how to meet them. I say that this type of legislation is patchwork legislation. It is going to offer the opportunity to a duly constituted Commission to shirk its responsibility by handing over to some man who may have a chip on his shoulder, a man who may not be able to obtain any kind of confirmation necessary by the Congress of the United States, this authority and he than has the power to do the very things that the Commission was charged with in the first instance.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. Is it not also true that in addition to what the gentleman had said, it is highly questionable whether this procedure will expedite the business of the Commission? Now, if there is any justification at all for this kind of a policy in establishing employee boards, it is to expedite the Commission's business or the public's business and taking care of it without so much delay. But would that be the fact? On the contrary, I think the adding of this additional layer of appellate review would serve to cause delay rather than to expedite the business, because on page 7 of the report I read this language:

This procedure is not available to the Commission under the present provisions of section 17 of the act. Since it is assured that an appeal would lie in every board-decided case to an appellate division of three Commissioners, or to the entire Commission in certain cases, the rights of the parties would be fully protected.

Of course, that is one of the fallacies here. If you are going to delegate the authority to an employee board, you have to safeguard the citizens' rights; you have to provide appellate review, and by so doing you are just adding another unwieldy setup to frustrate and delay the business rather than expedite it.

Mr. ROGERS of Texas. I think the gentleman is exactly right, and I want to touch in conclusion on one other point that the gentleman made earlier about the handling of these matters, adding layer upon layer of confusion.

Now, the people who have trouble that come before these boards, like John Q. Public, the little man out here in the hinterland, he probably has saved up for a year to get enough money to hire a lawyer to come up here to represent him in this thing. Now he is confronted with a mass of redtape in this sort of thing. He is confronted with banks of Government lawyers paid out of his pocket, the taxpayer's pocket, who get off at 5 o'clock every afternoon, who do not care whether they are working on this case or another. They have a job; it is a protected job. If one gets tired, another takes his place. That is not so with John Q. Public, the little man out here who has the trouble, and he cannot find from reading the law where he is going to end up.

The fact of the matter is he is going to end up before an employee of whom he has never heard, not one of the men duly appointed, to hear his case. When he tries to appeal that case he is told "If you get this done you will have to get up more money for it." When he gets through with that they say "Well, we will have to take another step now," so he will have to get up more money.

Mr. Chairman, it is not going to take long to run that poor little fellow out of money. I think Members of Congress ought to stop and think about those boys that make up the United States of America, the ones who pay our salaries, the ones who are keeping up the Federal Government and bearing this burden at the present time, and try to reduce this situation of bureaucracy.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, you have just listened to quite a discourse from our good colleague, the gentleman

from Texas [Mr. ROGERS] about the little man in the hinterland. I do not know of any little man in the hinterland who is under the ICC for supervision. You have the great railroads, you have the great trucklines and others.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. Yes, I yield to the gentleman.

Mr. ROGERS of Texas. I have some friends who live close to the State line.

Mr. YOUNGER. You mean in Mexico?

Mr. ROGERS of Texas. In New Mexico.

Mr. YOUNGER. This Commission has very few little men in the hinterland that it supervises, because the independent trucker, as you know, is not under supervision. He is exempt.

Mr. Chairman, the unusual thing about this great body of independents in the hinterland whom our colleague from Texas is pleading for is that not one of them, not a soul, appeared before our committee against this bill. I attended all of the hearings—every one of them—and not a railroad, not a busline, not a busdriver, and nobody that I know of appeared.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. Yes, I yield to the gentleman.

Mr. ROGERS of Texas. That is one of the things I was trying to make known. The little people do not have the money to come to Washington. Surely the gentleman from California [Mr. YOUNGER] is not telling this country that this Congress is only operating with the big people, that we have forgotten the little people.

Mr. YOUNGER. Will the gentleman tell me one little man in the United States who is within the supervision of the ICC?

Mr. ROGERS of Texas. Well, of course there are no little people in my district. They are all big—I mean that spiritually, and not materially. The point is simply this: The ICC supervises anyone who is engaged in interstate commerce. When I said a minute ago that I have a lot of people living close to State lines, I am telling the actual facts involved, because my district is bordered on three sides by foreign States and only on one short side by Texas. So, anyone who gets in business in my district, whether he is little or big materially, if he gets any place, he has to cross the State line. Therefore, he is under the supervision of the Interstate Commerce Commission.

Mr. YOUNGER. For the information of the gentleman from Texas, with all of your supervision by your State utilities commission, by the ICC, 60 percent of all of the transportation in the United States was by unsupervised transportation in the last year, 1960. So this question that you are talking about has absolutely no bearing at all, and none of them appeared before the committee. I am sure the gentleman will bear out the fact that I attended all the meetings and have been rather diligent about that. Is not that true?

Mr. ROGERS of Texas. If the gentleman will yield further, they did not come up here. As I am telling you, they cannot afford to come to Washington. It is 1,600 miles, and they cannot come up here every time they have a hearing involving their rights.

Mr. YOUNGER. We are some 3,000 miles away; and not one of them even bought a 4-cent stamp to write to me about it.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield.

Mr. BENNETT of Michigan. I agree with the gentleman that the jurisdiction of the Commission extends to the railroads and trucking industry, and so forth.

Mr. YOUNGER. Right.

Mr. BENNETT of Michigan. But the gentleman must not forget this, that when the gentleman from Texas talks about the small fellow, the decisions made by the Commission in respect to rates, charges, and whatnot affect John Q. Public, the little guy the gentleman from Texas is talking about.

Mr. YOUNGER. But he does not have the right to appear. All of these lawyers that have spoken today would be without standing unless they had a client, so I am appearing here particularly as a client, not as a lawyer, because everyone who has spoken so far on this is of the legal persuasion. As a layman, I cannot see any difference whatsoever. If you will read this short bill, it states:

> When deemed by the Commission to be appropriate * * * it may authorize—

When the case comes to the Commission and they deem that it is not a case they want to hear, or the division does not want to hear, it is unimportant, they may assign it to a board. In my opinion, in that context they pass on the case just as much as though they had heard it. There is no difference in my mind. So I can see no difference as to whether they hear it or whether they pass on the case and say, "No, we have the facts from the trial examiner, but it is unimportant, and we are going to have the review by a board."

As to the complaint the gentleman from Texas makes, and also my good leader on my side of the aisle, is that members of the civil service are gifted with prejudice, that they allow themselves to be prejudiced. They are human just like anybody else. The board members and the division members may get just as prejudiced as the civil service employees. They are prompted by exactly the same kind of motives.

They are also talking about the qualifications to secure congressional or Senate approval. The history of the Commission appointees in the last few years, the number that have been removed, and by the Oversight Committee, of which my good friend from Texas was a member—I do not know that they brought any charges at all against the civil service people.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield.

Mr. ROGERS of Texas. If the argument of the gentleman is logical, and I do not say it is not, would it not have been very simple in the first instance for this whole matter to be handled with the Department of Commerce, a division of the Department of Commerce, and let civil service employees handle it? If that is the way the rights that are guaranteed to the people under the Constitution of the United States are going to be trampled, we might as well put out the fire and go home.

Mr. YOUNGER. I cannot see any point where any person's right is trampled. He has the right to go to the division, he has the right to go to the Commission, and the Commission can decide what they want to do. If they do not want to hear him, it is exactly like the Supreme Court. You have a right to go to the Supreme Court, but if the Supreme Court does not want to hear your case they say they do not want to.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Arkansas.

Mr. HARRIS. It seems to me it is very difficult to get this point over. The facts are, as the law says, that such application shall be considered and acted upon. It is not all filing it with the Commission and the Commission considering it if it wants to. The law says the Commission must consider it. That is the point I am trying to drive home and which the gentleman seems to deny and say is not a fact. But it is the law, it is the language of the law, and it has been in the law since 1940, at least, and probably a long time before that.

Mr. YOUNGER. Not only that, Mr. Chairman, but in this case in the bill that is before us, "when deemed by the Commission to be appropriate," the Commission must make the decision as to whether or not it is appropriate. I can see no reason why the Commission does not have the final determination.

Mr. ROGERS of Texas. Now here is the point, and I hope the gentleman will listen. The application that the Chairman is talking about which must be considered is an application to have the man's application heard. It is an application to have his case heard by the Commission. Certainly, they consider that application to have his case heard, but that does not mean his case is heard. It means he comes up there and says, "I have some exceptions." They look at the exceptions and they say, "We do not think they are meritorious and, therefore, we will not hear your case." And out you go. So far as the gentleman is concerned, if he will yield further, on that point with regard to the Supreme Court of the United States, the gentleman is referring to an application for a writ of certiorari to the Supreme Court.

Mr. YOUNGER. That is right.

Mr. ROGERS of Texas. That is a long established practice. Certainly, the gentleman from California is not advocating a policy of making a regulatory agency down here a supreme court; is he?

Mr. YOUNGER. No.

Mr. ROGERS of Texas. Well, I would not think he would. But, the man in the first instance tries his case before

a Federal district court, before a tribunal, before a judge duly appointed by the President of the United States and confirmed by the Senate, and he has a right to appeal to the circuit court of appeals.

Mr. YOUNGER. In answer to the gentleman from Texas, he has the right to have his trial by a trial examiner. He has the right of review by a board, and an employee board or the division, if that decision is made, and then he has another right to appeal to the Commission.

Mr. HARRIS. In further reply to what the gentleman said about the application, the gentleman from Texas is an excellent lawyer. He is a good adversary in any proceedings and that has been displayed here this afternoon. Anyone knows that by application he means a bill of exceptions, and any good lawyer knows that in filing a bill of exceptions, he is going to set out in the bill of exceptions the record of his case which the Commission passes on.

Mr. YOUNGER. That is correct.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield further?

Mr. YOUNGER. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. The Commission has the right, under the law, to set up rules and regulations as to how these applications are handled. They have the supreme power to set this up in a rulemaking order.

Mr. YOUNGER. If I may interrupt the gentleman, will the gentleman yield?

Mr. ROGERS of Texas. The gentleman from California has the floor.

Mr. YOUNGER. Is that not already in the law? Does this bill change that?

Mr. ROGERS of Texas. That is in the law right now.

They have this rulemaking power to determine the procedures for these appeals.

Mr. YOUNGER. That is right.

Mr. ROGERS of Texas. And they can limit that to the bill of exceptions itself, and they know nothing about what is in the record. Now the difficulty we are up against here today is the fact that they have that power and now we are extending the power of decision to civil service employees—adjudicatory powers that civil service employees have never before had and it is going to limit the right of a person to be heard, and in many instances it will completely block him from being heard by the Interstate Commerce Commission on the merits of his case.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HARRIS. Mr. Chairman, I yield the gentleman 1 minute.

Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Arkansas.

Mr. HARRIS. I take sharp issue with the gentleman from Texas. I will stand on the record and I will stand on the law itself—it does not limit the right of an individual and I can assure this House that, in my judgment, that is not so.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from New York.

Mr. PILLION. Under the discretionary language quoted by the gentleman from California, would it be possible for the commission to delegate and to refer to these examiners all of the cases?

Mr. YOUNGER. No.

Mr. PILLION. If there is no limitation upon the number that they can refer, if they do refer all of the cases to these employees, and the employees on this board, then, in effect, the commission becomes an appellate court only.

Mr. YOUNGER. It is now. I as a layman will say to the gentleman from New York, who is a very able lawyer, there is no change in that procedure so far as this legislation is concerned.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield.

Mr. ROGERS of Texas. The Chairman has just said there is no limitation on the right of the applicant to appeal. I refer him to the letter of Rupert L. Murphy in the report:

> The Commission has already taken steps under existing law to limit the right of appeal from division decisions to the full Commission.

They can do that from division decisions under the present law, and what they are doing is extending adjudicatory power to employee boards and retain the right to limit the right of appeal, and I challenge anyone to show differently.

Mr. YOUNGER. This is a good bill, and I ask the Committee and the Congress to approve it.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. DEVINE].

Mr. DEVINE. Mr. Chairman, I shall not take all the time allotted to me. I just want to associate myself with the remarks of the gentleman from Texas [Mr. ROGERS]. I think he has put his finger right on the question about delegating adjudicatory powers to civil service employees. Congress has created many agencies to take care of business it did not have time to take care of itself, but now we find the situation developing where the agencies create agencies within themselves to a point that is ridiculous, and the little fellow down in that border town of Texas referred to by the gentleman cannot afford to come up here to fight his case.

Mr. BENNETT of Michigan. Mr. Chairman, I have no further requests for time.

Mr. HARRIS. Mr. Chairman, as the final speaker, I yield 5 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Chairman, I have listened with a great deal of interest to the debate on this bill, and I am going to conclude very shortly. I think many matters have been raised here that have no legitimate basis for our concern. We have taken this same action for other commissions that have been created by this Congress. If we will look at this legislation we will find that its purpose is simply to try to increase the efficiency of this Commission that this Congress itself has created. We are trying to say to this Commission, "We want you to operate efficiently and within the law, and within the guidelines the Congress has set for you." Use your good judgment, which we believe you have, within these guidelines that we have set.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. ROGERS of Texas. The gentleman has put his finger right on the heart of the proposition and I want to compliment him. This whole bill is directed at the efficiency of the Commission, and what we are trying to point out is that it is at the expense of the public that this efficiency is trying to be achieved.

Mr. ROGERS of Florida. I thank the gentleman for his comment, but I must disagree, because the purpose of the legislation is to enable the public to get prompt, efficient handling of the cases they bring before the Commission.

I want you to remember that this Commission is handling over 5,000 cases a year, and that the caseload of the Commission has increased 10 percent a year. If you will look at the report you will find that this Commission has been using employee boards for 10 years. Have you had any great amount of mail saying how unfair these employee boards are?

The question was even raised, because they are on civil service it is hard to get rid of them. I have always heard one of the great reasons we feel that the Federal court system is able to give better judgment is that the judges are not under pressure to get reappointed or reelected to their positions every 6 years. In fact, your Federal judgeships and the Supreme Court judgeships are for life, as long as each conducts himself properly.

These employee boards are under the direct supervision of this Commission. The Commission maintains control and supervision and at any time on its own motion the Commission can review any action of the employee board. So the Commission retains jurisdiction. Litigants have the right of appeal. As the chairman of our committee has mentioned, that right is in the law. Any party can appeal from an employee board to the Commission itself.

In conclusion, may I say that all of the Commissioners—and this is a bipartisan Commission, the members are appointed from both political parties—have endorsed this legislation as being practical, and as being an aid to the Commission to get its job done for the public. They want to try to do their job properly. The ICC has used these boards for 10 years. This is simply another means of letting them do the job that we, the Congress, have directed that they do.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Georgia.

Mr. FLYNT. May I ask the gentleman from Florida a question. If efficiency of operation is the sole criteria to be considered, would not the gentleman go one step further and recommend

abolition of the Interstate Commerce Commission and assign their duties to a bureau within the Department of Commerce?

Mr. ROGERS of Florida. The gentleman knows that is not a proper way to handle this matter. Here is an agency that is functioning well. This is just another aid for the Commission to do its job more properly and more efficiently. Certainly the gentleman is not serious in that question.

Mr. FLYNT. The gentleman referred a few moments ago to the fact that these boards have been used before. Is it not a fact that the matters which have been referred to the employees and to employee boards have been of a nonadjudicatory type, whereas the cases contemplated in the language of H.R. 8030 would be cases of an adjudicatory nature. In other words, there would be contesting litigants in the matter.

Mr. ROGERS of Florida. The gentleman is right, but they have now had 10 years of experience with these employee boards on nonadjudicatory matters. The Commission feels that with this experience it is now ready to try to expand to certain adjudicatory cases where it can be done properly. We have seen that all of the rights of the litigants will be protected because they can appeal to the Commission or to a division of the Commission any decision of the employee board.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Texas.

Mr. ROGERS of Florida. The gentleman says that you have the right to appeal to the Commission or a division of the Commission.

Mr. ROGERS of Florida. That is in the law.

Mr. ROGERS of Texas. Is it not a fact that he has the right to make application to that division or to the Commission to have his case reviewed, but if they decide not to grant that application they do not review his case?

Mr. ROGERS of Florida. Why, certainly, that is exactly right. The way you take an appeal is to ask the higher body to hear the appeal, and if they say all right, they hear the appeal.

The CHAIRMAN. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (5) of section 17 of the Interstate Commerce Act (49 U.S.C. 17(5)) is amended by adding at the end thereof the following new sentence: "When deemed by the Commission to be appropriate for the efficient and orderly conduct of its business, it may authorize duly designated employee boards to perform, under this paragraph, functions of the same character as those which may be performed thereunder by duly designated divisions."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose, and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. KILDAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8033) to amend section 17 of the Interstate Commerce Act so as to authorize the delegation of certain duties to employee boards, pursuant to House Resolution 401, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROGERS of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 212, nays 174, not voting 51, as follows:

[Roll No. 138]

YEAS—212

Addabbo	Finnegan	Libonati
Addonizio	Fino	Lindsay
Albert	Flood	Loser
Anfuso	Fogarty	McCormack
Ashley	Fountain	McDowell
Aspinall	Frazier	McFall
Avery	Friedel	Macdonald
Bailey	Gallagher	Machrowicz
Baldwin	Gary	Mack
Barrett	Giaimo	Madden
Bass, N.H.	Gilbert	Magnuson
Bass, Tenn.	Granahan	Mahon
Bates	Grant	Mailliard
Becker	Gray	Marshall
Beckworth	Green, Oreg.	Mathias
Bennett, Fla.	Green, Pa.	Matthews
Blatnik	Griffiths	Merrow
Boggs	Gubser	Michel
Boland	Hagen, Calif.	Miller, Clem
Bolling	Hansen	Miller, George P.
Bonner	Harding	Mills
Brademas	Hardy	Monagan
Breeding	Harris	Moorhead, Pa.
Brewster	Hays	Morgan
Brooks, La.	Healey	Morrison
Brooks, Tex.	Hechler	Moss
Brown	Holifield	Multer
Burke, Ky.	Holland	Murphy
Burke, Mass.	Holtzman	Murray
Byrne, Pa.	Hosmer	Natcher
Cannon	Hull	Nix
Carey	Ichord, Mo.	Norrell
Chelf	Inouye	O'Brien, Ill.
Clark	Jarman	O'Hara, Ill.
Cohelan	Jennings	O'Konski
Collier	Jensen	O'Neill
Cooley	Joelson	Passman
Corman	Johnson, Calif.	Patman
Curtis, Mass.	Johnson, Md.	Perkins
Curtis, Mo.	Johnson, Wis.	Pfost
Daddario	Jones, Ala.	Philbin
Daniels	Karsten	Pike
Delaney	Karth	Price
Dent	Kastenmeier	Pucinski
Denton	Keith	Randall
Derounian	Kelly	Reuss
Diggs	Keogh	Rhodes, Pa.
Dingell	Kilday	Rivers, Alaska
Donohue	King, Calif.	Rodino
Doyle	King, Utah	Rogers, Colo.
Dulski	Kirwan	Rogers, Fla.
Elliott	Kluczynski	Rooney
Ellsworth	Kowalski	Roosevelt
Everett	Laird	Roush
Farbstein	Lane	Rutherford
Fascell	Lankford	Ryan
Feighan	Lennon	St. Germain
Santangelo	Spence	Trimble
Saund	Springer	Udall, Morris K.
Seely-Brown	Staggers	Ullman
Selden	Stratton	Vanik
Shelley	Stubblefield	Van Zandt
Sheppard	Sullivan	Walter
Shipley	Thomas	Watts
Sikes	Thompson, La.	Wickersham
Siler	Thompson, N.J.	Willis
Sisk	Thompson, Tex.	Wright
Slack	Thomson, Wis.	Yates
Smith, Iowa	Thornberry	Younger
Smith, Miss.	Toll	Zablocki
	Tollefson	Zelenko

NAYS—174

Abbitt	Edmondson	Morris
Abernethy	Fenton	Morse
Adair	Findley	Mosher
Alexander	Fisher	Nelsen
Alford	Flynt	Norblad
Alger	Ford	Nygaard
Andersen, Minn.	Forrester	Olsen
	Frelinghuysen	Osmers
Anderson, Ill.	Fulton	Ostertag
Andrews	Garland	Pelly
Arends	Gavin	Pillion
Ashbrook	Goodell	Pirnie
Ashmore	Goodling	Poage
Ayres	Griffin	Poff
Baker	Gross	Quie
Barry	Hagan, Ga.	Ray
Beermann	Haley	Reece
Belcher	Halpern	Reifel
Bell	Harrison, Wyo.	Rhodes, Ariz.
Bennett, Mich.	Harsha	Riehlman
Berry	Harvey, Mich.	Riley
Betts	Hemphill	Robison
Blitch	Henderson	Rogers, Tex.
Bolton	Hiestand	Roudebush
Bow	Hoffman, Ill.	Rousselot
Bray	Hoffman, Mich.	St. George
Bromwell	Horan	Saylor
Broomfield	Johansen	Schadeberg
Broyhill	Jonas	Schenck
Bruce	Judd	Scherer
Burleson	Kearns	Schneebeli
Byrnes, Wis.	Kilgore	Schweiker
Cahill	King, N.Y.	Schwengel
Casey	Kitchin	Scott
Cederberg	Knox	Scranton
Chamberlain	Kornegay	Short
Chenoweth	Kunkel	Shriver
Chiperfield	Kyl	Sibal
Church	Landrum	Smith, Calif.
Clancy	Langen	Smith, Va.
Colmer	Latta	Stephens
Conte	Lipscomb	Taber
Corbett	McCulloch	Taylor
Cramer	McDonough	Teague, Calif.
Cunningham	McIntire	Teague, Tex.
Curtin	McMillan	Tuck
Dague	McSween	Tupper
Davis, James C.	McVey	Utt
	Martin, Mass.	Van Pelt
Davis, John W.	Martin, Nebr.	Wallhauser
Derwinski	May	Weis
Devine	Meader	Westland
Dole	Miller, N.Y.	Whalley
Dominick	Minshall	Whitener
Dorn	Moeller	Whitten
Dowdy	Montoya	Widnall
Downing	Moore	Williams
Durno	Moorehead, Ohio	Wilson, Calif.
Dwyer		Wilson, Ind.

NOT VOTING—51

Auchincloss	Halleck	O'Hara, Mich.
Baring	Harrison, Va.	Peterson
Battin	Harvey, Ind.	Pilcher
Boykin	Hébert	Powell
Buckley	Herlong	Rabaut
Celler	Hoeven	Rains
Coad	Huddleston	Rivers, S.C.
Cook	Ikard, Tex.	Roberts
Davis, Tenn.	Jones, Mo.	Rostenkowski
Dawson	Kee	Stafford
Dooley	Kilburn	Steed
Evins	Lesinski	Vinson
Fallon	MacGregor	Weaver
Garmatz	Mason	Wharton
Gathings	Milliken	Winstead
Glenn	Moulder	Young
Hall	O'Brien, N.Y.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Auchincloss against.

Mr. Garmatz for, with Mr. Harrison of Virginia against.

Mr. Fallon for, with Mr. Hall against.

Mr. Davis of Tennessee for, with Mr. Kilburn against.
Mr. Rostenkowski for, with Mr. Pilcher against.
Mr. Buckley for, with Mr. Winstead against.
Mr. Celler for, with Mr. Battin against.

Until further notice:

Mr. Evins with Mr. Milliken.
Mr. Huddleston with Mr. MacGregor.
Mr. Lesinski with Mr. Dooley.
Mr. Moulder of Missouri with Mr. Weaver.
Mr. Peterson with Mr. Wharton.
Mr. Rains with Mr. Stafford.
Mr. Roberts with Mr. Mason.
Mr. Rabaut with Mr. Hoeven.
Mr. Dawson with Mr. Harvey of Indiana.
Mr. O'Brien of New York with Mr. Glenn.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

THE SENTENCE—ITS RELATION TO CRIME AND REHABILITATION

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and to include an article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the United States is fortunate in having James V. Bennett as Director, U.S. Bureau of Prisons.

Mr. Bennett, who has received the President's Award for Distinguished Federal Civilian Service, is one of the world's leading correctional administrators and penologists.

His observations and recommendations have won increasing attention and respect from district attorneys, judges, prison officials, parole boards, and members of the legal profession.

Mr. Bennett is more than "the man in charge" of all the inmates of Federal prisons.

He knows that lawbreakers must be sent away for the protection of society; but he also recognizes that everything possible must be done to rehabilitate them so that they will return to society as law-abiding members.

Out of his practical experience, refined by thought and understanding, Director Bennett has become aware of many weaknesses in our system of "equal justice under law." He documents his "case" with many examples of uneven justice where men found guilty of identical crimes have received lenient to drastic sentences in prison.

Should the power to sentence be vested in the presiding judge alone?

Should it be subject to review and change by other authorities?

Or should the sentence be indeterminate, depending upon the rehabilitation of the offender while in prison?

These and other challenging questions were raised by Director Bennett in his article, titled "The Sentence—Its Relation to Crime and Rehabilitation" that was published in the 1960 Winter issue, No. 4, of the Law Forum, University of Illinois.

I ask unanimous consent to insert Director James V. Bennett's constructive approach to this problem in the CONGRESSIONAL RECORD.

THE SENTENCE—ITS RELATION TO CRIME AND REHABILITATION

(By James V. Bennett)

In a book honoring as keen a legal scholar as Dean Harno we must immediately cut through the time-honored shibboleths and platitudes about stopping all crime by swift trial and certain punishment. With his incisive wit, Dean Harno would also be the first to pass over an article that attempted to place responsibility for crime control solely or even in large measure on the judges, prosecutors, and policemen. "The assumption is that crime control is a question of law," he once wrote. "This is an assumption that should be reevaluated."[1]

Even though crime may be rooted largely in social maladjustments, personality disorders, and the struggle for economic survival or superiority, we should not be discouraged in our efforts to find a better method of grinding out the grist that crams our courts. Society can gain a measure of protection by dealing intelligently with the persons convicted in our courts, even though they form only a relatively small fraction of that body of persons who prey upon our society in one way or another.

Unfortunately, present experience suggests that the courts are governed by individual and varying philosophies of crime control rather than by an orderly and consistent approach for the judiciary as a whole. This is understandable in view of the lonely pinnacle judges occupy and their varying backgrounds, culture, and experience. Honest differences of opinion and point of view are to be expected and resolved.

For the crime of income tax evasion, for example, some judges impose only fines. Other judges impose only probation terms. And some judges impose only prison terms.[2] Even within these categories of dispositions there are wide disparities. The prison terms, averaging less than 17 months, range from 1 day to about 10 years, with the length bearing little relationship to the magnitude of the offense, the characteristics of the offender, or even the consideration of the public welfare. In 1960 one tax accountant received a term of 31 years and 31 days in successive sentences on a number of indictments after he managed to arouse the ire of the trial judge.[3]

In the same year another defendant convicted on a drug charge and given a 20-year sentence succeeded upon appeal in getting a retrial; again found guilty he was again sentenced and given, this time, 40 years.[4] The risk taken by one who appeals his case is also illustrated by the kidnaper who received a life sentence at his first trial and the death penalty on his second trial.[5]

With the above defendants having been given their "just desserts," a youth with a sex offense record received a sentence of 98 days for robbing a bank of $5,000.[6] A 30-year-old man with repeated convictions for car theft and burglary was committed to a Federal institution on a 6-month sentence.[7] His immediate reaction upon reaching the institution was the joyful comment, "6 months ain't nothin'."

One suspects that these defendants, regardless of their misfortune or fortune to receive the extreme in severity or leniency from the courts, emerged from their respective experiences with their respect for the law somewhat the worse for wear. Nor do these cases promote respect for the law in the ordinary citizen, or even the professional lawyer, who hears about them.

A few lawyers and judges claim that such cases are isolated and relatively rare, but their argument is refuted by the countless examples of this kind that can be cited. Statistics alone show that last year in the Federal district courts the proportion of convicted defendants placed on probation ranged from 69 percent in New Hampshire, to 17 percent in eastern Louisiana. For the single crime of forgery, an offense involving remarkably similar circumstances and individuals, the districts of western Arkansas and western Oklahoma gave average terms of 58 and 63 months respectively, while Maine and southern New York imposed average terms of 9 months. (I recall one hapless first offender, a former Army officer, who came before the wrong court and received a term of 18 years for a few checks involving relatively small sums.)[8] For auto theft, again an offense which involves substantially similar factors, southern Iowa and Wyoming imposed terms averaging slightly in excess of 46 months in each jurisdiction, but western New York and New Hampshire imposed terms averaging slightly in excess of 11 and 13 months respectively.[9]

The Federal courts cannot be singled out for criticism on this score. The same situation exists in the State jurisdictions. The median time served by all persons sentenced to prison for felonies in Vermont is 9 months, but in Illinois and the District of Columbia it is 31 months. The average offender convicted of rape in New Jersey serves 19 months, but in the neighboring State of New York he serves 40 months. Murderers, on the average, serve less than 3 years in Texas, but more than 12 years in Ohio.[10] And so it goes.

The picture shown by the statistics is bad enough, even though the use of averages and medians conceals the actual extremes in leniency or severity. It is only when one examines the individual cases, such as those I have cited, that the disparities become evident in their inherent challenge to "equal justice under law."

The circumstances which create the disparities seem identifiable, although the solution to the problem is less clear. To a very large extent they stem from the fact that the courts, like other members of the legal profession and the general public itself, do not agree on what purpose or purposes a sentence should serve. That disagreement is directly reflected in the different types of sentences that are imposed even upon offenders who are quite alike in their backgrounds and offenses.

Although many of us have abandoned the idea that the purpose of a sentence is to inflict pain and suffering on the miscreant, there are still some courts who remain emotionally convinced that the prime function of the sentence is to punish the criminal. With

[1] Harno, "Some Significant Developments in Criminal Law and Procedure in the Last Century," 42 J. Crim. L., C. & PS. 427 (1951).

[2] Address by District Judge George H. Boldt, Criminal Sentencing Institute, Colorado University, July 16, 1959.

[3] *United States* v. *Gilbert*, Crim. No. 27,865, S.D. Cal., Jan. 22, 1960.

[4] *United States* v. *Euziere*, Crim. Nos. 17,512 and 17,920, W.D. Okla., April 11, 1958.

[5] *United States* v. *Robinson*, 144 F.2d 392 (6th Cir.), certiorari denied, 323 U.S. 789, 65 Supreme Court 311 (1944), rehearing granted, 323 U.S. 808, 65 Supreme Court 552 (1945).

[6] *United States* v. *Visceglia*, Crim. No. 28134, S.D. Cal., Jan. 25, 1960.

[7] *United States* v. *Dean*, Crim. No. 28101, S.D. Cal., Feb. 1, 1960.

[8] *United States* v. *Larsen*, Crim. No. 1986, N.D. Ind., Nov. 14, 1956.

[9] Administrative Office of U.S. Courts, unpublished report covering disposition of defendants during fiscal year 1959.

[10] "Federal Bureau of Prisons, National Prisoner Statistics" (to be published) (prisoners released from State and Federal institutions 1954, 1955, and 1956).

more validity other judges hold that the sentence should be severe enough to deter others from committing similar crimes. Some courts, like so many police administrators, declare that criminals should be committed permanently in order to incapacitate them from further crimes. And other courts, remembering that most offenders in actual fact do come out of prison some day, say that the sentence should be so formulated as to promote the rehabilitation of the individual prisoner.

It would be arbitrary to say that these opinions are either completely right or completely wrong. Even the most objective social scientist would hesitate to deny that the criminals who were so twisted in their social and personal values as to perpetrate the Greenlease kidnaping deserved punishment. The rising rate of bank robberies in this Nation suggests that some means of deterrence is needed. For the sake of the Nation's well being, the usual comment is, such racketeers as narcotics king Vito Genovese are irredeemable menances who ought to be kept in prison for the rest of their lives. And for equally good reasons the bulk of offenders who are convicted of such relatively minor and nonviolent types of crime as car theft ought to be subjected to the rehabilitative influences of the law.

It seems apparent then that the four major purposes of the sentence are not contradictory. Each has its role to play in the sentencing process. But the relative weight given to each of these considerations varies from one offender to the next. Therefore, the problem of judicial discretion in the determination of a sentence is that of balancing the requirements of the law with the characteristics of the individual offender. In this respect experience has taught us a paradoxical but sad lesson, that reliance on the humanitarian motivation or sense of conscience of the judge is not enough to insure the most appropriate disposition of the offender. For that reason we must include within the framework of the penal codes such devices and techniques as will contribute most effectively toward individualizing the sentencing process.

Has the defendant been driven to his crime under the spur of virtual economic necessity? This is certainly the case with some of the back-country moonshiners who have been committed to our Federal prisons. Has his crime been motivated at least in part by the fact that some mental or physical defect has handicapped him in his efforts to get a steady job or even obtain the acceptance of society? Our prisons are well-populated with these unfortunates. Or has the offender's crime stemmed from calculated greed and a desire for gain at whatever the cost to others? A good many of our tax offenders and perhaps the bulk of our confidence men fall into this category.

Then there is the purely situational offender whom the press of circumstances and events pushed almost unwittingly into conflict with the law. The alcoholic, more in need of clinical treatment than of imprisonment. The senile, whose domiciliary care can more readily be undertaken by a community agency than by a jail. The sociopath, whose tendencies and crimes now virtually dictate, in the absence of any dependable knowledge concerning the cause of his blindly impulsive conduct or how to treat it, that he be kept almost indefinitely in confinement. And the human flotsam, drifting into and out of communities, into and out of jails and prisons.

It is at this point, in the fine distinctions to be made in evaluating the factors of the individual case, that the background and personality of the judge enter so influentially into the sentencing process. Few persons come from a more distant end of the social pole from the typical violator than do the men who sit on the benches of our courts. I do not agree with the comment that, "The flight of the judge into the world of pseudo-exact paragraphs of the law, this puzzling horror with which the learned jurist tries to avoid the understanding of the motive of the crime, signifies but a flight from personal responsibility."[11] But I do agree that the courts must become more fully acquainted with psychiatry, medicine, sociology, and other branches of nonlegal knowledge, if they are to carry out the sentencing function on a basis which is fair both to the individual defendant and to society.[12]

"The typical superior court judge is a law school graduate whose training aimed to make him an expert in legal problems, either as a practicing lawyer or as a judge. Probably no part of the curriculum dealt even remotely with the problem of the convicted defendant. After graduating from law school the future judge nearly always engages in civil practice, so that by the time he is appointed to the bench he has acquired a thorough understanding of the issues arising out of commercial and business transactions and usually also a certain skill in trying civil cases before the courts. He has probably learned very little about criminals and criminal trials. In fact, the more successful he has been in private practice, the more likely he is to have specialized solely in civil business and civil trials. When he gets on the bench he will spend most of his time trying civil cases and much less time in ruling on questions of law in criminal cases. He will probably not sentence in the course of a year more than a few criminals charged with serious offenses. Sentencing will thus be a mere sideline to his regular and to him more important work.

"It is hardly surprising, therefore, that most judges make little effort to become expert in it. Very few go about with probation or parole officers to see how treatment works out in practice, or keep abreast of the literature on the treatment of offenders. The wardens and superintendents of the various penal institutions often invite judges to visit their institutions, but very few ever accept. The annual congresses of the American Prison Association and the American Probation Association are seldom attended by judges. In fact, the public conception of the functions of a judge is such that no one expects him to attend. Thus every influence in a judge's career tends to minimize the importance of the sentencing function as compared with that of the correct determination of guilt or innocence, whereas both are equally important.

"It is natural, therefore, that judges should give no great weight to psychiatry, medicine, sociology, and other branches of nonlegal knowledge in determining what sentence to impose."

The personality of the judge is often a potent factor which can outweigh the more factual data available to him in arriving at a sentence determination.[13] His emotional reaction when some facet of the crime or the defendant's demeanor strikes a sensitive chord in his personality makeup may bring about a wildly inappropriate sentence. One student of judicial behavior has noted that with reference to sex crimes, for example, one otherwise severe judge becomes lenient while another in a middle position with reference to other crimes becomes very severe in sentencing sex offenders.[14]

"Among judges, just as among any group of human beings, will be found the wise and the stupid, the competent and the incompetent, the idler and the worker, the learned and the ignorant, the protector of human rights and the despot, the honest and the dishonest, the craftsman and the bungler, and the political hack. Some of our judges are senile; some are alcoholic; some sleep on the bench; some are so unfit they cannot write their own decisions.

"Judges are lawyers. They are usually middle-aged when they assume their judicial robes. They are equipped, like every human being, with a background of experiences complete with emotions, prejudices, capabilities, and limitations. On some days they are alert, wide awake, and can give to the case on trial the very best that is in them. On other days they are tired, nervous, ill, worried, or just in a bad humor. As a result their work will suffer and perhaps the quality of justice."

That some judges are arbitrary and even sadistic in their sentencing practices is notoriously a matter of record. By reason of senility or a virtually pathological emotional complex some judges summarily impose the maximum on defendants convicted of certain types of crimes or all types of crimes. One judge's disposition along this line was a major factor in bringing about a sit-down strike at Connecticut's Wethersfield Prison in 1956.[15] There is one judge who as a matter of routine always gives the maximum sentence and who of course is avoided by every defense lawyer. If they have the misfortune of having their case arise before him they lay the ground for appeals since experience has indicated the appeals court is sympathetic and will, if possible, overturn the sentencing court. I know of one judge who continued to sit on the bench and sentence defendants to prison while he was undergoing shock treatments for a mental illness.

The unfortunate fact is that the sentenced offender has no redress against emotionally dictated and unfair judicial sentencing actions. According to Assistant U.S. Attorney General George Doub, the United States is "the only country in the free world where a sentencing court need give no reasons for the imposition of a sentence * * * the only country in the free world in which there is no appellate review of the punishment imposed by the trial court."[16]

The Federal circuit courts have generally held that they have no authority to modify or vacate a sentence as long as it is within statutory limts. The 10th circuit confirmed this position in 1959. When a 51-year-old defendant appealed a 52-year sentence (made up of consecutive sentences on 14 counts of an indictment charging him with violations of the Narcotics Control Act of 1956, and carrying no eligibility for parole) on the grounds that the sentence was cruel and unusual punishment prohibited by the eighth amendment, the court held that while under the circumstances the sentence was greater than should have been imposed, the court had no power to modify it. In a dissent, Chief Judge Alfred P. Murrah stated that since the entire court agreed that the sentence was excessive the sentence should have been modified, either by the circuit court or by the district court.[17]

---

[11] Alexander & Staub, "The Criminal, the Judge, and the Public," p. 17 (1956).

[12] Warner & Cabot, "Judges and Law Reform," p. 162 (1936) (Harvard University Press, Cambridge, Mass.):

[13] Dienstein, "Are You Guilty?" 90 (1954) (courtesy of Charles C. Thomas, publisher, Springfield, Ill.):

[14] Gaudet, "The Sentencing Behavior of Judges," Encyclopedia of Criminology (1949).

[15] Brecher, "Why Judges Can't Sleep," 96 Saturday Evening Post, June 13, 1957, p. 96.

[16] Address by U.S. Assistant Attorney General Doub, annual meeting of American Bar Association, Miami Beach, Fla., August 1959. See also address by Prof. B. J. George, 19th Annual Conference of the Federal Judges of the Sixth Judicial Circuit, University of Michigan Law School, Ann Arbor, Mich., June 5, 1958.

[17] *Smith* v. *United States*, (273 F. 2d 462 (10th Cir. 1959)).

The calendars of the courts of appeal are crowded with cases which have little merit, other than an entreaty to the court to find some basis on which a Draconian sentence can be upset. Reliable figures indicate that 40 to 50 percent of the time of the appeals court is required to review cases which would not be there had a reasonable sentence been pronounced. After giving a number of examples of this type, Chief Judge Simon Sobeloff, of the Fourth Circuit Court of Appeals said:

"Such fantastic vagaries tear down the mightiest sanction of the law—respect for the courts. We have good and wise men on the bench, but not all are wise and good; and even the best and most prudent, being human are like Homer, sometimes likely to nod. The truth is that passing sentence is too delicate and too powerful a function to lodge in any man's hands entirely unsupervised." [18]

Some tentative steps have been taken to permit prisoners to appeal sentences on the ground of excessiveness. In Massachusetts for the past 18 years a defendant sentenced to the State prison can make this appeal to the appellate division of the superior court. This division, comprised of three superior court judges, may, after reviewing the sentence of the court, either reduce the sentence or increase it. According to experts who have studied the system, and according to the appellate division itself, this method of sentence review has brought about better sentencing and has worked so well that it has incurred no criticism from the prosecutors, the courts, the press, or the public.[19] Two years ago the State of Connecticut enacted a similar law, and the results are said to be equally good so far.

During the 86th Congress, Senator ROMAN L. HRUSKA introduced a bill which would authorize convicted Federal offenders to make similar appeals to the circuit courts.[20] This proposal is presently being studied by the Judicial Conference of the United States, and Senator HRUSKA intends to press for hearings and congressional consideration of this legislation in the 87th Congress. Amended by a proviso which would authorize the circuit courts to increase the sentence as well as to decrease the sentence, in the interests of equity both to the Government and to the defendant, this legislation has the support of many who are in search for better sentencing methods.

The obvious shortcomings which presently mark our system of judicial sentencing have inevitably stimulated the suggestion that this function should be taken completely out of the hands of the courts. In California this suggestion has been implemented in the form of the adult correction authority, an administrative board which fixes the term of imprisonment within 6 to 18 months after the prisoner's commitment. However, in view of the political considerations which presently dominate the selection of parole, pardon, and other types of boards in so many State jurisdictions, it seems likely that such boards would be no more qualified by training and background to fulfill the sentencing function than the judges. And there is every prospect that the board would be even less qualified. Further, there is much merit in the observation of Federal Judge Merrill E. Otis that, "the judge and jury may not arrive at judgments which are always perfect, but they reach and make known their judgments in open court, in the public eye, in the bright light of day." [21] This writer believes that sentencing is a judicial function, and in view of the procedural complexities, imperfect judgments, and political coloration of so many present boards and commissions, this function should remain in the hands of the judges at least for the foreseeable future.

But we can and should raise the standards of judicial sentencing. One way in which this can be done is to integrate the administration of criminal justice. At present, as Lester B. Orfield has written: "The defendant is divided up among the sentencing court, the prison authorities, and the parole board." [22] And in the words of New Jersey's former Commissioner of Institutions and Agencies William Ellis: "Actually the modern prison, with its medical, psychological, psychiatric, vocational and allied services, secures a more intimate appraisal of the individual than is normally available to other officials." [23]

The Congress of the United States has recognized this principle. In a 1958 statute it authorized the Federal courts to commit particularly difficult sentencing cases to the Attorney General's correctional institutions for diagnostic assistance and sentencing advice.[24] These individuals are studied in the institutions for a period of from 3 to 6 months, and after the courts study the diagnostic data and sentence recommendations furnished by the Director of the Bureau of Prisons, they impose final sentences. This procedure has been used to the limit of the resources of the Federal prison system since the enactment of this statute, and the results have received the enthusiastic endorsement of Federal judges in all parts of the Nation.

On one such occasion, for example, the court sent to our Terre Haute Penitentiary for observation a former police officer who had committed a series of bank robberies.[25] Our psychiatrists found that he had a bizarre fantasy life, imagining himself to be the "Black Phantom." Dressed in a dark cloak and hat, he would often spring out of the darkness of an alley and brandish his arms at a passing drunk. There were other psychiatric aspects to the case and our examiners made a diagnosis of "schizophrenic reaction, paranoid type." Because his recovery from this mental illness was problematical, his offense extremely serious, and the community had to be protected, the Bureau of Prisons recommended a 25-year sentence. The court gave him 20, under another new and significant sentencing procedure enacted by the Congress in 1958.[26]

This statute was based on the principle that the determination of the time to be actually served by the convicted defendant must be shared between the courts, the correctional institutions, and the parole boards. Prior to 1958 the Federal sentencing procedures were extremely rigid. The court could fix only a maximum term under statutory limitations and the prisoner automatically became eligible for parole at the end of one-third of this term,[27] thus tying the hands of the correctional authorities in motivating the prisoner to work toward a meaningful goal and restricting the parole board in its efforts to release the prisoner at a propitious time.[28] The 1958 statute let the old procedure stand, but it also authorized the Federal courts to fix eligibility for parole at any point up to one-third the imposed maximum or, more importantly, to specify that this decision would be made by the board of parole.

This new procedure has been helpful in a number of ways. By seeking to relate the prisoner's release to his actual readiness for community life, it effectively minimizes possible inequities and yet preserves the court's dual concern for the public safety and for the rehabilitation of the offender. For the prisoners sentenced under this indeterminate procedure our prison staffs can set definite goals and, with the incentive of a possible parole with the achievement of those goals, the prisoners quickly realize that they must take maximum advantage of the rehabilitative opportunities of our institutions. This procedure also guarantees that when these prisoners are released on parole they will be controlled in the community under the supervision of probation officers for a sufficient length of time to demonstrate their fitness for community life.

The procedure has other incidental advantages of social value. It made possible the release of one prisoner, dying of cancer, so that he could spend his last days at home. When another prisoner was found to have leprosy shortly following his commitment to the Atlanta Penitentiary, the procedure enabled the board of parole to release him as soon as arrangements had been completed for his admittance to the U.S. Public Health Service Hospital at Carville, La.

Curiously, along with the increasing inclination on the part of the public, the courts, and even our legislative bodies to recognize the problem of sentence disparities and to support attempts to do something about it, there has been a persistent and occasionally successful movement to remove sentencing from the discretion of the courts and vest it in legislative fiat. In the Federal jurisdiction, for example, a law prescribing a mandatory 25-year sentence for all defendants convicted of armed postal robbery was enacted during the 1930's.[29] Several of the internal revenue statutes contain minor penalties of a mandatory nature.[30] But in 1956 there was enacted the Narcotics Control Act,[31] a sweeping statute which not only dictated long mandatory terms for violators but also denied them eligibility for parole, regardless of any efforts they might make to straighten out their lives under the rehabilitative influences of prison programs. The provisions of this statute permitted no discrimination between defendants, the circumstances surrounding their offenses, and their relative roles in the narcotics traffic as major racketeers, small-time peddlers, or the actual victims—the addicts.

This law, in its very inflexibility, produced inevitable disparities. With no demonstrable compensating advantages in terms of deterrence, this law has made a travesty of our concepts of justice as far as it concerns the defendants sentenced under its provi-

---

[18] Address by Solicitor General Simon E. Sobeloff, American Bar Association annual meeting, Chicago 1954.

[19] Report by Hon. Sanford Bates to Director J. V. Bennett, Federal Bureau of Prisons, Feb. 10, 1958.

[20] S. 3914, 86th Cong., 2d sess. (1960).

[21] Otis, "The Proposed Federal Indeterminate Sentence Act: One Judge's Views," 5 Federal Probation, October-December 1941, p. 3.

[22] Orfield, "Criminal Procedure From Arrest to Appeal," p. 543 (1947).

[23] Ellis, "Proposed Law Makes Possible Integration of Sentencing and Classification Philosophy," 5 Federal Probation, July–September 1941, p. 25.

[24] Celler-Hennings Act, sec. 3, 72 Stat. 845, 18 U.S.C. 4208(a) (1958).

[25] *United States* v. *Burke*, Crim. No. 36922, E.D. Mich., Oct. 8, 1958.

[26] Celler-Hennings Act, sec. 3, 72 Stat. 846, 18 U.S.C. 4208(b) (1958).

[27] 65 Stat. 150 (1951), 18 U.S.C. 4202 (1958). (1958).

[28] Devitt, "Improvements in Federal Sentencing Procedures," 24 F.R.D. 147 (1959).

[29] 62 Stat. 797 (1948), 18 U.S.C. sec. 2114 (1958).

[30] Internal Revenue Code of 1954, secs. 7262–7267, 7270.

[31] Narcotics Control Act of 1956, Internal Revenue Code of 1954, sec. 7237.

sions. One epileptic youth was sentenced to life in prison for selling narcotics; [32] he is the only lifer in the Federal Prison System who is not eligible for parole, and there are many other lifers whose crimes—including multiple murder—were much more heinous. A colored disk jockey, a first offender, was sent to prison for 50 years.[33] A garment factory clerk, a first offender, got 40 years.[34] A hat check girl, a first offender, got 40 years.[35] An addict, who had a prior record which did not involve narcotics, was sent to prison for 80 years.[36]

If these defendants had robbed banks at gunpoint they would have received sentences of 10 or 15 years; if they had organized themselves into a gigantic conspiracy to rig prices, they could get at most 1 year. As it is, these drug victims have only the prospect of spending the rest of their lives in prison. With interminable sentences and no possibility of parole, these offenders are accumulating from year to year in the Federal prisons and now compose the second largest group of prisoners, their number exceeded only by the car thieves. They have utterly no incentive to improve themselves in prison, and their very presence, bulking ever larger, is creating a formidable handicap and a discouraging atmosphere for the prison staffs who are doing their best to rehabilitate both the narcotic offenders and the many other types of prisoners in our institutions. The sentences in the narcotic cases, instead of promoting the rehabilitation of the offender and the public safety, are proving to be socially destructive in their effects.

Despite this serious setback, continuing efforts to improve sentencing standards in the Federal courts have been made, with the backing and support of the Congress of the United States. The Congress, in the omnibus 1958 Celler-Hennings Act, authorized the courts to convene sentencing institutes or seminars in order to develop a "formulation of sentencing principles and criteria which will assist in promoting the equitable administration of the criminal laws of the United States." [37] The Federal judiciary has acted on this congressional suggestion. In 1959 it held a sentencing institute at Boulder, Colo., which was attended by Federal judges from every part of the Nation, correctional administrators, and law enforcement officials. Many of the issues which have accounted for sentence disparities were identified at this institute, and subsequent seminars in various circuits have endeavored to explore those issues. A further development of this institute program in order to hasten the resolution of the divergent views currently held by the various Federal judges is being planned by the Administrative Office of the U.S. Courts and the Department of Justice.

A number of individual Federal judges have sought in various ways to improve the consistency and appropriateness of their own sentences. Some judges, like Judge George H. Boldt of Tacoma, Wash., keep records of their sentences in various types of cases so that their future determinations will be in line with their past actions. Other judges study the statistics on sentencing in order that their own sentencing practices may be comparable to those of their colleagues. Chief Judge Theodore Levin of the eastern district of Michigan gathers the judges of his district together periodically to discuss the sentences to be imposed on individual defendants in current cases. More judges than ever before are visiting the correctional institutions to study diagnostic and treatment resources on the spot.

Another significant step toward advancing the rehabilitative role of the sentence seems to be augured by the development of the American Law Institute's Model Penal Code. One lone voice purporting to represent the correctional field has complained that the code will have the effect of extending the length of sentences for crime and thus frustrating their rehabilitative objective. This self-appointed spokesman for corrections has passed over the fact that the code has unreservedly endorsed the indeterminate principle and would thus give the parole boards even greater latitude in determining when prisoners may be paroled.

That the pivotal nature of the sentence in the rehabilitative process has been widely recognized is inherent in the present concern over the prevalence of sentence disparities, and this common recognition in itself represents a substantial advance. It has brought about much research and the collection of a great body of data and opinion. The judges are getting together to work out a higher degree of consistency in their sentencing philosophies and practices. The courts, the correctional administrators, and the parole boards are trying to develop a teamwork approach in their respective tasks. More than half of all convicted offenders in the State and Federal courts of the Nation are now being sentenced under some form of indeterminate sentence.[38] But the problem of sentence disparities remains acute, and its resolution still lies in the future.

It seems likely that justice can never be reduced to a precise formula. It seems likely that justice will persist in being an elusive quality to attain in its perfect state. It seems likely that justice will continue to be dispensed in the form of sentences formulated by individuals or groups of individuals who cannot entirely separate their decisions from their emotions. And yet, to quote Representative EMANUEL CELLER, chief draftsman of the epochal new Federal sentencing law, "Certainly we must agree that drawing up a prescription to cure a warped mind, deter a heedless aggressor, or redirect the chaff of our highly competitive society is no job for amateurs." [39] The American legal profession already has the requisite knowledge and ability to bring about the goal of "substantial justice," a moderate and reasonable goal entirely within its purview. The greater problem of crime control, as Dean Harno has implied, lies within the province of the society as a whole and the cultural standards it ultimately comes to embrace.

A higher degree of consistency in our sentencing philosophies and practice is realistically feasible, and once achieved it will promote a more universal respect for the law and for those engaged in its various branches. The law deals with the core values of our society, above all with justice, and hence the judiciary and its associates in the administration of justice have a moral responsibility to wipe out the common disparities that are so conspicuously evident in present-day sentencing. They cannot and should not be rationalized away.

[32] *United States* v. *Zaragoza*, Crim. No. 25781–CD, S.D. Cal., May 17, 1957.

[33] *United States* v. *Young*, Crim. No. 25738–CD, S.D. Cal., May 27, 1957.

[34] *United States* v. *Anthony*, Crim. No. 25800–CD, S.D. Cal., June 10, 1957.

[35] *United States* v. *Hamer*, Crim. No. 25885–CD, S.D. Cal., June 17, 1957.

[36] *United States* v. *George*, Crim. No. 25775–CD, S.D. Cal., May 27, 1957.

[37] 28 U.S.C. sec 334 (1958).

[38] Tappan, "Sentencing Under the Model Penal Code," 23 Law and Contemporary Problems, p. 531 (1958).

[39] CELLER, "An Expression of Congressional Interest in the Federal Sentencing Institute," 24 Federal Probation, June 1960, p. 3.

BLOCKADE OF CUBA CALLED FOR

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, again we are hooked on the horns of a dilemma. Again we have to plumb the depths of our souls, asking ourselves whether it is better to let the enemy bring the battle to us or whether to take the battle to the enemy.

It is a traditional worry, one with which our leaders have been confronted several times. When is the right time to go to war? When is the right time to defend ourselves? And to what extent must we go to manifest that defense? These are questions we must resolve. These are questions we are being faced with today.

Khrushchev cries warmonger at us, and then says that his brand of communism will soon envelope our country. Khrushchev cries peace, and continues to feed arms and munitions to dissident factions of other countries. Khrushchev cries imperialist while his trained bands of brigands usurp more territory for Russia.

Now the many-headed, many-handed, many-footed monster has raised one of its ugly heads in the very vicinity of our shores. It should have been stamped down long ago, but it takes a little time to prove a man is a liar. This is especially so, when he has asked for, and has been given a helping hand in obtaining his position of power. Fidel Castro has been deceitful from the beginning of his reign.

The President has stated the country's position clearly and strongly. It is a position of policy, not a warning, not a threat. It is a position that will have to be followed up by action. Action that cannot be long delayed.

On the other horn on which we are being tossed is our tradition for peace, our tradition of waiting until we are knocked down before we defend ourselves. We are a peace-loving people, with a Government framed to promote peace. But then our lives and Government are based on the precepts of Christianity. We are intrinsically a God-fearing people, as contrasted with godless Communist-dominated countries. The love of peace has been bred into us since our country's beginning. Dictators are prone to mistake this for weakness—the dictators that have made this mistake lived just long enough to learn how serious a mistake they had really made.

We can just be pushed so far—and that distance decreases in proportion to the number of times we have been shoved. The limit has just about been reached with Berlin. It has been exceeded in Cuba.

The trumped-up crisis over Berlin will probably blow over when and if Mr. Khrushchev decides it can't be precipitated to his advantage. He has always

used it to distract attention from various other nefarious activities of his.

I have repeatedly appealed for recourse to the Monroe Doctrine—and I make that appeal again. A blockade around the island of Cuba to stop all importation of munitions is called for, I believe. The stealing, hijacking, and kidnaping, and threatening of life has got to stop.

We cannot have communism breathing its hot, fetid breath down our necks off the shore of Cuba. We cannot have so close to our shores the enslavement of the freedom-loving peoples of Cuba. We cannot permit the Khrushchev crowd to think they have their foot in the door to the Western Hemisphere. We cannot permit the Castro-type propaganda to poison the thinking of the rest of the Latin-American countries.

The thorn should be picked from our side before it festers and spreads its poison throughout the rest of our body.

RESTRICTIONS RESPECTING AIRCRAFT OPERATING FROM CERTAIN AIRPORTS

Mr. BECKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, I have today introduced two separate bills in an attempt to bring about a relief to the people of Queens County and Nassau County on Long Island, caused by the tremendous noise generated by the jetplanes taking off and landing at Idlewild Airport.

One bill would amend section 307(C) of the Federal Aviation Act of 1958. This bill would require flight restrictions with respect to aircraft operating from certain airports. Section 307(C) is amended by adding the following new sentence:

In any case in which the local governing authorities of the area in which any airport is situated shall notify the Administrator in writing that such airport is situated in a densely populated area, the Administrator shall prescribe such regulations with respect to such airport as he may deem necessary to prohibit the landing and takeoff each day of any aircraft during the period beginning at 11 o'clock postmeridian and ending at 7 o'clock antemeridian, United States standard time for the time zone in which such airport is situated.

The second bill would amend section 601(A) of the Federal Aviation Act of 1958 to require the Administrator of the Federal Aviation Agency to issue certain regulations concerning air traffic at New York-International Idlewild Airport in the State of New York. This bill would particularize by adding a new paragraph in that—

separate regulations with respect to New York-International Idlewild Airport in the State of New York prohibiting landings and takeoffs each day by aircraft during the period beginning at 11 o'clock postmeridian and ending at 7 o'clock antemeridian, United States eastern standard time.

The reason for the introduction of the two different bills is that one could affect all major airports in the United States and the other one merely affect the Idlewild Airport on Long Island, N.Y.

I, together with other Members of the House of Representatives, have tried for years in meetings with the Port of New York Authority, the FAA—formerly CAA—and airlines have tried to work out solutions to this very grave problem. The progress, to say the least, has been very slow and accomplished very little. We have also tried to secure consideration for some legislation for the study of this problem but without success.

The argument is used many times that people should not build homes around an airport. If they do, they should suffer the consequences. However, insofar as Idlewild Airport is concerned, the communities that are vitally affected, are old established communities in being, long before Idlewild Airport was ever thought of. Thousands of these residents can no longer enjoy the peace and comfort of their homes, and it is for them that I am fighting.

Immediately these bills are assigned to the proper committee, I shall take steps to call for immediate hearings in order to get the necessary action.

It must be noted in closing that the London Airport in England closed the airport between the hours of 11 at night and 7 a.m. The situation there became so bad that citizens marched upon the airport. This has been threatened by the people surrounding Idlewild. I do not want this to happen, but that proper legislative action be taken instead.

I feel very strongly and am greatly concerned, and so are the hundreds of thousands of people living in areas anywhere between 1 mile and 5 miles from the airport, that while the noise caused by jetplanes is intolerable at all times, they do prevent both adults and children from getting their proper sleep and rest during the hours at night, when, I am sure we all agree, every citizen is entitled to enjoy some peace and quiet, between 11 p.m. and 7 a.m.

BROOMCORN INDUSTRY NEEDS PROTECTION NOW

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oklahoma [Mr. JARMAN], is recognized for 30 minutes.

Mr. JARMAN. Mr. Speaker, the Washita Valley region of my congressional district is agriculturally distinctive because of its cultivation of a unique type of sorghum plant commonly known as broomcorn. In years past, this unusual crop has contributed extensively to the total agriculture wealth of Oklahoma. However, in recent years the net worth of this commodity has decreased in my State from almost $6 million to less than $3 million.

If we survey the causes of this rapid and catastrophic decline, we would not find, as perhaps one might expect, any evidence of inefficiency on the farm. We would note, however, that the market structure of this particular crop is delicately balanced, and, therefore, extremely sensitive to the natural laws of supply and demand. We would recognize also that broomcorn is a "single factor" raw material in that it only has one known use—to make brooms. This complicates the picture still further because as a "single factor" material it naturally follows that if certain elements should depress the market of the final product then those same elements would be instrumental in depressing the broomcorn market. Or, in other words, if there is a declining market for domestic brooms, then by the same token, there will be a diminishing need for that product out of which domestic brooms are manufactured. It is this latter circumstance, Mr. Speaker, that is pertinent to our discussion this afternoon, and which also gives an insight as to why the production of domestic broomcorn has so rapidly and catastrophically declined in the last few years.

One quick look at the expanding population of the United States, the increasing number of homes and the greater consumer demand would indicate conclusively that the need for brooms per se had not diminished one iota. Yet we know, as a matter of fact, what lamentable market conditions are now facing the domestic broom manufacturer and his supplier of raw material, the broomcorn farmer. How can we reconcile this apparent contradiction? The answer, I submit, lies waiting for discovery in the statistical annals of the Department of Commerce. For example, in 1949 some 141,000 foreign-made brooms were imported into this country at a declared value of only $23,000. However, by 1960 the amount of imported brooms had increased to some 3 million with a valuation of more than $700,000. Or, considered differently, the importation of foreign brooms during the past decade has increased in volume some 20 times, and in value some 30 times. It is in this comparison, Mr. Speaker, that we reconcile our seeming contradiction. These figures make it abundantly clear that imported alien brooms have secured a foothold in the American market at the expense of the domestic broom manufacturer. They clearly point out why it is there has been an imbalance in the domestic broomcorn market, and why the farmer has seen fit to decrease his cultivation of this unique crop.

Mr. MORRIS. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from New Mexico.

Mr. MORRIS. Mr. Speaker, I am greatly concerned regarding the plight of the broom industry which has been steadily worsening. Problems of this industry started with the increasing competition of other, more sophisticated mechanical sweeping implements and in recent years have been doubled by an even greater and more dangerous competition from abroad. However, my greatest concern is for our domestic growers of broomcorn who have been experiencing with increasing distress the secondary impact of the onslaught of foreign brooms—the dwindling demand for domestic broomcorn. My concern

is for the broomcorn producers as my State of New Mexico is one of the four major broomcorn-producing states of the Nation and broomcorn is one of its major sources of agricultural income.

The import boom in brooms is of relatively recent date, having increased from a total of 25,423 dozen in 1950 to 102,985 dozen in 1957. However, by 1958 the imports rose to 180,093 dozen and 1959 figures show 255,243 dozen. Of special interest is the relative decline in importation of broomcorn, the raw product. The 6-year period of 1950–56 averaged importation of 4,125 short tons a year but it had dropped to 725 tons in 1959. The conclusion is quite clear that the broomcorn-producing countries are processing the broomcorn and exporting brooms instead of the raw product. Because of the wide manufacturing cost-of-production differentials between the United States and foreign broom manufacturing countries, this tendency can only sharpen foreign competition and aggravate its injurious impact on the domestic broom manufacturers.

The drastic effect of such importations has been the reduction by 51 percent of domestic broomcorn harvested between 1957–60. New Mexico suffered an acreage drop of 34 percent and the value of its production was decreased by almost 19 percent.

This problem is made even more difficult because certain types of soil and climate are required for production of broomcorn thus concentrating the product in localized areas. The impact of imports of broomcorn is not spread throughout any State but is concentrated in a limited area. In New Mexico some 85 percent of the State's production of broomcorn is grown in two counties, Quay and Roosevelt. Since my home is in Quay County, I personally have had ample occasion to observe firsthand the decline of our broomcorn farming, the increasing plight of broomcorn growers—my neighbors—and am well aware of the dire need for some measure to help them.

It is quite apparent a revision of the tariff concessions in regard to broomcorn is highly indicated. While the 1930 Tariff Act sets up a specific duty of $20 per short ton of broomcorn, this rate at present applies only to imports from Hungary, one of the countries which has at one time or other been an important source of broomcorn imports. To the remainder of broomcorn-exporting countries is applied the reduced rate of $10 per short ton.

I should like to urge that it is time to correct this situation now. The great need for protecting the U.S. broom industry and, along with it, the broomcorn producers from the low-cost imports of brooms and broomcorn is obvious. Again, I urge immediate measures to achieve the necessary protection before it is too late.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. Mr. Speaker, I, too, should like to compliment the gentleman from Oklahoma [Mr. JARMAN]. This industry is very important, especially to the district represented by the gentleman from Oklahoma [Mr. JARMAN]. It is also important to the broomcorn manufacturers throughout the country. It is also very important to my district and the gentleman's district. I know that this needs not only the attention of the administration but the attention of the various policymaking groups in the various departments. It also needs the attention of the Congress to correct a situation that should have been corrected some time ago.

Mr. JARMAN. Mr. Speaker, one considers it peculiar in this age of mass production and low cost per unit of output that an American manufacturer could not meet the competition of a foreign competitor. Especially would one think this true of the broom industry. However, it is not uncommon for brooms imported from Mexico to sell for as much as $4 per dozen less than a corresponding domestic broom. Also, in the toy and whiskbroom category, the foreign manufacturer is usually able to undersell the American producer by more than $2 per dozen. The consumer distinguishes only little difference between a foreign and domestic broom, and, therefore, makes his selection on the basis of price alone. A selection predicated on the price factor is invariably foreign simply because the alien article retails considerably cheaper.

On June 28, I introduced into the Appendix of the RECORD two letters from Mr. D. L. Carlson, McAllen, Tex., in order to illustrate why a Mexican-made broom can retail for less than its American counterpart. Mr. Carlson documented that the average earnings of the Mexican laborer was about $1.50 per day while domestic labor ran from 90 cents to $1 per hour. Elsewhere in his correspondence, he pointed out that the duty on imported brooms at the American border is only 25 percent of the invoice price, or the cost of production. This is an extremely nominal duty in view of the ability of the Mexican manufacturer to produce his goods with such inexpensive labor. The duty in no way equalizes the price difference between the foreign and domestic article. The alien broom is still allowed to unfairly undersell the American market.

There are several manifestations of this cutrate competition. For example, consider the fact that today there are less than 600 broom factories in the United States, whereas in 1932 there were well over 1,200. This means that in less than two decades over 600 factories have ceased operations, with 305 having closed their doors in the last 5 years. Should the importation of cheap brooms continue, the employees in the remaining 600 shops—numbering approximately 6,500 to 7,000—face the real possibility of economic dislocation. A like situation confronts the raw material supplier. The broomcorn farmers hire between 25,000 and 30,000 hands in the course of planting and harvesting one broomcorn crop. As broom factories cease production, the need is less for the raw product, which necessitates, in turn, fewer farmhands.

Mr. Speaker, in addition to these strictly economic ramifications of the importation of alien brooms, there is another factor which I feel merits even closer consideration—one which arouses our sense of justice and our belief in fair play. The various duties associated with the making of brooms are of such a nature that they can be learned by the sightless. In fact, well over 1,000 blind individuals are employed in such capacities, receiving for their labor wages amounting to almost $2 million. However, the importation of foreign brooms also affect these shops, with their greatest competition coming from of all places Communist Hungary. As a result of this competition, the blind factory worker is now being confronted with the prospect of finding further employment, either that or becoming a ward of the State.

No one desires nor asks for an undue advantage in the broom and broomcorn market. Yet, at the same time, no one respects a man, however well intentioned, who builds his neighbor's house while his own is falling to pieces. We find ourselves, I think, in a similar circumstance with respect to the broom and broomcorn industry. Therefore, it would seem to me only fair that measures be instituted which would give the domestic broom industry an equal economic footing in the broom market. We have seen that present-day duties based on cost-of-production factors are not enough to equalize the price differential. In view of this, I would suggest that the only alternative and feasible method of equalization is to levy a duty of 25 percent of the domestic broom selling price upon the imported broom. Such a levy would effectively improve the present situation, would make broom manufacturing once again a profitable business, and would partially correct the economic misfortunes of the broomcorn grower. Nothing more than this equitable adjustment is asked, Mr. Speaker, and surely nothing less could be expected.

Mr. JARMAN. Mr. Speaker, I ask unanimous consent that the gentleman from New Mexico [Mr. MONTOYA] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONTOYA. Mr. Speaker, I wish to take this opportunity to call the attention of this body to a situation that, in our overriding concern with such issues as Berlin, foreign aid, and unemployment, is all too easily overlooked; namely, the plight of the growers of broomcorn, one of the major farm products of my State of New Mexico, a plight which is becoming more serious each year as imports of brooms continue to climb. I do not, and I am confident you do not consider this a trivial matter. It can never be a matter to be passed over lightly when American producers of a significant commodity suffer, through no fault of their own, from a major surge of imports. It would be callous and unjustified for us sitting here to vote in favor of foreign aid, to

vote to take steps to alleviate the hardships of unemployment, to vote major programs to assist small business, and at the same time refuse to take cognizance of the harm being done to these producers of broomcorn by imports at this time. Let me review a few facts to give you the overall picture.

There has been a serious drop in acreage, production, and value of broomcorn in the United States during each of the last 3 years. In 1957, 279,000 acres of broomcorn were harvested; in 1960 less than half that much, 137,000. In 1957, production of broomcorn amounted to 42,500 tons; in 1960 production also was less than half that amount, 20,600 tons. The value of this production decreased from $10.5 million to $6.9 million during the same period. In some States the drop in production was particularly severe. Worst hit in this 4-year period was Texas where acreage and value of broomcorn harvested was reduced by two-thirds. Even in my own State of New Mexico, the acreage dropped by more than a third, and the impact of this decline was even more severe since about 85 percent of the broomcorn is grown in two counties, Quay and Roosevelt.

Closely parallel is the hardship suffered by broom manufacturers in this country. If we compare output of household floor brooms, the most important type of broom, in 1954 and again in 1958, the years for which the Bureau of the Census reports such data, we find that in the earlier year 1,960,000 dozen household floor brooms valued at $22.1 million were shipped, while 4 years later, in 1958, production was down to 1,700,000 floor brooms, valued at $19 million. That the decline in broom manufacture is less steep than the production of broomcorn itself is attributable in part to the growing use of synthetic and other fibers that have to a certain extent taken the place of broomcorn as a raw material.

Now let us look at the other side of the coin. There is no reason to believe that there has been a sudden lessening of the American housewife's penchant for cleanliness in her own home. A new broom still sweeps clean. True, there has been a growing acceptance of vacuum cleaners and other mechanical cleaning devices that may have a certain influence on broom sales. But there is no evidence of a sudden surge in sale of vacuum or other cleaners that would correspond to the decline in domestic broomcorn and broom production. The answer lies elsewhere and is not hard to find. Since 1950, but especially since 1957, there has been a rise in the imports of brooms that has reached spectacular, if not alarming, proportions. In 1950 a total of 25,000 dozen brooms were imported. By 1957 this had increased to 103,000 dozen, a more than fourfold increase. But by 1958 imports had risen to 180,000 dozen, by 1959 to 255,000 dozen, and last year, 1960, they rose just a little more to 256,000 dozen. So we have witnessed a more than tenfold increase in imports of brooms in the last 10 years.

It is this competition which has naturally been felt in the first instance by American broom manufacturers but also soon by broomcorn growers who supply the manufacturers. Imported broomcorn itself has never been extensively used in the manufacture of brooms in this country. Only 3 percent of broomcorn consumed in this country is imported. In fact, during the same period I have been discussing, the imports of broomcorn have been shrinking to almost negligible proportions. In the 7-year period, 1950 to 1956, inclusive, imports of broomcorn averaged 4,125 short tons a year. They fell to 2,982 short tons in 1957, further to 906 tons in 1958, to 725 tons in 1959, and to 468 tons in 1960.

We will not suppose that the countries from which broomcorn used to be exported in greater quantity to the United States have cut their output, the way output of broomcorn in this country has been slashed. On the contrary, there is every evidence that the broomcorn grown in such countries as Mexico, Hungary, Italy, and Poland, which between them supply over 90 percent of the brooms now imported into this country, now is used by manufacturers within these same countries. Brooms rather than broomcorn have become significant exports of these countries, exports which are coming increasingly to the United States.

The reasons for this great increase in the number of brooms imported into the United States are not hard to find. Just a simple comparison of known prices and costs is enough. How much does it cost to make a broom in this country? Investigations by the broom industry reveal that in this country it costs just under a dollar to make a household broom, with the cost of broomcorn in that broom estimated at 28 cents. A whiskbroom costs about 37 cents with its broomcorn component costing 9½ cents. And a toy broom, with a cost of 35 cents contains broomcorn costing 8½ cents.

Now what about the prices at which brooms are valued when they are imported into this country? Four countries supply about 90 percent of the brooms coming into this country: Mexico, Hungary, Italy, and Poland. Here is the average valuation of a broom imported from these countries. The Mexican broom was valued at 32 cents on the average during the 4-year period, 1957–60, and at 35 cents in 1960. A broom from Italy was valued at 33 cents on the average during 1957–60 and at 37 cents in 1960. A broom from Poland was valued at 23 cents on the average during 1957–60 and at only 22 cents in 1960. And a broom from Hungary was valued at 9½ cents during this same period, and also in 1960 itself. Taking the average of all imported brooms, we find a valuation of 22½ cents per broom in 1957–60, and of 24 cents per broom in 1960. Even if we add the 25-percent ad valorem duty to these prices, they are far below the domestic cost figures I have cited.

It is therefore no small wonder that our broommakers and broomcorn growers are having such a difficult time. It is high time that we correct this situation either through legislation or through the revision of our existing tariff provisions.

JOBS AND THEIR CREATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. AYRES] is recognized for 60 minutes.

Mr. AYRES. Mr. Speaker, the gentleman from Maine [Mr. GARLAND] and I have worked on a paper based on a report by Professor Briefs. We have in this report attempted to discuss the question "Jobs and Their Creation."

At this point, Mr. Speaker, I ask unanimous consent that the remarks of the gentleman from Maine [Mr. GARLAND] be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GARLAND. Mr. Speaker, I am privileged to be a member of a special task force of the Republican policy committee which has undertaken a study of our economy and, more specifically, the problems of employment.

I am honored to be joined in my topic, "Jobs and Their Creation," by the distinguished gentleman from Ohio. His experiences in his own district, which, like mine, is heavily industrialized, plus the invaluable experience that 10½ years in Washington have given him, enables him to see clearly the domestic implications involved in the Welfare State.

We join our colleagues in an acute awareness of the problems and a resolute determination to present to the country a realistic, sound, and workable basis for the solution of such problems as now exist.

The problem of employment in our country cannot be studied as a separate entity with no ties to our economic heritage.

We must first trace the historical implications of the industrial revolution and its attendant social changes. And we must view it in the light of the most pressing of all problems—the strength between the free enterprise system of the Western World, and the controlled economy of the Communists.

Dr. Goetz Briefs, the eminent economist, has best exemplified this struggle—free economy against a controlled or nationalized system—in the following paper, which I insert in the RECORD at this time:

FREE ENTERPRISE—OR WHAT?

A superficial observer of the rivalry between the Western free enterprise economies and the Soviet system of central planning may get the impression that Communist Russia is well holding her own, in fact may have definite advantages over the free economies. Communism indeed has a certain attractiveness for countries desirous to break out of their backwardness by the shortcut Russia took from 1928 on. By adopting the Communist pattern of government planning and total control they believe that the transition to a fully developed industrial society can be achieved without the plodding route taken by the Western World in building up its economy. A violent revolutionary upheaval merging the nation into

one concentrate of will and power under the leadership of a totalitarian elite would open the road to industrialization, to rapid increase in productivity, and to an era of plenty. Salvation, vaguely identified as conquest of poverty and misery, is presumed to be in reach by a Communist shortcut.

The faith in the Soviet pattern rests on some dubious assumptions. First, it is not true that the Soviet policy of central planning adopted since 1928 started from a technological, organizational, and scientific void. On the contrary, Russia could draw—and did so amply and eagerly—on the vast storehouse of Western science, technology, and organizational experience; to some extent also on Western investments dating back to preczarist times and even to the early days of the Russian revolution. In addition, thousands of Western-trained engineers, chemists, physicists, and technicians made decisive contributions to the ascendency of the Soviet economy. This is not to minimize the—in many regards—splendid achievement of Soviet scientists and technicians; still, the fact stands out that Russia found available, and exploited to the fullest, Western know-how and experience.

Secondly, experts agree—and Soviet newspaper reports suggest—that the Soviet economy is shot through with black markets and black practices on the part of directors, managers, party officials, and other supervisors. Operating under cover and against the rules and regulations of the planning authorities an element of free enterprise has crept into the Soviet economy; some observers suggest that it accounts to a large degree, for the system's working and success. The practical decentralization of economic administration undertaken in recent years justifies the conclusion that the powers that be grasped the need for some entrepreneurial decision making and responsibility on the part of the middle and lower echelons of the huge administrative machine. As yet, this dispersion of functions and responsibilities is but a timid step, however, it points in the right direction; toward a criterion which again is characteristic of a free enterprise economy.

Thirdly, the London Economist (July 2, 1960, pp. 58–59) published the report of a British delegation's visit to ENIMS, the Russian Institute for machine tool research. A member of the delegation, apparently realizing the danger of bureaucratism and ossification entailed in such a monolithic structure, spoke his mind; whereupon one of ENIMS' staff members remarked that Western industries' technological progress keeps ENIMS on its toes—a frank acknowledgment that an element of competition is required if the pitfalls inherent in a planned economy are to be avoided.

If it is true that the Soviet system relies on certain features genuine to a free enterprise economy, a conclusion of tremendous importance can be drawn. Suppose communism had swept from the globe all free enterprise economies and "buried the capitalist world," would not that global communism be deprived of the very stimuli which condition its present success? Would global communism avoid degenerating into a vast bureaucratic machine and being compelled to rely on minute supervision, on command and brute discipline. It still would continuously be harassed by passive and active resistance, by the plague of bureaucracies running wild, by never-ending squabbles on jurisdictions, by back and forth shifting of responsibilities, by bureaucratic delays, by piling up of overhead—to mention only a few of the consequences. Indeed, the saving grace of communism is the existence of Western free enterprise economy. Nothing more fateful could happen to communism than the disappearance of free enterprise from the globe.

To sum up, no Communist system can rely on its own principle and potential; it feeds on the continued existence of, and rivalry with, free enterprise economies. Consequently, to the extent that the Western world, for reasons whatsoever, undermines or destroys the conditions for free enterprise, it runs the risk of ending in a wild assortment of governmental and private bureaucracies—Sovietism would be knocking at the doors of the West, ultimately cries for "law and order" probably to be established by some self-appointed elite which "takes over."

The image of free enterprise which Communist propaganda has been spreading all over the world is definitely dated. It corresponds to the laissez faire period of early industrial and commercial capitalism. The social evils accompanying that transition furnished the basis for Marx doctrine; hence that doctrine is dated too. In addition, Marxism is an undue generalization of the British phase of early industrial development; Marx presented the temporary conditions of "Britain in transition" as the essence and nature of free enterprise nor is this all. He misinterpreted the economic roots of the misery of the British working classes of that time. Basically, the disparity between capital formation and labor supply was the focus of the social evils besetting the early generations of British labor. As the ratio between capital formation and labor supply turned in favor of labor, the conditions of the British working class automatically improved; the rate of increase in productivity pushed the wage rates up at a time when unions were only a precarious growth confined to crafts and social legislation was in its early beginning. This country made a similar experience between 1880 and 1913: Wages doubled without there being strong unions or government interference with wage rates. The parallelism between the early British and the early Communist evolution is obvious; in fact, the Russian working classes have been suffering more and longer in the transition to communism than did the British workers a century or more ago. Both suffered for the same reason, vis., the disparity between capital formation and labor supply. Hence the unfairness of the image of free enterprise spread by Russian propaganda; that dated image advisedly conceals the social potentialities inherent in the free enterprise system and its actual achievements. Communists would violently protest if the early decades of their experiment would be presented as the essence of communism; but they spread the image of a bygone phase of free enterprise as if no change meanwhile had occurred. Soviet Russia is naively unaware of the irony implied in her own attitude. Her resolve to build the other workers' paradise with Marx as the patron saint faced the same disparity between capital formation and labor supply which Great Britain faced more than a century ago—without, however, the advantages enjoyed by British labor: the right to protest, to form unions and labor parties, to petition Parliament, to spread labor propaganda and literature far and wide to rouse public attention. At present, China repeats the same tragedy on an even wider and deeper scale. Lenin, having reduced private property to a "bourgeois institution," was compelled to reduce freedom to a "bourgeois prejudice." Inadverently he recognized the intimate relationships between private property and freedom.

Free enterprise has long outgrown the phase of laissez faire. Its dynamism, its flexibility and alertness to change has led to an ever growing increase in productivity, to ever-widening markets, to ever more social dykes and dams; it substantially enlarged the contested zone of which Sidney Webb spoke, a zone against which organized labor can stake its claims, and upon which labor legislation can draw.

The expansion of free enterprise with its increasing rate of productivity solved a problematic aspect of Western development. The Western countries engaged in an adventurous undertaking by combining workers' freedom and democratic rights with dependency on jobs, that is, without property to fall back upon. No economic system ever had tried this combination on such a large scale. Freedom plus property rights or nonproperty plus slave status was the rule in all ancient civilizations; the Roman law put seal and stamp on it. The Germanic laws of the Middle Ages recognized intermediary forms, but whenever property was charged with feudal obligations, freedom diminished, and vice versa. The free enterprise economies, however, took a step of potentially fateful consequences by loosening the nexus between property and freedom, by giving freedom and democratic rights to a growing social stratum which remained dependent on jobs. The stirrings of labor's unrest, the advent of Socialist and Communist doctrines, the cry for emancipation, the ascendency of radical labor movements throughout the 19th century, all these and many other phenomena seemed to indicate the failure of the adventure mentioned above. Yet, the often heralded catastrophe did not materialize. Why? Because the success of the free enterprising economy shifted the balance from political radicalism toward union activities and social reform. The Marxian creed, wherever it had taken root in the free enterprise countries failed to kindle the fires of the final social revolution; instead the configration occurred precisely where Marx thought it had no chance to occur: in that European country which had neither a free enterprise system nor more than a mere marginal and scattered proletariat. The minds and hearts of poverty stricken millions in backward countries, hardly touched by free enterprise, responded to the Marxian dogmatics while Western labor forgot about all that. Russian ideologists, class-alien and Western-educated, used the typical method of barbaric despotism for the purpose of imposing Western technology on a backward nation complete with Marxism as a creed. Everywhere the strategy of communism since has been the same: arousing the wretched impoverished masses in backward countries, abiding the right time to take over, thereafter oppressing the same Jacquerrie[1] with the iron hand of a despotic regime bent on Sovietizing the backward economy by a technology borrowed from the free enterprise nations but tailored to Soviet fashion.

The early Western labor movements also seemed to gravitate toward the "Jacquerie"; so, for instance, in the Luddie riots of England (1811–16), in the rebellion of the silkworkers (1831) in Lyons, France, the weavers' riots in Silesia, Germany. In this country the Molly McGuires and certain tactics of the IWW showed similar characteristics. As the century wore on, the Western labor movement soft-pedaled its radical features and formalized in trade unions and in labor parties, while originally timid but increasingly self-asserted types of social legislation developed—they, too, mitigated the original labor radicalism while at the same time and indirectly, giving trade unions a break. Thus the social climate and temper changed as the 19th century wore on and the 20th century opened up.

There is no intention here to minimize the part played by social legislation and trade unions in the improvement of the workers' lot; no intention either to dwell on certain socially less commendable byproducts of both—in this imperfect world of ours a price has to be paid even for the best intentions and institutions. Of prime importance, however, is a realistic assessment of the economic conditions for successful social legislation and trade union policy.

---

[1] Jacquerrie was the name of a French peasant revolt in 1358. Its leader was Jacques Bonhomme, hence the term "Jacquerrie."

There exists a widely spread naive approach to undesirable social conditions. It consists in believing that social misery can be met by mere social legislation, and by mere union organization. To mention a typical example; many underdeveloped countries joined the International Labor Office and happily subscribed to its decisions and rules—soon to discover that these norms just did not work in their countries; there they are a deadletter, if not worse. The reason is obvious. Before trade unions and social legislation can make sense, the economic environment must present the conditions for successful operation. Labor law and social institutions must correspond to prevailing economic conditions; a functioning economy must be ready to endorse them, otherwise the best intentions are lost and union policies operate in an economic void, causing perhaps more evil than good. Legal recognition of unions is not enough; unless economic conditions respond to the legal framework, no firm union establishment is possible. A glance at the present American scene suffices. Some workers' groups and their unions enjoy a privileged position by being settled in highly profitable and progressive industries or industries catering to inelastic markets, while other not so well placed workers and their unions fare much worse. No legal equality in union status can make up for the differentials in economic conditions. Our problem then is the analysis of economic conditions of social legislation and union strategy.

A brief glance at labor's history may be helpful. The terms frequently applied to workers of the pre and early industrial era were the "poor laborers," or the "laboring poor," or simply "the poor." Ricardo (in his "Principles of Political Economy and Taxation," 1817) occasionally refers to the worker as "the poor," and the same term occurs in John Stuart Mill's "Principles" published about a generation later (1848). The terminology tells a tragic story: those who earn their daily living from their daily work are poor—that much Aquinas had stated already in the 13th century, when wage earners were but an insignificant, marginal group in medieval towns. This identification of the wage earners with the poor, acceptable in the beginnings of the industrial era, meanwhile lost its meaning; wage earning has severed its historical nexus with poverty. What has accounted for this change? Can reference to social legislation or to union activities explain the change? They cannot. Before both really got their start, the standard of living of the workers had substantially improved, in fact doubled subsequent to the expansion of free enterprise. The rate of increase in productivity pushed wage rates up, simultaneously it opened ever-wider job opportunities for the rapid growth of the workers' group. In this context social legislation and trade unions must be assessed.

The history of the labor movement and of social legislation monotonously repeats the story that such and such years were poor years for unions' pushing ahead and for legislative social action. Periods of crisis and depression paralyzed union policies and called a halt to labor legislation; however, at the first sign of business recovery unions gained in numbers and funds; they started pressing for improved working conditions. Suppose the dynamic drive of the system would lose its impetus in a secular stagnation: undoubtedly the parameter for social action in either form would diminish if not disappear. The dynamic sweep of the enterprise economy is the premise of meaningful social legislation and unions' successful operation.

So far so good. But what is the cause of the dynamic drives of the system? In his classical Theory of Economic Development, Professor Schumpeter gives a convincing answer, backed in his Business Cycles by historical and statistical evidence. In a stagnant economy (Schumpeter used the thought model of the "circular flow economy") economic laws rule, the actions of all economic agents are determinate. Investors, landlords, and workers alike can move only within the symmetry of the stagnant economy. However, from time to time, clusters of technological inventions can be put to profitable use; and there are innovators who, with the aid of expanding bank credit, put them to use. Acting as a free agent, the entrepreneur develops new processes, new products, new markets; he breaks out of the determinateness of the system by shaking its very symmetry. The "gale of creative destruction," unleashed by the bunching of entrepreneurial innovations yields temporary profits; these net returns blaze the trail for free (indeterminate) action on the part of unions and social legislators. As the loans which finance innovations are being repayed, as, in addition, competitive imitation of the innovations spreads over the whole economy, profits vanish, the economy again moves toward, and settles in, symmetry and determinateness—subsequent to which the parameter of social legislation and union pressure power diminishes or peters out until the next upswing gives them a new lease of life.

Thus the motor behind the dynamics of the enterprise system is entreprenuerial action expressed in innovations. As new or wider job territories open, the conditions of successful union and legislative action are provided. It is true that the shift from upswing to depression and from depression to upswing carries with it some unemployment and requires adjustments; it would indeed be absurd to expect any economic system to be weatherproof in all directions. Precisely, however, the productivity of free enterprise proved capable to furnish the means for tempering the social dislocations and evils without sacrificing in the process the rights and freedom of the working men and women. The social potential and the elasticity of free enterprise economy have so far found no match in any totalitarian system.

Union pressure, power, and social legislation have their appointed locus in a free enterprise economy. Naturally, they develop a dynamism of their own; kept within limits it supports rather than impedes the dynamism of the economy. The limits are drawn by the requirements of a functioning free economy; they may be summed up as a definite range of entrepreneurial freedom of action and an appreciation of the role of net returns, of savings, and investment. Responsible union leaders were fully aware of these requirements. Samuel Gompers is credited with the statement that firms and industries making no profits are "a crime"; a crime committed to the union. Firms and industries which, over a period of years, yield no net returns or just break even, hold no promise for union success. In former times, and today in less developed countries, they even may not furnish a basis for union existence. The other statemen[t] pertinent in our context is ascribed to David Dubinsky, the well-known leader of the International Ladies' Garment Workers' Union: "Unions need capitalism like the fish needs the water." The meaning is clear; without free enterprise no free unions. It is pointless to object that unions continue existing in communistic countries. They do so only by equivocation. They are designed (apart from some social purposes instrumental in the service of their main functions) for the exercise of political and economic control over the workers.

Time was when free enterprise economies exclusively geared to self-interest and competition were supposed to solve the problem of pauperism inherited from the previous era and to avoid social injustice from arising. Too much faith was placed on market laws. It soon turned out that justice cannot be expected only from the free play of supply and demand. We realize today that a free enterprise economy needs a social frame of reference based on ethics and institutional safeguards of these ethics, be the safeguards social legislation or organizations for the protection of group interests. The issue no longer is one of either uninhibited freedom of enterprise or social control; it rather is one of balanced relationships between the two. The pluralistic structure, however, of our modern society carries with it the temptation to trust too much in power, whether of the interest organization or of the Government, and to believe that, what is socially desirable and useful, solves economic issues, as it were, automatically. The cure of unemployment, that is, is assumed to be more purchasing power for labor, shorter workweeks, and more fringe benefits—that is, higher unit cost of products. The unavoidable consequences of that procedure are credited with the facility of creating employment. This, of course, is nonsense, although it is not denied that short-term and spotwise favorable results are possible. But as a nation, we are not concerned with short-run and spotwise palliatives.

In the alliance between powerful interest associations and the Government the latter may find itself in the role of a clearinghouse for conflicting group interest; even worse, it may be reduced to the undignified status of a junior partner to mighty vote-controlling organizations. If, at the same time, Government is held responsible for conflicting group ends, monetary, credit, and tax measures offer ready means to get out of the "fix." The shift of social responsibility (including responsibility for adverse results of group actions for the group itself), to the Government naturally encourages ever higher group expectations and ever more inconsiderate and reckless demands. If, in addition, the argument is popularized that social demands and higher purchasing power for some groups are the very condition of economic stability and progress, the Government finds itself saddled with virtually unlimited responsibilities. It becomes everybody's handy boy, in the first place the most vocal groups', a kind and benevolent dispenser of good things all around. To meet these responsibilities and obligations a vast bureaucratic machine must be built up, with an ever-increasing amount of wheels within wheels and of controls over controls. Concurrently, taxes must increase; and the more they burden the taxpaying public the stricter controls are necessary to enforce tax honesty.

Thus, there emerges the Janus head of the welfare state. The one face shows features of the paternal state anxious to please everybody, the other shows the grim fisc who, driven by his mounting responsibilities and obligations, turns the tax screws and tax controls ever tighter. In the long run, Sir Stafford Cripps' admonition (in his budget speech of 1950) proved to be right: When the chips are down, the people pay for whatever the Government dispenses in the way of welfare, they pay, in addition, the overhead cost implied in the bureaucratic administration of welfare.

This must not be mistaken for an argument against Government welfare obligations; but it is one against the imbalance between economic freedom and self-responsibility on the one hand, boundless social groups' demands on the other. The real issue is finding that balance; and neither inflation nor overtaxation are ways to escape existing imbalances. Whenever inflation conceals the imbalance between the two, the economy is bound to run into a tailspin, ultimately to require a measure of adjustment which is painful to all groups concerned no less than to the Government. Unable to

meet financial obligations from taxes on income, Government may reach after the sources of income. It may tighten its controls over business with the consequence of choking off capital formation and risky innovations. One may not, as yet, share the pessimism of the late Prof. William A. Orton; but here is what he says: "In Western countries the voluntary system dies quietly in its attic years before the people begin to ask what has happened to it. After all, they were promised security at home and abroad and they forgot even that under the spell of fresh excitements."[2]

In fine, another quote might be suggested here and is taken from the same source. According to Orton, Prof. Alfred Milnes used to say: "When the clay pot of politics and the brass pot of economics go bumping down the river of time and eventually collide, it is the clay pot that cracks."

Mr. Speaker, Dr. Briefs is an eloquent exponent of the necessity of a free enterprise society, and I feel that Mr. Khrushchev should be grateful for the existence of the American free, competitive enterprise economy, for as Dr. Briefs points out so well—and I quote:

Indeed, the saving grace of communism is the existence of the Western free enterprise economy.

Communism indeed cries "emancipation of the worker." Yet only through the free enterprise economies has the individual the democratic rights and freedom to be master of his own fate, yet remain dependent on jobs. Americans working voluntarily in their own behalf and in behalf of others is living proof of the social potentialities inherent in the free enterprise system.

Professor Briefs so aptly reminds us all, that—and I quote:

Free enterprise has long outgrown the phase of laissez faire. Its dynamism, its flexibility and alertness to change has led to an ever growing increase in productivity, to ever widening markets, to ever more "social dikes and dams"; it substantially enlarged the "contested zone" of which Sidney Webb spoke, a zone against which organized labor can stake its claims, and upon which labor legislation can draw.

There is no intention to minimize the part played by social legislation and trade unions in the improvement of the workers' lot; no intention either to dwell on certain socially less commendable byproducts of both—in this imperfect world of ours a price has to be paid for the best intentions and institutions. Of prime importance, however, is a realistic assessment of the economic conditions for successful social legislation and trade union policy.

There exists a widely spread naive approach to undesirable social conditions. It consists in believing that social misery can be met by mere social legislation, and by mere union organization. * * * Before trade unions and social legislation can make sense, the economic environment must present the conditions for successful operation. Labor law and social institutions must correspond to prevailing economic conditions; a functioning economy must be ready to endorse them, otherwise the best intentions are lost and union policies operate in an economic void, causing perhaps more evil than good.

The dynamic sweep of the enterprise economy is the premise of meaningful social legislation and unions' successful operation.

[2] "The Economic Role of the States," Chicago University Press, 1950, p. 85.

The stature of the individual worker is diminished by the very bigness of the monolithic unions. To create jobs you must have capital; to have capital you must have savings; to have savings you must have profits. Firms and industries which, over a period of years, yield no net returns or just break even hold no promise for union success.

Industry must be encouraged; rather than discouraged by excessive taxation, depreciation allowances, and massive Federal legislation—if it is to provide the necessary new jobs in the decade ahead.

As Samuel Gompers said:

Firms and industries making no profits are a crime; a crime committed to the union.

History has shown that progress to the American worker has come only in times where there was a sufficient amount of risk capital available.

The American labor force has been a partner with American industry in the gains made by our free economy. As Al Smith used to say, "Let's look at the record."

And if our system of economic growth, which has been so viable for over 185 years is to continue, sufficient capital for an ever growing economy must be ever present.

And the partnership between American industry and American labor will continue to achieve new heights never before conceived by mankind.

Mr. AYRES. Mr. Speaker, in discussing "Jobs and Their Creation," it is important to note that every large employer today was once a small organization. My hometown, Akron, Ohio, now the rubber capital of the world, was once a small community with very little industry. The huge rubber companies located there, which employ thousands of people, once were manned by a handful of workers.

How were these thousands of jobs created? Because there was a demand for the products being manufactured. As the demand increased, the demand for additional jobs also increased.

Professor Briefs states, in his paper:

It is naive to believe that social misery can be met by mere social legislation and by mere union organization.

Let us look for a moment at the role industrial unions play in the creation of jobs.

As the work force of America has increased, and companies grew larger and larger, it became apparent that the employee who could not deal directly with the boss must have a voice in directing his own welfare. I believe that most Americans agree that a union is helpful to both management and labor when the company becomes a large empolyer.

However, the union can only help create more jobs if its members help build a stronger, more competitive company. The union can only be strong when its members realize that the company they work for must make a fair profit. So, what can the union do to help strengthen the company's position?

First. The union leaders have the responsibility to explain to the members that they work for a good company. The worker must realize that his security is directly related to the success of his firm.

Second. Each worker must strive toward the goal of larger profits for the company. As profits increase, higher wages, greater fringe benefits, and more security will result for the worker. David Dubinsky, president of the Ladies' Garment Workers' Union, said:

Unions need capitalism like the fish need the water.

Abraham Lincoln said:

You can't make the poor rich by making the rich poor.

Third. Union leaders who place personal gain ahead of the welfare of those they represent will weaken both their organization and the company. An unrealistic request from labor that would weaken the company's financial position will inevitably eliminate jobs. Professor Briefs, in his study, sums it up this way:

The action of unions and social legislation within the system of free enterprise develop a dynamism of their own. Kept within limits it supports rather than impedes the dynamism of the economy.

This decision is primarily one for the union to make. The real problem is to arrive at proper balance of free enterprise on the one hand and protection of group interest through unions and social legislation on the other.

In my judgment, the real key to creating more jobs is to create more sales. Nothing happens to strengthen our economy until somebody sells something. I also believe when sales increase, profits increase, wages increase, which, of course, also means production increases. If 100 employees engaged in the manufacture of refrigerators can produce 100,000 units per year and the demand through increased sales becomes 125,000 refrigerators, then at least 25 new jobs will be created for this company. But, let us look a little deeper—more steel, more aluminum, more rubber, more electric motors, will be needed. Jobs will be created in those fields. More transportation, more freight handlers, and yes, even remodeling of the kitchen to accommodate the new refrigerator are involved.

Today in our great country there is no shortage of purchasing power. There is, however, a lack of buying desire. In some instances, this is because the asking price may be too high. As sales increase and greater production is demanded, unit costs can be reduced which helps make sales, which create more jobs.

Realizing that organized labor can be helpful in creating more jobs, let us ask the question: Can unions be harmful? Irresponsible union leadership which makes demands beyond the level that profits and taxes will bear destroys the security and the well-being of the employee. Professor Briefs said:

It is naive to believe that social misery can be met by mere social legislation and by mere union organization.

I repeat this statement because in a free society it is better for the individual through adequate wages to plan his own life without excessive Federal Government responsibility.

In some areas today selfish union leaders are attempting to organize those employees who do not wish to be organized. In other areas, trade unions feel they should be represented where the employees already belong to an industrial union. When unions fight each other, the employee is caught in the middle. And, at the same time, the employer's position in a free market is weakened.

A company in Akron, Ohio, manufactures sheet metal products and has been organized for years by the Steel Workers of America. The Sheet Metal Worker Union has done its best, by refusing to install the products of the company, to weaken the recognized union representing the employer. Had this not occurred, I am told the company would be employing at least 80 more people. Such happenings as this are going on around the country. They do not help create more jobs.

Unions are interested in increasing their membership. In my judgment union membership will increase in direct proportion to the number of additional employees hired by companies now represented by a union. It is going to be difficult to organize employees who are content with their status and who are pleased with the treatment they receive from their employer. Much of the difficulty experienced in the field of labor relations occurs when union leaders make an effort to organize the majority, while having support only from a minority. I honestly believe the unions would be of more help to the worker and more jobs would eventually be created if the Taft-Hartley Act was amended. The amendment that should be considered, would require a majority of all employees to sign up to request an election for union representation. The present requirement of only 30 percent generates bitterness, violence, and worst of all, loss of jobs.

Responsible union leadership should not attempt to organize employees who have been able to work out their problems with management. In many instances the employees are better off with a so-called independent union where they are employed by a small company. A sensible worker spokesman can speak for a small group and usually reason will prevail over pressure.

In summary, the need for increased production creates more jobs. The need for increased production comes about because of an increased demand. The demand is generated through increased sales activity. The worker must be proud of the company he works for; he must be sold on the quality of the product he produces; he must realize his success in enjoying a better life is dependent on the success of his employer.

Management and labor, working together to build a better product that will be wanted by more consumers will create more jobs. Government cannot turn the trick. Legislation cannot make sales. Government cannot employ the unemployed. Unemployment will decline in direct proportion to the demand for goods.

PERSONAL EXPLANATION

Mr. O'KONSKI. Mr. Speaker, on rollcalls No. 135 and 136 I was unavoidably detained. Had I been present I would have voted "yea" in the first instance and "nay" in the second.

REHABILITATION OF WORKERS AND INDUSTRIAL RETRAINING

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. LAIRD] is recognized for 60 minutes.

Mr. LAIRD. Mr. Speaker, at the end of the remarks which I shall make and which the gentleman from Kansas [Mr. ELLSWORTH] will make, I ask unanimous consent to include a paper by Richardson Wood, of New York, entitled "Employment Expansion."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LAIRD. Mr. Speaker, as part of the task force on Operation Employment, it is my pleasure to join with the gentleman from Kansas in discussing one of the most important, and I might add, one of the most difficult problems we are faced with in our economy today. That problem is, of course, rehabilitation of workers and industrial retraining.

In dealing with this problem we are confronted with a large number of very effective organizations which have been developing soundly for the past 40 years and which have contributed no small amount to this important area.

To acquaint you with one or two of the more significant statistics, 88,000 disabled persons were returned to gainful employment in 1960 and it is expected that 96,000 will be rehabilitated in 1961. With the appropriations recently approved for the Department of Health, Education, and Welfare, 1962 promises to rehabilitate 107,000 disabled and unemployed persons.

This will be the first year in which this program rehabilitated over 100,000 persons. A very impressive record, indeed.

A vote of well done should be extended to the Office of Vocational Rehabilitation, the Veterans' Administration, the social security program, as well as all the many other affiliated State and Federal programs of rehabilitation.

But I am not here to list their accomplishments or to advocate a complacent attitude either on their part or on the part of the Members of this House or on the part of the American people.

Rather, I am here to talk about a specific problem which has always been with us and which little or no direct, coordinated and planned action has been undertaken to alleviate; namely, the existence of "special problem" workers in every community and in every labor market area.

There are over 2 million people 14 years of age or over in these United States who require vocational rehabilitation. Of these, probably 40 to 70 percent, depending upon the local situation, receive satisfactory help from the vocational education programs and the State employment services. But this leaves from 30 to 60 percent who are overlooked, or bypassed or are unable or unwilling to take advantage of these services.

Who are these people? Let us briefly look at these "special problem" categories. They are the people who, for a variety of reasons, simply will not go in one end of a system and come out the other end a finished product. They include:

First. Those who have serious physical or mental disabilities.

Second. Those who, unfortunately, are unable to cope with or profit from vocational education or other courses.

Third. Those who fail intelligence and aptitude tests for vocational schools. For every 100 workers who lose their jobs there is a substantial percentage who do not apply for retraining and of those who do apply many are not accepted because they could not pass the vocational aptitude tests. A case in point: Not long ago in the depressed-area State of West Virginia, more than 50 percent of the applicants for vocational education were eliminated by aptitude tests. No doubt such tests are quite necessary to identify those who can profit from such training, but it does nothing to solve the problems of the others. The July 1961 issue of Fortune magazine, in an article on the current retraining plans of the Government and private firms, describes what happened when the Armour Co. closed a packing plant in Oklahoma and endeavored to retrain and place the employees laid off: of the 433 employees laid off, only 170 applied for retraining; of these 170, only 60 could pass the aptitude tests of the Oklahoma Employment Service.

Fourth. Another type of "special problem" worker is the person who has protracted family and other social problems which seriously interfere with his mobility, adaptability, and general availability for training or work. A man who owns his own home or has lived in a locale for many years or is advancing in age or not financially well off is not prone to move to another locale in the hope of finding a job.

Fifth. There are many former workers who have job skills which are no longer in demand locally and who, for various reasons refuse to learn new ones or relocate. The reasons are many: a strong sense of pride attached to their status as an established skilled worker—recently in Cumberland, Md., a small glassblowing firm decided to shut down because two of the five highly skilled glassblowers planned to retire this summer. Many of the firm's 45 employees expressed deep concern over finding new jobs because they were too old to learn a new trade and too young to retire—many first- or second-generation immigrants are among those tied to a family or community; others have strong labor union ties to a particular line of work; still others display strong resistance to leaving relatives and friends to go to a job

in a new community—chief among these are middle-aged and older workers—and many other reasons.

Sixth. Personality traits, such as fear, antagonism, slovenly habits, and so forth, show up in the ranks of the chronically unemployed and are a large contributory factor to this problem.

Seventh. Various other individual reasons, not touched upon here, would shed even more light on this particular problem.

Recently, while in Minneapolis, Minn., I visited the Minneapolis Rehabilitation Center as well as the Sister Elizabeth Kenny Foundation, a voluntary health organization founded in 1943. One significant point that was brought home to me was that the great number of people who are admitted for treatment are all quite decidedly different, both in their ailments and in their personality and adjustment problems. I was informed that as much as two or three thousand dollars is spent on an individual case.

There are many solutions that have been offered and many programs put into effect. Richardson Wood, in his paper "Employment Expansion," recommends:

> The spreading of employment to more remote areas through the adoption of long-term buying contracts by large-scale merchandising organizations.

A practice of Sears, Roebuck & Co. for at least 15 years.

> Several hundred new factories, each employing from 100 to 400 people, have been established, almost all of them well outside of large urban areas. The location of these factories tends to correspond with areas of chronic unemployment, since the locators seek to avoid competition in the labor market with the service industries characteristic of urban regions.

Mr. Wood goes on to endorse the development of new products as another necessary means of gaining full employment but "far more often," he states, "the needed resources are human skills."

It is expected that the demand for skilled workers will increase at a rate greater than that of the total labor force during the next decade, due to the anticipated demand for construction workers, and the growing need for skilled maintenance and repairmen brought about by increased technology and automation.

In order to fill this demand for skilled workers and, at the same time, progress toward a solution to the full employment problem, we cannot afford to overlook the special problem workers.

Many of these people can be trained—if that is called for—relocated—if that is called for—and placed in jobs, provided the same individual approach is used for them that is used for all handicapped people in the vocational rehabilitation program. Instead of making available job training or placement services, these people need to have skilled problem solvers go to work with them, find out what the situation is, work out with them—sometimes over a long period of time—an agreed-upon plan for getting them to work, whatever that may involve in the individual case.

I am not advocating a full-scale, crash program to enroll these people in the ranks of the workers. I am asking that we look at this very real problem and intelligently devise a means of solving it. Experimental projects should be set up in perhaps four or five selected redevelopment areas to see what results are obtained when a team of experienced problem solvers goes to work on these individual special problem workers. Numerous details would have to be discussed and arrangements worked out with the several agencies and groups who are concerned.

For example, such a team probably should include carefully selected individuals from employment, rehabilitation, school guidance, social work, and perhaps others. If it exceeds six in number, it will probably get unwieldy. It would seem, at this stage, that it probably should be a direct operation of the Office of Vocational Rehabilitation.

These projects should be established on a 3-year experimental basis. By the middle of the second year, we should have a fairly good idea of whether they warrant being extended to other areas.

It is important, I think, to limit this program initially to a small selected number of well-established rehabilitation centers in order to judge intelligently the feasibility and potentiality of this approach. If at the end of the trial period, beneficial results are noted, then our money will have been well spent and the door will be open to sensible expansion. If, on the other hand, the results of this experiment are disappointing, then a minimum of time, facilities and the taxpayers' money will have been wasted.

In short, then, I am saying that we will make a great mistake if we rely entirely on the present systems of vocational training and employment services to solve our problems of retraining and employment today. Regardless of the local circumstances—whether we are talking about a depressed area, or a redevelopment area, or a reasonably prosperous community—we have substantial numbers of people with special problems which will never be solved unless we make special provisions for them. If we sincerely are seeking full employment for all our people, we must do something specific and constructive about the thousands of unemployed people who require more than just the existence of a trade school or an employment office, if they are ever going to join our labor force.

Let me repeat one thing to make myself clear. I am not opposed to expansion of vocational training services or employment services. On the contrary, I favor the present efforts to make more and better use of these valuable contributions to the skills and productivity of our people.

But let us not stop there with only a part of the job done. We should face up to the needs of these special problem workers and do something about them. They need employment as much as the others, and we need them as workers. As things stand now, we are spending millions of dollars to support them on public welfare. I think it is time we invested a fraction of this amount in a new and different effort to get them off relief rolls and into useful jobs.

Mr. Speaker, I yield to the gentleman from Kansas [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Speaker, as the pioneers moved westward, toward what is now Kansas and beyond, the obstacles they had to overcome were primarily physical and natural—breaking the sod on the Great Plains, clearing the wilderness, driving railroad spikes across an untracked continent.

As the land—the prairies, the mountains, the seacoasts—was settled, and families began to farm, they were exposed to the hazards of nature—droughts, floods, hail, rain, late spring, early fall.

Today, with some 70 percent of our people living in urban areas, the obstacles that exist are primarily manmade. The mountain barriers which have to be scaled are those of rents and restrictive covenants. The swiftly flowing rivers which have to be forded and bridged are those of class and social distinction, nonetheless treacherous because they are intangible. Unemployment, or unemployability, is the drought which could wither one's labors.

Forty acres of land and a Government mule, State departments of agriculture, Federal-State flood control and reservoir programs, Government price supports and surplus storage programs, land-grant agricultural colleges, high school agricultural vocational training—these are a few of the many tools that have been brought to bear upon the problems of our people in times gone by. Many of them are still in use.

Today we are confronted with the challenge of coping with an unemployment problem. Under the leadership of the gentleman from Missouri [Mr. CURTIS], a group of Republican Members of this House have undertaken, together with independent scholars, to look at the problems and opportunities of employment and unemployment in the dynamic American economy, and to outline their views and those of their constituents on various aspects of the situation.

The gentleman from Wisconsin [Mr. LAIRD] and I are proud to be able to set forth some thoughts on the rehabilitation of workers and industrial retraining.

The gentleman from Wisconsin [Mr. LAIRD] has obviously made a major contribution to the subject, including constructive suggestions for positive, forward-moving action programs.

It will be my purpose to develop, in the next few minutes my views of:

First, the background of the problem—recent dimensions and the next 10 years; and

Second, some suggestions toward a partial solution. Under this head, I will comment on some first steps toward an answer.

At the outset, let me make it crystal clear that I do not believe in the philosophy of those who would cynically pretend that the Government itself has an obligation to provide jobs for the jobless. Leaf raking, pyramid building,

posthole filling—these kinds of projects add nothing to the Nation, and nothing to the individuals who become involved.

The Government, at all levels, should properly be, and is, concerned with providing a climate for the development of job opportunity. The question I ask myself, on behalf of the people in my district, is this: What can I do to help provide opportunities for every man and woman in my district to work in a job that provides a decent living and is within the capability of the individual?

Now, Mr. Speaker, the background of the problem is such that an easy answer to that question is not available.

As the gentleman from Wisconsin has so well pointed out, there are many different kinds of people involved in this employment-unemployment picture, and of course there are just as many different kinds of problems as there are different kinds of people.

We all know, from having read it in the newspapers and magazines and from having heard it talked about on the floor of this House, that despite the high rate of business activity, we still had, as of the end of July, over 5 million people, all of whom would like to find work, out of jobs. To use the proper statistical language, the seasonally adjusted rate of unemployment is still nearly 7 percent, as it has been for 8 consecutive months.

Of those who were out of work in July, there were 1.6 million persons who had been without jobs for 15 weeks or longer. These men and women are referred to as long-term unemployed.

Then among the long-term unemployed, there is a particularly tragic group, called the hard-core unemployed—those who have been without work for more than half a year. In July, this select group numbered 1 million persons, and represented an increase of 100,000 over the month before.

Of course, Mr. Speaker, these men and women represent enormous burdens on the relief rolls, in many cases and in many communities across the Nation. The ordinary taxpayer, burdened as he is with rising local and State taxes and undiminished Federal taxes, resents these unemployed—does not sympathize with them. Issues are raised defining the situation in terms of "the chiseler" versus "the taxpayer." There is some chiseling, perhaps, Mr. Speaker, but for the most part these unemployed men and women are unwilling victims of powerful forces beyond their control and would—like any patriotic American—far prefer to work at a gainful, constructive job than to be on the dole, out of work and a burden to the community.

Who, then, are these unfortunate persons, and what can be done, and by whom, to help them find the opportunities to help themselves?

For one thing, Mr. Speaker, many of them are Negroes.

In Chicago, where total unemployment was 5.7 percent in February of this year, Negro unemployment was 17.3 percent. Negroes were out of work in Chicago three time as long as whites.

In Philadelphia total unemployment in February was 7 percent; Negro unemployment was 28 percent. One newspaper report states, referring to Philadelphia:

> School systems have not provided education at common learning levels for jobs that are in high demand. Apprenticeship opportunities are still denied Negro youth and those who could be skilled tradesmen.

In St. Louis, much of the unemployment among Negroes is hard core. Most Negro workers are unskilled and they are the first jobs that employers eliminate.

And so it is in Kansas City, in Wichita, in Boston, in Cleveland, in Detroit, and in Los Angeles.

For a variety of reasons—all related to or resulting from lack of skilled training, Negroes make up a large element in the profile of the unemployed in America today.

Another special problem group—many of these problem groups, of course, overlap—is the young worker, under 25 years of age.

These workers account for one-third of the unemployed, although they are only 17 percent of the work force. And the jobless rate among those who drop out of high school is double that of those who graduate from high school.

A third statistical group of unemployed persons is made up of those who are older workers. The rate of unemployment among those 45 years of age and older is not so bad, but the duration of unemployment is.

Thirty-eight percent of the unemployed men aged 45 to 64 are long-term unemployed, which means they have been out of work 15 weeks or more.

Looked at from a slightly different viewpoint, another statistical class of jobless men and women emerges: The workers from declining occupations, industries, and areas.

Occupationally, unskilled and semiskilled workers have experienced the biggest shakeout. Longer spells of unemployment are more prevalent in durable goods manufacturing, mining and railroading. Joblessness has been especially severe in steel, automobiles, machinery, and in textiles. Blue-collar employment dropped 1,200,000 last year, while white-collar employment went up by 1,300,000 and service jobs went up by 300,000.

Three-quarters of the blue-collar losses were in factories, due to automation and slack demand. On top of everything else, the workweek was at a 38.6-hour average this last January—the lowest in any January since before Pearl Harbor.

So, Mr. Speaker, we have the following kinds of men and women out of work on a more or less long-term basis: Negroes; young workers; pregraduation high school dropouts; workers over 45; workers from declining occupations, industries and areas: unskilled and semiskilled workers; and blue-collar workers.

Given that profile of the situation, it seems clear that a single thread—the thread of lack of skill, or at least lack of a relevant skill—appears and reappears throughout the whole fabric of the employment/unemployment situation in America today. Properly used, a variety of suitable training programs throughout the length and breadth of the Nation, could make a real contribution to the health and dynamism of the American economy, on a lasting basis.

A strong and vigorous training and retraining program is essential, in my opinion, not only because of the situation we can see with our own eyes today, but also because of the unseen forces of population makeup that are already actually upon us and that will begin to cause massive difficulties unless we can begin, now, to take action to channel them and harness them to our free-enterprise economy.

I refer to the coming tidal wave of young people looking for work.

During the present decade, some 26 million young Americans will become jobseekers—40 percent more than entered the work force in the 1950's. This year—1961—2.2 million new workers will enter the work force. In 1966, 2.8 million. In 1970, 3 million.

Of the 26 million new workers, 30 percent will fail to complete high school, and 2.5 million of them—10 percent—will not even complete grade school—unless there are immense improvements in trends of education and training.

During the past 15 years, there has been a shortage of workers age 20 to 34. This pushed employee compensation up sharply, drew women and older workers into the work force, and stimulated a large amount of capital investment in labor-saving plant and equipment.

During the next 10 years, a surplus of new entrants into the work force will intensify competition between older workers and younger workers, stimulate early retirement, encourage staying in school longer, suggest longer vacations, and—perhaps—exert a dampening effect on wage rate increases.

At the same time, demand for more and more highly skilled workers will rise sharply. One well-known popular financial writer has stated we will need 5 million additional skilled workers in the decade of the 1960's.

Along that line, Mr. Speaker, I noticed in this last Sunday's New York Times, some 10 or more full pages of display advertisments seeking men and women with relevant skills, to come and work for companies anxious to pay high wages to those who are qualified. And in last Sunday's Kansas City Star, there were some 23 full columns of fine-print help wanted classified advertisements.

A recent newspaper story reported that the Chicago office of the Illinois State Employment Service, which at the time had some 195,000 persons on its unemployed rolls, was having trouble filling eight clerical vacancies in its statistical department. The same story reported that 1,000 jobs, mainly in clerical and sales positions, go begging each month in the Cleveland area, largely because the idle unskilled and semiskilled seldom have the qualifications to handle such work.

What can be done—and by whom—about the employment-unemployment problem we have seen here this afternoon? The gentleman from Wisconsin [Mr. LAIRD] has proposed an individual-oriented training, relocation, and placement program that evidently offers the

only real long-range solution to the problem—a solution that will also contribute immediately on a realistic, helpful basis.

Let us look briefly at some of the things that are already being done—some first steps—and some suggestions for initiatives.

For one thing, high school students can be encouraged to stay in school until they get their diplomas. In New York State, Governor Rockefeller's "high horizons" program of educating teenagers on the longrun advantage of getting all the schooling and training they can, is showing excellent results.

This is a matter not only of devising administrative techniques, but even more, of bringing about understanding, in the schools and in the community as a whole, of the fundamental importance of education in modern life.

Every school system in America ought to be devoted to the objective of helping each boy and girl to develop to the fullest, his or her inborn abilities and aptitudes. The gentleman from Wisconsin [Mr. LAIRD] has emphasized this in his discussion of guidance and counseling. It is neither possible nor desirable for everyone to be an engineer, a carpenter, or a jet pilot. These are only a few among thousands of occupations, each of which is essential in our complex civilization.

It follows that one of the endeavors of our school systems should be to bring about in each student a deep appreciation of the dignity of all fields of socially useful work.

Another area, in which improvement is essential, requires the cooperation of agencies other than the schools. I refer to the effectiveness of the vocational education programs in our schools. Each area of this program should have the benefit of the experience and wisdom of an advisory board, consisting of industry and labor representatives. Many schools receive considerable material aid from industry in the form of equipment and supplies. Despite this, some of the vocational training offered in our schools is out of date, because budgetary limitations do not allow school boards to change equipment and courses to match the more frequent changes made in industry itself.

Programs of apprenticeship training, with the cooperation of industry and labor, need to be established where they do not exist, and to be expanded where they have already been started. Such programs contribute to the upgrading of the job capabilities of students, thus reducing the number forced into the category of unskilled labor.

There is another area in which education has a responsibility, together with labor and industry: That is, in seeking to provide more job opportunities for youth. It cannot be stressed too strongly that job opportunities will come about only through local community acceptance of the existence of the need for such opportunities, and through active promotion by employers, unions, and governmental agencies. With the information provided by these groups as to the number and variety of jobs available, the schools can be stimulated to modify existing courses and introduce new ones.

On this point, I want to paraphrase what the gentleman from Missouri [Mr. CURTIS] has said over and over again that the Federal Departments of Labor, and of Health, Education, and Welfare, have primary responsibilities for identifying, classifying, and providing word descriptions for the new skills that our dynamic economy is constantly creating as well as the jobs that it is making obsolete; and for utilizing this data and assisting the public school and other vocational education programs throughout our society to gear themselves to this rapid and ever changing incident of progress.

The school systems of the Nation are ready to do their part. There needs to be coordination of the efforts of schools, public employment services, the two Federal agencies mentioned above, industry, labor, and community organizations. Singly, they can make only fumbling approaches to the problem. Together, they can hope to solve it.

The State of Florida has in my opinion made giant strides toward solving the problems we have been talking about.

Since 1957 the Florida State Department of Education has assisted local school officials in selected areas of the State to conduct surveys to determine the need for new training programs and has provided consultative services for the development of skills and technical education. The need for skilled and technical manpower—now evident all across the United States—moved the Florida State Department of Education to stimulate specialized skill and technical offerings in the public schools of that State. The result has been a school system designed to turn out individuals who not only possess rudimentary arithmetical and technical skills, but who are also well trained in technical theory.

The following conclusions and recommendations from a recent report entitled "Résumé of Technical Education in Florida," summarizes the trends and immediate and potential demand for skills and technical services in that State, and show what can be done by the application of intelligence, leg work and cooperation among elements of government, industry, and labor:

1. Training programs should be provided and existing programs continued in the areas of electronics, drafting, mechanics, electricity, construction, aeronautics, civil technology, and instrumentation.

2. Demands in specialized areas such as electronics and drafting are sufficiently pressing and extensive for nearly all community junior colleges to participate in the training of necessary personnel.

3. Other demands such as those for construction, aeronautical, civil, and instrument technicians appear to be confined to certain geographical areas of the State.

4. It is imperative that a balanced statewide program of technician training be established and maintained and that instruction not be limited to technical occupations in industries engaged solely in defense work.

5. Technical extension offerings or short courses should be made available for employed specialists in those areas and industries recognizing the need for such preparation.

6. Provision should be made for technical training in secondary schools, and community junior colleges.

Florida industry needs, wants and must have a large number and variety of technicians if it is to keep abreast of the demands being placed on it.

This survey involving approximately 40 types of industries, services, wholesale and retail trade establishments, governmental agencies, and military installations in 17 countries, found that over 15,000 technicians would be needed during the next 3 years in addition to the nearly 12,000 who are presently employed. In other words, an increase of approximately 125 percent by 1963 was projected by employers.

Another outstanding initiative in this area has been taken by the State of Connecticut—through its Connecticut community program for unemployed workers. In this program, labor and management have exerted increasing efforts toward cooperation, and are giving full recognition to the fact that the local community's welfare is in their mutual interest.

The Connecticut State Employment Service starts the ball rolling in the program by screening unskilled workers in terms of retraining promise. The State department of education provides technical school classroom space and instructors.

The Connecticut Manufacturers' Association has analyzed the demand for skilled workers and has estimated a need for some 3,182 workers in 29 classifications over the next 2 years.

The financing for the program—mostly to pay instructors—is being drawn from contingent funds voted by the State legislature. It has been estimated that retraining could hit a statewide pace under the Connecticut program of 3,000 to 4,000 men annually over the next few years.

Many other States have training and/or retraining programs, Mr. Speaker. The State of Pennsylvania should be mentioned. I know that I am leaving many other good programs out of the list of those I am mentioning, but time does not permit me to cover the whole field.

The point that makes itself felt, Mr. Speaker, is the point that alert, wide-awake men and women at the local and State levels have taken the initiative in these problems, and have developed effective, workable, dynamic action programs that are meeting the needs of the jobless in the very places where they live.

This is simply to say once again what others have said far better than I. The power and the dynamics and the energy of the American economy do not, have not, and cannot emanate from Washington, D.C. They thrust upward from the areas where men and women and families are confronted day by day with the realities of working and living, and where the solutions to problems are far more likely to be relevant than if handed down from the Federal bureaucracy.

Nor do I mean to suggest that the Federal Government has no proper role in the fields we have been discussing.

As the gentleman from Wisconsin [Mr. LAIRD] has pointed out, the Office of Vocational Rehabilitation of the Veterans' Administration, the Department

of Health, Education, and Welfare, and other affiliated State and Federal programs of rehabilitation have contributed magnificently to the rehabilitation and retraining of workers. And as the gentleman from Missouri [Mr. CURTIS] has pointed out on many occasions, the Departments of Labor, and of Health, Education, and Welfare have job description and classification responsibilities and vocational education assistance responsibilities, respectively, that have not been fully met.

Let the agents of the Federal Government approach the problems of training and retraining in a spirit of humility. Let them be willing to learn from the men and women in New York, in Florida, in Connecticut, in Pennsylvania, and in many other States—men and women who have been the shock troops on the frontlines of the battle. Let the Federal role be one of helping out where needed.

Let us not try to solve the unemployment problem by enlarging the Federal bureaucracy.

Let us help our people to help themselves.

Mr. Speaker, the great historian of civilizations, Arnold J. Toynbee, has pointed out that technological stagnation, caused partly by fear of unemployment from technological improvement, was one cause of the 5th-century fall of the Roman Empire in the west—and also of the repeated falls of the Chinese Empire from the 3d century to the 20th. Toynbee cites the story of the Roman Emperor who rewarded an inventor of unbreakable glass by putting him to death and destroying his specifications. What the Emperor feared was that the new invention might cause unemployment among ordinary glassmakers, and so produce disturbances of the peace.

How much more constructive it would have been to have instituted training and retraining programs among the artisans of Rome, so as to take advantage of the new invention. And how vital it is to our survival and progress, and that of the entire free world, that we organize ourselves so as to take advantage of every worthwhile technological advance we can, and not for a minute falter or hang back for fear of unemployment. Rehabilitation of workers and industrial retraining are essential to our national strength, as well as to the well-being and prosperity of our individual working men and women and their families.

Under permission previously granted, I insert in the RECORD this article, "Employment Expansion," by Richardson Wood.

(The matter referred to follows:)

EMPLOYMENT EXPANSION

(By Richardson Wood)

1. In the short run employment can be expanded by fiscal devices; in the long run only by new markets, new materials, new production techniques, new products, new distributing methods, and higher levels of education and training.

2. In areas of chronic unemployment little can be done to expand employment unless employment is high and expanding in most other areas. When general employment is low, only those industries in advanced stages of rapid growth will be setting up new plants. There are not many such industries at any one time.

3. Military procurement can help only a few areas of chronic unemployment. This is because the military must seek out the most competent groups of engineers and scientists to direct the work they place. These men tend to concentrate in large urban areas and in pleasant climates. They can seldom give effective supervision to plants more than 75 miles distant from them. Thus only a few areas of chronic unemployment in the East could benefit from military procurement.

4. The fastest way to spread employment to more remote areas is through the adoption of long term buying contracts by large scale merchandising organizations. Sears, Roebuck has followed this practice for at least 15 years. Several hundred new factories, each employing from 100 to 400 people, have been established, almost all of them well outside of large urban areas. The location of these factories tends to correspond with areas of chronic unemployment, since the locators seek to avoid competition in the labor market with the service industries characteristic of urban regions.

5. A much slower way to spread employment, but in the long run a rewarding and an essential way to do it, is through the development of new products. But seldom will the further development of local raw materials provide the new products that will restore local employment to the national average or better. Far more often the needed resources are human skills.

6. Many production skills will be found in most areas of chronic unemployment. Skills that are absent may be provided by the return of people who have such skills, when they hear that jobs for them at home are opening up. Needed skills can also be provided by training. But production skills alone are not enough to assure that production will follow. Managerial skills are essential to get new product lines started and to keep them active.

7. The managerial skills—market research, design, finance, sales, purchasing, and administration—are often in short supply in areas of chronic unemployment. Only slowly can they be developed by training and practice. The managerial skills can be supplied and encouraged in part by extension workers from universities, in part by professional management firms, in part by loan of personnel from established industries.

8. The incentive to attract such help should be something more than a vague hope and a technical assistance contract. It should be a specific new product or product line with a predetermined market acceptance and a predetermined production cost. This calls for market researchers and technical designers to work first on known gaps in present marketing and production.

9. One large and widely recognized gap exists, for example, in the building industry. A number of designers and market researchers are familiar with this gap. If they can be put to work and can come up with a series of new and practical products, the other needed managerial skills can then be rapidly mobilized.

10. Virtually every industry has such gaps. The gaps occur despite the alertness of corporations to new product opportunities. Corporations cannot, as a practical matter, take up many products of recognized merit that they turn up themselves or that are offered to them, simply because the products do not fit in with existing sales and production facilities and so would be too expensive to develop commercially. Such corporations prefer to purchase other smaller companies who have established a going concern built around a new product. But there are not enough of these companies. They are too difficult to start, because of the rarity and expense of managerial skills. Hence the large number of opportunities unrealized for want of a proper hatchery and incubation system. The opportunities continue to grow with technological and merchandising advances, and will continue to grow whether they are seized or not.

11. Money alone will not be enough to take these opportunities. Nor will tax incentives. Nor will business management as presently organized and practicing. Nor will academic studies of the situation. All of these have so far failed to solve the problem of full employment and rapid exploitation of technical and commercial advances. But such a solution alone can lead to a high rate of reinvestment in our economy and thus to growth in our national strength. It is time, therefore, to try to reinvent in modern terms the "inventor-salesman" who made the 19th century a period of vigorous economic progress.

EDUCATION AS AN AID TO INTERNATIONAL COOPERATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. HECHLER] is recognized for 10 minutes.

Mr. HECHLER. Mr. Speaker, on January 6, 1961, I introduced House Concurrent Resolution 45, the text of which follows:

Whereas the United States has benefited greatly from the exchange of students between our own country and other countries through the Fulbright Acts and Smith-Mundt Acts; and

Whereas the other nations of the world have in recent years experienced remarkable growth in the number of persons trained through the operations of these and similar programs; and

Whereas increasing the level of education of the peoples of the world is the most productive investment that the nations of the world can make for the well-being of all mankind; and

Whereas programs of international cooperation in education enhance international understanding and thereby promote the cause of peace; and

Whereas many nations or regions of the world not now possessing sufficient educational facilities, such as necessary schools, universities, colleges, and technical institutes are ready to establish, expand and improve such facilities: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States hereby expresses its interest in encouraging the development of international programs for the expansion and improvement of education at all levels, including provisions for teachers colleges, technical institutes, as well as other necessary schools, colleges, and universities, national or regional in scope; and be it further

Resolved, That the Congress hereby recommends that the United States Government encourage the organizations of the United Nations system to develop programs for increased international cooperation in the field of education that would best serve the needs of the several member countries, as well as the cause of world peace and international economic and social development; and be it further

Resolved, That the Congress hereby expresses its willingness to accept a reasonable share of the cost of bringing into operation certain aspects of such programs through the use of foreign currencies available for these uses, or otherwise as may prove suitable and desirable.

When the other body recently debated its cultural exchange bill, S. 1154, known as the Mutual Educational and

Cultural Exchange Act of 1961, Senator FULBRIGHT agreed to incorporate some of the language contained in the concept of House Concurrent Resolution 45.

Mr. Speaker, a vast amount can be done through international cooperation in the field of education to promote the cause of world peace. Regional educational centers in many sections of the world would not only further education more economically, but would have the added advantage of cultivating more friendly relationships among the peoples at such institutions. This will help neighbors to develop together within the context of a free and cooperative experience.

National universities in some instances breed nationalistic feelings. A regional university would foster a more cooperative spirit among peoples.

I believe also that research carried on at such international educational centers could be tremendously helpful to our technical assistance and economic development programs. Proposals and programs could be developed on a regional basis.

Finally, such a program would also strengthen the very fabric of the United Nations itself. It would bring the participating nations closer together. It would develop a new and younger generation dedicated to the ideals of peace and cooperation among nations. It would make the job of the United States of America, in its search for peace, much easier also. Perhaps it would remove some of the concept of "Uncle Sugar" which has developed as an unfortunate byproduct of some of our foreign aid programs, and would enable the United States and other nations to work more closely together in the planning and development of international programs.

In short, I feel that if the concept of international education through the United Nations could be written into legislation it would help to point the way toward a more peaceful and freer world.

KHMER-AMERICAN FRIENDSHIP HIGHWAY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. CLARK] is recognized for 60 minutes.

Mr. CLARK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CLARK. Mr. Speaker, recently I made a trip to Cambodia to inspect the much-publicized highway which was built with foreign aid funds. I wish to report to the House on the situation at this time.

Mr. Speaker, the Khmer-American Friendship Highway was conceived and constructed through the cooperative efforts of Americans and Khmers as a permanent symbol of the friendship existing between the two countries.

It connects the capital city of Phnom Penh with the recently constructed port of Sihanoukville, a distance of approximately 130 miles.

Recent sensational statements, without fact, have tended to deride the American effort expended on this project. Since one of my constituents, Michael Baker, Jr., Inc., was the consulting engineer for the project, and was unfairly and unjustly treated by ICA and others, I made a thorough investigation. After this investigation, it was determined that a thorough and complete investigation be made at the site of the project.

It is my duty to disclose that the statements made have been completely irresponsible and fallacious. The President of these United States has been gravely misinformed, as to the true conditions of this highway. Much scorn has been directed against the United States, American enterprise, and technicians, based entirely on misinformation, rumor, and conjecture. In some instances, vital information has been withheld. Not only have we been rushed into granting large sums, justified only by rumor, but our prestige and relations with other countries, have been embarrassed.

As a result of my personal inspection of this highway, which has been in constant use since its completion in 1959, I charge that—

First. Accusations against the U.S. consulting engineers and contractors alleging poor performance, have been distorted capriciously by the ICA staff in Washington, to cover their own shortcomings. Other self-seeking officials are using the highway for political purposes, to the detriment of our foreign aid program. The contracting firm of A. L. Dougherty had a contract to perform the construction, a contract held, with the Cambodian Government subject to supervision and financing by ICA. It did not provide for supervision by the engineers—Michael Baker, Jr., Inc., of Rochester, Pa. Both the contractor and the engineer were under the direct supervision of the U.S. operation mission in Cambodia.

Second. Much favoritism was shown the contractor by USOM/Cambodia because of previous known associations. Rumors involve gifts by the contractor to certain USOM members.

Third. Each of the four investigations made of the Khmer-American Friendship Highway has been interested only in trying to place blame, with little or no thought given to establishing a good maintenance program, and getting the road repaired.

Fourth. Contract procedures on projects such as this, contain ridiculous and inequitable restrictions. U.S. engineering and construction firms are capable of performing outstanding jobs, if not restricted in every phase. In Cambodia, the engineers' inspection was made ineffective, by the lack of support from ICA in Washington, and USOM in Cambodia.

Fifth. Despite misleading and false statements made by U.S. Government officials, the Cambodian Government is more than satisfied with the highway. Cambodia asks only for a little more help in repairing the road, and learning maintenance know-how.

Sixth. The true fault for this entire fiasco must be laid at the doorstep of ICA and its improper procedures, ineffective and restrictive contracts, incompetent personnel, partiality and interference on the part of ICA representatives, with the work of the engineer and the contractor, and possible charges of conflict of interest and/or collusion on the part of government representatives, with the contractor.

Seventh. That both the Congress and the President have been grossly misinformed in these matters, particularly in the amount of money called upon to be appropriated—$3 million—to repair this highway when I find the ICA experts themselves, in a report published July 1, 1961, have figures which vary from $150,000 recommended by the former Director of USOM, to as high as $3 million by others. Why does it always have to be the highest figure?

I wish to describe my trip down this highway, which has been said to have failed by 70 to 100 percent of its length. In fact, upon my arrival, I was expecting to have to cover this route, by elephant or helicopter, such were the malicious rumors. Imagine my surprise when we started our inspection tour in a 1960 Chrysler sedan and a 1960 Chevrolet station wagon. Maybe we were proceeding only to a point of embarkation, I thought.

Leaving the capital city of Phnom Penh, our cars traveled along a smooth asphalt paved highway of modern design and construction at a speed of 35 miles an hour. This is the established speed limit in urban limits. After passing the very modern airport, the rate of speed of the cars is increased to 50 miles per hour. We are now on the Khmer-American Friendship Highway which stretches before you in an unbroken line as far as the eye can see. Rice paddies extend to the shoulder limits, and people can be seen at work in the water. Many of the drainage ditches are dammed, and rice is growing in them. I saw right-of-way stakes sticking up out of the rice paddies approximately 100 feet on each side of the highway. Why, I wondered, is this encroachment of right-of-way permitted? Would not this water cause deterioration of shoulders and eventually the road itself?

The riding quality of this highway is excellent, and compares favorably to the best asphalt roads in the United States. The shoulder areas have been allowed to become rutted, and I learned this was caused by carts pulled by water buffalo. This could obviously cause damage to the pavement, if the shoulders were not maintained. I was told we would not make any stops on the highway until we reached the end, and on the return trip we would make stops to permit a good examination of conditions.

There is certainly no damage or obstruction visible in the first 62 miles, and I am surprised to learn that we have been traveling at speeds up to 80 miles per hour. We often had to slow down for

bicycle or water buffalo traffic. At this point, we had encountered very little vehicular traffic. I learned that 30 to 40 cars and an equal number of trucks was the normal count you could expect to see during the entire 130-mile trip. I noted some trucks hauling tremendous loads on single-axle pole trucks. Each load contained one or two large logs 50 to 60 inches in diameter and 50 feet or more in length. I later learned that these loads varied between 50,000 and 100,000 pounds. There are no laws to enforce load limits.

We have now covered almost half of the total length of the highway. Where is the total failure I had heard so much about? We are now entering the pass of Col De Pech Nil. Clouds envelop the tops of the mountains on each side of the pass, and dense jungle growth presses in on the highway.

At this point, we see our first obstruction and slow down to view a slide, that has taken place and the embankment and a piece of the roadway have slid down the hillside. Looking down the slide plane one can see a sheer drop of approximately a quarter of a mile. The slide, I learned, has not closed the road, but has limited the traffic to one lane. In fact, I am told, much to my amazement, that the road has never been closed since it opened in July 1959.

This area has a very unusual geologic condition, and I have seen slides and damages far exceeding this in my own district on a very fine highway, known as Constitution Boulevard between Monaca, Alquippa, and South Heights, Pa. This highway is on the primary road system and was built for the Pennsylvania Department of Highways. The department keeps a constant watch and effective maintenance on this portion at all times.

Corrective action is being taken at this point on the Friendship Highway, to control this condition and to reconstruct the small section of roadway damaged. I note a haul road used during construction of this fill, close to the cliff, and believe this reconstruction, should consider relocation of about 100 yards of roadway. The haul road has not suffered any damage.

We again proceeded at our previous rate of speed, 60 to 70 miles per hour. We are now in a valley and proceeded without interruption or obstruction for about 20 miles. Here suddenly in a low area of the road, gravel surfacing was evident for an extended area ahead. Where the road rises, the road is smooth and unbroken, until a low area is again encountered. Here again is gravel, our rate of speed in these areas of gravel slows to 50 miles per hour. On the return trip I interviewed about 25 or 30 nationals, who live in the area, some of whom worked on construction of the highway. I was amazed to learn, that these sections where gravel was found, had been completely covered by water during the heavy monsoon of 1959 and once or twice since that time when unusual rainfall occurred. The total length of the distressed area is about 25 miles and some of this mileage is excellent and in good condition. I also learned during my many interviews with nationals, that little or no maintenance had been performed since the road was completed in July 1959. Neither the engineer nor the construction contractor had any responsibility for maintenance. I noted in correspondence available, that the engineers had recommended a seal coat and orderly and continuous maintenance for the roadway, drainage ditches, and shoulders. To date, this has not been done.

The remainder of the highway was in excellent condition and we again traveled at speeds up to 80 miles per hour, slowing only for traffic mentioned before. We arrived at the Bay of Kompong Som which is the end of the highway and a small town named Sihanoukville. The entire trip took about 2½ hours and I certainly was amazed and pleased with the highway. Here the French are constructing a port to handle export and import shipping for the Khmers. The pier permits docking of four large cargo vessels, and the port traffic is increasing. With the new highway connecting the capital city with this deepwater port, it will have a tremendous effect on the economy of the entire nation. Warehouse facilities are under construction here and the port is busy unloading and loading ships. Four large cargo vessels are tied up at the pier and two others are anchored in the harbor.

We had lunch here in Sihanoukville, prior to making the return trip. I am planning many stops on the way back to Phnom Penh. I started to review the trip so far, in detail, with particular regard to the sensational statements and articles which have been printed. I find that less than 15 percent of the total road is in need of repair. Where then is the 70- to 100-percent failure or reported damage? I know it does not exist, except in the imagination of certain distorted minds of opinionated persons, seeking publicity. This road does not take an engineer to correlate the damaged condition of the road and flooding due to the abnormal weather conditions. It is evident, from the statements of various people who have inspected the road from time to time, that no maintenance had been performed for 2 years, and the Cambodian Government has only this year begun a maintenance program to repair the shoulders and protect the pavement. Many of the drainage ditches are silted full, which causes the water to flow over the pavement.

The timber industry has been opened the full length of the highway. A simple exercise in mathematics indicates overloading of the road, by more than 70,000 pounds, since the road was designed for a maximum load limit of 18,000 pounds. I think this overloading speaks very highly for the engineering and construction talents exercised in the development of this highway. These excessive load limits, are not causing distress of the highway to any extent except in the areas where flooding has occurred.

It is my understanding, that directions have been issued to expend large sums of money to investigate the so-called total failure of this road. I know for a fact, that at least four complete investigations have been made which expended large sums of money. These investigations, have been independent of each other, with no thought to coordinate or correlate with the others. Investigations have been or are being conducted by a congressional subcommittee, U.S. Bureau of Public Roads, Office of the Inspector General, and a U.S. consulting engineering firm working in Thailand. They, too, have had failures on their project, known as the Friendship Highway in Thailand. This project suffered much greater damage, both as to total length of distress and major repairs. It is indicated that this damage was also caused by excessive flooding and lack of maintenance. I made a visit to this highway on my return home.

I now wonder if it would not be better to direct all these large sums of money being wasted on investigations into an area where it can benefit the Cambodian people by repairing the highway, and instituting a good, orderly maintenance program.

We might even develop an extensive hydrological study to determine the frequency of abnormal weather and its resulting effects. Also determine the advisability of raising the grade of the highway in certain areas.

I would also like to point out that the road has so far survived all of the investigations. Surely further investigations at the price of a proper solution is not the answer.

During the return trip, stops were made at the crusher plant, asphalt batch plant, villages, logging camps, military camps, and repair shops where equipment was being put in order for maintenance. Many interviews were conducted and everyone was pleased with the road and showed great enthusiasm for having it repaired and put back in the fine condition it was upon completion.

Notwithstanding the action which will ultimately be taken, I believe the persons who have perpetrated this hoax should be summarily dismissed from their positions of trust with the U.S. Government.

In summary, I am pleased to advise that it is an excellent highway. It is one of which all Americans can be proud. It is a recognized fact, that 75 percent of the repairs now necessary, would never have occurred if a good, proper, and continuous maintenance program had been in effect, since construction was completed in July of 1959.

I suggest that immediate steps be taken to repair the road, begin an orderly and effective maintenance program, open all drainage ditches, culverts, and repair the shoulders. Place a seal coat over the entire length of the highway as soon as it is repaired. This is an excellent highway, important to the Cambodian economy and must be taken care of.

I would like to make the following recommendations: First, for any future foreign aid for highways, a minimum of 1 year's maintenance be included in the cost of the project, and this maintenance program must be performed under U.S. supervision. This 1 year will permit orderly training of nationals in the proper procedures of maintenance, and the use of machinery necessary and also give the local government time to set up funds to provide for maintenance pro-

grams. Second, provide better contract procedures for the contracting agency, such as ICA or others. Third, if the work is to be performed by U.S. enterprise, then U.S. enterprise must have some say in establishing the number of personnel required, establish equitable salaries, prepare accurate cost estimates, define clearly the contractual obligations of all parties, define clearly all supervision requirements and provide for reasonable and equitable fees for the service.

This has not been the rule in recent years since all contracts contain ridiculous and inequitable restrictions. As an example of this statement, the consulting engineering firm had a contract with the Cambodian Government subject to supervision and financing by ICA, providing for design services and supervision of the construction. Yet the construction contract with the contractor and the Cambodian Government, also supervised and financed by ICA, did not recognize any engineering supervision of the construction by the consulting engineer. This, in itself, appears rather ridiculous. U.S. engineers and construction firms are quite capable and able to perform outstanding jobs if they are not faced with ridiculous restrictions in every phase and at every turn as has been the case in this project where the engineer's inspection has been made ineffective by the lack of support from ICA/Washington and USOM/Cambodia. Much favoritism was shown the contractor on this project by USOM/Cambodia and ICA/Washington. I wonder why? Was there any collusion and why was this particular contractor selected since he had no experience overseas on a project of this magnitude?

Many Cambodian Government officials were interviewed, such as Mr. Ing Kieth, Director of the Office of Mechanical Equipment, Mr. Chhut Chhoeur, Minister of the Division of Water and Electricity, and Mr. Phlek Chhut, Director General of the Public Works Ministry, regarding this highway. The general feeling of all Cambodians is, "This is a wonderful highway, vitally important to the economy, but let's get it repaired and quit talking about it and keep it in good condition."

I am pleased to have had this opportunity to make this inspection and I might further say I made inspections of highways in Japan, Thailand, and Malaya also. I found maintenance to be the most important phase in the highway programs all over the Far East. A good highway cannot remain a good highway without proper and continuous maintenance.

Mr. Speaker, I would also like to include in the RECORD a letter received from the International Cooperation Administration on this subject as well as a copy of my reply:

INTERNATIONAL COOPERATION ADMINISTRATION,
Washington, D.C., August 3, 1961.

The Honorable FRANK M. CLARK,
House of Representatives,
Washington, D.C.

DEAR MR. CLARK: Reference is made to your letter of July 12, 1961, addressed to the President regarding the Khmer-American Friendship Highway in Cambodia. Your letter was previously acknowledged for the President by Mr. Lawrence F. O'Brien, of the White House staff, and referred by him to the International Cooperation Administration for consideration.

First, we feel obliged to clarify the situation regarding recent news stories about this highway. Your letter indicates you are alarmed that these stories imply the present condition of the highway to be the result of poor performance by the U.S. contractor and engineer during its construction. The ICA disclaims responsibility for these news stories. Neither the ICA nor—so far as we can ascertain—the State Department has issued any press release regarding the deterioration of the highway in Cambodia. The only public utterances by any ICA personnel on this matter were made at the June 20 hearing by the House Subcommittee on Foreign Operations and Fiscal Affairs, under the chairmanship of Congressman PORTER HARDY, JR. This was an open session, and representatives of the press were present. None of the ICA officials who testified at the hearing made any statement fixing responsibility for the deterioration problem.

The ICA, as you know from your recent visit to Cambodia, is conducting an investigation into the nature, scope, and causes of the deterioration of the Khmer-American Friendship Highway, which cost approximately $32 million and was completed only 2 years ago. This investigation, still in progress, will necessarily and properly entail judgments regarding the performance of both the construction and engineering firms under their contract commitments. Final conclusions as to the causes for the deterioration, and the possible responsibility of either or both contractors, cannot be reached until a sufficient number of surface and base samples have been collected and tested. Accordingly, until the investigation is completed, we would not wish to take any position implying either blame or exoneration of the contracting firms.

In connection with our investigation, we do appreciate your presenting your views of the facts in the case and assure you that we will give them full consideration.

Your letter mentions one element in the situation upon which it does not appear necessary to reserve comment until the investigation is completed. This is the matter of Cambodian maintenance of the completed highway. According to the views of your constituent, the Cambodian Government has given this highway no maintenance since its completion, and this neglect is the alleged cause of the deterioration. Our understanding of the facts is at variance with these views. Cambodian maintenance crews were beginning to operate along the highway even before it was completely finished and officially turned over to the Government in the summer of 1959. Maintenance activities did fall somewhat behind schedule later in 1959, during the period when the Cambodian Government was establishing and mobilizing budgetary support for a new agency—an Office of Mechanical Equipment (OME)—which was given the responsibility for maintaining the country's entire highway system, including the Friendship Highway. Following organization of the OME, the Cambodian Government has reportedly managed its national highway maintenance program fairly successfully. This has included provision of maintenance on the Friendship Highway.

Further, none of the preliminary engineering appraisals of the highway deterioration has cited lack of maintenance as a contributing factor. The serious extension deterioration, particularly in the section between kilometer 110 and kilometer 180, appears to be associated with conditions which could not have been prevented by normal maintenance.

In closing, let me assure you that this agency has been aware, and will continue to be aware, of its responsibilities to conduct its affairs and manage its relationships with complete fairness and impartiality. Consistent with this approach, we notified your constituent—privately and directly—that we were conducting an investigation; invited his representatives to be present; offered to have the site made available; and stated that we would, in any event, provide access to the results of our investigation. We do not intend to take any action with respect to this matter which is not fully warranted by careful evaluation of the facts. We trust you are in accord with this approach.

I hope you will find the above comments useful and constructive. If we can be of any further assistance, please do not hesitate to call upon us.

With kindest personal regards, I remain,

Sincerely yours,

JOHN L. SALTER,
Deputy Director for Congressional Relations.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 7, 1961.

Mr. JULIUS J. KESSLER,
Assistant Chief of Contract Relations, International Cooperation Administration, Washington, D.C.

DEAR MR. KESSLER: This will reply to the letter of Mr. John L. Salter, your Deputy Director for Congressional Relations, which is in reply to my letter of July 12, to the President, regarding the Khmer-American Friendship Highway.

In reply to the second paragraph of Mr. Salter's letter: "The ICA disclaims responsibility for these news stories. Neither the ICA nor—so far as we can ascertain—the State Department has issued any press release regarding the deterioration of the highway in Cambodia." For your information, ICA Transportation Director, Colonel Syran made the statement before the Porter Hardy committee that "the highway is rapidly falling to pieces, almost the total length." How did he know this? Where did he get this information? Had he ever inspected the highway or any part of it?

Paragraph 2, page 2, Mr. Salter says, "Cambodian maintenance crews were beginning to operate along the highway even before it was completely finished and officially turned over to the Government, in the summer of 1959." Maintenance has not been performed on this project. I further refer you to statements made by your investigators (Christianson & Watson) in their report to ICA of July 1, 1961. Mr. Watson further told me during my visit that the shoulders had never had a blade to them since the road was finished. He also told me during an interview that the drainage ditches had not been touched.

On June 25, 1959, the contractor turned over every piece of construction equipment to the Cambodian Government in first-class operating condition. How then can anyone here in Washington tell me that maintenance was performed since the road was completed because 75 percent of the equipment is now rusted, inoperative, and in the same place where they were parked in June 1959. I know this to be true because wheels, tires, and other parts of the equipment are scattered all over Phnom Penh, being used by nationals on private vehicles such as oxcarts, etc.

Such cannibalism was never seen any place in the world. They are just now starting to repair equipment. I have several pictures of this equipment.

If ICA is aware of its responsibilities to conduct its relationships with complete fairness and impartiality, why then was my constituent's own investigators denied access to reports, correspondence, and personal opinions of USOM/Cambodia employees and special investigators?

My constituent, Michael Baker, Jr., Inc., of Rochester, Pa., was invited by ICA/Washington to make an investigation of conditions at the project, at their own expense and were assured of cooperation by all of USOM and U.S. Government personnel in Cambodia. Yet, I quote from ICA/Washington cable from Director Labouisse to USOM/Cambodia, dated July 10, 1961:

"Make available road site and physical results investigation in accord ICA/W letter to engineer. No basis or obligation for disclosing to Wilson/Redas (Michael Baker, Inc., representatives) any other information or conclusions drawn from investigation including personal interpretation or test results which appropriate keep confidential."

Is this your idea of fairplay and impartiality? I am certainly amazed at the underhanded attitude of the various ICA-USOM personnel involved in this situation. I think that American enterprise is being treated very poorly and I feel that I am entitled to the normal courtesies of an explanation of this attitude immediately.

In the ICA report of July 1, 1961, why do the amounts of money needed to repair this road vary from $150,000 to $3 million? In fact, the former USOM director said he could put the highway back into first-class condition with $150,000, in his testimony included in the above report.

Are any of these funds to be used for any other purpose than repairing this road? From my inspection trip of the entire highway, and my knowledge of road construction and maintenance costs, I don't know where all this money is to be used, as now proposed in the amount of $3 million. I am aware that a large sum will be needed to get the equipment back into operating conditions, once the road is repaired before any maintenance can be performed.

I would like to make one further observation: How much thought or consideration has been given to the excessive overloading of the highway with weight limits of five times the design load, especially over sections that are flooded constantly?

On Tuesday, August 8, I expect to report to the Congress on my inspection trip to Cambodia in connection with this highway.

Sincerely yours,

FRANK M. CLARK,
Member of Congress.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. CLARK. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I would like to ask the gentleman what his opinion is as to the need for the large sums requested for this highway in Cambodia.

Mr. CLARK. The gentleman from Pennsylvania would like to see a cost breakdown, and I have asked for a cost breakdown of these estimates. I think these funds will be diverted to many purposes such as repairing the equipment, establishing maintenance funds for the future, to buy spare parts, the training of maintenance crews and mechanics, and possibly even the purchase of some additional equipment which I consider is not needed.

Mr. MOORHEAD of Pennsylvania. I would like to ask the gentleman if he knows what the original cost per mile for construction was of this highway.

Mr. CLARK. The cost per mile of this American Friendship Highway in Cambodia was $233,000 per mile, which included preliminary surveys, location studies, mobilization of manpower, clearing and grubbing of jungle, rice paddies, and swamps, design engineering, construction of roads, purchase of equipment, excavation, building of powerplants and equipment, construction camps, salaries.

Mr. MOORHEAD of Pennsylvania. I wonder, does the gentleman know the estimate of the cost of repairs per mile?

Mr. CLARK. The actual cost of the repairs per mile now will be approximately $250,000 per mile. That is on the estimate of what the ICA has asked and which I think, of course, is way out of proportion.

Mr. MOORHEAD of Pennsylvania. I would like to ask the gentleman, what is the gentleman's opinion as to the condition of the maintenance of the highway after construction?

Mr. CLARK. I say that the maintenance has not been good. Rice is growing in the drainage ditches along most of the highway. Many ditches are silted full and you can see the shoulders have deep ruts from carts causing poor drainage on the shoulders. Also the equipment is rusted. It is sitting about in the fields minus the wheels, tracks, tires, and so forth.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. CLARK. I yield.

Mr. HOFFMAN of Michigan. I have here in my hand a release from Representative FRANK M. CLARK, and over on the second page I find this statement:

As the result of the misinformation circulated about the condition of the highway completed in 1959, Congress now is preparing to spend vastly larger sums.

Who collected that misinformation, may I ask the gentleman? I do not know anything about it.

Mr. CLARK. The only thing I can tell the gentleman from Michigan is that there have been 12 reports already made on Cambodia's roads.

Mr. HOFFMAN of Michigan. By whom?

Mr. CLARK. By ICA and the Bureau of Public Roads. They have since then given this information extensively to the committees that have been investigating this highway.

Mr. HOFFMAN of Michigan. Before that sentence I find these words, where the gentleman refers to Cambodia and says:

It has been investigated by Representative PORTER HARDY, JR., chairman of the Foreign Operations and Monetary Affairs Subcommittee of the Committee on Government Operations.

As a member of the Committee on Government Operations, I was just wondering if one of our subcommittees was circulating this information. If so, I know the chairman, Mr. DAWSON, would be glad to know it.

Mr. CLARK. No; I do not believe so. I did not say the committee was circulating misinformation in any way, shape, or form. As far as I am concerned, I have not got any misinformation from any of the committees.

Mr. HOFFMAN of Michigan. What is this statement on the second page, "As the result of the misinformation circulated"—by whom?

Mr. CLARK. By ICA, especially the ICA officials not only here in Washington but in Cambodia.

Mr. HOFFMAN of Michigan. How did PORTER HARDY get into it? Did these groups the gentleman has named there deceive him or give his misinformation?

Mr. CLARK. That is not what I said at all. If the gentleman will read it, this is what I say in my report:

This is particularly true of the 130-mile highway between the capital city of Phnom Penh and the seaport city of Sihanoukville in Cambodia, which has been investigated by Representative HARDY, now chairman of the Foreign Operations and Monetary Affairs Subcommittee of the Committee on Government Operations.

I did not say there was any misinformation given. Mr. HARDY in 1957 made an investigation of that highway.

Mr. HOFFMAN of Michigan. I have been on that committee since 1937. I know that since Mr. HARDY has been on it they have made some very, very accurate and worthwhile investigations. I was a little confused about this statement.

Mr. CLARK. As I said, I have not even in this report said that there was any misinformation given by PORTER HARDY.

Mr. HOFFMAN of Michigan. Or his subcommittee?

Mr. CLARK. Or his subcommittee.

Mr. HOFFMAN of Michigan. I am glad to know it.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. CLARK. I yield to the gentleman from Michigan.

Mr. MEADER. May I ask the gentleman whether in the various items of material he asked permission to include in the RECORD he included a document released from his office last Friday, August 4, of which the gentleman just read one paragraph? Has the gentleman asked permission to insert in the RECORD that seven-page press release on the Cambodian road?

Mr. CLARK. No; I did not.

Mr. MEADER. The gentleman does not intend to insert that in the CONGRESSIONAL RECORD?

Mr. CLARK. I had not given it a thought, but there is no reason why I cannot. I could.

Mr. MEADER. The gentleman has not yet asked that permission?

Mr. CLARK. No.

Mr. MEADER. I appreciate what the gentleman said about the Hardy committee. I have been a member of that committee ever since it was first constituted in its present form. The investigation conducted by the committee of the gentleman from Virginia [Mr. HARDY] with respect to construction projects in southeast Asia is a document recorded in the printed hearings of the House of Representatives, a 1,301-page report, entitled "Foreign Aid Construction Projects," which I hold in my hand.

That is the foundation for the report which the committee filed with the House of Representatives on June 26, 1958. It is a 43-page report entitled "Foreign Aid Construction Projects" in

which the Cambodian road, the American Friendship Highway is discussed. I would just like to have the RECORD show that my experience with the gentleman from Virginia [Mr. HARDY] and his committee is that he does not go off half-cocked and he does not smear individuals with exaggerated allegations and he has been extremely careful to see that everyone had a fair day in court, and that the reports of his committee were substantiated by very sound evidence.

Mr. CLARK. I thank the gentleman.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. CLARK. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I am also one who has a high regard for the gentleman from Virginia [Mr. HARDY] and his committee. I think the gentleman from Michigan has made a real contribution to the work of the Congress in this field. I, also, however have a very high regard for the gentleman from Pennsylvania who is a hard-working member of the Committee on Public Works of the House and who has had an opportunity to see public works projects financed and to witness some of the abuses that have crept into our road program here in the United States. I just wonder if the gentleman feels there is any other issue involved in this matter other than the apparent issue which has been presented to us in these roadbuilding projects.

Mr. CLARK. I thank the gentleman for even asking that question.

First of all, I believe as to the funds which were needed for use on the Cambodian road to do the repairs and normal maintenance and also to get the equipment back in operating condition, from my investigation I would say that someone has pushed the panic button. Conditions were and are grossly exaggerated and now have got out of hand. The fault with the commission is that the commission is not using constant maintenance on the road and not taking proper care of the millions of dollars' worth of equipment. I know that on my trip in 1959, to get back to 1959, when this road was first turned over to the Cambodian Government, the United States spent over $6 million purchasing equipment.

In 1959, they turned all of this $6 million worth of property over to the Cambodians. The Cambodian Government had taken this over with no knowledge of mechanics and no knowledge of maintenance; they took this $6 million worth of equipment. When I was there, I saw in the field many pieces of equipment along the road, in a couple of maintenance garages and in the fields and in the rice paddies. I would say that, certainly, the maintenance part of this program has not been the way it should have been.

Mr. EDMONDSON. In terms of construction, what would the gentleman say as to how this road compares with similar roads constructed here in the United States?

Mr. CLARK. I would say it compares very favorably. Personally, I think we can be proud of it as far as the road and engineering is concerned. I traveled along on this inspection route and it speaks well for both the engineering and design and construction of the road, because I traveled that road of about 134 miles in 2½ hours. In my talk, I mentioned the fact that actually there are about 25 miles of this road that need both major and minor repairs.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. CLARK. I yield.

Mr. FULTON. I congratulate the gentleman for taking the time and devoting much effort to this and going to the scene and finding out the facts firsthand. I congratulate him on his industry and dedication.

SELF-DETERMINATION—THE CENTRAL ISSUE OF THE BERLIN CRISIS

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Ohio [Mr. FEIGHAN], is recognized for 15 minutes.

Mr. FEIGHAN. Mr. Speaker, the New York Times of today carried significant excerpts from Khrushchev's address to the peoples of the Russian empire. Several of those excerpts are worthy of careful study because they very well might be used by President Kennedy in his efforts to effect a peaceful settlement on the crisis of Berlin and East Germany by the political means which he has proposed.

Khrushchev made extravagant claims about the social and economic values of communism, even going so far as to claim that his system would triumph in the world by peaceful methods. Specifically here is what Khrushchev had to say on this critical question:

> Those who are confident of the economic victory of their social system need not impose this system upon other peoples by force of arms.
>
> This is why we tell the leaders of capitalist states, let the peoples, let history settle the issue which system, the socialist or the capitalist, has greater vital power and is more progressive. The peoples will make their free choice and that system will prevail that will better satisfy human material and spiritual wants.

This extravagant claim by Khrushchev was directed not only at the peoples of the Russian Communist empire but even more important, it was directed at the people of the free world in an effort to pose the Russian leaders as favoring the political principle of self-determination. The Russian leaders know that self-determination is the hope of all oppressed and submerged peoples and nations. Through their vast propaganda machine the Russian leaders have put themselves on record as favoring a free choice by all people between the various social, economic, and political systems of the world. The intensive, worldwide coverage that has been given and will continue to be given to the Khrushchev speech crystallizes the central issue in the present crisis over Berlin. President Kennedy in his proposal that the crisis be settled by the freely expressed will of the people of East Berlin and East Germany put the United States on record as trusting the freely expressed will of the people of East Germany.

Now that Khrushchev in his speech of yesterday has stated that "The peoples will make their free choice and that system will prevail that will better satisfy human material and spiritual wants," the issue of self-determination has been joined. It is important that the sense-of-Congress resolution expressing support for President Kennedy's position should emphasize the imperative of trusting the freely expressed will of the people of East Germany. House Concurrent Resolution 351, as revised, as a consequence of the reconciliation of differences that existed between the gentleman from New Jersey [Mr. GALLAGHER], the gentleman from Mississippi [Mr. COLMER], and me through the good offices and leadership of the chairman of the House Foreign Affairs Committee [Mr. MORGAN], fully recognizes the imperative of self-determination as the central issue in the Berlin crisis. The revised House Concurrent Resolution 351 reads as follows:

> *Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of Congress that the continued exercise of United States, British, and French rights in Berlin constitutes a fundamental political and moral obligation equally binding upon Soviet Russia, and, that the time has come to seek a final settlement on Germany including Berlin and the East German Zone of Russian occupation that will accord with the freely expressed will of all the German people; that pending the establishment of a united Germany, by securing the universally accepted political principle of self-determination for the people residing in the East German Zone of occupation, the United States regards any invasion or subversion of those basic rights by Soviet Russia to be intolerable, and, that the President's forthright reply to the aide memoire of Soviet Russia on Germany and Berlin expresses accurately the determination of the people of the United States to support all necessary steps taken to defend the rights and freedoms of the people of Berlin; and be it further
>
> *Resolved*, That it is the sense of the Congress that the President, who is constitutionally responsible for the conduct of our foreign affairs and is Commander in Chief of the Armed Forces of the United States, should take whatever steps are necessary to resist to the fullest extent the unilateral proposals of Soviet Russia to abrogate and nullify the solemn and binding obligations heretofore entered into by the United States, the United Kingdom, the Republic of France, and the Union of Soviet Socialist Republics, to maintain the existing rights affecting the city of Berlin and access thereto.

END CONTROLS ON RESIDUAL FUEL OIL

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Illinois [Mr. PRICE] is recognized for 5 minutes.

Mr. PRICE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include related matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, on August 3, Gen. E. A. Evans, retired, who described himself as the managing director of the Oil Users Association, issued a

press release in which he called for the end of controls on residual fuel oil and made this statement:

Black-market conditions have been spawned by the import controls, just like under wartime rationing. Quota ticketholders can turn a profit of more than 30 cents a barrel for oil they never own and never sell—and, for that matter, never touch. Consumers have become completely dependent on suppliers under the Government import program. If a consumer does not have a long-term supply contract, he may find himself competing under black-market conditions for a supply of oil that only partially meets the needs of oil users.

This is a most serious charge, Mr. Speaker. It states without equivocation that the oil import program, instituted by Presidential proclamation, is being willfully and persistently violated. The charge is so serious that it demands immediate investigation by the Department of Justice. If the charges are true then those persons guilty of engaging in "black market" activities should be prosecuted to the full extent of the law.

The oil import program was instituted to put a halt to excessive imports of residual fuel oil and crude oil which threaten the national security by so depressing the domestic fuels industries that they will not be able to increase production to meet emergency needs.

At present certain groups are engaged in an all-out campaign to bring about the removal of controls, particularly on residual oil. The statement by General Evans seems to be a part of this campaign, which is now being masterminded by the international public relations firm of Hill & Knowlton.

The oil import program is too important to the Nation, and to the domestic fuels industries, to permit a statement such as this to pass unnoticed. If "black marketing" is going on, it must be stopped. If it is not going on, then the responsible agencies of Government have a duty to determine the facts and to discover why such charges have been made when they cannot be substantiated.

If "black marketing" is prevalent, as General Evans charges, that is no excuse to end a program which was instituted to protect the national security. Rather, it is a signal for the law enforcement agencies of the Federal Government to act—and act swiftly, and for tighter administration of the program.

The National Coal Policy Conference has called the attention of the Evans statement to Secretary of the Interior Udall, who administers the program. The statement is a reflection upon Secretary Udall's administration of the program and cannot be ignored. The Secretary has stated publicly that he will not countenance such activities, that if given proof he will cancel the right of the violators to participate in the program.

I believe the Justice Department must also enter the case. These are serious charges and they go to the matter of respect for our laws. No group can be permitted to violate these laws with impunity.

On the other hand, if the charges are untrue, that fact should also be established. We cannot tolerate irresponsible charges being used as a propaganda weapon to destroy the very essential control program to protect our economy and national security from a vast flood of unneeded oil imports.

STATEMENT OF THE OIL USERS ASSOCIATION, MIAMI, FLA.

Government restrictions on oil imports have created all the evils of wartime rationing and black marketing without curing any of the problems the controls were established to correct.

This charge was made today by Gen. E. A. Evans, managing director of a group of more than 20,000 oil consumers. He was commenting on recent statements by coal interests that loss of coal markets have been caused by residual oil imports.

General Evans pointed out that mechanization, the high cost of transporting coal, and the conversion of the railroads to diesel are the real reasons for fewer jobs in the coal industry. "The restrictions on residual oil, imposed in 1959, have not put a single coal miner back to work," he said.

"Government restrictions on oil imports have created artificial shortages, and the price has been bid up by consumers more than 30 cents a barrel over normal," Evans said. Oil users on the Eastern seaboard are being penalized with high oil prices for unemployment in the coalfields—a condition that is totally unrelated to oil imports.

"Black market conditions have been spawned by the import controls," Evans said, "just like under wartime rationing. Quota ticketholders can turn a profit of more than 30 cents a barrel for oil they never own and never sell—and, for that matter, never touch.

"Consumers have become completely dependent on suppliers who have been given quotas under the Government imports program," Evans continued. "If a consumer does not have a long-term supply contract, he may find himself competing under black-market conditions for a supply of oil that only partially meets the needs of oil users."

General Evans said consumption of residual oil by utilities and other users in the United States has remained almost constant. But refining technology has vastly improved. Today, domestic residual oil is being made into gasoline and diesel fuel. The difference has to be supplied by imports.

"There should be no restrictions on the rights of oil users to make up domestic shortages of residual oil through imports," he said.

NATIONAL COAL POLICY CONFERENCE, INC.,
Washington, D.C., August 4, 1961.

HON. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

Gen. E. A. Evans, managing director of Oil Users Association, which is claimed to speak for 20,000 oil consumers, charges in a public statement, August 3, that black marketing is rampant among importers, distributors, and consumers of residual oil. This is, of course, a serious indictment of the administration of the oil import control program by the Department of the Interior.

If the oil importing industry and its customers are involved in black-market operations as charged, the Oil Import Administration of the Department of Interior should move swiftly to stamp it out and bring to punishment anyone found to be in violation of the law. Certain elements of the oil industry have demonstrated recently that they are engaged in a desperate, all-out fight to force the Government to remove import controls, regardless of the disastrous consequences to the domestic economy and national security. Evasion of the intent of the control program through black-market operations can only disrupt the orderly operation of the program, and bring further damage to both consumers and to all domestic fuels producers and distributors.

If the charges are true, they represent an arrogant and blatant challenge to the Government's efforts to administer in a fair and equitable manner the restrictions on unlimited imports which have been found to be a danger to national security.

As spokesmen for an important segment of the vital domestic fuels industries, we call on you to move promptly and with determination to investigate these charges, and to bring any black-market operations found to exist in residual oil imports to an immediate halt, and to see that those responsible for them are prosecuted to the fullest extent of the law.

JOSEPH E. MOODY,
President.

BUREAUCRATS SHELVE PLAN BUT PUT IT INTO OPERATION ANYWAY

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, it has been my contention for the past 3 months that the Office of Education has chosen the National Defense Education Act as a convenient vehicle for the deliberate planning of a huge bureaucracy to bring about the control and direction of secondary and higher education in America. Recently I have obtained the original draft of the report of the Committee on Mission and Organization of the U.S. Office of Education which later resulted in the document "A Federal Education Agency for the Future."

One significant point immediately became obvious. A section entitled "Appendix B: Administrative Authorization" was dropped from the final draft. On close reading, it can easily be seen that it is practically incorporated in the NDEA Amendments of 1961, now before the Congress. Apparently someone in the Office of Education feels that this appendix would have been the best evidence of the intentions of the HEW educators if they were ever called to testify about the deliberate planning of a huge bureaucracy for which the NDEA seems to be such a nice vehicle to get authorizations for the needed funds and personnel.

Appendix B of the original draft is as follows:

APPENDIX B: ADMINISTRATIVE AUTHORIZATION

The Committee on Mission and Organization supports the following proposals for administrative authorizations that have been made previously by the Office of Education and/or the Department of Health, Education, and Welfare:

1. Research and demonstrations: Authority to conduct research or demonstrations through contracts with public and private agencies, organizations, or individuals, or through grants to appropriate public or other agencies or organizations including those of the Federal Government.

2. Interchange of personnel with States: Authority to arrange for the assignment of employees of the Agency to States and employees of the States to the Agency for work that the Commissioner deems will aid the

Agency in more effective discharge of its responsibilities as authorized by law.

3. Cooperation with other agencies in international activities: Authority to cooperate with any official or agency of a foreign country concerned with education through securing experts or specially qualified persons for service in such countries; to assist other Federal agencies in the planning and conducting of educational programs for foreign countries; to assist other Federal agencies in preparing to participate in meetings or activities of international public or private agencies concerned with education; to aid persons from foreign countries who are visiting in the United States to acquire information about activities and facilities in the United States concerned with education.

4. Advisory committees: Authority to appoint, without regard to the civil service laws, such advisory committees or councils as deemed desirable. Members of these advisory committees would receive compensation at a rate fixed by the Commissioner but not exceeding $100 per diem.

5. Gifts: Authority to accept on behalf of the United States gifts made unconditionally by will or otherwise for the benefit of the Agency or for carrying out of any of the functions of the Commissioner or any officer in the Agency; authority to accept conditional gifts except those that are contingent upon expenditure that has not been approved by Congress.

6. Professional positions: Authority to establish and fix the compensation for, within the Agency, not more than 15 positions in the professional and scientific service, such positions being established to effectuate those research and development activities of the Agency that require the services of specially qualified scientifical or professional personnel. The rates of compensation for these positions would be not less than $16,000 per annum nor more than $19,000 per annum. Positions created under this authority would be included in the classified civil service of the United States but appointments to such positions would be made without competitive examination upon approval of appointees proposed qualifications by the Civil Service Commission or such officers or agents as it may designate for this purpose.

7. Supergrade positions: Authority to establish 18 new positions at the supergrade level, such positions to include responsibility for the administration of major programs and supervision of major organizational units.

8. Gifts and entertainment: Authority to use a limited amount of salaries and expenses funds to reciprocate for the gifts of educational material that the Agency receives from foreign countries, and to provide for the entertainment of educators who come to this country as participants in Government-sponsored programs.

Mr. Speaker, it is significant to note that the administrative authorizations requested in appendix B are in exactly the same areas as those proposed in the amendments to title X of the National Defense Education Act—H.R. 7904—the request for authorizations in research and demonstrations is in section 1010; the request for interchange of personnel of the States is in section 1011; the request for advisory committees is in section 1002, and for exemption from conflict-of-interest laws of members of advisory committees or councils in section 1003; the request for authority to accept gifts is in section 1012; repeated requests to change the phrase "under this act" to the phrase "under this or any other act" would extend the power of the Commissioner to delegate responsibility and hence require many new supergrade positions of responsibility.

This accounts for the request in appendix B for 15 new positions to effectuate those research and development activities of the Agency that require the services of especially qualified scientifical and professional personnel. This is the significance of section 1007 of the National Defense Education Act authorizing administrative appropriations which presumably would include also the 18 new supergrade positions requested in appendix B for the administration of major programs and supervision of major organizational units.

The two items on gifts—No. 5—and gifts and entertainment—No. 8—of appendix B are directly provided for in section 1012 (a), (b), (c), and (d), and I must confess that I did not understand the full portent of section 1012 until I saw what was requested under these items of appendix B in the mission statement.

This is a good example of shelving a plan but putting it into effect anyway.

EXPLANATION OF BILL TO BRING LABOR UNIONS UNDER ANTITRUST LAW

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ALGER. Mr. Speaker, at this point I would like to include the following explanation of the bill, H.R. 8407, which I introduced last week to limit and prevent restrictive practices by labor organizations which interfere with or obstruct the production and sale of goods in interstate commerce.

The problem of monopoly which Congress sought to dispose of by enacting the Sherman Act 70 years ago has reappeared in an even more powerful and threatening form than that which existed during the last half of the 19th century. Then it was the monopoly of the large corporations and the industrial trusts. Now it is labor monopoly. The effect is the same—monopoly prices—and the victim is the same—the consuming public. The monopoly powers now exercised by labor unions are much more extensive than the business combinations of years past. Where industrial monopolies regulated the prices of only a few commodities, labor monopoly has its impact upon the price of all commodities. Where the business monopolies were limited to certain industries or areas, labor monopoly wields a unified national force with almost unlimited power over all industries.

Most important of all, labor monopoly practices are pricing the products of American industry off the markets, and shackling our economic progress. The 5-million-man pool of unemployment in the United States could disappear overnight if the restrictive practices of labor unions were lifted, and American industry free to compete on a realistic basis with foreign producers. If we are seeking a solution to the problem of unemployment, here is the clear and present answer.

In combating the problem of labor monopoly it is not necessary to curtail in any way the legitimate and proper functions of labor unions. When the Sherman Act was originally passed in 1890 it was intended to apply to labor unions and was, in fact, effective in preventing monopoly practices of unions for the first 50 years that the law was in force. In successive decisions of the Supreme Court from 1908 to 1940 it was held that restrictive trade practices of labor unions were in violation of the antitrust statutes and subject to the penalties provided therein.

Then suddenly, in 1941, after President Franklin D. Roosevelt had successfully packed the Supreme Court with his liberal appointees, the Court reversed this whole line of decisions covering a span of 32 years and held that labor unions should be regarded as exempt from the antitrust laws. In this decision, *United States* v. *Hutcheson* (312 U.S. 219 (1941)), the Court held that whatever action a union takes in its own self-interest must be regarded as lawful, without regard to the amount of damage the union action may inflict upon the economy or upon society or individuals.

This decision paved the way for the enormous stranglehold power which the Teamsters Union exercises on our transportation system today, the host of restrictions imposed by unions in the construction industry, the constant inflationary wage increases demanded and enforced by the industrial unions, and all the other flagrant abuses of union power.

A prime example of monopoly practices of labor unions was described in the Wall Street Journal a few days ago—August 1. The article described how the United Hatters Union bought a controlling interest in the Merrimac Hat Co. of Amesbury, Mass., a company which produces felt bodies, the basic forms used by the millinery industry in producing women's hats. The union then notified the millinery firms who employ union members that they would have to buy their felt bodies from Merrimac. Firms which did not promptly comply with this demand found themselves without workers. As soon as they agreed to use Merrimac bodies their employees returned to work. In this way the union has snuffed out all competition for felt bodies and has blocked the importation of lower priced hat bodies from European sources.

Although union labor in the United States represents only about 20 percent of our total work force of 74 million, the men who run the unions can by such coercive measures influence the cost of production and the prices of almost every commodity on the market today. The Government of the United States is without power under the laws to prevent or correct this situation.

It is futile and unreasonable to expect that labor unions will ever voluntarily, in the public interest, forego their demands for higher and higher wages or for

more power and control over interstate commerce. Nor when their demands are thwarted by competing forces, will they forego the temptation to strike down the competition. Only when legal restraints are imposed and enforced by the Government will there be any adequate protection of the public interest.

Effective legislation in this field must do three things:

First. Prevent centralized control of collective bargaining policies by national or international unions and return these functions to the local union level.

Second. Prohibit strikes and other forms of coercive action carried out as part of a prearranged plan or combination between two or more unions to impose concerted wage demands and other contract conditions upon industries affecting interstate commerce and trade.

Third. Prohibit union imposed restrictions upon the use of products and improved methods of work performance, limitations on production, price-fixing, and similar arrangements arrived at through agreement—either voluntary or coerced—with individual employers or groups of employers.

While taking care of these problems, the legislation must, at the same time, make clear that any action taken by an individual union in the form of strikes, picketing, or boycotts for the purpose of enforcing its demands for wages or other conditions of employment—and such action is not a part of any concerted plan, combination or arrangement with any other union—it would not come within the scope of any antitrust or antimonopoly restrictions even where it may result in an interruption of interstate trade or commerce.

H.R. 8407 would accomplish these enumerated results. Under this legislation the ability of local unions to use their traditional economic weapons in support of union obligations would be fully preserved and protected. But the big power combinations such as the Teamsters could be broken up just as the big corporation trusts of the 1890's were broken up by the Sherman Act.

A bill which I had previously introduced in this Congress (H.R. 4573) had a similar objective. I received complaints, however, that the language there utilized could be construed as prohibiting certain well-established bargaining practices in situations where an individual union represents employees of several employers and bargains with the employers as a group. Since this type of group bargaining encourages stability and does not give rise to abusive practices it certainly should not fall within any antitrust prohibitions. Under the revised language of this bill these group bargaining practices would not be in any way restricted.

It should be apparent to all who have a grasp of the economic force now building up within our country and throughout the world, that enactment of this legislation is our only hope of staving off ruinous inflation and the drabness of the welfare state economy that inevitably lies in store for the next generation.

CASTRO'S CUBA—HAVEN FOR CRIMINALS

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ALGER. Mr. Speaker, on August 3, 1961, an event took place which takes on increasing importance with each additional hour. An American plane, over American territory, was hijacked. Its crew and its passengers were held at gunpoint. Its pilot was directed to fly the plane to Communist Cuba.

Fortunately, no American lives were lost. Fortunately, the plane itself was saved from falling into the hands of Castro and his slave subjects. Unfortunately, that plane was severely damaged, causing thousands of dollars loss to the American company which operated it.

It makes no difference that the hijackers, in this case, were U.S. citizens. Rather, that fact points up a present and continuing menace. Any criminal in this country, regardless of his national origin, has been made aware that any hijacked American aircraft is, or could be, his ticket of admission to Cuba. There, he might reasonably expect amnesty from his crimes and a possible financial award.

In this particular case a direct connection between the hijackers and Castro probably cannot be proved. The important thing to remember, however, that so long as this bandit regime operates within 90 miles of our own country and so long as Castro indicates a willingness to deal with criminals and to reward them for any action against the United States, its citizens and their property, just so long does he inspire additional crimes of the same sort. Whether Castro was directly involved in the El Paso piracy or not, is not the issue. He is creating the climate for such desperate acts and by so doing is endangering American lives and property within the limits of our own country. We can take a long step forward in putting an end to hijacking in the air by eliminating the Communist government at our very doorstep which encourages crime against the United States.

CIVIL WAR EXHIBITS

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, permit me to call attention to two splendid Civil War exhibits that will be made available to our citizens in every part of the Nation.

Both exhibits were designed and constructed by the U.S. Army Exhibits Unit. I recently saw one of them, an "island" or indoor type of display.

It is excellent, both technically and historically. In a series of graphic panels it portrays the vast sweep of the Civil War. It does this by means of life-size photographic murals and by a fine variety of audiovisual techniques.

An electrically animated diorama depicts eight major events of the war ranging from the attack on Fort Sumter to Appomattox 4 years later.

A motion picture presents other highlights of the war.

History and art are strikingly combined in a series of vivid color photo slides.

Sound effects are skillfully used in all cases. Music of the period is effectively blended with visual images. Careful narration imparts life and vitality as well as factual soundness. This entire indoor exhibit brings history to life and makes it real.

There are, of course, the sights and sounds of war in all their grimness and tragedy. But this exhibit is far more than a portrayal of combat. Above all it is a human story. It is about people—real people—our own ancestors—Americans all, North and South.

The treatment is sensitive and poignant. It is deeply moving and patriotic. In telling us so effectively about a great chapter in our history as a people, this magnificent exhibit tells us much about ourselves today. I am convinced that any American who sees it, southerner and northerner alike, will also feel it. He will feel a surge of pride in the brave men and women of 100 years ago; he will feel a surge of pride in his country today.

Millions of Americans can see this fine exhibit as well as its companion. I refer to an expandible trailer exhibit, also on the Civil War and soon to be completed by the Army Exhibits Unit. The indoor unit is already on tour. The trailer unit will be ready to go on tour about October 1.

Any community that wants a local showing of one of these excellent exhibits should write to U.S. Army Exhibits Unit, Cameron Station, Alexandria, Va.

In conclusion, Mr. Speaker, let me commend the Department of the Army and its Chief of Information for the preparation of these two splendid Civil War displays. I want especially to extend warm thanks to the officers and men—and women—of the Army Exhibits Unit for their great artistry and craftsmanship in constructing these superb audiovisual contributions to the centennial of the Civil War. They reflect the highest credit on the Army. At the same time they constitute an enduring service to the Nation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MACGREGOR (at the request of Mr. CELLER) for today on account of official business. (Mr. MACGREGOR has been designated by the Committee on the Judiciary to appear at

the American Bar Association convention in St. Louis and speak briefly about the work of the Judiciary Subcommittee on State Taxation of Interstate Commerce.)

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FLOOD, for 30 minutes, on Thursday, August 10, 1961.

Mr. MAGNUSON, for 10 minutes, on Wednesday, August 9, 1961.

Mr. PRICE, for 5 minutes, today, to revise and extend his remarks and include extraneous matter.

Mr. HEMPHILL (at the request of Mr. PUCINSKI), for 1 hour, on Tuesday, August 15, 1961.

Mr. PUCINSKI, for 30 minutes, on tomorrow, August 9, 1961.

Mr. FEIGHAN, for 15 minutes, today.

Mr. HOSMER (at the request of Mr. LANGEN), for 45 minutes, on Wednesday, June 9, 1961.

Mr. CURTIN (at the request of Mr. LANGEN), for 10 minutes, on Wednesday, August 9, 1961.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LANE.

(The following Members (at the request of Mr. LANGEN) and to include extraneous matter:)

Mr. VAN ZANDT.

Mr. FINO.

(The following Members (at the request of Mr. MONAGAN) and to include extraneous matter:)

Mr. ROONEY.

Mr. KOWALSKI.

Mr. ANFUSO.

Mr. STEED.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2079. An act to retrocede to North Carolina jurisdiction over the southern eastbound lanes of North Carolina Highway 24, and the eastern northbound lanes of U.S. Highway 17, as these highways traverse and parallel Camp Lejeune, N.C.; to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 181. An act to amend sections 3253 and 8253 of title 10, United States Code;

H.R. 2203. An act to authorize the Secretary of the Interior to exchange certain property in Rocky Mountain National Park, Colo., and for other purposes;

H.R. 4321. An act to amend section 303 of the Career Compensation Act of 1949 to authorize the transportation of dependents and baggage and household effects of certain retired members;

H.R. 4323. An act to amend the Career Compensation Act of 1949 with respect to special pay for diving duty, and for other purposes;

H.R. 5518. An act to revise the boundaries of the Fort Raleigh National Historic Site in North Carolina, and for other purposes; and

H.R. 7722. An act to amend section 3579, title 10, United States Code, to provide that commissioned officers of the Medical Service Corps, may exercise command outside the Army Medical Service when directed by proper authority.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 54. An act to grant 81 acres of public domain to the Cocopah Indians in Arizona;

S. 539. An act to make nationals, American and foreign, eligible for certain scholarships under the Surplus Property Act of 1944, as amended;

S. 614. An act to authorize the use of Commodity Credit Corporation owned surplus grain by the States for emergency use in the feeding of resident game birds and other resident wildlife; to authorize the use of such surplus grain by the Secretary of the Interior for emergency use in the feeding of migratory birds, and for other purposes;

S. 763. An act to authorize annual appropriation to reimburse Commodity Credit Corporation for net realized losses sustained during any fiscal year in lieu of annual appropriations to restore capital impairment based on annual Treasury appraisals, and for other purposes;

S. 809. An act to authorize the transfer of a Bureau of Reclamation bridge across the Colorado River near Needles, Calif., to San Bernardino County, Calif., and Mohave County, Ariz.;

S. 881. An act to revise section 4166 of the Revised Statutes (46 U.S.C. 35) to permit documentation of vessels sold or transferred abroad; and

S. 1087. An act to authorize and direct the transfer of certain Federal property to the government of American Samoa.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that commitee did on August 7, 1961, present to the President, for his approval, bills of the House of the following titles:

H.R. 845. An act to amend title 38, United States Code, to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and for other purposes;

H.R. 3279. An act to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes; and

H.R. 7208. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes.

ADJOURNMENT

Mr. MONAGAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 7 minutes p.m.) the House adjourned until tomorrow, Wednesday, August 9, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1206. A communication from the President of the United States, transmitting proposed supplemental appropriations in the amount of $153,899,286 and proposed language to change limitations on the use of existing funds for the fiscal year 1962 (H. Doc. No. 217); to the Committee on Appropriations and ordered to be printed.

1207. A letter from the Secretary of the Interior, transmitting a copy of House Joint Resolution 1 of the Seventh Legislature of American Samoa, which memorializes the Congress to include American Samoa in any Federal aid to education program which may be enacted; to the Committee on Education and Labor.

1208. A letter from the Administrator, Housing and Home Finance Agency, transmitting a draft of a proposed bill entitled "A bill for the relief of Jose Fuentes"; to the Committee on the Judiciary.

1209. A letter from the Deputy Secretary of Defense, transmitting the semiannual report relating to the authority to establish or develop installations and facilities required for advanced research projects, pursuant to Public Law 85-685; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 883. An act to extend the application of the Federal Boating Act of 1958 to the Commonwealth of Puerto Rico, the Virgin Islands, and Guam; without amendment (Rept. No. 861). Referred to the Committee of the Whole House on the State of the Union.

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. S. 1317. An act to change the designation of that portion of the Hawaii National Park on the island of Hawaii, in the State of Hawaii, to the Hawaii Volcanoes National Park, and for other purposes; with amendment (Rept. No. 862). Referred to the House Calendar.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. H.R. 7114. A bill to approve the amendatory repayment contract negotiated with the Huntley Project Irrigation District, Montana, to authorize its execution, and for other purposes; without amendment (Rept. No. 863). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 7176. A bill to provide for a national hog cholera eradication program; without amendment (Rept. No. 864). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 7490. A bill for the protection of marine mammals on the high seas, and for other purposes; without amendment (Rept. No. 865). Referred to

the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 702. An act to authorize the Secretary of Agriculture to exchange certain lands in the State of Wyoming with the town of Afton, Wyo.; without amendment (Rept. No. 866). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 407. Resolution to amend clause 3, of rule XIII of the House of Representatives; without amendment (Rept. No. 867). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 409. Resolution for consideration of H.R. 468, a bill to amend section 1073 of title 18, United States Code, the Fugitive Felon Act; without amendment (Rept. No. 868). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 410. Resolution for consideration of H.R. 2732, a bill to amend section 303 of the Career Compensation Act of 1949 to provide that the Secretaries of the uniformed services shall prescribe a reasonable monetary allowance for transportation of house trailers or mobile dwellings upon permanent change of station of members of the uniformed services; without amendment (Rept. No. 869). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 411. Resolution for consideration of H.R. 7651, a bill to amend the Career Compensation Act of 1949 to authorize the payment of an accrued portion of incentive pay to certain aeronautically rated or designated officers who have been eligible to such pay for a minimum of at least 10 years and who subsequently are removed from the status to such eligibility due to the fact that a determination has been made that the requirement for them in this capacity is no longer necessary in the interest of national security; without amendment (Rept. No. 870). Referred to the House Calendar.

Mr. CELLER: Committee on the Judiciary. House Joint Resolution 499. Joint resolution authorizing a celebration of the American patent system; without amendment (Rept. No. 871). Referred to the House Calendar.

Mr. LESINSKI: Committee on Post Office and Civil Service. H.R. 7416, a bill to authorize the Bureau of the Census to make appropriate reimbursements between the respective appropriations available to the Bureau, and for other purposes; without amendment (Rept. No. 872). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BECKER:

H.R. 8554. A bill to amend section 601(a) of the Federal Aviation Act of 1958 to require the Administrator of the Federal Aviation Agency to issue certain regulations concerning air traffic at New York-International (Idlewild) Airport in the State of New York; to the Committee on Interstate and Foreign Commerce.

H.R. 8555. A bill to amend section 307(c) of the Federal Aviation Act of 1958 so as to require flight restrictions with respect to aircraft operating from certain airports; to the Committee on Interstate and Foreign Commerce.

By Mr. BROOKS of Louisiana:

H.R. 8556. A bill to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship, or fellowship, and for other purposes; to the Committee on Science and Astronautics.

By Mr. DINGELL:

H.R. 8557. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has enough quarters of coverage to be fully insured for old-age benefit purposes, regardless of when such quarters were earned; to the Committee on Ways and Means.

By Mr. FALLON:

H.R. 8558. A bill to amend section 303(a) of title 23, United States Code, relating to the organization of the Bureau of Public Roads, and for other purposes; to the Committee on Public Works.

By Mr. SCHERER:

H.R. 8559. A bill to amend section 303(a) of title 23, United States Code, relating to the organization of the Bureau of Public Roads, and for other purposes; to the Committee on Public Works.

By Mr. HALPERN:

H.R. 8560. A bill to regulate the shipment of weapons into any State, territory, or possession of the United States or into the District of Columbia where the unlicensed possession of such weapon is illegal under the law of such State, territory, or possession, or of the District of Columbia, and for other purposes; to the Committee on the Judiciary.

By Mr. KYL:

H.R. 8561. A bill to amend section 1901 of title 38, United States Code, to provide assistance in obtaining a specially equipped automobile for veterans seriously disabled since January 31, 1955; to the Committee on Veterans' Affairs.

By Mr. LANE:

H.R. 8562. A bill to amend section 4683 of title 10 of the United States Code relating to the loan of rifles to veterans' organizations; to the Committee on Armed Services.

By Mr. MULTER:

H.R. 8563. A bill to amend the Life Insurance Act of the District of Columbia to permit certain policies to be issued to members and employees of members of duly organized national veterans' organizations; to the Committee on the District of Columbia.

By Mr. MURRAY:

H.R. 8564. A bill to amend the Federal Employees' Group Life Insurance Act of 1954 to provide for escheat of amounts of insurance to the insurance fund under such act in the absence of any claim for payment, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 8565. A bill to permit certain Government employees to elect to receive compensation in accordance with section 401 of the Federal Employees Pay Act of 1945 in lieu of certain compensation at a saved rate, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. QUIE:

H.R. 8566. A bill to authorize assistance to public and other nonprofit institutions of higher education in financing the construction, rehabilitation, or improvement of needed academic and related facilities; to the Committee on Education and Labor.

By Mr. RUTHERFORD:

H.R. 8567. A bill to authorize the Secretary of the Interior to create trial boards for the U.S. Park Police, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STRATTON:

H.R. 8568. A bill to amend section 5899 of title 10, United States Code, to provide permanent authority under which Naval Reserve officers in the grade of captain shall be eligible for consideration for promotion when their running mates are eligible for consideration for promotion; to the Committee on Armed Services.

By Mr. TEAGUE of California:

H.R. 8569. A bill to provide for the return to the Post Office Department of certain objectionable mail received from foreign countries pursuant to postal treaties or conventions, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. VINSON:

H.R. 8570. A bill to amend title 10, United States Code, to permit disbursing officers of an armed force to entrust funds to other officers of an armed force; to the Committee on Armed Services.

By Mr. KORNEGAY:

H.R. 8571. A bill to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 8572. A bill relating to the application of the terms "gross income from mining" and "ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products" to certain clays and shale for taxable years beginning before December 14, 1959; to the Committee on Ways and Means.

By Mr. KING of Utah:

H.R. 8573. A bill to provide for establishment of the Canyon Lands National Park in the State of Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PETERSON:

H.R. 8574. A bill to provide for establishment of the Canyon Lands National Park in the State of Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HALPERN:

H.J. Res. 519. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HOFFMAN of Michigan:

H.J. Res. 520. Joint resolution proposing an amendment to the Constitution of the United States relating to the power of Congress to borrow money on the credit of the United States; to the Committee on the Judiciary.

By Mr. INOUYE:

H.J. Res. 521. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. BURKE of Massachusetts:

H.J. Res. 522. Joint resolution designating the 5-day period beginning October 2, 1961, as "Licensed Practical Nurse Week," and for other purposes; to the Committee on the Judiciary.

By Mr. MORGAN:

H. Res. 408. Resolution authorizing the printing of additional copies of the report, House Report No. 851, on H.R. 8400; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the Territory of Guam memorializing the President and the Congress of the United States to eliminate the inequitable and the discriminatory dual wage system presently practiced by military agencies located within Guam, which was referred to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DINGELL:

H.R. 8575. A bill for the relief of Wojciech Antoni Drogoszewski; to the Committee on the Judiciary.

By Mr. FINNEGAN:

H.R. 8576. A bill for the relief of Mieczyslaw Miszkiewicz; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 8577. A bill for the relief of Ephna Eulinis Christian; to the Committee on the Judiciary.

By Mr. FINO (by request):

H.R. 8578. A bill for the relief of Mehmet Veli Erey, also known as William Weinberg; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 8579. A bill for the relief of Anastasia Polychronopoulos; to the Committee on the Judiciary.

By Mr. KYL:

H.R. 8580. A bill for the relief of Barry L. Clawson; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 8581. A bill for the relief of Eugenia Brzozowska; to the Committee on the Judiciary.

By Mr. MADDEN:

H.R. 8582. A bill for the relief of Alex Papanicolaou; to the Committee on the Judiciary.

By Mr. MILLER of New York:

H.R. 8583. A bill for the relief of Howard Wing; to the Committee on the Judiciary.

H.R. 8584. A bill for the relief of Bernard Wai-Fung Lee; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 8585. A bill for the relief of the Jefferson Construction Co.; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 8586. A bill for the relief of Sarolta Hoffmann; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

203. Mr. GEORGE P. MILLER presented a petition of property owners of Alameda County, Calif., opposing elimination of long-term capital gains on real property, which was referred to the Committee on Ways and Means.

SENATE

TUESDAY, AUGUST 8, 1961

The Senate met in executive session at 10 o'clock a.m., and was called to order by Hon. CLAIBORNE PELL, a Senator from the State of Rhode Island.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God, who hatest a lie and who desireth truth in the inward parts, in these confused and confusing days amid perversions and falsehoods which wear the masks of sincerity as they bid for the allegiance of men, grant us the grace of discernment that we may not be deceived by servants of evil who wear the livery of heaven.

Seeing that which is real and excellent and of good report, with jubilant feet may we keep step with Thy victorious truth which is marching on and against which even the gates of hell cannot prevail.

With all the shame of our erring humanity which depresses us, it lifts up our hearts to know that its glory is that as Thy children, made in Thine image, we may live in the brightness of Thy love and be partners in the enthronement of Thy purpose. Through our dedication and through our America, purged and exalted, may Thy kingdom come and Thy will be done in all the earth.

We ask it in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 8, 1961.

To to Senate:

Being temporarily absent from the Senate, I appoint Hon. CLAIBORNE PELL, a Senator from the State of Rhode Island, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. PELL thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MCCARTHY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 7, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On August 7, 1961:

S. 857. An act to provide for the establishment of Cape Cod National Seashore; and

S. 2197. An act to amend section 407 of the Agricultural Act of 1949, as amended.

On August 8, 1961:

S. 1643. An act to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MCCARTHY. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota will state it.

Mr. MCCARTHY. Under the rule, is the usual morning hour in order?

The ACTING PRESIDENT pro tempore. No, inasmuch as the Senate is in executive session.

Mr. MCCARTHY. Mr. President, I ask unanimous consent that there may be the usual morning hour; and I also ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Morning business is now in order. Is there morning business?

Mr. MCCARTHY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MCCARTHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MCCARTHY, and by unanimous consent, the Production and Stabilization Subcommittee of the Committee on Banking and Currency was authorized to meet during the session of the Senate today.

On request of Mr. MCCARTHY, and by unanimous consent, the Committee on Commerce and the Subcommittees on Irrigation and Minerals, Metals, and Fuels of the Committee on Interior and Insular Affairs were authorized to meet during the session of the Senate today.

On request of Mr. DIRKSEN, and by unanimous consent, the subcommittee of the Judiciary Committee taking testimony on the nomination of Judge Andrew A. Caffrey to be U.S. district judge for the district of Massachusetts was authorized to sit during the session of the Senate this morning.

On request of Mr. DIRKSEN, and by unanimous consent, the Judiciary Committee was authorized to meet during the session of the Senate today to consider all matters except certain agreed bills on the committee's general bills calendar.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON INSTALLATIONS AND FACILITIES FOR ADVANCED RESEARCH PROJECTS

A letter from the Deputy Secretary of Defense, reporting, pursuant to law, on the establishment or development of installations and facilities required for advanced research projects, for the period January 1960 through June 1961; to the Committee on Armed Services.

RESOLUTION OF SEVENTH LEGISLATURE OF AMERICAN SAMOA

A letter from the Secretary of the Interior, transmitting the following joint resolution of the Seventh Legislature of American Samoa, which was referred to the Committee on Labor and Public Welfare:

"HOUSE JOINT RESOLUTION 1

"Joint resolution memorializing the Congress of the United States to include American Samoa in any Federal aid to education program which may be enacted

"Whereas American Samoa is the only territory of the United States of America in the vast South Pacific Ocean area, and is surrounded by the territories of Great Britain, France, Australia, and New Zealand; and

"Whereas our forefathers willingly ceded our islands to the United States of America in the year 1900 with absolute trust, hope and confidence in the wisdom, strength and devotion of a benevolent nation; and

"Whereas for the past six decades, our people have in general received an education which is inadequate to prepare all Samoans to meet the challenge of the 20th century as true Americans and advocates of the democratic way of life; and

"Whereas because of the inadequate and substandard program of education in American Samoa, our children have been severely criticized, maligned and ridiculed by our foreign neighbors from Great Britain, France, Australia and New Zealand; and

"Whereas such criticism reflects upon the integrity, dignity, prestige and power of the greatest nation in the history of man, the United States of America: Now, therefore, be it

"Resolved by the Seventh Legislature of American Samoa, That the Congress of the United States be, and it is hereby respectfully memorialized to include American Samoa in any Federal aid to education program which may be enacted; and be it further

"Resolved, That certified copies of this joint resolution be forwarded to the President of the Senate and the Speaker of the House of Representatives of the U.S. Congress; the chairmen of the Committees on Interior and Insular Affairs of the Senate and House of Representatives; the Secretary of the Interior; and the Secretary of Health, Education, and Welfare.

"RAPI SOTOA,
"President of the Senate.
"MUAGUTUTI'A F. TUIA,
"Speaker, House of Representatives."

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution of the House of Representatives of the State of Texas; to the Committee on Finance:

"HOUSE RESOLUTION 47

"Whereas bills have been introduced in the Congress of the United States seeking to curb excessive imports of shrimp and to bring some measure of stability to the domestic shrimp market, such bills being exemplified by H.R. 6168 and S. 1571; and

"Whereas the shrimp fishery of the State of Texas constitutes one of its most important industries and provides a wise utilization for this valuable natural resource; and

"Whereas the shrimp fishery of the State of Texas has been adversely affected and financially crippled by unstable market conditions brought about in whole or in part by uncontrolled foreign imports of shrimp; and

"Whereas it is the understanding of this legislature that it is unable to cope with the problem and afford to the shrimp fishery protection which it needs and that such remedial measures are within the power and the purview of the Federal Congress and the Executive: Now, therefore, be it

"Resolved, That the House of Representatives of the 57th Legislature of the State of Texas, assembled in special session in Austin, Tex., does hereby petition the Congress of the United States and the departments of the executive branch of the Federal Government to exert their best efforts to bring about a measure of stability to the domestic shrimp market by a regulation of imports of shrimp so that the domestic shrimp industry may survive and prosper, giving employment to Americans, utilizing fully this valuable natural resource, and preserving and maintaining the individual and independent seamen and producers who wrest their living dangerously from the sea; and be it further

"Resolved, That copies of this resolution be provided to the President and Vice President of the United States, the Secretary of each department of the executive branch, and to the Texas Members of the Congress of the United States.

"JAMES A. TURMAN,
"Speaker of the House.
"DOROTHY HALLMAN,
"Chief Clerk of the House."

A resolution of the House of Representatives of the State of Texas; to the Committee on Labor and Public Welfare:

"Whereas the Texas Legislature wishes to pay tribute to a wonderful group of Texas citizens who have brought honor to this State and to the United States of America; and

"Whereas the very talented members of the Texas City Stingaree Band were recognized for their outstanding capabilities and beautiful music by World Music Festival dignitaries who have invited this splendid group to represent the United States in Holland at the Fourth World Music Festival in July or August 1962; and

"Whereas Robert Renfroe, accomplished director of the Texas City Stingaree Band, and great inspiration to the members of the band, was invited to accompany his gifted musicians to this festival of such world renowned symphony orchestras and choirs as the Amsterdam Concertgebouw Orchestra, the London Philharmonic Orchestra, and the Vienna Boys' Choir; and

"Whereas the World Music Festival is a contest to which invitations are made to outstanding bands, orchestras, and bugle corps all over the world, including 5 continents and 25 countries; sponsored by the town of Kerkrade, about 150 miles from Amsterdam, one of the festival's primary purposes is to further understanding among peoples; and

"Whereas the Texas City Stingaree Band has performed in the last 14 years throughout Texas, north to Oklahoma and Chicago, east into Louisiana, south as far as Mexico City, and west to Austin and San Antonio, having been national champions three times, the band has repeatedly won every contest entered; and

"Whereas Orville Brandt, president of the Band Parents Club, Mayor Lee A. Robinson, Dr. Lawrence E. Rosenblad, and Clyde Ragsdale are working on plans concerning the international invitation, parents and associates of the band members and all the good citizens of Texas City are preparing a cooperative effort to ascertain the feasibility of acceptance of the Holland tour: Now, therefore, be it

"Resolved, That the house of representatives of the 57th legislature, 1st called session, congratulates every member of the Texas City Stingaree Band, all the past members who were a part of this band's international recognition, the director of the band and all the people of Texas City who have afforded the United States this honor by having a city with the cultural environment that produces such talented young citizens.

"PETER J. LA VALLE,
"Texas City, District 21.
"JAMES A. TURMAN,
"Speaker of the House.
"DOROTHY HALLMAN,
"Chief Clerk of the House."

A resolution of the Sixth Guam Legislature; to the Committee on Armed Services:

"RESOLUTION 221

"Resolution relative to respectfully petitioning the President and Congress of the United States to eliminate the inequitable and the discriminatory dual wage system presently practiced by military agencies located within Guam

"Whereas for many years now, persons, all U.S. citizens, hired locally by the U.S. Navy on Guam, have not and still are not receiving the same basic rate of pay as those persons hired off-island; and

"Whereas the Congress of the United States have been informed of this unjust and unreasonable practice being imposed on the people of Guam, but a repetition of such practice is necessary to more properly present this petition to the President and Congress of the United States, to wit: persons hired locally in the ungraded or blue collar positions such as carpenters, mechanics, and so forth are receiving approximately 50 percent lower basic pay than those hired off-island; to state it another way, the U.S. citizen hired off-island gets, as for example, $2 per hour, plus a territorial post differential of 25 percent of his basic pay scale, transportation from and to his place of recruitment in the continental United States, commissary privileges, hospital privileges, and other benefits; however, these benefits and privileges are not being questioned by local residents, but they, as American citizens, resent the basic wage scale paid persons locally hired who receive not $2 but $1 per hour in the illustration given; and

"Whereas these problems of the locally hired employees have been discussed at length with Federal officials, and particularly with the U.S. Navy having jurisdiction over the matter, but it is apparent that the U.S. Navy will not eliminate or otherwise modify this inequitable system and hence the only alternative of the people of Guam, through their legislature, is to present this petition to the President and to the Congress of the United States: Now, therefore, be it

"Resolved, That the Sixth Guam Legislature does hereby, on behalf of the people of Guam, respectfully petition the President and the Congress of the United States to direct the U.S. Navy to eliminate or otherwise cease and desist in the practice commonly known as the dual wage system as it pertains to persons hired locally on Guam; and be it further

"Resolved, That the Speaker certify to and the legislative secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States, to the Congress of the United States, and to the Governor of Guam."

A resolution adopted by the national department, Legion of Guardsmen, Union City, N.J., relating to the rights of citizens who advocate the overthrow of our Government; to the Committee on the Judiciary.

RECOGNITION OF THE EASTERN ORTHODOX FAITH AS A MAJOR FAITH IN THE UNITED STATES—LETTER AND JOINT RESOLUTION

Mr. WILEY. Mr. President, there is pending in the Senate, Senate Resolution 88, which calls for the official recognition of the Eastern Orthodox faith as a major faith in the United States. This resolution would give recognition to the role played by the Eastern Orthodox Church in the spiritual and community life of the United States. The membership of this church has long been a loyal and energetic contributor to American life. It is only appropriate that this fact be generally recognized.

The legislature of the State of Wisconsin, recently adopted a joint resolution recognizing the Eastern Orthodox Church. I urge the Congress of the United States to do likewise. I ask this on behalf of the 50,000 members of Eastern Orthodox Churches in my own State of Wisconsin, on behalf of membership of the Eastern Orthodox Church all over the United States, and, indeed, on behalf

of our basic American principles of full religious freedom and recognition.

I ask unanimous consent at this point of my remarks to have printed in the RECORD a letter addressed to me by the Very Reverend George Thomas, pastor of Sts. Constantine and Helen Church in Milwaukee, and also a copy of the joint resolution of the Wisconsin Legislature, dated June 14, 1961.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

S.S. CONSTANTINE AND HELEN
GREEK ORTHODOX CHURCH,
Milwaukee, Wis., July 27, 1961.

Hon. ALEXANDER WILEY,
Senator of the State of Washington, Senate Office Building, Washington, D.C.

DEAR SIR: On behalf of the members of my congregation and myself, I am writing to urge you to support Senate Resolution 88, which calls for the official recognition of the Eastern Orthodox faith as a major faith in the United States.

In the State of Wisconsin we have 12 Eastern Orthodox churches with a combined membership of 50,000 communicants.

On behalf of myself, as designated chaplain of the Eastern Orthodox faith at the Veterans' Administration at Wood, Wis., I can only express the dire need, of those of our faith who are patients at such hospitals, for spiritual guidance and communication, and the definite improvement in the morale and spiritual outlook of such patients when their wants are administered by one of their own faith.

Your support of the aforementioned bill will be greatly appreciated by all the members of the Eastern Orthodox faith.

I am enclosing, for your ready reference, a copy of Joint Resolution 71A, which was adopted by the State of Wisconsin June 14, 1961.

I would be most happy to furnish you with any additional information, on this subject, you may desire.

Very truly yours,
Very Rev. GEORGE THOMAS,
Pastor.

JOINT RESOLUTION 71A

Joint resolution urging the recognition of the Eastern Orthodox Church

Whereas the Eastern Orthodox Church is a major faith in America and in the State of Wisconsin; and

Whereas the Eastern Orthodox Church is not generally included when mention is made of the major religious faiths of the people of Wisconsin; and

Whereas where publications are made concerning the major religious faiths only Catholics, Protestants, and Jews are mentioned: Now, therefore, be it

Resolved by the assembly (the senate concurring), That the Eastern Orthodox Church is recognized as a major religious faith in the State of Wisconsin; and be it further

Resolved, That the forms and official papers of the State and local governmental units which refer to the major faiths and now limit them to Catholics, Protestants, and Jews, be changed to Catholics, Protestants, Eastern Orthodox, and Jews; and be it further

Resolved, That all media of communication and all citizens are requested to include the Eastern Orthodox Church when referring to the major religious faiths.

D. J. BLANCHARD,
Speaker of the Assembly.
ROBERT G. MAROTZ,
Chief Clerk of the Assembly.
W. D. KNOWLES,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 419. A bill for the relief of Yom Tov Yeshayahu Briszk (Rept. No. 668);

S. 1786. A bill for the relief of Heripsime Hovnanian (Rept. No. 669);

S. 1928. A bill for the relief of Mrs. Lee Chee Shee (Mrs. Lee Buck Yau) (Rept. No. 670);

S. 2118. A bill for the relief of Dr. John Lopinto Arzaga (Rept. No. 671); and

H.R. 7189. An act granting the consent of Congress to the compact or agreement between the States of North Dakota and Minnesota with respect to the boundary between such States (Rept. No. 686).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 456. A bill for the relief of Concetta Casola (Rept. No. 672);

S. 1053. A bill for the relief of David Lew Huie (Rept. No. 673);

S. 1190. A bill for the relief of Mrs. Marcelita Lopez Kabayao Mortenesen (Rept. No. 674); and

S. 1585. A bill for the relief of Margherita Ferrelli D'Amico (Rept. No. 675).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 976. A bill for the relief of Marya Trela Terpak (Rept. No. 676).

By Mr. DIRKSEN, from the Committee on the Judiciary, without amendment:

S.J. Res. 84. Joint resolution to establish the fourth Friday in September of every year as American Indian Day (Rept. No. 678);

S.J. Res. 98. Joint resolution to provide for the observance of the centennial of the enactment of the Homestead Act (Rept. No. 679);

H.J. Res. 435. Joint resolution to provide for recognition of the centennial of the establishment of the Department of Agriculture, and for other purposes (Rept. No. 680); and

H.J. Res. 436. Joint resolution to provide for recognition of the centennial of the establishment of the national system of land-grant universities and colleges (Rept. No. 681).

By Mr. DIRKSEN, from the Committee on the Judiciary, with an amendment:

S.J. Res. 8. Joint resolution to provide for the designation of the week of Whitsunday of each year as Hernando de Soto Week (Rept. No. 677).

By Mr. ERVIN, from the Committee on the Judiciary, without amendment:

S. 2239. A bill to amend the act entitled "An act to incorporate the National Society of the Sons of the American Revolution," approved June 9, 1906 (34 Stat. 227), in order to remove the statutory limitation on the amount of property such society may receive, purchase, hold, sell, and convey at any one time (Rept. No. 682).

By Mr. KEATING, from the Committee on the Judiciary, without amendment:

S.J. Res. 22. Joint resolution designating February of each year as American History Month (Rept. No. 683); and

S.J. Res. 107. Joint resolution designating the fourth Sunday in September of each year as Interfaith Day (Rept. No. 684).

By Mr. KEATING, from the Committee on the Judiciary, with an amendment:

S. Con. Res. 14. Concurrent resolution saluting "Uncle Sam" Wilson, of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam" (Rept. No. 685).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HILL:

S. 2385. A bill for the relief of Dr. Hau Cheong Kwaan, his wife, Tech Phaik Loui Kwaan, and their daughter, Laura Wai Man Kwaan; to the Committee on the Judiciary.

By Mr. DODD:

S. 2386. A bill to provide for holding terms of the U.S. District Court for the District of Connecticut at New London; to the Committee on the Judiciary.

(See the remarks of Mr. DODD when he introduced the above bill, which appears under a separate heading.)

RESOLUTIONS

TO PRINT AS A SENATE DOCUMENT HEARINGS BEFORE JUDICIARY COMMITTEE ENTITLED "ANALYSIS OF THE KHRUSHCHEV SPEECH OF JANUARY 6, 1961"

Mr. DODD submitted the following resolution (S. Res. 192), which was referred to the Committee on Rules and Administration:

Resolved, That there shall be printed as a Senate document the hearing before the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary, United States Senate, entitled "Analysis of the Khrushchev Speech of January 6, 1961." There shall be printed —— additional copies of such Senate document which shall be for the use of the Committee on the Judiciary of the Senate.

TO PRINT AS A SENATE DOCUMENT, WITH ADDITIONAL COPIES, HEARINGS ENTITLED "COMMUNIST AND WORKERS' PARTIES' MANIFESTO ADOPTED NOVEMBER–DECEMBER 1960, INTERPRETATIONS AND ANALYSIS"

Mr DODD submitted the following resolution (S. Res. 193); which was referred to the Committee on Rules and Administration:

Resolved, That there shall be printed as a Senate document the hearings before the Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary, United States Senate, entitled, "Communist and Workers' Parties' Manifesto Adopted November–December 1960, Interpretations and Analysis." There shall be printed —— additional copies of such Senate document which shall be for the use of the Committee on the Judiciary of the Senate.

ADDITION OF NEW LONDON, CONN., AS A PLACE FOR SITTING OF U.S. DISTRICT COURT

Mr. DODD. Mr. President, at the present time section 86 of title 28 of the United States Code provides that the State of Connecticut shall be one judicial district and that court shall be held at Bridgeport, Hartford, New Haven, and Waterbury. I should now like to offer a bill that would amend the places for the sitting of court by adding New London.

New London and Groton, its neighbor just across the Thames River, have a combined population, according to the latest figures provided me by the U.S. Census Bureau, of approximately 45,000.

This is a fast-growing section of the State of Connecticut, and I think we may fairly anticipate that the section will continue to increase in population.

In my view such a relatively large population center should have readier access to the Federal courts than the Judicial Code now provides.

Moreover, the business of the Federal courts originating from the New London area has increased markedly in recent years, and it will continue to increase as the area grows in population and activity. Judge Robert P. Anderson of the U.S. District Court for the District of Connecticut has written me that it would facilitate the business of the district court to have a seat of court in the area, and I agree fully.

Finally, I think it is worth noting that adding New London as a seat of court in the State of Connecticut would bring the judicial wheel full circle. The records of the Federal courts in Connecticut indicate that there was a sitting of court in New London as early as October 1790. The first case, by the way, was United States against Thirteen Hogsheads of Spirits. It is not entirely clear when New London fell into disuse as a seat of court, but I think present circumstances warrant that we honor historical precedent by recreating it as such.

Mr. President, I introduce, for appropriate reference, a bill to provide for the holding of terms of the U.S. District Court for the District of Connecticut at New London.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2386) to provide for holding terms of the U.S. District Court for the District of Connecticut at New London, introduced by Mr. DODD, was received, read twice by its title, and referred to the Committee on the Judiciary.

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENTS

Mr. McCLELLAN submitted amendments, intended to be proposed by him, to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. CARLSON. Mr. President, I submit, for printing under the rule, an amendment which I should like to have considered when the Senate considers Senate bill 1983, the foreign aid bill. This amendment provides that to the maximum extent feasible officers and employees performing functions under the act abroad shall be assigned to countries and positions for which they have special competence. This problem was discussed by the Senator from Tennessee [Mr. GORE] and by me earlier. We shall discuss further the import of the amendment when the bill is before the Senate for consideration.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the table.

EXTENSION OF NATIONAL DEFENSE EDUCATION ACT OF 1958—AMENDMENTS

Mr. GOLDWATER. Mr. President, I submit a series of interrelated amendments to the bill to amend the National Defense Education Act, which was favorably reported by the Committee on Labor and Public Welfare on July 31, 1961, and is now pending before the Senate as S. 2345. I therefore ask unanimous consent that my amendments appear in the RECORD following these remarks and that they be printed and ordered to lie on the table until Tuesday, August 15, 1961, for possible cosponsorship by other members of this body.

The ACTING PRESIDENT pro tempore. The amendments will be received, printed, and, without objection, the amendments will be printed in the RECORD and will lie on the table, as requested by the Senator from Arizona.

The amendments are as follows:

TITLE I

On page 5, line 14, strike the period and insert a semicolon and the words "and will strengthen the national defense by familiarizing both students and teachers with the nature, objectives, strategy, and methods of world communism, and the threat which it represents to the American way of life."

TITLE II

On page 12, line 25, after the word "in" insert "the study of the nature, objectives, strategy, methods, and threat of world communism,"

TITLE III

On page 21, line 20, page 22, line 6, page 26, line 17, and page 27, line 17, strike the words "physical fitness" and insert in lieu thereof "the nature, objectives, strategy, methods, and threat of world communism."

On page 28, line 19, after the word "teaching" insert the words "courses of study in the nature, objectives, strategy, methods, and threat of world communism,".

On page 29, line 18, strike out "(1)".

On page 29, line 3, strike out the semicolon and the word "and" and insert in lieu thereof a period.

On page 29, lines 4 through 8, strike out all of paragraph (2).

On page 29, line 12, beginning with the word "or" strike out everything through the word "facilities" on line 15.

On page 35, line 14, strike the words "physical fitness" and in lieu thereof insert the words "studies in the nature, objectives, strategy, methods, and threat of world communism".

On page 37, line 25, after the word "in" insert the words, "the study of the nature, objectives, strategy, methods, and threat of world communism,".

On page 40, line 18, beginning with the comma, strike out everything through the word "fitness" on line 20.

TITLE VI

On page 52, line 19, after the word "development" insert a comma and the words "anti-Communist research and training,".

On page 52, line 22, after the word "language" insert a comma and the words "anti-Communist training".

On page 53, line 1, after the word "teaching" insert "of courses of study dealing with the nature, objectives, strategy, methods, and threat of world communism or".

On page 53, line 25, after the word "undergoing" insert "training in courses of study dealing with the nature, objectives, strategy, methods, and threat of world communism or".

On page 54, line 10, after the word "teaching" insert "a course of study dealing with the nature, objectives, strategy, methods, and threat of world communism in an elementary or secondary school, or institution of higher education or".

On page 54, line 16, after the word "in" insert "courses of study dealing with the nature, objectives, strategy, methods, and threat of world communism, in".

On page 54, line 17, after the word "languages" insert a comma, and after the word "and" insert the word "in".

On page 54, line 20, after the word "such" where it first appears insert the word "courses" and a comma.

On page 54, line 22, before the word "languages" insert the word "courses" and a comma.

On page 55, line 9, after the word "language" insert the words "and anti-Communist training".

On page 55, line 10, after the word "language" insert the words "and anti-Communist training".

On page 55, lines 17 and 20, after the word "of" insert the words "a course of study dealing with the nature, objectives, strategy, methods, and threat of world communism or of".

On page 58, line 16, after the word "training" insert a comma and the words "studies in the nature, objectives, strategy, methods, and threat of world communism,".

TITLE VII

On page 69, line 12, strike out the word "twelve" and insert in lieu thereof the word "fifteen"

On page 69, line 21, after the semicolon insert "Three shall be individuals who are outstanding authorities on the nature, objectives, strategy, methods, and threat of world communism;"

TITLE VIII

On page 76, line 3, before the period insert the words "and as permitted under the provisions of section 304(a)"

* * * * * * *

On page 77, line 18, strike the word "and"

On page 77, line 20, strike the period and insert in lieu thereof a semicolon and the word "and"

On page 77, between lines 20 and 21, insert the words "(11) establishing and conducting a course of study dealing with the nature, objectives, strategy, methods, and threat of world communism"

TITLE XI

On page 94, section 1102(a) is amended to read as follows:

"SEC. 1102. (a) The Commissioner, with the approval of the Secretary, may appoint, without regard to the civil service laws, an advisory committee or committees, to advise and consult with him with respect to the administration of the provisions of this Act for which he is responsible. Any such committee shall have sixteen members as follows:

"(1) Four members who are recognized scholars in any of the following fields: engineering, mathematics, or science;

"(2) Four members who are recognized scholars in any of the fields of the humanities;

"(3) Four members who are outstanding authorities on the nature, objectives, strategy, methods, and threat of world communism; and

"(4) Four members for such fields of endeavor as the Commissioner deems appropriate."

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—ADDITIONAL COSPONSOR OF AMENDMENT

Mr. KEATING. Mr. President, I ask unanimous consent that the name of the

distinguished Senator from Pennsylvania [Mr. SCOTT] be added as a cosponsor of the amendment "8-4-61—D," submitted by the Senator from Massachusetts [Mr. SALTONSTALL], myself, and other Senators to the foreign aid bill, Senate bill 1983.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF JOINT HEARING ON SENATE BILL 2246, WATER RESOURCES PLANNING ACT OF 1961

Mr. ANDERSON. Mr. President, I wish to announce for the information of the Senate that there will be a joint hearing by the Committees on Public Works and Interior and Insular Affairs on S. 2246, the Water Resources Planning Act of 1961.

The hearing is scheduled for 10 a.m., on August 16, in the Interior Committee hearing room, 3110 New Senate Office Building.

This meeting has been set aside to hear private individuals and representatives of associations who have not previously had an opportunity to testify on this bill. Government witnesses were heard on July 26. Several Senators have indicated an interest in submitting statements or testifying on this important measure. Anyone who wishes to testify will be welcome to do so.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 1085. An act to provide for the disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes; and

S. 1294. An act to supplement and amend the act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936.

The message also anounced that the House had disagreed to the amendment of the Senate to the bill (H.R. 7576) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HOLIFIELD, Mr. PRICE, and Mr. VAN ZANDT were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 115. An act for the allocation of costs on the Wapato-Satus unit of the Wapato Indian irrigation project;

H.R. 218. An act to provide that individuals enlisted into the Armed Forces of the United States shall take an oath to support and defend the Constitution of the United States;

H.R. 763. An act to provide for an additional payment of $30,000 to the village of Highland Falls, N.Y., toward the cost of the water filtration plant constructed by such village;

H.R. 1021. An act to extend for 2 years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938;

H.R. 1022. An act to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments;

H.R. 1794. An act to provide for the conveyance of certain real property of the United States situated in Hawaii to the State of Hawaii;

H.R. 1961. An act to amend sections 1, 17a, 57j, 64a(5), 67b, 67c, and 70c of the Bankruptcy Act, and for other purposes;

H.R. 2429. An act to prohibit destruction of, or injury to, certain property moving in interstate or foreign commerce, and for other purposes;

H.R. 2877. An act to authorize the Director, Office of Civil and Defense Mobilization, to approve a financial contribution for civil defense purposes to the State of Oklahoma;

H.R. 2925. An act to amend the act of March 8, 1922, as amended, pertaining to isolated tracts, to extend its provisions to public sales;

H.R. 3159. An act to permit certain foreign-flag vessels to land their catches of fish in the Virgin Islands in certain circumstances, and for other purposes;

H.R. 4458. An act to authorize the Secretary of the Interior to replace lateral pipelines, line discharge pipelines, and to do other work he determines to be required for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho;

H.R. 4473. An act to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy;

H.R. 4785. An act relating to withholding for State employee retirement, disability, and death benefit system purposes, on the compensation of certain civilian employees of the National Guard;

H.R. 4786. An act to provide travel and transportation allowances for members of the National Guard and reserve components when travel is performed in an active duty or inactive duty training status in compliance with Federal directives;

H.R. 4790. An act to amend section 709 of title 32, United States Code;

H.R. 4792. An act to clarify the status of members of the National Guard while attending or instructing at National Guard schools established under the authority of the Secretary of the Army or Secretary of the Air Force, as the case may be, and for other purposes;

H.R. 4917. An act for the relief of Albany County, N.Y.;

H.R. 5144. An act to provide for the acquisition of and the payment for individual Indian and tribal lands of the Lower Brule Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes;

H.R. 5165. An act to provide for the acquisition of and the payment for individual Indian and tribal lands of the Crow Creek Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes;

H.R. 5228. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1962 Girl Scouts senior roundup encampment, and for other purposes;

H.R. 5235. An act to authorize the Confederated Tribes of the Warm Springs Reservation of Oregon to acquire land within the boundaries of their reservation;

H.R. 5754. An act to carry into effect a provision of the Convention of Paris for the Protection of Industrial Property as revised at Lisbon, Portugal, October 31, 1958;

H.R. 5964. An act to authorize the use of funds arising from a judgment in favor of the Potawatomi Nation of Indians, and for other purposes;

H.R. 6102. An act to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands located in Highlands County in the State of Florida to the record owners of the surface thereof;

H.R. 6241. An act to repeal the act of October 22, 1919 (41 Stat. 293; 43 U.S.C. 351-355, 357-360);

H.R. 6690. An act to amend section 332 of title 28, United States Code, in order to provide for the inclusion of a district judge or judges on the judicial council of each circuit;

H.R. 7108. An act to amend the Federal Home Loan Bank Act and title IV of the National Housing Act, and for other purposes;

H.R. 7405. An act to provide for the promulgation of rules of practice and procedure under the Bankruptcy Act, and for other purposes;

H.R. 7447. An act to amend the Strategic and Critical Materials Stock Piling Act to provide for the immediate disposition of certain waterfowl feathers and down;

H.R. 7666. An act to amend section 17(a) of the Revised Organic Act of the Virgin Islands pertaining to the salary of the government comptroller;

H.R. 7719. An act to amend section 6(d) of the Universal Military Training and Service Act (50 App. U.S.C. 456(d)) to authorize certain persons who complete a Reserve Officers' Training Corps program to be appointed as commissioned officers in the Coast and Geodetic Survey;

H.R. 7721. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within the Fort Sheridan Military Reservation, Ill.;

H.R. 7724. An act to provide for advances of pay to members of the armed services in cases of emergency evacuation of military dependents from oversea areas and for other purposes;

H.R. 7725. An act to authorize the Secretary of the Army to reconvey to the town of Malone, N.Y., certain real property heretofore donated by said town to the United States of America as an Army Reserve Center and never used by the United States;

H.R. 7727. An act to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants.

H.R. 7728. An act to amend title 10, United States Code, to authorize the Secretary of a military department to sell goods and services to the owner of an aircraft or his agent in an emergency, or when in the best interests of the United States, and for other purposes;

H.R. 7913. An act to amend title 10, United States Code, to bring the number of cadets at the U.S. Military Academy and the U.S. Air Force Academy up to full strength;

H.R. 7934. An act to authorize the Secretaries of the military departments to make emergency payments to persons who are injured or whose property is damaged as a result of aircraft or missile accidents, and for other purposes;

H.R. 8095. An act to amend the National Aeronautics and Space Act of 1958; as amended, and for other purposes;

H.R. 8140. An act to strengthen the criminal laws relating to bribery, graft, and conflicts of interest, and for other purposes; and

H.R. 8277. An act to amend the Federal Home Loan Bank Act to simplify and improve the election and appointment of directors of the Federal home loan banks.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 54. An act to grant 81 acres of public domain to the Cocopah Indians in Arizona;

S. 539. An act to make nationals, American and foreign, eligible for certain scholarships under the Surplus Property Act of 1944, as amended;

S. 614. An act to authorize the use of Commodity Credit Corporation-owned surplus grain by the States for emergency use in the feeding of resident game birds and other resident wildlife; to authorize the use of such surplus grain by the Secretary of the Interior for emergency use in the feeding of migratory birds, and for other purposes;

S. 763. An act to authorize annual appropriation to reimburse Commodity Credit Corporation for net realized losses sustained during any fiscal year in lieu of annual appropriations to restore capital impairment based on annual Treasury appraisals, and for other purposes;

S. 809. An act to authorize the transfer of a Bureau of Reclamation bridge across the Colorado River near Needles, Calif., to San Bernardino County, Calif., and Mohave County, Ariz.;

S. 881. An act to revise section 4166 of the Revised Statutes (46 U.S.C. 35) to permit documentation of vessels sold or transferred abroad; and

S. 1087. An act to authorize and direct the transfer of certain Federal property to the government of American Samoa.

H.R. 181. An act to amend sections 3253 and 8253 of title 10, United States Code;

H.R. 2203. An act to authorize the Secretary of the Interior to exchange certain property in Rocky Mountain National Park, Colo., and for other purposes;

H.R. 4321. An act to amend section 303 of the Career Compensation Act of 1949 to authorize the transportation of dependents and baggage and household effects of certain retired members;

H.R. 4323. An act to amend the Career Compensation Act of 1949 with respect to special pay for diving duty, and for other purposes;

H.R. 5518. An act to revise the boundaries of the Fort Raleigh National Historic Site in North Carolina, and for other purposes; and

H.R. 7722. An act to amend section 3579, title 10, United States Code, to provide that commissioned officers of the Medical Service Corps, may exercise command outside the Army Medical Service when directed by proper authority.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 115. An act for the allocation of costs on the Wapato-Satus unit of the Wapato Indian irrigation project;

H.R. 4458. An act to authorize the Secretary of the Interior to replace lateral pipelines, line discharge pipelines, and to do other work he determines to be required for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho;

H.R. 5144. An act to provide for the acquisition of and the payment for individual Indian and tribal lands of the Lower Brule Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes;

H.R. 5165. An act to provide for the acquisition of and the payment for individual Indian and tribal lands of the Crow Creek Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes;

H.R. 5235. An act to authorize the Confederated Tribes of the Warm Springs Reservation of Oregon to acquire land within the boundaries of their reservation;

H.R. 5964. An act to authorize the use of funds arising from a judgment in favor of the Potawatomi Nation of Indians, and for other purposes;

H.R. 6102. An act to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands located in Highlands County in the State of Florida to the record owners of the surface thereof;

H.R. 6241. An act to repeal the act of October 22, 1919 (41 Stat. 293; 43 U.S.C. 351–355, 357–360); and

H.R. 7666. An act to amend section 17(a) of the Revised Organic Act of the Virgin Islands pertaining to the salary of the government comptroller; to the Committee on Interior and Insular Affairs.

H.R. 218. An act to provide that individuals enlisted into the Armed Forces of the United States shall take an oath to support and defend the Constitution of the United States;

H.R. 763. An act to provide for an additional payment of $30,000 to the village of Highland Falls, N.Y., toward the cost of the water filtration plant constructed by such village;

H.R. 1794. An act to provide for the conveyance of certain real property of the United States situated in Hawaii to the State of Hawaii;

H.R. 2877. An act to authorize the Director, Office of Civil and Defense Mobilization, to approve a financial contribution for civil defense purposes to the State of Oklahoma;

H.R. 4785. An act relating to withholding for State employee retirement, disability, and death benefit system purposes, on the compensation of certain civilian employees of the National Guard;

H.R. 4786. An act to provide travel and transportation allowances for members of the National Guard and Reserve components when travel is performed in an active duty or inactive duty training status in compliance with Federal directives;

H.R. 4790. An act to amend section 709 of title 32, United States Code;

H.R. 4792. An act to clarify the status of members of the National Guard while attending or instructing at National Guard schools, established under the authority of the Secretary of the Army or Secretary of the Air Force, as the case may be, and for other purposes;

H.R. 7447. An act to amend the Strategic and Critical Materials Stock Piling Act to provide for the immediate disposition of certain waterfowl feathers and down;

H.R. 7719. An act to amend section 6(d) of the Universal Military Training and Service Act (50 App. U.S.C. 456(d)) to authorize certain persons who complete a Reserve Officers' Training Corps program to be appointed as commissioned officers in the Coast and Geodetic Survey;

H.R. 7721. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within the Fort Sheridan Military Reservation, Ill.

H.R. 7724. An act to provide for advances of pay to members of the armed services in cases of emergency evacuation of military dependents from oversea areas, and for other purposes;

H.R. 7725. An act to authorize the Secretary of the Army to reconvey to the town of Malone, N.Y., certain real property heretofore donated by said town to the United States of America as an Army Reserve center and never used by the United States;

H.R. 7727. An act to amend title 10, United States Code, to permit members of the Armed Forces to accept fellowships, scholarships, or grants;

H.R. 7728. An act to amend title 10, United States Code, to authorize the Secretary of a military department to sell goods and services to the owner of an aircraft or his agent in an emergency, or when in the best interests of the United States, and for other purposes;

H.R. 7913. An act to amend title 10, United States Code, to bring the number of cadets at the U.S. Military Academy and the U.S. Air Force Academy up to full strength; and

H.R. 7934. An act to authorize the Secretaries of the military departments to make emergency payments to persons who are injured or whose property is damaged as a result of aircraft or missile accidents, and for other purposes; to the Committee on Armed Services.

H.R. 1021. An act to extend for 2 years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938; and

H.R. 1022. An act to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments; to the Committee on Agriculture and Forestry.

H.R. 1961. An act to amend sections 1, 17a, 57j, 64a(5), 67b, 67c, and 70c of the Bankruptcy Act, and for other purposes;

H.R. 4473. An act to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy;

H.R. 4917. An act for the relief of Albany County, N.Y.;

H.R. 5754. An act to carry into effect a provision of the Convention of Paris for the Protection of Industrial Property as revised at Lisbon, Portugal, October 31, 1958;

H.R. 6690. An act to amend section 332 of title 28, United States Code, in order to provide for the inclusion of a district judge or judges on the judicial council of each circuit;

H.R. 7405. An act to provide for the promulgation of rules of practice and procedure under the Bankruptcy Act, and for other purposes; and

H.R. 8140. An act to strengthen the criminal laws relating to bribery, graft, and conflicts of interest, and for other purposes; to the Committee on the Judiciary.

H.R. 2429. An act to prohibit destruction of, or injury to, certain property moving in interstate or foreign commerce, and for other purposes; and

H.R. 3159. An act to permit certain foreign-flag vessels to land their catches of fish in the Virgin Islands in certain circumstances, and for other purposes; to the Committee on Commerce.

H.R. 7108. An act to amend the Federal Home Loan Bank Act and title IV of the National Housing Act, and for other purposes;

H.R. 8277. An act to amend the Federal Home Loan Bank Act to simplify and improve the election and appointment of directors of the Federal home loan banks; to the Committee on Banking and Currency.

H.R. 8095. An act to amend the National Aeronautics and Space Act of 1958; as

amended, and for other purposes; to the Committee on Aeronautical and Space Sciences.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MCCARTHY (on behalf of Mr. JACKSON):

Address by Under Secretary of the Interior James K. Carr delivered at luncheon honoring William (Billy) Clapp on July 18, 1961.

By Mr. CARROLL:

Article entitled "What's Good About U.S. Agriculture?" written by him and published in the August 1 edition of Farm Life.

THE SERVICE OF THOMAS S. GATES, JR., AS SECRETARY OF DEFENSE

Mr. DIRKSEN. Mr. President, at the time when he was serving as Secretary of Defense, knowledgeable observers of the Pentagon ventured the opinion that Thomas S. Gates, Jr., was undoubtedly one of the most effective persons who had ever held the difficult, highly responsible, and burdensome position of Secretary of Defense. The passage of several months since Tom Gates' departure from the Pentagon has given Congress and our Nation as a whole an opportunity to evaluate his services objectively and, in a sense, comparatively. It is, of course, no reflection on any other person to observe that there is increasing opinion to the effect that Tom Gates' tenure as Secretary of Defense was the most efficient, well guided, and progressive since the establishment of the Office of Secretary of Defense. With an unsurpassed understanding of the Pentagon and of the Defense Establishment as a whole, and an unusual grasp of the Joint Chiefs of Staff concept, Secretary Gates directed the Pentagon with a calm assurance and unquestioned authority that is being increasingly appreciated with the passage of time.

Few actions by any top official of Government in recent times have had such substance and have reflected such understanding of governmental processes, particularly the very delicate but fundamental civilian-military relationship, as did Secretary Gates' policy of regularly sitting with the Joint Chiefs of Staff in the formulation of our top defense policy. This was an act of statesmanship that strengthened the military, yet reaffirmed unquestioned civilian control by making the top civilian authority an actual participant in the determination of national strategy. In fact, it brought the Joint Chiefs of Staff and their civilian superior, the Secretary of Defense, into a relationship that was characterized by profound mutual respect and understanding.

The wisdom of Secretary Gates' defense policies is being increasingly recognized, although he has been gone from the Washington scene for several months. One of the most interesting comments on Secretary Gates' policies and views, and how his leadership brought the Joint Chiefs of Staff into such a cooperative relationship with their civilian superior—a development so fruitful from the standpoint of national security—appeared in the July 1961 issue of Air Force magazine. The article, entitled "McNamara's Open Door," written by Claude Witze, senior editor, Air Force magazine, is noteworthy.

For that reason, I ask unanimous consent to have the article printed at this point in the RECORD; and I recommend the article to the attention of Members of the Senate.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MCNAMARA'S OPEN DOOR

(By Claude Witze)

WASHINGTON, D.C.—It was the roughest Washington winter within the memory of most of us, spring had few of its usual virtues, and summer has limped in. One day the furnace was running, and the air conditioner took over on the next. Then back to the furnace. In some respects the New Frontier seemed to respond to the weather and there isn't any place where this is more evident than in the Pentagon. For all the efforts made by the Kennedy administration, the issue of the muzzled generals persists with all of the intensity reported in this column last month. It is true that Defense Secretary Robert S. McNamara has said he is honored to be associated with the Joint Chiefs of Staff, who are "intelligent, experienced, dedicated men." He contends that he has tried to continue and expand the policy of his Republican predecessor, Thomas Gates, of establishing a closer relationship with his military advisers. President Kennedy has had the Chiefs over to the White House for a visit and posed with them for the photographers. These things came after there was a deluge of stories in the papers about rising military blood pressure, and a reporter challenged Mr. McNamara to come to the defense of the Chiefs while under fire. This blaze, you may recall, broke out of the smoldering embers when Senator ALBERT GORE, a Tennessee Democrat, accused the Chiefs of Staff of incompetence. Almost nobody agreed with the Senator. At the same time, it cannot pass unnoticed that the Secretary of Defense did not disagree with him until prodded.

The Economist, an erudite British weekly, says "the burning question now is how far they (the Joint Chiefs of Staff) will be allowed to go in laying down strategy or even in deciding what weapons they need." This is the rub that arises from the conduct of some of Mr. McNamara's highly educated assistants, bolstered by their fellows in the White House and State Department. There is a difference of opinion about this, too. Mr. McNamara says he believes in an open-door policy that does not restrict contact and the flow of information between offices in the Defense Department. He says he has suggested to the Secretaries and Assistant Secretaries "an easy and free and informal exchange of views" in the Pentagon. Well, this appears to have been done with so much enthusiasm that the suggestion has tripped over a law and aroused the curiosity of a man named CARL VINSON, chairman of the House Armed Services Committee and experienced mentor of political appointees. "Uncle CARL" disclosed to one of the service journals that he had written a letter to the Secretary of Defense. The text was not released at the time, but Mr. VINSON indicated he was determined to find out to what extent military leaders and service Secretaries are being bypassed in the formulation of Pentagon policy.

"There is a great and valuable pool of intellect and management skill in the present Pentagon civilian administration," said the Army-Navy-Air Force Journal. "But they must learn that military experience and training are indispensable to efficient and effective defense forces and that the advice of war-proven leaders must be sought and carefully weighed if sound conclusions are to be reached. They must learn, too, that morale is the most vital factor in military effectiveness, and that it cannot be maintained by downgrading the service leadership in the eyes of Congress and the public.

"There is one bright spot in the picture," the Journal added, "the selection of Gen. Curtis E. LeMay to be Chief of Staff of the Air Force. All of the services know General LeMay as an effective, efficient leader who will pull no punches to make and keep his forces combat-ready. They know also that while he is blunt, outspoken, and uncompromising with his subordinates, he will fight to the bitter end for their rights and welfare and to keep their morale high."

This confidence in USAF's new Chief is widely shared. While he has not expressed himself publicly on the current issue there can be no doubt that his short patience with incompetence, in uniform or out, will make itself known when General LeMay is called upon to speak. Until that time Committee Chairman VINSON will continue his classes. The Congressman says he is alarmed by the military-civilian break. He has cited the 1958 Pentagon Reorganization Act which is specific in its statement that Assistant Secretaries of Defenses are just that and nothing more. It also says that the Secretaries of the Army, Navy, and Air Force are the civilian bosses in their own departments, and that they are responsible to Mr. McNamara alone. There is more to the law. It says that Assistant Secretaries cannot give orders to military departments unless the Secretary of Defense says so, giving permission in writing and assigning a specific area where it can be done. Now it happens that this part of the law was fathered, in a sense, by Mr. VINSON, and he has no intention of letting anyone get the idea that he didn't sponsor it for a purpose. Mr. VINSON would be irritated if he were to find that an Assistant Secretary of Defense walked directly into a military office, started to give orders and snatched papers out of a typewriter, for example. He would be equally upset if, walking through a Pentagon corridor, he overheard an Assistant Secretary of Defense speaking in deprecatory and insulting terms about three- and four-star generals. This list of hypothetical situations could be expanded to include more possibilities, some of them covered by the existing law, others by the simple codes of courtesy and loyalty.

It is interesting that in his reply to queries from the press Secretary McNamara has pointed with obvious and admiring approval to the example set by Defense Secretary Gates in the previous administration. It happens that only about a year ago Mr. Gates was a witness on Capitol Hill before the Subcommittee on National Policy Machinery of the Committee on Government Operations, chaired by Senator HENRY M. JACKSON, of Washington. A few months later Mr. JACKSON was Democratic National Chairman and party leader in the Kennedy campaign. At the hearings in June of 1960 Secretary Gates was faced with some quotations from the Harvard Alumni Bulletin in which an author said that the Joint Chiefs of Staff have too many vested interests to protect, and that they are "biased heavily toward the status quo."

There were some further unflattering remarks about the military, suggesting that they interfere with the formation of sound policy and are incapable of coming up with first-class ideas. To all of this, on the stand, Secretary Gates took firm exception. He

sounded skeptical that the author could possibly have had experience in the Defense Department, defended the weapon systems programs, and argued that there are strong signs of boldness and imagination in the military. He denied that the Joint Chiefs are "prisoners of a bureaucratic system" with interests to protect and called them the "product of a major responsibility, the military security of the United States." He summed up his opinion of what was quoted from the Harvard Alumni Bulletin this way: "This is ivory-tower stuff created out of first-rate men freed, apparently, of all experience and association with the problems."

At the time, when Senator JACKSON's committee and its subject did not attract widespread attention, there was bare mention given to the name of the academic author. His name was Walt Whitman Rostow, now a deputy special assistant to the President. It is reputed in Washington that Mr. Rostow's main interest in the White House lies in the field of defense and foreign affairs. There have been no reports of what Mr. Rostow thinks of Secretary McNamara's characterization of the Chiefs as intelligent and dedicated. And apparently he was not in range of the camera when the President had his picture taken with the military leaders. It would be interesting, for example, to hear the professor discuss his theories with General LeMay but he is more likely to get the opportunity to discourse on them, if it comes, before some congressional committee. Mr. VINSON would be a strong candidate to start this round. Mr. JACKSON, with the scholarly air of detachment that surrounds his hearings—they are called studies, not investigations— would provide an impeccable platform. And it would be easy there to refer back to the testimony by Mr. Gates, who had many years of experience in the Pentagon. When he left they said he never was steered by admirals or driven by generals and left with their unbounded respect.

RULE XXII AND CIVIL RIGHTS LEGISLATION

Mr. JAVITS. Mr. President, I note, as we approach the end of the session, we get into a discussion of what is going to be done about civil rights and what is going to be done about the so-called filibuster rule. I note also from the morning press that some effort is going to be made to convince us that changing rule XXII will only be conducive to getting legislation on economic subjects, not on civil rights. I think the record is all to the contrary. I think, if we needed any emphasis about how critically important is civil rights legislation, it is illustrated by the historic events taking place and the fantastic achievements in outer space, which remind us that the world is knitted together tighter than we thought it was, and that we had better start knitting our country tighter together in view of the critical events ahead of us.

The only civil rights legislation that we have passed has to do with the field of crime and voting rights, which are very elementary rights. We still have a very large number of freedom riders arrested, and with pending cases, because we are not enforcing the nondiscriminatory aspects of Federal law and policy at airport terminals or bus terminals.

The pace of school desegregation is that of a snail, with nothing done in four Southern States, and comparatively little done in other Southern States.

The administration has apparently made up its mind not to seek civil rights legislation because it might interfere with its other programs in the Congress. This is appeasement and I do not think we in the Congress or in the country should concern ourselves with that.

I rise at this time because I think that in the light of the overriding events in space, we should accept the opportunity, which I know will be given to us by the majority leader, to unlock the door to our own restraints, which are created by the undue power given to a minority by rule XXII, before we go home from this session. In this way, we may proceed in civil rights and every other field under rules which reflect the lessons from the unprecedented events we are witnessing. It is an open secret, and every bit of evidence shows, that the discrimination and segregation problems in our own country are the greatest single item of propaganda used by the Communists against us throughout the world.

Out of deference and respect for the unbelievable historic events which are happening now, as well as to tighten up our own bonds at home as we face the unbelievable challenge in the whole world, especially from the Communists, we ought to revise rule XXII. I hope that I and other Senators who have been extraordinarily active in this field will raise this question in order to put this matter in focus and proceed to do something about it before this session ends.

I notice present in the Chamber my colleague from New York [Mr. KEATING], who has been very active in this field as well as the minority leader [Mr. DIRKSEN], who is a party to the assurance of a vote on a rules change. I expect we will join together to try to unloosen the bonds that tie our hands in view of the momentous events we face, and do something effective about revising the rule of debate as covered by rule XXII. For myself I favor the Douglas plan for cloture on the vote of 51 members after 15 days of debate, as called for by the Rules Committee's favorable report of 1958.

Mr. KEATING. Mr. President, I commend my colleague from New York for the remarks he has just made. I noted that one of our distinguished colleagues yesterday said that the aid of Republicans would be enlisted in an effort to defeat any change in rule XXII. I hope that effort will not succeed. The distinguished minority leader has joined with the distinguished majority leader in assuring us that we would have an opportunity to vote on a change in rule XXII in this session. I feel sure that that promise will be redeemed.

There may be disagreement as to the change which should be made. Some of us may urge a more meaningful change than is contemplated by the leaders. Personally, I strongly favor a provision for majority cloture after full opportunity for debate under an equitable division of time. But, certainly, the Senate should be permitted to work its will on this issue in this session.

I was interested to note the appeal made to Republicans, to join the Democrats in seeking to defeat any change in rule XXII because the present rule might be more useful in the economic field than in the field of civil rights. The record will show that many of those who are seeking to thwart a meaningful change in rule XXII have, since January 20 this year, joined in voting for most of the big spending bills which have been before the Senate. If any Republicans are foolish enough to be taken in by that argument, they will find themselves standing alone when the showdown comes on fiscal responsibility. When it comes to money bills and economic matters, those who seek to prevent a change in rule XXII will frequently be found standing on the other side from the views of most Republicans. In my experience filibusters have been the barnacle attached to civil rights bills, not bills involving economic issues.

Therefore, I hope that this siren song to Senators on this side of the aisle will fall on deaf ears, and that we will have an opportunity to revise the rule and, hopefully, pass at least a minimum of civil rights legislation at this session.

STOCK OPTIONS

Mr. GORE. Mr. President, in the current issue of U.S. News & World Report there is an interesting and provocative article on restricted stock options. This is a tax favoritism which, in my opinion, is entirely without justification. I hope that there will be an opportunity yet this session to write an amendment on the floor of the Senate to strike from the law this loophole, one of the most glaring in tax favoritism.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW THREAT TO STOCK OPTIONS

Are too many business executives getting stock in their companies at bargain rates?

Some legislators think so.

There's new steam behind a move in Congress to remove the special tax treatment now given stock-option plans.

Reason: Some company officials are getting rich from a tax windfall that costs the Treasury an estimated $100 million a year.

Stock options, which have made many company executives rich in recent years, now face danger in Congress.

Underway is a drive to repeal the special tax advantage that restricted stock options have enjoyed since 1950. This favored tax treatment has been responsible for a rash of option buying of company shares over the past few years.

Now that Congress is faced with new demands for revenues to finance the expanded defense program, there is pressure to close tax "loopholes" as one means of bringing in additional funds.

Restricted stock-option plans are a favorite target of many legislators when "loophole closing" is mentioned.

STOCK BARGAINS

Under these plans, many corporate officials have been able to acquire large blocks of stock at bargain prices. Big after-tax gains are possible on the sale of this stock because of the special tax rule that applies to stock options.

The rule works this way:

A company officer is given the right to buy a given number of shares in his firm at some

future time, at the price prevailing when the option is granted.

If the stock goes up in price, the executive can exercise his option and buy the stock. If the market goes down, the executive can sit tight, waiting for a later rise. Most options can be exercised over a period of several years.

When the price goes up and the executive buys stock under his option, he pays no tax on his "paper" profit. When he sells his stock at some time in the future, he pays only the capital-gains tax on the profit he realizes. The maximum rate is 25 percent.

To qualify for the benefits of the present law, the executive must hold the stock he acquires under an option plan for at least 6 months. The date of sale must be at least 2 years after the option was granted. So-called restricted option plans—the sort now under attack in Congress—are those where the option price is at least 85 percent of the fair market value of the stock and the option is not transferable except on death. Certain limits as to stock the holder of the option already owns also must be met.

The chart on this page gives you an example of the sort of profits that are possible under a stock-option plan.

WINDFALL FOR THOUSANDS

In the bull market for stocks of the past 2 or 3 years, stock options have proved a windfall for thousands of management men. Many have had, in effect, a risk-free chance to make stock-market profits, since the price at which executives buy optioned stock is usually well below the market price.

What is now being urged in Congress is a return to a tax rule that prevailed prior to 1950. Under that rule, the tax was levied on the paper profit at the time the option was exercised. Further, the tax was at the ordinary income tax rate, not the lower capital-gains rate.

The Senate Finance Committee held hearings late in July on a bill introduced by Senator ALBERT GORE, Democrat, of Tennessee, to repeal the present favorable tax treatment.

GLARING LOOPHOLE

Senator GORE describes restricted stock options as a glaring loophole in the tax laws, and a gimmick that is costing the Treasury at least $100 million a year.

Legislators who favor tightening the tax rules on stock options contend that an executive who exercises a profitable option is, in reality, getting income or compensation, rather than an investment profit. Thus, they say, the profit, even if it is only a paper gain, should be taxed at ordinary income tax rates.

In some cases, tax authorities point out, corporate officials who have made substantial profits on optioned stock can escape income taxes on these profits completely during their lifetime. They can do this by merely holding on to the stock and eventually leaving it in their estates, where the appreciation escapes even the 25-percent Federal capital-gains tax.

The threat that Congress may take the tax benefit out of option plans has brought strong statements in rebuttal from executives who believe the plans are important incentives to good corporate management.

FROM LOSSES TO PROFITS

Henry Ford II, president of Ford Motor Co., gives a large measure of credit to stock options for helping transform the Ford Co. from a bogged-down, antiquated, money-losing company into a modern, efficient, profitmaking enterprise. He stated his position in an article in the August issue of the Harvard Business Review.

Mr. Ford said his company's experience indicated that holders of stock options have an opportunity for gain that will be realized only if the stockholders benefit, and that options strengthen an executive's interest in the long-term health and growth of the company.

Another proponent of stock options, Thomas M. Ware, president of International Minerals & Chemical Corp., discussed stock-option plans at a conference sponsored by the Harvard Business School Association.

Mr. Ware noted that one purpose of stock options is to reward executives for the risks they take in making management decisions and running business organizations.

"Capital can move in our out of a difficult situation with relative ease," Mr. Ware said, "but the executive committing himself to a long-term decision must fight it out to the end and take the consequences."

OTHER BENEFITS

Dan Throop Smith, professor of finance at Harvard University and the Treasury's top man on tax policy in the Eisenhower administration, noted that option plans can be of particular benefit to small business concerns, and family businesses that need to bring in outside management.

"Stock options, and special tax treatment of them, appear justified if the options really lead to long-continued proprietary interests," Mr. Smith said.

"Their use for quick profits, by prompt sale of stock purchased under options, has no justification from the standpoint of economic policy and is an abuse of the present tax law. The 'grab and run' tactics adopted by some individuals should not be permitted to secure preferential tax treatment."

Treasury officials have neither publicly endorsed nor offered opposition to the current campaign in Congress to repeal the favored treatment of stock options.

FRUSTRATED PURPOSE?

However, in testimony before the Senate Finance Committee, a Treasury tax attorney, Michael Waris, Jr., noted the "fundamental criticism" that the option law "has not in fact operated to encourage employees to acquire a proprietary interest in the business—a primary purpose for which the section was enacted."

In many instances, Mr. Waris added, an employee will sell his optioned stock shortly after the minimum holding period. "In such situations," he said, "present law merely provides a way in which compensation can be paid to selected employees without the payment of ordinary income tax and with no possible incentive effect through continued holding of the stock."

What are the chances that Congress will act this year to repeal the tax advantage given stock options?

Senator GORE says he may try to tack his repeal measure onto any tax legislation that reaches the Senate floor during the present session.

Some key legislators now believe that passage of a tax bill in 1961 is unlikely. They concede, however, that increased attention is to be focused in the days ahead on the controversial stock-option question.

HOW STOCK OPTIONS WORK—AN EXAMPLE

Doe Co., Inc., gives its president, Richard Roe, an option to buy 20,000 shares of its stock at $40 a share, the market price at the time. Roe can exercise the option—buy the stock—at any time in the next 5 years.

Doe stock, for a time, declines on the market. Roe delays buying the option stock, and watches the market.

Price of Doe stock turns around, starts climbing. A little at a time, the market price rises to $85 a share.

At that point, Roe exercises his option, buys the 20,000 shares at $40. Total price: $800,000 for stock valued on the market at $1.7 million. As the law now stands, Roe owes no tax on his paper profit at $900,000.

Doe stock keeps rising. Six months after exercising his option, Roe sells half the stock—10,000 shares—at $105, or a total of $1,050,000. On the profit, he pays capital-gains tax of 25 percent. Net gain, after tax: $487,500. And Roe still has 10,000 shares worth $1,050,000. On these, there will be no tax until he sells them at a profit.

THE EICHMANN TRIAL

Mr. JAVITS. Mr. President, we have all been hearing and reading a great deal about the Eichmann trial in Israel, which affects the whole world because it relates to a crime so enormous as to encompass the conscience of all mankind. I have noted a very interesting and most illuminating editorial on this subject, which I think is well worth reading by all Senators, since it summarizes the concept of what has occurred and its implications to all of mankind. This is the kind of legal trial which has those implications. I ask unanimous consent that "The Lessons of Eichmann," an editorial from the New York Post of August 7, 1961, may be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE LESSONS OF EICHMANN

The trial of Adolf Eichmann has entered its last phase. There remain closing words to be spoken by the prosecutor and the defense attorney, and finally the verdict. But it all has the aspect of anticlimax. What is really left to be said? What punishment can fit the crime?

For Eichmann's defense has been a long, dreary confessional. He does not deny the enormity of the crime; he does not deny his role as accomplice and executioner in the most monstrous mass murder of all recorded time. He pleads only that he was a small man carrying out the orders of bigger men; his was not to reason why.

In the annals of criminal law the degree of culpability of such a man has been long debated. But the controversy usually involved a solitary offense, or at best a handful of people. What yardstick applies when 6 million cases of murder—deliberate, premeditated murder of defenseless men, women, and children—are involved?

The matter defies human imagination. It transcends all the usual boundaries of technical discussion. It leaves us almost indifferent to the fate of the wretched figure named Eichmann who has so coldly sparred with his prosecutors, as if he were charged with a local traffic violation.

What is impressive and unforgettable about the trial is not Eichmann, nor even the deadly testimony unfolded against him. It is the process of justice.

By granting this creature so many days and weeks in court, by listening patiently to his querulous and sometimes grotesque debating points, by sternly maintaining an atmosphere of dignity in the courtroom, Israel's judges have provided a memorable lesson and precedent for mankind.

They have answered and rebuked all the lynch mobs and police-state courts of all eras and all places. They have dramatized in terms that can never be erased what the rule of law means.

It is a lesson that needs to be learned anew by every generation in every society.

This is the unmistakable triumph of the trial. Nothing can detract from it; if civilization endures, men will point to this proceeding as a classic case. The highest judge and the lowliest magistrate will be reminded that in this Israeli courtroom a new nation affirmed the right of the lowliest of the species to the full judicial process.

Troublesome questions, of course, remain. It was our belief at the start of the case that Eichmann should have been prosecuted by West Germany, and that a trial conducted in that setting might have had larger world impact. Unhappily the Adenauer government showed no zeal for the mission; it abdicated with obvious relief.

Israel has staged a great exercise in jurisprudence. But has the world paid attention? Has this solemn proceeding been recognized for what it is—or is it still being dismissed as a primitive act of vengeance by those who have refused to follow the details?

We do not know. This we do know. In the long span of history, if man is around to have it written about him, there will be more to be said than that this trial was a unique affirmation of judicial procedure.

It has also been a challenge to all of humanity to heed the ancient admonition: "Examine thyself." For who is above the intolerance and sadism that finally exploded in the utter savagery of nazism? How many people in how many places justify their inhumanities by protesting that they are simply bowing to "orders"?

On a larger scale, what shall we say to those who talk glibly about atomic war, and of 70 million deaths and of how we must not flinch from the prospect?

They will say all this is different because we are standing up for the right, whereas Eichmann and his mob decreed death for those who had done no wrong.

Yet that is not really the point. The point is that the Nazi regime, with Eichmann as an instrument, was able to conceive of massacre on so large a scale without a sigh or a shudder. And there are those in our own midst capable of tolerating the same prospect without seeming anguish.

This is the modern sickness. Contempt for life has been unveiled in its darkest form by Eichmann's recital in a courtroom in Jerusalem. But let us not deceive ourselves; what is being exposed there is only the awful climax of a dread disease.

Each man on any block who boasts his superiority because of race or creed, who condones the indignities to which millions of his fellow men are subjected, who refuses to speak up when the helpless are persecuted, shares some of the guilt that Eichmann has admitted. Each man who talks capriciously of the possible virtues of a "quick" atomic war has something of the Eichmann in him. Perhaps that is why so many people in so many places have preferred to pretend that they are "bored" by the trial.

INTERNATIONAL BASIC ECONOMY CORP.—U.S. PRIVATE ENTERPRISE IN THE DEVELOPING AREAS

Mr. JAVITS. Mr. President, one of the greatest challenges we have in the field of our foreign aid program, now before us for debate, is the cooperation in that program of the system of the private economy. I have spent a great deal of my career in the House and in the Senate working upon precisely this question, because I think, in respect to economics, this will represent the turning point for a decisive victory over the Communists, who are engaged in foreign aid themselves now and are in every other way seeking to subvert the economy of the free world. I think the decisive victory will come when we effectively tie the private enterprise system into these activities.

Mr. President, the United States is today engaged in an intense cold war struggle with the Soviet Union. Among the chief areas of contention are the economically underdeveloped regions in Africa, Asia, and Latin America. The Soviet Union, a totalitarian state, can and is throwing all its resources into the struggle to win the loyalties of the populations and leaders of the developing countries on these continents. In order to prevail in this intense competition, the United States must marshal the maximum strength of the private economic system as well. Since our private enterprise system comprises the heart of our economic strength, its full participation in the development of the less developed areas is imperative. Otherwise we may be crippled in our efforts to promote freedom throughout the world, because we will be deprived of the use of the principal part of our strength. Our foreign policy cannot succeed without the active and dynamic participation of the private sector of the American economy.

There are varied ways in which our private enterprise system can fulfill this role. The U.S. businessman and manufacturer needs to take an increasing interest in the possibilities of the developing areas as markets. We need to increase direct private oversea investments, and our great corporations need to provide a constantly available supply of management and technical personnel for long-term oversea development projects. In addition, U.S. private business should cooperate with our Government and with foreign governments and enterprises and international investment institutions in large-scale development projects.

In an article in the Wall Street Journal of July 14, 1961, James N. Wallace describes the make up and activities of International Basic Economy Corp., a private U.S. firm established by the Rockefeller brothers whose record in Venezuela demonstrates how private business can further our foreign policy goals, spread the benefits of U.S. management, capital, and technical knowledge, help raise living standards, and at the same time earn profits. This corporation carries on a variety of activities in Venezuela and elsewhere. It operates supermarkets and shopping centers, sells fertile eggs to chicken raisers, writes insurance policies, pasteurizes milk, roasts coffee, and soon will be turning out powdered milk, refrigerators, and auto parts. The author suggests that this type of private company is widely applicable and necessary today in the developing areas of the world. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRIVATE POINT 4—ROCKEFELLER FIRM AIDS 17 COUNTRIES, MAKES PROFITS AT SAME TIME—IBEC RUNS SUPERMARKETS, DAIRIES IN VENEZUELA; IT TRIPS ON FISH VENTURE—SOME POINTERS FOR THE FUTURE

(By James N. Wallace)

CARACAS.—Some assorted pointers for doing business in Venezuela:

Be sure to put ice inside your fish before sending them to market.

Don't fret too much if the government slaps a price ceiling on one of your principal products.

Keep a steady eye on profits even if you're partly an altruistic outfit.

And don't spend money as if you had the Rockefellers' million, even if you do.

All these precepts, in widely varying degrees of importance, are part of the local story of International Basic Economy Corp., an unorthodox business founded in 1947 by the Rockefeller brothers, and now operating in 17 different countries.

Here in Venezuela, largest of IBEC's foreign outposts, the company and its associates run supermarkets and shopping centers, sell fertile eggs to chicken raisers, write insurance policies, pasteurize milk, roast coffee, and soon will be turning out powdered milk, refrigerators, and auto parts.

COCONUT HUSKS AND MUTUAL FUNDS

In other countries, among other things, IBEC grows hybrid seed corn in Brazil, produces instant coffee in El Salvador, makes stoneware pottery and turns coconut husks into upholstery material in Thailand, manufactures valves and control devices in the United States, runs supermarkets in Italy, operates mutual funds in Argentina and Brazil, makes metal working machinery in Colombia and builds precast concrete houses in Puerto Rico.

In 1960, these diverse product lines brought IBEC revenues of $89.6 million and profits of $3.9 million. That performance may not rank it among the giants of world business, but IBEC's operations have a significance far beyond their size. The far-flung corporation's successes and mishaps offer some classic examples of how—and how not—to do business in less-developed corners of the world. More important, its pattern of working mostly in consumer and small industry fields and operating in partnership with local capital and other U.S. concerns may well afford a glimpse of the kind of foreign operations many American corporations will be conducting in the not too distant future.

Increasingly the new nations of Africa and Asia and the newly stirring countries of Latin America are moving toward greater state control or state exploitation of their major resources—the oil, mineral ores, and other raw materials that traditionally have lured the biggest American investments overseas. These countries also are taking a harder look at the kinds and terms of foreign investment they'll accept. This means future investors in many countries likely will find themselves in smaller, more varied businesses than now is the case.

MORE ACCEPTANCE, LESS INFLUENCE

If IBEC experiences here are any guide—particularly since the moderately leftist Venezuelan Government of President Romulo Betancourt is itself considered something of a pattern setter among Latin lands—similar operations elsewhere would reap many advantages. Among them are greater local acceptance than generally is accorded foreign firms, less danger of expropriation and a broader base for capitalizing on local economic expansion. But there are disadvantages, too. Profits are small; IBEC earnings here so far average well below many American concerns in Venezuela. And IBEC for all its local acceptance doesn't wield anywhere near the local influence of the big oil and mining companies.

Though IBEC has been called the Rockefeller family's private point 4 program, it's a little too hardheaded for that. Just what it is, however, sometimes baffles even people who work for it. In an annual report Nelson A. Rockefeller, now Governor of New York, once described its objectives as "making available American management, capital, and technical knowledge for significant projects overseas in ways that simultaneously raise living standards and earn substantial profits." In less formal fashion a local IBEC executive, youthful Frederick "Derek" Nicholas, who manages to combine usually mussed hair and a trimly buttoned-

down collar, simply says, "We're just trying to introduce here methods tested in the United States and make some money at it."

On both counts IBEC gets good marks from some other businessmen here. "A really first-class merchandising operation," says one retailer. "They're full of ideas, good ones."

ORIGINAL LOSSES LARGE

Whatever the original idea, IBEC in its early years here didn't look like a pattern for much of anything except losing money.

The initial scheme in 1947 was for a series of companies owned half and half by IBEC and the Venezuelan Government. They would be managed by IBEC for 10 years, then turned over to Venezuelan ownership. There was no problem about funds, President Betancourt, then briefly in power before a military coup threw him out and inaugurated the decade-long Perez Jiminez dictatorship, told foreign oil companies they had to put more money into the general economy. So Shell and Creole Petroleum, the Venezuelan affiliate of Jersey Standard, which of course is no stranger to Rockefeller influence, loaned some $13 million to the Venezuelan Basic Economy Corp., as it was then called.

"Everything was done too fast, with too much money, and we made a pile of mistakes," recalls William F. Coles, an IBEC director who's been the Rockefeller legal adviser in Venezuela for a quarter century.

When the Perez Jimenez regime came to power in 1948 it quickly terminated its relationship with IBEC. IBEC went on to make a "pile of mistakes" on its own with a farming company, a wholesale grocery business and a fish company. The overthrow of the "P.J." regime in 1958 brought back the more sympathetic Mr. Betancourt. But, in its present setup, IBEC has no Government ties, gets no special privileges and in fact is usually as frustrated as the next businessman in dealing with the local bureaucracy.

FISHERY FLOP

The fish company, decided upon because Venezuela had relatively little commercial fishing and most people's diets lacked protein, had many woes. "It failed because we never got a big enough volume of fish to pay the overhead," relates IBEC's general manager here, Bernardo Jofre, a voluble Spaniard who once was mayor of Majorca but fled here when General Franco took over in Spain. "The fishermen fished when they had no money, then when they were paid they went drinking. We needed 20 tons of fish a day and got 8."

The fish company experience also disclosed that foreign advisers aren't always too clever. "We brought a fish expert in from Florida because we thought the local people didn't know how to handle fish," recalls Mr. Coles, propping his feet up on a coffee table in his office. "He told me the natives obviously didn't know how to use ice, because they put one big piece inside the fish's belly instead of spreading it in layers. He changed everything and then the sanitary inspectors started rejecting our fish. We checked around a little and found that here they inspect fish by sniffing it inside. From then on we put a piece of ice inside the belly."

The farming venture failed, too, but not so spectacularly; Nelson Rockefeller later took over one of the farms and still grows rice, potatoes, and cattle there. The farm troubles were mostly the result of moving too fast, too soon. Venezuela's food distribution system wasn't sufficiently developed to support large-scale commercial farming.

GO TO CONSUMER

The wholesale grocery business, intended partly to overcome this distribution tieup, also is listed among IBEC's local mishaps although it ultimately evolved into the present highly successful supermarket chain. "We sold on credit but the retailers didn't pay us back," says Senor Jofre. "We had many accounts receivable but little else. Some retailers bought our things at low cost but kept their own prices just as high. We learned to start small and go directly to the consumer because that gave us more control over the operation."

"After the first failures in the early 1950's we put more emphasis on just making a profit," states Mr. Coles. "When we started to be successful ourselves we found we were helping the local economy, too. The philosophy now is to invest in what is basically good for the country but only on a profit-making basis."

Both the supermarkets and the milk plants fit this idea neatly. Last year's supermarket sales of nearly $30.1 million make IBEC the largest retailer in the country, edging Sears, Roebuck by about $1.2 million. However, IBEC's operating profit here isn't large, only $242,000, or less than 1 percent on total sales.

MORE FOOD VARIETY

The 17 present American-style supermarkets have greatly increased the variety of foods available here, opened a more stable market for food growers, fostered higher standards and better packaging of locally produced food and reduced prices. Aside from price-controlled items such as some meat, cheese, potatoes, and beans, prices charged by the small open-front shops and street vendors who still provide groceries, meat, and bakery goods for most Caraquenos run anywhere from 15 percent to 50 percent higher than in IBEC supermarkets.

Some business people have argued that Latin Americans aren't very good shoppers or particularly price conscious. This doesn't seem evident in IBEC stores here. On sale days floor traffic increases sharply in the supermarkets and housewives compare heads of lettuce, cuts of meat and cans of fruit almost as avidly as in the United States. Even on sale days, which fall on Thursday, many local prices are high by U.S. standards. One day recently, in addition to voting for Miss Venezuela, shoppers in IBEC stores could pick up two large cakes of Camay soap for 36 cents, pork chops at $1.55 a pound, two small cans of Stokeley's vegetable salad for 45 cents or a package of macaroni for 30 cents.

IBEC also creates some disruptions. Walking along a narrow, nondescript street in a working class neighborhood where a new supermarket is being opened, an IBEC store official makes this plain. "That fellow over there isn't going to like us at all," he says, pointing to a typical Latin American corner grocery with its stem of bananas hanging from the ceiling and a small stock of dusty canned goods stacked behind the counter. "We'll be very popular in this shoe shop here and that laundry over there because we'll bring more customers down this street. But this place (a dimly lit shop selling pots, and pans and other housewares) will hate to see us come because we sell the same things cheaper and in better quality."

PROFITS IN MILK

The milk plants, which are highly profitable according to IBEC officials, started with what has become an increasingly common IBEC maneuver of buying into an existing small business that is losing money or not going anyplace in particular. In this case, IBEC bought slightly more than a 50-percent interest in a dairy in Valencia, a town about 100 miles west of Caracas. IBEC brought in new bottling machinery and, more important, introduced paper cartons and home delivery to Venezuela. In 3 years' time output has jumped to 170,000 quarts of pasteurized milk a day from the initial 8,000 quarts and two new plants have been opened.

IBEC recently sold half its share of the milk company to Foremost Dairies of San Francisco. Each of the U.S. companies now owns about 26 percent of the milk firm, which officially carries the melodious name of C. A. Industria Lactea de Carabobo, with Venezuelans owning the rest. More and more IBEC is forming oversea partnerships with other U.S. concerns, partly to spread the financial risk but also to pull in experienced technicians and managers.

Fifteen years ago Venezuela didn't have a modern milk industry. Today it probably has the best developed one in Latin America and competition is increasing, including a partially Government-owned company. Shortly after the Government went into the milk business, recalls Mr. Cole, a 30-cent-a-quart ceiling price was imposed. "We had been selling at 38 cents," he says, "and we really thought we'd been put out of business. But it looked like an expanding market so we got some more machinery, worked harder and made more profit than ever, though it's being squeezed now by higher costs."

BACK TO BASIC FOODS

The IBEC egg ranch, a joint venture with Arbor Acres Farm of Glastonbury, Conn., is another effort to move back toward basic food production. For years Venezuela imported all its fertile eggs for hatching meat-type chickens. Now IBEC is importing the chicks that grow up to lay the eggs that hatch the birds. Twenty thousand hens and 2,000 roosters on 62 acres near Valencia now produce about 50,000 marketable fertile eggs a week, a great many eggs in scrambling terms but hardly a crack in the country's normal imports of 673,000 hatching eggs weekly. About a million eating eggs also are imported daily.

Ownership of IBEC ventures—operations in Venezuela alone are split among 11 different companies employing 1,500 persons but only about 20 Americans—is highly varied, though it's almost always divided somehow between U.S. and local investors. Here, for example, supermarket ownership is split almost 50–50 between IBEC itself and Venezuelan partners. But IBEC has only a minority interest in the milk company since Foremost bought in. A now defunct auto finance company, abandoned because of increasingly severe restrictions on auto imports, was half owned by Venezuelans; the other 50 percent was divided evenly among IBEC, Associates Investments, and a subsidiary of Chase Manhattan Bank.

However, IBEC shies away from most ventures it can't dominate either by stock control, a management contract or through local investors completely sympathetic to the company's ideas.

Most basic decisions, particularly if they involve spending any great amounts of money, are made by IBEC in New York. Day-to-day operations are left completely to men in the field. Impetus for new projects usually comes from New York and, one gathers, often from informal sources. "The chicken business was completely a New York idea," relates lawyer Coles, "probably because somebody knew somebody in Arbor Acres and got fascinated with eggs."

Top decisionmakers for IBEC in New York are Chairman Robert W. Purcell, a former chairman of Investors Diversified Services, the Nation's largest mutual fund organization, and President W. B. Dixon Stroud, a former executive of Deering Milliken & Co., Inc., a leading textile concern. Though the Rockefellers still own most of IBEC's stock, only Rodman Rockefeller, oldest son of the New York Governor, is active in the management. He is a director and vice president of the housing division, which currently is putting up low- and medium-priced homes in Peru, Chile, and Iran. Governor Rockefeller played a major role in founding the company—his wartime duties as Coordinator of Inter-American Affairs originally prompted his interest—but has no official

position with IBEC now except as a major and highly influential shareholder.

TRIBUTE TO PAUL C. JOHNSON

Mr. JORDAN. Mr. President, on March 14 of this year it was my privilege, in my capacity as chairman of the Subcommittee on the Senate Restaurant, to pay justifiable tribute to our most senior employee on Capitol Hill—Paul C. Johnson—who had completed his 60th year on the staff of the Senate restaurant.

It is now my sad duty to announce the death on Sunday last of our good friend and dedicated employee.

There are many things I could say on this occasion, but I know there is not a Member of this body who does not share my grief that Paul will no longer be on hand in the Senators' dining room to greet us with his friendly smile and cheerful word.

I am certain his record for long and distinguished service on Capitol Hill will not soon be broken. I am equally certain that our affectionate memories of this devoted employee will not soon be forgotten.

Paul uniquely blended dignity with his industry and courtesy with his efficiency to win the respect and esteem of Senators down through the years since the turn of the century. His influence among men of all stations, creeds, and races was but for good. Untold numbers of people who have been comforted by his presence when visiting the Senate restaurant will cherish his memory.

When I saluted him last March I expressed the hope that he might be spared to continue as our headwaiter in the new, enlarged Senate dining room soon to be available. The good Lord has now seen fit to take him from our midst but Paul's legacy of good will and outstanding service remains with us. We are indeed fortunate to have known his ennobling friendship.

Mr. MORTON. Mr. President, I have written to the family of Paul Johnson, expressing our great appreciation for the many years of fine service Paul rendered to the Senate, and expressing our deep regret at his passing.

Mr. COTTON. Mr. President, I should like to add my own personal word to the very fine remarks which have been made by the distinguished Senator from North Carolina.

I first knew Paul Johnson when I came here as a clerk to a Senate committee in 1925; and during the 4 years I worked as an attaché of the Senate, working for a Senator from New Hampshire, I came to know Paul very well.

I renewed my friendship with Paul when I came to the House of Representatives in 1946; and later, when I moved here to the Senate, we were once more together.

There never was a finer gentleman who was more kind, sincere, courteous, friendly, and patient with everyone. Paul had the esteem and affection of everyone who knew him.

I, too, have written to his family; and I, too, join the distinguished Senator from North Carolina in expressing our sorrow at the passing of this fine servant of the Senate and the people of his generation.

Mr. JORDAN. Mr. President, I thank the Senator from New Hampshire very much for his contribution to these remarks.

Mr. FULBRIGHT. Mr. President, I do not wish to let this opportunity pass without associating myself with the remarks of the Senator from North Carolina [Mr. JORDAN] and the Senator from New Hampshire [Mr. COTTON].

Paul Johnson was one of the finest gentlemen I have ever known. In his position he had unfailing courtesy and the greatest consideration for me and for everyone else. He rendered outstanding service to the Senate.

I shall miss him greatly, as I am sure all other Senators will. I deeply regret his passing.

Mr. SYMINGTON. Mr. President, I should like to join the distinguished Senator from North Carolina, the distinguished Senator from New Hampshire and the distinguished Senator from Arkansas, in paying tribute to Paul Johnson, a true gentleman, for his outstanding service to the Senate. Everyone who knew him had the highest regard for him. I know I speak for all Members of the Senate when I say we shall always miss him.

Mr. GRUENING. Mr. President, I, too, wish to associate myself with the very fine remarks of the Senator from North Carolina [Mr. JORDAN], the Senator from New Hampshire [Mr. COTTON], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Missouri [Mr. SYMINGTON], and also with the remarks made yesterday by other Senators when there came to us the sad news of Paul Johnson's death.

Paul Johnson was indeed a true gentleman. He was one of nature's noblemen. He endeared himself to everyone with whom he became associated. He was an institution because of his fine character, his gentleness, his kindliness, and his fine spirit, which pervaded the entire functioning of the Senate dining room. It was a pleasanter place because of Paul's presiding genius. He will be missed for as long as any of the Members of the Senate who knew him are alive.

Mr. KEATING. Mr. President, I wish to join the distinguished Senator from North Carolina and our other colleagues in their very well deserved tributes to Paul Johnson.

The Senator from North Carolina and I have served on the Senate Restaurant Subcommittee of the Committee on Rules and Administration, and in that capacity we came in contact with Paul more closely than many other Senators.

It is perhaps unique in the annals of Congress that any one man would so deeply win the affections and the respect of all Members—those from the East, the West, the North, and the South. He did that by means of his fine character, his loyalty, and his courteous approach to everyone.

The Chaplain of the Senate has told me of his last visit to Paul and of his deep faith, which certainly will sustain his loved ones in this hour of sorrow.

Mr. JORDAN. Mr. President, I appreciate very much the words of the Senator from New York, who, as he has said, has served with me on the subcommittee, and thus we had an intimate knowledge of Paul and his work.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

Mr. PROXMIRE obtained the floor.

THE FOREIGN ASSISTANCE ACT OF 1961

Mr. SMITH of Massachusetts. Mr. President, will the Senator yield to me?

Mr. PROXMIRE. I ask unanimous consent that I may yield to the Senator from Massachusetts, and other Senators who desire to speak, without losing my right to the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SMITH of Massachusetts. Mr. President, the Foreign Assistance Act of 1961 is as much a defense measure as any we have passed for missiles or armies or civil defense. Over the last 15 years, under administrations both Republican and Democratic, we have formed a great coalition of free nations against communism. We have brought other nations into this coalition because America, with but 6 percent of the world's population and land area, needs their aid.

The struggle between East and West will not be resolved in Berlin. It will not, we hope and pray, be resolved by war. Victory will go to that side whose system is best able to bring the people of the world a better life.

In Asia, Africa, and South America many nations are now making decisions about their future. After centuries of poverty, they see a chance for a better life. They want the same things our own people want—adequate food, a home, a job, a chance to work and raise their families in peace.

If we are to win the cold war, we must convince these people that they can achieve these things better the American way, with freedom, than the Communist way, without freedom. This is what foreign aid is all about.

Many intelligent and patriotic Americans oppose foreign aid. I respect the sincerity with which they hold their views and the force with which they express them.

Many of their criticisms are sound—especially as to the mistakes and waste which have riddled the program in the past. We have paid money to grafters, built roads which have sunk into the mud, built up military dictators who are no better for their people than the Communists themselves. But these mistakes should lead us to improve the program, not scrap it.

This is the purpose of the administration's new proposals. This bill will bring all our diverse aid agencies under central control. It will force loans to be repaid in American dollars.

It will not help any country which will not help itself.

Over half the money in this bill will be for military assistance and defense support to those countries under the gun of Communist takeover.

Another reform, most important to the effective working of this program, is the long-term borrowing authority for the Development Loan Fund. I have been a businessman for almost 20 years. I know from experience that any business has to be able to plan ahead if it is to succeed. It must be able to borrow from the bank to carry out these plans. The waste of money involved in stumbling along from year to year can be fatal. In foreign aid, we have had to tackle 20-year problems with 1-year appropriations.

I am convinced that many of the abuses of foreign aid we read about would not have occurred if this long-term authorization had been in the program from the outset.

This authorization is a time-tested method of financing such projects. Twenty-three Government programs now use it, including those which loan money to veterans to build homes and which guarantee homebuilding funds loaned by banks.

If these agencies had not been able to borrow money directly from the Treasury, millions of Americans would not have been able to borrow money from banks on a long-term basis to build their homes. Yet there has been no complaint about Congress losing control of housing loans.

Under this proposal, Congress will have plenty of control over foreign aid. We will be able to establish the pace at which money can be spent; set rules for loans; review, investigate, slow down or cancel the program at any time. Since the borrowing authority will be subject to the provisions of the Government Corporation Control Act, a business-type budget containing estimates of financial conditions and operations for each fiscal year will have to be submitted and passed upon each year by the appropriations committees of Congress. In short, it is a businesslike way of getting the job done.

Other points that have been made by the opponents of this program cannot be sustained, in my judgment:

First. They say that Federal aid has not bought us friends. But this has not been its purpose. Our purpose has been to strengthen the free world against communism, and the fact is that dozens of countries which were weak and resistless when foreign aid was first injected, have been shored up into independent states instead of becoming Communist satellites. Greece, Turkey, South Korea, and Thailand are but a few.

Second. They say that foreign aid is money poured down a rathole. I would note that 80 percent of foreign aid money is spent right here in the United States to purchase American products from American firms. This is not pouring money down a rathole. Of the $1.1 billion in military assistance last year, over one-half was spent in the United States, $71 million in my own State of Massachusetts.

They say that foreign aid has not worked to strengthen the economies of nations. But the Marshall plan in Europe was an unquestioned success. In the underdeveloped countries, the job will be harder because of the lack of technical know-how and developed resources. Yet, the progress in countries where sustained programs of aid have been carried on has been remarkable. In India the gross national product in constant prices rose 19 percent between 1955 and 1960.

Industrial production went up 38 percent and electric power production rose 87 percent. The same holds true for Pakistan, Greece, the Philippines, South Korea, and many others. Progress has been slow, but given the centuries which must be crossed, it has been steady.

I know foreign aid is a burden. I know its mistakes have been glaring, and its benefits undramatic. I recognize there are many things right here at home on which our people would rather spend their hard-earned money. But in a battle for survival we cannot always do what we want. As Thomas Paine said, at the time of our own Revolution in Massachusetts:

> Those who expect to reap the blessing of freedom must, like men, undergo the fatigue of supporting it.

SETTING THE RECORD STRAIGHT ABOUT ALASKA

Mr. BARTLETT. Mr. President, on July 27, the Wall Street Journal published a front-page article about Alaska. The article contains serious errors in fact and unwarranted inferences. Although some of the assumptions made are in fact correct, the conclusions, I believe, are thoroughly misleading. Since the article's analysis is decidedly unfair to the magnificent efforts which have been made by Alaskans in a very difficult period of transition from territorial status to statehood, and since the article could do considerable damage to the State's reputation, I feel it my duty to amend the Journal's conclusions with respect to the future of the Alaska economy. I wish also to thank Gov. William A. Egan for an excellent rebuttal which he has recently sent me by telegram and which I have used in the preparation of this statement. I ask unanimous consent that the Journal article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALASKA'S ECONOMY: IT'S HARD HIT BY SHIFTS IN DEFENSE EMPHASIS, HIGH COST OF STATEHOOD—UNEMPLOYMENT TOPS NATIONAL AVERAGE—STATE PILES UP DEBT TO PRIME THE PUMP—PROMISING NOTE: OIL OUTPUT

(By Ray J. Schrick)

JUNEAU, Alaska.—At 9:30 a.m. yesterday in the capitol here, officials of this new State gathered to inspect bids on $13,975,000 of general obligation Alaskan bonds. The issue, rated BAA—the fourth rating from the top—by Moody's Investors Service, will cost the State better than 3.75 percent in annual interest, based on the best bid received for the bonds.

In another State capital, Raleigh, N.C., officials were similarly engaged during the day. Selling $17,160,000 of general obligation bonds, North Carolina's issue was given a top rating of AAA by Moody's and, on the basis of the best bid, will cost the State less than 3 percent in annual interest.

The lower rating and higher interest cost of the Alaskan bonds reflect what the Wall Street financial community believes to be the greater risk in owning them. Some of the reasons are obvious: Having officially become a State only 30 months ago, Alaska lacks the maturity of its sister sovereignty in the South; Alaska's State government is largely untried, its population thin, its natural resources, though abundant, mostly undeveloped. Moreover, Alaska lies nearer to Russia than to the U.S. mainland, and would be extremely vulnerable in any war.

TAXES AND UNEMPLOYMENT

A close look at this northernmost State, however, turns up still other and no less compelling reasons for the disparity in the bonds' costs. The fact is, Alaska is grappling with a host of knotty economic problems—soaring taxes, high unemployment, and dwindling Federal aid among them—and no one who has studied the situation believes the solution will come easily.

Between 1950 and 1960, Alaska grew at a faster rate than any State—up 75.8 percent in population, from 128,643 to 226,167. Nevertheless, Alaska still ranks last among the States in population despite the fact it is by far the largest in size, twice as big as boastful Texas.

The main stimulus for this rapid population growth came from Uncle Sam, who poured money and manpower into the State to develop its own defenses. The reasoning was that if the United States were attacked by Russia, it probably would be by airplane or missile and would come over the North Pole; Alaska thus provided a distant outpost to warn against attack and from which to launch a counterattack. Under this concept, one-tenth of all U.S. Air Force investment for bases and other installations have been staked in Alaska. The effect on the State's economy has been tremendous. Even now, defense spending provides the funds for nearly one-third of all personal income in the State.

IMPACT OF MISSILE TECHNOLOGY

But there is evidence the recent huge U.S. defense outlays in the State will not be repeated any time soon. The coming of space satellites has brought a shift in defense strategy. Now, with both Russia and the United States keeping satellites in orbit around the earth, either could attack the other from any direction at anytime, defense planners believe. While Alaska undoubtedly will continue to play a vital role in this Nation's defense program, it won't hold the center of the stage as before. Military construction in Alaska in the fiscal year that began this month will be down to $30 million, from $95 million last year.

One consequence: The State is forecasting a sharp slowdown in the population growth rate during the next 5 years, compared with the pellmell pace of the past decade.

Besides his defense spending in Alaska, Uncle Sam coughs up money for roads, hospitals, airports, schools and numerous other items. All States receive such Federal aid, of course. But Alaska's share is unusually large—partly because many Federal distributions are proportioned to some extent on a State's land area. In any event, Alaskans manage to get more Federal money in relation to the taxes they pay than do the citizens of any other State: For every 16 cents Alaskans pay in Federal taxes, they get $1 back in the form of Government expenditures in the State. In contrast, New Jersey

pays $2.14 for each dollar received, Pennsylvania $1.41, New York $1.40, Michigan $1.36, and California $1.34.

But such Federal spending, by itself, cannot fully support Alaska's economy. Significantly, while the United States as a whole appears to be picking up steadily from the recent business recession, Alaska's troubles are deepening. Unemployment, which normally is down at this time of year, was at a post-Korean war high for the 13th successive time in the week ended July 22, the most recent report. The unemployed accounted for 7.27 percent of the total labor force, compared with 3.6 percent unemployed the year before. For the Nation as a whole, 6.8 percent of the labor force was unemployed in mid-June, the latest period for which figures are available.

A LABOR MAN'S VIEW

"If we had $100 million in military contracts, we wouldn't be having this trouble," declares Robert McFarland, head of the AFL–CIO in Alaska. So fiercely competitive has the bidding become here on the smaller volume of Government contracts that the U.S. Corps of Engineers not long ago let several contracts for an amount 22.4 percent below the advance cost estimates.

One bright spot: Six unions in the construction field recently reached agreement on new contracts with Alaska's Associated General Contractors after nearly a half year of negotiations. Strikes and layoffs among some of these unions had contributed to the unemployment problem.

On all sides, a visitor to this vast land sees and hears evidence of the depressed economy. Morrison-Knudsen Co., Inc., a Boise, Idaho, contractor which at one time employed nearly 5,000 construction men in Alaska, has all but shut up shop and earlier this year had only 25 men on its payroll in the State. Slender Oren "Pop" Warner of Fairbanks, a steamfitter, complains that "in 7 years in Alaska, this was the first time I didn't go to work in March."

Mr. Warner's plaint points up another aspect of the trouble here: The length and severity of the cold weather forces most construction work to be done in June, July, and August. In this peak summer season, two-thirds of the construction work force is temporary help. Put another way, only one-third of the State's construction work force is employed the year around. The Alaskan weather can be hot, too. Around Fairbanks, in fact, temperature ranges of 140° may be encountered in one year—from summer highs near 90° F. to winter lows around 50° below zero.

An added burden on Alaska are the new responsibilities it has had to assume with statehood. Only in the last 18 months, for instance, has it taken on the management and cost of its important fisheries, of its own judicial system, and of its highways. The State has 25 years to take for its own 104 million acres belonging to Uncle Sam. The chances are Alaska won't do this hastily; fire protection alone costs 2 cents an acre a year and could amount to $2 million a year when the Federal acreage is fully taken over.

What is the State doing to revitalize its economy? Primarily, it has launched a huge pump-priming program which in the current fiscal year will nearly triple spending over 2 years ago. About half the 1961–62 State budget of $131 million will go to develop transportation. Alaskan Gov. William A. Egan considers roads, ferries, and airports "the real key" to increasing tourism and attracting industry.

"We have assumed statehood at a time in our history when we cannot proceed at a covered-wagon pace," Governor Egan declares.

The actual pace is rapid enough not only to run through the State budget of $131 million, and another $62 million in Federal matching funds and outright grants, but also to pile up considerable long-term debt.

The $13,975,000 bonds on which bids were received yesterday are part of about $22 million worth to be sold this fiscal year. In all, some $36 million of bonds have been authorized by the State legislature. On January 1, the State had only $2,902,000 of bonded debt and as recently as 1957 when it was still a territory, Alaska had none at all. The State cash balances have dropped from $20,671,657 on July 1, 1960, to about $6.8 million currently and are expected to decline to about $6 million by next July.

Spending would have been even higher had not the State legislature this spring pared Governor Egan's budget by nearly $2 million and also raised personal income, gasoline, alcohol, cigarette and auto license levies to bring in an expected $3.6 million more in taxes in the current fiscal year. Uncle Sam authorized $26 million in special grants to ease Alaska's transition from a territory to statehood; by the end of this fiscal year, $22 million of this will have been spent.

CRITICISM OF SPENDING

The State's spending program has come in for severe criticism from some quarters. Dr. George Rogers, an economist at the University of Alaska, believes that the State will be a small-town society for many years to come and that no magic will pull us out of a hobbled economy. Dr. Rogers urges a go-slow program in which Alaska's plentiful petroleum, mineral, forest and other resources would be developed gradually, without the need for the State taking on a big debt.

Governor Egan, on the other hand, believes that it is geographic location, transportation costs and climate—not taxes—that hurt Alaska. The bonds being sold by the State this week provide, in part at least, one answer to the problem, the Governor believes.

Getting around in the largest U.S. State has long been a tough task. The State has only one railroad, the federally owned Alaska Railroad which connects Seward and Whittier, seaports in south-central Alaska, with Anchorage and Fairbanks. On highways, Alaska is equally deficient. The United States as a whole averages a mile of road for each square mile of country. But Alaska has a mile of road for each 100 square miles. A $181 million roadbuilding program is planned for the next 5 years to increase the State's highway mileage from 4,500 to 5,400 and to improve existing mileage.

Some of the money for this program will come out of the bond issue. But by far the larger part of this issue is earmarked for another transportation project: A $15 million ferry system for southeast Alaska. Communities in this part of the State, known as the panhandle, are widely separated by mountainous terrain which makes roadbuilding costs prohibitive, or by big water channels which make bridging impractical. At present, transportation between these towns is limited to air operations and to conventional water freight service.

THE FERRY SYSTEM

The State intends to build three ferries to serve one route linking Prince Rupert, a highway and rail center in British Columbia, with Haines and Skagway, Alaskan towns at the northern end of the panhandle, and another route linking Homer and Kodiak in south-central Alaska. The first of these two routes is considered the most important. At Haines, motorists will be able to take a highway linking with the Alaska Highway and the better developed road network in central Alaska.

State planners figure the ferry system will lose nearly $2 million in the first 3 years of operation, then should show an operating profit in the fourth year of $414,550. This does not take into account debt service, estimated to average $1 million a year for 30 years. (The bonds, however, are backed by "the full faith, credit and resources" of the State and do not depend on revenues for amortization.) The fare over the 438-mile "marine highway" has been set tentatively at $141 one way for auto and driver. The system is scheduled to open next year.

Although the ferry bonds when first proposed stirred up bitter opposition, the system has been defended as promoting tourism as well as trade between Alaskan communities. Tourism has been a big disappointment in Alaska since statehood. Last year, tourist traffic in the State fell an estimated 25 percent from a record level in 1959. It looks as if 1961 will be off again according to West Tours, Inc., of Seattle, a large booker of Alaska trips. West Tours' Alaskan business so far this year is down at least 25 percent from the like 1960 period.

HIGH WAGE COSTS

Looking ahead, most Alaskans are working hard to lure industry and capital from the rest of the United States to develop the State's wealth of natural resources. This may not be easy. As Governor Egan has noted, the State's geographic location, climate and transportation difficulties all contribute problems. Moreover, industry could be discouraged from building in Alaska because of the high costs, mainly attributable to wages. Construction labor in Alaska averages $214 a week in wages, compared with $104 a week nationally, according to a 1959 study by the U.S. Department of Commerce. Privately, this situation is blamed on Uncle Sam, who has done much of his building here on a cost-plus basis which gives little incentive to hold wages down.

"No question about it, high military construction wages make civilian industry even tougher to develop," declares C. Girard Davidson, president of the Pacific Northern Lumber Co. of Wrangell, Alaska. Mr. Davidson estimates his partly completed $3 million lumber mill at Wrangell will cost about double a similar mill in Oregon.

Other developments give more reason for optimism. Oil production, for example, is becoming important to the State and this year for the first time oil will probably pass gold as Alaska's No. 1 mineral.

Oil production, which amounted to only 89,000 barrels 2 years ago, rose to 558,000 barrels last year and will be an estimated 5 million barrels this year. Before Richfield Oil Corp.'s discovery of oil in a former moose pasture near Anchorage in 1957, the State had no oil output at all.

Alaska has some 137 million acres of forest land containing more than 270 billion board feet of merchantable timber. To prevent Alaska from becoming merely a supplier of raw materials, the United States has continued the territorial policy of prohibiting the export of raw logs; this means primary manufacturing processes must be done in the State.

Two pulpmills, one at Ward Cove, operated by Ketchikan Pulp Co., and the other at Sitka, operated by Alaska Lumber & Pulp Co., have been built at a cost of $100 million. Recently, Georgia-Pacific Corp. decided against exercising an option to sign a contract with the U.S. Department of Agriculture for 7.5 billion board feet of Government timber to be supplied over a 50-year period. A condition of the contract was that Georgia-Pacific would have to erect a pulp or newsprint mill in Alaska. Georgia-Pacific said, "Economic conditions are adverse to going ahead with the development at this time." But most authorities expect that

eventually Alaska's huge timber reserves will be more fully exploited.

Slowly but surely, more private corporations are getting established in Alaska. Standard Oil Co. of California last month said it would build a $20 million refinery on the Kenai Peninsula near Anchorage. Permanente Cement Co. will build a $5 million plant in the State, with work on access roads to start this year.

In the panhandle, a United States Steel subsidiary, Columbia Iron Mining Co., recently exercised an option for a 75-year lease on iron ore properties near Klukwan, an Indian village. Finally, in Fairbanks, two small but significant steps: Safeway Stores, Inc., has bought its first store site in town, and, nearby, F. W. Woolworth Co. has acquired a site for its second big variety store in the State. The first opened last year at Anchorage.

Mr. BARTLETT. Mr. President, the Journal compares the interest rates on recent Alaska general obligation bond sales with similar sales in North Carolina. The Alaska issue was given a BAA rating by Moody's Investors Service—rated higher by Standard & Poor—and will cost the State over 3.75 percent in annual interest, whereas the analogous North Carolina issue was rated AAA and will cost the State less than 3 percent. His conclusion is that there is a greater risk involved in owning Alaska bonds because Alaska lacks the maturity of its sister State in the South, because its State government is largely untried, and its natural resources largely undeveloped. Using the high interest rate as an index for the Alaska economic situation, the article goes on to state that Alaska is grappling with a host of knotty economic problems, soaring taxes, high unemployment, and dwindling Federal aid to which no easy solution may be found. In short, the Journal would have us believe that the situation is grave.

I should like to state, however, that the $13,975,000 bond issue referred to is a composite of three issues for different and unrelated projects. The Bankers Trust Co. of New York submitted the low bid for $12.5 million in general obligation bonds for the Alaska ferry system, at an annual interest rate of 3.81 percent. This same syndicate, however, also submitted the low bid on $1.2 million in general obligation bonds to finance improvements at the University of Alaska, at an interest rate of 3.5395 percent. Barcus Kindred & Co. of Chicago, furthermore, submitted a bid for general obligation bonds to finance improvements at bush airfields in Alaska at an interest rate of only 2.9963 percent. Contrary to the article's implications, the first test of the State's credit was pronounced a major success by financial consultants and State officials alike. Governor Egan said the results were highly gratifying. State Commerce Commissioner A. H. Romick said the rates which the State received were a good indication of the interest being shown in the State of Alaska.

Notwithstanding this consensus, a comparison such as was made is misleading. For example, a State such as California pays higher interest rates than is justified by economic conditions for the ability of the State to repay. In this connection, it is common knowledge that Western States, being farther from the Nation's financial center, pay consistently higher interest rates than their sister States in the East. Recent bond sales of Alaska's political subdivisions as well as State bonds indicate, furthermore, that the Alaska interest rate is improving. For example, the bond index in the Weekly Bond Buyer was listed at 3.35 for November 1958. During that month the former territory of Alaska sold $537,000 of 20-year general obligation bonds at a net effective interest of 3.505. On July 21, 1961, the Weekly Bond Buyer index was at 3.49. The State sold $1.2 million general obligation bonds at a net effective interest of 3.5395 percent. The article's conclusions on this issue are simply opposite to the facts.

The Journal maintains that the lack of confidence in Alaska securities is partially a result of her vulnerability in the event of war. Two paragraphs later, it insists that the coming of space satellites has brought a shift in defense strategy which minimizes Alaska's role in a future armed conflict. This is mere doubletalk. It is true that outlays for military public works construction in Alaska are declining, as they are in many States, and that this decline imposes considerable strain on the Alaska economy. Proximity to the Soviet Union, however, does not, in this day and age, make Alaska more vulnerable than the continental United States. In an age of missile warfare, it makes absolutely no difference where a State is situated. In a conventional war, Alaska is accessible, and our defense strategy is geared accordingly. A large number of troops will continue to be stationed in Alaska, and existing defense installations will continue to be maintained by military personnel.

The article states that between 1950 and 1960, Alaska grew at a faster rate than any other State. Her population increased 75.8 percent during the decade.

Nevertheless—

The reporter continues—

Alaska still ranks last among the States in population despite the fact that it is by far the largest in size.

I fail to see the relationship between these observations, both of which are thoroughly correct. A small population and a very high growth rate do not indicate, one way or the other, that the Alaska economy is on the decline.

The Journal maintains that, in view of the cutback in military construction, "the State is forecasting a sharp slowdown in the population growth rate during the next 5 years, compared with the pellmell pace of the past decade." In Governor Egan's telegram he emphatically states that "no State official has predicted a slowdown" in the population growth rate. In fact, available evidence indicates that Alaska will continue to grow rapidly during the 1960's. In this connection, Project Twenty-Twelve, a long-range program for our public lands, which was released last January by the Department of the Interior, states, in part:

Alaska's economy is growing. Population, now estimated at 210,000 is expected to increase to 500,000 by 1970 according to the Bureau of the Census. Further rise is expected by many to take place rapidly, perhaps as high as 1.5 million in 1980 and 5 million in 2012. The vast potential of natural resources within the State will support development of resource-based industries which will provide job opportunities and serve to attract additional people to the State.

The article states that while there has been a cutback in the military construction program, Alaska's share of Federal aid for roads, hospitals, airports, schools, and numerous other items is unusually large. This in fact is true, because many Federal distributions are to some extent proportioned on a State's land area. The article, however, subtly relates Federal spending to unemployment. I allude to the following:

But such Federal spending, by itself, cannot fully support Alaska's economy. Significantly, while the United States as a whole appears to be picking up steadily from the recent business recession, Alaska's troubles are deepening. Unemployment, which normally is down at this time of year, was at a post-Korean war high for the 13th successive time in the week ended July 22, the most recent report.

It is very true that no State can, and no State should, rely on Federal aid for the maintenance of its economy, but I fail to see how Federal aid is related to unemployment.

It is unfortunately true that Alaska's unemployment rate is the highest in the Nation, but the reporter fails to point out clearly that the figures he uses includes a period of very high unemployment as a result of a labor dispute which was subsequently settled. Nor does he mention that, while unemployment remains high, the actual numbers employed are more than last year.

Alaska's high rate of unemployment is a result not of new factors which have entered her economy, but of conditions with which she has always had to cope. The article rightly points out that the length and severity of the cold weather in certain regions forces much construction work to be done in May, June, July, August, and September, but fails to indicate either that this is the reason for her high rate of unemployment or that the weather was equally cold during the 1950's. In spite of seasonal factors, Alaska demonstrated her great capacity for growth during the last decade.

The article states that the Alaska economy is depressed. All economic indexes reveal otherwise. Gross business license fees based on the total volume of business are running considerably ahead of last year and show continued growth over all prior years.

Individual income taxes based on rates in existence during previous years have continued to grow. Personal income

from 1959 to 1960 has increased 12 percent, a rate exceeded only by two other States. Bank deposits are at a higher level than ever before. Finally, for the second consecutive year under State management, the fishing industry as a whole has experienced a marked recovery from a prestatehood decline.

The reporter alleges that to remedy the situation, the State has launched "a huge pump-priming program, which in the current fiscal year will nearly triple spending over 2 years ago." He continues:

> About half the 1961–62 State budget will go to develop transportation. The actual pace is rapid enough not only to run through the State budget of $131 million, and another $62 million in Federal matching funds and outright grants, but also to pile up a considerable long-term debt.

The actual 1962 State budget, contained in chapter 147, Session Laws of Alaska of 1961, amounts to $55,734,040. I have tried to understand where the reporter found the $131 million and can only speculate. The reporter probably included both the capital construction program, largely financed by Federal grants, and general obligation bond construction funds, which will be used for ferries, roads, highways, and other projects of this nature. Neither Federal grants nor bonds, I think, should be considered as an integral part of the State budget, though, of course, they are related to the State's plans for improving the economy. The bonds which seem to have caused the Journal vast concern will mature in 20 years, and not 1 year. It is manifestly unfair, then, to count them as a part of the State's operating budget. The Federal Government distributes funds in recognition of certain local deficiencies which are in the national interest to remove. These, too, should not be considered as part of the State budget.

Notwithstanding the exaggeration, the article states that Alaska is resorting to pump priming for development. It is true that "pump priming" has undesirable connotations, but it is clear that until adequate transportation and communication facilities are created to attract private industrial investments, the State and the Federal Government must assume the larger burden for stimulating the economy. It is also clear that in view of Alaska's great potential for the development of her natural resources, private industry will be attracted provided that adequate transportation and communication facilities are available. In this connection Governor Egan in the aforementioned telegram states:

> Except for accelerated roadbuilding, the construction program today is not a great deal larger than it was in territorial days. Additional costs reflect the assumption by various governmental units of functions such as fish and game management, highways, the judiciary, and others which were formerly administered by the Federal Government.

The Journal states that the State's cash balances have dropped from $20,671,657 on July 1, 1960, to about $6.8 million currently and are expected to decline to about $6 million by next July. It is again in error. The unobligated cash balance for 1960 was $11,904,709, and the actual 1961 total approximates $11 million. There is, therefore, no decline whatsoever. I assume that the reporter used an obligated balance in the first instance, and in the second instance was not aware of the recent oil and gas lease sales which netted more than $7 million to the State treasury.

The article further states that taxes are soaring. Admittedly, rumors that Alaskans are the highest taxed people on the face of this earth, have been common for many years. The fact is, however, that Alaska is outranked by 9 other States in per capita Federal income taxes and 26 States have a greater per capita State and local tax burden. Alaska is 41st with respect to per capita State gross debt, and the Bureau of the Census figures for 1959 place Alaska at the bottom of the list and far below the national average in dollars taxed per $1,000. Even with the increases enacted this year, Alaska taxes will be well below the average of $84.93 per $1,000 taxed nationally.

Governor Egan states that despite the problems which Alaska faced upon admission, problems which were unlike those of any previous territory turning to statehood, the State has, in 2 short years, through prudent policies, laid a firm fiscal foundation without resort to excessive tax increases. The decrease in military construction expenditures has been and is being offset by growth in other economic activities without a State pump-priming construction program.

The article maintains that tourist traffic in the State fell an estimated 25 percent from a record level in 1959. It goes on to predict that 1961 will be off again. It is true, that the tourist trade fell in 1960, but a comparison with 1959 is unfair in view of the publicity generated by Alaska's admission into statehood. The U–2 scare, furthermore, discouraged a number of potential tourists in 1960, not only in Alaska, but elsewhere. Indications, however, are not only that 1961 will be a highly successful tourist year, exceeding 1960 totals, but also that tourism will become increasingly important as communication and transportation facilities are constructed and improved.

In short, the article is colored by an unnecessarily pessimistic point of view often based on mistaken data and faulty assumptions. It does not take a long-range perspective, and does not give sufficient credit to the ingenuity and perseverance of Alaskans and the American business world.

Admittedly, the State has transitional problems, unemployment problems, and must cope with geographic and topographic factors which resist easy development of her resources. But her resources are there to be developed, and given time, they will be developed. The vacuum, if it may be called a vacuum, which will be left by the cutback in military construction, will be filled by private industry. There is every indication that this is already happening.

By way of illustration, the State's salmon catch has shown a sizable increase this year. The salmon pack through July 2 was 510,749 cases, compared with 413,853 cases through July 3 of last year. Similar trends may be seen in agricultural production, which increased 8 percent over 1959. The 1960 State production exceeded that of 1959 by 19 percent for milk, 10 percent for wool, 22 percent for potatoes, 15 percent for commercial vegetables, 59 percent for oats, and 45 percent for barley.

The most important advances in the Alaska economy, of course, have been in the production of oil and natural gas. The State's total oil production for 1958 was 29,328 barrels. In 1959, oil production jumped to 179,633 barrels. The following year it more than doubled, with production listed at 559,154 barrels. That figure has already been overshadowed by 1961 oil production, which almost doubled during the 4-month span between January and April. In January, Alaska produced 191,051 barrels of oil. February production was 240,470 barrels. The next month it jumped to 316,472 barrels and in April, the last month for which production figures are available, oil production was at 375,625 barrels, which is almost double the amount produced during all of 1958 and 1959.

The U.S. Department of the Interior reports that the 1960 value of mineral production in the State increased almost 7 percent over that of 1959. The substantial gain in value of petroleum and natural gas, coupled with increases in value of coal, sand and gravel, stone, and mercury, more than offset a sizable decrease in gold.

And what about the future? Project Twenty-Twelve estimates that approximately $3 billion will accrue to the State from mineral lease revenues over the next 50 years. Another study, released by the Battelle Memorial Institute at the end of 1960, looks for oil and tourism to provide the stimuli for growth. The study projects a 39-percent increase in population and an increase of $1.4 billion in annual revenue in 20 years.

Industry is moving into Alaska. On July 10, Secretary Udall announced approval of a 5-year development contract with Pan American Petroleum Corp. for exploration and oil and gas development in Alaska. The Union Oil Co. is exploring the feasibility of establishing petrochemical plants in Alaska. Their study includes the possibility of exporting natural gas byproducts to the west coast of the United States and to such foreign nations as Japan and Australia. Standard Oil recently announced plans to build a 20,000-barrel refinery on the Kenai Peninsula. Permanente Cement Co. will build a plant in the State. Safeway Stores, Inc., has acquired a site in Fairbanks, and Woolworth's is planning to build a second variety store in the State.

Alaska's growth has not been a continuous process, but has proceeded in

stages of rapid development followed by a leveling off and a decline. Over the years, however, Alaska has demonstrated its capacity for growth. Before 1880, the fur industry was the backbone of the State's economy. When the principal fur bearing species declined, Russia sold Alaska to the United States. The second phase of development, from roughly 1880 to 1940, was based on gold, salmon, and, for a shorter period, copper. As copper and gold production declined, the military stepped in, and the State witnessed an unprecedented period of expansion. The peak of the military construction phase of the Alaska economy was reached in 1953 and 1954.

Mr. President, the 1960's, I believe, will bring a new stage of economic growth in Alaska based on her natural resources and on the determination of her people to develop those resources.

THE FARM BILL

Mr. SYMINGTON. Mr. President, in connection with the farm bill, S. 1643, two Missouri newspapers have recently published excellent editorials commenting about a recent clever effort to downgrade the present farm program through misimplication and ridicule.

The first editorial, apearing in the St. Louis Post-Dispatch on July 21, entitled "The Subsidized Cadillac," suggests that if Mr. William Smith thinks it absurd the Government should furnish him the money for a downpayment on a luxury motorcar, the Treasury would be glad to have him return the money.

Even more important, however, this editorial emphasizes that the feed grain program and other similar programs to benefit the general public cannot help but provide services for the few who do not need them as well as for the great majority who do. That is the American system.

I ask unanimous consent that this editorial from the St. Louis Post-Dispatch be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch, July 21, 1961]

THE SUBSIDIZED CADILLAC

Secretary of Agriculture Freeman has used the publicity stunt of a New York farmer-businessman as an occasion for saying some things about our governmental system that needed saying. The New Yorker, William Smith, of Big Flats, created a stir a few days ago by turning up in a $6,000 Cadillac on which he said he had made a downpayment with the money the Government paid him for not planting 104 acres of corn.

As it developed, Mr. Smith operates a roadside restaurant and dairy bar near his 1,200-acre dairy farm, so he is not exactly the typical farmer for whom the subsidy programs are intended. Mr. Freeman pointed out that Mr. Smith advocated eliminating all Government farm programs "even though he said some people will be hurt." He noted the farm program is primarily for farmers whose net income last year averaged less than $1,000.

"What Mr. Smith really meant," Mr. Freeman said, "was that he would not be hurt, while millions of full-time farmers who have no auxiliary business to fall back on would be left to the mercy of a market that would offer them a return much lower than the shockingly meager one cited."

Some may wonder, Mr. Freeman added, why the feed grain subsidy program does not exclude wealthy farmers who clearly need no assistance. The answer is that programs to benefit the general public provide services for the few who do not need them as well as for the majority who do. Rich as well as poor benefit from free public schools, social security, postal rates. It is Mr. Smith's privilege to benefit from our system. If he thinks it absurd that the Government should enable him to make a downpayment on a luxury motorcar, well, we suggest the Treasury would be glad to have him return the money.

Mr. SYMINGTON. Mr. President, the second editorial, entitled "Publicity Seekers," from the Springfield (Mo.) Leader and Press, places in proper perspective the recent publicity efforts by Charlie Peterson, of South Dakota, and William T. Smith, of New York, and then points out well the great asset we have in America in the productive genius of the American farmer.

I ask unanimous consent that this latter editorial also be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Springfield (Mo.) Leader and Press, July 21, 1961]

PUBLICITY SEEKERS

From time to time some farmer or alleged farmer kicks up an eye-catching ruckus in protest at the supposed tyranny of farm programs.

Yesterday, for example, Americans read of the case of Charlie Peterson, a Swedish immigrant in South Dakota, defying authorities—county, State, or Federal—to test his cattle for tuberculosis. His excuse, "I'm tired of having some bureaucrat coming to my place and saying 'Line up your cattle, I want to test them.'" Peterson demanded that all farmers be let alone.

Last week, it was William T. Smith, of Big Falls, N.Y., who bought a new $6,100 automobile and plastered it with signs saying he had purchased it with money paid him by Uncle Sam not to grow corn.

Funny, funny fellows, these—and the public seldom questions the validity of their claims, but enjoys deriding all farm programs that use taxpayers' dollars. For that reason, perhaps a little check on the validity of these men's claims is in order.

Take Peterson's case, for a first look. The man is an immigrant, a big rancher, wealthy enough to afford at least two cars, one an air-conditioned Cadillac. What does he protest? The inspection and testing of cattle for the detection and eradication of tuberculosis.

Tuberculosis in cattle is dangerous as a source of potential infection not only to other cattle but to humans. Are one man's rights to be protected to the menace of the public at large or to those of other cattlemen? Peterson has no right to ask that.

Or look at the case of the publicity-seeking Mr. Smith. True, he owns a 1,200-acre farm, but is he a bona fide farmer? He inherited his farm, didn't build or acquire it through his own efforts. Moreover, his primary source of income is not from farming, but from independent businesses in town where he owns and operates a restaurant and a dairy products store in addition to owning part of a bowling alley and a housing corporation. Even before that, he was a manufacturer of small boats.

Nor is that all: To extend price supports, store and handle the corn Smith would have grown on that ground under the old program, it would have cost Uncle Sam $3,300 more than it did to pay him to retire the land and whittle down on the Nation's corn surplus. That's a fact discovered in checking the case, but little publicized because it wasn't such good news copy as the Smith publicity stunt.

And for one farmer like Peterson or Smith, there are thousands of others who frankly admit that they couldn't stay in business without the help the Government gives them.

Funny thing about the farm problem. That tremendous surplus headache of a few weeks ago is beginning to look like a tremendous blessing as the possibilities of war grow—war would convert surpluses to shortages almost overnight. Americans are the best and cheapest fed people on earth. And Khrushchev would give almost anything for our bulging granaries; in a land where food is still scarce and where there are never food reserves, it is probably his most needed weapon for war at the moment.

RESUMPTION OF EXECUTIVE BUSINESS—NOMINATION OF LAWRENCE J. O'CONNOR, JR., TO BE A MEMBER OF THE FEDERAL POWER COMMISSION

The ACTING PRESIDENT pro tempore. The Senate will resume its executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Andrew A. Caffrey, of Massachusetts, to be U.S. district judge for the district of Massachusetts;

Lewis R. Morgan, of Georgia, to be U.S. district judge for the northern district of Georgia;

Earl R. Larson, of Minnesota, to be U.S. district judge for the district of Minnesota;

Vernol R. Jansen, Jr., of Alabama, to be U.S. attorney for the southern district of Alabama; and

William Marshall Broadrick, of Oklahoma, to be U.S. marshal for the eastern district of Oklahoma.

By Mr. ERVIN, from the Committee on the Judiciary:

James Braxton Craven, Jr., of North Carolina, to be U.S. district judge for the western district of North Carolina.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

Mr. McCARTHY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The question is on agreeing to the motion of the Senator from Wisconsin [Mr. PROXMIRE], to recommit the nomination to the Committee on Commerce with instructions to report it back within 1 week.

Mr. PROXMIRE. Mr. President, although this is a long speech, there has been no attempt on the part of the Senator from Wisconsin—and there will be none—to delay a vote. There will be a vote. I have no expectation that I could prevent it, nor would I try to do so.

I invite attention to the fact that I have not engaged in any kind of dilatory tactics. I have not suggested the absence of a quorum, nor have I insisted on a live quorum. I have not objected to meetings of committees, or to the dispensing with the reading of the Journal. I have done my best to avoid irrelevant materials.

NOMINATION ENORMOUSLY IMPORTANT

I have tried to make my case before the Senate, though I have put some materials into the RECORD and abbreviated them. Those were statistical materials. I intend to do that as time passes.

I feel the nomination is so enormously important that the case should be made before the Senate. For that reason I feel I have no choice but to make it thoroughly and comprehensively, and it is going to take me some time to complete this case.

Mr. CARLSON. Mr. President, will the Senator yield for a comment?

Mr. PROXMIRE. I yield to the Senator from Kansas.

Mr. CARLSON. I think the Senator from Wisconsin is not only within his rights but also within the prerogatives of a Senator when he feels keenly or deeply about something pending before the Senate.

I read the RECORD of yesterday, and I heard some of the Senator's discussion. The Senator from Wisconsin is building his case, which is his right and his privilege. I would wish to have no one think that the Senator is trying in any way to filibuster or to prevent a vote on the nomination.

Mr. PROXMIRE. Mr. President, I thank my good friend from Kansas. He has always been a very considerate, thoughtful, and courteous person. He is a man I have deeply admired, whose commendation I appreciate as much as the commendation of any man in the U.S. Senate.

GAS INDUSTRY NEEDS NO SPECIAL PLEADERS

Mr. President, as I concluded my speech yesterday, I had put into the RECORD statistical material that I thought was devastating evidence that gas producers are not the weak, poor farmers whom the senior Senator from Texas had described in the hearings. The gas producers are powerful, enormously profitable, and include some of the very largest corporations in the country with fantastically large profits.

I think this achievement is fine and to their credit. I, of course, respect and admire the excellent job they have done. But no one can maintain that the producers of natural gas who would be benefited by the appointment of Mr. O'Connor to the Federal Power Commission are without the kind of financial capacity to hire the necessary lawyers, statisticians, and engineers to go before the Federal Power Commission to make a case.

Yesterday I put into the RECORD the fact that the 25 largest producers of natural gas are all, of course, huge corporations. Furthermore, the big producers produce some 90 percent—9 out of 10—of the total cubic feet of gas that is consumed in this country in interstate commerce. So we are not talking about the poor producers. We are talking about corporations that have enormous resources and have enjoyed very high profits. In this case I am talking about getting on the Federal Power Commission a man who would not represent the consumer—who, in my judgment, deserves and needs representation—but on the basis of his past association, a man who would naturally have a built-in bias in favor of the industry itself.

A MATTER OF POWER

I wish to stress, as did the distinguished senior Senator from Illinois [Mr. DOUGLAS] in a colloquy with me last night, the fact that what we are speaking of is not a matter of evil. I am not charging that there is anything evil or criminal about the oil industry. I am saying that it is not a matter of evil, but a matter of power—political power, financial power, and economic power. It is an economic power which the Congress of the United States in 1938 decided should be regulated, and which the Supreme Court said, in the most explicit language possible, requires the Federal Power Commission to comply with the Natural Gas Act and to regulate the price of gas at the wellhead.

The fact is that for 7 years the Federal Power Commission has refused to abide by the clear directive of the Supreme Court and has done so, of course, at the urging of the gas industry—the Independent Petroleum Producers Association, of which Mr. O'Connor has been an active and vigorous member.

ADVANTAGEOUS TAX POSITION OF OIL-GAS INDUSTRY

To complete my argument that the producers are affluent, powerful, and already enjoy an enormous privilege, I should like to have printed at this point in the RECORD statistical evidence that I collected a couple of years ago—but it is still valid and it is still absolutely pertinent—on the net income before taxes of the large oil and gas companies and the income taxes they pay to the Federal Government.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Federal taxes and effective tax rates for oil companies and all corporations, 1954

	Net income before tax	Federal income tax	Effective tax rate	Per share	
				Earnings before tax	Federal income tax
	Millions	*Millions*	*Percent*		
Tidewater Associated Oil Co	$38.0	$3.5	9.2	$3.45	$0.32
Humble Oil & Refining Co	174.8	28.5	16.3	4.86	.79
Skelly Oil Co	36.1	6.7	18.5	6.28	1.16
24 large petroleum companies	2,541.0	575.0	22.6		
All corporations	34,042.0	16,369.0	48.1		

Source: Annual reports: Department of Commerce estimate of corporate profits and Federal tax liability.

Mr. PROXMIRE. It is well known that taxes for most corporations—large corporations, at least—have been in the neighborhood of 47 to 52 percent, 52 percent being the top limit, and really large corporations pay over 50 percent.

However, let us take a look at what the oil companies pay. I have a list of these companies. There is no reason to disclose the names of the companies for this purpose. I shall keep them anonymous.

COMPANY TAXES DROP

In 1957 company A enjoyed a net income before taxes of $35 million. It paid income taxes, not of $17 million or $18 million, but of $5,260,000, or 14.9 percent.

In 1956 it enjoyed income of $29 million, and paid income taxes of over $3 million, or about 10 percent. Taxes were even less in 1955, when the company had a profit of $28 million and paid only $2.7 million in taxes, or 9 percent.

If we go back to 1952, this company enjoyed profits of $16 million and paid taxes of only $654,000, or less than 4 percent. In 1953, when the company enjoyed profits of $18 million, its taxes were only $367,000, or less than 2 percent. The fact is that any wage earner falls automatically and immediately into at least a 20-percent bracket, and very quickly gets into a 25-percent or 30-percent bracket as his income increases.

THE REASON IS OIL DEPLETION

This huge oil company that enjoyed profits, not of a few thousand dollars or a few hundreds of thousands, but tens of millions of dollars, paid during the period 1945 to 1957 taxes ranging from 1.9 percent of its net income to a top of 17 percent. It never paid more than 17 percent. The reason, of course, is due to the terrific advantage that the oil companies enjoy through the oil depletion provisions in the tax law, and also because they have an expensing provision that is also most valuable and useful.

Mr. President, I ask unanimous consent that a chart I have prepared giving all the statistics on company A be printed at this point in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Company A

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$22,485,135	(1)	$22,485,135	----------
1957	35,208,979	$5,200,000	29,948,979	14.94
1956	29,523,395	3,024,000	26,499,395	10.24
1955	28,143,673	2,780,000	25,363,673	9.88
1954	21,029,684	1,252,000	19,777,648	5.96
1953	18,812,590	367,000	18,445,590	1.95
1952	16,550,361	654,000	15,896,361	3.95
1951	17,369,652	1,073,000	16,296,652	6.17
1950	18,467,607	3,068,000	15,399,607	16.61
1949	14,759,193	375,000	14,384,193	2.54
1948	27,367,252	4,725,000	22,642,252	17.27
1947	17,749,626	2,830,000	14,919,626	15.94
1946	10,130,975	1,275,000	8,855,975	12.59
1945	5,611,770	215,000	5,396,770	3.83

[1] Not available.

Mr. PROXMIRE. Mr. President, company B was a smaller company, but enjoyed profits ranging from $2 million to nearly $7 million between 1945 and 1958. In 1958, for example, company B paid on an income of $4,371,000, only $525,000 in taxes, and one year, 1954, when the company enjoyed an income of $3,291,000, it paid not $1½ million, as might be expected, or $1,600,000, but paid taxes of $38,000 which is 1.16 percent—only slightly over 1 percent of the company's income.

Once again company B is another example of not a very big company, but a moderate-sized company, with enormous advantages that the oil industry already enjoys under our tax laws. Of course, the appointment of Mr. O'Connor would aggravate that advantage because it would mean that not only would gas companies have a great special privilege in paying their taxes but they are able to get on the Federal Power Commission people who have been closely identified with their industry for many years.

VIOLATION OF OBJECTIVE SELECTION

I wish to express again, as I did yesterday—and it cannot be too often said—that this would be the first time in the history of his country that any President has appointed, or the Senate has ever confirmed as a nominee to the office of Commissioner of the Federal Power Commission, a man whose experience has been in the private industry that is subject to the regulation of the Federal Power Commission. This occurrence is absolutely unprecedented. It has never been done before.

It seems to me that it is a violation of the kind of dispassionate and objective selection that Senators and the President of the United States should insist upon. For that reason I say that appointing this man to the Federal Power Commission is stacking the deck and loading the dice against the householder, who has found his gas bills increasing steadily and relentlessly year after year.

FOR WHOSE BENEFIT WAS THIS?

It was for the benefit of these companies, which have enjoyed substantial profits and have paid very little in taxes as compared with the rest of industry. Indeed, in some years they paid almost no taxes at all, although their profits were very substantial.

Mr. President, I ask unanimous consent that the table I have prepared on company B be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Company B

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$4,371,094	$525,000	$3,846,094	12.01
1957	5,392,505	150,000	5,242,505	2.78
1956	6,975,382	1,095,000	5,880,382	15.70
1955	5,975,382	485,000	4,965,220	9.90
1954	3,291,733	38,172	3,253,561	1.16
1953	5,594,074	1,552,500	4,441,574	27.75
1952	4,436,030	669,500	3,766,530	15.09
1951	5,561,770	714,880	4,846,890	12.85
1950	5,709,537	1,023,900	4,685,637	17.93
1949	3,259,928	163,040	3,096,888	5.00
1948	6,295,858	898,900	5,396,958	14.28
1947	4,011,073	1,023,126	2,987,947	25.51
1946	2,089,932	417,000	1,672,932	19.95
1945	2,321,605	205,908	2,115,697	8.87

Mr. PROXMIRE. I come now to company C, another middle-size company whose profit between 1947 and 1958 increased steadily, from $2,284,000 to $5.5 million. During this period company C paid taxes that never exceeded 23 percent of their net income, and which, in most years, fell far below that. As a matter of fact, in 1952, for example, this company had a net income of $3.5 million, and paid taxes, not of $1 million, but of $91,000, or 2.55 percent.

I ask unanimous consent that the table I have prepared on company C be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Company C

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$5,402,894	$481,413	$4,921,481	8.91
1957	5,561,652	640,635	4,921,017	11.52
1956	4,770,495	261,837	4,508,658	5.49
1955	4,826,687	417,388	4,409,299	8.65
1954	4,625,759	336,889	4,288,870	7.28
1953	4,391,404	179,114	4,212,290	4.08
1952	3,588,107	91,660	3,496,447	2.55
1951	3,934,107	399,397	3,534,710	10.15
1950	3,696,584	847,072	2,849,412	22.91
1949	3,373,448	679,553	2,693,895	20.14
1948	4,542,842	982,540	3,560,302	21.63
1947	2,284,109	529,781	1,754,328	23.19
1946	161,816	212	161,604	.13
1945	33,895	256	33,639	.76

Mr. PROXMIRE. Company D is a smaller company. It presents something which I have not discussed yet. This company, which enjoyed profits ranging from $140,000 in 1945 up to a half million dollars in 1955, is a company which during that entire decade paid taxes never higher than 16 percent of their net income. As a matter of fact, in 1957, they enjoyed profits of $271,000, and paid taxes, not of $135,000, but of only $5,000, or 1.84 percent. In 1958, the following year, the net income before taxes was $156,000. They enjoyed a tax credit of $13,000.

In other words, the Government not only did not tax them, but actually gave them money in a tax credit from the Treasury.

In a succession of 13 years their profit had never declined below $140,000. This is because of the workings of the oil-depletion allowance and of the expensing provisions of the law, which represent a tremendous privilege enjoyed by the gas and oil industry. It is a privilege which can properly be called a subsidy. It has been termed by Fortune magazine as being the most spectacular loophole in our tax law.

I ask unanimous consent that the entire chart on company D be printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Company D

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$156,130	[1] $13,000	$169,130	0
1957	271,515	5,000	266,515	1.84
1956	472,556	35,000	437,556	7.41
1955	549,093	15,000	534,093	2.73
1954	309,405	----------	309,405	----------
1953	303,453	11,332	292,121	3.73
1952	159,084	25,686	133,398	16.15
1951	415,948	8,234	407,714	1.98
1950	277,514	1,500	276,014	.54
1949	177,187	1,000	176,187	.56
1948	526,061	35,000	491,061	6.65
1947	399,643	52,000	347,643	13.01
1946	139,923	1,000	138,923	.71
1945	140,101	1,500	138,601	1.07

[1] Credit.

Mr. PROXMIRE. Mr. President, company E is a company which enjoyed profits between 1946 and 1958 ranging from $3.2 million to more than $11 million. During this period this company paid taxes ranging from zero in 1954, when it had a net income of $5,320,000, up to a maximum in 1951, in terms of percentage, when it paid 34 percent. In every other year the percentages of tax paid were far less, and in 1954 company E paid no taxes at all. I ask unanimous consent that the chart on company E be placed in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Company E

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$8,108,706	$800,000	$7,308,706	9.87
1957	11,303,747	1,600,000	9,703,747	14.15
1956	11,379,241	1,900,000	9,479,241	16.69
1955	8,509,136	1,500,000	7,009,136	17.63
1954	5,320,750	----------	5,320,750	----------
1953	6,420,968	1,048,000	5,372,968	16.32
1952	5,601,723	1,400,000	4,201,723	24.50
1951	5,866,052	2,000,000	3,866,052	34.09
1950	4,951,476	1,500,000	3,451,476	30.29
1949	4,928,459	1,020,000	3,908,459	20.70
1948	5,706,543	900,000	4,806,543	16.65
1947	3,650,374	600,000	3,050,374	16.44
1946	3,248,813	200,000	3,048,813	6.16

Mr. PROXMIRE. Company F is a much larger company. This is a company which enjoyed profits ranging from $16 million in 1945 to $74 million in later years. Once again, although it is a large company, and although its profits were very high, far above $10 million, their percentage of taxes never went as high as 30 percent. In 1 year the percentage was only 7½ percent. In another year it was less than 10 percent—8.7 percent.

I ask unanimous consent that the chart on company G be placed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Company F

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$54,865,371	$7,400,000	$47,465,371	13.49
1957	51,273,749	4,550,000	46,723,749	8.87
1956	67,517,000	15,700,000	51,817,000	23.25
1955	56,259,000	9,900,000	46,359,000	17.60
1954	50,383,000	8,700,000	41,683,000	17.27
1953	55,775,000	14,900,000	40,875,000	26.71
1952	52,488,000	14,400,000	38,088,000	27.43
1951	58,593,000	17,300,000	41,293,000	29.53
1950	57,407,000	15,000,000	42,407,000	26.13
1949	46,487,000	10,390,000	36,097,000	22.35
1948	74,080,000	19,863,000	54,217,000	26.81
1947	40,655,000	9,298,000	31,357,000	22.87
1946	22,599,000	3,585,000	19,014,000	15.86
1945	16,371,000	1,228,000	15,143,000	7.50

Mr. PROXMIRE. Company G is a spectacular example of the special privilege that the gas and oil industry enjoys. In every year from 1945 to 1958 it made a substantial net income before taxes. This moderate-size company's net income before taxes ranged from $461,000 to more than a million dollars in 1957, but every year they were in six figures. In 1953, company G had a net profit of $730,000. What did it pay in taxes? Nothing. In 1954 the company had a net profit of $785,000. What did it pay in taxes? Nothing.

NEVER PAID NICKEL

In 1955 the company had a net profit of $832,000. What did it pay in taxes? Nothing.

In 1956, it had a profit of $560,000. Taxes paid: zero.

In other words, for 4 successive years this company enjoyed profits that were over a half million dollars, and in not one year did it pay a nickel in taxes to the Federal Treasury.

How would any taxpayer like that? I am sure if it applied to a Wisconsin business or a Montana business or a Kansas business, which was not an oil company, he would be pleased and delighted, but he would recognize also that he enjoyed a special privilege.

The difficulty with this special privilege is not only that the oil companies enjoy higher profits without paying the kind of taxes that they ought to pay—and we resent that—but I am not talking about this matter from that standpoint—the point I am making is that if they do not pay it, we do. The fact that these companies are enjoying these high profits without paying taxes means that our taxes have to be higher in order to compensate for them.

OIL COMPANIES DON'T PAY FAIR SHARE OF TAXES

This is as much a drain on the Treasury as if the oil industry received a handout of hundreds of millions of dollars a year from the Federal Treasury, because they are not paying their fair taxes. They enjoy the same benefits that every industry enjoys—the protection of our great country and the laws of our great country, and the protection of the Army, Navy, and Air Force, but still they do not pay their share of the taxes.

Mr. President, I ask unanimous consent that the statistical record of company G be placed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Company G

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$804,716	$50,000	$754,716	6.21
1957	1,167,546	115,000	1,052,546	9.85
1956	560,753	----------	560,753	----------
1955	832,765	----------	832,765	----------
1954	785,624	----------	785,624	----------
1953	730,699	----------	730,699	----------
1952	968,287	69,022	899,265	7.13
1951	935,134	137,220	797,914	14.67
1950	892,552	147,275	745,277	16.50
1949	969,991	204,860	765,131	21.12
1948	872,719	150,367	722,352	17.23
1947	654,922	160,452	494,470	24.45
1946	471,923	135,664	336,259	28.75
1945	461,448	180,808	280,640	39.18

Mr. PROXMIRE. Mr. President, this is the same kind of story all the way through. I ask unanimous consent that the statistical record on company H be placed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Company H

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$1,760,794	0	$1,760,794	0
1957	2,176,226	$160,000	2,016,226	7.35
1956	2,647,058	93,000	2,554,058	3.51
1955	1,994,072	86,000	1,908,072	4.31
1954	2,276,415	238,329	2,038,086	10.47
1953	1,899,343	156,039	1,743,304	8.22
1952	1,998,758	370,291	1,628,467	18.53
1951	1,992,234	411,166	1,581,068	20.64
1950	1,270,271	72,843	1,197,428	5.73

NOTE.—Records available only for last 9 years.

Mr. PROXMIRE. I would like to call to the attention of the Senate a few other exceptional situations. Company I has had steadily increasing profits from 1945 to 1958. Virtually every year the profits grew sensationally. In 1945 the net income before taxes was $102,000. They increased sevenfold to $755,000 in 1946. In 1958 that sevenfold increase had increased to tenfold. The profits went from $100,000 in 1945 to $7 million in 1958. That is a very steady, spectacular climb.

One would think that this kind of company would not be able to enjoy a tax credit and would have paid at least a substantial amount of taxes, all during this period. The whole theory of tax credit is that one writes off the losses in the preceding year against income, and receives a tax credit on that basis. However, in the case of company I, after experiencing spectacular increases in profits, culminating in 1956, when it enjoyed a profit of over $8 million, it paid taxes of $151,000. In 1957, after enjoying a profit of $9 million, it received a credit from the Federal Government of $5,860.

They did not pay taxes—instead they got money from the Federal Government.

SPECIAL PRIVILEGES FOR OIL AND GAS INDUSTRY

In 1957, they enjoyed profits of $9 million. Once again, they paid nothing in taxes and got a credit from the Federal Government of $5,800. As a matter of fact, in 1958, when their profits declined to $7 million, they were still 70 times higher than the 1945 profit. They received a credit this time of $23,000. In other words, the Treasury paid them $23,000. This is the kind of special privilege which the oil and gas industry enjoys under the tax laws.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the tables for company I, company J, company K, company L, company M, company N, company O, company P, company Q, company R, company S, and company T.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Company I

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958 [1]	$7,076,455	[2] $23,352	$7,099,807	0
1957 [1]	9,079,022	[2] 5,860	9,084,882	0
1957	9,078,922	[2] 5,860	9,084,882	([3])
1956	8,886,172	151,000	8,735,172	1.69
1955	8,106,746	429,075	7,677,671	5.29
1954	6,769,145	196,335	6,572,810	2.90
1953	5,414,053	26,156	5,387,897	.48
1952	5,067,243	410,539	4,656,704	8.10
1951	4,477,673	404	4,477,269	.01
1950	3,456,001	202,087	3,253,914	5.85
1949	2,949,585	72,628	2,876,957	2.46
1948	2,774,079	201,176	2,572,903	7.25
1947	3,172,001	504,487	2,667,514	15.90
1946	755,220	258,488	496,732	34.23
1945	102,860	65,966	368,946	64.13

[1] 12 months ended June 30.
[2] Credit.
[3] Credit taxes.

NOTE.—In total analysis 1956 equals 1957 on this company, etc.

Company J

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$2,950,700	$90,000	$2,860,700	3.05
1957	3,154,900	20,000	3,134,900	.63
1956	3,168,549	75,000	3,093,549	2.37
1955	3,656,274	150,000	3,506,274	4.10
1954	3,570,162	360,000	3,210,162	10.08
1953	3,363,964	500,000	2,863,964	14.86
1952	2,561,162	267,461	2,293,701	10.44
1951	3,971,370	965,230	3,006,140	24.30
1950	2,302,729	519,263	1,793,466	22.55
1949	1,551,586	104,000	1,447,586	6.70
1948	1,344,021	150,000	1,194,021	11.16
1947	1,230,364	50,000	730,364	4.06
1946	409,171	----------	409,171	----------
1945	328,260	----------	328,260	----------

Company K

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$14,145,331	$2,300,000	$11,845,331	16.23
1957	17,938,378	3,400,000	14,538,378	18.95
1956	16,316,268	2,500,000	13,816,268	15.32
1955	15,599,264	1,900,000	13,699,264	12.18
1954	11,541,464	1,278,154	10,263,310	10.01
1953	11,762,519	1,590,080	10,172,439	13.52
1952	9,218,224	1,875,000	7,343,224	20.34
1951	10,327,002	2,400,000	7,927,002	23.24
1950	8,723,484	2,000,000	6,723,484	22.93
1949	8,716,231	1,800,000	6,916,231	20.65
1948	17,245,547	4,000,000	13,245,547	23.19
1947	9,301,386	2,300,000	7,001,386	24.73
1946	5,321,560	1,010,000	4,311,560	18.98
1945	4,235,097	257,000	3,978,097	6.07

Company L—Liquidated Apr. 11, 1957

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1954	$7,762,785	$1,275,000	$6,487,785	16.42
1953	8,494,844	1,785,000	6,709,844	21.01
1952	7,844,057	1,500,000	6,344,057	19.12
1951	8,553,640	1,500,000	7,053,640	17.54
1950	8,086,702	1,983,000	6,103,702	24.52
1949	7,805,345	1,900,000	5,905,345	24.34
1948	7,512,733	1,726,006	5,786,727	22.97
1947	7,667,536	1,575,000	6,092,536	20.54
1946	5,146,994	1,100,000	4,046,994	21.38
1945	3,209,359	831,500	2,377,859	25.91
1944	3,519,208	1,068,760	2,450,448	30.37

Company M

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$152,543,223	$16,000,000	$136,543,223	10.49
1957	192,910,393	17,000,000	175,910,393	8.81
1956	212,961,000	34,000,000	178,961,000	15.97
1955	215,997,000	41,000,000	174,997,000	18.98
1954	174,803,000	28,500,000	146,303,000	16.30
1953	207,757,854	43,500,000	164,257,854	20.94
1952	175,792,000	30,500,000	145,292,000	14.66
1951	220,981,000	51,500,000	169,481,000	23.30
1950	161,360,000	32,000,000	129,360,000	19.83
1949	138,480,000	18,000,000	120,480,000	13.00
1948	240,069,000	54,000,000	186,069,000	22.49
1947	153,207,000	29,100,000	124,107,000	18.99
1946	79,332,000	7,500,000	71,832,000	9.45
1945	80,395,000	9,500,000	70,895,000	11.82

Company N

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$5,378,973	0	$5,378,973	0
1957 [1]	7,972,558	$1,727,910	6,244,648	21.67
1956	5,378,994	699,000	4,679,994	13.00
1955	2,502,867	18,000	2,484,867	.72
1954	1,603,682	23,923	1,579,759	1.49
1953	3,077,447	4,724	3,072,723	.15
1952	2,334,532	99,844	2,234,688	4.28
1951	1,209,045	31,250	1,177,795	2.58
1950	282,202	49,750	232,452	17.63
1949	1,225,576	6,949	1,218,627	.57
1948	1,395,517	29,053	1,366,464	2.08
1947	359,903	15,000	344,903	4.17
1946	[2] 106,098	200	[2] 106,298	
1945	1,537,551	406,500	1,131,051	26.44

[1] 12 months ended June 30.
[2] Deficit.

NOTE.—In totals analysis, 1956–1957 on this company, etc.

Company O

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	(1)	(1)	(1)	
1957	$1,573,165		$1,573,165	
1956	1,034,094	(2)	1,034,094	
1955	1,006,718	(2)	1,006,718	
1954	1,690,567	$42,130	1,648,437	2.49
1953	1,873,226	50,000	1,823,226	2.67
1952	1,502,077	40,000	1,462,077	2.66
1951	2,714,277	30,000	2,684,277	1.11
1950	2,692,947	40,000	2,652,947	1.49
1949	3,382,140	42,323	3,382,140	1.25
1948	4,236,057	348,900	3,887,157	8.24
1947	1,517,480	48,919	1,468,561	3.22
1946 [3]	689,609	10,241	679,368	1.51
1945 [3]	664,526	4,103	660,423	.62
1954 [3]	2,205,837	42,130	2,163,707	1.91
1953 [3]	2,600,271	50,000	2,550,271	1.92
1952 [3]	2,202,835	40,000	2,162,835	1.81
1951 [3]	2,623,191	30,000	2,593,191	1.14
1950 [3]	3,744,852	40,000	3,704,852	1.01
1949 [3]	4,158,672	42,322	4,116,350	1.00
1948 [3]	4,353,435	348,900	4,004,535	8.01

[1] Not available.
[2] Not reported.
[3] Figures for 1954–48 restated as result of revision of estimates of recoverable oil and gas reserves.

NOTE.—Company O felt not liable for Federal income tax in this period.

Company P

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$6,135,363	$470,000	$5,765,363	7.66
1957	6,611,110	660,000	5,951,110	9.98
1956	6,277,997	478,000	5,799,997	7.61
1955	6,211,916	470,000	5,741,916	7.56
1954	6,209,385	470,000	5,739,385	7.57
1953	6,761,834	515,000	6,246,834	7.62
1952	7,023,582	540,000	6,483,582	7.69
1951	7,008,444	535,000	6,473,444	7.63
1950	6,616,103	415,000	6,201,103	6.27
1949	4,940,029	270,000	4,670,029	5.47
1948	5,679,055	333,000	5,346,055	5.86
1947	2,827,824	159,000	2,668,824	5.62
1946	2,532,718	151,000	2,381,718	5.96
1945	2,522,301	157,075	2,365,226	6.23

Company Q

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$16,144,274	$3,271,000	$12,873,274	20.26
1957	19,137,735	4,500,000	14,637,735	23.51
1956	10,590,947	2,703,000	7,887,947	25.52
1955	13,034,071	1,852,000	11,182,071	14.21
1954	14,484,813	1,967,000	12,517,813	13.58
1953	12,815,586	1,143,000	11,672,586	8.92
1952	9,570,934	602,000	8,968,934	6.29
1951	8,190,680	385,000	7,805,680	4.70
1950	6,268,638	400,000	5,863,638	6.39
1949	5,183,830	210,000	4,973,830	4.05
1948	7,713,057	407,623	7,305,434	5.28
1947	3,896,936	85,000	3,811,936	2.02
1946	1,614,888	65,000	1,549,888	4.02
1945	997,075	40,000	957,075	4.01

Company R

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$3,620,312	[1] $968,000	$4,588,312	
1957	6,908,969	882,000	6,026,969	12.77
1956	10,595,588	2,640,000	7,955,588	24.92

Company R—Continued

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1955	$8,052,718	$1,164,559	$6,888,159	14.46
1954	8,395,561	1,636,500	6,759,061	19.49
1953	11,536,428	3,477,350	8,059,078	30.14
1952	13,532,095	3,884,000	9,648,095	28.70
1951	14,940,795	4,645,000	10,295,795	30.11
1950	10,850,226	2,351,801	8,498,425	21.68
1949	6,470,610	299,023	6,171,587	4.62
1948	8,229,656	1,635,000	6,594,656	19.87
1947	4,773,864	576,444	4,197,420	12.07
1946	2,475,239	370,000	2,105,239	14.95
1945	1,983,259	252,500	1,730,759	10.27

[1] Credit.

Company S

Year [1]	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958 [1]	$3,337,324	[2] $236,642	$3,100,682	7.09
1957 [1]	4,712,841	330,000	4,382,841	7.00
1967	4,712,841	330,000	4,382,841	7.02
1956	4,060,798	260,000	3,800,798	6.40
1955	4,284,521	220,000	4,064,521	5.13
1954	5,241,179	43,000	5,198,179	.82
1953	5,525,948	583,000	4,942,948	10.55
1952	5,618,762	1,425,000	4,193,762	25.36
1951	5,280,578	964,000	4,316,578	18.26
1950	2,944,322	191,000	2,753,322	6.49
1949	4,736,153	342,000	4,394,153	7.22
1948	4,213,001	266,000	3,947,001	6.31
1947	3,200,034	160,000	3,040,034	4.99
1946	1,800,404	30,000	1,779,404	1.66

[1] 12 months ended June 30.
[2] Includes credit of $171,642 prior years' tax adjustment.

NOTE.—In total analysis 1956–1957 for this company, etc.

Company T

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$1,011,165	[1] $235,320	$1,246,485	0
1957	701,822	0	701,822	0
1956	949,659	138,000	811,659	14.53
1955	1,385,335	185,000	1,200,335	13.35
1954	542,208	2,500	539,708	4.61
1953	408,107		408,107	
1952	431,569		431,569	
1951	273,473		273,473	
1950	183,116	5,000	178,116	2.73
1949	[1] 6,000		[1] 6,000	

[1] Credit.

Mr. PROXMIRE. Mr. President, with respect to company T, we find another spectacular situation, in which the company enjoyed profits of $542,000 in 1954 but paid taxes of only $2,500, or 4.61. Its profits continued to increase in successive years.

In 1957, company T enjoyed profits of $701,822 but paid no taxes at all.

In 1958, its net income before taxes reached $1,011,165. What did they pay in taxes? Not a cent. But they received a credit or a refund from the Federal Government of $235,320. So the net income after taxes was $235,320 higher than the net income before taxes.

Mr. President, I ask unanimous consent that tables entitled company U, company V, and company W be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Company U

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	(1)	(1)	(1)	
1957	$11,719,324	$560,482	$11,158,842	4.78
1956	9,568,842	200,000	9,368,842	2.09
1955 [2]	9,340,810	900,000	8,440,810	9.64
1954	7,805,307	335,000	7,470,307	4.29
1953	7,140,132	600,000	6,540,132	8.40
1952	7,715,591	1,000,000	6,715,591	12.96
1951	10,239,600	2,900,000	7,396,000	28.32
1950	7,659,000	1,200,000	6,459,000	15.67
1949	6,656,347	875,000	5,781,347	13.15
1948	9,030,713	2,250,000	6,780,713	24.91
1947	7,191,002	1,250,000	5,941,002	17.38
1946	3,400,586	400,000	3,000,586	11.76

[1] Not available.
[2] Restated to conform with accounting practice effective Jan. 1, 1956—method of charging intangible development costs was changed. 1956 net income would have been $1,470,000 less without such change.

Company V, liquidated

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1954	$4,173,767		$4,173,767	
1953	3,951,367	$350,000	3,601,367	8.86
1952	4,414,623	660,000	3,754,623	14.95
1951	3,112,871		3,112,871	
1950	1,904,836	526,000	1,378,836	27.61
1949	[1] 592,448	7,500	584,948	1.26
1948	461,640	2,400	459,240	.52
1947	416,506	4,100	512,406	.98
1946	328,052	11,282	316,770	3.44
1946 [2]	176,841	5,250	171,591	2.97
1945 [2]	293,539	6,127	287,412	2.00

[1] Before $653,408 loss on wells abandoned.
[2] 12 months ended Apr. 30. In 1946, the company changed to a calendar year basis; so 1946 taxes are shown both ways.

Company W

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$16,726,337	$175,000	$16,551,337	1.05
1957	18,877,389	0	18,877,389	0
1957	18,877,389		18,877,389	
1956	5,040,752		5,040,752	
1956				
1955	3,395,446		3,395,446	
1954	10,260,388	100,000	10,360,388	
1953	11,500,382	500,000	12,000,382	
1952	12,100,165	200,000	11,900,165	1.65
1951	15,195,639	1,900,000	13,295,639	12.03
1950	7,128,542	200,000	6,928,542	2.81
1949	7,483,443	200,000	7,283,443	2.67
1948	17,917,474	3,000,000	14,917,474	16.74
1947	5,266,897	400,000	4,866,897	7.59
1946	1,844,156		1,844,156	
1945	5,422,254	450,000	4,972,254	8.29

Mr. PROXMIRE. Mr. President, with respect to company W, I point out that this concern enjoyed profits, between 1945 and 1958, from $1,844,156 to $17,900,000. During this period it paid a maximum in taxes of 16 percent in 1 year. But these are the percentages in the other years: In 1945, it enjoyed profits of more than $5 million and paid taxes of $450,000, or 8.29 percent.

In 1946, with profits of $1,844,000, it paid no taxes at all.

In 1947, with a profit of $5,266,897, it paid taxes of $400,000, or 7.59 percent in taxes.

In 1948, it paid taxes which were more respectable. On an income of almost $18 million, the income tax was not $9 million, but was $3 million, or 16.74 percent.

Subsequently, in 1949, company W enjoyed a net income of $7,483,443, but paid taxes of only $200,000, or 2.67 percent.

In 1950 the company's income was at about the same level and its tax at about the same level, 2.81 percent. It continued to enjoy profits.

In 1951, company W had profits of more than $15 million, a great increase from 1945, when its net income was only $5,422,000.

In 1952, with profits of $12 million, company W paid taxes of $200,000, or 1.65 percent.

To skip a few years, in 1955—company W enjoyed profits of $3,395,000, but paid no taxes.

In 1956 it had income of $5,040,000, but paid no taxes.

In 1957, it had a record income for the entire decade—of $18,877,389. It was the best year it had ever had. What did the company pay in taxes? Nothing. It paid no taxes whatsoever.

Mr. President, I ask unanimous consent that tables for companies X, Y, and Z be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Company X

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$4,642,978	$670,023	$3,972,955	14.43
1957	7,670,654	840,709	6,829,945	10.96
1956	6,057,708	400,000	5,657,708	6.60
1955	6,720,029	400,000	6,320,029	5.95
1954	5,245,527		5,245,527	
1953	4,470,659	240,000	4,230,659	5.37
1952	3,635,498	450,000	3,185,498	12.38
1951	3,702,765	550,000	3,152,765	14.85
1950	3,770,706	696,200	3,047,506	18.46
1949	4,022,266	640,907	3,381,359	15.93
1948	4,731,952	901,906	3,830,046	19.06
1947	2,940,750	597,621	2,343,129	20.32
1946	1,394,512	163,973	1,230,539	11.75
1945	666,557		666,557	

Company Y

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$6,231,481	0	$6,231,481	0
1957	7,802,218	$570,000	7,232,218	7.31
1956	7,859,694	650,000	7,209,694	8.27
1955	8,449,374	500,000	7,949,374	5.92
1954	8,256,034	400,000	7,856,034	4.85
1953	8,874,068	1,275,000	7,599,068	14.37
1952	8,101,335	1,255,000	6,846,335	15.49
1951	8,009,124	1,185,000	6,824,124	14.79
1950	7,047,367	1,050,000	5,997,367	14.89
1949	7,048,753	710,000	6,338,753	10.07
1948	9,186,038	1,725,000	7,461,038	18.78
1947	4,883,907	760,000	4,123,907	15.56
1946	2,428,249	315,000	2,113,249	12.97
1945	1,934,850	175,000	1,759,850	9.04

Company Z

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$2,065,816	0	$2,065,816	0
1957	2,215,290	0	[1] 2,215,290	0
1956 [2]	746,447		746,447	
1956 [3]	1,602,988		1,602,988	
1955	1,262,177		1,262,177	
1954	1,720,086		1,720,086	
1953	1,508,988		1,058,988	
1952	1,547,048		1,547,048	
1951	703,747		703,747	
1950	151,488		151,488	
1949	154,707		154,707	
1948	134,881		134,881	

[1] Adjusted.
[2] 7 months ending Dec. 31.
[3] In totals analysis, May 31 ending years used.
NOTE.—Years end May 31 prior to 1957.

Mr. PROXMIRE. Mr. President, company Z enjoyed profits which ranged from $134,881 in 1948 to $2,065,000 in 1958, 11 years later. During that 11-year period, the company enjoyed the following profits, by year, as follows: 1948, $134,881; 1949, $154,707; 1950, $151,488; 1951, $703,747; 1952, $1,547,048; 1953, $1,508,988; 1954, $1,720,086; 1955, $1,262,177; 1956, $1,602,988; 1957, $2,215,290; and 1958, $2,065,816.

Mr. President how much do you think this company paid in taxes over that 11-year period? Zero. It paid nothing in income taxes. The fact is that the oil depletion provision and the expensing allowance provision was sufficient, so that in spite of that income in the hundreds of thousands of dollars, in some years in the millions of dollars, company Z paid no taxes at all.

Mr. GORE. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield to the Senator from Tennessee.

Mr. GORE. Does the Senator believe there is a widespread misunderstanding about the tax provision which is commonly described as percentage depletion?

Mr. PROXMIRE. I think there is a very widespread misunderstanding of the depletion allowance provision.

Mr. GORE. Is it not true that the provision permits a tax deduction of 27½ percent of gross income?

Mr. PROXMIRE. The Senator is exactly correct.

Mr. GORE. But this is limited by 50 percent of net profits.

Mr. PROXMIRE. That is correct.

Mr. GORE. And it bears no relationship whatsoever to the exhaustion of the physical assets.

Mr. PROXMIRE. Absolutely. As a matter of fact, a study made some 10 years ago, which I feel certain is still valid, shows that, on the average, in the oil industry the total cost of the oil well is written off, not once or twice, or 10 times, but 19 times. It is just as if a man in a manufacturing industry who paid $10,000 for a machine subtracted $190,000 from his income.

Mr. GORE. The Senator believes this is one inequity which should attract the attention of Congress.

Mr. PROXMIRE. The Senator from Tennessee is absolutely correct. The Senator from Tennessee is a distinguished member of the Committee on Finance. He has been fighting hard for tax reform. He has been taking a courageous and, I think, very farsighted and wise position on the stock option tax privilege which, in my judgment, is even less defensible than oil depletion. At least, in oil depletion, some kind of argument can be made to the effect that it encourages exploration, although I think that has been overstated. However, I can think of no reason which justifies stock options, because it is a kind of competitive device. As everyone knows, it is a device adapted to attract executives. If it were abolished, there is no question that there would be the same level of executive competence and ample incentives for executives to do the work; but there would not be the option device which, it seems to me, is particularly vicious because it means that the men who decide the policies of the company, including compensation policies, are the ones who provide for that option, and therefore have an interest against the stockholders under those circumstances.

Mr. GORE. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. GORE. I thank the Senator from Wisconsin for his very generous remarks.

The restricted stock option tax provision has a double evil: first, tax inequity; and, second, it permits a watering down of the stock held by ordinary stockholders.

Mr. PROXMIRE. Mr. President, the Senator from Tennessee makes a pertinent point. The fact is that it does water the stock, because of course it provides for additional shares of stock without any increase in the assets or without any increase in the income.

Mr. GORE. But when the Senate Finance Committee recently held a hearing on a bill to remove this unfair provision from the law, the Treasury Department declined to take a position—on the ground that this would be a part of a broad tax reform recommendation for next year. I am for tax reform, this year or next year; but I become a little skeptical when, this year, on August 8, the tax reform bill has not yet reached the Senate. I hope we shall not have a repeat performance next year.

Mr. PROXMIRE. I thank the Senator from Tennessee, and I agree that we urgently need tax reform. As a matter of fact, it is a matter of easing the tax burden on the overwhelming majority of the American people. We are talking about tax reform for the purpose of providing that those who receive equal incomes shall pay equal taxes—tax reform for the purpose of avoiding and preventing special privilege.

OIL PAYS LESS—WE PAY MORE

Mr. President, when we talk about tax evasion, we should always remember that when the large oil companies, with their billions of dollars in aggregate income, escape from the payment of taxes, that means that you and I have to pay more in taxes. I think all of us are happy when we see our fellow Americans become affluent; it is wonderful, it is great, and, of course, no one should complain about it. But we do not want that affluence to be at our expense. If we have to pay $25 of taxes on $100 of earnings, everyone else in the United States should pay the same tax bill, if he is operating at a profit.

Mr. President, the argument made on behalf of the oil depletion allowance simply does not meet the facts. Certainly the gas and oil industry does not need such an incentive. Is there too little oil and gasoline? Are the oil wells being pumped day after day? No, Mr. President; the fact is that we have a great surplus of oil and gasoline, and the oil wells in Texas are being pumped about 7, 8, 9, or 10 days a month.

PERVERSE INCENTIVE TO EXPLOITATION

We have too much oil—not too little. It is a great shame that with the limited amount of potential reserves there are in the United States, we have provided in the tax laws a perverse incentive which has encouraged people to exploit and use up this limited resource as rapidly as possible, because once the oil reserves are proven, then, of course, the pressure to expend them increases. From the standpoint of overall broad public conservation policy, this is a very bad provision in the tax law. But we have it; and it is pertinent to the nomination of Mr. O'Connor, because it illustrates the enormous power the oil industry has.

No other industry has such a fantastic tax privilege or anything like what the gas industry is about to get if the nomination of Mr. O'Connor is confirmed—namely, the presence on the Federal Power Commission of a man who is of, by, and for the industry he would regulate.

Mr. President, the advantages that the oil and gas industry enjoys are conspicuous evidence of the kind of political power this industry has.

POLITICAL POWER OF OIL AND GAS INDUSTRY

At this time I should like to discuss that power on the basis of a very careful and, I think, scholarly study made by a man who is one of the outstanding experts and specialists on the oil industry. His name is Robert Engler. He has written an extremely fine monograph on the oil and gas industry, as well as a series of articles on that subject. I shall quote now from some of them written in 1955, but still very, very appropriate.

Incidentally, Mr. Engler tried to approach this matter as much as possible from the standpoint of a scholar trying to ascertain the facts. I think the first paragraph of his article indicates that. He writes:

> This writer's interest in the problem of power has been a recurring one. My interest in oil began several years ago during the tidelands dispute. The speeches then were ringing and long. The hearings filled a shelf. After following them for awhile, I became dissatisfied with both the accusations of liberals who reduced the issue to a question of the oil lobby and those who resolved it into a matter of high principles and States rights.
>
> I looked for the much-mentioned oil lobby, and found it. But also I found an oil government—a private government of oil carefully interwoven with a public government run by oil. I looked for power-mad Federal bureaucrats hellbent on socializing America; I found public servants who believed deeply that offshore oil belonged to the Nation rather than to a few States or companies, and that leasing of such lands for development by corporate interests should be under Federal jurisdiction. Rarely did I encounter anyone who understood and was willing to tackle the problem on the basis of the power of the oil industry.

He goes on to point out that this is not a recent power, it is not something that has been achieved in the last several years, or just because the representatives of the State of Texas have achieved great distinction and power in the U.S. Senate and in the highest councils of our Government.

FAIRNESS MADE IMPOSSIBLE

Of course that has been a big help. It has made it more spectacular, and in the judgment of many persons has made impossible any attempt to achieve fairness and to abolish special privilege. But this is nothing new. As Mr. Engler points out—

> Since the very beginnings of this Nation there have been periods when men debated openly the relation of concentrated economic power to political democracy. In the post-Civil War period, private economic power was identified with individual giants like Rockefeller or Carnegie. Wall Street came to symbolize the locus of private rule in American life, the source of influence or decisionmaking over the lives of men on the prairies of the Northwest, the plantations of the South and in legislative halls everywhere.
>
> Such a time seems to have long since passed. The age of the corporation makes it difficult to talk in these terms. Few citizens can name the chairman, let alone a single member of the board of directors, of the Standard Oil Co. (New Jersey), a holding company which is many times the size of the original Rockefeller empire split up by court edict in 1911. Equally little is known about the policies or structure of the other oil giants, although together with Jersey they comprise 9 of the 17 manufacturing corporations with assets of more than $1 billion.

Mr. President, anyone who says this is an industry of small operators and small units, that we have to be considerate of the farmers of Texas, Oklahoma, and Louisiana, and that these are the ones who would be imposed upon by any rigorous enforcement of the law regarding regulation of the production of gas at the wellhead, has to recognize that of the 17 manufacturing corporations with more than $1 billion in 1955—and I am sure this is still true—9 of them were oil-gas companies. This is the most powerful economic group in America, just as I think I can show it is the most powerful political group in America.

Mr. Engler says:

> Formidable perimeters of defense manned by public relations specialists, lawyers, lobbyists, and vice presidents keep the immediate corporate economic activities well insulated from a not-too-interested public, while placing the spotlight on good deeds.

I am going to skip over some of this article.

Mr. Engler says this:

Oil serves as one useful springboard for analyzing the problem of power in America. On a time-power scale of history its reign as a basic energy resource conceivably could be relatively short, for oil comes into its own just prior to the dawn of the atomic age. But meanwhile it remains one of the Nation's giant industries, furnishing us ever-growing amounts of energy and power.

Where the interests of oil lie, what oil wants, how it goes about getting what it wants, the resulting impact upon public policy and democratic society, these provide the framework for this series of articles.

Mr. Engler points out:

There is considerable evidence that the oil industry knows how and when to use State and National agencies to attain its objectives, just as it knows when Government's intervention as an ally is not desirable. There is less evidence that the American people know where they want to go—either in terms of formulating a national oil policy to replace our current legally archaic and administratively irresponsible approach to this resource, or more broadly, in terms of the general impact of private economic power upon democratic ideals and practices.

In other words, the problem, Mr. President, is not evil, but power. These oil people are fine, patriotic, hard-working Americans. They are good, decent, law-abiding people. But they are mighty powerful people; and the big issue is whether they should enjoy the privilege of having their own "boy" on the regulatory body, the Federal Power Commission, that regulates their industry, or whether on the Federal Power Commission we should have dispassionate, judicial people who have a broad perspective, and who do not come from the industry, and therefore can make decisions that are fair to all concerned.

MODEST ROUTE TO POWER

Mr. Engler, in his article, indicates some of the ways in which his oil industry is able to achieve the political power which it has gained. It does so in a modest, unassuming way, which is probably partly effective because of the sincere belief on the part of the oil industry people that they do not want the Government to be economically active. Of course, they work mighty hard to get the kind of Government economic activity that they wish in regard to taxes and regulation of the industry.

Mr. Engler writes:

To ask an oilman if he or his company is involved in politics is equivalent to asking a businessman if his business practices are unethical. The reaction is immediate and indignant. Certainly no industry publicly sounds more eager to preserve the American mythology of the separation of economics and politics. Yet oil is a prospering industry which does exceedingly well in achieving all those objectives requiring the aid or sanction of Government. And regardless of the protestations or the achievements of oil, the individual oil corporations and the large trade associations in which they are joined, are in themselves essentially political as well as economic.

This is something that has not really been appreciated. The fact is that the oil associations, the large trade associations, do operate as a political entity. The Independent Petroleum Producers Association is typical of this kind of operation. And who has been a national director and longtime member, and who has lobbied for the organization, representing the oil industry? The nominee himself, Mr. O'Connor. That is why I think it is a fair statement and no exaggeration to say this man is of, by, and for the industry. It is not simply because he has been vice president of an oil and gas company for many years, and that was his principal employment.

ACHIEVING DOMINATION OF FPC

It is because this man has been nominated to this agency when he has been active in lobbying for a group which has been trying, with enormous success, to influence government, and has been achieving domination of the Federal Power Commission, the agency which should regulate the oil industry. Now, for the first time, we are called upon to determine whether we can forget the fact that Mr. O'Connor was trying to influence that agency by lobbying, and can put a man from that lobbying association on the Commission itself.

Mr. Engler goes on to say:

The oil corporation as a political institution has roots going back to the origins of the industry.

And he explores that aspect.

Mr. Engler says:

Oil, with gross assets estimated at over $40 billion in production and refining alone, supplies the Nation with some 35 to 40 percent of its fuel energy requirements. Better than 10 percent of the land area of the country is under lease for oil and gas development. With gas, it is the largest single purchaser of capital goods. It is the biggest single item in international trade.

What does such an industry want from government? What are its relationships with the political processes? Why is it so successful in these dealings? And what is its impact on the American society?

Oil is interested in the whole range of American foreign policy, from Iran to fishing rights in the Gulf of Mexico, and from reciprocal trade to the decartelization of I. G. Farben. Involved companies successfully pressured the State Department against an embargo on oil to Italy during the Ethiopian war and argued for the appeasement of the Arab world during the Palestine controversy.

The fact is that we have had over and over again in our foreign policy the power—the raw power—and almost always successful power, of the oil industry influencing our policy. It has been a great burden for this country, which has been largely motivated by altruistic beliefs, to bear.

BAD EFFECT ON FREE WORLD

It has been one of the most difficult problems for our country to convince other countries in the free world that we are sincerely interested in their well-being and in peace, in view of the vast influence that intrudes itself over and over again whenever oil is involved.

The distinguished senior Senator from Tennessee [Mr. KEFAUVER] last year, in a debate on oil policy, made a partisan statement which I think perhaps can be applied, on the basis of what we have seen, to both political parties. He said that every time the oil industry takes snuff, the Eisenhower administration sneezes. Unfortunately, it appears this can be said of political administrations regardless of their party. This industry has been fantastically influential.

As Engler says:

In its councils are discussed the statehood of Alaska, mineral leasing rights in Montana, and the highway taxes of every State. Oil wants to see public lands developed, not just held by Government. It watches Government experiments in synthetic rubber and liquid fuel. It fears the rivalry of atomic energy and is determined to keep its peaceful development under control.

This is where the enormous influence of the oil industry is so dangerous. This is why I protested the nomination of Mr. John Connally to be the Secretary of the Navy. Although the Secretary of the Navy, he continues to be an executor of one of the biggest private oil estates in the world, the Hunt estate. In addition, he is in charge of the buying of all of the oil for all of the armed services. In addition, the Secretary of the Navy sits on the Navy's very important research project in atomic energy. I think this is a most unfortunate conflict of interest, because the oil industry has a conflicting interest as to this competitive energy source.

RICHEST PRIZE IN HISTORY OF OIL

This is only another indication, of the power of the oil and gas industry, along with the appointment of John Kelly to be Assistant Secretary of the Interior. Now there is the appointment of Lawrence O'Connor to sit on the Federal Power Commission. This is an indication of the way the oil industry has been successful in operating, and perhaps more successful in recent years than ever before.

Oil wants to be the arbiter of when and where Government takes responsibility in relation to oil. It has preferred State to Federal control of offshore oil, a development whose worth the industry persistently deprecated publicly prior to the 1953 tidelands legislation but which now is spoken of frankly in the Oil and Gas Journal as the "richest drilling prize in the history of the oil business"—

The tidelands oil was regarded by the oil people, at the time they opposed Federal jurisdiction, as not very important. Now they agree that it is the "richest drilling prize in the history of the oil business." If their words can be believed, it is now worth billions and billions and billions of dollars—

While maintaining a public air of indifference, oil fears and quietly opposes the earmarking of Federal royalty and bonus money for education because of its potent political appeal. And it wants no regulations on the production and gathering of natural gas, the overwhelming bulk of which is produced in conjunction with oil and by affiliates of the major oil companies—

That is the point we are discussing today. The industry wants no regulation on the sale of natural gas at the wellhead. The industry has been very successful with the Federal Power Commission, despite the Phillips decision and the Catco decision, in having a de facto situation in which the Supreme Court is

nullified, has no effect, is ignored, and is treated contemptuously.

SEVEN FIRMS CONTROL WORLD'S OIL

The same association of which the nominee, Mr. O'Connor, is an active member, a committee chairman, and a strong representative, is the association of which I speak:

Oil wants the sanction of public government wherever its own private practices risk running counter to the legal or value systems of the American people. Thus it receives State Department and National Security Council backing in setting up and maintaining an essentially cartel patterning of world oil production which keeps the control of oil from the well to the ultimate consumer under the apportioned domination of seven major companies and their intricately linked affiliates. As part of its price for contributing to war mobilization during World War II, oil pressed for and received a moratorium from antitrust investigation and litigation.

Since 1935 the industry has received periodically from the Congress basic legislation authorizing an Interstate Oil Compact Commission. With conservation its avowed objective, this body serves as an effective meeting place for coordinating the official production and pricing controls characteristic of most oil States and designed to ensure that production never outruns market demand, i.e., the amount the industry estimates is likely to be consumed at industry-set prices. This has been a consistent objective since the earliest days of oil history when production quotas were set secretly by private groups.

In other words, what the oil industry has been able to do is to use the Government, the Interstate Oil Compact Commission, as a price-setting device, as a way of escaping and avoiding the antitrust laws, and as a way of keeping profits up.

IF THERE WERE COMPETITION

I read the profits of the oil companies. Those are typical profits. Losses seem to be extremely rare. This is true in an industry in which supply is quite large and in which, if there were competition, the price of oil would not go only in one direction, which it does consistently, but would go down once in a while.

It is true that occasionally the consumers pay less for gasoline, but this is because the retailers of gasoline often engage in a price war. The filling stations are competitive, but the big oil companies see to it that their prices go only in one direction. Unlike the farmers and the small businessmen, they have control, thanks to the Government and to their influence in the Government, of the pricing process. Through the Interstate Oil Compact Commission they have been successful in pushing the price of oil up and up and up.

As Engler says:

Nominally an organization of State officials, the Commission is under the constant surveillance of the oil companies who have always recognized it as an instrument for forestalling Federal regulation. In past years oil companies have flown State members to the meetings, and the natural gas industry has footed banquet bills. The technique is more sophisticated today, although as usual the industry's vast private airplane fleet remains one of the significant ways the industry has for flattering and serving modestly paid political and administrative personnel at all levels.

Mr. President, I should like to emphasize the last sentence. The oil industry is so affluent and so rich that it is able to use airplanes to fly industry members and governmental officials and so forth all around the country.

MOST PLANES ARE OIL'S

In 1953, the latest year for which figures were available when the article was written, the Aircraft Industries Association reported that the oil industry had more planes than the scheduled airlines had.

This oil industry is so affluent that it has more planes—think of that—than all the scheduled airlines in America. Of course, they use those planes, as is stated in the article, "for flattering and serving modestly paid political and administrative personnel at all levels," as well as for personal purposes:

The market forecasts from the U.S. Bureau of Mines and the production quotas set by State agencies, notably the Texas Railroad Commission, are in effect industry predictions made under the protection of public law. Oil thus avoids the twin horrors of competition and antitrust action. Production in excess of the prorationing orders of State agencies violates State law, just as interstate shipment of such "hot oil" violates the Federal Connally Act. Prorationing is favored by the States to help independent producers get their share of the market, but the real power remains in the hands of the pipelines and refiners far beyond State boundaries.

That statement was written in 1955. It may have been true in 1953 or in 1954, but I certainly vigorously differ with it today. The fact is that the producers, as is indicated by the chart, in the last 15 years have vastly increased their prices and greatly increased their power. As the statistics which I put into the RECORD yesterday indicate, the producers now constitute the principal element—in fact, a far bigger element than both the pipelines and distributing utilities combined—with respect to the cost of industrial gas in many, many States.

PRODUCERS NEVER CUT RATES

Even in a State as far north as Minnesota we found, on the basis of the statistics, that 45 percent of the cost of industrial gas was the producer's cost. In many other States, the producing industry received well over 50 percent; and in the State of Louisiana it was over 80 percent.

The amount which the residential user of gas pays to the producer has increased in percentage and has increased absolute every year. While the utilities, which are under regulation, sometimes have decreased their rates—they have in my State, for example—and while the pipelines, also under effective regulation, have decreased their rates and have done so in many States, the producers have never decreased their rates. The situation now is that the producers have a great deal more power. Of course, it is the producer who would be protected primarily by the confirmation of the nomination of Mr. O'Connor to be a member of the Federal Power Commission.

As Mr. Engler says:

Potential oil States are fitted into this system by conservation (market demand) laws introduced even before oil is found. After the late Senator Kenneth Wherry (Republican, of Nebraska), never noted for his hostility to business—

He was a conservative Senator and a very strong champion of business—

investigated this entire operation, he suggested that the President should suspend the Connally Act because of its use to create shortage and maintain price. Concluded his Small Business Committee: "There is a mechanism controlling the production of crude oil to market demand that operates as smoothly as the finest watch."

Currently much of big oil favors the use of State power to force recalcitrant producers to cooperate in the joint operation of fields. This has merit as a conservation measure.

It also reveals oil's willingness to use Government coercion when convenient, raising intriguing questions as to the industry's presumed commitment to the competitive system. (In the early thirties, the head of Standard of New Jersey even proposed that the Government operate the flowing east Texas fields on a unitized basis.)

The industry is always careful to supply appropriate agencies of the Federal Government with a steady stream of temporary suitable personnel.

This point, of course, is the one we are discussing today. It is now at issue before the Senate in my motion to recommit the nomination of Lawrence O'Connor. The oil and gas industry has had great success in supplying the Government with people from the industry so that their viewpoints would not only be heard but would be dominant.

NO PLACE FOR BIAS

I wish to make clear that I think the oil industry as well as other American industries should be encouraged to make representations to the Government. They have a stake in the Government, and should do so. They have the right to do so. They should be heard and heard thoughtfully, carefully, and considerately.

But what I object to is the industry having the kind of dominant influence and control that would result from the appointment to the Federal Power Commission of one of their own representatives. To revert to the same analogy I have been using over and over again, I think the Yankees should have an umpire who will be completely fair to the Yankees and who will not call balls and strikes because he wants the Yankees to be defeated. He should be fairminded. But also the Yankees should not have as an umpire a player like Mickey Mantle or Roger Maris, or any man who is biased in the interest of the Yankees, and who obviously will call the close ones in favor of the team he believes in.

This is exactly what happens when the President appoints and the Senate confirms the nomination of a man from the oil-gas industry, a man whose position is very clear on the basis of all his experience, on the Federal Power Commission to decide whether or not the householder who has a gas furnace should pay more in gas bills or not.

WILL CALL CLOSE ONES AGAINST HOUSEHOLDER

Obviously, when a man is taken from the gas industry and placed on the Federal Power Commission, he will call the close ones, or even the not so close ones,

in favor of the industry and against the householder, and in favor of the industry and against the industrial user of gas.

As Mr. Engler said:

This is an interesting contrast with other areas of Government-business relations where the normal peacetime manpower flow tends to be from Government to business and the level of ability of businessmen in Government is considerably lower.

Mr. O'Connor is a very limited expert. He is not a lawyer or an engineer. He is an accountant. But he is exactly the wrong kind of expert. I believe it is an argument against the appointment of Mr. O'Connor. We do not need an expert in this general's job. We do not need an expert who will be an expert against the interest of the consumer and against the broad public interest. The fact that a man of ability from industry is placed in the Government will help the industry, but will it help the public interest?

Mr. Engler said:

During World War II, approximately 75 percent of the executive and technical staff of the Interior Department's Petroleum Administration for War came from the industry or closely allied fields, with less than 10 percent coming from other Government agencies.

KELLY AND HIS HOLDINGS

That is exactly why I oppose the nomination of Mr. Kelly. He came in as Assistant Secretary of the Navy in Charge of Oil, with vast oil holdings of many millions of dollars. He held onto approximately half of his holdings. Other holdings he gave to his children with his personal attorney as custodian.

Obviously there was a conflict of interest, but obviously it was one of great special privilege and advantage to the oil industry itself. But I point out again that this would be the first time that the Government has gone so far as to place at the head of an agency which regulates the industry a man straight out of the industry itself.

Engler went on to say:

Paradoxically, it was Secretary of the Interior Harold Ickes, the honest and outspoken public servant who was later to resign from Truman's cabinet over the nomination of California oilman Edwin Pauley as Under Secretary of the Navy, who accepted and developed this pattern. In 1936 Ickes had confided in his diary that—

I wish to emphasize that what I am reading is a quotation—

"an honest and scrupulous man in the oil business is so rare as to rank as a museum piece."

I do not believe that statement. I think it is wrong. I think Mr. Ickes, as he did occasionally, overstated the point. I think that honest and scrupulous men in the oil business are prevalent.

OILMEN WORK FOR OIL

I think the people who are dishonest have very little influence in the oil industry. At the same time men in the oil industry are working for the advantage of their industry. They are working to achieve it, and are highly successful in getting it, as shown by the fact that the householder must pay so much more for gas than he would be required to pay on the basis of a judicial review.

Mr. Engler said:

He likened dollar-a-year men in the War Production Board to crawling maggots looking out for their private interests. Reassuring those who warned him about business taking over government, he made clear he had no illusions about oil.

In other words, Ickes felt that though other business had not been successful in taking over government, in his vast experience, the oil representatives were successful in doing so.

Mr. Engler continued:

But Ickes explained that you could not get the industry to cooperate unless it participated in policymaking decisions, a judgment paralleling Walton Hamilton's definition of the War Production Board as "a house of delegates from American industry." Ickes, for example, believed oil's 27½-percent depletion allowance was thoroughly unconscionable, but would not say so publicly lest this put him at cross-purposes with oil interests and make his job more difficult. His chief aid was Ralph Davies, of Standard Oil of California. Rated as able and public spirited, Davies' record hurt him with his company, which continued to pay his salary. Relations were severed after the war. One vice president recently summed up the episode: "We once had a guy who wanted controls—Ralph Davies. He was socialistic minded." The American Petroleum Institute's William R. Boyd, Jr., had a different conclusion: "It was a lucky day for America when the oil industry fell into the hands of its archenemy, Harold Ickes."

Every action of Interior—once described by Robert La Follette, Sr.—

Robert La Follette was my predecessor twice removed in the seat I occupy in the U.S. Senate. Old Bob La Follette described the Department of the Interior as—

the peacetime "sluiceway" for a large part of the corruption to which Government is subjected—is closely watched. Discussions and decisions in oil and gas are quickly transmitted to industry circles and oil newsletters. One former Interior staff member tells that when in 1949 the Secretary sent an inquiry about in-perpetuity leases to the Director of Land Management, the next morning he received telegrams from Denver, San Francisco and elsewhere protesting any possible action.

At the time of Korea, oil people put great pressure to have the Petroleum Administration for Defense set up as an autonomous body reporting to the Secretary rather than through Department channels. The various trade journals, closely linked to the industry, provide a good insight into the temper of the demand and oil's attitude toward Government as a private preserve. For example, an editorial in the influential National Petroleum News in 1951 labeled Government employees as the "inside U.S. enemy," who hampered efforts in World War II.

This is what the oil trade publication stated:

Oil as well as other big industries always will have to be ready to fight smearing attacks from the vicious and even just plain unintelligent bureaucrats and their supporters in Congress. Oil and other industries * * * will be on trial before a court of critics, if not downright enemies, with spies scattered liberally at jobs throughout industry's part of the war effort. * * * As in World War II, regulations for the most part will be drawn by men unfamiliar with a particular business or even any business. Among the volunteers to write these regulations will be the usual lot of unemployed or near unemployed reformers, people who can easily get away from their present jobs, and others who can use to advantage the thousand or so dollars additional they may get over their present modest pay.

ARROGANCE OF OIL

Mr. President, this is the kind of arrogant attitude which the National Petroleum News took, and which too many people in the oil industry have taken toward Government and toward those in Government who are doing their best to do a fair job.

This is the kind of denunciation and attack which is made against those who insist, not on persecution of the oil industry—which is a ridiculous suggestion, considering their vast power—but on a fair break for those who deal with the oil industry, the consumers. The article goes on to say:

Their solution was that the American Petroleum Institute, which has been the target of serious antitrust charges by the Justice Department in the past "should take up the task of supervising all personnel that have to do with petroleum supplies no matter in what government service, military or civilian, or in what land."

This suggestion is not as farfetched as it might appear, in view of the interlocking relationship API has with Government agencies. More than half of the hundred-odd members of the National Petroleum Council, the chief oil study and advisory body within Interior, are also directors of the API. Many are registered lobbyists or heads or representatives of oil trade associations. NPC's chairman, an oilman rather than a public official as is customary in Government advisory agencies, is Walter S. Hallanan, president of the Plymouth Oil Co., Republican committeeman from West Virginia, and a supporter of Taft, MacArthur, and McCarthy. Hallanan believes that "America has little to fear from its business giants, who have served the country so well, as compared with the very real and imminent peril that it faces from the giant of Government." The NPC makes studies on oil questions at the request of the Secretary of the Interior, using experts from the various oil companies.

QUICK TO EMPLOY PRESSURE

In 1955 there was no contemplation and there was no record and no precedent for placing on the Federal Power Commission a man from the industry that was regulated by the Federal Power Commission and the industry which indeed is by far the most controversial, in view of the clear language that the Congress wrote into the law and the action of the Supreme Court.

Mr. Engler then states:

A similar pattern holds true in the Defense Department's Office of Petroleum Logistics.

He goes on to document that statement.

I skip some of the material in the article Mr. Engler has written. He then continues:

Oil is quick to apply pressure upon those public servants who assume their responsibility for the handling of oil and gas extends beyond the industry. Witness the savage and successful assault upon ex-Federal Power Commissioner Leland Olds whose renomination was blocked because of this concern for the consumer and upon ex-Federal Trade

Commissioner Stephen Spingarn whose character, mental stability, and loyalty were publicly questioned because of his role in the release of a report on the international oil cartel in 1952.

SUFFERED POLITICAL REPRISAL

The senior Senator from Illinois [Mr. DOUGLAS] last night discussed this question with me and asked if it was not true that when Federal Power Commissioners acted to reflect the public interest and to require compliance with the law, they sufffered severely from political reprisal, thanks to the influence of the oil industry.

Of course that is true. Mr. Engler refers to Leland Olds. I think that the Buchanan case is another example where an appointment was not confirmed because of the devastating opposition of the oil industry. In my judgment the most spectacular example was that of William Connole, a man who was praised not only by his supporters but praised also by the oil industry itself. I have available a copy of Petroleum Week, in which there appears an article bearing on Mr. Connole. Petroleum Week itself praised Mr. Connole on his ability. The article states, in part:

While some FPC members have dragged their feet on producer regulation since the U.S. Supreme Court's Phillips case decision in 1954, Mr. Connole since his appointment in 1955 has striven for an early and workable method of determining producer gas prices.

It goes on to say that he has the respect of those who disagree with his views; that he is smart, he works hard, and does his homework.

This man suffered for his diligent, vigorous insistence on enforcing the law. He suffered by not being reappointed to the Federal Power Commission. This is an example of the fact that those who stand up for the consumer groups do not stay on the Federal Power Commission very long.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am glad to yield.

Mr. CARLSON. Early this morning I made the statement that the Senator from Wisconsin was within his rights in conducting this discussion in, I thought, a very commendable way.

As a result I believe that the impression may have gotten out that I was supporting the Senator from Wisconsin's views with respect to Mr. O'Connor's nomination. I base that statement on a press ticker report which I have just seen.

I am sure the Senator from Wisconsin did not have that in mind.

Mr. PROXMIRE. The Senator from Kansas is absolutely right. It was my assumption that the Senator from Kansas would probably support Mr. O'Connor. I do not know what his position is, but I assume that he would support the nomination. I thank the Senator for his remarks with regard to my procedure, and I know they had nothing to do with the merits of my case.

Mr. CARLSON. I wish to assure the Senator from Wisconsin that I certainly expect to support Mr. O'Connor in the confirmation of the nomination. I merely wished to comment that the Senator from Wisconsin, despite the fact that some may think he was delaying the consideration of the nomination, was well within his rights, which I believe to be the right of every Member of the Senate, and I want the RECORD to be emphatically clear that I intend to support Mr. O'Connor. I think he is an outstanding nominee. I sincerely hope that the Senate will confirm his nomination when the Senator has concluded his speech.

Mr. PROXMIRE. I thank the Senator very much.

Mr. President, I continue reading from the article:

The staffs as well as policies of the Interstate Commerce, Federal Power, and Federal Trade Commissions and the Justice, Defense, and State Departments are closely watched.

OIL EXERCISES VETO

So wrote Mr. Engler in 1955. They are really being watched mighty closely in 1961, because the gas industry is seeking to place on the Commission, for the very first time, a man straight from the industry. Mr. Engler goes on to say:

Much of the industry's affection for the principle of States rights is related to the recognition that it is harder to influence such figures as a Secretary of Interior, who, however amenable, is in the national limelight, than a State conservation commissioner who is obscure save to the immediate interest groups concerned. A Louisiana oilman contributed heavily to Earl Long's gubernatorial campaign reportedly in order to get rid of a commissioner of conservation. In the more sophisticated States you won't find oil that visible in politics, but neither will you see a commissioner unsympathetic to oil. Veto power is effectively exercised over gubernatorial choices for State geologists and regulatory officers. One can appreciate the virtues of local self-rule when recalling the classic Texas prorationing controversy of 1931. Gov. Ross S. Sterling, a former president of Humble Oil (a Standard of New Jersey subsidiary), ordered the State troops under the command of Gen. Jacob F. Wolters to close the wells. "Wolters," relates an oil history subsidized by Standard, "had been called away from his duties as chief counsel for the Texas Co."

Traditionally, individual oilmen in Pennsylvania, Texas, Oklahoma, Louisiana, California, and the other oil States have exerted considerable influence in elections. Recalling his own experience with the power forces of his oil district which finally defeated him, a former Texas legislator and New Deal Congressman made clear to the writer his conclusion that more than good citizenship is involved in these relations: The big boys from the utilities, the banks, railroads, and oil and gas want to contribute to your campaign. They watch you to see if you are OK. Then they'll ask you how you stand on key issues; if you are OK they'll want to contribute.

I am sure that virtually every Member of Congress has been very familiar with this practice on the part of the oil industry to make contributions in areas in which it has no direct interest. That has been true in my State of Wisconsin, where, so far as I know, not 1 gallon of oil is produced. But the oil people have made contributions; some Texas oil people, some New York oil people, and others have made very large contributions to the political parties, depending on their records.

MY OPPONENT CAN COUNT ON OIL

Mr. President, I am sure that on the basis of my speech today and my record generally, my opponent in 1964 can expect to receive very large contributions from the oil industry. As a matter of fact, the oil industry has probably been more generous and more active in this respect throughout the country than has any other industry.

Mr. Engler writes:

Membership on key congressional and State legislative committees is screened for those who might be hostile to oil's requirements. Under the watchful lieutenantship of Speaker SAM RAYBURN and Majority Leader LYNDON JOHNSON one test for a seat on the Senate Finance Committee and the House Rules and Ways and Means Committees, it has often been reported, is proper respect for the 27½ percent depletion allowance provided for oil drillers.

Mr. President, this was written in 1955. I was elected to the Senate in 1957. Ever since 1957, I have been trying to get on the Senate Finance Committee, and I have done all I could to get on it, but I have not had any success. No doubt this does not prove the rule; but undoubtedly for those who are opposed to the 27½-percent oil depletion allowance it is a long, long wait.

The article by Mr. Engler continues, as follows:

Nor do the courts escape scrutiny. In 1951, the Texas House of Representatives, angered by the Supreme Court ruling in favor of the Federal Government's paramount rights over offshore lands, adopted a resolution requesting the impeachment of Justice William O. Douglas as responsible for "leading three other members of the Supreme Court into a decision which is in violation of the Constitution * * * and * * * which * * * wantonly and wrongfully robbed Texas and its public school fund of property rightfully belonging to it * * *." Resource-minded figures like Judge Bottomly, of the Montana Supreme Court, who had been one of the few State attorneys general in the Nation to oppose State control of offshore lands and who from the bench had fought industry's attempts to exploit his own State's public lands, was one of oil's big targets when he was up for reelection in 1954. But oil energies today tend to be devoted more to overruling judicial action through legislative recourse, as evidenced in the natural gas proposals now being introduced in Congress.

Mr. President, I ask unanimous consent that I may yield to the distinguished senior Senator from North Carolina [Mr. ERVIN] without losing my right to the floor.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered; and the Senator from North Carolina is recognized.

FOREIGN AID

Mr. ERVIN. Mr. President, it is not altogether easy to do what I am about to do. The temptation to go along with the crowd and support the recommendation of a popular President is strong.

After all, however, one must take such position as he honestly believes to be in harmony with the best interests of our country.

I have made a diligent effort to study the foreign-aid program. My study has left me with an abiding conviction that foreign aid harms our country and the free world more than it helps them.

This has not always been true. During the Second World War the United States expended $49 billion in its lend-lease program which contributed materially to our victory in that struggle. During the next succeeding years the United States financed in large measure the United Nations Rehabilitation and Relief Administration; it created and supported the armed services civilian supply program; it set up the emergency relief fund for Austria, Italy, and France; it gave military aid to Turkey and Greece, under the Truman doctrine; it established and supported the Marshall plan. All of these foreign-aid programs had a direct relationship to the Second World War, and did much good. This is particularly true of the Marshall plan, which did much to put the nations of Western Europe on their financial feet.

On September 20, 1952, President Truman appointed an able Committee headed by his distinguished Secretary of Commerce, Charles Sawyer, to survey the economic conditions and prospects of the European nations which had been receiving foreign aid under the Marshall plan. That Committee recommended that foreign economic aid be discontinued. It gave as a basis for its recommendation these reasons:

> Indefinite dependence on aid destroys self-respect, impairs the real strength of the recipient economy, and has a capacity to destroy friendly relations between the giver and the recipient.

The reasons assigned by the Sawyer Committee in 1952 for the discontinuance of economic foreign aid are just as valid today as they were then. Subsequent events have made it manifest, I think, that the granting of economic aid by the United States to other nations since the termination of the Marshall plan has done more harm to the strength of the United States and the free world than it has done good.

Ever since I came to the Senate in 1954, those in charge of administering the foreign-aid program have been seeking to persuade the Congress of the United States to place the program on a long-term basis. This effort is being renewed at the present time with more vigor than at any time in the past.

The Psalmist said—Proverbs, chapter 30, verses 18–19:

> There be three things which are too wonderful for me, yea, four which I know not:
> The way of an eagle in the air; the way of a serpent upon a rock; the way of a ship in the midst of the sea; and the way of a man with a maid.

Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Missouri [Mr. SYMINGTON], for an insertion in the RECORD, with the understanding that I shall not thereby lose the floor, and with the further understanding that his insertion follow my remarks in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, there is one thing more mystifying than the four things which baffled the Psalmist. It is the way in which the Congress of the United States allows itself to be beguiled into surrendering its constitutional powers to agencies and departments of the executive branch of the Government.

Under the Constitution, the power of the purse is vested in the Congress, and the Congress alone. If Congress enacts into law the provision which authorizes those who administer the foreign aid program to finance that program for 5 years from borrowings from the Treasury, the Congress will be surrendering a power, which the Constitution contemplates that Congress alone should exercise, to an agency of the executive branch of the Government.

There is no validity whatever to the argument that Congress can recover the power of the purse in this particular area at any time within those 5 years. This is true because, under the Constitution, the President can veto any legislative effort on the part of the Congress to recapture its constitutional power over the purse insofar as this particular area of the foreign aid program is concerned.

This means that, although the Constitution itself contemplates that a majority of the Congress shall exercise the power of the purse, the adoption of this provision of the pending bill will make it impossible for the Congress to exercise that power for 5 years in this area unless the Congress can muster a two-thirds vote to override a veto.

Mr. President, I do not wish to belabor my next point, which is that neither the President of the United States nor the Secretary of State will administer the program to be established under this bill. The administration of this program will be committed to a bureaucracy which has operated for years either under its present name of International Cooperation Administration, or its former names as the Foreign Operations Administration, or Mutual Security Administration, or European Cooperation Administration. This bureaucracy has some 2,000 employees, who occupy some 500 offices in the city of Washington, and 10,000 other employees who are scattered abroad in about 97 of the 110 nations of this earth.

The history of this bureaucracy has been characterized by incredible inefficiency and incredible waste. Even those who advocate entrusting the proposed program to this bureaucracy concede that this statement is true.

In recent days, Thomas S. Loeber, who was employed by this bureaucracy for 4 years in Jordan, has written a book about this organization and its activities entitled "Foreign Aid: Our Tragic Experiment."

On pages 19 to 31 of his book, Mr. Loeber recounts in detail some of the sheer stupidity which has characterized the administration of the foreign aid program in Jordan. I shall not undertake to detail what he says. I shall content myself with simply reading a quotation which begins at the bottom of page 29 of the book.

> To end, but by no means complete, this rollcall of delinquent aid projects in Jordan, the following should be noted: inactive projects still maintaining technicians on the payroll, Jordan Government purchase contracts on ICA-supported projects that often pay twice or three times the normal market prices for their goods; surplus grain shipments which have been resacked and sold on the local market or which appear on sale in neighboring countries, still with the ICA shield on the bag; American-financed highways that the local contractors have cheated on so badly that they go to pieces in the first rains; and the universal practice of jamming ICA project payrolls with indolent political appointees.

The Comptroller General's Office has asserted that the ICA has substantially overvalued local currencies in relation to the dollar; that it has unduly increased the cost of U.S. aid; that it has used unrealistic exchange rates which resulted in windfall profits to foreign importers; that it has provided incentives for speculation and irregular practices; that it has excessively staffed its missions in other countries with local nationals; that it has been guilty of serious deficiencies in administration; that it has permitted a $700 million fund to disappear almost magically; and that it has been guilty of lax administration procedures which run throughout the entire organization.

Anyone who is interested in pursuing this further will find references to what the Office of the Comptroller General has said about the ICA on pages 37 and 38 of Mr. Loeber's book. I shall use the words of Mr. Loeber to describe the organization which is going to administer the foreign aid program in the future, as it has in the past. On page 65 of his book, Mr. Loeber says:

> There have always been self-protective bureaucracies in government, and it is not a surprise to find one here, but if foreign aid is so vital to America and the free world, it cannot be trusted to so monstrous and directionless a bureaucracy as ICA has become.

Mr. President, Congress could still establish a sound foreign aid program if it would ignore the demands of those who seek to impose the burden of our present foreign aid program upon the backs of American taxpayers until the last, lingering echo of the last toot of Gabriel's horn trembles into ultimate silence.

I respectfully submit that the Congress could establish a sound foreign aid program, which would strengthen the United States and the free world, if it would establish the program under the following basic concepts:

First, a program under which the United States would give necessary military assistance to nations like Turkey, Pakistan, Formosa, South Korea, and the Philippines, which have manifested their willingness to stand up and fight on the side of the free world in any possible conflict with the Soviet bloc.

Second, a program under which the United States would grant reasonable economic aid to economically insufficient countries like Formosa, South Korea, and Turkey, which have allied themselves with the free world.

Third, a program under which the United States would give technical assistance to underdeveloped countries,

and thus enable them to learn how to help themselves.

I think all will agree on the truth of one assertion, regardless of their views with respect to the pending bill. This assertion is that foreign aid cannot be justified unless it strengthens the economic or the military or the international position of the United States in today's precarious world.

Under the Constitution the power to tax and the power to appropriate moneys raised by taxation can be exercised by the Congress only for a public purpose which is recognized by the Constitution itself to be valid. This being true, the Congress does not have the constitutional power to convert the United States into an international Santa Claus and permit it to scatter the patrimony of our people among virtually all the nations of this earth.

Congress can exercise the power to tax and the power to appropriate only for purposes which would strengthen the United States, either economically, militarily, or internationally. Foreign aid does not strengthen the economic position of the United States. On the contrary, it weakens the economy on which the defense of the United States and the free world depends.

Let us briefly review the record of foreign aid during the postwar period, that is, during the period which began on July 1, 1945, and ended on June 30, 1961. During a portion of this period; namely, from July 1, 1945, through June 30, 1960, the United States made grants and extended credits, which have been utilized and not repaid, for foreign aid projects, amounting to $81 billion. During the same period it made capital investments in such organizations as the International Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, and the Inter-American Development Fund, amounting to $4.9 billion.

In addition to those sums which were expended during the period stated, the United States had available on June 30, 1960, for foreign aid purposes out of unspent appropriations made by Congress before the fiscal year 1961 an additional $6.5 billion. In addition to the moneys so available out of appropriations made by the Congress before fiscal year 1961, Congress appropriated for foreign aid purposes during the fiscal year 1961 $4.1 billion. It thus appears that during the postwar period beginning July 1, 1945, and ending on June 30, 1961, Congress made appropriations totaling $96.5 billion for foreign aid purposes.

At the time this period began; namely, on July 1, 1945, the national debt of the United States amounted to $259 billion. At the end of this period; namely, on June 30, 1961, the national debt of the United States amounted to $289 billion.

In other words, during the period in which Congress has been making appropriations for postwar foreign aid to the amount of $96.5 billion, the national debt of the United States has increased $30 billion. Sixteen full fiscal years have passed since our postwar foreign aid began. In 10 of those fiscal years; namely, 1946, 1949, 1950, 1952, 1953, 1954, 1955, 1958, 1959, and 1961, the United States failed to balance its budget and operated in the red. It is now estimated by competent authorities that the hole in our Treasury will be deepened by at least $5.29 billion during the fiscal year which began on July 1, 1961.

In the light of those facts how can Uncle Sam reach the strange conclusion that he is qualified to tell his Latin American neighbors that they ought to reform their systems of taxation and otherwise set their financial households in order?

One thing is certain. Our Latin American friends will never do this if they pay more heed to Uncle Sam's example than they do to his precepts.

One of my misgivings concerning the fate of the proposed program, that is, the program proposed by the bill, insofar as Latin America is concerned, arises out of my conviction that example is always more efficacious than precept, and that the best way to set an example is for the self-appointed judge to do himself what he urges others to do.

The record of the fiscal activities of the Federal Government since the beginning of postwar foreign aid reveals a fact which is well nigh incredible. It is this: As a practical matter, the United States has actually borrowed a substantial part of the money which the administrators of postwar foreign aid programs have been scattering abroad among some 97 of the 110 nations of this earth.

Moreover, the United States has persisted in this well-nigh unbelievable course of action notwithstanding the fact that its national debt is reputed to be greater by far than the combined national debts of all of the other nations of the earth.

Since there is nothing to indicate the contrary, one is sometimes tempted to adopt the pessimistic conclusion that the congressional majorities which sanction such follies are willing to leave the resulting deficits as legacies to our children and our children's children.

Be this as it may, no intelligent and truthful person will gainsay the proposition that it is sheer stupidity for either a government or an individual to persist in borrowing money for the purpose of giving it away. There is certainly no surer way in which the United States can bring to pass the communistic prophecy that the United States will ultimately destroy itself by spending itself into bankruptcy.

If an individual were to persist in borrowing money for the purpose of giving it away, his family and friends would institute an inquisition in lunacy, and procure the appointment of a guardian to manage his affairs. If an individual were to undertake to give away his property instead of paying his debts, the law would stay his hand and compel him to be just rather than generous. It is high time that Congress should exercise some commonsense and put similar restraints on the Federal Government.

The validity of the objection that it is sheer stupidity for the Federal Government to borrow money for the purpose of giving it away is not affected by the assertion of the proponents of the pending bill that "the heart of the new legislation is the provision for long-term financing of the loan program, with authority for the Executive to borrow from the Treasury $1,187 million in fiscal year 1962 and up to $1.9 billion in each of the next 4 fiscal years."

This is true because the pending bill authorizes the use of $4.3 billion in fiscal year 1962, of which only $1,187 million is included in the new loan provision. Since it will be operating in the red in fiscal year 1962, the Federal Government will, in essence, be compelled to borrow the $1,187 million before it can lend it.

If Uncle Sam finds anything beguiling in the term "loan," his memory is certainly fickle. The United States made loans to other nations during the First World War, and a substantial part of those loans; namely, $18.5 billion, is still unpaid. When he gently hinted a few short years ago that he would be pleased to receive payments upon these loans, Uncle Sam found himself berated by the borrowers as Uncle Shylock. Surely Uncle Sam has not so soon forgotten that Polonious was a wise man and not a fool when he said to Laertes that "loan oft loses both itself and friend."

(At this point Mr. METCALF took the chair as Presiding Officer.)

Mr. ERVIN. Mr. President, we cannot measure the full impact of postwar foreign aid upon the finances of the United States merely by recounting the total amounts which have been devoted to foreign aid or the amounts by which the national debt has been increased. This is true because when Congress appropriates money for foreign aid to be scattered for all kinds of purposes among 97 of the 110 nations of this earth, it really disables itself to refuse the demands of any group of Americans that it appropriate other moneys demanded by them for like purposes of a domestic nature. Congress cannot be expected to refuse to do for the home folks what it has done for people in lands beyond the seas.

Foreign aid does not strengthen the military position of the United States. On the contrary, it impairs the buildup of our Armed Forces, on which the survival of the United States and the free world may depend.

I have been privileged to serve on the Senate Armed Services Committee under the chairmanship of my friend, the able and distinguished Senator from Georgia [Mr. RUSSELL], since about January 1955.

During this time I have heard the civilian Secretaries and our military leaders when they have come before the committee to present their requests for authorizations for national defense purposes. I have heard such men as General Ridgway, General Gavin, and General Taylor urge the committee to report a bill authorizing appropriations in excess of those asked by the civilian authorities, on the ground that the appropriations requested by the civilian authorities have been inadequate to maintain our ground forces at proper levels, and to equip our ground forces with modern weapons. The civilian authorities have always said

on these occasions that the committee ought not to take any such action, because it was essential to keep the United States financially sound and the action urged by the military men was beyond the financial capacity of the United States.

As a member of the committee, I have shared the opinion of other members that the airlift of the United States was insufficient to transport our Armed Forces in adequate numbers to troubled spots. I have shared the opinion of other members of the committee that common prudence required the United States to proceed with the program to build B–70 bombers. On at least one occasion, I remember that one of the civilian Secretaries said we could not go ahead with the B–70 bomber program because it was necessary for us to develop intercontinental ballistic missiles, and that the financial resources of the United States would not permit this country to go ahead with both programs.

I remember one occasion when the civilian Secretary of the Air Force and General White, the representative of the Air Force on the Joint Chiefs of Staff, engaged in a debate on this point before the committee. On that occasion, General White stated that it was necessary for us to have the B–70 bomber as well as intercontinental ballistic missiles because of certain differences between a B–70 bomber and such missiles. The first was that a missile is relatively stationary and is, therefore, vulnerable to enemy attack, whereas a B–70 bomber could be moved from place to place or put in flight. General White also stated that a missile can be fired at only one target, and that when it is once fired it is gone forever, whereas a B–70 bomber, flying at supersonic speed, at an extremely high altitude, could carry either conventional or nuclear bombs and attack several targets on one trip, and make further attacks, in the event it escaped destruction.

Despite the insistence of General White and other Air Force men, like General Le May, and despite the insistence of many members of the Committee on Armed Services, we do not yet have a B–70 bomber. As a member of the committee, I have joined with other members of the committee in urging all speed ahead in the development of the Nike-Zeus or some other antimissile missile. I have done this because I have recognized that the only possible defense against a hostile intercontinental ballistic missile is an antimissile missile, which will hit the hostile missile while it is in flight and thus prevent it from landing on our territory.

Every time members of the Committee on Armed Services have insisted that these things should be done, the response of the civilians in charge of the Department of Defense has been that the United States did not have the financial resources to provide us with adequate ground forces, to modernize the weapons of the ground forces, to provide an adequate airlift, to implement a B–70 program in a reasonable manner, or to embark full speed ahead on the development and production of an antimissile missile.

Instead of maintaining adequate ground forces and obtaining essential weapons, the United States has been devoting its financial resources to foreign aid. I have not favored this course of action, because I agree with I Timothy, chapter 5, verse 8:

> If any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel.

The inevitable conclusion which must be drawn from the action of the United States in expending its moneys for foreign aid, while refusing to equip itself with adequate ground forces and essential weapons, is that the foreign aid program has actually prevented the United States from building up the Armed Forces and acquiring the weapons which might be absolutely essential for the survival of the United States and the free world.

Mr. President, I assert that the foreign aid program does not strengthen the international position of the United States.

This is true for three reasons. First, it presents the United States to the world as a bewildered Nation, which labors under the delusion that it can buy friends and purchase peace with dollars. Second, it presents the United States to the world as a busybody which intermeddles in the internal affairs of other nations. Third, it operates as an inadequate substitute for wise diplomacy and sound foreign policy.

Let me address myself for a moment to the first of the reasons why the foreign aid program does not strengthen the international position of the United States. There is a Latin proverb:

> Small gifts make friends; great ones make enemies.

Our own philosopher, Ralph Waldo Emerson, said:

> We do not quite forgive a giver. The hand that feeds us is in some danger of being bitten.

I have referred previously to the study which the committee headed by former Secretary of Commerce Charles Sawyer made of the Marshall plan. In 1956, Charles Sawyer made a statement on foreign aid which sets forth in the most succinct language possible the fundamental defect inevitable in the foreign aid program; namely:

> Neither individuals nor nations are made friendly or even grateful by handouts. Those who are given money soon think it is owed to them.

Mr. President, am I in error in suggesting that the foreign aid program has presented the United States to the world as a bewildered nation suffering under the delusion that it can buy friends and purchase peace? Let us consider for a moment the evidence which I say sustains this assertion. We have been told times without number that the justification for the foreign aid program lies in the fact that it strengthens the free world and enables it to stand against communism. While we have heard this said in loud terms, we have witnessed at the same time the incredible act of those in charge of the administration of this program giving more than $1 billion to a Communist dictator, Marshal Tito, of Yugoslavia, to aid him in building up one of the most powerful armies in Europe.

Those in charge of this program were too bashful to ask Marshal Tito whether he was on our side or on the side of our potential enemies. But they had the statements of Marshal Tito, himself, to the effect that he would not be separated from Russia.

While the profession is made that the foreign aid program has strengthened the free world, we have seen those in charge of administering it give foreign aid to a country behind the Iron Curtain, notwithstanding the fact that such foreign aid had to be administered through the agency of the Communist government of that country. And a comparatively few weeks ago the Senate passed an amendment to the Battle Act—over my opposition—providing that, hereafter, foreign aid can be extended to all of the countries behind the Iron Curtain, except Russia and Red China.

According to my way of thinking, this aid, which necessarily has to be administered through the Communist governments of these countries, does not strengthen the free world and does not hold any promise of freedom to the people who are subjected to the rule of these Communist governments. The only reasonable deduction one can draw from aid of this nature is that, since it is administered through the agencies of the Communist governments, it merely serves to fasten the chains of communism more securely on the unfortunate peoples of these countries.

Nations which have seen the United States enact the role of a bewildered nation suffering from the delusion that it can buy friends and purchase peace with dollars have not hesitated to take advantage of our bewilderment. One of the countries which has been most loyal to the Western World has even succumbed to this temptation during recent days. I hold in my hand a clipping from the Washington Post for July 27, of this year. The clipping bears the heading "Quadros Criticizes West's Aid in Warm Note to Khrushchev."

The article recounts how the President of Brazil, who has witnessed the fact that the United States is more ready to give foreign aid in large quantities to those who cast a glance toward Moscow than it is to those who consistently stand on the side of the free world, decided that he would invite the United States in a very precedented way to give his country more aid. So we find that the President of Brazil wrote to Khrushchev what is designated as "a warm personal letter" in which he complained to Khrushchev that the United States is not giving Brazil a sufficient amount of foreign aid. The article quotes from the letter, as follows:

> Brazil up to now has received aid but never on the levels and in the proportions that it really needs for its development.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 27, 1961]

QUADROS CRITICIZES WEST'S AID IN WARM NOTE TO KHRUSHCHEV

(By Edward T. Butler)

RIO DE JANEIRO, July 26.—President Janio Quadros was reported today to have written a warm personal letter to Soviet Premier Nikita S. Khrushchev containing veiled criticism of the aid Brazil has received from the West.

The letter was said to have been handed to a Soviet good will mission that left here yesterday. Reports from the capital of Brasilia said the letter would not be disclosed here until confirmation had been received of its delivery in Moscow.

Quadros—who has broken a Brazilian tradition of virtually complete cooperation with the United States in international affairs—announced yesterday he has ordered steps taken to renew diplomatic relations with Kremlin.

BRAZILIANS APPEAR TO ACCEPT

Criticism came from some congressional circles in Brasilia but at first glance Brazilians seemed to be accepting the presidential order as realistic press opinion was divided.

Many Congressmen, mostly from leftist parties, have plugged for relations with Moscow for a long time and a concession on this could quiet them on explosive domestic issues.

To some here Quadros seemed to have gone out of his way to give a warm reception to the Soviet "good-will mission" that arrived here last week. He gave Southern Cross medals to nine mission members and talked with them for nearly 2 hours while they puffed on cigars sent—as Quadros put it—from "a good friend—Fidel Castro."

The reliable newspaper O Estado de São Paulo reported from Brasilia that Quadros then sat down and wrote a letter to Khrushchev.

LETTER EXTREMELY WARM

The newspaper said those who had seen copies of the letter reported that its "tone is personal and extremely warm."

"According to these people," the newspaper said, "the President directed a veiled criticism toward the Western Powers, affirming that 'Brazil up to now has received aid but never on the levels and in the proportions that it really needs for its development.'"

SEEKS MOSCOW INVITATION

The letter would be an answer from Quadros to a long and flattering one Khrushchev sent with the Soviet mission. Praising Quadros' independence, Khrushchev hailed what he called Quadros' denunciations of colonialism and imperialism.

"We have something to offer and much to receive," the paper quotes Quadros as replying, and said he expressed a desire to visit the Soviet Union.

[The Brazilian Foreign Ministry said today Soviet Astronaut Maj. Yuri Gagarin will visit Brazil sometime between Friday and Monday, Reuters reported. A message from Havana, where the spaceman is now visiting, gave no indication whether he would visit other South American States. Quadros has not yet issued a formal invitation to Gagarin but he has told the Ministry that he should be considered an official Government guest during his visit.]

Mr. ERVIN. Mr. President, is it any wonder that foreign aid presents the United States to the world as a bewildered nation vainly seeking to buy friends and purchase peace? The world sees the United States scattering the patrimony of its people abroad among friends, neutralists, and the satellites of its potential foes alike—all on the theory that by so doing it strengthens itself and the free world against communism.

Mr. President, let us consider the argument that foreign aid has presented the United States to the world as a busybody intermeddling in the affairs of other nations.

We have necessarily had to administer our foreign aid programs through the agencies of other governments. In many cases we have collaborated with dictatorial governments and with governments which were extremely unpopular among their own people. As a consequence, we have been identified by the people of many nations as being an aider and abettor of their dictatorial or unpopular governments; and, as a result, we have earned the hatred of many of the peoples of the earth.

Such reaction of the people to foreign aid ought to have been foreseen, for all too often it has been given for the purpose of perpetrating the status quo.

Let us consider for a moment what is likely to be the result of the program that is to be created for Latin America. When that program is stated in its simplest language, it comes to this: The United States is going to say to the people of Latin America: "We do not like your tax systems. We do not like your habitations. We do not like your ways. We will give you financial aid if you will change your tax systems and construct your habitations and alter your ways in manners of which we approve." That is this program in essence.

Mr. President, I do not claim to be an expert in international affairs. But if I were to undertake to do so, I do not believe I could devise a program less likely to make friends and influence people in other nations.

We have had a program of this nature in effect in one of the Central American countries—Guatemala—since 1954. I wish to read some excerpts from an article on this subject which appeared in the Washington Post for July 30.

It was written by Edwin A. Lahey. I read this passage:

The American taxpayer is in the third, and perhaps costliest, phase of his career as financial savior of the free world.

The first phase was the Marshall plan, which helped the industrial societies of Western Europe put the pieces back together after World War II.

The second phase, starting with Korea, was the mutual security and military assistance programs, which were riddled with waste and corruption, especially in the Far East.

Now comes the "alliance for progress" phase, in which the American taxpayer becomes his brother's keeper to Latin America—200 million Latin Americans.

I skip portions of this article and read the following:

When the door-to-door Communist salesman comes around in Latin America, we want the little man to be contented enough to say he doesn't want any.

At this time, it seems like a good idea to take a look a Guatemala, where we have had a small-sized "alliance for progress" in operation since 1954. After helping to overthrow the Communist-tinged government of Jacobo Arbenz in that year, the United States began an intensive program to improve the lives of the Guatemalans.

About $130 million has gone into this project.

I skip other passages and read the following from this article:

The architects of President Kennedy's "alliance for progress" say that if we dangle the bait of more billions in aid before the oligarchic societies of Latin America, they will enact tax and other reforms needed to bring themselves into the second half of the 20th century.

The theory is that the propertied classes of Latin America, thoroughly frightened by the wave of Castroism, will give a little now rather than lose it all later to the Communists. The theory simply hasn't worked in Guatemala.

The owner of a Guatemalan coffee plantation with an assessed valuation of $100,000 pays a real estate tax of $300 a year—and that is only part of the picture. According to competent authority here, there are vast coffee estates paying the $3 per $1,000 tax rate on assessed valuations that were computed 150 years ago.

Actually, this is Guatemala's own business. But since the United States helped overthrow the Communists here 7 years ago, the successor governments have informally promised to enact tax reforms so that the propertied class would share more of the burden of the aid program.

These promises have not been redeemed despite many apparently well-intentioned gestures.

In July of 1955, on the first anniversary of the liberation from communism, the late President Carlos Castillo Armas said privately that Guatemala would enact its first income tax law in a matter of months. When Castillo Armas was assassinated in 1957, he still dreamed wistfully of taxing the middle and upper classes.

President Ydigoras has also urged Congress to adopt income tax legislation, but without success. A cynical Gautemalan says:

"The deputies in Congress are lawyers, professional men and friends of the propertied classes. They are not about to start taxing themselves."

I ask unanimous consent that the entire article, entitled "Guatemala Offers Preview of Latin Aid Plan," which appeared in the Washington Post on the date stated, be printed in the body of the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GUATEMALA OFFERS PREVIEW OF LATIN AID PLAN

(By Edwin A. Lahey)

GUATEMALA CITY.—The American taxpayer is in the third, and perhaps costliest, phase of his career as financial savior of the free world.

The first phase was the Marshall plan, which helped the industrial societies of Western Europe put the pieces back together after World War II.

The second phase, starting with Korea, was the mutual security and military assistance programs, which were riddled with waste and corruption, especially in the Far East.

Now comes the "alliance for progress" phase, in which the American taxpayer becomes his brother's keeper to Latin America—200 million Latin Americans.

Love is supposed to be the primary motivation of the alliance, which the Kennedy

administration hopes to get rolling at an inter-American conference opening Saturday at Punta del Este, Uruguay. Actually, the principal motivation is fear of Castroism.

When the door-to-door Communist salesman comes around in Latin America, we want the little man to be contented enough to say he doesn't want any.

At this time, it seems like a good idea to take a look at Guatemala, where we have had a small-sized "alliance for progress" in operation since 1954. After helping to overthrow the Communist-tinged government of Jacobo Arbenz in that year, the United States began an intensive program to improve the lives of the Guatemalans.

About $130 million has gone into this project. The American taxpayer can find some things in it about which he can be proud. He can find other things to depress him, to make him ponder the narcotic aspects of foreign aid.

Seventy-two percent of the people of Guatemala were illiterate in 1954. Since the liberation, the Government has built 145 schools with 949 classrooms at a cost of $5,037,160. The United States assumed $2,546,273 of this burden.

Today, 72 percent of the people are still illiterate.

"There's a population explosion, and the money put into schools was simply not enough to have an impact," says an American aid official.

COLORFUL SOLIDARITY

Nevertheless, the United States has won affection and good will from the people through its assistance in public education. When a new school is dedicated, U.S. Ambassador John J. Muccio and President Miguel Ydigoras Fuentes both appear; the Guatemalan and United States flags are run up; the village band plays the national anthems of both countries, and a real spirit of friendship prevails.

Inspiring as this joint effort may be, Guatemalans were building their own schools in fairly good number without foreign aid when their governments were leftwing and anti-American.

Between 1945 and 1954, Guatemala erected 147 schools with 564 classrooms at a cost of $6,214,000. The leftwing governments apparently did some good stealing in the process, however, since their average room cost was $11,000, nearly twice the cost since the liberation.

JUNGLE PUSHED BACK

In land reform, an urgent social need here and elsewhere in Latin America, the Guatemalan Government has made a modest start in 7 years. About 4,000 families have been settled on farms averaging 50 acres each.

They have 10 years to pay for them, under beneficent credit conditions. This program has cost $18,990,000 to date, of which the United States has paid $8,212,000.

There are more than 40,000 applications for farms on file, and the total number of landless people desiring farms is about 500,000.

Only government-owned land has been used in the resettlement program, and large tracts of jungle had to be cleared. One Guatemalan official has complained bitterly about the bureaucratic redtape that has hampered the clearing job.

This man said that a sawmill and hundreds of thousands of dollars' worth of U.S. land-clearing machinery lay idle for months at Nuevo Concepcion and La Maquina when they were needed desperately for another project in a distant part of the republic.

U.S. aid mission officials said that the delays were unavoidable. The machinery at La Maquina was being repaired after use in jungle clearance work. The sawmill, which had fulfilled its function at Nuevo Concepcion, presented a difficult problem of dismantling and shipment.

CARPING OVER ROADS

The biggest U.S. aid package to Guatemala was $57 million for highway construction. (Guatemala matched this.) While it's hard to argue with an improvement like highways, there are many niggling criticisms of this program.

Several Guatemalans complained that the road projects benefited American contractors and road machinery dealers. Others grumble that with the work now completed, the thousands who drew cash wages on the roads are aggravating the problem of unemployment again.

The most valid criticism, verified by different sources, is directed at the Guatemalan Government for its failure to maintain the highways.

There are many projects in the Guatemalan aid program to which only a hard-hearted American taxpayer would take exception. There is a self-help housing program to which the United States has contributed $3,834,000. There are also malaria eradication, potable water supply and other programs which have had the most grateful comments from Guatemalans and others.

THEORY PROVES HOLLOW

The architects of President Kennedy's "alliance for progress" say that if we dangle the bait of more billions in aid before the oligarchic societies of Latin America, they will enact tax and other reforms needed to bring themselves into the second half of the 20th century.

The theory is that the propertied classes of Latin America, thoroughly frightened by the wave of Castroism, will give a little now rather than lose it all later to the Communists. The theory simply hasn't worked in Guatemala.

The owner of a Guatemalan coffee plantation with an assessed valuation of $100,000 pays a real estate tax of $300 a year—and that is only part of the picture. According to competent authority here, there are vast coffee estates paying the $3 per $1,000 tax rate on assessed valuations that were computed 150 years ago.

Actually, this is Guatemala's own business. But since the United States helped overthrow the Communists here 7 years ago, the successor governments have informally promised to enact tax reforms so that the propertied class would share more of the burden of the aid program.

These promises have not been redeemed despite many apparently well-intentioned gestures.

In July of 1955, on the first anniversary of the liberation from communism, the late President Carlos Castillo Armas said privately that Guatemala would enact its first income tax law in a matter of months. When Castillo Armas was assassinated in 1957, he still dreamed wistfully of taxing the middle and upper classes.

President Ydigoras has also urged Congress to adopt income tax legislation, but without success. A cynical Guatemalan says:

"The deputies in Congress are lawyers, professional men and friends of the propertied classes. They are not about to start taxing themselves."

President Ydigoras many months ago asked Congress to increase the land tax from $3 to $6 per $1,000. Congress adjusted this to $5 per $1,000 and gave the bill a first and second reading. But it cannot become law until its third reading, and it is in a cubbyhole awaiting this.

Serious attempts have been made by Manuel Benfelt, the Minister of the Treasury, to rationalize the system of assessing land for tax purposes. There is a difference of opinion as to his success. Some Americans say that valuations are being corrected. Others express doubt.

One official points out that Benfelt tried to force the banks to limit loans to the amount of phony land valuations but ran into legal opinions that he had no right to do this.

Wages of $1 a day or less are commonplace in Guatemala. But not at the National Palace. President Ydigoras gets $144,000 a year, half as salary, half for expenses.

The $72,000 salary is clear take-home, since there is no income tax in Guatemala. Thus the President of this tiny republic does better than the President of the United States, who gets $100,000 salary and $50,000 expenses but who has to see the income tax man afterward.

President Ydigoras also has a "confidential" fund of approximately $775,000 a year. Apparently much of this fund is used in private charity. This is pretty obvious from the horde of people who wait to see Ydigoras to put the bite on him for funeral expenses or to spring some member of the family from the hospital.

The U.S. aid money is carefully channeled into approved projects and never goes directly to pay Guatemalan Government salaries. However, U.S. officials here concede ruefully that the dollar illusion into the Guatemalan budget has given Guatemalan politicians elbow room to play with their own public revenue.

In this connection, it is generally accepted as fact that some friends of President Ydigoras have enjoyed self-enrichment through government contracts. American officials admit that the talk is probably true. One of them said, in a sad commentary on public morality, "The corruption is probably no worse than elsewhere in Latin America."

What do the people here think of the aid program? Begin with the President, interviewed in his green National Palace, one of the most exquisite public buildings in the world.

"Your aid program is very good, very well organized," he says, "but it's too small and too slow. Our future is the color of that telephone (black). We are going backward economically."

"Has our program been worth while?" you ask.

"This is the only place in Latin America where the United States won a victory over communism," the President says. "A victory like that has value that cannot be expressed in terms of money."

Clemente Maroquin Rojas, former Minister of Agriculture and now editor of the newspaper La Hora, is bitter.

"I have always felt that American aid does more harm than good," he says. "The loans and grants have served only to demoralize us, have given us unnecessary machinery.

"In the offices of the United States here, there is no resolve to solve social problems. On the contrary, the gifts have only increased the hate toward North Americans.

"In my opinion, the workers have not got more than one-third of the $130 million that you have spent."

To any observer, this last comment is a palpable distortion. But Clemente's voice is widely heard in Guatemala.

Dr. Marino Lopez Herrarte, the Minister of Health, who was educated at Yale, is forthright in his opinion:

"I am more pro-American than Teddy Roosevelt, but the U.S. aid program has been too full of frustrations for me. They send dollars down to repair machinery, but I have a hard time to get dollars to keep human machinery in repair."

Manlio Sesenna, young manager of the Guatemala branch of the Bank of America, says: "Mistakes probably have been made, but on the whole, it has been a good program, particularly the highway building projects."

Keith Himebaugh, director of the U.S. aid mission here, says that "without this program, Guatemala would not have had school construction, land settlement, agricultural credit and low-cost housing and would have had little safe water."

Alex Ward, the controller of the mission, who keeps a jealous watch over every U.S. dollar spent here, is more aggressive than Himebaugh.

"Of course there have been mistakes," he says. "But this has been a good program. We've got our money's worth. There have been internal audits, independent audits, Comptroller General audits, and the books have always been clean as a pin."

An American official not in a position to be quoted by name said:

"We've got our money's worth. It's been a good program, even if maybe we have only helped the Guatemalans to stand still."

Another official was more optimistic:

"I don't agree that the Guatemalans have been standing still. We definitely have improved their lot and fortified our friendship with the aid program."

The professional leftwing student will tell you that Ydigoras is the lackey of Yankee imperialism and that the downtrodden people will turn against him. These downtrodden people in Guatemala, however, would like you if you came here and left the $130 million at home. Their gentle nature makes speculation about this little republic difficult.

Mr. ERVIN. The program in Guatemala is certainly subject to the complaint that it is hardly fair to the American taxpayers who support it. While the owners of the coffee plantations in Guatemala pay no income tax whatever and pay only 30 cents on each $100 value of their plantations, the American taxpayers who support the program pay an average tax of about $2.25 on each $100 value of their property, and from 20 to 91 percent of their net incomes as Federal income taxes. Moreover, most of them pay substantial amounts in State income taxes.

Mr. President, to me the most appalling result of our foreign aid program has been its effect upon those who are charged with the responsibility for our diplomacy and our foreign policy. Those individuals have recognized that something ought to be done, but instead of engaging in constructive thinking, they have accepted the foreign aid program as a substitute for wise diplomacy and sound foreign policy.

This thought is not original with me, although I had entertained it for a long time before I ran across a statement on the subject made by former Secretary of Commerce Charles Sawyer in 1956. At that time Mr. Sawyer pointed out the disastrous consequences of the State Department's accepting the principle of foreign aid as a substitute for wise diplomacy and sound foreign policy.

This is what he said:

> It [meaning foreign aid] is wrong because it relieves the State Department from the work—the drudgery, if you will—the thinking and planning required to outmaneuver the opposition. It reduces the need for the shrewdness, the persistence, the imagination, the initiative, and the courage required in skillful diplomacy. With the world's problems so difficult and varied and the solutions so hard to find, it is wonderful to be able to hit upon so simple and easy a way out—give away more money. This may well be the area in which the aid program is rendering its greatest disservice.

This brings us to this question: How can the United States strengthen itself economically, militarily, and internationally?

It is impossible to overstate the crucial character of this question. The very survival of America and the free world may turn upon the answer which those entrusted with authority in our land give to it.

If it is to be strengthened economically, the United States must forsake the fiscal follies of recent years. By this it is meant that the President and the Congress must abandon the fallacious notion that it is either constitutional or sensible for the United States to enact the role of international Santa Claus and scatter the patrimony of our people as foreign aid among 97 of the 110 nations of this earth; that Congress must cease appropriating more money than the Federal tax gatherers collect; and that the Federal Government must make an honest effort to balance its budget and reduce the national debt.

If it is to be strengthened militarily, the United States must close the gap in its existing defenses, and develop new weapons to meet all foreseeable contingencies. Moreover, it would be well for the United States to augment its defenses and those of the free world by substituting for our present foreign aid program a sound and sensible program under which we would provide necessary aid for nations which have obligated themselves to stand beside the United States in any Armageddon with our potential enemies.

Before undertaking to answer the question as to how the United States can strengthen itself internationally, I shall indulge in the observation that some good people aid and abet the Kremlin's plans to frighten humanity into surrender by emphasizing the horror of nuclear war and ignoring another horror of even greater magnitude. As a great commentator, the late Elmer Davis, said:

> Atomic warfare is bad enough; biological warfare would be worse; but there is something that is worse than either. It is subjection to an alien oppressor.

If it is to be strengthened internationally, the United States must make it manifest to all mankind—to our friends, our potential enemies, and neutralists alike—that Americans are ready and willing to fight for freedom, cost what it may in treasure and blood.

In 1914 the mighty armies of the Kaiser threatened an ill-prepared England with subjugation. In that dark hour, one of England's wisest men and most eloquent poets, Rudyard Kipling, wrote a poem which electrified Englishmen everywhere and which gives the only prescription by which freemen can retain their freedom. I shall recite the first and last verses of that poem:

> For all we have and are,
> For all our children's fate,
> Stand up and take the war.
> The Hun is at the gate!
>
> Our world has passed away,
> In wantonness o'erthrown,
> There is nothing left today
> But steel and fire and stone!
>
> Though all we knew depart,
> The old commandments stand—
> "In courage keep your heart,
> In strength lift up your hand."
>
> No easy hopes or lies
> Shall bring us to our goal,
> But iron sacrifice
> Of body, will, and soul.
>
> There is but one task for all—
> One life for each to give.
> What stands if Freedom fall?
> Who dies if England live?

Let Americans lay aside the delusion that they can buy friends or purchase peace with dollars. Let Americans realize there are no easy hopes or lies which will bring us to our goal of national security. Let Americans keep their hearts in courage and lift up their hands in strength. If Americans will do this, our country can meet successfully the challenge of these perilous days. There is, indeed, no other way in which that challenge can be met.

I thank the Senator from Wisconsin for yielding.

REFUND OF $559,000 BY THOMPSON RAMO WOOLDRIDGE

Mr. PROUTY. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. First, I promised I would yield to the Senator from South Dakota [Mr. CASE].

Mr. President, I ask unanimous consent that I may yield to the Senator from South Dakota without losing my right to the floor.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. CASE of South Dakota. Mr. President, recently there appeared an Associated Press dispatch, printed throughout the country, with respect to a refund of $559,000 by Thompson Ramo Wooldridge, Inc., a contractor, with respect to pricing of some screws. The General Accounting Office reported that a $1 estimated price had been based upon a recent purchase, but the contractor actually purchased the required number for about 5½ cents each.

At the time I saw the news dispatch, though I applauded the activity of the Air Force in seeking recovery of $559,000, I wished to determine whether the matter would have been eligible for renegotiation under the Price Adjustment Act. I wrote to Mr. Zuckert, the Secretary of the Air Force, on that point, and asked him for a review of the problem. I have received a letter from Secretary Zuckert, which I ask unanimous consent to have printed in the RECORD, together

with an Associated Press dispatch, a Department of Defense statement for the Bureau of the Budget, and a review of the matter as concluded by the General Accounting Office.

There being no objection, the letter, article, and statements were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
Washington, D.C., July 28, 1961.

Hon. FRANCIS CASE,
U.S. Senate.

DEAR SENATOR CASE: Reference is made to your recent letter concerning certain contract negotiations between the Air Force and Thompson Ramo Wooldridge, Inc.

It is our understanding that Thompson Ramo Wooldridge, Inc., contended that, since the contract involved was a firm fixed price type, there was no legal obligation to make any refund. In addition, they maintained that the circumstances did not support a moral obligation to make an adjustment. The Air Force, of course, insisted that the company's position was wrong and did obtain the refund to which you refer.

Enclosed is a copy of the Department of Defense statement for the Bureau of the Budget concerning this particular contract. This contract was subject to the renegotiation statutes and has been included by the contractor in its filings of renegotiable business with the Renegotiation Board.

Your interest in Air Force matters is appreciated and I hope the above information will be useful.

Sincerely,

EUGENE M. ZUCKERT,
Secretary of the Air Force.

REFUND OF $559,000 SENT BACK TO AIR FORCE

The Air Force has received a $559,000 refund on a contract in which screws costing 5½ cents were marked up to $1, House investigators have been told.

But the contractor, Thompson Ramo Wooldridge, Inc., took the position in correspondence with the Navy that it had no legal nor moral obligation to make a refund under its fixed-price contract for repair kits.

The Cleveland (Ohio) firm said the General Accounting Office, which reported after an investigation that the price of the special screws was excessive, had selected a few items out of thousands. GAO did not take into account that the company's overall profit was moderate, the contractor said.

Chairman Hébert, Democrat of Louisiana, of the House Armed Services Investigations Subcommittee which is looking into defense buying, described one letter from a Thompson Ramo Wooldridge executive as "one of the most audacious I ever read." He said the company was saying in effect that "if the searching light of publicity hadn't been used, we wouldn't pay off."

The GAO reported the $1 price apparently was based on a recent purchase by the company of screws under emergency conditions. But it said that before the negotiations with the Air Force were complete, the contractor had actually purchased about half the required number of screws for 5½ cents each. Both the Air Force and the contractor's employees should have been more diligent in catching an obvious discrepancy, the GAO report said.

DOD STATEMENT FOR THE BUREAU OF THE BUDGET, FEBRUARY 17, 1961 (PURSUANT TO DOD CIRCULAR A–50, APRIL 1, 1959)

THE PROBLEM

General Accounting Office Report No. B–133307 covers an examination of the pricing of fuel booster pump repair kits under Department of the Air Force negotiated contract AF 01(601)–20268 with Thompson Ramo Wooldridge, Inc., Cleveland, Ohio.

The substance of the allegation contained in the General Accounting Office report is as follows:

The examination shows that the price paid under referenced contract was excessive by about $565,600 because one component of the fuel pump repair kits consisting of 272,710 new-type fillister head screws was included in the price of the kits at a base standard cost of $1 each whereas the actual cost of this component to the contractor turned out to be $0.055 each. The General Accounting Office maintains that the standard cost set by the contractor for this component was not realistic, because (i) while the component had in fact been previously purchased at $1 each, the purchase was of a special nature, for only 116 fillister head screws and required air delivery within 4 days to the contractor's Cleveland, Ohio, plant, and (ii) the standard did not take into consideration quantity purchasing nor comparative cost standards based on similar components with adjustment for physical variance in the new component.

RECOMMENDATIONS BY GAO

1. That every effort be made to obtain an appropriate price adjustment.

2. That the Secretary of Defense direct personnel of the military services to perform a closer analysis of proposed prices which are based on standard costs and application of variance factors to assure that the resultant cost to the Government is reasonable.

STATEMENT

The allegation made by the General Accounting Office with respect to the excessive amount included in the contract price for the fillister head screw is correct. As noted in the report, the contractor had actually incurred a cost of $1 each for the fillister head screws under an initial purchase for the Air Force. However, this figure should not have been used as the basis for establishing a standard cost for the item in view of the unusual circumstances under which the initial purchase was made. Also the standard was established without benefit of comparison with similar components being purchased at a fraction of the standard cost set for the new component and without benefit of providing graduated or sliding scale standards for quantity purchases or production.

After exhaustive consideration by the contractor at the highest level and by the Office of the Assistant Secretary of the Air Force, the contractor has offered and the Air Force has agreed to accept a voluntary refund of $559,204.46. This refund takes into consideration the overpricing of $565,600 under contract AF 01(601)–20268, and four additional items under contracts AF 34(601)–4833 and AF 01(601)–24058, which involved $176,849.46. The pricing circumstances involved in the four items under the latter two contracts were considered to partake of at least some of the characteristics of the screw case. The contractor would agree to no larger refund and has agreed to this settlement with great reluctance. It is the view of the Assistant Secretary of the Air Force (Materiel), concurred in by this office, that this is the best adjustment obtainable.

The Air Force and the contractor are presently endeavoring to establish an improved system of spare parts pricing intended to result in prices which are fair and equitable to both parties. Furthermore, Air Force procurement personnel have been directed to accomplish a more intensive review of all pricing actions conducted with this contractor.

With respect to contractors generally, increasing emphasis has been placed on surveys of contractors' accounting and estimating systems in order to assure the effectiveness of these systems in producing price proposals that reasonably reflect the contractors' latest and most complete cost and price experience. Intensive efforts are being made to bring about the correction of deficiencies revealed by these surveys. This is clearly a task of major magnitude and indefinite duration. Following approval of a contractor's system, surveillance must continue to be maintained using test checks, audits and other means to insure the continued effectiveness and dependability of the contractor's accounting system and estimating practices.

With specific reference to contractors' use of standard cost for estimating purposes, this subject is covered in section 4–1.400 of the Contract Audit Manual. The increased use of prenegotiation audits in accordance with current procedures as set forth in ASPR 3–609 and in departmental directives has proven increasingly effective in alerting contracting personnel in inadequacies and questionable areas on contractors' estimating methods, including deficiencies in the use of standard costs. Present policy and procedures will continue to be reviewed (1) to insure that maximum effective guidance should be provided auditors and contracting personnel in connection with the analysis and evaluation of contractors' accounting systems and estimating practices.

Mr. CASE of South Dakota. The net effect of all this is to show that $559,000 has been recovered; that the company apparently was reluctant to make the refund, but did agree to do so; and that the contract, in any event, was subject to the renegotiation statute.

I thank the Senator from Wisconsin for yielding.

FOREIGN AID PROGRAM

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the junior Senator from Vermont without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. PROUTY. Mr. President, I understand that my distinguished senior colleague [Mr. AIKEN] is about to deliver a very important speech. I therefore would like to ask unanimous consent that I may suggest the absence of a quorum without the distinguished Senator from Wisconsin losing his right to the floor.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield for that purpose?

Mr. PROXMIRE. I yield for that purpose, Mr. President, with the understanding expressed by the Senator from Vermont.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. AIKEN. Mr. President, does the understanding include the right of the senior Senator from Vermont to have the floor and to speak?

Mr. PROXMIRE. Mr. President, it is the request of the Senator from Wisconsin that the Senator from Wisconsin may yield to the junior Senator from Vermont [Mr. PROUTY] for the purpose of suggesting the absence of a quorum, and that the Senator from Wisconsin

will not lose his right to the floor during the call of the roll, after which the senior Senator from Vermont [Mr. AIKEN] will speak for about 25 minutes, during which time the Senator from Wisconsin will retain his right to the floor, to speak thereafter.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. AIKEN. I thank the Senator from Wisconsin. I also thank my colleague from Vermont.

Mr. PROUTY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. AIKEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AIKEN. Mr. President, what I have to say today does not involve the question of whether or not we should have a foreign aid program.

I believe foreign aid programs to be necessary and inevitable.

To my mind there are four principal purposes involved in foreign aid programs:

First. To relieve hunger and famine and to improve the health and social levels of much of the world's population.

Second. To insure the security of the United States against its enemies.

Third. To expand the world economy so as to promote opportunity and higher living standards for all people.

Fourth. To preserve political freedom wherever it exists today and to encourage government by the people in other areas where people would be free.

Never, Mr. President, should a foreign aid program be used as a vehicle for effecting changes in our own powers of government.

The United States today is the greatest democracy in the world and any legislative proposal which would directly or inadvertently weaken our proud position should be rejected.

If we are to sell the principles of democracy abroad we must zealously protect these principles at home.

No one believes that any responsible high official would deliberately shortchange our form of government.

There are times, however, when men in high positions get the idea that if they only had more power—more authority to put their plans into effect—they could do a much better job.

Now, where would they get more power?

The total authority to operate our democracy was wisely divided into three separate branches of government.

Therefore, with all power already allocated to the legislative, executive, and judicial branches, the only way any one of them can get more power is by a transfer from one of the others.

In requesting the right to finance from the Treasury a program costing nearly $9 billion without further processing by the legislative branch, the President is asking for such a transfer of power.

He can get such power only if the Congress is willing to give up its own constitutional responsibility.

Congress has in the past made several grants of borrowing authority to the President.

In nearly every instance, however, it has granted such authority only where it might reasonably be expected that the amount of money borrowed would be repaid in full as to principal and interest.

In other words, Congress has granted to the President the right to make sound profitable investments.

The Development Loan Fund can hardly be placed in this category.

I point out that on the front page of this morning's issue of the New York Times the headline appears, "Dillon Predicts Aid of $20 Billion to Latin America—He Terms U.S. Alliance Plan a 10-Year Investment by Non-Communist World." Down in the body of the article the writer said:

> The United States promised the participating countries long-term loans of up to 50 years "at very low or zero rates of interest."

A 50-year loan without interest cannot be called a sound investment.

The President requests Congress to give him authority to bet $9 billion in the game of power politics, with no assurance that it will not be lost.

Although the loss of such a huge sum should not be regarded lightly, it is not the amount of money that may be lost that disturbs me most.

It is the continuing efforts to whittle away the powers of the legislative branch of government that should cause us most concern.

Of all the officials of the executive department, only the President and Vice President are elected by the people.

All of the 537 Members of the Congress are elected by popular vote and only through them and the constitutional powers vested in Congress can the people control their Government.

It follows, therefore, that when Congress divests itself of its powers of appropriation, it is transferring a heritage which belongs not to the Members of Congress, but to the people of the United States.

I do not question that a government where power is concentrated in a few hands can work faster and perhaps operate more efficiently than a democracy.

This is being demonstrated vividly by certain other nations today.

The question posed for us is whether we wish for increased flexibility at the price we would have to pay.

So far as I am concerned, there is no price high enough to warrant the unbalancing of our framework of government.

Now, I would like to devote attention to the arguments of the executive branch intended to show why it would be advisable to divest the Congress of certain powers of appropriation and to invest those powers in the Presidency.

I shall show that such arguments are entirely specious and constitute primarily a grab for power which if successful would put the United States a step farther along the primrose path of misguided self-governments.

Item No. 1: The administration claims that congressional control over foreign aid programs would not be abridged by S. 1983, and particularly the financing power.

THE FACTS: CONGRESSIONAL CONTROL OVER THE FOREIGN AID PROGRAM WOULD BE SERIOUSLY ABRIDGED BY S. 1983

The administration has argued extensively and Secretary of the Treasury Dillon has testified, that the fiscal arrangement of the proposed foreign aid bill would not mean any loss of legislative control over expenditures.

This argument, when broken down into its constituent parts, is completely specious and not in accord with the facts.

After the initial legislation, Congress would have little, if any, control over the expenditures in the foreign aid field during the next 5 years.

The administration claims that Congress, by establishing the original criteria for lending, would have the same control as if there were annual appropriations.

However, Congress would have no means of insuring that the original criteria which it laid down were being effectively carried out, and that the aid program was achieving the desired results, since the AID Agency, in its lending operations, would be financially independent of Congress for a period of 5 years.

Secretary Dillon testified on June 5, 1961, before the Senate Foreign Relations Committee, that specific congressional control over the lending program would be exercised in a number of ways such as (a) quarterly reports on lending operations which would be submitted to the Congress; (b) an annual presentation which would be made to the authorizing committees of the Congress covering all development lending operations.

The Secretary is apparently trying to tell us that information is the equivalent of control.

The measures he has stated are designed to give Congress a reasonable amount of pertinent information regarding the foreign aid program, but should Congress be dissatisfied with such reports, it could be of little practical account, short of repealing the AID Act, having already appropriated the funds for 5 years of AID Agency's operations.

Secretary Dillon further testified that:

> An annual presentation would be made to the Appropriations Committees of the Congress in accordance with the provisions of the Government Corporations Control Act. Under this act the AID Agency would be required to submit to the Appropriations Committees an annual budget setting forth its proposed lending operations for the coming year and to obtain from Congress authority to expend funds in accordance with this budget.

It is conceded that Congress would pass on the annual budget, but should

Congress not approve the submitted budget, it would find itself in the anomalous position of disapproving a budget for the expending of funds which it had already appropriated to the AID Agency.

Such control as Congress would have under the Corporation Control Act would be on an all or nothing situation.

There is no question which it would be. It would be nothing.

The choice would be either no development loans or development loans in accordance with a budget of which Congress did not approve.

The proposed foreign aid bill would establish an interagency committee to establish standards and criteria for lending operations in accordance with the foreign and financial policies of the United States.

The members of the committee would be appointed by the President, with the advice and consent of the Senate.

This is a very tactful courtesy to the Senate, but it certainly does not give Congress any really meaningful control over the standards and criteria of the lending operations.

Once the members of the committee have been selected by the President, and approved by the Senate, they will be completely independent of Congress and responsible only to the President.

It might be far more beneficial to delineate specifically in the act certain basic standards and criteria to underly all lending operations.

The administration has vigorously suggested that congressional power to amend the act so as to either change the criteria for lending operations, which the committee will have formulated, or curtail the lending authority assures it of real control over the foreign aid program.

Congress has always the authority to repeal or amend acts passed by it, but this can scarcely be thought of as an effective means of exercising any control over the proposed foreign aid lending program.

Should the President disapprove any amendments, and veto them, the required two-thirds vote needed to override the veto would be extremely difficult and probably impossible to muster.

Moreover, it is very likely that the President would veto any act repealing or amending S. 1983, should it become law.

The President clearly would not relinquish the vast powers that S. 1983 would confer on him without at least a political struggle.

It would not be in the interest of our international objective to have foreign aid the principal issue in an American election campaign.

Arguments that the proposed foreign aid bill would not abridge congressional control of the foreign aid lending program just do not stand up.

Control of the public purse through congressional appropriations is the only effective means Congress has of overseeing and insuring that legislative programs are carried out in accord with its original intentions.

Item No. 2: The administration claims that long-range planning cannot be done without the 5-year borrowing authority.

THE FACTS: AID AGENCY LENDING OPERATIONS AND RECIPIENT COUNTRIES CAN EMPLOY LONG-RANGE PLANNING WITHOUT THE 5-YEAR BORROWING AUTHORITY

The administration has consistently claimed that the AID Agency cannot employ long-range planning in its lending operations unless it has long-term financing.

The argument runs that without long-term appropriations, the AID Agency has no indication of the amount of funds that will be available to it in the future for its lending operations.

On the basis of figures supplied by the International Cooperation Administration for fiscal years 1955 through 1961, the administrations in those years have received not less than 80 percent and up to 90 percent of their original requests for mutual security appropriations.

For the year 1961, Congress appropriated 89.6 percent of the amount requested for foreign aid. There are few agencies of Government which can say that they have received a higher percentage of requests for money from Congress than has the mutual security program. This compares very favorably with the amounts appropriated to the other agencies of Government. On the basis of such success, it would appear that a great deal of long-range planning could be done.

If they cannot do long-range planning, why was it that on Saturday, as reported in the Sunday Star, the President pledged to Latin America that the United States would spend more than a billion dollars this year, as only the first step in fulfilling his alliance for progress? It was stated that this was a long-range program and would be carried on "in a manner similar to the postwar Marshall plan in Western Europe."

Congress knows that the Marshall plan was a 4-year program authorized by Congress and financed by annual appropriations.

Clearly there is sufficient support in Congress for the basic concept of fairly large amounts of annual foreign aid.

Congress can certainly make a declaration of its intention to support 5-year planning in the foreign aid lending operations, and still make annual appropriations.

The Marshall plan was so originated.

It goes without saying that Congress is not going to authorize a 5-year mutual security program or AID program and then renege on its commitments. Only last year our delegates to the Bogotá Conference told the Latin American nations, under authority implied by Congress, that we would contribute $500 million to the Latin American aid program.

This spring, the Committees on Appropriations met every dollar of that commitment and appropriated the full $500 million. So it is nonsense to say that Congress will authorize long-range programs and then not provide the money to carry them out. It is certainly a reflection on the integrity of Congress when anyone implies that this body would do that.

Congress understood that the Marshall plan would be at least a 4-year program, but it was administered on the basis of annual appropriations. The Marshall plan has been held up by leaders of both political parties as a model and highly successful program. It was held up in that fashion only last week by the President of the United States, although the Marshall plan was financed by annual appropriations.

The whole public works program of the United States is based on long-range authorization with annual appropriations.

Congress is no more likely to abandon a long-range foreign aid project already begun in a recipient country, unless there are very good reasons for doing so, than it is likely to leave unfinished a public works project once it is begun.

Secretary Dillon suggested in his testimony that recipient countries are given little incentive to take sufficient steps to plan adequately their economic development unless the United States will assure them of long-term assistance.

If this is the only way in which we can get recipient countries to plan their economic development, then such countries will be incapable of any real measures of self-help, which are the absolute prerequisites of the success of these aid programs.

No one seriously contends that U.S. aid alone, spread over as many countries as it is, can transform the recipient countries into industrialized nations without a terrific amount of work, cooperation, and sacrifice on their part.

Hence, if such countries must, in effect, be bribed into sensible, long-range economic planning, then U.S. aid would appear to be badly misplaced in the first instance.

Item No. 3: The administration claims that borrowing authority provided in S. 1983 is like other grants for borrowing authority.

THE FACTS: THE PRECEDENTS FOR THE BORROWING TECHNIQUE CITED BY THE ADMINISTRATION ARE NOT ANALOGOUS

The administration has indicated that there is ample precedent for applying the borrowing technique—for example, ICA, Federal Home Loan Banks, Panama Canal, CCC, Export-Import Bank, TVA, and so forth.

However, to cite such agencies as examples of agencies in which long-range borrowing has been successful and to conclude therefrom that the foreign aid program of the United States should also be so administered is ludicrous.

Last Friday the distinguished Senator from Arkansas [Mr. FULBRIGHT], chairman of the Committee on Foreign Relations, placed in the RECORD, at page 14703, a list of Government operations or programs, his purpose being to show the analogy between these Government agencies and what is now being proposed as back-door financing for 50-year loans bearing no interest. I should like to read the list.

Reconstruction Finance Corporation: This corporation went out of business several years ago, after having made a substantial profit.

Commodity Credit Corporation: Its impaired capital is replaced each year by annual appropriation.

Defense Production Act of 1950: The agency created under that act is going out of business.

Export-Import Bank of Washington: The last report showed it had made a profit of about $450 million, with capital unimpaired.

Federal Deposit Insurance Corporation: It is a profitmaking agency.

Farmers Home Administration: This is another agency all of whose loans are repaid with interest.

St. Lawrence Seaway Development Corporation: Again, the entire investment of this Corporation is to be repaid with interest.

Federal home loan banks: These are profitmaking organizations.

Federal National Mortgage Association: This is another profitmaking agency.

Housing and Home Finance Agency: All money loaned by this organization is to be returned with interest.

Federal savings and loan insurance fund: The same is true of this organization.

Rural Electrification Administration: All money loaned is to be returned with interest.

Federal ship mortgage insurance fund: The same is true of this organization.

Federal Civil Defense Act of 1950: Under this act, loans are made to small businesses. It is solvent, to the best of my knowledge.

Small Business Administration: All loans made by this agency are to be repaid with interest.

Informational media guaranty fund: The provision for Treasury loan financing of this fund has been repealed.

Veterans' direct loan program: Loans are to be repaid with interest.

Investment guarantee program: This program has never exercised any of its borrowing authority and at present has about $6,500,000 in the till.

Panama Canal: This is a perfectly solvent venture.

Virgin Islands Corporation.

District of Columbia.

We know what these entities are.

Helium Act, as amended in 1956: This act provides that the Secretary of the Navy may secure helium or helium lands and use any money appropriated by Congress. How that act got into this list, I do not know. At one time there might have been borrowing authority under the Helium Act.

The Tennessee Valley Authority: All money is to be repaid with interest.

Area Redevelopment Act of 1961: Some back-door financing is provided by this act. That, apparently, is a part of this year's program, because the law was enacted only 2 or 3 months ago.

If any of the supporters of back-door financing can show that any one of the agencies which they have cited as examples is ar logous to the proposal to authorize the borrowing of almost $9 billion, to be loaned to poor risks for a period of up to 50 years, with no interest, I shall be very much surprised. Not a single one of the corporations or agencies included in the list printed in the RECORD of last Friday is analogous to the proposal which is being put before Congress at this time.

Foreign aid is clearly an instrument of foreign policy, and foreign policy is subject to sudden and unexpected deviations.

It is extremely important that our foreign policy be responsive to the vicissitudes of the realities of world political affairs.

To insure that this desired responsiveness will exist in our foreign policy, at least so far as aid is concerned, it is necessary that Congress retain the control of such aid.

There will at least, then, be the assurance that the foreign aid lending program will be scrutinized by individuals responsible directly to the public of the United States, and not by a civil servant whose chief preoccupation, too often, is improving his position in a proliferating bureaucracy.

This innovation of 5-year financing strikes at a fundamental principle of representative democracy, namely, the effective control by Congress over its legislative programs.

Item No. 4: The administration claims that the 5-year borrowing authority would inspire other industrialized nations to do likewise. The particular implication is that Western Europe will be given an incentive to follow suit.

THE FACTS: THE U.S. ADOPTION OF 5-YEAR APPROPRIATIONS IN ITS FOREIGN AID LENDING PROGRAM IS UNLIKELY TO BE AN INCENTIVE FOR OTHER INDUSTRIALIZED NATIONS TO DO LIKEWISE

Secretary Dillon argues in his testimony of June 5, 1961:

> Legislative authority to make multiyear commitments will for the first time put the United States in a position to effectively stimulate and cooperate in basic reforms. It will also provide an incentive to other industrialized countries to join with the United States in providing aid to developing areas.

What are the real facts?

The Western European countries, with perhaps the exception of Germany, are just not in a position to afford any continuing large amounts of foreign aid.

West Germany's leaders made it quite clear to Secretary Dillon's predecessor that they were unwilling to commit their nation to any continuing, large-scale, foreign aid.

England is certainly in no position to extend further aid, and all indications suggest that she may seriously cut back her present aid program.

In a front-page article of the Washington Post, July 26, 1961, it was stated:

> Chancellor of the Exchequer Selwyn Lloyd told the Commons that Britain's other military expenses overseas, as well as foreign aid, and diplomatic services must be reviewed with an aim toward economy.

Does that look as if England were going to join in any long-range foreign aid programs covering the world, simply because the United States makes appropriations available 5 years in advance? Mr. President, we shall be very lucky if we do not have to go to England's aid before another year has gone by.

It is wholly illusory to think that the U.S. adoption of 5-year appropriations in its foreign aid lending program is going to spur other capital-export nations to initiate their own foreign aid programs.

Item No. 5: The administration claims that lack of long-range appropriations makes it difficult to secure and retain competent personnel.

THE FACTS: ICA HAS HAD A LOWER SEPARATION RATE THAN OTHER FEDERAL AGENCIES

It has been argued that because of a lack of long-range appropriations, the present aid agencies are unable to secure and retain high caliber personnel, and this is due to their inability to assure their personnel of continued employment.

That it is, and always will be, difficult for the Government in the United States to compete with private business for talent is perfectly true.

But again the administration's arguments are refuted by the facts.

The facts supplied by the Civil Service Commission indicate that the International Cooperation Administration in the past 4 years has experienced slightly less of a separation rate than have the rest of the Federal agencies.

In that connection I submit a table for printing in the RECORD, instead of reading it at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Turnover per 100 employees

Year	ICA		All other Federal agencies	
	New hires	Separations	New hires	Separations
1957	35.93	23.01	21.66	24.09
1958	27.74	22.67	21.40	20.04
1959	23.79	19.52	22.09	22.09
1960	26.92	19.29	21.21	20.26
Average	28.59	21.12	21.59	21.62

Mr. AIKEN. Mr. President, these facts just do not support the theory that the foreign aid agencies suffer from a greater rate of personnel separations.

On the contrary, they indicate that the ICA, in the past 4 years, lost fewer—0.50—and hired 7 more per 100 employees than the other Federal agencies.

The conclusion is that ICA, the principal foreign aid agency, is growing considerably faster and losing less personnel annually than the other Federal agencies.

Mr. President, democracy has never been achieved in any country until the people through their elected representatives controlled the purse strings of government. The two great democracies of the world are the United Kingdom and the United States. Neither one gained this status except through a struggle to throw off the bonds of despotism, and neither country has retained this priceless possession except through continued watchfulness and resistance to erosive maneuvering.

It was over 400 years after the signing of the Magna Carta that the British Parliament wrested any control of appropriations from the Crown. Only after the glorious revolution of 1688 did the English people begin to control the policies of government; and it has been only during the last 70 years that the House of Commons has exercised tight control over governmental expenditures.

In America, Congress has had control over the public purse from the beginning, since the Constitution placed the fiscal power of the Nation in Congress, not in the executive. The fact that the framers of the Constitution had the wisdom to create a government of checks and balances, and to place the fiscal power in the elected representatives of the people has not prevented the executive branch of Government from frequently trying to usurp this power.

Even as early as 1793, Congress found it necessary to adopt a resolution, offered by Representative Giles, of Virginia, stating:

Resolved, That it is essential to the due administration of the Government of the United States, that laws making specific appropriations of money should be strictly observed by the administrator of the finances thereof.

That was back in George Washington's day.

Mr. CASE of South Dakota. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. CASE of South Dakota. I believe the Senator from Vermont is making the most important point and a very impressive statement. When he recited the several agencies which had been given direct access to the Treasury, without the necessity of having the Congress make appropriations, he pointed out that in each instance there was a provision for repayment of the loan; and he might have pointed out, also, that in each instance there were set up guidelines in regard to how the repayment should be made to the Treasury—whether by the St. Lawrence Seaway, and so forth.

However, the language now proposed to be enacted into law would authorize the President to make these loans on such terms that the action of Congress in exercising control of the purse by making direct appropriations or by reviewing appropriations is the very opposite of the present proposal that the President be given authority to make loans in the total amount of $9 billion, on such terms and conditions as he may determine. The conditions and the interest rates are not spelled out; and that is a far cry from the situation in regard to the other agencies which were cited a few minutes ago in the remarks of the Senator from Vermont.

Mr. AIKEN. I thank the Senator from South Dakota for his contribution. He is entirely correct in every word he has spoken. There is no analogy between the proposal before us and the past authorization of Government agencies to borrow from the Treasury. If we need any evidence as to the fallacy of the arguments presented by the administration, we find that evidence in the action taken by the President and the Secretary of the Treasury in connection with the Latin American conference now being held in Uruguay.

Certainly the effort to divest Congress of its appropriating powers and to invest those powers in the executive branch of the Government did not begin with the present administration. It has been intensified during the last 6 months, but certainly it did not begin with this administration, because in 1809, in response to several obligations which President Jefferson had incurred without authorization, Congress passed an act which declared that—

The sums appropriated by law for each branch of expenditures in the several departments shall be solely applied to the objects for which they are respectively appropriated, and to no other.

So even President Thomas Jefferson undertook to preempt some of the authority over the purse strings which Congress was supposed to exercise. I believe that if Thomas Jefferson had secured that power, he would not have gone into history as the great President that he did.

Madison's administration gave Congress so much trouble that finally on February 17, 1817, Representative John C. Calhoun denounced it in no uncertain terms stating—

We have the sole power to raise and apply money. It is the sinew of our strength. Not a cent of money ought to be applied, but by our direction, and under our control.

Calhoun concluded by saying that the application of the public money to such objects, without ever submitting the question to Congress, "is an evil that cannot be tolerated, unless we are ready to become mere ciphers."

These few examples indicate how jealously Congress, from the inception of the Republic, guarded its prerogatives over the public purse.

The question today with regard to Senate bill 1983—or the portion of it which relates to back-door financing—is simply whether the Members of Congress are ready to become "mere ciphers"—as Calhoun termed it—as far as any control or direction of the foreign aid lending program is concerned.

If we are not, then we should not content ourselves with assurances of success and careful prosecution of our directives by the very individuals who are seeking to usurp our power.

One could continue on at great length showing recurring instances of this perennial struggle between the executive and the legislative branches of our Government.

It was the intention of the originators of the concept of a tripartite government with checks and balances that there would be a healthy tension between the branches of Government.

From this inner tension between the branches there derives a government which does not seek and is not able to enslave its citizens.

The power of each branch is kept in rein by the other branches.

The words of Henry Clay in December of 1819 concerning the practice of executive departments of accumulating unexpended funds in accounts with the Treasury contrary to the law are very appropriate to the present situation.

In support of corrective legislation, Clay protested against this practice in these words:

Are we to lose our rightful control over the public purse? It is daily wrested from us, under high-sounding terms, which are calculated to deceive us, in such manner as appears to call for approbation rather than censure of the practice.

The proponents of this novel 5-year appropriation provision embodied in S. 1983 have been using some high-sounding terms, and apparently have been seeking approbation, to cover up a rather bold attempt to deprive Congress of its only really effective means of controlling the foreign aid lending program; that is, annual appropriations.

What Congress does with the administration's bold attempt to wrest from the legislative branch authority properly vested in the people of the United States can have a far-reaching effect upon the future of our country.

The Byrd amendment, while not attempting to restrict the foreign aid program either as to duration or amount, would preserve those powers which the framers of our Constitution wisely determined should be vested only in the people.

Mr. President, we should approve an adequate foreign aid program.

We should make available such funds as can be expended honestly, efficiently, and productively.

We should authorize a program of such duration as will permit its administrators to best achieve its objectives as defined by the Congress.

But, Mr. President, we should not approve any provision of this bill which would deprive us in any way or to any degree of the priceless possession of self-government which we are trying to bestow on the people of other lands.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from California.

Mr. KUCHEL. I regard the distinguished senior Senator from Vermont as one of the great U.S. Senators of all time. He has just made a powerful and persuasive address about the very serious problem which faces Congress and the Nation. The points he has made will have telling effect in this Chamber.

I want to ask him, if I may, simply so that the record may be clear, two or three questions.

It has been contended that, because the bill before the Senate refers to and adopts certain provisions of the Corporation Control Act, reference to and inclusion of those sections of the law make it mandatory for the Appropriations Committees in the House and Senate, and then the two Houses themselves, to approve every item in the Development Loan Fund lending authority program so that in essence, it is said, it is the same program that we have under the constitutional process of appropriations.

Does the Senator agree with that statement, or not?

Mr. AIKEN. The Senator from Vermont does not agree that the Corporation Control Act in any way would retain for the Congress control over the foreign aid lending programs. I know there have been frequent references made to it, particularly by the proponents of this type of financing, but I noticed they have been very careful not to read into the record what the law says with reference to it. If I may, I wish to read section 849 of the law. The title is "Consideration of programs by Congress; enactment of necessary legislation; effect of section on certain existing authority of corporations."

This is how the paragraph reads:

> The budget programs transmitted by the President to the Congress shall be considered and legislation shall be enacted making necessary appropriations, as may be authorized by law, making available for expenditure for operating and administrative expenses such corporate funds or other financial resources or limiting the use thereof as the Congress may determine and providing for repayment of capital funds and the payment of dividends. The provisions of this section shall not be construed as preventing Government corporations from carrying out and financing their activities as authorized by existing law, nor as affecting the provisions of section 831y of Title 16. The provisions of this section shall not be construed as affecting the existing authority of any Government corporation to make contracts or other commitments without reference to fiscal year limitations.

I am not going to undertake to interpret that section word for word. I think the meaning is pretty clear that, under the Corporation Control Act, while the Congress would have a chance to read the report and read the budget in full, and it might refuse to appropriate or repeal the law if it can get a two-thirds vote to do so, both possibilities are extremely remote. If Congress gives away this power over the purse, it certainly is not going to recover it for a long, long time. How would we look in the eyes of the world if the executive branch and the legislative branch of the Government disagreed about it? It just would not work. The Corporation Control Act gives the Congress the right to read the report and read the budget, and do nothing about it.

Mr. KUCHEL. I thank the Senator. Under the provisions of the amendment offered by the distinguished Senator from Virginia, it is my understanding that the Congress would authorize long-term development projects for a period of 5 years, and that the amendment further would provide that in each of the ensuing 5 years, or any of them, or all of them, Congress would appropriate any or all of the amounts authorized up to the annual ceiling of the authorization. I ask the Senator if that is not correct.

Mr. AIKEN. For the Development Loan Fund there would be no need for further action on the part of the Congress, because this legislation authorizes the executive branch simply to withdraw the money from the Treasury.

Mr. KUCHEL. I mean under the amendment of the distinguished Senator from Virginia.

Mr. AIKEN. Oh, yes. The amendment of the Senator from Virginia would extend the program 5 years. There would certainly be a commitment on the part of the Congress to go through with a 5-year program, but the executive branch would come to the Congress for an annual appropriation.

As stated earlier, during the last 6 years the legislative branch has given to this mutual security program, as we have been calling it, between 80 and 90 percent of the amount asked for, which compares very favorably with the treatment given most agencies of the Government. I think the Appropriations Committee was right when it said that 10 percent of the amount appropriated for foreign aid has been wasted. I think it would be right if it said that 10 percent of the amount appropriated for the costs of this Congress has been wasted. Probably many another agency of Government has wasted 10 percent of the money which it has asked for.

Mr. KUCHEL. I thank the Senator. Is it not true that, under the amendment of the Senator from Virginia, Congress would be permitted to appropriate in any one of the next 5 years without regard to the fiscal year?

Mr. AIKEN. Congress would use the regular appropriating processes for the next 5 years, under the amendment of the Senator from Virginia.

Mr. KUCHEL. It is my understanding that the moneys, under that amendment, could be appropriated without regard to the fiscal year.

Mr. AIKEN. That is correct.

Mr. KUCHEL. So what would be appropriated the first year would be available subsequently. Is that correct?

Mr. AIKEN. That is correct. The fact is that right now commitments are made about a year ahead of expenditures.

I think the administration almost completely refuted its own argument when the President said that the United States will devote to Latin American development $1 billion this year, and more billions of dollars in coming years. He is simply disproving the contention that they cannot plan ahead or make commitments ahead unless he has the borrowing authority which makes it unnecessary to come back to the Congress.

When it is said that this program will be carried on in a manner similar to the Marshall plan, apparently it is forgotten that the Marshall plan, although it ran for a period of years, was financed by annual appropriations. I think the administration has almost completely refuted its own arguments, and I am glad to help it in that respect.

Mr. KUCHEL. Is it proposed that long-term loan borrowing authority for the first year be fixed at approximately $1.1 billion?

Mr. AIKEN. That is correct.

Mr. KUCHEL. The annual authorizations to borrow, bypassing the Congress, would increase somewhat each year, to $1.9 billion?

Mr. AIKEN. One billion nine hundred million dollars a year.

Mr. KUCHEL. Is there any testimony in the printed hearings of the Senate Committee on Foreign Relations to justify any part of the $9 billion requested?

Mr. AIKEN. In my opinion, there is justification for a certain amount of the $9 billion requested, but there is no justification for the method of getting it, for the back-door financing. I do not think that was justified at all by any witness. The witnesses simply said, "Oh, yes, we will furnish you reports," but apparently they considered that giving the Congress information was equivalent to the retention of responsibility and authority by the Congress.

There is one other point. We are speaking in terms of $9 billion. Some people might think that was the total amount of the foreign aid program. The $8.8 billion is in addition to the regular foreign aid program, and does not include it in any way.

Mr. KUCHEL. I wish to be sure the RECORD discloses that, in the Senator's opinion, the hearings which are available to us, on Senators' desks, do or do not include justification for the amounts of authorization, quite aside from the method of financing.

Mr. AIKEN. As I recall the hearings, I would say there was no attempt to justify that particular amount.

Mr. KUCHEL. I thank the Senator.

Mr. AIKEN. In fact, we do not know for what the money would be used. It would be almost a blank check, for the executive branch to make out as it pleased and to spend as it pleased. If the administration wished to spend $50 million a year in Outer Mongolia for the next 5 years, it would have a right to do so, and Congress could do nothing about it.

I do not wish to have anyone think that I feel our mutual security program has not done good, because it has. I do not think such programs can operate most efficiently on a year-to-year basis, but I do not think there is any necessity for divesting the legislative branch, the Congress, of its powers and for investing those powers in the executive branch, in order to carry on these programs.

Mr. KUCHEL. I agree with the able Senator from Vermont. In the few years I have had the privilege of being in the Senate I have supported mutual security for the reasons outlined by the able Senator in his excellent address. I intend to continue to do that, but at the same time I agree with what the able Senator says with respect to this program.

Mr. AIKEN. Mr. President, I said there was no justification of the total amount before the committee. There has been an attempt to justify the back-door financing provision before all of us, and the argument always comes down to this: "We do not want to have to go to that man over in the House to get this money. We do not want to go to the Representative from Louisiana."

People who occupy some of the highest positions in Government have come to me to say, "We do not want to go to him; that is why we must have authority to go to the Treasury and take the money out."

Well, all I wish to say is this: If the White House, with the Army, the Navy, the Air Force, the CIA, the FBI, the

Secret Service, and all the other agencies of Government, is afraid of Mr. PASSMAN, heaven help us if Upper Slobovia ever declares war on the United States.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CASE of South Dakota. Since the Senator referred to the distinguished Representative from Louisiana, Mr. PASSMAN, I wish to say I think every Member of the Congress could, with profit, read the table with respect to the amount of money available in the several different funds, under prior programs, for foreign aid which has been compiled by the Representative from Louisiana, Mr. PASSMAN. The table shows there was, as of the 30th of June 1961, over $5 billion in the pipeline in these various categories.

Since this has come up with reference to the work of Mr. PASSMAN, I think the best evidence of what he has done would be the table itself. If I may, with the permission of the Senator from Vermont, I should like to request unanimous consent to have the table printed in the RECORD, in order that what Mr. PASSMAN has done to make the people of the country aware of the funds that are available may be known.

Mr. AIKEN. I have no objection.

Mr. CASE of South Dakota. In accord with the consent granted, I offer herewith the table prepared by Chairman PASSMAN of the Foreign Operations Subcommittee on Appropriations in the House of Representatives.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Foreign-aid funds, by program and amount on hand unexpended, June 30, 1961

Military assistance	$2,519,643,000
Defense support	673,491,000
Development Loan Fund	1,488,758,000
Development assistance	36,632,000
Special assistance	207,171,000
President's Asian Fund	50,757,000
President's Contingency Fund	252,106,000
Technical cooperative, bilateral	155,068,000
Technical cooperative, United Nations	12,900,000
Technical cooperative, Organization of American States	1,201,000
Atoms for peace	6,959,000
Intergovernmental Commission for European Migration	5,615,000
U.N. Refugee Fund	800,000
Escapee program	4,490,000
U.N. Children's Fund	8,542,000
U.N. Relief and Works Agency	9,274,000
Ocean freight	588,000
NATO science program	----------
Administrative expense, ICA	8,494,000
Administrative expense, State	923,000
Grand total	5,443,412,000
Unexpended funds on hand June 30, 1961	5,443,412,000
Unexpended funds on hand June 30, 1960	4,713,665,000
Increase in unexpended funds last fiscal year	729,747,000

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield the floor, and I thank the Senator from Wisconsin for making it available to me.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from New York without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, I hope the Senator from Vermont will give me his attention. I had not planned to speak today, but I am moved to speak by what the Senator has said. I have such great regard for him and for the weight and importance of what he says in this Chamber that I consider it a privilege to have my remarks stand in juxtaposition to his, because I intend to deal factually with a certain number of the points he has made with such telling effect.

Mr. President, it should be no secret to anyone here that we are engaged today in something of a debate as to how many Republican votes will go for the 5-year program and how many will go against it. The prestige of the distinguished Senator from Vermont is so high that he has struck, in my opinion, a very important and telling blow against it. Therefore, those of us who do not see the matter eye to eye with him, though we pride ourselves, I think, generally on being with him—this is a most extraordinary situation for me, I am forced to say—must, it seems to me, as explicitly as he has, lay our arguments on the table. It is therefore with the greatest of deference and respect and affection for him that I shall try to do so.

Mr. President, one thing which strikes me in this whole debate as very interesting is the fact that a great many people say the foreign aid program has not worked out, has not been a success, has not really hit the bull's-eye, and that the only time it ever did was during the operation of the Marshall plan. That is the general argument.

Mr. President, the Marshall plan was precisely what is being opposed in regard to the 5-year program. The Marshall plan was a massive "tranche", as the French call it—a massive amount of money—for a certain period of time directed at a particular target. That is exactly what the President is asking for in the 5-year program, a massive sum of money for a certain period of time directed at a particular target.

Mr. President, I was in the House of Representatives when the Marshall plan was drafted. I was among those, I am very proud to say, who worked up the formula which made the Europeans feel sure they would get the money over a sustained enough period of time in order to do the job they had to do. Therefore, I invite my colleagues to read the argument made even in those early days on the Marshall plan legislation. Surely, the program provided for annual appropriations, but it gave a commitment through June 30, 1952.

Mr. AIKEN. I hope the Senator did not misunderstand me. I am in favor of extending the program for 5 years.

Mr. JAVITS. I will come to the question of appropriations in a minute.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CASE of South Dakota. I thought I understand the Senator to say that the 5-year plan was the same as the original Marshall plan. Is that correct?

Mr. JAVITS. What the Senator from New York said was that it had the same force and the same impact the original Marshall plan had. That is the way the Marshall plan worked out. In other words, as we saw at the end of the road, the fact that the Marshall plan was, for a period of 4 years, a program with a very substantial sum of money—about $12 billion—which the Europeans relied on, was the reason why the plan worked.

If the Senator will allow me to continue, I should appreciate it. I have not yet developed my point. I shall argue with the Senator in a minute as soon as I develop my point.

Mr. CASE of South Dakota. May I ask the Senator a question?

Mr. JAVITS. If the Senator will wait a moment until I develop the point, I shall be glad to answer the question. The point is that the $5 billion is requested over a sustained period of time—just as it worked out with the Marshall plan, which we now see in retrospect succeeded—will, I think, have equal weighty effect, whereas the annual authorization and appropriations since the Marshall plan days have not been satisfactory in terms of making the plan work. That is my point.

Mr. CASE of South Dakota. But there was certainly a difference between the financing of the Marshall plan, which provided for financing for a term of 4 years, and the financing that is now proposed for the development loan plan.

Mr. JAVITS. The difference arose technically while the Marshall plan was being carried out. But the difference did not affect the result which the Marshall plan achieved. My point is that we have a right to argue now that the reason for the successful achievement should be applied now in developing a new plan. The successful achievement of the Marshall plan, whatever may have been the terms under which it was originally designed, consisted in the fact that a massive sum of money was, in total result, as we now see it in hindsight, assured for a period of time at a specific target. That is what made the Marshall plan successful.

Mr. CASE of South Dakota. The Senator from South Dakota would have to challenge the statement.

Mr. JAVITS. The Senator from South Dakota may challenge anything he wishes when I yield, if the Senator will allow me to proceed. I ask him to bide his time, and I shall be glad to yield.

The point is that the 4-year accumulation of the Marshall plan for $12 billion, directed at a specific target, worked. There is a complaint that the annual basis of dealing with the foreign aid

program has not worked effectively. We are returning to the concept of the Marshall plan, under which, for a sustained period of time, $5 billion will be directed at the foreign aid target, and therefore we would be drawing from our successful experience in the past. That is my argument. I now yield.

Mr. CASE of South Dakota. Mr. President, that statement misses entirely the point of the argument of the Senator from Vermont. The Senator from Vermont did not argue against a program for a long period of time. He argued against the method of financing. If the memory of the Senator from South Dakota is correct, the Marshall plan was based upon drawing the funds for the first year—the year in which the plan was enacted—from an advance by the Reconstruction Finance Corporation. For the remaining period of time the program was made subject to annual appropriation, and that annual appropriation was reviewed by the Appropriations Committees of the House and the Senate. The Senator from South Dakota was a member of the subcommittee on appropriations for deficiencies in the House of Representatives during the first year of the Marshall plan. I cite that example merely to say that that is my recollection that the money for the first year of the Marshall plan was drawn under an advance from the Reconstruction Finance Corporation. That action was taken by Congress, which was considering the proposed legislation. It was current for the balance of the time and was made subject to annual appropriations, which is precisely what is being proposed by the Byrd amendment.

Mr. JAVITS. The only point which the Senator misses is my basic point; namely, that the Marshall plan was successful because, as that plan operated—and the Senator is entirely correct about that point, and I will give him the facts in a minute—whatever may have been the interim steps with respect to the Marshall plan, the fact is that a massive sum of money was directed over a continuous period of time at a given target. That was the one big success we had in foreign aid, and that type of success is what we now endeavor to repeat.

I should like to make the argument on my point in two steps. First, we are trying to emulate a successful experience.

Second, effective control on the part of Congress is not lost.

I should like to give the Senator the fact on the appropriation. The fact is that in the Marshall plan legislation a promise was contained to make available the necessary funds through June 30, 1952.

Mr. AIKEN. Mr. President——

Mr. JAVITS. I should like to finish. If the Senator from Vermont feels he would like to have me yield to him at this point, I am glad to do so.

Mr. AIKEN. I ask the Senator from New York whether he maintains that, if Congress should authorize a 5-year foreign aid program, it would not intend to support the program? Does he not regard that action as a commitment in itself?

Mr. JAVITS. No. The idea of a commitment would be expressly rejected by every Senator. It might operate as a commitment over a period of time—for example, over a period of 5 years. Every Senator knows that the mere fact that we authorize an appropriation is no assurance that we are going to appropriate the money.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. AIKEN. Does the Senator know of any instance in which the United States has ever made a commitment of that nature and failed to carry it out?

Mr. JAVITS. The Senator himself has said we did not appropriate all the money in the authorizations year after year.

Mr. AIKEN. Ninety percent.

Mr. JAVITS. As the Senator knows, we often reduced the authorized amount for foreign aid programs by anywhere up to 25 percent or more.

Mr. AIKEN. The Senator knows full well that it is the practice of almost every agency of the Government to request of Congress 10 to 25 percent more than it expects to use. That practice may not be true of the Defense Department, but it is true of many other agencies. When an agency receives 90 percent of what it has requested, the agency is doing very well, and in all probability the request was for at least 10 percent more than the amount actually needed.

Mr. JAVITS. We are not talking about a request. We are talking about the amount authorized by the considered judgment of the House and Senate, the bill being signed by the President. Within 2 weeks afterward, the Senator and I sat here when the Senate cut the amount by 25 percent in this Chamber. How can we talk about keeping our commitments on the basis of an authorization when we have cut very materially an authorization not over 2 weeks old?

Mr. AIKEN. I know the Senator from New York has been on different committees than those upon which I have served. But the committees on which I have served make authorizations with an eye to the future, and to the probability that the amount which is authorized will not be appropriated in full. That practice goes for public works and many other programs which Congress authorizes. I know the Senator knows the congressional practices well enough to know that an authorization nearly always implies a somewhat larger sum than is expected in the actual appropriation.

Mr. JAVITS. The Senator has made my two points, which are, first, that the authorization is not a promise or a commitment, but it can be and is actually cut very materially.

Second, the authorization is often cut even if it is made at practically the same time as the appropriation, which is an even further indication that no commitment is involved. The Senator and I sat here, either at the end of the last session of the Congress or the one before, when on the very last day of the session we were equally disappointed. I think the conference met for 2 hours. It slashed to ribbons the foreign aid authorization, and the Senate conferees came back and said, "You can take it or leave it. If you leave it, you will have to sit here for another 2 or 3 weeks." Such action is no commitment, and that is not the basis upon which any long-range program can be conducted.

I repeat my argument. It is the wisdom of men to profit by the experience of the past—and the fact is that the one program to which we devoted a massive sum of money over a period of years to one foreign aid target is the one instance of the signal success of our foreign aid program. We are at least entitled to say, "Profiting from that experience, you cannot throw this idea out of the window and say it does not make any sense, because the only time foreign aid"—as so many argue, and I argued—"worked the best was when we did it precisely this way."

The Senator from South Dakota may tell me that we appropriated annually. We did. That was the dynamics of the program. But in the sum total of experience, the fact is that we directed a bulk sum of money over a modest period of time at a given target, and that plan worked.

Let us adopt that method again. I think the burden is upon those who would say, "Do not let us follow that experience; notwithstanding the fact that it was the one real good one we had. Congress is having its power usurped. It is giving up effective control."

I shall next argue specifically the question as to whether we would give up effective control, and whether our power is being usurped.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. AIKEN. I assume that the Senator from New York would be satisfied with an authorization for $8,800 million, if appropriated over the next 5 years. If it worked in the Marshall plan, which he holds up as a successful program, it will work in this program also. Does the Senator believe that Congress is not that trustworthy?

Mr. JAVITS. No, but the history up to now has not been that satisfactory. We have now had the benefit of the Marshall plan experience, which we now have by hindsight and which is created in the prospective legislation.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CASE of South Dakota. The Senator from South Dakota is inclined to agree with the Senator from New York that an authorization does not constitute a guarantee of an appropriation. In fact, the reason why there is a separation between legislation which authorizes and an appropriation is that Congress, back in the 1920's adopted the Budget Accounting Act. Congress provided that a legislative committee ought not to appropriate, and that the Appropriations Committee should have overall authority over finances and should balance out the appropriation to the various claimants upon the Federal Treasury.

My question is with respect to the second reason stated by the Senator from New York. He has said that we ought to profit by hindsight, that we should benefit from the lessons of the past. That is exactly what the Appropriations Committees seek to do each year. By authorizing and by providing for annual appropriations we seek to do exactly what the Senator has suggested we should do if we wish to profit by hindsight. I say that because if a year's expenditures and the year's experience with a program shows that there should be some limitations placed upon the appropriations, we can benefit by that hindsight, and provide the amount of money that should be made available for that year.

Mr. JAVITS. I should like to point out to the Senator that we are trying to find another way, because the proponents of foreign aid say the program has not worked out, that it has been a failure. So we say, let us find out why it has not worked, and find another way. Of course I do not agree with the view that it has not worked, or that it has not been effective, as it is argued by the opponents. However, let us find out why it was most effective in the Marshall plan, and do the same thing again. That is what we propose. That is true especially—and this is extremely important—because congressional control is not lost but, on the contrary, will be extremely effective.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. AIKEN. The Senator surely is not comparing the conditions which prevailed in England, France, and Belgium and in other Western European countries after World War II with the conditions which have prevailed in Laos and Vietnam and in European and African countries during the last 5 years. There is no comparison between the two. The Marshall plan was designed to restore our long-term friends in France and England and Belgium and in other Western European countries. I would be willing to settle for a Marshall plan now with commitments implied or otherwise, with annual appropriations, and in accordance with what President Kennedy promised to South American countries.

Mr. JAVITS. I find it extremely difficult to debate with my good friend, the Senator from Vermont, with any but the very warmest of personal feelings. However, I would say to him that it takes two to make a bargain. We can make promises to Latin Americans, of course, but the question is whether they believe those promises. This is not meant in any invidious sense. It is not meant to imply that they do not believe that the President is sincere in making the promises. However, when they look at our record during the years, from 1952 to 1961, can they absolutely go ahead and make commitments upon the ground that we will appropriate as we authorize? The answer is distinctly "No," because we have not done it. And see when we authorize and appropriate in any given year.

Mr. AIKEN. Did not President Eisenhower ask Congress to authorize $500 million for Latin American aid, and did we not promise it at the Bogotá Conference, and did not President Kennedy come to Congress and ask for $500 million with which to keep our commitments? Did not Mr. PASSMAN in the House committee and did not the Senate also give every cent that had been committed or implied? The Latin Americans have no reason to feel that we will not keep our promise.

Mr. JAVITS. That was precisely the arrangement we had made with the Latin Americans. That is carrying out a commitment which Congress and the President had made. When we are talking about these authorizations, in the pending bill, we are not talking about commitments which the Congress and the President have made for a specific purpose.

Mr. AIKEN. When we say to them, "We are going to proceed with you on a cooperative basis for a 5-year period," they have every reason to believe that we will keep our agreement. I believe we will, too.

Mr. JAVITS. The individual country and the individual region do not have that basis for dependence, so far as the pending bill is concerned, as does Latin America, in connection with which we made a particular arrangement, and made a particular proposal at a particular conference, for a particular sum. Here we are dealing with a general authorization for the whole world, or at least for the 60-odd countries with which the United States will seek to make arrangements. We are not pointing this proposed program at any one country in any one region to whom we are making commitments. The countries are all lumped together in one whole mass. We cannot give a guarantee to each country under those circumstances.

Mr. AIKEN. The Senator is making a good argument that we should know more about these agreements and circumstances which prevail in each country before we enter into agreements with them. I believe that Congress also should know these particulars, as well as the executive branch.

Mr. JAVITS. I intend to comment on that. The next question is the question of effective control, and I would like to proceed to that point.

Mr. CASE of South Dakota. Mr. President, will the Senator yield at that point?

Mr. JAVITS. I yield.

Mr. CASE of South Dakota. I do not want to delay the Senator, but there are two paragraphs of the Economic Cooperation Act of 1948, which was the institution of the Marshall plan, which are so pertinent to the discussion now under way that I should like to read them, if the Senator will permit me to do so.

Mr. JAVITS. I yield for that purpose.

Mr. CASE of South Dakota. I am reading from the Economic Cooperation Act of 1948.

Mr. JAVITS. Section 114(a). I have it before me.

Mr. CASE of South Dakota. I read:

AUTHORIZATION OF APPROPRIATIONS

SEC. 114. (a) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (c) of this section, to make advances not to exceed in the aggregate $1,000,000,000 to carry out the provisions of this title, in such manner, at such time, and in such amounts as the President shall determine, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose. The Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder, from funds made available for the purposes of this title.

(b) Such part as the President may determine of the unobligated and unexpended balances of appropriations or other funds available for the purposes of the Foreign Aid Act of 1947 shall be available for the purpose of carrying out the purposes of this title.

(c) In order to carry out the provisions of this title with respect to those participating countries which adhere to the purposes of this title, and remain eligible to receive assistance hereunder, such funds shall be available as are hereafter authorized and appropriated to the President from time to time through June 30, 1952, to carry out the provisions and accomplish the purposes of this title: *Provided, however,* That for carrying out the provisions and accomplishing the purposes of this title for the period of one year following the date of enactment of this Act, there are hereby authorized to be so appropriated not to exceed $4,300,000,000. Nothing in this title is intended nor shall it be construed as an express or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries. The authorization in this title is limited to the period of twelve months in order that subsequent Congresses may pass on any subsequent authorizations.

I do not know that that bears out what I tried to express as my understanding from memory, but certainly it supports the statement that initially funds were made available from the Reconstruction Finance Corporation, and that the program was authorized through June 30, 1952—and this was the act of 1948, but that for this particular year there was an authorization and an appropriation of not to exceed $4.3 billion. In other words it envisioned a 4- or 5-year program, but the appropriations were made 1 year at a time.

Mr. JAVITS. Mr. President, I complete this part of the argument by making it very clear that I wish to profit from the experience of the Marshall plan, which, whatever may have been the initial terms of appropriation, did appropriate a lump sum of money, $12 billion for a 4-year term, for a sure project, which worked.

So in the prospective legislation I wish to profit from that experience.

Now I move to the question of effective control. There are many ways of effectively controlling what we do here, depending absolutely upon the fact that our prerogatives are not being usurped, and the main one is this: The authority which is granted to borrow is authority to borrow $1.8 billion a year. It is not authority to borrow $8 billion at any time over a period of 5 years. Congress has the power, under the bill, at any time, in connection with any one year, to terminate the authority. I call attention to the provisions of section 617:

TERMINATION OF ASSISTANCE.—(a) Assistance under any provision of this act may, unless sooner terminated by the President, be terminated by concurrent resolution.

That means a concurrent resolution by a majority of each House, without the concurrence of the President.

I shall submit for the RECORD, and I invite every Senator to read it, a brief upon the legal effectiveness of the concurrent resolution technique. It has been incorporated in many, many laws of the United States and has not been challenged. Indeed, it is doubtful that it could be challenged in any effective way in the courts, and I have no doubt, and little question that any other Senator would doubt, that the President would absolutely respect it.

So, at the very worst, Congress, by the action of both Houses, and without the concurrence of the President, can cut this program off in any one year, because the authority is for $1.8 billion a year.

The authority is cumulative, but it is an authority granted year by year, and can be cut off. We are giving economic aid, which is what this comes to, and pretty much the same kind of provision currently is, as in the magnitude of $1,800 million a year. I ask unanimous consent that the brief may be printed as a part of my remarks, because I shall be discussing it in the days ahead in somewhat more detail. By the concurrent resolution technique, we not only maintain effective control over any program or any money which is spent under any provision of the act, but assuming, even as my distinguished and dear friend and colleague says, we would not want to square off with the President on any program, because that would be unseemly, yet the fact is that this authority is to be exercised in individual years. So if we were really dissatisfied with what was being done, we could cut off the program with respect to any prospective single year. There is no question in my mind about that authority for that part of the act.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Is there objection to the request of the Senator from New York?

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON CONSTITUTIONALITY OF PROVISION FOR CONCURRENT RESOLUTION TO TERMINATE ELEMENTS OF FOREIGN AID PROGRAM (SEC. 617, S. 1983)

(By Senator JACOB K. JAVITS)

Most legislation authorizing assistance to foreign nations, beginning with the Lend Lease Act,[1] has contained provisions for termination of all or part of the authority upon the passage of a concurrent resolution by the Congress.[2] The question arises as to the constitutional effectiveness of such terminating provisions, specifically under article I, section 7(2) of the Constitution which provides that all bills and "every order, resolution, or vote, to which the concurrence of the Senate and House of Representatives may be necessary (except on a question of adjournment)" shall be submitted to the President of the United States for his approval or veto.

It should be observed at the outset that no categorical answer can be given to the problem presented.[3] The Supreme Court has never passed on this precise question or on a substantially analogous question. Nor is it likely to; for it is difficult to conceive of a case or controversy arising out of these provisions. Moreover, a litigant aggrieved by the termination of the congressionally granted authority would be in a difficult position to challenge the validity of the conditions of the grant since he would be claiming under the very statute which he was contesting.[4] He would also, despite the presumption of separability raised by the standard separability clause, have to show that the authority would have been granted without the condition of termination by concurrent resolution.[5]

Those who argue against the constitutionality of the concurrent resolution technique for terminating congressional authorizations are fond of citing *Springer* v. *Philippine Islands*,[6] in which the Supreme Court, Justices Holmes and Brandeis dissenting, declared invalid the action of the Philippine legislature which vested the voting power of stock owned by the government of the Philippines in a committee consisting of the Governor General, the President of the Philippine Senate, and the Speaker of the Philippine House of Representatives. The issue thus presented was one involving the constitutional propriety of action in an executive capacity by members of the legislature such as is prohibited by article I, section 6 of the U.S. Constitution. In this respect, it is clearly distinguishable from the problem here under consideration.

At least since the Reorganization Act of 1939,[7] Congress has repeatedly enacted measures providing for termination of authority granted to the Executive or disapproval of Executive action taken under congressionally granted authority, by the device of a concurrent resolution. Besides foreign aid and reorganization of executive departments, this includes the fields of price control, emergency war powers, selective service, labor disputes,[8] and reciprocal trade.[9] In the case of the Reorganization Act of 1939 itself, the executive branch actively urged the adoption of the device and has often acquiesced in its subsequent incorporation in other legislation. Opinions of the Attorney General on this question have both supported and opposed the constitutionality of the concurrent resolution device, depending on the interest of the executive branch in promoting the legislation of which Congress sought to make it a part. Thus, a Department of Justice memorandum in connection with the consideration of the Reorganization Act of 1949, on the question of the constitutional appropriateness of disapproval of reorganization plans by either House of Congress, states as follows: [10]

"It cannot be questioned that the President in carrying out his Executive functions may consult with whom he pleases * * *. There would appear to be no reason why the Executive may not be given express statutory authority to communicate to the Congress his intention to perform a given Executive function unless the Congress by some stated means indicates its disapproval. The Reorganization Acts of 1939 and 1945 gave recognition to this principle. The President, in asking Congress to pass the instant reorganization bill, is following the pattern established by those acts; namely, by taking the position that if the Congress will delegate to him authority to reorganize the Government he will undertake to submit all reorganization plans to the Congress and to put no such plan into effect if the Congress indicates its disapproval thereof. In this procedure there is no question involved of the Congress taking legislative action beyond its initial passage of the Reorganization Act. Nor is there any question involved of abdication by the Executive of his Executive functions to the Congress. It is merely a case where the Executive and the Congress act in cooperation for the benefit of the entire Government and the Nation."

In the Constitutional Convention, the original language of what has become article I, section 7(2), was cast in the form of requiring all bills to be submitted to the President. The present rather all-embracing language was designed to prevent the short-circuiting of the Presidential veto procedure in the case of measures which Congress might otherwise be tempted to call something other than bills.[11] Clearly, there is no such short-circuiting where, as in the present situation, the President has the power in the first instance to pass upon the measure, which specifies the condition of its continued effectiveness. Provision for termination by concurrent resolution of the effectiveness of authority granted to the Executive only conditions the grant of authority upon the happening or failure to happen of a subsequent event. In a similar case, the Supreme Court in 1939 upheld the validity of a referendum of tobacco farmers to determine whether the Secretary of Agriculture could exercise the authority given him by statute to designate a market as one at which tobacco was required to be inspected and certified by Department representatives prior to its sale.[12]

Since the authority given to the Executive is within Congress' power to grant or to withhold, it is also within the Congress' power (1) to condition the authority upon the continuance of a state of facts existing at the time the authority was granted; and (2) to specify that the authority shall continue only until terminated by concurrent resolution. That state of facts, in the problem under consideration, consists of the absence of the concurrence of the two Houses of Congress that the authority should terminate either because of its unwise use or because of changing international political circumstances. Thus, since Congress clearly can condition the continuance of authority which it grants to the Executive upon a vote of farmers affected by agricultural legislation or upon findings or determinations (or the absence thereof) by the President or other public officers, it would be

[1] 22 U.S.C.A. § 412(c)

[2] Greek-Turkish Assistant, 22 U.S.C.A. § 1406; Foreign Aid Act of 1947, 22 U.S.C.A. § 1415; Economic Cooperation Act of 1948, 22 U.S.C.A. § 1520; Point Four (1951), 22 U.S.C.A. § 1557(i); Assistance to Yugoslavia (1950), 22 U.S.C.A. § 1558(h); Mutual Defense Assistance (1949), 22 U.S.C.A. § 1576 (e); Mutual Security Act of 1954, 22 U.S.C.A. § 1755 (a).

[3] For a very complete discussion of the problem, see Ginnane, "The Control of Federal Administration by Congressional Resolutions and Committees," 66 Harvard Law Review 569 (1953).

[4] Cf. *Fahey* v. *Mallonee* (332 U.S. 245, 255 (1947)).

[5] See generally, Stern, "Separability Clauses in the Supreme Court," 51 Harvard Law Review 76 (1937).

[6] 277 U.S. 189 (1928).

[7] 5 U.S.C.A. § 133(z).

[8] A history of concurrent resolutions, and an enumeration of legislation in which the device has been used as a condition of termination, is to be found in Cotter and Smith, "Administrative Accountability to Congress: The Concurrent Resolution," IX Western Political Quarterly 955 (1956).

[9] 19 U.S.C.A. § 1364(c)(2)(B).

[10] S. Rept. 232, 81st Cong., 1st sess. 20 (1949).

[11] 5 Elliott's Debates 431 (1845).

[12] *Currin* v. *Wallace*, 306 U.S. 1 (1939).

anomalous to exclude the possibility of Congress conditioning the continuance of such authority upon the existence or nonexistence of findings or determinations by the Congress itself.

Those who argue against the constitutionality of termination of legislatively granted Executive authority by concurrent resolution do so by contending that such a concurrent resolution is the same as repeal of the legislation granting the authority. This is taking a long leap in reasoning. In the case of repeal, Congress is abrogating authority which by its terms, in the absence of repeal, is unconditional in its duration so far as further action by the Congress is concerned. Such unconditional authority can only be abrogated by separate legislation and, as such, must be submitted to the President for his approval or veto. In the instant case, the grant of authority continues only in the absence of congressional disapproval. If Congress by concurrent resolution expresses that disapproval, it is not enacting legislation but rather acting under the terms of a law and carrying out one of its terms.

It has also been asserted in support of the claim of unconstitutionality of the concurrent resolution device that, if the device were constitutional, Congress could effectively pass over the President's veto legislation providing for the future abrogation, by concurrent resolution, of all existing provisions of the United States Code.[13] However, it would appear that such a measure would be so distinguishable from the problem under discussion as to make the analogy farfetched. For in such a case, the Congress would be attempting by concurrent resolution to abrogate existing provisions of law which do not by their terms (terms incorporated in the law) provide for their termination.

Nor does the argument in favor of the constitutionality of provisions for termination of all or a part of foreign assistance by concurrent resolution carry with it the implication that Congress could properly condition the duration of all future legislation upon the absence of a concurrent resolution for its termination. Uses of this device to compel Executive action or to provide for congressional participation in the details of Executive administration of congressionally granted authority would raise very grave constitutional doubts indeed, since they could well be construed as invasions of the Executive powers of the President. But where, as in the problem under consideration, continuation of authority which is within Congress' power to withhold altogether is made dependent upon the absence of a concurrent resolution against such continuation, the preponderance of the argument would seem to be in favor of constitutionality.

In an era in which the complexities of Government require delegations by the Congress to the President of discretionary authority far beyond what could have been considered the normal governmental process by the fathers of the Constitution, a check on the duration of those delegated powers such as is comprised in the device of the concurrent resolution can scarcely be said to upset the balance of powers contemplated by the founders of the Republic.[14]

Mr. AIKEN. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. AIKEN. I wish to get the Senator's views clear, because they may be helpful to the RECORD later on, in the event back-door financing wins. Does the Senator from New York interpret this provision to mean that if the development loan authority had a billion dollars which it had promised to lend, and $50 million of that was slated to go to Outer Mongolia, Congress could, by concurrent resolution, delete the $50 million for Outer Mongolia? Is that a correct understanding?

Mr. JAVITS. Congress could; I hope it would not.

Mr. AIKEN. I am not certain that it would be able to delete the $50 million for Outer Mongolia.

Mr. JAVITS. When I say I hope Congress would not delete the authority, I hope the Senator understands what I mean. If for Outer Mongolia we substituted Chile or Peru or Bolivia or Brazil, or some other country, that might be preferable. It would not have the connotation raised by the use of Outer Mongolia. I said Congress could do so. I hope it would not, because it would be very bad policy. But Congress could say to the President, "Next year we will not grant the authority to borrow $1,800 million." Congress would say no; it would cut off that amount. That authority would be exhaustive under the terms of this act without the concurrence of the President.

Mr. AIKEN. Is not that power sometimes utilized in appropriations acts, too?

Mr. JAVITS. Constantly.

Mr. AIKEN. Why is it better to proceed in the other way?

Mr. JAVITS. It is better to do it the other way because Congress gives, subject to the statutory power to cut off, a greater element of certainty in terms of working out programs in the United States and other countries than is given by the authorization and appropriation technique, especially in view of its history, when the administration, only at the peril of its life in the first place, gets its authorizations very late. It is getting some of them right now. We are in the month of August, but we are talking about an authorization for foreign aid. We have not even taken up the question of the appropriation. The administration gets its authorization very late in the year. It gets it for only a 1-year period. Frequently the authorization is very sharply cut in the appropriation stage. Hence there is no reliability, no dependence, upon such a program within the confines of the right of Congress to veto on some broad base, and to cut a program to ribbons between the authorization and appropriation stages, thus making it impossible to provide any really long-term arrangements with any country.

Mr. AIKEN. Then the Senator from New York believes that if the Development Loan Fund makes a commitment to Outer Mongolia for $50 million, Outer Mongolia can better depend upon that commitment being carried out if a concurrent resolution is required to stop it, rather than to have it stopped through the appropriations process?

Mr. JAVITS. I do not know why the Senator from Vermont insists on using Outer Mongolia as an example.

Mr. AIKEN. It is because I have the feeling that the State Department desires to recognize Outer Mongolia at the first opportunity.

Mr. JAVITS. I think that is an invidious comparison. Outer Mongolia is not a fair example of what we might do with $50 million. We have no relations with Outer Mongolia. We do not have any programs in Outer Mongolia. Right now we are dealing with countries which are our friends. That is a very different situation. So I cannot accept the use of Outer Mongolia as an example.

If the Senator will take any other country as an example, then I say, "Yes," we will get much further in the development program of that country under the technique contained in the bill than we will under the technique of authorization and appropriation, which has been tried since 1952 and has been found seriously wanting.

Mr. MORTON. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. MORTON. Actually, no concurrent resolution is necessary. If, to use the extreme example which the Senator from Vermont has cited, Outer Mongolia should be included to receive a sizable amount of aid, certainly in the foreign aid bill which goes through Congress every year, Congress has the power to appropriate in accordance with the requests of the administration, but certainly it could include a negative item concerning Outer Mongolia, if the administration should go to that extreme. I do not think it would. In that instance, there would be no concurrent resolution. The President would have before him a bill he would have to sign, because it would contain his whole program. It could easily have language in it to exclude any program in a particular country.

Mr. JAVITS. The Senator is absolutely correct. There is no provision for an item veto. The President would either have to sign the whole bill or veto the whole bill.

I have used the concurrent resolution example only because it related to the question of usurpation of power. I cannot see the argument of usurpation of power when Congress has given itself, I think, a perfectly valid power. It was in the original Marshall Plan Act, under which many loans were made. Congress has given itself such tight control as to prevent such a usurpation of power as the Senator speaks of.

Mr. CASE of South Dakota. Mr. President, will the Senator from New York yield?

Mr. JAVITS. No; the Senator from New York has been hashed up enough in his presentation. I prefer to wait awhile before I yield again.

In spite of the right of Congress to inquire again, I think we overlook one of the very important paragraphs of the bill. I compliment the Foreign Relations Committee, including the Senator from Vermont [Mr. AIKEN], one of its members, for including this very tough provision. I call attention to the provisions of section 634(c), which places the

[13] See Ginnane, note 6, supra, at 594.

[14] See Corwin, "Total War and the Constitution," 45–47 (1947).

heaviest kind of penalty on the administration if it fails to part with any information the Congress wants. That provision reads in part as follows:

(c) None of the funds made available pursuant to the provisions of part I shall be used to carry out any provision of part I in any country or with respect to any project or activity, after the expiration of the thirty-five-day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under this Act, has delivered to the office of the head of any agency carrying out such provision, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or control relating to the administration of such provision—

And so forth. In short, by that provision, we would be taking away from the administration in a very potent and effective way the possibility of a claim of executive privilege with respect to any disclosures in connection with this matter.

Mr. President, many other provisions of the bill give Congress very tight control. I have already named two of them. For example, the committees of Congress must be specifically advised if the administration intends to exceed its budget in the case of a program with any country. All of us are also aware of the duties assigned the General Accounting Office by the bill and the built-in inspector-general technique provided by the bill—a recent development in connection with foreign aid. All of us are also familiar with the provisions which require that reports be made to congressional committees, and all of us are also familiar with the governmental control which is provided by means of a cutoff in this connection—a matter which will be argued later in detail.

Mr. President, it is very appealing to call out against usurpation of control. However, I believe that the claim of usurpation of control must be critically examined. I do not think there actually is any usurpation of control by means of this measure; and I have now demonstrated that point in detail, insofar as the residual powers of Congress are concerned.

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. JAVITS. Madam President—for I see we now have a new Presiding Officer—it seems to me also very clear from the history of Congress that Congress does not very easily allow its powers to be usurped. As the Senator from Kentucky has only recently pointed out, Congress has no hesitancy in including in appropriation bills and in other bills provisions which it feels will be adequate in order to deal with any threatened or attempted usurpation of congressional power. So I do not think the question of effective control is really at issue, for Congress has effective control.

I think the question at issue is whether it is more conducive to the success of a foreign aid program to have such a 5-year provision included in the bill, rather than not to have it included. I deeply believe that the case in favor of the inclusion of such a provision is crystal clear from the history of the Marshall plan.

Now I wish to make one other point, and then I shall yield to the Senator from Kentucky [Mr. MORTON], who, I know, wishes to speak on this very point.

The fact is that today we have competition from the Soviet Union, which now is going into the foreign aid business to the extent of an estimated up to $2 billion per year, by means of an aid program analogous to our own; and we now also have competition from Communist China—competition which is not in any way tied up, as regard long-term commitments, to other countries in the way in which we are, under our authorization and appropriation procedure. Both from the point of view of the substantive success which history shows we seek by means of the foreign aid program and in order to meet the competition with which we are now newly and keenly faced, and in view of the fact that by no means shall we lose effective control, I respectfully submit that the 5-year provision will give us what we need to have in order to have an effective program, and it will not deprive the Congress of anything it has had before in the way of protection.

Madam President, I should like to close on this note: I think we had better keep our eyes clearly "on the ball." Aside from all the arguments about effective control, in terms of oversight and finance committees—and I would be in favor of a joint ad hoc committee for the purpose of giving oversight, as we provided for in connection with the Marshall plan, and I may propose an amendment to that effect—and aside from the current technique and the other techniques provided in the bill, the important point is to provide for action under the 5-year borrowing authority. The important question is how to make really long-term commitments for foreign aid, on which reliance can be placed in making plans, because that is demonstrably the way to make a foreign aid program succeed. That is why I favor this provision of the bill.

Mr. PROXMIRE. Madam President, I ask unanimous consent that at this time I may yield to the Senator from Kentucky [Mr. MORTON], without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MORTON. Madam President, I thank the Senator from Wisconsin.

First, let me say that I am on the same side of the argument as is the Senator from New York [Mr. JAVITS]. But I do not see where the Marshall plan argument comes into this situation; and it seems to me that is what the Senator from Virginia [Mr. BYRD] is trying to achieve here. However, although it worked then, it will not work here.

Madam President, as the Senate continues this debate on the foreign aid bill, there is a remarkable degree of agreement on all the major policies provided in the bill recommended to the Senate by the Foreign Relations Committee.

The broad support for the major idea of long-term commitment authority is particularly notable. It is not only requested by President Kennedy, but its importance is stressed by former President Eisenhower and former Vice President Nixon. I believe it also has very wide support in both bodies of the Congress.

The only major issue remaining in the bill before us is the means by which the funds needed to make the long-term lending authority effective are to be provided.

The President has asked that these needed funds be made available to him through the grant of authority now to issue notes to the Treasury from time to time in specified amounts to be available each year for 5 years.

Many of my colleagues on this side of the aisle who believe in the principle of long-term commitments are concerned as to whether, under the proposed means of funding, the Congress would retain the control it ought to have over this important program.

Some are looking to the proposal made by the senior Senator from Virginia, in the hope that it will provide this control while making long-term commitments possible.

In my opinion it will not be in the best interest of the program. It would only perpetuate for 5 more years the uncertainties which plagued President Eisenhower and Secretary Dulles and Secretary Herter and Under Secretary Dillon for the last 8 years.

The Senator's proposal is nothing more than we have had before. It does nothing but authorize another 5 years of annual appropriations. It is even worse than the present situation, since it would take the Foreign Relations Committee effectually out of the picture for 5 years, while each year it would leave this important part of the bill to the solitary consideration of the Appropriations Committee.

During the past 4 years since the Development Loan Fund came into existence, appropriations have been authorized for it twice for two periods of 2 years each—just like the idea of the Senator's proposal. What happened? The President and the Secretary of State, charged with carrying out this vital function of U.S. foreign policy, never knew from 1 year to the next how much money would be available. In fact, it got to the point that they did not even know how much they had for a whole year at a time. Twice in this period they had to come back for supplemental appropriations to make up cuts in original requests for the year. And even the supplementals were cut.

Nobody can be expected to run a successful development program under these difficulties.

I did not think Foster Dulles and Christian Herter should have been compelled to. I do not think Dean Rusk should be put in this straitjacket either. Yet that is exactly what the amendment would do.

It would provide no authority to give commitments of aid in any amount for any period. It would give no reasonable assurance that any particular amount of money would actually become available in any year.

It would do nothing but put the Foreign Relations Committee on ice for 5 years.

If we cannot go forward, let us not go backward.

But there is no reason we cannot go forward. President Kennedy has made a perfectly sound proposal. The Foreign Relations Committee has recommended it. I am for it. In fact, I have been for it since about 6 years ago.

I had the privilege then of working with Secretary Dulles. One of the major problems which concerned him was how to get the aid program on a sound long-term basis. I discussed this problem with him many times. I know how deeply he felt about this when he recommended to President Eisenhower in 1957 that he ask the Congress to authorize a 3-year development lending program based on borrowing authority.

This proposal was drafted by Dulles, Herter, and Dillon after the most thorough consideration of all possible alternatives and the conclusion that it was the best way to provide funds for the kind of long-term program that was desperately needed.

When President Eisenhower sent his request to the Congress on May 21, 1957, he asked authority for the proposed Development Loan Fund to borrow from the Treasury. He said then:

> Such borrowing authority has been used to finance many other U.S. lending operations. I believe this financing is well suited to the character of the Fund.

I think it shows good judgment on the part of President Kennedy and his administration that the proposal he has now made is identical in principle with that of President Eisenhower. He also asks that funds be provided on the same basis.

I thought that basis was sound then. I think it is sound now. I can add also that Secretary Herter and Secretary Dillon who helped draft that first plan still believe that the 5-year borrowing authority is still the right way to fund this lending program. I think I knew Secretary Dulles well enough to be confident that he, too, would advocate this program now.

Senators would be well rewarded to look back, as I have, to Secretary Dulles' statement before the Foreign Relations Committee on May 22, 1957. Every word he said then would with equal validity sustain the case made by Secretary Rusk before the same committee only 2 months ago.

In a brilliant and moving statement, Secretary Dulles declared the great question of the day, asked by hundreds of millions of people in new nations throughout the world, is whether political freedom and independence mean economic growth—whether these new nations can grow in freedom. He declared that we must see that this is possible. And he asked, "What is the most economic and effectual way to do this?"

His answer was through the creation of a development lending program to be funded by borrowing authority.

He said, in words as valid now as then, that "economic development is a long-term process. It is not an annual event." I repeat: "It is not an annual event."

And then he reiterated the President's request that funds be provided through borrowing authority. He added that, although the funds would become available only in incremental amounts from year to year, "the fact that they would be available will give the countries we wish to help and our own administrators the assurance they need to plan ahead."

And then Secretary Dulles said—and I hope every Senator who respected his judgment will heed these words:

> This new approach we contemplate requires that we get away from annual authorizations or appropriations. These inevitably tend toward a system of "illustrative programs" as a basis for justifications. These are not compatible with the assurance of continuity essential to good planning and to the new long-term loaning concept. They are not compatible with cooperation with such organizations as the International Bank for Reconstruction and Development and Export-Import Bank, which operate on a long-term businesslike basis with established capital.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. MORTON. I yield.

Mr. AIKEN. In view of the reference to the support in 1957 of the administration in borrowing from the Treasury, will the Senator tell us why the administration did not support Treasury borrowing in 1959?

Mr. MORTON. Yes. Although I was not a member of the administration then——

Mr. AIKEN. I never knew the real reason.

Mr. MORTON. I think, to use a colloquial expression, they had broken their plate on the matter here in Congress, and after the elections of 1958, when Congress went overwhelmingly to the other party, they felt if they could not get Congress to agree when it was fairly friendly, they had better not try with the control of Congress in the other party.

Mr. AIKEN. I know it was a mystery to me——

Mr. MORTON. I know it was. I think the Senator himself regretted they did not ask for it again.

Mr. AIKEN. The Senator found himself flat on his back on the rug. The mystery to me was how it happened that there were 29 Republican votes in favor of Treasury borrowing in 1957 and only 7 in 1959. What caused the great backslide?

Mr. MORTON. I think it was the fact that the then administration did not give it the vigorous push which it had in 1957.

Mr. AIKEN. Only shortly before the bill came on the floor the administration, as I understand at the time, was very much in favor of the Treasury borrowing method of financing. If I remember correctly, the Secretary of State, even after the administration withdrew its support of Treasury financing, said the State Department was still in favor of it.

Mr. MORTON. Yes, I think they were.

Mr. AIKEN. I never knew what happened.

Mr. MORTON. I have had a good many experiences in politics, as I am sure the Senator has. I think when we lost one as bad as we did in 1958——

Mr. AIKEN. We only lost it by five votes in 1959. If out of the 20 or more backsliding members of our party we had been able to salvage 3 or 4 of them, we would not have had this argument today. In retrospect, perhaps I was not as smart in voting as I thought the President wanted me to be.

Mr. MORTON. The Senator has always been very smart.

Mr. AIKEN. But we came close to getting it in 1959.

Mr. FULBRIGHT. Madam President, will the Senator yield?

Mr. MORTON. I yield.

Mr. FULBRIGHT. Before I comment on what has just been mentioned, I should like to compliment the Senator on a very strong statement, with which I agree.

On this particular issue, I have had a consistent position. I was for it in 1957 and I was for it in 1959. Perhaps I may offer an explanation of the change in the administration's position in 1959. I think it was a perfectly logical one. Although I did not agree with it at the time, I can understand how, in balancing the foreign urgency and the domestic urgency, a judgment has to be reached.

It is my own opinion, based on many conversations at the time, that the administration was of the same view in the spring of 1959 as it was in 1957. In other words, it supported long-term borrowing. But it will be recalled that at that time there developed very serious problems in our internal financing, especially with regard to the selling of bonds. Interest rates jumped up to 4 percent. The Senator from Connecticut [Mr. BUSH], who is sitting near me, keeps up with this subject better than I do, but he will remember there was great concern, especially by Secretary Anderson. I had the experience, as did other Senators, of having Secretary Anderson come before us. I was sitting on the Banking and Currency Committee, and I, along with the other committee members, knew there was great concern about lifting the interest ceiling. Senators will recall that. The Secretary talked with us, both in groups and individually.

In other words, it is my own conviction, based on all I saw at that time, that the reason for the change in the administration's position with regard to the borrowing authority did not derive from doubts over the wisdom of this method, but from their growing concern with the domestic bond market. In any case, this consideration dictated the President's decision, and he sent word to the minority leader, the Senator from Illinois [Mr. DIRKSEN], that the White House had changed its view.

I think that is the reason why many Republicans, quite properly, supported

their leader and the administration in its changed position. I see nothing unusual about that, because the administration acted for reasons entirely irrelevant to the question of how best to finance a development loan program.

The Senator has read what Secretary Dulles said. I know that in 1959, Under Secretary Dillon continued to believe that the Treasury borrowing was the proper and appropriate method, and still thinks so today. He bowed to the overriding concern with the domestic financial situation. I would not minimize that. Confidence in the dollar is a very important thing. The judgment of the Treasury was that a long-term lending program would have an unsettling influence on the domestic bond situation. I am convinced that is the reason they changed their view.

I see nothing either wrong or mysterious about it. We have to take those things into consideration. At present, everyone, including Secretary Dillon is agreed, on the borrowing proposal. I know of no one in a position of great responsibility in the administration who does not agree with the position taken by the Senator from Kentucky today.

Mr. MORTON. I thank the Senator very much. I think he has put this into perspective very well.

Mr. AIKEN. Mr. President, I am very glad to hear the explanation of the Senator from Arkansas. It gives me hope. Until the Senator spoke I was under the impression that the finances of our Government today, with a $300 billion debt, were not as rosy as they might be. With the Senator's reassurance that the situation in that regard is so much better than it was 2 years ago, I feel better.

Mr. FULBRIGHT. I think the markets, on their face, are much better. The loss of gold, which was accelerating at that time, was proceeding very rapidly. It is my understanding that at the present time the gold situation has been fairly well stabilized. The drain is not continuing. A few weeks ago I noted that during a particular week there was a gain of $100 million. I have not kept up with the situation on a daily basis. In any case, there is not now a continuing loss, as there was during the course of 3 years.

If the Senator will yield further, the clerk of the Committee on Foreign Relations has handed to me a telegram from Secretary of the Treasury Douglas Dillon, which I think is relevant. If the Senator will permit, I should like to read it.

Mr. MORTON. I am glad to yield.

Mr. FULBRIGHT. I have not quite completed reading it, but I know it is intended for the information of the Senate and of the public. This is a telegram from Douglas Dillon, from Uruguay:

> Three days here have heavily underlined overriding importance of our having authority make long-term commitments to match major effort which Latin American countries now prepared to make on their own behalf. Lack of this authority will seriously prejudice our ability to carry out concepts of alliance for progress which have now become basic to our relations throughout the hemisphere. Hope these considerations will be borne in mind during Senate consideration foreign aid legislation as well as serious effect which rejection of request for authority to make long-term commitments would have on present conference.
>
> DOUGLAS DILLON.

This has been Mr. Dillon's position all along. It is not anything new for him. As the Senator has already pointed out, it was not a new position with Secretary Dulles, nor with Secretary Herter, who later became Secretary of State.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. KEATING. By a curious coincidence, I received a telegram or cable this afternoon which was practically identical to the one received by the distinguished chairman of the committee. This may be something others have also enjoyed. I am preparing a reply to the Secretary, because I recognize there is much merit in what he presents.

My reply will urge that the Secretary support the Saltonstall amendment, which would require that long-term loans over a certain amount be submitted to the Congress and not become binding, final commitments until 30 days have elapsed. It strikes me that would give the Congress a better and more effective oversight of operations under the Development Loan Fund than is embodied in the administration bill, but it would not in any way hamstring operations.

I recognize the necessity for making long-term commitments on programs. I was a little distressed that the distinguished chairman of the committee, when he appeared on "Meet the Press," on Sunday, did not embrace the Saltonstall proposal with more enthusiasm. He characterized it as a gimmick. I am having a survey made of Webster's dictionary as to exactly what is envisioned by the word gimmick, but the Senator did do the Senator from Massachusetts [Mr. SALTONSTALL] and the other cosponsors the honor of saying it was not as bad a gimmick as the amendment of the Senator from Virginia [Mr. BYRD]. We shall pursue this further.

We all have great respect for the Secretary of the Treasury. In many respects he presents a valid argument, in my judgment, but I think we must try to achieve some method of giving the Congress a better measure of control than merely the ultimate authority to cancel all commitments even after they had been made. That authority, of going back on our word, seems to me to be implicit in the administration bill. Ironically, the bill would allow that, but it would not allow any other, less sweeping degree of control.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. AIKEN. I should like to ask a question of either the Senator from Arkansas or the Senator from New York, who received the telegrams. Did the Secretary of the Treasury send the telegrams before or after he committed the United States to a 10-year program?

Mr. MORTON. I was not the recipient of one of the telegrams.

Mr. AIKEN. I did not ask the Senator from Kentucky.

Mr. MORTON. What am I doing—refereeing?

Mr. KEATING. I will reply to the Senator by saying that the cable arrived today. As I understand, the commitment was made several days ago. My telegram arrived this afternoon, I believe.

Mr. AIKEN. Is there any peculiarity in the fact that the Secretary commits us to a 10-year program and then sends telegrams saying he cannot commit us without authority of the Congress?

I suppose that may not be peculiar, in politics.

Mr. MORTON. I do not think that what went on at Punta del Este, had anything to do with the cables. I think the Secretary's concern is in regard to the amendment offered to the bill by our distinguished colleague from Virginia.

Mr. FULBRIGHT. I think that is what the Secretary has in mind. The telegram was received at 11:57 this morning. It was handed to me only a few minutes ago. It came to the committee. I think it is relevant to the discussion.

The Secretary has an overall position to cover. His authority and prestige and power of persuasion in Latin America would certainly be undermined if, at the time he is in Latin America, the Congress should take a position directly contrary—or which at least appears to be—to the position he takes, which is for long-term cooperation in the hemisphere.

I do not think the Secretary made any firm commitment. He has no authority to make any firm commitment. I think he said it was the intention of this administration to try to persuade this country to undertake a long-term program of a very sizable amount. He and those people understand that he is simply saying what is the intention. These people know the Secretary cannot supply the money unless the Congress goes along with him. He is not fooling the Latin Americans in that regard. He also knows that regardless of what he says, if the Congress turns it down there is very little prospect of having any long-term program.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. JAVITS. First I wish to say I am very grateful that the Senator from Kentucky has seen fit to speak up. He is a man with experience from the other side of the fence. He has been an actual State Department official who has had to deal with the Congress and, in addition, has been our national chairman. I think it is very important that the Senator from Kentucky should speak up. I am delighted he did, because this should not be projected in some guise of a liberal and conservative struggle or any other point of view than that of a hardheaded appraisal as to what will be best and most successful for the foreign policy of the United States.

I should like to ask the Senator whether he feels, based upon hardheaded realism and his experience as Assistant

Secretary of State, when he actually was engaged in the fighting of the economic offensive of the United States, that this is an instrument which will be useful and important and will give us a better opportunity for victory than we otherwise would have if it were not granted to the administration?

Mr. MORTON. Absolutely. I think what Secretary Dulles pointed out, that we are going to be limited to illustrative programs if we do not have long-range implementation as well as long-range authorization.

As I shall point out later in my remarks, I think there have been wastes in the program under Mr. Truman. There have been wastes in the program under Mr. Eisenhower. There will be wastes under Mr. Kennedy. Wastes are inevitable in a program of this kind. But the program has a better opportunity of succeeding with less waste and with more good programs if we can have long-range authorization and implementation.

At one time I spent 5 hours before a subcommittee on appropriations on the other side of the Capitol in connection with the Aswan Dam. I never got kicked around in 5 hours as much in my life. So I know there is a great problem in connection with this type of approach. I think that the committees that are best equipped to work with such problems are the Committee on Foreign Relations of the Senate, and the Committee on Foreign Affairs of the House. They study the problems.

I wish to see Congress hold its power of the pursestrings, of course. I believe we must. I think there is adequate assurance under the bill that Congress will do so. After all, only a small percentage of what is involved in the bill will be put under loan.

Mr. FULBRIGHT. Twenty-five percent.

Mr. MORTON. Twenty-five percent. Then we shall have absolute control of the salaries of those who administer the program. The Appropriations Committee could liquidate the program by cutting out the people. We have, it seems to me, adequate safeguards.

I see around me eminent gentlemen who have come from the legal profession or have received a scholarship from some university. I came to the Senate as a plain businessman, and I would hate to run a program as the foreign-aid program would have to be run under the Byrd amendment. I would rather see the program continued in the way it is running now than in the way it would operate under the Byrd amendment, because we would make promises that we could not keep, and people would become angry.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. MORTON. I yield.

Mr. JAVITS. Would it be obtrusive on the Senator's thesis if I ask unanimous consent to have printed at this point in the RECORD a table of the authorizations under the mutual security program and the Economic Cooperation Act showing the date and amount of the authorizations, and the date and amount of the appropriations? I make the suggestion to deal with the question to which the Senator is now referring.

Mr. MORTON. Madam President, I ask unanimous consent that the table be printed.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Authorizations versus appropriations for development loans

[In millions]

	Authorization	Appropriation
1958	$500	$300
1959	650	550
1960	700	550
1961	1,100	600
Total	2,950	2,000

NOTE.—Average percentage cut: approximately 30.

Mr. JAVITS. I am glad the Senator said what he did about being a businessman. It is often said that the Republican Party is the party of business. I happen to be proud of that fact. I think it is a great mistake that we do not make the most of it. I think that is one of the reasons American people should be for us.

I would like to ask the Senator whether it is more businesslike to run the program in the way that he and I are for—on some kind of capability for a reasonably long-term commitment—than on a year-to-year basis.

Mr. MORTON. There is not one successful corporation in the United States today that plans and spends on a year-to-year basis. If one were to start building a plant today, he could not build it in one year. He had better have the necessary money in hand to go through with the full expansion or else he would be in trouble.

Mr. SYMINGTON. Madam President, will the Senator yield?

Mr MORTON. I yield.

Mr. SYMINGTON. I appreciate the reference to businessmen by my able friend from Kentucky, because I happen to have also been one of those.

Mr. MORTON. I was a small businessman.

Mr. SYMINGTON. And I, no doubt, smaller.

Mr. FULBRIGHT. Oh, poor fellows. I shall take up a collection.

Mr. SYMINGTON. We accept. I would like my share of the collection. The chairman is a very generous person at heart.

I would ask one question of the distinguished Senator from Kentucky. Why is it that people who are so interested in private enterprise, in which planning is the essence of all good management, nevertheless are opposed to giving those who administer the foreign aid program, and who have the additional disadvantage of not being able to operate under the profit motive, the same prerogative to plan that would be demanded by any good corporation executive or by any board of directors?

Mr. MORTON. If I knew the answer to the question, I probably would not answer it anyway. I do not know, frankly. Though I had no direct experience with the program, except the responsibility of getting appropriation bills through Congress three times and the authorization three times, I should point out, as Mr. Dulles pointed out, that we resorted to illustrative programs. The administrators would approach the month of April and would have to come forth with a plan. So they would come forward with a program. It might have been a good program or it might not have. I do not know that we shall ever have a program that will be 100 percent successful. But I say that the proposed legislation has a better opportunity of being successful if both the implementation and the authorization are long-range.

Mr. SYMINGTON. Madam President, I should like to associate myself with the remarks of the Senator from Kentucky.

Mr. CASE of South Dakota. Madam President, will the Senator yield for a question?

Mr. MORTON. I yield.

Mr. CASE of South Dakota. Does the Senator wish to leave the impression that business never cuts back on a program?

Mr. MORTON. No; I certainly would not want to leave that impression. Congress can cut back under the present program, and could cut back under the proposed program.

Mr. CASE of South Dakota. If an owner of a business had a model that was not proving successful——

Mr. MORTON. He could stop it.

Mr. CASE of South Dakota. I thank the Senator.

Mr. MORTON. And if we start giving aid to a country which for some reason went against us, Congress has full authority under the proposal submitted by the Committee on Foreign Relations to stop such aid.

Mr. DWORSHAK. Madam President, will the Senator yield for a question?

Mr. MORTON. I yield.

Mr. DWORSHAK. I hesitate to propound a question, but as I have listened to the corollary or the comparison between the operation of private enterprise with long-range planning for foreign aid, I am reminded of what would happen if the officers of a corporation projected a 5-year program based upon the availability of funds, and then subsequently, because of economic conditions, did not have the funds available. What would they do? Bankrupt the corporation or revise the plans and continue within the limitation of available funds?

That is one side of the question. The other side is if the long-range program were approved and the ICA would outline a program of the magnitude which is recommended by the distinguished Secretary of the Treasury in the South American conference and commit the United States to go all out in the expenditure of billions of dollars, and then because of some economic behavior we would find that our deficit is not $3 or $8 billion a year, but might be $15 billion a year, then what would be the predicament of our Government? Would it ignore all of these signs and warnings and increase taxes beyond our capabilities, or would we blindly pursue the expanded foreign aid program far beyond

our financial capabilities? What would happen?

Mr. MORTON. I do not think that we would pursue these programs beyond our capabilities. I am not making any argument at all for the magnitude of the program. I say, "Take what you are going to do and do it on a long-range basis and you will get more out of the dollars that you spend whether you spend $5 million, $500 million, or $5 billion."

That is the gist of my argument. I do not know whether the proposal to which the Senator referred, which we have seen on the wire service, that the Secretary of the Treasury has made concerning our good friends in this hemisphere. I have no judgment on the amount involved there. I think I can speak with some degree of experience that whatever we are going to do, let us not do it on a hit or miss basis, because we will make so many mistakes. We will put so much money in for show or merely to get rid of the money before the authorization runs out. We will put so much into a program that some fellow thinks up because he has been told to think up a program quickly to do something in a country. I think the long-range aspect of the program is what I am talking about, and I think that is the essential point.

I do not believe I can or need add to that declaration made by a great statesman 4 years ago.

The rightness of the proposals made by President Eisenhower and Secretary Dulles was recognized by my colleagues then. My recollection is that without exception they supported the proposals in the Foreign Relations Committee which recommended the enactment of the request for a DLF funded by borrowing authority.

Later, when the bill was being considered on the floor an amendment was offered to strike out the second and third years which involved the borrowing authority. This amendment was rejected 54 to 32. Happily 30 of my Republican colleagues voted to retain the long-term borrowing authority requested by President Eisenhower and Secretary Dulles.

Twenty-one of those thirty are here now. I see no reason in principle why they should not support the same proposal when made by this administration.

It is true the time period is greater and the sums requested are greater. But the original 3-year proposal of President Eisenhower and Secretary Dulles was always intended to be just the tryout phase of a long-term program. We are engaged in a mortal contest over the issue of whether the 60 or more developing nations with over a billion people on 4 continents will develop in freedom or under Communist influence or domination. If we have not learned in the last 4 years that this is a long-term problem, with which we must cope on a long-term basis, then God have mercy on us.

I do not believe the funds now requested are at all beyond the need. President Eisenhower said in 1957 in what seems to me now to be a tragic prophecy:

> In order to accomplish the purposes of the Fund, sufficient capital must be provided now. To create a fund for long-term economic development while denying it the means to succeed would be to deceive ourselves, discourage our friends, and dissipate our money.

He asked the Congress through 4 years for some $2.9 billion for the DLF—and there was appropriated only some $2 billion—a cut of 23 percent—in four individual appropriations and two irregular supplementals.

What better way to deceive ourselves, discourage our friends and dissipate our money.

There still remains the problem of adequate congressional control. I think we were satisfied in 1957 that such control existed. I believe we should be satisfied that such control exists under the pending bill.

What we should realize, and I think perhaps we do not, is that the 5-year borrowing authority is related only to the development lending program. The funds asked for this program this year are just one-fourth of the total program, economic and military. Next year and the following years they will be larger, but still no more than one-third or so of the total military and economic program.

The President will obviously have to come back to the Congress every year to get both an authorization and an appropriation for the economic grant program, and after next year for the military program.

The Congress will certainly have ample opportunity to review the lending program at any length it desires. And if it desires to make some change in the lending program, it may do so by a simple amendment to authorizing or appropriating bill for grant funds. The President has to have these funds. He could not veto an amendment without imperiling the whole grant program.

But this is not all the protection provided. The Foreign Relations Committee has required that the use of all funds obtained by borrowing authority be subject to the provisions of the Government Corporation Control Act.

I have heard Secretary Dillon explain the application of this act, as have a number of my colleagues. I am satisfied myself and I believe we can all be satisfied that it gives the Appropriations Committee ample power to review the whole lending activity through the budget program the President must submit each year—and that it gives the Congress through the Appropriations Committee a second annual opportunity—after the authorizing bill—to limit the President's use of the borrowed funds if any unusual or special situation should develop to require such action to carry out the will of the Congress expressed in the enactment of the lending authority.

Certainly the Appropriations Committee would not be expected to limit or impair the policy established by the Congress unless circumstances required such action to carry out the will of Congress—but if such a case or cases should occur, certainly the Appropriations Committee could exercise the control retained by the Congress.

I know that this provision is not generally familiar and that it is indeed ambiguous on its face. But it seems to me the way to assure ourselves that adequate control is retained by the Congress is to get a clear understanding in the legislative history of the protection which section 203 of the bill provides.

If other Members are as satisfied as I am that it does retain proper controls by the Congress, I believe we can all feel justified in supporting this measure on a bipartisan basis now as we did 4 years ago.

Now as to the program itself, let me make a few general observations: First, we are not trying to buy friendship. We could not anyway. We are trying to create strength among free nations to keep them from succumbing to Communist control.

We have made mistakes in this program. We made them under Truman and we made them under Eisenhower, and I expect we are going to make them under Kennedy. But the mistakes are small compared to the overall successes. We are not going to abolish the practice of medicine because some patients die. We have lost very few foreign aid patients—though I admit we are still nursing some mighty sick ones along. The quickest way to let them succumb and pass behind the Iron Curtain would be to seriously reduce this program. The best way to put them on their own feet is through the sort of development program that General Eisenhower and President Kennedy have proposed.

The way some people talk about this lending program one would think it involves a major onslaught on the Treasury. Actually the whole lending program is about one-third of 1 percent of what our country produces in a year. What we can gain with it is a gamble. We may be able to save and strengthen a dozen or a score of nations now struggling for economic progress and thus strengthen ourselves and the cause of freedom. I am willing to take the gamble.

At a time when the Congress without batting an eye adds $5 billion or so to our military budget, I cannot imagine how we can hesitate to undertake this program which our responsible leaders in both parties say is equally vital to our national security.

The Byrd amendment and no other amendment would work which calls for approval of all projects. It is all right in Kentucky to shift a little money from the Barkley Dam to Green River No. 2. We can move money about in an internal program like this but we cannot move it from friendly country A to friendly country B without upsetting the international applecart in a serious fashion.

In conclusion, Madam President, let me just say this: If we are going to continue the so-called foreign aid program, let us give it a chance to succeed. It must have not only long-range planning but long-range implementation. I know

that this is not a politically popular program. I know that there are pressing needs on the homefront for each and every dollar which we will authorize or appropriate to this program. Yet I support this program, and I feel that when the vote is taken, an overwhelming majority of my colleagues will do likewise. There have been failures in the past. There has been waste. There have even been scandals. And I suppose that it is inevitable that our future efforts in this area will have its share of failures. Nevertheless, the stakes are so high that we must take the risk. I feel that the risk is lessened by granting to the administration long-range authority and long-range implementation. It is, therefore, my intention, Madam President, to vote against the amendment offered by my able and distinguished chairman, the senior Senator from Virginia.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MORTON. I am happy to yield.

Mr. FULBRIGHT. I certainly wish to commend the Senator from Kentucky for an exceedingly forceful and a very incisive speech on the pending subject. I would like to ask him one or two questions with reference to it. I particularly believe that the Senator, having had the unique experience of service on the administration end of this program as well as on the legislative side, has views that are worthy of consideration by all those who have any doubts about the long-term proposal. Does not the Senator believe that the decision on the long-term borrowing question has overriding importance, because it represents recognition by our country and by Congress that we are in this struggle with the Communist world for a long time; that it is not a struggle of 1 year; that, therefore, we have programed aid in the past on the false assumption that we might get rid of it in the next year or in the following year, and therefore we were reluctant to make this important long-term commitment. Actually, that is the decision we are making when we accept the administration's proposal. Does the Senator not agree?

Mr. MORTON. The Senator is absolutely correct. I was a Member of the House of Representatives when the Marshall plan came under consideration. Those of us who voted for it, and I believe most people in the United States, thought that we would restore the industrial capacity of Europe, and things would be over, that church would be out, to use a colloquial expression. However, things change in this world. Nationalism has developed in many of these countries, and there has come to the forefront the importance of Asia and southeast Asia and Africa and Latin America; and all these things have made it abundantly clear to me that this will be a very long-term proposition. I am afraid it will be with us for a great many years.

Mr. FULBRIGHT. That is important. It has also been pointed out, and will be pointed out again, that we were promised at the time the Marshall plan was put into effect that there would be an end to aid within a foreseeable period, but now it goes on and on. Of course things have changed. The cold war had not really gotten underway at the time the Marshall plan was instituted. The original proposal of Senator Vandenberg and of the administration was, I believe, to include some of the satellite countries in the plan. We originally offered to extend the aid to them. That indicates how very early in the cold war we were at that time. We still had hopes that we could get along with the Russians and have much more agreeable relationships with them than we have had. These conditions have changed. That is the reason why the program has changed.

Mr. MORTON. There is also the great scientific development in Russia which has taken place, and that has all taken place in post-World War II days.

Mr. FULBRIGHT. It came about after the Marshall plan, or toward the end of the Marshall plan. The Senator mentioned a moment ago the Aswan Dam experience. I was considerably interested in the project. And I was told that the antagonistic attitude of the Appropriations Committee was very influential in causing the withdrawal of our support for that proposal. Is that not so?

Mr. MORTON. Yes; that is absolutely so. I can testify to that.

Mr. FULBRIGHT. I was told that that was the case. Therefore we have here an example of one occasion, the Aswan Dam project, in which the executive, which has the responsibility for our foreign relations, was pressured into damaging its position by a committee of Congress. It was not the Foreign Relations Committee, but the committee which has the responsibility primarily of making appropriations—that is, of implementing policies determined by other committees of Congress—which injected itself into the situation and forced a change in policy. I have always regretted it. The Senator will recall that I had a study made by our committee of the subject, and I have always thought, and I still think, that a mistake was made.

Congress, of course, must retain control. The Senator has already made a case for it. However, I have reservations about the proposal to give Congress the power specifically to veto individual projects. I hesitate on practical grounds.

I cannot begin to exercise my individual judgment on oversea projects. Of course, if we Members of Congress had the requisite experience, we could evaluate individual projects. In the absence of that experience, I do not see how we can evaluate loans as they come up. I mention this only because of the Senator's reference to the proposal of the Senator from New York. I would like to go as far as possible in retaining the power of Congress. But as the Senator says, if we cut out $51 million for administration, the reduction will have a direct effect upon whether or not a program can be carried on. Congress can make the administration halt programs, and change basic policies. I have always thought that it was wrong to do that.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. MORTON. First I should like to make two comments. The Senator from Vermont made reference to Outer Mongolia. The Appropriations Committee, by having control over the amount of aid, can say, "You cannot spend any money if you are going to spend a dime in Outer Mongolia."

On the matter of the reference to the proposal of the Senator from Massachusetts [Mr. SALTONSTALL], I have been associated with him. I desire to have the chairman of the committee understand my association with the amendment. To my mind, it is a purely parliamentary procedure. I feel that the Department could live better with it than it could with the Byrd amendment.

Mr. FULBRIGHT. I have no doubt about that. I agree with the Senator.

Mr. MORTON. So I go along with him on this. If it is not necesary, I shall not push for the amendment.

Mr. FULBRIGHT. I have not taken any definite position on its acceptability. I have been preoccupied with the Byrd amendment. Whether it amounts to congressional veto power based on evaluation by the Committee on Foreign Relations or the Committee on Appropriations or both committees, I am not certain. At any rate, I have not taken any firm position. There is no doubt in my mind that it is far less serious than the Byrd amendment.

Mr. BUSH. Madam President, will the Senator from Kentucky yield?

Mr. MORTON. I yield.

Mr. BUSH. I wish to ask the Senator from Arkansas if he will comment on the effectiveness of what I understand is a provision in the bill, the Corporation Control Act.

Mr. FULBRIGHT. The Government Corporation Control Act comes from the Committee on Banking and Currency. Section 104 was intended to provide supervision of the great Government corporations, such as the Export-Import Bank, the old RFC, the Rural Electrification Administration, and agencies of that type. It provides that programs for the expenditure of money by these agencies must be submitted to the Committee on Appropriations. First, the programs must go to the Bureau of the Budget. They must be approved in the regular manner by the Budget Bureau. Then whatever amount is approved will appear in the budget under the relevant authority. It is then presented to the Appropriations Committee.

As the Senator has already stated, the committee, in addition to passing on the borrowing authority, also passes on all other items, including administrative expenses which are not included in the borrowing authority. Those funds must be appropriated.

The committee then considers the amount of borrowing authority. Suppose it is $1,187 million. In my opinion, it can disapprove that amount and place a limitation in the bill and say that in the succeeding year—it cannot go back and undo what was done this year—not more than $1 billion may be spent under the borrowing authority. In other words, the committee may limit the amount.

In the Senate, we call it a limitation on an appropriation bill. There is a

great difference of opinion about the distinction between limitation and legislation. I had the clerk of the Committee on Foreign Relations consult with the clerk of the House Committee on Appropriations on this point. It is my opinion that the House has the authority to place a limitation on the amount.

When the bill was reported, the amount could be cut even more, or the authority rescinded altogether. Certainly Congress could do that. Whether such drastic action would be subject to a point of order, if some Member chose to make it, I do not know. But if he did, it could be overruled by a two-thirds vote and reinstated. In any case, there is no doubt that Congress could repeal this provision altogether next year, if it chose to do so.

The Committee on Appropriations will examine every item in the bill. It will also get quarterly reports on the operations of the borrowing authority.

So I should say there is ample authority to protect against any unwise, or at least the continuation of any unwise, policies, because it certainly should be possible to detect them in the next year so far as the making of commitments is concerned.

It is utterly useless to say in advance how any borrowing authority will be used. The Senator from Connecticut is a banker. He knows that it is not possible to anticipate every possible borrower or every purpose for which borrowing will be made. That is why selectivity is necessary in this kind of program.

Mr. KEATING. Madam President, will the Senator from Kentucky yield?

Mr. MORTON. I yield.

Mr. KEATING. I express gratitude to the distinguished chairman of the committee for his reference to the amendment which the Senator from Massachusetts [Mr. SALTONSTALL], the Senators from Connecticut [Mr. BUSH and Mr. DODD], the Senator from Kentucky [Mr. MORTON], and I have submitted. I understood the Senator from Arkansas to say that on principle he had no particular objection to it, although it might be hard to work out in practice. I recognize that his principal interest is in an endeavor, if possible, to defeat the Byrd amendment. However, I sense, not only in this body but perhaps even more so in the House, that there is support for a greater measure of congressional oversight of the program before commitments under it are finally made. It seems to me it should not be difficult to work out the practical details.

Congress has a responsibility concerning foreign aid and other spending which, it seems to me, goes further than simply handing full loan funds and authority over to the executive branch for 5 years, without any further restriction.

In view of the urgent need, which I admit—and I compliment the distinguished Senator from Kentucky for the very fine presentation he has made of this position, as indeed I do the distinguished Senator from Vermont [Mr. AIKEN] for his presentation on the other side—it seems to me the administration, and I hope the distinguished chairman of the committee and other Senators, as the debate goes along, will give careful consideration to the procedure which the Senator from Massachusetts [Mr. SALTONSTALL] has presented as a possible midway ground upon which we could all reach agreement.

Madam President, I ask unanimous consent that I may have printed at the conclusion of my remarks the cablegram from the Secretary of the Treasury and my cablegram of response to him.

There being no objection, the cablegram was ordered to be printed in the RECORD, as follows:

Senator KENNETH KEATING,
U.S. Senate
Washington, D.C.

DEAR KEN: Three days here have heavily underlined overriding importance of our having authority make long-term commitments to match major effort which Latin American countries now prepared to make on their own behalf. Lack of this authority will seriously prejudice our ability to carry out concepts of Alliance for Progress which have now become basic to our relations throughout the hemisphere. Hope these considerations will be borne in mind during Senate consideration on foreign aid legislation as well as serious effect which rejection of request for authority to make long-term commitments would have on present conference.

Best wishes.

DOUGLAS DILLON.

Mr. KEATING. I have replied to the cable of the distinguished Secretary of the Treasury, Mr. Douglas Dillon, as follows:

I can understand your concern for the long-range planning features of the foreign aid bill and certainly agree that we must have an effective program that will encourage other nations to make major efforts on their own for economic development and social justice.

I believe the Saltonstall-Keating amendment would make possible long-range planning and commitments as well as a practical degree of congressional oversight on larger loans. Administration support of this amendment or its concept would do much to insure Senate passage of the long-term borrowing provision.

Mr. FULBRIGHT. Madam President, I ask unanimous consent to have printed at this point in the RECORD a letter which is responsive to the question of the Senator from Connecticut [Mr. BUSH], so that other Senators may have the advantage of seeing it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 2, 1961.

DEAR SENATOR: As you know, the most critical vote on the pending foreign aid bill will probably come on an amendment by Senator BYRD of Virginia. His amendment would strike down the administration's request for, and the committee's approval of, 5-year Treasury borrowing authority to finance dollar loans for development purposes. The Byrd amendment would effect this purpose by authorizing the appropriation of $1.187 billion in fiscal 1962 and of $1.9 billion in each of the next 4 years—the same amounts involved in the borrowing authority contained in the committee bill.

I am sending this letter to several Members of the Senate because there seems to exist a misunderstanding of the degree of congressional control which in fact is present in the committee bill authorizing 5-year borrowing authority.

Before discussing the controls which the Congress will continue to exercise under applicable terms of the Government Corporation Controls Act, I must emphasize that the present administration and the Eisenhower administration have sought to get the loan portion of the program on a basis that would make it possible for American aid to be managed and tailored to development plans of a number of key countries, including Brazil, India, and Pakistan. This has meant that the administration needs reasonable assurance that over a period of 5 years—the duration of most plans—U.S. dollar loans will be available to help these countries get themselves on a self-sustaining basis in the hope that they may in due course help other nations which we want to grow in the pattern of freedom.

This has not been possible under the annual appropriations procedures because the availability of funds over a period of years has been uncertain and because the appropriation process itself is keyed to annual budgets rather than to longer range appropriations. The most recent example of a cut in appropriations so drastic as to reverse the substantive intent of the Congress occurred in 1959 when Congress authorized the appropriation of $1.8 billion for development loans to be made immediately available but for use over 2 years. The amount appropriated was $550 million for the first year, and, after two tries, the next year $600 million was appropriated. Thus, over a 2-year period the difference between the amount authorized ($1.8 billion) and the amount appropriated ($1.15 billion) was $650 million.

The Committee on Foreign Relations considered a number of techniques—including contracting authority and long-range authorization. We wanted to provide the necessary balance between reasonable assurance of fund availability for planning, on the one hand, and congressional control over the executive, on the other. We concluded by a vote of 10 to 7, as did the House committee, that the 5-year borrowing authority was the most satisfactory method of promoting our national interest. In order to assure legislative control of the 5-year borrowing authority, we required (in sec. 202(b)) that the loan program be subjected to the long-tested provisions of section 104 of the Government Corporation Control Act—an act which I sponsored in the Senate in 1945, and which I now wish to call to your close attention.

The Government Corporation Control Act provides that the President is annually to transmit his budget for agencies covered by the act (and this includes the Development Loan Fund) "to the Congress." Congress is to consider these programs and in the words of section 104, to make "available for expenditure for operating and administrative expenses such corporate funds or other financial resources or limiting the use thereof as the Congress may determine * * *."

Under this procedure, the Congress is expected each year to undertake two acts. First, it must appropriate funds for operating and administrative purposes ($51 million for fiscal 1962). Second, Congress must examine the President's budget plan for the Development Loan Fund and, in accordance with past practice, will approve such budget plan or limit it as Congress finds necessary.

With respect to the first item—the appropriation of administrative and operating expenses—it is obvious that Congress can at any time limit their amount and specify their use in such a way as directly to affect the activities of the Development Loan Fund.

With respect to examination of the budget of the Development Loan Fund, Congress can approve or disapprove or limit the budget

as it sees fit. Thus limitations on the development lending program can unquestionably be imposed. At the same time it is clear that it was the intent of Congress, in enacting section 104 of the Government Corporation Control Act—as would be the case in the pending bill—that limitations on budget programs would be imposed only where there are affirmative reasons for doing so, such as a radical change in the assumptions on which the authorizing law was based. Congress might thus be expected to impose limitations only for the purpose of assuring that the executive branch carries out the will of Congress with respect to the development lending provisions of the aid legislation.

I do not contend that this procedure will have no effect in limiting the authority of the Appropriations Committees and the Congress. While there will be unquestioned authority to reduce or even eliminate funds available for development lending, in practice the Appropriations Committees in the past have seldom exercised this authority with respect to such Government corporations and agencies as the Export-Import Bank. The distinction between legislation and the limitation of funds is one that is clear in theory but fuzzy in practice. The important point is that under the aid bill and the Government Corporation Control Act it is left to the Congress to determine where the line is to be drawn. In short, the committee bill does provide for restraints on the normal appropriations process, but it is self-restraint. This being so, there can be no danger of executive usurpation. Congress is being asked to give new authority to the Executive. The commitment is a real one, but it is also tentative, subject to modification or withdrawal.

In addition to these congressional opportunities to control development loans, it should be remembered that because the nonloan portion of the foreign aid program is on a 1-year authorization and appropriation basis, the Foreign Relations Committee will also have an annual necessity to review the foreign aid bill and can at that time recommend changes in the size, duration, and policies governing the borrowing authorization for development lending.

In summary, then, the enactment of the borrowing authority in the aid bill will constitute an expression of intent on the part of Congress to provide funds over the 5-year period. The executive branch will be able to make conditional commitments of these funds. In effect, the burden of initiative is shifted from the Executive to Congress. The Executive will be entitled to assume that funds will be available while Congress, if it chooses, can reduce or withhold funds for affirmative reason.

Approval of the long-term borrowing authority will not constitute a radical break with precedent, it will not prevent the Congress from changing the direction of, or pulling up short, the loan program, it has no effect on the impact of the program on the Government budget or the taxpayer since the funds must ultimately be raised by taxation or borrowing, it will affect only about one-quarter of the funds for fiscal 1962, and it will materially improve the likelihood that the loan program can be operated on a sound, long-term basis.

Rejection of the borrowing authority, however, would have a serious adverse effect at a crucial time on the ability of this Government to influence development in a number of important countries; and it would, I believe, prevent improvement in the efficiency of the administration of the loan program which is so badly needed. In short, I believe we would be no better off under the Byrd amendment than we are under the present annual authorization and appropriation procedure.

I hope you will find this letter helpful in resolving the issue which the Congress must decide in the days immediately ahead. If I can be of any help to you in answering any questions you may have, please do not hesitate to call on me.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

Mr. JAVITS. Madam President, will the Senator from Kentucky yield?

Mr. MORTON. I yield.

Mr. JAVITS. Certainly neither the Senator from Kentucky nor I are bridling at any legislative oversight which does not cut away the basic element of the program. When there is a veto power, and the like, we begin to get into the substantive question. We shall argue that at another time. However, there was a Joint Committee on Oversight of the ECA program. It served its purpose very well. Conceivably, there could be an oversight committee, if there is any real dissatisfaction with that aspect. We agree to that. But that is not the main point. We can satisfy anybody on that point. The main question is the substantive question of the 5-year authorization.

Mr. MORTON. Mr. President, I thank the Senator from Wisconsin for his generosity in yielding so much time.

LOAN OF CERTAIN MILITARY EQUIPMENT TO GIRL SCOUTS OF AMERICA

Mr. DIRKSEN. Madam President, a bill was passed by the Senate yesterday providing for furnishing certain Army, Navy, and Air Force equipment and services to the Girl Scouts for use at their encampment in 1962. An identical bill was passed by the House today.

I call up the House bill, and ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The bill (H.R. 5228) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1962 Girl Scouts senior roundup encampment, and for other purposes, was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

A GREAT DAM ON THE MIGHTY YUKON RIVER

Mr. GRUENING. Madam President, at present, investigations authorized by the Congress are going on as to the engineering and economic feasibility of a great power dam on the Yukon River in Alaska. This is the third largest river in North America, exceeded only by the Mississippi-Missouri and the Mackenzie.

The dam would be located at almost the geographical center of Alaska, in a 30-mile canyon running through mountains long known as the Ramparts. A village named Rampart, just above the canyon, has given the canyon its name. The project is known as the Rampart Canyon Dam.

It is the largest potential hydroelectric site in North America. Its installed capacity will be 4,760,000 kilowatts, 2½ times the size of Grand Coulee, the largest dam in the United States, and, at the time of its completion a decade ago, the largest in the world. Since then, it has been surpassed by two dams on the Volga River, one at Kuibyshev and another at Stalingrad.

As a member of a special subcommittee, authorized jointly by the Committee on Public Works and the Committee on Interior and Insular Affairs, to make a study of Russian hydroelectric development, we saw these two dams in the fall of 1959, as well as one of about the same capacity as the Rampart Dam, nearing completion on the Angara River, at Bratsk, in Siberia. A still larger dam, with an installed capacity of 5 million kilowatts, was under construction at Krasnoyarsk, on the Yenesey River.

The studies of Rampart were effectively launched this spring. A kickoff meeting of those vitally engaged took place in Alaska the last weekend in May. The meeting was arranged by the Corps of Engineers of the Army; and to it came representatives of the corps, of the Fish and Wildlife Service, of the Alaska State government, and seven of the eight members of the Rampart Canyon Advisory Committee. Representative RALPH RIVERS, of Alaska, my administrative assistant, George Sundborg, himself an expert in the field of hydro, and author of the definitive history of Grand Coulee entitled "Hail Columbia," and I attended this 3-day meeting.

One of the members of the advisory committee, Gus Norwood, executive secretary of the Northwest Public Power Association, has written an account of this meeting which was published in the Pacific Northwest Public Power Bulletin for July. I ask unanimous consent that Mr. Norwood's article, entitled "Wings Over the Yukon," be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WINGS OVER THE YUKON

(By Gus Norwood)

(This article is based on notes taken during a 5-day trip in Alaska, May 26–30, 1961, as a member of the Rampart Economic Advisory Board of the Corps of Engineers, which included a helicopter flight to the Rampart damsite on the Yukon River.)

At the edge of the Arctic Circle in central Alaska the powerful Yukon River surges through the 30-mile-long Rampart Canyon.

In this canyon 100 miles northwest of Fairbanks it is possible to build a dam with a power output 2½ times that of Grand Coulee Dam. It would be the largest hydroelectric power project under the U.S. flag.

On Sunday, May 28, 1961, the Rampart Economic Advisory Board, together with Senator ERNEST GRUENING and Representative RALPH RIVERS, of Alaska, and a party of engineers and consultants flew in by helicopters to the otherwise inaccessible damsite. Having had a close interest in the proposed Rampart Dam since 1949, I looked forward eagerly to the opportunity to visit the construction site. This visit to the Yukon occupied the second day of the 3-day meeting of the Board.

Engineers have long known that the Yukon River is very similar to the Columbia River

in terms of potential waterpower. However, the studies now being made are the result of a resolution sponsored by Senator GRUENING in the Senate Public Works Committee on April 24, 1959. This resolution requested the Corps of Engineers to conduct a detailed investigation of the Rampart Dam hydroelectric site.

ENGINEERING FEASIBILITY GOOD

Extensive aerial, geologic, and hydrologic studies have been in progress the past 2 years. Actual core drilling was dramatically done in March and April of this year.

The Army engineers had flown in 220,000 pounds of gear to establish a working camp and to set up three drill rigs on the solid 5-foot-thick ice on the Yukon River. Planes landed on the ice.

This work was performed under adverse conditions with temperatures more than 45° below zero, the lowest calibration on available thermometers.

With great good luck the Army found solid granite rock foundation at an average depth of only 50 feet below the water level. Further drilling is being done this summer to check the abutments on each side of the river.

ECONOMIC STUDIES CRUCIAL

Early in 1961 the Corps of Engineers entered into a contract with the Development and Resources Corp. of New York to conduct the power market study to determine the economic feasibility of this 5-million-kilowatt project. Among the prominent officials of the corporation are David Lilienthal, Gordon Clapp, and Walton Seymour.

At the same time the Corps of Engineers appointed the seven members of the Rampart Economic Advisory Board: Dr. William R. Wood, president, University of Alaska; Dr. Edward S. Shaw, head, Department of Economics, Stanford University; Mrs. Irene Ryan, mining engineer, of Anchorage; Mr. Gus Norwood, executive secretary, Northwest Public Power Association; Mr. Samuel B. Morris, consulting engineer, of Los Angeles; Mr. Stanley J. McCutcheon, attorney, of Anchorage; and Mr. Frank H. Mapleton, mechanical engineer, of Fairbanks.

A TREMENDOUS PROJECT

The meeting of the board on Saturday, May 27, concentrated on the physical facts and preliminary design as follows:

About 36 miles upstream from its confluence with the Tanana River, the Yukon River flows through a dip in a solid rock plateau. The river is about 1,200 feet wide and is encased by well-worn, rounded abutments about 1,000 feet high.

At this point two excellent damsites have been selected, the upstream site and the downstream site, about 4,500 feet apart. A dam at either site would raise the water from a low water surface of 215 feet above sea level to 600 feet to provide a 445-foot power head. At the upstream site the water is 1,200 feet wide and the crest of the dam would be about 2,800 feet long at the 675-foot elevation. At the downstream site the water width is 1,700 feet and the crest of the dam would be about 3,900 feet long.

At an average annual runoff of 85,400,000 acre-feet, the project would be capable of producing 3,735,000 kilowatts of prime power and would warrant an installation of 17 generators of 280,000 kilowatts for a total of 4,760,000 kilowatts.

The reservoir formed would be about 400 miles long and have a maximum width of 80 miles. It would cover 10,850 square miles, or 10 percent more than Lake Erie. The storage capacity of 1,252 million acre-feet would be equal to 40 times that of the largest manmade reservoir in the United States, namely Lake Mead behind Hoover Dam. Annual drawdown would be only 4 feet to insure complete river regulation.

Assuming the release of 25 percent of river flow during the filling period, about 20 years would be required to fill the reservoir.

A tentative construction period starting in 1965 would permit the first generator to be on the line operating at low head in 1972 and all generators on the line with virtual full head in 1987. High voltage transmission lines averaging 400 miles in length would deliver energy at a cost between 2 and 3 mills per kilowatt-hour at tidewater cities such as Anchorage, Seward, Cordova, Valdez, and Juneau. The amount of energy would be about 33 billion kilowatt-hours, or about as much as the 17 Federal projects in the Columbia River Basin are now producing.

A DAY OF HIGH ADVENTURE

On Sunday morning, May 28, the party of 21 people boarded three Army DC–3's for the 2-hour flight from Anchorage to a muddy air strip at Tanana, at the junction of the Yukon and Tanana Rivers, 290 miles away.

Innumerable lakes and potholes, silt-formed tidelands and then glacial moraine characterized the terrain until we cut into the clouds covering the rugged Alaska Range. A half hour later we broke out north of the Alaska Range over snowfields and glaciers, changing rapidly first to bleak rock and then to rolling foothills covered by the dark green spruce and tamarack on the knolls and changing to the light green of the extensive birch forests in the lowlands and the darker green willows along the water courses.

At Tanana, a community of 300 people, we enjoyed coffee while waiting a half hour for the last plane. Electric rates are 25 cents per kilowatt-hour for the first 50 kilowatt-hours and 15 cents thereafter. Four separate electric systems are not interconnected. Diesels provide the power.

Around noon we boarded three Army H–21 helicopters and ate our box lunches during the 36-mile flight to the damsite. Below us the Yukon boiled and swirled, heavily laden with mud and tree trunks. The well-worn, rolling hills were covered with spruce, tamarack, and, in the lower reaches, the birch and muskeg.

The helicopters landed in a tiny clearing where Texas Creek flows into the Yukon. A quarter-mile walk through the birch woods and over the 6-inch-thick spongy muskeg explained why the Army had provided us with overshoes.

The Army camp consists of three small quonset huts with a diesel engine for lights and wood stoves for heat.

The summer flooding Yukon is 35 feet higher than in winter. The 6-knot current is impressive as entire trees, even with green leaves still on them, sweep by.

We study the maps and drawings of the Corps of Engineers, pose for innumerable photographs for posterity, and then, as a light drizzle sets in, we gladly accept the invitation to have coffee and homemade pie.

The noisy helicopters return us to Tanana.

Throughout the 3 days there is much visiting and talking.

MOUNT M'KINLEY AT SUNSET

An hour later the DC–3's land at Fairbanks where a very fine reception awaits the party. As we approach the airport building we pass through a corridor of U.S. flags and a reception line of 20 civic leaders of Fairbanks. Cars whisk the party downtown for a reception at the lovely chamber of commerce building and then to the University of Alaska for a banquet sponsored by the city of Fairbanks, the Fairbanks Utility Board, Golden Valley Electric Association and the chamber of commerce. It is a gala affair.

As we reboard our planes at the Fairbanks Airport, the sun is low in the skies. We climb to 15,000 feet for the return flight to Anchorage. Immediately ahead awaits yet another treat of a memorable day.

To the westward of our course towers majestic Mount McKinley, 20,300 feet high. The tremendous mountain is many mountains in one, truly a sight of awesome beauty.

Encased in its mantle of ice and snow reaching far down the slopes, Mount McKinley stands like Taj Mahal in its pure whiteness.

As the colorful setting sun disappears behind the mountain, the sunset colors create a pink corona to edge the mountain like a tinsel rope of a Christmas tree.

Everyone is quiet, thinking his own thoughts while America's greatest mountain slips behind us in the gathering gloom of the evening.

THE ECONOMIC TEST

At Anchorage the Advisory Board meets all day on Monday, May 29, to discuss the economic criteria and considerations which are to be used for determining the economic feasibility of this billion dollar project.

Is Rampart the best alternative power source? Will this investment produce benefits justifiable in the national interest? Can the power be absorbed in the Alaska economy over the 15-year period from 1972 to 1987? Global factors must be considered because Alaska is world-market oriented, especially with respect to Japan's industrial capacities. The answers must be in the project report which is due by July 1964.

In many respects the questions are not unlike those which were asked about the economic justification of Grand Coulee Dam in the 1930's. Yet when Grand Coulee was barely completed with all generators on the line, the Pacific Northwest found itself in the power shortage of 1952. The market came to the power. Will the same pattern apply if the Rampart Dam is constructed?

That evening Senator GRUENING asked me to join him on an interview-type 15-minute television program. We discussed fish and wildlife, power marketing, transmission lines and the impact of Grand Coulee Dam upon the economy of the Pacific Northwest. He summarized the 3 days of meetings by suggesting that in future retrospect this year may prove to have been the time when America's largest hydroelectric project will have been launched.

Preliminary data—Rampart project (upstream site)

1. GENERAL	
Site of dam, river mile	756
Drainage area (square miles)	200,000
Annual runoff (estimated acre-feet):	
Maximum	102,500,000
Minimum	68,300,000
Mean	85,400,000
Mean annual discharge (cubic feet per second)	118,000
2. RESERVOIR	
Pool elevation (feet)	600
Drawdown (feet)	4
Length (miles) (estimated)	400
Maximum width (miles) (established)	80
Storage (acre-feet) (million)	1,252
Area, full pool (acres)	6,945,000
3. DAM	
Type: Concrete gravity.	
Elevation, top of dam (feet)	675
Crest (length in feet) (estimated)	3,000
Height (feet, maximum section)	565
4. POWERHOUSE	
Unit bay spacing (feet)	90
Units (number)	17
Turbines (horsepower)	384,000
Generators (kilowatts)	280,000
5. POWER AND ENERGY	
Average head (feet)	440
Prime power (kilowatts)	3,735,000
Installed capacity (kilowatts)	4,760,000
Firm energy kilowatt-hours per year (estimated) (million)	32,720

INSTRUCTION OF MILITARY PERSONNEL

Mr. MUNDT. Madam President, I ask unanimous consent to have printed in the body of the RECORD a series of articles and editorials in conjunction with the debate involving the directive of the Pentagon with regard to the policy program it has recently enunciated.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From Human Events]

BEHIND THE FULBRIGHT MEMORANDUM

(By Allan Ryskind)

The now famous Fulbright memorandum calling for a silencing of outspoken military personnel and an end to instruction of the military by certain civilian groups is one of the most extraordinary documents that the Capital has had to bear witness to in recent times. It is not only filled with "smear * * * innuendo * * * and unsubstantiated allegations," as Senator J. STROM THURMOND charged from the Senate floor last week. It is a brazen attempt by liberal elements of the New Frontier, the very persons who wax so eloquently about the guarantee of free speech in the first amendment, to muzzle all those who disagree with the liberals' own particular interpretation of how to meet the Communist menace.

One only needs to read the document to see how true this is. The Fulbright memorandum is not basically an attack against so-called rightwing extremists. Its central targets are, rather, such scholarly and informational groups as the Foreign Policy Research Institute of Pennsylvania, the Institute of American Strategy and its publication, American Strategy for the Nuclear Age, and such noted scholars as Dr. Richard L. Walker.

Perhaps its most central target is a 1958 directive of the National Security Council, the top strategic advisory panel to the President, which called for making use of military personnel and facilities to arouse the public to the menace of the cold war.

The Fulbright document scores the National Security Council directive. It declares the policy of using military men to arouse the public is in "basic error." Military personnel, the document charges, do not have the "necessarily broad background which would enable them to relate the various aspects of the cold war effort, one to another." In brief, suggests the chairman of the Senate Foreign Relations Committee, an admiral like Arleigh Burke, or a general like Douglas MacArthur is, presumably, less capable of understanding the global menace than an exhuckster like Chester Bowles or a leftwing Harvard professor like Arthur Schlesinger, Jr.

"Fundamentally," the memorandum continues, "it is believed that the American people have little, if any, need to be alerted to the menace of the cold war." Alerting the people is dangerous doctrine, according to FULBRIGHT, for the "principal problem of leadership will be, if it is not already, to restrain the desire of the people to 'hit the Communists with everything we've got, particularly if there are more Cubas and Laos (sic)'."

What the Senator is really saying is that he does not think the military or other individuals should alert the American people to a doctrine which FULBRIGHT himself opposes. It was the Arkansas Senator, one may recall, who totally opposed our intervention in Cuba and who greatly influenced the President's decision to call off American air support. If President Kennedy had paid more attention to the military and had hit Castro with even a small part of our Air Force, Castro would no longer occupy Cuba and communism would have suffered a severe defeat.

The Fulbright document also lashes out against the implementation of the National Security Council's directive which has resulted in programs for military personnel in which "extremely radical rightwing speakers and/or materials" were allegedly used. Yet the supplements to the memorandum, which supposedly document this charge, suggest that FULBRIGHT believes just about anybody is an extreme rightwinger.

The memorandum points out that among those people who spoke before military gatherings were such individuals as Herbert Philbrick, an undercover agent for the FBI who is author of the book "I Led Three Lives"; Robert Morris, who was formerly a counsel to the Senate Internal Security Subcommittee; and a recognized scholar on China, Prof. Richard L. Walker, who often writes for the New Leader, which bends philosophically toward the New Deal.

What the document omits, however, are the many speakers of liberal persuasion who have spoken before some of these military seminars the memorandum refers to. The Foreign Policy Research Institute and the Institute for American Strategy, both of which come under attack by FULBRIGHT, arranged summer seminars for Reserve officers at the National War College in Washington in both 1959 and 1960. Liberals as well as conservatives were invited as speakers.

Some of the liberals were: Charles "Chip" Bohlen, an adviser to Roosevelt at Yalta, Senator PAUL DOUGLAS, Democrat, of Illinois, Prof. Hans Morgenthau, a regular contributor to the liberal New Republic, and Dean Acheson, Secretary of State under Truman. FULBRIGHT has no objection to these speakers. His point seems to be that all of the speakers should be of this species. No conservatives. The trouble with the FPRI and the IAS apparently is that they thought all varieties of scholarly opinion should be presented to the Reserve officers. Yet the memorandum suggests that the National War College should sever relations with the FPRI and the IAS since the relationship may give one particularly aggressive view a more direct and commanding influence upon military and civilian conceptions of strategy than is desirable.

One of the most curious charges is the memorandum's attack against "American Strategy for the Nuclear Age" which has been published by the Institute for American Strategy. The document charges that this book, "prepared and disseminated by private organizations with close military connections * * * is by no means representative of the President's announced strategy for the nuclear age." One can only say if it is not representative of the President's announced strategy, President Kennedy has been saying something different to Senator FULBRIGHT than to the rest of us.

The contributors, alone, many of them currently advising the President, should refute this miraculous charge. Dr. Henry Kissinger, now an adviser to Kennedy, Dean Acheson, also a Presidential adviser, Hanson W. Baldwin of the New York Times, and Lt. Gen. Arthur G. Trudeau, the Department of the Army's Chief of Research and Development, are just a few of those who have contributed to this book.

A scant briefing shows the book advocates a buildup of nuclear weapons, conventional weapons, civil defense, and the North Atlantic Treaty Organization. Does the Senator suggest this is contrary to what the President calls for? True, it does not call for recognition of Red China, as Senator FULBRIGHT has suggested in the past, nor does it criticize the President's attitude on Berlin, which FULBRIGHT has done on a national TV program. Yet neither does the book suggest that Senator FULBRIGHT should be silenced for expressing opposition to the President's announced policy.

The crucial point regarding the Fulbright document, besides its misrepresentations, is that it recommends silencing of voices that do not agree with the Fulbright viewpoint. This, by itself, would be no cause for worry if it were not for the fact that the privately prepared memorandum, sent to the White House and the Pentagon in June, largely influenced a Defense Department directive of July 10 which gives the Defense Department broader powers to gag all those who do not conform to the exact whim of those persons in the Pentagon who will enforce the directive. What worries many here on Capitol Hill is that those who do enforce the directive will be sympathetic with the philosophy of J. WILLIAM FULBRIGHT, Democrat, from Arkansas.

[From the Nashville Banner, Aug. 4, 1961]

THE NATIONAL SCENE: WHY THE GAG ON ANTI-COMMUNISTS?

(By Frank Van Der Linden)

Senator STROM THURMOND is demanding—and may well get—a senatorial investigation of his documented charges that the Kennedy administration is "muzzling" American military officers and stopping their anti-Communist public education seminars.

The South Carolina Senator has placed in the CONGRESSIONAL RECORD a document identified by other sources as the "Fulbright memorandum." This was sent privately to President Kennedy and Defense Secretary McNamara by Senator J. William Fulbright, of Arkansas, the Senate Foreign Relations Committee chairman. It "was responsible," THURMOND told the Senate, for the Pentagon's recent complete reversal of policy on anti-Communist indoctrination courses.

The memorandum recommended a change in the National Security Council Directive of 1958, which started the policy of using military personnel to arouse the public to the menace of the cold war. In too many cases, the memorandum complained, "extremely radical rightwing speakers" have tied in "social legislation with socialism, and the latter with communism," so as to arouse resistance to "much of the administration's domestic legislative program, including continuation of the graduated income tax, expansion of social security (particularly medical care), Federal aid to education, etc."

"These propaganda activities," according to the memo, raised "important obstacles to public acceptance of the President's program and leadership," and that was not "the limit of the danger."

A greater danger, it said, is a rising public demand for aggressive action to stop the Communists. President Kennedy's "principal problem of leadership," it added, may be "to restrain the desire of the people to hit the Communists with everything we've got," particularly if there are more setbacks, as in Cuba and Laos.

"It is probably the view of most Members of Congress today that, if foreign aid were laid before the people in a referendum, it would be defeated," the memorandum admitted.

Yet, Senator FULBRIGHT, the apparent author of the memo, is leading President Kennedy's attempt to make Congress adopt a new foreign-aid bill—the chief feature of which is a 5-year, $8.8 billion program of loans not subject to the usual congressional check on appropriations.

The "radicalism of the right" will "have great mass appeal" in the next few years, by offering "the simple solution * * * of scourging the devils within the body politic, or, in the extreme, lashing out at the enemy," the document said.

If the military and the public should be "indoctrinated with this virus or rightwing radicalism," it added, "the danger is great indeed."

"The American people have little, if any need to be alerted to the menace of the cold war," the memorandum said. Military officers, it added, have neither the background nor education to carry on an educational program.

Therefore, the memorandum recommended curbing the military officers' anti-Communist indoctrination programs; issuing directives for "civilian control" of such "propaganda"; reviewing the mission of the National War College; and restricting private agencies which have cooperated with the military in the "aggressive" anti-Communist program. THURMOND charged that Communists in their paper, the Worker, began the attack on the military indoctrinations. "One cannot escape the implication of this document," he told the Senate, "that the exercise of national sovereignty by the people is undesirable. From such thinking as that which spawned this attack, can develop the 'big brother' controlled society pictured by George Orwell in his book, '1984.' I can well understand why anyone connected with this document would be fearful of public disclosure of the entire contents."

[From the Charleston (S.C.) News and Courier, Aug. 7, 1961]

HINTS OF STRANGE GOALS

South Carolina's Senator STROM THURMOND may well be on the verge of exposing administration attitudes and policies that will shock patriotic Americans into action against the Communist enemy as nothing yet has succeeded i doing.

Senator THURMOND has come into possession of what appears to be a statement of policy regarding the cold war and the struggle against communism. Whether tentative or already embraced by the policymakers, the views contained in the memorandum clearly suggest the Kennedy administration is far less fully committed to victory over communism than the overwhelming majority of Americans take for granted is the circumstance.

Without impugning in any degree the complete loyalty and good faith of the administration, the present evidence of action, attitude and remarks by administration spokesmen supports the conclusion that the Government is seeking a modus vivendi with international socialism.

The President himself in his recent call to arms—a speech so aptly described by Columnist Holmes Alexander as a sword-rattler made with chattering teeth—seemed to be saying in effect that if the Communists would only be reasonable about Berlin, some general understanding could surely be worked out.

This brings to mind the considered judgment voiced by a professor who for some years has studied closely the course of the cold war. If the Communists, said this authority, only had intelligence enough to make a minor concession or two, they could completely disarm, psychologically and otherwise, American leadership.

This implication that reconciliation rather than victory is the goal of America's present leaders was recently given disturbing support by remarks of Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas. Senator FULBRIGHT is chairman of the Senate Foreign Relations Committee. Of late he appears to be playing the role of trial balloonist in foreign affairs, a role filled by the leftist former Senator Claude Pepper, Democrat, of Florida, under Franklin D. Roosevelt.

Replying with pseudointellectual condescension to demands by Senator BARRY GOLDWATER for a positive and pro-American foreign policy. Senator FULBRIGHT expressed what amounted to a near horror at the thought of problems victory over Russia might bring. The tone of the remarks is found in absurd queries as to whether Senator GOLDWATER was prepared to occupy Russia and reeducate her citizens after the U.S.S.R. was defeated.

Such an attitude of captiousness in the face of the Hitlerian menace would have raised immediate suspicions of sympathy for that dictator's aspirations and programs.

It is time responsible Americans asked openly, and got clear answers, whether a Government still giving aid to Communist Poland (nearly half a billion dollars in the past 4 years) can effectively oppose world communism—or, to be perfectly blunt, wishes to do so. Was the bungling mess that was the Cuban invasion fiasco the product of lack of enthusiasm for the overturning of a Socialist regime, dictatorial or otherwise?

Asking Americans to risk life and fortune in a great undertaking to extirpate the Communist evil is one thing. Sacrifice merely to support Socialist maneuver in a great international chess game is something else again. We are not ready to go to war in order that the world may be made safe and secure for socialism, whatever the variety.

[From the Columbia (S.C.) State, Aug. 5, 1961]

THE FULBRIGHT MEMORANDUM

The thinking exposed in the Fulbright memorandum is alarming, and it is right that Senator THURMOND has drawn the veil from it and condemned its implications.

It will not be sufficient for the administration, if it does, to say that the philosophy represented in this memorandum is not that of the administration, or that it is simply a memorandum, and nothing more. This is, in effect, an official Government document, and unless it and its doctrine are repudiated, the country will live in fear that it does represent policy and that ultimately it will be fully implemented.

The chief objective of the suggestions contained in the paper is to separate the military from civilian activity against the Communist menace. And in this endeavor the Government is proceeding.

But in documenting and advocating this recommendation, the memorandum uncovers an almost unbelievable brand of thinking. Chiefly, it expresses a fear of the American people. It infers that the situation requires a form of subjugation of the people. It suggests that a softness in our foreign policy is something that should be withheld from the people's knowledge. Actually, so far, our foreign policy is fortunately one of firmness and force. But unless this document is repudiated, there is danger that there will be some loss of confidence on the part of the people.

In proposing a separation of the military from the patriotic rallying of the people, and from indoctrinating of the men of the Armed Forces, the memorandum promulgates a doctrine calculated to discourage the people in their endeavor, and thus leave the door open to Communist propaganda and activity.

The acutely disturbing fact in the situation is that Senator FULBRIGHT did not himself immediately repudiate and reject this memorandum. On the contrary, he permitted it to become an official document and dispatched it officially to the Department of Defense. Had he and the other members of the Foreign Relations Committee desired that some form of silencing of the military in the field of anti-Communist education be achieved, why could not they have dispatched a simple memorandum urging such action? That they didn't, leaves the suspicion that they must have agreed with the astonishing supporting content of the memorandum.

Senator THURMOND, with his usual courage, has brought the whole matter into the open and properly called for an official investigation. If the Senate does not order it, it will be difficult not to conclude that a majority of the Senators agree with the dreadful program the memorandum envisions for our country.

As far as we know, the State is the only newspaper which has published the text of the document. To those among its readers who may not have read it (in Friday's issue), we suggest not only a reading but a careful study of its contents.

[From the News & Courier, Aug. 4, 1961]

OPERATION CREAM PUFF

(By W. D. Workman)

Edward R. Murrow, aided and abetted by the Army Pictorial Center, has labored and brought forth a mouse—in the form of a flag-waving film called "Challenge of Ideas."

The 30-minute movie is billed as the Defense Department's substitute for the controversial anti-Communist film, "Operation Abolition."

Undoubtedly, the new film will replace "Operation Abolition" as a troop guidance item, but by no stretch of the imagination can it be called a substitute. It has none of the punch of the hard-hitting exposé of the shameful demonstrations at San Francisco against the House Un-American Activities Committee.

"Challenge of Ideas" carries all the impact of wet noodles.

Using it in the struggle against communism is like wading into a rock fight armed with a batch of cream puffs.

Not that the film isn't skillfully done—it is—but it simply lacks the capacity of awakening the American people to the very real threats they face at home and abroad. In essence, "Challenge of Ideas" is a collection of platitudes on film.

It carries some degree of gentle inspiration and conveys the impression that Americans have a great deal to be thankful for. But it fails utterly to show what determined efforts are being made by international communism to take all this away from us.

The film embraces a few passing scenes and reference to Communist ideology and tactics, but on the whole the anti-Communist theme is glossed over with broad vistas and broader observations praising the land of the free and the home of the brave.

Besides Murrow, who narrated the film before he became a part of the new administration, the movie includes appearances by John Wayne, Helen Hayes, Lowell Thomas, the New York Times' Hanson W. Baldwin and NBC's Frank McGee. All these are devoted Americans and competent in their fields, but they seem to be laboring under wraps as they discuss Americanism versus communism.

"Challenge of Ideas" is not calculated to raise anyone's blood pressure, least of all the professorial types—graduate and undergraduate—who have so loudly protested against "Operation Abolition" and who have themselves sought the abolition of the House Un-American Activities Committee.

And anything which caters to the soulful sensitivity of these latter-day abolitionists is bound to be incapable of hurting the enemy.

If Americans are really to understand international communism for what it is, they must feed a bit on raw meat.

They need to experience, vicariously while they can, the horrors of Communist aggression in Hungary, in Poland, in East Germany, in Cuba, and elsewhere. They get a brief peep-show look at some of this in "Challenge of Ideas" but not nearly enough to convey any real appreciation of how utterly ruthless Communists will be in gaining their ends.

Fortunately, the public has gained some little insight into the situation from television documentaries and commercial films, but the Government itself has done little to spread awareness. And "Challenge of Ideas" does not fill the void.

"Operation Abolition" has been one of the most effective eye-openers of Communist tactics on the domestic scene. Despite the widespread effort to discredit the film, it deserves the attentive viewing of every American. Its importance is not in the least diminished by the appearance now of "Challenge of Ideas."

This approved film will make a fitting program for a high school chapel period, or a ladies' aid society. But as an effective "waker-upper" it simply doesn't ring the bell.

That tough-minded war veteran, Senator STROM THURMOND, summed up "Challenge of Ideas" when he labeled it "namby-pamby" on the floor of the Senate.

If President Kennedy wants the American people to be made conscious of the threat which he manifestly has come to know, he would do well to shunt "Challenge of Ideas" off into kindergarten and call for something more realistic and rugged.

[From Augusta (Ga.) Chronicle-Herald, Aug. 6, 1961]

ORDER SHOULD BE REVOKED THAT WOULD MUZZLE MILITARY LEADERS

(By Edith Kermit Roosevelt)

A movement is afoot to discredit anti-Communist education of the American people and the men in the Armed Forces by the military.

The move was originated by the Communist Party in its official organ, the Worker. A Worker article of June 4, by Sam Kushner, makes a vicious attack on the top military leadership of our country. Among those denounced are Lt. Gen. Arthur G. Trudeau, Chief of Research and Development of the Army, and now under consideration for a position of higher responsibility; Adm. Arleigh Burke, former Chief of Naval Operations; and Gen. Maxwell D. Taylor, military adviser to the President.

The crime with which our high military leaders are charged by the Worker?

Participating in anti-Communist indoctrination courses, particularly those sponsored by the Military Industrial Conference, which sponsors the Institute for American Strategy.

Many other articles denouncing "the insidious alliance between military leaders—active and retired—and rightwing groups in the United States" have appeared in the Worker.

Of special significance was a Worker article of July 16 by Gus Hall, general secretary, Communist Party, U.S.A. Hall points out how much Defense Department indoctrination programs hurt the Communist cause. At the top of his article, "The Ultra Right Kennedy and the Role of the Progressives," is a boldfaced caption which shows the key role the Communist Party assigns to its efforts to discredit our military leaders. The caption reads:

"Our readers are invited to send in their views and comments on this important policy statement by Gus Hall."

Recently, the campaign to curb anti-Communist education by the military found a response from an odd quarter. A memorandum sent to the Pentagon by Senator J. W. FULBRIGHT, chairman of the Senate Foreign Relations Committee, called for a review of the National War College in providing instruction on cold war problems. At the same time, Senator FULBRIGHT has demanded to know just what relationship the Institute for American Strategy, the Foreign Policy Research Institute of the University of Pennsylvania, and the Richardson Foundation have with the National War College.

The Institute for American Strategy, organized in Chicago in 1955, and financed by over 100 American corporations, has the following connections with the War College:

Last year it cosponsored a summer seminar for Reserve officers in Washington, D.C., and this year the War College used a book prepared for the Institute for American Strategy by the Foreign Policy Research Institute.

This book, "American Strategy for the Nuclear Age," was published by Doubleday and features among its contributors such "extremists" as former Secretary of State Dean Acheson, FBI Director J. Edgar Hoover, and Hanson W. Baldwin, military affairs writer for the New York Times.

The Foreign Policy Research Institute was also organized in 1955 and includes among its supporters not only the Richardson Foundation but the Rockefeller Brothers Fund. In 1959, the FPRI established the War College's first strategy seminar on communism and in 1960, it brought such speakers to the seminar as Dr. Henry Kissinger, a Harvard professor and now one of the President's advisers, and Allen W. Dulles, head of the Central Intelligence Agency.

Topics covered by the seminars include the strategic role of civil defense, Communist psychological warfare and ideology, and the economic threat posed by Soviet imperialism.

Paradoxically, Senator FULBRIGHT's own Senate Foreign Relations Committee thought so highly of the Foreign Policy Research Institute that in 1959 they commissioned the group to publish a study of U.S. foreign policy toward Western Europe.

This study was praised by Senator FULBRIGHT and Prof. Robert Stranz-Hupe, chairman of the Foreign Policy Research Institute and author of the book "Protracted Conflict," was invited to appear before the Fulbright committee this March.

In view of these facts, it is puzzling to Congressmen how Senator FULBRIGHT's personal memo—prepared by an unidentified staff member of his own Foreign Relations Committee, but not approved by that group—has resulted in a Pentagon directive to curb anti-Communist talks by military officers.

Surely, the order must be revoked which would muzzle top military people as they seek to make clear the challenge of the enemy to the American people and the men in uniform.

At the same time, as urged by Senator STROM THURMOND, a congressional investigation should be made to find out who in high Government places is seeking to discredit our distinguished American leaders.

[From U.S. News & World Report, Aug. 14, 1961]

A FUROR OVER "MUZZLING" THE MILITARY

(Are U.S. generals and admirals out of bounds when they speak up about the menace of communism to America? A memorandum from an influential Senator has brought that question into debate. Its thesis: Officers should not be heard when it comes to political affairs. Result: a new row over the military role in the cold war.)

A storm appears now to be blowing up in Congress and outside over this question:

How far should officers in the armed services be allowed to go in expressing opposition to communism?

Armed services in the past have carried out indoctrination of men in service in the meaning of communism. Films have been distributed that dwell upon the Communist menace.

In troop-training programs and in public speeches, military leaders have stressed the threat of communism. They were following orders based on a National Security Council directive of 1958.

Early in the Kennedy administration, an attack opened upon speeches by military officers that specifically criticized Soviet Russia.

Adm. Arleigh A. Burke, who has just retired as Chief of Naval Operations, had to rewrite a speech in January because of its tough tone about the Soviets. He was rebuked again, in February, for a remark in an interview with a Greek newspaperman.

Lt. Gen. Arthur G. Trudeau, Chief of Army Research, and Rear Adm. Samuel B. Frankel, Chief of Naval Intelligence, were among other ranking officers who found speeches changed to soften or leave out references to Russia and Communist activities.

Maj. Gen. Edwin A. Walker, commanding general of an Army division in West Germany, was relieved of his command after being accused of saying that prominent Americans, including former President Truman, were "pink," or Communist influenced.

FULBRIGHT MEMO

Orders also were issued by the Pentagon banning use of two anti-Communist films as troop-training material on the ground that they were "controversial." Fifty copies of one film—"Operation Abolition"—that had been in use were put in an oncall status.

Then, in June, Senator J. W. FULBRIGHT, Democrat, of Arkansas, chairman of the powerful Senate Foreign Relations Committee, sent to the White House and the Pentagon a memorandum accusing the military of sponsoring radical rightwing speakers and programs around the country, with overtones of domestic politics.

Parts of the memorandum were leaked to some newspapers. And a few weeks later, a directive came down from the Pentagon's office of public information putting new restrictions on troop indoctrination and public statements by the military. Included were some points made in the Fulbright memorandum.

NEXT: REACTION

Complaints flowed in to Congress that military officers were being "muzzled," especially in their references to communism.

Reaction slowly gathered steam until August 2. On that day, Senator STROM THURMOND, Democrat, of South Carolina, who is a general in the Army Reserves, introduced into the CONGRESSIONAL RECORD a copy of the memorandum that Senator FULBRIGHT had sent across the Potomac to the Pentagon.

Referring to what was termed "education and propaganda activities by the military, directed at the public," the Fulbright statement said this:

"The content no doubt has varied from program to program, but running through all of them is a central theme that the primary, if not exclusive, danger to this country is internal Communist infiltration.

"The thesis of the nature of the Communist threat often is developed by equating social legislation with socialism, and the latter with communism.

"This view of the Communist menace renders foreign aid, cultural exchanges, disarmament negotiations, and other international programs, as extremely wasteful, if not actually subversive.

"There are many indications that the philosophy of the programs is representative of a substantial element of military thought, and has great appeal to the military mind.

"There is little in the education, training, or experience of most military officers to equip them with the balance of judgment necessary to put their own ultimate solutions—those with which their education, training, and experience are concerned—into proper perspective in the President's total strategy for the nuclear age."

APPEAL TO PUBLIC

The military's view of the menace of the cold war, the Fulbright memorandum declared, "already has great appeal to the public. In the future it may well have much greater appeal."

In the long run, it is quite possible that the principal problem of leadership will be, if it is not already, to restrain the desire of the people to hit the Communists with everything we've got, particularly if there are more Cubas and Laoses," the memorandum continued.

"Pride in victory, and frustration in restraint, during the Korean war, led to MacArthur's revolt and McCarthyism.

"It is probably the view of most Members of Congress today that if foreign aid were laid before the people in a referendum, it would be defeated. The question arises, how will it be 5 or 10 years from now?

"The radicalism of the right can be expected to have great mass appeal during such periods."

THE DANGERS

If the military "is infected with this virus of rightwing radicalism," the Fulbright memorandum said, "the danger is worthy of attention.

"If, by the process of the military 'educating' the public, the fevers of both groups are raised, the danger is great indeed.

"Perhaps it is farfetched to call forth the revolt of the French generals (in Algeria, last April) as an example of the ultimate danger.

"Nevertheless, military officers, French or American, have some common characteristics arising from their profession and there are numerous military fingers on the trigger throughout the world.

"Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war."

SOME RECOMMENDATIONS

The Fulbright memorandum goes on to recommend these specific steps:

Change 1958 policy: "This policy should be reconsidered from the standpoint of a basic error—that military personnel have the necessarily broad background which would enable them to relate the various aspects of the cold war effort, one to the other."

National War College: "If its function is, as stated, 'to enhance the preparation of selected personnel of the Armed Forces and the State Department for the exercise of joint and high-level policy' * * * the questions arise whether it should operate under the Joint Chiefs of Staff, and if its administration should be so largely dominated by the military as at present."

Education of officers: "Long-range studies, preferably dominated by a board of civilian educators, should begin the development of a program for exposure of promising military officers to broader educational opportunities, perhaps requiring completion of graduate studies in history, government, and foreign policy, at universities as a condition to high ranks."

Civilian review: "With respect to the problem illustrated by the case of General Walker, it is suggested that a civilian committee be appointed to review troop education activities of military personnel from the standpoint of their necessity and, if found to be necessary, to develop procedures for bringing the content of such programs, and, if possible, their actual operation, under civilian control."

The memorandum concluded by listing 11 instances in which military personnel and facilities were said to have been used in anti-Communist programs around the Nation in recent months, attended by civilians and political figures.

CALL FOR INVESTIGATION

Senator THURMOND, after inserting the memorandum in the RECORD, told the Senate:

"The implication of this document goes far beyond a mere attack on our military leaders * * * it is imperative that the Armed Services Committee of this body immediately undertake a full-scale investigation of this entire matter."

In his turn, Senator FULBRIGHT told the Senate:

"The memorandum was based on my strong belief in the principle of military subordination to civilian control.

"The memorandum was a personal one. The Committee on Foreign Relations did not act upon it in any way. It was transmitted to the Secretary of Defense as a personal correspondence."

The next day, on August 3, Senator RICHARD B. RUSSELL, Democrat, of Georgia, chairman of the Senate Armed Services Committee, said he planned to have a talk with Defense Secretary Robert S. McNamara about the subject of "muzzling the military."

WHO ELSE?

Also on August 3, Admiral Burke, asked by reporters about "rightwing military activities," had this to say:

"Who else knows as much about military affairs? Officers by training are middle-of-the-road people, not blind and dumb and stupid.

"American security is their business. They found in the Korean war that many recruits had no strong principles. And so we started teaching these youngsters to have high standards, to believe in what this country stands for. And they really believe it. You can't teach too much patriotism."

On the question of "muzzling," Admiral Burke said: "I do not think the military are muzzled. I do object sometimes to the interpretation that is put on statements by some of the people who have these instructions [to clear speeches], which they interpret very liberally and very peculiarly at times."

Officials in the Pentagon, meanwhile, were reported to be writing more directives to limit discussions by military officers of a nature that could be called political.

Apparently the stage was being set for more controversy over the role of the military in the cold war with communism.

[From the National Catholic Action Weekly]

HOW TO CRACK BACK AT THE COMMIES

(By Father Richard Ginder)

Among the most sensational Communist agents who helped betray the cause of freedom in recent times were Guy Burgess and Donald Maclean. General MacArthur has stated that during the Korean war the enemy knew his military plans within a matter of hours and that, in his opinion, Burgess and Maclean were responsible. When the newsmen stopped Dean Acheson in the corridor of the State Department and told him the news that Burgess and Maclean had fled to Russia, he exclaimed, "My God, they knew everything."

These handsome, educated, attractive young Englishmen had ingratiated themselves with everyone while, at the same time, encompassing the death of thousands of American boys in Korea. Many people think that these two are guiding Soviet statesmanship today in its dealings with the West.

Of course, the Communist underground can no longer use a man once he has been exposed. But they are drafting younger men and giving them the benefit of years of successful experience in espionage. We don't know exactly who they are, but we can see the results of their work and their slogans. For example, "We must not touch off World War III" has paralyzed our country against taking any effective anti-Communist action.

We have seen how their drive to prevent us from using, threatening to use, or even testing the H-bomb, has been taken up and parroted by top scientists. "Spirit of Geneva" and "peaceful coexistence" are other catchwords profiting only the U.S.S.R.

On July 25, last year, the American Bar Association reported that:

"The greatest asset the Communists have at present time is not the H-bomb, certainly not Soviet satellites, but world ignorance of their tactics, strategy, and objectives. The biggest need today is for the free peoples to develop an awareness of the menace of communism and the ability to isolate the Communist line so that it can be detected no matter who utters it. The current Communist line includes the following:

"1. Repeal or weaken the anti-Communist legislation on the books, especially the Smith Act, the Internal Security Act, and the Subversive Activities Control Act.

"2. Discredit and hamper the Senate Internal Security Subcommittee, the House Un-American Activities Committee, and State officials investigating communism.

"3. Weaken the effectiveness of the FBI and reveal its sources of information.

"4. Destroy the Federal security system.

"5. Recognize Red China and admit her to the United Nations.

"6. Oppose the possibility of the United States breaking off diplomatic relations with Soviet Russia.

"7. Enlarge East-West trade, especially in items in short supply behind the Iron Curtain.

"8. Revive the idea that the Communist Party is just another political party.

"9. Use the recent shakeup in the Kremlin as a guise to revive the Communist peace offensive, just as a previous shakeup in the Kremlin brought about the spirit of Geneva."

The American Bar Association report then went on to list 15 key Supreme Court decisions "which directly affect the right of the United States of America to protect itself from Communist subversion."

The cleverness of slogans, smears, and Soviet agents, plus an adept use of advertisers repetition techniques, account for much of the success of the Communist line in the United States. But their suppression of the truth has been a key factor in that success. Just as Europe has its Iron Curtain and Asia its Bamboo Curtain, here in America we have a Paper Curtain—a mysterious conspiracy of silence in the world of books and periodicals shutting out the truth on vital national issues. Patriotic American writers who refuse to follow the party line are blacklisted by the biggest publishers, barred from popular magazines, their writings kept out of school and public libraries.

"Why hasn't someone given us these facts before?" you ask as you read these columns. But I'm not drawing from personal experience. My facts are all taken from books and periodicals that can be bought—if you dig hard enough—in the open market: periodicals like the National Review and the Brooklyn Tablet; books such as the "Red Plot Against America," "The Web of Subversion," "Shanghai Conspiracy," "The Cry Is Peace," and "While You Slept."

These books should have been bestsellers. They should be in every home, in every school, public library, and bookstore. But they have all met the resistance of the "paper curtain": blacklisted by the big publishers, knifed and smeared or totally ignored by the book reviewers, barred from the libraries, and buried by the bookshops.

The most extreme example of bookburning by the leftists is the suppression of the reports of congressional committees. They are never reviewed by the various journals, never mentioned in the press. The entire library and news-gathering world treats

them as if they simply did not exist. When the libraries do stock them, they do not catalog them, and you cannot find them. Whittaker Chambers has called congressional committee reports the most secret Government documents in existence today.

One flagrant example of how this "paper curtain" operates is afforded by the Katyn massacre story. When Col. John Van Vliet made his original report on this massacre back in 1945, it incriminated Stalin, contradicting that gentleman's lie that Hitler had caused these Polish army officers to be shot. But instead of publishing this fact, the Pentagon immediately ordered Van Vliet to sign an order of personal silence directing him under penalty of court martial never to mention the matter to anyone.

In April 1956, the Senate Internal Security Subcommittee issued a report entitled "Handbook for Americans: The Communist Party of the U.S.A.," telling the truth about Communists fronts. This made the left-wingers so sore that they were not content with giving it the usual silent treatment. They actually went to court to get an injunction forbidding the Government Printing Office to print it. And a Federal judge obliged them by issuing the injunction. His act was, fortunately, rescinded by the court of appeals.

The Yalta story is another classic in the suppression of truth. The State Department had been sitting on the official record for 10 years, in spite of repeated demands and appropriations made by Congress for its publication. When it was finally given out, at least 100 pages were still censored.

The books which tell the real story of the Yalta Conference and of its coverup by the State Department, such as Felix Wittmer's "The Yalta Betrayal" and Bryton Barron's "Inside the State Department" have been quietly filed behind the Paper Curtain. We are still waiting for the official records of the Cairo, Teheran, and Potsdam Conferences to be published.

We were all inspired by the heroic battle of the Hungarian freedom fighters, and many have wished they could do something to help the cause in some way. But the important thing for each to realize is that the front line in the fight against communism is not in Europe, or Korea, or China. The front line isn't even in NATO or ICBM weapons. It is right at home in your community. It is in your libraries, in your bookshops, in your schools. It is in the reading room at your club, the waiting room of your doctor and dentist, on your own coffee table—wherever reading matter on national affairs is displayed.

I have a reading list which I will gladly send to those who are interested. Write me in care of Our Sunday Visitor, enclosing a stamp. Use it to see that informative books and periodicals are in your libraries, on public reading tables, and in your schools.

Above all, speak up. Make yourself heard, wherever you are. Write letters by the dozens to Senators, Congressmen, and editors. Keep a stack of Government postals on hand for addressing to radio and TV performers.

The cause of freedom is in our hands. Shall we be less diligent than our enemies?

[From the Savannah Evening Press, Aug. 3, 1961]

LET THE MILITARY SPEAK OUT

Senator STROM THURMOND, of South Carolina, has embarked upon a course of action vitally affecting all Americans in attempting to guarantee the right of men in uniform to speak up on the Communist menace.

Recent administrative actions have placed a muzzle on members of the armed services who have made public statements on the full extent of the Communist threat to America's freedoms, and Senator THURMOND thinks the Nation will be seriously damaged if these directives are allowed to go unchallenged.

The South Carolinian specifically wants the Senate Armed Services Committee to investigate attacks on officers who teach anticommunism. These attacks, he said in a Senate speech, constitute a conspiracy which must be understood and countered.

"Our military leaders would be blind if they did not recognize, and derelict in their duty if they did not state, that communism is a total enemy which constitutes a much broader threat in its total nature than that exclusively comprised by Red armed forces," Senator THURMOND says. "Indeed, the gains by communism over peoples and territories have stemmed not primarily from military action but from other methods they have resorted to—and indeed, from our own softness, naivete, and appeasement of them.

"Our military leaders are trained to know their enemy, every facet of his capability for success. In the Defense Department among military personnel lies the real bastion of knowledge and understanding of the Communist threat, an understanding and knowledge long since lacking in the White House, State Department, and some other Government agencies.

"Military personnel and the American public must be fully informed on this deadly menace. If given the facts—all the facts—the American people can be trusted to make the correct assessment of the threat and how to combat it best in many ways still available to us. Suppression of the military's dissemination of this knowledge would be disastrous and completely out of keeping with American traditions."

We share Senator THURMOND's deep concern that those who would speak up against this Nation's mortal enemy are being subjected to Executive orders shutting them up and silencing their efforts to inform the American people on the true nature of our adversary.

One of America's most cherished tenets is the right of a man to speak up for his beliefs. Must Americans in uniform be called to task for speaking up against a danger they see so clearly and feel so deeply about?

FOREIGN ASSISTANCE AND NATIONAL SECURITY

Mr. SYMINGTON. Madam President, the bill we are debating today is intimately related to the military proposals made by the President a few days ago.

In those proposals, he has asked for approximately $3.5 billion as a supplement to our own defense effort.

In the foreign assistance bill, the administration has proposed $4.8 billion, and the Foreign Relations Committee has recommended about $4.3 billion—to cover our total foreign-assistance program, military and economic, to our allies and to other nations whose independence and freedom vitally affect the national interests of the United States.

I have joined in support of the President's military proposals, with the reservation that I have deep apprehension about its adequacy from the standpoint of conventional response, both on the ground and in the air.

I have the same feeling about the foreign-assistance program as a whole, and particularly about the part of it relating to military assistance, for which the administration has asked $1,885 million and the Foreign Relations Committee has authorized $1,800 million, in new obligational authority.

This sum happens to be exactly the same amount which was originally included in the Eisenhower budget of last January—after, so we were informed in testimony, a cut of more than $500 million from recommendations of the State and Defense Departments under President Eisenhower.

And the figure is considerably below the minimum recommended by the Draper Committee, a bipartisan committee of outstanding men from both parties and from all branches of the military, who studied the needs of our aid program a year and one-half ago, at a time when world tensions were not what they are today.

In line with praiseworthy efforts to increase emphasis on economic aid, last March President Kennedy originally submitted to the Congress a figure of $1.6 billion for military assistance.

In May, however, this amount was raised to $1,885 million, following accumulating evidence of deterioration in the situation in Laos and southeast Asia.

Now, 2 months later, in the face of Khrushchev's explicit threats to Berlin and his actions in increasing the Soviet defense budget many billions of dollars, the bill before us still carries only the total of $1.8 billion.

I believe any attempt to reduce that amount should be defeated.

We have heard much recently about increasing the capacity of the United States and of the free world to wage limited or local wars. I have expressed my views fully to the Senate on this many times, including remarks made only last week.

We have just recently supported unanimously the proposals of the President to increase our power to deal with limited war situations. This is all to the good. But that makes it all the more amazing to me that there should be opposition to a military assistance program to create greater limited warfare capability among our friends.

This military assistance goes primarily to forces of allied nations in Europe, the Middle East, and Asia which are actually on the periphery of the Sino-Soviet bloc or only a short distance behind the frontlines.

These forces are actually on the lands they are prepared to defend. They are already in place, in those strategic areas in the path of Communist-bloc aggression.

I often commented adversely about the domestic military posture of the last administration, including the failure to develop, equip, and train significant forces at points where the need is real. We must now continue the new policy with vigor, and with adequate materiel and personnel.

Beside the maintenance and strengthening of our basic nuclear deterrent power, we, our allies, and all nations threatened by communism, must resist every form of military aggression, as well as what Mr. Khrushchev calls wars of liberation—internal subversion whether or not backed by a parallel external threat.

These wars of liberation, carried out through internal subversion and para-

military forces, have become an increasingly dangerous form of Communist aggression. We have seen what they can do in Cuba, and what they are trying to accomplish in Laos and Vietnam.

Our nuclear strength, however, because of its very great power, cannot cope with aggression of this kind. The defense of free nations against it must be fundamentally through the courage and determination of their own people. We can provide indispensable help through arms, communications equipment, transportation, and training; and these are provided for in this bill.

In short, our military assistance program plays a vital part in supporting the determination of the free world to resist Communist aggression in all its forms.

We all know that this program began with our highly successful aid to Greece and Turkey in 1947—without which those countries would surely have succumbed to communism—and that the major amounts in the early years were directed to providing the first real military strength to our NATO allies. We all know, too, that in recent years the program has shifted its emphasis increasingly to the nations of the Far East and of the Middle East, particularly those Far East nations now subject to intense pressure from the Soviet-supported Communist government of North Vietnam and from Communist China.

Most recently, the program has come to include modest amounts—less than 3 percent of the total program—to provide internal security assistance in Latin America and in Africa.

In my years of membership on the Armed Services Committee, that body has not reviewed the details of this program; and in fact the program is not defended before that committee.

But it is a program directly related to our worldwide military strategy, as well as our foreign policy, and I would hope that the Armed Services Committee will in the future concern itself more directly with this military part of the mutual security program.

I have been much impressed, however, with the thoroughness of the presentation to the Foreign Relations Committee, and with the nature of the examination that was made.

We have had available as witnesses from the Department of Defense Secretary McNamara and the Chairman of the Joint Chiefs of Staff, General Lemnitzer; also Mr. Bundy, the Deputy Assistant Secretary of International Security Affairs; General Palmer, who is in charge of the military assistance program, and the top men on their staffs. We have also listened to Secretary of State Rusk and all the Assistant Secretaries for the geographic bureaus concerned.

The information these officials have presented has been in detail, and they have provided answers to the questions asked.

I can assure the Members of the Senate that the program has been worked on with care and precision, and with the full participation by military authorities at all levels of command. It is fully supported by the Joint Chiefs of Staff, whose Chairman has testified that, dollar for dollar, the military assistance program buys as much true defense against Communist aggression as the dollars invested in our own military budget.

The military testimony before the committee also makes clear that the major countries receiving our military assistance are carrying out military missions geared to our overall strategy for countering Sino-Soviet aggression.

As we look at the world today, it is natural to ask—paraphrasing Vice President Barkley's favorite political story: "What have we got to show for it lately?"

People ask, "What good did our aid to Vietnam do?" "What have we got to show for the hundreds of millions of dollars we have provided to Korea each year?" "Why should we now be increasing our overall assistance to southeast Asia?" "Has the new administration rethought the whole basis of our policy in supporting nations on the periphery of the Sino-Soviet orbit?"

I can assure you, Madam President, that our committee has gone into these questions deeply, and has received what seemed to me convincing answers from the administration.

As to Laos, we know that—apart from the basic difficulty of creating a nation where none had existed before—our military assistance has had its hands tied, until this very spring, by provisions of the 1954 Geneva agreements which prevented the United States from entering directly into training and full-scale advisory activity on the military side. We know, too, that, despite these limitations, our aid almost certainly prevented the Pathet Lao and their Vietminh friends from launching an overwhelming and successful offensive many years ago.

The same applies to South Vietnam, with redoubled force. At the time of the 1954 Geneva agreements I venture that any informed person would have bet three to one against the survival of a non-Communist Government in that country.

But we have such a government today, and it is resisting with vigor and increasing effectiveness the wholesale subversive efforts—amounting in effect to an undeclared war—conducted from North Vietnam.

The Government of South Vietnam has its faults—in which it unhappily is not alone—but it remains free, independent, and non-Communist; and this is due in large measure to our own assistance programs, both military and economic.

As for Korea, we have all been troubled at the behavior of its new Government, which we hope is now moving in the direction of democracy and civilian control.

But again, the choice is not between this Government and some better democratic one. We are faced with the reality of helping this Government struggle, in its own way, to meet grave economic problems and a constant and major military threat.

These three countries, of much concern to the committee, and on which we have received full testimony, are only the symptoms at this time of the larger worldwide problems with which we are dealing.

As a nation, we have come a long way from our earlier beliefs that the problems of foreign policy have quick and easy solutions. We know now that we are in a long and unremitting struggle, in which progress will not always be even, but in which we cannot afford to slacken our effort on every front where it can be brought to bear effectively.

This is particularly true in the current world situation. Does any one of us believe that Berlin will not be accompanied by Sino-Soviet threats, possibly by outright aggression, in other areas?

In a world that may mistakenly think that we are focusing too much on Berlin, is this the time to cut back on our worldwide programs directed to the independence and security of nations whose fate is inextricably tied to ours?

These, then, are the affirmative reasons that lead me to support wholeheartedly the committee figure of $1.8 billion for military assistance.

Now let me speak briefly on some of the other matters that came up in the committee hearings. One of these is the enlargement of the internal security program in Latin America.

I have supported the committee's amendment which retains the requirement for an express Presidential determination before any internal security program in Latin America is actually carried through for a given country. The possibility that our aid may be used to support corrupt and dictatorial regimes is one that well warrants this additional precaution.

But I believe that the increased program is a necessity in the face of Castro-inspired activities in Latin America, and that we must go froward with it.

A second concern has been the management of military assistance. I have been reassured by the voluminous evidence that the safeguards recommended by the Draper Committee 2 years ago have taken real effect.

At the present time the needs of each country are submitted by the country military assistance advisory group and are then reviewed and put together by our unified commanders in the field—General Norstad in Paris, Admiral Felt in Honolulu, and General O'Meara in the Canal Zone. This system is insurance to the end that only wanted and needed equipment is delivered to a country.

Moreover, I have been impressed by the personal concern of Secretary McNamara for overseeing this entire program, the personal attention he apparently has paid to the auditing reports, GAO reports, and other management surveys that have been instituted over the years in an effort to achieve businesslike management.

As he has well pointed out, one cannot obviate all errors in performance; but I am sure we would all endorse his statement that certain management problems

of the program, such as inventory control, are shared by any private business of major size.

Third, and perhaps most serious, is the interrelationship between our military assistance programs and our economic assistance. Again and again, members of the committee raised the question whether our military assistance was inducing the recipient nations to attempt military programs that were beyond their economic means, and which could only be attained at the sacrifice of the necessary long-term economic development efforts.

I deeply share this concern. There is no simple answer to it. While the present process in the executive branch does provide for concurrent review of economic and military programs by the Assistant Secretaries of State, I have been disturbed at evidences this control is not as thorough as it might be; and by the fact it does not extend fully to the activity of the ambassador in the field.

We have been assured, however, that the administration is moving rapidly to strengthen controls over the program, an issue which should be pressed at all times.

The Secretary of State put the relationship between economic and military aid very accurately in his testimony before the Foreign Relations Committee. He spoke of the "inescapable partnership between economic and social progress, on the one hand, and conditions of essential security, on the other." He added, "One cannot long exist without the other." I agree.

Two major aspects require special mention: supporting assistance and the development programs.

The first of these was recommended several years ago by the special study conducted by members of the Foreign Relations, Appropriations, and Armed Services Committees. It goes to 21 countries, of which 8 are on the very edge of the Sino-Soviet bloc.

Two-thirds of the total funds will be for those nations. They are nations which, by necessity, have military forces which impose heavy burdens on their economies.

Seven of these nations provide the United States with the sites of air and naval bases important to our own security and to the collective defense of the whole free world.

The remainder goes to countries whose loss to communism would not only be a tragedy for their people, but also would provide dangerous forward positions for Communist power.

In the past, Congress has criticized the executive branch for not shifting aid to some of these countries from grants to loans.

The proposal made in the bill before us does exactly that. Furthermore, the present program is some $200 million below the comparable program for the same countries for last year; and it was for this reason that the request for the contingency fund was increased.

But the committee reduced the request for supporting assistance by $131 million—23 percent—and the requested contingency fund by $200 million—40 percent.

I personally regret these reductions, and fear we may all regret them before the year is out.

Many Senators would like to increase our development assistance. But we cannot do this safely at the expense of supporting assistance. In the present state of the world, future production should not be bought at the expense of the present safety of threatened nations.

In short, the $450 million recommended for supporting assistance by the committee is less than will, in fact, be required.

We live in times of change and uncertainty. Old relationships are breaking up. New states and systems are being formed. If the past 12 months could have produced what has happened in Cuba, the Congo, Laos, Vietnam, and Berlin, have we any reason to think optimistically about the next year, or the next, or the next?

Will anyone dare to say today that an end to crises is just around the corner?

So the President's request in the aid program for a $500 million contingency fund seemed sensible to me, and the Secretary of State's justification wholly convincing.

The latter told us that the President had at first planned to ask for a repetition of last year's appropriation, $250 million. But, "As we can see from the daily headlines," he said, "the pace of events is now such that the President has indicated to the Congress that he is requesting an additional $250 million."

We are assured that the additional fund would be used only upon a Presidential determination in each case that a sudden and extraordinary drain of regular funds makes it necessary to use this money as an emergency reserve.

Fortunately, the very turbulence which presents us with crises provides also opportunities; and in order to seize these opportunities, the President should have funds immediately available.

But here again the committee has recommended only 60 percent of the amount asked by the President.

In our day, the fundamental aim of American foreign policy is to maintain an environment in which free nations such as ours may exist and flourish.

This environment we call the free world. If that world is to gain the loyalty and adherence of the new nations, it must offer its members not only security but also opportunity.

The proposal made by the President, and approved by the committee, is a dramatic step forward in the progressive development of the policy of our Government to provide assistance toward grasping this opportunity.

It seems to me quite beside the point to argue whether we should support economic aid to less-developed countries because it is humanitarian, or the act of a good neighbor in the world, or because it is in the national interest of the United States to do so.

It is all of these. A free environment must be spacious. It cannot exist in North America alone; and it will not be spacious unless it is an environment of opportunity.

This is why three Presidents—former President Truman, former President Eisenhower, and President Kennedy—have described the economic assistance program as essential to the most vital interests which our Government seeks to serve in our foreign and domestic policy.

Nations now striving for growth include more than a third of the world's people—a billion human beings—occupying two great continents and large parts of two others.

The question is not whether those nations will make economic and social progress. They will. The great question—one of the most fundamental for the entire world during the remainder of this century—is whether they will progress as open societies in freedom, or as closed societies under Communist influence or domination.

The leaders in Moscow and Peiping understand this well. Communist economic assistance has risen from 1954, with a credit of $11 million to the single neighboring nation of Afghanistan, to an annual total of bloc aid commitments in 1960 of nearly $1,500 million.

Twenty-four countries are now recipients of Communist economic help. Over 6,500 Soviet, Red Chinese, and satellite technicians were in less developed countries at the end of last year.

Soviet bloc aid to these 24 countries from 1955 through 1960 totaled about $4.8 billion—over half that from the United States. Communist bloc aid has taken all forms, but its most characteristic and effective form has been long-term commitments of substantial funds to be allocated from time to time to individual agreed projects.

Surely everyone who has thoughtfully considered the meaning to the future of our country and our people of what the Secretary of State has called "the revolution of progress" must support the program of aid for which the President has called.

This becomes even more clear when answers are given to several entirely proper questions.

What are other nations doing to help, particularly the nations of Europe whom we assisted to rebuild after the war through the Marshall plan?

What opportunity is there to be for the participation of private enterprise in this great task, and what encouragement is to be given it?

What effect will the aid program have on our economy?

What are the executive branch's plans for the most economical and effective administration of the program?

The members of the Foreign Relations Committee asked all these questions and many more.

The executive branch agrees with my own view that this is a matter in which other nations, particularly those of Europe, should help; and we can take considerable satisfaction in the success already achieved in this program. The Development Assistance Group—now renamed the Development Assistance Committee of the Organization for Eco-

nomic Cooperation and Development is its organizing center. The Foreign Relations Committee was told that the record is already one of increasing contributions from year to year on the part of the principal industrialized countries of the free world.

Germany, for example, has increased its contributions from about $260 million in the 2-year period 1956 and 1957 to about $1,250 million in the period 1961 and 1962. The German contribution is already close to 1 percent of Germany's gross national product—approximately the same level of contribution which we make under our aid program.

France is already making grants and loans for development, mostly to former colonies, of more than 1⅔ percent of her gross national product.

Taken all together, the grants and loans of DAG nations is about one-half of 1 percent. Bear in mind here, however, that the percentage of a country's aid to its gross national product is not a fair index of its burden on the individual citizen for purposes of comparison with the United States, because no other country has a per capita income as much as half of our own.

If this program of aid is right and should be carried on, can we afford it?

The answer most certainly is "Yes." The whole aid program—military and economic—costs less than 1 percent of our annual gross national product, therefore is obviously well within our economic capacity.

Nor need we be concerned about its effect on our balance of payments, since at least 80 percent of the economic aid funds—and even more of the total—will be spent in the United States as long as the balance-of-payments situation requires it.

In my own State of Missouri we are having increasing problems of foreign competition—an experience shared, I know, elsewhere in the Nation.

If we give food or other products abroad, they will be consumed. But when we give machinery, we must recognize that it is to increase production abroad, and that creates a problem. We must be properly mindful of our own industry and our own people, and therefore it is necessary to make sure that loans for development take into account the possible effects of the loan upon the U.S. economy; and there must be special reference to what is done to areas of substantial labor surplus.

Such a requirement, therefore, has been specifically written into the bill.

The most valid complaints voiced against foreign aid in recent years are in the field of administration. This administration is aware of that fact and therefore is working hard to develop an organization, and acquire personnel to improve administration, encourage economy, and eliminate waste.

The new agency will bring under one roof all aspects of the aid program. It will coordinate closely with the food-for-peace program, that program which can be of such great assistance to our own farmers as well as the hungry people of the world.

It will place full responsibility on one man for planning and carrying out the program with each country.

The President has asked, and we have recommended, the establishment of positions equivalent in rank and pay to an Assistant Secretary of State for the men who will bear these responsibilities. The tasks call for talents equal to those demanded by the highest levels of industry.

Although the salaries are not comparable to those in industry, they are livable, and I believe the challenge of these tasks which thinking people know are so essential to the Nation, will attract able men.

The central purpose of the administrative organization is to assure the success of the principal new objective of the whole program; namely, to aid nations willing to work for their own progress, so they can move rapidly toward a level of self-sustaining growth.

If this could be achieved within the time available—and time is fast running out—the consequences on man's future would be immeasurable.

In the past our country has been to people everywhere a symbol of liberty and opportunity. The President now calls upon us to meet the challenge of a new era, to lead again toward liberty and opportunity through economic progress, education, adequate food, decent housing, a chance to live to maturity and beyond. He has called for our Nation to embark on a program for a decade of development.

The development grant and Development Loan Fund in this bill are so as to enable us to do our part in getting this decade of development underway.

The development grants, for which the committee has approved the administration's request of $380 million, will continue and strengthen our well-tested point 4 program. This will extend to the new nations of Africa and Asia aid in social and economic underpinnings of human life, already established in Latin America by our legislation in support of the Act of Bogotá.

The Development Loan Fund contains the principal new feature in the bill. We have had the Development Loan Fund for 4 years and it has demonstrated its worth. But it has never had funds adequate to the obvious needs.

Now, for the first time, the President is asking for a Development Loan Fund in an amount at least approximating the need; and available over a 5-year period which parallels the planning period for development programs worked out by the countries we are aiding.

The request is justified and sensible. I am somewhat surprised it should be seriously opposed—particularly by any of those who so often are heard to demand that the United States take the initiative to oppose the spread of communism—for this is certainly one of the most effective actions we could possibly undertake to achieve that purpose.

It is also surprising to note that some can on one day support the President's request for funds to arm against the potentialities of Soviet threats in the Berlin crisis, but shortly thereafter withhold economic support from a measure equally essential to prevent a Soviet takeover of entire nations, over the next few years, through economic penetration.

We are ready enough to respond to crises after they are upon us; but would it not be even more wise to look ahead—to act ahead—to forestall crises before they came?

That is what the President is asking us to do now—to note that while the Soviet Union is fixing our attention on Berlin, it is at the same time continuing and accelerating its quiet and persistent efforts to penetrate and bring under its sway the third of the world's people in the less-developed nations.

Some of my colleagues who believe in the fundamental need of foreign aid are nevertheless concerned that the method of financing proposed in this bill will in some way impair proper control by Congress.

I have studied this matter to the best of my ability and am confident this fear is unjustified. The proposed legislation provides fully for the retention and exercise of congressional power.

In the first place, as Secretary Rusk and Secretary Dillon both presented to our committees, the Congress is being asked to exercise its own authority to make a national decision. That decision is for the United States to undertake a Development Loan Fund program for a period of 5 years, and to declare that for this purpose stated funds will be available to the President by borrowing from the Treasury.

After passing this legislation, the Congress does not lose control of the Development Loan Fund. Each year, should circumstances require, the Congress has authority to limit, curtail, or even revoke the lending authority, or the use of the borrowed funds themselves. Such actions could be initiated by either the Foreign Relations Committee on the Appropriations Committee.

This is true for several reasons, including two simple ones: The Congress has specifically retained this power under the Government Corporations Control Act; and each year, after reports by the Appropriations Committees, reviews the authorization to use the borrowed funds.

Secondly, because the Executive must come to the Congress every year—to both the Foreign Relations and Appropriations Committees—to obtain authorization and appropriations for the grant funds, vital to the aid program.

There is no way the executive branch can escape these congressional controls. Nor is there any desire to do so.

What does this mean? It means that the Congress has and will continue to have, complete power to examine the lending program through its Foreign Relations and Foreign Affairs Committees; and thereupon to take any action it should deem necessary.

Clearly if the Congress considered it desirable to alter the development program, it could do so—apart from the exercise of powers under the Government Corporation Control Act—by a simple amendment to the bill authorizing grant aid. The President, even if he wished

to veto such an action, could not do so without at the same time vetoing the indispensable aid bill.

But what of the charge that such borrowing authority is wrong because of a slogan built up around it—"back-door spending." The charge implies that this type financing will deprive the Appropriations Committees of their proper authority over aid spending.

As to borrowing authority, I have had some experience in the matter. The Reconstruction Finance Corporation was one of the first major lending institutions of the Federal Government funded by borrowing authority, and there have been more than 20 since then.

A few weeks ago the Senator from Illinois put a table in the RECORD showing that over $100 billion of capital had been made available to Federal lending agencies through this means.

This year we have enacted three or four measures for funding this way.

Therefore, let us be frank about it. This is, in fact, the current standard accepted method of funding Federal lending activities.

In 1957, President Eisenhower, supported by Secretary Dulles and Under Secretary Herter, asked the Congress to provide this authority for the development loan funds for a 3-year period.

Twenty or so of my colleagues across the aisle supported the President then. Surely they did not oppose borrowing authority in principle. I do not believe they do so now.

The question is raised from time to time as to whether borrowing authority may be in some obscure way fiscally irresponsible, and there seems to be a widely held misconception that because this method of financing is spoken of as a public debt transaction funding of Government activities under it will somehow increase the public debt more than the same amount of funds provided under a direct appropriation.

For example, several times in recent days there has been an observation that the proposed funds were chargeable to the public debt of the United States over 5 fiscal years or to be taken out of receipts of sale of public debt or through U.S. debt.

This is simply not the case. As the Secretary of the Treasury said in his letter to each Member of the Congress:

> Borrowing authority would not require an increase in the public debt or borrowing from the public any more than any other form of funding. Whether such an increase may be necessary will depend at any given time on the overall receipts of the U.S. Government as compared to its overall expenditures. Thus, the effect of the aid program on the public debt would be exactly the same whether the program were funded by borrowing authority or by annual appropriations. Activities under the borrowing authority would be included in the annual budget just as they are for the more than 20 existing activities now financed through borrowing.

How can there be any reasonable disagreement with the assertion of the Secretary of the Treasury that this method of financing is fiscally responsible?

Opposition to this provision boils down essentially to the position—and therefore the assertion—that the American people are incapable of deciding on a policy of as long as 5 years' duration in a field where such a determination is vitally needed in the interest of our national security.

Have we come to the point where our democracy is incapable of making the decisions necessary for its own survival?

I do not believe so.

I believe this Congress is capable of making such a national decision, and of exercising its traditional powers to supervise the administration of that decision by the executive branch, in order to assure that the great purposes intended are fulfilled.

Mr. FULBRIGHT. Madam President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the able and distinguished chairman of the Foreign Relations Committee.

Mr. FULBRIGHT. I commend the Senator from Missouri for a very fine speech, not only on the military aspects of the program, but especially also with regard to the controversial issue of the borrowing authority contained in the bill.

I believe that what he had to say on page 21 of his prepared speech, about the effect of this authority on the public debt needed to be said, because there is great misapprehension in Congress and in the country about the effect of the procedure which the committee has recommended.

The Senator has rendered a great service in explaining this situation as clearly as he has explained it. I have not heard anyone else put it in quite such clear language. The Senator should be congratulated.

I know that some Members of the Senate apparently have great doubt about what the effect of this particular provision would be. I hope that they will take the time to read this part of the Senator's speech carefully. If they do, I believe the Senate will be a much more responsive body when it comes time to make a decision.

Mr. MANSFIELD. Madam President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. MANSFIELD. I join the distinguished chairman of the Committee on Foreign Relations in what he has had to say about the remarks just enunciated by the Senator from Missouri. I believe it should be brought out that before the Senator from Missouri came to the Senate, he made a well-earned and well-deserved reputation as one of the country's outstanding businessmen. I dare say one of the reasons, if not the main reason, for his espousal of the 5-year proposal for Treasury financing lies in the fact that when he conducted his business he did not do it on an annual basis, but over an extended period of years.

The RECORD should show that about 4 or 5 years ago the distinguished senior Senator from Louisiana [Mr. ELLENDER] brought to the attention of the Foreign Relations Committee and the Senate the fact that on one occasion under the aid program something on the order of $700 million was allocated, reserved, or obligated within the last 24 hours of the last day of that fiscal year. In other words, it was going to be spent or reserved or allocated in some way.

That is one of the weaknesses of the yearly financing feature in the foreign aid program. If there were included a long-term proposal, greater efficiency, less waste, and a more business-like administration would be the result.

The distinguished Senator from Missouri has performed a real service in explaining that particular portion of the program, as well as others, on the floor of the Senate this afternoon.

Mr. SYMINGTON. Madam President, first I thank the distinguished chairman of the Committee on Foreign Relations for his most kind remarks about this talk. Working with him in the committee has been a unique experience, his patience and his vast knowledge of the subjects that come up, touching so many different facets of our position in the world, has been an inspiration. I am grateful to him for what he has just said.

I also express my appreciation to the distinguished majority leader, whom we all respect more and more, every day. As he is a member of the Foreign Relations Committee, it has been my pleasure to work with him also. He brought up the question, as did the able chairman, of planning. I have said before that when one plans successfully over a period of years in business, he ends up occasionally being called a genius. But when one plans successfully over a period in Government, he often ends by being called a Socialist.

I have never quite understood why it was not just as important to take care of the taxpayers' dollar as it is to take care of the stockholders' dollar. Therefore, I was especially grateful for the remarks of the distinguished majority leader and the distinguished chairman.

Mr. FULBRIGHT. Mr. President, a moment ago the Senator from Kentucky, who is a businessman, had a little colloquy with the Senator from Missouri, who is also a businessman. The Senator from New York [Mr. JAVITS] said he thought the Republicans, who are good businessmen, should support this program. He did not know why, as good businessmen, they were reluctant to do so.

What the Senator from Missouri has just said is to the point. Many of the practices normally used in business, are called socialism when applied to government.

I thank the Senator from Missouri for his close attention to the bill. He studied the bill closely and attended the hearings as faithfully as did any other member of the committee, if not more so. He has been of great assistance to me and to the committee in the hearings and in marking up the bill.

Mr. SYMINGTON. I thank the distinguished chairman. I am confident he would agree with me that the bill before the Senate today is another weapon for the defense of the United States. As we defend this country and the rest of the free world under the leadership of the President against the advance of communism, we have here an economic

weapon, a psychological weapon, a political weapon to assist us. For those good people who yearn for a better life in the underdeveloped countries we will have a spiritual weapon, as well.

I hope that the wishes of the chairman of the committee will be fufilled in a practical and positive fashion when the Senate votes on the bill.

I thank the distinguished and able Senator from Wisconsin for his courtesy in yielding to me.

Mr. PROXMIRE. I thank the distinguished Senator from Missouri.

Madam President, I ask unanimous consent that, without losing my right to the floor, I may yield to the distinguished Senator from Connecticut.

AMERICA ON DISPLAY

Mr. DODD. Mr. President, the Washington Star of Sunday, August 6, 1961, published an article entitled "Who Sends the Worst?" written by Dr. Frederick Brown Harris, the distinguished Chaplain of the Senate. I hope every Senator will read the article; indeed, I hope every Member of Congress will read it. The article is written with the clarity which is characteristic of Dr. Harris. It is a forceful article about a most important question. The question is, What kind of material are we exporting abroad? What kind of production are we exporting for our friends and neighbors across the seas for them to judge us by? Dr. Harris raises some serious questions.

Madam President, I ask unanimous consent that the article may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHO SENDS THE WORST?

(By Dr. Frederick Brown Harris)

Somebody is selling America down the river. Somebody is exporting America's worst. In pictures and plays sent abroad the image of this sweet land of liberty, displayed before the eyes of multitudes, is not only that of the "Ugly American," but also of a depraved America.

A cultured, highly intelligent American woman, who has recently returned from a 6-month world tour, sadly made this comment: "Again and again, in city after city, my husband and I saw American films depicting the seamy and degrading aspects of life in our Nation. The impressions made upon foreigners caused us as Americans to hang our heads in shame. The crowds who gaze upon such stuff have every reason to think of us as barbarians devoid of decent moral standards."

Who is responsible for this base betrayal of our democracy at the very time we are waging a global war of ideas for the minds of men? Who is back of showing the peoples of Europe, Asia, Africa, and South America, as they stand in the valley of decision, our moral slums, rather than our spiritual spires?

Some depictions on stage and screen could not better fit into the total disparaging picture the Soviets are always painting of America if they had been selected by a "board of Communists" whose goal is the destruction of our free land.

When Khrushchev was peddling his wares on our shores he was rightly disgusted when coarse and vulgar estimates of stage values were evidenced in the entertainment menu set before him. It must be said that so far as its stage art is concerned Russia sends to other lands its best—and its best is very high. They proudly exhibit the superior side of their cultural life which, by the way, is not the product of the Soviets but is as old as the czars.

It is an infamous thing to hide our best and export our worst which, for some strange reason, the best allows to go on without adequate rebuke or refutation. What is going on is a potent factor in disfiguring the real image of America in the eyes of the rest of the world.

No wonder a distinguished U.S. Senator of the stature of PRESCOTT BUSH, of Connecticut, recently arose in the Senate to lift his voice against this abominable misrepresentation. In an impassioned address worthy of the Senate at its best, he declared: "It is high time that some board or commission should be given responsibility to recommend legislation to stop exporting the very worst depiction of American life, which presents our people as being morally depraved. Because of plays such as we have discussed, and some of the salacious and immoral movies that we export to distant countries, the time has arrived for us to take cognizance of the problem. Such exhibitions serve only to liquidate the good work that is being done all over the world at the taxpayer's expense. The export of filthy and immoral performances as being representative of U.S. life is shameful."

The Senator mentioned two plays now being performed in his State and scheduled to be shown this summer in several countries of South America. He read to the Senate a letter from a woman constituent, saying: "I went to see these plays but they were so terrible that I got up and walked out. One woman said that, after it was over, she felt as if she had fallen into a pile of garbage. Now, Senator, these plays are going to be sent to South America as an example of American life. Whoever is in charge of this department must be an enemy of the United States."

From the other side of the Senate aisle came the voice of Senator FRANK J. LAUSCHE, of Ohio, who heartily joined in the conviction that through some legislation "we might be able to reach the panderers who are distributing licentious pictures throughout the world, and plays that bring upon us the hatred and shame of the people who see them. A film official from one South American state appeared before our subcommittee on Latin American Affairs and said—'all the good that you do with your foreign aid program is more than destroyed by the type of pictures you are sending to our country.'"

Senator FRANCIS CASE, of South Dakota, honored the memory of the parsonage home in which he was reared as he added his voice to those of the Senators from Connecticut and Ohio to say that by his personal observation he had been "ashamed and discouraged at the filthy films that are being sent and shown in various foreign cities, carrying a message that is untrue so far as America is concerned. They do far more harm than we can counter by expenditures of many millions of dollars through the USIA."

All this makes the query lifted above this spire a burning question. Who among us, for personal gain, is engaging in such traitorous practices as they interpret liberty as license to betray? Whoever they are, these spiritual descendants of Judas, who for the lure of 30 pieces of silver multiplied by millions, are dealing in lewd pictures of America at its worst, must have the searchlight of an aroused Nation turned full upon them. They deserve to be publicly pilloried for an unpardonable sin.

When the world depends for its future so largely upon America's best, it is being maliciously shown America's worst. God forgive them for they know not what they do.

STAFF STUDY OF PUGWASH CONFERENCES

Mr. DODD. Madam President, in June of this year the Senate subcommittee issued a staff study of the Pugwash Conferences. It was a carefully researched, heavily documented report. To this I can testify personally, because I spent a good deal of time checking and editing it.

The primary purpose of this publication was to make certain essential information available to Western scientists and intellectuals who may participate in future East-West conferences.

It is important that Western representatives to such conferences be armed with the basic facts about the Soviet Academy of Sciences, about the discipline that governs Soviet intellectuals, about the manner in which the Communists have tried to shape such conferences for their own purposes. It is important, too, that they examine carefully the credentials of the chief sponsors of such conferences, because not all conferences are alike.

Whenever any such report is published, it can be anticipated that there will be attacks. The reaction to the Pugwash report was neither more nor less than par. There was the customary number of editorials assailing the subcommittee for witchhunting and damaging the cause of international amity. The report was also assailed for making the point that Soviet intellectuals who attend such conferences do not come to them as humanistic scholars and free agents, but as intellectually disciplined agents of the Communist conspiracy.

It is noteworthy, however, that none of these editorials attempted to challenge the facts and the documentation contained in the report, because the facts and the documentation are incontrovertible.

It has been my experience that when any document is published which exposes any portion of the Communist conspiracy or Communist techniques of operation, certain editorial lights will go on not merely in this country but in certain editorial columns all over the world. Perhaps the single, most abusive editorial on the subject of the Pugwash report appeared in the Financial Post of Canada, reputedly a conservative paper, which is sometimes described as the Canadian counterpart of the Wall Street Journal.

The language of this editorial was so intemperate and the invective so crude that my first reaction was to ignore it. But then it occurred to me that the Financial Post is read by many thousands of intelligent Canadians to whom the tradition of fair play means something. I have therefore decided to reply to this abusive attack on the Senate Subcommittee on Internal Security and on myself as vice chairman by sending a letter to the editor of the Financial Post.

Madam President, I ask unanimous consent to have inserted in the RECORD

at the conclusion of my remarks the following items:

First. My introduction to the staff study on the Pugwash Conferences prepared by the Senate Internal Security Subcommittee.

Second. The editorial of June 3 in the Financial Post, of Toronto, Canada.

Third. My letter to the editor of the Financial Post, dated August 8.

I urge Senators to read these documents, and to carefully study the staff analysis of the Pugwash Conferences prepared by the Subcommittee on Internal Security.

I believe that these documents present a particularly interesting case history of the slander and abuse that one must be prepared to endure, if one engages in the task of exposing communism or if one presents the simple facts about Soviet society.

There being no objection, the matters submitted by Mr. DODD were ordered to be printed in the RECORD, as follows:

THE PUGWASH CONFERENCES—A STAFF ANALYSIS

(Introduction by THOMAS J. DODD, vice chairman, Subcommittee on Internal Security of the Senate Committee on the Judiciary)

For better or for worse, the coming period is likely to see increasing contact between scientists of the free world and scientists of the Communist world.

Some of these contacts will take place in connection with international conferences convened by the specialized scientific societies. Others will take place as part of the cultural exchange program between East and West. Still other contacts will be fostered by cooperative scientific programs like the International Geophysical Year. Finally, there have been and will probably continue to be privately sponsored conferences at which Communists and non-Communist scientists are brought together.

In most of the contacts that have thus far taken place, the free world scientists, although they have sometimes argued strongly, have not been able to compete with their Communist counterparts. The extensive use which the Communist propaganda apparatus has made of the Pugwash conferences is proof enough of this.

The free world scientists have no central guiding political ideology. The Communist scientists have such an ideology.

The free world scientists are under no discipline. The scientists from the Communist bloc countries, when they attend international conferences, do so under the discipline of the Communist Party.

The free world scientist, brought up in the tradition of freedom of criticism, is frequently critical, and sometimes overcritical of his own government. The Soviet scientist—especially the Soviet scientist who represents his government abroad in any capacity—has been conditioned to blind obedience to government policy.

The free world scientist has been accustomed to an exchange of views with fellow scientists based on a common regard for the truth and scientific objectivity. The Soviet scientist knows from his own sad experience, that, whenever there is a conflict between scientific objectivity and Communist dogma, it is scientific objectivity that must yield.

The free world scientist comes to his meeting with Soviet scientists with an open mind, full of trust and a desire to communicate and cooperate. The Communist scientist comes to these conferences with carefully defined political directives. It is his duty to attempt to shape and exploit the conference in a manner which will best serve the ends of Soviet imperialism.

This study presents certain basic facts which should be known and understood by the scientific community of the free world so that its members will be better prepared, politically and psychologically, in their future contacts with scientists of the Soviet bloc. Given the facts, and properly prepared, the free scientist can be more than a match for the Communist scientist, precisely because he is not the captive of an inflexible political dogma.

For the purposes of this study, we have focused on the so-called Pugwash conferences, partly because of the international attention they have received, partly because they constitute an ideal case history. Within the framework of this study, we have endeavored to present the essential facts about the Soviet Academy of Sciences, and the men who dominate the academy; about the role of the Soviet scientist as prescribed by the official Soviet texts; about the manner in which the Kremlin has managed to exploit scientific conferences to further its own aggressive design and to confuse and disorient the free world; about the psychological and political techniques employed by the Communist representatives at such conferences; about the utilization of scientific contacts for the purpose of mobilizing Western scientific opinions for programs and policies that coincide with Soviet interests; and, finally, about the exploitation of scientific contacts for purposes of direct subversion.

While this study has been made primarily for the information of the Internal Security Subcommittee, it is surely not improper to hope that American scientists and scientists in other free countries will find the documentation presented here helpful in equipping themselves for their future encounters with the political scientists of the Communist world.

Much of this study was prepared before the Sixth Pugwash Conference took place in Moscow November 27 to December 5, 1960. Cyrus Eaton did not attend it. Insofar as we have been able to learn, nothing that happened at the sixth conference in any way invalidates the contents of this report. Thus, rather than rewriting substantial portions of this report to bring the account up to date, it was decided to deal with the sixth conference by incorporating as an appendix the record of a television discussion by several American participants who drew optimistic conclusions from the exchange of views, and a statement written by an American participant who came away with the definite impression that the free world was hornswoggled in Moscow.

[From the Financial Post, Toronto, June 3, 1961]

BIGOTED AND BENIGHTED

It's a pity the U.S. Senate Security Subcommittee, under its witch-hunting chairman, Senator THOMAS J. DODD, insists on making a silly fool of itself.

Its latest absurdity is an attack on the Pugwash conferences and their Canadian-born sponsor, Cyrus Eaton. At these meetings, held frequently since 1955, famous, Nobel Prize winning American, Russian, British and other scientists have discussed the dangers of atomic war, issuing both warnings and constructive proposals.

The fatuous DODD and his friends have now brought out, as an official U.S. document, what they call an evaluation.

They say that the scientific conferences were initiated by a man of strong and unconcealed sympathy for Soviet policies, meaning Eaton. And they say that the Russian delegates, by taking a solidly Soviet line while the Western scientists acted as individual seekers after truth, managed to exploit the conferences as a propaganda device. The implication of both statements is false.

The people Eaton first invited to Pugwash for intellectual communion were humanistic scholars. The idea of bringing atomic physicists together came from Einstein and Bertrand Russell. Eaton met his first Russian, first became concerned about current thermonuclear dangers (which should concern all mankind), when this suggestion was adopted.

As to what went on at the meetings, always in camera, DODD clearly has no knowledge. He wasn't there; and his picture of a Soviet phalanx standing firm and winning propaganda battles against Western individualists is sheer fiction. The Pugwash communiques did not reflect the official Moscow line. Sometimes, as on nuclear tests, they ran counter to it.

DODD must have missed that fact; and he must have missed also the statement by Dr. Wallace R. Brode, scientific adviser to the late Eisenhower administration, about the Pugwash affairs: "Such meetings can result in more understanding between men than all the official talks at Geneva."

It's a tragedy that this so-called evaluation can appear with the U.S. Senate's authority. In a dark and dangerous world the Pugwash experiment has been an honest effort to shed a little light and bring some intelligence and good will to bear. But the reaction of the benighted bigots of DODD's committee is to scream "Communism."

It's very sad indeed. It's enough to make the angels weep. It makes one doubt if the human race has sufficient brains to save itself.

AUGUST 8, 1961.

THE EDITOR,
The Financial Post,
Toronto, Canada

To the EDITOR: Your editorial of June 3, which pretends to evaluate the report on the Pugwash Conferences issued by the Senate Subcommittee on Internal Security, has recently been brought to my attention.

Ordinarily, as a matter of self-respect, I do not trouble to reply to crude and ignorant abuse. In this case, however, I have decided to reply because I realize that the Financial Post is read by many thousands of intelligent Canadians, who share the ancient British attachment to the principle of fairplay.

Your editorial compresses so many misstatements and misrepresentations into so short a space that it is difficult to know where to start in answering it. I also find it difficult to believe that the editorialist responsible for this flight of fancy actually read the text of the Pugwash report.

First of all, let me make it clear again, as I did in my introduction in the report, that I am not opposed to all conferences between Western scientists and Soviet scientists. The purpose of our report on the Pugwash Conferences, in fact, was to present certain basic information to the scientific community of the free world so that its members would be better prepared, politically and psychologically, for their future contacts and conferences with scientists of the Soviet bloc.

"Given the facts," said my introduction, "and properly prepared, the free scientist can be more than a match for the Communist scientists, precisely because he is not the captive of an inflexible political dogma."

Your editorial apparently challenges the statement that Cyrus Eaton, the prime sponsor of the Pugwash Conference is a man of strong and unconcealed sympathy for Soviet policies. I believe this to be a simple state-

ment of fact which would not be questioned by any objective person who had taken the trouble to read the record.

Mr. Eaton in all of his public statements has had nothing but praise for Prime Minister Khrushchev and Soviet policy and nothing but criticism for American leaders and American policy. He has parroted the most extravagant Soviet charges against the United States. On May 22, 1958, for example he said that the secret police spying organization in the United States exceeds Hitler's Gestapo at its worst. Moscow radio also quoted him as saying that "in the Soviet Union, the Government speaks in the name of all the people. In the United States this is not so." When he was asked about Soviet intervention in Hungary, he got around this with the reply, "That was like our sending troops to Lebanon."

These are only a few items from Cyrus Eaton's remarkably long and remarkably consistent pro-Soviet record. It is a record that cannot be ignored in any evaluations of the Pugwash Conferences.

Your editorialist took the stand that the people on both sides of the Pugwash Conferences were humanistic scholars. This estimate is accurate, applied to most of the representatives of the free world at these conferences. On the other hand, there is massive evidence, much of it presented in our report, that scientists from the Communist countries, when they attend international conferences, do not do so as individuals but as selectees of the Communist Party who are governed by its discipline. It is their duty to attempt to shape and exploit these conferences in a manner which best serves the end of Soviet imperialism.

The report on the Pugwash Conferences contains a chapter on the Soviet Academy of Sciences, of which most of the Soviet participants were members. This should be mandatory reading for scientists, educators, and editors.

The Statutes of the U.S.S.R. Academy of Sciences adopted in March 1959 state: "The U.S.S.R. Academy of Sciences is directly subordinate to the U.S.S.R. Council of Ministers, to which it submits an annual account of its activities." The academy and its institutions "carry on their work * * * on the basis of directives of the U.S.S.R. Council of Ministers."

The report quotes at length from a scholarly study of the U.S.S.R. Academy of Sciences published by the Stanford University press. In essence, the central finding of this report is that the Soviet Academy of Sciences is the instrument through which the Soviet government regiments scientists and subordinates them to the political will of the party.

The report also quotes from the letters of resignation sent into the Soviet Academy by two free world scientists who had been accorded honorary membership.

The distinguished American biologist, Prof. Hermann Joseph Muller, said in his letter, "These disgraceful actions show clearly that the leaders of your academy are no longer conducting themselves as scientists, but are misusing their positions to destroy science for narrow political purposes, even as did many of those who posed as scientists in Germany under the domination of the Nazis."

Sir Herman Dale, Nobel Prize winner for medicine, stated in his letter that he was resigning from the Soviet Academy in "protest against the subjugation of science in the Soviet Union to political dogma."

The Soviet keynoter at the Pugwash Conferences was Aleksandr Vasilevich Topchiev, First Secretary of the Soviet Academy of Sciences. Topchiev has been a member of the Communist Party since 1932 and played a prominent role in bludgeoning Soviet scientists into passive subservience, and in calling for the punishment of those guilty of the crime of "objectivism" or of other bourgeois deviations. "It is our duty," said Topchiev on January 2, 1959, "to be active fighters for our Marxist-Leninist ideology, and we must not leave uncriticized a single article, work, or pronouncement containing even a hint at deviation from our ideology."

Your editorial writer, in the face of all the evidence, apparently insists on believing that Topchiev and his ilk are "humanistic scholars" and that the political discipline which governs Soviet scientists is a figment of my imagination. I believe that your readers will decide differently, once they are presented with the facts.

Your editorialist's belief that the Soviet scientists at Pugwash conducted themselves in the manner of humanistic, nonpolitical scholars was not shared by a prominent Canadian participant, Dr. J. Stuart Foster, Rutherford professor and director of the radiation laboratory in McGill University. In a letter to the Subcommittee on Internal Security, Professor Foster described the pressures that were brought to bear in an effort to get him to sign a statement on the nuclear test ban. "In reply to these efforts," said Professor Foster, "I said I was accustomed to meetings at which the majority ruled, but that previously I had not attended a meeting at which there was a determined effort to drive every last sheep through the gate." Professor Foster's letter was part of the record which your editorialist obviously did not read.

Your editorialist stated that on the question of nuclear tests, the Pugwash communique ran counter to the official Moscow line. This is a preposterous inversion of the facts. The extensive propaganda use which Moscow radio made of the Pugwash communiques on nuclear testing is a matter of record.

If the Soviets have been able to make far more use of East-West conferences than we have, I believe this is largely because of the good will, naivete, and unlimited gullibility of the Western representatives. The Financial Post editorial is an ideal illustration of what I mean by this statement.

I believe, as I have stated previously that free world scientists and intellectuals need not fear such conferences and are more than capable of holding their own in them. I do not even exclude the possibility that they may be able to influence some of the Iron Curtain participants. But in order to do so, they must first learn the facts, and they must be willing to face up to the facts.

Sincerely yours,

THOMAS J. DODD.

EDUCATION AND THE NATIONAL GOALS

Mr. MOSS. Madam President, Sterling M. McMurrin, U.S. Commissioner of Education, delivered an outstanding address on July 20 at Harvard University. Because of the cogency of the message delivered by Dr. McMurrin on that occasion, I ask unanimous consent to have it printed at this point in the RECORD as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

EDUCATION AND THE NATIONAL GOALS

(By Sterling M. McMurrin, U.S. Commissioner of Education, Department of Health, Education, and Welfare)

An examination of the present predicament of our Nation reveals two basic and related propositions on government that deserve our most serious consideration. The first of these, that in a sense expresses the very meaning of democracy, is the assumption that there is an inevitable coincidence of the good of the individual with the good of the society taken in its totality. It is the common belief that a course of action that genuinely ministers to the dignity and intrinsic value of the individual and cultivates his talents and capabilities and encourages his commitment to high purpose must of necessity build into the social structure and the state a strength that will guarantee their full integrity and their lasting power in the presence even of great adversity.

But this is an assumption that has never been fully tested by our Nation or by any other nation, for in circumstances that have seriously and fundamentally challenged the strength of the democracies, as in the event of war, they have resorted to various forms of regimentation that have at certain points suspended the principles and practices normative for a democratic society. This regimentation together with the upsurge of power produced by the emotions of a society in imminent danger has successfully carried us through the great crises of the past.

The question that we now must ask is whether without the regimentation of human souls and their resources that we quite properly abhor, and through a protracted period of collective anxiety that commonly weakens rather than strengthens a nation's character, we have the intellectual, moral, and spiritual resources to guarantee our security in the presence of totalitarian states of great power. It is now entirely clear to us that whatever may be the quality of individual life in a totalitarian society, a vast potential of national power is provided by the monolithic structure of its purposes and institutions. We must assess our own policies and actions in terms of that power.

Our task, therefore, is a formidable one, and quite certainly the most difficult and historically the most portentous that any nation has faced. It is a task that falls especially on education—to make the American faith come true, that this Nation in dedicating its energies to the well-being of the individual will not only not sacrifice its national character, but will make of itself a citadel of such strength that it cannot fail.

Both the substance and administration of education are involved importantly in this task. Traditionally, while we have recognized that the quality of our national life has depended on an intelligent and informed electorate, the aims and purposes of our educational program have been determined almost entirely by the interests of the individual as expressed in his vocational, cultural, or other purposes. It has been more or less assumed that the interests of our society taken as a total entity would take care of themselves. Indeed, it has not been common even to define what might be called the large educational needs of the Nation beyond the necessity of adequately satisfying the proper demands of the individual and local communities.

But now we are confronted by problems of a new order that place upon the educational establishment a social responsibility of new dimensions and greater proportions and that must claim from us a maximum of effort for their solution. Internally and in our relations with the world we are involved in increasing social complexities that pertain especially to vast industrial expansion, the new technologies, and increased intercommunication of all kinds, and it is becoming increasingly clear that we face the risks of serious shortages, misplacements, and imbalances in the education and training of our people that may

affect the stability of our economy and the quality of our culture.

Most importantly, we are now in the presence of a new and unknown and persistent danger, where the great power of our adversary lies in its capacity to regiment its total human and material resources for the achievement of its national and international purposes and in its commitment to an economic and deterministic theory of history that describes ours as a dying culture that must inevitably submit to a triumphant communism. It is clear that the age of our simple security and comfort lies behind us and that in our future whatever is most precious to us as individuals and as a nation faces daily the possibility of catastrophic destruction and is at all times threatened by those large and small events that in various and insidious ways may erode our freedom and otherwise affect the quality of our lives.

It is here that we encounter the second factor in the traditional faith of the American people that is now called into question by us, the common assumption that because fundamentally as a democratic people we are on the side of righteousness, our Nation and our culture must inevitably prevail, that whatever may be the disposition of our individual talents and energies, the future of our society is guaranteed. But recent and contemporary history gives no support to the easy and unsophisticated optimism of the 19th century that was so long an ingredient of our national consciousness and that in large measure accounts for this simple faith. It is now the beginning of wisdom in such matters to recognize that there are no guarantees and that without a more adequate cultivation of our human resources and deployment of our collective effort righteousness will surely fail and we will fail with it.

However much we may long for the assurances of yesterday, it is against a portentous background of continuing social, political, and cultural crisis that we must define the meaning of education for our society. When we ask the question of our educational responsibilities, the quality of our competence, the extent and depth of our resources, and the strength of our personal and collective commitment to education, we must not forget that we are threatened internally by bigotry, irrationalism, cynicism, complacency, and despair, and externally by an inordinate increase in the power of the totalitarian states and by the prospect of an apocalyptic destruction. And we must not forget that the decision for history is not already written into the necessary structure of events, but will be determined by the balance of statesmanship, of human commitment, and of disciplined and creative intelligence.

We face the monumental task of in every way not only preserving but even of enhancing the democratic character of American life and institutions, protecting the sanctity of the individual and insuring his integrity against the great social and political weight of the Nation, encouraging him in his uniqueness, his creativity, his spirit of intellectual adventure, his moral courage, and his aspirations, while at the same time we build that quality into our Nation as a total entity that will insure its security and its character and give it the strength to triumph in the role of world leadership that history has imposed upon it.

It is entirely proper, therefore, that we pursue with much care the task of defining and describing what have come to be called the national goals—ends to be progressively achieved for the well-being of the individual and in the domestic life of the state. We cannot depend on fortuitous complexes of circumstances or accidents of history to satisfy our national purpose. Nor can we emulate the totalitarian states in the manipulation and regimentation of our people in satisfying such demands as the technological manpower needs of our economy.

The former would invite continued confusion; the latter would destroy the very foundations of our democratic life. Rather we must protect the quality of our society by preserving a genuine individualism that encourages and in various ways rewards independence in thought and action while at the same time we clearly identify the large needs of our society and move to satisfy them. In the individual this will demand a sense of civic purpose and dedication and a genuine internal moral and intellectual discipline. For the Nation it will mean the collective effort of our best minds in determining the courses proper for social action and will require a large measure of trust, mutual confidence, and faith in the processes of democracy. It is not enough that we do as well as has been done in the past. Our Nation is in deadly peril and it must now achieve a degree of competence and strength that has not before been known. But this, nevertheless, must surely be possible to us if we are willing to command our resources and our talents with a stern determination.

The enormous burden that this task places upon our educational establishment is entirely obvious. Whatever else this entails for education, it means that we must overcome the vestiges of complacency and of the business-as-usual attitudes that are still with us, that we must cultivate a taste for that rigorous criticism that is essential to any institutional or civic progress, and that we must free ourselves from the constant temptation of a provincial posture with reference to the function proper to our educational institutions. Our past local isolations are gone and the isolation of our Nation is gone. What we now do in our schools has importance not only for our immediate communities but for the Nation and for the world.

It would be a gross misconception of the character of the problem of the individual and his society, or the individual and the state, to suppose that it is one of simple proportions. And it would be equally in error to suppose that the task of the administration of education in the matter of the individual and the national goals will not be in the future one of great difficulty. But the difficulty of our task must not be allowed to deter our efforts and our determination. Of central importance here, of course, are the educational functions proper to the Federal Government and the various relationships that obtain between agencies of the Federal Government and the educational institutions themselves as well as their governing bodies in the States and the local communities. The related issues of Federal aid to education and Federal control of education are basic to any discussion of these issues.

I would like to make it unequivocally clear that I regard Federal financial support of education as justified on grounds of both principle and practical necessity, that I am fully committed to the control of education by State and local authority, and, further, that I believe that the enactment of the administration's proposals for Federal aid now before the Congress, which legislation has my full and enthusiastic endorsement, will in no way result in Federal control of education or endanger the values that have traditionally attached to local control.

The justification for Federal financial support of education is simple and compelling. In principle it is the obvious fact that education both in general and in specialized forms nourishes the welfare of the people and is in the national interest. In practice such support is justified by the plain fact of financial need that some States or communities are either unable or unwilling to satisfy. The extent and quality of education throughout the Nation is now of urgent concern to every public-minded citizen. We cannot afford weak links in our educational system. We cannot afford any longer the waste of human resources that has been permitted in the past.

The Federal Government has invested public funds in education since before the adoption of the Constitution. For the fiscal year 1959 alone, which provides the latest complete figures, the expenditure, exclusive of loans, was nearly $2½ billion. It is not likely that most of those who are today opposed to Federal aid on the basis of principle, or who believe that it is inevitably conducive to Federal control, would advocate that the laws authorizing this expenditure be abolished. They are aware that the present advanced state of our science, agriculture, and the vocational arts is due in considerable degree to Federal expenditures in their support. And they know full well that the expenditure of these funds by agencies of the Federal Government, however much it has affected and influenced the quantity and character of American education, has not wrested the control of education from private, State, and local institutions and administrative agencies. And they know that if these Federal funds were not forthcoming they could not be replaced from other sources.

If the administration bills now before the Congress are enacted they will be administered in full conformity to the spirit and letter of the law, which in each instance provides that "no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the policy determination, personnel, curriculum, program of instruction, or the administration or operation of any school or school system."

Some of the opponents of Federal aid to education have in recent weeks exploited a report of a committee of the Office of Education relating to the function and organization of the Office in their efforts to establish the ridiculous claim that plans are in the making for a Federal grab of the control of education. That report was prepared by a committee appointed last October by my predecessor in the Commissioner's office. The degree to which it and its authors have been misrepresented and the extent to which its plain purpose and meaning have been distorted by persons holding responsible public trust are appalling. I would like to say again that I am a firm advocate of local control of education and I know that the President and Secretary Ribicoff are as dedicated to local control as any principal, school superintendent, or school board member.

Moreover, I have never encountered a disposition to favor Federal control on the part of any person in the Office of Education, or elsewhere in the Department of Health, Education, and Welfare, or in any branch of the Federal Government or of any State government or in any educational institution. On the contrary, respect for the principle of local control of education is so universal throughout the Nation and in the Government that there would seem to be no just grounds for supposing that control cannot and will not be protected. The experience of hundreds of colleges, universities, and school districts that have already received billions of dollars in Federal funds without Federal controls should be ample evidence that control is not an inevitable accompaniment of Federal support.

The administration bills for assistance to elementary, secondary, and higher education have been wisely conceived in terms of need and the ability of the several States and individual institutions to satisfy that need. They represent the general concern of all the people for the education of all the people and in the national interest they bring to the level of Federal action the principle of equalization already accepted within the States. They assume that the Federal capacity for taxation should be employed for the general welfare when State and local revenue resources prove inadequate. Moreover, they are designed with full safeguards against the possibility of any control of the schools by the Office of Education. If these bills are not enacted into law it will be a great loss for the Nation, for not only will there be a deficiency of funds necessary for the improvement of the Nation's education, there will be also the discouraging evidence that the American people are not fully committed to decisive united action in the solution of one of their most crucial and pressing problems.

There is much to be said in favor of preserving our present pattern of local control of education. My own position on this matter is not dictated by any fear of the Federal Government, because I am unable to think of the Federal Government as belonging less to the people than do local governments, and the facts are quite plain that there is not less competence or integrity in Federal office than in private places or in local public office. But it is very important that the schools be kept close to the people whom they serve and that the people not only maintain a vital interest in them but assume as well the primary responsibility for their support, their operation, and their quality. Moreover, control of the schools by the Federal Government would inevitably result in a degree of standardization in curriculum and practices that would destroy much of the variety and diversity in American education that is basic to the pluralistic quality of our society. Without genuine diversity in the foundations of our culture the life of our society would lose much of its personal character and would take on the dull mechanized quality that is so characteristic of life in the totalitarian states.

Our task, therefore, is one of great difficulty for we must protect the local foundations and control of our schools while at the same time assuring that they will adequately serve the individual and the local community and region and at the same time move the Nation closer to the realization of the goals which are set for it by both its domestic and international affairs. This means that we must achieve both general and specific national perspectives on the problems of education, perspectives that will enable us to fashion our educational establishment more nearly in accordance with our common needs in manpower, knowledge, and creative talents and to bring our educational resources more readily to the solution of those large social and economic problems that will continue to face us both at home and abroad. Without such perspectives, to which we must all contribute, through private, local, State, and Federal agencies that relate either directly or indirectly to education, we will have no assurance that our educational program will be adequate to the large tasks ahead.

We may take confidence from the fact that our educational establishment has firm foundations and that with an increasing measure of public interest and support it is moving steadily in a good direction. Nothing in the whole life of our culture justifies our pride more or is a more profound source of our strength than the intellectual freedom that characterizes the pursuit of knowledge in our schools and universities, or the universal character of our education that has brought us near a general literacy and has produced such a large measure of knowledge and disciplined intelligence. We must protect these at all costs.

Today the ugly forces of suspicion and false representation that threaten civic trust and unity are again in our midst. There are new accusations of disloyalty and there is new talk of special oaths and tests of loyalty in education. This could be the beginning of a new moral confusion in the public mind that might well compromise the precious quality of our intellectual freedom. It must be resisted with great strength, for when that freedom is lost, all is lost.

And there is a not inconsiderable reaction against the democratic character of our educational policies and practice in favor of an aristocratic philosophy of education that would lodge our confidence in a highly cultivated elite rather than in the generality of well educated people. We must never forget that the most precious qualities of our Nation are inextricably tied to our democratic education. One of our most pressing responsibilities is the achievement of greater intellectual rigor and excellence at all levels in our schools, colleges, and universities, for we must exact from our students, teachers, and research scholars an ever larger measure of achievement in knowledge and creative activity. But this can and must be done within the framework of our indigenous educational philosophy that is in principle oriented to the meaning and purposes of a democratic society.

Our schools and universities are integral to the very character of our society and our national life. Their strengths and weaknesses are strengths and weaknesses of our society. Their achievements are to the credit of the entire community, as the community must bear the responsibility for their failures. By and large the American people have received the kind of education they have wanted and have been willing to pay for in talent, effort, and money. Now with an increased sensitivity to the profound value and importance of education relative to both the internal and external problems of the Nation, they are asking for a general tightening up in the quality of our institutions and a more exacting demand for scholarly productivity. Fortunately there is good evidence that they are willing to invest a larger measure of their human and material resources to this purpose. Whatever difficulties we may face in the administration of education or in its substance, it is our responsibility now to secure for them this higher excellence and larger productivity. Nothing less than this is worthy of our abilities or of our commitment to high purpose.

FALLOUT SHELTERS

Mr. HRUSKA. Madam President, I noted with interest the testimony of Secretary of Defense McNamara before a House Subcommittee on Civil Defense that he plans to find fallout shelters for 50 million Americans and that he plans to stock them with food, water, and emergency supplies for 5 days. While the food rations will admittedly be austere, the prospect of their manufacture is good news for those of us who are concerned about our growing surpluses of food, particularly wheat.

Mr. McNamara told the subcommittee that—

Consumption of this ration by some persons may involve some discomfort. But in the areas of highest fallout contamination, its ready availability will be essential to survival.

I have been informed, Mr. President, that the Army Quartermaster Corps, which has a research budget of approximately $13 million annually, has been given the assignment to perfect a shelter ration. It is an appropriate assignment, since this very fine organization has been working for scores of years to improve the field ration of the American soldier. It developed the famous hardtack of World War I, the K-ration of World War II, and since then has made remarkable progress in providing light, compact, nutritious food for our fighting men.

In its efforts, the Quartermaster Corps has the active support of the Department of Agriculture, whose research budget is 10 times greater than that of the Quartermaster Corps. The Agriculture Research Service has also developed a lightweight, high-nutrition, low-cost survival ration which has a 5- to 6-year shelf life. Another independent research effort, this one financed by the Nebraska Department of Agriculture and Inspection, has yielded a survival biscuit which shows promise and which has a shelf life, as I understand it, of about 2 years.

In addition, private researchers have been at work on this problem for sometime and a number of civil defense emergency rations have been developed, one of the most versatile, I am told, being MPF, or Multi-Purpose Food, manufactured by General Mills.

Governor Rockefeller, chairman of the civil defense committee of the Governors conference, served samples of a survival biscuit to the President during a White House luncheon this spring. Mr. Rockefeller said the biscuits would keep for 10 years.

Naturally, Madam President, I am hopeful that the Secretary of Defense will take into account all of these activities in his search for a suitable ration for storage in the fallout shelters he proposes. And I trust that he will consult with the Secretary of Agriculture whose Department has done a great deal of work in this field.

I do urge, however, that Mr. McNamara consider extending the supply from a 5-day period to 14 days, since the studies made by the same committee before which he appeared showed that many areas of the Nation will still have radioactivity so intense that it will not be safe to leave the shelters at the end of only 5 days.

Madam President, as examples of the type of research the Quartermaster Food and Container Institute for the Armed Forces is engaged in, I ask unanimous consent to insert in the RECORD a list of five projects, as reported by the Institute.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The Quartermaster Food and Container Institute for the Armed Forces has/is engaged in the following studies:

(a) Long-term storage of operational rations (Georgia State experimental studies): This very comprehensive study included 7 bakery and cereal products, 14 meat and

fish products, and 24 others. In general, it was determined that the storage life is greater the lower the temperature. Cereal and meat products generally require temperatures below 70° F. to assure a 5-year period of storage. Foods, containers, and packaging were all embraced in this 7-year study.

(b) TM 743–20, "The Storage of Materials": This sets forth information on the storage life of frozen, heat-processed, and dehydrated subsistence items embracing bakery products, dairy foods and eggs, fruits and vegetables, meat products, fish and shellfish, and especially dairy foods and food specialties. Also included is information relative to room temperature and refrigerated storage of fruits, vegetables, beverages, bakery products, canned meats and survival packets, food oil and fats, condiments, and related products.

(c) "A Summary of Food Stability Studies"—Q.M.F. & C.I. from 1947 to 1958 (manuscript): A summary of studies was completed on beverages and confections, cereal products, dairy, fat and oil products, fruit and vegetable products, meat items, including storage stability and rate of deterioration. These studies relate to rates of deterioration under variable field conditions.

(d) "Study of Nabisco Produced Ration for Civilian Defense Use": The purpose is to determine the length of storage life.

(e) "Routine Investigation of Storage Stability": In addition to the foregoing studies the Institute has engaged continuously in routine investigations of storage stability of all classes of foods and commodities and containers of military interest. At the Institute there is constant search for means for improving processing techniques to extend the storage life of food products, as well as work on increasing utility and acceptability of items. Freeze dehydration, for example, is being investigated not only for characteristics of preservation but desirable textures and marked reduction in weight due to the removal of moisture. Improved packaging materials and techniques, are being used to reduce weight, cube, and yet give adequate protection. Tests on long-term storage of containers have involved a 3-year test of products stored in the open under tropical, temperate, and arctic conditions.

FOREIGN AID PROGRAM

Mr. BYRD of Virginia. Mr. President, the foreign aid bill (S. 1983) now pending in the Senate would capitalize the proposed new Development Loan Fund from the proceeds from the sale of bonds, or other forms of interest bearing Federal debt as follows: $1,187 million in fiscal year 1962 and $1.9 billion in each of the fiscal years 1963–66; a 5-year total of $8.8 billion.

The Senate Foreign Relations Committee report on the bill, with respect to loans which may be made under the program, says:

> Interest rates as low as 1 percent are contemplated, and some loans probably will be interest free. Terms of repayment up to 50 years will be permitted, in some cases with no repayment of principal for initial periods of up to 10 years.

I hope some repayments will be made, and that some interest will be paid. But using the full amount of Federal debt as it would be created for the development loan program, interest on $8.8 billion, if computed at 3 percent and compounded annually for 50 years, would total $29.7 billion.

The figures are shown on the table, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

A calculation of interest on Development Loan Fund

[Fiscal years. In millions]

	Interest on 1962 authorization of $1,187	Interest on 1963 authorization of $1,900	Interest on 1964 authorization of $1,900	Interest on 1965 authorization of $1,900	Interest on 1966 authorization of $1,900	Total interest
1962	$35.6					$35.6
1963	36.7	$57.0				93.7
1964	37.8	58.7	$57.0			153.5
1965	38.9	60.5	58.7	$57.0		215.1
1966	40.1	62.3	60.5	58.7	$57.0	278.6
1967	41.3	64.2	62.3	60.5	58.7	286.9
1968	42.5	66.1	64.2	62.3	60.5	295.5
1969	43.8	68.1	66.1	64.2	62.3	304.4
1970	45.1	70.1	68.1	66.1	64.2	313.5
1971	46.5	72.2	70.1	68.1	66.1	322.9
1972	47.9	74.4	72.2	70.1	68.1	332.6
1973	49.3	76.6	74.4	72.2	70.1	342.6
1974	50.8	78.9	76.6	74.4	72.2	352.9
1975	52.3	81.3	78.9	76.6	74.4	363.4
1976	53.9	83.7	81.3	78.9	76.6	374.3
1977	55.5	86.2	83.7	81.3	78.9	385.6
1978	57.1	88.8	86.2	83.7	81.3	397.1
1979	58.9	91.5	88.8	86.2	83.7	409.1
1980	60.6	94.2	91.5	88.8	86.2	421.3
1981	62.4	97.0	94.2	91.5	88.8	434.0
1982	64.3	99.9	97.0	94.2	91.5	447.0
1983	66.2	102.9	99.9	97.0	94.2	460.4
1984	68.2	106.0	102.9	99.9	97.0	474.2
1985	70.3	109.2	106.0	102.9	99.9	488.4
1986	72.4	112.5	109.2	106.0	102.9	503.1
1987	74.6	115.9	112.5	109.2	106.0	518.2
1988	76.8	119.3	115.9	112.5	109.2	533.7
1989	79.1	122.9	119.3	115.9	112.5	549.7
1990	81.5	126.6	122.9	119.3	115.9	566.2
1991	83.9	130.4	126.6	122.9	119.3	583.2
1992	86.4	134.3	130.4	126.6	122.9	600.7
1993	89.0	138.4	134.3	130.4	126.6	618.7
1994	91.7	142.5	138.4	134.3	130.4	637.3
1995	94.5	146.8	142.5	138.4	134.3	656.4
1996	97.3	151.2	146.8	142.5	138.4	676.1
1997	100.2	155.7	151.2	146.8	142.5	696.4
1998	103.2	160.4	155.7	151.2	146.8	717.3
1999	106.3	165.2	160.4	155.7	151.2	738.8
2000	109.5	170.2	165.2	160.4	155.7	761.0
2001	112.8	175.3	170.2	165.2	160.4	783.8
2002	116.2	180.5	175.3	170.2	165.2	807.3
2003	119.6	185.9	180.5	175.3	170.2	831.5
2004	123.2	191.5	185.9	180.5	175.3	856.5
2005	126.9	197.3	191.5	185.9	180.5	882.2
2006	130.7	203.2	197.3	191.5	185.9	908.6
2007	134.7	209.3	203.2	197.3	191.5	935.9
2008	138.7	215.5	209.3	203.2	197.3	963.9
2009	142.9	222.0	215.5	209.3	203.2	992.8
2010	147.2	228.7	222.0	215.5	209.3	1,022.6
2011	151.6	235.5	228.7	222.0	215.5	1,053.3
2012		242.6	235.5	228.7	222.0	928.8
2013			242.6	235.5	228.7	706.8
2014				242.6	235.5	478.1
2015					242.6	242.6
	4,016.8	6,429.3	6,429.3	6,429.3	6,429.3	29,734.1

NOTE.—Figures are rounded and may not add to totals.

Mr. BYRD of Virginia. Mr. President, the foreign aid bill (S. 1983) is pending before the Senate. On Friday, July 28, I submitted an amendment to the bill and said that I would offer it at the proper time. On that occasion I commented on the amendment, the bill, and on foreign aid in general. Those comments may be found beginning on page 13905 of the CONGRESSIONAL RECORD.

Under the heading "Statement by Senator J. W. FULBRIGHT, of Arkansas," in the CONGRESSIONAL RECORD of Monday, August 7, beginning on page 14915, the chairman of the Senate Foreign Relations Committee is quoted as referring to my statement of July 28, and saying:

> I have asked representatives of the executive branch to go through it and comment on it. I now have such comments, and include them with this statement.

I shall analyze the so-called comment by these unidentified representatives of the executive branch.

First I said:

> This borrowing authority is the device frequently called back-door financing because it evades the appropriation process.

The so-called representatives of the executive branch say:

> This statement would seem to indicate that the Appropriations Committees have no review of the AID program. Such impression would be erroneous for several reasons:
>
> (a) The Development Loan Fund is only a part of the program, and other categories are subject to the usual appropriation process;
>
> (b) The bill does provide for review by the Appropriations Committees of the DLF;
>
> (c) Congress could limit the use of the funds and such limitation could be proposed by the Appropriations Committees under appropriate circumstances.

The facts are:

First. I pointed out specifically other parts of the foreign aid program which are financed through annual appropriations, stated the amounts authorized in this bill, and projected them through fiscal year 1966.

Second. Of course, Congress could limit the use of the funds by statute. But use of the appropriation process in limiting expenditures through business-type budgets is difficult and largely impractical. The so-called representatives of the executive branch know this and they qualify their statement by saying that it could be done "under appropriate circumstances," and "It would be expected that the circumstances surrounding any limitation would conform with past practice, and limitations would be made only in unusual circumstances."

Second. The Foreign Relations Committee report—No. 612, on page 11—says:

> The effect of the borrowing authority proposed in this bill would be to bring development lending operations more closely into line with established banking and business procedures.

I said:

> I doubt that the procedures of any sound banking institution or business would allow for high risk, 50-year loans with no payment on principal in the first 10 years, at 1 percent interest or no interest at all. If there is even a Federal Government lending agency making such loans, it does not readily come to mind.

The so-called representatives of the executive branch say:

> (a) The International Development Association (a subsidiary of International Bank for Reconstruction and Development) has made such a loan;
>
> (b) The loans contemplated are not particularly high risk loans;

The facts are:

First. The International Development Association is not a Federal agency.

Second. The U.S. Government Organization Manual 1961–62, page 581, says:

> IDA loans may carry lenient terms of repayment (for example, loans may be repayable in foreign exchange with long maturities or long periods of grace, or both, or repay-

able wholly or partly in local currency), or the loans may be made free of interest or at a low rate of interest, or they may incorporate some combination of these terms. IDA may finance a wider range of projects than the bank, including projects which are not revenue-producing or directly productive; the only stipulation of the articles is that projects shall be of high developmental priority.

Third. The so-called representatives of the executive branch apparently found that the IDA had made one high risk loan. But they do not identify it as to date, recipient, amount, interest, purpose, or in any other manner.

Fourth. The so-called representatives of the executive branch say the "loans contemplated are not particularly high risk," but they themselves add in the next sentence that "the recipients may have some difficulty in repaying in dollars, unless the terms of the loans are adjusted to meet their requirements. Because of the foreign exchange positions of the recipients, it may be some considerable time until dollar repayment can be made."

Third, I said:

The committee report (No. 612), on page 10, lists 24 past and present Federal agencies and programs financed with debt receipts, and cites their "excellent" record as an argument for capitalizing the new Development Loan Fund in the same manner.

These lending agencies are like snakes; you can not measure them accurately until they are dead. But even at this date the combined statement of the Treasury indicates that to describe their record as "excellent" would be an exaggeration.

Since establishment of the Reconstruction Finance Corporation—the first agency to spend out of debt receipts—the Treasury on June 30, 1960, had advanced $106.7 billion through these accounts, and net losses at that time in cancellation of notes and appropriations to restore impaired capital totaled $18.2 billion.

And most of the 24 agencies and programs cited in the report have been corporate entities or other so-called business type agencies. Most of their loans have been in the United States and secured by relatively good collateral. All of this is in sharp contrast with the proposed new Development Loan Fund—its organization and its operations.

The so-called representatives of the executive branch appear to claim that citation to the $18.2 billion in net losses in describing the record of Government corporations would be an exaggeration because most of the losses have been incurred to date by two agencies—RFC and CCC.

The so-called representatives of the executive branch go on to explain that CCC losses are attributable to the fact that its activities are a part of the farm policy and that some of the RFC losses "arose out of wartime and emergency relief activities."

The facts are:

First. The so-called representatives of the executive branch do not appear to challenge the figures.

Second. The losses are real and can not be explained away. The Senate Foreign Relations Committee and the administration contend that the development loan program is a part of foreign policy, and it may too become involved in emergency relief activities in one way or another.

Third. Most of the business-type agencies listed by the Senate Foreign Relations Committee report are still operating and their record will be more accurately measured when they are liquidated.

Fourth. I said:

The new fund would be headed by a part-time committee. It would have no charter, no president, and no board.

The so-called representatives of the executive branch say:

This statement is incorrect:

(a) The function of development lending will be subject to the control and be administered by the Administrator of the Agency for International Development * * *

(b) The aid agency is charged with the responsibility of administering development loans; and

(c) Within the agency, there is to be established an Office of the Development Loan Fund, but subject to the control of the Administrator.

The facts are:

First. On page 4, line 24: The President of the United States is authorized to make these development loans.

Second. On page 56, line 20: The President may delegate this function to any Federal agency or officer as he may direct.

Third. On page 59, line 20: Under direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the assistance authorized by this act.

Fourth. On page 60, line 24: When the President has determined where the development loan activities are to be located, he may appoint 12 officers in the agency primarily responsible for administering part I. One of these officers is a Deputy Under Secretary of an executive department having "among the duties" delegated to him general supervision of the Development Loan Fund. Another of these 12 officers is to be an Assistant Secretary of an executive department who shall head the Office of the Development Loan Fund.

Fifth. Under existing law the Development Loan Fund is a corporate entity, but the committee bill would repeal this status.

Sixth. On page 9, line 10: A part-time interagency Development Loan Committee would be established, consisting of officers from agencies to be determined by the President. This Committee, under direction of the President, would "establish standards and criteria for development lending operations in accordance with foreign and financial policies."

Seventh. Page 9, line 22: Within the agency administering the development loan program there would be established an Office of the Development Loan Fund to "provide staff assistance to the Development Loan Committee and perform such other functions as the President shall prescribe."

In all this diffused authority, clear-cut specific responsibility is fixed in only two places; First, the Development Loan Committee shall establish standards and criteria, and second, the Office of the Development Loan Fund shall provide staff assistance to the Development Loan Committee. However the loans may be made, the bill provides none of the elements necessary to a corporate or business-type activity. There is no resemblance to a "sound banking institution," with a charter, with a president, and with a board.

Fifth. I said I found little reason to expect substantial repayment of the loans and that they might as well be regarded as grants from the outset and provided for as such.

The so-called representatives of the executive branch say:

No basis for this belief is cited by Senator BYRD. The act specifically provides that "loans shall be made under this title only upon a finding of reasonable prospects of repayment." Failure to so find will constitute a breach of the act.

The facts are:

First. In this respect the so-called representatives of the executive branch have already answered their own comment. They themselves say:

The recipients may have some difficulty in repaying in dollars, unless the terms of the loans are adjusted to meet their requirements. Because of the foreign exchange positions of the recipients, it may be considerable time until dollar repayment can be made.

Second. The Senate Foreign Relations Committee, on page 8 of its report on the bill says:

Interest rates as low as 1 percent are contemplated, and some loans will probably be interest free. Terms of repayment up to 50 years will be permitted, in some cases with no repayment of principal for initial periods of up to 10 years. The aid agency will have flexibility in establishing terms and conditions that will reflect the capacity of the recipient country to serve its debts.

Sixth. In the fourth paragraph of my statement of July 28, I said:

Since the United States started financing foreign aid more than 15 years ago, Congress has taken the sound position that these programs involve broad foreign and domestic implications which require the effective annual review inherent in the appropriation process.

Twenty-odd paragraphs later I said:

Since the end of World War II the United States has spent a gross total of $90.8 billion in foreign aid through June 30, 1961.

The so-called representatives of the executive branch say:

(a) The total figures for foreign aid differ, largely because of the inclusion or exclusion of certain categories of activities;

(b) The figure of $90.8 billion apparently includes a number of activities financed by borrowing authority;

And—

(c) If Senator BYRD is going to claim this figure as our gross total of foreign aid, he cannot make the earlier statement that Congress has taken the "sound position that these programs * * * require the effective annual review inherent in the appropriation process."

The facts are:

First. The so-called representatives of the executive branch do not dispute the figures.

Second. They extended themselves to take statements out of context and combine them.

Third. The figure was labeled as a gross total for all that includes.

Fourth. The fact that some of these expenditures were financed with so-called borrowing authority does not refute the statement that as a general proposition the Congress has taken the sound position that foreign aid programs require the effective annual review inherent in the appropriation process.

Seventh. I said:

Since the end of World War II the United States had spent a gross total of $90.8 billion in foreign aid through June 30, 1961. As the committee foreign aid bill now stands before the Senate, it would authorize the use of another $11.6 billion in the current fiscal year, 1962.

The so-called representatives of the executive branch say:

(a) This statement is also erroneous.

(b) The committee bill authorizes for fiscal year 1962 new obligational authority of $4.327 billion;

(c) In order to arrive at his $11.6 billion figure, Senator BYRD adds in $5.478 billion in funds authorized in past years and already obligated, but not spent, for past or current programs;

(d) This $11.6 billion figure includes $631 million and $1 billion worth of foreign currencies; and

(e) The derivation of these two figures is not disclosed, but it would appear that neither is attributable to the bill as reported from the committee.

The facts are:

First. There can be no doubt that the reference in my statement was to spending authority in the bill. This was repeated at numerous points throughout the statement. There was never any inference that it was limited to so-called new obligational authority.

Second. The statement contained a tabulated breakdown of the authorizations contained in the bill with citations to page and line numbers. The documented table may be found on page 13906 of the CONGRESSIONAL RECORD of Friday, July 28.

Third. The table clearly shows that the committee bill would provide spending availability in 1962 of $1.2 billion in the authorization for the development loan program, $3.1 billion in new appropriation authorizations for the grant programs, $5.5 billion in unexpended balances, $0.6 billion in unused foreign currencies, $1 billion in anticipated foreign currency receipts, and $200 million in authority to use military stocks. The total is $11.6 billion.

Fourth. The so-called representatives of the executive branch say the derivation of the figure of $1.631 billion in foreign currencies is not disclosed and not attributable to the bill as reported from the committee.

Section 612 of the bill, beginning on page 51, line 21, describes and makes available for "development assistance" certain unobligated foreign currency balances and future foreign currency receipts.

Six hundred and thirty-one million dollars of the figure I used in this respect is shown in the budget document for fiscal year 1962 in table 4 on page 1012. The remaining $1 billion in foreign currencies, the derivation of which the so-called representatives of the executive branch say was not disclosed, is a figure of my own estimate. It is based on my own study of the foreign currency situation, and it was properly checked, and it is noted that the so-called representatives of the executive branch do not dispute the figure.

Eighth. I said:

Assuming annual appropriation authorizations at the 1962 level throughout the period 1962–66, along with other available funds, the 5-year cost of foreign aid as contemplated in this bill may be estimated at more than $36.6 billion.

The so-called representatives of the executive branch say:

(a) This so-called 5-year cost of foreign aid repeats the errors made in the fiscal year 1962 computation.

(b) It assumes a level of appropriations for the entire 5 years; a premise which is doubtful at best.

The facts are:

First. The error contentions by the so-called representatives of the executive branch with respect to the 1962 computation are invalid, and this has just been demonstrated. The same contentions cannot be made with respect to the 5-year projections.

Second. The so-called representatives of the executive branch themselves say:

There is no question that a substantial aid program will have to be continued for a number of years. President Kennedy has spoken of a decade of development.

Third. The committee report says foreign aid is entering a "new phase," and the bill for the first time in foreign aid history ties a principal program to a 5-year plan. The public and the Congress are entitled to an estimate of what moving into long-range foreign programs is going to cost. Neither the administration nor the committee has provided such an estimate. The statement of July 28 included expenditure projections for 5 years simply to indicate the order of magnitude involved.

Fourth. The basis for the estimate was clearly shown, and the so-called representatives of the executive branch do not indicate that the projection was too high.

Ninth. I said—

Without the amendment I am offering, the new Development Loan Fund could be described as a Federal bureau authorized to increase the debt of the American people by $8.8 billion in 5 years with few if any strings attached.

The so-called representatives of the executive branch say:

This statement might give rise to the impression that the funding of this program through borrowing authority has a different effect upon the national debt than similar funding through an ordinary appropriation. Such is not the case, etc.

The facts are:

Under the committee bill:

First. Every dollar to be spent in proposed development loans must come from the sale of Government bonds or some other form of interest-bearing Federal debt.

Second. Funds from no other source can be used.

Third. If there were a balance in the general fund it could not be used for making these loans.

Tenth. I said:

Proper consideration of this bill must take into account that the vast spending authority which it provides is coupled with 51 grants of discretionary power and 18 authorizations to disregard other laws applicable to foreign aid activities for an indefinite period.

It is true that most of the discretionary powers given to the President and his foreign aid appointees in this bill, like most of the authority to disregard existing laws, have been granted in some form or another in previous foreign aid bills. But this bill is different.

Previous foreign aid legislation has been limited to 1 year; the heart of this bill is a 5-year-loan program. I submit, the Congress of the United States has an overriding responsibility to maintain continuing and effective control over such a combination of money and power as this bill would establish.

The so-called representatives of the executive branch say:

(a) Senator BYRD rightly points out that "most of the discretionary powers" given and "most of the authority to disregard existing laws" have been granted in previous legislation.

(b) "In this connection it is interesting to note that of the purported 51 grants of discretionary power, only 5 have any specific application to the development lending function. (Others having general application, e.g., selection of personnel, do not have any impact upon the borrowing authority question.)

The facts are:

First. The so-called representatives of the executive branch parenthetically refer to others among the 51 grants of discretionary power and 18 authorizations to disregard other laws which have general application, but they conveniently mentioned specifically only those having a general application to the selection of personnel.

Second. All of the authorizations for disregarding existing law and all of the instances in which discretionary power is granted are listed in the statement of July 28, and appear in the CONGRESSIONAL RECORD of that date on pages 13906 and 13907. All of them were taken directly from the committee bill and page and line numbers are cited.

In conclusion, to conclude their statement, the so-called representatives of the executive branch have apparently taken the liberty of revising my estimates of spending authority provided in S. 1983 for fiscal year 1962. Their revisions appear on page 14917 of the CONGRESSIONAL RECORD for August 7.

It is noted that the so-called representatives of the executive branch themselves reach a total of $10 billion. If they had included $1.6 billion in foreign currencies made available under the bill, their total and mine would have been virtually identical.

In their notes they complain that they "are unable to establish Senator BYRD's source for unexpected balances from appropriation accounts." For their information the basic figures were taken from the budget document for 1962,

and I doubt if the revisions I made, in the absence of actual yearend figures, can be seriously questioned by the executive branch.

ORDER OF BUSINESS—ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. PROXMIRE. Madam President, on the basis of what has transpired in the last 5 hours, I think it is clear that the Senator from Wisconsin has not delayed the discussion or debate on the foreign aid bill. The fact is that I have yielded to the Senator from Massachusetts [Mr. SMITH], the Senator from North Carolina [Mr. JORDAN], the Senator from Vermont [Mr. AIKEN], the Senator from New York [Mr. KEATING], the Senator from Kentucky [Mr. MORTON], and the Senator from Missouri [Mr. SYMINGTON]; and in each case there was a fairly extended speech and colloquy on the foreign aid bill. That procedure has led to a considerable and very useful and constructive debate in the Senate this afternoon—which emphasizes the fact that my purpose is certainly not to hold up the Senate procedure on this nomination or to hold up the action of the Senate on the foreign aid bill. My purpose is to have as thorough, comprehensive, and adequate discussion of the nomination of Mr. O'Connor as is possible.

I may add that whenever the leadership wishes to set aside consideration of the nomination of Mr. O'Connor, and proceed with consideration of the foreign aid bill, of course I shall immediately cooperate, and shall be happy to do so.

Mr. MANSFIELD. Madam President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. Madam President, let me say that the Senator from Wisconsin is acting entirely within his rights as a Senator; he has been most courteous and considerate; and what he has said just now relative to yielding time to his colleagues, to permit them to speak on the foreign aid bill and on other matters is correct.

It is hoped by the leadership that the Senator from Wisconsin will be able to conclude his remarks this evening. It is my understanding that if that is done, the hour may be quite late—perhaps even extending into the morning. But I do appreciate what the Senator has done so far by way of accommodating other Members of the Senate.

At this time I should like to ask unanimous consent—if there is no objection—that when the Senate adjourns tonight or tomorrow morning, it adjourn to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Madam President, again let me express the hope that the Senator from Wisconsin will be given all the time he desires; that on August 8 or August 9 he will finish his remarks and make the record complete on the nomination now before the Senate for consideration, and that it may be possible at some time tomorrow to come to final action—perhaps a vote—on this matter, and then for the Senate to devote its attention, if possible, to the foreign aid bill, and, in between, to Reorganization Plan No. 7, which has to do with the Federal Maritime Administration, I believe.

Mr. PROXMIRE. I thank the majority leader.

Mr. GOLDWATER. Madam President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. Madam President, I ask unanimous consent that I may yield to the Senator from Arizona without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GOLDWATER. Madam President, so far as I am concerned, the Senator from Wisconsin can keep on talking for as long as he wants, just so he does obstruct passage of the foreign aid bill. I find myself in no great rush to vote on this fantastic proposal.

Although I have never in my life accused the Senator from Wisconsin—nor do I now—of being an obstructionist, if he suddenly turned into one now, I would become one of his devout disciples.

Mr. MANSFIELD. Madam President, will the Senator from Arizona yield?

Mr. GOLDWATER. I am happy to yield.

Mr. MANSFIELD. Let me say that the Senator from Wisconsin is never an obstructionist. Instead, I find him most cooperative and understanding.

Mr. PROXMIRE. I thank the Senator from Montana.

Mr. GOLDWATER. I certainly agree with the majority leader; but I would find the Senator from Wisconsin even more cooperative and understanding, from my point of view, if what I have suggested were found to be true; namely, if it were found that in trying to hold up Senate action on this nomination, he held up passage of the foreign aid bill, in which case I think the American people would wish to erect a shrine to him.

ACTION OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE ON THE YOUTH CONSERVATION CORPS BILL AND THE COLD WAR GI BILL

Mr. GOLDWATER. Madam President, we who stand, so to speak, on the sidelines of the New Frontier, and watch the scouts wander helter-skelter throughout their domain, are constantly surprised at what they do. I know many of these scouts; I served with them during their buckskin days. I have helped them sharpen their arrows. I have watched their quivers enlarged until they held more arrows. I have watched them shoot with some accuracy—and with an even greater amount of inaccuracy.

Madam President, one of the things that has amazed me about the scouts of the New Frontier is the very paradoxical way in which they look at things. I do not imagine there has ever been in this body a group more vociferous about the rights of minorities than the scouts of our New Frontier. They are the ones who constantly are trying to change the rules of the Senate, under the guise of trying to protect minorities. They are the ones who speak loud and long about integration. They are the ones who believe that the minority really should have its say.

Madam President, as a conservative, I believe in the rights of minorities. But I have become a little bit concerned about some of the activities of the members of the New Frontier in the Senate, particularly in the Committee on Labor and Public Welfare, in the last several days. I must admit that during my service in that body for the last 9 years, I thought I had seen everything that might happen in such a parliamentary body or in a subcommittee of it. But the other day a little, we might say, smoking of the pipe was done outside of the regular igloo, where we found the Democrats assembling in the outer office until they had a quorum present.

Then, without notifying the Republicans, they marched en masse into the large igloo, put their pipes down, and proceeded to pass two bills, one for the youth conservation corps, and the other the cold war GI bill.

I always thought, before I came to the Senate, that this was a deliberative body, that this was a body in which we gathered in committee, and argued back and forth until we got some kind of bill that we might not all agree on, but which, nevertheless, the majority thought was wise to report to the Senate. But, Madam President, I have become a little skeptical about the idea of this being a deliberative body. The Wall Street Journal quotes one Democrat as saying, "We have developed a new technique: Vote first and debate later."

I do not accuse all committees of performing in this manner, but in this instance, I certainly feel very deeply about the way the Labor and Public Welfare Committee rather sneaked one over on the regular corps.

The New Frontiersmen have evidently brought in a new medicine wagon. They decide what they are going to do inside the tent, and then a man stands on the back of the buckboard and peddles his medicine with all finality.

The Wall Street Journal of August 7 reported these incidents far better than I can, and, knowing the Senator from Wisconsin [Mr. PROXMIRE] wants to get on with his speech—and I may warn him I have another one after this, so he can remain seated—I ask unanimous consent that there be printed in the RECORD at this point in my remarks an editorial entitled "The Fine Art of Spending," from the Wall Street Journal of August 7.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE FINE ART OF SPENDING

There's been much criticism of the administration's reckless spending in these columns, and a reader whose letter appears

today asks, in effect, if there hasn't been too much.

That, of course, is a matter of opinion. But, in all fairness, it ought to be made plain that the administration has no patent on irresponsibility. When it comes to prying open the Treasury for political gain, Congress is sometimes way ahead of the White House.

Take, for example, the little frolic the other day in the Senate Labor Committee. Just for laughs, the Democratic majority got things rolling before Republican members appeared. Skipping debate, the committee breezily approved in just 3 minutes a pair of multibillion-dollar boondoggles so outrageous that even the administration opposes them.

One is the proposed Youth Conservation Corps, a retread of the old CCC of New Deal days. The administration would like a corps of 6,000 youngsters. The Senate Democrats thought that figure niggardly. So they approved a corps 25 times larger—ultimately numbering 550,080—at a 4-year cost to the taxpayers of $525 million.

Next came the so-called cold-war GI bill, which doesn't even carry a comprehensive price-tag. As passed by the committee, it provides for peacetime servicemen the same Government benefits extended to veterans of World War II and the Korean war. "Free" higher education for draftees would cost an estimated $3.4 billion over 12 years; nobody knows what housing, rehabilitation, and the rest would cost. Nor did any committee member seem to care.

As one Democrat quipped, "We've developed a new technique: Vote first and debate later."

Congress has indeed refined the technique of legislating without thinking. Because of administration misgivings, the two giveaways described above may not become law. Then again, they may very well; equally irresponsible legislation has been whooped through Congress already this year.

Perhaps the most reckless was the $5.6 billion omnibus housing bill. The handling of just one part of that package of political goodies—title V subsidies for local water, gas, and sewage plants—shows the technique of big spending raised to the level of artistic virtuosity.

Originally, the administration thought $50 million would do for these "community facilities," and that's the way the provision came out of a Senate committee. On the floor, the Senators raised the ante to $300 million and earmarked $180 million for loans to improve mass transportation. As the housing bill swept to passage, Senator RUSSELL remarked: "The Senate no longer reckons any program in terms of dollars. I know it would not make any difference if there were $99 billion involved. The Senate would vote it with a 'hurrah.'"

In this case, the House had the last hurrah. That Senate figure of $300 million for "community facilities" quickly ballooned to $500 million. Even that wasn't enough for the congressional spenders. In the final compromise version of the housing bill, title V was allotted $650 million—a fat $600 million more than the administration's first generous request.

Almost daily, there's the same bidding up of bills thought to be politically profitable. In both Houses, Senator RUSSELL's observation applies: Dollar signs dissolve and disappear before eyes that are glazed by the votes to be got among farmers, old folks, city dwellers, suburbanites—anybody at all. So what if it takes millions and even billions to try to capture them? It's only money.

This also seems to be the sentiment of the reader who takes us to task for allegedly allowing Government spending to monopolize our thoughts. Look beyond the squandered billions, he says, and pay heed to the really important business of "resistance and survival" against the Soviet threat. But reckless spending and pyramiding of Federal debt obviously weakens the economy on which the Nation's defense depends. And it also may lead a determined foe to dismiss our occasional talk of resisting as mere words, not to be taken seriously.

So we plead not guilty to the charge of overconcern with wasteful Government spending. For we fail to see how the threat without and the frivolity within can be neatly separated.

Mr. GOLDWATER. Madam President, if the Senator from Wisconsin will yield for 3 or 4 minutes——

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. Madam President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. MANSFIELD. The Senator has made reference to a statement carried in the Wall Street Journal, in which a Democrat is quoted as having said something to the effect that what we ought to do is vote first and debate later.

Mr. GOLDWATER. He did not say we should. He said that is the new technique. The New Frontier has to have a new technique.

Mr. MANSFIELD. I plead guilty to that statement, which was offered jocularly, in fun, and admit the fact that I did so only because a Republican spoke to me and said, "Why don't we vote first and debate later on this particular measure?" I think we should have a few lighthearted moments in this body, and that, so far as I know, is the genesis of that particular statement.

Mr. GOLDWATER. I will say to my good friend from Montana that some Republicans have faint hearts, and they recognize that we are in the minority and take the attitude, "If we are going to take it anyway, we may as well smile and take it now." But the junior Senator from Arizona, frankly, having been in the majority position in this party only twice in 9 years, has found the minority position to be a rather exhilarating one. In fact, I am looking forward to the day when I can write a majority report. I think I am becoming the finest minority report writer in the Senate. It is rather difficult when one has to write a minority report of the minority, I might say. But I do not know if I can criticize my Democratic friends. I think we were roundly criticized in 1954 for pursuing what the Democrats said were the same tactics. In other words, they used blunt language. This was before the refinements of Harvard, I might say. This was before we brought politics up to the society page. We were charged with railroading. Today it is a new technique. So we possibly have something to be obligated to Harvard for in cleaning up the general language of politics, although I really like such terms as "pork barrel" and "railroading," instead of "crisis" and "new technique."

TENNESSEE VALLEY AUTHORITY

Mr. GOLDWATER. Madam President, on another subject, I have before me a press release from the White House dated July 11, 1961, and an article from the Washington Post of July 12, 1961, written by Staff Reporter Carroll Kilpatrick. Both the press release and the Post article are about the Tennessee Valley Authority.

TVA has introduced a new rate schedule which it will permit distributors selling TVA power to use, and the 100th birthday of the late Senator George W. Norris was used as the occasion for making the announcement. The new rate has been christened the "Norris Centennial Rate."

Madam President, I would be the last person to detract from the commemoration ceremony of the late Senator Norris. Although I was not privileged to know the late Senator, I am sure he was a great humanitarian—a great statesman. But I wonder if the TVA of today, of which Senator Norris is called the father, is what the Senator visualized.

TVA has never paid its fair share of taxes. Now I do not think that George Norris thought that some citizens should be taxed and others getting the same service or buying the same product should be excused from paying taxes. On May 1, 1933, in debate on the Senate floor the Senator said:

> I realize what can be said to the effect that the Government should not be taxed; but in carrying out this governmental purpose, incidentally we shall sell some power and make some money out of it; and when it comes to revenue, it does not seem to me the Government ought to be in any different position from any ordinary taxpayer.

Let us see what that statement by the late Senator means, Madam President.

> in carrying out this governmental purpose incidentally we shall sell some power and make some money out of it.

Did the Senator visualize TVA as a giant Federal power monopoly with 75 percent of its power production from steam capacity? He said "incidentally we shall sell some power." That to me means that electricity was to be an incidental byproduct of the TVA development—not the primary function, as it is today. He also said it should not be "in any different position from an ordinary taxpayer." Is that what TVA is today? Certainly not. It pays far less in lieu of State and local taxes than would private industry, and absolutely nothing in Federal taxes.

In further debate the Senator said:

> The bill which passed the House provides that the corporation shall go into the manufacture of fertilizer on a commercial scale, and sell it. There is no such provision in the Senate committee bill. I want to say to the Senate, and particularly to the Senator from Utah and to the Senator from Maryland, that I have never favored the Government going into the fertilizer business as a commercial operation. In the first place it is unjust to the taxpayers of the balance of the country. I do not believe it is right to take Government money out of the Federal Treasury, set up a fertilizer plant, and go into the commercial business of manufacturing and selling fertilizer. If that were right, and we did that, then we ought to do it in every community in the United States. The taxpayers of Illinois, of California, of Nebraska, have their money in the governmental Treasury, as well as those of Alabama and Tennessee, and it seems to me there is no justice in taking this money and going into the fertilizer business in Alabama.

Does this statement by the late Senator sound as if he believed in using tax funds from all of our citizens to put the Government into any type of business? Further in the debate the Senator said:

In the broader sense, when we comprehend the whole work to be done by the Government in the Tennessee River Basin, power is only an incident. It is an important incident, it is true, and one that in the years to come is going to bring returns; but the great bulk of the funds which are going to be expended there will not be for power and not with the idea of producing power. Power only comes in as an incident.

Madam President, that is what Senator Norris told the Senate back on May 2, 1933, and I am sure—the honest and conscientious statesman that he was—that is what he intended. But how did this thing pan out? As of June 30, 1960, there had been appropriated from the Federal Treasury $1,976,195,431 for TVA, of which $1,366,811,272 was for electric power and only $609,384,159 for all other purposes. In addition to that $570,316,930 of earnings from the sale of electric power was plowed back into expanding TVA power facilities. Does that sound like carrying out the intentions of the Senator? Does that sound like power was incidental?

In discussing the construction of transmission lines by TVA with Senator Tydings, Senator Norris said: "I do not want to put anybody out of business who conducts his business properly." Well, Mr. President, as a result of TVA, 31 electric companies lost either all or part of their utility systems. Are we to assume that none of these companies conducted their business properly?

Just one more statement by the late Senator Norris and then I want to discuss TVA and its most recent press release. The Senator said:

The Board [speaking of the TVA Board of Directors] is not developing and selling electricity alone; that will not be its principal business. It is one of the incidents of its general work. It seems to me that we ought to have faith enough in the Board which will be selected by the President not to undertake to arrange the details of its system of bookkeeping. Its accounts are going to be audited by the General Accounting Office. The General Accounting Office, in my opinion, is one of the most nearly perfect services in our Government.

Once again the Senator said that developing and selling electricity would not be the principal business of TVA and I am sure he meant it, but that is not the way it turned out. Producing and selling electricity is by far the principal business of TVA and I don't think anyone would dispute that.

The GAO does audit TVA, but it has been rather critical of TVA over the years. The 1960 GAO report had several critical statements on TVA, a few of which I wish to comment on:

We do not believe that the procedures are consistent with the requirements of the TVA Act or that the procedures instituted by TVA adequately meet the fundamental principles for advertised bidding. We believe that the Authority should make all purchases in accordance with its usual advertised bid procurement procedures except in those instances where competitive bidding is specifically excepted by the TVA Act.

We believe that the following principles are fundamental to advertised bidding: Namely, (1) an offering to the public, (2) an opportunity for competition, and (3) a basis for exact comparison of bids.

The procurement practices for spot coal generally do not conform to normal Government procurement practices and also are an exception to TVA's normal procurement practices.

In other words GAO says that TVA, a Federal agency, does not conform with Federal procedure and practice in its purchases. I get the impression that GAO does not think TVA is fair to the public and suppliers with whom it deals:

The Authority takes the position that the TVA Act does not grant a preference in the rates for the sale of power to agencies of the Federal Government. TVA's largest customer is the Atomic Energy Commission (AEC) and in many respect TVA regards AEC as one of its industrial customers.

The average rate paid for power by AEC increased from 3.79 mills per kilowatt-hour in fiscal year 1959 to 3.82 mills per kilowatt-hour in fiscal year 1960.

In their 1958 report GAO said:

Based on our recommendation, the Authority prepared a study to determine the ratio of return earned on sales to AEC as distinguished from sales to all other customers. The study, based on fiscal year 1958 operations, indicates that the rate of return on the overall power operation amounted to 3.59 percent, consisting of a return of 3.81 percent from long-term normal power sales to AEC and a return of 3.48 percent from the remainder of the power business.

Now, Madam President, we have TVA, a Federal agency, considering AEC, a Federal agency, as one of its industrial customers. We have TVA, a Federal agency, making a higher rate of return on AEC, another Federal agency, than it makes on its residential, commercial, and industrial customers.

It would seem to me that Federal use or a Federal agency should be a preference customer of another Federal agency. If anyone should enjoy the benefits of low-cost power from a Federal agency producing electric power it should be the Federal Government itself. Why should a Federal agency in the power business charge another Federal agency more for electric power than it charges residential, commercial, and industrial consumers? The taxpayers are the ones who, through their taxes, are subsidizing TVA so that its rates can be lower than they are in other sections of the country, so why should these same taxpayers pay the premium over others for the power their taxpayer-financed Federal agency purchases from the Federal agency producing and selling the power? It would seem to me that AEC should have first call on TVA power and benefit of the lowest cost power it produces.

Another thing hard for me to rationalize is why TVA should be permitted to purchase power from a Corps of Engineers development at below cost in order to sell it to domestic, commercial, and industrial consumers at a subsidized rate. When it pays the Corps of Engineers less than the power costs it is simply taking it out of the taxpayers of the rest of the Nation in order to subsidize the power bills of some privileged citizens.

In discussing TVA purchases from the Corps of Engineers developments on the Cumberland River GAO pointed out that even though the Federal Power Commission issued an order on May 20, 1958, disapproving the rates and charges on which the Southeastern Power Administration sells power from Corps of Engineers developments in the Cumberland River Basin to the TVA on the basis that Interior's use of the incremental method to allocate costs and an interest charge of only 2 percent was not in conformance with law, these rates have been continued in effect.

Now, Madam President, from the White House press release, the TVA release and newspaper articles one would believe that TVA had just made a reduction in rates of 8 percent or better. But like most other statements coming from TVA, the information is deceptive. So far as I can see TVA has made no rate reduction at all. Everyone in TVA territory is not going to get a rate reduction. In fact the probability is that very few will. TVA has had three rate schedules for quite some time—rates to be charged by distributors. Distributors purchasing power from TVA have to comply with certain rates set by TVA. With respect to the three rate schedules that have been in effect, out of 155 distributors purchasing their power from TVA 32 now operate on the lowest schedule, 43 on the intermediate schedule, and the remaining 80, or better than 50 percent, operate on the highest rate schedule. With the new or fourth-rate schedule TVA proudly announces that two of its distributors, or 1.3 percent of them, have agreed to operate on the lowest rate schedule. The TVA release says:

The low TVA rates already in effect provied annual savings to consumers of $125 million in their electric bills as compared to the bills they would pay under the average rates prevailing in the Nation. When adopted by all distributors the centennial rate schedule will provide potential savings to consumers of an additional $35 million a year.

We could enter into quite a discussion on that paragraph, Madam President. In the first place that $125 million would assume that it cost the same to produce and distribute electricity in all sections of the country. Anyone with the least familiarity with the subject knows that where fuel costs are high because of distance from supply, that the cost of producing electricity is higher. Furthermore, in highly congested urban areas where distribution is underground, it costs more to distribute electricity. Also in northern areas subject to extreme weather conditions it costs more to produce and distribute electricity. Furthermore, when you have low-cost hydro to use as peaking power, costs are reduced. All of these combinations of benefits would make power costs in the TVA area less than they are in most other sections of the country if all other factors were comparable. But the other factors are not comparable.

TVA pays no Federal taxes and much less in State and local taxes than would

an electric company. TVA for years paid no interest on the money the taxpayers had invested in it, and only during the last year started paying anything in the way of interest and the rate now paid is less than the Treasury has to pay on long-term bonds. TVA has reinvested from past earnings $570,316,930 in power facilities, money which should have been returned to the Treasury, and it pays no interest on this investment and is not required to amortize any part of it. That is quite a subsidy, which the TVA power purchasers enjoy at the expense of the rest of the country. So when they boast about saving ratepayers in their area $125 million over what other power consumers have to pay in the Nation, their boast has a hollow ring. The power consumers—the residential, commercial, and industrial consumers—are getting the benefit of the natural advantages to which they are entitled, but on top of that they are getting the benefit of heavy Federal subsidies from taxpayers throughout the Nation.

From the TVA release and newspaper reports it would be assumed that consumers of TVA power are going to get an additional saving of $35 million because of this new centennial rate. But when over 50 percent of their distributors have never as yet put into effect the next two lower rates and only 22 percent have used the lowest rate TVA has approved, how can we assume that all of the distributors are going to rush in and use this new and lowest rate?

While the press release may be truthful in saying there would be a $35 million saving to consumers when all distributors adopt the new rate schedule, it is very misleading when it leaves the impression that there is going to be such a saving to the consumers, because from past experience it is very unlikely that many of the distributors will adopt the new rate schedule.

But the worst thing about this whole thing is the deception TVA has used. Commemorating the 100th birthday of the late Senator Norris to issue a misleading deceptive press release I am sure is the last thing the late Senator would have wanted. It is an insult to his memory. That is the kind of false propaganda one would expect from Communist Russia—not from officials of the U.S. Government.

Madam President, I want to make one remark about responsible reporting. Mr. Kilpatrick's article in the Washington Post is headlined in big print "Kennedy Asks Greater TVA's." Unless President Kennedy said something at the meeting that was not revealed in his press release, he did not ask for more or greater TVA's. He said:

> Members of both parties, this administration is extremely anxious to see TVA go forward, not rest on its laurels.

That statement to me does not mean the President wants more TVA's or that he even wants TVA to expand outside its present area. I would take it to mean that he thought TVA has done a good job and he wants it to go on improving.

The text of Mr. Kilpatrick's article does not support the headline. Of course, a lot of people will only read the headline and most people reading the paper would see it since it is in big, bold, black type. So people would get the idea that the President wants more TVA's. That type of reporting is not fair to the President and is not fair to the reading public.

TVA has been praised for its long-range, comprehensive resources development planning. It has masqueraded over the years as a model resources improvement agency. I am sure that is what the late Senator Norris expected it to be. But the record does not support such contentions. TVA is a giant Federal power monopoly with its other activities all incidental thereto. In reality that is what it is noted as.

As the President said in his meeting with the TVA Board of Directors last Tuesday:

> Every economic mission that comes here from Africa always comes first to see what they can do about a dam and power, and the TVA has always been their inspiration.

You will notice that the President dwells on TVA's public power development, not on its achievements in the overall natural resources field. In fact, the President points out the inadequacy of TVA's planning when he goes on to say that he has had correspondence about certain tributaries of the Tennessee River and that they "should receive greater attention—local flood control projects in the valley can be emphasized."

The dams TVA built have all been of substantial size on the main stem and the tributaries. There has been no overall land use planning. Its dams flood out more good bottom farming land than they protect. While soil conservation districts were established virtually covering the country by 1955, there were few soil conservation districts in Tennessee. There has been no upstream flood control and watershed management program in the valley comparable to that which has taken place in other parts of the country.

Other Federal agencies with experience in resources development have been largely excluded from the TVA area. It seems that TVA's soil conservation has been largely directed to planting on the watershed so they would have a larger market for the fertilizer they are producing.

I see of late there is another natural resources development TVA is interested in and that is tied into power. As you know, TVA is now primarily a steam-electric power system—not a hydroelectric system, since 75 percent or more of its power is produced by steam and the percentage is increasing each year. I have here some recent news releases from the Chattanooga Times and the Knoxville Journal. They state that TVA has purchased the coal mineral rights on 59,000 acres of land in southeastern Kentucky and has acquired an option on 53,000 additional acres in northeastern Tennessee.

Madam President, is TVA getting ready to go into the coal-mining business also? Are the people running it afraid that coal operators now supplying their coal might make a little profit on the sales and have to pay some taxes on it? Are they afraid that the miners might be making a living wage mining the coal they now use? From what I hear of their coal-purchasing policies, which result in union-breaking tactics, I do not know why they should fear anyone making much profit on their purchases; but it seems they are not satisfied. Now they have to get their own coal lands so they can supply their own requirements. I wonder why they are so opposed to the profit system. If it were not for profits there would not have been enough money to finance their facilities and to continue subsidizing their power rates.

Madam President, I have made several speeches on TVA since I have been a Member of the Senate. I said once before and I reiterate today that TVA was conceived in socialism, born during a period of economic chaos, and has been nurtured and expanded in deceit. President Eisenhower referred to it as "creeping socialism." I call it "galloping socialism." To those who contend it is not socialism I refer them to Norman Thomas, this country's outstanding authority on the subject.

It is a hoax on the American public to dignify it with the term "valley natural resources development." It is a Federal power monopoly. It is chiseling the American taxpayer when it sells power to a taxpayer-financed Government operation at a higher rate of return than that charged to residential, commercial, and industrial distributors. It is deceit when, at a meeting with the President which is sure to gain widespread publicity, it announces a rate reduction indicating that consumers in its area are going to save $35 million a year on their power bills when the statement has no substance in fact.

Madam President, I hope that Mr. Kilpatrick was wrong in his headline indicating that President Kennedy wants more TVA's. I think the one we have is an imposition on the American people. I am not suggesting we dispose of it. It is an accomplished fact. It stands as an example of our past folly—an adventure in socialism. But I do think we should get a few things straightened out. Federal agencies purchasing power from TVA should have benefit of the lowest cost power it produces. TVA should be required to repay to the Treasury every cent that has been invested in its power facilities from both appropriations and reinvested earnings. TVA should have to pay interest at the rate the Government has to pay on long-term bonds on the unpaid balance invested in its facilities. TVA should be required to pay a sufficient rate for power purchased from the Corps of Engineers projects to fully liquidate the Federal investment in these projects at interest equivalent to the rate paid by the Government on long-term obligations. TVA should be required to pay into the Federal Treasury an amount, in lieu of Federal income taxes, equivalent to that which would be paid were TVA in private ownership.

If TVA complies with the above requirements and can then cut rates, this

adventure in socialism could be more nearly justified.

I thank my distinguished friend from Wisconsin again. He is not attempting to obstruct, although, from the bottom of my heart, I wish he were. In fact, tired as I am, I would be sorely tempted to join him, not in discrediting or speaking against the person he is speaking against but in the hope of holding up action on the foreign aid bill until that happy time of the year, Christmas, when we would all be home, and we could not act on it.

Mr. PROXMIRE. I thank the Senator from Arizona.

Mr. MANSFIELD. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Montana.

Mr. MANSFIELD. After listening to the Senator from Arizona, I should say he should be marked in the "doubtful" column, so far as foreign aid is concerned.

Mr. GOLDWATER. Madam President, I do not know what "doubtful" means in Montana, but in Arizona it means there is some question about which way one is going to jump. There is no question about the way I am going to jump. I have already jumped. I am waiting for the land to come up and hit me.

Mr. KEFAUVER subsequently said: Mr. President, my colleague, the Senator from Arizona [Mr. GOLDWATER], has again waggled his finger at TVA, referring to it as "galloping socialism."

Senator GOLDWATER's finger is not the first which has been waggled at TVA, nor will it be the last.

The same specious arguments have been trotted out again and again and again.

The facts remain the same—that TVA is a living, breathing example of the greatest partnership in the world. Hand in hand with free competitive enterprise, it has brought prosperity and progress to the entire Tennessee Valley.

It has benefited not only the people of my State and the entire region served by its inexpensive power, but it has also benefited industry and people all over the Nation who have found a growing and lively market for their products which never would have come about had it not been for the vision and planning of those who fought for TVA.

TVA has paid its way—in spite of the efforts to disprove this that keep cropping up at the hands of the private power lobby year after year, and even in spite of the efforts of this lobby inside our very Government to destroy TVA in the notorious Dixon-Yates deal.

TVA, in addition, is an example to the entire world of how a people, working with their Government, can accomplish the economic development of an entire region and provide power and flood control and the many corollary benefits that follow.

My colleague from Arizona again joins a small group of reactionaries in our Nation who, for one reason or another, would call progress for the people "galloping socialism"—and who would keep our Nation tied up to the dock while the mainstream of civilization flows by.

If it were not for the yardstick that TVA has provided, I assure my colleague that many people in many places in our Nation would be paying prodigious prices for their power in comparison to what they pay today.

Senator GOLDWATER's tune is the same old tired tune. I cannot imagine why he has decided to play it again today.

Mr. GRUENING. Mr. President, will the Senator yield so that I may make a comment on the remarks of the Senator from Tennessee?

Mr. PROXMIRE. I yield.

Mr. GRUENING. Going back to the famous propaganda campaign of Samuel Insull, who was fighting municipal power and any public power, in a meeting of these assembled propagandists, the question was asked, "What would you do with a man who advocated municipal power?" The answer of this expert was, "I would not try to reason with him. I would not try to argue with him. I would merely pin the Bolshevik tag on him."

That is precisely what has been done, as the Senator from Tennessee has mentioned, by our colleague from Arizona in calling it socialistic, denouncing TVA, and putting it beyond the pale.

I have no doubt that if the people of Tennessee, those who have been benefited by the great project, which was originated by George Norris and carried on by Franklin Roosevelt, were to vote on the question, they would vote for its retention. Would that condemn them? Would our colleague put on them the opprobrious label of socialistic? I suspect they are as good Americans as anybody in this Chamber.

Mr. KEFAUVER. I thank the Senator from Alaska, who understands from practical experience the important part the Government must play in the development of our natural resources. Had it not been for TVA, Bonneville, and many other projects in which the Corps of Engineers and our Government have helped, we certainly would not be very far along with the harnessing of our rivers for the benefit of our people. I thank the Senator for his contribution.

AMENDMENT OF ACT OF MARCH 8, 1922, PERTAINING TO ISOLATED TRACTS, TO EXTEND ITS PROVISIONS TO PUBLIC SALES

Mr. MANSFIELD. Madam President, Senate bill 799, to amend the act of March 8, 1922, as amended, to extend its provisions to public sales, was passed by the Senate on July 28, 1961. It was transmitted to the House of Representatives, and on July 31 was referred to the House Committee on Interior and Insular Affairs.

On August 7, 1961, the House passed H.R. 2925, a companion bill, which has been received by the Senate today. No action was taken on the Senate bill, which, as stated, was referred in the House on July 31.

Notwithstanding the failure of the House to consider the Senate bill, which is customary in such cases, and with a view to getting the matter to the White House for action by the President thereon, I ask unanimous consent that the Senate proceed to the consideration of H.R. 2925, pass it, and send it to the President.

Action on the House bill will avoid further delay in the enactment of the legislation.

Madam President, this bill has been cleared with the minority leader and also the ranking member of the minority on the Committee on Interior and Insular Affairs.

Madam President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of H.R. 2925.

The PRESIDING OFFICER laid before the Senate the bill (H.R. 2925) to amend the act of March 8, 1922, as amended, pertaining to isolated tracts, to extend its provisions to public sales; which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (H.R. 2925) to amend the act of March 8, 1922, as amended, pertaining to isolated tracts, to extend its provisions to public sales.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 2925) was ordered to a third reading, was read the third time, and passed.

IMPRESSIONS OF RUSSIA—EDITORIALS BY JAMES JACKSON KILPATRICK, EDITOR, RICHMOND, VA., NEWS LEADER

Mr. BYRD of Virginia. Mr. President, Mr. James Jackson Kilpatrick, editor of the Richmond News Leader, visited the Soviet Union and published, in the News Leader, very impressive editorials descriptive of Russia and the Soviet people.

Because the editorials speak so strikingly of Russian conditions, I ask unanimous consent that they be printed in the body of the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Richmond (Va.) News Leader, May 13, 1961]

DATELINE: LENINGRAD—I

LENINGRAD, May 5.—Aeroflot's flight 612 from Helsinki to Leningrad departed on the evening of May 3 in typical Soviet fashion: It was on time to the split second, and it very nearly left two passengers on the ramp. Before the journalist from Virginia could sit down and fasten his seat belt, the pilot had both engines of the plane fired up and had started taxiing at 50 miles an hour toward the runway. The Russians do nothing by halves. They are the most efficiently inefficient people on earth. They can send Major Gagarin (or someone) spinning around the earth, but they cannot fix the plumbing in room 314 of the Europa Hotel in Leningrad. They have built a jet airliner as fine as anything yet produced at Boeing or Douglas, but a plug for the bathroom sink eludes them. In the Hermitage Museum in Leningrad, they

have assembled an unbelievable collection of paintings, and lighted them so poorly that many of the works scarcely can be seen at all. Here in this busy and beautiful city, it is easy to go mad about the Russians; it is equally easy simply to go mad.

It takes only a couple of hours to fly to Leningrad. The plane itself offers a first revealing glimpse of Soviet Russia today. There is no loudspeaker system for the hostess, a rather dumpy blonde of about 28; she advises the passengers to fasten their dirty seat belts, and waves a hand toward the no-smoking sign; once aloft, she brings around a tray of oranges and some lemonade of a terribly icky sweetness. That is about the size of her services. The sign stays constantly on, "smoking prohibited," but passengers smoke anyway. There are no ashtrays. The plane easily could catch fire. This is the fatalist Soviet way. Nichevo.

For the American making his first trip behind the Iron Curtain, the flight from Helsinki has elements of high drama. Below, the Gulf of Finland is dirty blue; the horizon is a gray haze, pink-tinted by the setting sun. The land mass of Russia, dark and forbidding, forms gradually from the sea. For miles and miles not a light can be seen. Then the pale glow that is Leningrad appears like phosphorescence on a marsh, and with a long slow turn the plane is down.

WELCOME TO RUSSIA

Instantly, Soviet officialdom enters the scene: A woman doctor, to check vaccination certificates; a tough little customs inspector to pick up the forms filled out during the flight; a stocky police officer who stands stolidly athwart the cabin door. Everything is in order, and the customs man, who had been speaking in Russian only, abruptly breaks into flawless English: "Follow me."

The 18 passengers file obediently into the darkness. The Russians use no more light at night than is absolutely necessary, and the night is filled with apprehensions. Just so, we imagine, the prisoners walked at Buchenwald; it was only for a shower—and then the nozzles were turned on.

These flights of fancy are soon dispelled. Clearing customs in Russia is tedious, not terrifying. The plane had left Helsinki at 8:30 and arrived in Leningrad at 10:10. It was almost midnight before the last passenger had been cleared to the embraces of Intourist, the official Soviet tourist agency, and it was approaching 1 o'clock, after a long drive down the impressively beautiful Muscovy Prospekt, before the visitors finally were assigned to their rooms.

GRAND RAPIDS ELEGANCE

A guest at the Europa Hotel is simply told to go to his proper floor. There a floor mistress hands him a key, and he is left to fend for himself. This means unlocking a pitch-black room, fumbling for an old-fashioned light switch, and blinking in amazement at his first glimpse of what might have been the bridal suite at the Grand Hotel, Topeka, Kans., 1910. The room is furnished in a sort of early Grand Rapids elegance, with oak, veneered breakfast table and chairs, a useless chiffonier, a divan, a wardrobe, and, in a curtained alcove, the bed. Inspection turns up a bathroom with massive tub, a toilet that runs incessantly, and a sink adorned with a yellowed mirror. Above—or more accurately, in front of—the mirror is an enormous light fixture, complete with 15-watt bulb. Home!

If the American novice in Russia is fortunate, he will have fallen in with a more experience traveler, fluent in Russian, and willing to help him over the first few days. An English engineer and designer, able to conjure up a bottle of champagne after the cafe has closed for the night, has a way of making one immensely grateful for Anglo-American union. Soviet champagne is quite good, incidentally, and the beer would be excellent cold.

The stranger in Leningrad, having arrived in the middle of the night, cannot have seen much of the city on his trip in from the airport. Drivers use only parking lights in traffic, and the wonder is that the jaywalking pedestrians are not piled up in windrows each morning; miraculously, one is told, such accidents are few. In any event, the stranger awakens to a surpassingly beautiful city. Leningrad is all buff and beige and a light leafy green. Its streets are broad, and the buildings retain much of the elegance of the old imperial day.

This was the city Peter built to provide "a window to the west." But the ruthless exercise of his indomitable will, and by commanding every traveler who came to his new city to bring with him stones for paving roads, he raised a city where prudent engineers would never have launched the task—a city built on a hundred islands, knitted together by 300 bridges—and he built with so lavish a hand that the visitor's first thought evokes the essence of recent Russian history: No wonder they had a revolution.

DOWN-AT-THE-HEELS GRANDEUR

Along the left bank of the placid Neva River, much of Peter's grandeur survives today, but it is sadly down at the heel. The massive green-and-white Hermitage, built between 1754 and 1762 as a winter palace for the czars, is desperately in need of painting and refurbishing. Here one finds, higgledy-piggledy, poorly lighted, a collection of paintings so fabulous that the visitor is left gasping: Not just 8 or 10 Rubens, but 43 Rubens; not a single gallery of impressionists, but a whole floor of impressionists, and the drab walls alive with the bold color of Gauguin and Van Gogh. Every day the Hermitage is jammed with visitors, including a remarkable number of American tourists, all on their best behavior.

The riches of the Hermitage stand in startling contrast to some of the contemporary shortages in Leningrad. The visitor to the city's finest department store finds customers queued up long before the opening hour. They are waiting eagerly to buy second-rate piece goods, the quality poor and the colors drab; children's toys so pathetically poor that an American is embarrassed for his own opulence; electric refrigerators, at $300 and up, of a general design not seen in the United States in the past 20 years; television sets, at $140 and up; clumsily fashioned shoes, and ready-to-wear clothes of a cut not really ready to wear.

GENERALLY HAPPY PEOPLE

But a few editorial comments may be in order. The goods in the Leningrad department store of 1961 ought not to be compared with the goods in a Philadelphia store of 1961, but with the goods available in Leningrad 5 or 10 years ago. By this yardstick, one is told, the improvement is astonishing. The Soviet people, witnessing these rapid gains with their own eyes (and unable to know envy for an American standard of living few have even read about), are wonderfully pleased at the progress being made. These are generally happy people. Anyone who imagines the typical Soviet citizen as "chafing under the yoke of communism," or "yearning to be free of Communist tyranny," is only deceiving himself. The Russian people want a more comfortable life, to be sure, but in their view—on the only evidence they have to judge by—the Communist system is providing a better life at what to them is commendable speed. Revolution? This is nonsense.

This is not to suggest that reminders of Communist totalitarianism, and of Communist inefficiency, do not abound. They do. Portraits and busts of Lenin are everywhere, though perhaps this is not unusual in a city that looks upon Lenin as Richmond looks upon Father Byrd. On the Nevsky Prospekt, the visitor to Leningrad last week could see an enormous painting, three stories high, of Nikita Khrushchev, and another equally as large depicting the recent space flight as "another great triumph of socialism," which, indeed, it doubtless is.

The Intourist guides are carefully drilled in Soviet propaganda. In the Hermitage, they will point to parquet floors "restored by our skilled Soviet craftsmen"; emerging from the museum of religion in the old Kazan Cathedral, they will make a distasteful moue: "We do not believe in God, so we are really not much interested in this museum." They have a set speech on the excesses of the czars and the inadequacy of the Kerensky government overthrown that famed October.

One is constantly aware, in short, that this is the second largest city in Communist Russia, Peter is long dead; the children of peasants are skipping rope in his gardens. Along the Neva embankment the name of "Gagarin" is chalked on monuments to vanished czars; and the visitor who returns from the opera at midnight, careening by taxi down darkened streets, suddenly is aware of two companies of Soviet sailors. They are marching in a disciplined close-order drill, duffle bags up. God alone knows where they are going.

J.J.K.

[From the Richmond (Va.) News Leader, May 16, 1961]

DATELINE: LENINGRAD—II

LENINGRAD, May 6.—"There is in this city an incomprehensible mystery," the Marquis de Custine once observed, "but at the same time a prodigious grandeur."

The French traveler and diplomat was writing in 1839 of the Petersburg of that day, but much that he said remains true in 1961. Leningrad still has a prodigious grandeur; one has only to walk for an hour or two along the Neva embankment to sense the boldness, the vision, and the vanity of the czars. They were in their way a cruel and ruthless and degenerate lot; they never paused to reckon price in terms of rubles squandered or peasants sacrificed, but when it came to piling stone on stone, they thought big.

Yet the mystery remains also: The miles of impassive apartment houses, many windowed, silent, form a vast human apiary. There dwell in these hives 2,800,000 persons, and 15 years after the war's end they remain jammed and doubled up. The streets by night are a twilight enigma, and they, too, are always crowded. The sleepless traveler, walking the Nevsky Prospekt long after midnight, finds countless Russians abroad, bundled in their shapeless, ill-fitting overcoats—a people neither smiling nor unsmiling, but simply intent upon going their way. Perhaps they have trouble sleeping also.

The visitor to Russia who attempts any appraisal after 4 or 5 days is quite likely to fall into foolish error, but a few impressions may be risked nonetheless. There is in this Communist system a drive, a terrible dynamic, that the Western World will underestimate at its peril. To say that this city dates from 1703 is to state a truth; to say that it dates from 1917 is to state a truth with greater meaning. With the firing of the signal gun aboard the *Aurora* on the night of October 23, today's Leningrad began. During World War II, the city endured 900 days of siege; much of it was reduced to rubble. If the Communist rebuilding has produced much that is monotonous and drab, it has still produced in this short span a viable city. Ten years hence, one would like to visit Leningrad again.

The zeal for bootstrap progress assuredly is manifested in the schools. The American visitor who insists upon seeing a Leningrad school may be taken to Skola 157, a 100-year-

old building on Proletariatsky-Dictatura St. in Smolny District. Granted that this must be Leningrad's finest—the one school especially chosen to show the tourist—the fact cannot be blinked away that the Soviets are running an impressive program of public education.

At first glance, the school is much like some of the older elementary schools in Richmond. The wooden floors squeak, the woodwork needs painting. On the walls are framed portraits of the country's great men. Between classes, the corridors offer the same scuffling and chattering to be seen anywhere. But once the bell rings, Skola 157 is all business. It houses 1,200 boys and girls, turned out in neat uniforms of midnight blue with red scarves. The first graders go to school 6 days a week for 4 hours a day; their curriculum is much like ours. At the third grade level, the classes lengthen from 35 to 45 minutes, and the schedule is stepped up. Fourth graders begin to get some elementary biology and science. Fifth graders go from 9 to 3; their morning begins with Russian language and literature, and goes on to history, mathematics, and biology. The afternoon brings geography and (in this particular school) English. Some days, drawing, music, or shop is substituted. Physics is introduced at the sixth grade level, along with algebra and geometry. The seventh and eighth bring chemistry, higher mathematics, and even anatomy.

The teaching aids appear amazingly good. Many of the classrooms have motion picture and slide projectors. The science laboratories are not modern, perhaps, but they have an air of work performed. The vocational shops offer excellent wood and metal lathes. One laboratory room is devoted to electricity. There is a remarkable collection of stuffed animals, a room of live animals (including an aviary), and for 10th grade students, using Skola 157 until their new school is complete, a complete automobile machine shop. The home economics rooms, by American standards, seem poor—until it is remembered that this is an elementary school. The auditorium is large and pleasant. A full athletics program is conducted, chiefly in after-school hours; an immense billboard in one corridor honors top athletes, just as special plaques in the auditorium honor top students. There is a library of 32,000 volumes, and though the reading room is small for a school of this size, the books appear well worn.

After a child completes the eighth grade at Skola 157, he has an election: He may go into a technical school, as an apprentice, or he may continue in liberal arts training for 3 more years. About 60 percent make the latter choice. Evidently much depends on rigorous examinations conducted at the seventh and eighth grade levels; the pupil's choice probably is somewhat limited by what the state thinks best for him.

Teachers at Skola 157 start at $70 to $80 a month; after 5 years, they get a 10-percent increase; at the end of 10 years, a 15-percent increase; after 15 years, a 20-percent increase; and after 20 years, a final 15-percent increase. At this time they may retire on 40 percent of their salary, or continue teaching with both salary and retirement benefits. All the teachers at Skola 157, one is told, are college graduates.

How good is the teaching? How much Communist doctrine are they given? It is difficult for a stranger to judge. Certainly the teachers have the tools to teach with. One imagines that Communist indoctrination goes on constantly: The school's bulletin board last week featured large posters proclaiming the liberation of Africa from colonial bondage, and the glorious defeat by Castro of the American imperialists.

It might be expected that such indoctrination would produce hostility to an obviously American visitor. The contrary is true. The only unpleasant experience this traveler encountered in Leningrad came on a Saturday afternoon tour of the city's fabulous subway system. To the vast embarrassment of the Intourist guide, a red-faced drunk insisted upon making conversation; some male passengers on the subways, equally embarrassed, dragged him away at once.

The traveler's notebook bulges: it cannot all be put down. One is minded to write of the critical Russian audience refusing to applaud inferior singing at an opera house; of the groceries; of the champagne bars in every downtown block; of the unbelievable number of bookstalls and bookstores of the pervasive presence of Lenin and all his name represents. Some things must wait. The city is busy, constantly busy. Filled with some of the same national dynamism that surged in Peter the Great when he drained these massive swamps, the Leningraders are building a cosmopolitan city by main force of will.

This dispatch is finished at midnight in the Hotel Europa. It has been raining, and the May wind brings through an open window the hiss of passing taxis. In the corridor of the hotel is a strangely familiar sound: The insane Russians, at this hour, are vacuum-cleaning the rugs.—J.J.K.

[From the Richmond (Va.) News Leader, May 18, 1961]

DATELINE: KIEV

KIEV, May 9.—The sleek Soviet jet that carries a traveler from Leningrad to Kiev is a far cry from the shabby two-engined plane that may have brought the visitor in from Helsinki. However inept and slipshod the Soviets may be in other fields—and their crudeness is a source of unending astonishment—in the TU–104 they have excelled. It is a beautiful airplane, and Aeroflot operates its flights on time to the second.

In the same fashion, this capital of the Ukraine is worlds removed from its sophisticated sister on the Baltic. Here in Kiev, the chestnut trees are in full bloom on Kreshchatik Street, and on a spring afternoon the 50-foot sidewalks are jammed with casual strollers and earnest shoppers. Kiev is prettier, but less beautiful, than Leningrad; it is older, but less mature. It occupies a superb site on a bluff above the majestic Dniepr River. From far away, the traveler sees the sun glinting on the gold-tipped domes of the Troyitskaya Church and St. Sophia's Cathedral. The church dates from 1740; the cathedral, founded in 1037 and wrecked by the Tartars two centuries later, was restored in 1636. Together, they make the approach to Kiev a fairybook picture.

The reality is somewhat less charming than the illusion. Kiev is a lusty, vital city, and as such things go into the Soviet Union, a ruggedly independent metropolis. The Ukraine regards itself, in relation to the U.S.S.R., somewhat as the American South regards itself in relation to the Central Government: A dutiful member of the Union, to be sure, but a proud entity in itself. Last week, in an extended conversation with the manager of a collective farm just outside the city, a traveler suggested that the farm's quotas really were set by Moscow and not by the collective's own management. At the word "Moscow," Manager Kratko smacked his fist on the table with an explosive "nyet." It was the only real irritation he showed in the course of a rather trying interview.

The Kiev collective farm, organized in 1930, now comprises nearly 6,200 acres of the lush black chernozem soil of the Ukraine. All told, some 1,700 men, women, and children occupy the 682 houses of the accompanying village. They make up the collective; it is their whole life, and it is not an easy life. The village is a cluster of ancient log and frame cottages; the farm buildings, though they had been carefully spruced up for the inspection of an American delegation, were of a type seen on Virginia farms 30 years ago. The collective has electricity; the 510 cows are electrically milked and regularly tested for tuberculin and brucellosis, yet one saw no slightest sign of any of the efficient laborsaving machinery now commonplace on American dairy farms of even moderate size.

This is in part because Mr. Kratko, an obviously competent and devoted farm manager, cannot really be interested in saving labor. Willy-nilly, his hundreds of adult members must be kept more or less busy. He is surfeited with dairymaids; they sit much of the day in a drab cottage and watch television, sew, or listen to the radio. He has 1,500 acres in corn, and perhaps 200 farmhands in charge of it. The collective has extensive apple orchards and raises a number of truck crops; plainly, a tenth of the labor force would suffice.

Nevertheless, the Kiev collective appears to be doing well. Mr. Kratko was reminded that in January, Premier Khrushchev sharply criticized the Ukraine for failing to produce at a satisfactory rate. Mr. Kratko responded with spirit that his collective was not at fault; last year his sturdy and weather-beaten farmers produced more milk per cow per acre than any other kolkhoz in the Ukraine. However, since the Khrushchev speech, "material incentives" have been stepped up. Each worker now is paid a cash salary of $55 to $60 a month, plus a bonus of 3 percent of the amount by which he exceeds his quota; this bonus is paid in kind—i.e., in milk or calves or apples—but the member may then sell his bonus products at the state-fixed price and keep the money. In addition, each family has about an acre and a quarter of its own, on which the industrious farmer may raise his own vegetables and keep a pig or two.

Characteristically, the collective farm abounds with the usual Communist indoctrination. In the meeting hall where the members gather, a large portrait of Lenin looks down. Communist slogans and messages decorate the walls. The children attend two community schools at which the standard Communist program is carried out.

The last question asked Mr. Kratko had to do with how one becomes a member of the collective. "Well," he said genially, "one applies." And suppose a farmer becomes dissatisfied and wants to quit for a better job in town? "Well," he said, not quite so genially, "all the members would vote on whether he could leave." And suppose they voted no? "The question," he said abruptly, "had never come up." And, with that, the visiting American delegation was taken, through a slow, steady rain, to visit the dairy barns. Overhead, a sleek TU–104 streaked away from the nearby airfield.

Living conditions are much better, of course, within the city of Kiev itself. As in every other Soviet city, housing is in desperately short supply, and many of the 1,132,000 people still are woefully cramped for living room. But here, as in Leningrad, new apartment houses are springing from the fields as far as the eye can see. These are basically the same five-story, many-balconied structures seen in Leningrad, but some effort has been made toward regional ornamentation. The fortunate residents of these newer buildings pay a monthly rental of 13 kopecks per square meter, plus 40 kopecks a month for gas, which works out to about $4.30 a month for a two-room apartment. The state subsidizes the rest of the cost. The people, of course, pay for it all through the Soviet's concealed transaction taxes and profits on state-owned industries.

Typical of the Kiev housing projects is a May the first community, now under rapid construction. By next year, 40,000 persons

will live in the 200 separate but identical buildings. They will have their own kindergartens, day nurseries, shops, schools, hospital, and the like. The traveler who visits one of the community groceries finds the same high-priced food, the same limited variety, the same obedient clerks computing on the same primitive abacuses that exist throughout the Soviet Union. And if a traveler looks closely at the scaffolding around a building under construction, he will be startled to note that it is formed of rough logs and slab wood. The same sort of scaffolds, he surmises, must have been used when the builders of St. Sophia, a thousand years ago, raised their golden domes to a God the Soviet now rejects.

Contrasts here, as there are contrasts everywhere in this strange and turbulent land: Kindly old women, who smile at a stranger on an early morning walk, and slack-mouthed teenagers who offer to provide a prostitute by night; swift service and good food in a hotel restaurant, coupled with aboriginal elevators and a hot water system of a diabolical inconstancy. This is Kiev; this is Russia—Bach in the concert hall, Communist books in the sidewalk kiosks, a woman patiently sweeping the Kershchatic esplanade with a twig broom, and the noon jet to Moscow thundering on its way.

J.J.K.

[From the Richmond (Va.) News Leader, May 24, 1961]

DATELINE: MOSCOW

Moscow, May 16.—Early in the morning, the ant line forms: Old women, their heads wrapped in colorful scarves; wind-tanned farmers from the Ukraine; shopworkers, students, young Soviet soldiers, skull-capped travelers from the Uzbek. Patiently they stand, two-abreast, silent, huddled against a cool spring wind that sweeps across Red Square, waiting for the clock in Spasskaya Tower to strike the hour.

At 1 o'clock the bell sounds, the pigeons flutter, and the line trudges forward. They have come, these pilgrims, 10,000 on an afternoon, to visit the granite mausoleum where V. I. Lenin and Joseph Stalin lie in their glass coffins. So, in other lands, do pilgrims go to Mecca, or to Jerusalem, or to Vatican City; this is the holy of holies, the shrine of that perverted, godless, antireligion that functions for religion in the Communist state. And nothing the alien visitor finds in the Soviet Union speaks with greater eloquence of communism, its mystique and its meaning, than the impassive veneration of this never-ending line.

Why have they come, these square-faced, sturdy men and women? What do they seek in the tomb? The visitor who lingers just past the exit, scrutinizing the faces of the emerging pilgrims, can read little in their expressions. A duty has been fulfilled, a ritual has been observed: They have come to Moscow; they have seen the shrine. Some strange obligation of communion has been met.

This much is expected of the Communist who comes to the crossroads of the Communist world, that he visit the tomb; and the alien traveler, come from the United States, finds it at once absorbing and depressing to watch this river of humanity flow by. On the crowded streets one hears the babble of a hundred tongues. The Chinese sit at checkered restaurant tables, blinking like toads behind their steel-rimmed glasses; the sidewalks swarm with North Koreans, Mongols, tartars, swarthy Latins; a pair of Africans, tar black, gaze into a shop window and saunter away. Presumably these migratory travelers find here in Moscow some atmosphere congenial to their lungs. The American finds Moscow a sealed and stuffy room. After 5 days, he is gasping for freedom.

This vast and sprawling city offers none of the pastel beauty of Leningrad, none of the exuberant greenness of Kiev. Here the drabness, the ugliness, the unrelieved and ordered sameness at first fascinates, then bores, then terrifies. In a meaning of the word too deep for easy explication, Moscow is obscene. Nowhere is the unseen weight of the totalitarian state sensed more oppressively; nowhere is the consciousness of Communist regimentation felt more keenly.

Yet Moscow, in many respects, is by odds the most modern and westernized city of Russia. The women are wearing high heels, lipstick, even eye shadow. Some men still may be observed in the bulky double-breasted suits and pea-green felt hats of 10 years ago, but not many. Here the scaffolding on buildings under construction is better and newer than the scaffolding seen in Kiev, but, predictably, the miles of new apartments offer nothing but the same dismal facades of men's room tile to be seen in other cities. This is the architectural style of social realism, the Soviet Union's bland insult to the human spirit. To describe this style simply as dreadful is to put a harsh word to a generous use. Soviet design is soul chilling. It reduces man to the tiny, hexagonal slot of the bee.

Now and then, Soviet builders have sought clumsily to rise above the concrete slab, but set free from prefabricated honeycombs they know not where to go. They have read, it appears, that marble is a luxurious material to build with, and somehow it is thought that gold adds a certain touch of western plushness. From these imitative aspirations there arises a Lenin-gradskaya Hotel, towering 20 stories high—a fake Florentine cathedral, barnacled with crenelations, pinnacles, parapets, and vaulted aisles, the dim corridors paneled in mahogany, the multiple lobbies jammed with unused easy chairs, stuffed fat as sausages. The hotel must have cost a fortune to erect, but how pointlessly was the money spent. This magnificence was intended to impress the Western eye, and in a sense it is impressive: The hotel rises above the dreary and colorless streets like a fat diamond stickpin on a threadbare tie.

So much of Moscow—so much of Russia—presents this same uncomfortable contrast of the shining and the shoddy. Imagine, if you will, a stranger come for dinner. He arrives, rudely dressed, in high good humor. He tears a telephone book apart in a parlor show of strength; he pronounces dogmatic opinions on every political subject; he swaggers, jests, boasts of better cooking elsewhere. But just then he spies the piano; and flawlessly, superbly, this stubby oaf sits down and ripples through the Chopin ballades.

Well, this is Moscow—its boring buildings, and its Bolshoi ballet, its second-rate stores and its marvelous puppet shows, its pedestrian contemporary art and its fabulous museums. One does not comprehend precisely how and why the Soviet Union can send 10 tons of metal spinning into orbit, but cannot lay a level course of bricks. On one day the Russians are catching Major Gagarin, as he falls in some precise trajectory from outer space; on the next, they are spreading steel-mesh screens to catch the bricks that fall from flimsy walls.

And they are so astonishingly good humored about all this. To be sure, the Russian temperament has its black and brooding aspects, but predominately the Muscovite exhibits the bumpkin cheerfulness of a prospering farmer living it up in town. Sober, the Russian is as kind, as generous, as hospitable as a Kentucky colonel making juleps for his guests. No race of men on earth could be more obliging to a stranger.

This the American traveler discovers in Moscow as he visits a hospital, a court of law, a big department store. Nothing comes easier than denunciation of the Soviet system, its endless frustrations, its exasperating inefficiency, its blighting effect upon the creative mind; yet the individual Muscovite, smiling at a Yankee's poor attempt to speak the Russian tongue, is an appealing human being. He is divorced from his government in a way the politically active American scarcely can comprehend; the outside world seems hardly to exist for him. Tolerantly he stands, forever midway in a slowly moving queue, a million souls in front of him, a million souls behind; he is caught in the ratchets of a political system, and unresistingly his life winds up like plastic film.

Moscow is good for an American. Here a visiting Virginian learns the immutable truth of some comments on Russia set down by the Marquis de Custine more than a century ago: "Genius like heroism must be fearless, it lives on freedom; whereas fear and slavery have a reign and a sphere limited by the mediocrity of which they are the weapons. The Russians are good soldiers but bad sailors. In general they are more resigned than reflective, more religious than philosophical; they have more submissiveness than will, their minds lack energy as their souls lack freedom."

J.J.K.

[From the Richmond (Va.) News Leader, May 30, 1961]

DATELINE: WARSAW

WARSAW, May 19.—There is a poignant scene in Beethoven's "Fidelio," when a group of prisoners, long held captive in dungeon cells, emerge at last into the sunshine of the prison yard. They lift their arms to the light, and sing movingly of freedom. It is not freedom, of course, that they experience; the prison walls remain. But compared to their dark cells, the bright courtyard seems a beautiful new world; they weep for joy at a lessened captivity, for the aviary replacing the cage.

The traveler who emerges into the sunshine of Warsaw after weeks in the oppressive atmosphere of the Soviet Union may find his eyes wet also. Yes, Poland is a satellite of Communist Russia. No, there is nothing to suggest the Poles might escape the political bondage that keeps them firmly chained to Moscow. To be in Warsaw is not to be free. But praise God. How beautiful the sunshine is.

The cities of the Soviet Union abound with bookstalls, but the books are a dreary assemblage of Communist doctrine. Western newspapers and magazines are unknown. Here in Warsaw, a book fair is in progress on Ujazdowskie Avenue. The tents and stalls are as crisp as a row of tulips; book jackets are bright and gay—and there is scarcely a party-line publication to be seen. One finds, instead, some of the most colorful children's picture books ever designed, racks upon racks of American and English fiction, books of poetry, books on art, books on photography. One stall is selling phonograph records: From the loudspeaker comes the wail of a familiar horn. It is Louis Armstrong, playing "The St. Louis Blues."

To walk the streets of Warsaw, shop in the city's crowded stores, relax in the picturesque wine shops, breathe this air of relative freedom, is to undergo a renaissance of the spirit. Here as in Russia, the anti-American posture of the government has not rubbed off on the people. The clerks, students, bus drivers, cabbies, and police exhibit nothing but the most cordial friendliness to a Yankee tourist. Could some minor repairs be made to a camera? Of course, and the offer of payment is smilingly declined. Could a roll of film be developed overnight? Routine will be interrupted, and the film developed on the spot. Is an American passenger on a bus quite visibly lost? Three Poles will come to his rescue in broken

English, broken French, and fractured Russian, the better to put him correctly on his way. These are people who have suffered terribly, incredibly, from the agonies of war. Total casualties in Poland amounted to more than 6 million persons. Of every 1,000 human beings in Poland in 1939, 220 were slain by 1945. Here in Warsaw, 85 percent of the buildings were reduced to rubble. In many streets, the debris was piled to the second-story level. The war's end found no electric power, no telephone system, no water lines, no sewage disposal. To look at photographs from that period, and to compare the Warsaw of 1945 with the Warsaw of 1961, is to marvel at man's capacity for recovery. Scars remain, to be sure, and the gaunt skeletons of bombed-out buildings still rear their shocking bones against the sky; the weed-grown ruins of the Warsaw ghetto speak sadly and silently of the inhumanity of the Nazi occupation.

These memories are quite fresh in the Polish recollection. "This was all rebuilt," they remark. "There was nothing at all left in that block." "Here was where I pushed a wheelbarrow 15 years ago." "My mother and two younger brothers died in that house there." The proprietor of a wine shop in the old quarter of the city, dating back to the 14th and 15th centuries, makes a proud gesture toward the restored square. "There were times we thought we never would smile again," he says in French. "But this came first—l'ancienne Varsovie, the old Warsaw—and when the rebuilding task was well along, we knew the city was not dead, that it could live again."

The Poles have not forgotten America's generous contribution toward the postwar work of reconstruction. They are vaguely if not precisely, aware of continuing American aid today. In rural areas especially, one is told, CARE packages and surplus American crops have done much to maintain the tradition of Polish-American friendship that dates from Kosciusko's day. In the key cities, programs of cultural exchange have made American books and magazines widely available. In the bookstore operated at the ornate Palace of Culture (a white elephant gift to Warsaw from the U.S.S.R.), one may find hundreds of books published in the United States within the past year. Little by little, trade between Poland and the United States is gaining; a new filter cigarette, Carmens, boasts, on its red and white package, that it is blended of "the finest American tobaccos." The Poles make no effort to jam the day-long programs of Radio Free Europe; they trade copies of their own sophisticated and superbly edited Poland Illustrated magazine for a Polish language "Ameryka" put out by the U.S. Information Agency; they import a number of American motion pictures.

These pleasant and encouraging developments should not obscure other facts that are not encouraging at all. In almost every essential characteristic, Poland remains a thoroughly Communist country. Industry is entirely owned and operated by the state. A renewed campaign aganist the private ownership even of small shops recently has been observed. Freedom of the press, which appeared to improve with Gomulka's return to party leadership in 1956, once again is declining. Though the Poles retain much freedom in their wholly domestic affairs (86 percent of the farms, for example, are individually owned), every major policy in foreign affairs is dictated absolutely by the Communist line from Moscow. In theory, three parties contend for seats in the Polish Parliament; in fact, the Parliament exerts no more than an ameliorating influence—if that—on public policies imposed by the party. Little publicity is given to shipments of American aid. The Soviet Union continues to maintain life-or-death control of Polish exports.

As a consequence of all this, one senses even in the sunshine of a Warsaw courtyard some of the lingering damp of the prison cell. The tourist who attemps to photograph some ornamental lions on the Nowy Swiat is brusquely stopped by an armed guard; it appears that the lions ornament the local Communist Party headquarters. The traveler who begs a translation of local Polish newspapers finds them filled with the usual Communist line. An anti-American mob can be assembled at the party's command.

This brave and beautiful city is not free, but it does manifest a warmth and a good humor not witnessed at all in Russia. Where else in Europe, one may ask, could the strolling Americans, exploring side streets and alleyways, glance up to find the street sign shown at left? The picture was taken on Winnie the Pooh Street, not far from Marshall Street, in Warsaw, Poland, 1961.

J.J.K.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

Mr. MANSFIELD. Madam President, for the information of the Senate, there will be no votes tonight.

I thank the Senator from Wisconsin.

Mr. KEATING. Madam President, will the distinguished Senator from Wisconsin yield?

Mr. PROXMIRE. Madam President, I ask unanimous consent that I may yield to the Senator from New York without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

SMITH FINE CANCELED

Mr. KEATING. Madam President, from time to time I have endeavored to keep the Senate informed regarding the fortunes, both good and bad, of Mr. William Smith, of Big Flats, N.Y. He will be remembered as the farmer who bought a Cadillac with his feed grain support payments and attached to it a placard thanking the administration for its generosity. His was the sign read round the world.

Mr. PROXMIRE. Madam President, will the Senator from New York yield to me on that subject?

Mr. KEATING. I am happy to yield to my friend, who has been so generous in yielding to me.

Mr. PROXMIRE. The Senator from Wisconsin has done his best to stay with the subject of the O'Connor nomination, but he cannot resist discussing Mr. Smith, particularly since Mr. Smith has been referred to by the Senator from New York as a farmer. I wonder if the Senator from New York can inform the Senate as to whether Mr. Smith has any other business and whether Mr. Smith has a substantial income from his other business?

Mr. KEATING. Yes. Mr. Smith has other businesses. He inherited a farm from his father and has worked it very successfully. He has built up the production of dairy products and other farm products, which has led him also to go into the refreshment business near his farm. He is a successful man.

Always, in all the remarks I have made, I have pointed out—as Mr. Smith readily admitted when he was in Washington—that Mr. Smith is not a typical farmer, in that he has a larger acreage and is probably better off than most operators who raise corn on their farms.

Mr. PROXMIRE. The point the Senator from Wisconsin wished to emphasize is that Mr. Smith is certainly not a typical farmer, inasmuch as he has a great deal of outside income. I think it is admirable that this man is successful, and he deserves much credit for it.

Frankly, literally scores of farmers to whom the Senator from Wisconsin has spoken, in the State of Wisconsin, were quite distressed by the action.

I believe the farmers of New York are primarily dairy farmers.

Mr. KEATING. Poultry farmers, as well as dairy and fruit farmers. I hope the Senator will not forget the poultry farmers, because they are very important.

Mr. PROXMIRE. In the State of New York there are poultry and dairy farmers. The farmers recognize that cheap feed means cheap milk. Cheap feed means cheap eggs and cheap poultry. A policy which permits an overproduction of feed and results in lower and lower feed prices is disastrous to the farmer, because, within a very short time, the farmer finds he is receiving a lower price for his milk and poultry and that he is in great distress.

The simplest equation, or at least the equation which is most common and most widely recognized, is the corn-hog ratio. As the price of corn goes down the price of hogs follows inevitably. This is also true to a considerable extent with respect to milk. It is also true with respect to poultry. Our farmers recognize this. I am sure the farmers of New York do, also.

This is why we are so concerned about the efforts of the administration to do its best to bring order into the feed grain area. We hope it will do its best in a very puzzling, perplexing, complex, and trying area to reduce the surpluses and to provide some kind of floor under feed prices, to make it possible not only for the feed grain farmer—and the corn farmer, but also the dairy farmer and the poultry farmer, to look forward to a period of stability, a period when he can expect that the price of what he produces will not go through the floor.

I interrupt the Senator from New York only to emphasize that this is a complicated situation. While the Senator has made a very strong and impressive case, which I am sure has persuaded many people—especially people from off the farm—that the feed grain program is not successful, it has been my conclusion, based upon the statistics I have seen and conversations with the farmers with whom I have talked in my State, that the farmers like the feed grain program. They think it is working and will save the taxpayers money. I think I could demonstrate that the program will do exactly as they believe. It is one constructive way of solving a

problem which is extremely difficult, whether we have a Republican or Democratic administration.

Mr. KEATING. Madam President, I appreciate the comments of my friend. I recognize the intricacies and difficulties embodied in the feed grain program. It has cost the dairy and poultry farmers of New York to date something more than $2 million in extra feed costs.

I am familiar with the argument that farmers should pay high feed costs in order to keep up the price of milk. By the same token, if one were to feed cows diamonds, I suppose one could expect a better result.

Mr. PROXMIRE. Madam President, will the Senator yield?

Mr. KEATING. I do not subscribe to that theory.

Mr. PROXMIRE. The Secretary of Agriculture announced that he was increasing the price support for manufacturing milk from $3.22 a hundred to $3.40 a hundred at exactly the same time the feed grain bill went into effect.

While the program may have cost the dairy farmers of New York a couple of million dollars, the fact is that they are far better off than the $2 million cost would indicate. I am sure that if the situation is anything like that in Wisconsin—and I am sure in many ways the operation is similar, because manufacturing milk is sold in New York, which is a very important dairy State—the farmers' income has been increased far more than the $2 million, to make up for the $2 million loss.

Mr. KEATING. If that were so, the dairy farmers and poultry farmers of New York State would not be almost united in opposition to the program. The dairy farmers in New York produce a finer grade of milk than those in other States. We have more of what is called class 1, or fluid milk. More of it is consumed in drinking. I realize that there may be a distinction between the farmers of New York State and the farmers of some of the other States who produce milk, but so far as I have been able to discover, the dairy farmers and poultry farmers of New York State are almost to a man opposed to the feed grain program. Certainly the consumers are opposed to it, because obviously the additional cost of the grain will have to be absorbed to some extent in an additional price for milk.

Mr. President, while Mr. Smith's protest was assuredly dramatic, I maintain that his point is an extremely valid one. Why should a Government program permit an already well-off American to purchase a luxury item which most of the taxpayers who paid for the program cannot afford?

Smith's actions were not without reactions. Farm groups all over the country, city dwellers, and consumers everywhere commented on what Smith had done. Not all of the comments were favorable, but the controversy was worth while. It focused attention on the huge cost and the self-defeating structure of our Nation's farm programs.

One of the most immediate and surprising reactions to Smith's protest was the levying of a fine by the Department of Agriculture for a 1960 failure by Smith to apply to exceed his wheat quota—up to 30 acres—for wheat which he fed to his own livestock. Smith was fined $321.84.

My curiosity was aroused by this sudden resurrection of past failures coming so quickly upon the heels of Smith's widely heralded protest. So, I addressed a letter to the General Counsel of the Department of Agriculture requesting information as to whether a fine for the simple failure to apply for this exemption is standard departmental procedure. If so, I asked, how many cases are on record wherein such fines have been levied and, in addition, how many cases are on record wherein there was a failure to apply, but the farmer involved was not fined. I received a reply from the Department dated July 28 indicating that this information is not available in Washington. I was told that marketing quota penalty claims are referred directly to the U.S. attorneys and that further information would have to be obtained through these offices. I am, of course, still awaiting further word from the Department.

In the meantime, I call to the attention of the Senate the fact that Farmer Smith's fine has been canceled. He is now one Cadillac and $321.84 to the good.

Mr. President, I want to comment briefly on some of the questions which this incident raises, for I still intend to follow through on this as indicated by my request to the Department. I recognize that Smith was in the wrong in his failure to apply, but the circumstances are quite vague. Smith's failure, in large part, was due to a change in the reporting and administrative policies of the Chemung County Agricultural Stabilization and Conservation Committee, which is an agency of the Department of Agriculture.

The fact remains that Smith was fined on July 11, just 5 days after he met with a number of Senators here in Washington. The information on which the fine was based had for several months been available to the Department. The thing that disturbs me, and I intend to get to the bottom of this, is whether Smith was treated differently from anyone else because he had so forcefully expressed his views on farm policy matters. In other words, is there a double standard of agricultural justice—one for the subsidy minded and one for dissidents, like Bill Smith.

If there is such a double standard, and the Department saw fit to avoid calling attention to it by withdrawing Smith's fine, I want to find out about it. Certainly, in a free society, a man should be encouraged to speak his mind. Healthy public discussion of controversial public issues, such as our farm problem, is vital to the workings of our government.

Despite the cancellation of this fine, there are some important questions left unanswered as to why it was levied in the first place. The arbitrary or inconsistent wielding of adjudicatory power according to a man's views rather than his actions does not set well with anyone.

Mr. President, I call attention to these events because there has been so much public discussion of this incident. I want the record to be complete. The matter of Farmer Smith's Cadillac is not over. I know that the automobile people in Detroit will be delighted with this suggestion; nevertheless, there are deep questions of public policy which this protest has highlighted. The time has come for some new thinking on our entire farm situation.

We will spend over $6 billion this year on farm programs. This is about half of the total income of all farmers in the United States. We have been spending huge amounts like this for years. The results have been disappointing. We have simply extended old ideas. We have passed stopgap emergency farm programs for years, and we have very little to show for it. If Bill Smith succeeds in making enough people aware of the need for new directions to bring about some action, then he will have done an immeasurable service to all of us, farmers, eaters, city dwellers, and politicians as well.

Mr. President, frankly, I think what we need is a high level congressional study commission to review and reevaluate our farm policies. We turned down the President's request that this authority be given to farmers and the Secretary of Agriculture. We have a responsibility to assume this task for ourselves. But, this is not the only way, and I am just one of many interested Members of the Congress. My hope is that we shall do something and that our old policies will not prevail and simply grow older along with Bill Smith's Cadillac.

Mr. President, to complete the record, I ask unanimous consent that my letter to the General Counsel of the Department of Agriculture and his reply to me be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 24, 1961.

JOHN C. BAGWELL, Esq.,
General Counsel,
Department of Agriculture,
Washington, D.C.

DEAR MR. BAGWELL: It is my understanding that action has been taken against Mr. William T. Smith, of Big Flats, N.Y., for failure to apply to exceed his wheat quota, up to 30 acres, for wheat to be fed to his own stock.

I would appreciate information as to whether this is a violation of the law and as to whether it is standard departmental procedure to initiate action and levy a fine under these circumstances.

Similarly, I would like to know the number of cases on record, wherein the Department has proceeded against a farmer when the only violation was the failure to apply ahead of time to increase acreage above his quota to be used for feeding his own stock as permitted under the law. I would also like to know the number of cases where the producer failed to apply for this exemption and the Department did not prosecute.

Very sincerely yours,

KENNETH B. KEATING.

U.S. DEPARTMENT OF AGRICULTURE,
OFFICE OF THE GENERAL COUNSEL,
Washington, D.C., July 28, 1961.

HON. KENNETH B. KEATING,
U.S. Senate.

DEAR SENATOR KEATING: This is in reply to your inquiry of July 24, 1961, concerning the wheat quota case of Mr. William T. Smith, of Big Flats, N.Y.

Under a procedure approved by the Department of Justice, wheat marketing quota penalty claims are referred directly to U.S. attorneys by our field offices. Therefore, full information concerning such cases is not maintained in our Washington office.

As soon as the information requested by you is obtained, we shall write you further.

Sincerely yours,

JOHN C. BAGWELL.

Mr. KEATING. Mr. President, I express my deep gratitude to the Senator from Wisconsin, not only for yielding to me, but for yielding, as is the traditional practice in the Senate, to someone who does not share his views. In the finest tradition of the Senate and the State of Wisconsin, he has graciously yielded to me, and I am very appreciative.

Mr. PROXMIRE. Madam President, I thank the distinguished Senator from New York for his kind remarks. I shall yield to the distinguished Senator from Texas, but before I do so, I should like to say to the Senator from New York that what annoys farmers about what Farmer Smith did is that he bought a large Cadillac, and he seemed to dramatize the notion that farmers were growing rich off the taxpayers. This is not true. The fact is that the per capita farm income is far less than half the income of those working off the farm.

In the second place, the fact is that a farmer works long hours, much longer hours than any other person. The average farmer in Wisconsin works 12 hours a day, 7 days a week. He works at an income, according to the Department of Agriculture, of less than 70 cents an hour, far less than the minimum wage today. The fact is that the farmer, in order to buy a $2,000 car, must work 2,500 hours, whereas the factory worker has to work less than 500 hours. To buy a quart of milk, a farmer must work 15 minutes, whereas the factory worker has to work only 6 minutes.

The fact is that the farmers have been subsidizing the consumers for years, because they have been so efficient and productive that the average price that the farmer has received over the past 10 years has declined, whereas the retail price has gone up. It would have gone up far more if the farmer had not taken this kind of beating.

So far as the $6 billion cost of the farm program is concerned, I deplore it. I share the concern of other Senators on that point. I do think, however, in all fairness it should be recognized that this administration has adopted a program, which our Committee on Agriculture and Forestry, with the help of Republicans and Democrats, has brought about, to cut the cost of the farm program, according to the Secretary of Agriculture—and this has not been challenged—by more than $500 million. That is the program which we adopted this year for the feed grains. The bill we passed for wheat and feed grains will also reduce it.

I believe we are on the right path, although, of course, there is plenty of room for disagreement. It is a great shame that many people feel that farmers are growing rich. The fact is that they are not becoming rich, and that they are not rich. They have a very difficult task to perform. It requires a great knowledge of technology, and requires long hours, and far greater risk than that taken by any other business, to be a farmer today. It requires a high degree of technological skill. Today a farmer must understand implements, insecticides, soil chemistry, and animal husbandry. The business has become extremely complex. Because of the attrition, with farmers leaving the farms, the result probably will be that farmers will be more efficient in their endeavors than those who are engaged in any other economic endeavor.

Mr. KEATING. Mr. President, will the Senator yield further, before he yields to the Senator from Texas?

Mr. PROXMIRE. I yield.

Mr. KEATING. While I was not born on a farm, I was born close to the soil, in a little village of 800 or 1,000 people, and my contacts were to a large extent with farmers. I know a great deal about the problems of farmers. I consider them very complex. The only job I was ever fired from was a job working on the farm, trying to set cabbage. It is not easy work. The farmer I worked for had every reason to discharge me, because my hands would not move fast enough. I have great respect for those who work on the farm. I know they have problems.

The picture has greatly changed since my youth. In those days there were no Government subsidies. Some farmers did pretty well, while others did not do so well. In the outline which the distinguished Senator from Wisconsin has given us, he has failed to mention that some farmers have received hundreds of thousands of dollars from the Federal Government in subsidies. It is these ridiculous subsidies, which run into six figures that really "burn up" the taxpayers of this country. If the Senator from Wisconsin has been receiving the kind of reaction the Senator from New York has been getting, he knows that these huge payments have been the subject of absolutely outraged comments from constituents. It is not that we should not have a farm program, but they want to know why we do not put a stop to these excessive benefits to certain privileged people who were plenty well off to begin with.

Mr. PROXMIRE. There are 6 million farmers. If we consider a number of people in any industry or business, or in any line of endeavor, we find some who have large incomes. Life and Time magazines receive subsidies of more than $9 million. No farmer in the history of our country has ever been given that kind of subsidy. I believe that subsidies to big farmers are all wrong. I agree on that point. I would like to limit the subsidy to the $2,000 or $3,000 as a maximum to any farmer. I have argued for that position. I have supported amendments that would accomplish that purpose. I see no reason for subsidies of $50,000 or $75,000. In one case several years ago, I believe one farmer collected nearly $1 million in subsidy. That is absolutely wrong. It is an unnecessary part of the farm program.

This is no reason for dramatizing the situation in such a way that the American people get the idea that rank-and-file farmers, as a group, get rich at the taxpayers' expense. The truth is anything but that. The farmer has not been getting rich. Statistics and facts with respect to farm loans in any State will convince anyone that what I have said is the case. Although the farmer works hard and has increased his efficiency, he still has an income which is lower than that of other people.

Mr. TOWER. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Texas.

Mr. TOWER. I thank the distinguished Senator from New York for focusing national attention on what I believe is one of our most scandalous problems. I associate myself with his remarks.

Only approximately one-fourth of our total agrarian economy is subsidized. It is unfair to the cattleman to have to buy in a protected market and sell in a competitive market. I am confident that a majority of the farmers of this country would like to see subsidies and controls gradually reduced over a period of years, and to have agriculture restored to a market-controlled economy. Then we could have prosperity throughout the farm economy.

Mr. PROXMIRE. I am sure that the overwhelming number of farmers in Wisconsin, as well as in Texas and New York, would like to get the Government out of their business. However, they also recognize that if we merely take the Government out of business and do not give the farmer an opportunity to have some kind of marketing control over what he produces, he is at a great disadvantage. Virtually every other element in the economy controls its production. The influence of organized labor, for example, falls upon those who are not in a union. There is in effect a minimum wage law which makes it illegal for anyone to pay a person who is working in interstate commerce less than $1 an hour. Shortly it will be $1.25 an hour. A man cannot be forced to work more than 40 hours a week without receiving some overtime for the extra work. When a farmer wants to buy a tractor or buy clothing, or any of the other things he must have, he must pay for them. At the same time, in the oil industry, which I am discussing, there is a situation in which the marketing of oil is strictly limited.

Mr. KEATING. I am happy that my remarks are so germane.

Mr. PROXMIRE. They are most germane.

In the steel industry, it is well known that when the price of steel is increased—it never goes down—others in the steel industry increase their price by precisely the same amount. Furthermore, regardless of what is happening to demand, the demand for steel can go down to one-half of what it was before—and the steel companies can operate at 52 percent of capacity—the price of steel never goes down. It stays up. In fact, it increases sometimes under those conditions. The producers have control of the market. The farmer must pay for his tractor, which consists largely of steel. He must pay for his automobile. He has to buy from people who have a

kind of monopolistic control over the market. He is the No. 1 consumer of steel—even greater than the automobile industry. He must buy from those who have control of the market. That is why it is necessary to give the farmer an opportunity to limit his production.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. KEATING. I do not want to impose on the Senator further, except to say that I appreciate the remarks of my friend from Texas. Texas, of course, is a great cattle-producing State, probably second only to New York.

Mr. TOWER. Madam President, will the Senator yield?

Mr. KEATING. I yield. Perhaps my last statement was a little twisted.

Mr. TOWER. I dislike correcting the distinguished Senator from New York, but Texas is the No. 1 cattle-producing State.

Mr. KEATING. I am glad to have that correction. I was thinking of the fine quality of beef which we raise in New York, and I was not thinking of the quantity when I made that slip of the tongue.

The position of the cattleman is the same as that of the poultryman and the dairyman. We speak of farmers by lumping them all together. But the farmers of Rhode Island, like the farmers of New York, are largely raisers of poultry. They are, in large numbers, dairy farmers. Their interests are somewhat different from those of the farmers represented by the distinguished junior Senator from Wisconsin.

I think we have had a fruitful discussion of the agricultural problem. I appreciate the Senator from Wisconsin allowing me to intrude upon the discussion of the nomination of Mr. O'Connor to the Federal Power Commission, which is, as I understand, the subject of discussion at the moment.

Mr. PASTORE. Madam President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. PASTORE. Inasmuch as Rhode Island was mentioned, I may say to the distinguished Senator from Wisconsin that while it may be true that he cannot block the nomination of Mr. O'Connor—and I myself feel that he should not—I believe the Senator from Wisconsin is rendering a valuable service to the people of the country. He is showing in a very effective way that the consumer of America has a voice in the Halls of Congress. I think that is what the Senator from Wisconsin has been interested in, as he has protracted his remarks to the Senate over the past 2 days. Thus, while he may be criticized by some persons, I commend the Senator from Wisconsin for rendering this service to the people of the Nation.

All of us know what has happened to natural gas and have observed how the prices of natural gas have skyrocketed over the years. The fact that this is a more or less monopolized industry no one can deny. Neither can it be denied that the Supreme Court has held that the gas industry should be regulated, and that there has been a reluctance on the part of the Federal Power Commission to regulate it in accordance with the mandate of the Supreme Court.

It was my good fortune—and I say that advisedly—to be in charge of the so-called natural gas bill which was considered by the Senate several years ago, before it was vetoed by President Eisenhower because of a scandal which was connected with it. Some of us in the Senate thought the consumer should be protected. I offered an amendment at that time, in the consideration of the formula for the establishment of prices. I merely wished to add the words "consumer interest." That phrase was rejected by the Senate. Mind you, a simple phrase, to be included in the formula to establish prices, to the effect that the interest of consumers should be regarded. My suggestion was rejected.

Mr. GRUENING. Madam President, will the Senator from Rhode Island yield?

Mr. PASTORE. I do not have the floor.

Mr. PROXMIRE. Madam President, I shall be delighted to yield to the Senator from Alaska to propound a question to the Senator from Rhode Island.

Mr. PASTORE. I shall be happy to have the Senator from Alaska ask his question.

(At this point Mr. HICKEY took the chair as Presiding Officer.)

Mr. GRUENING. Is it not true that a very fine Commissioner was refused reappointment by former President Eisenhower because he was charged with being interested in the consumer?

Mr. PASTORE. Does the Senator refer to Mr. Connole, of Connecticut?

Mr. GRUENING. Yes. The President would not reappoint him because, he said, Mr. Connole was devoted to the consumer interest, which would seem to most of us to be the best reason for his reappointment.

Mr. PASTORE. That is correct. It was said that anyone who had a particular concern should not be considered.

I quite agree with the Senator from Alaska that nothing is more important to the stability and the future of America than the consumer and the protection of his interest. That is what concerns the distinguished Senator from Wisconsin.

I shall vote for Mr. O'Connor, and I will tell the Senate why. He came to me and wished to present himself fully to me, together with his background. I know of his connections, but I am convinced he will be impartial. I shall give him the benefit of the doubt.

However, that does not detract the efficacy of the position of the distinguished Senator from Wisconsin, who is interested in the consumer. I believe his concern is of primary interest to the people of the country and the strength of America. I am glad that there is at least one Senator who is willing to stand up and raise his voice for 2 consecutive days in behalf of the consumer. If he continues for another day, that will suit me splendidly, for it will bring to the attention of the people of the Nation that there are Members of the Senate, representatives of the people, who are interested in the consumers of America. If I have said it once, I have said it a thousand times: The forgotten man of America is the consumer. The sooner we recognize that, the better off we shall all be.

Mr. PROXMIRE. Mr. President, I deeply appreciate the extremely kind remarks of the Senator from Rhode Island. There is no question that he has been, for years, an outstanding champion in the Senate of the consumer interest. He is an informed expert and an extremely useful Senator. He has been a most effective champion of the consumer interest on many occasions. I deeply regret that he does not see this particular case as I see it; nevertheless, I feel very grateful to him.

Mr. PASTORE. Mr. President, I will tell the Senator why I feel as I do. The Senate considered, not too long ago, the nomination of Mr. Swidler, who was considered to be too much interested in the consumer. Then we had before us the nomination of Mr. Morgan. It will be remembered that it was my happy privilege to speak in his behalf because of his past record, in his own State, as the sole administrator of the Public Utility Commission of Oregon, and of the outstanding performance he had rendered on behalf of the interests of the consumers of Oregon. I supported his nomination on the floor of the Senate.

Men of that caliber are already on the Commission. The mere fact that the Senate is now considering the nomination of a man whose background is that of the producers might well give the Commission proper balance.

I observe the distinguished Senator from New York [Mr. KEATING] in the Chamber. As he knows, there is a renowned judge in New York who represented more criminals in his lifetime than any other lawyer living today. I refer to Judge Liebowitz. Yet he is the most severe judge against criminals in the courts of New York today of any judge sitting on the bench.

Similarly, there is the possibility that in Mr. O'Connor we may find another champion for the interests of the consumer. Perhaps because he could be so aware of potential intrigue on the one side, he will now devote himself instinctively to protecting the public interest from this time forward. At least, that is my hope.

Mr. PROXMIRE. I feel certain the Senator from Rhode Island would not wish to agree with what is the view and feeling, as I understand, of some persons that Mr. Swidler was too representative of the consumer. I am sure that is not the Senator's viewpoint.

Mr. PASTORE. Oh, no. I think Mr. Swidler is a splendid public servant. I supported his nomination wholeheartedly.

As a matter of fact, there were some voices raised against his nomination in our committee, and some voices were raised against it on the floor of the Senate. The objection was to the fact that Mr. Swidler was too much interested in the TVA, too much interested in the consumer, and possibly would not give proper protection to the private enterprise system of the United States. That feeling was expressed before our committee.

Mr. Swidler, who is a gentleman and a fine citizen, stood up and said, "As far as I am concerned, I am impartial. I will do equity to both sides. My job is to be fair to all, and so shall I be."

Mr. O'Connor has impressed me in the same way. I shall give him the benefit of the doubt. Nevertheless, I repeat again, that does not take away from the effectiveness of the speech which is being delivered by the Senator from Wisconsin, who is speaking now of natural gas and the way in which the prices of natural gas have skyrocketed, and of the fact that the consumer must be protected.

Mr. PROXMIRE. Mr. President, it seems to me that anyone who considers the Federal Power Commission and its record, who studies what has happened under the Federal Power Commission, particularly as it has affected the producers of natural gas, and who has studied the Phillips case and the Catco case, would conclude that it would be almost impossible to find any man in the country who, as a commissioner, would be too much in the interest of the consumer.

Furthermore, in view of its record and in view of the situation on the Commission, and considering the fact that this means there will be a second man who will be, at least in my judgment, proindustry, the prospects that this nomination will result in a fair, equitable, judicial opportunity for the consumer will be minimal. They will be almost zero.

Mr. PASTORE. But, Mr. President, if the Senator from Wisconsin will indulge me—and I do not say this in any disrespect or in any sense of derogation of the past or in any impertinence at all—we have a new man in the White House. We have in the White House a man who should know about the consumer interest because he comes from a State conscious of the consumer. I know that when he was a Senator, President Kennedy stood up with us shoulder to shoulder to fight these things through.

I repeat that I do not say this in derogation of the former occupant of the White House; but under his administration we saw the Supreme Court case on offshore oil overruled by a legislative fiat. Two members of the Federal Power Commission came before our committee and said that natural gas should not be regulated by any national or Federal administrative authority; they so testified. Mr. Kuykendall, the Chairman of the Commission, came before us, and he felt that way. It is a matter purely of differing philosophy.

I have the utmost respect for their point of view, and I respect them for their point of view, as I hope to be respected for mine.

But I repeat that today we have a new occupant of the White House, and he sent this nomination to the Senate. I am not going into any partisan debate on the subject; I merely am saying that if any man should understand and protect the consumer interest in the United States, that man should be John F. Kennedy: I have every confidence that he will do so. I have every confidence that when he analyzed the background and the qualifications of Mr. O'Connor, he took all these things into consideration. I am sure that he felt the assurance and exercised the judgment that Mr. O'Connor would be impartial and fair and would do equity to all concerned.

Mr. PROXMIRE. I share the admiration of the Senator from Rhode Island for the President of the United States. The fact is that the Senator from Rhode Island was an early supporter of President Kennedy, long before his nomination. I also supported President Kennedy before his nomination. I have been a Kennedy man, and I think he has done a marvelous job as President of the United States, all the way through.

But in my opinion, so far as the consumer's interest is concerned, the appointments are what count. President Kennedy will not be sitting on the Federal Power Commission; he will not have anything to say about how the Commissioners vote—any more than President Eisenhower or President Truman or President Harding had. Once the appointment is made to the Commission, the decision as to whether the rates shall be increased or shall be decreased is made by the Commissioners, not by the President of the United States.

Mr. PASTORE. But I would remind my friend that for one O'Connor, we have a Swidler and a Morgan; we have 2 to 1, for the protection of the consumers. So when the odds are so greatly on the side of the consumers of America, in the ratio of 2 to 1, I am satisfied that the consumers will have a fair day in court.

Mr. PROXMIRE. But the consumers will not have odds of 2 to 1. I wish they did. The fact is that there is a holdover. Is not Mr. Kuykendall still on the Commission?

Mr. PASTORE. I know; but wait and see. This is a new America, a new day, a New Frontier, and I believe it will be a new day for the consumers in America.

Mr. PROXMIRE. But now the alinement of the votes on the Commission is 2 to 2. That means that the consumers cannot possibly win, because it is only necessary to continue to do what has been done in the past; namely, to block, stop, delay, and prevent. Under such circumstances, when a natural gas company makes an application for a rate increase, 5 months later the increased rate goes into effect, and the consumers have to pay it, and the producer and the pipeline benefit from the increased rate over a period of many, many years. It is true that eventually they may have to pay it back with interest, but in the meantime they have that forced loan. As one consumer, I cannot wait, because I feel very strongly that we have to judge each one of these nominations on its merits.

Mr. PASTORE. I repeat that I want to commend and congratulate my good friend, the Senator from Wisconsin. I associate myself with everything he has said. I hope he does not misunderstand me. I am not trying to defend the practices of the past. I am surely not trying to defend the situation in regard to natural gas. I know about it only too well and feel keenly about it, for we in Rhode Island are consumers, not producers. The Supreme Court has held that the price of natural gas should be controlled from the point of the source of the gas right up to the pilot light on the gas stove in any kitchen in America. And that is what should be done, because half control or partial control is no control. The only reason why we control is because we wish the matter handled in the public interest, and we view the matter from the point of the public interest.

There is no other way by which a Rhode Island consumer can be protected; there is no other company to which he can turn. He has access to only one natural gas company, and he either has to use that natural gas company and pay the prices it wishes to charge or do without natural gas. But once a consumer has converted his furnace or his stove to natural gas, he cannot do without it; in that event, it is the only source of fuel he has.

I repeat that my good friend, the Senator from Wisconsin, is doing a truly noble service for the consumers of America, and I congratulate him for it.

I am not defending any practices of the past. I merely say that we have a new occupant of the White House—a man I have supported both before the convention, at the convention, and since the convention; and I hope that with him in the White House, the consumers in America will no longer be the forgotten men of America.

With that, I close.

Mr. PROXMIRE. Mr. President, I thank the Senator from Rhode Island.

Mr. KEATING. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield.

Mr. KEATING. When the distinguished Senator from Rhode Island first spoke about the distinguished Senator from Wisconsin, I rose to associate myself with his remarks. I shall now have to associate myself with only part of his remarks.

Mr. PASTORE. I repeat that I did not mean any disrespect to any previous occupant of the White House. I think my good friend, the Senator from New York, disagreed with President Eisenhower about offshore oil.

Mr. KEATING. I did disagree.

Mr. PASTORE. So I have only stated the facts.

Mr. KEATING. But I do not remember that President Eisenhower ever appointed to the Federal Power Commission—however, if I am in error, my friend can correct me—someone presently engaged in the oil business.

Mr. PROXMIRE. That is correct; and no President other than President Kennedy has done this. This is the first appointment, in the entire history of the Federal Power Commission of a man from the oil industry, the gas industry, or any other private group supervised by the Federal Power Commission.

Mr. KEATING. That is my understanding, too; and I say, as did the Senator from Rhode Island, that in making that statement, I do not mean any disrespect toward the President of the United States. These decisions are difficult. I set for myself a standard in passing on the nominations sent to the Senate by a former President, and I shall

adhere to the same standard in passing on the nominations sent to the Senate by President Kennedy.

I understand that my friend the Senator from Wisconsin raises no question about the character or competence of the nominee; I understand that the Senator's remarks are directed solely to the question of conflict of interest. I shall certainly read and follow closely the Senator's remarks. But, in all probability I shall support the nomination.

But the main purpose I have in rising now is to join my distinguished friend, the Senator from Rhode Island, in complimenting the Senator from Wisconsin for the fight he is making.

I join him in the view that the consumer is too often forgotten. A few minutes ago I talked about the farm program. In dealing with the farm program, we too often lose sight of the consumer. Every special interest seems to have representation and a lobby—and I do not use that word in an invidious sense—except the consumer.

A few days ago I introduced a bill to create in the White House an office of consumer counsel. My bill is S. 2323. Although to the best of my knowledge it is the first White House consumer council bill that has been introduced in the Senate, other proposals of a similar nature have been made. The main point is clear. Something must be done to give a greater voice to the consumer.

The distinguished Senator from Wisconsin, who has labored hard and has studied this particular case, is rendering a real service in bringing out the importance of protecting the consumer's interest. I have nothing but commendation for the work he is doing. I do not say that because of any agreement by me with the remarks of my friend the Senator from Arizona, when he said that this procedure is delaying our consideration of the foreign aid bill, because I favor that bill.

Mr. PROXMIRE. In the judgment of the Senator from Wisconsin, this debate is not delaying consideration of the foreign aid bill a minute. The Senator from Wisconsin would be delighted to have this question set aside while the foreign aid bill is considered. He has made that suggestion.

In the second place, the foreign aid bill has been discussed for 5 hours today, while the Senator from Wisconsin has yielded.

Mr. KEATING. We have debated foreign aid today more than we have debated the pending nomination.

Mr. PROXMIRE. We certainly have.

Mr. KEATING. I am sincere in my commendation of the Senator from Wisconsin. The consumer must have a persuasive voice in this Chamber. I hope that, as time goes on, the consumer must receive increasing recognition by the Congress.

Mr. PROXMIRE. I thank the Senator.

Mr. PASTORE. Mr. President, will the Senator yield for one further thought?

Mr. PROXMIRE. I yield.

Mr. PASTORE. It is my fervent prayer that the good people of Wisconsin will return to the Senate my colleague, the junior Senator from Wisconsin [Mr. PROXMIRE], who is up for reelection next year——

Mr. PROXMIRE. No. The Senator from Wisconsin is up for reelection in 1964.

Mr. PASTORE. Or 1964. Whenever it happens, I hope that his voice will endure for years and years. And on that note, I bid him good evening.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. GRUENING. I should like to associate myself with the final comment of the Senator from Rhode Island.

I wonder if the Senator from Wisconsin is familiar with the long investigation by the Federal Trade Commission of utility lobbying in the 1920's and 1930's. The propaganda campaign started with the late Samuel Insull to pervert public opinion and create a utility-minded atmosphere in which the public interest was shunted aside and the utilities were exalted as the final arbiters in their field.

Mr. PROXMIRE. That is a very interesting comment. The Senator from Wisconsin was about to discuss the sensationally successful public relations program in which the oil industry has engaged, and the relationship of the gas-oil industry public relations program to its fantastic success. I think the analogy of the public utilities under Sam Insull is excellent, except that the oil industry was far more successful.

Mr. GRUENING. The record of the investigation, which reached 80 volumes, and was so voluminous that the public finally lost interest in it, unfortunately, showed that, in effect, the public utilities regulated the commissions which were supposed to regulate them, and finally the public interest was lost from view.

That, regrettably, is the situation we have seen in many regulatory agencies. I do not wish to specify at this time, but we have seen it again and again.

The consumer interest is really the public interest. I think it is a mistake to refer to the consumer's interest as if the consumer's interest were that of a small group comparable to or equitable with the utilities. The consumer interest is the public interest.

Mr. PROXMIRE. It involves everyone.

Mr. GRUENING. It involves everyone. Everyone is a consumer. The consumer interest includes the entire public. I think the Senator's message and the effort which the Senator from Wisconsin is making are most worthwhile. The message goes to the very heart of the New Frontier. Everything that was started in the days of Franklin Delano Roosevelt and the New Deal, and which has been carried on by the Democratic Party, should prevail.

I do not know anything more about Mr. O'Connor than what I have heard from the Senator from Wisconsin and what I read in the CONGRESSIONAL RECORD yesterday, but I think it is extremely important that the alarm the Senator from Wisconsin has sounded be taken to heart by the Senate.

I think it is highly desirable that there be placed on these commissions men who do not have a conflict of interest, so that we may have impartial arbiters as between the interests of the utilities and those of the public. I think the Senator from Wisconsin is rendering a great service, and I commend him very highly.

Mr. PROXMIRE. I thank the distinguished Senator from Alaska very much. I deeply appreciate his remarks. I point out that, in the words of Dean Landis, the Federal Power Commission is the outstanding example of the breakdown of the administrative process, the worst example of an administrative operation that has permitted the representation of the public interest to be lost. The fact is, as Bernstein, whom I quoted yesterday at some length pointed out, and as Dean Landis certainly implied over and over again, that the regulated industries have taken over the Federal Power Commission, as they have taken over other regulatory bodies in the past, as the Senator from Alaska has implied. That fact has been documented over and over again. It seems to me it is beyond question.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

Mr. PROXMIRE. Mr. President, before I began yielding some hours ago I was discussing in detail the article "Oil and Politics," by Robert Engler, who showed what a broad influence the oil industry has had in politics and how it has affected virtually every kind of policy and area, including activities of the State Department, the Department of the Interior, and many other departments.

OIL PAYS ONE-THIRD TAXES

Mr. Engler showed how effective the oil industry has been in not only the agencies which regulate the industry, but also how fantastically successful it has been getting policies through Congress and in placing people who have viewpoints friendly to the industry on the key committees of the Congress. This is one of the reasons for the immense tax privilege the oil industry enjoys, with the depletion allowance and expense provisions and other such things, which have put the industry in a position to pay only one-third of the taxes other industries pay, although enjoying immense profits.

In concluding that section, it seems to me a fitting summary would be that nothing is certain in this world except death, taxes, and the influence of the oil industry in politics. Regardless of administration, and regardless of the fine pronouncements, intentions, and efforts of the Democratic Party or the Republican Party, one sure, certain, and great power seems to be that of the oil industry.

OIL AND GAS IN POLITICS

The Senator from Alaska very appropriately and pertinently set off the next phase: influence of the oil and gas industry in politics, which I should now

like to discuss. This relates to the very successful public relations program the oil industry has had. Mr. Engler writes:

The vexing question of money in politics, has become equated with oil money in politics, a viewpoint encouraged by the rising costs of campaigns, the declining standards of public and private morality, the broad loopholes in our tax laws.

There is distortion, too, in singling out oilmen for their particular political preferences and exertions, rights which, as individuals, they are entitled to enjoy as freely as farmers, airline executives, teamsters, doctors, and Wall Street brokers. This does not dismiss, however, the larger problem posed for a political democracy when the sheer economic power of a few gives them voice and representation far out of proportion to members. There are thousands of oilmen, even if one does choke slightly over the industry's current propaganda about 42,000 independent oil companies. Their individual politics, in terms of purpose and party identification, do vary. While no sharp lines can be drawn, it is important to recognize some distinction between those in politics for the immediate ends of oil and those whose objectives entail the furthering of their particular image of the good society.

Oil people share certain common problems and philosophical approaches. In some phases of production big money can be made suddenly, with individual daring, shrewd bargaining, persistence and luck. The millionaire wildcatters such as Hunt, Cullen, Murchison, Richardson, and a host of others are prototypes of businessmen in other segments of the economy from an earlier period of our history. Their simple image of the boundless opportunity in America for all who would reach out for it is reinforced by their own experiences and unchallenged by continuous direct dealings with unions, welfare problems, and social responsibility. Interference with profits and regulations by Government easily become equated with socialism. Some, like the immediate source of their wealth, are fairly crude in their approach to public affairs. A regional counsel for one large oil company summed up their preelection political relations with aspiring officeholders to a veteran southwestern newsman: "You just put good, green folding money in their lily-white hands and be darn sure they know why you put it there."

This is an experience with respect to which I think everyone who has been at all active in politics is very familiar; whether he has been the happy recipient of oil contributions or whether he has run against a man who has been the happy recipient of these contributions. It is a big factor in the politics of not only Texas, New Mexico, Oklahoma, and Louisiana, but also of Wisconsin and virtually every other State in the Union.

HOW OIL PICKS LEGISLATOR

This industry really understands politics, and understands that the easiest way to influence a legislator is to have him elected. This has two very happy results. First, if one picks out a man who believes in one's point of view to begin with, or represents it or seeks to represent it, and if that man is elected, then one knows that this is a man who will support one's viewpoint and who will vote against any provision for a moderation of the depletion allowance. Second, if one elects such a man, or helps to elect him by making contributions for him, an obligation to the contributor is then involved.

One of the very unfortunate aspects of politics is that all of us must accept contributions. Many proposals have been made to abolish that requirement, but we have to deal with it.

As Mr. Engler says, the oilmen should have as much right to make a contribution as a labor union, a workingman, a banker, a broker, or anyone else, but the oil interests have made their contributions so systematically, so efficiently, so wisely, and so generously that their influence in politics has been very great.

OIL DOESN'T INFLUENCE—IT ELECTS

It has been an influence—which is not the usual, traditional kind—to influence the agencies or the legislators by arguing with them, discussing things with them, or even entertaining them, but, instead, by electing them.

Anyone who has the opportunity to study the contributions to candidates for political office, whether in Illinois or Wisconsin or a State such as Texas, does not have to look very far, if there is a Corrupt Practices Act, to find that the contributors are likely to be, in large part—at least, those who contribute the large sums—from the oil industry.

Mr. President, as Mr. Engler says:

But it is hard to make villains out of these oil producers and their staffs after talking with them in their offices and in the fields. They are generally friendly, rugged, intelligent and outspoken in their faith in a competitive society. And they are far more attractive than the modern college-trained corporation executive one increasingly encounters whose pleasant words sound pretested and whose vaunted initiative is repeatedly mocked when the long-distance calls come in from the regional office in Denver or the home office in Tulsa or New York.

Mr. Engler further says:

The major oil executives have a long view of politics as one of the instruments of business. They prefer to maintain good relations with all parties. Some companies even are reported as making a practice of having vice presidents of both political faiths who can then serve as contact men with their parties.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I am happy to yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not generally true that in connection with these contributions, the big money goes to the Republicans and the small change goes to the Democrats?

Mr. PROXMIRE. The Senator is absolutely correct. A recent study I saw with respect to contributions made to the Republican Party by the oil industry showed that many times as much—on the order of 10 or 15 times as much—went to the Republican Party as to the Democratic Party. This is interesting, because, of course, the Democrats would be much more likely to receive contributions in a State such as Texas or Oklahoma, because the Democrats are the dominant party, and by and large, the Democrats are the successful candidates. In spite of that the record, which was widely disseminated in the last campaign, showed that contributions from oil executives to the Democratic Party were a small fraction of the contributions to the Republican Party.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my good friend from Iowa.

Mr. MILLER. I thank the Senator. I should like to ask another question, apropos the question asked by my distinguished colleague from Illinois.

Is it not true that most Members of the Congress from the oil States are on the Democratic side of the aisle?

Mr. PROXMIRE. That is correct. I think that fact is most remarkable, because the Democratic Party, at least, has the "excuse" of finding people who feel they are representing the economic interests of their State, and that they ought to make a battle and a fight for them. One would expect a Representative from Texas, a Representative from Oklahoma, or a Representative from Louisiana to make that kind of fight.

It is expected. Perhaps it is not bad that such a viewpoint is vigorously presented in the Congress. But the shocking fact is that occasionally we find people from consuming areas who take a viewpoint which is antithetical to the interests of their own people. In my judgment, that is bad public policy and against the public interest.

Mr. MILLER. I suggest to my friend from Wisconsin that there is a very definite connection between the interests of the producing oil companies in the Democratic States and the way that Senators and Representatives from those Democratic States vote in Congress. I would be the first to recognize that we do not want ulterior motives, influenced by campaign contributions, to have an impact upon the way Members of Congress vote. I would not deny that Members of Congress from oil-producing States should keep a wary eye out for the business interests in those States. But I think it is a little timeworn to start talking about Republican candidates for Congress receiving more campaign funds from wealthy people, wealthy business interests, or oil interests. When we come to Congress and sit on the Republican side of the aisle, and look across to the Democratic side of the aisle, whom do we see? Republicans from oil States? No; they are all Democrats except one, and as to him, for the first time in the history of the State he represents in part, a Republican was elected.

I thought it well to make that statement for the RECORD. There are two sides to the coin.

Apropos large campaign contributions going to Republican candidates, I did not see any in my particular campaign in Iowa. I am quite sure many of my colleagues in the Senate have not seen large contributions.

Somehow or other Democratic candidates seem to have a faculty of obtaining adequate campaign funds. I am not sure that they are all reported. I am not sure that all campaign funds of all Republican candidates are reported. But we know that unfortunately some leaders in organized labor have seen fit to support mostly Democratic candidates; and that being the case, the amount of money is rather unimportant after we reach a certain point.

I am sure that my friend from Wisconsin knows, as was set forth so dramatically in the "Wisconsin Story," that the money in the campaign contribution box is not, nearly as important as the manpower, and getting out the vote manpower, as is done by large labor unions. If I had my choice between a large campaign contribution and large manpower resources, I believe I would find myself elected much more often if I exercised my choice for the manpower.

What we are talking about is the important factor in winning elections. The cliche of large campaign contributions going to Republican candidates wears a little thin when we measure it against the actual dramatic fact that about 98 percent of the manpower resources of organized labor goes to the support of Democratic candidates with much greater effect than monetary contributions.

Mr. PROXMIRE. In reply to my friend from Iowa, in the first place, I prefaced my remarks by saying that both parties were receiving oil contributions.

Second, I said that in my judgment, the oil industry was far too influential in both political parties.

I would agree with the Senator from Illinois—and I think the record is overwhelmingly clear—that most of the large contributions from the oil industry have gone overwhelmingly to one party, although both parties have received them. That party is the Republican Party. In my judgment, Democratic campaign funds are far from adequate. Would that that were not so. But this Senator, who has run for State office five times in his State, has encountered great trouble raising money. It is one of the toughest, most difficult, time-consuming, and disheartening aspects of politics. I am sure that statement is true of many other candidates.

DEPENDED ON VOLUNTEERS

So far as manpower is concerned, I am glad that the Senator from Iowa referred to the "Wisconsin Story." A film was made in connection with my successful campaign in 1957, when I ran against Governor Kohler, who was favored to defeat me. One of the scenes of that film showed people making telephone calls in our headquarters. Three or four such headquarters were set up in the city of Milwaukee. We got out our vote. That was one of the big reasons why I won. The workers were not members of organized labor, but largely volunteer workers. They were not paid. They contributed their time.

While I have been helped by organized labor, the overwhelming proportion of the help I have received has come from the volunteer work of rank-and-file people in the labor movement. While I have received contributions—and I am very grateful for them—from the labor movement, business groups, and others, as has every other candidate, it has been this kind of help that has counted.

I have seen that business has done the same kind of thing, and I believe such action is to be commended. I think that those who work on a volunteer basis, particularly, in helping to get out the vote, perform a real civic function. They help in politics in a very fine and commendable way.

VOLUNTEERS VERSUS OIL CONTRIBUTIONS

This kind of political activity should be encouraged, and we should all be very proud of it. If business were to do this kind of work for the candidates it favors—and it has done so to some extent—such action would be commendable. But it seems to me that to contrast the volunteer help that we get from the working people as Democrats in making phone calls on election day with the vast contributions received from the oil industry, which go into buying time on communications media, is not a correct or precise analogy. I think the situation is quite different.

Mr. MILLER. I must take exception to the last statement of my friend from Wisconsin. I had hoped that my colleague would see the connection. What we are taking about is not campaign contributions in a vacuum, or voluntary or other help of manpower in a vacuum. We are talking about delivering the vote into the ballot box and winning elections.

It seems to me that manpower is the most important side of this picture. The RECORD should show that there is another side to winning elections than merely campaign contributions. As my friend from Wisconsin knows from his own personal experience, he would not be here today if he had to rely upon campaign contributions, nor would I. He is here and I am here because of voluntary help. The point is that when this voluntary help becomes so powerful that it can dictate how one shall vote in Congress, it becomes as abhorrent, it seems to me, as campaign contributions of a monetary nature made with the expectation of dictating how one should vote in Congress.

Mr. PROXMIRE. I thoroughly agree with the Senator from Iowa. I feel, as I am sure other Democratic Senators feel—and I am sure Republican Senators feel the same way—that we vote our consciences. If we agree with the viewpoint of organized labor, we vote that way. But if we disagree—as I have done in the past and as I am sure every other Democratic Senator has done in the past—we vote against the viewpoint of organized labor.

Mr. MILLER. By the same token, I suggest to my friend from Wisconsin that Members of Congress who have been the recipients of large campaign contributions vote their consciences in the same way that those who are the recipients of large manpower assistance vote their consciences.

Mr. PROXMIRE. I am sure that what the Senator has said is true. But my argument has been that the approach of the oil industry to politics has been multifaced. Their use of the money fits together into a pattern of influencing an agency, electing candidates to office, influencing the President of the United States in very effective ways, in lobbying legislatures, and in lobbying agencies very extensively and in a very widespread way.

I did not realize until I read this article that the oil industry has more airplanes, which they use in operations of merely flying people around, than the scheduled airlines have.

Mr. MILLER. Does my friend from Wisconsin suggest that the same statement might not be made by him with respect to the activities of organized labor?

Mr. PROXMIRE. Certainly not. There may be a few labor leaders of organized labor, top union members, who have airplanes, but——

Mr. MILLER. My friend from Wisconsin did not get the point I made. He made the statement regarding the many-sided activities of members of the oil industry. I am sure we can say the same thing about other types of industry. Does he suggest that the same statement cannot be made with respect to organized labor? I call the attention of my friend to the fact that there have been many instances of active members of organized labor who have made efforts, and have been successful in their efforts to obtain positions in the Federal Government, either in commissions or in outright appointments by the President. The present Secretary of Labor is a good example. I am not saying that that is improper. The point I make is that when we talk about industry, we should talk about the other side of the coin, too. My friend from Wisconsin knows that this is all part and parcel of protecting the interests which these people represent. They should protect the interests they represent. We certainly do not tolerate unethical conduct. So far as above-the-board and open conduct is concerned, I see no reason whatever to complain about someone representing the oil industry making the best effort he can to protect his interests; nor do I see anything wrong about someone in organized labor making his best efforts to protect the interests of organized labor. All I am suggesting to the Senator from Wisconsin is that we give a balanced viewpoint of this problem to the people. I want the RECORD to show not merely one side. I want it to show both sides. I trust that my friend from Wisconsin recognizes that fact.

Mr. PROXMIRE. I recognize it. There is no question that the steel industry and other economic groups or interests try to influence the Government. Such groups have varying degrees of success in doing so. I am merely saying that, so far as the success of an interest group is concerned, there is nothing quite like the oil industry. They have been immensely and fantastically successful.

While it is true that some of the other interest groups have enjoyed appointments, and while it is true that some of the other interest groups have been successful occasionally, the fact is that when we look at the overall picture, whether it be public relations or direct political action, the oil industry has had by far the greatest success.

LABOR CONVINCES; OIL PAYS

There is another distinction between oil and labor. The fact is that organized

labor's principal weapon and principal success lie in persuading its members of their own political interest. I think this is a commendable and desirable and useful. If the oil industry's principal effort were to convince members of the oil industry of their particular political interest, I think this would also be excellent and useful. I think it should be done.

However, whereas the labor groups primarily work among themselves in this way, the oil people's contribution so far as politics is concerned is largely a cash contribution. It is a contribution which is not used, as I shall show in the succeeding discussion, to influence those in the oil industry, but to influence the American public generally, by persuading them to elect candidates they want elected to office, and by getting into the minds of the public a certain picture which is helpful to them.

FPC IS TO PROTECT CONSUMER

The Federal Power Commission is under discussion. It is a regulatory agency. It was created under the Natural Gas Act and under the Federal Power Commission Act. The act was created primarily for the purpose of protecting the consumer, who otherwise could not protect himself. To this kind of quasi-judicial body, which hands down decisions which affect the consumer and the gas and oil industry, we should make impartial appointments of judicial and broad-gaged men, and not select men from the industry which is being regulated.

Mr. MILLER. The President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MILLER. I suggest to my friend from Wisconsin that if he really wants to achieve that objective, probably the best way to achieve it would be to not have a situation in which there is a Democratic administration with Democratic Members of Congress from the oil-industry States, because so long as such a situation exists, so long as the Speaker of the House comes from an oil-producing State, and the Vice President of the United States comes from an oil-producing State, it seems to me that it makes sense that the oil interests will be adequately protected. What is adequately protected in their minds and what is adequately protected in the mind of the Senator from Wisconsin may be two different things. However, I believe that he is likely to be beating the air with ineffectual wings if his idea of what is adequate is different from what is felt to be adequate by Members of Congress who come from oil-producing States.

Mr. PROXMIRE. I am glad the Senator from Iowa agrees with the Senator from Wisconsin that the oil-producing States are very powerfully represented, and that they occupy positions of the highest kind of power. I have tried my best to disregard partisan considerations, and I have tried to discuss the facts.

Mr. MILLER. It would be agreeable if we could ignore partisan considerations. But I suggest to the Senator from Wisconsin, who happens to be on the other side of the aisle, that perhaps it would be convenient for him to ignore partisan considerations.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I will yield in a moment. I do not mind discussing partisan considerations if the Senator wishes to do so. Perhaps we should do so. However, the oil interests have great power in government. The Senator from Iowa has helped to confirm my view by pointing to the positions of great power occupied by the oil-producing States.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Illinois.

Mr. DOUGLAS. I believe I was the guilty one in this discussion with respect to introducing the partisan note, when I inquired whether it was not true that in the distribution of campaign funds in the oil industry, the Republicans got the big money, and the Democrats the small change. So our good friend from Iowa should level his reproaches at me, not at the Senator from Wisconsin.

I pause to remark on the literary quality of the Senator from Iowa when he spoke of the Senator from Wisconsin beating his ineffectual wings. That reminds me of Matthew Arnold's comment about Shelley, in which he referred to Shelley as a beautiful but ineffectual angel beating in a void his luminous wings in vain.

The Senator from Wisconsin does not pretend to be an angel, and he certainly is not beating in a void his luminous wings in vain. He is making a great fight on the floor of the Senate. I only hope he has the strength to hold out. I am certain I could not stand this pace. The Senator has now been speaking for approximately 20 hours.

Mr. PROXMIRE. The Senator from Wisconsin must confess that because he yielded several times, the discussion has frequently been on the foreign aid bill. However, I have held the floor since 10:30 this morning.

Mr. MILLER. Mr. President, apropos of the Senator's comment——

Mr. PROXMIRE. First, I wish to comment on the statement of the Senator from Illinois. I am delighted to be compared with Shelley. He was an excellent poet. Although I cannot aspire to his poetic power, I am delighted that a man so erudite, so gifted, and so familiar with poetry and literature as is the Senator from Illinois has seen fit to do so, however remote the comparison may be.

Mr. DOUGLAS. The Senator from Iowa used the words "ineffectual wings," whereas the original was "a beautiful but ineffectual angel beating in a void his luminous wings in vain."

I do not regard the Senator from Wisconsin as an angel, but he is not ineffectual, and he is not beating his wings in a void in vain.

Mr. MILLER. Mr. President, if the Senator from Illinois perchance was guilty—and I would deny that he was guilty of anything—but if perchance he was guilty, he made quite certain that his calling upon the angels has delivered him, although he is guilty no longer.

Mr. PROXMIRE. I thank the Senator from Iowa. As Engler says:

> There is, of course, a very potent oil lobby, despite denials by the industry.
>
> It is true that advocates of Federal control too were reluctant to spell out the nature of the oil lobby and to tell who had the heavy investments in offshore oil—let alone mention the entrenchment of oil within Interior. Such caution seemed understandable if not attractive to a civil servant who has dealt with oil for many years: "Oil goes after individuals down here. Be general, say 'oil lobby.' That's OK. But let a politician or bureaucrat be specific, name names and they'll gun for him."
>
> But the tidelands fight provided an excellent case study of the great pressure ability of the industry in Washington. Deployed in full force were the various echelons of respectable law firms, ex-Government personnel, public relations consultants, trade association representatives, company vice presidents in charge of governmental relations, company legal counsel and public relations executives, and even men of lesser social status who called themselves lobbyists.
>
> Lawyers are an integral part of the oil scene. Some, like the late Peter Q. Nyce, devote part of their time to watching Interior Department leases on the public domain for the oil companies whom they serve. There are some 100,000 oil and gas leases involving more than 71 million acres of Federal lands. Nyce, an authority on Federal leasing, represented a great many oil companies on a fee basis. An active lobbyist, he enjoyed an unusually intimate relationship with the Senate Interior Committee and even wrote one of their reports. He further served as a contact man in raising campaign money for deserving legislators who sought his help. "I made oil companies ante up for various candidates."
>
> Clark Clifford, a former Truman naval aide and legal counsel, earns a handsome retainer representing Standard of California in its dealings with the Navy on their joint holdings in the Elk Hills oil reserve in California. Phillips Oil is also one of his clients. According to a Fortune article on lawyers and lobbying, prepared while the Democrats were still in office, Clifford made clear that "I have not and will not register as a lobbyist, for that is not the kind of work we do. We run a law office here, with a background of experience in the general practice of law topped off by an intimate knowledge of how the Government operates."
>
> Clifford, who takes pride in his role in drafting Mr. Truman's fine tidelands veto message, told the writer of this series he had never seen any sign of oil influence in the Democratic Party during his White House tenure and that he did not think oil was a significant force in American politics. Our interview was terminated when Mr. Clifford departed for a visit with the then Secretary of the Navy Robert B. Anderson about the naval reserves. Mr. Anderson, later Deputy Secretary of Defense, was at one time president of the Mid-Continent Oil & Gas Association and had been sought for the presidency of the American Petroleum Institute. This is not mentioned to suggest impropriety in office. But it illustrates how engulfing are the affairs of oil. The number of public figures with oil backgrounds or relations is overwhelming, and in compiling such a list one could lead off with Secretary of State Dulles, whose law firm of Sullivan & Cromwell represents the Standard Oil Co. (New Jersey). And so does Covington & Burling, the law firm of former Secretary of State Dean Acheson.
>
> Although the cocktail party, buttonholing, making the rounds and testifying are still part of the game, old-fashioned lobbying is

generally passé. But there is always oil's ability to offer private air transportation for public officials dedicating pipelines or just visiting home.

And oil's social lobby is effective. The problem here is not primarily that of conspiracy or design. Rather is it in the nature of oil's vast interests and of the social patterns of our culture which provide so many informal channels for interchange among people of power throughout the Nation.

Oil lobbying is a fine art, if not a science. As high an authority as the executive director of the NAM's Washington office, in a pamphlet "Know Your Congressman," published in 1944 for the guidance of businessmen, had this to say about oil's (presumably the API) role in handling the industry's appearances before the Temporary National Economic Committee in 1939:

APPOINTMENT REFLECTS SKILL OF OIL

This is how skillfully and artfully the oil industry has gone about this practice. It is a matter of one pressure group among many trying to get its way. It is a matter of simple, impressive skill which accounts for its success, and which is reflected, to some extent, in the course of the present appointment. This is the quotation from the pamphlet "Know Your Congressman":

"For weeks the petroleum group studied the TNEC members and watched their conduct [sic] of witnesses. When the oilmen appeared, they knew the likes and dislikes of each committee member, and they pulled out an organ stop that appealed to everyone on the committee. Even the committee members were high in their praise of what the oil industry had done. And most important of all, it ended the clamor to enact legislation drastically regulating the oil industry."

Lobbying also takes place in the States. (In early oil days, one observer commented that "the Standard Oil Co. has done everything with the Pennsylvania Legislature except to refine it.") Taxes, leases, and regulations are generally the areas of concern. In Montana, for example, one of the few States which has managed to hold on to its Federal land grants, the oil interests have been trying for many years to get leases on school lands which would continue as long as oil and gas could be produced, instead of those limited to a definite number of years. They have descended on Helena, hiring an ex-Governor and an ex-Supreme Court Justice as well as leading law firms; they have also brought pressure in Washington to revise the State's enabling act.

On a more systematic basis, the American Petroleum Industries Committee, a part of the API, operates in virtually every State capital. Taxes on gasoline are its avowed focal point, with the parent committee serving as a clearinghouse for research and education on tax and regulatory issues. In Colorado, for example, the Petroleum Industries Committee has as its registered lobbyist an ex-legislator and Republican floor leader. "I keep close watch on the legislature on oil matters. I make it my business to visit at home each elected State legislator—or perhaps even before he is elected—to get to know him. I want to do this before he comes to Denver where my face is just one of a hundred new ones he'll have to know. If I can get him on a first-name-calling basis that means a lot. When he comes up to Denver, he'll be lonely, but he'll see a friendly face. I'll help him around, find out what committee he wants, explain about them, and help him get set on the committee if I possibly can." In North Dakota the committee lobbyist explained: "We are not in politics. But of course we tell members who are their friends and who are not."

The many State and regional oil trade associations like the Rocky Mountain Oil & Gas Association and the Mid-Continent Oil & Gas Association are active in their State capitals and in State politics; many maintain Washington offices. The American Petroleum Institute, in turn, with main offices in New York, is the meeting ground for all such groups in the industry. In the past the API has been the object of Federal antitrust suits and was nearly banned in Texas. Today it encourages a public image of itself as scholarly and research minded. The institute prides itself on keeping out of controversy and publicly acts not unlike an embassy, representing the government of oil to the U.S. Government.

Some observers argue, and with good evidence, that the real oil lobby is right in the Congress. Certainly it is difficult to find a Congressman from an oil or gas State who will ever vote "wrong" on oil or gas legislation.

"DEPLETION IS A STEAL"

As the distinguished Senator from Iowa [Mr. MILLER] so helpfully underlined a while ago.

I continue to read from Mr. Engler's article:

To some legislators the moral issue is of a different nature. One veteran Texas Representative was musing about the whole problem with this writer. We were discussing depletion.

Depletion is a steal, it is robbery. I wonder why the rest of the country stands for it. But 9 of 11 of my districts are oil districts, so what can I do. It bothers me. Someday I may vote against it. I've been thinking about it. But of course, if the rest of the country doesn't howl, why should we? But it's outrageous robbery, depleting over and over and over 100 percent.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. DOUGLAS. Is it true that in addition to the provisions for writing off the cost of development in almost a year, which is the greatest rate of accelerated depreciation there is, in practice the depletion allowance provides for returns many times greater than the cost of the original drillings?

Mr. PROXMIRE. The Senator from Illinois is absolutely correct. A study which was made under the Truman administration and released by the Treasury Department, I believe, indicated that, on the average, oil wells are written off through depletion not once, as one would depreciate a machine in a manufacturing plant, not twice, but, on the average, 19 times. They are written off over and over and over again. This is one of several reasons why the big oil companies pay about one-third the amount of taxes paid by other industries.

Mr. DOUGLAS. Their rate, on the average, is 17 percent, as compared with an average of 51 percent for corporations as a whole.

Mr. PROXMIRE. That is my understanding; precisely one-third.

Mr. DOUGLAS. That is correct. Is it not true that some corporations having large profits pay no taxes?

Mr. PROXMIRE. The Senator is correct. I read into the RECORD earlier in the day a situation in which one company had had rapidly increasing earnings, earnings increasing by 20 percent or 40 percent each year; but somehow, after this had occurred for 7 or 8 years, the taxes stopped, although the net income increased; and not for 1 year or 2 years, but for 4 consecutive years, not a single cent of taxes was paid.

Furthermore, I ran across information about several other companies—incidentally, Mr. President, these statistics were previously put into the RECORD by the Senator from Illinois—which, after years of paying taxes amounting to only 1 or 2 percent of their net incomes, and in some years paying no taxes at all, actually received a refund or credit from the Federal Treasury, despite the fact that they had enjoyed such enormous profits.

As the veteran Representative from Texas said to Mr. Engler:

What will happen to me? Well, the oil companies don't trust me anyway, although I've never done anything against them.

GOP VICTORY NOT ENOUGH

Mr. President, I shall omit reading some of Mr. Engler's articles, although they are well worth reading in their entirety.

I come now to an article devoted to the tremendous public relations program of the oil industry. The article is entitled "The Sweet Smell of Oil." Mr. Engler begins by writing:

"There is a colossal shortage of understanding about the oil industry. * * * We propose to increase that understanding. We propose to do it through a carefully planned series of specific steps that will create a constructive, favorable impression of the oil industry in the public mind. We want the public to like the oil industry."

It was November 1946, and Vice President Robert T. Haslam, of the Standard Oil Co. (New Jersey), was presenting to the 26th annual meeting of the American Petroleum Institute for the postwar public-relations program for the industry. This was a product of the extensive deliberations of a 17-man API advisory subcommittee on public relations which were in part based upon the findings of an Opinion Research Corp. study. On the cover of the latter's report had appeared a quotation from Lincoln:

"Public sentiment is everything. With public sentiment nothing can fail. Without it, nothing can succeed. Consequently, he who molds public sentiment goes deeper than he who enacts statutes or pronounces decisions. He makes statutes and decisions possible or impossible to be executed."

This was the essence of the advice to the industry. The Republican congressional victory the previous election week would not solve all their problems, the oilmen were told.

That was a few years ago.

Then, Mr. Engler writes:

If this approach catches the spirit of democratic government, it also represents the rationale of modern public relations. Viewed together with oil's entrenched position within government and oil's activities in what is more narrowly viewed as politics, it provides a key to understanding the political behavior of oil. For public relations is a first line of defense of the organized economic power of the oil industry.

There was nothing new about oil's interest in public relations. It had existed in some forms from the early days of the industry. But there was little need to be defensive in the robber baron period when predatory business practices were judged to be harmonious with the Constitution, natural law, and human nature. America was expanding, and oil was an integral part of that growth. There was no time for democratic or Christian niceties. As John D. Rockefeller, Jr., once explained to a Sunday

school class. Standard Oil's place illustrated Darwin's survival of the fittest: "The American beauty rose can be produced in the splendor and fragrance which bring cheer to its beholder only by sacrificing the early buds which grow up around it. This is not an evil tendency in business. It is merely the working out of a law of nature and a law of God."

Of course, that is a happy way of looking at the progress and the success of the great Standard Oil Co.

Mr. DOUGLAS. Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. PROXMIRE. I yield.

Mr. DOUGLAS. Was not that a misinterpretation of the Darwinian theory of natural selection—that life was a struggle, and that in that struggle the fittest survive, and that therefore those who survive are the fittest, and that no one should interfere with that process, lest such interference result in survival of the inefficient?

Mr. PROXMIRE. I agree it was a fantastic misconstruction of the Darwinian theory. The Darwinian theory should also be applied to society as a whole. If a society is to survive, it must have the wisdom to restrain its destructive impulse.

Consideration of the Darwinian theory shows that society has within it some very vicious forces, which destroyed many of the family businesses or the small competitive units which had made it possible for society to progress. I think anyone who considers the practices of the great Standard Oil Co. before it was dissolved, and at least before the turn of the century, realizes that the fantastic competitive practices in which it engaged could not possibly be justified.

Mr. DOUGLAS. Is it not true that the Darwinian theory misconstrued many of the important aspects—in other words, that the saber-toothed tiger was not the only survivor. The social animals which were able to cooperate also survived. Therefore, cooperation between individuals—mutual aid—has been extremely important in the ultimate determination of who would survive; and, therefore, in one sense it is the relatively meek who inherit the earth.

Mr. PROXMIRE. I think that analysis by the Senator from Illinois is absolutely correct.

The notion—which, unfortunately, I think still prevails in the viewpoints of some persons—that an interpretation of Darwinism that any group which can succeed, regardless of the tactics it uses and regardless of the consequences to society as a whole, is somehow serving society as a whole, is certainly fallacious. Instead the continuation of such destructive and vicious practices for so long a time certainly damaged and hurt America, rather than helped it.

THE FOREIGN AID PROGRAM

Mr. DOUGLAS. Mr. President, I wonder whether the Senator from Wisconsin would be willing to yield to me for a few minutes, so that I may discuss the foreign-aid bill, if it is understood that in yielding for that purpose he will not lose his right to the floor.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield for that purpose, and that the remarks of the Senator from Illinois will follow mine in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, thus far I have not taken part in the debate on the foreign aid bill, and it is not my intention to speak at great length in regard to it.

However, I should like to discuss one feature of it, namely, the necessity for long-term authorization of the loan feature of the foreign aid bill.

I think we wish to draw a very sharp distinction between grants and loans. Grants are amounts appropriated annually, to be expended annually. Therefore, they should be subject to the appropriation process, and should be subject to annual scrutiny, review, and action, not only by the House Appropriations Committee and the Senate Appropriations Committee, but also by both bodies of the Congress.

Loans, however, are in a different category. These are not outright expenditures in the ordinary sense. They are amounts which the Government loans to others with the understanding that the principal with interest is to be repaid. They are, therefore, assets of the Federal Government.

It is the practice of private business, or was the practice of private business in the past, to finance the major portion of capital investments by bond issues. A corporation would borrow money from the public and then invest the money in machinery, plant, and equipment, and in making it a more productive business enterprise.

Therefore, it has always seemed to me that we should follow the practice of private industry and, while we should have very close scrutiny over annual appropriations, and they should be met out of current revenues, this restriction need not, and indeed should not, apply to loans.

This issue arose when we discussed the area redevelopment bill. The House provided that the sums included for loans to private concerns—some $200 million, plus the $100 million to be loaned to local governments—were to be subject to annual appropriations. The Senate took a different point of view, and regarded them as capital assets which need not be subject to annual appropriation, and, instead, provided that the Government might borrow these sums and then reloan them at a rate of interest higher than that paid on the sums which were originally borrowed. There was a conflict of opinion on this question.

The conference committee decided—and both the House and Senate upheld the conference committee—that while appropriations should be the normal method of providing for grants, loans to be repaid with interest need not be financed out of annual appropriations, but could, instead, be financed by bond issues.

An attempt has been made to cloud this issue by referring to such a procedure as back-door financing. I think that is a term of opprobrium intended to discourage the practice; but we have already pointed out in the RECORD—and I believe the Senator from Arkansas did so in detail—that there are approximately 30 acts of the Congress under which this system of financing is used, and that well over $108 billion of loans have been made in this fashion.

In the proposals which, as I understand, the administration and the Committee on Foreign Relations are ready to make, there is ample opportunity for congressional oversight and supervision. But if each expenditure for a power dam, or for a housing project, or for a textile mill, or for agrarian reform is to be subject to congressional appropriation, it will never be possible for the officials administering the foreign-aid program to know in advance what Congress will do, and they, therefore, will not be able to make the commitments which are necessary to carry these projects through.

To construct a modern dam requires a considerable passage of time. It requires years. If such a project can be stopped in any one year by the refusal of Congress to appropriate, a tremendous amount of capital can go by the board, and it will be impossible to make any long-range effective program.

I hope very much, therefore, that on the amendment which I understand the Senator from Virginia intends to offer we may have a clear register of opinion. A vote to require annual appropriations will be a vote, in reality, to hamstring the foreign aid program. I hope very much that it will be rejected, even though, of course, we realize that the motives behind the offering of the amendment are extremely good.

I think the events of the past few days, particularly the extremely belligerent speech of Mr. Khrushchev of yesterday, should convince us that we ought not to flag in our efforts to check the Communist menace.

As we all know, approximately a third of the world is under Communist control, a third of the world is committed to free and democratic institutions, and approximately a third of the world wavers between these two conflicting philosophies. This so-called neutral or undecided third of the world consists, in the main, of the new nations of Asia and Africa, together, unfortunately, with a growing number of Latin American countries.

We are not going to be able to coerce these people into our camp. We must show them that our way of life offers a greater prospect for peace, prosperity, freedom, and development than the Communist way of life.

These nations are, in general, poor nations. They need to have their standard of living raised. While the relationship is not invariable, nevertheless, it is true, on the whole, that the more prosperous nations are less subject to the temptations of communism.

It is quite apparent that Russia is in the foreign aid business and that she will try to use foreign aid in order to win over these nations. While we need not, and should not, enter into an auction system with Russia, trying to outbid Russia for the aid and support of these countries, we should also realize that if we abandon the field, and turn over the whole question of international development to the Communists, they will gain very greatly in the neutral and uncommitted third of the world, and may, indeed, make inroads in the third of the world which at present is committed to us.

So I hope that we may keep a steady course in the days and weeks which are ahead, that we may remain united, that we may have a stern determination to defend freedom, whatever the cost may be, and that we also will seek, in a practical manner, to obtain allies and develop friends.

I know that many people say one cannot buy friendship. This, in a sense, is true. If we are merely bartering for friendship, we do not obtain it. It is also true that the only way to win friends, as someone once remarked, is to be a friend. Acts of creative kindness and generosity which are practical win friends. We know this to be true in our individual lives. We know it to be true also in the relationships between nations.

I have spoken on these points in the hope that the RECORD may show my feelings; and, in all probability, I shall not take part in the discussion again.

Mr. PROXMIRE. Mr. President, I thank the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I yield the floor.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

Mr. PROXMIRE. Mr. President, I was discussing the article by Mr. Engler entitled "The Sweet Smell of Oil." Mr. Engler said:

> There was nothing new about oil's interest in public relations. It had existed in some forms from the early days of the industry. But there was little need to be defensive in the robber barons.

STANDARD OIL PREDATORY

I read that section. I discussed with the distinguished Senator from Illinois social Darwinism and the misconception of it by the defenders of the practices of the Standard Oil Co., which had been so predatory and so destructive.

Mr. Engler went on to say:

> If the rules of the game were rough, presumably, however, the citizen-consumer has always been the gainer. But the mounting organized reaction to monopoly, which found its focus in Rockefeller, together with the uneasy popular awareness that the American dream of equal opportunity for all did not quite square with urban and corporate realities, served to turn the industry to the business of achieving mass approval for its practices as well as its products. Early public relations efforts, essentially drum beating for sales, were adapted to dispelling the image of Rockefeller as a "bad" man. Ivy Lee, hired after the Ludlow massacre, is frequently hailed as the father of modern public relations because of his tactics to make the Rockefellers palatable through emphasis on community deeds. The next stages involved modifying the image of the individual oil company as "bad." Measures were taken to remove the curse from the name "Standard" as well as to make clear that all oil was not "Standard." Today the integrated companies have vast public relations programs geared to their individual needs as well as industry-wide problems.
>
> In its most sophisticated stage, the public-relations approach has been to assure the Nation that the industry and the economic system within which it functions are not bad, that oil's needs and values are harmonious with those of the American people. There has been a counterpart in American industry's general drive to merchandise the label "free enterprise"; this was created to replace such terms as "competition" and "private enterprise" which seemed so obviously incongruous as descriptions of a highly concentrated industrial bureaucracy.
>
> Once oil recovered from its depression scares of the early thirties, when its leaders even pleaded with the dangerous New Dealers for tight regulations under a Government "czar," like much of American enterprise its major spokesmen realized with horror how perilously close they had come to being an accessory to their own socialization. Never again would oil so abdicate. The API redoubled its cooperative endeavors toward corporate self-government. Public relations were intensified, with big government in general and the New Deal in particular prominent targets.
>
> Oil companies prospered greatly during World War II and their economic positions seemed solid. But there was concern about their postwar relations with Government and the public. The disclosures about Jersey Standard's dealings with I. G. Farben, for example posed a public-relations problem beyond that of one company, even though much of the press played down the charges. Harold Ickes related how the president of one leading oil company told him that the industry would never be able to get over the scandal. When the story first broke, the executive's wife called him from across the continent to ask him if he could get out of oil and go into some "decent" business.
>
> Oil no longer had a formal industry public-relations program, its API committee having been disbanded in 1940 because of fear of inviting further antitrust action. A new public-relations committee was formed and in 1946 the API listened to their report based upon a "scientific" analysis of what the public thought of oil, as gleaned from some 10,000 interviews.

PROPAGANDA CAREFULLY PLANNED

This became the new approach of the oil industry, and it was another indication of the extremely effective, thoughtful, and successful adaptation the industry made to promote effective public relations. The oil industry based these public relations on a series of very scientific public opinion polls in which they learned what people were thinking and aimed their appeal, literature, theme, or propaganda, or whatever we wish to call it, at that opinion.

In 1946 the API listened to their report based upon a scientific analysis of what the public thought of oil, as gleaned from some 10,000 interviews.

> "Those who know you well think well of you" was the Opinion Research Corp.'s theme. "There is no indication of the need for a defensive approach. While the public is willing to accept mistaken ideas about the industry, only small percentages at present have convictions hostile to the industry." There were few public complaints about prices and many compliments about service. But there were three critical areas where the industry lacked support: the widespread impressions that oil holds back new developments, that the companies get together to fix prices and that the industry was essentially a monopoly with little competition.
>
> This, of course, was due to inadequate information and understanding, primarily on the part of those who did not know the industry, assured the study.

The study stated:

> The public's great lack of knowledge and absence of opinion about the oil industry is at once your opportunity and vulnerability. No industry ever had a clearer guide to action. When people have no definite opinion about a subject an opinion vacuum exists which is easily filled by the first plausible idea that comes along. Those minds that now present an opinion vacuum on facts and ideas of major importance to the future welfare of the oil industry can be swayed to either friendly or hostile attitudes depending on which plausible story they hear first.

Mr. Engler continued:

> As an illustration the study pointed out that when people were asked how retail gas or oil prices were decided, 56 percent indicated they did not know.

PUBLIC GIVEN FEW PLAUSIBLE FACTS

That is more than half. Obviously this is the basis for the charge that there was an opinion vacuum.

> Fifty-six percent indicated they did not know, 13 percent said "they get together" and 31 percent gave some kind of competitive answers. But when asked which of the statements presented came closest to their own idea, 57 percent chose "the oil companies get together and set prices for their products" while 31 percent marked "each company sets its own prices to meet competition."
>
> This proved the need to rush in to fill the vacuum by giving the public a few plausible facts about oil. "And if, while convincing them that there are (1) a lot of companies, (2) competing to serve them better, (3) making a lot of products that make life better, (4) treating employees, dealers and customers fairly, (5) making a moderate profit by dint of good management, you can also demonstrate that your heart is in the right place, the future of free enterprise in the oil business will be as solid as in any business because—Lincoln was right. 'Public sentiment is everything.' "
>
> Here then was the analysis of trained social scientists. How was the challenge to be met? By "progressive public relations for the progressive petroleum industry," Mr. Haslam reported to the API "the oil industry * * * has never created a long-term characterization by which the public could identify it and approve it. In merchandizing products, we try to create one simple impression that can be grasped readily. The same thing has to be done in terms of the industry as a whole.
>
> "We recognize the danger of letting the industry be set up in the public mind as essential or basic—attractive as that may seem. In peacetime a characterization like that simply helps keep the industry in the frontline for Government encroachment. Thirty-six percent of the people who believe in public ownership of the oil industry do so, they say, because they believe the industry is

essential. Essential industries invite nationalization."

They canvassed and checked and crosschecked dozens of possible characterizations, testing for content value, public acceptance, and practical applications.

"Out of all this study * * * one characterization emerged with a test score substantially higher than all the rest. It is the characterization embodied in the word 'progressive.' It gave us what we were seeking, a central theme. That * * * petroleum is progressive.

"This is not a slogan. This is a central theme.

"Here is a true characterization—one we can live with. Here is a friendly characterization that will be more effective than any other in meeting present and future issues."

APPROACH OF OIL DESCRIBED

Haslam, in the instructions to the oil industry, went on to say:

For example, the progressive character of the industry is its best defense against regulation. A public impressed with that characterization of that industry is likely to think: "Let it alone—there's no need to nationalize a progressive industry."

This progressive characterization can be used to meet many specific issues. For example, it completely offsets the impression that the industry holds back new developments because, obviously, a progressive industry does not hold back. It goes forward. It improves old products. It pioneers with new ones. It is concerned for the welfare of the community in which it operates.

A progressive industry is worthy of fair profits, and the progressive development of the industry requires it to operate at a profit. If the public feels that an industry is progressive, there will be little tendency to think of it as making too much money.

A progressive industry is by nature a competitive industry. This progressive characterization can be projected all down the line.

Mr. Engler goes on to say:

With some modification, this has remained the basic approach of the industry. Literature, films, pattern speeches and advertisements all hammer away at the assumed points of vulnerability. To answer the charges of oligopoly and collusion, for example, the propaganda is guided by the Opinion Research Corp. finding of a correlation between idea as to the number of oil companies and favorable attitude toward oil. The industry reiterates a figure of 42,000 independent competing companies, exclusive of the 200,000 gas station operators.

The following is a quotation from the Opinion Research Corp.:

When 84 million adults have one fact they will dismiss this charge [of monopoly] against the oil industry.

Mr. Engler commented:

It insists that "prices of oil products are determined by the same economic laws that affect the prices of other commodities."

OIL USES NATIONWIDE PUBLICITY

Incidentally, there will be a discussion shortly of the enormous power that the producers of oil have in marketing, and the very great power that they have in exactly this field of setting prices, a process which is certainly not competitive, and a process that has benefitted all the producers greatly, but is at the expense of the consumer. Continuing:

Where 45 percent of those polled could not name any advances in the manufacture of oil products during the past few years, today the advertisements constantly emphasize new improvements. And as prices have risen since 1946 to become a potential issue, industry ads have focused on how relatively moderate has been the rise, compared to other commodities and how much more the gasoline dollar buys today. For unconvinced ingrates or perhaps the socialist-minded there are also frequent reminders of how much worse things are for the motorist in Russia, with a full-page picture of a shabby Moscow gas station without service, an API favorite.

The major tactical need, according to the 1946 report, was "grassroots action to merchandise the friendly ideas and impressions we put out." To this end, the API's oil industry information committee has 14 district offices throughout the country, to provide literature, speakers, films, and promote special oil events.

Oil Progress Week is a major annual undertaking involving such nationwide publicity efforts as radio and television shows, testimonial dinners with the Secretary of Interior and comparable officials as guest speakers, oil-derived clothing fashion shows, oil fairs, between-halves programs at high school football games and "oil-man-for-a-day" programs. With the national office providing basic guidance, this promotion brings into play one of OIIC's proudest instruments—the 25,000 oil people who serve as volunteers on more than 5,000 local committees. (The 1955 target is the recruitment and indoctrination * * * of a fully staffed, functioning committee in every community of 3,000 or more persons.) These people, mainly gas station operators, jobbers and employees, theoretically serve as ideal campaigners for the industry, since they tend to be identified in their communities as hard working independent businessmen whom the citizen sees as competing for his patronage and their livelihood through courtesy and service. Upon their shoulders, they are repeatedly told, rests the burden of protecting the entire oil industry from the threats of Government ownership or control.

Another example, and one that is widely overlooked, of the effective use of volunteer help to which the distinguished Senator from Iowa [Mr. MILLER] referred with regard to labor unions. Here is an interesting reference to how it is used indirectly in politics to affect the image, the public picture of the oil industry.

OIL'S SUBTLE APPROACH EFFECTIVE

Of course, as we all know, especially those who have been active in politics, the attitude that people have toward a candidate or a public official or an industry is important in relation to the kind of public treatment that the candidate or public official or industry can expect. That is why this kind of approach, which is so subtle and is so widespread and so systematic, is so effective.

The article goes on to say—and this was the instruction to the operators—

As a progressive oil man, you know that no one part of the oil industry can prosper unless the industry as a whole is free to serve the public in its own way—free from unnecessary restraints and regulations. If misconceptions are allowed to persist, eventually they will threaten the very existence of the oil industry, and the jobs of oil men and women everywhere. And there is another, even greater, threat hidden in these mistaken ideas. If it were possible to undermine public confidence in the oil and other businesses, it would be possible to destroy the public's belief in the American competitive enterprise system itself.

This kind of approach, I think, is particularly unfortunate because I believe that the belief of the American people in the competitive enterprise system is very important and vital to the success of our system of freedom.

PUBLIC SUBSIDY FOR OIL

I think we cannot have political freedom unless we have economic freedom. At the same time it seems to me that the oil industry is using its faith in economic freedom, which is so important to our preservation, for its own benefit, and using it in a way that it can destroy the faith and freedom, because it argues that oil should be free from unnecessary restraints and regulations.

Of course, it should be. I think all of us agree that unnecessary restraints and regulations should be avoided. But any kind of study, experience, and objective consideration of the experience of the oil industry indicates that this industry has not only been free of unnecessary restraints and regulations, but has had enormous public subsidy through its special privileged position in taxation.

Of course, it has been free from the regulation which is necessary in the view of Congress, according to the decision of the U.S. Supreme Court, and free from the regulation of the price of natural gas at the wellhead. Because it has been free de facto, although the FPC should enforce the law, the price of natural gas has gone up, as is shown by the chart in the rear of the chamber, from 3 cents per thousand cubic feet in 1945 to over 13 cents per thousand cubic feet in 1960. The price has quadrupled over a period of 15 years, in a period of time when no other price has increased nearly that fast.

ABUSE OF PEOPLE'S FAITH

That increase has been growing rapidly in recent years, much more rapidly, in fact, than before the war, and at a time when other costs have been reasonably stable. It seems to me that this kind of abuse of the people's faith in the free enterprise system and in the free competitive system to discourage and to prevent necessary regulation is extremely dangerous and extremely bad, because it can have the effect of destroying the people's real faith in our economic system.

The article goes on to say:

The volunteers are expected to reach local churches, clubs, mass media, and schools and to draw attention to oil in every way possible. Periodic meet-the-press projects entail bringing to every newspaper and radio station a fact book about oil while getting better acquainted with the editors, reporters, and broadcasters. At the end of 1954, OIIC reported that 85 percent of all daily newspapers, 78 percent of all radio stations, 90 percent of all TV stations, and 38 percent of all weekly newspapers in the OIIC districts were personally visited by oilmen, and this year oilmen are attempting to reach every daily and weekly newspaper editor and every radio and TV program manager in the country.

O'CONNOR—NEW HIGH IN GAS POWER

Mr. President, here is a really systematic and ambitious and a very successful program of political influence by going to the source of political power, by recognizing that it is the media of communications—the radio station, the TV station, the newspapers—which are crucial,

and by taking advantage of them in an extremely effective way.

I should remind the Senate at this point that all this is highly pertinent to the nomination of Mr. Lawrence J. O'Connor, because Mr. O'Connor's accession to the Federal Power Commission will represent a new high in the power of the gas industry. It will mean that for the first time a man from the industry will have gone on a regulatory body.

It means that the kind of power the oil industry has used successfully in its public relations programs through its political activity and through its systematic activities in other fields will be even more direct and even more emphatic in the future in the area where it is most important to the oil industry and most expensive to the householder in America, the 27 million American families who are buying and using gas, and the thousands and thousands of industries who are consuming natural gas.

I continue reading:

In the OIIC's 1953 report to the API, included among its accomplishments is the following information:

"Specially prepared editorials and articles dealing with the oil industry were placed in many national magazines in 1953. These included the Saturday Evening Post, Time, Newsweek, Pathfinder, Popular Mechanics, Popular Science, and Business Week. Numerous news and feature stories were placed in the daily press. Wire and photo services * * * syndicated stories."

SOURCE OF REAL POWER

I might say that while a comparison of the power of oil with the power of labor is very intriguing and very interesting, and I believe also very pertinent and proper, I wonder if anyone would argue that organized labor has been as successful in placing numerous feature news stories in the daily papers. The daily press carries news about labor, but it is rarely favorable, and rarely friendly.

Certainly labor will never be in the position where it can expect to have its people visit on a friendly basis and on an influential basis with virtually every newspaper and every radio station and every television station in America. Here is the source of real power over political activity in America, and over the views of people as influenced by the fantastically influential mass media of communication.

The article continues:

The 1954 report tells of continued article assistance and promotion. "Instances of misinformation in a few articles were answered again with facts, in friendly and personal meetings with editors. Arrangements were made in some cases to review future articles for accuracy before their appearance. Book publishers, too, were aided by manuscript reviews."

Schools have become a major target. OIIC's staff has prepared a series of textbooklets and filmstrips dealing with science, social studies, economics and conservation. Oil programs have been introduced into some 5,000 high schools and the OIIC reports that 1.6 million texts have been distributed in the current school year. "We just don't dump texts or send them out," explained the API man in charge of the school program. "We work through grassroots. We want to reach high school kids; that's the way to get the whole country thinking our way eventually."

WHAT IF LABOR ACTED LIKE OIL?

Mr. President, the distinguished Senator from Iowa has drawn an analogy between organized labor and their political activity and influence on the one hand, and the oil industry on the other hand. Can anyone imagine the hue and cry that would go up if organized labor did anything like this, if they sent out well over a million textbooks and thousands of programs to high schools all over the country and said, "We work through grassroots. We want to reach high school kids, that's the way to get the whole country thinking our way eventually."

The hue and cry in the Senate would be great indeed, and it would be right. There is no question that the attempt to instill the propaganda and viewpoint of labor organizations into schools would be resented, and properly so. Besides, they would not be successful.

OIL REACHES INTO SCHOOLS

The article goes on to say:

They speak of ultimately reaching every single high school student and then the grade schools. The local committeemen visit the school boards, principals, and teachers to gain formal acceptance. As one local news story reported: "Representatives of the oil industry, high school principals, and science teachers will meet at the Westchester Country Club next Thursday to consider advisability of incorporating studies of petroleum production and distribution into curriculums."

Some districts have special meet-the-teacher-weeks; others sponsor banquets. Teachers colleges, summer workshops, and school conventions are increasingly covered, with one inducement being attractive visual aids to bring realism into the classroom of the harried schoolmarm. Farmers and clubwomen are also regarded as specialized audiences with speakers, films, exhibits, and advertisements aimed at their organizations, publications, and fairs.

Even the Cub Scouts, ages 8 to 11, observed Oil Month last year, with a million Cub Scouts busily engaged in putting together and coloring cutout kits showing the importance of oil in American life.

OIL'S APPROACH TO CHILDREN

This is an extraordinary industry. Few Americans realize the enormous extent to which this industry has gone to achieve influence. It has even gone to the level of Cub Scouts, aged 8 to 11, to provide them with coloring cutout kits showing the importance of oil in American life.

The article continues:

A booklet telling the story of the competitive oil industry was thoughtfully included with each kit for the den mothers to read to the cubs at each pack meeting.

I think the oil industry is a great industry. We owe it much. It has been a great source of not only energy, fuel, power, and wealth in America, but also it has been one of the reasons why we have been able to defend our country, one of the reasons why this is such a great and strong country.

Mr. MILLER. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I am happy to yield.

Mr. MILLER. Does the Senator state that the information contained in the booklets which were distributed at Cub Scout pack meetings was wrong; that it was misinformation?

Mr. PROXMIRE. I should say to the Senator from Iowa that they gave an emphasis that was wrong. I think that any implication that prices in the oil industry are set competitively is not only inaccurate but is absolutely and totally untrue. I have the documentation to prove that in considerable detail. Prices are set in the oil industry in a way that is anything but competitive. This is not a competitive industry, so far as prices are concerned. It is an industry in which the big producers, who are extremely powerful, have influence in all kinds of complex ways.

I intend to explain in detail and establish that the industry is oligopolistic in this sense. It is not competitive, and to tell Cub Scouts, den mothers, schoolchildren, especially high school children, that the oil industry is competitive, is simply to misinform them.

Mr. MILLER. I recall the days when I was a Cub Scout and received information from the public relations departments of the railroads.

Mr. PROXMIRE. I am certain other industries have done the same thing.

Mr. MILLER. At that age I was not really old enough to comprehend the ramifications of the competitive system, but I think I learned something that was helpful to me as time went on. I doubt that Cub Scouts are at such a stage of development that they are aware of or can understand or comprehend the competitive system about which the Senator from Wisconsin seems to be so much concerned.

It seems to me that because some vast industry, whether it be the agriculture industry, the automotive industry, the railroad industry, or the petroleum industry, or organized labor—and organized labor participates in certain public relations activities involving schoolchildren, and properly so, and I may say in a very fine way——

Mr. PROXMIRE. I may say that that is rarely done.

Mr. MILLER. I am certain the Senator has heard of the essay contests sponsored by the American Federation of Labor. They have been held in many cities throughout my State. They are excellent and are calculated to broaden the educational background and interests of our children. I think that is all profit. I would be the first to join with the Senator from Wisconsin in condemning activities which are improper; but I believe the problem of the petroleum industry should not be singled out merely because the Senate has before it a nomination for confirmation.

I believe that many of the things which the Senator from Wisconsin has been saying about the petroleum industry fit other industries and other activities, including labor unions, as I said; some of them in a detrimental sort of way, others in a praiseworthy sort of way.

Mr. PROXMIRE. The oil industry is the only industry which does it in so

systematic, thorough, and broad a way. The oil industry is a fantastically wealthy industry. As I stated earlier today, of the 17 largest manufacturing corporations in the United States, 9 are in the petroleum industry. It is far out in front. It has the ability to finance. It uses that ability to get before the public the conception that this is a competitive industry. In reality, it is not a competitive industry, at least so far as prices are concerned. It seeks to convey the impression that it should be free from restraints and regulations.

I think the evidence is very clear that the experience in the natural gas industry is that if that industry is freed from regulation, the consequence will be that prices will increase, that it will be bad public policy, and that the impact on natural gas and the users of natural gas will be adverse.

Mr. MILLER. What the Senator has just said about an industry or an activity campaigning for freedom from regulation of Government interference can be said for practically all the other industrial activities, organizations of businessmen, labor unions, and the like. This is nothing new.

Mr. PROXMIRE. There is no comparison. No labor union has been able to get into all the schools or to go to every single newspaper, radio station, and television station in America with a systematic program in the way the oil industry has. The Senator from Iowa will not find any other industry that can do this. He will not find any industry that can go to high schools with such a comprehensive, skillful program of getting its particular viewpoint across.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. Can the distinguished Senator from Wisconsin give the Senator from Minnesota any indication of how much longer he intends to discuss this very important subject? I wish the Senator to understand clearly that I appreciate the sincerity of his position and the importance of his discussion. I merely desire some guidance for the purpose of arranging to have other Senators present.

Mr. PROXMIRE. The Senator from Wisconsin has a large amount of material left, as the Senator from Minnesota can see.

Mr. HUMPHREY. The Senator from Wisconsin is a fast reader.

Mr. PROXMIRE. The Senator from Wisconsin is not a fast oral reader.

I think it is necessary that I comment on much of this material, so I think it will be many hours before the Senator from Wisconsin has completed his speech.

Mr. HUMPHREY. Does the Senator feel that he will take us into the new day?

Mr. PROXMIRE. Oh, easily.

Mr. HUMPHREY. And with a very good start in the new day?

Mr. PROXMIRE. We will have a fine start in the new day.

Mr. HUMPHREY. Possibly as the new day wears on, the Senator from Wisconsin may become a little weary.

Mr. PROXMIRE. The Senator from Wisconsin is already a little weary.

Mr. HUMPHREY. The Senator from Wisconsin looks fine.

Mr. PROXMIRE. The Senator from Minnesota is never weary. The Senator from Minnesota has that happy capacity, as the pressure grows stronger, of appearing more vigorous as the hours go on.

Mr. HUMPHREY. That compliment has enticed me to spend some time with the Senator from Wisconsin this evening. I shall soon be back with the Senator. For the moment, I shall take some time out for dinner.

The distinguished Senator from Oregon [Mrs. NEUBERGER] will be here. When I return later this evening, I shall join in the colloquy. Since I usually find myself feeling a little more rested after midnight, I shall return to share in the opportunity of frank and open discussion of this important subject.

Mr. PROXMIRE. I thank the Senator from Minnesota. I am enthusiastically looking forward to that event. The Senator is most remarkable. He is almost the only person I have known in my life who, since he was 12 years old, has never gone to bed before midnight. I am certain he is one Senator who would suffer very little from this kind of very necessary action on my part.

Mr. HUMPHREY. I appreciate the charitable nature of the Senator from Wisconsin, because he did not remind the Senate of how difficult it is for me to get up in the morning. I really appreciate the Senator's charity and graciousness. I wish the Senator good luck.

Mr. PROXMIRE. I thank the Senator from Minnesota.

Mr. President, Mr. Engler goes on to say:

> In many districts there are special films and tours for the Scouts, and on the west coast some Boy Scouts benefited from a geology counselor at their summer camp, whose salary was contributed by a number of oil companies. The possibilities are apparently limitless and the results rewarding, advises the OIIC in literature to jobbers urging their participation in this public relations.

NOTHING APPROACHES OIL

I think it is easy to make the charge that that is what everyone does, but it is something else to present the documentation, as I am doing here. I am familiar with the activities of various industries and the unions. I have never seen anything even remotely approaching the impressive, widely scattered, and, I feel certain, great impact of the oil industry. This is the quotation from the OIIC:

> As part of an educational program arranged by a Kansas oilmen's club, 52 selected Boy Scouts made a tour through every type of oil facility in the area. A police escort accompanied the caravan and guides at each installation explained what their guests saw. The boys were conducted through drilling and producing facilities, a refinery, a pipeline terminal, a bulk plant and a service station.
>
> "Before they left the service station," a host jobber explains, "all hands tore into hot dogs, ice cream and soda pop. Finally, 52 tired and thoroughly stuffed young gentlemen were delivered to their respective doorsteps—much the wiser, and far more friendly to the oil industry as a result of their experience."

(At this point Mr. SMITH of Massachusetts took the chair as Presiding Officer.)

Mr. PROXMIRE. Frankly, Mr. President, I see nothing wrong with such action by the industry. But I very vigorously disagree with the policy of the oil industry in disseminating propaganda to the effect that it is a competitive industry composed of thousands and thousands of units which compete freely and easily on the basis of price, whereas the actual situation is entirely contrary, insofar as price is concerned, except that the little gasoline station operators do compete quite vigorously in various ways on the basis of price.

OIL AND "ART OF PUBLIC PERSUASION"

But the big producers which will be affected by confirmation of the nomination of Mr. O'Connor do not compete.

This article concludes as follows:

> Thus, the API strikes to fill the opinion vacuum, generally careful to avoid specific references to controversies such as tidelands. "No one, to our knowledge, has worked more diligently or intelligently than OIIC," Dr. Claude Robinson, president of the Opinion Research Corp. told the API 8 years after his original report. "It is our professional judgment that OIIC has written and is writing a significant chapter in the art of public persuasion."

Mr. President, this is one of the reasons why it is so very difficult politically to get people to stand up to the oil industry. Because it has had such a massive, widespread, and overwhelmingly successful public-relations program which has been so well financed; and, as this writer states, it has written a significant chapter in the art of public persuasion.

OIL KNOWS GRASSROOTS POWER

It knows that public power resides and stays in the grassroots, and that if it is possible to convince millions of Americans that a certain course is correct, regardless of the actual correctness of the course or the proper public policy, an industry that convinces the public of that will be able to benefit and to stand up to persons in public office, because the real power of those in public office comes from the grassroots.

The final article written by Mr. Engler which I am going to discuss tonight is also about public relations.

Mr. Engler writes:

> A public relations manual of one of the largest oil companies advises as follows:
>
> "Personal contacts are of great importance. It is expected that refinery management and the community relations representative will have a wide personal acquaintance with publishers, editors, reporters, and other executives of publications and radio and television stations in the refinery area. The community relations representative is to correlate his personal contacts with those of refinery management and develop good working relationships with editorial writers, city editors, reporters, columnists—the working press * * *. Refinery management is responsible for encouraging executives and other employees to take part in civic affairs. * * * Local management determines which are the leading local groups and encourages representation in them."

These generally include youth groups, fund-raising drives, church activities, boards of education, boards of regents, library boards, planning commissions, boards of trade, advertising, fraternal and social clubs. Social clubs * * * include athletic, city and county clubs where individual memberships enable employees to develop associations and friendships that benefit the company. In the case of company-assigned memberships, employees who accept appointments to civic or charitable committees should do so with the understanding that the company wants them to become leaders and to earn reputations for getting things done.

OIL SETS THE PACE

Much of this kind of approach is, of course—as the Senator from Iowa has pointed out—common to many industries. My point is that the oil industry sets the pace, and is far ahead of virtually every other industry. It is far ahead for many reasons—first, because it was first; second, because it is very intelligent in the way it operates; and, of course, third, because it is incomparably better financed, and can afford it.

I read further from the article:

Standard [New Jersey] maintains the most extensive and sophisticated of oil public relations programs. Memories of Rockefeller, the 1914 Ludlow massacres and even dealings with the Nazis presumably are dim, and certainly they are overshadowed by the genuine community-mindedness of the third generation Rockefellers and recent executives like Frank Abrams. Yet the organization remains vigilant, with public relations an integral part of all activities. In 1951 Standard announced a plan to hire 10 or more college teachers for a year, paying their regular salaries and giving them definite assignments. "We feel that there has long been a need for a bridge between the campus and industry. What we are doing we hope is a modest start toward bridging it. * * * We shall try to choose people for whom we can do the most good and who can do the most good for us." In December 1954, Standard announced a gift of $450,000 to 138 private colleges. This brought their gifts to American education to a million dollars for the year.

Arthur G. Newmyer and Associates serves as Standard's public-relations consultant in Washington. With the Earl Newsom organization in New York, it is credited with ending much of the official hostility to the company occasioned by the disclosures of Standard's I. G. Farben connections. The firm, which also represents Ford, American Locomotive, Atlas Powder, and ASCAP, is careful to make clear it is neither lobbyist nor 5 percenter. This is a "low-pressure approach to Washington" and the firm keeps away from pending legislation, explained James M. Newmyer. Standard is viewed as too complex for lobbyists.

Public-relations firms generally seek to keep the integrated oil companies out of controversy or from being publicly identified with extreme positions. Specially created organizations or groups like the chamber of commerce, which circulated radio scripts for grassroots consumption, were relied on for the public-relations end of tidelands. Gulf, Standard (Indiana), Socony-Vacuum, Texas, Sun and others have contributed to such free enterprise propaganda vehicles as the American Enterprise Association and the Foundation for Economic Education, with the Sun Oil Co. probably the most willing to be so identified publicly.

Independent producers without concern for consumer good will can have fewer inhibitions. Thus H. R. Cullen distributes hundreds of thousands of copies of John T. Flynn's diatribe against the welfare state, "The Road Ahead." H. L. Hunt openly sponsors "Facts Forum" as part of his tax-favored efforts to sell via radio, TV, the press and even paid for letters to editors his hatred of welfare measures and support for McCarthyism.

Oil public relations can be mobilized for immediate short-run issues as well. And when the stakes are high enough, the fundamental distinction between the primitives and the sophisticates fades as does the mythical line between politics and public relations. The story of the defeat in Colorado in 1952 of a constitutional amendment authorizing a severance tax on petroleum, the familiar tax device in most producing States, provides a clear illustration of what lies behind the facade.

There had been considerable feeling in the State that the oil industry, which produced $70 million worth of crude oil in 1951, was not paying its fair share of taxes. Repeatedly frustrated by the lobbying of the industry and the resultant failure of the legislature to act on any severance tax proposals, civic groups mustered more than 40,000 signatures to initiate an amendment on the ballot to allow the voters to decide directly. The oil severance tax committee was a genuine grassroots movement, sparked by women's volunteer groups, PTA, teachers, school districts, and Farmers Union, Grange, and union members. A week before the election the prediction, backed by polls, was that amendment No. 4, providing for a 5-percent severance tax to be earmarked for school purposes, would win easily.

The industry, however, had not been idle. Colorado Oil & Gas Industries, Inc., was formed to fight the amendment. This had been created, according to the then president of the Rocky Mountain Oil & Gas Association, "under the guidance of a special committee of our executive committee." But literature of Colorado Oil & Gas Industries described it, in very fine print, as "a group of small independent oilmen banded together for the purpose of fighting excessive, discriminatory taxation." The modest identification was understandable since the chief finances were generally assumed to have come from the California Co., the largest producer in the State and a subsidiary of Standard of California.

OIL STRATEGY IN COLORADO

Such a complete misstatement of the facts is only to be criticized, and does not feature the approach made by industry generally.

I read further from the article by Mr. Engler:

Edward M. Hunter, then publicity director for the Colorado Republican Committee, was hired to handle the publicity.

The first step—

The first step in defeating the 5-percent severance tax which would have been imposed on the oil industry, to support the schools in Colorado—

was the inevitable public-opinion study. In January 1952, Research Services, Inc., completed a field study of public awareness and voter inclination relating to oil in general and the severance tax:

"At the present time a majority of the voters of Colorado approve a severance tax on oil. Severance tax proponents favor the tax because they think it is a good revenue raiser, the oil industry can afford the tax and under their present thinking it will not hurt them personally."

PUBLIC RELATIONS SPECIALISTS ASSIGNED

Those who disapprove of the levy oppose it on the grounds that taxes are high enough already, the oil industry is taxed enough now, and the tax might discourage the development of the oil industry in Colorado. * * * There is every reason to believe that an oil severance-tax measure, if placed before the voters today—

This was before the oil industry went to work—

would pass by a large majority. * * * However, it is apparent that overall attitudes are not solidly structured at this time, being based on lack of information and misinformation. Thus, they are considered flexible and * * * susceptible to certain reforms. * * * Those who have heard of the tax are more inclined to favor its passage. In other words, it appears that perseverance propaganda has, thus far, had some effect on developing attitudes contrary to oil interests. * * * However, this survey was taken before any real concerted action by the oil industry, and consequently, might be expected to produce this negative finding.

With the weightings to the various answers as a guide, an organization was set up designed to reach every industry, interest group, and club in the State. Special effort was made to gain the support of allied industries such as utilities and transportation. A speakers' bureau was established and civic groups throughout the State were solicited as to their desire for a speaker whose "presentation will be factual, nonpolitical, and informative." The campaign plan even had provision for "G–2 intelligence" to handle "political" matters. Card files were created on the leaders and opinionmakers of each community, with notations being made as to occupation, employer, voting preference, position, and degree of interest in the campaign, whom they influenced, who influenced them, lodge membership and public activity, and whether they had any personal economic interest in oil.

Public-relations specialists from oil companies were loaned to the campaign. Groups like the Colorado Mining Association and the Colorado Motor Carriers helped in the mailing of literature.

In the closing weeks, letters were sent to employees of companies in the Colorado Oil & Gas Industries:

"The proposed severance tax, amendment No. 4, on the November 4 ballot, is a threat to your future and the future of the entire Colorado oil and gas industry. With your full support, we can defeat this unnecessary and unreasonable tax. Remember you have a personal stake in this ballot."

The letters then told employees how to contact their neighbors, each employee being asked to get 10 voters to pledge a "No" vote.

"Ask them to vote 'No' on amendment No. 4. If they indicate they will vote 'No,' fill out one of the enclosed pledge cards. Do not ask them to sign the card. You fill it out. Sign your name and the name of your company on the bottom two lines. Return pledge cards and any unused literature to the Desk and Derrick Club representative in your organization."

Billboards, posters, leaflets, stickers, newspaper advertisements, radio programs, animated TV cartoons, and hundreds of spot-announcements told the oil companies' story. Every Denver bus had a foot-high, black-and-yellow cardboard sign stretched above the front bumper, urging citizens to vote "No." Special pamphlets were addressed to the mining, agricultural, school, business, labor, and white-collar groups. Workers in the field were advised: "Please watch all the newspapers in your immediate vicinity for any letters from readers, particularly if such letters are in support of the severance tax. We believe that each such letter should be individually answered and preferably by someone locally. However, the Denver office will go to any pains and take the necessary amount of time to make the individual re-

plies, either under the signature of someone in your area or, if you prefer, by Charles D. Edmonson, president of Colorado Oil & Gas Industries, Inc."

The theme was always the same: "Vote 'No.'" "The severance tax is a dangerous tax." "You may be next." In big ads the farmer was warned that "It could happen * * * a severance tax on agricultural products." "Five percent—wheat and sugarbeets could be next." As a further thought, another ad reminded that "Every farmer is a potential oilman." Ranchers were similarly prodded.

In the mining and lumbering areas advertisements appeared showing closed mine doors. "It could happen to you. This is a ghost mine. It could be the fate of many mines if the severance method of taxation is ever initiated in our State. The proposed oil and gas severance tax is the first step in a program to load additional taxes on all natural resources."

Oil workers, farmers, and taxpayers were advised that "oil operators may cap their wells in Colorado" and send their drilling crews elsewhere. "You may be next." Parents and educators were informed that oil and education go "forward together," and the "higher oil and gas taxes" would mean "less money for schools."

MOST CYNICAL OIL TACTIC

Although the severance tax was imposed for the precise, specific, and exclusive purpose of benefiting the schools.

Perhaps most cynical of all the tactics was the repeatedly published prediction that Colorado's potentially great industry, the production of oil from shale, "will be stopped dead in its tracks if you allow the proposed oil and gas severance tax to become part of our State constitution." Shale deposits on the western slope could yield an estimated 50 to 100 billion barrels of oil. But blocking its development and the experiments at the Government's plant at Rifle has been the oil industry which fears what this would do to its control over prices and markets if it is produced and marketed at competitive prices beyond the pale of oil's private government.

An industry survey made shortly before the election found that "voters have become more confused about the issue." And the confusion came to a climax with announcements by Governor Thornton, and then in the very closing days of the campaign by the State board of education that they opposed a severance tax which was earmarked and whose source was an amendment rather than legislation. The latter action was immediately featured in all the oil propaganda. On November 4 the tax was decisively defeated.

Here was a case in which the PTA's, teachers, farm groups, and others had started out to impose a very modest tax on an extremely profitable industry in Colorado, a tax of only 5 percent. The oil industry recognized, on the basis of its poll, that the tax would win easily. It was highly favorable and popular. It went to work in a systematic way—and I think the article clearly shows the distortions in its campaign—that it succeeded in defeating the tax by the force of this campaign.

ONLY OIL COULD OPERATE THIS WAY

It seems to me the theme and the meaning of this particular story is not that this could not have been done by another industry. Perhaps other industries have done things of this kind. But it is illustrative of the way the oil industry has operated, directly, at the grassroots, on the people involved.

Usually a referendum constitutes, in the opinion of many persons, the toughest challenge to a vested interest group, and the greatest opportunity for the public interest. But the oil industry, on the basis of its performance under these circumstances, it seems to me, has demonstrated that it can meet and match that challenge, and do so with flying colors.

Thus ended what an editorial writer for the Denver Post called "one of the most misleading campaigns to which Colorado voters have ever been subjected."

DENVER POST UNDER OIL PRESSURE

The Denver Post in one of the truly great newspapers in America. It has an outstanding reputation for fairness and objectivity.

Estimates as to what oil spent vary from $250,000 to $500,000, although the representative of the Colorado Petroleum Industries Committee of the API thought this was greatly exaggerated.

The Denver Post was subjected to great pressure, but it was steadfast in its support of the tax, a welcome contrast to the position of its predecessor owners whose silence had been directly bought in Teapot Dome days. A few days before the election, the Post had to remind the industry editorially of the distinction between a free and a kept press. The president of the Rocky Mountain Oil & Gas Association had complained in a speech that, "You'll find page after page of lucrative advertising opposing the severance tax in the Denver Post and on the next page there will be an editorial advocating the adoption of the severance tax. The Post is biting the hand that feeds it."

But oil bought primarily a postponement. For the legislature subsequently acknowledged the basic public sentiment by adopting a moderate nonearmarked severance tax on a graduated basis, the latter provision softening the opposition of smaller independent producers.

Reviewing his campaign 2 years later, Hunter said he has concluded that people do not believe newspapers, for they are too dishonest and sensational. "They believe our advertisements. You can have your editorials against me. I'll have the ads and influence people."

Hunter's work on oil provided Governor Thornton, at odds with the advertising man, with a plausible reason for forcing his resignation as publicity director of the GOP State central committee in the fall of 1952.

All the talent, experience and resources of the industry are now being employed in a tremendous public-relations campaign to provide the grassroots base for its campaign to abolish Federal regulation of natural gas prices.

HIGH COURT, PROPOSED LEGISLATION THWARTED

That was 1955. Of course, although the Phillips case was upheld in the Supreme Court, and although numerous bills were introduced in the Senate and in the House, all of these have failed. The industry has succeeded in stopping the regulation of natural gas by dominating the Federal Power Commission.

The nomination of Lawrence O'Connor, which is now pending before the Senate, is the latest chapter in this domination. It seems to me very difficult to interpret that nomination in any way, except as being the highest and most impressive achievement the oil industry has yet secured, by placing on the body or agency which is directed by the Congress of the United States and by the Supreme Court to regulate the industry, a man whose whole identification, whose whole interest, whose whole involvement, and whose whole experience has been with the industry itself.

The article goes on:

The objective is to prevent the "cancer of Federal bureau control" by selling the view that natural gas is now competitive and that regulation will harm the consumer by discouraging investment and exploration, cutting supply and raising rates.

NATURAL GAS NOT COMPETITIVE

I shall show in documented detail—and I shall cite chapter and verse—that the natural gas industry is anything but competitive.

Only pennies per month are at stake for each housewife, the industry argues.

Of course, those pennies add up to a great deal of money. As seen from the chart, the cost of natural gas per 1,000 cubic feet has soared. It is directly loaded, inevitably, on the back of the householder, on the back of the housewife.

The article goes on to say:

But as Senator PAUL DOUGLAS, Democrat, of Illinois, has insisted, exempting the big producers from regulation may cost consumers from $200 to $400 million a year.

I am sure that if the Senator from Illinois [Mr. DOUGLAS] were present tonight—he was present earlier and engaged in a very helpful colloquy—he would not only be able to corroborate the figures but also to update them.

"THIS IS CLEARLY A BIG OIL FIGHT"

The article, written 6 years ago, states that the cost to the householder, who is also a taxpayer, was $200 to $400 million a year. It would be a very much greater cost now.

The article goes on:

The familiar battle cry in all this is that of the threat to the thousands of small independent gas producers. But this is clearly a big oil fight, with seven gas companies producing about a third of the total production involved and a hundred companies producing better than 85 percent. These gas companies are generally affiliates of or indirectly related to the major oil companies, the term "independent" implying only that the gas companies are separate from the pipeline companies.

Mr. President, last night I put into the RECORD the holdings, income, assets, and properties of the 25 largest producers of natural gas. I documented the fact that this is a fight not for the little independents but for the big, wealthy, powerful, well-financed and very lightly taxed oil and gas companies.

The article continues:

So long as it [gas] operates in the shadow of natural gas regulation, the petroleum industry, along with other competitive industries as well, is under the threat of "Federal regulation," explained Board Chairman Adams to the Phillips Oil employees. And so, its tears for the little man and free enterprise notwithstanding, oil rejects compromise legislation which would exempt the small and genuinely independent and competitive gas producer from regulation.

LITTLE MAN EXEMPTION FOUGHT BY INDUSTRY

The Senator from Illinois introduced proposed legislation which is very highly favored by the Senator from Wisconsin

and by many other Senators, to exempt the overwhelming majority of producers from regulation by the Federal Power Commission, but that proposal has been fought all out by the industry, including the Independent Petroleum Producers Association, in which the nominee has been so active as a member and as a committee chairman.

Keeping bureaucrats from Mrs. America's kitchen range is the public appeal. Keeping Mr. and Mrs. America from exercising any control over the price and power of the industry is the private purpose, with public relations the technique for getting the poorly organized consumer to support—or at least not oppose—a cause inimical to his own welfare.

It would be simple to conclude from these vast and varied public-relations efforts on a note affirming the essential villainy of the oil industry. But oil has a legitimate right to push the worth of its principles as well as its products. And regardless of motives, it is difficult to challenge the contributions of many of its services and leaders, the free distribution of 125 million roadmaps a year, the support of little theaters, hospitals and universities, the Folger Shakespeare Library, and Rockefeller charities, the sponsoring of the Metropolitan Opera.

OIL PUBLIC RELATIONS COSTS $50 MILLION PER YEAR

All these activities, in which the oil industry has engaged, are laudable and should be, it seems to me, very highly praised.

There is also danger in taking the claims of public-relations people at face value. For example, the effectiveness, let alone willingness, of the local gasoline dealer in talking about the virtues of the competitive oil industry when his customers drive in for a tankful of gas during Oil Progress Week sounds more impressive in a Rockefeller Center office than in a New England filling station. Even the meaningfulness of the much discussed propaganda network of the primitives must be reassessed when one notes, for example, that in Hunt's "Facts Forum" public-opinion polls, 86 percent of the respondents answer affirmatively to the intriguingly worded question, "Should we let the Chinese fight the Reds?" 83 percent to "Are Communists in the United States conniving to promote juvenile delinquency?" and 71 percent to "Are both parties being influenced by Communists?"

These public-relations campaigns do pose, however, fundamental problems that go to the essence of democratic performance and survival. The sheer amount of propaganda, the variety of techniques and the great wealth behind them in themselves raise questions as to the opportunity of the American people to hear the fullest range of facts about public issues. One API staff member estimated oil's nonmarketing public-relations expenditures at $50 million a year. But it is almost impossible to arrive at conclusive figures; it is far easier to estimate the cost of how oil brings its messages to the public than the cost of preparing what the industry says.

Paralleling this is the all too frequent absence of public opinion or organizational positions to counter any of the points advanced by oil.

OIL FACES NO CONTRARY VIEWPOINT

This, it seems to me, is one of the most important answers to those who say, "Let oil go ahead; after all, they are performing a service and providing information, even though some of the information may occasionally be distorted or may be untrue."

The fact is that the information moves into a vacuum, as the oil industry carefully determined in its very thorough opinion research before it engaged in the campaign.

There is no contrary viewpoint to set the facts straight. The public, constituting all of us, is disorganized. The public is disunited. The real public interest is rarely voiced. This is the reason the industry has such a great impact upon the Federal Power Commission, the Federal Communications Commission, and on virtually all the other regulatory bodies.

The industry is in there day after day, week after week, and month after month systematically having precise and exact goals, knowing where it is going, knowing what it wants, and having the best brains money can buy to effectuate its programs.

PUBLIC ONLY HAS COMMISSIONER

What has the public to contradict such an approach? Only the integrity, the character, the background, experience, and the broad-gage attitude of the commissioner. If we get a commissioner who has the unusual and remarkable ability to stand up against this kind of blandishment, the public has a chance. But when as commissioner there is appointed a man who not only is from the industry but who also has the narrowest kind of industry background—not as a lawyer, engineer, or a man who has made a broad study of the industry, but as an accountant who has specialized and whose expertise is entirely related to a very fine, useful, and necessary but very limited field—the kind of decision one can expect from that commissioner is about as predictable as one can get.

To proceed, Mr. Engler wrote:

The essential abdication, if not complicity, of the press is also an important factor. It is an oversimplification to say that advertising influences what the media present, yet one cannot but speculate about the correlation between their behavior and the almost daily blanketing of the press with gasoline and institutional ads. (Jersey Standard reported nearly $19 million spent in 1953 for marketing advertising.)

PAPERS IGNORED MORSE'S MESSAGE

I am sure if we could bring that information up to date, it would be far, far more.

Continuing to read:

Presumably most of the Nation's newspapers did not profit directly the way some Texas papers did in a "Remember the Tidelands" crusade by selling to local sponsors full-page mats prepared by the Texas Statewide Tidelands Committee and distributed with the help of the Texas Press Association. Nor are the writers and editors beyond the oil producing regions as directly susceptible to the role of oil in the community power structure. But it is difficult to justify either as responsible or free such items as the widespread action in treating Senator WAYNE MORSE's filibuster against the offshore oil bill as a sports event while virtually ignoring its very relevant contents.

I suppose the very serious argument I am trying to make tonight—and I am trying to make it as relevant and to document it as much as I can—will possibly be treated, as Mr. Engler said the very great speech of the Senator from Oregon [Mr. MORSE], some years ago on tidelands was treated—primarily as a sports event.

Mr. Engler went on to say:

The Associated Press story in 1953 claiming the offshore debate was "blocking consideration of other important legislation."

NOT DESIGNED TO BLOCK FOREIGN AID

That phrase is familiar. It is a phrase I heard today. When I was briefly absent from the Chamber, after I had yielded to another Senator, I was asked by a CBS representative, "Is it not true, Senator PROXMIRE, that by talking at length on this nominee, you are blocking consideration of the foreign-aid bill?"

I am delighted that the majority leader straightened out the press on that point in the speech he made earlier tonight. The fact is that I have not blocked the foreign-aid bill for one single minute. I have been perfectly amenable to setting aside consideration of the nomination. Of course, so far as I am concerned, it could be set aside forever. But I have been willing to set it aside for a week, a month, days, or any length of time until after we have finished consideration of the foreign-aid bill and any other important legislation, and then bring it up again.

Furthermore, as the Presiding Officer, the distinguished Senator from Massachusetts [Mr. SMITH] is well aware, I have been yielding to Senators all day. I yielded to the Presiding Officer because he delivered a very excellent address on foreign aid. I yielded also to a number of other Senators, including the Senator from Missouri [Mr. SYMINGTON], the Senator from North Carolina [Mr. ERVIN], the Senator from Vermont [Mr. AIKEN], the Senator from New York [Mr. JAVITS], and others, who spoke at considerable length on the proposed foreign-aid legislation.

DAY OF FOREIGN-AID DEBATE

I think there was as much debate on foreign aid today as I can recall having been conducted in a long time in the Senate. If the Presiding Officer will endure an aside for a moment, I was interested this morning in reading in a column in the Washington Post a comparison of the modern-day Senate with the Senate of 100 years ago or so, a contrast between the typical senatorial performance today with the performance of Daniel Webster, Henry Clay, Bob La Follette, and others.

The argument in the article was to the effect that today Senators rarely engage in debate, that Senators come in, read a speech, leave the floor, and no discussion of the issue takes place. The proceedings, the writer said, are deadly and dull for the galleries and very unimpressive. It is almost useless so far as making history and providing a useful record for the interpretation of the law.

FOREIGN AID DEBATE INTERESTING

I did not agree very much with the writer of the column, but I think what happened today on the foreign aid bill was extremely interesting along that line, because when the Senator from Vermont [Mr. AIKEN] delivered his speech there was a very sharp, direct,

useful, and instructive colloquy between the Senator from Vermont, the senior Senator from New York [Mr. JAVITS], and the Senator from South Dakota [Mr. CASE].

When the Senator from Vermont had finished, there was a discussion engaging the very well-informed Senator from Kentucky [Mr. MORTON], the Senator from South Dakota [Mr. CASE], the Senator from Vermont [Mr. AIKEN], the Senator from New York [Mr. JAVITS], and others, on foreign aid.

Once again the Senate was enlightened and informed, and the Senator from Wisconsin, who had an opportunity to hear the evidence, and who has not made up his mind on some of the most important issues involving the foreign aid bill and has been very much troubled and concerned about it, was really informed. These are men of great authority and competence, and I thought they spoke very convincingly. The information which they delivered to the Senate was in the best traditions of the Senate.

ALWAYS READY TO YIELD

I think the Senate, which used to be called the world's greatest deliberative body, was honored by that kind of discussion today. I think under those circumstances it would be an error to say that the Senator from Wisconsin had held up discussion or action, for that matter, on the foreign aid bill, because I have been willing to yield the floor at any time to take up the bill and, of course, I have been willing to yield the floor to any Senator from either party who wanted me to yield at any length to discuss the foreign aid bill.

The article continued:

When, in fact, as the St. Louis Post-Dispatch forced the AP to admit, no basic legislation was being held up; the failure of so many papers to carry rollcall summaries on "tidelands" votes; and the playing down of the forced resignation of Republican National Committee Chairman Wesley Roberts because of disclosures about his lobbying activities for such clients as the Cities Service Gas Co.

Equally serious is the frequently deceptive or dishonest character of these public-relations efforts. One wonders as to the full nature of "public relations" when one encounters a public-relations firm keeping full dossiers on the attitudes and behavior of regulatory officials, when one reads congressional testimony describing State legislators on the payroll of a firm doing public-relations work for an oil company (one of these legislators is now a Congressman), and when a public-relations man is credited with directing a campaign to block the renomination of Leland Olds.

FOE OF GAS HAS LITTLE SUPPORT

While I am always hopeful, I am not so unrealistic as to expect that I will receive massive support on this nomination when it comes before the Senate tomorrow. The fact is that when one opposes a man who is from the gas industry and who is going to represent the gas industry, it is very difficult to get much support. However, if one gets on the other side on one of these fights, whether it is Buchanan or Olds or Connole, when the gas and oil people oppose such men, they do not have much of a chance.

That is why the householder is at such a disadvantage, because when a man like Olds or Buchanan or Connole gets on the Commission, a man who is dedicated to the public interest and who has courage and endurance and believes in the public interest sufficiently to stand up to constant, overwhelming pressure from the gas industry to say, "No", and to regulate in the public interest, he is not long for that Commission, because of the very great power that the gas industry has.

One of the most remarkable political actions which took place in this country, it seems to me, in the last few years was what happened to William Connole, a man whose excellence was so great that he was not only highly praised by people who objected to oil industry pressure, but whose dissents were cited with great favor by the Supreme Court.

CONNOLE TOO EFFECTIVE

He had such remarkable competence that the petroleum trade journal itself commented on his great ability. It said that he was wise and smart and able, and that he did his homework. However, he was a little too effective, and of course he served for only one term, and then was denied reappointment.

The article goes on to say:

The creation of oil "front groups," the utilization and spreading of false concepts such as the reputed threat of Federal control of offshore oil to the inland waterways of individual States, and the substitution of slogans for facts, as seen in the repeated usage of "tidelands" to include underwater lands extending far out into the Continental Shelf are also disturbing. Oil uses the image of the small independent producer for sympathy as its mining counterparts have used the picture of the lone sourdough with his pickax, the utilities have used "widows and orphans" and the giant agricultural industries have used the sturdy family farmer.

That was certainly clear to the Senator from Wisconsin in the hearing, when, as soon as he brought up the question of regulation of the producer the Senator from Texas [Mr. YARBOROUGH], who is a good friend of mine and a very fine Senator, but also a staunch defender of the interest of his State, as he sees it, argued that the producer is a little farmer, a little rancher, and that he is getting very little, and in fact, is getting only a few cents out of the gas dollar.

PRODUCER NOT A FARMER

So far as the Senator from Wisconsin is concerned, the producer is not a farmer—95 percent of the gas consumed in Wisconsin is produced by Phillips Petroleum, a billion-dollar corporation.

The fact is that thousands of small producers, between 4,000 and 6,000 of them, produce only 10 percent of what is produced in this industry. Two big companies produce 90 percent. This large production is pertinent to the inquiry. We want to exempt the little producer. We want to put on the Federal Power Commission a man who believes in regulating the big producer as the law clearly provides.

PROTECT NARROW ECONOMIC INTERESTS

The article proceeds to state:

Oil claims to be presenting a conservative (but progressive) philosophy for contemporary America. What emerges, however, are essentially slick slogans designed to protect narrow economic interests. The appeals are frequently irrational and frankly tuned in to popular fears. While the primitives tends to play by ear, the more sophisticated branches of the industry employ "motivational research" psychologists to determine exactly what it is people fear and how these fears can be manipulated to evoke the desired attitudes toward oil and free enterprise.

The job of oilmen as "statesmen and architects of a free world," Mrs. Oveta Culp Hobby told the API right after the Eisenhower victory, was to use the great battery of modern mass communications "to increase everywhere the number of informed and thinking men and women, and make them active partners with you in your great undertaking. The biggest part of the job before you is to create a receptive atmosphere, a climate where people are ready and willing to believe you. Sincerity and warmth, respect and understanding of the other man's feelings and attitudes, may be as important as the facts themselves.

If what you say and what you do causes people to want to understand you, to want to cooperate with you, to feel that you are on their team and they are on your team, then your task will be much easier. Once you have overcome the emotional blocks, you will have no difficulty of convincing people with your facts." Said a public-relations staff man in summarizing the Colorado severance tax campaign: "We got the people so they just automatically voted 'No.'"

The cumulative effect of the endless and sugar-coated repetition of a few plausible facts contributes to the benumbing of independent critical judgment in a society whose ultimate faith is in the ability of people, given the fullest facts, to reason and make intelligent decisions. The ultimate consequence of this use of fear as a political weapon is the disparagement of the processes of democratic government.

But it is also true that oil chants the litanies about free enterprise that Main Street wants to hear and believe. The American farmer, always a speculator, often does envision himself as a potential oilman. And viewing the natural resources of the Nation as a legitimate and unlimited private plunder was not original with oil. It has been an integral if not too flattering part of the American record in the opening up of all our resources including the soil. Stock and lease advertisements constantly hammer away at the theme that you too may be lucky. "Remember—Sid Richardson parlayed just four lonesome $10 bills into a $1¼ billion fortune. * * *" A children's game is called "Be a Texas Millionaire."

Teachers' associations in oil States frequently identify with and lobby for the industry because of the considerable educational appropriations derived from oil. Many universities have major oil holdings or investments. That oil literature and polls are so extensively and uncritically used in schools is again more of a commentary on the education profession than on the industry.

OIL'S SELF-SERVING PUFFS

I believe that is true. We can hardly blame the industry if the educational profession is willing to cooperate to the extent of using handouts and self-serving puffs with respect to the economics of the industry, because it is convenient or because it is attractive or because

they know that in most American communities they will not be criticized if they use industry material.

In 1953 the Opinion Research Corp. reported most educators approved of their texts: "only a few feel the booklets are biased, and even some of these say they approve of the bias."

The Opinion Research Corp. advises, however, that despite this attitude, "few of them are naive enough to believe that the petroleum industry is spending the amount of money for completely unselfish reasons. Most of them recognize that this is a public-relations effort, so there is no point in denying that the booklets are designed to teach people the facts about the oil industry in the hope that it will raise their appraisal of it. Obviously, however, there is no need to raise this point unless the teacher does."

Once again, it seems to me this is a reminder of what is wrong with this kind of approach by the oil industry. The public relations effort, I suppose, in many ways can be commendable. Whether it is commendable or not, it is a fact of American industrial life.

OIL ON DANGEROUS GROUND

A public relations effort that invades the schools to try to develop a pattern of thinking in children is, it seems to me, treading on dangerous ground if that pattern of understanding is false or untrue, because when that is done there is inculcated in a child, once he is disillusioned, a disbelief in other things he receives in school. If he never has the truth, then he has to go through childhood, and perhaps through all his adulthood, not only in ignorance, but believing something which is palpably false.

Above all, propaganda should be identified as such. It seems to me that the evils, the impropriety, the error, and the wrongdoing of propaganda are greatly mitigated if people know what it is, if it is properly labeled. As is pointed out in the article, it is unfortunate that in many cases most teachers "recognize that this is a public relations effort, so there is no point in denying that the booklets are designed to teach people the facts about the oil industry in the hope that it will raise their appraisal of it."

PRIVATE GOVERNMENT OF OIL OBSCURED

They may recognize it, but the teacher often does not recognize it, and the pupils rarely recognize it.

The current material expectations from oil of so many in our society and the organized science of mass persuasion combine to obscure the private government of oil. One wonders which groups and which leaders will raise the larger points about the proper climate for a responsible and democratic society.

It seems to me that these articles written by Robert Engler are among the most stimulating, discerning, and penetrating articles on the oil industry that have been written by anyone. Mr. Engler has just completed a volume on the oil industry, which I have read in manuscript. It is a superb piece of writing. This is a highly controversial study, because the oil industry is a highly controversial industry.

Mr. Engler is a fearless and aggressive scholar. Obviously, the revelations he has made about the industry are far too unpopular. But it seems to me that in this study Mr. Engler has set forth an indictment of the political power of the industry. I remind the Senator from Iowa [Mr. MILLER] of the theme of Mr. Engler, which is also my theme, that this is not a question of evil. I do not charge that the people in the oil industry are bad or are operating immorally or unethically, although there are cases I have cited, which I can document, in which they have been doing so.

OIL GETS WHAT IT WANTS

I say the oil industry has tremendous power. I also say that this power has been used to the vast benefit of the oil industry, but at great cost to the American consumer.

Mr. Engler shows this not only by his discussion of the activity of the oil industry in politics and how it gets what it wants from Congress and from the appropriate agencies and even from the Office of the President, but also by its vast, effective public relations program, which enables the oil industry to have unparalleled access to the public in general, and gives it its real political and grassroots strength.

Now I turn to a different subject, one which is extremely pertinent to this inquiry, because in my conversation with Senators I find that what concerns them particularly is whether the nominee himself, Mr. O'Connor, has any real long-term and clear association with a viewpoint that would make his service on the Federal Power Commission operate against the best interests of the consumer.

It seems to me that this can be shown to begin with by the evidence that Lawrence O'Connor, the nominee, has been active in the Independent Petroleum Producers' Association of America. Lawrence O'Connor was a member of this association for 15 years. He held important offices in its Houston district, and was for a time a national director. This is the man whom the Senate has been asked to place on the Federal Power Commission.

GAS VIEWPOINT CLEAR

The Independent Petroleum Producers' Association of America is a national trade association, having members in every gas- and oil-producing area in the United States.

The membership of the association is composed primarily of oil and gas producers, landowners, and royalty owners. It also includes others interested in and affiliated with the production of oil and natural gas.

In a resolution adopted at its midyear meeting in San Antonio, Tex., April 26, 1955, the association's natural gas committee made its viewpoint clear on matters of the regulation of natural gas producers:

The authority—

To regulate producers' rates—

was not within the intent of Congress when the Natural Gas Act of 1938 was enacted.

THEY DO NOT WANT CONTROL

This was the viewpoint of the Natural Gas Committee of the IPPAA, on which Mr. Lawrence O'Connor was such an active member. That viewpoint, of course, is contrary to law. As a matter of fact, the Supreme Court's decision in the Phillips Petroleum case, and the solid background of precedent behind it was called a misinterpretation which has been placed upon the Natural Gas Act. The natural gas committee said:

The production, gathering, processing, and field sale at the wellhead of natural gas should not be, directly or indirectly, under the control of the Federal Government.

That was the position taken, contrary to law, by the IPPAA group, in which Lawrence O'Connor was so active.

The association contended that fundamental principles of free economic enterprise are at stake. It said:

The natural gas industry is one of the most highly competitive industries in the Nation, with thousands of producers competing with one another and as an industry competing with all other fuels.

SLANDER UPON THE PRESIDENT

The IPPAA contended that the regulation of natural gas, as ordered by President Eisenhower's veto of the Harris-Fulbright bill in 1956, the successive verdicts of the Supreme Court, and the action by Congress in passing the Natural Gas Act, tended to defeat one of the basic principles on which our Nation is founded.

The association, in which the nominee has been an active member and an official, followed this slander upon the President, Congress, and the Supreme Court with a threat to the consumers. The association said:

Federal regulation of production of natural gas will inevitably result in diminishing supplies and higher cost of this essential and desirable fuel to the consumer.

O'CONNOR DIDN'T REPUDIATE STATEMENT

The association said that given control, the producers would seek intrastate markets, thus drawing reserves from the market. Under regulation, the association contended, there would no longer be additions to our natural gas reserves. The American way of life, the resolution concludes, is based upon the principle of competitive free enterprise.

Mr. President, before the Commerce Committee Mr. O'Connor stated that his association with the IPPAA would in no way affect or bias any decision that would come before him on the Commission. But he did not take the opportunity presented to disassociate himself from the astonishing position taken by the industry in testimony before committees of the U.S. Senate, or in resolutions passed by their Natural Gas Committee.

He did not disassociate himself from their opinion that the regulation of natural gas production is not the Government's business or the business of the Federal Power Commission.

WHAT CAN WE EXPECT?

Mr. President, what kind of service are we to expect from a man whose major professional association has gone on record as opposing the basic duties he is to be asked to carry out? When has a Member of this Body ever heard of a motorist being stopped for speeding by a policeman who thought the traffic laws

were a mistake? I repeat the opinion expressed by the IPPAA Natural Gas Committee:

> The production, gathering, processing, and field sale at the wellhead of natural gas should not be, directly or indirectly, under the control of the Federal Government.

That was the position taken by this association in which the nominee has been so very active.

I quote from the decision of the United States Supreme Court in the 1954 Phillips case:

> Regulation of the sales in interstate commerce for resale made by a so-called independent natural-gas producer is not essentially different from regulation of such sales when made by an affiliate of an interstate pipeline company. In both cases, the rates charged may have a direct and substantial effect on the price paid by the ultimate consumers. Protection of consumers against exploitation at the hands of natural-gas companies was the primary aim of the Natural Gas Act.

OPPOSED TO LAW OF LAND

The Independent Petroleum Producer's Association of America, with which Mr. O'Connor has long been associated, and from whose point of view he has not specifically disassociated himself, takes a position no natural gas producers' regulation directly opposed to the law of the land.

The statement by the Supreme Court in the Phillips case is explicit and clear, and contradicts the expressed position of the industry and of the Independent Petroleum Producers Association. It seems to me that if Senators are guided by any kind of commonsense experience, it certainly contradicts what we can expect and what we can predict will be the attitude and the conduct of the nominee if he is successful in having his nomination confirmed by the Senate.

I ask unanimous consent that at this time I may yield to the Senator from Iowa, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

BERLIN AND U.S. MOBILIZATION

Mr. MILLER. Mr. President, I thank the Senator from Wisconsin for yielding to me. I merely wish to give my friend the Senator from Wisconsin an opportunity to get a drink of water, while I speak on an unrelated subject.

Mr. PROXMIRE. I thank my friend, the Senator from Iowa, for the opportunity; and I shall take advantage of it.

Mr. MILLER. Mr. President, with the current concern over Berlin and the recent action by Congress, pursuant to the request of the President to take certain action relating to what I term "semimobilization," both in manpower and in armaments, I think it appropriate for me to point out that in the June 27 issue of the Washington Evening Star there appeared a very excellent and timely article written by David Lawrence, an outstanding columnist. The title of the article is "Quarantining the Soviet Union."

Mr. President, I have been saying that before we go too far in getting this country into a state of semimobilization, particularly over the Berlin situation, it seems to me it would be logical and fair to take certain action along political-economic lines.

The article by Mr. Lawrence outlines very well political-economic action which might actually be more effective in curbing Khrushchev's desires over Berlin and in preserving our rights and the rights of the German people than actions of a hot war type.

I ask unanimous consent that the article by David Lawrence be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

QUARANTINING THE SOVIET UNION—MOVE BY ALLIES IS CALLED ALTERNATIVE TO WAR IF KREMLIN ACTS ON GERMANY

(By David Lawrence)

The world is talking of war over Berlin as if there may be no other way out. But there is a way, and it doesn't involve the firing of a single shot.

It is a way that was proclaimed in the famous quarantine speech in October 1937 by the late President Franklin D. Roosevelt. If it had been accepted then by America's allies, there might have been no Second World War. The idea behind the policy was stated by Mr. Roosevelt as follows:

"It seems unfortunately true that the epidemic of world lawlessness is spreading.

"When an epidemic of physical disease starts to spread, the community approves and joins in a quarantine of the patients in order to protect the health of the community against the spread of the disease."

It would, of course, require courage and determination, plus a sacrifice on the economic side, to apply an effective quarantine. But that's far less painful than the destruction of human life in a nuclear war.

The formula means today a notification by the West to the Soviet Union that, if it moves to violate any of the agreements—such as on the status of Berlin—entered into by the allies with Russia at the end of World War II, then all wartime agreements will be considered subject to revision.

This could mean a pronouncement that the Russian Zone in Germany—and, indeed, the power the Soviet Union exercises over Poland, Hungary, Romania, Bulgaria, Czechoslovakia, Albania, Lithuania, Estonia, and Latvia—would no longer be recognized. Diplomatic relations would be severed and ambassadors or ministers withdrawn from every country behind the Iron Curtain with which the United States or its allies maintain diplomatic relations. This would also frustrate any plans to recognize Red China.

All trade with the Soviet Union would be embargoed, and all embassies, legations, and consulates which the Soviet Union maintains in the United States and in allied countries would be closed and their personnel ordered to leave. Latin American countries would be invited to join the embargo, and those countries which failed to do so would run the risk of having embargoes imposed against them.

The Western World has thus far been thinking only of the contingency of military war. Nikita Khrushchev has assumed that the West wouldn't dare to resist his aggression in West Berlin because the alternative would be war. But a far more dangerous situation would confront him if the Western allies unitedly determined to apply the quarantine idea and would have nothing further to do with the Soviet Union until it began to honor its pledged word given at the close of World War II.

The quarantine could, indeed, be the signal for uprisings in Eastern Europe. The time would become ripe for those demonstrations which a people bent on liberation would naturally initiate as economic pressure rises due to the isolation of the Soviet Union. The Russian people, too, would become worried about the recklessness of the man in the Kremlin who prates about his peaceful intent but goes to the brink of war—a step which could involve miscalculation and suddenly send missiles and hydrogen bombs into action.

The practical question that must be answered first, however, is whether the Allies are willing to make the sacrifice necessary to carry out a quarantine policy. It would mean a blow to the economy of Europe and would, of course, disrupt trade in various parts of the world. But the loss for a short time of material things which are replaceable would be far better for the world than the irreparable loss of millions of lives.

It was precisely this dilemma which confronted the Allies in the 1930's, but the desire to maintain trade and the economic equilibrium prevented the Allies from coming to an agreement with each other. Trading with a potential enemy is sometimes carried on up to the outbreak of war. The Western Allies, for instance, traded with Hitler and sold him raw materials for armaments up to almost the last few weeks before war broke out in 1939. Back in World War I, the British traded with Germany, even during the war by way of neutral Sweden, and only pressure from the United States stopped that traffic.

So, while it sounds easy enough to declare a trade embargo, the vested interests inside Allied countries have to be reckoned with. This time, on the other hand, with a nuclear war as a stark alternative, the situation could be different.

Certainly, the Allies might well begin to study the possible use of this economic weapon, and start consultations with each other. This would have far more effect on Moscow than all the talk of sending an extra division or two to Western Europe or the type of military mobilization which is being suggested in the press.

The whole Communist strategy in the cold war moreover depends on the exchange of great quantities of Russian gold for British pounds and American dollars. Shutting off such exchange could stop the flow of money to the huge army of Communist agents around the world, and could undo all that has been accomplished by the Communists in southeast Asia, Africa, and Latin America as well as inside Western Europe. A quarantine of the Communist area would be costly, but it would not cost lives or cause the destruction that a nuclear war surely would bring.

Mr. MILLER Mr. President, in a special issue of Berliner Illustrirte of 1961 appears a timely article entitled "Who Has Berlin Has Germany." The article points out the alternatives in the form of various compromises which have been proposed over Berlin, and it very effectively answers or points out the defects in the compromises which have been recommended.

One of these compromises is to reunite Berlin under a freely elected German administration, with power in the four-power allied authority to unanimously overrule. But unfortunately there is no prospect of acceptance by the Soviets of this compromise.

Another compromise is to have an agreement to have a four-power body check subversive activities in various parts of the city and also to check

propaganda as between the two parts of the city. Unfortunately, this compromise has been rejected by the Soviets.

Another compromise is for United Nations control. However, that is a permanent solution which would be contrary to article 73 of the Charter of the United Nations, which calls for self-determination by free peoples.

A fourth alternative is to exchange West Berlin for a western strip of East Germany of equal population, and to resettle the West Berliners. The answer to that, as pointed out very ably in the article, is that that would accept a permanent German division, again contrary to article 73 of the Charter of the United Nations.

Mr. President, I ask unanimous consent that this fine article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHO HAS BERLIN HAS GERMANY

What is more important: the head or the body? The capital or the hinterland? There is no answer to such questions, and we merely pose them to get the proportions right. Capital cities may look small on a map, but in political weight they equal the entire rest of their respective countries. He who has Paris will sooner or later have France. He who has Berlin will sooner or later have Germany.

This is the real reason why the conquering Allies, in 1944 and 1945, deliberately kept Berlin outside their individual occupation zones in Germany and made it a separate four-power territory: It was too important for any of them to leave it to any other. This is also the reason why America and Britain, who had in the spring of 1945 conquered and occupied half the area of the subsequent Soviet occupation zone in Germany, unhesitatingly relinquished it again in exchange for their rights in Berlin.

Stalin did not even try to bargain for Berlin with the Western Allies, because he knew there was no equivalent in Germany he could have offered for it. Instead he tried silent force to push his partners out of Berlin, and after this had failed the Four Powers saw no choice but to confirm the status quo. Thus Berlin, even after the blockade and the setting up of separate German governments, remained, and remains to this day, a Four Power area, notwithstanding the fact that its two halves live under separate German administrations. And as long as Berlin remains such a special area, it also remains a permanent living reminder that the German question is unsettled and the German division impermanent.

East and West are agreed that this situation of Berlin is anomalous. But they propose different cures for this anomaly. The West proposes to abolish it by reuniting Berlin and Germany through free elections. The East proposes to deepen and harden it by dividing Berlin permanently. In such a division, according to Mr. Khrushchev's ideas, East Berlin should be annexed to East Germany, but West Berlin by no means to West Germany. West Berlin, under this proposal, should become a "demilitarized free city."

Few words need be wasted on this scheme. It is obviously not even a possible basis for discussion, first because it would mean that three Western Great Powers give up a key position without any quid pro quo, secondly because it would deliver Berlin naked to the tender mercies of the surrounding East German Communist State, which does not even bother to hide its ultimate intention to swallow Berlin. But even if the proposal were honest, a "free city of West Berlin" would offer not the slightest advantage over the present dispensation. The resulting situation in Berlin would be equally anomalous, equally artificial, even more complex.

Hence, no Western Government and no part of Western public opinion has ever seriously considering accepting Mr. Khrushchev's free city scheme, and it is unlikely that this will ever happen, short of the West succumbing to a death wish. There have, however, been tentative Western counterproposals and compromise schemes, two official and four unofficial ones:

1. The first formed part of the Western peace plan submitted to the Foreign Ministers' Conference at Geneva in 1959. It proposes to reunite Berlin, as a token of Allied intentions toward Germany as a whole, under a freely elected German administration, and to treat this reunited Berlin after the model of pre-1955 Vienna, that is under an Allied authority which can overrule the elected German administration only unanimously, so to speak on the "four-men-in-a-jeep" principle.

This would doubtlessly effect a local relaxation and would also offer something to the Soviets, viz, a joint say in West Berlin through a revived functioning Four Power "Kommandatura." Nevertheless, it has no prospect of being accepted by them as long as their policy aims, as it does at present, not at the restoration of a unified German State but at a permanent, recognized German division.

2. The second official Western counterproposal was the "interim agreement," which was the subject of long, inconclusive negotiations at Geneva: an experiment in modifying the status quo for a limited period. The main innovations would have been a four power body to check subversive activities and propaganda in both parts of the city, and the provision of a certain role for the East German authorities in the guarantee and control of communications.

This scheme, though officially put forward by Western governments, has remained controversial in Western public opinion. The critics feel that it would have made things worse rather than better in Berlin; in particular that it might have undermined freedom of speech in West Berlin. However that may be, it has been rejected by the Soviets and passed out of international discussion.

3. Of the unofficial Berlin plans which have now and again been launched as trial balloons in the Western press, most have as their main point the idea of supplementing or replacing the occupying Four Powers in Berlin through the United Nations.

There are various versions of this general idea, ranging from a mere "presence" of the U.N. to a bodily removal of the U.N. seat from New York to Berlin and even to the establishment of U.N. sovereignty over Berlin (Berlin as "U.N. territory," as a "U.N. Vatican City"). In this extreme form the idea may make some appeal to U.N. enthusiasts; others will feel that all these U.N. schemes for Berlin have something incongruous, indeed mildly frivolous about them. Berlin is no kindergarten; in fact, its history since 1945 will in future times be a saga of our century.

Two objections appear decisive: First, a U.N. Berlin would remain surrounded by Soviet rockets and Soviet tanks. Against this permanent threat the present sovereignty and direct responsibility of the Western Great Powers gives adequate protection but the U.N., which is today itself threatened by Soviet sabotage and Soviet boycott, does not.

Secondly, Berlin is still the capital of Germany, and the Germans can hardly be expected to renounce their capital forever in order to make a gift to the U.N. of it. With the present occupation it is different: The three Western Powers provide real and necessary protection, they are Germany's allies, and the occupation, unlike a U.N. statute for Berlin, is not meant to be permanent.

4. Some scandal was caused a little while ago by the private scheme of a British journalist to exchange West Berlin for an East German border strip with an equal population and to resettle the West Berliners somewhere in West Germany in a new, as yet nonexistent city. It is hard to say what is most offensive in this scheme: the inhumanity which, in the manner of Hitler and Stalin, coolly envisages displacing some millions of people (and this time not enemies but allies, and not in wartime but in time of peace); the naivity which considers a metropolis like Berlin the equivalent of a stretch of provincial Germany with the same number of inhabitants (the conquered territories which the Western Allies in 1945 voluntarily evacuated in exchange for their share of Berlin had alone more than four times the population); the quiet malice which, without wasting a word on it, implies and accepts the permanency of German division; the cynicism which disregards clear and binding Allied guarantees and obligations; or the retreatmindedness which so clearly underlies it all.

5. Another, somewhat more serious newspaper scheme envisages reunifying Berlin with East Germany—in fact making Berlin the capital of East Germany—on condition that East Germany is given internal self-determination and decides on its constitution and government through free elections; the buffer State gained from such a reunification of Berlin with a liberated East Germany then to be neutralized and evacuated. This is, properly speaking, a scheme not for Berlin but for Germany. It amounts to the so-called Austrian solution for the parts of Germany at present left outside the Federal Republic.

The scheme raises the objection that it, too, would tend to make German division more permanent, though at the same time perhaps more bearable. Concerning Berlin, it could be objected that it casts this metropolis for too modest a role. Berlin is the natural capital of Germany, not of the little part of it which is today under Soviet occupation. In any case the scheme has little prospect of realization; no Government, either in the West or in the East, has taken an official interest in it.

6. Finally, the idea has been mooted that the West could afford to accept a Soviet termination of the four-power status, if it should come, with a shrug, and let West Berlin in such a case become an integral state and outlying part of the Federal Republic of Germany, in which the Western allies would then remain, no longer as occupying powers, but simply as allies of Germany. There are some German politicians who would have preferred such an arrangement even in 1949. The chief objection is that this would mean renouncing important well-established rights without a quid pro quo—rights pertaining both to communications in and with Berlin and to the special status of East Berlin. However, a unilateral Soviet termination of the Berlin four-power status, with or without a separate peace treaty with East Germany, would in any case amount to a tearing up of treaties and bring about a situation of conflict.

All in all a meager field. There is hardly one among all these schemes of which it could be said even in theory that it would clearly improve the present Berlin situation, anomalous though it is. Some would patently make it worse; others raise at least serious doubts whether they would not do more harm than good. What clearly emerges is that there is no real solution for Berlin as long as Germany remains divided. As long as this imposed division is not lifted, the present status of Berlin, with all its obvious drawbacks, remains probably the best possible for all concerned: in particular because

it enables the great powers to control any local conflict or disturbance in Berlin of which they do not intentionally want to make a pretext for world war; without their sovereign presence the Berlin situation, with its inherent tensions and dangers, would pass out of their control.

Why then does Mr. Khrushchev want to change this status? Could it perhaps be because a Berlin debate detracts attention from the question of Germany? Everyone who talks about the Berlin question always tacitly implies continued German division: For in a united Germany a Berlin question would not exist. Worrying about the Berlin question and searching for a Berlin solution is a way of getting psychologically accustomed to accepting German division; and this obviously suits Moscow's present German policy.

The right reaction to Mr. Khrushchev's artificial Berlin crisis is therefore not to think up Berlin solutions. This is playing the opponent's game. The right reaction is to insist with new vigor on the reunification and national self-determination of Germany, to which Moscow has repeatedly, from Potsdam in 1945 to Geneva in 1955, committed itself. This, and this alone, would at one blow end the anomalous situation in Berlin—and not in Berlin only—and put the peace of Europe back on healthier, rational foundations.

Mr. MILLER. Mr. President, with respect to the Berlin situation, it appears that until this point, the free world has been somewhat on the defensive. It seems that instead of reacting to Soviet aggressive activity, the free world, and particularly the United States, should get on the offensive, and should win this cold war, and that in connection with the offensive we can start with Berlin.

It seems that Khrushchev is not the one who properly should perpetrate a Berlin crisis. If some crises are going to be perpetrated, possibly the free world might perpetrate a crisis by pointing out the necessity for unification of Germany and for free elections under Big Four supervision, and to do this in accordance with the United Nations Charter—and thus put Khrushchev on the defensive, for a change.

An excellent editorial along this line appeared in the July 14 issue of Life magazine. The editorial is entitled "Berlin—Why Wait for Mr. K.?" I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BERLIN—WHY WAIT FOR MR. K.?—THE WEST CAN HAVE A GREAT ISSUE IN EASTERN EUROPE, BUT ONLY IF WE WILL WAGE REAL POLITICAL WARFARE

This is a summer of foreboding in the West. Not since 1939 has that grisly prewar feeling run so strong. There is even a fatalism readiness—among three Americans in five, according to reporter Samuel Lubell—to use nuclear weapons if need be. And all because Khrushchev has set another deadline (December 31) for a showdown on the free city of Berlin.

President Kennedy could ameliorate this grim atmosphere by a positive line of action. It would, in our opinion, greatly reduce the chances of war over Berlin; or if worst comes to worst, it would put us in a better position to win such a war. Instead of waiting apprehensively for Khrushchev's deadline, Kennedy should set an earlier one of his own. Since Khrushchev has seen fit to raise the Berlin question, why should not Kennedy insist on the right of East Germans to self-determination in free elections, as promised by Stalin at Yalta and Potsdam and by Khrushchev at Geneva in 1955? And on the similar rights of Poles, Hungarians, Rumanians, and Bulgarians, not to mention the Baltic peoples?—rights spelled out in treaties that have been systematically violated by Russia since the war. Kennedy recently gave verbal support to the East German rights and they are doubtless mentioned in the Allied replies to Khrushchev this week. What we suggest is that Kennedy now make a cause of self-determination for all Eastern Europe and back it with certain actions that could make Khrushchev sorry he ever opened the subject of Berlin.

Militarily, Berlin is an exposed and highly vulnerable Western salient surrounded by 400,000 Russian troops. Politically, however, it is a Western asset and a Communist liability. It symbolizes the chief weakness of Soviet power, which is the unquenched desire for freedom of 100 million captive Europeans. They have demonstrated this desire by heroic revolts and by fleeing westward by the millions ever since World War II. East Germany alone continues to lose 4,500 refugees a week. A food shortage coupled with the threat to their escape hatch has just caused fresh demonstrations by East German workers; some experts predict another revolt. Eastern Europe's hatred of communism is so great a political liability to Khrushchev that it amounts to a military weakness as well. If there were war of any kind over Berlin, "the Russian rear (as Dean Acheson put it) could be in turmoil overnight."

In view of this weakness, it is preposterous that Khrushchev should be allowed to get away with demands in Germany. His very belligerence is probably defensive. The West's passive and strictly defensive show of fortitude about Berlin is also somewhat incongruous. Berlin is not our Thermopylae; it is an opening to the heart of captive Europe, with which its cause is inextricably linked. The freedom of Europe was earned in blood (one-third of East Germany was held by American troops in 1945) and sealed in solemn treaties. Khrushchev should be summoned to a conference not about Berlin, but about the reunification of Germany with free elections under Big Four supervision; and about self-determination, free elections, free press, etc. in Eastern Europe as well.

When he refuses, the West has several recourses to make him change his mind. They are not mere words and do not have to be shouted; they are acts of political warfare, the kind of warfare he has so long conducted against us.

One is economic sanctions. This could mean anything from a complete embargo on East-West trade to an undeclared but systematic sabotage of Western deliveries behind the Iron Curtain. The East bloc is much more dependent on this growing trade than the West. West German steel and ships, factories from Britain, grain from the United States are other items whose stoppage would hurt the Communist economies.

Such measures might antagonize pro-Western opinion behind the Curtain. But this could be at least neutralized by a radical step-up in the way the West explains its aims and policies to the captive nations. The Voice of America, Radio Free Europe, RIAS and other organs of propaganda could be remobilized. The "captive nations" theme, soft-pedaled of late, has proved its ability to enrage Khrushchev. Although RFE did not foment the Hungarian revolt, it has the power to stir up almost any degree of unrest that may suit our purposes. The chief problem is to say no more and no less than we are prepared to support with action.

The third major ingredient in political warfare is active military preparedness. (Khrushchev himself last week canceled proposed reductions in Russia's armed forces and upped his military budget by $3.5 billion.) Kennedy and his advisers are now deeply engaged in "contingency planning" to prove our resolve to defend Berlin. But if he enlarges his cause to the whole Eastern theater, the military planning should be enlarged too. We could take various emergency steps, and the NATO command could move to a higher state of readiness. In appropriate combination and without fanfare, such acts would give Khrushchev the right message.

It may be objected that political warfare of this kind is out of character for the Western democracies, or even impossible for an alliance of unequally resolute states. But that, surely, has been the trouble with Western policy: its divided and nerveless reluctance to answer Khrushchev's political warfare with our own. Only strong Washington leadership can change this state of affairs. On the anniversary of the 1953 East German revolt last month, Leo Cherne remarked: "If freedom is really our purpose then it must be defended where it was once enjoyed—not merely urged where it has never yet flowered. In fact, those who have never tasted freedom may never live under it, if those who have pioneered freedom (i.e., Europeans) are permitted to remain slaves."

This doubtless sounds like that old proposition called "rollback" or "liberation," which was gradually shelved as too risky in a nuclear age. Its opponents say it confronts the Communists with intolerable choices, like cornering a tiger. But since we face the risk of war for Berlin in any case, why not be smart about it as well as brave? Said Mayor Willy Brandt, "In negotiations, if you want to keep what you have, you must ask for more than you have."

There is no solution to the Berlin problem (except Khrushchev's solution) if it is isolated from the problem of the Germanys and Eastern Europe, the unfinished business of World War II. For the West to embrace this larger issue, controlling its course and timing, would put Berlin in a truer perspective. It would tear the mask from Khrushchev's absurd bellicosity on his weakest front. It would rescue our own Berlin policy from the trap of mere nuclear fortitude. It would put that policy back in touch with the great hopes we nurtured, and the obligations we assumed, only yesterday. In Eastern Europe, their memory is still green.

Mr. MILLER. Mr. President, in connection with a conventional war buildup, which we have now authorized, I think it well to point out that this is not going to be the answer to either the Berlin crisis or to the cold war with Soviet Russia. Anyone who thinks the Berlin crisis is only an isolated crisis which, once relieved, is going to result in peace, does not know the thinking or the strategy or the objective of the Communists.

In the July 11 issue of the Washington Post there appeared an article by the noted columnist, George E. Sokolsky, entitled "The Permanent War," in which he points out very well that the Communist strategy and objective is one world of communism attained through constant revolution. He very well points out that hopes of a conflict between Mao Tse-tung and the Red Chinese on the one hand and Mr. Khrushchev and the Soviets on the other are probably not well taken, because, while there may be a slight difference in methods between the two governments toward the attainment of one world of communism, their objectives are entirely the same, and the objectives are to attain it through permanent-type revolutions.

I ask unanimous consent that this article by Mr. Sokolsky be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 11, 1961]

THE PERMANENT WAR

(By George E. Sokolsky)

Karl Marx anticipated the permanent war in the very nature of the class struggle, the racial struggle, the death of imperialism. Lenin said:

"The means of combating war are not a strike against war, but the formation of revolutionary nuclei in the combatant armies, their training for the purpose of bringing about revolution."

Admiral Zacharias, in his study of Russian policy and its effect upon the United States, entitled "Behind Closed Doors," and published in 1950, wrote:

"This means that Bolshevik Russia wants war because the revolution is not possible without war and Russia's survival is not possible without world revolution. But this also means that Bolshevik Russia wants war on its own terms and will unleash it only when those terms are secured and the preconditions of the 'just war' are fully assured. On this grand theory of war is based Stalin's own operational master plan. From it developed this world revolutionary theory, the Stalin doctrine."

Zacharias was perhaps our principal intelligence officer and was, quite naturally, not taken too seriously because he knew what he was talking about. The Stalin doctrine was clearly blueprinted in his works and despite Khrushchev's denunciation of Stalin during the 20th congress, the Stalin doctrine is the guiding principle of Soviet conduct at the present time.

According to Stalin, the World War had to have three stages:

1. The Socialist war led by Soviet Russia. This effort has been remarkably successful and has now spread to every continent. Its influence upon the intellectual classes in all countries has been enormous, particularly in the weak and backward countries.

2. The imperialist war, led by the Anglo-Americans. Stalin expected that this would involve Soviet Russia in major difficulties. As a matter of fact, both Great Britain and the United States compromised with Stalin, giving up point after point and getting nothing in return. Besides, the British and Americans became involved in basic differences, such as the recognition of Red China and the Suez Canal fiasco. Also, the British could no longer control their dominions and commonwealth countries, as for instance, Canada, which imperils the American policy concerning Red China and Cuba. The Anglo-American leadership has not proved to be a stumbling block against Soviet Russia; it has indeed been only moderately successful.

3. The third phase Stalin foresaw was the colonial wars—the uprising of the colored peoples who would seek political and social equality. Stalin could not have foreseen that the United States would risk impoverishment by the Marshall plan and other aids in an effort to assist the weak and backward nations to establish themselves as independent states. While the United States has not been altogether successful in this effort, it has nevertheless impeded the ability of Soviet Russia to take advantage of the wasteful strife which inevitably arose as these small countries emerged to equality.

The Stalin doctrine remains the controlling factor in Soviet planning and thinking. The revolution can only succeed by the clash of contending interests. A placid, conforming people do not engage in revolution although they may plot in underground.

Khrushchev's policy of coexistence has been rejected by other Communist leaders, particularly by Mao Tse-tung of China and quite rightly so. In a prolonged period of coexistence, the pull will be in the direction of modified capitalism. This trend is already appearing in Soviet Russia.

Capitalism, in any form, tends to lead in the direction of individualism, to the rights of man over the authority of the state. For Red China, for instance, this is a greater peril than war. It is for this reason that Mao Tse-tung and Khrushchev have fallen out. Their quarrel over the method of conducting the permanent revolution has confused the Western Powers which have permitted themselves of wishful and hopeful thinking that they might still defeat Soviet Russia by stimulating a war between Soviet Russia and Red China.

However, such a war would force, as it already has, Khrushchev to compromise with Mao Tse-tung and both together would join in a war against Western Powers. If a shooting war it has to be, it makes more sense for the Communists to fight the West than to fight each other. While Khrushchev wants to achieve the permanent revolution without war and Mao wants to achieve it by war, it is nevertheless the permanent revolution and not peace that they seek.

Mr. MILLER. Mr. President, in connection with the conventional buildup over Berlin, I think it well to point out, as I pointed out on the floor the other day, that we are not going to win a conventional war with Soviet Russia. We cannot match Soviet Russia man for man, tank for tank, or gun for gun. We can win a war over the Soviets—and Mr. Khrushchev knows it—because of our superior power.

I do not think that this is a question to be decided between humiliation on the one hand and all-out nuclear war on the other. As I pointed out with respect to the President's speech, I do not think the choice is that simple. There is a middle ground. We know that there are refined, limited nuclear weapons which can be used in conventional-type warfare with conventional troops. But I must say I find it very hard to believe that Mr. Khrushchev is going to be deterred by the thought that we may mobilize another 250,000 conventional troops and ship them to Western Europe, in view of the tremendous manpower and well-coordinated organization of conventional forces that he possesses.

In the Cleveland Press dated August 3, 1961, there appeared an excellent article by Mr. Ray Cromley, entitled "Russia Has Definite Edge on Arms Around Berlin," which sets forth the ratio of ground forces as between the Soviet and bloc countries and the Western Powers.

I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Cleveland Press, Aug. 3, 1961]

RUSSIA HAS DEFINITE EDGE ON ARMS AROUND BERLIN

(By Ray Cromley)

WASHINGTON.—A nonatomic, limited-war military showdown over Berlin would find the West in a tough spot.

The 22 Russian and 6 East German divisions on the scene have the edge in mobility, armor—and geography.

The Russians can bring in from the Soviet Union, within hours, a good part of their 10 airborne divisions. They can quickly back these forces with 8 Czech divisions and another 20 to 25 nearby Russian divisions.

The United States, Britain, and France combined have 11,000 troops in West Berlin.

The Soviet Union has a half million men in East Germany. Six of the twenty-two Russian divisions are armor. Six of the sixteen infantry divisions are mechanized.

The Russian units in East Germany perhaps are the best equipped in the Soviet Army. They are strong in self-propelled artillery, armored personnel carriers, and rocket launchers.

WELL LED

The 175,000 East German troops are equipped with good World War II type Russian weapons. They are well led, though somewhat short of good junior officers.

By contrast, the United States has a quarter million troops in West Germany. There are only two armored divisions, two armored groups, three armored cavalry regiments, and three walking infantry divisions.

The United States hasn't a single mechanized infantry division on the spot.

West Germany has 12 divisions, only 7 at full strength. Four are at 40 to 80 percent strength, 1 at 20 to 25 percent strength. The West Germans basically have the same equipment as the American troops. They are well trained and well led, ready to fight.

The British and French combined have, in reality, only three divisions in West Germany.

Backing up these units is a very small number of divisions in other NATO nations. The Dutch, the Belgians, and the Danes have a little over a division between them. There are four divisions in Italy. The French, bringing home some units from Algeria, may be able to count on a division and a half at home.

EASY TROOP DROP

This would give the Russians a great opportunity to drop tens of thousands of paratroopers in back of the West Germany troop concentrations, disrupt all Europe down to Spain, while they attempted to block or cut through United States and allied forces in West Germany.

This Russian movement might be countered by a quick move of one to three strategic Army divisions from here in the United States. It is estimated that an American paratroop division could be operating on the spot within 15 hours.

But there's no question that, in a conventional, nonnuclear fight, the Allies would be considerably short on centrally located military forces to back up the forces in West Germany and counter any Russian airborne moves.

It also appears that the Reds would have the edge in aircraft to back up the ground forces, although overall air superiority at the scene might be kept in Western hands.

As one U.S. military expert put it, here is the way the Reds might well operate in a conventional attack in Western Europe:

The initial Soviet Army tactical forces in an attack would most likely consist of reconnaissance elements, equipped with amphibious light tanks, armored personnel carriers, and short-range rocket mounts.

They would be accompanied by infantry in amphibious personnel carriers. Heavier fire support would be delivered by amphibious, tracked, self-propelled rockets.

If the opposition proved too much for this reconnaissance group, the Soviet commander could use longer range rockets or self-propelled multiple-rocket launchers.

SEES FOLLOWUPS

Additional armored shock action and firepower could be quickly furnished to initial bridgehead elements by followup units with the T–54 medium tank and the T–10 heavy tank, using temporary snorkel devices to wade water obstacles.

They would be accompanied by infantry in armored amphibious carriers.

Airborne assault elements, accompanied by light mobile fire support weapons, would also be used to seize objectives and bypass opposition.

There's strong feeling in the Pentagon that if a conventional limited war did start over Berlin, the Russians would make their objective all of continental Europe except Spain and Portugal. This would make more sense in Red military doctrine than advancing to the Rhine and attempting a holding operation.

Mr. MILLER. Mr. President, in this connection, in the Washington Post on July 4 there appeared a very timely editorial entitled "On Mobilization."

In reading this editorial, one cannot help but realize that caution is the watchword in connection with building up conventional forces. The editorial points out that mobilization has in times gone by been the spark that led to a hot or a shooting war.

The editorial does not say that we should not have a proper buildup to balance our forces, but it points out that we should not become hotheaded about it, and that "the United States and the free world must take every needful step that meaningfully adds to the military strength and the civilian resolve to resist aggression."

I ask unanimous consent that this editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ON MOBILIZATION

The United States and the whole free world have been forced by the Berlin crisis to put themselves in a state of readiness for whatever dread alternative to peaceful negotiation Soviet Russia embraces.

Nor is it just a crisis as of a given future date that is involved. The world is in the midst of a continuing crisis of which the Berlin situation is but a part. If there have been those who have nurtured the delusion that the cold war might be abated, that cordial relations might be established, now is the time to dismiss them.

It is, however, one thing to face the grim reality of the contest and quite another thing to be rattled by it. It is one thing to undertake the measures that add to the free world's permanent ability to resist blackmail, blandishment, and extortion; it is another thing to take measures that divest policy of flexibility and that by themselves become the master of diplomatic decision.

One of the favorite diplomatic devices of the last century was mobilization. This was supposed to unite the homeland, warn the enemy, fortify, resolve, and set the military apparatus in motion for war. Usually, it put the nations of the world upon a course that, once begun, no diplomacy could alter.

In his new history of Germany, Marshall Dill has compressed into a brief account an almost classic example of the way mobilization develops its own dynamics and, far from being an alternative to war, becomes the inevitable precursor of war.

"On July 28, 1914, Austria declared war on Serbia. Austria's impulsive declaration led into the third phase of the crisis, the phase in which the military leaders quickly took precedence over the civilian diplomats, especially in Germany and Russia. * * * The Czar gave in to pressure and ordered general mobilization on July 29. However, when he heard later the same day that Germany was trying to restrain Austria, he countermanded his order and called for mobilization against Austria only. He was informed that there were no plans for such a situation. So on July 30 general mobilization was again ordered. On the following day Germany sent a 12-hour ultimatum to Russia demanding that she cease mobilizing on the German frontier. At the same time she demanded to know what France was proposing to do. On August 1, 1914, the French replied evasively that they would be guided by their own interests and a few hours later mobilized. A few minutes later Germany did so too, and an hour later declared war on Russia. * * * On August 3 Germany declared war on France, and on the following day Great Britain, impelled both by her commitments to France and by the violation of Belgian neutrality, declared war on Germany. The world was at war; in Sir Edward Grey's famous phrase, "the lights had gone out all over Europe."

The United States and the free world must take every needful step that meaningfully adds to the military strength and the civilian resolve to resist aggression. It is to be hoped that there will be no resort to the dismal diplomatic tactics that, in the past, time after time, have started the nations unwillingly toward war, in the grip of their own devices.

This is no time to mobilize strength we do not have for the purposes of show and demonstration.

Patiently, resolutely, and carefully, we must take such steps as are necessary to ready this country and the free world for the crisis before it. We shall not be made the more ready for resistance, nor make the enemy believe we are more ready, by putting the inaccurate and provocative propaganda tag of mobilization on measures we now tardily undertake to put in a military posture appropriate to the hazards of our time.

Mr. MILLER. Mr. President, the last statement from the editorial that I just quoted leads me into the most important thing of all, because, no matter how much money the Congress appropriates, no matter how many men are drafted into the service, or how many reservists are brought in to build up our conventional forces, and no matter how many weapons we may develop, we are still not going to win the cold war, much less a hot or shooting war, unless there is a civilian resolve back of it. Mr. Khrushchev is not going to be deterred one bit unless he knows that we are willing to fight. If Mr. Khrushchev thinks that he can get away with something, because we are soft, or weak, or indecisive, or afraid to get into a war, then, Mr. President, most assuredly, Mr. Khrushchev is going to take exactly what he wants.

In the Washington Daily News of July 15, 1961, there appeared an editorial on this very point, by Mr. Henry J. Taylor, noted columnist, in which he points out why we must be willing to fight. The reason, of course, is, as I previously stated, that this is the best assurance that we will not get into a fight. Or, stated in reverse, the best guarantee of our getting into a fight is to have Mr. Khrushchev get the idea that we are not willing to fight and to miscalculate our intentions, with the result that we will have another Korea, or something even worse.

Finally, as I said before, the most important ingredient in this cold war is the resolve of our civilian population, the character of our people.

Mr. George Sokolsky, in another fine article in the Washington Post, entitled "Can We Win a Race?" points out the need for us to have a strong character founded on a firm policy. He says, "It is a little late in the game to develop policies." I suggest that it is a little late in the game not to recognize and live up to policies that have long been developed.

I thought, as long as 2 years ago, that our national purpose was to maintain a strong and free and virtuous America, and to insure a world that is free, where all men are free, and not merely the United States or the Western Powers. I have seen nothing in the past 2 years to change my concept of what our national purpose is.

President Eisenhower enunciated this as our national purpose. Mr. Kennedy, I am sure, has enunciated it as our national purpose, perhaps not in the same words, but he has said it many times, and I cannot understand why there should be any question over what our policy is.

I think the big question is in whether or not we are willing to achieve that policy in a total national effort, in just the same way that the Soviets, the Communists, are dedicated to achieving their aim of one world of communism by any possible means, and are willing to dedicate their lives to it. By the same token, we must do the same thing.

So I close by saying that I think the action taken by the Congress pursuant to the President's request is proper, provided we do not get the idea across to the American people that it is all that is necessary. This is only a first step, Mr. President, toward winning the cold war. If we have as our objective merely maintaining the status quo and a so-called coexistence with an aggressive philosophy like communism, then this semimobilization will be for naught, because we will never win the cold war—we will only lose it.

We must support the action which has been taken recently by a willingness to wage war on all fronts. This includes waging war for the developing nations of the world. That is why it makes sense to have a sound, judiciously spent foreign aid program.

I thank my good friend from Wisconsin for yielding.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). The Senator from Wisconsin has the floor.

Mr. PROXMIRE. Mr. President, the thanks should be extended by me. I am very grateful to the Senator from Iowa. I appreciate the opportunity to have a brief rest.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

Mr. PROXMIRE. Mr. President, what I am trying to emphasize and to drive home is the fact that the Supreme Court, in the Phillips case, said as explicitly as could be said that protection of consumers against exploitation at the hands of natural gas companies was the primary aim of the Natural Gas Act. The Court went on to say that the rates charged have a direct and substantial effect on the prices paid by the ultimate consumer.

NO REGULATION OF GAS

The Supreme Court was referring to the kind of situation we see portrayed on the chart. The price of natural gas has jumped almost threefold in the past 15 years, because there has been no regulation of the industry, and that results in an economic situation which takes money out of the pockets of everybody who has a gas furnace or a gas range. The Court said that should not legally be permitted, in view of the fact that Congress has spoken out on this problem in the Natural Gas Act.

Mr. President, although that was the position of the Supreme Court, the Independent Petroleum Producers Association of America, with which Mr. O'Connor, whose nomination is now before the Senate, has long been associated, and from whose point of view he has not specifically disassociated himself, has taken a position in regard to natural gas legislation directly opposed to the law of the land.

Mr. O'Connor failed to make clear before the Commerce Committee the degree to which he subscribes to the contentions of that association. I can only assume that in the absence of any indications to be contrary, he approves of them.

I intend to meet each of the arguments advanced by the Independent Petroleum Producers Association of America head on. IPPAA denies that the Natural Gas Act gave FPC jurisdiction over wellhead sales of natural gas in interstate commerce. I will prove that the Natural Gas Act did give FPC such jurisdiction.

IPPAA contends that the Supreme Court's decision in the Phillips case was a misinterpretation of the Natural Gas Act. I will show, from the relevant portions of that case, that such a claim is nonsense.

INDUSTRY NATURAL MONOPOLY

IPPAA contends that a competitive natural gas industry is representative of all that is best in free enterprise. I will show that the industry is a natural monopoly, and that oligopolistic concentration may be found in sales by natural gas companies and the ownership of reserves, both nationally and by major producing areas.

IPPAA charged that regulation of producers would result in the diminution of our natural gas reserves. In the 5 years since that statement was made, gross additions to the proved natural gas reserves of the United States have aggregated 106.7 trillion cubic feet, or more than eight times our current rate of production.

Obviously the legal threat of regulation has not resulted in diminution of the reserves of natural gas.

IPPAA stated that natural gas was an essential and desirable fuel. That is true.

GAS INDUSTRY'S THREAT

But the association also stated to the Congress of the United States a clear threat to withhold reserves from the interstate market and drive our natural gas consuming families back to cooking with some other fuel and scrapping their furnaces, their stoves, their hot-water heaters, their gas dryers, and other appliances. If regulation continued in effect, the association—with which the nominee has been closely associated—threatened, "independent producers of natural gas will seek intrastate markets, thereby depriving the interstate markets of this tremendous potential supply of natural gas."

Let us remember that this is the very voice of the independent natural gas producer speaking. What are we to make of this threat in a resolution passed for transmission to the Senate Commerce Committee? Up to now the interstate market's share of marketed production has held its own, and the volume of interstate sales has constantly increased. So this was not merely a prediction about the future of the market.

Rather the producers were telling the Congress of the United States, and through them the 27 million consuming families, of whom 5 million are in my State of Wisconsin, that unless they had their way they would withhold reserves from the interstate market and deprive the consumers of the fuel they burn in their expensive natural gas equipment.

Can we stand for such arrogance? Can we turn to the Independent Petroleum Producers Association of America to fill a vacancy on the Federal Power Commission?

HERE IS CORRECT ANALOGY

It is almost fantastic to think of it, but this is exactly what the Senate is doing. It is turning to the association which has been in the forefront of denouncing any kind of regulation of the industry by the Federal Power Commission for a man who will serve on the Federal Power Commission. It is obvious, when I refer to the inequity of having Mickey Mantle umpire a Yankee baseball game; or, as the Senator from Kansas indicated, having Joe Louis referee a boxing match involving Joe Louis, Jr.; or having a great football star referee a football game of his own alma mater, that the analogy is precise and correct.

This is a man right out of the industry involved, who comes from the industry which has dominated and had its way with the Federal Power Commission. It has had its way at the great expense of the householders and other users of natural gas. It seems to me, Mr. President, that we cannot stand by when such a man is nominated to the Federal Power Commission.

I look forward to demolishing these phony and interested arguments put forward to the Congress by the association from whose views Lawrence O'Connor, despite abundant opportunity, has not dissociated himself.

O'CONNOR'S VERSION OF IPPAA

And indeed, the nominee said something else even more interesting about the IPPAA. Mr. O'Connor told the Commerce Committee on July 26, 1961, on his own initiative:

> I might add, it wasn't clear in the record, the Independent Petroleum Producers Association of America is by and large an association of small producers.

The nominee said that.

Well, is it clear from the record? In 1955 the Senator from Illinois [Mr. DOUGLAS] introduced S. 1926, to free the small independent producer of natural gas, the little Texas rancher and cattleman, of whom the senior Senator from Texas spoke so lovingly, who just happens to find gas under his land, from Federal Power Commission regulation.

What did the IPPAA do? If it were an association of small producers, and if all small producers were to be freed from regulation, one would think the IPPAA would support the legislation. But the IPPAA, opposed as it was to regulation, and representing, in Mr. O'Connor's belief, the small producer, did not testify in favor of that bill. One can read through all 1,855 pages of hearings held on Natural Gas Act Amendments in 1955 before the Commerce Committee and not find one word of support from IPPAA for the amendment to free from control the little producers in whose name that organization claims to speak.

WHAT SENATOR TOBEY FOUND

Mr. President, what I did not read from the writings of Mr. Engler was a quotation from remarks of the late Senator Tobey. I recall that when I was in the Army during World War II, while I was stationed at the Pentagon, I came to the Senate gallery. I remember sitting in the gallery as a lieutenant in the Army listening to the late Senator from New Hampshire, who was a very spectacular Senator, with a booming voice, and a tremendous indignation.

The late Senator from New Hampshire, Mr. Tobey, achieved fame on the Kefauver committee. He was known as a man whose indignation against organized crime was very great. But what I did not quote from the Engler article was a statement by Senator Tobey just before he died, that never again, as long as he was a Senator, would he permit any questionable oil appointment to go without challenge. He had found that in virtually every case what happens is disastrous as far as the public interest is concerned and that nominations of people from the oil industry have worked for the benefit, of course, of the immediate industry people involved and to the great disservice of the Nation, of good public policy, and certainly of the consumers involved.

I think I should be as specific as I can be in this case. Although the Natural Gas Act is a detailed act, I will read only briefly from it. The copy of the act that I have before me covers some 25 pages, but I shall read only briefly

from it and read the most pertinent sections. I believe I can read them in a few minutes.

WHAT GAS ACT STATES

The construction I have placed upon the quoted sections of the Natural Gas Act is not based upon special pleading, but upon the fact that the Congress clearly intended to regulate sales of natural gas in interstate commerce for resale. And so that we may not overlook the broad purpose of the Natural Gas Act, and so that future references to the act may be more easily understood, I would like to read the appropriate sections of the act at this time.

SECTION 1. (a) As disclosed in reports of the Federal Trade Commission made pursuant to Senate Resolution 83 (Seventieth Congress, first session) and other reports made pursuant to the authority of Congress, it is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

Let me read that section once more:

It is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

HERE IS PRODUCERS' LOGIC

That language is right at the beginning of the statement of policy. The whole argument has been whether the act that was passed in 1938 means what it says. The IPPAA, the industry, and the producers have argued constantly that the price of natural gas at the wellhead should not be regulated.

I ask anyone whether this is not the sale of natural gas? It is sold at the wellhead. The overwhelming majority of natural gas sales are made by producers and pipeline companies at the wellhead. The act states, "the sale in interstate commerce"—the sale for ultimate commercial use.

I will read the provision again:

And that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

I do not know how language could be plainer, but for 16 years the gas industry contended that this provision did not cover sale at the wellhead. Then, of course, the Phillips case came along in 1954 and the FPC, in spite of what was said in the Phillips case, the industry still did not believe it. I shall show that the Phillips case was about as explicit, direct, and clear as one could get.

CRITICISM OF SUPREME COURT

Following the Phillips case came the Catco case, another decision by the Supreme Court, in which the Supreme Court was not only emphatic and specific, but directly criticized the Federal Power Commission for neglecting to fulfill the clear law of the land.

I read verbatim the next section of the Natural Gas Act, section 1(b), which is before me:

(b) The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

I should like to go over that provision. It states: "For the resale for ultimate public consumption."

STILL TRY TO ESCAPE ACT

Certainly when a producer sells his natural gas to a pipeline, and the pipeline sells that natural gas to a distributing utility in Milwaukee, Boston, Los Angeles, Portland, Oreg., or anywhere else in the country, if the natural gas originates in Texas, as so much of it does, or in Oklahoma, and is sold in these other States, I do not know how any construction could be put on the sale except that it is covered by the act.

Yet for years and years the industry maintained that they were not covered. It took 16 years before the Supreme Court got around to deciding the case, and the people who have been represented by the nominee who is now before the Senate never has conceded it and are still trying to escape from the plain implication of the act which was passed by Congress.

To proceed with the sentence:

The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural gas companies engaged in such transportation or sale, but shall not apply to any other transportation—

This was the joker that caused the difficulty—

shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

PRODUCERS ARE ALSO SELLERS

Of course, if one does not sell his product, he is not commercial. One would not get anything for the product until he sold it. Surely they are engaged in the production and the gathering. But obviously they are also engaged in the selling, because they overwhelmingly do sell. There are some very large and important integrated companies, but it is apparent that most natural gas is sold by the producer.

The following is the only other section of the Gas Act which I think I should read, and it appears on page 5. This is the language:

SEC. 5. (a) Whenever the Commission, after a hearing had upon its own motion or upon complaint of any State, municipality, State commission, or gas distributing company, shall find that any rate, charge, or classification demanded, observed, charged, or collected by any natural-gas company in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, or that any rule, regulation, practice, or contract affecting such rate, charge, or classification is unjust, unreasonable, unduly discriminatory, or preferential, the Commission shall determine the just and reasonable rate, charge, classification, rule, regulation, practice, or contract to be thereafter observed and in force, and shall fix the same by order: *Provided, however,* That the Commission shall have no power to order any increase in any rate contained in the currently effective schedule of such natural-gas company on file with the Commission, unless such increase is in accordance with a new schedule filed by such natural-gas company; but the Commission may order a decrease where existing rates are unjust, unduly discriminatory, preferential, otherwise unlawful, or are not the lowest reasonable rates.

Mr. President, I have asked the Federal Power Commission to tell the Senate through its Office of Public Information how often section 5(a) has been applied to obtain a reduction in producers' rates under the Natural Gas Act.

REFUSED TO ENFORCE ACT

It seems to me that this is highly pertinent, because the Federal Power Commission, it has been my charge, is already under the domination and has been for years of the industry. They have refused to fulfill the clear directive of the act, so I have asked them to give me this information.

Before going into the number of rate decreases successfully applied to producers' contracts since June 7, 1954, when the Commission was forced by the Supreme Court to acknowledge its jurisdiction over producers' sales, let me point out that during the same period FPC received a total of 12,391 applications for higher rates from natural gas producers. Against this indication of industry pressure to increase prices, we must weigh FPC's determination to reduce unfair and discriminatory prices. In the 7-year period from June 7, 1954, to June 1, 1961, FPC filed under section 5(a) a total of 13 actions to reduce producers' prices.

In other words, virtually one-tenth of 1 percent as much effort was expended to shove prices down as there was to push them up in terms of applications made.

In November 1958, an action against the Altex Corp. was terminated when FPC failed to find rates unreasonable.

In December of 1958 an action against the Gellring Oil Co. was dismissed.

FIRST REMOTE SUCCESS

In December of 1958, an action against Ralph E. Fair, Inc., was dismissed.

In January of 1959 an action against the Mound Co. was dismissed.

In September of 1959 an action against C. V. Lyman was dismissed.

In December of 1959 an action against Monsanto was terminated.

In January of 1960 an action against Western Natural was dismissed.

In June of 1960 an action against Champlin Oil & Refining was undertaken and a settlement reached after the company dropped escalation clauses from the contract under review. This was the first remotely successful action by FPC in pruning producers rates.

It came, I might say, some 22 years after the National Gas Act was passed, with section 5(a) in it. How can anyone argue that the Federal Power Commission has done anything like an adequate job of considering the consumers' interests?

HERE IS THE RECORD

The record stands at 12,000-plus applications for an increase, many of them granted and approved, with rates going up enormously, and one remotely successful action by FPC in pruning producers' rates.

Of the 6,461 rate increases filed by January 1, 1958, how many, would the Senators suspect, the FPC allowed? After all, they tried to reduce 13, and they succeeded fully with only one, and three others were settled without achieving the planned reduction.

In September of 1960 an action against the Phillips Petroleum Co. was dismissed.

In November of 1960 an action against the Nueces Co. was settled after the company dropped escalation clauses from the contract under review. This was the second successful action by FPC in pruning producers' rates—some 6 years and 5 months after the Phillips decision.

These are the only two cases, compared to the hundreds and hundreds of rate increases.

ONLY TWO SUCCESSES

These are the only two cases so far in which the FPC has had any kind of success with regard to preventing increases, and in both these cases it was the escalation clauses, or the automatic elevator clauses, the upsweep clauses of the future which were suspended.

In February of 1961 an action against the Murphy Corp. was dismissed.

In June of 1961, FPC found one of two rate schedules filed by Alfred C. Glassel and others to be unjust and unreasonable, when FPC ordered the company to file a rate of 15.21 cents per thousand cubic feet instead of the 21.75 cents which it had been collecting.

So while the producers filed a total of 12,391 rate increase applications, FPC tried to secure only 13 reductions of rates. And of these, only one was fully successful. Nine were dismissed and three settled without achieving the planned reduction in rates.

Furthermore, the story of FPC action on the 12,391 proposed rate increases is altogether shocking.

Of the 6,461 rate increases filed by January 1, 1958, FPC allowed 5,317, and of the total per annum amount of $96,151,471 proposed in such rate increases, disallowed only $7 million.

FPC BACKS INCREASES

In other words, when it comes to pushing them up, FPC has a record of overwhelming approval. When it comes to reducing prices, FPC has a record of almost total rejection.

Of the 1,939 rate increases filed during the calendar year 1958, FPC allowed 875, and of the total per annum amount of $44,855,736 proposed in such rate increases, disallowed only $246,187. That is an amount which is about one-half of 1 percent of the 2,148 rate increases during 1959, and the FPC allowed 839. Of the total per annum amount of $75 million in proposed rate increases, it disallowed only $166,547.

What I am talking about is the price that 27 million American families have to pay for gas. What I am talking about is the gas bill that they will receive all through the year, especially in the fall and winter and spring months. I am talking about the fact that they are locked in and they have no protection.

SHOCKING BATTING AVERAGE

As I will prove a little later, the producers have a tremendous degree of control over prices. There is no question about it. The record of the FPC is that they just do not have any kind of real protection.

This is a shocking record. Thirteen rate reductions as compared to 12,391 rate increases, and one of 13 rate reductions successful as opposed to 7,033 of 10,504 rate increases.

The industry has had a batting average of 268, while the consumer, who does not seem to come to bat very often, is batting only .031. These figures are yet another evidence of the weakness of FPC regulation and the strength of the industry.

Mr. President, I come to another section which it seems to me is crucial and is contested and is controversial. However it seems to me that the case here is overwhelming.

That is the power of the producers over America.

When Mr. O'Connor's nomination was before the Commerce Committee it was said that the pipelines and utilities had the ability to kick the producer of natural gas in the teeth. It was also claimed that as the producer receives such a small share of the prices paid for natural gas in some cities, he can have no influence on consumers' prices. I will show that the producer exerts enormous influence in the natural gas markets of this country. Let us consider how the natural gas business works, so that Senators may judge for themselves just who is kicking whom in the teeth.

INVITATION TO ECONOMIC INJUSTICE

This question—the role of the producer in natural gas markets—is highly relevant to the present appointment. In committee, the distinguished Senator from Texas [Mr. YARBOROUGH] stated:

> The big utility is able to kick the little producer in the teeth. The little producer is in the same shape as the housewife. You don't hear any controversy about the bigs. That is the local utility distributing in the city and the big pipeline that carries it up there.

I stated before the Commerce Committee that we issue an invitation to economic injustice by appointing a man who has been so closely concerned with natural gas production to the Federal Power Commission. Many of the answers I received from distinguished members of the Commerce Committee were based upon the assumption that the big utilities and pipelines rather than the producers were responsible for rising consumers' prices.

Incidentally, there is no question that public utilities in the cities are under regulation. They are regulated by public service commissions in every State of the Union. Whenever that regulation is not adequate, the State legislatures and the Governors are in a position to act.

Also, there has been no question of the regulation of pipeline companies. They are under regulation, whose effectiveness has not been questioned. I understand that in some cases the prices which pipelines received are being reduced.

PRODUCERS NOT REGULATED

This is not true of the producers. In effect, the producers are out from under regulation. But I was told in committee that it was "harsh and unfair" to charge that Mr. O'Connor might take an interested position on matters of natural gas regulation which came before the FPC, because he had not come from the most powerful part of the industry.

It was said, for example, that there was no "representation by Mr. O'Connor of these public utilities that sell gas in the cities, or the interstate pipeline companies." I was told that it was "harsh and unfair" to charge that Mr. O'Connor might take an interested position on matters of natural gas regulation which came before the FPC, because he had not come from the most powerful part of the industry.

I repeat, it was argued that because Mr. O'Connor did not come from the most powerful segment of the natural gas industry, his interested views, if he had them, would not have any effect on natural gas prices. I quote:

> I want to point out I think this sentence is harsh and unfair, a man with no connection with these utilities, to say he is the utilities' boy.

The fact is that Mr. O'Connor does come from the most powerful segment of the natural gas industry, and that his appointment could have the worst consequences imaginable for the stability of the natural gas market and for the public interest.

"DON'T BLAME THE PRODUCER"

Another distinguished Senator [Mr. THURMOND] stated at the hearing:

> I don't blame the producer. He is getting very little out of it. Others are getting too much out of it. But this man, Mr. O'Connor, from Texas, simply because he has been connected in some way with producers, it seems to me that warrants no condemnation, because the crowd he was with is the one that is getting the least out of it. They are getting very little out of it. It is the utility that is making the big profit out of it.

And, it was stated, as Mr. O'Connor has not been associated with these aspects of the natural gas industry, there can be nothing wrong with his appointment to the FPC.

Senator YARBOROUGH called the producers "the weakest segment of this business"—that is, the natural gas business. I must register my dismay at the insistence of Senators well versed in the history and structure of the natural gas industry that the producer is the weakest link in the chain binding consumers

to natural gas wells. I am astonished to find myself accused of "pointing arrows at the weak segment."

"We must," I was told, "go out after the lions." Well, the pipelines and utilities described as dominating natural gas markets are the tail on a very big lion and I want it made very plain just how lionlike and powerful the producers of natural gas have become.

GOING AFTER THE LIONS

The producers are in fact the most powerful segment of the natural gas industry. They are the lion we are after today.

I would like to make very plain right now the implications of a conclusion, should it be fairly reached, that the producers of natural gas have the power to dominate the market and are using it. Let me refer for a moment to a point in the history of that industry. In 1935 the Federal Trade Commission report on the economic power concentrated in natural gas pipeline companies led to the enactment of the Natural Gas Act by the 75th Congress. No Federal Power Commissioner was ever chosen from that powerful segment of the industry. Not one.

Not one man in history has been chosen from the pipeline companies to serve on the Federal Power Commission. Why? Because they were considered too powerful and too interested. Indeed, in the entire history of the Federal Power Commission we have not been faced with an appointment of this kind. An appointment from the producing segment of the industry at this time is every bit as unthinkable as an appointment from the pipeline segment of the industry would have been, right after the passage of the Natural Gas Act and the Federal Trade Commission report on utility holding companies.

PRODUCER POWER IS MAGNIFIED

The situation I wish to describe in the natural gas industry is in its essentials a very simple one. The power of producers may easily be seen. What is hard to understand, because of the complexities involved, is that that power is magnified through a series of natural monopoly conditions and market irregularities into a virtual stranglehold on the 27 million American families which use natural gas in their homes.

What do I mean by the natural gas market?

I refer to the meetings that take place between buyers and sellers as natural gas flows from the ground through a complex of gathering lines and compressor stations, long interstate pipelines, and city gas mains to the homeowner's gas meter.

Only 12 percent of the gas that flows in interstate commerce is produced under leases owned or controlled by the company that transmits it. Over 7 trillion cubic feet of the gas sold for residential use—nearly 90 percent of it—is produced by companies and individuals who have no way of transporting the gas to its next point of sale.

Mr. President, last night I discussed in detail the background and association of the Commissioners who have been appointed to the Federal Power Commission. We found they were men who came from various backgrounds. Many of them were lawyers; some were engineers; a couple were professors.

NOT ONE—UNTIL NOW

But there was not a single appointment—not one—from 1930, when the Federal Power Commission was constituted as it is at present, with five Commissioners—not a single appointment, until a few months ago, when Mr. Swidler and Mr. Morgan were nominated, came from the industry. Not one, until now.

Mr. LONG of Louisiana. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I am happy to yield to the distinguished Senator from Louisiana.

Mr. LONG of Louisiana. While I have not been persuaded by the Senator's speech, I have been very much impressed. Does not the Senator recognize that in the major producing States—and Louisiana is a major producing State—half the gas is consumed within the State?

Mr. PROXMIRE. Yes, indeed; I recognize that. I know that is true in Louisiana. I shall quote some statistics. Of the amount the industrial users pay for gas, the amount paid to producers is the biggest factor. The amount the producers receive in Louisiana is a higher proportion than industrial users pay in any other State of the Union. They receive 80 percent.

As the question indicates, that gas is sold in intrastate commerce. It is not sold in interstate commerce. That particular gas, I presume, if it is sold for ultimate consumption within the State, would not be subject to the Natural Gas Act of 1938. That is correct. I am talking about the gas sold in Wisconsin, all of which is produced outside of that State.

Mr. LONG of Louisiana. Most small producers of natural gas—I am speaking numerically, not so far as the volume of gas is concerned, but as the number of producers go—most of them who sell the gas take whatever price they can get. Oftentimes that is far below the average price that is being paid by the big pipeline companies.

Oftentimes that is much less than the price paid by the big pipeline companies.

Mr. PROXMIRE. I am an enthusiastic advocate of the bills which will exempt the small producers. I think only the largest ones which sell a very large amount of gas, as a matter of fact, sell 90 percent of the gas sold in interstate commerce, should be regulated. But when we have tried to exempt the small producers, we have not been successful; there has been objection by the big producers, and they have prevailed.

(At this point Mr. METCALF took the chair as Presiding Officer.)

Mr. LONG of Louisiana. Is the Senator aware of the fact that in a single field—for example, the Sligo field, where this Senator has a small interest in some gas wells—we sell our gas for about 8 cents, but others drilling in the same field are selling it for 13 cents or perhaps 20 cents? So the small producers are getting a much lower price than the large ones are getting. The small producers cannot understand why people are upset about the price, because they are getting far less than the other ones are.

Mr. PROXMIRE. The Senator's argument is extremely interesting, because obviously if there is this kind of difference in price, effective competition is virtually nil. In view of the homogeneity of gas—for it is not a distinctive product nor is it a trademarked product, and there is no great difference in the quality of different lots of gas—it would be impossible under competitive conditions, because of price competition for one producer to receive 8 cents and for another one to receive 18 or 20 cents. Of course, by reason of pipelines, this is true. I shall discuss the nature of the marketing power which the gas producers have, which has permitted them to achieve the prices they have achieved—which gives meaning to the chart I have placed in the rear of the Chamber, which shows the vast, sharp, and sudden increase in the price received by the large gas producers.

Mr. LONG of Louisiana. Will the Senator help me understand why it is that with only a barbed wire fence separating one oil property from the other, those of us on one side get only 8 cents, whereas those on the other side get 50 percent, or in some cases, 100 percent more than we do? Can the Senator help me understand why it is that one receives twice as much as the other does, although the two wells are within 100 yards of each other?

Mr. PROXMIRE. I see the inequity. It indicates that this is not a matter of competitive pricing or of free choice by the ultimate consumer, who of course is indifferent as to whether the gas he uses comes from the well of a small independent producer, such as the well of the Senator from Louisiana, or from the well of a big producer. This is a matter of indifference to the consumer. But it is a matter of the power of certain big producers to achieve a price that is beneficial to them, but is very costly to the consumers. It is very puzzling, and I do not think it can be explained in terms of economics, because it is not an economic situation. It is a matter of personal relationships under contractual agreements.

Mr. LONG of Louisiana. The Senator realizes that if our people put our well down first, alongside the barbed wire fence, we could take all the gas out of that area; but if the other man puts his well down first, on the other side of the fence—on land which happens to be on an Air Force base—he can take all the gas out, through his well. Since there is no difference between the gas taken out of the well on one side of the fence or the gas taken out of the well on the other side of the fence—it is all the same gas—why is it that the other fellow gets 13 cents or 18 cents for his gas, whereas we get only 8 cents?

Mr. PROXMIRE. I think the Senator well outlines the difficulty in that situation as regards the price of gas at

the wellhead, and the complexities in regard to the ultimate impact on the consumer. I thank him very much.

Mr. LONG of Louisiana. Can the Senator state whether there is any prospect of equalizing the amount received by those producers so that the small producers will receive the same amount that the large producers will receive?

Mr. PROXMIRE. It seems to me that any kind of effective regulatory system—and history demonstrates this is true—will work to the longrun equity benefit of many persons in the industry, and particularly those in the industry who are being discriminated against because the price they receive is lower than the price the others receive, and who are not receiving an opportunity to compete effectively in the market. It seems to me that if the Federal Power Commission were doing an effective job—although, as a matter of fact, for the past many years it has not been doing any job at all in many respects—that situation might be effectively dealt with.

The Senator from Louisiana has pointed out that much of the gas is sold in intrastate commerce. Thus it may be that much of the problem is to be determined on a State basis, rather than on a national basis. If the gas from the Senator's well is sold within the State of Louisiana, I would say that probably would be no business of any Federal agency, because gas sold in intrastate commerce is not involved in interstate commerce, and therefore is not subject to regulation by Federal agencies. So that matter would be the concern of the State of Louisiana, to the extent that the State might decide to exercise its power.

Mr. LONG of Louisiana. But if it is within the power of the Federal Power Commission to say what the price on the high side is to be, is it not within the power of the Federal Power Commission also to say what the price on the low side shall be?

Mr. PROXMIRE. In view of the history of regulation, I think that is true. But when there is an oligopolistic situation and when the agreement is based on established practices and relationships among producers, one does not have to worry very much that the price will be on the low side. It is true that there are exceptions. The Senator from Louisiana, who personally has had experience in this matter, knows what those exceptions can do. It seems to me that the chart which I have placed in the rear of the Chamber indicates the great increase in the price of natural gas at the wellhead, and any study of the profits of the natural gas companies, and the fact that the Federal Power Commission permits them to receive, as I understand, a return, not of 6 percent or 7 percent, which is the usual return for utilities, but of 11 percent, indicate that there is not much danger that the prices will be too low.

I conclude by stating to the Senator that this industry has had enormous influence on the Federal Power Commission. On the basis of experience, there is no question that this industry, or at least the producing element in the industry, has gotten pretty much what it has wanted from the Federal Power Commission.

Mr. LONG of Louisiana. Does the Senator know that in my State there are situations where some persons have producing leases for an entire gas field? I have particularly in mind Federal and State leases, where they have all of it; and right now they are getting more than 23 cents for their gas. But I can take the Senator into parts of the State where he can see people who are tied down by contracts and are getting only 3 cents—for the same kind of gas. Because they are tied down by old contracts, they are getting only 3 cents, or sometimes only 2 cents, as compared to a man whose gas is produced only a short distance away, but receives as much as 23 cents for it. How can the Senator explain that difference?

Mr. PROXMIRE. As the Senator from Louisiana well knows, until 1935 a tremendous amount of natural gas was worthless; it was flared off, and was not used at all; it was not consumed.

Quite recently there has been some natural gas that has been flared off—but less and less as gas becomes more valuable. But there has been some of it. We are still in a period of transition where such waste is concerned. It has been reduced, but not altogether eliminated.

But even in this period of transition, we are in a position where most natural gas that is sold is sold at a great increase over the price that was received 2, 10, or 15 years ago. But there are exceptions, as the Senator from Louisiana well knows, and I think the Senator from Louisiana could probably answer the specific questions very satisfactorily.

I do not mean that there is anything insincere about the Senator from Louisiana. He is a very sincere man. I simply meant to imply that there are practical answers with which the Senator from Wisconsin may not be familiar, because he is not the owner of gas land and has not had the kind of experience that the Senator from Louisiana has had.

Mr. LONG of Louisiana. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. LONG of Louisiana. The Senator knows there are some people—and I know of some—who are tied down by some of these ancient contracts, who find that they cannot afford to produce gas at the old price, because the cost of labor and materials has gone up.

Some of them find themselves in the position of saying to a buyer, "As far as we are concerned, take our wells. Go ahead and take them. We have nothing to lose. But we cannot afford to sell you gas at that price. We would just as soon give you the well." People who find themselves in that position let their wells sand up, and over a period of time it will be found that not much gas can be gotten out of those wells.

Mr. PROXMIRE. I think the Senator is correct. I think that was the argument of the Senator from Texas in the hearings, and the Senator from Louisiana implies that in his question. It is true that an overwhelming majority of the gas producers, in large numbers, are in a weak position. They do suffer losses. They should not be subject to regulation at all, and they should be taken out from under regulation. I am talking about the people who sell an overwhelming majority of the gas, 90 percent of it. In my State, the Phillips Petroleum Co. sells 95 percent of the gas sold in the State. Obviously, a company like that does not have the kind of problems the Senator from Louisiana has mentioned on the floor. I think the solution, so far as those people are concerned, is that they should be taken out from under Federal regulation. The problems they have can be solved, and they ought to be solved, not by the Federal Government, but on a State or local basis.

Mr. LONG of Louisiana. The Senator knows, does he not, that about 90 percent of the Federal Power Commission's workload concerns these little producers?

Mr. PROXMIRE. Exactly. That is why they ought to be taken out from under regulation. There is no sense to it. They should not be regulated. They are not a commercial property. Cases relating to them consist of 90 percent of the workload of the Commission. That is the reason why Dean Landis said it would take 13 years, at the present rate, to clean up the backlog. At the end of that time it would be so far behind that it would take until the year 2043 before the Commission could work out that backlog. Under those circumstances, it is ridiculous to have the very large number of small producers involved in the regulatory process of the industry. They ought to be out from under such regulation.

Mr. LONG of Louisiana. In Louisiana I personally know of cases where people have been offered 23 cents per 1,000 cubic feet, and they would not sell it. They just sat on it.

Mr. PROXMIRE. Exactly.

Mr. LONG of Louisiana. There are other people getting 2 cents; less than 10 percent of the price offered others. Yet these people are being told that they are being regulated and being controlled. As far as these people are concerned, it does not make any difference whether they are regulated or not. They are going broke. They very much need a chance to get a decent price, one that will be at least equal to the cost of production and a small profit over the cost of production.

Mr. PROXMIRE. In the first place, I am sure that if they were under the regulation of the Federal Power Commission, there would not be any disposition on the part of the Federal Power Commission to prevent that. They can apply for an increase in rates so far as regulation is concerned. They can get it after 5 months, no matter how high it is, and can hold on to it until the Federal Power Commission acts on it. It is only if the Commission acts adversely on it that they will have to make a refund. So far as regulation is concerned, they are in a position where they do not have that problem. Their problem

is a marketing and economic problem. It is not a regulatory problem. They are not monopolies; they do not have that kind of operation. They are not germane to the appointment of Mr. O'Connor, because the position of the people with whom Mr. O'Connor has been associated in the gas industry, by and large—and there are some exceptions—are those who continue to be regulated and who have resisted and objected to this kind of regulation.

Mr. LONG of Louisiana. So far as small producers being tied down by old contracts is concerned, they are not in the position of being business tycoons. They are virtually beggars. Yet they cannot get a price to keep them in business. I am talking about contracts going back to 1935, for example.

Mr. PROXMIRE. I think the Senator from Louisiana is really on the same side as the Senator from Wisconsin in this particular discussion. I would certainly agree with the Senator from Louisiana that restrictions of this kind should not be put on these people.

Does not the State of Louisiana have a minimum price law, as Texas, Oklahoma, and Kansas have? It seems to me it should be a State solution, and not a Federal solution. It may be unwise to have one, but if that is the problem that bothers the producers, this is one way they might decide to solve it. The people are primarily engaged in intrastate commerce, and should not be concerned with regulation by the Federal Government.

Mr. LONG of Louisiana. May I suggest to the Senator that, without a minimum price law, which Louisiana does not have, the only recourse available to the person who is not getting enough to pay the cost of production is simply to let his well continue not to produce, until it sands up, and not produce any sizable amount of gas—in effect, to sabotage his own well, until someone says, "I will pay you a better price if you fix your well up."

There are a considerable number of persons who are faced with that problem. So far as the person selling gas is concerned, he is in the position of the average retail merchant—he wants to buy cheaply and sell at a high price. The Senator knows what I am talking about.

Mr. PROXMIRE. I do, indeed. I thank the Senator from Louisiana for his contribution.

Mr. President, these nontransporting natural gas companies are known as independents because they have no connection with the pipeline buying the gas. Instead, they sign contracts with interstate pipelines whereby the pipeline is guaranteed such-and-such a supply of natural gas to be delivered through gathering and transporting lines to the compressing station from which the gas is pumped into the mains of the transporting pipeline company.

Sales of this kind are known as wellhead sales. The transporting pipeline acquires the gas it intends to sell at the other end of its line. Natural gas rises from underground traps to the gathering lines at the surface at great pressure and flows in a continuous stream from underground reserves through a network of gathering lines into the transporting pipeline in an unbroken current. After it enters the transporting pipeline, it belongs to the pipeline company, which has committed the gas for resale at some point near the area where it is to be used.

CITY-GATE SALES

The next point of sale, although there may be intermediate sales along the way, is known as the city-gate. Here the pipeline's ownership of the gas ceases as it is sold to the distributing company which either stores it for use at peak-demand times or distributes it through a network of city gas mains to each consumer's gas meter.

The gas is first sold at wellhead by a producer to a pipeline, then at the city gates by the pipeline to a distributing company, and finally at the home user's gas meter by the distributing company to the ultimate consumer.

Before the use of natural gas became widespread, a fairly recent development which had its origins chiefly in the 1930's, it was customary for each distributing company to manufacture the gas used for home lighting from coal. From the manufacturing plant the gas was carried through underground mains to each home, just as is done today. Because it would be a waste of capital to have two distributing companies building such a network in the same area, and because distribution becomes cheaper to each customer when large volumes of gas are involved, each town or city generally permitted one company to have this lucrative business.

In order to prevent the sole supplier from charging whatever he liked, agencies were established to make sure that the price to the consumer reflected the real cost of service rather than a charge of whatever the market would bear. Regulation of the distributing utility was essential because of the economic power it possessed—that is to say, its ability to charge whatever it liked for the manufactured gas it sold. There came into being in most cities and towns, and soon at the State level, public-utility commissions and public-service commissions entrusted with the power to supervise the charges made by such public utilities as gas and electric companies to their customers.

In most markets, the buyer may refuse to buy if he doesn't like the price being asked; the buyer goes in turn to a competing merchant and looks for a different price. But when there is only one company selling the product, as is true with electric, telephone, and gas companies, the customer does not have this power. Thus, if he wants the commodity or service being sold, he can obtain it at only one place. One cannot tell the consumer of electricity to pay whatever the market will bear or go burn candles. One cannot tell the telephone user either to pay the highest price the company can charge without losing its customers altogether or to deliver his messages by word of mouth. Especially, one cannot tell the consumer of gas to pay whatever the market will bear or switch to a wood stove or some other fuel, because he doesn't have the wood stove.

GAS CONSUMER IS AT MERCY OF INDUSTRY

The consumer of gas has invested heavily in his gas-burning stove and his gas-burning furnace. He is altogether at the mercy of the gas-selling utility. The utility, in turn, has the advantage of a guaranteed market and the freedom from competitive pressure. Thus the need for regulation of the prices charged by utilities of all kinds is easy to understand.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. The Senator is making a very penetrating speech. He has carefully analyzed the economic factors involved. I gained the impression that the Senator must have a degree in economics from some college. Is that a correct impression?

Mr. PROXMIRE. The Senator from Wisconsin has a master's degree in public administration from Harvard. Since the Senator from Louisiana has asked, I have all the requirements for a doctor's degree from Harvard, in economics and government, except for the writing of my dissertation. Like hundreds and thousands of other graduate students, 13 years after I attended Harvard I am still writing that dissertation. Perhaps this can be the dissertation.

Mr. LONG of Louisiana. Perhaps the Senator is making a very able dissertation tonight. Does not the Senator recognize that there are producers and producers—some producers who get their way and some who do not? I have in mind the small producers who are forced to sacrifice, though other producers write their own tickets. The Senator recognizes that fact, does he not?

Mr. PROXMIRE. I agree.

Mr. LONG of Louisiana. In my State of Louisiana, particularly when we include the so-called tidelands, the offshore elements, there are some producers who have entire fields, who are literally sitting on billions of dollars' worth of gas, who are not ready to sell anything, while there are other producers who are begging to sell what little they have. I have in mind the difference between a small producer and a big producer.

Mr. PROXMIRE. I think that is unquestionably correct.

Mr. LONG of Louisiana. Does the Senator recognize, so far as many small producers are concerned, that they are simply caught in a trap? Many small producers are in the position that they would beg a person to lay a pipe out to their little gas well, and to take away the gas at any price which would exceed the cost of production, while there are many big producers who are not interested in doing business at all, who are able to finance the expense of laying the pipe the other way.

Mr. PROXMIRE. Once again I thank the Senator from Louisiana, and I agree. The little producers should not be subject to regulation. They ought to be taken out from under such regulation.

I feel very strongly that the little producers should not be subject to any kind of harassment by any kind of Federal agency. They ought to be exempt. They ought to be taken out from under regulation.

The big producers do have the kind of power I mention, in many cases. We have for consideration not only the economic record, but also, it seems to me, a clear, legal record in the decisions in the Catco case and the Phillips case. We have the clear intent of the Congress to subject the producers to regulation.

Mr. LONG of Louisiana. I am not too sure the Senator and I have anything about which to argue. In fact, I am not sure we are arguing.

Mr. PROXMIRE. I am inclined to agree. I think we are not arguing. I think we are agreeing.

Mr. LONG of Louisiana. I suspect we do agree.

Mr. PROXMIRE. I think that is correct.

Mr. LONG of Louisiana. Some of us, including me, joined by the Senator from Pennsylvania [Mr. CLARK], introduced a bill to exempt the small producers from regulation. We found there was no enthusiasm for the bill at all from the so-called IPAA, the Independent Petroleum Association of America.

Mr. PROXMIRE. That is absolutely correct. The IPAA is the association in which the nominee whose nomination is now before the Senate was so active. He was a committee chairman. He was a national director. He was very active in the IPAA.

Although it is said that this is a man who represents the small producers, he has failed to disassociate himself from the position of the IPAA. As the Senator from Louisiana has well stated, the association indicated no enthusiasm for and no interest in exempting small producers from regulation, although it has been extremely active and very aggressive in trying to get the FPC out of any kind of regulation of the natural gas industry.

Mr. LONG of Louisiana. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield to the Senator of Louisiana.

Mr. LONG of Louisiana. This Senator has had the experience of explaining to the IPAA, which is supposed to represent the small producers, that the first step toward clearing up the problem should be to exempt the small producers from regulation. He was dismayed to find there was no enthusiasm in the association for that position.

Mr. PROXMIRE. I think that is an extremely interesting and useful observation. It is a real contribution to the debate, because it establishes the fact that a U.S. Senator, who is an eminent expert in the field, a man who has practical experience, has gone to the association and pleaded with the association to take an interest in the proposed legislation. As the Senator from Louisiana has stated, the association indicated no interest.

Mr. LONG of Louisiana. I found there was no interest whatever. If I do say so, this Senator is a small gas producer. His mother is one. His brother is one. His uncle is, also. He is in business with a number of people who are small gas producers. Theoretically, those are the people the association speaks for.

Mr. PROXMIRE. That is exactly correct. It is theoretical. In practice, it is obvious the association does not, because of its position on the proposed legislation about which the Senator from Louisiana has talked.

Mr. LONG of Louisiana. As a practical matter, this Senator had some experience with the problem and found that when the President of the United States recommended what the Senator is now discussing, the exemption of the small independent producers, the IPAA opposed it. The "bell cows" of that organization were people I have known for many years, and today they are multimillionaires. They are not small producers.

Mr. PROXMIRE. It is very significant that the "bell cows" of that organization, the IPAA, are multimillionaires.

As the Senator from Louisiana, who is very familiar with the organization, has said, these men do not represent the small producers.

Mr. LONG of Louisiana. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield to the Senator from Louisiana further.

Mr. LONG of Louisiana. It is my judgment that the oil producers of that organization are what we call small businessmen.

Mr. PROXMIRE. That is correct.

Mr. LONG of Louisiana. The oil producers of that organization are, for the most part, people who have small quantities of oil, mostly located in States which do not have large quantities of the total oil production.

But that point does not, in my judgment, hold true with respect to the gas producers of that organization. I could name them. I know one to whom my grandpa loaned the family furniture with which he started business. But they do not need anyone to loan them furniture now. They are well fixed. Today, this organization, as far as gas-production facilities are concerned, is well spoken for by men like Mr. Charlie Murphy and a man whom I have described, and he will know about whom I am talking when he reads the RECORD. Both of those people, although they started out poor, are now multimillionaires. So when we get down to the point at which people say, "Do not exempt the small producers in the IPAA," they are not speaking for the small producers; they are speaking for themselves.

Mr. PROXMIRE. I thank the Senator from Louisiana for his contribution to a useful colloquy.

Mr. President, throughout the 1930's natural gas was increasingly made available by interstate pipeline companies bringing the new, clean, odorless fuel from producing areas to consuming cities. When a prospective pipeline builder had located an area where the market for natural gas was large enough to bear the cost of constructing a pipeline, he would proceed to sell bonds to pay for the construction of a pipeline from the source of supply to the city gates, where the gas was sold to the distributing utility. Where interstate pipelines were concerned, there was very little competition among numbers of pipelines in the same area. The funds raised for pipeline construction were used to build pipelines to as many different parts of the country as possible from the producing areas of Pennsylvania, West Virginia, Michigan, Indiana, Kansas, Oklahoma, Texas, Louisiana, and New Mexico. Most consuming markets came to be served by a single pipeline.

How well I remember that this was the experience of Wisconsin, and one of the reasons that Wisconsin took an aggressive, active, and leading role in the Phillips case of all the State.

Here, too, was a market protected from competition with guaranteed sales. Each interstate pipeline became as effective a monopoly power as the distributing utility for each town. But the local and State regulatory agencies could not control the prices asked by pipelines for their gas because the gas flowed in interstate commerce, where jurisdiction is reserved to the Federal Government by the clause of the Constitution which states that Congress shall have the power "to regulate commerce with foreign nations, and among the several States, and with the Indian tribes."

A report by the Federal Trade Commission in 1935 showed that the pipelines were using their advantageous position—their economic power—to exact too high a price for the gas they sold. Their position was indeed very favorable. Natural gas is too bulky and explosive to be transported in any other way than a high-pressure underground main. Because of the expense of laying pipelines, building them side by side to insure competition would have resulted in duplication of service, the waste of scarce expansion capital, and frequent financial failure among pipeline ventures.

But several large holding companies used this power to gain control of the market. In 1934, four large holding company groups—Electric Bond & Share Co., Columbia Gas & Electric Corp., Cities Service Co., and Standard Oil of New Jersey—controlled 58 percent of all the pipeline mileage and 59 percent of the natural gas reserves. The Federal Trade Commission report concluded that the "four groups were so closely interrelated as to constitute for all practical purposes a single interest of enormous power." The report listed 16 serious abuses in the industry. What was the practical meaning of this power in the marketplace? For one thing, the pipeline companies were able to dictate whatever price they liked for the gas they transported.

GAS USED TO BE A WASTE PRODUCT

In those days gas was considered a waste product that came from oil wells. Much of it was burned off and wasted. In Texas as recently as 1945, more gas was flared off at the wellhead than was

sold in all interstate commerce in this country.

Mr. LONG of Louisiana. Mr President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. LONG of Louisiana. What year was he describing?

Mr. PROXMIRE. I said 1945. I am not sure that year is correct. However, I believe it is.

Mr. LONG of Louisiana. If the Senator from Wisconsin would take off 4 or 5 years before that, I can tell the Senator that in Louisiana in that same period, one could drive across the southern part of my State with an automobile and never turn his headlights on, on a dark night, because the entire State was lit by gas flares. We had enough gas flares to light the whole south half of Louisiana through burning the gas in the atmosphere

Mr. PROXMIRE. That is an astonishing way to dramatize the point.

Mr. LONG of Louisiana. I tell the Senator for a certainty that one could virtually walk from Baton Rouge, La., and by the time he got to Opelousas, he could cross to Lake Charles without a moon and without the necessity of a flashlight, since there was so much gas being flared in the air.

Mr. PROXMIRE. It is incredible.

Mr. LONG of Louisiana. The Senator has a very important point. I hope before the Senator finishes his address—and I see that he has several pages remaining—that he will address himself to the fact that the gas producer, even now, although his price may be excessive—and in some instances he is still receiving only 10 percent of the delivered price——

Mr. PROXMIRE. I should like to say that the figures I have given we have tried to check as carefully as we can. I suggest that he is getting around 12 percent of the residential price. The percentage varies from about 30 percent minimum to 80 percent of the industrial price. In a State like Minnesota he would be getting about 45 percent of the industrial price. In most areas, we figure it has been a steadily rising trend, and it has been going from about 6 percent in 1950 up to 12 or 13 percent in the latest year for which we have figures—1959.

Mr. LONG of Louisiana. What do those figures prove? I ask the Senator if it is not correct that they prove that we have an industry in which the consumer, who needs large quantities of gas, and who is in a position to make a deal, will sign a contract which would justify one building a pipeline. That fellow would make himself a deal by which he would understand what it would cost to put gas in his plant, and he would pay what it would take to do so with a fair profit.

Where one is talking about a housewife, I say that we have the Government representing such people, but in too many cases the people who speak for the Government are protecting the monopolists from the people rather than the people from the monopolists.

Mr. PROXMIRE. The Senator could not be more correct. This is the history not only of public service commissions in many States, but it is the history of regulatory bodies throughout the country. It is the clear history of the Federal Power Commission, because what happens is that the industry has a regular and steady day-after-day association with the regulatory body. They see them constantly. They know what they want. They go after it, and they go after it with the best brains that money can buy, because in the case of a utility they can do so, and pass along their cost to the consumer. The sky is the limit. They can buy the best brains that money can obtain. That is the reason that I say that the Senator from Louisiana, who has been a champion of the consumer, felt so strongly as he felt about the GSA provision that was in the independent offices appropriation bill the other day, which prohibited the GSA from representing the Government before regulatory bodies effectively.

It did so by language which prohibited the agency from referring to basic principles, and it did so also by reducing, gutting, the agency by cutting their budget almost to zero in this respect.

The Senator from Louisiana felt very strongly about that point. I know, because he feels as do I, that the consumer—whether the consumer is the Government or an individual consumer—should be adequately represented and should have an opportunity to have his day in court.

Mr. LONG of Louisiana. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. LONG of Louisiana. I hope the Senator does not misunderstand the Senator from Louisiana. When the Senator from Louisiana is representing a consuming State in any kind of bargain, the Senator from Louisiana would be in favor of the people of his State getting the best selling price they can get. I know the Senator from Wisconsin, who represents a consumer State, will be in favor of his people paying the lowest price for the product that they can pay. He and I should be in a position to join in resenting the fact that a middleman, the fellow in between the buyer and the seller, is in a position of hogging all profits, obtaining a fantastic profit which in many cases cannot be justified, and that happens because of the kind of thing that the Senator from Wisconsin fought against, and the Senator from Louisiana voted against.

That is the kind of thing in which this Congress can protect the consumer. I salute the Senator for the fight he made for a mere $300,000 to be available to protect the consumer.

This Congress voted to destroy the money available to contest the reasonableness of the rates that consumers pay when a telephone call is placed from his State to my State.

In my judgment, when they saved the $300,000 they voted at least 100 times that much money into the pockets of certain utility companies, the largest of them being American Telephone & Telegraph.

Mr. PROXMIRE. The Senator is absolutely correct.

In the Sage case, for example, GSA, according to a very careful study and observation, is said to have saved $85 million a year for a 10-year period, a total saving of $850 million. That is a pretty good investment. If you can invest $300,000 for the Federal Government, and save several hundred million dollars, that is the kind of investment I would like to make any day.

Mr. LONG of Louisiana. Can I ask the distinguished Senator how much regulation there is if his son, who happened to be a serviceman in Germany today, and was placing a call to his mother in the State of Wisconsin, could the distinguished Senator tell me how much regulation there is as to the reasonableness of the rate that is charged on that oversea call?

Mr. PROXMIRE. I would like to ask the distinguished Senator from Louisiana to answer that because the Senator from Wisconsin is not familiar with the nature of the FCC's regulations, if they have any at all, and he is not familiar with what body would regulate that kind of interstate service, and the extent to which it would do so.

Mr. LONG of Louisiana. The answer is absolutely nothing. They can charge you a billion dollars for that telephone call. My guess is, they can do so without any regulation.

Although there is a duty on the FCC to regulate them, the answer is that the FCC says that they have never had the money or the experience or the time to do anything about it. So the answer is that your son, calling over to you, they can charge your son anything under the sun, without any restraint whatever, even though they are a legalized monopoly, and the FCC has the power to regulate them. The fact is that they have never done it.

Now, the A.T. & T. wants this satellite in the sky. Of course, if they put it up there, I guess they are going to put a sign on it saying "This is the American monopolist up there, and we are going to charge you anything on earth we can get out of it."

Frankly I haven't actually concluded this thing, but I say to the distinguished Senator, it is better to put this up there, "This is the U.S. Government providing a service; and the best things in life are free."

If the A.T. & T. had that satellite, by the time they get through shaking you down, my guess is there will not be enough hide left on your body to even lick your wounds. But this is the kind of thing that the distinguished Senator from Wisconsin is fighting against. He was trying to work out the point to where somebody could contest these rates.

Now, between us, I might say to the Senator—and I am not asking if he knows this—that a man who was the chief economist for the FCC testified before my little subcommittee that he was the chief economist for the FCC for a period of 5 years, and after being their chief economist for 5 years, his opinion was that never in 5 years did they ever effectively regulate those interstate rates. Never. Never.

The Senator made his fight to obtain $300,000 to try to regulate the interstate rates. That was about the only money available to try to do that job. I must say to the distinguished Senator that I am making a study of it, and I hope I am wrong, but my impression is that the money the Senator is fighting to preserve was about the only money available to protect the consumer in an effective way on interstate rates.

Now, some of these public utility commissions do fight for the consumers. But I would ask the Senator if he does not know this, that these monopolies own about half of those public service commissioners. They own about half of them. About half the time the utility commission is protecting the monopoly from the public instead of protecting the public from the monopoly.

Mr. PROXMIRE. The distinguished Senator from Louisiana could not be more correct. The fact is this is not only true of public service commissions generally, but it has certainly been true of the one that is under consideration tonight, and which involves this nomination to the Federal Power Commission.

FPC DUTY IS CLEAR

The record is very clear. I have just read into the record the fact that they have permitted increases amounting to millions and millions of dollars for the costs to the consumers, increases in rates, although the Natural Gas Act of 1938 is very clear—and I read it into the record—that the FPC has the responsibility, the duty, that they shall act whenever rates are too high to reduce them, how many times have they acted to do it?

I have pointed out that with literally thousands—I think there were some 7,000 cases in which there were applications for increase which had been granted over this period—there were 13 times, not 1,300, not 130—13 times in which they had taken any action to reduce the rate. In only one case, let me repeat, only one case have they actually reduced it, one case as compared to millions of dollars, tens of millions, hundreds of millions of dollars of increase, and thousands of applications to increase.

Mr. LONG of Louisiana. Will the Senator yield further?

Mr. PROXMIRE. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. This Senator has had the experience of seeing a man run for the public serivce commission in the south half of Louisiana. That is an area where those folks speak French, because most folks are descendants of the Acadians who were driven out of Nova Scotia by the British when Wolfe captured Canada.

This fellow running for office, in the course of his speech, speaking a dialectic French which we call Cajun French, had two men go inside his home and haul out a picture, and they would climb on top of the sign to hold the picture up for the incumbent, who was the opponent on the public service commission, who had qualified, and the man who was the head of the telephone company was standing there paying the qualifying fee.

So, in effect, the qualifying fee to run for office was being paid by the fellow who was supposed to be regulated, and the man against whom this little fellow was running, he was running against a candidate whose qualifying fee, mind you, who was the incumbent, and to repeat, his qualifying fee had been paid by the utility that was supposed to be regulated.

Now, the point was that if you elected the man, the chances were, his argument was, that if you elected his opponent, who was already by the way, the chairman of the commission, if he was elected, if his opponent was elected, all you were doing was electing a man who was owned by the people who were trying to charge you a high price.

I might say to the distinguished Senator that while it is more subtle in most States, that is how it is. In most States, the Senator will find, the so-called regulatory commissions are in charge of regulating the people, not in charge of regulating the monopoly.

Mr. PROXMIRE. The Senator could not be more correct. That is why I feel the appointment of Lawrence O'Connor to the Federal Power Commission would be such a tragedy because there would be, for the first time in the history of the Federal Power Commission, a situation where the industry had gotten that far, that the consumers had lost that much, that they had a man appointed directly out of the industry to be regulated, the most controversial industry involved in the Federal Power Commission's jurisdiction, and put him right on the Federal Power Commission itself.

Now, to proceed, Mr. President. More gas was being produced and flared off than the market could absorb, with the result that the wellhead price of the gas was very low—too low. The pipeline could offer a very low price for gas; if the producer did not accept that price his only option was to burn off the gas.

In 1945 in Texas, only 642 billion cubic feet of gas was marketed out of 1 trillion cubic feet produced, about 64 percent. In 1958, out of the 5,339 billion cubic feet produced in Texas, 5,178 billion cubic feet, or about 97 percent was marketed.

GAS WAS ABUNDANT

This is ample evidence of the weakness of the producer in 1945, who was often unable to sell his gas, much less command a price for it. A buyer's market prevailed in which the dominant power was exercised by the natural gas pipeline companies. The phrase "buyer's market" means, quite simply, that the buyer is in control of the price he pays. Natural gas cannot be produced and shipped off in tank trucks, because the cost of doing so is too high. A pipeline was the only means by which the gas could reach its markets.

We must also recognize the fact that gas became available as it was drawn off from oil wells, under the impression that the oil could more easily be recovered after the gas was gone. The producer of the gas was not eager to strike a bargain for his gas, nor did he have the power to do so. There was an abundance of gas and most producers were glad to pick up a few cents per thousand cubic feet for what would otherwise be a waste product.

Under these conditions, pipelines continued to grow in economic power. Vast fortunes were made and the pipelines used their power in the most extravagant, swashbuckling way. In 1938 Congress passed the Natural Gas Act to prevent the pipeline companies from dictating prices to consumer areas. As each pipeline served an area served by no other, the pipeline company was able to dictate whatever price it liked to the distributing utility. Most distributing utilities were permitted a certain rate of return on their costs.

MOST POWERFUL KIND OF MONOPOLY

Aware that they could recover any price increase by passing it on to their customers at a 6- or 7-percent profit, the distributing utilities were not eager to bargain. Nor were they able to, for the pipeline was able to threaten a suspension of supply. The power to withhold supplies from the market in order to force buyers to pay your price is the most powerful kind of monopoly power, and the pipeline companies were able to use it. The power of the pipelines, though, was based primarily on the fact that there were quantities of natural gas being wasted, so that supply was far in excess of demand.

Mr. President, the distinguished junior Senator from Louisiana [Mr. LONG] has just told what I think is a beautiful, dramatic story of how in Louisiana, back in 1945, it was possible to walk mile after mile at night by the light of the flaring oil wells, which were, of course, burning off the waste product of natural gas. That was as recently as 1945, 15 years ago.

TODAY PRODUCER DICTATES PRICE

The most important single development in the history of the natural gas industry in our time has been a drastic change in the supply and demand relationship in the wellhead market for natural gas. That is why it is so important that the producer be regulated by the Federal Power Commission. That is why there is so much resistance to it. That is why the price the householder pays for gas is going up, up, and up, without any relationship to equity and justice: to provide an unconscionable price to the producers, because of the monopolistic situation and because of the immense power of the producers, unless there is effective regulation by the Federal Power Commission.

So many pipelines were built in the period 1938–48 that the demand for natural gas began to increase dramatically. It was not long before the price of reserves held by the producers of natural gas was bid up by pipeline companies competing against each other for the supply available. A shift took place from a buyer's market, wherein the pipeline could dictate price, to a seller's market, wherein the producer could dictate price.

The years during which this shift took place were 1947, 1948, 1949, and 1950.

STATE LAWS SET MINIMUM PRICE

Mr. President, it can be seen on the chart in the rear of the Chamber how during these years the price began to climb. The interesting factor, however, is that the price continued to climb—

virtually to soar. In recent years it has climbed every bit as fast as it did in the early years.

In the early years—1947 to 1950—the sales of natural gas utilities rose sharply, from 2.29 trillion cubic feet in 1946, to 2.6 trillion cubic feet in 1947, to 3 trillion cubic feet in 1948, to 3.22 trillion cubic feet in 1949, and 3.85 trillion cubic feet in 1950. Another development was the passage of State laws guaranteeing the producer a minimum price for natural gas in the interests of conservation, so that it would be more profitable to control and sell the gas than to burn it off.

CHANGE IN MARKET BALANCE

When there is a surplus of a natural resource, or anything else, to be sold, the buyer can depress the price. When the natural resource becomes relatively scarce, the seller can force the price up. This is the nature of the change of balance in the natural gas market in the postwar years. This shift of power was soon reflected in increasing wellhead prices for natural gas. The weighted wellhead average price for the three-State area of Texas, Oklahoma, and the State of the distinguished Senator from Louisiana [Mr. LONG], who just took part in a colloquy, for the years following the war is as follows. The figures are based on Bureau of Mines statistics: 1945, 2.944 cents per thousand cubic feet; 1946, 3.126 cents per thousand cubic feet; 1947, 3.70 cents per thousand cubic feet; 1948, 4.43 cents per thousand cubic feet; 1949, 4.572 cents per thousand cubic feet; 1950, 4.872 cents per thousand cubic feet; 1951, 5.46 cents per thousand cubic feet; 1952, 6.229 cents per thousand cubic feet; 1953, 7.65 cents per thousand cubic feet; 1954, 8.44 cents per thousand cubic feet; 1955, 8.73 cents per thousand cubic feet; 1956, 9.31 cents per thousand cubic feet; 1957, 9.96 cents per thousand cubic feet; 1958, 10.86 cents per thousand cubic feet; 1959, 12 cents per thousand cubic feet; 1960, 13.25 cents per thousand cubic feet—Texas figure an estimate.

While the price has been increased by the producer, what has happened has been that the consumer of natural gas—the residential user and the industrial user—have had to pay more and more. The producer has received a higher and higher proportion of the amount paid by the householder and paid by the industrial user. The statistics on this point were placed in the RECORD yesterday in some detail for a number of States, including some of the largest States in the Union.

RESULT OF RELATIVE SCARCITY

Thus the average wellhead price of natural gas in these three important States has more than doubled since 1952, and more than quadrupled since 1946.

There is little doubt—

Writes Edward Neuner in his book "The Natural Gas Industry," published in 1960—

that the large postwar expansion of interstate pipeline facilities was a fundamental factor conditioning the rapid rise in field prices between 1945 and 1953. The growth in demand consequent to that expansion converted the gasfield market from one of flush supplies and buyer supremacy to one of relative scarcity of supplies and seller ascendancy.

RESERVE OWNERSHIP A KEY FACTOR

Another important factor contributing to the ascendancy of the independent producer—which refers to independence from pipeline ownership and not to smallness of size since these were very large producers—was a change in the ownership of reserves.

In the Colorado Interstate decision in 1939 the Supreme Court held that a pipeline company which owned its own reserves could not pay itself a phantom cost for the gas, but that the reserves owned by the pipeline company were to be considered part of its cost of service, and only a standard rate of return would be allowed on the cost of such reserves. So the increases in wellhead prices represent not only an increase in demand for natural gas, but also the regulation of the pipeline company's reserves on a cost basis.

DISPOSED OF LEASES

Before Federal regulation, practically all of the pipeline companies were a part of integrated corporate organizations embracing production of natural gas as well as its transmission. But once the city-gate price was regulated on a cost basis the pipeline companies became less interested in trying to pay a low price for natural gas. There was less incentive for such companies to hold their own reserves. There were instances where pipelines disposed of large holdings of natural gas leases. Not a single new interstate pipeline owning its own reserves was constructed after the FPC was ordered to adopt the original cost formula of regulation. Source: Lewis Whitesel, "The Jurisdiction of the FPC Over Interstate Commerce in Electricity and Natural Gas," doctoral dissertation, University of Illinois, 1952, note to page 207.

In 1947 pipeline companies which owned reserves produced 42.1 percent of the gas sold to interstate pipelines and independent producers, with no affiliation with pipelines, produced 57.9 percent of the gas sold to interstate pipelines.

By 1953 there was an important shift of power to the producers, as revealed by the fact that the pipeline companies owning their own reserves were down, in those very few years, between 1947 and 1953, from 42.1 percent to only 21.5 percent of the interstate market, while the independent producers had increased their share of the interstate market from 57.9 to 78.5 percent of sales in interstate commerce. The independent producers who had produced only 1.3 trillion cubic feet in 1947 produced 4.255 trillion cubic feet in 1953.

Now, let us examine a few of the pipeline companies to get a better idea of this shift of power.

FIGURES SHOW SHIFT

In 1947, Arkansas Louisiana Gas Co. purchases 74.9 billion cubic feet from independents, or 62 percent of its needs.

In 1953 the company purchased 150.7 billion cubic feet, or 76 percent of its needs.

The Cities Service Gas Co. purchased 97.3 billion cubic feet in 1947, or 56 percent of its needs, and 283.4 billion cubic feet in 1953, or 92 percent of its needs.

Mississippi River Fuel Corp. purchased 55.7 billion cubic feet in 1947; 157.2 billion cubic feet in 1953.

Natural Gas Pipeline Co. purchased 32.7 billion cubic feet in 1947, 32 percent of its needs, and in 1953 it soared up to 137 billion cubic feet, or 62 percent of its needs.

In all these cases, of course, the perfectly enormous difference is the pipelines' relationship to the independents; obviously a shift, a transition in the power of the independents, those independent of the pipelines, the power of the producer, the power of the people who are represented by the nominee who is before the Senate tonight, and the pipelines who are buying from him.

Continuing, Mr. President, Northern Natural Gas Co. purchased 83.5 billion cubic feet in 1947, 250.1 billion cubic feet in 1953.

Panhandle Eastern Pipe Line Co. purchased 104.5 billion cubic feet in 1947 or 69 percent of its needs, and 267.7 billion cubic feet in 1953, or 78 percent of its needs.

The United Gas Pipe Line Co. purchased 395 billion cubic feet in 1947; in 1953 the company purchased 1,050 billion cubic feet.

The independent producer's share of the interstate market grew from 56.7 percent of the gas purchased by interstate pipeline companies in 1947 to 78.5 percent in 1953.

FIVE LARGEST OWNERS

Mr. President, a study prepared by the Federal Power Commission for the Senate Commerce Committee in 1955 showed that the five largest owners of natural gas reserves among pipeline companies in 1953 held 4.461 trillion cubic feet, 4 trillion cubic feet, 3.536 trillion cubic feet, 3.225 trillion cubic feet, and 2.036 trillion cubic feet, respectively. They were El Paso Natural Gas Co., United Gas Pipe Line Co., Panhandle Eastern Pipe Line Co., Colorado Interstate Gas Co., and Cities Service Gas Co. But among independent producers, the five largest holders of reserves held 16, 13.2, 10.5, 9.9, and 7.5 trillion cubic feet, respectively, about three times as much. Humble Oil & Refining Co., Phillips Petroleum Co., the Texas Co., Stanolind Oil & Gas Co., and Magnolia Petroleum Co., which are subsidiaries of Standard Oil of New Jersey, Standard Oil of Indiana, and Socony Mobil Oil Co.

Mr. President, the percentage of reserves owned by producers independent of pipeline companies is an effective index of the producers' power. The increase in producers' prices is one clear index of this power. The ownership of reserves, rather like money in the bank, is another.

There is yet a third index of the power which passed to the producers of natural gas after World War II. I would like to describe some of the contract provisions often written into contracts between producers and pipelines which give the producer the power to raise his prices.

And, Mr. President, I suppose that these are probably a far better specific answer to the question raised by the Senator from Louisiana than I gave earlier tonight, because they show the kind of contractual power to which I referred generally in replying to the Senator from Louisiana when he asked why it is that some producers receive a great deal more than other producers receive.

FAVORED NATION CLAUSE

The most common of these powers the producers have to raise prices is the indefinite redetermination clause which permits a producer to raise his price to levels received by other producers in the area.

In the second place, there is another type of clause that is very common. It is the definite escalation clause whereby the price to be paid for gas over the life of the contract is revised upward every several years. That is pretty hard on the householder or the industrial consumer of natural gas.

One of the most astonishing provisions written into contracts is the two-party favored nation clause, whereby the producer receives a higher price for his gas if anyone to whom he sells pays a higher price to any other producer in the area designated by the contract. Under a third-party favored nation clause the purchasing pipeline company must pay to the producer from which it buys its gas a higher price if any other producer in the area designated by the contract receives a higher price from any other pipeline company. The inflationary effects of these contract provisions are enormous. Whenever a single price increase takes place anywhere in the field, every purchaser whose contract has an indefinite redetermination or favored-nation clause must pay the higher rate.

Edward J. Neuner reports in his book, "The Natural Gas Industry," the results of his study of 723 contracts in 9 major producing areas in the period 1945–53 and it is easy to see the power wielded by producers in forcing the inclusion of such extravagant market practices in their contracts.

In the Panhandle-Hugoton supply area 86 contracts were studied. Twelve had favored-nation clauses, one of which had been in effect since 1935.

In the West Texas-Permian Basin producing area, 85 contracts were studied, of which 69 had two-party favored-nation clauses, the first of which dated from March 1947.

In the San Juan, N. Mex., producing area, 18 contracts were studied, of which all 18 had two-party favored-nation clauses, the first of which dated from April 1951.

Now, Mr. President, in view of the fact that this is a complex subject, and a technical subject, I refer once again to the favored-nation provision.

The two-party favored-nation clause provides that the producer receives a higher price for his gas if anyone to whom he sells pays a higher price to any other producer in the area designated by the contract.

You can see what a sharp and specific and strong provision this is for the producer.

CONTRACT STUDIES SHOW MULTIPARTY FAVORITISM

As I was saying, in the east Texas-north Louisiana producing area, 155 contracts were studied of which 75—that is about half—had 2-party favored-nation clauses and 4 had 3-party favored-nation clauses. The first of the two-party favored-nation clauses dated from September of 1947. The first of the three-party favored-nation clauses dated from April of 1948.

In district No. 2 of the Texas gulf coast 86 contracts were studied, of which 51 had 2-party favored-nation clauses, the first of which dated from September of 1947.

In district No. 4 of the Texas gulf coast 81 contracts were studied, of which 63 had 2-party favored-nation clauses and 1 had a 3-party favored-nation clause. The first of the two-party favored-nation clauses dated from August of 1947, and the three-party favored-nation clause dated from February of 1953.

In district No. 3 of the Texas gulf coast 73 contracts were studied of which 50 had 2-party favored-nation clauses and 4 had 3-party favored-nation clauses. The date of the first two-party favored-nation clause was April of 1948, and of the first three-party favored-nation clause, May of 1948.

In the southwest Louisiana producing area 83 contracts were studied—of course this is the area to which the distinguished junior Senator from Louisiana referred—of which 47 had 2-party favored-nation clauses and 4 had 3-party favored-nation clauses. The first of the two-party favored-nation clauses dated from May of 1948 and the first of the three-party favored-nation clauses dated from June of 1948.

In the southwest Louisiana-Mississippi producing area, 56 contracts were studied, of which 1 had a 2-party favored-nation clause.

It is necessary to realize that these contract provisions which so well demonstrate the power of producers in the market came into common use after the war, and are a further reflection of the producers' growing power in the natural gas market.

WOULD THE AVERAGE BUSINESSMAN DO IT?

But let us pause to reflect for a moment about these provisions themselves. Many of us have been in business. But how many of us would employ contract provisions of this kind even if we could get them? Who among us would not feel guilty about receiving enormous profits from captive customers merely on the ground that some other producers 50 miles away had been able to exact a higher price for his sales? Yet these contract provisions are apparently regarded as cricket by the industry. In March of this year the FPC issued order No. 232 banning indefinite escalation clauses. In the face of industry outcry, the Commission yielded to pressure and 2 months later issued order No. 232A revoking its ban on such clauses.

Pressure from the industry continues to be effective. And I wonder how much we may change the balance of power within the Commission by appointing a man who believes in these unfair contract provisions. Inspecting the details of the natural gas business these days is like inspecting a growing cancer under a microscope, and it is not a pleasant thing to see. But I would like to describe some of the contracts discussed in a special FPC report prepared for the Commerce Committee in 1955. Let us examine a sampling of these contracts to discover the nature of these redetermination clauses and the area over which two-party favored-nation clauses are effective.

With respect to these clauses, the area covered is very important. If it is 50 miles, this means that if an increase is paid to another producer by any of his customers within 50 miles of the well, the producer who owns the well at the center can raise his price. I find these practices astonishing and wonder what those of us who are not familiar with the nature of the natural gas industry will think of them.

The power of the producers in natural gas markets is enormous and probably need not be documented at further length. But I would like those of us who have not seen the figures to have an accurate idea of the profit involved in these operations. Every 1 cent per thousand cubic feet which the price of natural gas increases at wellhead means an annual increase of $110,300,000 to the producers based on the 1958 level of marketed production. It means an increase of $2,640 million in the value of proved reserves owned by natural gas companies as a whole. And, finally, it means an increase of $12 billion in the value of estimated recoverable reserves.

Mr. President, that is for each 1 cent of increase. As I have indicated, the price of natural gas has quadrupled in the last 15 years. It has gone up not 1 cent, but from 3 cents to more than 13 cents, a 10-cent increase, which has increased the value of estimated recoverable reserves not by $12 billion, but instead by $120 billion.

Mr. President, in each of the past 4 years the wellhead price of natural gas has increased, and by more than 1 cent per thousand cubic feet. New contracts are being signed at twice the average wellhead price.

GAS COMPANY STOCKS GO UP

We would expect these levels of profit to be reflected in the stocks of natural gas producers. The appreciation of the stock of the 24 largest nontransporting natural gas companies or their parent companies between 1947 and 1957 well reflects the market power of natural gas producers. Incidentally, the increase for utilities in Standard & Poor's industrial index for the same period was 73 percent on the average.

I think these figures are pretty shocking. They are surprising. I think it is a grand thing when American companies can enjoy prosperity and a vast increase in the value of their securities. But I think some of them may well have gone

beyond reason, when we recognize that for every dollar they have received the consumer has had to pay a dollar.

Mr. President, I shall list various companies, the value of stock in 1947, the value of the stock in 1957, and the percent of increase.

Name of company	Value of stock in 1947	Value of stock in 1957	Percent increase
Phillips Petroleum Co	$1.74	$30.25	1,638.5
Stanolind Oil & Gas Co	20.35	54.37	167.2
Humble Oil & Refining Co	11.04	63.12	471.7
Magnolia Petroleum Co	17.12	69.75	202.1
Shell Oil Co	13.65	90.50	563.0
Champlin Oil & Refining	12.09	17.63	47.9
Gulf Oil Corp. & Gulf Refining	23.88	147.00	515.6
Atlantic Refining Co	12.00	55.37	361.4
Shamrock Oil & Gas Corp	29.25	68.63	134.6
Skelly Oil Co	12.13	76.50	530.7
Sun Oil Co	57.75	198.50	243.7
The Texas Co	14.58	70.37	382.8
Republic Natural Gas Co	38.50	55.63	44.4
Superior Oil Co	159.50	1,670.00	1,048.9

Mr. President, in other words, if I had purchased 100 shares of Superior Oil Co. stock in 1947, I would have had to pay $15,950 for it. Today that stock would be worth $167,000, an increase of over 1,000 percent. This is far from atypical of what has happened to the producing companies. I think this is evidence of the strength and of the bargaining power—obviously, of the great prosperity—of the producing companies, which have been pushing prices up and forcing householders to pay more, and which are trying desperately to continue to keep out from under effective direction by the Federal Power Commission.

I continue to read the list of companies and the stock information:

Name of company	Value of stock in 1947	Value of stock in 1957	Percent increase
Sunray Oil Corp	$11.37	$21.50	89.0
Union Oil Co. of California	18.18	59.62	227.9
Continental Oil Co	10.28	65.60	537.2
Southwest Gas Producing Co., Inc	5.75	8.50	47.8
La Gloria Corp	9.12	22.25	143.8
Pure Oil Co	12.06	46.12	282.4
Ohio Oil Co	11.04	40.75	241.3
Tide Water Associated Co	8.18	38.50	370.7
Sinclair Oil & Gas Co	15.49	66.50	329.3
California Co	11.86	53.62	352.1

If the nomination of Mr. O'Connor for appointment to the Federal Power Commission is approved by the Senate tomorrow, the position of the producing companies will be greatly strengthened, and the prospects that we may achieve effective regulation by the Federal Power Commission certainly will be dimmed.

GIANTS CONTROL GAS INDUSTRY

Mr. President, we obtain a better idea still of the power of these companies when we realize that the five companies who sold 21.6 percent of the gas in interstate commerce in 1953 controlled 28 percent of all sales by independents in that year. The 10 largest independent producers who supplied 31.6 percent of pipeline needs made 40 percent of all sales by independent producers. The 25 largest independent producers who supplied 46.8 percent of the gas sold in interstate commerce in 1953 made 57 percent of the sales by independent companies. In other words, out of some 270 producers selling more than 2 billion cubic feet per year, 25 have over 2 percent of the market each, and 245 have about one-ninth of 1 percent of the market each. And then there are the thousands of small producers, supposedly at the mercy of the large utilities. What a claim that is.

The Michigan-Wisconsin Pipe Line Co., which brings natural gas to my own State, is indeed a pretty large operation. It owns some 2,150 miles of pipeline, and has operating revenues in excess of $60 million per year. Its net income before taxes in 1959 was $4,574,735. The company also owns a few compressor stations. The company supplies Wisconsin with some 79,800,000 thousand cubic feet of natural gas per year.

Keep those figures in mind because I have been talking now about the pipeline company, and the Senator from Texas [Mr. YARBOROUGH], in the hearing said:

> This is the lion. Here is the fellow you have to worry about. Here is the company with the power. This is the group that should be regulated. Go out after the lions.

They have, as I say, revenues in excess of $60 million a year, and their net income before taxes was $4,500,000.

And who, may I ask, is the little producer that our great big pipeline kicks in the teeth—the little cattleman and rancher who has stumbled across gas under his back 40? None other than the Phillips Petroleum Co., which sells 95 percent of the natural gas consumed in Wisconsin.

Their gross operating revenue is not $60 million but was $1,163,033,240 in 1959. Its profits for that year were not $4 million as were the profits of the pipelines supplying my State, but were $170,566,465.

PHILLIPS OIL HAS VAST HOLDINGS

The gross operating income of this little cattleman and rancher was $1,163,033,240 in 1959. Its profit for that year was $170,566,465. Phillips sells every day 2,885,444,000 cubic feet of natural gas, enough to supply the annual needs of Wisconsin consumers for 2 weeks. Furthermore, Phillips owned or controlled leases on 13.2 trillion cubic feet of reserves in 1953—enough to satisfy our State's needs for that year for 384 years straight, even without buying any more reserves. The Michigan-Wisconsin Pipe Line Co. owns compressor stations. Phillips though, owns four times as many miles of pipelines, although a higher percentage is probably low diameter gathering lines and as many compressing and processing stations. I might add that Phillips owns producing acreage in Arkansas, Arizona, Colorado, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Mississippi, Montana, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Texas, Utah, Virginia, West Virginia, Wyoming, Alaska, offshore California, Texas, and Louisiana, Venezuela, French Sahara, British Honduras, Australia, Spanish Sahara, Spain, Kuwait, and Canada. The Michigan-Wisconsin Pipe Line Co. had $52 million worth of capital stock outstanding in 1959 which earned $9.94 per $100 par value. Phillips had $171,801,495 worth of capital stock outstanding which earned $61 per $100 par value.

Now we can get a better idea of just who is kicking who in the teeth.

INCREASE IN WELLHEAD PRICE OF GAS

But the most convincing evidence of the power that has shifted to the producers of natural gas is the increase over the past 25 years in the price they have been able to exact for their reserves. I have had prepared a large graph showing the increase in the wellhead price of natural gas since 1935, based on a weighted average of prices in Texas, Oklahoma, and Louisiana, the figures for which are published by the Bureau of Mines. I would like to explain the figures behind the blue line on that chart.

In 1935 the figures were 2.47 cents per thousand cubic feet, and during the ensuing 10 years the price increased slightly, as can be seen in the graph, but remained relatively stable. It varied between 2½ cents and slightly over 3 cents for 10 consecutive years.

The fact that the price remained on an even keel for those 11 years is ample indication that the large pipeline companies had the bargaining power to hold the price down.

What happened after 1945 when the conditions as I have described them changed, when the pipeline companies owned a smaller and smaller share in proportion of natural gas fields and sold a smaller and smaller proportion of the amount of natural gas produced?

What happened between 1947 and 1960? The price rose sharply. In 1947 it was 3.70 cents. It rose, by 1950, to 4.872 cents. It rose by 1953 to 7.65 cents. It rose by 1956 to 9.31 cents, and of course, as can be seen in the chart, by 1960 it was 13.25 cents.

The Texas increment of the weighted average is based on the Bureau of Mines estimates.

Mr. President, it is claimed by the supporters of this appointment that the producers of natural gas have little responsibility for the spiraling natural gas prices which FPC has been called upon to regulate. In consequence, I have been told, there is no reason to fear that favoritism toward the weakest segment of the industry will result in higher prices.

I have shown that, even if the producers are the weakest segment of the industry, there is no precedent for the appointment of a man from the regulated industry to the Federal Power Commission. I have just demonstrated that the producers are by no means without power. And I would now like to describe some of the irregularities in the natural gas market which magnify that power enormously.

IRREGULARITIES IN GAS MARKET

Mr. President, in the days when the producer charged 2 to 4 cents for his gas, practices became established in the industry which today make it virtually impossible for an increase in producers'

prices to be met by reductions in the charges of pipelines and distributing utilities, thereby keeping the price to the ultimate consumer the same. The producer may not be directly responsible for all of the irregularities which magnify his price increases, but that does not change the fact that such price increases have an inflationary effect often far out of proportion to their size.

The pipelines and distributing utilities have vast investments in their systems, on which, less depreciation, they are permitted roughly 6¼ to 7 percent return. In order to keep this return to the same level year by year they must compensate for depreciation by new construction and the addition of new markets. This causes an insatiable need for reserves and of course locks in even larger members of new consumers. This need for reserves is the fulcrum on which producers manage to pry up natural gas prices.

For instance, the Humble Oil & Refining Co. owned 16 trillion cubic feet of natural gas reserves in 1953, but sold only 196.6 billion cubic feet in interstate commerce. That amount of reserves is sufficient to supply interstate needs for 81.4 years, so that if the current sales of the company were being made under a 20-year contract, only one-quarter of its reserves would be committed to interstate sales.

This demonstrates that companies are well able to hold reserves in excess of the needs of pipelines, either in anticipation of higher rates in future, or in order to bid up contract prices by causing reserve scarcity.

Mr. President, I cannot overemphasize the point I have just made. I have been arguing that the producers, contrary to the contention of those who support this nominee, have enormous marketing power, and that power is demonstrated by the fact that they have been able to withhold reserves from the market.

The potential supply is immense. It is so great that the price of natural gas should be relatively low and occasionally should drop. In fact, it would drop pretty sharply if this iron control of reserves in the hands of the natural gas companies were not held in such a close and disciplined way.

But because it is held so tightly, it is possible for the natural gas companies to control their price and get steadily more and more. Of course, it means that in years to come householders with gas furnaces—and that is a very large proportion of all the householders throughout America—will have to pay higher and higher and higher prices.

In general it may be said that producers with more than 40 times as much ownership of reserves as their current sales hold large uncommitted volumes of reserves. Among these companies are the Texas Co., with 155.8 times as many reserves in 1953 as it sold in interstate commerce, Stanolind Oil & Gas Co., with 48.9 times as many, the Continental Oil Co., with 41.6 times as many, the Ohio Oil Co., with 43.9 times as many, and the Magnolia Petroleum Co., a subsidiary of Socony-Mobil, with 47.6 times as many.

GAS RESERVES CONTROLLED BY BIG PRODUCERS

It would be very helpful to know just what percentage of the Nation's reserves are controlled by the 5, 10, and 15 largest holders of reserves. And as reserve holdings are not known for the Shell Oil Co., Champlin Oil & Refining, the Republic Natural Gas Co., Superior Oil Co., and Southwest Gas Producing Co., Inc., all of which are among the first 15 sellers of natural gas in interstate commerce, it is very hard to know just what percentage of the Nation's reserves these 5 or 10 largest firms control.

Of the firms reporting reserve ownership, the 5 largest control 31.1 percent of reserves owned by independent producers. The 10 largest control 40.2 percent of such reserves. The 25 largest control 52.5 percent of such reserves. But such figures cannot be meaningful because 10 of the 25 largest sellers of natural gas have not disclosed their reserve holdings. Consequently the figure of 31.1 percent represents the absolute minimum of concentration in ownership of reserves for nontransporting natural gas companies.

In 1953, the year for which Edward Neuner attempted to estimate such holding in his 1960 study entitled "The Natural Gas Industry," there were 83 trillion cubic feet of natural gas reserves known but not accounted for in reserve ownership figures. If the ownership of unaccounted for reserves is distributed in the same proportions as the ownership of known and reported reserves, the 5 largest companies control 35 percent of U.S. reserves owned by nontransporting natural gas companies. The 10 largest own 57 percent, and the 25 largest companies own 79 percent.

I would also like to state the degree of ownership of reserves in major producing areas by the 5 largest and 10 largest sellers from each field.

PRODUCER CONCENTRATION

The five largest sellers in the Panhandle-Hugoton Field control 80 percent of annual contract volume. The 10 largest, 90 percent.

The five largest producers in the West Texas-Permian Basin field control 60 percent of the annual contract volume. The 10 largest, 80 percent.

The five largest producers in the Texas gulf coast-district 2 field control 50 percent of the annual contract volume. The 10 largest, 70 percent.

The five largest producers in the Texas gulf coast-district 4 field control 50 percent of the annual contract volume. The 10 largest, 80 percent.

The five largest producers in the Texas gulf coast-district 3 field control 60 percent of the annual contract volume. The 10 largest, 80 percent.

The five largest producers in southwest Louisiana fields control 50 percent of the annual contract volume. The 10 largest, 80 percent.

The five largest producers in the southeast Louisiana-Mississippi fields control 60 percent of the annual contract volume. The 10 largest, 90 percent.

The five largest producers in the east Texas-north Louisiana fields control 40 percent of the annual contract volume. The 10 largest, 60 percent.

I wish to emphasize that the point I am now making indicates the real reason for my allegation that a few large producers really control the natural gas market and are more powerful today than the pipelines. They are more powerful today than the distributing utility. It is these hard, tough, undeniable statistics that establish the fact that the producers should be regulated. As is well known—and I will demonstrate this in some detail a little later—the industry has refused to accept that fact. The nominee whose name is now before the Senate has been closely identified with the very trade association involved. He has been a committee chairman, an officer of the trade association of the oil industry that has fought tooth and nail against this very regulation. It is the producers that have this kind of power.

"COMPETITION" AMONG PRODUCERS DOES NOT PROTECT CONSUMERS

It is claimed by the supporters of this nomination that competition among several thousand producers of natural gas affords the consumer ample protection from excessive prices. A careful examination of the facts shows that this is not the case. To the extent that there is competition, it is competition among buyers for the relatively limited supplies of natural gas.

It is the pipelines that are competing to purchase gas. There is little, if any, competition among producers. And when buyers compete, prices go up. This has been demonstrated time and again in recent years as pipelines have expanded their facilities to meet the growing demands of their markets. There was a time when gas was freely available at 5 cents per thousand cubic feet. At the Catco hearings in 1957, 10-cent gas was described as distress gas. Today, prices as high as 20 and 25 cents are commonplace in contracts in these very same areas.

Given this tight situation in the amount of reserves available for sale, and the power which companies clearly hold to permit as much or as little gas to enter the market, the provision under the Natural Gas Act that pipelines must secure sufficient reserves to guarantee sales for as much as 20 years clearly has a prejudicial effect upon bargaining.

That is the key factor. These producers have enormous reserves which they do not make available for sale. Instead they control and restrict them.

It enormously magnifies the power which producers already have in abundance. This provision is a market irregularity which shifts further power to the producers of natural gas. Such irregularities are numerous and well-known to the supporters of this nomination who nevertheless bring themselves to argue that Mr. O'Connor comes from a segment of the industry that has little effect in driving up prices. I shall show that producers' rate increases are magnified through a large number of such distorting market devices and practices which give great effect to the producers' price spiral.

"MARKET IRREGULARITIES" MEAN EVER-RISING PRICES

Another market irregularity springs from the fact that one of the fuels which might compete with gas is residual fuel oil. Whenever the price of natural gas goes up, it becomes possible for oil prices to be increased as well. Figures released by the Bureau of Labor Statistics and summarized in Gas Facts show that the average annual index of natural gas for cooking, water heating, and other uses has increased 34.8 points over the 1946–50 average, and that the price of residual fuel oil has increased 33.4 points over the same period. If the same companies did not sell both fuels, such parallel increases might be coincidental. Every increase in the price of natural gas in effect raises the price at which fuel oil may hold its present share of the energy market.

Yet another market irregularity is the regulation of production of oil and gas by State conservation authorities.

That is a point that I have not discussed. I do not think it has been referred to in the debate so far. But the fact is that regulation of the production of oil and gas by State conservation authorities, because it does limit the amount that can be sold, because it does affect the amount that can enter interstate commerce, because it holds down the supply, obviously greatly strengthens the position of the seller, the producer, the man who sells gas at the wellhead. The utilization of all leaseholdings for a given field reduces the number of potentially competitive sellers. Well-spacing provisions and the limitations upon gas-oil ratios have the effect of limiting production. The setting of gas production controls to insure that enough gas accompanies the oil in each pool—where they are associated to insure maximum recovery has the effect of limiting supply, the most potent weapon in the sellers' market at wellhead. The pipelines which own reserves cannot even increase production from their own lease holdings if they are threatened with price increases, because they are limited to a certain percentage of production by such laws.

REDETERMINATION AND ESCALATION CLAUSES

I have previously spoken of the clauses prejudicial to free enterprise and competition which became a part of most purchase contracts after the Second World War. I cited these as proof that the producers had the preponderance of power in wellhead markets.

Such clauses must also be considered at this time as one of the irregularities of the entire natural gas market, which spread the effect of any producer's price increase. An increase of one-half of 1 cent per thousand cubic feet may be relatively insignificant, but if it triggers increases throughout an 8,000 square-mile area it has a magnifying effect. Most-favored-nation clauses in contracts specify that if the pipeline company purchasing from one producer pays a higher price to any other producer within a 50-mile radius, he must increase the price he pays to the first producer. And a 50-mile radius takes in over 7,800 square miles.

It is first of all necessary to consider the types of favored-nation and escalation clauses permitted in independent producers' contracts. Quite a number of different kinds were exacted by producers when they began to take control of the natural gas market, and not all of these are allowed in new contracts. One of the first victims in this menagerie of parasites was the spiral escalation clause, which provided that a natural gas producer could raise his prices if the pipeline to which he sold raised its prices. That such provisions ever came into being is astonishing in itself. I can think of nothing less in keeping with the American spirit of enterprise than such a provision.

Another of these provisions was the third-party favored-nation clause. This provides that a pipeline company must pay a higher price for its gas to the seller thereof if any other pipeline company purchasing within a certain distance pays a higher price. The distance set out in such contracts was usually 50 miles, a distance which would cover an area of over 7,800 square miles. These provisions were outlawed by FPC on May 1, 1955, in section 157.25 of its Regulations under the Natural Gas Act, but for new contracts only.

The next action on such contract provisions came with order 232 of FPC, on March 8, 1961. This order attempted to outlaw all provisions by which the price of natural gas could be raised other than the definite escalation clause, which sets forth the price to be paid for natural gas by specific amounts and the dates at which such prices are to be increased. Among the provisions outlawed were indefinite redetermination clauses and two-party favored-nation clauses.

The indefinite redetermination clause provides that a producer may raise his price to the highest level in effect within a certain area, or to the average of the three highest levels in effect. The two-party favored-nation clause provides that a producer may raise his prices if the pipeline to which he sells pays a higher price for gas anywhere within the area specified by the contract.

In other words, if the Smith Gas Producing Co. and the Jones National Gas Producing Co. both sell to the North-South Pipeline, under identical contracts whereby each receives 18 cents for the gas it sells, and the Jones Co. sells additional leases to the pipeline for 20 cents, the Smith Co. may raise its price on its old contract to meet the new price paid by the pipeline to another seller.

Order No. 232 was revoked by order No. 232A a month later. The only clauses permitted under this new order are still those which enable a producer to raise his price in the event of increased taxes upon production, severance, or gathering levied upon him, those which specify increases by exact amounts and dates during the life of the contract, and indefinite redetermination clauses which permit a producer who has sold gas at the same price for 5 years to raise his price to levels charged by other producers under FPC jurisdiction which have been approved by FPC and are not at issue in present certificate proceedings.

NO EFFECTIVE COMPETITOR

The existence of such indefinite redetermination clauses levels out any possible competitive differences in natural gas markets. There can be no effective competition if a pipeline is presented with uniform selling prices throughout a producing area. Nor is there much incentive to be a tough bargainer for a low price if within each 5-year period of the contract a producer may increase his rates to bring them into conformity with the highest uncontested rates in the area.

The existence of such provisions is a sickening reflection upon the free enterprise economy which we seek to offer as a model to the entire world. The reinstatement of indefinite redetermination clauses upon industry protest by FPC in order 232A is yet another sad testimony to the power of the industry in that agency. It has been Mr. O'Connor's business, as the manager of natural gas leases, to write such contract terms. He spent years trying to negotiate contracts containing such provisions, and here is the man who has been writing these contract leases, writing these contract terms, who would be placed on the Federal Power Commission with the responsibility for regulating the natural gas industry, and also with responsibility for passing on the legality, the propriety of these contract terms themselves.

Obviously, this is a risk; it is not really a risk so far as the consumer is concerned, because he has lost the game before it starts. But this is a certainty, an absolute assurance to the producer that he is going to have on the Commission the man who has been associated for years with these very contracts, whose legality and whose efforts have been challenged in the past by many contracts which give the producing industry, with which this man was so closely related, such enormous power.

But I am sure, Mr. President, that they look that way to many of us who believe that the best kind of marketplace is one in which sellers and buyers approach each other on equal terms, and one in which the purchaser has the right to hold the seller to the price quoted. Now, I ask you, Mr. President, would you sign a contract to buy an encyclopedia if you had to increase the price paid for each volume every time any competing company raised its price? Of course, you would not. You would go read the encyclopedia in the library.

Well, the natural gas pipeline has no such privilege. The company must maintain the sales to which it is committed. The existence of such contract provisions makes a mockery of arguments that pipeline companies have the power to kick the producer in the teeth, as was charged in the hearing.

These contract provisions undeniably have the effect of magnifying and spreading every increase obtained by natural gas producers.

Suppose that one company selling to a pipeline has to drill a great many wells before it brings in a return, and the price to that pipeline goes up. Well, the price which that company pays everywhere within 50 miles goes up. And the price then paid by every customer of

every producing company in that 8,000 square mile area goes up again in every contract signed for sales in any area 50 miles farther out. And so it goes.

And let us remember that contracts signed before May 1, 1955, do have three-party favored-nation clauses and spiral escalation clauses. Contracts signed before April 3, 1961, do have indefinite redetermination clauses based on rates at issue before FPC or nonjurisdictional rates, or provides for increases more than once in 5 years. Contracts signed before April 3, 1961, do have two-party favored-nation clauses. And the effect of these provisions is to multiply and spread the effect of any increase obtained by any producer among all purchasers subject to similar contracts.

According to a study by Paul MacAvoy for his dissertation on natural gas price formation submitted to Yale University for a doctorate in economics in 1960, only 4.4 percent of the contracts submitted to FPC by producers in 1956 lacked escalation clauses.

In other words, the overwhelming majority of contracts—19 out of 20—contained escalation clauses. They had the device which gives the producer a great marketing advantage and which virtually guarantees a steady, regular, relentless increase in price which will then have to be paid by the householder and by the industrial user.

The dissertation by Paul MacAvoy showed also that 14 percent of 1- to 9-year contracts had either "favored-nation" clauses or redetermination clauses; 34 percent of 10- to 19-year contracts had such clauses; and 69 percent of 20- to 30-year contracts had such clauses.

FAVORED-NATION CLAUSES INFLATE GAS PRICES

Mr. President, J. French Robinson, chairman of the board of Consolidated Natural Gas Co., testifying on behalf of that company, the East Ohio Gas Co., Hope Natural Gas Co., the Peoples Natural Gas Co., the New York State Natural Gas Corp., and the River Gas Co. in 1955 before the Senate Commerce Committee, described the action of such clauses and their effect in his company. He also mentioned the fact, which I have mentioned as an example of producers' power since the Second World War, that most-favored-nation clauses, escalation clauses, and redetermination clauses in contracts signed for gas produced in the Southwest originated after the war. The bulk of the 730 million cubic feet per day which came to Consolidated from Tennessee Gas Transmission Co. was subject to favored-nation clauses, which triggered four increases in 1951, 1953, and 1954, aggregating $40 million per year to Tennessee Gas Transmission and adding about 40 percent to its cost of service. FPC Dockets G–1741, G–2052, G–2252, and G–5259 show the effect of escalation and favored-nation clauses in passing a 68-percent increase in the price of gas in the field on to the consumers of the gas. Furthermore, exhibit 4—Lc in FPC Docket G–9277 showed that 95 percent of contracts signed between 1950 and 1954 had escalation clauses providing for increases of at least 1 cent ever 5 years.

That means there is a guaranteed, built-in inflation for the householder and a guaranteed, built-in inflation for the industrial user of natural gas. The situation is such that the producer's power is so great that he can say he wants to go on the elevator regularly, relentlessly, up, up, and up. That kind of situation is strongly in favor of the producer and highly discriminatory so far as the consumer is concerned. It can hardly be improved or benefited if the Senate confirms the nomination of Lawrence O'Connor, a man whose identification has been so very close to the natural gas industry, a man who would be the first in the entire history of the country to come from the private industry which is being regulated, in order to serve on the Federal Power Commission.

Mr. President, it is argued by those who favor this nomination that the producers of natural gas have power, and their increases have little effect. Well, what can add to the effect of any increase more than contract provisions that cause it to sweep through the market like a contagious plague? Even if those who support this nomination were right in their claim that there are many little producers competing for a market, what good would that do if each of them raised his prices whenever any of the others did? Can we believe that such a situation represents competition? Can we say that a price increase by a natural gas producer has no effect? The answer to the question is "No," and the answer to this nomination must also be "No."

Another market irregularity is the relative helplessness of the pipeline company purchasing gas from an established field. If it seeks gas from another field it must build a line to the other field, which adds to the expense of its gas and reduces the incentive to search for cheaper supplies. It has been aptly said that a pipeline cannot move around like a garden hose. The effect of any shift in the area in which it purchases gas is invariably a higher cost to its customers. Furthermore, pipeline companies are permitted a standard rate of return on all of their costs. The acquisition of natural gas from producers is such a cost. It can hardly be said that the guarantee of a set rate of return on every expenditure tends to reduce the prices paid. Pipelines have absolutely no incentive to pay less than they do for gas.

CONSUMER CANNOT BARGAIN

Yet another peculiar characteristic of the natural gas market is that, generally speaking, the consumer and the distributing utility are not in a position to bargain directly with the producer of their gas. A distributing company purchasing coal or oil can and does deal directly with and buy from producers, and it can bargain with many different producers. Competition can function and the ultimate price be the result of free bargaining. But this is obviously not true in the case of natural gas, where the interstate pipeline occupies an intermediate place.

Yet another curious feature of the natural gas market is that greatly increased prices have resulted in negligible changes in the rate of addition to supply. This is because, as Gen. Ernest O. Thompson, the chairman of the Texas Railroad Commission which has authority over oil and gas matters in Texas, told the Senate Commerce Committee on May 10, 1955:

> As far as drilling for gas is concerned, hardly anybody drills for gas. They get gas incidentally when they are looking for oil.

MUTUAL AID BILL URGENT

Mr. President, the hour is late. I have much more material to handle. Obviously, it will take me many hours to go over that material. For that reason, I think I should explain my position.

I feel, as does every other Senator, a sense of real urgency about the passage of the proposed legislation which is before the Senate. I think it is very important that the mutual aid bill be passed as soon as possible. I do not wish to be responsible for delaying the mutual aid bill at all. I have made it clear that it is perfectly agreeable to me to have the nomination of Lawrence O'Connor laid aside at any time, in order to enable the Senate to consider the foreign aid bill.

However, it is clear that the leadership has made a decision, as, of course, it has every right to do. I would probably do the same thing if I were in the position of the leadership.

If I continue to discuss the nomination until the discussion is completed, the result of my finishing this presentation tonight would be one of two things.

Either I would have to stop presenting my case, and toss it all into the RECORD, which it seems to me is not the way to proceed for many reasons, or I would have to delay the Senate for a long time tomorrow, and perhaps into Thursday. The result is I feel that although I recognize the terrible burden—and it is a terrible burden—on those who are required to be here, I feel I have no choice but to proceed. The persons involved have my profound apologies. I know that does not help very much. But they do have my sympathy, and my compassion.

DUTY TO FINISH CASE

I recognize that the service by Members of the Senate is certainly above and beyond the call of duty, and should be recognized as such. I also recognize that the employees of the Senate are serving above and beyond the call of duty, and have my very deepest apologies, and my explanation that the reason I am proceeding on this is that I am determined to do this job fully and comprehensively. Because of the conversation I had with the distinguished majority leader—for whom I have the greatest admiration—I feel that I have a duty to complete this presentation by tomorrow morning. The only way I can complete it by tomorrow morning is to continue to go ahead until it is through.

This is the reason why I have to continue it, although the hour is late, and all of us are getting very weary, and I am sure other Senators are perhaps every bit as anxious to retire and get some sleep as I am.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. KUCHEL. It is now midnight. The able Senator from Wisconsin and the Senator from California are the only two Senators in the Chamber.

Mr. PROXMIRE. The Presiding Officer is, of course, a Senator.

Mr. KUCHEL. The Senator from Rhode Island is presiding. The Senator from Wisconsin is quite within his rights. I cannot quarrel with that. The Members of the Senate staff at the desk have been here all day. And now we commence a new day. I wonder if the Senator could indicate to me how many hours he proposes to continue to speak on this occasion.

Mr. PROXMIRE. I wish I could tell the Senator from California how long. And it is not because I am concealing anything. It is just that I do not know.

This material, as I am sure the Senator from California appreciates, has been put together very hurriedly. The fact is that I was very busy, as was the Senator from California, all week. I had a series of amendments on various bills. I was out in my State on Saturday and Sunday and had to make a number of appearances and speeches. And, of course, I was speaking all day yesterday, holding the floor. The result is that it is very difficult for me to tell how long it is going to take for me to go through this material. I will go through it as expeditiously as I can. But I can only say to the Senator from California it will take hours.

Mr. KUCHEL. Does my friend have a manuscript before him that he is reading from?

Mr. PROXMIRE. I have a manuscript to which I have been referring. However, I have been making comments as I go along, where I think it is necessary to emphasize a point, or emphasize an idea, particularly when I think it is important to relate it to the nomination that is before the Senate. I will continue to do that. And I do not have a manuscript so far as virtually all my material is concerned. I have some notes; and, of course, I have some basic material.

I have some references to Supreme Court decisions, for example, some dissents involving Supreme Court decisions that I think are absolutely imperative in this case. The Senator from Wisconsin will attempt to present parts of those dissents.

Mr. KUCHEL. I merely want——

Mr. PROXMIRE. And opinions.

Mr. KUCHEL. I merely want to say, since there are only two Senators in the Chamber, plus the Senator who is presiding, that if my colleague from Wisconsin wishes to build a record, I shall be glad to stipulate, to save him the time of reading to an empty Senate Chamber, any portions of the Supreme Court or other decisions which he has before him, so that they will be in the RECORD and available to our colleagues tomorrow.

Mr. PROXMIRE. The Senator from Wisconsin has been following a policy of putting material into the RECORD where he thought he could do it. I think the Senator from California is correct. I would certainly like to do that where I can. I feel, however, that it is necessary to go over a great deal of this material myself, and to develop the ideas as I go along.

I recognize that this imposes a very sorry and oppressive burden on the Senator from California, the Senator from Rhode Island, and other Senators who may be scheduled to come in later, if there are any, and of course, the employees of the Senate.

Mr. KUCHEL. I thank my friend.

Mr. PROXMIRE. Now, Mr. President, to continue—natural gas producers continue to argue that financial incentives must be allowed to encourage the search for natural gas.

Examiner Zwerdling, in his April 1959 Phillips decision, said that Phillips Petroleum Co.'s fair price of gas should be sufficient to guarantee a 9.25-percent incentive return in addition to the regular rate of return allowed for regulated industry generally.

Let me repeat that.

Examiner Zwerdling, in 1959, said that Phillips' fair price of gas should guarantee a 9.25-percent incentive return, in addition to the regular rate of return allowed for regulated industry generally.

SOURCE OF SUBSTANTIAL PROFITS

Ordinarily, we think of regulated industries as receiving a 6- or perhaps 7-percent return. And, of course, one of the reasons why it is considered desirable to limit the regulated industry to this kind of return is because of the well-known process of leverage. It is possible for them to borrow money at less than that, and obviously, if they are able to borrow any considerable amount and enjoy a return of well above 7 percent, the profit that they enjoy under equity, the leverage that they enjoy, enables them to make very substantial profits.

That means that before income tax, gross earnings would be 19 percent. If phantom taxes were allowed, the company's gross earnings would be 26 percent, and net earnings after income taxes 6.25 percent.

Mr. President, I established the fact that these companies pay very little in taxes. As a matter of fact, we have a long record, and I have put in a very thoroughly documented record of company after company in this industry which has enjoyed very high profits, increasing profits, multiplying profits, and paid taxes not of the 52-percent variety, which most corporations have to pay, but of a maximum of about 30 percent, we found, in most of the cases we studied, ranging from 1 percent to 30 percent. In many years they pay no taxes, and in some years they enjoy a credit, and in effect receive money from the Federal Treasury.

INCLUDE PHANTOM TAXES

Even so, is it good business to pay gas incentive to encourage the search for oil? There are so many factors helping to determine the level and location of exploratory activity that it is extremely doubtful whether any practically conceivable change in the field price of gas could result in any faintly predictable corresponding change in its longrun supply. We must remember that the value of oil in terms of heat content is at least six times that of natural gas and that, so far as exploration is considered, despite all industry arguments to the contrary, there is very little that an increase in the price of natural gas can do to call increased reserves into the market. You have seen that that is true because the reserves are so tightly controlled by the producer.

The depletion allowance is the basis for still further weaknesses in the natural gas market. This has the effect of drastically reducing the taxes paid by oil and gas producers yet, to the best of my knowledge, in proceedings before FPC where costs are considered, the producing companies include all phantom taxes or taxes to which they are liable in theory but do not pay as a result of depletion provisions, in the rate base on which they apply for rates of return permitted them in setting their rates.

Mr. President, I am delighted to see the smiling and fresh countenance of the distinguished majority whip, the assistant majority leader [Mr. HUMPHREY]. Earlier this evening the assistant majority leader agreed with the Senator from Wisconsin that he is indeed at his best, and his best is zestfully good, as the hours grow later. So here it is midnight, and the rest of us are really beginning to drop, and the Senator from Minnesota, as usual, is looking like a million dollars and all set to go.

I am very happy to see his smiling face. It infuses the Senator from Wisconsin with additional energy and inspiration.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I was hoping it would not have quite that direct an effect. I was trusting that my presence might have a tranquilizing effect and that the Senator would soon find it possible to conclude his very able argument, even though I will say the Senator is always a very informative, intelligent, and able proponent. I commend the Senator for the argument he has made. It has been germane and to the issue. Obviously it is an argument of very serious conviction. I assure the Senator his argument will merit the respect of all of the Members of the Senate.

Mr. PROXMIRE. I thank the Senator from Minnesota. The reason I must continue the argument, as I have explained, is that my only alternative is to continue it tomorrow and perhaps into Thursday. I am determined to end the argument by tomorrow morning, so that the Senate can go into session at 10 o'clock with a fresh slate and forget about it—I hope the Senate will not forget about the argument, but at least have it in the past.

The only way I feel I can present the material—I have yet to come to some of the material—is to move ahead.

Mr. HUMPHREY. I notice the Senator has a document labeled "No. 2" in front of him. Is this an indication that

the Senator has not arrived at document No. 2?

Mr. PROXMIRE. Shortly the Senator from Wisconsin will finish his introduction and get into the rest of the details.

Mr. HUMPHREY. Judging from past speeches I have heard, some of the best have been in the introduction. I compliment the Senator. If this is the introductory, may I say, eternity is a reality. We shall go into the finer points of the argument a little later.

Mr. PROXMIRE. Although this material is imposingly large, the fact is that I am more than halfway through, I think, considering the starting point on yesterday.

I am much further along than that, Mr. President. I shall proceed as rapidly as I can, although it will take a number of hours to complete my presentation.

Mr. HUMPHREY. I hope the Senator will do this at a leisurely pace and conserve his energy and strength, because we need his vote for foreign aid.

Mr. PROXMIRE. I thank the Senator from Minnesota.

Mr. KUCHEL. Mr. President, will the Senator yield for an observation?

Mr. PROXMIRE. I am delighted to yield to the Senator from California.

Mr. KUCHEL. I am informed that 50 minutes from now the printer will go to press on the RECORD, and anything which prevents him from printing the proceedings of the Senate for the day in which the Senator is speaking will mean that none of the Senator's comments will be before the Senate tomorrow. I do not know that that will make any difference to my colleague from Wisconsin, but I have been informed of it. I think the Presiding Officer will confirm what I say. It may mean we shall have no printed RECORD of the entire day's proceedings, unless the printer is permitted to proceed with the printing by 50 minutes from now.

Mr. PROXMIRE. Mr. President, it is my understanding it is possible to permit the printer to do that. It would certainly be very desirable for the RECORD to be printed. If a unanimous-consent request to that effect is necessary, I am sure the distinguished leadership on both sides, which is well represented at the moment, can arrive at such an agreement. I think it would be a great disservice to the Senate and to the country, because it is a widely read document, for the country to be deprived of the CONGRESSIONAL RECORD—although some of us may smile when we think of that—for a day. Therefore, if it requires a unanimous-consent request to achieve this end, I would certainly be only too delighted to have it provided. I recognize that the remarks I make after 1 o'clock, or perhaps even after 12 o'clock will have to be included in the RECORD at a later date.

Mr. KUCHEL. Mr. President, if the Senator will yield for a parliamentary inquiry?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from California for that purpose without losing my right to the floor.

The PRESIDING OFFICER (Mr. PELL in the chair). Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. KUCHEL. Mr. President, I wish to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. What is the custom under which the RECORD for a day certain is printed, when that day certain runs into the next day?

The PRESIDING OFFICER. There has been no firm rule. The custom is determined by the Government Printing Office. The time has varied from 12:30 until 1 or 2 o'clock.

Mr. KUCHEL. So if this session were to continue into the calendar day past 2 o'clock in the morning or 3 o'clock in the morning, when the Senate convenes at 10 o'clock the same morning, do I correctly understand that there would be no RECORD of the Senate proceedings for the preceding day?

The PRESIDING OFFICER. No. The RECORD would be complete up until a stated time—for example, 1 o'clock.

Mr. KUCHEL. I thank the Presiding Officer.

The PRESIDING OFFICER. The remainder of the RECORD would be carried in the volume for the next day.

Mr. KUCHEL. I think that is important for the purpose of clarification and also because into the RECORD today went an abundance of relevant data on the Foreign Assistance Act, which I, for one, wish to study tomorrow, in addition to the problem of the confirmation of the nomination pending before the Senate.

Under those circumstances I have no further questions. I thank my friend from Wisconsin.

Mr. PROXMIRE. I thank the Senator from California. I wish to make sure I correctly understand the parliamentary situation.

It is my understanding that it will be perfectly possible for the Government Printing Office to proceed. There is no restriction against the printing of the RECORD, by cutting off at midnight, or a little earlier than midnight, or a little later than midnight, depending on discretion—at whatever time is convenient—so long as there is a printing of the proceedings of the calendar day of Tuesday, August 8, 1961.

The PRESIDING OFFICER. That is correct. There is a cutoff time. The material which is not used in the RECORD for August 8 will be printed in the RECORD for August 9.

Mr. PROXMIRE. I thank the Presiding Officer.

Mr. President, the figures for a few gas and oil companies for the year 1954 are most revealing. For each company the net income may be compared to taxes paid during that year.

The Bishop Oil Co. had a net income of $309,405. What were the taxes paid? Nothing.

THEY PAY NO TAXES

The Chicago Corp. had a net income of $5,320,750. Taxes paid were zero.

The Drilling & Exploration Co. had net income of $785,624. Taxes paid were zero.

The Southern Production Co. had a net income of $4,173,767. Taxes paid were none.

The Texas Gulf Producing Co. had a net income of over $5 million. Taxes paid were none.

The Western Natural Gas Co. had a net income of over $1 million. No taxes were paid.

The Wilcox Oil Co. had a net income of $647,516. Taxes paid were none.

The Reserve Oil & Gas Co. had a net income of $539,708. Some taxes were paid, $2,500 on an income of over a half million dollars.

The Kerr-McGee Oil Industries had a net income of $2,304,377 and taxes paid were $31,180.

The Anderson-Prichard Oil Corp. had a net income of $3,235,561, and paid taxes of $38,112.

TABLE SHOWS TAXPAYMENTS

The record is the same kind of record I presented in some detail today with respect to a number of companies over a period of years, until 1958. I ask unanimous consent that the entire table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[From the New Republic, Mar. 26, 1956, pp. 7-8]

Gas and oil firms and the nonpayment of taxes

Company	Net income	Taxes paid during 1954
Bishop Oil Co	$309,405	None
Chicago Corp	5,320,750	None
Drilling & Exploration Co	785,624	None
Southern Production Co	4,173,767	None
Texas Gulf Producing Co	5,245,527	None
Western Natural Gas Co	1,262,177	None
Wilcox Oil Co	647,516	None
Reserve Oil & Gas Co	539,708	$2,500
Kerr-McGee Oil Industries	2,304,377	31,180
Anderson-Prichard Oil Corp	3,235,561	38,112
Middle States Petroleum Corp	2,163,707	42,130
General American Oil Co. of Texas	7,677,671	429,075
Seaboard Oil Co	[1] 7,470,307	[2] 335,000
Texas Pacific Coal & Oil Co	7,856,034	400,000
Republic Natural Gas Co	4,064,521	220,000
Amerada Petroleum Corp	19,777,648	1,252,000
Argo Oil Corp	4,288,870	336,889
Mission Corp	5,739,385	470,000
Honolulu Oil Corp	[1] 10,263,310	[2] 1,278,154
General Crude Oil Co	3,210,162	360,000
Franco-Wyoming Oil Co	2,038,086	238,329
Humble Oil & Refining Co	146,303,000	28,500,000

[1] After all taxes.
[2] Federal.

INTERRUPTIBLE SALES AND INDUSTRIAL USES

Mr. PROXMIRE. Mr. President, the effect of the so-called interruptible sales also magnifies the effect of any increase of payment by a producer selling in interstate commerce. One method of using up reserves to keep the amount available for bargaining at minimum levels is the sale of vast quantities of natural gas for purposes of industrial and commercial use, of which some 40 percent is used for the generation of electricity.

In December of 1959 residential sales of natural gas were 73.2 billion cubic feet, industrial and commercial sales, 135.8 billion cubic feet. In March of 1960 the amounts were 139.9 billion and 149.2 billion respectively. In June of 1960 the amounts were 65.5 billion and 135.7 billion respectively. In September of 1960

the amounts were 25.2 billion and 129.3 billion respectively, as reported in current business reports of the U.S. Commerce Department.

It is clear that residential sales drop in the summertime and, of course, soar in the wintertime, as people use natural gas for furnace purposes to heat their homes.

Mr. President, it so happens that many industrial users have facilities for burning coal, oil, and gas, so that in the event of a change in the price of any of these fuels, the company may change the fuel it burns. If the price of natural gas were to increase past 25 cents per thousand cubic feet for industrial sales, coal would take many of its markets. But we have mentioned many prices to homeowners far in excess of the price paid for industrial gas. How is that? The answer is quite simple.

If gas which costs as much as 50 cents per thousand cubic feet is to be sold for industrial use by pipeline companies, the consumer must subsidize the sale by paying a much larger share of the transportation costs for the gas. On the ground that sales to industrial users may be cut off if residential needs increase at any time, companies charge very little for transporting the industrial gas and, with this as an excuse, pass the transportation charge on to their residential users.

So it is the householder who has to pay, and it is the industrial user who gets the benefit.

One of the most interesting discrepancies in this whole economic picture is the enormous difference between the price the householder has to pay for gas to heat his home or to cook, and the price the industrial user has to pay. The discrepancy is very great.

Writing in Public Utilities Fortnightly for March 31, 1960, Arthur K. Lee, of the United Cities Gas Co. of Chicago, finds that the transportation charge for gas sold for residential heating purposes is 27 cents, for cooking and hot-water heating 20 cents, for direct sales to industrial users 11.7 cents and for theoretically interruptible sales to industrial users 9 cents per thousand cubic feet.

Although interruptible sales involved 1.4 trillion cubic feet in 1958 they produced transportation revenues of only $13 million. Residential space-heating sales in interstate commerce were 1.6 trillion cubic feet in 1958, only 14 percent more than interruptible sales, but residential space-heating sales produced transportation revenues of $386 million—22 times the revenues for a comparable volume of sales for interruptible users. The pipeline company delivering gas to the Chicago area has take-or-pay provisions in its contract which provide that if it does not take in every summer day as much as it must provide in the winter, it must pay for what it does not take. As a result it sells a great deal of gas to industrial users for less than it pays in the Gulf of Mexico.

The transportation charge, under the formula described by Mr. Lee, works out to a 1-cent credit per thousand cubic feet while the Chicago distributor pays—for the residential consumer—a transportation charge of 44.75 cents per thousand cubic feet.

Now we have been told by the supporters of this nomination that they cannot understand how a small increase in the price a producer pays for his gas can lead to such spiralling charges to the residential user. Let me say that a great deal of the blame must be laid to the producers' power to exact provisions which require purchasers to take more gas than they need in the summer, requiring substantial sales at cost or below for industrial use. And for every thousand cubic feet sold for industrial use at cost or below, the consumer must pay all of the transportation charges.

That is why, on the basis of national average estimates prepared by Mr. Lee, the user of gas for residential space-heating pays on the national average 27 cents for transportation of each thousand cubic feet and 20 cents for the use of gas for cooking and hot-water heating. But on the national average the transportation cost for interruptible sales if only 9 cents per thousand cubic feet. This distorted and unfair situation has the effect of magnifying any price increase exacted by the producer.

This analysis of the natural gas market shows how completely erroneous is the allegation that the prices obtained by producers for gas have little to do with the price paid by the consumer. The Supreme Court has repeatedly held that producers' votes must be controlled to safeguard the consumer. The proponents of this nomination, in effect, deny that the relation between producers' and consumers' prices discerned by the courts have any foundation. But that is contrary to experience where the effect of rising producers' rates on natural gas prices is concerned.

Federal Power Commissioner Nelson Lee Smith, during a panel discussion at the Practicing Law Institute on June 7, 1954, presented data which showed that producers' rate increases accounted for 84 percent of the average increase in wholesale revenues secured by 20 major pipeline companies in the period 1948 to 1953, inclusive.

I would like to repeat that sentence because I think it is so important that it ought to be underlined.

Federal Power Commissioner Smith, during a panel discussion at the Practicing Law Institute on June 7, 1954, presented data which showed that producers' rate increases accounted for 84 percent of the average increase in wholesale revenues secured by 20 major pipeline companies in the period 1948 through 1953, inclusive.

What this means is that the charge of the Senator from South Carolina in committee, the Senator from Oklahoma in committee, the Senator from Texas in committee, that the producer is not an important factor and is not responsible for this increase in price simply is not true, on the basis of this experience, that 84 percent of wholesale revenues secured by 20 major pipeline companies was the producers' charge.

Mr. President, I have shown that the producers of natural gas do have a predominance of power in the natural gas market, and that various factors in that market have the effect of magnifying every rate increase the producers obtain. Can it still be alleged that Lawrence O'Connor comes to the Federal Power Commission from the weakest segment of the natural gas industry?

The answer is no.

Can it still be alleged, as was implied at the hearing where his nomination was considered, that even if he was disposed to the producer's viewpoint, such an inclination could have little effect on consumers' prices? No, that allegation may no longer be made.

If existing contract provisions, price increases, market factors, and the transition from a buyers' to a sellers' market—not to mention the testimony of some of the best informed students of the natural gas industry—are to be given any consideration at all, we may regard it as conclusively proven that the major factor in the increasing price of gas to consumers is the producer of natural gas.

Now, Mr. President, I want to present what I think is the first of two devastating cases as far as the argument is concerned that the natural gas producer should not be regulated, legally should not be regulated. This has been the contention of the industry, it has been the contention of the IPAA, it has been the contention of the whole association of persons and organizations with which the nominee has been connected.

Mr. President, the supporters of this nomination assert that price increases by producers of natural gas do not cause increases in the price paid by the consumer for gas. I want to discuss that in the light of the Phillips case first. The Natural Gas Act was passed in order to protect consumers from price exploitation. The industry has consistently argued that as the producers' price has little to do with consumers' prices, there is no need to regulate sales in interstate commerce by nontransporting producers. That argument, on the basis of what I have shown about the power of producers, is clearly false. That argument was decisively overthrown in the Phillips case in 1954, when the Supreme Court stated that producers' prices did indeed have an effect upon the price paid by the residential user for gas.

Mr. President, the supporters of this nomination are asking us to try the Phillips case all over again. Once again it is contended that producers' prices do not have a serious effect upon the price paid by residential users. And once again, this argument is clearly false.

I do not intend to rake over any irrelevant legal history, but it is essential for all who concern themselves with this appointment to realize that the arguments in its favor have already been disposed of. They have been disposed of by the Highest Court of the land, but they are being advanced again.

I am interested in the Phillips case for yet another reason. The FPC had denied it had jurisdiction over wellhead sales of natural gas in interstate commerce, thus in effect staging a sitdown strike against the consumer on the jurisdictional question. I will read the eloquent and hard-hitting dissent by Commissioner Thomas Buchanan from the order

of August 16, 1951, which led to the Phillips case to show the clear trend of precedent behind the Phillips case—all of which the Federal Power Commission denied or ignored.

Again it becomes plain that the FPC's unwillingness to protect the consumer was in evidence in the early 1950's.

In April of 1950 Commissioners Draper and Buchanan and Chairman Wallgren advised President Truman to veto a bill to exempt producers of natural gas from Federal regulation. But on August 16, 1951, Chairman Mon C. Wallgren joined with Commissioners Wimberly and Smith to find that Phillips was not a natural gas company under the terms of the Natural Gas Act.

As I have shown, FPC is altogether too subject to pressure from the natural gas industry. An about-face of this kind demonstrates just what I mean. Well, the industry is out to get FPC again. We should recognize the consequences of giving the industry this vote on the Federal Power Commission.

In the Phillips case the Supreme Court stated that the effective protection of consumers, which it declared to be the intent of the Natural Gas Act, required the regulation of producers' prices. The proponents of this nomination deny that fact. Once again the Phillips case is being tried. Once again the future of effective regulation is at stake.

In my judgment, the appointment of Mr. O'Connor to the Federal Power Commission would be almost like a reversal of the Phillips decision by the Congress of the United States.

It is imperative that we oppose the argument, overthrown by the Supreme Court in 1954, that producers' rate increases have no effect upon the consumers' well-being. If the producers of natural gas had succeeeded in the Phillips case, there is no way of saying how much higher than present levels the wellhead price by now would have become. If the producers of natural gas succeed in placing Lawrence O'Connor on the Federal Power Commission, then an industry determined to bring about further price increases will be personally represented on that key regulatory body.

FPC AND PHILLIPS PETROLEUM

On October 28, 1948, FPC determined, upon its own motion, to investigate the operations of Phillips Petroleum to see whether or not the company was a natural gas company under the terms of the Natural Gas Act. One of the reasons for this action was a motion by the city of Detroit when FPC was considering a Michigan-Wisconsin Pipe Line Co. rate case in January of 1947 requiring that Phillips be made a party to the proceeding. FPC replied that it would not require Phillips to appear and implied that it would later consider the subject of its jurisdiction with respect to Phillips.

The most important starting point in our consideration of this case was the FPC investigation and order of August 16, 1951, whereby FPC found that Phillips was not a "natural gas company" under the terms of the Natural Gas Act.

The reason advanced by FPC, with Commissioners Draper and Buchanan dissenting, was that the production and gathering of natural gas by Phillips was of the type excluded from FPC jurisdiction by section 1(b) of the Natural Gas Act. The Commission further contended that sales at wellhead were part of the gathering process and that in consequence there existed no gap to be filled by Federal regulation between the pipeline, regulated by FPC, and the wellhead sale, regulated by States and exempt from FPC jurisdiction by section 1(b) of the act.

FPC CONCEDES CONSUMERS HAVE CASE

Federal Power Commission concluded with the admission that economic aggrievement would be ample ground for intervenors in the proceedings, the State of Wisconsin, Wisconsin Public Service Commission, the county of Wayne, Mich., or the cities of Detroit, Kansas City, or Milwaukee, to appeal the decision.

It is a sad commentary on FPC that it ended its order of August 16 with the admission that these intervenors would probably proceed with appeals.

THREE TO TWO BECOMES TWO TO THREE

This order came on the heels of enormous pressure upon FPC after its advice to President Truman to veto the Kerr bill in 1950. A three-two majority in favor of regulation was changed to a three-two majority against by the changed vote of Chairman Mon C. Wallgren. Phillips had succeeded in postponing the hearing in hopes that the Kerr bill would be passed, and the decision of FPC was in some ways a reflection of the pressure brought to bear by the industry.

Incidentally that change in the vote of Chairman Wallgren, the former Governor and Senator, which completely changed the picture as far as the gas industry is concerned, had an economic impact of hundreds of millions of dollars on gas consumers and producers. It is an indication of how enormously important the nomination is, and why at this very late hour, at 25 minutes to 1 in the morning, the Senator from Wisconsin is insisting on talking on the nomination.

It is decisions on appointments like these that will determine whether or not consumers of gas in the future will have to pay a price without any relationship to an equitable judicial finding on the part of the body which has been empowered by Congress to make such a finding.

Once again, industry pressure is being brought to bear, and we are being asked to confirm a nomination on the grounds that the producers of natural gas have little effect on prices.

PHILLIPS A GIANT FIRM

Phillips and its subsidiaries constituted one of the largest integrated units in the petroleum industry, owning in the United States reserves of crude oil, distillate, natural gas, natural gasoline, and other natural-gas liquids in the mid-continent, Illinois, west Texas, and New Mexico, Rocky Mountain, and gulf coast areas. The company also owned natural gasoline plants, crude oil refineries, chemical plants, and carbon-black plants. Still other properties included crude oil pipelines, refined products pipelines, and market outlets throughout the Central United States and the Rocky Mountain area. The business of Phillips included the acquisition and development of prospective and proved oil and gas leases and lands, production and purchase of crude oil, distillates, natural gasoline and natural gas, and derivatives of these products.

The business of Phillips also included the gathering and transporting by pipeline and other means of crude oil, distillate, natural gasoline, and other natural-gas liquids and refined products.

It also included the refining of crude oil and distillate for the production of refined products. Phillips also processed natural gas for the production of natural gasoline and other natural-gas liquids, including the treatment necessary to prepare the natural gas for sale to pipelines of other companies which transport and distribute the natural gas to industrial and household consumer markets. The firm also produced and sold numerous petroleum chemicals. The business of Phillips also included the marketing of crude oil, natural gas, distillate, and the products thereof.

As a source of the gross operating revenue of this integrated business for the year 1949 natural gas contributed 4.2 percent of the total.

The percentage net income from natural gas for that year, however, was estimated to be possibly two or three times greater than its percentage of gross operating revenue. The relative contributions from the various phases of the integrated business varied widely from year to year.

Notwithstanding the percentage figures, Phillips had long been the largest seller of natural gas in interstate commerce. Its total sales of natural gas amounted to 416 billion cubic feet in 1949 and to 499.7 billion cubic feet in 1950. Of these amounts, 200.8 billion cubic feet were sold to interstate pipeline companies in 1949, and 324.5 billion cubic feet in 1950.

Approximately 85 percent of Phillips' leased acreage lies in the Southwestern States of Arkansas, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas, with over 60 percent of the total in Texas.

In 1950, it owned leases covering 8,757,452 gross acres in the United States, of which 841,451 were developed and 7,404,467 were undeveloped. On December 31, 1949, Phillips owned or controlled by contract 15.22 trillion cubic feet—at 14.65 pounds per square inch—of natural gas reserves.

A substantial part of the natural gas produced and purchased by Phillips flows from producing wells through its own pipelines for processing and preparation for market or other disposition at processing plants owned and operated by Phillips. In April 1950 it owned approximately 4,380 miles of gathering, residue, and other gaslines in Arkansas, Kansas, Oklahoma, Texas, and New Mexico. It also then owned and operated 25 natural

gasoline plants, and had a part interest in 10 other plants, 3 of which it operated.

WHAT IS A "NATURAL GAS COMPANY"

Under the Natural Gas Act Phillips is a "natural gas company" if it is engaged in the "transportation of natural gas in interstate commerce" or in the "sale in interstate commerce of such gas for resale." The provisions of the act apply to such "transportation" and such "sale" but were made expressly inapplicable to the "production and gathering" of natural gas.

It was contended by FPC in the present case that Phillips' sales were incidental to the process of production and gathering, and as such exempt. This decision by FPC required a great deal of special pleading and was the principal point of interpretation on which the case turned. What interests us today about the case, of course, is the battle between producers' and consumers' points-of-view. But we cannot neglect the question of whether FPC was justified in deciding that the sales made by Phillips were part of production and gathering and as such exempt from the Natural Gas Act.

That is the specific legal point at issue, although the implications were of course considerably larger. For example, if the sale of natural gas were ruled to be something separate from producing and gathering, then FPC would have jurisdiction over such of those sales as were in interstate commerce. On the other hand, if the section 1(b) exemption as to producing and gathering were to be read, as FPC claimed it should be, as including the sale of natural gas made when producing and gathering were completed, then the producers of natural gas would be exempt from regulation.

GREAT OAKS FROM LITTLE ACORNS GROW

In this case, as in many others, vast consequences hung upon the interpretation of a very small part of the act. It is worth noting, however, that FPC disregarded all the precedents for wellhead sales regulation and ignored the broad congressional intent to protect consumers at the time of passage of the Natural Gas Act, and hung its entire case on the exemption as to producing and gathering. The FPC was willing to torture this language to let producers go free of regulation. In Phillips' sales to the Michigan-Wisconsin pipeline alone, it was clear that the sales were separate from producing and gathering.

Phillips was then selling gas from producing acreage in Sherman and Hansford Counties in Texas and Texas County in Oklahoma. The gas flowed through gathering lines to five transporting lines, which carried the gas about 20 miles to the Sherman plant in Hansford County, Tex. One line carried so-called sour gas, requiring the removal of sulfur. The other four lines were brought together into a common "header" within the Sherman plant enclosure, from which the gas flowed through three sweet-gas scrubbers to remove dust, pipe rust, and other foreign matter. The sour gas was treated at about the same time and piped into the common header with the gas from the other 4 lines, from which it flowed through a bank of 10 absorbers, where the heavier natural gas liquids were removed. Thereafter, the gas flowed through a bank of outlet scrubbers into another common header where it was again commingled. Thence it flowed into two lines, each 24 inches in diameter for a distance of about 200 yards to a connection with another line, 30 inches in diameter, through which it flowed about 100 yards to a bank of six sales meters just inside the plant fence. The point of sale and delivery to the Michigan-Wisconsin pipeline was at the outlet of those six sales meters.

But the FPC claimed that such sale was an incident to the process of production—completed some 20 miles away—and gathering—concluded before the processing plant.

This seems to me to be a fantastic interpretation of the law. It is beyond the stretch of my imagination to see how anybody can construe the sale of gas as the production of gas except of course, by torture of the language. This is what the FPC did when it exempted the sale of natural gas at the wellhead on the grounds that it was not really a sale, although it constituted a transfer from one concern to another, for which payment was made. A transaction which is ordinarily regarded as a sale was just not regarded as a sale by the FPC.

It is like the statement in Alice in Wonderland, when Humpty Dumpty says, "The important thing is not what a word means but who is master."

In this case FPC indicated that it had the power, in their judgment, to rule that something that was obviously a sale was not a sale, that instead it was production, completed, as I have said, some 20 miles away, or gathering, which was concluded before it reached the processing plant.

AUGUST 16, 1951, ORDER A TRAVESTY

The FPC order of August 16, 1951, deciding that Phillips' sales were incidental to production and gathering was an outrageous travesty of commonsense and justice. In fact, Phillips Petroleum Co. had reported to the Securities and Exchange Commission on November 18, 1947, that it was indeed a "natural gas company" under the terms of the Natural Gas Act. I will now read an excerpt from that prospectus, and ask unanimous consent that a letter to me from the Securities and Exchange Commission dated July 31, 1961, including a fuller excerpt from that prospectus be printed in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPT FROM PROSPECTUS OF PHILLIPS PETROLEUM CO., PROSPECTUS DATED NOVEMBER 18, 1947, FILE NO. 2-7296

The Natural Gas Act enacted by Congress in 1938 applies to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial or any other use, and to natural gas companies engaged in such transportation or sale, but does not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas. The authority granted to the Federal Power Commission under the Natural Gas Act includes the power to fix rates, determine the cost of production and transportation, prescribe a system of accounts for natural gas companies, determine rates of depreciation and determine upon extension or abandonment of service.

Reference is made to the subheading "Natural Gas and Natural Gasoline Operations" herein relative to markets for gas sold by the company and prices received for such gas, and reference is also made to contracts for the sale of natural gas included in the contracts, copies of which are incorporated herein as exhibit 15 hereto. Of the volume of 990 million cubic feet of natural gas per day being sold by the company at the end of 1946 and the daily average volume of 1,100 million cubic feet of natural gas expected to be sold during the calendar year 1947, approximately 30 percent was and will be sold to purchasers which transport and sell the gas in interstate commerce; and it is anticipated that, during the next few years, increasingly greater proportions of the total volumes of gas sold by the company and its subsidiaries will be sold to purchasers which transport and sell the gas in interstate commerce. Although such sales and the transportation of natural gas antecedent thereto constitute operations by the company as a "natural gas company" under the Natural Gas Act, and, as such, are subject to the Federal Power Commission's jurisdiction, unless the exercise of such jurisdiction constitutes an interference with State regulation of production and gathering, the Commission with Commissioner Draper dissenting in a declaration made on the 15th day of August 1947, disclaimed the intention to exercise jurisdiction over such sales if made at arm's length, that is, sales made as an incident to the producing or gathering operation by a producer or gatherer of gas to a nonaffiliate (Order No. 139, docket No. R-106). The House of Representatives of the 80th Congress passed a bill denying rate regulatory jurisdiction to the Federal Power Commission over such sales. In the Senate the bill is now pending upon hearings before the Committee on Interstate and Foreign Commerce.

Within the Panhandle field of Texas, Independent Natural Gas Co., a wholly owned subsidiary of the company, purchases an average (computed on the basis of actual purchases during the first 8 months of 1947) of approximately 34 million cubic feet of natural gas per day from the company after the latter has produced or purchased, gathered and processed such gas for natural gasoline and natural gas liquids; and a portion of such natural gas is used by Independent Natural Gas Co. for fuel and the balance is compressed and transported by Independent Natural Gas Co. and resold in the field to Northern Natural Gas Co. Within the Rodessa field of Texas, Independent Natural Gas Co. purchases an average (computed on the basis of actual purchases during the first 8 months of 1947) of approximately 4,375,000 cubic feet of natural gas per day from the company after the latter has produced or purchased, gathered and processed such gas for natural gasoline and natural gas liquids; and Independent Natural Gas Co. compresses such gas and resells it in the field to Arkansas-Louisiana Natural Gas Co. In respect of these operations and sales, Independent Natural Gas Co. reports to the Federal Power Commission as a natural gas company under the Natural Gas Act. In all other cases in which natural gas sold by the company or any of its subsidiaries is sold to purchasers which transport and sell the gas in interstate commerce, the gas is sold by the company or its subsidiary in the field in

which the gas is produced, either at the well or at central gathering points.

SECURITIES AND EXCHANGE COMMISSION,
DIVISION OF CORPORATION FINANCE,
Washington, D.C., July 31, 1961.

Re Phillips Petroleum Co.
Hon. WILLIAM PROXMIRE,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: In accordance with my discussion with Mr. Ritterbush of your staff, there are enclosed herewith copies of a portion of the prospectus dated November 18, 1947 of Phillips Petroleum Co., file No. 2-7296. This information appears on pages 25 and 26 of the prospectus under the caption "Governmental Regulation."

Please advise if we can be of further assistance to you in this respect.

Very truly yours,
HARVEY A. THORSON,
Assistant Director, Division of Corporation Finance.
DOUGLAS M. DUNN,
Branch Chief.

Mr. PROXMIRE. The excerpt that I am going to read is as follows:

Reference is made to the subheading, "Natural Gas and Natural Gasoline Operations" herein relative to markets for gas sold by the company and prices received for such gas, and reference is also made to contracts for the sale of natural gas included in the contracts, copies of which are incorporated herein as exhibit 15 hereto. Of the volume of 990 million cubic feet of natural gas per day being sold by the company at the end of 1946, and the daily average volume of 1,100 million cubic feet of natural gas expected to be sold during the calendar year 1947, approximately 30 percent was and will be sold to purchasers which transport and sell the gas in interstate commerce; and it is anticipated that, during the next few years, increasingly greater proportions of the total volumes of gas sold by the company and its subsidiaries will be sold to purchasers which transport and sell the gas in interstate commerce. Although such sales and the transportation of natural gas antecedent thereto constitute operations by the company as a natural gas company under the Natural Gas Act, and, as such, are subject to the Federal Power Commission's jurisdiction, unless the exercise of such jurisdiction constitutes an interference with State regulation of production and gathering—

In other words it was a clear confession by the Phillips Co. that this was a sale as the Natural Gas Act specified. They said they acted "as a natural gas company under the Natural Gas Act, subject to the FPC's jurisdiction."

In spite of this confession by Phillips itself, the FPC went out of its way to interpret the Natural Gas Act as exempting producers.

It must also be noted that the city of Detroit filed its protest about excessive rates in the Michigan-Wisconsin certificate case in 1946. FPC first fixed March 20, 1950, as the date of its hearings, and on repeated motions from Phillips postponed the final hearing until April 3, 1951. Shortly before the commencement of that hearing, the Commissioners instructed the hearing examiner to split the jurisdictional issue away from the price questions involved in the sale of natural gas by Phillips, thus further postponing any effective action on matters of producers' prices for years while the jurisdictional issue was fought through the courts.

BUCHANAN RINGING DISSENT

Commissioner Buchanan dissented from that instruction to the hearing examiner on the grounds that never before in the history of FPC had a jurisdictional question been separated from a price question. But the damage was done. It took almost 5 years for FPC to react to the request of the city of Detroit. It then took 3 more years for an effective decision to be handed down by the Supreme Court. In the meantime the consumers had paid millions upon millions of dollars in rate increases exacted by Phillips Petroleum.

Dr. Theodore L. Whitesel, of the Department of Economics in the School of Business Administration at Louisiana Polytechnic Institute wrote, in his very exhaustive study of FPC regulation, that:

The actions of the Commissioners in purely procedural matters in this case seem clearly to have favored the private company's interest as opposed to the public interest. As expressed by Commissioner Buchanan in his dissenting opinion in this case, the "long history" of the case "reflects the Commission's vacillation in regulating wholesale sales in interstate commerce by so-called independent producers."

We have now discussed enough of this case to turn to the dissent filed by Commissioner Thomas Buchanan from that order of August 16, 1951. This dissent is interesting because it brings out the enormous mass of legal background ignored by FPC in its order of that date. The Commissioner's dissent makes plain the subserviency of FPC to the industry point of view. As I have said, the weak stand taken by FPC in that case was a direct result of pressure from the natural gas industry throughout the years 1947 to 1950, when the Congress was considering bills to exempt producers. The Commissioner's dissent is also a model of all that such an opinion should be. It is expert. It is written with a consciousness of broad public needs. It is a model of courage. I might also add the sad fact that it cost Commissioner Buchanan his job.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORTS OF A COMMITTEE

The following additional reports of a committee were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

H.R. 1452. An act to authorize the sale of a portion of the former light station property in Scituate, Mass. (Rept. No. 687).

By Mr. MONRONEY, from the Committee on Commerce, with amendments:

S. 1969. A bill to amend the Federal Aviation Act of 1958, as amended, to provide for a class of supplemental air carriers, and for other purposes (Rept. No. 688).

ADDITIONAL EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Commerce:

Capt. James C. Tison, Jr., to be Deputy Director of the Coast and Geodetic Survey, with the rank of rear admiral; and

Michael H. Fleming, for permanent appointment as ensign in the Coast and Geodetic Survey.

ADDITIONAL BILL INTRODUCED

Mr. MOSS, by unanimous consent, introduced a bill (S. 2387) to provide for establishment of the Canyon Lands National Park in the State of Utah, and for other purposes, which was read twice by its title, and referred to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. Moss when he introduced the above bill, which appear under a separate heading.)

ESTABLISHMENT OF CANYON LANDS NATIONAL PARK, UTAH

Mr. MOSS. Madam President, in July, Secretary Udall, the two Democratic Representatives from the State of Utah, and a rather large party of people went on a very exhilarating and rewarding trip down the Colorado River and into the Needles area, viewing some of the most spectacular scenery that is available in either the United States or anywhere else in the world. This area has long been remote and inaccessible, but now is becoming known because of its superlative scenery.

Madam President, I introduce, for appropriate reference, a bill to provide for establishment of a Canyon Lands National Park in the State of Utah, and for other purposes; and I ask that the bill be printed in full at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2387) to provide for establishment of the Canyon Lands National Park in the State of Utah, and for other purposes, introduced by Mr. Moss, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve an area in the State of Utah possessing superlative scenic, scientific and archeologic features for the inspiration, benefit and use of the public, there is hereby authorized to be established the Canyon Lands National Park which, subject to valid existing rights, shall comprise the following generally described lands:

That area in San Juan County, Utah, bounded on the north by the Grand County line, on the west by the Green River, and on the east by the Colorado River, but excluding those lands comprising Dead Horse Point; those lands lying southerly and westerly of the confluence of the Green and Colorado Rivers, known as the Standing Rocks Country, including such well known

landmarks as the Maze, the Gong, Candlestick Spire, Standing Rock, the Fins, Doll House, and Spanish Bottom, and extending southerly to the confluence of Calf Canyon and the Colorado River; those lands lying southerly and easterly of the confluence of the Green and Colorado Rivers downstream to Gypsum Canyon, easterly from such confluence to include Salt Creek Canyon, and northerly and westerly therefrom to the Colorado River near the confluence of Elephant Canyon, containing such well known landmarks as Devils Lane, Chesler Park, Virginia Park, Druid Arch, Angel Arch, Castle Arch and Tower Ruin; comprising altogether not more than 300,000 acres.

SEC. 2. As soon as practicable after the date of enactment of this Act the Secretary shall establish the Canyon Lands National Park by publication of notice thereof in the Federal Register and such notice shall contain a detailed description of the boundaries of the park which shall encompass an area as nearly as practicable identical to the area described in section 1 of this Act.

SEC. 3. Within the area described in section 1 hereof or which lies within the boundaries of the Park as described pursuant to section 2 of this Act, the Secretary of the Interior is authorized to acquire lands and interests in lands by such means as he may deem to be in the public interest. The Secretary may accept title to any non-Federal property within the park and in exchange therefor he may convey to the grantor of such property any federally owned property under his jurisdiction within the State of Utah and adjacent states, notwithstanding any other provision of law. The properties so exchanged shall be approximately equal in fair market value: *Provided,* That the Secretary may accept cash from, or pay cash to, the grantor in such an exchange in order to equalize the values of the properties exchanged. Federal property located within the boundaries of the park may, with the concurrence of the agency having custody thereof, be transferred to the administrative jurisdiction of the Secretary of the Interior, without consideration, for use by him in carrying out the purposes of this Act.

SEC. 4. Where any Federal lands included within the Canyon Lands National Park are legally occupied or utilized on the date of approval of this Act for grazing purposes, pursuant to a lease, permit, or license issued or authorized by any department, establishment, or agency of the United States, the Secretary of the Interior shall permit the persons holding such grazing privileges on the date of approval of this Act, their heirs, successors, or assigns, to renew the privileges from time to time subject to such terms and conditions as the Secretary may prescribe: *Provided, however,* That no such privilege shall be extended beyond the period ending 25 years from the date of approval of this Act except as specifically provided for in this section. The Secretary shall permit a holder of the grazing privilege to renew such privilege from time to time during the holder's lifetime beyond the twenty-five-year period, subject to such terms and conditions as the Secretary may prescribe, if (1) the holder is the person who held such privilege on the date of approval of this Act, or (2) the holder is the heir, successor, or assign of such person and was a member of that person's immediate family, as determined by the Secretary of the Interior, on the date of approval of this Act. Nothing contained in this Act shall be construed as creating any vested right, title, interest, or estate in or to any of the Federal lands. The Secretary, by regulation, may limit the privileges enjoyed under this Act to the extent that they are appurtenant to the private lands owned by the persons who held such privileges on the date of approval of this Act, and may adjust such privileges to preserve the park land and resources from destruction or unnecessary injury. Grazing privileges appurtenant to privately owned lands located within the Canyon Lands National Park established by this Act shall not be withdrawn until title to lands to which such privileges are appurtenant shall have vested in the United States, except for failure to comply with the regulations applicable thereto and after reasonable notice of any default.

SEC. 5. That in the area within the Canyon Lands National Park, or as it may hereafter be extended, all mineral deposits of the classes and kinds now subject to location, entry, and patent under the mining laws of the United States shall be, exclusive of the land containing them, subject to disposal under such laws, with right of occupation and use of so much of the surface of the land as may be required for all purposes reasonably incident to the mining or removal of the minerals and under such general regulations as may be prescribed by the Secretary of the Interior.

SEC. 6. The administration, protection and development of the Canyon Lands National Park, as established pursuant to this Act, shall be exercised by the Secretary of the Interior in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, and the following), as amended and supplemented.

SEC. 7. There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act.

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENT

Mr. PROUTY submitted an amendment, intended to be proposed by him, to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which was ordered to lie on the table and to be printed.

NOTICE OF HEARING ON NOMINATION OF ARTHUR M. DAVIS TO BE U.S. DISTRICT JUDGE, DISTRICT OF ARIZONA, A NEW POSITION

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, August 15, 1961, at 10:30 a.m., in room 2300 New Senate Office Building, on the nomination of Arthur M. Davis, of Arizona, to be U.S. district judge, district of Arizona, a new position.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF HEARING ON NOMINATION OF JOHN D. LARKINS, JR., TO BE U.S. DISTRICT JUDGE, EASTERN DISTRICT OF NORTH CAROLINA, A NEW POSITION

Mr. ERVIN. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, August 15, 1961, at 10:30 a.m., in room 2300 New Senate Office Building, on the nomination of John D. Larkins, Jr., of North Carolina, to be U.S. district judge, eastern district of North Carolina, a new position.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 8, 1961, he presented to the President of the United States the following enrolled bills:

S. 54. An act to grant 81 acres of public domain to the Cocopal Indians in Arizona;

S. 539. An act to make nationals, American and foreign, eligible for certain scholarships under the Surplus Property Act of 1944, as amended;

S. 614. An act to authorize the use of Commodity Credit Corporation-owned surplus grain by the States for emergency use in the feeding of resident game birds and other resident wildlife; to authorize the use of surplus grain by the Secretary of the Interior for emergency use in the feeding of migratory birds, and for other purposes;

S. 763. An act to authorize annual appropriation to reimburse Commodity Credit Corporation for net realized losses sustained during any fiscal year in lieu of annual appropriations to restore capital impairment based on annual Treasury appraisals, and for other purposes;

S. 809. An act to authorize the transfer of a Bureau of Reclamation bridge across the Colorado River near Needles, Calif., to San Bernardino County, Calif., and Mohave County, Ariz.;

S. 881. An act to revise section 4166 of the Revised Statutes (46 U.S.C. 35) to permit documentation of vessels sold or transferred abroad;

S. 1087. An act to authorize and direct the transfer of certain Federal property to the Government of American Samoa;

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

Mr. PROXMIRE. Mr. President, the Senator from Wisconsin has been trying to stress, over and over again, that when there is a rare, courageous Commissioner, who is willing to fight for the consumer and who seeks to stand up for the consumer, who takes the risk of disagreeing with the natural gas industry, he is putting his head in the noose. Mr. Buchanan's experience is an excellent example of that.

I wish to read from that very vital, important dissent, by Commissioner Buchanan in the Phillips case, which goes to the heart of the whole issue. Commissioner Buchanan said:

I cannot agree with the decision of the majority.

The majority are in error in holding that the wholesale sales of natural gas in interstate commerce by Phillips Petroleum Co. (Phillips) in the States of Texas, Oklahoma, and New Mexico to five interstate pipeline companies[1] for ultimate public consumption in the States of California, Arizona, New Mexico, Kansas, Nebraska, Iowa, South Dakota, Minnesota, Missouri, Illinois, Wisconsin, Indiana, Ohio, and Michigan are not within the scope of the rate provisions of the Natural Gas Act (act), and that Phillips is not subject to the provisions of the act as a "natural-gas company."

When the bill which became the Natural Gas Act[2] was pending before Congress the House Committee on Interstate and Foreign Commerce stated in its report:

"Your committee believes that this legislation is highly desirable to fill the gap in regulation that now exists by reason of the lack of authority of the State commissions." (H. Rept. No. 709, 75th Cong., 1st sess., p. 3.)

It is extremely regrettable to me and I believe equally shocking to the public to learn that my colleagues, through their action, revive a serious "gap" in regulation which Congress closed in 1938 and which the courts have since declared no longer exists.

When Congress enacted the Natural Gas Act, it declared the national policy in so doing as follows:

"SECTION 1. (a) As disclosed in reports of the Federal Trade Commission made pursuant to Senate Resolution 83 (Seventieth Congress, first session) and other reports made pursuant to the authority of Congress, it is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest."

Subsequently, the Supreme Court in speaking of the congressional policy said:

"The primary aim of this legislation was to protect consumers against exploitation at the hands of natural gas companies * * * *Federal Power Commission, et al.* v. *Hope Natural Gas Co.*, 320 U.S. 591, 610."

The evidence in this case shows beyond a doubt that the majority opinion would permit the very exploitation which the Natural Gas Act was designed to prevent. The majority suggest that the consumers of natural gas, if they are to have protection from excessive interstate gas rates must now go to the Congress to seek an amendment of the act.

This is to be contrasted with the view of the Commission only last year when we were of the opinion[3] that producers such as Phillips who sell natural gas in interstate commerce would have to obtain an amendment of the act to accomplish that which the majority attempts to give them here. Producers, representatives of producing States, and the Congress evidently were of the same opinion as the Commission as to the import of the Natural Gas Act. For after a bitter and extremely close struggle,[4] the Congress at the urging of these groups passed an amendment to the act to remove from this Commission's jurisdiction wholesale sales in interstate commerce by the so-called "independent" or nonaffiliated producers of natural gas such as Phillips. The resounding veto of the amendment by the President of the United States pointed out that it was not in the public interest. Significantly no attempt was made to override the presidential veto.

I

Bearing in mind that the purpose of the Congress in enacting the Natural Gas Act was to close the gap in the regulation of natural gas moving in interstate commerce, the first inquiry arises what was the gap at the time the Congress acted.

In *Interstate Natural Gas* v. *Federal Power Commission*, 331 U.S. 682, 689–90, the Supreme Court stated:

"In a series of decisions announced prior to the passage of the act, this Court had held that, although, Congress had not acted, the regulation of wholesale rates of gas and electrical energy moving in interstate commerce is beyond the constitutional powers of the States.[5] * * * As was stated in the House committee report, the 'basic purpose' of Congress in passing the Natural Gas Act was 'to occupy this field in which the Supreme Court has held that the States may not act.'[6] In denying the Federal Power Commission jurisdiction to regulate the production or gathering of natural gas, it was not the purpose of Congress to free companies such as petitioner from effective public control. The purpose of that restriction was, rather, to preserve in the States powers of regulation in areas in which the States are constitutionally competent to act."

In *Panhandle Eastern Pipe Line Co.* v. *Public Service Commission*, 332 U.S. 507, the Court said, at page 520:

"The Natural Gas Act created an articulate legislative program based on a clear recognition of the respective responsibilities of the Federal and State regulatory agencies. It does not contemplate ineffective regulation at either level. We have emphasized repeatedly that Congress meant to create a comprehensive and effective regulatory scheme, complementary in its operation to those of the States and in no manner usurping their authority. *Public Utilities Comm'n* v. *United Fuel Gas Co.*, 317 U.S. 456, 467; *Power Comm'n* v. *Hope Gas Co.*, 320 U.S. 591, 609–610; *Interstate Gas Co.* v. *Power Commission*, 331 U.S. 682, 690."

In *Federal Power Commission* v. *East Ohio Gas Co.*, 338 U.S. 464, at page 472, the court reaffirmed its determination that the States are powerless to act respecting wholesale sales of natural gas in interstate commerce to interstate pipeline companies.

The court makes it clear that the gap which Congress closed by the enactment of the Natural Gas Act was the gap created by decisions of the Supreme Court prior to the passage of that act. It said (pp. 471–72):

"* * * Urging that all of East Ohio's business is fully subject to regulation by the state, they rely on statements by this Court that Congress intended not to cut down state regulatory power but rather to supplement it by closing 'the gap created by the prior decisions.' *Panhandle Eastern Pipe Line Co.* v. *Public Service Comm'n*, 332 U.S. 507, 517–19; see also *Public Utilities Comm'n of Ohio* v. *United Fuel Gas Co.*, 317 U.S. 456, 467. We adhere to those statements. But prior constitutional decisions, not what we have since decided or would decide today, form the measure of the gap which Congress intended to close by this Act. *Illinois Gas Co.* v. *Public Service Co.*, 314 U.S. 498, 506; and see *Parker* v. *Motor Boat Sales*, 314 U.S. 244, 250."

It is to be noted that the Supreme Court in pointing out that the regulation of wholesale rates of gas moving in interstate commerce is beyond the constitutional powers of the States and that the basic purpose of Congress in passing the Natural Gas Act was to occupy this field in which the Supreme Court has held they may not act, has repeatedly cited the Attleboro case. Even a cursory reading of the Supreme Court decision in that case makes it clear that the very type of sales in which Phillips engages was the type of sales to which the Supreme Court referred in its decision in the Attleboro case.

The Attleboro case[7] arose when the Narragansett Electric Lighting Co. engaged in the manufacture of electric energy in Providence, R.I., undertook to increase its rates for the sale of electric energy to Attleboro Steam & Electric Co. in Massachusetts for distribution locally in that state.

In holding that the Rhode Island Commission could not fix the rates to be charged by Narragansett Electric in Rhode Island to the Attleboro Co. in Massachusetts the Supreme Court plainly delineated the "gap" in regulation of interstate commerce, by stating, at page 89:

"It is clear that the present case is controlled by the Kansas Gas Co. case. The order of the Rhode Island Commission is not, as in the Pennsylvania Gas Co. case, a regulation of the rates charged to local consumers, having merely an incidental effect upon interstate commerce, but is a regulation of the rates charged by the Narragansett Company for the interstate service to the Attleboro Company, which places a direct burden upon interstate commerce. Being the imposition of a direct burden upon interstate commerce, from which the state is restrained by the force of the commerce clause, it must necessarily fall, regardless of its purpose.* * * The test of the validity of a state regulation is not the character of the general business of the company, but whether the particular business which is regulated is essentially local or national in character; * * * Plainly, however, the paramount interest in the interstate business carried on between the two companies is not local to either state, but is essentially national in character. The rate is therefore not subject to regulation by either of the two States in the guise of protection to their respective local interests; but, if such regulation is required it can only be attained by the exercise of the power vested in Congress."

Mr. President, Mr. Buchanan made it clear in his dissent there is a gap, a no-man's land, an impossibility of protection, unless the Congress moves in and fills this gap, and unless the consumer has the protection from a Federal regulatory agency, because no matter how desperate the cause of the consumer may be, no matter how firm the monopoly, it is clear, according to previous Supreme Court decisions, there is not one single, solitary thing that any State public service commission can do to protect the consumer.

---

[1] Michigan-Wisconsin Pipe Line Co., Panhandle Eastern Pipe Line Co., Independent Natural Gas Co., El Paso Natural Gas Co. and Cities Service Gas Co. (See appendix B.)

[2] 52 Stat. 821 (1938), 15 U.S.C. Sec. 717 et seq.

[3] Kerr bill, H.R. 1758, Commissioners Smith and Wimberly believed the act should be "clarified" and favored passage of the bill; Commissioners Draper, Olds, and Buchanan opposed the legislation as detrimental to consumers and against the public interest.

[4] The record of the vote on H.R. 1758 (Kerr bill) in each branch of Congress shows: Senate—44 "yeas," 38 "nays," 14 not voting. 96 CONGRESSIONAL RECORD 4304; House—176 "yeas," 174 "nays," 2 voting present, 70 not voting, Messrs. WILSON of Indiana, LATHAM and MOULDER changed their votes from "nay" to "yea". 96 CONGRESSIONAL RECORD 4567.

[5] *Missouri* v. *Kansas Natural Gas Co.*, 265 U.S. 298 (1924); *Public Utilities Comm'n* v. *Attleboro Steam & Electric Co.*, 273 U.S. 83 (1927); *State Corp. Comm'n* v. *Wichita Gas Co.*, 290 U.S. 561 (1934).

[6] H.R. Rep. No. 709, 75th Cong., 1st Sess., 2.

[7] *Public Utilities Commission of Rhode Island* v. *Attleboro Steam & Electric Co.*, 273 U.S. 83 (1927).

Commissioner Buchanan goes on to say:

The cases cited express the consistent view of the Supreme Court from *Gibbons* v. *Ogden*, 22 U.S. 1 (1824), down to the present date and that view was well understood by Congress when it had under consideration the passage of the Natural Gas Act.

On June 7, 1938, there was printed in the CONGRESSIONAL RECORD a declaration of Senator Wheeler, Chairman of the Senate Committee on Interstate Commerce and in charge of the bill, as to the "Necessity for Federal Regulation of the Natural-Gas Industry," 83 Cong. Rec. App. 2422 et seq., which contains the following language, at page 2422:

"The courts have held that sales for resale, or so-called wholesale sales in interstate commerce, are not subject to State regulation (*Missouri* v. *Kansas Gas Co.*, 265 U.S. 298 (1924); *Public Utilities Commission* v. *Attleboro Steam and Electric Company*, 273 U.S. 83 (1927); *East Ohio Gas Co.* v. *Tax Commission of Ohio*, 283 U.S. 465.

"Neither the sending nor receiving State may regulate the wholesale rates. The consumption of natural gas in the States is secured for the most part through interstate transmission, and the cost thereof is a very material element in determining the price the local consumers must pay for their gas."

And at page 2424.

"Federal jurisdiction plus the jurisdiction of the several States should be so utilized and coordinated as to produce effective regulation and the termination of existing abuses to the end that there should be no unregulated twilight zone. Otherwise our system fails in a very crucial situation.

This bill is designed to provide the necessary complement to State regulations * * *."

Thus, it is clear that the sales by Phillips in issue here are such sales over which the Congress, relying on decisions of the Supreme Court, intended to assert its power when it enacted the Natural Gas Act.[8]

The statements referred to in the majority opinion of Mr. DeVane, Solicitor of the Federal Power Commission, made in 1936 before the House Committee on H.R. 11662, 74th Congress, 1st session, a predecessor bill to H.R. 6586, 75th Congress, 1st session, are misleading. H.R. 11662 differed fundamentally from H.R. 6586 in its jurisdictional provisions. It only provided for regulation over transportation of natural gas in high-pressure mains in interstate commerce, not over transportation and sales of natural gas in interstate commerce for resale. See appendix "C" hereto.

The identical argument that section 1(b) of the Natural Gas Act exempts the sales of producers and gatherers, based upon the same statements of Mr. DeVane concerning H.R. 11662, was fully presented to the Supreme Court in *Interstate Natural Gas Co.* v. *Federal Power Commission*, 331 U.S. 682; and rejected by the Court's decision that this Commission possessed jurisdiction to regulate the wholesale rates there involved. See petitioner's brief, *Interstate Natural Gas Co.* v. *Federal Power Commission*, case No. 733, October term 1946, pp. 33–39.

The majority state in effect, that the Supreme Court in *Cities Service Gas Co.* v. *Peerless Oil and Gas Co.*, 340 U.S. 179 (1950), reversed its long and consistent holding that the States were impotent to regulate the kind of sales here involved. This view is wholly unwarranted, for as the court expressly stated, page 188:

"Appellant does not contend that the orders conflict with the Federal authority asserted by the Natural Gas Act, 52 Stat. 821 (1938), 15 U.S.C. sec. 717 et seq. (1948). The Federal Power Commission has not participated in these proceedings. Whether the Gas Act authorizes the Power Commission to set field prices on sales by independent producers or leaves that function to the States, is not before this Court."

Moreover, assuming, arguendo, that a modification of the Constitutional gap has occurred since the passage of the Natural Gas Act, such modification would have no bearing on the question presented in this case. As has been noted the Supreme Court stated in the East Ohio case, supra, that the gap which was filled by the act was that which existed under the Supreme Court's decisions at the time of the enactment of the statute and which gap clearly includes the kind of sales made by Phillips.

II

The evidence of record in this proceeding conclusively establishes as will be shown hereinafter that the sales here in issue, by Phillips to the five pipeline companies are consummated after "production" and "gathering" are completed. Contrary to the evidence, however, Phillips contends, and the majority conclude, that these sales are "a part of its gathering business, or they are incidents of or activities related to such business, so that" the "sales come within the exemption of production or gathering in section 1(b) of the act."[9] It should be noted that Commissioner Draper, one of the majority, does not concur in this view of the majority.

In other words, despite the legislative history of the act showing that there was to be no "unregulated twilight zone" and judicial decisions to that effect, the majority say there is a gap.

Even if it be assumed, arguendo, that the majority have correctly held that the sales are consummated "during the course of production or gathering," the position of the majority in the instant case, that such sales are therefore exempt from our jurisdiction has been decided adversely to their view, first by this Commission, 3 F.P.C. 416, 48 PUR (NS) 267; secondly by the Court of Appeals for the Fifth Circuit, *Interstate Natural Gas Co.* v. *Federal Power Commission*, 156 F. 2d 949 (1946); and lastly by the Supreme Court of the United States, *Interstate Natural Gas Co.* v. *Federal Power Commission*, 331 U.S. 682 (1947).

The basic facts in the Interstate case were for all practical purposes identical to those presented here. The Commission in its opinion in that case found:

"Interstate owns and operates an integrated natural gas system consisting of 110 gas wells in the Monroe gas field located in northern Louisiana, pipelines which gather the gas produced from its own wells, and gas purchased from other producers, and pipelines which transport substantially all of that gas in interstate commerce to various points of sale and delivery in Louisiana and Mississippi. (3 F.P.C. 416, 418–19.)"

There, as here, the jurisdictional question involved sales to interstate pipeline companies:

"The jurisdictional dispute presented in these proceedings involves Interstate's sales of gas in northern Louisiana to the Mississippi River Fuel Corp., to Southern Natural Gas Co., and to United Gas Pipe Line Co. for the account of Memphis Natural Gas Co. (Id., p. 419.)"

Before this Commission, Interstate made the identical contention that Phillips makes, and with which the majority here agree, viz., that all of its pipeline systems extending to the points of sale in issue were "gathering" lines. The Commission rejected Interstate's contention, saying:

"It is clear from the evidence that as a practical operating matter Interstate does not consider its transportation lines as something separate from its field lines. Interstate's pipelines are operated as a unit. * * * Interstate transports the gas which it buys from such companies in the Monroe field and commingles that gas with gas which it has produced and gathered in the Monroe field, and then transports this commingled gas [from 2 to 4 miles] to the points of sale and delivery in Louisiana to the Mississippi River Fuel Corp., Southern Natural Gas Co., and United Gas Pipe Line Co. for the account of Memphis Natural Gas Co. The gas transported and sold by Interstate to these three pipeline companies continues to flow in interstate commerce and, as an established course of business well known to Interstate, is destined for resale for ultimate public consumption in Memphis, St. Louis, Birmingham, Atlanta, and other markets outside Louisiana. (Id., p. 420.)"

The claim to jurisdictional immunity made by Interstate, was stated as follows:

"* * * Interstate does not now deny that the sales of natural gas to the three pipeline companies constitute sales of natural gas in interstate commerce for resale, but it contends that each of these sales constitutes a sale in the "production and gathering" of gas and falls within the claimed exemption stated in 1(b) of the Natural Gas Act. (Id., p. 420.)"

The Commission refused to accept this interpretation of section 1(b) saying:

"The negative language in section 1(b) upon which the Interstate Co. relies for its claimed exemption involving these sales provides that the Commission shall not have jurisdiction over 'the production or gathering of natural gas.' When the distinction between production and gathering of natural gas, and the sale of such gas in interstate commerce is kept in mind, effect is given to the Congressional objective. The Commission is bound to obey the command of Congress to regulate these sales in interstate commerce for resale to the three pipeline companies. Such is clearly the implication of the decision of the Circuit Court of Appeals in *Peoples Natural Gas Co.* v. *Federal Power Commission*, 127 F. 2d 153; cert. den. 316 U.S. 700. (Id., p. 421.)"

It is that very interpretation of section 1(b) then rejected by this Commission in the Interstate case which the majority now espouse in their opinion.

Interstate reiterated its interpretation of section 1(b) of the Natural Gas Act in its appeal from the Commission's decision to the Court of Appeals for the Fifth Circuit. The court stated Interstate's contention as to section 1(b) thus:

"Petitioner is here complaining: (1) that the sales were not within, but were expressly excluded from, the jurisdiction of the Commission; * * * *Interstate Natural Gas Co.* v. *Federal Power Commission*, supra, p. 950."

The contention of Interstate there as to section 1(b) was the same as adopted by the majority here. But the Court of Appeals, in Affirming the Commission's assertion of jurisdiction and rejecting the contention of Interstate, clearly pointed out a basic error of the majority here.

"We think petitioner's difficulties in construction and interpretation arise out of the fact that, treating unlike things as alike, it tries to read the exception with respect to production or gathering as an exception with respect to sales. There is no warrant in the act for so doing. It is very simply and plainly

[8] The legislative history of H.R. 6586 is devoid of any suggestion to the contrary: "Mere uncorroborated hearsay or rumor does not constitute substantial evidence." *Edison Co.* v. *Labor Board*, 305 U.S. 197, 230.

[9] Section 1(b). The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

written. After stating what it shall apply to, it then states what it shall not apply to. Under familiar rules of construction, a negation in or exception to a statute will be construed so as to avoid nullifying or restricting its apparent principal purpose and the positive provisions made to carry them out. No conflict with them will, therefore, be found unless the conflict is clear and inescapable and then only the precise point of the conflict. *Cf. Hartford* v. *Federal Power*, 2 Cir., 131 F. 2d 955. Here the statute was drawn to regulate, it picked out for inclusion "sale in interstate commerce of natural gas for resale for ultimate public consumption." It excluded from the scope of the act sales other than of this kind. It included transportation in interstate commerce. It excluded local distribution of natural gas.

"Unnecessarily perhaps but in the interest of making clear that the act gave jurisdiction only over sales and transportation of the kind described in it, it used language removing from any doubt that the Commission was not to have jurisdiction over properties used for production and local distribution or the activities of production and gathering. It did this by expressly providing that the act should not apply 'to the facilities used for such [i.e. local] distribution or to the production or gathering of natural gas.' (Id. p. 951.)"

Again in the Supreme Court, Interstate urged its interpretation of section 1(b). The Supreme Court said (331 U.S. at 689, 690–1):

"The company contends, however, that regardless of whether the sales in question are in interstate commerce, those transactions fall within the clause of section 1(b) specifically excepting from the Commission's jurisdiction, regulation of '* * * the production or gathering of natural gas.' * * *

"In a series of decisions announced prior to the passage of the Act, this Court had held that, although Congress had not acted, the regulation of wholesale rates of gas and electrical energy moving in interstate commerce is beyond the constitutional power of the States.[10] * * * As was stated in the House Committee report, the 'basic purpose' of Congress in passing the Natural Gas Act was 'to occupy this field in which the Supreme Court has held that the States may not act.'[11] In denying the Federal Power Commission jurisdiction to regulate the production or gathering of natural gas, it was not the purpose of Congress to free companies such as petitioner from effective public control. The purpose of that restriction was, rather, to preserve in the States powers of regulation in areas in which the States are constitutionally competent to act. Thus the House Committee Report states: 'The bill takes no authority from State commissions, and is so drawn as to complement and in no manner usurp State regulatory authority * * *.'[12] Clearly, among the powers thus reserved to the States is the power to regulate the physical production and gathering of natural gas in the interests of conservation or any other consideration of legitimate local concern."[13]

That the Supreme Court was saying that sales made during the course of production or gathering are subject to our jurisdiction is made conclusive by the following language of the Court which came on the heels of the preceding quotation: (*Id.* p. 690–1): "* * * Thus where sales, though technically consummated in interstate commerce, are made during the course of production and gathering and are so closely connected with the local incidents of that process as to render rate regulation by the Federal Power Commission inconsistent or a substantial interference with the exercise by the State of its regulatory functions, the jurisdiction of the Federal Power Commission does not attach. But such conflict must be clearly shown. Exceptions to the primary grant of jurisdiction in the section are to be strictly construed. It is not sufficient to defeat the Commission's jurisdiction over sales for resale in interstate commerce to assert that in the exercise of the power of rate regulation in such cases, local interests may in some degree be affected. * * *"

As will be developed later, the sales here in issue are not so connected with the local incidents of production and gathering[14] as to cause regulation by the Federal Power Commission to be inconsistent or a substantial interference with state regulated functions. In fact state regulation of Phillips' 12 sales here in issue is completely absent. Moreover, the Supreme Court's statement plainly shows that "local incidents" of the process of production or gathering are one thing and "sales" are another, and that such "local incidents" cannot include sales in interstate commerce.

Contrary then to the assertion of the majority that the issue is new in the courts, we have seen that the Supreme Court has already held that sales in interstate commerce even when made during the course of production and gathering are subject to our jurisdiction.

This is Commissioner Buchanan of the Federal Power Commission, insisting that, on the basis of the very clear precedent established by the Supreme Court in a decision of relentless logic, the Federal Power Commission does have jurisdiction.

The decision of the Supreme Court in *Federal Power Commission* v. *Panhandle Eastern Pipe Line Co.*, 337 U.S. 498 (1949), does not qualify the Court's pronouncement in the Interstate case.[15] The Panhandle case did not involve sales of natural gas but a question as to whether this Commission has authority over the sale of certain undeveloped gas leases in Kansas.

Apart from the fact that as a matter of law the sales made during the course of production and gathering are subject to and, therefore, not exempt from our jurisdiction, the evidence in this case reveals beyond doubt that the sales by Phillips are made after all aspects of production and gathering have been completed. They cannot be construed as a "part of the gathering business" or "incidents of or activities related to such business" as the majority conclude. The use and meaning of the term "gathering"—

This is the key word in the whole discussion. The argument made by the people who have been so obviously represented in the viewpoint of the nominee, the producers, is that the Federal Power Commission, because it has no jurisdiction over the gathering of gas by explicit declaration in the Natural Gas Act, therefore has no jurisdiction over sale at the wellhead. On this point Commissioner Buchanan in his great and historic dissent said:

The use and meaning of the term "gathering" in the natural gas industry was the subject of expert testimony. Mr. B. P. Stockwell, a natural-gas engineer employed by this Commission and with more than 30 years' experience in the industry as an employee and executive of natural gas companies and holder of responsible positions with the Illinois, Oklahoma, West Virginia and Federal Power Commissions, testified on behalf of the staff. He testified that the term "gathering" as used in the natural-gas industry describes operations by which gas produced from a number of wells is assembled through connecting pipelines into a common line designed to convey natural gas to a transmission pipeline or processing plant. He also testified with respect to the facilities of Phillips that the gathering of gas cannot extend beyond the point where (1) a pipeline enters the processing plant enclosure or (2) connects with a transmission line but (3) may end short of such points.

The witness also testified that the term "processing plant" describes a plant wherein some liquid hydrocarbons are extracted from natural gas or where the gas is treated for the removal of sulphur, or is dehydrated. He stated that the processing plant operation is a distinct operation separate from gathering. The witness also testified that processing may be performed at other places than in the field, such as along a transmission line,[16] and he gave numerous examples from his experience where natural gas was not processed until far after the gas had been gathered. He stated that based upon his 30 years of experience in the industry he had never heard it claimed that a processing plant is a part of a gathering system. Witness Stockwell's expert opinion that "processing" of natural gas is not included within the term "gathering" is supported by the ordinary meaning and accepted trade or technical definitions of the term.[17]

As the record here shows, the operation of a natural gas processing plant can be for the dual purpose of treating natural gas to aid in the transmission of the gas to markets and of recovering liquid hydrocarbons to secure revenues from the sale thereof. It is clear that processing in its various phases in no way contributes to the gathering or assembling of the gas at a common point. It is a common practice in the in-

[10] *Missouri* v. *Kansas Natural Gas Co.*, 265 U.S. 298 (1924); *Public Utilities Comm'n* v. *Attleboro Steam & Electric Co.*, 273 U.S. 83 (1927); *State Corp. Comm'n* v. *Wichita Gas Co.*, 290 U.S. 561 (1934).

[11] H.R. Rep. No. 709, 75th Cong., 1st Sess., 2.

[12] Ibid.

[13] *Colorado Interstate Gas Co.* v. *Federal Power Comm'n*, 324 U.S. 581, 602–603 (1945).

[14] It is settled law that production, on the one hand, and a sale or transportation in interstate commerce, on the other, are legally distinct activities. *Carter* v. *Carter Coal Co.*, 298 U.S. 238, 302–03; *United States* v. *Darby*, 312 U.S. 100. As they are distinct activities, the majority does not explain how they become "a part of gathering."

[15] The majority opinion places great weight on the remark of the Supreme Court in the Panhandle case (337 U.S., p. 506) that: "The use of such data * * * [cost of producing and gathering facilities] * * * for rate making is not a precedent for regulation of any part of production or marketing." That by the term "marketing" the court meant "local distribution" is too obvious for argument. Id. p. 507. Likewise, whether the transaction was a "sale of gas in place" is completely inmaterial. Regardless of whether it was a sale of gas or of gas leases, the transaction was not a sale for resale of natural gas in interstate commerce.

[16] We know from our experience that processing plants are oftentimes located astride transmission lines hundreds of miles from the producing field. For example, Tennessee Gas Transmission Corporation has recently placed in operation a plant located in Kentucky for the extraction of liquid hydrocarbons that processes gas transported 1,000 miles or so from Texas and Louisiana.

[17] See definition of "gather" and "gathering" in Funk and Wagnall's New Standard Dictionary (1941), Webster's New International Dictionary, 2nd Ed. (1940), Petroleum Dictionary for Office, Field and Factory by Hollis P. Porter, 4th Ed. *Cf. Henderson Development Co.* v. *United Fuel Gas Co.*, 3 S. E. 2d 217, 219 (W. Va., 1939).

dustry to produce, gather and sell gas as it comes from the well without any processing function being performed in connection therewith.

Likewise, the evidence shows that the processing which Phillips does at the 11 plants varies and depends upon contractual rights and obligations. The extent to which Phillips removes the heavy hydrocarbons is governed by the sales contracts, which differ in their specifications as to the minimum B.t.u. content for the gas delivered. In numerous instances the purchasing pipeline companies and not Phillips treat the gas for the removal of excess sulfur and moisture, and these processes if performed by Phillips are likewise a matter of contract with the purchaser.

The Sneed and Goldsmith operations described below are conclusive of the fact that processing is not gathering, is not a part of the gathering functions or an incident thereof.

At Phillips' Sneed plant, natural gas passes through scrubbers and is compressed and treated for sulfur content, then sold and delivered by Phillips to Panhandle; at Panhandle's adjacent compressor station, it is commingled with other gas produced and gathered by Panhandle. This commingled gas is further compressed by Panhandle and delivered back to Phillips for additional processing. The ownership of such gas, however, upon return for processing is retained by Panhandle, and Phillips has only a right to remove certain heavy hydrocarbons in the Sneed plant as governed by contract between the parties.

After processing and redelivery to Panhandle, the gas moves through Panhandle's interstate pipeline system to its ultimate destinations. Can it be said that gathering is involved in the processing after the sale has taken place to Panhandle? Yet that is the logical result of the majority's holding.

At Phillips' Goldsmith plant all natural gas passes through scrubbers, some low-pressure gas being compressed and commingled with high-pressure gas. This gas is then delivered to El Paso. El Paso compresses all gas coming from Phillips and then returns it to Phillips' Goldsmith plant for processing although ownership is retained by El Paso and the processing by Phillips for the removal of heavy hydrocarbons is governed by the sales contract. Upon redelivery to El Paso, the gas moves through El Paso's interstate pipeline system to its ultimate destinations. Is processing here, too, gathering or a part or incident thereof?

Furthermore, Phillips itself has admitted prior to this proceeding in prospectuses filed with the Securities and Exchange Commission, in contracts and in other documents, that "gathering" and "processing" are separate and distinct functions and that "processing" follows "gathering" in order of time and space. This recognition on the part of Phillips of the distinction between the two functions under normal circumstances belies its assertion under the particular stress of this proceeding that "gathering" comprehends "processing," and stamps such assertion as an after-thought without substance.

Additionally, the 12 points of sale and delivery to the five interstate pipeline companies are shown by the record to be located in all cases on the discharge side of the processing plants at or near the fence line where the pipeline facilities owned and operated by Phillips connect with the pipeline facilities owned by the purchasing pipeline companies.

It is clear from this record that "gathering" has been entirely completed some distance prior to or at the intake side of the 11 processing plants; that an interval of transportation, processing or both, are interposed between the completion of "gathering" and the point where the sales and deliveries are made. Thus, by the time the sales are consummated, nothing further in the "gathering" process remains to be done.

The majority say, however, that the purpose of production and gathering is the sale of gas, that processing is undertaken to make the gas salable or to extract salable liquid products; ergo that processing is an incident to production and gathering. This is a non sequitur.

Mr. President, this is utterly ridiculous. To argue that, because production and gathering are for the purpose of sale of gas, the sale of gas by the producer does not fall within the Natural Gas Act. That act provides that the sale of natural gas in interstate commerce for ultimate consumption by the consumer is subject to regulation. It is ridiculous to argue that this kind of sale is somehow, in some strange and tortured way, actually gathering or actually processing gas. Yet that was the basis for the majority Federal Power Commission decision.

It is another illustration of the fact that the industry has had a very dominant and powerful influence over the Federal Power Commission. And it is precisely this kind of influence which would be continued on the Federal Power Commission if the present nominee, Mr. Lawrence O'Connor, were confirmed, because there is no question, on the basis of his association, on the basis of his whole experience, on the basis of his attitude, on the basis of his failure to explicitly disassociate himself when he had every opportunity to do so, that he, too, would feel that the Federal Power Commission should not regulate the producers at the wellhead.

I think I demonstrated an hour or so ago that the producer has a perfectly enormous marketing power, and that he has become, by all odds, the most powerful marketing force in the natural gas industry.

To continue with the dissenting opinion of Mr. Buchanan:

The ultimate purpose of all natural-gas operations—production, gathering, transmission, processing, and distribution—is the sale of gas. But the fact remains that processing is a separate and distinct function and operation from production or gathering, just as production, gathering, transmission and distribution are separate functions from each other.

Sale is a legal transaction involving the transfer of title to a purchaser. Since "gathering" is descriptive of a certain species of transportation, it cannot include a sale. "Incident" means a subsidiary or subordinate event or action, and the labeling by the majority of the sale—the ultimate purpose of all natural gas operations—as an incident of "gathering" or of "gathering business" is a distortion of the true relationship between these terms—"sale" and "gathering." Gathering may be an incident of sale, but sale an incident of gathering, as the majority holds, never.

The evidence also shows that Phillips is engaged in the transportation of natural gas in interstate commerce within the meaning of the Natural Gas Act. Seven main trunk lines owned and operated by Phillips in the Texas-Hugoton, East Panhandle and West Panhandle gas fields are properly to be classified as transportation lines. Attached as Appendices A–1 and A–2 are sketches of the gathering, transporting and processing facilities of Phillips extending from the vicinity of the gas producing wells to points of sales to the interstate pipeline companies.

Four of these lines (one of 16" diameter and three of 24" diameter) lead into the Sherman processing plant; one 24" line connects the Dumas, Sneed and Rock Creek processing plants; one 24" line runs from a point north of the Sneed processing plant to the Sneed plant, and thence to the Rock Creek plant; and one 20" line extends from the Wheeler booster station in the East Panhandle field to the Gray processing plant in the West Panhandle field. All of these lines move large volumes of gas of constant volume into the processing plants for distances of from some 10 to 25 miles from points in the field where the gas to be moved has been brought together in a single, homogeneous, commingled mass. In the case of several of these lines, there is no input of gas throughout these distances; in the case of some, there is a small amount of gas added through a few connecting field lines, but not sufficient to have an appreciable effect upon the volume of gas flowing in the main lines.

It is clear from the record that the function of gathering the stream of gas in each of these lines into a flow of constant volume has been entirely completed at the points 10 to 25 miles distant from the processing plant enclosures; and that from these points on, the sole function of the 7 lines is to transport natural gas. From specific points far upstream from the processing plants, the gas has been definitely committed to its interstate journey to markets in states other than the states in which the gas was produced. Moreover, the movement through the processing plants and through the outgoing lines of Phillips into the lines of the 5 interstate pipeline companies constitutes transportation under the act.

The staff expert witness, Mr. Stockwell, testified that gathering of gas ends at the point on a main field line where all the gas has come into a common flow, the line from such point is a transportation line; the fact that a line is in a producing field makes no difference in resolving the question as to whether it is a transportation line; that "we have lots of transmission lines in producing fields."

Phillips' own admissions are to the same effect. In a contract between Phillips and Panhandle Eastern,[18] there is a reference to Phillips' "gathering and transportation facilities" in the Sneed plant area. In 1940, responsible officials of Phillips, before they became alerted by the pendency of an investigation, testified before this Commission that Phillips' "construction of gas transmission lines ranging from 15 to 50 miles in length is just ordinary course all the time;" that "it is not quite correct to describe" such lines "just as gathering lines from wells." Their testimony identified two of the aforementioned 7 lines as being within the category to which they referred.[19]

Finally, Phillips, in a prospectus filed in 1947 with the Securities and Exchange Commission, before this proceeding was initiated, admitted that its operations involve the sale and transportation of natural gas in interstate commerce, subjecting it to our jurisdiction as a "natural gas company." Phillips said:

And this is the Phillips Co. itself:

"Although such sales and the transportation of natural gas antecedent thereto constitute operations by the company as a 'natural gas company' under the Natural Gas Act, and, as such, are subject to Federal Power Commission's jurisdiction, unless the exercise of such jurisdiction constitutes an interference with State regulation of production or gathering, the Commission, with Commissioner Draper dissenting in a declaration made on the 15th day of August 1947,

[18] Exhibit 9–B, p. 2.

[19] Item M by reference, pp. 87–90.

disclaimed the intention to exercise jurisdiction over such sales if made at arm's length, that is, sales made as an incident to the producing or gathering operation by a producer or gatherer of gas to a non-affiliate" (order No. 139, docket No. R-106 [18 CFR 2.54]).[20]

This is in marked contrast with Phillips' present claim that its business is exclusively the production or gathering of natural gas and is in marked contrast with the majority's holding to the same effect.

It seems to me that that confession of Phillips is most striking, and certainly underlines the almost incredible subservience of the Federal Power Commission to the shifting whim of the industry, because the Phillips people said that their operations constitute a natural gas company under the Natural Gas Act, and as such are subject to Federal Power Commission jurisdiction.

Commissioner Buchanan goes on to say:

In 1942, Independent Natural Gas Co., when it was a wholly-owned subsidiary of Phillips, and, as a matter of practical operation but a department of Phillips, applied to this Commission for, and received a certificate of convenience and necessity, under the "grandfather clause" of section 7 of the act, authorizing its continued operation of the 21-mile line in the West Panhandle field from the Gray plant property line to Northern's facilities. This line is a direct continuation of Phillips' 21-mile line from Wheeler booster to Gray plant, one of the 7 lines in issue.

There is no valid reason for considering one segment of the through line, from Wheeler booster to Gray plant as a gathering line and the other segment from Gray plant to Northern, as a transmission line for the transportation of natural gas in interstate commerce within the meaning of the Natural Gas Act.

The majority, while agreeing with the statement of facts, find that all of the 7 lines are "gathering" lines or "incidents of gathering." This holding by the majority is not supported by the evidence, nor is it consonant with prior decisions of this Commission.

In the case of *Arkansas Louisiana Gas Co.* 7 F.P.C. 766 (1948), the Commission classified a line leading from the field separators into the Columbia gasoline plant of Arkansas Fuel Oil Co., an affiliate, as a transportation line. In that case Arkansas Louisiana applied for a certificate of convenience and necessity to construct the line, consisting of 16.3 miles of 6" and 6⅝" diameter pipe; and also to construct certain appurtenant facilities including three miles of 2-, 2½-, 3-, and 4-inch pipelines to connect eight wells to separators in the Haynesville field. The Commission clearly distinguished between the small diameter lines connecting the wells to the separators from the 16.3 miles intervening between the separators and the gasoline plant when it said:

"The evidence of records also shows that appurtenant facilities consisting of approximately 3 miles of 2-, 2½-, 3-, and 4-inch pipelines to connect eight wells in the Haynesville field, together with meter, dehydrator, and separator installations in the field, will be used only for the production and gathering of natural gas and are not subject to the jurisdiction of the Commission. Id. p. 767."

The Commission then proceeded to order:

"(A) A certificate of public convenience and necessity be and the same is hereby issued authorizing applicant to construct and operate the facilities hereinbefore described, with the exception of appurtenant facilities consisting of approximately 3 miles of 2-, 2½-, 3-, and 4-inch pipelines to connect eight wells in the Haynesville field, together with meter, dehydrator, and separator installations in the field, all as more fully described in the application in these proceedings and the exhibits appended thereto, for the transportation and sale of natural gas as therein set forth, subject to the jurisdiction of the Commission, upon the terms and conditions of this order. Id. p. 768."

Buchanan goes on to say:

The majority are persuaded, so they say, by their review of the legislative history of the act, that the act was not intended to encompass the activities of companies whose operations are confined to production and gathering, including the transportation and sale of gas as a part of that business. Manifestly it is not the general character of the business of a company which determines its status under the Natural Gas Act. Jurisdiction attaches by reason of specific acts or transactions in which such company is engaged.[17] Furthermore, the fact that Phillips is engaged in jurisdictional acts or transactions does not mean that all of its business and transactions fall within the regulatory power of this Commission.

It is my opinion, from the record before us, that Phillips Petroleum Co. transports gas in interstate commerce within the meaning of the Natural Gas Act.

Commissioner Buchanan then turns to the second ground of the majority's holding, which is agreed to by all members of the majority:

I turn now to the second ground of the majority's holding which is agreed to by all members of the majority. It is as follows: that the sales are not subject to our jurisdiction because "they are so closely connected with the local incident of that process as to render rate regulation by the Commission inconsistent or a substantial interference with the exercise by the affected States of their regulatory functions."

The second ground is patently bottomed on the Supreme Court's statement in the *Interstate* case that (331 U.S. at p. 690):

" * * * where sales, though technically consummated in interstate commerce, are made during the course of production and gathering and are so closely connected with the local incidents of that process as to render rate regulation by the Federal Power Commission inconsistent or a substantial interference with the exercise by the State of its regulatory functions, the jurisdiction of the Federal Power Commission does not attach."

It will be noted that the Court specifies two elements each of which is a condition precedent. If either of them is not present the statement clearly is inoperative. It will be noted too that the Supreme Court recognized that the above-quoted language might be improperly interpreted as a broad exemption from the Commission's jurisdiction and warned that the:

"* * * conflict must be clearly shown. Exceptions to the primary grant of jurisdiction in the section are to be strictly construed. It is not sufficient to defeat the Commission's jurisdiction over sales for resale in interstate commerce to assert that in the exercise of the power of rate regulation in such cases, local interests may in some degree be affected. Id. at pp. 690–91."

In the light of this explicit warning by the Supreme Court it would not be too much to expect that the majority would not be content with mere assertion, but would point to the evidence of record showing the conflict, would delineate with particularly the "local incidents" of the process of "production or gathering" which would be interfered with, and would show how the regulation of the sales would prevent the exercise by the States of their lawful authority over production or gathering. As was said in *Mississippi River Fuel Corp.* v. *Federal Power Commission*, 163 F. 2d 433, 439:

"* * * The discretion and judgment confided in the Commission must be exercised upon facts and for reason. The duty of review imposed upon the courts requires that the facts be found and the reasons be stated. Otherwise, the courts cannot determine whether a given action is or is not arbitrary.

"The Congressional provisions extend to complicated, difficult matters as well as to simple questions. The courts cannot evade their responsibility merely because the subject matter is obscure. And neither can they be required to probe the minds of the agency for unfound facts or unexpressed reasons. The coordination of the two functions of administrative discussion and judicial review required that the facts upon which the discretion is exercised, and the reasons, be clearly and completely stated. When the matter is complicated, the necessity is greater."

But the majority have not heeded either the Supreme Court or the Court of Appeals. The majority opinion will be searched in vain for facts or reasons showing conflict. The majority simply rest on mere assertion—their own ipse dixit.

The absence in the majority opinion of an analysis of the evidence lies in the fact that the evidence proffered by the intervening states establishes, as shown by the following analysis, that there is no conflict, or interference with the states in the exercise of their lawful authority.

Testimony on the subject of conflict and interference was received from representatives of the states of Texas, New Mexico and Oklahoma. Commissioner William J. Murray Jr., and Chief Engineer Jack K. Baumel testified in behalf of the Railroad Commission of Texas. Comissioner Richard B. Spurrier presented evidence for the New Mexico Oil Conservation Commission and Commissioner Ray C. Jones and Engineer Elmer Capshaw testified in behalf of the Oklahoma Corporation Commission. During the course of their direct examination, some of these witnesses were questioned upon the basis of hypothetical situations predicated upon assumed future actions by the Federal Power Commission and the respective state regulatory agencies or both, and they asserted upon the basis of such hypotheses that conflicts and interference would result.[21]

Surmise, conjecture or speculation concerning possible future conflict provides no basis for denying jurisdiction under the Natural Gas Act. It is a well established principle of law that the alleged conflict must be "so direct and positive that the two acts cannot be reconciled or consistently

[20] Exhibit 28, p. 26.

[21] In this connection, Commissioner Murray's qualifications to his answers are of particular significance:

Q. In other words, your answers were not general answers but were specific answers to the questions you had before you at the time you made your answer?

A. Yes, sir, even though they were making specific assumptions, they were still rather general, but not so general as to say if the Federal Power Commission takes any jurisdiction over Phillips would a conflict result, and I never did intend to say any jurisdiction would result.

Q. You mean any conflict would result?

A. That is right, if they took any jurisdiction, but I can't quite conceive, I may be in error, of what jurisdiction they would take over Phillips without conflict resulting. T. 3764.

stand together." [22] As the Supreme Court succinctly stated in *Panhandle Eastern Pipe Line Co.* v. *Michigan Public Service Commission*, 341 U.S. 329 (1951) when the issue of dual regulation by the Michigan and Federal Power Commission was before it (at p. 336):

"• • • There are no opposing directives and hence no necessity for us to resolve any conflicting claims as between State and Federal regulation."

In this proceeding, which has been limited solely to the question of jurisdiction, no conflict could possibly arise from a finding that jurisdiction exists. Actual regulation of Phillips' rates by the Federal Power Commission is a necessary prerequisite to an issue of conflict with the regulatory functions of a State agency. Mere speculation as to hypothetical situations that might arise does not meet the test that "conflict must be clearly shown" and may not rest on assertion alone.

The evidence is conclusive that the alleged issue of conflict and interference between regulation by this Commission and the several producing state interveners has already received a thorough answer, since there are a number of natural-gas companies which engage in substantial field operations similar and adjacent to those of Phillips, and which are subject to the jurisdiction of this Commission and also subject to the jurisdiction of the state regulatory agencies of Texas, Oklahoma and New Mexico.[23]

The evidence is conclusive that no single instance of conflict or interference has occurred during the past 13 years since the passage of the Natural Gas Act, although these companies have been fully regulated by this Commission and likewise have complied with all of the requirements of the respective state agencies.[24] The majority and concurring opinions completely ignore these facts.

Moreover, these opinions are devoid of any explanation of why or how regulation of Phillips' rates by this Commission would conflict with State regulation in view of the fact that this Commission's regulation of the rates of Panhandle Eastern Pipe Line Co., El Paso Natural Gas Co., Cities Service Gas Co., Natural Gas Pipeline Co of America, Canadian River Gas Co., Northern Natural Gas Co., West Texas Gas Co. and other companies which produce, gather and process natural gas has not conflicted with the activities of the several intervener State conservation commissions.[25]

Commissioner Spurrier, recognizing the inconsistency of an assertion of conflict if the Federal Power Commission were to take jurisdiction over Phillips, testified on cross-examination that:

"• • • if Phillips Petroleum Co. is a producer and a purchaser and if El Paso is also a producer and purchaser—now, if those are the only two things we are taking into consideration and if that is so, why sure, if one company comes under the F.P.C., so should the other one, if those two things only are true.

That is basic, I think, what is fair for one must be fair for the other one. T. 4115–16."

In the course of his cross-examination, Commissioner Murray testified that he did not know of any case where the Federal Power Commission by any specific thing it has done in relation to a natural-gas company which produces gas in Texas, by order, regulation or effort has sought to interfere with the free exercise of power which he felt his Commission should have over the production of gas in Texas.[26]

Commissioner Jones of the Oklahoma Corporation Commission testified:

"Q. If at such time as your minimum rate is set at one level and the Federal rate is set at any point above that, at that time could there be any interference with the jurisdiction of your Commission?

"A. I can think of none right at this time.

"Q. And the only possible conflict could arise if you desired to raise your minimum above the rate that had been fixed by the Federal Power Commission?

"A. I don't know whether that would be the only possible conflict. I don't know. I couldn't answer that question right now.

"Q. Do you now personally know of any other possible conflict?

"A. Not without giving it some thought, I can't think of any. T. 4539–40."

Upon cross-examination, Commissioner Spurrier was asked specifically whether any conflict had ever been called to his attention concerning the regulations issued by the Federal Power Commission and the regulations of the New Mexico Oil Conservation Commission with specific reference to Southern Union Gas Co. and El Paso Natural Gas Co.—those companies being engaged in production, gathering and processing operations in New Mexico and subject to regulation by both Commissions. Mr. Spurrier replied in the negative and further stated he would know of any such conflict if it existed.[27]

Witness Baumel was questioned concerning regulation by the Federal Power Commission with respect to a number of natural gas companies which were likewise subject to regulation by the Texas Railroad Commission as producers, gatherers and processors of natural gas. His answer in all cases brought out the fact that no conflict had ever occurred. For example:

"Q. And United Gas Pipe Line, you know, is a natural gas company under your jurisdiction. As far as you know, nothing that the Federal Power Commission has done in its regulation of United Gas Pipe Line has interfered with your proper authority and regulation of these gasoline plants, or gathering lines, or anything has it?

"A. The same answer I gave before would be the same in this case in that insofar as gathering and processing and production of gas there hasn't been any conflict, no.

"Q. There hasn't been any conflict at all, so far as you know?

"A. No, no, to date I don't know of any. T. 4253."

Furthermore, Mr. Baumel was asked specifically whether his commission had the power to regulate a maximum price at which Phillips could sell gas at the Sherman plant to Michigan-Wisconsin. He answered:

"I think we went over it that at the present time the legislature never has given the Railroad Commission power to set any price, minimum or maximum or whatsoever, so how can you ask me whether or not it is going to conflict. It wouldn't conflict if we don't have any power to set the price. T. 4286."

The evidence overwhelmingly demonstrates the absence of any known conflict or interference by the Federal Power Commission with the activities and regulation by these three State agencies during a period of 13 years. The states have conducted their conservation activities with no known conflict between the two jurisdictions.

Moreover, even representatives of the producing States recognized that consumers were entitled to protection against unreasonable charges for gas made in the producing areas. Commissioner Murray of Texas after first stating that he did not think his Commission had the authority to fix a floor or minimum price and that he was opposed to price fixing at the producer level, stated that if a producing State fixed a floor or minimum price it was proper that some authority protect the consuming States so far as a ceiling or maximum price was concerned.[28]

The impact of regulation of the price of natural gas upon conservation was the subject of considerable testimony. But all witnesses testified that price would only adversely affect the conservation efforts of the States if it were "unduly depressed" to a point where the producers would not recover their costs plus a reasonable return.[29]

I think anyone with any experience with the Federal Power Commission knows that such an occurrence would never take place. In fact, I had an opportunity to have printed in the RECORD earlier the fact that whereas there had been more than 12,391 applications for price increases before the Federal Power Commission since 1954, many of which had been approved and had resulted in price increases involving millions and millions of dollars, and although section 5 of the Natural Gas Act is very clear in permitting reductions, there had been only 13 actions taken by the Federal Power Commission to reduce prices, and of those 13 only one was successful. Seven thousand applications had been approved for increases, and there was only one decrease.

It seems to me that the statement by Mr. Buchanan in his dissent that "all witnesses testified that price would only adversely affect the conservation efforts of the States if it were 'unduly depressed' to a point where the producers would not recover their costs plus a reasonable return" is something that would not happen under the Federal Power Commission.

Furthermore it was testified by witness Capshaw of the Oklahoma Commission that the price of gas was not the most important or determining factor in producing gas from marginal acreage.[30]

The testimony shows that the availability of markets—not price—was responsible in large part for the saving of casing-head gas that otherwise would be vented or flared.[31] Price increases by producers did not bring about a greater demand on the part of El

---

[22] *Kelly* v. *Washington*, 302 U.S. 1, 10 (1937); *Interstate* case, *supra; United States* v. *Appalachian Electric Power Co.*, 311 U.S. 377, 422–23 (1940); *Missouri Pacific Railway Co.* v. *Larabee Mills*, 211 U.S. 612, 623 (1909).

[23] T. 5599–5602, 6736.

[24] With some variation the regulations of state conservation agencies include the location, spacing, drilling, testing, casing, abandonment and capping of wells, the control of rates of production, the protection of correlative rights through proration or "ratable take" or "common purchaser" and the prevention of physical waste of gas. It is undisputed in this record that the Federal Power Commission has never issued any rules, regulations or orders concerning such matters. It is also undisputed that no rules, regulations or orders of the Commission have conflicted with any rules, regulations or orders of the conservation agencies of New Mexico, Oklahoma and Texas relating to the physical production, gathering or processing activities of natural-gas companies subject to the jurisdiction of the Commission. T. 5587, 5594–99.

[25] In this connection Chief Engineer Baumel testified that regulation by the Federal Power Commission of these companies has not conflicted or interfered with the authority exercised by the Texas Railroad Commission. T. 4244–54. See also T. 4539–40, 4090–2, 4097–98, 4100.

[26] T. 3864–65.

[27] T. 4090–92, 4100.

[28] T. 3738–40, 3758–59.

[29] Murray, T. 3723; Spurrier, T. 4125–7; Baumel, T. 4227–8; Capshaw, T. 4529–30, 47 16–17.

[30] T. 4723–24.

[31] T. 3798, 3957–8, 4106, 4180–1.

Paso for casing-head gas with which to fill its pipeline requirements. To the contrary, the demands for gas created by El Paso's markets in Arizona, New Mexico, and California placed the producers in a position to sell their casing-head gas at higher prices than would be otherwise obtainable.

It is also to be noted that the Eunice, Fullerton, Goldsmith and Crane processing plants were constructed by Phillips and placed in operation years before Phillips delivered gas to El Paso at the discharge side of these plants.[32] Huge volumes of residue gas were flared during these earlier years after liquid hydrocarbons had been extracted at the plants. Of course, as Phillips became able to obtain revenues from the residue gas then being flared, the necessity for flaring diminished and has now practically disappeared. Furthermore, the laudable action of the Texas Railroad Commission shutting in oil production in the fields supplying these plants furnished additional impetus towards stopping this waste of gas. But no valid conclusion can be drawn from these circumstances that regulation by this Commission of the sales price to El Paso would cause Phillips to flare the residue gas from these plants rather than sell it.

In the light of this evidence it is indeed a shock to find the majority insisting that event though Phillips be allowed a reasonable return on its actual legitimate investment, the fixing of maximum rates by the Federal Power Commission for its sales would run counter to State conservation efforts to insure maximum recovery of gas, on the theory that the "higher the profit" the longer it is economical to operate its wells prior to abandonment. While the majority err in failing to distinguish between the costs of production and profits, I am more concerned with the philosophy expressed. Apparently the majority believes no limit should be imposed on profits arising from the production and interstate sale of natural gas.[33] Should this philosophy prevail, regulation by the Federal Power Commission of the natural gas industry would become a futile effort and should logically be abandoned.

Of course, that was before 1954, and since that time the Federal Power Commission has adopted a policy of rates moving in one direction and that, of course, is up.

Only a few short years ago, the Commission reduced the rates of Hope Natural Gas Co. The decision of the Supreme Court, *Federal Power Commission* v. *Hope Natural Gas Co.*, 320 U.S. 591 (1944), upholding this Commission's action is universally recognized as a landmark decision in the field of public utility regulation. One of the major issues decided by the court was raised by the state of West Virginia. West Virginia contended that the result achieved by the rate order of the Commission "brings consequences which are unjust to West Virginia and its citizens" and which "unfairly depress the value of gas, gas lands and gas leaseholds, unduly restrict development of their natural resources and arbitrarily transfer their properties to the residents of other states without just compensation therefor." West Virginia strenuously urged that a reduction in leasehold values would jeopardize its conservation policies in three respects, (1) exploratory development of new fields will be discouraged; (2) abandonment of low-yield high-cost marginal wells will be hastened; and (3) secondary recovery of oil will be hampered.

The court said, however, in answer to the position taken by West Virginia, at page 609:

"We have considered these contentions at length in view of the earnestness with which they have been urged upon us. We have searched the legislative history of the Natural Gas Act for any indication that Congress entrusted to the Commission the various considerations which West Virginia has advanced here. And our conclusion is that Congress did not.

* * * * *

"We cannot find in the words of the act or in its history the slightest intimation or suggestion that the exploitation of consumers by private operators through the maintenance of high rates should be allowed to continue provided the producing states obtain indirect benefits from it. (p. 612)

* * * * *

"We do not mean to suggest that Congress was unmindful of the interests of the producing states in their natural gas supplies when it drafted the Natural Gas Act. * * * But it left the protection of those interests to measures other than the maintenance of high rates to private companies. If the Commission is to be compelled to let the stockholders of natural gas companies have a feast so that the producing states may receive crumbs from that table, the present Act must be redesigned. Such a project raises questions of policy which go beyond our province (pp. 612, 613–14)."

Similar contentions were advanced by Canadian River Gas Co. before the Supreme Court in opposing a Commission rate reduction order.[34] In its opinion, the court referred to what it had previously said in the Hope decision, supra, in response to the arguments advanced by the state of West Virginia, and again rejected such contentions. The self-same arguments were made by the states of Oklahoma and Texas appearing amicus curiae in the Interstate case, supra, and once more they failed to convince the court. Referring by a footnote to what it had said in both the Hope and Canadian River cases on the subject, the court pointed out (331 U.S. at p. 691):

"It is not sufficient to defeat the Commission's jurisdiction over sales for resale in interstate commerce to assert that in the exercise of the power of rate regulation in such cases, local interests may in some degree be affected."

Nothing which the court has said in subsequent cases, e.g., the Cities Service case, supra, (1950), has indicated its departure from the law it laid down in the Hope, Canadian River and Interstate cases. The Cities Service case involved the legality of an order of the Oklahoma Corporation Commission fixing a minimum wellhead price of 7 cents per M.c.f. for the Guymon-Hugoton field in aid of conservation. No question of conflict was involved. The Supreme Court clearly pointed that out when it said (at p. 188):

"Appellant does not contend that the orders conflict with the Federal authority asserted by the Natural Gas Act, 52 Stat. 821 1938), 15 U.S.C. Sections 717 et seq. (1938). The Federal Power Commission has not participated in these proceedings. Whether the Gas Act authorizes the Power Commission to set field prices on sales by independent producers or leaves that function to the states, is not before this Court."

The majority, after first relying on this case to suggest that the State was under no constitutional disability to regulate sales at the wellhead for resale in interstate commerce to the interest of conservation, state that the court's decision "left undecided" the very question at issue here. This is not so. The truth of the matter is that the question of the regulation of sales in interstate commerce for resale by so-called independent producers under the Natural Gas Act was not before the court;[35] but, it had been decided in the Interstate case, as shown above, contrary to the holding of the majority here.

The sales by Phillips here in issue are essentially matters of national concern. They are not now, nor have they ever been regulated by the State agencies, nor could they be so regulated under the law and the Constitution. Furthermore, none of these sales by Phillips is subject to any minimum price orders of the State agencies; none is made at the wellhead.[36] The alleged conflict is a myth and the Commission's jurisdiction must be held to attach to Phillips' sales.

Buchanan emphasizes over and over again in his dissent that if there is no jurisdiction by the Federal Power Commission, it is obvious that there is no protection for the consumer because the States do not regulate.

Buchanan goes on to say:

No opinion in this case is complete without a review of the history of the Commission's many and varied decisions on the meaning of the exemption of "production or gathering" in section 1(b) and the history of this particular case. Indeed, only then can the majority's holding be viewed in proper perspective.

In *Federal Power Commission* v. *Panhandle Eastern Pipe Line Co. et al.*[37] reference was made by the Supreme Court to "uncertainty of opinion in the Commission

---

[32] T. 4847, 5044–34, 5042, 5044.

[33] The record shows that 60 natural-gas companies subject to the Commission's jurisdiction are engaged in the production of natural gas. The Commission has reduced the rates of a number of these companies, thus limiting their profits to a reasonable rate of return on their net investment in producing as well as other property. Some of the more important were:

Canadian River Gas Co., 3 F.P.C. 32	$561,000
Cities Service Gas Co., 3 F.P.C. 459	4,445,871
El Paso Natural Gas Co., 3 F.P.C. 851	$526,002
Hope Natural Gas Co., 3 F.P.C. 150	3,609,857
Interstate Natural Gas Co., Inc. 3 F.P.C. 416	1,100,345
Kentucky-West Virginia Gas Co., 7 F.P.C. 112	422,406
Natural Gas Pipeline Co. of America, 2 F.P.C. 218	3,750,000
Natural Gas Pipeline Co. of America, 3 F.P.C. 814	2,750,000
Northern Natural Gas Co., 3 F.P.C. 377	2,087,000
Ohio Fuel Gas Co., 5 F.P.C. 144	632,985
Panhandle Eastern Pipe Line Co., 3 F.P.C. 273	5,094,000
United Fuel Gas Co., 5 F.P.C. 279	1,753,000
Total	26,632,466

If high profits to producers are necessary to aid conservation as the majority claim, it cannot be reasonably contended that the impact of regulation upon conservation is any less severe because the sales by these companies were made in part at some distance from the producing fields.

[34] *Colorado Interstate Gas Co.* v. *Federal Power Commission*, 324 U.S. 581.

[35] See also statement as to the opinion of Mr. Justice Black, *Cities Service Gas Co.* v. *Peerless Oil & Gas Co.*, supra, at p. 189.

[36] The Texas Railroad Commission does not have power to set minimum prices. T. 4286. The New Mexico Oil Conservation Commission has not prescribed a minimum price. T. 4063. The only sales made in Oklahoma are to Cities Service and no minimum price orders apply to the particular fields from which this gas is produced.

[37] 337 U.S. 498 (1949), 516–517, note 25.

as to the reach of the act toward sales by independent producers and gatherers to natural gas companies for transportation in interstate commerce."

While the courts have charted a clear and consistent course, the Commission has been consistent only in its inconsistency. As was so aptly said during the debate on the Kerr bill, S. 1498:

"The Federal Power Commission has wobbled all over the face of the earth with respect to this problem." [38]

Those remarks were made by former Senator O'Mahoney on the Kerr bill which, as we know, could have exempted sales such as are involved in this case from the jurisdiction of the Commission.

It appears from the majority opinion that the Commission has now made the "full circuit" to the Columbian Fuel decision,[39] and its present policy embraces the same abnegation of its authority which pervaded the adoption of order No. 139 in August 1947.

The "circuit" is as follows:

In June 1940, in the Columbian Fuel Corps. case, the Commission (Commissioners Draper, Manly, Olds, Seavey, with Commissioner Scott dissenting) held that it "was not the intention of Congress to subject to regulate under the Natural Gas Act all persons whose only sales of natural gas in interstate commerce, as in this case, are made as an incident to and immediately upon completion of such person's production and gathering of said natural gas and who are not otherwise subject to the jurisdiction of this Commission (2 F.P.C. 208)."

The Commission was not, however, without misgivings regarding its decision, for it stated:

"Further experience with the administration of the Natural Gas Act may reveal that the initial sales of large quantities of natural gas which eventually flow in interstate commerce and by producing or gathering companies which, through affiliation, field agreement, or dominant position in a field, are able to maintain an unreasonable price despite the appearance of competition. Under such circumstances the Commission will decide whether it can assume jurisdiction over arbitrary field prices under the present act or should report the facts to Congress with recommendations for such broadening of the act and provision of additional machinery as may appear necessary to close this gap in effective regulation of the natural-gas industry (2 F.P.C. 208)."

Before the Commission had decided the Columbian Fuel case, the Commission in docket No. G–159 had, in March 1940, instituted an investigation of the Peoples Natural Gas Co. to enable the Commission to determine whether Peoples was a natural gas company within the meaning of the act and whether any of its rates and charges subject to the Commission's jurisdiction were unjust or unreasonable. Following initiation of the investigation, the Commission's representatives repeatedly requested access to the books and records of Peoples, but the requests were refused. In 1941 the Commission held hearings on the nature of the company's operations, at which hearings subpoenas duces tecum were returnable. In August 1941, after Peoples' continued refusals to honor subpoenas duces tecum, the Commission sought an order from the District Court of the United States for the District of Columbia directing production of the books and records. The District Court granted the Commission's request although Peoples there contended that its sales were not subject to the Commission's jurisdiction by reason of the exemption in section 1(b) inasmuch as its sales were made at the termini of its gathering lines. It also relied on the Commission's decision in the Columbian Fuel case, which by that time had been decided.

On appeal by Peoples to the United States Court of Appeals for the District of Columbia Circuit, Peoples made the same contentions. The Court of Appeals affirmed the District Court's order.[40] In so doing, it expressly held that the sales in question were sales in interstate commerce for resale and subject to the provisions of the Natural Gas Act. The court at the same time expressed disapproval of the Commission's decision in the Columbian Fuel case, saying (at p. 155):

"We cannot disregard the plain language of the act because the Commission at one time interpreted it narrowly."

The majority of necessity seek to distinguish the Peoples case and in so doing mistakenly imply that the Commission acted to terminate the proceedings after hearings had been held subsequent to the court decision. That is not the fact.

Upon denial of a petition for a writ of certiorari by the Supreme Court, the Commission's staff was granted access to the books and records and conducted an examination of them. During the course of the examination of the books, Peoples and New York Natural began certain rearrangements of their joint operations and later thereby discontinued the jurisdictional sales which were under investigation.

Upon the recommendation of the staff, the investigation was suspended in 1944, and terminated in 1946 upon further recommendation of the staff that the change in operations by Peoples had been completed.

In April 1943, the Commission (Commissioners Draper, Manly, Olds, Scott and Seavey), following the decision in the Peoples case, took jurisdiction over natural gas sales in the Monroe field of Louisiana by Interstate Natural Gas Co., to three interstate pipeline companies, one of which was affiliated with Interstate. The Commission, after hearing, ordered a reduction in Interstate's sales price from an average of 7½ cents per M c.f. to 4.66 cents per M c.f. In its opinion, supra, the Commission said at p. 421:

"The negative language in section 1(b) upon which the Interstate Company relies for its claimed exemption involving these sales provides that the Commission shall not have jurisdiction over the 'production or gathering of natural gas.' When the distinction between production and gathering of natural gas and the sale of such gas in interstate commerce is kept in mind, effect is given to the Congressional objective. The Commission is bound to obey the command of Congress to regulate these sales in interstate commerce for resale to the three pipeline companies. Such is clearly the implication of the decision of the Circuit Court of Appeals in *Peoples Natural Gas Co.* v. *Federal Power Commission*, 127 F. 2d 153, cert. den. 316 U.S. 700."

The decision of the Court of Appeals for the 5th Circuit on August 3, 1946 affirmed the Commission's decision. Thereafter Interstate secured a review of the Court of Appeals decision by the Supreme Court.

The decision of the Commission, and that of the Court of Appeals sustaining it, brought forth a storm of protests from producing interests and officials of producing states. Bills were introduced in the Congress [41] to curtail the Commission's jurisdiction. These bills were designed to remove from the Commission's jurisdiction all sales of natural gas made in the field, whether by pipelines admittedly subject to the Natural Gas Act or by so-called "independents" or nonaffiliates.

Apparently influenced by this threat to its general jurisdiction the Commission [42] reversed the position which it took in the Interstate case, reverted to the Columbian Fuel theory, and in its brief before the Supreme Court took a different position from that which it had advanced before and which had been endorsed by the Circuit Court.[43] It endeavored to distinguish between the sales by Interstate to the three pipeline companies and similar sales which might be made by so-called independent producers.

To buttress its changed position, the Commission [44] decided several inactive cases by disclaiming jurisdiction over sales by nonaffiliated companies or arm's-length sales made in the field.[45]

The Supreme Court's decision [46] disregarded this effort on the part of the Commission to deprecate the coverage of the act over all sales in interstate commerce of natural gas for resale, but instead, on June 16, 1947, by unanimous opinion and decision, affirmed the decision of the Court below.[47]

In the meantime, the Commission was proceeding with an investigation of the natural-gas industry which was designed to aid the Commission in carrying out its authority and duties in the regulation of the industry, and also to determine whether further legislation should be recommended to the Congress. This investigation developed into a controversy over legislation proposed by the industry to curtail drastically the Commission's authority. In 1948 two diametrically opposed reports were issued.[48]

Following the Supreme Court decision in the *Interstate* case, the Commission, then composed of four members, unanimously agreed to support the Priest bill (H.R. 4099), which would have exempted from regulation arm's-length sales of natural gas by producers or gatherers not otherwise natural gas

---

[38] Remarks of Senator O'Mahoney on the Kerr bill which would have exempted sales such as here involved from the jurisdiction of the Commission. 96 CONGRESSIONAL RECORD 4110 (1950.)

[39] Columbian Fuel Corp., 2 F.P.C. 200. (1940).

[40] *Peoples Natural Gas Co. et al.* v. *Federal Power Commission*, 127 F. 2d 153 (1942).

[41] H.R. 2185, H.R. 2235, H.R. 2292, H.R. 2569 and S. 734, 80th Cong.

[42] The Commission was composed of Commissioners Draper, Olds, Sachse, Smith and Wimberly.

[43] In fact the Commission's brief in opposition to petition for writ of certiorari does not reflect the changed position of the Commission.

[44] The Commission consisted of Commissioners Draper, Olds, Smith and Wimberly.

[45] *The Fin-Ker Oil and Gas Production Co.*, 6 F.P.C. 92 (May 20, 1947), *R. J. and D. E. Whelan*, 6 F.P.C. 672 (May 20, 1947), both filed in 1944 and dormant until the date of the decision, and *The Chicago Corp.*, 6 F.P.C. 98 (May 28, 1947) in an active but incompleted status at the time of the decision.

In its haste to record the new approach to section 1(b), the Commission called for a premature report on the Chicago Corp. investigation, the concluding paragraph of which had this rather significant statement by C. W. Smith, Chief, Bureau of Accounts, Finance and Rates:

"It would therefore appear that if the policy of the Commission in respect to jurisdictional matters is as set forth in the last brief before the Supreme Court of the United States in the Interstate Natural Gas case, the Commission should not attempt to regulate Chicago's interstate rates, but instead should dismiss the instant proceeding."

[46] *Interstate Natural Gas Co.* v. *Federal Power Commission*, 331 U.S. 682.

[47] The decision applied with equal force to the Commission's Chicago Corp., Fin-Ker and Whelan status determinations, supra.

[48] Natural Gas Investigation, docket G–580; Report of Commissioners Draper and Olds; Report of Commissioners Smith and Wimberly. There was one vacancy on the Commission at the time.

companies. The natural gas industry, however, favored the Moore-Rizley bill (H.R. 4051), which passed the House but was in Committee in the Senate at the conclusion of the 80th Congress.

The Congress having adjourned without enacting an amendment to the Natural Gas Act, the Commission was left with the clear duty to apply its own decision in the *Interstate* case which had received unanimous affirmation from the Supreme Court. But on August 7, 1947, with Commissioner Draper dissenting, the four-member Commission adopted order No. 139 which in effect repudiated the decision of the Supreme Court in *Interstate* case.[49]

The order read in part:

"For the purpose of administering the Natural Gas Act, the Commission will construe the exemption contained in section 1(b), to the effect that the provisions of the act shall not apply to the "production or gathering" of natural gas, as including arm's-length sales of natural gas by independent producers and gatherers, made during the course or upon completion of production and gathering. The Commission, consistent with this construction, will not assert jurisdiction over such producers and gatherers who might be subject to jurisdiction solely because of such sales."

Under this order, the Commission purported to grant several exemptions from its jurisdiction,[50] although the Commission's Bureau of Law as well as leading lawyers in the industry held the order to be a nullity.[51] However, in 1948, during the course of the disclaimer of jurisdiction under order No. 139, in a seemingly contradictory spirit, the Phillips investigation, the proceeding now before us, was instituted by the Commission.

In April 1949, the Commission[52] reverted to the position taken in its opinion in the Interstate case and made reports to the Committee on Interstate and Foreign Commerce of the House on the Lyle-Harris Bills, H.R. 79 and H.R. 1758, recommending that legislation not be enacted which would take from this Commission the jurisdiction which the decision of the Supreme Court in the Interstate case held it possessed. These bills would have excluded from regulation all nonaffiliated or arm's-length sales of natural gas in interstate commerce made before the gas was delivered into the interstate facilities of a natural-gas company. Similar recommendations were made to the Senate Interstate and Foreign Commerce Committee in opposition to the Kerr bill, S. 1498.

Hearings on this legislation were held by the respective House and Senate Committees. Extensive testimony in opposition to the legislation was presented by the Commission and in the Senate hearings each Commissioner was questioned concerning his views on the bill. Three Commissioners (Draper, Olds and Buchanan) took the position that the Commission had the authority and jurisdiction to regulate wholesale sales made in interstate commerce during and after production or gathering,[53] and that such regulation was necessary to prevent unreasonable charges being passed on to the consumers.

This legislation was passed by the Congress in March 1950.

Incidentally, a very interesting colloquy took place between Senator Myers and Commissioner Draper on this question. It went as follows:

Senator MYERS. Do you think the consumer's interest would be adequately protected if this act was amended?

Mr. DRAPER. I think it would be very doubtful, Senator. Your act would still stand as it is, saying that the transportation and sale of natural gas in interstate commerce is affected with the public interest and should be subject to Federal regulation. If you are going to confine those sales just to the few natural gas pipeline companies, and then all of the other people, the so-called independents are going to be free—well, I think you have a very undesirable situation there as to that.

Senator MYERS. It is your opinion that if the field sales of natural gas are not regulated, all field sales are not regulated, that the consumer may very well be adversely affected?

Mr. DRAPER. Yes; it is quite possible.

* * * * *

Senator MYERS. But you are still of the opinion that the large producers, the large independent producers——

Mr. DRAPER. I think they should be.

Senator MYERS (continuing). Should be regulated?

Mr. DRAPER. Absolutely.

Senator MYERS. You are of the opinion that you have that authority and jurisdiction at the present moment as the result of the Interstate case?

Mr. DRAPER. Yes, by reason of the interpretation by the Court in the Interstate case. (Senate hearings before Committee on Interstate and Foreign Commerce, U.S. Senate, 81st Cong., 1st sess., on S. 1498, p. 397.)

I continue to read from the dissent:

A majority consisting of Commissioners Wallgren, Draper, and Buchanan favored a veto of the enrolled bill (H.R. 1758).

The President on April 15, 1950, vetoed the bill, his veto message showing a keen appreciation of the problems and the public interest involved.

On July 11, 1950, the Commission adopted order No. 154 rescinding order No. 139 and issued a statement of policy in connection therewith.[53] In order No. 154, Commissioners Wallgren, Draper and Buchanan stated: "That the provisions of order No. 139 were inconsistent with the requirements of the Natural Gas Act."

The decision of the majority in this proceeding in effect rescinds order No. 154, reiterates order No. 139, and returns to the policy expressed in the Columbian Fuel decision and, in the language of the courts, once again "disregard[s] the plain language of the statute." Peoples Natural Gas Co. v. Federal Power Commission, supra, p. 155.

The long history of the Phillips case also reflects the Commission's vacillation in regulating wholesale sales in interstate commerce by so-called independent producers. The Phillips rate investigation had its genesis in the proceeding involving the issuance of a certificate of public convenience and necessity to Michigan-Wisconsin Pipe Line Co., docket No. G–669. On October 11, 1946, during the course of that proceeding, the city of Detroit filed a motion for an order requiring that Phillips Petroleum Co., because of the nature of its sales contract as the sole supplier of Michigan-Wisconsin be made a party, and further urged that Phillips be declared a natural-gas company subject to the jurisdiction of the Commission. In its opinion,[54] the Commission held that the question of whether Phillips is or is not a natural-gas company should be determined in a separate case, after a thorough investigation of Phillips' operations.

An investigation of Phillips' rates and operations was instituted by the Commission's order of October 28, 1948.[55] On February 9, 1950, the Commission entered a further order specifying issues and fixing a date for hearing. It was recited that the city of Detroit had filed a letter complaint on January 16, 1950, alleging, among other things, that because of certain price increases in the contracts between Phillips and Michigan-Wisconsin, the additional annual cost of gas to the city of Detroit in the year 1953 would amount to approximately $1,770,000 as a minimum. It was recited that the Public Service Commission of Wisconsin had on January 19, 1950 also filed a complaint because amendments[56] to the original contract and supplemental contracts between Phillips and Michigan-Wisconsin provided for an approximate doubling of cost of gas to Michigan-Wisconsin since the project was certificated. The Wisconsin Commission asked this Commission to investigate these contractual arrangements between Phillips and Michigan-Wisconsin and to "take such action with respect thereto as may be appropriate and proper and which will result in a fair and just rate to distributing companies and ultimate consumers of natural gas in Wisconsin and states similarly situated."

under investigation the interstate wholesale rates of Phillips Petroleum Company, one of the largest producers of natural gas, selling to interstate pipe lines.

Upon conclusion of further studies of the operation of producers and gatherers of the administration involved in their regulation, the Commission plans to promulgate rules and regulations specifically applicable to them.

MON C. WALLGREN,
Chairman.
THOMAS C. BUCHANAN,
Commissioner.
CLAUDE L. DRAPER,
Commissioner.

JULY 11, 1950.

[49] See Administrative Abnegation in the Face of Congressional Coercion: The Interstate Natural Gas Co. Affair, 23 Notre Dame Law 173.

[50] LaGloria Corp., 7 F.P.C. 349 (January 30, 1948); Superior Oil Co., 7 F.P.C. 627 (May 11, 1948); General Crude Oil Co., 7 F.P.C. 1024 (November 10, 1948); and Delhi Oil Corp., 8 F.P.C. 750 (March 10, 1949, G–1168).

[51] Hearings before Interstate and Foreign Commerce Committee, United States Senate, 81st Cong., 1st Sess., S. 1498, p. 500.

[52] The majority consisted of Commissioners Buchanan, Draper and Olds, Commissioners Smith and Wimberly submitted a minority report.

[53] Statement of Policy Regarding Regulation of Producers and Gatherers of Natural Gas in Connection with Rescission of Order No. 139.

In the present Congress, a bill (H.R. 1758) designed to exempt producers and gatherers from the provisions of the Natural Gas Act was passed, but was vetoed by the President and did not become law.

The President in his veto message returning H.R. 1758 to the House of Representatives, stated that he had no doubt the Commission would operate reasonably and in the public interest in carrying out the present law. That is and will continue to be the policy of the Commission.

Accordingly, the following statement is issued in order that the public may be advised of the Commission's policy in connection with the rescission of Order No. 139:

It is not the intention of the Commission to inaugurate a general investigation respecting existing rates charged by producers and gathers. Where, however, the sales of individual producers or gatherers have a material effect on interstate commerce and the rates therefor appear excessive, appropriate investigations will be undertaken. In this connection, the Commission at present has

[54] 6 F. P. C. 1 (January 17, 1947)

[55] 7 F. P. C. 983.

[56] The amendments of August 9, 1948 and and December 1, 1949 (exhibits 11–O and 11–T) increased the base price of gas to Michigan-Wisconsin from 4.46 cents per M.c.f. to 7.593 cents per M.c.f. (14.65 p.s.i.).

The order also referred to the field investigation made by the staff, which indicated that the amendment to the original contract and supplemental contracts between Phillips and Michigan-Wisconsin would raise the cost of gas to Michigan-Wisconsin over that provided by the original contract approximately $5,000,000 a year based upon the annual contract volume of 125,195,000 M.c.f.

A hearing in this matter was set for March 20, 1950, but was continued several times at the request of Phillips [57] and finally commenced on April 3, 1951. However, on March 27, 1951, Phillips filed a motion to limit the issues to the question of whether or not it was a natural-gas company. On March 29, 1951, the Commission instructed the presiding examiner to hear evidence on only the jurisdictional issue [58] and supplemented that instruction by an order dated April 16, 1951, which granted Phillips' motion, although the Commission on July 25, 1950 [59] had dismissed a similar motion filed on July 6, 1950.

Before concluding the reading of Commissioner Buchanan's dissent, one additional aspect of the majority opinion should be considered, namely, the assertion that the consumer has not been left to the mercy of Phillips or other producers similarly situated. The final section of Mr. Buchanan's dissent—and it is a brief section—is concerned with this. I read:

Before concluding, one additional aspect of the majority's opinion should be considered, namely, the assertion that the consumer has not been left to the mercy of Phillips or to other producers similarly situated.

The majority suggest in their opinion that the effect of their decision "does not leave the consuming public wholly without protection by" the Federal Power Commission. It is said that the price paid by pipeline companies to producers can be reached by the Commission indirectly by denying a certificate of public convenience and necessity to a pipeline company when it appears to the Commission that the cost of gas which the pipeline company proposes to purchase from the producer "would result in unreasonable rates to ultimate consumers."

Additionally, the majority say that "in the exercise of its power to regulate the wholesale rates charged by interstate pipeline companies, this Commission has ample authority to inquire into the reasonableness of all items of operating expense—including the cost of purchased gas—and to disallow, for purposes of rate-making, items of cost which are collusive or otherwise improperly excessive."

The proposal of the majority for holding rates in check by denial of a certificate authorization is of no avail once authorization for the pipeline has been given and the line laid. As the majority well know, renegotiation of gas supply contracts at higher prices is going on constantly.

This very case reflects the futility of regulation by indirection. The contract for the sale of gas by Phillips to Michigan-Wisconsin, as amended on October 16, 1946, provided for a price of five cents per M.c.f. (16.4 p.s.i.) for gas delivered during the first five years after the time of first delivery, and an increase each succeeding five-year period of approximately one cent per M.c.f. The contract further provided that Phillips was to have the right to terminate the contract upon "the failure of buyer to commence, on or before January 1, 1949, the acceptance of deliveries of gas hereunder for delivery by buyer for resale in one or more municipalities east of the Missouri River." The first municipality east of the Missouri River where Michigan-Wisconsin could deliver gas was Maryville, Mo., a distance of 445 miles from the point of commencement of the pipe line in Hansford County, Tex.

The Commission authorized the project on November 30, 1946 and Michigan-Wisconsin began construction of the line in December 1947. In August 1948, due to shortage of steel and other circumstances, Michigan-Wisconsin had 160 miles of pipe, representing a cost of approximately $8,000,000 in the ground, and was faced with a grave danger that it would not be able to meet the dead-line date in the contract.

The evidence shows that Phillips took advantage of the provision in the contract respecting the dead-line date to force up the price of gas to Michigan-Wisconsin. As early as March 1947, in an inter-office memorandum between officials of Phillips entitled, "Increasing price of gas to Michigan-Wisconsin Pipe Line Co.," three methods of forcing such price increase were proposed, including the following:

"2. Do nothing until it may become apparent that Michigan-Wisconsin cannot meet the gas delivery date east of the Missouri River by January 1, 1949." [60]

In August 1948, Phillips forced Michigan-Wisconsin to agree to a 70 percent increase in the price of the gas in exchange for a 6 months' extension of the date for beginning of acceptance of deliveries and the dedication of a small amount of additional acreage.

Once again, Mr. President, I think this is another example of the many that I have had a chance to give in the course of this long evening, or early morning, of the great power of the producer and of the producing industry, and of the great necessity for the Senate of the United States insistence that men who are appointed to the Federal Power Commission be not vested with the producer viewpoint.

It seems to me that any fairminded person who views the record, the experience, and the identification of the nominee, would have to conclude that this man is virtually certain to represent the viewpoint very largely of the producer, the group with the power, the group which, as I have shown in some detail, is the real lion in this business.

Therefore, I feel that the confirmation of the nomination of Mr. Lawrence O'Connor would be a travesty on justice, as far as the American consumer is concerned; so far as 27 million residential users of gas, as far as many thousands of industrial users of gas, the consumer would not have a chance, because the producer would be sitting on the Commission which all of our experience indicates has been dominated very largely, consistently, in fact, in recent years, overwhelmingly, by the producer group.

Mr. Buchanan continues:

Additionally, most of the contracts between Phillips and the various pipeline companies contain escalator clauses which call for automatic price increases periodically that will mean increased cost to ultimate consumers of many millions of dollars. Whether or not these escalator clauses will result in unjust and unreasonable charges by Phillips warrants investigation. In this connection, the pending rate increase before this Commission of Michigan-Wisconsin Pipe Line Co. is significant.[61] Of the increase requested of $3,700,000 per annum, Phillips will receive, according to the evidence herein, approximately $750,000, since the price of gas in the contracts with Michigan-Wisconsin [62] is geared, in part, to the rate which Michigan-Wisconsin charges its customers.

As for the second indirect method of regulating such sales proposed by the majority, if it had any merit in law or substance, there would have been no necessity for the Natural Gas Act, since the state regulatory commissions which asked Congress for this legislation could have protected ultimate consumers from unreasonable rates caused by excessive charges for natural gas, by disallowing for the purpose of rate-making, as the majority suggest, "improperly excessive" payments made by the gas distributing utilities to the interstate pipeline companies. This proposal, it may be added, is reminiscent of the arguments advanced as showing the lack of necessity for part II of the Federal Power Act, conferring jurisdiction over wholesale sales of electricity in interstate commerce. But the fallacy of the argument was recognized; such indirect regulation, even if valid, would simply deny recovery of all costs incurred by the pipeline company, but would not relieve it of the obligation to pay the producer the price agreed upon, thereby draining the resources of the pipeline company to its ultimate ruin.

This substitute regulatory scheme suggested by the majority is so shopworn, ineffective and impractical that it is difficult to believe that the majority's proposals are seriously advanced as a means of effective regulation.

Mr. President, I submit that that is a pretty devastating indictment of the Federal Power Commission by one of its own great members, a man whose courage and independence and forthright belief in representation of the public interest resulted in the refusal of the Senate to confirm his nomination, and resulted in his being in effect driven out of public life by the gas industry, which has over and over again, in the Olds case, in the Buchanan case, in the Connole case, demonstrated its perfectly tremendous power.

---

[57] Applications dated: March 2, 1950; May 1, 1950; June 15, 1950; July 6, 1950; August 11, 1950; September 11, 1950; December 15, 1950; this last application was granted, Order of December 19, 1950, sine die. (It required further action by the Commission to reschedule the hearing.)

[58] Excerpts from Minutes of The Three Thousand and Forty-Seventh Meeting:

The Commission had before it the motion to limit issues filed on March 27, 1951, by Phillips Petroleum Co. in docket No. G-1148, but decided to defer action thereon until the other parties to the proceeding have had the opportunity provided for by the rules to file answers to said motion. Upon motion by Commissioner Draper, seconded by Commissioner Wimberly, the Commission (Commissioner Buchanan dissenting) directed that, in the meantime, the examiner designated to preside at the hearing in said proceeding scheduled to commence on April 3, 1951, be instructed to confine the taking of testimony to paragraph (A)(i) of the order of the Commission entered October 28, 1948, and issued October 29, 1948.

[59] Excerpt from the Commission's order of July 25, 1950:

The Commission orders:

The motion by Phillips seeking to limit the issues in this proceeding be and the same is hereby dismissed.

[60] Exhibit 18.

[61] Order dated April 24, 1951, docket No. G-1678.

[62] Exhibit 11-T.

In conclusion, the opinion of Mr. Buchanan is as follows:

Phillips' production and sale of natural gas is on a mammoth scale, exceeding by far that of any other producer. More than 60 percent of its sales (amounting to 500 billion cubic feet in 1950) are made to the five interstate pipelines with which we are here concerned, and these sales constitute approximately 15 percent of all of the natural gas transported in interstate commerce in the United States. The evidence establishes that Phillips' nation-wide business in natural gas is the result of continued active and aggressive efforts on its part to secure markets in distant parts of country; that in order to have outlets for its gas, Phillips backed and assisted pipeline companies in securing these markets, acquired stock interest in some of the pipeline companies, and in other instances, contracted its gas to pipeline companies for delivery in lieu of itself constructing pipelines to these distant points.

Yet it is apparent that the majority's decision, for the time being, forecloses for all practical purposes any possible regulation of sales in interstate commerce for resale where the seller is not also engaged in the operation of long-distance lines. The decision must be recognized for what it really is—another decision in the nature of order No. 139. For if Phillips' sales here in issue be not subject to regulation, what sales by any other producer or gatherer could possibly be?

The majority admit that their "decision has deprived the ultimate consumers of gas thus sold by Phillips of the benefit of any rate reduction which might have followed a finding that jurisdiction exists," and express concern that "Some question has been raised on this record" that the "public agencies representing consumer interests" may not be entitled to judicial review of their decision.

The majority's solicitude for the welfare of the ultimate consumers and the delivery of their interests to the courts or to Congress for protection stand in strange contrast to the views expressed by the President of the United States when he said in his message vetoing the Kerr bill, supra, "To withdraw entirely from this field of regulation, however, impelled only by imaginary fears * * * would not be in the public interest."

From my review and study of the law and the whole record in this proceeding, I am convinced that this Commission has jurisdiction over the respondent, Phillips Petroleum Co., because it is engaged within the meaning of the Natural Gas Act in (1) the sale of natural gas in interstate commerce for resale for ultimate public consumption, and (2) the transportation of natural gas in interstate commerce.

Therefore, I dissent.

Mr. President, I have finished reading and commenting on what I think is an extremely pertinent dissent by Mr. Buchanan, which goes to the very heart of the weakness of the Federal Power Commission.

Mr. President, Dr. Theodore Lewis Whitesel has analyzed the dissent of Commissioner Buchanan and gone into the legal background of his differences with the Commission majority on seven different points. His study is a devastating indictment of the Federal Power Commission's role in the Phillips case. This study was a 1952 doctoral dissertation submitted to the University of Illinois entitled "The Jurisdiction of the Federal Power Commissioner Over Interstate Commerce in Interstate Commerce in Electricity and Natural Gas." Dr. Whitesel is presently associate professor of economics in the Business School at Louisiana Polytechnic Institute, Ruston, La.

I now turn to the first of the seven points at issue between Commissioner Buchanan and the three Commissioners of the majority in the August 16, 1951, order. The first point at issue was the number of provisions of the act which actually applied in deciding whether or not Phillips was to be considered a "natural-gas company" under the terms of the act.

I ask unanimous consent that these arguments be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. METCALF in the chair). Is there objection to the request of the Senator from Wisconsin?

There being no objection, the arguments were ordered to be printed in the RECORD, as follows:

The Commission majority [1] found that the only provisions of the act that were pertinent to the question of the Commission's jurisdiction over Phillips were Section 2(6) defining a "natural-gas company," Section 2 (7) defining "interstate commerce," and Section 1(b) setting forth the basis and scope of the Commission's jurisdiction under the Act over operations of companies in natural gas. The Commission majority stated that if it were not for the clause in Section 1(b) of the Natural Gas Act prohibiting the Commission from taking jurisdiction over "production or gathering of natural gas," Phillips undoubtedly would be subject to the Commission's jurisdiction. As conceded by the company, Phillips was clearly engaged in making wholesale sales in "interstate commerce" as defined in the Act, and it was clearly engaged in "transportation in interstate commerce" as a matter of constitutional law. The Commission majority narrowed the issue as follows:

"D[o] the sales and transportation of Phillips come within the above prohibition against application of the provisions of the Act to 'production or gathering of natural gas' ".[2]

Commissioner Buchanan disagreed with the Commission majority that the issue was merely a matter of the application of Section 1(b) of the Act to Phillips. He found that the policy section of the Act which "declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate commerce is necessary in the public interest" caused the issue in the case to be merely one of need for regulation to prevent monopoly exploitation of consumers in interstate markets through excessive prices rather than a matter of jurisdiction. He stated:

"The evidence in this case shows beyond a doubt that the majority opinion would permit the very exploitation which the Natural Gas Act was designed to prevent. The majority suggest that the consumers of natural gas, if they are to have protection from excessive interstate gas rates must now go to the Congress to seek an amendment of the Act. This is to be contrasted with the view of the Commission only last year when we were of the opinion that producers such as Phillips who sell natural gas in interstate commerce would have to obtain an amendment of the Act to accomplish that which the majority attempts to give them here." [3]

Mr. PROXMIRE. The second point on which Commissioner Buchanan and the majority disagreed was in their interpretation of the legislative history of the act:

The Commission majority found little support in the legislative history of the Natural Gas Act for the view that the Congress intended to exempt wholesale sales in interstate commerce by independent producers and gatherers from regulation. The final report of the Federal Trade Commission on its investigation of electric and gas utilities in 1935 distinguished between the economic situation of independent producers and of pipeline companies but did not contain definite recommendations for the enactment of legislation by the Congress providing for Federal regulation of rates. The Federal Trade Commission's report recommended enactment of legislation providing for regulation of contracts for purchase of natural gas or for regulation of rates for wholesale sales by pipeline companies at city gates or for both.[4] It seems that the evidence as to the Federal Trade Commission's report supported the opposite view that the Commission had jurisdiction over sales by independent producers under the Natural Gas Act.

The Commission majority cited the statement of Dozier A. De Vane, Solicitor of the Federal Power Commission, made in 1936 at congressional hearings on H.R. 11662 as evidence in support of its interpretation of the Natural Gas Act. Mr. De Vane stated that the bill "'does not attempt to regulate the gathering rates or the gathering business' and that 'the price that is paid to the gatherer, to the man that produces it * * * is binding if the transaction is at arm's length.'" [5]

On the other hand, Commissioner Buchanan considered these statements by Mr. De Vane to be misleading, since the Commission's jurisdiction in H.R. 11662 was to have been based upon "'transportation of natural gas in high-pressure mains in interstate commerce'" [6] and not upon "'transportation and sales of natural gas in interstate commerce.'" [7] He further stated:

"The identical argument that section 1(b) of the Natural Gas Act exempts the sales of producers and gatherers based upon the same statements of Mr. De Vane concerning H.R. 11662, was fully presented to the Supreme Court in *Interstate Natural Gas Co. v. Federal Power Commission* * * * and rejected by the Court's decision that this Commission possessed jurisdiction to regulate the wholesale rates there involved." [8]

He might have added that the United States Circuit Court of Appeals in its opinion in this case expressly rejected the statement of Mr. De Vane as evidence of congressional intent in passing the Natural Gas Act for

---

[1] The Commission majority referred to in this discussion was composed of Commissioners Wallgren, Smith, and Wimberly who subscribed to all of the majority opinion.

[2] *In the Matter of Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., p. 26.

[3] Ibid., opinion of Commissioner Buchanan at p. 2.

[4] The report of the Federal Trade Commission (pt. 84–A) recommended that the Congress enact legislation providing for Federal regulation of "contracts for purchase of gas to be transported interstate" or "rates for carriage or city gate rates at the end of such transportation, or all of these." S. Doc. 92, 70th Cong., 1st sess. (1936), pp. 616–617.

[5] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., p. 29.

[6] Ibid., opinion of Commissioner Buchanan at p. 8, quoting from section 1(b) of H.R. 11662.

[7] Quotation from section 1(b) of the Natural Gas Act.

[8] Ibid.

the reason that it was made concerning a bill that was not adopted.[9]

The Commission majority admited that the language of the Congressional Committee report on H.R. 6586, which was enacted as the Natural Gas Act, indicated that the Commission had jurisdiction over sales by independent producers, since this report regarded the "shall not" clause in section 1(b) as not actually necessary because the Commission's jurisdiction had been clearly set forth in the Act in affirmative language. The Commission majority, however, rejected this evidence of Congressional intent as the Commission had done previously in the Columbian case.[10] The opinion stated:

"It might be argued that this indicates a Committee understanding that, in the process of production and gathering, there can be no transportation of gas in interstate commerce and no sale in interstate commerce for resale. But it would be unreasonable to assume that the Committee meant that 'production or gathering' is confined to something other than transportation in interstate commerce and sale in interstate commerce for resale. For gathering plainly includes the function of transporting gas as it is collected from the wells whether or not the movement is interstate. And Mr. De Vane had given repeated testimony, with which no one took issue, that the price paid to producers and gatherers would not be subject to Commission regulation." [11]

Thus, the Commission majority's conclusion as to the congressional intent behind the Natural Gas Act was based upon its own definition of "production" and "gathering" and upon the statements made by Mr. De Vane, Solicitor of the Federal Power Commission, 2 years before the Natural Gas Act was passed with regard to another bill that did not become law instead of upon the language of the committee report on the act.

The Commission majority rejected the usual theory of the jurisdictional gap in regulation of interstate commerce in natural gas that all wholesale sales of natural gas in interstate commerce were beyond the constitutional powers of the States at the time the Natural Gas Act was enacted. It noted that there had been no U.S. Supreme Court decisions prior to or following enactment of the Natural Gas Act specifically holding that wholesale sales in the process of production and gathering were beyond the jurisdiction of the States. The congressional committee report mentioned "sales by producing companies to distributing companies" as sales which the States were powerless to regulate.[12] However, the Commission majority followed the Columbian opinion and stated that the committee did not have in mind sales by independent producers but sales by integrated pipeline companies. It seems to have arrived at this conclusion by a priori reasoning as the Commission did previously in the Columbian opinion. However, this view was said to be consistent with the Federal Trade Commission's portrayal of the natural-gas industry as having three distinct functional divisions; namely, production, transportation, and distribution—and that interstate transportation was primarily of national concern while production and distribution were primarily of local concern. Furthermore, this interpretation of the congressional committee report corresponded with the facts of the *Missouri* v. *Kansas Gas Co.* case [13] in which the U.S. Supreme Court had held that the States were prohibited by the Constitution from regulating rates for wholesale sales of natural gas in interstate commerce by an integrated pipeline company that produced its own gas. The Commission majority cited the recent U.S. Supreme Court decision in the Cities Service case,[14] in which the power of States to fix minimum wellhead prices for sales of gas in interstate commerce was upheld, as a ruling that not all wholesale sales in interstate commerce were "constitutionally forbidden to State regulation." [15]

The third point on which Commissioner Buchanan and the majority disagreed was in their interpretation of the intent of Congress to fill the jurisdictional gap between State and Federal regulation.

Commissioner Buchanan disagreed with the Commission majority's view of the jurisdictional gap in regulation of interstate commerce in natural gas that existed at the time the Natural Gas Act was enacted. He found the principal Supreme Court decision bearing on the question of the constitutional power of States to regulate wholesale sales in interstate commerce by producing companies was the Attleboro Electric case.[16] In this case the United States Supreme Court prohibited a State, in which interstate commerce in electricity originated, from regulating rates for wholesales sales across State lines by a generating company. The Supreme Court had since cited the Attleboro decision in a number of cases involving interpretation of the Natural Gas Act. Commissioner Buchanan found the recent decision of the Court in the East Ohio Gas case [17] as making it clear "that the very type of sales in which Phillips engages was the type of sales to which the Supreme Court referred in its decision in the Attleboro case." [18]

Also, in the East Ohio case the Court had held that the gap which the Congress closed by the enactment of the Natural Gas Act was the gap created by decisions of the Supreme Court prior to the passage of that Act. Therefore, the Commission majority could not justifiably rely upon the Supreme Court's decision in the Cities Service case [19] in support of a finding as to the division of powers between the Congress and the States at the time the Natural Gas Act was passed in 1938. Furthermore, Commissioner Buchanan interpreted the Supreme Court's decision in the Cities Service case as not bearing upon the question of the Federal Power Commission's jurisdiction under the Natural Gas Act, since this question had not been presented to the Court for decision in that case.

The fourth point on which Commissioner Buchanan and the majority disagreed was in their interpretation of earlier FPC decisions:

Commissioner Buchanan was critical of the opinion of the Commission majority in that it contained no reference to two other important decisions in which the Supreme Court had ruled upon the Commission's authority under the Natural Gas Act and which had a more direct bearing on the question of jurisdictional gap than the Cities Service case. In the Interstate Natural Gas case [20] the Supreme Court found that the wholesale sales by the Interstate Natural Gas Co. to interstate pipeline companies had been declared beyond State powers by a Federal District Court and accepted the lower court's ruling as fixing the jurisdictional gap in this case. Also, in the Interstate Natural Gas case the Supreme Court cited three decisions rendered by the Court prior to passage of the Act that established the principle that "the regulation of wholesale rates of gas and electrical energy moving in interstate commerce is beyond the constitutional powers of the States." [21] The other important decision bearing on this question of jurisdictional gap and the congressional intent in enacting the Natural Gas Act was *Panhandle Eastern Pipe Line Company* v. *Public Service Commission of Indiana*,[22] in which the Court held that the Congress did not "contemplate ineffective regulation" at either the level of Federal regulation or State regulation, but meant "to create a comprehensive and effective regulatory scheme." [23]

The Commission majority reviewed past administrative actions taken by the Commission and arrived at the conclusion that "(1)n no case in its history has this Commission held that the Act gives it jurisdiction over a company solely by reason of its movement of gas in interstate commerce or sales in interstate commerce for resale, where such movement or sales take place in the process of production or gathering." [24]

This view had been stated previously in the report of the Commission's staff and in the Smith-Wimberly Report on the Natural Gas Investigation in F.P.C. Docket G–580.[25] The Interstate Natural Gas case was found to be distinguishable from the instant case involving Phillips. In the first place, Interstate was "admittedly a 'natural-gas company' by reason of operations other than the disputed sales" and it had engaged in transportation of natural gas before selling it to three pipeline companies for transportation to markets in other States. As previously shown, however, the language of the Natural Gas Act does not support a distinction between wholesale sales in interstate commerce engaged in by a company that is otherwise a "natural gas company" and other wholesale sales in interstate commerce. Interstate was said by the Commission majority to have engaged in transportation of the gas sold in interstate commerce for the reason that it purchased natural gas from other producers after the gas had been collected at central points, commingled this gas with its own production, and conveyed it to points of sales and delivery with the pipeline companies that transported it to other States. Because of the transportation that intervened between "gathering" and sales of the gas to the pipeline companies, Interstate's sales were not so closely related to "production" and "gathering" as to be an "incident" thereof.

Commissioner Buchanan found "the basic facts in the Interstate Natural Gas case were for all practical purposes identical to those

---

[9] *Interstate Natural Gas Co., Inc.* v. *F.P.C.*, 65 PUR (NS) 1, 6; 156 F. 2d 949 (1946).

[10] See ch. XI, p. 847, supra.

[11] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, *op. cit.*, p. 32.

[12] Ibid., p. 33.

[13] 265 U.S. 298 (1924). See ch. VI, p. 248, supra.

[14] *Cities Service Gas Co.* v. *Peerless Oil and Gas Co.*, 340 U.S. 179, 87 PUR (NS) 41 (1950); see ch. IX, p. 596, supra.

[15] *Re Phillips Petroleum Co.*, F.P.C. opinion No. 217, op. cit., p. 54.

[16] *PUC of Rhode Island* v. *Attleboro Co.*, 273 U.S. 83, PUR 1927 B 348 (1927). See ch. VI, p. 233, supra.

[17] *F.P.C.* v. *East Ohio Gas Co.*, 338 U.S. 464, 82 PUR (NS) 1 (1950). See ch. XII, p. 1161, infra.

[18] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., opinion of Commissioner Buchanan at p. 5.

[19] *Cities Service Gas Co.* v. *Peerless Oil and Gas Co.*, op. cit.

[20] *Interstate Natural Gas Co.* v. *F.P.C.*, 331 U.S. 682, 69 PUR (NS) 1 (1947). See ch. XI, p. 884, supra.

[21] *In the Matter of Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., opinion of Commissioner Buchanan, p. 14.

[22] 332 U.S. 507, 71 PUR (NS) 97 (1947). See ch. XII, p. 1133, infra.

[23] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., opinion of Commissioner Buchanan, p. 4.

[24] Ibid., majority opinion, p. 35.

[25] See ch. XI, p. 906, supra.

presented here.[26] Interstate had represented that its pipeline system extending to the points of interstate wholesale sales to the pipeline companies were gathering lines, as did Phillips in the instant case. The Commission had rejected Interstate's claim in the previous case holding that "it is clear from the evidence that as a practical operating matter Interstate does not consider its transportation lines as something separate from its field lines."[27]

Commissioner Buchanan's position seems correct, for, as already shown, the attempt to distinguish the Interstate Natural Gas case from other cases in which the Commission held that it did not have jurisdiction over producers and gatherers was an afterthought, since the Commission's jurisdictional findings in the Interstate Natural Gas case had been based solely upon the fact of wholesale sales in interstate commerce without regard as to whether or not there was transportation of the gas before the sales and delivery of gas to the interstate pipeline companies occurred.

The fifth point on which Commissioner Buchanan and the majority disagreed was with respect to court decisions as to the meaning of section 1(G) of the act:

After discussing Court decisions as to the meaning of Section 1(b) of the Natural Gas Act, the Commission majority concluded that the Commission was precluded from regulating "transportation or sales made in the process of production or gathering." The Commission based this conclusion primarily upon its interpretation of the Supreme Court's decision in *Federal Power Commission* v. *Panhandle Eastern Pipeline Company*,[28] in which the Court, in 1949, held that because of the prohibition in Section 1(b) of the Act as to "production or gathering" the Commission had no jurisdiction over natural-gas reserves for purposes of preventing their transfer. The decision of the Court of Appeals in the Peoples Natural Gas case[29] in 1942 was said to be unreliable as an interpretation of Section 1(b) of the Act for the reason that in that case the Commission had not made a finding as to the impact of regulation of rates for field sales of natural gas to an interstate pipeline company upon production and gathering of the gas and the Court had merely based its decision upon the pleadings before it. Also, the Commission did not later enforce its juridiction on the Peoples Company, because the sales in question over which its jurisdiction had been established by the Court were discontinued.[30] Thus, the Commission majority believed the Peoples Natural Gas decision should be disregarded, inasmuch as this decision had no practical regulatory results. The Supreme Court decisions in the Hope Natural Gas [31] and Canadian-Colorado Interstate [32] cases were construed as merely approving jurisdiction over production and gathering for ratemaking purposes where such activities were engaged in by integrated pipeline companies, although in the Hope Natural Gas case the Court had found that the Congress intended to offer protection to "independent producers" as well as to consumers. No significance was attached by the Commission majority to the dictum of the Court in the Canadian-Colorado Interstate case that the production and gathering exemption was limited to physical activities of production.

The Commission majority expressed the belief that the Supreme Court's decision in the well-known Interstate Natural Gas case [33] should be dismissed as having no direct bearing on the question of the Commission's jurisdiction over sales made in the process of production and gathering or as an incident of this process comparative with Phillips' sales. The facts of the Interstate Natural Gas case were considered to afford no grounds for a ruling on the jurisdictional question in the Phillips case. Although in the Interstate Natural Gas case the United States Supreme Court found the Commission's jurisdiction attached to wholesale sales in interstate commerce made during the course of production and gathering unless such sales were "so closely connected with the local incidents of that process as to render rate regulation by the Federal Power Commission inconsistent as a substantial interference with the exercise by the State of its regulatory functions," the Commission majority found these remarks "rendered apparently unnecessary to the Court's decision" by its further statement in the opinion that "by the time the sales are consummated, nothing further in the gathering process remains to be done."[34]

Also, the Commission majority considered significant the fact that in the Cities Service case [35] the Supreme Court upheld State regulation of minimum wellhead prices for natural gas without finding it necessary to rule on whether or not there was a conflict with the Federal Power Commission's jurisdiction under the Natural Gas Act. Therefore, in view of the Cities Service decision in which the Court no where referred to its opinion in the Interstate Natural Gas case, the Commission majority concluded, "Taking all of this together, we cannot view the Interstate decision, despite the language used, as holding that the rate jurisdiction of this Commission attaches to all Interstate sales made in the course of production and gathering, except where the indicated conflict is clearly shown. The question whether "the Gas Act authorizes the Power Commission to set field prices on sales by independent producers, or leaves that function to the states, we think is a question left undecided by either of those decisions."[36] (Interstate decision and Cities Service decision).

Thus, the Commission majority considered the dictum by the Court in the Interstate Natural Gas case an unreliable basis for an assertion of jurisdiction over Phillips, since it was superfluous to the Court's decision in that case and since it was believed to have been subsequently impaired by the Court's decision in the recent Cities Service case.

The decision of the United States Supreme Court in *Federal Power Commission* v. *Panhandle Eastern Pipeline Company*[37] was stated to be "more significant in interpreting the production or gathering" exemption in the Natural Gas Act than the Interstate Natural Gas case, although the jurisdictional issue in the Panhandle Eastern case was whether or not the Commission had authority to prevent the transfer of natural-gas leases rather than whether or not it had authority to fix rates for wholesale sales of natural gas in interstate commerce. In the Panhandle Eastern case the Court had stated that the regulatory provision of the Act did not " 'cover incidents connected with the production or gathering of gas.' "[38] The Commission majority found sales of natural-gas leases to be similar in principle to wholesale sales of natural gas in the process of production and gathering or at the end of this process. There seems no justification for the view that wholesale sales of natural gas by independent producers and gatherers in interstate commerce have the same relationship to production and gathering as sales of natural-gas leases, since wholesale sales of natural gas for distribution in interstate markets affect present consumers, while a transfer of natural-gas leases may affect only future consumers. The Commission majority attributed no significance, from the standpoint of jurisdictional status, to the distinction made by the Court in the Panhandle Eastern case between wholesale sales in interstate commerce that were closely related to production and gathering and other activities " 'related to the production and gathering of natural gas.' "[39] In the Panhandle Eastern case the Court had stated, "The primary duty of the Commission is to fix just and reasonable rates for the transportation and sale of natural gas in interstate commerce for resale. For this purpose the court permitted the Commission to examine and consider the cost of production and gathering. The use of such data for rate making is not a precedent for regulation of any part of production or marketing."[40]

The Commission majority interpreted the word "marketing" in the Court's statement as embracing "sales" by producers and gatherers.[41] On the other hand, Commissioner Buchanan believes the Court obviously meant "distribution" when it used the word "marketing." Thus, the Commission majority found that wholesale sales by producers and gatherers in the course of or at the end of production and gathering constituted "an activity related to the production and gathering of natural gas" or "incidents connected with the production or gathering of gas" which the Supreme Court had considered to be "beyond the coverage of the Act" in the Panhandle Eastern case." It stated:

"[T]he Supreme Court in construing the production and gathering exemption has left no doubt that we are precluded from regulating 'incidents connected with' and any 'activity related to production and gathering.' Therefore, where the facts concerning interstate sales and transportation constitute them such 'incidents' or 'activities' we shall hold them to be a part of the process of production and gathering, exempted by Section 1(b). Otherwise, we would encroach upon the area of control which Congress reserved to the States by that Section."[42]

Thus, it is seen that the Commission's interpretation of the Natural Gas Act in the Phillips case was based primarily upon the decision of the Supreme Court in the Panhandle Eastern case.[43] The Commission does

---

[26] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., opinion of Commissioner Buchanan, p. 10.

[27] Ibid., opinion of Commissioner Buchanan, p. 11.

[28] 337 U.S. 498, 81 PUR (NS) 161 (1949); See ch. X, p. 808, supra.

[29] *Peoples Natural Gas Co.* v. *F.P.C.*, 127 F. 2d 153, 44 PUR (NS) 375 (1942); cert. den. 316 U.S. 700 (1942). See ch. XI, p. 863, supra.

[30] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., p. 44.

[31] *F.P.C.* v. *Hope Natural Gas Co.*, 320 U.S. 591; 51 PUR (NS) 193 (1944). See ch. X, p. 694, supra.

[32] *Colorado Interstate Gas Co.* v. *FPC*, 324 U.S. 531; 58 PUR 65 (1945). See ch. X, p. 738, supra.

[33] *Interstate Natural Gas Co.* v. *FPC*, op. cit., 331 U.S. 682.

[34] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., p. 48.

[35] *Cities Service Gas Co.* v. *Peerless Oil and Gas Co.*, op. cit., 340 U.S. 179.

[36] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., p. 55.

[37] Op. cit., 337 U.S. 498.

[38] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., p. 50.

[39] See *F.P.C.* v. *Panhandle Eastern Pipeline Co.*, op. cit., p. 81 PUR (NS) 161, 171.

[40] Ibid., 81 PUR (NS) 161, 167.

[41] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., p. 50.

[42] *F.P.C.* v. *Panhandle Eastern Pipeline Co.*, op. cit., 81 PUR (NS) 161, 167, 171.

[43] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., p. 57.

[44] *F.P.C.* v. *Panhandle Eastern Pipeline Co.*, op. cit., 337 U.S. 498, 81 PUR (NS) 161.

not seem to have been justified in resting its interpretation of the Natural Gas Act as to jurisdiction over wholesale sales by independent producers and gatherers on the Panhandle Eastern decision for two reasons. First, the opinion of the court in that case was necessarily devoted to the special question of jurisdiction over natural-gas leases, and, second, the Supreme Court's interpretation of the production and gathering exemption in the Natural Gas Act was inconsistent with its interpretation of that provision in two previous cases, the Canadian-Colorado Interstate and the Interstate Natural Gas cases. Furthermore, the Commission majority appears not to have correctly interpreted the Panhandle Eastern case. The Court's attempted rationalization of its interpretation of the Natural Gas Act in this case with the previous interpretation of the Act in the Canadian-Colorado Interstate case by placing regulation of production and gathering associated with the interstate wholesale sales in a special jurisdictional category was disregarded. Thus, the Commission majority treated the Panhandle Eastern case as superseding all previous decisions of the Court as to the meaning of the "production or gathering" exemption.

On the other hand, Commissioner Buchanan found the Panhandle Eastern case inapplicable to the jurisdictional issue in the instant case because it pertained to jurisdiction over natural gas leases. He found that the language used by the Court in the Panhandle Eastern case "does not qualify the Court's pronouncement in the Interstate case," [46] since a sale of gas leases "was not a sale for resale of natural gas in interstate commerce." [48] He accepted the Court's rationalization of its interpretation of the "production or gathering" clause in Section 1(b) with its previous interpretation of that clause in the Canadian-Colorado Interstate case, which had been adopted in the Interstate Natural Gas case. Therefore, in his opinion, the decision of the Supreme Court in the Interstate Natural Gas case was left intact and wholesale sales in interstate commerce made "during the course of production or gathering are subject to our jurisdiction." [47] He found the Commission majority's inference from the Court's decision in the Panhandle Eastern case that wholesale sales of natural gas in interstate commerce made in the process of production and gathering were an "'incident'" of that process was unwarranted, since the Court in the Interstate Natural Gas case had referred to "'local incidents'" of production and gathering as something entirely separate from "'sales'". [48] Futhermore, the Interstate Natural Gas case precluded Commission jurisdiction over sales of natural gas in the course of production and gathering only if regulation of such sales would constitute "'a substantial interference with the exercise by the State of its regulatory functions.'" [49] But there was no State regulation of Phillips' charges for sales of natural gas to pipeline companies.

The sixth point on which Commissioner Buchanan and the majority disagreed was about the nature of Phillips' operations with respect to the jurisdictional provisions of the act.

The Commission majority found that Phillips' operations came within the exemption of production and gathering in Section 1(b) of the Natural Gas Act and that Phillips was not a "natural gas company" subject to the jurisdiction of the Commission. The opinion stated that Phillips' operations "consist of production and gathering, or incidents of, or activities related to these functions thus requiring their inclusion within the Act's exemption." [50]

The production and gathering provision in the Act was construed to mean the business of production and gathering as well as physical operations.

"The production and gathering of gas do not constitute an end in itself, but a means to an end. Excepting use by the operator, that end usually is the sale of the gas and of products extractable by processing." [51]

Therefore, Phillips processing operations at various plants, the movement of gas to these plants from gathering points in the producing fields, and the sale of gas after processing were all found to be "part of Phillips' gathering business or at least exempt as an incident of, or an activity related to its gathering process." [52] It was recognized that a number of the lines leading to the processing plants from points in the producing fields were of large diameter and of considerable length and conveyed gas at a constant volume, there being no connections into or out from the lines. However, the view taken was that the movement of gas to the processing plants was "gathering" irrespective of the type of facilities employed. The fact that Phillips was a large producer and marketer of natural gas was considered immaterial to the question of whether or not it was a "natural gas company."

The seventh point of disagreement between Commissioner Buchanan and the majority was with respect to the extent of State jurisdiction over such sales as those by Phillips:

The Commission majority found that Phillips' operations were not subject to its jurisdiction even though it should accept the principles of jurisdiction set forth by the Supreme Court in the Interstate Natural Gas case. The opinion stated:

"Though technically consummated in interstate commerce, these sales are made 'during the course of production and gathering' (*Interstate Natural Gas. Co.* v. *Federal Power Commission* 331 U.S. at 690–691). And we expressely find that they are so closely connected with the local incidents of that process as to render rate regulation by this Commission inconsistent or a substantial interference with the exercise by the affected States of their regulatory functions." [53]

The States of Oklahoma, Texas, and New Mexico, in which Phillips operated as a producer and gatherer, regulated the production and gathering of gas to prevent physical waste, particularly in the flaring of "casinghead" gas; to insure the orderly and economical development of gas and oil reservoirs through requirements as to the number, density, and location of wells and unitization of common sources of supply; and to protect "correlative rights" through requirements as to ratable taking of gas and common purchase at nondiscriminatory prices. Federal Power Commission regulation would constitute interference with such regulation of producers and gatherers by these three States. The opinion stated:

"[T]here is a direct relation between price and conservation, an important concern in the regulation of each of the States. Even though a producer be allowed a reasonable return on actual legitimate investment, our fixing of maximum rates for his sales would run counter to State conservation efforts, through the fixing of minimum wellhead prices or otherwise, to insure maximum recovery of gas prior to abandonment of the well. For the higher the profit, the longer it is economical to operate the well. And to the extent that the producer could obtain a profit higher than that permissible under our maximum-price regulation, the longer abandonment would be postponed. Similarly, the higher the price paid to the producer and gatherer, the easier it becomes for the State to discourage by regulation the flowing of gas and to encourage the gathering and marketing of such gas. This is particularly true as to casinghead gas." [54]

Underlying the Commission majority's finding of conflict between Commission regulation of Phillips' rates for wholesale sales of natural gas and efforts of States to enforce conservation statutes was the recognition that the Commission's regulatory practice was "to limit rates to an amount sufficient to recover costs plus no more than a reasonable return on actual legitimate investment." [55]

Thus, in spite of Supreme Court decisions in the Hope Natural Gas, Canadian-Colorado Interstate, and Panhandle Eastern cases distinguishing between matters of jurisdiction and regulatory method, [56] the Commission majority predicated a jurisdictional finding as to conflict between Federal and State regulation upon the cost method of regulation employed by the Federal Power Commission in the past. The question of the Commission's power to regulate would seem to be clearly independent of whether or not that power were appropriately exercised. The fact that representatives of intervening producing States, including the three States in which Phillips conducted production operations, as well as representatives of producers, gatherers, and royalty owners, contended that Federal regulation would conflict with State regulation was deemed pertinent by the Commission majority to the finding of conflict.

The Commission majority's position in this case was in disagreement with that of the Commission's legal staff and legal representatives of the State of Wisconsin; the County of Wayne, Michigan; the City of Detroit, Michigan; the City of Kansas City, Missouri; and the City of Milwaukee, Wisconsin, who intervened in the proceedings in behalf of consumers of natural gas.

Although not pertinent to the decision, the Commission majority considered it appropriate to point out that its conclusion that the Commission was without authority to regulate the prices at which the producer and gatherer sold gas to the pipeline did not leave the consuming public wholly without protection by the Commission. There were two possible ways that the Commission might protect consumers. First, it could deny certificates of convenience and necessity for the construction and operation of pipeline facilities, where "excessive cost of gas purchased in the field would result in unreasonable rates to ultimate consumers"; [57] and second, "in the regulation of the wholesale rates charged by interstate pipeline companies, it could inquire into the reasonableness of all items of operating expense including the cost of purchased gas, and could disallow items of cost which were 'conclusive or otherwise improperly excessive.'" [58]

Both of these suggested indirect methods of protecting consumers from excessive rates for natural gas were shown to be without

[46] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op cit., opinion of Commissioner Buchanan, p. 16.
[47] Ibid., opinion of Commissioner Buchanan, footnote 10, p. 16.
[48] Ibid., opinion of Commissioner Buchanan, p. 16.
[49] Ibid., opinion of Commissioner Buchanan, p. 15.
[50] Ibid.
[51] Ibid., majority opinion, p. 58.
[52] Ibid.
[53] Ibid., p. 52.
[54] Ibid., p. 61.
[55] Ibid., p. 62.
[56] Ibid., p. 61.
[57] See ch. X, pp. 694, 738, 755, supra.
[58] Ibid., p. 64.
[59] Ibid.

substance by Commissioner Buchanan in his dissenting opinion.

Commissioner Buchanan disagreed with the Commission majority's view that Phillips was engaged merely in a production and gathering business. He found that Phillips was engaged in three activities that were not properly classifiable as part of, or as incidents of production and gathering. These activities were the processing of gas, the conveyance of gas to processing plants from points in gas fields where gas was assembled from producing wells, and the sale of gas to pipeline companies. A processing plant was found to be used in extraction of liquid hydrocarbons from natural gas, treatment of natural gas for removal of sulphur, and dehydration of natural gas.

These operations were performed for the dual purpose of treating natural gas to aid in transmission to markets by pipeline and of recovery of liquid hydrocarbons for revenues from sale of these products. To the extent that processing served the first purpose, it was clearly part of transportation. To the extent that processing served the second purpose, it was neither gathering nor transportation. The fact that it was common for producers and gatherers to produce, gather, and sell natural gas without processing it was evidence that processing was independent of gathering. Furthermore, the fact that processing plants were located along transmission lines hundreds of miles from producing fields were evidence of the close association of processing with transportation.[59] Other reasons for classifying the processing activities carried on by Phillips as part of transportation were the dependency of Phillips' processing operations upon specifications in contracts between Phillips and pipeline purchasers as to the B.t.u. content of gas and processing of gas by Phillips where the gas had been delivered and sold previously by Phillips to pipeline companies, commingled with gas produced by the pipeline companies, and returned to Phillips for additional processing. Therefore, Phillips was engaged in the processing of gas for interstate pipeline purchasers in a legal as well as in a functional sense. Futhermore, a natural-gas engineer employed by the Commission testified that processing of natural gas was not included in the term "gathering" according to the ordinary meaning and the accepted trade or technical definitions of the term.

Similarly, Commissioner Buchanan found that the sole function of seven large diameter pipelines owned and operated by Phillips in the East Panhandle, West Panhandle, and Texas Hugoton gasfields was transportation of natural gas in interstate commerce within the meaning of the Natural Gas Act. All of these lines moved large quantities of gas at constant volume into the processing plants for distances of from some ten to twenty-five miles from points in the field where the gas has been brought together "in a single, homogeneous commingled mass." [60] He stated:

"It is clear from the record that the function of gathering the stream of gas in each of these lines into a flow of constant volume has been entirely completed at the points ten to twenty-five miles distant from the processing plant enclosures; and that from these points on the sole function of the seven lines is to transport natural gas. From specific points far upstream from the processing plants, the gas has been definitely committed to its interstate journey to markets in States other than the States in which the gas was produced. Moreover, the movement through the processing plants and through the outgoing lines of Phillips into the lines of the five interstate pipe-line companies constitutes transportation under the Act." [61]

The expert witness for the Commission staff testified that transportation began where gas was brought together in a main field line "into a common flow." Also, officials of Phillips had previously testified before the Commission that some of its lines were "transmission lines" and not just "gathering lines from wells." Furthermore, Commissioner Buchanan found that one of the lines conveying gas to a processing plant in the West Panhandle field was in reality a segment of a "through line" that had been constructed for carrying gas to Northern Natural Gas Company for delivery to markets in other States. The other segment of the "through line" was owned and operated by Independent Natural Gas Company, formerly a wholly owned subsidiary of Phillips, and had been classified by the Federal Power Commission as a jurisdictional facility requiring a certificate of convenience and necessity under the "grandfather clause" of section 7 of the act. Furthermore, there was precedence in a previous Commission decision for considering a line leading from a natural gas field to a processing plant to be a transportation line subject to the Commission's jurisdiction.[62]

The third type of operation carried on by Phillips which Commissioner Buchanan found not to be part of the function of gathering gas was the sale of gas to pipeline companies. He stated:

"Sale" is a legal transaction involving the transfer of title to a purchaser. Since 'gathering' is descriptive of a certain species of transportation, it cannot include a sale. 'Incident' means a subsidiary or subordinate event or action, and the labeling by the majority of the sale—the ultimate purpose of all natural gas operations—as an incident of 'gathering' or of 'gathering business' is a distortion of the true relationship between these terms—'sale' and 'gathering.' Gathering may be an incident of sale, but sale an incident of gathering, as the majority holds, never." [63]

Thus, Commissioner Buchanan through a process of deduction from definitions of language in the act arrived at the conclusion that "sales" represented a distinct activity from production and gathering as did Commissioner Scott through a process of induction from analogous Court decisions in his dissenting opinion in the Columbian case. Furthermore, Commissioner Buchanan stated that the Commission majority had violated generally accepted legal principles in basing a jurisdictional finding on "incidents" of a function.

"Manifestly it is not the general character of the business of a company which determines its status under the Natural Gas Act. Jurisdiction attaches by reason of specific acts or transactions in which such company is engaged." [64]

He found that the Supreme Court had upheld this principle in the Jersey Central case [65] involving the Commission's jurisdiction under the Federal Power Act. Also, he might have noted that the Court had applied this principle much earlier in the Attleboro Electric case.[66]

The holding by the Commission majority that Phillips' sales were not subject to the Commission's jurisdiction because there would be a conflict between Federal Power Commission regulation of rates and State regulation of production and gathering to conserve natural-gas supplies as contemplated by the Supreme Court in the Interstate Natural Gas case was found by Commissioner Buchanan not to be in accord with the facts or with the position of the Supreme Court as to the law governing Federal-State jurisdictional conflicts. The Commission majority had advanced no concrete evidence as to the deleterious effects of Federal Power Commission regulation of Phillips' rates upon conservation of gas. But the Supreme Court held in the Interstate Natural Gas case [67] that a conflict with State regulation "must be clearly shown" in order "to defeat the Commission's jurisdiction over sales for resale in interstate commerce." [68] Therefore, Commissioner Buchanan justifiably criticized the Commission majority's opinion as follows:

"In the light of this explicit warning by the Supreme Court it would not be too much to expect that the majority would not be content with mere assertion, but would point to the evidence of record showing the conflict, would delineate with particularity the local incidents of the process of 'production or gathering' which would be interfered with, and would show how the regulation of the sales would prevent the exercise by the States of their lawful authority over production or gathering. * * * The majority opinion will be searched in vain for facts or reasons showing conflict. The majority simply rest on mere assertion—their own ipse dixit." [69]

The Commission majority, however, had cited testimony on the subject of conflict by representatives of the States of Texas, New Mexico, and Oklahoma. This testimony was found by Commissioner Buchanan to be based upon "hypothetical situations predicated upon assumed future actions by the Federal Power Commission and the respective State regulatory agencies or both." [70]

The Supreme Court had rejected a claim of conflict based on mere surmise in *Panhandle Eastern Pipe Line Company* v. *Michigan Public Service Commission*,[71] and held that there must be opposing regulatory directives by Federal and State authorities in order for a conflict to arise. Therefore, in view of this recent decision Commissioner Buchanan's position appears correct that "(a)ctual regulation of Phillips' rates by the Federal Power Commission is a necessary prerequisite to an issue of conflict with the regulatory functions of a State agency." [72]

Commissioner Buchanan found ample evidence to refute the claim of conflict between regulation by the Federal Power Commission and regulation by the several producing

---

[59] Commissioner Buchanan cited the operation of a processing plant by Tennessee Gas Transmission Corp. in Kentucky for the extraction of liquid hydrocarbons from gas transported 1,000 miles from Texas and Louisiana. Ibid., opinion of Commissioner Buchanan, p. 18, footnote 11. Also, the writer notes that the construction of a processing plant by Panhandle Eastern Pipeline Co. at Tuscola, Ill., for similar processing of gas to be transported from the Southwest.

[60] Ibid., opinion of Commissioner Buchanan, p. 22.

[61] Ibid.

[62] *Arkansas Louisiana Gas Co.*, 7 F.P.C. 766 (1948).

[63] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., opinion of Commissioner Buchanan, p. 21.

[64] Ibid., p. 26.

[65] *Jersey Central Power and Light Co.* v. *F.P.C.*, 319 U.S. 61, 73 (1943). See ch. VII, p. 287, supra.

[66] *P.S.C. of Rhode Island* v. *Attleboro Co.*, 273 U.S. 83 (1927). See ch. VI, p. 233, supra.

[67] *Interstate Natural Gas Co.* v. *F.P.C.*, op. cit., 331 U.S. 682.

[68] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit. opinion of Commissioner Buchanan, p. 27.

[69] Ibid., p. 28.

[70] Ibid., p. 29.

[71] 341 U.S. 329 (1951). See ch. XII, p. 1085, infra.

[72] *Re Phillips Petroleum Co.*, FPC Opinion No. 217, op. cit., opinion of Commissioner Buchanan, p. 30.

States intervening in the Phillips case. The Federal Power Commission had regulated the return on the production and gathering properties of integrated pipeline companies operating in these States.[73] The testimony of representatives of conservation commissions in these States contained no evidence of conflict between regulation of the wholesale rates of integrated pipeline companies and efforts of States to conserve gas. The representative of the Oklahoma Corporation Commission foresaw possible conflict between minimum wellhead price regulation by Oklahoma and regulation of Phillips' rates by the Federal Power Commission.[74] No such conflict was possible in Texas because the Texas Railroad Commission did not have authority to set either a maximum or a minimum price for gas at the producer level. However, no evidence had been presented in the Phillips case that the Commission's cost method of regulating wholesale rates of integrated pipeline companies was responsible for physical wastage of gas in the producing fields. "Casinghead" gas had been vented or flared in oil fields primarily because of the unavailability of markets for the gas. Phillips had flared huge volumes of "casinghead" gas before markets were made available by construction of pipelines. This wastage had largely disappeared. There was no evidence that lower prices would cause Phillips to flare gas that it marketed to pipeline companies. Therefore, Commissioner Buchanan found the theory advanced by the Commission majority that the "higher the profit" the greater the recovery of natural gas was both erroneous and "shocking." [75]

"Apparently the majority believes no limit should be imposed in profits arising from the production and interstate sale of natural gas. Should this philosophy prevail, regulation by the Federal Power Commission of the natural-gas industry would become a futile effort and should logically be abandoned." [76]

The proposals made by the Commission majority that the Commission might afford protection to consumers of natural gas from excessive rates charged for sales of natural gas to interstate pipeline companies through its authority to refuse authorization for certificates of public convenience and necessity and through its authority to disallow improper operating expenses of natural gas companies for ratemaking purposes were shown by Commissioner Buchanan to be without substance. The Commission had no authority that would afford protection to consumers after the Commission had already issued a certificate for construction of a pipeline and the line had been constructed. Gas supply contracts between independent producers and pipeline companies were being renegotiated constantly, as the majority of the Commission well knew. The contract between Phillips and Michigan-Wisconsin Pipeline Co., as amended October 16, 1948, provided for a price of 5 cents per thousand cubic feet of gas delivered during the first 5 years after the time of first delivery. The contract contained a deadline date provision that delivery of gas was to begin on or before January 1, 1949, for sale of gas east of the Missouri River. In 1948, due to shortage of steel and other circumstances, it appeared that Michigan-Wisconsin would not be able to construct its pipeline to meet the deadline date. In August 1948, Michigan-Wisconsin, under economic duress, agreed to a 70-percent increase in the contract price to be paid Phillips for gas in return for a 6 months' extension by Phillips of the date for commencement of deliveries of gas and a dedication of a small amount of additional natural gas acreage.[77] Most of the contracts between Phillips and pipeline companies contained escalator clauses providing for automatic price increases periodically. Due to the fact that the price of gas in the contracts between Michigan-Wisconsin and Phillips was geared, in part, to the rates charged by Michigan-Wisconsin to its customers, an application by Michigan-Wisconsin pending before the Commission for a rate increase would result in an increase in payments by Michigan-Wisconsin to Phillips of approximately $750,000 if the Commission should grant the application.

The second indirect method of regulation proposed by the Commission majority by which the Commission might protect consumers from excessive charges for natural gas was found by Commissioner Buchanan to have been rejected by the Congress when it enacted the Natural Gas Act, since States had the power to disallow improper operating expenses of distributing companies that purchased gas from pipeline companies before passage of the act. Such indirect regulation was inherently fallacious for the reason that it simply involved disallowance of costs after utility companies had already made payments at excessive rates and did not prevent the improper drainage of funds from the purchasing companies to their financial detriment. Commissioner Buchanan found this suggested scheme of regulation "so shopworn, ineffective, and impractical that it is difficult to believe that the majority's proposals are seriously advanced as a means of effective regulation." [78]

The hope was expressed by the Commission majority that the Commission's decision would be appealed to the courts. It stated: "(W)e deem it of the utmost importance that there be an early and conclusive answer to the question whether we have erred in refraining from asserting jurisdiction over sales made in the process of production and gathering throughout the 13 years under the Natural Gas Act." [79]

It was noted that "some question has been raised on this record as to whether our action herein is reviewable on petition of any party." [80]

Section 19(b) of the Natural Gas Act provides that "any party to a proceeding under this act aggrieved by an order issued by the Commission in such proceeding may obtain a review of such order in the Circuit Court of Appeals of the United States. * * *"

The Commission majority stated its belief that all public agencies representing consumer interests that had participated as parties in the proceeding might obtain judicial review of the Commission's action. It was noted that the whole scheme of the Natural Gas Act "was based upon the presumption that wholesale rates will normally be reflected in retail rates to consumers."

The terms of the act itself, its legislative history, and Supreme Court decisions interpreting the act showed that the main purpose of the act was "to protect ultimate consumers of natural gas from excessive charges."

The decision of the Commission in the Phillips case placed independent producers and gatherers of natural gas in a completely exempt position under the Natural Gas Act. The Commission's opinion extended the area of exemption beyond earlier decisions of the Commission in the Columbian [81] and Billings [82] cases. In the Columbian case, the Commission had exempted from its jurisdiction wholesale sales by an independent producer and gatherer at the end of the process of gathering for the reason that such sales were considered to be an incident of the gathering process. In the Billings case, the Commission took jurisdiction over producers and gatherers that transported gas in interstate commerce after completion of gathering but before sale and delivery to pipeline companies, since such transportation was not considered an incident of gathering. The Kerr bill would have defined gathering to include "incidental transportation by a gatherer as may be necessary in connection with such delivery and sale," [83] by independent producers and gatherers.

In the Phillips case the Commission held that pipelines moving gas in large and constant volume from gathering points in producing fields to processing plants either served "the function of gathering" or were "incidents of gathering" and were exempt from the Commission's jurisdiction. Also, the movement of gas through processing plants was found either to be a part of Phillips' gathering business of "an incident of or an activity related to its gathering process" and exempt from jurisdiction.[84] Thus, the Commission's holding that the "production or gathering" exemption extended to incidents of production and gathering operations as well as to those operations, themselves, appears to be as broad a nullification of Commission jurisdiction as would have been the enactment of the Kerr bill. As stated in the Public Utilities Fortnightly,

---

[73] The Commission had regulated the rates of Panhandle Eastern Pipe Line Co., El Paso Natural Gas Co., Cities Service Gas Co., Natural Gas Pipeline Co. of America, Canadian River Gas Co., Northern Natural Gas Co., and West Texas Gas Co., and other companies producing, gathering, and processing gas in the several intervenor States.

[74] See ch. IX, p. 586, infra.

[75] *Re Phillips Petroleum Co.*, FPC Opinion No. 217, op. cit., opinion of Commissioner Buchanan, p. 37. The Commission majority had made no distinction between the costs of production and profits. Commissioner Buchanan took the view that it was only necessary for a producer to recover his costs to induce him to market his gas rather than to waste it.

[76] Ibid.

[77] According to a statement by Commissioner Leland Olds in 1949, because of the deadline date in the contract between Michigan-Wisconsin and Phillips "the pipeline company could not make a free bargain" for gas. "The big producer had the pipeline where it had to sign upon the dotted line for something like a 2-cent increase in the negotiated price of gas, and that went along through the escalator clause, in order to be able to hold its gas supplies and complete its project." Mr. Olds estimated the price charged by Phillips to Michigan-Wisconsin was 8.5 cents per thousand cubic feet in 1949, and that this price would rise to 10.5 cents or higher in the future. These prices may be compared with an average price of 3.9 cents per thousand cubic feet received by Phillips for gas sold to pipeline companies in 1947. Natural Gas Act Amendments (production and gathering), hearings before a subcommittee of the Committee on Interstate and Foreign Commerce on H.R. 79 and H.R. 1758 and H.R. 982, 81st Cong., 1st sess. (1949), pp. 205, 245. See ch. V, p. 207, supra.

Commissioner Olds estimated in 1949 that escalator clauses in contracts between producers and pipeline companies would bring the price range for natural gas in 10 or 15 years to from 9 to 13 cents. He stated that most of such contracts could be revised to take account of tax levies, could be renegotiated at the end of 10 or 15 years to increase the contract price, and contained a most favored market price provision that required a pipeline purchaser to pay the highest price paid for gas within a defined area. Ibid., p. 204.

[78] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., p. 58.

[79] Ibid., p. 65.

[80] Ibid.

[81] *Re Columbian Fuel Corp.*, 2 F.P.C. 200; 35 PUR (NS) 3 (1940). See ch. XI, p. 843, supra.

[82] *Re Billings Gas Co.*, 2 F.P.C. 288, 35 PUR (NS) 321 (1940). See ch. XI, p. 859, supra.

[83] S. 1498, see p. 921, footnote 188, supra.

[84] *Re Phillips Petroleum Co.*, F.P.C. Opinion No. 217, op. cit., pp. 58, 80.

"(f) or those who may be talking about congressional gas act amendments, the burden of making any change now seems to be on the other side." [35]

Gov. Walter Kohler of Wisconsin charged that the Commission's ruling "accomplished by indirection what the petroleum interests failed to do by legislation a year ago." He condemned the decision in strong language as "shocking" and "ridiculous" and as one that "can only serve further to undermine the confidence of Wisconsin people in their present national administration." [36]

Mr. President, I have before me the "Joint and Several Petition of State of Wisconsin and Public Service Commission of Wisconsin to Review Orders of the Federal Power Commission in its Docket G–1148." The arguments presented by the State of Wisconsin against the FPC order in the Phillips case are exactly the same as the arguments against the present nomination. I read from the brief:

The State of Wisconsin here petitions and appears in this court in its sovereign capacity to represent and protect as parens patriae the interest of the consuming public in Wisconsin which uses natural gas transported into the State purchased by Michigan-Wisconsin Pipe Line Co.

* * * * *

The price which Phillips Petroleum Co. charges Michigan-Wisconsin Pipe Line Co. was and is excessive and discriminatory. For the year ended December 31, 1950, the natural gas department of Phillips Petroleum Co. earned a return in excess of 16.5 percent on a rate base consisting of a new investment as per its books plus an allowance for materials and supplies and working capital. This is shown by exhibits 3 to 7 prepared and offered by the staff of the Federal Power Commission in the proceeding before the Commission in said docket G–1148, which were excluded from the record by the presiding examiner on the alleged ground they were not material to the jurisdictional issue. Said exhibits were later adopted by Wisconsin as its own exhibits and an offer of proof made (Tr. 5763) on the ground they were material to the jurisdictional issue as showing the impact of an unregulated price between Phillips and the pipeline companies upon the ultimate consumer, and the latter's interest in and need for regulation * * *. The record in docket G–1148 further shows that the original contract of December 11, 1945, provided that Phillips supply Michigan-Wisconsin Pipe Line Co. up to specified quantities of gas at 5 cents per thousand cubic feet for the first 5 years beginning July 1, 1948. Then by amendment of August 9, 1948, the price was increased to 8½ cents per thousand cubic feet with a 1-cent increase for each successive 5-year period.

Mr. President, an increase from 5 cents to 8½ cents may not sound like very much, but when one is dealing with hundreds of millions or billions of cubic feet it amounts to a vast amount of money. The percentage increase from 5 cents to 8½ cents is exactly 70 percent.

I continue to read from the brief:

Said amendment included an escalator clause which would bring increased revenue to the company in an amount ranging between $15 and $20 million over the life of the contract. There were also subsequent amendments, the effect of which nearly doubled the cost of gas to Michigan-Wisconsin. Prior to the amendment of August 9, 1948, Phillips expected to realize a return of 9.5 percent, whereas after the amendment the expected return would be 13.76 percent. The record in Docket G–1148 also shows that as part of its operations Phillips "farmed out" 100 square miles of its proven acreage under a lease of such acreage to Tascosa Gas Co. By this "farm-out" Tascosa drills the wells, and resells the gas to Phillips at a price which produces a handsome profit to Tascosa. Thus we have a superfluous middleman in the picture also taking its profit, which, if eliminated, would decrease the amount which Phillips charges said pipeline companies and still permit a fair return.

Another brief filed in the Phillips case was the petition of the city of Milwaukee. It reads in part:

The city of Milwaukee demonstrates that it has many thousands of inhabitants daily purchasing natural gas from the Milwaukee Gas Light Co., a local utility, which utility purchases its gas from the Michigan-Wisconsin Pipe Line Co., the latter purchasing its gas from the Phillips Petroleum Co.; that the public residing within the boundaries of the city of Milwaukee is affected by the rates charged by Phillips Petroleum Co., and that any decrease or increase in rates tends to affect the ultimate price of natural gas to the many thousands of consumers residing within the city of Milwaukee as aforesaid.

There was also the petition of the city of Kansas City, Mo., which stated:

Petitioner states that Congress intended to protect the ultimate consumer of natural gas when it enacted the Natural Gas Act, but there is no such protection for the ultimate consumers of natural gas, such as petitioner and its citizens, in the city of Kansas City, Mo., if the price of gas sold by Phillips remains unregulated. Moreover, every cent paid for natural gas sold by Phillips to the aforesaid pipeline companies is reflected and passed on in the prices for gas charged the ultimate consumers thereof.

A joint brief was filed as friends of the Court in the Phillips case by J. A. A. Burnquist, attorney general for the State of Minnesota; John F. Bonner, city attorney, Minneapolis, Minn.; Leo A. Hoegh, attorney general, State of Iowa, later Governor and later Administrator of the Office of Civil and Defense Mobilization; and Clarence S. Beck, attorney general, State of Nebraska. It reads:

The simple question here is whether Federal Power Commission should regulate the price of natural gas sold in the field and subsequently resold for ultimate public consumption. These amici curiae are gravely concerned over the steadily increasing cost of natural gas in the field in recent years.

Northern obtains its gas in Kansas, Texas, Oklahoma, and New Mexico and resells practically all of such gas in the States of Nebraska, South Dakota, Iowa, and Minnesota. As of December 31, 1953, there were approximately 685,000 ultimate consumers on Northern's system in that area. This includes domestic, commercial, and industrial users. As of that date, there were approximately 380,000 homes heated with natural gas in this area from the system of Northern alone. The increase in cost to the ultimate consumers in this area can be demonstrated by the records in the recent FPC Docket No. G–2217, a proceeding in which Northern filed for an increase in its wholesale rates (the fourth increase filed in the last 4 years). It is shown there that for 12 months ending June 30, 1953, Northern sold 226 million M c.f., of natural gas in the area named. Northern estimates that in 1954 it will sell 279 million M c.f., in the same area (exhibit 7 in FPC Docket No. G–2217). This is an increase of 23.5 percent in volume. For the 226 million M c.f., of natural gas Northern paid $21,175,640 and for the 279 million M c.f., it estimates it will pay $40,012,900 (exhibit 16 in FPC Docket No. G–2217). This is an increase of 88 percent in price. The Natural Gas Act was passed to protect the ultimate consumers from such apparently excessive charges.

We respectfully submit that the sales involved in the instant case are within the rate-fixing jurisdiction of the Federal Power Commission. This court should affirm the decision of the court below.

Mr. President, another joint brief was filed by friends of the Court in the Phillips case by the member municipalities of the National Institute of Municipal Law Officers, including the city solicitor of Baltimore, Md.; the city attorney of Chattanooga, Tenn.; the corporation counsel of Chicago, Ill.; the corporation counsel of Dearborn, Mich.; the city attorney of Denver, Colo.; city attorneys of New Orleans, La.; Portland, Oreg.; and San Francisco, Calif.; corporation counsel of New York City; the city solicitor of Philadelphia, Pa.; and the corporation counsel in Washington, D.C. That petition reads as follows:

When an industry has dependent upon it the number of States, cities, and people that are involved here, with the industry enjoying a monopoly market, regulation is a sine qua non. The industry, if freed of FPC jurisdiction, has within its power the right to charge exorbitant and unreasonable rates, rates which would be completely out of line with a just and adequate return on their investment and the service rendered to the consumer. Without FPC regulation the user will be without redress. They have made users absolutely dependent upon their facilities and now seek to avoid reasonable regulation. When companies assume this size they owe a duty to the public which they are serving, in exchange for the monopoly market they enjoy, to charge fair and reasonable rates. To insure the carrying out of that duty under our system of free enterprise statutory regulation is provided. This is and has been true of all utilities enjoying monopoly markets so Phillips was not treated any differently by Congress than others in the same circumstances traditionally have been treated. To say that Congress could not have intended to bring Phillips within FPC's regulating ambit is to deny basic traditions inherent in congressional action in similar instances.

CONSUMERS WITHOUT PROTECTION

I think that it is most apparent, in view of the facts as underlined in the Buchanan dissent, which pointed out that if Phillips is not within the regulation of the Congress, of the Federal Power Commission, it means that the consumers have no protection. The consumers have no opportunity to secure protection at all, because regardless of the unanimous intention of a State legislature, the vigorous determination of a Governor and of all elected public officials, even if there were a unanimous referendum, it would be impossible for the people of the State to secure protection against the monopoly power of the gas producers, the oligopolistic power, without FPC jurisdiction. It is clear from the Constitution, and it is clear from the record made by the Supreme Court, that there can be no regulation by individual States.

---

[35] "The Phillips Case Goes the Limit," Public Utilities Fortnightly, vol. 48 (Sept. 13, 1951), p. 361.

[36] Public Utilities Fortnightly, vol. 48 (Sept. 13, 1951), p. 388.

This petition goes on to state:

ONCE THEY WANTED REGULATION

Phillips and other sellers now enjoy a market where demand outstrips supply. And it is because of this condition that they argue that their sales for resale in interstate commerce are exempt from regulation. But in 1938 when supply exceeded demand and producers were not receiving fair prices, there was no outcry against regulation when Congress moved to cure this evil, as the FPC's brief concedes (p. 64), by giving the Commission jurisdiction to fix fair prices for sales for resale in interstate commerce by producers.

Now that the day has come when demand outstrips supply they do not want this regulation, but it is just as much in the statute today as it was in 1938. Today, however, the authority must be used to prevent extortionate prices.

Incidentally, this was a view which had certainly been carried out on the basis of the record. As we look at the chart in the rear of the room, it is obvious that the petitioners here could point to a sharply rising market of natural gas in 1954, having risen for some 8 years or so, to predict that the trend might continue, and if they made that prediction in 1954, they were right.

Of course, it can be said that they won their case. They won their case before the Court. The Court found that they were correct. There was no question about it.

SUPREME COURT DECISION NEGATED

But the FPC has been so overwhelmingly dominated by the gas industry that the decision of the Supreme Court was, in effect, negated.

The fact is that the FPC has refused to regulate effectively as a matter of fact to have any degree of real regulation of the producers at wellhead, in spite of the constant reminders and pleas made by the Supreme Court and by many others.

This petition goes on to say:

The decisions of this Court, cited above, holding that this type of business is of national, not local, concern, should not be ignored. If the court of appeals' decision be reversed then the gains made by the users over the years would be completely obliterated by this $200 million annual possible increase in price to the user.

FPC ACTED AS SUPERCOURT

That was a pretty good prediction. They said:

If the court of appeals decision be reversed.

It was not reversed. It was upheld, because the FPC acted as a supercourt. It is an example of the fact that the Supreme Court is not supreme in this very important and vital economic field. The Supreme Court, acted, and acted most emphatically but the Federal Power Commission has refused to carry out the directive of the Supreme Court.

The evergrowing rate increase petitions to the FPC, supra, indicate that that estimate is probably extremely conservative. For as noted herein field prices have already increased from 10 to 15 cents per thousand cubic feet, as contrasted with the 5 cents per thousand cubic feet upon which the 200 million figure was based.

On the decision in this case rests the financial fate of millions of users whose rights are squarely in issue. Should they be denied the statutory protection which is theirs to expect and demand, then the result undoubtedly will be unregulated, exorbitant, arbitrary, and unreasonable prices, which they must of necessity pay and keep paying.

HIGHER PRICES INEVITABLE

All the briefs of petitioners and of amici curiae who support Phillips, seem to concede that higher prices would be the inevitable result of reversal. This situation should never be allowed to materialize since Congress clearly intended to prevent it and did prevent it by clear and unequivocal language.

It is respectfully submitted that in the instant case the Federal Power Commission does have jurisdiction and authority to regulate sales for resale in interstate commerce by the Phillips Petroleum Co. and, therefore, the judgment of the U.S. Court of Appeals for the District of Columbia Circuit should be affirmed.

Mr. President, it is interesting to note that one argument advanced by the supporters of this nomination, namely, that producers rate increases have little to do with the price the consumer pays for gas, was before the Supreme Court in the Phillips case. Yesterday we went into considerable statistical detail to establish that without any question the increase in price to the consumers not only was a significant increase but was the decisive factor. It was the overwhelming factor with regard to many industrial users in many States, and it was clearly a factor of great importance in the price residential users had to pay for their gas.

The brief of Phillips Petroleum Co. stated:

The assertion that regulation of field sales made by independent producers and gatherers is necessary to protect consumers against excessive prices has no basis in fact. It was not true in 1938 when the Natural Gas Act was passed and it is not true today that consumers require Federal protection against the prices charged by independent producers and gatherers.

The Phillips Petroleum Co. brief stated that when the Natural Gas Act was passed field prices were very low and did not require regulation, and that, even in 1952, they were a small percentage of the consumers' prices.

Viewed in this light, arguments based on alleged economic necessity and public policy provide no basis for rejecting the construction of the statute followed by the Federal Power Commission in this case. * * * Congress never intended the Natural Gas Act to apply to the business of independent producers and gatherers.

SMALL SHARE IN 1952

That was the brief of the Phillips Petroleum case. The Phillips Petroleum Co. brief stated that when the Natural Gas Act was passed fuel prices were very low, they did not require regulation. Even in 1952 they were a small percentage of the consumer prices. I quote:

Viewed in this light arguments based on alleged economic necessity and public policy provide no basis for rejecting construction of the statute followed by the Federal Power Commission in this case.

RELEVANCE OF THIS CASE

That statement by Phillips Petroleum Co. is virtually the position taken by the Federal Power Commission and the position taken by the elements with which the nominee has been so very closely identified and associated.

The Phillips case is in some ways an exact parallel of the present nomination. Many of the same elements were present: First, the plea from consumers that without effective regulation of producers' rates they would suffer economic injury; second, the argument by the industry that producers' rate increases mean little to the consumer; and, third, a recalcitrant FPC.

WHAT MARKET WILL BEAR

The decision in the Phillips case has a direct bearing upon this nomination, because confirmation of Mr. O'Connor would support the contention that producers may charge what the market will bear without affecting consumers' prices.

The decision of the Supreme Court in the Phillips case had a direct bearing upon all of these questions. Did the Court say that producers' rate increases led to economic injury to consumers? Did the Court uphold the reasoning of the FPC majority—the majority that did not care if producers charged the earth?

The following is an excerpt from the decision of the Supreme Court in the case of Phillips Petroleum Co. against Wisconsin and others. The opinion was delivered on June 7, 1954:

These cases present a common question concerning the jurisdiction of the Federal Power Commission over the rates charged by a natural gas producer and gatherer in the sale in interstate commerce of such gas for resale. All three cases are an outgrowth of the same proceeding before the Power Commission and involve the same facts and issues.

The Phillips Petroleum Co. is a large integrated oil company which also engages in the production, gathering, processing, and sale of natural gas. We are here concerned only with the natural gas operations. Phillips is known as an independent natural gas producer in that it does not engage in the interstate transmission of gas from the producing fields to consumer markets and is not affiliated with any interstate natural gas pipeline company. As revealed by the record before us, however, Phillips does sell natural gas to 5 interstate pipeline transmission companies which transport and resell the gas to consumers and local distributing companies in 14 States.

Approximately 50 percent of this gas is produced by Phillips, and the remainder is purchased from other producers. A substantial part is casinghead gas—i.e., produced in connection with the production of oil. The gas flows from the producing wells, in most instances at well pressure, through a network of converging pipelines of progressively larger size to 1 of 12 processing plants, where extractable products and impurities are removed. Of the nine such networks of pipelines involved in these cases, five are located entirely in Texas, one in Oklahoma, one in New Mexico, and two extend into both Texas and Oklahoma. After processing is completed, the gas flows from the processing plant through an outlet pipe, of varying lengths up to a few hundred feet, to a delivery point where the gas is sold and delivered to an interstate pipeline company. The gas then continues its flow through the interstate pipeline system until delivered in other States.

The Federal Power Commission, on October 28, 1948, instituted an investigation to determine whether Phillips is a natural gas company within the jurisdiction of the Commission, and, if so, whether its natural gas

rates are unjust or unreasonable. In extensive hearings before an examiner, the facts described above were developed, as well as much additional information. An intermediate decision having been dispensed with, the Commission issued an opinion and order in which it held that Phillips is not a "natural gas company" within the meaning of that term as used in the Natural Gas Act, and therefore is not within the Commission's jurisdiction over rates. Consequently, the Commission did not proceed to investigate the reasonableness of the rates charged by Phillips. On appeals, the decision of the Commission was reversed by the U.S. Court of Appeals for the District of Columbia Circuit, one judge dissenting (92 U.S. App. D.C. 284, 205 F. 2d 706). We granted certiorari (346 U.S. 934, 935).

The Power Commission is authorized by section 4 of the Natural Gas Act to regulate the "rates and charges made, demanded, or received by any natural gas company for or in connection with the transportation or sale of natural gas subject to the jurisdiction of the Commission." "Natural gas company" is defined by section 2(6) of the act to mean "a person engaged in the transportation of natural gas in interstate commerce, or the sale in interstate commerce of such gas for resale." The jurisdiction of the Commission is set forth in section 1(b) as follows:

"The provisions of this Act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas."

Opinion of the Court:

Petitioners admit that Phillips engages in "the sale in interstate commerce of natural gas for resale," as, of course, they must. *Interstate Natural Gas Co.* v. *Federal Power Commission*, (331 U.S. 682, 687–689); cf. *Michigan-Wisconsin Pipe Line Co.* v. *Calver* (347 U.S. 157, 166–168). They contend however, that the affirmative grant of jurisdiction over such sales in the first clause of section 1(b) is limited by the negative second clause of the section. In particular, the contention is made that the sales by Phillips are a part of the "production or gathering of natural gas" to which the Commission's jurisdiction expressly does not extend.

We do not agree. In our view, the statutory language, the pertinent legislative history, and the past decisions of this Court all support the conclusion of the Court of Appeals that Phillips is a "natural gas company" within the meaning of that term as defined in the Natural Gas Act, and that its sales in interstate commerce of natural gas for resale are subject to the jurisdiction of and regulation by the Federal Power Commission.

The Commission found that Phillips' sales are part of the production and gathering process, or are "at least an exempt incident thereof." This determination appears to have been based primarily on the Commission's reading of legislative history and its interpretation of certain decisions of this Court. Also, there is some testimony in the record to the effect that the meaning of "gathering" commonly accepted in the natural-gas industry comprehends the sales incident to the physical activity of collecting and processing the gas. Petitioners contend that the Commission's finding has a reasonable basis in law and is supported by substantial evidence of record and therefore should be accepted by the courts, particularly since the Commission has consistently interpreted the act as not conferring jurisdiction over companies such as Phillips (see *Gray* v. *Powell* (314 U.S. 402); *Labor Board* v. *Hearst Publications, Inc.* (322 U.S. 111)). We are of the opinion, however, that the finding is without adequate basis in law, and that production and gathering, in the sense that those terms are used in section 1(b), end before the sales by Phillips occur.

In *Federal Power Commission* v. *Panhandle Eastern Pipe Line Co.* (337 U.S. 498, 505), we observed that the natural and clear meaning of the phrase "production or gathering of natural gas" is that it encompasses "the producing properties and gathering facilities of a natural gas company." Similarly, in *Colorado Interstate Gas Co.* v. *Federal Power Commission* (324 U.S. 581, 598), we stated that "[t]ransportation and sale do not include production or gathering," and indicated that the "production or gathering" exemption applies to the physical activities, facilities, and properties used in the production and gathering of natural gas.

Opinion of the Court:

Even more directly in point is our decision in *Interstate Natural Gas Co.* v. *Federal Power Commission* (331 U.S. 682). The Interstate Co. produced or purchased natural gas which it in turn sold and delivered to three interstate pipeline companies, all the activities occurring within the same State. We noted that "[e]xceptions to the primary grant of jurisdiction over such sales on the Federal Power Commission, stating:

"Petitioner asserts * * * that the sales to the three pipeline companies are a part of the gathering process and consequently not within the Commission's power of regulation. * * * By the time the sales are consummated, nothing further in the gathering process remains to be done. We have held that these sales are in interstate commerce. It cannot be doubted that their regulation is predominantly a matter of national, as contrasted to local concern. All the gas sold in these transactions is destined for consumption in States other than Louisiana. Unreasonable charges exacted at this state of the interstate movement become perpetuated in large part in fixed items of costs which must be covered by rates charged subsequent purchasers of the gas, including the ultimate consumer. It was to avoid such situations that the Natural Gas Act was passed" (id., at 692–693).

Petitioners attempt to distinguish the Interstate case on the grounds that the Interstate Co. transported the gas in its pipelines after completion of gathering and before sale, and that the Interstate Co. was affiliated with an interstate pipeline company and therefore subject to Commission jurisdiction in any event. This Court, however, refused to rely on such refinements and instead based its decision in Interstate on the broader ground that sales in interstate commerce for resale by producers to interstate pipeline companies do not come within the "production or gathering" exemption.

The Interstate case is also said to be distinguishable in that it did not involve an asserted conflict with State regulation, and Federal control was not opposed by the State authorities, while in the instant cases there are said to be conflicting State regulations, and Federal jurisdiction is vigorously opposed by the producing States. The short answer to this contention is that the jurisdiction of the Federal Power Commission was not intended to vary from State to State, depending upon the degree of State regulation and of State opposition to Federal control. We expressly rejected any implication to the contrary, in the Interstate case.

The cases discussed above supply a ready answer to the determination of the Commission and also to petitioners' suggestion that "production or gathering" should be construed to mean the "business" of production and gathering, with the sale of the product considered as an integral part of such business. We see no reason to depart from our previous decisions, especially since they are consistent with the language and legislative history of the Natural Gas Act.

In general, petitioners, contend that Congress intended to regulate only the interstate pipeline companies since certain alleged excesses of those companies were the evil which brought about the legislation. If such were the case, we have difficulty in perceiving why the Commission's jurisdiction over the transportation or sale for resale in interstate commerce of natural gas is granted in the disjunctive. It would have sufficed to give the Commission jurisdiction over only those natural-gas companies that engage in transportation or transportation and sale for resale in interstate commerce, if only interstate pipeline companies were intended to be covered (see *Federal Power Commission* v. *East Ohio Gas Co.* (338 U.S. 464, 468)).

Rather, we believe that the legislative history indicates a congressional intent to give the Commission jurisdiction over the rates of all wholesales of natural gas in interstate commerce, whether by a pipeline company or not and whether occurring before, during, or after transmission by an interstate pipeline company. There can be no dispute that the overriding congressional purpose was to plug the gap in regulation of natural gas companies resulting from judicial decisions prohibiting, on Federal constitutional grounds, State regulation of many of the interstate commerce aspects of the natural gas business. A significant part of this gap was created by cases holding that "the regulation of wholesale rates of gas and electrical energy moving in interstate commerce is beyond the constitutional powers of the States" (*Interstate Natural Gas. Co.* v. *Federal Power Commission*, supra, at 689). The committee reports on the bill that became the Natural Gas Act specifically referred to two of these cases and to the necessity of Federal regulation to occupy the hiatus created by them. Thus, we are satisfied that Congress sought to regulate wholesales of natural gas occurring at both ends of the interstate transmission systems.

Petitioners cite our recent decisions in *Cities Service Gas Co.* v. *Peerless Oil & Gas Co.* (340 U.S. 179) and *Phillips Petroleum Co.* v. *Oklahoma* (340 U.S. 190) as authority for the proposition that the States may regulate the sales in question here, and, hence, that such sales are not within the gap which the Natural Gas Act was intended to fill. Those cases upheld as constitutional State minimum price orders, justified as conservation measures, applying to sales of natural gas in interstate commerce. But it is well settled that the gap referred to is that thought to exist at the time the Natural Gas Act was passed, and the jurisdiction of the Commission is not affected by subsequent decisions of this court which have somewhat loosened the constitutional restrictions on State activities affecting interstate commerce, in the absence of conflicting Federal regulation. * * * The Federal Power Commission did not participate in the Cities Service and Phillips Petroleum cases, the appellants there did not assert a possible conflict with Federal authority under the Natural Gas Act, and consequently we expressly refused to consider at that time "(w)hether the Gas Act authorizes the Power Commission to set field prices on sales by independent producers, or leaves that function to the States" (340 U.S., at 188–189).

Regulation of the sales in interstate commerce for resale made by a so-called independent natural gas producer is not essentially different from regulation of such sales when made by an affiliate of an interstate pipeline company. In both cases, the rates

charged may have a direct and substantial effect on the price paid by the ultimate consumers.

Mr. President, I am going to reread that sentence from the Supreme Court's decision, because this was, of course, a definitive decision of the Supreme Court, and this was a crucial sentence in it.

The rates charged may have a direct and substantial effect on the price paid by the ultimate consumers.

I think that these statistics and the experience clearly bear out that judicial assertion.

Protection of consumers against exploitation at the hands of natural gas companies was the primary aim of the Natural Gas Act. *Federal Power Commission* v. *Hope Natural Gas Co.*, supra, at 610. Attempts to weaken this protection by amendatory legislation exempting independent natural gas producers from Federal regulation have repeatedly failed, and we refuse to achieve the same result by a strained interpretation of the existing statutory language.

The judgment is affirmed.

The PRESIDING OFFICER. The Senator from Wisconsin will suspend until the galleries are in order.

Mr. PROXMIRE. Mr. President, I would like to thank the distinguished Presiding Officer for insisting on maintaining order. That was quite a disturbance in the gallery, and I must say it is good to have a firm Presiding Officer who insists on decorum at all times.

I must say it is rather difficult to hear my own voice when the galleries are demonstrating in such a manner.

The PRESIDING OFFICER. The Chair will say that at times the Chair could not hear the Senator from Wisconsin because of the disturbance.

Mr. PROXMIRE. I thank the Presiding Officer, not only for his insistence and decorum and dignity, but also for his great interest in this case, and for his insistence on hearing this, and I think the Presiding Officer has rapped for order at exactly the same time when I was trying to underline and emphasize the very vital decision in the Phillips case in the Supreme Court, and the statement of the Supreme Court in the Phillips case to the effect that rates charged may have a direct substantial effect on the prices paid by the ultimate consumer.

Of course, in terms of practical realities it is the ultimate consumer about whom we are most deeply concerned.

PHILLIPS DECISION IN DANGER

Mr. President, it is my contention that by reason of the appointment of this nominee, if he succeeds to the Federal Power Commission, and if his attitude is what it has been for virtually a lifetime, the Phillips decision will be virtually void.

This is one of the many reasons why I feel it would be a tragic error for us to confirm the nomination of Mr. Lawrence O'Connor.

Mr. HUMPHREY. Will the Senator yield?

Mr. PROXMIRE. Mr. President, I ask unanimous consent to yield to the Senator from Minnesota, without my losing the floor.

Mr. HUMPHREY. I would ask the Presiding Officer to have order.

The PRESIDING OFFICER. The disturbance was recently discussed.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Minnesota for being concerned about the speech of the Senator from Wisconsin, and in insisting that there be attention in the galleries.

Mr. HUMPHREY. I thank the Senator for his very considerate remarks.

Has the Senator now persuaded his colleagues as to the validity of his case?

Mr. PROXMIRE. I am in the process. I hope that before the time I reach the end of the case, a number of Senators will be persuaded by the weight of the logic in this case. I believe the documentation is overwhelming, and that the reasoning is certainly on the side of the Senator from Wisconsin. However, as I am certain the Senator recognizes, this is not an easy project in which the Senator from Wisconsin is engaged. I feel very strongly about it.

This nomination will affect the well-being of consumers in Wisconsin, Minnesota, and every other State in the Union. I believe it is important that this kind of situation be brought to the attention of the President of the United States and of the American people in the most dramatic and serious way. That is the reason why the Senator from Wisconsin is doing his level best to try to achieve that purpose.

Mr. HUMPHREY. I am happy to report to the Senator that the great American public is receiving the Senator's message. I have listened to the radio and television tonight, as I did last night—or should I say this morning, as I did last night. The words and the argument of the Senator from Wisconsin have been carried to the American people with accuracy and clarity and, I may add, with considerable pleasure and brevity. So the Senator's observations, opinions, and arguments are being brought to the attention of the American people.

I know the Senator from Wisconsin is doing a great service, in the sense that whatever may be the ultimate vote upon the nomination, the Senator from Wisconsin is establishing a case for the protection of the consumer interest and for the objective and vigorous enforcement of the laws which relate to the regulation of the great public utilities of the country.

I say most sincerely that whatever may be the point of view of any Member of this body with respect to the confirmation or rejection of the nomination submitted by the President, the Senator from Wisconsin has given an outstanding argument in reference to the protection of the consumer interest, and the great responsibility of the Federal Power Commission, a Commission which is entrusted with the application of the laws which relate to the public interest and public welfare.

I know the Senator is sincere in his argument. I am certain he knows of my high regard for that sincerity and for the Senator personally. Whatever time may be consumed in this argument is time that has been taken for a very legitimate, sincere, and conscientious point of view. I desire the Senator to know that, and I wish the public to know it also, because many times people wonder why we take such action as the Senator from Wisconsin is taking. They ask themselves, "Why do Senators utilize hours and hours of discussion in debate to point up an argument?" I think the Senator from Wisconsin has made it quite clear that he has done this in order to attract the consideration of the public to some of the issues which are involved.

I am not trying to draw a valued judgment as to the argument itself, except that I say that during these 2 days of extensive, cogent, germane, and relevant debate, the Senator has given to the country and Congress, and particularly the Senate, a thorough discussion of all the court decisions and the regulations and rulings of the Federal Power Commission relating to the electrical, gas, and oil industries of our country, which represent the main areas of jurisdiction of the Federal Power Commission.

While I feel that the Senator from Wisconsin knows, and our colleagues know that although I have not been present for all of the Senator's discussion, I do not attend this late session merely because I like to stay up late. I attend it for two purposes: first, my responsibility to the Senate; second, because I feel the Senator is making a strong argument based upon what he considers to be legitimate reasons for his objection to the nominee. But in the process of making the argument on the issue of the confirmation of the nomination, the able, learned, talented Senator from Wisconsin is giving Congress and the public a splendid lecture and an education on the issue of the regulation of utilities, many of which are, in a sense, monopolies or at least have monopolistic characteristics and, therefore, must be subject to public regulation.

The Senator is really pointing out the importance of having as members of the Federal Power Commission persons who understand that their responsibility is not merely to industry—and I think the Senator would agree with me that they have a responsibility to the industry——

Mr. PROXMIRE. The Senator from Minnesota is absolutely correct. Their responsibility to the industry is extremely important. The Senator from Wisconsin feels, as I am certain the Senator from Minnesota does, that there must be equity, fairness, and justice. There cannot be justice if there is partisanship, whether the partisanship is for or against the party involved. I thoroughly agree with the Senator from Minnesota that it would be a tragic error to place on any regulatory body a person who was biased against industry, just as I believe it would be a mistake to place on such a body a person who favored industry.

Mr. HUMPHREY. The argument of the Senator from Wisconsin, as he sees it, is that the Federal Power Commission, the agency involved in this instance, must fulfill its responsibilities

not only to the industry, but to the consumer, which is the great American public.

Mr. PROXMIRE. Yes. I believe the whole history of the Federal Power Commission and regulatory bodies generally, whether they be Federal commissions or State public service commissions, is that the consumer has been neglected. Industry is busy every day. It has an objective. It has a precise objective. It has a goal. It has the money. It is well financed. Whatever the cost, it can add the cost to the rates charged to the consumer.

The whole history is that the regulatory bodies—and I shall disregard the nomination of Mr. O'Connor for the moment—have tended to favor industry.

Whenever there have been outstanding persons like Leland Olds, Thomas Buchanan, and William Connole, they have been ousted because industry has gone out after them. Industry not only has power with a regulatory body; it has political power that is devastating. That is why I believe it is so important that a fight be made in the Senate occasionally on the issues confronting the country, so that the inchoate, disorganized, amphorous public viewpoint can be brought to the attention of the regulatory agencies and focused and made to have some effect on the regulatory agencies.

Mr. HUMPHREY. I have long felt that one of the dangers in the establishment of regulatory bodies is that the regulators, who have the responsibility for regulating, often become the advocates of the regulated, merely because they are so closely associated with the industry itself.

Mr. PROXMIRE. The Senator could not be more correct. Because we are all human beings, and we want to be approved, we seek approval. It is a natural, normal, proper thing to seek approval of the people one sees, the people with whom he associates day after day—not the general public, but the people who are most involved. Their economic future is at stake.

Mr. HUMPHREY. I say to the Senator—and this is a point of view expressed by his neighbor from the State of Minnesota, and his friend and colleague in the Senate—that I am convinced that this administration, under the leadership of President Kennedy, intends to protect the public interest.

There are always those who have their own point of view as to what is the public interest. I assume that the Senator from Wisconsin would agree with me that a fair and reasonable profit to those engaged in private enterprise is in the public interest. Likewise, the availability of whatever commodity or supply or service is to be regulated is also in the public interest. It is in the public interest to make sure that as much of the commodity or service as possible is available for an ever-increasing consumer demand.

Mr. PROXMIRE. The Senator could not be more correct. The dominant companies have enjoyed in some cases really fantastic profits and fantastic increases in value.

For example, the Phillips petroleum concern, as I recall, enjoyed an increase in the value of their stock of well over a thousand percent in a very recent 10-year period. That is fine—I think that is wonderful. I would like to see all stocks go up.

But the Phillips Petroleum Co. receives a great deal of its income and profits from the sale of natural gas, and it is in a monopolistic position. Ninety-five percent of the gas sold in Wisconsin is sold by the Phillips Petroleum Co. If one has a gas range or a gas furnace, he has no choice. He cannot decide to burn wood, because he does not have a wood-burning stove. He cannot decide to use electricity, because he must convert, and people cannot afford that. He must buy that gas, and he must buy it from Phillips, if he is in Milwaukee, or almost any other section of our State.

The result is that this monopolistic power, while it is regulated on the distribution level, and on the pipeline level, is not regulated on the producing level where the power is clear and strong, and has made possible enormous profits at great cost to the people of Wisconsin.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. One of the things that bothers me in this whole matter of regulatory agencies, in this case of the Federal Power Commission, is the great backlog of cases before the Commission that are waiting for official administrative determination. In the instance of the Federal Power Commission, literally thousands of rate cases are still pending.

Mr. PROXMIRE. Dean Landis has said that their backlog now is a 13-year backlog. If the Commission settled those cases, on the basis of the rate at which cases are coming in, they would not be finished until the year 2043, or 80 years from now.

So the backlog is impossible, unless they make some decisions in a hurry and do what the Senator from Louisiana, the Senator from Pennsylvania, the Senator from Illinois, the Senator from Wisconsin, and other Senators want them to do, and that is to take the small companies out from under regulation. They are not an important commercial factor, and there is no reason on earth why the Federal Power Commission should have this regulatory responsibility with respect to them.

As the Senator from Louisiana pointed out earlier tonight, 90 percent of the cases before the Federal Power Commission involve little companies that are not really an important factor in interstate commerce.

Mr. HUMPHREY. That is indeed one of the available remedies, and I believe that I have supported that remedy in my votes in the Senate. I come from a consumer State. A consumer State has an interest in the producer State, because we cannot consume unless somebody produces. So I do not see any real conflict of interest ultimately between a producer who gets a legitimate and fair and reasonable price, and a consumer who needs and requests, and finally obtains the necessary service or commodity. The Federal Power Commission is hopelessly bogged down today in rate cases, particularly natural gas cases, to the point where many of the distribution companies have had to charge consumers rates that are subsequently reversed by a decision of the Federal Power Commission.

The producer and the pipeline are given a temporary increase on the basis of superficial evidence. Because most distributing companies are required to operate under franchise, they must ask for a better price, an increased price for the consumer, in their respective municipalities or States or whatever the legal jurisdiction may be.

A little later—not a little later, but 2, 3, 4, 5 years later—the Federal Power Commission rules on the rate case relating to the distributor, and the Federal Power Commission says, "You charged too much." In the meantime, searching parties are sent through the cemeteries, and through the precincts, counties, States, and, I suppose in a short time they will be sent into outer space, if we can only make it, to look for the consumer who was overcharged.

The distributor, in the meantime, has a bookkeeping problem, an income tax problem, an accounting problem that is beyond human comprehension or solution. I constantly receive this complaint from our home State. If the Senator from Wisconsin has done nothing else—and I think he has done much more; I am not here to do anything to either attempt to embarrass him or to be critical—he has pointed up some of the real limitations today in the regulatory agencies, in this instance the Federal Power Commission, when it comes to ratemaking. The situation is a hopeless mess. Something should be done to correct it.

In the meantime, certain companies, producers, and pipelines get increased rates, which are like interest-free money. The distributor finally is served with notice by the Federal Power Commission, through the pipeline or the producer, that "We overcharged you, old boy." Then the distributor says, "I wonder where my customers are." And of course, if it happens to be in Minnesota, everybody loves Minnesota so much that he remains there, except those of us who are elected. But we still maintain our residence there. It is perhaps not too difficult to find the good folks who live in Minnesota or Wisconsin or Louisiana, because we love our States, and we find them such wonderful places that we seldom move.

But in some areas this is not the case. I do not wish to cast any reflection upon any other State, or violate any rule of the Senate. But I think it is a fact that in the mobile society people move, because of their occupations, because of technology, and a host of other reasons. Then what happens? The distributor looks around. The Federal Government has already served notice on him that he has overcharged—even though the same Federal Government said, "Go ahead and

charge them." Three years later the distributor comes back and says, "Where are my customers?" The first thing they do is check the mortician. To find some of them they will have to send checks with that fellow orbiting the earth. He got about as close to heaven as anybody has so far. It is ascertained that there are certain customers to whom checks cannot be sent. Then they find that other customers have left Wisconsin. Once one has left Wisconsin, Minnesota, or Louisiana, it is rather hard to find him.

So that the whole procedure is bogged down in a morass of administrative confusion and complexity.

Mr. PROXMIRE. Let me say to the Senator from Minnesota, at that point——

Mr. HUMPHREY. I thought the Senator might wish to have a little relaxation.

Mr. PROXMIRE. Yes. I thank the Senator from Minnesota very much.

I wish to comment on the last statement, because I think it does point up the fact that the industry has a stake in the delay. What happens is that the producer applies for a rate increase; and automatically, with no showing of any evidence, after 5 months the rate increase goes into effect. Because of the big backlog to which the Senator from Minnesota referred, the rate increase will remain in effect for many years. Though perhaps the money will have to be refunded eventually, in the meantime, before the money is refunded, the producer will apply for another rate increase.

Mr. HUMPHREY. One never quite catches up.

Mr. PROXMIRE. Never. It is like a stack of pancakes, one on top of the other.

Mr. HUMPHREY. It is like the situation with regard to time payments. First a person buys a house. Then he buys an automobile. Then he buys furniture. Then he buys a refrigerator. He buys all those things on time. He never quite gets caught up with all the time payments. About the time he has the automobile paid for, the refrigerator is gone. When the refrigerator is paid for, the furniture needs replacing. Then he has to start all over again.

In this instance the situation is even better, because much interest-free money is provided. The money is extracted. It is sort of foreign aid program with a domestic flavor. There is no immediate repayment. In 2 or 3 or 4 years the Commission comes along and says, "Old boy, I wish to tell you something. You have overcharged everybody." In the meantime, it is not a bad arrangement, because there are some folks who simply cannot be found in order to make the refund to them. They have gone to their heavenly reward. They have disappeared from the face of the earth. It is pretty hard even to find their heirs, sometimes.

Mr. PROXMIRE. This is a very serious problem. After 5 or 6 years many people have died, but many people have moved. On the average, people move once every year or once every 2 years. The rapidity of movement is unbelievable, and is constantly increasing. People move to another city or move to another State. When people move any distance, it is impossible to find them. This means there simply cannot be an effective return of money.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I am happy to yield to the Senator from Louisiana for a question.

Mr. LONG of Louisiana. I ask unanimous consent that the question in no way prejudice the Senator's right to the floor, because it may sound like a statement.

In looking over the Senator's statement with respect to the nomination, I gained the impression that he feels that Mr. O'Connor would be prejudiced in favor of the producers.

Mr. PROXMIRE. That is a masterpiece of understatement. I think, on the basis of this man's whole life and his whole experience obviously he would be overwhelmingly for the producer. Of course, occasionally people surprise us, but I would dislike to approve the nomination on the basis of a rare and occasional surprise.

Mr. LONG of Louisiana. The point I have in mind is that the argument can be made, and certainly should be considered, that the producers are entitled to have at least somebody on the Commission who is in their favor.

This reminds me of a story my father used to tell.

Mr. PROXMIRE. At that point I will tell the Senator from Louisiana that perhaps he is correct. The producers have literally owned the Commission for many years. They have Mr. Kuykendall on the Commission now. With the appointment of Mr. O'Connor they will have at least two members who can stand in the way of any action against them, because there will be a 2-to-2 position.

It is true that a fifth man will be appointed to take Mr. Stueck's place, but he will have to be either an Independent or a Republican. He cannot be a Democrat. If the administration can find a Republican who is in favor of the consumers, it will be doing better than I have been able to do in the past 45 years. That is what the administration is up against.

Unless the next man who is appointed has some kind of broad gage public viewpoint, the show will be over for the consumers for a long time.

Mr. LONG of Louisiana. If the Senator will yield further, my father used to tell the story that there was some question about admitting one of his uncles to the board of deacons of the Baptist Church in Winnfield. When the preacher proposed his name there was considerable protest. The preacher made this point to the board: "After all, don't you think that the rougher element is entitled to some representation on this board?"

The thought occurs to me that the gas producers could well make the point that they are entitled to have somebody on the board who is friendly to them and who understands their problems.

I do not know how much background Mr. O'Connor has had in the oil and gas industry. I have not had an opportunity to study thoroughly the Senator's statement before the committee. Does the Senator have information which would lead him to the conclusion that Mr. O'Connor has had connections over a long period of time with oil and gas producers?

Mr. PROXMIRE. This is the first time in the history of the Federal Power Commission that any nominee for membership on the Federal Power Commission has had this kind of association.

I suppose an argument could be made that the nominee is an expert with experience. This man has had 16 years of experience. His major experience has been as the vice president of the Goldston Oil & Gas Co. This company has had three rate applications to the Federal Power Commission approved for increases in the rate for natural gas. That has been the nominee's principal association.

He has also been an oil consultant.

The nominee is Administrator of the Oil Import Administration. Although he is Administrator, it is interesting to note he still holds stock in 17 of the principal companies importing oil. This, it seems to me, raises a question of propriety.

The main point I argue with respect to this gentleman is that he has had such a close, constant, and exclusive association with the industry that his viewpoint is the industry viewpoint. I think it is desirable to have people who are experts working for the Federal Power Commission, but this kind of narrow expert should not be a commissioner. He ought to be a staff member. He ought to be a man who can give expert advice, perhaps. The expertise is narrow. He is not a lawyer. He does not have the kind of generalized viewpoint that perhaps an engineer might have. He is an accountant.

The nominee has an education somewhat similar to that of the Senator from Wisconsin. We are both graduates of the Harvard School of Business Administration.

Mr. HUMPHREY. Another Harvard man.

Mr. PROXMIRE. Another Harvard man. I hope that will pick up some votes for the Senator from Wisconsin.

Mr. HUMPHREY. The Senator has shaken me again with his argument. I do not know how many more men we can afford to take from Harvard without weakening Harvard, one of our great institutions. The Senator from Wisconsin is a Harvard man, is he not?

Mr. PROXMIRE. The Senator from Wisconsin is a Yale man. I went to Harvard after I went to Yale, and I consider myself to be a Yale man.

Mr. HUMPHREY. The Senator really considers himself to be a Yale man?

Mr. PROXMIRE. That is correct.

Mr. HUMPHREY. I must say this is not going to stand well at Harvard, after the Senator has been to Harvard.

Since I come from the plains and have never had the privilege of the Ivy League, I will accept the Senator's statement.

Mr. PROXMIRE. As I understand the situation, the Senator from Minnesota had a very fine education, because his education was consummated in the great State of Louisiana.

Mr. HUMPHREY. That is correct. The distinguished Senator from Louisiana [Mr. LONG] and the Senator from Minnesota [Mr. HUMPHREY] attended the Louisiana State University at the same time. I do not know whether this was any great benefit to the university, but it was an interesting experience for both of us. I believe the Senator from Louisiana will agree.

Mr. PROXMIRE. I think the university must be extremely proud of its alumni. It is good to see two fighters for the consumer join forces.

Mr. HUMPHREY. Two compassionate and helpful Senators, who will give the Senator from Wisconsin an opportunity to develop his argument.

Mr. PROXMIRE. Yes, indeed. I should like to trade in Harvard any day for Louisiana State University—tonight, at least.

Mr. LONG of Louisiana. Mr. President, if the Senator will yield for one moment more, I do not want to suggest by my comments that I have yet been convinced that the nomination should not be confirmed, but I was somewhat dismayed when I read that the President was going to have a talent scout search the country to see if he could find more talent to serve in Government. The man the President named to be in charge of the talent search was dean of one of the Harvard schools. I was under the impression that if anybody at Harvard was available, by now he had been given a position. If anybody is left at Harvard to be provided for Government service, I should be surprised. A great number of graduates have gone into Government service, and it seems to me that Harvard has provided us with just about everybody who ever went to the university, who could be made available.

I thought that perhaps the talent search should be conducted by someone from a land-grant college. We of Louisiana have provided only about a half dozen men for the Government, and Harvard has perhaps provided about 999,000 by now.

My impression is that one might have had a better opportunity to find some overlooked talent if a person from one of the land-grant colleges went out to make the search. My impression was, in so far as commerce and business and industry are concerned, that about all the Harvard men who were available had been taken.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. I wish to make a comment, but I feel I have aroused enough ire and opposition without taking on Harvard. I consider Harvard to be one of the great institutions of advanced learning in this country, one of the great academic institutions of our Nation. I am not going to hold it against any man if he is blessed by an education at Harvard.

Mr. PROXMIRE. Mr. President, the Senator from Minnesota has already taken on Harvard, when he says that it is one of the great institutions of advanced learning. The Senator will take on Harvard unless he says it is "the" great institution, the implication being "the only one."

Mr. HUMPHREY. The Senator from Minnesota obviously is not sufficiently sophisticated in his understanding of education to know that that is the case. I do not wish to hold it against the nominee for being another Harvard man, because, after all, the university has given this country some rather great leaders.

I would say to the Senator from Wisconsin that I do not think we can really hold against the nominee the fact that he has been closely associated with the industry, or that he has been so much a part of it.

I think the question is, how he conducts himself in public decisions, in public policy, in the making of public policy. I cannot help but believe that the President of the United States, in making this nomination, was mindful of every factor involved, because these nominations are not made without considerable discussion and thought, and indeed a good deal of soul-searching thought.

The Senator from Louisiana has pointed out the possibility that in the Federal Power Commission consideration may have been given to this nomination on the basis that somebody from the industry ought to be there.

I am a consumer-interest man. I am fully familiar with the Phillips case. The Senator from Wisconsin knows that the Senator from Minnesota was one of those who has voted to apply the Natural Gas Act to the producers.

I have disagreed with some of my fine colleagues and friends in the Senate. I have joined with the Senator from Wisconsin on this question, and I will continue to do so.

The President undoubtedly was aware of the plight of the producers. He was undoubtedly concerned with and deeply interested in the consumers' interest.

Mr. PROXMIRE. May I ask the Senator a question at this point? It seems to me that one can make an argument that we should have somebody who is sympathetic with an understanding of the industry, although I do not think it is a very strong argument, in view of the whole tradition and experience of the regulatory agencies.

The industry is going to be represented. Its viewpoint is going to be heard, and heard emphatically.

Mr. HUMPHREY. I think that point is generally true. I do not disagree ultimately with that point of view.

Mr. PROXMIRE. May I ask the Senator, who is a great fan of the New York Yankees——

Mr. HUMPHREY. And the Minnesota Twins and, at times, the Milwaukee Braves.

Mr. PROXMIRE. I ask the Senator if he thinks he is really a fan of the New York Yankees, if Mickey Mantle should umpire Yankee baseball games?

Mr. HUMPHREY. Without any reference to Mickey Mantle, who is currently leading the league in home runs, and one of the great fielders, one of the great ballplayers of all time, that I would not mind having Joe DiMaggio as the umpire.

Mr. PROXMIRE. Of the Yankee baseball team?

Mr. HUMPHREY. Any baseball team. I think that Joe DiMaggio would be one of the most objective men one could possibly select as an umpire. Why? Because of his great high regard for baseball, for the game itself and for the legitimacy of the game.

Mr. PROXMIRE. It is a great old game.

Mr. HUMPHREY. I might have some doubts if Mickey Mantle were umpiring when the Yankees were playing the Minnesota Twins.

Mr. PROXMIRE. That is the point.

Mr. HUMPHREY. It is bad enough, even when Mickey Mantle is batting, much less when he is umpiring. The other day he hit two home runs. Did the Senator see that 15-inning game?

Mr. PROXMIRE. Probably not.

Mr. HUMPHREY. It was a heartbreaker. If we could base this debate on something besides the Federal Power Commission, I would tell my colleagues that this game could have been won by the Minnesota Twins.

First of all, on Friday night last week we could have won the game if a certain double play had not sort of gotten out of gear. It was all "loused up."

Of course, Blanchard knocked a home run in the 10th inning. He is from Minnesota. He is a New York Yankee from Minnesota. The Minnesotans have beaten the Twins a couple of times.

In the game on Sunday, the 15-inning game, Mickey Mantle, the umpire whom the Senator from Wisconsin has chosen for the gas act, and for the Federal Power Commission, hit two home runs. He got a triple before the third inning. Then what do Senators think the Minnesota Twins did to him? They kept walking him from then on.

I would rather have Mickey Mantle batting, however, than umpiring. No, I am not sure; I think I will take that back. I think I would rather have Mickey Mantle umpiring than batting.

Mr. PROXMIRE. The Senator from Minnesota recognizes that the alumni of the teams never umpire.

I ask the Senator from Minnesota how he would feel about having Alan Ameche, who was such a star fullback of the University of Wisconsin, refereeing a game with Minnesota.

Mr. HUMPHREY. He never did very well against Minnesota.

As a matter of fact, we used to beat him when he was a fullback or a halfback. It would not make much difference if he was refereeing.

Mr. PROXMIRE. The Senator has a shorter memory than I thought he had. I can remember when he came to a Jefferson-Jackson Day Dinner in Wisconsin, and had to admit that Wisconsin had yearly been clobbering Minnesota, thanks to Alan Ameche. I think we beat them 30 to 0 in that year.

Mr. HUMPHREY. There are moments in the life of every college in every community in which they rise to heights of glory and grandeur, but it is the sustained momentum which really

tells the tale. I do not want to have to leave the Minnesota Twins and go to the Golden Gophers.

Mr. PROXMIRE. Would the Senator from Minnesota approve of having Alan Ameche referee a football game between Minnesota and the University of Wisconsin?

Mr. HUMPHREY. I certainly would. I think Alan Ameche would be an excellent referee. He was an excellent player. He loved the game. He is a professional football player as well as a great amateur, and I think his sense of integrity for the sport would make him a very fair referee.

Mr. PROXMIRE. Let me put the question a little differently.

Mr. HUMPHREY. Do not misunderstand me. I recognize that the Senator's argument on the Federal Power Commission goes far beyond what we call the sentimental ties of old schools.

Mr. PROXMIRE. Not only that, but the old schools are very realistic. They provide very carefully that under no circumstances can the alumni referee games involving schools that are concerned.

This ethical position has been observed overwhelmingly throughout the years. It seems to me we should apply at the very least something as serious and important with respect to the Federal Power Commission.

There is a very good reason why alumni are not allowed to referee. The Senator from Minnesota is familiar with the names of great football stars who have become football officials. Never are they permitted, and they never would be permitted to be involved in refereeing a game involving their team.

The same principle applies in this case. The nominee has a stake. He is an important alumnus of the producing industry. This has been his principal identification. This is his life. This is what he has been tied up with.

To appoint a man with this background to the Federal Power Commission would be to guarantee that the situation which has been very bad for the consumer in the past will become worse.

Mr. HUMPHREY. Mr. President, will the Senator yield? Tonight I heard on the radio the analogy by the distinguished Senator from Wisconsin regarding Mickey Mantle. I thought it was wonderful. Mickey is really going well now. I should like to make the record clear. Since a few months ago when the Minnesota Twins were in first place for a day or so——

Mr. PROXMIRE. That was on the first day of the season, when they won one game.

Mr. HUMPHREY. I made some comment about them. The Yankees are now in first place. Moose Skowron is from Austin, Minn.; Maris, who has 42 home runs, I believe, or 41, is from Hibbing, Minn.

I also note that Blanchard, who has been doing very good catching, is from North Minneapolis. He attended North High. I believe that Elston Howard was once a resident of Duluth, Minn. No matter how one looks at it, we are going to win the American League pennant.

We got off the subject of the Federal Power Commission; no matter how one looks at it, we are either going to win the pennant or be in the first division.

That situation does not apply to this particular argument, except that when Mickey Mantle is mentioned, that is a sore point for anybody from Minneapolis and St. Paul and Minnesota. What he has done to us no Federal Power Commission could possibly do to either a producer or a consumer. This goes far beyond any argument that can be produced in this body.

The Senator would agree, would he not?

Mr. PROXMIRE. I am afraid that I would.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. I remind the Senator that his argument is somewhat out of date, because Alan Ameche is no longer the greatest fullback in football.

Mr. PROXMIRE. The Senator from Louisiana is correct. He retired. He is now in a position in which he might be a referee. If he becomes a referee, he will never referee a Wisconsin football game. He had a tendon which made it impossible for him to continue to play. He is only 28 years old. He could continue for years ordinarily, but he had a leg injury which made it impossible for him to continue.

Mr. LONG of Louisiana. I remind the Senator that the best fullbacks are a man named Brown, who plays for the Cleveland Indians, and a man named Jim Taylor, who plays for the Green Bay Packers. Jim Taylor came originally from Louisiana State University, and he will be back at Green Bay this year with an extra 30 pounds on him. In all probability he will settle the dispute as to who is the greatest fullback.

To apply an analogy to the Senator's argument, the Senator has referred to a fullback not being a good referee on grounds of prejudice, but the chain gang is partisan. One man is appointed from each side, and they keep each other honest.

Mr. PROXMIRE. Perhaps such action would be appropriate. The members of the chain gang I assume are not the ones who make the decisions. Those who make decisions are the referee, the umpire, and the field judge. The chain gang is in its proper place. Put them on the staff, but not in a policymaking position.

Mr. LONG of Louisiana. The Senator realizes, does he not, that if the average person—Alan Ameche or any other man—who is subject to a charge that he is partisan to one side or another, the tendency for such an individual is to lean over backward in order to exonerate himself from any act that may cause people to think that he was playing favorites?

Mr. PROXMIRE. I am afraid I cannot quite "buy" that. I wonder if the Senator would say that his statement would be true as to Mr. Kuykendall with regard to public power. He has been vehemently criticized on the floor of the Senate and elsewhere on the ground that his nomination was one which would be of great benefit to the private power people as compared with the public power people. His performance has certainly borne out the judgment and expectation of most people. This is generally the case. Occasionally we find people who are inclined to bend over backward. This man had every opportunity, in the hearing and since the hearing, to disassociate himself and say that he believed the law of the land should be carried out, but he has never done so.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. Has the Senator worked through that particular imposing array of evidence?

Mr. PROXMIRE. No; it is not quite as time consuming as it would seem, but it will take a few hours.

Mr. HUMPHREY. Does the Senator feel that he will be able to present all that evidence this morning?

Mr. PROXMIRE. That evidence is really important and conclusive, because it contains the Catco case, which, it seems to me would nail the Federal Power Commission to the wall. I shall come to that case in a moment.

Mr. HUMPHREY. I would not want to leave before I heard it. I have not seen any television lately, and I want to be sure that I get the high points of the drama.

Mr. PROXMIRE. I am greatly impressed by the Senator from Minnesota. It is 3:30 in the morning, and he is probably anxious for me to get to the Catco case, even though its exposition may require 5 or 6 hours, or perhaps 2, 3, or 4 hours—whatever it amounts to. I think it is an indication that apparently the television stations have gone off the air.

Mr. HUMPHREY. That is not particularly true. There is what is called the late night film.

Mr. PROXMIRE. The late, late film.

Mr. HUMPHREY. The late, late night film. Does the Senator feel that he wishes to proceed now?

Mr. PROXMIRE. The Senator is all set, refreshed and "rarin" to go.

Mr. HUMPHREY. I want to bring to the Senator a spirit of exhilaration, new energy and new vitality by my participation. I see a smile on his face. I make that statement only because of my sincere affection for him.

Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Minnesota without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

POLIO HELP FOR EAST GERMANY IF NECESSARY

Mr. HUMPHREY. Mr. President, I wish to thank the generous Senator from Wisconsin for his willingness to yield, and for the personal sacrifice he is making to accommodate the Senator from Minnesota so that I may make an insertion in the RECORD.

In the Washington Post of August 2 appeared an excellent editorial entitled "Ever Try Freedom?"

The health of the Communist government of East Germany is in danger all right, but the cause isn't polio. The threat by Communist authorities to close the borders with West Germany because of a much-exaggerated infantile paralysis "epidemic" there is a subterfuge. It is an excuse for attempts to stem the real East German ailment, which is an acute hemorrhage—a hemorrhage of people, more than 30,000 in 1 month alone, who are fleeing to West Germany even though this means leaving relatives and abandoning everything they own.

This hemorrhage, to mix the medical metaphor, is the bone in Mr. Khrushchev's throat. East Germany is the second most important industrial producer in the Communist bloc, a fact that gives the goateed Herr Ulbricht a certain amount of bargaining power. Yet so slavishly Stalinist is the Ulbricht regime that despite increases in living standards the exodus continues. More than 2 million persons have fled from East Germany since the end of World War II.

I ask unanimous consent that at the conclusion of my remarks the full text of this editorial be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. HUMPHREY. I had some comments to make about the editorial, and I am very pleased that the Senator from Wisconsin has permitted me to have these moments to state my views relating to the editorial.

The first thing I wish to do is to suggest that if East Germany has what it considers to be a polio outbreak, the United States offer any necessary assistance to counter an alleged danger of a polio outbreak in East Germany. Communist East German officials have claimed the potential spread of polio from West Germany to East Germany as the reason for tightened travel restrictions at the border. The editorial from which I have quoted gave us this information. I am confident that the American public and private groups would offer polio experts a vaccine if the East German authorities should present the full medical facts.

Americans will not allow an intensified cold war to chill their concern for other human beings. If the people of Germany—East or West—are threatened by polio, we will respond with humanitarian concern and compassion.

I am sure that our country would offer, and would be able to provide, the advice and the services of such American polio experts as Dr. Jonas Salk and Dr. Albert Sabin, and the supplies of vaccine which these two scientists and medical men have developed. The Sabin vaccine is so highly regarded by the Soviet Union that it has been used successfully on 80 million Russians. So if the East German officials are seriously concerned about a polio outbreak, we can assume that they would have need for and be willing to accept the supplies of Dr. Sabin's oral vaccine.

I know that there is a critical shortage of physicians in East Germany. The reason is that many members of the medical profession of East Germany have fled to West Germany. They seek freedom. Therefore, the U.S. Public Health Service would, I am sure, be willing to cooperate in the humanitarian endeavor of alleviating any kind of outbreak. We have sent experts from the National Institutes of Health and from the Communicable Disease Center in Atlanta to combat polio outbreaks in Latin America, Asia, and other regions.

As a Senator and as a citizen of this great country, I say that if the East Germans can produce any credible evidence that polio is sweeping their people, I am confident that the United States of America, through its great medical profession, our National Institutes of Health, our U.S. Public Health Service, and our scientists, such as Dr. Jonas Salk and Dr. Albert Sabin, would be willing to provide assistance.

There is no concrete evidence as to the outbreak. The outbreak in East Germany is not polio. The outbreak in East Germany is an outbreak of the desire for freedom. It is an expression of the desire to breathe the air of liberty. That is why tonight, even as the debate proceeds, according to the radio, more than 1,700 have crossed the border from East Berlin and East Germany into West Germany.

I think the American people and the American Government ought to be fully cognizant of this day after day.

I hope that the information agencies of this Government and of our allies will remind the workers in East Berlin and East Germany that the intransigent, belligerent attitude of the East German Communist officials and Mr. Khrushchev is denying over 50,000 workers in East Berlin gainful employment in West Berlin. Khrushchev's power politics are taking again their toll on human life and upon human welfare.

These are some of the things that the world ought to be reminded of, and I am sure that the people in Germany and in Western Europe are fully cognizant of these facts. Sometimes they seem to escape our attention.

I thank the Senator from Wisconsin for yielding to me.

I hope that my slight interruption has been of some kindly assistance to my able and good friend of the New Frontier.

EXHIBIT A

EVER TRY FREEDOM?

The health of the Communist government of East Germany is in danger, all right, but the cause isn't polio. The threat by Communist authorities to close the borders with West Germany because of a much-exaggerated infantile paralysis "epidemic" there is a subterfuge. It is an excuse for attempts to stem the real East German ailment, which is an acute hemorrhage—a hemorrhage of people, more than 30,000 in 1 month alone, who are fleeing to West Germany even though this means leaving relatives and abandoning everything they own.

This hemorrhage, to mix the medical metaphor, is the bone in Mr. Khrushchev's throat. East Germany is the second most important industrial producer in the Communist bloc, a fact that gives the goateed Herr Ulbricht a certain amount of bargaining power. Yet so slavishly Stalinist is the Ulbricht regime that despite increases in living standards the exodus continues. More than 2 million persons have fled from East Germany since the end of World War II.

The causes no doubt are complex—the wish to rejoin families, hope of German reunification, fear of war as well as hatred of oppression and repugnance for the Communist regime. But the net result is vast embarrassment for East Germany. No country can lose thousands upon thousands of its most talented citizens, doctors, artisans, young people—without feeling the strain. By the same token this human flood, although it enriches West Germany, also constitutes something of a problem for the Western Allies as they contemplate negotiations with Mr. Khrushchev over Berlin.

The Allies could take a number of steps to ease Mr. Khrushchev's pain, in return for equivalent concessions. They could, for example, tone down some of the propaganda broadcasts to East Germany that the Soviet Union calls enticement. They could formally recognize the Oder-Neisse line as the eastern border of Germany. They could even accord a certain amount of de facto recognition to the puppet East German Government. Any such steps would require self-enforcing guarantees to improve the status of West Berlin, but negotiations would certainly be possible in these areas.

What the Allies cannot do in any circumstances is dim the attraction of liberty or close the West German borders to refugees from tyranny. The fundamental Khrushchev-Ulbricht complaint about West Berlin is that it is a magnet, and this raises the question whether they can be satisfied with anything short of liquidation or absorption. The pretext for threatening to close the borders is precisely the sort of creeping encroachment the Allies cannot tolerate in dealing with East Germany under a peace treaty.

And this in turn illustrates the root of Mr. Khrushchev's dilemma. The paralysis threat in East Germany is real enough, but it is adult rather than infantile. And the cure for it is the one thing that the Communist system cannot afford—freedom.

Mr. PROXMIRE Let me say to the Senator from Minnesota that the thanks are all on my side. I am deeply grateful to the Senator from Minnesota. This certainly has been a matter of real relief.

Mr. HUMPHREY. I was sure that would be the case.

Mr. LONG of Louisiana. Mr. President, will the Senator yield to me briefly?

Mr. PROXMIRE. I yield.

Mr. LONG of Louisiana. Mr. President, as pointed out by the previous speaker, the Senator from Minnesota, even more significant to me than the fact that the Russians put a man in space is that for fear of the Berlin frontier being closed, refugees of that city are streaking across the border, realizing that may be their last chance to reach freedom.

The quest of people for freedom is an extremely important point, and I believe it is one we should keep in mind. What is involved in the Berlin situation is the hope of people to get away from a slave area, and the hope that someday happiness and free elections will return to the unhappy land of East Germany. That is basic to the problem.

Mr. HUMPHREY. The Senator would not want to indicate by his remarks that perhaps this is one of the reasons why the Russians are doing so well in outer space. It is to escape from inner space.

Mr. LONG of Louisiana. There is no doubt about it. The average Russian has more freedom in outer space than he does in the Soviet Union.

DEATH OF DR. FRANK BUCHMAN

Mr. LONG of Louisiana. Mr. President, it might be appropriate to note that

the Washington Post of August 9 headlines that along with Khrushchev's threats, and refugees flocking to the border of West Berlin, it is noted with considerable sadness that this morning's press also records the death of Dr. Frank Buchman, who, in my judgment, is one of the great world figures, a man who has fought for peace and has fought to solve the world's problems through international good will, understanding, and the teachings of a merciful God.

I ask unanimous consent that the item in the Washington Post of Wednesday, August 9, recording the passing of Dr. Frank Buchman, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DR. BUCHMAN, MRA FOUNDER

FREUDENSTADT, WEST GERMANY, August 8.—Dr. Frank Buchman, Pennsylvania-born founder of the Moral Re-Armament movement, died here Monday night of a heart attack at 83, it was announced today.

Dr. Buchman said the purpose of his stanchly anti-Communist religious movement was to "cure the maelstrom of disorder and give the answer to panic in every land."

Dr. Moris Martin, a British member of Moral Re-Armament (MRA), said here today, "the work will be continued exactly as it was in the past. There never has been one leader. The only leader is God."

[United Press International reports Dr. Martin, who was with Dr. Buchman when death came, said the spiritual leader's last words were: "I want the world to be governed by men who are governed by God. * * * Why not let God run the whole world?"

[Dr. Martin said Dr. Buchman based this belief on a saying of William Penn: "Men must choose to be governed by God or they condemn themselves to be ruled by tyrants."]

A memorial service will be held Friday at 2:30 p.m. at the Freudenstadt Casino.

Dr. Buchman, a Lutheran pastor, listed among backers of his international movement West German Chancellor Konrad Adenauer and Chinese Nationalist President Chiang Kai-shek.

LAUDED BY ADENAUER

Adenauer in a personal message in 1958 on Buchman's 80th birthday, said the MRA leader had stimulated the work of uniting Europe.

It was the time, Adenauer said, "to work more strongly than ever for European unity through moral rearmament."

Dr. Buchman's opponents capitalized on a remark attributed to him in 1936: "Thank God for a man like Adolf Hitler."

But his supporters claimed that Dr. Buchman continued: "* * * who built a front line of defense against the antichrist of communism."

Buchman in 1936 also reportedly said: "Heinrich Himmler is a great lad."

The MRA leader was staying in a hotel in this Black Forest town. He had said it was here that the idea of moral rearmament came to him in 1938.

He was born June 4, 1878, at Pennsburg, Pa., where his father was in the hotel business. A friend said today it was Dr. Buchman's wish to be buried in the family plot at Allentown, Pa.

NUCLEUS AT OXFORD

He was educated both in the United States and at Cambridge University, England.

In 1921, he visited Oxford University as founder of "a First Century Christian Fellowship," which later became known as the "Oxford Group," although it had no relation to the university.

While he was at Oxford, Dr. Buchman said he met "a little knot of undergraduates * * * we talked and prayed together. That little band of men became the first disciples of the movement."

MRA grew to major proportions after World War II. It has placed full-page advertisements in many leading world newspapers, has produced plays including "The World Island," and has filmed movies including "The Crowning Experience."

In 1946, the movement acquired a hotel at Caux, near Montreux, Switzerland. It became the MRA's international headquarters.

The MRA later set up another center at Mackinac Island, in Michigan. The center includes the world's largest movie theater.

The movement has been described as uniting moral ideology, based upon the absolute standards of honesty, purity, unselfishness, and love, under the guidance of God which, if lived out in the policy of nations, would change the course of history.

LAST CHANCE TO SURVIVE

Dr. Buchman often said the one hope for the world was unity.

"Moral rearmament offers the world the last chance for every nation to change and survive, to be united and live," he said.

He once stated that a drastic change in human nature was needed to promote worldwide social, economic, national and international change.

"Until we deal with human nature thoroughly and drastically on a world scale," he said, "nations will continue to follow their historic road to violence and destruction."

He said men must learn to live as "sons of God" in a unity in which "no man demands too much for himself while any other man goes hungry."

One of the state aims of the MRA is to reconcile capital and labor and abolish class war. Both prominent businessmen and labor unionists are numbered in its membership.

The usual apparatus of conversion was the "house party," commonly given by the most prosperous member of a group, at which, after a comfortable dinner, the guests would sit about the fireside and confess their sins. Another device of Dr. Buchman's was the "quiet time," or that portion of each day in which the convert was to make himself receptive to personal instruction from the Almighty.

It is to Dr. Buchman's credit, of course, that he recognized early the menace of communism; but this appears to have led him almost to the embrace of another form of totalitarianism. He has been widely quoted as having said it was his hope to establish "a God-inspired Fascist dictatorship," through the conversion of Adolf Hitler. Whether or not he ever said this (it was never categorically acknowledged by him) there is no doubt that it reflected the attitude of some of his followers or that it contributed to the "appeasement" spirit in Great Britain in 1937 and 1938. The "Oxford Movement" was a strong influence, for example, among Lady Astor's "Cliveden set."

It was during one of Dr. Buchman's own "quiet times" that the term "Moral Rearmament" came to be what he believed to be divine inspiration. Yet with this revelation Buchmanism ceased to be a purely Christian movement. Today its converts are numerous among non-Christian peoples; and many Christian clerics who had once approved and welcomed it have long since repudiated it. Even so, it has become a force to be reckoned with, especially in the Near East, Asia, and Africa; but whether for good or ill, history must decide.

Mr. LONG of Louisiana. I ask unanimous consent also that an editorial appearing in the Washington Post of Wednesday, August 9, 1961, entitled "Frank N. D. Buchman," also appear at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

FRANK N. D. BUCHMAN

Theologically speaking, there was nothing new or radical about the teachings of Dr. Buchman which are now known as "Moral Re-Armament." The notion that society can be reformed and regenerated only by reform on the part of the individuals who constitute the society is as ancient, at least, as St. Augustine. Christians of any persuasion cannot find much fault with his definition of the regenerative virtues as "honesty, purity, unselfishness, and love," although some (including St. Paul) might be inclined to reverse the order in which he expounded them.

What Dr. Buchman's adversaries really disapproved most in his efforts were, first of all, his techniques of conversion; secondly, his special appeal to the well-to-do classes and his avidity to flaunt endorsements; third, his tendency to view questions in terms of absolutes and to impugn the motives of those who disagreed; and finally the disposition, still much evident among his disciples, to meddle in politics. His earliest successes were at Oxford University in the 1930's. Thus Buchmanism became known for a time as "the Oxford Movement," although it had very little relationship to the earlier movement associated with the names of Newman, Pusey, Keble, and Hurrell Froude.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

Mr. LONG of Louisiana. Mr. President, for the benefit of my friend from Wisconsin, while I am not sure I will vote with him on this question, I think he also knows, perhaps, that he made the Washington Post this morning. The story reads, "Proxmire holds floor second day in fight against nominee to FPC."

I am pleased to see at least once in a while the newspapers do report the facts. Apparently the distinguished Senator has held the floor for a considerable period of time.

I believe that he has demonstrated that he is somewhat earnest, and I have no doubt that he is seriously opposed to this nominee.

Mr. HUMPHREY. Is the Senator sure of that?

Mr. LONG of Louisiana. I gain this impression from reading the morning Post that he has made a rather determined fight on this issue.

I ask unanimous consent that the story be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROXMIRE HOLDS FLOOR SECOND DAY IN FIGHT AGAINST NOMINEE TO FPC

Senator WILLIAM PROXMIRE, Democrat, of Wisconsin, yesterday held the floor through the second day of a long speech against President Kennedy's nomination of a former Texas oilman to the Federal Power Commission.

He yielded for long stretches to other speakers, however, and was able during one

respite to have a lunch of scrambled eggs and skimmed milk in the Senate cloakroom.

In the first 6 hours of yesterday's session, PROXMIRE actually spoke only a little more than an hour and a quarter.

PROXMIRE said he was not filibustering, just going on record aginst what he termed a "shocking" move to give the oil and gas interests "their own boy on the Power Commission."

The nominee whose confirmation he opposes is Lawrence J. O'Connor, Jr., of Houston, who has been serving as oil import administrator in the Interior Department.

"Appointing this man to the Power Commission," PROXMIRE told a meager Senate audience, "is stacking the deck, loading the dice against the householder whose gas bills are rising steadily year after year."

PROXMIRE, who talked through most of Monday's 9-hour Senate session and said he might go on until early today, described O'Connor as prejudiced in favor of the industry he would help regulate as a Power Commission member.

PROXMIRE said the oil and gas industry already has a "tremendous advantage" from special tax benefits and does not need an advocate on the Power Commission.

The oil industry is so rich, he said, that it owns more airplanes than all the scheduled airlines in America. And it uses these airplanes, he said, to carry Government officials and employees on trips around the country.

PROXMIRE said that because of the oil depletion allowance one company, which he did not identify, made profits ranging up to $2 million annually over a period of 11 years on which it "didn't pay a penny of taxes."

Most of the time PROXMIRE was speaking there were fewer than half a dozen Senators on the floor. Senate leaders predicted O'Connor would be confirmed handily when the roll is called.

Debate on the Kennedy administration's foreign aid bill was sandwiched in between installments of PROXMIRE's talk.

Mr. LONG of Louisiana. I notice also, Mr. President, that in yesterday's newspaper there was a story entitled "More Talks Are Needed, Says Lao Rivals."

Mr. PROXMIRE. I also thank the Senator from Louisiana for clearing up this situation.

Mr. President, the FPC, in the Phillips case, tried to exempt natural gas producers from Federal regulation on its own order. In the 2d session of the 84th Congress, President Eisenhower vetoed the Harris-Fulbright bill to exempt natural gas producers from regulation because it gave insufficient protection to consumers. Is it really true that the consumers do not require the regulation of producers' rates? A number of people and groups thought otherwise in testifying against a bill to base FPC regulation on fair field prices in the 1st session of the 85th Congress, when the House Committee on Interstate and Foreign Commerce heard testimony against such a proposal—tantamount to freeing producers from utility-type rate regulation—from the following groups and persons: Included for the State of Wisconsin was Mr. Stewart G. Honeck, at that time the attorney general of the State of Wisconsin; for the State of Minnesota, the good friend and political colleague and associate of the distinguished senior Senator from Minnesota, Attorney General Miles Lord; and, of course, Wisconsin Public Service Commissioner Nicholas J. Lesselyong, who was an associate of mine when we were both in the State assembly some 10 years.

Also from the Wisconsin Public Service Commission Henry J. O'Leary, was the chief of the department of rates and research, one of the finest and most competent experts in the country.

The city of Milwaukee, Wis., had Harry G. Slater, a brilliant young lawyer and deputy city attorney; and, of course, there were many others representing many of the Midwestern States, especially Iowa and Michigan, as well as some of the Eastern States.

I ask unanimous consent that this entire list be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

THOSE OPPOSING THE HARRIS-O'HARA BILL AT HEARINGS IN MAY 1957 BEFORE THE HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE ON H.R. 6790 AND H.R. 6791, BILLS TO AMEND THE NATURAL GAS ACT TO EXEMPT PRODUCERS FROM CERTAIN KINDS OF RATE REGULATION

State of Wisconsin: Stewart G. Honeck, attorney general.

State of Minnesota: Miles Lord, attorney general.

Wisconsin Public Service Commission: Nicholas J. Lesselyoung, commissioner.

Wisconsin Public Service Commission: Henry J. O'Leary, chief, department of rates and research.

City of Milwaukee, Wis.: Harry G. Slater, deputy city attorney.

State of Tennessee: Frank G. Clement, Governor.

City of Nashville, Tenn.: Ben West, mayor.

Tennessee Public Service Commission: Harold Seligman, general counsel.

Tennessee Municipal League: Herbert Bingham, executive secretary.

Virginia State Corporation Commission: H. Lester Hooker, commissioner.

State of Michigan: G. Mennen Williams, Governor.

State of Michigan: Philip A. Hart, lieutenant governor.

Michigan Public Service Commission: James H. Lee, commissioner.

Public Utilities Commission of Colorado: Joseph F. Nigro, member.

Public Service Commission of the State of New York: Kent H. Brown, counsel.

City of Akron, Ohio: Leo A. Berg, mayor.

Milwaukee, Wis.: Frank P. Zeidler, mayor.

City of Pittsburgh, Pa.: J. Frank McKenna, Jr., city solicitor.

City of Buffalo, N.Y.: John J. Naples, corporation counsel.

Kansas City, Mo.: City council.

Providence, R.I.: Walter Reynolds, mayor.

City of St. Louis, Mo.: James V. Frank, city counselor.

Philadelphia, Pa.: Richardson Dilworth, mayor.

City of Cleveland, Ohio: Anthony J. Celebrezze, mayor.

City of Minneapolis, Minn.: Charles Sawyer, city attorney.

State of Minnesota: Harold J. Soderberg, special assistant attorney general.

City of Chicago, Ill.: J. J. Danaher, assistant corporation counsel.

City of Memphis, Tenn.: George E. Morrow, lawyer, authorized by mayor to speak for city.

City utilities of the city of Springfield, Mo.: John F. Carr, attorney.

City of Louisville, Ky.: Alan Neil Schneider, assistant city attorney.

City of St. Paul, Minn.: Joseph H. Dillon, mayor.

City of Columbus, Ohio: M. E. Sensenbrenner, mayor.

City and county of Denver, Colo.: John Banks, city attorney.

Lynchburg Gas Co., Lynchburg, Va.: Michael E. Shea, president.

Minneapolis Gas Co., Minneapolis, Minn.: P. L. Farnand, attorney.

City of Detroit, Mich.: Robert Reese, assistant corporation counsel.

American Public Power Association: Alex Rudin.

UAW: Walter P. Reuther.

ADA: Edward D. Hollander.

City of Youngstown, Ohio: Frank J. Battisti, assistant director of law, on behalf of Mayor Frank X. Kryzan.

City of Muscatine, Iowa: R. K. Stohr, city attorney.

City of Malden, Mass.: Malden City Council.

City of Medford, Mass.: city council.

City of Boston, Mass.: John B. Hynes, mayor.

City of New York: Robert F. Wagner, mayor

City of Detroit, Mich.: Louis C. Miriani, acting mayor.

City of Chicago, Ill.: Richard J. Daley, mayor.

City of Providence, R.I.: Walter H. Reynolds, mayor.

City of Minneapolis, Minn.: Eric G. Hoyer, mayor.

City of Birmingham, Ala.: J. W. Morgan, mayor.

City of Pittsburgh, Pa.: David L. Lawrence, mayor.

City of Tacoma, Wash.: John A. Anderson, mayor.

City of Toledo, Ohio: Ollie Czelusta, mayor.

City of Portsmouth, Va.: A. C. Bartlett, mayor.

City of Camden, N.J.: George E. Brunner, mayor.

City of Waterbury, Conn.: Edward D. Bergin, mayor.

City of Paterson, N.J.: Edward J. O'Byrne, mayor.

City of Bridgeport, Conn.: Jasper McLevy, mayor.

City of New Haven, Conn.: Richard C. Lee, mayor.

City of Duluth, Minn.: Eugene R. Lambert, mayor.

City of Medford, Mass.: Alfred P. Pompeo, mayor.

City of Newport, Ky.: Alfred G. Maybury, mayor.

City of Montgomery, Ala.: W. A. Gayle, mayor.

City of New Bedford, Mass.: J. Lawlor, mayor.

City of Racine, Wis.: Jack H. Humble, mayor.

City of Albuquerque, N. Mex.: Maurice Sanchez, chairman, Albuquerque city commission.

City of Covington, Ky.: W. Schneider, mayor.

City of Cambridge, Mass.: Edward J. Sullivan, mayor.

City of Warwick, R.I.: Raymond E. Stone, mayor.

City of Wheeling, W. Va.: Jack R. Adams, mayor.

City of Sioux City, Iowa: George W. Young, mayor.

City of Grand Rapids, Mich.: Paul G. Goebel, mayor.

City of Erie, Pa.: Arthur J. Gardner, mayor.

City of Yonkers, N.Y.: Kristen Kristensen, mayor.

City of Fall River, Mass.: John F. Kane, mayor.

City of Flint, Mich.: George M. Algoe, mayor.

City of Roanoke, Va.: Walter L. Young, mayor.

City of Wyandotte, Mich.: John E. McCauley, mayor.

City of Utica, N.Y.: John T. McKennon, mayor.
City of Brunswick, Ga.: C. L. Strickland, mayor.
City of Sioux Falls, S. Dak.: Fay Wheeldon, mayor.
City of Wilmington, Del.: Alexander R. Abrahams, mayor.
City of Gadsden, Ala.: Hugh S. Patterson, mayor.
City of Newark, N.J.: Leo P. Carlin, mayor.
City of Kansas City, Mo.: City Council of Kansas City, Mo.
City of Baltimore, Md.: Thomas D'Alesandro, Jr., mayor
City of Ann Arbor, Mich.: Samuel J. Eldersveld, mayor.

We must not overlook the lessons to be learned from the Phillips case. The Supreme Court decision did not reverse precedent. It did not overthrow precedent. It was a natural extension of earlier decisions. It was an energetic and wise expression of the public need. It recognized the broad congressional intent of the Natural Gas Act. In light of these facts, the FPC order of August 16, 1951, is an astonishing revelation of its sympathy for the natural gas industry.

The Court overthrew the arguments advanced by the supporters of this nomination, namely, that producers' rates have little effect on consumers' prices. The Phillips Petroleum Co's. brief advanced that argument. The Court said that producers' rates may have direct and substantial effects on the price paid by the ultimate consumers. FPC hesitation on the jurisdictional question was condemned.

Today we try that case again. Again it is the producers verses the consumers. The arguments are the same. The characters are similar. The decision, I earnestly hope—although frankly I am not completely optimistic about it—should be the same, which would mean the rejection of the nomination of Lawrence O'Connor.

LEGISLATIVE AND LEGAL HISTORY

The gas industry's efforts to escape regulation go back a long time. An excellent discussion of this subject was written in 1956 by my distinguished colleague from Illinois, Senator DOUGLAS. His article appeared in the American Economic Review. Because it provides a detailed description of the unhappy and sometimes dramatic history of legal and legislative efforts by gas companies to escape regulations, I shall speak some of it verbatim as I go along.

The advocates of the Harris-Fulbright bill in 1955 and 1956 proposed to overrule and supersede the 1954 decision of the U.S. Supreme Court in the Phillips case. In that case, the highest Court in the country held that the Natural Gas Act of 1938 required the Federal Power Commission to regulate the price at which the natural gas was sold to the pipeline companies in interstate commerce for resale. In so doing the Court was merely upholding the previous decision by the U.S. Circuit Court of Appeals for the District of Columbia Circuit—State of Wisconsin against FPC.

Many advocates of the bill exempting these sales from regulation seek to reargue the case decided by our highest Court. They contend that the Court was mistaken in its interpretation of the 1938 act and that their proposed exemption merely restores to this act its real meaning and is in conformity with the actual intent of Congress in passing the measure. I do not intend to argue this point at any great length. Suffice it to say, these same contentions were made in great deal by the oil- and gas-production industry before both the court of appeals and the U.S. Supreme Court, and in both instances the courts rejected these arguments.

PHILLIPS RULING SOUND

But while a lengthy analysis would be inappropriate, it may be worthwhile to summarize briefly the reasons why the decision in the Phillips case was sound and well taken. The best way to do this is to cite the salient passages in the 1938 Natural Gas Act and see what they mean. Section 1(b) of that act provides that it shall apply "to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas."

These functions of regulating the sales in interstate commerce of natural gas for resale for regulating the sales in interstate commerce of natural gas for resale for ultimate public consumption were thus confided to the FPC.

What needs to be especially noted is the fact that the FPC was given jurisdiction not only over "the transportation of natural gas in interstate commerce," but also over "the sale in interstate commerce of natural gas for resale." Now, the sales of natural gas by producers to pipelines which cross State lines are obviously sales in interstate commerce, and, if it is then resold by the pipeline companies to the local distributors "for ultimate public consumption," as it in fact is, it is quite obviously also a "sale for resale." The plain commonsense use of the English language, therefore, confirms the interpretation of the Supreme Court. Were not powerful economic groups interested in avoiding regulation, the plain meaning of these words would be unquestioned.

TORTURING THE LANGUAGE

But the big producers have tried to alter this meaning. They lay their emphasis upon the exemption later in the same paragraph of "the production or gathering of natural gas." They argue that the sale of the gas to the pipelines is an integral part of the physical processes of production or gathering and, hence, cannot properly be regulated by the FPC. This contention that a sale of gas which will then move through pipelines into interstate commerce and for resale to the consuming public should not be treated as a real sale, but rather as a part of "production or gathering," is quite extraordinary.

Production and gathering are physical processes which are clearly distinguishable from the economic and legal transactions of sale. Sale—and consumption—is in fact the ultimate purpose of all natural-gas operations. To assert that this ultimate purpose, this economic and legal transaction, is a mere "incident" of production or of gathering, is to reverse the proper relation or relative importance of these separate factors. Perhaps the whale could swallow Jonah, but I doubt that Jonah could swallow the whale. And the Court believed the same.

Furthermore, the physical processes of production and gathering in the States of origin, like distribution and retail sales in the States of consumption, were clearly within the power of the States to regulate. Wholesale sales in interstate commerce were, on the other hand, ruled by the Supreme Court at an early date to be outside the power of the States to regulate.

There was and is, therefore, under our Federal system a great difference in the legal status of production and gathering, on the one hand, and sales in interstate commerce for resale, on the other hand. It was this very gap in regulation which led to the Natural Gas Act—the gap created by the illegality of State efforts to regulate interstate wholesale sales, and the lack of any exercise by Congress up to 1938 of the Federal power to regulate such sales. This gap in control over these sales was cited over and over again in the reports and in the debates leading to the adoption of the Natural Gas Act in 1938.

To yield to the claim that act's exemption of production and gathering, which the States can and do regulate, carried with it the sales in the field of interstate commerce for resale, which the States could not regulate, would have recreated the very gap which Congress said it intended to close. The Court explicitly rejected this argument. Sound legislative interpretation thus supported and supports the commonsense conclusion that the economic and legal transaction of sale cannot and should not be shanghaied out of the regulatory power of the Federal Government under the cloak of production and gathering.

THE INTENT OF CONGRESS

But the intellectual contortions which the advocates of the bill went through were even more remarkable when they attempted to interpret the legislative history of the Natural Gas Act.

With great solemnity they cited testimony before a congressional committee in 1936 by Mr. DeVane, then Solicitor of the Power Commission, to prove that the 1938 act was not intended to give that Commission jurisdiction over the proper price of natural gas as sold to the pipelines. In so doing, they glossed over the fact that Mr. DeVane's testimony was not only given 2 years before the passage of the Natural Gas Act, but was also on a very different bill which was never passed. The 1936 bill merely sought to give the FPC jurisdiction over the interstate transportation of natural gas and, hence, covered only long-distance pipelines. There was no language in the 1936 bill which could be interpreted to cover the sale by the producers of natural gas to the pipelines.

A DIFFERENT BILL

But when the 1937 bill came before Congress, it was a very different measure. It contained very specific language by which the FPC was to have jurisdiction over the sale of natural gas in interstate commerce "for resale to the public," while in a natural gas company was also defined to include a person engaged in the sale of natural gas in interstate commerce "for resale to the public." This obviously gave jurisdiction over the sale of natural gas to the pipelines, as well as over the transportation of gas by the pipelines. As a result of the hearings on the bill, even this language was stiffened so as to make it perfectly clear that both the sale of natural gas to and the transportation of natural gas by the pipelines were within the scope of the act and the jurisdiction of the FPC.

But perhaps the most conclusive of all was the colloquy on the floor of the Senate, during the debate on the bill, between Senator Connally, of Texas, and Senator Wheeler, of Montana, who was in charge of the bill:

Mr. CONNALLY. If a man should produce gas in my State and ship it in interstate commerce, then he would have to sell it at the price fixed by the Commission?

Mr. WHEELER. Exactly; at the wholesale price fixed by the Commission.

A succeeding colloquy among Senators Borah, Connally, and Wheeler makes this crystal clear:

Mr. BORAH. If the Commission does not have the power to fix the price of gas who will fix it?

Mr. CONNALLY. Nobody, of course.

Mr. BORAH. Then it will be fixed by these combinations?

Mr. WHEELER. Exactly; and that is exactly what is happening.

This should be definitive. It should also be noted that the two members of the Supreme Court which decided the Phillips case who were members of the Senate when the Natural Gas Act was passed agreed with the majority that such was the intent of Congress. It was originally the height of carelessness for the advocates of this bill to cite DeVane's earlier testimony on a very different bill as proof that it was not the intent of Congress to include the sale of gas for resale in interstate commerce, as well as its transportation, in the Natural Gas Act. But it is difficult to characterize as anything but deliberate the persistence with which this claim is still being advanced long after its falsity has been demonstrated.

THE PHILLIPS CASE WAS NO SUDDEN ASSERTION OF FEDERAL AUTHORITY

The advocates of legislation to exempt producers were obviously wrong in attempting to alter the meaning and scope of the 1938 Natural Gas Act.

But their bland insistence that it was not until the Supreme Court's decision in the Phillips case that they had any idea that sales of gas to pipelines were under the jurisdiction of the FPC is an even more amazing argument. For while it is true, as Senator O'Mahoney has said, that the FPC has "wobbled all over the face of the earth" on this question, it is also true that as far back as 1947 the U.S. Supreme Court in the Interstate case had made it crystal clear by a unanimous opinion that the jurisdiction of the Commission did extend to an independent producer's sale at wholesale in interstate commerce of gas destined for resale.

In this, as in the Phillips case, the big producers contended that the sale of gas which then subsequently crossed State lines was outside Federal regulation because it was an integral part of production or gathering. But the Court held—and please note that this was by a unanimous vote—that this did not exempt those sales from being included under the provision governing sales in interstate commerce for resale.

The Court, in an opinion by Chief Justice Vinson, held that "in denying the Federal Power Commission the jurisdiction to regulate the production or gathering of natural gas, it was not the purpose of Congress to free companies such as petitioner from effective public control. Exceptions to the primary grant of jurisdiction in the section are to be strictly construed. It is not sufficient to defeat the Commission's jurisdiction over sales for resale in interstate commerce to assert that in the exercise of the power of rate regulation in such cases, local interests may in some degree be affected.

THEY TRY AGAIN

In fact, it was this very ruling of the Court that caused the gas-producing interest to sponsor the Moore-Rizley bill in the Republican-controlled 80th Congress. This bill aimed to do exactly what the Harris-Fulbright bill tried to do, namely, one, to free from Federal regulation the sale of gas to the interstate pipelines by the so-called independent producers, and two, to free the pipelines themselves from having the Power Commission fix the price which the pipelines were to allocate to gas which they produced themselves and which they took into their own long-distance lines. The Moore-Rizley bill passed the House, but the resultant storm of indignation was so great that the bill never passed the Senate and indeed was not even brought out of committee.

But the big gas producers did not quit. They were so stirred up by the Interstate decision and by the fact that the Commission in a burst of courage asserted its jurisdiction that in 1949–50 they sponsored the Kerr bill, which came before the Senate in the latter year, 1950. The Kerr bill, however, was not quite as bad as the Moore-Rizley bill or its modern sister, the Harris-Fulbright bill, since it did not free the pipeline themselves from regulation of the prices allowed them for the gas they produced.

The Kerr bill passed the House by the narrow margin of 176 to 174 and the Senate by a vote of 44 to 38. But it was courageously vetoed by President Truman, and no effort was made to override that veto, which had the support of a 3-to-2 vote in FPC.

But still the giant gas producers refused to quit. They induced the FPC to refuse to take jurisdiction over the price which the Michigan-Wisconsin and other pipeline companies were compelled to pay to the Phillips Co. for gas which ultimately went to Michigan, Wisconsin, Missouri, and Iowa, and to certain other States as well. They thus attained by administrative refusal to act what they had sought to secure by legislation.

Mr. President, this is, of course, the precise reason why I keep contending that the nomination of the nominee will be in effect trying the Phillips case all over again, and that if this nomination is confirmed, it will mean that the Federal Power Commission, in all likelihood, will continue to ignore the edict of the Supreme Court and the clear wish of the Congress.

Mr. METCALF. Mr. President, will the Senator from Wisconsin yield at this time for a couple of questions?

Mr. PROXMIRE. I am delighted to yield to the Senator from Montana.

The PRESIDING OFFICER. The Senator yields for a question.

Mr. METCALF. The action in the House of Representatives yesterday, in failing to approve the Hanford reactor plant, is an appalling waste; it is reminiscent of the action of the Federal Power Commission in licensing the Hells Canyon giveaway, where we lost millions of acres of storage at Hells Canyon Dam and built three small and inadequate dams that do not produce enough storage, and insufficient power—the same kind of waste that we have by failure to use the facilities of the Hanford reactor. The Senator from Wisconsin has spent a great deal of time on natural gas, and the Phillips case, in developing the consumer interest. But the Senator from Wisconsin has, I think, not spent enough time in analyzing the effect of this case on hydroelectric energy.

As the Senator knows, all over America the Federal Power Commission has authority to license the development of all the streams, the water resources of America, which may be much more important than the power to control the natural gas systems of America, much more important in the development of the energy of our country, and much more important in the development of our other resources.

I wonder if the Senator from Wisconsin would discuss the effect of the appointment and confirmation of Mr. O'Connor to the Federal Power Commission with respect to the hydroelectric energy and the aspects and the jurisdiction of the Federal Power Commission.

Mr. PROXMIRE. I say to my good friend from Montana that he is absolutely correct in asserting that the Federal Power Commission's jurisdiction over the electrical utilities and over the public power and private power industry is very important. It is a function which I think can properly be classified at least as important, perhaps in many ways more important, than its jurisdiction over the natural gas industry.

It is difficult for the Senator from Wisconsin to discuss the pertinence of this particular nominee to this field, except to make the following observations:

First, although the nominee was before the committee and his nomination was enthusiastically supported by those who believed that it should be approved,

I have not seen a single indication of any kind that the nominee has any particular qualifications, any particular knowledge, any particular understanding of this very important area of jurisdiction by the Federal Power Commission.

I do not believe in making assumptions without evidence. But I must agree there have been many people who have not had solid qualifications for appointment to utility commissions who have turned out to be less concerned with conservation of resources, than they have been with the immediate interests of the businesses involved, and other considerations.

I recall the devastation of the most valuable natural resource my own State has, its timber resources, at the turn of the century. I have in mind the fact that many elements, at least, in the oil industry, have been willing to use up this precious resource without regard for the long-term interests of the country. Such an attitude tends to be the bias of people whose sole or prime responsibility is one of accounting or financial management, in an industry.

It seems to me that a man who is an accountant, and whose experience has been as vice president of an oil and gas company, would not have any positive, evident qualifications to become a real champion of the conservation issue, or one who is interested in developing the great resources of our country in a constructive way and conserving them.

Mr. METCALF. Has the Senator from Wisconsin given any consideration to the fact that many distributors of natural gas are also distributors of electrical energy? The Montana Power Co., in my own State, is the sole distributor of natural gas over much of the State of Montana, and of course, it owns many dams on the Missouri and Columbia Rivers that are licensed by the Federal Power Commission.

I heard the Senator from Wisconsin enumerate some of the other public utilities. For instance, the Pacific Gas & Electric Co., on the Pacific coast, distributes both natural gas and electrical energy. It would seem to me there would be a comparison and a parallel between the interests of the nominee in the field of natural gas and in the field of electrical energy. It would seem to me that the consumers of electrical energy would have the same wariness about confirmation of the nomination which the Senator from Wisconsin expresses, because of the relationship of the nominee to the natural gas industry.

After all, this is a field of energy. The distribution of one type of energy sometimes rivals the distribution of another type.

The Montana Power Co., the Montana-Dakota Utility, the Pacific Gas & Electric Co., and the Washington Power & Light Co. distribute both natural gas and hydroelectric energy or thermal energy produced by coal plants or steam plants. The fact that they produce and distribute both makes possible even a greater monopoly than the Senator from Wisconsin brought out during the course of the discussion. It seems to me we should have even a greater fear of this man, because of dual jurisdiction on the part of the Federal Power Commission over water resources and development of power resources both for electricity and for natural gas.

Mr. PROXMIRE. The discernment of the Senator from Montana obviously exceeds that of the Senator from Wisconsin. I think the Senator is absolutely correct. There would certainly be that tendency. There is a precise parallel.

The electric utility field is at least as important as, and perhaps more important than, the natural gas field. I do not have the economic figures. Of course, there is not any precisely similar situation so far as production is concerned, at least in quite the same way. Nevertheless, there is a basic problem of producers versus consumers.

It is not a question of whether the consumer interest will be recognized and defended and championed; or whether it will be understood. It is not the case that the consumers should be exclusively identified, even as the Senator from Minnesota said earlier, but rather we are concerned with the pattern of thinking. There is a fundamental feeling of the need for equity to the consumer, viewing the utility as an instrument which, over the long run, should primarily serve the consumer. That pattern of thinking would be very unlikely to be found in a man whose whole identification has been with the producer. Obviously, throughout his life, the nominee, by reason of his experience with the gas utility, as a producer, has had a view of the consumer not exactly as an antagonist, but as somebody on the other side of the fence.

The Senator gave a very useful comparison.

Mr. METCALF. I should like to point out what happened in the Hells Canyon case, when the Federal Power Commission licensed the Idaho Power Co. to build a low dam for inadequate development of the river. This not only affected the consumers of hydroelectric energy in the distribution area for the Idaho Power Co., but also affected every American, because it meant there was inadequate development of that great resource on the Snake River. It meant there was inadequate storage all up and down the Columbia River. It meant a denial of protection to conservationists who were interested in the preservation of the upstream areas and in the development of primitive and wilderness areas in the Selway and Idaho national forests were denied protection. It meant a destruction of fisheries because of inadequate provision for fish protection.

The Federal Power Commission, in failing to do a job for the consumer, also failed to do a job for the conservationists and for the other resource managers.

It seems to me we should point out the parallel between this failure in the hydroelectric field and the favoritism for the producers and distributors of electrical energy which was demonstrated yesterday in the House of Representatives when it was said, "It is better to waste all this heat which is developed in our Hanford plant, and let it go into the Columbia River, and perhaps destroy our fisheries industry, than for the consumers to benefit from a powerplant."

Mr. PROXMIRE. Mr. President, it seems to me the logic of the Senator from Montana is irresistible. As the Senator has shown, a narrow producer's viewpoint not only excludes the consumer and damages the consumer, but also damages the broadest kind of public interest. I think the Hanford analogy is thoroughly pertinent. This was a key project, by which the interests of all Americans would be better served, but the narrow, shortrun interests of competitive private industry might not be quite as well served.

Of course, the same was true with respect to Hells Canyon, as the Senator from Montana so well stated. That was a dam which would have made America stronger and richer and better, and would have developed our resources far more intelligently and fruitfully. However, the narrow, shortrun interests of the utility producers would be adversely affected, obviously, in the view of the private utilities. It was this impact on the Federal Power Commission which was successful, which prevailed in virtually every case. It will prevail unless people of real substance, with broad-gage viewpoints, who have not had an identification with the producers, and certainly not as exclusively and entirely as the nominee has had, are appointed.

Mr. METCALF. I thank the Senator from Wisconsin for his observations.

Mr. PROXMIRE. Mr. President, I thank the Senator from Montana very much. I think this sharpens the case a great deal and, in my judgment, strengthens the position I take against the confirmation of the nomination.

(At this point Mr. METCALF took the chair as Presiding Officer.)

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. What is the Senator's attitude toward the argument in favor of competitive pricing in the gas fields? I particularly have in mind the argument which is made in Louisiana and elsewhere that one cannot really expect a gas producer to sell his gas to an interstate carrier willingly for a lesser price than he could sell it to a domestic industry within his own State. Would the Senator undertake to try to prevent a producer from selling his gas at a higher price within the State where the gas is produced?

Mr. PROXMIRE. I think not. I think the Senator from Louisiana earlier in the evening made a devastating case that there is serious discrimination against many producers. I have seen no argument against the minimum pricing laws, for example, in Texas, Oklahoma, and Kansas, which, of course, do discriminate.

Mr. LONG of Louisiana. I am happy to see the Senator take the attitude he takes toward the minimum pricing laws. As the Senator knows, we do not have

them in Louisiana. A number of people have large gas reserves in Louisiana, in fields not being presently produced. Many of us would like to see the gas produced, because it would result in revenue to the State. The State has severance taxes on producers, and of course expects producers to pay income taxes. It would also result in additional industry, if people sold the gas, because pipelines would have to be laid and processing plants would have to be built, to extract certain elements from the gas before it goes into commerce.

It is difficult to see how anyone can expect people to sell their gas at a lesser price in interstate commerce than that which they would hope to get if the gas were sold purely within the State.

Incidentally, I believe that half the gas is sold in the producing States. Of that half, most are industrial sales.

I was curious to know what was the Senator's attitude toward these sales, assuming that the gas is sold at relatively high prices and assuming, for the sake of argument, that the prices are good prices to the producer, and perhaps bring an exorbitant profit, if a good gasfield is under consideration.

Would the Senator hope to prevent such a person from selling the gas for a higher price within the State? Does he have any idea as to how he could require the person to sell the gas in interstate commerce?

Mr. PROXMIRE. It seems to me if the sale of gas is within the State, it is completely outside the jurisdiction of the FPC in accordance with the Natural Gas Act passed in 1938, and there would be no possibility of jurisdiction.

I think jurisdiction under those circumstances would be pernicious. I would not want to see it. I do not think it is necessary or proper, and it has no chance.

With regard to the sale by the producer of gas in interstate commerce, it seems to me that on the basis of the record there may be a case that can still be made that the pipelines, the integrated producers, and the integrated operators, have such discriminating power that they refuse to buy from the small producers. I think that that kind of monopolistic or oligopolistic situation, in which the buyers instead of the sellers have a monopoly, should be subject and is subject to antitrust laws; and if not, if the Antitrust Division is too busy or is reluctant to act, as they have been so often in the past, it would seem to me that it makes sense that the Federal Power Commission should be able to act under these circumstances.

Mr. LONG of Louisiana. I am sure the Senator from Wisconsin is aware that these contracts cause small producers to get such a poor price for their gas, because they are, in many instances, old contracts.

Those were not necessarily bad contracts when they were signed. It might have been a good deal when the contract was signed. But in view of the increase in the price of gas, a seller who is bound by one of the old contracts signed, let us say, 20 years ago—and that would include many small sellers—may find themselves stuck with an old contract that will not let them make more than perhaps 3 or 4 cents, while on new contracts a person might get a far higher price, perhaps 9 cents, 15, or maybe 22 or 23 cents, as the Senator suggests.

But it is difficult for me to see how the Senator or anyone else could expect a producer in Louisiana, for example, to sell gas to a pipeline for 10 or 15 cents if he could sell gas within his own State for 20 cents. As a matter of simple economics, I do not think we could expect a man to sell gas in Wisconsin for a cheaper price than he could get for the gas if he sold to someone in his own State.

Mr. PROXMIRE. I think that is correct.

Mr. LONG of Louisiana. As a gas-producing State, we would like to sell the Senator some gas.

Mr. PROXMIRE. We would like to buy some, too. We are not happy about this situation in which one producer sells us practically all our gas.

Mr. LONG of Louisiana. But the problem that some of us have is that, in wanting to sell gas, we would nevertheless not want to sell it for a lesser price than we might be able to get by selling it to a purchaser within our own State.

Some people argue that the thing to do is to keep the gas until we can attract enough industry to use our gas production. But there is presently a considerable inclination on the part of those who have large reserves to sit tight and hold those reserves, feeling the gas in competition with coal, let us say, is worth about 23 cents per thousand at the wellhead if we consider the comparative British thermal units available, and that they just should not sell it for a lesser price than that.

Mr. PROXMIRE. That is correct. As I understand, there is on the part of some of the big producers, with enormous gas fields, a very great control of their reserves. I put some figures into the RECORD earlier showing that some of the big producers have many years of reserves. As I recall, one has more than 80 years in terms of present sales of reserves. Another has 40 years. The figures are very impressive.

Mr. LONG of Louisiana. I have in mind a number of instances in which whole gas fields are being held by the potential producer, paying rentals and royalties on it, just sitting there with it because the producer does not feel that the time is right to sell it, or that in the present state of the law it would not be a good deal for him.

Mr. PROXMIRE. I think that is probably true. That tends to be true whenever any commodity is subject to inflation, and an inflationary trend looks as if it is going to continue for a long time in the future, the tendency is to say "Hold on to it." Anybody who looks at the chart and sees what has happened to natural gas since 1945 will note that it has been going up in almost a vertical line—a 45° angle, at any rate—during that period. The producer says "Why not sit on our reserves. If the price is going up at this rate, in another 15 years if it trebles again, our gas will be worth 52 cents per thousand cubic feet instead of 13 cents. It has gone up from three, and perhaps this trend will continue."

The fact that the big producers are able to hold back their reserves is one of the factors that give them enormous bargaining power.

The reserves are still very large. I thought the Senator's example earlier tonight was really a beautiful one—the idea of being able to walk for many miles in Louisiana by the light of flaring gas wells.

I think that situation has tended to correct itself. Also, of course, there are a number of other requirements, including State requirements for limiting the amount that can be sold for conservation purposes, including the requirement that in some cases pipelines must have 20 years of reserves.

This kind of thing puts some of the big, powerful producers in a very strong bargaining position by reason of which they have become quite dominant in the industry.

Mr. LONG of Louisiana. Of course, so far as producers are concerned, they are not eager to sign up for 20 years. They would prefer to sell their gas from day to day or for a year at a time, and sell it the way they sell oil from the wells.

But as the Senator so well knows, the pipelines take the position—and the Federal Power Commission apparently requires that as a condition of getting a permit—that the pipeline must have a 20-year contract. Tied to such contracts, the producers feel that they have no choice but to try to get an escalator clause or favored nations clause or some kind of arrangement so that, assuming that their costs go up over a period of 20 years, their price will go up as the cost goes up.

Now there is nothing unusual about that. I know the Senator objects to some of these clauses in contracts. But I do not think he would want to require a producer to sign at a fixed price for 20 years.

If one is in the milk business and agrees to sell milk at 10 cents a quart for the next 20 years, costs might go up so much that that contract might bankrupt him.

Mr. PROXMIRE. The Senator is absolutely correct, although, of course, history indicates that these contracts have not worked out so well for the producers, even though I am sure it was thought at the time that these escalator clauses worked to advantage, but actually escalation was perhaps a cent every 5 years, and the price has gone up more rapidly. The producers would be better off without such a provision.

There are other adjustments in these contracts, and some of the contractual patterns I have seen are very favorable to at least some of the big producers.

Mr. LONG of Louisiana. The Senator is a fairminded man, and I know that he would not want to contend against a reasonable increase in price when the cost the producer has to sustain has increased.

I believe that while we may not be able to agree on the exact mechanics, I think that he recognizes the basic fairness of

something in a contract which would allow for some increase in the price, in the event that the cost to the producer increased.

Mr. PROXMIRE. Yes; I think that goes to the very heart of the regulatory principle. If we are to regulate industry, we must see that it gets a fair return, and that fair return means that if costs increase, the prices must increase. That is absolutely correct.

Mr. LONG of Louisiana. Is the Senator wedded to the principle that price to gas producers ought to be fixed on a utility basis in the same manner as is the cost for the generation of electric power, or is he prepared to concede that it might be desirable to permit the price to depend somewhat upon competitive factors in the industry?

Mr. PROXMIRE. I think there is no question that competitive factors in the industry should be of very great importance. I think that attempts to impose the strictly public regulatory cost system have not worked out very well. But I also feel strongly that some cost data should be required and considered by the regulatory body, so that it knows what it is doing. I recognize that this is not entirely for many reasons a satisfactory basis.

Mr. LONG of Louisiana. One reason I ask the question is that it would appear to this Senator that some day we shall have to pass a Gas Act to clear up some of the confusion that exists in the present state of the law. When that day comes, I hope we can find a formula that will not cause the Senator to oppose the bill as vigorously as he is opposing this nomination. I presume that if four or five Senators opposed such a bill as vigorously as the Senator is opposing the nomination, the bill would never get through. So we need to arrive at some formula under which producers can feel that they can sell gas and feel that they are being treated fairly.

A few moments ago I mentioned to the Senator that any producer will tell us that one is not serious about buying his gas, if he hopes to buy the gas for an interstate sale at a lesser price than the producer could sell it in the State in which it is being produced. I am inclined to think that one of these days producers would be willing to agree to make their gas available at the same price that is paid in the producing State. Does the Senator agree with that statement?

Mr. PROXMIRE. I agree with the Senator.

Mr. LONG of Louisiana. I think the Senator from Wisconsin can make a good case that a producer should not charge for gas to be sold in Wisconsin a price which is 50 percent of that which he would charge for the gas to be sold at New Orleans, for example.

Incidentally, the defeat of the minimum price on gas was the result of a situation in New Orleans. The New Orleans City Council had the benefit of some of the older contracts. The minimum price bill would adversely affect the rate in the city itself. I believe that their opposition, plus the opposition of certain persons in the pipeline business, who I believe are in the business of buying cheap and selling high, and perhaps fixing rates on a higher basis than they might otherwise have occasion to do—fixing rates that did not reflect the cheap price that they were getting—was perhaps in large measure responsible for the fact that Louisiana never saw fit to pass a minimum pricing bill.

Mr. PROXMIRE. I thank the Senator from Louisiana very much. His observations are highly pertinent and useful.

After the veto of the Kerr bill, the giant producers refused to quit. Upon suit of the cities of Detroit and Milwaukee and the States of Wisconsin and Michigan first the circuit court of appeals and then the Supreme Court, as I have said, reversed the decision of the Power Commission and told it to assume affirmative jurisdiction over the price at which the pipelines bought gas from the so-called independent producer which was destined to enter interstate commerce and, by resale to distributors, to be sold to the general consuming public. If the decision of the Court is carried out, then there must be general regulation of such prices.

In the light of the clear language of the act, the clear explanations of Senator Wheeler in the Senate debate, the clear rulings of the courts in 1942, 1946, 1947, and 1953, and the previous unsuccessful drives to amend the act in 1947 and in 1950, it is difficult to understand how the producers can reasonably claim that the Phillips decision in 1954 surprised them.

WHY DID THE POWER COMMISSION WOBBLE?

It is perfectly true that the FPC has at different times taken opposite sides on this question. In the late thirties and early forties, the supply of natural gas in the Southwest greatly exceeded the demand, with large amounts being burned or "flared." It was then a buyer's market, and the FPC probably felt that there was little or no immediate need to regulate the price.

For a brief period, however, they did assert jurisdiction over field prices and were upheld by the circuit court in 1942 and again in 1946. But almost immediately afterward they then reversed themselves and argued in the Supreme Court against their own decision and against the decision of the court of appeals. The Supreme Court, as I have previously stated, however, ruled in 1947 that the act gave the Commission jurisdiction. Even after the Interstate decision, the Commission did not take jurisdiction.

But after the completion of a thorough field survey, there was a change of opinion within the Commission and the majority took a stand against the Kerr bill. President Truman reappointed one of the members of the Commission who had taken a stand against the Kerr bill. But the Senate refused to ratify this appointment. As the senior Senator from Texas remarked with characteristic delicacy before the Senate Committee on Interstate and Foreign Commerce:

> But he [the Commissioner in question] changed his mind, and there were changed appointments. (Hearings before the Senate Committee on Interstate and Foreign Commerce on S. 712, S. 1248, S. 1853, S. 1880, S. 1926, S. 2001, 84th Cong., 1st sess. 65 (1955).)

BUCHANAN DENIED REAPPOINTMENT

Then there was a reverse switch inside the Commission which, with the appointment of a new member—the new Commissioner voted against taking jurisdiction in the Phillips case—changed a three to two majority for regulation into a four to one majority against regulation. Shortly afterward the remaining member, Mr. Buchanan, who had held out for regulation, was denied reappointment by the White House after the change of administration and resigned shortly before his term expired.

All know the great pressure which has been exerted by the big producers on the Commission and upon its members and the punishment which has been meted out to those who took an opposite stand. Since this is a real world, it is not to be wondered at that the majority of the Commission has chosen to play it safe, although there were rumbles of dissent from time to time by Commissioners Draper and Connole.

From this summary of the legal history, it is therefore apparent that legislation supported by producers sought to set aside the clear and repeated ruling of the Supreme Court, which affirmed the duty of the FPC to protect the public interest by regulating sales of natural gas in interstate commerce for resale. And the shifts and sidesteps of the FPC—whatever appeals or pressures may have produced them—are at variance with the steady line of decisions by the courts and cannot reasonably be made the basis for a claim that the consumers of gas and the distributing companies and the pipelines have lost their rights to a protection given them in the Natural Gas Act. And my fear is that the present appointment is part of this same sorry story. The independent Petroleum Association of America has repeatedly testified in favor of exempting legislation.

MAIN CHARACTERISTICS OF GAS INDUSTRY

In order to appreciate why it is so essential that producers' sales in interstate commerce be regulated, one must understand how the gas industry works. Let us start at the consuming end. There are three main classes of users: residential, commercial enterprises, and industrial plants. Gas for residences is used primarily for heating dwellings and water, and for cooking, with some use for refrigerators and clothing dryers. Since heating is the most important of these uses, this means that the residential demand is high in the winter months and dwindles away to almost nothing in the summer, and to very low levels in the late spring and early fall.

The industrial demand is of two main types—interruptible and firm. The gas for interruptible industrial use is sold almost exclusively during those months when the residential demand is either low or nonexistent. It therefore is designed to fill up the seasonal valleys in residential demand. The industrial plants which burn gas on this basis for

heat and power use alternate fuels such as oil and coal at other seasons of the year. They have these alternative fuel systems existing side by side and can switch from one to another according to whether gas or fuel oil or coal is the cheapest. The sales of firm gas to industry are mostly to utilities in the South and the Southwest for the purpose of generating electrical power.

Over 97 percent of all the gas sold to consumers is natural gas—and this percentage has increased markedly in the last 25 years—in 1959 the residential customers of utilities using unmixed natural gas numbered 26.8 million families, some 90 percent of consumers buying all types of gas from utilities. This was an increase of 7 million residential customers for natural gas over 1954.

RESIDENTIAL VERSUS INDUSTRIAL

In 1959 the residential customers of utilities bought 34 percent of the natural gas sold, and paid 55½ percent of the revenues received from natural gas sales. This situation was very different for the industrial customers of utilities, who bought 44 percent of the gas sold by utilities but contributed only 30 percent of their revenues. This shows how much higher the rates are for residential than for industrial gas.

The producers of natural gas in September of 1960 sold 83.66 percent of their volume for industrial and commercial use, but obtained only 57.8 percent of revenue from such sales. If, indeed, we separate the natural gas bought by industry into the two categories of firm and interruptible, we find from the 1953 figures, which are the most complete available, that in that year the firm gas came to 1.6 trillion cubic feet, for which $402,959,000 was paid, while the interruptible gas sold amounted to 1.3 trillion cubic feet, for which $279,177,000 was paid.

As we shall see, this indicates a "dump" rate for the interruptible gas which is appreciably lower than the firm industrial rate. The disparity in rates is, therefore, even greater between the residential and the interruptible industrial gas than indicated by the 1954 figures.

All these local sales of natural gas are made by distributing companies, varying from large concerns such as Consolidated Edison of New York City, United Gas Improvement of Philadelphia, and Peoples Gas of Chicago and its suburbs, to smaller gas utility companies. These companies bear the cost of laying the local mains which bring the gas to the consumers and which for the Nation amount to nearly 300,000 miles. They also pay for hooking up the household appliances or industrial burners with these mains. The average current cost for connections with a given house is estimated at $500 per unit. In view of the attacks which the big producers are now making upon local distributors, these heavy expenditures need to be borne in mind.

THE CONSUMERS' INVESTMENT

Let us now turn to the present investment which consumers have made in the various types of household appliances. The 26.5 million residential consumers in 1955 had a total investment in major gas appliances of $14,396 million or an average of $542. This is a large sum to a typical family, being 13 percent of the average family income, or the entire pay check for the average family for almost 7 weeks.

When the price of gas goes up, all the householder and his wife can do is to wince and bear it. He is not going to scrap his investment in a gas furnace, hot-water heater or gas range. If he did, it would take every bit of money the average family earns for 2 months or more.

Taken all in all, it is probably safe to say, that the 22 million families which use natural gas for house heating have an investment amounting to an average of approximately $1,200 and it may run as high as $1,400. This is 25 percent of the income of the average American family and represents the entire paychecks of such families for 3 months of the year.

These families are indeed the ultimate captive customers of the gas producers, and they are tied to the latter by a venture of fortunes which they cannot break. They made their heavy investments at a time of low rates and have given these appliances as hostages. Their marriage with gas, as I have said, is virtually indissoluble.

The cash nexus, to use Carlyle's phrase, is practically unbreakable. We who favor regulation are trying to protect them, and we submit that the 27 million families who use gas for one purpose or another, the real John Q. Publics of America, deserve more consideration than the oil-rich man, most of them northern absentees, who dominate the producing segment of the industry.

NO PRACTICAL ALTERNATIVE

Mr. President, I cannot overemphasize this feature of my presentation. The consumer of natural gas is at a particular disadvantage because he is locked in. The consumer has no alternative; unless he is going to freeze to death he is forced to buy natural gas. Of course, he does have the alternative of scrapping his equipment and converting to an electric furnace or an oil furnace or a coal furnace.

But that is not a very practical alternative for literally milions of people; and 27 million families who are customers are in the position where they have to buy at whatever price the producer sells. This is why it is particularly important that the residential users get protection.

Once again, this is why the appointment of Mr. O'Connor to the Power Commission would be so perverse and so unfortunate, because it would appoint to the Commission a man whose whole background is associated with the producing side of the gas industry. The consuming side of the gas industry is at this fantastic disadvantage because it just does not have any alternative.

DOMINATED BY 17 COMPANIES

Mr. President, in discussing the pipelines, the local distribution companies buy their natural gas from long-distance pipelines. This gas is delivered to them at the points of connection between the principal distribution gas mains and the long-distance transmission or pipelines. In the case of the local distribution companies, this point of connection is called the "city gate." Thus, Joliet is the "city gate" for the natural gas which enters the Chicago area.

The interstate transmission of natural gas is almost completely dominated by 17 pipeline companies. These 17 companies purchase over 90 percent of the natural gas which the so-called independent producers in the Southwest sell to the pipelines. The companies then resell this gas to the distribution companies and they to the ultimate consumers. The pipelines also make some direct sales to industrial companies. Since these are not sales for resale, they are not regulated by the FPC.

The concentration of pipeline purchases among the first 50 giant vendors, and in particular among the first 4 vendors, offers irrebuttable proof that the pipeline companies are tied to the giant producers in what amounts to a monopoly situation.

Let us examine the purchasing arrangements of a few of the major pipelines. Wisconsin consumers served by the Michigan-Wisconsin Pipe Line Co. buy 95 percent of their gas from one producer, Phillips. That pipeline transmits virtually all the gas consumed in the State of Wisconsin. Thus all the people living in Wisconsin are at the mercy of a single producer. Another great pipeline company, the Texas Gas Transmission Co., buys 86 percent of its gas from four of the largest producers in the country, and it buys 96 percent of its gas from the eight large producers.

HARDLY WIDE-OPEN MARKET

If we extend our figures to sales by the first 20 producers, we see that the major pipelines depend upon them for approximately 90 percent of their gas, and if we include the first 50 producers, we can account for almost all major pipeline purchases. Does this look like a wide-open market in which 8,000 producers compete? No, it shows itself to be the final step in the series of monopoly situations, by virtue of which consumer is tied to distributor, distributor to pipeline, and pipeline to producer.

Moreover, we should realize that the transmission lines are very expensive. Over the last 7 years, costs of 16-inch pipeline have ranged from $36,000 to $85,000 per mile. Costs of 24-inch pipeline have ranged from $60,000 to $166,000 per mile. The major existing transmission systems have investments in the systems ranging from $78 million to $1 billion.

The smallest sized pipelines now being built have daily capacities of 300 million cubic feet. Once laid, the lines cannot be moved at will like a garden hose, even if new sources of supply become available. They must deal with big producers who are the only ones with reserves large enough to meet the pipeline's long-term needs. Small producers offer little or no competition because of the nature of pipeline investments and requirements.

The pipeline companies get their gas in turn from two sets of sources; namely,

first, the so-called independent producers—approximately 88 percent or roughly eight-ninths of the gas destined for interstate resale comes from this source; second, wells which either the pipelines or their affiliates and subsidiaries own—these furnish about 12 percent or one-ninth of the total supply. Pipelines also buy a smaller quantity from other pipelines, which is included in the 79 percent.

AIM TO ABOLISH EFFECTIVE REGULATION

Even the big producers admit that under the present law, the FPC can control the price at which this second type of gas is charged into the system. The Kerr bill of 1949–50 did not propose to change this feature of the law, but aimed to free from regulation the sale by the nontransporting producers.

But the Harris-Fulbright bill, like its grandparent, the Moore-Rizley bill, aimed to abolish effective regulation for both sources of gas—merely requiring the pipeline companies to charge for the gas they produce a reasonable market price which, if it means anything, means the prevailing price paid to the so-called nontransporting producers. Since their price would have been unregulated under the Fulbright bill, this would have meant that the chargeable price of the natural gas produced by the pipelines would also have been unregulated.

PRODUCTION OF NATURAL GAS

The last year for which complete production figures for all aspects of natural gas are available is 1953. In that year the production of natural gas in the United States was 10.6 billion M c.f. Of this total production, 1.4 billion M c.f. was used for repressuring which left a net production figure of 9.2 billion M c.f. in that year. Deducting from this figure the amount of gas which went into field use, underground storage, loss, waste, and other uses, the balance available for sale was 6.0 billion M c.f.

The producers in the field sold 900 million M c.f. directly to industrial companies, leaving 5.1 billion M c.f. sold by utilities and pipelines. Of this about 4.2 billion, or around 80 percent, was shipped across State lines. For 1954, sales by utilities amounted to 5.6 billion M c.f., of which 4.7 billion were shipped across State lines.

Eight and one-half billion M c.f. of natural gas were sold by utilities in 1959. The increase in the last 2 years of utility sales has been at the rate of one-half billion M c.f. per year.

These figures may seem cumbersome and unnecessary, but they are very important for a number of reasons. They are important to make it clear just what is really meant when we talk about regulating the production of natural gas. In fact, no one is advocating the regulation of the natural-gas producers. What should be regulated are the sales for resale in interstate commerce of natural gas. That is the point at issue.

MANY SALES UNREGULATED

Individual producers use and sell natural gas in a variety of ways. First, a number of them sell directly to utilities within the States where the production is located. Although these are sales for resale, they are not regulated by the FPC, because they are not in interstate commerce.

Second, a large number of sales are made directly to industry within the boundaries of the State in which production takes place. These sales are not regulated by the FPC, for they are neither sales for resale nor are they in interstate commerce.

As I indicated earlier, a large proportion of production is used for repressuring, used in the field, lost or wasted, and so forth. This is a third general use for natural gas which is not regulated by the FPC.

Finally, producers of natural gas sell to interstate pipelines, and to some utilities, for resale in interstate commerce. These are the only sales which are supposed to be regulated by the FPC and which the Supreme Court, in the Phillips decision, told the FPC to regulate under the clear terms of the Natural Gas Act of 1938.

A short time ago I engaged in a colloquy with the distinguished Senator from Louisiana [Mr. LONG], who, I believe, emphasized this fact. He stated that much of the gas produced in his State—and his State is a major producer—is sold in intrastate commerce and, therefore, is not subject to the Federal Power Commission. In fact, I believe he said most of the natural gas produced in his State was in this category. This is true because Louisiana is a heavy industrial consumer of natural gas.

NATURAL GAS ACT MODERATE

Also, it seems to me that what is true of Louisiana is true of Texas. Much of the gas produced in that major gas-producing State in the Nation is consumed there.

Therefore, the observation that implies, and I think properly, that the Natural Gas Act is a moderate act, is correct. It makes no attempt to regulate all of the gas production by the producer, but it does so when the gas is sold in interstate commerce. Then the gas should be subject to regulation. It seems to me that this is a desirable and necessary provision. Otherwise, as I have previously demonstrated, the consumer has no protection at all.

INDEPENDENT PETROLEUM PRODUCERS ASSOCIATION OF AMERICA FOR BIG PRODUCERS

This is why the position of the Independent Petroleum Producers Association of America, which has been classified by the Senator from Louisiana, who knows a great deal about that association, as an organization which has multimillionaires as members—I believe the Senator from Louisiana mentioned the name of Charlie Murphy—does not represent small producers. It seems to me that the whole record of this association is highly pertinent in this case, because of the very close and constant connection of the nominee with the Independent Petroleum Producers Association of America.

That distinction between what is regulated and what is not is very necessary. No Federal authority tells the producer what he is supposed to do. No Federal agency tells him what investment he should make, how much gas he should produce, or what use he should make of the natural gas he produces. But, if the producer decides to sell his production for resale in interstate commerce, then those sales and only those sales are to be regulated by the FPC.

Mr. President, once again, I am reminded on the very great value of the colloquy engaged in between the Senator from Montana and the Senator from Wisconsin, because what the Senator from Wisconsin obviously is desiring to emphasize is the connection of the nominee with the gas industry, and therefore what, it seems to me, is likely to be an unfortunate disadvantage on the part of the consumer in the gas industry.

O'CONNOR AND CONSERVATION

As the Senator from Montana so properly brought out, there should be concern with this other important element of responsibility of the Federal Government, which extends, of course, to the consumer of electric power, and far beyond the consumer of electric power to the conservation, development, and use of our natural resources.

It seems to me the exclusive association, throughout the nominee's experience, with the producing side of the gas industry suggests a lack of qualification on the broad scale to understand the viewpoint of the consumer of the electric utility or the broad conservation scale for all Americans, regardless of their consuming status.

DOMINATION OF THE FEW

To continue: In 1954, which is the latest year for which reliable data on this point are available, there were 5,557 so-called independent producers who sold natural gas for resale in interstate commerce. The figure was not 8,000 as the big producers have tried to make us believe.

Of these, only 197—or 3.5 percent of their number—sold 89.52 percent of the natural gas for resale in interstate commerce. The remaining 5,360 producers—or 96.5 percent of their number—sold only 10.48 percent of the gas. Each of these 5,360 little producers sold less than 2 billion cubic feet of natural gas in that year for resale in interstate commerce.

Mr. President, 3½ percent of the producers—not 10 percent, but 3½ percent—sold 90 percent of the natural gas for resale in interstate commerce. The remaining 96½ percent of their number sold only 10 percent of the gas. Each of the numerous little producers sold less than 2 billion cubic feet of natural gas in that year for resale in interstate commerce.

In 1955 Senator DOUGLAS introduced S. 1926 to exempt small producers from regulation. They sell only 10 percent of the gas and their prices are bound to follow whatever the big producers are able to charge. But the phoniness of the argument so often advanced that the little producer is taking a beating became evident when the Independent Petroleum Association of America, with which the present nominee has long been associated as a committee chairman and director, did not testify in the bill's favor.

The industry was very interested in bills to exempt all producers.

But as the Senator from Louisiana [Mr. LONG] emphasized tonight, when the chips were down and when the bill that would exempt the small producers was up, they could not be found.

SMALL PRODUCERS NOT REPRESENTED

As I say, the industry was very much interested in bills to exempt all producers, including the major ones, but would not bother to appear on behalf of the thousands of small producers whose welfare they claim to have at heart.

And if the industry is not going to defend the interest of the small independent gas producer, it must not continue to argue in their name. One of the major points at issue in the Commerce Committee hearings on the O'Connor nomination was whether the small producers had the power to bid up prices. Well, of course they don't. But the big producers—Goldston ranks among the first 70—and Goldston was, of course, the firm of which the nominee was vice president for some 16 years—do have the power to bid up prices in a manner prejudicial to the public interest.

Senator KEFAUVER unsuccessfully introduced a bill to exempt small producers from regulation. Senator MAGNUSON has such a bill pending before the present session. But there can be little hope for their passage if the representatives of the small producers, who wield political power in their name, do not take their interests to heart. But all testimony to the contrary, the little independent producer is not the one who make the important decisions in the natural gas business.

RESIDENTIAL CONSUMER BEARS BURDEN

Of the 197 big producers who sold more than 2 billion cubic feet in 1954, the top 35 sold 70 percent of all natural gas for resale in interstate commerce in 1954. The biggest 22 producers sold 54 percent of all natural gas in interstate commerce for resale. That means that about 99 percent, or very close to it, sold less than half of the gas sold in interstate commerce for resale.

In all this complexity of figures, we should remember that the increases in price charged for gas as it enters the pipeline will be passed on to the final price paid by all who use it, whether within the State of entry or without, whether consumed by individuals or industries, or whether sold directly by pipelines or sold to utilities for resale. As we shall show, the residential consumer in the households will have to bear the major share of the burden.

Some other basic facts relating to the gas industry deserve comment. In the first place there are only 7 States, out of the 48 States plus the District of Columbia, which in 1953 exported more natural gas than they imported. I should like to call attention to the fact that even in these States there are many more consumers than producers. It has always seemed extraordinary to me that there is a tendency to consider the producing interest of a State and to ignore the consuming interest of a State.

In all, there were some 26.8 million households in 1959 and some 21 million households in this country in 1955 which burned natural gas. There were just under 5,000 producers in 1953 and 5,557 producers in 1954 who sold gas in interstate commerce for resale.

THE PRICE OF NATURAL GAS—WELLHEAD, CITY-GATE, AND CONSUMER PRICES

At the Commerce Committee hearing it was contended that the prices paid to the producers in the field form only a small fraction of the final prices paid by consumers in the cities. In attempting to prove this point, the distinguished Senator from Texas stressed the comparison between field prices and residential rates, particularly in the large northeastern cities, where the residential rates per thousand cubic feet are very high.

The conclusion which is attempted to be drawn from all this is that we should disregard the prices which the big producers receive in the field and concentrate our attention instead on the prices which the distributing companies charge to the householders at the far end of the gaslines.

At least two initial comments should be made about these price comparisons. The first is that the average residential rate for the country as a whole is much lower than these high eastern rates which have been quoted. The second point is that if we take the commercial and industrial prices as well as the residential into consideration, we will find that the average price to all consumers is very much below the residential average, and that field prices form a very considerable proportion of this composite average.

The proportion has been gaining rapidly and the producers now have nearly twice as high a proportion of the price paid at the burner tip by the housewife as they had 15 years ago.

PRICE RISING RELENTLESSLY

It has been rising relentlessly, and from all indications it is going to rise in the future. A big factor—in some areas the biggest factor and in many areas the only factor—in increasing prices is the power of the producers, and the amount the producers receive.

Let us take each of these points in turn, beginning with the increase in the average field prices of natural gas for the last 17 years. The basic facts are that the average for 1960 was 13.6 cents per thousand cubic feet or an increase of 3.2 cents over the 1955 price and 7.1 cents over the 1950 price.

Now let us examine the average price for all natural gas consumed by residential users. This was 77.4 cents per thousand cubic feet in 1953, and 94 cents in 1959. These averages are very much lower than the specific high figures for the big eastern cities which are so often cited. But we should also take into consideration the average prices paid by commercial and industrial users which go to help make up the composite average.

In 1953, the average commercial price was 59.2 cents per thousand cubic feet and in 1954 it was 61.9 cents. For industrial users, the average price was lower still. In 1953, it was 24.7 cents per thousand cubic feet for "firm" gas and 21 cents for "interruptible" gas. The combined industrial average in 1953 was 22.8 cents per thousand cubic feet.

Finally, if we take into account the prices paid by residential, commercial, and industrial users, we find that the weighted average price paid per thousand cubic feet of natural gas in 1954 was 44.4 cents whereas the average field price was 10.1 cents. This means that the field price of natural gas formed 23 percent of the price obtained by the local distributors.

ONLY UNREGULATED FACTOR

Of course, that was 1954. These figures unfortunately are old. We have not been successful in bringing them up to date. But the figures would be even more impressive in 1961, and I am sure would be a very great deal higher than the 1954 figure of some 23 percent. I think the figure would probably exceed 30 percent. That means the producer is a big factor and a factor of obvious comparability with the pipeline and with the distributor; and, of course, he is the only unregulated factor in the field.

In 1954, the average price paid by the distributors to the pipelines was 24.9 cents per thousand cubic feet. Since the average field price in that year was 10.1 cents, this meant an average markup for long-distance transmission of 14.8 cents per thousand cubic feet.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I am delighted to yield to the Senator from Louisiana. I marvel at his stamina and the fact that he seems to be able to get along with no sleep.

Mr. LONG of Louisiana. Mr. President, the shoe is on the other foot. My impression is that the Senator from Wisconsin has been discussing the subject matter almost continuously since 10:15 in the morning yesterday, as I recall. The Senator has made a very interesting speech. I was trying to determine from the Senator about how much longer he proposed to continue his discussion of this subject. It might be helpful to some of us who would like to know whether to wait around for a vote, or whether perhaps to come back later and read that part of it which we missed.

Mr. PROXMIRE. I commented on the Senator's stamina. Of course, the Senator from Wisconsin has made the motion, and has worked for a long time with his staff in preparing this material. But what makes the Senator from Wisconsin marvel at Senators like the Senator from Louisiana and the Senator from Montana is the fact that somehow, even though they do not have the kind of precise involvement the Senator from Wisconsin has, they are still here. I think it is wonderful, and I appreciate it.

The answer to the Senator is that I do have more material. I think if the Senator from Louisiana is interested in when a yea and nay vote on the nomination will be taken, it will probably be no sooner than 12 o'clock noon. That does not mean that the Senator from Wisconsin has any intention of talking that long. It is possible I will, but I doubt it. It is my understanding that

the leadership was interested in having a vote about noon, or perhaps a little later. It would be likely that Senators could expect to have a vote then.

Mr. LONG of Louisiana. Does the Senator expect to discuss the nomination for at least another hour or so?

Mr. PROXMIRE. Oh, at least, and considerably more than that.

Mr. LONG of Louisiana. I thank the Senator.

Mr. PROXMIRE. Mr. President, since the weighted average delivered retail price of natural gas for all consumers in 1954 was 44.4 cents per thousand cubic feet, this meant that the cost of the gas to the distributors was 56 percent of the final price and the local markup was 19.5 cents per thousand cubic feet. The oil and gas people have tried to create the impression that the producer's share of the consumer's final cost is only 10 percent, 5 percent, or 3 percent.

I recall the situation well. That is exactly what happened in the hearings, when my very able and distinguished seatmate, the Senator from Oklahoma [Mr. MONRONEY] asked me what was the burner-tip price in Wisconsin, and then pointed out what the producer was getting in Oklahoma and in Texas, the implication being that the producer did not really count and that I was after the wrong person. We have had an opportunity to explore this question thoroughly. It is obvious that the producer is a very important factor and is becoming more and more important all the time.

TRUE SITUATION DISTORTED

Their method has been to cite isolated examples of very high residential rates at places which are thousands of miles from the producers, and in areas which have either just converted to gas or are using mixed gas, or where, as in New York City, the distributing costs are high owing to the bedrock through which gas mains must be laid.

This, of course, gives a distorted picture of the true situation, as it would if we were to represent as normal the price at which gas is sold to industrial interruptible users close to the wellhead, where the producer gets perhaps 90 percent of the ultimate cost. Thus, I again emphasize that the weighted average price to the ultimate consumers was 44.4 cents per thousand cubic feet, and, therefore, that the producer's share is not 10 percent or 3 percent, but rather 23 percent.

Mr. President, as I say, the fact that we have not been successful in securing the latest figures is the only reason why we cannot show it is probably in the neighborhood of 30 percent, or very close to one-third. Therefore, compared with the other two principal factors, those of pipelines and distributors, it is on an equal basis, or on a par, and of very great importance. This is why it would be very bad, in my view, to appoint a man whose identification has been with the producing end of the natural gas industry.

Tying it in with the remark made in the colloquy with the Senator from Montana, the present Presiding Officer, a little earlier, it would be worse than to appoint a man whose sole experience had been that of a vice president of a big electric utility company all his life. Obviously that kind of appointment would be a bad appointment.

MOST CRUCIAL DECISIONS

At least, that is my view. This is exactly comparable, except that it would be worse, because the one area in which the flexibility of the Federal Power Commission is the greatest is the area of relating to the kinds of decisions likely to be made in the next few years, during the term of Mr. O'Connor, if his nomination is approved, and this will be most crucial with regard to the producers of natural gas.

SUCH APPOINTMENT UNLIKELY IN STATES

An executive of a distributing utility probably would not be under the jurisdiction of the Federal Power Commission. The analogy would be better if I said we should not appoint to a State public service commission a man whose whole identification has been with an electric utility. Certainly in my State that appointment would be criticized with the greatest of indignation and very vehement opposition. I doubt if many States have done so. There are many practical reasons why, including the fact that executives of private utilities usually make a great deal of money.

There is another factor to be considered. Generally speaking, most gas which is sold to industry by pipeline companies and distributors is sold in competition with oil and coal. There are, however, some industrial uses of natural gas where it has superiority because of technological reasons. However, with respect to gas which is sold for burning under boilers, industrial sales as between the three principal fuels are made on a highly competitive basis.

Increases in the cost of gas to distributing utilities presents the management with the choice of losing industrial business or passing the entire increase on to the residential and commercial users. Competition with other fuels is such that none or only a small portion of the increase can be passed on to industrial users, particularly for boiler-fuel sales on an interruptible basis.

If we take an example where one-half of the sales of a distributing utility are sales to industry and its cost of gas increases by 10 cents per million cubic feet, the entire cost increase would be passed on to residential and commercial users, if the industrial business were to be retained.

FACTS JUSTIFY SCRUTINY

If the industrial business is lost, its share of fixed charges and overhead expenses must be assigned against the residential and commercial customers. Thus, the cost of serving those two classes of customers would rise substantially more than the increased cost of gas at the city gate. If the load factor of the distributor decreases, this reduces the load factor of the pipeline company, with the result that its unit cost of transporting the gas increases.

These facts, therefore, present a very different and more balanced picture from that which the advocates of nonregulation have painted. The facts justify a very close scrutiny of producer prices and their regulation along with transporting and distribution charges.

Higher prices exacted by the producers in the field will have to be passed on to the pipeline companies, and they in turn will have to pass them on to the distributing companies, and they to the consumers at the end of the line, or to change the metaphor, at the bottom of the pyramid. The 21 million householders and the consumers of the industrial products which have used gas will ultimately bear the heavy burden.

CONSUMER NOT PROTECTED BY COMPETITION—THE FACTORS LIMITING COMPETITION

Competition in the natural gas industry is limited in all three sectors of the industry—distribution, transmission, and production. It is limited in the distribution sector because the customer has but one place to buy his gas; namely, the local gas utility. It is limited because, once he invests several hundred dollars in gas appliances, he has no effective alternative to gas for his stove, refrigerator, clothes dryer, or furnace unless he junks his appliances and his furnace at great cost. The householder is, in this sense, a captive customer.

I emphasized this before, and I think it should be emphasized again. He is a captive customer.

It is also true that the distributing company is tied to the customers. This point I have not stressed before. Once the distributive gas mains have been laid at current expense exceeding $500 per customer, they cannot be moved or changed except at prohibitive expense on the part of the gas utility. It is impossible for there to be two local gas companies competing for business in the same town. This makes gas very different from coal or oil. That is why the local production and distribution of gas was early recognized as a public utility and why rates to the customers were fixed by public regulation rather than entrusted to nonexistent competition.

TRANSMISSION COMPETITION LIMITED

But competition is also limited, or even absent, from the transmission sector of the industry, because of the huge, high-fixed-cost investments in pipelines, because of the fact that once laid the lines cannot be shifted and changed about at will, and because pipeline companies must procure a 15- to 20-year supply of gas which can be procured only from one of the few large producers who have such long-term supplies available.

There is, of course, competition between and among pipelines for a supply of natural gas. But the existence of expensive pipelines which dominate particular areas limits competition and promotes the natural monopoly which characterizes the industry.

Therefore, regulation of sales for resale in interstate commerce is essential because of the absence of competition in the distribution and transmission sectors of the industry. In addition, however, relative absence of competition at

the producing end of the industry makes continued regulation of utmost importance, if the consumer is to be protected against unconscionable increases.

It is only the most unreconstructed producers or their representatives who continue to argue that there is competition in the transmission and distribution sectors of the business. Their main case is that competition between and among producers will protect the consumer against huge price increases.

I shall show in this section that the competition among producers is virtually as limited as it is in the transmission and distribution sectors of this industry, and shall deal, in the main, only with the conditions which limit competition among producers of natural gas for sale in interstate commerce.

BIG GAS POSITION INVALID

In the first place, the sales for resale of natural gas in interstate commerce are dominated by a very few large producers. In 1954 over one-half the sales were made by 23 producers. A total of 35 producers accounted for over 70 percent of the sales, and 197 producers, or less than 4 percent of their number, sold 90 percent of the natural gas in interstate commerce in that year. Out of a total sale in 1954 of 4,685,933,511 M c.f. by independent producers of natural gas to natural-gas companies reporting to the FPC, 4,376,373,631 M c.f. were sold by these 197 producers.

Therefore, competition is limited by the very small number of producers who dominate the sales for resale of natural gas in interstate commerce. When the big companies come before us to argue that there is adequate competition at the production end of the industry because of some 8,000 independent producers who compete rigorously between and among each other, neither their figures nor their facts approach the true state of affairs in the industry.

Competition is also limited because these producers are in almost every case among the biggest and most profitable of American corporations. Ten of the 35 producers who sell over 70 percent of the production are among the first 20 most profitable American corporations.

SUMMIT OF CORPORATE POWER

Think of that, Mr. President. The fact is that this industry is so powerful that of the 20 most profitable corporations in America, 10 of them are in this industry—10 of the 35 producers. Of the 10 largest American industrial corporations, 6 are also so-called independent producers of natural gas.

Mr. President, this gives me an opportunity to stress something that I have intended to stress, and that is that the independents should not be regarded as small. The independents are simply companies that are not integrated. They are large producers who sell to the pipelines.

But of the 10 largest American industrial corporations, 6 are so-called independent producers of natural gas. Their names are household terms—Standard Oil of New Jersey, Standard Oil of Indiana, Standard Oil of California, Socony Vacuum, the Texas Co., Gulf Oil Co., Phillips Petroleum, and others.

Of course bigness alone does not necessarily imply monopoly, and it is not the fact of bigness alone which calls for the continued regulation of sales for resale of natural gas in interstate commerce. Nevertheless, the size, profits, assets, and sales of these few corporations are of such magnitude that the companies dominate the market.

Only such companies can supply the huge quantities of natural gas which buyers must have for purposes of long-term continued supplies. Thus, their size alone gives them a dominating and almost unchallengeable position in the industry, and this limits competition.

RICH GET RICHER

Apart from their effect in diminishing competition, a major point concerning natural gas producers is that for every 1-cent increase spread throughout marketed production of 12 trillion cubic feet, the consumer pays $120 million. The value of estimated reserves in the United States would increase by $163 billion if they were evaluated at the new contract prices instead of the 1960 average wellhead price.

This increase is destined to go in great part to those companies which are already among the biggest and most profitable companies in America and, for that matter, in the world.

In addition, these same producers and a few pipeline companies dominate the production of gas in the two major producing fields in America—the Panhandle and Hugoton fields. These few companies account for 90 percent of the production in these fields which contain 20 percent of the Nation's gas reserves.

One sees in the production in these fields the same concentration and domination by a few companies that one sees in the production end of the industry in general. The reserves in these fields are already committed to existing markets and are under long-term contracts. Thus, it is impossible for new companies or existing pipelines to bargain for or obtain new gas supplies in these fields except by bidding up prices to the big producers to uncalled-for levels. To this extent, also, competition is now limited.

What is true of the ownership of gas reserves in the Panhandle-Hugoton fields is also largely true of the ownership of the bulk of gas reserves in the country. Also of major importance is the fact that 30 nontransporting producers and 16 pipeline companies together own 61 percent of the Nation's estimated proven gas reserves.

CURRENT FIGURES UNAVAILABLE

And this percentage is actually higher because a number of the large transporting producers have not published their current reserve ownership figures and, if such information were available, the figures of 61 percent would be increased to 70 or 75 percent. This means that a company wishing to acquire a supply of gas which is adequate for a 20-year period—perhaps 2 trillion cubic feet—which it must do if it is both to justify the huge financial investment required in laying pipelines and other facilities and to satisfy the FPC that it has adequate reserves in order to obtain a certificate of convenience and necessity—must "blast" itself into the market by offering prices higher than existing ones.

Incidentally, this is another reason why producers have achieved their great marketing power and bargaining power in recent years. Their bargaining power greatly exceeds that of the pipelines, and of course, because the utilities are regulated, greatly exceeds that of the distributing utilities.

CHARGE WHAT TRAFFIC WILL BEAR

This blasting into the market, bids up prices as a whole and puts the few large producers who have such huge quantities of reserves in a position to ask and get whatever price the traffic will bear. The pipeline companies have the choice of either paying these high prices or not doing business. Given these alternatives and in the absence of regulation, they will pay 22 cents, 24 cents, or even higher prices per thousand cubic feet for gas.

The price which the pipeline companies pay must be passed on to the consumer. Not only is there this inducement to bid up prices rather than not do business, but, as many of them own producing subsidiaries, they have a positive inducement to bid up the prices, for then their own companies will gain huge profits.

The pipeline itself will not have to shoulder these added costs. They, too, can be passed on to the consumer and the companies can pocket the profits for themselves. Thus, even so-called arm's-length bargaining between pipeline companies and producers does not protect the consumers, for the pipeline has no real incentive to pay low prices. It finds it necessary, and in some cases convenient, to pay all the traffic will bear.

LIKE PROCESSOR IN AGRICULTURE

Of course, this is the basic rationale and reason for regulation. To put a producer on the Federal Power Commission is to make the same kind of mistake as appointing a processor Secretary of Agriculture.

I think one of the reasons we have had this disaster for farming over the last 8 years is because the mentality of the Department of Agriculture, until the advent of the present Secretary, who I think is a fine public servant and a fine Secretary, has been that of the processing industry.

The Department of Agriculture under Ezra Taft Benson was staffed from top to bottom with processors. The processors are those with the bargaining power in agriculture, and they have the ability to bargain with the farmer and keep farm prices down, while increasing prices for the housewife.

This is the position of the producers in the gas business. This is why, if we are to have any kind of equity and justice on the Federal Power Commission, the worst kind of appointment that can be made is to make the appointment from the producing industry itself.

Because of these plain facts, the production, transmission, and distribution of

natural gas is unlike the coal, auto, cheese, milk, or brewing industries to which the big gas producers try to compare the natural gas industry.

ALTERNATIVES DON'T EXIST

In those cases, there are alternative producers and distributors whom the consumers can play off against each other and in dealing with whom they can utilize alternative systems of distribution such as railroads, trucks, barges, and so forth, and different competitors within each. But once gas mains and pipelines are laid, and once gas is committed, there is no practical alternative product or seller or means of distribution to which the consumer may turn.

The consumer buys his gas from one place—the local gas utility. The utility must buy from a pipeline and the pipeline from price-setting producers. This is the fundamental condition by which this industry differs from the industries to which the big gas producers have misleadingly compared it.

Thus, competition in the gas field is really between and among buyers seeking adequate supplies. In the words of Dr. Boatwright, of Standard Oil:

> The new pipeline seeking to commit reserves will go and offer a higher price than the present buyer and hope in that manner to get the reserves committed to his line. Then the old buyer will find it necessary to meet that offer, or he will lose the new sources that are being developed by some of his present suppliers. He doesn't lose that which is committed, he loses the new supplies being developed.

Of course, what Dr. Boatwright does not point out is that the sky is the limit, because whatever one pays can be charged to the customer.

In addition to the limited supplies and the domination of these supplies by a few producers, which brings about a seller's market and a monopoly position, supplies are artificially limited for conservation purposes by proration and ratable-take regulations imposed by State conservation commissions.

Allowable production is limited to market demand. Additional gas may be purchased only by bidding for the excess allowables. There is, therefore, intensive bidding for an artificially limited supply of excess allowables. This has the effect of sending prices to an even higher level that the already dominant position of the large producers brings about.

INDUSTRY ARGUMENTS CONFLICT

Thus, the competitive factors ordinarily found in open-market trading of commodities is limited even further by ratable-take and proration regulations which are made, ostensibly for conservation purposes. In this set of circumstances it seems somewhat fantastic for the big gas producers to argue, on the one hand, that proration is necessary for conservation purposes, and on the other hand that the market should be completely free and that the principles of free enterprise should be followed.

This is, of course, a demonstrably conflicting argument, and yet the big companies do argue it both ways, depending on circumstances. Of course there is not a free market when every producer is told what his yearly production must be, although this may be necessary and justified on the ground of conservation. But where the big producers have a whip hand, as in sales of natural gas for resale, they argue for an unregulated market.

In some States, Oklahoma and Kansas in particular, State conservation commissions have established minimum wellhead prices. These prices, of course, limit competition, for they prevent pipeline companies from buying gas at prices below these minimums. In Oklahoma, an 11-cent-minimum price per thousand cubic feet was established effective January 1, 1954. This price, of course, was above the average price of 10.1 cents per thousand cubic feet for natural gas in that year, so that in Oklahoma, a price above the average price became the minimum price because of these arrangements.

Earlier this evening I had an enlightening and helpful colloquy with the Senator from Louisiana [Mr. LONG], who pointed out that Louisiana, despite the fact that it is an oil-producing State, has no minimum price, although the producers want one.

He pointed out that despite the efforts of consumers, the mayor, and others involved, they were unsuccessful in establishing a minimum price, though the inequity and need for such a price was ably and properly described by the Senator from Louisiana. Furthermore, it seems to me it could be applied without real harm, because following a recent Supreme Court decision, these State minimums no longer apply to sales for resale in interstate commerce for those sales are clearly under the jurisdiction of the Federal Power Commission.

The Senator from Louisiana was primarily concerned with intrastate sales.

STATE MINIMUMS IMPEDE COMPETITION

In all probability, if the Fulbright bill had been passed, the States could have reestablished these minimums. As in the past, they would hinder, impede, and limit competition in this industry.

Finally, the system which limits competition, increases field prices, and thus creates an artifically high price structure in the producing sector of this industry, is crowned by an almost universal inclusion of escalation clauses in contracts. We will examine these clauses in detail later.

Therefore, competition in the field is limited by the domination of supply and reserves by a very few companies; by the tremendous costs of pipelines and pipeline systems; by the need pipelines have for huge long-term supplies which only the dominant producers can provide; by the seller's market; by the fact that pipeline buyers can pass high prices on to the consumer and that, in some cases, they own production companies which profit from higher prices; by the limit on supply imposed by ratable take and proration regulations and by the intense bidding which is then brought about for the limited supply of excess allowables; and by State minimum wellhead prices.

PRICES SPIRAL

Not only do these factors increase prices and limit supply, but the system of escalation clauses, renegotiation clauses, and most-favored-nation clauses makes these artificially high prices the new dominant or average prices. Thus, escalation clauses create a constant spiraling of prices in which the previous high price becomes the new dominant price. To put it another way, the marginal or most recent and highest price becomes the average price.

For all these reasons, competition in the purchase and sale of gas in the field is really no protection for the consumer. As the consumer is the captive customer of the industry, he will get it in the neck if the FPC is denied jurisdiction over the sales for resale of natural gas in interstate commerce.

AMPLE INCENTIVES EXIST

I think the vague argument that if the industry is federally regulated, discoveries will cease is ridiculous. There has been no showing, to my knowledge, that there is any shortage or deficiency of gas reserves. As I pointed out earlier, some companies have many years of reserves available.

I now wish to submit evidence that there are ample incentives and ample rewards for exploration in the gas industry so that no claim can be made by the big companies that legislation is needed to increase them. The argument made by the producers that the Phillips decision was responsible for the sharp drop for 1954 in estimated net reserves is utterly fallacious. They pointed to the fact that in 1953 the net reserve increase was 11.7 trillion cubic feet and it dropped to 0.3 trillion cubic feet in 1954.

However, these figures are arrived at through a computation of extensions and revisions of known gas reserves plus new discoveries less the total production. The extensions and revisions of known gas reserves could, without any effective means of detection, be easily manipulated by the producers, who are free to release any figures they choose.

INDUSTRY ARGUMENTS PHONY

Strangely enough, it was only after the Harris-Fulbright bill was vetoed that the gas industry released figures which showed that gas discoveries had not fallen off in 1955 and that previous estimates of gas reserves were far too low.

This argument, like virtually every other argument in which industry representatives seem sincerely to believe, is altogether phony today and was altogether phony when it was advanced. One of the most disturbing things about the natural gas industry and those who write about it, is the way interested persons have persisted in closing their eyes to elementary truths about things like exploration.

The figure on life of reserves, to which so many industry spokesmen pointed with alarm at the time of the Phillips decision, is explicity recognized by the American Gas Association in Gas Facts 1960 as a meaningless and altogether hypothetical ratio. They do not even publish the figure any more.

And insofar as additions to reserves are concerned, proved recoverable reserves have grown every year since the Phillips case 1.89 times as fast as gas has been consumed. During the past 5 years gross additions to proved natural gas reserves have aggregated 106.7 trillion cubic feet, equivalent to 1.89 times net production during the same period.

In other words, in spite of claims advanced during the Phillips case, we have been able to prove, explore, and find gas reserves almost twice as rapidly as they are being exhausted, and yet the industry men, the experts on whom we were supposed to rely, assured us all after the Phillips case that there would be no further addition to our gas reserves if producer incentives were cut down. And the industry published figures to bear out their argument. Now that the Phillips decision is clearly accepted, the industry admits that its arguments were phony by not publishing comparable figures any more and calling them hypothetical.

It seems to me that that has been established by the facts I have heretofore produced.

A very important point, in discussing the incentives for the producers is that the drilling for gas is largely incidental to drilling for oil. Very few people drill for gas alone. Only where the presence of gas is well known does any drilling for it take place. At this point, let me refer to the testimony of Gen. Ernest O. Thompson, chairman of the Texas Railway Commission, who, I think, those on the other side of this matter will most readily admit is a very knowledgeable man, indeed, concerning the oil and gas industry.

When General Thompson testified before the Senate Interstate and Foreign Commerce Committee on the Harris-Fulbright bill, he had this to say:

> Much of the gas that is used in this country has been found as an incident to the search for oil, and also large quantities of the gas that go into pipelines were produced with and as an incident to the production of oil.

And on page 54 of the hearings, he is quoted as saying:

> I was talking about finding new oil. I say later in here that gas comes from the oil from some wells. A large part of the gas comes incident to oil production.

And on the same page he says:

> But as far as drilling for gas is concerned, hardly anybody drills for gas. They get gas accidentally when they are looking for oil.

Later, on page 62, he repeats these statements:

> I have not seen anybody going out and looking for gas on purpose. As I said in the beginning, nearly all of the gas has been discovered looking for oil. About the only place I know of where they actually drill for gas is up in Pennsylvania, where they got it.

So far as I know there is no one who denies General Thompson's statements on this matter. I certainly do not deny that the finding of gas is merely incidental to the search for oil.

The point becomes, then, are there adequate incentives in existing circumstances for people to drill for oil? From the figures we have for recent years, it is clear that the number of wells drilled and the amounts expended in the search for oil, have certainly not diminished. Admittedly, there are risks in the business. But from the assets, sales, and profits of the big oil companies, it is clear that they do not need any further incentives to take risks in this business. They are in a better position than any other single industry in America. The big oil producers are also the big gas producers, and 10 of the biggest ones are among the 20 biggest American corporations.

An additional incentive to drill for oil, incidentally for gas, is the big depletion allowance which drilling companies receive. It is now 27½ percent of gross income or not to exceed one-half of net income for the property, or it can be figured on a cost-depletion basis if that gives a higher figure.

I have gone into great detail to show how highly beneficial that is to the oil and gas industry.

In addition to the depletion allowance, the depreciation of other assets and intangible drilling and development costs are legitimate expenses which may be deducted before taxes. Of course, interest payments are a deductible cost for oil and gas producers as they are for other companies.

Therefore, I think it is fair to say that these companies already have tremendous inducements and incentives to drill for gas and oil. They do not need any additional incentive, such as freeing producers from regulation. They do not need increased income of from $600 to $900 million a year by way of increased prices at the wellhead, and they most certainly do not deserve the $316 billion in windfall profits for the increased value of their reserves which will follow if producers' rates are not brought under control.

It has been argued, of course, that this increase of over $300 billion in windfall profits on reserves, if increased prices go into effect, is a reflection of the prices Mr. and Mrs. Householder will have to pay. It means that this inflation is discounted in advance, because it means that the producers are going to be able to sell out that $316 billion and translate it into that much additional cost to the American householder.

It means that gas bills, which are already high, can be expected to increase steadily if this arrangement goes into effect, and that is exactly what the $316 billion in windfall profits for those who have vast reserves means.

THREATS OF WITHHOLDING GAS FROM INTERSTATE MARKETS NOW SHOPWORN

Statements were freely made by producers and proponents of legislation to free gas from regulation that not another foot of natural gas would be sold in interstate commerce unless such bills were passed. But the producers each year continued to make such sales and have been making more and more sales ever since.

This is demonstrated clearly by what has happened year after year since that time.

The PRESIDING OFFICER. The Chair cannot hear the Senator. The Senator will suspend while the Chair tries to get some order in the Senate Chamber so that the Senator can proceed in an orderly manner.

Mr. PROXMIRE. Mr. President, once again I want to thank the alert and enormously attentive, remarkably attentive, Presiding Officer.

I have been in the Senate 4 years now, and I think this is the first time I have received this kind of attention from a Presiding Officer, and it is very, very flattering, and I deeply appreciate it.

EFFECT OF FIELD-PRICE ADVANCES, PAST AND FUTURE

Commencing in 1949, natural gas pipeline companies began to file applications with the Federal Power Commission for substantial increases in their resale rates. There appear to have been three major causes for these increases: First, increased cost of labor, materials, and taxes; second, increased costs incident to adding system capacity which was more costly per unit than existing capacity; and third, increased costs due to the higher prices paid for the purchase of natural gas in the field from nontransporting producers. The greatest of these were the increases in the cost of gas purchased from such producers.

That is the constant and steady theme that I am trying to emphasize throughout.

Commissioner Nelson Lee Smith, during a panel discussion at the Practicing Law Institute on June 7, 1954, presented data from a study of 20 major natural-gas companies which showed that in the period 1948 to 1953, inclusive, the average increase in purchased gas costs was 4.52 cents per thousand cubic feet, which represented 84 percent of the average increase in wholesale revenues secured by these 20 companies during the same period. In addition, during the past 2 or 3 years applications for rate increases have been based on claims of pipeline companies for the market value—instead of the cost, plus a fair return—of the gas they themselves produce from owned or subsidiary-owned reserves. The result has been a great increase in the unit cost of gas to interstate pipeline companies. In 1946 the weighted-average cost of gas to these companies was 4.328 cents per thousand cubic feet. By the year 1960, the weighted-average cost was 13.6 cents per thousand cubic feet—an increase of 220 percent.

The almost universal inclusion in gas-purchase contracts of favored-nation, renegotiation, and other escalation clauses presents a clear example of the domination and control by producers over the sale of gas in the producing fields. Of 215 new long-term contracts, only two of them, or 1 percent, had no escalation of any kind; 59 contracts, or 27 percent, had step-escalation clauses but did not contain most-favored-nation clauses, although some of them included other types of escalation clauses which in practice have the same result as most-favored-nation clauses. Two contracts, or 1 percent, had most-favored-nation clauses as the only

type of escalation which could be determined from the terms of the contract.

However, and this is the important point, 152 contracts, or 71 percent of their number, contained both step-escalation which could be determined from the terms of the contract and most-favored-nation clauses. These clauses, which did not become prevalent until about 1947, place onerous burdens upon pipeline companies and effectively limit and impede competition among buyers and sellers. The escalation clauses are of several different types. The two-party favored-nation clause provides that, if the pipeline company buying gas from producer A in a field, area, or Texas Railroad Commission district contracts to buy gas from B in the same field, area, or district at a price higher than it is already paying producer A, it must then thereafter pay producer A the same price it agrees to pay producer B. Under a third-party favored-nation clause, the pipeline buyer agrees to pay its suppliers within a certain field, area, or Texas Railroad Commission district, the highest price paid by any other buyer to producers in the same field, area, or district. The renegotiation, redetermination, or better-market clause generally provides that at stated intervals—2, 3, 4, or 5 years—there shall be a renegotiation or redetermination of the contract price based upon the current prices then being paid in the field. If the buyer and seller cannot agree, then the price is fixed by arbitration. However, the arbitrators are bound to take the average of the two or three highest prices being paid by pipeline companies in the field, area, or railroad commission district as the basis of the renegotiated price. Under a spiral escalation clause the producer receives more if any distributor raises his rates. All of them are designed to jack up the price of gas in the producing fields. They are one-way street clauses.

The question has been asked why are these pipeline companies willing to sign these gas-purchase contracts which contain the favored-nation clauses and the other clauses which in a large measure are responsible for the drastic increases in the field cost of gas. I think the answer is quite clear. They cannot do otherwise if they are to obtain a supply of gas. The producers hold the whip hand in the bargaining. They play the fiddle and the pipeline companies are forced to dance to the tune. Once a pipeline company agrees to the higher price with one producer, there can be no real negotiation as to any lesser initial price with other producers, since they insist on the inclusion in these new gas-purchase contracts of the second- or third-party favored-nation clauses. Regulation is the only sensible answer. As Benjamin Franklin wrote in Poor Richard's Almanac, "Necessity never made a good bargain."

It will be recalled that Congress passed the Natural Gas Act because it was convinced that existing natural gas rates were excessive and that gas consumers were entitled to relief. Thus, in the period from 1940 to 1945, the average revenue per therm of natural gas sold by all gas utilities in the United States for consumption decreased from 3.2627 cents to 3.0178 cents, or in terms of thousand cubic feet, approximately 2.58 cents. The decline in residential gas costs continued through the year 1948. In 1949, the rise in cost to the consumers commenced. The average unit cost for residential service has increased approximately 33.6 percent per thousand cubic feet in the period 1945–59. The larger increases in the average cost of natural gas to residential and commercial consumers illustrates the fact, which I brought out earlier in more detail, that increases in the field cost of gas have a pyramiding effect upon the residential and commercial users. The distribution companies are unable to pass on to the industrial customers their proportionate share of such increased cost of gas, since to do so would result in the loss of that business to coal or oil.

FIELD PRICES WILL CONTINUE TO INCREASE UNLESS RESTRAINED BY REGULATION

Members of the Commerce Committee denied that the big producers are claiming appreciably higher field prices, or that passage of the bill would put consumers in any danger of big increases in their bills. The plain facts refute this. For, on the basis of claims submitted by producers before the FPC and statements made by producers and officials of producing States, it is evident that field prices of natural gas will continue their climb to higher and higher levels unless restrained by effective regulation under the Natural Gas Act.

I have previously pointed to the absence of effective competition in the gas fields and to the concentration of production and gas-reserve ownership within the hands of a relatively small group of major oil companies, large gas producers, and pipeline companies. There is every indication that the demand for natural gas is exceeding supply and that field prices are moving up under pressure of new contracts and escalation clauses. These increases have occurred in the absence of Federal control because of the inexcusable refusal of the FPC to take jurisdiction.

What basis is there to assume that the cost of gas in the field will not continue to spiral upward if the sales of independent producers are not regulated? The legislation which was proposed would not have served to prevent price increases. The key provisions of the bill make it mandatory for the FPC to allow producers the current market price. That is what they have been receiving without regulation in the past, and that is what they will continue to seek in the future. And what has happened to field prices shows that, without regulation, the market price will continue to climb.

The producers make no bones about their desire and intention to seek higher prices. They feel that they are entitled to charge for natural gas all that the traffic will bear. That is the basic reason why they have included favored-nation, renegotiation, and other types of escalation clauses in their gas-purchase contracts. They know that natural gas is in short supply in relation to demand and that short supply will bring about constantly higher prices. These contract provisions will enable producers who have sold and who are now selling their gas to reap the benefits of future price increases.

Let us cite a few examples of the producers' attitude. This was made very clear in testimony before the FPC. Mr. Howard B. Shelton, vice president and general manager of Sohio Petroleum Production Co., testified on September 15, 1955, that his company had never entered into a 20-year contract without a favored-nation provision and would not dispense with such provisions unless he could make a contract commencing at a sales price of 25 cents per thousand cubic feet with escalation of 2 to 5 cents each year or 5 years so that during the last 5-year period of the contract, the company would be selling its gas at 35 to 45 cents per thousand cubic feet. Mr. Shelton testified that if he could not get this price, which ultimately in the last 5-year term of the contract would amount to a 45-cent price, then he would insist upon some renegotiation provisions or favored-nation provisions in the gas-sales contract.

Some producers who are before the FPC seeking rate increases in current procedings are maintaining that their gas should be valued in the field on an equivalent heating basis with crude oil, or upon the basis of the current prices of heating oils in the market areas, less the transportation cost of gas from the field to market.

Thus, in a rate proceeding involving Sun Oil Co., evidence was produced by witnesses for the company showing that in the Egan field in south Louisiana, crude oil was selling for $2.97 a barrel and that on an equivalent heating-value basis, the gas which Sun Oil Co. produced in the Egan field and sold to the Transcontinental Gas Pipe Line Corp. was worth 53½ cents per thousand cubic feet. Sun Oil Co. is not requesting the Federal Power Commission to allow it 53½ cents per thousand cubic feet. But it is asking the Commission for a rate of 17 cents per thousand cubic feet, which is an increase of 7.2 cents above the present contract rate of 9.8 cents. A somewhat more modest claim for higher field prices was made by Mr. Thomas D. Bailey, of Oklahoma City, Okla., a producer of gas and oil, who recommended that the FPC should adopt the competitive-fuel-price method in fixing rates of gas producers. Mr. Bailey was quite candid in stating:

> Of course, this would necessitate the increasing of present field prices to 25 cents or more per million B.t.u.'s (approximately 1,000 cubic feet), at the present time, which amounts to almost tripling present average price received at the wellhead for natural gas produced in the United States.

Statements like this make the intent of the producers quite clear. The evidence which is presented by producers to the FPC in support of rate increases and the arguments of the proponents of the vetoed bill provide a clear indication of the intention of the big gas producers to seek higher and higher prices for natural gas.

EFFECT OF TRIGGER CONTRACTS

As pointed out earlier, the wellhead price of natural gas increased by 156.6 percent between 1946 and 1960. These increases in the average price of gas since 1946 have come about because new contracts are at very much higher prices than the old ones. They have come about, also, because old contracts have been renegotiated or otherwise "escalated" upward. The steepest increases have occurred recently when the most-favored-nation clauses and renegotiation clauses have been operating. Of some 247 contracts submitted to the FPC by pipeline companies in 1953, 71 percent had most-favored-nation clauses. In some 1,600 additional contracts submitted in 1954 and the first half of 1955, 69 percent had most-favored-nation clauses. For the contracts of some individual pipeline companies, the percentage with these clauses is even higher.

In addition, renegotiation clauses in these and other contracts made in the last 4 to 5 years are almost universal. Renegotiation is really the same thing as the third-party most-favored-nation clauses. The new price is usually based on the three or four highest prices in the field or area.

The fact that the wellhead price in 1960 was 13.6 cents is all too plain a warning that the price of gas will continue to spiral upward.

In light of the statements of the producers themselves, who state that 20 cents, 25 cents, 45 cents and even higher, is a fair price for gas at the wellhead, in the light of almost universal pressure of renegotiation and other forms of upward pressure on contract prices, and in the light of the facts revealed by the Sun Oil exhibits for the Louisiana field, 20 cents per thousand cubic feet cannot be far away. Contracts like these are the ones to keep our eyes on. Here are the predecessors of higher gas prices. Here are the Daniel Boone's of the natural-gas industry, leading the way for the others who will soon follow.

ANALYSIS OF REGULATION

REGULATION IS ESSENTIAL FOR CONSUMER PROTECTION

It is clearly recognized by the industry that unless consumers have a substitute for a product or commodity and can readily turn to such substitute when prices get too high, the prices which the consumer may be forced to pay may be very high. The captive residential consumer of natural gas has no effective means by which he can escape the incidence of unreasonable prices. He cannot turn to other fuels without junking his expensive gas appliances. Moreover, in many sections of the country, the newer houses themselves and the chimneys are designed primarily for the burning of natural gas.

Frankly, I am shocked to learn that industry spokesman have said that if the residential consumer does not like the price of gas, he can turn to coal—that he has no right to demand just and reasonable gas prices. The expressed philosophy simply means turning back the clock. Let the monopolies—let the utilities charge what the traffic will bear. If he does not like the cost of telephone service, or what he pays for electric lights, the consumer can go back to writing letters and burning candles. How can such a proposal be seriously advanced? It puts one in mind of the remark made by Marie Antoinette, who, when she was told at the outbreak of the French Revolution that the people lacked bread, replied, "Let them eat cake."

It is contended by champions of nonregulation that the consumer is best protected by competition. They make much of the point that prices of natural gas have not gone up along with competitive fuels or with the general cost of living. They present statistical data and charts showing that residential consumers have been receiving a great bargain in natural gas.

Unit costs of gas should have decreased as consumption increased. It is a well-known economic fact that as high, fixed costs of a product are spread over more and more units, the cost per unit goes down. We have seen this happen with electricity, but it has not happened with natural gas. Instead the Consumer Price Index for gas has gone up 44½ points since 1947—for all items only 27 points. In other words, it has gone in the reverse direction. It has gone the wrong way. Either the industry is grossly inefficient, has excessive profits, or has loaded onto the consumer disproportionate costs at a time when unit costs have decreased as the industry rapidly expanded.

Further evidence of the beneficial effect of regulation is shown by comparing the costs allocated by the FPC to the industrial nonjurisdictional business with the revenues which the companies receive from such industrial business. In every pipeline company rate case where direct sales are made to industries, it is found that the revenues received from industrial sales are substantially in excess of the allocated cost of service. For example, in the Panhandle case where the cost of revenue figures applied to the year 1952, the opinion shows that the average revenue received from industrial service was 28.09 cents per thousand cubic feet, whereas the allocated cost including a return of 5¾ percent was only 19.35 cents. On the other hand, the allocated cost per thousand cubic feet to jurisdictional business was 24.57 cents. On that basis the Commission increased Panhandle's rates to its jurisdictional customers to that level, which was still 3.5 cents per thousand cubic feet below the unregulated industrial rate.

Is there any reason to doubt that the rates charged by the pipelines to distributors for firm service would be substantially higher than those charged industries for interruptible, second-priority service, if regulation were absent? This fact should dispel any doubt that the consumer is best protected by regulation. And higher prices charged by gas producers on sales to pipelines would have to be passed on to the distributors, and by them in turn to the consumers.

NONREGULATION MEANS HUGE PROFITS TO PRODUCERS

Huge profits are at stake in any proposal to nullify effective natural gas regulation. If the gas producers succeed, it will cost consumers of this country from $600 to $900 million annually. It will increase the value of the estimated gas reserves of the Nation by $160 billion to $200 billion. The evidence is clear that the producers seek and expect to secure higher prices in the future. They are anticipating future field prices ranging all the way up to 45 or 50 cents per thousand cubic feet. I shall present evidence showing that current prices in contracts now being entered into in the Southwest range up to more than 26 cents, with periodic price stepups beyond that which go as high as 40 cents and some at 50 cents per thousand cubic feet during the life of the contract. We also know that these gas-purchase contracts are loaded with escalation clauses of every conceivable variety. Would the proponents of nonregulation dare assert that the price of gas is going to stabilize at the present level if producers were not effectively regulated? They know they cannot make such a promise.

If we take the 1959 sales of 12 trillion cubic feet, and multiply it by 5 cents per thousand cubic feet, the modest increase suggested several years ago by General Thompson of the Texas Railroad Commission to which I referred earlier, we obtain an annual increase in the cost of gas of $600 million. If we multiply the 12 trillion cubic feet by 10 cents per thousand cubic feet—which I have pointed out is the more likely figure—we obtain an increase of $1,200 million per year. And if we multiply this $600 million a year increase by the estimated 125-year reserve supply, this means that the producers would be the beneficiaries of a $150 billion windfall. If the price of gas should rise as high as 35 cents per thousand cubic feet, the value of these reserves would increase by more than $200 billion. Enforcement of the Natural Gas Act is all that stands between the producers and these unheard of gains.

CONCLUSION

What facts and conclusions can we draw from this appraisal of the natural gas industry? In the first place we have seen that it consists of a series of monopoly situations which, since they concern a basic and necessary commodity, should be regulated all along the line. The consumer must buy from the distributor, who is regulated by the States; the distributor must buy from the pipeline operator, who is regulated by the FPC; and finally the pipeline must buy from one or a few giant producers, who are trying to avoid regulation. The concentration of gas supply in the hands of a few producers, and the type of contract and price upon which they are able to insist, are conclusive indications of the control which they exert over that part of the industry.

That the Congress and the courts have recognized this situation is borne out by the Natural Gas Act itself, and by the clear progression of cases under that act which led to the Phillips case. This unequivocal decision put the producer where the nature of the industry demands he be—under effective regulation.

The feasibility of such a program of regulation is demonstrated by the fact

that for years the FPC has been regulating production by integrated pipeline companies without difficulty.

The claims that the industry will suffer ill effect from regulation have been shown to be without substance. A margin of profit consonant with the risks involved will assure that natural gas will continue to flow to its best market, the interstate market. Exploration will not fall off. The revised figures now available show that following the Phillips decision new gas discoveries ran ahead of previous years. Furthermore, we have seen that gas is seldom the object of exploration. Oil is what is sought, and the discovery of gas is incidental.

This, then, concludes the picture. The American public is entitled to the protection against monopoly which this regulation affords it. But the huge cash bonanza which producers would realize if regulation were to end may encourage further attempts along these lines.

This is indeed not a happy subject to discuss. The natural gas producing industry has never yet taken a position in accord with the basic American principles of competition and free enterprise. Withholding reserves, issuing incorrect figures, employing all kinds of extravagant and unfair contract provisions, planning for unheard-of gains at the expense of millions of natural gas consuming families, the industry has become a colossus on the rampage. And now a representative of that industry comes before us for confirmation as a member of the only agency constituted by law to bring this situation under control.

The Supreme Court said of the Natural Gas Act in its Interstate decision in 1945:

> The aim of the act was to protect ultimate consumers of natural gas from excessive charges.

The Supreme Court stated in the Hope case in 1944:

> The primary aim of this legislation was to protect consumers against exploitation at the hands of natural gas companies.

Mr. President, what hope is there for effective regulation of these economic forces which have got out of control if we are to hamstring the FPC by appointments from the regulated industries? The natural gas industry has a shocking record of opposition to regulation, denial of FPC jurisdiction, excessive rate increases, slanted statistics, and overriding arrogance. And we turn to that industry now for an appointment to a quasi-judicial body charged with regulating the industry. All of our collective political experience in the U.S. Senate makes it plain that this appointment cannot be in the public interest. I intend to make it perfectly clear that this appointment is not in the public interest.

Now, Mr. President, I turn to another subject. It seems to me that what I have said so far shows that the producers have the power to increase natural gas prices if they want to, and obviously they want to.

I now intend to go into some detail into the celebrated Catco case decided by the Supreme Court on June 22, 1959.

At issue in this case, although somewhat complicated by other considerations, was an unprecedented rate increase in sales to Tennessee Gas Transmission Co. whereby four producing companies exacted a contract price of 22.4 cents with escalation provisions taking the price up 2 cents every 4 years to 36.4 cents per thousand cubic feet.

At that price, I think it is comparative with the chart, the exorbitant nature of the 36 cents per thousand cubic feet can be seen. That would be about three times as high as the peak price reached in 1960, on my chart.

Tennessee Gas Transmission had been paying 12.54 cents per thousand cubic feet for all the gas it purchased, including 17 cents per thousand cubic feet paid to the very same companies for natural gas produced offshore in the West Delta producing area of Louisiana. In asking for this unprecedented price increase the companies assured FPC and the intervenors in the certificate proceeding who subsequently took the case to court, that no favored-nation or redetermination clauses were effective. But it developed during the hearing that the companies had exchanged letters with Tennessee Gas Transmission pointing out that favored-nation clauses would indeed become operative if the offshore lands passed to the State of Louisiana when legislation affecting offshore lands was passed, and that every other purchaser selling to Tennessee Gas Transmission in the three parishes of Louisiana affected would also receive 22.4 cents per thousand cubic feet for gas that was then selling at slightly over 10 cents.

In other words, they would get almost twice as much. While their gross would double, their net profit would increase far more than that, because, of course, their costs would remain the same, or virtually the same—and that means that every nickel that they received would be net profit. They would be in the happy position of having a net profit increase that would be bigger than the gross income that they had the year before. Few companies can ever look forward to such an almost never-never land of enormous attainment.

The Federal Power Commission at first approved the issuance of a certificate, then set its order aside and told the Catco companies that they must accept an initial price of 18 cents and collect the rest on a contingent basis subject to refund. The Catco companies then issued an ultimatum to FPC saying that they would put the gas on sale in intrastate, nonjurisdictional markets. FPC at once climbed down and issued an order on June 24, 1957, readopting their hearing examiner's first decision and permitting the contract to go into effect. Commissioner Connole dissented. The intervenors in the proceedings then took FPC to court, claiming that the certificate had been granted without any additional showing from the companies that the certificate was justified, without consideration of the effect upon the consumers of the gas, and primarily as a result of narrow bureaucratic inertia and excessive sympathy for the producing companies. It is interesting to note that the FPC stated in its brief that the price increase would not hurt consumers because Tennessee's average cost would increase only slightly. FPC accepted the reasoning of William W. Witmer, the vice president in charge of gas purchases of Tennessee Gas Transmission in calculating that the new contract would cause an increase of only seventeen one-hundredths of 1 cent per thousand cubic feet in Tennessee's average price. And the FPC contended in its brief as respondent before the third circuit court of appeals that the petitioners, Long Island Lighting Co., Public Service Electric & Gas Co. of Newark, and the New York Public Service Commission, would not be aggrieved by the increase. But when we examine the way that seventeen one-hundredths of a cent was calculated we discover that it was calculated for the year when the contract came into effect on November 1, so that the increased price was figured for only 2 months out of 12, and at a volume that increased after the first of the following year by over 250,000 thousand cubic feet per day. And this is the distorted and wholly inaccurate figure accepted by the FPC in agreeing that consumers would not be aggrieved by the increase. The petitioners realized that if the Catco companies obtained a certificate for this price, it would be very unlikely that FPC would shave the resulting rates when Tennessee applied for approval of its rates under the contract. The FPC argued in its brief that petitioners had no right to protest at the level of the wellhead sale and ought to wait until Tennessee proposed to increase its rates.

Of course, by then, as the petitioners correctly realized, the rates would not be at issue and Tennessee would be allowed them as part of its rate base. It is not very pleasant to view the FPC's record in this case, and it is frightening to discover the rapidity of price increases planned by the producers. An escalation clause is not a prediction of rising prices. It is the cause of rising prices, and the companies cold-bloodedly plotted an increase of 1 cent every 2 years. The price has been increasing that fast since 1941, when a 20-year contract signed would now be expiring. The companies are planning for the next 20 years an equally great increase in the wellhead price of gas, as the terms of the Catco contract well show.

Mr. President, the supporters of this nomination claim that producers have nothing to do with rising prices. Nothing could better answer this argument than the Supreme Court's decision in the Catco case that consumers would be injured by the increases planned in the Catco contract. Thus the Supreme Court denies, and the arguments of petitioners in this case refute, the argument that producers have nothing to do with increasing the consumer's price for gas. If we ask, as the supporters of this nomination believe, "Do producers' price increases have no power to drive up consumers' prices?" The answer will be "No." And the answer to such planned increases must be "no" if the consumers

of this Nation are to receive the protection guaranteed them by the Natural Gas Act. Is the power of the industry viewpoint in the FPC negligible, as some supporters of this appointment would have us believe? The answer is "No," as we shall see by the way the FPC reversed its order forbidding sale in the instant case. Will the consumers of this country receive the protection Congress guaranteed them in passing the Natural Gas Act if this appointment is approved and a man from the industry sits on the Federal Power Commission? The answer again is "No." We must recognize that producers do have the power to drive up prices, and they do have plans to drive up prices, and they do have their point of view brought constantly to bear on FPC.

With the present appointment the scales will be turned even further against the consumer and the producers of natural gas will get the price increases they plan to exact from our citizens. Will the U.S. Senate permit this man to carry out their plans—a man who comes from the industry planning to obtain that $500 billion increase in reserve values? And let there be no doubt that these predictions are based upon positions the industry has taken in cases like the present one. Mr. President, I would like to quote the contract signed between Tennessee Gas Transmission Co., as buyer and Continental Oil Co., as seller, dated August 17, 1956. It is identical to contracts signed with the Atlantic Refining Co., Cities Service Production Co., and the Tidewater Oil Co., the three other members of the Catco group. I shall then go on to the pleas entered by petitioners in resisting FPC's order to let the contract go into effect, and describe the arguments by FPC, which claimed that such increases would not be harmful and that petitioners would have ample recourse in subsequent actions. I shall then discuss the companies' argument that the price increase of 10 cents per thousand cubic feet in sales to Tennessee was justified. The reply briefs of the petitioners, the New York Public Service Commission, Long Island Lighting Co., and Public Service Electric & Gas Co., make short work of these arguments, and were upheld in the decision of the Supreme Court, with which I shall conclude.

Mr. METCALF. Mr. President, will the Senator from Wisconsin yield to me at this point?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Montana without losing my right to the floor.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Is there objection to the request of the Senator from Wisconsin?

The Chair hears none, and it is so ordered.

Mr. METCALF. With that understanding, I think we should discuss another phase of the jurisdiction of the Federal Power Commission.

I note that the Senator from Wisconsin has gone into some of this phase in some detail, but I think he has brushed too lightly over the electrical power industry and the jurisdiction of the Federal Power Commission over electrical utilities.

In a previous colloquy I suggested to the Senator from Wisconsin that there had been some dereliction on the part of the Commission as to original licensing, with an appalling waste, especially with respect to the licensing of the Idaho Power Co. to build three run-of-the-river dams instead of Hells Canyon Dam.

Another phase of the jurisdiction which is prospective will be the renewal of licenses, which will come up within the next few years.

The Senator from Wisconsin was discussing effects on intrastate rates so far as gas is concerned.

The Federal Power Commission can have some effect on intrastate electrical rates by the licensing jurisdiction. State public service commissions fix rates, but when the old licenses come up for renewal, within the next few years—and more and more will—the Federal Power Commission should take into consideration the fact that the costs of the dams and the costs of transmission lines have all been depreciated and written off. There will be an opportunity for the proper officials of the Federal Power Commission to take into consideration the fixing of rates to repair some of the damage which was done by the failure of State commissions properly to regulate rates for the consumers. I think, in respect to the filling of all these jobs within the next few years, we should take into consideration the philosophy of the men who will serve in these positions, as well as their attitude toward protecting the interests of the public, the interests of the consumers, as to the renewal of licenses as licenses come up for renewal with respect to the public streams and rivers of America.

I hope the Senator from Wisconsin, as he further develops some of these parallels between natural gas and other energy sources, will take into consideration the fact that, so far as electrical energy is concerned, the same corporation owns the source of production, the dam, or the thermal unit; the transmission line, which would be comparable to the pipeline; and the distribution system. The only opportunity the public has for a comparison of rates is to have the Federal Power Commission or the local intrastate utility commission make an investigation.

There has been an incredible failure on the part of State commissions properly to control some of the utilities. The only way we can anticipate a proper control is through the relicensing procedure in the years ahead.

Mr. PROXMIRE. Once again, Mr. President, I think this is a very useful colloquy. It is a very useful contribution to the consideration of the nomination.

The Federal Power Commission does have that power. The Senator from Wisconsin has not discussed it. In fact, I have been using a much narrower, more specific approach.

Mr. METCALF. The Senator from Wisconsin has not had time to go into this question.

Mr. PROXMIRE. That is a good point. The Senator from Wisconsin has not had time, as yet.

Mr. METCALF. As yet.

Mr. PROXMIRE. As yet.

Mr. METCALF. I hope the Senator from Wisconsin will find the time to do it.

Mr. PROXMIRE. I thank the Senator from Montana. I shall certainly give it a great deal of time in the future.

I think the idea which the Senator from Montana has advanced with respect to the licensing of utilities which take advantage of public dams and public power development, based on performance which, as the Senator from Montana has said, comes under the duty and responsibility of the Federal Power Commission, is very important. The philosophy, the attitudes, the ideas, and the experiences of the Commissioners are related directly to the problem.

I ask the Senator from Montana if it is not true that a man who has had an exclusive association with a private gas producing organization, as an oil consultant, is unlikely to have the kind of broad gage experience necessary, or unlikely to look at this kind of problem from the standpoint of the overall natural resources, from the standpoint of the broad public interest, and the protection of the consumers.

Is it not unlikely that a man with such a background would take the constructive attitude which would be taken by a person with a broader background and experience?

Mr. METCALF. In the years ahead I hope the consumers, the people of America, and especially Members of Congress, will be greatly concerned about the attitude of members of the Federal Power Commission.

As I have mentioned, we have seen the electrical utilities come in to defeat the bill for Hells Canyon. We have seen them provide inadequate development, with appalling waste. Yesterday we saw them participate in the defeat of the Hanford nuclear plant.

Mr. PROXMIRE. We have also seen them defeat nominations of fine Commissioners, who were devoted to a broad-gage public viewpoint. Of course, the way to play it safe is to play along with the attitude of the private electric industry, which is so powerful and so influential with the Federal Power Commission. That is why it is important to nominate, and to confirm the nominations of, people to be members of the Commission who have a record of courage, a record of independence and of the broad public point of view.

Mr. METCALF. If we continue to permit the electric utility companies to provide inadequate development of our resources, with a waste of our resources, such as was the case with respect to Hells Canyon and Hanford, we shall have to look very closely at the new licenses and the renewals of licenses for the rivers.

One thing the Members of Congress, our constituents, and the consumers in our States will have to be asked about prospective Commissioners is, "How do these men feel about not only the waste of energy, such as is the case at Han-

ford, but also, perhaps, the waste of oil and gas resources, the waste of our watersheds, the waste of our fisheries, and the waste of our recreational facilities.

There has been an inadequate investigation of licensing along the rivers of America.

Mr. PROXMIRE. Mr. President, I thank the Senator from Montana. As I said before, he has made a very useful contribution. I think the licensing process has been overlooked. It is a duty which is of very great responsibility. I think it is very helpful for the Senator to bring up this point when we consider nominations of men to be members of the Commission, because it is only as the Senate has the will and concern with this kind of qualification and with this kind of pertinent obligation on the part of nominees that we can expect in the future to get a broad public interest viewpoint from these men, because, heaven knows, there will be plenty on the other side.

They are going to have that every day as long as they are on the Commission, and they are going to have it in all kinds of ways. So unless the Senate, by the process of advice and consent, discharges its duty and responsibility, and takes advantage of the opportunity we have discussed as the able Senator from Montana is discussing it tonight, there will be a sad neglect of this great opportunity to insist that the private power people recognize their public obligation—their obligation to the entire country.

Mr. METCALF. I thank the Senator.

Mr. PROXMIRE. I thank the Senator from Montana.

Mr. President, this contract in the Catco case involved a gas purchase and sales agreement contract involving East Cameron, West Cameron, and Vermilion areas.

The agreement was entered into the 17th day of August 1956, between Tennessee Gas Transmission Co., a Delaware corporation, and the Continental Oil Co., the seller. The Tennessee Gas Transmission Corp. was the buyer and the Continental Oil Co. was the seller. It reads as follows:

Buyer and seller, in consideration of the payment of $1, the receipt of which is hereby acknowledged, and the mutual agreements herein contained, hereby covenant and agree as follows:

After a series of definitions it provides that—

Each of the parties hereto will file with the Federal Power Commission and other regulatory bodies having jurisdiction, necessary application, if any, for certificates of public convenience and necessity satisfactory to the applicant without delay following the execution hereof. Such application, if any, will be prosecuted diligently to the end that, if issued, such certificates will be issued on or before April 1, 1957.

And so forth. That is a fairly standard pattern. As we get into the question of quantity, this contract has the following provision:

Subject to the provisions of this contract, seller agrees to sell and deliver to buyer, and buyer agrees to purchase and receive the following quantities of gas per day from the dedicated reserves, subject to reductions as provided in subsections (b), (f) or (g) of this section 3:

(i) From November 1, 1957, until November 1, 1958, a quantity equal to 25 percent of the smaller of the two following quantities:

(1) 175,000 million cubic feet per day, or;

(2) Four-fifths of the total quantity which the wells are capable of producing when produced at their respective maximum efficient rates of flow; and

(ii) From November 1, 1958, and during the remainder of the term hereof, as such term may be extended hereby, a quantity equal to 1 billion cubic feet for each 8 trillion cubic feet of recoverable gas originally in place in the dedicated reserves.

Obviously by this provision it is clear that the producer is in a very strong position with regard to the buyer, because one of the two options is four-fifths of the total quantity which the wells are capable of producing at their respective maximum efficient rates of flow.

Of course there is an alternative of 175 million cubic feet per day, but that is also an immense quantity.

In further advantages to the buyer:

In the event buyer exercises its right to reduce the volume of gas buyer is obligated to purchase or pay for hereunder as provided in subsection (b) of this section 3, buyer shall, during the 9 calendar months following the last month during which such reduction is in effect, purchase or pay for, if available, at the then effective price, in addition to the volume of gas buyer is obligated to take hereunder, the aggregate volume which buyer was relieved of taking or would not take by reason of buyer's exercising the right so to reduce the quantity of such gas during such 3 calendar months.

Subject to the provisions of section 6 hereof, buyer shall have the right to purchase, and seller will install, maintain, and operate the necessary delivery facilities and will deliver to buyer such quantity of gas per day, in addition to the contract quantity, as buyer may from day to day elect to purchase up to a total quantity equal to the smallest of the following quantities:

In this case it is:

The total quantity which the wells are capable of producing when produced at their respective maximum efficient rates of flow; or

The total quantity which the wells are capable of producing when produced at their respective allowable rates of flow under applicable orders, rules, regulations or laws; or

The total quantity equal to 125 percent of the contract quantity hereunder.

On dedication of reserves the contract provides:

Subject to the terms and provisions of this contract, seller dedicates to the performance of this contract all gas produced from and attributable to the interest of seller in the reservoirs listed in exhibit A or down to the respective depth limitations set out therein and under the corresponding leases and lands listed in such exhibit A hereto annexed and made a part hereof and seller's leasehold or other estate in and under all such lands and leases as so limited to reservoirs or depth mentioned above up to the quantity equal to 25 percent of 2 trillion cubic feet.

Quality of gas is defined. There are a few reservations for the seller which I shall skip over.

Mr. President, I ask unanimous consent that the entire contract be printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the contract was ordered to be printed in the RECORD, as follows:

ITEM NO. A, GAS PURCHASE AND SALES AGREEMENT, DATED AUGUST 17, 1956, BETWEEN TENNESSEE GAS TRANSMISSION CO., AS BUYER AND CONTINENTAL OIL CO., AS SELLER

[489] GAS PURCHASED AND SALES AGREEMENT EAST CAMERON, WEST CAMERON AND VERMILION AREAS

Agreement made and entered into this 17th day of August, 1956, by and between Tennessee Gas Transmission Co., a Delaware corporation, herein called "buyer," and Continental Oil Co., a Delaware corporation, hereinafter referred to as "seller."

Witnesseth that: buyer and seller, in consideration of the payment of $1, the receipt of which is hereby acknowledged, and the mutual agreements herein contained, hereby covenant and agree as follows:

1. Definitions: For the purposes of this contract the following definitions shall be applicable:

(a) The term "gas" shall include casinghead gas produced with crude oil, natural gas from gas wells, and residue gas resulting from processing either casinghead gas or gas well gas or both.

(b) The term "leases" shall mean the oil, gas and mineral leases described in exhibit A attached hereto, and the lands covered thereby, in which seller holds gas rights which are dedicated to this contract as provided in section 4 hereof.

(c) The term "dedicated reserves" shall mean the gas reserves as limited by reservoirs or depths and maximum quantities herein, located in and under the leases, which are attributable to the interest of seller therein.

(d) The phrase "recoverable gas originally in place" shall mean the gas in the dedicated reserves as of the date of initial delivery of gas hereunder which is recoverable from wells drilled on the leases, based upon knowledge concerning all dedicated reservoirs penetrated by such wells and conditions existing at the time of the particular determination or redetermination.

(e) A day shall begin at 8 a.m. on each calendar day and end at 8 a.m., on the following calendar day, and a month or year shall begin at 8 a.m., on the first calendar day of such period of time and end at 8 a.m. on the first calendar day following such period.

(f) The term "M c.f." shall mean 1,000 cubic feet.

(g) The term "contract quantity" shall mean the quantity per day specified in subsection (a) of section 3, or subsection (b) of section 3 hereof.

2. Certificates of public convenience and necessity and construction of facilities:

(a) Each of the parties hereto will file with the Federal Power Commission and other regulatory bodies having jurisdiction, necessary application, if any, for [490] certificates of public convenience and necessity satisfactory to the applicant without delay following the execution hereof. Such application, if any, will be prosecuted diligently to the end that, if issued, such certificates will be issued on or before April 1, 1957. In the event any of such applications are denied, or if satisfactory certificates have not been issued by April 1, 1957, either party hereto may, by written notice mailed to the other party hereto, terminate this contract in its entirety, and if either such party so terminates this contract, then the respective obligations of the parties to sell and buy gas hereunder shall be of no force and effect from the date of such termination.

(b) If such certificates are issued and neither party hereto has canceled this contract as provided in subsection (a) of this section 2, buyer will install, or cause to be

installed and placed in operation, by November 1, 1957, the facilities necessary to receive deliveries of gas hereunder, and seller will use due diligence to install and place in operation, or cause to be installed and placed in operation, the necessary facilities to be installed for delivery of gas hereunder at the delivery point or points hereinafter provided.

3. Quantity:

(a) Subject to the provisions of this contract, seller agrees to sell and deliver to buyer, and buyer agrees to purchase and receive (or if available and not taken, buyer agrees to pay for) the following quantities of gas per day from the dedicated reserves, subject to reductions as provided in subsections (b), (f) or (g) of this section 3:

(i) From November 1, 1957, until November 1, 1958, a quantity equal to 25 percent of the smaller of the two following quantities:

(1) One hundred seventy-five thousand M c.f. per day, or;

(2) Four-fifths of the total quantity which the wells are capable of producing when produced at their respective maximum efficient rates of flow; and

(ii) From November 1, 1958, and during the remainder of the term hereof, as such term may be extended hereby, a quantity equal to 1,000 M c.f. for each 8 million M c.f. of recoverable gas originally in place in the dedicated reserves.

(b) In the event buyer is obligated to take natural gas from gas wells or residue gas resulting from processing gas well gas under the provisions of paragraph (ii) of subsection (a) of this section 3, or if the quantity of such gas may have been reduced by seller under subsection (f) of this section 3, buyer shall, during the calendar months of July, August, and September of any year during the term hereof, have the right to reduce the quantity of such gas well gas or residue gas which buyer is so obligated to take during such calendar months by as much as 25 percent.

(c) In the event buyer exercises its right to reduce the volume of gas buyer is obligated to purchase or pay for hereunder as provided in subsection (b) of this section 3, buyer shall, during the 9 calendar months following the last month [491] during which such reduction is in effect, purchase or pay for, if available, at the then effective price, in addition to the volume of gas buyer is obligated to take hereunder, the aggregate volume which buyer was relieved of taking or would not take by reason of buyer's exercising the right so to reduce the quantity of such gas during such 3 calendar months.

(d) Subject to the provisions of section 6 hereof, buyer shall have the right to purchase, and seller will install, maintain, and operate the necessary delivery facilities and will deliver to buyer such quantity of gas per day, in addition to the contract quantity, as buyer may from day to day elect to purchase up to a total quantity (including the contract quantity) equal to the smallest of the following quantities:

(1) The total quantity which the wells are capable of producing when produced at their respective maximum efficient rates of flow; or

(2) The total quantity which the wells are capable of producing when produced at their respective allowable rates of flow under applicable orders, rules, regulations, or laws; or

(3) The total quantity equal to 125 percent of the contract quantity hereunder.

(e) The gas purchased hereunder shall be delivered and received as nearly as practicable at uniform hourly and daily rates of flow. However, if at any time during the term hereof the daily quantity to be delivered hereunder contains gas well gas or residue gas resulting from processing gas well gas, the daily quantity of gas actually delivered and taken may vary 10 percent above or below the quantity to be delivered hereunder, but in no event, however, shall the total quantity delivered and taken during the month vary more than 5 percent above or below the total quantity which was to have been delivered hereunder for such month. Any deficit occurring by reason of such permitted variation shall, subject to each party's ability so to do, be adjusted in gas as soon as reasonably possible but not after 12 months from the accrual of such deficit.

(f) If, after the date of initial delivery of gas hereunder, for any period of 6 consecutive months for any reason other than force majeure, buyer does not purchase hereunder, or pay for, within the time provided in this contract, if available, at least the total contract quantity (within the permitted variation provided by subsection (e) of this section 3) for such period, seller may, upon written notice to buyer within the next following 30 days, in addition to any other rights which seller may have, reduce the contract quantity to the average daily quantity which buyer purchased hereunder during such 6 months period. If seller does reduce the contract quantity, seller may by like concurrent notice also reduce in the same proportion the additional quantity deliverable under the foregoing subsection (d) and the dedicated reserves; and, if requested by seller, buyer will deliver written acknowledgment to seller that the gas reserves then dedicated hereto are released from such dedication to the extent of the same percentage thereof that the contract quantity is so reduced.

(g) If, after the date of initial delivery of gas hereunder, seller fails, for any reason other than force majeure, to make available for delivery to buyer hereunder for any period of 6 consecutive months the total contract quantity (within the variation permitted by subsection (e) of this section 3) for such period, buyer may, in [492] addition to any other rights which buyer may have, reduce the contract quantity to the average daily quantity which seller did make available during such 6 months' period.

(h) If the quantities of gas taken by buyer hereunder during any semiannual period after the date of initial delivery of gas hereunder have not permitted seller to maintain ratable withdrawals from any reservoir subject hereto (under existing applicable rules, regulations, orders or laws) with other operators withdrawing gas from the same reservoir and if seller during such period or during the ensuing semiannual period has been unable to adjust deliveries as between the reservoirs subject hereto within the total quantities of gas sold hereunder so as to maintain ratable withdrawals from any such reservoir and at the same time comply with the lease or leases underlain by such reservoir, buyer will purchase and receive or will pay for if available and not taken, during any semiannual period following a period of 12 months from and after the initial date of the first semiannual period mentioned above that additional quantity of gas over and above the contract quantity for such period which will permit seller to make up the deficiency in ratable withdrawals accruing during the first semiannual period mentioned above.

(i) Seller may allocate the total quantities of gas to be purchased and received by buyer hereunder between the several fields covered by this contract in such quantities as it so desires; provided, however, seller will not allocate a quantity of gas to be received by buyer from any field covered hereby in excess of a quantity equal to 1,160 M c.f. for each 8 million M c.f. of recoverable gas originally in place in the reservoir or reservoirs in any field from which such gas is produced, if allocation of a greater quantity thereto would cause buyer to suffer undue hardship by reason of its obligations to protect other producers producing from the same reservoir from drainage or by reason of lack of capacity in buyer's facilities serving such reservoir. Seller may also deliver gas to buyer from acreage or gas reservoirs not dedicated to the performance of this contract so long as deliveries of such gas by seller to buyer do not affect the daily quantity of gas to be delivered to buyer hereunder and buyer is not required to install any facilities to accomplish receipt of deliveries of gas from such reservoirs, but such deliveries shall be applied to the quantity of gas seller is obligated to deliver hereunder.

(j) Seller may deliver to buyer from the gas reserves dedicated hereto quantities of gas in addition to quantities provided elsewhere herein, up to a maximum of 25 percent of 50,000 M c.f. per day, which quantities shall be delivered to buyer under the terms of this contract, but shall be allocable to quantities which seller is then prevented from delivering to buyer from other gas reserves dedicated to buyer by seller located in fields in the West Delta area, provided, however,

1. The deliveries to buyer by seller of such additional quantities of gas shall not interfere with taking of gas by buyer for the purpose of making up deficiencies in take accrued under the terms of this contract; and

2. The deliveries to buyer by seller of such additional quantities of gas shall not cause buyer to incerase its takes from any other producer to protect such other producer from drainage; and

[493] 3. The deliveries to buyer by seller of such additional quantities of gas shall not cause buyer to construct any additional facilities in order to handle such additional gas in buyer's system.

4. Dedication of reserves:

(a) Subject to the terms and provisions of this contract, seller dedicates to the performance of this contract all gas produced from and attributable to the interest of seller in the reservoirs listed in exhibit "A" or down to the respective depth limitations set out therein in and under the corresponding leases and lands listed in such exhibit "A" hereto annexed and made a part hereof and seller's leasehold or other estate in and under all such lands and leases as so limited to reservoirs or depth mentioned above up to a quantity equal to 25 percent of 2 trillion cubic feet.

(b) On or before August 1, 1957, seller may dedicate gas reserves located in the East Cameron, West Cameron, and Vermilion areas, to the performance of this contract, in addition to the gas reserves contemplated by subsection (a) of this section 4, up to a quantity equal to 25 percent of 1 trillion cubic feet. In the event seller so dedicates such additional gas reserves hereto, buyer will be obligated hereunder to purchase or pay for gas produced therefrom, if available, commencing November 1, 1958: *Provided, however,* In the event buyer or seller has not obtained all requisite certificates and authorities, if any, necessary to purchase and deliver such gas respectively, satisfactory to the party receiving the same by April 1, 1958, either buyer or seller may cancel such dedication of such additional gas reserves hereto by written notice to the other party delivered after April 1, 1958. If either party so cancels such dedication of gas reserves hereto, both parties hereto from the date of such cancellation shall be absolved and relieved of all obligations hereunder respecting such additional gas reserves.

(c) In the event seller does not dedicate additional gas reserves to the performance of this contract in accordance with the provisions of subsection (b) of this section 4, or if seller does so dedicate such additional gas reserves hereto and such dedication is canceled in accordance with the provisions of subsection (b) of section 4, seller may, on

or before August 1, 1958, dedicate gas reserves located in the East Cameron, West Cameron, and Vermilion areas, to the performance of this contract, in addition to the gas reserves contemplated by subsection (a) of this section 4, up to a quantity equal to 25 percent of 1 trillion cubic feet. In the event seller so dedicates such additional gas reserves hereto, buyer will be obligated hereunder to purchase or pay for gas produced therefrom, if available, commencing November 1, 1959: *Provided, however,* In the event buyer or seller has not obtained all requisite certificates and authorities, if any, necessary to purchase and deliver such gas respectively, satisfactory to the party receiving the same by April 1, 1959, either buyer or seller may cancel such dedications of such additional gas reserves hereto by written notice to the other party delivered after April 1, 1959. If either party so cancels such dedication of gas reserves hereto, both parties hereto from the date of such cancellation shall be absolved and relieved of all obligations hereunder respecting such additional gas reserves.

(d) Seller may also dedicate gas reserves located in the East Cameron, West Cameron, and Vermilion areas, to the performance of this contract, in addition to those gas reserves contemplated by subsection (a) of this section 4 and those gas reserves [494] which seller may dedicate by subsection (b) or (c) of this section 4. Seller may so dedicate such additional gas reserves not more than once during each 12-month period commencing August 1, 1958, and ending August 1, 1967, upon the following conditions:

1. Each such additional dedication shall be limited to an amount equal to 25 percent of 400 billion cubic feet.

2. Seller shall notify buyer prior to each August 1 commencing August 1, 1958, and ending August 1, 1967, of the gas reserves seller desires to so dedicate hereto, if any. Buyer will not be obligated to connect such additional gas reserves so dedicated hereto to buyer's system prior to 15 months from and after the date August 1, first following receipt by buyer of such notice from seller.

3. To connect such additional gas reserves hereunder to buyer's system, buyer will not be obligated to construct and place in operation in excess of 1 mile of lateral gathering line for each 10 billion cubic feet of such additional gas reserves so dedicated hereto.

4. The term of this agreement shall be so extended insofar as such additional gas reserves are concerned, to cover a period of time terminating 20 years from and after the date of initial delivery of gas to buyer from such additional gas reserves so dedicated hereto.

5. Determination of reserves:

(a) On or before the date of initial delivery of gas hereunder, buyer and seller will endeavor to determine by agreement the total quantity of recoverable gas in place dedicated hereto as of the date of initial delivery hereunder. From time to time after the first such determination, but not more often than once in any 12-month period, upon written request of either buyer or seller to the other, buyer and seller will endeavor promptly to redetermine by agreement the total quantity of recoverable gas originally in place in reservoirs then dedicated.

(b) If the first determination of quantity of recoverable gas originally in place or any subsequent determination or redetermination is not made within 60 days after written request therefor, then the first determination or such subsequent determination or redetermination shall be made by arbitration upon written demand by buyer or seller.

(c) The latest determination or redetermination of the total quantity of recoverable gas originally in place, fixed at the nearest thousand cubic feet, shall be controlling for all purposes of subsection (a) or (b) of section 3 hereof until the next redetermination is made.

6. Reservations of seller: Seller reserves the following rights:

(a) To operate its property free from any control by buyer in such a manner as seller, in its sole discretion, may deem advisable, including without limitation, the right to determine when, where or whether to drill new wells, to repair and rework old wells, and to abandon any well or surrender any lease when no longer deemed by seller to be capable of producing gas in paying quantities under normal methods of [495] operation: *Provided, however,* In the event seller should terminate or surrender any lease described in exhibit A hereto, written notice of same shall be given to buyer within 30 days.

(b) In addition to mechanical or low temperature separation, to process the gas, or have same processed for the recovery of liquefiable hydrocarbons including the methane-ethane stream: *Provided, however,* That such processing will not, including shrinkage and fuel, remove more than 10 percent of the volume of gas produced and delivered by seller to buyer daily hereunder: *And provided further,* That such processing will not render the gas incapable of meeting the quality specifications contained herein. Seller may so process the gas or have same so processed before delivery to buyer, or after delivery to buyer at a mutually agreeable point in Cameron or Vermilion Parishes or south of U.S. Highway No. 90 in Jefferson Davis or Calcasieu Parishes, La., on buyer's lateral line serving the dedicated reserves, but before the gas is commingled with other gas delivered to buyer by other producers producing such other gas from leases not dedicated hereto. Seller may also process the gas or cause same to be processed on buyer's line at such mutually agreeable point after commingling with other gas, provided arrangements can be mutually agreed upon as between the parties hereto and any other producers who deliver gas to buyer upstream from the facilities used for such processing.

(c) In the event seller elects to separate by mechanical or low temperature means or to process the gas after delivery to buyer as provided in subsection (b) of this section 6, even though the gas has been separated on or processed before delivery to buyer, seller will deliver the gas hereunder to buyer at the offshore delivery points provided herein and buyer shall accept, along with the gas so delivered at such points, delivery of the liquefiable hydrocarbons produced with such gas which seller will remove, or cause to be removed, from such gas at the location provided in subsection (b) of this section 6, and title to such liquefiable hydrocarbons to be so removed from the gas by seller shall be retained by seller. No charge shall be made by buyer for transporting such liquefiable hydrocarbons combined with the gas delivered to buyer at the offshore delivery points by seller, from such delivery points to the separation or processing facilities to be constructed, or caused to be constructed, by seller, except that buyer shall be reimbursed in full by seller for any taxes or other assessment or charge, present or future, levied and assessed against and paid by buyer for such liquefiable hydrocarbons by reason of the service performed by buyer in receiving, transporting or delivering such liquefiable hydrocarbons to said facilities, or otherwise in respect of such liquefiable hydrocarbons which in any way increases the obligations or amounts payable by buyer under section 10 hereof.

Buyer will indemnify and save seller harmless from all loss, damage and expense which may be asserted by reason of accidents or occurrences resulting from buyer's operations in transporting liquefiable hydrocarbons from such delivery points to such separation or processing facilities, but buyer shall not be responsible to seller for loss of liquefiable hydrocarbons in transit, except losses which may result from negligence on the part of buyer in maintaining and operating buyer's gathering and lateral line or lines serving the gas to be delivered hereunder.

Seller agrees to indemnify and save buyer harmless from all loss, damage and expense which may be asserted by reason of accidents or occurrences resulting from seller's operation in processing the gas delivered through said separation or processing facilities.

[496] (d) To use gas produced from the leases for developing and operating seller's leases listed in exhibit A and seller's other leases in the immediate vicinity, for the operation of seller's pipelines, water stations, camps, platform installations and other miscellaneous uses incident to the operation of such leases, and to fulfill obligations to the lessor therein.

(e) To unitize any of its leases with other properties of seller and of others in the same field, in which event this contract will cover seller's interest in the unit which is attributable to the gas reserves dedicated hereto.

(f) To use gas produced from the leases in any particular field covered hereby for repressuring, pressure maintenance or cycling operations for the leases listed in exhibit A; provided, however, if as a result of such use, seller is thereby rendered unable to deliver to buyer the then applicable daily contract quantity hereunder, the term of the contract shall be extended beyond its primary term, until buyer has thereafter had the opportunity to purchase from seller at the then applicable contract rate and price, and in accordance with the other terms hereof, a quantity of gas equal to the accumulated deficiencies not delivered by seller which has occurred by reason of seller's election under this subsection (f).

1. Quality of gas: Seller agrees that the gas delivered hereunder will be merchantable gas and will upon delivery:

(a) Have a total heating value of not less than 1,000 British thermal units per cubic foot; however, should the total heating value of the gas fall below 1,000 British thermal units per cubic foot during any month, buyer at buyer's sole discretion, may refuse to accept delivery thereof, or may accept delivery thereof and reduce the total amount payable as the purchase price for gas delivered under this agreement for each month during which such condition obtains by an amount determined by multiplying such total amount by a fraction having as its numerator the deficiency of British thermal units below 1,000 and as its denominator 1,000.

(b) Except as provided in subsection (c) of section 6, be commercially free from dust, water and any other substance that might become separated from the gas in buyer's pipe lines; and seller will furnish, install, maintain and operate such drips, separators, heaters and other mechanical devices as may be necessary to effect compliance with such requirements.

(c) Not contain more than 20 grains of total sulphur, nor more than 1 grain of hydrogen sulfide, per 100 cubic feet.

(d) Have a temperature of not more than 140° F.

(e) Have been dehydrated by seller for removal of entrained water present therein in a vapor state, and in no event contain more than 7 pounds of entrained water per million cubic feet, at a pressure base of 14.7 pounds per square inch and a temperature of 60° F. as determined by dew-point apparatus approved by the Bureau of Mines.

(f) As to gas which cannot meet the specifications set out in (c) and (d) above, buyer shall have the option to:

[497] (1) Refuse to accept delivery of such gas, in the event seller cannot correct such

deficiency within a reasonable time, in which event the contract will terminate as to such gas; or,

(2) Accept such gas at a reduced price, which price reduction is to be mutually agreed upon by the parties hereto.

8. Delivery pressure and point of delivery:

(a) Seller shall make deliveries of gas hereunder to buyer at a pressure sufficient to enter buyer's facilities, but in no event shall such required pressure exceed 1,000 pounds per square inch gage.

(b) The points of delivery for all gas delivered to buyer hereunder shall be at a valve on the discharge side of seller's meter, to be located on each of the platforms erected and designated by seller on a lease or leases listed in exhibit A hereto as such exhibit may be amended from time to time, and at such other points as may be mutually agreeable to the parties hereto.

(c) Seller shall not be obligated to install or operate compression facilities in order to deliver gas to buyer hereunder, but seller may do so at seller's option. Buyer shall not be obligated to install or operate compression facilities in order to receive gas hereunder, but may do so at buyer's option; provided, however, if during the term hereof the flowing pressures of the gas wells then delivering gas to buyer hereunder from any of the areas A, B, C, or D, as such areas are described below, decline to such an extent that the contract quantity applicable to the dedicated reserves in the area affected by such decline cannot be produced and delivered to buyer against the operating pressure in buyer's system serving such area so affected, buyer will reduce buyer's operating pressure sufficiently to allow seller to make available to buyer from the area so affected the contract quantity applicable to the dedicated reserves in the area so affected, but in no event shall buyer be obligated to reduce any operating pressure at any delivery point provided herein to a pressure below 700 pounds per square inch gage.

As used in this subsection (c) of this section 8, the terms "area A," "area B," "area C," and "area D" shall have the following meanings:

"Area A" shall mean the acreage contained in blocks 193, the south ½ of 192, the south ½ of 191, and the north ½ of 194, all situated in the West Cameron area and the northwest ¼ of block 83, situated in the East Cameron area.

"Area B" shall mean the acreage contained in blocks 49, 50, 51, 62, 63 and 67, all situated in the East Cameron area.

"Area C" shall mean the acreage contained in blocks 58, 59, 70, 71 and 72, all situated in the East Cameron area.

"Area D" shall mean the acreage contained in blocks 86, 96, 108, the west ½ of 95, the south ½ of 87, the north ½ of 78 and the north ½ and southwest ¼ of 75, all situated in the Vermilion area.

[498] 9. Measurement and tests: The measurement and tests for quality of gas delivered hereunder shall be governed by the following:

(a) The volumes shall be measured by orifice meters installed and operated, and computations made, as prescribed in gas measurement committee report No. 3 dated April 1955, of the American Gas Association, as such report may be amended or revised from time to time.

(b) The unit of volume for purposes of measurement shall be 1 cubic foot of gas at a temperature base of 60 degrees Fahrenheit and at a pressure base of 15.025 pounds per square inch absolute.

(c) The arithmetical average of the hourly temperature recorded during each day, the factor for specific gravity according to the latest test therefor, and the corrections for deviation from Boyle's law applicable during each day shall be used to make proper computations of volumes hereunder. Chart integration and volume computations shall be made by seller as accurately as possible and within the accuracy prescribed by the manufacturer of the computing equipment used.

(d) Temperature shall be determined by a recording thermometer continuously used and installed so as to record properly the temperature of the gas flowing through the meter.

(e) Specific gravity shall be determined with accuracy to nearest one-thousandth by taking samples of the gas at the delivery point or points at such times as may be designated by buyer, but not more often than once each month, and having the specific gravity determined by the use of the Acme gravity balance, or any other instrument mutually agreeable and acceptable to the industry.

(f) Deviation from Boyle's law at the pressures, specific gravity, and temperatures upon delivery shall be determined by joint test at intervals of 3 months, or as often as found necessary. The apparatus and method recommended by the National Bureau of Standards, or as otherwise mutually agreed upon, shall be used in making such tests. Each test shall determine the corrections to be used in computing volumes until the next test is made.

(g) The total heat value of the gas shall be determined by joint tests made by taking samples of the gas at the delivery point or points at such times as may be designated by buyer, but not more often than once each month, and having the British thermal unit content per cubic foot determined by calorimeter test. The British thermal unit content per cubic foot shall be determined by an accepted type of recording calorimeter for a cubic foot of gas at a temperature of 60° Fahrenheit when saturated with water vapor and at an absolute pressure equivalent to 30 inches of mercury at 32° Fahrenheit.

(h) Tests to determine sulphur and hydrogen sulfide content shall be made by approved standard methods in general use by the gas industry, and the water vapor content shall be determined by use of dewpoint apparatus approved by the Bureau of Mines.

(i) All measuring and testing equipment, housing, devices, and materials shall be of standard manufacture and type approved by buyer, and shall, with all related [499] equipment, appliances and buildings be installed, maintained and operated, or furnished by seller, at seller's expense, and the size, type and specifications of the foregoing must be approved by buyer before same is fabricated and installed at the delivery point. Buyer's approval shall not be unreasonably withheld. Buyer may install and operate check measuring and testing equipment which shall not interfere with the use of seller's equipment.

(j) The accuracy of seller's measuring and testing equipment shall be verified at least once each month and at other times upon request of buyer or seller. Tests for quality of the gas may be made at the time of testing equipment or at other times, but not more often than once each month. Notice of the time and nature of each test shall be given by seller to buyer sufficiently in advance to permit convenient arrangement for buyer's representative to be present. Measuring and testing equipment shall be tested by means and methods approved by buyer (which approval shall not be unreasonably withheld). Tests and adjustments shall be made in the presence of and observed by representatives of both buyer and seller, if present. If, after proper notice, buyer fails to have a representative present, the results of the tests shall nevertheless be considered accurate until the next tests are made. All tests shall be made at seller's expense, except that buyer shall bear the expense of tests made at its request if the inaccuracy found is 2 percent or less.

(k) If at any time any of the measuring or testing equipment is found to be out of service, or registering inaccurately in any percentage, it shall be adjusted at once to read accurately, within the limits prescribed by the manufacturer. If such equipment is out of service, or inaccurate by an amount exceeding 2 percent at a reading corresponding to the average rate of flow for the period since the last preceding test, the previous readings of such equipment shall be disregarded for any period definitely known or agreed upon, or if not so known or agreed upon, for a period of 16 days or one-half of the elapsed time since the last test, whichever is shorter. The volume of gas delivered during such period shall be estimated by (a) using the data recorded by any check measuring equipment if installed and accurately registering, or if not installed or registering accurately, (b) by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation, or, if neither such method is feasible, (c) by estimating the quantity, or quality, delivered, based upon deliveries under similar conditions during a period when the equipment was registering accurately. No correction shall be made for recorded inaccuracies of 2 percent or less.

(l) Buyer and seller shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or testing data of the other, at all times during business hours; but the reading, calibration, and adjustment of such equipment and changing of charts shall be done only by the party installing and furnishing the same. Each party shall preserve all original test data, charts, and other similar records, in such party's possession, for a period of at least 3 years.

(m) Seller shall, at its expense, furnish buyer necessary data daily as required for calculating average hourly volumes delivered during the preceding 24-hour period.

10. Prices: The prices to be paid by buyer to seller for all gas delivered to or, if available and not taken by buyer, to be paid for hereunder, shall be as follows:

[500] From the date of initial delivery or November 1, 1957, whichever occurs first, until November 1, 1962, 21.4 cents per thousand cubic feet.

From November 1, 1962, to November 1, 1966, 23.4 cents per thousand cubic feet.

From November 1, 1966, to November 1, 1970, 25.4 cents per thousand cubic feet.

From November 1, 1970, to November 1, 1974, 27.4 cents per thousand cubic feet.

From November 1, 1974, to November 1, 1978, or to the date of expiration of this contract, whichever is earlier, 29.4 cents per thousand cubic feet.

In the event the term of this contract is continued or extended hereunder beyond November 1, 1978:

From November 1, 1978, to November 1, 1982, 31.4 cents per thousand cubic feet.

From November 1, 1982, to November 1, 1986, 33.4 cents per thousand cubic feet.

From November 1, 1986, to expiration of this contract, 35.4 cents per thousand cubic feet.

Seller shall pay all Federal and State of Louisiana production, severance, or similar taxes now being levied in respect of or applicable to the gas delivered hereunder: *Provided, however,* that if any such taxes in addition to or greater than those being levied at the date hereof are hereafter levied and seller is liable for the payment or collection of such additional or greater tax, so long as such additional or greater tax is in effect and paid by seller on such gas, buyer will reimburse seller for three-fourths of the amount by which such additional or greater tax shall exceed the taxes now levied.

Buyer shall reimburse seller the amounts for which seller is liable and pays to the State of Louisiana or Federal Government applicable or equivalent to the gathering tax imposed by Act No. 11, Louisiana Laws of 1948, as amended by Act No. 45, Louisiana Laws of 1954, in respect of or applicable to gas delivered hereunder and buyer will pay or reimburse seller any and all similar taxes hereafter levied or assessed by Federal or State of Louisiana laws in respect of or applicable to such gas imposed upon or payable by seller: *Provided, however,* That during any time when the amount of such taxes is in excess of the amount of tax levied by said Act No. 11, Louisiana Laws of 1948, buyer shall be obligated hereunder to pay or reimburse seller only three-fourths of such excess. The amount for which reimbursement is to be made by buyer to seller under this paragraph shall be billed quarterly.

Notwithstanding any provision of this contract to the contrary, if, in order to comply with or by reason of any present or future law or rule, regulation or order of [501] the Secretary of the Interior, the Commissioner of Conservation of the State of Louisiana, or other governmental officials or bodies having jurisdiction, the basis or method of measurement of gas delivered hereunder is changed, then the price per Mc.f. for gas purchased hereunder shall be adjusted to compensate for the change in the basis or method of measurement, to the end that the total amount of money payable for volumes of gas purchased according to the measurement provisions set forth herein shall remain unaffected by such change of basis or method of measurement.

11. Billings and payments:

(a) On or before the 15th day of each month after deliveries of gas are commenced seller shall render buyer a statement for the preceding month showing the volume of gas delivered hereunder, or the volume buyer was obligated to take or pay for hereunder, the amount due therefor and information sufficient to explain and support any adjustments in volumes made by seller in determining the amount billed.

(b) Buyer will pay seller at the address as shown in section 17 hereof, on or before the 25th day of each month, or as to statements rendered after the 15th, within 10 days after receipt of such statements, for gas which buyer was obligated to take but did not take, and for gas delivered during the preceding month, according to the measurements, computations and prices herein provided. If the correct amount is not paid when due, interest on any unpaid amount shall accrue at the rate of 6 percent per annum. If such default continues after 60 days after written notice from seller to buyer, seller may suspend gas deliveries hereunder without prejudice to other remedies.

(c) If any overcharge or undercharge in any form whatsoever shall be found within 2 years and the bill therefor has been paid, seller shall refund the amount of the overcharge received by seller and buyer shall pay the amount of the undercharge within 30 days after final determination thereof.

(d) If for any month buyer pays for gas not received buyer may credit such payment against payments due hereunder at time of actual delivery for quantities taken in excess of the contract quantity for any month or months within 12 months after such payment is made for gas not received.

12. Warranty of title to gas: Seller warrants title to all gas delivered hereunder by it, that it has the right to sell the same, and that such gas is free from liens and adverse claims of every kind. Seller will pay or cause to be paid, all royalties, taxes, and other sums due on production, gathering or handling of the gas delivered by such seller. Seller will indemnify and save buyer harmless against all loss, damage, and expense of every character on account of adverse claims to the gas delivered by it or of royalties, taxes, payments, or other charges thereon applicable before or upon delivery to buyer.

13. Force majeure: If either buyer or seller is rendered unable, wholly or in part, by force majeure or any other cause of any kind not reasonably within its control to perform or comply with any obligation or condition of this contract, upon giving notice and reasonably full particulars to the other party or parties such obligation or condition shall be suspended during the continuance of the inability so caused and such party shall be relieved of liability and shall suffer no prejudice for failure to perform the same during such period; provided obligations to make payments then due [502] hereunder shall not be suspended and the cause of suspension (other than strikes or lockouts) shall be remedied so far as possible with reasonable dispatch. Settlement of strikes and lockouts shall be wholly within the discretion of the party having the difficulty. The term "force majeure" shall include, without limitation by the following enumeration, acts of God and the public enemy, the elements, fire, accidents, breakdowns, strikes and any other industrial, civil or public disturbance, inability to obtain materials, supplies, permits or labor, any act or omission (including failure to take gas) of a purchaser of gas from buyer which is excused by any event or occurrence of the character herein defined as constituting force majeure, temporary failure of gas supply, and any laws, orders, rules, regulations, act, or restraints of any government or governmental body or authority, civil or military.

14. Regulatory bodies: This contract shall be subject to all valid applicable State and Federal laws, and orders, directives, rules and regulations of any governmental body or official having jurisdiction.

15. Arbitration: Any controversy, except those involving legal questions, between the parties arising under this contract not resolved by agreement shall be determined by a board of arbitration upon notice of submission given either by buyer or seller, which request shall also name one arbitrator. The party receiving such notice shall, within 10 days thereafter, by notice to the other, name the second arbitrator, or failing so to do, the party giving notice of submission shall name the second. The two arbitrators so appointed shall name the third, or failing so to do within 10 days, the third arbitrator may be appointed by the person who is at the time the senior (in service) judge of the U.S. District Court for the Western District of Louisiana.

The arbitrators selected to act hereunder shall be qualified by education, experience, and training to pass upon the particular question in dispute. Therefore, it is agreed that if an engineering question is involved, qualified engineers shall be appointed, and similar procedure will be followed in connection with other questions.

The arbitrators so appointed shall promptly hear and determine (after giving the parties due notice of hearing and a reasonable opportunity to be heard) the questions submitted, and shall render their decision within 60 days after appointment of the third arbitrator. If within said period a decision is not rendered by the board or a majority thereof, new arbitrators may be named and shall act hereunder at the election of either buyer or seller in like manner as if none had been previously named.

The decision of the arbitrators, or of a majority thereof, made in writing, shall be final and binding upon the parties hereto as to the questions submitted and the parties will abide by and comply with such decision. The expenses of arbitration, including reasonable compensation to the arbitrators, shall be borne equally by buyer and seller, except that each such party shall bear the compensation and expenses of its counsel, witnesses, and employees.

16. Term of contract: Subject to the other provisions of this agreement, this contract shall be in force from its date for a term expiring November 1, 1977, and from year to year thereafter until terminated by either party upon six (6) months' written notice delivered prior to any following anniversary date, or as such term may be otherwise extended hereunder.

[503] 17. Miscellaneous:

(a) No waiver by buyer or seller of any default of the other under this contract shall operate as a waiver of any future default, whether of like or different character.

(b) This agreement shall bind and inure to the respective successors and assigns of the parties hereto; but no assignment shall relieve either party's obligations hereunder without the written consent of the other party or parties.

(c) Every notice, request, statement or bill provided for in this contract shall be in writing directed to the party to whom given, made, or delivered at such party's address as follows:

Buyer: Tennessee Gas Transmission Co., Commerce Building, Houston, Tex.; seller: Continental Oil Co., Post Office Box 2197, Houston, Tex.; or at such other post office address as such party shall from time to time designate as the address for such purpose by registered letter addressed to the other party or parties.

In witness whereof, this instrument is executed in two counterparts; each of which shall be an original as of the date first above mentioned.

Buyer:

TENNESSEE GAS TRANSMISSION CO.,
By WM. W. WITMER, *Vice President.*

Attest:

B. J. WILLIAMSON,
Assistant Secretary.

Seller:

CONTINENTAL OIL CO.,
By O. L. FISHER, *Vice President.*

Attest:

RICHARD JACKSON,
Assistant Secretary.

Mr. PROXMIRE. Mr. President, the astonishing price provisions of this contract well reflect the producers' power to sell gas at whatever price they like. This becomes evident from the transcript of FPC hearing held February 28, 1957, where my charge that the only competition in the natural gas market is competition among buyers to obtain reserves was startlingly confirmed. Mr. William W. Witmer, vice president for gas purchase of Tennessee Gas Transmission stated:

In addition, it must be recognized that this was the only large package of gas for sale in the gulf coast area at the time. And evidently its advantages were realized by most of the other interstate gas transmission companies, since the negotiations for the purchase of this gas were highly competitive among the interstate gas transmission companies in that area. * * * It is my understanding that Southern Natural, El Paso, Transcontinental, United Fuel, and American Louisiana were all interested in the purchase of this gas.

The following very interesting colloquy developed during the cross-examination of Mr. Witmer by Edward S. Kirby, counsel for the Public Service Electric & Gas Co., of Newark, N.J., on March 1, 1957:

Mr. KIRBY. You said yesterday, at the time that these negotiations were going on, they

[Catco] were the only producers who had a sizable package of reserves?

Mr. WITMER. For sale.

Mr. KIRBY. For sale?

Mr. WITMER. Yes.

Mr. KIRBY. So that there was no competition among suppliers at that time to sell the gas, to either you or to the other companies?

Mr. WITMER. You mean to sell gas in the same area?

Mr. KIRBY. Yes; from the same area.

Mr. WITMER. No, sir; there sure wasn't. The competition was all between the buyers.

I need hardly add that what is described here is not an effort among buyers to kick little producers in the teeth. It is easy to see who has the upper hand in the natural gas market.

WHAT HAPPENED TO THIS CONTRACT AT FPC HEARINGS?

At first, the Federal Power Commission accepted the contract on a conditional basis only, waiting for the producers to supply further evidence that the issuance of a certificate was in the public interest. Permission was granted to Tennessee to build lines out to the offshore drilling rigs and the producer certificate proceedings were returned to the examiner with instructions to determine the rate at which public convenience and necessity required the sale by Catco to be made. Commissioner Digby dissented. This Louisiana citizen held that the price was all to the good and need not be modified.

The companies refused to accept the temporary certificates subject to later FPC ruling on rates on the ground of economic risk.

In an order dated May 20, 1957, FPC decided to grant permission for Catco to charge 22.4 cents per thousand cubic feet if the initial price for the first day of contract operation would be 17 cents plus 1 cent gathering tax per thousand cubic feet and on the second day 21.4 cents plus 1 cent gathering tax. By this expedient, it would have been possible for FPC to reduce Catco's price to 18 cents including gathering tax if the increment of the price representing the difference between 22.4 and 18 cents were not found to be justified. Again Commissioner Digby dissented, and Commissioner Kline dissented in part. FPC would then have had the power to suspend any part of the contingent increment in the following 5 months. Tennessee Gas Transmission informed FPC on May 20 that the certificates would not be accepted by Catco unless the full price of 22.4 cents was approved. FPC climbed down almost at once, stating in its order of June 24, 1957, that "as far as the public is concerned, the precise charge that it made initially is less important than the assurance of this great supply of gas." By this reasoning, of course, FPC might as well give up on producers' rate regulation altogether. The public always needs gas. Commissioner Connole dissented from this order.

Commissioner Connole's dissent reads, as follows:

The manifest unwillingness of the producers here involved to submit to properly constituted public authority the prices at which they propose to make these significant sales in interstate commerce has precipitated a crisis for consumers and Commission far out of proportion to the importance of the immediate proceeding. The depth of the crisis was well expressed at the oral argument of June 12, 1957. Producers represented that unless we abandoned our position in this matter it would be their decision to withdraw this gas from the interstate market. Representatives of consuming interests and of metropolitan distributing companies contended it would be preferable to risk curtailment of expansion and, by necessary implication, certainty of supply rather than to permit the Commission to depart from the position taken in our prior orders in this docket.

This proceeding is another example of the manner in which the skyrocketing demand for natural gas is severely straining the industry's price structure. Demand threatens to elevate price levels beyond customer tolerance.

As I have stressed before, Mr. Connole was a highly respected Commissioner. The petroleum industry itself said that he was smart, hard working, and did his homework. He was eminently fair. His dissents were later upheld by the Supreme Court and, as I said, he found that demand threatened to elevate price levels beyond customer tolerance, that there was a skyrocketing demand for natural gas, and that therefore the producers were in a position to call the signals. The producers are in a position to demand higher prices, and they are getting them.

What the Senator from Wisconsin has been trying to emphasize throughout is that the key power in the gas industry is the producer. The ability of the producer to limit what he sells, and therefore to command a higher price, is the driving force that is shoving up the price of natural gas. That is why no representative of the producers should be placed on the Commission. That is why I think the Senate should vote against the confirmation of the nomination of the man who is being recommended to the Senate.

Mr. Connole went on to say:

As a result each proposed sale at new high price levels must be evaluated with particular care. Avoiding the disastrous consequences of a collision between consumers' needs for additional gas and producers' demands for additional compensation is particularly difficult in this proceeding because producers have presented the Commission with an almost classic Hobson's choice. In addition, the issues have become expanded in scope and effect until far more than the initial price level of this particular sale is involved. As I see it, the validity of the Commission's judicially approved right to attach a rate condition to certificates of public convenience and necessity when it is called for, and in fact, the very inviolability of all Commission orders is at issue here.

Incidentally, I think that that language indicated the attitude of Mr. Connole, and his conviction that the integrity of the Commission was at stake—the inviolability, as he put it, of the Commission—and that it was within the great power of the producer to whipsaw the Federal Power Commission in such a way that the Federal Power Commission would be placed in a position in which it would be forced to do what the producer asked.

Mr. Connole went on to say:

It is clear from the history of this proceeding that we have made unprecedented efforts to insure fair treatment, that we have clearly evidenced our intention to cooperate in arriving at an initial price level that would be just and reasonable to all parties affected. Despite these efforts, however, the producers remain adamant. Despite ample administrative and judicial authority to the contrary[1] they insist that a proposal to make a sale of natural gas in interstate commerce is not subject to regulatory review to determine if the public interest requires that it be made at the prices proposed.

The record is plain that the controlling reason the parties refuse to submit their contracts to regulatory review in the manner found to be necessary in the public interest is their preference for a proceeding in which the burden would be on the Commission to establish that the rate was more than reasonable. They flatly refuse to submit to one in which the parties would be required to show only that the rate was required by the public convenience and necessity. No citation of authority or reference to regulatory theory is needed to demonstrate that the burden of showing the public convenience and necessity requires a proposed service at a particular price level is on the party seeking to take advantage of the proposed service and not on the tribunal before which the case is to be made. Under the unique conditions found here, the critical importance of that decision is indisputable.

So much has been said in other forums, so many and so unanimous are the authorities in support of it, that to argue the validity and equity of the procedure contemplated by our prior orders and supported by the Signal Oil case, supra, would serve no useful purpose now. At this tardy date the unbeliever needs inspiration, not persuasion, if the veil of obstinacy is to be removed from his eyes.

Of more immediate consequence, however, is the dilemma into which the refusal has placed this Commission and the consumers whose interest we must protect: Denial of essential supplies on the one hand, and on the other, inadequate protection against unjust and unreasonable rates.

It contributes nothing to argue that the issue here is sanctity of contract. When it applies, no one feels the force of that argument more keenly than I. And when it was threatened, I spoke out against it. For example, see my separate statement "In the Matters of American Louisiana Pipe Line Company," et al., G–10396, et al., issued January 11, 1957.

But no contract terms are involved here. No party questions the manner in which the other has carried out its part of a bargain. If anything, an essential party to the contracts has been crowded out of the bargaining table. And rather than to permit the public interest a place, the bargainers would turn the table upside down and walk away from the entire proceeding.

Plain facts are that the gas has been placed on the interstate market on one set of terms and one only. This Commission and the consumers, who have made irrecoverable investments in order to use it, are given no choice but to accept. The arbitrary nature of this position appears from an examination of the orders which have been rejected by the producers.

No voice has been raised to dispute the facts that were set out so clearly in our order

[1] See Cities Service Gas Co., Signal Oil & Gas Co., 14 F.P.C. Opinion No. 288, Nos. G–2568, G–2570, Nov. 28, 1955, affirmed as *Signal Oil and Gas Co.* v. *F.P.C.*, 238 F. 2d 771 (C.A. 3), certiorari denied 353 U.S. 923.

of April 22, 1957. To my legal understanding, they are still facts. A few sentences will illustrate (p. 2, mimeo):

"The record contains insufficient evidence or testimony however, on which to base a finding that public convenience and necessity requires the sale of these volumes of gas at the particular rate level here proposed. The importance of this issue in certificating this sale cannot easily be overemphasized. This is the largest reserve ever committed to one sale. This is the first sale from the newly developed offshore fields from which large proportions of future gas supplies will be taken. This is the highest price level at which the sale of gas to Tennessee Gas has been proposed.

"These factors make it abundantly evident that, in the public interest, this crucial sale should not be permanently certificated unless the rate level has been shown to be in the public interest. * * *"

No effective objection has been made to our order of May 20, 1957. The upper limit of the price range used by the Commission in that order was set by the contracts themselves which the record discloses contain the highest of at least four bid prices.

The lower limit was urged by disinterested public authority intervenors and supported by evidence of record showing, among other things, that it was the highest price presently being paid by Tennessee Gas for the purchase of any gas produced in the Southwest area. Effectively, the order provided a floor which the rates would not penetrate, an assurance notably lacking in the section 5(a) procedure so zealously embraced by the applicants. And still the refusal persists.

Nothing but threats by the producers supports the proposition that this gas would be barred forever from the interstate market. And the very quantity of offshore gas affected by this decision makes it clear that the only practical market for gas of this kind for years to come is to the large consuming areas served by the long-haul interstate pipelines. In my judgment the pricing pattern should not be set for so crucial a supply source in an atmosphere charged with urgency and in response to arguments whose primary motivation is private, not public, gain. The election by the producers to reject their public responsibility and insist on exercising the full strength of their bargaining position has altered completely the impact of logical and equitable arguments.

The decision of the majority is justifiable only by the evil consequences of the loss of these reserves to the particular pipeline which is a party to the contracts. Such evils would, in the opinion of the majority, exceed the gain to follow from the proof that the public convenience and necessity does not require the sale of this gas at proposed rates.

In my opinion, the consequences of abandoning our position will be more serious than their effect on this particular sale. Whether by design or accident, the issues in this proceeding now transcend the close limits of the original hearing. At stake is the question whether the Commission should hold a position which it has determined is in the long-run public interest, or whether it should abandon it when confronted with allegations that short-run injury to one segment of the industry and consumers might result. Where the issue is reduced to this simple statement, the answer is clear.

Majority quite properly are concerned that persisting in either our April 22 or our May 20 order will result in cancellation of the Catco-Tennessee contracts. I agree it probably would. And quite understandably the majority refuses to permit a few distributing companies and one public service commission to dictate the interests of all other consumers on Tennessee's lines. Unfortunately, however, there is more to this issue.

As concerned as I am for Tennessee's customers, I am more concerned for the whole body of consumers on all transmission pipelines for whose protection we are responsible. And as deserving of preservation as I believe those particular orders to be, I believe the principle that Federal regulatory orders should not be changed by threats of abandoning public responsibility is even more important.

On balance, and in view of the expansion of the issues beyond those originally contemplated by this docket, I believe it more important to the public interest to preserve the Commission's authority to make lawful and necessary orders than it is to preserve these contracts as written.

Mr. President, Commissioner Connole makes a critical point. The Commission's authority to make lawful and necessary orders was, in his view, challenged in the Catco case. What did the majority of the Commissioners do? They collapsed. They gave in to what they felt was an absolute power over reserves of the producer—a power that could not be resisted.

What is the purpose of a regulatory body if it is not to exercise authority over this kind of monopoly power? This is exactly why it is extremely important that people be appointed to the Commission who do not represent that producer viewpoint, people who do not identify themselves, with that viewpoint as the nominee, Mr. O'Connor, does; people who will stand up to it and deny it; people who, like William Connole, one of the greatest Commissioners ever to serve on the Federal Power Commission, can discern a challenge to the integrity and the very clear authority of the Federal Power Commission, and resist. That was certainly the issue in the Catco case.

Mr. Connole goes on in his concluding sentences:

The right to maintain valid orders against allegations of urgency, the importance to the consumer of the Signal Oil doctrine, and the right of all consumers for protection against unreasonable initial rates outweigh the potential damage to the consumers of Tennessee Gas Transmission which might flow from maintaining the position I urge here.

While dissenting may appear to serve no useful purpose, the damage to consumer and to the public interest, to the regulatory process, and to the future of the interstate natural gas business as it is given me to discern it, would be such under the majority decision that, inevitable as that decision may appear to be, I am left no choice but to protest it by filing a dissenting vote.

I dissent from the action of the majority in this cause.

WILLIAM R. CONNOLE,
Commissioner.

Mr. President, there is no way to gain a better idea of the predatory attitude of the producing companies in this case than to examine the arguments of the petitioners, the Long Island Lighting Co., the Public Service Electric & Gas Co. of Newark, and the New York Public Service Commission.

The arguments of the petitioners clearly exposed the weakness of the Catco case. I will read arguments of Long Island Lighting Co. and Public Service Electric & Gas Co.

In *Signal Oil and Gas Co.* v. *FPC* (238 F. 2d 771 (3d Cir., 1956, cert. denied, 353 U.S. 923 (1957)) this court held that the FPC has the power to attach a rate condition to a certificate granted under section 7[2] of the Natural Gas Act ("the act"). The Signal Oil doctrine is based upon the necessity, at least where prima facie a substantial doubt is apparent, of finding that the proposed price is "within the ball park."

This doctrine is required in part because of the structure of the act. The Commission has no power to suspend an initial rate, and can question it—after the certificate has been granted—only under section 5.

Section 5 of the act is one of the three sections of the Natural Gas Act, I believe, which I discussed in detail a little earlier, but because it is so pertinent to this particular opinion, I shall read very briefly from it.

It provides:

(a) Whenever the Commission, after a hearing had upon its own motion or upon complaint of any State, municipality, State commission, or gas distributing company, shall find that any rate, charge, or classification demanded, observed, charged, or collected by any natural gas company in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission or that any rule, regulation, practice, or contract affecting such rate, charge, or classification is unjust, unreasonable, unduly discriminatory, or preferential, the Commission shall determine the just and reasonable rate, charge, classification, rule, regulation, practice, or contract to be thereafter observed and in force, and shall fix the same by order: *Provided, however,* That the Commission shall have no power to order any increase in any rate contained in the currently effective schedule of such natural gas company on file with the Commission, unless such increase is in accordance with a new schedule filed by such natural gas company; but the Commission may order a decrease where existing rates are unjust, unduly discriminatory, preferential, otherwise unlawful, or are not the lowest reasonable rates.

To the best of my recollection, this case is the only instance in which the Commission has been successful in reducing the price of natural gas. Although there were 12,000 applications for increases, more than 7,000 of which were granted, there was only a single case since 1954, in all these applications, in which the Commission acted successfully to reduce the price. It made 13

[2] Sec. 7 of the act provides, in part:

"(e) Except in the cases governed by the provisos contained in subsection (c) of this section, a certificate shall be issued to any qualified applicant therefor, authorizing the whole or any part of the operation, sale, service, construction, extension, or acquisition covered by the application, if it is found that the applicant is able and willing properly to do the acts and to perform the service proposed and to conform to the provisions of this chapter and the requirements, rules, and regulations of the Commission thereunder, and that the proposed service, sale, operation, construction, extension, or acquisition, to the extent authorized by the certificate, is or will be required by the present or future public convenience and necessity; otherwise such application shall be denied. The Commission shall have the power to attach to the issuance of the certificate and to the exercise of the rights granted thereunder such reasonable terms and conditions as the public convenience and necessity may require."

citations under section 5, but there was only 1 case in which the Commission was successful in reducing prices, compared with more than 7,000 cases of price increases.

I continue reading from the opinion in the Long Island Lighting Co. case:

But the section 5 remedy is inadequate: consumers are required to pay a rate which by hypothesis may be materially excessive for a long period of time until the Commission can dispose of a section 5 proceeding; and from the viewpoint of the producers, once a certificate has been granted under section 7 without any rate condition, even if the Commission subsequently reduces the rate in a section 5 proceeding the producer is required by section 7(b) [3] to continue rendering the service, although he might not have been willing to do so had he known at the outset that a material price reduction would be made.

It must be emphasized that a finding as to price of the kind we suggest does not entail the degree of proof which would be involved in a full-blown rate case; all that is required is some sort of prima facie showing that what appears to be an excessive price will ultimately prove to be within reasonable range of a just and reasonable price.

If it is true that, where a serious price question is apparent, the Commission has the power to refuse to grant a certificate unless either a prima facie price showing has been made or a rate condition is attached to the certificate, this is not a power which may be turned on and off in the uncontrolled discretion of the Commission. If the consumers to be served with the Signal Oil gas were entitled to the protection of this degree of price examination at the certificate stage, then all consumers similarly situated are entitled to the same protection. The Commission undoubtedly has a wide discretion in its determination of the facts and the interpretation thereof, but it has no discretion in determining what are the legal issues which inhere in a certificate case. That is strictly a question of law. It may be noted that the Commission itself in its third opinion herein (Pet. 19–28) does not deny this proposition, but rather purports to apply the same rule of law as had been applied in Signal Oil; namely, that price is an essential element in determining whether a certificate is in the public interest.

It appears, therefore, that there is no proper issue in this case as to whether as a matter of law the area of price must be gone into by the Commission (at least if the price appears to be out of line) in connection with the Commission's determination whether a certificate should be granted in the public interest.

The minimum control which appellate courts exercise over administrative determinations is ascertaining whether the findings of the administrative bodies are supported by the whole record (*Universal Camera Corp.* v. *NLRB*, 340 U.S. 474 (1951); Administrative Procedure Act, sec. 10(e), 60 Stat. 243 (1946), 5 U.S.C. sec. 1009(e) (1950)). A mere finding in the words of the statute is not conclusive on appellate review; and indeed, when the administrative agency does no more than make the ultimate finding in the words of the statute, the courts require that findings of fact be made with sufficient clarity reasonably to give rise to or explain the ultimate inference (*Secretary of Agriculture* v. *United States*, 347 U.S. 645, 654 (1954); *Colorado-Wyoming Co.* v. *FPC*, 324 U.S. 626, 634 (1945); *In re United Corp.*, ——— F. 2d ——— (3d Cir., Oct. 24, 1957)), at least as to the issues which have been fought out before the administrative body.

In this case the actions of the Commission fall far short of this minimum protection to which the public is entitled. The Catco presentation before the FPC was intended to establish the proposition that a large volume of gas was involved and, therefore, that the public interest required the granting of the certificates applied for. Catco took the position that price considerations had no place in the proceeding (R. 221). Nevertheless, it did make some attempt at justification of the contract price of 21.4 cents per thousand cubic feet (exclusive of gathering tax), which is 4.4 cents per thousand cubic feet or 24 percent higher than Tennessee had committed itself to pay anywhere else (R. 254) and of the escalation provisions, the steepest in any of Tennessee's agreements (R. 252). The price "justification" was tangential; it consisted of evidence of the lack of affiliation between Catco and Tennessee, of arm's-length bargaining and of the desirability of the purchase by Tennessee. Attempt was made to minimize the importance of this highest price by asserting that prices in other contracts would not be triggered upward by it (R. 49–50), but this assertion was shown on cross-examination to be of doubtful accuracy (R. 174–187). Justification for the steepest escalation was claimed to be a counterbalancing forbearance by Catco to insist on the inclusion of favored nations or price redetermination clauses in the agreements (R. 268). But this claim is false; cross-examination revealed the existence of amendatory agreements previously concealed by Catco which, under certain circumstances, insert favored nations clauses into the arrangements with Tennessee (R. 107–109).

Twice the FPC examined this record and twice it found that there was no evidence which would support a determination that this apparently excessive price was within a reasonable range or might well ultimately be found to be within a reasonable range. After the first examination the FPC stated:

"The record contains insufficient evidence or testimony, however, on which to base a finding that the public convenience and necessity requires the sale of these volumes of gas at the particular rate level here proposed. The importance of this issue in certificating this sale cannot easily be overemphasized. This is the largest reserve ever committed to one sale. This is the first sale from the newly developed offshore fields from which large proportions of future gas supplies will be taken. This is the highest price level at which the sale of gas to Tennessee Gas has been proposed.

"These factors make it abundantly evident that, in the public interest, this crucial sale should not be permanently certificated unless the rate level has been shown to be in the public interest. See Cities Service Gas Co., Signal Oil & Gas Co. * * *, affirmed as *Signal Oil & Gas Co.* v. *F.P.C.*, (238 F. 2d 711 * * *)." Order issued April 22, 1957 (Pet. 58–59).

After its second examination of the same record, the FPC said:

"As we have already stated, the record does not contain sufficient evidence on which to base a finding that the public convenience and necessity requires the sale of the gas at that particular rate level [21.4 cents]." Order issued May 20, 1957 (Pet. 66).

Thus we have here no case of a conflict between the "whole record" test and the "substantial evidence" test, for here no evidence was found. We have no case where shortcuts as to the facts or the reasoning may be justified on the ground of the "expertness" of the administrative body, for the very expert body which now makes the finding twice before could discern no facts to support it.

And yet the ultimate finding was made in the Commission's third decision (Pet. 19-28), with no new hearings having been held, no new facts having been proffered, in fact on the identical record. Moreover, the Commission did not indicate that it had misunderstood the facts in the record when it made its first two decisions. The Commission simply assumed that it could abandon the duty which it successfully assumed in Signal Oil of making a serious inquiry in a certificate case as to whether the price is "within the ball park".

In fact the Commission's third decision, which was prompted solely by the concerted threat of the Catco companies to withhold their gas from the interstate market unless the 21.4-cent price they demanded was granted unconditionally, clearly states that it was waiving the price finding on a ground irrelevant to price, i.e., that the distribution companies required additional gas (Pet. 22).

This case should not be thought of as one in which a pipeline in serving certain distribution companies whose requirements for additional gas are so urgent that it might reasonably be argued that the Commission was warranted in casting price considerations to the winds in order to secure the urgently needed gas. Tennessee is an enormous, sprawling pipeline serving a great many markets, and ambitious to spread into still further areas. The dominant cause of Tennessee's need for additional gas is not to keep pace with the increased demands of its present distribution company customers, but rather its desire to break into the burgeoning midwestern markets.[4]

Consequently, when the Commission finds that a very large quantity of gas, such as the Catco package, is necessary to enable Tennessee to meet the demands of its customers, this is a finding in a highly controversial field, and it is proper to inquire whether the record as a whole supports that finding.

The fact is that there is no evidence in the record to support that determination. The only testimony on need was to the effect that Tennessee needed the gas to supply the expansion of its markets (R. 46). If Catco or Tennessee had attempted to prove need on the part of existing customers and had offered any evidence in support of the proposition, we would have had the opportunity to test the evidence by cross-examination, and to have the record show that but for the proposed expansion of the Tennessee marketing area to the midwestern cities, which proposed expansion has not yet been authorized and may never be authorized, Tennessee would not need this gas at all. Such opportunity was never given.

But our point here is rather that even assuming an urgent need by Tennessee for additional gas, the Commission has no legal

[3] Sec. 7(b) of the act provides:

"No natural-gas company shall abandon all or any portion of its facilities subject to the jurisdiction of the Commission, or any service rendered by means of such facilities, without the permission and approval of the Commission first had and obtained, after due hearing, and a finding by the Commission that the available supply of natural gas is depleted to the extent that the continuance of service is unwarranted, or that the present or future public convenience or necessity permit such abandonment."

[4] Presently pending before the Commission, docket No. G–9454, is an application by Tennessee for a sec. 7 certificate to construct facilities for the sale and delivery of gas to Midwestern Gas Transmission Co., a wholly owned subsidiary, for distribution in a large midwestern area not presently served by Tennessee.

right to strike from the list of proper inquiries in determining whether the public interest requires the issuance of a certificate, the issue whether the price is not seriously out of line.

Catco undoubtedly takes the position that the prices provided in the contracts are just and reasonable. If this is so, what are the legitimate interests of Catco? In the first place, Catco has a legitimate concern in being able to charge the contract rates during the pendency of any Commission inquiry as to whether the just and reasonable standard is met. Catco may reasonably have said that it should not be required to reduce its price to 18 cents and then suffer any delay in charging the additional amount. Thus, if the Commission had simply required that the price be reduced to 18 cents, leaving Catco to its routine remedy merely of being able to file the new higher rate under section 4(d), Catco could complain that the effectiveness of the new rate could be suspended by the Commission for a period of 5 months and could not be charged until the end of that time.[5]

On the other hand, what are the legitimate interests of the consumers? If the contract price is ultimately found to be just and reasonable, the consumers have no substantive right to pay less, even for the 5-month period; but if a lower rate is ultimately found to be just and reasonable, the consumers have a substantive legitimate interest in not paying the excessive price—or in getting their money back if they shall already have paid it.

Faced with this dilemma, the Commission made a wise decision in its second order. The Commission required that the initial price be reduced to 18 cents, but stated that if the higher price were filed under section 4 the very next day after service began, the Commission would not suspend the higher rate but would permit it to go into effect at once under bond. In this way, the legitimate interests of both Catco and the consumers would be completely protected. For if it should ultimately be determined that the contract price is just and reasonable, Catco will have received the full amount thereof and would be released from its obligation to repay any excess. But if it should ultimately be determined that the price is excessive, the consumers would receive a refund of the excess amounts they will have paid.

Although this solution of the Catco problem was plainly fair to all the parties, nevertheless Catco refused to accept it. Catco insisted that it would permit the justness and reasonableness of the contract price to be decided only in a section 5 proceeding. In other words, Catco insisted that until section 5 proceedings were ultimately concluded, it should have the right to charge and retain any difference between the contract price and the just and reasonable rate.

Catco's insistence on the use of section 5 proceedings rather than section 4 proceedings to determine the reasonableness of its rates is not surprising. First, in section 4 proceedings the burden of proving reasonableness would be on Catco (*Mississippi River Fuel Corp.* v. *FPC* (121 F. 2d 159 (8th Cir., 1941)), which, after all, has all the relevant facts.[6] But query in a section 5 proceeding. Second, in a section 4 proceeding delay would be to no party's advantage, since moneys are collected subject to refund.

I do not agree with that observation, because it means a forced loan from the customer to the utility, and I understand that the interest chargeable on such loan is 7 percent. The utility is allowed to earn 11 percent. The record shows that a utility like Phillips, for example, has been earning money at the rate of about 17 or 18 percent. So obviously it is very convenient to be able to use that money, and the record shows that they use that money for many years, because a long time is required to obtain decisions.

But in a section 5 proceeding delay would inure to the benefit of Catco at the expense of the consumer since any reduction in the initial rate would be prospective only and there are no refunds of rates unjustly paid.

And third, the true motivation for the Catco stand may be the fact, noted by the Commission, that if the pending Harris-O'Hara bill[7] is enacted into law, "the proposed initial price might no longer be subject to adjustment by us [the Commission]" (Pet. 66). Under the procedure as prescribed in the Commission's second order, however, the 3.4 cents above the 18 cents set by the Commission would have to be justified by Catco, even if Harris-O'Hara were to be enacted, albeit under a severely modified standard.

We do not suggest that the mere fact that Catco was being unreasonable necessarily requires that Catco be defeated in its objective. We do argue, however, that when a solution to the problem is available (and indeed has already been decided upon by the Commission) which protects the substantive rights of the consumers[8] (i.e., protects the public interest) without invading any legitimate substantive interest of Catco, a different remedy which takes away from the consumers and grants to Catco any excess over a just and reasonable rate cannot be found to be in the public interest.

Incidentally, in Phillips Petroleum against Wisconsin, the primary aim of the act was said to be protection of consumers against exploitation at the hands of the natural gas companies.

I think that is a pretty good note on which to end this particular discussion.

If the primary purpose of the Natural Gas Act, which gives the Commission the authority to regulate producers, is to protect the consumer, the primary purpose of the act can hardly be achieved by putting the producer on the Federal Power Commission. I do not know how that logic can be resisted.

The primary purpose of the act, as set forth by the Supreme Court in the Phillips case, is the protection of consumers against exploitation—at whose hands? At the hands of natural gas companies. So it is proposed to provide this protection by putting on the Commission a man whose whole identification, experience, orientation, and judgment are based on an adult lifetime employment experience with the natural gas producing industry.

It seems to me, Mr. President, that this is a clear contradiction of the Supreme Court's decision.

The argument of the New York Public Service Commission was equally effective:

In its two earlier orders, respondent expressly and correctly observed that the record was inadequate to support a conclusion that public convenience and necessity required, or even permitted, certification of these sales at the initial price proposed (R. 837, 906). On June 24, 1957, on the identical record, without an additional word of testimony or any additional evidence whatever, respondent reached a conclusion diametrically the opposite. In so doing it based its action upon its assumptions (1) that the Catco supply of gas was required by the public to be served upon completion of Tennessee's expansion program (measuring that requirement without the aid of any evidence and without considering the element of cost) and (2) that unless the respondent issued certificates of public convenience and necessity upon the Catco terms, this supply of gas would be lost to Tennessee and withdrawn from the interstate market (measuring the likelihood of that happenstance solely upon representations relayed second hand by Tennessee and equivocal, carefully circumscribed utterances of counsel upon oral argument).

The record in this proceeding does not contain sufficient evidence to support either of the assumptions upon which the June 24, 1957 order was founded. The issuance of unqualified certificates of public convenience and necessity to these applicants for these sales upon this record was arbitrary, capricious, and erroneous as a matter of law.

Point I: Consideration of the impact of initial price is the sine qua non of any determination of whether proposed sales of natural gas should be certificated for the interstate market. It is the prime determinant.

The Natural Gas Act as construed by the courts, in its design to protect the consumer from unwarranted price exactions however and whenever attempted (see *City of Detroit* v. *F.P.C.*, 230 F. 2d 810, 815, 816, 818 (C.A., D.C., 1955) cert. den. 352 U.S. 829), and the record, briefs, and decision of this Court in *Signal Oil and Gas Co.* v. *F.P.C.* (238 F. 2d 771 (C.A. 3d, 1956) cert. den. 353 U.S. 923), make this virtually a self-evident proposition.

(1) Such sales having been expressly forbidden except upon express approval of the respondent Federal Power Commission; (2) the respondent having been directed to determine whether public convenience and necessity require any such proposed sale; (3) the respondent having been expressly authorized by Congress to impose price conditions upon its authorizations for such sales, in furtherance of its basic obligation to the consumer; (4) respondent being otherwise powerless to prevent payment of the initial price proposed or to effect any reduction thereof subsequently, except after protracted proceedings under section 5 of the act in which no means is afforded of effecting repayment or reimbursement of sums ultimately found to be excessive; and (5) respondent and everyone else being acutely aware that its condonation, in a section 7 proceeding, of the initial

[5] Under sec. 4(d) the Commission has the power, pending a rate hearing and decision, to suspend the effectiveness of a new rate for a period of up to 5 months beyond the time when it would otherwise have gone into effect.

[6] Objecting to the first order of the FPC herein, Catco stated:

"While the order does not expressly contemplate a hearing to determine 'a just and reasonable rate,' safety would require that applicants [Catco] introduce evidence of the types appropriate in such a hearing. Applicants could not present such evidence within any reasonable period in the future." Catco application dated May 4, 1957, to FPC for rehearing, at p. 4.

[7] H.R. 8525, 85th Cong., 1st sess. (favorably reported, by a divided vote, by the House Committee on Interstate and Foreign Commerce on July 19, 1957, Rept. No. 837).

[8] The primary aim of the act is the protection of consumers against exploitation at the hands of natural gas companies, *Phillips Petroleum Co.* v. *Wisconsin* (347 U.S. 672, 685 (1954)).

price proposed in a single producer-interstate pipeline purchase contract, fixes irrevocably an immutable price floor for the production area, below which no future sales or acquisitions can or will be effected—it would seem readily apparent that the respondent is under a continuing statutory duty to scrutinize most carefully the initial price proposed in each and every section 7 application. Unless it is affirmatively established therein that the proposed sale at such proposed initial price is, in all respects, reasonably in the public interest, respondent is required either (1) to deny the application in toto or (2) to condition the grant thereof upon reduction of the initial price to a level which will be without deleterious effect upon the interstate market, the interstate pipelines and, through them, the ultimate interstate consumers.

As obvious as these truisms would appear to be, it may be something of a surprise to this Court that this is the first instance since Signal in which the respondent has sought to exercise its initial price-conditioning obligation in a certificate case. In the interim, largely by dint of unconditioned section 7 certifications, the initial price floors in the natural gas producing areas have soared from the 10-cent level with which this Court was concerned in Signal, to 17 cents in 1955 (*Matter of Tamborello*, FPC Docket No. G–3045, Opinion 287, Nov. 23, 1955; opinion 287–A, Jan. 18, 1956), to 21 cents in 1956 (*Matter of American-Louisiana Pipeline Co.*, FPC Docket No. 2306, opinion 276, Oct. 1, 1954—gas deliveries commencing in 1956), to 22.4 cents in 1957 (the instant proceeding) and, with the instant proceeding pointing the way, 1958 was ushered in with 23.9 cents in the same general area herein involved (*Matter of Texas Eastern Transmission Corp.*, FPC Docket No. G–12446, pending).

Herein, however, the respondent did demonstrate full cognizance of its price prerogatives and duties in a section 7 proceeding and exercised them fairly and forcefully, at the outset. Its April 22 order states:

"The importance of this issue in certificating this sale cannot easily be overemphasized. This is the largest reserve ever committed to one sale. This is the first sale from the newly developed offshore fields from which large proportions of future gas supplies will be taken. This is the highest price level at which the sale of gas to Tennessee Gas has been proposed.

"Those factors make it abundantly evident that, in the public interest, this crucial sale should not be permanently certificated unless the rate level has been shown to be in the public interest. (See *Cities Service Gas Co., Signal Oil and Gas Co.*, 14 F.P.C. , opinion No. 288, Nos. G–2569, G–2570, Nov. 28, 1955, affirmed as *Signal Oil and Gas Co.* v. *F.P.C.*, 238 F. 2d 771 (CA 3), certiorari denied, 353 U.S. 923" (R. 835).)

In its May 20 order the respondent imposed the 18-cent initial price condition upon these sales in clear reaffirmation and application of the Signal doctrine. It also reiterated the deficiencies of the present record:

"As we have already stated, the record does not contain sufficient evidence on which to base a finding that the public convenience and necessity requires the sale of the gas of that particular rate level" (R. 904).

Under the circumstances, and under our conception of section 7, the respondent had only one other alternative—viz: "Otherwise such application shall be denied." In its June 24, 1957, determination and order, however, respondent did not exercise that alternative; it did not exercise the price conditioning alternative; it fell back upon the third and only remaining alternative available to it—i.e., found that the record did, after all, support the conclusions that:

(a) "the applicant is able and willing properly to do the acts and to perform the service proposed" (conceded);

(b) "the applicant is willing to conform to the provisions of (the Act) and the requirements, rules, and regulations of the Commission" (quaere, in the light of this record);

(c) "and that the proposed sale is or will be required by the present or future public convenience and necessity."

The latter conclusion was founded upon (1) the same record as had previously twice been ascertained to be inadequate to support it, (2) an assumed supervening necessity for gas at any price and (3) an unproven threat (unreasonable per se) to terminate the underlying contracts—all of which were deemed adequate bases for dispensing with the prime determinant—price. This we assert was fundamental error.

POINT II

1. Threats to withhold gas from the interstate market add nothing to a section 7 proceeding. Unless the requirements of that section are met in full, the application to introduce the gas into that market shall be denied.

2. In any event, this particular threat was wholly unsupported by evidence and hence afforded no basis for anything, much less for dispensing with the prime determinant—price.

We are fully cognizant of respondent's general responsibility, within the confines of its statutory authority, to supervise the interstate natural gas industry in such a manner that there will be adequate supplies of gas to supply consumer needs—i.e., reasonable supplies to supply reasonable needs and at reasonable prices. But, under the law, in the discharge of its duties and responsibilities in section 7 proceedings, the reasonableness of all three—supply, need, and price—must be affirmatively demonstrated as the condition precedent of entry into the interstate market, or (1) the permission to enter must be conditioned in such a manner as will satisfy any evidentiary or other defects in the presentation or proposal, or (2) denied. By no other means may compliance with the law be effected. Hence the threat—at whatever stage uttered—to withdraw an application or to cancel a contract commitment or to divert the tendered gas elsewhere, adds absolutely nothing to a section 7 proceeding and, perforce, should weigh absolutely nil upon the collective minds of those charged with the administration of the Natural Gas Act. As currently drawn, that act clearly contemplates and relies upon economic compulsion or inspiration as sufficient inducement for the entry into the interstate market of reasonable quantities of natural gas. No means of compelling such devotion of that commodity is prescribed by the act. On the contrary, such disposition is expressly prohibited except under statutorily prescribed requirements and conditions carefully designed for the protection of those to be served. Should it ever develop (and we deny that it has) that such extra statutory, economic impetus proves inadequate, and further inspiration must be afforded to encourage production and delivery of additional supplies, Congress, not the respondent, will have to face up to the problem. In the meantime, the respondent is not in a position to bargain away its statutory functions and duties with individual producers who fail to measure up to the requirements of the present law or who attempt to evade them by threat, trick, or other subterfuge.

This is an example of the New York Public Service Commission, Mr. President, in unusual language, addressing the Federal Power Commission and telling the Commission that it had no right to bargain away its authority, that it had to use its authority, that it had a responsibility to use its authority, and that the consumer has no protection if it does not use its authority.

I repeat:

Respondent [the Commission] is not in a position to bargain away its statutory functions and duties with individual producers who fail to measure up to the requirements of the present law or who attempt to evade them by threat, trick, or other subterfuge.

It was necessary for the New York Public Service Commission to take this extraordinary action because the Federal Power Commission had been so weak-kneed regarding the natural gas producers that it had literally, as is very well documented, bargained away its rights. The Federal Power Commission had permitted itself to be put in the position where monopolistic power—the enormous marketing capacity and strength of the monopoly—had forced it to its knees. How ridiculous. What does the law mean if it does not mean this is exactly the kind of monopoly which should be regulated? If a producer does not have the ability to withhold reserves or to withhold supply from a consumer and make that a condition, as the Catco people did in this case, the necessity for regulation is far less. It is only when the producer has such power that it is necessary for the agency to step in and act.

The threat in this instance should have been ignored. At the very least, before any reliance could be placed thereupon (and under the analysis above, we fail to see what that could properly be—except, possibly, depiction thereof to Congress as evidence of the need to supplement by legislation the weakening economic impetus upon which that body relied to assure service to those dependent upon reasonable natural gas supplies), opportunity to prove the threat should have been afforded.

The Catco applicants carefully avoided placing themselves in a position of having to present any such evidence in this case. They did not apply to the respondent for a rehearing of its May 20 order—as they had done with respect to its April 22 order; they did not present any sworn statement in support of their threat to withdraw. Instead, the application for rehearing which resulted in the June 24 order was made by Tennessee—in the form of a hearsay allegation, based on statements made to Tennessee (but not to the respondent) by the Catco applicants that they would not comply with respondent's May 20 conditions and would terminate the contracts unless the conditions were withdrawn. This was not evidence that the contracts would actually be terminated—it was pure hearsay, and: "Mere uncorroborated hearsay or rumor does not constitute substantial evidence." *Consolidated Edison Co.* v. *Labor Board* (305 U.S. 197, 230).

Having refrained from making any direct representation to the respondent that they would cancel the contracts unless relieved from the conditions of the May 20 order, the Catco applicants proceeded to the oral argument which constituted the rehearing. The record of that rehearing is not before the Court, since it contained no evidence, but merely the arguments of counsel. But even in that discussion, the Catco law-

yers with careful circumspection avoided any definite statement of the determination of their clients to withdraw this supply of gas from Tennessee and the interstate market. Each one indicated that the matter would have to be taken up by the board of directors, or the decision would have to be made by management.

There is thus not a scintilla of proof in this record that the Catco applicants (1) could, or (2) actually would take this drastic course. In order to carry out their unsupported threats—in order to be able to do so—they would have had to find an intrastate market for this vast supply of gas in the State of Louisiana. There was no evidence that any substantial part of this gas could be sold locally under conditions more advantageous to the Catco applicants than those provided by the terms of the respondent's May 20 order. On the contrary, as Commissioner Connole said: "the very quantity of offshore gas affected by this decision makes it clear that the only practical market for gas of this kind for years to come is to the large consuming areas served by the long haul interstate pipelines." (R. 932). Any intimation that these wells would be capped or that the gas would be released to blow tremendous bubbles in the waters of the Gulf of Mexico, instead of being disposed of in the interstate market at 18 cents per 1,000 cubic feet, is sheer nonsense. Millions of dollars had been expended in exploration, drilling, and recovery. The investment is providing no return. At 18 cents, the gas reserves here committed equate to $360 million.

The only manner in which the respondent could have assured itself that a real danger existed that the Catco threats would be consummated was to have held another hearing, at which the Catco applicants, through their authorized agents, could have been placed upon the witness stand and required by sworn testimony to convert their unsupported threat or bluff into a firm commitment to withdraw their gas. Only in this way could the respondent ascertain with reasonable certainty whether, if the threat were to be carried out, there was a practical possibility of the Catco applicants finding an intrastate market for this gas. Only in this way could the unsupported threat and bluff of the Catco applicants be subjected to the scrutiny of cross examination by the petitioner and other interested parties. Only in this way could a record be made containing substantial evidence upon which to base any determination or action by the respondent in reliance thereupon.

And of course the New York Public Service Commission is absolutely 100-percent correct. The Federal Power Commission had no basis for quailing and cowering and surrendering under this threat, because the threat was a rumor.

There was no statement in writing that the Catco people would withhold their supply, and in view of the fact that the Federal Power Commission decided to give in to this rumored threat, the very least that should have been done is that they should have insisted that Catco first go on the record, as they had something formal and clear and definite to go on.

I think it is the implied judgment of the New York Public Service Commission that if the Federal Power Commission had even shown this kind of concern for the public interest, that very possibly Catco would not have put this in writing, because of the transparent arrogance which would have been reflected in coming to the Federal Power Commission and saying, "Give us this high, exorbitant price, or else."

The brief goes on to say:

As the record now stands, it contains no competent evidence of the existence of any real and substantial danger that the Catco applicants could and would terminate the contracts and withdraw the gas from the interstate market—one of the two motivations and purported justifications for the respondent's final determination.

POINT III

1. The need for gas cannot be evaluated separately or divorced from price.

2. The need for gas to supply proposed pipeline expansion requirements provides no basis for dispensing with further consideration of the "prime determinant"—price.

3. In any event, the proof of such need contained in this record is insubstantial and wholly inadequate.

"We are moved by the primary consideration that the public served through the Tennessee Gas system is greatly in need of increased supplies of gas * * *. We are of the opinion that, in the circumstances of this case, in view of the great demand for gas by customers of Tennessee Gas, the price consideration should not be made the prime determinant of what the public convenience and necessity require."

New York Public Service went on to say:

We respectfully submit that no amount of proof could warrant such a divorcement of inseparables, need, and price. The need for natural gas at the pipeline level, the distributor level, or the consumer level of the interstate transmission process cannot possibly be evaluated in a vacuum, divorced from price.

That is why the assertion of the Federal Power Commission is so fantastic. Their job is to regulate rates and provide a fair rate. Here they feel that they are in such a feeble position because of the great power of this monopoly that they pay no attention to rates. The sky is the limit

This fantastic, exorbitant rate that Catco is insisting on charging Tennessee, and of course passing on to consumers, is considered by the Federal Power Commission to be not the prime determination.

The New York Public Service Commission goes on to say:

It might properly be assumed that there is a continuing need for gas at reasonable prices at all three levels. But, just as the diner's need for caviar evaporates when the major domo sees him coming and boosts the price, so does the need for gas evaporate when a price hold up operation commences.

In the field of regulated utilities, the need for services and commodities is ever present. It is this need which gives rise to the regulation. And the regulation has as its primary purpose the prevention of price exploitation by monopolistic suppliers of the regulated services or commodities.

Here again, Mr. President, is the fundamental theme I am arguing in that sentence:

The regulation has as its primary purpose the prevention of price exploitation—

By whom?—

by monopolistic suppliers of the regulated services or commodities.

Who does this mean? Of course, it means the producers of natural gas. Whom are they exploiting? The consumer. So if a Federal Power Commissioner has any function or purpose, that function and purpose should be to fight hard to see that the consumer receives justice. It seems obvious to me that Mr. Lawrence O'Connor, a vice president of the Goldston Oil Co.—one of the big independent producers of natural gas—a private oil consultant, a man whose whole life has been in association with the producing industry, should be about the last man to pick for this particular position. As the New York Public Service people say, the regulation has as its primary purpose the prevention of price exploitation by monopolistic suppliers of regulated services or commodities.

I suppose that my analogy of Mickey Mantle umpiring the Yankee baseball games is much too weak. It is not strong enough. It does not emphasize the injustice of the situation. One might say it is like placing on a jury called to try the case of a man on trial for his life, the mother of the victim. The chances of the accused getting a fair trial under such circumstances would be very limited.

I shall make the point even more emphatic. It would be like providing that the mother of the murder victim should serve as a judge when a man is on trial for his life, accused of murdering the child of the judge.

Obviously, the nominee is a man whose whole experience has been colored by his association with the industry. This man would be placed on the Federal Power Commission and given the duty to prevent price exploitation by the monopolistic suppliers of regulated services or commodities. That same monopolistic supplier was his closest identification.

The opinion continues:

Under such circumstances, to say that need outweighs price considerations is but to abandon all semblance of regulation, or at least render it farcical.

We submit that respondent was in error as a matter of law in purporting to separate the factors, purporting to balance them, and, upon finding considerations of need to be more impressive, discarding price as the prime determinant in this section 7 proceeding.

Apart therefrom, the proof reflected in this record relating to needs of the public served through the Tennessee Gas system is insubstantial; it affords inadequate support for the finding; and it in no way supports the determination to dispense with further consideration of the matter of price.

The sole evidence in this record of any need at all for this or any other gas in the interstate market is epitomized in the short statement of Tennessee's vice president, Mr. Witmer:

"Q. Why did Tennessee Gas Transmission Co. enter into those contracts?—A. The purpose was to obtain gas reserves to supply the expansion of Tennessee's market, as is shown in Tennessee's pending application in docket G–11107" (R. 46).

The complete statement of the presiding examiner in respect of Tennessee's need for additional gas is as follows:

"Tennessee's vice president in charge of gas purchases, who represented Tennessee in

the lengthy negotiations of the instant contracts, testified that Tennessee's purpose was to obtain gas reserves to supply the expansion of Tennessee's market as shown in Tennessee's pending application in docket G–11107. None of the data which it is assumed was filed in support of such application is in evidence in this proceeding" (R. 754).

In its two previous orders, respondent made no reference to any other need for gas. In its April 22 order, it merely stated that the examiner "has found there is a need for these volumes of gas on the system of Tennessee. These findings we adopt" (R. 836). In its May 20 order, it merely stated that, in view of Catco's refusal to accept the temporary certificate provided for in the April 22 order, it was modifying that order, inter alia: "In view of the need for the volumes of gas * * *" (R. 904). Finally, in the June 24 order, with no further discussion—with no further reference to the record—we progress from Tennessee's need for gas to fill up its contemplated additional pipelines, full swing to the great need for gas by the public served through the Tennessee gas system.

Unless, therefore, the respondent's findings of need are to be treated as wholly illusory and unfounded, they must be based upon occurrences in the separate and independent proceeding pending before respondent upon Tennessee's application for authority to expand its plant (docket No. G–11107). But, the findings could not be based upon any final determination in that proceeding, because it is still pending—in the hearing stage—undecided by respondent. Finally, the findings could not be based upon evidence taken at the hearing in such other proceeding because (1) the hearing therein did not commence until May 14, 1957—after respondent had already made its first order herein (April 22) finding that the gas was needed by Tennessee—and (2) the presiding examiner in such other proceeding has not yet reported the evidence therein to the respondent.

The solution to the mystery—the only basis for the finding of this great supervening need for gas, contained in this record—is a footnote appended to respondent's April 22 order, in conjunction with its grant of a temporary certificate to Tennessee to construct the 107 miles of gathering pipeline to bring the Catco gas ashore and to Kinder, La. This footnote reads:

"By letter of March 29, 1957, Tennessee Gas was granted a temporary certificate for facilities covered by the same application in docket No. G–11107, but specifically excluding the 107 miles of pipeline referred to here" (R. 836).

Thus it appears that on the same date that the presiding examiner's report was issued in this case, March 29, 1957, the respondent issued a temporary certificate to Tennessee in docket G–11107—a proceeding, the evidence here shows, relating to the expansion of Tennessee's market, to supply which expansion Tennessee had entered into the Catco contracts. Thus it appears that the respondent—having refused to consolidate Tennessee's application in docket G–11107 with the present Catco cases—proceeded by way of a temporary certificate in docket G–11107 to permit Tennessee to construct the facilities with which to expand its market, and thereby established the need upon the basis of which the respondent subsequently predicated its abandonment of the price consideration as the prime determinant of what the public convenience and necessity require in this case.

Mr. KUCHEL. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from California for a question.

Mr. KUCHEL. An order has been entered for the Senate to convene at 10 o'clock this morning, which will be 2 hours and 20 minutes from now. Does the Senator contemplate speaking after the new legislative day commences?

Mr. PROXMIRE. It is doubtful. I think it is very possible that the Senator from Wisconsin can conclude near that time. I am not positive, but I am going to try very hard. I am conscious of the fact that the leadership, including, of course, the Senator from California, is very anxious to proceed as rapidly as possible with the foreign aid bill. That is the reason I detained the Senate all night, because I did not want to take up the time which will be devoted to that subject. I am working as fast and as hard as I can to try to get through my material.

Mr. KUCHEL. So in the opinion of the Senator, after the new legislative day convenes at 10 o'clock, and sometime subsequent to a morning hour, the Senator would suggest that he would be prepared to vote?

Mr. PROXMIRE. Oh, yes. As I have said, the Senator from Wisconsin has made no attempt to hold up a vote on the confirmation of the nomination. I would be happy to have a vote today, of course.

Mr. KUCHEL. If I understand correctly, the motion before the Senate is to recommit the nomination to committee.

Mr. PROXMIRE. Yes, but I doubt that the Senator from Wisconsin will be interested in a vote on that motion. I shall be interested in an up-and-down vote on the nomination.

Mr. KUCHEL. Does the Senator intend to ask for a yea-and-nay vote on confirmation of the nomination?

Mr. PROXMIRE. The Senator will ask for a yea-and-nay vote on confirmation of the nomination.

I wish to make clear to the Senator from California that my statement does not involve a commitment to stop at any particular time. My expectation is that I shall be able to complete my remarks sometime around 10 o'clock. I should like to make a promise to do so, but I feel bound to go through the material I have. I shall do my level best. I am sure that the Senator did not understand me to make a final commitment.

Mr. KUCHEL. No, indeed.

Will the Senator yield so that I may propound a parliamentary inquiry?

Mr. PROXMIRE. Mr. President, I ask unanimous consent to yield for that purpose without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Would the Chair conclude this legislative day and, under the previous order, commence a new legislative day?

The PRESIDING OFFICER. No. The order was that when the Senate adjourned last night or this morning, it would adjourn to meet at 10 o'clock this morning.

Therefore, since there has been no adjournment, the Senate would go on without a new legislative day unless it adjourned prior to 10 o'clock.

Mr. KUCHEL. Therefore, is it the ruling of the Chair that the new legislative day, were the Senator from Wisconsin still speaking at 10 o'clock, would not commence under the consent agreement.

The PRESIDING OFFICER. The Senator is correct.

Mr. KUCHEL. And, assuming, Mr. President, that the Senator from Wisconsin were speaking, let us say, past 10 o'clock until 10:15, at the conclusion of his speech would a motion to adjourn the Senate be in order so that the new legislative day would commence immediately thereafter?

The PRESIDING OFFICER. The Senate would remain in the same legislative day unless a motion were made to adjourn to a specific hour.

Mr. KUCHEL. I thank the Chair.

Mr. PROXMIRE. Mr. President, a parliamentary inquiry: it is my understanding that that can be done at any time, and that the hour specific can be a minute or 5 minutes or 10 minutes from the time of adjournment; that it is unnecessary that there be any delay in the proceedings; is that correct?

The PRESIDING OFFICER. No such motion has been made, but such a motion could be made, without delaying the proceedings.

Mr. PROXMIRE. I thank the Presiding Officer.

Mr. President, to continue:

Moreover, such temporary certificate to Tennessee was issued ex parte, without hearing of any kind,[1] and wholly without reference to the Catco proceeding and hence, perforce, wholly without reference to the price to be paid for the Catco gas. This is apparent because some 2 weeks later respondent by its April 22 order (granting temporary certificates to the Catco applicants) specifically found that there was insufficient evidence "on which to base a finding that the public convenience and necessity requires the sale of these volumes of gas at the particular rate level here proposed" (R. 835) and remanded the case to the presiding examiner "to determine at what rates the public convenience and necessity requires these sales" (R. 836).

It is clear, therefore, that even upon the respondent's own theory that it may weigh considerations of consumer needs against considerations of the price he ultimateley has to pay for gas—with which theory we do not agree—the respondent here, in effect, lifted itself by its own bootstraps. Instead of weighing such considerations in the solution of the composite problem of whether Tennessee should be permitted to expand its market to serve more ultimate consumers in the light of the unprecedentedly high price for gas demanded by the Catco applicants, the respondent attempted to separate the inseparable. First it determined (presumably) that Tennessee should be permitted to enlarge its facilities—expand its market—wholly without reference to the price to be paid for the Catco gas Tennessee had contracted to buy for that specific purpose. Then, in effect, having so created a need for gas by the issuance of its temporary certificate to Tennessee, it came back to the present case and entirely dispensed with the

[1] Respondent is authorized by sec. 7(c) of the Natural Gas Act (15 U.S.C.A. 717f(c)) to "issue a temporary certificate in cases of emergency, to assure maintenance of adequate service or to serve particular customers, without notice or hearing, pending the determination of an application for a certificate."

price condition contained in its May 20 order, upon the basis of the need so established.

The arbitrary nature of the respondent's June 24 order—stemming originally from its denial of petitioner's motion to consolidate Tennessee's docket No. G–11107 with the Catco applications—thus becomes plain. Having made independent determinations in respect of the two factors of need and price—(1) need, by the issuance of a temporary certificate to Tennessee in docket No. G–11107 and (2) price, by withholding unconditional certificates to the Catco applicants in its April 22 and May 20 orders—when thereafter faced with the Catco threat to terminate the gas sales contract, the respondent was caught on the horns of a dilemma of its own concoction. Either it had to tear up Tennessee's temporary certificate—and thus dispense with futher consideration of the need for gas—or it had to knuckle under to the Catco demands—and thereby dispense with further consideration of the matter of price.

The Commission's choice of the latter course, under the circumstances, was arbitrary and capricious. The record contains no evidence upon which to base a finding that the public convenience and necessity required certification of these gas sales at the unprecedentedly high price proposed. In both respects, the respondent's order of June 24 was improper and unlawful.

CONCLUSION

Thus, we assert, there is no rational basis in law, and no support in the record, for respondent's June 24 order—even if it had been made originally on April 22. The fact that it reversed two previous determinations—and arrived at a diametrically opposite result—merely serves to highlight its arbitrariness and illegality.

Obviously, the Commission "changed its mind"—which in a proper case, of course, it has the power to do. But a valid exercise of such power requires "some basis to indicate that it is reason and judgment that has brought about the change." *Dixie Carriers* v. *U.S.*, D.C.S.D., Tex., 1956, 143 F. Supp. 844, 854. There must be "basic facts [and] underlying reasons—leading the Commission intelligently and as a matter of deliberative judgment in good faith to contrary conclusions." *Amarillo-Borger Express* v. *U.S.*, D.C.N.D. Tex. 1956, 138 F. Supp. 411, 419. And, of course, as in the case of any determination, it must appear that "its final conclusion was supported by substantial evidence in the record taken as a whole." *Hudson River Day Line* v. *U.S.* D.C.S.D.N.Y. 1949, 85 F. Supp. 225, 227.

There was no change in the basic facts here. From the outset (by virtue of respondent's March 29 temporary certificate issued in docket No. G–11107), there was a need, of sorts, for this gas by Tennessee. The respondent so found in its April 22 and May 20 orders—the only change made on June 24 was the superfluous addition of the characterization great and the attribution thereof to the public served by Tennessee. There was no evidence of any greater need on June 24 than on April 22 or May 20. There had been no showing—at any time—that the unprecedentedly high price of 22.4 cents per M c.f. was in the public interest.

As can be seen on the chart, the price I have been discussing is 80 or 85 percent higher than the average price paid for natural gas.

There was no showing, as I say, and as the brief states, that the unprecedentedly high price of 22.4 cents was in the public interest.

On the contrary, such testimony and facts as are contained in the record abundantly demonstrate the contrary. As Commissioner Connole said: "No voice has been raised to dispute the facts that were set out so clearly in our order of April 22, 1957. To my legal understanding, they are still facts" (R. 932). Finally, the threat attributed to the Catco applicants did not present a truly new factual situation. When the respondent on April 22 granted temporary certificates and remanded the case to the presiding examiner "to determine at what rates the public convenience and necessity requires these sales," in effect it rejected these sales at the proposed price. When the Catco applicants applied for rehearing of that order, they then refused to commit their gas to these sales on the Commission's terms. When the respondent imposed the conditions contained in its May 20 order, it again rejected the sales at the proposed price, unless the Catco applicants would undertake in a section 4 proceeding to establish that it was just and reasonable. The threatened refusal of the Catco applicants to accept the May 20 order, posed no new situation. The May 20 order itself contemplated the possibility of such a refusal—it required the certificates to "be accepted in writing and under oath within 30 days from the date of the issuance of this order" (R. 908).

There being no change in the basic facts, the respondent's complete reversal of its previously adopted solemn determinations could only constitute an unsupportable and invalid "change of mind."

It could not make serious findings of this nature, and then without more, announce they no longer exist. *Amarillo-Borger Express* v. *U.S* (D.C.N.D. Tex. 1956, 138 F. Supp. 411, 419). This was not a rational, intelligent exercise of deliberative judgment supported by substantial evidence in the record taken as a whole. It was a reversal of previously adopted, ultimate findings and conclusions upon the wholly erroneous theory that price could properly be subordinated to the need for gas. It was a complete abdication of the respondent's regulatory function in producer certificate cases, contrary to law.

Mr. President, this is not the charge of a polemicist. This is not a political attack. This is the reasoned statement of the New York Public Service Commission, one of the most highly reputable regulatory bodies in the Nation, representing the biggest State in the Union. It characterized the decision of the Federal Power Commission in the Catco case as a complete abdication of the respondent's regulatory function in producer certificate cases contrary to law. That decision is about as emphatic as the decisions in the Long Island Lighting Co. and the Public Service Electric & Gas Co. cases, which indicated that the Federal Power Commission walked out on the consumer.

In this case, I repeat, the New York Public Service Commission called the action of the Federal Power Commission an abdication of the respondent's regulatory function in producer certificate cases contrary to law.

What hope is there, if the nomination of Mr. O'Connor is confirmed, that this kind of attitude on the part of the Federal Power Commission will be reversed? It is evident to the Senator from Wisconsin that with Mr. O'Connor's background, with his associations, with his experience, and with the absence of experience or background of any kind of public representation except as oil import administrator, we can expect from the nominee an attitude which would continue the almost incredible domination of the Federal Power Commission by the producers it is responsible for regulating.

Let us examine the argument of the Federal Power Commission, which I believe adheres to a narrow point of view, is prejudicial to the consumers, and sets a bureaucratic standard. This is the argument of the Federal Power Commission in the Catco case.

The Commission was warranted in not conditioning the certificate upon reduction of the initial rate proposed to be charged.

This Commission has repeatedly been judicially admonished that its functions under the regulation provided by the Natural Gas Act are of limited scope; that it does not initiate, but reviews. Thus where the rate regulation of Sections 4 and 5 was involved, it has been told that the Natural Gas Act "evinces no purpose to abrogate private rate contracts as such * * * [but rather] permits the relations between the parties to be established initially by contract, the protection of the public interest being afforded by supervision of the individual contracts, which to that end must be filed with the Commission and made public. * * * The Act merely defines the review powers of the Commission and imposes such duties on natural gas companies as are necessary to effectuate those powers; it purports neither to grant nor to define the initial rate-setting powers of natural gas companies. * * * The initial rate-making and rate-changing powers of natural gas companies remain undefined and unaffected by the Act. *United States Co.* v. *Mobile Gas Corp.*, 350 U.S. 332, 338, 339, 341, 342."

Mr. President, it is clear to the Senator from Wisconsin that if the Federal Power Commission has any responsibility at all, it has the power and, therefore, the duty to make certain that the monopolies, which have the fantastic power that Catco demonstrated in this case, charge a fair price to the consumer.

Mr. MORSE. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I am delighted to yield to the distinguished Senator from Oregon.

Mr. MORSE. I highly commend the Senator from Wisconsin for his dedication to conviction. Others may disagree with the Senator from Wisconsin in regard to his position on this particular nomination, but I think the record the Senator from Wisconsin has made in the Senate in support of his conviction is highly to be commended.

There are a few questions I wish to ask the Senator from Wisconsin. The Senator from Wisconsin has aroused great interest across the country in this nomination. Many persons, as the indications to my office show, are asking the question, Why was it necessary to select someone who has a vast economic interest in the oil and gas industry, and apparently present investments in the oil and gas industry, to be a member of the Federal Power Commission?

As a former teacher of administrative law, I should like to have the record show that when the regulatory bodies were created, they were established in order to bring to Washington people who were not connected in any way with the industry that was to be regulated, but who were to represent the public interest in a regulatory capacity on those commissions.

Two trends have developed in recent years with respect to regulatory agencies. The first is to proceed on the assumption that one who is appointed to a regulatory agency must have had so-called practical experience in the industry. It sounds good, but it has no basis in sound policy.

Does the Senator from Wisconsin agree with me that we could go to a great many technical colleges and universities in the United States and select experts, authorities, and highly qualified persons who have great knowledge of the gas and oil industry, but who do not have and never have had a single cent invested in the industry or, for that matter, have never held any position within the industry?

Mr. PROXMIRE. The Senator from Oregon is absolutely correct. Furthermore, in my judgment, the kind of expert which the Federal Power Commission needs is one who has had some specific and pertinent experience in regulation, perhaps, if there is insistence on pertinent and appropriate experience. The last kind of experience one needs in the position of Commissioner is experience as a cost accountant, which was Mr. O'Connor specialty in the particular industry that is being regulated. I think this is the kind of narrowing expertise that will prevent this man from having the kind of broad public view which I believe is absolutely essential to be an effective Commissioner. A particularly broad public view is essential because of the relentless, steady drumbeat of pressure which he can expect to get from the industry day after day, week after week, as long as he is a member of the Commission.

Unless he has that broad viewpoint, unless he has that broad public conviction, we will have the kind of Commissioner we have had too often in the regulation of too many industries, not only the Federal Power Commission, but virtually every other regulatory body.

The point made by the Senator from Oregon is correct. If there is insistence on having appointed to the Federal Power Commission persons who have the proper kind of expertise, there are many, many persons in the 50 regulatory bodies throughout the 50 States who would be far better qualified, from the standpoint of expertness, serving in a regulatory capacity.

Mr. MORSE. I thoroughly agree with the Senator from Wisconsin.

My next question: What does the Senator from Wisconsin think of the policy which seems to be developing in the appointments to regulatory bodies—it does not happen to apply in this specific case directly, but nevertheless it is well for us to consider in making appointments to a regulatory body—namely, a trend toward what could be called commission inbreeding? The practice seems to be growing of selecting people from the professional staff of a commission for alleged promotion to membership on the commission.

Does the Senator from Wisconsin agree with the Senator from Oregon that that trend was never contemplated when Congress established the administrative system which we know as our laws of regulation of industries and businesses vested with a public interest?

Mr. PROXMIRE. Yes, indeed, for many, many reasons—not only because the broad public view is necessary in a commissioner, but also because it is so important that a commissioner be able to escape from the interests of the particular group that he is regulating.

A man who has come up within the agency and has been concerned primarily with regulating the power industry, or some other industry, would be the last kind of man, with the possible exception of a man who comes directly from the business itself to look for the kind of broad, overall agency interrelationships which are a very important responsibility of commissioners.

I agree that that kind of inbreeding is bad. I think it is somewhat less bad than to do what is being done here. It is unprecedented to appoint a man as Commissioner of the Federal Power Commission directly from an extremely controversial private group which is being regulated.

Mr. MORSE. Is the Senator from Wisconsin aware that there is a growing concern within the legal profession in this country that this trend toward what many lawyers call commission inbreeding is in effect destroying the public's check on various industries? Bureaucratic politics being what they are, there is a tendency of people on the staffs of commissions to go along with a certain fixed policy, because not to do so would destroy any chance they might have for promotion within the agency, leading ultimately to possible appointment to the Commission itself? Is the Senator aware of the fact that there is a growing concern in the legal profession in regard to this type of commission inbreeding?

Mr. PROXMIRE. The Senator is aware of that, and the Senator is very sympathetic with that viewpoint. It is a viewpoint which bears proper concern. If there is any clear trend in our experience with regulatory bodies, it is that they become so thoroughly and completely indoctrinated with the viewpoint of the regulated industry that unless fresh blood is obtained from the outside, unless we get people with a broad, public viewpoint, the agency is indeed likely to suffer from the kind of debilitating and enfeebling inbreeding that the Senator from Oregon describes so well.

Mr. MORSE. Would the Senator from Wisconsin agree with me that it would be good to have the record call the attention of the chairmen of the Senate committees that have pending before them nominations for various regulatory bodies—to the fact that the most careful scrutiny should be given to any nominee if his biographic record shows that he is already on the staff of the Commission to which he is being nominated as Commissioner?

Mr. PROXMIRE. I think that would be an excellent recommendation. I think it should be given very careful consideration.

I hesitate to be critical of my colleagues, because I have great admiration for all of them. But I feel that our committees could do a far more thorough and more penetrating job of inquiry when nominees come before them. This is an extremely important responsibility of the Senate. All too often committee members adopt a position of all being buddies, or friends, or advocates of the nominee. That is not the function of a committee.

Of course, they should not be hostile or insulting. They should be completely courteous. It seems to me it is essential that some tough questions be asked, and that whenever a nominee comes before a committee for nomination to an important position like this, Senators who can be present should do their best to ask the kind of questions that can determine the background thoroughly and completely and indicate the viewpoint and attitude, and particularly the case the Senator cites, of a man within the industry, or a staffman within the agency itself, to determine whether or not he has the breadth, the philosophy, and the attitude which could make him an effective commissioner. I think that kind of searching inquiry, particularly in that case, would be in order.

Mr. MORSE. Would the Senator from Wisconsin be at all surprised if I advised him that the position that I am taking on the matter of Commission inbreeding, which is but a polite word for taking note of bureaucratic politics within our Commissions, is not a reflection upon any of our committee chairmen, but only is an announcement of a position, so that our committee chairmen will have notice of the position the Senator from Oregon is going to take; namely, one of the closest scrutiny of any nomination to any Commission from within the professional staff of any Commission.

Would the Senator from Wisconsin be surprised——

Mr. PROXMIRE. The Senator from Wisconsin recognizes that this is not a criticism, but merely notice on the part of Senator MORSE.

Mr. MORSE. Am I correct in my understanding that the large part of the burden of the case that the Senator from Wisconsin has been making so courageously and forthrightly against the nomination now before the Senate is based upon the findings and conclusions of the Senator from Wisconsin that this particular nominee does not meet the criteria for Senate confirmation of being free of conflict of interest in fact?

Mr. PROXMIRE. That is indeed the position of the Senator from Wisconsin.

I think it would be a tragedy under the circumstances if this nomination were confirmed, because the consequences to the consumer would be bad. The needed protection of the consumer has been indicated again and again in the documentation I put into the RECORD.

That is the only purpose for the existence of the agency. That purpose would be frustrated and destroyed, it seems to me, on the basis of any rea-

sonable, practical and realistic appraisal of what is likely to occur if the nomination were approved.

Mr. MORSE. Am I correct in my understanding that one of the arguments of the Senator from Wisconsin against approval of the nomination is that the nominee has substantial financial holdings in the industry and that in the hearings he said, "I will dispose of these holdings" but that no one seems to know whether he has disposed of them or, if so, how he has disposed of them?

Mr. PROXMIRE. That is correct. This man has holdings. He is at present the Oil Import Administrator. He has been the Oil Import Administrator for more than a year. He has holdings in the following companies:

Anderson-Prichard, Canadian Husky Oil, Ltd., Commonwealth Oil Co., Delhi Taylor Oil, Fifteen Oil, Kewanee Oil, Mountain Fuel Supply, Murphy Corp., Ohio Oil Co., Royal Dutch Petroleum, San Jacinta Petroleum, Shell Transport & Trading, South Texas Oil & Gas, Sunray Mid-Continent, Tennessee Gas Transmission, Texas Eastern Transmission, Texas Illinois Natural Gas, Transcontinental Gas, Western Natural Gas, and Continental Oil of Houston.

This is the man who is to be a member of the Federal Power Commission, the man who has been the Oil Import Administrator. We talk about a conflict of interest. He has had a conflict of interest.

Continental Oil Co. of Houston, The Peoples Gas Light, Standard Oil Co. of New Jersey.

First City Bank of Houston. They hold, in his behalf, substantial amounts.

Allied Oil & Industries Corp. of Texas, British Petroleum Co., Ltd., Burmah Oil Co., Ltd., Leonard Refineries, Petroleum Service & Research, and Louisiana Gas Service.

The position of the Senator from Wisconsin in respect to these vastly diversified holdings of the nominee is that, in the first place, it was an almost incredible conflict of interest that the Import Administrator should have holdings in some 17 companies which are big importers of oil and that he should hold stock in two of the three biggest importers of oil.

The committee did not bother to find out how much stock he held. The committee does not know. They will not reveal it, at least. I do not know why that information should not be revealed. At any rate, it is not.

It is the contention of the Senator from Wisconsin that this constituted a very serious conflict of interest while he was Oil Import Administrator. I do not know how one could have a greater conflict of interest.

The committee has taken the position, and the nominee has taken the position, that he is disposing of all of his holdings. He has said that some of his holdings were disposed of by gifts. The committee did not ask to whom, and did not disclose to whom, the gifts may have been made. The gifts may have been made to close relatives. There may still be a conflict of interest.

ATTITUDE OF NOMINEE

At any rate, the nominee is going to dispose of the holdings. Until recently it was my understanding that that would be extremely difficult to do, because there is an irrevocable trust involved, which has already resulted in difficulty for a nominee to the FCC, because that nominee is unable to dispose of some holdings and unable to escape the conflict of interest. It is my latest understanding that the nominee has worked out an arrangement which will enable him to dispose of those holdings and put himself in a position where he will no longer be the beneficiary, and therefore will be clear of the conflict of interest.

The point I emphasize is that this is a situation which certainly raises a very serious question as to the attitude the nominee will take as a Federal Power Commissioner, in view of the record of his holdings while Oil Import Administrator.

Mr. MORSE. Do I correctly understand that the committee has not made available to the Senate, as yet, the extent of the nominee's holdings, nor any program for the specific disposal of such holdings, including the names of the persons or companies to whom the holdings are to be transferred?

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. MORSE. Am I correct in my understanding that the Senator from Wisconsin has brought out, in his courageous debate on this nomination, that when John Kelly was appointed Director of the Office of Oil and Gas in the Department of Interior, he disposed of at least some of his oil and gas holdings by transferring them to minor children, with his lawyer as custodian?

Mr. PROXMIRE. The Senator from Oregon is correct. His personal attorney was made custodian of the Elk Oil Co. Apparently, judging from all reports and indications in the Committee on Interior and Insular Affairs, it was an extremely valuable property. It constituted a very large proportion of this man's vast holdings, amounting to many millions of dollars. The holdings were given to minor children. The minor children still hold them. The lawyer still acts as custodian.

This man is the Assistant Secretary of Interior in charge of minerals. In that position he is undoubtedly in a key position in the Department of Interior, in the executive branch of Government, with regard to regulation of the oil industry.

Mr. MORSE. Am I correct in my understanding that not only does the Senator from Wisconsin think the Kelly course of conduct did not free him, in fact, from a conflict of interest but also that the Senator from Wisconsin is concerned as to whether or not the present nominee, Mr. O'Connor, might follow a similar course of subterfuge and circumvention of the public's right to be completely protected from men sitting in regulatory positions who have a conflict of interest?

Mr. PROXMIRE. The Senator from Oregon states the situation accurately. The Senator from Wisconsin can find no assurance, although we have very carefully and, I think, thoroughly searched the record, and gone behind it, and staff members have consulted with the staff of the Committee on Commerce. We can get no assurance that there has been any indication as to how these vast diversified holdings will be disposed of.

Mr. MORSE. Is it true that the Senator from Wisconsin has said, during the course of his very courageous speech, in opposition to the nomination—

> I believe that when a man assumes the position of Oil Import Administrator, when he has authority over imports, authority to determine quotas and allocations, he should divest himself of his interest in the principal companies which are importing oil into this country. O'Connor did not do that. That, at the very least, raises a question concerning the sensitivity of the nominee to the public interest in the position of commissioner.

Did the Senator from Wisconsin make that observation?

Mr. PROXMIRE. That is correct.

Mr. MORSE. Would the Senator from Wisconsin be surprised, on the basis of the long standing record of the senior Senator from Oregon in respect to the importance of freedom from conflict of interests, to hear that the Senator from Oregon completely agrees with that observation of the Senator from Wisconsin?

Mr. PROXMIRE. I am very much pleased and encouraged, but it was certainly the expectation of the Senator from Wisconsin, on the basis of the very excellent record of the senior Senator from Oregon, that he would do so.

Mr. MORSE. Is the Senator from Oregon correct in understanding that during his absence from the Chamber, while part of the great speech of the Senator from Wisconsin was being made, the Senator from Wisconsin made some reference to information to the effect that the nominee has a connection with a trust arrangement within oil and gas industry from which he is in no legal position at the present time to extricate himself?

Mr. PROXMIRE. That was the understanding of the Senator from Wisconsin at an earlier time. However, the Senator of Wisconsin has been informed that the staff, and apparently the members of the Committee on Commerce, are satisfied that this arrangement is being worked out, and that it is possible now the nominee will be able to free himself of this conflict of interest by disposing of the holdings he has.

There was considerable question because of the similarity of his position to that of a previous nominee who found that he was unable to escape from an irrevocable trust, but apparently in the case of this nominee the situation has been solved. At least that is the committee's position. That is the information I have at the present time.

Mr. MORSE. Is it nonetheless true that the financial connections of this nominee leave no room for doubt about his previous—and, so far as we know, continued—heavy financial investment

in the very industry which, if he is appointed to the Federal Power Commission, he will be expected to regulate in an impartial and judicial manner?

Mr. PROXMIRE. The Senator from Oregon is absolutely correct.

Mr. MORSE. Does the Senator from Wisconsin agree that the past business interests of this nominee, and his investments in the gas and oil industry, have undoubtedly developed for him a host of very close associates and companions and friends and cronies within the industry who will be subject to his decisions if he becomes one of the regulators of this industry?

Mr. PROXMIRE. The Senator from Oregon is absolutely correct. This is a situation which is certainly inevitable, in view of the associations and the experience of the nominee.

There is no question that there will be a constant temptation on the part of the nominee, because he will have to pass on application after application from companies headed by the people with whom undoubtedly he has been working very closely, not only as vice president of the Goldston Oil Co., which is one of the biggest of the natural gas producers, or at least one of the big ones, but also because he has been very active in the Independent Producers Association.

That is the trade association for the independent producers, and it has been very militant in its approaches to the Federal Power Commission, and of course has wide contacts throughout the industry.

Mr. MORSE. Is the Senator from Wisconsin aware that in selecting a juror for an American jury box, a lawyer has available to him as a matter of law two challenges, one called a peremptory challenge and the other a challenge for cause?

Mr. PROXMIRE. That is my understanding.

Mr. MORSE. Is the Senator from Wisconsin aware of the fact that a peremptory challenge of a prospective juror is a challenge that the lawyer can exercise for no cause at all, including the fact that he does not like the cut of his nose or the slant of his eye or the baldness of his head or anything else about the juror that causes him to feel that he might not particularly have confidence in that juror in the jury box? Is the Senator aware of that?

Mr. PROXMIRE. I am.

Mr. MORSE. Is the Senator aware of the fact that in the exercise of peremptory challenges in most jurisdictions the lawyer is limited in the number of such challenges that he can exercise?

Mr. PROXMIRE. That is my understanding.

Mr. MORSE. Is the Senator from Wisconsin aware that in the exercise of a challenge for cause, the lawyer can have a prospective juror dismissed from further consideration if he can show that he has any financial or economic interest in the case?

Mr. PROXMIRE. That is my understanding.

Mr. MORSE. Is the Senator aware that in the exercise of a challenge for cause, he can succeed in having the prospective juror dismissed from further consideration, if he can show a close association, either by relationship or friendship, or business connection, or crony connection, with any of the parties to the case?

Mr. PROXMIRE. That is my understanding.

Mr. MORSE. Is the Senator from Wisconsin of the opinion, as the Senator from Oregon is, that this nominee never could be seated in a jury box that would involve any of the segments of this industry with which he has had financial investments and financial connections and business associations and close, crony connections with the personnel in this industry over whom he would be exercising regulatory power, if seated on the Federal Power Commission?

Mr. PROXMIRE. The point made by the Senator from Oregon is really the principal argument being made by the Senator from Wisconsin. It sums up very well the fact that the consumer should expect an opportunity to receive justice, in a fair, impartial, unbiased, unprejudiced consideration.

This man is serving in a quasi-judicial position in which, in many respects, he is to have far more power, as Dean Landis has said, than the Congress itself has. He is being asked to decide questions involving vast sums, and he goes into it with a prejudice which is written in words a mile high. They cannot be missed. They are advertised. The Senate knows it.

It is ridiculous that under these circumstances the President should make this nomination and that the Senate of the United States should confirm it.

Mr. MORSE. Does the Senator from Wisconsin agree with me that if there is before the Senate for consideration the nomination of a man who would be subject to successful challenge in a jury box in the United States because he was too closely associated with many people within the industry, or because of his past professional and business and financial connections with them, there is a serious question of whether he should be seated on a commission where he not only would sit as a juror does, as a finder of fact, but also in a judicial position, rendering decisions on his previous or present cronies or friends and past business associates?

Mr. PROXMIRE. By all means. I certainly agree.

Mr. MORSE. Is the Senator from Wisconsin aware that in most jurisdictions in the United States in the administration of justice, a judge can be challenged by a lawyer filing an affidavit of prejudice against him?

Mr. PROXMIRE. The Senator is correct.

Mr. MORSE. Is the Senator from Wisconsin aware of the fact that in most jurisdictions, in making a case against a judge, in support of an affidavit of prejudice one needs only to point out in the affidavit some exceedingly close personal relationship between the judge and any party to the case?

Mr. PROXMIRE. That is my understanding.

Mr. MORSE. Is the Senator from Wisconsin also aware of the fact that in filing an affidavit of prejudice against a judge, one must sustain the affidavit by showing some economic connection between the judge, or someone close in his family, and parties in the case, or to the substance of issues involved in the case?

Mr. PROXMIRE. That is my understanding. I believe that is correct.

Mr. MORSE. Therefore, is it the view of the Senator from Wisconsin that in view of the close relationships between the nominee and many in the industry and because of the financial connections of the nominee and this industry, the nominee is subject to disqualification to sit in a judicial position on the Federal Power Commission as a judge of the industry and the parties in the industry, just as a judge in a courtroom would be subject to an affidavit of prejudice to be filed if he had similar connections or relationships to the issues or the parties to a case?

Mr. PROXMIRE. The Senator from Oregon makes the case emphatically and properly. I would merely add the fact that in the Federal Power Commission there is a long, long, long record of prejudice against the consumer and of favoritism toward the producer. This has happened, of course, as it has happened in other regulatory agencies, because of the fantastic advantage in the regulatory process which the producer—the industry—enjoys.

If in addition to such advantage, as the Senator from Oregon has so brilliantly outlined, we were to violate the simple and widely approved ethical requirements that we provide for judges, by placing on the Commission a man directly from the industry, a man active in this lobbying association, a man whose viewpoint reflects the industry viewpoint, the Federal Power Commission could not even enforce the law that the Supreme Court has told the Commission to enforce. I think the analogy to a prejudiced judge is about as tight, close, and precise an analogy as one could obtain.

Mr. MORSE. Would the Senator from Wisconsin be at all surprised to hear the Senator from Oregon say that in view of the record of conflict of interest which the Senator from Wisconsin all alone in the Senate has been making for hours against the nominee, until at long last America is awakening to the questionable aspects of the nomination, the Senator from Oregon does not see any need to approve the nomination in a hurry and does not intend to let the nomination be approved today?

Mr. PROXMIRE. The Senator from Wisconsin is very much encouraged and pleased to hear the statement of the Senator from Oregon. I think this is a perfectly proper assertion. I think it is typical of the Senators unparalleled independence, courage, and absolute determination to fight for his convictions, regardless of the consequences, regardless of any pressures, regardless of any discomforts, regardless of anything else that the Senator from Oregon may be—and well knows he will be—subjected to

under the circumstances. The Senator from Oregon is absolutely correct, and I am delighted to hear his statement.

Mr. MORSE. Would the Senator from Wisconsin be surprised to hear the Senator from Oregon say that the President of the United States ought to withdraw the nomination forthwith, and that the majority leader of the Senate ought to lay the nomination aside until this country can reflect on the record, until the people can be heard from as to whether or not they want this kind of man, with his past record of a conflict of interest, while in the Interior Department placed in a position of supposedly protecting the public and the consumer interest on the Federal Power Commission?

Mr. PROXMIRE. I think the Senator is correct. I think the way to handle the problem would be as the Senator from Oregon describes.

First, the President should withdraw the nomination.

If the President does not withdraw it, the majority leader should lay the nomination aside. There is no question in my mind from the colloquy that has been conducted in the last few minutes between the Senator from Oregon and the Senator from Wisconsin that questions have been raised regarding the nominee that have not been answered, and that cannot be answered on the record because the committee does not have the answers.

Unless we recommit the nomination, there will be no opportunity for the Senate to know upon what it is voting, except that there is a clear suspicion that if the nominee goes into office he will do so in a compromised position, and very possibly a position that is legally compromised. This nominee may not be qualified. He may be in exactly the same position as was Edward Mills, who was appointed last year by President Eisenhower to the Federal Communications Commission.

The nominee finally withdrew his own nomination because he was the owner of shares in communication companies that were held in an irrevocable trust, of which he was the beneficiary. As I understand, he could not legally qualify for the office.

Mr. MORSE. Does the Senator from Wisconsin agree with the Senator from Oregon that in view of the great public issue now raised by the brilliant work the Senator from Wisconsin has performed in disclosing the clear conflict of interest involving Mr. O'Connor, conservatives and liberals alike in the Senate should rally around the banner of protecting the consumer interest in relation to the exercise of power by the Federal Power Commission, and the nomination should not be confirmed by the Senate until the questions raised in the colloquy between the Senator from Wisconsin and the Senator from Oregon this morning are answered by the committee? They cannot be answered unless there is a reopened hearing and Mr. O'Connor is brought before the committee again and the questions put to him.

Does the Senator from Wisconsin agree?

Mr. PROXMIRE. I agree wholeheartedly.

Mr. MORSE. Does the Senator from Wisconsin agree that, from the standpoint of an orderly consideration of the nomination and a full disclosure of his record, which is not contained, I say most respectfully, in the committee report, the nomination ought to be sent back to committee for further consideration of the committee, and the Senate ought to get on with the business of considering the foreign aid bill now before the Senate?

Mr. PROXMIRE. A motion to recommit is the motion which the Senator from Wisconsin has made, and it is now before the Senate.

I think the arguments made by the Senator from Oregon are undoubtedly the most persuasive arguments that have been made specifically in favor of the motion.

Mr. MORSE. Does the Senator from Wisconsin agree that we now have reached a point in the consideration of the nomination, in view of the unanswered arguments that the Senator from Wisconsin has made against the nominee in respect to his alleged conflict of interest—and I am satisfied that the Senator from Wisconsin has substantiated those allegations—the only commonsense, parliamentary, sensible approach to make to this subject now is to lay it aside—at least temporarily—until consideration of the foreign aid bill, which is so vital to the security of our country, is concluded?

Mr. PROXMIRE. I agree. The Senator from Wisconsin has announced repeatedly during his speech that he would be happy at any moment to lay the nomination aside. He has called this point to the attention of the majority leader and feels very strongly that this is exactly what should be done.

I know that the leadership has its problems. The leadership may have very definite convictions as to what should be done. However, I do not know how the leadership can answer the position that has been taken by the Senator from Oregon. It seems to me that if there is concern to finish consideration of this important bill, we ought to finish it.

The leadership should lay the nomination aside, and if the leadership does not lay the nomination aside, consideration of the nomination may, in view of the announcement of the Senator from Oregon, delay consideration of the foreign aid mutual security bill, which would be a responsibility that I believe the leadership would have to assume.

Mr. MORSE. Does the Senator from Wisconsin agree with the Senator from Oregon that when two or more Senators—and there are more than two of us—feel that the nomination may not be in the public interest and ought to be subject to prolonged debate until there can be full disclosure of the dangers of the nomination, in order to give the public an opportunity to react to the nomination, the fair thing to do, from the standpoint of fair dealing with Senators, would be to lay the nomination aside temporarily and get on with a national defense and security measure such as the foreign aid bill?

Mr. PROXMIRE. I agree wholeheartedly.

Mr. MORSE. Does the Senator from Wisconsin agree with the Senator from Oregon that laying this matter aside and taking up the foreign aid bill forthwith would clearly be in the public interest?

Mr. PROXMIRE. It would indeed, for two reasons: First, the foreign aid bill is, as the Senator from Oregon has said, a great national defense and security measure.

This is an urgent measure which should be acted on as expeditiously as possible.

Second, it is certainly not in the public interest to act on this nomination without getting additional information, without an opportunity for the Senate to reflect on the great seriousness of appointing such a man to the Federal Power Commission.

For the first time in the history of this Nation we are setting a precedent in appointing this man to the Federal Power Commission directly from the producing industry itself.

Mr. MORSE. Does the Senator from Wisconsin agree with the Senator from Oregon that we are of one mind in this position, namely, that we can give the majority leader and the leadership of the Senate assurance that we have no intention of preventing this nomination from coming to the Senate for final consideration before adjournment this fall, but that all we ask for is a recommittal of the nomination until more facts can be brought to the Senate in regard to the issues that have been raised by the Senator from Wisconsin; and that more time should pass so that there can be a public consideration as to whether or not the general public thinks this nomination ought to be confirmed, in view of the arguments and evidence that the Senator from Wisconsin has submitted in his courageous speech against this nomination?

Mr. PROXMIRE. In reply to the Senator from Oregon, earlier this morning the Senator from California, in colloquy with the Senator from New Hampshire, who may also have been involved, asked that the intentions of the Senator from Wisconsin be ascertained. At that time, while other Senators had informally indicated they might support me, there was no indication that other Senators felt as strongly as I did about the nomination.

I said at that time that I had no intention of preventing or delaying a vote on the nomination. I wanted to get the documentation into the RECORD, and after that the Senate could work its will.

However, I made it clear to the Senator from California that there was no commitment whatsoever on my part to agree to a vote at any specific time.

Also, in an informal conversation, I told the acting majority leader yesterday that I would not agree to any unanimous-consent agreement, but as things stood at that time yesterday, it seemed to me that some time today, and probably fairly early today, after the Senate

convened, I would be willing to go ahead and vote on the nomination.

NO COMMITMENT MADE

However, as I say, no commitment was made. In view of the position taken by the Senator from Oregon, in view of his emphatic support of my position, and in view of his assertion that he has no intention of permitting a vote on this nomination today, I believe that the condition has changed quite dramatically.

I have every intention to support my good friend from Oregon in the position he has taken that this nomination should not be voted on today, but should be laid aside, so that the foreign aid bill may come up.

Mr. COTTON. Mr. President, will the Senator yield with the understanding that he does not lose the floor, for a parliamentary inquiry?

Mr. PROXMIRE. Mr. President, I ask unanimous consent for the Senator to be permitted to make a parliamentary inquiry without my losing the floor.

The PRESIDING OFFICER. Is there any objection? The Chair hears none, and it is so ordered.

Mr. COTTON. Mr. President, the Senator was present this morning when certain inquiries were propounded by the Senator from California.

In order that the Senator from New Hampshire may understand the parliamentary situation, and because he is temporarily charged with occupying this seat for the minority, and so that he may be sure of the parliamentary situation, I should like to ask the Chair a question. It is my understanding that if this debate continues after the hour of 10, the terms of the unanimous consent agreement for adjournment are such that under those terms the Senate will continue in the same legislative day, and will not enter on any new legislative day.

The PRESIDING OFFICER. The Senator is correct.

Mr. COTTON. If, by any chance—and I emphasize "by any chance"—at some time subsequent to the hour of 10, which was the agreed hour of meeting today, the debate should terminate, and a motion for an adjournment should be made, under the terms of the unanimous consent agreement, would the Senate immediately be in session again on the new legislative day?

The PRESIDING OFFICER. Not after 10 o'clock; that is, the agreement expires at 10 o'clock.

Mr. COTTON. So if this debate continues after the hour of 10, it continues in the same legislative day; and should the debate terminate, there would have to be some renewed motion about entering into some other day; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. COTTON. So the Senate continues in the same legislative day and, assuming, that at some time the debate terminates, it will be necessary to suggest the absence of a quorum and determine what kind of motion should be made?

The PRESIDING OFFICER. The Senator is correct.

Mr. COTTON. I thank the Chair, and I thank the Senator from Wisconsin.

Mr. MORSE. Mr. President, will the Senator from Wisconsin yield for a few more questions?

Mr. PROXMIRE. I yield.

Mr. MORSE. Does the Senator from Wisconsin agree with the Senator from Oregon that not only are the rules of the Senate available to each Senator, but that each Senator, in accordance with his own lights and likes, must determine for himself the extent to which he wishes to apply the rules in protecting the public interest through the use of the rules?

Mr. PROXMIRE. The Senator from Oregon has been the leading example of that practice. I recall a little story the Senator from Oregon told me, which I should like to narrate, if the Senator will permit me to do so. It is to the effect that when the Senator from Oregon first came to the Senate, he exercised his independent spirit and made clear that he would be his own Senator.

On one or two occasions, my predecessor, once removed, in the Senate, the late Bob La Follette, Jr., one of the great Senators to serve in this body, went to the Senator from Oregon and advised him that the only way a Senator who believed as the Senator from Oregon obviously did, would be able to fight effectively for his convictions would be to understand the rules thoroughly, to use the rules thoroughly, to protect the rules, and to fight to protect the rules.

In the 4 years I have been a Member of the Senate, no Senator has made a more consistent effort to do exactly that. The Senator from Oregon has done everything he could to protect the rights of Senators with whom he disagreed overwhelmingly, because he has recognized that the procedural rules are extremely important.

To answer the Senator from Oregon: Yes, indeed, I think it is the right and duty of a Senator to use the rules to carry out the convictions which he holds.

Mr. MORSE. Is the Senator from Wisconsin aware that our distinguished majority leader has come into the Chamber?

Mr. PROXMIRE. I am, indeed.

Mr. MORSE. Does the Senator from Wisconsin share my enthusiastic affection, high regard, and great confidence in our majority leader?

Mr. PROXMIRE. Yes. As a matter of fact, the Senator from Wisconsin would yield to no man in his affection for our esteemed majority leader.

Mr. MORSE. Does the Senator from Wisconsin agree with me that although the majority leader may differ with us on issues now and then, and with other Senators on issues occasionally, there is no question that he deserves our high confidence in his impartiality, fairness, and determination to protect the rights and the interests of Senators on both sides of the aisle?

Mr. PROXMIRE. Indeed, he does. He has demonstrated this repeatedly.

Mr. MORSE. Am I correct in my understanding that the Senator from Wisconsin, in the courageous speech he has made against the nomination of Lawrence O'Connor, has brought forth argument after argument and evidence after evidence supporting the contention of the Senator from Wisconsin that the nominee, from the standpoint of his past work in the industry and his investments in the industry, is so colored with conflict of interest that he could not be seated in a jury box in America on a case dealing with this industry; that he would be subject to a challenge for cause; or that he would be subject, if he were judging a case from the bench, to an affidavit of prejudice, because of his clear conflict of interest, based upon his association with this industry?

Is it the position of the Senator from Wisconsin that because of facts which the Senator has brought out in his outstanding speech, he seeks only to have the nomination go back to committee, and have the committee bring forth specific answers to specific questions which have been brought out of the debate, but which are not contained in the committee report? Does he agree that in the meantime, the Senate should get on with the business of defending our country through the foreign aid bill, temporarily laying aside this nomination until the committee can take another look at it, and until the country can be heard from in response to the evidence and arguments which the Senator from Wisconsin has brought out in his excellent speech of many hours' duration in opposition to the nomination?

Mr. PROXMIRE. Let me say once again, since the majority leader has come to the Chamber, that yesterday I conferred informally with the majority leader. I told him I wanted to place all the facts in the RECORD, no matter how long it took. I expected there would be a vote on the nomination early today. This was my intention. There was no commitment made and no commitment asked by the majority leader. This was the intention of the Senator from Wisconsin, and he gave that word to the majority leader.

Although the majority leader was not present at the time, a very able and persuasive Senator has risen on the floor of the Senate and said it is his intention to make certain that the nomination does not come to a vote today.

In view of that situation, and in view of the very strong determination on the part of the Senator from Oregon to use his great ability to make certain that careful and thoughtful consideration shall be given to the nomination by the Senate, and that there shall be more facts concerning the nomination received from the committee than the Senate has at the present time, I wish to tell the majority leader that I have informed the Senator from Oregon that, under those circumstances, I feel it is proper and necessary, in good conscience, for me to join with the Senator from Oregon in that determination, and to appeal to the majority leader to have the nomination set aside, to enable the Senate to proceed with the foreign aid bill, and to enable the Senate to get the information we both know is necessary. If that cannot be done, the foreign aid bill is likely to be delayed. In view of its urgency, I think that would be too bad.

Mr. MANSFIELD. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. What the distinguished Senator from Wisconsin said about an informal understanding is absolutely correct. I can understand that conditions have changed his point of view. However, the debate on this question has now been in progress for 2 or 3 days. I think we had better stay with it until it is finished, one way or the other. I do not intend to set myself above a committee which reported the nomination unanimously. I believe the nominee has had a fair and thorough hearing. The Senator from Wisconsin appeared before the committee in opposition to the nomination. The Senate has had plenty of discussion of the matter. I would be derelict in my duty to the Senate and to myself if I were to enter into an agreement of the kind suggested by the Senator from Wisconsin.

Since the Senator from Wisconsin and the Senator from Oregon have indicated that they will continue to talk on this subject, we had better understand one another and let the situation right its course. Other proposed legislation will be held up until this question is settled one way or the other. I think that is a fair statement in response to the questions raised by the Senator from Oregon and the Senator from Wisconsin.

I may say to the Senator from Oregon that I have been led to the slaughter quite often, but never with such praise and with such pats on the back as were given to me this morning.

Mr. MORSE. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. MORSE. Does the Senator from Wisconsin have any question that my praise, my love, and my respect for the Senator from Montana is most sincere?

Mr. PROXMIRE. I am positive of that situation.

Mr. MORSE. Is it true, as the Senator from Wisconsin has pointed out in his speech, that there is nothing in the committee report and nothing in the transcript of the record of the committee hearing which shows in detail the extent of the nominee's holdings or the repositories in which he may be disposing of his holdings?

Mr. PROXMIRE. The Senator is correct. There is no indication of the amount. As a matter of fact, a member of my staff went to the chief counsel of the committee and specifically requested this information, asked if, in view of the fact it was not in the committee report, it was in the committee files, and if it could be secured. The answer given was—

> We do not have it. We do not know it. We have not asked for it. We know the stocks he owns. We do not know how much.

Mr. MORSE. Is it true that apparently the committee has not made public disclosure of some facts in regard to this man's holdings, based upon the statement just made by the Senator from Wisconsin?

Mr. PROXMIRE. That is correct. Our understanding is that the nominee has these holdings, and that he intends to dispose of them. We do not know how, we do not know when, we do not know to whom he is going to give these gifts. The committee does not have those facts.

Mr. MORSE. Am I correct in my understanding that all the Senator from Wisconsin seeks is information that any Member of the Senate is entitled to receive from any committee considering a nomination in regard to what the evidence and facts are concerning alleged conflict of interest?

Mr. PROXMIRE. This has certainly been the understanding of the Senator from Wisconsin. I do not know how we can possibly evaluate a holding if we do not have the material facts. After all, the amount of shares held is of considerable importance. I think this is a very material fact.

If Mr. Kelly had held one share in the Elko Oil Co., I think it could have been disregarded. It would have been a trivial holding. But he owned the Elko Oil Co. He held majority control. It was his company. And it was a big company.

I think the difference between a stockholder who has a very minor holding and a stockholder who has a vast holding is a material fact of very great importance. That material fact not only was not disclosed to the Senator from Wisconsin; it was not disclosed to any member of the committee. According to the chief counsel, it is not known. The nominee was never asked.

Mr. MORSE. Is it the position of the Senator from Wisconsin that when we get into a debate on the nomination, and a Senator asks for evidence not contained in the committee record, bearing on one of the four historical criteria the Senate of the United States is bound under the Constitution to apply in passing upon any nomination, the Senator ought to be granted the courtesy by the Senate of a delay in the consideration of that nomination until the pertinent information has been made available to the Senate?

Mr. PROXMIRE. The Senator from Wisconsin feels that in the absence of that information the Senator from Wisconsin has no choice except to vote against the nomination; and frankly, the Senator from Wisconsin would vote against the nomination regardless of what the information showed. The Senator from Wisconsin feels that because of the report from the committee, because of the fact that this is the President's nominee, because of the unfortunate tradition of being somewhat undiscriminating in approving nominees, many Senators are prepared to vote for this nominee without additional facts.

But I think it is not proper for Senators who have doubts—and there are a number of them—to be required to vote without having the material evidence which is required to determine whether or not there is a conflict of interest in this case. That is not available.

Mr. MORSE. Is the Senator from Oregon correct in his understanding that one of the great concerns of the Senator from Wisconsin is that in effect we are having a nomination forced upon us, given the choice of either voting for it or against it, or using the rules of the Senate to get the necessary time in order to try to get the facts about the nomination? Does the Senator agree that this is the alternative being offered to sincere and dedicated Senators who are only raising a flag of warning to this administration and this leadership in the Senate that it may very well be that this man could not qualify if all the facts about his alleged conflict of interest were known?

Is that a part of the position of the Senator?

Mr. PROXMIRE. That is certainly a part of the position of the Senator from Wisconsin. It seems to me that under the circumstances the Senator from Oregon and the Senator from Wisconsin are being put in a position of feeling that the only way we can comply with our conscience, the only way we can fulfill our duty, as we see it, is to take advantage, as the Senator from Oregon puts it, of the rules of the Senate which will result unfortunately in a wholly unnecessary delay in the foreign aid bill.

There is plenty of time before adjournment—certainly at least a full month. That seems to be the opinion. There is no reason in the world why this nomination could not be postponed for 3 weeks. There is no reason in the world why this nomination could not be postponed for a few days.

There is no reason in the world why additional information could not be elicited especially when that information is so necessary and so appropriate and so legitimate. And it seems to me that if Senators are going to decide this case on the basis of conflict of interest, I do not know how they can possibly decide it, either in fairness to the nominee or in fairness to their own duty to see that persons who violate the conflict of interest do not occupy office, unless they have the facts.

Mr. MORSE. Does the Senator from Wisconsin agree with the Senator from Oregon that if he and I were the only two Senators who might ultimately vote against this nomination—and my final vote in this nomination will be dependent upon the evidence—we would be entitled to a delay in the consideration of this nomination until the proponents of the nomination could come forward with the evidence we ask for bearing upon this alleged conflict of interest.

Mr. PROXMIRE. I agree wholeheartedly, that is correct.

Mr. MORSE. Does the Senator from Wisconsin agree with me that the American people are entitled to have us do everything we can under the rules of the Senate to get that information for the American people as a matter of public record?

Mr. PROXMIRE. The American people are entitled to it. The fact is that there is a very direct entitlement by a very large number of Americans. Twenty-seven million American families are gas consumers. Virtually all Americans are indirectly affected by the industrial uses of natural gas. These people, it seems to me, have a right to this kind of information.

So the Senate, if it chooses to vote and approve this nominee, at least does so

with its eyes open, and does so with full knowledge of what the facts are.

Mr. MORSE. Does the Senator agree with me that under the Constitution the Senate is not justified in confirming if it is found that the evidence supports the conclusion that the nominee does not possess the necessary character qualifications to justify confirmation, or is not loyal to our form of Government, or does not have adequate competency to do the work called for by the assignment, or has such a vested interest within the industry, past or present, as makes perfectly clear that there is a conflict of interest? If any one of those criteria cannot be fulfilled by any nominee, under the advise-and-consent clause of the Constitution, a nomination cannot be confirmed. Is not that correct?

Mr. PROXMIRE. I agree.

Mr. MORSE. Is it the position of the Senator from Wisconsin that his study of this case satisfies him this nominee does not meet the test required under the conflict of interest and falls so short of meeting that test, as the Senator of Wisconsin pointed out earlier in the colloquy with the Senator from Oregon, that this man could not be seated in a jury box and could not be allowed to remain on a bench to take jurisdiction over a substantive case which would involve any part of the industry, related to his past association with the industry? Does he not feel that this nominee's service as Oil Import Administrator while he held large financial interests in several oil importing companies indicates a serious lack of appreciation on Mr. O'Connor's part of the meaning of conflict of interest?

Mr. PROXMIRE. I think the Senator from Oregon has demonstrated that convincingly.

Mr. MORSE. Would the Senator from Wisconsin agree with me that I ought to emphasize this point for my majority leader, so that the majority leader will clearly understand the position which the Senator from Wisconsin and the Senator from Oregon are taking? It is a position of deep sincerity that we have, under the oath of office we took in the Senate, to do our duty as we see that duty, to get all the facts about the issue of conflict of interest spread on the public record. It is also our conviction that the American people are entitled to those facts, and that the Senate of the United States has no right to conceal those facts and will be concealing those facts unless the committee of the Senate calls this man back and asks for specific information. Does the Senator from Wisconsin agree it is very important that we do our best to get the majority leader to understand our high motives and sincerity of purpose and our desire not to prevent a vote from occurring on the nomination but simply get the information to which we are entitled, which the record does not disclose and which neither the majority leader nor any other Member of the Senate can point out in the RECORD to give us the information on the conflict of interest which we are entitled to have, before we are asked to vote on the confirmation of the nomination?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I will yield to the Senator in a moment.

Mr. MANSFIELD. A question of motive has been raised.

Mr. PROXMIRE. I yield to the Senator from Montana.

Mr. MANSFIELD. I say to the Senator from Oregon that I have never questioned his motives nor the sincerity of any Member of this body on either side of the aisle.

So far as the question of the committee reconsidering the nomination is concerned, I understand there is a motion before the Senate to the effect that the nomination be referred back to the committee and that the Commerce Committee report to the Senate within a week. That is fair enough. I shall vote against that motion, but at least it will give the whole Senate an opportunity to make its position known.

The situation is that with the argument raised by the Senator from Oregon, the question will be determined, and this is one way in which the problem can be met.

The issue, as I understand it, is that there is certain hidden information which has not yet come to the surface. I have enough confidence in the Commerce Committee and in its chairman to feel that the committee did the best job it could before reporting the nomination of Mr. O'Connor unanimously. I still have that confidence.

I think a vote on the proposal of the Senator from Wisconsin will be a vote of confidence, either for or against the Committee of Commerce, which has conducted hearings on the nomination and has rendered its collective judgment. It has placed that judgment before the Senate for consideration.

So far as the motives or the sincerity of any Member of this body is concerned—of any Member—I never have and I never shall raise a question about what motivates a Senator of the United States on the floor of this Chamber.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Oregon.

Mr. MORSE. Did the Senator from Wisconsin interpret any remark of the Senator from Oregon as raising any doubt at all on the part of the Senator from Oregon concerning the complete confidence of the majority leader in the sincerity of purpose of the Senator from Wisconsin and the Senator from Oregon, and of other Senators?

Mr. PROXMIRE. On the contrary. It was the interpretation of the Senator from Wisconsin that this was exactly what the Senator from Oregon said; that he knew the majority leader had complete confidence in the sincerity and honesty and good intentions of the Senator from Oregon and the Senator from Wisconsin. I did not hear him say anything else. I think that is exactly what the Senator said, and that was his intention, I am sure.

Mr. MORSE. Does the Senator from Wisconsin agree with the Senator from Oregon that a vote on a motion to recommit the nomination to the committee for a week, or for any other period of time, is in no sense a vote of no confidence in the Commerce Committee, and that the Senator from Wisconsin and the Senator from Oregon have in no way raised any question as to a lack of confidence in the Commerce Committee?

Mr. PROXMIRE. Well, to look at the problem from a practical standpoint, under the present circumstances, as the debate has developed and as the majority leader has put the question, frankly, if there is a vote on the motion of the Senator from Wisconsin, which will come in the next couple of hours, there is no question as to how the vote will turn out.

If the majority leader, who is so highly respected and so much admired, and properly so, says that this will be a vote of no confidence in the Commerce Committee, what chance do we have? It seems to me this is not a question of confidence in the distinguished Senator from Washington [Mr. MAGNUSON], or in any other member of the Committee on Commerce, which is, of course, a splendid committee. The chairman, who comes from the State of Washington, is an outstandingly fine chairman.

The Senator from Oregon and the Senator from Wisconsin are now put in the position, it seems to me, that if we proceed with the motion under these circumstances the Senate then will be required without having adequate information. I presume, if the motion of the Senator from Wisconsin is defeated, that of course the nomination will be before the Senate. We can still vote for or against the nomination. We can still talk for some time.

Unless the committee is willing to give us this information, the fact is that the Senator from Oregon and the Senator from Wisconsin feel very strongly we shall not have answers to the questions, which answers are absolutely essential.

While I have great admiration for the Senator from Washington, who is perhaps as experienced and as expert a committee chairman as there is, the fact is we do not know the extent of the holdings of this nominee. We do not know how he is going to dispose of them specifically. We do not know who is going to receive a gift, if he is to give a gift, whether it be his mother or some other close relative.

Under these circumstances, it seems to me we are asking perfectly legitimate questions which have nothing whatever to do either with confidence in or the character of or any other fine quality of the committee or any of the committee members.

Mr. MORSE. I ask the Senator from Wisconsin this question: If the Senator from Montana would offer a resolution expressing confidence in the Senate Committee on Commerce it is true, is it not, that the Senator from Wisconsin and the Senator from Oregon would vote for that resolution?

Mr. PROXMIRE. By all means.

Mr. MORSE. It is true, is it not, that to interpret the motion of the Senator from Wisconsin, to recommit the nomination to the committee for a week, in order to get some information that some

Senators in all sincerity have asked for, as being really a motion of expressing confidence or lack of confidence in the Committee on Commerce, is an example of a nonsequitur argument? Is that not true?

Mr. PROXMIRE. It seems to me we would never be able to make practical use of this perfectly proper motion otherwise. We would never move to recommit any measure before the Senate, because all Senators, of course, feel confidence in committees and in committee chairmen.

Under no circumstance would Senators wish to question the committee or the committee chairman, in the sense that they might feel they were offering an insult or even questioning the ability or the integrity of the committee. There simply would not be any referrals. There would be no such thing.

Mr. MORSE. When a nomination has been discussed, as the Senator from Wisconsin has so courageously discussed this nomination, and there has been brought out the absence of vital information which we ought to have in order to make our final judgment as to whether or not this man in fact does have a conflict of interest that disqualifies him for this position, does the Senator from Wisconsin feel, as does the Senator from Oregon, that we ought to be given the time necessary to get that information, and that the people of the country are entitled to have that information produced before their elected representatives are required to vote on the nomination?

Mr. PROXMIRE. I can see nothing wrong with that at all. It is not a matter of delaying the nomination more than perhaps a matter of less than a day.

It is simply a matter of requesting the nominee to come up and give to the Commerce Committee or, as far as I am concerned, to give to the chairman, the facts which are essential.

I think they can be acquired rather rapidly. I think once those facts were acquired, the Senate would be in a far better position to make this judgment.

Mr. MORSE. Will the Senator from Wisconsin consider this hypothetical? Suppose that the facts brought forth show that the Senator from Wisconsin has been in error, honest error, in regard to evidence concerning this man's conflict of interest. Is it not only fair to the nominee but fair to the President and fair to the Senate that we have those facts before us, before we take this final vote on this nomination?

Mr. PROXMIRE. Absolutely. The fact is that it would not be fair to the nominee if we cannot secure these facts. They have to be acquired, and without them there is a shadow of question certainly, necessarily, over the nominee.

Mr. MORSE. Does the Senator from Wisconsin agree that in view of the remarkably fine speech the Senator from Wisconsin has made, the evidence he has produced, the challenges he has raised to this nomination, based upon this conflict of interest, if we vote on this nomination now, without all the facts bearing upon the conflict-of-interest issue, this man would take his seat on the Federal Power Commission with a serious cloud hanging over him as to his competency, and as to his qualifications? Does he agree that this would be not only a disservice to the Senate and to the President, a disservice to the Federal Power Commission, but a great disservice to the American people, because they are entitled to have a record made that can give them justification for complete confidence in men who are appointed and seated on quasi-judicial regulatory bodies?

Mr. PROXMIRE. I would agree with the Senator from Oregon.

Mr. MORSE. Is it the position of the Senator from Wisconsin, as it is the Senator from Oregon, that we will eventually go to a vote on this motion to commit, but that we are seeking to use the rules of the Senate and our rights on the floor of the Senate to focus attention on what we consider to be the weakness in the record of this nomination to date, and that is no reflection on the Commerce Committee? We are raising these questions now on the floor of the Senate for information for the Senate. Does the Senator agree that in following the parliamentary course that we are following, we are seeking to protect the Senate, protect the President, protect the nominee and protect the Federal Power Commission, if we can get this evidence to which we are entitled?

Mr. PROXMIRE. I agree on the latter part of the Senator's statement, but I am not completely committed to the course of seeking a vote on recommittal.

It seems to me that if the committee provides information on the nominee without recommitting the nomination, we can simply lay it aside temporarily, that a decision on a recommittal motion may be unnecessary, because, frankly, from a practical standpoint, I do not think there is a chance of getting this nomination recommitted.

It is too bad. I think it ought to be recommitted, of course, and I made the motion, but I think the prospects of getting it recommitted under the circumstances are very, very slight.

On the other hand, it seems to me that the Senate should have this information. I think it could be procured very easily and readily, just a matter of a phone call and a visit, and then the information could be relayed to the Senate, we could proceed to discuss the nomination, and vote on it.

Mr. MORSE. Does the Senator from Wisconsin agree that if the majority of the Senate wants eventually to vote on this motion to recommit to committee, and votes against recommitting, even though not a one of them can produce on the record the facts and information and evidence that the Senator from Wisconsin has so courageously pleaded for in this long speech of his, that the Senate does unquestionably have the right to vote on that motion if that is the will of the Senate?

Mr. PROXMIRE. Oh, if that is the will of the Senate, surely.

Mr. MORSE. The Senator from Wisconsin and the Senator from Oregon are not alone in this desire to get more information about this nomination before we are asked to vote, and the only way we can get it, it seems to me, is for the committee to get it for us. The committee is the agent of the Senate.

Does the Senator agree that the only way we can get our colleagues to consider the importance of this request that we are making is to use the rules of the Senate to focus some attention on the request? I will stop there to make my point.

Mr. PROXMIRE. Well, I think at the present time we have no alternative. I cannot see what else we can do, except to discuss this and call it to the attention of the Senate and use the rules of the Senate, as the Senator from Oregon so well put it, to call attention of the Senate to this.

Mr. MORSE. Does the Senator from Wisconsin agree with the Senator from Oregon that all our colleagues have been exceedingly busy men and women for the past several weeks, and that they have followed a policy we all are prone to follow, of just giving every presumption in favor of the nomination, taking it for granted that there is no serious question about the nomination particularly, as the majority leader has said? It has come out of committee with a unanimous vote, and therefore there are really few men and women in the Senate that, right at this moment, are fully aware of what the Senator from Wisconsin has disclosed about this nomination. Therefore we owe it to our colleagues to take some time, in order to make perfectly certain that they are ready to assume the responsibility of voting for this nomination, if they decide they want to vote for the nomination.

Mr. PROXMIRE. I think the logic of the Senator from Oregon is irresistible. It seems to me that this is our duty.

Mr. MORSE. Is the Senator from Wisconsin aware of the fact that the Senator from Oregon formed the original impression of this nomination that apparently it was all right, the Commerce Committee had approved of it, he had not heard of any serious objection to it, he had read only a few critical references in the press, but the general attitude seemed to be one of acceptability of the nomination?

It was not until the Senator from Wisconsin, standing here alone for hour after hour, producing more and more challenging information about the probable disqualification of the nominee on a conflict of interest, that the Senator from Oregon awakened to the possibility that the nomination might not be one that he ought to vote for. Is the Senator from Wisconsin aware that that was the attitude of the Senator from Oregon for a good many hours until he finally took the time to look into the evidence that the Senator from Wisconsin had been presenting and then said to himself, "I am not so sure that I ought to vote for confirmation of this nominee; we had better take a look-see at this one"? Is the Senator from Wisconsin aware of the fact that such was the attitude of the Senator from Oregon on this subject?

Mr. PROXMIRE. No, the Senator from Wisconsin did not know of that.

The Senator from Wisconsin is flattered and pleased to know that he performed that service. The Senator from Oregon, however, has made the principal point, which is perfectly legitimate, that there is a presumption, of course, and nominations do tend to be agreed to easily.

It seems to me that the nomination now before the Senate would have gone through the day it was called up, together with four other nominations. It probably would have gone through automatically by unanimous consent. At least, I do not know of any other Senator who had an objection placed against the nomination.

All the other nominations on the calendar went through without a word of debate or discussion on the floor of the Senate. I presume this nomination may well have met the same fate. But I do think that the facts are far, far different from what one might presume on the basis of the recommendation of the Committee on Commerce.

I do not know how anyone who has any belief in consumer representation or any belief in the whole point of having a regulatory body, can study all the facts on the nomination without being seriously disturbed and, furthermore, without feeling that there are essential facts concerning the nominee which are not known. Therefore it was a sensible conclusion that a responsible decision cannot be made.

Mr. MORSE. Was the Senator from Wisconsin aware of the fact—and I do not see how he could be in view of his close confinement in the debate—that there are some additional Senators, other than the Senator from Oregon, who, in the cloakrooms, have been saying for some hours, "I thought Bill was all wrong about this nomination when he started out, but I am beginning to wonder now. I did not know that the record did not show the nominee's holdings. I was not aware that he had the connections that he has with this industry. I did not understand that he is in as deep as he is in the industry, and I am beginning to doubt myself as to whether or not the nominee has the qualifications of impartiality that one ought to have in a quasi-judicial office."

Is the Senator from Wisconsin aware that such conversation is beginning to develop among some of our colleagues in the Senate?

Mr. PROXMIRE. I am very much encouraged by the report of the Senator from Oregon. I was not aware of it.

Mr. MORSE. Would the Senator from Wisconsin be at all surprised if I told him that there are several—and "several" would mean more than two—Senators who have said to the Senator from Oregon, "Maybe we ought to lay the nomination aside for a couple of days until the committee can at least try to get some of the information that BILL PROXMIRE is asking for, and if they cannot supply the information, then I do not see how I can vote for the nomination."

Would the Senator be surprised if I tell him such conversations have been held with the Senator from Oregon on the part of several of our colleagues?

Mr. PROXMIRE. I am surprised and encouraged, and I think that position is a completely defensible one. I do not know what answer can be made to that position except to get the information.

The fact that all the information is not always disclosed is no reflection on the committee. Sometimes it is not necessary. As the Senator from Oregon has said, we are very busy people. We have all kinds of things to do.

But if a Senator on one of many nominations that are before the committee—and it is an extremely active committee—should raise a serious question, and particularly if he should be joined by other Senators, it seems to me there would be nothing insulting or demeaning about that kind of question. I would be happy to comply with it. I think I could do so without any prejudice.

Mr. MORSE. Does the Senator from Wisconsin agree with me that our colleagues have been so busy dealing with all the critical legislation that confronts us in our respective committees, and in the case of many, studying the committee report on the foreign aid bill, that they just have not had the time to direct any attention to the O'Connor nomination or, for that matter, time yet to analyze the evidence, information, and arguments that the Senator from Wisconsin in his courageous speech has been making for these long hours now before the Senate? Does the Senator agree with me that few of our colleagues have really had the time to give the consideration to the nomination that is needed for them to be really sure of their final vote on the nomination?

Mr. PROXMIRE. I think the Senator is correct. The Senator from Wisconsin, of course, has taken a great deal of time, far more than is usually taken, on a nomination. At the same time the interest of the Senate has been focused on other questions.

Yesterday the Senator from Wisconsin yielded the floor for some four or five hours for discussion on the foreign aid bill. That was time when Senators were present in the Chamber. That was the subject with which Senators were concerned.

Mr. MORSE. Is the Senator aware that part of the delicacy of the situation—and we must be frank with each other about this point—is very well portrayed or implied, I think, by the statement of the majority leader, the Senator from Montana [Mr. MANSFIELD], that if we lay the nomination aside or send it back to the committee for further information, it will be interpreted as a lack of confidence on the part of the Senate in the Committee on Commerce? Does the Senator agree with me that there is no justification for such feeling, because our purpose is not to express any lack of confidence but to ask the Committee on Commerce to be of further service to us, as Senators, who have the right, I respectfully say, to obtain such information before we vote on the nomination? We ought to get it as a matter of service. We ought to lay the nomination aside long enough so that a couple of Senators—and there are more than two—can be supplied with the information that we seek, so we can vote properly on the nomination.

Does the Senator think that position is a better one to take?

Mr. PROXMIRE. I think that is a better position to take, and as a Senator who serves on committees, I certainly would not be offended if the Senate or any Senator would ask that we consider a nomination further and give additional information. There would be no reflection on my ability, intelligence, integrity, or character. It would only be a request for additional information. It seems to me that one of the great strengths of our system is that it is based upon discussion and inquiry, and the great strength of the committee system is that we are supposed to disclose such information as fully as possible.

This is an enormously important and complicated nomination, with all kinds of decisions to be made concerning it. Senators must inform themselves on it. I think under the circumstances that Senators probably have not had the opportunity, or have not availed themselves, at any rate, of the opportunity to become informed on what I think is an overwhelmingly important issue.

Mr. MORSE. Does the Senator from Wisconsin agree that the debate on this nomination has now made the nomination one of extraordinary consideration in the Senate of the United States, one that can undoubtedly be described as a highly controversial nomination, and that therefore Senators should have the opportunity to take the time to study the RECORD before final vote? Does he agree that the public is entitled to the assurance that each one of the Senators they have elected to the Senate takes the time and has the opportunity to study the record that the Senator has made against this highly controversial and now darkly clouded nomination?

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. PROXMIRE. I would certainly agree with the Senator from Oregon.

In view of the statement of the Senator from Oregon earlier this morning when he first came on the floor, that he felt that the Senate should not vote finally on this nomination today and, in view of the position taken by the majority leader, that as far as he is concerned we should simply vote on the motion before the Senate, and the Senate exercise its will as to whether it should be recommitted, I am wondering if the Senator from Oregon does not feel that now the Senator from Oregon and the Senator from Wisconsin should do their best by a live quorum call and by continuous discussion to bring the reasons for referral of this nomination to the committee to the attention of the Senate?

I think this is a most unfortunate situation because I do not have too many illusions on how the vote is going to come out. I think there may be Senators who are very concerned and who, perhaps, will vote with us and who want more information, but I have no illusions about what is going to happen.

Under the circumstances, it seems to me, the practical effect is going to be,

while we will have quorum calls and some Senators will be here briefly, we will just be put in a position of delaying the foreign aid bill for some time, not making progress on this nomination, not getting the information we need, not being in a position to make a judgment.

Other Senators will not be in that position, and it seems to me we have worked ourselves now into a very difficult impasse in which we are not going to be able to move ahead either on the nomination or on the foreign aid bill; that we will be denied an effective opportunity, in my judgment, which we ought to have on the nomination, on the one hand, and the only way we can move ahead on the foreign aid bill is to surrender.

Mr. MORSE. Will the Senator from Wisconsin yield to me long enough to direct an inquiry to the majority leader and the acting minority leader, with the understanding that the Senator from Wisconsin does not lose his rights to the floor because, may I say to the Senator from Wisconsin, I think that 2 or 3 minutes' colloquy with the majority leader and with the acting minority leader might help clear the parliamentary atmosphere here.

There are a few suggestions I would like to make to the majority leader for his consideration. But I know the rules of the Senate. It will take a long time to do it in question form, as I am proceeding now, through the Senator from Wisconsin, but we all have one common purpose, and that is to expedite the business of the Senate. I would like to direct a question to the majority leader, if I can be allowed to do so, and protect the rights of the Senator from Wisconsin.

I would like to ask unanimous consent that I can do it without the Senator from Wisconsin losing his rights to the floor.

Mr. PROXMIRE. Mr. President, may I ask unanimous consent that I not lose the floor, and permit the Senator from Oregon to question the majority leader?

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. MORSE. All I want to say to my majority leader is that no one knows better than the Senator from Oregon, that for the Senate to get bogged down in what is bound to be interpreted by antiadministration forces, as two Democratic Senators being engaged in a filibuster over a nomination, holding up the consideration of the foreign aid bill, is not good for the Senate. It is not good for expeditious transaction of the people's business in the Senate, and the fact that it is not the motivation of the two Senators concerned is not going to make any difference as far as public reaction is concerned.

It is unfortunate if we cannot work out an understanding in regard to giving us enough time to get some information on this nomination, which no one can successfully deny is not now in the RECORD, and which I think the American people are entitled to, as are those of us who have doubts about the nomination.

I have no desire to filibuster this nomination to death. It is only my desire to get some time to find out what the facts are about these serious charges of the Senator from Wisconsin.

I have gone through this record, and in my judgment he has done much more than make a prima facie case. He has presented evidence and arguments which I think just have to be answered for the sake of the President and the Senate and the nominee.

My plea is, can we not get an understanding as to a time to vote on the various phases of this matter after an attempt has been made to get the necessary information, either by the majority leader himself, and I think he can do it certainly as an impartial person, without any reflection on the Commerce Committee, or by our good friend, the Senator from Washington [Mr. MAGNUSON]?

I would not be surprised if the Senator from Washington, chairman of the Commerce Committee, would say: "I would try to get the information for any Senator if it is not in the record. I will be glad to see what I can do to get it, and report back."

Our plea, may I say to the majority leader, is that we be given the information we desire before we are forced to a vote.

The senior Senator from Oregon would vote for this nomination if the information could be supplied that would successfully rebut the charges and the allegation and the information which the Senator from Wisconsin has put in against the nomination.

What good purpose are we going to serve if we go ahead now and take the position, "All right, you fellows talk as long as you want to. We are not going to do anything else until you decide to quit talking and then we are going to vote."

How have we helped the parliamentary process by that procedure? If we are taking position that we must never come to a vote on this nomination it would be quite a different thing. But that is not our position. We are asking only that we be given some more information we need, and then go to a vote. But no attempt is being made, as far as I can ascertain from the Senator from Wisconsin, to get us this information from the nominee. These are certainly fair questions to ask him. I think we ought to have the information before we vote on him. That is the plea of the Senator from Oregon, and I think it will be possible to get an agreement without any trouble to vote on this matter after a good faith attempt has been made to get the information.

If the nominee refuses to give it, if it just cannot be obtained, or if the kind of information that we think exists just does not exist, an informal report can be brought back to us by the majority leader or by the chairman of the Commerce Committee.

But I may say to my majority leader that the interesting thing is that the record in support of this nomination is a very sparse one. There has not been much that has been said in defense of the nominee from a standpoint of the pertinent questions and the challenges that have been made by the Senator from Wisconsin.

My only plea is: Now is the time to have the question settled by quick negotiations. The Senator from Montana will receive our cooperation for an early vote on the nomination. However, we are Senators. We simply do not share the viewpoint of the majority leader in regard to the nomination as of now. We believe we have a trust to perform. We think we owe it to our constituents to have the evidence before we vote on the question. I do not wish to vote in the dark. Frankly, I would be voting in the dark.

Mr. MANSFIELD. Mr. President, will the Senator from Wisconsin allow me to reply to the Senator from Oregon?

Mr. PROXMIRE. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, in the first place, I think the Senator from Oregon is placing on me a responsibility which is not my due. I believe the responsibility for the question which he raises lies with the chairman of the committee which reported the nomination, just as I believe the responsibility for the consideration of the aid-to-education bill, and similar bills, was the responsibility of the Senator from Oregon, who is chairman of the committee which carried on that activity. I do not believe the question which the Senator from Oregon raises is one for the leadership to negotiate or to decide.

Every consideration has been given to the Senator from Wisconsin, who informed me in sufficient time that he wished to speak at some length upon the nomination of Mr. O'Connor. That means, of course, that other proposed legislation is being delayed. However, I do not wish to put myself in the position where I must tell the Senate that after 2 or 3 days of debate on a particular nomination, the nomination will be laid aside temporarily and that the Senate will turn to the consideration of the next order of business.

I know that the Senator from Wisconsin has been charged, either directly or indirectly, with obstructing the consideration of the foreign aid bill. That is a falsehood—an absolute falsehood. He is not obstructing the foreign aid bill. He is trying to get his point across.

So far as I am concerned, I should like to have the debate continue. Whether it takes the rest of this week or all of next week is immaterial to me. Whether the Senate adjourns by September 15 or October 15 or Christmas is immaterial to me. Believe me, I am telling the Senate the truth, because I can stay here throughout the rest of the year. That is what I am being paid for; that is what the Senate is being paid for. However, I seek to clear matters up in an orderly fashion. I wish to be fair to all parties concerned. I wish to see the facts brought out.

Nevertheless, I do not wish to see placed on the shoulders of the leadership a responsibility which should not be there, because there are committees of the Senate which have responsibilities.

I have heard the Senator from Oregon, time and time again, orate upon the responsibilities of committees and the way in which proposed legislation should be corralled through committees. The committees have chairmen who know these subjects. The members of the committees know these subjects. In this particular instance, hearings were held. The Senator from Wisconsin was the only Senator I know of who appeared in opposition to the nomination of Mr. O'Connor. So far as I know, the committee unanimously reported the nomination.

The Senate is now in its third day of debate on the nomination. The Senator from Oregon can speak as long as he wishes. That is his right, and that right will be protected. However, I believe we ought to bring the question to a head soon. I had thought yesterday—and I did not release this information, I may say to the Senator from Wisconsin—that we had reached an informal understanding. I can understand, in view of the changed circumstances, why that understanding had to be diverted somewhat. However, I suggest, with all due respect to the distinguished senior Senator from Oregon, that the question he directed to me be directed, instead, to the chairman of the committee, because I have no desire to be a go-between, to be a negotiator, because I think that is entirely outside the realm of my responsibility, and does lie within the responsibility of the chairman of the committee.

Mr. MORSE. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. MORSE. The Senator from Montana completely convinces me. Although this is a mixed question, I felt that as majority leader, the distinguished Senator from Montana could make some suggestions to the parties in interest concerning the parliamentary procedure which might be followed. That is all I had in mind. However, I agree that the Senator from Montana should not be asked by the Senator from Oregon or any other Senator to supersede a function of a committee or of the chairman of a committee. I do not want him to do that; nor did I mean to ask him to do it. I meant only to see if we could get some discussion underway to ascertain whether some time might be made available in which to get the information requested by the Senator from Wisconsin. His requests for this information have made a very favorable impression on me and will bear heavily upon my final vote on the nomination. That information can be obtained while we are debating.

Mr. MANSFIELD. The Senator from Oregon has said he has an open mind; that, in effect, he is "from Missouri" and has to be shown. Do I correctly understand that if the evidence indicates what the Senator from Wisconsin seeks to obtain as information is not validated by the fact, then the vote of the Senator from Oregon will be for the nomination; if not, it will be against the nomination.

Mr. MORSE. That is correct.

Mr. MANSFIELD. Would the Senator from Wisconsin be agreeable to voting on the motion to recommit at a time certain this afternoon, with the understanding that, in the meantime, the Senator from Wisconsin and the Senator from Oregon would meet with the Senator from Washington, to see what information could be obtained? Then we could allow time before the vote was taken to enable the Senator from Oregon and the Senator from Wisconsin, and other Senators, to make certain of their opinions in the light of the information which might be received.

Mr. MORSE. Certainly the working out of such an arrangement as that would be acceptable to me. As I have said, I do not believe it is fair to anyone concerned—the nominee, the President, or the Senate—to go to a vote with these serious charges having been made against the nominee, when the Senate does not have evidence bearing upon the charges. The Senate can proceed with the consideration of the foreign aid bill. The Senator from Washington [Mr. MAGNUSON] can attempt to get the information which everyone agrees is not in the committee report. Then he can report back, and the Senate can proceed to a vote.

Mr. PROXMIRE. I may say to the majority leader that if we can get the answers from the chairman of the committee, it may be unnecessary to recommit the nomination to the committee. After all, the purpose of the motion was to elicit information. I have always felt that my motion was a frank, open, parliamentary maneuver, made for reasons which the majority leader understood.

Mr. MANSFIELD. The Senator is correct.

Mr. PROXMIRE. It seems to me the majority leader said something to the effect, without revealing any confidences, that after I had finished this morning, he might get a time for a vote; and that if there was no further debate on the nomination, the Senator could discuss the foreign aid bill.

Yesterday that bill was discussed for 4 or 5 hours. In the same way I would be perfectly willing and agreeable to have a time set for a vote later today, provided we could first have some understanding that an effort will be made to have the chairman of the committee get the information.

It seems to me we are in an awkward position. There is no point in sending the nomination back to committee if the chairman of the committee will elicit the information we seek.

The Senator from Oregon and the Senator from Wisconsin desire some information from the nominee. I think it can be procured. While that information is being procured, it seems to me the Senate could debate and discuss the foreign aid bill, provided no other Senator wished to discuss the nomination.

I am somewhat puzzled as to the kind of agreement which might be made, because an agreement has been made to vote on the nomination, up or down. If we find we cannot procure the information we seek from the chairman of the committee, then we shall be in the same position as we were before.

So far as the Senator from Wisconsin is concerned, it has consistently been my position that I am primarily interested in voting the nomination up or down. I was very much persuaded by the eloquence of the Senator from Oregon this morning when he said he felt the vote should be delayed for a while. In that, I was willing to cooperate.

Under the circumstances, if the Senator from Oregon now feels that we can agree on a vote at a certain time this afternoon, and meanwhile elicit the information from the chairman of the committee, that will be perfectly agreeable.

Mr. MANSFIELD. Mr. President, would the Senator from Oregon agree to the suggestion made just now by the Senator from Wisconsin?

Mr. MORSE. I will agree to any arrangement that may be entered into which will help us to get the information we wish. That is the only purpose of the intervention by the Senator from Oregon this morning. I do not believe the Senate ought to vote on this question when some of us, in all sincerity, are asking for information.

Mr. PROXMIRE. I suggest to the Senator from Montana, with apologies, that the Senator from Oregon and the Senator from Wisconsin have been engaged in colloquy since 7:30 this morning. I have additional material to place in the RECORD. If the Senator from Montana would delay for a little while the proposal for a unanimous-consent agreement to vote at a certain time, it might be possible meanwhile to communicate with the chairman of the committee on this subject and dispose of it formally and finally.

Mr. MORSE. Will the majority leader permit me to comment on that?

Mr. MANSFIELD. Yes.

Mr. MORSE. I think that is a fine suggestion by the Senator from Wisconsin. But I say to the majority leader that he can offer that argument after the Senator from Washington [Mr. MAGNUSON] is consulted and gives us information, rather than now. If we were in a filibuster, the situation would be different, and I would be in favor of applying every rule against him. But the Senator has spoken for hours, and so far as I know he has not had any breakfast.

Mr. MANSFIELD. Let me say that I was going to ask the Members if they would mind having me suggest the absence of a quorum, so we could get a little rest, but with the understanding that it would not be a live quorum.

Mr. MORSE. That is what I would suggest. If we were in a filibuster situation, the Senator from Montana knows that I would favor applying the rules. But we are not in such a situation; we are trying in good faith to get some information. So I think we should now have a quorum call; and Senators might be surprised—even during the quorum call we might get the information we need.

Mr. MANSFIELD. Madam President, will the Senator from Wisconsin yield for the suggestion of the absence of a quorum?

Mr. PROXMIRE. Let me say that the attitude one takes in such a situation depends somewhat on one's physiology. In my case, I honestly think I could do bet-

ter by proceeding now, rather than by stopping for a time. If I were to stop for a time and rest, I might take longer when I resumed, once I relaxed. So I think that if I continue now, I shall be able to proceed with better dispatch.

Mr. MANSFIELD. I understand the Senator's point, and I wish to go along with his wishes. But I express the hope that before he completes his extended speech he will consider consulting with the majority leader and the minority leader about some agreement to have the Senate vote at a certain time.

Mr. PROXMIRE. Very good. I shall comply with the suggestion.

Let me say to the Senator from Oregon [Mr. MORSE], who has taken so constructive and wonderful a position in connection with this matter, that if, while I am continuing this speech, he will confer with the Senator from Montana, the majority leader, and with the minority leader and the Senator from Washington, to see whether we can work out this matter as soon as possible. That will be most helpful.

Mr. DIRKSEN. Madam President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. DIRKSEN. I think it should be understood at this point in the proceedings that the Senator from Wisconsin should not yield for debate on any other matter, but only for debate on the matter now before the Senate.

Mr. PROXMIRE. Fine. Very good.

Mr. DIRKSEN. He is quite right; I was here yesterday when a very extended debate was had on the foreign aid bill.

But the nomination is the business before the Senate; and I think it is my responsibility to instruct anyone who is monitoring the chair that objection should be made to any request to permit any Senator to take the floor and discuss any other matter, until the pending nomination has been disposed of.

Mr. MANSFIELD. I think that is only fair to the Senator from Wisconsin, too. He has been most generous in the matter of yielding to other Senators, to permit them to discuss various subjects not related to the nomination at hand.

AUTHORIZATION FOR FINANCE COMMITTEE TO MEET DURING THE SENATE SESSION TODAY

Mr. MANSFIELD. Madam President, will the Senator from Wisconsin yield briefly to me, so that I may propound a unanimous-consent request?

Mr. PROXMIRE. I yield, provided I may do so without losing the floor.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Madam President, I ask unanimous consent that the Finance Committee be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

Mr. PROXMIRE. Madam President, in accordance with the suggestion of the majority leader and minority leader, I shall continue to discuss this matter, and I shall not yield to my colleagues for other matters. I shall proceed as rapidly as I can.

I was discussing the position of the Federal Power Commission in the Catco case—a position which, I argued, was narrow and prejudicial to the consumers, and constituted what I regard as a bureaucratic standard.

The Commission argued that the record as a whole fully established Tennessee's need for gas, and that the history of the matter and the record clearly showed that jeopardy to Tennessee's needed supply of gas would have resulted from the rate condition. It seems to me that these principal arguments offered by the Federal Power Commission rather fall of their own weight, in view of the devastating briefs I have placed in the RECORD.

FPC BOWED TO PRODUCER

There is no answer to the fact that the Federal Power Commission has bowed down to the producer and has bowed down to the enormously powerful combine, the Catco group, and has permitted this group to seek, and at least to have tentative approval by a majority of the Federal Power Commission, the highest rate ever granted and the largest amount of money ever granted; the Federal Power Commission has done so on the fantastic argument that price could not be considered because it was so important to provide service for Tennessee gas transmission.

Madam President, now I wish to quote from the brief of the Atlantic Refining Co. and Cities Service Production Co.

Atlantic argues that petitioners are not aggrieved by the Commission's order of which they seek review, that they do not have the interruption of service which was the only real basis for the decision made by the Federal Power Commission.

EVIDENCE INSUFFICIENT

The reason for such variation in their claims is not far to seek, the petitioners argued—

> For they could not show, and in fact did not even attempt to show, by positive evidence that the contract rate would cause "economic disruption in a considerable area." And this is the sort of showing which the Commission in the exercise of its discretion held to permit attachment of a rate condition, as it pointed out in its order on rehearing in the Signal case, re *Cities Service Gas Company* (15 F.P.C. 1020, 1021 (1956)). In fact, they offered no evidence in support of their claims, vainly endeavoring instead to fabricate a substitute through cross-examination and surmise.
>
> But far from showing that the contract price would bring on economic disruption of existing prices, such cross-examination established that the offshore Catco sales will be made from an entirely new producing area (R. 256). The contract price will not produce increases in other prices by triggering favored-nation or price redetermination clauses in other gas sales contracts (R. 49–50, 178–179). Tennessee's vice president also testified that the price paid for the Catco gas will not, in itself, cause Tennessee to seek an increase in rates (R. 237).
>
> Manifestly, this record does not supply the positive evidence of economic disruption which the Commission in its discretion held sufficient to permit attachment of a rate condition in Signal, the single instance in certificating a sale by an independent producer where the discretion of the Commission was so exercised among the thousands of such certificates issued. And even if such evidence could have been adduced, the Commission here was plainly correct when it concluded, in the exercise of its discretion, that any price considerations were outweighed by the advantages of supply (R. 925).

Madam President, it seems to me there is no way to gain a better idea of the predatory attitude of the producing companies in this case than to examine the arguments of the petitioners, the Long Island Lighting Co., the Public Service Electric & Gas Co. of Newark, and the New York Public Service Commission.

Madam President, after the argument by petitioners, most of which I put in the RECORD very early this morning, and which I think was overwhelming, it is not surprising that the order of the Federal Power Commission was overthrown. Dean Landis commented in his report to the President-elect in January of 1961 that it is a curious circumstance, often present in matters relating to the natural gas industry, that State public service commissions and distributing utilities often find themselves ranged against both the producers and the FPC.

Madam President, as I have tried to emphasize all through this presentation, the function of the Federal Power Commission is to defend the consumer. This is brought out over and over again. If it were not for that necessity, we would not have a Federal Power Commission.

FOE OF PUBLIC SERVICE COMMISSIONS

As Dean Landis has pointed out, it is a peculiar and strange circumstance that finds the Federal Power Commission working against the public service commissions, the regulatory bodies of the States, and on the side of the producers. It is this identification with the producers that would be continued and perpetuated if the pending nomination were confirmed.

It would be the first time in the history of the United States that a member of the Federal Power Commission was actually one who had served in the industry being regulated. Never before has that been done. It would be a new precedent and a very shocking and sad precedent so far as the consumer is concerned.

Madam President, we cannot consider this precedent without recognizing the status of the Federal Power Commission, under which is has suffered for a number of years. I now quote the relevant decision of Judge Staley, of the U.S. Circuit Court of Appeals for the Third Circuit, on June 30, 1958:

> The jurisdiction of the Federal Power Commission is entirely statutory. It acts as an arm of Congress, and only as Congress has directed it. It is empowered to grant certificates of public convenience and necessity by section 7(e) of the Natural Gas Act. The act entrusts to the Commission,

and to the Commission alone, the power and authority to determine the issue of public convenience and necessity. Within the framework of the Natural Gas Act, the Commission alone is entrusted with determining the scope of its inquiry necessary to arrive at the decision of whether to certificate a specific sale. It will be remembered that in its reports to Congress, the Commission has recognized that the element of price is important in determining whether a sale such as this should be approved, and as has been stated above, both the statutes and the courts have recognized the authority of the Commission not only to take price into consideration but to condition a certificate for the sale of gas at a particular rate. In the present case—

The Catco case—

that the initial rate was a necessary consideration in the scope of inquiry into the determination of public convenience and necessity has been twice recognized by the Commission, even to the extent that its order of May 20, 1957, in fact conditioned the permanent certificates upon a contract amendment as to the initial price.

The Commission has jurisdiction to issue certificates under section 7(e) based upon its independent judgment after an untrammeled consideration of all the elements which it deems necessary to arrive at that judgment. Congress has not given the Commission power to inquire into the issue of public convenience and necessity where, as here, the applicant circumscribes the scope of that inquiry by attaching a condition to its application requiring the Commission to forgo the consideration of an element which may be necessary in the formulation of its judgment. Otherwise stated, the Commission has not been endowed by Congress with jurisdiction to conduct a limited inquiry.

Congress has also made it clear that the applicant must be willing to perform the services proposed and conform to the provisions of the act. The action of the applicants in curtailing the decisionmaking power of the Commission demonstrates their unwillingness to conform to the provisions of the act; this in itself would require the denial of the applications. The Commission's function is to regulate the sale of gas by producers willing to sell under regulations arrived at in accordance with the provisions of the act. Such regulations may not be the result of bargaining with an unwilling seller.

The order of the Federal Power Commission of June 24, 1957, will be vacated * * *."

That was the first overturning of the decision of the Federal Power Commission in the Catco case.

COURT UPHELD CONNOLE

Thus, in its opinion, the Court upheld the dissent of William Connole, the one man who had the foresight and the courage and the conviction—although, of course, I should say that all these men are men of courage, and I would not question the courage of any of them—but William Connole had the temper to stand up to the enormous pressures which every Commissioner must endure from industry, and he was willing to give in that case a decision adverse to the industry.

There would be little point in going over the arguments advanced by the FPC and the Catco companies in detail. A writ of certiorari was requested, and the Supreme Court heard the case again in June 1959. I shall now read the parts of the Supreme Court decision which disposed of the Catco producers' claims and those of the FPC, which remained sympathetic to them throughout.

I. JURISDICTION OF THE COMMISSION

The court of appeals thought that the Commission had no jurisdiction to consider petitioners' proposal because it was limited to a firm price agreed upon by the parties applicant. Their refusal to accept certification at a lower price, even to the extent of canceling their contracts and withholding the gas from interstate commerce, the court held, resulted in the Commission's losing jurisdiction. We do not believe that this follows. No sales, intrastate or interstate, of gas had ever been made from the leases involved here.

FPC INVENTED NECESSITY

So, in effect, what the Supreme Court is saying is that the Federal Power Commission invented or provided the necessity, and having invented or provided the necessity, it then said the necessity was so important, although it had not been a service that had been provided before, that price could be disregarded, that the only important thing was continuing the new service that had never been provided before, and therefore would justify the fantastically high rates for Catco—rates which would enormously increase the profits of Catco and vastly increase, by hundreds of millions of dollars, the reserves held by Catco, and also enormously increase the cost of gas to the householder of America.

It is this kind of attitude, as I have argued over and over again, that will be continued and aggravated if the nomination is confirmed.

Continuing from the opinion:

The contracts under which the petitioners proposed to sell the gas in the interstate market were all conditioned on the issuance of certificates of public convenience and necessity. A failure by either party to secure such certificates rendered the contracts subject to termination. Certainly the filing of the application for a certificate did not constitute a dedication to the interstate market of the gas recoverable under these leases. Nor is there doubt that the producers were at liberty to refuse conditional certificates proposed by the Commission's second order. While the refusal might have been couched in more diplomatic language, it had no effect on the Commission's power to act on the rehearing requested. Even though the Commission did march up the hill only to march down again upon reaching the summit we cannot say that this about-face deprived it of jurisdiction. We find nothing illegal in the petitioners' rejection of the alternative price proposed by the Commission and their standing firm on their own.

The Supreme Court continues:

The purpose of the Natural Gas Act was to underwrite just and reasonable rates to the consumers of natural gas.

I certainly want to underline that opinion of the Supreme Court—that "The purpose of the Natural Gas Act was to underwrite just and reasonable rates to the consumers of natural gas."

There is certainly one way of assuring that that is not done, and it is by making an appointment to the Commission of a man whose viewpoint throughout his lifetime has been conditioned by associations with producers in the industry.

The Court continued:

As the original section 7(c) provided, it was "the intention of Congress that natural gas shall be sold in interstate commerce for resale for ultimate public consumption for domestic, commercial, industrial, or any other use at the lowest possible reasonable rate consistent with the maintenance of adequate service in the public interest."

LAW WOULD NOT BE CARRIED OUT

Of course, that provision of the law would not be carried out by a member of the Independent Petroleum Producers' Association, who would be inclined toward the strong convictions of that group.

The opinion continues:

The act was so framed as to afford consumers a complete, permanent and effective bond of protection from excessive rates and charges. The heart of the act is found in those provisions requiring initially that any "proposed service, sale, operation, construction, extension, or acquisition * * * will be required by the present or future public convenience and necessity," section 7(e), 15 U.S.C. 717f(e), and that all rates and charges "made, demanded, or received" shall be "just and reasonable," section 4, 15 U.S.C. 717c. The act prohibits such movements unless and until the Commission issues a certificate of public convenience and necessity therefor, section 7(c), 15 U.S.C. 717f(c). Section 7(e) vests in the Commission control over the conditions under which gas may be initially dedicated to interstate use. Moreover, once so dedicated there can be no withdrawal of that supply from continued interstate movement without Commission approval. The gas operator, although to this extent a captive subject to the jurisdiction of the Commission, is not without remedy to protect himself. He may, unless otherwise bound by contract, *United Gas Pipe Line Co.* v. *Mobile Gas Service Corp.* (350 U.S. 332 (1956)), file new rate schedules with the Commission. This rate becomes effective upon its filing, subject to the 5-month suspension provision of section 4 and the posting of a bond, where required. This not only gives the natural gas company opportunity to increase its rates where justified but likewise guarantees that the consumer may recover refunds for moneys paid under excessive increases.

So it is perfectly obvious that Catco had a remedy, and could have provided the services, and could have had adequate income during this period, if it had proceeded as other producers had proceeded, to apply for rate increases to the Federal Power Commission.

FPC SERVILE TO CATCO

But the producers in Catco had such fantastic influence and the Federal Power Commission was so servile to the interests of Catco, that, in spite of this opportunity for Catco to have the usual recourse—which is mighty profitable—the Federal Power Commission bowed and permitted Catco to have this extraordinary, unparalleled increase in price. Thus, it not only gave the natural gas company an opportunity to increase its rates where justified, but likewise guaranteed the good profits.

The opinion continued:

The overriding intent of the Congress to give full protective coverage to the consumer as to price is further emphasized in section 5 of the act (15 U.S.C. 717d), which

authorizes the Commission sua sponte, or otherwise, to institute an investigation into existing rates and charges and to fix them at a just and reasonable level.

Once again, I want to emphasize the fact that section 5, which permits the Commission to reduce rates, has been exercised—how many times since 1954? There have been over 12,000 applications for increases in rates. Over 7,000 of them have been approved, involving enormous sums, hundreds and hundreds of millions of dollars.

LONE REDUCTION IN RATES

How many rate reductions have there been by the Federal Power Commission? There have been nothing like 7,000, or 700, or even 70. There have been exactly 18. And in only one case since 1954 has the Federal Power Commission secured a reduction in rates.

Once again, the heart of my case is that here is a Commission which is already doing the bidding of the industry. Here is a Commission that has been overwhelmingly dominated by the industry. Here is a nominee, who, if approved, would virtually guarantee that the industry would have an enormous advantage as compared with the consumer.

The Supreme Court continues:

Under this section, however, the rate found by the Commission to be just and reasonable becomes effective prospectively only. Gas purchasers, therefore, have no protection from excessive charges collected during the pendency of a section 5 proceeding.

In view of this framework in which the Commission is authorized and directed to act, the initial certificating of a proposal under section 7 (e) of the act as being required by the public convenience and necessity becomes crucial. This is true because the delay incident to determination in section 5 proceedings through which initial certificated rates are reviewable appears nigh interminable. Although *Phillips Petroleum Co.* v. *Wisconsin* (347 U.S. 672) was decided in 1954, cases instituted under section 5 are still in the investigative stage. This long delay, without the protection of refund, as is possible in a section 4 proceeding would provide a windfall for the natural gas company with a consequent squall for the consumers. This the Congress did not intend. Moreover, the fact that the Commission was not given the power to suspend initial rates under section 7 makes it the more important, as the Commission itself says, that "this crucial sale should not be permanently certificated unless the rate level has been shown to be in the public interest." (17 F.P.C. 563, 575.)

This is especially true where, as here, the initial price will set a pattern in an area where enormous reserves of gas appear to be present. We note that in petitioners' proof a map of the Continental Shelf area off of the coast of Louisiana shows that the leases here involved cover but 17 out of a blocked-out area covering some 900 blocks of 5,000 acres each. The potential of this vast acreage, in light of discoveries already made as shown by the record, is stupendous. The Commission has found that the transaction here covers the largest reserve ever committed to interstate commerce in a single sale. Indications are that it is but a puff in comparison to the enormous potentials present under the seabed of the gulf. The price certificated will in effect become the floor for future contracts in the area. This has been proven by conditions in southern Louisiana where prices have now vaulted from 17 cents to over 23 cents per thousand cubic feet. New price plateaus will thus be created as new contracts are made and unless controlled will result in "exploitation" at the expense of the consumer, who eventually pays for the increases in his monthly bill.

It is true that the act does not require a determination of just and reasonable rates in a section 7 proceeding as it does in one under either section 4 or 5. Nor do we hold that a "just and reasonable" rate hearing is a prerequisite to the issuance of producer certificates. What we do say is that the inordinate delay presently existing in the processing of section 5 proceedings requires a most careful scrutiny and responsible reaction to initial price proposals of producers under section 7. Their proposals must be supported by evidence showing their necessity to "the present or future public convenience and necessity" before permanent certificates are issued. This is not to say that rates are the only factor bearing on the public convenience and necessity, for section 7(e) requires the Commission to evaluate all factors bearing on the public interest. The fact that prices have leaped from one plateau to the higher levels of another, as is indicated here, does make price a consideration of prime importance. This is the more important during this formative period when the ground rules of producer regulation are being evolved. Where the application on its face or on presentation of evidence signals the existence of a situation that probably would not be in the public interest, a permanent certificate should not be issued.

There is, of course, available in such a situation, a method by which the applicant and the Commission can arrive at a rate that is in keeping with the public convenience and necessity. The Congress, in section 7(e), has authorized the Commission to condition certificates in such manner as the public convenience and necessity may require. Where the proposed price is not in keeping with the public interest because it is out of line or because its approval might result in a triggering of general price rises or an increase in the applicant's existing rates by reason of "favored nation" clauses or otherwise, the Commission in the exercise of its discretion might attack such conditions as it believes necessary.

This is not an encroachment upon the initial ratemaking privileges allowed natural gas companies under the act, *United Gas Pipe Line Co.* v. *Mobile Gas Service Corp., supra,* but merely the exercise of that duty imposed on the Commission to protect the public interest in determining whether the issuance of the certificate is required by the public convenience and necessity, which is the act's standard in section 7 applications. In granting such conditional certificates, the Commission does not determine initial prices nor does it overturn those agreed upon by the parties. Rather, it so conditions the certificate that the consuming public may be protected while the justness and reasonableness of the price fixed by the parties is being determined under other sections of the act. Section 7 procedures in such situations thus act to hold the line awaiting adjudication of a just and reasonable rate. Thus the purpose of the Congress "to create a comprehensive and effective regulatory scheme," *Panhandle Eastern Pipe Line Co.* v. *Public Service Comm'n of Indiana* (332 U.S. 507, 520 (1947)), is given full recognition. And section 7 is given only that scope necessary for "a single statutory scheme under which all rates are established initially by the natural gas companies, by contract or otherwise, and all rates are subject to being modified by the Commission." *United Gas Pipe Line Co.* v. *Mobile Gas Service Corp., supra,* at 341. On the other hand, if unconditional certificates are issued where the rate is not clearly shown to be required by the public convenience and necessity, relief is limited to section 5 proceedings, and, as we have indicated, full protection of the public interest is not afforded.

Our examination of the record here indicates that there was insufficient evidence to support a finding of public convenience and necessity prerequisite to the issuance of the permanent certificates. The witnesses tendered developed little more information than was included in the printed contracts. As the proposed contract price was higher than any paid by Tennessee, including offshore production in the west delta areas of Louisiana, it is surprising that evidence, if available, was not introduced as to the relative costs of production in the two submerged areas. Moreover the record indicates that the proposed price was some 70 percent higher than the weighted average cost of gas to Tennessee; still no effort was made to give the "reason why." More damaging, was the evidence that this price was greatly in excess of that which Tennessee pays from any lease in southern Louisiana. Likewise the $16 million pipeline to the producers' wells was unsupported by evidence of practice or custom. Respondents contend—and it stands undenied—that this alone would add 2 cents per thousand cubic feet to the cost of the gas. Again the free movement of distillates retained by the producers was "shrugged off" as being de minimis, without any supporting data whatever. Nor was the evidence as to whether the certification of this price would "trigger" increases in leases with "favored nation" clauses convincing, and the claim that it would not lead to an increase in rates by Tennessee was not only unsupported but has already proven unfounded.

Nor do we find any support whatever in the record for the conclusory finding on which the order was based that "the public served through the Tennessee Gas system is greatly in need of increased supplies of natural gas" (17 FPC 880, 881). Admittedly any such need was wrapped up in the Commission's action in docket G–11107, where Tennessee was asking for permission to enlarge its facilities. However, the two dockets were not consolidated and the presiding examiner conditioned his approval here on the granting of the application in docket G–11107, no part of which record is here. Neither is there evidence supporting the finding that the producers "would seek to dispose of their gas elsewhere than to Tennessee Gas and the interstate market," ibid. While the Commission says that statements were made in argument, apparently by counsel, that this was the case, we find no such testimony. Since some 90 percent of all commercial gas moves into the interstate market, the sale of such vast quantities as available here would hardly be profitable except interstate.

These considerations require an affirmance of the judgment with instructions that the applications be remanded to the Commission for further proceedings.

In view of what we have learned about the determination of producers to secure price increases to the extent of what the market will bear, we might try to find out what the scale of such increases might be. Dr. Bruce Netschert has estimated the natural gas reserves of the United States at 1,200 trillon cubic feet. At the estimated 1960 average wellhead price of 13.6 cents such reserves would be worth $163.2 billion. The Catco contract provided for rate increases carrying the price of natural gas to 36.4 cents including a 1-cent gathering tax.

CATCO'S INCREDIBLE PRICE

Madam President, I call the attention of the Senate to the chart in the rear of

the Chamber which shows that, after a continuous climb, year after year, in the price of natural gas at the wellhead—the price which the householder has to pay ultimately in the gas bill—an enormous increase, a nearly fourfold increase in 15 years—still the price was a little over 13 cents per 1,000 cubic feet.

But the Catco firm provided a rate increase carrying the price of natural gas to 36.4 cents—almost three times higher than the high point—a virtually incredible price.

The Senator from Illinois [Mr. DOUGLAS] contended in 1956 that many natural gas producers had prices of 40 cents per thousand cubic feet in mind as a target price for wellhead sales by 1975. Such increases would carry the value of natural gas reserves up to $480 billion—a staggering increase of $316.8 billion, all of which the consumer must pay.

Every nickel of that $316 billion increase has to come out of the pocket of the householder and industrial user, and most of that, as we have seen in this long documentation, comes out of the pocket of the householder. Under the pattern which has been established, that means the prices will go up and up and up.

The amount of the gas bill would be aggregated.

Considering the magnifying effects which we have already noted, each 1-cent increase in the wellhead price of gas may be swollen far beyond that figure by the time it reaches the ultimate consumer. The residential consumer used 2.8 out of 11.477 trillion cubic feet of marketed production in 1959, or 25 percent of the whole.

HIGH DEMAND ON CONSUMER

This means that the producers of natural gas, if the reserves last 100 years as expected, will receive $892 million from the consumers of America every year for the life of the reserves, if present consumption fails to increase. This means that the residential consumers of each State will pay 32 cents per thousand cubic feet every year to the producers of natural gas, because only at 32 cents per thousand cubic feet can current consumption of 2.803 billion thousand cubic feet per year fill that demand for $892 million every year.

That is the price the producers of natural gas are demanding from the American gas-consuming family. And just so there will be no doubt about the magnitude of such an increase, I have calculated its meaning for the residential consumers in each State. And I have used the 1959 consumption figures—the latest available. I have not assumed that consumption will continue to rise and that the producers will exact their toll over a shorter period.

The figures for the present levels of consumption are frightening enough. For each State reported as a user of natural gas in 1959 I present the number of consumers, who will be concerned over price increases, and the total amount each State must bear—solely for the producers' price, ignoring the fact that such price increases are magnified to much higher levels by market irregularities.

Madam President, because this is the realistic heart of my case economically, I will take the time to read into the RECORD the figures for a number of States. They affect virtually every Senator in the Senate, and affect him very materially.

COST PER STATE

I will read the name of the State, the number of residential consumers—and in order to get the number of residential consumers it is easy to multiply the figure by three—and what a 40-cent wellhead price will cost each State in addition to the present figure based upon 1959 consumption levels.

Connecticut, 196,300 residential consumers; cost, $3,100,000.

Massachusetts, 673,400 residential consumers; cost, $10,924,400.

I will skip some of these States.

New York, 3,301,000 residential consumers; cost, over $54 million.

Illinois, 2,080,000 residential consumers; cost, more than $65 million. I am skipping a number of these.

I ask unanimous consent to have this table printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

State	Number of residential consumers	What a 40-cent wellhead price will cost each State in addition to the present figure, based upon 1959 consumption levels
Connecticut	196,300	$3,100,000
Massachusetts	673,400	10,924,400
New Hampshire	30,600	483,600
Rhode Island	147,100	2,027,300
New Jersey	677,600	13,385,800
New York	3,301,300	54,538,300
Pennsylvania	1,185,600	51,286,400
Illinois	2,080,300	65,041,100
Indiana	545,500	17,769,200
Michigan	1,336,700	59,916,800
Ohio	1,983,000	112,778,000
Wisconsin	459,200	13,441,600
Iowa	374,800	17,750,000
Kansas	473,300	24,080,800
Minnesota	383,500	19,201,400
Missouri	736,700	33,656,700
Nebraska	243,400	11,718,000
North Dakota	21,300	1,233,800
South Dakota	51,900	2,259,900
Delaware	59,300	1,050,900
District of Columbia	160,500	3,794,400
Florida	115,100	920,700
Georgia	461,200	14,424,000
Maryland	499,000	12,551,900
North Carolina	76,800	1,770,100
South Carolina	65,900	1,218,300
Virginia	319,500	7,808,900
West Virginia	321,200	7,808,900
Alabama	406,800	11,442,000
Kentucky	374,700	17,143,000
Mississippi	232,800	6,723,900
Tennessee	270,900	9,792,900
Arkansas	250,400	9,259,700
Louisiana	613,300	16,346,300
Oklahoma	523,900	19,263,400
Texas	1,962,900	54,529,000
Arizona	252,100	5,118,100
Colorado	328,400	15,605,400
Idaho	13,600	471,200
Montana	103,600	5,871,400
Nevada	13,400	375,100
New Mexico	150,400	624,960
Utah	157,600	8,788,500
Wyoming	56,300	2,193,000
California	4,009,500	100,812,000
Oregon	81,700	1,822,000
Washington	77,900	19,728,400

Mr. PROXMIRE. Madam President, I repeat, the list I have just read gives the number of residential users in each State in 1959 and the price per year that the residential users of each State will have to pay to producers for the planned price increases I have described. This is not an account of how much of an increase would be caused to homeowners by the price increases planned, but just how much the producers would receive for the sales made, at current volume, to the current number of residential users in each State if present levels of consumption continue, in each year if the reserves lasted 100 years.

COSTS COULD CLIMB HIGHER

If the reserves do not last that long, and they well may not, that figure increases. If consumption increases in each State, that figure increases. And were we to bear in mind the fact that for every 1 cent the producer receives as a price increase the consumers' price generally goes up 3 to 5 cents, then the figure would be higher still. But I did not want to introduce that figure because, even if caused by the producer, part of that 3 to 5 cents of necessity goes to the distributing utility and the transmitting pipeline company. What I have just described is how much consumers in each State must pay to satisfy producers' demands alone each year over the life of the reserves.

More than anything I know, these figures bring home the effect of continued weak regulation by the FPC. And will prices remain steady, as the supporters of this appointment have said, without continued and stronger FPC regulation? The answer is "No." Can the Senate of the United States stand idly by as these increases go into effect? The answer is "No." Are we powerless to do anything about them? The answer is "No." And meanwhile, the price of natural gas continues to climb. The Bureau of Labor Statistics figures for 1,000 thousand cubic feet of natural gas in 12 consuming cities in January 1960 and March 1961 give the answer.

In Atlanta the price of natural gas climbed from 81.6 cents to 85.5 cents. In Cincinnati the price of natural gas climbed from 76.8 cents per thousand cubic feet to 81.1 cents. In Detroit the price climbed from 80.8 cents to 84.2 cents. In Houston the price climbed from 72.2 cents to 73.7 cents. In Kansas City the priced climbed from 54.4 cents to 57 cents.

CITY-BY-CITY PRICE HIKES

In Los Angeles the price climbed from 66.9 cents to 72.9 cents. In Minneapolis the price climbed from 98.7 cents to $1.007. In Pittsburgh the price climbed from 77.9 cents to 80 cents. In Portland, Oreg., the price climbed from $1.168 to $1.294. In St. Louis the price climbed from 80.5 cents to 85 cents.

In San Francisco the price climbed from 57.3 cents to 59 cents. In Washington, D.C., the price climbed from $1.358 to $1.389. These are increases only in a 14-month period, when money was scarce in the average household. This increase from January 1960 to March 1961 is one reason for bringing producers' rates under effective control. The increases that will hit the consumer as new contract prices—already approved and already triggering favored-nation

and price redetermination clauses—come into effect will be greater still.

We have seen that the producers have the will to bring these increases about and that they have the power to do so. We have seen how they have done so in the past. Has the consumer any hope from the appointment of Lawrence O'Connor?

Madam President, on the basis of the record—and I challenge any Senator to enter into the details on this man's background and his associations—my answer is definitely "No."

The Supreme Court stated in the *Interstate Natural Gas Co.* case (336 U.S. 577, 581) that—

> The aim of the act was to protect ultimate consumers of natural gas from excessive charges.

In the *Hope Natural Gas Co.* case (320 U.S. 591, 610) in 1944 the Supreme Court stated:

> The primary aim of this legislation was to protect consumers against exploitation at the hands of natural gas companies.

I agree that the purpose of the Natural Gas Act is as the courts have stated it. The Independent Petroleum Producers' Association of America, of which Mr. O'Connor is a former national director and committee chairman, opposes the regulation of the producers of natural gas by the Federal Government, and has stated that such was not the purpose of the Natural Gas Act.

PROPOSITION CONTRARY TO FACT

In the hearing before the Commerce Committee on July 26, Mr. O'Connor did not take the opportunity—as no doubt every one of us would think it his duty to have done—to dissociate himself from the views of that association. Indeed, he presented the proposition, demonstrably contrary to fact, that the IPAA took the viewpoint of the small producer as opposed to the large producer.

Madam President, around 4 o'clock this morning I was engaged in a colloquy on the floor with the distinguished Senator from Louisiana [Mr. LONG]. The Senator from Louisiana is very familiar with the gas industry. As a matter of fact, he has some holdings as a small producer. He said, "They are multimillionaires who do not represent the small producers."

When Senator MONRONEY asked the nominee if his association with the IPAA would bias him against the large producers, the nominee replied, "That is correct, sir." Indeed, Mr. O'Connor, once the discussion had been set up in these phony terms, welcomed the opportunity to associate himself with the IPAA on the mythical foundation that it was opposed to the big producers.

But if it were really opposed to the big producers, as every one of us knows it would have supported the legislation introduced repeatedly by Senators DOUGLAS, KEFAUVER, and MAGNUSON, and Representative MACDONALD to exempt the small producers from FPC regulation. But it has not done so, and I am sure that none of us is so foolish as to give much credence to unfounded assertions that IPAA has nothing to do with major producers.

IPAA REFUSED TO TESTIFY

The fact is, as the Senator from Louisiana has stated, this organization does not represent the small producers, but the multimillionaires, "the big boys." That very point was made by the Senator from Louisiana this morning when he said that when legislation was before the Senate to exempt the small producers, which legislation was favored by many Senators—including the Senator from Louisiana and the Senator from Pennsylvania and the Senator from Illinois and others, IPAA—this organization of which we have heard so much—refused to testify. They have been lobbying very heavily to enable the big producers to get these enormous returns. Yet when they had an opportunity to come in and really do something for the small producers, they could not be found. So it seems that all we have left is Mr. O'Connor's statement associating himself with IPAA's views. And those views may be seen printed in large type on the chart behind me here—the IPAA advocates getting the FPC out of producers' rate regulation. It does not require a statement from Mr. O'Connor in a hearing, whether associating himself or dissociating himself from IPAA, to enable us to draw our own conclusions from his long membership in IPAA.

O'CONNOR'S INTIMATE KNOWLEDGE

In a speech before the Independent Petroleum Producers' Association of America in Dallas on October 24, 1960, the nominee said:

> I served on various committees of the IPAA for 12 years and have intimate knowledge of the caliber and quality of the men and women who form your ranks.

This point was made so well by the senior Senator from Oregon earlier this morning when he told us that here is a man who has all kinds of cronies in the industry, who has been associated on a very close business basis with the people whom he will be called upon to regulate.

I fear the nominee knows these men and women only too well. The nominee said on the same occasion:

> I am personally familiar with the achievements and contributions of the Independent Petroleum Association of America to the domestic oil industry and to the Nation as a whole.

Well, there is one contribution that IPAA has not yet made that it has declared itself in favor of, and that is the removal of natural gas rate regulation at wellhead from Government control.

If the nominee had been careful to dissociate himself from such views at the Commerce Committee hearing, I might view this appointment with less mistrust. But since he failed to do so, I cannot but wonder whether he really believes in the job the courts have told FPC to do. Have we any assurance that he does? The answer is "No."

ONE WAY TO BLOCK INCREASES

Can producers' rate increases be stopped in any way other than by effective FPC producers' rate regulation? The answer is "No." Can our Nation's consumers afford the increases planned by producers of natural gas? The answer, again, is "No." Can we afford to break faith with the members of 27 million households who burn gas? I should think not. The answer to this appointment, on the grounds of the plain determination of producers to raise their rates, is "No."

What I have read from primarily so far, Madam President, have been the decisions of the Supreme Court, the opinions of distinguished and outstanding public officials—including public service commission people—and occasionally from Senators; but now I come to what I think should be to many people perhaps a most convincing source, Fortune magazine, recognized as a magazine which is representative of and certainly widely approved by big industry.

It is a magazine which does a superb job of reporting on big industry. Certainly, from the standpoint of industry, no one can say that Fortune magazine has been unfair; at least in my judgment it has not been.

I read now from an article in Fortune magazine of September 1959, on the Federal Power Commission. This article is as follows:

THE UNNATURAL PROBLEMS OF NATURAL GAS

(By Richard Austin Smith)

> This spring the American Gas Association made a confident prediction: the performance of the natural gas industry, phenomenal enough during the past decade, will continue to astonish the world for the next dozen years. By 1970 the gas industry's $18 billion worth of gross plant will have grown to almost $50 billion. Instead of the 32 million customers now being served by 100-odd interstate pipelines and some 1,300 distributing companies, there will be almost 44 million using the "immaculate fuel," and their increasing use of it for air conditioning, refrigeration, house heating, will push industry revenues to $10.7 billion, more than twice the $4.6 billion of 1958.
>
> The unhappy fact, however, is that natural gas today is in a mess. Seldom has any industry been so fouled up by bureaucratic lassitude, so burdened with internal confusions and uncertainties. None of the 1,300 distributors who are dependent on interstate gas can confidently make the business decisions upon which systematic growth depends, so long as the Federal Power Commission shirks its statutory responsibility of regulating the price of gas in the interests of the consumer.

Here is Fortune magazine speaking—not a consumer, not a public service official, not a U.S. Senator or Governor or someone else who might be expected to be concerned with consumers—but Fortune magazine, an outstanding business publication, which tends to see things from the industry's standpoint.

INEFFICIENT AGENCY

What do they point out? They point out that this agency has been operating inefficiently, even from the standpoint of business. They say none of the 1,300 distributors who are dependent on interstate gas can confidently make the business decisions upon which systematic growth depends. Why? Because "the Federal Power Commission shirks its statutory responsibility of regulating the price of gas in the interests of the consumer."

Even from the standpoint of Fortune magazine, can anyone argue that the placement on the Commission for the

first time in history of a man from the producer industry is going to result in regulation of the producer group by the Federal Power Commission?

BIG PRODUCERS WANT DELAYS

Obviously, Madam President, if experience means anything, it means that this situation of indecision, of delay, is going to continue, because this is what the big boys, the big producers, have been asking. While this is very beneficial to the big producers, it is very painful to the thousands of industrial consumers who, I am sure, represent the same feeling toward the disregard of consumers which is expressed so well by Fortune magazine.

None of the 100-odd interstate pipelines can know with reasonable certainty what its past or future earnings may be until the FPC sets up a new yardstick for profits and gets cracking on a backlog of well over 2,000 unsettled pipeline-producer rate cases—the bulk of which have been gathering dust for 2 or 3 years.

None of the 150 major producers can be sure how well they will do on their interstate sales, which represent over half of all the gas put on the market; after 5 years the Commission has still to come up with a formula for regulating producer prices.

On those few occasions when the usually lethargic FPC has stirred its stumps, nobody has had any assurance that its stirrings were in the right direction. Last year courts of appeal reversed more than half of the Commission's contested orders. And this year the Supreme Court, in a unanimous opinion, upbraided the agency for having approved a new high price for gas producers on insufficient evidence.

The FPC can plead that its task is difficult. And so it is: regulation of the natural gas industry is by common consent probably the toughest job ever handed a regulatory agency.

This is why, Madam President, it would be such a tragic mistake if the Senate confirmed the nomination of a man to the Federal Power Commission on the basis of his record, if his attitude with respect to the peculiar problem of the Federal Power Commission can have the effect on that Commission of making that toughest job of any regulatory agency even more difficult.

The Natural Gas Act of 1938 was framed at a time when the industry was pretty small potatoes—gross plant investment was not even a fourth of today's figure—and the law itself was inadequate, being designed mostly to regulate the pipelines.

Then on June 7, 1954, the FPC's difficulties were enormously compounded by the Supreme Court's historic Phillips decision; this put independent producers under the Natural Gas Act and under the Commission.

Regulation of the sales in interstate commerce for resale made by a so-called independent natural gas producer—

Declared the Court—

is not essentially different from regulation of such sales when made by an affiliate of an interstate pipeline company.

But however much one might sympathize with the burdened FPC, this cannot excuse its manifest, protracted unwillingness to come to grips with the job of regulation.

I suppose some people might argue Mr. O'Connor has had experience in the producing industry and perhaps that expertness would be useful in this case. The difficulty, Madam President, is that it is the industry itself that wants delay. The industry benefits from delay, because delay makes it possible for any producer to apply for a rate increase which, after 5 months, is automatically granted and goes into effect, without hearing, without consideration, without evidence.

CONSUMER PAYS FOR DELAY

It makes for a stay, in effect, not for months, but for years and years and years—on an average now, I suppose, of 7 or 8 years, because of the enormous backlog. Meanwhile the consumer has to pay that rate, no matter how exorbitant, and it is only after a long while that the Commission gets around to hearing the case, after which it can then order a refund or rate reduction. Of course, by that time the company can have applied for an additional or "pancake" rate increase, and it will take many years to in turn get around to that. What a tremendous advantage for those who want to avoid regulation.

The article goes on, Madam President:

Every year since the Phillips decision, FPC annual reports have contained a plea to the Congress for relief from this responsibility and every year the FPC's pace of regulatory activity has been paralyzed by the Commissioners' hope that the gas bloc will somehow force through exemptive legislation. A formula for regulation of the producers, indispensable to the Commission's operations, could have been put together by the FPC in 2 years of diligent work, but that job must still be done—after more than 5 years of procrastination. Case precedents, so necessary for guidance of the Commission staff, have yet to be established.

Quite naturally, when a regulatory vacuum occurs in a regulated industry like natural gas, all sorts of abuses and inequities arise. The companies, understandably, have tried to make the most of the situation. Pipeline companies have built their lines such great distances at such great cost that in some areas, like New England, natural gas is close to pricing itself out of the market. Other pipelines have cheerfully bid field prices up to new peaks in an effort to destroy competition. And at least two pipelines have tried to preserve their home territories by methods that landed them in court on antitrust charges.

Producers have found themselves free to put the screws to any pipeline buyer with the hardihood to buy up a small, unfavorably located piece of gas for a lower price than the going rate for a large, well-sited bloc. A chiseler of this sort is made to understand that in a sellers' market he will be penalized for his temerity the next time he comes around.

Some distributors, for their part, have stepped up their drives for new customers for gas heating, well aware that by rolling in the high costs of today's gas with the cheaper gas purchased in the forties, it will be several years before consumers begin to hurt. By then, of course, the new householders will be as captive as those who converted to cheap gas in the early fifties; they will be locked in unless they want to add to their $500 to $1,000 investment in heating equipment and convert to oil.

Let us skip over part of this article, which is really a devastating indictment of the Federal Power Commission, and which, it seems to me, is mighty persuasive to anyone who has the pleasant feeling that the Federal Power Commission is doing a satisfactory job.

Remember, this is an article in Fortune magazine, a magazine certainly not known as a reformer publication or as a consumer publication, but a magazine which is capable of saying things very effectively from the industry's point of view.

Returning to the article:

Producer strategy is founded on two considerations of almost elemental simplicity. One is an article of faith: to hope that Federal regulation of prices will work out is as idiotic as expecting water to run uphill.

That is the article of faith the producers have, Madam President, that the people who will be represented vigorously by the nominee are the same people with whom the nominee has been so closely associated. That is what so many of them feel, that Federal regulation of prices will not work out; that it is as idiotic as expecting water to run up hill, to expect the price to work out; and that the last place to put such a nominee is on the Federal Power Commission, which will continue to do what that Commission has done in the past—simply not carry out the law.

I read further:

The other is a conviction that the price of natural gas is unconscionably low and should be raised. A small increase, say, only 1 cent per thousand cubic feet, on the gas under contract to interstate pipelines would pour some $70 million a year into the producers' pockets.

The means employed by the producers to lift prices, however, are anything but simple. Producers naturally have taken maximum advantage of the shift in bargaining power from the buying side of the market to the selling side. Once pipelines had this leverage and made full use of it to buy up quantities of gas at very low figures in the days when the fuel had no value save that which a pipeline—the creator of the market—would set. Now, in today's sellers' market, it is the producers who are in a position to set the price levels throughout the country. How formidable their power has become was revealed in the recently heard Champlin et al. rate case. Expert testimony by Prof. Alfred E. Kahn, chairman of Cornell's Economics Department, who appeared in behalf of the distributors, disclosed that at the end of 1955 about 50 percent of the U.S. uncommitted gas reserves were controlled by the four biggest oil and gas companies, almost 68 percent by the eight biggest. In consequence, as Professor Kahn pointed out: "A few powerful sellers, controlling strategic blocks of uncommitted reserves, at appropriate times and places, are in a position to extort a significant monopoly profit."

The most successful mechanism the producers have used for realizing significant profits, if not monopoly profits, is the initial sale. Initial sales are those made to new pipelines or to pipelines increasing their capacity or wishing to provide a service not rendered before. It was formerly the practice of the commissioners to condition the

initial price charged a pipeline by a producer, that is, grant only a fraction of the price requested; a subsequent investigation would then approve, or deny, the remainder according to its reasonableness. More recently, however, a majority of the commissioners have taken the position that if other requirements of a certification of service are met, that's enough; it's then permissible to approve the proposed price automatically.

Last year this disinclination to condition initial prices aroused the vigorous objections of William R. Connole, a Commissioner who has often disagreed with his colleagues' solutions of industry problems: "The prime cause for the abrupt and continuing increase in the price at which gas is being brought under contract * * * is the lack of a meaningful administrative regulation of the prices themselves. In the absence of a willingness or ability on the part of the industry to demonstrate where the range of reasonableness is, and lacking the deterrent of a refusal by us to accept high prices in initial contracts, buyers of gas have little choice [but to pay them] of the gas * * * is to be obtained."

INDUSTRY "GOT HIS HEAD"

Madam President, in my concluding remarks I shall say something more about Mr. Connole. He was a man of enormous ability, and was admired and respected by the gas industry itself. But because of his being willing to call the shots as he saw them, and therefore, of course, have an adverse effect on the ambitions of the industry to have higher and higher prices, he came into conflict with the most powerful group in America today—the oil and gas industry.

I think I have documented that point in considerable detail. This is pertinent to our consideration of the pending nomination, because Mr. Connole—although he was enormously competent, effective, and efficient—was not reappointed to membership on the Commission. The industry "got his head," as it "got the heads" of Buchanan and Olds.

Madam President, the article in Fortune magazine continues as follows:

Of course, the producer's resourcefulness naturally doesn't end with his trying to get the most out of regulation. He is always at work on a companion objective: getting around the FPC. That, in essence, means selling to the intrastate market. "There's little regulation of the producers by the FPC, mostly denial," Paul Endacott, president of Phillips Petroleum, says frankly. "Today it's worth accepting at least a couple of cents a thousand cubic feet less to sell gas intrastate in preference to putting it into the federally regulated interstate market. That's little to pay for the assurance that your selling prices will remain firm over the contract period of perhaps a quarter of a century."

* * * * *

The simplest way for a producer to circumvent the FPC, of course, is one widely practiced by large producers. This is just to sit on the gas against the day when the intrastate market might take more than the 43 percent of the total supply it is taking now. Humble Oil, for example, is holding back on an immense bloc on the King Ranch, ostensibly for local use. Certainly the logic of the waiting game has much to recommend it from a producer's point of view. Gas prices, unlike those of oil, which both rise and fall, have never shown a disposition to go anywhere but up.

Madam President, let me repeat that statement:

Gas prices, unlike those of oil, which both rise and fall, have never shown a disposition to go anywhere but up.

Of course, this is in a regulated industry which is enjoying the advantages of a wider and wider market, and therefore an opportunity to distribute burden and overhead costs over wider sales; and the prices should go down, as sometimes the prices in the electric industry have gone down.

GREAT MONOPOLY POWER

But this industry has very great monopoly power, as Congress has seen and as the Supreme Court has attested. This industry is able to use that power to get higher and higher prices. I think the housewife, as well as the industrial user, must be aware of the fact that the gas bill—except for a very occasional refund, which is only a temporary aberration—goes in only one direction, and that direction is up.

The article continues:

This characteristic carries weight with oil and gas investors, who habitually think of such securities in terms of capital gains rather than dividends. The policy may not be so appealing to royalty owners, who want quick returns. But the companies are strong enough to ignore what royalty owners want.

THE PRODUCERS HAVE A HARDER TIME IN COURT

Despite their tremendous advantages, however, the producers don't always have things their way. They suffered a disastrous setback recently—not at the hands of the FPC, to be sure, but in court. This occasion was the Catco case, so named from the consortium of producers (Cities Service, Atlantic Refining, Tidewater, and Continental Oil) owning the reserves. The Catco case involved the largest gas reserve (almost 2 trillion feet) ever committed to the interstate market in a single sale.

I have already discussed that case in considerable detail, so it is unnecessary to recapitulate here.

Then the article states:

It also involved the first major sale from the great new fields off Louisiana in the Gulf of Mexico. The initial price (22.4 cents), which the successful bidder, Tennessee Gas, agreed to pay the consortium, was the highest its ebullient president, Gardiner Symonds, had ever offered, and the highest ever proposed in the entire Southwest.

THE FAR END OF THE PIPE

At the other end of the pipelines from the producers, the utilities that distribute natural gas have quite a different perspective. Operating as they do in a great variety of situations, solidarity is relatively uncommon. All of them, however, are concerned with price, volume, and political pressures, if in widely varying degrees.

The article from which I am quoting presents at this point a discussion of the gas utilities. While that discussion is highly pertinent, in the interest of time I shall skip over this part of the article.

I proceed with the article.

THE UNINTIMIDATED

On the other hand, there is a powerful group of distributors, most of them located in the East, who need no urging from a State commission to battle over prices. These utilities refuse to be intimidated either by talk of a producers' sitdown strike or the possibility of an authentic shortage of gas.

They are among the very few distributors who are willing to stand up to the producers, and are able to do so. The power of the producers in this industry is very great; and this is the power that would be exerted by the producer industry itself, of course—the group from which the nominee comes.

I read further from the article:

COSTS OF A LOSS LEADER

The significance of such a loss leader, as Commissioner Kline pointed out in a well-reasoned dissent to the FPC's May certification of Midwestern, means "not only that the domestic customer and householder * * * must pay for the entire cost of building the pipeline into Chicago, but must also pay all operating expenses not only for his gas but for the gas used by the industrial consumers, must bear all line losses of gas, and must also pay 16 cents (for every) thousand cubic feet of gas used by the industrial consumers."

A proposed pipeline (Transwestern) holds particular interest in the topsy-turvy world of natural gas as an example of how competition can send prices up rather than down. One of the attractions that Transwestern held for the southern California companies was providing an alternative source of supply to El Paso, than as now the only major pipeline to the State. But to win certification, Transwestern had to have gas, and so fell squarely between El Paso and the producers, to whom the appearance of a new pipeline is always a happy signal that a higher level of prices can shortly be set.

PIPELINES NO LONGER DOMINANT

Madam President, what happens under those circumstances is that the pipelines, which used to be the dominant force in the industry, are no longer dominant. They are competitive, and they are required by the Federal Power Commission to have 20 years of reserves. Therefore, they have to go after gas. But the producers are so powerful, and have so much control over their reserves, that they can command the price they wish to have.

So the competition is on the part of the buyers, and the control is on the part of the producers and sellers. But the desire of the producers' industry—which is perfectly understandable—to escape from regulation cannot under any circumstances be justified, in view of this well-documented fact, which Fortune magazine emphasizes. This is why appointment of a representative of the producers to the Federal Power Commission would, in my judgment, be so great a tragedy.

The article concludes as follows:

THE JOB FOR THE FPC

What needs to be done to straighten out the mess in natural gas must of necessity begin with the FPC, for nonfeasance by this agency lies at the heart of it. As a starter, a majority of the Commissioners must stop acting as if they thought the Supreme Court was mistaken in putting the independent producers under regulation.

But the Senate does not encourage that correction, which Fortune magazine advocates, by placing on the Commission a man who comes from the group that has been advocating that the Supreme Court's decision be rejected.

I read further from the article:

There are no indications that the congressional gas bloc has the power to force through a bill that would exempt these producers—and 1960 is an election year, when few affronts to the consumer will be risked. It is now time that the Commissioners faced up to the job of regulation. If, as one high Government official recently declared in the privacy of his office, four out of five Commissioners do not believe the producers should be regulated under the Natural Gas Act, those four should resign.

Madam President, as I have said, the article I have been reading was published in Fortune magazine. In the article it is said that the fact that there are members of the Federal Power Commission who do not believe in regulation means that those members should resign. Heaven knows, it certainly should mean that the Senate should not confirm the nomination, for service on the Federal Power Commission, of a man whose entire record indicates that he does not believe in regulation.

SPOKESMAN FOR INDUSTRY

These statements are made in the article published in Fortune magazine. They are not the statements of a reformer or of a consumer representative. Fortune magazine has been an outstanding spokesman for industry.

I read further from the article in Fortune magazine:

Few speeders have ever been caught by cops who thought the speed limit was a lot of malarkey.

At the moment, the Commission's staff is demoralized by its ineffectuality with the Commissioners and hamstrung by the lack of dependable precedents for regulation. Much could be accomplished if the Commissioners would only sit down with their top department heads and work out a program.

The FPC must mount an orderly attack on the backlog of cases with the objective of getting things current. This presupposes coming up with a regulatory formula—not in 5 more years, but in 1. In addition, the whole process could be speeded up considerably if all but the 200 or so biggest producers were in effect exempted from regulation. The more than 6,000 small fry, who contribute less than 10 percent of the gas supply, exert no significant influence on price; nevertheless, the flood of their two-bit cases has been swamping the FPC in paperwork.

This is exactly what I have advocated over and over and over again in this speech, and this is the position which was taken last night by the Senator from Louisiana and other Senators. But this position has not been supported by the Independent Petroleum Producers Association of America, the organization with which the nominee has been so closely identified.

RIDICULOUS REGULATION

As the article states, in referring to "the small fry":

The flood of their two-bit cases has been swamping the FPC in paperwork.

But they are not monopolies, and it is ridiculous to regulate them. If they were taken out, this situation would improve. But the producers themselves object to that, because the delay is something on which they can feast.

I read further from the article:

High initial prices in new contracts should be conditioned. The idea is not to freeze initial prices, but simply to provide for an investigation of their reasonableness. As Judge David Bazelon, of the District of Columbia Court of Appeals, pointed out in 1958, for 6 years the Commission had considered it mandatory to examine rate proposals in certification proceedings; but after the Phillips decision it underwent a progressive change of heart, first replacing must review with giving consideration to initial rates and then baldly contending that certification proceedings should not be turned into rate proceedings. Now the Supreme Court (Catco) has underscored the essentiality of the FPC's once again determining that initial prices are in the public interest. The Commission's conditioning of Transwestern's high initial prices in its August 10 approval of a certificate for that pipeline is a step in the right direction.

NO JOB FOR THE COURTS

Any tendency of the FPC to lean on the courts, in the hope that these will bring order out of chaos, should be discontinued. The limitations of what some courts can do were suggested only last month by the Philadelphia Third Circuit Court of Appeals. In sustaining FPC approval of a whopping 22.4 to 23.3-cent price for gas sold to Transcontinental, two of the three judges held that the court's function was to see that FPC decisions were based on "the necessary elements," regardless of whether the conclusion was "one we should have reached or not." It is quite possible that the Supreme Court may overturn this rather legalistic circumscription, but no court, no matter how perturbed, can take over the job of an administrative agency. The Federal Power Commission must do its own regulating.

The Federal Power Commission will not do its own regulation if we put on the Federal Power Commission men who do not believe in regulating. The most important action Congress takes with regard to the Federal Power Commission is action on appointments.

FPC CAN VOID LAW

Regardless of the kind of law we pass, regardless of the kind of interpretation the court gives us, if persons are on the Federal Power Commission who do not believe in enforcing the law, that law is null and void. That is exactly the situation we have at the present time, and have had for some time.

Congress has passed the act. It has been interpreted by the Supreme Court. It has been reinterpreted by the Supreme Court. But it just is not enforced. That is why this appointment is so immensely important. That is why it relates to the Federal Power Commission. That is why the Senator from Wisconsin has felt it necessary to go into the very detailed examination of the Federal Power Commission. That is why every word the Senator from Wisconsin utters on the Federal Power Commission is relevant and pertinent to this situation. The Federal Power Commission can be expected to comply with the law if the President appoints, and the Senate approves, as members of this Commission, persons who believe in applying the law. It is as true as anything can be. It is about as clear as anything can be, to me at least, that the worst way to have the law applied is to appoint to this Commission people from the industry which does not believe in it.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 82. An act for the relief of Naoko Ishiwatari White;

S. 207. An act for the relief of Jean Goedicke;

S. 231. An act for the relief of Helga G. F. Koehler;

S. 435. An act for the relief of Knud Erik Didriksen;

S. 489. An act for the relief of Dellarose J. Dowler;

S. 700. An act for the relief of Fung Wan (Mrs. Jung Gum Goon);

S. 825. An act for the relief of Vasiliki Yeannakopoulos;

S. 944. An act for the relief of Mr. Najm Boulos Rihani;

S. 1373. An act for the relief of Giuseppa Lanza Lascuola; and

S. 1673. An act for the relief of Blagoje Popadich.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 19. An act for the relief of Mrs. Takimi Yamada;

S. 570. An act for the relief of Giuseppa Alonzi; and

S. 722. An act for the relief of Aideh Kobler;

The message further announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 85. An act for the relief of Maria Rosario Barrena-Villachica, Maria Dolores Villar Salinas, Angela Casanova Cabello, Carmen Guenaga Anchustegui, and Flora Casals Pons; and

S. 1432. An act for the relief of Shau Ying Lin, and her children, Gee Chek Lin, Gee Ming Lin, and Chi Fong Lin.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1325. An act for the relief of Mrs. Seto Yiu Kwei;

H.R. 1333. An act for the relief of A. N. Deringer, Inc.;

H.R. 1344. An act for the relief of Sgtlc. (E-7) Frederick W. Heedt, RA16247914;

H.R. 1349. An act for the relief of Fong Chun Hong;

H.R. 1378. An act to authorize the Secretary of the Interior to enter into an exchange of certain land in Madera County, Calif., with Mary Saunders Moses;

H.R. 1414. An act for the relief of the Worthington Oil Refiners, Inc.;

H.R. 1422. An act for the relief of Mrs. Agavni Yazicioglu;

H.R. 1616. An act for the relief of Rickert & Laan, Inc.;

H.R. 2822. An act for the relief of Gregoire A. Kublin;

H.R. 3133. An act for the relief of Mrs. Maria A. Schmoldt;

H.R. 3718. An act for the relief of Matthias Nock, Jr.;

H.R. 5136. An act for the relief of Compton Jones and Hulbert Jones;

H.R. 5382. An act for the relief of Marie Haladjian;

H.R. 6025. An act to confer jurisdiction on the U.S. Court of Claims to hear, determine, and render judgment on the claim of George Edward Barnhart against the United States;

H.R. 6120. An act for the relief of Francis Ainsworth;

H.R. 6644. An act for the relief of Julius Benikosky;

H.R. 6646. An act for the relief of Maria Concetta Cozza;

H.R. 6998. An act for the relief of Anthony Pirotta;

H.R. 6999. An act for the relief of Henry Massari;

H.R. 7726. An act to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence;

H.R. 8033. An act to amend section 17 of the Interstate Commerce Act so as to authorize the delegation of certain duties to employee boards; and

H.R. 8125. An act for the relief of Edward J. Maurus.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes, and it was signed by the President pro tempore.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H.R. 1325. An act for the relief of Mrs. Seto Yiu Kwei;

H.R. 1333. An act for the relief of A. N. Deringer, Inc.;

H.R. 1349. An act for the relief of Fong Chun Hong;

H.R. 1414. An act for the relief of the Worthington Oil Refiners, Inc.;

H.R. 1422. An act for the relief of Mrs. Agavni Yazicioglu;

H.R. 1616. An act for the relief of Rickert & Laan, Inc.;

H.R. 2822. An act for the relief of Gregoire A. Kublin;

H.R. 3133. An act for the relief of Mrs. Maria A. Schmoldt;

H.R. 3718. An act for the relief of Matthias Nock, Jr.;

H.R. 5136. An act for the relief of Compton Jones and Hulbert Jones;

H.R. 5382. An act for the relief of Marie Haladjian;

H.R. 6025. An act to confer jurisdiction on the U.S. Court of Claims to hear, determine, and render judgment on the claim of George Edward Barnhart against the United States;

H.R. 6120. An act for the relief of Francis Ainsworth;

H.R. 6644. An act for the relief of Julius Benikosky;

H.R. 6646. An act for the relief of Maria Concetta Cozza;

H.R. 6998. An act for the relief of Anthony Pirotta;

H.R. 6999. An act for the relief of Henry Massari; and

H.R. 8125. An act for the relief of Edward J. Maurus; to the Committee on the Judiciary.

H.R. 1344. An act for the relief of Sfc. (E-7) Frederick W. Heedt, RA16247914; to the Committee on Post Office and Civil Service.

H.R. 1378. An act to authorize the Secretary of the Interior to enter into an exchange of certain land in Madera County, Calif., with Mary Saunders Moses; to the Committee on Interior and Insular Affairs.

H.R. 7726. An act to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence; to the Committee on Armed Services.

H.R. 8033. An act to amend section 17 of the Interstate Commerce Act so as to authorize the delegation of certain duties to employee boards; to the Committee on Commerce.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

Mr. PROXMIRE. I continue to read:

Finally, favored-nation clauses, spiral escalation, better market clauses, and the other apparatus of price redetermination should be prohibited—by legislation if necessary. The time has long passed when it can be fairly contended that the producer isn't getting a reasonable price for gas, and this was the original justification.

I remind the Senate, Madam President, that this is Fortune magazine talking. It says that the time has long passed when it can be fairly contended that the producer is not getting a reasonable price for gas. That was the original justification.

RAPID SUCCESS OF GAS

Of course, the Senator from Wisconsin has put into the RECORD a documentation of the profits of the producing companies and of the vast increase in profits of the companies. It is wonderful for American companies to succeed. That is why they are in business, and all of us approve of it, of course.

But there is no question that when they are succeeding as rapidly and as vividly as the producers of natural gas are, it cannot be argued that they are not getting a fair price for their gas. Of course, that has been the justification and the argument.

Fortune magazine continues:

True, it is difficult for any producer to set a price today that will guarantee him an equitable rate of return 20 years from now, at the end of the contract. But expert opinion holds that it can be done and it should be done by means that do not make for unconscionable price increases, often imposed on innocent parties.

The producers might just as well get used to the idea of being regulated.

It can be seen why they will not get used to the idea of being regulated, when persons are appointed to the Federal Power Commission directly from the industry. This is the only time in the history of the Federal Power Commission when this has been done.

The Fortune magazine article continues:

The aim of the Natural Gas Act is not to promote the sale of the fuel at any price, but to protect the consumer—

Again, I remind the Presiding Officer that this is Fortune magazine speaking—which in the long run is the way to strengthen the industry.

Equity and self-interest

Certainly nobody blames the producers for trying to get a good price for their gas, or the pipelines for paying the prices necessary to assure gas reserves for expansion, or the utilities for the fervent salesmanship that has helped create the booming demand for natural gas. But simple self-interest should impose on producer, pipeline, and distributor a disposition to look ahead. The recalcitrance of the producers over submitting cost data, essential to Federal price regulation, lost them the golden opportunity of getting a price for Louisiana's offshore gas that was consistent with its fantastic initial expense. Withholding gas now for higher prices could bring on the very thing producers fear most: Federal regulation of the whole oil industry.

Only a glance at that chart will indicate why the producers have this great and competitive power. After all, Madam President, if you were holding any kind of commodity which was rising at such a rate that in 15 years it quadrupled in value, would you sell? You would hold onto it. It is one of the big reasons why producers have such attractive prices.

The price goes only in one direction—up—because, thanks to the Federal Power Commission, reinforced by the appointment to the Commission, which appointment may be approved in the next few hours by the Senate, of people directly from the industry, they know they can count on prices climbing relentlessly year after year, as the chart in the rear of the Chamber indicates.

The Fortune article continues:

Prudence should suggest to the pipelines and the distributors that tossing the time bomb of high gas prices back and forth is bound to hurt someone eventually.

This is Fortune magazine talking and saying these high gas prices in the long run will hurt the industry. That is why I contend the fight I am making to keep off the Federal Power Commission a man who has been a producer virtually all of his life, and who has been closely associated with the IPAA, will be a service to the industry. His appointment would not be a service to the industry, but a disservice to the industry, in the long run.

The Fortune magazine article concludes:

Time is on no one's side in natural gas. Filings are already coming in on Canadian gas. The commission has only a few short months to clear its decks before the import problem, with its touchy matters of national interest, comes roaring down from the north.

Madam President, before I conclude, I shall do my best to end on as positive a note as I can.

I am sure Mr. O'Connor would be qualified for other positions in government; but I feel, in this case, as the Senator from Oregon brought out so vividly in our colloquy earlier this morning, that the conflict of interest is evident, and the damage caused by such an appointment to this particular agency—an agency which, as Dean Landis has pointed out,

is the prime example of the administrative breakdown in Washington—would be really tragic.

CONNOLE IS TYPE NEEDED

Now, Madam President, I feel that the kind of person who should be appointed to the agency is a man like William Connole, the youngest man, as I understand, ever to serve on the Federal Power Commission.

To those who say that it is not possible to pick a Commissioner because there is always going to be objection to him, I suggest that here is a man who combines the best kind of elements. In the first place, he had the kind of experience that was pertinent, although not in the industry. William Connole served on the regulatory commission in the State of Connecticut. He had excellent and pertinent and useful experience.

Time magazine had this to say about Mr. Connole at the time approval was not given to his nomination:

THE PRICE OF DISSENT

The maverick on the Federal Power Commission is William R. Connole, 37, a Connecticut political independent. For the past 5 years Connole has built a reputation as a dissenter from his colleagues, a defender of the consumer by urging stricter regulation of natural gas prices. He was the lone dissenter in the precedent-setting C.A.T.C. case (Time, July 8, 1957), when the FPC allowed new field gas sales worth $1 billion without final approval of the rates. Connole's dissent was implicity endorsed by the U.S. Supreme Court when it criticized the FPC decision, upholding the contention of New York State's Public Service Commission that the failure to set firm rates did not sufficiently protect the consumer. Last week the White House confirmed reports that Dissenter Connole would not be reappointed when his term expires on June 22. His likely successor: Harold I. Baynton, now chief counsel to the Senate Commerce Committee.

Keen, combative, Connole is a Hartford lawyer who was appointed to the FPC in 1955 after serving as general counsel of the Connecticut Public Utilities Commission. When word got out that he was not to be reappointed, seven State public utility commissions protested. Unmoved, the White House said that the President decided not to reappoint Connole because he does not get along with the other Commissioners, has urged greater Federal control of gas than the administration believes is necessary. Explained a presidential aid: "There is no reason to keep a man in a job whose philosophy does not agree with that of the President."

Well, Madam President, this indicates how extremely difficult it is to get a man on the Commission, and to keep a man on the Commission, who is interested in representing the consumer interest and willing to do it and to do it effectively.

Those who say there should not be a man like that on the Commission because he represents the consumers too thoroughly should read what Petroleum Week, the industry itself, said about him. It said:

While some FPC members have dragged their feet on producer regulation since the U.S. Supreme Court's Phillips gas decision in 1954, Connole, since his appointment in 1955, has striven for an early and workable method of determining producer gas prices.

Because he insists that production costs are a vital factor in rate determination, and because he is FPC's strongest adherent of regulation, Connole has become something of an enemy in the view of many gas producers.

But, Madam President, this is the word of Petroleum Week, not the word of any group that has been opposed to the gas industry.

But he has the respect of those who disagree with his views. "He is smart, he works hard, and he does his homework," says one Washington gas industry representative.

THIS IS DIFFERENT SITUATION

Now, Madam President, on the chart in the rear of the Senate the cases are summed up. The Senator from Oregon asked the Senator from Wisconsin at about 7:30 or 8 o'clock in the morning about conflict of interest in this case. The Senator from Wisconsin pointed out that this situation is a little different from the usual kind of situation because the conflict of interest is already occurring.

This nominee, Lawrence O'Connor, is at present the Oil Import Administrator, and, as the Oil Import Administrator, O'Connor has investments in the following firms:

OIL IMPORT ADMINISTRATOR LAWRENCE O'CONNOR OWNS SHARES IN THE FOLLOWING FIRMS ENGAGED IN THE PRODUCTION, IMPORTATION, OR DISTRIBUTION OF OIL, OR RELATED INDUSTRIES

Anderson-Prichard, Canadian Husky Oil, Ltd., Commonwealth Oil Co., Delhi Taylor Oil, Fifteen Oil Co., Kewanee Oil, Mountain Fuel Supply, Murphy Corp., Ohio Oil Co., Royal Dutch Petroleum, San Jacinta Petroleum, Shell Transport and Trading, South Texas Oil & Gas, Sunray Mid-Continent Oil, Tennessee Gas Transmission, Texas Eastern Transmission, Texas Illinois Natural Gas, Transcontinental Gas Pipe Line, Western Natural Gas Co., Continental Oil Co., of Houston, The Peoples Gas Light, Standard Oil Co. of New Jersey, First City National Bank, Houston, trustee, Allied Oil & Industries Corp., of Texas, British Petroleum Company, Ltd., Burmah Oil Co., Ltd., Leonard Refineries, Petroleum Service & Research, Louisiana Gas Service.

Now, Madam President, these include 17 of the biggest importers of oil into this country, and two of the three largest ones. As Oil Import Administrator, Lawrence O'Connor determines the quotas and allotments these companies have.

DECISIVE CONFLICT OF INTEREST

This man had holdings, and still has holdings, in the very oil companies which he is to regulate. I do not know how there could be a more complete, dramatic, decisive conflict of interest.

Mr. MORSE. Madam President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Oregon.

Mr. MORSE. Is it true that the Senator from Wisconsin believes that this nominee still has holdings in these oil and gas companies?

Mr. PROXMIRE. I am delighted the Senator from Oregon gave me a chance to clarify my position on this.

As of the time of the hearings, this was true. However, the nominee said that he would divest himself of these holdings. That is why I say this is a different kind of situation than usually occurs.

The conflict of interest has occurred. The nominee, I am sure, will keep his word—his holdings will be divested, perhaps some of them have been divested. It is my understanding they have not all been divested because it is very difficult to divest some of them. But it is the intention of the nominee to divest them although, as I further understand, it is extremely difficult to divest himself of one holding because it is an irrevocable trust.

Mr. MORSE. Madam President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. MORSE. Does the Senator from Wisconsin know as a matter of fact whether or not the nominee has divested himself of the holdings?

Mr. PROXMIRE. As a matter of fact, I do not know, but it is my understanding that he expected to do so, and this was the clear information that was carried in the committee report.

Mr. MORSE. Will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Oregon.

Mr. MORSE. Is there anything in the record that discloses in what manner the nominee proposes to dispose of his holdings?

Mr. PROXMIRE. He said he expected to dispose of them by sale and gift. Some of his holdings he said he had to give away, but there is no indication which would be sold or which would be given away. There is no indication to whom they would be given, whether they would be to close relatives or whether they would be given away to some charitable institution.

Further, there is no indication of how much he holds in these companies. We do not know.

Mr. MORSE. Will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from Oregon.

Mr. MORSE. When the nominee refers to disposing of some of his stocks, bonds, and other holdings in the gas and oil industry by way of a gift, is the Senator from Wisconsin aware of the fact that he could do that through a so-called trust fund arrangement?

Mr. PROXMIRE. I am well aware of that fact. That is one of the conflicting factors in this situation.

Mr. MORSE. Does the Senator know that that trust fund arrangement might be set up for the benefit of his children, or his wife, or his mother, or his father, or whatever relatives he may have?

Mr. PROXMIRE. That is correct. As I understand, this nominee is a bachelor, but this could be in the name of his mother or other close relatives.

Mr. MORSE. Or it could be to a close associate. Does the Senator from Wisconsin recognize that such a trust fund arrangement would disqualify a juror, or would disqualify a judge from sitting in any case that involved the economic interests represented by the trust funds?

Mr. PROXMIRE. Absolutely; there is no question about it.

Mr. MORSE. Does the Senator still agree with the Senator from Oregon, as we brought out earlier this morning in our colloquy, that what we are dealing

with here is a very simple question: whether or not this nominee, because of past economic connections in this industry of substantial amount, and because of past long-time association with many individuals in this industry, could not qualify as a juror or as a judge in a case involving those individuals in relationship to their industry?

Mr. PROXMIRE. Any challenge would disqualify him.

Mr. MORSE. Yes. Is it not true that we are asked to confirm a man to sit in a quasi-judicial position, supposedly to protect the consumers of America in the use of gas and oil, who would be disqualified to sit as a juror or a judge in the administration of American justice in a case involving industry?

Mr. PROXMIRE. This is exactly the point.

Mr. MORSE. Will the Senator yield for another question?

Mr. PROXMIRE. I yield.

Mr. MORSE. Is it not true that the Senator from Oregon, who reached the conclusion he now has clearly implied by this question, came to this conclusion only this morning after he studied the brilliant and courageous presentation of the public's case in opposition to the nomination, and raised this question as to the qualification of this nominee from the standpoint of conflict of interest; and is it not true that the Senator from Oregon made clear to the Senator from Wisconsin that up to this morning he intended to vote for the confirmation of the nomination because he was not aware of the proof the Senator from Wisconsin has offered in regard to this man's conflict of interest?

Mr. PROXMIRE. The Senator from Oregon said exactly that.

Mr. MORSE. Is it not true that the Senator from Wisconsin and the Senator from Oregon now are pleading with the committee—pleading with the committee—to give us some information that we are begging for in regard to, to wit, the following: What are his holdings, and in what companies; how much; how long has he had them? Also, what has been his connection with the industry, and over what period of time? Is that not the information that we are asking for, plus information as to what he is going to do in the disposition of those holdings and in what form his disposal is going to take place? Is that not the information we are asking for?

Mr. PROXMIRE. The Senator from Wisconsin would say that the Senator from Oregon is correct in his statement, except that there is information available on his connections and his business acquaintances, and that, furthermore, his biographical data shows that for 16 years he was connected with the Goldston Oil Co., which is a relatively big gas producing company, and which has had requests for rate increases approved by the Federal Power Commission. He has been active in IPAA. We do not know all the material facts about this man's holdings.

Mr. MORSE. Madam President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MORSE. Is it not true that both of the hearings and the committee report do not contain information in regard to the extent and the amount and the companies in which he has these holdings?

Mr. PROXMIRE. It is my understanding that the committee report contains the names of the companies, but not the amounts.

Mr. MORSE. Is the Senator aware of the fact that a member of the committee, a very good friend of both of us, told me in the cloakroom a few moments ago that it was not the practice of the committee to ever ask the nominee the extent of his holdings?

Mr. PROXMIRE. I am surprised and shocked to hear that. It seems to me that it is awfully hard to evaluate what the holdings are if we do not know the figure. In other words, is it one share, or is it majority ownership?

Mr. MORSE. Are the American people entitled to know the exact amount of the holdings, and whether they are stocks or bonds, and what kind of stocks or bonds?

Mr. PROXMIRE. I believe the American people have a right to know. This man is going to sit in judgment on 27 million American families in regard to the rate increases they will have to pay.

Mr. MORSE. Is it not true that in the administration of American justice through the courts of this country there is a recognition that human frailty and human selfishness is at least likely to present the danger that such human selfishness and frailty may color the judgment of an individual? Is it not a recognized principle which permeates the administration of American justice in respect, for example, of a challenge for cause and qualifications of a prospective juror, and the filing of an affidavit of prejudice against the qualifications of a judge to sit in a particular case when there is present not only an economic interest but past associations which raise serious doubts as to whether or not an impartial judgment can be rendered by juror or a judge? Is that not basic in the administration of American justice?

Mr. PROXMIRE. It is indeed.

Mr. MORSE. Does the Senator from Wisconsin agree with me that it is likewise important that we protect the American public from that human frailty, that influence, that selfishness upon the judgment of people when we come to have people sit on regulatory bodies of this country, such as the Federal Power Commission, the Interstate Commerce Commission, and any other regulatory body?

Mr. PROXMIRE. It seems to me that is what conflict of interest is all about. If there is any place where it should apply it is in connection with these independent agencies, which are quasi-judicial agencies. That is where it is enormously important that conflict of interest be eliminated.

Furthermore, this agency particularly is a vitally important agency. It makes decisions involving literally billions of dollars. This is the only time in the history of this Nation when an appointment such as this has been made to a Commission from the industry. It has never been done before. There is no precedent for it.

Mr. MORSE. Is the Senator aware of the fact that there seems to be confusion among our colleagues in the Senate as to the limitations or the extent of the application of the conflict-of-interest criterion, in that some of our colleagues in the Senate seem to think that if a man simply says he will dispose of any economic holdings he may have in a concern or industry that that frees him from any conflict of interest? Does he not agree that in the application of the conflict-of-interest criterion, we have the duty to look to see whether he has in fact freed himself of any economic conflict of interest, and to examine his past record to see if he fully appreciates the need to be rid of all conflict of interest before he undertakes to represent the public interest?

Mr. PROXMIRE. Yes; that is particularly true of the Federal Power Commission, because here is a commission which, according to Fortune magazine, has been dominated by people who have the industry viewpoint that the industry should not be regulated, in contradiction to the law and in contradiction to the determination not only of Congress but also the Supreme Court.

If we put a man on that Commission who has an exclusive industry background, who has had these past holdings and these connections, and who, as the Senator from Oregon has said, has these cronies, and also these tremendous associations in the industry, with people coming before him with whom he has had the closest of connections, under those circumstances in this particular agency the case I think is so strong that it is overwhelming.

Mr. MORSE. Does the Senator agree with me that we are taking a very reasonable position when we plead with the Senate to give us some time to get from the chairman of the Commerce Committee or the committee as a whole the information that we ask for in regard to this man's holdings and his specific plans for disposal of his holdings before we are asked to vote on this matter? Does he not agree that we are perfectly willing to enter into a unanimous-consent agreement to vote as of a time certain as soon as we have an opportunity to get the information? Does the Senator agree that that is our position?

Mr. PROXMIRE. The Senator from Wisconsin agrees with the Senator from Oregon. I am perfectly willing to conclude the debate in just a few minutes—as a matter of fact, in 5 or 10 minutes—and the Senate can then proceed to discuss the matter further or discuss the foreign aid bill.

However, I believe—and I am sure this understanding is concurred in by the majority and minority leaders, in view of conversations had this morning—we would not proceed to vote until we have had at least an opportunity to talk with the chairman of the committee. This opportunity we have not had, because he has not been available.

Mr. MORSE. Does the Senator agree with the Senator from Oregon that the two of us—there are more than two of

us, but for the moment let us limit it to the two of us—are only asking for information that is not found either in the hearings or in the committee report? We are perfectly willing to vote on this nomination when an opportunity has been given to us to get that information, and we are carrying out our duty under our oath as Senators, as representatives of our constituency, to take the necessary time on the floor of the Senate in a fervent plea to get some cooperation from our colleagues in the Senate in supplying us with this vital information. Does the Senator agree with me that this is a very reasonable request to make of the Senate?

Mr. PROXMIRE. Yes, I do indeed.

Mr. MORSE. Does the Senator agree that if we are going to vote on this nomination before the public, official record is supplied with that information, that this nominee will have to assume his office under a serious cloud as to his qualification and impartiality? Unless it is dispelled now, that cloud will follow him throughout his career on the Federal Power Commission, which is not in the interest of good administration or good administrative law in this country.

Mr. PROXMIRE. The Senator from Oregon is absolutely correct. Regardless of the disposition of this case, the only way justice can be done is for the Senate to have information it does not have.

Mr. MORSE. Does the Senator agree that the Senator from Oregon was being partisan for a moment in the sense in which the question was directed to the Democrats of the Senate, that it is not in the interest of the Democrats in the Senate and it is not in the interest of the Democratic President to have this nomination voted upon until the consumers of America, over whom this nominee will have jurisdiction as a Commissioner on the Federal Power Commission, are supplied in the official record with the information for which the Senator from Wisconsin has been pleading in this historic speech that he has been making in opposition to the nomination?

The question is, Does the Senator agree with me it is not in the interest of the Democratic Party, in the interest of a majority of Democrats in the Senate, in the interest of a Democratic President, to let this nomination go to a vote with this inadequate and imperfect record, failing to disclose this vital information that bears on the criterion of conflict of interest?

Mr. PROXMIRE. I could not agree more with the Senator from Oregon.

Mr. MORSE. I am sure the Senator from Wisconsin is well aware of the fact that there will be those forces that will seek to misrepresent the position we have taken; but does not the Senator agree with me that we have a clear duty to do the best we can in the interests of the consumers of America in supplying for the record this information, before we decide whether or not this nomination should be confirmed?

Mr. PROXMIRE. The Senator is absolutely correct. The fact is that unless this kind of fight is made, regardless of wishes and hopes—and I have the greatest admiration and affection for the President of the United States—the fact is that we are going to have the same sorry story in the future we have had in the past. The most powerful element in American politics, the oil industry, is going to continue to walk right over the consumer, the taxpayer and the Government.

Mr. MORSE. Might I ask a question of the Senator from Wisconsin? Am I correct in my understanding that the Senator from Wisconsin has pointed out, without any successful refutation, this is the first time that he could find, through his research, that any individual has been selected from the industry to be regulated to sit on the regulatory body itself and judge his former associates in the industry?

Mr. PROXMIRE. That is correct. I would like to say in that connection that every single appointment to the Federal Power Commission since 1930 was scrutinized. This information was placed in the RECORD. Reference has been made to the TVA, that a nominee to serve with respect to public power is comparable to a nominee in private power. My answer is that this is a joke, because nobody contends the public power people dominate, or ever have dominated or ever could conceivably dominate the Federal Power Commission. The regulation of the producers of natural gas is of course explicit and direct.

Mr. MORSE. Does the Senator from Wisconsin think it is good public policy to start establishing a precedent of selecting out of the industry or industries to be regulated the administrative tribunal judges to adjudge the industry, especially where the nominee has, or has had, a large financial stake in that industry?

Mr. PROXMIRE. I cannot think of a worse kind of precedent.

Mr. MORSE. Because I think it is so vital, I reiterate for the purpose of emphasis, is it not true that if any person sitting on a court of record as a judge had any such connections with a client that would be appearing before the bar of that judge for the adjudication of a legal issue and the administration of justice to that client, the judge would be automatically disqualified for cause as being so prejudiced, as we say, under an affidavit of prejudice?

Mr. PROXMIRE. He would not have a right to sit in judgment in such a case. There is no question about that.

Mr. MORSE. And it is true, is it not, that a juror would likewise be subject to challenge for cause, if he had any such connections with any of the plaintiffs or defendants involved in cases in which he is going to be asked to make findings of fact as an impartial juror?

Mr. PROXMIRE. That is correct.

Mr. MORSE. Might I ask, is the Senator from Wisconsin worried about the precedent that would be established, if this nominee were confirmed, in connection with a drive that would undoubtedly be started by the railroad industry, for railroad presidents or railroad counsels or members of railroad boards of directors to be seated on the Interstate Commerce Commission?

Mr. PROXMIRE. I think that would be a logical, understandable desire. After all, the precedent would have been established.

Mr. MORSE. Does the Senator from Wisconsin know of any good reason, if you put this man out of the oil and gas industry on the Federal Power Commission, why a railroad president or any other railroad official should not be put on the Interstate Commerce Commission, if he simply said, "Well, whatever holdings I have, I am going to dispose of?"

Mr. PROXMIRE. No. I would suppose they would argue, "After all, that is a man who knows the business."

Mr. MORSE. Is the Senator aware that in the Federal Power Commission we also have an agency that regulates a very important industry in this country, vested with a public interest, and when the Congress set up that regulatory agency it did so with the understanding that it was going to be an impartial agency and not one upon which there would be seated partisans in interest? Is the Senator aware of that?

Mr. PROXMIRE. The Senator is aware. The Senator from Oregon is absolutely correct.

Mr. MORSE. Does the Senator from Wisconsin agree with me that the Senate today is right up against the question as to whether or not it is going to, in effect, change one of the fundamental purposes of setting up these administrative law tribunals in the first place? That purpose was to have them serve as agencies of the Congress to carry out certain duties and protect rights that the Congress under the Constitution has the power to handle itself. Because of the technical problems involved, because of the many other things that the Congress has to do, this whole segment of quasi-judicial regulation was set up for these regulatory bodies to perform the work inherent in Congress and which the Congress has the right to perform itself. In setting them up the Congress made perfectly clear it was going to create quasi-judicial bodies to adjudicate impartially and administer the problems that fall within the jurisdiction of each one of these regulatory bodies.

Is the Senator aware that this was the motivating purpose of the Congress when this whole field of administrative law was advanced by way of the creation of these regulatory commissions?

Mr. PROXMIRE. It was indeed, for impartial, unbiased adjudication. Obviously an appointment like this is partial, biased; and what makes it a greater, tragic error is that this is the Federal Power Commission, the body that has been the worst example of domination by the industry. This man comes out of the very industry, the very segment of the industry that has dominated and controlled and directed, in effect, the Federal Power Commission.

Mr. MORSE. Is the Senator aware of the fact that when the Congress set up

these regulatory bodies it made perfectly clear that their primary purpose was to protect the public interest?

Mr. PROXMIRE. It was indeed. As a matter of fact, there is no other reason to have a Federal Power Commission, unless the only purpose of it is, as emphasized by the Supreme Court, to protect the consumers. Certainly it is not to protect the producers. They do not need protection.

Mr. MORSE. It is true, is it not, that the only basis for jurisdiction over any of these industries is because they are found as a matter of law to be vested with a public interest? That public interest needs to be protected by the setting up of a quasi-judicial tribunal to see to it that the public is not wronged by selfish activities and motivations and interests of people who have large economic stakes in the industry.

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. MORSE. Will the Senator simply permit me to say that I have only sought to make as crystal clear as possible what I think is the underlying thesis of the objection of the Senator from Wisconsin to the nomination?

I close my questioning with a plea again to the committee: Give us some help, give us some information, let us complete this record. Let us find out what his stock and bond holdings are, or what they have been, and, if he has disposed of any of them, how that disposition has been made. Tell us what his record on conflict of interest while he served as Oil Import Administrator in the Interior Department.

Then let us consider all the information that can be made available as to past connections in this industry, in order to determine whether we can say that this man can function as a judicial officer free of this human frailty recognized in the administration of justice, that one cannot be expected to adjudge a case when it involves clients with whom he has had these very close financial and personal relationships in the past.

Again I congratulate the Senator from Wisconsin for what I regard as one of the great public services I have seen a Senator perform, during my 17 years in this body—standing alone for hours in the Senate, and rendering a public service in behalf of the consumers of America.

Mr. PROXMIRE. I thank the distinguished Senator from Oregon, who has performed many a public service far greater than any I have ever achieved.

Madam President, to sum up, for I am about through—for the Senator from Oregon has done a superb job in summing up the case—I have pointed to the holdings of the nominee.

Also I should like to emphasize what I have said over and over again, but it cannot be emphasized too greatly; namely, that Lawrence O'Connor will, if his nomination is confirmed, be the first appointee to the Federal Power Commission whose principal experience has been with a private industry which the Federal Power Commission is empowered to regulate.

Madam President, I have had an opportunity to speak at considerable length.

Before I yield the floor, I desire to ask unanimous consent to have certain matters printed in the RECORD.

One is a quotation from the Democratic platform. I merely wish to say that the Democratic platform provides that the independent agencies should remain independent, should be distinguished by their integrity of action, and should have a clearer definition of what constitutes a public interest.

Madam President, I think some of the appointments by the President have been superb.

PROMISE OF MY PARTY

But I feel very strongly that it is perfectly proper and desirable that when a Senator disagrees with appointments by the party on whose platform he ran, and in which he believes, he hold up the standards he has adopted and try to measure the appointment against those standards.

So I ask unanimous consent that this excerpt from the Democratic platform be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

REGULATORY AGENCIES

The Democratic Party promises to clean up the Federal regulatory agencies. The acceptance by Republican appointees to these agencies of gifts, hospitality, and bribes from interests under their jurisdiction has been a particularly flagrant abuse of public trust.

We shall bring all contacts with Commissioners into the open, and will protect them from any form of improper pressure.

We shall appoint to these agencies men of ability and independent judgment who understand that their function is to regulate these industries in the public interest.

We promise a thorough review of existing agency practices, with an eye toward speedier decisions, and a clearer definition of what constitutes the public interest.

The Democratic Party condemns the usurpation by the Executive of the powers and functions of any of the independent agencies and pledges the restoration of the independence of such agencies and the protection of their integrity of action.

Mr. PROXMIRE. Madam President, I have also received a large number of telegrams and messages supporting my position in opposition to O'Connor. These are heartwarming evidences of support for which I am deeply grateful.

Madam President, at this point I ask unanimous consent to have printed in the RECORD a statement which summarizes the situation with regard to the nomination.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Lawrence O'Connor is the first nominee in the history of the FPC as an independent agency to come directly from a private industry regulated by the FPC—the powerful gas producing industry.

If he is confirmed the gas industry will have their man on the inside of the body set up to regulate them.

O'Connor's principal employment and background has been in the gas producing industry. As Oil Import Administrator he held shares in 29 firms engaged in the production, importation, or distribution of oil, or related industries.

He has been an active member of the powerful Independent Petroleum Association of America, serving as vice president of their Houston district and as chairman of one of their national committees.

The IPAA has stated that the Federal Power Commission should not regulate wellhead sales of natural gas.

This subject is the guts of natural gas regulation.

The Natural Gas Act of 1938 stated that the FPC should regulate the gas industry and the sale of natural gas in interstate commerce.

In 1954 the Supreme Court in the Phillips case made it emphatically clear that such regulation includes wellhead sales of natural gas.

Outstanding public servants like former Commissioners Thomas Buchanon and William Connole, who tried to regulate effectively in the public interest, met with tremendous gas industry opposition.

The Landis report on regulatory agencies described the enormous industry pressure on the FPC. Landis stated that the FPC's recent performance is "the most dismal failure in our time of the administrative process."

Landis said the FPC should be strengthened by appointment of "qualified and dedicated members with the consumer interest at heart."

Is Lawrence O'Connor this kind of man?

Mr. PROXMIRE. It is my position that the Senate should not consent to an appointment to the FPC of a man who on the basis of his lifelong association with the gas producing business cannot help but be inclined toward favoritism for the industry which the FPC must regulate. It is not only that this appointment is the wrong man; it is the wrong kind of man. The Federal Power Commission faces great difficulties in bringing the forces of the natural gas market back into balance. I think we will add to these difficulties by appointing a man who has devoted most of his life to work for and within the industry which the Federal Power Comimssion was established to regulate.

When this appointment was considered by the Commerce Committee, it was contended that the producers of natural gas lacked the power to influence the price paid by the consumer for natural gas, and that the nominee's background could not in consequence be prejudicial to the public interest. It was alleged at that hearing, that producers of natural gas are mainly small farmers and ranchers at the mercy of big distributing utilities and interstate pipeline companies. I have shown what nonsense this is. I have shown that the economic power of gas producers is immense. And I have shown that effective regulation of the consumer's price for gas does hinge on the control of prices exacted by producers for gas at the wellhead. Effective regulation by the Federal Power Commission has regularly been frustrated by appointments that swung the Commission majority toward the industry's point of view.

On the basis of what I know of the history of natural gas rate regulation and the degree to which the FPC has in the past favored the natural gas industry, I have determined upon my present course of emphatically opposing this confirmation.

Madam President, I wish to conclude by thanking the distinguished Senator from Oregon [Mr. MORSE] for his great help; and I also wish to thank the distinguished Senator from Minnesota [Mr. HUMPHREY], who provided humor and refreshment at about 4 o'clock in the morning. I also thank the Senator from Louisiana [Mr. LONG], and the Senator from Rhode Island [Mr. PASTORE], who was very generous in his comments last night, and the Senator from Kansas [Mr. CARLSON].

I am particularly grateful to the Senator from Illinois [Mr. DOUGLAS], whose appearances during this debate have been extremely helpful. His illuminating remarks are not the first evidence we have seen, by any means, of the Senator's great understanding of the regulation of this industry.

I also wish to state that I have—as I have always had—the greatest kind of admiration for the majority leader, and I now also have very great gratitude to him, for he has been most forbearing in what must have been a trying situation for him. I thank him very much for the way in which he has permitted me—without any kind of pressure, without any effort to stop me and to have the foreign aid bill or other measures come before the Senate—to proceed.

Mr. PASTORE. Madam President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. PASTORE. I merely wish to reiterate the statement I made yesterday complimentary to the distinguished Senator from Wisconsin; and again I congratulate him for rendering a notable service to the consumers of America.

Mr. PROXMIRE. I thank the Senator from Rhode Island.

Madam President, I yield the floor.

Mr. MANSFIELD. Madam President, I wish to extend my commendations and congratulations to the distinguished Senator from Wisconsin, who in my opinion has performed a public service, not only in this instance, but also in many other instances.

It has been charged that he has been conducting a filibuster. I wish to deny that allegation absolutely, because the distinguished Senator from Wisconsin has confined his remarks to the subject at hand. He has not sought to kill proposed legislation—which is the purpose of conducting a filibuster. He has spoken at great length in an effort to make his views known and to have them placed in the RECORD.

He has been most courteous in yielding to other Senators, to permit them to discuss other subjects; and he has shown the utmost cooperation and understanding insofar as the leadership was concerned and, I am sure, also insofar as the rest of the Senate was concerned.

The Senator from Wisconsin has been accused, so I have been informed, of undertaking dilatory action to obstruct the foreign aid bill. Nothing could be further from the truth, because the distinguished Senator from Wisconsin has not entered into such a procedure—and I know whereof I speak. He has spoken because he feels deeply and honestly about the subject now before the Senate.

Again I wish to state that I think he has performed a service. I think he has acted within the rules and the privileges of any Senator; and, so far as I am concerned, when any Senator, on either side, wishes to speak on a subject, his rights will be protected to the fullest extent possible.

I wish to say that in my opinion the distinguished Senator from Wisconsin has acted wholly and entirely within the rules of the Senate, and was entitled to conduct himself as he did; and should he desire to carry on, he is entitled to do so.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Judiciary Subcommittee of the Committee on the District of Columbia and the Retirement Subcommittee of the Committee on Post Office and Civil Service were authorized to meet during the session of the Senate today.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

Mr. MANSFIELD. Mr. President, I understand that the distinguished chairman of the Commerce Committee [Mr. MAGNUSON] is now on his way to the Senate Chamber. Inasmuch as the nomination of Mr. O'Connor is still the pending business, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[Ex. No. 1]

Allott	Hayden	Muskie
Anderson	Holland	Neuberger
Bridges	Hruska	Pastore
Byrd, W. Va.	Javits	Proxmire
Curtis	Keating	Russell
Dirksen	Long, Hawaii	Smathers
Dodd	Magnuson	Tower
Dworshak	Mansfield	Wiley
Ellender	McGee	Williams, Del.
Fong	McNamara	Young, N. Dak.
Gruening	Metcalf	Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Alabama [Mr. SPARKMAN] and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the presence of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana. [Putting the question.] The motion is agreed to, and the Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. BARTLETT, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BOGGS, Mr. BURDICK, Mr. BUSH, Mr. BYRD of Virginia, Mr. CANNON, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. COTTON, Mr. DOUGLAS, Mr. EASTLAND, Mr. ENGLE, Mr. ERVIN, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GORE, Mr. HART, Mr. HARTKE, Mr. HICKENLOOPER, Mr. HICKEY, Mr. HILL, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON, Mr. JORDAN, Mr. KEFAUVER, Mr. KERR, Mr. KUCHEL, Mr. LAUSCHE, Mr. LONG of Missouri, Mr. LONG of Louisiana, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MILLER, Mr. MONRONEY, Mr. MORSE, Mr. MORTON, Mr. MOSS, Mr. MUNDT, Mr. PELL, Mr. PROUTY, Mr. RANDOLPH, Mr. ROBERTSON, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mr. SCOTT, Mr. SMITH of Massachusetts, Mrs. SMITH of Maine, Mr. STENNIS, Mr. TALMADGE, Mr. THURMOND, Mr. WILLIAMS of New Jersey, and Mr. YARBOROUGH entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

Mr. MANSFIELD. Mr. President, during the course of the discussion this morning on the O'Connor nomination, which is the pending business, certain questions were raised by the Senator from Oregon [Mr. MORSE], and the junior Senator from Wisconsin [Mr. PROXMIRE].

It is my understanding that the chairman of the Commerce Committee is here at the present time prepared to answer these questions, or at least to lay before the Senate what information he has relative to questions raised.

Would the Senator from Wisconsin at this time be prepared to raise the questions which he and the Senator from Oregon raised on the floor this morning?

Mr. PROXMIRE. I would appreciate it very much if the Senator from Oregon could be persuaded to come to the floor.

Mr. MANSFIELD. I think the Senator from Oregon is absent from the Chamber on another engagement which he made previous to this time. That is my understanding. But if there is a member of the Senate staff here, I wish he would make that effort.

Mr. PROXMIRE. May I say to the Senator from Montana that I am perfectly willing right now to ask of the chairman of the committee the questions in which I am interested, but I do feel that the Senator from Oregon should be given an opportunity to secure additional information, if he could, and of course I feel that I should not enter into any agreement until after he has had a chance to do so.

Mr. MANSFIELD. Under the circumstances, if the Senator will ask his questions of the distinguished chairman of the committee, I will do my best from memory to ask the questions which I think the Senator from Oregon might have asked had he been here.

Mr. MAGNUSON. Will the Senator yield to me for a moment?

Mr. PROXMIRE. Mr. President——

The PRESIDING OFFICER. Is the Senator from Wisconsin seeking the floor?

Mr. PROXMIRE. I am seeking the floor. I yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, I am a little bit at a loss as to what the matter before the Senate is as it applies to the Senator from Washington. I was over in the Office Building holding a very important hearing, and it was suggested that I immediately come to the Senate floor to answer some questions.

Now, I am perfectly willing to answer questions about the Senator from Washington, but I do not know that I can answer questions about some other party.

Mr. MANSFIELD. About the nominee.

Mr. MAGNUSON. Or about the nominee, except insofar as what the record shows. We held public hearings on the nominee. The Senator from Wisconsin was present, I think, that one morning. I think we had two or three sessions on nominations, and one we had to continue to another day.

As I understand, the discussion here this morning by the Senator from Wisconsin and the Senator from Oregon was with regard to the nominee's financial affairs.

Mr. PROXMIRE. That is correct.

Mr. MAGNUSON. All I can do on behalf of the committee, and I speak solely on behalf of the committee, is to put in the RECORD any part of the hearings the Senator from Wisconsin wishes to have set out, and to quote from the hearings which were public, regarding the nominee's qualifications, or the nominee's financial holdings.

The nominee for this office submitted to the Committee on Commerce a complete list of his holdings prior to the hearing. Then the committee discovered that the Federal Power Commission itself has what has been in operation for some time, a sort of an intradepartmental committee. I will get the names for the Senator from Wisconsin. One of them, I know, is the Assistant General Counsel, and there may be two or three others. They are the ones who screen the financial holdings of any nominee for the Commission or any employee which are of a delicate nature because of conflict of interest.

We suggested to the nominee that he submit a list of his holdings to the committee, which he did. This group looked them over very carefully, and then, in open hearing, at which the Senator from Wisconsin was present, he submitted a list, not a new list, but a rearranged list that had been looked over by this group in the Federal Power Commission, divided into three groups: One group was of holdings in which they said there would be a conflict of interest, and therefore he should dispose of them. Another was a group in which there would be no conflict of interest, and I will put in the RECORD in full a list of all of the holdings he submitted. The third group was of holdings the disposal of which may take a little more time because they are hard to sell on the market.

That list was submitted to the committee and, I happened to be in the Chair at that time, I recall very distinctly that we said we would put these, not in the record, but submit them to the committee for the files.

I said to everyone there, including the press, that the information would be open to the public, which it has been all this time. This is the so-called revised list.

The nominee was questioned, and I quote from the report of the hearing:

The CHAIRMAN. I think maybe they should have had more, because at least one part of Senator PROXMIRE's statement that wasn't controversial was the time it takes to decide gas cases.

Now you have submitted for the files a list of your financial holdings, and you have submitted them for the committee and to the public if they want to look at them, so that the concern over conflict of interest in this particular case would be taken care of and for the purpose of the record, without reading them all, we will keep them in the files. I understand you have a new list now, is that correct?

Mr. O'CONNOR. That is right.

The CHAIRMAN. And you will submit that to the committee?

Mr. O'CONNOR. That is right.

The CHAIRMAN. Now since your name has been sent up by the President, what have you done with these personal holdings?

Mr. O'CONNOR. I have made no changes in them. I have reviewed with the committee staff and the Assistant General Counsel of the FPC, all of the financial interests, both in securities and in oil and gas mineral interests that I have ever owned. The FPC Counsel made a review of the securities, and classified them into roughly three groups, a group of stocks over which the Federal Power Commission now has jurisdiction over the companies, and I will pass on to you a list he has made of this classification, which will indicate I will dispose of all of this group of stocks, prior to taking the oath of office.

There is a second group that he feels present a conflict of interest, and in this case, with the exception of one small company, with a few stockholders of which a considerable amount of my investment is notes, I will dispose of those and I will expeditiously as possible dispose of that company. It will be a little difficult to arrange to do that, without taking a substantial loss.

The CHAIRMAN. And the third group, as I look at the list, are general investments in companies that have no relation to the Federal Power Commission.

Mr. O'CONNOR. That is right. With respect to my mineral interests, I will dispose of those either by sale or gift, as expeditiously as I can. It takes some time to transfer title and to establish the sale value but I will conscientiously see that in none of these cases will I decide matters pertaining to these interests. All these interests are oil or gas royalties with the exception of one working interest and there are no gas contracts, as far as I know, that are before the Commission or could be.

The CHAIRMAN. When you list the royalty interest, there are several names here and the names are the names of the wells, is that right?

Mr. O'CONNOR. No, in my case the names could be the name of the well, it could be the name of the landowner from whom the interest has been purchased, but in most cases I would say it is the name of the lease.

The CHAIRMAN. Name of the lease?

Mr. O'CONNOR. Name of the lease: the designation that the well has in the Railroad Commission report.

The CHAIRMAN. The chairman has no further questions.

This is all in the public hearings. Everything was filed. All these statements were made for the benefit of the public. Many people have looked at this list. I assume the Senator from Wisconsin has looked at the list in the file.

Mr. PROXMIRE. Yes.

Mr. MAGNUSON. I ask unanimous consent to have printed in the RECORD at this point the list which was submitted in the public hearings and which has been on view in the committee.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

FEDERAL POWER COMMISSION,
Washington, D.C., July 17, 1961.

Mr. LAWRENCE J. O'CONNOR, Jr.,
Washington, D.C.

DEAR MR. O'CONNOR: Pursuant to your request, your list of securities and oil and gas mineral interests holdings which you submitted has been reviewed for the purpose of informing you as to whether the Commission's records show that the companies or interests involved are subject to the Commission's jurisdiction or come within the Commission's Administrative Order No. 34, or would create a conflict of interest if held by a Commissioner of the Federal Power Commission.

From your list the following companies are either subject to Commission's jurisdiction or come within the Administrative Order No. 34:

Anderson-Prichard, Canadian Husky Oil, Ltd., Commonwealth Oil Co., Delki Taylor Oil, Fifteen Oil Co., the Houston Corp., Kewanee Oil, Mountain Fuel Supply, Murphy Corp., Ohio Oil Co., Marine Drilling, Inc. (Am. Tide), Rare Metals Corp. of America, Royal Dutch Petroleum, San Jacinta Petroleum, Shell Transport & Trading, South Texas Oil & Gas, Standard Uranium of America (Delaware Corp.), Sunray-Mid Continent Oil, Tennessee Gas Transmission, Texas Eastern Transmission, Texas Gulf Producing, Texas Illinois Natural Gas, Transcontinental Gas P/L, Western Natural Gas Co., Continental Oil Co., the Peoples Gas Light & Coke, Standard Oil Co. (New Jersey), First City National Bank, trustee (Houston, Tex.), Southern Cal Edison.

All of the above securities have either already been disposed of or will be disposed of prior to taking the oath of office.

Holding securities in the following companies would appear to create a definite conflict of interest:

Canadian Pacific Railway Co., Canadian Superior Oil, Movible Offshore Co., Truax-Traer Coal Co., Westinghouse Electric.

All of the above securities with the exception of Movible Offshore Co. will be disposed of prior to taking the oath of office.

The following companies do not appear to come within the categories referred to above:

Airtex, Inc., Allied Oil & Industries Corp. of Texas, Anderson-Clayton, British Petroleum Co., Ltd., Burmah Oil Co., Ltd., Canadian Homestead Oils, Caribbean Minerals, Inc., Commonwealth Credit Corp., Corona Silica Corp., preferred, Corona Silica Corp., common, Duncan Coffee Co., the Duroflex Co., Eider Mines, Ltd., Federated Department Stores, First State Bank of Bellaire, Gulf Chemical Co., Gulf Sulphur Corp., Houston Country Club, the Igloo Manufacturing, Igloo Manufacturing Co., InterWorld TV Films (Limited Sulphur), Kaiser Aluminum, Lacks Wholesale Distributer, preferred.

Leonard Refineries, Magnolia Realty Co., Midwestern Instruments, Inc., Missouri Kansas Texas, preferred, Pacific Mutual Life Insurance, Petroleum Service & Research, Pigeon Hole Parking of Texas, River Brand Rice Mills, South Coast Life Insurance, Texas Fund, Inc., Texas International Fund, University Savings & Loan, University State

Bank, U-Tote 'M, Inc., P. N. Hirsch & Co., Trace Elements Corp., Carver Crest Water, Gulf Chemical Co., Gulf Sulphur Corp., U.S. War Savings Bonds, Louisiana Gas Service, the Ruberoid Co., the American Tobacco.

Your list of oil and gas mineral interest is set forth below. Those marked with a capital J indicate the interest is subject to Commission's jurisdiction. With additional information it may develop that others are also subject to Commission's jurisdiction. However, it should be noted that the holding of any of the interests also would appear to create a conflict of interest if held by a member of the Federal Power Commission.

WORKING INTERESTS

Texas: Kauffman A Gas unit.
Texas: J Reed & Lindsay Gas unit.
Texas: J Nancy Jane Busby.
New Mexico: J L. R. Chamberlain.
Texas: J Gunderson unit.
Texas: Angie Haggerty.
Montana: Retta M. Harris.
Texas: H. L. Lewis.
New Mexico: J Pat H. McClure B.
Texas: Yettie Meadors.
Texas: O. A. Mudd.
New Mexico: J D. P. Peck.
Texas: J Rekdahl unit.
Texas: Simms-Hooks.
Texas: J Mary L. Soule.
Montana: Edith Thompson.
Texas: Urquhart Gas unit.
Texas: L. J. Taylor.

All of the above listed producing mineral interests will be disposed of as soon as practicable either by sale or by gift.

Very truly yours,

LEONARD EESLEY,
Assistant General Counsel.

Mr. MAGNUSON. I must ask the Senator from Wisconsin to bear with me, because I prepared this statement rather quickly after the colloquy on the floor. I understand that the junior Senator from Wisconsin desires additional information regarding the financial holdings of Lawrence O'Connor, the nominee under consideration for the Federal Power Commission. As I understand the question, they are: "The extent or size of his investment in each security."

I believe that on behalf of the committee I can answer that question very quickly. We have never asked any nominee the value of a security. The value is obvious, if he tells the number of shares, because it is listed on the exchange, for example.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MAGNUSON. In a moment I shall be glad to yield. The committee does not care whether it is 1 share or 10,000 shares, if there is a conflict of interest. In this particular case there are a number of holdings, but I understand they are generally in small amounts. In this case they are leases, which these people from that part of the country can probably explain better than I can.

Then, I understand, the question is, "How are they to be disposed of?"

I am sure I do not know. As I understand the nominee, he said it was to be——

Mr. PROXMIRE. By gift or sale.

Mr. MAGNUSON. By gift or sale he would dispose of them. Then the next question is, "If by gift, to whom?"

That is a matter I would rather leave to the Commission. Let me say, first, that the Federal Power Commission has regulations backing up existing law that bars the holding of securities that might constitute a conflict of interest.

Every member and employee of the Commission must submit his list of holdings for screening, and report changes in it as they occur, and the regulations also apply to the spouse of the employee or member. Securities that may present a conflict of interest must be disposed of within 30 days.

Mr. O'Connor testified that he would dispose of this part of the list before he was sworn in.

As the transcript of the hearings on this nominee shows, starting at the bottom of page 22, Mr. O'Connor had submitted his list of holdings before the start of the hearings. It was a lengthy list and I thought it should be considered by the Commission staff that handles these matters. It was so submitted.

The list in our files, which my friend, the junior Senator from Wisconsin, has seen, or his staff has seen, is in the form of a letter from Leonard Eesley, Assistant General Counsel of the FPC. It divides the list into groups that must be disposed of, or that may be retained.

The nominee stated in the hearing on page 23 that he would dispose of the questionable stocks prior to taking office, with the exception of one, and about this one he said "of which a considerable amount of my investment is in the form of notes. I will as expeditiously as possible dispose of that company."

Again, the committee does not know the number of shares or the value of the holdings, and never has, but in this case it was general knowledge that it was a small amount. We did not ask him for the information, and we do not necessarily ask other nominees, but, as I have said, the value is sometimes obvious. As far as the Commission is concerned, if a stock is one that a member should not own, it does not matter if one share or a thousand shares are held—they must be sold, and that is the way it should be. Mr. O'Connor has stated he will take care of the situation before he takes office. I submit to the Senate there is no reason to disbelieve that statement.

Mr. PROXMIRE. Mr. President, first I should like to say to the Senator from Washington that so far as the Senator from Wisconsin is concerned, this is the least important part of the case against Mr. O'Connor. When I appeared——

Mr. MAGNUSON. I thought the Senator wanted to ask me a question.

Mr. PROXMIRE. Yes. Before I ask the question I wish to make a short statement. When I appeared before the Commerce Committee——

Mr. MAGNUSON. I will have to leave the floor shortly.

Mr. PROXMIRE. It will take me only a minute and a half to make my statement, before I ask questions of the Senator. When I appeared before the Commerce Committee I raised no specific question of conflict of interest.

The questions I now have are these.

First, if this property is given away, and it is given to a close relative, there could be a question, at least in the minds of the Senator from Oregon and the Senator from Wisconsin, as to whether it legally is free of the conflict-of-interest regulations of the Federal Power Commission.

I wonder if the Senator from Washington could assist us by telling us more about such gifts. Can you tell us the value of the gifts and whether such gifts could still constitute a conflict of interest?

Mr. MAGNUSON. I cannot enlighten the Senator on that point. The first time I saw Mr. O'Connor was when he was suggested for this nomination.

I am not making any argument. I am merely stating what the record shows before the committee. The Senator from Wisconsin was there. I presume that any gift, if he decides to make a gift of some of these small holdings, would have to be reviewed by the Federal Power Commission, and OK'd by the Commission before he could take office. This is what he said he would do. I have no reason to doubt his word. I do not know what he is going to do except what he testified. A gift could be to someone. I do not know what he had in mind.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. MAGNUSON. I cannot tell him how to dispose of his property. I would not want to give anyone any advice how he should dispose of his property.

Mr. PROXMIRE. I ask this question because if it is a gift to a close relative, there might still be a conflict of interest.

Mr. MAGNUSON. The Senator is correct; if there is going to be a gift to certain people, a certain type of gift could be considered a conflict of interest. He could not give it to his wife. That would be prohibited. I am told that he is not married. The law provides that it cannot be given to a spouse, however. I suppose these people would look into it.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MONRONEY. The Senator from Wisconsin raises a very important and proper question. As the Senator from Washington has said, the list of securities which are listed on the market have been classified, and he can readily dispose of this property immediately by giving an order to the broker, because they are working shares in companies.

Furthermore, in my State, or in Illinois, or in Louisiana, almost everyone—with the junior Senator from Oklahoma possibly the sole exception—dabbles in oil. They buy wildcat leases. They buy them for a small amount of money, and if oil is found they are sold to an operating company.

Another type of investment is to buy royalties. A farmer will sell a part of his royalty interest to a royalty buyer. I think it will be found that many items on this list—although it is not clear—are royalties, in which he has acquired a share of an oil-producing property. There is no ready market for these leases or for the royalties. This is a matter where many people do not know how to evaluate the worth of the royalty that could be either in a producing well or a well which may or may not finally

produce oil. If they happen to find gas when looking for oil, one might become a part royalty owner in a producing gas well.

It is my understanding that Mr. O'Connor's mother is an aged woman and his sole surviving relative; that he will transfer—and this is informal, but my understanding—that he proposes to transfer to his mother those properties on which he would be forced to submit to a giveaway price with complete divestment of any control whatsoever in them.

I might say for the distinguished Senator's interest that a farmer or royalty owner in a producing gas well has very little relationship with the pipeline gathering company, or with the final pipeline that buys the gas.

This is about the same amount of interest that a wheat farmer in Wisconsin or Minnesota has in the finished flour in the chainstore. They merely have the product that is mined from the lease or the royalty holding they have. It is sold at whatever price the gathering pipeline offers to pay them, and is carried through a chain of two or three or four, or perhaps half a dozen corporate enterprises who do appear before the Federal Power Commission.

I am reminded of the vast holdings of General Motors stock of the former Secretary of Defense which I believe was transferred to his son, and the Congress approved this nomination without question.

I certainly would hate to require this man to destroy, perhaps, the source of income an aged mother might obtain from an investment in royalties over which the Federal Power Commission has practically no jurisdiction or concern.

If the Senator has other information, I would be glad to see if we could answer it.

Mr. PROXMIRE. May I say to the Senator from Oklahoma, on this particular point, this man's sole surviving heir is his mother?

Mr. MONRONEY. That is my understanding.

Mr. PROXMIRE. An elderly and ailing woman.

Mr. MONRONEY. I don't know whether she is ailing; I know she is elderly.

Mr. PROXMIRE. Whose heir, the heir to his mother, would probably be, I presume, O'Connor. There is no indication other than that a transfer within the family is the only practical way to handle it. The hearings simply commit him to gift or sale. Under those circumstances he could give it all away to his mother, to whom he is the heir. She is an elderly woman, and you have the problem that he would be heir to the same holdings which the FPC General Counsel ruled he must divest himself of.

The Senator from Wisconsin does not want to labor this point. I know this is a very difficult and complex situation. I think the Senator from Washington has given helpful information, except as to amounts. The reason why the Senator from Wisconsin wants these amounts, and the reason why I think they are pertinent, is because this man served and is now serving as Oil Import Administrator, and in this capacity the holdings he has constitute, it seems to me, the clearest kind of conflict of interest.

I do not know what the laws or regulations of the Interior Department provide. The amounts, therefore, would seem to me significant. I cannot understand how the Senator from Washington can assure the Senate that these amounts are small, if he does not know how large they are. Some people might call a holding of a hundred thousand dollars small. I am sure to a very wealthy man that would be very true, but to somebody else it would be a very considerable amount.

That is why, it seems to me, to say his holdings are small without more information or evidence is not adequate under these circumstances.

Mr. MAGNUSON. Would the Senator yield?

We said we did not care whether the amount was small or large, but if there is a conflict of interest he should get rid of it. We could send these all down to the bank for evaluation, I suppose. Sometimes holdings are obvious. We had a man up for Secretary of Commerce a while back. He said his main holding was X number of shares in a certain company. You can find out just what that is worth. He said it was worth considerable. In this case Mr. O'Connor said the various holdings are in small amounts. But it does not make any difference whether they are 1 share or 10,000 shares. If they are wrong, they are wrong. Although anyone might look at this, I want to quote again from page 23, where I interrupted the Senator from Oklahoma and said:

> Excuse me, Senator MONRONEY. I want to say that the list of the holdings, the new list which has been broken down as the nominee testified, will be available to anyone that wants to look at them. They will be in the committee files.

They have been there since July 26. Anybody can look at the files and I suppose find out the value, anybody that wanted to, if they wanted to do that. Maybe the Senator from Wisconsin knows the value. I do not.

Mr. PROXMIRE. May I say to the Senator from Washington that legally I suppose it does not matter whether they are 1 share or 10,000 shares.

Mr. MAGNUSON. I agree.

Mr. PROXMIRE. But from the standpoint of ethical determination by Senators, if a man has very heavy holdings, if that is likely to be his primary commitment, it seems to me it might make a very important difference.

Mr. MAGNUSON. I entirely agree with you, and the Senator has had from July 26, the hearing—the list has been public—to find out the value.

Mr. PROXMIRE. To my knowledge, there has only been an indication that he owns stock in these 29 oil and gas companies, but no indication how much. We do not know whether it is 10,000 shares or 10 shares. All we know is he has a holding.

Mr. MAGNUSON. I imagine it would be very easy to find out the value. I suppose he would tell you. I put in the RECORD that revised list.

Mr. PROXMIRE. Knowing the value of each share tells nothing unless we know how many shares of each stock he owns. That is the crucial information.

One reason I am specifically concerned about this gift to an aged mother is that it resembles the situation in which Edward Mills, nominated last year by President Eisenhower to the Federal Communications Commission had to disqualify himself because he was the beneficiary of a trust which included communications stocks. Even though Mills had no control over the trust, he could not escape the conflict of interest.

Mr. MONRONEY. The Senator is not entirely correct.

Mr. PROXMIRE. I beg your pardon.

Mr. MONRONEY. The bank in its fiduciary capacity would not permit diminution of the estate by a sale.

Mr. PROXMIRE. That is correct.

Mr. MONRONEY. There was a legal wrangle and he felt that he should not take the position with this impediment.

Mr. PROXMIRE. The Senator from Wisconsin abbreviated, circuited the legal situation in the Mills case. The practical effect, however, was very similar to the situation O'Connor would be in if he was the residual beneficiary or heir of a trust or stocks held by his mother. His mother's portfolio would include oil and gas holdings—some of the same ones he has been ordered to get rid of—and he would continue to be the residual beneficiary.

This is the kind of point which should be cleared up before, not after, O'Connor is confirmed.

Mr. MANSFIELD. I believe the Senator from Wisconsin has in large part covered the questions raised by the Senator from Oregon. This is what the Senator from Oregon [Mr. MORSE] has to say to the Senator from Wisconsin. I quote:

> Does the Senator agree with me that under the Constitution, the Senate is not justified in confirming if it is found that the evidence supports the conclusion that the nominee does not possess the necessary character qualifications to justify confirmation—

I would assume, we all assume, he has the necessary character qualifications.

To continue:

> or is not loyal to our form of government.

I assume we all assume he is loyal to our form of government.

To continue:

> or does not have adequate competency to do the work called for by the assignment.

I assume we all think he has adequate competency to do the work called for—

> or has such a vested interest within the industry, past or present, as makes perfectly clear that there is a conflict of either economic interest or of personal associations, based upon close friendships and cronyism, as has been brought out earlier in our colloquy?

This, I think, hits closest to all the observations in the arguments made by the Senator from Wisconsin.

To conclude what the Senator from Oregon said:

> If any one of these criteria cannot be fulfilled by any nominee, under the advise and

consent clause of the Constitution, a nomination cannot be confirmed. Is not that correct?

End of the quotation. I am quite sure the Senator from Wisconsin said he agreed with what the Senator from Oregon said.

Mr. PROXMIRE. The Senator from Wisconsin said there was a lifetime of association with this particular producing element of the industry, with the lobbying group, so that the Senator from Wisconsin feels that this association disqualifies him, aside from the technical, legal conflict of interest, which may also disqualify him.

Now if I may raise some questions which I think might be raised by the Senator from Oregon [Mr. MORSE] with the chairman of the committee [Mr. MAGNUSON], I shall appreciate whatever answers may be possible:

How does the nominee propose to dispose of his holdings in oil and gas companies? We have been told, in effect, that he proposes to dispose of them either by gift or sale.

Mr. MONRONEY. Mr. President, will the Senator from Montana yield to me at this point, to permit me to refer, for purposes of clarification, to page 23 of the hearings?

Mr. MANSFIELD. I yield.

Mr. MONRONEY. I read now from page 23 of the hearings, where the reference was to the mineral interests:

Mr. O'CONNOR. That is right. With respect to my mineral interests, I will dispose of those either by sale or gift, as expeditiously as I can. It takes some time to transfer title and to establish the sale value but I will conscientiously see that in none of these cases will I decide matters pertaining to these interests. All these interests are oil or gas royalties with the exception of one working interest and there are no gas contracts, as far as I know, that are before the Commission or could be.

He differentiated between the disposal of his securities and his gift or sale which will be in the case of his royalty holdings. Therefore, I think he has "undressed" almost as completely, financially, before the committee and before the Congress as he can.

Furthermore, I read further from the hearing. As shown on page 13, the following occurred:

Senator MONRONEY. I will try to be brief, Mr. Chairman.

Have you ever known Mr. O'Connor?

Senator PROXMIRE. I beg your pardon?

Senator MONRONEY. Have you ever known Mr. O'Connor?

Senator PROXMIRE. No. I saw Mr. O'Connor for the first time this morning.

Senator MONRONEY. You evidently have done a good deal of research on this situation before coming before this committee. This is well prepared and from your standpoint a very well-documented presentation.

I wonder if, in your studies, you have investigated his character?

Senator PROXMIRE. I heard nothing whatsoever adverse to the character of Mr. O'Connor.

Senator MONRONEY. He is morally honest and upright and a man of good patriotic intent?

Senator PROXMIRE. I am sure.

Senator MONRONEY. You do not suspect him of being susceptible to bribery?

Senator PROXMIRE. No, sir.

Senator MONRONEY. Or suspect that he would willfully, with the facts clearly on one side, hold on the other side, because of his past association?

Senator PROXMIRE. No, sir. I think in answer to that particular question, however, I would say that the record of the Federal Power Commission indicates that they have had many fine men of high character, men whose attitude has been oriented toward the industry and in my viewpoint, at least, have made decisions which have assisted the producers and industry generally and damaged the consumer.

Senator MONRONEY. Of course, Mr. O'Connor has never been a Federal Power Commissioner.

Senator PROXMIRE. I know, but this has been the record of other people of high character and otherwise good qualifications.

I think that is the essence of the issue—not the nominee's character or holdings, because the listed stocks can be disposed of at any time, and will be. There would be no reason why he should or would intend to hold on to those which are readily salable. But as regards the royalty interests, they are as distant as is the North Pole from the South Pole from the possibility of the exercise of any influence over the work or decisions of the Federal Power Commission. He should have an opportunity to sell them at not too great a sacrifice, for the privilege of entering the public service; or in the event he cannot realize their proper value, he should have an opportunity to transfer them to his aging mother, so she will have some estate, aside from the securities which I am sorry Mr. O'Connor cannot pass on to her.

Mr. MANSFIELD. Mr. President the first question has been answered.

The next question which I assume the Senator from Oregon would ask is this: Does the financial interest the nominee has in the oil and gas industry constitute a conflict of interest making it impossible for him to serve in a fair and impartial manner as a member of the Federal Power Commission?

I gather from what the chairman of the Commerce Committee has said that the nominee satisfactorily answered that question in his testimony before the committee, and that a check has been made by some agency of the Government as to what his holdings are and as to whether they constitute a conflict of interest. Is that correct?

Mr. MAGNUSON. That is correct.

Mr. MANSFIELD. The third question is as follows: Will the nominee dispose of these holdings in such a way as to eliminate a direct conflict of interest?

Mr. MAGNUSON. The nominee testified that he would before he would be sworn in.

Mr. MANSFIELD. And is there a check on that by the committee and by the Federal Power Commission, which is charged with that responsibility?

Mr. MAGNUSON. The check is by the Federal Power Commission, which by law and by regulation sees that that is done before a man is hired or is sworn in.

Mr. MANSFIELD. If I may venture a personal opinion, I would say that on the basis of the statements and the speeches made by the Senator from Wisconsin, Mr. O'Connor has been gone over with a fine-toothed comb, and very likely will be gone over in the same manner in the future, if his nomination is confirmed.

Mr. PROXMIRE. I wish to repeat that I am very, very sorry the Senator from Oregon [Mr. MORSE], who early this morning did so fine a job in going over this issue, is not here at this time.

My position must now be well known; it is in the RECORD, and it was also stated at the hearings.

My principal objection to the nomination is that the nominee has had a lifetime of association with the producing industry; and if the nomination were confirmed, it would be the first time in the history of the Federal Power Commission that a man from an industry regulated by the Commission was placed on the Commission. This would be done at a time when the Federal Power Commission is recognized as the most dismal of the breakdown of the administrative process in Washington, to use the words of Dean Landis.

I wish to thank the Senator from Washington. I very sincerely apologize for being instrumental in his having to leave a very important committee meeting and come to the floor.

I think his answers were responsive, although I still firmly believe that the proper course is to vote against confirmation of the nomination. But I do not suppose that surprises the Senator.

Mr. MAGNUSON. As a matter of fact, I have a deep interest in the procedure in the Commission and I have great concern in regard to some of the men who have been put in there.

Mr. PROXMIRE. I understand.

Mr. MANSFIELD. Mr. President, let me state that the Senator from Oregon [Mr. MORSE] had a pressing commitment he had to meet; therefore, he had to leave the Chamber. I have tried to go into the matters or the questions he would have raised if he had been here at this time.

Let me ask whether the Senator from Wisconsin is ready.

Mr. PROXMIRE. I think we should wait until the Senator from Oregon returns.

Mr. MANSFIELD. He did not indicate that he wished that to be done. He left the procedure up to the Senator from Wisconsin and to me, when he left.

Mr. PROXMIRE. If it is true that the Senator from Oregon is not concerned about that, I would be willing to withdraw my motion. But before there is a yea-and-nay vote, I think the Senator from Oregon should have a chance to be present.

Mr. MANSFIELD. I thought I had an understanding.

Mr. PROXMIRE. Oh, I beg the Senator's pardon.

Mr. MANSFIELD. Then, Mr. President, I ask unanimous consent——

Mr. PROXMIRE. If the Senator from Montana will assure me—for I did not understand him—that the Senator from Oregon has said we could go ahead with the vote, because his absence would be necessary, then of course I shall accept completely the word of the Senator from Montana.

Mr. MANSFIELD. I wish I could give such ironclad assurance. But, unfortunately, I cannot.

It was my interpretation of the conversation with the Senator from Oregon,

before he left to keep the engagement, that he wanted these questions raised and that he wanted this issue brought to a vote at a reasonable time.

But in view of the fact that I cannot give an ironclad guarantee, I should like now to propose a unanimous-consent agreement; namely, that the Senate vote at 4 o'clock this afternoon, and that prior to the vote, 20 minutes be allocated—10 minutes to be under the control of the Senator from Wisconsin and 10 minutes to be under the control of the majority leader—in other words, beginning at 20 minutes of 4, to have that time limitation until 4 o'clock; and at 4 o'clock to have a yea-and-nay vote on the Senator's motion to recommit. Is that satisfactory?

Mr. PROXMIRE. That is perfectly satisfactory to me. But once again I wish to ask whether the Senator from Montana has been assured that this is satisfactory to the Senator from Oregon. This morning he did indicate, at about 7:30, that there would not be any vote today on this, and that he was interested in an extended discussion. But if subsequently he has indicated that on the basis of what has transpired since then, he is willing to have the vote taken, I certainly am not going to——

Mr. MANSFIELD. Well, he wanted to have the chairman of the committee answer the questions which now have been raised and answered. It is my interpretation that when that was done, one way or the other, he would want a vote taken. I cannot give an absolute guarantee. But in order to protect the interests of the Senator from Oregon, I propound that unanimous-consent request; namely, 20 minutes to a side, and the yea-and-nay vote to be taken at 4 o'clock. And I will take the responsibility.

The PRESIDING OFFICER. Is there objection?

Mr. PROXMIRE. I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

Mr. PROXMIRE. Is the request for the yeas and nays on the question of voting the nomination either up or down? The Senator has withdrawn his request——

Mr. MANSFIELD. Yes.

Mr. PROXMIRE. Mr. President, I withdraw my motion. I do not think unanimous consent is required for that purpose.

The PRESIDING OFFICER. The motion of the Senator from Wisconsin has been withdrawn.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the question of whether the Senate will advise and consent to this nomintion, the yeas and nays be ordered.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, in view of the agreement which has been reached, let me ask what the present situation is.

The PRESIDING OFFICER. The Senate is still in executive session.

NOMINATIONS

Executive nominations received by the Senate, August 8, 1961:

THE JUDICIARY

Arthur M. Davis, of Arizona, to be U.S. district judge for the district of Arizona, vice a new position.

John D. Larkins, Jr., of North Carolina, to be U.S. district judge for the eastern district of North Carolina, vice a new position.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The following-named persons to be members of the Advisory Board of the St. Lawrence Seaway Development Corporation:

Paul M. Butler, of Indiana, vice John C. Beukema.

Thomas P. McMahon, of New York, vice Frank A. Augsbury, Jr.

Dr. N. R. Danielian, of Maryland, vice Hugh Moore.

The following persons for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

To be captains, USAF (Judge Advocate)

William H. Carnahan, AO1861363.
Gaylon K. Kintner, AO3047463.
Darwin H. Mueller, AO3059978.

To be captains, USAF (Medical)

John H. Alexander, AO3090085.
Robert A. Farmer, AO3076561.
James O. Hightower, Jr., AO3075078.
Stanley D. Irving, AO3017828.
James D. Pappin, AO3079644.
Virgil J. Shepherd, AO2277010.
Joseph M. Threadgill, AO3089981.

To be captain, USAF (Dental)

Ronald M. Gomer

To be captains, USAF (Nurse)

Sara G. Jordan, AN2244465.
Juanita Warren, AN2241718.

To be first lieutenant, USAF (Judge Advocate)

Robert A. Dunham, AO3103942.

To be first lieutenants, USAF (Dental)

Willis B. Irons, AO3110490.
Christian W. Nill, AO3090626.
James V. Picone, AO3110496.
Grady Sarrett, Jr., AO3110498.
Ernest W. Wasielewski, AO3110501.

To be first lieutenants, USAF (Nurse)

Lucy P. Credle, AN3045319.
Patricia L. Krause, AN2242865.
Mary A. Mitchell, AN2214311.

To be first lieutenants, USAF (Medical Specialist)

Dolores P. Keleske, AJ101209.

The following persons for appointment in the Regular Air Force, in the grades indicated under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be captain

Henry W. Poos, AO3019026.

To be first lieutenants

Carl R. Balduf, AO3084490.
Dale A. Barsness, AO3074174.
Richard C. Brace, AO3072932.
Donald A. Chisholm, AO3094125.
Marvin R. Clark III, AO3073153.
James M. Davis, Jr., AO3086650.
Joseph C. Denny, AO3093867.
Joseph C. Eggleston, Jr., AO3084892.
Rolland R. Fisher, AO3093188.
Charles G. Fullerton, AO3083359.
Robert J. Gran, AO3094024.
Walter S. Greenwood, Jr., AO3072612.
Thomas B. Harris III, AO3087441.
Detlev E. Hasselmann, AO3084530.
Kenneth T. Hazemoto, AO3087149.
Harry W. Ingold, AO3085838.
Charles J. Kilb, AO3093697.
Michael F. Langford, AO3081778.
Stuart N. Mapes, Jr., AO3085529.
Richard E. Merchant, AO3072521.
George A. Miklos, AO3081760.
Burnley L. Miles, AO3087300.
John Moore, AO3085109.
Alexander H. Newlands, AO3086791.
Michael Pangarliotas, AO3085757.
Edward Peachin, AO3093880.
Donald J. Penick, OA3068938.
Michael J. Pohlen, AO3093393.
William M. Porter, AO3086281.
Henry H. Ray, AO3092999.
Daniel K. Read, Jr., AO3072473.
Lyle G. Riffee, AO3083266.
Patrick E. Roszel, AO3082808.
Edgar M. Schumann, AO3074515.
Howard K. Smith, AO3093059.
Richard N. Smith, AO3083476.
Wallace K. Smith, AO3083210.
Gregory E. Stillman, AO3087267.
Lewis L. Tew, AO3093477.
Billy D. Thornton, AO3072570.
James H. Tiller III, AO3086540.
James C. West, AO3086270.

To be second lieutenants

Distinguished Aviation Cadet Graduates

Jimmy C. Dodson, AO3117975.
Gerhard W. Eggebrecht, AO3117768.
James T. Jagusch, AO3117717.
Philip E. Louden, AO3117914.
Richard C. Nussbaum, AO3117820.
Kemmel H. Owen, AO3118064.
George H. Ratner, AO3117827.
Robert B. Virtue, AO3117939.
Elroy J. Wicklund, AO3117748.
James F. Willette, AO3117749.

Distinguished Officer Training School Graduates

Howard T. Beagle, AO3115749.
Richard F. Drake, AO3116608.
Roy R. Krebs, Jr., AO3116641.
John W. Lee, AO3116644.
David C. Reed, AO3116673.

Subject to medical qualification and subject to designation as distinguished military graduates, the following distinguished military students of the Air Force Reserve Officers' Training Corps for appointment in the Regular Air Force, in the grade of second lieutenant, under section 8284 of title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

Arthur W. Ahl	James M. Kreutz
Robert N. Alexander	Harley E. Lawrence, Jr.
William H. Ausman	George D. Locke, Jr.
Michael J. Barr	Michael H. Lowry
William E. Bates	William A. Lucia
Robert A. Bloechle	Karl E. Luther
Steven R. Brown	Donald H. Mabry
Barry W. Bullard	Robert J. McCusker
John W. Chapman	Howard L. Morse II
Calvin H. Chastain	Robert E. Olson
Loren W. Conrad	Benjamin J. Pearson
Roger A. Crawford	John J. Pendray
Wharton R. Crawshaw	Kenneth M. C. Pfrang
Mickey D. Doty	Joseph T. Ramey
Donald T. Drinnon	Richard L. Rigg
Thomas B. Dunning	James R. Salley
John C. Durrett	Dale E. Seastrom
Gerald W. Dyson	Thomas C. Skanchy
Robert C. Fanning	Reeves P. Smith, Jr.
Thomas W. Farrior, Jr.	Robert L. Southwell, Jr.
Gordon W. Fox	John G. Terino
Donald J. Fulaytar	William J. Toth
Bernard D. Giere	Charles J. Vesely
Walter M. Gipson	Thomas R. Waldron
Donald L. Gish	Robert W. Walker
Guy E. Gleason	James M. Walton
Marvin H. Hammond, Jr.	Alfred G. Wendler
Kenneth C. Hebert	Robert R. Wilde
David B. Hubbard	Edmund P. Winston, Jr.
George F. Kirby	James H. Woodward, Jr.
Kenneth D. Krehbiel	

EXTENSIONS OF REMARKS

What's Good About U.S. Agriculture?

EXTENSION OF REMARKS
OF
HON. JOHN A. CARROLL
OF COLORADO
IN THE SENATE OF THE UNITED STATES
Tuesday, August 8, 1961

Mr. CARROLL. Mr. President, I was invited recently by the editors of Western Farm Life to submit an article on the positive aspects of American agriculture, our largest and most misunderstood industry. Western Farm Life is published by Fred Seaton, former Secretary of the Interior and once a member of this body. I wish to compliment Mr. Seaton and Mr. Phil Patterson, editor of Western Farm Life, for taking the broad view that our agriculture has many good points which far outweigh what is wrong with it. The article appeared in the August 1, 1961, edition of this widely circulated journal, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT'S GOOD ABOUT U.S. AGRICULTURE

(By JOHN A. CARROLL, Democratic Senator from Colorado)

(JOHN A. CARROLL, U.S. Senator from Colorado, is a professional lawyer and a Democrat.

(CARROLL was born in Denver in 1901 where he attended the public schools, and graduated from Westminster College of Law. He served as U.S. district attorney and Denver district attorney during the 1930's. He was regional attorney for the Office of Price Administration (the Rocky Mountain area) in 1942–43.

(A veteran of both world wars, CARROLL served in the Philippines in World War I and in Africa, Italy, Corsica, and France during World War II.

(From 1947 to 1950 he was a Member of the 80th and 81st Congresses. During 1950–51 he was consultant to the President at the White House, and in 1956 was elected to the U.S. Senate where he currently serves. He is a member of the Interior and Insular Affairs Committee and the Public Works Committee.

(He is married and the father of one daughter.)

Not so long ago, and not so far away, there was an ingenious, hard-working craftsman who toiled long hours turning out both necessities and luxuries for his neighbors.

He got along reasonably well, but there were few years when he made any substantial profit above the living expenses of his family. His investment in tools and property was heavy; market prices for his goods rose and fell frequently; various other hazards made his economic future unpredictable.

But this man loved and respected his work. It gave him great pride and satisfaction to be able to produce his excellent wares, knowing how useful they were. He liked his way of living, and despite the frequent disappointments he usually said he wouldn't trade places with anyone—and he means it.

As the years went by, this craftsman became increasingly skillful. He kept solving production problems and finding better ways to do things. He put in more machinery and he continued working around the clock. Naturally he produced greater quantities of goods each year.

Gradually he began discovering that he could not sell all that he produced. His prices declined and his shelves sagged with a growing burden of unsold items. His continuing efficiency had put him in a serious predicament.

The authorities tried to help him. They encouraged him to take some of his plant out of production. They urged him to produce different products. They bought some of his output. But none of these ideas solved the basic difficulty.

While the authorities wrangled about the best solution some of his neighbors began to mutter. People don't like problems, and this man had become a "problem."

Some of them talked as if he were a beggar or a fool. They forgot that they had encouraged him (by incentive) to produce as much as he could, when an emergency had existed. They forgot that he had to continue working hard and producing more to pay for his investment in plant and equipment.

By any reasonable standard, this man was a spectacular success. He was efficient beyond anyone's expectations. But people were sneering at him because he had improved his techniques, worked hard and accomplished near miracles of production.

If you have read this far, I am sure you recognize the central character of this homemade fable: The American farmer and rancher.

I expect to see the day when this man again will be the hero of the hour, the darling of the crowd. He will live to be appreciated more than ever in history—if only he can hold out a few more years.

The population of the United States, and indeed of the world, is growing at a fantastic rate. Someone will have to feed and clothe all the people, and nobody can do it like our farmers and ranchers.

Even today there are men, women, and children in our own country who do not get enough to eat and wear. In Latin America, Asia, and Africa there are hundreds of millions of them.

Famine, one of man's historic enemies, is claiming lives somewhere in the world at this moment. The Russians and the Chinese, our bitter rivals, cannot make their agriculture work a fraction as well as ours does. Hunger is taking a dreadful toll among Red China's millions.

The despots who rule the lands behind the Iron and Bamboo Curtains would be delighted if they had our farm production "problems."

A recently published pamphlet of the U.S. Department of Agriculture observes:

"The amazing success story of this generation is the efficiency of agriculture.

"One farmworker today produces food and clothing for 26 people.

"One hour of farm labor produces four times as much food and fiber as it did in 1919–21. Crop production is 65 percent higher per acre. Output per breeding animal is 88 percent greater.

"But this technological revolution in agriculture has just begun. Only a few farmers are using all of the new technology to best advantage. Research is continuing to discover even more efficient methods and improved crops."

Think of it. Today it takes about 10 pounds of feed, on the average, to produce 1 pound of gain in beef cattle, according to the Department of Agriculture.

But if the best methods and rations presently available are used, 1 pound of beef cattle gain can be produced with only 8½ pounds of feed. And research is continuing to narrow the gap.

New machinery, new hybrid seeds and breeds, new fertilizers, new insecticides, better soil and water conservation, more efficient feeds and medicines, improved irrigation, rural electrification—all these have wrought a revolution since the days when my mother's people broke the sod of western Kansas and became pioneer plains wheat growers. Even since 1950, the average farm worker's productivity has increased by 48 percent.

But certain things are very much the same.

In our Great Plains and Rocky Mountain country a man has to be a devout believer and something of a gambler to live off the land. Any farming or ranching enterprise in our high and windy region is a risky venture.

Our farmer or stockman has to be tougher and calmer and more resourceful than most men to be able to endure seeing a fine stand of wheat or sugarbeets hammered down by 10 minutes of hail in midseason—or to try in vain to save the calves or the lambs from a sudden, heavy snowstorm late in spring—or to see some of the finest topsoil take off in the general direction of Texas on a windy winter day—or to wrestle grasshoppers, or floods, or parching drouth, or tornadoes.

You name it, and our farmers and ranchers have faced it and beaten it.

They have said a prayer, or maybe cussed quietly, and perhaps they have gone down into town to try to get another loan, and then they have started again.

Most of them have stayed with the land. Most of them still think they are lucky people to be living where they are and the way they are.

And we are the luckiest nation on earth to have them.

The Haitian National Lottery

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 8, 1961

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the national lottery of Haiti.

Haiti is a tiny and poverty-ridden republic in the Caribbean. Revenue sources are few, and the Haitian Government is thus well aware of the fiscal merit of a national lottery.

In 1960, the gross receipts of the Haitian national lottery came to $3 million. The net income to the Government was $600,000. The proceeds were utilized for social welfare and assistance work.

The Government of Haiti has wisely realized that a national lottery can be an effective means with which to advance the social welfare of the people. It would seem to me that we here in the United States could benefit from the use of lottery money on behalf of the same goals.

Address by Under Secretary of the Interior James K. Carr

EXTENSION OF REMARKS
OF

HON. EUGENE J. McCARTHY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, August 8, 1961

Mr. McCARTHY. Mr. President, on behalf of the Senator from Washington [Mr. JACKSON] I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement by the Senator from Washington together with a speech by the Under Secretary of the Interior, James K. Carr.

There being no objection, the statement and address were ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE HENRY M. JACKSON

On July 18, the community of Ephrata, Wash., celebrated Billy Clapp Day in observance of the 43d anniversary of the first news story carrying Mr. Clapp's suggestion for the construction of Grand Coulee Dam. People from all over the Pacific Northwest came to Ephrata to honor Mr. Clapp, who still lives there, and the little group of farseeing men and women who fought the Grand Coulee Dam battle to a successful conclusion.

The principal speaker that day was the distinguished Under Secretary of the Interior, James K. Carr, who delivered a timely and significant address. Mr. Carr eloquently described the fight for full development of Grand Coulee and the Columbia River. Mr. Carr also has set forth clearly the great economic value to the region and the Nation from not only the power, but also the irrigation benefits from Grand Coulee Dam. And, more important, the Under Secretary sets forth the case for complete development of the Columbia Basin project, which is now only half developed.

REMARKS BY UNDER SECRETARY OF THE INTERIOR JAMES K. CARR AT LUNCHEON HONORING WILLIAM "BILLY" CLAPP, EPHRATA, WASH., JULY 18, 1961

Mr. Clapp, distinguished guests, ladies and gentlemen, it is a real privilege for me to be a part of your tribute to Billy Clapp, who in conjunction with a band of dedicated and determined men and women, did so much to make the dream of Grand Coulee and the Columbia Basin project a reality.

Secretary Udall has asked me to bring his personal greetings to Billy Clapp and his friends. Secretary Udall is unable to be here today, and this very pleasant assignment has fallen to me.

Most of the time, we have the unfortunate habit of failing to acknowledge our gratitude for the personal sacrifices and contributions of our citizens until it is a matter of history. Once in a while, though, we recognize our collective debt before time has taken its toll of our pioneers. Today is one of these fortunate instances.

The growth of our great land from a few eastern colonies to a mighty colossus came about because America spawned men of vision, men who looked forward despite hardship and personal sacrifice, men who continued to fight for a dream in the face of almost impossible odds.

It is in memory of this valiant vanguard that we meet today to honor Billy Clapp. We honor him for his full contribution to the Columbia River Basin project. We honor him also as a symbol of the determined men who turned Grand Coulee from a dream into a living monument to man's faith in the future.

In honoring Billy Clapp, we also pay homage to Gale Matthews, Ed Southard, Sam Hill, Paul Donaldson, Rufus Woods, A. A. Goldsmith, Frank Bell, Nat Washington, Willis Batcheller, and, of course, Jim O'Sullivan. We pay homage also to many others—the countless men and women of the Columbia Basin who supported this group morally and financially in the long struggle.

The Columbia River, through its enormous flow and rapid fall, is the greatest power stream in the civilized world. As a source of power, it is mightier than the Mississippi, greater than the Volga. It dwarfs the Ganges, the Euphrates, the Yangtze, the Yukon, and the Amazon in its value to man.

Fully one-third of the hydroelectric potential of the United States lies along this great river. Its waters coursing to the ocean mean life and progress to a great region of our country, and its contributions to America far transcend its immediate benefits in the Pacific Northwest.

To harness the waters of the Columbia required a daring spirit, a strength of will, and a vision of the future, as great as the river itself. The successful harnessing of the Columbia River, at Grand Coulee, has been described as an epic struggle made possible by the indomitable spirit of man.

It required the construction of the largest concrete structure in the world—an undertaking which has been approached only in the building of the Great Pyramid of Egypt.

It required 10 million cubic yards of concrete—enough to build a highway across the Nation.

It required materials which would fill a train some 3,000 miles long.

But, primarily, it required that the will of the people be made known through men like Billy Clapp and Jim O'Sullivan and their friends. It needed the essence of American spirit, fostered by undaunted courage and determined devotion, to become reality.

Billy Clapp supplied the idea—the idea of a dam across the Columbia at Grand Coulee. It was first publicized in the Wenatchee Daily World by Rufus Woods 43 years ago today.

Although history may have forgotten, 1 year later, Ole Kallstad, a carpenter here in Ephrata, wrote to the Bureau of Reclamation suggesting that power created by the Dam could be used to pump water into the Coulee.

Here was the idea. Here was the method. And, to their everlasting credit, we had the men who could carry forth through the long years of struggle which lay ahead. I will not recount the bitter fight which consumed the years. However, it was epic in its proportions.

Throughout the years, faced with failures, setbacks, hidden and powerful opposition, thwarted by lack of funds, Billy Clapp and his friends fought the good fight for an ideal—an ideal which is now firmly planted in America.

This band of men believed that the resources of the Nation belonged to the people of the United States, that the resources of water and land were to be developed for the benefit of the people, that the fruits of our resources belonged to the many, not the few.

Even as Billy Clapp unfolded the dream of a gigantic dam at Grand Coulee, an alternate proposal to irrigate the area through a series of gravity canals was being seriously pushed. I do not have to remind Billy Clapp of the forces of reaction which seized upon this proposal to thwart full development of the Columbia River.

There were public statements such as this: "Probably nothing more visionary or impractical or ruthless with waste of public funds has come in the mass of schemes to use the taxpayer's money than the Coulee Dam project."

A leading legislator said, "Grand Coulee * * * is the most colossal fraud in the history of America."

One newspaper in the area editorialized, "It is too great in volume, but it is vastly more impressive in the magnitude of its folly."

Even those who strongly urged the project could not have foretold the great contribution which Grand Coulee made to our Nation in time of peace and in time of war. Furthermore, in spanning the Columbia River, the project ushered in a new era of resource development in the Pacific Northwest, an era which stressed the multiple-purpose concept of resource development. The early backers, I am sure, did not realize the tremendous recreational and fish and wildlife benefits which would flow from this undertaking.

Many, I am equally sure, had notions of the terrific economic impact which would result. New opportunities for farmers, businessmen, the professions; for everyone, in fact. Yet, I feel that even the most liberal concept then existing would today prove conservative.

Recent studies by the Bureau of Reclamation illustrate the practical economic values to an area of continued expansion of irrigation development. For example, these studies found that a typical mature development involving 1,000 acres of new irrigation creates 13 farming opportunities, supporting 49 persons, and producing an average of about $140,000 of crops each year. Additional investment in farm property, machinery, equipment, and supplies totals about $425,000. More indirectly, the new 1,000 acres of irrigated land provide 66 jobs supporting 163 people in urban areas.

Hindsight is a questionable virtue, but had we known then what we know now, we would have built more Grand Coulees in the Pacific Northwest during those years. We would have installed more power. We would have developed more irrigable land. The lessons of the recent past prove that reclamation projects stand as oases of stability in the States where full development has been pressed.

In terms of the Columbia Basin, irrigation water has been available to thirsty lands of the project for only 10 years. In 1950, the project areas supported only limited dry farming and some stock raising. The population totaled a little more than 30,000—many of whom were engaged directly or indirectly with construction of the project facilities. Today, the project area encompasses a population in excess of 70,000.

Water is now available to over 440,000 acres with crops totaling almost $41 million grown this year. In the few years since the first water was put on the land, the cumulative gross value of crops total almost $200 million.

The total cost of works constructed by the Federal Government in this complex project exceeds $533 million. Income to the project from the sale of power generated at Grand Coulee Dam, together with the annual operation and maintenance payments by the water users, now totals over $204 million. Power sales account for about 94 percent of the total income.

A few moments ago I mentioned that Billy Clapp and his associates met with difficulties as they worked to bring about the Grand Coulee Dam and the Columbia Basin project. An undertaking of so vast and unprecedented scope could not be expected to be brought into being without a certain amount of complex problems. And so it is that even today we have encountered differences and difficulties.

We hear the statements: "Why worry about full development of the project—particularly in the light of the current crop surplus situation?" or "Why go on when

further development will only mean more competition for the existing operation?"

I'm sure that Billy Clapp's close friend, Jim O'Sullivan, would give such statements short shrift. And, for far more than sentimental reasons, too. There are sound economic and social reasons which make continued development of the Columbia Basin project imperative. To call a halt when the irrigation potential is only half realized would be shortsighted, to say the very least.

One of the stratagems advanced by the adherents of the gravity irrigation canal to block development of the Grand Coulee was to seek restriction on the height of the dam. Ed Southard once wrote to Jim O'Sullivan, who was then in California, that "the high dam is the fight we have to win * * * the low dam is only half development."

And, so it is today. Four hundred and forty thousand acres in the project area is only development. Our Nation is not rich enough to let this land lie fallow. We must work this land—this land which has so much to offer to America.

The present problem regarding repayment of project costs has been with us for a decade. It is complex—but no more complex than the problems which were overcome by Billy Clapp and his friends in bringing this project to fruition. In fact, the repayment problem is paled by comparison.

Secretary Udall has endorsed the legislation to defer the 1962 drainage assessment, and the bill has been reported out by the Senate Interior Subcommittee on Irrigation and Reclamation. We are hopeful that the measure can be passed this session.

A highly qualified three-man board has been appointed to review the situation and to consider actions which need to be taken to correct it. The board's report is due by August 1. By September 1, we hope to develop a proposed contract—based on the report of the board—which will mean positive growth, rather than negative stagnation. At the same time, we plan to offer suggestions to rid the project of problems that have plagued it for years.

We have reached the point where, like Billy Clapp and Jim O'Sullivan many years ago, it is time to stop talking and start acting.

We are determined to find a permanent and fair solution to the problem.

Once the basic policy outlines are established by the Secretary, the people of this area—in conjunction with the Bureau of Reclamation, under its Commissioner, Floyd E. Dominy—must work together constructively. We must be able to go to Congress next spring with an answer—based on an ability to repay—that will assure the full development of Columbia River Basin land. Today, we have half a project—which is much the same as building only half a dam.

This is our determination and we will work cooperatively to bring a new era of progress to the Columbia River Basin project—a new breath of life which, like the New Deal of three decades ago, put the dam across the Columbia. A new era which will mean renewed growth to this area, a new era which is based on the same dedicated purpose of the man and the others whom we honor today.

We honor Billy Clapp as an individual for his major contribution in the development of the great inland empire. We honor him also as a symbol of the spirit which made this project a reality—a spirit which joins men like Billy Clapp in common cause to storm the ramparts of the mighty.

The story of Billy Clapp—a story also of Jim O'Sullivan, Paul Donaldson, Gale Matthews, Ed Southard, and Rufus Woods, and countless others in this area—is also part of a greater story.

Their efforts were a chapter in the fight of the people of the United States to wrest control of their natural resources from the hands of the shortsighted. Their was a fight of real progress versus timidity, faith versus failure, right versus might. They were fighters—in tune with the tides of their time, moving in the vanguard of the future.

Because they had a vision of progress, because they had courage to rebound repeatedly from failure, because they were determined to win, their efforts were crowned with success. With this legacy behind us, we must carry forth the work started by Billy Clapp's vision 43 years ago today.

With this spirit to guide us, with this example and other courageous examples to inspire us, we will fulfill the promise of this land. We will move forward to complete this great project, ever mindful that to falter and fail in our efforts is to repudiate the heritage bequeathed to us by Billy Clapp and those he symbolizes.

House Small Business Committee Activities Cover Many Fields

EXTENSION OF REMARKS

OF

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1961

Mr. STEED. Mr. Speaker, this is another of a series of reports on the many varied activities of the House Small Business Committee. Members may be interested in knowing that during the last few weeks the committee has been involved with such a variety of things as department stores, household movers, potatoes, tomatoes, and even saw the successful completion of an antitrust case which was initiated after the violations were uncovered by committee investigators.

Mr. Speaker, these periodic reports are made so that Members may become acquainted with the many types of functions performed by the committee, and to avail themselves of the committee's help if it is needed. Any Member facing small business problems in his district is urged to come to the committee for assistance.

The following short summaries show the types of activities with which the committee has been involved or has seen to a successful conclusion recently:

Financial Assistance

In a case brought to the attention of the committee by a Congressman from a Southwestern State, a small businessman who owned and operated two small department stores, one as a partnership and the other as a corporation, had been refused a loan by the Small Business Administration because the combined annual sales of the two stores exceeded the size standards limitations imposed by SBA regulations. The case was carefully reviewed and the committee recommended that the small businessman effectively divest him himself of the sole ownership of the stock of the corporation involved, in order that the two stores might be considered for loans on an individual basis rather than as an entity. This suggestion was followed, with the result that, after conferences with SBA officials, the Agency was able to approve separate loans, which were needed to permit the small businessman to expand his operations and employ a substantial additional number of people.

Investigations and Hearings

At the request of several Members of the House, a special subcommittee of the Small Business Committee recently conducted an extensive investigation into alleged unfair pricing and marketing practices in the tomato production and distribution industry in the Rio Grande Valley of Texas. The investigation disclosed extreme differences in the prices being paid to tomato growers and shippers and those being charged for tomatoes in the chain grocery stores in the area. As a result, a public hearing was held in the area by the special subcommittee to determine what action could be taken to save the many small businessmen who were suffering disastrous financial losses and failures as a result of the unfair practices. An abundance of testimony was received from the persons affected at various levels, as well as from buyers for the large chains. The printed record of the hearings were distributed during the first week of August 1961, and the report of the subcommittee's findings, conclusions, and recommendations will be submitted to the full committee and transmitted to the House at an early date.

At the instance of Members of the House, the same special subcommittee made an extensive field investigation into complaints received by Congressmen from small potato growers and distributors with respect to alleged discriminatory pricing practices in that field. This investigation unearthed a picture almost identical to that disclosed in the tomato industry. The special subcommittee's inquiry into the plight of small businessmen in this area is continuing and a full report will be made to the House in the near future.

Oil Companies Guilty of Antitrust Violations Uncovered by Committee Have Been Fined by U.S. Court

During hearings held by the Small Business Committee in 1957, testimony was elicited to the effect that certain petroleum companies were following a policy of suggesting the retail prices to be charged for gasoline by their lessees. This was called to the attention of the Antitrust Division of the Department of Justice with the result that, in 1958, a Federal grand jury indicted 14 major oil companies for violation of the antitrust laws. The indictment charged that the alleged combination and conspiracy had had the effect of increasing, fixing, and controlling the prices of gasoline; suppressing price competition between the defendants, and restraining interstate trade in gasoline. The defendants were ultimately brought to trial in the U.S. district court for the Northern District of Indiana, and 11 were found guilty. On June 1, 1961, the U.S. district court imposed fines totaling $425,000 against the defendants, which were assessed as follows: Standard Oil Co., $50,000 and costs; Socony Mobil Oil Co., Inc., $45,000 and costs; Shell Oil Co., $45,000 and costs; The Texas Co., (or Texaco, Inc.), $45,000 and costs; Phillips Petroleum Co., $45,000 and costs; Cities Service Petroleum Co., $45,000 and costs; the Ohio Oil Co., $45,000 and costs; Central West Oil Corp., $50,000 and costs; Hudson Oil Co. of Illinois, Inc., $30,000 and costs; Tornado Oil Co., Inc., $20,000 and costs; Pacer Oil Co., Inc., $5,000.

While the committee does not necessarily subscribe to the view that the success of a congressional inquiry should be measured by the number of criminal prosecutions of malefactors engendered thereby, nevertheless, it must be a source of satisfaction to

those who were injured and financially damaged, that those who were guilty of illegal practices which were uncovered by the committee have been subjected to judicial punishment.

PROCUREMENT ACTIVITIES

For some time our committee has been concerned with complaints of small business household movers concerning Department of Defense Directive 4500.27. Under this directive, transportation officers were authorized to award bonus shipments to carriers who provided "exceptionally high quality of service." It also provided that "a preference for a carrier expressed by the property owner shall be honored."

Small business household movers complained that the bonus and preference provisions were harming them. The test of "exceptionally high quality of service" set up a subjective standard which permitted transportation officers to make their own determinations. Valid objective criteria were completely lacking. Such subjective standard frequently operated to the prejudice of the small business household mover.

The use of "shall" appeared to give the owner of household goods the mandatory right to select his own carrier. The larger movers, who were known by name or reputation to many of the owners of household goods, were frequently designated, to the detriment of the small business household movers who were unknown.

Our committee brought this matter to the attention of the Department of Defense, which has deleted the bonus provisions from its directive and has changed "shall" to "may," thereby making the preference provision optional.

Wake Up, America

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 8, 1961

Mr. ANFUSO. Mr. Speaker, may I say that I am frightened by the world situation—frightened because America is still asleep and not fully awakened to what is really going on in the world.

The Soviet Union has been at war with us even before she became our ally in World War II. This has not been an openly declared war, but a cold, calculating war of deception, secret compacts, infiltration and double dealing, in which we have offered no competition to speak of. Such a war we are losing, and will continue to lose it, unless we place this country on a war footing. By that I mean not necessarily that we shall undertake a shooting war, but that we should be prepared to meet the kind of war which is being waged now, a limited war, or a nuclear total war.

This kind of mobilization of our total resources should come at once. There is no time to lose. The trouble with us is that there is always too much talk, too much delay from the proposal stage to the actual fulfillment of our plans—years sometimes go by on the most urgent projects. In the past, under our democratic system, such delays have not been fatal, but we are living in a swift-moving world today and have no time to lose. Instead of thinking in terms of years, we must now think in terms of weeks, days, even minutes.

We will never catch up with the forces of international communism at the rate we are going. Unless we mobilize and guard every measure of our security, we shall always be at a tremendous disadvantage against an enemy with single-minded purpose, where one man can push the button aimed at burying us.

Is it wise to put everything we do in a showcase for the world to see? The Communists know what we hope to do within the next 10 years. Do we know what they are going to do within the same period? We do not: We only know about things that have already happened. This places us at a tremendous disadvantage in a war of missiles and propaganda where the element of surprise counts the most.

And let us not delude ourselves that we can win this kind of war by pouring money all over the world. We would only bankrupt ourselves without getting the proper results. Thus, we would be playing right into the hands of the Russians. Nor is this what the underdeveloped and neglected peoples of the world want. What they desire is an end to their exploitation by strong governments and international cartels, which have robbed them of their natural resources by unfair dealings with traitors of their own countries who have had little or no regard for the sweltering and impoverished masses. What these peoples really want is not so much a handout but a recognition that they are human beings—equal to us in the eyes of God—and as such should be helped and not retarded in the development of their own natural resources.

The Russians have understood this and have won friends all over the world not so much by helping the peoples involved but by bringing home to them by skillful propaganda how they have been exploited by the Western Powers.

Yes, America and the free world are still not cognizant of the extent of this tremendous international Communist conspiracy and we are losing the battle on every front.

Regarding Berlin, I am convinced that we ought to stand firm. I am equally convinced that the Russians would not risk a war over it. Why should they? They are doing perfectly well by sticking to the philosophy of Lenin that "socialism—or communism—and peace are inseparable." Their strategy will continue to be to keep the world in a state of constant tension, on bankrupting the capitalist system, while it tries in vain to stop an ideological world revolution, the true significance of which the free world has not yet grasped. The U.S.S.R., which has sparked this revolution, has no real desire of improving the lot of man in the world, but it will continue to profit by this revolution because of a picture which has been painted depicting us as a sleeping giant which grew big and fat by taking advantage of little peoples throughout the world.

It is the picture of the ugly American, the ugly Englishman, and the ugly Frenchman that we must change and, I am sorry to say, we cannot do this with money alone.

Let me conclude, therefore, on what I think we must do:

First, let us tell the whole story to the American people and to our allies, let them understand that we are at war with a dangerous enemy which could destroy us, and that we must mobilize all our strength as though we were actually at war.

Second, streamline every agency of Government so that it functions in the most efficient manner with the best talent, without waste, and with necessary national goals to be attained for our own security and survival.

Third, having attained the strength which I know we can attain if we are all of one mind, then we should sit down and have a real talk with the Russians, and with strength, push agreements on all fronts—not just on Berlin, Laos, or Cuba—but let us seek the initiative and define our position in areas not yet mentioned. Then and only then will we be successful for the Russians will understand that we are talking from a position of strength and not just words.

Finally, we should seek international cooperation with the U.S.S.R. in the exploration of outer space for here is a field that provides hope for all mankind on earth. Together we can achieve travel through space and exploration and settlement of new planets without bankrupting the earth's resources, thus creating a better life for all peoples of the world and making war between nations unnecessary.

In the hope that we can, in our time, accomplish these things, I support a strong stand regarding Berlin as a step in the right direction, but please bear in mind, it is only a step—our goals are still far away.

Founder's Day Commemorating the 125th Anniversary of the Incorporation of Hollidaysburg, Pa., Was Observed August 7, 1961

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 8, 1961

Mr. VAN ZANDT. Mr. Speaker, on Monday, August 7, 1961, at 10 a.m. eastern daylight time, it was my pleasure to deliver the following at the Founder's Day celebration at Hollidaysburg, Pa., incident to the 125th anniversary of the incorporation of that community.

The address follows:

ADDRESS BY HON. JAMES E. VAN ZANDT, OF PENNSYLVANIA

It is pleasing to be invited to participate in the Founder's Day celebration commemorating the 125th anniversary of the incorporation of the borough of Hollidaysburg.

This community holds precious memories for the Van Zandt family because it was

the birthplace of my late mother, Mrs. Katherine Smith Van Zandt, and also the scene of her marriage.

During my boyhood days I recall my mother expressing continued love for Hollidaysburg and Gaysport—where she spent her girlhood days.

Mother took great delight in telling us of her activities and in doing so she always displayed a trace of homesickness for the Hollidaysburg area.

Mother often spoke of the early history of Hollidaysburg—reminding us children that my grandfather, George B. Van Zandt, worked as a driver on the old Portage Canal.

Those who planned this Hollidaysburg Founder's Day celebration—commemorating 125 years of community incorporation—are to be heartily congratulated.

Today we should be reminded that towns—like individuals and like nations—wrestle daily with the conflicts between the old and the new in our culture.

It is important that we not neglect this thought in our moment of celebration.

It is important that we not turn our backs on the historical facts that surround the founding and incorporation of Hollidaysburg.

This is an appropriate time to increase our awareness of our past—and of our heritage.

Thus we will be better equipped to build for the future on a solid foundation.

It is good to get together like this to celebrate this 125th anniversary.

But I hope this anniversary means much more.

I hope it is an opportunity to take time out from our hectic lives to reflect and to appreciate.

This is something we Americans do far too seldom.

We are so busy making a living that we take too little time to reflect on the sources of our lives.

We are striving so valiantly to get ahead—to get on with the business of the day—that we often do not pay sufficient attention to where we are going—or where others have been.

We become so accustomed to having freedom, and money, and opportunity, that we take little or no time to reflect on the sources of our freedom, our wealth, our opportunity.

We tend to take our towns for granted and take too little time to appreciate them.

This 125th anniversary gives us an opportunity to stop for a moment; to step back and take a long look at Hollidaysburg—to reflect on its beginnings and appreciate it a little more.

The year 1836—the year that Hollidaysburg was incorporated—was a year of advancement in our Nation.

It was also a year of unrest in a relatively new Nation.

In 1836 more than 500 abolition societies were active in the Northern States.

The first cargo of grain from Chicago arrived at Buffalo for shipment by the Erie Canal.

David Bruce had invented the typecasting machine that year.

Disunion among the States was prophesied.

Texas declared her independence of Mexico.

Samuel Colt patented a revolver that became an important weapon in the Mexican war.

It was known in those days as the six-shooter.

In 1836 William Homes McGuffey began publication of his Readers with his "First Reader" and "Second Reader."

Martin Van Buren was elected President that year.

The Whigs had distributed their votes among favorite sons—hoping to throw the election into the House of Representatives.

But such was not the case.

However, Richard M. Johnson was chosen Vice President by the Senate of the United States—no candidate having received the electoral majority.

These are only a few of the events that occurred in 1836.

I mention them to give us a flavor of our national setting—the year that Hollidaysburg was incorporated.

Actually, the first settlement was made here in 1768—as your historical records will show.

It has been recorded that in the year 1768 Adam Holliday said to his brother, William, as he drove a stake into the ground on the hill above the Juniata River:

"Whoever is alive a hundred years after this will see a considerable sized town here—and this will be near about the middle of it."

Fifty years after Adam Holliday had driven the stake and made his prediction—a small village had sprung up and his children were enjoying the advantages of a civilized community—the result of their deceased father's labor.

In 1819 the pike came through.

The canal was completed to Hollidaysburg in 1832 and the first boat run was made that year.

The portage railroad was completed the following year—1833.

The Holliday brothers—Adam and William—did not originally intend to locate here.

Their original plans were to go to the Allegheny Valley near Kittanning.

But the beauty of Blair county appealed to them too strongly to be resisted and they resolved to settle here.

Adam Holliday purchased 1,000 acres of land on the eastern side of the river—including all of the site of Hollidaysburg.

His brother, William, obtained a like amount on the western side where Gaysport now stands.

This land was bought from descendants of William Penn.

The price paid has been said by some to have totaled 5 pounds sterling per hundred acres—equal to $220.20 for each thousand acre tract.

Each brother built a log house on his tract—as both were men of families.

They resided on this land for many years.

Apparently, William kept his until death, but Adam was dispossessed of his on account of some imperfection in his title.

He was paid for it, however, by the Government some time after the Revolution, receiving $17,000 or $18,000 which "made him a very rich man for this region at that time."

You will recall that Adam and William Holliday were Irish immigrants and came here at a time when Indians were still fighting white encroachment.

These first settlers and those who followed were in search of farming land and agriculture was their major attention.

The coal in the mountains and the iron ore in the valleys were unknown and unsought—until the beginning of the 19th century.

Timber from which fortunes were made in after years was only desirable for fuel and for the few logs necessary to construct the humble homes or make rails to enclose the fields cleared by the power of much hard labor.

The first factories established in this new country were saw and grist mills, but were very small and insignificant in comparison with those of a later day and were run by waterpower.

A sawmill that would cut 2,000 feet of boards in a day was a good one for those times.

The grist mills ground from morning until night to make three to four barrels of flour.

As to the location of the first houses erected—authorities differ and it is doubtful that the exact truth can now be determined.

Mr. U. J. Jones—writing a "History of the Juniata Valley" in 1855 says that "Adam Holliday's house stood about where the American House now stands."

H. H. Snyder, esquire, writing some 25 years later located it on the southwest corner of Allegheny and Montgomery Streets.

Adam Holliday died at or near Hollidaysburg in 1801, leaving two children—a son, John, and a daughter, Jane.

The latter married William Reynolds of Bedford County.

John Holliday lived the greater part of his life here and here he died in 1843.

He had a family of 10 children.

Today as we pay tribute to Adam Holliday—the beloved founder of Hollidaysburg. We are reminded that among the fifth generation descendents of Adam Holliday is Hon. Joseph R. Holliday, a member of the Pennsylvania State Legislature representing Blair County.

Therefore we salute him on this memorable occasion as the last male descendant of Adam Holliday.

Together with his wife, Mrs. Joseph R. Holliday, his daughter, and a sister and niece living in Indianapolis, Ind., assemblyman Joseph Holliday has shown keen and constant interest in all community programs.

He displayed special interest in project 60, which was launched in 1960 by local businessmen and which proved highly successful as a community program designed to beautify the business district of Hollidaysburg, the county seat of Blair County.

The exact date at which Hollidaysburg was laid out is in some doubt, but it was prior to the beginning of the 19th century, probably about 1790.

Whatever may have been the date, the original plot contained but 90 lots—60 by 180 feet in size and the streets were Allegheny, Walnut, and Montgomery.

A diamond was formed by taking 30 feet off the end of each of the 4 lots cornering there.

Hollidaysburg did not grow rapidly at first.

In 1814 there were but three houses, a small store, and a blacksmith shop.

In 1830 it was not nearly so large or important a village as Frankstown, but when the canal was completed and the great basin and terminus located at Hollidaysburg, the place immediately began to grow.

By the time the year 1836 arrived, the year of incorporation, it was a very important town.

The Hollidaysburg Sentinel and Huntingdon, Cambria, and Bedford County Democrat—the first issue of which was published in October 1835—in a descriptive article noted that the population was 1,200 and that no town in the interior of Pennsylvania enjoyed more advantages than Hollidaysburg.

The story of the first unified transportation system across our Commonwealth is an interesting one.

The Portage Railroad between Johnstown and Hollidaysburg was the key link in this advancing means of travel.

Spurred by the completion of the Erie Canal in 1825, the Pennsylvania Legislature in 1826 authorized construction between Philadelphia and Pittsburgh of a complete system of rail-water transportation.

It was completed in 1834.

The Portage Railroad was an ingenious system of levels and inclined planes over the mountains between Hollidaysburg and Johnstown.

It connected the eastern and the western canal terminals.

Canal boat cargo and passengers were transferred to railroad cars.

These were drawn along a series of levels and inclined planes to the summit; the process was then reversed until the cars reached the terminal of the other canal.

By 1840 boats were being hauled in sections and were reassembled at the Portage terminals.

Accounts of this transportation system indicate that the 10 inclined planes had a total length of 4.38 miles, overcoming 2,007 feet of elevation.

The high point on the summit level was 1,172 feet above the canal basin at Johnstown and 1,399 feet above Hollidaysburg.

The rails were of pine or oak—capped with a flat iron bar.

Cables were at first made of thick rope—later of wire.

Two stationary engines—one for emergency—stood at the top of each plane.

On the levels horses were first used and were not entirely displaced by locomotives until 1851.

At its most efficient period the old portage entailed 33 power changes and was easily disrupted by winter ice or spring floods.

In 1857 the line was purchased by the Pennsylvania Railroad Co.

Charles Dickens and his wife visited America in 1842 and in his writings we find a vivid description of his travel on the old portage.

I quote it in part, as follows:

"Occasionally the rails were laid upon the extreme verge of a giddy precipice; and looking from the carriage window—the traveler gazes sheer down, without a stone or scrap of fence between, into the mountain depths below. It was very pretty traveling thus at a rapid pace along the heights of the mountains in a keen wind, to look down into a valley full of light and softness; catching glimpses, through the treetops, of scattered cabins; men in their shirt sleeves, looking on at their unfinished houses, planning out tomorrow's work; and we riding, onward, high above them, like a whirlwind. It was amusing too, when we had dined, and rattled down a steep pass, having no other moving power than the weight of the carriages themselves, to see the engine, released long after us, come buzzing down alone, like a great insect, its back of green and gold so shining in the sun. It stopped short of us. When we reached the canal, and, before we left the wharf, went panting up this hill again, with the passengers who had waited our arrival for the means of traversing the road by which we had come."

The historic canal began to fall into disuse soon after the completion of the railroad.

In a few years more it was entirely abandoned as a channel of commerce.

The water stood stagnant within its banks until a few years later when it was drained off and the embankments broken down.

The stone in the locks was taken away for other uses.

We are told the line is now only faintly traceable through Blair County.

But the old portage had lived a good and useful life and had been the means of bringing this town into full stature as an incorporated community.

Hollidaysburg had joined the ranks of the villages, towns, and cities which have so richly endowed our commonwealth with the reputation of abundant opportunity for individual advancement.

From the very beginning of our Nation's history Pennsylvania's growth was rapid.

We are reminded that on the eve of the American Revolution Pennsylvania was the third largest Colony—though next to the last to be founded.

Hollidaysburg and its leaders in all walks of life have joined with countless other citizens through the years to furnish leadership in social, cultural, economic, and spiritual matters.

We should respect and appreciate all the good that came from those who found their homes in this town in the years that have passed.

We should lift them high in this moment of recollection.

We should absorb their courage, their faith, their assurance, their willingness to labor, their ability to make changes and to walk in new paths.

No man can see an inch beyond the present but a careful observation of the present, together with a thoughtful study of the past, can furnish a basis for a bright and successful future.

Congressman Lane Addresses Senior Citizens

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 8, 1961

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a portion of my remarks made as the principal speaker at the annual outing of the Senior Citizens and Associates of America, held at the Outdoor Amphitheater at Salem Willows, Mass., on Sunday, August 6, 1961. This outing which is conducted yearly, is well attended by the members and friends of this national old age pension group and has had as its president, Mr. Charles C. O'Donnell of Lynn, Mass., for the past 34 years.

Mr. O'Donnell during his entire life has been most active in his efforts in behalf of the elderly people, not only in the Commonwealth of Massachusetts, but throughout the entire United States. He is a very frequent spokesman on this subject matter before the Massachusetts Legislature, and over the years has appeared here in Washington to testify before the House Committee on Ways and Means.

It was my happy privilege on this occasion to extend the well wishes of those present to President Charles C. O'Donnell on the celebration of his 71st birthday.

The remarks follow:

Greetings, it is always a pleasure to meet the members of the Senior Citizens and Associates of America.

Your organized efforts in behalf of social security for the aged has been a strong influence for good in promoting improvements of the program year by year.

Earlier in 1961, 86 million persons, young and old, were insured under the Social Security Act. Of all persons aged 65 or over, nearly 3 out of 4 were receiving monthly benefits, or were eligible to receive them when they or their spouses retire.

Old-age, survivors, and disability insurance benefits were being paid to almost 15 million beneficiaries, at a monthly rate of almost $1 billion.

In Massachusetts alone, under the old-age provisions of the act, 293,000 persons were receiving a total of more than $22 million in monthly checks.

Then, on June 30 of this year, the President signed the Social Security Amendments of 1961.

This bill, inspired by the determination of Congress to further improve the program, raises the benefits in some categories, and makes additional persons eligible for social insurance.

Furthermore, it lifts the ceiling on wages that a person can earn without forfeiting his monthly benefits.

Men are now eligible, as women have been, to retire at the earlier age of 62 with reduced benefits if they choose to do so. About 560,000 men are expected to take advantage of this option in its first year.

Minimum benefits for those retiring at 65, are raised from $33 to $40. This is expected to help more than 2 million persons.

Benefits for aged widows, widowers, and parents, are increased by 10 percent. This will come to the aid of 1½ million individuals.

Eligibility requirements were liberalized so that persons who have been under social security coverage for one-quarter of every year since 1950, or since reaching the age of 21, will be entitled to benefits when they retire.

Fifteen million dollars was appropriated for the period from October 1, 1961, to June 30, 1962, and to be distributed to the States for the public assistance program; $456,000 of this will come to Massachusetts.

The expansion of the social security system will go into effect soon, in line with the tradition of Congress to make periodic improvements that will extend and increase benefits.

The Federal Government is doing much for its older people, but we must not overlook the fine work that is being done by the Commonwealth of Massachusetts.

About a year and a half ago, Senator PAT MCNAMARA, of Michigan, chairman of the U.S. Senate Subcommittee on Problems of the Aging, said: "Massachusetts may well be proud of its public assistance program for its aged. Massachusetts has also set a fine example for the rest of the Nation with its State housing program for the elderly."

While the proportion of persons receiving old-age assistance in our State was close to the national average, a very large number of them were also receiving social security benefits, so that Massachusetts ranked second among all the States in this respect.

The old-age assistance program in Massachusetts currently pays an average grant of $100 a month, the third highest in the country. Persons qualified under this program are covered for medical and hospital care.

In the city of Boston, almost one third of the annual expenditures for old age assistance is for medical care. In the year 1959 this amounted to $30 million.

While older people appreciate this help they would much prefer a new health insurance program that would provide this care as a right and not a charity. The Congress is working on this major and complex issue. It is probable that after all the studies have been completed, and all the pros and cons have been aired, Congress will legislate a health insurance program for the aged in 1962.

In Massachusetts there are over 150 senior citizens groups with a total of about 15,000 members. Most of these groups are local organizations without financial assistance or any aid in their programs. Less than half of the groups have professional services to help them and less than half have any facilities for art and craft work. Two unusual programs for the use of leisure time in the commonwealth should be mentioned. Through the efforts of the State council for the aging, a sale was held in the State House last year, of handicraft produced by older citizens. The second has to do with opportunities for travel for older citizens by instituting a nonprofit travel organization, enabling those of 50 years of age and older to take a variety of trips at reduced rates.

I can't help but think what greater progress could be made, if more of these local groups joined up with the senior citizens and associates of America, under the leadership of your president—Charlie O'Donnell.

Charlie was the first to organize the elderly in this State. Due to his efforts, the legislature was constantly reminded of its obligations. As a result, Massachusetts has become the pioneer in legislation beneficial to the aged, and for this your president must be given a great deal of credit.

He knew that the aged must organize as a group, and through the right of petition, make certain that benefits would not only keep pace with the rising cost of living, but—of more importance—keep up with improvements in the overall standard of living.

For 34 years he has served as president of the Senior Citizens and Associates of America—battling all the way for your welfare. A few days ago, he privately observed his 71st birthday.

On the occasion of your annual outing, you have the opportunity of making it a public celebration. Give him the greatest birthday gift of all—the heartfelt gratitude and friendly sentiment of all present—expressed by a resounding ovation for your honored leader, Charlie O'Donnell.

The Department of State and Repatriation of Palestinian Refugees in Israel

EXTENSION OF REMARKS

OF

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1961

Mr. ROONEY. Mr. Speaker, it has been bandied about that the House Committee on Appropriations has been pressuring the present administration to demand repatriation of a very substantial number of the million Palestinian refugees in Israel. As a member of that committee and as a supporter of the State of Israel since before its independence I did not believe this to be so and have been fearful of the consequences upon the economy and security of the State of Israel of repatriation of too many Arab refugees in Israel.

Accordingly, on July 14 last I addressed the following communication to the Honorable Dean Rusk, Secretary of State:

JULY 14, 1961.

HON. DEAN RUSK,
Secretary of State, Department of State, Washington, D.C.

MY DEAR MR. SECRETARY: As one who has supported the foreign aid program during my years of service as a member of the Committee on Appropriations, I write to offer some comment on our proposed aid program in the Middle East; specifically our aid to Israel and our contribution to the UNRWA for the Arab refugees.

First, I note that the current legislation makes no provision for grant assistance to Israel. I have voted for grant aid to Israel since it was first authorized in 1951 because I believed it was essential to help that country absorb the Jewish refugees who were settled there after World War II. Most Congressmen favored aid to Israel, and her remarkable progress has vindicated our judgment, demonstrating that foreign aid can be effectively used when the Government and the people are ready and able to help themselves.

Now I see that it is proposed to terminate the grant to Israel, presumably because she has progressed to the point where she is in a position to finance her development by borrowing. But Israel is still a long way from economic balance and will continue to need external assistance for some years to come, particularly when German reparations come to an end in 1963.

It is possible that Israel might have balanced her economy by this time if she had been permitted to live normally. But Israel is a besieged state. She is surrounded by hostile countries, some of whom—the United Arab Republic and Iraq—have been receiving weapons from the Soviet Union and some of whom—Jordan and Saudi Arabia—have been receiving military aid from the United States.

I have never been able to understand why our Government did not grant military aid to Israel—especially since we have not hesitated to provide military assistance to countries which have been at war with her. Any other country menaced by Soviet weapons has been granted our military aid, without question and without delay. And many of these countries have not shared Israel's dedication to freedom and her commitment to contribute to the defense of the free world.

As a consequence of our attitude, lacking military aid and denied membership in any collective security system, Israel has been compelled to buy weapons from European countries and to divert a large part of her resources to defense. On top of this, Israel's economy has been further burdened because of the Arab boycott and blockade which has continued largely because it has not been effectively challenged by Western governments and the United Nations.

I am aware that our grants and loans have decisively helped Israel to surmount these economic obstacles and to overcome the handicaps she has suffered because of her heavy defense requirements. But now that grant aid to Israel is coming to an end, I am most concerned about the administration's future plans. I would like to inquire whether the administration intends to allow Israel to borrow adequate funds in the form of development loans under the new program. It seems to me that the very least we can do is to maintain our loans and surplus food shipments to Israel at a high level, so that she may continue to cope with the problems that confront a country which lives in a state of intolerable siege. I feel certain that many Members of the House share my views in this regard.

It is a source of great disappointment that the Arab refugee problem remains unsolved and that we must continue to appropriate funds annually for the UNRWA without any visible or tangible progress toward a solution.

But I would like to make it clear, Mr. Secretary, that, however much we may regret this expenditure, this is one item in the foreign aid appropriations which will continue to have my support and I think the support of Congress as a whole. It is a necessary and humanitarian measure. And it is not a heavy price to pay for stability.

This does not mean to say we are satisfied to let conditions remain as they are. Obviously we are not. All of us would like to see some constructive action. I would like to put my views on record because, judging from reports in the press, I am afraid that the administration may be moving in the wrong direction.

It has been reported that the administration is pressing Israel to repatriate Arab refugees because of pressure from the Committee on Appropriations. The Arab press has said that the administration is proposing that Israel take back as many as 250,000.

I am mystified by these reports because I do not believe that Members of Congress would hold up this appropriation in order to stampede the administration into undertaking an initiative that could prove to be both impractical and unjust.

Most people who have given thought to the problem are agreed that the large majority of the Arab refugees should be resettled in Arab countries. Of course, Israel should pay compensation for the property of those who do not return. Conceivably, Israel may be expected to repatriate some refugees to reunite families. But I do not see how anyone could expect Israel to repatriate any substantial number in advance of a peace settlement. The United Nations resolution of 1948, which is always cited in this connection, clearly intended that repatriation should come in the context of peace negotiations. And as long as Arab leaders refuse to negotiate with Israel, and persist in the threat of war, it is most unlikely that Israel would open its doors to potential enemies.

Father Vincent Kearney, associate editor of America, national Catholic weekly, wrote in that publication on April 9, 1960:

"Nor is it reasonable to expect Israel to commit national suicide by opening her borders to a million potential enemies—the displaced Palestine refugees. Israel still protests it is ready to negotiate a settlement. We cannot know what Israel will propose, unless the opportunity is given it to meet Arab leaders face to face."

Under these circumstances, I find it hard to credit newspaper reports that the administration intends to press Israel to take the initiative by offering to repatriate all who want to return. If these reports are accurate, then it seems to me that we are raising false hopes in the minds of the Arab refugees. The published texts of the President's message to the Arab leaders speak of "repatriation or compensation," but do not mention the word resettlement, so far as I can discover. It is wrong to foster the illusion in the minds of the Arab refugees that we really believe that the primary and initial burden rests on Israel and that we are indifferent to her security and survival. We should be clear on this issue and leave no doubt in the minds of the Arabs that we advocate resettlement as the logical solution.

Let me emphasize that members of the House Appropriations Committee would like to see this problem solved as quickly as possible. But it is precisely because we do want to see this issue solved, equitably and swiftly, that it is wrong to encourage the Arabs to believe that we intend to force Israel to repatriate them. If we persist in this line, the Arabs will never be willing to accept any resettlement. This would prove a disservice to the best interests of the refugees themselves and would make it necessary for us to continue the UNRWA appropriations indefinitely—a burden we have no right to impose on our taxpayers without the promise of progress.

With kindest regards, I am,

Sincerely,

JOHN J. ROONEY.

The following is Secretary Rusk's reply:

THE SECRETARY OF STATE,
Washington, July 21, 1961.

DEAR MR. ROONEY: Thank you for the thoughtful comments, conveyed in your letter of July 14, concerning our aid programs in the Middle East. I appreciate very much having your views which in most respects parallel our own.

As you know the ultimate terms of foreign assistance legislation for fiscal year 1962 or the character of assistance to any specific country are not possible of definition at this time. As far as aid to Israel is concerned, we share your view that there should be no radical modification or reduction in programs previously carried out in that country. Such consideration as has been required has centered on how the Israel program can properly be fitted in to the general foreign aid framework which we are proposing. As in previous years, one question is whether the small grant aid component in the Israel

program should not be shifted to the loan category under the new aid for international development program. Israel has an annual growth rate of 8 percent, a per capita income of something more than $1,000 per annum, and an ability to administer a technical assistance program of its own for the benefit of a number of other countries. These favorable and welcome developments, juxtaposed with the foreign aid criteria now before the Congress, support the view that while assistance to Israel should continue at present levels it may readily be on the basis of loans and surplus commodities rather than grants. What precise programs should be undertaken, and what agencies should extend the assistance, are matters still to be finally determined. I should like to assure you, however, that this administration has no intention of reducing the volume.

To turn to the question of the UNRWA appropriation, I am most grateful for your expression of support in the difficult question of how to diminish the substantial economic burden on this Government and at the same time meet adequately the humanitarian problem of the Arab refugees. Reports that the administration is pressing Israel to repatriate Arab refugees because of pressure from the Appropriations Committee or that we expect Israel to receive Arabs in a manner or in numbers to threaten her security are without foundation. The Department is not unmindful of congressional concern with appropriations made annually without visible evidence of progress toward an eventual solution of the problem. However, I would agree with you that more important is moving toward a satisfactory resolution of the Arab-Israel problem.

The amount that we are seeking for support of UNRWA in fiscal year 1962 is, as you remark, not a heavy price to pay for stability in the Near East area. However, last year, the committee of the conference on the authorization bill, in its report, specifically stated that the United States should successively reduce its contributions to UNRWA. The funds appropriated for UNRWA at that time were less than what we had considered to be necessary. Even now, UNRWA is faced with a shortfall in its basic relief budget. Although our request for funds for UNRWA in fiscal year 1962 is slightly above last year's appropriation for this purpose, the increment being specifically earmarked for the expanded UNRWA vocational training program, we quite frankly have had to bear in mind the fact that if inadequate funds are appropriated UNRWA will be unable to perform its responsibilities and as a result the refugee problem will be cast adrift. We are by no means wedded to the indefinite continuation of UNRWA, but believe, for the time being at least, continued support of the agency offers the most efficient and economical means of keeping the highly volatile refugee problem from erupting to the detriment of political stability in the Near East area.

With respect to a possible solution of the Arab refugee problem, the United States continues to support some reasonable implementation of paragraph 11 of the United Nations Resolution 194 (III) which provides for the refugees the option of repatriation as law-abiding citizens of Israel or of compensation for those who do not wish to return. Any repatriation would, in our view, have to be so implemented as to take fully into account Israel's legitimate security and economic requirements. Contrary to press reports, the administration has made no suggestion either to Israel or to the Arab states of any specific number of refugees who should be repatriated. Nor does the Department have a specific plan in mind, but believes that, consistent with the U.N. General Assembly resolutions mentioned above and the sentiments of Congress, the problem deserves our earnest study at this time.

I hope that these comments will clarify the position of the Department in these matters.

Sincerely yours,

DEAN RUSK.

SENATE

WEDNESDAY, AUGUST 9, 1961

(Legislative day of Tuesday, August 8, 1961)

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

TRANSACTION OF ROUTINE BUSINESS

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON CANADA-UNITED STATES INTERPARLIAMENTARY GROUP (S. DOC. NO. 42)

A letter from the chairman of the Senate delegation, transmitting, pursuant to law, a report on the meeting of the Canada-United States Interparliamentary Group, held in Washington, D.C., on June 8–9, 1961 (with an accompanying report); to the Committee on Foreign Relations, and ordered to be printed.

REPORT ON DISPOSAL OF FOREIGN EXCESS PROPERTY

A letter from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, on the disposal of foreign excess property, during calendar year 1960; to the Committee on Government Operations.

JOSE FUENTES

A letter from the Administrator, Housing and Home Finance Agency, Washington, D.C., transmitting a draft of proposed legislation for the relief of Jose Fuentes (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF FEDERAL EMPLOYEES' COMPENSATION ACT

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the Federal Employees' Compensation Act of 1960 (with an accompanying paper); to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

H.R. 6765. An act to authorize acceptance of an amendment to the articles of agreement of the International Finance Corporation permitting investment in capital stock (Rept. No. 689).

By Mr. KERR, from the Committee on Public Works, with amendments:

S. 340. A bill to authorize the Chief of Engineers to enter into a contract with the Standing Rock Indian Tribe to provide for the clearing of certain portions of the Oahe Reservoir area (Rept. No. 690).

By Mr. YARBOROUGH, from the Committee on Commerce, with amendments:

S. 1368. A bill to amend the Shipping Act, 1916, to provide for licensing independent ocean freight forwarders, and for other purposes (Rept. No. 691).

By Mr. BYRD of Virginia, from the Committee on Finance, with an amendment:

H.R. 2585. An act relating to the credits against the employment tax in the case of certain successor employers (Rept. No. 692).

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 856. An act to amend section 704 of title 38, United States Code, to permit the conversion or exchange of policies of national service life insurance to a new modified life plan (Rept. No. 693).

By Mr. MONRONEY, from the Committee on Commerce, with an amendment:

S. 2268. A bill to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce (Rept. No. 694).

(See the remarks of Mr. MONRONEY when he reported the above bill, which appear under a separate heading.)

By Mr. WILLIAMS of New Jersey, from the Committee on Labor and Public Welfare, with amendments:

S. 1123. A bill to amend section 13(c) of the Fair Labor Standards Act of 1938 with respect to the exemption of agricultural employees from the child labor provisions of such act (Rept. No. 696);

S. 1126. A bill to provide for the registration of contractors of migrant agricultural workers and for other purposes (Rept. No. 695); and

S. 1130. A bill to amend title III of the Public Health Service Act to authorize grants for improving domestic agricultural migratory workers' health services and conditions (Rept. No. 699).

PROGRAMS FOR IMPROVING EDUCATIONAL OPPORTUNITIES FOR MIGRATORY FARMWORKERS AND THEIR CHILDREN—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 698)

Mr. WILLIAMS of New Jersey. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 1124) to

provide certain payments to assist in providing improved educational opportunities for children of migrant agricultural employees, and I submit a report thereon. I ask that the report be printed, together with the minority view of Senators GOLDWATER and TOWER.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed as requested by the Senator from New Jersey.

NATIONAL CITIZENS' COUNCIL ON MIGRATORY LABOR—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 697)

Mr. WILLIAMS of New Jersey. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 1132) to provide for the establishment of a Council to be known as the "National Citizens' Council on Migratory Labor," and I submit a report thereon. I ask that the report be printed, together with the minority views of Senators GOLDWATER and TOWER.

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from New Jersey.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

W. Walton Butterworth, of Louisiana, to be the representative of the United States of America to the European communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary; and

Frank A. Southard, Jr., of New York, to be U.S. Executive Director of the International Monetary Fund.

By Mr. BYRD of Virginia, from the Committee on Finance:

John Frank Kovacic, of Ohio, to be collector of customs for customs collection district No. 41, with headquarters at Cleveland, Ohio;

Marguerite R. Benson, of Wisconsin, to be collector of customs for customs collection district No. 37, with headquarters at Milwaukee, Wis.;

Earl D. Roberts, of California, to be collector of customs for customs collection district No. 25, with headquarters at San Diego, Calif.; and

DuBrutz Cutlar Moore, Sr., of North Carolina, to be collector of customs for customs collection district No. 15, with headquarters at Wilmington, N.C.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEATING:

S. 2388. A bill for the relief of Antonio Petrucelli; to the Committee on the Judiciary.

By Mr. PASTORE:

S. 2389. A bill for the relief of Maria Carmina Conti; to the Committee on the Judiciary.

By Mr. ENGLE:

S. 2390. A bill to authorize the Administrator of the Housing and Home Finance Agency to assist States, counties, cities, political subdivisions of States and public corporations established under State law in providing improved mass transportation services in those metropolitan areas which have planned and developed a mass transportation system; to the Committee on Banking and Currency.

(See the remarks of Mr. ENGLE when he introduced the above bill, which appear under a separate heading.)

By Mr. PASTORE:

S. 2391. A bill to amend various sections of the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. SCOTT:

S. 2392. A bill to amend the Federal Aviation Act of 1958 to prohibit the forceful seizure of aircraft in air commerce; to the Committee on Commerce.

By Mr. HILL (for himself and Mr. MORSE):

S. 2393. A bill to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas, and to provide for the application of such laws to American Samoa; to the Committee on Labor and Public Welfare.

By Mr. MUSKIE:

S. 2394. A bill to authorize the improvement of Portland Harbor, Maine; to the Committee on Public Works.

By Mr. BURDICK:

S. 2395. A bill to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained age 62 and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. BURDICK when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG of Louisiana (for himself and Mr. ELLENDER):

S. 2396. A bill for the relief of the State of Louisiana; to the Committee on Commerce.

By Mr. BIBLE (by request):

S. 2397. A bill authorizing the National Capital Transportation Agency to carry out part 1 of its transit development program and to further the objectives of the act approved July 14, 1960 (74 Stat. 537); to the Committee on the District of Columbia.

By Mr. THURMOND (for himself and Mr. MCCLELLAN):

S. 2398. A bill to amend section 2112, title 28, United States Code, with respect to the jurisdiction of courts of appeals of the United States to review orders of administrative officers and agencies; to the Committee on the Judiciary.

By Mr. JAVITS (for himself and Mr. KEATING):

S.J. Res. 124. Joint resolution to establish the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. JAVITS when he introduced the above joint resolution, which appear under a separate heading.)

LOANS FOR MASS RAPID TRANSIT

Mr. ENGLE. Mr. President, I introduce for appropriate reference a bill which establishes loans at compensatory interest rates, on a 50-year-term basis, to assist States, counties, cities, political subdivisions of States, and public corporations created by State legislatures in providing improved mass transportation services in those metropolitan areas which have planned and developed a mass transportation system.

The economic welfare of our major metropolitan centers is a matter of critical national concern, and such welfare is threatened by inadequate mass transportation services. It is the purpose of this bill to authorize the extension of credit to assist local public transit agencies to acquire and construct a modern and efficient transportation system for the benefit of the people of the metropolitan areas, where such credit is not otherwise available on reasonable terms and conditions.

The Administrator of the Housing and Home Finance Agency will be authorized to purchase the securities and obligations of, or make loans to, local public transit agencies to finance the acquisition and construction of facilities and equipment for use in mass transportation service within said metropolitan areas.

All securities and obligations purchased and all loans made under this act shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations, or otherwise.

No securities or obligations shall be purchased, and no loans shall be made, including renewals or extensions thereof, which have maturity dates in excess of 50 years. No loans shall be extended under this act unless the local public transit agency shows that it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this act.

No loans shall be extended under this bill unless the local public transit agency can furnish the Administrator with reports and opinions of qualified independent engineers pertaining to route planning, engineering, equipment design, and trackage. The Administrator shall be furnished with opinions of qualified independent engineers that the construction of said rapid transit facility will be within a specific financial estimate, that the local public transit agency has sufficient local statutory authority to proceed with construction of the system and that the construction will be of an entirely new rapid transit system and not for the renovation of an existing transportation system.

No loans shall be extended under this bill for the construction of any underground transit system unless the local public transit agency shall agree to make such underground facilities available to any appropriate Federal agency or agencies for civilian defense purposes.

Mr. President, I ask unanimous consent to have printed in the RECORD the pertinent facts and information which are applicable to the Los Angeles metropolitan transportation problem.

The PRESIDING OFFICER. The bill will be received and appropriately

referred; and, without objection, the matter referred to will be printed in the RECORD.

The bill (S. 2390) to authorize the Administrator of the Housing and Home Finance Agency to assist States, counties, cities, political subdivisions of States and public corporations established under State law in providing improved mass transportation services in those metropolitan areas which have planned and developed a mass transportation system, introduced by Mr. ENGLE, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The matter presented by Mr. ENGLE is as follows:

LOS ANGELES METROPOLITAN TRANSIT AUTHORITY

The need for a modern, efficient and economic mass rapid transit system in the Los Angeles metropolitan area is critical. The metropolitan transit authority was created for the purpose of developing an effective system of mass rapid transportation in the Los Angeles metropolitan area. The MTA, as the properly constituted agency and charged with the responsibility of providing a mass rapid transit system, has completed origin and destination studies, feasibility studies and engineering surveys. Los Angeles is ready to start construction now.

The tremendous population growth pressures are being reflected in a paralleled growth in commercial and industrial activities in the Los Angeles area. Of primary interest in relation to the transportation system is the evidence of growth in those areas where people gather together in greatest numbers, for it is in these areas that the problem becomes most acute and the potential for effective transportation service is greatest. Growth patterns, if they are to be maintained, require the support of rapid transit service of adequate capacity and attractive standards of speed and comfort. This growth of population and possible activity will be a continuing challenge to every phase of the economy of the area, and public services of all types must be augmented to meet the demand, particularly in the field of transportation.

The 22.7-mile route proposed by MTA traverses a high-density population area and the route includes 12.1 miles in subway under the cities of Los Angeles and Beverly Hills, and 10.6 miles of grade separated right-of-way. There are 25 stations of which 16 are in subway.

The construction plans include provision for parking at outlying stations, particularly on the east side where the stations are further apart and many persons may choose to drive to the system.

Feasibility reports conducted by independent, recognized authorities show the cost of this system to be self-liquidating in that the loan shall be repaid, interest and principal, through revenues derived from the fare box.

The system proposed by MTA will employ electrically propelled trains operating on standard gage steel rails. The track structure is designed for rubber cushion mounting and continuous welded construction. Employing the latest developments in electronic control, automatic regulation of train headway and speed will permit maintenance of the very highest standards.

Train design will permit maximum speeds of 70 miles per hour, and will provide schedule speed of 34 miles per hour on the line, with travel time of approximately 20 minutes between either end of the line and the Los Angeles city area. The design of the 85-seat cars includes wide aisle space, excellent lighting and other comfort features, including air conditioning. The cars are designed for operation in two-car units in trains of two, four, or six cars.

The 12.1 miles of subway which make up the portion of the route between Century City and a point east of the Los Angeles Union Station has considerable practicality as an important factor in the development of the area's civil defense program, serving as a fallout shelter and, through underground links with shelter areas in the many major buildings adjoining the route, a means of equalizing the loads on emergency facilities and moving personnel under shelter for the performance of critical duties.

The construction of this backbone system is supported by the Honorable Edmund G. Brown, Governor of the State of California; the Honorable Ernest E. Debs, chairman, Los Angeles County Board of Supervisors; the Honorable Samuel W. Yorty, mayor, city of Los Angeles; Mr. Ernest J. Loebbecke, chairman, Rapid Transit Committee, Los Angeles Chamber of Commerce; Mr. John Shirley Ward, president, Downtown Business Men's Association of Los Angeles; Mr. Peter E. Giannini, president, Wilshire Chamber of Commerce; in addition to many other civic leaders and organizations.

The MTA rapid transit system in the city of Los Angeles is designed for the specific purpose of moving people, and the completion of this backbone route will place Los Angeles on the track of progress by providing a beneficial transportation service for the use of the general public.

THEODORE ROOSEVELT BIRTHPLACE AND SAGAMORE HILL NATIONAL HISTORIC SITES, N.Y.

Mr. JAVITS. Mr. President, on behalf of myself and my colleague, the junior Senator from New York [Mr. KEATING], I introduce, for appropriate reference, a joint resolution that would make the first and last homes of Theodore Roosevelt national shrines.

The homes are: the brownstone residence at 28 East 20th Street, Manhattan, where Roosevelt was born in 1858; and Sagamore Hill, the 22-room estate in Oyster Bay, Long Island, where he died in 1919.

Both properties were offered on August 1 to the United States by the Theodore Roosevelt Association, along with a $500,000 grant for their upkeep. The administration has approved U.S. acceptance of the properties as national monuments. President Kennedy has praised the donation of the association and has called the two homes of the Nation's 26th President "priceless historical heritages." Secretary of the Interior Stewart L. Udall, who visited both homes recently, has called the homes and their contents "the finest existing physical reminders of Theodore Roosevelt."

I hope Congress will act promptly to make lasting national monuments of these homes of our most dynamic President. Theodore Roosevelt was more than just one of our greatest Presidents. His vigor and enthusiasm, his immense zest for life, his warmth and compassion, and his dedication to human freedom has established him as a symbol of the American spirit. He was our first modern President with a concept of the world mission of the United States.

The Manhattan brownstone was owned by the Roosevelt family when Theodore was born there October 27, 1858. He spent part of his childhood there. Sagamore Hill, which overlooks Oyster Bay and Long Island Sound, was Roosevelt's home from 1887 to his death in 1919.

The Interior Department has said that fees and the endowment will probably make both properties self-supporting.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 124) to establish the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes, introduced by Mr. JAVITS (for himself and Mr. KEATING), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. JAVITS. Mr. President, I yield to my colleague.

Mr. KEATING. Mr. President, I am happy to join with my distinguished colleague in the introduction of this bill to make the homes of Theodore Roosevelt national shrines.

Theodore Roosevelt's historic homes in the State of New York will add immeasurably to our understanding of the man who so greatly shaped the destiny of our Nation.

The spirit of Theodore Roosevelt, which we all know so well, is certainly worth remembering. In fact, in my book, we need a lot of Teddy's "spunk" in our national life right now. He never hesitated to meet a crisis. He "got down to brass tacks" very early in the game, and always spoke out with a big, broad grin and said, "Watch out for me; I mean business."

It is this hard-hitting spirit and the many accomplishments of Theodore Roosevelt's long service to his country which these homes will commemorate for generations to come.

I thank my colleague.

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENT

Mr. BRIDGES submitted an amendment, intended to be proposed by him, to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. CHURCH submitted an amendment, intended to be proposed by him, to Senate bill 1983, supra, which was ordered to lie on the table and to be printed.

(See the remarks of Mr. CHURCH when he submitted the above amendment, which appear under a separate heading.)

AMENDMENT OF FEDERAL AVIATION ACT OF 1958, RELATING TO CRIMES ABOARD AIRCRAFT IN AIR COMMERCE—AMENDMENTS

Mr. ANDERSON submitted an amendment, intended to be proposed by him,

to the bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce, which was ordered to lie on the table and to be printed.

Mr. MILLER submitted an amendment, intended to be proposed by him, to Senate bill 2268, supra, which was ordered to lie on the table and to be printed.

Mr. ALLOTT submitted an amendment, intended to be proposed by him, to Senate bill 2268, supra, which was ordered to lie on the table and to be printed.

KENNETH L. HORNUM, KENNETH M. RASMUSSEN, ROBERT F. REID, AND RONALD L. WICK—CHANGE OF REFERENCE

Mr. JACKSON. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of S. 1163 and that this bill be rereferred to the Committee on the Judiciary.

S. 1163 is a bill that I introduced for the relief of four naval reservists who were injured in an automobile accident while proceeding to perform active duty for training in the Navy. Since this bill does not propose to amend basic law, I believe that its reference to the Committee on Armed Services was inadvertent.

I have consulted with the chairman of the Committee on Armed Services about this discharge, and I am authorized to state that he has no objection to it.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

John T. Curtin, of New York, to be U.S. attorney, for the western district of New York, term of 4 years, vice Neil R. Farmelo.

Emmett E. Shelby, of Florida, to be U.S. marshal, for the northern district of Florida, term of 4 years, vice Emerson F. Ridgeway.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Wednesday, August 16, 1961, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

ANNOUNCEMENT OF HEARING ON NOMINATION OF PHILLEO NASH TO BE COMMISSIONER OF INDIAN AFFAIRS

Mr. ANDERSON. Mr. President, I wish to announce for the information of the Senate that on Monday, August 14, at 10 a.m., in room 3110, New Senate Office Building, the Committee on Interior and Insular Affairs will hold an open hearing on the nomination of Mr. Phlleo Nash, of Wisconsin, to be Commissioner of Indian Affairs.

I hope that all interested parties who may wish to appear before the committee in connection with Mr. Nash's appointment will notify the staff of the committee.

For the convenience of the Senate, at this point a biographical sketch of Mr. Nash will be inserted in the RECORD.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

Business:

President, Biron Cranberry Co. (growers and shippers of fruit), 1946; vice president and director, 1929–46.

President, Wisconsin Cranberry Growers Association, 1960.

Government service:

Assistant to Assistant Secretary for Public Land Management, Department of the Interior and member of the Secretary of the Interior's task force on Indian affairs, 1961.

Lieutenant Governor of Wisconsin, 1959–61.

Administrative assistant to the President of the United States, 1952–53.

Special assistant in the White House, 1946–52.

Special assistant, Office of War Information and related agencies, 1942–46.

Special consultant, Secretary of War, 1943.

Former public service:

Secretary, Yale-Toronto International Conference on Indian Welfare.

Vice chairman, Menominee Indian tribal trust.

Member, board of directors, Association of American Indian Affairs.

Chairman, Wisconsin Committee on World Refugee Year.

Chairman, Democratic Party of Wisconsin.

President, Georgetown Day School, Washington, D.C.

Educational and professional background:

A.B., Wisconsin, 1932; Ph. D., anthropology, Chicago, 1937.

Lecturer in anthropology, Universities of Wisconsin and Toronto, 1937–42; author of publications in anthropology, race relations, Indian affairs.

Research and field trips in archeology, ethnology, linguistics, and native affairs in California, Oregon, Arizona, New Mexico, Oklahoma, Wisconsin, Illinois, Ontario, Virgin Islands, and Puerto Rico, with respect to Klamath, Modoc, Navaho, Apache, Menominee, and Pueblo Indians and other peoples, 1928–.

Family:

Born October 25, 1909, Wisconsin Rapids, Wis.

Married Edith Rosenfels of Oak Park, Ill., November 2, 1935.

Children, Maggie (Mrs. Eric C. Kast) and Sally, university student.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1815) to provide for one additional Assistant Secretary of Labor in the Department of Labor.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 82. An act for the relief of Naoko Ishiwatari White;

S. 207. An act for the relief of Jean Goedicke;

S. 231. An act for the relief of Helga G. F. Koehler;

S. 435. An act for the relief of Knud Erik Didriksen;

S. 489. An act for the relief of Dellarose J. Dowler;

S. 700. An act for the relief of Fung Wan (Mrs. Jung Gum Goon);

S. 825. An act for the relief of Vasiliki Yeannakopoulos;

S. 944. An act for the relief of Mr. Najm Boulos Rihani;

S. 1373. An act for the relief of Giuseppa Lanza Lascoula;

S. 1673. An act for the relief of Blagoje Popadich;

H.R. 2925. An act to amend the act of March 8, 1922, as amended, pertaining to isolated tracts, to extend its provisions to public sales; and

H.R. 5228. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1962 Girl Scouts senior roundup encampment, and for other purposes.

FOREIGN ASSISTANCE ACT OF 1961

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of Calendar No. 584, Senate bill 1983.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

APPOINTMENTS TO NAVAL ACADEMY FROM THE STATE OF MAINE

Mrs. SMITH of Maine. Mr. President, on April 11 of this year, with much pride I announced that my Naval Academy appointees for the past 2 years were the champions of deportment in their respective classes and I stated at that time:

> They have brought unusual honor to Maine in their exemplary conduct—their championship conduct at the Naval Academy. In fact, they give to Maine the championship in two of the four classes at Annapolis. No other State can boast such a record.

I am very happy to announce today, Mr. President, that this remarkable record has even been bettered now—for my Naval Academy appointees now hold the championship conduct record for three of the four classes at Annapolis.

In the first term of the 1960–61 school year, Midshipman George W. Emery, of Springvale, Maine, and the graduating class of 1963, had a perfect 4 in conduct and ranked No. 1 in his class of 1,003 midshipmen; and Midshipman James Blenn Perkins III, of Boothbay Harbor,

Maine, had a perfect record and the No. 1 position in his 1964 class of 1,195 midshipmen.

In the second term of the 1960–61 school year, Midshipmen Emery and Perkins again led the respective classes in the No. 1 position and with perfect scores, making them champions of their classes for the entire school year. And they were joined in the championship class by then Midshipman—now Ensign—David T. Dean, of Rockland, Maine, who during the second term of the 1960–61 school year had a perfect 4.00 in conduct and ranked No. 1 on deportment in his class of 787 midshipmen. He graduated in June of this year.

Thus, Mr. President, in the second term of the 1960–61 school year at the Naval Academy, State of Maine young men won the conduct championship in the freshman, sophomore, and senior classes—in three out of the four classes missing only the junior class championship. I am confident that this is unprecedented in the history of the U.S. Naval Academy.

It is something about which the State of Maine can take great pride. It is something in which I take great personal pride for these boys are my appointees and I am confident that no Senator or Representative ever had this happen to him or her. It is truly remarkable that one State would gain three out of the four championships—but it is even more remarkable that one Member of Congress would have such a concentration of honor in her appointees. It certainly makes me feel that I have been wise in the choices that I have made.

As I said on April 11, 1961, about these young men:

> They exemplify at the Naval Academy the typical character of the people of Maine. Personally, I am most gratified because, as my appointees, their outstanding records substantiate the judgment I used in selecting them for appointment to the Naval Academy. I congratulate them, their families, and the people of Maine for their accomplishments. This is truly a proud time for Maine at the U.S. Naval Academy.

Mr. KEATING. Mr. President, will the Senator yield to me?

Mrs. SMITH of Maine. I am glad to yield.

Mr. KEATING. I wish to congratulate the distinguished Senator from Maine and the State of Maine on this really remarkable and outstanding record. I have never known of its being equalled. It is evidence of the care and conscientious study which the distinguished Senator from Maine has given to the selection of these candidates, just as she gives to all of her work here in the Senate. She is deserving of the highest praise.

Mrs. SMITH of Maine. I thank the Senator from New York for his complimentary remarks.

VERY FEW CIVIL DEFENSE PAID OFFICIALS HAVE CIVIL DEFENSE SHELTERS

Mr. YOUNG of Ohio. Mr. President, on the front page of the Washington Evening Star of August 8, there appeared a news story entitled "Only One of Seven Civil Defense Chiefs in Area Has Shelter." John Nearly, the staff writer who wrote this news item, is to be commended for his work in helping to expose the civil defense farce in the Washington Metropolitan area, which has been repeated in communities throughout the Nation for the past 10 years.

Mr. Nearly points out that only one of the Washington area's seven top community paid civil defense officials has followed his own advice in urging every family to have a fallout shelter. Six other civil defense chiefs gave various reasons for their failure to do so. They ranged from an unwillingness to remove a cherished apple tree in the backyard of one to plans for another for his family to go somewhere in the event of an attack. Of course, this latter official did not mention how he was going to have enough warning to get his family to the end of the block in the event of a sudden nuclear attack, much less to a place of safety.

Mr. President, I have long maintained that paid civil defense officials have not been practicing what they have been preaching to American taxpayers. There is no paid civil defense official in my home State of Ohio who has taken the trouble to build a fallout shelter in his basement or backyard, at his own expense.

It seems almost unbelievable that these same boondogglers who sound the sirens, who set up practice mock alerts, who warn their fellow citizens of the need for fallout shelters, have not taken the trouble to build such shelters for themselves and their families. How can they expect the American public to take this civil defense program seriously?

Frankly, it is my belief—as I have stated many times in the past, both in the Senate and elsewhere—that basement and shallow backyard shelters will be of no use whatever in event of nuclear war. Unfortunately for American taxpayers, in my opinion, some administration officials seem to believe otherwise. Only last week, the Senate appropriated over $207 million for the beginning of a fallout shelter program in Federal buildings. It is inexcusable that at the same time this huge amount of taxpayers' money is being spent for holes in the ground, paid civil defense officials cynically sit back and do nothing regarding shelters for themselves and their families.

President Kennedy has called for sacrifice in this time of emergency. Apparently, it is too much of a sacrifice for most paid civil defense officials to spend the money for shelters for themselves that they are urging their fellow Americans to spend.

Mr. President, this is just one more incident out of hundreds which explains the failure of Americans to take seriously the programs of our civil defense agencies. Frankly, I do not blame them. I commend this news item to my colleagues and ask unanimous consent that it be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Aug. 8, 1961]

ONLY ONE OF SEVEN CIVILIAN DEFENSE CHIEFS IN AREA HAS SHELTER

(By John Neary)

Only one of the Washington area's seven top community civil defense officials has followed his own advice in urging every family to have a fallout shelter.

He is Rear Adm. G. Roy Hartwig, chief of Montgomery County civil defense, who said yesterday he has had a shelter for the last 3 years.

The six other officials, some because they have "other plans" haven't followed the warning contained in the 1959 Government publication, "The Family Fallout Shelter." This document states, "Everyone, even those far from a likely target would need shelter from fallout."

The civil defense chiefs involved are in Montgomery, Prince Georges, Arlington, and Fairfax Counties, Alexandria, the District of Columbia, and Falls Church.

Admiral Hartwig told the Star, "my conscience bothered me and I had to do something," 3 years ago. He said he keeps the shelter stocked with food, water, a portable radio, and a chemical toilet.

Several of the civil defense heads in the other six jurisdictions of the Washington metropolitan area asked that their names be withheld because they said, the fact they have no shelter would be professionally embarrassing and might impair the family fallout shelter program.

One said yesterday he doesn't have a shelter because he lives in a bachelor apartment and, in an emergency, probably would be at work.

Another, who said his family has "plans to go somewhere else in the event of an attack," said he plans to build one just for the public relations value because it's becoming embarrassing to have to explain why he does not have one.

Another claimed, "I have a very good basement, with access to a well."

Civil defense publications, however, indicate the need for building an additional concrete block room within the ordinary basement to increase shielding from radiation.

An apple tree in his back yard would have to go, one official said, if he were to build a shelter, because there is no room in his basement. Despite the cherished tree, he is planning to "stick one in" the backyard.

(At this point Mr. SMITH of Massachusetts took the chair as the Presiding Officer.)

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I yield.

Mr. GRUENING. Does my colleague from Ohio not believe it may be possible that these six officials who have not seen fit to provide shelters for themselves have in their hearts seen the folly of the program and do not wish to add to the cost of the wasteful program by spending their own money to provide useless shelters?

Mr. YOUNG of Ohio. That seems a reasonable statement, indeed, because shelters such as paid Civil Defense officials are advocating, which will not exceed $1,500 in cost, might prove to be fire hazards and tombs and might, indeed, cause the suffocation of their families in event of a nuclear attack on the Washington area. In all probability,

they would not be effective against fallout from a nuclear explosion which would fall everywhere for miles around the Washington area.

Mr. GRUENING. I agree with the Senator.

CUBAN DOCTOR'S STORY

Mr. YOUNG of Ohio. Mr. President, an article in the Record-Courier of Ravenna-Kent, Ohio, of July 31, 1961, has been brought to my attention. It is captioned "Cuban Doctor Here Tells Why He Fled."

This article gives an inside view of events in Cuba from one man's viewpoint. This is his answer to the question as to why he left Cuba:

My children first of all. The Communist system can even turn your own children against you by perversion of their minds. Secondly, I like to make my own decisions. There was no liberty in Cuba to do as you please. One day you might be carted off without knowing the reason why.

Mr. President, I compliment the enterprise of this fine Ohio newspaper in printing this, and in particular the enterprise of Reporter Robert Dix, Jr., in interviewing this doctor and his technical skill in writing such an interesting story. We may not agree with this Cuban refugee on every point, but this is the kind of information we should have before us. I embody this as part of my remarks and ask unanimous consent that the interview as reported by Robert Dix, Jr., be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CUBAN DOCTOR HERE, TELLS WHY HE FLED

(EDITOR'S NOTE.—A Cuban doctor who recently fled Cuba with his family and now is a resident at Robinson Memorial Hospital in Ravenna tells of conditions in his native country in an interview with Reporter Robert Dix, Jr., of the Record-Courier staff. Because he fears reprisals against some members of his family still in Cuba, the doctor asked that his name be withheld.)

Batista was the worst thing that could happen to any country. His atrocities and torture were horrible. I remember one evening I was stopped by a Batista sergeant while driving to an emergency case in Havana.

It was dark and murky with fog. He was drunk. He ordered me out of the car at machinegun point and proceeded to swear at and humiliate me. I turned and walked back to the car expecting to be shot any moment.

Once Batista's soldiers kidnaped four children of a friend of mine because he was anti-Batista. My friend later found their graves in different cemeteries throughout the province.

You people in this country did not realize what Batista was. We Cubans were disappointed in you. We fought Batista's soldiers, supplied and trained by you, and beat them badly.

On the last day in December 1959, when Castro triumphed, everyone was for Castro. Everyone looked for a new democratic country, free from graft and corruption.

Castro is a highly intelligent man and leader of the first rank. He was a nationalist, a patriot, but then he was forced to move against your country when he first began his agrarian reform. He accepted the Soviet Union's help to keep the gains of his revolution. But that decision determined his course.

So now 2 years later, at the age of 40, I've fled with my immediate family and have left all my economic possessions there. It was the hardest decision of my life. I left because my children, a boy 13 and a girl 11, were ripe for communism. We are Catholic.

When I arrived in the States, I was impressed by two things. One is the awareness among the people in general of some kind of danger to their way of life. The second thing is their ignorance about that danger, international communism.

Communism is not only a social system. It is a creed of religious fervor believed by a large number of people. It is a theory dependent on psychological phenomena.

Any country where 90 percent of the children have no food nor shoes, where 90 percent of them are infested with parasites making them underdeveloped physically, then this country is ripe for communism.

Any country where families live in one room and moral degeneration is the result, where children 8 years old still squat on the floor in a fetal position and look 4 years old, any country like this is ripe for communism.

Cuba is such a country. Eighty percent of the people are peasants (guarjiros). In Cuba if 10 percent of the promises made by Castro are fulfilled, people will work for him. Castro is doing this. He has torn down the shacks. He is making the people marry.

Your foreign aid money, which goes to underdeveloped countries to help for the same cause is rarely used for this purpose. You deal through the local governments. Over 90 percent of these countries are corrupt. Your aid goes to make rich the few.

The good which Castro achieves, however, is done so at the perversion of all truth. The children in school are inculcated with hate for America. It is a totalitarian system. Truth is what the Government proclaims. And the peasants, plagued with illiteracy and poverty, are very susceptible.

The Communists have a beachhead in the Western Hemisphere now. The rest of Latin America is very much like Cuba. I'm very afraid for the whole of the hemisphere.

You ask about the May invasion? I knew it would fail from the beginning. The peasants are for Castro. He had to even turn some of his peasant militia, who wanted to go to the Bay of Pigs to fight, away because there was no need for them. The underground was ruined when Castro rounded up several thousand suspects. This move cut all their connections.

Who runs Cuba? Fidel is the man who runs Cuba. He is the cohesive factor. If he goes, then the whole thing goes.

Did I ever take any of my grievances to Castro? Yes. Late in 1959 I asked him why he was allowing Communists in high positions. He replied that the "revolution was not the war of Jordan" and that he needed the people who could work for the revolution.

Exactly why did I leave? My children first of all. The Communist system can even turn your own children against you by perversion of their minds. Secondly, I like to make my own decisions. There was no liberty in Cuba to do as you please. One day you might be carted off without knowing the reason why.

What must this country do? You people must do many things as the Russians do them. In Helguin, a small Cuban town, the Soviets said that the area needed a hospital. They sent builders, technicians, and doctors to run it until Cubans could be trained. Instead of sending your dollar, alone, which seldom gets to the people, send technicians to teach and doctors to heal.

You must have a political vehicle capable of export that can spread your ideas and your beliefs and yet maintain order.

What are my plans? My whole life I have lived through political convulsion in Cuba. I dont want my children to live the same life. I plan, now, never to return.

FOREIGN AID

Mr. DODD. Mr. President, on Monday I submitted an amendment to the foreign aid bill which would ban any aid to members of the Sino-Soviet bloc.

The purpose of my amendment is clear and simple; it is to prevent any of the funds authorized under this act from being used to assist the following Communist regimes: Albania, Bulgaria, Communist China, Cuba, Czechoslovakia, East Germany, Hungary, North Korea, North Vietnam, Outer Mongolia, Poland, Rumania, and the Union of Soviet Socialist Republics.

The bill before us, as reported out of committee, permits all restrictions against such aid to the Communist bloc to be waived by the President, with respect to as much as $250 million annually.

This is a basic and elementary issue that is familiar to all of us. Both the Foreign Relations Committee and the Congress itself have repeatedly passed upon the essentials involved here.

I do not believe that we can justify a massive national program of defense, military assistance and foreign aid for the purpose of resisting Communist aggression, and at the same time give aid to those same Communist enemies we seek to resist. I do not believe that our people should be taxed to prop up regimes that are dominated by Moscow and Peiping and I feel it is the clear responsibility of the Congress to write that basic sentiment into the law and not leave it to the discretion of the President or the administrators of this act.

My reasons are the following:

First, there is the matter of political theory and philosophy.

The Communist movement is a vast conspiracy to destroy us and everything we represent. Each Red regime, save Yugoslavia which is not included under my amendment, is clearly directed from Moscow or Peiping to serve that end.

Each Red regime has developed the concept of the total state as far as it can go and therefore, within the limitations of bungling and inefficiency characteristic of dictatorships, every resource, important or insignificant, is directed and coordinated toward the eventual Communist world triumph.

Every dollar that we send behind the Iron Curtain, every grain of wheat, every parcel of clothing, every piece of equipment and machinery, every particle of technical knowledge and industrial know-how, is promptly melded into the cold war machine of our enemies to be used against us. Nothing should be plainer or clearer than this.

Second, when we help Communist regimes in any way, we help them to conceal their inability to satisfy the needs and aspirations of people everywhere.

We believe that communism and enslavement so run against the grain of human nature that men cannot live productively and produce effectively under a slave regime. By concentrating their efforts on space and military projects, they may achieve spectacular successes, but only through denying their own people the necessities of life. They have never had any across-the-board success.

We have continual proof that this is so in the recurring famines, the shortages, the continuing squalor, the riots, the revolts, and the broken promises. The harsh realities of life under the Communists are the most effective antidotes to their all-persuasive propaganda and indoctrination.

When we help Communist regimes to obscure their basic failures, when we give them food to hide their famines, when we give them trade to overcome their shortages, when we help to relieve the pressure for consumer goods, thus permitting them more leeway in devoting their resources to weapons of war, we only postpone the day when communism will be totally discredited beyond the Iron Curtain and completely unbearable within it.

Third, the historic lesson is that aid to Communist regimes does not wean them away from basic Communist revolutionary philosophy or draw them closer to us. Our long and costly programs of aid to Communist Yugoslavia and Poland ought to have proved this much to us.

Yugoslavia is not a Red satellite in the exact sense that the others and, though I personally oppose any aid to Yugoslavia, this country is not included in my amendment. Even if aid to Communist Yugoslavia had proven a success, this would not in any way constitute a justification for aid to puppets of the Kremlin But the fact is that aid to Yugoslavia has not been successful from our point of view.

After spending billions of dollars to prop up the Tito regime, the net gain to the free world has been zero. Yugoslavia remains a Red dictatorship, strengthened and made more tyrannical by American aid, brutally oppressing its people, persistently allied with Moscow on every major issue dividing the Communist World from the free world. With the aid we have given him, Tito has been able to set up foreign aid programs of his own in Asia and Africa, and he has used these programs and the respectability in which we have clothed him, to dissuade the Asians and Africans from lining up with the free world.

Poland, too, while receiving aid from us, has been giving aid to Castro's Communist, anti-American regime in Cuba. Poland is a Red satellite. Our aid to that country was intended to encourage the Polish regime to be more independent of Moscow. Yet the longer our aid has continued, the more subservient to Moscow the Gomulka regime has become, and the more venal and repressive toward its people, its press, its churches, its schools, its academic world and all elements of its society.

Therefore, on the record of the acts, words and U.N. votes of Yugoslavia and Poland, this type of aid has been a gigantic failure and should be stopped.

Fourth, we must measure the cost of aid to Communist regimes, not only in dollars and in lost time and effort, but in what we might have accomplished had we used these resources for other means. Our experiment in giving the money and goods of the American people to Communist tyrannies has already cost us almost $4 billion. If this policy is now to be made permanent and perhaps expanded to other Communist regimes, none can tell where it will end or how much it will cost.

What could we have done with this money in the past and what can we do with it in the future?

During the years we have been pouring out billions for Yugoslavia and Poland, we have so neglected our own defenses for budgetary reasons that we are now called upon to take the most severe emergency measures. Skimping on our space and missile budgets has now caused us a series of critical defeats in technology.

During the years we have been aiding these Red regimes, we have been so neglecting our friends and allies in South America that we must now speak in terms of a crash program to save that part of the world from communism. And what could have been done in India, in Pakistan, in South Vietnam, in Africa, in other places, with the funds that we have foolishly squandered?

Thus, our aid to the Reds not only strengthens them; it weakens us by denying us the resources needed to achieve those objectives necessary to our survival.

Fifth, I raise this final point. Even if I did not oppose aid to Communist dictatorships on the grounds I have described, I would oppose it for yet another reason.

During the past few months, the dawning recognition of the crisis in the world has caused the United States to revise its spending plans upward by several billion dollars in the fields of space and military affairs. Since we obviously cannot do everything, this forces upon us a system of priorities. Some things will have to go.

And what could be lower on our list of priorities than handouts to Red governments?

Even if you have no philosophic aversion to this kind of aid, even if you do not think it aids our enemies, even if you do not think it deprives ourselves and our friends, I ask you to vote against it on the simple ground that newer and more urgent demands must be met, that to meet these demands we must dispense with other programs, and that financial aid to communism should be the first thing dispensed with.

Later in the week I shall bring up this amendment and ask the Senate to vote upon it and I take this opportunity to explain in advance my reasons for this action.

THE FREEDOM ACADEMY

Mr. DODD. Mr. President, the Freedom Academy bill, S. 822, proposes the establishment of a combined research and training center which will have the function of developing a science of counteraction to Communist operations and of training carefully selected candidates in this science.

This measure has inspired popular support across the country on a scale that I consider nothing short of remarkable. There have been editorials supporting the project in our great national periodicals and in newspapers across the country. The Senators and Representatives who have sponsored the measure have received, literally, thousands of letters from interested individuals and organizations.

Typical of the many communications that have come to my office is a recent resolution approving the Freedom Academy bill, adopted by the Kiwanis Club of Danbury, Conn.

This resolution is so eloquent a statement of the reasons for establishing a Freedom Academy that I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION APPROVING FREEDOM ACADEMY BILL S. 822

Whereas the Communist bloc has operated an extensive system of political warfare schools for more than 40 years which have graduated large numbers of trained, dedicated professionals who are experts in total political warfare; and

Whereas these skilled Communist professionals are engaged in a thousand-pronged assault against the free world in which trade, subversion, diplomacy, culture, propaganda, and guerrilla warfare are intermixed in a deadly operational science; and

Whereas the Communists have succeeded in conquering a third of the world in a little more than 40 years and now are engaged in a massive penetration of the remainder of the free world; and

Whereas it is of the utmost importance that cold war agency personnel and private citizens understand communism and Communist conflict techniques, and also know the full range of measures freemen can employ to meet the entire Communist attack and to work toward our national objectives systematically, using all appropriate positive and negative measures; and

Whereas present facilities are grossly inadequate for training Government personnel and private citizens about communism (especially Communist conflict techniques in the nonmilitary area) and the wide range of interrelated measures potentially available to us to meet this threat here and overseas; and

Whereas we have not adequately researched and thought through the vast array of methods and means potentially available to us in the Government and private sectors to defeat the Communist attack in all of its dimensions; and

Whereas it is imperative that the capacity of this Nation to meet the Communist assault in the area short of hot war be rapidly increased; and

Whereas the Freedom Academy bill, S. 822, is a logical way to rapidly, yet systematically, research and develop the cold war operational knowledge we must have and to train large numbers of private citizens and Government personnel about communism and the best methods of defeating the Communist attack: Now, therefore, be it

Resolved, That the Kiwanis Club of Danbury, Conn., does herewith go on record as endorsing the Freedom Academy bill, S. 822,

and urges that this measure be passed and become law at the earliest feasible date; be it further

Resolved, That a copy of this resolution be transmitted to the appropriate Members of the Congress.

KIWANIS CLUB OF DANBURY, CONN.
GEORGE L. POTTER, *President*.
DR. J. L. GANNON, *Secretary*.

PROPOSED CANCELLATION OF METROPOLITAN OPERA CO.'S SEASON

Mr. JAVITS. Mr. President, I would like to call the attention of the Senate to what we consider in New York a very important event, and that is the danger of the cancellation of the Metropolitan Opera Co.'s 1962 season.

Mr. President, I am very glad to announce that the Department of Labor at first thought that its mediating good offices in respect of the labor-management dispute which is endangering the Met's 1962 season, was not within its province. I am informed that the Secretary of Labor has stated, or is about to state, that in deference to my views and to those of others he is offering to mediate this dispute as between the Metropolitan Opera Co. and Local 802 of the Musicians' Union which represents the employees. I sent a telegram very early this morning urging him to do this.

Mr. President, this crisis concerning the Met is attributable to the failure to reach agreement upon next year's wage scale with the personnel of the Met's great orchestra.

Mr. President, it is much more than a labor-management dispute. It reflects the deep problems of a great national cultural institution at a time when costs are rising and deficits are getting beyond even the capability of patrons who have for years been underwriting each season—that is, unless the Met is to become an institution of remote accessibility to the people of New York and of the whole country because they just cannot afford its prices at the box office.

Mr. President, the Met is located in New York, but the cancellation of its season will also cancel its appearances on a 7-week spring tour in 1962 taking in Boston, Cleveland, Atlanta, Dallas, St. Louis, Minneapolis, Detroit and Toronto. Also, Mr. President, the Met is a national institution and a national heritage. The whole world regards it so, and regards it as a major index of the cultural excellence of our country. How unthinkable it would be, Mr. President, for the Soviet Union to sacrifice the Bolshoi, and yet the Met is at least as fully identified with the United States, in the world as is the Bolshoi with the Soviet Union.

Again, Mr. President, a free society must show its capability for preserving its finest values without totalitarian authority.

A great company, and many personal friends of mine, are standing by in this emergency and working to get the Met to change its mind, and, indeed, joined in the telegrams to Secretary Goldberg asking him to intercede in the situation.

I have three recommendations, Mr. President:

First, of course, the effort by the Federal Government through Secretary Goldberg which is now happily coming through to mediate this dispute with the union.

Second, intercession by the Mediation Services of the Federal Government. This is a national cultural institution of major importance and should be a national concern. I do not agree with the Department of Labor that this dispute is not national and does not warrant its attention, and I do not believe Secretary Arthur Goldberg will agree, either.

Third, Mr. President, action by Congress on Federal aid to the arts as in any number of the bills pending, including my own bill, for a U.S. Arts Foundation, modeled after the British and Canadian Arts Councils. Ours is the only major nation without such a program. Such a program saved Britain's Covent Garden Opera, and is equally essential for the Met because, Mr. President, whether it closes down because of the present dispute or not, it faces intolerable deficits running well over a million dollars a year if they make any kind of a deal with the Musicians' Union now, and deficits which wealthy patrons just cannot carry.

Sooner or later, Mr. President, and I certainly urge it to be sooner than too late, we must come to this issue here in the Congress and deal with it.

On two previous occasions, in 1948 and 1960, the Met was saved at the 11th hour after cancellations were announced of those seasons.

We have it within our power to see the curtain rise on October 23 for the Met's latest season, with Richard Tucker on stage as scheduled. This national catastrophe must be avoided by the pooled set of actions I have described.

It can be avoided by the set of actions I have described.

While we are at it, let us say a word of national thanks to the stalwart group of Metropolitan Opera supporters who have underwritten the heavy deficits for years—both New Yorkers and other Americans—all by no means wealthy, but all lovers of the muse and supporters of a great activity in our country.

EAST GERMAN REFUGEES AND U.S. LAW

Mr. JAVITS. Mr. President, I should like to say a word on the problem of the East German refugees, who are now flooding into West Berlin in increasingly large numbers.

In the last 24 hours 1,741 East German refugees reached West Berlin. Since last Saturday noon alone over 5,000 have escaped to the free world in this way. Only 2 weeks ago the rate was about 1,100 per day, and the previous estimate of 300,000 for 1961 which was considered high, may have to be revised upward. This flood of refugees should be a strong element of confirmation of the free world's position on Berlin, that Chairman Khrushchev's belligerency and rocket rattling have only created fear in the Communist bloc and an added incentive for people to leave it with a sense of far greater security. This is something of a tribute to the sobriety and self-contained firmness with which the issue is being met by the United States and its principal allies in NATO. Here is something of a vote of confidence for the stability of Western Europe and for us a confirmation of our determination never to let the hope of freedom expire for the 100 million in the captive nations of the Baltic, central Europe, and the Balkans.

However, here again we have a situation that always happens in a democracy. It is not enough. We have made no preparations under our immigration laws to meet the refugee influx. This preparation must at least be equal to the confidence of the refugees. The archaic and discriminatory immigration laws fall far short of the mark in this respect. In addition, we allow ourselves to be tied in knots in Congress by one or two committee chairmen who stand in the way, apparently, of Congress exercising its will in respect of refugee relief legislation. We had that experience with the Hungarian refugees, which showed that basic immigration law for admission of refugees is vital and that a crash program of paroling refugees into the United States is inadequate and unsatisfactory. Nevertheless, we have not yet passed any refugee relief act.

No action has been taken even on the administration's bill, recently introduced by Senator FULBRIGHT in this body, to authorize additional funds to deal with emergency refugee situations and to participate in the work of the U.N. High Commissioner for Refugees and the Intergovernmental Committee for European Migration. Nor was action taken on President Eisenhower's request for allowability of admissions of up to 60,000 refugees and escapees every year on a regulated basis. Indeed, we even have an influx of refugees from Cuba, and our arrangements there, too, are inadequate.

We must have at this session a refugee relief act in the interest of the foreign policy of the United States. It is a fact that only when we have taken our fair share of refugees and escapees has there been any effective international action on this crucial program. That was true right after World War II and in the 1950's. On both occasions we passed laws, and that situation very quickly was cleared up.

The parole provisions of our immigration law were never intended to meet any such massive problem for refugees as is now faced, and hence are not satisfactory to meet it. We showed by the passage of the Displaced Persons Act right after World War II and in the Refugee Relief Act in the 1950's, what we could do. Once we did take the lead, the situation was cleared up satisfactorily by other countries. These were magnificent evidences of U.S. leadership. They were important to the world then. They are just as important to the world now. We

should not permit ourselves to continue to be controlled in this matter by one or at the most two committee chairmen. If ever there was a case for Presidential and congressional leadership to break self-imposed restrictions which seem to paralyze us, it is this. The President should demand refugee relief legislation as part of the package to meet the Berlin crisis, and the Congress should vote it without the self-imposed long delay and frustrations which now seem to be the rule.

Again I renew my pledge that I will not stand still and see approved any ineffective, superficial, and tiny immigration measure, and that I shall exercise every prerogative I have as a Senator to endeavor to include in that measure the necessary immigration legislation generally, and do everything I can to relieve this refugee situation.

I hope and pray that our leadership in the Senate and in the House will see the light in the face of this enormous opportunity which is afforded to the free world with respect to this flood of refugees, which is increasing every day from East Germany.

THE PURCHASE BY THE AIR FORCE OF RECEIVER TRANSMITTERS

Mr. WILLIAMS of Delaware. Mr. President, today I wish to call the attention of the Senate to an incident wherein the Department of the Air Force paid $822 a unit for 442 receiver-transmitters when they could have bought the same units at $525 each. Thus, on this one contract awarded to the Radio Corp. of America the Defense Department threw away $131,274 plus a few thousand dollars extra which were wasted in buying the necessary component parts.

Once again the Comptroller General has called our attention to the irresponsible manner in which the Department of the Air Force wastes the taxpayers' money. For many years many of us have been trying to have a law enacted which will make it mandatory that the Defense Department conduct its purchases by soliciting competitive bids and awarding the contracts to the lowest responsible bidder, but largely as the result of the opposition of the Defense Department we have been unable to get action on this measure.

The Defense Department insists upon buying the major portion of its requirements under negotiated fixed-price or negotiated cost-plus contracts—practices which inevitably lead to unnecessary costs running into the hundreds of millions of dollars annually.

On June 30, 1961, the Comptroller General called our attention to this specific example which is summarized as follows:

The Department of the Air Force wanted to buy 442 AN/ARC–21 receiver-transmitters. Without soliciting competitive bids they awarded this contract for the 442 receiver-transmitters to the Radio Corp. of America at a negotiated cost of $822 a unit.

The Comptroller General established that prior to the time of these negotiations the Radio Corp. of America already had price quotations from potential subcontractors to produce these units at prices ranging as low as $525 per unit.

After RCA received the contract at $822 per unit they subcontracted with the Red Lion Cabinet Co., Red Lion, Pa., to produce these 442 transmitters at a cost of $525 each.

There is no reason why the Department of the Air Force could not have procured these transmitters direct from the Red Lion Cabinet Co. and thereby save $297 each. The records show that the Air Force accepted the RCA's inflated cost for this item on the basis that it represented the best competitive bid which they had received from potential suppliers. There is no evidence that the lower price quotations were considered by the Air Force negotiators. Apparently they were not concerned over the extra cost.

The Comptroller General stated in his report that:

> Had the lowest of these quotations been considered in establishing the price of this contract, the cost to the Government after adjustment for the contractor's related overhead and profit would have been reduced about $173,000.

The $173,000 referred to includes the inflated cost factors of the units as well as certain component parts.

All that we get from the Defense Department is the shopworn promise, "We will try to do better."

That is not enough. What we need is a law making it mandatory that the Defense Department award all contracts to the lowest possible bidder after public solicitation of competitive bids, except only in those cases wherein competitive bids would not be feasible from a national security standpoint. As a further corrective measure I suggest that the name of the procurement officer responsible for the overpayment be included in the Comptroller General's report.

I ask unanimous consent that the Comptroller General's letter of June 30, 1961, to the Congress, in which he summarized this report be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF
THE UNITED STATES,
Washington, D.C., June 30, 1961.

Hon. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: Enclosed is our report on examination of the pricing of AN/ARC–21 receiver-transmitters under Department of the Air Force negotiated fixed-price contract AF33(600)–35867 with Radio Corp. of America (RCA), Defense Electronic Products, Camden, N.J.

The report shows that the price negotiated for 442 AN/ARC–21 receiver-transmitters included an estimate of cost of $822 a unit for a major component even though RCA had received, prior to the time of negotiations, three lower price quotations from potential suppliers ranging from $525 to $604 a unit. Later, RCA awarded a subcontract for the 442 components at $525 a unit to the source which had previously quoted this amount.

During negotiations, the Air Force questioned a substantial increase included in RCA's proposed price for the cost of this component over the amount paid under prior contracts. According to negotiation records, the Air Force accepted RCA's increased estimate of cost for this item on the basis that it represented the best competitive bid received from potential suppliers. We found no evidence that the lower price quotations were made known to the Air Force negotiators. Had the lowest of these quotations been considered in establishing the price of this contract, the cost to the Government after adjustment for the contractor's related overhead and profit would have been reduced about $173,000.

RCA informed us in comments attached to this report that in its opinion the cost estimate for the heat exchanger case was reasonable and proper both at the time RCA submitted its proposal to the Air Force and at the time of negotiations. However, RCA stated that, should any comments received from the Air Force support the view that an adjustment in the price of contract AF33(600)–35867 is called for, it was ready to meet with the Air Force for the purpose of negotiating an equitable settlement.

The Air Force informed us that it had requested the Air Material Command to examine this procurement in detail and that we would be provided with information on any significant developments as they occur.

Copies of this report are being referred to appropriate Government agencies with a recommendation that action be taken to obtain proper recovery from RCA. This report is also being sent today to the President of the Senate, and a copy is being sent to the President of the United States.

Sincerely yours,

JOSEPH CAMPBELL.

TELEVISED PROFESSIONAL FOOTBALL GAMES

Mr. HRUSKA. Mr. President, since the opinion of Federal Judge Grim in United States against National Football League, decided in the eastern district of Pennsylvania on July 20, 1961, there has been widespread anxiety among fans of professional football, including this speaker, that televised professional games may be severely restricted this fall. Although there is a good deal of criticism of current television programing, one bright spot is the Sunday afternoon professional games we are accustomed to viewing during the autumn months over our national networks.

Judge Grim decided that the contract entered into between the National Football League and the Columbia Broadcasting System was illegal in that the member clubs of the league had eliminated competition among themselves in the sale of television rights. Thus, the package program contained in the contract cannot succeed, with the result that this year many games will not be televised and many areas of our country will not be covered in games that are televised.

This is so notwithstanding efforts which may be made by telecast companies to contract with individual clubs. It still stands that many games and many areas will not be covered.

A bill, S. 1856, introduced earlier this session by Senators HART and KEATING, and of which I am a cosponsor, exempts this activity from the antitrust laws. It provides that professional football clubs

may enter into agreements for the purpose of regulating the granting of television rights to their contests, with the proper limitation that no one club shall televise a game within a 75-mile radius of a game involving another club in a different league unless there is consent by the affected club.

Historically, our professional game of baseball has been exempt from the antitrust laws. The Supreme Court reaffirmed this principle in the famous Toolson case decided in 1953 and although it held to the contrary in a professional football case, Radovich against National Football League, it acknowledged the illogic in treating baseball differently than football. Hence, Congress was specifically invited to clarify the situation. The proposed bill seeks to do this by putting football on a parity with baseball in this regard. S. 1856 is a step in the right direction and is particularly timely in the wake of Judge Grim's decision.

I am hopeful that the Subcommittee on Antitrust and Monopoly Legislation will take such steps as are necessary to promptly and favorably report S. 1856 to the Senate for action.

It is especially urgent that this be done in view of the season, which is hard upon us, when these telecasts will be made.

CHINA AND THE UNITED NATIONS

Mr. BRIDGES. Mr. President, on July 28 of this year, the Senate cast a 76-to-0 vote against the seating of Red China in the United Nations. During debate on that resolution, the statement was made that the Congress should also go on record as being opposed to the seating of Outer Mongolia in the United Nations. On July 25, 3 days prior to that debate, I made my position clear on this subject. To refresh any failing memories, I now state that I am unalterably opposed to the diplomatic recognition of Outer Mongolia and to its admission into the U.N.

Outer Mongolia has been a Communist state for 40 years. She sent 5,000 troops to fight against us in Korea during the Korean war. She was and is our political and ideological enemy—just as much as is Communist China. Outer Mongolia's admission into the United Nations would only serve as a lever by which Communist China could be admitted at a later date. For, as all aggressors and tyrants have proven in the past, if you give them an inch, they will take a mile—and a nice, long, healthy mile, at that.

But there is another thing that this country should have learned from the Communist aggressors. That is, how to pack the United Nations. That body has already been packed with Red satellites. Why do we not try to even out the score by doing the same thing?

This suggestion is not original with me, but one which I read in an editorial entitled "China and the U.N.," in the August 4 edition of the New York Journal American. That editorial closes with these words:

If the Communists insist on trying to seat more Red states, in justice we should demand a separate seat for our Commonwealth of Puerto Rico.

Mr. President, I ask unanimous consent to have that editorial printed in the body of the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CHINA AND THE U.N.

There is cause for gratification that President Kennedy has reaffirmed this country's firm ties with Nationalist China and our resolve to continue opposition to United Nations membership for Red China.

We hope this means the end of current trial balloons about possible U.S. willingness to have two Chinas seated in the U.N.

But we wish our Government, announcing agreement on China with visiting Vice President Chen Cheng of the Formosa regime, would have backed his stand on the companion issue of admitting Outer Mongolia to the U.N.

Outer Mongolia is a Communist satellite which the Soviet Union insists on forcing into the world organization, using as the latest dodge a trade for admitting the new African nation of Mauretania. The U.S. State Department has taken the attitude that we should go along with the deal for fear of turning African nations against us. But Chen has said that, if all else fails, Nationalist China will use its U.N. veto to keep Outer Mongolia out.

This time we think the administration is making an error. It is bad enough that the U.N. already has been packed with Red satellites. If the Communists insist on trying to seat more Red states, in justice we should demand a separate seat for our Commonwealth of Puerto Rico. Or maybe Alaska and Hawaii.

RETURN OF HIJACKED AMERICAN AIRLINER

Mr. BRIDGES. Mr. President, reflecting the concern of our Nation as a whole, I have shared with my colleagues of the Senate a profound apprehension and deep resentment over the highhanded manner in which Mr. Castro has been a party to the hijacking and retention of a U.S. commercial airliner.

This alarming episode of piracy in the air, well within the boundaries of the United States, has struck a serious blow against the prestige and responsibility of the United States in the eyes of other nations. This crude defiance of the United States by the Cuban Communist regime necessitates, in my opinion, whatever action, economic, diplomatic, or military, as is necessary to obtain U.S. possession of the hijacked airplane.

The issue is far greater than a single airplane. It is, in simple terms, merely a matter of whether or not the United States, as a great sovereign Nation, is going to permit its citizens to be kidnaped, its commercial carriers hijacked, and be subjected to ridicule by Castro and his Communist coconspirators.

The situation indeed calls for clear thought. Consequently, I was pleased to note an article in the National Tribune-Stars and Stripes, of Thursday, August 3, 1961, containing the statement of Mr. Ted C. Connell, national commander in chief of the Veterans of Foreign Wars, regarding the pirating of the airliner.

Together with other Members of this Senate, and Congress, I have been long impressed by the sound observations on many national defense and foreign policy issues expressed by this distinguished commander of the Veterans of Foreign Wars. Commander Connell's comments upon the matter of the Cuban-held airliner are typical of the down-to-earth, commonsensed, clear thinking which has gained for him and the VFW such widespread official and public admiration.

Although the statement by VFW Commander Connell is rather short it goes directly to the heart of the issue. Because of its timeliness and sound thinking I hope that it will be read by each member of the Senate. I ask unanimous consent that the article by Mr. Ted C. Connell, commander in chief of the VFW, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VFW CALLS FOR AIRPLANE RETURN

Ted C. Connell, commander in chief of the Veterans of Foreign Wars, last week called for President Kennedy to take immediate steps, including armed intervention if necessary, to insure the immediate return of the American airliner which was hijacked by a Cuban national July 24.

"Naturally," the VFW leader said, "we sincerely hope that armed intervention is not necessary, but if this invasion of American territory is left to go unchallenged, we will certainly lose our self-respect among the family of nations.

"Now that Castro has shown to the world his complete disregard, not only for private property, but more important, for legal national boundaries, the time has come to show him that we can be just as forceful. I hope that this country will issue an ultimatum on the return of the aircraft within a specified number of hours and if the ultimatum is ignored then prepare to take the necessary steps to insure the return of the plane. Castro must be made to realize that just because he has seized all American property in Cuba, we are not about to tolerate an extension of his operation to our very shores."

TRIBUTE TO INDIVIDUAL INITIATIVE

Mr. HART. Mr. President, we hear a good deal these days about "paternalistic government," and the fact that so much is done for people that their initiative is sapped and their willpower negate; that they not only wait for handouts, but go out of their way to be classified as eligible for relief.

A letter has come to me this week expressing the opposite view so graphically and movingly that I should like to share it with others who may feel, as I do, that the dignity of man remains the paramount quality of those who are in need. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mrs. H. D. Miller, of 2414 Liddesdale, Detroit, Mich.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DETROIT, MICH., *August 7, 1961.*

DEAR SENATOR HART: For several months I have been wondering whether there was anything a very average person could do to

get Congress more interested in the plight of the unemployed. The only reason I didn't write sooner was because I feel you are doing all that is humanly possible for one man to do. I think the President is too, but according to the Detroit Free Press the number of long-term unemployed has again risen.

I have been married to a steelworker for 36 years and all my friends are working people, so money isn't too plentiful, but at least all of my husband's working days, he had a job to go back to if, and when the plant opened up again. There was a period of 3 years or more during the depression when we lost everything and went into debt besides (partly due to a bank's failure) but still my husband and I could feel that someday Republic Steel would get going again and we'd get on our feet.

However, I know some decent men in Detroit whose jobs are simply gone, either through automation or because the company went out of business, and there just is not an opening available. I see by the newspapers that most of the men who are laid off are Negro, or else have had very little education. In all honesty, I can write that, as far as I am concerned, they are just as bright and just as capable of holding a job as those now working, except that they are younger. When a decent man (or woman) loses his job for no fault of his and then cannot find work for months or years, something happens to him. In my vernacular he just "dies" inside.

We have a colored man in our church who has had 16 years' experience at Chrysler. He is a high school graduate, pretty good at doing odd jobs, etc., and has a wife and four children between 12 and 2 years old. He is buying a house on Vinewood, which is an old section of Detroit, but the place is neat and clean. In 1959 he worked 5 months, in 1960 he worked 3, and this year he hasn't been called in at all. He traded in his car for an old truck and all last winter and up to now that man has kept his family going by doing odd jobs, selling junk, selling anything he can find in part, but how they have managed to exist I do not know. They had a gas furnace and he converted it back to coal and burns wood which he got from houses Detroit was tearing down, only I was there when it was 18° above zero and they didn't have a speck of heat in the house. That was one of his "bad" weeks. They went down to get surplus food but they would have to pay $18 a week and their food bill is less than that, etc., etc. I think that man has tried to get a job at every shop in Detroit and neither he nor his wife ever wasted a cent in their lives. The last time I saw his wife she said her husband was going out one or two nights a week—not to drink—just to sit and think alone. I was heartsick and I know she is too.

I also know the world is one bewildering mess, and maybe if I were a Congressman and the unemployed were just statistics, it wouldn't bother me so much. However, I honestly believe that God constituted us in such a way that work is a necessary part of our life. Not only that, the average man wants his independence, too, and welfare is the last thing he is looking for. There is something wrong with a civilization which won't give a man a chance to earn a modest living in an honest way. But how do we get that part across to our lawmakers?

I hate to trouble you when you are doing such an excellent job already, but is there any word of encouragement I can give folks like these? I could hand out a thousand a month if I had it, but the point is, the folks I know want to work and get their own wages. And, I'm afraid that is the sad truth in all the depressed areas.

Thanks very much.

Sincerely,

Mrs. H. D. Miller.

WATER RESOURCES AND HYDROELECTRIC POWER IN THE NORTHWEST

Mr. DWORSHAK. Mr. President, for some reason unknown to me, it seems that we can generate more controversies over water resources and hydroelectric power in the Northwest than in any other area of the Nation. The mere mention of these terms in reference to projects in the Northwestern States seems to be a signal for zealots across the Nation to spring into action. Controversies over public versus private power; multiple use versus single use of our natural resources; and regional versus State development, spring into being almost automatically with participants joining in from every State in the Nation.

This allergy for controversy over water resources has apparently spread northward from the United States into the British Columbia Province of Canada. A new waterpower development there is having great impact in the United States also. At point is how and when the Canadian Government will ratify the International Columbia Basin Treaty with the United States. This treaty ratification is an integral part of water resource development in our Pacific Northwest, and action by the British Columbia Provincial government has delayed its ratification, and is even casting doubts as to actual ratification itself at this time.

Mr. President, I ask unanimous consent to have printed in the RECORD an outline of this new situation as reported by Callison Marks, of the Spokesman-Review of Spokane, Wash.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH COLUMBIA FRUSTRATES AMERICANS ALSO

There was a series of strange coincidences in Canada last week.

In Ottawa, frustrated leaders of the socialistic Canadian Commonwealth Federation, a political party, were combining with organized labor to form a new political party.

In Vancouver, funeral services were being held for a noted cultural leader and champion of free enterprise, A. E. Grauer, chief executive officer of the British Columbia Electric Co., one of the largest and most successful utilities on the continent.

In Victoria, British Columbia Premier W. A. C. Bennett, leader of the conservative-slanted Social Credit Party, announced to the provincial legislature that the government—as of 2 p.m. Tuesday—had taken over the British Columbia Electric Co., something which the CCF socialists had been advocating for years.

In addition, Premier Bennett declared that the Peace River Power Development Co., a private-enterprise dam-promoting firm backed by famed Swedish industrialist, Axel Wenner Gren, was also being expropriated.

The chairman of the Peace River Co., Sir Andrew McTaggart, arrived from London with no inkling of the shocking news. He did learn that Bennett's British Columbia energy board had just determined that Peace River could be developed by the province at about the same rate as power from the proposed Canadian Columbia River projects.

Before the week was over, Bennett won legislative approval of his takeover plan. The premier replaced the British Columbia Electric's board of directors with men of his own choice, headed by Dr. Gordon Shrum, chairman of the British Columbia energy board and former dean of graduate studies of the University of British Columbia.

Bennett, the onetime conservative politician, then had a $100 million provincial bond issue authorized for immediate payment for the shares of British Columbia Electric stock held by a parent corporation.

The total takeover price has been estimated at about $700 million. The contingent liabilities of the province now come to about $1.3 billion.

A little over a year ago Premier Bennett had told British Columbia voters that the province was clear of public debt.

The provincial takeover of the private power companies was justified, in part, by the Premier because the Canadian Federal Government handed back to Victoria only a small portion of the Federal taxes paid to Ottawa.

Provincial government operation of the British Columbia Electric deprives the Federal Government of the utility taxes. It also deprives many municipalities in the province of the tax income formerly paid by the utility.

The total tax contribution of the company has been estimated at about $17 million annually—to Federal provincial and local governments. Some municipalities near Vancouver are already worried over the loss of tax income from the company and are threatening to curtail school and other public services.

The frustrations in Canada over this power takeover now involve the validity of the Columbia River treaty, signed by the United States and Canada last January and ratified by our Senate in March. No attempt has been made by the Canadian Federal Government to get the treaty ratified by the House of Commons at Ottawa.

The Bennett government in British Columbia has now, in effect, told the Ottawa government that it must authorize the export of power (to come from Columbia and Peace River dams) or the treaty will be kaput. Victoria holds one type of veto power and Ottawa holds another.

The hydropower which the British Columbians hope to develop is too expensive for marketing in the Pacific Northwest, even though the price may be acceptable in lower British Columbia, or in California.

The present British Columbia power situation is a source of frustrations on this side of the border, where there has been faith that eventually the leaders in Ottawa and Victoria would settle their differences and the Columbia treaty benefits would become a reality.

The frustrations here are now complicated over the purely American questions of power development on the middle Snake River, the possibility of commercial power from the new Hanford atomic reactor, and the prospect for construction of the proposed Bonneville-California intertie.

The Snake River problem is now in the hands of the Federal Power Commission. The Hanford problem is now in the hands of Congress. The intertie problem is now in the hands of the Department of the Interior.

The present Canadian situation also concerns the backers of Libby Dam in western Montana, the last great Federal project now in the planning stage. Construction will be stymied as long as Canada holds up ratification of the treaty.

Premier Bennett is a masterful politician who is looking out for British Columbia interests. He has taken a big gamble in the provincial takeover of private power, in his ambitious plans for public power development of both the Columbia and Peace River projects. He has caused some frustrations north of the border.

Now he has many power-minded Americans worried over what may happen here because of the Columbia River uncertainties and because of the quick but legally permissible snatch of Canada's largest investor-owned public utility.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. PROUTY. Madam President——

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The Senator from Vermont.

Mr. PROUTY. Madam President, what kind of foreign aid program should we have and how shall we pay for it?

Understandably there is the greatest divergence of opinion here, and no man's patriotism or motives should be impugned because of his opinion.

Obviously we must have a businesslike program, carefully planned and designed to accomplish the most good with the greatest amount of efficiency and the least amount of waste and expenditure.

It should be a program over which Congress, in line with its constitutional responsibilities, maintains the sharpest scrutiny and the greatest control.

Can we have both long-range foreign aid planning and congressional control? That is the guts of the issue.

We will have the complete answer only if we examine completely what measure of control we have today and what measure of control we would have under the various proposals.

Congress does not have real control over expenditures in the foreign aid field today. To argue otherwise is to point the finger of blame at the committees of Congress and the House of Representatives and the Senate of the United States for the countless examples of waste and mismanagement that have taken place.

Did Congress have control over foreign aid expenditures when the U.S. Government constructed on Formosa a sparsely traveled mountain highway that is practically impassable more than half the year, because of typhoons?

Did Congress have control over foreign aid expenditures when the U.S. Government constructed in Cambodia a winding jungle highway that cost $30 million, and is already falling apart?

Did Congress have control over foreign aid expenditures when the U.S. Government constructed in Korea an ultramodern fertilizer plant that cost $40 million, that could not be used for many months because of inadequate power supply?

Did Congress have control over foreign aid expenditures when the U.S. Government built in Iran an $800,000 sawmill that only now is going into operation, after 7 long years of delay?

Did Congress have control over foreign aid expenditures when the U.S. Government paid $125,000 to build at Pampas de Noco, Peru, an irrigation project which does not irrigate, because there is not enough water available in the area to make use of the irrigation works?

Madam President, I respectfully contend that while we hear eloquent words about "legislative control of the purse strings," if such control actually existed we would not have the Government building roads to nowhere, and our emergency shipments of food would not fail to reach the mouths of the starving.

Let us review for a moment the procedure under which Congress operates now. Perhaps this will demonstrate, in part, the reasons why control over foreign aid expenditures is lacking today.

Today, the foreign aid bill is handled in the House of Representatives by the Subcommittee on Foreign Operations, of the House Appropriations Committee. This is an 11-man subcommittee, composed of 7 Democrats and 4 Republicans. It is aided by one staff member, officially assigned to the Subcommittee on Foreign Operations. This staff member draws on the help of other staff members from the full committee; and their efforts, plus his own, amount to the equivalent of two full-time employees on foreign aid matters.

I think the situation speaks for itself. No one staff member—nor no two staff members, for that matter—however capable, can be expected to obtain a mastery of all the details of a gigantic program such as foreign aid. We know from past experience that when committee staff men are overwhelmed by a task, there is a corresponding, if not greater, problem for the Members of Congress themselves.

I have in my hand a list of the members of the House Subcommittee on Foreign Operations; and I find that each of these members has, in addition to his responsibilities with respect to foreign aid, subcommittee assignments dealing with other major areas of Government expenditures.

Madam President, I ask unanimous consent to have printed at this point in the RECORD a list of the members of the House of Representatives Foreign Operations Subcommittee of the House Appropriations Committee and the additional subcommittee assignments they have.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ADDITIONAL SUBCOMMITTEE ASSIGNMENTS OF MEMBERS OF HOUSE FOREIGN OPERATIONS SUBCOMMITTEE OF APPROPRIATIONS COMMITTEE

Representative PASSMAN: Foreign Operations (chairman), Treasury-Post Office.

Representative GARY: Foreign Operations, Treasury-Post Office, General Government Matters-Commerce.

Representative ROONEY: Foreign Operations; State, Justice, Judiciary, Deficiency.

Representative NATCHER: Foreign Operations, Treasury-Post Office.

Representative ANDREWS: Foreign Operations, General Government Matters-Commerce, Defense.

Representative MONTOYA: Foreign Operations General Government Matters-Commerce.

Representative TABER: Foreign Operations, Public Works.

Representative FORD: Foreign Operations, Defense.

Representative RHODES: Foreign Operations, Independent Offices, District of Columbia.

Representative CONTE: Foreign Operations, Treasury-Post Office.

Mr. PROUTY. Madam President, much discussion has centered around the contention that we are considering an abandonment of congressional control. I think the facts I have just presented indicate that the control which does exist has many inherent limitations.

There is no doubt that the House Subcommittee on Foreign Operations is a very hard working and industrious subcommittee. It is composed of some of the most outstanding Members of the House of Representatives.

While these men have a considerable knowledge of the foreign aid program, unquestionably more than my own, it cannot be emphasized too strongly that they have the assistance of only two full-time employees. When one is dealing with a program which uses billions—not millions—of dollars, which covers scores of countries scattered throughout the world, one needs a large staff simply to keep track of what has been done, to say nothing of what is being done.

Members of the Foreign Aid Subcommittee in the House have not only their numerous subcommittee assignments to contend with; they also have important tasks to perform for their constituents and important responsibilities—as have all Members of Congress—to study major proposed legislation reported by other committees.

What constitutes a major problem in the House is perhaps an even greater one in the Senate. The foreign aid appropriations bill is not handled by a subcommittee here, but is handled by the full Appropriations Committee itself. There are 27 members on the committee. The group is composed of 17 Democrats and 10 Republicans.

In 1959 the Appropriations Committee spent 35½ hours on hearings on foreign aid, and then spent 1 day marking up the bill. Although the scope of foreign activities is enormous, the committee has but two staff members engaged in this field. It is no exaggeration to say that these two men have more difficult jobs than does anyone else on Capitol Hill, except, perhaps, the Senators on the Appropriations Committee whom they are assisting.

Madam President, the Congressional Directory and other public sources disclose that the extremely industrious and admittedly capable Senators on the Senate Appropriations Committee have, on the average, five or six subcommittee assignments each, within the Appropriations Committee group itself, to say nothing of numerous other subcommittee tasks. Let me give a few examples. One Senator on the Appropriations Committee serves on 4 committees, and has, in all, 14 subcommittee assignments.

A second Senator on the Appropriations Committee serves on 3 committees, and has 11 subcommittee assignments.

Another Senator on the Appropriations Committee serves on 3 committees and 10 subcommittees.

Madam President, I ask unanimous consent to have printed at this point in the RECORD a list of the Senators who serve on the Senate Appropriations Committee and their committee and subcommittee assignments.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COMMITTEE AND SUBCOMMITTEE ASSIGNMENTS OF MEMBERS OF SENATE APPROPRIATIONS COMMITTEE

SENATOR HAYDEN

Appropriations Committee, chairman: Agriculture and Related Agencies, Defense, District of Columbia, Interior and Related Agencies (chairman), Public Works.

Rules and Administration Committee: Rules of Senate (chairman), Committee on Printing (chairman).

Joint Committee on Printing (chairman).

SENATOR RUSSELL

Appropriations Committee: Agriculture and Related Agencies (chairman), Defense, Independent Offices, Interior and Related Agencies, Labor, and Health, Education, and Welfare, and Related Agencies, Military Construction, Public Works.

Armed Services Committee (chairman).

Aeronautical and Space Sciences Committee.

Joint Committee on Atomic Energy.

SENATOR CHAVEZ

Appropriations Committee: Defense (chairman), Interior and Related Agencies, Labor, and Health, Education, and Welfare, and Related Agencies, Legislative, Military Construction, Treasury and Post Office.

Public Works Committee (chairman).

SENATOR ELLENDER

Appropriations Committee: Defense, General Government Matters, Commerce, and Related Agencies, Independent Offices, Public Works (chairman), State and Justice and the Judiciary and Related Agencies.

Agriculture Committee (chairman).

Joint Committee on Reduction of Nonessential Expenditures.

SENATOR HILL

Appropriations Committee: Agriculture and Related Agencies, Defense, Independent Offices, Labor, and Health, Education, and Welfare, and Related Agencies (chairman), Public Works.

Labor and Public Welfare Committee (chairman): Health (chairman).

SENATOR M'CLELLAN

Appropriations Committee: Defense, Interior and Related Agencies, Public Works, State and Justice and the Judiciary and Related Agencies (chairman), Treasury and Post Office.

Government Operations (chairman).

Judiciary Committee: Federal Charters, Holidays and Celebrations, Immigration and Naturalization, Improvements in Judicial Machinery, Patents, Trademarks and Copyrights (chairman), Constitutional Rights, Special Committee on Internal Security, Special Committee on Trading With the Enemy.

Joint Committee on Immigration and Nationality Policy.

SENATOR ROBERTSON

Appropriations Committee: Agriculture and Related Agencies, Defense, Independent Offices, Public Works, Treasury and Post Office (chairman).

Banking and Currency Committee (chairman).

Joint Committee on Defense Production (chairman).

SENATOR MAGNUSON

Appropriations Committee: General Government Matters, Commerce, and Related Agencies, Independent Offices (chairman), Labor, and Health, Education, and Welfare, and Related Agencies, Public Works, State and Justice and the Judiciary and Related Agencies.

Commerce Committee (chairman).

Aeronautical and Space Sciences Committee.

SENATOR HOLLAND

Appropriations Committee: Agriculture and Related Agencies, General Government Matters, Commerce and Related Agencies (chairman), Independent Offices, Public Works, State and Justice and the Judiciary and Related Agencies.

Aeronautical and Space Sciences Committee.

Agriculture Committee: Agricultural Credit and Rural Electrification (chairman), Agricultural Production, Marketing and Price Stabilization.

Joint Committee on Reduction of Nonessential Expenditures.

SENATOR STENNIS

Appropriations Committee: Agriculture and Related Agencies, Defense, Labor, and Health, Education, and Welfare, and Related Agencies, Military Construction (chairman), Public Works, State and Justice and the Judiciary and Related Agencies.

Aeronautical and Space Sciences Committee.

Armed Services Committee: Preparedness Investigating (chairman), Central Intelligence, Officer Grade Limitation (chairman).

SENATOR PASTORE

Appropriations Committee: Defense, Independent Offices, Labor, and Health, Education, and Welfare, and Related Agencies, Legislative (chairman), State and Justice and the Judiciary and Related Agencies.

Commerce Committee: Merchant Marine and Fisheries, Communications.

Joint Committee on Atomic Energy.

SENATOR KEFAUVER

Appropriations Committee: Defense, District of Columbia, General Government Matters, Commerce, and Related Agencies; Interior and Related Agencies; Public Works, State and Justice and the Judiciary and Related Agencies.

Judiciary Committee: Constitutional Amendments (chairman), Patents, Trademarks, and Copyrights, Juvenile Delinquency, Antitrust and Monopoly (chairman).

SENATOR MONRONEY

Appropriations Committee: Independent Offices, Labor, and Health, Education, and Welfare, and Related Agencies; Legislative, Military Construction, Public Works, Treasury and Post Office.

Commerce Committee: Communications, Aviation.

Post Office and Civil Service Committee: Postal Affairs (chairman), Contested Nominations.

SENATOR BIBLE

Appropriations Committee: General Government Matters, Commerce, and Related Agencies; Interior and Related Agencies, Labor, and Health, Education, and Welfare, and Related Agencies; State and Justice and the Judiciary, and Related Agencies; Treasury and Post Office.

District of Columbia Committee (chairman).

Interior and Insular Affairs Committee: Public Lands, Minerals, Materials, and Fuels.

Joint Committee on Navajo-Hopi Indian Administration.

SENATOR BYRD OF WEST VIRGINIA

Appropriations Committee: District of Columbia (chairman), General Government Matters Commerce, and Related Agencies; Interior and Related Agencies, Labor, and Health, Education, and Welfare, and Related Agencies; Treasury and Post Office.

Armed Services Committee.

SENATOR M'GEE

Appropriations Committee: Agriculture and Related Agencies, District of Columbia, General Government Matters, Commerce, and Related Agencies; Interior and Related Agencies, Treasury and Post Office.

Commerce Committee: Communications, Surface Transportation.

SENATOR HUMPHREY

Appropriations Committee: Agriculture and Related Agencies, District of Columbia, General Government Matters, Commerce, and Related Agencies; Interior and Related Agencies, Legislative.

Foreign Relations Committee: European Affairs, Disarmament (chairman), Near Eastern and South Asian Affairs, International Organizations Affairs.

Government Operations: Reorganization and International Organizations (chairman), National Policy and Machinery.

SENATOR BRIDGES

Appropriations Committee: Defense, General Government Matters, Commerce, and Related Agencies; Legislative, Military Construction, State and Justice and the Judiciary and Related Agencies, Treasury and Post Office.

Aeronautical and Space Sciences Committee.

Armed Services Committee: Preparedness Investigating, Central Intelligence.

SENATOR SALTONSTALL

Appropriations Committee: Defense, District of Columbia, General Government Matters, Commerce, and Related Agencies; Independent Offices, Legislative, Military Construction, State and Justice and the Judiciary, and Related Agencies.

Armed Services Committee: Preparedness Investigating, Central Intelligence, Conflict of Interest.

Joint Committee on Building for Smithsonian Institution.

SENATOR YOUNG OF NORTH DAKOTA

Appropriations Committee: Agriculture and Related Agencies, Defense, Independent Offices, Interior and Related Agencies, Public works.

Agriculture Committee: Agricultural Production, Marketing and Price Stabilization, Agricultural Research and General Legislation.

SENATOR MUNDT

Appropriations Committee: Agriculture and Related Agencies, Defense, Interior and Related Agencies, Public Works, State and Justice and the Judiciary and Related Agencies.

Agriculture Committee: Agricultural Credit and Rural Electrification, Agricultural Production, Marketing, and Price Stabilization.

Government Operations Committee: Permanent Committee on Investigations, Reorganization and International Organizations, National Policy and Machinery.

SENATOR SMITH OF MAINE

Appropriations Committee: Defense, General Government Matters, Commerce, and Related Agencies, Independent Offices, Labor, and Health, Education, and Welfare, and Related Agencies, Public Works, State and Justice and the Judiciary, and Related Agencies.

Aeronautical and Space Sciences Committee.

Armed Services Committee: Preparedness Investigating, National Stockpile and Naval Petroleum Reserves, Conflict of Interest.

SENATOR DWORSHAK

Appropriations Committee: Agriculture and Related Agencies, Defense, Interior and Related Agencies, Public Works, State and Justice and the Judiciary, and Related Agencies.

Interior and Insular Affairs Committee: Minerals, Materials and Fuels, Public Lands.
Joint Committee on Atomic Energy.

SENATOR KUCHEL

Appropriations Committee: General Government Matters, Commerce, and Related Agencies, Independent Offices, Interior and Related Agencies, Labor, and Health, Education, and Welfare, and Related Agencies, Treasury and Post Office.
Interior and Insular Affairs Committee: Irrigation and Reclamation, Territories and Insular Affairs.

SENATOR HRUSKA

Appropriations Committee: Agriculture and Related Agencies, District of Columbia, Public Works, State and Justice and the Judiciary, and Related Agencies, Treasury and Post Office.
Judiciary Committee: Improvements in Judicial Machinery, National Penitentiaries, Antitrust and Monopoly, Constitutional Rights, Internal Security, Improvement in the Federal Criminal Code, Juvenile Delinquency.

SENATOR ALLOTT

Appropriations Committee: District of Columbia, Independent Offices, Labor, and Health, Education, and Welfare, and Related Agencies, Legislative, Treasury and Post Office.
Interior and Insular Affairs Committee: Indian Affairs, Irrigation and Reclamation, Public Lands.

SENATOR SCHOEPPEL

Appropriations Committee: Agriculture and Related Agencies, District of Columbia, Independent Offices, Labor, and Health, Education, and Welfare, and Related Agencies, Treasury and Post Office.
Commerce Committee: Aviation, Surface Transportation.

Mr. PROUTY. Madam President, how all of the Senators on the Appropriations Committee do as well as they do on foreign aid matters with the aid of only two full-time staff members is beyond my understanding.

So that everyone will see the tremendous responsibilities they bear, I have had printed in the RECORD the table which lists the committee and subcommittee assignments in the Senate of all members of the Appropriations Committee.

All of these men are among the ablest, most experienced, and most dedicated Members of the Senate; but they cannot do the impossible—and we should not ask them to make the effort.

In addition to the problems I have set forth, the Members of the Senate and House Committees are hampered by weak and uninformative testimony given by those in charge of explaining the foreign aid program.

Only this year a key administration witness admitted that he did not have any idea whether a study was made of our overall aid program in southeast Asia or whether such a study is under way. Even under the strongest kind of senatorial interrogation, the spokesmen for the aid program failed to come up with concrete answers to reasonable and important questions.

The testimony revealed that in many cases heavy reliance was placed on the memorandums of country teams, and that little or no top-level judgment was involved in determining the amount of money needed for given areas and the purposes for which it should be spent.

Everyone is familiar with the fact that when the appropriations procedure is utilized, the agency seeking funds is supposed to furnish a detailed justification of the items in its budget. However, once the budget is approved by both Houses—with certain exceptions—foreign aid administrators are free to spend money on the projects they select, if the projects fall within the broad categories approved.

Therefore, it can be said that neither the Senate Appropriations Committee nor the House Appropriations Committee passes on the merits of individual loans as they are made. Real control—day-to-day control—would involve some congressional activity with respect to major projects, even though the funds to finance them have already been appropriated.

I think I have demonstrated that under our present system, Congress is a watchdog of the purse; but because of staff limitations and other problems it is less than a full-time watchdog. Now the administration comes along and asks us to finance a development lending program by means of a 5-year borrowing authority.

THE PRESIDENT'S PROGRAM WILL NOT PROVIDE FOR ADEQUATE CONGRESSIONAL CONTROL OVER EXPENDITURES IN THE FOREIGN AID FIELD

Madam President, it is unnecessary for me to review in detail the provisions of the administration bill, as reported by the committee. Senators are familiar with those provisions.

I should, however, like to examine whether or not the sum total of those provisions provides the kind of congressional control over expenditures which is required by the Constitution.

It is true, as the administration asserts, that during annual consideration by both authorizing and appropriating committees of requests for grant-aid appropriations, all development loan operations can also be reviewed at that time or, indeed, at any time. Congress, it is true, would be free to curtail or even to end the borrowing authority, or any portion of it.

It is further true, as the administration states, that section 203(c) of the bill provides that—

> The President shall prepare annually and submit a budget program in accordance with the provisions of sections 102, 103, and 104 of the Government Corporation Control Act as amended.

The administration maintains, however, that it is clear from the Government Corporation Control Act and from its legislative history, as well as the legislative history of the bill now under consideration, that the power to make reductions or limitations is to be used only in special or unusual circumstances; to enforce the will of the Congress in carrying out development lending activities which have been authorized by law, or to conform such activities to the general financial program of the Government.

I have specifically inquired of the administration as to the power of Congress under these circumstances to, for example, assert its will to deny these funds to a particular Soviet satellite. I was assured by the Department of State that all Congress had to do was insert in the appropriation bill a clause to the effect that none of the money was to go to that particular country.

To sum up, the position of the executive branch is that the exercise of the borrowing authority would be subject to annual Appropriations Committee review and congressional action, and that long-term commitments of funds provided by the borrowing authority would have to be made subject to such congressional review and action.

The executive branch would, however, consider the enactment of the borrowing authority to constitute an expression of intent on the part of Congress to provide funds over the 5-year period in the aggregate amount authorized to be borrowed, and it would therefore feel free to enter into conditional commitments with respect to these funds. It would expect that the level of these funds would not be reduced and that limitations on their use beyond those in the act would not be imposed unless the Congress considered that strong affirmative reasons existed for such reduction.

There are those, however, who disagree with this interpretation, and remain unimpressed by the argument that review and control would be provided through routine reports to the Congress and application of the Government Corporation Control Act. There is much to be said for their point of view.

The Government corporation control statute would not in any way restrict the development lending authority in regard to the making of contracts or other commitments which go beyond more than 1 fiscal year. In fact, section 104 of this act specifically states:

> The provisions of this section shall not be construed as affecting the existing authority of any Government corporation to make contracts or other commitments without reference to fiscal year limitations.

So, then, if limitations should be imposed on loans or other arrangements involving more than 1 fiscal year they must be imposed by the foreign aid bill itself. Let us, therefore, take a look at the pending legislation and the limitations contained therein.

Sections 202(a) and 203(a), read together, prohibit the President from issuing notes in any given fiscal year exceeding the ceiling imposed for that year. There is an exception which permits the President to issue unused portions of notes authorized for previous fiscal years. We know from past experience that agencies operating under the Government Corporation Control Act have submitted rather general information to the Appropriations Committees regarding their proposed programs, and almost routinely these committees have inserted in appropriations bills some boilerplate language which constitutes approval of programs for the forthcoming fiscal year. Even the administration concedes that in only a few instances have limitations been imposed with respect to operating expenses.

With this as a backdrop let us consider the following:

Suppose that under the Government Corporation Control Act the lending agency comes before the Senate and House Committees and discusses its programs for the forthcoming fiscal year. Suppose, also, that the committees give routine approval to these programs and then the lending agency, later on, in the middle of the fiscal year, decides to make a sizable contract not previously contemplated.

Would there be any element of congressional control over such action? The answer is "No." The Appropriations Committee could impose limitations on future programs, but there would be no advance control with respect to this particular project.

I do not want supporters of the appropriations procedure to draw too much comfort from this fact because the same weakness exists in our present system. Both Houses approve the appropriation of money for a given purpose, and then sometime in the middle of a fiscal year other projects, which can be blanketed under the approved purpose, are dreamed up and no committee in either House has anything to say about them until after the fact.

Proponents of the borrowing authority procedure advanced by the administration have made much of the fact that there are limitations in the bill which prohibit the President from issuing notes in any given fiscal year exceeding the ceiling imposed for that year.

They fail, however, to emphasize that while the President, under the proposed plan, is limited in regard to the amount of notes he can issue in a given fiscal year, there is nothing in the bill which would prohibit him from entering into an agreement in fiscal 1962 which states in effect that the U.S. Government agrees to loan $50 million out of funds which will become available in later fiscal years.

What would be the practical effect of this? This means that if the administration promises to issue notes in subsequent fiscal years the Appropriations Committee will be placed in a very uncomfortable position, indeed. In essence, by placing limitations on borrowing authority, the committee would be nullifying an international agreement. This is indeed a departure from existing practice—a departure which should not be approved without definite safeguards.

In summation of this point, then, the President's requested legislation would, indeed, provide the greatest freedom for long-range planning. But, in spite of arguments to the contrary, it would do so only at the cost of congressional control.

The Kennedy administration is now working with a number of key countries which are attempting to set up development plans for the future. To work effectively, the administration needs reasonably strong assurances that during the duration of these plans the United States will be able to give continued assistance. It would serve as well then to examine the multiyear authorization amendment which contains proposed changes in the committee bill.

THE PROPOSED MULTIYEAR AUTHORIZATION AND ANNUAL APPROPRIATION PROCEDURE WOULD GIVE CONGRESS NO REAL CONTROL OVER FOREIGN AID EXPENDITURES AND WOULD HAMPER LONG-RANGE PLANNING

This amendment would eliminate the committee-approved 5-year Treasury borrowing authority to finance dollar loans for development purposes and would authorize the appropriation of $1.187 billion in fiscal 1962 and of $1.9 billion in each of the next 4 years. The authorizations, however, would be relatively meaningless, because the amendment would require annual appropriations.

The amendment raises two important questions. First, does it give Congress any real effective control over foreign aid expenditures? I respectfully contend it does not. It would relieve the Senate Committee on Foreign Relations with respect to authorizations under consideration on the Development Loan Fund. This would be equally true of the Foreign Affairs Committee in the House.

Today each of the Appropriations Committees has but two full time employees engaged in the study of foreign aid matters. It is on these four employees that the committees, and, in turn, the Congress must rely to a large extent for their evaluation of the foreign aid program.

Surely these employees can get information from the executive branch. But what kind of information: Is it the type that will spotlight deficiencies, errors, waste, and mismanagement? Certainly no one can seriously contend that these four employees of the House and Senate have the time and opportunity for thorough on-the-spot investigation.

I have pointed out at some length the fact that if these employees falter because of an overwhelming burden of work, Senate and House Appropriations Committee members cannot be expected to pick up the entire slack because their overall responsibilities will not permit this type of detail work.

No one can really deny that any control that exists today exists on a year-to-year basis. Funds are approved by Congress annually for general foreign aid purposes, and then the financial roof falls in. Buildings are constructed abroad that serve no useful purpose. Plants are built that have no power supply to put them in operation. Why?

Because we have no project-by-project check. It may well be that a Middle Eastern country needs our assistance to construct highways. So Congress proceeds to appropriate money for that purpose. Then, once the foreign government and the foreign aid administrator start selecting the individual projects, we frequently run into unwise and inane expenditures. It is at this precise point that Congress must step in and exercise some control. We do not have such control today, and we would not have it under the multiyear authorization and annual appropriation procedure.

To what extent would this procedure permit long range planning? I think the answer can be summed up in very few words.

Secretary Rusk and Secretary Dillon have said:

> Such an authorization would not provide Congress authority for advance commitments. The future availability of United States funds would still be subject to annual appropriations in amounts which could be known for only 1 year at a time.

The annual appropriations process alone would create uncertainties, but these uncertainties are multiplied by reason of the fact that in the past there has been a substantial lack of correlation between what has been authorized and what has been appropriated.

It is frequently said that the executive branch gets a high percentage of the total funds it is requesting for foreign aid. This may well be true, but the important question is whether previous administrations have been able to make plans for the utilization of a certain type of foreign aid, only later to have that aid cut drastically.

I respectfully point out to the Senate that in 1959 Congress authorized the appropriation of $1.8 billion for development loans to be used over a 2-year period. The amount actually appropriated was $550 million for the first year and $600 million for the second year. Therefore—and this is important—over a 2-year period the difference between the authorization of $1.8 billion and the appropriation of $1.150 billion was $650 million.

What kind of long-range planning does a system such as this permit, when the administration gets only about 60 percent of the money it is led to believe it is going to get for development loans?

I would agree that the multiyear authorization and annual appropriations proposal represents some small improvement over the procedures we have today, but I submit that, in the main, it is open to the same loopholes which permit wasteful practices and discourage long-term planning.

In summary, then, I have shown that under the present appropriations procedure, once appropriations are approved, unwise projects may be undertaken during the fiscal year and neither House of Congress has any veto before they are commenced.

I have also demonstrated that this problem would continue to exist under the borrowing authority procedure proposed by the administration and that there would be added to it one additional problem which would be caused by international agreements which involved a promise by the President to lend money out of funds allocable to a future fiscal year. This would require the Appropriations Committees to breach international agreements every time they place limitations on borrowing authorities.

I respectfully suggest that there is a middle course available to the Senate, and in an effort to achieve this course, I have prepared several amendments which are similar in character, and therefore, I shall refer to them as my amendment.

THE AMENDMENT WOULD AT THE SAME TIME ENCOURAGE LONG-RANGE PLANNING AND ASSERT IN NO UNCERTAIN MEASURE THE INTENT OF CONGRESS TO MAINTAIN CONTROL OVER FOREIGN AID EXPENDITURES

This amendment states that no loans shall be made in excess of $10 million unless there shall have been submitted to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs in the House of Representatives a detailed report of the purposes and terms of the proposed loan. The amendment further provides that the loan will not go into effect if either of these committees, within a period of 30 calendar days following the date of the loan report, adopts a resolution disapproving the transaction.

Senators may ask, "What does this amendment do that is not already accomplished under the appropriations procedure and what does it do that cannot be done under the Government Corporation Control Act procedure?"

The answer is simply this: Once the international lending agency gets its budget approved under the regular appropriations procedure or under the Government Corporation Control Act procedure, there is not any element of day-to-day control which permits the committee to step in any say, "This is a bad loan—do not make it."

Under the proposal I have brought forth, if either the House Foreign Affairs Committee or the Senate Foreign Relations Committee thinks that the loan is for a useless or unwise project, the committee can simply vote to disapprove the project and the international lending agency is stopped cold in its tracks. It would not matter how much money the lending agency had at its disposal; it could not proceed with loans which met the disapproval of the Senate Foreign Relations Committee or its House counterpart.

Madam President, this represents a control we do not have today, and a control we ought to have.

The administration has explained that if the borrowing authority procedure is approved, it is the expectation of the executive branch that limitations would be imposed upon the development lending program only if Congress brought forth affirmative reasons for imposing such limitations. The burden of proof would be shifting. It is now incumbent upon the administration to justify its budget annually. We are asked to allow the administration to enter into long-term commitments which would provide for the lending of funds to become available in a future fiscal year. In a word, Congress must seek to justify the cut. The administration will no longer seek to justify the money request. Such a change is not to be made lightly. If Congress is to yield some of its authority on a year-to-year basis, it must increase its authority on a day-to-day basis.

The distinguished senior Senator from Virginia has brought sharply to focus the fact that the Government Corporation Control Act is chiefly a device to require Government corporations to keep books which are capable of a genuine audit. If we rely solely on this act, we will be yielding to the administration more authority than I am willing to see Congress relinquish. I can understand why the President wants to be able to make long term commitments which provide for the lending of funds which will become available in future fiscal years, but I do not want the Appropriations Committee, or any other committee, to be breaching an international agreement every time it cuts an expenditure.

Let us tell the administration, "We will let you plan on a long-range basis. We will let you make commitments on a long-term basis. But, we want you to submit every project involving $10 million or more to the Senate Foreign Relations Committee and the House Foreign Affairs Committee so that they can exercise a veto if they feel it is unsound." Then if we have roads being built to go absolutely nowhere, or if we have building projects that constitute an improvident use of the taxpayers' money, we can turn to these committees and ask the reason why.

Naturally Congress cannot expect the Foreign Affairs and Foreign Relations Committees to pass on the merits of foreign aid loans with the help of only the limited staffs they have today. I think there is implicit in the proposal I have advanced the requirement that additional trained staff workers be made available to these committees.

There has been a great deal of talk about the desirability of permitting the General Accounting Office to take on additional personnel in connection with its foreign aid review operations. It is thanks to the General Accounting Office that we have discovered much of the waste and mismanagement in our oversea programs. I will strongly endorse any move to give the Comptroller General whatever additional trained assistants that may be necessary to keep the committees fully informed concerning the foreign aid program.

Senators may ask themselves, "Why is the Senator from Vermont suggesting that the Foreign Relations Committee rather than the Appropriations Committee be utilized for the week-to-week watchdog check on foreign aid loans?" I did not reach my conclusion without serious thought and study. Some of the considerations that prompted me to recommend that the Foreign Relations Committee be given this task are the following:

The fact that the Foreign Relations Committee devotes its entire time to foreign policy matters.

The fact that there are within the foreign relations group experts on various areas of the world.

The fact that the members of the Appropriations Committee must concern themselves not only with foreign aid but domestic expenditures as well.

I may point out at this time that the Appropriations Committee will still be charged with the responsibility of reviewing from year to year the foreign aid program as a whole.

To sum up, I believe that if my amendment were in the foreign aid bill the administration could introduce more long-range planning into our foreign aid program and at the same time Congress could keep a watchful eye on loans made abroad—not on a year-to-year basis as is done now—but on a week-to-week, project-by-project basis.

Mr. BUSH. Madam President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. BUSH. Would the Senator rather complete his statement before he yields for a question?

Mr. PROUTY. No. The Senator may ask a question.

Mr. BUSH. I wish to ask the Senator a question about his amendment, which is identified as "8–8–61–C"——

Mr. PROUTY. May I say to the Senator that I have several amendments. There is some difference in each one.

Mr. BUSH. Yes, there is some difference in each one, but this point applies to possibly at least two of them. If a submission of a project of more than $10 million is made to the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House, and if either of the committees, within a period of 30 days, does not approve, or adopt a resolution disapproving, is there any recourse for the agency to appeal to the Senate and the House?

Mr. PROUTY. Under the provisions of the amendment the disapproval of a loan would stand unless the loan request were submitted again by the executive branch. Resubmittal would call for a new evaluation by the congressional committees.

Mr. BUSH. In other words, they have a final veto, under the provisions of the Senator's amendment?

Mr. PROUTY. I think that would be true.

Mr. BUSH. Is it the Senator's intention to impose that much responsibility on the committees?

Mr. PROUTY. I feel the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate are highly qualified to exercise sound judgment in this respect. They will insist, first, that those presenting the program and making the request for the loans will have to present a good case in order to receive the tacit approval of the committee.

I served in the Foreign Affairs Committee of the House and, after working many hours, frequently we were not able to get the information necessary in order to evaluate proposals which came before the committee. It is to correct this situation that I propose the amendment, although I am willing to concede that my proposal may be altered.

Mr. BUSH. I am very much interested in the amendment. I am a sponsor of the Saltonstall-Kennedy amendment, which is similar in its objective to the Senator's amendment. I think the Senator from Vermont has a good point in offering the possibilitiy for the Foreign Relations Committee and the Foreign Affairs Committee to act, rather than the Appropriations Committees. I am a little intrigued with that idea, rather than to have the referral made to the Appropriations Committee, because of

the fact that the Foreign Relations Committee and the Foreign Affairs Committee in the respective Houses are really much closer to the problems of ICA and the Development Loan Fund than are the Appropriations Committees, which are very much larger and much more diversified committees.

Mr. PROUTY. I think it is very true, and I should like to point out to the Senator, I want to be very clear that if either the House Committee on Foreign Affairs or the Senate Foreign Relations Committee disapproves of a certain request for funds, there would be nothing to prevent the administration from presenting that request at another time or in a different form, so that disapproval does not mean that a particular request could be shoved into the background forever.

Mr. BUSH. It does, however, give a final disposition of it in the form it comes down to each of these committees. That is the point I wanted to make clear.

Mr. PROUTY. A temporary disposition.

Mr. BUSH. It is not just a hold order, meaning it would have to be referred then to the House which that committee represented. It gives the committee the final veto, so to speak.

Mr. PROUTY. That would be very true at a given time.

Mr. BUSH. I thank the Senator for yielding.

CONCLUSION

Mr. PROUTY. Madam President, I have spent most of the years of my life in private business and planning ahead; multiyear planning, if you will, makes sense to me. I know of no successful business that operates on a year-to-year basis. Success demands foresight and foresight means planning ahead. I have no doubt multiyear planning can improve the foreign aid programs in the various countries and save us money besides.

The basic issue is whether this can be achieved without the grant by Congress to the executive branch of unusual power and authority and without abdication by Congress of its constitutional responsibilities to the people of this country. I believe my amendment makes this possible.

Madam President, some may say it is all very well to protect the taxpayers of our country by providing for congressional control of expenditures and long-range planning but can we afford a foreign aid program?

To them my answer is that when the chips are down we can afford whatever is required for our survival.

Reasonable men may differ as to the cost of that requirement.

In the absence of foreign aid, both economic and military, we would be compelled to strengthen enormously our military posture even beyond the recent authorized increases and, according to all responsible military authorities, that cost would come even higher than the high cost of foreign aid.

And, it must be remembered, that foreign aid expenditures are not all outgo. The greater part of it is spent in this country and is a boost to our own economy.

But even were it possible for our country to remain safe and secure in these times without a foreign aid program, we would still be faced with the appeal to our humanity to try to help solve some of the problems of the newly emerging nations, of misery, of hunger, and of political and economic enslavement of millions of human beings.

In the words of the July 14 encyclical of Pope John XXIII:

> The solidarity which binds all men and makes them members of the same family requires political communities enjoying abundance of material goods not to remain indifferent to those political communities whose citizens suffer from poverty, misery and hunger, and who lack even the elementary rights of the human person. This is the more so since, given the growing interdependence among the peoples of the earth, it is not possible to preserve lasting peace, if glaring economic and social inequality among them persists.

Madam President, here is a reverend challenge to our humanity to match the impious challenge of communism to our security.

The challenge from both sources is clear. The opportunity is here We must face up to the challenge. We must utilize the opportunity. We must find a way to bring the blessings of freedom and higher living standards to those in need while we preserve those blessings for our children and in our children's children.

Madam President, I have stood ready and I stand ready to listen to Senators bring forth solutions to our problem. I have judged them and I will judge them solely on their merits. My amendment has been offered solely as a way out of our dilemma without considerations of personal vanity or partisan politics. I invite others to judge this avenue of approach in the same objective manner.

I wish to make it plain that notwithstanding some rather severe reservations I have for the amendment of the senior Senator from Virginia, I may well cast vote for it if the administration evidences no disposition to consider the compromise proposals which have been advanced.

Mr. FULBRIGHT. Madam President, I wanted to ask the Senator a question. Has he finished?

Mr. PROUTY. Yes.

Mr. FULBRIGHT. I appreciate the spirit of the Senator's questions, but I have some questions I would like to ask him.

What is the principal purpose of the Senator's amendment? Does he believe that the committee should evaluate the engineering questions and economic estimates of the executive branch?

Mr. PROUTY. I certainly would expect the committee to thoroughly understand the need for the programs and their justification. Obviously, I do not expect the committee would approve of engineering details since they are obviously not in a position to do so.

Mr. FULBRIGHT. My point is this, we have analyzed the general objectives of this aid program and the broad approach to the problem but the Senator's proposal will involve an examination by the committee of specific engineering projects. It seems to me, that this might require a committee staff competent to determine the validity of the engineering reports and of the economic estimates. I question whether, as a practical matter, this is a function you think our committees could adequately perform.

Mr. PROUTY. Of course, the Senator knows that is not what I am suggesting. He would not recommend that the Public Works Committee have a large corps of engineers on their staff. Yet this committee passes on the merits of domestic projects. So, too, could the Foreign Relations Committee evaluate the merits of a foreign aid project without a large staff of engineers.

If the Senator will review the testimony and some of the questions which he asked of witnesses appearing before his committee—and may I congratulate him on the questions—I found them, the questions, excellent—the answers in many instances were meaningless. The Senator proceeded time and time again to persuade these witnesses to explain why this aid money was necessary, particularly in the southeast Asia area. If he will review the testimony—I am sure he has it well in mind—he knows that he was not at all satisfied with the answers and the general approach followed by some of the representatives of the ICA and others.

Mr. FULBRIGHT. I agree with the Senator that this was often the case. However, we are now confronted with the problem of how we deal with still more complicated matters.

The committee, in spite of the inadequacy of some of the testimony, had to decide whether this long-term borrowing approach is the best procedure.

We have taken the decision, and recommended this approach to the Senate, notwithstanding the reservations of some Senators. It is a case of the committee authorizing a very large undertaking.

Now, your amendment, as I understand it, would expose this power that we give to the Executive to a veto power, resting with a single committee of Congress. This raises, first and foremost, the important question of whether such an action would be within the spirit of the Constitution.

I think this is quite different from the Legislative Reorganization Act, in which we provide for making this decision whenever it involves merely the transfer of function.

Mr. PROUTY. Would the Senator prefer——

Mr. FULBRIGHT. I think that is quite a different problem.

Mr. PROUTY. Would the Senator prefer operating under the Legislative Reorganization Act, which I believe has been suggested by one other amendment offered, whereby any Member of Congress could offer resolutions.

Mr. FULBRIGHT. As I understand it, that is the formula upon which the Saltonstall-Keating amendment is

based. I think it is subject to many of the same objections that the Senator's amendment is.

Now, I have considered as seriously as I can the Senator's amendment. I have a proposed substitute which is very similar to the oversight provision in the recent bill on educational exchanges which I think obviates the inherent difficulties and yet achieves some of the Senator's objectives.

This amendment, of which I have a copy here, simply is a proposal in the nature of a compromise. The Senator stated that he hoped the administration would be willing to entertain some kind of compromise.

It reads as follows:

On page 10, after line 3, insert the following:

"SEC. 206. CONGRESSIONAL OVERSIGHT OF LENDING ACTIVITIES.—In any case in which the amount of a proposed loan under this title exceeds $10,000,000, such loans shall not be made and no agreement obligating the United States to make such loan shall be entered into unless thirty days earlier a full and complete report with respect to the purposes and terms of the proposed loan shall have been made to the Committees on Appropriations and Foreign Relations of the Senate and to the Committees on Appropriations and Foreign Affairs of the House of Representatives.

This substitute proposal stops short of giving these committees a veto power. The Senator's amendment, if I understand it, means that the action of both Houses would be necessary to approve a program, and that then we would delegate to a single committee the power to reverse the program or veto it.

That is a novel proposal, and I believe it is subject to grave doubts.

The benefit of the amendment I propose is that while they could not veto, the committees could express their opinion about a project, and they could discourage its implementation, as the Senator knows, in many ways, either with members acting personally, or through official channels. However, it does not permit an absolute, irreversible veto, as the Senator's amendment would.

Mr. PROUTY. If I understand the Senator's proposal, it would require action by both Houses of Congress within a 30-day period to prevent the commencement of any unsound project.

Mr. FULBRIGHT. The objective of the amendment is to give Congress the power actually to deal with large individual loans on a workable basis. I find a proposal that we should review individual loans on their merits a very difficult thing to reconcile with my views of this program. The Senator will note that the criticisms I made and the questions which I raised in the hearings were not so much directed at individual loans in the program, but to the broader questions of the amounts and the priorities that had been given to whole nations and whole areas, largely in terms of grant aid. I do not recall that I had any criticism to make of the lending program. I have accepted it, without the assurances that I sought, because we never get exactly what we want, and the overriding considerations caused me, as I have said, to vote to report the bill.

I still have hopes that we can influence the administration to undertake a review of some of these questions we raised. I do not recall any precedent for bringing before Congress individual loans such as is contemplated by the Senator, not even domestic loans. I do not recall that we have ever been called upon to approve individual loans made by the RFC. They made a great many. We have often criticized them afterward, but our purpose was not to veto other loans but to reform policy, or to try to change standards or criteria. We held hearings and we went over many of the loans, and then we made proposals for legislative action. We either tightened the general restrictions or we laid down new criteria. We did not veto a loan. If they made a loan to the B. & O. Railroad or to the Pennsylvania Railroad, or to anybody else, we did not undertake to say, "You shall not make the loan." If we thought it was improvident, we tried to develop better criteria for future loans. That was the general approach to the problem.

Mr. PROUTY. With respect to programs going on in this country it is relatively simple to exercise some control over them. I realize too all the difficulties inherent in the foreign aid program. It is only in an effort to be helpful and bring at least some degree of control over the expenditures of billions of dollars all over the world that I have offered my amendment. Certainly I am perfectly willing to consider very carefully the Senator's proposal, and I am sure other Senators will do likewise.

Mr. FULBRIGHT. When it comes to making an informed and final decision on a specific loan, we would certainly feel very hesitant about doing so without having a fully qualified staff study of the subject matter. If it involved engineering, we would want to have a qualified staff do that, and we would require the necessary personnel and facilities. I do not believe that we could exercise a competent judgment without doing that. Anything less would be irresponsible.

It is true that some committees might have attempted to do otherwise, for irrelevant considerations, but I am sure it would not be an orderly way to proceed. I believe that the suggested amendment, while it does not provide full veto power over these individual projects, would impose a definite restraint. In fact, if the planners knew a project would be subject to examination, there would be considerable discretion, and if the proposal was clearly improvident and based upon doubtful consideration, I think it would be unlikely to be offered. People who know their actions are going to be subject to this kind of scrutiny would be extremely careful.

I find myself unable to go the whole way with the Senator and say that we shall give a single committee of Congress the power to veto the programs of the Executive which the whole Congress has solemnly authorized in following the normal deliberative process.

Mr. PROUTY. I have the greatest respect for the Senator's committee, and I believe Congress would approve in most instances any action which the committee might take in the way of disapproval.

Mr. GORE. Madam President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. GORE. A determination upon a given development loan which may involve many policy questions is in fact an executive function. Should Congress undertake to exercise veto power over a particular loan, it would, it seems to me, be undertaking to that extent to partake of the executive function, a kind of function which the legislative branch is ill equipped to discharge.

The compromise which the distinguished chairman of the committee has suggested would, it is true, afford a 30-day period in which Congress could, if it so desired, act affirmatively. Even there I would think Congress would do so with the greatest of reluctance and only after very severe provocation. I would hope therefore that the distinguished Senator from Vermont would not press legislation which partakes of this executive function, more particularly in the foreign policy field for which we are so ill equipped, but would consider, as a considerately effective contribution on his part, the adoption of the amendment which the distinguished junior Senator from Arkansas has proposed.

Mr. PROUTY. I am grateful to the Senator. I certainly shall consider the amendment of the distinguished Senator from Arkansas. I have not called up any amendment at the present time, as the Senator knows.

Mr. FULBRIGHT. I appreciate the Senator's statement. I would like to cooperate with him. I do not profess to know all the answers to this question, but I can see great difficulties with giving such a veto to a single committee. We do know that Congress at any time can repeal the law if that should become advisable.

Madam President, I yield the floor.

HIJACKING TO HAVANA OF PAN AMERICAN PLANE ON FLIGHT FROM HOUSTON TO MEXICO CITY

Mr. SCHOEPPEL. Madam President, I believe it may be of more than passing interest, because of proposed legislation with reference to the hijacking of planes, that I report on the following item which appears today on the ticker, from New York:

NEW YORK.—A Pan American DC-8 jet was hijacked today after it had left Houston, Tex., on a scheduled flight to Mexico City, a spokesman for the airlines reported.

A spokesman at Idlewild Airport said the plane, with 72 passengers and a crew of 9, was "diverted to Havana."

The plane, which left Houston at 10 a.m., e.d.t., and was scheduled to arrive in Mexico City at 12:30 p.m., e.d.t., was reported scheduled to land at Havana 3:40 p.m., e.d.t., according to the Pan Am spokesman here.

I may say to the distinguished Senator from Wyoming [Mr. MCGEE], who also is a member of the Commerce Committee, and is about to address the Senate, that I am sure he agrees with me

that the importance of the consideration and the passage of proposed legislation in this field, which is to be reported from our committee, is emphasized all the more vividly by acts such as this one.

Mr. McGEE. Madam President, the Senator from Kansas is so correct in suggesting that the additional incident today brings home all the more vividly the urgency of the taking of quick action on measures to deal with the hijacking of aircraft.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. McGEE. Madam President, I wish further to consider the discussion which is underway on the foreign aid program and particularly to weigh some of the long range aspects of that measure. The question comes to a head when we consider the lessons from the past; and in certain unfortunate instances some of the mistakes. Whatever else in our kind of society, we still possess the right to make a mistake, provided we learn from that experience. Yet, given all the mistakes, on balance, which are laid before us on the floor as we consider this measure, I believe one has also to count the gains that we in this country have made around the globe.

For a very desperate period we were concerned about the immediate encroachments of Communist imperialism in large sections of the globe.

I think it a fair statement to suggest that in military terms, after many sacrifices and many risks and great costs, we have arrested this advance.

However, with the adeptness of the Soviets and of the Communist group in trying every tactic and every conceivable means to attain their goal, the problem now assumes quite a different context, with different proportions, than faced us 15, 10, or even 5 years ago.

While our immediate task after the war and for more than a decade was the stopping of the geographical expansion of world communism, the task which concerns us now and the opportunity which presents itself to us now is not only that of stopping communism, but helping people. This ultimate phase is the greatest opportunity that faces a country like our own. It is this which gives us the chance to do that which we in this country have proved in our history we can do best.

As the noted historian Toynbee has said:

> Our age will be remembered not for its horrifying crimes or its astonishing inventions, but because it is the first generation since the dawn of history in which mankind dared to believe it practical to make the benefits of civilization available to the whole human race.

What it comes down to is our opportunity now to measure what it is that we as a people can do for people. Our opportunity to project the strongest and most inspiring kind of image not only of America but of the way of life we hold out to the rest of the world as preferable to the alternatives which are now presented.

The providing of aid to the underdeveloped countries, especially the newly emerging ones, involves probing new and untried fields where there is no past experience to act as a guide, fields other than those into which we have already ventured.

Madam President, we undertake this task not without some experience and not without having witnessed a most important course of events in the world.

Today we view the periphery of what was once an area of expanding Soviet aggression, whether in the East or in the West. But today a definitely more stable situation is emerging there. In southeast Asia, where the now independent countries were once given not even 6 months to live, their governments are becoming strong. And there is no indication that they will not continue that growth in the immediate future.

In India, once the soft spot of Asia, as to which uncertainties prevailed as to whether she could marshall her resources well enough to be able to challenge the potential test posed by Communist China, we find today great and lasting progress.

And so, Madam President, as our eyes range across the rest of subcontinent, we find similar progress being made.

In the Middle East, where the tensions were once so great, conflict, at least has been held in check. And even in Iraq, although once we were told that when Mr. Kassem came into office, he would take Iraq into the Communist camp, we find some of the strongest anti-Communist statements being issued.

In Egypt, where once the Government seemed to be playing "footsie" with the Kremlin, we find that at this time Mr. Nasser himself has issued a series of extremely strong pronouncements against the Kremlin.

Furthermore, Madam President, the rest of the periphery shows the kind of firming up which indicates that, for the moment, although there is neither war nor an enduring victory in the quest for the rights of peoples around the earth, we now have won a chance to do something about the peoples everywhere on the globe who seek a better stake in life. The price we have already paid for that chance and the risks we have already taken in earning that chance should haunt us every night. What we do with it is to be spelled out by means of the effort which now unfolds itself before us in what the President of the United States himself has described as the new decade of development.

I think one of the wisest pronouncements which has been made was the simple suggestion that someday, when the historians write our history, those who read the few pages which will be required in order to deal with the events of this period will learn that the great stress was less on Communist aggression than it was on the exploding aspirations of people, the emergent dignity of nations, the requirement that peoples be free, regardless of their nationality or the color of their skin. This should be the dominant overtone of our time.

Therefore, this becomes our American target and goal and the substance of a program adopted in an effort to achieve a better atmosphere and a more favorable climate for conditions which we believe to be necessary for the continuance of the human race on the earth.

In providing a new approach to that very troublesome and often confusing phase of our foreign policy, I believe it well to remember that the present administration has proposed lines of conduct which give us reason to believe that a new day is dawning for the decade ahead. I suggest that the incidents of the past not be allowed to plague our thinking or our dealing with the opportunities of the present and of the future, as we make these new approaches.

We are setting up new and tangible goals for self-sustaining growth which will help these countries help themselves, because self-sustaining self-interest is the primary incentive. We are providing the sinews, the vital means of help that will bridge the gap between their capabilities and their urgent need for speedy development in achieving their own ends.

I hasten to add that these are not just bridges; instead, they are long-range, permanent changes which can be effected. Our aim must be to help these societies raise the level of their living standards and to change the fabric of their economies. This must result not only in the building of ports or dams or bridges or roads, but also in the setting up of criteria for human progress through the improved use of human resources.

Madam President, can a time element be applied to these needs? I seriously question whether any living man is sufficiently omniscient to be able to sense whether these things can be done in 2, 3, 5, or 7 years. Yet we can measure these specific projects in terms of termination dates.

Madam President, we are concerned with more than the preservation of a military alliance. We are concerned with developing friendships, preventing what might once have been the collapse of an economy, aiding in the development of peoples and assisting them to obtain the fruits of an abundant life on this God-given earth.

This, then, is the real substance, the meat of the new approach to foreign aid that is ours to consider at the present time.

In providing this, I think we do well to go into it with some regard to experience, for it can show us the type of program which will give us, the results we seek. There is an immediate advantage to be had by profiting from such experience. The type of specific program that starts peoples and nations on their way to self-respecting independence will be the ultimate measure of our country's contribution to the opportunities for a free and uninhibited international existence on the part of all national groups. It is this that is the true face of America.

We find it difficult to project in an inspiring way just the military face of our country, for militarism, in the form in which we have been compelled to adopt it, is negative. It is indispensable, but it is negative. People everywhere have asked many of us, as we have traveled in various parts of the world, "What are you for?" I think we now have an opportunity to make clear to the rest of the world what America is for.

For example, I remember an interesting experiment in India, which we observed when we were there several years ago. It shows in specific terms the opportunities we have, with relatively small expenditures of funds, to do a great deal in terms of net gain. The experiment I have in mind had to do with quadrupling the fish catch in India. India has, as part of her 5-year program, the attainment of self-sufficiency in the production of food. The goal of providing enough food for her 450 million people will at best take a long time to achieve. But with the aid of a small financial grant from the United States, and working with India's Ministry of Agriculture, the United States aided India's special fish production development program so as to multiply it 400 percent in a very brief time. The result has been that refrigerated transportation introduced into the subcontinent has made fresh fish available in many parts of India, where otherwise the people would have been far short of the amount of protein food so necessary as part of a balanced diet.

I hasten to add that the project now has been turned over to the Government of India, which it runs and pays for it. This, then, is one of the measures of a determinable kind of program that is of help to peoples who desperately seek to help themselves.

Madam President, a few minutes ago, the Senator from Kansas [Mr. SCHOEPPEL] called attention to the hijacking of an airplane which occurred today. That incident is not unrelated to one aspect of the matter we now have under discussion, in that when there is such a hijacking, there is a strong temptation to seek a quick solution. The incident is aggravating and disturbing, and makes one wish to take quick action, and the great danger is that we shall take a drastic step in an attempt to appease an emotional frustration. This action may do a great deal of harm, instead of good, which would result from a sober consideration and solution of the problem. This is all the more reason why we should concern ourselves with trying to improve the lot of persons around the world who live under conditions which encourage those who advocate another way of life "to go fishing" from time to time.

A specific case in point came to our attention in Africa, last winter, when we were visiting in Ghana. There, in a part of Ghana through which we traveled, there were 1,500 square miles, an area larger than that of the State of Rhode Island, which, because of a water shortage, was ruled to be unfit for agricultural and livestock development. By means of a cooperative effort on the part of our Government and the Government of Ghana, four American technicians helped to plan and supervise the construction of a number of dams and a rebuilding program for the area. Three Ghanaians received training in the United States. By early next year Ghana will have put into this project about $1,225,000, and the United States will have put into it $217,000. Out of it will come an area which will help the Ghanaians to help themselves—an area that will permit new grazing facilities and new agricultural development that will make it possible for Ghana to sustain her independence.

There are many other cases in point. I have selected two or three, to suggest that we already have experience on which we can draw for guidelines as we shape our response to the opportunity now presented to us.

But no single experiment or experience excites me more than does one of personal concern to me, and of personal concern, also, to the occupant of the chair, my distinguished colleague from Wyoming [Mr. HICKEY]. I refer to a part of the foreign aid development program in which the University of Wyoming has played a most vigorous part. This is through the contract the University of Wyoming had with the Government of Afghanistan. As we know well, Afghanistan lies in one of the critical peripheral areas of the world. It is bounded on the west by Iran, on the south and east by Pakistan, and on the north by Soviet Russia. Afghanistan lies astride and athwart the gateway to India, by means of the Khyber Pass. Thus, for strategic reasons Afghanistan has long been a critical area. For years she was a backward area; and she still is, in many respects. But the University of Wyoming was chosen to work as a partner with Afghanistan, in an attempt to see what could be done to help that country help itself. The University of Wyoming was selected because in part of the similarity of the geographical features and climatic conditions of Wyoming and Afghanistan.

Both areas have to depend a great deal on grazing. And because of the similarities there, there seemed to be a tie-in of interests.

The story that follows from 1954 and 1955, when the University of Wyoming went into Afghanistan with this program in agriculture, engineering, and teaching, is the story of a small State and Commonwealth, Wyoming, with 300,000 people, creating a considerable impact on an independent country of the world that lay some 12,000 miles away. It is additionally significant because that country is literally on the frontline in the power struggle between the Soviets and the Americans; between the forces of freedom and those of totalitarianism.

The location of Afghanistan created an opportunity, but likewise presented risks and dangers. Afghanistan is largely agricultural. It has to depend on the development of new sources of water to bring its parched areas under additional cultivation. So, to undertake the task at hand, under the direction of the University of Wyoming, a vocational agricultural education program was established in Afghanistan. Between fiscal 1955 and 1960 our university provided advisers and instructors for an aid project aimed at establishing a vocational agricultural high school in Kabul. Columbia University Teachers College provided English instructors. Afghanistan made available utilities, building materials, maintenance services, and funds for operating expenses.

As a result, the Kabul Vocational Agricultural High School was established, and to date 195 students have been graduated, with two-thirds going on to university level. Special teaching materials were provided to equip primary teachers to give instruction in agriculture. A demonstration garden and poultry project is used as a teaching device. Kabul Vocational Agricultural School now has an enrollment of nearly 250 students. An important attribute is that that vocational agricultural school, once manned by the professional personnel from an American university, is now directed by citizens of Afghanistan, with only one or two professional appraisers standing by as counsel and advisers in troublesome situations for which the Afghans have had no earlier parallels in their own experience.

This becomes a rich experience, not only for what it has done for Afghanistan in educational instruction, but it illustrates that there is a terminal point. At the beginning, it was a long-range program, but they themselves have taken measurable steps with our assistance to take over their own opportunities in education.

With respect to the Afghan Institute of Technology, Afghanistan needed a technical school adequately equipped and fully staffed by Afghan personnel, to provide technical training at secondary level.

Aid from the University of Wyoming provided technical advice and participant training for the institute. The Government of Afghanistan constructed the physical plant facilities, and provided utilities and operating costs and maintenance of boarding students.

More than half a dozen Afghan education specialists were trained abroad and returned to the institute, where they are teaching at the present time.

Total enrollment in this technical institute is now well over 300, with 60 graduates annually.

The University of Wyoming successfully completed its mission, and the Afghan staff is growing as the number of American participants and experts is declining. Today there are 27 Afghans on the staff, and 4 Americans.

Or, if one considers the fact that agriculture and engineering are on a higher level in education, once more it is the same story we have to tell. The project began in 1956 with the University of Wyoming providing technicians and some commodities necessary for professional training.

As a result, a 4-year curriculum in basic agriculture and engineering were designed and instituted in 1956 at Kabul University.

Practical experience in plant science with demonstration plants scattered around the country occurred.

Eighteen Afghans were sent to the United States for advanced training in agriculture and engineering.

Enrollments continued to mount. These people are now able to provide their own expert personnel in this highly technical field.

The same can be said about long-term agricultural development plans across the country of Afghanistan as a whole.

As a consequence, once more, the impact on the primary, secondary, and university level is measurable, and indeed considerable.

At the same time we have been reading headlines about the great inroads made by the Soviet Union in Afghanistan, I think this must be said. Russia is across the border, next door. The Russians have had some dramatic success in building silos, surfacing roads, and extending several millions of dollars in credit at low rates of interest to the Afghan Government. These have been dramatic and have been designed to capture the imagination, and presumably, the allegiance of the Afghans. The Russians have been giving them everything in their effort to try to bring these people into their fold.

Out of it all the record shows that, in material development, the Russians have put into Afghanistan twice the amount of money that our own Government has sought to invest there. Yet out of it, where do we stand? I think the simple explanation of the relative postures of our two governments in Afghanistan was best put by a citizen of that country, a well-educated man, who said:

> Although we have given permission to the Soviet Union for airports, silos, bakeries, and roads, we have given the minds of our children and our youth to the United States. It is the Americans who are shaping our minds.

There, in my judgment, is the nub of one of the most exciting opportunities we have, multiplied many times in almost unlimited corners of the undeveloped areas of the world.

When we come to measure how we inspire people, how we invite their cooperation, I think we should turn more and more to these less tangible fruits of the American way. I mean the dignity of the individual, education, rise in social status, and creation of new economic opportunity. For this we have a measure of comparison in a critically important and strategically situated land, Afghanistan.

Although the Soviet Union continues its economic efforts and its political bombardment, I think the telling blow in the whole struggle is what we have done in education. What it says to us is that the ultimate victory in the kind of contest that is going on now cannot necessarily be measured in legions, in regiments, in planes. It is going to be measured in the minds of men. And before those impatient Americans sell us short, let us be certain that we take a long look and take a long measure of the kind of cooperation and help that stands the test of time. That is not equated on statistical tables at the expiration of an annual budget or at the end of a fiscal year. It can be measured only in the hearts and souls of men.

So, under the circumstances, the experience of the University of Wyoming in that land discloses that here, in this simple way, we have the opportunity, by multiplying it many times, to project what I would regard in our history as the most exciting and the truest American profile—good face of America, in extending help to those who seek to help themselves.

We know, as we assess our role in these days, that there are forces sweeping around the globe, over which we have very little control, if any. I hasten to add that these forces would be sweeping around the world if there were not a Russian in the world, if there had never been a Communist in the world. These are the forces that America can change. They are forces that stem from the innermost wellsprings of humanity, that reflect human aspirations for a better life, and that represent human dignity and the expression of the individual.

I submit that, in all candor, the Communists, or the Soviet Union cannot call the tune on these forces. Unfortunately, much of the time the Communists have recognized the forces for what they are and have tried to channel them into their own carafe, where they see a possible hope to twist them into their own patterns.

I hasten to add that we have failed by seeing in every movement of this sort that goes on around the world a Communist motivation, by seeing a Communist behind every banana leaf, and by seeing a Communist behind every coffee bean. As a result of this we have handed over to the Communists, ready made, a propaganda weapon with which they can beat us over the head.

These forces which are loose, the forces of history, are even bigger than Republicans and Democrats, and the sooner that we face up to the force of the change that is engulfing the globe, the sooner we will be able to create for ourselves the opportunity to shape the nature of that change. The chance to take a step toward this goal is ours at the present moment.

I close with the suggestion from the inaugural address of President Kennedy when he reminded us:

> To those peoples in the huts and villages across the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves, for whatever period is required—not because the Communists may be doing it, not because we seek their votes, but because it is right. If a free society cannot help the many who are poor, it cannot save the few who are rich.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

SERVING AMERICA'S DISABLED: THE GREAT MISSION OF THE SISTER ELIZABETH KENNY FOUNDATION

Mr. HUMPHREY. Mr. President, on August 2, 1961, the Senate approved H.R. 7035, the 1962 fiscal year appropriation bill for the Department of Health, Education, and Welfare. This legislation includes funds for the U.S. Office of Vocational Rehabilitation and the National Institutes of Health, among other organizations.

Through this bill, the Senate took sound action to strengthen the Federal Government's health efforts. But this action does not for one moment lessen the parallel and more significant role of what the American people do for their own health through their private actions.

It is on citizen action and citizen organization that I speak today. I will refer specifically to one type of action—through the voluntary health agency.

PRIVATE ACTION NEEDED MORE THAN EVER BEFORE

The fact is that the voluntary health agency is needed more vitally than ever before. This is thanks to the wise decision of the Congress to expand Federal teamwork in cooperation with private health groups.

Mistakes and shortcomings of the past on the part of some private groups should not obscure the tremendous need for voluntary health agencies. Mistakes and shortcomings must be, and in a number of instances have already been, remedied. But the concept of enlightened voluntary action must not be impaired.

VOLUNTARYISM AND 20 MILLION HANDICAPPED

The voluntary health agency is widely recognized as a unique and powerful force in American life. Next to the Federal Government, it is the most important single source of funds for medical research.

The preservation and the expansion of the activities of the voluntary health agency is essential if this country is to continue to make progress in its fight against disease and suffering.

Paradoxically, the success we have had in saving and prolonging life—for which our voluntary health agencies deserve much of the credit—has in turn created new medical problems—the problems of aging, chronic illness, and chronic physical disability. The number and percentage of persons 65 years of age and over in the United States is steadily increasing. By 1980, it is estimated that there will be an estimated 22 million U.S. citizens over age 65. This age group, of course, has the highest incidence of chronic illness and disability.

The number of physically handicapped persons of all ages in the United States is estimated at 20 million.

Unless more of our disabled citizens can be maintained at their maximum capacity for usefulness, it will not be

long before we are overwhelmed by their need for care and by their economic dependency.

The rehabilitation of the chronically ill and handicapped, their restoration to the maximum degree of self-sufficiency, represent a great challenge to the voluntary health agency.

DR. KRUSEN'S COMMENTS AT AWARD CEREMONY

The need for a voluntary health agency to carry on a massive assault on disability was eloquently expressed here in Washington in May. The speaker was Dr. Frank H. Krusen, who is on leave of absence from Mayo Clinic, to serve as president of the reorganized Sister Elizabeth Kenny Foundation. Dr. Krusen is a world leader in the field of physical medicine and rehabilitation.

Let me quote some of the remarks made by Dr. Krusen when he received the Goodwill Industries of America award here in Washington on May 5:

In recent months, there has been a great deal of earnest soul searching going on over the definition of this country's national purpose.

It seems to me that a national purpose, like a tradition, will emerge naturally. If it's there, you'll find it without looking.

I believe that the United States has a national purpose and that we have progressed quietly and steadily toward its fulfillment. This national goal can be defined in the words—man's humanity to man.

The American people have achieved an unequaled record of progress in caring for and about their fellow men. If Americans have any single distinguishing national trait, it is a spirit of openhearted generosity and unhesitating readiness to help those in need.

The overwhelming testimony of this spirit is to be found in the record of public support of voluntary health agencies.

This spirit, combined with the American talent for organization and fundraising on a grand scale, has created a system unparalleled anywhere on earth.

Each year, Americans freely contribute nearly $1.1 billion to voluntary health agencies. These funds have financed massive assaults on disease and human suffering.

Everyone knows the results. Through the impetus created by the National Foundation, we have reached the point where killed virus, together with live virus, may soon be capable of virtually eradicating paralytic poliomyelitis.

Not many years ago, tuberculosis was accepted as an inescapable curse of all mankind. Now our Nation's TB sanitariums stand nearly empty. Another voluntary health agency—the National Tuberculosis Association—was in the vanguard of this victory.

In 1960, cancer detection campaigns, combined with improved medical skills, saved the lives of an estimated 40,000 Americans who would have died of cancer in 1945. In 1945, less than $1.5 million was devoted to cancer research in the United States. By 1960, this figure had risen to $130 million. The American Cancer Society has led the vast frontal attack on this disease.

Other voluntary health agencies are receiving millions upon millions of dollars to combat heart disease, mental disease, neuromuscular diseases, blindness, leukemia, and mental retardation.

The voluntary health agency system is one of the mightiest forces ever arrayed against human need and suffering.

The voluntary health agency has become the channel for vast floods of public funds for use in combating specific diseases. However, in proportion to human need, rehabilitation has received only token support from this source.

The field of rehabilitation would be transformed overnight if it were supported by public giving on the same scale as other fields.

How can we marshal the American public's full capacity for giving behind the needs of the handicapped? This is the great question before the field of rehabilitation today.

Only thus can we finance the truly massive effort required to bring timely and adequate help to all of our chronically ill and disabled.

There is no lack of concern for the handicapped in our State and Federal Governments. But the public at large should share this concern. While Government aid is essential, the need is too great to be met by Government alone.

There are more than 20 million persons in the United States who have difficulty in moving or who cannot move about without help. These are victims of multiple sclerosis, automobile accidents and other injuries, hemiplegics, paraplegics, victims of cerebral palsy, muscular dystrophy, stroke, epilepsy, and poliomyelitis.

Three million persons in the United States are feasible for rehabilitation to the point of remunerative employment. The State and Federal programs conducted by the Division of Vocational Rehabilitation rehabilitate less than 90,000 individuals per year. This is only one-third of the total number of persons who annually become disabled through accident and disease.

Last August, Representative JOHN E. FOGARTY, speaking before the Third International Congress of Physical Medicine here in Washington, D.C., said:

"Rehabilitation services must be expanded to the point that the opportunity to benefit from these services is available to every person who needs them at the time needed."

If we accept this as our goal, it is painfully clear that our handicapped are now in the middle of a tragic rehabilitation gap.

There is a tragic gap between the number of persons who need rehabilitation services and the personnel and facilities for providing these services. There is a tragic gap between the scientific advances in this field and the techniques which are now in general practice. We possess the knowledge to restore millions of handicapped persons to independent, productive living, but, alas, we lack the trained minds and hands, the facilities and equipment necessary to apply these skills to those who need their help.

The shortage of professional personnel in the field is fantastic. The specialist in physical medicine and rehabilitation—the physiatrist—is, of course, the key man in any comprehensive rehabilitation program. How many of these specialists do we have? Less than 350—out of 241,000 physicians licensed to practice medicine in the United States. We could use 500 additional physiatrists tomorrow morning. Because of the shortage of qualified teaching personnel, physical medicine is taught in only one-third of our schools of medicine.

In 1959, there was a need for 5,800 additional physical therapists; 1,000 occupational therapists; and 12,000 social workers in all fields. There is also an annual need for 600 additional counselors trained in rehabilitation techniques.

These figures merely represent vacancies in existing rehabilitation facilities. If we had an adequate system of rehabilitation facilities, merely in terms of physical plant, the needs would be far greater.

How can we marshal the support of the American public in closing this tragic rehabilitation gap?

These remarks can be summed up by saying that only mass education and mass public giving can meet the massive proportions of the problem before us. The number of persons who annually become disabled or chronically ill through aging, accidents, and injuries is increasing each year. If we continue at the present pace, we will not be able to keep up with the rehabilitation needs of those entering the ranks of the disabled each year, let alone care for the enormous backlog of patients now awaiting help.

It is curious how our attitude toward the disabled differs from our attitude toward victims of acute illness and injury. Somehow, we feel that their conditions persist so long it makes them more bearable. We forget that the longer they endure these conditions, the greater is their suffering.

Imagine our feelings if these millions of Americans had by some tragic disaster become disabled in a single day. Such an occurrence would be greeted as a national calamity, sending a wave of shock and horror into every home in the country. And from every home, funds and assistance of every kind would pour out in a merciful flood to aid these victims.

Essentially, there is no great difference between such a national disaster and the plight of our chronically ill and disabled. This is a national calamity. And I appeal to the American people to respond to it as such. Winston Churchill once said: "You can measure the civilization of a people by the way they treat their older folks." It may be said just as truly that you can measure the civilization of a people by the way they treat their chronically ill and disabled. Measured by this yardstick, we can be proud of the degree of civilization we have attained. We have made truly astounding progress in caring for and about our chronically ill and handicapped. But the help we provide is still pitifully inadequate to the need that exists.

We must also remember that our responsibilities to the handicapped are not circumscribed by national boundaries. Our concern must be worldwide.

Our efforts to help the handicapped both at home and abroad can have a far-reaching influence on the attitudes of other nations toward the United States and our way of life. Rehabilitation is a triumphant affirmation of our belief in the intrinsic worth and dignity of the individual. According to this concept, eligibility for rehabilitation is not measured by an individual's potential usefulness to the state—his ability to bear arms, produce his production quota, or qualify as a useful member of society according to utilitarian standards.

Rehabilitation may mean that an individual will merely be able to raise a fork to his lips, hoist himself from a bed to a chair, or clutch a pencil in a clawlike device. It may mean that he will need an intricate arrangement of pulleys, weights, and springs to perform some of the simple actions of everyday life. But the mere fact that he is a human being is sufficient reason to exert all of our efforts to help him use his remaining abilities, no matter how slight they may be.

Imagine the impact of this philosophy on people living under other political systems. We are currently engaged in a war of ideologies, one which holds that man exists for the state and our own which holds that the state exists for man. We have sought to establish the superiority of our way of life in various ways; by pointing to our high material standard of living, by vaunting our industrial might, by competing feverishly to assert our military supremacy.

But the American qualities which have a greater appeal to the minds and hearts of our neighbors can be found in our simple human concern for a handicapped child or a disabled older person.

On the one hand the world is faced with a system under which one of its leaders—Mao Tse-tung—is capable of saying that he would readily sacrifice 100 million of his countrymen's lives to gain his military ends. On the other hand, the world sees a system which mobilizes all of the agencies of science and society to aid an individual with a damaged body return to life.

If we can summon the full support of this country's resources of generosity, and compassion, we can close the rehabilitation gap quickly and dramatically. We can respond to the needs of our handicapped here and abroad on a scale which can win us lasting respect and understanding. And in so doing we will proclaim more eloquently than any technological breakthrough, the true meaning of our way of life.

PROFESSIONAL COMPETENCE OF KENNY INSTITUTE

Dr. Frank Krusen, whose remarks I have just quoted, is head of the Kenny Rehabilitation Institute, Minneapolis, Minn. The institute has attracted worldwide attention for its outstanding success in restoring the chronically ill and handicapped to a maximum degree of physical, social, and vocational independence.

The expansion of this institution's services to the point where it can realize its full potential would be an enormous step forward in the field of rehabilitation.

The institute is a subsidiary of the Sister Elizabeth Kenny Foundation. Last September, the foundation underwent a complete reorganization following an investigation of fundraising irregularities conducted by the Minnesota State attorney general's office.

The Kenny Rehabilitation Institute was in no way implicated in this investigation.

The reorganization resulted in the removal of the officers charged with misuse of funds, and placed the foundation in the hands of a group of outstanding citizens, representing the clergy, the medical profession, banking, and industry.

The integrity of the foundation is now beyond question. Remedial steps have been taken so as to assure the most unimpeachable procedures and personnel. The foundation will be a model for other voluntary groups.

The new foundation was extremely fortunate in securing the services of Dr. Krusen as president of the foundation and director of the Kenny Rehabilitation Institute.

Prior to accepting this appointment, Dr. Krusen was for 25 years associated with the Section on Physical Medicine and Rehabilitation at Mayo Clinic, Rochester, Minn., first as director of this department and later as senior consultant. He was granted an indefinite leave of absence from Mayo Clinic in order to accept this post.

Dr. Krusen is one of the world's foremost authorities in his field.

His pioneer work in the field of rehabilitating the handicapped has earned him the unofficial title of "Father of Physical Medicine."

Serving on the new Kenny Foundation board of directors is another outstanding leader in the field of rehabilitation, Dr. Frederic J. Kottke, director of the Department of Physical Medicine and Rehabilitation of the University of Minnesota.

Minnesota's leadership in the great humanitarian mission of helping the handicapped was evident last year when Dr. Krusen served as president of the International Congress of Physical Medicine held here in Washington, D.C., while Dr. Kottke served as president of the American Congress of Physical Medicine which sponsored this worldwide gathering.

Minnesota has made vast contributions to many areas of medical science through the University of Minnesota Medical School and Mayo Clinic. The Kenny Institute and the rehabilitation center, with the University of Minnesota, offers the potential for making an equally great contribution in the field of physical medicine and rehabilitation. If it receives the support it deserves the Kenny Rehabilitation Institute can make an enormous contribution to closing the rehabilitation gap.

REHABILITATION CENTERS IN THE MAKING

I am hopeful of further great achievement along these lines.

Part of this hope rests on the splendid decision of the Senate and House Appropriations Committees to provide in H.R. 7035 for regional rehabilitation centers in the United States. These centers would really be national "showcases"—national models of the greatest deeds of physical medicine and rehabilitation.

The case for these centers had been made in eloquent testimony before both committees by both Drs. Krusen and Kottke. The American people will always be indebted to these two great individuals for their personal presentations at the crucial time of the hearings. I am delighted to say that, in heartwarming response, both committees, in their official reports, cited the opportunity for each such center to be established at a leading medical school with the close cooperation of a voluntary health agency and of State and local governments.

I know of no circumstances in the 50 States where there is closer professional and lay cooperation than that which exists between the Kenny Institute, the University of Minnesota, and State and local authorities.

I am hopeful therefore than an application for a center which will be made by these experts will receive favorable action by the Office of Vocational Rehabilitation.

If it does, as I believe will be the case, then the need for citizen support will be heightened.

This, I repeat, is not a local or regional matter; it is a national need. A great pilot program will be launched. The eyes of the Nation will be upon it.

A magnificent chapter in physical medicine and rehabilitation will thereby be written. And countless disabled will benefit—directly and indirectly.

Thus, the voluntary health agency will require and I believe receive a new mandate from the American people.

It is their instrument—their servant. The Kenny Institute will, I believe, establish bold new precedents in competent and unimpeachable leadership.

The next step is up to our citizens to give it the necessary support; as I believe they will.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

Mr. HICKEY. Mr. President, the implications which have been made about the oil and gas industry by my esteemed colleague from Wisconsin during the debate on the nomination of Lawrence O'Connor to the Federal Power Commission are of much concern to me. This industry is one of the major economic forces in the State of Wyoming. Some of the greatest oil and gas fields in the whole world, many of them as yet untapped, comprise one of our leading natural resources. The industry has been an integral part of the economy of my State during my entire lifetime.

The implications with regard to Democratic Senators representing oil- and gas-producing States cannot go unnoticed. I have been a candidate for public office on the Democratic ticket since 1936 and have been three times elected to public offices of responsibility, including that of Governor of Wyoming. Neither my colleague, Senator GALE MCGEE, who has also run and been elected on the Democratic ticket in Wyoming, nor I have ever received any money or thing of value from the oil and gas industry, nor have we been contacted after our election by industry representatives for the purpose of exerting influence on behalf of their business. The people employed by the oil and gas companies have always been among our closest friends, and they have been our allies on many occasions. The rank and file of the men and women employed by the industry have proved themselves creditable citizens of the great State of Wyoming.

The industry itself, by virtue of the expenditure of large sums of money for nonproductive, as well as producing wells, has contributed tremendously to the educational benefits afforded the children of Wyoming. Were it not for the development by this industry, the great expanded campus of the University of Wyoming would have been impossible and many of the benefits of our State educational system would have been denied generations of children.

The industry has also provided, through its employees, fine homes and fine public citizens participating in the municipal, county, and State life of our State. Therefore, it occurs to me that the implications directed toward the industry are unwarranted as a part of an objection to a nominee of the President's for the Federal Power Commission.

Two very fine Wyoming citizens have served on this Commission, Mr. Claude

Draper for many years, and Judge Arthur Kline for one term. These respected citizens of Wyoming have been acquainted with the segment of the industry so important to our State, as we have been, and I am sure that their public record will stand the search of the most diligent eye without revealing any taint of industry favoritism.

I fully acknowledge the right and duty of the Senator from Wisconsin to be diligent in the examination of nominees upon which the Senate is required to advise and consent, and I respect him for his thorough exploration of their character. However, I cannot agree with the implications contained in the record that the people in the oil and gas industry, which has been developed by strong, diligent, independent individuals contributing so much to the economy of my State, are people with ulterior motives.

The PRESIDING OFFICER. A quorum being present, the Senate in executive session will now, under its order, resume the consideration of the nomination of Lawrence J. O'Connor, Jr., of Texas, to be a member of the Federal Power Commission, with debate thereon limited to 20 minutes equally divided and controlled by the majority leader and Mr. PROXMIRE.

The question is, Will the Senate advise and consent to this nomination?

Mr. MANSFIELD. I have no request for time on this side of the aisle, but I will yield myself 2 minutes on behalf of the nomination of Mr. O'Connor.

As the Senate knows, we have been debating the subject for the past 3 days. The Senator from Wisconsin has gone into great detail relative to the reasons why he thinks the nomination should be rejected. As I understand his argument, it is based on the fact that Mr. O'Connor has had too close a business association with the oil and gas industry, and therefore should not, on that basis, be considered as a member of a quasi-judicial board which will pass on matters affecting the interests of a particular segment of our economy.

The nomination was reported by the Commerce Committee by unanimous vote after hearings It has been discussed on the floor over the past several days by Senators like Senators PASTORE and MAGNUSON, who serve on that committee and who are satisfied that in this new position Mr. O'Connor would conduct his duties impartially and with no special regard for the oil and gas industry.

The question of Mr. O'Connor's finances has been brought up and answered to the best of the ability of the chairman of the Committee on Commerce. If my understanding is correct, Mr. O'Connor has said that he would either give away or deed his holdings which might be considered a conflict of interest, so that he could assume his office.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The time of the Senator has expired.

Mr. MANSFIELD. I yield myself 1 additional minute. It is my further understanding that there is in existence a special committee within the Federal Power Commission which passes on these matters of holdings. I understand further that these holdings of Mr. O'Connor have been delineated into three groups. In the light of the existence of that committee as well as the unanimous opinion of the membership of the Commerce Committee, I believe that Mr. O'Connor is a fit candidate and deserves approval of the Senate for appointment to this most important post, and I shall vote for confirmation of the nomination. I reserve the balance of my time.

Mr. PROXMIRE. I yield 2 minutes to the Senator from Oregon.

Mr. MORSE. I thank the Senator from Montana, the majority leader, for the questions which he asked in my behalf when I was away from the floor this noon, because I had to keep a speech commitment at the Mayflower Hotel at that time, to address a luncheon of more than 300 teachers who are in the city and who are very much concerned about Federal aid to education legislation.

The Senator from Montana, acting with a sort of power of attorney, did an outstanding job in presenting the questions which concern me, which are as follows:

I should like to point out that this nominee, in my judgment, has been guilty of conflict of interest in a high public post for quite some time, because he has been serving as the Oil Import Administrator in the Department of the Interior. In my judgment he has shown a lack of sensitivity with regard to the matter of conflict of interest by holding that job and not disposing of his vested interests in the oil and gas industry.

Second, I wish to point out for the record that these hearings do not give to the Senate information in regard to the economic interests he has in the gas and oil industry, and I believe that the Senate is entitled to have that information.

Before we vote on the nomination I wish to note that my friend from Washington takes the position that it does not make any difference whether a man owns 1 stock or 10,000 stocks. I completely disagree with him. I believe we can take judicial notice of the fact that the extent to which a man may have a conflict of interest and have an economic interest in an industry may have a direct effect as to our evaluation of the extent to which he may able or may not be able to act impartially in carrying out his duties as a member of a commission, particularly a regulatory commission.

My third point is that in my judgment that, as the Senator from Wisconsin says, as far as his research is concerned, this is the first person to be appointed to this Commission right out of the industry, and that fact cannot possibly meet the test that a juror must meet, to say nothing about the test that a judge would have to meet. As I said in my argument this morning, this man would be subject to a challenge for cause if he sought admission to any jury box in this country in connection with any case that would involve the interests on which he would have to pass judgment as a member of the Federal Power Commission.

Furthermore, in most jurisdictions, if he were a judge, he would be subject to a successful affidavit of prejudice that would disqualify him to sit in judgment as a judge on matters that would be adjudicated by the court.

As I said this morning, up until the courageous speech of the Senator from Wisconsin, and until he submitted the evidence which he submitted in his speech, I had every intention of voting for the confirmation of the nomination. If anybody had told me yesterday that I would not be voting for the nomination today, I would not have believed him.

I will vote against the nomination because in my judgment this man is not qualified to sit on a quasi-judicial commission. He does not meet the test that must be met by anyone who is to sit in judgment in a jury box or on the bench in cases involving an industry in which he had a record of selfish interest such as this man has had in connection with the gas and oil industry.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Mr. President, I have not been happy with the nomination of Mr. O'Connor. I have read the record carefully. I have listened to a great deal that my distinguished colleague and friend, the junior Senator from Wisconsin, has said. I come to the conclusion that there are not sufficient reasons for me to deny confirmation of this nominee.

When Mr. J. Swidler was nominated, certain Senators from the Southwest asked me to give them a confidential assessment of Mr. Swidler who, as you know, Mr. President, had been General Counsel for the Tennessee Valley Authority. In giving to my colleagues that assessment, I expressed the view that Mr. Swidler would as a public official not only be able to exercise discriminating judgment, but that he would have the courage and the ability to do so fairly and courageously.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GORE. May I have 2 more, 1 more minute.

Mr. MANSFIELD. One more minute.

Mr. GORE. I have returned to those fellow Senators and had expressed by them the same view of this nominee. They have expressed to my confidence that he can and will render public service in the public interest. Therefore I conclude that I will invest confidence in this man, in my colleagues' opinion of him, and in the committee who rendered a unanimous report in his favor. Therefore, despite some doubts that I have entertained, I now conclude at this hour of decision to vest this confidence in this man, believing that he, as other Americans have done in the past, can and will put the public interest foremost.

Mr. MANSFIELD. Mr. President, I yield the balance of the time remaining to me to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PASTORE. Mr. President and colleagues, first of all I wish to congratulate my distinguished colleague from Wisconsin for the service he has rendered to this body and to the Nation in emphasizing the interest of the consumers of America in natural gas, in oil prices, and all the other matters that come under the jurisdiction of the Federal Power Commission.

I must say to my colleagues in the Senate that I searched my soul with respect to this nomination that is before us. The main feature that has convinced me I should vote for Mr. O'Connor is the fact that his background, his affiliations of the past, have been fully scrutinized and analyzed by the White House. His nomination was sent here by the President of the United States, who understands and feels for the consumers' interest I daresay more than any other individual in this country of ours. We Senators have sensed and shared that concern with him in his days in this very Chamber.

I am convinced that the impartiality of an individual lies in his character more than it does in his previous affiliations. I know that Mr. O'Connor was interested in the natural gas business and in the oil business. I have had a very sincere and profound talk with Mr. O'Connor. I have been assured by him that he will consider the consumers' interests. I have been assured by him that he will be impartial and judicious in all the matters that come before him; and I am therefore willing to give him the benefit of my faith in his responsible character and I shall vote for him and urge my colleagues to do likewise.

Mr. PROXMIRE. Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the Federal Power Commission has been described by Dean Landis as the single most dismal example of the breakdown of the administrative process. The reason the Federal Power Commission has broken down and has not been able to do its job is because it has fallen under domination by the industry it is supposed to regulate; namely, the producers of natural gas. The outstanding evidence of this breakdown is that the Federal Power Commission has persistently refused to obey the clear dictates of the Congress of the United States as expressed in the Natural Gas Act of 1938, of the Supreme Court decision in the Phillips case in 1954, and the very sharp reminder in the Catco case in 1959.

The Federal Power Commission has a duty—not a choice, but a duty—to regulate the price of natural gas at the wellhead, but they have refused to do so. They have said no, they will not do it. Why? Because the natural gas producing industry has been able to work its will on the FPC year after year.

The Senate is just not realistic if it does not recognize this situation. And now, for the first time in the history of this Nation a nominee to the Federal Power Commission comes from the natural gas industry and from the producing segment of that industry which has had this enormous influence.

The nominee has spent most of his adult life as vice president of a natural gas company. He has been a major district vice president, a committee chairman, of the principal lobbying association of that industry, the IPAA. Now he is being put on the Federal Power Commission.

Mr. President, the issue is very clear. If the Senate really does believe in the Natural Gas Act of 1938, if we really do believe consumers should have any kind of fair break, then we should not place on the Federal Power Commission, in this position of quasi-judicial authority, a man whose whole background, whose whole identification, has been with the very industry that has successfully gutted the Federal Power Commission.

While the burden of my case has been that we are placing on the Federal Power Commission a man with this highly suspect industry background, I also call attention to the unresolved problem of the nominee's large oil and gas industry holdings. What he will do with them is not at all clear. It is said he will give a large amount to his own mother, who has been described as elderly. If he does this he will be the sole heir, as the Senator from Oklahoma has stated of the very holdings he has been told he must divest himself of. This is an unresolved conflict of interest question that will continue to hang over this nomination.

Mr. President, from the standpoint of equity and justice for the American consumer, this is an unfortunate nomination. I strongly believe the Senate should reject it.

One more word, Mr. President. If there is one sure thing in politics, it is the influence and power of the oil and gas industry. If there has been one sure thing about the regulatory commissions, it is that they have become dominated by the groups they were created to regulate.

Should the Senate now put a man directly out of the oil industry on the Federal Power Commission? This would again break faith with the consumer, who has been waiting for 22 long years for effective regulation of this industry. Here would be a commissioner who will sincerely vote against the consumer, a commissioner who will honestly vote against the consumer, and who will vote against the consumer as an expert commissioner. The fact is, if experience of a lifetime means anything, a vote for this appointment is a sure vote against the consumer.

Mr. President, will the majority leader join me in yielding back the remainder of the time available under the agreement?

Mr. MANSFIELD. Mr. President, I yield back the remainder of the time under my control.

Mr. PROXMIRE. Then, Mr. President, I do likewise.

The PRESIDING OFFICER (Mr. PELL in the chair). All remaining time, under the agreement, has been yielded back.

The question now is, Will the Senate advise and consent to the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission?

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alabama [Mr. SPARKMAN] and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness. If present and voting, the Senator from Maryland would vote "yea."

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent, and if present and voting, would vote "yea."

The yeas and nays resulted—yeas, 83; nays, 12, as follows:

[Ex. No. 2]

YEAS—83

Aiken	Fong	Monroney
Allott	Fulbright	Morton
Anderson	Goldwater	Moss
Bartlett	Gore	Mundt
Beall	Hartke	Muskie
Bennett	Hayden	Neuberger
Bible	Hickenlooper	Pastore
Boggs	Hickey	Pell
Bridges	Hill	Prouty
Burdick	Holland	Randolph
Bush	Humphrey	Robertson
Byrd, Va.	Jackson	Russell
Byrd, W. Va.	Javits	Saltonstall
Cannon	Johnston	Schoeppel
Capehart	Jordan	Scott
Carlson	Keating	Smathers
Case, N.J.	Kerr	Smith, Mass.
Case, S. Dak.	Kuchel	Smith, Maine
Clark	Long, Mo.	Stennis
Cooper	Long, Hawaii	Talmadge
Cotton	Long, La.	Thurmond
Curtis	Magnuson	Tower
Dirksen	Mansfield	Wiley
Dworshak	McCarthy	Williams, N.J.
Eastland	McClellan	Williams, Del.
Ellender	McGee	Yarborough
Engle	Metcalf	Young, N. Dak.
Ervin	Miller	

NAYS—12

Carroll	Gruening	McNamara
Church	Hart	Morse
Dodd	Kefauver	Proxmire
Douglas	Lausche	Young, Ohio

NOT VOTING—5

Butler	Hruska	Symington
Chavez	Sparkman	

The PRESIDING OFFICER. On this vote, the yeas are 83, the nays are 12; and the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask that the nominations on the Executive Calendar be considered.

The PRESIDING OFFICER. The clerk will state the nominations on the Executive Calendar.

U.S. DISTRICT JUDGES

The Chief Clerk proceeded to read sundry nominations for U.S. district judges.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. ATTORNEY

The Chief Clerk read the nomination of Vernol R. Jansen, Jr., to be a U.S. attorney.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. MARSHAL

The Chief Clerk read the nomination of William Marshall Broadrick to be a U.S. marshal.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The Chief Clerk read the nomination of Capt. James C. Tison to be Deputy Director of the Coast and Geodetic Survey.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Michael H. Fleming to be an ensign.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be immediately notified of the nominations just confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate return to legislative session.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT

Mr. DIRKSEN. Mr. President, it seems that plane hijacking is the favorite outdoor sport right now. I suppose if it comes close enough, and they hijack a plane from the National Airport in Washington, we will finally come to our senses and take some action.

I was going to suggest to the majority leader that, in view of the fact that the Commerce Committee has reported a bill relating to hijacking, it might at this time be very opportune to call up the bill for immediate consideration, and have it disposed of, so the Senate will be on record with reference to this type of offense.

Mr. MANSFIELD. Mr. President, in response to the suggestion made by the distinguished minority leader, I can think of no more reasonable request at this particular time, and in accordance with that request, I ask the distinguished chairman of the Commerce Committee to report the bill, which I understand was reported unanimously from the Commerce Committee today.

Mr. DIRKSEN. Mr. President, I yield to the Senator from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. President, the Senate Commerce Committee yesterday ordered reported a bill to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce. The bill was reported out unanimously. It was the result of three or four suggested pieces of legislation following the first hijacking incident. The committee worked long and hard on the bill, particularly the Aviation Subcommittee, headed by the Senator from Oklahoma [Mr. MONRONEY].

The bill is practically the version of the bill of the Senator from California [Mr. ENGLE], with some amendments. There is a committee print. I am going to ask the Senator from Oklahoma, chairman of the subcommittee, to report the bill. The bill provides penalties which were lifted from the piracy-at-sea law. In view of that situation, I think the Senator from Washington will yield to the Senator from Oklahoma, with the permission of the Senator from Oklahoma and the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I have the floor.

Mr. MAGNUSON. I was going to yield.

Mr. DIRKSEN. I have the floor.

Mr. MAGNUSON. I wanted to finish the statement.

Mr. DIRKSEN. Very well.

Mr. MAGNUSON. I would suggest an amendment which would make the death penalty mandatory in these cases.

Mr. SCOTT. Mr. President, will the Senator from Illinois yield to me.

Mr. DIRKSEN. I yield.

Mr. HARTKE. Mr. President——

Mr. SCOTT. Mr. President, the Senator from Illinois has the floor, and he has agreed to yield the floor to me.

Mr. HARTKE. Mr. President, I had understood the Chair recognized the Senator from Indiana.

Mr. DIRKSEN. Mr. President, the regular order.

The PRESIDING OFFICER. The Chair recognized the Senator from Illinois [Mr. DIRKSEN], and afterward the Senator from Illinois yielded.

Mr. DIRKSEN. Mr. President, I have the floor, and I yield to the distinguished Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I demand the regular order.

The PRESIDING OFFICER. Is there objection to the Senator from Illinois yielding to the Senator from Pennsylvania? The Chair hears none.

Mr. SCOTT. Mr. President, the Senator from Illinois promised to yield to me.

I have a bill before the Commerce Committee which would make the penalty for hijacking a plane a permissive death sentence. As the Senator from Washington has suggested an amendment to that effect, I will certainly be glad to join in it. I had hoped the Commerce Committee would act on it, but this is a more expeditious way to handle the matter.

A short time ago today I notified the office of the chairman of the Commerce Committee [Mr. MAGNUSON] that I was going to ask for the floor. This gives me an opportunity to make the suggestion I had in mind.

It was and is my intent to urge that immediate consideration be given to the bill reported to the floor today, a bill introduced by the Senator from California [Mr. ENGLE], part of which was taken from suggestions by the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Texas [Mr. YARBOROUGH], a bill of which a number of Senators, including myself, are cosponsors.

I think it is extremely important that the Congress be heard and that action be taken in this body, and I hope in the other body, so the bill can be promptly enacted into law. This seems to be the better way than the other alternative which could also be used, to give Castro 24 hours to surrender the plane and people, and if he does not do so, send an aircraft carrier in there with instructions to take such military reprisals as may seem necessary. Meanwhile the method of legislative action is urgently needed.

Mr. DIRKSEN. Mr. President, I have the floor. I ask unanimous consent that I may yield to the Senator from Oklahoma for the purpose of presenting the bill, without losing the floor.

Mr. MONRONEY. Mr. President, on behalf of the Senate Commerce Committee I report favorably, with an amendment, the bill introduced by the Senator from California [Mr. ENGLE], S. 2268, to amend the Federal Aviation Act of 1958 to apply the Federal criminal statutes to crimes occurring aboard aircraft in flight in air commerce and to add specific penalties for hijacking of aircraft, and I submit a report (No. 694) thereon.

The PRESIDING OFFICER. The report will be received and printed.

Mr. MONRONEY. I ask unanimous consent that the names of the following Senators be added as cosponsors of S. 2268: Senators MAGNUSON, PASTORE, MONRONEY, SMATHERS, THURMOND, LAUSCHE, YARBOROUGH, BARTLETT, HARTKE, MCGEE, SCHOEPPEL, BUTLER, COTTON, CASE of New Jersey; MORTON, SCOTT, BRIDGES, WILLIAMS of Delaware, BENNETT, BIBLE, ALLOTT, JORDAN, YOUNG of North Dakota; CAPEHART, MUNDT, BUSH, BEALL, SMITH of Massachusetts, and BYRD of West Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. I would suggest that other Senators who wish to join as cosponsors leave their names at the desk. It seems as though every Senator wishes to join.

Mr. MONRONEY. Mr. President, I ask for the immediate consideration of the bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the applica-

tion of Federal criminal law to certain events occurring onboard aircraft in air commerce.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment.

Mr. MONRONEY. Mr. President, the Senate and the country owe a debt of gratitude to the Senator from California [Mr. ENGLE] for the speed with which he analyzed the problem which has developed during the past few weeks and for the speed with which he prepared and submitted legislation to correct it. Before yielding to the principal sponsor of the bill for a fuller explanation of its contents, I would like to make one further comment.

The primary purpose of this bill is to discourage the hijacking of aircraft and the interference with flight crews in the performance of their duties by imposing severe criminal penalties for such acts. It is not a solution to the acts of piracy which have already occurred. It may be that the Government of Cuba has no responsibility for the repeated thefts of U.S. aircraft which have occurred and the kidnapping of U.S. citizens. However, if the Government of Cuba does not wish to assume the responsibility for such action, there is a very simple way for them to demonstrate it. They can jail the pirates and return them to the place where the crime was committed for trial and they can return the pirated property.

It is my understanding that two of the motors are still running on the plane at the airport at Havana. If Mr. Castro means what he says, and denies responsibility for these crimes, he can give orders to permit the plane to take off and continue to its destination.

If they choose to harbor the pirates and retain the benefits of their piracy, it seems to me that they leave the Government of the United States no alternative but to take whatever action is required and by whatever means are necessary, as it has in the past, for the suppression of piracy where it is harbored.

When we suffered from crimes by the Barbary pirates and the rulers where those pirates took refuge could not control their crimes, it resulted in the birth of the Marine Corps, which remembers in song its heroic acts of that time.

It is an opportune time for the Senate to take action on this bill and to perhaps provide the even stiffer penalty which has been suggested, and so serve notice that the Federal Government will not deal patiently with these crimes which are occurring with all too great frequency.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to yield to the Senator from Texas [Mr. TOWER], without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. TOWER. Mr. President, I associate myself with the remarks of the distinguished Senator from Pennsylvania [Mr. SCOTT] and the distinguished Senator from Oklahoma [Mr. MONRONEY], and reiterate the demand that we call on the President to ask for a return of this aircraft, and if it is not returned and if the passengers are not returned in a brief time that we go to where it is and take it. We have become a laughing-stock to the rest of the world. Having taken the firm position that we have on Berlin, we must realize that as long as those two aircraft are in the possession of a petty Communist tyrant we are a symbol of weakness to the rest of the world.

Mr. DIRKSEN. Mr. President, I yield to the Senator from Texas [Mr. YARBOROUGH].

Mr. YARBOROUGH. Mr. President, in committee I brought up my own bill which would establish the death penalty for hijacking of planes. The bill provides that the penalty for hijacking a plane is death, or life imprisonment, or a term of not less than 5 years, as the jury may direct. That is not an excessive sentence. That is a sentence in keeping with the present, existing Federal law. We have a law that provides the death penalty for kidnaping and carrying persons across State lines unless they are left unharmed. We have a law that provides that if a bank robber takes hostages, the death penalty may be imposed. There is no requirement that the criminals receive a lesser sentence if the hostages are released unharmed.

There are three different places in the law where there is such a penalty: One, while in the act of robbing a bank; two, while fleeing the scene of robbery; and three, while disposing of goods acquired in a robbery.

The crime of hijacking a plane is a more dangerous one than that of taking hostages, because the instant a plane is seized at the point of a gun or with firearms, every passenger in that plane is in peril.

I ask unanimous consent to insert at this point in the RECORD an editorial from the Cleveland Press of August 4, 1961, entitled "The Head Pirate."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE HEAD PIRATE

Senator RALPH YARBOROUGH of Texas said it yesterday:

"When civilized nations begin hanging air pirates, piracy will disappear from the airlanes."

It is surprising, in view of repeated instances of this crime, that legislation providing appropriate penalty has not been on the books. Bills now have been introduced in Congress to provide the death penalty for airplane hijacking.

They should be passed without delay and should include imprisonment for anyone who boards a plane carrying arms, unless he has a specific Government permit.

It might be a good idea to authorize pilots and copilots to tote arms. The old stagecoaches had a man "riding gun."

But these recent incidents emphasize a situation going well beyond domestic crime. Whether Fidel Castro had anything directly to do with the pirating of the Continental Airlines jet yesterday is uncertain.

For that matter, no one apparently knows whether Castro ordered the hijacking of the Eastern Air Lines Electra just 9 days earlier. The hijackers in both cases were American citizens.

But Castro became party to the crime of July 24 when he kept the plane and protected the criminal who took it at gunpoint. Yesterday's hijackers tried to take the plane to Cuba, and it must be assumed they would have been welcomed.

By making Cuba a pirate's den for hijacked planes, Castro provides the necessary base for this traffic and is, in fact, the head pirate.

This incident has shortened the Cuban dictator's rope. The time certainly must be fast approaching when he must return the pirated plane, give up the man who stole it, and give assurances against taking part in further such incidents—else our Government will be forced to act, with or without the cooperation of the Organization of American States.

Mr. YARBOROUGH. The editorial refers to the bill I introduced last week, providing for an optional death sentence in the case of hijacked planes.

With reference to the plane now in question, the Government should demand the return of the plane within 24 hours, and if that is not complied with, we should declare an embargo on Cuba and enforce that embargo by war planes and ships.

The masthead above the editorial says, "Ohio's largest daily newspaper," which commends the act I introduced here last week providing for an optional death sentence in the case of a hijacked plane.

This is not an invasion. It is an embargo that I think would get the job done by act less than an invasion.

If the Senator will permit me, I yield to the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DIRKSEN. I yield to the Senator from Vermont.

Mr. AIKEN. I can understand the intensity of feeling here this afternoon, and if the Cuban Government is involved in this in any way, I think the President would be perfectly justified in giving the Government of Cuba a time limit in which to return the plane and the passengers.

However, I am a little apprehensive about legislating at such a heated time as this is and in demanding the death penalty, making it mandatory in the case of the hijacker of a plane.

It seems to me that any hijacker who saw himself likely to get caught in the act, either when landing or in any other way, would most certainly destroy the plane and all the passengers in it.

I am wondering if making a mandatory death penalty for hijacking the plane is not also making the death penalty mandatory for the crew and the passengers.

Mr. DIRKSEN. I yield, without losing the floor, to the Senator from Washington.

Mr. AIKEN. I would have no objection to making a death penalty for the crime, but as for making it mandatory, I would not want to inflict that penalty on the crew and the passengers.

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DIRKSEN. I have yielded to the distinguished Senator from Washington.

Mr. YARBOROUGH. Mr. President, if I may interrupt for a moment——

Mr. MAGNUSON. I think the Senator from Vermont makes a good point that is concurred in, I am sure, by the Senators from California and Oklahoma and myself.

The chairman of the committee was going to suggest, and the committee bill as introduced says, in section 3:

> Whoever, while on board an aircraft in flight in air commerce, commits an act which, if committed aboard a vessel on the high seas, would constitute piracy, as defined by section 1651, title XVIII, United States Code, shall be imprisoned as provided therein.

Section 1651, under the title, "Piracy Under the Law of Nations," provides:

> Whoever, on the high seas, commits a crime of piracy as defined under the law of nations and is afterward brought into and found in the United States, shall be imprisoned for life.

The chairman of the committee, and following the lines of the Senator from Texas, too, suggests that we add to section 3, "and/or death penalty as provided by the United States Code."

Now, there are other penalties for various degrees of this. Unless it is defined as piracy—and, of course, if a murder is committed aboard a plane that is hijacked, that is one thing. This is what I want to suggest, and I submit to the desk this amendment of section 3.

Mr. DIRKSEN. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I want to say to the Senator from Washington that I can agree with the bill as written. There has been so much talk here lately about imposing the mandatory death penalty upon the hijacker of a plane that I just do not want to impose the death penalty on 75 people because one of them happens to commit the crime. But with the bill as explained by the Senator from Washington, I would have no controversy and no objection.

Mr. DIRKSEN. I yield to the distinguished Senator from Indiana.

Mr. CAPEHART. I stated on the floor of the Senate after the first airplane was hijacked that I thought the President of the United States should give Castro 24 hours, or go get the plane. I have not changed my mind.

I further stated at that time that if we did not take that action there would be other hijackings and the time would come when we would have to do it, in my opinion.

Now, we have another plane hijacked and sent to Cuba and yet no action.

I urge that we take action because, if we do not, there will be more planes hijacked and Mr. Castro will further humiliate the United States in the eyes of the people of the world.

Mr. DIRKSEN. I ask consent to yield to the distinguished Senator from New Hampshire.

Mr. COTTON. Mr. President, I merely wanted to add one word on this point of the penalty that is being considered here.

It was carefully discussed, as indicated by the distinguished chairman of the Commerce Committee, and the chairman of the subcommittee.

It was the opinion of the distinguished Senator from California [Mr. ENGLE], who for many years was a successful prosecuting attorney—it was the opinion of some of the rest of us who have been prosecuting attorneys—that the worst thing the committee could do would be to have a mandatory death penalty, or to have the penalty so stiff and so mandatory that there was no chance for flexibility.

It is not that any offenders would escape their just punishment. It would be an obstacle to convictions, as it has always been.

So I trust that in the heat and emotional feelings of this afternoon, when the entire Senate, and not one of us is an exception to that, I am sure, is incensed at what is taking place, let us not make the error of putting the mandatory death sentence into effect. The original suggestion of the Senator from Texas was discussed thoroughly in the committee and we all agreed, after careful consideration, that this kind of a penalty was not the proper way to approach this problem. It would sound well to send out the word to the country that a mandatory death penalty had been put on, but I am sure that every Senator will agree that it would not be effective and what we want is something that is effective.

Mr. MAGNUSON. There is no mandatory provision.

Mr. COTTON. They were going to offer the amendment.

Mr. DIRKSEN. I ask the Senator to yield to the distinguished Senator from Kentucky.

The PRESIDING OFFICER. Does the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Kentucky.

Mr. MORTON. I think the Senator has yielded to me.

Mr. MAGNUSON. Will the Senator yield to me?

Mr. MORTON. I have just gotten the floor.

Mr. MAGNUSON. I offer a substitute for——

Mr. DIRKSEN. You cannot, yet. I have yielded under consent. I yield to the distinguished Senator from Kentucky. Then I am going to yield to the distinguished gentleman from California.

Mr. MORTON. I realize I am shooting in the dark here. This is no time to legislate on this matter. This is "ticker-tape legislation" we are talking about. We are all excited by something that is on the ticker. Let us sit down. Let us think about this a little bit. Let us know what we are doing. Let us not sweep something through here in an emotional fit just because it happens to be politically popular at home or elsewhere.

I am not for hijacking airplanes any more than anybody else is but I am for law and justice. I am for seeing this body act in less emotion than the emotion that is being displayed here now.

Mr. DIRKSEN. Mr. President, in response to what the Senator from Kentucky said, actually, this bill was voted out of the committee yesterday.

Mr. MORTON. Yesterday, yes.

Mr. DIRKSEN. Long before this incident came on the ticker tape this afternoon.

I think everybody knows what he is doing. I think they are approaching this in a calm and dispassionate manner.

I yield to the Senator from California who has had a large share in preparing this bill and at this point I am going to yield the floor.

I yield to the Senator from California.

The PRESIDING OFFICER. The Senator from Tennessee has a point of order to make.

Mr. GORE. Is it not the regular order for the author of a bill to get recognition in his own right and present the bill? I do not want to make a point of order against one man holding the floor and yielding to everyone.

Mr. ENGLE. He is going to give it up next.

Mr. DIRKSEN. The procedure is entirely regular, and now I ask consent to yield to the distinguished Senator from California and then I shall yield the floor after he is recognized.

Mr. GORE. Very well.

The PRESIDING OFFICER. The Senator from California.

Mr. PASTORE. May we have order so we can have the bill explained?

Mr. ENGLE. I appreciate the courtesy of the Senator from Illinois.

In response to my good friend from Kentucky, I would say that this bill has been very carefully considered. It has been gone over in great detail by the Subcommittee on Aviation, and it has been introduced for over a month and has been pending before the Congress of the United States.

I will go through the bill very briefly.

Certain acts of violence which, if committed within the special maritime and territorial jurisdiction of the United States, would be crimes as defined by section 113, 114, 1111, 1112, 1113, 1363, or 2111 of title 18, United States Code, would also constitute crimes if committed on board an aircraft in flight in air commerce. Included would be varying degrees of assaults, maiming, first and second degree murder, manslaughter, attempt to commit murder or manslaughter, malicious destruction of property, and robbery.

Any person who obtains or attempts to obtain control of an aircraft by unlawful force or threat of force would be subject to a fine of not more than $10,000 or imprisoned for not more than 20 years, or both. If such act was committed with the use of a dangerous weapon, imprisonment would be for life but not less than 20 years.

One who assaults, intimidates, or threatens to interfere with a flight crew member in such a way as to interfere with his duties to safely operate the aircraft would be subject to a fine of up to $10,000 or imprisonment of not more

than 20 years, or both. If a deadly or dangerous weapon was used in the commission of such offense, the penalty would be imprisonment for life or not less than 20 years.

An act which would constitute the crime of piracy if committed aboard a vessel on the high seas would also constitute a crime if committed aboard an aircraft in flight in air commerce. The offense would be subject to imprisonment for life.

To knowingly impart or convey false information concerning an attempt or alleged attempt to unlawfully obtain control of an aircraft, to interfere with a flight crew member, or to commit piracy would be subject to a fine up to $1,000 or imprisonment up to 1 year, or both.

With the exception of law enforcement officers and others who may be authorized under appropriate regulations issued by the Federal Aviation Agency, any person who while aboard an aircraft being operated by an air carrier in air transportation, carries on or about his person a concealed deadly or dangerous weapon or attempts to board such an aircraft with such a weapon would be subject to a fine of up to $5,000 and imprisonment up to 5 years, or both.

All violations of the above shall be investigated by the Federal Bureau of Investigation.

The Administrator of the Federal Aviation Agency is empowered to authorize by means of appropriate regulation any air carrier to refuse to transport persons or property when such transportation might prove inimical to safety in flight.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. BUSH. Does the bill apply to American airplanes and American-licensed airlines?

Mr. ENGLE. That is correct.

Mr. BUSH. Does it apply to private aircraft?

Mr. ENGLE. Yes; it applies to all airplanes in air commerce, which includes, of course, not only commercial aircraft, but private airplanes as well.

Mr. BUSH. Does it apply to foreign aircraft over American soil?

Mr. ENGLE. It applies to such aircraft.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. KEATING. May I ask whether the bill as written or the amendment which is at the desk provides for the death penalty being discretionary?

Mr. ENGLE. The bill as written provides for mandatory life imprisonment for piracy. It provides for the death penalty in the event of murder. Under the amendment offered by the Senator from Washington the death penalty would apply as an alternative. Under the substitute to be offered by the Senator from Texas, the penalty would be death or imprisonment for life for such term of years, not less than 5, as the jury may direct. The death penalty is not mandatory.

I much prefer more flexibility for reasons which were stated a few minutes ago by the Senator from New Hampshire.

Mr. KEATING. I agree with the Senator from New Hampshire. One of the difficulties in the District of Columbia is that it is the only jurisdiction left where there is a mandatory death penalty provision in the law. It is extremely difficult to get convictions under that provision of the law. District attorneys and others favor some flexibility in order to get convictions. I respect my dear friend from Kentucky, but I must disagree with him, because I believe we must legislate in this field. The committee reported the bill yesterday. It was brought about by the hijacking of these planes. That is the way we often have to legislate, in order to meet situations that arise quickly.

Probably we should have legislated in this field long before this. I do not believe it is merely reaction to the ticker tape. It is desirable legislation if worded in a way that meets the problem. If we make the death penalty discretionary, this legislation can certainly be useful. The more flexible, the better, provided, however, that it does under certain extreme circumstances provide for the death penalty.

This situation has become intolerable. In addition to what the Senator from Indiana has said and what the Senator from Texas has said, I believe we should have long before this by embargo prevented shipments of foreign weapons into Cuba, and, with the exception, perhaps, of medicine and food we should have stopped all trade with Cuba. These events are not isolated. They all show a pattern.

Castro is still holding an Eastern Air Lines plane taken several weeks ago. Mr. President, I believe the time has come for the President to issue an ultimatum. If both planes or the 81 persons on board this latest plane are not returned within 48 hours, we should go in and get them. Whether Castro is responsible or not, he has full power to release the plane and passengers.

This incident may have been deliberately to coincide with the meeting in Uruguay where Secretary of the Treasury Dillon is preparing with full Latin American cooperation for a program of economic and social progress. This may be Castro's way of telling other states that they too can scorn us. The demonstrations against Ché Guevara in Uruguay show that Castro and communism are not really popular in Latin America, but Castro may be still trying to use "dare devil" support and make us lose face.

Our reaction should be clear and unmistakable. We must get our planes back. Recovery of the planes will demonstrate our power, which has been mocked in Cuba and elsewhere since the failure of the spring invasion. But our quarrel is not with the Cuban people and we should certainly not allow ourselves, through Castro's teasing, to become militarily involved in Cuba at the moment beyond the recovery of the planes.

If their recovery is resisted, we will have no alternative. We cannot permit our great and powerful and noble Nation to be made a laughingstock.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. MORTON. I am in full agreement with the Senator from New York. I am not arguing that we do nothing at all. I am all for going into Cuba and getting the planes. I am a member of the Commerce Committee and of the Aviation Subcommittee, and I say that we are now legislating under the pressure of an incident which happened today, and about which we know very little except for a few details. I ask the Senator from California, for whose judgment I have the highest respect, can we not put this off for 24 hours?

Mr. ENGLE. It would not bother me at all to do that, but I am sure we would pass the same bill anyway.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. CASE of South Dakota. I note that in two or three places the bill refers to "aircraft in flight in commerce." In those instances, apparently, it relies upon the definition in the Federal Aviation Act of 1958 for the meaning of "air commerce." Can the Senator from California or perhaps the Senator from Oklahoma give us that definition of "air commerce"?

Mr. ENGLE. The definition of "air commerce" appears in section 101 of the Federal Aviation Act of 1958 (72 Stat. 737, 49 U.S.C. 1301). It reads as follows:

(4) "Air commerce" means interstate, overseas, or foreign air commerce or the transportation of mail by aircraft or any operation or navigation or aircraft within the limits of any Federal airway or any operation or navigation of aircraft which directly affects, or which may endanger safety in, interstate, overseas, or foreign air commerce.

The definition is broad enough, as pointed out by the Airline Pilots Association, to take in privately owned as well as commercial aircraft.

Mr. CASE of South Dakota. I have one further question. I note that the subparagraph (j) in the bill reads as follows:

(j) Except for law enforcement officers of any municipal or State government, or the Federal Government, who are authorized or required to carry arms, and except for such other persons as may be so authorized under regulations issued by the Administrator, whoever, while a passenger aboard an aircraft being operated by an air carrier in air transportation, carries on or about his person a concealed deadly or dangerous weapon or attempts to board such an aircraft carrying such a weapon shall be fined not more than $5,000 or imprisoned not more than five years, or both. Violations of this subsection shall be investigated by the Federal Bureau of Investigation.

The language is not objectionable, but for the purpose of legislative history I should like to ask a question. Some of my colleagues on the floor have come to South Dakota and have brought with them deadly weapons to be used to shoot pheasants. I want them to be welcome

to come to South Dakota to shoot pheasants. I believe the language in the bill is broad enough to cover the taking of weapons aboard aircraft if they are to be used for the purpose I have indicated. I would like to have the Senator from California, as the author of the bill, state what his interpretation is.

Mr. ENGLE. We went into that very carefully. The section applies to concealed weapons. In the State of California, as in the State of South Dakota and in other States, airplanes, such as Pacific Airlines, take deer hunters and duck hunters and pheasant hunters to various places in the State for hunting purposes. We have no intention of stopping that kind of transportation of weapons. Of course there are rules and regulations in connection with putting firearms on airplanes. For instance, they have to be carried in the baggage compartment, and the ammunition must be kept separate, and the weapons must be unloaded, of course. Those are current regulations. But this section applies only when one has a concealed weapon. It does not apply to the duck hunter, the pheasant hunter, the deer hunter who in carrying his rifle complies with the usual regulations—and it is so intended.

Mr. CASE of South Dakota. The first part of the description of the weapons provision I think is perfectly clear on that. The question might arise in the clause which reads "or attempts to board such an aircraft carrying such a weapon." But I understand the author of the bill now to say that that carrying of such a weapon means carrying a concealed weapon, and would not affect weapons which are carried aboard aircraft openly and which are properly broken down or properly encased and delivered to the people in charge of the aircraft, placed in their custody.

Mr. ENGLE. The Senator is correct.

Mr. SALTONSTALL rose.

Mr. ENGLE. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to ask the Senator from California a question. Section 1 covers crimes committed, and described below. Section 2, on page 3 of the bill, describes what will happen if someone attempts to obtain, or does obtain, control of the aircraft by unlawful force or violence or the threat of force or violence; or assaults, intimidates, or threatens so as to interfere with any flight crew member.

Am I correct in understanding that any passenger on any airplane comes within this section of this act? What I have in mind is that four people, we were told, were held on the plane as hostages in this El Paso holdup or hijacking. It does not seem to me that the passengers are covered in this section, if held aboard the plane as hostages. Am I incorrect or correct in that? It does not seem to me that the individual passenger, not a crew member, but who, we will say, is held as a hostage, but upon whom no other crime is committed, is provided the protection of 113, 114, and so forth.

Mr. ENGLE. That situation is covered by incorporating into the bill by reference section 113 of title 18 of the United States Code dealing with assaults. With respect to the passengers, of course, in the El Paso case the hijackers there have been charged with kidnaping, because they held those people as hostages and thereby violated the Federal kidnaping law. This bill would make it a criminal offense to assault a passenger with intent to commit a felony, assault with dangerous weapon, assault by striking and beating, and so forth.

So the passenger is protected under the provisions of section 1 of this bill, in addition to existing law, kidnaping being one instance.

Mr. SALTONSTALL. If there is a hijacker on the plane let us say, from California to Massachusetts and over the various States, who rounds up the passengers and puts them in one section of the plane, or something of that character, that is a violation of the Federal law committed against an individual not a member of the crew; is it not?

Mr. ENGLE. That situation would be covered by the provisions of this bill.

Mr. SALTONSTALL. And that would be so provided in the new law?

Mr. ENGLE. It would be.

As an illustration, in flying over California, the venue of a crime is the county where the crime occurs. It is now of course very difficult to determine venue in a jet flying 500 or 600 miles an hour. So that in cases where these jets are moving at a great speed, we can establish venue without a great deal of hassle as to where venue may lie.

Mr. SCOTT. The proposed bill refers to "aircraft in flight in air commerce." I would like the Senator's judgment as to whether or not this covers an aircraft in the course of landing and takeoff procedures in the course of waiting on the tarmac or being on the runway, having in mind, for example, that a part of the crime committed in the El Paso incident occurred when this hijacker fired a weapon at the feet of one of the crew members, I believe, while the plane was actually on the ground, I believe.

In this instance the attempt to take over the plane, to make the arrest and the resistance to arrest, occurred while the plane was on the ground. Other parts of the offense occurred as the plane was moving along the runway, as the Senator well remembers. Does the language of the bill, in the Senator's opinion, cover the aircraft whether in flight or in the course of flight procedures, of taking off or landing, or in the course of its presence on the runway? I understand this latest Mexico City incident, the hijacking, took place immediately after leaving Mexico City, and it later may be determined that part of it occurred while the plane was on the runway.

Mr. ENGLE. The committee report very carefully takes care of this situation. We considered it, in order to be precise about it, because we could get into questions of jurisdiction. We take the regular definition of what "flight" means. Flight starts at the time the takeoff roll commences and ends at the time the landing roll ends—and that is exactly where we want to start Federal jurisdiction.

In the case at Chico, Calif., the assaults occurred while the plane was on the ramp being loaded and taxiing into position. In this situation the local law takes over and is adequate. For instance, there was attempted murder, assault with a deadly weapon. It was our view that we should not in this situation impose Federal law any further than we had to in order to take care of the unique requirements of air transportation; and wherever it was possible we ought to maintain the integrity of local law, both local and State. Wherever the local authorities can handle the situation, we want them to handle it. But when the airplane gets into position to start its takeoff roll and until the time it ends its landing roll, and in between those two, then the Federal law would take over, because that is where we have the extreme problems of getting law enforcement into operation. So, to take the case at Chico, that fell under local law, and the local law is adequate to handle it.

In instances after the planes start to be airborne, then the Federal law would take over and we would prefer that, in order not to abridge any further than necessary the police powers of the State, which traditionally, and under our Constitution, actually belong to the State and local governments.

Mr. SCOTT. I thank the Senator, because we are trying to make some legislative history. I assume the Senator prefers this language to language which would change the phrase "aircraft in flight in air commerce" to language referring to being in the plane or in any phase of flight procedure in air commerce, or some such language. The Senator feels that would not help the bill, it would not aid the purposes which the sponsors, of which I am one, have in mind. Is that correct?

Mr. ENGLE. The Airline Pilots Association proposed that. They would prefer that the jurisdiction start with the flight procedures; but we did not think it was necessary, because local law can handle that. The local law is already in existence. There is no problem about venue or jurisdiction, and there is no problem about getting hold of them. All of the crimes outlined in this section are covered.

But when the airplane starts to roll, the local arm of the law no longer reaches the situation, and we need the long arm of Uncle Sam; and that is where we start to put Uncle Sam in the picture.

Mr. MILLER. I would like to ask the Senator from California a few questions for purposes of clarification. The language affecting the carrying of weapons aboard aircraft, as the Senator from South Dakota pointed out, relates to law enforcement officers of any municipality, State, or of the Federal Government. Would this also cover officers of a county government, such as the sheriff, for example?

Mr. ENGLE. In my opinion it would, because at least in the State of California the county governments are implementations of the State government, more or less.

Mr. MILLER. I might suggest to the Senator that he might consider a possible modification of this to have it read, for example, "except for Federal, State, or local law enforcement officers." Then we have it without any question.

Mr. ENGLE. I would be glad to have it clarified by adding the word "county" if that appears to be necessary. We would be glad to have the Senator submit an amendment which would add the word "county," so that for purposes of clarification it might be included. We want to include all law enforcement officers, both local and State, authorized to carry firearms. That is a helpful suggestion, and we would be glad to have that included.

Mr. MILLER. I have a further suggestion for the Senator from California. What about some of the non-law-enforcement officers who may be employees of the Government in a rather sensitive position, who hold valid permits from Federal, State, or local governments for the carrying of concealed weapons. As I read the amendment here, they would not be covered, but would be exempted. I think I can understand how some of them, because of their positions, because of their having permits, might be almost equally important to exempt from this provision. Would it be feasible, for example, to add here, following the word "administrator" on line 4 of this particular section, language like this, "or under permits issued by Federal, State, or local governments"?

Mr. ENGLE. We considered that, and the problem was that if we tried to write all of the exceptions into the act, we just would not know where to stop. Very obviously a local or State or Federal law enforcement officer who is required or authorized to carry arms, is an exception. Then, of course, we can go on from there a long ways, for instance, to those who are honorary deputy sheriffs, and so on.

So we did not know just where to stop; and rather than try to spell it out in the law, and thereby get ourselves into a straitjacket, we have included the provision "and except for such other persons as may be so authorized under regulations issued by the administrator."

The purpose is to make it possible for the administrator to establish the regulations the Senator has in mind; and the administrator then can change them in such ways as experience may indicate to be necessary. But if we put all that into the law, we would straitjacket the administration.

Those who want that authority will then contact the administrator; and under this section he will make up a list of those who might receive such authority—a list which might even go beyond the very fertile comprehension of the distinguished Senator. It might include a Secret Service man or even an FBI man put on a plane for a particular purpose, although ordinarily not authorized to carry arms.

We thought it wiser to leave that subject to rules and regulations to be issued by the administrator, rather than to write such a provision into the law. So, rather than write it into the law, we proceeded to do just the opposite.

Mr. MILLER. I recognize the propriety of that approach. But I trust that it will be the intention of the Senate to have the administrator promulgate regulations which will cover permit holders, for example, in particular cases, so this matter can be handled on an administrative basis, but so that a failure to include permitholders——

Mr. ENGLE. I have no doubt that Mr. Halaby will do that. He has an intense interest in this matter, and certainly he will try to issue regulations in regard to every agency concerned.

Mr. MILLER. My other question is this: What provision of the bill will cover or apply to the situation which developed this afternoon on the flight between Mexico City and Guatemala City?

Mr. ENGLE. This bill would apply to the situation which occurred this afternoon, if we could get hold of the hijackers. The bill is written in such a way that it applies over the ocean areas and also over other countries. For instance, on a flight from Alaska to some other State of the United States, if the plane were crossing Canada, although it would be over territory under Canadian jurisdiction, yet the bill would nevertheless apply under those circumstances.

Mr. MANSFIELD. Mr. President, will the Senator from California yield?

Mr. ENGLE. I yield.

Mr. MANSFIELD. I have discussed this matter with the Senator in charge of the bill, with the chairman of the committee, and with the distinguished minority leader. In view of the fact that what we now have before us is a mimeographed copy of Senate bill 2268, and also in view of the fact that amendments are being offered on the floor, we thought it might be well for the Senate to have an opportunity to consider the amendments and the bill in some detail, by having the bill and the amendments printed in the RECORD and by having clean copies on the desks of Senators tomorrow.

Therefore, Mr. President, I ask unanimous consent that Senate bill 2268 be made the pending business at the conclusion of the morning hour tomorrow—and after, of course, the debate on the bill this evening.

Mr. BUSH. Mr. President, reserving the right to object——

Mr. CARROLL. Mr. President, reserving the right to object, let me say that I commend the majority leader; I think what he proposes is wise. I commend him for his excellent idea.

Mr. MANSFIELD. Let me say it is not only my idea; it is also that of the Senator from Tennessee [Mr. GORE], the chairman of the committee [Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], the Senator from New Mexico [Mr. ANDERSON], and numerous other Senators.

Mr. CARROLL. Mr. President, still reserving the right to object, I say to all those Senators that this is the wise thing to do, because in the heat of reaction following a recent event, we should be able to read calmly a report on the bill and have before us a clean copy of the bill, and examine all the amendments to the bill. This proposed measure will amend the Federal Aviation Act by incorporating certain provisions of title 18 of the Judicial Code. In addition it creates new provisions in the Aviation Act which are actually new criminal statutes. Mr. President, these are matters that are more properly within the jurisdiction of the Judiciary Committee. Although I have no desire to in any way impede or restrain action on this very important measure, I am concerned, as a member of the Judiciary Committee, about hasty adoption of new criminal statutes. I am wondering, for example, whether the Justice Department has testified on this measure and if so what is its opinion. The basis for new criminal legislation must be sound and I want to carefully examine the hearings on this matter and judge the testimony. I have no firm conviction on this matter. I merely ask for the right to study the reasoning behind proposed new criminal statutes which normally would be studied by the Judiciary Committee.

It is obvious that the Commerce Committee could retain jurisdiction of this bill only by amending the Federal Aviation Act, and I raise no objection to this.

However, this is a matter affecting the criminal statutes and should be considered by this body only after careful deliberation. This is why I believe the course the majority leader proposes is wise.

There is no intention to hinder or delay this measure. But tomorrow we should have full and complete debate on the question after the hearings are made available to us.

I commend the majority leader.

Mr. MAGNUSON. Mr. President, will the Senator yield——

Mr. BUSH. Mr. President, reserving the right to object, although I do not intend to object, let me ask whether the majority leader will indicate the hour when the Senate is likely to convene tomorrow.

Mr. MANSFIELD. At 10 o'clock.

Mr. President, I have asked unanimous consent that when the Senate concludes its session this evening, it adjourn until tomorrow at 10 a.m. And I now express the hope that we shall be able to end the session today at around 6 o'clock.

Mr. JAVITS. Mr. President, perhaps the majority leader will be willing to make only one request at a time.

Mr. MANSFIELD. Very well, Mr. President; I withdraw the request.

Mr. JAVITS. Or perhaps the majority leader will make both requests at the same time. But at least I wish to have an opportunity to be heard.

Mr. President, I reserve the right to object, only for the purpose of saying

that the very seriousness of the issue we face makes me feel that what the majority leader and the minority leader have done is most creditable. This matter is very serious. It may well endanger the peace of the whole Western Hemisphere. It may result in some very drastic action as to Cuba. This is all the more reason for dealing very seriously and thoughtfully with this measure, and for putting over until tomorrow its further consideration, so that very careful consideration can certainly be given to it.

So I commend the majority leader for his statesmanlike action.

Mr. ANDERSON. Mr. President, reserving the right to object——

Mr. MAGNUSON. Mr. President——

Mr. ENGLE. Mr. President, have I the floor? If so, I yield to the Senator from Washington.

Mr. ANDERSON. Mr. President, I rise to a point of order: How can the Senator from California have the floor?

Mr. ENGLE. I have had the floor all the time.

Mr. ANDERSON. If the Senator from California had the floor all the time, how did the majority leader get the floor?

Mr. MANSFIELD. I did not have the floor; I asked the Senator from California to yield to me.

Mr. MORSE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. When a unanimous-consent request is before the Senate—in this case, the proposed agreement requested by the majority leader—is not each Senator entitled to make his reservation in regard to possible objection by him, in order to have opportunity to seek to obtain necessary information from the majority leader?

The PRESIDING OFFICER. That is correct.

Mr. MORSE. Mr. President, I wish to reserve the right to object, and I may object——

Mr. MAGNUSON. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from New Mexico previously reserved the right to object.

Mr. ANDERSON. Yes, I did.

Mr. President, reserving the right to object, I merely wish to commend the majority leader and the minority leader for their proposal that our further action on this measure be put over until tomorrow. In that connection, I remind the Senate that once upon a time there was before the Senate a labor situation which seemed to be of very great urgency; and in response to a request by the President, the legislative committee concerned proposed a measure which was such that it would have involved very seriously the shipment of thousands of bushels of grain on the railroads. But the late, great Senator Taft, of Ohio, took the position that the Senate could well wait 1 day; and it was found that the Senate could wait 1 day; and that was done. And the next day, the Government still stood.

So I am happy that this attitude is being taken today; and I congratulate the majority leader, as did the Senator from New York.

Mr. MORSE. Mr. President——

Mr. MANSFIELD. Mr. President, I renew my unanimous-consent request.

Mr. MORSE. Mr. President, reserving the right to object——

Mr. MANSFIELD. And then Senators can proceed to object.

Mr. MAGNUSON. Mr. President, I have reserved the right to object, for I wish to clarify the RECORD. Many Senators have asked me about the suggestion that the further consideration of this measure go over until tomorrow. Many of them have thought the bill was developed just this afternoon, as a result of the incident which occurred this afternoon. But I wish to have the RECORD show that the Commerce Committee and, in particular, its Aviation Subcommittee, have been working—and I have checked on this matter again—4½ weeks on this measure, and have finally developed a bill which the full committee endorsed unanimously yesterday; and today we asked the majority leader and the minority leader whether we could file the report, out of order, and bring up the bill tomorrow, anyway. It just happened that the new incident occurred today. So there has been no haste about the bill; it was not prepared under emotional stress or anything of this sort.

The bill is a good one. Both the subcommittee and the full committee have been unanimous in regard to the bill; and I want the RECORD to show that, so that neither the press nor anyone else would think we got the bill together in haste, just today, because of the latest incident.

As the Senator from California said, I thought that perhaps the bill would be passed by the Senate this afternoon. But no doubt it will be passed equally well tomorrow. Certainly it is just as well for Senators to examine in detail the amendments.

I thank the Senators for allowing me to speak for 2 minutes.

Mr. MORSE. Mr. President, reserving the right to object, can the Senator from Montana give us assurance that tomorrow there will be on the desk of Senators not only printed copies of the bill and printed copies of the amendments, but also the printed committee report and the printed volume of hearings on the bill?

Mr. MAGNUSON. Oh, yes——

Mr. MANSFIELD. The chairman of the committee says "Yes."

Mr. MAGNUSON. I am not so sure that all the hearings on the bill are printed. I would have to check on that. But we have the committee report, which we intended to file late today, and I am sure it will be ready tomorrow. It may then be in mimeographed form, because of the jam of work in the Printing Office. But it will be ready.

Mr. MORSE. From my point of view, the hearings are much more important than the report, for I can write my own report; but I think it important that Senators have access to the hearings on which the bill and the committee report are based.

So I wish to join the Senator from New York [Mr. JAVITS] in the very wise counsel he gave the Senate.

In view of the Latin American situation, I think it is of the utmost importance that the Senate carefully consider the facts and the implications of its course of action.

I heard so much discussion in the cloakroom that I thought I should accommodate those in the Senate who would want to declare war against Cuba, by offering such a declaration of war against Cuba, this afternoon, and then let Senators vote for it or against it, as they might prefer. Of course I speak half jocularly.

But certainly this is a time for us to take ample time to study carefully this matter and all its implications. Therefore, I think we should have the committee report and the committee hearings on our desks tomorrow, before we vote on this measure.

Mr. MANSFIELD. Mr. President, I assure the Senator that we shall do our best to have all that material on the desks of Senators tomorrow.

Furthermore, tomorrow, at the conclusion of the morning hour, the Senator from Kentucky [Mr. MORTON] will offer a resolution of disapproval in regard to Reorganization Plan No. 7, I believe, which has to do with the Maritime Administration.

Mr. KERR. Mr. President, reserving the right to object, I should like to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. The Senator from Oklahoma expects to offer the following amendment, and he would like to know if it is germane:

It is hereby declared to be the sense of the Senate that the President of the United States be requested to advise Castro and the Government of Cuba that unless the airplanes now in Cuba, which are the property of American citizens, which airplanes have been taken to Cuba without the consent of their American owners, be, within 48 hours, made available for return to the United States, together with any of their passengers and crew in Cuba or that the Government of the United States will take such action as may be necessary to recover and return said airplanes, passengers, and crews to the United States.

The PRESIDING OFFICER. It is immaterial whether or not it is germane to the issue. There is no rule of germaneness with respect to an amendment to a Senate bill.

Mr. KERR. I thank the Chair. I send the amendment to the desk and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. DIRKSEN. Mr. President, if the majority leader will yield, I wish only to say with respect to the observation of the distinguished Senator from Oregon and the distinguished Senator from New York that whenever lives of American citizens become a consideration that is secondary to what may be going on in Montevideo, in Uruguay, we are in an unhappy state indeed.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. MANSFIELD. Mr. President, I renew my request.

Mr. KEATING. Mr. President, reserving the right to object, I wish to asssociate myself completely with the remarks of the minority leader. This action is urgent. We should take action promptly. Human lives are at stake. The life of anybody who steps on a plane is at stake. This is a matter of great urgency, and should be acted upon promptly. It would help our representatives at Uruguay if we acted promptly, because it would strengthen their hands and show that this country cannot be pushed around by a Communist dictator in this hemisphere or anywhere else.

Mr. THURMOND. Mr. President, reserving the right to object, I wish to associate myself with the remarks of the distinguished minority leader.

I sent a telegram today to the President of the United States on this subject, which reads as follows:

Strongly urge you issue ultimatum immediately to Premier Castro to return hijacked Eastern Air Lines and Pan American Airlines planes within 12 hours or U.S. Armed Forces will be sent to Cuba to recover planes and passengers and crew. Such action is mandatory not only from the standpoint of airplanes and persons involved but also in demonstrating to the world that the United States will not permit piracy or blackmail, and will not knuckle under to threats from any nation. Here is an opportunity to finish the job we failed to complete in April and to impress Mr. Khrushchev that we have the will to win and the determination to use force to protect our national rights and honor in any struggle against any oppressive forces. Respectfully.

Mr. LAUSCHE. Mr. President, reserving the right to object, what the circumstances were in the seizure of the airplane in Mexico today I do not know with exactness at this time. However, we will soon learn whether Castro contemplates holding a plane which obviously was stolen from its owners. If within a reasonable time he does not release that plane, but insists upon maintaining it as the property of the Cuban Government, it will be manifest that he is holding stolen property and refusing to deliver it to its true owners.

If such conduct is perpetrated by an individual, he is guilty not only of violating the law but all rules of morality. If Castro insists upon holding that ship tomorrow, or for any length of time beyond that necessary to return it, it will be evidence that he is in possession of property not belonging to him, stolen from an American citizen, to whom it rightfully belongs.

I support the expressions made here today that if, within a reasonable time, that airplane and its passengers and crew members are not released to be returned to their native soil and the property to be returned to its owners, the Government of Cuba is guilty of violating not only international law, but the law of human decency and property.

I therefore suggest that a reasonable time be permitted to determine whether or not the airplane, the passengers, and the crew will be returned, and if they are not returned, that our Government use whatever steps are necessary to maintain its honor, protect its citizens, and protect the property of Americans who were rightfully on the plane.

Mr. MANSFIELD. Mr. President, I renew my request.

Mr. YARBOROUGH. Mr. President, reserving the right to object——

Mr. CASE of South Dakota. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Texas.

Mr. YARBOROUGH. Mr. President, reserving the right to object, and I may say that were I not recognized, I intended to object, I want to see the death penalty——

Mr. MANSFIELD. Mr. President, does the Senator object?

Mr. YARBOROUGH. I do not object at this time. I reserve the right to object. This is not a jumped-up thing, offered for the first time today. I introduced a bill on August 3. That matter was heard by the subcommittee. It was reported by the subcommittee to the full committee, and the full committee came up with a composite bill.

I have proposed an amendment to this bill. It is my understanding it is acceptable to the principal author of the bill, but since he is not present, I ask that the amendment be printed and lie on the table.

The amendment reads as follows:

In paragraph 2 of subsection 902(i) as proposed in the committee bill, strike the last sentence and insert:

"Whoever in the commission of any such acts uses a firearm or other deadly or dangerous weapon, shall be punished by death, or by imprisonment for life, or for such term of years not less than twenty, as the jury may direct."

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the desk.

Mr. CASE of South Dakota. Pertinent to action of Latin America, to whatever action we may take here, is the fact as reported under one of the press dispatches that among the passengers aboard the hijacked airliner were Colombian Foreign Minister Julio Cesar Turbay Ayala, and Roger Wollin, Pan American public relations director for Latin America.

It should also be borne in mind, I think, that undoubtedly a great many passengers are citizens of some Latin American countries.

My own reaction is that these citizens, and these other countries and the governments of these other countries who have had officials aboard this plane, would have some healthy respect for action taken by the United States to protect the security of their people as well as our own.

Mr. ALLOTT. Mr. President——

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLOTT. Reserving the right to object, and I will not, I very much approve the words of the minority leader, the Senator from Ohio, the junior Senator from New York, and others who have spoken on the bill. We talk as Americans about speaking softly and carrying a big stick, and God knows we have been speaking softly long enough.

I think that we have only one alternative, to deliver an ultimatum to Castro on this matter and give him a reasonable time to act, and then use the big stick. But these two airplanes are not the only airplanes involved. Just this spring, a young man from Colorado got clearance from Havana for a flight over Cuba to Nicaragua, and 90 minutes after he had left Key West, which meant at the time that he was over Havana, the flight plan was canceled. He was forced down by a fighter. The Federal Government ignored this, did almost nothing about it. Finally, we secured his release through the Swiss Government.

Nevertheless, they kept his plane, although they did not make any charges against him, and as far as I know, that plane which is a $50,000 plane and represents a good portion of the assets this young man and his brother have been able to accumulate, still sits in Cuba and nothing is done about it.

So I do not feel that we can afford to be soft any more.

I intend to offer tomorrow an amendment similar to the one offered by the Senator from Texas which is an amendment of section 902(i), but this language, I understand, is in the words of the Justice Department and language that they might prefer, although I have no direct word from them. This is the word I get indirectly. I send the amendment to the desk and ask that it be printed.

I thank the Senator.

The PRESIDING OFFICER. The amendment will be received and printed.

Mr. MORSE. Reserving the right to object, and I may object, I want to make a brief comment on the observation of the minority leader and the Senator from New York [Mr. KEATING], in which I think they have clearly left in the RECORD the implication that the Senator from Oregon, because of his observations, would place American lives secondary. He wants the RECORD to show that it is because he places American life in first position, and primary, that he has been counseling at least thorough consideration of this matter before the Senate.

The question is how best to protect American life. Now, of course, we can propose a resolution such as that one of my colleagues just proposed. That

would constitute an act of war on the part of the United States against Cuba if we carried out the resolution without declaring war against Cuba. That is not going to place American life in a primary position.

Mr. MANSFIELD. Will the Senator yield?

Mr. MORSE. Not at this point.

The point has been made that some Latin American countries also have a great interest in this hijacking, and so they do. What we ought to do is take the time to study the procedures we ought to consider in trying to right this wrong if it is found that Cuba is involved as a motivating force in the hijacking.

I happen to think, Mr. President, that there are some procedures that ought to be considered to which we have not given any thought, before it is suggested that we commit an act of aggression against the Government of Cuba because we know a crime has been committed.

Mr. President, if there ever was a time when we ought to follow the advice of the Senator from New York [Mr. JAVITS], and the advice of the Senator from Colorado [Mr. CARROLL], and the advice of the Senator from Kentucky [Mr. MORTON], and others, that we proceed to a thorough consideration of this matter before the suggestion of precipitate action is really seriously considered, the time is now.

The senior Senator from Oregon will be right in there urging that we take whatever action we decide on the basis of the facts as the action that ought to be taken to protect American lives.

Mr. President, I do not propose to go along, swept off my feet here in the Senate, with any proposal to commit an act of war against Cuba by way of such resolutions as have been suggested, until we first ascertain what the facts are.

Mr. MANSFIELD. Mr. President, I renew my request.

Mr. BRIDGES. Mr. President, I have listened to some of the remarks made here today, and I think that, generally speaking, the action which the majority leader seeks is the correct course.

Let me say first that I congratulate the Committee on Commerce for their expeditious and prompt action on their legislative proposal. I think it is sound.

As to the situation that has been referred to by the distinguished Senator from Oregon, when he virtually insinuates that men on this floor want us to jump into war with Cuba; no one wants war with Cuba or anyone else, but we can reach a point in the affairs of this country when we cannot take any more, and that point has pretty nearly been reached at the present time.

I do not know whether Mr. Castro had anything to do with hijacking this plane or not, but if he did not, he can show his good faith in the next 48 hours by returning the plane, the crew, those passengers, and the hijackers, and the difficulty can be very simply solved.

If he did not mastermind the hijacking, then I think that we should give him an ultimatum to return the plane, the passengers, the hijackers, the crew, and so on.

If he does not comply, then I think we should take the necessary means to bring them out of Cuba.

Mr. LAUSCHE. The Senator then takes the position that Castro's state of mind will be revealed, whether he does or does not release this ship to its rightful owners?

Mr. BRIDGES. That is correct.

Mr. LAUSCHE. If he does not release it, there will be evidence that there was participation or at least approval after the act was done?

Mr. BRIDGES. I agree.

Mr. CASE of South Dakota. Do not receipt and retention of stolen property constitute complicity in the theft?

Mr. BRIDGES. Absolutely.

Mr. JAVITS. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. My name has been mentioned here a few times and I had better get my position straight rather than be linked with a position which I do not espouse.

Mr. President, I have many times agreed with the Senator from New Hampshire, who has just spoken about this matter. I do not give precedence to Montevideo over Cuba. I think banditry and piracy must be punished. I believe the United States must sustain its honor and dignity. I yield to no man in this Chamber in my willingness to face that issue.

Mr. President, I was only suggesting, more as a lawyer, really, than a legislator, that having gotten a report about a very serious act which may very well lead us into some kind of conflict, and quite properly, we ought to have all the facts, which is precisely what the Senator from New Hampshire said, and what we must all say, so that whichever side of this question one may espouse, however it may be characterized tonight, one thing is clear, that as men with a tremendous and awful responsibility, which we have now, all of us know that this bill is not just a bill to deal with the crime of hijacking, which we did not happen to cover by law before it leaves here. It is going to say a lot more than that, and it should. It should respond to the existing situation. But let us at least know what the situation is. Let us know its implications, at least overnight, in terms of the facts, and in terms of its effect upon all the Americas.

Then we can really do what we ought to do, and I agree with the Senator from New Hampshire and the Senator from Oregon, face the issue with a clear and factual eye; so that my suggestion, in terms of my approval of what the majority leader has done, is good for 24 hours only; but I think we need to do the right, the vigorous, the forceful, the effective thing for our country.

I am grateful for the opportunity afforded me.

Mr. MANSFIELD. I renew my request.

Mr. MONRONEY. Mr. President, many of the Members seem to feel that this was pulled together out of the top of somebody's head in the last few minutes since the hijacking of this plane to Cuba.

I would like to say that Senator ENGLE has worked with the Federal Aviation Agency attorneys, with the Department of Justice, for more than 4 weeks. The Subcommittee on Aviation, and I as its chairman, have been in consultation for the past 2 weeks over the best means of approaching with proper penalties and proper enforcement the crime of hijacking and violence aboard airplanes. So the resulting bill is not a suddenly considered bill.

I can say that it has been as carefully considered as any aviation legislation that has come before our Aviation Subcommittee. As a matter of fact, most of the legislation merely applies the time-tested and time-honored maritime laws for crimes committed on the high seas and in the territories to crimes committed in air commerce. There are carried into the law certain sections verbatim from this time-tested and time-honored law, including the law of piracy. So this is not a question of whether the language is correct, or the committee's language is correct. This is the time-honored law.

The other sections of the bill pertain to obtaining or attempting to obtain control of an aircraft by unlawful force or violence, or assault, intimidation, or threat of a flight crew member with a deadly weapon so as to interfere with the performance of his duties.

We apply a very important safety measure, I believe, in requiring that no one can board, or attempt to board, an aircraft carrying concealed weapons except law enforcement officers authorized to carry weapons. The Administrator could authorize others to carry weapons aboard by appropriate regulations. This, I think, is a wise provision.

The bill includes a provision which would make it a crime to knowingly impart or convey false information under specified conditions. It is the same language and the same penalty that applies to the bomb hoaxes that we have had in the past.

We had one further section that I think will be of great help and that is to allow the carrier, under regulations prescribed by the Federal Aviation Administrator, to refuse to haul a passenger, or to refuse to haul his baggage. This would give us an opportunity for closer surveillance of people boarding the plane. They can ask for identification, driver's licenses, local references, or, if suspected that the man may be carrying concealed weapons, while not demanding the right of search, may have him voluntarily yield to a search in order to see that the weapons were not aboard.

As the chairman of the Judiciary Committee knows, we carefully——

Mr. EASTLAND. Will the gentleman yield?

The Senator's bill is well and good, but does the Senator know what is the heart of this question?

Mr. President, the Internal Security Subcommittee has documented how the American Government placed Castro in power in Cuba, and now our chickens have come home to roost. The same State Department is doing everything it can today to weaken our stand against Castro's tyranny. We have got to face up to the fact that if the matter is cured, we will have to amend the civil service laws so that the President can clean out the State Department of the United States.

We have testimony from former ambassadors, and in particular from the man who was American Ambassador to Cuba at the time Castro came to power, who have detailed step by step how our own Government placed Mr. Castro in power in Cuba, and they did it with due knowledge that he was an international Communist.

Mr. MONRONEY. I thank the Senator. This is a matter beyond the jurisdiction of the Aviation Subcommittee. This deals, of course, with taking airplanes and air property and endangering human life in flight, and I merely want the Senate to know under this reservation that we have tried carefully and thoughtfully, hearing all the witnesses without any panic, on any sudden crime, to carefully go into this, and the subcommittee has met not less than three times to consider various drafts of this legislation. The full committee discussed it for well over an hour before this was reported to the floor as it was this afternoon.

It was due to be reported, anyway, had there not been a hijacking of this plane.

It was due to be reported, even had there not been any hijacking of planes.

FURTHER CONSIDERATION OF S. 2268 — UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I renew my request that S. 2268 be considered further this evening and made the pending business after the conclusion of the morning business tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet tomorrow at 10 o'clock a.m.

The PRESIDING OFFICER. Without objection it is so ordered.

COMMUNISTS AND FREEDOM RIDERS

Mr. THURMOND. Mr. President, for some months now the Nation, and indeed the whole world, has been subjected to the spectacle of busloads of American citizens traveling to the southern part of the United States for the sole purpose of promoting their own arrest by local authorities. While it has been difficult for me to understand what could possibly be accomplished by the so-called freedom rides, it is becoming increasingly clear that to at least one important organization in the United States these rides have been an unqualified success. I refer to the Communist Party, U.S.A.

An interesting editorial fully documenting this statement appeared in the August 3, 1961, issue of the Charleston Evening Post of Charleston, S.C., entitled "Communists and Freedom Riders." The enlightening editorial points out that certain freedom riders arrested in Jackson, Miss., this year have also been identified as members of the Communist Party and have on other occasions taken other free rides in the discharge of their party duties. Among those countries recently visited by these gregarious travelers are Cuba, Czechoslovakia, and the Soviet Union. I ask unanimous consent to have the Post editorial printed in the RECORD at the conclusion of these remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COMMUNISTS AND FREEDOM RIDERS

The so-called freedom rides were made to order for Communists and others of their ilk—and they lost no time moving in with the riders to give generously of their skills as agitators and makers of trouble.

While the Congress of Racial Equality (commonly referred to as CORE) initiated and has financed the drive to integrate bus facilities and other public accommodations in Southern States, the Communists were quick to see that the rides offered an ideal vehicle for advancing their program of creating public disorder, dividing the people, and sharpening racial friction.

Spokesmen for CORE have pooh-poohed charges that Communists and party-liners have had anything to do with the rides but the Evening Post has information which positively refutes their "not guilty" contention. Furthermore, it is information which an official investigation could substantiate.

A number of Communists and fellow-travelers have taken CORE-sponsored rides into the South, most of them heading for Jackson, Miss., to be arrested.

There was Rose Schorr Rosenberg, active in subversive causes in the Los Angeles area for the last 15 years, who was jailed in Jackson July 15. Two former Communists, in testimony before the House Un-American Activities Committee (Milton S. Tyre and A. Marburg Yerkes), identified Rose Rosenberg as a member of the Communist Party. On October 1, 1952, she refused to answer questions concerning her membership in the party.

There was Jean Kidwell Pestana, arrested in Jackson July 15, who was conducted on a "by-invitation-only" tour of the Soviet Union and Czechoslovakia last year. In April 1960, she attended a conference of the Women's International Democratic Federation in Copenhagen. The federation has been cited by House and Senate committees as an international Communist front. En route to Denmark, Mrs. Pestana stopped off in England to participate in a protest march on behalf of nuclear disarmament.

There was Norma Libson Lubka, who rolled into Jackson on June 25, as a freedom rider from Philadelphia where she has been active in youth affairs of the Communist Party and has also shown active interest in the Fair Play for Cuba Committee.

There was James R. Wahlstrom, arrested in Jackson June 6, an active supporter of the pro-Castro Fair Play Committee, who flew to Cuba last December on a holiday tour sponsored by the committee. A University of Wisconsin student, Wahlstrom made sensational charges of abuse of freedom riders by Mississippi authorities following his arrest.

There was Katherine Pleune, arrested in Jackson June 10, also a supporter of the Fair Play Committee in the Chicago area. She, too, took a holiday tour to Cuba last December.

The June 11 issue of the Worker, official organ of the Communist Party, reported that outdoor rallies in defense of the freedom riders had been held in Harlem and in the fur and garment markets and that at least 750 workers heard Benjamin J. Davis, national secretary of the Communist Party, call for the release of the freedom riders and the arrest of the racist leaders in the South.

"We have not organized the freedom rides, but we give them full support," Gus Hall, the Communist Party's general secretary, has said, in effect.

A total of 267 riders were arrested in Jackson between May 24 and July 23. If promoters of the movement had any plans to prevent infiltration by Communists, such plans were not entirely effective.

Surely the Kennedy administration, whose policies encouraged the freedom riders to invade the South on a troublemaking crusade, ought to be interested in the news behind the news of these incidents. The President and his brother, Attorney General Robert F. Kennedy, are reported to have cooled off some from their support of the rides. A thorough probe would reveal to them and to the Nation as a whole the truth about Red tactics on this front of the cold war.

DEFENSE LEADERSHIP AND RESPONSIBILITY

Mr. THURMOND. Mr. President, Mr. Anthony Harrigan, director of the Foreign Policy Research Institute of South Carolina, and associate editor of the News & Courier of Charleston, S.C., has printed an excellent bulletin entitled "Defense Leadership and Responsibility," which I take pleasure in calling to the attention of the Senate. It is a very strong and eloquent argument against muzzling our military leaders in expressing themselves on matters of importance to our Nation.

I ask unanimous consent that Mr. Harrigan's bulletin be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

DEFENSE LEADERSHIP AND RESPONSIBILITY

(By Anthony Harrigan)

No weapon in the arsenal of American democracy is so important as the soldier's faith in the rightness of his country and the wisdom of its course of action. A nation can possess the most superior weapons, but without good morale it will go down to defeat.

Morale, as defined by Dr. William Y. Elliott, professor of government at Harvard University, is "the faith that a nation has in its destiny and its world position and mission." Therefore, consciousness of the need for strengthening morale, for putting on the armor of national faith, always should be in the minds of officers of the U.S. Armed Forces and the civilian chiefs.

The enemies of the United States are keenly aware of the importance of striking at American morale, at the will to resist. They spread the falsehood that America is a purposeless society and that the military lack adequate goals.

In noting this interest on the part of the enemy in the U.S. will to resist, it should be understood that in former times territory was the first strategic objective of a conquest-bent nation; today it is the will to resist on the part of nations marked for conquest. V. I. Lenin, leader of the Bolshevik revolution in Russia, regarded an enemy's will as the supreme military objective. In 1920, Lenin discussed the Russian civil war and commented:

"In the last analysis, victory in war depends on the morale of the masses which are shedding their blood on the battlefield. The conviction of fighting a just war and the willingness to give one's life for one's brothers, therein lies the morale of the soldier. This is his readiness to make enormous sacrifices."

This comment is grounded in the experience of warfare. The spirit of troops is the spearhead that makes for victory. While the United States continues to develop new weapons—missiles, tanks, artillery, and other devices and equipment—it cannot afford to neglect the inner preparation of the Armed Forces from private soldier to general officer. Nor, for that matter, can the morale of the civilian populace be neglected in an age of total war that affects the civilian as it touches the man in uniform.

Leadership of the American Armed Forces cannot be limited to purely technical and administrative functions. Instruction of troops must go far beyond indoctrination in tactical operations and in the use and management of new devices. The dialog between the military and the civilian elements in the country also must continue unhampered if national morale is to remain strong. Lines of communication between ordinary soldier and high-ranking officer and civilian citizen must be kept open so that each can contribute to the common fund of patriotism and national understanding of issues before the country.

A strong America demands that both civilian and uniformed elements in our population have a clear understanding of national goals and of the objectives and methods of the Sino-Soviet enemy. It is not enough for an American in uniform to be considered a mere technician and handler of weapons; he also must be viewed and treated as a responsible citizen who has something to contribute to the decision-making process of his country.

Vice Adm. Hyman G. Rickover, U.S. Navy, asserted this principle with vigor in a recent statement, "Whether one becomes an officer in the Navy or a Senator," said Admiral Rickover, "he is in a position where he knows more than many other people. Therefore he has a corresponding duty to alert his fellow citizens to what's going on. I think he's derelict as a citizen if he doesn't criticize."

Certainly, an officer in the Armed Forces must be circumspect in language and behavior. But this should not be equated with silence on basic public issues. It was the view of the military as a professional caste, with no special obligations to the public, that was the undoing of the German Army during the rise and rule of Adolf Hitler. Had the German officer corps borne in mind that it had a responsibility to the German people, not simply to the German chief of state, a great world tragedy might have been averted. When called to account after the end of World War II, the German generals pleaded they had no responsibility for political decisions. The Western allies properly held this to be an unfounded assertion.

An officer, said the allies, cannot divorce himself from his responsibilities as a citizen. There are times when he must speak his mind even if it hinders professional advancement. Anyone who wears the uniform of the United States is first a citizen and then second a member of a professional military organization. The obligations and restraints imposed by the U.S. Constitution fall no less on military men than on civilians. Indeed the soldier, sailor and airman takes an oath to uphold the sacred principles of the American Government.

This attitude is deeply rooted in American history. Our first President was a soldier. From George Washington to Dwight D. Eisenhower, distinguished American soldiers have played the most important roles in the decisionmaking process of this democracy. Indeed military leaders of the highest caliber always have been regarded as statesmen. Witness Adm. Alfred Thayer Mahan, the great naval strategy expert, and General of the Army Douglas MacArthur, who served as American proconsul in the Far East.

It is very important that this aspect of American military tradition not be ignored in the United States at this time. There are some persons who would have the country radically depart from this tradition and who want men in uniform to be mere robots in the service of the state. This would be dangerous for the United States. To detach military leaders from their views on national issues would be to detach them from the responsibilities of citizenship.

Not only would such detachment do injury to the outlook of American officers but it would deprive enlisted men of needed advice and counsel—in short, of leadership—but it also would deprive the civilian populace of counsel that is essential to full understanding of national issues. Consider, for example, what the postwar history of the United States would have been had a ban on discussion of national issues been imposed on Adm. Chester Nimitz, Gen. Carl Spaatz, Gen. Curtis LeMay, Adm. Arleigh Burke, Gen. James Van Fleet, and Gen. Matthew Ridgway, to cite only a few of the outstanding military statesmen who have well served their country by explaining the dangers we face as a people.

The American system of freedom of thought and speech demands that lines of communication be kept open so that our military leaders may give to the Nation their candid appraisal of dangers and needs. If censorship should replace communication, not only the Military Establishment but the entire country would suffer and be in danger. Such censorship would hurt morale and affect the national will to resist.

CONSIDERATION OF REORGANIZATION PLAN NO. 7, WITH REFERENCE TO THE MARITIME BOARD

Mr. MANSFIELD. Mr. President, for the information of the Senate, it is the intention some time tomorrow, shortly after the morning hour, to bring up a resolution of the distinguished Senator from Maryland [Mr. BUTLER] disapproving the proposed reorganization of the Maritime Board.

Mr. MORTON subsequently said: Mr. President, I serve notice on the Senate that I intend to call up a privileged motion tomorrow in connection with Reorganization Plan No. 7, the proposed reorganization of the Maritime Board. I expect to bring it up, if recognized, after the disposition of the pending business, which will be the so-called airplane hijacking bill.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, there will be no further votes tonight. It is hoped that we will shortly be able to adjourn.

AMENDMENT OF ACT OF JUNE 30, 1948, RELATING TO FORT HALL INDIAN IRRIGATION PROJECT

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1294) to supplement and amend the act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936, which was, on page 2, lines 21 and 22, strike out "until modified by the Secretary of the Interior".

Mr. CHURCH. Mr. President, S. 1294, as passed by the Senate, provided in section 3 that the duty of water on the Fort Hall Indian irrigation project should be increased and continue at 3½ acre-feet per annum until modified by the Secretary of the Interior. The House amendment removed the authority of the Secretary to make any modification so that 3½ acre-feet of water will be delivered provided it is available. This amendment was adopted in the House at the request of the Fort Hall Water Users Association. It is my understanding that the Department of the Interior has no objection, and it is satisfactory to me as the sponsor of this legislation in the Senate.

Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

DISPOSAL OF CERTAIN FEDERAL PROPERTY IN IDAHO, WYOMING, AND WASHINGTON

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to S. 1085 to provide for disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes.

The Chair laid before the Senate the amendment of the House of Representatives to the bill (S. 1085) to provide for the disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes, which was, to strike out all after the enacting clause and insert:

That the Secretary of the Interior is authorized to sell the following described lands, together with any improvements located thereon:

(a) Block 67 of the reclamation townsite of Rupert, Minidoka project, Idaho, containing 1.64 acres, more or less;

(b) Lots 21 and 22, block 48, of the reclamation townsite of Powell, Shoshone project, Wyoming, containing 0.48 acre, more or less; and

(c) Block 23, town of Zillah, Washington, containing 1.65 acres, more or less; a parcel located in the south half northeast quarter southwest quarter southwest quarter of section 25, township 9 north, range 24 east, Willamette meridian, Washington, lying below the Sunnyside main canal, containing 4.36 acres, more or less, and that part of the northwest quarter southeast quarter of section 12, township 8 north, range 22 east, Willamette meridian, Washington, containing 1.16 acres, more or less, beginning at the northwest corner of the southeast quarter of said section 12, township 8 north, range 22 east, Willamette meridian,

thence north 89 degrees 44 minutes east 337.9 feet; thence south 9 degrees 58 minutes west 35 feet; thence south 14 degrees 18 minutes west 25 feet; thence south 19 degrees 23 minutes west 25 feet;

thence south 24 degrees 46 minutes west 25 feet; thence south 34 degrees 46 minutes west 25 feet; thence south 53 degrees 13 minutes west 25 feet; thence south 64 degrees 13 minutes west 20.8 feet;

thence north 87 degrees 22 minutes west 253.3 feet, more or less, to the north-south line of the centerline of said section 12; thence north 00 degrees 22 minutes west along said north-south centerline 136.3 feet, more or less, to the point of beginning, all located on the Yakima project, Washington.

Sales shall be by public auction to the highest qualified bidder, but in no event shall any sale be for less than the appraised valuation, as approved by the Secretary. Any of the lands described above, together with improvements located thereon, which are not sold after being offered for sale at public auction, shall remain available for sale at not less than the appraised valuation, until withdrawn from sale by the Secretary.

SEC. 2. The proceeds from the sale of the property described in section 1(a) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Gravity division of the Minidoka project, Idaho. The proceeds from the sale of the property described in section 1(b) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Shoshone project, Wyoming. The proceeds from the sale of the property described in section 1(c) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Sunnyside division, Yakima project, Washington.

SEC. 3. Any of the proceeds from the sales which are authorized by section 1 of this Act and which are not required for the construction of operation and maintenance headquarters and related facilities, as authorized by section 2 of this Act, shall be applied as provided by subsection I, section 4, Act of December 5, 1924 (43 Stat. 703).

SEC. 4. The Secretary is hereby authorized, subject only to the provisions of this Act, to perform such acts, to delegate such authority, and to prescribe such rules and regulations and establish such terms and conditions as he may deem necessary and proper for the purpose of carrying the provisions of this Act into full force and effect: *Provided, however,* That nothing in this Act shall be construed as authorizing additional appropriations in carrying out the provisions of this Act.

Mr. MANSFIELD. Mr. President, the Senate recently passed S. 1085, a bill disposing of certain Federal property on three projects in Idaho, Wyoming, and Washington. The House subsequently passed H.R. 7601, an identical bill except for various technical amendments. The House bill is entirely satisfactory to the Senate sponsors, Senators MCGEE and HICKEY, and to the Senator who reported the bill, the senior Senator from Idaho [Mr. DWORSHAK].

Inasmuch as the Senate has already adopted the substance of the bill by a unanimous vote, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AMENDMENT OF RAILROAD RETIREMENT ACT

Mr. BURDICK. Mr. President, I send to the desk, for appropriate reference, a bill to amend the Railroad Retirement Act of 1937.

Section 1 of the proposed bill would make men who have attained age 62 and who have less than 30, but at least 10, years of service eligible for an annuity on an actuarially reduced basis. Women already have this right under the Railroad Retirement Act. The 1961 amendments to the Social Security Act—Public Law 87–64—made men, who have at least the minimum of service needed to qualify for benefits under that act, eligible after attainment of age 62 for old-age benefits on a reduced basis. Women were eligible for reduced old-age benefits in such circumstances under that act even before the 1961 amendments.

Section 2 of the proposed bill would enable a wife or husband who meets the age and other eligibility conditions for a spouse's annuity to receive such an annuity either immediatey after marriage, or at the time when she or he meets those conditions, if in the month prior to marriage she or he was eligible for a widow's, widower's, parent's or a child's disability annuity; and would shorten from 3 years to 1 year the time which must elapse after marriage before a wife or husband, who was not eligible for such an annuity and is not the parent of her or his spouse's children, can receive a spouse's annuity.

The cost of the bill is estimated to be $2 million a year. Although the bill makes no provision for financing the cost of the bill, I understand that, because of the rather small cost involved, the Association of American Railroads and the Railway Labor Executives' Association, the two responsible groups which pay the taxes under the Railroad Retirement Tax Act to support the railroad retirement system, are in favor of this bill.

I ask unanimous consent that the text of the bill be included at this point in my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2395) to amend the Railroad Retirement Act of 1937, introduced by Mr. BURDICK, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(a)3 of the Railroad Retirement Act of 1937 is amended to read as follows:

"3. Men who will have attained the age of sixty and will have completed thirty years of service, or individuals who will have attained the age of sixty-two and will have completed less than thirty years of service, but the annuity of such men or such individuals shall be reduced by 1/180 for each calendar month that he or she is under age sixty-five when the annuity begins to accrue."

SEC. 2. Section 2(f) of the Railroad Retirement Act of 1937 is amended by striking "three years" and inserting in lieu thereof "one year" and by inserting after the word "filed" where it first appears the following: ", or in the month prior to her or his marriage to such annuitant or pensioner was eligible for an annuity under subsection (a) or (d) of section 5 of this Act or, on the basis of disability, under subsection (c) thereof".

SEC. 3. The amendments made by this Act shall be effective with respect to annuities beginning to accrue in calendar months after the calendar month of enactment thereof.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. CHURCH. Mr. President, one of the salutary developments in these otherwise bleak post-World War II years has been the economic recovery and subsequent economic boom in Western Europe. The emergence of economic vigor combined with freedom and political stability in this area has been, among other things, a strong deterrent to the spread of communism. It is also a tribute to American foreign policy. Funds provided under the Marshall plan seeded and nourished Western Europe's prodigious economic growth.

No one could contend that the role of the United States in Western Europe has been other than generous. In addition to the billions of dollars we have spent there since the end of World War II to promote full economic recovery, the United States has formally committed itself to the defense of Western Europe. We have joined the NATO alliance. We have kept large contingents of American troops in Western Europe at our own expense. Today we maintain five divisions in West Germany in readiness to defend that country or, if need be, Berlin.

But in addition to all this, Mr. President, we have long subsidized the military forces of our NATO partners in Western Europe. There was a time, perhaps, when this was justified, in the years immediately following the war. However, during the past 10 years, since 1950, it has become increasingly apparent that these countries can easily afford to maintain

their own military establishments without further help from the United States. Indeed, some of these countries have now become so prosperous that their per capita income rivals that of some of our American States.

Yet, throughout the whole 10-year period, our military assistance program to these countries has continued unabated. Between 1950 and 1960, we have given nearly $13 billion worth of military aid to our NATO allies in Western Europe alone. Congress stopped further substantial economic aid to these countries 7 years ago, recognizing they had fully recovered their capacity to be self-supporting. It's long past time for us to take a stand on military aid. Unless we do, the subsidy will never stop; it will continue forevermore.

Mr. President, in order to show the amounts of military aid we have furnished our NATO allies in Western Europe over the past decade, I ask unanimous consent to have printed in the RECORD at this point a chart detailing these figures on a country-by-country basis, and giving the totals of the 10-year period, as well as the breakdown for each year since 1956.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

NATO–U.S. MAP deliveries, defense expenditures, and defense expenditures as percent of GNP, by calendar year

[Millions of dollars]

Country	Total, calendar years 1950–60			Calendar year 1960			Calendar year 1959			Calendar year 1958			Calendar year 1957			Calendar year 1956		
	MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures	
		Amount [2]	Percent of GNP		Amount [2]	Percent of GNP		Amount [2]	Percent of GNP		Amount [2]	Percent of GNP		Amount	Percent of GNP		Amount [2]	Percent of GNP
Belgium-Luxembourg	$1,175	$3,904	3.5	$13	$400	3.2	$22	$386	3.2	$59	$375	3.2	$32	$376	3.2	$96	$349	3.2
Denmark	476	1,327	2.8	22	150	2.6	45	143	2.6	24	143	2.9	20	146	3.1	47	136	3.1
France	4,117	29,815	7.4	39	3,831	6.8	147	3,630	7.0	130	3,355	7.0	159	3,159	7.5	400	2,975	7.9
Germany [3]	897	20,714	4.3	58	2,886	4.3	86	2,640	4.4	78	1,631	3.0	380	2,134	4.1	295	1,717	3.7
Greece	904	1,316	5.6	69	159	5.0	70	154	5.1	139	149	5.1	79	149	5.4	81	135	5.3
Italy	1,944	9,798	4.0	140	1,136	3.7	112	1,067	3.8	72	1,035	3.9	144	977	3.9	257	934	4.0
Netherlands	1,104	4,321	5.0	53	455	4.1	26	396	3.9	41	436	4.6	84	486	5.2	152	488	5.7
Norway	634	1,413	3.8	10	145	3.3	51	155	3.7	47	143	3.6	38	147	3.7	69	135	3.6
Portugal	279	832	4.1	4	100	4.5	12	98	4.5	24	86	4.2	25	83	4.1	20	80	4.1
Turkey	1,618	1,480	5.0	85	270	5.6	124	241	5.4	251	163	4.2	208	141	4.1	171	129	4.8
United Kingdom	989	48,285	8.1	26	4,856	7.0	199	4,679	7.1	43	4,684	7.3	97	4,707	7.7	75	4,788	8.3
NATO area programs	1,166			238			143			137			127			83		
Total, NATO	15,303	123,205	5.9	757	14,388	5.4	1,037	13,589	5.5	1,045	12,200	5.2	1,393	12,505	5.7	1,746	11,866	5.9
Canada		17,903	5.9		1,654	4.7		1,642	4.7		1,740	5.3		1,829	5.8		1,888	6.3
United States		453,838	10.4		46,552	9.3		46,614	9.7		45,503	10.2		44,548	10.1		41,773	10.0

[1] U.S. military assistance furnished to countries includes deliveries of equipment and supplies, expenditures for repair and rehabilitation of excess stocks, training, packing, crating, handling and transportation, nutrition surveys, construction and credit assistance under sec. 103(c) MSA.

[2] Based on NATO definition of defense expenditures. For the United States it includes expenditures for military functions of the Department of Defense, the military assistance program, the Atomic Energy Commission, Coast Guard, National Aeronautics and Space Administration, veterans' insurance and indemnities and residual expenditures by ICA for the direct forces support program.

[3] German defense expenditures data for all years are ICA estimates. Germany's expenditures through 1955 were largely occupation-support costs. Military assistance expenditures represent physical deliveries to the Federal Republic of Germany.

NOTE.—Precise comparisons of levels of defense expenditures between European countries and the United States are not possible. Conversions of national currency data into dollars have generally been made on the basis of official foreign exchange rates, and the purchasing power of dollar equivalents is appreciably higher in most European countries than that of the dollar in the United States. Intra-European comparisons of the converted dollar figures are subject to similar limitations. A uniform exchange rate has been applied for all years in order to preserve the trend of the national currency data and eliminate distorting fluctuations in the dollar figures caused by devaluation.

Mr. CHURCH. Mr. President, it is to be noted from this chart, that none of the prosperous countries in Western Europe are making as much of an effort, in proportion to their own resources, to maintain their armed forces, as we have been making in proportion to ours. During the decade, we spent 10.4 percent of our gross national product on our military forces, compared to an average of 5.9 percent on the part of our NATO allies.

Moreover, it cannot be argued that the continuing American subsidy is furnishing these countries with an inducement to make a greater effort on their own, since it is clear from the chart that the average yearly military expenditure of our NATO allies has fallen off from 5.9 percent in 1956 to 5.4 percent in 1960.

Mr. President, just to make plain beyond argument the level of wealth that has now been achieved by most of our NATO partners in Western Europe, their resultant capacity to maintain their own armed forces without American subsidy, and the lesser effort they are actually making compared to our own, I ask unanimous consent to insert an appropriate chart containing these figures for last year, 1960, at this point in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Selected economic and defense expenditures data on European NATO countries and United States, calendar 1960

	Population (in thousands)	Total GNP (millions)	GNP per capita	Private consumption per capita [1]	Defense expenditures (millions)	Percent of defense expenditures to GNP
Belgium-Luxembourg	9,490	$12,275	$1,293	$896	[2] $400	3.2
Denmark	4,640	5,690	1,226	827	161	2.8
France	45,500	54,400	1,196	728	3,831	6.8
Germany (West)	52,321	63,740	1,218	706	2,886	4.3
Greece	8,691	3,120	359	270	159	5.0
Iceland	176	155	881	500		
Italy	49,315	30,360	616	390	1,136	3.7
Netherlands	11,480	10,990	957	540	455	4.1
Norway	3,590	4,465	1,244	724	[2] 145	3.3
Portugal	9,124	2,220	243	187	[2] 100	4.5
Turkey	27,518	4,680	170	134	[2] 270	5.6
United Kingdom	52,375	68,950	1,317	863	4,856	7.0
Total, European NATO (excluding Saar)	274,220	261,045	952	604	14,399	5.4
United States [3]	179,894	494,500	2,749	1,730	46,552	9.3

[1] At 1959 market prices.

[2] Partly estimated.

[3] Alaska and Hawaii excluded.

NOTE.—All data are preliminary and subject to revision.

NOTE.—Precise comparisons of the levels of gross national product and of defense expenditures between the European countries and the United States are not possible. The conversion into dollars has been made on the basis of official foreign exchange rates, and the purchasing power of the dollar equivalent is appreciably higher in most European countries than in the United States. Intra-European comparisons of the converted dollar figures are subject to similar limitations.

Source: European Data Book.

Mr. CHURCH. Mr. President, I send to the desk an amendment to the pending bill and request that it be printed. I also ask unanimous consent that the text of the amendment appear at this point in the RECORD.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment ordered to be printed in the RECORD is as follows:

On page 38, after line 5, insert the following new section:

"SEC. 512. RESTRICTIONS ON MILITARY AID TO WESTERN EUROPE.—No further military assistance shall be furnished on a grant basis to a country of Western Europe, except to fulfill firm commitments made prior to July 1, 1961, unless the President shall have determined that it would be an undue economic burden upon such country to purchase the supplies, equipment, or services proposed to be furnished."

Mr. CHURCH. Mr. President, it should be understood that this amendment would not affect any firm commitment we have already made, that is, prior to July 1, 1961, to furnish military aid to any country in Western Europe. It would not prohibit future cash or credit sales of military equipment, services, or supplies, to any of these countries. It would merely provide that no further military assistance shall be furnished on a grant basis to a country of Western Europe, unless the President shall have determined that it would be an undue economic burden upon such country to purchase the supplies, equipment, or services proposed to be furnished.

What more reasonable limitation, calculated to protect our national interest, could be imposed than this? The pending bill authorizes nearly $2 billion a year, for each of the next 2 fiscal years, to be spent on continuing military aid abroad. In the coming year, 22 percent of this amount is to be given the countries of Western Europe. Some of these countries may still need our help, and this amendment would not prevent the President, in such cases, from giving it. But the amendment would put an end to further subsidies, shelled out by American taxpayers, to the prosperous countries of Western Europe that can well afford to maintain their own military establishments.

I know, Mr. President, that the outcry will be heard: "This is not the time to cut off any subsidy to Western Europe, not now as the storm clouds gather over Berlin." But if we must defer until a time when there is no crisis, who knows how long we will have to wait?

I say, Mr. President, it is error—worse still, it is error compounded with weakness—to believe that any alliance can be served or strengthened through needless subsidy. Such a practice is degrading to donor and donee alike. History clearly demonstrates that it is self-defeating. The record shows that it has not worked, and is not working, in the case of NATO today. None of our NATO allies in Western Europe have met the military goals set for the alliance nearly 2 years ago. We are 400,000 men short of the agreed level of strength, but neither West Germany, France, nor the United Kingdom, though peering into the very teeth of the Berlin crisis, have undertaken any buildup of their own defenses comparable to what the President has asked of the United States.

Congress has already approved the President's supplemental requests. Our country will go on carrying more than its share of the load in the NATO partnership. Even now it is our own Strategic Air Command, built and maintained at a fantastic cost to the American taxpayers exclusively, that constitutes NATO's main deterrent power. But we are foolish indeed if we think that continued handouts of military aid to our prosperous allies in Western Europe will ever cause them to do their share. It has not in the past; it is not now; it will not in the future. It is just the kind of extravagance that brings the whole foreign aid program into disrepute.

Mr. President, I have supported the foreign aid program as indispensable to our national survival in this precarious world. But the American people are fed up with the waste that is in it. Their resentment today can lead to reaction tomorrow so widespread as to fill these Halls, and the White House as well, with men who would sever our world commitments and withdraw the United States into a lingering, lethal, and last isolation.

If this happens, Mr. President, we will look for someone else to blame, but heavily the blame will lie upon each of us who, through hesitancy and inaction at these desks, failed to stop the abuses in the foreign aid program that threaten to turn the people against it.

It is to correct one such flagrant abuse that I offer this amendment. Our prosperous allies in Western Europe do not need further subsidies of military aid from the United States. If Congress will adopt this amendment, we will be saying to our NATO allies: "We expect you to do your part for the alliance, even as we intend to do ours." In that spirit only can we serve our mutual interests best.

Mr. President, I urge the Senate to adopt the amendment.

USE OF SERVICE BANDS IN PUBLIC CELEBRATIONS

Mr. COTTON. Mr. President, some weeks or 2 or 3 months ago, in the performance of my work as a Senator, I had occasion on behalf of a town in the State of New Hampshire which was celebrating its bicentennial, its 200th anniversary, to forward a request to the Department of the Army that a military band from a neighboring military reservation participate in the event. Apparently on the eve of the celebration the musicians' union of the city of Manchester, N.H., objected and invoked a directive which is apparently in effect governing the use of military bands.

I was somewhat amazed the other day to receive a letter which I desire to read into the RECORD, and I wish to read my reply, and state that subsequently I shall take some time perhaps to comment on the attitude of this and other labor organizations and their arrogance, and to call attention to some instances.

This letter is headed, "Manchester Musicians' Protective Association, Local No. 349, A.F. of M., AFL–CIO, Roger Carrier, president." It says:

MANCHESTER, N.H.,
August 4, 1961.

HON. NORRIS COTTON,
U.S. Senate Building,
Washington, D.C.

DEAR SIR: Last Tuesday, August 1, it was brought to the attention of the board of directors of Local No. 349, American Federation of Musicians, that the 18th Army Band from Camp Devens in Ayre, Mass., had been ordered out to play at the bicentennial celebration in Goffstown, N.H.

This act was in direct violation to the War Department directive concerning Army bands off military reservations; section 35, Act 3, June 1916.

Upon learning that such a move was anticipated, local No. 349 was left no alternative other than to take measures to prevent such action. An immediate meeting of the local's directors was called, and it was unanimously agreed upon not to grant permission as this function was of a competitive nature and it deprived our members of work.

The city fathers of Goffstown and the chairman of that committee, Mr. Alfred W. Poore, Jr., were quite upset with this decision. However, upon learning the true facts from us, they readily understood that they were "caught in the middle" of a controversy. Our local was threatened with bad publicity via the newspapers. If all the facts were brought to light, it would have caused your office much embarrassment.

At such a late date that we were notified, and too, in learning of your involvement in a sincere effort to help the good people of Goffstown in their hour of "social need," a meeting was again hastily called, and, our directors reversed their previous decision and agreed to allow the 18th Army Band to play at this social function.

To prevent any further misunderstandings in the future, please be advised that all Army bands off military reservations must receive clearance from that local in whose jurisdiction it plans to perform whether the function is competitive or not.

Kindly confirm this letter.

Thank you.

Respectfully yours,

ROGER CARRIER,
President.

This is my reply:

MR. ROGER CARRIER,
President, Manchester Musicians' Protective Association, Manchester, N.H.

DEAR SIR: This will acknowledge the receipt of your letter of August 4 with reference to the engagement of the 18th Army Band from Camp Devens at the bicentennial celebration in Goffstown.

I note your statement that "If all the facts were brought to light, it would have caused your office much embarrassment," also your advice to me that all Army bands off military reservations must receive permission from you before they can perform.

Please be advised that as a Senator from the State of New Hampshire, I have always transmitted the request of any citizen or any town or city to the Department of the Army or any other Government department to which it should be directed. I shall continue to do so. If the Defense Department is subject to your authority, that is up to them. I am not.

If you have any facts which, if brought to light, will cause me embarrassment, by all means bring them to light at once.

I am waiting to hear what they are.

Very truly yours,

NORRIS COTTON,
U.S. Senator.

I shall take occasion to comment on this and other incidents later.

ADJOURNMENT TO TOMORROW AT 10 O'CLOCK A.M.

Mr. DWORSHAK. Mr. President, I move that under the order previously entered the Senate now adjourn until tomorrow at 10 o'clock a.m.

The motion was agreed to; and (at 5 o'clock and 59 minutes p.m.) under the order previously entered, the Senate adjourned until Thursday, August 10, 1961, at 10 o'clock a.m.)

NOMINATIONS

Executive nominations received by the Senate August 9 (legislative day of August 8), 1961:

U.S. ATTORNEY

John T. Curtin, of New York, to be U.S. attorney for the western district of New York for the term of 4 years, vice Neil R. Farmelo.

U.S. MARSHAL

Emmett E. Shelby, of Florida, to be U.S. marshal for the northern district of Florida for a term of 4 years, vice Emerson F. Ridgeway.

CONFIRMATIONS

Executive nominations confirmed by the Senate, August 9 (legislative day of August 8), 1961:

FEDERAL POWER COMMISSION

Lawrence J. O'Connor, Jr., of Texas, to be a member of the Federal Power Commission for the term of 5 years expiring June 22, 1966.

THE JUDICIARY

U.S. DISTRICT JUDGES

James Braxton Craven, Jr., of North Carolina, to be U.S. district judge for the western district of North Carolina.

Andrew A. Caffrey, of Massachusetts, to be U.S. district judge for the district of Massachusetts. (Appointed during the last recess of the Senate.)

Lewis R. Morgan, of Georgia, to be U.S. district judge for the northern district of Georgia.

Earl R. Larson, of Minnesota, to be U.S. district judge for the district of Minnesota.

U.S. ATTORNEY

Vernol R. Jansen, Jr., of Alabama, to be U.S. attorney for the southern district of Alabama for the term of 4 years.

U.S. MARSHAL

William Marshall Broadrick, of Oklahoma, to be U.S. marshal for the eastern district of Oklahoma for the term of 4 years.

COAST AND GEODETIC SURVEY

Capt. James C. Tison, Jr., to be Deputy Director of the Coast and Geodetic Survey with the rank of rear admiral for a term of 4 years, pursuant to law.

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be ensign

Michael H. Fleming.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 9, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Ephesians 6: 10: *Finally, my brethren, be strong in the Lord, and in the power of His might.*

Most merciful and gracious God, grant that during this day we may walk in the way of Thy commandments with a more fervent spirit and with an intensified desire to merit Thy favor and do that which is well pleasing unto Thee.

Emancipate us from pride and self-seeking and may all our aspirations and ambitions, our efforts and endeavors, our plans and purposes include the well-being and welfare of every member of the human family.

May the mind of our President, our Speaker, and the Members of Congress be fertile and fruitful in wise decisions and in programs of legislation that will kindle new hope in the heart of humanity, looking wistfully for the dawning of the day of universal peace.

In Christ's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 2925. An act to amend the act of March 8, 1922, as amended, pertaining to isolated tracts, to extend its provisions to public sales; and

H.R. 5228. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1962 Girl Scouts senior roundup encampment, and for other purposes.

The message also announced that the Vice President had made the following appointments:

Delegates to the International Parliamentary Union, to be held in Brussels September 14–22, 1961: Senators GORE, HUMPHREY, THURMOND, HART, HICKEY, MONRONEY, CAPEHART, SCHOEPPEL, ALLOTT, and KEATING. Alternates: Senators LONG of Hawaii, SYMINGTON, PASTORE, MUSKIE, MANSFIELD, and SPARKMAN.

Delegates to the NATO Parliamentarians Conference, to be held in Paris November 13–18, 1961: Senators JACKSON, KEFAUVER, CANNON, METCALF, BYRD of West Virginia, LONG of Missouri, MUNDT, JAVITS, SCOTT, and MILLER. Alternates: Senators LAUSCHE, JORDAN, MCGEE, BURDICK, WILLIAMS of New Jersey, and HARTKE.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1962

Mr. CANNON. Mr. Speaker, on behalf of the gentleman from Texas [Mr. MAHON], I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on H.R. 7851, the Department of Defense appropriation bill for the fiscal year 1962.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FOREIGN AID BILL

Mr. MEADER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, I take this time to announce to the House that I intend to discuss foreign aid in a special order I have for this afternoon. I have been granted 60 minutes, and I intend to yield for questions. I hope some useful discussion will be generated.

Mr. Speaker, I feel very strongly that this bill will be one of the most important measures that this session of the Congress will consider.

H.R. 8400 as reported by the Foreign Affairs Committee removes the Congress from foreign aid activities for all practical purposes in the economic loan field for the next 5 years. It grants direct access to the Treasury for financing the program.

I cannot vote for the bill in its present form.

I have supported foreign aid for the 10 years that I have served in this Congress and I hope the House will study this bill carefully and will reshape it so that it will be something I can vote for.

KWAME NKRUMAH

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, in 1958 Prime Minister Nkrumah of Ghana came to this country and was given the red-carpet treatment. He was asked at that time in a television interview if he was a Marxist socialist, and the answer was an unequivocal "Yes."

Now I note in the papers that this same Nkrumah and this nation of Ghana is to get a $98 million loan from the World Bank, which we heavily underwrite, for the building of a power dam on the Volta River, and that the United States, on a unilateral basis, is going to give this same Nkrumah $98 million to build an aluminum plant in Ghana.

Then I note, Mr. Speaker, that in an appearance in Budapest, Hungary, on or about July 29, 1961, this same Prime Minister Nkrumah praised the Hungarian brand of communism and told a

workers rally at a giant Budapest telecommunications factory:

We choose for ourselves the same direction of development as you have chosen.

Mr. Speaker, there is no logic in fighting the Russian brand of communism and at the same time dish out millions of dollars to support the building of new Communist governments. This is using the worst kind of deception on those who pay the bills—the taxpayers of America.

We are either for or against communism and it makes no difference whether it resides in the Government of Russia or Ghana.

TRANSFER OF FREEDMEN'S HOSPITAL

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 405 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6302) to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'NEILL. Mr. Speaker, House Resolution 405 provides for the consideration of H.R. 6302, a bill to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university and for other purposes. The resolution provides for an open rule, waiving points of order, with 1 hour of general debate.

The purpose of H.R. 6302 is to provide a modern teaching hospital for Howard University and to replace the obsolete plant at Freedmen's Hospital. The bill proposes to achieve this by transferring Freedmen's Hospital to the university, authorizing appropriation of funds to construct a new hospital, and authorizing appropriation of funds for partial support of the new hospital's operating expenses.

The bill establishes a policy that the new hospital shall become progressively more self-supporting.

Freedmen's Hospital was established by the Federal Government at the close of the Civil War to care for sick and destitute Negroes who came to Washington in great numbers. The present main building was constructed in 1908 on land belonging to Howard University. A tuberculosis annex was added in 1940. Freedmen's now has 437 beds and its budget for fiscal year 1962 requests funds to open a closed floor of the annex in order to utilize some 50 beds.

Freedmen's Hospital at the outset was operated by the War Department. Throughout the years, control over the hospital was transferred successively to the Department of the Interior, the District of Columbia government, back to the Department of the Interior, then to the Federal Security Agency, and finally, to the Department of Health, Education, and Welfare. It is the only general community hospital operated by the Federal Government.

The Freedmen's Hospital plant has been described as obsolete, uneconomical, and inefficient. The Secretary of Health, Education, and Welfare, in testimony before the Committee on Education and Labor stated that Freedmen's Hospital "putting it frankly, is a dump."

Transfer of the hospital to Howard University with provision for constructing a new teaching hospital was recommended in 1955 by a study commission appointed under authorization of the 83d Congress. Legislation to carry out that proposal was recommended by both the Kennedy and Eisenhower administrations.

Mr. Speaker, I urge the adoption of House Resolution 405.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. HOFFMAN].

Mr. HOFFMAN of Illinois. Mr. Speaker, we have no objection on this side to the rule being considered, and we have no requests for time. Consequently, I yield back the balance of my time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL ASSISTANT SECRETARY OF LABOR

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 406 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6882) to provide for one additional Assistant Secretary of Labor in the Department of Labor. After general debate, which shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 139]

Alexander	Gray	McSween
Barrett	Hagan, Ga.	Milliken
Battin	Hall	Pilcher
Blatnik	Halleck	Powell
Blitch	Harrison, Va.	Rabaut
Breeding	Healey	Roberts
Buckley	Hoeven	Rostenkowski
Cook	Holifield	Santangelo
Diggs	Huddleston	Vinson
Dooley	Hull	Weaver
Ellsworth	Jones, Mo.	Westland
Evins	Kilburn	Winstead
Fogarty	Landrum	Young
Gavin	Lesinski	

The SPEAKER pro tempore (Mr. WALTER). On this rollcall 392 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUBCOMMITTEE ON TRANSPORTATION AND AERONAUTICS

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Transportation and Aeronautics of the Committee on Interstate and Foreign Commerce may be given permission to sit during general debate for the remainder of this week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ADDITIONAL ASSISTANT SECRETARY OF LABOR

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MADDEN. Mr. Speaker, I yield myself such time as I may require, after which I yield 30 minutes to the gentleman from Illinois [Mr. HOFFMAN].

Mr. Speaker, this resolution makes in order the consideration of the bill H.R. 6882 to establish an additional Assistant Secretary of Labor. The purpose of the legislation is to provide this new Assistant Secretary of Labor with jurisdiction and responsibility over the great avalanche of women employees and women connected with organized labor throughout the Nation.

Mr. Speaker, I want to commend the committee for bringing this resolution out, especially the gentlewoman from Washington [Mrs. HANSEN], and the gentlewoman from Oregon [Mrs.

GREEN], our colleagues, who have contributed so much to bringing this legislation before the House today.

Mr. Speaker, this is a highly necessary piece of legislation for the reason that today we have over 24 million women in our labor force throughout America. When the Women's Division or Women's Bureau of the Department of Labor was established back in 1920 there were only 6 million women in the labor force throughout America. In 1961 the number of women actively employed in various business and industry numbers over 24 million. It is expected that by 1970 there will be an increase of almost 6 million more women in the Nation's labor force. The President and Secretary of Labor have made a special request for the establishment of an additional Secretary of Labor to supervise and oversee the problems of women workers over the Nation.

Mr. Speaker, this is a highly necessary piece of legislation, and I hope that the resolution will be adopted without any opposition.

Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi [Mr. COLMER].

PROGRAM FOR THE BALANCE OF THE WEEK

Mr. BROWN. Mr. Speaker, will the gentleman yield to me to inquire of the majority leader as to the program for the balance of the day and the rest of this week?

Mr. COLMER. I yield to the gentleman from Ohio.

Mr. McCORMACK. Mr. Speaker, I am very glad my friend asked me the question. For today there is the bill relating to Freedmen's Hospital and the bill for the additional Secretary of Labor.

Tomorrow two bills will be brought up: H.R. 7651, to amend the Career Compensation Act, which comes out of the Committee on Armed Services. It relates to flight pay in the armed services.

The other bill is H.R. 2732, to amend section 303 of the Career Compensation Act, also out of the Committee on Armed Services. I understand that relates to allowances for the movement of house trailers. If we dispose of those bills tomorrow, we shall go over until Monday.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I should like to know whether the distinguished majority leader can tell us when this foreign giveaway bill is to come up?

Mr. McCORMACK. Before answering that question, there is the usual reservation, that conference reports may be brought up at any time.

As to the gentleman's question, the bill, which is of vital importance to the national interest of our country, which the gentleman has in mind——

Mr. GROSS. That is H.R. 8400.

Mr. McCORMACK. That is the number of the bill.

Mr. GROSS. That is the foreign giveaway bill.

Mr. McCORMACK. The gentleman has his own characterizations. I say it is a bill in the national interest. But I do not wish to get into an argument on that now.

Mr. BROWN. Mr. Speaker, the gentleman from Ohio did not yield for political speeches by either of the gentlemen.

Mr. McCORMACK. The gentleman means by the gentleman from Iowa.

Mr. Speaker, I will say this: the probabilities are that it will be programed for Monday, but I would like to have until tomorrow before making that definite.

Mr. COLMER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, a few days ago we were advised and otherwise had brought to our attention the alleged fact that the Russians had put a manned satellite into orbit. There was a statement carried here locally that this second astronaut as he passed over Washington gave greetings to the people of America.

Mr. Speaker, the United States of America has put two astronauts into space. We know that we did because we saw live pictures of the whole ventures. We know that they actually went into space; we saw them take off, we heard them in the air, and we saw them when they landed. The Russians, the greatest propagandists in the world, say that they put their second man into orbit, and that he orbited the earth some 17 times or 20 times—the number does not make any difference. Proof that this occurred, we are told, is that he was heard talking as he passed around and over various countries of the world. But I do not know whether we heard him or not. I do know that a year ago we had a satellite in orbit and we heard President Eisenhower's voice coming from that satellite giving greetings to peoples of the various countries as the satellite went around the world. We know that voice was tape recorded. We have no knowledge on the Titov episode except what the Kremlin tells us.

Mr. Speaker, I repeat I am just a layman. I do not claim any scientific knowledge in this area. But as a layman of ordinary intelligence I must confess that I have my own misgivings about this affair. This is particularly true when one considers the timing in connection with the Berlin crisis.

When we attempt one of these space achievements we do so in a goldfish bowl like manner. The press, both domestic and foreign, is invited to witness the whole undertaking as in the Shepard and Grissom flights.

I have been concerned in my own mind whether the Russians ever really put a man into space. They do not let any photographers see this thing take off, they do not let any photographers see the thing come down. They do not let any foreign observers watch it. They do not tell us where it takes off from or where it lands. They do not permit press coverage. How do we know that the voice that was heard over Washington and over the other countries of the world was not a taped voice that was placed in that satellite that was sent up?

I say this has been concerning me for some time, although I hesitated to say anything about it, but last night when I went to my apartment I picked up the Washington Star and I read an article by the able and learned columnist, David Lawrence, "Doubts on Soviet Space Flight." He expresses this doubt much better than I am expressing it here today.

The Russians are not only the greatest propagandists in the world, they are also very careless with the truth. Maybe they did put a man in space, I do not know, and you do not know. There is nobody in this House who knows that that man went over Washington, and there is nobody in the world that can testify that they saw him, except the Russian propagandists. Maybe we are not as far behind Russia in this area as some think we are. You know, we Americans can be the most gullible people in the world; we are traditionally a God-fearing people who are taught to speak and act truthfully and honestly.

I would like to see the Russians give some further proof of the fact that they had this man in orbit before I as a layman am willing to accept it as a fact.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include the article by David Lawrence to which I referred.

The SPEAKER pro tempore (Mr. WALTER). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The article referred to follows:

DOUBTS ON SOVIET SPACE FLIGHT—RUSSIAN SECRECY ON NEW EARTH ORBITING CALLED BASIS OF POSSIBLE HOAX

IN EUROPE.—Until and unless the Soviet Union allows disinterested scientists and members of the press from other countries to witness the ascent into and descent from space of astronauts aboard satellites that circle the earth, the alleged exploit of Gherman Titov must remain a matter of doubt. It could have been the hoax of all times.

For everything that has been reported from Moscow and from other countries about conversations by radio to and from the satellite itself could have been reproduced artificially by tape recordings in advance without the actual presence of any astronaut aboard during the flight.

Indeed, a Reuters News Service dispatch from Cape Canaveral, Fla., on Sunday contains this significant paragraph about an American space project:

"A 2-ton Project Mercury capsule, it is hoped, will be launched into a single orbit by an Atlas rocket this month. This capsule will contain an 'artificial astronaut,' a 'crewman simulator' which will 'breathe, sweat, and talk.'"

The foregoing experiment, if successful, is to be followed later by a manned capsule sent into orbit by the United States. But the press of the world will be invited to see the launching and the return and to hear the uncoded reports from the spaceship.

In attempting to get ahead of America, the Soviets may well have "simulated" the whole flight. It seems incredible, for instance, that Titov would actually sleep 8 hours while engaged on such a hazardous and momentous undertaking wherein every minute, it may be assumed, would require him to be alert to see that nothing went wrong mechanically.

It doesn't seem possible that the astronaut, who is but 26 years old and supposed to be in the air only 25 hours, would waste any of those hours in sleep, or that he really could be so calm as to drop off into slumberland at the appointed time with the greatest of ease. In fact, the Moscow report said that by prearrangement he was supposed to sleep only 7½ hours, but extended his slumbers by 37 minutes.

This recess, incidentally, afforded an opportunity for complete silence in communications while the satellite was supposedly over certain parts of the globe. Whatever messages came from the ship and were heard at all could easily have been taped beforehand and broadcast from the satellite. It is significant that nobody but the Russian ground staff could communicate with the satellite during its flight and that no conversations from outside Russia were permitted. There were no television reels shown in Russia of pictures taken at the beginning or ending of the flight, though even these could also have been taped beforehand. A Moscow dispatch by Reuters says:

"Details of the landing were not disclosed immediately, but it was believed the spaceship came down suspended from parachutes. The procedure involves the firing of a retrorocket to take the ship out of its orbit and head it back to earth. There is also an alternative method whereby Titov could be ejected in an emergency and descend in his space suit by parachute."

All this is the kind of hazardous performance which, in the case of American astronauts Shepard and Grissom, the press and its photographers were able to witness. Television cameras at once gave the entire world a bona fide movie of what was happening in both instances. Why, then, did the Soviets prefer to do it all in secrecy? A United Press International dispatch from Moscow says: "Western observers were not permitted to witness Titov's takeoff or landing."

The claim was made in one of the Moscow dispatches that television cameras, presumably aboard the satellite, were sending back pictures of Titov in flight. But these pictures could, of course, have been made before the ship left the ground.

Many similarities between the alleged flights of Gagarin and Titov were noted in Moscow press dispatches. The first thought of both astronauts was to send greetings to the Central Committee of the Communist Party and to Premier Khrushchev. The messages were obviously prepared ahead of time for propaganda purposes.

Plans are being made already to send Titov as a "good-will ambassador" on trips to other countries. The flight itself was timed to coincide with the meeting of the Western Foreign Ministers at Paris and has all the aspects of a propaganda stunt, cleverly conceived and executed.

There is no reason to accept as a scientific fact that Titov made the flight—though the space ship, with recordings aboard for intermittent radio transmission, may well have been functioning as it circled the earth.

The Russians do not hesitate to lie or forge official documents or to fake stories of episodes for propaganda purposes. Despite the skepticism that resulted from the contradictions in the Gagarin story, the Communists have dared again to ignore the press of the free world on the Titov demonstration. Scientists would gladly have come from Western countries to witness the ascent of an astronaut in or descent from an earth-girdling satellite—if such an event really took place in Russia.

Mr. HOFFMAN of Illinois. Mr. Speaker, my distinguished colleague from Indiana gave a good explanation of the bill. In view of his statement that there were so many women going into labor, we do not want to object to the House working its will by having the bill come onto the floor.

I have no more requests for time, Mr. Speaker.

Mr. MADDEN. I have no more requests for time.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 369, nays 16, not voting 52, as follows:

[Roll No. 140]

YEAS—369

Abbitt	Cohelan	Grant
Abernethy	Collier	Green, Oreg.
Addabbo	Colmer	Green, Pa.
Addonizio	Conte	Griffin
Albert	Cooley	Griffiths
Alexander	Corbett	Gross
Alford	Corman	Gubser
Anderson, Ill.	Cramer	Hagan, Ga.
Andrews	Cunningham	Hagen, Calif.
Arends	Curtin	Haley
Ashbrook	Curtis, Mo.	Halpern
Ashmore	Daddario	Hansen
Aspinall	Dague	Hardy
Auchincloss	Daniels	Harris
Avery	Davis, John W.	Harrison, Wyo.
Ayres	Davis, Tenn.	Harsha
Bailey	Dawson	Harvey, Ind.
Baker	Delaney	Harvey, Mich.
Baldwin	Dent	Hays
Baring	Denton	Hébert
Barry	Derounian	Hechler
Bass, N.H.	Derwinski	Hemphill
Bass, Tenn.	Devine	Henderson
Bates	Dingell	Herlong
Becker	Dominick	Hoffman, Ill.
Beckworth	Donohue	Hoffman, Mich.
Beermann	Dorn	Holifield
Bell	Dowdy	Holland
Bennett, Fla.	Downing	Holtzman
Bennett, Mich.	Doyle	Hosmer
Berry	Dulski	Hull
Betts	Durno	Ichord, Mo.
Blatnik	Dwyer	Ikard, Tex.
Boggs	Edmondson	Inouye
Boland	Elliott	Jarman
Bolling	Everett	Jennings
Bolton	Fallon	Jensen
Bonner	Farbstein	Joelson
Boykin	Fascell	Johnson, Calif.
Brademas	Feighan	Johnson, Md.
Bray	Fenton	Johnson, Wis.
Brewster	Findley	Jonas
Brooks, La.	Finnegan	Jones, Ala.
Brooks, Tex.	Fino	Judd
Broomfield	Fisher	Karsten
Brown	Flood	Karth
Broyhill	Flynt	Kastenmeier
Bruce	Fogarty	Kearns
Burke, Mass.	Ford	Kee
Burleson	Forrester	Keith
Byrne, Pa.	Fountain	Kelly
Byrnes, Wis.	Frazier	Keogh
Cahill	Frelinghuysen	Kilday
Cannon	Friedel	Kilgore
Carey	Fulton	King, N.Y.
Casey	Gallagher	King, Utah
Cederberg	Garland	Kirwan
Celler	Garmatz	Kitchin
Chamberlain	Gary	Kluczynski
Chelf	Gathings	Knox
Chenoweth	Giaimo	Kornegay
Chiperfield	Gilbert	Kowalski
Church	Glenn	Kunkel
Clancy	Goodell	Kyl
Clark	Goodling	Laird
Coad	Granahan	Lane
Langen	O'Brien, N.Y.	Shelley
Lankford	O'Hara, Ill.	Shipley
Latta	O'Hara, Mich.	Short
Lennon	O'Konski	Shriver
Libonati	Olsen	Sibal
Lindsay	O'Neill	Sikes
Lipscomb	Osmers	Siler
Loser	Ostertag	Sisk
McCormack	Passman	Slack
McCulloch	Patman	Smith, Calif.
McDonough	Pelly	Smith, Iowa
McDowell	Perkins	Smith, Miss.
McFall	Peterson	Spence
McIntire	Pfost	Springer
McMillan	Philbin	Stafford
McSween	Pike	Staggers
Macdonald	Pirnie	Steed
MacGregor	Poage	Stephens
Mack	Poff	Stratton
Madden	Price	Stubblefield
Magnuson	Pucinski	Sullivan
Mahon	Quie	Taylor
Mailliard	Randall	Teague, Calif.
Martin, Nebr.	Ray	Teague, Tex.
Mathias	Reece	Thomas
Matthews	Reifel	Thompson, La.
May	Reuss	Thompson, N.J.
Meader	Rhodes, Ariz.	Thompson, Tex.
Merrow	Rhodes, Pa.	Thomson, Wis.
Michel	Richlman	Thornberry
Miller, Clem	Riley	Tollefson
Miller, George P.	Rivers, Alaska	Trimble
	Robison	Tuck
Miller, N.Y.	Rodino	Tupper
Mills	Rogers, Colo.	Udall, Morris K.
Minshall	Rogers, Fla.	Ullman
Moeller	Rogers, Tex.	Vanik
Monagan	Rooney	Van Zandt
Montoya	Roosevelt	Wallhauser
Moore	Roudebush	Walter
Moorehead, Ohio	Roush	Watts
	Rousselot	Weis
Morgan	Rutherford	Whalley
Morris	Ryan	Wharton
Morrison	St. George	Whitener
Morse	St. Germain	Whitten
Mosher	Saund	Wickersham
Moss	Saylor	Widnall
Multer	Schadeberg	Williams
Murphy	Schenck	Willis
Murray	Scherer	Wilson, Calif.
Natcher	Schneebeli	Wilson, Ind.
Nelsen	Schweiker	Wright
Nix	Schwengel	Yates
Norblad	Scott	Younger
Norrell	Scranton	Zablocki
Nygaard	Seely-Brown	Zelenko
O'Brien, Ill.	Selden	

NAYS—16

Alger	Dole	Martin, Mass.
Andersen, Minn.	Hiestand	Mason
	Horan	Pillion
Bow	Johansen	Taber
Davis, James C.	McVey	Utt
	Marshall	Van Pelt

NOT VOTING—52

Adair	Gavin	Moulder
Anfuso	Gray	Pilcher
Ashley	Hall	Powell
Barrett	Halleck	Rabaut
Battin	Harding	Rains
Belcher	Harrison, Va.	Rivers, S.C.
Blitch	Healey	Roberts
Breeding	Hoeven	Rostenkowski
Bromwell	Huddleston	Santangelo
Buckley	Jones, Mo.	Sheppard
Burke, Ky.	Kilburn	Smith, Va.
Cook	King, Calif.	Toll
Curtis, Mass.	Landrum	Vinson
Diggs	Lesinski	Weaver
Dooley	Machrowicz	Westland
Ellsworth	Milliken	Winstead
Evins	Moorhead, Pa.	Young

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Anfuso with Mr. Adair.
Mr. King of California with Mr. Hall.
Mr. Toll with Mr. Battin.
Mr. Gray with Mr. Kilburn.
Mr. Harrison of Virginia with Mr. Bromwell.
Mr. Healey with Mr. Halleck.
Mr. Rostenkowski with Mr. Weaver.
Mr. Santangelo with Mr. Milliken.
Mr. Barrett with Mr. Curtis of Massachusetts.
Mr. Evins with Mr. Hoeven.
Mr. Diggs with Mr. Belcher.

Mr. Rabaut with Mr. Gavin.
Mr. Powell with Mr. Westland.
Mr. Moorhead of Pennsylvania with Mr. Ellsworth.
Mr. Moulder with Mr. Dooley.

The result of the vote was announced as above recorded.

The doors were opened.

Mrs. GREEN of Oregon. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6882) to provide for one additional Assistant Secretary of Labor in the Department of Labor.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6882, with Mr. SMITH of Mississippi in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mrs. GREEN of Oregon. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. BRADEMAS].

Mr. BRADEMAS. Mr. Chairman, the purpose of this bill, H.R. 6882, introduced by the gentlelady from Washington [Mrs. HANSEN], is to provide for one additional Assistant Secretary of Labor. The bill was approved in the full House Committee on Education and Labor, without objection, on May 23.

Mr. Chairman, in explanation of the purpose of the bill, I might quote what Assistant Secretary of Labor George C. Lodge told the subcommittee during the hearings. Assistant Secretary of Labor Lodge said:

> The need for the enactment of this legislation at an early date arises from the expanding responsibilities and activities of the Department of Labor, a vital part of which concerns the increasingly essential role of women in our labor force. It is intended, therefore, that the new Assistant Secretary will perform functions relating primarily to the employment and effective utilization of women in our labor force.

Mr. Chairman, I think it is relevant to point out, in understanding the purpose of this legislation, that an additional 6 million women workers, an increase of 25 percent as compared to an increase of 15 percent for male workers in the same period, will become part of the labor force in the United States in the next 10 years.

When the Women's Bureau was established in 1920 there were only 8 million women in the labor force. Today there are about 24 million. By 1970 it is expected that there will be over 30 million women in the labor force. For this reason it has become increasingly apparent that adequate top policy level staff is necessary with respect to women workers and that expansion of the scope and functions of the Women's Bureau is necessary. The expansion of the present programs under the Department of Labor and the development of a number of new programs, for example, in the field of international affairs or in connection with the impact of automation, will place additional burdens on the existing structure of the Department of Labor.

Mr. Chairman, the Director of the Women's Bureau, in addition to her usual duties, at the present time is also used by the Secretary of Labor as a special assistant for the purpose of advising him on the broad range of women's activities as they relate to the problems of the entire Department.

For this reason, the Director of the Women's Bureau at present is handling matters that are not, technically speaking, under the Women's Bureau. There will be no duplication of effort if this bill becomes law because the position of the Director of the Women's Bureau will be eliminated with the establishment of the new position of Assistant Secretary. Although the new Assistant Secretary would supervise the work of the Department of Labor relating to women workers, the jurisdiction of the position is not confined to female workers. While the duties of the new job will be focused on problems relating to women primarily, they will also encompass other problems, for example, those relating to young people, family problems, and juvenile delinquency.

Mr. Chairman, it seems to me this is a most useful piece of legislation. The administration has testified on the importance of the passage of the bill. There is unanimous support for the bill in our committee. I hope very much the bill passes.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield.

Mr. WILSON of Indiana. May I ask the gentleman if this new appointee will be under civil service and therefore come under the Hatch Act, or will he be another man on the payroll going out around the country working for the Democratic Party and making speeches while on the public payroll?

Mr. BRADEMAS. I call the attention of my good friend from Indiana to the hearings, where on page 1 Assistant Secretary of Labor George C. Lodge, a very able and distinguished public servant, who is not a member of my political party, I am sorry to have to say, pointed out that the incumbent of the new position will be appointed by the President by and with the advice and consent of the Senate and for that reason would not be under civil service.

Mr. WILSON of Indiana. What will be his qualifications?

Mr. BRADEMAS. I have just indicated to the gentleman that he will not be under civil service. He will be appointed as is any other Assistant Secretary of any of the other departments.

Mr. QUIE. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, of course this bill will pass. There may be 75 votes against it. The necessity for this position I cannot learn. In referring to the appointee, the gentleman from Indiana [Mr. WILSON] said "he." My guess is the position will be held by a practical, expert, woman politician who will get votes for the Kennedy political machine. We can rest assured of that.

More women are employed from year to year. While granting every privilege, including every possible benefit, to the women, some of us still believe, contrary to what Russians believe, that our women should not be required to work in factories or on the land.

Our women should not be required to do manual work as do the Russian women.

Why do they want another Assistant Secretary of Labor? I will tell you: The administration seeks to increase its political power. As a Republican trying to adhere to the principles which it is said our party has, I cannot go on with these political moves of the present administration.

If you will take a look at the decisions of the Labor Board and the Supreme Court, you will find that the National Labor Board from the time it was created in 1935 has been a political agency or department of the party in power especially when Roosevelt and Truman were in office. When Eisenhower was in, we had a little more conservative Labor Department than before. But now with Secretary of Labor Goldberg we have the heat put on employers all the time on every possible occasion.

If there were any need, or if this Assistant Secretary of Labor would do anything for the country I would be for it; but I know just as well as I know I am standing here that the new Assistant Secretary of Labor will join Goldberg and be just that much of an additional drag on business, an aid to the union officials who put Kennedy in office.

Yesterday we had that provision in the Atomic Energy authorization act dealing with the Hanford powerplant. That seemed to me to be an absurd move, although I hasten to add I do not know anything about the technicalities of it—but basically what was it? It was a bill to put the Government into competition with the private power producers, put them out of business as it has in some instances and as it will in others, with the net result that the folks who are paying taxes will not be able to pay any more.

So where do I get? I get down to the personal, selfish interest of wondering who is going to pay my salary as a Congressman if we liquidate all the taxpayers, all the employers? And that seems to be what Goldberg has in mind, what some of the union officials—not the union men because they want to keep their jobs and they know an employer must be found before there is a job—but some of the union officials want to bring about.

Somebody asked me: How do you get elected over there? It is because the workers in my district desire to keep their jobs. They are thoroughly organized in the Fourth Congressional District. But they want permanent jobs at a fair wage, and they have them. They would rather go along and not go on strike because they own their homes and their kids are in school. They do not wish to follow the lead of some fellow from Chicago, New York, or Detroit, just for a fringe benefit and then be out of a job. They do not care so much about a raise of a cent or

two an hour; what they want is a permanent job, at a fair wage and that is what they have when all work in harmony—and they do usually.

From my experience of over 20 years here is that what will result when you get this new Assistant Secretary of Labor will be to have additional men going out in the districts making trouble.

Perhaps if the administration would direct some of the pressure Goldberg has been putting upon employers, to the Cuban situation, it might be helpful in settling our trouble with Castro.

If we are to avoid war, this afternoon's hijacking of a third plane makes obvious the need for some prompt, definite action.

Mrs. GREEN of Oregon. Mr. Chairman, I yield such time as she may desire to the author of the bill, the woman from Washington [Mrs. HANSEN].

Mrs. HANSEN. Mr. Chairman, the points on behalf of the bill have been very ably covered by my distinguished colleague from Indiana [Mr. BRADEMAS].

There are currently three Assistant Secretaries: First, in the field of international labor relations; second, in the field of labor management; third, employment security and training. This fourth, I am informed, would be the additional Secretary at sub-Cabinet level for programs concerned with a wide range of problems including those of women workers and related to such problems as youth, the family, juvenile delinquency where the purview falls within the category of a labor problem or a problem created by working parents. With this secretaryship the Women's Bureau could be eliminated, placing the Assistant Secretary in charge of that entire field with the sub-Cabinet status which enables a proper development of policymaking.

Certainly this secretaryship would enable the Department of Labor to meet the increasing responsibilities in connection with the growing role of women in the Nation's work force.

When the present Women's Bureau was established in 1920, there were only 8 million women in the labor force. Today there are about 24 million. By 1970 it is expected that there will be over 30 million women in the labor force. Adequate top-policy-level staffing is necessary with respect to these women workers.

The expansion of the scope and function of these activities, programs, and the development of new programs within the Department of Labor all will place additional burdens on the existing departmental structure. At the present time the Director of the Women's Bureau also acts in the capacity of a special assistant for the purpose of advising the Secretary of Labor on the broad range of women's activities as they relate to the whole Department of Labor, thus the Director of the Women's Bureau handles matters which are not, technically speaking, under or belonging to the Bureau but are more properly part of an assistant secretaryship.

I would like to say in reply to those who bring up the question of women who work, that many of them do not of their own volition enter the economic field or the field of industry; it is sheer necessity that drives them to it. I know from experience in my own family. My father died when I was 8½ years old. This forced my mother to earn her living. This is true of many women the entire width of this Nation, and I am sure that all of us are interested in the day-to-day problems and programs of these women in industry. We can point out innumerable instances where they can be assisted by top-level staffing, by conferences, and by programs developed to that end.

What is automation doing? What are we doing about automation? About retraining women?

What are we doing to assist in the family problems that come about when women are forced into the labor field?

And, particularly, what are we doing about retraining the older women who must seek employment at a time when it is not easy to get employment—those women between the ages of 40 and 55?

What are we doing to make sure she takes her place in society? These are some of the very important reasons why many of us are deeply concerned and interested in women in industry. We think an Assistant Secretary of Labor, having the interest of women in mind, will be tremendously helpful to the entire working force of America.

Mr. BECKWORTH. Mr. Chairman, will the gentlewoman yield?

Mrs. HANSEN. I yield to the gentleman from Texas.

Mr. BECKWORTH. I want to commend the gentlewoman for the interest she has displayed in the type of people she has described. The gentleman from Rhode Island [Mr. FOGARTY] and I have been undertaking to get from officials of the Government some information as to the extent to which the Government itself helps this type of people. One of the things we come up with is they do not have the money to look up the figures as to how many older people are being hired. One of the things that occurs to me that can be done is to get the cooperation of the officials of this Government to find out the extent to which the Government is undertaking, not to announce a program of hiring older people, but to carry it out.

Mrs. HANSEN. The gentleman is quite right. There come across our desks inquiries as to what we can do. The question is asked, What information do you have about hiring and assisting in the employment of older people? We have called up the Department of Labor and they have told us repeatedly they do not have the staff and the material available to enable that job to be done. All of us who have served at State level, who have been in the State legislatures of this Nation, realize that we must depend on this material as a basis for enacting laws.

There is an ever increasing interest in the enactment of equal pay laws, particularly in heavily industrialized States, which indeed, highlights the pressing need for the best possible additional information on wage rates, salaries, and other pay provisions. An analysis of existing occupational wage data by the Department of Labor is most necessary before answers to this question can be found.

Other problems which would benefit from top-level staffing are those belonging to the increasing number of working mothers which indicate special consideration in the areas of day-care services, part-time work and adjustment of work schedules in order that mothers in the labor force can carry out their dual role as wage earner and homemaker. In this connection, may I say that all of us who have been interested in aid-to dependent-children legislation in our States are deeply concerned with making possible jobs of training mothers to earn some part or all of their way. Programs which will assist in this rehabilitation can be of immense value to the Nation.

Second. To assist public and private agencies and voluntary organizations in handling community programs which aid in meeting some of the present-day problems of women workers, the Women's Bureau has proposed to initiate a series of programs and conferences to alleviate these problems.

In closing, I urge you to support H.R. 6882 and its potentialities of serving the people whose grave problems we must meet and meet soon.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I rise in support of this bill and legislation. I believe it is a very wise piece of legislation.

I am a Republican Congressman representing the southern part of the city of Pittsburgh, industrial and steel wards. Likewise, I represent the city of Clairton, known as the steel city. I have a number of mining towns in my district and one of the largest inland shipbuilding plants in the world. I have chemical and fabricating plants in my district; I represent many thousands of steelworkers, mineworkers, and union people. We are proud of the number of women who are employed in our industries, stores, service industries, hospitals, and schools. I believe Congress should give these women workers equal rights in the U.S. Department of Labor.

We know that the Department of Labor has been doing a good job under the Eisenhower administration. I would say, too, that we in our Pittsburgh district believe that Secretary of Labor Goldberg is doing a good job and working hard at promoting industrial peace, negotiation, and settlements in industrial disputes.

Mr. Chairman, of course, in our industrial civilization many labor management, wage, fringe benefit, and conditions-of-employment disputes arise that cannot be quickly settled. The role of the Government should be to help ascertain the facts, and to establish fair procedures to expedite the settlement of these differences, to assist the parties in reaching a mutual agreement voluntarily. The Labor Department at this time is efficiently carrying on that particular function.

As to an Assistant Secretary of Labor to promote women's productive activities and women's employment in our U.S. economy, it is long overdue. We do need in the Department of Labor someone who is responsible directly for guidance, training, and supervising good procedures and rules to protect the rights of women, yes, and making room for women in employment. When we consider there are 24 million women now being employed in this country, and there soon will be 30 million women productively employed in our U.S. economy, we do need to give women their just place in the sun, in the Department of Labor.

It has been estimated that of the young women now entering the labor force, of the age of those just coming out of high school and out of college, 90 percent of these young women will at some time in their lives be employed. That is a tremendous increase of the percentage of women in the labor and employed force in this country. We ought to recognize this new development and give it proper direction and, likewise, we ought to assist by adequate staff personnel and policy direction.

I would disagree with my friend, the gentlewoman from Washington, on the reason for women working. I believe a lot of women work not only because they have to by necessity, but because they like to work and like to make a constructive and effective contribution to the success and progress of the U.S. economy. Women can handle a job just as well as any man. Many women are career people and enjoy their careers. In the United States we have many competent women scientists, chemists, physicists, and engineers. I am on the Committee on Science and Astronautics, and can assure that there is room for women in the field of science and astronautics, aeronautics and outer space. We need women in these fields. The United States is short of competent scientists, and it has been estimated that in the next 10 years we are going to need 5 times more scientists, engineers, and technical people than we have, versed in physics, chemistry, electronics, radio, and the various new subjects that are necessary to keep our economy running at a high level.

I attended a session of women's groups of the AFL–CIO recently in Washington, and I am glad to say to my colleagues that these women's groups met on a very professional and on a nonpolitical basis to discuss methods and procedures for the progress of women in employment. The gentlewoman from Illinois [Mrs. CHURCH], and I, as well as other Congressmen, were at this particular breakfast at the Mayflower Hotel in Washington, D.C., and I found it a very stimulating occasion. As a matter of fact, the person who received the most applause of the morning at this particular AFL–CIO women's breakfast on women's activities was not a Democrat or a Republican man but the gentlewoman from Illinois [Mrs. CHURCH], a Republican woman of Illinois. She got a very wonderful welcome when she appeared and spoke.

Now, when we approach the problems of the U.S. Department of Labor, we must not think of it is as predominately a man's department any more. This Department has been looked at too much as man's concern. The U.S. Department of Labor is a department for every age group of our citizens, both men and women.

I cannot see at all the basis of the objection that our action today might lead to further assistant secretaries in other departments. With the women coming to their full strength in our labor and employment services, I believe they should likewise be represented in many of the other departments at policymaking levels. When you find that women have been in the minority so far, in employment and government, the men in this House should realize that in this country, numerically, there are more women than men, and the men are going to be outvoted if it ever comes to a test. So that maybe the men in this country ought to just ease over and make the treatment absolutely equal, as far as the men and women are concerned, before the men get crowded over in the future by a superior voting power of the women in this country. We are lucky, so far, we men, that they have never taken advantage, because the women could very readily run the country. While this is a humorous supposition, it does point up the fact that the place of women in the U.S. economy must be adequately recognized by the U.S. Congress.

Mr. Chairman, I do feel that this is a serious proposal, and I feel that the Labor Department must be shown to have support on expanded programs for women in the U.S. economy. I have called one rollcall so far on the rule, and I intend to call another rollcall on the final passage of this bill, to show overwhelming support for this position and for the passage of this bill.

Mrs. GREEN of Oregon. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. KING].

Mr. KING of Utah. Mr. Chairman, I arise in support of the committee bill now before the committee. This bill constitutes one more effort, in an unending succession of efforts, to keep our Government abreast of the times.

It should be made clear at this point, that there is nothing in the bill that requires the newly created assistant secretaryship to be filled by the Director of the Women's Bureau, or by anyone else connected with the women's program in the Department of Labor. The law specifically provides that "each of the Assistant Secretaries of Labor shall perform such duties as may be prescribed by the Secretary of Labor or required by law."

And so it is apparent, Mr. Chairman, that it is within the discretion of the Secretary of Labor to assign to this newly created Assistant Secretary such responsibilities as he feels will best serve the interests of the Department.

The Welfare and Pension Plans Disclosure Act and the Labor-Management Reporting and Disclosure Act have augmented the duties of the Department substantially. The Fair Labor Standards Amendments of 1961 and phases of the Area Redevelopment Act have also greatly increased responsibilities. In other areas established programs are also being expanded. The Employment Service has put into effect special programs in the public employment offices to help young workers and older workers find suitable jobs and to assist local development groups in depressed areas create new opportunities for employment.

In the future, the Department of Labor will be increasingly engaged in the problems of training in connection with the growth and shifts in our labor force, and in the maximum utilization of workers, and in meeting the great challenges arising from automation.

It will be remembered, furthermore, that the growing impact of women on our industrial life has created serious problems. In 1920, when the Women's Bureau was created within the Department, there were only 8 million women in the labor force. During the intervening period that number has increased three times. It is estimated that within 10 years, the number will stand at 30 million, which will represent some one-third of the entire labor force.

Many millions of these women are breadwinners, in their own right, and are the sole providers for the members of their family. Yet many of the problems which women in industry have always faced, are still with us.

The tremendous increase in the number of persons in our labor forces makes it requisite that the Department be given the tools necessary to accomplish its task. It has requested that this change be made, and is entirely reasonable in such request. I urge, therefore, that the bill be enacted.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. KING of Utah. I yield to the gentleman.

Mr. KYL. Can the gentleman inform the House specifically what the duties of this new sub-Cabinet officer will be which are not presently being accomplished, specifically?

Mr. KING of Utah. I can give one illustration to the gentleman from Iowa: If the Director of the Women's Bureau is to be appointed, and I cannot say that she will be, but if she is, I know that the appointment would give her greater latitude in meeting and coping with her specific responsibilities. At the present time she has jurisdiction just over her own particular Women's Bureau. If she were given sub-Cabinet status it would enable her to deal with the problems of women in the labor force wherever those problems might be met, regardless of whether they came within the jurisdiction of the Women's Bureau.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. KING of Utah. I would be glad to yield to the gentleman from Connecticut for further answer to that question.

Mr. GIAIMO. Mr. Chairman, I might answer the gentleman by saying that in addition to the usual functions of the Women's Bureau it is contemplated that there will be additional duties once we have someone at secretarial rank—duties that will deal with problems which perhaps may only indirectly affect wo-

men, but which may affect all the people concerned with the problems of the labor force. These might be problems of youth, problems of the family, and especially problems of juvenile delinquency.

Mr. QUIE. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. DEVINE].

Mr. DEVINE. Mr. Chairman, may I ask someone on the majority side to answer a question or two? Is this part of a series of requests where the present administration is asking for an increased number of appointments? The Committee on Interstate and Foreign Commerce reported out a bill yesterday, without my vote, to create an additional Assistant Secretary in the Department of Commerce. Is this another one of a series of such bills?

Mr. BRADEMAS. I certainly would not go along with the proposition that this is one of a series of moves by this administration to bring in new Assistant Secretaries or other officials as part of some overall plan. The reason I support this legislation and the reason I think our committee gave it such strong support was that there is need for an additional Assistant Secretary in the Department of Labor. I would hope that the gentleman and his own committee would determine whether or not to support an additional official in the Department of Commerce solely on the basis of whether or not it is justified. If I did not think this Assistant Secretary of Labor justified I would not support it.

Mr. DEVINE. My concern arises also out of the fact—and I am not sure whether one is permitted to use the name of a Member of the other body—that a report on Federal employees indicated that the present administration employed 33,000 new employees during the month of June. I wonder if we must have a series of high-paid executives to handle these new employees.

Mr. BRADEMAS. The fact that 33,000 employees were brought on in June or last month or this month has nothing to do with whether or not we need an Assistant Secretary of Labor. But I am sure the gentleman from Ohio, who had the good judgment to be born in my congressional district, would not quarrel with this.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Iowa.

Mr. KYL. If I have read the foreign aid authorization bill correctly, that bill calls for five additional Assistant Secretaries of State, not one but five.

Mr. DEVINE. One thing I learned in the last few days concerns me very much. It does not confine itself necessarily to the Department now under consideration, it has to do with the Department of Justice. I was employed in the Department of Justice over 16 years ago. I learned from a person of very high integrity that there are over 12 lawyers in 1 division of the Department of Justice who are doing absolutely nonlegal work. They are answering White House mail, that has nothing to do with the Department of Justice. They are under the civil service and have nothing to say about it. But that is how they are being used. If lawyers in high civil service grades are being used to do work of this type, I think it is time we took a good look at this apparent abuse by the administrative branch of the Government.

Mrs. GREEN of Oregon. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. Mr. Chairman, I ask unanimous consent to speak out of turn.

The Chairman. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

TITOV FLIGHT OF AUGUST 6, 1961

Mr. BROOKS of Louisiana. Mr. Chairman, I did not hear the remarks of my distinguished colleague from Mississippi [Mr. COLMER] in which he referred to the statements made by a distinguished writer that the Russian flight in orbit of a man in space, recently completed, was a hoax and was not true. I have expected these charges to arise. My Committee on Science and Astronautics has not had hearings on this particular Russian matter. I think, however, it is fair to say something to the House at this particular time. I have, therefore, asked for this 5 minutes to speak out of order.

We expect such charges to come up after each achievement the Russians make in space. They came up after Sputnik I was flown around the earth. We had serious charges carried in national publications after the flight of Lunik I. The Committee on Science and Astronautics then held special hearings, to which hearings we invited everyone who had any information to show that Sputnik I was a hoax and a fraud upon the world to come forward and give us that information. One witness came forward to give that information. He was highly unsatisfactory to the committee. The committee abandoned the hearing, because it was obvious that Sputnik I was not a hoax and not a fraud upon the peoples of the world.

Mr. Chairman, our committee has investigated these claims of hoaxes on several occasions. We inquired, for example, thoroughly into this matter after the so-called Russian lunik shots, one of which impacted the moon and the other circled the back side of the moon and took a crude photograph of it. After careful inquiry into this matter, in both open and executive session, no doubt was left in the minds of any of the committee members that the Russians had done what they said they did. We could find no substantial evidence to back the theme of a hoax. The same claim was put forward again in April when Major Gagarin made the initial orbital flight around the earth, and again our committee inquired carefully in closed session into whether this flight was actually made. We reached the same conclusion that we had reached earlier—that the flight had been made as the Soviets had stated.

After these hearings, the committee was convinced, and I think without a single exception on the committee, that the Russians had done what they claimed they had. The recent flight of the Russian in orbit around the earth has been completed. Now, according to press statements, Major Titov carried on conversations at different places in the United States. So far as we know, we have nothing to show there was a hoax or a fraud perpetrated upon the peoples of the world. We do not place this above the level of Khrushchev and his Communists. On the other hand, I wish we could show that the Russians are inept, incapable, and ignorant and not able to do the things of which they boast. Frankly, we do not have that evidence. On the contrary, our experience is that when the Russians in the past have made these sensational claims that they have been right, as in the case of Sputnik I and Lunik I and some of the other flights.

I think, until we get some substantial evidence to show that the Russians are trying to perpetrate a fraud upon the peoples of the world, we do our own people a disservice when we seek to underestimate the ability of the Russian in space and to underestimate the ability of the Russian in technology to carry out some of these things that they claim to be doing.

We recently had hearings on the matter of Russian development in aircraft. I am seriously concerned by the progress which the Russians are making in aircraft development, and I will make this prediction to the House at this particular time—unless we step up our pace in aircraft development, we are going to find that the Russians are ahead of us in advanced aircraft development. The things the Russians presented at the recent exhibit at Tushino substantiates the fear and concern that I have over the Russian program in aircraft development moving forward at this time faster than we are moving in the United States.

Mr. KING of Utah. Mr. Chairman, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Utah.

Mr. KING of Utah. May I associate myself with the remarks of the distinguished chairman of the Committee on Science and Astronautics. May I further state that I personally was appalled to hear it suggested on the floor of the House of Representatives by the gentleman from Mississippi that there was any serious question about the exploits of the Russians. I was equally appalled to hear the ovation which this gentleman received, from the Republicans, at the conclusion of his remarks.

For 2½ years we have been hearing testimony before the Space Committee about the exploits of the Russians, and their scientific advances. To my knowledge there is not one case in which the Russians have seriously made a claim with regard to their exploits in space, that has not been later substantiated by us, or about which our intelligence agencies entertain any serious doubt.

It is my belief that those who try to engender doubts about the truth of the claims the Soviets make in regard to space are doing this Nation a disservice.

I would like to be able to think that the Russians are telling lies when they say that they send their rockets to the moon and orbit their astronauts. But all the evidence that we have proves pretty conclusively that they have done just what they claim to have done.

This country, through the very advanced state of its electronic and other technological capability, has many ways of tracking and checking on the Soviet doings in space. I cannot discuss many of them for security reasons. But we have them and we know what the Russians are doing and are capable of doing. To my knowledge, no American official with responsibility in this area—military, intelligence, Space Administration or otherwise—has thus far had any reason to doubt Soviet claims about their space accomplishments.

We have been able to check all of these with but a single exception. That was the Russian shot to the planet Venus last February. It was sent out of the Earth's environment and transmitted only on command on unannouced frequencies. However, the Russians admitted that they had lost that probe—and they have not been able to find it even with the help of the giant radio-telescope at Jodrell Bank, England.

Most of us have seen with our naked eyes the flights of various sputniks—and our scientists, by simple mathematics, can compute the mass and even the dimensions of them. So we know the Russians can do what they claim to have done—even if we disregard the further evidence that they have done it.

So far as the recent orbiting of Major Titov is concerned, I would point out that our own American wire services monitored his conversations and greetings—which came in on the frequencies and at the times and places as announced by the Russians.

I may further remind the Members of this body that the Russians' superiority over us in space has resulted from our failure in the past to take them seriously.

I remember an influential Republican, a Member of the other body, whose flippant remark, following the announcement of Sputnik I, was as follows:

> We should not become hysterical, just because the Russians have lobbed a basketball into outer space that goes beep, beep, beep.

I might well wish, Mr. Chairman, that the beep, beep, beeps of the Russian satellites would go away and leave us alone. But they will not. Russia's progress is real, and spectacular, and grim. The way we can beat the Russians is not by pretending that they do not exist, but by putting adequate sinew and effort into a national effort to excel.

Mr. BROOKS of Louisiana. I thank the gentleman.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I would like to ask the gentleman from Indiana a question or two.

First of all, I am interested in knowing what this new bureaucrat is going to cost?

Mr. BRADEMAS. I can tell the gentleman the salary of the new Assistant Secretary will be $20,000 a year.

Mr. GROSS. All right, that is just a start. Will the gentleman tell me how many more employees will be necessary for this elevated official? Are you going to be coming in and asking for supergrades to back up this new Secretary?

Mr. BRADEMAS. I may say to the gentleman, I know that certainly is not my intention nor is there any such provision in the bill before us.

Mr. GROSS. It may not be the gentleman's intention. Will this new Secretary join the Cadillac brigade, complete with a chauffeur?

Mr. BRADEMAS. Perhaps what I ought to do is suggest that the gentleman from Iowa put that question to the Assistant Secretary of Labor, a member of his own party, who came and testified before our subcommittee in support of this legislation. It will be all right with me if the new Assistant Secretary drives a Studebaker Lark.

Mr. GROSS. Let me ask the gentleman this question: In his original remarks he said that when this secretaryship is established, the Women's Bureau will be abolished. Is that correct?

Mr. BRADEMAS. I think I said to the gentleman that the position of Director of the Women's Bureau will be eliminated, that there would be a new position of Assistant Secretary of Labor and that the activities which have heretofore been carried on under the administration of the Director of the Women's Bureau will now be carried out in this new office.

Mr. GROSS. Will the gentleman point out to me anywhere in the bill or the report where it is proposed that the Director of the Women's Bureau will be abolished?

Mr. BRADEMAS. I can give the gentleman the assurance that we were advised by the Department of Labor precisely that this would be done. Moreover, the Women's Bureau is not set up by legislation, but by Executive order.

Mr. GROSS. I would say to the gentleman that employment rolls are growing at an astonishing rate under the New Frontier with all the frills and new angles that have been added. What assurance have we that that is not going to take place when this office is created? I think you will still have the whole works over there.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the leader of our party.

Mr. HOFFMAN of Michigan. It just seemed to me that the gentleman's first question was a little unfair to our colleague from Indiana, who has the adjoining district. You asked him how much this bureaucrat would cost and he told you. But by implication he is just a bureaucrat. I do not want to be critical but did the gentleman want to leave that impression?

Mr. GROSS. I would not attempt to read the mind of the gentleman.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. WALTER. I am sure the gentleman has failed to note that this will involve an increase of $2,500.

Mr. GROSS. I am sure that is not all the increase that is involved. I do know from listening to the gentleman handling the bill that there will be an increase. It could not be otherwise.

Mr. BRADEMAS. I advised the gentleman from Iowa that the salary of the new Assistant would be $20,000. The salary of the Director of the Women's Bureau, a position which I understand is to be abolished if this legislation passes, is $17,500.

Mr. GROSS. It is the gentleman's hope that it will be abolished. It is a hope and only a hope.

Mr. BRADEMAS. No; that is the testimony of the Department of Labor.

Mr. GROSS. Every time a new Secretary is established it sets off a train of hiring, upgrading of employees, and up goes the payroll. There will be more employees under the new Secretary. We are not being fooled about that at all.

I oppose this bill, just as I have been opposed to similar bills ever since I came to Congress. I fought the bill which came before Congress early in 1953 to provide a new Secretary for the Eisenhower administration in the Department of State. That was a new Secretary to provide for an overhaul and a reduction of personnel in the State Department. What did we get? More personnel in the State Department, not less; and that is what will happen in this instance.

Mr. QUIE. Mr. Chairman, I yield 6 minutes to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, I believe that this bill is entitled to support and I intend to support it.

I have not been in favor of all of the programs which have become law over the years, and have been placed under the jurisdiction of the Labor Department for administration. However, the jurisdiction of the Department has been greatly expanded, particularly in the past several years.

The passage of this bill means that there will be three Assistant Secretaries. Not so long ago, Congress passed the Welfare Plan Disclosure Act and in 1959, we passed the Labor Reform Act. Those two measures, which I supported, have imposed a great amount of additional responsibility and work upon the Department of Labor.

While I believe the burdens we have already imposed on the Department justify passage of this bill, I want to sound a note of caution. I do not like the trend, which I see developing, toward an ever-increasing rapid expansion of the Labor Department. Right now there is a bill, which was recently reported from the Committee on Education and Labor, to reactivate the old CCC—under a new name: the Youth Conservation Corps. By whom do you suppose the Youth Conservation Corps would be administered—if the bill should be passed? By the Department of Labor? To me that is completely ridiculous.

I support the bill before us on the basis of legislation that this Congress has already passed, because I believe it is justified and needed; but I will not support some of the additional grants of power to the Department of Labor which have been proposed.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Iowa.

Mr. GROSS. The question was asked a little while ago, What specifically can an Assistant Secretary do that a Director of the Women's Bureau cannot do? Can the gentleman give us a more intelligent reply than I received to that question?

Mr. GRIFFIN. I am not going to argue with the gentleman on this point. Let me just say that, having read the record of the hearings, including the testimony of Assistant Secretary Lodge, and having reviewed the legislation in the labor field which has already passed and must be administered by the Labor Department, I feel this bill can be justified. Of course, that is a matter of opinion. The gentleman may disagree with me.

Mr. GROSS. I certainly do.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. When we make this a statutory office, it cannot by Executive order be canceled. The job cannot be done away with. If you provide by law for an Assistant Secretary of Labor, it cannot be abolished. The Women's Bureau was established by Executive order, it was set up under Executive order, and it may be for some reason or other just abolished at any time. This does give a statutory level to women's activities in the Department of Labor. That is why I favor it.

Mr. GROSS. Does the gentleman feel that we ought to have an Assistant Secretary in the Navy to handle the activities of the WAVES and an Assistant Secretary of the Army for the WAC?

Mr. GRIFFIN. I agree with the gentleman from Indiana [Mr. BRADEMUS]. We should take up such bills one at a time, review the record and see whether it is justified or not.

Mrs. GREEN of Oregon. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. PETERSON].

Mr. PETERSON. Mr. Chairman, I rise in support of H.R. 6882, a bill to provide for one additional Assistant Secretary in the Department of Labor.

A Bureau of Labor was first established in the Interior Department in 1884. It shifted around as an independent Department, but without executive rank. In 1903 it returned to bureau status in the Department of Commerce and Labor, and in 1913 finally achieved the status of an executive department with a Secretary of Cabinet rank.

The Women's Bureau was first established as the Women-in-Industry Service in 1918, and was made a permanent Bureau of the Labor Department in 1920. It is charged with formulating policies and programs for improving the working conditions of wage-earning women, and is concerned as well with the problems of women who are both homemakers and wage earners.

It is concerned not only with the employed women in America, but assists labor leaders of other countries by sending delegates to international conferences deliberating on the status of women in economic, social, educational, and political fields.

Until 1946 the Department had a Secretary and two Assistant Secretaries. The growth of our population and economy made it necessary for the Congress to provide an Under Secretary and one additional Assistant Secretary in 1946.

Now in 1961—15 years later—with the expanding responsibilities and continued growth of population and economy, it is necessary to add a fourth Assistant Secretary.

At the time the Women's Bureau was established in 1920 there were 8.2 million employed women in addition to 32 million employed men.

Today there are 22.9 million employed women and 45.8 employed men, a nearly threefold increase for women and less than twofold increase for men.

It is estimated that by 1970 there will be 30 million employed women and 57.5 million employed men—an increase of 25 percent in the next 9 years for women and an increase of only 15 percent for men.

It is evident from these figures that with the number of employed women increasing in our labor force at a rate faster than that of employed men, this additional Assistant Secretary should be provided by the Congress, and should be charged by the Secretary of Labor primarily with the many problems incident to the employment and effective utilization of women in that labor force.

I am convinced of the need for enactment of this legislation at an early date, and my conviction stems not from a critical view of the adequacy of the Women's Bureau as presently staffed. They are doing a superb job under the able direction of Esther Peterson, one to whom not only women but all men can point with pride in her dedication to public service. My feeling of urgency does stem from a realization that the problems of the employed woman should be correlated with the problems of the labor force as a whole at top-level policy. This can only be achieved by close coordination of the plans and policies of all four Assistant Secretaries of the Department, one of whom is charged primarily with the responsibility of placing special emphasis on programs relating to the woman wage earner.

Mrs. GREEN of Oregon. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. GIAIMO].

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. Mr. Chairman, after having been a member of the committee that studied this legislation, I have become convinced that among the great changes we have seen in our time is the increasing importance of the role that women take in our economy. The Women's Bureau was created in 1920. Many changes in women's role in our economy have occurred since then, and we had better give more attention to this matter than perhaps we have in the past.

Mr. GIAIMO. Mr. Chairman, I want to bring out some matters that I think need clarification.

First of all, we hear the statement made that there is going to be a woman in this job. The person who will be selected for this job will be selected by the President of the United States, with the advice and consent of the Senate. It may be a man or it may be a woman.

We have heard it said that we are going to increase the salary by $20,000. The salary of the new Assistant Secretary will be $20,000. The salary of the Director of the Women's Bureau is $17,500. That job will be eliminated. This came before us in the testimony. It was told to us that it would be eliminated, so that the actual increase is $2,500.

The effect of this is simply to increase the assistant secretaryship by one. We have heard a great deal of testimony about the fact that there have been increased activities in the Labor Department. I do not think it is unreasonable at this date that the Secretary of Labor and the administration should ask us to exercise our judgment and give them one additional secretary. We have heard testimony about the fact that there have been increases in other departments, and probably a need in others. We believe that these matters should be taken up department by department and that each should be gaged upon its own merits.

The difference between having someone as a Director of the Woman's Bureau and having someone in charge of that Bureau at an assistant secretaryship level is easy to understand if we have any understanding of the way our Government operates and our executive branch operates. It will give them a greater say in the top levels of decision. It will enlarge the duties that they have beyond the confined area of the Women's Bureau. We have been passing laws in this Congress which affect the Department of Labor; we have increased their activities. I need only to mention the fact that we passed the Labor-Management Disclosure Act in 1959, and thereby increased the job and the function of the Labor Department.

Mr. Chairman, I ask your support for this legislation. I submit to you that it is reasonable and entitled to your support.

Mr. KING of Utah. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Utah.

Mr. KING of Utah. The question was asked a moment ago whether it is recommended that there be an assistant

secretary for the Army to take care of the WAC. I think the answer would be that if at any time we have 24 million women in our Army, they could undoubtedly use an Assistant Secretary to take care of them.

Mr. GIAIMO. I thank the gentleman. Also, during the previous administration President Eisenhower increased the number of Assistant Secretaries of Defense from 3 to 9, and I assume, with good justification.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Iowa.

Mr. GROSS. Well, is it just a question of the numbers or the welfare?

Mr. GIAIMO. I think it is a question that each request be based and judged upon its merits, and if the Secretary can justify the need for an additional Assistant Secretary, I think we should have confidence in him and support him in his request.

Mr. ALGER. Mr. Chairman, I am opposed to the rule because I do not feel the bill H.R. 6882, to provide for one additional Assistant Secretary of Labor, to be even worthy of the time of this House. Normally, I believe in approving the rule in order that the House may debate the bill at hand. In this case, the addition of another Assistant Secretary of Labor is so patently unnecessary as to preclude my approving the rule.

Mrs. GREEN of Oregon. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of April 17, 1946 (60 Stat. 91), is amended by striking out "three" and inserting in lieu thereof "four".

SEC. 2. Section 106(a)(16) of the Federal Executive Pay Act of 1956 (70 Stat. 738) is amended by striking out "(3)" and inserting in lieu thereof "(4)".

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. WALTER) having assumed the chair, Mr. SMITH of Mississippi, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6882) to provide for one additional Assistant Secretary of Labor in the Department of Labor, pursuant to House Resolution 406, he reported the bill back to the House.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count.

One hundred and eighty Members are present, not a quorum.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 141]

Arends	Harrison, Va.	Rains
Ashley	Healey	Rivers, S.C.
Battin	Hoeven	Roberts
Boykin	Holifield	Rostenkowski
Bromwell	Hosmer	Santangelo
Buckley	Huddleston	Steed
Celler	Jones, Mo.	Thompson, N.J.
Cook	Kearns	Utt
Diggs	Kilburn	Vinson
Dingell	Landrum	Weaver
Dooley	Lesinski	Westland
Ellsworth	Mason	Willis
Evins	Milliken	Winstead
Gavin	Pilcher	Young
Hall	Powell	
Halleck	Rabaut	

The SPEAKER pro tempore (Mr. WALTER). On this rollcall 389 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ADDITIONAL ASSISTANT SECRETARY OF LABOR

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the "ayes" had it.

Mr. FULTON. Mr. Speaker, I think this is an important enough issue to demand the yeas and nays; therefore I demand the yeas and nays.

The yeas and nays were refused.

So the bill was passed.

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1815) to provide for one additional Assistant Secretary of Labor in the Department of Labor, which is identical to the bill H.R. 6882 just passed by the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of April 17, 1946 (60 Stat. 91), is amended by striking out "three" and inserting in lieu thereof "four".

SEC. 2. Section 106(a)(16) of the Federal Executive Pay Act of 1956 (70 Stat. 738) is amended by striking out "(3)" and inserting in lieu thereof "(4)".

The bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H.R. 6882) was laid on the table.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

ADDITIONAL PROGRAM FOR TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I take this time for the purpose of advising the membership that in addition to the bills that I announced earlier, the Defense Department appropriation conference report will come up tomorrow. There may be one or two items in dispute, and I want to advise the Members accordingly.

TRANSFER OF FREEDMEN'S HOSPITAL

Mrs. GREEN of Oregon. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6302) to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6302, with Mr. ROONEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mrs. GREEN of Oregon. Mr. Chairman, the purpose of this bill is to replace the obsolete Freedmen's Hospital plant and to provide for a teaching hospital for Howard University. The bill authorizes the construction of a new hospital which is not to exceed 500 beds—there are 437 beds in the hospital at the present time—and then to transfer the new facility to the university. The main building at Freedmen's Hospital was constructed in 1908. It is over 50 years old; the tuberculosis annex was constructed in 1940.

Secretary Ribicoff, when he appeared before our committee, said frankly that Freedmen's Hospital as it exists at the present time is a "dump." He strongly recommended a new hospital and its transfer to Howard University.

In 1955 a 10-man Commission was appointed by the Secretary of Health, Education, and Welfare to study and to make recommendations in regard to Freedmen's Hospital. This Commission reported back to the Secretary that the hospital plant was obsolete, outmoded, and uneconomical. Then it went on to say "that even if the hospital were completely renovated at a substantial cost, the end product would still be far

below the standards of a modern university hospital."

There is a nationwide need, certainly, at the present time for more medical doctors, for technicians, for nurses, for dentists. If Howard University is going to be able to carry on its program to double the enrollment in the fields of medicine, dentistry, and nursing, then, it seems to me that the construction of a new hospital is absolutely essential. The report, as I said, was made by a commission composed of medical doctors and outstanding citizens from across the country.

Mr. Chairman, since that commission report every Secretary of the Department of Health, Education, and Welfare has recommended legislation to carry out these proposals.

Mr. Chairman, the bill is in two parts. The first part provides for the construction of a new facility; the second provision is for the transfer of that hospital to Howard University. I think that there is no controversy over the need for a new teaching facility. There has been some difference of opinion as to whether or not the new hospital should be transferred to the university or whether it should stay under separate administration.

First of all, Mr. Chairman, may I say that Freedmen's Hospital is the only community hospital in the United States that is run by the Federal Government. Mr. Chairman, I am delighted at this time to be able to join my colleagues on the other side of the aisle in urging that the Federal Government get out of the administration of this private hospital. May I also say that our committee was advised that this is the only hospital in the United States where the nurses are responsible to the administrator of the hospital and not to the medical director. This is one of the problems of dual administration of the hospital at the present time.

Freedmen's Hospital now is situated on land that belongs to Howard University. The medical director of the hospital and also the president of the university both have recommended that there would be better administration if it were under one head instead of under two, as it is at present. For example, the president of the university pointed out that they have people at Freedmen's Hospital in a clinical laboratory doing research on a reimbursable basis, who are working side by side with other people who have different working regulations and different wage scales.

Mr. Chairman, I quote Dr. Jones, the medical director of Freedmen's Hospital. Dr. Jones had this to say to the committee:

> The organization is such that the medical director, to whom the nursing area should be responsible, may only talk to the nursing situation through the superintendent. This might be at some time, and occasionally it has been, a difficult situation.
>
> We are planning to train a greatly needed group of men or women in the process of doing medical technicians' work. This is a thing which should be related to a university and for which a degree might well be given.
>
> It is very difficult under our situation, and should such a program be developed, it would be directly under the superintendent as a school for the superintendent to supervise and not for the medical director.
>
> These are things that could cause difficulties for us.

The Study Commission in its 1955 report, unanimously concluded with these words:

> By all criteria, and particularly the education and research criterion, the interests of the university, the community, and the Federal Government can best be served if ownership, control, and supervision of the hospital are vested in Howard University board of trustees.

Elsewhere in its report, the Study Commission said:

> More efficient community service can be rendered—particularly to the fee-paying patients of the Greater Washington area—through a privately operated voluntary hospital.

When Mr. Flemming was the Secretary of the Department of Health, Education, and Welfare, he appeared before the committee. At that time he recommended this legislation; first, the construction of a new hospital and, second, the transfer of that hospital to Howard University.

Dr. McGuinness, the Secretary's special assistant for health and medical affairs, also made the same recommendation. He said:

> Medical education, medical research, and medical service are inseparable in a strong education program. The quality of the educational program at Howard Medical School should be strengthened immeasurably by having both medical school and hospital under univerasity management.

Mr. Chairman, there has been objection to this transfer, as I indicated earlier, from only one group, and that is from some of the employees and the union representatives. When hearings were held before the House Committee on Education and Labor at the previous session of Congress, I was much concerned as to whether or not the rights of the employees of Freedmen's Hospital were fully protected. I am completely satisfied that this legislation does protect their interests to the fullest extent possible. First of all, there will be no reductions in salary in transferring the employees. Second, the continuation of their retirement and life insurance programs is guaranteed to them by the legislation. Third, they are protected in their seniority rights. There is also the requirement that Howard University provide other benefits as close as possible to those in civil service.

While it is not spelled out in the bill, I would also say to my colleagues that during the hearings we learned that five within-grade increases have already been set up and a sixth one is contemplated. So, in my opinion, we have done everything that we possibly could to guarantee to the employees of Freedmen's Hospital rights as nearly comparable as possible to those which they now enjoy as civil service employees.

In conclusion, may I say, Mr. Chairman, that it seems to me the major consideration must be the public interest. While we are concerned about the employees that will transfer over from civil service, I think the overriding consideration is the future of Howard University, which has up to this point trained about 50 percent of the Negro physicians in the United States.

Mr. McCORMACK. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I want to congratulate the gentlewoman from Oregon on the excellent manner in which she handled the bill in relation to the Assistant Secretary of Labor and the excellent presentation she has just made on this bill. It is one of the finest presentations of a bill I have ever heard, clear, concise, effective, showing the profound knowledge on the part of the gentlewoman from Oregon on both bills which she handled so ably today, and presenting to the Members as clear a picture as we have ever had in connection with any legislation.

May I congratulate her also on the statement of the Secretary of Labor, Mr. Goldberg. He is doing an outstanding job. He is recognized as one of the strong men of the President's Cabinet.

Again I congratulate the gentlewoman on the excellent and outstanding manner in which she handled the last bill and in which she is handling this bill.

Mrs. GREEN of Oregon. I thank the majority leader for his very kind remarks.

Mrs. BOLTON. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. What will the situation be with regard to the school of nursing?

Mrs. GREEN of Oregon. When the president of the university, Dr. Nabait, appeared before the committee, he said he was most anxious to establish a school of nursing with a collegiate degree. As I indicated earlier, this is the only hospital in the United States where the nurses are not responsible to the medical director but to the superintendent of the hospital. Both the medical director and the president of the university said it would be very difficult to establish a collegiate school of nursing with this kind of dual administration.

Mr. GROSS. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Iowa.

Mr. GROSS. This bill provides for a merging of Freedmen's Hospital with Howard University; is that correct?

Mrs. GREEN or Oregon. Yes. This is the second part of the bill. It provides, first of all, for construction of a new hospital and then the transfer of that hospital to Howard University.

Mr. GROSS. Is Howard University presently supported completely by Federal funds?

Mrs. GREEN of Oregon. The facilities at Howard University have been paid for by Federal funds, and the Federal Government at the present time is paying approximately 60 percent of the operating expenses of Howard University; but Howard University is a private institution with its own board of trustees.

Mr. GROSS. This bill in effect would authorize the spending of some $9 or $10 million for the construction of hospital facilities?

Mrs. GREEN of Oregon. The gentleman from Iowa is correct.

Mr. GROSS. There would be no contribution on the part of Howard University toward that physical plant; is that correct?

Mrs. GREEN of Oregon. The construction of the hospital would be started first, then it would be transferred to Howard University. There would be no contribution, to the best of my knowledge, by Howard University for that facility.

Mr. GROSS. But it is the gentlewoman's hope, or did I misunderstand what she said, that eventually Howard University with this addition of the hospital would become much more self-supporting than it presently is?

Mrs. GREEN of Oregon. There is some testimony in the hearings that Freedmen's Hospital would be more self-supporting. I think about 65 percent of the patients at the present time are paying their own fees at the hospital.

Mr. GROSS. But, if it is merged with Howard University, there is not much hope that the hospital will ever become a privately operated institution; is that not correct?

Mrs. GREEN of Oregon. If the hospital is transferred to Howard University, it would become a privately operated institution.

Mr. GROSS. But, it would still be the beneficiary of substantial Federal funds.

Mrs. GREEN of Oregon. Yes, I think whether we continue with the dilapidated building that is deteriorating more and more every year or build a new one, we are still going to be financially responsible to a large extent.

Mr. GROSS. I thank the gentlewoman.

Mrs. CHURCH. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I congratulate the gentlewoman from Oregon and also the entire committee on bringing out this legislation. If the Secretary of Health, Education, and Welfare has called Freedmen's Hospital a "dump," I would go further and term it "a national disgrace." It has been a national disgrace for some years. The benefit, moreover, from the transfer would be just as great to Howard as it would be to the hospital. For years I have watched with just pride the development of the medical teaching staff and particularly the dental department at Howard. I can imagine no more appropriate wedding of two related needs nor better satisfaction of two needs, than through the transfer of this hospital.

I thank the gentlewoman from Oregon for bringing up this legislation.

Mrs. GREEN of Oregon. I thank my colleague from Illinois.

Mr. ROOSEVELT. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from California.

Mr. ROOSEVELT. May I congratulate the gentlewoman from Oregon. This is a very fine, constructive piece of legislation. In further answer to the gentleman from Iowa, it is true, is it not, that the land for this hospital is already owned by Howard University?

Mrs. GREEN of Oregon. Yes, that is true.

Mr. ROOSEVELT. So there is not the additional cost of acquiring the land for the erection of these buildings?

Mrs. GREEN of Oregon. That is correct. I tried to point that out at the beginning of my statement that the land does belong to the university at the present time.

Mr. YATES. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Illinois.

Mr. YATES. I commend the gentlewoman from Oregon for bringing up this bill. I think it is a very worthwhile bill. I think it is essential that the advantages of medical training and the great benefits which a hospital can bring to the Washington community be made available to the people of the community, and I join the gentlewoman in support of this bill.

Mrs. GREEN of Oregon. I thank my colleague.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Chairman, I desire to add my words of praise for what the gentlewoman from Oregon is doing. Our colleague, the gentleman from Iowa, mentioned Howard University. In that connection, I wish to say I know of no Federal moneys that are being spent with more effect in building a better world climate than the money we give to Howard University. The graduates of Howard University go all throughout Africa and Latin America, and they are real missionaries of America to these lands. I say, God bless Howard University and God bless Freedmen's Hospital and God bless the gentlewoman from Oregon.

Mrs. GREEN of Oregon. I thank my colleague, and good friend from Illinois.

Mr. VANIK. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Ohio.

Mr. VANIK. I would also like to join in congratulating the gentlewoman from Oregon and her committee for the work they have done on this bill. I think it is a very commendable thing that the university and the hospital should be joined in a joint effort to improve both institutions.

Mrs. GREEN of Oregon. I thank my colleague.

The CHAIRMAN. The gentlewoman from Oregon has consumed 16 minutes.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. DURNO].

Mr. DURNO. Mr. Chairman, I want to associate myself with the remarks of the gentlewoman from Oregon [Mrs. GREEN]. I want to compliment her for bringing this bill to the floor of this House. I heartily endorse this bill, because it is going to remove a physical eyesore from the American scene and at the same time create a teaching facility which is absolutely essential to the dental and medical students of Howard University.

I want to compliment the gentlewoman from Oregon on her statement that it is going to take the Government out of medicine.

I think this bill more nearly follows along the lines of H.R. 4998 than it does H.R. 4222, and I am very happy heartily to endorse and sponsor this program.

This bill places a teaching facility exactly where it is needed. I think it should improve tremendously our racial relationships, and I think in a measure it is good civil rights legislation, which we have not been able to get across on the floor of this House this year.

Finally, I want to call your attention to the purposes as expressed in this bill. On page 2 the bill states that the bill proposes to achieve the transfer of the Freedmen's Hospital to the university; in other words, away from the Government to private enterprise, to a private board of trustees, and to Howard University; second, it authorizes the appropriation of funds to construct a new hospital; and, third, it authorizes appropriation of funds for the partial support of the new hospital operating expenses. I would point out to you that that in itself is not unlike the Hill bill approach; and the last paragraph says that the intent of the bill is that the hospital shall become progressively more self-supporting.

Turning to the bill, section 5 reads:

> There are authorized to be appropriated annually to the university such sums as the Congress may determine.

I call your attention to the fact that funds are to be appropriated annually; these is to be no back-door spending; Congress will have a year-to-year review of the progress being made at Howard.

Section 6 reads:

> It is hereby declared to be the policy of the Congress that, to the extent consistent with good medical teaching practice, the Howard University Hospital facilities shall become progressively more self-supporting.

All of these things I most heartily endorse. I hope my fellow Members on my side of the aisle will see as I do with respect to this bill.

Thank you.

Mr. QUIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I believe the support for a new hospital at Freedmen's is unanimous. I have heard no one so far who has said that Freedmen's does not need a new hospital, and the expenditure of $9 to $10 million evidently is necessary. That a 500-bed hospital should cost that amount seems in line with the cost of Hill-Burton facilities at the present time especially in a city the size of Washington, D.C.

The proposal, however, that the hospital be transferred to Howard University seems unnecessary in order to get either an adequate hospital or adequate teaching facilities. Page 2 of the report on H.R. 6302 states:

> Through various agreements with the Federal Government, Freedmen's Hospital has

been the teaching hospital of Howard University since its medical school was established in 1868.

We can also show a large number of institutions throughout the country where the teaching hospital is separate from the university itself. One of the most notable examples is the Massachusetts General Hospital which is not run by Harvard University, yet this is considered to be the top hospital of the country in which to intern. However, the need for a new hospital is so great I feel we should go ahead with this bill and pass it. It is needed in the District of Columbia for the individuals who are involved.

Another subject I want to talk about is where it says later on in the report: "this is to prevent racial integration." We have to provide for racial integration in the hospital. I think that is the biggest reason why HEW wants to transfer the hospital to Howard University. It has been embarrassing for the Federal Government to have a hospital on its hands where practically every patient is of the colored race. This action would turn it over to an all-Negro university in an all-Negro community. I do not imagine it will be any more integrated then than it is now. Still, it will not be as embarrassing to the Federal Government. This is a big reason for the transfer.

I doubt if the hospital will ever become more self-supporting than it is now; because if it is to be a good teaching hospital, undoubtedly it is necessary for many indigent patients to go to that hospital. It is pretty hard for them to give the kind of treatment training they need unless there is a large number of indigent patients. For that reason undoubtedly the Federal Government will have as much of an expense in supporting the hospital when it is transferred to Howard University as it has at the present time, and perhaps an even greater expense. It is well to make the improvements at Freedmen's that are needed for an important teaching facility as this bill calls for, but there is no necessity for the transfer.

Mr. GOODELL. Mr. Chairman, will the gentlemen yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. GOODELL. Mention has been made of additional facilities. Did the gentleman get the impression from the hearings particularly that the administration spokesman gave as one of the major reasons why they wanted to transfer this hospital was to get rid of the segregated facility under Federal auspices? It is too embarrassing to have this run by the Federal Government while it is segregated.

Mr. QUIE. It is my assumption it is too embarrassing for the Government to run a segregated hospital. However, it is mentioned in the report this provides for an increase of the hospital facilities.

Mr. GOODELL. Does the gentleman anticipate that the transfer will implement integration in the facilities of the hospital?

Mr. QUIE. I do not see how it would be possible, as I said earlier, for transfer to an all-Negro university situated in an all-Negro community. Perhaps the gentlewoman from Oregon could comment.

Mr. GOODELL. I wonder if the gentleman will yield to me so I may ask a question of the gentlewoman of Oregon. First of all I want to pay tribute to our chairman who has done a very thorough and competent job as chairman of this subcommittee.

I would like to ask the gentlewoman from Oregon [Mrs. GREEN] who did a great deal of questioning on this matter of segregation of facilities, if it is not true under her questioning it developed there are some 270 Negro doctors in the District of Columbia and only about 30 of them have courtesy privileges in hospitals other than Freedmen's Hospital in the District of Columbia?

Mrs. GREEN of Oregon. The 270 figure is correct. If my memory is correct, someone testified that there are only 20 Negro doctors who receive courtesy privileges in other District of Columbia hospitals.

Mr. GOODELL. I think Dr. Jones testified to 20. As I went down the list and added them up, as he gave this breakdown, I added it up to 30. I think it should be a matter of record here as to the hospitals which do give courtesy privileges to Negro doctors and how many presently get those privileges in the District of Columbia: The Washington Hospital Center has 10 Negro doctors, Providence Hospital 6, Sibley Hospital 6, Georgetown Hospital, 2, George Washington 2, Casualty 1, Children's Hospital 3, Columbia Hospital none.

As I understand it, there are some 2,000 white doctors in the District of Columbia and 270 Negro doctors. Of those 270 only 30 have privileges outside of Freedmen's Hospital. It seems to me something should be done to integrate this situation and give privileges to doctors who are practicing in the District of Columbia, and give them courtesy privileges in these other hospitals. I wonder if the gentlewoman from Oregon would have any comment as to whether she feels this operation and this transfer is going to have any impact at all on the question of segregated facilities.

Mrs. GREEN of Oregon. First of all, may I say that the hospital at the present time is an integrated hospital. Now, I would certainly agree with my colleague that the vast majority of the patients are Negro patients, and certainly the majority of doctors are Negro doctors. However, there are other physicians who also practice at Freedmen's Hospital. I do not think the question we are debating today is one of integration or segregation. It seems to me that the major concern should be the consideration of a new facility, a new hospital, which is desperately needed. As I mentioned a few moments ago, the present Secretary referred to it as a "dump." The Study Commission in 1955 said that it was outmoded and dilapidated—deteriorating every year.

May I also say that the question has been raised as to whether or not the transfer at this time is based on the desire of the Federal Government to get out of operating a segregated hospital. I think that, back in 1955, the Commission, which was bipartisan, recommended the building of a new facility and its transfer to Howard, based not on the question of integration, but, rather, on better administration, better care of the patients, and a better program for training doctors and nurses and dentists and people in the pharmaceutical field.

May I say further that others who have recommended the construction of a new facility and the transfer to Howard have made these recommendations not on the basis of integration, but on the needs of the community and the needs of Howard University for an up-to-date teaching hospital. As I indicated earlier, in addition to the Commission, every Secretary of Health, Education, and Welfare since 1955 has recommended this legislation.

Mr. GOODELL. Mr. Chairman, if the gentleman will yield further, I certainly concur completely with your initial statement. I do not think there is any question. We are all in favor of a new hospital, and there is need for a new hospital. The question that concerned me was whether this transfer from a federally sponsored hospital to a hospital under the jurisdiction of Howard University was going to have any impact at all on the segregated pattern that exists here in the District of Columbia for hospital facilities. I am fearful that transferring it from the Federal Government to Howard University is going to be a recognition that it should be and will continue to be a segregated facility and that we do not have to open up these other hospitals to Negro patients, because Howard University is primarily a Negro university. Freedmen's Hospital, if I understand it correctly, has today about 99 percent Negro patients and 1 percent white patients. It is pretty well segregated. I would not want to perpetuate that pattern.

Mrs. GREEN of Oregon. The other hospitals in the District are open to Negro patients. The statement which the gentleman made a few moments ago that few Negro doctors have privileges in other hospitals is true, but the other hospitals do accept Negro patients at the present time. I do not think the transfer is really going to affect the situation one way or another. Howard University is an integrated university.

Mr. GOODELL. Of course, that is true, but many of these patients are going to go where their doctors have privileges, and they have no choice to go to these other hospitals if their doctor is not given staff privileges in those hospitals. What concerns me is that by transferring this from the Federal Government where, presumably, we have a desire to integrate, to a private facility that is segregated or virtually segregated we are going to perpetuate that situation. You do not feel that is going to be true, I take it.

Mrs. GREEN of Oregon. No; I do not think so.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. ROOSEVELT. If I may address myself to my friend, the gentleman from New York, I think it should be very clearly stated in the RECORD that Howard University has made every effort not to be a segregated university, and that in the transference to Howard University of this facility probably we are doing more to break down any segregation that might exist by trying to help Howard University advance in exactly that manner.

However, it should be pointed out that Howard University was originally helped by the Federal Government because it was the only way that members of the Negro race might be able to become trained in the various fields which Howard University offered to them. If that begins to become less and less necessary, of course, the situation can always be reviewed. Let it be clearly stated on the record that Howard University has made every effort not only to become integrated within our own country, but has gone out of its way, as the record shows, and has today probably the highest number of students from foreign lands who are not in any way limited to Negro students.

Mr. GOODELL. I certainly agree with the gentleman's statement that Howard University has made this effort. But, of course, the primary purpose is to serve the Negro people who cannot find other facilities in our society to get their training. I am not sure I understand the logic, that by transferring a hospital that is 99-percent segregated it is going to help Howard University further integrate. Perhaps it will help the hospital to become integrated by transferring it to Howard University because of its policy of integration.

Mr. ROOSEVELT. If the gentleman will yield for just a flat statement, after all, we do have here what was largely a university created for the needs of the Negro people, and yet it set the example of not being segregated, of going out and doing the job of offering its facilities to people of all races and creeds. We can only hope that because of its example that that will spread into other areas where there might be a tendency the other way.

Mr. GOODELL. I share the gentleman's hope, but I wonder if Howard University's policies are going to be any more effective in integrating Freedmen's Hospital than the policy of the Federal Government? Presumably the Federal Government has had policies on integration over the past few years and if it wanted to integrate Freedmen's Hospital, I am not sure that having it done under the aegis of Howard University is going to help very much. I wish it would.

Mr. ROOSEVELT. I might suggest that we might try it out to see how it works.

Mr. QUIE. Mr. Chairman, I think this points out the biggest reason for the transfer is to prevent the embarrassment of the Federal Government to run such an operation as the Freedmen's Hospital. However, to those who feel that the Federal Government is getting out of the hospital business, this surely cannot be true because it will be necessary for us not only to build this hospital but it will also be necessary for the Federal Government to finance its operations in the future as we have been in the past.

Mr. Chairman, on page 3 of the report there is mentioned the fact that the committee has been assured that the preference in returning to Federal employment shall be given within 3 years after transfer of the career employees to Howard University. Under the bill as I see it—and I address my remarks to the chairman of the subcommittee, Mrs. GREEN—the choice must be made by the employees at the time of the transfer. Was this assurance given to us, or was it written into the bill, that for 3 years they may make the transfer to other Federal employment?

Mrs. GREEN of Oregon. That is the language in the report. We have been assured that an employee who is transferring from Freedmen's Hospital to Howard University will not only have the usual 90 days, but is assured of 3 years, if he wishes, to establish his priority in reentering the civil service field.

Mr. QUIE. Did the Secretary of the Department of Health, Education, and Welfare, Mr. Ribicoff, assure us that for 3 years these people will have the opportunity to transfer back—suppose they had chosen Howard University—to Federal employment, and keep their old classification?

Mrs. GREEN of Oregon. That is correct.

Mr. QUIE. And, second, there is written into the bill some of the benefits that these employees shall retain, but the Federal Employees Health Benefit Act of 1959 will not be retained. Has Dr. Nabrit assured us that the employees would receive comparable health benefits as they would have had they stayed in Federal employment?

Mrs. GREEN of Oregon. The gentleman is correct. The health benefit is not written into the bill because the President and the Secretary said that the health program which Howard University has is almost identical with the health program the civil service employees now enjoy.

Mr. QUIE. Will it be brought up to almost equal that or will they be identical?

Mrs. GREEN of Oregon. There was no employee representative who made any objection on this point. They were satisfied that their health protection would be as good under Howard University as under the civil service system.

Mr. QUIE. If these employees were not given 3 years of transfer and were not given all available health benefits as they were before, would the gentlewoman take action with me to see that they would get them?

Mrs. GREEN of Oregon. Yes, since we have received that assurance.

Mr. QUIE. I thank the gentlewoman.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Connecticut.

Mr. GIAIMO. On that point of the health plan, it came out before the subcommittee that some of the employees preferred the existing health plan we would have given them if they had been civil service employees, and others preferred the health plan Howard University has in effect. It is my understanding clearly that they will have a choice in this matter, whether they want to adopt one plan or the other.

Mr. QUIE. Even if they chose going to Howard University, they could still have the choice of the plan they wanted.

Mr. DOMINICK. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Colorado.

Mr. DOMINICK. I think all Members of the House should know this and be interested. I have just received a report that another American aircraft has been hijacked and is on its way to Cuba. This particular plane is a Pan American aircraft originating at Houston and going to Mexico City. This certainly points up the necessity for this Congress to take action as rapidly as we can in order to prevent further things of this kind. There are 72 people on board, and a crew of 9. I do not know any more than that. I do not even know how many are American citizens. But apparently, according to the recent reports, we are in the process of losing another plane.

Mr. QUIE. I thank the gentleman. It looks like we will have to have people riding shotgun on our airplanes, like we once had on our stagecoaches. It is about time this administration took action to prevent this kind of aggression, and demand the return of the plane and our citizens immediately.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Florida.

Mr. HALEY. I think probably the American Government may take some action whenever some of the Cubans or somebody else come down and hijack a couple of helicopters from the lawn of the White House. Maybe we will do something then.

Mr. QUIE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNGER. Mr. Chairman, last week I took the well to explain my confusion relative to the Berlin emergency, but since then the confusion has been compounded.

The day before yesterday the Secretary of the Treasury, Mr. Dillon, at the conference in Uruguay committed this country to a distribution of some $20 billion to the South American countries. As far as I am concerned, I have not heard even a whisper around Congress as to any type of authorization of that kind.

Yesterday our Assistant Secretary of State, Chester Bowles, as reported on the air last night, made a speech in India in which he committed this country to defending India if she were invaded. I ask the question as to whether that is a slap at our friend Pakistan. I also ask whether the constitutional provision

that Congress solely has the right to declare war, has been repealed.

Again, last night on the air it was reported that one-half of our Cabinet personnel were going to Japan for a conference this fall. I wonder if that is any reflection as to the seriousness of the Berlin question. Today we have the experience of another hijacking of one of our planes. No, it seems to me, day by day there is piling up evidence upon evidence that no one seems to know who is the wagon boss of the New Frontier.

Mr. QUIE. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. Mr. Chairman, I would like to ask the gentleman from Minnesota, you mentioned the union in Freedmen's Hospital, I believe Local No. 1 of the Municipal and County Officials. Is this union still opposed to the transfer of Freedmen's Hospital?

Mr. QUIE. Yes, their representatives who have talked to me say they are still opposed to the transfer.

Mr. GOODELL. I am looking at the record and find that Mr. Powers testified for the union and the statement was made that he truthfully felt a substantial number of employees would transfer into other branches of the Federal Government from Freedmen's Hospital, if Freedmen's was transferred to Howard; is that correct?

Mr. QUIE. I recall that he said that.

Mr. GOODELL. Does the gentleman feel, and perhaps I should ask the chairman of the subcommittee—do you feel this is a possibility, that a large number of the 700 employees of Freedmen's Hospital who are going to be transferred to Howard will go to some other Federal installation because of this loss of career status?

Mrs. GREEN of Oregon. I do not think anyone can predict at this time as to the percentage of employees who may not care to transfer to Howard University. They do have that choice. My own feeling, and, of course, I have nothing except the testimony before the committee to base this statement on, my feeling in the matter would be that there would be very few who would not transfer to Howard University because we have gone out of our way in the legislation to give them every protection we possibly can as far as their employment rights are concerned.

Mr. GOODELL. Yes, I agree with the gentlewoman. I think it should be a matter of record that that is the approach the subcommittee took and we hope that is the approach the administration will take in implementing this transfer.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Minnesota.

Mr. QUIE. I understand from the representatives that some people feel the transfer is inevitable and definitely is going to take place, and there is nothing they can do about it, and are making inquiries as to transfers to other areas of the Federal Government. The concern of the representatives has been, if there is a large transfer, where will HEW be able to fulfill its obligations to find the employment they have promised, and that the bill provides in similar classifications of Federal employment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUIE. Mr. Chairman, I have no further requests for time.

Mrs. GREEN of Oregon. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. GIAIMO].

Mr. GIAIMO. Mr. Chairman, I rise in support of this legislation. This is worthwhile legislation. It is supported by the present Secretary of Health, Education, and Welfare and was also supported by his predecessor in the preceding administration. It was supported, too, by the study group appointed in 1955. The effect of this legislation will be to give us a new hospital here in the District of Columbia, a teaching hospital, with a medical school and a university, Howard University. We have heard mention made today concerning integration. We have also heard mention made concerning the problem of labor and of employees' rights and benefits. I do not think any of those matters are at issue here today. We are speaking of a medical school and a university, Howard University.

We are speaking of an integrated facility. Howard University is integrated; its students are of all races and creeds. We are speaking of a hospital which the United States presently owns which is an integrated hospital, both in its patients and employees. What we are talking about here is divesting the Federal Government of ownership of its hospital and turning it over to a medical school, Howard University, for use as a teaching hospital, and to give them at the same time a new building and new facilities, because, as was said earlier, the present facilities are in bad condition and are actually a disgrace.

The problem of the rights of employees has been brought out by many of the prior speakers. For those employees who do not wish to transfer from the Federal civil service to the employ of Howard University which is not a Federal institution but a private institution run by its own board of trustees, we have been given ample assurance they can be transferred within the Federal system and retain their status as civil service employees of the United States.

I do not think there can be any real objection to this bill which has had unanimous and wide support from so many people over so many years.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentlewoman from Oregon yield me 2 minutes?

Mrs. GREEN of Oregon. Mr. Chairman, I yield the gentleman from Minnesota 2 minutes.

Mr. ANDERSEN of Minnesota. Mr. Chairman, as I listen to this debate I recall that quite a number of years ago our former colleague and late friend, the Honorable Frank Keefe, and I visited Freedmen's Hospital. We did so in order to get firsthand information for the purpose of advising the subcommittee handling the appropriation for Howard University and the hospital. As we left the hospital, I well remember, Frank Keefe turned to me and said, "CARL, this is a horrible dump." Since that time I have heard that same phrase used by others. At that time we appropriated approximately a million dollars above the budget in an attempt to do something to improve that hospital. I am delighted that the committee today is bringing this worthwhile bill before the Congress.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield.

Mr. McCORMACK. I am glad the gentleman took occasion to mention the name of our old friend, Frank Keefe. I remember the dramatic moment in this House when he and our friend the gentleman from Rhode Island [Mr. FOGARTY] were on the floor fighting for increased appropriations for medical research. The gentleman knows it. I am sure he remembers not so many years ago how JOHN FOGARTY and Frank Keefe fought for these improvements.

Mr. ANDERSEN of Minnesota. I might say to the gentleman from Massachusetts that JOHN FOGARTY came along to help Frank and take up where Frank left off.

Mr. McCORMACK. They were both on the same subcommittee. I think they did more than any others to bring about appropriations in the field of public health.

I simply wanted to rise to express how glad I am to hear the gentleman make reference to one of our great colleagues of yesterday who made a tremendous contribution to the medical research and development program and hospital program for the sick of the country, our late friend, Frank Keefe.

Mr. ANDERSEN of Minnesota. I hope, Mr. Chairman, this bill passes without a dissenting vote.

Mr. VANIK. Mr. Chairman, I want to take this opportunity to congratulate the gentlewoman from Oregon [Mrs. GREEN] and her subcommittee on reporting out this bill to transfer Freedmen's Hospital to Howard University. In my opinion, this transfer should make the hospital a better institution, enriched with the teaching resources of Howard University and it should, in addition, provide Howard University with a splendid additional facility to develop and train doctors and nurses.

I also want to take this opportunity to express my appreciation of the tremendous contribution of Howard University in preparing and qualifying doctors critically needed throughout America. It has come to my attention that almost 50 percent of the Negro doctors in America were trained at Howard University. The transfer of Freedmen's Hospital will strengthen the capability of Howard University to carry on this vital mission.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TRANSFER OF FREEDMEN'S HOSPITAL

SECTION 1. (a) For the purpose of assisting in the provision of teaching hospital resources for Howard University, thereby assisting the university in the training of medical and allied personnel and in providing hospital services for the community, the Secretary of Health, Education, and Welfare shall, pursuant to agreement with the board of trustees of Howard University, transfer to Howard University, without reimbursement, all right, title, and interest of the United States in certain lands in the District of Columbia, together with the buildings and improvements thereon and the personal property used in connection therewith (as determined by the Secretary), commonly known as Freedmen's Hospital.

(b) It is the intent of Congress (1) that the transfer of Freedmen's Hospital to Howard University be effected as soon as practicable, (2) to assure the well-being of patients at Freedmen's Hospital during the period of transition, and (3) that the transfer be effected with minimum dislocation of the present hospital staff and maximum consideration of their interests as employees.

(c) The Secretary of Health, Education, and Welfare shall report to the Congress the terms of the agreement for such transfer.

PROVISION FOR EMPLOYEES OF HOSPITAL

SEC. 2. (a) The agreement for transfer of Freedmen's Hospital referred to in section 1 shall include provisions to assure that—

(1) all individuals who are career or career-conditional employees of the hospital on the day preceding the effective date of the transfer of the hospital, except those in positions with respect to which they have been notified not less than six months prior to the effective date of such transfer that their positions are to be abolished, will be offered an opportunity to transfer to Howard University;

(2) Howard University—

(A) will not reduce the salary levels for such employees who transfer,

(B) will deposit currently (i) in the civil service retirement and disability fund created by the Act of May 22, 1920, the employee deductions and agency contributions required by the Civil Service Retirement Act, and (ii) in the fund created by section 5(c) of the Federal Employees' Group Life Insurance Act of 1954 the employee deductions and agency contributions required by the Federal Employees' Group Life Insurance Act of 1954, and

(C) will provide other benefits for such employees as nearly equivalent as may be practicable to those generally applicable, on the effective date of the transfer of the hospital, to civilian employees of the United States;

(3) the transfer will become effective not later than the beginning of the second month which begins after construction of the new hospital facilities authorized by section 3 is commenced.

(b) The Department of Health, Education, and Welfare shall make every reasonable effort to place in other comparable Federal positions all individuals who are career or career-conditional employees of Freedmen's Hospital on the date of enactment of this Act and who do not transfer to Howard University.

(c) Each individual who is an employee of Freedmen's Hospital on the date of enactment of this Act and who transfers to Howard University shall, so long as he is continuously in the employ of Howard University, be regarded as continuing in the employ of the United States for the purposes of the Civil Service Retirement Act, the Federal Employees' Group Life Insurance Act of 1954. For purposes of section 3121(b) of the Internal Revenue Code of 1954 and section 210 of the Social Security Act, service performed by such individual during the period of his employment at Howard University shall be regarded as though performed in the employ of the United States.

AUTHORIZATION OF CONSTRUCTION OF HOSPITAL FACILITIES

SEC. 3. For the purpose specified in section 1, there are hereby authorized to be appropriated such sums as may be necessary for the construction of a building or buildings and facilities, including equipment, and for remodeling of existing buildings (including repair and replacement of equipment) which are to be combined with the building or buildings and facilities so constructed, to provide a hospital with a capacity of not to exceed five hundred beds.

CONTINUED OPERATION OF FACILITIES

SEC. 4. If, within twenty years after the completion of construction (as determined by the Secretary of Health, Education, and Welfare) of the new hospital facilities authorized by section 3, any of such facilities, or of the facilities transferred pursuant to section 1 and combined with such new facilities, are transferred by Howard University to any other person or entity (except a transfer to the United States) or cease to be operated by the university as teaching hospital facilities, the United States shall be entitled to recover from the transferee or the university, in the case of a transfer, or from the university, if there is no transfer, an amount equal to the then value of such facilities (or so much thereof as is involved in the transfer, as the case may be), such value to be determined by agreement of the parties or by action brought in the United States District Court for the District of Columbia.

AUTHORIZATION OF APPROPRIATIONS FOR OPERATION

SEC. 5. In order to facilitate operation of teaching hospital facilities at Howard University, there are authorized to be appropriated annually to the university such sums as the Congress may determine, for the partial support of the operation of such facilities giving consideration to the cost imposed by the provisions of section 2 and the portion of the agreement under this Act relating to such provisions. The cost of operating such facilities, the appropriations pursuant to this section, and any other income derived from such operation or available for such purpose shall be identified and accounted for separately in the accounts of the university.

FINANCIAL POLICY

SEC. 6. It is hereby declared to be the policy of the Congress that, to the extent consistent with good medical teaching practice, the Howard University Hospital facilities shall become progressively more self-supporting. In order to further this policy, the President shall submit to the Congress a report, based on a study of the financing of the operation of the hospital, containing his recommendations on the rate at which, consistent with the above policy, Federal financial participation in such cost of operation shall be reduced. Such report shall be submitted not later than the end of the second calendar year following the year in which the construction of the new hospital facilities, authorized by section 3, is completed.

REPEAL OF LAWS

SEC. 7. All laws heretofore applicable specifically to Freedmen's Hospital are, to the extent of such applicability, repealed, effective with the transfer of Freedmen's Hospital pursuant to section 1.

TRANSFER OF FUNDS

SEC. 8. All unexpended balances of appropriations, allocations, and other funds, available or to be made available, of Freedmen's Hospital are, effective with the transfer of Freedmen's Hospital pursuant to section 1, transferred to Howard University for use in the operation of the Howard University Hospital facilities, except to the extent (determined by the Director of the Bureau of the Budget) required to meet obligations already incurred and not assumed by the university.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 3, line 15, strike out "and"

Page 3, line 21, strike out the semicolon and insert a comma.

Page 3, line 21, insert "and (D) in determining the seniority rights of its employees, Howard University will credit service with Freedmen's Hospital performed by such employees who transfer, on the same basis as it would credit such service had it been performed for such University;"

The committee amendments were agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. WALTER] having resumed the chair, Mr. ROONEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6302) to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes, pursuant to House Resolution 405, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken, and the Speaker pro tempore announced that the "ayes" had it.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 321, nays 61, not voting 55, as follows:

[Roll No. 142]

YEAS—321

Adair	Barry	Bow
Addabbo	Bass, N.H.	Brademas
Addonizio	Bass, Tenn.	Bray
Albert	Becker	Breeding
Andersen, Minn.	Beermann	Brewster
	Belcher	Bromwell
Anfuso	Bell	Brooks, Tex.
Ashbrook	Bennett, Fla.	Broomfield
Aspinall	Bennett, Mich.	Brown
Auchincloss	Berry	Broyhill
Avery	Betts	Bruce
Ayres	Blatnik	Burke, Ky.
Bailey	Blitch	Burke, Mass.
Baker	Boland	Burleson
Baldwin	Bolling	Byrne, Pa.
Baring	Bolton	Byrnes, Wis.

Cahill	Inouye	Patman
Cannon	Jarman	Pelly
Casey	Jennings	Perkins
Cederberg	Jensen	Peterson
Chamberlain	Joelson	Pfost
Chelf	Johansen	Philbin
Chenoweth	Johnson, Calif.	Pike
Chiperfield	Johnson, Md.	Pillion
Church	Johnson, Wis.	Pirnie
Ciancy	Jones, Ala.	Price
Clark	Judd	Pucinski
Collier	Karsten	Quie
Conte	Karth	Randall
Cooley	Kastenmeier	Ray
Corbett	Kearns	Reece
Corman	Kee	Reifel
Cunningham	Keith	Reuss
Curtin	Kelly	Rhodes, Ariz.
Curtis, Mass.	Keogh	Rhodes, Pa.
Curtis, Mo.	Kilday	Riehlman
Daddario	Kilgore	Rivers, Alaska
Dague	King, Calif.	Robison
Daniels	King, N.Y.	Rodino
Davis, Tenn.	King, Utah	Rogers, Colo.
Dawson	Kirwan	Rogers, Fla.
Delaney	Kitchin	Rooney
Dent	Knox	Roosevelt
Denton	Kowalski	Roudebush
Derounian	Kunkel	Roush
Derwinski	Kyl	Rousselot
Devine	Laird	Ryan
Diggs	Lane	St. George
Dingell	Langen	St. Germain
Dole	Lankford	Saund
Dominick	Latta	Saylor
Donohue	Lennon	Schadeberg
Dorn	Libonati	Schenck
Doyle	Lindsay	Scherer
Dulski	Lipscomb	Schneebeli
Durno	Loser	Schweiker
Dwyer	McCormack	Schwengel
Edmondson	McCulloch	Scott
Elliott	McDonough	Scranton
Fallon	McDowell	Seely-Brown
Farbstein	McFall	Shelley
Fascell	McIntire	Shipley
Feighan	McVey	Short
Fenton	Macdonald	Shriver
Findley	MacGregor	Sibal
Finnegan	Mack	Siler
Fino	Madden	Sisk
Flood	Magnuson	Slack
Fogarty	Mailliard	Smith, Calif.
Ford	Marshall	Smith, Iowa
Frelinghuysen	Martin, Mass.	Spence
Friedel	Martin, Nebr.	Springer
Fulton	Mathias	Stafford
Gallagher	May	Staggers
Garland	Meader	Stratton
Giaimo	Merrow	Stubblefield
Gilbert	Michel	Sullivan
Glenn	Miller, Clem	Taber
Goodell	Miller, George P.	Teague, Calif.
Gooding	Miller, N.Y.	Thomas
Granahan	Minshall	Thompson, N.J.
Gray	Monagan	Thompson, Tex.
Green, Oreg.	Moore	Thomson, Wis.
Green, Pa.	Moorehead, Ohio	Thornberry
Griffin	Moorhead, Pa.	Toll
Griffiths	Morgan	Tollefson
Gross	Morris	Trimble
Gubser	Morse	Tupper
Hagen, Calif.	Mosher	Udall, Morris K.
Halpern	Moss	Ullman
Hansen	Moulder	Vanik
Harding	Multer	Van Pelt
Harris	Murphy	Van Zandt
Harrison, Wyo.	Natcher	Wallhauser
Harvey, Ind.	Nelsen	Walter
Harvey, Mich.	Nix	Watts
Hays	Norblad	Weis
Hechler	Nygaard	Whalley
Hiestand	O'Brien, Ill.	Wharton
Hoffman, Ill.	O'Brien, N.Y.	Wickersham
Hoffman, Mich.	O'Hara, Ill.	Widnall
Holifield	O'Konski	Wilson, Calif.
Holland	Olsen	Wilson, Ind.
Holtzman	O'Neill	Wright
Horan	Osmers	Yates
Hull	Ostertag	Younger
Ichord, Mo.	Patman	Zablocki
Ikard, Tex.	Pelly	Zelenko

NAYS—61

Abbitt	Davis, James C.	Grant
Abernethy	Davis, John W.	Hagan, Ga.
Alexander	Dowdy	Haley
Alford	Downing	Hardy
Alger	Everett	Hemphill
Andrews	Fisher	Henderson
Ashmore	Flynt	Jonas
Beckworth	Forrester	Kornegay
Boggs	Fountain	McMillan
Bonner	Frazier	McSween
Boykin	Gary	Mahon
Brooks, La.	Gathings	Mason
Cramer	Grant	Matthews
Mills	Rogers, Tex.	Thompson, La.
Morrison	Rutherford	Tuck
Murray	Selden	Utt
Norrell	Sikes	Whitener
Passman	Smith, Miss.	Whitten
Poage	Stephens	Williams
Poff	Taylor	Willis
Rains	Teague, Tex.	

NOT VOTING—55

Anderson, Ill.	Hall	Montoya
Arends	Halleck	O'Hara, Mich.
Ashley	Harrison, Va.	Pilcher
Barrett	Harsha	Powell
Bates	Healey	Rabaut
Battin	Hébert	Riley
Buckley	Heriong	Rivers, S.C.
Carey	Hoeven	Roberts
Celler	Hosmer	Rostenkowski
Coad	Huddleston	Santangelo
Cohelan	Jones, Mo.	Sheppard
Colmer	Kilburn	Smith, Va.
Cook	Kluczynski	Steed
Dooley	Landrum	Vinson
Ellsworth	Lesinski	Weaver
Evins	Machrowicz	Westland
Garmatz	Milliken	Winstead
Gavin	Moeller	Young

So the bill was passed.

The Clerk announced the following pairs:

Mr. Garmatz with Mr. Hoeven.
Mr. Hébert with Mr. Hall.
Mr. Harrison of Virginia with Mr. Dooley.
Mr. Rostenkowski with Mr. Gavin.
Mr. Evins with Mr. Anderson of Illinois.
Mr. Santangelo with Mr. Bates.
Mr. Healey with Mr. Weaver.
Mr. Powell with Mr. Halleck.
Mr. Huddleston with Mr. Kilburn.
Mr. Ashley with Mr. Battin.
Mr. Sheppard with Mr. Milliken.
Mr. Barrett with Mr. Ellsworth.
Mr. Buckley with Mr. Westland.
Mr. Carey with Mr. Harsha.
Mr. Cohelan with Mr. Hosmer.
Mr. Lesinski with Mr. Arends.

Mr. MAHON, Mr. JOHN W. DAVIS, and Mr. SIKES changed their vote from "yea" to "nay."

Mr. TEAGUE of California changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

GENERAL LEAVE TO EXTEND REMARKS

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

BROOMCORN INDUSTRY NEEDS PROTECTION NOW

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CHENOWETH. Mr. Speaker, the gentleman from Oklahoma [Mr. JARMAN] has called the attention of the House to the rapid increase in the importation of foreign-made brooms, which has had a disastrous effect upon our domestic broom industry. I want to commend the gentleman from Oklahoma on his impressive presentation of this important subject. I wish to join hands with him in every effort that is made to assist our domestic broom and broomcorn industries.

I have the honor of representing Baca County in Colorado which is a large producer of broomcorn. At one time Baca County was recognized as the banner broomcorn county of the Nation. Broomcorn is a most important crop in southeastern Colorado, and I am anxious to see our broomcorn growers obtain a fair price. This will be possible only if the manufacturer is able to sell the finished brooms at a profit.

I wish to state that brooms are manufactured in my district, and a large broom factory is located in Pueblo, Colo. I want to see our domestic broom manufacturers prosper, so that additional broomcorn will be required from our domestic growers and more jobs made available, both in the harvest of the broomcorn and in the production of the brooms.

The U.S. Tariff Commission held a public hearing in April of this year to determine the impact of the importation of foreign-made brooms upon our domestic broom industry. A delegation of broomcorn growers and dealers from Baca County, Colo., came to Washington for these hearings. I might state that on July 14, 1960, I wrote to the Chairman of the Tariff Commission and urged that public hearings be held, and that the Commission investigate the cost of production of brooms manufactured in this country.

I am advised that the Commission expects to have a report on this investigation in November. The Commission is now compiling production statistics and figures in the field from growers, dealers, manufacturers, and all segments of the broomcorn industry. It is apparent that the production costs are much higher in this country, and our American manufacturers cannot compete with the low wages paid in foreign countries.

Mr. Speaker, it is obvious that the importation of these foreign-made brooms is having a most damaging effect upon our domestic broom industry. I hope that the Commission will recommend an increase in the duty on imported brooms. The gentleman from Oklahoma has suggested a duty of 25 percent of the selling price of the imported brooms, or of comparable domestic brooms. The present duty is 25 percent of the production costs in the country where the brooms are manufactured, which is wholly inadequate. This increase will not afford a complete solution to this problem, but will provide substantial relief which is urgently needed at this time.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey [Mr. WIDNALL] is recognized for 60 minutes.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman, Mr. Speaker, for yielding to me at this time, because the news is out that Pan American World Airways flight 501 en route from Houston to Mexico City with 72 passengers and a crew of 9 aboard, left Houston at 10 o'clock this morning and reached Mexico City, after which it was diverted, and landed at Havana, Cuba, at 3:25 this afternoon.

Whether or not the hijacker is a Castro agent or whether he is a Castro sympathizer or whether he is a pure international brigand is immaterial. The point is I do not see how we in the United States can stand still any longer and allow Castro's Communist Cuba to act as a clearinghouse for international thievery, whether directed by him or not. The time is long since past when we must deal with this directly. If it cannot be construed as an act of war, it must be construed as an outrageous act against the lives and property of American citizens for which we should no longer stand still.

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. HAGAN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HAGAN of Georgia. Mr. Speaker, I would like to associate myself with the remarks of the gentlemen from Florida with reference to the Cuban situation which is causing all Americans a great deal of concern.

Some months before my election to Congress last year, I stated on the "Jaycee Forum" television program in Savannah, Ga., that Fidel Castro was displaying obvious Communist leanings and should be stopped while there was still time.

On May 3 of this year in a public speech before several thousand people at the Pine Tree festival in Swainsboro, Ga., I advocated and called for an economic blockade of Cuba.

On last Friday, the Georgia press quoted me as saying that it was time for stern action regarding Cuba and that the hijacking of American planes must be stopped.

While I do not have access to all of the facts involved in the current hijacking of planes, I feel very strongly that these acts are in utter disregard of the sovereignty of the United States and that immediate action should be taken to prevent them from happening again.

If Castro is allowed to continue fomenting these acts of aggression, the prestige of the United States over the world cannot help but continue to deteriorate and the national spirit here at home cannot help but be depressed.

In my opinion, the United States of America should take immediate steps to put an end to these outrages, including a recognition of the need for the updating of the Monroe Doctrine, if necessary, realizing that the fifth column method of aggression was unknown in President Monroe's time.

Mr. BROOKS of Louisiana. Mr. Speaker, I have just received the news of the hijacking of another American plane, diverted from its normal route and taken by a bandit to Havana, Cuba. We have already had two of these cases of high international crime, and now this is the third case.

When Fidel Castro first came into power in Cuba, I said in the House of Representatives that he should have been ousted. He was and is a Communist, carrying with him all the dogma, philosophies, and conspiracies of international communism. He has taken over American property, violated the rules of justice and fair dealing in handling domestic and international affairs, and has been a plague of the worst sort to the Western Hemisphere.

Regardless of who engages in this international hijacking of American planes program, its inspiration lies in Fidel Castro, the arch villain. This international bandit must be stopped. Time for action is long since passed. In my judgment, we should have established an international blockade, surrounding Cuba and preventing ingress and egress of persons and material to any part of the island of Cuba, and we should serve notice, with a time limit, on this Communist bandit that these planes and American property generally must be returned.

If this blockade does not do the job, additional force must be applied. American rights and American lives must be protected. Justification for sovereignty does not exist that does not protect the lives and property of its people.

Mr. THOMPSON of Texas. Mr. Speaker, I believe this is it. While we are not yet sure that Castro instigated this latest hijacking of an American plane, still we have no other conclusion but that he does acquiesce. It is by no means snap judgment on my part when I say I think it is time for us to move with all the force necessary.

I hope the President will give Castro an immediate ultimatum setting a limit of time in which he must return the American planes which he is holding. I think we should blockade Cuba with Navy and Air Force and that we should take whatever steps are necessary to restore the dignity and honor of this Nation.

In saying these words, I am confident that I speak for the people I represent in the Ninth Congressional District.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from California.

Mr. HIESTAND. Mr. Speaker, if we had not allowed the skyjacking of a plane last month, we would not be in the soup we are in now.

The first hijacking of an Eastern plane July 24, which brought the plane to Havana, merely added fuel to the Cuban flames and invited more of the same. Just a few days ago we had the El Paso incident. Now, we have another—with 72 passengers aboard.

If we had not allowed Castro to get away with the first hijacking, we would not be in the soup now. It is like a bomb scare. We are going to continue to have crackpots attempting to steal planes. They would not all be spies or Castro supporters, but the danger to life and property is still the same.

Let us take action. If we do not get the first plane back which Castro is holding—presumably for blackmail purposes—we are going to have skyjacking troubles indefinitely. I renew a call for action I then made, that a deadline be set for the return of the plane or we send the Marines in to get it back.

Just how many disgraces is the United States going to accept from this pipsqueak Castro? We hear plenty about the "Berlin situation" but what about the "Cuban situation"?

I hope the President takes proper action.

Why not set a deadline on the return of that plane and following the deadline send in the Marines, the Air Force, the carriers, and the full armed might of the United States. Let us let the world know we mean business.

It will all be over in 12 hours and the Cuban people will be free.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Florida.

Mr. CRAMER. The only disagreement I have regarding the remarks so far concerning this Cuban hijacking matter is that I think the United States should not have stood still and should have acted with firmness when the first incident occurred. Some are proposing to take that position now after the third plane-stealing incident. I also do not think that we should fall for this clever trickery of those who are conspiring with Fidel Castro, a Communist leader, so branded by the United States of America, so branded by the Organization of American States, so known throughout the world, so as to permit Castro's agents, Cuban or American, to undertake these theft and kidnaping activities. Communists—that is exactly what these hijackers are. What else could they be when they serve the ends of Castro communism, a part of the international Communist conspiracy? Does not the Communist-serving act speak for itself? These hijackers, whether U.S. or Cuban citizens, are agents of this, and serving the purpose of Communist conspiracy. Castro is the leader and spearhead of that conspiracy in this hemisphere, and we should pierce any false veil of citizenship and the administration should tab these people as agents of communism in this hemisphere; traitors to freedom, traitors to America, traitors to our cause, because that is exactly what they are, whether they are American citizens serving Cuba's communistic ends or are Cuban citizens or agents of Fidel Castro. So, I say that these are acts of aggression against the United States of America. They are acts of piracy concerning property belonging to citizens of America and, of greater concern, they are kidnaping and endangering the lives of American citizens. American citizens were on that airplane. And, how can we here in the Congress of the

United States condone the acts of these people who hijack these airplanes, whether it be over our soil or over foreign soil, by not speaking out and demanding action? They were on scheduled routes. They are American-owned and licensed airplanes; they are American-licensed pilots; they are American-controlled airplanes. So, how can we condone not only the hijacking of the property but the kidnaping of the people involved and this violation of our sovereignty? And, I say that since the first incident occurred it is past time that the administration take action and advise Fidel Castro and his Communists and his coconspirators who are responsible for this, that the United States will consider this as an act of aggression in the future and that the United States is going to do something about it, meaning recovery of the persons and the property involved by force if necessary.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Texas.

Mr. ALGER. Mr. Speaker, I can add little to what has been said except to remind you of a principle that has been traditionally American since the beginning of our country, that American military might and power protect the lives and property of American citizens wherever they may be in the world. And, whenever we abandon that principle we cease to be a powerful nation. In this instance, as the gentleman from Florida said, it is long overdue, and now that we have permitted Castro to get away with his lawlessness we are inciting all of the criminal elements within the borders of the continental limits to the further endangerment of lives and property of American people. We must move in on Castro and get back all U.S. property. Why did we not do something about the billion and a half taken months ago? That is over the dam now. But, let us do something now to protect the lives and property of American citizens. Now and in the future we must demand immediate indemnification of all property expropriated beyond the return of planes and U.S. citizens safely or occupy Cuba immediately with the necessary military force.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Mr. Speaker, I want to say that it has taken—as it usually does—the American people some time to get completely aroused about incidents that happen, particularly when it is having an effect on us and our foreign relations. We do not move too quickly, as all of us know. Of course, the first mistake was in ever letting Castro get into Cuba. That was the first big mistake, and we are now having to suffer for it. We have suffered long enough.

I think it is now time for this Government to take action. And if action must be initiated it will have to be done by the Congress by encouraging and backing up any moves the administration may make. I hope that we will give an ultimatum, that we will give a deadline; I hope we will use sufficient force to see that whatever demands are made are carried out, so far as concerns returning our plane and our nationals.

Furthermore, there is something that the Congress can do immediately, and that is to see that trade between Cuba and the United States is cut off. Mr. Speaker, do you realize that right now Cuba is sending its goods into this country and getting American dollars to help finance the hijacking of our own planes? Many of us in the Congress have tried for over 1 year now during both administrations to get them to cut off this trade with Cuba.

There is now a bill, H.R. 8465, that will come up before the Committee on Interstate and Foreign Commerce on the 29th of this month which I hope Members will join me in supporting. This bill will prevent the interstate transportation of goods from or going to Cuba. I hope Members will introduce similar bills and cosponsor such a bill. Let us start some action right now and put an end to Castro.

Mr. PILLION. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from New York.

Mr. PILLION. Mr. Speaker, I would like to say this to the House: This is not an act of piracy, it is not an act of hijacking, it is not an act of kidnaping. This is part of a pattern, it is part of a total war—not a cold war—a global war being waged by the whole of the international Communist conspiracy of 98 Communist parties. This conspiracy is headed by the Communist Party of the Soviet Union. The commander in chief of which is the first secretary of the Communist Party of the Soviet Union, Nikita Khrushchev. This act of war is not an isolated Cuban situation. It is part and parcel of the overall war of disintegration and destruction being waged by the Communist Parties throughout the world in two spheres: one in which the national powers of the Soviet bloc and the Soviet Alliance of Nations are being used in one sphere and those of the Communist Parties in another. We are being scissored; we are being clipped, and it is time we woke up to the actual facts. It is an overall war. We and the free world are in a war for survival. And the sooner we realize this, the sooner we see this as a world problem, part of a global pattern, the sooner we shall be able to meet this issue and defend this country and the free world against the incessant and protracted—not conflict, but campaign of destruction of everything that is non-Communist throughout the world.

That is what we are facing. It is not the act of an individual. Cuba is a mere illustration of the failures of our policies ever since the United States recognized the Soviet Union in the year 1933. The pattern of our policies has not changed, in substance. There have been slight differences in our foreign policy, but substantially it has been the same—pro-Communist. We have suffered defeat after defeat until we are reaching the grim alternatives of either surrender or a thermonuclear war. We can avoid this if we recognize the state of war being waged against us and arouse in ourselves the determination to face the realities of this war. We must, then, unite the free world in a crusade of complete defense against anything that is Communist in this country or anywhere else throughout the world.

I look upon Cyrus Eaton's inviting the Soviet spaceman as an example of one who is giving aid and comfort to an enemy. We are sick in this country. We have been brainwashed. Until we wake up and take a firm, uncompromising attitude toward Communists and pro-Communists who exist in our Government, in every area of activity in this country, we cannot hope to cope with the Communist menace which is evidenced here in just another act of contemptuous war upon peaceful, slumbering America.

OPERATION EMPLOYMENT

Mr. WIDNALL. Mr. Speaker, at a time when our national prestige is waning, and I say waning, throughout the world, I hope the administration will soon realize that blank-check spending is not the answer to the challenge that we face everywhere.

Mr. Speaker, a great deal of effort has been expended in the past year to persuade the American people that the U.S. rate of economic growth has been lagging, and that it is lagging seriously behind that of the Soviet Union. The purpose of such propagandizing has been to prove the need of expanded Federal expenditures, expanded Federal programs, and expanded Federal interference in our free economy.

In contrast, there has been little effort made to define what growth rate is being talked about, little effort to define "growth" itself in meaningful terms, and little effort to seek a realistic comparison with our cold war allies and opponents.

For example, President Kennedy recently indicated at his press conference that the Soviet Union would not catch the United States even by the year 2000, estimating our rate of growth at 3.5 percent. Back in April of 1960, Mr. Kennedy, then Candidate Kennedy, put the growth rate at 1.5 percent for the United States and estimated Russia's rate of growth between 10 and 12 percent. Six months later, Mr. Kennedy claimed our rate of growth to be 2.5 percent, and suggested that the Soviet Union was growing several times as fast.

Having, by his own calculations, increased our rate of growth by 1 percent in half a year, Mr. Kennedy, now President Kennedy, claimed in his message to Congress on economic recovery and growth, that our growth rate had been declining of late.

In this same message of February 2, the President quoted figures to show a 1.5-percent rise in the labor force per year, and a 2-percent rise in output per man, which, according to his figures, also indicated only a 2.5-percent rate. Mr. Kennedy now finds, after 4 months of undoubted serious study, that his figures really add up to a rate of growth of 3.5 percent per year. As the New York

Times put it, in its annual national economic review of January 9, 1961:

> The decline that actually began in the third quarter was exaggerated for partisan purposes during the presidential campaign.

The election had to be won at all costs, regardless of what might be done to national prestige.

If Mr. Kennedy's troubles with his arithmetic occasion your sympathy, consider his problems when it comes to defining terms. Generally he has been wary of using more than the catch phrase, "rate of growth," allowing the American people to find their own way in the dark. If this caution grows out of his earlier definition of economic growth for the benefit of a national television debate audience on October 13, it is a well-taken avenue of approach. Mr. Kennedy then stated that over the past 8 years the average growth rate was about 2.5 percent, and then told his listeners that economic growth means jobs.

That this is a gross oversimplification of the definition of economic growth is obvious by merely comparing the number of jobs in October of 1952 and October of 1960. The total increase in number employed is approximately 5.8 million, and a compound growth of 1.2 percent annually would exceed that total after 8 years, let alone one of 2.5 percent.

In contrast to this hodgepodge of statistics and definitions, we offer a succinct, intelligible, meaty article by Dr. Colin G. Clark, with the aid of G. H. Peters, entitled "Rates of Growth of Real Product per Man-Hour Worked in Various Countries." Dr. Clark's credentials as an economist, detached from the American political scene, are excellent.

A holder of two M.A. degrees, Dr. Clark has been the director of the Institute for Research in Agricultural Economics, at Oxford, since 1953, and is a fellow of the Econometric Society, and director of research at the Econometric Institute. In the late 1920's he was an assistant to the late Professor Allyn Young at, of all places, Harvard, and has been a lecturer in statistics at the Universities of Cambridge, Melborne, Sydney, and West Australia. Dr. Clark has served in government as a member of the Economic Advisory Council staff, and as Under Secretary of State for Labor and Industry, Director of the Bureau of Industry, and financial adviser to the Treasury, Queensland, holding the latter position from 1938 to 1952.

His many publications in the field of economics include "The National Income," 1924–31, 1932; "The Conditions of Economic Progress," three editions, 1940, 1951, and 1957; and "Welfare and Taxation," 1954. Nor is he any latecomer to the game of comparing Russian economic claims with that of the West, a game which he has turned into a science. As early as 1939, Dr. Clark published a "Critique of Russian Statistics," and as recently as 1961 he prepared a critical evaluation entitled "The Real Productivity of Soviet Russia," which has been issued as a committee print by the Senate Internal Security Subcommittee. I ask, under unanimous consent, that Dr. Clark's paper be included in the RECORD at the conclusion of my remarks.

In his paper, Dr. Clark carefully defines what rate of growth he is speaking of, and painstakingly carries the reader through each step of the process involved in determining the rate of growth and the proper method of comparison between countries.

Dr. Clark points out that the real national income per head of population indicates the change in a national standard of living. On the other hand, the real product per head of the labor force, or preferably, per man-hour worked, indicates the change in productivity. The change in productivity is the factor upon which future improvements in standards of living, in the main, ultimately depend.

Before comparisons can be made between countries, however, a preliminary problem arises. This involves the proper formula for the conversion of the national income and product of all countries into U.S.-dollar terms. Official rates of exchange are poor indicators since they depend upon the relative prices of goods in international trade. The real question to be asked is, Can you buy more for one American dollar converted into a British pound in Britain than in the United States for the same list and quantity of goods, and vice versa. The difference between the two calculations of the list of goods for both the average American and the average Englishman is small, but indicates differences in tastes. This difference is easily resolved by taking the geometric average of the two ratios.

After determining the real product and labor force in each country and making the comparison with the purchasing power of the U.S. dollar of 1950, Dr. Clark has determined growth rates over a long period of time for each country. This long-range view is much more realistic and much less subject to political whims than the method of picking any particular year that suits you.

Dr. Clark's findings show that the United States has the highest by far real product per man-hour in the world. We have experienced, since 1890, a steady growth rate of 2.3 percent. During this same period, no country averaged 2.8 percent and only 10 countries averaged above 2 percent. Significantly, the Soviet Union is not 1 of these 10 averaging only 1.7 percent since 1928.

In his report to the President-elect, Paul A. Samuelson flamboyantly referred to the "dramatic spiral" of Western Europe and Japan, and the "rush" of the totalitarian economies since the end of World War II, completely ignoring the very low base from which these economies expanded. Dr. Clark punctures this political balloon by pointing out that it is "unduly rash to base projections of future rates of growth on performance during recovery periods without stopping to inquire into prewar levels of productivity and prewar rates of growth. In recovery periods an economy may be able to adopt new techniques at a rapid pace, it can make radical structural readjustments, it can reequip its labor force with capital, all of which make for high growth rates. However, once this period has passed, the chances of rapid growth may be less and progress will depend upon more slowly working forces."

And the figures in Dr. Clark's paper indicate that this tapering off of the "dramatic spiral" and "rush" has already begun in recent years.

To illustrate the depths from which the Russian economy has progressed, nothing could be more persuasive than to quote the Soviets themselves. An article by G. I. Shigalin entitled "National Economy of the U.S.S.R. in the Period of the Great Patriotic War," states that in 1942 the level of the most important branches of heavy industry stood approximately at the level of the first 5-year plan 1928–32. Comparative steel production figures show that the Soviet Union only produced 10.9 million metric tons in 1944, approximately one-sixth of U.S. production. At present Russia still produces only 70 percent of the U.S. total, although the percentage increase for the U.S.S.R. has obviously been greater. A dramatic increase? Yes. Meaningful in terms of our own economic policy? Hardly.

Throughout, we have been assuming that the figures referred to as coming from Soviet economic publications are true. As Allen Dulles and Senator THOMAS DODD have pointed out, this is an idle assumption since the Soviets use their self-styled "accurate" figures for propaganda purposes. But do not take our word for it. Last fall, the dean of contemporary Soviet economists, as reported in the New York Times of September 11, revealed that industrial output had grown only 15 times since 1928, not 23 times as official statistics claimed. Between 1945 and 1956 industrial production only tripled, not quadrupled. What is more, in 1945 industrial production was one-third below 1940, not 8 percent under.

In addition, S. G. Strumilin stated that industrial growth increased only 8 percent, not 11 percent in 1955 and 1956. The total net output in 1956, in terms of 1928 prices, was only one-third of the total claimed. There is no particular reason to believe that figures since 1956 are any the more accurate. And there has been no indication from the administration that these gross discrepancies have been taken into account in the dramatic statistical presentations of the past few months. We take this opportunity, therefore, to call the President's attention to the admitted discrepancies, and to the full examination given to the situation in the committee print of Dr. Clark's paper, mentioned earlier.

In summary, Dr. Clark has properly defined growth and accurately assessed growth rate comparisons on an international scale, exploding the myth of the Soviet's "rush" to the economic forefront at the expense of the United States. This does not mean, however, that because we retain our world economic leadership we cannot, or should

not, proceed in realistic fashion to increase our pace of economic development.

President Eisenhower, in his Economic Report of the President of January 1961, put it thusly:

> The basis for advance has been laid in recent years in the enlargement and improvement of our productive capacity and in policies that have brought the forces of inflation under control.

It is time for the present administration to put political growthmanship aside and concentrate on a program of sound, sustained economic growth in the manner of our past successes. Then the American people, and their elected Representatives in the Congress, with a concrete goal in mind, will understand the effort and sacrifices needed to insure the future of America and the free world.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. Not at this time, but when I finish.

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count.

Mr. BRUCE. I would simply like to make a request of the gentleman from Ohio to withdraw his point of order on the basis that the gentleman from New Jersey yielded copiously of his time when he started to speak.

Mr. HAYS. The gentleman yielded to you but would not yield to me.

Mr. BRUCE. No, he did not; I am riding over him roughshod. As a matter of courtesy I am asking the gentleman to withdraw his point of order.

Mr. HAYS. Mr. Speaker, I withdraw my point of order.

The SPEAKER pro tempore. The point of order is withdrawn. The gentleman from New Jersey will proceed.

Mr. WIDNALL. Mr. Speaker, at this time I ask unanimous consent to include in my remarks the report of Colin Clark and G. H. Peters, on "Rates of Growth of Real Product Per Man-Hour Worked in Various Countries."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The matter referred to follows:

RATES OF GROWTH OF REAL PRODUCT PER MAN-HOUR WORKED IN VARIOUS COUNTRIES

(By Colin Clark and G. H. Peters)

During recent years there has been much public discussion of the comparative "standards of living" of countries and of comparative rates of economic growth. Before proceeding further it is appropriate to consider the meaning of these two concepts and to briefly outline the means available for measurement. The basic information from which most aggregative measures are compiled are estimates of national incomes. For within country comparisons over a period of years, of course, a record of the money value of national income, year by year, is of very little use since the value of money in terms of the goods and services which it purchases is variable. To overcome this problem it is now standard practice to prepare national income estimates in terms of the prices ruling in one particular year by dividing a money value series by an index number of price changes. Correction in this way is subject to theoretical objections based upon the known intransigence of the index number problem but it does, nevertheless, provide valuable indications of long-period trends which would be unobtainable in any other way. If an index of internal prices (made up, for example, of components covering price changes in goods entering personal consumption, capital investments and government expenditure) is used in the deflation procedure we arrive at estimates of real national income which, when used in conjunction with population totals, will provide a rough measure of changes in the standard of living enjoyed over a period of years. Such comparisons are not, however, of fundamental interest in this note. Here we are concerned with real product per head of working population or per man-hour worked. For this purpose two adjustments to real income are necessary in order to arrive at estimates of real product. A nation can enjoy a standard of living higher than its own domestic production of goods and services might seem to afford. In the first place national income will include an element of "income from abroad" (which as a net figure may be positive or negative) which should be deducted to convert a "national income" to a "domestic product" concept. Secondly, account must be taken of the fact that a nation's terms of trade may change; this is a slightly more subtle adjustment. It is quite clear that a nation which is involved in international trade might improve its standards of living at a faster (or slower) rate than that at which it is adding to its own production of goods and services. If during a period export prices are rising relative to the prices paid for imports, a country will be able to obtain more imports (hence increasing personal consumption or investment) simply by exporting an unchanged volume of exports, for this volume would now suffice to buy more imports than previously. Conversely, if the terms of trade are deteriorating with import prices rising relative to export prices, the country's real income will rise more slowly than real domestic production. The mechanics of the adjustment made to allow for such factors are explained below.

In summary, then, real national income per head of population provides an indicator of changes in standards of living over time while real product per head of labor force or per man-hour worked (preferably the latter) provides an indication of changes in productivity. It is upon the growth of the latter that future improvements in standards of living will, in the main, ultimately depend. The use of the word "productivity," in this sense, is in itself open to objection and it must be understood to relate to real product per man-hour.

Useful as these tools are for making a "within country" comparison over time, they do not in themselves furnish us with any information relating to "between country" standards of living or product per man-hour since the units of measurement in each case would be individual national currencies. The first, and most obvious, step to overcome this would seem to be a conversion of the national incomes and products of all countries into, shall we say, U.S. dollars, using the official rates of exchange. Unfortunately this is an incorrect procedure since rates of exchange are arrived at via the mechanism of international trade and are based on the relative prices of internationally traded goods; as such they may provide a very poor indication of the true relation of prices within America and the United Kingdom for example. This problem is familiar to anyone who has traveled abroad; after converting dollars into pounds at the official rate the next question to be asked is whether the cost of living is lower in the United Kingdom than in the United States, i.e., is it possible to buy more in Britain for £0.357 ($1 converted to pounds at $2.80 equals £1) than it is to buy for $1 in America. The calculation of true "purchasing power parity" rates of exchange which take account of such factors is a tedious business in practice, though in theory it is fairly simple. As a starting point we may take the distribution of expenditure of the average American who with his income will buy a certain collection of goods and services while the average Briton will buy a somewhat different collection. One way of making a comparison between the pound and the dollar would be to obtain a ratio of the form

$$\frac{\Sigma P_B\ Q_A}{\Sigma P_A\ Q_A}$$

where each $P_A\ Q_A$ would be an item of expenditure on a good or service in the American collection P_A being its price and Q_A the quantity bought. Each $P_B\ Q_A$ would be the corresponding expenditure (in pounds) necessary to buy the same quantity of a good of similar type in Britain. Adding up such $P_B\ Q_A$'s and $P_A\ Q_A$'s for all of the goods in the collection, and dividing would provide an estimate of the number of pounds equivalent to $1 in purchasing an American collection of goods. A similar method of performing the calculation would be to take the British distribution of expenditure and revalue it at American prices to obtain the ratio

$$\frac{\Sigma P_B\ Q_B}{\Sigma P_A\ Q_B}$$

which gives an alternative estimate of the value of the pound in relation to the value of the dollar.

There is no reason to suppose that the two ratios will be identical but it has been shown that the apparent conflict between them can be resolved by obtaining the geometric average of the two ratios and using this as the best estimate of the purchasing power parity exchange rate.[1] With the aid of such estimates it is clearly possible to compare, albeit in a somewhat rough-and-ready fashion, either standards of living or real product per man-hour as between countries. In all that follows, the basic unit used is the average purchasing power of the dollar in the years 1925–34 previously termed the "international unit."[1] While adequate, this unit now suffers somewhat from the difficulty experienced by many people in remembering the "worth" of the dollar some 30 years ago. It might be mentioned that to convert international units to dollars of 1950 purchasing power we may multiply by a factor of 1.649—a figure derived by measuring the rise in prices within the United States between the two dates.

The detailed procedure now is as follows: As a first step international comparisons of the purchasing power of various currencies in order to obtain a valuation of each nation's currency in terms of international units must be made. It is unnecessary to make a comparison of this type annually as between a country and the United States; instead a valuation in 1 year can be utilized in conjunction with an internal price index for the country concerned since as prices rise the value in international units of the national currency will fall. It is useful, however, to make a check on, say, the value of

---

[1] For further details see Clark, C., "The Conditions of Economic Progress" (3d edition, Macmillan, London, 1957), pp. 15–17, or Gilbert, M., and Kravis, Irving B., "An International Comparison of National Products and the Purchasing Power of Currencies" (O.E.E.C. Paris), ch. I and ch. VI.

the pound in 1950 as obtained from a comparison made in 1929 (the usual base for starting) used in conjunction with a British price index by carrying out another binary comparison at the later year and comparing the results after allowing for the change in American prices between the 2 years.[2]

Let us now denote the international unit value of a national currency as p and the national income at market prices of a country as M. The products Mp for each year will then provide an estimate of national income in standardized units and an indication of its movements, in real terms, over time. To obtain real product estimates we must subtract from Mp the value Vp where V is net income received from abroad (where there is a net outflow Vp is added). Since p for each year is arrived at by using an internal price index it may be affected by terms of trade effects as already outlined. To overcome these we further subtract $p(E-I)$ where E and I are exports and imports in money terms and then add back $(E'-I')$ where E' and I' refer to exports and imports in terms of 1929–34 average prices and constitute a volume series. These corrections are sufficient to overcome terms of trade effects.

Having once obtained real product the next step is to determine labor force. In this case difficulties do arise since for many countries the available information is defective, especially in noncensus years. However, interpolation between census years is a fairly safe procedure since the ratio of labor force to total population changes very slowly. It is also necessary to exclude women workers in agriculture from the labor force, since a number of countries have adopted the convention of including farmers' wives automatically as "workers." Unemployment statistics, too, are often defective in early years though reasonably satisfactory allowances can generally be made. Finally, hours worked per year must be estimated. These are generally recorded only as weekly hours for industrial workers, though more detailed information is becoming available through the International Labor Office, while there are few records of the number of weeks worked per year. For convenience therefore, if other information is unobtainable, weekly hours of industrial workers have been multiplied by 50 to obtain yearly hours for the whole labor force.[3]

Information relating to 17 countries is presented in table I. As would be expected, real product per man-hour in 1958 is highest in the United States, closely followed by Canada. New Zealand and Australia also have high figures which are above the levels reached in any European country. Of the latter Sweden and Switzerland head the list with Italy and Austria at the bottom. Germany and Britain by 1958 had similar productivities, which were only some 42 percent of the American level. Japan's product per man-hour is currently standing at 22 percent of the American level.

In order to measure the rate of growth over time the change from 1900 to 1958 (or from 1913 to 1958 if 1900 data is unobtainable) has been expressed as a percentage rate per annum using a "compound interest" method. It might be mentioned that a doubling of productivity every 25 years can be achieved with a rate of growth of 2.8 percent per annum. Over the whole period no country has achieved this rate of growth. Indeed it may be surprising to many to note that 10 of the 17 countries have rates of growth between 2 percent and 2.8 percent, 4 more between 1.5 percent and 2 percent, while Denmark, Britain, and Germany lag behind.

The measurement of rates of growth in this fashion is a somewhat arbitrary procedure. It is far more instructive to plot the annual data as a time series with the vertical, product per man, axis marked off logarithmically. A straight line on such a graph will then represent a constant proportional rate of growth which may be measured by the slope of the line. A graph of this type has been drawn for each of the 17 countries and from them we are able to obtain some information relating to variations in the rate of growth over time. Obviously it would be impracticable to concern ourselves with minor year-to-year fluctuations; instead we attempt to establish the major turning points to fit rough trend lines to the years between the turning points. In some cases interpretation is fairly simple, a notable example being that of the United States where growth has been steady at about 2.3 percent per annum since 1890. Even here, however, one general point is well illustrated. The depression in the 1930's resulted in a marked interruption of growth in productivity with an acceleration from 1934 to 1939 by which year the economy was firmly reestablished on its old path. A similar drastic interruption is to be seen in France and New Zealand while it is especially marked in the case of Canada. Such phenomena are best disregarded in drawing long-term inferences; indeed it is surprising to note that many countries quickly recover their old trend lines after such setbacks.

Similar complications are caused by wartime interruptions to growth, France being an excellent case in point. From 1880 to 1929 there was a fairly steady rate of growth of 2.6 percent per annum which was interrupted by depression. A marked rise occurred from 1935 to 1938 which restored productivity to the level which it would have reached had 2.6 percent been maintained from 1928. The war saw France's growth halted, productivity in 1947 being at or about the 1938 level. Since that date the growth rate has been steady at 4.4 percent per annum, though it is clear that the old line has now been more or less regained. It must be made clear that there is no immutable reason compelling an economy to have a stable growth rate over long periods of time if depressions and postwar recoveries are ignored. However it would seem unduly rash to base projections of future rates of growth on performance during recovery periods without stopping to inquire into prewar levels of productivity and prewar rates of growth. In recovery periods an economy may be able to adopt new techniques at a rapid pace, it can make radical structural readjustments, it can reequip its labor force with capital, all of which make for high growth rates. However, once this period has passed the chances of rapid growth may be less and progress will depend upon more slowly working forces. Good examples of exceptionally rapid postwar growth are provided by France, Italy, Austria, Finland, the Netherlands and Western Germany. In some cases among them a careful examination of the movements in productivity seems to indicate a break in development. Thus the Netherlands growth rate of 3 percent from 1948 to 1955 seems to be giving way to a 2-percent rate; Finland's growth has clearly steadied since 1951 while in Italy a rise at the exceptionally fast rate of 5.9 percent has been succeeded by a rate of 2.6 percent. In the case of Germany the interpretation of the data is exceptionally difficult. The prewar German nation has had markedly different fortunes. From 1860 to 1891 the rate of growth was 2.1 percent which fell to 0.7 percent in the period 1891–1913.

After World War I there was rapid growth from 1925 to 1938 of 4 percent. This was probably exceptional since productivity in 1925 was well below the 1913 level whilst the total rise from 1913 to 1938 was equivalent only to a 1.6-percent rate over the whole period. After 1945 a similar pattern emerged in Western Germany. In 1948 productivity was very low by 1938 standards and from 1951 the growth rate has been 3.9 percent, the highest prewar level of productivity in the whole of Germany (in 1937) being reached by 1954. It is interesting to note that a steady rate of growth from 1913 would just have sufficed to carry productivity to its 1959 level. Prophesy is dangerous in these matters but one may perhaps safely say that the present rate of 3.9 percent would form a poor basis for projection. In Japan, ignoring the very rapid gains from 1947 to 1950, there is another example of a fast rate of growth of 4.6 percent; here it must be remembered that the level of productivity is fairly low so that a high rate of growth might be expected for some years ahead.

Generally speaking it does appear from the diagrams that rates of growth of over 3 percent per annum persisting over long periods of time (e.g., two or three decades) are unusual. Sweden appears to have maintained this rate since 1930 while Japan might be regarded as progressing at 4.5 percent from 1910 to 1931 with a subsequent fall to 1.7 percent in the 1930's. Rates of growth between 2 percent and 3 percent over a long period seem to be maintainable as can be seen in the cases of America, Canada, Switzerland, Belgium, New Zealand, France, Australia, and Japan (up to 1910).

Other countries fare less well, a notable example being Britain. From 1870 to 1895 the rate of growth was 1.6 percent but this was followed by a zero rate of growth to 1913. A recovery to 1.6 percent again set in during the 1920's but the change from 1929 to 1938 corresponded to an annual rate of 0.9 percent. This rate would have been sufficient, had it been maintained to carry productivity to the level actually reached in 1954 since which date 1.3 percent per annum has been maintained. It is thought preferable to regard this as a better basis for long-term projection than would be the change from 1946 to 1959 since the earlier years were covered by postwar recovery. Growth in Denmark has been steady at 1 percent since 1915 while New Zealand has slipped to 1.3 percent since 1939 compared with an earlier rate of 2.4 percent. Data in graphic and tabular form has not been included for a number of other slow-growing countries for which information is available. Of these Argentina has had a rate of growth of 1.1 percent since 1916, Ireland 1.4 percent since 1926, Greece 0 percent since 1891, and Spain 0 percent since 1920. Some calculations[4] relating to product per man-year in the U.S.S.R. suggest that the rates of growth there were 1.2 percent per year if measured over the whole period 1913–56, or 1.7 percent over the period 1928–56, a rate of growth lower than in most other countries.

For convenience the information in the graphs is condensed into table II which shows the percentage rate of change in real product per man-year for each country at different periods of its history. Again, we are driven to the conclusion that a normal rate of growth should be regarded as one which is somewhere between 2 percent and 2.5 percent per annum.

---

[2] The original "Conditions of Economic Progress" comparisons were made for 1929 and 1947 and were based on comparison of consumer goods prices. Valuable additional work, based on the whole range of goods entering national product, was made for a smaller range of countries by Gilbert and Kravis. The results display a fair measure of agreement.

[3] For further details relating to sources and methods for individual countries see Clark, op. cit., tables VIII to XLI.

[4] See "The Real Productivity of Soviet Russia," reported by Dr. Colin Clark, printed for the use of the Committee on the Judiciary, Washington, 1961.

TABLE 1.—*Real product per man-hour for selected countries*

[In international units]

	1890	1900	1913	1929	1938	1950	1958	Percentage rate of growth per annum 1900–1958 (or 1913–58)
Australia	0.448	0.356	0.447	0.612	0.667	0.846	0.999	1.8
Austria			.175	.241	.286	.329	.465	2.3
Belgium	.264		.342	.397	.440	.629	.749	1.7
Canada	.350	.431	.517	.620	.642	1.069	1.375	2.1
Denmark		.412	.414	.542	.560	.613	.682	.9
Finland			.231	.266	.300	.381	.531	1.9
France	.142	.171	.181	.333	.444	.516	.734	2.5
Germany	.271	.279	.314	.336	.460	.423	.629	1.4
Italy		.105	.150	.236	.247	.351	.480	2.7
Japan	.064	.081	.109	.189	.241	.244	.330	2.4
Netherlands		.261	.294	.408	.508	.523	.656	1.6
New Zealand		.368		.694	.898	1.173	1.162	2.0
Norway		.179	.234	.387	.490	.589	.675	2.3
Sweden	.131	.190	.215	.337	.427	.618	.823	2.5
Switzerland	.161	.179	.235	.376	.423	.597	.734	2.7
United Kingdom	.335	.360	.367	.469	.522	.557	.630	1.1
United States	.337	.402	.510	.785	1.016	1.271	1.497	2.3

Source: Clark, C., "Conditions of Economic Progress" (3d edition, Macmillan, London 1957) with revisions and extension to 1958.

Table 2.—Changes in productivity for selected countries

	Percent
Australia:	
1902–29	2.0
1929–39	1.2
1939–59	1.7
Austria: 1912–58	2.1
Belgium:	
1924–38	2.6
1949–59	2.4
Canada:	
1890–1958	2.1
(1926–58)	2.6
Denmark: 1915–58	1.0
Finland:	
1913–39	1.2
1939–58	3.0
France:	
1880–1958	2.5
(1948–58)	4.4
Germany:	
1891–1913	.7
1925–38	4.0
1951–59	3.9
Italy:	
1901–25	3.5
1925–39	.7
1948–52	5.9
1952–58	2.6
Japan:	
1880–1910	2.4
1910–30	4.5
1930–39	1.7
1950–59	4.6
Netherlands:	
1900–13	.9
1913–38	2.1
1948–56	3.0
1956–60	2.0
New Zealand:	
1900–1939	2.4
1939–58	1.3
Norway:	
1900–1909	1.6
1909–32	3.4
1932–58	1.6
Sweden:	
1861–90	1.5
1890–1909	3.5
1909–30	1.4
1930–58	3.0
Switzerland: 1913–58	2.7
United Kingdom:	
1870–95	1.6
1895–1913	0
1913–29	1.6
1929–54	.9
1954–59	1.3
United States: 1890–1959	2.2

Mr. WIDNALL. Mr. Speaker, at this time I yield to the gentleman from Illinois [Mr. FINDLEY].

OPERATION UNEMPLOYMENT

Mr. FINDLEY. Mr. Speaker, the rate of growth of the U.S. economy has been the subject of debate for years, and undoubtedly will continue to capitivate the imagination of politicians at election time and economists and statisticians the year around.

The Soviet feat, putting another man in orbit, will revise discussion of the relative progress of the United States and Russia, particularly so because it comes on the heels of Khrushchev's new 20-year plan promising free utilities and free food for the Russian people.

By concentrating heavily for years on rocket thrust and satellites, the Russians have indeed scored several significant firsts. The brilliance of these isolated achievements should not blind us to the true situation in Russia.

Khrushchev has put men in orbit, but he can't get the Communist economy off the ground. Consumer goods are scarce and substandard. Private cars are almost unknown except for top-drawer Communists. Housing is pitiful, often with more than one family to a single room, and food production far inadequate.

The Soviet space show has some similarity to the old Roman circus, intended to divert the attention of the populace from personal hardship and to lessen the danger of rebellion against the Emperor. Good as it is, Khrushchev's Roman circus cannot hide an empty stomach.

During the 1960 presidential campaign, rate of growth was discussed at length by both candidates with Senator Kennedy catching a lot of headlines with his impassioned pleas to get America moving ahead. The implication, of course, was that the United States was in a morass of economic stagnation from which it could be delivered only by New Frontiersmen.

The President-to-be scolded the Eisenhower administration for inadequate acton to stimulate national growth, and insisted that the United States must achieve a rate of growth of 5 percent a year, or lose out to the Soviet Union.

Free of glib generalties, so easy in campaign time, and faced with cold unyielding facts, President Kennedy undoubtedly has had occasion to review in a new light many of his campaign declarations.

Among them rate of growth should rank high. An exhaustive and impartial study of rates of growth of real product per man-hour has been completed by Dr. Colin Clark, noted economist, University of London.

What is a good rate of growth? How does the U.S. growth rate compare with other leading nations? What rate of growth is necessary, for example, in order to double productivity in 25 years? How does the United States rate in productivity per man-hour?

Dr. Clark's study provides the answer to these questions, and the answers will be reassuring to those who take pride in American achievements of the past, and have confidence in the future vitality of our private enterprise system.

Dr. Clark's approach has been one of careful analysis, with thorough study of the complicated factors involved in changes in productivity. For each country, index numbers are used to measure the real national income as a basis for measuring standard of living. Adjustments are made for export-import data and monetary differentials which otherwise might result in wrong conclusions. For convenience, the term "international unit" is used. This is the average purchasing power of the dollar in the years 1925–34.

Of the 17 countries in the Clark study, the United States had the highest real product per man-hour in the latest year of the study, 1958. Close behind was Canada, with New Zealand a fairly good third.

Here are the standings in real product per man-hour, expressed in international units:

United States of America	1.497
Canada	1.375
New Zealand	1.162
Australia	.999
Sweden	.823
Belgium	.749
France	.734
Switzerland	.734
Denmark	.682
Norway	.675
Netherlands	.656
United Kingdom	.630
Germany	.629
Finland	.531
Italy	.480
Austria	.465
Japan	.330
Russia (best information available)	.310

Great Britain and Germany, it might be noted, were each 42 percent below the American level. Japan had 22 percent of the American product per man-hour.

Relative productivity at any given moment, however, is only part of the story. What is the rate of growth per year? Doubling of productivity every 25 years can be achieved with a rate of 2.8 percent per year. No country has achieved this rate, but 10 countries on the list have growth rates between 2 and 2.8 percent.

The United States, for example, has maintained a steady growth rate of 2.3 percent per year since 1890. The depression of the early 1930's brought an

interruption, but the United States soon returned to its normal pattern. War and postwar periods cause fluctuations in growth rates. Toward the end of the postwar periods the growth rate has a tendency to slow down, as in the case of France, Italy, and the Netherlands, for example.

Rates of growth over 3 percent per year that persist over long periods are rare. This may serve to put the talk about 5-percent growth rates in proper perspective.

Rates of growth between 2 and 3 percent over a long period seem to be maintained. Examples are the United States, Canada, and Switzerland.

It should also be remembered that in cases where the level of productivity is low—Japan, for example—a longer period of high rate of growth can be expected.

Here are the standings of the same countries, expressed in percentage rate of growth per year for the period 1900–58—or 1913–58, where data for the previous period is not available:

Switzerland	2.7
Italy	2.7
France	2.5
Sweden	2.5
Japan	2.4
United States	2.3
Austria	2.3
Norway	2.3
Canada	2.1
New Zealand	2.0
Finland	1.9
Australia	1.8
Belgium	1.7
Netherlands	1.6
Germany	1.4
United Kingdom	1.1
Denmark	.9

The growth rate of the Soviet Union has been only 1.2 percent per year measured from 1913 to 1956, or 1.7 percent per year over the period 1928–56.

The conclusions are clear:

First. The United States is preeminent in productivity per man-hour, almost five times that of Russia.

Second. The United States has sustained a superior rate of growth for more than a half century. This is all the more remarkable because of the high level of productivity on which these gains were established.

Third. The Soviet Union, although working from a relatively low level of productivity, has achieved below-average growth rates—approximately one-half the growth rate per man-hour achieved by the United States during the same period.

Mr. BRUCE. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Indiana.

Mr. BRUCE. I would like to express my appreciation to both the gentleman from New Jersey [Mr. WIDNALL] and the gentleman from Illinois [Mr. FINDLEY] for performing a valuable service here in debunking much of the propaganda that is put out regarding the Soviet rate of growth. The research you have done and the banner of your presentation today under difficult circumstances, with emotions running high, are such that I would like to associate myself with your remarks and the presentation you have made.

Mr. WIDNALL. I thank the gentleman.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield.

Mr. STRATTON. I would like to join in the remarks that were made earlier on this floor with respect to the serious situation created by the hijacking of a fourth American airliner. It seems to me that this fourth occasion has made it perfectly clear now that this is a pattern of action being followed deliberately by the Castro government.

I am sorry that earlier remarks of some Members of the House has appeared to suggest that this is a partisan matter, because I am sure that Members of the Democratic Party are just as strong in their reaction to this latest action of Castro and his brigands as are members of the Republican Party.

There has been a good deal of expression of sentiment today that we should do something. I would like to urge, Mr. Speaker, that a course which I recommended some weeks ago is one that I think should now be followed; namely, that we impose a full-scale naval blockade around Cuba. It is perfectly clear to everyone that Cuba's actions are directed against this country, against American lives, against American property, against America's proper interests in the Western Hemisphere. In line with the Monroe Doctrine I think we ought now to quarantine this kind of aggression until a peaceful government has been restored in Cuba. Not only would such a blockade be an effective and realistic response to this hijacking, but it would also put an end to any further efforts by Castro to build nuclear rocket bases aimed at the heart of America.

I thank the gentleman for yielding.

Mr. FLYNT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FLYNT. Mr. Speaker, I join with other Members who have spoken today in protest of the action earlier today in which another U.S. airliner has been hijacked and landed in Cuba.

I call upon the President to take whatever action is necessary to accomplish the return of this latest pirated plane—the Pan American DC–8—along with the Eastern Air Lines plane previously seized.

The necessary action should have been taken last month when the first plane was hijacked. It must not be delayed further.

The time has come for the President and the State Department to recognize the fact that Fidel Castro is an enemy of the United States, an arm of the international Communist conspiracy and an international bandit.

The United States can no longer submit to the criminal and degrading acts of Fidel Castro against the United States, its citizens, and its property.

CASTRO HIJACKS FOURTH AMERICAN PLANE

Mr. BECKER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, hearing of this second hijacking of another American plane only points up what I said the first time. The American people demand concrete action in dealing with Castro. The time is long past when words can be used. This action of hijacking is a part of the Communist conspiracy to degrade the United States. If force is needed to support our position with Castro, the time is right now. If we permit Communist Castro to continue his depredations, we will have no supporters left in the world, no matter how many billions the starry-eyed liberals want to throw around the world. I will support immediate action now to secure return of these planes and also drive Castro out of Cuba, and see to it that free elections are held, and free the Cuban people.

Mrs. KELLY. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentlewoman from New York.

Mrs. KELLY. Mr. Speaker, I agree with many of the remarks of my colleagues as to the seriousness of this situation, but I do not think this is a time to be emotional. Above all we must remain calm. This is not a time for partisan politics but is the time to be united in supporting the President.

I well remember when I felt as many of the minority are so expressing themselves: This is the hour for action; the hour is late. During the previous administration, particularly at the time of the division of Vietnam, my feelings were similar. But on all of those occasions, I was bipartisan in my approach to foreign policy matters and urged unity beyond the water's edge.

I say to you, Mr. Speaker, that I hope we will not rush into anything at this moment without considering all of the facts.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentlewoman yield?

Mr. WIDNALL. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I would like to ask the Member who just spoke about supporting the President. Of course, we all support the President. What do you want us to do?

Mrs. KELLY. I cannot say at this moment what I would want anyone to do until I have learned all of the facts of this incident. I am sure the gentleman from Michigan knows as well as I, that all of the facts are being weighed and considered at this moment. I am confident that the President is as well aware of his responsibilities as we are of ours. I am likewise confident that he will exercise his office so as to protect the lives and property of Americans and that the dignity of the United States will be upheld.

Mr. BECKER. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from New York.

Mr. BECKER. Mr. Speaker, I agree with my good friend, the gentlewoman from New York [Mrs. KELLY] that we must remain calm, that we must back up our President. All of us as good citizens and as Members of the Congress fully realize this. What we are trying to do today is to inform the President that those of us who represent people in our various districts are also responding here to the feelings of the people of our districts. The time is long past when we should remain calm and not to take any action. We are looking for some real action to be taken in order to solve the problem so that we can hold up our heads in the world and look forward to the prestige our country has enjoyed in the past and not let any small-time dictator, such as Castro, representing the Communist conspiracy of the world, take his part willingly to destroy or to help deteriorate our standards. The time is past for patience. I said that a couple of weeks ago. We should worry not so much about the loss of the planes and reimbursement for them. We can take that up later. But let us let our President know that we are willing to back him, and we hope he will take some concrete action to end this sort of thing and let Castro and all the dictators of the world know that the United States is the leader of the free world and we are not going to be pushed around any further. We should let them know now, at the present time, that our people want action in whatever form it must take to end this sort of thing.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Speaker, I do not think there is much point in blaming anybody now for what has happened in the past. I recall within 10 days after Castro came into power I pointed out he was following the Communist pattern of executing everybody under the guise they were criminals. Maybe 8 or 10 of them were. But he was executing everybody who could lead any organized resistance against him. That was the Communist pattern. I said that on the floor because he was invited to come to this country. I said if he was not a Communist he knew enough about it to follow the Communist pattern.

Now, it seems to me that if we really want to take the initiative—and I hear a lot of talk about taking the initiative—if we really want to put Mr. Khrushchev on the defensive—he said what he will do if anybody attacks Cuba—I think we ought to lay down an ultimatum to Castro to return these planes and an ultimatum that if it happens again and the planes arrive in Havana, we are coming in to get them. And we ought to go in and then let Mr. Khrushchev decide what move he wants to make. That would give us the initiative and put him on the defensive. I think if we allow a little pipsqueak like Castro, with lice in his beard, to defy the United States of America, nobody is going to have any respect for us, and I think it is high time that we reassert our American tradition; that we will not allow our citizens to be mistreated and not allow the dignity of the United States to be pushed around.

Mr. BRUCE. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Indiana.

Mr. BRUCE. Mr. Speaker, first of all, I would like to thank the gentleman from Ohio for withdrawing his request and personally point out that I was following carefully the development in Cuba. I do recall that the gentleman from Ohio was one of the few men who correctly analyzed the nature of the Castro movement in Cuba and did warn not only the House but the Nation of events that have come to pass since.

I would like briefly, because I know the gentleman has spent some time in what he is going to present here, to simply emphasize my support generally of the position stated by the gentleman from New York [Mr. PILLION] a few moments ago. Castro is an agent of the supernational international Communist movement. It is not nationalistic in character. He is an instrument of the international Communist conspiracy. We are aware and our Government officially has been aware for years, in their own files, of the background of Che Guevara, a graduate of the Lenin Institute in Moscow, and also of Raoul Castro's background. Castro's movements do not operate outside of Moscow direction, and there is a certain inconsistency in our policy. It is a bipartisan inconsistency, because it is an inconsistency that has been present for years, where we try to recognize communism as one thing in one place in the world and something else somewhere else. Granted, they move in one direction here, and another direction there, but it is all part of a total plan. Castro is an arm of international communism in Cuba. When he moves in Cuba he is doing so with the understanding, the knowledge, and the support of the directorship of the international Communist movement. The inconsistency in our severance of relations, realistically, with the Castro regime, and yet our unrealistic willingness constantly to negotiate with the masterminds behind Castro in Moscow; an inconsistent approach to a total problem. I suggest a reanalysis of our total approach to the supranational international Communist conspiracy.

Let us develop a consistent policy that views Castro and Khrushchev as part and parcel of the same operation. Realistically, how can we talk about a tough policy against Castro in Cuba and at the same time negotiate with Khrushchev for "peace" in another place, when it is all part and parcel of the same operation aimed at the destruction of every vestige of liberty throughout the entire world?

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Indiana.

Mr. BRAY. Mr. Speaker, another American plane has been hijacked for the Communist Castro. That is either piracy or an act of war against the United States. In either case we must act. I think there is no question but what Castro is being used by Khrushchev as a needle to see how far they can go with the United States. The whole world wants to see how much we will put up with, which reminds me of an old fable of the lion in the jungle who was considered the king of all animals, stronger than all, respected by all. But, also in that jungle there was a rat living in the rotten debris of the jungle that thought he could take a bite out of that lion because he was so strong and powerful that he would ignore such a little rat. He thought that the lion would not bother him for doing so. And, he was correct. Then the following night the rat did the same thing. Soon he called on another rat to also bite the lion. Then other slimy rats bit the lion. The other animals in the jungle said to the lion, "Now, you must not slap at this little rat because that would be undignified and the other animals would not respect you." And, that went on and on until finally one night the rats came in great numbers and ate the heart out of the lion and he fell dead without ever striking a blow in his defense. Now in America the slimy rats are moving in at home and abroad—those rats in America who depreciate and attack everything that is American. Then we have the rats abroad such as the slimy chicken-picking Castro. That is exactly what is happening in America today. The rats are moving in at home and abroad to eat the heart out of America, the strongest nation on earth.

Neither Khrushchev nor anyone else would ever dare to attack America openly. But if America, because of her pride or her bid for international good will fails to act to defend our great Nation from the rats, we will be destroyed just as surely as the lion in the fable. If we allow every squeaky rat in the world at home or abroad to strike at us without our resisting, the same fate is going to befall America that befell the lion, the king of all the animals in the jungle.

We have to stop this hijacking and the sooner we do so the easier it will be.

Mr. WIDNALL. Mr. Speaker, I yield to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Speaker, I would like to associate myself with the excellent remarks of the gentleman from Indiana [Mr. BRUCE]. I am sure that this is a bipartisan attitude expressed here today.

Mr. Speaker, the Soviet feat of putting another man into orbit will revive the discussion of the relative progress of the United States and Russia, particularly so because it comes on the heels of Khrushchev's new 20-year plan, promising free utilities and free food and free housing to the Russian people. By concentrating heavily for years on rocket thrust, the Russians have indeed scored

several significant firsts. But the brilliance of these achievements should not blind us to the true situation in Russia. Khrushchev has put men into orbit, perhaps, but he cannot get the Communist economy off the ground. Consumer goods are scarce and substandard. Private cars are almost unknown except for top-drawer Communists. Housing is pitiful, with often more than one family to a single room. Food production is very inadequate.

Mr. Speaker, the Soviet space effort has some familiarity to the old Roman circus, intended to divert the attention of the populace from personal hardships and to lessen the danger of rebellion against the emperor. Good as it is, Khrushchev's Roman circus cannot hide an empty stomach.

FOREIGN AID

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 60 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, I address the House today as one who has consistently advocated both military and economic assistance to friendly foreign countries in order to assist them to oppose aggression, subversion, and the propaganda of international communism.

I have voted for every foreign aid authorization and appropriation measure during my decade in Congress but one—that was a single conference report which I opposed for a special reason.

But, if H.R. 8400, the 1961 foreign aid bill, is not substantially improved and strengthened during its consideration by the House, I shall vote against it.

H.R. 8400 is a step away from victory in the cold war.

Coupled with other programs, some already adopted by the Congress, others proposed by the administration, H.R. 8400 leads, instead, in the direction of further weakness and reduced capacity to combat the Communist menace. We all know that building economic strength as a foundation for political stability and capacity for self-defense in friendly foreign peoples is promoted by:

First. Free economic and political institutions.

Second. Creation of wealth by and in individual citizens and their voluntary business associations.

Third. Equality of economic opportunity for all individual citizens.

Fourth. Building a middle class to replace the traditional cleavage between a numerically small caste of the extremely wealthy on the one hand, and masses living in abject poverty and misery on the other. This disparity is the hallmark of the weak and backward nations, but cannot exist in a true democracy.

These objectives are promoted by encouraging and facilitating economic development through private capital investment.

America was developed by the free play of these forces.

Why should we now abandon those forces, those principles, in favor of bureaucratic planning of economic development at public expense, especially when the record of such planning over the past decade has been one of almost unbelievable bungling, stupidity and waste?

Mr. Speaker, there is a role, but a limited one, in which our Government can help. If it tries to do more, the program fails.

Government can facilitate, it can pave the way, but it cannot, and should not, assume the major role in economic development in underdeveloped areas.

To the extent that we finance economic development from the top down, we, first, fortify caste systems; second, shore up unpopular rulers and regimes and feed corruption; third, stifle and suppress the efforts and the yearnings of the people for a better life; and fourth, promote a socialist planned society—in the Soviet-Communist pattern.

Mr. Speaker, the novel provisions in H.R. 8400, namely, 5-year authorizations and acquiring funds for economic development without sanction of legislative appropriations, are advanced as a means of curing past maladministration of our foreign aid program. It is argued that mistakes have occurred in the past because of a rush to obligate funds before the end of a fiscal year and that if this limitation is removed, we will have long-range planning on an intelligent basis.

Now, that argument is based on a whopping, tacit, false assumption; namely, that development loans are now required to be made on an annual increment basis supported by annual appropriations. This is false.

The Development Loan Fund is a bank. Interest and principal repayments go into a revolving fund.

I might interpolate at this point, Mr. Speaker, the Development Loan Fund has already had provided to it, since 1958, a total of $2 billion, and it has put it all out on loan except a little over $1 million.

Like any other bank, when a reasonable bankable project is presented and approved, it finances the entire project without regard to fiscal years. It does not have to get rid of its money to avoid reversion to the Treasury at the end of a fiscal year. Neither does the Development Loan Fund require annual authorization. It goes on forever or until Congress abolishes it.

Its only problem with respect to appropriations is to request from Congress adequate contributions to capital to permit it to make additional loans to worthy projects which it may have been required to turn down simply because it had no funds to lend.

There is nothing in the existing arrangement of development loans to inhibit long-term planning.

The trouble is that freewheeling spenders in the administration simply do not want the Development Loan Fund to operate as a bank. They want it to be a lump-sum handout agency freed from sound banking criteria—to serve as a conduit for vast unidentified payments to existing regimes in foreign lands. They propose to use DLF, which could have developed into a respectable lending agency, like the Export-Import Bank, as a conduit for transfer of vast sums of money to ruling castes in foreign lands.

This is a losing game.

First, friends cannot be purchased like turnips or potatoes.

Second, the friend who can be bought is worthless when he is needed.

Third, blackmail buys nothing but more blackmail.

Actually, H.R. 8400 destroys the DLF, not only by dissolving its corporate character, but by subverting its basic purpose from one of financing intelligently conceived projects which would contribute to economic advancement and stowing its resources into a big black bag with a hose attached to the pockets of the American taxpayer to siphon off wealth into the greedy fists of corrupt, unscrupulous ruling caste politicians in underdeveloped nations who think more of their personal comfort than the welfare of their country.

This is a losing game.

Congress can hang its head in shame if it lets an irresponsible bureaucracy get away with that.

And proponents of this proposition have the gall to provide for repayment in dollars. Dollars or bolivianos, dollars or drachma, dollars or rupees, they know the handouts envisaged by this huge fund—freed from accepted banking standards—made to shaky regimes and not tied to any security but the ephemeral tenure of those who sign the papers today, but may be gone tomorrow—will, by and large, never be repaid; but if they are, by H.R. 8400, the repayments will never get back to the U.S. Treasury, but go to the revolving fund for further relending.

H.R. 8400 is the most insolent insult bureaucrats have ever hurled at the Congress.

Mr. Speaker, it is understandable that the bureaucracy would prefer to avoid Congress and be free to engage in long-term spending. But we, in Congress, cannot escape hard, day-to-day realities, such as the amount that it is possible to extract from the pockets of American taxpayers vis-a-vis the competing demands on this source of revenue for other desirable programs of defense and health and welfare for the American people. Certainly a more perfect pattern could be prepared in promoting the economic interests of peoples around the world if we could blackout and ignore all of the other demands and obligations on the American taxpaying electorate.

Just last week, advocates of an improved airport system for the United States bitterly complained that the annual authorization and appropriation process inhibited municipalities in long-range planning for their airports. They did not want to bother with the Congress and its time-consuming and speculative function of determining priorities in extracting money from the American people to finance national programs. Awk-

ward as they may be, the authorization and appropriations processes of the Congress, which under the Constitution has the power of the purse, entails the valuable function of acting as a governor and a balancing mechanism to prevent distortion in our national activities. Remove this governor, destroy this balancing mechanism, let the zealots, both in and outside government, promote their pet programs to the exclusion and derogation of others and we will find that our delicately balanced, tripartite Federal governmental system will have broken down and we will flounder in a fiscal morass.

Mr. Speaker, advocates of back-door spending, Treasury borrowing, and other devices for obtaining public funds in violation of the constitutional provision—article I, section 9, clause 7: that "no money shall be drawn from the Treasury but in consequence of appropriations made by law"—point to precedents where this method of financing Government activities has already been approved.

My answer to this argument is that we have gone too far already, that Congress dozed while bureaucracy invaded the legislative realm and usurped these areas of public authority. I say the argument goes too far, too, because if it is an accepted method for financing governmental programs, why should not all governmental programs, each one of which is regarded as desirable by some segment of the Nation, be financed in the same way. We would thus eliminate the time-consuming and annoying interference by the elected representatives of the people in the administration of national programs and save the cost of presentation and justification of proposed expenditures by the bureaucracy, the printing of the records of ex parte, self-serving statements of those who will spend the money and the time of the Congress in considering and adopting the recommendations of its Appropriations Committees.

The plain fact of the proposal for 5-year authorization and back-door spending in the foreign aid program is that the foreign aid bureaucracy wants to avoid the Appropriations Subcommittee and the intensive scrutiny of the gentleman from Louisiana [Mr. PASSMAN], his colleagues on the committee, and even the Congress itself, which rather consistently in past years, I am proud to say, has slowed down reckless spending of our tax funds in foreign lands.

I say thank God for that bulwark of the people. Let us not destroy it.

Now, Mr. Speaker, how can we deny to municipalities in this country, which must raise their own funds to match Federal grants for airports, the privilege of bypassing an Appropriations Committee, and yet grant that privilege to immature, inept, yes, sometimes corrupt governments in farflung areas.

To open up foreign aid funds to such an attack would not lead to better planning, but to the exact opposite. Even under present conditions, presentations of the advocates of spending to the legislative and appropriations committees are not based upon anything approaching the planning, study, and engineering that we require of Federal grant-in-aid recipients in public works, airports, research activities, and a host of other domestic programs. Foreign aid has been presented in illustrative budgets; projects and programs have been advanced in nebulous and ambiguous descriptions. To require not even those limited presentations and justifications would be to encourage and facilitate even more of the fantastic boondoggling, which already has made the United States the laughing-stock in some parts of the world.

July 26, 1961, the Government Operations Committee unanimously approved and reported to the House of Representatives the Foreign Operations Subcommittee's report on U.S. aid operations in Peru. That report, House Report No. 795, documented mismanagement and waste in foreign aid expenditures in Peru in a manner which has shocked Members of the Congress and the American people. As ranking minority member of the Foreign Operations Subcommittee, I participated in the hearings and in the preparation of the report.

The aid program in Peru was widely propagandized by the administration as a model program and an outstanding example of U.S. technical assistance in Latin America. The Director of the U.S. Operations Mission, John R. Neale, was hailed both in the Latin American press and in Washington as an excellent executive and a technically competent administrator.

Contrary to this image, however, the committee's inquiry into the Peruvian aid program disclosed waste, maladministration, conflict of interest, diversion of funds contrary to regulations, and incompetence. Those deficiencies long ago—I repeat, long ago—were called to the attention of State Department and ICA higher officials.

But only after unexplainable delays were charges of maladministration investigated and audits made. High officials not only failed to take prompt and vigorous corrective action, but even attempted to suppress information and to block corrective action.

Those who complained of deficiencies were ignored or punished and those who failed to take the corrective measures required by their positions of authority at that time have been promoted to positions of even greater importance and responsibility.

When senior U.S. officials exhibit the low standard of ethics disclosed in the Peruvian aid program, it is difficult to expect to hold recipients of our aid and subordinate U.S. aid officials to the high standard of conduct which should attend the management and expenditure of public funds.

I insert at this point in my remarks the conclusions and recommendations of the committee as contained in the report.

U.S. AID OPERATIONS IN PERU

CONCLUSIONS

1. General

The principal deficiencies in the U.S. aid program in Peru, during the period 1955–58, stem from the combination of an entrenched USOM Director who did not measure up to his responsibilities, and the failure of ICA/W to exercise supervision and control over his activities.

2. Drought relief

There is no competent evidence in the form of end-use checks, audits, or other documentary proof to support the claim of the Department of State and ICA, that a $14 million drought relief program achieved the objectives which would normally be expected of a program of this nature.

As a result of poor advance planning and inadequate U.S. supervision, much of the food that was brought in remained undistributed at the end of the drought.

(a) The USOM Director divested himself of responsibility for this program by turning over its administration almost entirely to the Peruvian Government, without the knowledge of ICA/W, and in the face of a warning by the then U.S. Ambassador (Ellis O. Briggs) that the local government lacked the experience and facilities to cope with a program of such magnitude.[1]

(b) Although Department of State and ICA files indicate that the primary purpose of this program was the feeding of hungry people it cannot be determined how much of the food provided actually reached drought victims. Less than 6 percent of the food was distributed free in the drought area (almost as much was lost or damaged from various causes).

(c) The food supplied was practically all grain, and at least one-third of this was sold to millers and distributed through normal commercial channels. Whether any of this reached drought victims cannot be determined, from the testimony of State and ICA witnesses or from any documents they submitted.

(d) Almost 25 percent of the food provided remained undistributed at the time the drought was officially declared over by the Government of Peru; almost one-half of this amount still remanied in the warehouses a year later.

(e) Although the United States and Peru had agreed that Peru was to bear the administrative expenses of the drought program, Director Neale, without the knowledge of ICA/W, advised the Peruvian Government to charge such expenses as though they were work relief project operating expenses. This unauthorized action precluded the United States from recovering the funds involved and substantially reduced the funds available for the key work relief feature of the drought program.

(f) Although USOM Director John R. Neale had received instructions to obtain ICA/W approval of projects proposed by the Government of Peru to be financed with the sales proceeds, he failed to do so.

(g) Sales of grain generated the local currency equivalent of $3,600,000. Such sales were authorized by the agreement between the United States and Peru, providing that such funds were to be used to pay the wages

[1] The food for relief programs of this nature in any country is provided by the U.S. Government under Federal statutes. The U.S. operations mission should provide such guidance as is needed by officials of the host country to assure distribution and utilization of the food in a manner best suited to achieve the purposes for which the program was established. In this connection, the jurisdictional concern of the subcommittee is solely the performance of U.S. personnel, and we neither seek nor evaluate information regarding the performance of any foreign official. In the instant case, we have not deviated from this practice; none of the criticisms in this report should be construed as relating in any manner to the conduct of the Peruvian Government or any of its officials.

of drought victims employed on work relief projects. However, as a result of Neale's failure to carry out his duties as USOM director, at least 60 percent of the sales proceeds were used improperly, that is, contrary to the uses contemplated when this program was inaugurated. The lack of adequate USOM and ICA/W records makes it impossible to determine what portion of the balance may also have been improperly used. An instance of improper use was the unapproved construction of eight houses at Puno and their sale, below cost and on an installment basis, to prominent persons in the town.

3. Road project

A $2 million loan to Peru, intended to aid its economy through construction of a road to open isolated areas for agricultural development and colonization, was the subject of such faulty and inadequate planning that after construction had actually started the route had to be completely changed, when belated soils tests established that the area to be served by the original route was unsuitable for farming.

(a) Although funds for this construction were obligated with excessive haste, a period of over a year intervened between obligation and construction. This period could have been used to select a terminus suitable for the purpose intended and to plan a proper route.

(b) In fact, such planning did not occur, and the route had to be changed after the commencement of construction. Washington was not advised of this change until this fact was uncovered by an ICA/W auditor.

(c) The road finally constructed under this loan ended in the middle of nowhere—"on the side of a mountain"—at a point about halfway along the projected route, where the project ran out of funds.

4. Pampas de Noco

A $125,000 irrigation project built at Pampas de Noco does not irrigate.

(a) The significance of this particular failure lies in the stubbornness with which USOM Director Neale continued the project even after he had received competent technical advice that the project was not feasible.

(b) The reason the project was not feasible seems incredible, in any properly planned irrigation project—it was simply that there was not enough water available in the area to make use of the projected irrigation works.

5. Conflict of interest

USOM Director John R. Neale entered into a conflict of interest situation for personal profit when he organized and invested in the corporation, Negociacion Bazo Velarde, S.A., for the purpose of operating a farm which was receiving aid under the U.S. program. He failed to inform his superiors of his participation in this operation.

(a) Neale testified contrary to the facts in his appearance before an ICA hearing board.

(b) ICA/W had information which should have compelled the pursuit of an inquiry into possible conflict of interest on the part of Neale for some 4 years before effective action was finally taken.

(c) Even at Neale's administrative hearing, where the record clearly demonstrated that Neale was in fact in conflict of interest, both Regional Director Atwood and Ambassador Achilles persisted in impressing upon the board their beliefs that Neale was simply a victim of spite on the part of complainants.

(d) The hearing board which considered Neale's conflict of interest and recommended his separation apparently did not pursue the matter beyond the point required for this minimal decision. The investigator upon whose findings the hearing was based was not called by the board.

(e) The only witnesses heard by the board, other than Neale, were Atwood and Achilles, who testified as character witnesses for Neale. Although neither appeared to have any knowledge of the actual facts, each rendered a strong endorsement; in their positions they should have known the facts, or, at least, have informed themselves before voicing opinions.

(f) ICA/W investigative personnel, Thomas E. Naughten, Michael Ambrose, Robert L. Shortley, and Charles A. Gannon, all demonstrated a peculiar disinterest in determining the validity of charges made concerning Neale's conflict of interest. This performance, inconsistent with what appears to be adequate investigative experience in the backgrounds of these men, points to a conclusion that ICA did not require, nor did they employ, their best talents.

6. Internal audits

A lack of adequate internal audit facilities contributed to the difficulties experienced with the program in Peru, since the USOM was frequently unaware of developing difficulties for substantial periods.

(a) The failure of the USOM to submit, or ICA/W to request, the submission of such internal audit reports as were made indicates a high degree of laxity at managerial levels both in Washington and in the field.

(b) There were no end-use checks made of the drought program.

(c) ICA/W, on the basis of information from various sources, could have taken action to correct this situation. The special audits issued in March 1960, however, did not come about as a result of routine administrative control procedures, but because ICA/W became aware of congressional interest in the charges leveled against the program by former USOM Deputy Director Samuel Coon.

(d) Even subsequent to the special audits, the USOM resisted for over a year the recommendation of an ICA/W auditor that a full-time American auditor be assigned to USOM/Peru.

7. Poor supervision

Rollins S. Atwood, Regional Director, Office of Latin American Operations, ICA/W, did not properly perform his functions as the official primarily responsible for the effective operation of the U.S. aid program in Peru.

(a) He had adequate basis for questioning the quality of the administration of the aid program in Peru, but failed to take corrective action.

(b) He had ample indications that Neale was involved in a conflict-of-interest situation but failed to purrue inquiries that could have established the facts.

(c) His conduct in office and his testimony before the subcommittee were characterized by a defensive rejection of all suggestions that Neale's performance might in any manner fall short of acceptable standards.

8. Unawareness of Ambassador

Ambassador Theodore C. Achilles, in his appearances before the subcommittee, demonstrated important gaps in his knowledge of the activities of his subordinates during the period when he served as Ambassador to Peru.

9. Investigative shortcomings

The Office of the Inspector General and Comptroller and its predecessor, the Office of Personnel Security and Integrity, ignored serious charges and delayed action in cases where prompt and adequate investigation might have proved embarrassing to ICA, the USOM, or to Neale.

(a) The act of former P.S. & I. Director Thomas E. Naughten[2] (in which there was participation by Charles A. Gannon and Robert L. Shortley) in changing the name of a file, and the focus of investigation, from Neale to that of a complainant, Dr. Raymond Gibson, demonstrates an unfortunate bias and tendency toward prejudgment.

[2] Present USOM director in Thailand.

Mr. Speaker, this report is similar to approximately 25 reports of the Foreign Operations Subcommittee and its predecessors, all of which were unanimously approved by the subcommittee and the full Committee on Government Operations over the past 8 years and I incorporate a list of them at this point in my remarks:

SUBCOMMITTEE PRINTS OF INTERNATIONAL OPERATIONS SUBCOMMITTEE OF THE 83D CONGRESS

"Report on Contracts for the Purchase of Tungsten Ore in Thailand by the General Services Administration," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

"Report on Foreign Aid Procurement: Hexylresorcinol Purchases for Indochina," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

"Report on Procurement of American Cotton by Spain," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

"Report on the Administration of the Foreign Service," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

"Report on the Foreign Operations Administration End-Use Control Program," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

"Report on United States Economic Assistance to Spain," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

"Report on U.S. Embassy, Consular Service, and U.S. Information Agency Operations in Japan," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

SUBCOMMITTEE REPORTS

House Report No. 843: "Establishment of Foreign Operations Administration" (pts. 1 and 2) (Reorganization Plan No. 7 of 1953). July 15, 1953.

House Report No. 844: "Establishing U.S. Information Agency" (Reorganization Plan No. 8 of 1953). July 15, 1953, parts 1 and 2.

House Report No. 869: "A Fiscal Analysis of the International Operations of the United States for the Fiscal Years 1952, 1953, and 1954." July 17, 1953.

House Report No. 1334: "Security and Personnel Practices and Procedures of the Department of State." March 9, 1954.

House Report No. 1387: "Use of Nonappropriated Funds by Executive Agencies" (Bonn-Bad Godesberg area construction program). March 24, 1954.

House Report No. 1505: "A Fiscal Analysis of the International Operations of the United States for the Fiscal Years 1953, 1954, and 1955." April 7, 1954.

House Report No. 1506: "German Consulate-America House Program" (pt. 2). April 7, 1954.

House Report No. 1673: "Foreign Service and Departmental Personnel Practices of the Department of State." May 25, 1954.

House Report No. 2574: "Relief and Rehabilitation in Korea." July 29, 1954.

SUBCOMMITTEE HEARINGS

1. Hearings on German consulate-America House program.

2. Hearings on German consulate-America House program (pt. 2).

3. Hearings on Use of Nonappropriated Funds by Executive Agencies (Bonn-Bad Godesberg area construction program).

4. Hearings on study of oversea administrative personnel problems.

5. Hearings on security and personnel practices and procedures of the Department of State.

6. Hearings on Foreign Service and departmental personnel practices of the Department of State.
7. Hearings on Technical Cooperation Administration (education and training activities).
8. Hearings on investigation of U.S. Government contracts for the purchase of tungsten in Thailand.
9. Hearings on the Foreign Operations Administration end-use control program.
10. Hearings on foreign-aid procurement (hexylresorcinol purchases for Indochina).
11. Hearings on relief and rehabilitation in Korea.
12. Hearings on U.S. Embassy, consular service, and U.S. Information Agency operations in Japan.
13. Hearing on international operations of the U.S. Government in France, Spain, and Germany.

SUBCOMMITTEE REPORTS OF INTERNATIONAL OPERATIONS SUBCOMMITTEE OF 84TH CONGRESS

House Report No. 1663: "Foreign Service Promotions Under the Wriston Program."
House Report No. 1985: "United States Technical Assistance in Latin America."
House Report No. 2172: "Administrative Management of the Department of State."

SUBCOMMITTEE HEARINGS

1. Administration of overseas personnel:
Part 1: Management survey of the Department of State.
Part 2: White House Task Force.
Part 3: Wriston Committee program.
Part 4: Foreign Service promotions under the Wriston program.
2. U.S. technical assistance and related activities in Latin America.

SUBCOMMITTEE REPORTS OF INTERNATIONAL OPERATIONS SUBCOMMITTEE OF 85TH CONGRESS

House Report No. 10: "U.S. Aid Operations in Iran." January 27, 1957.
House Report No. 449: "Review of the Budget Formulation and Presentation Practices of the International Cooperation Administration." May 17, 1958.
House Report No. 1166: "State Department Public Opinion Polls." August 14, 1957.
House Report No. 1374: "Use of Defense Support Funds for Economic and Political Purposes." February 22, 1958.
House Report No. 2012: "Foreign Aid Construction Projects." June 26, 1958.

SUBCOMMITTEE HEARINGS

1. U.S. aid operations in Iran.
2. Review of the budget formulation and presentation practices of the International Cooperation Administration.
3. State Department public opinion polls.
4. Use of defense support funds for economic and political purposes.
5. Foreign aid construction projects:
Part I: Foreign aid construction projects.
Part II: Field survey of construction projects and other foreign aid operations.

SUBCOMMITTEE REPORTS OF FOREIGN OPERATIONS AND MONETARY AFFAIRS SUBCOMMITTEE, 86TH CONGRESS

House Report No. 546: "U.S. Aid Operations in Laos." June 15, 1959.
House Report No. 1526: "Operations of the Development Loan Fund." April 19, 1960.

SUBCOMMITTEE HEARINGS

1. U.S. aid operations in Laos.
2. Operations of the Development Loan Fund.

Examination of the committee's reports and hearings cannot help but convince any impartial person that our foreign aid program has been badly mismanaged, that we have spent far greater sums than were necessary, and that substantially smaller amounts administered in an efficient and businesslike manner would have made far greater progress in achieving the objectives of the foreign aid program.

We can assist friendly foreign countries to achieve economic strength only when they themselves make a maximum exertion and our financial aid should be no more than the incentive or catalyst to induce that effort. Aid should be contingent upon the adoption by the recipient of reforms calculated to produce a sound viable economy.

Our aid should not underwrite the perpetuation of weaknesses and extravagances which the recipients of aid would have been compelled to correct by the force of circumstances if we had not supplied them with funds. Overspending and loose administration thus weakens those we intend to help and postpones the day when they can stand on their own feet. Excessive and unwise donations, however well intentioned, actually constitute a disservice to those we seek to help.

Excerpts from the conclusions of the subcommittee's reports, which I include at this point in my remarks, amply sustain the foregoing comment:

HOUSE REPORT NO. 10: "U.S. AID OPERATIONS IN IRAN"

[85th Cong., 1st sess., January 28, 1957]

CONCLUSIONS

1. U.S. aid and technical assistance programs in Iran which, between 1951 and 1956, totaled a quarter-billion dollars, were administered in a loose, slipshod, and unbusinesslike manner.

2. The so-called expanded technical assistance program which began in January 1952 and resulted in U.S. obligations of over $100 million in a 5-year period, was neither technical assistance nor economic development, but an ad hoc method of keeping the Iranian economy afloat during the years of the oil dispute.

3. The expenditure of technical assistance funds during these years was undertaken without regard to such basic requirements of prudent management as adequate controls and procedures, with the inevitable consequences that it is now impossible—with any accuracy—to tell what became of these funds. The resulting opportunities for waste and loss of funds were considerable, but the extent to which loss and waste actually occurred cannot be determined since management practices and control procedures were so poor that records of the operation, especially in the early years, are not reliable.

5. The conduct of the U.S. operations mission's affairs appears to have been based on the assumption that as long as U.S. aid funds were spent promptly it was not a matter of great consequence as to what they were spent for. Members of the mission who openly objected to the uncontrolled nature of the operation were either disciplined or labeled as incompetent. To those familiar with the involved and time consuming processes for financing public works in the United States, in whole or in part with Federal funds, the cavalier, freewheeling casual fashion in which huge sums of U.S. funds were committed in Iran must necessarily be shocking.

11. U.S. control over what Iran did with this budget aid was practically nonexistent and the subcommittee notes that Iranian budget deficits increased rather than decreased during this period.

18. The use of the so-called illustrative method of presenting budget requests to the Congress is a major factor in the almost complete loss of control by the Congress over spending in this type of program. Under this system the Congress is given a description of a hypothetical program which might be carried out if requested funds are furnished. However, when funds are granted by the Congress, there is no commitment by the executive branch to expend them for any of the activities used as hypothetical illustrations.

19. Congressional control over expenditures in this type of program is further defeated by the fact that information supplied Congress on how funds granted on the illustrative basis were actually spent consistently omits the elementary facts needed for an intelligent postaudit.

HOUSE REPORT NO. 1374: "USE OF DEFENSE SUPPORT FUNDS FOR ECONOMIC AND POLITICAL PURPOSES"

[85th Cong., 2d sess., Feb. 22, 1958]

CONCLUSIONS

1. The definition of "defense support," the largest single element in the mutual security program other than military assistance, is interpreted so broadly by the executive branch that it is virtually impossible to determine whether or not an expenditure made under it is in accordance with legislative intent.

4. Although a pretense is made that the amount of aid funds programed for each country is determined by "expert" economic judgment, the subcommittee has found no evidence that this is the case. The annual congressional presentation books for the mutual security budget contain no explanation, nor has any foreign aid administrator ever been willing or able to explain to this subcommittee how and why any particular level of aid has been determined.

In its report on U.S. aid operations in Laos, some of the conclusions reached by the Committee on Government Operations filed June 15, 1959, state:

1. Giving Laos more foreign aid than its economy could absorb hindered rather than helped the accomplishment of the objectives of the mutual security program.

2. Excessive cash grants forced money into the Lao economy at a faster rate than it possibly could be absorbed, causing:

(a) An excessive Lao Government foreign exchange reserve, reaching at one point $40 million, equal to a year's aid.

(b) Inflation, doubling the cost of living from 1953 to 1958.

(c) Profiteering through import licenses and false invoices, which made possible the purchase of U.S. cash-grant dollars for 35 kip. Those dollars could be resold in the free market for as much as 110 kip.

15. In the light of all the evidence available, including documentation of the Lao Government's request for the continuation of the contract, the conclusion is inescapable that the Howell group was eased out of Laos because they were insisting that the U.S. aid program be subjected to proper controls. Under proper controls, improper activities would have become much more difficult.

18. ICA/Washington took more than 18 months to negotiate a final signed contract for highway engineering services (with Vinnell). There was a period of 4 months of total inaction by ICA's Area Operations Division. As a result:

(a) Control of the road program passed from ICA/Washington to USOM/Laos.

(b) Officials of the USOM assisted and encouraged the development by the Universal Construction Co. of a virtual monopoly of U.S.-financed construction projects in Laos.

(c) Universal through the bribery of McNamara and the failure of other USOM/

Lao officials to perform properly, was able to secure payments totaling over $1.6 million for performance that was inadequate and did little to enhance the economy of Laos or the prestige of the United States.

19. USOM Director Carter de Paul violated ICA contract regulations in several important respects, particularly in relation to the Universal contracts. His actions included—

(a) Writing two contracts for a single job in order to evade the rule that a USOM Director cannot write a contract for more than $25,000 without ICA/Washington approval.

(b) Writing contracts with inadequate specifications; one contract included a provision that the contractor (Universal) was not required to complete any work under the contract.

(c) On at least one occasion completely reversing the usual order of procedure: the work was started first; the contract came next; later (with the contract already signed) invitations to bid were issued; and finally ICA/Washington authorization (which should have preceded all other steps) was obtained.

21. Lao Army pay raises in 1955 and 1959 have added $3.8 million annually to the cost of the U.S. aid program in Laos. The 1955 raise has already cost the U.S. taxpayer $10 million to date. Justifications, if any exist for these raises, are not clear. In both cases, approval by the Department of State was given after the fact and then largely to avoid embarrassment because of unauthorized commitments made at the mission level.

Now, we can argue over generalities and abstractions endlessly and arrive nowhere, but it is difficult to deny the facts of a specific example. For that reason, I want to sketch briefly the story of a road in Cambodia. Pnom Penh is the capital of Cambodia, one of four new nations which emerged from French Indochina some 6 years ago. The French agreed to build the Cambodians a port on the Gulf of Siam at a place to be called Komong Som. This was to give the Cambodians a port of their own to avoid receiving their imports and delivering their exports through Saigon or Bangkok in neighboring Vietnam and Thailand.

There is a road between these two points, a distance of 133 miles, route 3. In the hearings of our subcommittee held in Pnom Penh, the evidence showed that there was no military or economic justification for the construction of a new highway, route 4. For example, the director of the U.S. operations mission in Cambodia, in response to a question I asked him, testified as follows:

> The principal justification was a political justification. I would not justify this project basically as an economic proposal. If you asked me if I would spend $25 million of the taxpayers' money solely on this economic ground, I would say "No."

Nevertheless, for political reasons, our Ambassador agreed to construct a new, modern, high-speed highway through the swamps, jungles, and mountains of south Cambodia, which would shorten the distance between the capital and the port by 25 kilometers or about 15 miles. At the time and in the foreseeable future, there would be little traffic on this new road, except vehicles drawn by water buffalo, which prefer to walk in the mud rather than on asphalt. The highway was widely touted as a token of American friendship for Cambodia and a demonstration of American ingenuity and engineering skill in roadbuilding. It was to be a showpiece in southeast Asia.

The study made prior to the approval of the project of the engineering problems and the economic justification for such a highway, as well as estimates of its cost, were so superficial as not to merit the characterization of an educated guess. In fact, the decision was a political rather than an economic decision. On June 26, 1958, the Foreign Operations Subcommittee, on the basis of hearings both in Washington and in Cambodia, made the following comment:

> The administration of major construction projects in the foreign aid program, by the International Cooperation Administration, has been inadequate, indifferent, and incompetent. Deficiencies include—
>
> 1. Inadequate advance planning.
> 2. Defective standards and procedures for the award and administration of contracts.
> 3. Indifference to conflicts of interest.
> 4. Incompetent supervision of the procurement of construction equipment.
> 5. Poor coordination between field missions and Washington and among divisions in Washington having responsibility with respect to construction projects.
> 6. Excessive reliance on "political urgency" to excuse deviations from sound procedures.
>
> As a consequence, achievement of the objectives of the foreign aid program has been impeded, the cost to U.S. taxpayers has been increased, and the dignity and prestige of the U.S. Government abroad have suffered.

Another conclusion: 4. Incompetent supervision of the procurement of construction equipment:

> ICA permitted the construction contractor on the Cambodian road to purchase about $1 million of used equipment from himself. Approval of this unusual procedure was based on the contractor's assertions that similar new equipment was not available. As ICA could have determined by prudent checking, this was not the case.
>
> Having approved such a procedure, with its considerable possibilities for dealings disadvantageous to the Government, ICA failed to exercise even normal prudence in policing the transaction, when, in fact, commonsense called for extraordinary vigilance. As a result, the following matters occurred, all contrary to the Government's interest:
>
> First. The engineering firm for the Cambodian highway project conducted a most cursory and superficial "inspection" of the used equipment. Its report to ICA—that the equipment was in good condition—relied upon the construction contractor's—seller's—oral representations. In fact, within a few months of arrival in Cambodia, 14 of the 40 pieces of used equipment were in the shops for complete rebuild.
>
> Second. The construction contractor for the Cambodian highway project sold his used equipment to ICA at a price substantially higher than that at which he had been offering it, unsuccessfully, on the world market for 6 months previously.
>
> Third. The construction contractor for the Cambodian highway project ignored ICA requirements to report commissions on the sale of his used equipment. Moreover, the persons to whom these commissions were paid had rendered no service to the Government.
>
> Fourth. Immediately prior to the sale of his used equipment, the construction contractor for the Cambodian highway transferred it through wholly owned corporate structures, including a newly formed Liberian corporation. As a result of this, neither he nor his corporations have paid any Federal or State income taxes on a profit which appears from his books to have approximated $500,000.
>
> No. 5. Poor coordination between field missions and Washington, and among divisions in Washington having responsibility with respect to construction projects:
>
> (a) Offices within ICA/W, sharing responsibility for major construction projects are seldom fully cognizant of one another's actions.
>
> (b) Field missions are not fully and promptly appraised of ICA/W actions, and vice versa. As a result, conflicting policy lines may be pursued for considerable periods. Field missions have also had abundant occasion to complain of slowness in arriving at decisions by ICA/W.
>
> (c) Delay in reaching decisions seems closely related to the diffusion of responsibility which exists within ICA/W, typified by the extensive reliance upon "committees" for decisions.
>
> As a result of diffusion of responsibility:
>
> First. It is seldom possible to attribute an error to any particular persons.
>
> Second. Records are scattered throughout numerous offices.
>
> Third. Coordination of effort is frequently lacking since it is no one's particular responsibility.

The planning was so bad and the construction and supervision and inspection of construction were of such poor quality that the road, completed in 1959, is now nearly unusable. The U.S. Ambassador to Cambodia advised the Secretary of State that in the early spring of 1961, Prince Sihanouk wanted to drive from Pnom Penh to Komong Som, which by that time had had its name changed to Sihanoukville. He began his journey on the new Khmer Friendship Highway, but the highway was in such poor and impassable condition that he had to turn back and take the trip by helicopter.

In my opinion, the whole business was a mistake. A road which originally was estimated to cost $15 million and has now cost more than $34 million will have to be done over again, at least in part, if we are to avoid disastrous loss of face and prestige in Asia; that loss of face which is being effectively exploited with a soft sell by the Communists in that region and elsewhere. We now are bound, they say, to spend more millions making a good road where none should ever have been built in the first place.

If I were to summarize briefly the most important and glaring deficiencies in the administration of foreign aid as disclosed by our subcommittee's investigations over the years, I would list the following:

First. Ill-defined objectives.

Second. Lack of clear criteria and standards for allotting aid.

Third. Poor advance planning or total absence thereof.

Fourth. Submission to Congress of illustrative budgets, rather than specific projects and programs.

Fifth. Incompetent business management.

Sixth. Inadequate or nonexistent end-use checks.

Seventh. Political interference with economic planning.

Eighth. Diffusion of responsibility.

Ninth. In general, altogether too much flexibility and lack of control in foreign-aid expenditures.

Now, what does H.R. 8400 propose as a cure for these deficiencies? It provides greater flexibility, more elastic and more ambiguous criteria, fewer controls, and even worse, immunity from congressional scrutiny in annual authorization bills and the avoidance of budget presentations and justifications in the appropriations process.

In effect, what H.R. 8400 proposes is that the Congress vest in the President its legislative power, as well as its power of the purse, with respect to foreign aid; that it give up the control inherent in the automatic termination of a program and authorizes the President to establish and to reorganize from time to time, without congressional approval of any sort, the agency or agencies through which foreign aid is administered. Nothing in the law would prevent the President from adopting the existing agencies responsible for the foreign aid program, which would thereby become immunized from congressional scrutiny and control, since any amendment to H.R. 8400, after it became law, in case Congress should be dissatisfied with it, would have to survive his veto.

I venture to say that no President has ever requested such a sweeping delegation of legislative authority, even in time of war, and that no Congress but a weak and supine one, indifferent to its constitutional powers and prerogatives, and in derogation of its responsibilities to the electorate, would ever grant it. Significant checks and safeguards on the exercise of vast authority and expenditure of vast sums of public funds would be removed by H.R. 8400.

The President, in effect, asks us in H.R. 8400, to let him write the foreign aid law. Does he have the ability to do so? If he knew what should be done, why did he not present a sensible, intelligent plan to the Congress, instead of simply asking Congress to give him its legislative power, so that he, or more accurately, the monolithic bureaucracy which has sprouted under various foreign aid programs, can write its own ticket to perpetuate itself indefinitely and to establish itself on what amounts to an extra-governmental plateau beyond the reach of the American people or their elected representatives.

Mr. Speaker, the record of performance of this bureaucracy does not justify such confidence by the Congress.

On the contrary, the record of performance, as disclosed in the reports and hearings of the Foreign Operations Subcommittee and the legislative and appropriations committees of the Congress, as well as other committees, overwhelmingly indicates that the proper course of action leads in precisely the opposite direction. Instead of more funds, Congress should appropriate less. Instead of less accounting for expenditures, the accounting should be more strict. Instead of absolving administrators from presenting to the Congress any plans or justifications, better planning and more specific and concrete proposals should be required. Instead of removing criteria, standards, and controls over the personnel and organizational structure of the agency administering foreign aid, such criteria should be spelled out in greater detail and the organizational structure should be tightened up.

In effect, H.R. 8400 proposes to cure the disease by more of the infection.

Mr. Speaker, I am one who firmly believes that not only for the protection of our institutions and our traditions of individual, political, and economic freedom in our own self-interest but for the altruistic purpose of sharing those blessings with other peoples, we cannot be indifferent to the plight of newly emerging and underdeveloped nations threatened by the sinister onrush of international communistic aggression and subversion.

Where I differ with the philosophy of H.R. 8400 is that I believe our policies and our programs should have some logical relationship to our objectives.

What is the objective of our assistance to underdeveloped areas? My understanding is that it is to help them develop for themselves free economic and political institutions which will leave to the individual the maximum discretion and opportunity to use his talents in improving his lot.

What is the logical means of accomplishing this objective?

Is it not the development of a free, competitive enterprise system based upon private ownership, individually and through business associations, of the property and processes for production and distribution of goods to fill human wants?

If this be so, our policies and programs should be aimed at encouraging and facilitating the operation of these free economic forces which have led to the abundance which we have enjoyed in this country. The Government's role should be a limited one. Direct government-to-government grants and loans should be of a temporary nature and should gradually taper off and disappear as recipients of our aid achieve political and economic stability.

It seems to me that economic development and the promotion of economic and political stability in the underdeveloped areas of the world and for the peoples who are emerging from colonialism and seeking to establish themselves in the world community, that that job of economic development, pursuant to our American traditions, belongs primarily to the private business community. We should foster, encourage, and stimulate private capital investment for the economic development of the underdeveloped areas of the world. It should be the role of Government merely to support, encourage, and facilitate this natural economic process.

It is my view that the Government should seek to create the climate in which private enterprise can do the job of developing natural resources; that Government should police the activities of individuals and corporations so as to prevent overreaching, exploitation, and monopolistic, restrictive trade practices and so as to insure equality and fair dealing in free and open competition; that Government, in providing statistical and scientific information, and possibly financial assistance, to all on equal terms, can assist and encourage the flow of private capital into the work of developing natural resources and other fields of manufacturing and trade; that Government can appropriately promote self-liquidating international public works as aids to production and commerce. The Government should not engage in proprietary undertakings nor make extensive grants or loans of public funds in private economic activities either to foreign governments or their nationals.

Mr. Speaker, instead of the approach of H.R. 8400, I suggest the following four-point program:

First. Continue the aid program as presently constituted for 1 year, but at reduced dollar levels;

Second. Conduct a searching investigation of the personnel and organizational structure and interrelationships of agencies of our Government concerned with the foreign aid program with a view to substantial reforms leading to improved performance;

Third. Conduct a searching investigation of the impediments and hazards to overseas private capital investment and trade; and

Fourth. Adopt measures calculated to encourage and facilitate private capital investment in underdeveloped areas.

Mr. Speaker, I am preparing and will shortly introduce two bills which will aid in accomplishing the foregoing objectives.

One is a bill which I have previously sponsored to create a Commission on Overseas Investment and Trade to study and recommend specific programs to the executive branch of the Government and to the Congress for removing or minimizing impediments to overseas private capital investment and international trade. I intend to expand the Commission's study to include an examination of the Government foreign aid program and the agencies administering it so that a proper balance may be achieved between Government aid and private capital investment for economic development.

The other bill is the foreign investment incentive tax bill, similar to H.R. 5 of the 86th Congress which was adopted by the House on May 18, 1960.

Mr. Speaker, there may be other actions we can take. Certainly included in these would be the defeat of any proposals which would repress and inhibit private capital investment overseas such as the recommendations in the President's tax message.

Let us reaffirm our faith in the economic and political philosophy upon which this Republic was founded. Let us believe that the liberation of the forces of the human soul which conquered our own wilderness and harnessed the forces of nature for the benefit of ourselves and our posterity can likewise be employed for the benefit of people who, only now, are emerging from the shackles of feudalism and slavery. Let us act in that faith. With humility, and anxious to absorb the many advantages of the cultures of the peoples whose material lot is less pleasant than ours, let us offer to contribute the pioneering, courageous, enterprising spirit which is our inheritance. But let it be the voluntary and spontaneous contribution of the American people in a self-sustaining, mutually

beneficial economic movement. Let us not admit decadence and impotence in the free enterprise system through engaging in State-owned, tax-supported proprietary activities reminiscent of the totalitarian socialism we abhor.

Mr. LANGEN. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Minnesota.

Mr. LANGEN. Mr. Speaker, I compliment the gentleman on his very eloquent statement and I commend him for the service he is performing both for the Congress and for the Nation by his statement at this time. Coming at this very timely moment when great demands are being made for a stature and posture, both social and economic, on the part of this Nation, I repeat, the gentleman is performing a great service.

Further, Mr. Speaker, may I say, coming at a time prior to the consideration by the House of Representatives of this important matter, it gives us the benefit of sharing in the observations which the gentleman has so eloquently made.

Mr. MEADER. I thank the gentleman from Minnesota for his very kind and generous remarks.

Mr. CHAMBERLAIN. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. Mr. Speaker, I associate myself with the remarks of my colleague, the gentleman from Michigan, particularly with reference to his position on the pending consideration of the foreign aid bill. Ever since I have been a Member of the Congress I have supported the foreign aid bill when it has been before us, and I have done so without exception. While I will concede there may be some necessity for long-range planning, I am unalterably opposed to this feature of backdoor spending. I would want the RECORD to show at this time that if that method of financing these programs is going to be embodied in the coming bill, I am going to vote against it. I think the leadership should know further that there are many of my colleagues, with whom I have talked in the last few days, who have supported this bill in the past but who also share the view I have just expressed.

If the gentleman will permit, I would like to take just a minute to make a further observation with reference to the announcement by the Secretary of the Treasury in South America recently with respect to a $20 billion program of foreign aid for Latin America. While such a program may have great merit, and I do not mean to comment on the respective merits of this program, Congress has not yet been advised of it; the Foreign Affairs Committee does not know about it except what it reads through the press. The executive branch of the Government keeps running off and committing us to these programs in advance of formal notification.

I recall back in the years of World War II when we had a statesman from Michigan in Washington, Senator Vandenberg. He worked with the administration at that time on a bipartisan foreign policy, and I think that the record will show that they got along pretty well. Now we have a turn of events like this where the ranking members of the Foreign Affairs Committee have to read the newspapers to find out about obligations that are made to nations in another hemisphere. I think the Congress should resent every word of it.

Mr. MEADER. I thank the gentleman for his contribution to the discussion and the statement he has made concerning his discussion with other colleagues regarding H.R. 8400, particularly those who have supported foreign aid in the past.

I am also glad he brought up the matter of the statement that the Secretary of the Treasury made in South America about the $20 billion. I believe the statement was completely unauthorized. I do not know where the Secretary of the Treasury could have found authorization for such commitments to these Latin American countries, and I think it was a mistake for him to make the statement if he could not back it up.

As I understand it, he had in contemplation that some of this $20 billion over the next 10 years would be private capital investment in Latin America. Let me say to my colleague that there has been a good deal of private capital investment in Latin America in years past, and I do not know how much farther it can go. To take one instance, the Sears, Roebuck & Co. through its operations in Latin America has done a great deal for the people of Latin America in modernizing their merchandising concepts and getting them goods at more reasonable prices, and it has forced competitors to deal on a mass basis rather than to concentrate on fewer sales and higher prices.

But let me say to you that when the President—and I see my colleague from Michigan [Mr. KNOX] who is on the Ways and Means Committee sitting there—that when the President in his tax message recommends penalizing overseas investment, how does the Secretary of the Treasury expect to get very much of his $20 billion in private investment capital in Latin America? This administration is moving in the wrong direction by discouraging private capital investment, by its tax policies, and by increasing the amount of money spent by Government bureaucracy, which likewise has a tendency to take over areas which otherwise might have been financed by private capital investment.

Mr. KNOX. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Michigan.

Mr. KNOX. I completely concur in the statement by my colleague from Michigan [Mr. MEADER]. The Committee on Ways and Means has had before it consideration of the President's tax proposals. They do, of course, provide for the repeal of the incentive which this Government gave to industry to go abroad. Now, many of our corporations have gone abroad and established themselves. It is difficult at this time to say whether or not they actually have been able to write off the indebtedness that they created by going abroad, but here we are today confronted with this question of repealing the incentive to Western Hemisphere development, the 14-percent differential in the tax.

At the same time, as the gentleman has so well stated in his remarks, the Secretary of the Treasury has gone into South America and has stated that a part of this $20 billion will be private capital.

It is my candid opinion that private capital is going to be very skeptical about further investments abroad when the U.S. Government, of which we are a part, takes opposite views. If we follow through with the recommendation of the President, private investors may say they have no further faith and there is no necessity for them to continue to invest because of the commitment that was given to them previously in the way of an incentive. The recommendation now is to take that commitment away from them.

I have never supported foreign aid, not that I do not believe in foreign aid, but we have had approximately $5 billion each year in unexpended funds, plus the current appropriations. This year that is $4.8 billion, plus another $8.8 billion in Treasury financing under the 5-year program.

I listened the other day to the gentleman from Louisiana [Mr. PASSMAN], on a television program. He made the statement at that time that it was costing the taxpayers $10½ billion annually to support the foreign-aid program. I think we should take a closer look and scrutinize carefully this foreign-aid program if we are going to be able to survive and protect our own economy. We are now $298 billion in the red. It is anticipated that the President will come back again and ask us for a further increase in the national debt ceiling. Where it will go this year, I do not know. But apparently, from everything that is indicated at this time, the Congress will have before it prior to adjournment another request for an increase in the national debt ceiling.

I am one who believes we have a responsibility to aid friendly foreign countries, but not to the degree of imperiling our own economy through fiscal irresponsibility.

I thank the gentleman for yielding.

Mr. MEADER. I thank the gentleman for his contribution.

Mr. JOHANSEN. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Last week, in connection with the hijacking of another plane, I offered the observation that there would be no final solution of this problem until we undertook to recapture and liberate the Cuban people and the island of Cuba.

In view of the depredation which has now been reported today, I wonder if the gentleman does not agree that the matter of foreign aid for Latin America and for this hemisphere is secondary to the question of firmness and of our prompt action in dealing with these depredations.

I have been opposed to foreign aid. We cannot hope to solve the problems we face until we manifest a policy of firmness in dealing with this sort of depredation. Does not the gentleman agree entirely with that?

Mr. MEADER. I thank the gentleman.

Earlier this afternoon a great many Members of the House commented on the most recent hijacking incident in Cuba.

May I say that generally there seemed to be a consensus that something must be done and done now other than just talk and threats.

I may say to the gentleman that I do not believe the two subjects are really related. I was addressing myself to the reformation of the foreign-aid program and putting emphasis on a long-range program and providing for aid by private capital investment rather than by continuing these huge Government-to-Government grants. That is the subject in general I was discussing. I do not believe that it has any immediate relationship to what we ought to do about the provocation and piracy, hijacking, kidnaping and so forth that the Communists are engaged in in Cuba and elsewhere in the world.

Mr. JOHANSEN. Mr. Speaker, if the gentleman will yield further, I certainly share the gentleman's views that the emphasis ought to be on that type of nongovernmental assistance rather than out-of-hand foreign aid. The only point I am making is that regardless of the type of aid, it seems to me that we misplace our faith in any aid if we do not accompany it with a policy of firmness in the face of such depredations.

Mr. MEADER. I thank the gentleman. I say that this Cuban situation is one that deserves a great deal of discussion. Perhaps we have not discussed it enough, as to whether the Congress itself should take action. There have been various proposals made, and I would be happy to discuss that on another occasion.

SCHOOL ASSISTANCE ACT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Washington [Mr. MAGNUSON] is recognized for 10 minutes.

Mr. MAGNUSON. Mr. Speaker, I wish to call to the attention of the House this afternoon title II of H.R. 7300, the School Assistance Act of 1961, which would provide for a 3-year extension of Public Laws 815 and 874 which expired June 30 of this year.

In the clamor for the passage of a general act for Federal aid for school construction and teachers' salaries, Congress must not lose sight of its responsibility to local school districts under programs long established. I refer specifically to those laws which provide Federal assistance to school districts burdened through activities of the Federal Government and termed "impact areas." As significant as are the broader programs envisaged in H.R. 7300, the continuation of the programs already begun under Public Law 815 and Public Law 874 is of equal and more immediate importance to the State of Washington and to other areas.

Congress long has recognized the responsibility of the Federal Government to assist educational agencies in areas where the impact of Federal activity has imposed serious financial burdens. This financial impact is caused by concentrations of tax-exempt installations which lower the tax base to a point where counties and other local units do not have the financial support to provide an adequate level of education for the children of Federal employees. Assistance is granted in areas first, where the revenues available to school districts from local sources have been reduced through the acquisition of real property by the Federal Government; second, where the local school districts are expected to provide education for children residing on Federal property; third, where the local districts provide education for children whose parents are employed by nontaxable Federal agencies; or fourth, where there has been a sudden and substantial increase in school attendance as the result of Federal activities.

The first such assistance to local school districts was provided under the Lanham Act—Public Law 849—in 1940. This, however, was limited in coverage, and administered by 12 different Federal agencies. The passage of Public Laws 874 and 815 in 1950 systematized the program. As amended, it continued until June 30 of this year.

The Seattle area, a substantial part of which is in my congressional district, is heavily affected by Federal landownership and Federal activity. During the 10-year period these laws have been in effect, the State of Washington has received more than $79 million. In 1960, 19,339 federally connected children enrolled in Seattle's public schools, with parents working on or living on 86 pieces of federally owned property in the area. Although the Seattle public schools are obligated to provide educational facilities for these students, they are denied tax compensation except as provided under the program which just has expired. The average cost of educating a child in the Seattle public schools for last year was $387. The Public Law 874 entitlement received—is the most frequent category, $90—was only a small portion of that total cost. Under the same law, $776,000 was received for maintenance and operating cost for the 1959–60 school year. Seattle cannot afford to lose this assistance. Should the program lapse permanently, the burden would be unjustly heavy on the Seattle taxpayer and the impacted districts, many already with high bonded indebtedness.

The State of Washington, with its many military installations and other Federal properties ranks fourth nationally in entitlement under Public Law 874. The Washington State Department of Public Instruction has estimated that during the 1961–62 school year, there will be 117,000 children enrolled in Washington public schools who would be covered by Public Law 874; more than 84,000 will attend schools in the Puget Sound area. Unless prompt action is taken, many impacted school districts will have great difficulty in meeting their responsibilities toward increased enrollments. By the expiration of this program, the school districts of the State of Washington will forfeit $11,206,600 in revenue during the 1961–62 school year. The losses nationally would reach $312,088,000 for the same period. This would have to be made up by local taxpayers who can ill afford it.

As early as February 2, 1961, a full 5 months before the expiration date of these laws, Louis Bruno, superintendent of public instruction for the State of Washington, wrote my office, noting:

> Budget time for the 1961–62 school year is fast approaching, and with school districts relying, in many cases, on a substantial percentage of their revenue from this Federal source, early action on this program is requested.

On June 30, 1961, Public Law 874 and Public Law 815 expired, largely as the result of parliamentary maneuvering in an attempt to secure a more general program.

How are school administrators to maintain anything approximating fiscal responsibility? Regardless of parliamentary intrigue, the local school districts are unable to shirk their responsibility for educating the youth of America. How can we possibly hope to meet the challenge facing American education, to forge new frontiers of learning, if Congress takes an irresponsible attitude toward the fiscal foundations of our academic institutions.

The situation at the local level is critical. The Bellevue Public Schools, near Seattle, having received nearly $2 million under this program during the past 5 years, suddenly find this source of income abruptly stopped with only 1 month remaining before classes resume. In Auburn, in my district, two Federal agencies recently have been established—the FAA and the GSA—bringing concomitant increases in student enrollment. I am informed that failure to receive Federal support to which the district would normally be entitled would be a crippling blow. Other Seventh District school systems adversely affected include Black Diamond, Enumclaw, Federal Way, Highline, Issaquah, Kent, Mercer Island, Renton, Snoqualmie Valley, South Central, Tahoma, and Vashon Island.

Impacted areas legislation has been tied to the overall Federal aid-to-education bills. At present, the general bill, H.R. 7300, is on the shelf in the Committee on Rules. If the general bill can be salvaged, then let it be brought to the floor. If not, then let us devise other methods to obtain the extension of the vital program of aid to impacted areas, so that the administrators of American public education may proceed with order to the tasks of education.

THE CUBAN SITUATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. PUCINSKI] is recognized for 30 minutes.

Mr. PUCINSKI. Mr. Speaker, more than 2 hours have elapsed since the

Pan American airliner was forced to land in Havana, Cuba, obviously the victim of a hijacking plot. No word has been heard out of Cuba, no reaction has been heard from Castro himself. It would seem to reasonable men that reasonable time has elapsed for the Cuban dictator to at least advise the free world of the condition of the passengers and what he intends to do about this plane.

Mr. Speaker, the United States quite properly has issued a forthwith demand to the Government of Cuba for the immediate return of this airplane. Earlier today we heard a great deal of discussion here on the floor in reaction to this latest hijacking that has taken place in the Caribbean. I listened, with considerable interest, to statements made by many of our colleagues who suggested that the time has come when we ought to just move in and take over Cuba.

Mr. Speaker, I do not think there is anyone anywhere in the world who would doubt that, perhaps, the easiest thing for the United States to do right now is to send a task force into Havana and clean house in that Communist nest. I believe we should move decisively against Castro but it would seem to me such action would be more effective if we took it collectively with the other nations of South America. There is no question that we have reached the end of the line in tolerating Communist activities of Castro 90 miles removed from our shores. This latest incident of hijacking, however, also involves the Government of Colombia. The Associated Press reports that among the passengers listed on the Pan American flight from Houston, Tex., to Panama City, Panama, was the Foreign Minister of Colombia, Julio Cesar Turbay Ayala, his wife, and an entourage of aids. He was returning from an official visit to Mexico.

Turbay Ayala has been one of Cuban Prime Minister Fidel Castro's most vehement South American critics.

We also have a report from the Associated Press that the Government of Mexico announced today that it will officially protest the hijacking of the Pan American jetplane that left here shortly before noon for Guatemala and was forced to go to Havana. So here we have three nations of the Western Hemisphere involved in this latest incident, Colombia, Mexico, and the United States.

It would appear to me that the logical move at this time, and I certainly hope that the President in his great deliberative moments will take such a move, would be to summon an immediate emergency meeting of the Organization of American States, and when I say "immediate," I mean immediate, tonight or tomorrow. I think that collectively the Organization of American States should then issue an ultimatum to the dictator of Cuba not only for the immediate return of this airplane, not only for the safe return of the passengers of that plane, but also serve notice on the Soviet dictator now holding forth in Cuba that the United States will not tolerate and the Western Hemisphere will not tolerate any further such acts of aggression. I think that this pirating of the American airplane is indeed an act of aggression. I think this sort of collective action would have a much more profound effect upon the entire world, on the Western Hemisphere, and on the Kremlin, from which all these Communist orders stem, than if the United States were to try unilaterally to deal with Castro.

I do not think there should be any question that the American people are united today as they never have been united before in supporting any action by this Government to deal forcefully with the Communist ruler of Cuba. I think that for the first time, the American people have come to realize that the cold war is now here in the Western Hemisphere and that we Americans must prepare ourselves for any contingency.

I was home over the weekend. As is my custom, I talked to many of my constituents on street corners, interviewing them about their reaction to the various acts of our Government, and various legislation pending before Congress, and one thing that struck me in particular is the complete unanimity of thought by the people of my district, and I daresay that my people are representative of the country, in wanting to deal—forcefully and decisively with this Communist threat in Cuba.

Therefore, I am sure that the American people would stand behind the President in any action he takes, but I believe it is important to point out that certainly any unilateral action we would take in Cuba today as the result of this most recent incident would not be accepted by the Communist world with impunity. There is no question that the Soviet Union, the Communists, would strike back very quickly, either in Berlin, in Laos, in Vietnam, or perhaps in Formosa. I think this is the way wars are started. Therefore, while we Americans are determined to draw a line against any further Communist aggression, any action that we take in this very critical moment must reflect the most deliberative appraisal of all possible consequences.

The attitude of the American people in remaining resolute is best reflected in Congress which has responded to every one of President Kennedy's requests to build America's defenses.

I think our President himself has made it eminently clear to the Soviet world that we are not going to tolerate any aggression from the Soviet Union, in his very forthright and decisive program of action that he has taken to meet the Berlin situation. So the fact that we are determined to deal decisively with the Communists is beyond question. I do not think there is any difference among Americans on this point. I do not think there is any dissension. I do not think there is any disunity among the American people in facing up to the Communist conspiracy. The question is one of method. What is the most effective method to deal with the Communists in the Western Hemisphere? I submit in view of Secretary of the Treasury Dillon's remarks in South America the other day announcing this country's readiness to provide financial assistance for the growth and development of our South American neighbors and in view of our constant assurances to our South American friends that we are prepared, indeed, to help them, the problem of communism in Cuba should be dealt with collectively.

For this reason, I earnestly hope the President will move immediately to summon an emergency session of the Organization of American States. I think in view of the fact that Colombia and Mexico are directly involved in this latest hijacking today and tomorrow it could be any of the other South American nations, I think in view of all this, there is no question in my mind that the Organization of American States would, indeed, agree at this particular time to serve an ultimatum on Castro and make good on that ultimatum with armed intervention if he fails to abide by the principles of conduct and behavior accepted by civilized nations. It would seem to me, in this manner we would be acting collectively. We would be acting in a manner that would have a profound effect on the entire world. Should there be any armed action to liberate this airplane and to bring order out of Communist chaos in Cuba, it would not give the Communists an opportunity to denounce only the United States as the warmonger because they would have to admit to the entire world that the action we may be forced to take in Cuba is a collective action supported by the entire Western Hemisphere to make sure that the Communists do not get their foothold in this hemisphere as they have in other sections of the world.

DECLARATION OF CONTRABAND AGAINST COMMUNIST ARMS AND MUNITIONS IN THE AMERICAS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HOSMER] is recognized for 45 minutes.

Mr. HOSMER. Mr. Speaker, since the announcement of the Monroe Doctrine in 1823 onward, attempts on the part of European powers to extend their systems to the Western Hemisphere have been branded a threat to the peace and safety of the United States.

Nations have an inherent right of national self-defense in such instances, and it is recognized by article 51 of the United Nations Charter.

Presence of Communist arms and munitions in the Western Hemisphere is, in fact, a threat to the peace and safety of the United States.

Mere mention of the situation in Cuba, almost within sight from our own shores, amply demonstrates this.

It also makes self-evident the fact that this is the precise kind of situation which article 51 contemplates.

What kind of action is the United States authorized to take?

Patriotic Americans have called upon President Kennedy for prompt moves ranging from mere embargo on trade, to the blockade of Cuba, to the dispatch of Marines to excise the cancer of Castro

communism and restore the island to its people as was done in 1898.

Without analyzing this spectrum of possible action in detail, or excluding any part of it from further consideration, I am today calling for a move by the United States which I believe serves a major purpose not only in Cuba, but as well in the deteriorating situation in British Guiana and at any other locations communism may seek to penetrate in the Western Hemisphere with arms and munitions. It is formally stated in the resolution I have introduced today, the text of which is set out at the conclusion of my remarks.

Briefly, it is a formal declaration that Communist arms and munitions are contraband in the Western Hemisphere, a direction to the President to promulgate a specific list of contrabanded arms and munitions, including petroleum products, and an authorization for enforcement of the declaration by appropriate use of U.S. airpower and U.S. seapower.

This is the way it works:

On the declaration of contraband, international law recognizes the right of enforcement.

The procedure is peaceful.

A U.S. patrol aircraft spots a Communist-bloc ship headed toward Cuba or elsewhere in the Americas.

It signals for a U.S. destroyer to intercept and search the ship.

If Communist arms or munitions are found aboard, the ship is warned to turn around.

If its captain refuses, or tries again to proceed toward a port in the Americas Navy men can either reboard the merchantman and jettison its contraband cargo or bring it to a U.S. port to have confiscation adjudged.

The advantages of this unique approach, based on modernization of long-standing principles of international law, are many:

Only a few U.S. aircraft and ships would be required. These would operate on the high seas. There would be no interference with the integrity of any nation's territorial waters or domestic soil. In contrast, blockading Cuba would require a ring of vessels for many hundreds of miles around the large island, drawing U.S. naval forces from other world trouble spots where they are needed.

Once firmly established, the precedent would be applicable universally in the Western Hemisphere.

U.S. forces would be acting in a strong area of U.S. seapower and airpower almost 5,000 nautical miles from the U.S.S.R.'s nearest home bases.

Moreover, it is highly unlikely the Soviets would attempt to escort "merchant ships" with their own warships or otherwise engage in retaliatory mischief. It would be hard to imagine shrewd Kremlin realists risking the start of all-out war under the most disadvantageous conditions possible from both power and propaganda standpoints, that is, where their challenge would have to be made in an area of overwhelming U.S. strength and for the obviously warlike purpose of forcing arms and munitions into an otherwise peaceful hemisphere.

For over two centuries the Western Hemisphere has been a vast reservoir of physical and moral strength in the struggles of freedom against tyranny. Communist strategy clearly aims at eliminating this checkmate to Red goals, and the imposition of mischief-making arms and munitions upon the American nations is one of their major tactical moves to do so.

Equally obvious is the fact that the United States must act decisively to counter this deadly thrust. Failure, weakness, and lack of decision here on our own doorstep cannot but doom us to defeat from the broader challenge of worldwide domination hurled at us by the international Communist conspiracy. Not only does it undermine our position as leader of the free world in crises such as Berlin and Laos; it rots away the entire foundation of free-world security and survival.

Not only are ample foundations for action to contraband Communist arms and munitions in the Western Hemisphere found in the Monroe Doctrine and article 51 of the U.N. Charter, but elsewhere and repeatedly in our history.

President Theodore Roosevelt in his time amply affirmed the right of the United States to protect U.S. interests with U.S. military forces, particularly naval units.

President Franklin D. Roosevelt, before our entry into World War II, not only enunciated our right to continental defense but in effect established the Western Hemisphere as a "peace zone," making acts of belligerency "off limits" in the "waters of which we deem necessary for our defense."

Further, deep rooted in Marxist-Leninist dogma is a reverse application of the Monroe Doctrine so fundamental to Communist strategy that objection to our modernization of the law of contraband could not be voiced without imperiling one of their own most vital strategies.

It is the "peace zone-war zone" concept which holds that all Communist-dominated territory is a peace zone in which they will tolerate no outside interference. The zealous intensity with which the Kremlin acted to preserve this concept from violation during the Hungarian revolution amply demonstrates the importance they attach to it.

A concomitant of the doctrine is that all non-Communist territory is regarded as a war zone in which action by them to forward Communist goals by application of violence at times, places, and in the degree of intensity regulated by historical materialism, is always sanctioned.

Committed to application of the principles of the Monroe Doctrine in one direction, the international Communists can hardly object effectively to its application in the opposite direction by our intolerance of their interference in our own peace zone by contrabanding the shipment of Communist arms and munitions to the Americas.

Although the principles of contraband, much older in international law than those of blockade, have thus far been applied only during the state of military conflict, there is no reason why they cannot be modernized for application during the state of nonmilitary conflict. In introducing House Joint Resolution 517 earlier this week, "declaring that a state of conflict exists between the International Communist conspiracy and the Government and the people of the United States and making provisions to prosecute the same," I stressed that new and imaginative techniques are essential to cope with today's facts of international life. I promised to discuss at a later date certain follow-on measures. The declaration of contraband is such a follow-on measure, and I call for its prompt adoption along with House Joint Resolution 517.

It is desired to call attention to the fact that the very respected National Strategy Committee of the American Security Council is simultaneously, and with a strong note of urgency, calling for the contrabanding of Communists' arms and munitions in this hemisphere and enforcing such contraband as two of its seven points in a program for strangling Communist expansion in Cuba and Latin America.

The ASC's seven points are these:

First. Take a firm stand against Communist expansion, then tell and show the world we mean what we say—that the Monroe Doctrine is not dead.

Second. Declare the Western Hemisphere to be a "peace zone," and tell the world we mean to keep it that way through use of national power, if necessary.

Third. Declare all Communist war material, including fuel, as contraband and prohibit its shipment into the peace zone.

Fourth. Use national power to send back, jettison, or seize all contraband sent into the peace zone.

Fifth. Adopt as U.S. policy the ousting of Castro's Communist dictatorship from Cuba, and enlist active support from anti-Castro and anti-Communist forces in Latin America to help us get the job done.

Sixth. Develop and expedite a tailor-made information program for our hemisphere which makes it clear that we will not tolerate guerrilla invasions and power seizures of Latin American countries by Cuban or other Communist forces or Communist expansion of any kind.

Seventh. Use our national power to the extent and in the manner required to free the Cuban people and give them the right of self-determination.

This forthright program has been proposed over the signatures of the following patriotic Americans who are devoting their lives and wisdom to the protection and preservation of the United States of America from its enemies: Lt. Gen. Edward M. Almond, USA, retired; Adm. Felix B. Stump, USN, retired; Adm. Ben Moreell, USN, retired; Rear Adm. Chester C. Ward, USN, retired; Adm. Arthur W. Radford, USN, retired; Gen. A. C. Wedemeyer, USA, retired; and Lloyd Wright, chairman of the National Strategy Committee.

The text of the contraband resolution is as follows:

H.J. RES. ——

Declaring Communist arms and munitions contraband in the Western Hemisphere and making provisions to enforce the same.

Whereas the presence of Communist arms and munitions in the Western Hemisphere threatens the peace and safety of the United States of America; and

Whereas the United States has an inherent right of national self-defense recognized by article 51 of the Charter of the United Nations: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Communist arms and munitions, including petroleum products, are hereby declared contraband in the Western Hemisphere; and that the President of the United States be and he is hereby authorized and directed to promulgate from time to time lists of such contraband and to utilize appropriate forces of the United States on the high seas and in the free airspaces to enforce this declaration of contraband.

In preparing the joint resolution and these remarks I called on the Library of Congress for information on the history, principles and development of the law of contraband. Under date of July 21, 1961, materials prepared by Mrs. Virginia W. Brewer, of the Foreign Affairs Division, were submitted. I am asking that they be printed following my remarks so that members and students of this subject may have the benefit of this research. I am satisfied that the materials show a continuing development and refinement of the law of contraband to the point where the next logical and easy to take step is their application to nonmilitary conflict conditions as well as military conflict conditions. These materials are the following:

CONTRABAND

I. DIFFICULTY OF DEFINITION

Contraband in international law means contraband of war. The term "contraband" is derived from the Latin "contra" and "bandum," meaning against the bans, or in defiance of that which is prohibited. In Italy in 1445 it designated a violation of customs regulations. It did not emerge as a principle of international law until a century and a half later.

The formal definition of "contraband of war" is given by the eminent authority Oppenheim as "the designation of such goods as are forbidden by either belligerent to be carried to the enemy on the ground that they enable him to carry on the war with greater vigor."[1] Although the prevention of the transportation of contraband is a means of warfare against the enemy, it chiefly concerns neutral commerce.

The question of what constitutes contraband is not answered by the formal definition. Of all the controversial subjects of international law, contraband is said to be one which has caused more difficulties and more disputes than perhaps any other.

II. BASIC PRINCIPLE

The basic principle of the law of contraband is not disputed. A belligerent has the right to intercept—formerly, at sea—any goods, irrespective of their ownership, which are destined for the enemy and directly assist him in the conduct of the war. Of the two primary elements of this principle, namely the nature and destination of the goods, it is the former, the nature of the goods, which has been the subject of chief controversy.

In 1625 Hugo Grotius, one of the founders of the principles of international law, divided all goods into three categories; and his tenet became generally accepted down through the centuries to modern times. His distinctions were: (1) things which are used only in war, such as weapons; (2) things, such as articles of luxury, which have no use at all in war; and (3) a third class of goods which are used both in war and apart from war, for example, money, provisions, or ships and their gear.[2]

III. ABSOLUTE AND CONDITIONAL CONTRABAND

The first and third classes described above became known technically as absolute and conditional contraband. With the second, obviously, we are not concerned, as it has no part in war. It is a question of what constitutes conditional, what articles belonging to the ambiguous class should or should not be regarded as contraband, that has led to endless controversy.

Although dispute constantly arose as to what goods belonged in the latter category, in the course of time, after Grotius pointed the way, it became the doctrine and practice to make a distinction between the treatment of absolute and conditional contraband. What was considered absolute contraband could be seized upon proof that it was destined for the enemy, as it could be safely presumed that such goods were intended for use in war. Conditional contraband could only be seized upon additional proof that the goods would aid the enemy in carrying on war.

There was no set practice among the nations as to the method of determining what goods constituted contraband. Many treaties were concluded making such designations; but the variation in these treaties was great. As a common practice lists were drawn up or proclamations were issued by each belligerent naming the prohibited materials. These lists were often added to or otherwise changed during the course of the war, and were different in every war according to special circumstances and conditions. Usually such lists were divided between what constituted absolute contraband and what conditional.

IV. ATTEMPTS TO CATEGORIZE

At the Hague Peace Conferences of 1899 and 1907 some attempt was made to draw up lists of contraband, but the results did not stand the test of war. A list which did meet with a certain amount of observance in later years was drawn up at a naval conference summoned in London late in 1908.

At the 1907 Hague Conference there had been drafted a convention for the establishment of an International Prize Court, to judge cases arising from the capture of ships from an enemy. As it was felt necessary to have some acknowledged principles of international law formulated for this Court to apply, the 1908 conference attempted such formulation. The Declaration of London, 1909, was the result. It was signed by the 10 contracting parties—Germany, the United States, Austria-Hungary, Spain, France, Great Britain, Italy, Japan, the Netherlands, and Russia.[3] Although it was never ratified, the text of the declaration, with reservations, was included in instructions to British naval officers and it was also invoked by other countries when war broke out in 1914.

This Declaration of London with respect to contraband contained three defined lists, covering absolute contraband, conditional contraband, and a free list of articles which may not be declared contraband of war. This free list was remarkable as the first of its kind upon which agreement had ever been reached. In the light of subsequent war history it is surprising that it contained such things as raw materials of the textile industries, rubber, and metallic ores.[4]

Article 35 of the declaration was especially important. It provided that conditional contraband was not liable to capture if the vessel in which it was found was bound for a neutral port. The ship's papers were to be considered proof as to the voyage and the port of discharge of the goods unless the ship was clearly off course and adequate explanation could not be given.

The importance of this article 35 was due to its conflict with the principle of continuous voyage, which was applied to conditional as well as absolute contraband. The doctrine of continuous voyage means that in effect the whole voyage must be treated as one continuous and indivisible voyage.[5] This doctrine dated from the Anglo-French wars at the end of the 18th century; but when it was applied by the American Prize Courts after the Civil War it was protested by many writers, including British ones. The situation was reversed when, in the 20th century, the Americans pressed for the observance of article 35 of the Declaration of London and the Allies naturally refused to accept this crippling limitation.[6] The question of continuous voyage arises when a vessel carrying contraband makes a voyage in two parts, the first to a neutral port, the second to the enemy port carrying the same cargo.

V. MODERN DEVELOPMENTS

In modern times the question of contraband has changed both with respect to the nature of it and the methods of transportation, though not as to destination. Under current conditions of transport the rules applied to voyage by sea alone become obsolete. The principle of contraband no longer is confined to the law of the sea. In 1921 a French prize court held that neutral ports used for belligerent purposes may be considered enemy ports when, by virtue of international conventions goods may be freely transported from the neutral to the enemy port. Innumerable variations of the application of the principle of contraband are conceivable in the light of modern developments.

The chief difference between the conception of contraband today and that before the World Wars concerns its nature. The lists of contraband goods were enormously extended. In World War II conditional contraband was declared generally to include all kinds of foodstuffs, feed, forage, clothing, and articles and materials used in their production. Although formally such distinction between absolute and conditional contraband was still observed, in practice it was abandoned. As early as 1915 a British note to the American Ambassador stated that "* * * for practical purposes the distinction between the two classes of contraband has ceased to have any value."[7] There are few commodities today which could be considered as of no use to the enemy. Even

[1] Oppenheim, Lassa, International Law, 7th edition (Lauterpacht) London, 1952, vol. II, p. 799.

[2] Smith, Herbert Arthur, "The Law and Custom of the Sea," London, 1948, p. 109. Smith is quoting from Grotius, De Jure Belli et Pacis, III, i. 5.

[3] This is the alphabetical order in French.

[4] Of interest in this connection is a footnote in Herbert A. Smith's Law and Custom of the Sea (London, 1948), p. 111: "Among other things, the attitude of important neutrals has always to be borne in mind. For example, it was the fear of American opposition which deterred the British Government from declaring cotton to be contraband in 1914. Similarly the varying content of the Elizabethan proclamations represented the results of much bargaining with neutrals."

[5] Oppenheim, op. cit., vol. II, pp. 816–817.

[6] Smith op. cit., p. 115.

[7] Smith, op. cit., pp. 112–113.

ships may be considered contraband regardless of their cargo.

In the wars of the 20th century it has been difficult to draw the line between combatants and noncombatants. It is even more difficult to determine which goods are intended for military use and which for civilians. Economic warfare in World War II and the great difficulty of making such distinctions led to questions of supplies to neutrals and even to rationing for them.

Hostile destination is, however, essential to contraband. Whatever the nature of the goods, they are never contraband unless they are destined for the use of a belligerent.

VI. PENALTIES

According to the customary rules of international law, and those also adopted in the Declaration of London, a neutral vessel may be captured if visit or search establishes the fact, or even arouses grave suspicion, that it is rendering unneutral service to the enemy. There is no disagreement among authorities as to the right of belligerents to prohibit and punish the carriage of contraband by neutral merchantmen. This right is even included in the principle of freedom of commerce between the subjects of neutrals and either belligerent, a principle which has become universally recognized.

After the capture of contraband it is incumbent upon the ship seized to prove that its goods are not intended for enemy use. Presumption of a hostile destination constitutes a case for condemnation. Captors have claimed the right to throw upon neutral claimants the burden of proof that goods are not destined for the enemy. Otherwise there is room for deceit; such as false papers, consignments to unreal consignees, or other deception. It would always be pretended that goods were intended for a neutral destination, though the goods carried may be headed for intermediate enemy stations. In the absence of positive proof, the goods may be condemned.

Under the doctrine of "infection" in international law it is held that when contraband of war is seized and noncontraband belonging to the owner of the contraband is found on board the same vessel, the noncontraband may also be condemned. This is one of the penalties for an attempt by the owner to land contraband in enemy territory.

Closely connected with this rule is that of refusal to recognize the transfer of the ownership of goods afloat when there is a question of contraband.

Protection is afforded only to the neutral owner who has no knowledge that part of his cargo is contraband. However, the inference as to such knowledge arising from the extent of the contraband sometimes cannot be rebutted.

If the ship is not aware of the opening of hostilities the cargo, even if contraband, cannot be seized except upon payment of compensation.

VII. PRIZE COURTS

When cases arise as to whether or not a capture is lawful they are heard in the prize courts. Under international law it is a recognized customary rule that in time of war maritime belligerents must establish a court or courts whenever a prize is captured, in order to decide upon the legality of the capture. These prize courts are not international, they are national courts; but every state is bound by international law to enact such statutes and regulations for its prize courts as are in conformity with international law.

INDECENT LITERATURE MUST BE CURBED

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. CURTIN] is recognized for 10 minutes.

Mr. CURTIN. Mr. Speaker, the solid moral framework of our future generations should be most highly cherished as a goal toward which we must strive, not only as parents, but as legislators.

We face both a challenge and an opportunity in this session to move ahead on legislation that will aid us in attaining this most necessary objective. I refer specifically to H.R. 1754 now before the Committee on the Judiciary calling for the amending of sections 1461, 1462, 1463, and 1465 of title 18 of the United States Code to provide mandatory prison sentences in certain cases for repeat convictions for mailing, importing, or transporting obscene material. I introduced this bill on January 4, having previously introduced it in the 86th Congress back in March of 1960.

Few things, if any, are more crippling to the foundation of a culture than the breakdown of those basic morals upon which it is built. Relatively few individuals in American life are in a better position than we to oversee the protection of these ethical bases, through the enactment of necessary legislation. If we procrastinate, if we neglect to readily follow the path of law in this particular situation, we have not only failed our children, but we have actually abetted those directly responsible for traffic in this despicable medium. In order to recapitulate briefly the history of this bill as well as remarks regarding this topic which I presented on this floor in April of 1960, may I remind you that this bill would amend the United States Code, relating to obscene matter, to provide that anyone who knowingly uses the mails for the mailing, carriage in the mails, or delivery of any obscene, lewd, lascivious, indecent, filthy, or vile matter, or who knowingly takes such things from the mails for the purpose of circulating or disposing thereof, shall be fined not more than $1,000 or imprisoned not more than 1 year, or both, for the first offense, but further providing for imprisonment of not less than 1 year nor more than 5 years as the penalty for subsequent convictions.

These identical penalties would be applicable under this bill, by amendment to section 1465 of title 18 of the United States Code, relating to the transportation of obscene matter for sale or distribution. This would cover those who knowingly transport in interstate or foreign commerce, for the purpose of sale or distribution, any obscene, lewd, lascivious, or filthy book, pamphlet, picture, film, paper, letter, writing, print, silhouette, drawing, figure, image, cast, phonograph recording, electrical transcription or any other article capable of producing sound, or any other matter of indecent or immoral character.

Mr. Speaker, I am not only disappointed at the lack of speed with which this bill has so far progressed or failed to progress, but I am disheartened with a report I have recently received that indicates the Department of Justice is unfavorable to its provision.

The Justice Department apparently takes the view that the imprisonment feature should not be mandatory, but left to the traditional discretion of the trial judge. In answer to the Justice Department position, I should like to point out that we should not be as interested in dealing as harshly with the first offenders as with those who chronically persist in dealing this blow to American society.

In our treatment of the first offender we can make human allowance for the real possibility that he may immediately see his transgression and avoid further indictment. Rather it is the repeated transgressor toward which we should exercise greater firmness. It is he who fails to see the wrong in his dealings and persists in bringing before our young people the smutty material which acts to negate all the moral principles they have been taught in the home.

My bill is aimed specifically at the professional trafficker in obscene literature—the individual whose persistent deviate behavior is only helped along by the limited and soft punishment now applied by some of the courts. Not only will the bill clip short the transactions of these professional gangsters, but its very effect on that group will deter further crime by the first offenders. It is difficult, indeed, to follow the logic of the Justice Department when past history dictates the contrary. One may especially see proof of this in the April 18, 1960, issue of the National Catholic Welfare Conference Newsletter. Here some of the inadequacies are very graphically illustrated.

Mr. Speaker, I know that we will want to take rapid action on this bill. As long as these repeat offenders are treated without mandatory imprisonment and merely left to the discretion of the courts that have insufficiently firm guidelines to follow under the exacting United States Code, America's youth—the building blocks of our future generations—will be vulnerable to the movements of these peddlers in illicit traffic.

Action on this bill might be compared to the continuous struggle within the medical field to find a cure for cancer. Indeed, this type of offense, when continued by an individual, takes on the semblance of a cancerous growth, for when it reaches that certain point beyond which there is no longer an effective remedy, it spreads quickly and massively. It blackens out one portion and then another of our culture, until at last resistance to its effects is no longer present. The medical profession seeks diligently to find a cure for that dreaded disease.

We can do no less, Mr. Speaker, in our efforts to curb this illicit trade on obscene literature.

Procrastination over this bill threatens the very existence of our society as surely as do the most ultimate weapons of war. History shows that Rome fell not only at the hands of the invading barbarians, but at the hands of its own people who, for centuries, allowed moral ethics to decay under their pagan worship. To those of the offenders that cry "censorship"—they should know that the fallen Roman Empire had censors during its existence. Their official responsibility was to prevent a decline in

moral standards but they failed utterly. The United States has legislators and their limitations stem from a democratic process. We respect the freedoms guaranteed by the Constitution and the Bill of Rights which, by their very idealism, impose upon us the responsibility for dealing firmly with those who seek to take advantage of freedom.

In helping to strengthen the measures called for in this bill we are carrying on the principles set forth in centuries of Judean-Christian ethics. We owe it to those who will follow in our footsteps to do our utmost to preserve and build upon these principles.

I cannot urge too strongly the early passage of this bill for every day's delay means just that much more that society must suffer needlessly under the sinews of these professional and seasoned dealers in corruption. Let us act promptly and serve notice on these traffickers in illicit matter that their day of reckoning is at hand from the moment Congress enacts this bill.

DUVAL ENGINEERING & CONTRACTING CO.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Florida [Mr. CRAMER] is recognized for 30 minutes.

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, I regret that I must again take the floor of the House to discuss the activities of the Duval Engineering & Contracting Co. of Jacksonville, Fla. However, as the ranking minority member of the Special Subcommittee To Investigate the Federal-Aid Highway Program, and as a Representative of the First District of Florida, I feel it is my duty to bring certain matters to the attention of the Congress and to appropriate State and Federal authorities, in order that the interests of the taxpaying public, including my own State of Florida, can be adequately protected.

Incidentally, I advised the chairman of this subcommittee, the gentleman from Minnesota [Mr. BLATNIK] of my intention to make these remarks and invited him to be in attendance at this time.

As I pointed out and documented in a speech on the floor of the House on April 19, 1961, which appears in the CONGRESSIONAL RECORD on pages 6321–6328, this company has a long and shabby record of cheating the Government and bribing employees of the Florida State Roads Department, who are charged with the duty of supervising Duval's performances on State construction contracts.

In the case of *United States* v. *Hysler, Osbourne, and Moore* (No. 10, 989–CR–J), which was tried in the southern district of Florida in Jacksonville in January 1961, two of Duval's supervisors, Osbourne and Moore, were convicted by a jury of short loading on asphalt which was delivered under a contract which Duval then had with the Navy at the Mayport Naval Base in Jacksonville. The other supervisor, John Hysler, was acquitted for insufficient evidence, another took the fifth amendment.

The modus operandi was for Osbourne and Moore, when the Federal inspector was absent or occupied with other duties, which was often the case, to flash a seven-finger signal to the truckdrivers who were then loading at the asphalt plant, which meant that they should pull out with 7 batches of asphalt, or 14 tons per load, instead, of the regular load of 8 batches, or 16 tons. The Government, of course, was charged for the full 16 tons per load, and the total fraud thus passed on to the Government on this small contract alone was $5,079.58, which is the dollar difference between the 11,224 tons for which the Government was charged and the lesser amount of 10,644 tons which was, in fact, delivered, or about 34 16-ton truckloads.

This fraud was open and notorious. This short-loading practice was carried out by the truckdrivers at the direction of Osbourne and Moore, who were members of Duval's management. They did not profit by it and did so only to protect their jobs. As the court noted, the only people who did profit by this fraud were the stockholders of the Duval Co. This means specifically Mr. Alex Brest, who was the chief stockholder, treasurer, and operating head of the company. In fact, at the trial Brest admitted the fraud in open court and made hasty restitution. Upon conviction of Osbourne and Moore, the court, noting it was reluctant to penalize these defendants for the acts which benefited only the stockholders, including Brest, gave Moore and Osbourne a suspended sentence. To show that he was not ungrateful for this considerable service rendered, Brest immediately rewarded these two supervisors by reinstating them to their old jobs with the company, which they still hold.

During my speech on April 19, 1961, I inserted in the CONGRESSIONAL RECORD the transcript of the findings and conclusions of Judge Albert L. Reeves, who presided at the trial and convictions. After hearing all the evidence, Judge Reeves was obviously displeased that Brest and the other stockholders had managed to place the criminal rap for this fraud on subordinates. Observing that many of the truckdrivers who testified had given testimony at the trial clearly in conflict with earlier signed statements to the U.S. attorney and the FBI, which involved some of their supervisors in management, Judge Reeves stated:

> All the way these witnesses (Duval's truckdrivers who were called to testify) were under a handicap. The company was back of them threatening their jobs. I knew it and the jury knew it.

The Judge continued:

> The facts are, in this case, the Government was shamefully defrauded and everybody knew it.

And that:

> The company ought to be made to respond to the Government heavily for its conduct.

According to the court, the attitude of this company, and presumably he meant the manager and principal stockholder Alex Brest, was "Cheat the Government if you can."

Thereafter, in March of 1961, a State legislative committee, chaired by State Senator Scott Kelly, held a series of hearings to determine if the Duval Co., had used this same practice on State highway projects. The evidence presented to this State committee showed that the same short-loading practices had been used to defraud the State of Florida on asphalt deliveries, some of which were Federal-aid projects within the jurisdiction of our own special subcommittee. The evidence adduced before the committee also showed that the Duval Co., also performed substandard work which resulted in the breakdown of the Beach Boulevard Highway, east of Jacksonville, and that the company had been bribing, with payments of cash and other things of value, several employees and officers of the Florida State Roads Department.

A retired roads department inspector, W. F. Blois, testified before Senator Kelly that the Duval Co. had systematically and intentionally defrauded the State on asphalt. Blois testified that the State was defrauded in asphalt not only by short loading but also by cheating on the scales at the asphalt plant, which consisted of mixing short quantities of asphalt and aggregates so that while the quality was not impaired, the quantity was. Blois further testified that from his investigation, which was corroborated by records of the State roads department, Duval had systematically shortchanged the State about 8 percent on asphalt deliveries from two Jacksonville asphalt plants, Soutel and Bowden, which were producing asphalt for six State road jobs. He estimated that this overcharge alone amounted to $20,000.

Blois stated that he complained of these shortages and practices to Sam Taylor, the State's chief asphalt engineer in northeast Florida, who had jurisdiction over these two asphalt plants, but that Taylor just shrugged it off. Taylor's remarkable indifference may be explained by the fact that the company's records and his own admission showed that he had received $2,100 for helping Duval solve technical problems of asphalt production and training Duval's superintendent, John Hysler, in some of the refinements of asphalt production.

Alex Brest, treasurer and chief stockholder of the Duval Co., was called as a witness and identified checks which he had signed, usually in the amounts of $100 and which were used to pay Taylor what I think in all fairness can be described as bribes. Brest entered

the usual denial that he knew nothing about short loading, but was forced to admit that he had stopped making these bribes to Taylor when the FBI began its investigation of the Mayport contract. The Kelly hearing also showed that Brest and his company gave similar payments from $1,500 to $2,000 to one W. T. Ellis, soils engineer for the State road department, and $277 to a project engineer named Willie Ray Ryalls. Brest's repeated pleas of ignorance obviously exhausted the patience of Chairman Scott Kelly, who told Brest that, in his opinion, the evidence showed that Osbourne and Moore were merely the fall guys who "took the rap" for the Duval Co., Brest, and the other stockholders.

Following the exposure of the Kelly committee involving Duval, the State road department, through its chairman, John Phillips, announced that its preliminary investigation showed conclusively the company had short loaded the State on asphalt and other materials, and that it was systematic, deliberate, and intentional on State jobs over a period of several years. Thereafter, on about April 9, 1961, the State road board suspended Duval from the State bid list, which had the effect of suspending it also from participating in Federal aid projects.

On May 2, 1961, U.S. district judge, Albert L. Reeves, who presided over the Mayport trial, took the unprecedented step of writing a letter to the Governor of Florida, the Honorable Farris Bryant, congratulating him on the above action. Judge Reeves was courteous enough to send a copy of this letter to me and I placed it in the CONGRESSIONAL RECORD on May 8, 1961, and it appears on page 7577. This letter in part states that:

> It was obvious from the testimony that the acts of these employees were mere symptoms. The contracting company was performing a Government contract. Because of the extreme shortage in concrete loading, and because the Government knew it, the company made a refund on the basis of a shortage of 451 tons; this however, did not cover the entire shortage. From the testimony of witnesses, including the president of the contracting company it appeared that the Government had not only been defrauded on the basis of a greater shortage than was accounted for, but that the employees were acting for the contracting company and were simply obeying orders. They did not profit—the company did.
>
> I considered that the treatment of symptoms was of no value in the enforcement of the law, and granted probation to the two employees.
>
> An effort should be made to remove the cause of wrongdoing and such an effort would reach fruition by denying an unworthy contracting company the right to be awarded Government contracts under any circumstances.

Following the suspension of the Duval Co. from the Florida list of eligible bidders, I received word that this company was low bidder on a contract to supply asphalt and other material in the amount of $250,000 at Cape Canaveral. This was why I took the floor on April 19, 1961, to document the fact that the Federal Government had already been defrauded by this company in Mayport and to protest the intention of the Army Corps of Engineers to award this contract to Duval. Although I personally called this matter to the attention of the corps and advised them that I was making this talk on the floor of the House, nonetheless, this contract was awarded to the Duval Co. Apparently, the corps took the remarkable position that it cannot take notice of admitted fraud perpetrated on one branch of the Federal Government, but that somehow it is a separate and distinct branch of Government unto itself, and thus the right hand of the Federal Government need not take note of fraud against the left hand. I was, and I am still, shocked by this attitude of complacency and indifference on the part of public officials charged with responsibility of spending the taxpayers' money.

On Wednesday, July 26, and Tuesday, August 8, 1961, I again consulted in my office with several high representatives of the Corps of Engineers and on the basis of new evidence again demanded that this company be removed from the list of eligible bidders, pending investigation by my subcommittee, the State of Florida, and the Federal Government, of allegations of fraud which could certainly lead to the presentation by various agencies of Government of large claims for restitution. I was advised that everything would be done to accomplish this result at long last. I was then aware that Duval was then in the process of being sold to a new company and I requested the Corps of Engineers to look closely into the sale, to see if it was an arms-length transaction or whether it was merely a reorganization which would permit the present owners of the Duval Co. to return to the State bid list and avoid removal from the corps bid list and perhaps to do as they have in the past.

Following the action of the State of Florida in suspending Duval, the Governor's State road board retained two ex-FBI men, Olin T. Richards and Elmer F. Emrich, to investigate the Duval Co. This investigation resulted in a confidential report dated May 1, 1961, which was submitted to the State road board and to the Governor.

On June 13, 1961, I wrote Governor Bryant a letter in which I advised him that our own subcommittee had voted unanimously on my motion to investigate allegations that Duval had short-loaded asphalt on Federal-aid projects and requested a copy of this report, if and when it was made public. By letter dated June 17, 1961, Governor Bryant courteously replied to the effect that no public release of this report was then contemplated, but that he would cooperate closely with our subcommittee.

Our subcommittee has a copy of this report. Likewise, I have obtained a copy thereof from another source, and I shall comment upon it below.

On July 27, 1961, according to the Jacksonville Journal, the Duval Co. was sold on that day to Houdaille Industries, Inc. for $4 million cash. I had known about this sale for some time but did not wish to comment upon it until more of the details were made public. According to the press, the R. H. Wright & Sons Co. of Ft. Lauderdale, a subsidiary of Houdaille, has purchased the Duval Co. and several Duval subsidaries and will form a new company under Florida law, to be known as Duval-Wright of Jacksonville. I include at the close of my remarks, the above-mentioned stories in the Jacksonville Journal entitled, "Duval Engineering Co. Sold to New York Firm for $5 Million" and "No Obstacle Seen for Duval-Wright."

I know nothing about Houdaille and assume it is an honorable firm, deserving public trust and confidence. However, I am concerned when I notice that Alex Brest, the former chief stockholder of Duval, is to be retained as secretary-treasurer of this new company, and a consultant on a 5-year basis, and also he will be a director. I am concerned also when the new company announces there will be no change in personnel, policy, or functions. This sounds ominous to me in view of the fact that Brest and his old company had personnel well-versed in carrying out what was a company policy of cheating the Federal and State Governments.

I am also at a loss to understand why any company like Houdaille would want to purchase a company under investigation by several different agencies of the Government and Congress and which is under such a dark cloud of suspicion. I think it is entirely safe to conclude that there were prior assurances given by the State of Florida that this new company as constituted would be promptly placed on the bid list. But I am not personally satisfied that the interests of the public will be protected as long as this new company is not purged of the taint which attaches to it under Brest, Osbourne, and Moore, and there is no assurance that they will not continue, when given the opportunity, to operate as before.

As I stated above, I have in my possession a copy of the Richards-Emrich report, dated May 1, 1961. I understand that the rules of the House preclude my making this report public, although I feel that the public's interest demands it. However, I can say that this report is replete with evidence that the Duval Co. has, for a period of at least 10 years, systematically short loaded on asphalt and, therefore, overcharged on projects which it has constructed for local, State, and Federal governments. These projects specifically include such projects with the city of Jacksonville and the State as S.R. 13 at Miami Road and San Marco Boulevard, Pearl Street; Orange Park; Seminole Road between Atlantic Boulevard and Mayport; U.S. No. 1 from Hilliard to the Georgia State line; S.R. 207 near Hastings, Fla., U.S. No. 1 from Flagler County line to Bunnell; Beach Boulevard, U.S. No. 90—Beaver Street; S.R. 13 at Julitan Creek. This report indicates the short loading continued even after the Mayport swindle was discovered.

Copies of this report are in the hands of the Bureau of Public Roads and, of course, the State authorities, and should provide the basis for claims against the

assets of the Duval Co. from the city of Jacksonville, the State of Florida, and the Federal Government. Accordingly, I am requesting the Attorney General of the United States, the attorney general of Florida, and the State attorney for the city of Jacksonville, and Duval County, to take appropriate action to protect the interest of the governments concerned and to recover from the old Duval Co. and its stockholders any and all amounts which were obtained by fraud, false claims, and other methods of overcharging. I insert, at the close of my remarks in the RECORD, copies of these letters to the Attorney General of the United States, the attorney general in Florida, and the State attorney for Duval County and the city of Jacksonville.

Even as I was writing this speech my worst fears were confirmed when I received the Jacksonville Journal of August 2, 1961, which carried an article entitled, "D.E. & C. Refunds State $17,000." I will insert this article in the CONGRESSIONAL RECORD at the close of my remarks. This article states that on that day the old Duval Co. refunded to the State of Florida $17,285, which it had overcharged the State on three 1957 projects and that roads board chairman, John Phillips, stated publicly that he would recommend the old company, which I thought was out of business, be reinstated as a qualified bidder on State jobs.

This article states that this $17,285 overcharge was a mere result of accounting errors, according to Duval's officials, and that there was no intention to short-change the State. The evidence against this company, which, as I have outlined above, makes this pious denial a shabby joke. My sense of outrage is not lessened one bit when the chairman of the State's road board publicly declares that the old company will be reinstated on August 18, 1961, just to clear the record.

My judgment is that this is a blatant effort to compromise the public interests in this moral issue in an effort to appease Alex Brest and the Duval Co., who are known to have considerable political influence. This action does not clear the record, as long as this company is actively under investigation by my own subcommittee of the House and is now or ought to be under investigation by both the Department of Justice and the State of Florida. The acceptance by the State of this piddling amount of $17,285 in satisfaction of all claims against Duval is a travesty, especially when this amount admittedly was overcharged the State on just three contracts in 1 year alone. As I have shown, above, there should be claims on many other projects on which the Federal and State Governments have been cheated for a period of about 10 years.

The Federal Bureau of Public Roads, at my request, provided me with a tabulation dated April 25, 1961, which shows that from January 1, 1957, to that date the Duval Co., as prime contractor or subcontractor, supplied asphaltic or other bituminous materials to the State of Florida for 16 Federal-aid projects, with a total contract value of approximately $17.9 million. I include a copy of this letter in the CONGRESSIONAL RECORD following the conclusion of my remarks. I, therefore, simply cannot comprehend this irresponsible action on the part of the State of Florida in even considering closing out this case and reinstating this same company to the bid list. This is so incredible that in carrying out my responsibilities, particularly in view of our highway investigating committee's active investigation of the matter, I feel it my duty to spread this matter on the record for all to see and judge for themselves, including Florida's Governor and highway board. It is obvious to me that the Duval Co. has the Bryant administration in its Brest pocket.

I am convinced, according to Florida's Road Board Chairman Phillips' press statements, that unless action is taken at this time the entire matter will be swept under the rug by the State of Florida. This is all the more incredible in view of the fact that the Department of Justice is contemplating action for double damages and fraud penalties as a result of the Mayport convictions, and our congressional investigating committee is investigating and preparing hearings in November and December. However, as I say, I am most anxious that the State of Florida protect its interests and not be detracted from its duty by the simple expedient of reinstating the old Duval firm to pave the way for this new company, and refusing to act upon other evidence of fraud and other false claims. I refuse, by my silence, to be a party to such a deal—that deals out the public interest and which is an obvious attempt to whitewash the entire matter even before our committee holds hearings.

Accordingly, I hereby serve notice that if the Governor of Florida and his State road board do not make relevant portions of this report available to the appropriate authorities and take proper action thereon, including full disclosure publicly before reinstatement of Duval is considered by the road board, I shall ask for an emergency executive session of our subcommittee. I will not be deterred in this serious matter from what is my plain duty. If necessary, I shall give consideration to the necessity, in the public interest, for placing the relevant portions of this report in the CONGRESSIONAL RECORD. Time is of the essence and the public interest, both State and Federal, will be satisfied by nothing less.

Mr. Speaker, the newspaper articles and letters to which I have referred are, as follows:

[From the Jacksonville Journal, Aug. 2, 1961]

DUVAL ENGINEERING & CONTRACTING CO. REFUNDS STATE $17,000

(By Clarence Jones)

Duval Engineering & Contracting Co. today reimbursed the State road department $17,285 for material shortages on three 1957 projects and State Road Board Chairman John Phillips said he would recommend the company's reinstatement as a qualified bidder on State jobs.

But the reinstatement would be merely a technical action with no practical effect as the firm has been sold and is no longer in existence. The successor company is expected to become eligible to bid on State jobs.

Phillips said he would recommend the reinstatement at the road board's next meeting August 18 "just to clear the record." Duval Engineering was suspended from State road bidding last March for evidence of short loading on previous contracts.

The $17,285 repayment, Phillips said, was an overpayment by the State for materials on three maintenance projects in 1957. The company made the reimbursement and denied any intention to short-change the State, Phillips said. The overpayment was a result of "accounting errors," Duval Engineering officials said.

Last week the old firm was sold to Houdaille Industries, Inc., of Buffalo, N.Y., and renamed the Duval-Wright Engineering Co. The new company is to be a subsidiary of R. H. Wright, Inc., of Fort Lauderdale, also owned by Houdaille.

Phillips said the road department's next bid opening is set for August 31.

When the sale of Duval Engineering & Contracting Co. was first announced, it appeared that the new Duval-Wright firm would be a separate company and would have to apply for qualification to build State roads.

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF PUBLIC ROADS,
Washington, D.C., April 25, 1961.

Hon. WILLIAM C. CRAMER,
House of Representatives,
Washington, D.C.

DEAR MR. CRAMER: Reference is made to a request from your staff concerning identification of Federal-aid projects for which Duval Engineering & Contracting Co., Jacksonville, Fla., furnished asphaltic or other bituminous materials as prime contractor or subcontractor.

Bureau of Public Roads records show that Duval Engineering & Contracting Co., as prime contractor or subcontractor, from January 1, 1957, to date, supplied asphaltic or other bituminous materials for 15 Federal-aid projects, which are identified below:

Project	State No.	Location	Contract amount
S-383(1)	7853-250	St. Johns County	$354,654.51
I-IN-003-7(12)	72020-3282	Duval County	1,496,072.38
I-95-5(9)344	7202-481	do	2,147,998.04
I-10-5(4)356	72270-3478	do	1,411,734.27
R-AD-6(3)	70080-3202	Brevard County	815,668.62
I-IN-95-5(3)344	7202-280	Duval County	903,561.34
I-IN-95-5(17)348	72020-3487	do	1,298,612.88
I-IN-95-5(13)346	72020-3485	do	1,079,280.20
I-95-5(11)345	72020-3483	do	870,901.92
I-95-5(18)346	72020-3489 72090-3177	do	1,069,499.33
I-10-5(6)357	72270-3480	do	1,952,489.66
I-10-5(2)354	72270-3476	do	1,314,630.10
S-34(4)	71120-3501	Clay County	205,250.00
S-478(1)	7860-250	St. Johns County	214,829.03
I-10-5(13)349	72270-3405	Duval County	1,204,321.96

NOTE.—H. E. Wolfe Construction Co. was the prime contractor. Duval Engineering & Contracting Co. was a subcontractor on items 43, 57A, and 57B in the amount of $210,620.36, on the above project.

Also, we are advised that Duval Engineering & Contracting Co. supplied asphaltic material for the project, next below, on which H. E. Wolfe Construction Co. was the prime contractor. We have requested the State to advise us concerning Duval Engineering & Contracting Co.'s participation in this project, since a subcontract therefor is not of record.

Project	State No.	Location	Contract amount
F-003-7(17)	72080-3107 74030-3111	Duval and Nassau Counties	$1,558,749.75

We are obtaining data concerning quantities and costs of the asphaltic materials furnished by Duval Engineering & Contracting Co. for the above projects and will advise you further upon completion of our compilation.

Sincerely yours,

F. C. TURNER,
Deputy Commissioner and Chief Engineer.

[From the Jacksonville Journal]

NO OBSTACLE SEEN FOR DUVAL-WRIGHT

(By Clarence Jones)

Duval Engineering's men and equipment probably can go back to full-time work within a matter of weeks, it appears, as a result of today's sale.

State Road Board Attorney Tom Cobb: commented in Daytona Beach: "Houdaille is an excellent company, from everything I've heard. This is a tremendous development for Jacksonville and will be important for the entire State."

If control of the old Duval Engineering & Contracting Co. has changed hands completely, Cobb said, he sees no obstacle to Duval-Wright's qualifying for State roadbuilding contracts.

In Washington, however, Republican Congressman WILLIAM C. CRAMER questioned the sale.

He said the House Federal-Aid Highway Investigating Committee, of which he is a member, will want to investigate the purchase of the old firm along with its continuing probe in Duval Engineering's past work for the Federal Government.

"Is it a good faith sale?" CRAMER asked, "or is it a subterfuge to permit the same people to acquire new Government work?"

Today's sale, Cobb said, will lead to a conclusion of his investigation "very quickly."

"We will have to take a new look now at any possible claim we may have against Duval Engineering & Contracting Co. and see if there is some reasonable solution that can be worked out," Cobb said.

When a firm sells its assets, as Duval Engineering did today, Cobb said, any claims against the old company would be paid from the money received in the sale. The new owner would not be liable for damages incurred by the old firm.

State Road Board Chairman John R. Phillips said his board "will want to know who will be running the new company." But if the Duval-Wright firm is a truly new organization, the past performance of Duval Engineering would not be held against the new firm.

Cobb pointed up a similar situation when Houdaille purchased the old R. H. Wright & Sons Co. in Fort Lauderdale. The old Wright firm had been charged with poor workmanship on a Dade County project.

In March, Cobb told the State road board there was sufficient evidence against the R. H. Wright & Sons Co. to suspend it from future bidding on State projects.

But after an investigation into the sale, where he determined that the old owners had nothing to do with the new organization he advised against penalizing the new firm "for the sins of the old one."

The new firm, R. H. Wright, Inc., was not suspended from the bidders list when four others were at that time.

The new Duval-Wright firm will have to apply for eligibility to bid, Phillips said. In applying for qualification to bid on road contracts, a firm must file a certified public accountant's report showing the company's equipment, personnel, and previous experience in roadbuilding.

Then the road board studies the report and sets a limit on the amount of work the company may conduct at one time. This check is written into the law to insure that successful bidders on road projects have the assets to complete the job and do it properly.

In Miami, Gov. Farris Bryant said he is sure "the road board will carefully study the qualifications of the new firm for being included on our bid list. We're always happy to see new firms of high integrity move into Florida."

Both State and Federal investigators have mentioned attempts to recover damages from Duval Engineering, if sufficient fraud on public contracts could be proven.

[From the Jacksonville Journal, July 27, 1961]

DUVAL ENGINEERING CO. SOLD TO NEW YORK FIRM FOR $4 MILLION—NEW OWNERS HUGE OUTFIT

(By Jimmy Walker and Bill Sweisgood)

Duval Engineering & Contracting Co. was sold today to Houdaille Industries, Inc., of Buffalo, N.Y., at a reported price of $4 million cash.

Houdaille, a vast industrial complex with 60 manufacturing plants and 10 divisions in the United States and Canada, moved into the construction field when it bought out the R. H. Wright & Sons Co., of Fort Lauderdale.

The Wright firm was under suspicion of unethical practices in connection with a Florida road project before it was bought out by Houdaille in March 1959.

Duval E. & C. becomes a division of R. H. Wright, Inc., operation and its name will be Duval-Wright Engineering Co.

The purchase was announced at midday in the headquarters of Houdaille, by Ralph Peo, chairman of the board and president.

He said the terms were cash but gave no amount. Authoritative sources, however, said the price was $4 million.

Peo said B. E. Ellis will continue as president of Duval-Wright, L. E. Davis will join the firm as assistant to the president.

Alexander Brest, secretary-treasurer of Duval Engineering & Contracting Co., who held 25 percent of the stock, will remain as a consultant but not an officer.

With the sale go also the White Shell Corp., an oyster shell road base firm; the Newberry Corp., which operates limerock quarries near Gainesville; the Savannah Bridge Co., general contracting firm in Georgia. These are subsidiaries of Duval Engineering & Contracting Co.

Peo announced there would be no changes in "personnel, policies or functions" in Duval-Wright.

"These acquisitions make Houdaille a leading construction company in the Florida area and the largest producer of prestressed concrete forms in the State."

Rumors of the sale have grown intense within the past week and the sale seems to open the way to restoration of the firm on the State's list of eligible road contractors.

Duval Engineering & Contracting Co. has been banned from State and Federal road projects since March 23 when road employees with the firm were charged with cheating the State on asphalt loads.

The impending sale may have had an influence on the bid by the R. H. Wright Co. submitted Tuesday to win a Jacksonville expressway job.

Wright's bid of $650,000 was more than $100,000 under the cost of the project—from 4th Street to 13th—estimated by expressway engineers.

Houdaille Industries began as a manufacturer of auto shock absorbers and was named for the Frenchman who designed the absorber.

It has grown to include divisions spread from coast to coast, manufacturing aircraft landing gears, auto bumpers and parts, oil drilling equipment, and power lawnmowers.

It also produces various construction materials.

Plants are located in Buffalo, Huntington, W. Va.; Cleveland and Toledo, Ohio; Detroit, Los Angeles, and Niagara Falls and Oshawa, Ontario.

Sales by Houdaille were $87 million last year.

AUGUST 7, 1961.

In re *U.S. v. John Baston Hysler, George D. Osbourne, Sr. and Virgil Moore* (No. 10,989–Cr–J).

The Honorable ROBERT F. KENNEDY,
Attorney General of the United States, Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: The records of your Criminal Division will show that on or about January 26, 1961, two of the defendants in the above-captioned case, George D. Osbourne, Sr., and Virgil Moore, both supervisors of Duval Engineering & Contracting Co., Inc., of Jacksonville, Fla., were convicted of defrauding the Government by short loading on asphalt in connection with their employer's performance of a contract with the Mayport Naval Air Station. The court records also show that Mr. Alexander Brest, treasurer, chief stockholder, and operating head of the Duval Co., admitted in open court that his company had indeed overcharged the Government to the extent of approximately $5,079 and made restitution. The evidence was so impressive that the presiding Federal judge, Hon. Albert L. Reeves, denounced Brest and his company as sharing a philosophy of "cheat the Government if you can" and stated that the "company ought to be made to respond to the Government heavily for its conduct" which was a "shameful case of defrauding the Government."

This fraud which Duval admittedly perpetrated on the Government clearly comes within the false claims provisions of title 31, U.S.C., S231 which provides that in such cases the Government can bring a civil action to recover double damages plus penalties. The verdict of guilty and judgment on the verdict in the criminal case should be res judicata in the subsequent civil case as to this issue, and I am requesting that you promptly institute such an action if you have not already done so. In this manner I am convinced that Judge Reeves' observation, "that the company ought to be made to respond heavily for its conduct," which I share, will be carried out with salutary effect.

I am enclosing a copy of the text of my remarks concerning the Duval Co. which I have delivered on April 19, 1961, on the floor of the House and which appears in the CONGRESSIONAL RECORD. As I note therein, this firm has a long and sordid record of bribing employees of the Florida State Roads Department, substandard performances of highway construction, and systematic short loading on asphalt concrete which caused

the State of Florida in April 1961 to suspend its bid privileges, and, at present, the House Special Subcommittee on the Federal-Aid Highway Program, of which I am ranking minority member, has this company under investigation.

I should also advise you that on July 27, 1961, Duval and several of its subsidiaries were sold to another corporation which will merge with Duval and be incorporated under the name Duval-Wright. The new management has announced that the same policies and personnel, which includes those convicted and Alex Brest as a consultant, will be retained, which is a source of some concern to me in view of the history of the old company and its personnel.

However, I am more immediately concerned that any claims due the Government be timely presented and satisfied out of assets of the old company. The evidence suggests that many such claims may be forthcoming from Federal, State, and local governments. There is in possession of the Bureau of Public Roads, a copy of the report of the results of an investigation of Duval by the Florida State Roads Board, and presumably available to the Department, which will, I believe, be of great help to your office in seeking any restitution due the Federal Government.

I will appreciate being advised as to present or future action the Department has taken or will take in this matter. If I may be of further service, do not hesitate to let me know.

Sincerely,

WILLIAM C. CRAMER,
Member of Congress,
First District of Florida.

In re Duval Engineering & Contracting Co., of Jacksonville, Fla.

AUGUST 9, 1961.

The Honorable RICHARD W. ERVIN,
Attorney General of the State of Florida, Tallahassee, Fla.

DEAR MR. ERVIN: I am enclosing for your information, the text of my remarks which I delivered on the floor of the House of Representatives today, relating to the activities of the above company. I do so because I am ranking minority member of the Special Subcommittee on the Federal-Aid Highway Program, as a Representative of the First District of Florida, and as an interested citizen and taxpayer.

I especially direct your attention to the fact that this company, which is currently under investigation by my subcommittee, has a record of one conviction for defrauding the Federal Government; making payments to employees of the State roads board, which, in similar cases, you have ruled to be illegal bribes and which have resulted in several indictments. The State's road board has conducted an investigation which resulted in a confidential report dated May 1, 1961, and which contains evidence that this company has defrauded both the city of Jacksonville and the State of Florida. Moreover, according to the Jacksonville Journal dated August 2, 1961, this company on that date admitted further overcharges to the extent of $17,285 and has made restitution.

I have a copy of this report and I assume it is available to your office. This report convinces me that the above company by merely making restitution on three 1957 projects, still has much to answer for and that the taxpayers of Florida have every right to expect that civil claims will be presented far in excess of this amount against the stockholders of this company. I know that you share my deep concern in this matter that any claims be prosecuted forthwith, especially in view of the fact that this company has recently been sold. I should, therefore, appreciate your advising me what action in this regard your office has thus far taken to act upon the evidence in this report dated May 1, 1961, or what action that your office will take in the future.

I am motivated in a spirit of friendly cooperation which I think is due your office from those of us who have the privilege of representing both Federal and State interests. If I may be of any further service to your office, I am at your pleasure.

With best personal regards.

Sincerely,

WILLIAM C. CRAMER,
Member of Congress,
First District of Florida.

AUGUST 9, 1961.

In re Duval Engineering & Contracting Co. of Jacksonville, Fla.

Mr. WILLIAM A. HALLOWES,
State Attorney,
Duval County Courthouse,
Jacksonville, Fla.

DEAR MR. HALLOWES: Enclosed herewith is a copy of the text of my remarks concerning the above company which I have delivered today on the floor of the House of Representatives.

I am taking this opportunity to call to your attention the strong possibility that the above company has overcharged the city of Jacksonville and the county of Duval in connection with its performance of construction contracts to provide asphalt and other material on road and street projects. I do so with the urgent request that you take any appropriate civil and criminal action, which you may think necessary, in view of the contents of the Richards-Emrich report, dated May 1, 1961, prepared at the direction of the State road board. I understand that a copy of this report is in your possession and you are aware that this report contains evidence that Duval Co. has, in the past, short loaded asphalt on both city and county projects.

As you are probably aware, the Special Subcommittee on the Federal-Aid Highway Program, of which I am ranking minority member, is now actively investigating charges that this short loading also occurred on State Federal-aid highway projects on which Federal tax funds were used to the extent of 90 percent. As you will understand, our jurisdiction is limited to Federal-aid highway projects and not to purely city or State matters. However, there is a matter which, while beyond our jurisdiction, is within yours, and which I believe ought to be called to your attention for appropriate investigation and action.

The Duval Co. is, at present, performing a contract, which is non-Federal aid, to build a portion of the Jacksonville Expressway connecting U.S. Route 1 and Haines Street, further known as State project No. 72090–504, from boulevard to Phoenix Avenue on 20th Street. Bid item No. 5902 calls for Duval to supply approximately 445,297 cubic yards of earth for embankment at a lump sums price of $422,465, which is approximately $1 per cubic yard. This embankment material comes from a borrow pit on Pickettsville Road in Jacksonville, which is owned by O. A. Imler Earth Movers, which charges Duval 22 cents per cubic yard.

As of several weeks ago, approximately 250,000 cubic yards of this material from the Pickettsville pit has been placed in the above project and I have received allegations that about one-third of the material delivered, or about 80,000 cubic yards, is substandard material which does not meet specifications because it is so-called gumbo, or red clay, with too high a plasticity index, and which will, in time, cause this street to break down. It is further reported to me that both Duval and the Imler Co. were aware that this material was substandard and that this practice was stopped about the time my own subcommittee publicly announced that it would investigate Duval. I, therefore, respectfully suggest that your office and/or the State, obtain the service of some disinterested expert engineers and soils analysis laboratory to conduct test cuttings in the roadbed on this project from boulevard, eastward to Phoenix Avenue, to determine whether or not this embankment material is substandard as alleged. I am rather confident that you will find this material to be as I have described. It may be that your office would be able to obtain the services of the Federal Bureau of Public Roads jointly to investigate inasmuch as, while it is not Federal aid, it is nonetheless an important connecting link in the Jacksonville Expressway, much of which was constructed with Federal participation.

I am not unaware that the Duval County grand jury has investigated the charges that this company has short loaded asphalt on both city and county projects and exonerated this company, in a report to the court on May 31, 1961. However, I understand the only issue before the grand jury involved asphalt on a tonnage basis within the city and county and was limited by a 2-year statute of limitation. I further know that you will welcome any new evidence and I submit that the above information comes within this description. I also call your attention to an article which appears in the Jacksonville Journal on August 2, 1961, and which states that the Duval Co. has, since two of its supervisors were convicted last January for defrauding the Federal Government to the extent of $500, made restitution to the State for an admitted shortage of $17,285. This damaging admission will be of great interest to you and I know that you will be governed accordingly.

If I may be of any further service to you in this matter, please do not hesitate to let me know.

Best personal regards.

Sincerely,

WILLIAM C. CRAMER,
Member of Congress, First District of Florida.

PERSONAL EXPLANATION

Mr. TOLL. Mr. Speaker, I should like to explain for the RECORD why I was absent on rollcall No. 140. I was called to the White House for a meeting with one of the assistants with regard to some pending legislation. Had I been here I would have voted for the rule on H.R. 6882.

U.S. FOREIGN AID PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Delaware [Mr. McDOWELL] is recognized for 60 minutes.

Mr. McDOWELL. Mr. Speaker, as is pointed out in a current study of international economic assistance:

Foreign economic and technical assistance in the free world has ceased to be a matter of isolated national attention.

One of the more incisive studies of the current policies and emerging problems of our foreign aid program that I have seen is that prepared by Arthur H. Darken, analyst in U.S. Foreign Policy, Foreign Affairs Division, Legislative Reference Service, the Library of Congress.

It is important that the problems and policies of our foreign aid program be

understood by the American people who are called upon to foot the bill.

I include this analysis as part of my remarks:

INTERNATIONAL ECONOMIC ASSISTANCE IN THE FREE WORLD: CURRENT POLICIES AND EMERGING PROBLEMS

INTRODUCTION

Foreign economic and technical assistance in the free world has ceased to be a matter of isolated national attention. Many now view it as a cooperative effort by the free world; it is the subject of frequent and intensive international negotiations. This study examines the current aid policies and programs of the major capital exporting nations to answer the following questions:

1. What is the current volume of economic assistance and which are the major donor and recipient nations?

2. What are the principal reasons for each of the major national aid programs? Is there a sense of common purpose among the donors that would support the view that free world foreign aid is a cooperative effort?

3. Are the developed nations assuming relatively equal responsibilities in their aid programs or are there marked disparities? How can these efforts be measured equitably?

4. What kinds of public and private aid are being provided and under what conditions?

5. To what extent is aid being channeled through multilateral agencies? Under what conditions do the capital exporting nations usually agree to provide significant amounts of aid through these agencies?

6. What are the major problems of using economic aid to spur the development of the less-developed nations?

The problem of defining aid and securing adequate statistics

The analysis of international economic aid is hampered by disagreement over what constitutes aid and by the inadequate and often contradictory statistics currently available. The United States uses the term "foreign aid" and provides all of its aid to foreign countries, but some donors provide the bulk of their aid to their own dependencies and thus do not regard it as "foreign aid." Some Americans therefore may be skeptical of including aid to such areas as Algeria in the French totals, when the United States does not include its grants to Puerto Rico and the Virgin Islands. The dependencies of the European powers are, however, all less-developed areas and expenditures there do constitute a burden on the donor. Moreover, the fact that the United States initiates aid programs to most of the new nations as soon as they become independent, and frequently even earlier, suggests that this country has a strong interest in the continued provision of aid by the European governments to their dependencies.

The distinction between "aid" and "foreign aid" may soon be largely a semantic one because of the rapid pace at which dependencies are receiving their freedom. For the present, however, the difference is a real one. The U.S. Government and the Organization for European Economic Cooperation (OEEC) both include aid to European dependencies in their tallies of international economic aid and sometimes the figures do not specify what portion of a nation's aid has been provided to its dependencies. The present report is based principally on the OEEC and U.S. figures and attempts whenever possible to allocate aid between dependencies and nondependencies, but includes both in the overall national totals.

A more perplexing problem is to determine which types of capital should be considered aid. Capital flows from the advanced to the less-developed nations through a variety of channels. These include public grants and loans on both commercial and noncommercial terms, export credits, skilled manpower, sales of surplus agricultural commodities on concessionary terms, private loans, investments and reinvested earnings, as well as regular export earnings. Some less-developed countries also receive World War II reparations and indemnification payments. In addition, the advanced nations provide public and private capital to the growing number of multilateral organizations that in turn make this capital available to the less-developed countries. All of these sources, though varying in degree of usefulness, are important in meeting the needs of the less-developed countries. Clearly, however, all capital cannot be considered aid.

At present there is no agreed free world definition of aid. The OEEC's Development Assistance Group (DAG) discussed the nature of aid in March 1961 but the communique issued at the close of the meeting reveals no agreement on which forms of capital may properly be called aid. The DAG noted the value of private and public finance on commercial terms, but emphasized that the "common aid effort should provide for expanded assistance in the form of grants or loans on favorable terms, including long maturities where this is justified."[1]

The DAG also warned against providing most aid in the form of short-term credits fully repayable in convertible currencies since this places too heavy a financial burden on the less-developed economies. A major obstacle to deriving a generally acceptable definition of "aid" is that the various donors emphasize different forms of aid, some of which might be excluded by a definition adopted by the remaining members of DAG. The quotation from the DAG communique, however, does indicate the trend of thinking among most DAG participants.

The OEEC reports on economic aid do not take a position on what constitutes aid but instead speak of the "flow of financial resources to countries in course of economic development" and list all sources of capital except regular export earnings. The U.S.-Government-prepared table, "Official Assistance to the Less Developed Countries by OEEC Countries and Japan," reprinted on page XI of this study, selects only certain forms of capital and labels them "aid." It is restricted to official or Government-provided capital, and includes: (a) grants, (b) bilateral loans of 5 years or over, (c) contributions and subscription to international organizations, and for the United States also (d) the increase in U.S. holdings of local currencies derived from Public Law 480 title I sales of surplus agricultural commodities. The evidence of this table suggests that the United States does not consider the following other forms of capital to be aid: reparations and indemnification payments, loans of less than 5 years' duration, guaranteed private export credits, Government purchase of international financial securities, and all forms of private investment and lending.

This study adopts the U.S. working definition of "aid" in referring to the aid programs of other nations. But it also lists all Government and private sources of capital provided to the less developed countries, taking care to distinguish between capital and that capital which may properly be called aid.

The comparison of international economic aid programs began only recently and comparable statistical data are not available for all donor countries. Developing coordination of aid information through the DAG and eventual acceptance of a definition for "aid" may greatly reduce these statistical problems.

I. SUMMARY OF MAJOR FINDINGS

A. Total flow of aid and other capital

The advanced nations increased the value of their economic aid to the less-developed nations from $3 billion in 1956 to an annual level of $4.1 billion in 1959, the last year for which complete statistics are available. Although the United States has consistently provided more than half of this aid, its share has dropped from 70 percent in 1956 to 59 percent in 1959, due principally to increasing contributions from other nations.

Foreign aid represents only about half of the capital made available by the advanced nations to the less-developed ones. During the 4-year period of 1956–59, foreign economic aid totaled $14.5 billion, while additional public and private financing totaled $13.5 billion.

The less-developed countries have two additional sources of economic aid. The Sino-Soviet bloc, during the years 1954–60, agreed to provide $3.45 billion in economic aid to free world countries, but expenditures are reported to have reached only $735 million. The less-developed countries also provide limited amounts of aid, mostly technical assistance, to each other.

B. Multiple purposes of aid

The many national aid programs do not reflect a common sense of purpose, but rather a variety of purposes which may or may not be complementary in the effect they have within a particular receiving country. Some governments supply economic aid to secure military bases, support allied armies, retain acquired political influence, or stimulate economic development to undercut the appeals of communism. Others with limited international security problems seem more interested in increasing their exports. Finally, there is a widely shared view that the advanced nations have some measure of moral responsibility to share their resources with the poorer, less-developed nations.

Most of the principal donors concentrate their aid in a few less-developed countries where their political, military, or economic interests are centered. Expanding the volume of a nation's aid program under these circumstances usually fails to increase the number of recipients. The United States also provides the bulk of its aid to a few countries. This Government's interests extend throughout the less-developed world, however, so that it contributes some aid to more than 60 governments, many of which also receive aid from one of the other advanced nations. By virtue of contributing approximately half of the free world's foreign aid, the United States has provided much of the present limited sense of unity and cooperation on foreign aid. Consultation among the donor governments, especially in the recently formed Development Assistance Group, can do much to improve the harmonious operation of these multipurpose aid programs.

C. A comparison of foreign aid expenditures by the developed nations

Recent interest in making the economic development of the less-developed nations a cooperative free world effort is usually interpreted as requiring equality of sacrifice by all donor governments. It is not clear, however, what are the proper scales in which to weigh the various national aid programs. Aid expenditures are most often compared as a percentage of the gross national product but, by itself, this is inadequate. It fails to take account of other major foreign and domestic claims on the economy. Also, the impact upon two countries spending similar

[1] "Development Assistance Group Concludes Fourth Meeting." Department of State Bulletin, Apr. 17, 1961, p. 555.

percentages of their gross national product on foreign aid can be vastly different depending on their respective average levels of personal income.

This study evaluates the national foreign-aid programs on three different bases. The results are not completely consistent but, on balance, they show that the major European colonial powers and the United States are making relatively comparable foreign-aid efforts; the German Federal Republic and the other noncolonial powers contribute considerably less.

D. Major bilateral programs

The United States, France, and the United Kingdom provide 90 percent of all free-world economic aid to the less-developed countries. These three, plus Germany, provide 90 percent of the total of free-world capital that goes to the less-developed countries, including aid, other government and private sources of finance.

The European nations with dependencies in the less-developed areas usually center their bilateral economic aid on these present or former possessions.

Most aid is provided in the form of grants, but there is increasing interest in loans. Available evidence indicates that the United States is the only donor that makes some of its loans repayable in the borrower's local currency. The United States is also unique in selling its surplus agricultural commodities in return for the relatively inconvertible currencies of the purchasing countries.

With the exception of U.S. grants and loans from the Development Loan Fund, most bilateral economic aid has been formally or informally tied to purchases in the donor country. U.S. grants and loans are now also tied to purchases in the United States.

Economic aid normally has been provided for specific projects rather than to meet general budget deficits, or to support national development programs as a whole. Accurate information is not available on the percentage distribution of aid among the various economic sectors in the less-developed countries. What is available, however, indicates that more than half of the aid that can be identified with particular projects has been used for transportation, industry, mining, and electric power production.

E. The role of the multilateral aid agencies

The multilateral aid agencies have played and will continue to play a limited though useful role in fostering the flow of capital resources and technical aid to the less-developed countries. During the years 1956–59, about 90 percent of Government aid was provided bilaterally and only the remaining 10 percent was channeled through the multilateral agencies. All multilateral aid, except for technical assistance grants, has been in the form of loans repayable in the currency borrowed. The major donor governments in particular provide most of their aid bilaterally to concentrate it in areas of special interest. But multilateralism is growing in favor, especially in the United States. The agencies are viewed here principally as means of augmenting the total volume of international credit by eliciting increased aid from the other industrialized nations. An exception would be the Inter-American Development Bank (IDB). The IDB, in which the United States is the major contributor and the only one from among the developed nations, has the virtue of providing a mechanism for distributing and administering aid among the many countries of Latin America without the difficulties of active U.S. intervention. Here, too, it is hoped that other developed nations may eventually make some capital contributions.

The number of multilateral aid programs has grown rapidly in the last few years and there are now at least 10 in operation. The International Bank for Reconstruction and Development (IBRD), formed in 1945, remains the principal source of multilateral credit, and provided over two-thirds of the total in 1956–59.

To the limited extent that the developed nations provide aid through multilateral agencies, they emphasize those like the IBRD and the recently organized International Development Association (IDA) and the Inter-American Development Bank (IDB) that provide for weighted voting. This practice matches voting strength with capital subscriptions and guarantees the major donors proportionate control over lending operations. The United Nations grant technical assistance programs have failed to expand greatly while the United States and many other developed nations have refused to support the formation of a U.N. development agency to make capital grants or loans repayable in soft currency. United Nations aid programs usually operate on the basis of state equality, with all members—large and small contributors, capitalist and Communist governments—having an equal voice in determining fund allocations.

Apart from the formation of new programs, there recently have been two important innovations in the field of multilateral aid. The first is the authorization of "soft loans" by the new IDA and the IDB. The IDA may accept loan repayments in the borrower's own currency. Recent statements by Bank officials indicate that these loans will be the exception, however, and that most loans will be "soft" in the sense of providing for repayment periods of up to 50 years and bearing little or no interest. The IDB has a fund for special operations that is expected to make all its loans repayable in the borrower's own currency.

The second innovation is a device for providing aid that combines significant donor control with a multilateral framework. Sometimes called ad hoc multilateralism, it requires a special agreement between the interested nations to provide aid to a particular project or country with all contributions being administered by a multilateral agency, usually the IBRD. Support for the Indus waters project in India and Pakistan and the 5-year development plans of these two nations are the most important examples of this new approach to aid. In effect it permits the coordination of multination and multipurpose aid in support of major programs that would be beyond the means of any single donor.

F. Emerging issues in international economic aid

1. The general trend in the expansion of economic aid is away from grants and toward loans, usually repayable in hard currency over periods of 5 to 20 years. A serious question is now arising, however, of the ability of the less-developed countries to earn the necessary foreign exchange to service such loans. In some instances, such as India which has already accumulated a large international indebtedness, it may be necessary to make hard currency loans with maturities of 50 to 100 years and perhaps bearing no interest whatever, if hard currency loans are to continue to be a source of development capital. In addition, it may be necessary to reconsider making greater use of grant aid and loans repayable in the local currency of the borrower.

2. The ability of the developing countries to service hard currency loans and their general need for foreign aid is sometimes closely related to the changing world market prices of their few principal exports. Declining export prices have sometimes wiped out the value of all the foreign aid received. Also the erection of import tariffs and quotas against these products by the developed countries can sometimes have the same effect.

3. Economic aid can have a profound influence on the distribution of political power within the receiving country because of the social tensions it may create and the help it may provide to certain economic groups and not to others. The donor countries, however, have given little attention to planning development aid with an eye to its impact on the distribution of political and economic power. This would seem to merit greater attention if aid is to be useful in serving the multiple purposes for which governments now provide it.

4. To date most aid has been contributed in annual installments to specific isolated projects in the less-developed countries rather than to support one segment of an integrated national development program. The result has sometimes been uneven economic development and the failure to use available resources in the most rational manner.

5. The sale of U.S. surplus agricultural commodities for foreign currencies and the provision of dollar development loans repayable in the borrowers' own currency have greatly expanded the volume of vital imports available to the less-developed countries without use of their usually short supply of convertible foreign exchange. The growing U.S.-owned accumulations of foreign currency derived from these sales and loans and also the relending of the local currencies once they have been repaid have been of only slight value in fostering the economic development of the less-developed countries. The continued growth of these local currency balances over the years may constitute a substantial U.S. "mortgage" on these countries and exacerbate political relations.

Some steps have been taken recently to slow down the rate of growth of the U.S. foreign currency holdings. These include: elimination of the maintenance of value clause in loans made with local currency derived from surplus commodity sales; the provision that up to 50 percent of the "country use" portion of these currencies may be granted to the local government; and the decision not to make any further dollar loans repayable in local currency. The U.S. local currency accounts will continue to grow, however, and it is quite possible that at least two multilateral agencies will begin to accumulate similar balances from the repayment of hard currency loans in the borrowers' own currency.

II. THE TOTAL FLOW OF FREE WORLD AID AND OTHER CAPITAL TO THE LESS-DEVELOPED COUNTRIES

During 1956–59 the developed countries provided an average of about $3.6 billion per year in economic aid to the less-developed countries. Approximately $2.3 billion, or 64 percent, was supplied by the United States, with the remaining $1.3 billion or 36 percent being supplied by Western Europe, Canada, and Japan.

During this 4-year period the annual aid level rose steadily from $3 billion in 1956 to $4.1 billion in 1959, with most of the increase accounted for by countries other than the United States. The value of aid from these countries doubled, rising from $843 million in 1956, or 30 percent of all aid that year, to $1.7 billion in 1959, which was 41 percent of free world aid. U.S. aid, during this same 4-year period, rose from $2.1 billion in 1956, or 70 percent of the total, to $2.4 billion in 1959, or 59 percent of the total. The Western European countries, Canada and Japan, therefore increased the absolute value of their aid by 100 percent and increased the portion of total free world economic aid which they provided from 30 to 41 percent. Table 1, on page — shows the annual aid levels for the Western European OEEC countries, Canada, Japan, and the United States.

United Nations statistics on economic aid, which are not completely comparable to those used elsewhere in this study, indicate that most aid is provided in grant form, but that the importance of loans is increasing. The share of loans in total government aid rose from 27 percent in 1953–54—1955–56 to 37 percent in 1957–58—1958–59, while the share of grants correspondingly declined from 73 percent to 63 percent.[2]

An examination of the multiple sources of capital including all but regular export earnings shows that the less-developed nations received far more capital from the advanced nations than the average of $3.6 billion in aid each year. The total capital received was $27.9 billion, or an average of $7 billion per year. Almost half of this total, or $14 billion, came from the United States. The next most important capital sources were France, the United Kingdom, and Germany. Together, these four countries supplied almost 90 percent of all the free world finance made available to the less-developed countries. Table 2 lists the capital exporting nations and the total each provided during 1956–59.

More than half of the $27.9 billion in free world capital, or $15.9 billion, was provided by governments, and $12 billion by private sources. The value of official or government capital has increased at a steady pace of $400 to $500 million a year; the value of private capital has fluctuated indecisively, but on balance appears to be declining. Table 3 shows the annual levels of government and private capital received by the less-developed nations.

Governments, as a group, have consistently provided more than half of their capital in the form of grants. Most private capital is supplied as investments and reinvested earnings with guaranteed export credits and the purchase of securities issued by international financial organizations being much less important.

Most private and government capital is provided bilaterally, with multilateral channels receiving only 8 to 10 percent. Table 4 shows the annual levels of capital made available from the various government and private sources.

III. THE MULTIPLE PURPOSES OF FOREIGN AID

The provision of international economic assistance in the free world today is not directed toward a common purpose. The various national and multilateral programs have their own specific purposes and operating principles. As a result, some programs complement one another, some are directly antagonistic, while most simply exist side by side. The United States is now attempting to make this a cooperative venture of the free world by increasing the foreign aid contributions of the other industrialized nations. But there is still no agreement on the purposes for which aid will be used. Scholars and public officials in the United States and elsewhere have sought to develop such a sense of common purpose, but to date these efforts have not borne fruit. It is necessary, therefore, to examine the multiple purposes of separate programs in order to understand free world foreign aid.

The major purposes of aid

A survey of free world international economic aid programs indicates that the following are the most prominent motivating forces, though the importance of each varies from one country to another:

1. To speed the economic and other aspects of national development in order to make the Communist alternative less appealing or to avert political chaos in general.

2. To maintain political and economic influence in the colonial or former colonial areas.

3. To increase exports in general and sometimes surplus agricultural commodities in particular.

4. To secure and maintain military bases or to support indigenous armed forces to an extent and in a manner not feasible with the locally available economic resources.

5. To help the people of the newly independent and resurgent nations escape from the bonds of poverty, sickness, and ignorance and to realize the material promises of the 20th century.

Other motivations might be added, but these tend to be subsidiary benefits flowing from the aid program rather than initiating reasons. This category would include such factors as: increasing employment in the donor country; enhancing the role and security of private foreign investments in the less-developed countries; and assuring access to raw materials.

Undercutting the appeals of communism

The first motivation—to undercut the appeals of communism—is probably the most generally powerful one, but it is especially strong in the United States. It is recognized here as in Europe, however, that belief in the ability of economic aid to accomplish this purpose in the less-developed countries is based on a relatively untested assumption. It is a calculated risk, but the stakes are high and the risks courted by failing to provide "adequate" foreign aid seem even more forbidding.

Maintaining influence in former colonial areas

France, England, the Netherlands, Belgium, Portugal, and Italy—all colonial or former colonial countries—have used their foreign aid to help maintain economic and political influence in their present and former possessions. The force of this motive is now reenforced by the threat of communism in the less-developed countries. This is the principal reason why these European powers restrict foreign aid almost entirely to present and former colonial possessions. Consequently, each of these less-developed countries receives most of its aid from a single European government. The United States breaks into this pattern, however, for while it too centers the bulk of its aid in a few countries, it also has interests throughout the less-developed world that lead to aiding countries that also receive aid from Europe.

Almost all French, Belgian, and Portuguese aid is provided to Africa. The Netherlands and the United Kingdom center their aid in south and southeast Asia, though British aid is increasing in Africa, too. The Latin American countries receive almost no aid from Europe.

Export promotion

All donor states use foreign aid to spur their exports. But it appears to be a particularly important motive for Germany which has had no colonial possessions since World War I and has limited its political interests to Europe. This is changing. During the last year Germany also became concerned with the necessity to undercut the appeals of communism in the less-developed countries. Most Japanese aid derives from its World War II reparations agreements, but the remainder appears to be directed largely at export promotion.

The United States and the former colonial powers also use foreign aid to increase exports and often tie this aid to purchases in the donor country. These countries generally provide loans on extremely flexible and noncommercial terms, however, for political interests override export considerations.

Military bases and forces in being

France is a prime example of the interpenetration of political, economic, and military justifications for providing economic aid. Fully 40 percent of French economic and technical assistance now goes to Algeria where since 1954 France has been engaged in military actions to quell the insurgents who demand independence. While France has pursued this military policy of "pacification," however, it has also embarked on the 5-year Constantine plan to provide massive economic aid for the political, economic, and educational development of Algeria. And in more than a dozen countries the United States has long provided economic aid to secure base rights and support local armed forces.

Humanitarian responsibility

Despite the prominence of political and economic motivations for providing foreign aid, there is often a strong moral-humanitarian sense of responsibility to help the less-developed nations escape from the ring of poverty, disease, and ignorance. This is particularly widespread among the general public, but it also influences government policy.

The United States has traditionally given some private and Government assistance to the poorer nations for humanitarian reasons. A recent public opinion poll in Germany indicated that more than half of those who favored an expansion of foreign aid emphasized the ethical and moral reasons for doing this.[3] In each colonial country there is a strong sense of responsibility for the well-being of its dependent peoples which usually results in the provision of more economic and technical aid than is required simply for peaceful and effective colonial administration.

In Great Britain, for instance, the tradition of colonial and commonwealth responsibility increases popular acceptance of today's expanded foreign aid program. It is apparent during parliamentary debates on appropriations for economic aid that both supporters and opponents of the Government favor development assistance in order to improve the conditions in the poorer countries of the Commonwealth. Appendix A is a detailed study of how this purpose interacts with and reenforces the other purposes of foreign aid in the United Kingdom.

The U.S. blend of purposes

President Kennedy's March 1961 foreign aid message to Congress provides a succinct summary of the many purposes the United States tries to serve by its foreign aid program:

"It is proper that we draw back and ask with candor a fundamental question: Is a foreign aid program really necessary? Why should we not lay down this burden which our Nation has now carried for some 15 years?

"The answer is that there is no escaping our obligations: our moral obligations as a wise leader and good neighbor in the interdependent community of free nations—our economic obligations as the wealthiest people in a world of largely poor people, as a nation no longer dependent upon the loans from abroad that once helped us develop

---

[2] United Nations. International economic assistance to the less-developed countries. Report of the Secretary-General to the Economic and Social Council. U.N. Doc. No. E/3395/Rev. 1 (1961), p. 43.

[3] Forty-seven percent of those interviewed favored increasing aid, 21 percent were opposed, and 32 percent were undecided. The 47 percent who favored aid gave the following reasons: ethical and moral, 53 percent; economic, 13 percent; political, 15 percent; and "feeling of solidarity," 9 percent. This poll is reported in "West German Attitudes Toward Economic Aid for Underdeveloped Areas," translated from the German by E. W. Schnitzer, January 20, 1961. Translation T–136 published by the Rand Corp., Santa Monica, Calif., 1961. 6 p.

our own economy—and our political obligations as the single largest counter to the adversaries of freedom.

"To fail to meet this obligation now would be disastrous; and, in the long run, more expensive. For widespread poverty and chaos lead to a collapse of existing political and social structure which would inevitably invite the advance of totalitarianism into every weak and unstable area. Thus our own security would be endangered and our prosperity imperiled. A program of assistance to the underdeveloped nations must continue because the Nation's interest and the cause of political freedom require it."[4]

Economic aid as a cooperative effort

Only during the last 2 years has the provision of capital assistance to the less-developed countries been widely viewed as a cooperative venture among the industrialized nations of the free world. From a state of almost completely separate national aid programs the industrialized nations have now begun consulting with each other and concerting efforts to expand aid through the development assistance group of the OEEC. It is still true, however, that the major donors, except for the United States, Canada, and Germany, provide bilateral aid to only a few selected countries with which they have a special historical relationship.

The expansion of bilateral aid under these circumstances will result in providing increased aid to the same countries already receiving it. The European governments generally do not accept the principle of increasing the list of recipients beyond those in which they have longstanding connections and interests. The United States probably will continue to provide the bulk of its aid to a few countries but also provide aid to those receiving it from other donors when this appears necessary in support of U.S. vital interests. It is possible, however, that future expansion of the German aid program will have a different result since Germany has no special interests in any of the particular, less-developed countries.

Expanding the volume of international economic aid, therefore, does not necessarily imply or require general agreement among the developed nations on the purposes of aid. The United States has urged all developed nations to accept the provision of economic aid as a common responsibility of free world membership. Increased acceptance of this responsibility may be the result, but the free world lacks a single philosophical, economic, or political outlook that would facilitate such a common effort to aid the less-developed members. Even without a "free world philosophy," however, it is apparent that frequent consultations and cooperative planning among the donor governments, especially in the development assistance group, can do much to improve the harmonious operation of the present multipurpose aid programs.

IV. A COMPARISON OF FOREIGN AID EXPENDITURES BY THE DEVELOPED NATIONS

During the last 2 years there has been a growing conviction in the United States that the other industrialized nations should markedly increase their economic aid programs in the less-developed countries of Asia, Africa, and Latin America.

Many Americans reason that Western Europe, because its recovery was partly financed by the U.S. Marshall plan, has a duty to provide more economic aid to the less-developed countries now that the United States appears to be having international financial difficulties. From this point of view, the European effort would demonstrate gratitude for the U.S. aid provided to Europe in her hours of need, or at least constitute a type of repayment for the Marshall plan grant aid. In either case, this implies that Europe would provide economic aid primarily to safeguard United States interests in Asia, Africa, and Latin America rather than to protect its own interests.

Other Americans emphasize that the prosperous European NATO partners should provide economic aid as one of the responsibilities of membership in the NATO alliance, because the Sino-Soviet bloc uses foreign aid and trade to expand its control in the less-developed countries. This assumes that the member governments have a common interest in preventing increased Sino-Soviet penetration into these areas that are outside the territory covered by the North Atlantic Treaty. It also assumes agreement on the theory that economic assistance is an effective means of undercutting bloc influences in the free nations of Asia, Africa, and Latin America.

There is also a widely held belief that the developed nations have a moral responsibility to share at least a portion of their resources with the poor, less-developed countries in their new struggle for dignity and national development. Though strongest among some private non-Government groups, it is also persistent undercurrent in official policy statements and was eloquently expressed by President Kennedy in his inaugural address when he said:

"To those people in the huts and villages of half the globe, struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves, for whatever period is required—not because the Communists may be doing it, not because we seek their votes, but because it is right. If a free society cannot help the many who are poor, it cannot save the few who are rich."

In general, the first of these three approaches to increasing the foreign aid effort by the developed nations starts from the need to reduce the U.S. foreign aid burden or at least the percentage of the total burden carried by this country. The other two approaches, however, appear to have different bases. They seem to start from the twin convictions that the magnitude of the problems in the less-developed countries demands sharp increase in the overall level of economic aid and that the European countries and Japan must constitute the principal source of this additional aid.

How should a nation's foreign aid program be judged in comparison with those of other nations? Several standards have been used but none appears adequate by itself.

Foreign aid as a percent of the gross national product

The percentage of gross national product devoted to foreign aid is the most commonly used yardstick to compare national efforts, though it fails to take account of many other important claims on the national economy such as servicing the national debt, military and other security expenditures, fixed domestic welfare costs, etc. By itself, therefore, it is not an equitable measure.

During the years 1956–59, the average percentages of gross national product (GNP) devoted to foreign aid ranged from a low of 0.02 percent for Switzerland to a high of 1.61 percent in the case of France. The United States and Portugal were second and third with respective totals of 0.52 and 0.47 percent.

Table 5 lists aid expenditures as a percentage of the gross national product in the case of all the OECD countries and Japan.

The foreign aid expenditures by most countries fluctuated both in dollar value and as a percentage of the GNP. France, Germany, Norway and the United Kingdom, however, all expanded their programs steadily in both these respects. United States dollar expenditures rose steadily from $2.1 billion in 1956 to $2.4 billion in 1959, but in both years the economic aid program accounted for only 0.51 percent of the gross national product.

Only the United States, Canada, and Japan among the noncolonial developed nations spent a significant portion of their gross national product on economic aid. The colonial countries—Belgium, France, Netherlands, Portugal, and the United Kingdom—all spent 0.25 percent or more for economic aid. The noncolonial countries, with the three exceptions mentioned, spent no more than 0.12 percent on economic aid, or less than half the lowest percentage for any colonial country.

Defense and foreign aid expenditures

Should military aid and other defense expenditures be included with those of foreign economic aid in comparing national efforts? Many European governments, especially those that provide only economic aid, separate these expenditures from defense and refuse to acknowledge economic aid as a security measure. Those that do provide foreign military aid usually include the figures under general defense or colonial administrative expenditures and fail to indicate how much is spent for military aid or even how much is spent overseas. In short, Europeans tend to view aid as only economic aid.

The United States, however, provides military and defense support economic aid as well as several categories of economic aid for development purposes and often regards the entire foreign aid program as a security expenditure. Americans, therefore, often add the total for defense and all kinds of foreign aid in judging both our own and other countries' aid efforts. When this is done, the United States moves to the head of the list with expenditures totaling 10.2 percent of the gross national product in 1959. France and the United Kingdom are second and third, respectively, with percentage expenditures of 8.97 and 7.74 percent. Most other developed nations in the free world spend less than 5 percent of the gross national product on defense and foreign aid. Table 6 on page — presents comparison figures for selected developed nations.

The impact of defense and foreign aid on personal consumption

Another means of judging national effort is to compare the per capita gross national product with the percentage of that product expended on defense and foreign aid. This shows how deep a cut these expenditures make into the resources available for personal consumption and thus the measure of national sacrifice which is involved. This comparison shows, for instance, that the United States with a per capita GNP of $2,538 spent 10.85 percent of its GNP on defense and aid, while the United Kingdom had a per capita GNP of only $1,224 and spent 7.82 percent of its GNP on defense and aid. Also, Germany had a per capita GNP of $1,035 and spent 3.25 percent of its GNP on defense and aid while Portugal, with a per capita GNP of $230, spent 4.39 percent on defense and aid.

How does one evaluate the expenditure of approximately the same percentage of GNP on defense and aid by two countries that have radically different amounts of money available for the use of their citizens? Even if there is no simple way to include these calculations in an estimate of national effort, it is clear that the country with a much lower per capita GNP is making a greater sacrifice than the wealthier country.

Or to put it another way, if one's income is only $1,224 it may be a greater deprivation to commit 7.82 percent of that income to defense and foreign aid than it would be to commit 10.85 percent to the same purposes if the income was twice as much, or $2,538 a year. For the same reasons it may

[4] U.S. Congress, House, message of the President relative to foreign aid, 87th Cong., 1st sess., H. Doc. 117, Mar. 22, 1961, p. 3.

be much more difficult for the government of a poor country to increase the tax rate by 1 percent than it would be for the government of a comparatively rich country to increase its tax rate by 2 or even 3 percent. Table 7 shows a comparison of per capita GNP with defense and foreign-aid expenditures for selected developed countries.

There are other indices of effort that might be used such as the size or cost of servicing the national debt, the percentage of national income absorbed by taxation, the rate of increase in the gross national product during recent years, or perhaps the balance of international payments. All are useful but the three actually used in this study appeared to be the most appropriate. They do not provide accurate results, however, because of the differing concepts as to what constitutes aid and what weight is to be given to the variety of major claims on the national economy. With these reservations considered, it appears that the major European colonial powers and the United States have made relatively comparable foreign aid efforts. The German Federal Republic and the other noncolonial powers have contributed considerably less.

V. MAJOR BILATERAL PROGRAMS

This section provides brief summaries of the aid and capital export programs of the major free world countries. It highlights important program trends, the relative balance between private and government sources of capital, and the extent to which this capital may be considered "aid." It also indicates the principal recipients of each nation's aid program.

A. Canada

During the 4 fiscal years of 1956–57 through 1959–60, the Canadian Government provided $198.9 million in bilateral aid to the less-developed countries and $54 million in contributions to the multilateral assistance agencies. Grants constituted most of the aid, with loans totaling only $34.5 million. An additional $243 million of Canadian capital flowed to the less-developed countries through Canadian private investments, reinvested earnings, export credits, and the purchase of International Bank securities. Private investment has centered on Latin America.[5]

Canadian grants and loans are provided to about 10 countries, mostly in south and southeast Asia. Available reports suggest that at least 90 percent of the aid is concentrated in India and Pakistan. From 1950 through 1959 Canada expended $218.9 million on aid to the countries of this area and of the total, India received $124.9 million and Pakistan $74.4 million. Most Canadian Government aid consists of industrial metals, wheat, and fertilizer. Two major projects have also been constructed, however, a $37 million hydroelectric station in Pakistan and one in India costing $25 million. Canada, like the United States, has a surplus of agricultural commodities and has sought to dispose of them through various foreign aid arrangements. More than $70 million in the Canadian aid total from 1950 to 1959 consists of grants and loans for the purchase of Canadian wheat and flour.[6]

Recent years have seen an expansion of both the scope and magnitude of Canadian aid. In 1958 the Parliament increased the annual foreign aid appropriation from $35 to $50 million and has since maintained this larger flow of capital. At the same time the program was broadened to include a number of African countries and a 5-year, $10 million development aid plan was announced for the West Indies.[7]

B. France

Except for the United States, France supplies a greater volume of economic and technical resources to the less-developed countries than any other member of the free world. In the 4-year period from 1956 through 1959 France provided an overall total of $4.9 billion, divided between $3.3 billion in government aid and $1.6 billion in private lending, investments, reinvested earnings, and the purchase of International Bank securities. French aid is for the most part bilateral, with the multilateral agencies receiving only $75 million or 2 percent of the government aid during these years. Within bilateral aid the emphasis is upon grants which totaled $2.66 billion against only $0.66 billion in loans with maturities exceeding 5 years. The aid level has been rising in recent years with expenditures increasing from $633 million in 1956 to $858 million in 1958.

Almost all French bilateral aid is provided to Algeria, the French possessions, or independent states formerly under French control. The leading recipient of this aid is Algeria and the Sahara, though the various official French estimates differ on the exact totals. According to the OEEC report, Algeria accounted for approximately 30 percent of the French bilateral aid in 1958 and for almost 40 percent in 1959.[8] A recent U.N. report on French aid, however, sets the Algerian figure at 45 percent in 1958 and 46 percent the following year.[9] Analysis of the various categories of French aid for "current expenses" and investment in 1958 (OEEC report) indicates the following allocation: oversea departments, $93 million; Algeria and Sahara, $245 million; French community states and oversea territories, $396 million; Tunisia and Morocco, $126 million; Vietnam, Laos, and Cambodia, $15 million.[10] More than 90 percent of all French aid centers in Africa.

French bilateral aid is functionally divided between the categories of "current expenses" and "investment" or development aid. In 1958 the proportions for the two types of aid were 32 percent and 68 percent respectively. In 1959 it was 35 percent and 65 percent. The provision of almost one-third of all bilateral aid in the form of current expenses reflects a continuation of the French practice of meeting budget deficits and providing general administrative services of the African countries that were formerly possessions or protectorates. This general budgetary support is almost completely in the form of grant aid. Both grants and loans are used to finance development aid, although the emphasis is upon loans.[11] Investment or development loan conditions vary from case to case.

Typical conditions recently have been an interest rate of 2.5 percent and maturity periods of 10 to 20 years for loans extended to public authorities and an interest rate of 5.5 percent and maturity periods of 7 to 10 years for loans extended to private firms. Neither grants nor loans are technically tied to purchases in France, though regulations restricting some types of imports into the franc area have had the effect of tying a substantial portion of French aid.

In addition to the formal program of economic and technical assistance France provides many valuable economic services to her possessions and to the independent countries within the franc zone. Specifically, France provides credit to meet temporary international balances of payments, deficits, creates incentives for increased French private investment overseas, guarantees stable export prices for many African raw materials and permits all franc zone exports to enter France duty free. In addition, there are many Algerian workers in France who transfer a considerable portion of their franc earnings back to Algeria, thus increasing the hard currency available for Algerian development. It is not possible, therefore, to secure an accurate picture of total French aid to the less developed countries merely by computing statistics on loans and grants.

C. German Federal Republic

The total net bilateral flow of German capital to the less-developed countries amounted to $1.75 billion during the period of 1956–59. More than half of this, or $1.086 billion, was private capital in the form of investments, reinvested earnings and government guaranteed commodity export credits. World War II indemnification payments to Israel made up another $290 million of the total ($428 million from end of war to 1959).

The official bilateral aid program, therefore, was limited to $376 million. New loans constituted $117 million of this figure, grants, $30 million, and the balance of $229 million was provided in the form of consolidation credits—the refinancing of existing debts.

Germany has provided an unusually large portion of its capital through multilateral channels. From 1956–59 this totaled $556 million. The bulk of it went to the International Bank in the form of increased purchases of Bank securities by the German Government ($381 million), and private investors ($62 million), and additional subscriptions to the Bank's capital ($58 million.)[12] Only the $58 million capital subscription may properly be called aid. Total German multilateral aid contributions were $113 million, including the International Bank subscription. The U.N. technical assistance programs, and the Common Market's African development fund.

German grant aid has been provided exclusively in the form of technical assistance and has totaled only $30 million in the years from 1956–59. Since 1956 the Technical Aid Fund has financed 45 training centers, 18 model institutions, sent 450 technical advisers to developing countires and brought 1,500 trainees and students to the Federal Republic for instructions.

The technical assistance program has not focused on any one economic sector and has included agriculture, industry, education, health, and transportation.[13]

German Government loans have been financed principally by borrowings on the private capital market rather than by direct Bundestag appropriations of the amounts loaned. The exception is that the Government is authorized to draw on its European recovery program counterpart funds for loans to underdeveloped countries and for export credits up to the limit of $62 million. Most recent German discussion of expanding foreign aid has centered on increasing the use of counterpart funds for these purposes and drawing additional finance from the private capital market. Some of this would also be used for grant purposes.

The capital export guarantee program also demonstrates the German reliance on private

---

[5] OEEC, op cit., pp. 114, 115.

[6] United Kingdom. H.M. Treasury. "The Colombo Plan for Cooperative Economic Development in South and South-East Asia." ninth annual report of the Consultative Committee. January 1961. Cmnd. 1251, p. 173.

[7] U.S. Department of State. Economic assistance as a cooperative effort of the free world. An unnumbered press release, 1959, pp. 27, 28.

[8] OEEC, op. cit., pp. 45–62.

[9] U.N., Economic Commission for Africa, 1960, "International Economic Assistance to Africa," reprinted in Economic Development Aids for Underdeveloped Countries, edited by A. G. Mezerik (International Review Service, v. 7, No. 63, 1961), p. 93.

[10] OEEC, Ibid.

[11] U.N., Ibid.

[12] OEEC, op. cit., pp. 27, 31, 64.

[13] "West German Aid to Developing Countries Since 1957," the Bulletin (Bonn. Germany), No. 15, 1960, p. 3.

capital sources. The 1960 budget law provided for Government guarantee of private German capital exports valued up to $1.2 billion. Private capital exports, of course, are not aid. As a rule the guarantees are for periods of 15 years and occasionally up to 20 years with the charges ranging from 0.75 percent to 1.5 percent per annum of the amount covered.

The commodity export guarantee program is the oldest of the joint Government-private financing arrangements. It is useful to the less developed countries, but cannot be considered aid. Since 1949 the maximum value of exports that could be guaranteed has risen from $29 million to the current level of $2.9 billion. The charges are determined by a complicated formula, but in general the rate varies from 0.75 percent to 1.5 percent for the first 6 months and then 0.1 percent for each additional month.

At present, about 90 percent of the exports guaranteed are for underdeveloped countries. The guarantees have been used mainly for exports to India, Argentina, the United Arab Republic, Brazil, Iran, Venezuela, Iraq, and Spain.

D. Italy

The net bilateral flow of Italian capital to underdeveloped countries during 1956–59 totaled $655 million. Foreign aid amounted to $326 million while private investments, export credits, and other sources of private capital totaled $262 million and reparations payments came to $67 million. Italy also contributed $42 million to the various multilateral agencies, but received $156 million in loans from the World Bank. This more than canceled out the resources Italy made available to the multilateral agencies for provision to the less-developed countries. The Government program of bilateral aid during this 4-year period considered mostly of new loans ($128 million) and consolidation or refinancing credits ($161 million). Grants amount to only $37 million.[14]

Italy has confined grant aid almost completely to its United Nations Trust Territory of Somaliland, which became independent in 1960. From 1950–59 Italy provided Somaliland with $96.5 million in budgetary support and development assistance. Italy plans to continue the provision of some aid to Somalia as evidenced by the March 1961 appropriation of $2.2 million in technical assistance and scholarship aid to Somalia during 1961.

World War II reparations payments (grants) have been a major factor in the totals of Italian capital provided to the less-developed countries. These payments, which amounted to $181.8 million through 1959 were provided principally to Greece ($100.9 million) and Yugoslavia ($60.0 million).[15]

The Italian provision of capital to the less-developed countries has fluctuated from year to year. Official bilateral aid amounted to $34 million in 1956, $171 million in 1957, $52 million in 1958, and $137 million in 1959. Press reports suggest that Italian aid will increase in the next few years, but the precise magnitude and character of the program has not been clarified.

E. Japan

The Japanese Government provided $372 million in bilateral aid to the less-developed countries in the years 1956–59. This was concentrated in south and southeast Asia. Grants totaled $182 million, new loans $127 million, and consolidation credits $63 million.

Japan also provided $42 million to the multilateral agencies, but borrowed $162 million from the International Bank to finance her own needs.

Japanese World War II reparations totaled $209 million from 1956 to 1959 and the various forms of Japanese private investment in the less-developed countries amounted to $123 million.[16]

Most Japanese economic aid to the less-developed countries has been provided under the terms of World War II reparations agreements though not necessarily as reparations. Direct reparations payments totaled $227 million from the end of the war through June 30, 1960, and there are remaining commitments of more than $770 million. The major recipients have been Burma ($99.7 million), the Philippines ($95.6 million), and Indonesia ($31.6 million). The importance of the agreements, however, extends far beyond the direct payment of reparations.[17] The Japanese Government committed itself to facilitate the extension of more than $700 million in private loans, mostly to Indonesia ($400 million) and the Philippines ($250 million); the Indonesian trade debt of $177 million was canceled in lieu of reparations and is included above in the 1956–59 total of $182 million in grants; Thailand was to receive $15 million in cash and $26.7 million in credits to settle World War II currency problems; and finally, Cambodia and Laos were slated for nearly $1 million in goods and services in lieu of reparations.[18]

Loans have been provided for the most part by the Japan Export-Import Bank which lends to exporters in cooperation with private financial institutions and occasionally also to foreign governments. Since 1951 the bank has loaned Japanese exporters $1.1 billion, most of this repayable in periods of from 5 to 7 years with interest rates slightly below those paid for long-term Japanese Government bonds. Such export loans are now being provided at the annual rate of $190 million with special attention to India, Pakistan, Egypt and the reparations countries.

There will be a substantial volume of Japanese aid for some years to come due to the $770 million balance of unpaid reparations and the largely unutilized Japanese commitment to $715 million in export loans. Also, the Japanese Diet has established (1958) a southeast Asia Economic Development Fund of $14 million which has yet to be utilized. Japanese technical assistance to the Colombo plan countries has totaled $1.5 million in the years 1954–60 and the annual Diet (Parliament) appropriations for this have increased from $36,000 in 1954 to $850,000 in 1959.

F. United Kingdom

Total United Kingdom capital provided to the less-developed areas on a bilateral basis totaled $2.9 billion in the period 1956–59. Government aid constituted $896 million of the total, with $555 million of this in grants. Private capital amounted to $2 billion, including investments, reinvested earnings and export credits. In addition, there were net multilateral contributions by the Government equal to $255 million.[19] These are OEEC figures and are not wholly consistent with the official United Kingdom statistics cited in the following paragraph because the OEEC includes export and consolidation credits which the United Kingdom does not consider as aid to underdeveloped countries.

Bilateral aid expenditures have almost doubled in the last 3 fiscal years, increasing from $177.2 million in 1957–58 to approximately $335 million in 1959–60. The Government has consistently placed primary emphasis on bilateral aid to the colonies and independent Commonwealth countries, with other nations and multilateral agencies receiving much smaller amounts. In 1958–59, for instance, the colonies received $123.3 million, the independent Commonwealth $72.8 million, all other countries a total of $30.1 million, and multilateral agencies $65.5 million. India has received approximately $145 million in aid since 1957, which makes it the leading individual recipient of United Kingdom assistance.[20]

The major trend in recent United Kingdom economic aid has been the rapid increase in the attention paid to the needs of the independent Commonwealth countries while the aid provided to the colonies has risen only slightly. Grants and (grant) technical assistance is concentrated in the colonies while loans constitute the bulk of the independent Commonwealth aid. As a result of the shift away from the colonies, loans now account for slightly more than half of the total British aid program, whereas only 3 years ago they constituted less than one-sixth of the total. British loans are repayable in sterling and about one-half are tied to purchases in the United Kingdom. Loans are provided under several programs and involve differing degrees of government participation, but most are made for long terms with interest rates approximately equal to the current rates on United Kingdom Government borrowings.[21]

Colonial grant aid has been provided mostly for education, roads, and agricultural development with the colonial government usually meeting part of the costs. In addition, the United Kingdom provides extensive training, technical assistance and services through regular appropriations for colonial administration.

G. United States of America

According to OEC calculations the United States has provided a total of $14.062 billion in all forms of capital to the less-developed countries during the 4-year period 1956–59.

This was composed of $8.63 billion in official grants, loans, and the sale of surplus agricultural commodities for foreign currencies, $4.6 billion in private investments and reinvested earnings, $248 million in official contributions to multilateral agencies and $546 million in private purchases of World Bank securities.[22]

In the years 1946 through 1960 the United States, according to official Government statistics, made net expenditures of $53.5 billion for all types of foreign economic aid, including $48.6 billion in bilateral aid and $4.9 billion invested in international financial institutions.[23] In the early postwar years the aid went principally to Europe under several successive programs, the most important of which was the Marshall plan ($13 billion). Most of the European aid was in the form of grants, except for the British loan and the Export-Import Bank credits which were long-term loans repayable in dollars. Aid was focused on relief type activities at the end of the war, but soon shifted to helping in the economic reconstruction of industrialized Europe.

U.S. programs of economic aid have changed in four important respects during the last decade:

1. There has been a steadily increasing shift to non-European and less-developed areas, especially to Asia.

2. Consequent on this shift, the focus of aid has moved away from reconstructing highly technical societies suffering war damage and toward basic economic development activities, including technical assistance.

---

[14] OEEC, op. cit., p. 72.

[15] U.S. State Department, op. cit., p. 35.

[16] OEEC, op. cit., p. 118.

[17] United Kingdom. His Majesty's Treasury, op. cit., p. 181.

[18] U.S. Department of State, op. cit., pp. 36–38.

[19] OEEC, op. cit., p. 94.

[20] United Kingdom. H. M. Treasury. "Assistance from the United Kingdom for Overseas Development. March 1960. Cmnd. 974 and interviews conducted by the author.

[21] Ibid.

[22] OEEC, op. cit., p. 9.

[23] U.S. Department of Commerce, Office of Business Economics. Foreign grants and credits by the U.S. Government, June 1960 quarter. 1960, p. S–5.

3. Military and economic aid programs deeply interpenetrate in most of the less-developed countries today and this sometimes results in providing economic development aid principally because of its expected contribution to satisfying the immediate demands of national security.

4. There has been a marked expansion in the number of programs and agencies through which foreign economic aid is provided so that the problems of coordination both in the United States and overseas have been greatly magnified over those which existed 10 years ago.

Bilateral economic aid is today provided by the United States in four different forms: (1) dollar loans repayable in dollars or local currency through the Development Loan Fund and straight dollar loans through the Export-Import Bank; (2) grants provided through the International Cooperation Administration for essential commodity imports and programs of technical assistance; (3) agricultural commodities provided under the Agricultural Trade Development and Assistance Act (Public Law 480) on a grant basis or in return for local currencies, most of which are used for economic development purposes; (4) the occasional provision of cash grants in dollars to meet crisis situations.

Grant-type aid still predominates, but in the last 4 years there has been increasing attention paid to the various forms of loan assistance. U.S. aid is unique in that it permits (Development Loan Fund) the repayment of dollar loans in the frequently unconvertible local currency of the borrower. In the past, economic aid has not been tied to purchases in the United States except in the case of Export-Import Bank loans. Recent policy changes require, however, that most of the future grants and loans be tied to U.S. purchases.

The principal recipients of economic aid have been the West European governments (United Kingdom, $7.7 billion, France, Germany, and Italy) and Japan, but among the less-developed states, where the aid is now concentrated, the largest amounts have gone to Korea ($2.8 billion), China, or Taiwan ($1.7 billion), Greece ($1.6 billion), India ($1.6 billion), Yugoslavia ($1.4 billion), Brazil ($1.2 billion), Vietnam ($1.2 billion), and Turkey ($1 billion). There is a varied mixture of forms of aid provided to these countries. Some, like Brazil, have received mostly long-term dollar repayable loans from the Export-Import Bank. Others, like Korea, have received almost entirely grant aid. Most governments, however, have been provided with a mixture of forms of aid.

VI. THE ROLE OF THE MULTILATERAL AGENCIES

The multilateral agencies have played a limited though useful role in fostering the flow of capital resources and technical aid to the less-developed countries. During the years 1956–59 they were the channels for about 10 percent as much aid as the governments provided bilaterally in grants and long-term loans. It appears that in the future the donor nations will make greater use of the multilateral agencies but that the bulk of international aid will continue to be provided on a bilateral basis.

Bilateral versus multilateral channels of aid

The major donor governments in particular channel almost all foreign economic aid through direct bilateral arrangements because they wish to concentrate their resources for political or economic effectiveness. The politics of an international organization such as the United Nations, however, requires that economic aid be distributed with relatively equal attention to worthy projects in all the less-developed areas, including countries that may be political opponents of the governments supplying most of the aid. In addition, national governments are always uneasy about resigning the expenditure of their own taxpayers' money to an international organization in which they are not free to control the administration of the funds.

Yet there is growing support in the United States for increased multilateralism in order to augment the volume of international credit and elicit greater assistance from the other developed nations. Moreover, in some areas the donors may wish to make special use of multilateral aid channels to avoid the charge that economic aid is being used as a weapon in the cold war. In addition, some believe that sensitive nationalistic feelings in the newly independent countries make it easier for an international agency than for an individual donor government to insist upon the efficient administration of aid funds. The result has been a sharp increase in the number of multilateral aid agencies and special arrangements with emphasis on those that provide for a large measure of control by the donor countries.

The expanding number of multilateral agencies

Immediately after World War II the only multilateral sources of aid were the U.N.'s small technical assistance programs, the International Bank for Reconstruction and Development (IBRD), that provides technical advice and long-term, hard currency loans, and the International Monetary Fund (IMF), limited to short-term capital loans to correct temporary balance-of-payments deficits. The Organization of American States (OAS) initiated a small technical assistance program in 1948. The United Nations now has three technical assistance programs in addition to the original one. These are the Expanded Program of Technical Assistance (EPTA) (1950), the Special Fund (1959) and the organization for the provision of operational and executive personnel, known as OPEX (1959). The advanced countries now contribute a total of about $100 million a year to the group of the U.N. technical assistance agencies. In addition, there is also the International Finance Corporation (1956) which is part of the IBRD and provides loans to private enterprise in the less-developed countries. It disbursed a total of $14.2 million in the 4 years from 1956 to 1959.

The European Economic Community (Common Market) has established a Development Fund for the Oversea Countries and Territories (1958) that is in effect a regional program for Africa with intended expenditures of $581.25 million in the 5-year period of 1958–63. The two most recent creations are the Inter-American Development Bank (1959) and the International Development Association (IDA) (1960) which is also under the IBRD. Each has a capitalization of $1 billion equivalent.

There are also two important consultative arrangements. The Colombo Plan for Cooperative Economic Development in south and southeast Asia (1951) includes the United States, the United Kingdom and Canada, as well as the area countries. It is not an agency that provides aid directly, but its annual consultative meetings of all member nations have helped stimulate economic development planning and elicited additional resources among the members on a bilateral basis. The Development Assistance Group (DAG) (1960), associated with the Organization for European Economic Cooperation (OEEC), was initiated at the suggestion of the United States and is composed of the ten leading capital exporting nations of the free world. The group is designed principally for sharing information among the major donor nations and eliciting a greater and more equal foreign aid effort on their part. The DAG is scheduled to be included in the OEEC's successor, the Organization for Economic Cooperation and Development (OECD), whose treaty is now before the member governments for ratification. One of the OECD's major concerns will be the expansion and coordination of the members' programs of international economic aid.

The general multilateral agencies are now able to provide all types of economic assistance to the less-developed countries, with the one important exception of grant aid for capital developments. The IRBD supplies large-scale, long-term, hard currency "banker type" loans; the International Finance Corporation stimulates private enterprise and investment; under certain circumstances the IDA is able to accept loan repayments in the relatively inconvertible currencies of the borrower and in general is to provide loans "on terms which are more flexible and bear less heavily on the balance of payments than those of conventional loans"; and the U.N. has several programs that provide grant technical assistance.

The International Bank for Reconstruction and Development

The International Bank has been the source of about two-thirds of all the multilateral aid provided to the less-developed countries in recent years, or about $930 million from 1956 to 1959. Interest rates are now about 6 percent, or 1 percent higher than the bank has to pay for the capital it secures on the world market. Most loans mature in 15 to 25 years and are provided either to governments or to private enterprise, and usually for specific projects. Recently it was voted to double the Bank's capitalization, and thus its own borrowing and lending capacity, to $21 billion.

The Bank has received strong support from the United States and the other major capital exporters because of its carefully nurtured reputation for fiscal responsibility and project by project selection which keeps it relatively free of domestic politics in the recipient countries. The International Bank has constituted a sound investment from a banking standpoint.

In understanding the dominant multilateral role played by the Bank it is perhaps even more significant to note that the Bank's operations are determined by weighted voting. Each member country has a vote that is equal to its share of the Bank's subscribed capital. As a result, the U.S. ballot is equal to 31.38 percent of all votes cast; the next largest contributor, the United Kingdom, controls 12.92 percent of the vote. The Bank is required to make loans on the basis of economic considerations only and is specifically prohibited from making politically motivated loans. Yet the provision for weighted voting gives the major donor countries the opportunity to determine in large measure how the funds will be used within these general guidelines. This often makes the Bank more useful to the major donors as an instrument of national policy than it would be if all donors, both large and small, had an equal voice in deciding how funds would be allocated. In this regard it should be noted that the new IDA and the regional Inter-American Development Bank, potentially the most important multilateral sources of capital outside the IBRD, also operate on the principle of weighted voting.

The importance of weighted voting

This indicates that the major donor countries, to the limited extent that they have provided aid through multilateral agencies, have emphasized those operating on a system of weighted voting that matches capital subscriptions with voting strength. This should not imply that the industrialized nations of the free world are opposed to the economic development of some of the less developed free nations of Asia, Africa, and Latin America. The emphasis on weighted voting derives rather from the fact of limited capital resources in terms of the multiple demands placed upon them. This

requires the donors to husband their resources carefully and allocate them first of all of those less developed countries where they are most interested in speeding national development or supporting other political and military policies. The major capital exporting countries are thus most apt to use multilateral aid channels when these channels operate so as to support the priorities in their own national aid programs.

SUNFED AND UN TECHNICAL ASSISTANCE

The case of the Special United Nations Fund for Economic Development (SUNFED) and the U.N.'s technical assistance programs offer negative proof of this line of argument. Since 1952 the less-developed nations have been urging that SUNFED be established to provide capital assistance in the form of grants or loans repayable in the (often inconvertible) currency of the borrower. The United States, the United Kingdom, Canada, and some of the other developed countries (including the Soviet Union until 1954) have usually opposed this on the ground that sufficient funds would not be available until savings could be effected through general disarmament.[24] SUNFED would have been part of the United Nations itself, under the Economic and Social Council, and like the U.N. technical assistance programs it would have been operated on the basis of state equality with all members having at least an indirect voice in determining fund allocations. In the United States it was clear that this was an unacceptable principle on which to operate a multilateral grant agency and that it was particularly unacceptable in the case of a United Nations program in which the Soviet bloc was represented along with the free world countries.

The United States, although it has opposed the formation of a U.N. capital development fund, did take the initiative in 1957 in calling for an expansion of the U.N.'s technical assistance program from the then current level of $30 to $100 million. The United States also proposed a special projects fund within the expanded program of technical assistance to permit concentration on a few major survey and demonstration activities of a preinvestment nature. These were to include general economic and physical resources surveys and the establishment, staffing, and equipping of agricultural and industrial research and training centers. The plan was introduced to the General Assembly by the U.S. Representative, Congressman WALTER JUDD, and a resolution embodying its its essential aspects was unanimously adopted.

The U.N. technical assistance programs demonstrate what may be called the strengths and weaknesses of a U.N. grant aid program in which all members have an equal voice in determining policy. As might be expected, the programs have remained small and all of them together now account for only $100 million a year while the U.S.'s own program of bilateral technical assistance totaled $149 million in 1960. Despite the relatively small funds available, the politics of the United Nations requires that an appropriation be made to almost every less-developed territory or nation. In 1959, for instance, the U.N. expanded program of technical assistance allocated $3.7 million to Africa and divided this among 44 different areas with the result that most received less than $100,000 and only one country, Libya, received more than $500,000.[25] The U.N. programs serve the principle of equality and enable each less-developed area to receive some slight assistance, while the major donor nations concentrate their aid in selected countries.

The U.N. technical assistance programs are therefore particularly welcomed by those countries that are not the recipients of large-scale bilateral aid. All less-developed countries, however, wish to receive aid from multiple sources rather than be completely dependent upon one donor whether it be the former colonial governor, the United States, or even the United Nations. But from the viewpoint of the major donor nations, the U.N. programs appear not to be worthy of massive support because of this tendency to fragment aid rather than to concentrate it for the sake of economic and political effectiveness.

Ad hoc multilateralism

An ad hoc form of multilateralism has recently become prominent and indications are that it will be a major factor in the international aid picture during the next few years. This involves an agreement between several industrialized nations to cooperate in providing aid to a particular multination project or to an individual less-developed country, with the total aid package being administered by a multilateral agency, usually the International Bank. Ad hoc multilateralism elicits increased foreign aid contributions and permits the donors to retain greater control than is possible even under the system of weighted voting in the IBRD, IDA, or the Inter-American Bank. This is so because the decision to provide aid in any particular instance is made by the individual donor nations, thus insuring the use of their limited resources for international projects that each considers to have special merit.

Ad hoc multilateralism, as it is called by the State Department, has been used recently in Spain, Turkey, and India, and is currently the basis for the lower Mekong Basin and the Indus waters projects. In the case of the Indus waters project financing is being provided by six developed nations (Australia, Canada, Germany, New Zealand, the United Kingdom, and the United States), the International Bank, and the two countries in which the project will be located—India and Pakistan—with the Bank serving as administrator for the whole plan. The United States is to provide $270 million in grants and loans out of a total of $513 million. In addition, it will release $235 million equivalent in the U.S.-owned Pakistani currency derived mostly from the sale of surplus agricultural commodities to Pakistan. This project is generally considered to have great economic merit. It is also an important means of helping to resolve the longstanding dispute between India and Pakistan, two countries in which the United States has invested more than $2 billion in economic aid.

Another type of ad hoc multilateralism can be seen in the new Inter-American Fund for Social Progress. The United States chose the 1960 Bogotá, Colombia of the Organization of American States to offer to establish this Fund, provide all of its capital and make the Inter-American Development Bank the primary administrator. In the words of the Act of Bogotá, the purpose of the special fund is, to contribute capital resources and technical assistance on flexible terms and conditions, including repayment in local currency and the relending or repaid funds, in accordance with appropriate and selective criteria in the light of the resources available, to support the efforts of the Latin American countries that are prepared to initiate or expand effective institutional improvement and to adopt measures to employ efficiently their own resources with a view to achieving greater social progress and more balanced economic growth.[26]

In May 1961 the Congress appropriated the full $500 million requested by the President for inter-American social progress and agreed to provide $394 million of this total through the Inter-American Development Bank. The Bank will not own this money, but merely act as the administering trustee for the United States. The Bank will be able to provide money from the Fund only by a two-thirds vote of the executive directors where the United States casts 41 percent of the votes.

This Fund is similar to the other examples of ad hoc multilateralism in that it involves multilateral administration of national funds that have been provided for a specific purpose in a specific region. This Fund is different, however, in that the money is being provided by only one government which is given an absolute veto over each allocation by the Fund's multilateral administrator.

VII. EMERGING ISSUES IN INTERNATIONAL ECONOMIC AID

A. The limited ability of the less-developed countries to service loans repayable in convertible foreign currencies

The general trend in the expansion of international economic aid is in the direction of loans rather than grants. Most such loans, whether provided by individual governments or multilateral agencies, are repayable in the hard currency of the lender over a period of from 5 to 20 years. Yet most of the newly developing nations have little opportunity to accumulate the foreign exchange needed for servicing hard currency loans. Nor can any appreciable change be expected in this situation for at least the next two decades. Not until then will it be practicable for the developing countries to increase their foreign export earnings sufficiently to meet the mounting interest and repayment costs on the international borrowings used to finance the heavy imports needed for industrialization. The result is to impose definite limitations on the extent to which the less developed countries can have recourse to the usual types of hard currency international loans to finance their development programs.

Mr. M. F. H. B. Tyabji, the Indian Ambassador to the German Federal Republic, has stated the impact which he believes this problem will have on his country's future development:

Priority in an underdeveloped country like India has to be given to the development of the infrastructure, and basic heavy industries, which cannot be expected to pay for the loan in a short period of time.

To put it in another way, a developing country cannot, and should not be forced to repay such basic development debts except over an extended period, and at low rates of interest.

An appraisal of India's existing repayment obligations due during the third, fourth, and fifth plans (i.e., the next 15 years) leads one inevitably to the conclusion that she simply cannot afford during the next 15 years to contract any further obligations to repay; and that even after that period,

---

[24] See the 1952–58 annual reports entitled, "U.S. Participation in the U.N." Report by the President to the Congress for the year * * * also Rubinstein, Alvin Z., "Soviet policy toward underdeveloped areas in the Economic and Social Council," in Internatoinal Organization (vol. 9, No. 2), May 1955, pp. 242–243.

[25] U.S. Congress. House. Committee on Foreign Affairs. Mutual Security Act of 1960. Hearings, part 2, 86th Cong., 2d sess., 1960, table on p. 398.

[26] Act of Bogotá: Measures for Social Improvement and Economic Development Within the Framework of Operation Pan America, adopted by the Council of the Organization of American States, Special Committee to Study the Formulation of New Measures for Economic Cooperation, 3d Meeting, Bogotá, Colombia, September 1960, pt. II, sec. 2.

such obligations will have to be severely restricted.

For these reasons, the only really genuine economic aid which a friendly country can give India must necessarily be in the form of (a) grants; or (b) extended term loans, repayable in foreign currency, but given under flexible conditions permitting India to utilize it where it can purchase equipment and services most economically, and for projects which she considers most beneficial within the broad framework of her development plans; or (c) extended term loans repayable in local currency.[27]

B. The needs of the less-developed nations for economic aid often fluctuate with their export earnings

The foreign export earnings of the less-developed countries are often more important than international economic aid in meeting their need for development capital. During the period of 1949 to 1959, for instance, the total export earnings of Asia, Africa, and Latin America (excluding the free world developed nations of Japan and the Union of South Africa), amounted to approximately $235.4 billion. U.S. purchases from these areas amounted to $57.5 billion while its direct economic aid was only about one-fifth as much, or $11.5 billion.

Periodic adverse shifts in the volume or terms of trade of the less-developed countries have sharply reduced their earnings in recent years. Such a shift occurred in the Far East and South Asia (excluding Japan and Communist China) during the first half of 1958, when earnings dropped $428 million from the first half of 1957. In terms of an annual rate, this loss amounted to 69 percent of U.S. nonmilitary aid to the area in the following year. It represented $208 million more than the total of U.S. grants of nonmilitary aid to Latin America, Africa, and the Near East combined during 1959.[28]

The reduction in export earnings by the less-developed countries has led to numerous and drastic cutbacks in their imports: 17 such cuts of over 20 percent in a single year may be found in the period of 1948–57.

These cuts bore heavily, and even predominantly in most cases, on capital goods, industrial materials, and fuels, thereby disrupting development programs.[29]

Most of the less-developed countries have an overall deficiency in the convertible foreign exchange needed to finance imports for economic development, but this deficiency is greatly increased by declining export earnings. Their need for foreign loans and grants to aid development therefore has been enlarged still further by fluctuating and generally declining export earnings. The impact of this problem is often exacerbated because many less-developed countries must depend on the export of one or two commodities for the bulk of their foreign earnings. They are, therefore, more seriously hurt by falling prices for particular commodities than are most developed countries whose foreign earnings usually come from a variety of exports.

Many economists believe that stabilizing raw materials prices would be a key factor in spurring economic progress in the less-developed countries. This suggestion was included in a development program submitted to the European Economic Community in 1959 by Jean Monnet's Action Committee for the United States and Europe. The meetings of the General Agreement on Tariffs and Trade (GATT) have also considered the problems facing these raw materials exports.

To date, the principal means of mitigating the commodity problems have been the special price support and marketing agreements that some countries, such as France and the United Kingdom, maintain with their present or former possessions and also the development of generalized international production and marketing agreements for specific commodities such as sugar, wheat, and tin. Published materials indicate that international thought on solution of the raw materials problem has centered on negotiating additional commodity agreements, the formation of common markets and free trade areas, and attempts to diversify production in the less-developed countries to minimize the national impact of declining world prices or markets for any particular commodity.

C. The need for a better understanding of the political and social change that may accompany economic development

The level of economic and technical assistance provided by the developed nations will increase during the 1960's. This points up the already critical need for serious study of the impact that foreign economic aid has on the less-developed countries in order to maximize the usefulness of aid in serving the purposes for which it is provided.

There is a vast and growing literature on underdevelopment, but it shows imbalance, major deficiencies, and scholarly disagreement on the process of development and what needs to be studied in planning future aid programs. Gaps appear to be of three kinds: (1) lack of basic data on the economies and economic process in many less-developed countries, much of which can be attributed to the lack of comprehensive and accurate statistics for these countries; (2) gaps in knowledge and understanding of noneconomic characteristics (social structure, value systems, ideologies, law and authority) and of the way they affect social and economic development; and (3) the crude and underdeveloped state of theories about the nature of economic growth, the causes of modernization and social development, the relation of economic development to political change, and of political systems to economic growth.

If aid is provided merely to increase exports it is not particularly important to study its impact on social tension or the distribution of political and economic power within the receiving country. But in fact most Government aid is provided for purposes that are ultimately political: to strengthen and maintain friendly relations with governments in power, undercut the appeals of Communist or other political extremist groups by helping afford an "acceptable" rate of economic growth or simply to maintain a longstanding political and economic position. Under any of these circumstances it is crucial to understand the effect of the aid provided.

To date the major donor governments have given little attention to this kind of deeper policy planning. President Kennedy's foreign aid message to Congress in March 1961, however, did call upon the receiving countries to undertake economic and social reforms that would spread the benefits of U.S. assistance among all the people. This can be viewed as an attempt to goad the rulers of some less-developed countries into accepting a partial redistribution of local property and political power to avoid impending revolution. U.S. economic aid would help these governments finance land reform and other crucial programs to reduce discontent and broaden their bases of popular political support. If the United States does provide aid for these reasons it will apparently become even more important to undertake a major program to study the economic, social, and political impact of U.S. aid in the less-developed countries.

D. The provision of aid for isolated projects and integrated programs of national development

To date most foreign aid, whether provided directly, or through a multilateral agency, has been used to support specific projects—steel mill, railroad, fertilizer plant, or educational institution—rather than to contribute to the integrated development of the receiving country. This has, of course, been particularly true of private investment which seeks out individual opportunities for secure and reasonable profits. The result has sometimes been the uneven development of the economy and the failure to use available resources in the most rational manner.

It is inevitable that this problem will persist in some measure given the multiple sources and purposes of aid and the fact that the receiving government often insists upon using it in ways that help solve its immediate political crises rather than contribute to the solution of long-range developmental problems. From the viewpoint of both the donor and the recipient nations, however, it would be useful to attempt a greater measure of coordinated aid planning among the donors and in cooperation with the recipients. The more advanced of the newly developing nations, such as India, often try to do this through elaborate governmental machinery against the background of multiyear development plans. In effect the donors often fail to support these endeavors, however, because they remain isolated from one another and deal only with the recipient government. To some extent this problem may be ameliorated by the formation of the Development Assistance Group (DAG), which is designed to share aid program information among the donor nations as well as generally to raise the level of aid. It would be useful if the DAG were able to involve private investors in some manner since private foreign investment often provides as much foreign capital as do the official Government aid programs.

National development planning also involves long-term aid commitments on the part of the donor governments. The recipient government cannot make its plans for coherent development unless it has a reasonably certain expectation of how much foreign capital will be available for the next few years. Having received aid in the past, a particular government may assume this will continue in relatively the same measure. This, however, is not a sufficiently sound base on which the government can commit other available resources to a development plan. In practice, most donor governments provide aid on an annual basis due usually to the difficulty of securing multiyear commitments from the respective national legislatures. Donors must weigh the probable foreign political and economic benefits of multiyear financing against their usual fear of resigning the annual appropriations authority. This power frequently is surrendered in the case of domestic government programs, but rarely with foreign programs of any sort.

E. The accumulation of large local currency holdings by the United States and some multilateral agencies

The U.S. Treasury now holds about $2.4 billion equivalent in foreign currencies[30] and the figure is gradually increasing. About $2.2 billion of this total is in currencies of the less-developed countries that are receiving aid from the United States

---

[27] Urgency of German aid to India, the magazine of the Federal Republic of Germany, No. 18 (IV/1960), pp. 24–25.

[28] U.S. Congress. Senate. Committee on Interstate and Foreign Commerce. United States and World Trade: Challenges and Opportunities. Final report by special staff on the study of U.S. foreign commerce, 87th Cong., 1st sess., 1961. Committee print, p. 46.

[29] Benoit, Emile. "Europe at Sixes and Sevens." New York, Columbia University Press, 1961. P. 262.

[30] U.S. Treasury Department. Fiscal Service, Bureau of Accounts. "Foreign Currencies in the Custody of the United States, Fiscal Year 1960." (Extracted from pt. V of the combined statement.) Table 16, p. 6.

or whose currencies are relatively inconvertible. Most of the present accumulation has resulted from the sale of surplus agricultural commodities for local currency and from the provision of dollar loans repayable in the borrower's currency.[31] The United States is the only developed country in the free world that makes such sales and loans. In the future, however, at least two multilateral agencies, the Inter-American Development Bank and the International Development Association also may accumulate local currency accounts through repayment of some of their hard currency loans in the borrower's own currency.

The magnitude of their soft currency operations has not yet been determined.

The growth of these large-scale holdings plus the fact that there are no agreements for the ultimate use of most of the money has raised important long-range problems for the United States and the less-developed countries. The entry of the multilateral agencies into the soft currency field can be expected to produce many of the same difficulties. Whether the United States should continue to expand its local currency holdings and whether the multilateral agencies should begin to do so are decisions involving multiple domestic and international factors and are beyond the scope of this study. The intent here is merely to indicate the impact of the accumulation and use of these currencies on relations between the developed and less-developed countries and on the course of economic progress in the latter.

The generation of most of the present U.S. foreign currency holdings has added significantly to the economic resources of the less-developed countries. The bulk of the currencies derive from the sale of surplus agricultural commodities for foreign currencies under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480). The sales were initiated to help reduce the growing store of commodities accumulated by the Government in support of domestic agricultural programs. Another major effect, however, has been to provided needed food and other raw materials to the less-developed countries without drawing down their normally short supply of dollars. The sale of surplus commodities for soft currencies under section 402 of the Mutual Security Act and the provision of dollar loans repayable in local currency, principally under the Development Loan Fund, have been intended to increase the resources available to the less-developed countries beyond what they could finance with their present hard currency earnings.

This purpose of the soft currency loan programs point up the economic dilemma of how to use the growing amounts of U.S.-owned soft currencies. By definition, the less-developed countries need additional outside resources. Any major withdrawal of their present resources by insisting upon conversion of their currency into dollars or by taking repayment in exportable local commodities, therefore, would have the ultimate effect of proportionately increasing the need for foreign aid. For the same reasons the United States cannot use the soft currencies to provide U.S. aid to other needy countries except in rare instances.

The sales and loan agreements with the less-developed countries therefore provide that almost all the local currency proceeds and repayments are to be used for mutually agreed purposes within the receiving country. Of the current unexpended total, about $1.1 billion is reserved for U.S. uses, such as local embassy and information program expenses, while the remaining $1.4 billion is allocated for loans and grants to the receiving countries.

The volume of U.S. commodities, equipment, or capital provided to the less-developed countries under the sales and loan agreements is not increased by use of the local currency generated by these transactions. This is true regardless of whether the money is used for United States or country purposes.

The funds reserved to the United States obviate the expenditure of additional dollars for operations in the countries concerned, but divert local resources to nondevelopment purposes. Thus an estimate of this practice requires prior choice between two conflicting values—reducing the expenditure of U.S. dollars or fostering the development of countries to which the United States is providing foreign aid.

The local currency that is loaned or granted to the recipient government has very limited economic value to that government or to securing the interests of the United States. Because the currencies are relatively inconvertible they cannot be used to make additional purchases in any of the developed nations. The loans and grants merely influence the use of part of the existing local resources and therefore do not provide additional resources beyond those available to the government by increasing tax collections or printing more money. Perhaps these uses do have a political value, however, by moderating inflation or by permitting central governments to mobilize additional local capital without the difficulties of raising tax rates or being more strict in tax collections.

In most instances, the United States secures only a marginal influence over the use of local resources by lending and granting the currencies to the government. Where United States and local policies are in agreement, the United States merely ratifies local policy by releasing currency in support of the agreed projects. Where there is a difference of judgment, the recipient government usually can find sufficient projects acceptable to the United States and then use its own funds to carry out those that do not qualify for grants and loans of U.S.-owned local currency.

The immediate economic impact of the U.S.-owned local currencies therefore is not great, either for the United States or the less-developed countries. Nor is there evidence to prove that the impact will change perceptibly during the next few decades. Most of the currencies will remain relatively inconvertible and those that do become convertible to some degree will have to be allocated to servicing senior commitments such as International Bank and bilateral loans repayable in hard currency. The negotiation of most such senior commitments is geared to the expected growth rate of the economy and its foreign exchange earning capacity. Diversion of the available convertible currency to repatriate U.S.-owned local currency accounts would have the effect of destroying much of the security that underlies the senior hard currency commitments. And the negotiation of surplus commodity local currency sales agreements is not in fact predicated on the eventual ability of the less-developed countries to redeem the remaining local currency accounts in dollars.

While there is little long-term economic merit to be expected from the growing accumulation of most of the U.S.-owned local currency accounts, it is likely that political difficulties will eventuate. This is essentially the problem of maintaining harmonious relations with countries, a large share of whose economies are mortgaged to the United States. In a few years, the United States will hold such mortgages on half a dozen of the currently less-developed countries unless steps are taken to slow down and reverse the pace at which the United States is expanding its local currency holdings. These holdings now expand each year because deposits exceed the amounts that can be used under present regulations.

The current magnitude of the problem is not accurately reflected in the fact that the foreign currencies from the less-developed countries on deposit with the U.S. Treasury now total $2.2 billion.[32] In addition, there are about $2.1 billion worth of outstanding loans to be repaid in local currency with interest. Beyond this, the United States has signed commitments for an additional $2.5 billion in local currency or dollar loans that are to be repaid in the borrower's own currency. An undetermined portion of this $2.5 billion is reflected in the Treasury's present deposits, however, because some of the local currency to be loaned will be withdrawn from these accounts. It seems reasonable, therefore, to place the present local currency indebtedness to the United States at least at $5 billion. A recent conservative estimate of local currency indebtedness in 1963 (cash balances plus outstanding loans) places the total at $9 to $10 billion.[33]

The long-range political impact of the local currency balances is increased by the fact that they are clustered in a few countries rather than being evenly spread throughout the less-developed world. Fully one-third of the present foreign currency holdings are in Indian rupees. India, therefore, is the most extreme example of the general political problem that the United States may confront in a few years.

"American holdings of Indian rupees are now (1960) approaching the equivalent of $800 million. In the course of the next 3 years, these holdings can easily approach $2.5 billion. Now $2.5 billion in relation to the Indian national income is roughly equivalent to $35 billion in this country. Imagine the reaction in the United States if a foreign country, no matter how friendly, held $35 billion in our currency. The inevitable reaction to the currently much smaller holdings is already in evidence in Asia, not necessarily from governments, but from the Communists and from opposition parties.[34]

Most recent studies of foreign economic aid have argued against the continued unchecked expansion of U.S. foreign currency holdings because they have little or no economic value to the United States or the less-developed countries, or because of the future political embarrassments they can produce. Some steps have already been made in this direction:

1. Prior to April 1959 all loans made to the less-developed governments with the local currency generated under Public Law 480 surplus commodity sales stipulated that the borrower had to repay the same dollar "value" it had received. The elimination of this "maintenance of value clause" in April 1959 therefore prevented the expansion of United States-owned local currency accounts through inflation in the less-developed countries.

2. Up to 50 percent of the "country use" portion of the local currency generated under the surplus commodity sales agreements may now be granted to the receiving country where this is deemed by the United States to be desirable. Formerly the emphasis had been placed on loans so that these constituted about two-thirds of the total country uses of this local currency and grants averaged only about 20 percent of the

[31] An explanation and analysis of the several programs under which the United States accumulates local currencies is available in Asher, Robert E., "Grants, Loans, and Local Currencies." Washington, D.C., the Brookings Institution, 1961, pp. 7–14, 99–105.

[32] Estimate supplied by the Department of Commerce, Office of Business Economics.

[33] Asher, op. cit., p. 102.

[34] Mason, Edward S., "Foreign Money We Can't Spend.", the Atlantic, May 1960, p. 83.

country uses. This shift from loans to grants can have particularly important results in slowing down the accumulation of currencies in countries such as India that have been leading recipients of surplus agricultural commodity sales.

3. It is not expected that the United States will negotiate any additional dollar loans repayable in the borrower's own currency under President Kennedy's revised foreign aid program. This legislation provides that all dollar development loans will be repaid in dollars, but may be made "soft" by long-term repayment periods with little or no interest.

These changes will operate to slow down the accumulation of U.S.-owned local currency accounts, but will not provide a final answer to the long-range problems that may develop with continued accumulations. The ideal solution probably would be to provide in all future surplus commodity sales agreements for the ultimate disposition of the local currencies that are to be paid to the United States. This may not be feasible at this time because there is no general agreement on how these funds should be expended. Much further thought will be required to deal with the local currency problem in ways that do not jeopardize the long-term economic and political interests of both donor and recipient countries.

APPENDIX A: THE BRITISH APPROACH TO FOREIGN AID

The British colonial and commonwealth tradition must be recognized in order fully to understand the British approach to foreign aid. Parliament debates how much and what kinds of aid to provide to the colonies, but there is unanimous agreement on the principle that Britain does have a moral responsibility for bettering the living conditions of its dependent peoples. Some of this same feeling also is directed at the less-developed independent countries in the Commonwealth that formerly were colonies, although it is usually assumed that private business investments and government loans can meet a large share of the needs in these areas. This sense of what may be called "imperial responsibility," to which has now been added "Commonwealth responsibility," means that it is generally accepted in Britain as proper that the Government should provide development assistance. Other reasons have been important in the recent expansion of British aid, yet the tradition of colonial responsibility has helped establish an initial popularity for British development assistance quite apart from openly political, economic, or military considerations.

There are, of course, important political and economic reasons for Commonwealth cooperation. The colonies and the independent less-developed Commonwealth countries are areas where Britain has traditionally played an active role, where she has strong trade and financial relationships today, and where she also feels a sense of political responsibility. Development assistance therefore while being itself an example of Commonwealth cooperation also is an important instrument for maintaining the many and varied forms of Commonwealth cooperation and Britain's position of leadership within that community. This further helps explain the fact that most development aid goes to the colonies and Commonwealth countries.

The facts of British colonial responsibility and Commonwealth cooperation are usually assumed rather than argued and the chief emphasis in official statements of the aims of development assistance is placed upon improving "the conditions of life" in the poorer countries. For instance, the Queen, in her speech of October 27, 1959, said:

"The improvement of conditions of life in the less-developed countries of the world will remain an urgent concern of my Government. They will promote economic cooperation between the nations and support plans for financial and technical assistance." [35]

Or as Earl Jellicoe put it in a House of Lords debate on aid to the uncommitted countries:

"As we in the West have come to believe that slum conditions in our own societies cannot be tolerated, how can we sit idly by while the rich countries become richer and the poor, if anything, poorer." [36]

In the parliamentary debates both supporters and opponents of the Government favor development assistance in order to improve the conditions in the poorer countries. This purpose of the aid program, apart from the sense of colonial responsibility already mentioned, seems compounded of a moral humanitarian desire to help less fortunate peoples and a desire to help assure the growth of the underdeveloped countries.

The possible relevance of economic aid to overcoming the Communist threat in the less-developed countries is seldom mentioned in official Government statements yet the parliamentary debates suggest that it is an important consideration in formulating British policy. British officials sometimes say they talk little about this "cold war" purpose of economic aid because to do so would destroy some of the political impact of economic aid by seeming to compromise the recipient's independence and thus perhaps increasing the internal political opposition to accepting aid from Britain, the former colonial ruler. Some members of Parliament suggest that the Communist threat is the chief "negative incentive" for the provision of aid, but that "more positive and stronger" reasons also exist. The strongest and most positive reason for many of them is quite simply that of helping the less fortunate peoples better themselves.

Another purpose of the British aid program that must not be omitted is that of expanding trade, especially intra-Commonwealth trade. The provision of the great bulk of British grants and loans to the colonies and independent Commonwealth countries and the loose tying of these funds to purchases in Britain helps expand British exports. The aid program is thus added to the preferential trade regulations among Commonwealth members, London's provision of central banking functions for the sterling area, and several other devices that multiply lines of economic cooperation within the Commonwealth and thus may increase the normal markets for British goods.

Some members of Parliament, especially among the Labor Party opposition, urge that most British economic aid be provided through multilateral channels instead of bilaterally as at present in order to depoliticize the aid and permit more stringent administration than can usually be enforced by one sovereign government upon another. The prevailing view, however, appears to favor increasing both bilateral and multilateral aid to the extent possible, but maintaining the present emphasis in the program on direct aid to the Commonwealth.[37] The foregoing discussion of aid theory suggests that Britain's political and economic interests in the Commonwealth may well lead the Government to continue the present emphasis on Commonwealth aid and therefore on the use of bilateral channels.

APPENDIX B: [38] ECONOMIC ASSISTANCE PROVIDED BY THE LESS-DEVELOPED NATIONS TO EACH OTHER

Cooperation among the less-developed countries may be expected to expand. Certain of the less-developed countries have taken the initiative in sharing their experience with others without waiting for full industrialization.

As a part of the technical cooperation program, a small but growing number of less-developed cooperating countries are participating with the United States in the support of training at "third country" facilities located within their territory. These third-country facilities ordinarily provide training for participants from other less-developed countries in situations or problem areas akin to those actually experienced in their home countries.

Among the less-developed countries assisting in the third-country training operations under the mutual security program are Taiwan, Indonesia, Korea, the Philippines, Thailand, Vietnam, Brazil, Costa Rica, Ecuador, Peru, Mexico, Ceylon, Israel, India, Iran, and Lebanon. Approximately 450 third-country participants annually are now undergoing courses of study or receiving practical training in the lesser-developed countries named above. While the principal costs, such as tuition and per diem, are often paid out of the Mutual Security Act funds, the receiving or third-country training countries are beginning to assume certain other costs which constitute a contribtuion to the training program.

Israel is playing an important role in extending technical assistance to the underdeveloped countries of Africa and Asia and, in order to operate these programs effectively, has recently established a Department for International Assistance and Cooperation under the Ministry for Foreign Affairs. Assistance to the countries of Africa and Asia is centered in three main fields: (1) provision of Israeli experts, (2) the training of Africans and Asians in Israel, and (3) joint commercial enterprises.

Israeli technicians in various fields are serving in Ghana, Liberia, Sierra Leone, Nigeria, French Sudan, Ethiopia, Burma, the Philippines, Cyprus, and Turkey. In addition, Nepal has recently expressed an interest in receiving technical assistance. These experts are sent at the request of the foreign governments to assist in projects connected with agricultural irrigation and water supply problems, medical, maritime and aviation services, housing, land resettlement, and business management. In most cases the expenses of technicians sent abroad are shared by Israel and the receiving country.

An outstanding example of cooperation involving the less-developed countries is the continuing tripartite negotiations between the United States and India for the benefit of Nepal as the result of which India, out of its own internal resources, has given technical assistance to Nepal.

There are about 50 technicians in the Indian Aid Mission to Nepal. Major fields in the past have been construction of the Rajpath Highway into the capital city of Katmandu; and construction of the Katmandu Airfield. Technical assistance services have also been provided. Indian aid is generally provided within the framework of the Colombo plan.

In an effort to assist Nepal in its 5-year plan for economic development, India offered the rupee equivalent of $26 million

---

[35] United Kingdom. H. M. Treasury. Assistance from the United Kingdom for Overseas Development. March 1960. Cmnd. 974. p. 5.

[36] Great Britain. Parliamentary Debates. Lords. Fifth series 1959, v. 218, p. 227.

[37] Great Britain. Parliamentary Debates. Commons. Fifth series. 1959. v. 609, pp. 883–943.

[38] Excerpted from U.S. Department of State. "Economic Assistance as a Cooperative Effort of the Free World," an undated press release, published in 1960, pp. 14–17.

for the years 1956–61. These funds have been drawn down gradually for projects such as regional roads, village development, and Trisuli power.

In addition, 29 Nepali participants are receiving training in India particularly in the field of education.

On January 28, 1960, it was announced that India agreed to provide financial assistance of $30 million in rupees to assist Nepal over a 5-year period. Of this, about a fourth is a carryover from previous years. In addition, India has offered to construct the East Kosi Canal in Eastern Nepal and continues to supply assistance to Nepal's military establishments.

There are many other examples of economic cooperation between the less-developed nations. Under the Colombo plan, for instance, the less-developed countries have given considerable training assistance to others. Burma has provided training facilities for trainees from Nepal, Thailand, and Sarawak. From the beginning of the Colombo plan through fiscal year 1959, Indonesia has provided training facilities to 85 students from countries which are members of the plan; Ceylon has trained 53 foreign trainees in the fields of medicine and health, food and agriculture, engineering, transport and communications, public administration and cooperatives—and has assisted the Pakistan Government in coconut experimental work at its research station at Karachi, making available coconut seeds and seedlings at a low cost. India provided 1,165 training places to students from other less-developed countries, mainly in agriculture, civil engineering, forestry, medicine, statistics, water resources development, poultry management, post and telegraph, community development, and radio technology. The services of 26 Indian experts were also made available.

Burma, Sarawak, and Singapore have utilized Colombo plan fellowships offered by the Philippines in 1958–59, in malariology, rural home extension, and public administration. The Philippines continues to make other scholarships available for students from south and southeast Asia in education, social and cultural studies, and various branches of engineering.

In 1958, a total of 153 trainees from Laos received training in Thailand under programs sponsored by the United Nations Specialized Agencies and various Colombo plan countries. Such training programs continue.

APPENDIX C: SINO-SOVIET BLOC PROGRAMS OF ECONOMIC AID

In the period from 1954 through the end of 1960 the Sino-Soviet bloc extended $3.45 billion in economic aid to the less-developed countries of the free world, with most of it concentrated in five places: India ($933 million), the United Arab Republic ($766 million), Indonesia ($513 million), Afghanistan ($217 million), and Iraq ($216 million). Altogether 20 less-developed countries outside the bloc are now receiving aid and it appears the total will increase as the bloc shows increasing interest in Africa and Latin America. Only $735 million of the $3.45 billion total aid commitment has so far been utilized due apparently to the difficulties of reaching agreement with the receiving countries on the specific projects to be constructed. To date the only major project completed is a $134 million steel mill at Bhilai, India, with an annual capacity of one million tons. About one-half of all bloc aid has been in the industrial field. In addition to material aid it is estimated that there are presently about 6,000 Soviet bloc technicians working in the less-developed countries.

Most aid (75 percent comes from the Soviet Union) is provided in the form of lines of credit that can be utilized over a period of years but only for purchases in the bloc country providing the aid. Very little grant aid is provided, but the terms of credit are considered lenient. Interest rates average 2.5 percent, repayment is accepted in locally produced commodities or perhaps a convertible currency (subject to annual negotiations), and the first of many annual repayments usually is not due until one year after a project has been completed.[39]

TABLE 1.—*Annual level of economic aid provided to the less-developed countries by governments of the OEEC countries and Japan, 1956–59* [1]

[In millions of dollars]

Country	1956	1957	1958	1959	1956–59
Austria	2	1	6	4	13
Belgium-Luxembourg	17	24	23	52	116
Denmark	3	1	4	5	13
France	487	639	787	954	2,867
Germany	21	46	78	107	253
Ireland	------	1	1	1	2
Italy	16	16	31	17	81
Netherlands	33	34	41	43	151
Norway	1	2	3	4	10
Portugal	7	5	4	21	38
Sweden	3	12	4	10	29
Switzerland	1	1	3	1	5
United Kingdom	208	243	264	356	1,070

[1] U.S. Congress. Senate. Committee on Foreign Relations. Organization for Economic Cooperation and Development. Executive Report No. 1, 87th Cong., 1st sess., 1961, excerpted from p. 16.

[39] U.S. Department of State, Bureau of Intelligence and Research, "Intelligence Information Brief, No. 348: Sino-Soviet Economic Offensive: Summary of Developments, July through October 1960." Nov. 18, 1960.

Also interviews conducted by the author.

TABLE 1.—*Annual level of economic aid provided to the less-delevoped countries by governments of the OEEC countries and Japan, 1956–59*—Continued

[In millions of dollars]

Country	1956	1957	1958	1959	1956–59
Canada	28	46	88	57	219
Japan	16	15	205	41	277
Total	843	1,086	1,540	1,673	5,144
United States	2,144	2,343	2,415	2,438	9,340
Total including United States	2,987	3,429	3,955	4,111	14,484

TABLE 2.—*Total capital made available to less-developed countries and multilateral agencies, 1956–59* [1]

[Billions of U.S. dollars]

Total capital from all sources
(Figures rounded)

United States	14.0
France	4.9
United Kingdom	3.1
Germany	2.3
Austria	(–)
Belgium	.4
Canada	.5
Denmark	.05
Ireland	.002
Italy	.6
Japan	.6
Luxembourg	.008
Netherlands	.9
Norway	.006
Portgual	.2
Switzerland	.1
Total	28.0

[1] Organization for European Economic Cooperation. The flow of financial resources to countries in the course of economic development, 1956–59. Paris, 1961, p. 9.

TABLE 3.—*Comparison of net value of government and private capital provided by OEEC member and associated countries and Japan, 1956–59* [1]

[Expenditures in billions of U.S. dollars. Includes both bilateral and multilateral]

Year	Official	Private
1956	3.2	3.0
1957	3.8	3.7
1958	4.4	2.9
1959	4.5	2.4
Average, 1956–59	3.9	3.0
Total, 1956–59	15.9	12.0

[1] Ibid., derived from tables on pp. 11–17. The $900,000,000 increase in private capital contributions in 1957 was largely accounted for by new U.S. investments in Venezuelan oil.

TABLE 4.—*Summary analysis of finance made available by OEEC member and associated countries to less-developed countries and multilateral agencies, 1950–59*

[Sum of cols. may not equal totals because of rounding of figures. Does not include Japan. Expenditures in billions of U.S. dollars.]

Year	Bilateral contributions					Multilateral contributions		Total
	Official		Private			Official	Private	
	Grants, reparations, and indemnity payments	Net lending	Guaranteed export credit	Other new lending and investment	Reinvested earnings			
1950–55 average	1.2	0.6	0.2	0.7	0.6	------	------	3.5
1956	2.0	.9	.4	1.5	1.0	------	------	6.1
1957	2.2	1.1	.5	2.1	1.0	0.2	0.2	7.4
1958	2.4	1.4	.2	1.4	.9	.3	.4	7.1
1959	2.6	1.6	.3	1.1	.8	.3	.2	6.8
1956–59 average	2.3	1.3	.3	1.5	.9	.3	.2	6.9

TABLE 5.—*Official Government aid to the less-developed countries by OEEC countries and Japan in terms of impact on the donors' gross national product, 1956–59* [1]

[Dollars in millions]

	1956	1957	1958	1959	1956–59
Austria:					
GNP	$4,238	$4,665	$4,938	$5,264	$19,105
Aid	2	1	6	4	13
Aid as percent of GNP	0.05	0.02	0.12	0.08	0.07
Belgium-Luxembourg:					
GNP	$10,860	$11,650	$11,616	$12,000	$46,126
Aid	17	24	23	52	116
Aid as percent of GNP	0.16	0.21	0.20	0.43	0.25
Denmark:					
GNP	$4,461	$4,769	$4,918	$5,270	$19,418
Aid	3	1	4	5	13
Aid as percent of GNP	0.07	0.02	0.08	0.09	0.07
France:					
GNP	$37,513	$41,867	$47,532	$51,000	$177,912
Aid	487	639	787	954	2,867
Aid as percent of GNP	1.30	1.53	1.66	1.87	1.61
Germany:					
GNP	$46,048	$49,905	$52,929	$56,645	$205,527
Aid	21	46	78	107	253
Aid as percent of GNP	0.05	0.09	0.15	0.19	0.12
Ireland:					
GNP	$1,510	$1,588	$1,630	$1,710	$6,438
Aid	----------	1	1	1	2
Aid as percent of GNP	----------	0.06	0.06	0.06	0.03
Italy:					
GNP	$23,414	$25,088	$26,638	$27,970	$103,110
Aid	16	16	31	17	81
Aid as percent of GNP	0.07	0.06	0.12	0.06	0.08
Netherlands:					
GNP	$8,610	$9,315	$9,592	$10,175	$37,692
Aid	33	34	41	43	151
Aid as percent of GNP	0.38	0.37	0.43	0.42	0.40
Norway:					
GNP	$3,725	$3,950	$3,894	$4,100	$15,669
Aid	1	2	3	4	10
Aid as percent of GNP	0.03	0.05	0.08	0.10	0.06
Portugal:					
GNP	$1,945	$2,015	$2,071	$2,135	$8,166
Aid	7	5	4	21	38
Aid as percent of GNP	0.36	0.25	0.19	0.98	0.47
Sweden:					
GNP	$9,470	$10,245	$10,623	$10,850	$41,188
Aid	3	12	4	10	29
Aid as percent of GNP	0.03	0.12	0.04	0.09	0.07
Switzerland:					
GNP	$6,846	$7,355	$7,593	$8,000	$29,794
Aid	1	1	3	1	5
Aid as percent of GNP	0.01	0.01	0.04	0.01	0.02
United Kingdom:					
GNP	$57,960	$61,328	$63,484	$65,700	$248,472
Aid	208	243	264	356	1,070
Aid as percent of GNP	0.36	0.40	0.42	0.54	0.43
Total, above countries:					
GNP	$216,000	$233,740	$247,458	$260,819	$958,617
Aid	799	1,025	1,247	1,575	4,048
Aid as percent of GNP	0.37	0.44	0.50	0.60	0.43
United States:					
GNP	$419,200	$442,500	$441,700	$478,000	$1,781,406
Aid	2,144	2,343	2,415	2,438	9,340
Aid as percent of GNP	0.51	0.53	0.55	0.51	0.52
Canada:					
GNP	$30,182	$31,773	$32,509	$34,700	$129,614
Aid	28	46	88	57	219
Aid as percent of GNP	0.06	0.05	0.74	0.14	0.25
Japan:					
GNP	$24,650	$28,050	$27,750	$30,000	$110,450
Aid	16	15	205	41	277
Aid as percent of GNP	0.06	0.05	0.74	0.14	0.25

[1] U.S. Congress. Senate. Committee on Foreign Relations, op. cit., p. 16.

NOTES

a. GNP figures are at current market prices. The figures for 1959 are estimated.

b. Both the GNP and aid figures have been converted to dollars at current exchange rates.

c. Aid figures are based primarily on actual expenditures. Aid listed for all countries includes (a) net official grants, (b) gross official bilateral loans of 5 years or over, (c) official contributions and subscriptions to international organizations paid during the period (i.e., net IBRD subscriptions, IFC capital contributions, contributions to the EEC Development Fund, net contributions to United Nations technical assistance and relief agencies). For the United States, the increase in U.S. holdings of local currencies derived from Public Law 480, title I sales is included to reflect the transfer of resources. For Japan, the yearly breakdown on gross official bilateral loans of 5 years or over is estimated. Reparations payments have not been included. This definition of assistance has not been accepted by the countries involved and has no international standing.

TABLE 6.—*Official Government expenditures for aid to the less-developed countries and national defense in 1959 as percentages of the gross national product* [1]

Country	Defense expenditures	Economic aid expenditures	Defense and foreign aid expenditures
Belgium-Luxembourg	3.3	0.43	3.73
Denmark	2.8	.09	2.89
France	7.1	1.87	8.97
Germany	4.8	.19	4.99
Italy	3.8	.06	3.86
Netherlands	3.9	.42	4.32
Norway	3.7	.10	3.80
Portugal	4.3	.98	5.28
United Kingdom	7.2	.54	7.74
United States	9.7	.51	10.21
Canada	5.1	.16	5.26

[1] Foreign aid percentage expenditures from Ibid.; defense expenditures from U.S. Congress. Senate. Committee on Appropriations, Mutual Security Appropriations for 1961. Hearings on H.R. 12619. 86th Cong., 2d sess., 1960. P. 215. Defense expenditures are based on current not constant prices and the data are not adjusted for disparities in purchasing power.

TABLE 7.—*Defense and foreign aid expenditures in 1958 as a percentage of the per capita gross national product* [1]

Country	Per capita GNP in dollars	Defense and aid expenditures as percent of the GNP
Belgium-Luxembourg	$1,239	3.40
Denmark	1,074	2.98
France	1,067	8.76
Germany	1,035	3.25
Italy	548	4.02
Netherlands	857	4.93
Norway	1,104	3.78
Portugal	230	4.39
United Kingdom	1,224	7.82
United States	2,538	10.85
Canada	1,903	5.67

[1] Ibid.

A FIRM STAND

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. HORAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HORAN. Mr. Speaker, perhaps the most controversial legislative proposals introduced during this present session of Congress are those relating to Federal aid to education. Recently, the Catholic Bishop of Spokane, Wash., the Most Reverend Bernard J. Topel, D.D., Ph. D., wrote his weekly column appearing in the August 4 edition of the Inland Register, the Catholic diocesan weekly newspaper, on the subject of education.

Although Bishop Topel points out that he is well aware of the numerous problems involved in financing all forms of education today, his statements are not directly concerned with the controversy about the relative merits of providing Federal financial assistance to private as well as public schools. Rather, his remarks pertain to the heart of the controversy, that is, Should the Federal Government enter the field of financing school construction and help pay teachers' salaries or should the financing remain the responsibility of the State and local governments?

I believe his remarks, which set forth his own personal convictions are not necessarily those of his church, are worthy of study by all of my colleagues. His remarks are constructive and are worthy of our study.

Bishop Topel said:

Recently I noted that the U.S. House Rules Committee voted 8 to 7 against presenting the Federal aid to education bill to the House. First reports were that this committee killed the bill for this session. I was glad. Later reports, however, said that efforts are being made to get around the committee's decision. I hope they are not successful.

Before I go any further, this needs to be said. My comments in this particular column are of course not to be taken as the official stand of the church. They are strictly my personal views.

Yes, I am glad that the House Rules Committee voted as it did. But do not misunderstand me. I am for the best possible education for every American boy or girl. I know about the rising costs of education. What American bishop does not? I want all to be done that possibly can be done to get the best possible education for every American. This goes for students in public as well as parochial schools.

I am aware that to kill the Federal aid to education bill will also kill the bill providing for Federal loans to Catholic schools at favorable interest. Nevertheless I am glad—glad because I am afraid of Federal aid to education.

In the first place I see no real need for Federal aid. In no State of my acquaintance is there such a need. In each such case the State and local school districts can care for the existing needs. Nor have I seen a need proved for other States—States with which I am not personally familiar.

In the second place, we must not think that Federal aid is something for nothing. This money must come from somewhere. Sooner or later it must be paid by the American taxpayer. I also believe that Federal aid will cost more. I mean that less school

aid will come from the Federal dollar than from the school district dollar. Considerably less.

In the third place, I am of the opinion that Federal control of education will inevitably follow Federal aid. This is what I fear most of all. I cannot prove this statement, but I am convinced of it. I am afraid that when aid is given by the Federal Government, the Federal Government will begin to regulate education, and dictate to it arbitrarily. This will be most objectionable. On the other hand, I believe that all necessary regulation can be made just as well within the State. Moreover, it will be far safer.

My fear of this is increased from what happened in Nazi Germany and Fascist Italy. Also, from what has happened and is happening to education in Russia, China, the satellite countries, and Cuba. Most assuredly the United States is not Fascist, Nazi, or Communist, but I fear that Federal power over education will in due time—perhaps all too quickly—take on some of the form that is so objectionable in totalitarian countries.

Recently a 56-page report prepared by the U.S. Office of Education was issued. It was entitled "A Federal Education Agency for the Future." From excerpts I gather this report gives sufficient proof of the danger of Federal control and Federal regulation of education.

For these reasons I am glad that the House Rules Committee voted against the Federal aid to education bill.

ECONOMIC STATISTICS IN OUR DYNAMIC ECONOMY

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, the task force of the House Republican Policy on Employment in our Dynamic Economy has delegated to me, at my request, the preparation of a paper on economic statistics. I am neither an economist nor a statistician, but I am, as I believe all Congressmen should be, a user of economic statistics. I am also a member of the Subcommittee on Economic Statistics of the Joint Economic Committee. The purpose of this subcommittee is to disseminate economic statistics, to encourage their intelligent use, and to seek for ways to improve them.

It is elementary that a man learn the excellencies and shortcomings of a tool before he uses it. It is also elementary that he learn what tools are available before he starts on a job. It is also elementary that a man learn to care for the tools he uses. One definition of a man, and a good one is this: Man is an animal that uses tools. One can find a tool in nature and primitive man did find his first tools there, but it is obvious that a tool is better if it is adapted to the job for which it is employed. A tool-using animal, therefore, is almost perforce a tool-making animal. And he should constantly be on the alert to improve his tools.

Economic statistics are nothing more than tools. They have their excellencies and they have their shortcomings. I am happy to state that it is the general consensus of economists and those who use economic statistics that we in the United States have the best collection of economic statistics of any society in the world.

I wish it were also the consensus of economists that the best collection in the world consists of very cumbersome and woefully inadequate tools. Perhaps it is the consensus, but out of pride in a profession, they are reluctant to admit these shortcomings to outsiders. It is my judgment that the science of economics, because of its inadequate tools, is at the stage of development chemistry was in when it was alchemy and astronomy was in when it was called astrology. This is not as harsh a judgment as it may sound. Our alchemists knew a great deal about chemistry and our astrologists knew a great deal about astronomy. Their difficulties lay in trying to use their limited knowledge as a base for drawing vast conclusions. Because of this, many people who had no knowledge of chemistry or astronomy were better able, by drawing on commonsense, sense that was common to men and not limited to experts, to handle the problems that impinged on the fields of those two specialties than the experts.

I am suggesting that it is still quite important today to apply commonsense to the field of economics because our economic statistics have not yet reached the point of excellence where we can make important economic decisions based solely upon them. However, I am also suggesting that economic statistics are sufficiently good tools that it would be foolhardy to attempt to reach important economic decisions without using them.

The science of economics has observed a relationship between maximum employment, maximum economic growth, and maximum price stability in a society. This observation is based upon common knowledge, but it is also revealed in some of the series of economic statistics the economists have developed.

The primary economic statistic used to measure economic growth, is that referred to as gross national product. This seeks to measure the goods and services produced in a society in a given year. The relationship of the GNP of 1 year to another year gives some indication of a difference in economic activity between the 2 years. Economic activity reveals to some extent economic potential; certainly it is impossible to have activity exceed potential so economic activity of a given year can fairly safely be used to reflect a minimum potential. Even this fairly safe rule has its exceptions. It is entirely possible for a society to be eating up its potential which would be reflected in an increased amount of GNP, economic activity for that particular year, but would leave the society with a decreased potential for the next year. Let me illustrate. During the Korean war our steel industry for a short time was operating at over 100 percent capacity. How, you may say, could this be? It was because the industry was not shutting down for proper maintenance. In effect the industry was eating into capacity for the future.

The compilation of GNP leaves many gaps of unmeasured economic activity. The housewife's time is unmeasured, in the United States. In the United States only 35 percent of our women are in our labor force and have their work show up in GNP. In Russia 63 percent of their women are in the Russian labor force and their work shows up in the Russian GNP. Surely our housewives' time is real economic activity. The economic activity in the governmental sector of our society is measured in an inadequate manner because we have no dollar value to attach to this work. All the unpaid charity and religious work of the United States, which is considerable, goes untabbed. So does all the do-it-yourself activity. All home study, research, and inventiveness, unless paid for, goes unrecorded. By its very nature a society which is heavily oriented toward private enterprise will not have its economic activity fully measured by aggregate national statistics seeking to measure goods and services produced.

Furthermore, increased efficiency, increased productivity can easily show up as a minus factor in gross national product. An economic mistake translated into a useless or inefficient hydroelectric powerplant, as Russia found out, can loom large in the GNP for several years. Military production which generates so much obsolete and unused equipment will loom large in the GNP series. Yet in the long run it is not real economic growth. Indeed it may be economic deterioration.

We have no economic statistics which endeavor to measure our capital plant on a continuing basis. There have been attempts to measure our plant capacities in given years by special studies but these ad hoc studies do not add up to a statistical series which would help us in knowing at a given time what our gross plant capacity is.

Likewise we have no economic statistical series which endeavors to measure labor skills. We have only gross figures of employment broken down into fairly large components.

We have no economic series which endeavors to measure business enterprise, that which brings plant and skills together. Indeed, the President's Council of Economic Advisers left out this basic ingredient in its model which purported to show a gap between our economic potential and our economic activity. The Council merely assumed that the raw numbers of unemployed people were wasted economic potential without any regard to the economic activity which perforce is necessary to put people and machines together.

Our employment and unemployment statistics are quite primitive. The basic unemployment statistic series we use is compiled by asking people if they are looking for a job. Their subjective answers become the basis for the statistical series.

There are no statistical series on potential labor force. Our figures relate to who is in the labor force, which is compiled by adding up those working and those who say they are looking for work.

Russia has 57 percent of her population in her work force. The United States

has only 42 percent of her population in the work force. A good bit of the differential is made up by the number of women listed in the work force in Russia compared to the United States, as I quoted before, 63 percent in Russia, 35 percent in United States. Does this mean that Russia's women are better employed than ours? I doubt it. I suspect that the activities of being a good mother and a good housewife, which the bulk of our women are engaged in and remain outside the GNP compilation, mean a great deal more to future economic growth, sustainable economic growth as well as better human values than the activities the Russian women may be engaged in. Furthermore a society that still employs child labor might show up well in certain statistical series. Yet who can but agree that elimination of child labor is economic advancement and lays the groundwork for future economic growth? Looking at it another way, however, our children are not economically idle. Going to school is not idleness, yet this activity goes unmeasured in our GNP series. In some countries, where people are paid to go to school, this activity gets into the GNP measurement.

The Subcommittee on Economic Statistics of the Joint Economic Committee has just recently conducted hearings into the limitations we use to measure cost of living. The primary thing we found out of the various price indexes was that the price indexes were not set up to measure inflation, differences in cost of the same living, but were really series which measured costs of different kinds of living. In other words, our standard of living has been constantly increasing and some of these increased standards cost increased amounts of money. For example, the Consumer Price Index does not seek to measure the increased economic value of flying from St. Louis to Washington in 3 hours instead of 5 hours, or by ox cart in 40 days, but rather merely the increase in the cost of one form of travel over the other. The more rapid the economic growth and advancement of course the more misleading is the Consumer Price Index if used for a purpose for which it was not intended .

Commonsense tells us that our standard of living has increased tremendously in the past few years and yet we have no economic series which either attempts to measure this or even adjusts what it is measuring to this phenomena. I submit there is more real economic growth involved in increasing our standard of living than any other single thing. Yet, as I have said, we don't even attempt to evaluate it. Indeed, we have been calling a great deal of this growth—inflation and attempting to correct for the assumed inflation by messing around with our monetary policy. In the process we have damaged future growth somewhat and contributed to a greater economic fluctuation than was necessary.

The fourth important economic phenomenon we need to measure in some respects is quite akin to measuring increased standard of living. This is worker productivity. The number of man-hours it takes to do a specific thing. The increase in productivity in the United States has been tremendous in recent years. Increased productivity has more real economic growth in it than any other item outside of increased standard of living. Indeed increased standard of living is one of the main ingredients in increasing worker productivity. Fortunately, we have been making some attempts to measure productivity, albeit these attempts have been meager. Most economists recognize the great difficulty involved in trying to measure productivity but I believe none will deny the importance of being able to measure it.

It is from increased productivity that we recoup the cost of increased standard of living so that the price index need not rise even though the quality and choice of the goods and services have risen rapidly. It is from increased productivity that we can increase the wages of our workers without creating inflation which results in increased prices for goods and services. Yet as I have said, we have no real ways of measuring this increased productivity. The best we do is in specific industries. Yet in a dynamic economy what is an industry today is a useless enterprise tomorrow. The productivity gains frequently are found in making obsolete an entire industry and supplanting it with activities that are so diffuse and far removed from the original industry that we have difficulty in knowing about them, let alone following them.

So returning to employment in a dynamic economy. We have no statistical series today which will help us in identifying unfilled jobs that are in demand either by gross number or by components. Senator PAUL DOUGLAS has suggested that our unemployment statistics are inadequate because they do not measure the partly employed. I agree with him but I point out that they do not measure the amount of "moonlighting" either. Nor do they attempt to measure the jobs that are available, crying to be filled. We need to develop bench marks and methods of measuring all these things.

I believe it is axiomatic that the more rapidly we advance technologically in our society, the more we increase productivity, the more we will cut down on the demand for the unskilled, the semiskilled, and the obsolete skilled worker. This is the result of rapid economic growth and the faster we grow the more difficult the problem will become. The high incident of unemployment which the President's Council of Economic Advisers takes as one of its factors to prove that our economy is stagnant is one of the clearest indications that our economy has been growing rapidly. If we grow more rapidly and fail to apply the proper remedies, the incident of unemployment will become even greater.

We have developed no way of measuring these economic phenomena but I believe that we can. However, until we develop proper statistics we must rely on a little commonsense to keep us from diagnosing that which is the result of rapid economic growth as being the result of a stagnant economy.

THE LATE DR. FRANK N. D. BUCHMAN

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. JENSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JENSEN. Mr. Speaker, millions upon millions of people in many nations are today mourning the passing of Dr. Frank N. D. Buchman, who passed to his reward yesterday. Dr. Buchman was worshiped by all who knew him well, and who had knowledge of his effective Christian works in bringing God into the hearts of lost souls of the high, the low, the rich, the poor, the learned, and the unlearned by his devotion to God and to the high principles of moral rearmament to which he dedicated his full strength and his life unto death.

He had a global view of the situation confronting the statesmen and a passionate concern for individuals. These two qualities singled him out as the man to whom people in every walk of life turned for advice and direction.

Robert Schuman of France said of him:

> I am eternally grateful to Frank Buchman. He has helped and encouraged me from the first moment.

Chancellor Adenauer of Germany, who came with his whole family to the Moral Re-Armament World Assembly in Caux, Switzerland, just after the war, remained a constant friend. Adenauer paid tribute to the moral courage which Buchman showed in creating a world ideological force:

> What you have done through Moral Re-Armament is absolutely vital for the maintaining of world peace.

Prime Minister U Nu of Burma said:

> Dr. Buchman has all the qualities that inspire confidence and the tenacity of purpose which will accept nothing short of complete success.

The Secretary of the Presiding Abbots' Association of Burma, taking part with four senior abbots in the celebration of Dr. Buchman's 83d birthday in Caux, declared:

> A personality like Dr. Buchman comes once in a thousand years to lead humanity. That is why we have come 6,000 miles for the privilege of meeting him and giving him our highest blessing.

Mr. Speaker, the greatest gratitude we can show to Frank Buchman is to stand up for and carry on his high, noble, and godly ideals.

What is needed, Buchman declared, is social change, economic change, national change, and international change, all based on a drastic change in human nature:

> Until we deal with human nature thoroughly and drastically on a world scale, nations will continue to follow their historic road to violence and destruction.

The assemblies of Moral Re-Armament, held on every continent, have drawn a response from representatives

of 120 nations during the past 18 years. In 1952, Dr. Buchman's work earned the grudging respect of Moscow. In a series of broadcasts Moscow Radio attacked it as a global ideology with bridgeheads on every continent, having the power to capture radical revolutionary minds. Hundreds of Communists on every continent abandoned communism in favor of a superior idea of world change through a moral ideology. Eudocio Ravines, many years a member of the Comintern and founder of the Communist Party of Peru, said after accepting Moral Re-Armament:

Western civilization will collapse unless we conquer the hearts of men with the moral standards Frank Buchman has given us. He is leading a force on the road to world renaissance. It is humanity's one hope.

As well as Prime Minister U Nu of Burma, Presidents Magsaysay and Garcia of the Philippines, President Diem of Vietnam, former Premier Kishi of Japan, Rajmohan Gandhi, grandson of the Mahatma, were among the vanguard of a growing number in Asia who welcomed the ideology of Moral Re-Armament as being above race and class, answering the needs of the heart, and changing the motives of men and the policies of nations.

Indian leaders turned to Buchman after Kerala, the first state in the world to vote itself Communist, overthrew the Communist regime. They knew that without an ideology to unite the non-Communists, the Communists would take over again at the next election.

Leaders of Cyprus, too, have repeatedly expressed their gratitude for the part played by Buchman in ending the bloodshed on their island. Archbishop Makarios said in Dr. Buchman's London home:

I have come here to bring my personal thanks for what MRA has done in bringing an answer to Cyprus.

Vice President Dr. Kutchuk said:

MRA will save the world from communism, dictatorship, and war.

Frank Nathan Daniel Buchman was born in Pennsburg, Pa., on June 4, 1878. His family came originally from St. Gallen, Switzerland, arriving in Pennsylvania in 1740. An ancestor, Theodore Bibliander—Buchman—was the successor of Zwingli in the Theological Seminary at Zurich, and the first translator of the Koran into German. Another ancestor fought with Washington at Valley Forge. Frank Buchman's uncle was the first man in America to enlist in the Union Army under Abraham Lincoln. He was later killed at Bull Run.

Fifty Members of the U.S. Congress cabled him this year stating:

We are grateful for the moral stand you have taken over the years to show America what a nation under God is meant to be.

NATIONAL SECURITY

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. THOMPSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. THOMPSON of Texas. Mr. Speaker, at a time when our Nation is understandably concerned over the deepening Berlin crisis, it is a time when public leadership is at a premium. As the United States, together with its allies of the free world, approaches the decisive days that lie ahead, our Nation needs the strong and intelligent support of all its citizens.

One of the most influential elements of our citizenry is the Veterans of Foreign Wars, consisting of 1,300,000 oversea combat veterans. During his tenure as commander in chief of the Veterans of Foreign Wars, Mr. Ted C. Connell, of Texas, has demonstrated strong leadership and has contributed, by his thoughtful public observations on national defense matters, materially to the national security.

I was particularly interested in the statement by VFW Commander Connell concerning the necessity for a build-up of our Armed Forces in view of the Berlin crisis. Actually, the statement by Commander Connell, as published in much of the Nation's press, and in full text in the National Tribune-Stars and Stripes of July 20, 1961, constitutes a practical blueprint for what our Nation needs militarily in these troubled times.

One of the things that is most significant about Commander Connell's statement on this matter is his strong urging that when the Armed Forces are built up to a new strength that this strength be maintained on a continuing basis. He states the matter very well by saying:

We must not let our military power be controlled like a Yo-yo by Soviet Russia's habit of creating periodic crises.

Also, I was impressed by Commander Connell's comment that it is not a matter of choosing between missiles and aircraft, but rather we must realize the necessity of having both.

This fine analysis by the VFW commander in chief is especially helpful in furthering an understanding of our military requirements. This is a worthwhile article to read. For that reason the text of the statement of the VFW national commander in chief, Ted C. Connell, follows:

CONNELL WANTS STRONG AMERICA

Ted C. Connell, Killeen, Tex., commander in chief, Veterans of Foreign Wars, last Thursday called for a strong stabilized military machine based on continuing strength from year to year rather than one much like a yo-yo reacting to the creation of periodic crises by the Soviet Union.

"The VFW has long believed," Commander Connell said, "that the time has come when we must stop playing guessing games with our national security. The immediate crisis of Berlin and the recent disclosure of Russian advances in powerful high-speed aircraft finds our Nation once again pushing the panic button.

PERIOD OF CRISIS

"Certainly there is no question that this is a period of crisis and I am confident that all of the people stand behind President Kennedy. I do wonder, however, if the emergency would have been so great had we maintained our military might to the degree that we were ready to face such crisis. The VFW has consistently stated that this country could not afford the luxury of a guessing game on the importance of basic weapons. We cannot afford to haggle over the relative merits of manned aircraft and missiles. We must have plenty of both.

"We believe, also, that the time has come when the Army should be immediately increased to a minimum strength of 925,000. The Navy must have ready an adequate number of transports, carriers, naval aircraft, and the many types of ships required to discharge its heavy commitments in distant areas. Our antisubmarine forces must be enlarged. We must be prepared for a limited war and we must be prepared for a major conflict."

CONTINUING STRENGTH

Concluding, the VFW leader said, "Our military power should be based on continuing strength from year to year and not increased and decreased as national emergencies arise. A steady and strong military posture is far more preferable and from the standpoint of national military policy, more meaningful and effective than tardy efforts and partial mobilization on a crash basis. We must not let our military power be controlled like a yo-yo by Soviet Russia's habit of creating periodic crises. The recent words and actions of Chairman Khrushchev should dispel a lot of wishful thinking in this country and throughout the world. We must be prepared. Let's get about the job."

HIJACKING OF PLANES

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. HARVEY] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, the United States is becoming the laughingstock of the world. Why does the U.S. Government allow itself to be pushed around by Communist hoodlums, young punks, and other misfits?

The American people have been patient for too long. It is time for the executive branch of the Government to give notice of action to be taken against plane hijackers, and then to carry through with that action to protect the rights and property of Americans everywhere. I shall support any legislative proposals which will beef up any presently weak laws in this area.

It is a disgrace that our citizens are subjected to intimidations and threats of bodily harm, as was the case last week at El Paso, Tex., and as is the case today in Mexico. There is no reason why this country should not initiate a get-tough policy, a policy which would be forthright and not subject to any misunderstanding by Castro or any other insane, power-drunk individual.

I urge the President to adopt Teddy Roosevelt's policy when he said that the United States was carrying a big stick. I would support any move by President Kennedy to effect such a policy and to use the big stick to protect our interests wherever they might be. It is a sorry state of affairs when the most powerful nation on the earth will allow a pipsqueak like Castro to hatch plots for waylaying our planes. The American people should demand that positive ac-

tion be taken now to prevent any further occurrences of the type taking place today between Mexico and Havana.

If the President does not take the initiative in this matter, I say that the Congress should take immediate steps to carry out the action demanded by today's events.

COMMITTEE ON DISTRICT OF COLUMBIA

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the committee on the District of Columbia may have until midnight Friday to file sundry reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MILLIKEN (at the request of Mr. FENTON), for today on account of illness.

Mr. ROUSSELOT (at the request of Mr. LANGEN), for 3 days, on account of official business.

Mr. ELLSWORTH (at the request of Mr. ARENDS), for the balance of the week on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DOYLE, for 45 minutes, on Monday, August 14.

Mr. JENNINGS, for 1 hour, on August 16.

Mr. CRAMER, for 30 minutes, today.

Mr. MCDOWELL (at the request of Mr. PUCINSKI), for 1 hour, today, and to revise and extend his remarks and include extraneous matter and tables.

Mr. PUCINSKI, for 30 minutes, on tomorrow.

Mr. STRATTON, for 1 hour, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BROOKS of Louisiana.

Mr. PHILBIN.

Mr. BELL.

(The following Members (at the request of Mr. LANGEN) and to include extraneous matter:)

Mr. BRAY.

Mr. HOSMER.

Mr. FINO.

Mr. LATTA.

(The following Member (at the request of Mr. PUCINSKI) and to include extraneous matter:)

Mr. MULTER in two instances.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2925. An act to amend the act of March 8, 1922, as amended, pertaining to isolated tracts, to extend its provisions to public sales;

H.R. 5228. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1962 Girl Scouts senior roundup encampment, and for other purposes; and

H.R. 7445. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 82. An act for the relief of Naoko Ishiwatari White;

S. 207. An act for the relief of Jean Goedicke;

S. 231. An act for the relief of Helga G. F. Koehler;

S. 435. An act for the relief of Knud Erik Didriksen;

S. 489. An act for the relief of Dellarose J. Dowler;

S. 700. An act for the relief of Fung Wan (Mrs. Jung Gum Goon);

S. 825. An act for the relief of Vasiliki Yeannakopoulos;

S. 944. An act for the relief of Mr. Najm Boulos Rihani;

S. 1373. An act for the relief of Giuseppa Lanza Lascuola; and

S. 1673. An act for the relief of Blagoje Popadich.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on August 8, 1961, present to the President, for his approval, bills of the House of the following titles:

H.R. 181. An act to amend sections 3253 and 8253 of title 10, United States Code;

H.R. 2203. An act to authorize the Secretary of the Interior to exchange certain property in Rocky Mountain National Park, Colo., and for other purposes;

H.R. 4321. An act to amend section 303 of the Career Compensation Act of 1949 to authorize the transportation of dependents and baggage and household effects of certain retired members;

H.R. 4323. An act to amend the Career Compensation Act of 1949 with respect to special pay for diving duty, and for other purposes;

H.R. 5518. An act to revise the boundaries of the Fort Raleigh National Historic Site in North Carolina, and for other purposes; and

H.R. 7722. An act to amend section 3579, title 10, United States Code, to provide that commissioned officers of the Medical Service Corps may exercise command outside the Army Medical Service when directed by proper authority.

ADJOURNMENT

Mr. PUCINSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 17 minutes p.m.) the House adjourned until tomorrow, Thursday, August 10, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1210. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 31, 1961, submitting a report, together with accompanying papers and illustrations, on a review of report on Kokosing River Basin, Ohio, requested by resolutions of the Committee on Public Works, House of Representatives, adopted March 5, 1952, and June 3, 1959 (H. Doc. No. 220); to the Committee on Public Works and ordered to be printed with three illustrations.

1211. A letter from the Acting Secretary of State, transmitting a report on the operations of the Fulbright program of the Department of State under section 2 of Public Law 584, 79th Congress, containing a summary of developments during the calendar year 1960; texts of executive agreements with Portugal, Republic of Korea, and Uruguay; names of both American and foreign recipients of grants, various statistical tables, etc., pursuant to section 2, Public Law 584, 79th Congress (H. Doc. No. 221); to the Committee on Government Operations and ordered to be printed.

1212. A letter from the Secretary of Health, Education, and Welfare, transmitting a report relative to the disposal of foreign excess property, submitted periodically; to the Committee on Government Operations.

1213. A letter from the Administrator, General Services Administration, transmitting a draft of a proposed bill entitled, "A bill to amend the act of April 29, 1941, as amended, to authorize any Federal agency to waive performance and payment bonds, and for other purposes"; to the Committee on the Judiciary.

1214. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill entitled, "A bill to amend the Federal Employees' Compensation Act Amendments of 1960"; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee of conference. H.R. 7851. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 873). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURLESON:

H.R. 8587. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. CASEY:

H.R. 8588. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. COOLEY:
H.R. 8589. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. FISHER:
H.R. 8590. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. POAGE:
H.R. 8591. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. STEED:
H.R. 8592. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. THOMPSON of Texas:
H.R. 8593. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. WICKERSHAM:
H.R. 8594. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. CUNNINGHAM:
H.R. 8595. A bill to prevent the taking of parklands by the Secretary of Commerce for highway purposes; to the Committee on Public Works.

By Mr. DAWSON (by request):
H.R. 8596. A bill to eliminate the requirements for certain detailed estimates in the annual budgets; to the Committee on Government Operations.

By Mr. HARRIS:
H.R. 8597. A bill to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained age 62 and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLIFIELD:
H.R. 8598. A bill to authorize the Administrator of the Housing and Home Finance Agency to assist States, counties, cities, political subdivisions of States, and public corporations established under State law in providing improved mass transportation services in those metropolitan areas which have planned and developed a mass transportation system; to the Committee on Banking and Currency.

H.R. 8599. A bill to amend various sections of the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. IKARD of Texas:
H.R. 8600. A bill to amend the Internal Revenue Code of 1954 to provide an increase in the amount for which a credit may be allowed against the Federal estate tax for estate taxes paid to States; to the Committee on Ways and Means.

By Mr. McCORMACK:
H.R. 8601. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that under certain conditions officers of the executive branch of the Federal Government appointed by the President shall be exempt from such act; to the Committee on the District of Columbia.

By Mr. MORRISON:
H.R. 8602. A bill to correct the Postal Field Service Compensation Act of 1955 relative to conversion; to the Committee on Post Office and Civil Service.

By Mr. PATMAN:
H.R. 8603. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for public information and publicity concerning instances where competitors submit identical bids to public agencies for the sale or purchase of supplies, equipment, or services, and for other purposes; to the Committee on Government Operations.

By Mr. SMITH of Iowa:
H.R. 8604. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for public information and publicity concerning instances where competitors submit identical bids to public agencies for the sale or purchase of supplies, equipment, or services, and for other purposes; to the Committee on Government Operations.

By Mr. TABER:
H.R. 8605. A bill to help maintain the financial solvency of the Federal Government by reducing nonessential expenditures through reduction in personnel in various agencies of the Federal Government by attrition, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HALEY:
H.R. 8606. A bill to help maintain the financial solvency of the Federal Government by reducing nonessential expenditures through reduction in personnel in various agencies of the Federal Government by attrition, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. JENSEN:
H.R. 8607. A bill to help maintain the financial solvency of the Federal Government by reducing nonessential expenditures through reduction in personnel in various agencies of the Federal Government by attrition, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WALLHAUSER:
H.R. 8608. A bill to prohibit the Secretary of Commerce from approving plans, specifications, and estimates for a portion of Interstate Route 78 in Newark, Essex County, N.J., and to prohibit further obligation or expenditure of Federal funds in connection therewith; to the Committee on Public Works.

By Mr. ALBERT:
H.R. 8609. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. FEIGHAN:
H.R. 8610. A bill to amend section 2(e) of the act of May 19, 1961, with respect to certain temporary judgeships established by such act for the northern and southern districts of Ohio; to the Committee on the Judiciary.

By Mr. McCULLOCH:
H.R. 8611. A bill to amend the act of May 19, 1961, providing for the appointment of additional circuit and district judges, and for other purposes; to the Committee on the Judiciary.

By Mr. VAN ZANDT:
H.R. 8612. A bill to amend the Highway Revenue Act of 1956, and for other purposes; to the Committee on Ways and Means.

By Mr. FRELINGHUYSEN:
H.R. 8613. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. HALPERN:
H.R. 8614. A bill to amend chapter 73 of title 18, United States Code, with respect to obstruction of investigations and inquiries; to the Committee on the Judiciary.

H.R. 8615. A bill to amend chapter 95 of title 18, United States Code, to permit the compelling of testimony under certain conditions and the granting of immunity from prosecution in connection therewith; to the Committee on the Judiciary.

By Mr. YATES:
H.R. 8616. A bill to provide for redistricting of any of the several States by the Director of the Bureau of the Census for the election of Representatives in Congress in certain cases in which the State fails to redistrict in the manner provided by the law thereof, and for other purposes; to the Committee on the Judiciary.

By Mr. ZABLOCKI:
H.R. 8617. A bill to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73 million for that purpose; to the Committee on Foreign Affairs.

By Mr. HALPERN:
H.R. 8618. A bill to amend section 35 of title 18 of the United States Code so as to increase the punishment for knowingly giving false information concerning destruction of aircraft and motor vehicles; to the Committee on the Judiciary.

By Mr. BOYKIN:
H.J. Res. 523. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HOSMER:
H.J. Res. 524. Joint resolution declaring Communist arms and munitions contraband in the Western Hemisphere and making provisions to enforce the same; to the Committee on Foreign Affairs.

By Mr. STUBBLEFIELD:
H.J. Res. 525. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mrs. DWYER:
H.J. Res. 526. Joint resolution providing for a National Mothers of Multiple Births Day; to the Committee on the Judiciary.

By Mr. DIGGS:
H.J. Res. 527. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. THOMSON of Wisconsin:
H. Con. Res. 366. Concurrent resolution expressing the sense of Congress with respect to a program for paying the national debt; to the Committee on Ways and Means.

By Mr. LANKFORD:
H. Res. 412. Resolution creating a select committee to conduct an investigation and study of the effect of Federal airport development on public and private housing; to the Committee on Rules.

By Mr. RODINO:
H. Res. 413. Resolution to authorize the Committee on Banking and Currency to conduct an investigation and study of the noise level created by jet aircraft and of the effect of Federal airport development on public and private housing; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL:
H.R. 8619. A bill for the relief of Mehmet Ozguler; to the Committee on the Judiciary.

By Mr. CORMAN:
H.R. 8620. A bill for the relief of Anton and Rosanda (Rosana) Jugo; to the Committee on the Judiciary.

By Mr. FALLON:
H.R. 8621. A bill for the relief of Peter Tsandilas; to the Committee on the Judiciary.

By Mr. CURTIS of Massachusetts:
H.R. 8622. A bill for the relief of Drs. John and Catherine Sebestyen; to the Committee on the Judiciary.

By Mr. FLOOD:
H.R. 8623. A bill for the relief of Guglielmo Filippelli; to the Committee on the Judiciary.

By Mrs. KELLY:
H.R. 8624. A bill for the relief of Mrs. Winnie Berthilde Mathilda Pierre; to the Committee on the Judiciary.

By Mr. LANE:
H.R. 8625. A bill for the relief of Dennis H. O'Grady; to the Committee on the Judiciary.

H.R. 8626. A bill for the relief of Wilfrid M. Cheshire; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H.R. 8627. A bill for the relief of Ritsuko Nakayama; to the Committee on the Judiciary.

By Mr. MILLER of New York:

H.R. 8628. A bill for the relief of Joseph A. Tedesco; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 8629. A bill for the relief of Miss Servet H. Kinik; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 8630. A bill for the relief of Chew Wah Oy; to the Committee on the Judiciary.

By Mr. BROWN:

H.R. 8631. A bill for the relief of David B. Kilgore and Jimmie D. Rushing; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Our Foreign Aid Program

EXTENSION OF REMARKS
OF
HON. WILLIAM G. BRAY
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

Mr. BRAY. Mr. Speaker, there follows herewith the report I made to my constituents 3 weeks ago on the subject of the foreign aid authorization:

The foreign aid authorization bill is before the Foreign Affairs Committee. We do not as yet know exactly what will be included in the committee's bill, but we are aware of what President Kennedy has requested.

The President has requested the largest amount in several years. He also has asked for two provisions which have not been included in previous foreign aid legislation. He is asking that part of this program be authorized for a period of 5 years rather than coming to the Congress on a year-to-year basis. Heretofore foreign aid has come before Congress in two ways—first for the annual authorization and then for the annual appropriation. Under the plan recommended by the President, the money would be available from the Treasury without a congressional appropriation, which is often called "back-door spending."

I view the foreign aid bill each year with mixed emotions. No one can deny that in some instances foreign aid has done a good job, nor can we deny that there were instances where it has done harm and actually injured the cause for which we are working. Except for the American people each year making their will felt through their representatives, foreign aid expenditures would have been far, far greater than they have been. It is easy for those close to the program to forget its basic purpose and get carried away in new proposals and projects. Congress has tried to apply the brakes.

My first contact with foreign aid was in 1945 and 1946 when I was with the military government in Korea. I saw Americans, with the best of intentions and sincerity, attempting to change an oriental economy and way of life into one like our own. We failed in doing it because we had the wrong approach. At that time I believed, and I still maintain, that the only successful aid that we can give a foreign people is to assist in educating them—I mean education in the broad sense—so that they themselves may improve their economy and culture in accordance with their needs. I am still trying to sell that philosophy, but I haven't had much success.

Included in our foreign aid bill are our programs which give military assistance, providing equipment and training to friendly allies such as Greece, Turkey and Pakistan. I believe our military aid should be considered separately from programs of economic aid, for it is materially assisting friendly foreign nations to defend themselves against Communist aggression. For years, however, the administration, regardless of party, has insisted on tying these programs together so that the popularity of military aid will "pull some of the unpopular facets of the program across."

The foreign aid bill will pass, but I will view it critically as I have always done. If some of us in Congress had not been putting the brakes on extravagant expending, the foreign aid program would be worse than it has been and much more expensive for the American taxpayer.

Cape Cod Conservatism: A Reality

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

Mr. PHILBIN. Mr. Speaker, I was greatly honored and thankful for the privilege accorded me on Monday, August 7, to attend, with some of my distinguished colleagues of Massachusetts and the Congress, the signing of the bill relating to the preservation of the beauties and most attractive features of Cape Cod.

As the author of H.R. 6720, which I introduced on April 8, 1957, in the 85th Congress, the first bill looking toward the proper conservation and development of Cape Cod presented to the Congress, I am naturally gratified that this legislation has finally been enacted into law.

The bill had bipartisan support, and several of my most distinguished colleagues of the Massachusetts delegation and of the House worked and cooperated wholeheartedly to make this legislation a reality.

Our great and beloved President himself and his colleague at the time, our distinguished senior Senator from Massachusetts, Senator LEVERETT SALTONSTALL, introduced this basic measure in the Senate, and my valued and distinguished friends and colleagues, Congressmen EDWARD P. BOLAND, THOMAS P. O'NEILL, and HASTINGS KEITH, introduced appropriate measures in the House.

Congressman KEITH, who represents the Cape Cod district, labored very ably and tirelessly in behalf of the bill. The able and distinguished gentleman from Texas, Congressman J. T. RUTHERFORD, and the outstanding members of the House National Parks Subcommittee, as well as the able, distinguished chairman of the Interior Committee, the gentleman from Colorado, Congressman WAYNE N. ASPINALL, and the gentlewoman from Idaho, Mrs. GRACIE PFOST, whose Public Lands Subcommittee did much of the initial work last year, rendered most valuable contributions in working out some of the perplexing problems that developed. Our colleagues on the Senate side also made unstinted contributions in behalf of the bill.

It was especially gratifying, in the most practicable sense, considering the difficulties and circumstances, that the bill for the most part takes into account the rights of private property owners and various communities on the cape, as well as the rights and interests of the Commonwealth of Massachusetts.

On the whole, I think it can be said that the bill, as enacted, represents about as fair and just a compromise as was possible in the light of the very various interests that were involved.

In a matter of this kind, where the broader, long time interests of the people as a whole must be served, it is virtually impossible to please everyone concerned, but I think that this particular bill has gone a long way in that direction and, to say the least, leaves a minimum of dissatisfaction.

I earnestly hope that the Department will carry out and administer the project provided by the bill in such a way to insure the conservation and most suitable development of one of the Nation's most cherished areas—our beloved Cape Cod.

Support for H.R. 6725

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

Mr. MULTER. Mr. Speaker, on May 1, 1961, I introduced H.R. 6725, a bill to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extension of credit.

This, the Truth in Lending Act, would require all persons extending credit to another to make full disclosure in writing of all finance charges prior to consummation of the transaction, under regulations to be prescribed by the Board of Governors of the Federal Reserve System.

In a report to the House Banking and Currency Committee on July 18, 1961, the Honorable Robert C. Weaver, Administrator of the Housing and Home Finance Agency stated:

The Housing Agency strongly supports the objectives of H.R. 6725, especially because of their salutary effect upon mortgage financing. We therefore favor enactment of legislation along the lines of this bill.

Mr. Speaker, millions of Americans buy on the installment plan, which means that they need credit. Since this is true, it behooves the Congress to see that they are informed of the true annual interest rate and all charges that will accrue as a result of this extension of credit.

I have urged our distinguished colleague from Kentucky [Mr. SPENCE], the chairman of the Banking and Currency Committee, to order hearings on H.R. 6725 just as soon as possible.

The American people have a right to know how much they are paying for the privilege before credit is accepted by them as a means of obtaining the consumer goods which make our standard of living possible. That applies to all extensions of retail credit.

Shut-Ins Plan Their Own Evaluation

EXTENSION OF REMARKS
OF
HON. DELBERT L. LATTA
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 9, 1961

Mr. LATTA. Mr. Speaker, Mr. Luke Lewis, 640 North Summit Street, Bowling Green, Ohio, and a constituent of mine, has originated and put into being a plan worthy of the attention of all Americans. In a fast-moving, missile age it is most refreshing to find emphasis and value being placed on the little big things, as Mr. Lewis is doing.

Mr. Luke "Red" Lewis, alert, peppery 61-year-old citizen, who is confined to bed for all but 1 hour daily has launched a little big plan. Its title "Shut-In Project for Forgotten People." This plan was launched in mid-June with a barrage of some 800 incoming and outgoing phone calls from "Red" Lewis' beside, a task in itself as he has the use of only one hand. Mr. Lewis was concerned about the evacuation of the disabled in case of fire or disaster, bringing cheer to other shut-ins, interesting shut-ins in registering to vote, and providing fellow shut-ins with some type of communication with the non-shut-in world.

The evacuation plan has received the most urgent and prompt attention of Mr. Lewis. Through the medium of the press, the radio, and the telephone, he has prepared a list of 110 persons in the city of Bowling Green, Ohio, who would be in need of help and assistance in event of fire, tornado, or any other major disaster. The list that he has prepared contains the name and address of each person, the location of their room, as well as the infirmity or affliction that causes them to need such help or assistance.

It has been a tedious and laborious task writing the names and compiling pertinent information about the shut-ins for Mr. Lewis. This particular task has fallen to another shut-in. She is 18-year-old Joane Marski, a polio victim who types with one hand. The two consult several times daily by telephone and met only recently in person.

Mr. Lewis discussed his evacuation plan for shut-ins with Mayor F. Gus Skibbie, Fire Chief Morris Instone, and Sheriff Earl Rife, as well as Merle Klotz and J. W. Burris, the fire chief and assistant fire chief, respectively, of Center Township, and has received their enthusiastic support.

At an initial trial-run recently, Mr. Lewis was removed from his home within 10 minutes from the time his call for assistance was made.

To implement the disaster-evacuation plan for shut-ins, the four service clubs, Lions, Exchange, Rotary, and Kiwanis, have been asked to lend assistance to the fire and police units in the event of a disaster. This they have agreed to do. Mr. Lewis is also urging the service clubs to institute a Big Brother monthly visitation program for the shut-ins. "These people don't want sympathy," says Mr. Lewis. "They want a kind word and affection. Some of them have no visitors at all."

Already he has found the project has a number of possibilities for bringing cheer to others. For example, he learned that a blind lady was using a rope from her door to get to her rural mailbox on a heavily truck-traveled road. Through the use of his telephone, Mr. Lewis called this lady's case to the attention of Police Lt. Wayne Canfield, who purchased a new mailbox for her and installed it next to her door.

Mr. Lewis has solicited assistance from the Bowling Green bookmobile librarian in providing reading material for shut-ins.

Mr. Lewis plans a campaign to register his fellow shut-ins to make them eligible to vote. "I don't care what their political party is: I think they should vote," said Mr. Lewis, a former Bowling Green constable.

He believes some of the needy shut-ins might like radios and is working on a plan to provide poinsettia plants and chocolates to each shut-in at Christmastime. By the time these plans are completed, Mr. Lewis will probably have others and his chain of ideas could go on ad infinitum.

As I have pointed out, this program began as an idea conceived by a shut-in. The idea has ignited action in our community and it is only fitting that it should spread throughout the length and breadth of the United States.

Declaration of Contraband Against Communist Arms and Munitions in the Western Hemisphere

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 9, 1961

Mr. HOSMER. Mr. Speaker, I take this means of calling attention to the joint resolution I have introduced today declaring Communist arms and munitions contraband in the Western Hemisphere, directing the President to promulgate specific contraband lists, including petroleum products, and directing the President to use appropriate U.S. forces to enforce the contraband.

The text of the joint resolution and my explanations thereof will be found in the body of today's RECORD during proceedings of the House of Representatives. These can best be read in context of House Joint Resolution 517 "declaring that a state of conflict exists between the international Communist conspiracy and the Government and the people of the United States and making provisions to prosecute the same," text of which, together with my explanations thereof, starts at page 14797 of proceedings in the House for Monday, August 7, 1961.

Top-Level Performance

EXTENSION OF REMARKS
OF
HON. OVERTON BROOKS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 9, 1961

Mr. BROOKS of Louisiana. Mr. Speaker, the city of New York has many attractions but one of the most oustanding is that of the Centenary College Choir of Shreveport, La. This choir is performing at New York's largest music hall—seating an estimated 6,000 people—and is a credit to its native State and to the music community. If one wishes to enjoy a truly rare treat with all the loveliness and pristine beauty of young southern womanhood and the handsomeness and enthusiasm of young southern college men, one should present himself at one of the four performances being held each day in Radio City Music Hall at 50th and Broadway, New York City. It is a performance which the music and entertainment lovers of this country will not forget.

On Saturday, July 29, I caught the Air Shuttle Service from Washington to New York City to spend a part of that day with Dr. A. C. Voran, director, and members of the Centenary Choir from Centenary College, Shreveport, La. The choir began a 4-week engagement in New York City on July 5 and is being held over an additional 3 or 4 weeks, which will break all Radio City Music Hall records for summer attendance.

I had been hearing many fine reports regarding the work and performance of members of the Centenary College Choir and I arrived at the Music Hall in time to see one of the regular performances they give each day. Only 30 of the 40 choir members appear for a performance, thus allowing some time off for sightseeing and relaxation. With the opening of a curtain emblazoned with a map of the United States on which Louisiana and Shreveport were prominently identified, and to the music of the Music Hall's 54-piece orchestra, a loud backstage voice announced the choir: "It is a privilege to have the famous Centenary College Choir from the Centenary College, Shreveport, La.," and

the entire choir swung into their featured act—a medley of Stephen Foster's "My Old Kentucky Home," "Beautiful Dreamer" and "Camptown Races"—entitled "Playtime Down South."

I have had the opportunity to listen to the choir perform in Shreveport on many occasions and they have always given a performance of merit and have reflected real credit upon Centenary College and Louisiana, but after 4 active weeks at what is probably this country's largest music hall these lovely young ladies and young men showed the poise of veterans on the stage and were superb.

Everyone to whom I spoke in New York lauded the work of the Centenary Choir. One of the most welcome tributes, however, came from the practiced ear of the Music Hall's Walter Farrar who wrote—

> This group is one of the best choral groups that I have ever seen or heard in this huge theater. They look good. They carry themselves like true ladies and gentlemen and show good manners. This group is a credit to their parents, their college, Shreveport, and are good representatives of their lovely State of Louisiana.

I think one of the finest things which the choir has done during its stay of more than a month in the largest city of the Nation has been its ability to make friends locally. The stagehands, the ticket takers, the box office personnel, and others around the theater all praise the choir members for their fine conduct as representatives of Louisiana. Even those who passed on the street, having previously seen the performance, were loud in their praise of the fine manner in which these young men handled themselves, both on and off stage and they especially praised their ability to make friends.

I do not know that the choir will return to New York in the future but I can say that Centenary College Choir will take back to Louisiana very happy recollections of a visit of almost 2 months in the Empire State. At the same time I believe that the people of New York, together with visitors there, will long remember the Centenary College Choir.

The National Lottery of Poland

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

Mr. FINO. Mr. Speaker, I would like to point out to the Members of this House the national lottery of Poland. This lottery was not established by the Communists, for lotteries in Poland are traditional—they date back to 1808.

The Communist Government of Poland operates the national lottery in much the same way as do the governments of other nations. In 1960, gross receipts came to $53 million. The Government profit was close to $17 million.

Actually, most Communist governments are not prone toward lotteries. Only a few of the Communist nations utilize them. Of those European nations not operating lotteries, the overwhelming majority are Communist. The reason is quite simple—the Communists frown on gambling as being frivolous and undesirable in what they call the new Socialist man. This is just another manifestation of human individualism that the Communists refuse to recognize—we are in rare company.

Southern California International Exposition of 1966

EXTENSION OF REMARKS

OF

HON. ALPHONZO E. BELL, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

CONGRESSIONAL SUPPORT

Mr. BELL. Mr. Speaker, along with my esteemed colleague, the Honorable CRAIG HOSMER, and with the Honorable JAMES C. CORMAN, on August 7, 1961, I introduced in the House of Representatives a bill sponsoring a Southern California International Exposition to be held in 1966. Senators KUCHEL and ENGLE sponsored an identical bill in the Senate on the same day.

LOCAL SUPPORT

From the State legislature on down to the Long Beach Board of Harbor Commissioners and City Council, endorsement of this important event has been registered. The support is overwhelming.

Assurance of basic support for the project by all important segments of the community, such as industry, labor, civic groups, and so on, is of vital importance to the success of the program.

VENTURE MUST BE SOUND

One of the greatest concerns over sponsorship of such an event as the Southern California International Exposition is the fiscal soundness of the venture. Myriad problems, beyond the span of individual comprehension, are certain to arise. Ceilings to curb exorbitant salaries, to prevent abusive use of expense accounts and other slush funds are vital to sound operation. Adequate accounting and auditing mechanisms and procedures require scrupulously abiding standards. Competitive bidding and denial of favoritism in construction, leasing and the thousands of other transactions inherent in such an undertaking are indispensable. Especial concern must be directed at winding up the affairs of the managing corporation after the exposition has run its full course.

The above considerations barely scratch surface, but they are indicative of portending problems.

EXPOSITION TREASURER: IVY BAKER PRIEST

It was with great confidence that I was to put full faith behind the Southern California International Exposition when I learned that Mrs. Ivy Baker Priest Stevens, former Treasurer of the United States, serves as treasurer of the exposition. Full and unflinching confidence may be vested in her, as representative of the caliber of personnel promoting this great international event.

And, with Fred Hall, former Governor and Supreme Court Justice of Kansas, serving as general manager of the exposition, the topflight leadership driving the event is well toward significant accomplishment.

BENEFITS

It is my hope that southern California itself, Long Beach and environs will be substantially benefited as a result of hosting the Southern California International Exposition. Some of these benefits might include: First, the encouragement of international exhibitors to settle and open up branch offices; second, the reciprocal advantage of local firms developing contacts for expanding new domestic and oversea markets; and third, the generation of tourist revenues. Benefit to the community should have a lasting effect.

In addition, benefits from a successful program of this kind should inure to the benefit of the United States. On a national scale, for example, some of these benefits might include: First, promotion of international good will; second, furtherance of world trade and development of new international markets; third, familiarization, through an international showcase, of large groups of people with the latest technical advancement and industrial programs, with the concomitant of showing off our proud industrial might; fourth, stimulation toward improvement of domestic products by providing competition among national products. The international competition thus fostered, within reasonable tariff regulations, might tend to curb inflation by forcing industry to keep costs down.

EXPOSITIONS INCREASING

Today a rising ground swell of international expositions, world fairs, and other events are underway. With this newly introduced legislation my colleagues and I have sponsored, southern California is in early on that rising swell. It remains a question of policy to be decided by Congress whether the Southern California International Exposition will be favored financially.

PRECEDENT OF GOVERNMENT CONTRIBUTIONS

Since 1867 Congress has traditionally provided financial contribution to these events of international significance. To date about 60 such events have received Federal recognition by grants of money. To mention a few: The New York World's Fair, 1939–40—$3,275,000—out of a total of $27,829,500 in subscribed funds; the San Francisco Golden Gate International Exposition, 1939–40—$1,700,000; the Universal and International Exhibition at Brussels, 1958—$16,400,000.

TRADE FAIRS

In addition, the Commerce Department's Office of International Trade Fairs encourages U.S. participation in international trade fairs. It was not until 1954 that the U.S. Government gave official support to the participation of Americans in international trade fairs. At that point, the Soviet Union had already participated in 133 international

trade fairs since World War II. Since 1954, and through October 31, 1959, there have been 82 official exhibits in 28 countries, participated in by more than 5,000 American contributors, and viewed by more than 50 million people. This is another good way to sell America to peoples of foreign lands.

SEATTLE'S CENTURY 21 EXPOSITION

Our good friends to the north in Seattle have the privilege of hosting the first international exposition to be held in the United States for 23 years. Seattle's Century 21 Exposition will open April 21, 1962. It will be followed by a New York exhibition in 1964. Dallas, and other communities are also considering similar undertakings in various stages of planning and development.

Seattle's Century 21 Exposition was bolstered by receipt of $9 million in 1959 when the U.S. Congress appropriated that sum to become prime exhibitor. Authorization—dollar ceiling Congress OK's—for Century 21 was $12.5 million. No authorization or appropriation has yet been accorded to California. The bill I introduced August 7 would open that door.

INCREASING COMPETITION

One thing is certain. Because of the profusion of local interests pushing such events, some sort of standardized criteria of recognition by Congress will have to be established. Otherwise, conflicts of exposition dates, and an overabundance of these events will diminish their value and importance. Otherwise, objections regarding tariff regulations to international shipments of sample goods, and so forth, will rise to plague the Congress.

IDEA IS SOUND; PLANNING MUST BE SOUND

The basic idea of a Southern California International Exposition is sound. If the planning and support is likewise sound, the Southern California International Exposition will benefit the Nation and the State.

Testimony of Hon. Abraham J. Multer, of New York, Before the Committee on Banking and Currency, U.S. House of Representatives, on Small Business Investment Act Amendments of 1961

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

Mr. MULTER. Mr. Speaker, on August 3, 1961, I was privileged to testify before Subcommittee No. 2 of the Banking and Currency Committee on proposals for amending the Small Business Investment Act. I commend to the attention of our colleagues the transcript of my remarks upon that occasion:

STATEMENT OF HON. ABRAHAM J. MULTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, AUGUST 3, 1961

Mr. PATMAN. We have as our next witness one of our colleagues, the Honorable ABRAHAM J. MULTER, a member of the Committee on Banking and Currency, who desires to testify. Mr. MULTER, we are glad to have you, sir.

Mr. MULTER. Thank you, Mr. Chairman. It is always a privilege to take this seat and submit myself to questions of the members of the committee.

I take the time of the committee this morning to urge a word of caution. When we first enacted this bill in 1958, we had great hopes for the small business investment companies that would be established under it. In the first 20 months of operation under the new law, only 95 companies qualified and received licenses. In the last 12 months, an additional 230 companies have qualified and been licensed as small business investment companies—giving us a total, up to about 3 weeks ago, of 325. There may have been more issued since. But those are the latest figures published by the Small Business Administration.

Of that number, some 28 are publicly owned. Obviously there hasn't been too much experience by the Small Business Administration in connection with the operation of these new companies. We still have great hopes for them. We still hope that they will be able to do the job that has not been heretofore done for small business by way of long-term equity investments that are so necessary for the operation of a small business.

At the same time, I think before we make any very substantial changes in the basic statute, we ought to await the experience that can be reported to us by those most closely concerned with the administration and supervision of these companies. We must learn a great deal more before we allocate or promise any very substantial new moneys or increased moneys to these companies.

My own view is that those companies, like the 28 that have gone public, some for as much as $20 million—a single public issue of $20 million was oversubscribed when it was offered to the public—when they are able to raise that kind of money for these projects by public subscription, I think they are demonstrating that they don't need Government money for those projects.

I would go even further than the Small Business Administrator [Mr. Horne] has gone on that score. Where the bill calls for lending up to $1 million—and obviously it is only the big companies that could qualify for a $1 million loan from SBA for this purpose—while Mr. Horne suggests a lower limit and says, "Let's limit that only to $500,000," in my opinion it is only those big companies that qualify for that kind of money, and they don't need it.

If they can get as much as $10 million at a single underwriting or $20 million at a single underwriting, they ought not to come to the U.S. Government for any of this money at low interest rates.

In addition to that, I think we should have in mind that we limit any single loan by SBA to a small business firm of $350,000. How are we going to justify limiting to $350,000 as the maximum we loan to a single small business concern and at the same time lend as much as $500,000 to a private enterprise at a low interest to relend at high interest rates, plus equity positions, to the small businessman who needs our help?

I want to see this program, as I am sure every other member of this committee does, succeed. I hope that we don't do anything that will cause it to get into trouble. We all remember only too well that the RFC was a good operation. But just a few scandalous incidents destroyed it and caused the Congress to repeal the RFC Act.

It took us a long time to try to get something to take its place. SBA takes its place to a small extent. The SBIC Act does it along a different line. I do hope that as we make progress we will proceed cautiously.

Let us get a few—not a few, but a substantial number of—years of experience behind us. Certainly as to these 230 companies that are in business only a year or less, we have no real experience as to whether they are going to be profitable operations, whether they are going to do the job that is intended to be done by them or not.

As to the other 95, we have some fair experience over the last 3 years but certainly not enough. Before we give them additional powers and additional borrowing power, I think we ought to get a very detailed report on their operations.

I don't think it is necessary to remind the committee that when we said we would require a minimum capital of $150,000 for a small business investment company, we did that in order to give the companies in the smaller communities—where there wasn't the big money available which there is in the big municipalities and the big urban areas like New York, Philadelphia, Boston, Los Angeles, Chicago, even Dallas and Houston, where there are substantial sums of money available for this purpose—we put that minimum in so that the smaller community could build a small business or obtain a small business investment company that could do a job locally.

And bear in mind we wrote into the act that these companies were to indicate, as part of their license application, where they intended to operate—having in mind that we wanted them to operate locally to help the local people.

We never contemplated that most of these companies were going to organize by putting in merely the minimum of $150,000 capital and come down here and borrow another $150,000 and try to operate on $300,000.

During the course of the hearings and during the course of the debate, it was made perfectly clear that, for a big operation, for an operation that would have to service a large urban community, one would need a lot more than $300,000 because one couldn't earn enough on the $300,000 to pay the expense of a big operation.

But we also made it clear that that was to be the minimum; and in the larger communities we expected, as has happened, that some of them would organize for $1 million and some for much more.

That is what is needed in these larger communities. I don't think we ought to supplement what is required by way of capital investment for the small business investment companies in the big cities by letting them come down here and get from the Government, from SBA, the difference that they ought to be putting in in capital.

After some years of successful experience, after we see that they are doing a good job and that we can afford to risk lending them more money, perhaps we can amend the statute to give them a greater leverage.

But I think in the first instance we are doing enough for them now. I certainly would not like to see extended the maximum amount that may be lent to any of these small business investment companies beyond the amount that we now lend to a small business investment company directly.

We never intended these two operations should be competitive with one another. A small business investment company was to supplement the lending program of SBA by equity investment and long-term loans that SBA ought not to make directly. Having in mind that these people would then be investing their own money, we sought to give them some help.

But let's not now give them so much Government help that they will be doing the job with Government money. Let them make the maximum investment and the Government the minimum investment in these projects until such time as they really prove themselves as good, profitable, safe operations.

There is one thing that has not been touched upon in the bill that I would like to suggest again to the committee, which should require the most serious consideration. When we wrote the act originally, we put a provision into the act, section 301(d), setting forth 11 different items with reference to the organization of these corporations, their powers, what they could do, and the like.

Among other things, we said there that we required the incorporators of these companies in 301(a) to be not less than 10 persons, having in mind 10 individuals. I think the history of the legislation indicated that we wanted diversity of interest in the organization of these small business investment companies and we wanted individuals in them.

What we have seen happen is just as we did with some of the banks, where the statute specifically requires the incorporators to be individuals and that the directors be individuals who own stock as individuals in the banks. All sorts of strategems have been devised so as to evade that and avoid it. So, too, in the organization of many of these small business investment companies.

Instead of getting 10 individuals who were going to be interested in the company and operate the company and have their money in it, time after time we found that there were 10 dummies named. The applications were perfectly frank. They said, "This small business investment company is being formed by a bank or by an investment company"—or whoever it was who was doing the underwriting—and they indicated the 10 people or the 10 incorporators were representatives or dummies and they avoided and evaded that requirement of the law.

The way the act is written, section 301(d) is a dead letter. It applies only to federally chartered corporations. It expired by lapse of time and apparently there is no intention of extending it. In 1960, we repealed subdivision 9 of the section as unnecessary. We should now repeal the entire section, even though it is the only section in the act which sets forth any standards, powers, or restrictions.

That is not to say, however, that we should not set forth such standards and the like. The Federal Reserve Act, the National Bank Act, and every similar statute sets up minimum standards, powers, and restrictions.

We must write into this bill minimum standards, authorizations, and limitations which SBA must require of every licensee. They may be the same as in section 301(d) or they may be more or less stringent.

I think this committee should forthrightly and frankly meet the issue. If these criteria are to be used by the SBA in determining whether or not a State-chartered company qualifies for a license, we should say so—and let's make it clear that that is what we want them to do, as to all of the criteria set forth.

Let's indicate what these standards should be, then SBA, in taking applications from small business investment companies, will apply each of these criteria to the extent that we want them applied.

There are one or two other matters that I would like to review briefly with the committee with reference to the bill.

If section 2 is to remain in the bill by way of an amendment to 302(a), then I suggest that the language should be changed so that, instead of providing for the lesser of $1 million or whatever amount we agree upon—whether it be $350,000 or $500,000 as suggested by Mr. Horne—whatever that amount is, the section should not read "the lesser of" that amount, or "the amount of capital and surplus of a small business investment company from other sources."

I suggest that that language should be changed to read "or the amount of the paid-in cash capital and accumulated surplus of sound value of the small investment company."

Otherwise you are going to get a paper capital and surplus which is set up as a matter of bookkeeping and good accounting practice on the basis of which they will then be able to borrow the equivalent amount or 50 percent of that amount and easily get around what we intended there.

I think what we intend is that the Government should lend a certain percentage or a certain amount equal to what they have actually invested in cash or good securities, and not permit them to put in paper which may be stock in another company that has a book value of a lot less than the par value. The book value may actually be nil because the investment—while originally there may have been a cash investment of $500,000 or more, when they actually get to taking that paper into the small business investment company as part of its capital—it may actually have little or no value.

I am sure this committee doesn't want paper values to be taken as against sound values in determining how much of U.S. Government money should go into these organizations.

In each of these other provisions, if they should remain in the bill—for instance, in section 4—Mr. Horne has made some very good suggestions as to amending that language in each of those sections. I would go further and suggest that we give the Small Business Administration the right to approve in each of these subdivisions so that they can have complete control of the situation and we don't get into some of the situations that Mr. Horne indicated we might get into, which would be bad and give a black eye to the whole program and in some instances cause a loss of Government money as well as the original investors' money in the SBIC.

In other words, if we are going to bring in other than financial institutions, if we are going to let individuals participate in these investments that are made by the small business investment company to the small business concern, then go one step further than Mr. Horne has suggested and require that in each of those instances the SBA should review and approve or disapprove—as the case may be—such outside participation by individuals in order to avoid the possibility of self-dealing and even doubledealing.

In none of these things that I am saying to the committee am I trying to impugn the motives or good faith of any of the people who are in this program up to the present time or who may get into the program.

But I remember very well what happened in the 1920's and the 1930's. I think many of the members of this committee do, too. Most of the trouble that our financial institutions got into in those days, when the depression struck and people were demanding their money and the bottom fell out of the market, was caused by self-dealing.

We then found that banks and financial institutions, instead of making good loans in the institution at fair rates and at fair charges, were sending these people upstairs or across the street or around the corner to a finance company that was owned and controlled by officers of the financial institution. There they made the loans. At first they were sound loans, but they were sent in there to make them because—instead of at a fair interest rate and a fair service charge—they were able to charge bonuses and survey charges and appraisal fees and lawyers' fees and other exorbitant charges and high interest rates, too.

Then as business piled up, they began to get all the bad loans and the bad investments, borrowing from the bank and the financial institution at low interest rates and making the unsound loans at high interest rates.

Then when the crash came, the financial institutions and the banks went looking for their money from the finance company. The finance company couldn't pay back because it had a lot of bad loans and bad investments. Those things that couldn't be done by a regulated institution were done by the unregulated institution.

We want to be sure that the same kind of a situation doesn't happen here. Therefore I think we must lean over backward to make sure that we prohibit that kind of situation occurring again—and it can occur.

We have already given an incentive to that being done when we permit the bank to charge a fee to the small business investment company and we permit the small business investment company to charge a fee to the bank. That is already in the act. Now there is an attempt to enlarge that and go even further. Bear in mind that while banks are regulated and supervised carefully, SBA has not got that same power and authority to go in and supervise and regulate the complete operation of the SBIC. If the time comes when we give them the authority to send their examiners in regularly and look at what is being done from day to day, as the bank examiners do, maybe we can go a little further.

I don't think the time has yet come to do that.

I am in agreement, as I indicated yesterday, with the objections of the Securities and Exchange Commission to the amendments proposed here that would seek to amend the Securities and Exchange Commission Act. I think Mr. Horne also agrees that that should not be done. To the extent these companies are entitled to or will be entitled to exemptions, they can get it by regulation. They can get it by application to SEC.

Until we have more experience under our belt in the operation of these small business investment companies, let's not change the supervision that SEC now has and will have by vitrue of the applications for exemptions under this act. Let's not change that yet. The time may come when we may want to do it, but I doubt whether that time has arrived as yet.

Mr. Chairman, that is my presentation.

Mr. PATMAN. We appreciate your testimony, Mr. MULTER. We value your opinions, and they will certainly be considered.

I want to ask you two or three questions. One is, do you recommend $350,000 instead of $500,000 as the proper limit of SBA's capital investment in an SBIC?

Mr. MULTER. Yes. I think we would be safer not to go beyond $350,000 at this time.

Mr. PATMAN. In view of the fact that the SBA doesn't have the examining force to supervise these small business investment companies and cannot accomplish supervision at this time? That is your reasoning?

Mr. MULTER. Yes, sir.

Mr. PATMAN. Did you make a comment on permitting the banks to increase the amount of their participation above the 1 percent that is now allowed by law?

Mr. MULTER. No; I did not, sir. I am glad you bring it to my attention, because I think we ought not to make that change either. I have received communications—as other Members have—urging that we increase it.

Originally I think this committee had in mind that the banks which up to that time wouldn't get into this kind of an operation—it is true in many States they didn't have the authority and the power under State law to do it—but they never sought a change in the State law so as to permit them to do it.

They didn't begin to get into this program until after the Federal Reserve Board and other agencies of Government had reported to the Congress that there was no facility for this kind of money.

We set up this program. We set it up with tax advantages to get people to come

into it. We wanted the banks to get into it, too. We thought when we put in these—at least I did, and I think many of the other members did—when we put in a provision permitting the banks to invest up to 1 percent in these small business investment companies that they would be taking participations, not organizing and setting up these companies as subsidiaries and affiliates.

That may be a good thing. Maybe they have now found a way of doing this job that is necessary to be done. But before we let them go beyond the present 1 percent, let's find out whether they are going to be good operations. Let's find out if they are going to be used for self-dealing or for doubledealing in doing some of the things that we had to condemn in the twenties and the thirties.

Let's make sure they are good operations before we let them get into it to any greater extent.

Mr. PATMAN. Thank you very kindly, sir.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 10, 1961

The House met at 12 o'clock noon.

Rev. Samuel Rice, Main Street Presbyterian Church, Honey Grove, Tex., offered the following prayer:

Almighty and most gracious God, Father of mankind, Maker of all good things, Sustainer and Preserver of all which Thou hast made; we pause in this place at this time to acknowledge Thee as our sovereign Lord.

We thank Thee for this Nation, for the principles on which it was founded and through which it has endured; for the rights insured us and for the freedoms we are privileged to enjoy.

Bless this day this body of Congress. Be with the Speaker and each Member. May Thy blessing fall upon our President and all who are in positions of authority over us, into whose hands falls the responsibility for reaching the decisions so important for our time. In these serious days, guide them in Thy way that their decisions may be in accord with Thy will for the common good of all mankind.

We pray for the nations of the world that all may come to know Thee and respond to Thy blessing.

And, O Lord, we pray for world peace. Cause us to realize that such peace may be won and preserved when we bring glory to Thee and exhibit a deep sense of brotherhood toward all men everywhere. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1085. An act to provide for the disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes; and

S. 1294. An act to supplement and amend the act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936.

COMMITTEE ON RULES

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight Saturday night to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight Saturday to file a report on the bill H.R. 84, the small producers bill on lead and zinc.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CERTAIN AUTHORITY GRANTED THE SPEAKER AND CLERK OF THE HOUSE DURING BALANCE OF THE PRESENT SESSION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House during the present session of the 87th Congress, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

Mr. GROSS. Mr. Speaker, reserving the right to object, are we going to enter into some recesses or adjournments of the House?

Mr. McCORMACK. For example, such as adjourning from Friday to Monday.

Mr. GROSS. That is all the gentleman has in mind?

Mr. McCORMACK. That is all.

Mr. GROSS. While I have the floor under a reservation of objection, can the gentleman tell us when we may expect to get out of Washington on a sine die adjournment?

Mr. McCORMACK. I have hopes, but not ideas.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERSONAL EXPLANATION

Mr. COHELAN. Mr. Speaker, I was absent on official business during rollcall No. 142 on yesterday. I would like the RECORD to show that had I been present I would have voted "aye."

THE LATE GENERAL BEDELL SMITH

Mr. HARVEY of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, last night marked the passing of a great military man and a great Hoosier. Gen. Bedell Smith passed away and I know the whole Nation will mourn the loss.

I know I speak for all my Indiana colleagues in mourning his passing and extending our sympathy to his family.

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. HARVEY of Indiana. I yield.

Mr. BRAY. Gen. Bedell Smith is well known in Indiana. He lived in Indianapolis and went to the Manual Training High School. He was one of America's really great soldiers and statesmen. We all mourn the passing of a truly great American.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 143]

Adair	Fino	Martin, Mass.
Alexander	Griffiths	May
Anderson, Ill.	Hall	O'Konski
Blitch	Halleck	Powell
Buckley	Hardy	Rabaut
Carey	Harrison, Va.	Randall
Celler	Harsha	Rivers, S.C.
Coad	Healey	Roberts
Cook	Hoeven	Rostenkowski
Davis, James C.	Hosmer	Rousselot
Davis, Tenn.	Huddleston	Santangelo
Dawson	Jones, Mo.	Steed
Derwinski	Kearns	Teague, Tex.
Diggs	Kilburn	Thompson, La.
Dooley	Landrum	Vinson
Ellsworth	Lesinski	Weaver
Evins	Lindsay	Weis
Farbstein	McMillan	Winstead
	McVey	Yates

The SPEAKER pro tempore (Mr. ALBERT). On this roll 378 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1962

Mr. MAHON. Mr. Speaker, I call up the conference report on the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes, and ask unanimous consent that the statement of the managers on the

part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement submitted by Mr. MAHON are as follows:

CONFERENCE REPORT (H. REPT. No. 873)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7851) "making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 5, 34, 72, and 73.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 6, 13, 27, 28, 29, 30, 31, 32, 33, 35, 36, 37, 38, 39, 40, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 55, 56, 57, 58, 59, 60, 61, 62, 63, 66, 67, 68, and 70, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,697,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,735,710,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,889,535,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$187,300,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,486,740,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$171,000,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$199,600,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,532,602,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,680,888,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$852,012,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$264,600,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,199,614,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$514,500,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$401,604,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,744,784,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,100,932,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert:

"For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, $1,203,200,000, to remain available until expended."; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert:

"For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, $1,301,470,000, to remain available until expended."; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert:

"For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, $2,403,260,000, to remain available until expended, of which $185,800,000 shall be available only for the Dyna-Soar program"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment, as follows: In lieu of the number proposed, insert: "640"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 26, 41, 54, 64, 65, 69, 71, 74, and 75.

GEORGE MAHON,
HARRY R. SHEPPARD,
CLARENCE CANNON,
GERALD R. FORD, JR.,
JOHN TABER,
Managers on the Part of the House.

A. WILLIS ROBERTSON,
CARL HAYDEN,
RICHARD B. RUSSELL,
JOHN C. STENNIS,
HARRY F. BYRD,
LEVERETT H. SALTONSTALL,
(except to (1))
STYLES BRIDGES,
MILTON R. YOUNG,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF DEFENSE

Title I. Military personnel

Amendment No. 1: Military personnel, Army: Appropriates $3,697,000,000 instead of $3,202,000,000 as proposed by the House and $3,737,000,000 as proposed by the Senate.

Amendment No. 2: Military personnel, Army: Deletes language proposed by the Senate.

Amendment No. 3: Military personnel, Navy: Appropriates $2,692,000,000 as proposed by the Senate instead of $2,600,000,000 as proposed by the House.

Amendment No. 4: Military personnel, Air Force: Appropriates $4,197,000,000 as proposed by the Senate instead of $4,033,000,000 as proposed by the House.

Amendment No. 5: Reserve personnel, Air Force: Deletes language proposed by the Senate.

Amendment No. 6: Reserve personnel, Air Force: Appropriates $56,000,000 as proposed by the Senate instead of $52,000,000 as proposed by the House.

Title II. Operation and maintenance

Amendment No. 7: Operation and maintenance, Army: Appropriates $3,735,710,000 instead of $3,330,460,000 as proposed by the House and $3,747,710,000 as proposed by the Senate.

Amendment No. 8: Operation and maintenance, Navy: Appropriates $2,889,535,000 instead of $2,695,885,000 as proposed by the House and $2,896,900,000 as proposed by the Senate. The Committee of Conference is in agreement that the Navy should place its blue collar workers on a biweekly payroll basis as soon as practicable, but no later than January 1, 1962.

Amendment No. 9: Operation and maintenance, Marine Corps: Appropriates $187,300,000 instead of $186,700,000 as proposed by the House and $187,900,000 as proposed by the Senate.

Amendment No. 10: Operation and maintenance, Air Force: Appropriates $4,486,740,000 instead of $4,299,740,000 as proposed

by the House and $4,498,541,000 as proposed by the Senate. The Committee of Conference is in agreement that the study relating to ballistic missile site support aircraft should be expedited.

Amendment No. 11: Operation and maintenance, Army National Guard: Appropriates, $171,000,000 instead of $169,900,000 as proposed by the House and $173,300,000 as proposed by the Senate. The Committee of Conference favors a retirement system for National Guard technicians, but feels that appropriate legislation should precede appropriations.

Amendment No. 12: Operation and maintenance, Air National Guard: Appropriates $199,600,000 instead of $193,600,000 as proposed by the House and $206,400,000 as proposed by the Senate.

Amendment No. 13: Claims, Department of Defense: Makes technical correction as proposed by the Senate.

Title III. Procurement

Amendment No. 14: Procurement of equipment and missiles, Army: Appropriates $2,532,602,000 instead of $1,991,360,000 as proposed by the House and $2,543,642,000 as proposed by the Senate. The conferees have approved $282,000 for ammunition and rifles for the National Board for the Promotion of Rifle Practice as proposed by the Senate.

Amendment No. 15: Procurement of aircraft and missiles, Navy: Appropriates $2,680,888,000 instead of $2,148,160,000 as proposed by the House and $2,691,760,000 as proposed by the Senate.

Amendment No. 16: Other procurement, Navy: Appropriates $852,012,000 instead of $689,920,000 as proposed by the House and $855,320,000 as proposed by the Senate.

Amendment No. 17: Procurement, Marine Corps: Appropriates $264,600,000 instead of $198,940,000 as proposed by the House and $265,940,000 as proposed by the Senate.

Amendment No. 18: Aircraft procurement, Air Force: Appropriates $3,199,614,000 instead of $2,916,684,000 as proposed by the House and $3,223,444,000 as proposed by the Senate. The Committee on Conference has approved $10,000,000 of the $19,100,000 included in the budget estimates for the procurement of utility type aircraft, which can only be obligated when the Secretary of Defense has determined that such procurement is a part of a coordinated replacement program for such aircraft.

Amendment No. 19: Aircraft procurement, Air Force: Provides that $514,500,000 of the amount appropriated for Aircraft Procurement, Air Force shall be available only for the procurement of long-range bombers instead of $448,840,000 as proposed by the House and $525,000,000 as proposed by the Senate.

Amendment No. 20: Airlift modernization, Air Force: Appropriates $401,604,000 instead of $320,656,000 as proposed by the House and $403,256,000 as proposed by the Senate.

Amendment No. 21: Missile procurement, Air Force: Appropriates $2,744,784,000 instead of $2,736,160,000 as proposed by the House and $2,744,960,000 as proposed by the Senate.

Amendment No. 22: Other procurement, Air Force: Appropriates $1,100,932,000 instead of $981,274,000 as proposed by the House and $1,103,374,000 as proposed by the Senate.

Title IV. Research, development, test, and evaluation

Amendment No. 23: Research, development, test, and evaluation, Army: Appropriates $1,203,200,000 instead of $1,202,700,000 as proposed by the House and $1,203,700,000 as proposed by the Senate, and deletes language proposed by the House and approves language as proposed by the Senate. It is the intent of the Committee of Conference that the cost of operation and maintenance of Department of Defense installations and facilities be financed on an annual basis corresponding with the fiscal year. This intent also pertains to amendments numbered 24 and 25.

Amendment No. 24: Research, development, test, and evaluation, Navy: Appropriates $1,301,470,000 instead of $1,300,937,000 as proposed by the House and $1,302,000,000 as proposed by the Senate, and deletes language as proposed by the House and approves language as proposed by the Senate.

Amendment No. 25: Research, development, test, and evaluation, Air Force: Appropriates $2,403,260,000 instead of $2,002,924,000 as proposed by the House and $2,452,440,000 as proposed by the Senate. The Committee of Conference is in agreement that $400,000,000 of this appropriation shall be available for the B–70 program. The language of the House has been deleted and the language as proposed by the Senate approved except that the limitation of the House making $185,800,000 available only for the Dyna-Soar program has been restored.

Title V. Civil defense, Department of Defense

Amendment No. 26: Reported in disagreement.

Title VI. General provisions

Amendment No. 27: General provisions: Changes title number.

Amendments Nos. 28 through 33: General provisions: Change section numbers.

Amendment No. 34: General provision: Provides average payment of not to exceed $275 per student for primary and secondary schooling for minor dependents in overseas areas, as proposed by the House, instead of $285 as proposed by the Senate.

Amendments Nos. 35 through 40: General provisions: Change section numbers.

Amendment No. 41: General provisions: Reported in disagreement.

Amendments Nos. 42 through 53: General provisions: Change section numbers.

Amendment No. 54: General provisions: Reported in disagreement.

Amendments Nos. 55 through 63: General provisions: Change section numbers.

Amendment No. 64: General provisions: Reported in disagreement.

Amendment No. 65: General provisions: Reported in disagreement.

Amendment No. 66: General provisions: Strikes out language proposed by the House relating to flight pay.

Amendments Nos. 67 and 68: General provisions: Change section numbers.

Amendment No. 69: General provisions: Reported in disagreement.

Amendment No. 70: General provisions: Changes section number.

Amendment No. 71: General provisions: Reported in disagreement. The managers on the part of the House will move to recede and concur with an amendment adding the word "alteration" to the Senate language. The Committee of Conference is in agreement that the word "alteration" as proposed in this section is not synonymous with repair.

Amendment No. 72: General provisions: Strikes out language proposed by the Senate relating to retirement contributions for certain State civilian employees of the Army National Guard and the Air National Guard.

Amendment No. 73: General provisions: Strikes out language proposed by the Senate relating to representation allowances.

Amendment No. 74: General provisions: Reported in disagreement.

Amendment No. 75: General provisions: Reported in disagreement.

Amendment No. 76: General provisions: Changes section number.

GEORGE MAHON,
HARRY R. SHEPPARD,
CLARENCE CANNON,
GERALD R. FORD, JR.,
JOHN TABER,
Managers on the Part of the House.

Mr. MAHON. Mr. Speaker, this is the conference report on the defense appropriation bill. The comparable bill last year provided appropriations in the sum of $39,996,608,000. The bill this year provides appropriations for the Department of Defense in the sum of $46.5 billion, and if the House approves, $207 million for civil defense. So to the extent of more than $6 billion this is the largest peacetime defense bill in the history of our Government.

This bill is $3.7 billion over the bill which passed the House earlier in the year.

The President in his address to the Nation on the 25th day of July said that we would stand firm in the face of international tension, threat, and difficulty, and that this could mean war. We would express the hope, however, that war will not come.

The Commander in Chief has asked for this additional program to make our country stronger. It was already strong, but this will make the country stronger. We hope to diminish the likelihood of war, we hope to strengthen the hands of the President and our representatives in negotiations, and we hope this action will tend to open the door over the long pull toward more peace and tranquillity and stability in the world.

The House went to conference with the other body. The other body had adopted the increases asked by the President. Generally speaking the House conferees, Democrats and Republicans alike, took a position in favor of following the leadership of the President in this matter.

So, generally speaking, we agreed to the add on of about $3.5 billion.

The Chairman of the Joint Chiefs of Staff, the Secretary of Defense, and various civilian and military officials of the Department of Defense have urged approval of this program for a higher degree of readiness on the part of the Nation.

In the conference report I know of no specially controversial item of any great magnitude or significance. I shall place in the RECORD a general statement of what the final version of the defense appropriation bill contains.

Mr. Speaker, I have no desire to proceed at great length at this time. I will give abundant statistics—I hope they will be abundant—in the RECORD, which will be printed for today. I shall be glad to yield at this time to the gentleman from Michigan [Mr. FORD], the ranking minority member of our conference committee. May I say that he and I, the gentleman from California [Mr. SHEPPARD], and others, who worked on the conference, have worked together in a spirit of harmony, trying to carry out the will of the House and trying to do what is best for the country under the trying situation that confronts us today.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Speaker, the overall statement made by the gentleman from Texas, chairman of the subcommittee, and chairman of the House conferees, covers broadly the situation which we faced in conference. The material which I understand he will submit for the RECORD will lay out in detail the specifics

showing the facts from the beginning of this session up to this point. I hope that Members of the House will take time to read and analyze the various submissions, including the January budget, which called for approximately $41 billion, the March amendment submitted by President Kennedy which called for an additional $1.9 billion, the May add-on or amendment submitted by the President, which called for $225 million in addition; and, finally, the July amendment which called for an additional $3.4 billion.

I think it should be said here that despite the request in July by President Kennedy for an additional $3.4 billion, our committee in a hearing which was attended by the Secretary of Defense, Mr. McNAMARA, and General Lemnitzer, was assured that this new request for money and this new request for an additional 225,327 men did not mean any change basically in our overall military strategy.

Both Secretary of Defense McNamara and General Lemnitzer, Chairman of the Joint Chiefs of Staff, repeatedly said that this new request for money in the July budget add-on request, which involves more personnel, did not significantly revise our military strategy. This assurance was encouraging to us on the committee, because I believe we, as a nation, do have sound military plans and programs. We feel that our strategy is basically right and that it would be most disturbing if there would be a complete revision in our overall military strategy approach to our world problems.

Several Members have asked me in the last month what justified, in broad terms, the request for an additional $3.4 billion over and above what the House approved earlier this year. This question was also asked of Secretary McNamara and General Lemnitzer by members of our committee. Secretary McNamara stated to our committee, as he has stated to other committees in the last 3 weeks, that the changed Soviet attitude required this additional money for procurement and for personnel. He pointed out that the Soviet Union has recently canceled its previous decision to cut back military personnel. Secretary McNamara indicated that the Soviet Union had, in addition, programed greater expenditures for their military forces. He also conveyed to us that there were other indications that could not be discussed in public that would justify the additional money and more personnel.

On the basis of this overall situation, the House conferees substantially agreed with the Senate decision on the $3.4 billion. We did reduce the Senate bill approximately $185 million.

I should say that with reference to the $3.4 billion requested in July by President Kennedy, there is a substantial amount of money that may not be obligated and expended during this current fiscal year. This new money was requested in good faith. It may well be used; if necessary, it should be used. However, there are many contingencies in the plans which cannot be blueprinted specifically. There are many unforeseen difficulties down the road between now and the end of this fiscal year, and if these contingencies and unforeseen emergencies do not arise, it is quite likely that a rather substantial amount of this new money included in the July amendment will not be obligated.

Our committee has the assurance of the Secretary of Defense that if the need does not arise this additional money will not be expended. Naturally, it would be beneficial from the point of view of the country and the Treasury if this money were not obligated and spent. However, because of the difficulties we face, the crisis not only in Berlin but elsewhere, this money must be made available to the Department of Defense for the buildup in personnel and for additional procurement between now and June 30.

Mr. Speaker, I believe under the circumstances the conference report should be approved by the Members of the House.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I thank the gentleman.

I do want to get this matter in the RECORD and ask some questions, and I may need a little more time to do that. I have some specific points I want to try to pin down referring to certain items in the bill. Last year, when the conference report on the defense bill was before us I referred to page 43 of the House report where it spoke to the need for some positive integration of the long-line communications systems of all three services. I questioned the gentleman from Michigan [Mr. FORD] concerning this integration. The gentleman from Michigan [Mr. FORD] stated that, since the House action on the bill, the Secretary of Defense had signed the necessary documents to bring about this integration. I hoped that under the Secretary's directive creating a Defense Communications Agency there would be positive integration of the Department's long-haul, worldwide point-to-point communications system into a single Defense Communications System.

However, on May 9, 1961, the Chief of the Defense Communications Agency in testimony before the Senate Appropriations Committee stated the following:

> Fundamentally the Defense Communications Agency is a management or control agency erected over the existing, inbusiness, departmental systems. It does not replace the latter nor does it duplicate them. The respective military departments will continue to operate and fund for their specific components of the worldwide communicating systems which have been identified as elements of the Defense Communications System.

Therefore, I would like to ask the gentleman from Michigan [Mr. FORD] for the record now whether we have an integrated communications system or has there simply been added, in name only, a Defense Communications Agency without integration of the existing and duplicating military communications systems?

Mr. FORD. The Defense Communications Agency was activated this spring. They made a presentation for the first time this year before the committee. At the moment this is going through some growing pains. It is my feeling that a year from now we can give the gentleman a more authoritative answer on that point.

Mr. MAHON. Mr. Speaker, if the gentleman will yield, I think it might be said that the communications will still be operated by the services, but they will be supervised, controlled, and integrated by the Department of Defense itself. This operation is not proceeding as smoothly now as we believe it will in the future.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman.

Mr. McCORMACK. Of course, authority in law exists as a result of which the Secretary of Defense has absolute authority to proceed without going to the Joint Chiefs of Staff and in case of any differences, they have to come to committees of the Congress. The gentleman is aware of that.

The SPEAKER pro tempore. The time of the gentleman from Missouri [Mr. CURTIS] has expired.

Mr. MAHON. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I cannot ask these questions in 2 additional minutes. It so happens that the Defense appropriations bill is not just the concern of the Defense Appropriations Subcommittee.

There are other committees that are concerned about the impact of defense expenditures. We are talking about a budget that has a terrific impact on our entire economy. I wish that the gentleman from Texas would yield me sufficient time so that I could ask these questions and put them on record, so that we can move forward in trying to spend the defense dollar as effectively as possible. I cannot go into it in 2 minutes.

Mr. MAHON. How much time does my friend need?

Mr. CURTIS of Missouri. If the gentleman would yield me 5 minutes, I think I could use less.

Mr. MAHON. Mr. Speaker, I yield 5 additional minutes to the gentleman from Missouri.

Mr. CURTIS of Missouri. I thank the gentleman. I believe this is important enough to take the time of the House.

The next point, and this is something I wish to congratulate our own Appropriations Committee on, is the 2-percent cut on the procurement funds, which amounts to about $300 million.

The House Appropriations Committee report states:

> To fail to meet the economic challenge presented by the procurement and supply management requirements of the Department of Defense is to fail to meet the military challenge. * * * For several years we have seen some progress in the procurement and supply management program. It would be difficult, however, to exaggerate the necessity for making further progress in this area because much remains to be done. Billions of dollars plus military effectiveness are at stake.

Going further in the report, the committee states:

> Congress reduced each procurement appropriation by 3 percent in the fiscal year

1961 Department of Defense Appropriations Act in an effort to compel prompt remedial action in the procurement field. The committee feels that although some improvements have been made that similar action is again necessary and therefore has reduced each procurement program by 2 percent, a total of $308,286,000.

In assisting the gentleman from Texas [Mr. MAHON] in presenting this bill to the House, the gentleman from Michigan [Mr. FORD] said, with regard to the 3-percent procurement reduction of last year:

In interrogating the witnesses this year before the committee, not one witness said that our committee action and subsequent congressional action interfered seriously with their programs.

In other words, it would appear that the 3-percent procurement reduction effectively carried the message that the Congress meant business in serving notice that the admitted waste must be stopped and that procurement and supply management costs must be reduced.

I am also pleased to see the following statement in the Senate Appropriations Committee report:

Last year this committee underscored its grave concern with the numerous and admitted examples of waste and duplication in the area of procurement and supply management, and called on the Department of Defense to take immediate and vigorous steps to integrate its procurement, supply, and service activities.

The committee reiterates that it cannot stress too strongly to the Secretary of Defense the urgency of continued immediate and vigorous steps actually to integrate its procurement, supply, and service activities in order to provide maximum utilization of the defense dollar.

I also wish to congratulate the Secretary of Defense and the Deputy Secretary of Defense for standing firm for this 2-percent cut of this year in their appearances before the Senate Appropriations Committee.

Secretary McNamara said:

I think that in the circumstances we are in today, when we are asking for $3 billion more, it makes even more important the saving of the 2 percent. We propose to try to live with it.

In this connection, I should like to ask the gentleman from Texas [Mr. MAHON] or the gentleman from Michigan [Mr. FORD] if it is their feeling that the rapid buildup in procurement expenditures might result in more waste in procurement? Does it not mean, therefore, that the Secretary of Defense, the Comptroller General, and the committees of Congress will have to be even more vigilant?

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Texas.

Mr. MAHON. I think it is most important that the management of our defense effort proceed with the greatest caution and care in order that waste may be avoided and prevented. I am convinced from the statement that the gentleman has read as made by the Secretary of Defense that a genuine effort will be made in that direction. The committee will do all it can to encourage those who administer the program to make as much sense as possible out of all of these procurement programs and all the other programs. I hope the men at the top of the Pentagon can see to it that this program permeates throughout all the structure, including all the services.

Mr. CURTIS of Missouri. I thank the gentleman. I know the gentleman wants to cooperate, too.

Under existing law—namely, the O'Mahoney amendment of 1952 and the McCormack-Curtis amendment to the Department of Defense Reorganization Act of 1958—the Secretary of Defense has ample authority to integrate duplicative services and supply systems, merge overlapping depots and facilities, engage in more competitive and less negotiated bidding, and bring about other long-recommended reforms in procurement and supply management.

As a result of meetings and hearings of the Joint Economic Committee, Senator DOUGLAS, Congressman MCCORMACK, Congressman HÉBERT, and I have had meetings with Secretary McNamara, and I am convinced that he plans definite action to bring about these reforms. I, personally, would urge upon him that the best way to accomplish this is through the consolidation of the common supply and service activities of the military service into a common agency operating at his office level which is independent of the Congress.

Insofar as I have been critical of the piecemeal, slow approach to, and the study and restudy of these problems, I shall now continue to be critical in the future. However, I want to publicly assure the Secretary, he will have my support for what it is worth in his efforts to improve procurement and supply management, and I hope that he will have the strong support of the President. Without that strong Presidential support, his effort may well be in vain.

Mr. MORSE. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Massachusetts.

Mr. MORSE. Mr. Speaker, it is a pleasure to associate myself with the remarks of our distinguished colleague from Missouri [Mr. CURTIS].

I have sat through many hours of hearings in my Military Operations Subcommittee and I know of the numerous stumbling blocks that litter the way toward genuine unification of procurement and other activities in our defense establishment. It is with profound gratitude that I rise to compliment our House conferees who stood gamely by their guns during the conference on the Department of Defense Appropriation. Their firmness will result in a sizable savings for our taxpayers, without impairing our defense posture in any way.

Although the Senate concurred with the 2-percent cut we in the House voted in the procurement fund in the original defense appropriation bill, the Senate did not also apply this cut to the additional $1.8 billion procurement appropriation carried in the supplementary request submitted in July.

I wish to personally congratulate the House conferees, Chairman CANNON of the full Appropriations Committee; Chairman MAHON of the Defense Subcommittee; Congressman TABER, ranking minority member of the committee; Congressman FORD, ranking minority member of the subcommittee, and Congressman SHEPPARD. These gentlemen saw to it that the 2-percent cut was applied across the board to both the original and supplemental defense procurement appropriation.

As all of ur who have served in the military know, there is, and always will be, a certain amount of waste involved. Some of it is unavoidable. But there is no reason for such waste in procurement practices and I am glad to see that the Congress has taken the initiative by stripping from the money bill some of the fat from the muscle and sinew of our defense efforts. I hope that the administration will follow suit by implementing Hoover Commission recommendations pertaining to the Defense Department.

Incidentally, I cannot think of a finer birthday present for our beloved former President Herbert Hoover, who is 87 today, than such action.

(Mr. MORSE asked and was given permission to revise and extend his remarks.)

Mr. ROUSH. Mr. Speaker, we have neglected our civil defense efforts for too long. Year after year, the budget for civil defense has been trimmed and cut to the point where we have only given lipservice to this important activity. I oppose this amendment which would appropriate less than half of the money which the administration has requested.

This is an expenditure which I know has the support of all Americans. Since the President outlined the seriousness of the times we face, and described the necessity for an accelerated civil defense program, the papers in my district have been filled with local response to his plea. Local civil defense efforts are moving forward. The plans which have collected dust on the shelves of budgetless civil defense directors in towns, cities, and counties across my district are being opened and being acted upon.

Our people realize the need for civil defense. My district is in north central Indiana. There is an important SAC airbase in the northern part of the district, but that is the only truly strategic target in the district. My constituents would not be among those directly hit by nuclear attack, if war should come. With adequate civil defense preparations, the people in my district can all be saved from fallout dangers. Refugees from target areas which lie all around us can gather and take shelter there and regroup to carry the battle forward after the danger period passes. All this is possible only if adequate civil defense measures are prepared.

This is the story across the country. The people know the facts of nuclear war. They know the importance of civil defense and they want the protection it can offer. If we could put a price on human life and judge our total defense budget, I believe this expenditure of $207 million would be our most efficient expenditure. It means the difference between fractional destruction of our pop-

ulation and total annihilation of our people.

It represents the cheapest insurance we can buy for our people. We cannot afford not to do less than exert maximum energies on this project. I say defeat this amendment and pass the full request for civil defense funds. We cannot conscientiously do less than this for our people.

Mr. SHRIVER. Mr. Speaker, I want to express my full support of H.R. 7851 as it has been reported back by the conferees of the House.

My mail, and a recent poll which I took in my district clearly indicate that Americans are willing to pay the necessary price to assure ourselves of the strongest possible defense system.

In many respects, I believe, American citizens are ahead of responsible leaders in Washington in regard to the commitments they are willing to make, and the steps they would like to see taken to halt Communist encroachment not only in Europe, Asia, and Africa but, indeed, in our own hemisphere as well.

Within this defense appropriations bill the Congress is providing the resources to substantially strengthen the capabilities of our Armed Forces in any emergency.

Significantly, one of the controversial items in this bill—that of continued emphasis on manned bomber production—not only has remained in the bill but the appropriation has been increased for continued production of our long-range B–52H bomber and accelerated development of the B–70 supersonic bomber.

On June 12 of this year I stated to the House that since the Secretary of Defense had indicated that he would recommend against using additional funds for continued bomber production, we should look to the respective Appropriations Committees of both Houses for an intensive examination of administration and Air Force views in this matter.

Such an examination has been held by the distinguished members of these committees in the light of heightened international tensions and a revealing Russian air show.

The committees have had the opportunity of hearing such able military leaders as Gen. Curtis LeMay, Gen. Thomas White, and Gen. Mark Bradley attest to the importance of maintaining the manned bomber in our present weapon mix.

On the other hand, the Secretary of Defense has said that 700 B–52's and B–58's will be in America's operational inventory by July 1, 1966, and he is willing, at the moment, to cut off our Nation's production of these two bombers in 1962.

The Secretary has stated:

> Should an eventuality develop requiring us to reinstitute the B–52 production lines, we can, for example, do so in mid-1963 and produce for delivery during the period of 1965–67.

He has reported that the total restart costs would amount to approximately $245 million, and he indicated that the expected Boeing-Wichita personnel strength of approximately 9,400 in mid-1963 would be adequate to reopen the production lines.

First, I would like to point out that we would have to spend, according to the Secretary's estimate, one-quarter billion dollars of nonproductive money for which we would get no B–52H bombers, but merely preparation to start up production again. This represents almost one-half of the amount which is included in this bill for more airplanes.

Second, the restart cost is not the only factor involved in stopping and then starting the production lines. There are people needed to do the job. At this moment 21,500 trained technicians are working in Wichita on the Boeing production lines turning out 8 jet bombers for the Strategic Air Command each month.

If the Defense Department permits present production to phase out as currently scheduled in August of next year, most of those 21,500 skilled men and women will be lost to other lines of endeavor.

The 9,400 Boeing employees referred to by the Secretary as being available in 1963 will be engaged in modification assignments and other endeavors not related to beginning anew the production of the B–52.

Another important consideration in restarting such production of B–52 bombers would be the availability of 4,800 subcontractors turning out the thousands of essential items going into this weapon. I have been told that many of these subcontractors are already completing their work on present orders. Many of these firms are small businesses which have been able to thrive and develop solely because of their important assignment in producing parts for this bomber. After they complete their present contracts, many will turn to new endeavors and unfortunately others may go out of business entirely.

I know that the Secretary of Defense has given most careful consideration to his views in this matter, and I know that he has had the benefit of the finest military counsel on all matters related to the defense of our Nation.

However, it is the responsibility of the Congress to provide for the common defense—and this we are doing in this bill.

It has been the best considered judgment of some of our most able Members, who have become expert in this subject through years of experience, that we should provide funds to keep production lines open for America's long-range manned bomber and speed up development of a supersonic bomber.

I believe all Americans will rest more securely if they know that the Congress and the administration have taken every possible action to keep all proven weapons coming off the production lines and at the same time speed the development and production of new weapons.

Mr. RIEHLMAN. Mr. Speaker, we are concerned with millions of dollars here today. Infinitely more important, there is a real chance that we are concerned with millions of lives. Effective civil defense can mean the difference between saving or losing millions of lives in the event of a nuclear attack. It is folly to assume that we cannot survive such an attack. We can survive and we can recover, and I believe it is our solemn obligation to our heritage and to our people to take every reasonable step to provide these capabilities.

The Military Operations Subcommittee, under the able direction of my colleague from California [Mr. HOLIFIELD], has just completed hearings on the administration's approach to civil defense. Although I must state frankly that I have some reservations about certain aspects of the President's program, I do feel that the essential first step toward successful operation was taken with the transfer of major civil defense responsibilities to the Secretary of Defense. This is a move I have advocated for many years.

This program is moving in the right direction. If these early days are used to build a solid foundation for effective action I am certain civil defense will eventually be lifted to the level of importance it deserves as an essential element of our deterrent posture.

It is too soon to expect miracles. And it is too soon to deflate this serious effort to increase our civil defense capability.

I urge that this program, which I deem so vital to our Nation's security, not be shunted into the closet as it has been in the past. Do not let it be undermined by past prejudices and apathies.

Later on when we have had time to carefully observe this administration's effort, then we will have a basis for a more objective appraisal. You may be certain that the Military Operations Subcommittee, the Armed Services Committee, and the Appropriations Committee will not let this program out of their collective sight.

I submit that this is no time to take to the civil defense program with a paring knife. I urge that the House vote for the addition of the full $207.6 million for civil defense purposes.

Mr. MAHON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the adoption of the conference report.

Mr. MAHON. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 383, nays 0, not voting 57, as follows:

[Roll No. 144]

YEAS—383

Abbitt	Bates	Bromwell
Abernethy	Battin	Brooks, La.
Addonizio	Becker	Brooks, Tex.
Albert	Beckworth	Broomfield
Alford	Beermann	Brown
Alger	Belcher	Broyhill
Andersen, Minn.	Bell	Bruce
Andrews	Bennett, Fla.	Burke, Ky.
Arends	Bennett, Mich.	Burke, Mass.
Ashbrook	Berry	Burleson
Ashmore	Betts	Byrne, Pa.
Aspinall	Blatnik	Byrnes, Wis.
Auchincloss	Blitch	Cahill
Avery	Boland	Cannon
Ayres	Bolling	Casey
Bailey	Bolton	Cederberg
Baker	Bonner	Chamberlain
Baldwin	Bow	Chelf
Baring	Boykin	Chenoweth
Barrett	Brademas	Chiperfield
Barry	Bray	Church
Bass, Tenn.	Breeding	Clancy
	Brewster	Clark

Cohelan	Johnson, Wis.	Pike
Collier	Jonas	Pillion
Colmer	Jones, Ala.	Pirnie
Conte	Judd	Poage
Cooley	Karsten	Poff
Corbett	Karth	Price
Corman	Kastenmeier	Pucinski
Cramer	Kearns	Quie
Cunningham	Kee	Rains
Curtin	Keith	Ray
Curtis, Mass.	Kelly	Reece
Curtis, Mo.	Keogh	Reifel
Daddario	Kilday	Reuss
Dague	Kilgore	Rhodes, Ariz.
Daniels	King, Calif.	Rhodes, Pa.
Davis, John W.	King, N.Y.	Riehlman
Delaney	King, Utah	Riley
Dent	Kirwan	Rivers, Alaska
Denton	Kitchin	Robison
Derounian	Kluczynski	Rodino
Derwinski	Knox	Rogers, Colo.
Devine	Kornegay	Rogers, Fla.
Diggs	Kowalski	Rogers, Tex.
Dingell	Kunkel	Rooney
Dole	Kyl	Roosevelt
Dominick	Laird	Roudebush
Donohue	Lane	Roush
Dorn	Langen	Rutherford
Dowdy	Lankford	Ryan
Downing	Latta	St. George
Doyle	Lennon	St. Germain
Dulski	Libonati	Saund
Durno	Lindsay	Saylor
Dwyer	Lipecomb	Schadeberg
Edmondson	Loser	Schenck
Elliott	McCormack	Scherer
Everett	McCulloch	Schneebeli
Fallon	McDonough	Schweiker
Fascell	McDowell	Schwengel
Feighan	McFall	Scott
Fenton	McIntire	Scranton
Findley	McSween	Seely-Brown
Finnegan	McVey	Selden
Fisher	Macdonald	Shelley
Flood	MacGregor	Sheppard
Flynt	Machrowicz	Shipley
Fogarty	Mack	Short
Ford	Madden	Shriver
Forrester	Magnuson	Sibal
Fountain	Mahon	Sikes
Frazier	Mailliard	Siler
Frelinghuysen	Marshall	Sisk
Friedel	Martin, Nebr.	Slack
Fulton	Mason	Smith, Calif.
Gallagher	Mathias	Smith, Iowa
Garland	Matthews	Smith, Miss.
Garmatz	May	Smith, Va.
Gary	Meader	Spence
Gathings	Merrow	Springer
Gavin	Michel	Stafford
Giaimo	Miller, Clem	Staggers
Glenn	Miller, George P.	Steed
Goodell	Miller, N.Y.	Stephens
Goodling	Milliken	Stratton
Granahan	Mills	Stubblefield
Grant	Minshall	Sullivan
Gray	Moeller	Taber
Green, Oreg.	Monagan	Taylor
Green, Pa.	Montoya	Teague, Calif.
Griffin	Moore	Teague, Tex.
Gross	Moorehead, Ohio	Thomas
Gubser	Morehead, Pa.	Thompson, N.J.
Hagan, Ga.	Morgan	Thompson, Tex.
Hagen, Calif.	Morris	Thomson, Wis.
Haley	Morrison	Thornberry
Halpern	Morse	Toll
Hansen	Mosher	Tollefson
Harding	Moss	Trimble
Hardy	Moulder	Tuck
Harris	Multer	Tupper
Harrison, Wyo.	Murphy	Udall, Morris K.
Harsha	Murray	Ullman
Harvey, Ind.	Natcher	Utt
Harvey, Mich.	Nelsen	Vanik
Hays	Nix	Van Pelt
Hébert	Norblad	Van Zandt
Hechler	Norrell	Wallhauser
Hemphill	Nygaard	Walter
Henderson	O'Brien, Ill.	Watts
Herlong	O'Brien, N.Y.	Westland
Hiestand	O'Hara, Ill.	Whalley
Hoffman, Ill.	O'Hara, Mich.	Wharton
Holifield	O'Konski	Whitener
Holland	Olsen	Whitten
Horan	O'Neill	Wickersham
Hull	Osmers	Widnall
Ichord, Mo.	Ostertag	Williams
Ikard, Tex.	Passman	Willis
Inouye	Patman	Wilson, Calif.
Jarman	Pelly	Wilson, Ind.
Jennings	Perkins	Wright
Jensen	Peterson	Young
Joelson	Pfost	Younger
Johansen	Philbin	Zablocki
Johnson, Calif.		Zelenko
Johnson, Md.		

NAYS—0

NOT VOTING—57

Adair	Ellsworth	Lesinski
Addabbo	Evins	McMillan
Alexander	Farbstein	Martin, Mass.
Anderson, Ill.	Fino	Pilcher
Anfuso	Gilbert	Powell
Ashley	Griffiths	Rabaut
Bass, N.H.	Hall	Randall
Boggs	Halleck	Rivers, S.C.
Buckley	Harrison, Va.	Roberts
Carey	Healey	Rostenkowski
Celler	Hoeven	Rousselot
Coad	Hoffman, Mich.	Santangelo
Cook	Holtzman	Thompson, La.
Davis, James C.	Hosmer	Vinson
	Huddleston	Weaver
Davis, Tenn.	Jones, Mo.	Weis
Dawson	Kilburn	Winstead
Dooley	Landrum	Yates

So the conference report was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Farbstein with Mr. Halleck.

Mr. Harrison of Virginia with Mr. Adair.

Mr. Ashley with Mr. Hosmer.

Mr. Addonizio with Mr. Hall.

Mr. McMillan with Mr. Martin of Massachusetts.

Mr. Anfuso with Mr. Rousselot.

Mr. Davis of Tennessee with Mrs. Weis.

Mr. Evins with Mr. Ellsworth.

Mr. Santangelo with Mr. Bass of New Hampshire.

Mr. Yates with Mr. Kilburn.

Mr. Holtzman with Mr. Hoeven.

Mr. Coad with Mr. Weaver.

Mr. Gilbert with Mr. Fino.

Mr. Carey with Mr. Anderson of Illinois.

Mr. Rostenkowski with Mr. Hoffman of Michigan.

Mr. Healey with Mr. Dooley.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 27, line 7, insert the following:

"TITLE V

"CIVIL DEFENSE, DEPARTMENT OF DEFENSE

"For expenses, not otherwise provided for, necessary for carrying out civil defense activities, including the hire of motor vehicles and the providing of fallout shelters in existing or new Government owned or leased buildings, as authorized by law, $207,600,000."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein.

Mr. TABER. Mr. Speaker, I ask for a division of the question.

The SPEAKER pro tempore. The question is, Will the House recede from its disagreement to the amendment of the Senate numbered 26?

The House receded from its disagreement to Senate amendment No. 26.

Mr. MAHON. Mr. Speaker, when St. Paul was on the road to Damascus he was suddenly struck with a great light and he changed his viewpoint and he reversed his position from that day following. There was a time in this country—since World War II and extending over a period of years—when there was a disinclination to take seriously the possibility that there might actually be an atomic war. To some extent in recent years many of us—and I speak of myself among others—have had the inclination to brush aside with a wave of the hand the question of civil defense. But the time has arrived, the hour has struck, when the people of this Nation, if they are wise, will take steps to try to save the lives of tens of millions of civilians in the event a nuclear war should come.

It would be tragic if the historians of the future, if any should survive, should look back upon our country and report that even in the face of all manner of threats against our security and all manner of military programs to destroy the enemy we failed at this time to provide a civil defense program which would have saved tens of millions of lives of American citizens.

So I think many of us will today more or less reverse some of the positions we have taken in the past and support a civil defense program which is meaningful.

We are aware of the fact that we have Strategic Air Command bases all over this land. We are in the process of rapidly establishing intercontinental ballistic missile bases all over this country. They would be prime targets of the enemy in the event of nuclear war. We estimate that the opponent has intercontinental ballistic missiles with considerable accuracy, and we know of his long-range bomber buildup. So it becomes imperative that we take steps to meet the situation from a strictly military standpoint and from a civil defense standpoint.

This whole program has been reoriented by the administration. I think it has been put where it belongs, in the Defense Department. Civil defense generally, as I understand it, is now in the Defense Department, under civilian control in the Defense Department. I do not know that the entire $207 million requested will all be spent with maximum effectiveness. I suspect that it will not. I do have a statement of the Secretary of Defense, who is responsible for this matter. He is decidedly one of the very ablest men I have encountered in Government in Washington. Here is the statement of Secretary McNamara:

I want to assure you that, before committing the funds which the President has requested of Congress in support of the program, I shall personally review the proposed expenditures in detail, and I shall satisfy myself as to the necessity of each program item to carry out the President's objectives.

On behalf of the committee I am calling on the Secretary to give us a periodic report on this program.

This Subcommitee on Defense Appropriations has previously not handled civil defense. We make no claim of being experts in this field. We have not had the opportunity to explore matters of civil defense as much as we should like, and I doubt that the subcommittee will continue to handle the funds for civil defense, but we are trying to do the best we can in the face of the situation which confronts us.

Further, the Secretary said this:

As I stated in my testimony * * * on July 26 in administering the civil defense

program I intend to be guided by the principle that whatever expenditures are undertaken for civil defense projects must be directed toward obtaining maximum protection for the lowest possible cost. The program that we have submitted is itself designed to produce many million shelter spaces at the lowest possible cost—a cost we estimate at $4 per person, including finding, marking, and stocking the shelter spaces with essentials for survival.

This $207 million does not provide for a tremendous shelter building program. If that comes it will come later, and Congress will have to approve.

This program would provide for the shelter program to which I have made reference, warning and detection, emergency operations, and research and development, at a total cost of $207,600,000. I firmly support this proposal as I think it is a matter of undertaking to save several million lives.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. This provides $207 million in addition to what was appropriated in, I believe, the independent offices appropriation bill?

Mr. MAHON. I believe that is correct.

Mr. GROSS. What is the total amount, if the gentleman is able to tell the House?

Mr. MAHON. I believe the previous appropriation by the Congress for civil defense was $82 million, and this would provide $207 million.

Mr. GROSS. That is about $300 million then?

Mr. MAHON. And it might save 10 million lives.

Mr. GROSS. Does the gentleman's committee have any information as to what the Russians are doing by way of accelerating civil defense measures in Russia and, particularly, in the cities of Russia? Are they doing anything?

Mr. MAHON. The information which has been in the press would indicate they have a very ambitious program, a compulsory training program, a program of considerable magnitude. One of the deterrents to war is the ability to absorb an attack, and one of the deterrents to war against this country will be our ability to absorb an attack, and if we are able to carry out a civil defense program which is effective—and, of course, it is going to be difficult to have one that is effective—it will be a deterrent to war.

Mr. GROSS. If the gentleman will yield further, we have people, as I understand it, in Moscow and in other cities of Russia and, obviously, they can find out at least to some extent what the Russians are doing in this regard.

Mr. MAHON. According to the press reports, an extensive hearing was held by the subcommittee headed by the gentleman from California [Mr. HOLIFIELD] on yesterday, I believe, and some of that has been reported in the press. I have before me also a page of the CONGRESSIONAL RECORD containing an extension of remarks by the gentleman from Illinois [Mr. PUCINSKI] as to what Russia is doing about civil defense. I have not had the opportunity to read the latter statement.

Mr. GROSS. The question is, How reliable is that information?

Mr. MAHON. I am not able to state.

Mr. GROSS. I am not questioning the gentleman from Illinois [Mr. PUCINSKI], of course, but I am wondering how reliable that information is. If it is just information from another correspondent from some foreign newspaper, I will tell the gentleman that I do not rely on that sort of information. But, in your committee you have appearing before you military experts connected with our military services. We have military attachés in Moscow. We have an ambassador in Moscow. Surely, these people can tell us whether the Russians are doing anything in this regard.

Mr. MAHON. We have been told throughout the years that they do have a program. I have listened to testimony from defense and intelligence witnesses on the subject but I cannot give a statement as to the exact nature of the Soviet program. We all know, however, I believe, that the nature of the construction of their homes is such that they have greater ability to withstand an atomic attack in some respects than we have.

But, regardless of what the Soviet Union is doing, I am interested in what the United States is doing. If the United States is seriously talking of going to war, if necessary, to maintain its position, it must—I say to my friend from Iowa—provide the best defense program reasonably possible—and included in that is the defense and preservation of the lives of our people generally.

Mr. GROSS. Did you have a witness from the Department of State or from the military before your subcommittee testifying in behalf of civil defense?

Mr. MAHON. We had Gen. Lyman L. Lemnitzer, the Chairman of the Joint Chiefs of Staff and Secretary of Defense McNamara.

Mr. GROSS. Did they testify on civil defense?

Mr. MAHON. They testified on the subject of civil defense.

Mr. GROSS. Did they testify on civil defense measures as related to what is happening in Russia and what is taking place there?

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I point out that no one can differ with my chairman, if you will permit me to say so, so far as the end objective that we have in mind. We should give every attention under present conditions to make proper provision for protection of the civilian population. It is a must. However, from my years of service on the Defense Appropriation Subcommittee, dealing with all defense, so frequently we seem to think that when we appropriate a whole lot of money that we have done the job.

Through the years I have seen the Office of Civilian Defense come up with many unsound and wasteful proposals.

The facts are that on these particular items our subcommittee on the House side has not had any hearing worthy of the name because we thought this budget request would be handled by another subcommittee. Is that not correct?

Mr. MAHON. I believe my friend from Mississippi will recall the testimony of General Lemnitzer and Secretary McNamara before our committee in the hearings.

Mr. WHITTEN. Recently, but they did not go into the details. We thought that would be before another subcommittee and we assumed that the particular justification would not be presented to our subcommittee. I believe I am correct about it.

Mr. MAHON. His statement was presented and some indication was given. It was anticipated that this item would be handled by another subcommittee and we would have been delighted to have had it handled by some other subcommittee.

Mr. WHITTEN. I am not questioning the statement of my chairman or differing with what he means, but having had experience with the civil defense setup, I know that unless somebody rides close herd on these funds we will find that a lot of the money has been spent unwisely. Review the history of civil defense, its requests and its plans.

In 1952 I happened to serve on the subcommittee dealing with civil defense. The agency wanted a lot of money at that time. Their plan to divide the country into regions and to build big central warehouses and store them with firetrucks, firefighting equipment, drugs, and other things that might be needed in time of emergency. Their plan was to have civil service employees sitting around there waiting for something to happen.

At that time our committee insisted that it would be much more sensible to make a major catalog showing what was available, say, in Baltimore, that could be called on by Washington in the event of something happening here, and vice versa, so that instead of spending millions and millions of dollars for equipment which was in very short supply, held in a central location where the tires would probably be flat and the batteries dead, the drugs out of date, and the food spoiled. When the emergency arose, we caused them to set up a major catalog whereby you could tell what you could get in time of emergency that had been in moving stock. After all, the Government can requisition private property under such conditions and pay later.

I say again, with no detailed hearings before our subcommittee and with the present public feeling about wanting to be safe, it goes without saying, with $300 million being appropriated, unless somebody rides close herd on the handling of this program, a lot of this money will be wasted, and the public will get little real protection.

As I say, I do not say this in criticism of my friend from Texas, because I know the situation in which this item came up; but I say whatever subcommittee handles this should read the history of this whole civil defense agency, and take advantage of the record that has been made so that we will see that we get

civil defense for the money we appropriate. We are all for protection and we cannot very well vote against the money request, but in effect what we are doing is giving a blank check to a group which has been rather unsound in their planning in the past so far as getting maximum protection for the money spent is concerned.

Mr. MAHON. I thank the gentleman for his contribution. It is true that this matter must be watched very carefully. It is true that in days past there has been considerable ineffectiveness in this program, like the proposed evacuation of our major cities in the event of attack and impractical things of that kind.

But this program can be reoriented. It is being placed under the Defense Department, where I believe it belongs, in civilian hands in the Defense Department, and I have confidence that the mistakes of the past will not be repeated.

It will be up to us to ride herd and see that these funds are well spent, and that any additional funds are wisely expended in the interest of saving American lives.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield.

Mr. JONAS. I would like to say that I join the gentleman from Texas in his expression of concern for the survival of our civilian population in the event of attack. I happen to have a family of my own; I am interested in that family, and I am interested in the people I represent. I am willing to vote for any reasonable amount of money or whatever the experts decide is necessary to provide for the safety of the civilian population of our country. But the thing that concerns me is the fact that we have here a brandnew item of $207 million put in this bill by the other body without any hearings by any House committee, except what I understand was a rather casual hearing before the Defense Subcommittee.

The Independent Offices Subcommittee conducted extensive hearings on civil defense a month or so ago. We brought a bill to the House which contained $82 million for civil defense. I also have the privilege of serving on what is known as the Deficiencies Subcommittee, which committee is engaged in hearings right now. We had hearings yesterday, the day before, and today. Normally, this item would have been referred to the Deficiencies Subcommittee. However, I am not complaining because it was not. I am merely saying if it had been referred to our subcommittee, we would have conducted hearings; we would have had an opportunity to examine the people who made up these estimates. I know the estimates were hastily gotten together, because no mention of these new programs to be financed by this bill was made when we had the civil defense bill under consideration.

Mr. MAHON. This package was submitted not to the House Appropriations Committee but to the Senate Appropriations Committee.

Mr. JONAS. I understand that. It was submitted after the House had completed action on the defense appropriation bill, and after the Independent Offices Subcommittee had completed its work on the independent offices bill.

I think it is correct to say that there have been no hearings on the House side at which these items were undertaken to be justified. Am I correct?

Mr. MAHON. I would not say that is correct. There were hearings before a committee. We discussed these matters, and they were discussed before the Senate committee, as the gentleman knows. We discussed these matters with the Secretary of Defense and the Chairman of the Joint Chiefs of Staff, but not extensively.

Mr. JONAS. Not in detail.

Mr. MAHON. If we had 4 weeks of hearings, I do not know substantially what more could be done. I listened to the proposal to find as many places as possible where people can be sheltered, to mark those places, and to provision them. It is proposed at the rate of $4 per person to try to save lives in the event of nuclear war.

We are faced with a crisis over Berlin. I do not think anybody can give the gentleman an exact blueprint of how this program will be handled. But the Secretary of Defense and his people have the responsibility. They will report to us on their progress. They have said that not any of the money will be expended without a thorough recheck of all requirements involved. I do not know of much more we can do about it. We can appropriate the money, but we do not have the authority to administer the program.

Mr. JONAS. How did they tell you the $93 million will be spent? Who is going to make the survey?

Mr. MAHON. It will be done under the auspices of the Navy Department, the Yards and Docks Bureau of the Navy Department, one of the most efficient in the Government; also the Corps of Engineers will have a part. This will not be a political boondoggle.

Mr. JONAS. I wonder whether there was any breakdown of the $93 million. That is a good round sum to bring out of the air. Will it be apportioned among the 50 States? Are they going to spend so much money in each State, in each naval district? Or how will the money be spent?

Mr. MAHON. I do not know whether they know specifically and in detail how it will be spent. This is one of the things they have to determine by a study of this program.

Mr. JONAS. If they are going to mark the available shelter spaces for the civilian population, they ought to do it in all sections of the country, because the people in my section are just as precious as those in other sections. I think that if these shelters are marked they should be marked on a nationwide basis.

Mr. MAHON. Oh, yes; I agree fully.

Mr. JONAS. And not individual cities.

Mr. MAHON. They will be marked on a nationwide basis. All of the shelters in the world would not protect lives under certain conditions.

Mr. JONAS. I just thought there ought to be some plan that has been evolved and decided upon and that we ought to know about it.

Mr. MAHON. This is the place to find out what we have and what we can best do.

Mr. JONAS. We are getting ready to appropriate $207 million in addition to the $82 million we have heretofore appropriated. But we do not know how the money is to be spent. I think a request for $207 million deserves a more detailed explanation or justification than has been given the House of Representatives.

I think it is encumbent on us to know how this money is going to be spent; to be sure that the plans are going to be adequate; and that these sums are clearly justifiable as being necessary; and that the money will be spent prudently.

Mr. MAHON. I agree with the gentleman that a more detailed justification would be desirable, we must keep in close contact with the situation. We know that we have the authority to be advised about it. We have investigators and staff people, as well as ourselves, and we can keep in close contact with this thing as it develops. But, we do not want to be too little and too late. We could defer it to the next session of the Congress and have better justification, but it would not make sense, it seems to me.

Mr. JONAS. Can the gentleman tell us whether it is contemplated that this survey will be completed before the end of the current fiscal year?

Mr. MAHON. I think it will be, but I do not know exactly what the time schedule is. I do not think anybody in the United States knows when it will be completed. But, I believe it will be in good hands under the supervision of the Army Engineers and the Bureau of Yards and Docks.

Mr. JONAS. I have no quarrel with the Corps of Engineers or the Bureau of Yards and Docks. I just thought it would have been better—and we have plenty of time—to have witnesses from the departments come before the appropriate committee of the House of Representatives and spell out what they mean to do with this money and give us some detailed justification so that we can decide whether they need $207 million or $307 million, because, after all, if we are going to just accept their figures without any study or investigation, we are not doing our duty as I see it.

Mr. MAHON. I will say to the gentleman that in addition to the hearings which we did have, some of the members of the subcommittee, including myself, conferred with the Secretary of Defense informally. I do not know what more information of a basic nature could be provided other than what is now available to us.

Mr. JONAS. The gentleman is chairman of one of the most important and powerful subcommittees of the House. I am sure that you require more justification in procurement hearings and in other defense hearings than you required in this matter; is that not true?

Mr. MAHON. That is correct.

Mr. JONAS. Maybe the emergency justifies giving them the money without any hearing, and I am not going to vote

to take this money out of the bill. I repeat that I am interested in civil defense and I am interested in providing protection for the civilian population. But I think the Defense Department should have given this Congress and the House of Representatives a more detailed program, a better breakdown on how they plan to spend this money, and a more complete justification, instead of asking us in effect for a $207 million blank check.

Mr. MAHON. I am sure the gentleman's subcommittee which has the authority to call witnesses before the committee for any further hearings in connection with this matter will fully explore it. I do not believe they can give a great deal more information at this time. This civil defense request went to the Senate. It was put in the Senate bill. It is part of the defense buildup of the country in the light of the threat to our security and survival, and I believe that it is in the best interests of the country to support this program at this time. I am in favor of marking these shelters, and I am in favor of research and development, to give the people better advice as to what they can do for themselves. I do not think this program is overambitious; it may not be as ambitious as it should be.

Mr. Speaker, I now yield 5 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Speaker, this situation in which we find ourselves is most unique. It has been precipitated by the emergency that the President has indicated. It must be said that the testimony before our subcommittee on defense appropriations on this request cited the $207.6 million as a minimum.

The basic difference between the kind of hearings we hold on the entire defense bill and this matter is that in the defense hearings we go into the matters in detail and we publish the hearings. On this item some minimal hearings were held. As I understand it, the likelihood is that the hearings that were held will not result in a publication of the testimony. I think the committee should publish the testimony. I think it should be made available for the House Members and the public, even after the fact.

Second, this $207,600,000, you might as well know right today, is the downpayment on a far bigger program, a substantially larger program.

Mr. Speaker, this $207,000,000 plus should be added to the $86,550,000 which was approved by the Congress within the last week or so. That additional money came from the Independent Offices Subcommittee of the Committee on Appropriations. The question has been raised that if we do not vote for this, are we not going to be a party to the potential loss of a substantial number of American lives, providing of course there is an attack. I want you to know that if we give the Defense Department or any agency in the Federal Government a free hand in this civil defense program, and our approval of this amount may lead them to that conclusion, we are going to be spending not $300 million a year in civil defense, but possibly a billion dollars, or $2 billion annually. If that comes to pass, without efficient management and intelligent handling of the funds we will figuratively kill or destroy a lot of taxpayers with the added expense of this program.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I will be glad to yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Speaker, I think the record ought to show that when the civil defense people were before our subcommittee they did not ask but for $4.5 million for research and development and they received from our subcommittee $1.5 million in that item; also $21.6 million for emergency supplies and equipment. That is in addition to the items contained in this bill.

Mr. FORD. Mr. Speaker, I have in my hand the justification sheets that were submitted to us by the Defense Department for this program. It is a request for $207.6 million. I have had one of the members of our committee staff check the number of pages of testimony that justified this request, and there are 20 pages here that include the alleged justification for this amount. That is about $10 million a page, which I think averages about 30 lines a page. We in all sincerity cannot justify recommending this amount of money based on the material I have in my hand, or on the testimony that has been submitted to our committee. I say that the emergency rather than the facts justify anybody—anybody—voting for this down payment on a much larger program that will inevitably come before the Congress. It seems to me that we ought to look apprehensively at what we are doing. Although I would have preferred a dollar reduction in the program, it is my view that we are in a box and we will probably have to approve it without revision.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Texas.

Mr. MAHON. Does not the gentleman feel that under the circumstances we should appropriate substantially the amount of money provided here, substantially the $207 million?

Mr. FORD. As the gentleman knows, in the conference I felt that we should not give all of the $207,600,000. I thought we should have made some token reduction. I still feel that way.

Mr. MAHON. What magnitude of appropriation would the gentleman desire?

Mr. FORD. I personally suggested then and I would support now the sum of $190 million.

Mr. MAHON. A reduction of $17 million?

Mr. FORD. Seventeen million eight hundred thousand dollars.

Mr. MAHON. I just wanted the House to know that this is not a partisan matter.

Mr. FORD. No, absolutely not.

Mr. MAHON. As far as I know, on both sides there is some reservation as to what should be done but, generally speaking, most of us feel this is a move in the right direction.

Mr. FORD. I believe that we could justify a $17 million-plus reduction because the evidence was not ample to justify $207 million. Our guess would be as good as their guess. I believe that the facts, if you will look at the evidence, will show that. So, if we have no alternative, I will accept the higher amount, but I would prefer the lesser figure.

Mr. MAHON. Mr. Speaker, I feel this $207 million is not a magic figure. On the other hand, I feel that this sum of money is more or less a symbol of America's determination to remain firm even though war comes and we are attacked. I believe the chance for peace will be greater under the circumstances if we stand firm. So in order not to becloud the issue, I personally would like to see no reduction made in this symbolic action on the part of Congress with respect to civil defense.

Certainly our Committee on Appropriations will have an opportunity to go more thoroughly into these various items. The sum requested is an understatement of our requirements, in my opinion, not an overstatement of the requirements. I would hope we could go along and present a united front at this time without any implication at all that for all time to come we will give the Secretary everything he wants for civil defense. That is not in the picture. It is not anticipated at all.

Mr. BATES. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Massachusetts.

Mr. BATES. I want to congratulate the gentleman from Texas. Certainly I support the position he takes. This is a good start in civil defense. We have discussed this matter for so many years and taken such little action that time is running out on us. One of the prime reasons is that there is no committee of the House that is studying and recommending a solution to the problem that exists.

Earlier in the year I presented to the Committee on Rules a resolution for the purpose of establishing a select committee to study civil defense. The gentleman from California [Mr. HOLIFIELD] has had extensive experience in the field, as has the gentleman from New York [Mr. RIEHLMAN]. We should have on this committee members of various committees, people who have responsibility in this particular field, so we can move ahead. These are dangerous days, and we should wake up and realize it. One bomb alone today contains more explosive power than a trainload of TNT extending from Boston to Mexico City. That is the kind of world we are living in. We have taken no real action in this field. We had better do it, and do it promptly. In 2 or 3 years we will be subjected to blackmail. I do not want to find my country in that position.

Mr. MAHON. Does the gentleman agree that there might be considerable absurdity in being so concerned about national defense and world conditions that we would provide in appropriations $46 billion on the one hand for the Department of Defense and refuse to provide the $207 million to protect the lives

of millions of American citizens in a civil defense program?

Mr. BATES. A study was conducted by the very able gentleman from California [Mr. HOLIFIELD]. If a shelter at an average price of $150—$50 less than the cost of a good television set—was put in each home, we would save approximately 45 million lives. By doing this we could reduce a potential loss of 2 million people, but it seems to me that if the Russians knew that 2 million, not 75 or 100 million Americans, would be killed, we would have no worry about war. Time is running out, and we should do something about this.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina [Mr. RILEY].

Mr. RILEY. Mr. Speaker, I want to associate myself with the gentleman from Texas in urging the House to adopt this resolution for the defense of the people of this country. The primary object of the defense forces is to defend and protect the people of this Nation. In modern war, it is necessary to protect the civilian population just as it is necessary to keep the aggressor from coming into the country. The civilian population is in danger in modern war; and I think the President has made a wise decision in putting the civil defense program into the hands of the Department of Defense, because the Army, the Navy and the Air Force have organizations in being that can handle such problems. The gentleman from Massachusetts has just said that time is running out, and it is time to have an organization that is prepared to move and take care of this situation.

So I urge my colleagues, Mr. Speaker, to adopt this resolution. This $207 million is a mere pittance to take care of the civilian population of America. This action on our part will show the world we mean business, and that we mean to protect ourselves, including our own families here in America.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, in order to clarify the situation, I would like to ask my friend, the gentleman from New York [Mr. TABER] a question so that we may know just what the issue is.

As I understand it, the gentleman from New York intends to offer an amendment?

Mr. TABER. That is correct.

Mr. McCORMACK. Will the gentleman advise what the amendment is?

Mr. TABER. The amendment is to knock out the $93 million for surveys.

Mr. McCORMACK. Now we have the question clarified.

Mr. Speaker, I think the position taken by the distinguished chairman, the gentleman from Texas [Mr. MAHON], and the distinguished gentleman from Michigan [Mr. FORD] is one which seems to me to be sound. In the case of the gentleman from Michigan, he would like to see a $17 million reduction, but on the other hand he is going to vote, as I understand it, for the present $207 million plus, if that is the question before the House. In other words, with the question as it will be, he will support Chairman MAHON. Many years ago, I made a speech—and when I say many years—I mean 8 or 10 years ago, to a conference of mayors which was being held here in Washington. In that speech, I said I considered civil defense to be the fourth arm of our national defense. I have felt that way throughout the years. I was very glad when civil defense was transferred to the Defense Department. I think that is a step in the right direction and a sound step because it is a recognition of the fact that civil defense is a part of our national defense.

I picked up this morning's newspaper and I find where Mr. Khrushchev yesterday under the guise again of talking peace makes his threats of war. In the course of the remarks he made yesterday in Moscow, he is reported to have said that scientists in the Soviet Union could build a bomb with the explosive equivalent of 100 million tons of TNT. That is along the line of confirming what the gentleman from Massachusetts [Mr. BATES] has said. As a matter of fact, the United States, our country, and I assume the Soviet Union could build one bomb that could destroy everybody on earth—but who would be crazy enough to do that? The fact is—this appropriation is the starting point of real civil defense as one of our colleagues has said, the gentleman from Michigan [Mr. FORD]. I am voting for the $207 million plus with this part in mind. I do not think that $207 million and the other $82 million that was previously appropriated is going to anywhere near meet the problem of civil defense in connection with shelters or otherwise.

We have got to face the reality, but what we do today is going to be an important step in the right direction. This is the first real concrete step we have taken in connection with recognizing the importance of this problem.

I think it would be a great mistake if we were to adopt the amendment to be offered by my friend the gentleman from New York [Mr. TABER]. The Appropriations Committee can follow through. The big program is going to come later on. It will then receive careful committee consideration. We must fact the realities of the day. We are living in a world where not only our own way of life is involved, those of us who are pretty well along on the journey of life, but we are living in a world where the way of life of the youngsters you and I see walking through the corridors of this Capitol and on the streets of Washington, Boston, Chicago, the cities and towns of this country, is also involved and being decided now. As one of the Members said, he did not want to see his children subjected to conditions that would exist if America were attacked and we were unprepared from the angle of civil defense.

Is there anyone in this Chamber who is kidding himself that if the attack comes they are not going to attack America? If the Soviet Union is going to attack they will not attack Britain, West Germany, and France. They might attack offshore military installations, but simultaneously they will mount a concentrated attack upon the United States. That attack everybody knows will be for the purpose of murdering us, destroying us, not only in loss of life, but from a productive and military angle, as well as from a psychological angle. They will also try to destroy our ability to fight back, and our will to fight back. If anyone is deceiving himself in that respect he had better do a little serious reconsidering. This, as Chairman MAHON said, "Is a symbol, but an important one." I agree with the gentleman from Michigan [Mr. FORD] we have got to follow up with more appropriations if our people are to be given adequate protection.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have consent to extend their remarks at this point in the RECORD in regard to civil defense or on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, our majority leader has made a great and compelling argument for a real start toward an adequate civil defense program in the United States.

In my judgment, this could be the most important and decisive vote to be cast in the 1st session of the 87th Congress.

Unless we provide the funds needed for an effective beginning on needed fallout shelters, we certainly have an incomplete civil defense program.

Unless we make this beginning we certainly justify by our inaction some uncertainty in the Kremlin regarding the real seriousness of our firm stand at Berlin.

Unless we make this beginning, Mr. Speaker, I firmly believe that we will be letting down our people in the discharge of our duty and responsibility to them.

Let us get our civil defense program underway with the funds needed to do the job. I hope the amendment will be defeated.

Mr. DERWINSKI. Mr. Speaker, it is obvious that the mood of the House is such that the appropriation requested will be approved, but the point that is most disturbing to the Members is the blank-check circumstance which is apparent here. If this were the only item in the budget appropriated in such a rapid fashion without substantiating detail, there would be less concern. However, those of us who are willing to support the President in providing the Nation with the strongest possible Defense Establishment—and obviously, civilian defense is a practical part of our defense structure—realize that a blank check, whether it be to the military leaders of the country, or to a civilian agency operating in the domestic field—does not represent sound legislative policies.

The legislative branch of Government is rapidly becoming a mere sounding

board and rubberstamp for the overzealous administrators in the executive department, who are determined to achieve maximum centralization of government without incurring resistance from the public.

It is my hope that the debate this afternoon will present sufficient evidence of legislative intent that the House is determined to exercise, through appropriate committee activity, a close check on civil defense planning and expenditures.

We wish to provide maximum protection to the American people, but we certainly owe them value for the dollar spent.

I commend President Kennedy for the practical suggestion that the civilian defense activities be assigned to the Defense Department. I agree with the decision of the administration that this represents a logical control by the military department over this vital defense program.

It would be my hope, however, that the President and his advisers show as much imagination and propriety in other activities of the New Frontier, since we find ourselves at the present time with the most confused and inept administration the country has ever known.

It is especially appropriate at this time to ask that the firmness in building the defense forces of the country be matched by equal firmness in foreign relations. Vacillation in foreign affairs is hardly compatible to the sacrifices we are asking the American public to make in developing our defense buildup.

Mr. ROOSEVELT. Mr. Speaker, the distinguished majority leader has clearly, eloquently drawn the issue. The threatened crisis has grown, the danger is right upon us. Even if our plans are not as complete as they should be, at least the present administration has made a new start, one of promise that practical action will follow. It better had. True this money is only a beginning. May we have time to work out complete really adequate plans to protect the lives of the men, women, and children who being helpless to protect themselves, will otherwise lose them. If we fail we give any enemy the best weapon he could ask for and probably assurance of winning by threat or blackmail, without giving Americans a chance to defend themselves. Let us support Mr. MAHON'S motion.

Mr. SIKES. Mr. Speaker, there is one feature of special significance in this bill. Its provisions add materially to our capability for conventional war. For years some members of this committee have sought to do that very thing—unfortunately with not much support and with very limited results.

There is a hole in our defense system as big as a barn door. It is the weakness which exists for engaging in limited or conventional war. For years the buildup has been in unclear weapons and their delivery systems. Conventional forces suffered in comparison. However important these weapons are, to depend on nuclear weapons alone is like depending on the Maginot line.

Now, under the Kennedy administration, a realistic start is being made to correct this situation. Conventional forces are being increased; airlift and sealift are to be enlarged, and existing forces are being beefed up and relieved of training responsibilities.

All of this is important. It means that we can fight with both hands if need be. It means that we are preparing to be able to fight in more than one part of the world if need be. It means that we soon can move much more sizable military units by air or by sea to trouble spots within a short time.

Now we are closing the hole in our defense system.

Mr. MAHON. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. TABER moves that the House concur in Senate amendment No. 26 with an amendment as follows: In lieu of the sum named in said amendment insert "$114,600,000."

Mr. TABER. Mr. Speaker, I think as we approach this problem we should do it knowing the whole situation and having it in front of us, and not with the idea that we are on the run and have no consideration for what we are doing. Let me say to you that this proposition in the way it is put before us and in its approach to the problem is enough to defeat it. This proposition was sent up to us here in the budget estimate, dated July 26, 1961. At that time the independent offices appropriation bill was before the Senate. The bill was sent to the Senate on the 25th day of July, and it did not pass the Senate until the 31st day of July. There was $82 million in that bill for civil defense. Instead of putting the whole thing together in that bill where it had been placed, it was kept back and included in the defense bill at the last minute.

What does it do? This $207 million would be a setup simply for a proposition to mark and survey these places which might be used as shelters. Those things can be done better and more efficiently and intelligently by the local communities in which the people live. You may say all you want to about civil defense, but if you do not do it in the proper way, if you do not do it in such a way that you can get results, you will have nothing to show for an attempt to meet their responsibilities, if they have any.

Mr. Speaker, I have been up against this civil defense business for 8 or 10 years now. We have had offered to us one scheme after another that was of peculiar character. For my own part, I listened to one outfit that wanted about $50 million to put in duplicating telephone circuits between the main cities on the east coast. I asked them if the A.T. & T. did not have those things already, and they said "No." I asked them how they knew that. They said their engineer had investigated the matter. I wrote to the A.T. & T. to find out if what they said was true, and I was told the next day it was not so, that they already had at least three duplicating lines. That is a sample of the kind of stuff we are up against.

If they had offered something that was progressive and forward looking, that could be used to help protect the people of the United States in a raid, I would be for it. But when it comes to putting up $207 million, the main feature being to have a survey and marking which could be done so much better by the local people and at almost no expense at all anywhere in the United States.

I do not know whether we are going to be run off our feet or not. You know, if we are really going to fight and win this battle of words, or any kind of battle, we have to do it in such a way that we use these things we have to fight with to protect ourselves in a most intelligent way, and we cannot do that by taking up every whim and spending a great lot of money on things that we do not need or that cannot be done in the way it is put up to us in an effective and efficient way.

Now, I do not know; maybe it is true that we should say that we are on the run all the time, and that we are not going to think about what we are going to spend our money for.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not true that the Independent Offices Appropriations Subcommittee held hearings and then cut the bill when it was before the House Independent Offices Subcommittee?

Mr. TABER. Yes, but there was no such thing as survey and marking in the items that were sent to the Independent Offices Subcommittee.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from North Carolina.

Mr. JONAS. I would like to confirm that. There were no justifications. We were not even asked for this program. This is a program that was evolved after we completed our hearings.

Mr. TABER. At that time the budget estimate went up to the Senate before the Senate had disposed of the independent offices bill, as I can demonstrate here, and I have the documents here to prove it.

Now, here is another thing I wanted to call attention to. The budget estimate contained provisos which would permit the transfer of this $207 million to any agency of the Defense Department. Now, that was practically an open statement to the effect that they did not have an intelligent proposal to work out and they were trying to get hold of $207 million to play with. Now, I cannot go along with that way of doing business, nor can I call that contributing to national defense.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. TABER. I yield.

Mr. GROSS. I am surprised that aside from the gentleman from North Carolina [Mr. JONAS], no one has taken the floor this afternoon of the independent offices appropriation subcommittee

to tell us why, only as recently as that bill went through the House—the conference, of course, accompanying it—this enormous increase had to be put on through the defense appropriation committee. And, I wonder what is going to be the story next year. Is the independent offices appropriation subcommittee going to hold hearings and appropriate one amount and then go again to the defense subcommittee with no hearings or no hearings worthy of note being held and triple the amount? I support the gentleman's amendment.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. JENSEN. I think every Member of this House should be grateful to the gentleman from New York [Mr. TABER], for his explanation of this matter in a most intelligent way. I am sure that a lot of Members of this House, when the vote comes, will feel that they dare not vote for the saving of $93 million. But, let me remind the Members of this House that Mr. Hoy, who was the director of civil defense for a number of years, was belittled and insulted no end by Members of this House when he asked for a reasonable amount of money for civilian defense. They said, "Oh, you will put on a bunch of political hacks," and they had every excuse in the world for reducing his request.

Now, all at once, we find that they have had a change of heart and we are in a much different position than we were even 2 months ago. Why, please tell me why, all at once so many Members of Congress have changed their thinking on this civil defense program.

Mr. Speaker, I certainly will vote with Mr. TABER, whose amendment should be adopted.

Mr. TABER. Mr. Speaker, I hope the amendment will be adopted.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, I wish to say that in raising the point I raised a while ago, I repeat again that the circumstances under which this request comes before us leads me to point out that merely appropriating the money does not get the job done. The history of the civil defense requests is that many, many unsound proposals have been made where much money has been spent with little real protection provided or planned.

Mr. Speaker, I am opposed to the Taber amendment because I think surveys are one of the major things that we need. I regret that up until now we have not had a chance to make the civil defense agency pinpoint the basis for this request. However, some several years ago, as a member of the Defense Appropriations Subcommittee, I went to Russia. We made a survey in Finland and in Sweden and in other countries around the periphery of Russia in connection with their provision for protecting their civilian population. In every case we found that they had given some attention to plan, to design, planning underground garages which were actually good in time of emergency, but which would pay for themselves from an economic standpoint during peacetime. I think here, if we make a proper survey as to those places which now exist such as are under some of our major apartment buildings in our major cities, underground garages, and so forth. So far as the future we should have proper planning so future construction can serve a dual purpose. With proper planning we could give a whole lot more protection for a whole lot less money and prevent such expenditures from being a complete drain on our economy.

Mr. Speaker, I again say that we must not say, that simply because we appropriate these millions of dollars that we have got the job done. Actually by giving them the money with no more concrete planning than they have given us, we had better be doubly careful or we will not get the protection that we want and for which we pay. So I will say here that it is my understanding that this matter will hereafter be handled by the Subcommittee on Appropriations headed by the gentleman from Texas [Mr. THOMAS], and with all due deference to my own service and other Members, I do not know of any man to whom I had rather risk that job. I do say that when we provide this amount of money, because of the seriousness of the situation and because our country is faced with standing up to Russia, it behooves us to see that the supervising committee rides herd on these funds and sees that we get what we are going to pay for.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, this item of $207 million in my opinion should be approved. Let the House understand that this money would be spent by the Defense Department and not by the Office of Civil and Defense Mobilization. Also, the money that has already been appropriated to the Office of Civil and Defense Mobilization will be susceptible to transfer to the Department of Defense, or any other agency. We are cutting down on the personnel of the Office of Civil Defense, and we are making a planning agency out of it. The implementation and operation of a further civil defense program will be in the hands of the Office of the Department of Defense. So, we have a chance for the first time to control this program and really see that it is handled in an efficient manner.

Mr. Speaker, my Subcommittee on Military Operations—I see the gentleman from New York [Mr. RIEHLMAN], who is the ranking Republican member, in the room; also the gentleman from Ohio [Mr. MINSHALL], and the gentleman from California [Mr. LIPSCOMB], and others that have served on this committee, and we have been holding hearings since 1955 on the problems of civil defense. We have heard many expert scientists, engineers and military experts. We have printed several thousand pages of testimony and have made about 10 separate reports on the subject of civil defense.

There is wealth of hearings, there is a wealth of reports, most of which were reported unanimously by the Joint Committee on Atomic Energy and the House Committee on Government Operations. I believe the gentleman from Massachusetts [Mr. BATES] brought that out on the floor. The members of the Atomic Energy Committee, of which he is a member, held extensive hearings on the subject. Those hearings show that there could be 50 to 80 million casualties. The same hearings showed that if the proper kind of civil defense is established the casualties could be cut by 90 or 95 percent.

Somebody brought up a question as to what they are doing in Russia. Yesterday Mr. Leon Gouré, from the Rand Corp., testified before the Subcommittee on Military Operations, and this is the gist of his testimony: He said that in the Soviet Union there are 22 million people trained for civil defense. He said there is an extensive system of underground shelters in the Soviet Union, and that in Moscow alone the subway would save 2 million people against an air attack using nuclear weapons.

I think the motion offered by the gentleman from New York should be defeated and the $207 million retained.

I wish to assure the Members of the House that the forthcoming program will be scrutinized in detail before it is initiated and concurrently with its implementation. The Subcommittee on Military Operations of which I am chairman will continue its interest in civil defense. We will scrutinize closely its program. I am sure that other committees such as the Defense Committee and the Committee on Appropriations will also watch this program closely.

It is long past the time when an ineffective boondoggling civil defense program is tolerable. This is a serious business; it can mean survival for millions who are now doomed to a horrible death if war comes in our present unprepared state. If we had an effective civil defense program today, we could take a much firmer stand at the diplomatic table in regard to Berlin, Laos, and other hot spots throughout the world.

Mr. MAHON. Mr. Speaker, I earnestly hope that this amendment will be defeated and that we will present a united front on this question of standing up as we should stand at this moment when we need to stand together in all important matters affecting our defense. We must not do too little too late. We have much information. The time has come for effective action.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 54: Page 40, line 16, insert the following:

": *Provided further*, That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a formally advertised competitive bid basis to the lowest responsible bidder."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 54 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 64: Page 43, line 17, insert the following:

": *Provided*, That the Secretary of Defense, under circumstances where the immediate movement of persons is imperative, may, if he deems it to be in the national interest, hire motor vehicles for such purpose without regard to this limitation."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 64 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 65: Page 43, beginning on line 22, strike out all of section 533 and insert section 633 as follows:

"SEC. 633. Not less than $7,500,000 of the funds made available in this Act for travel expenses in connection with temporary duty and permanent change of station of civilian and military personnel of the Department of Defense shall be available only for the procurement of commercial passenger sea transportation service on American-flag vessels."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 65 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 69. Page 45, beginning on line 18, strike out all of section 537 and insert a new section 636 as follows:

"SEC. 636. No part of the funds appropriated herein shall be available for paying the costs of advertising by any defense contractor, except advertising for which payment is made from profits, and such advertising shall not be considered a part of any defense contract cost. The prohibition contained in this section shall not apply with respect to advertising conducted by any such contractor, in compliance with regulations which shall be promulgated by the Secretary of Defense, solely for (1) the recruitment by that contractor of personnel required for the performance by the contractor of obligations arising under a defense contract, (2) the procurement of scarce items required by the contractor for the performance of a defense contract, (3) the disposal of scrap or surplus materials acquired by the contractor in the performance of a defense contract, (4) the procurement of subcontractors required for the performance by the contractor of his obligations under a defense contract, or (5) costs of participation in exhibits upon invitation of the Government."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 69 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert: "SEC. 636. No part of the funds appropriated herein shall be available for paying the costs of advertising by any defense contractor, except advertising for which payment is made from profits, and such advertising shall not be considered a part of any defense contract cost. The prohibition contained in this section shall not apply with respect to advertising conducted by any such contractor, in compliance with regulations which shall be promulgated by the Secretary of Defense, solely for (1) the recruitment by that contractor of personnel required for the performance by the contractor of obligations arising under a defense contract, (2) the procurement of scarce items required by the contractor for the performance of a defense contract, or (3) the disposal of scrap or surplus materials acquired by the contractor in the performance of a defense contract."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 71. Page 46, line 17, strike out "repair and alteration projects" and insert: "acquisition of new facilities or expansion, extension or addition of existing facilities".

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 71 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted, insert the following: "acquisition of new facilities, or alteration, expansion, extension or addition of existing facilities,".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 74. On page 47, line 9, insert the following:

"SEC. 640. During the current fiscal year, the Secretary of Defense may, if he deems it vital to the security of the United States and in the national interest, transfer, with approval of the Bureau of the Budget, not to exceed 3 per centum of any appropriation available for military functions of the Department of Defense for the current fiscal year, to any other such appropriation, but no appropriation may be so increased by more than 6 per centum, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation to which transferred: *Provided*, That the Secretary of Defense shall notify the Appropriations Committees of the Congress promptly of all transfers made pursuant to this authority."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 74 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"SEC. 638. During the current fiscal year, the Secretary of Defense may, if he deems it vital to the security of the United States and in the national interest to further improve the readiness of the Armed Forces, including the Reserve components, transfer under the authority and terms of the Emergency Fund an additional $200,000,000: *Provided*, That the transfer authority made available under the terms of the Emergency Fund Appropriation contained in this Act is hereby broadened to meet the requirements of this section: *Provided further*, That the Secretary of Defense shall notify the Appropriations Committees of the Congress promptly of all transfers made pursuant to this authority."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 75. Page 47, line 22, insert the following:

"SEC. 641. (a) All payments of additional pay for foreign duty made prior to the date of enactment of this Act to enlisted members of the United States Air Force who served on any of the artificial islands (known as Texas towers) located off the coast of the United States on the outer continental shelf are hereby validated. Any such member or former member who has made repayment to the United States of any amount so paid to him as additional pay for foreign duty is entitled to have refunded to him the amount repaid.

"(b) The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents, of the United States from accountability or responsibility for any payments described in the first section of this Act, and shall allow credits in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

"(c) Appropriations available to the United States Air Force for the pay and allowances of enlisted personnel shall be available for payments under this Act."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 75 and concur therein with an amendment, as follows: Change the section number to "639"; agree to subsection "a"; concur in subsections (b) and (c), amended to read as follows:

"(b) The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents, of the United States from accountability or responsibility for any payments described in the first paragraph of this section, and shall allow credits in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

"(c) Appropriations available to the United States Air Force for the pay and allowances of enlisted personnel shall be available for payments under this section."

The motion was agreed to.

Mr. Speaker, as I had previously indicated, I am at this point offering a brief statement of the contents of the bill.

The bill as now completed by the House provides for new appropriations totalling $46,662,556,000. In addition, funds are made available by transfer from stock and industrial funds in the amount of $470 million and from old appropriations in the amount of $225 million, for a total availability in new obligational authority

of $47,357,556,000. This compares with $40,297,657,000 appropriated and $365,500,000 transferred on a comparable basis for fiscal year 1961. The fiscal year 1962 bill as it passed the House, passed the Senate and as agreed to in conference and now in the House, compared with the budget estimates, is shown in the following tabulation:

Department of Defense Appropriation Act, 1962

Title	Budget estimates (revised)	Passed House	Passed Senate	Conference	Conference action compared with—		
					Estimates	House	Senate
Title I—Military personnel	$12,746,000,000	$12,050,000,000	$12,845,000,000	$12,805,000,000	+$59,000,000	+$755,000,000	−$40,000,000
Title II—Operation and maintenance	11,792,945,000	10,937,530,000	11,771,996,000	11,731,130,000	−61,815,000	+793,600,000	−40,866,000
Title III—Procurement	16,860,000,000	14,881,014,000	16,729,556,000	16,674,896,000	−185,104,000	+1,793,882,000	−54,660,000
Title IV—Research, development, test and evaluation	4,790,400,000	4,842,561,000	5,294,140,000	5,243,930,000	+453,530,000	+401,369,000	−50,210,000
Subtotal, titles I, II, III, and IV	46,189,345,000	42,711,105,000	46,640,692,000	46,454,956,000	+265,611,000	+3,743,851,000	−185,736,000
Title V—Civil defense	207,600,000		207,600,000	207,600,000		207,600,000	
Grand total	46,396,945,000	42,711,105,000	46,848,292,000	46,662,556,000	+265,611,000	+3,951,451,000	−185,736,000
SUMMARY BY SERVICE							
Army	11,761,500,000	10,359,220,000	11,868,152,000	11,802,312,000	+40,812,000	+1,443,092,000	−65,840,000
Navy	14,621,000,000	13,458,402,000	14,529,680,000	14,505,665,000	−115,335,000	+1,047,263,000	−24,015,000
Air Force	18,480,400,000	17,583,038,000	18,932,415,000	18,836,534,000	+356,134,000	+1,253,496,000	−95,881,000
Office, Secretary of Defense	1,326,445,000	1,310,445,000	1,310,445,000	1,310,445,000	−16,000,000		
Civil defense	207,600,000						
Total, DOD	46,396,945,000	42,711,105,000	46,848,292,000	46,662,556,000	+265,611,000	+3,951,451,000	−185,736,000

TITLE I—MILITARY PERSONNEL

This bill provides $12,805 million for the pay and allowances of 2,743,227 active duty military personnel, approximately 1,072,000 paid status members of the Reserve components, and the pay of an average of nearly 330,000 retired military personnel.

For the Army, $3,697 million is provided by direct appropriation and $340 million is provided by transfer from stock and industrial funds. Thus a total of $4,007 million is made available to provide for the pay, allowances, individual clothing, subsistence, and permanent change of station travel for an active duty Army of 1,008,000 persons. In addition, the bill provides $221 million for an Army Reserve paid status strength of 300,000 and $235 million for an Army National Guard strength of 400,000.

For the Navy, $2,747 million is provided in the bill, $2,692 million by appropriation and $55 million by transfer from stock and industrial funds. These amounts provide the pay, allowances, and related costs for an active duty strength of 657,000. In addition, $84,600,000 is provided for a pay status strength of 125,000 in the Naval Reserve.

The bill provides $640 million, $629 million by appropriation and $11 million by transfer, for the pay and allowances, and so forth, for an active Marine Corps strength of 190,000, including manpower necessary to establish a headquarters for a fourth Marine division. An appropriation of $26,400,000 is provided for the pay and related expenses of 45,500 Marine reservists in Organized Reserves.

For the Air Force, $4,197 million is provided by appropriation and $64 million by transfer from stock and industrial funds for a total of $4,261 million to support an active duty strength of 888,227. In addition, $56 million is provided for a pay status Air Force Reserve strength of 63,000, and $47 million is provided for an Air National Guard strength of 72,000.

A summary of the forces, by service, proposed in the President's budget in January and in each of the subsequent amendments, and as provided in the bill follows:

Active duty military personnel strengths (excluding reimbursables)

[Numbers in thousands]

	January estimate	March amendment	May amendment	July amendment and bill
Army	870.0	875.0	875.0	1,008.0
Navy	625.0	628.0	628.0	657.0
Marine Corps	175.0	178.0	190.0	190.0
Air Force	822.9	824.9	824.9	888.2
Total	2,492.9	2,505.9	2,517.9	2,743.2

TITLE II—OPERATION AND MAINTENANCE

The bill provides $11,731,130,000 for operation and maintenance of our armed services. This amount includes the pay of most of the civilian employees of the Department, the operation and upkeep of military installations including community facilities, the operation of communications systems, fuel and petroleum products, repair and overhaul of equipment and supplies of all types, medical care, military training activities, and departmental administration.

For the Army, $3,735,710,000 is provided for the operation of 14 divisions, numerous less-than-division-size units, 5,621 aircraft, and approximately 200 major installations. In addition, $171 million is provided for the operation and maintenance of an Army National Guard strength of 400,000 in approximately 4,500 company-sized units. Amounts of $500,000 and $6,300,000, respectively, are provided for the National Board for the Promotion of Rifle Practice and the Alaska Communications System to continue the work of those organizations at approximately the current rate.

Provision is made for an active fleet of 899 ships in the Navy, 7,362 operating aircraft, and 48 Naval Reserve training ships by the appropriation of $2,889,535,000 for the expenses of operation and maintenance in the Navy. In addition these funds will provide for approximately 290 major installations including 11 naval shipyards, 37 supply outlets, and 66 naval air stations.

The bill provides $187,300,000 for the operation and maintenance of the Marine Corps three divisions and three air wings, including their four major combat unit support bases, two recruit training depots, two supply centers, and a fourth division headquarters organization.

For the Air Force $4,486,740,000 is provided in support of a force of 16,203 active aircraft organized in 97 combat wings and 128 combat support forces. Approximately 230 major installations will be operated, together with major warning, control, and communications networks, with the funds provided in this bill. In addition, $199,600,000 is made available for the support of a 72,000-man Air National Guard.

A total of $54,445,000 is provided for offices and purposes within the Department of Defense itself, as follows: First, for salaries and expenses, Office of the Secretary, $20 million; second, for payment of claims, Department of Defense, $19 million; third, for contingencies of the Department, $15 million; and fourth, for the salaries and expenses of the Court of Military Appeals, $445,000.

TITLE III—PROCUREMENT

The bill includes $16,674,896,000 for the procurement appropriations of the several services, allocated as follows: Army, $2,532,602,000; Navy, $6,695,360,000; and Air Force, $7,446,934,000.

The funds approved for the Army provide needed acceleration of the Army modernization program, including additional quantities of the new M–60 battle tank, the M–113 armored personnel carrier, essential aircraft and helicopters and modern battlefield communication equipment.

Production of the new 7.62-millimeter family of small arms, including the M–14 rifle and the M–60 machinegun, is expanded. In brief, the funds approved provide the additional modern equipment needed to continue to meet the demands of full strength combat and logistical support units.

Funds approved for the Navy include approximately $2.8 billion for shipbuilding and conversion. This provides construction of 36 new ships including 10 fleet ballistic missile submarines, 7 guided missile frigates, of which 1 is nuclear powered, and other craft in support of the ASW program of the Navy and the amphibious assault program of the Marines.

The amount of $2.6 billion is approved for Navy aircraft and missiles, including over 780 new aircraft, guided missiles and directly related supporting equipment for the Navy and Marine Corps. Procurement of the F–4H jet all-weather fighter, referred to by the Navy as the "finest fighter in the world" and the A–2F Intruder, the Navy and Marine Corps all-weather, low-level bomber and support aircraft are continued.

Funds are provided for further procurement of Polaris ballistic missiles and continued procurement of the surface-to-air Terrier, Tartar, and Talos missiles, the air-to-air Sparrow and Sidewinder, and the air-to-surface Bullpup missiles.

The entire Navy procurement program reflects increased emphasis on antisubmarine warfare to combat the growing Soviet submarine threat.

The amount of approximately $3.5 billion is approved for the aircraft procurement programs of the Air Force, including $514,500,000 for the procurement of long-range strategic bombers and approximately $400 million for continued modernization and expansion of our airlift capability. Procurement of KC–135 tankers is continued to support the bomber forces and to extend the tanker support to the tactical forces. Expanded procurement of the F–105 all-weather fighter now coming into the inventory of Air Force tactical squadrons is continued.

The appropriation for Air Force missile procurement totals approximately $2.7 billion. The program for fiscal year 1962 includes essential completion of the 13-squadron Atlas ICBM program; continued procurement in support of the 12-squadron Titan program, and initiation of the first major procurement of the solid propellant Minuteman intercontinental ballistic missile.

Funds are also included for procurement of the Hound Dog air-launched strategic missile which greatly increases the effectiveness of the B–52 heavy bomber and airborne alert capability.

Further procurement of the Bullpup missile provides for equipping additional operational squadrons with this air-to-surface tactical missile.

Additional funds have been made available for procurement of modern ground communication and electronic equipment including the last major increments for the ballistic missile early warning system—BMEWS, and the continental aircraft control and warning system—SAGE.

TITLE IV—RESEARCH DEVELOPMENT, TEST, AND EVALUATION

As we accelerate our preparations to increase our military strength in the months just ahead of us, we must not forgo our research and development programs which will determine to a considerable extent the effectiveness of our arms in the years to come. The bill before us provides $5,243,930,000 for the research, development, test, and evaluation programs of the Department of Defense. This includes $1,203,200,000 for the Army, $1,301,470,000 for the Navy, $2,403,260,000 for the Air Force, $186 million for the Advanced Research Projects Agency and $150 million for the emergency fund administered by the Office of the Secretary of Defense. These funds will provide for high levels of effort in basic research and applied research. In some fields these levels of efforts will be above those of last year. Support of the research and development efforts of the laboratories and test installations of the Defense Department is included in the sums provided as well as the funds for implementation of contracts with large and small companies, colleges, and universities, and nonprofit organizations throughout the United States.

A truly significant part of the total scientific effort of the country is provided for in the bill. Most, if not all, branches of science are included. Biomedical sciences, oceanography, solid state physics, the chemistry of propellants, nuclear propulsion, meteorology, and materials research are just a few of the areas included.

The $1,203,700,000 provided for the Army will finance more than 400 projects involving the 7 technical services of the Army, 52 Army installations, 550 universities, nonprofit institutions and prime contractors and approximately 40,000 civilian and military personnel. In general, the funding of Army missiles programs decreases as compared to fiscal year 1961 and funding of military sciences, aircraft, military astronautics and space, ordnance and combat vehicles, and other equipment increases. The Nike-Zeus anti-missile-missile system continues to be financed at a high level, although below the level of fiscal year 1961. The chemical and biological weapons and defenses program will receive a significant funding increase. The Army will support the Advent global communication satellite program. The Mauler and Pershing missile system programs will continue as will the Iroquois, Chinook, and Mohawk aircraft development programs.

The $1,301,470,000 provided for the Navy provides support for the operation and maintenance of such installations as the Pacific Missile Range, the Naval Research Laboratory, the Naval Ordnance Test Station, the Naval Electronics Laboratory and 21 other major installations in addition to financing that portion of the research, development, test, and evaluation program performed by contractors.

The Polaris fleet ballistic missile program continues to be the most heavily funded research and development program of the Navy. The development of the A–3 long-range Polaris missile is a significant part of this program. Other Navy missile development programs are the Typhon surface-to-air missile, the Subroc submarine-launched antisubmarine missile, and the Army air-to-surface antiradiation missile. A major problem area on which great emphasis is being placed is antisubmarine warfare. Projects aimed at increasing intelligence gathering capabilities, increasing the ranges of our detection devices and the development of mobile and fixed active and passive surveillance systems and development of new antisubmarine weapon systems are funded. Other important Navy research and development programs are nuclear propulsion for ships and submarines and the development of improved conventional weapons and equipment for the Marine Corps.

The $2,403,260,000 provided for research, development, test, and evaluation for the Air Force includes $400 million for the B–70 supersonic long-range bomber program. The amount provided is $180 million above the budget request for this program. Heretofore this program was funded under "Aircraft procurement, Air Force," and was transferred to this appropriation by action of the Senate on which the conferees have agreed. A total of $185,800,000 is provided for the Dyna-Soar program. This is $85,800,000 more than the amount requested in the President's budget.

Air Force research, development, test, and evaluation installations provided for include the Atlantic Missile Range, the Missile Development Center, the Arnold Engineering Development Center, the Air Proving Ground Center, the Rome Development Center, and the Flight Test Center.

Major space programs funded include the Midas early warning satellite, the Samos reconnaissance satellite and the Discoverer space research vehicle. The advanced manned flight vehicle program includes the X–15 as well as the Dyna-Soar. The Skybolt ballistic missile which is designed to be carried by a B–52 bomber and which would significantly improve the operational capability of this aircraft is funded in this account. Other important Air Force research and development programs are the short takeoff and landing fighter aircraft and the Saint satellite inspection system.

ADVANCED RESEARCH PROJECTS AGENCY

The budget estimate of $186 million is provided for the Advanced Research Projects Agency. This Agency is an integral part of the Office of the Director of Research and Engineering and undertakes development projects either outside the specific missions or interests of the military services or of interest to all of them.

EMERGENCY FUND

The budget estimate of $150 million plus $150 million in transfer authority is provided for the emergency fund of the Secretary of Defense. This fund provides the Department of Defense with the capability to promptly fund programs resulting from unexpected technological breakthroughs or to handle late developments.

TITLE V—CIVIL DEFENSE

The bill now provides the amount of the budget estimates, $207,600,000, for civil defense activities assigned to the

Department of Defense. This amount provides $93 million for a shelter identification and marking program; $58.8 million for supplying minimum essential survival needs in such shelters; $17.5 million for the improvement of shelters in, and the inclusion of shelters in, Federal buildings; $19.8 million for improving alert, warning, and detection systems, including a new national emergency alarm system; $13.5 million for a research and development program designed to raise the effectiveness and lower the cost of shelter protection; and $5 million for emergency operations.

Mr. SIKES. Mr. Speaker, if the gentleman will yield, it appears to me the most significant thing is that we cannot afford at this time when the danger clouds are gathering to make a survey and stop. We have to move. We have to make as much preparation as we can as quickly as we can. In a few months we can be in war, if Khrushchev so decides. This is not a time to bargain with lives. We have to move along.

Despite the efforts of many dedicated persons we have not had an effective civil defense program. The American people just have not been interested. Now they are apprehensive. They want something done. This is a new effort and a more realistic program. It gets down to the core of the problem. It treats realistically with fallout. However terrible the bombs may be, they will not reach nearly as many people as fallout will reach. For the average American fallout is the greater danger. Then let us move now to provide protection as quickly as we can for as many of our people as we can against this greater danger.

Mr. MAHON. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. TABER] to concur in the Senate amendment with an amendment.

The motion was rejected.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas to concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 41: Page 34, line 8, insert the following:

"(c) Upon determination by the President that it is necessary to increase the number of military personnel on active duty beyond the number for which funds are provided in this Act, the Secretary of Defense is authorized to provide for the cost of such increased military personnel, as an excepted expense in accordance with the provisions of Revised Statutes 3732 (41 U.S.C. 11)."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 41 and concur therein.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members speaking on this conference report and amendments thereto may have permission to revise and extend their remarks, and that all Members may have 5 legislative days in which to extend their remarks on the conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROGRAM FOR TODAY AND NEXT WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to ask the majority leader to advise us as to the program for today and the balance of the week.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McCORMACK. If we dispose of the two bills that are coming up today we will go over to Monday.

Mr. ARENDS. May I ask the gentleman with reference to the further program if he expects to adopt the two rules together?

Mr. McCORMACK. Yes, that is what we hope to do.

As to the program for next week: Monday is District Day and there will be seven bills:

H.R. 7622, permits certain gift enterprises, trading stamps.

H.R. 8074, amend Business Corporation Act.

H.R. 8444, amend Election Act of 1955.

H.R. 6836, amend Policemen and Firemen's Retirement and Disability Act.

H.R. 8344, restoration of the John Philip Sousa home.

H.R. 8032, amend the Healing Arts Practice Act.

H.R. 256, amend Alcoholic Beverage Control Act.

These bills will not necessarily be called up in the order I have announced.

After the disposition of those bills, if a rule is reported out by the Rules Committee on the mutual security bill, debate on that bill will start on Monday and continue throughout the week until disposed of.

I make the usual reservation, of course, that conference reports may be called up at any time and that any further program will be announced later.

ACCRUAL FLIGHT PAY

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 411 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7651) to amend the Career Compensation Act of 1949 to authorize the payment of an accrued portion of incentive pay to certain aeronautically rated or designated officers who have been eligible to such pay for a minimum of at least ten years and who subsequently are removed from the status to such eligibility due to the fact that a determination has been made that the requirement for them in this capacity is no longer necessary in the interest of national security, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, House Resolution 411 provides for the consideration of H.R. 7651, a bill to amend the Career Compensation Act of 1949 to authorize the payment of an accrued portion of incentive pay to certain aeronautically rated or designated officers who have been eligible to such pay for a minimum of at least 10 years and who subsequently are removed from the status to such eligibility due to the fact that a determination has been made that the requirement for them in this capacity is no longer necessary in the interest of national security. The resolution provides for an open rule, waiving points of order, with 1 hour of general debate.

The purpose of the proposed legislation is to provide an equitable means whereby a substantial reduction in the costs of military flying-hour programs, particularly the proficiency flying program, may be achieved without adversely affecting the ability of the military services to retain and procure the number of officers of the caliber required for a permanent career in military aviation. The objectives of the proposed legislation would be accomplished by establishing a system of sustaining compensation, called accrual pay. In many ways, the proposed pay could be called deferred hazard pay.

If the proposed legislation does not become law, the military departments during fiscal 1962 will expend $42,600,000 for proficiency flying hours and flying pay costs for officers who are affected by this proposed legislation.

If the proposed legislation does become law, there will be a savings during fiscal 1962 of $24,200,000. A substantially higher savings will be effected during subsequent fiscal years.

Mr. Speaker, I urge the adoption of House Resolution 411.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman tell me why points of order are waived on this bill?

Mr. SISK. Yes. I may say a request was made that the rule provide for waiving of points of order due to the fact

the Ramseyer rule was not entirely adhered to in the report.

Mr. GROSS. That is what I thought. May I say to the gentleman that I think too many bills are coming out of the Rules Committee waiving points of order to protect something of this nature, and I hope the Rules Committee will not waive points of order on so many bills in the future.

Mr. SISK. I appreciate the remarks of the gentleman. We try to be certain there is need for such action before we take that action.

Mrs. ST. GEORGE. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this resolution makes in order that the bill come out under an open rule, waiving points of order, as has already been stated, general debate confined to 1 hour.

The bill came out of the Committee on Armed Services with a unanimous report.

It seems to me from what we have heard of it in the Rules Committee that there can be no possible objection to such a bill. For one thing, it does something that is remarkable in this day and age. It is going to affect a small economy. The economy is so small you will not notice it very much, in view of the conference report we have just voted on. The economy consists of $24,200,000. Still it is a step in the right direction.

Another thing about the bill is it cuts down on the flight pay of many officers who are no longer required. In other words, they are of no great use to the service. On the other hand, it is not going to curtail any flight pay of those who are actually active in the service. The Committee on Armed Services, the Joint Chiefs of Staff, and all those experts in this matter, have informed us that this is desirable, and I am very sure it is.

When it comes to the matter of rated officers, in the fiscal year 1958–59, there were 1,515 grounded. The losses during that period amounted to 269, making a total loss of 18 percent. Similar officers not grounded were the same number and the normal losses 109, making a percentage loss of only 7 percent.

Of 728 rated officers, suspended on December 31, 1960, 57 have left the service. This is 8 percent of the total. Of the 57 who left, 10 retired, and the other 47 separated short of retirement eligibility.

The total eligible for retirement was 50, of whom 10 have retired. This is 20 percent of the eligibles.

I was a little disturbed at the thought we might be scrapping some of our equipment and some of our planes at a time in our history when they might be needed. I am reliably informed that this is not the case, that the planes that will be scrapped for lack of use are probably planes that should not be kept anyway; they are expensive to maintain. The chief economy in this bill will consist in not keeping up a lot of equipment, most of which is obsolete.

So, Mr. Speaker, it seems to me that this bill is a good bill and the rule should certainly be granted.

Mr. BAILEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from West Virginia.

Mr. BAILEY. If there is not anything wrong with this legislation, why is it necessary to have a rule waiving points of order?

Mrs. ST. GEORGE. I think that has already been explained by the gentleman from California. It seems that there are some facets in the report that do not entirely conform with the Ramseyer rule, and for that reason they asked the Committee on Rules to waive points of order.

Mr. BAILEY. It has been my observation that when a rule of this kind comes up, somebody is going to get hurt.

Mrs. ST. GEORGE. Well, I trust nobody will get hurt in this particular instance, may I say to the gentleman.

Mr. KILDAY. Mr. Speaker, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from Texas.

Mr. KILDAY. In reporting this bill, the Committee on Armed Services did not include the Ramseyer provision in the committee report. It was not an oversight; it was a question in the minds of the committee and the committee staff as to whether this bill actually required Ramseyer action, and the opinion, according to the parliamentarian, was that it would require the Ramseyer provision.

Mr. BAILEY. That it would?

Mr. KILDAY. It would. It amends title II of the Career Compensation Act of 1949. Title II consists of some 32 printed pages. To have complied with the Ramseyer rule would have cost a tremendous amount of money, and that is the only reason that the request was made that points of order be waived. The report did not include the Ramseyer rule, and to have complied with it would have required some 60 pages of printed matter at an excessive cost.

Mrs. ST. GEORGE. I thank the gentleman for his contribution.

Mr. SISK. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MONETARY ALLOWANCE FOR TRANSPORTATION OF HOUSE TRAILERS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 410 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2732) to amend section 303 of the Career Compensation Act of 1949 to provide that the Secretaries of the uniformed services shall prescribe a reasonable monetary allowance for transportation of house trailers or mobile dwellings upon permanent change of station of members of the uniformed services. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, and to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield myself such time as I may require, after which I yield 30 minutes to the gentleman from California [Mr. SMITH].

Mr. Speaker, I know of no controversy either on this rule or on the bill itself.

The bill came from the House Committee on Armed Services. It was unanimously reported. It is designed to correct an inequity which exists in the treatment of military personnel subject to change-of-station orders. It affects particularly those who live in house trailers or home trailers who now do not receive treatment as favorable as people who live in ordinary houses.

Mr. Speaker, the estimated cost, as I understand it, is $1,405,000.

I, therefore, reserve the balance of my time.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the rule was correctly explained by the gentleman from Missouri [Mr. BOLLING]. It provides for 1 hour of general debate under an open rule. Simply to add just a few remarks to the statement by the gentleman from Missouri [Mr. BOLLING], it is my understanding that there will be about 9,115 of these mobile trailer moves of uniformed service personnel in the next year, and due to certain administrative rulings, instead of getting 20 cents per mile, or even the necessary cost, it seems they get about 11 cents per mile.

Mr. Speaker, the thought behind this legislation is to correct that inequity. But by the same token, it is my understanding that there will be a limit on it so that the Government will not pay to the individual a greater amount than it would cost to move them by public carrier.

Mr. Speaker, I know of no objection to the rule nor to the bill. I have no requests for time. I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ACCRUAL FLIGHT PAY

Mr. KILDAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7651) to amend the Career Compensation Act of 1949 to authorize the payment of an accrued portion of incentive pay to certain aeronautically rated or designated officers who have been eligible to such pay for a minimum of at least 10 years and who subsequently are removed from the status to such eligibility due to the fact that a determination has been made that the requirement for them in this capacity is no longer necessary in the interest of national security.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7651, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KILDAY. Mr. Chairman, I yield myself 10 minutes. Mr. Chairman, this is a very important bill for the Air Force, and the flying personnel of the other services. It is quite technical and involved, and I hope that I can retain the attention of the membership while I attempt to explain what is involved.

Mr. Chairman, from the beginning of the use of airplanes in our military services, there has been a system of incentive or hazard-duty pay for the benefit of those who are under orders requiring regular and frequent participation in aerial flights. It started shortly after the first airplanes were purchased, in 1908 or 1910. Of course, it had its big impetus in 1917, incident to the expansion of the Air Force service in World War I. It existed for many years as 50 percent of the base pay of the individual officer. That continued until 1949, when we placed it on the basis of a stated number of dollars by grade or rank of the officer involved. It begins at about $100 for a second lieutenant and progresses upward until it reaches $245 in the rank of colonel, and then it takes a very material reduction to $160 for the general.

Mr. Chairman, at the present time the Air Force is in a period of transition. The question is how many manned combat aircraft are going to be needed in the Air Force. No one knows at this time just where we are going to land in the transition of manned aircraft to missiles.

We will not know for some time to what extent the missile will replace the manned aircraft. But we do know this: The Air Force weapon system has caused a reduction from 137 manned aircraft wings in 1958 to 79 manned aircraft and 5 missile wings programed for the fiscal year 1962. As a result we have approximately 7,460 rated career officers in excess of our requirements for cockpit spaces during 1962. These men are thoroughly qualified as air crew members.

Because of the difficulty presented by this situation, the Committee on Appropriations, for the past 7 years, has attempted to provide for it in appropriation language. At the present time the appropriation language is that a person who has been rated as a flying officer for a period of 20 years may be permitted to draw his full flight pay without participating in regular and frequent airplane flights.

The bill upon which we just voted, the Defense Department appropriation bill that was just approved here in the conference report, at page 36, contains a provision reducing this 20-year period of required flight service to qualify for flying pay without complying with the regulations, to 15 years, so that the bill that you have just adopted here will permit an officer who has been on flight duty for a period of 15 years to draw his total flying pay.

What do we propose here? We propose here a sliding scale, to the effect that if a man has been on flight status for a minimum of 10 years he may continue to receive flight pay but not at the full flight pay, as is the present law, because of the existing appropriation language. He would get 5 percent a year, so that if he happens to have been on flight status for 10 years he would draw 50 percent; if for 15 years he would draw 75 percent; and if for 20 years he would draw 100 percent, or any percentage in between for the varying years. So that without this legislation the bill that you just passed here would permit the man with 15 years to draw 100 percent of flight pay. With this legislation he will draw 75 percent of flight pay.

But the flight pay is a minimum part of the savings here involved. The law provides that he shall receive his flight pay if he is under orders to engage in regular and frequent airplane flight. That requires facilities to be maintained in order that he may qualify for his proficiency flight or his administrative flight, whichever you want to call it. If we do not pass this bill we will expend in fiscal year 1962, $42,600,000 for proficiency flying to permit these people to qualify for their flight pay.

If this legislation is passed and does become law, there will be a saving during fiscal year 1962 of $24,200,000.

In the savings, $13 million in gasoline and other operating costs will be saved, $2,875,000 for spare parts, about $6 million in labor costs for base-level maintenance, and $2,223,000 in flight pay. So that the smallest part of it actually is in flight pay, because you must maintain the planes, you must service the planes, you must maintain the bases, you must provide for fuel in order to operate the planes.

I believe that that adequately explains the purpose of the bill. I might say that today, with all of our hindsight, maybe we could have established a better system of flight pay or hazardous duty pay.

But we are not back in 1908, 1910, or 1917. We have a situation which now exists. We have 7,460 rated officers in excess of requirements. They are all well-qualified fliers. The program still contemplates removing entirely from flight status those who are not proficient in flying and those who are not physically able to fly. This bill provides that in order to draw any portion of his flight pay, he shall continue to be qualified physically to fly or he draws nothing. The point is—we have an excess of 7,460 qualified flying officers today. But, we do not know what the situation will be in 2 years.

It may be that in this transition, we will be assured 7,460 qualified flying officers depending upon what your mix is going to be between men, combat aircraft and missiles. So that these people will still be available and still qualified and still ready to be used. They are excess only in their flying skill. There are ample duties for each and every one of the men who will be continued on duty. During the course of time, they have acquired experience and skills in management and in executive capacities and in many other capacities, and they are all urgently needed in the Air Force.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Let us just go back to World War II. During the war a person well understood when he went into the flying service that in the months that he did not fly or put in the required hours, he received no hazard pay. Evidently, we have gotten away from that concept somewhere. Even if it were not one's fault, suppose he had a leg shot off and he were in a hospital, he did not get any hazard pay.

Mr. KILDAY. I do not believe the gentleman is correct on that.

Mr. SMITH of Iowa. I know I am correct because that was well understood when I went into the flying service.

Mr. KILDAY. I am saying to the gentleman that I am afraid there is a confusion there between the pay status—such as submarine pay and hazard flight pay. With reference to submarine pay status, even if a man is on leave, he does not get that pay, but on flight pay so long as he is in that status and capable of discharging his duties, he is entitled to flight pay.

Mr. SMITH of Iowa. A man must put in the required hours that month, that is the way it was during World War II.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from California.

Mr. GEORGE P. MILLER. I have no quarrel with what the gentleman is trying to do, but I do want to point out that there are other types of hazardous service. There is the submarine service,

for example, which to my mind is just as hazardous as the flying service, and I wonder if the committee intends to take a parallel course with respect to that type of service.

Mr. KILDAY. The situation has not arisen as to this. Those things are not in transition. They are actually being built up with time to recruit people to man our nuclear and Polaris submarines. That is on the upgrade. We are in transition in the air arms only.

Mr. GEORGE P. MILLER. I was just trying to anticipate the mistakes that might be made, if we go along on this to the point where we have to start using hindsight instead of using a little foresight now. I think that the question of hazard pay for submarine officers and people going down in the bathyscopes ought to be looked at now.

Mr. KILDAY. The gentleman from California is probably correct with reference to that. I hope the committee will look into these various things. The point is this, we have a system which has been in existence for a long period of time. It has been understood and accepted that a person who entered upon a flying career had a right to expect that he could continue in that flying career so long as he maintained his proficiency in flying and so long as he was physically capable of flying. There is now a period of transition. This bill applies to those who qualify during a period of the next 2 years. We have a system which has grown up over the years, and this is our first effort to get out from under that system because this bill is for 2 years. It is made perfectly clear—there is a caveat given to everybody entering the flying branch now that he cannot expect similar treatment hereafter, that is, 2 years from now. In other words, if he is entering now, it will be about 2 years before he is fully qualified, and so on. But this is a caveat to him that this same treatment is not going to be hereafter given and that he should anticipate remaining on flight status only so long as he is needed in that status.

For the first time we have an orderly method by which we hope to get from under a system which has grown up gradually since about 1910.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. Am I to understand from the gentleman's remarks that if we have a flying officer assigned to a desk in the Pentagon and taken off his duty flying that he will continue to receive flight pay under the system that has existed as long as he maintains his proficiency? Is that correct?

Mr. KILDAY. His capability, let us say.

Mr. O'HARA of Michigan. That differs, I gather, from the treatment of submariners and paratroopers and other specialists?

Mr. KILDAY. This is in the category of incentive duty pay.

Mr. O'HARA of Michigan. I wish to say to the gentleman from Texas that I think this bill is a step in the right direction, but I hope that eventually the committee will bring about uniform treatment in the matter of all hazard duty pay.

Mr. KILDAY. The gentleman from Michigan has raised an excellent point, but I would like to put it in the reverse order. He said officers assigned to desk duty at the Pentagon are not required to do flying, or so he was assigned just to desk duty. He has put in all this flying time. For him to put in qualifying flying times means that a plane must be ready for him with a crew to service it and be fueled. That has been a year-to-year law for 7 years. The Appropriations Committee has provided that if he has been flying for as much as 20 years he can draw his flight pay if he is qualified and capable of flying and not have to do the extra flying.

This bill would say that with 15 years' experience he could get 75 percent rather than 100 percent, and extends it down to 50 percent at 10 years, 55 percent with 11 years, and 60 percent with 12 years. So it is on an orderly basis.

Mr. O'HARA of Michigan. If the gentleman will yield further, I gather that he intends that in the future an air officer shall receive flight pay only when assigned; that is, for the new officers coming in.

Mr. KILDAY. That is right.

Mr. O'HARA of Michigan. Only when assigned to flight duty.

Mr. KILDAY. That is right. This is intended to be a caveat to those now entering the service that they cannot expect similar treatment to what has been done in the past, and that they will receive flight pay only so long as they are assigned to flight duty, and only so long as the weapons system and the strengths, and so forth, require his service in that category; otherwise he will draw only his base pay.

Mr. O'HARA of Michigan. I am glad to see we are going back to the rule that was established during the war. I do not know where we got off it in the meantime.

My other question is this: Is retirement pay computed on the basis of flight pay?

Mr. KILDAY. No; retirement pay has never been based on flight pay; it has been figured on base pay only. Flight pay has never been recognized as a base for computing retirement pay.

Mr. BATES. Mr. Chairman, I yield myself such time as I may use.

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. BATES. Mr. Chairman, I rise in support of the bill H.R. 7651, which has been commonly hailed as the economy flight bill of 1961. I support this proposal because it is fair, it is equitable, and it is the beginning of a solution to a serious problem.

The committee at this late hour in the session has not gone as far, perhaps, as some may desire, but it seems to me we have gone as far as we can at this time. The problem is that we have more qualified rated officers in the Air Force today than we need under present circumstances. To be sure, the projected changes in respect to the B–47, by extending the period in which they will be in service may have some impact upon the situation, but as far as I can determine today we will have, as the gentleman from Texas has indicated, some 7,460 pilots in the Air Force beyond our needs. The basic problem is whether we are going to take these officers completely off flight pay or whether we should give some consideration to the moral understanding which they had when they undertook their career. It seems to me that justice suggests we should give them some remuneration as the Appropriations Committee itself has recommended for 7 years in respect to those who have completed some 20 years of flying. Those who are presently in the Air Force and who are no longer flying but are accredited pilots of over 20 years' experience today come under the provisions of the Defense Appropriation Act. All we are doing here is saying if you have 10 years or more you shall come under the same provision as those who have completed 20 years of flying, but at reduced rates. It seems to me this is a sensible approach to the problem. It does not make sense to have experienced pilots who are in excess of our needs flying these planes, consuming some $13 million worth of gasoline, requiring that a plane be available, hangar maintenance, and all these accessories and ancillary parts they have. So our proposition is to put these people aside as far as proficiency flying is concerned, and if later on circumstances should require it, we can bring them back and give them refresher training.

In the meantime we will save over $24 million a year. With the tremendous expense the country and taxpayers are under at this hour, it seems to me we ought to enact this particular legislation.

So, Mr. Chairman, I sincerely trust the House will support the bill. It is in the direction of economy, and it received the unanimous approval of the Committee on Armed Services.

Mr. SCRANTON. Mr. Chairman, will the gentleman yield?

Mr. BATES. I yield to the gentleman from Pennsylvania.

Mr. SCRANTON. As the gentleman from Texas said, there were two main reasons for instituting flight pay; one was incentive, and the other was hazardous duty. Is the committee still of the opinion this is necessary for incentive reasons?

Mr. BATES. Obviously, we are reducing some 7,460 pilots from the Air Force. We do not need at this moment the incentive, because we have more than we actually need. But I do not think the same argument would obtain to those who might be in Navy aviation, or who might be in Marine aviation, or who might be in Army aviation.

Mr. SCRANTON. Then the main reason for maintaining flight pay is for a hazardous occupation?

Mr. BATES. Yes. In respect to the Air Force today I would say that is true.

Mr. SCRANTON. We are having no trouble obtaining people for the Air Force for the purpose of flying?

Mr. BATES. At the moment we have an excess in rated pilots and that has

given rise to the problem we have. However, we also have a problem in obtaining qualified aviation cadets.

Mr. KILDAY. Mr. Chairman, I have no further requests for time.

Mr. BATES. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I would like to pursue this a little further. Is it incentive or hazardous pay? Will the gentleman from Texas tell me?

Mr. KILDAY. The statute calls it incentive pay for hazardous duty. So I guess it is both.

Mr. GROSS. Incentive pay for hazardous duty. How hazardous is it for some desk jockey over in the Pentagon, who has outlived his day of usefulness as a pilot or is permanently grounded because he is not needed? You say this involves a saving of $24 million. Why not get these desk jockeys off hazardous pay altogether? Why not save $42 million?

Mr. KILDAY. I will have to ask the gentleman for some more time to answer that question.

Mr. GROSS. I yield to the gentleman to answer the question.

Mr. KILDAY. The point is that existing law gives him the legal right to receive the pay upon compliance with those conditions. There is no proposition here to repeal that law, so it will continue in effect. You are not going to effect any savings unless we pass this bill.

Mr. GROSS. The question is: Why is not that proposal here today? What are we doing, something a little less worse than something that is wrong?

Mr. BATES. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Massachusetts.

Mr. BATES. He is not taking issue with our committee.

Mr. GROSS. Who is not?

Mr. BATES. The action to which the gentleman refers is action on the part of the Committee on Appropriations and has been approved by this House for the past 7 years. I never heard the gentleman rise on the floor and challenge what the Committee on Appropriations is doing. Ours does not have reference to that particular subject.

Mr. GROSS. I am asking why you did not provide in this bill that all those not actually flying be cut off from hazardous pay.

Mr. BATES. Ours merely supplements what has been the fact for many, many years.

Mr. GROSS. I do not question that.

Mr. BATES. Ours is for the people who might have a career still ahead of them. The gentleman addresses himself to those people who have been included in the appropriation bill every year, not upon what we are doing here.

Mr. GROSS. Why did you not come out of your legislative committee with a bill to chop off these people who are no longer entitled, on the basis of either incentive or hazard, to flight pay? Why did you not come out with that kind of legislation?

Mr. BATES. I do not know whether the gentleman listened to my remarks, but I did address myself to that particular point. I said this is a beginning. It is late in the session. We are saving $24 million.

Mr. GROSS. Why do you not go further and save $42 million?

Mr. BATES. If the gentleman will go as far as we have gone and save this amount of money, we will do pretty good for an afternoon's work.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Of course I yield.

Mr. HOFFMAN of Michigan. I think the gentleman should be commended on the fact that they are trying to hit the sawdust trail. We should not find fault because they have only gone part way.

Mr. GROSS. I would like to see them go all the way to the altar of economy.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I yield.

Mr. YOUNGER. You understand that this is paying for not flying.

Mr. GROSS. That is right; at least, that is my understanding of it. If there is any argument to the contrary, I would like to hear it from the gentleman from Massachusetts or the gentleman from Texas.

Mr. YOUNGER. Well, the gentleman should consider this. Is not this legislation brought about to bring it in line with paying the farmer for not producing?

Mr. GROSS. For what?

Mr. YOUNGER. Paying the farmer for not producing.

Mr. GROSS. Or cost-plus contracts for the airplane industry in California where the gentleman comes from.

Mr. YOUNGER. I think we ought to bring all of these bills in shape and pay everybody for not doing something.

Mr. BATES. Mr. Chairman, if the gentleman will yield, the thing I am trying to establish in my mind is this: Does the gentleman support the legislation, or is he against it?

Mr. GROSS. I suppose under the circumstances and the opportunity to save some money, I may support it. I still have not made up my mind.

Mr. BATES. I will be glad to have the gentleman's support.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. SMITH of Iowa. I just wonder to what extent we are legalizing action that has been taken by the Committee on Appropriations and regulations that have been adopted; are we really legalizing those actions or are we amending substantive law?

Mr. BATES. This is a question of substantive law.

Mr. SMITH of Iowa. Then it is not just a matter of what the Committee on Appropriations does. This is a subject that came out of the gentleman's committee, then?

Mr. BATES. Yes. We have had a practice which has been developed by the Committee on Appropriations on a temporary basis from year to year, but sanctioned by the Congress. Now we are affirming that in substantive law.

Mr. SMITH of Iowa. But we are amending substantive law, too; is that right?

Mr. GROSS. Does not the gentleman from Iowa [Mr. SMITH] agree with me, if I may ask him a question, that we ought to have legislation to stop this business of providing incentive, hazardous, or whatever it is, flight pay to people who are no longer manning airplanes?

Mr. SMITH of Iowa. I know that during World War II it was well understood that if you did not fly you did not get flight pay. Somewhere along the line we got off that track. Now it seems we are coming back. But I cannot find out for sure if this is the result of appropriations action or regulations or actually substantive law.

Mr. BATES. The gentleman does understand that eventually, after a 2-year period, we will undertake the program which he is suggesting?

Mr. SMITH of Iowa. That is, to get back where we were in World War II?

Mr. BATES. That is correct.

Mr. GROSS. But that is 2 years away. For 24 months we are going to go right on paying out millions of dollars to people for hazardous duty which they do not perform.

Mr. Chairman, I have never opposed premium pay for hazardous duty, but I am opposed to extra pay for those who are meeting only the ordinary hazards of life, and certainly there is no need for incentive pay to acquire fliers when there is an admitted surplus of several thousand.

Mr. KILDAY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I do not want the RECORD to reflect that we are talking here about people who cannot fly or who are physically disqualified, or anything of that kind.

The people who cannot or should not fly, "who are no longer physically able to fly," go off flight pay. They have already gone off. They will continue to go off without any pay. This has to do with the persons with more than 10 years of service who are thoroughly competent pilots or whatever their category is in the aircrew. This has nothing to do with that individual who is qualitatively or physically disqualified.

The situation is a very practical one. For many years in the United States we have had this system existing. We all know that people on a fixed income are quite likely to live up to whatever their fixed income may be. These people have been entitled to this pay throughout their period of service. You know and I know that they have probably laid their plans and have been living in accordance with a total income. You cannot possibly retain these men who are thoroughly competent, doing fine, excellent jobs in their administrative capacity, and at the same time cut their pay by anywhere from 10, 15, 20, to 25 percent. That situation no longer exists in the United States, where you can treat faithful employees that way, and it is not going to happen, we know that.

The law provides that if he is under orders for regular and frequent participation in airplane flights he shall receive this money. We know that they are not going to be cut off administratively. We know that if we pass this bill we are going to save this amount of money. That is the purpose of bringing the bill in.

The gentleman from Iowa inquired of me why we did not bring in a bill to cut the whole thing off. I told him I would reply in my own time. The reason I, as one member of the committee, did not bring in such a bill is that I do not support it. I believe it to be unjust and unfair and not for the best interests of the Air Force or the men involved.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman has stated the purpose of this bill is to continue the pay of officers who are no longer flying, to continue the premium pay they have been provided. This bill then is in the nature of a subterfuge.

Mr. KILDAY. No, there is no subterfuge at all.

Mr. GROSS. Oh, yes.

Mr. KILDAY. I do not yield further at this point. I will later if necessary.

The situation is the opposite. These men already are on duty, doing the duties for which they are required and which are needed of them. In addition, they are required to participate in airplane flights, and we are going to relieve them of that portion of them.

Let me say to the gentleman, personnel problems in the Military Establishment are always highly complicated. For almost 23 consecutive years I have worked on these problems. Most of our effort has been devoted to attempting to keep on a career basis the type of people we want to keep in the military service. We have had a very, very difficult time constantly throughout the years attempting to do that. We have spent in many years millions and millions of dollars trying to bring their income, benefits, medical care, retirement, and all these things in line with the tremendous steps taken by industry.

We have here a bill now that is of primary importance to the Air Force. General LeMay came personally to testify and said it is one of the most important things he requires at this time. General White, as his last act before retiring as Chief of Staff of the Air Force, came to testify on this bill. General Power, commanding general of the Strategic Air Command, said in a written statement placed in the hearings that this is one of the most important things he needs in connection with SAC. General Schriever also appears in the record in behalf of this bill.

If you think you can treat military personnel or any civilian personnel of the Government establishment in a cavalier manner and still maintain efficiency and morale you are totally mistaken.

Mr. BATES. Mr. Chairman, I have no further requests for time.

Mr. KILDAY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the Career Compensation Act of 1949, as amended (37 U.S.C. 232 et seq.), is amended by adding the following new section at the end thereof:

"ACCRUED PORTION OF INCENTIVE PAY UNDER SECTION 204 (a) (1)

"SEC. 211. (a) The purpose of this section is to provide an orderly system for the adjustment of inventories of aeronautically rated or designated officers with the requirement for officers in this capacity in the interest of national security, as determined by the Secretary of Defense. This section will provide a means whereby a reexamination may be made of the entire requirement for aeronautically rated or designated officers in a period of changing technology and weapons systems for the purpose of bringing the number of such officers in correspondence with the requirement.

"(b) The Secretary of Defense shall, for the purpose of subsection (a), review at least once each fiscal year the needs of the Armed Forces for aeronautically rated or designated officers and determine the number of those officers needed.

"(c) Based upon the determination made by the Secretary of Defense under subsection (b), and upon a determination by the Secretary concerned that an officer of an armed force under his jurisdiction who—

"(1) after the day before the date of enactment of this section and before the second anniversary of the date of enactment is eligible to receive incentive pay under section 204(a) (1) of this Act, and

"(2) has, following receipt of his aeronautical rating or designation, served on active duty (excluding active duty for training) at any time under competent orders to duty involving flying as a crew member for a total of at least ten years;

is no longer required in the interest of national security to perform frequent and regular aerial flight that officer is, after the effective date of such a determination, entitled to an accrued portion of the incentive pay for that hazardous duty computed under subsection (d) of this section, whenever he is thereafter entitled to basic pay.

"(d) The monthly rate of pay to which an officer is entitled under this section is computed by multiplying the number of years (but not more than twenty), on a cumulative basis, that he served, as determined by the Secretary concerned, under competent orders to duty involving flying as a crew member, by 5 per centum of the monthly rate of pay prescribed under section 204(b) of this Act to which he would be entitled on the effective date of the determination under subsection (c) of this section if he actually performed frequent and regular participation in aerial flight. After attaining a total of ten years' active rated service for initial qualification, in determining the total number of years to be used as a multiplier, a part of a year that is six months or more is counted as a whole year and a part of a year that is less than six months is disregarded.

"(e) The rate of pay authorized by subsection (d) may not be increased as a result of an officer's advancement in pay grade or accumulating additional years of service, unless he again becomes entitled to incentive pay under section 204(a) (1) of this Act and receives such incentive pay for a continuous period of at least two years. However, the pay under this section of an officer who became entitled to that pay while serving in a pay grade below O–7 shall, if he is later advanced to a pay grade above O–6, be computed on the basis of the pay grade in which he is serving with the number of years credited to him under subsection (d).

"(f) Subject to the approval of the Secretary of Defense, the Secretary concerned shall prescribe the criteria and circumstances under which officers of the armed forces under his jurisdiction are eligible for pay under this section. Such criteria and circumstances shall be as uniform as practicable.

"(g) This section is suspended whenever the President, pursuant to section 204(d) of this Act, suspends the payment of incentive pay under section 204(a) (1) of this Act.

"(h) Except for an officer who is ineligible for that pay because of nonpermanent physical disqualification on the day before the date of enactment of this section and who subsequently is returned to such eligibility and meets the requirements of subsection (c) (1) and (2), of this section does not apply to an officer who was eligible to receive incentive pay under section 204(a) (1) of this Act before the date of enactment of this section, but who is not so eligible on the day before the date it is enacted.

"(i) No officer of an armed force is entitled to the pay authorized by this section in addition to incentive pay authorized under section 204 of this Act."

Committee amendment: On page 3, line 11, after the word "pay" insert: "and otherwise remains qualified under such regulations as may be prescribed by the Secretary concerned".

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 3, line 16, after the word "years" insert: "as determined under paragraph (2)".

The committee amendment was agreed to.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Texas has just told us the purpose of this bill. It is to continue the flight pay of military personnel who no longer fly regularly. Instead of coming to the House with a bill to pay these people the salaries that he says are necessary to keep them in the service, there is resort to a continuance of flight pay to nonfliers in order to keep them in the service. I say it is a subterfuge. I challenge anybody to deny it. Why do you not come to the Congress with the kind of bill that you ought to come in with and pay them what you say they ought to be paid? Why do you not come to the House with the kind of pay schedules that will keep them in the service, if that is necessary instead of resorting to this kind of device that lends itself to all kinds of abuse.

Mr. Chairman, I said this bill is a subterfuge and I say it again.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 7651) to amend the Career Compensation Act of 1949 to authorize the payment of an accrued portion of incentive pay to certain aeronautically rated or designated officers who have been eligible to such pay for a minimum of at least 10 years, and who subsequently are removed from

the status to such eligibility due to the fact that a determination has been made that the requirement for them in this capacity is no longer necessary in the interest of national security, pursuant to House Resolution 411, he reported the bill back to the House with sundry amendments, adopted in Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The question is on the amendments.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read a third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

MONETARY ALLOWANCE FOR TRANSPORTATION OF HOUSE TRAILERS

Mr. KILDAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2732) to amend section 303 of the Career Compensation Act of 1949 to provide that the Secretaries of the uniformed services shall prescribe a reasonable monetary allowance for transportation of house trailers or mobile dwellings upon permanent change of station of members of the uniformed services.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2732, with Mr. MACK in the chair.

The Clerk read the title of the bill.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Seventy-two Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 145]

Adair	Evins	Kilburn
Alexander	Farbstein	Kluczynski
Anderson, Ill.	Fino	Landrum
Ashley	Glenn	Lesinski
Bass, Tenn.	Goodling	Macdonald
Blitch	Griffin	Machrowicz
Brooks, La.	Griffiths	Martin, Mass.
Buckley	Hall	Miller, N.Y.
Celler	Halleck	Monagan
Coad	Harrison, Va.	Pilcher
Cook	Healey	Powell
Davis, James C.	Hoeven	Rabaut
	Hosmer	Randall
Davis, Tenn.	Huddleston	Rivers, S.C.
Dawson	Inouye	Roberts
Diggs	Jones, Ala.	Rostenkowski
Dooley	Jones, Mo.	Rousselot
Ellsworth	Kearns	Santangelo
Spence	Vinson	Winstead
Thompson, N.J.	Weaver	Yates
Tupper	Westland	Zelenko

Accordingly, the Committee rose and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. MACK, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee having had under consideration the bill, H.R. 2732, and finding itself without a quorum, he had directed the roll to be called when 370 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. KILDAY] will be recognized for 30 minutes, and the gentleman from Illinois [Mr. ARENDS] will be recognized for 30 minutes.

Mr. KILDAY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this is the last bill scheduled for consideration this week, and I will do everything I can to expedite it. I did not ask for the quorum call and I was quite surprised when it was asked for. I shall attempt to expedite the consideration of the bill.

Mr. HOFFMAN of Michigan. I could make a point of order that you have mentioned me by name, which is contrary to the rule, but I did ask for the quorum call because the statement you made previously was so enlightening and so helpful that I wanted every Member of this House to be here when you made your statement on this bill.

Mr. KILDAY. I always appreciate the gentleman's compliments but I did not mention the gentleman by name, I just said that I did not ask for the quorum call.

Mr. HOFFMAN of Michigan. I wish you would mention my name more often.

Mr. KILDAY. I will do that if you will not make a point of order against it.

Mr. HOFFMAN of Michigan. I thank the gentleman.

Mr. KILDAY. Mr. Chairman, for many, many years, perhaps, since the beginning of our military forces as we know them today, members from the equivalent rank of corporal and above have had the right by law to have their baggage and household effects packed, crated and shipped and delivered at Government expense within certain weight limits for each grade.

In 1955 because of the number of house trailers that had come into use in the military service, the Senate added a provision to permit the moving of trailers at a cost of not to exceed 20 cents a mile in lieu of the movement of baggage and household effects. Of course, in the house trailer those things are included. Since that time that has been the law and the 20 cents has not been paid to the man who moved his trailer himself—he has never been allowed more than 11 cents. With the passage of time, these house trailers have become much larger and more difficult to move and, as a matter of fact, they cannot be moved behind the personal car of an individual. They must be moved commercially, and the average cost of moving a house trailer is 35 cents rather than 20 cents a mile, which is the limit provided by law at this time.

Mr. Chairman, what this bill would do is to continue the maximum of 20 cents a mile when the individual member of the armed services moves the trailer himself. It then authorizes the Government to contract for the movement of his trailer or mobile home as it now contracts for the movement of his baggage and household effects. It also provides that he may be paid directly for the cost of moving it commercially. However, we have in the report a long letter from the Department of Defense, addressed to me as the chairman of the subcommittee, setting out the regulations which will be used if and when this becomes law.

It is proposed to continue the 11-cent-per-mile allowance for the movement of the trailer by the individual himself, that the Government will contract for the movement of these trailers as it now does for the movement of other things, and the Government will pay the bill.

It does not propose to pay the individual except in certain cases, for instance, if he is stationed at a small installation where there is no transportation officer or where there may be some other reason making it advisable to pay the individual.

The point is that in no instance will an individual be paid more than, nor will he get more for moving a mobile home or house trailer than he would have been paid for moving his household effects.

So, as it now exists, the individual by reason of his grade is entitled to a certain number of pounds of baggage and household effects. The Government will move them to his new quarters at Government expense, but if he puts them in a trailer it cannot be done except at a cost not to exceed 20 cents a mile, this payment for the movement of baggage and household effects in his trailer being exactly the same as he would be paid if the baggage and household effects had not been in the trailer. That is the sum and substance of the bill. Of course, it has become quite an injustice to the man who has to pay a portion of the cost of moving his mobile home, whereas the Government would have moved his household equipment and baggage for him.

The bill should be adopted.

Mr. BATES. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I wish to commend Subcommittee No. 2 of the House Committee on the Armed Services for reporting this bill out. There has been a great injustice done to some 9,000 servicemen in the handling and movement of trailers and mobile homes during the past 4 or 5 years. This bill corrects this injustice. It is good legislation and I hope it will be passed by the House unanimously.

Mr. BATES. Mr. Chairman, I yield to the gentleman from California [Mr. TEAGUE] such time as he may require.

Mr. TEAGUE of California. Mr. Chairman, I, too, want to commend the committee. I am acutely aware of the necessity for this legislation because the Vandenberg Air Base out in California is in my district and I know this bill is equitable legislation as far as the military is concerned. Certainly it is meritorious legislation.

I thank the committee.

Mr. KILDAY. Mr. Chairman, I yield myself 1 minute out of fear that I did not make clear that the movement of this trailer is in lieu of baggage and household effects. He cannot get both; it is in lieu of the cost of moving his baggage and household effects. He gets one or the other, not both.

Mr. BROWN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Ohio.

Mr. BROWN. To go further with the gentleman's statement, as I understood the gentleman when he was before the Rules Committee, no person in the armed services can receive more compensation for moving a trailer or mobile home than he would be allowed for moving his household effects.

Mr. KILDAY. That is correct.

Mr. BROWN. In other words, there is no additional cost to the Government.

Mr. KILDAY. There is no additional cost to the Government.

Mr. Chairman, I yield to the gentleman from Illinois [Mr. PRICE], such time as he may require.

Mr. PRICE. Mr. Chairman, I urge the House to approve H.R. 2732. I introduced this bill on January 16. It seeks to amend section 303 of the Career Compensation Act of 1949 to provide that the secretaries of the uniformed services shall prescribe a reasonable monetary allowance for transportation of house trailers or mobile dwellings upon permanent change of station of members of the uniformed services. I have sponsored this measure as a matter of equity.

The gentleman from Texas [Mr. KILDAY], has ably presented the need for this legislation and discussed the provisions of the bill. I shall address my remarks to equity provided by the bill and the manner in which the Department of Defense plans to implement it if enacted.

The shortage of onbase quarters requires the services to depend to a large extent—in excess of 50 percent—on the local community for their total housing requirement. Practical considerations—costs and the susceptibility of military installations to closing—make substantial reduction of this shortage unlikely. Thus, most military families must continue to rely for housing on their allowance for quarters, which ranges from a minimum of $77.10 for an E–4 with one dependent to a maximum of $96.90 for the top enlisted grade with over two dependents.

The law of supply and demand operates in the cost of rentals or the price of homes as it does in all other areas. Many letters to the Secretary of Defense state that either the concentration of Armed Forces personnel in communities near military installations results in rentals too high for the serviceman or that suitable housing simply is not available. In either case, many members have found an answer to mobile homes.

The existing maximum allowance of 20 cents has resulted in considerable out-of-pocket expense for the mobile homeowner who used commercial means of transportation. On the other hand, the member whose furniture is transported does not undergo any expense for the actual transportation of his authorized weight allowance since the Government contracts for its packing and movement. He, of course, is required to pay any costs in excess of that allowance authorized for his grade under the authority of the Career Compensation Act.

The Department of Defense has assured the chairman of the House Committee on Armed Services that the cost to the Government for the movement of a member's mobile home will not exceed the cost to the Government for shipment of his authorized weight allowance of household goods. A table of maximum limits for the movement of mobile homes will be published which is equivalent to the cost of moving the household effects of a member of the same pay grade over a like number of miles. Within this ceiling, the Government will pay the actual charges for movement of a mobile home in accordance with the Interstate Commerce Commission approved tariffs.

Specifically, the Department has stated that in implementation of this bill, it plans to:

First. Limit generally the options to self-haul or to transportation contracted for by the Government. The allowance to the member for self-haul will continue to be 11 cents per mile until such time as factors may warrant its revision. In contracting for movement by commercial carrier, the use of both motor carrier and transportation by railroad flat car would be considered to insure the most advantageous rates to the Government.

Second. For Government contracted moves of mobile homes by commercial carrier, the Government would pay the entire bill presented by the carrier and check back against the member the amounts, if any, which exceed the costs of handling household goods on a similar move for a member of his pay grade reflected in the published table, as well as any unauthorized charges appearing on the carrier's bill not related to pickup, transportation, and delivery of the mobile home.

Third. Only in exceptional cases, such as those of a member's being stationed at a post where there is no transportation officer, would an allowance be authorized to a member for a commercial haul. In such cases, the reimbursement would be limited to the cost to the member not to exceed the cost of handling household goods on a similar move for a member of his pay grade reflected on the table discussed above and excluding any unauthorized charges appearing on the carrier's bill not related to the pickup, transportation, and delivery of the mobile home.

Fourth. The Department will periodically review the table of maximum allowances and the mileage rate for self-haul with a view toward keeping current and reflecting appropriate ceilings.

In summary, the bill protects the interest of the Government since under the proposed legislation, as well as the proposed implementing regulations, a member of the uniformed services will not be authorized an allowance which will permit him to receive a larger allowance from the Government because of his ownership of a mobile home than he would receive if he moved his household effects, as authorized, at Government expense.

In other words, the implementing regulations will be written in such a manner that the owner of a mobile home may not be reimbursed in kind or in cash so as to give him a greater allowance than he would otherwise be entitled if he were occupying a home and was transfered to a new station and his household effects were shipped at Government expense.

With reference to the service member, the bill would relieve him of the considerable financial burden to which he has been subjected for a number of years due to the inadequate allowance authorized for the movement of mobile homes by commercial means.

I recommend enactment of H.R. 2732 as reported.

Mr. BATES. Mr. Chairman, I agree with the comments made by the gentleman from Texas [Mr. KILDAY]; this merely affords to one who has a trailer the same moving allowance as is presently accorded to one who has household effects. It is simple justice. It received the unanimous approval of our subcommittee and of the full committee. I believe it should be adopted.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BATES. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. This is the second bill that has been before the House today and as to both, as I recall, the gentleman speaking has made the statement that they would save the Government money. Is that accurate?

Mr. BATES. The other bill will save the Government $24 million a year. This will cost $1 million a year.

Mr. HOFFMAN of Michigan. Additional cost?

Mr. BATES. The net effect this afternoon of the two bills is a saving of $23 million.

Mr. HOFFMAN of Michigan. This cuts a million dollars off the other savings?

Mr. BATES. That is right.

Mr. HOFFMAN of Michigan. I thank the gentleman. I could not believe that we could pass two bills in one day which would save the Government something.

Mr. BATES. Mr. Chairman, I have no further requests for time.

Mr. KILDAY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. O'HARA].

Mr. O'HARA of Michigan. Mr. Chairman, with reference to the question raised by my colleague from Michigan [Mr. HOFFMAN], may I say that this bill, in my opinion, will, in the long run, save the Government money. Existing regulations discriminate against the ownership of mobile homes by military personnel. The difficulty of providing adequate and suitable housing for our service personnel has been intensified by this discrimination. Another point that should be made is that where Capehart and Wherry housing exists there are substantial problems when it is in the interest of the Government to reduce the manpower at a particular base or when such a base is found to be surplus to defense needs.

This bill is, I think, a step in the right direction. The design and construction of mobile homes have been improved greatly in recent years. This type of housing can satisfy the housing needs of many of our service people. I hope the Congress will, in the near future, take steps to encourage the ownership of this type of housing by our military personnel. I am certain in the long run it will prove a sound and economic arrangement both for the military and for the taxpayers.

I commend the subcommittee chairman, the gentleman from Texas [Mr. KILDAY] and the full committee for their foresight in bringing this legislation before the House at this time.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Indiana.

Mr. WILSON of Indiana. My purpose is to inquire as to what would constitute a serviceman's personal belongings. His property in the trailer, it was said, would not cost any more to move than at present. What has he in the trailer that he could move? There is the refrigerator, the heating plant. It looks to me like there would be only personal effects in the trailer that could be moved.

Mr. KILDAY. It is whatever he has in the house.

Mr. WILSON of Indiana. The trailer itself is included?

Mr. KILDAY. That is true.

Mr. WILSON of Indiana. I thank the gentleman.

Mr. KILDAY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, the gentleman from Ohio, [Mr. BROWN], the ranking minority member of the Rules Committee, is here, and may I have his attention for a moment? I understand him to ask the gentleman from Texas [Mr. KILDAY], whether this bill costs us any money and I understood him to say that he understood it did not.

Mr. BROWN. I cannot be responsible for the gentleman's understanding.

Mr. HOFFMAN of Michigan. Tell me yours, please. I always accept superior knowledge and intelligence.

Mr. BROWN. If the gentleman will ask me a question I will answer it. If the gentleman had been listening he would know that what I asked the gentleman from Texas was: If it was not a fact that there could be no payment made for moving the trailer more than it would cost to move the furniture.

Mr. HOFFMAN of Michigan. Under existing law?

Mr. BROWN. I recommend the gentleman read the RECORD in the morning.

Mr. HOFFMAN of Michigan. Old as I am my memory is fairly good and we were advised that this bill did not call for money. That there would be a saving of $24 million on the previous bill if adopted. That is what we were told. He said, did he not, it would not?

Mr. BROWN. That is correct.

Mr. HOFFMAN of Michigan. How do you reach the conclusion that under this bill——

Mr. BROWN. Because he has a right to have his furniture moved or his trailer.

Mr. HOFFMAN of Michigan. Wait a minute now. You are not in a Rules Committee hearing. We were told this bill would cost a million dollars more, and cut down the saving of $24 million we made on the other bill to $23 million. That is what the record will show.

Mr. BROWN. If the gentleman had been listening, I never mentioned millions or anything like that. The gentleman should pay attention to what goes on. I regret and am very sorry if he did not do so.

Mr. HOFFMAN of Michigan. I do, and I did, but I remember what Justice Black said a few days ago. On the 19th of June last he said he did not know what the Court decided in that case and apparently you do not know what has been said here. That statement would not have been made had you not said that I was not paying attention. The gentleman's intelligence and experience is far superior to mine, he is just a boy if our years are counted, but in this particular case his memory is at fault as the record will show.

Mr. KILDAY. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the twelfth sentence of section 303(c) of the Career Compensation Act of 1949 (37 U.S.C. 253(c)), is amended by striking out the words ", not to exceed 20 cents per mile,".

SEC. 2. Section 303(f) of the Career Compensation Act of 1949 (37 U.S.C. 253(f) is amended by striking out the word "and" at the end of clause (2) and by inserting the following before the period at the end thereof: ", and (4) monetary allowance for transportation of house trailer or mobile dwelling—current average costs for commercial transportation, or current average costs for transportation by the member".

With the following committee amendment:

Page 1, line 5, strike out "by striking out the words, 'not to exceed 20 cents per mile,'" and insert:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the twelfth sentence of section 303(c) of the Career Compensation Act of 1949 (37 U.S.C. 253(c)), is amended to read as follows:

"Under regulations prescribed by the Secretaries concerned and in lieu of transportation of baggage and household effects or payment of a dislocation allowance, a member of the uniformed services, or in the case of his death his dependents, may transport a house trailer or mobile dwelling within the continental United States for use as a residence by one of the following means—

"(1) transport the trailer or dwelling and receive a monetary allowance in lieu of transportation at a rate to be prescribed by the Secretaries concerned (but not to exceed 20 cents per mile);

"(2) turn the trailer or dwelling over to the Government for transportation by commercial means; or

"(3) transport the trailer or dwelling by commercial means and be reimbursed by the Government subject to such rates as may be prescribed by the Secretaries concerned:

Provided, however, That a member or his dependents, is, or are, not entitled to an allowance, transportation, or reimbursement under this sentence unless he is, or they are, otherwise entitled to transportation of baggage and household goods under this section: And *provided further,* That any payment authorized by this section may be made in advance of the transportation concerned."

SEC. 2. Section 303(f) of the Career Compensation Act of 1949 (37 U.S.C. 253(f)) is amended by striking out the word "and" at the end of clause (2) and by inserting the following before the period at the end thereof: ", and (4) monetary allowance for transportation of house trailer or mobile dwelling—current average costs for commercial transportation, or current average costs for transportation by the member".

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. MACK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 2732) to amend section 303 of the Career Compensation Act of 1949 to provide that the Secretaries of the uniformed services shall prescribe a reasonable monetary allowance for transportation of house trailers or mobile dwellings upon permanent change of station of members of the uniformed services, pursuant to House Resolution 401, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

PURCHASE OF FEDERAL SURPLUS PROPERTY BY STATE AND LOCAL GOVERNMENTS

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. ZABLOCKI] may revise and extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, today I have introduced a bill to facilitate the purchase, by local and State governments, of Federal surplus property which is not donated for purposes of education, public health, or civil defense.

A companion bill is simultaneously being introduced in the other body of Congress by Senator HUBERT HUMPHREY, of Minnesota.

The objective of this proposed legislation is to allow State and local government units to purchase property which has been declared surplus by the Federal Government and thereby acquire a clear title to such property. An outright purchase under the terms of the Zablocki-Humphrey bill would eliminate the artificial restrictions that now hamper local governments in this field.

I would like to make it clear that the bill which I have introduced would in no way infringe upon, or interfere with our present programs of donating Federal surplus property for purposes of education, public health, or civil defense. These programs will continue to enjoy their current preferences. They will have the first choice of surplus property which is not needed by any Federal department or agency.

My bill pertains to surplus property which is left over after the requirements of the above-mentioned programs are satisfied. It would authorize the General Services Administrator to offer such property for sale to local and State governments at 5 percent of its original acquisition cost.

The suggested purchase price of 5 percent of the cost to the United States of acquiring such property is somewhat arbitrary. It does, however, realistically approach the actual percentage which the Government is presently recovering on such property. The 1960 annual report of the General Services Administrator stated that the sales return on surplus property, exclusive of scrap sales, was 5.1 percent.

The bill which I have introduced, when approved by Congress, would not delay the final disposal of Federal surplus property. It would not require the establishment of new administrative machinery since the surplus property would be offered for sale through State agencies which are presently involved in carrying out the donation program. It would assure, however, that at least a part of this surplus property, acquired with public funds, would be put to public use. And it would benefit the taxpayers.

Mr. Speaker, the proposal embodied in my bill grew out of many months of consultation between representatives of local governments and the Federal agencies involved in the disposal of surplus property. It has been endorsed by the National Association of County Officials, American Municipal Association, U.S. Conference of Mayors, and the Council of State Governments. I would like to read into the RECORD the letters which I received from these organizations:

NATIONAL ASSOCIATION OF COUNTY OFFICIALS,
Washington, D.C., August 8, 1961.

Hon. CLEMENT J. ZABLOCKI,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ZABLOCKI: The National Association of County Officials strongly supports your proposed legislation which would authorize States, counties, cities, and other State instrumentalities to purchase Federal surplus property at 5 percent of its original acquisition cost.

We much prefer outright purchase of these items, rather than a donation, because we can then avoid the artificial restrictions on use that now hamstring both our counties and the Federal Government.

Our support of this type of legislation was editorially expressed in the March 1961 issue of the County Officer. A copy of this editorial is enclosed.

We commend you for your interest in the problems of local government and we offer our complete support for this proposed legislation.

Sincerely yours,
BERNARD F. HILLENBRAND,
Executive Director.

U.S. CONFERENCE OF MAYORS,
Washington, D.C., August 8, 1961.

Hon. CLEMENT J. ZABLOCKI,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: On behalf of the U.S. Conference of Mayors, may I express our support for the legislation you propose to introduce to permit State and local governmental units to purchase personal property surplus to the Federal Government before it is offered for sale to the general public.

We have reviewed this proposal and believe that it offers a step toward improved intergovernmental relations. While in many instances the present donor program has proven satisfactory, there is good reason why States and cities would prefer to purchase surplus property. Once the property were purchased outright and title passed, the State or city could use this property in a manner consistent with other property that it owns and would be relieved of the burden of keeping separate, and often cumbersome, maintenance and care records for the Federal agency. Under the terms of the proposed legislation, outright purchase could be had and, at the same time, regulations could be drawn which would guard against abuses of this program.

We sincerely hope the appropriate committees of the Congress will give this matter early consideration.

Sincerely yours,
HARRY R. BETTERS,
Executive Director.

AMERICAN MUNICIPAL ASSOCIATION,
WASHINGTON, D.C., *August 8, 1961.*

Hon. CLEMENT J. ZABLOCKI,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ZABLOCKI: We are pleased to learn that you are considering the introduction of legislation pertaining to the amendment of the Federal Property and Administrative Services Act of 1949. This proposed amendment would permit certain surplus property not needed for the purposes of education, public health, or civil defense to be offered for sale to local and State governments at a price not to exceed five percent of the cost of acquisition of said property.

The American Municipal Association would support such legislation since it would be consistent with its national municipal policy on surplus Federal property.

Personal property, once purchased from taxpayers' money by the Federal Government, and subsequently declared to be surplus and no longer needed for Federal, local health, educational or civil defense purposes, should continue to be made available for taxpayers' benefit so long as a usable and needed Government purpose remains. In accordance with the provisions of the proposed bill which you are considering introducing, the Administrator would be given the authority to determine whether or not such equipment is usable and necessary for State or local government purposes and what regulations should govern its use.

With the burdensome cost of government continuing to mount and with the continued straining of local government resources, maximum use needs to be made of all facilities and resources under whatever intergovernmental cooperative mechanisms can be found. We believe the proposed legislation under consideration by you to be fair and equitable and with due regard for intergovernmental cooperation.

The American Municipal Association supports the proposed legislation which you are now considering, for it feels that State and local governments should be given the opportunity of purchasing such surplus properties at a negotiated sale before these properties are disposed of at public auction.

Sincerely yours,
PATRICK HEALY, Jr.,
Executive Director.

THE COUNCIL OF STATE GOVERNMENTS,
Washington, D.C., August 8, 1961.

Hon. CLEMENT J. ZABLOCKI,
Member, U.S. House of Representatives,
House Office Building, Washington, D.C.

DEAR MR. ZABLOCKI: We are pleased to know that you are considering the introduction of a bill to permit State and local governments to purchase Federal surplus personal property at a price not to exceed 5 percent of the cost to the United States of acquiring such property.

This is a project in which the Council of State Governments, as secretariat to the Governors' conference and the National Association of State Purchasing Officials, has been interested for many years. Repeated efforts have been made to devise a program satisfactory to all concerned whereby clear title to Federal surplus personal property could be obtained through purchase of such property by State and local governments. We are delighted that such now appears to be the case.

If we can be of assistance to you in any way in this matter, please call on us.

Yours very truly,
CHARLES F. SCHWAN, Jr.,
Washington Representative.

Mr. Speaker, I would also like to include in the RECORD the text of my bill, and to express the hope that this measure will receive early and favorable consideration.

A BILL TO AMEND SECTION 203(J) OF THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949 SO AS TO PROVIDE THAT CERTAIN SURPLUS PROPERTY OF THE UNITED STATES SHALL BE OFFERED FOR SALE TO THE STATES

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That subsection (j) of section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(j)) is amended by redesignating paragraph (6) as paragraph (7) and by inserting immediately after paragraph (5) the following new paragraph:

"(6) Under such regulations as the Administrator may prescribe, any surplus property referred to in paragraph (1) of this subsection which—

"(A) is not donated for purposes of education, public health, or civil defense, or for research for any such purpose, and

"(B) is included within a Federal Supply Classification Code category that has been determined by the Administrator to be usable and necessary for any State or local governmental purposes,

shall be offered for sale by the Administrator to the States, including political subdivisions and instrumentalities thereof, at a price not to exceed five per centum of the cost to the United States of acquiring such property. Any offer to sell property under this paragraph shall be made by the Administrator to the State agency referred to in paragraph (1) of this subsection, or such other agency as may be designated by the State, for distribution by such agency to the political subdivisions and instrumentalities of the State concerned."

COMMUNICATIONS ACT OF 1934

Mr. MACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions, insist on the House amendments and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois? The Chair hears none, and, without objection, appoints the following conferees: Messrs. HARRIS, ROGERS of Texas, FLYNT, MOSS, ROGERS of Florida, BENNETT of Michigan, SPRINGER, YOUNGER, and THOMSON of Wisconsin.

AUTHORIZING EXPENSES OF INVESTIGATION INCURRED BY THE COMMITTEE ON VETERANS' AFFAIRS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 392 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of the investigation and study authorized by H. Res. 49 of the Eighthy-seventh Congress incurred by the Committee on Veterans' Affairs, acting as a whole or by subcommittee, not to exceed $100,000, including expenditures for the employment of experts, and clerical, stenographic, and other assistance, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof and approved by the Committee on House Administration.

SEC. 2. The official stenographers to committees may be used at all meetings held in the District of Columbia unless otherwise officially engaged.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield.

Mr. SCHENCK. Mr. Speaker, this resolution was unanimously approved by the Committee on House Administration. It has been cleared with the leadership on this side and there is no objection to it.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE LATE HONORABLE FRANK N. D. BUCHMAN

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, I wish to say to you, and the other distinguished Members of this great legislative body, that the reason I asked time is to announce to you that Mr. George Eastman, of Los Angeles, Calif., a very beloved and longtime associate of our beloved friend, Dr. Frank N. D. Buchman, phoned me from Los Angeles yesterday and asked that announcement be made to the Members of this Congress that Dr. Frank N. D. Buchman became deceased on August 7, 1961, at the age of 83 years, at Freudenstadt, Germany, with a sudden heart attack.

As you know, he was the founder and great, inspiring spiritual force of the worldwide known Moral Re-Armament group with which many of us in this great legislative body have been pleased to have frequent contact and privilege of cooperating.

I shall speak very briefly on this occasion, Mr. Speaker, but I now ask unanimous consent to extend and revise my own brief remarks and also ask unanimous consent that all Members of this body desiring so to do shall have the privilege of extending in the body of today's CONGRESSIONAL RECORD their remarks on the life and character and services of Dr. Buchman. I know many of the Members will desire so to do and it is noted that some Members on yesterday took the occasion to promptly extend their remarks in memory of this illustrious American citizen who was raised in the State of Pennsylvania and whose body will be returned to that great State for burial after it has lain in state in Germany before it is returned to the United States for final memorial services and burial.

I bespeak for myself and I know I do for all other Members of this body who have had the inspiration and pleasure also of either knowing Dr. Buchman personally or some of his dedicated and unselfish associates in their emphasis of world peace through Moral Re-Armament; and also triumph over communism by and through application of the principles of Moral Re-Armament. Our very best hopes and prayers are for a continued vigorous and vigilant emphasis of the present and imperishable effect of spiritual forces in the regeneration of the individual and mankind.

Here is one of the signed pronouncements by our friend, Dr. Buchman, at the World Assembly for Moral Re-Armament at Caux-Sur-Montreux, Switzerland, in 1954, wherein he said:

What is the answer for a divided world in which men have developed points of view they cannot overcome and forces of destruction they cannot control? We have reached the moment when, unless we find an answer and bring it quickly to the world, not just one nation, but all nations will be overwhelmed.

For too long we have breathed the atmosphere of problems. We move from conference to conference and give up hope of a fundamental solution.

Let us be honest and face the facts. A new conference is no answer to a false philosophy. A new theory is no answer to a militant ideology. Plans fail for lack of inspired people to work them. Yet we multiply plans. Caux produces the inspired people who will make plans work.

Moral Re-Armament offers the world and the statesmen of the world a force, trained and on the march, that has the answer to individual and national selfishness. It is the chance for everyone everywhere to step today into the fresh dimension of a new age. It is not a theory but a way of life, tested and tried in every circumstance. It is a force that has the power to save and recreate a society on the brink of collapse.

And here are just a few of the testimonials by recognized leaders throughout the world which I know we are all so thankful Dr. Buchman himself had the privilege in his distinguished lifetime of at least reading:

Helmuth Burckhardt, chairman, 1953, advisory council of the Schuman Plan High Authority: "Caux shows us how to deal with the problems that are raised by the need to bring unity in Europe."

Ole Björn Kraft, until recently Danish Foreign Minister and Chairman of NATO: "Today the unity of Europe is a question of life and death. Moral Re-Armament is a force capable of uniting all people and first of all the peoples of Western Europe."

Messaggero Veneto of Trieste reporting the work of Moral Re-Armament in the industrial north of Italy: "The world is bound to be shaken and apathy and delusion swept away by this force which is capable of saving and remaking society. It is also a cry of faith for us."

Claudius Petit, Minister of Reconstruction in France, 1948–52, mayor of Firminy, speaking during the visit of the Moral Re-Armament force to his city: "Moral Re-Armament gives to all men the means of uniting and rebuilding the world in peace."

Dr. William Nicol, Administrator of Transvaal. A Moral Re-Armament force from 17 countries has spent the last 7 months in central, south, east and west Africa: "There is no hope for South Africa apart from the truths which Moral Re-Armament so powerfully represents."

In an invitation to Nigeria signed by representatives of the Central Cabinet, the Western Region Cabinet, and the House of Chiefs: "Moral Re-Armament can give to our people and the country the moral revolution which is the only basis of survival in a world of conflict and chaos."

Field Marshal P. Pibulsonggram, Prime Minister of Thailand: "We shall find through Moral Re-Armament the basis for unity in southeast Asia."

Ghulam Mohammed, Governor-General of Pakistan: "India and Pakistan, having had a taste of what strife and hatred are, need much more effectively the weapon that is given to humanity by Moral Re-Armament."

His Eminence Abdul Rahman Tag Sheikh Al-Azhar, the rector of Al-Azhar University, Cairo: "Moral Re-Armament is working to spread the principles of peace, love, and sound morals without individual and national differences. We ourselves will cooperate to establish this sound, God-inspired ideology."

The Honorable G. V. Mavalankar, the Speaker of the Indian Parliament: "With Moral Re-Armament we can bind the world together and bring peace."

Signed by 17 Members of the Japanese Parliament (9 Members of leftwing Social Democratic Party; 8 Members of rightwing Social Democratic Party): "As Socialists we welcome Moral Re-Armament as the unifying influence which all nations and our own movement urgently need."

Six Labor Members of the British House of Commons in a statement to the press on October 26, 1953: "Moral Re-Armament points the road that the great movements of the common man everywhere must take if they are to fulfill their role of uniting a disintegrating humanity."

Senator ALEXANDER WILEY, chairman of the Foreign Relations Committee of the U.S. Senate: "We consider Moral Re-Armament a unique ideological force bridging barriers of race, class, and bigotry and making for world understanding and unity."

It will be a continuing inspiration to me to have been in fairly close contact and experience with Moral Re-Armament since about 1935.

In closing may I humbly state that I express my hopes and prayers that this great spiritual force, dedicated to fight and win against the threat of world communism, will continue to deserve and generously receive the material, as well as spiritual blessings and benefactions and cooperation of all those who in the lifetime of Dr. Buchman have helped implant the precepts of Moral Re-Armament in the hearts and lives of millions of citizens throughout the world. This great spiritual leader was truly a spiritual statesman.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BENNETT of Florida. Mr. Speaker, Frank Buchman is no longer among us in person but he will surely be forever among us in spirit. There have been many great religious leaders through the ages; but very few of these have left a legacy of specific rules of living which will for generations henceforth assist men to more God-like lives. Dr. Buchman was one of the few. I am humbly grateful that I knew him personally, as well as many of his dedicated companions.

It was his belief that individuals in prayer could receive divine guidance and that a person should live by standards of absolute honesty, purity, unselfishness, and love. The practice of these concepts changed many individual lives for the better, settled many an industrial strife, unified different opposing nations, bridged gaps of racial and religious misunderstanding. History has been written, and better written, because of this man.

Frank Buchman and his ideas will inspire men and women for ages to come. If we all would live by these concepts of Frank Buchman we would in fact find real answers to our present problems.

The free world worships God; and is in a desperate struggle against atheistic communism. The Moral Re-Armament movement, founded by Dr. Buchman, has presented a method by which God-fearing men of all religions can unite without diminishing their specific faiths. Certainly this is important in 1961 as it probably always will be.

The Moral Re-Armament movement now has a substantial task in carrying on its activities in the absence of their great leader. I am confident that the task will not be impossible. It needs to be done.

Mr. BRAY. Mr. Speaker, it was my privilege to have known and talked with Dr. Frank Buchman, founder and leader of the Moral Re-Armament movement. Few men in our age have had greater love of his fellowmen and a greater compassion for his fellowbeings without consciousness of nationality, or race, or color, or class. To him every man was a priceless child of God. While in this day there is much talk and discussion about world brotherhood, yet there are too few who do anything about it. Dr. Buchman was one who concretely furthered international understanding and brotherly love among men all around the world. The great ideals for which Dr. Buchman lived, fought, and died, will live on. His death leaves a great void, which will be most difficult for his diciples to fill. The greatest tribute to be paid a man can sincerely be said of Dr. Frank Buchman—this world is a better place for his having lived here.

Mr. SHEPPARD. Mr. Speaker, all those who knew Dr. Buchman deeply regret his passing.

Dr. Frank N. D. Buchman's life was dedicated to raising a world force to answer the materialist ideologies of our age.

He was described on his 80th birthday in an editorial in Germany's leading paper, Frankfurter Allgemeine Zeitung, as "becoming more and more the conscience of the world." Another leading European paper wrote of him:

In this age of painful division, Frank Buchman is the one white man whom the statesmen of Asia and Africa trust.

He had a global view of the situation confronting the statesmen and a passionate concern for individuals. These two qualities singled him out as the man to whom people in every walk of life turned for advice and direction.

Robert Schuman of France said of him:

I am eternally grateful to Frank Buchman. He has helped and encouraged me from the first moment.

Chancellor Adenauer, of Germany, who came with his whole family to the Moral Re-Armament World Assembly in Caux, Switzerland, just after the war, remained a constant friend. Adenauer paid tribute to the moral courage which Buchman showed in creating a world ideological force to turn the tide of materialism. "What you have done through Moral Re-Armament," he said, "is absolutely vital for the maintaining of world peace."

Prime Minister U-Nu of Burma said:

Dr. Buchman has all the qualities that inspire confidence and the tenacity of purpose which will accept nothing short of complete success.

The secretary of the Presiding Abbots' Association of Burma, taking part with four senior Abbots in the celebration of Dr. Buchman's 83d birthday in Caux, declared:

A personality like Dr. Buchman comes once in a thousand years to lead humanity. That is why we have come 6,000 miles for the privilege of meeting him and giving him our highest blessing.

Dr. Bernardus Kaelin, 12 years abbot primate of the Benedictine Order, said:

We have every reason to thank God that He has chosen a man, Dr. Frank Buchman, to formulate such an ideology as Moral Re-Armament and inspire others with it. He is an instrument of God. We of the Catholic Church are grateful that there is such an ideology. It is bringing back to their faith many men who stand aloof or who are going another way—men whom we priests and pastors find it impossible to reach.

May Moral Re-Armament win the whole world. The greatest gratitude we can show to Frank Buchman is to stand up for its ideas.

The central point of the ideology of Moral Re-Armament is change.

Buchman declared:

What is needed is social change, economic change, national change, and international change, all based on a drastic change in human nature. Until we deal with human nature thoroughly and drastically on a world scale, nations will continue to follow their historic road to violence and destruction.

The assemblies of Moral Re-Armament, held on every continent, have drawn a response from representatives of 120 nations during the past 18 years. In 1952, Dr. Buchman's work earned the grudging respect of Moscow. In a series of broadcasts Moscow radio attacked it as "a global ideology with bridgeheads on every continent, having the power to capture radical revolutionary minds." Hundreds of Communists on every continent abandoned communism in favor of a superior idea of world change through a moral ideology. Eudocio Ravines, many years a member of the Comintern and founder of the Communist Party of Peru, said after accepting Moral Re-Armament:

Western civilization will collapse unless we conquer the hearts of men with the moral standards Frank Buchman has given us. He is leading a force on the road to world renaissance. It is humanity's one hope.

As well as Prime Minister U Nu of Burma, Presidents Magsaysay and Garcia of the Philippines, President Diem of Vietnam, former Premier Kishi of Japan, Rajmohan Gandhi, grandson of the Mahatma, were among the vanguard of a growing number in Asia who welcomed the ideology of Moral Re-Armament as being above race and class, answering the needs of the heart, and changing the motives of men and the policies of nations.

Indian leaders turned to Buchman after Kerala, the first state in the world

to vote itself Communist, overthrew the Communist regime. They knew that without an ideology to unite the non-Communists, the Communists would take over again at the next election. Catholic, Moslem, and Hindu leaders went to Caux, seeking an answer. They included Mannath Padmanabhan, 83-year-old leader of the liberation struggle. Archbishop Gregorious of Trivandrum said later:

History will record our permanent gratitude to Mannath Padmanabhan, not only for having ousted the Communist regime, but for creating the unity of all communities following his return from Caux.

Padmanabhan himself said:

Kerala can never be grateful enough to the ideology of Moral Re-Armament.

Leaders of Cyprus, too, have repeatedly expressed their gratitude for the part played by Buchman in ending the bloodshed on their island. Archbishop Makarios said in Dr. Buchman's London home:

I have come here to bring my personal thanks for what MRA has done in bringing an answer to Cyrus.

Vice President Dr. Kutchuk said:

MRA will save the world from communism, dictatorship, and war.

In a press interview 2 months ago, Buchman described his vision for humanity:

It is that the whole world will learn to live like sons of God, where no man demands too much for himself while any other man goes hungry, where character not color becomes the yardstick of human values, where it is normal to live as one honest, pure, unselfish, loving, united family throughout the earth.

Frank Nathan Daniel Buchman was born in Pennsburg, Pa., on June 4, 1878. His family came originally from St. Gallen, Switzerland, arriving in Pennsylvania in 1740. An ancestor, Theodore Bibliander (Buchman) was the successor of Zwingli in the theological seminary at Zurich, and the first translator of the Koran into German. Another ancestor fought with Washington at Valley Forge. Frank Buchman's uncle was the first man in America to enlist in the Union Army under Abraham Lincoln. He was later killed at Bull Run.

Fifty Members of the U.S. Congress cabled him this year stating:

We are grateful for the moral stand you have taken over the years to show America what a nation under God is meant to be.

Frank Buchman had a fundamental faith in the availability of the guidance of God for every man. The decisive point in his career came in 1921 when, in obedience to such guidance, he resigned from a college position offering security and comfort, to create a world force of men and women in every walk of life who would live the answer to a divided world.

Frank Buchman had been prepared for this work by his studies and graduation from Mühlenberg College in Allentown, Pa., by his foundation of the first hospice for destitute boys in Philadelphia, by his experience on the staff at Penn State College, as it was then called, and by travel in Europe, Asia, and Africa, which had given him a wide understanding of men and affairs.

During these years of preparation his genius for friendship became apparent.

In 1915 he first met Gandhi who remained his friend for life. He visited Dr. Sun Yat-sen in Canton where they had long talks. "Buchman is the only man who tells me the truth about myself," said the founder of modern China.

Friends of those early days constantly welcomed him back to their countries. Baron Shibusawa, the founder of modern industrial Japan, entertained him in 1915, and his great-grandson is now one of the leaders of Moral Re-Armament in Asia. One person in Britain who responded to his call was Lady Antrim, lady-in-waiting to two Queens of England. Two of her great-grandchildren give their full time for Moral Re-Armament. It is typical of Buchman's relationship with people—once a friend, always a friend.

During the twenties and thirties this network of friendships developed into an effective force in the life of nations. In South Africa a group of students from Oxford, whose lives had been changed by meeting him, were instrumental in bringing understanding between Briton and Boer. The name "Oxford Group" was given to their work.

Thirteen years later the Honorable J. H. Hofmeyr, Deputy Premier under Field Marshal Smuts, cabled to the British House of Commons:

Buchman's visit to South Africa started a major and continuing influence for racial reconciliation throughout the whole country, between white and black, Dutch and British, on which the future of democratic institutions in South Africa may largely depend.

Men from this rapidly growing world force around Frank Buchman were invited by the last president of the League of Nations, Hon. Carl J. Hambro, President of the Norwegian Parliament, to a special meeting of league delegates. He introduced them with the words:

These people have succeeded in fundamental things where we have failed. They have created that constructive peace which we have been seeking in vain for years. Where we have failed in changing policies, they have succeeded in changing lives and giving men and women a new way of living.

Buchman recognized early that the basic problem of our age was ideological. He believed that only a passion can cure a passion, only an idea can defeat an idea—that unless the democratic nations demonstrate compellingly a better idea that totalitarianism, they are sooner or later doomed to destruction. Neither anticommunism nor antifascism cures the basic problem.

MRA LAUNCHED

Accordingly in 1938 he launched Moral Re-Armament—a uniting moral ideology, based upon the absolute standards of honesty, purity, unselfishness, and love under the guidance of God, which, if lived out in the policy of nations, would change the course of history.

Frank Buchman had the deep conviction that "labor led by God can lead the world." He said:

Before a God-led unity every last problem will be solved. Empty hands will be filled with work, empty stomachs with food and empty hearts with an idea that really satisfies.

This drew a worldwide response from the workers and their leaders. Ben Tillett, leader of the London dockers, on his deathbed sent this message to Buchman:

You have a great international movement. Use it. It is the hope of tomorrow. Your movement will bring sanity back to the world.

John Riffe, executive vice president of the CIO, said:

Tell America that when Frank Buchman changed John Riffe he saved this country $500 million.

THE WAR YEARS

In mass meetings in Britain and across America, he led a force that, during the war years, gave to thousands the secret of high morale and a basis of hope for lasting peace.

Gen. John J. Pershing broke a lifetime rule and wrote the foreword to Buchman's handbook, "You Can Defend America," which was distributed in hundreds of thousands in war industries, schools, and homes throughout America. It was described by the U.S. War Department as "the most challenging statement of this country's philosophy of national defense that has yet been written."

During this period Frank Buchman was attacked by both Fascist and Communist. Gestapo documents, discovered and published after the war, denounced him and condemned his activity for "substituting the Cross of Christ for the swastika, and uncompromisingly taking up a frontal position against national socialism."

During the war many of his men served with gallantry and distinction on all fronts, winning decorations for bravery. Buchman worked ceaselessly to keep intact a force that would be able, immediately on the cessation of hostilities, to take up the work for which they were trained, that of bringing the answer to hate and fear, and making lasting peace possible.

CAUX

In 1946 the MRA world headquarters in Caux, Switzerland, was opened. In the last 15 years 125,000 representatives of 120 countries have come for training. Among these have been prime ministers, cabinet ministers, and Members of Parliament, and a broad section of industrial, trade union, and student leadership from all over the world.

Similar assemblies were held on Mackinac Island, Mich., where new buildings to house 1,200 people have recently been put to use. Last year one of the most modern and best equipped television film production studios in American was opened there.

A group of European political leaders, among them Prof. Hans Koch, head of the East Europe Institute and adviser

to the German Government on Russian Affairs, summed up the achievements of Frank Buchman's life in five spheres of contemporary history.

FIVE HISTORIC ACHIEVEMENTS

First. The laying of the foundations for a new trust between Germany and France and for a common destiny for the peoples of Europe.

Basic to this was the restoring of Germany to her place in the family of nations which found its first decisive expression at the Caux assemblies. For this service Frank Buchman was honored by the German Government with the Grand Cross of the Order of Merit, while at the same time the French Government made him a Chevalier of the Legion of Honor. King Paul of Greece also conferred on him the Knighthood of the Order of King George of Greece.

Second. The unity brought between Japan and her neighbors in southeast Asia.

The first representative group of Japanese leaders to visit Europe and America after the war was invited by Frank Buchman. Their apology in the U.S. Senate marked a turning point in the relations between Japan and her former enemies. In 1956 the Japanese Government awarded him in person the Order of the Rising Sun. In the same year the Chinese Government on Formosa conferred on him the Grand Cordon of the Brilliant Star, the Philippine Government their Legion of Honor, and the King of Thailand made him a Knight Grand Cross of the Order of the Crown of Thailand.

Following the 1960 Tokyo riots, Prime Minister Kishi informed Dr. Buchman:

But for Moral Re-Armament Japan would be under Communist control today.

Third. The creation in Africa of interracial unity, the saving of nations from bloodshed, and the building of a moral force to undergird self-government.

Former Mau Mau leaders and Kenya settlers trained by Buchman have been credited with preventing bloodshed in crisis points in east and central Africa. Jean Bolikango, as Vice Premier of the Congo, stated:

Were it not for the work of MRA in the Congo we would have known a far worse catastrophe.

Buchman also played a part in the peaceful attainment of independence by both Morocco and Tunisia, and his influence saved bloodshed in Nigeria and hastened the day of peaceful self-government. In South Africa, Afrikaners and revolutionary leaders of the African National Congress found common ground in a change of heart. Manilal Gandhi described this development in his Natal newspaper, Indian Opinion, as "A new dimension of racial unity." A prominent African Moslem leader summed up Buchman's work:

You are doing for Africa what Abraham Lincoln did for America—binding up the nation's wounds and setting the people free.

Fourth. The building of an ideological bridge where the world of Islam unites East and West to answer communism and war.

Buchman was convinced that the lands of Islam were meant to be a bulwark against materialism and "a girder of unity for the whole world." Muslim leaders responded. Mohammed Ali Jinnah said to Buchman:

You have the answer to the hates of the world. Honest apology is the golden key.

The Shah of Iran personally welcomed Buchman to his country and is regularly represented at Moral Re-Armament assemblies. He recently conferred the Imperial Order of the Crown on Dr. Buchman, and Prime Minister Amini last week wrote Buchman:

We have noted with great satisfaction and confidence the work accomplished by Moral Re-Armament task forces in different parts of the world, and look forward to the coming of such a force to Iran in the near future.

The secretary-general of the Arab League, Abdel Khalek Hassouna, said:

The Arab world regards the emergence of MRA as the most significant factor on the world stage today.

Fifth. The demonstration of an answer to the issue of race in America which has riveted the attention of leaders of Asia and Africa.

It was Buchman's conception to invite African leaders who had responded to MRA, men of courage and integrity, to come to America to bring a constructive note into the racial problems. The film "Freedom," made by Africans in Nigeria, brought an answering message to the Southern States. Its performances in Little Rock paved the way for the historic reconciliation between Governor Faubus and Daisy Bates, leader of the Negro people of Arkansas. Dr. G. Lake Imes, secretary to the late Booker T. Washington, said of Buchman's initiative:

It is the boldest and most audacious approach to the fundamental problems of human relations in our age.

THE CROWNING EXPERIENCE

During the spring of 1958 a force of 300 drawn from 30 countries brought the play "The Crowning Experience" to Atlanta, Ga., where for 4 months it played to multiracial audiences. The National Association of the Colored Women's Clubs of America presented Buchman with their annual award as "the greatest humanitarian of them all."

After breaking the 123-year-old attendance record of Washington's National Theater, "The Crowning Experience" was made into a full-length technicolor film. Today it is being acclaimed in Asia, Africa, Europe, and Latin America. Hollywood actor Joel McCrea said:

It is the kind of picture the world is waiting to see, portraying the true America to which the world will respond.

Arturo Lanocita, Italy's most influential film critic, wrote in Corriere Della Sera:

"The Crowning Experience" is right out of the class of the everyday film. It transcends the cinema.

The bold use of the stage, music, and every form of dramatization marked Buchman's arresting approach in reaching large groups of people of different types and backgrounds. Japanese, Africans, Chinese, Tunisians, Indians, each in their own languages, have written plays depicting the ideology of Moral Re-Armament applied to their situations, while other casts have performed plays in all the major European languages. The all-African film "Freedom" has gone to 65 countries in 13 languages. Frank Buchman had the art of inspiring great creative powers in those among whom he worked. Elisabeth Bergner described the Moral Re-Armament theater as "the most intelligent plays being produced in our time."

One of these plays, "The Tiger," written by Japanese students who participated in the Tokyo anti-American riots, has been performed on three continents in the last year. After presenting the play in the United States, where they apologized to Gen. Dwight Eisenhower for their part in the Tokyo riots, the cast is now moving through South America. They are part of what El Pais of Montevideo described as "the greatest ideological offensive ever launched in Latin America."

In the past 12 weeks in Brazil, 500,000 people have seen "The Tiger" and attended MRA mass demonstrations—fruit of a strategy planned with Frank Buchman earlier this summer; 90,000 crowded the football stadium in Manaus. In the city regarded as the stronghold of communism, the Diario de Pernambuco reported:

Recife is being completely carried away by Moral Re-Armament.

An American news correspondent said:

I have seen a more effective strategy to answer communism in 24 hours here than in 20 years in Washington.

The archbishop of Natal, Dom Marculino Esmeraldo de Souza Dantas, commenting on the work of Frank Buchman, said:

MRA is fire from Heaven to purify the earth. It is a great universal movement with God in control.

With all the wide expansion of his work and influence, Buchman always remained the same human, approachable, friendly person. He simply said of his life work, "I have been wonderfully led."

He is remembered by thousands of ordinary folk who met him in hotels, on trains, in homes where he was an honored guest, as the man who always understood them and considered them his friends. People were his great interest and study, the kindling of their faith and character his greatest joy.

His own faith was that of a child, full of the practical presence of God. It was an ideology, valid for men and nations in this confused age.

BRAVE MEN CHOOSE

In his last birthday speech, "Brave Men Choose," which reached by press

and radio an estimated thousand million people, Buchman declared:

We are facing world revolution. There are only three possibilities open to us. We can give in, and some are ready to do just that. Or we can fight it out, and that means the risk of global suicide. Or we can find a superior ideology that shows the next step ahead for the Communist and the non-Communist world alike.

There is no neutrality in the battle between good and evil. No nation can be saved on the cheap. It will take the best of our lives and the flower of our nations to save humanity. If we go all out for God we will win.

The words he most frequently quoted, and with great emphasis, were those of his fellow Pennsylvanian William Penn:

Men must choose to be governed by God or they condemn themselves to be ruled by tyrants.

Mr. CURTIN. Mr. Speaker, I wish to join with my colleagues in remembering the late Dr. Frank Buchman, who was born at Pennsburg, Pa., on June 4, 1878. The family soon moved to Allentown, in the congressional district which I have the privilege to represent, where Dr. Buchman attended Allentown High School and later enrolled at Muhlenberg College in the said city. For a time he did pastoral work and church extension work in eastern Pennsylvania, but he always felt a deep sense of calling to the mission field. Very early in his career, he developed an interest in international affairs, and as a young man made a number of trips to oversea countries.

Dr. Buchman came from a devout Christian family of Pennsylvania German stock. Dr. Buchman always retained his home in Allentown and returned to it frequently. He kept it furnished in the style of the turn of the century, and for many years it was a shrine for Moral Re-Armament followers, with hundreds of foreign visitors yearly.

Dr. Buchman will long be remembered affectionately by the people of Allentown and of the 8th district and the free world in general as a gentle but very forceful man who believed ardently in the principle that the key to world understanding was the building of a bridge of trust and unity based on racial understanding and tolerance and the establishment of a moral force to undergird self-government.

Dr. Buchman's beliefs soon attracted thousands in a movement known as Moral Re-Armament and the influence of the movement has become felt in all the countries of the free world.

I am informed that final interment of Dr. Buchman will be in the family plot in Allentown, in line with his often repeated desires.

Mr. ROUSSELOT. Mr. Speaker, though I never had the opportunity to meet Dr. Frank Buchman, I certainly had tremendous respect for the high ideals and fine objectives for which he vigorously fought during his lifetime. Though I am not a member of Moral Re-Armament, I have had a deep respect for the many fine things that it has accomplished in uplifting peoples' lives so that they not only talk about but practice Christian principles in their daily living.

Mr. Buchman, from all evidences and from the obvious results of the movement which sprang from his efforts, reached the highest moral plane that one can expect of humankind. Mr. Buchman established a movement that is vigorously attacked by the Communists because it stands for principles of life, which, if put into practice, destroy Communist ideologies—absolute honesty, love, purity, and unselfishness.

Another fine contribution that Dr. Buchman made was to encourage all churches to rise to the challenge of their highest ideals and not be satisfied to live at a level below those ideals. Once a person becomes interested in Moral Re-Armament the demand on his abilities and willingness to carry out its objectives is entirely individual. This makes accomplishment seem more difficult, but the results in the long run are much more lasting.

The principles and high ideals which Dr. Buchman left as a legacy can never be undone, because they are of a spiritual quality that no human force can destroy. Dr. Buchman's contributions to humankind will forever live.

Mr. TOLLEFSON. Mr. Speaker, on last Monday the world lost one of its finest citizens when death claimed Dr. Frank Buchman, the initiator of Moral Re-Armament. During his lifetime he did more, perhaps, than anyone else in our generation to bring about peaceful settlements to international problems and disagreements. Furthermore, his positive ideology to combat the threat of international communism accomplished more in that direction than the contributions of any other individual. The world has lost a most valuable citizen. It is to be hoped that his work will be continued by his faithful and dedicated supporters and followers. The threat of communism still exists, as does the threat of world war. The continuance of his work will do much to combat both, and to help create a happier world in which to live.

Mr. McDONOUGH. Mr. Speaker, in joining my colleague, the gentleman from California [Mr. DOYLE], in memorializing the passing of Dr. Frank Buchman, I would like to say that I have known Doctor Buchman for the past 20 years. He was devoted and dedicated to the higher spiritual life in governments throughout the world.

He was an outstanding opponent of atheistic communism and the materialistic theory that man is a creature of the state. His accomplishments in converting thousands who were inclined to believe in the Communist theory and practice is an immortal monument to his life's work.

In 1938 he launched Moral Re-Armament—a uniting moral ideology, based upon the absolute standards of honesty, purity, unselfishness, and love under the guidance of God, which, if lived out in the policy of nations, would change the course of history.

Frank Buchman had the deep conviction that labor led by God can lead the world. He said:

Before a God-led unity every last problem will be solved. Empty hands will be filled with work, empty stomachs with food, and empty hearts with an idea that really satisfies.

This drew a worldwide response from the workers and their leaders. Ben Tillett, leader of the London dockers, on his deathbed sent this message to Buchman:

You have a great international movement. Use it. It is the hope of tomorrow. Your movement will bring sanity back to the world.

John Riffe, executive vice president of the CIO said:

Tell America that when Frank Buchman changed John Riffe he saved this country $500 million.

THE WAR YEARS

In mass meetings in Britain and across America, he led a force that during the war years gave to thousands the secret of high morale and a basis of hope for lasting peace.

Gen. John J. Pershing broke a lifetime rule and wrote the foreword to Buchman's handbook, "You Can Defend America," which was distributed to hundreds of thousands in war industries, schools, and homes throughout America. It was described by the U.S. War Department as "the most challenging statement of this country's philosophy of national defense that has yet been written."

During this period Frank Buchman was attacked by both Fascist and Communist. Gestapo documents, discovered and published after the war, denounced him and condemned his activity for "substituting the Cross of Christ for the swastika, and uncompromisingly taking up a frontal position against national socialism."

During the war many of his men served with gallantry and distinction on all fronts, winning decorations for bravery. Buchman worked ceaselessly to keep intact a force that would be able, immediately on the cessation of hostilities, to take up the work for which they were trained, that of bringing the answer to hate and fear, and making lasting peace possible.

CAUX

In 1946 the MRA world headquarters in Caux, Switzerland, was opened. In the last 15 years 125,000 representatives of 120 countries have come for training. Among these have been prime ministers, cabinet ministers, and Members of Parliament, and a broad section of industrial, trade union, and student leadership from all over the world.

Similar assemblies were held on Mackinac Island, Mich., where new buildings to house 1,200 people have recently been put to use. Last year one of the most modern and best equipped television film production studios in America was opened there.

A group of European political leaders, among them Prof. Hans Koch, head

of the East Europe Institute and adviser to the German Government on Russian Affairs, summed up the achievements of Frank Buchman's life in five spheres of contemporary history.

BRAVE MEN CHOOSE

In his last birthday speech, "Brave Men Choose," which reached by press and radio an estimated thousand million people, Buchman declared:

We are facing world revolution. There are only three possibilities open to us. We can give in, and some are ready to do just that. Or we can fight it out, and that means the risk of global suicide. Or we can find a superior ideology that shows the next step ahead for the Communist and the non-Communist world alike.

There is no neutrality in the battle between good and evil. No nation can be saved on the cheap. It will take the best of our lives and the flower of our nations to save humanity. If we go all-out for God we will win.

The words he most frequently quoted, and with great emphasis, were those of his fellow Pennsylvanian William Penn:

Men must choose to be governed by God or they condemn themselves to be ruled by tyrants.

I am also including in my remarks the following editorial from the Los Angeles Examiner:

DR. FRANK BUCHMAN

An inspired and tireless champion of principles that form the basis of peace between all mortals who acknowledge God as their source of life, has been called away from his life's work.

Dr. Frank Buchman, founder and leader of Moral Re-Armament, passed away at a venerable age while visiting the German city where he conceived his plan for international peace 23 years ago.

A native of Pennsburg, Pa., the former Lutheran clergyman gathered around him a nucleus of devoted followers which soon grew into a farflung organization dedicated to the principle that to change the world men must first change their spiritual outlook.

This moral crusade has flourished and extended its mission to all continents and nations, except those dominated by the forcibly imposed atheism of Marxian tyranny.

The founder of Moral Re-Armament once described his purpose as being "that the world world will learn to live like sons of God, where no man demands too much for himself while any other man goes hungry, where it is normal to live as one honest, pure, unselfish, united family throughout the earth."

No better epitaph, nor one more true, could be written to mark the memory of Dr. Frank Buchman and his noble work.

TRANSMISSION SYSTEM FOR COLORADO RIVER STORAGE PROJECT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Speaker, the 87th Congress will very shortly make the decision concerning whether the interconnecting transmission grid of the Colorado River storage project will be for Federal construction or whether a major portion of that grid is to be provided by private utilities companies, whose investments would be recouped through wheeling fees as a project cost. This is a major decision involving directly the population of the Intermountain West and affecting directly the payout requirements and ultimate success of the $1 billion Colorado River storage project, authorized by Congress and already well into construction with the support of the Congress.

The issue is who shall build the transmission grid to interconnect the Federally constructed powerplants and bring Federally produced power to the load centers. This is not a public versus private power fight as to which shall produce the power. The Colorado River storage project has been authorized by Congress. The major power producing units of this great project have been approved by Congress and are under construction. The issue here is clearly: shall the benefits from these major investments be fully utilized for the benefit of the public through the construction of the necessary interconnecting transmission system by the Federal Government or shall these major Federal investments in power producing units be utilized for the benefit of the private utilities who seek to control them by means of transmission facilities which they would provide at the cost of perpetual rent.

The underlying issue can be brought into sharp focus. The effect of the utilities' proposal will be to integrate the Government's huge generating capacity with the private utility systems. Thus, all of the tremendous financial and operational advantages of this integration would accrue to them for which not only would no payment be made to the Government, but the Government would instead pay the utilities. It is little wonder therefore that neither the preceding Republican administration nor this administration can find merit in such a proposal.

I have reviewed the record of congressional actions regarding Federal construction of transmission facilities and reach the conclusion that the Congress has historically favored construction of backbone transmission lines to interconnect powerplants constructed by Federal agencies and to deliver power to load centers. The Members of Congress should know the relationship between the philosophy of Federal transmission line construction as expressed in previous acts of Congress and what is proposed for all-Federal construction of transmission lines for the Colorado River storage project. Mr. Speaker, in commenting upon a proposed transmission line for the Southwestern Power Administration you said the following:

What we are seeking to do by this amendment is not to parallel anybody's lines, not to put anybody out of business, but simply to tie this Government property together.

I must observe that this is exactly what is proposed for the Colorado River storage project, namely, tie together Government property—in this particular case the power producing plants of the Colorado River storage project and other Federal plants in the area.

Furthermore, section 5 of the Flood Control Act of 1944 states the following:

The Secretary of the Interior is authorized, from funds to be appropriated by the Congress, to construct or acquire, by purchase or other agreement, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives and privately owned companies.

Again, I must observe that this is exactly what is proposed for the Colorado River storage project. Specifically it is proposed to construct only transmission lines to make power available in wholesale quantities to facilities owned by the Federal Government and to preference customers.

The Bureau of Reclamation quite obviously can build only those facilities which it has authority to construct. This includes transmission facilities. The Bureau of Reclamation has authority to construct transmission facilities in order to market power from powerplants for which it is the marketing agent. The transmission lines for the Colorado River storage project have been authorized by Congress. The authority for construction of transmission lines exists, both under the Reclamation Act of 1902, as amended, and acts authorizing specific projects, including power development, both in terms of such facilities being appurtenant facilities of the powerplants, as well as by the specific naming of transmission facilities. The Colorado River Storage Project and Participating Projects Act (70 Stat. 105) specifically authorizes the Secretary of the Interior "to construct, operate and maintain dams, reservoirs, powerplants, transmission facilities and appurtenant works." If this specific authorization were not, by itself, sufficient for authority to construct lines, there is the reaffirmation of such authorization contained in the first two lines of section 7 of the act which state:

The hydroelectric powerplants and transmission lines authorized by this act to be constructed, operated and maintained by the Secretary.

Extremely pertinent here, and perhaps more important than the reaffirmation of the authorization of the transmission lines, is the directive contained in section 7 that:

The hydroelectric powerplants and transmission lines authorized by this act to be constructed, operated, and maintained by the Secretary shall be operated in conjunction with other Federal powerplants, present and potential, so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates.

The terms of the directive can most reasonably be carried out if the Secretary has the means to do so; namely, ownership and operation of the transmission grid that interconnects the project powerplants and additionally ties those plants into other adjacent Federal systems.

The proposal that has been made by the private utilities would, among other things, involve them in the construction of major backbone lines and lines to major load centers. Their proposal is not the proposal based on longstanding policy, that the House Committee on Interior and Insular Affairs quite evidently had in mind in its report on what became the Colorado River Storage Project Act—House Report No. 1087, 84th Congress. The House committee referred to wheeling proposals, which would be, and I quote: "consistent with the policy expressed by the Congress for many years in appropriation acts and elsewhere whereby the Federal Government builds the basic backbone transmission system and distribution is made through existing systems where satisfactory arrangements can be worked out."

Senator HAYDEN in 1949 expressed the policy of wheeling to deliver power "beyond load centers" as follows:

> The Department of the Interior has stated during the hearings on this bill that its policy with respect to arrangements for the delivery of power produced at Federal hydroelectric projects or for delivery beyond load centers is to make wheeling arrangements where:
>
> First, private utilities have ample surplus transmission capacity or are willing to construct transmission lines for that purpose.
>
> Second, private utilities are willing to furnish such service to the Department at a reasonable price.
>
> Third, such arrangements will enable the Department to render acceptable power service to customers having preference, under existing law, in the purchase of federally produced power (CONGRESSIONAL RECORD, vol. 95, pt. 11, p. 14116).

The utility proposal is a clear departure from that policy.

Notwithstanding the fact that the utilities' proposal departs markedly from these policy statements, the Interior Department under two administrations has given it very careful consideration on the merits. Both the Eisenhower administration and the Kennedy administration have found the utilities' proposal wanting.

There is a place for mutually advantageous interconnection with the utility system and for wheeling arrangements beyond the major project load centers of the Colorado River storage project. Such arrangements should be worked out to the mutual advantage of the parties concerned, including the Government's preference customers. This is not, however, the proposal that has been made by the private utilities.

In the Pacific Northwest there is extensive joint use of Federal as well as private systems. It is obvious, however, that in the Northwest the Federal Government does not depend upon the private utilities to tie its projects together and to bring the power out from the projects to load centers. The transmission line construction program for the Colorado River storage project endorsed by both the Eisenhower and Kennedy administrations is completely consistent with the tried and tested satisfactory transmission pattern which prevails in the Pacific Northwest.

There has been reference to the Keating amendment. I know of no one who has seriously contended that the Keating amendment is applicable in the absence of existing wheeling arrangements. Neither the Department of the Interior nor the Congress has taken any such position. In fact, the position that has been consistently taken both by the Department and Congress is exactly the opposite. An example of this is the action of the Congress in appropriating funds in the fiscal year 1960 Appropriation Act for the construction of the so-called Iowa marketing transmission lines of the Missouri River Basin project. This action of the Congress was taken notwithstanding the fact that private utilities in the area had made wheeling proposals which, if accepted, would have covered this area.

Mr. Speaker, this body will be called upon to make the decision on this issue in the very near future. I believe that the issue involved must turn upon whether the wheeling proposal is in the public interest and consistent with the payout requirements of the Colorado River storage project authorizing act. I state categorically that the private utilities' proposal is not.

A STANDARD FOR NONINFLATIONARY WAGE INCREASES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL], is recognized for 60 minutes.

Mr. SCHWENGEL. Mr. Speaker, at the conclusion of my remarks and those of the gentleman from Ohio [Mr. ASHBROOK], I ask unanimous consent to insert in the RECORD a paper by Professor Wallich.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, today it is my privilege to participate in another in the series of discussions on employment and economic growth in America. Operation Employment is a project of the House Republican policy committee's subcommittee on special projects.

One of the reasons why I am particularly pleased to participate in this special project is that in this project the Republican Party has enlisted the thinking of college professors. In this case we are giving recognition to talent and interest of scholars who have given much thought to problems and topics dealt with in this series of discussions.

Mr. Speaker, on August 25, 1960, I talked on the subject "Why Scholars in Politics."

At that time I pointed out that one of the most persistent problems facing political man has been his age-old search for the proper relationship between the philosopher and the king; between the man of ideas and the man of power; that Plato characterized a fairly common Greek answer to this problem by saying that the ultimate solution was to be found in the uniting of the philosopher and the king in the same person.

I suggest that unless, either philosophers become kings in their countries, or those who are now kings and rulers come to be sufficiently inspired with a genuine desire for wisdom; unless, that is to say, political power and philosophy meet together, while the many natures who now go on their several ways in the one or other direction are forcibly debarred from doing so, there can be no rest from troubles for States, nor yet for all mankind; nor can this commonwealth ever till then see the light of day and grow to its full stature.

Though Aristotle was somewhat more moderate in his views, he too insisted that the men of power seek the advice of men of ideas before proceeding with any scheme or project of great moment.

In our own rich national heritage it can be said that the ideals of both Plato and Aristotle have been served. For surely the Founding Fathers were a collection of scholars. Included in their number were professors and college presidents. And those who were not actively engaged in pedagogy were nonetheless representative of the highly educated and thoughtful leaders of their time and, therefore, could be called scholars and students of government. They had schooled themselves in political philosophy through study and experience in practical politics. In contemporary terms, they were as truly philosophers or intellectuals as they were politicians. Fortunately for the future of the Republic they saw that thinkers must be doers and doers must be thinkers.

And this tradition has been carried on ever since. The close relationship between Lincoln and the scholars of his time and since his time is well known to us all. Senator Robert La Follette called upon 55 top professors from the University of Wisconsin to aid him in the development of his "Wisconsin idea." And, in more recent times, both major parties have utilized a number of academicians in their administrations. Seymour Martin Lipsit, in his book, "Political Man," points out that more intellectuals have occupied high administrative posts in the Eisenhower administration than in any previous administration.

We can all benefit from a study and discussions of the thinking and ideas of our leading college and university professors. I regret that we have not always been aware of this. In the beginning, that is, in 1860, the so-called "eggheads" were with and in the ranks of the Republican Party. Among the list who qualified then as intellectuals and educators were such men as William Cullen Bryant, the outstanding American poet and editor who was Republican chairman of the New York State electoral commission which cast its electoral votes for Lincoln. He was on the stage at Cooper Union when Lincoln reminded us that "Right makes might"; Edward Everett, the other masterful speaker at Gettysburg, and one-time president of Harvard University, was a Republican; Julia Ward Howe, author of "Battle Hymn of the Republic," was in our camp although she could not vote; and Harriet Beecher Stowe, author of "Uncle Tom's Cabin," was one of our Republican ladies close to and fond of Mr. Lincoln; and Thaddeus S. Lowe, the pioneer American aeronaut, was num-

bered among the members of the Republican Party.

And there were many, many more—such as:

Jean Louis Rodolfe Agassiz, professor of natural history at Harvard, who several times called upon Mr. Lincoln.

Alexander Dallas Bache, physicist, Superintendent of the Coast Survey, first president of the National Academy of Sciences, established in 1863.

George Bancroft, historian, former Secretary of the Navy, who visited Mr. Lincoln at the Executive Mansion, was actively interested in the Republican administration program and was selected to address the Congress in joint session February 12, 1866, when it met for memorial services in memory of Mr. Lincoln.

John Bigelow, author, appointed by Mr. Lincoln consul general at Paris.

Francis Bicknell Carpenter, artist, who spent 6 months at the White House, painting Mr. Lincoln reading the first draft of the Emancipation Proclamation to his Cabinet.

Walt Whitman, whose interest and qualifications were recognized by the administration with an appointment to an assignment in the Interior Department.

Ralph Waldo Emerson, poet and philosopher, who once went to see Mr. Lincoln.

John Hay, poet, author, assistant private secretary to President Lincoln.

Hinton Helper, author of "Impending Crisis," whom Lincoln appointed consul at Buenos Aires.

Joseph Henry, physicist, Secretary of the Smithsonian Institution, frequently consulted by Mr. Lincoln.

Capt. Oliver Wendell Holmes, Jr., later a jurist and noted intellectual, who shouted, "Get down, you fool," when Lincoln exposed himself to enemy fire at Fort Stevens, on July 12, 1864.

William Dean Howells, novelist, editor, author of one of the earliest campaign biographies of Mr. Lincoln who appointed him consul at Venice.

Thaddeus S. C. Lowe, aeronaut.

Isaac Newton, first U.S. Commissioner of Agriculture, appointed by Mr. Lincoln June 30, 1862.

Goldwin Smith, Regius professor of history, Oxford University, who talked with Mr. Lincoln, November 16, 1864.

Ainsworth Rand Spofford, bookman and journalist, who Mr. Lincoln appointed Librarian of Congress in 1864.

Charles Sumner, Senator from Massachusetts.

My colleague from Ohio [Mr. ASHBROOK] and I have read and studied a paper, "A Standard for Noninflationary Wage Increases," written by Prof. Henry C. Wallich.

Mr. Wallich is professor of economics at Yale University. He has served as assistant to the Secretary of the Treasury and has been a member of the President's Council of Economic Advisers.

I have recently read two of Mr. Wallich's books, "The Cost of Freedom" and "German Revival." Both books are well written and readable. And, they contain much food for thought. They should be read by all serious students of government and especially by those interested in the economic life of our Nation.

Professor Wallich suggests that one of the principle reasons for the remarkable recovery of West Germany is that in the Federal Republic there is a "free market economy operating with a limited number of strategically selected controls." The Members of this body, and all Americans, would do well to give long and careful thought to this suggestion.

In his excellent book, "The Cost of Freedom," Professor Wallich speaks eloquently, honestly, and bluntly about freedom and a free economy. He states the case for freedom and a free economy and he tells us what we are going to have to do to maintain these cherished virtues.

Wallich writes:

> Our analysis of freedom tell us that we must promote freedom at the expense of certain alternative goals if we do not want to run a risk which, however hard to measure, clearly exists.

He continues:

> Freedom has its costs and it is our good fortune that we are able and willing to pay it.

Wallich concisely and effectively states the case for a free economy with these words:

> The centralized economy puts a strain upon democracy and freedom; the free economy does not.

The truth of this statement is beyond doubt.

Professor Wallich makes an analysis of the conduct of three of the many lovers of freedom—the American businessman, American labor, and the American intellectual. We should give some thought to his analysis.

According to Wallich the American businessman rises to the heights of eloquence when his freedom from public regulation and intervention is at stake, but he is less inspired when the talk is of antitrust action. To him the tariff does not appear to enter into freedom at all—exception made of some notable captains of industry who have spoken out boldly against the tariff.

American labor loves free enterprise. Private employers are much easier to cope with than the Federal Government. However, labor does not hesitate to upset the applecart by coercive union practices or inflationary wage demands. Nor does it seem to see a threat to freedom in urging that controls be put on business.

The American intellectual is the No. 1 beneficiary of a free and open system. It is by his freedom of expression that he makes his living. No group has more to lose from a loss of freedom than the intellectual. Yet even he is giving ground.

It is only with vigilance, sacrifice and belief in freedom that we can maintain our freedom. We have not always been sufficiently aware of this. A phase which every American would do well to remember is Mr. Wallich's observation that, "Freedom comes at a cost, not at a profit."

I like Mr. Wallich's thinking.

Mr. Wallich's goal—and this is the goal of the Republican Party, and should be the goal of all Americans—is a sound dollar. A sound fiscal policy is more important now than ever before in our history—because of the vast number of people who are dependent on pensions, annuities and fixed incomes.

To accomplish this goal it is proposed that the American economy voluntarily adopt a standard of reasonableness in wage increases, the purpose of which would be to provide a standard for noninflationary wage increases.

Wallich declares:

> Our failure to observe a reasonable standard in recent years must be held accountable, in good part, for the inflation we have suffered.

This seems very plausible.

It seems unnecessary for me to detail the evils of inflation. We know them and we know that we must face this problem. Unless the threat which inflation imposes is removed our efforts to reach a high rate of economic growth and to achieve a high rate of employment will be frustrated and made more difficult.

When a situation begins to threaten the growth of a nation at a critical time, the time has come for a new approach.

Wage increases in excess of production gains are not compatible with stable prices. The result of wage increases in excess of production gains is inflation.

The current rate of wage advances is 3 to 3½ percent annually. Productivity gains average about 2 percent. This figure is drawn from the President's economic message and is a historical average.

The result is that we are threatened with a continuing 1- to 1½-percent upcreep of prices. This means one thing—inflation. The principle victims are fixed income receivers: white-collar workers, teachers, and the 17 million people on pensions—these are the principal victims of the disasters of an inflated dollar.

On the basis of these figures, Professor Wallich suggests 2 percent as a standard for reasonable wage increases.

This rate of increase he suggests would do much to alleviate the problem of inflation.

If productivity gains in a particular industry are above average, the 2-percent rate of wage increase would mean falling cost of production, and prices would have to come down.

In recent years we have experienced above productivity wage increases in the low-gain industries. The results have been a wage advance in excess of productivity and a rise in prices. A 2-percent rate of wage increase would end this practice.

Profesor Wallich proposes that this standard of reasonableness should be voluntarily applied. It should be based on a national concensus. An education campaign, carried out through public and private channels, would be used to mobilize public opinion. Wage controls are alien to this proposal.

The voluntary operation of market forces, spurred by competition, antitrust action and the pressure of public opinion would insure the operation of this noninflationary standard.

Labor and management should consider the 2-percent wage increase rate

when they bargain. Indeed, wage bargaining should be based on this standard, suggests Wallich.

The 2-percent rate of increase would not hurt labor if price stability is maintained. Rather, according to Professor Wallich, we would have the following situation:

Instead of wages going up 3 to 3½ percent per year, with 1½ percent of the gain canceled by rising prices, we would have approximately 2-percent wage increase fully validated by stable prices.

Management may claim that unless it has the freedom to pay premium wages, they will be unable to attract workers to new jobs. However, industries that need to attract labor do not necessarily have high or rapidly rising productivity, nor do they pay high or rapidly rising wages.

On the other side, that is, the labor unions, it is said that competition among union leaders, and among unions, inevitably tends to bring about high wage increases. And, in the absence of such increases union leaders might find themselves challenged by insurgents.

This—

And I quote from Mr. Wallich's paper—

is hardly a good explanation why such competition should produce the present rate of wage increases, rather than twice this rate, or half. It is largely a question of what union members are accustomed to.

He points out, and there is much evidence to prove, that a slower rate of wage increase will not restrict the growth of real wages.

When computing a reasonable wage standard, it is not practicable to base the rate of gain on the productivity gains of a single year, or of a single industry. A long-range, nationwide average—in this case 2 percent—is more suitable because of the element of stability.

It should be noted that in arriving at this statistic—a reasonable percentage of wage increase—it is necessary to deduct from national productivity gains which are part of the increment that results from labor to better jobs.

There are some situations, in my opinion, that would warrant deviation from the prescribed rate of increase. Indeed, we must be very careful to avoid establishing a rate of increase which would be too rigid and too inflexible. There are areas in this Nation where a 2-percent rate of increase would be inadequate, and in a sense unfair.

While there is a certain newness about this proposal, the need for such a standard of reasonableness is great, and is apparent. Unless some kind of standard of reasonableness in wage increases is adopted, the resultant inflation will destroy the soundness of our economy. Professor Wallich's proposal not only meets a great need, it does so in a fashion which is consistent with the American tradition of freedom.

At this point, Mr. Speaker, I yield to my colleague from Ohio [Mr. ASHBROOK].

Mr. ASHBROOK. Mr. Speaker, at the outset let me make sure that the scope of this presentation is placed in proper perspective. As the gentleman from Iowa has so ably stated, it is our contention that the private segments of our economy have an obligation to work together to assure that increased standards of living as reflected in higher wages and higher business profits are accompanied by real gains and not in temporary improvements which later can be wiped out by inflation. Our discussion concerns the standard for noninflationary wage increases. It is not to be read into this presentation that the gentleman from Iowa and the gentleman from Ohio feel that wages alone can cause inflation nor that they alone need standards. It is very clear that profits can do the same thing and that the manufacturer who fails to reduce prices or improve his profit where productivity gains make reductions possible is just as harmful as wage increases which do not reflect increased productivity.

I well recall in 1949, for example, buying my first television set for our home. It was a 12½-inch table model and cost $249. Last year, we purchased a 21-inch console model for less than $200. This is a productivity and technological gain in which the consumer shared. We could cite many instances where the opposite has transpired, both in business and labor.

The matter of wages and profits is a very delicate one. Historically, many governments have gone aground because of their inability to solve this vexing problem. It has always been the challenge of civilized people to arrive at some suitable standard for achieving the just aspirations of their citizenry to provide for needs and comforts. Socialist and Communist countries today think they have arrived at the answer. In America, we have always considered that the free enterprise system offers the best solution to the eternal quest of man to provide for himself. According to our historical system, an individual gets his share of the national wealth by his own initiative, by working so that he may, in effect, take out of the economy commensurate to the effort he puts forth.

Historically, wide latitude has been allowed to citizens in what they may "take out." Some have extracted grossly inflated profits. Some have extracted wages far in excess of their productivity. Basically, however, by the device of free competition, by intelligent restraint and some Government intervention, the system has worked admirably well. While there are those who today advocate that this system is passe and cannot meet the challenges of the sixties, we today affirm our belief that the free enterprise system is sound and offers the best hope for a free and energetic people.

Within that framework, we present the Wallich paper to the Members of the House for their close study. One of the real problems of our time is to find some standard for noninflationary wage increases. It is our belief that this can be done by business and labor without Government dictation and control. Let me state at this point that the Government has always stood as one of the guarantors that the free enterprise system will work. When individuals or organizations exert undue influences in our economy or use improper tactics, the Government has and will continue to intervene. The Government has historically stood as the arbiter or umpire of the Federal system. When business used oppressive tactics and unfair competitive devises, Government intervened at the turn of the century and endeavored to restore balance. When labor, shielded by the Wagner Act, used its power for undue purposes, the Government again stepped in and restored balance. Let me emphatically state that I believe there is a great difference in having Government serve as the umpire or arbiter of the system and having it serve as the dictator or sovereign of the free competitive system. Unfortunately, many of our so-called liberals of today would have it serve not as the guardian of our free system but as the centralized, bureaucratic tyrant.

The emphasis of our society is on freedom. Laborers should be free to bargain for wage increases. Many factors enter into the determination of what is a fair wage and, subsequently, what is a fair wage increase. It is our contention that within that framework of freedom, maximum consideration should be given to the inflationary effects of wage increases which are not related to productivity. This hurts everyone, including, in the long run, the worker who might establish some short-term improvement of his living standard.

Inflation is like a thief in the night and sooner or later it catches up with everyone. No one is hurt more than the elderly and those who are living on fixed income and pensions.

I well recall talking during the campaign to a retired teacher who said he thought he really had something to look forward to when, in 1947, he retired at $900 per year. Since that time he has received increases which bring his yearly pension to $1,200 per year. He sadly lamented, however, that the $1,200 now is worth a lot less than the $900 was in 1947 and he is really worse off all of the time.

Somebody—

He said—

stole that money from me. Somebody is still taking it away because it is worth less all of the time. Somebody is doing this because they don't care about the value of the dollar of inflation.

It is because we care that we are bringing this proposal for noninflationary wage increase to the attention of the House.

We all know that there is a human tendency to want to take all that one can get. Historically, business and labor patterns have shown some inclination to "charge what the traffic will bear." Since 1947, we have seen so much of this that it is seriously considered by this administration and many other economists that we look to the possibility of wage and price controls. We all hope that this will not be necessary.

First, it is inconsistent with our belief that free people can prosper in a free enterprise system.

Second, the OPA and other rationing and control agencies never really worked

and there is little reason to believe they ever will.

Third, this would be but one more step in the economic and political dictation of our lives, already a threat to all of us.

Within the framework of reasonableness and self-restraint, adequate gains in real income and corresponding living standards can be gained by adopting a basic standard for noninflationary wage increases. Gains in productivity should bring gains in wages. Gains in wage standards without corresponding increases in productivity can only bring phantom wage increases and the destructive inflationary pressures which today imperil our dollar, our living standards and our free enterprise system. There is no reason why increases should be static or fixed. There is no magic in the 2-percent figure mentioned by the gentleman from Iowa. If gains result in 5-percent productivity advances, wages can and should likewise advance at that figure. The whole point is that they should be related to such a productivity figure and, as a general rule, to an overall national figure which will therefore avoid the ravages of inflation.

A Standard for Noninflationary Wage Increases

(By Henry C. Wallich)

The purpose of this proposal is to offer a standard of reasonableness in wage increases. Our failure to observe such a standard in recent years must be held responsible, in good part, for the disruptive inflation we have suffered. Though this inflation largely has been scotched, some creep of prices remains. In the cyclical expansion that lies ahead, it may accelerate. The Nation will be weakened in its efforts to reach high rates of growth and employment, unless the threat of inflation which overhangs the domestic economy and the balance of payments ban be removed.

It is generally accepted that wage increases in excess of production gains are not compatible with stable prices. At the present time, wages are advancing at something like 3 to 3½ percent annually. Productivity gains, as noted in the President's economic message, have averaged about 2 percent. It is obvious, therefore, that the present rate of wage increases is inflationary. The present gap between wage increases and productivity gains threatens, over the years, a continued upcreep of prices of 1 to 1½ percent. If we want stable prices, wage increases on average can be only little more than half as large as they have been. They will then average out at about 2 percent. I suggest that this figure be adopted as a standard for reasonable wage increases.

The standard should be a voluntary one based upon a national consensus. Wage control is entirely alien to the spirit of this proposal. It should be propagated energetically through public and private channels, as an educational campaign to mobilize the pressure of public opinion. Management and labor should be strongly conscious of it when they sit down to negotiate. Their wage bargains should be judged in the light of this standard. It should be clear all around that whoever raises wages in excess of 2 percent—except in a few clearly justifiable cases—is contributing to inflation.

In industries where productivity gains are above average, more than 2 percent will actually mean falling costs of production. In these industries, prices will have to come down. In particular, where above average wage increases nevertheless occur, the proper price reaction should be an accompanying price cut and not, as we have seen so often, a price increase. These cuts are required to compensate for price increases elsewhere that are almost inevitable, especially in services. Here again, not legislation, but voluntary operation of market forces, spurred by competition, antitrust action, and the pressure of public opinion, are to be relied upon. But it should be made abundantly clear to producers that failure to reduce prices where productivity gains make reductions possible is just as harmful as are above productivity wage increases.

Observance of the 2-percent standard will not hurt labor, if price stability is achieved thereby. Instead of wages going up 3 to 3½ percent per year, with 1½ percent of the gain canceled by rising prices, we would have approximately 2-percent wage increases fully validated by stable prices.

The proposed 2-percent standard obviously is a rough rule of thumb. Like any rule of thumb, it is in danger of overlooking refinements and special cases. Some of the following argument will show that these refinements are less important than they seem, and that our present wage setting practices often disregard them in any case. Meanwhile, if we can approximate the 2 percent standard, we shall be a great deal better off than if we continue with our present practices.

Nationwide Application of the Standard

That productivity places a ceiling on noninflationary wage increases is well known. The reason why the principle has not been better observed in particular wage settlements is to be found in various complications that tend to obscure the simplicity of the basic facts. These complications have prevented the crystallization of a clear-cut productivity standard and have prevented the application of the standard in particular wage negotiations. The result has been—in combination at times with the effects of inflationary fiscal and monetary policies and of administered price push in a small number of industries—a continuing upward creep of prices. When such lack of sense or of discipline begins to threaten the growth of a nation at a critical point of history, the time has come for a new approach.

The principal complication—or perversion—is the frequently made appeal to productivity gains in an industry, or even in a single large enterprise, instead of nationwide gains. Productivity gains in one industry, say, steel, or men's clothing, can be well above the national average or below it. If productivity gains in each industry were taken as the standard, wages in the high-gains industries would tend rapidly to outdistance wages in the low-gains industries. If adhered to long enough, this would lead to everwidening and unjustifiable wage differentials.

In perfectly competitive labor and product markets, such differentials would of course be impossible. Workers would move toward industries with higher wages and would keep wages for similar work in line nationally. We do not have this kind of labor market. Nevertheless, competition among employers for labor, together with union action, has avoided the extreme differentials that would result if wage increases were based on productivity gains in each industry. Instead, we have experienced above-productivity increases in the low-gain industries, although usually not commensurate with those of the leaders. The results have been an average wage advance in excess of productivity and a rise in the price level.

The correct standard is given by nationwide, not industrywide productivity gains—the historic approximately 2 percent per year. If wages in the fast gaining industries are limited to this standard, wages in the slow-gaining industries can rise at the same rate without pushing the average too high. A widening of relative differentials will be avoided. This does not mean, of course, that wages in the low-gains industries ought necessarily to rise as much as 2 percent per year. Some lower increases in this area would help to compensate for increases in excess of 2 percent which would undoubtedly continue to occur here and there.

Some Prices Must Fall

A compensatory movement of prices will be required. In the slow-gaining industries, prices will be pushed up moderately by rising wages. The price of men's clothing, say, will continue to advance. But in the fast-gaining industries, where wages rising at 2 percent would lag behind productivity, widening profit margins make possible price reductions. Falling prices in some industries, say, durable consumer goods, will offset rising prices elsewhere. The general level of prices will remain stable, in the absence of other inflationary developments.

Proper Measurement of Productivity

A further complication that obscures the proper productivity standard derives from difficulties in measuring productivity gains in the short run. Over the course of a few years, these gains fluctuate appreciably. Productivity tends to advance rapidly during a business upswing, slowing down in its later phases and in the early stages of a contraction, when it may even decline. It is not practicable, therefore, to base wage advances upon the productivity gains of any particular year. To do so would require sharp increases at particular times that would have to be slowed or even reversed at others. The longrun average of productivity gains has been highly stable, however, at the historic approximately 2 percent. That is the standard to be aimed at, although in practice wage settlements no doubt will tend to be higher in expansions than in contractions. Changing productivity gains during the cycle will be reflected chiefly in rising and falling profits. That same situation prevails now, because wage advances have not changed much from one year to the next.

A third complication, which also affects the proper measurement of productivity gains, has to do with shifts of labor from one occupation to another. When a low-paid agricultural worker moves from Kentucky to a better paid—because more productive—job in New York City, he raises the national productivity average. This productivity gain, however, is no reason to give a wage increase to all the rest who are already employed in New York, or anywhere else. The productivity gains that make increased wage rates possible are those in existing jobs. To arrive at this statistic, it is necessary to deduct from national productivity gains that part of the increment that results from labor shifts to better jobs. This has been expressed also as the difference between productivity gains per unweighted and per weighted man-hour, the weighting being done in accordance with the skill of the job. The weighted type is the one that advances more slowly.

These productivity measures can be further refined. It is possible, for instance, to differentiate between gains for the private economy and gains for the entire economy including Government. Productivity gains for the entire economy have been somewhat slower than those for the private economy alone, largely because of the concepts of productivity applied to Government activity. Gains since the end of World War I have been somewhat greater than those for a longer period. For all these reasons, productivity data today seem to lack the precision that gross national product or production growth rates appear to possess. This precision, however, is in good part artificial. It is the result of arbitrary conventions as to what to include and exclude, how to define

how to measure. If similar statistical decisions are made as regards the measurement of productivity, much of the vagueness will depart.

It can always be argued, on the basis of one definition or another, that the proper figure to be used for a wage standard is a few digits above or below 2 percent. The 2-percent figure which the President used in his economic message originates in work done by members of the staff of the National Bureau of Economic Research (who of course developed it without reference to its possible use as a standard for wage increases). Though it is an approximation, it has the virtue of being clear cut and of protecting us from the risk of optimistic fallacies that most higher estimates incur.

CORRECTION OF INEQUITIES

In sum, while the principle is clear enough, there has been enough difficulty of definition and understanding to permit wholesale disregard of the appropriate wage standard without a strong public reaction, and without probably even a full understanding on the part of management and labor of what they were doing. There are some situations, to be sure, that would warrant deviation. The wage structure contains some major inequities, for instance, that deserve to be corrected. This is the function of minimum wage legislation. A step in that direction has just been taken, though there may be questions as to the appropriate timing and magnitude of that step. There are other instances in which above average increases in the lowest paid groups would be justified, if the employers can pay them. The trouble with present wage setting procedures has been that often strong unions get high raises for their already highly paid members, while the others show little sign of catching up. The application of a more uniform percentage standard of increases would not make this situation any worse.

LABOR MOBILITY

Management, on its side, may claim that unless it has freedom to pay premium wages and give large increases in some instances, it may not be able to attract workers to new jobs. This might be an obstacle to the expansion of rapidly growing industries, in which productivity also is often advancing rapidly. Hence, management may say, it is logical to pay labor in proportion to the industry's rather than nationwide productivity gains. Mobility of labor is fundamental to our economy and this objection deserves full consideration. The fact is, however, that industries that need to attract labor do not necessarily have high or rapidly rising productivity, nor do they pay high or rapidly rising wages. Retailing is an example. Yet retailers have been able to attract the labor supply they have needed, because other factors have been more important than wages. On the other hand, many industries with high and rapidly rising productivity and wages do not need to attract labor. The steel industry, and in fact all durable goods manufacturing, have for some years been displacing labor. If wage rates really were geared to enhance labor mobility, these industries would not be paying wages that are both high and rapidly rising.

Our present wage structure and wage movements, in other words, seem to have little to do with the needs of labor mobility. They are not at all helpful in this respect. By the same token, there is not much here that a national productivity standard for wage increases would affect adversely.

LABOR'S SHARE IN THE NATIONAL INCOME

A 2-percent wage standard, and price movements that would keep profit margins and the price level constant, would tend to inhibit changes in the share that wages and profits have in the national income. This would be true, at any rate, if future productivity gains work out exactly at 2 percent and the wage standard is strictly adhered to. Since in practice neither can be expected to be the case, continued changes in the shares of wages and profits are likely.

Over the very long run, these shares have, as a matter of fact, shown remarkable constancy. Temporary fluctuations have occurred, however. Thus, during the 1950's the share of wages has increased substantially relative to that of profits. If observance of a 2-percent wage standard should slow down future changes in these shares, it would do so at a time when the status quo historically is favorable to wages.

The reason why the share of wages has tended to rise has been precisely that wage increases have exceeded productivity gains. Prices have risen to compensate in large part. If they had not, profits would long have been wiped out altogether. But the price increases have not been quite sufficient to restore the balance. Some net gain beyond productivity increases, therefore, has remained for labor. This method which a social group can employ to increase its share in national income is, however, a dubious one. Its principal victims are, not profits, but fixed income receivers. In sum, the impact of a 2-percent wage standard upon the share of wages in the national income probably would not be disadvantageous to labor at this time when its share is historically high. At worst, it would tend to restrain the use of a device for raising labor's share still further that is unfair to large social groups and harmful to the value of the dollar.

OTHER GAINS OF LABOR AND CAPITAL UNAFFECTED

Other objections that labor and management might raise have less weight. A slower rate of wage advances, for instance, as pointed out earlier, would not restrict the growth of real wages; i.e., wages in constant purchasing power. Today, inflation cuts down excessive wage increases to the level made possible by productivity gains. The current 3 to 3½ percent, adjusted for price increases of 1 to 1½ percent, still comes out around 2 percent. That, except for some small further squeeze on profits and fixed income, is all that labor can gain—because it is all there is. In that case, why not limit wage increases to productivity gains which would validate them through constant prices?

On the labor side, it sometimes is said that competition among union leaders inevitably tends to bring about high wage increases. In the absence of such increases, it is argued, the leaders might find themselves challenged by insurgent rivals. This, however, is hardly a good explanation why such competition should produce the present rate of wage increases, rather than twice this rate, or half. It is largely a question of what union members are accustomed to. Expectations have already declined substantially in recent years from the over-5-percent annual increases during the midfifties. It should be possible, without hampering the proper political processes of the unions, to adjust expectations to a realistic 2 percent.

Strong unions, to be sure, can at times secure wage increases that exceed price increases by more than the growth of nationwide productivity. This is possible only, however, at the expense of some other group—the recipients of profits, or other labor groups, or fixed-income receivers. The more unions engage in this competitive game the greater the inflationary effect and the smaller the benefits to the participants.

On the side of management, meanwhile, the view has sometimes been expressed that if wages advance in proportion to productivity, the entire increment goes to labor and nothing is left for capital. In fact, these conditions insure that the shares of capital and labor remain unchanged. If labor gets 70 and capital 30 of the 100 produced by a business, a 10-percent increase in productivity will raise labor income to 77 and capital to 33.

Both management and union may allege that a 2-percent standard does not give them the flexibility that may sometimes be required to take care of special cases, of local needs and conditions, etc. Unfortunately, there is no such thing as a normal case. Every case is a special case. This offers very little excuse, therefore, for special dispensation. Each contract, moreover, has many dimensions. Basic rates, differentials, fringes, to say nothing of work rules, are all subject to negotiation. They all can be adjusted to the special case and to local needs, subject to one restraint—the financial settlement should not exceed the equivalent of 2 percent. In practice, no doubt, the line would be broken often enough without good reason. There need be little fear that, in the few cases where there is good reason to break it, the line would become impossibly confining.

MOBILIZING PUBLIC OPINION

In moving to implement the productivity standard, an energetic educational campaign will be needed. At present, the economic facts of the situation are not widely appreciated. Labor and management, as well as the general public, have given no clear evidence that the present rate of wage increases is recognized as inconsistent with stable prices. Nor is there much evidence that the need to limit wage advances to nationwide productivity gains, as contrasted with gains in particular industries, is at all widely accepted. In other subjects, we are rapidly achieving higher levels of economic sophistication. The needs for a flexible monetary policy, for a sound budget policy, for proper attention to the balance of payments, have been receiving increasing recognition. The issue of productivity and wages is no more complex than these, and will not long defy public understanding if it is adequately publicized. An understanding of the issues, resulting in mobilization of strong public opinion and consequent pressure upon business and labor, can be expected to be followed by a good degree of voluntary compliance.

Responsible conduct on the part of powerful individuals and groups is an essential part of American democracy. Business and labor have increasingly come to accept this belief. The pressure of public opinion has been instrumental in advancing its acceptance. The Economic Reports of the President in recent years have repeatedly appealed to this sense of responsibility. The need for self-restraint in wage and price determination has been stressed. More specific meaning and a clearer orientation will be achieved if appeals of this kind are coupled with a specific quantitative standard.

AVOIDANCE OF CONTROLS AND RIGIDITIES

Some pitfalls will have to be avoided. Efforts to achieve voluntary restraint and compliance are sometimes slow to bear fruit. There then arises the temptation to accomplish the goal by more rapid route of legislation. Wage and price controls might seem to loom ahead. These would be incompatible with our free economy, and the very opposite of what the voluntary approach here proposed seeks to achieve. The voluntary approach seeks to make wages and prices behave as they would if our markets were perfectly free and competitive, which they are not. Wage and price controls would abolish the freedom of the market and of the economy.

Nor should the naming of a maximum lead to the maximum also becoming a minimum.

Some wage rates will continue to move more slowly than the maximum, as they have always done. Industries that cannot afford to give wage increases today will not be put in a different position by the present proposal. Meanwhile the demands made upon them may well be less rather than more, as the bellweather industries slow down their advances. These below-standard advances will help to compensate for some excessive increases which are bound to occur.

PROSPECTS FOR PRICE REDUCTIONS

Efforts will have to focus not only on promoting wage restraint, but also on price reductions. Price reductions in industries with above-average productivity gains are essential. Labor would rightly reject proposals that limit its wage demands if business, rather than the consumer, were to be the principal beneficiary. In reasonable competitive markets, these price reductions tend to occur automatically. The recent range of reductions in prices of consumer durables, where productivity gains have been high, confirms this expectation. This is the reason for devoting less detailed attention to the problem in this paper, but it is nevertheless clear that pressure will be needed. Intensified antitrust action, aimed particularly at price rigidities, will be important. The pressure of public opinion, mobilized by increasing awareness of the problem, will have to be brought to bear on prices as much as on wages.

FISCAL AND MONETARY POLICIES

Finally, it will be up to the Federal Government to carry out the proper fiscal and monetary policies to backstop voluntary restraint and the pressure of public opinion. Obviously, neither of these will be able to accomplish much against market pressures set loose by inflationary financing. But when budgets are orderly and credit under control, there is no inherent reason why wages should rise faster than productivity or why prices should creep forward.

We have allowed ourselves to get into bad habits in wage and price determination. The good sense of people in a democracy should be capable of ridding us of them.

OPERATION EMPLOYMENT—HISTORY OF UNEMPLOYMENT INSURANCE

The SPEAKER pro tempore [Mr. STEPHENS]. Under previous order of the House, the gentlewoman from New York [Mrs. WEIS] is recognized for 60 minutes.

Mrs. WEIS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain tables.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. WEIS. Mr. Speaker, as you know, Republican Members participating in Operation Employment have in recent weeks discussed here various aspects of employment and unemployment in a dynamic, free-enterprise economy.

For the most part my colleagues in this project have been concerned with those factors at work in our economy which are producing a growing demand for highly trained labor and, at the same time, a diminishing need for the services of unskilled workers. They have, in short, been concerned with the complex problems of employment in a period of extremely rapid technological change.

This afternoon, my distinguished colleague from Massachusetts, Congressman BRAD MORSE, and I want to focus attention on yet another aspect of the overall problem of employment and unemployment in a free enterprise economy, the subject of unemployment insurance.

The basic material for our discussion here this afternoon was provided by an article written by Father Joseph M. Becker, S.J., of the Institute of Social Order at St. Louis University, St. Louis, Mo. Father Becker is universally recognized as an expert in the fields of social security and social welfare problems. His writings in the field of unemployment insurance are distinguished and I want to publicly express our gratitude for this particular paper, entitled "Twenty-five Years of Unemployment Insurance." Father Becker's paper will appear in its entirety at a later point in the RECORD.

In the meantime, I want to make it clear that while we have drawn heavily on his paper for both fact and interpretation, the conclusions reached by both Congressman MORSE and me are entirely our own and do not necessarily coincide with those of Father Becker. We are most grateful for his help, but we want to excuse him from any responsibility for our conclusions.

Briefly, I propose to discuss, in summary fashion, the history of unemployment insurance legislation in the United States since the adoption of the present Federal-State system in 1935, calling attention to the characteristic features of the system as it has developed in this country and suggesting certain tentative conclusions about our experience with unemployment insurance as well as certain problems which still remain. My colleague, Representative MORSE, will then discuss, in some depth, the technique of "experience rating," by means of which the State unemployment compensation tax is actually levied on the individual employer.

BRIEF HISTORICAL DEVELOPMENT

Unemployment insurance is a part of the U.S. social security system, having been established as a part of the Social Security Act of 1935—see title 49, Statutes at Large, section 639, 1935. As it was conceived by the Congress and as it has developed during the 26 years of its existence, unemployment insurance in this country is a Federal-State program, with major emphasis on the responsibility of the individual States.

The applicable Federal laws deal principally with the limited conditions which must be met by the States in order that the States and employers in the States may be afforded the benefits granted by the Federal law. The State unemployment insurance laws are the ones which actually provide the terms under which insurance payments are made to unemployed workers.

Title IX of the Social Security Act of 1935 levied a 3-percent Federal unemployment tax, but the act provided for a 90-percent offset against this tax for contributions made under State unemployment compensation laws meeting certain minimum requirements. The responsibility for selecting benefit, eligibility, and disqualification standards was left entirely to the separate States.

This discretion left to the State was partly motivated by a fear that too many federally imposed standards would jeopardize the constitutionality of the act and partly by a belief in the desirability of permitting the States to experiment and adjust their State laws to local economic conditions and characteristics.

The Federal legislation was in fact completely effective in securing the enactment of State unemployment insurance legislation and by June 30, 1937, every State in the Union, and the District of Columbia, Hawaii, and Alaska, had adopted approved legislation.

On May 24, 1937, the constitutionality of the Federal Unemployment Tax was upheld by the Supreme Court, by a vote of 5-to-4 (*Stewart Machine Co.* v. *Davis*, 301 U.S. 548 (1937)). On the same day, the Supreme Court ruled, in another 5-to-4 decision, that the Alabama State unemployment compensation law was constitutional (*Carmichael* v. *Southern Coal & Coke Co.*, 301 U.S. 495 (1937)). Thus the basic features of the Federal-State system of unemployment insurance were given the official blessing of the Court and no basic changes have been made in the structure of the system since that time.

In its basic essentials—and perhaps somewhat oversimplified—the system works in the following manner: The Federal Government levies a tax on all employers with four or more employees—with certain stated exceptions—at the rate of 3.1 percent on the first $3,000 of each covered employee's earnings. However, employers in States with an approved unemployment insurance program—all 50 States now have one—may claim an offset of 2.7 percent against this tax. What this means, in effect, is that every covered employer pays a Federal unemployment insurance tax of four-tenths of 1 percent and a State unemployment insurance tax at a rate established by the State.

The money collected from the State unemployment tax is placed in a special fund, held by the U.S. Treasury, and it is used to pay benefits to unemployed workers within that State at benefit levels and under such conditions of eligibility and duration as are established by the State itself.

The funds derived from the Federal tax—four-tenths of 1 percent—are used to pay the administrative costs of the entire program, at both the State and Federal levels, and to maintain a loan fund against which States may draw when their individual funds reach dangerously low levels.

This, briefly, is the general outline of the unemployment insurance program as it operates today in the United States and even a cursory examination makes it quite clear that the program is essentially State oriented. Each individual State determines how much it will tax its employers for unemployment insurance purposes, how much it will pay to unemployed workers in weekly benefits, for how long a period benefits will be paid, and under what conditions workers

qualify for benefit payments. The Federal Government sets certain very limited standards which the State programs must meet in order to secure the tax offset, it pays the costs of administering the program, and it mantains a loan fund for the use of States with low reserves.

However, beginning in 1944 and continuing through the provisions of the 1960 unemployment insurance legislation, the Federal Government has played an increasingly larger role in providing funds to States which have either exhausted their unemployment funds or whose reserves have fallen to a level considered dangerously low.

The War Mobilization and Reconversion Act of 1944—title 58, Statutes at Large, section 785, 1944—established a Federal loan fund for the first time, with advances to the States to be financed out of the accumulated excess in Federal unemployment tax receipts over administrative expenses. Little use was made of the loan fund during this period, however, and the authority for it expired in 1952.

Public Law 567 of the 83d Congress, popularly known as the Reed Act, provided for the establishment of a $200 million fund out of the excess of Federal tax collections over administrative costs, with the fund again to be used to provide advances to those States whose unemployment funds had fallen to low levels. These advances were repayable by the individual States, and if not repaid within a certain fixed time period they were to be collected by reducing the State's Federal tax offset. Anything over $200 million in excess was to be distributed to the States' unemployment trust funds on a pro rata basis.

The Reed Act technique of repayable advances was employed by the Federal Government to help States finance extended benefit durations used to meet the longer term unemployment which developed in 1958. The legal vehicle was the Temporary Unemployment Compensation Act of 1958 which provided for a wholly voluntary arrangement by which each State was given the option of entering into an agreement with the Federal Government to act as agent in the disbursement of temporary unemployment compensation and to repay the costs.

In 1960 the Federal law was amended to increase permanently the Federal tax from 3 percent to 3.1 percent and to increase the size of the Federal loan fund from $200 million to $550 million.

Finally, this year legislation was enacted to provide a temporary extension in unemployment compensation payments to workers who had exhausted benefits. This time, however, each individual State was not required to repay by itself the full amount it took as an advance. Instead, provision was made for repayment of the Federal advances by an increase in the net Federal unemployment tax levied on covered employers in every State from four-tenths of 1 percent to eight-tenths for calendar years 1962–63.

But so much for the basic Federal laws relating to unemployment insurance. What has the system actually accomplished?

THE GROWTH AND DEVELOPMENT OF THE UNEMPLOYMENT INSURANCE SYSTEM

Unemployment insurance has been, by virtually any measuring stick, a very successful experiment. One need only look at how unemployed workers fared historically and contrast that with how they have fared since 1938 to realize what a significant role unemployment insurance has played. A brief look at some selected statistics will perhaps show the impact, as well as the continuing development and expansion of the program.

From an average monthly coverage in 1938 of about 20 million workers, or about one-third of the total labor force, all unemployment insurance programs in 1960 covered an estimated 46 million workers, or two-thirds of the labor force.

Benefits, in dollar amounts, have risen steadily since the inception of the program. The average weekly benefit in 1939, the first year of payment by all systems was $10.66. In 1960, the average weekly payment was $32.87, or over 200 percent higher than the average 1939 payment. The purchasing power of benefits, which is a better gage than absolute dollar amounts, has also increased, as a result of benefits rising faster than the cost of living.

As the various State programs have developed, the length of time during which benefits are paid has also been increased, both by reducing the waiting period before benefits are paid and by extending the duration of benefits.

As an indication of the overall economic impact of unemployment insurance programs, from the beginning of the State-Federal program through March 1960 total contributions to the State-Federal system, plus interest, amounted to $30.4 billion. During that time a total of $24.2 billion was paid out in benefits to unemployed workers and their families.

There are, of course, an almost endless stream of statistics relating to the unemployment compensation system. For those who may be interested in examining the programs in somewhat more detail, I am inserting at this point in the RECORD three charts. The first of these shows unemployment insurance benefits under each State program and aggregate State spending, income, and reserves under unemployment compensation laws. The second indicates the financial experience of unemployment insurance funds in the period 1938–59 and the third the cost and distribution rates during the same period.

The following chart, compiled from Labor Department statistics, shows unemployment insurance benefits under State programs and aggregate State spending, income and reserves under unemployment compensation laws. Benefits listed are for persons "totally unemployed"—that is, unemployed the entire week. Unemployment tax collections include interest paid on State accounts held by the U.S. Treasury. Figures are for calendar 1960 except where otherwise noted.

State unemployment insurance benefits and program finances

State	State benefit programs					State unemployment fund financing, 1960			
	Average weekly benefit, 1st half 1960	Maximum weekly benefit under State law [1]	Average weekly wages in covered employment (1959)	Maximum benefit as percent of weekly wage	Minimum and maximum duration of benefits (weeks) [2]	Average State tax rate for employers on taxable wages	Benefits paid	Collections	Reserve on Dec. 31, 1960
United States	$32		$91			*Percent* 1.9	*Thousands* $2,726,767	*Thousands* $2,483,130	*Thousands* $6,643,400
Alabama	23	$28.00	75	38	11-20	1.2	27,163	19,746	53,970
Alaska	37	45.00	137	33	15-26	2.9	5,539	7,291	4,860
Arizona	31	35.00	90	39	10-26	1.3	9,294	11,608	62,380
Arkansas	22	30.00	62	48	10-26	1.4	12,542	9,923	36,760
California	39	55.00	103	53	26-26	2.0	386,042	310,851	801,500
Colorado	28	43.00	90	48	15-32½	.5	15,258	7,862	61,870
Connecicut	36	45.00	95	47	12-26	2.1	55,103	51,307	168,560
Delaware	33	40.00	100	40	11-26	2.5	6,746	10,209	11,950
District of Columbia	26	30.00	89	34	11-26	.9	5,483	7,850	62,440
Florida	27	33.00	78	42	10-26	1.2	31,740	34,918	102,460
Georgia	24	35.00	71	49	9-26	1.4	30,389	31,586	144,590
Hawaii	31	45.00	74	61	26u	1.1	4,501	5,691	25,310
Idaho	36	40.00	80	50	10-26	1.7	8,535	6,183	28,370
Illinois	34	32.50	101	32	26-26	2.1	136,148	168,887	355,920
Indiana	30	36.00	96	38	6-26	1.2	52,448	46,722	168,170
Iowa	30	30.00	84	36	10-26	.5	14,486	11,738	115,470
Kansas	34	41.00	84	49	10-26	1.0	20,526	12,671	72,070
Kentucky	28	37.00	80	46	15-26	2.4	31,762	30,416	104,090
Louisiana	30	35.00	81	43	12-28	1.5	37,853	26,803	120,980
Maine	21	33.00	74	45	26u	1.7	12,922	9,690	28,500
Maryland	30	35.00	83	42	26u	2.8	50,769	51,321	67,790
Massachusetts	37	40.00	85	47	23-30	1.9	118,816	87,374	221,260

State unemployment insurance benefits and program finances—Continued

State	State benefit programs					State unemployment fund financing, 1960			
	Average weekly benefit, 1st half 1960	Maximum weekly benefit under State law [1]	Average weekly wages in covered employment (1959)	Maximum benefit as percent of weekly wage	Minimum and maximum duration of benefits (weeks) [2]	Average State tax rate for employers on taxable wages	Benefits paid	Collections	Reserve on Dec. 31, 1960
						Percent	*Thousands*	*Thousands*	*Thousands*
Michigan	$36	$30.00	$107	28	9–26	2.9	$147,391	$162,497	[3] $220,150
Minnesota	29	38.00	88	43	18–26	1.1	36,784	24,683	63,770
Mississippi	24	30.00	64	47	12–26	1.9	14,296	14,333	32,730
Missouri	29	33.00	88	37	26–26	1.0	41,317	35,626	201,730
Montana	27	32.00	80	40	22u	2.3	11,189	7,317	26,060
Nebraska	30	34.00	79	43	11–26	1.0	7,443	7,874	40,300
Nevada	38	37.50	96	39	10–26	2.2	6,211	6,846	17,710
New Hampshire	26	38.00	74	52	26u	1.7	6,897	7,683	24,020
New Jersey	32	35.00	98	36	13–26	2.1	131,486	124,970	337,170
New Mexico	29	36.00	85	42	18–30	1.2	8,939	7,236	42,340
New York	35	50.00	99	51	26u	2.3	397,808	370,110	999,060
North Carolina	20	32.00	67	48	26u	1.6	35,607	43,772	186,590
North Dakota	29	32.00	76	42	24u	2.0	4,913	3,845	7,350
Ohio	40	42.00	100	42	24–26	1.5	206,113	121,187	310,570
Oklahoma	26	32.00	83	39	10–39	1.2	17,808	13,518	37,010
Oregon	35	40.00	91	44	15–26	2.7	28,150	36,883	47,490
Pennsylvania	30	40.00	88	46	30u	3.1	265,271	252,444	[3] 174,530
Rhode Island	30	36.00	78	46	12–26	2.7	16,164	20,123	32,970
South Carolina	22	26.00	65	40	10–22	1.1	12,234	14,784	76,540
South Dakota	29	33.00	75	44	16–24	.8	2,452	2,189	15,180
Tennessee	22	32.00	74	43	22u	1.7	34,210	32,351	74,440
Texas	24	28.00	83	34	16–24	.9	58,252	50,829	249,840
Utah	33	42.00	83	51	10–36	1.5	8,178	8,469	38,060
Vermont	27	38.00	76	50	26u	1.3	4,063	3,113	13,670
Virginia	23	32.00	74	43	8–20	.8	16,716	21,148	88,580
Washington	32	42.00	95	44	15–30	2.7	58,830	56,153	202,230
West Virginia	22	30.00	89	34	24u	2.7	24,040	26,920	35,450
Wisconsin	36	49.00	93	53	12–34	1.4	45,518	42,402	216,150
Wyoming	40	47.00	85	55	12–26	1.4	4,421	3,178	12,440

[1] Does not include dependents' benefits or special increases possible under certain conditions.

[2] In States marked with "u", benefit is uniform for all eligible persons. In States where maximum and minimum are shown as the same number of weeks (California, for example) minimum duration of benefits may be lower under certain special conditions. This is also true for Massachusetts, Ohio, Oregon, South Dakota, Texas.

[3] Funds available reflect loans from the Federal loan account to: Alaska $2,630,000 in January 1957, $2,635,000 in February 1958, $3,000,000 in July 1958, and $500,000 in January 1960; Michigan $113,000,000 in September 1958; Pennsylvania $96,440,000 in April 1959, $1,504,000 in May 1960, and $4,056,000 in July 1960. The loans must be repaid by 1963, a factor which must be considered in assessing the condition of these States' reserves, especially where benefit payments have been exceeding collections.

Source: Congressional Quarterly, week ending Feb. 3, 1961.

TABLE 1.—*Financial experience of unemployment insurance funds, 1938–59*

[In billions of dollars]

Year	Contributions	Contributions and interest	Benefits paid	End-of-year funds		Year	Contributions	Contributions and interest	Benefits paid	End-of-year funds	
				Amount	Percent of total wages					Amount	Percent of total wages
1938	0.82	0.84	0.39	1.11	4.2	1949	0.99	1.14	1.74	7.01	7.5
1939	.82	.86	.43	1.54	5.3	1950	1.19	1.34	1.37	6.97	6.8
1940	.85	.90	.52	1.82	5.6	1951	1.49	1.65	.84	7.78	6.6
1941	1.01	1.06	.34	2.52	6.0	1952	1.37	1.55	1.00	8.33	6.5
1942	1.14	1.21	.34	3.39	6.2	1953	1.35	1.55	.96	8.91	6.4
1943	1.33	1.41	.08	4.72	7.1	1954	1.14	1.33	2.03	8.22	6.0
1944	1.32	1.42	.06	6.07	8.8	1955	1.21	1.39	1.35	8.26	5.6
1945	1.16	1.29	.45	6.91	10.4	1956	1.46	1.66	1.38	8.57	5.2
1946	.91	1.04	1.09	6.86	9.4	1957	1.54	1.76	1.73	8.66	5.0
1947	1.10	1.23	.78	7.30	8.4	1958	1.47	1.67	3.51	6.95	4.1
1948	1.00	1.15	.79	7.60	7.9	1959	1.96	2.13	2.28	6.9	3.9

TABLE 2.—*Cost and contribution rates in unemployment insurance, 1938–59*

Year	Cost rate	Contribution rate	Year	Cost rate	Contribution rate
1938	2.18	2.70	1949	2.28	1.31
1939	1.59	2.72	1950	1.68	1.50
1940	1.72	2.69	1951	.93	1.58
1941	.89	2.58	1952	1.05	1.45
1942	.69	2.19	1953	.97	1.30
1943	.13	2.09	1954	2.10	1.12
1944	.10	1.92	1955	1.33	1.18
1945	.76	1.71	1956	1.26	1.32
1946	1.72	1.43	1957	1.54	1.31
1947	1.06	1.41	1958	3.22	1.32
1948	1.01	1.24	1959	2.00	1.70

In summary, it is quite apparent that significant strides have been made by the States in conducting unemployment compensation programs during the first 25 years of the State-Federal unemployment insurance system. Real protection afforded the unemployed has, on the average, increased by over 100 percent; in the large industrial States, in which most of the covered workers live, the increase has been even greater—about 200 percent in California, about 400 percent in my own State of New York. As compared with those who received benefits in 1938, the first year benefits were paid, the beneficiary in 1960—of whom there were millions more—received his benefits sooner, for a longer time, and could buy substantially more goods and services with what he received.

THE REMAINING PROBLEMS

The fact that protection has steadily increased does not, of course, necessarily mean that protection is now adequate or that no further improvements in the system are necessary. On the contrary, there are a number of complex and controversial issues and problems remaining to be resolved. It is not within the scope of this presentation to even begin to enumerate all of these problems or to suggest potential solutions, but for those who may be interested in pursuing the matter further, I want to call your attention to an article by Wilbur J. Cohen, the present Assistant Secretary (for Legislation) of the Department of Health, Education, and Welfare and a former professor of public welfare administration in the School of Social Work at the University of Michigan. Dr. Cohen's article, "Some Major Policy Issues in Unemployment Insurance and General Assistance," which appears in Studies in Unemployment—U.S. Senate, 86th Congress, 2d session, Special Committee on Unemployment Problems, January 1960—focuses attention on these problems as well as on the variety of proposed solutions. While I am considerably more impressed with the achievements and advances which have been made in our present unemployment insurance system than is Dr. Cohen, and

while I do not subscribe entirely to the solutions he appears to favor, his article is nevertheless well worth careful reading for its careful enumeration of the problems yet to be solved and the various alternative directions which the program could take in the future.

Despite substantial increases, the adequacy of the benefit level is clearly still a problem. This was the subject of an earlier presentation by two other participants in Operation Employment and I do not wish to dwell on it here other than to say that benefit levels in some States obviously lag behind desirable levels.

Duration of benefits is another problem area in which some States have been remiss. The Eisenhower administration recognized the need for improvement in both the benefit level and duration of benefits. On several occasions, President Eisenhower recommended that the States increase maximum benefits so that the great majority of covered workers would be eligible for payments equal to at least half their regular earnings, and that States which had not already done so lengthen the maximum term of benefits to 26 weeks for every person qualifying for any benefits who remained unemployed that long. I subscribe wholeheartedly to both these recommendations.

Further extension of coverage to at least a portion of the one-third of the labor force not now covered is yet another problem area, as is also the question of how to deal with the unemployment problem of the worker with a number of dependents. Still another problem is that of how to deal, in terms of unemployment compensation, with unemployment of a chronic, long-term nature.

A SPECIAL CONFERENCE ON UNEMPLOYMENT INSURANCE

These are simply illustrative of the problems confronting us as the State-Federal unemployment system passes its first decade. They are serious problems which cannot be dealt with frivolously, or in terms of shopworn clichés. They require hard thinking and careful analysis and it would seem to me that the time is ripe for a special conference, called by the President with the support of the Congress for the purpose of systematically evaluating our 25-year experience with unemployment insurance and exploring carefully the problems of the present and future and their potential solution. Such a conference, preceded by careful staff work, could bring together the best minds in the field for a sustained period and would be most useful in focusing attention on the subject and in mobilizing public opinion behind the need for further progress. The complex problems of employment and unemployment in a dynamic economy require dynamic thinking and I sincerely hope that President Kennedy and his administration will give the subject of unemployment insurance the full attention it deserves.

CONCLUSION

In conclusion, I want to make clear my own personal preference for an essentially State-oriented type of national unemployment insurance system.

We forget sometimes how young the present system actually is. It was barely underway before World War II and had little relevance or attention during the war years, so that in reality the system is still in its adolescent stage. In my opinion the system has worked reasonably well in these formative years and I see no reason to believe that it cannot do even better in the future. In this connection, I want to quote very briefly from Father Becker's article to which I referred earlier. At one point he says, referring to the trend toward steadily increased protection:

> The fact that there has been such a trend toward expanded protection and that the same forces which brought about the expansion in the past are still operative in the present has considerable relevance for the choice of leaving the program in the hands of the States or calling upon the Federal Government to assume more control. In the lives of institutions, the direction and momentum of their movement is at least as important as their present position.

I find these words particularly meaningful. Father Becker is not entirely satisfied with the operation of the system and neither am I. He is not arbitrarily ruling out the possibility of a larger Federal role and neither am I. But I am greatly impressed with the solid and substantial progress which has been made thus far, and I am impressed by the direction in which the program has been moving ever since its inception. Given the great advances of the past and the considerable promise which the present system holds for the future, I would hope that any and all attempts to alter this system would be scrutinized and debated with utmost care and thoroughness and I would hope, further, that under no circumstances would the basic nature of the system be changed.

Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MORSE].

Mr. MORSE. Mr. Speaker, I first want to commend my distinguished colleague, the gentlewoman from New York, on her perceptive and thorough coverage of the history of unemployment compensation and her incisive analysis of the complex of Federal-State relations which have worked so well in our American system of unemployment compensation.

The topic which I shall cover is the system of experience rating. The statutory basis of our system of unemployment insurance is complex, and, I have found, not generally understood. A description of the way the Federal unemployment fund operates may be in order.

As my colleague observed, there is a tax of 3.1 percent levied by the United States on all covered payrolls. Prior to 1960, this tax was set at 3 percent. A credit is allowed for State unemployment taxes of up to 2.7 percent. Since all States have an unemployment tax of 2.7 percent or more, the net effect is a Federal unemployment tax of four-tenths of 1 percent, increased from three-tenths of 1 percent in 1960.

This year, of course, this tax was temporarily increased from 3.1 to 3.5 percent, giving a net Federal tax of 0.8 percent, to support benefits under the Temporary Extended Unemployment Compensation Act, for fiscal years 1962 and 1963.

The moneys collected under the Federal unemployment tax are paid over into a Federal unemployment fund, from which payments are made to the States.

Normally, the principal payments to the States from the fund consists of grants of appropriate sums requested by the States coextensive with, and for the purpose of supporting, the administrative expenses of State programs.

Additionally, disbursements may be made to the States upon application, in the form of interest-free repayable advances to enable the State to meet its monthly requirement of funds to be paid out to claimants.

Finally, under the temporary extended unemployment program enacted this spring, payments are made to States to support the extended payments of compensation authorized by the act.

A standard State tax of at least 2.7 percent on covered payrolls is insured by this program. But one way, and only one way, is provided by which States may impose lower tax rates on individual employers, without subjecting them to an increased Federal tax equivalent to the differential. This method is experience rating.

All States, with the exception of Alaska, now have some form of experience rating by which the tax rates on individual employers' payrolls are modified on the basis of their experience with unemployment risk.

Certain requirements are imposed by the Federal Government if a State is to use the experience rating system, the most important of which requires 3 years of experience with the program. The 83d Congress enacted a modification allowing reduced rates to be extended to employers with but 1 year of experience, but requiring rates to be based on at least 3 years experience, after the employer has completed that period.

The effect of experience rating is to give a credit on Federal taxes equivalent to the full 2.7 percent imposed by the State as a standard rate, without subjecting the employer to the payment of the full State tax.

States have hit upon a variety of formulas for computation of tax rates under experience rating. These include:

First. Reserve ratio: This method, employed by 33 States, including my home State of Massachusetts, employs a balance, consisting of the surplus of tax contributions by the employer over benefits received by his workers since the employer first was covered by the program. This balance is taken as a percentage of the employer's taxable payroll, and the resultant figure determines the tax category of the employer.

Second. Benefit ratio: This approach compares benefits paid, over the last few years, to payroll. This method is geared to short-term experience.

Third. Benefit-wage ratio: This system compares the number of compensated separations to wages earned by the worker during a base period.

Fourth. Compensable separations: This formula weighs compensable separations by the benefit amount paid to the worker.

Fifth. Variations in the employer's payroll: This final method takes changes in payroll as a percentage of total payroll of the employer.

Within these broad categories of experience-rating formulas, there is considerable variation in detail from State to State. For example, the number of schedules of reduced rates varies from 3 or 4 up to 25 or 27, and the rates themselves can vary. In Alabama, where the maximum rate is 2.7 percent, the minimum is 0.5 percent. In Illinois, where the maximum rate is 4 percent the minimum rate is 0.1 percent. There are considerable differences in the resulting tax rates for different States. High-cost States include Maryland and Michigan with estimated average rates for 1961 of 3.1 percent. The estimated average for New York in 1961 is 3 percent. In Massachusetts, the average 1961 tax rate is predicted to be about 2.2 percent. Another group of States, on the other hand, is still averaging below 1 percent. These include Texas, Iowa, Colorado, the District of Columbia, and South Dakota.

These complex State variations enable the particular requirements of a given State to be met, within the general framework set down by the Federal law. Furthermore, the existence of 50 separate and different State programs reflects one of the essential benefits of a Federal system of government—the opportunity to experiment on a limited scale.

In order to explain in greater detail the operation of experience rating in a particular jurisdiction, I have selected my home State of Massachusetts for further discussion.

Massachusetts provides weekly benefits for the unemployed worker for a period of up to 30 weeks a year. Eighteen additional weeks are provided to persons enrolled in approved vocational training or retraining courses.

The Massachusetts Legislature made significant changes this year in the financing provisions of the unemployment system. Effective in the 1962 tax year, the taxable payroll base is increased to $3,600 per employee. Seven tax rate schedules for employers are provided, with a greater range between the highest and lowest tax rates than previously obtained. Under the most favorable schedule, tax rates vary from one-half of 1 percent up to 3.3 percent. Under the least favorable schedule, they vary from 1.7 percent up to 4.1 percent. The status of the balance in the State fund compared to taxable payrolls determine the governing schedule in a given tax year.

Under the prior law in Massachusetts, tax rates for 1960 were established according to a reduction schedule which varied the tax rate from 1 percent for employers with the best rating, to 2.7 percent for employers with the worst rating. Of the nearly 98,000 employers who had built up an experience rating by 1960, about 32 percent of the employers paid the highest rate, the 2.7-percent rate. The other 29 percent of employers paid intermediate rates ranging from 2.5 percent down to 1.1 percent. The distribution of these rates worked out to an estimated average rate in 1960 of about 1.87 percent. This compared with an average rate of 1.77 percent for 1959, and 1.5 percent for 1958. It is estimated that the average rate will be 2.2 percent for 1961.

An industry-by-industry breakdown produced the same general pattern in 1960 as in previous years. Employers in the contract construction industry paid an average unemployment tax of 2.49 percent. For employers in manufacturing the average was 2 percent, for wholesale and retail trade 1.66 percent, for tranpsortation, communication, and utilities 1.47 percent, and for finance, insurance, and real estate, taken together, 1.34 percent.

An experience rating provision was first written into the employment laws security of Utah, Wisconsin, and New Hampshire, passed before the Federal program became a reality. The Committee on Economic Security, which proposed the social security program to the Congress, recommended that such States' provisions be respected. This provision was eliminated by the House, but was contained in the legislation finally passed. The Senate Finance Committee said:

> We believe that the Federal law should provide for recognition of credits allowed by the States to employers who have regularized their employment. In his message dealing with the subject of social security, the President [Roosevelt] urged that unemployment compensation should be set up under conditions which will tend toward the regularization of employment. All unemployment cannot be prevented by any employers, but many employers can do much more than they have done in the past to regularize employment. Everyone will agree that it is much better to prevent unemployment than to compensate it.

It is clear that the unemployment compensation program provided in the Social Security Act of 1935 contained experience rating provisions to induce employers to avoid causing unemployment. It emphasized the role that the individual employer can play in stabilizing employment. Moreover, it stressed the individual responsibility of the employer to do what he can to solve the pressing social problem of unemployment. It did this by means of an incentive—the very basis of our free economy. It provided a flexible device by which States might vary their taxes, so that the revenue received may be placed into balance with the demands on the fund.

In a sense, the experience rating system makes the employer a guardian of the program, with a significant stake in preventing unentitled claims by employees, since improper claims are charged against his own account in the unemployment fund. It is reasonable to expect that he will report these irregularities to keep his own tax rate down. This form of employer participation is desirable to assist effective administration of the program. Since the employer and the employee are the only parties who have firsthand knowledge of the facts giving rise to the claim, the employer is placed in the position of being the only source of information other than the claimant regarding the validity of the claim.

Thoughtful scholars of employment security laws have long debated the social desirability and the administrative effectiveness of the experience rating system. A study of some of the literature has persuaded me that it is sound—that it injects into the unemployment compensation equation a uniquely American ingredient—competition.

I would like to join my distinguished colleague, the gentlewoman from New York, in her proposal for a special conference on unemployment compensation. There can be no doubt that serious problems plague the subject—problems which require the best thinking of our best informed citizens. I am confident that the President, were he to adopt my colleague's suggestion would find abundant support among Members of the minority here in the House.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MORSE. I yield.

Mr. CURTIS of Missouri. Mr. Speaker, at this time I want to compliment both the gentlewoman from New York and the gentleman from Massachusetts for the work they have done in this area, and also the preceding speakers, the gentleman from Iowa [Mr. SCHWENGEL] and the gentleman from Ohio [Mr. ASHBROOK]. I know from some familiarity with the paper that was prepared by Father Becker, of the Institute of Social Order at St. Louis University, who is one of the outstanding scholars in this area, that we all could derive great benefit from his paper and the intepretation and comments that are in the remarks that have just been made. I want to point up one thing because some people have raised the question, Well, who were all these scholars that were selected, were they people of a persuasion that would support a Republican position? And the answer, of course, is "No, they were not." They were picked on the basis of their scholarship. Father Becker I am certain would not like to be particularly identified with the Republican Party. He would not like to be identified with either party. I thought it was appropriate to make these remarks at this time. In fact, a couple of professors we have had were very definitely identified with the Democratic Party. Again I want to compliment my colleagues for their fine work.

Mrs. WEIS. I thank the gentleman. I absolve Father Becker of any responsibility for any conclusions that I have set forth in my paper.

Mr. MATHIAS. Mr. Speaker, will the gentlewoman yield?

Mrs. WEIS. I yield to the gentleman from Maryland.

Mr. MATHIAS. I would like to say I can testify these are nonpartisan background academic materials because one of them has been prepared by a chairman of Democratic State Central Committee of Maryland.

Furthermore, I compliment the gentlewoman and the gentleman from Massachusetts [Mr. MORSE] on the very fine presentation they have made and their contribution to operation employment,

which I am sure is very valuable to all of us.

Mrs. WEIS. I thank the gentleman from Maryland.

CAUSES AND ANSWERS TO THE PROBLEM OF UNEMPLOYMENT

The SPEAKER pro tempore (Mr. STEPHENS). Under previous order of the House, the gentleman from North Dakota [Mr. SHORT] is recognized for 30 minutes.

Mr. SHORT. Mr. Speaker, today it is my privilege to make my little contribution to the Republican study of the causes and answers to the problem of unemployment. Congressman RALPH BEERMANN, of Nebraska, and I bring to the attention of the House today a paper prepared by Prof. Mussa Hussanyni of Alma College at Alma, Mich. I certainly want to commend this study to the Members of the House because while it is rather long and detailed, he brings out some excellent points and at the same time very important points on those causes that develop in our modern economy which contribute to the unemployment situation. This study specifically deals with the tendency in our economy in the United States to develop certain rigidities or fixed positions that have grown out of custom and practice and tend to hinder progress and the creation of new job opportunities.

Professor Hussanyni emphasizes that since the depression of the thirties this Nation has had a tendency to develop a psychology of caution centered around a desire for security and evidencing a lack of faith in the potential vitality of reliance on market demand as the determining factor in creating new markets for new products. Application of this principle of freedom of opportunity beyond question brought about the dynamic growth and unparalleled achievements of the American economy.

Since the 1930's, the trend toward expanding the function of government in the Nation's economy has tended to deter personal risk in investing in new enterprise. This must slow down the creation of job opportunities and this factor must be recognized as to some degree responsible for our unemployment problems. We must adopt a national policy geared to maximum encouragement for individuals to risk their capital and effort if we are to maintain maximum economic growth. The welfare, not only of our country, is at stake, but that of the entire free world.

When government attempts to restrict the free working of market prices in the interest of establishing security for a segment of the economy, the inevitable result is a restriction of opportunities for those who would get into that business.

Mr. BEERMANN. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I now yield to the distinguished gentleman from Nebraska [Mr. BEERMANN].

Mr. BEERMANN. I thank the gentleman from North Dakota for yielding.

Mr. Speaker, an area of farming and industrial production that would help stability of employment income is graphically illustrated in the sugarbeet growing and processing industry. Long-term sugar legislation would immediately start an expenditure of $15 million in 15 different locations totaling expenditures over a 2-year period in construction of $225 million. These 15 sugar factories would employ an additional 5,500 employees in the fall and winter and provide year-round employment for 800 people. Each of these plants would process beets from an average of at least 30,000 acres, totaling 450,000 acres. From these 450,000 acres minimum, the railroads and trucking industries would receive $18 million at the rate of $40 in income per acre.

Purchases of new, modern farm machinery would be stimulated thereby, providing jobs and dollars from the start of steel production through the finished product.

On the farm this long-term sugar legislation to allow 15 new factories would benefit about 700 farmers per plant, or at least 10,500 family-size farms.

Many growers receive $200 per acre and more gross. But for our purposes today I will use a yield of only 10 tons per acre at $15 per ton. This would give each of our family-size farmers $150 per acre on 40 acres or $6,000 gross income.

At $6,000 per farm to 10,500 farms would provide additional farm income of at least $63 million annually and I remind you this is a conservative estimate.

Long-term sugar legislation increasing the domestic supply would provide some other benefits. It would relieve the State Department from having to make as many delicate decisions on sugar allocations and purchases.

It would enable the Department of Agriculture to bring supply and demand in more favorable balance by allowing at least 450,000 acres to produce a crop that has domestic demand. Another group of people, almost forgotten, who will appreciate the relief are the American taxpayers.

Stability of employment is a problem that affects not only the large industrial cities but also rural communities. This is strikingly shown when you compare the average per capita income of the nonfarm population with the average per capita income of the farm population, and analyze the sources of income for the farm population. In 1960, the average per capita income of the nonfarm population—of the people living in cities—was $2,282. In the same year, the average per capita income of the farm population was only $986—less than half, only 43 percent of the average income of the person living in a city. Of that $986 the average farm citizen receives in a full year, only $657 comes from farming. The other $329—more than one-third of his annual income—the person living on a farm is obliged to obtain from sources off the farm. These figures point to the great need for providing industrial employment in our rural communities—figures from page 7 of the U.S. Department of Agriculture Miscellaneous Publication No. 870, published July 1961.

A great opportunity for stabilizing employment in rural communities now exists through expansion of the domestic beet sugar industry. This is an unusual opportunity which the administration apparently fails to recognize—for it preaches a gospel of delay, delay, and still more delay on sugar legislation.

Let us review for just a moment how that opportunity for increased employment in rural communities has arisen. On the morning of Sunday, July 3, 1960, after an all-night session, the Congress gave the President of the United States the authority to establish the Cuban sugar quota at a level which he deemed would be in the best interests of the United States. Because of Castro and the Communist government in Cuba, of course the President, immediately upon being given this authority, set the Cuban sugar quota for the balance of 1960 at zero. Let me remind you that the Democratic chairman of the House Agriculture Committee—had delayed and delayed action on legislation to grant this authority last year until Castro had shipped more than three-fourths, nearly 80 percent, of his 1960 sugar quota to the United States. Only 700,000 tons of the 1960 Cuban quota of about 3,200,000 tons had not been shipped when the President received the authority to block further shipments of Cuban sugar to the United States.

Under terms of the sugar law passed in that all-night session, sugar was obtained from other foreign nations to replace the 700,000 tons barred from Cuba last year. The present sugar law, now on the books and in effect today, also requires that a sugar quota denied to Castro be allocated to other foreign countries. Our own domestic sugar producers have not been allocated a single ounce of the former Cuban quota.

During the current calendar year, at the present level of sugar requirements as determined by the Department of Agriculture, the Cuban quota would have been 3,297,195 tons. All but 50,000 tons of this huge amount of sugar, nearly one-third of the entire U.S. sugar market, has been authorized for import from foreign nations. The 50,000 tons have been held in reserve—allocated to no one. But domestic producers have not been allocated a single ounce of the former Cuban quota, and under the present law they cannot be allocated an ounce until all foreign sources have been exhausted.

Yet if even a portion of the former Cuban share of our market were allocated to domestic producers, American farm income could be raised and stability of employment in many rural areas could be significantly increased.

At this juncture it may be well to point out that there is no obligation to foreign sugar interests for the United States to continue to import as much sugar we are required to do under the present law. When the U.S. sugar program was first developed 27 years ago, Cuba was intended to be one of the chief beneficiaries. This was in keeping with our traditional ties with this then friendly Republic in the Caribbean. The legislative history of the initial sugar-quota law, the Jones-Costigan Act of 1934, the basis of all subsequent sugar

acts, shows conclusively that the law was designed to benefit Cuba fully as much as to benefit domestic sugar producers. But other foreign countries, until Castro came along, had only an extremely small part of our market. The temporary windfalls the foreign countries have received as a result of the Cuban affair are just that—windfalls of a temporary nature.

Foreign sugar-producing nations have generally recognized that the interests of American producers come first. For example, the representative of the Mexican sugar industry, testifying at a sugar hearing of the House Committee on Agriculture on June 25, 1955, said:

> Certainly the Congress has an obligation to look after the best interests of the United States first, and to foster such a domestic sugar industry as it deems consistent with those best interests. We consider it extremely inappropriate for any foreign principal to seek preferential advantage for itself by attempting to influence that judgment. Mexico seeks only to obtain a fair share of that portion of the U.S. market which is to be allotted among foreign producers after the domestic producers have been taken care of (from p. 274, printed record of the hearing).

This still should be the attitude of the foreign sugar producers who should recognize that the American Congress has an obligation first to the American people, and not to foreign sugar interests.

To help provide a measure of stability of employment in at least some rural communities, we would not have to allocate all of the former Cuban quota to domestic sugar producers. A worthwhile and beneficial effect would be achieved by allocating only a portion of it—say, a third, or, roughly, about a million tons of the nearly 3⅓ million tons available. This would still leave more than 2 million tons available to foreign nations on a temporary basis and for restoring to Cuba if a friendly government should ever succeed Castro.

A million additional tons of quota for the domestic beet sugar industry—above the present beet sugar quota of about 2,600,000 tons—would justify the building of a minimum of 10 and perhaps as many as 15 or 16 new beet sugar factories in the agricultural regions for our Nation. To show what this would mean, let us take the building of just one such factory and see what it would mean to an agricultural community.

We specifically mention agricultural community because the nature of the sugarbeet is such that factories must be built close to the areas of production. The sugarbeet is a bulky crop, and it is not practical to haul it for processing very much farther than 50 to a hundred miles except under special circumstances. Most of the 60 or so beet sugar factories operating this year will draw beets from a radius of only about 25 to 50 miles. The industry is thus, by its very nature, a decentralized industry; and thus, also, its benefits are spread into many predominantly agricultural communities, over a large part of our Nation.

The first significant effect on employment would be in the erection of the processing plant itself. A new beet sugar factory today will cost about $15 to $16 million in labor and materials. It will require about 2 years to build. So the immediate impact on the rural community would be to provide jobs for a number of construction workers and a large number of people who can do common labor—for a period of 2 years. The skills required for most of the construction work are skills that men who wrest most of their livelihood from the soil already possess. The number, of course, will vary according to the stage of construction, but new off-the-farm employment for even a hundred men has a significantly beneficial effect on a predominantly agricultural community.

The benefits of new construction naturally spread far beyond the community where the construction is taking place. Steel must come from the steel mills, and lumber from the lumber camps and the lumber mills. Machinery must come from the machinery fabricators. And all the materials and equipment must be hauled by truck and train—providing additional employment in our great transportation industries.

The most important employment effects—the long-range stabilization—will come through operation of the new factory over the years.

Each factory employs from 250 to 300 persons—sometimes more, depending on the size of the factory—during the sugarmaking "campaign," a period ranging from 4 to 6 months. In a typical sugarbeet-producing area, the harvest begins late in September or early in October, and runs for about 6 weeks or so. The factory begins to operate when the beet harvest begins—but the factory operation continues long after the harvest. The beets are stockpiled in the factory yards—huge piles of beets, which, in the cool climate which prevails in all the 22 present beet-producing States except California, remain in good condition throughout the winter months. The additional employment resulting from the beet sugar factory thus takes place during the months when activity on the farm is low—and thus provides the opportunity for supplemental employment, during the winter months, for persons who live on the farm.

In addition to the seasonal employment, during the sugarmaking "campaign," the beet sugar factory provides year-round employment for 50 to 60 persons.

The total annual payroll of a beet sugar factory ranges in the neighborhood of a million dollars—and an additional income of $1 million a year in an off-the-farm activity means a great deal to stabilize the economics of a rural community.

While the effect on the local community is major, the benefits of a beet sugar factory extend far beyond that. Purchases of supplies and services extend the benficial effects to innumerable other segments of the American economy.

To mention just one: transportation. No other major crop means so much per acre to the transportation industry of this Nation. For each acre of sugarbeets, the railroads and trucking businesses of this country receive about $40 in income.

Each new beet sugar factory will require the production from at least 25,000 acres, and in some areas up to 40,000 acres of land. At $40 an acre, the railroads and trucking industries, therefore will receive at least an additional $100,000 a year in income. This certainly will have a beneficial effect on the stabilization of employment in those industries.

In addition, there is the purchase of new farm machinery to be considered—mechanical beet thinners, mechanical beet harvesters, perhaps additional tractors. Thus the benefits of new acres in sugarbeets spread to the people who work for farm implement manufacturers, and to the people who work in the steel mills.

Finally, of course, there is the direct benefit to the farmers who produce sugarbeets—the increase in income through production of a crop which thousands of American farmers want to grow but are now denied the permission to grow.

The average sugarbeet allotment is now 40 acres. At this same average, 25,000 acres in sugarbeets for one factory would give 625 farmers a dependable cash crop they do not now have. That is just for one factory.

In spite of the obvious employment stabilization possibilities of an expansion of the beet sugar industry, the administration has refused to develop a long-range sugar program envisioning such expansion. Just last week the Secretary of Agriculture, in a letter made public by the chairman of the House Committee on Agriculture, let it be known that the administration has no intention of announcing a sugar program during this session of Congress.

Mr. SHORT. I thank the gentleman from Nebraska for making this rather conservative analysis of the potential for expanded beet production in the United States. I think this conservative estimate coming from this conservative Member of Congress is quite provocative. I think perhaps this typifies what Dr. Hussanyni brings out in the paper I am going to ask permission to insert in the RECORD when he is referring to rigidity in our economy being brought about by Government regulation sometimes.

The beet sugar industry is another part of the farm economy which is subject to Federal regulation. Food production, sugar production quotas, are strictly regulated, and in the present instance, as our supply of sugar we have traditionally received from Cuba is no longer available to us, it seems only practical and fair to the American farmer—and, as the gentleman pointed out, to the American taxpayer—that we enlarge our domestic production of beet sugar so that we may come nearer to supplying our domestic needs from our own domestic production.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to have printed immediately following my remarks the study made by Dr. Hussanyni.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

(The matter referred to follows:)

SELECTED AREAS OF RIGIDITY IN THE AMERICAN ECONOMY

This paper has its rationale in the common observation that there is a tendency in the economy of the United States to develop rigidities with age. The phenomenon is not an exclusive monopoly of the economic sector; it has its counterparts in the political sphere, at the social level, and even in the educational system of the country. For example, as early as the beginning of the 19th century, John Stewart Mill wrote about the predominance of custom as a hindrance to progress. Edmund Burke, on the other hand, glorified custom and tradition as being the distillation of the wisdom of the past. Between the two extremes, modern society has tried to strike a balance; but there is ample evidence of the existence of a tyranny of custom and tradition, and, more far reaching, a tyranny of laws and ideas which need to be remedied. It is the purpose of this paper to analyze the impact of some such rigidities upon the level of output and employment in the U.S. economy.

There are indications that since the depression of the thirties this country has developed a "defense psychology" centered around a desire for security, emphasis on equality, a lack of faith in the vitality of market forces, and a tendency to settle on moral grounds, arbitrarily set up, many questions which otherwise would have been left to the working of natural forces. Stated differently, there is evidence of a new social philosophy which has emerged as a result of a trend toward expanding the functions of government, and a growing recognition, developed beyond reasonable limits, of governments as positive forces in the economic world. This stands in sharp contrast with the environmental and institutional setups which have characterized this country in the past; and which have permitted it to score its unparalleled economic achievements.

Besides a continentwide area endowed with rich natural resources and an envigorating climate, this country owes much of its success to two sets of factors: First, a growing, energetic, and intelligent population, free from the rigidities of social caste and convention, and always eager to improve its lot. Second, a set of political and economic institutions which gave the individual a large measure of freedom, opportunity, and incentive to seek his own good as he sees fit.

It should be pointed out, however, that if a critical stand is taken vis-a-vis some of the sore spots in the American economy, this should in no way lead to the unwarranted conclusion that we need to necessarily deprecate some of the positive advantages this country has enjoyed, and is likely to continue to enjoy for some time to come. Among such positive factors is a rising population which is able to generate with it new talent and creativeness, an ever-increasing potential demand for goods and services, and a stimulus to more efficient utilization of resources; a changing attitude of people toward spending, lending support to an expanding market; and a continued advance in the march of technology, made possible through education and more and better research.

It goes without saying that a thoughtful reading of the economic record of the past, and a better understanding of the task of sustaining prosperity and growth in this country in the future, will enable any person to form sound opinions about these questions for himself. But what makes the kind of private and public economic action that will foster enduring prosperity and growth a pressing issue these days is the recognition that upon a well-sustained growth of the U.S. economy depends the security, not of this country alone, but that of the free world as well.

The only way this country could defy the Communists, especially before the uncommitted nations, is by showing the world an impressive record of full employment and growth, without inflation, and with freedom and benefits widely shared by all.

The writer's thesis which he intends to develop in this paper is that among the major defects which have marred the performance of the U.S. economy in recent years has been the rigidity in the movement of resources and prices, caused by inadequate competition, and attributable to two sets of factors:

(a) Structural changes which have been developing in this country for some time; and

(b) Increasing governmental interference with the normal functioning of a competitive system.

For both reasons, prices have been barred from serving their function as barometers signaling needed changes in supply and demand relationships, and calling for adjustments in output and in the use of resources.

Mobility of labor and capital into areas and industries where the value of their product is highest has always been an important factor in the growth of productivity in this country. If today's market structure is characterized by anything, it is in the restrictions placed upon output and the mobility of resources. Business units with monopolistic advantages tend to charge higher prices by restricting output; they are inclined to exercise monopoly power in order to obstruct entry into their fields; and they may even hoard technological improvements in order to extend the service life of relatively obsolete existing assets. Labor unions tend to resist further automation and new techniques that might increase production; and through the exercise of pressure and legalized monopolistic advantages, they may press for and get boosts in pay which exceed improvements in labor productivity. If and when the increase in pay is granted, it means that management is of the opinion that the added cost could be shifted forward to the consumers in the form of higher prices.

Rigidities resulting from governmental interference to single out one industry and subsidize it, as against other industries, are best illustrated in Government support to agriculture. Other sources of rigidity find their expression in high tariffs, import quotas, and purchase programs of so-called strategic materials. In most such instances, the Government is artificially supporting the employment of people in areas where their productivity is much less than it would otherwise be.

The above list is in no way inclusive, but it serves as evidence that mobility of resources has become slow, that competition is no more pervasive, and that prices are not sufficiently sensitive to changes in demand, especially on the lower side. As a result, the economy has suffered from persistent unemployment, at varying degrees, every few years, with the concomitant result of slowed down growth and economic progress. The sensible remedy seems to be in the restoration of flexibility which Dean Jacoby describes as "basically a matter of creating the framework of workable competition in many markets from which it is now absent."

Without undermining the effective role Government could play in trying to stabilize the economy and bolster its growth, through monetary and fiscal measures, it would be most unrealistic to assume that in those measures lies the overall remedy to all the complex and highly dynamic problems of the U.S. economy. Conceivably nothing short of war or a 100-percent welfare state could bring us to the happy ending of full employment, but not without inflation, or slowed progress, or both.

A sensible stand to take seems to be that full employment, enhanced productivity, and economic growth should continue to remain the responsibility of the private sector. This is not to suggest, of course, that monetary and fiscal measures, properly administered as to timing and size by the government, should not be resorted to to help stabilize the economy. But it does mean that either an exclusive or an excessive reliance upon the central government to solve our economic problems is both ethically unsound and highly impractical. In a free, dynamic society, the solution of economic problems is the joint responsibility of almost all concerned; business, labor, industry, farmers, consumers, and the government. In this setting, government's primary role should be to foster competition and to break monopoly powers, thereby permitting necessary adjustments to take place; and to use its own powers to soften the pains of transition on people by assisting them to move to new jobs, where they will be better rewarded, and where their efforts will be made more useful. When performing the latter function, government may have to extend relief to those who deserve it, and when it does, it should so name it rather than give it the dignity of economic rationale.

The writer is convinced that the future of free enterprise in this country will continue to hinge upon the spirit of the American people, their energies, creative impulses, aggressiveness, and, above all, their decision as to what kind of society they decide to live in. Toynbee's classic remark in this regard: "There is no instance of a civilization being murdered; it always commits suicide" is as relevant to this age and to this country as ever. The real threat to economic progress seems to lie in insufficient attention being given to such intangibles as the incentive to risk, to experiment, to invest, and to expand; and that the best defense for ever-increasing output and employment lies in maintaining a strong and growing economy through removal of sources of rigidity and substituting for them sources of structural flexibility.

Use of the term "dynamic" in the main title of these discussions is not without significance. It involves an assessment of the cornerstones responsible for past economic performance; and an inquiry into forces which have worked to curb such progress. In this attempt, the writer is aware of the limitations which exist when trying to apply positive knowledge with its emphasis on causal relationships to social problems. Stated differently, the objectives of science are quite often different from those of policy; and because there are too many variables in social problems, it is very difficult to apply the line of reasoning to cause and effect to many social and economic questions.

Science deals with the means of doing something; in this light classical economic theory and marginal analysis were developed in order to explain the maximization of output and profits, in a given state of the arts, and the maximization of welfare on the part of rational consumers. But the big question which economic theory evaded has always been its failure to recognize that human beings are ends in themselves. Contemporary society is trying today to provide room for the exercise of individual preferences, based on moral judgments, which could not be scientifically rationalized.

Paradoxical as it may seem, all economic systems start off by stressing the interdependence of modern society. The industrial revolution with its stress on specialization and division of labor has produced a highly interdependent society, and from then onward, interdependence has extended to the whole world. As a result, society became more complex; and both complexity and interdependence posed the question whether society could rely on its automatic adjusting mechanisms or that the need for control and conscious directives were called for.

There seems to be little disagreement on what is or should be our economic objectives: They consist of full employment, making adequate allowance for frictional unemployment necessitated by the need to allow for movements of people among jobs in a dynamic economy; full production and an ever-expanding growth in the capacity of the country to produce and to sell; and a stable dollar: all three to be accomplished in a free society with equal opportunity for all.

It is in the area of the method or methods to be pursued that opinions differ, and with them policy recommendations. The lip-service usually given to the cardinal truth that in a free economy government role should be to foster the free play of economic forces notwithstanding, American economic thinking over the past three decades has been sold on the idea of becoming almost exclusively occupied with a quest for personal security. Support for effective demand at the consumption level has overshadowed the thoughts of many academicians and policymakers, and the product of the legacy has been a large inventory of "economic rights," and a tendency to lean more and more on the paternalism of an omnipotent central government which volunteered, during emergency situations, to acquire more and more rights, and thereby leave less and less freedom to individuals and to the free working of an objective, impersonal market mechanism.

It is conventional in liberal literature to argue that the price system works more efficiently, more smoothly, and in an impersonal way. People who administer controls are not infallible; they do not possess enough knowledge of information with which to make rational decisions; they do make mistakes; and their errors are far more serious than those of the free market. With regulation and interference are usually mentioned increased costs, bureaucracy, and unnecessary wastes.

At the same time, freedom of choice, freedom from control, political freedom, as well as cultural freedom, underlie liberal philosophy. It is usually argued that freedom is to a large extent the basis of progress; and the moment people start to lose their feeling that it is their society, they would lose the incentive and the motivation to help bring about a better way of life.

It is further argued that within the framework of society, there must only be a limited amount of public ownership and control; the reason being that people's loyalty to society becomes highly undermined unless people feel and believe that the restrictions are reasonable.

Viewed in this light, it is not difficult to come forward with very plausible arguments for using the price mechanism as regulator of economic activity. Consistency would also dictate that the free-market idea should be extended to cover the market for ideas where the presence of rigidities is equally pervasive.

There are, however, a few basic assumptions in the light of which the above line of reasoning has been developed. Among those is the assumption that man is a rational creature, and that he would always seek to maximize his gain or satisfaction. This attitude reflects, at least by implication, a philosophy of individualism which places emphasis on material aspects of life without regard to ethical or national considerations. According to this philosophy, each is to be rewarded according to his performance; but if equality in the distribution of income is to be promoted, it should arise from the deliberate choice of individuals. As a corollary to the above, logic dictated removal of government interference, except for a few limited functions, and it made individual self-interest the guiding force for both individual and social well-being. As one writer put it: "The economic man was a consumer and a producer of goods but his citizenship was lost. The teachings of classical economics, strictly applied, made the individual a citizen of the world."

There are many economists today who still adhere to this method of approach, who are fascinated by its logic and coherence, and who see no possibility of any other alternative. At the other extreme is a larger group of dissenters who insist that the task of economics is to describe and explain what people actually do, not what they would do if they were rational; and when actual behavior is described, it is evident that the ways of doing things have been changing throughout history, and that the change continues. The goods and services we want and produce today were largely unknown to our ancestors; our society has grown more and more complex; and the institutional framework within which modern society operates hardly resembles its predecessor of even a few decades ago. With economic systems and the whole structure of society undergoing change, conventional deductive theory fails to throw light on those changes and their causes; and a set of theories is coined to discover the "laws of motion" which govern the economic process and the development of societies.

Leading disciples of this school have contended that individual and national interests might be or are at variance, instead of being in complete harmony. Changing conditions have made the survival of the individual dependent upon the survival of an omnipotent state. They attacked the laissez faire, free trade, individualistic teachings of the classical economists, and favored the building of strong states. They put the nation ahead of the individual, and they made his wealth dependent upon the well-being and power of the state. Viewed in this light, it follows that economic policy must draw its lessons from experience, its measures must be appropriate to the times, and it must rest on philosophy, social policy, and history.

Appealing as the above line of reasoning might be, it is both false and dangerous because it maliciously overlooks the fact that the essence of a free society lies in the fact that human preferences should mold everything: political setup, social and moral values, and economic choices. To argue that this is not so, or that it is applicable to one sector but inapplicable to another, is a violation of the unity of the social system wherein all the forces consistently converge to bring about natural harmony. If the economic problem of modern society is mainly one of rapid adaptation to changes in particular circumstances of time and place, it follows that ultimate decisions must be left to people who are familiar with those circumstances, and who know directly of the relevant changes and of the opportunities immediately available to meet them. Such diffusion of knowledge is beyond the comprehension and reach of the few at the top. The moral lesson here is that no man is more cruel than he who believes that he is right.

But to argue in this way is to run the risk of moving against the current, and to invite all the resistance which pressure groups, vested interests, and resistance to change could provoke, besides the accusation of being impractical. But lest I be misunderstood, let me make my stand clear. I am not trying to plead the case of one group or of one sector against another group or another sector. What I am trying to say is simply this: As I see it, the curse of rigidity is all-embracive in U.S. society; and it represents a very strong hindrance to more and better performance.

Let me cite one all-inclusive example. Ever since the Federal Government pledged itself in the announcement that it is the duty of the National Government to guarantee full employment, and that the National Government is able to provide same, a large number of people have come to believe and to expect that all pledges in this regard will be fulfilled, without stopping to think how such a paternalistic responsibility could be met, and, if so, at what price. There is further evidence that a large sector of the American public has already stretched its expectations beyond the right to a useful and remunerative job, and is now demanding additional rights in the form of adequate pensions, adequate medical care, adequate recreation, adequate education, and the list continues.

To try and seek the underlying reason behind such rigidity is not hard to find. It owes much of its origin to the influence of emergency and personality. D. H. Macgregor, of the University of Oxford, arrived at the following deep and penetrating conclusion after having reviewed a century's literature of financial debates in the British Parliament. "It is notable," he said, "how the influence of a growing opinion upon the law has depended for its final impact on two factors of human progress, emergency, and personality. It is through emergency that the principles of classical finance came to be established, and, 90 years later, overthrown. In each case the advocates of the new outlook disentangled themselves and their case from the emergency itself, and sought to show that the remedies had independent and permanent validity."

A parallel but more specific remark was made by E. W. Swanson and E. P. Schmidt when they said: "The decade of the 1930's was unparalleled in two respects. It gave us the worst depression on record and it brought a world of Keynesian ideas." It was during the thirties, when popular confidence in the self-adjusting capacity of capitalism was at its lowest, that Keynes stepped forward to challenge very forcibly the classical assumptions and to provide a theoretical framework for contemporary economic thought. As a bonus, he offered the following tip: "I expect to see the state, which is in a position to calculate the marginal efficiency of capital goods on long views and on the basis of the general social advantage, taking an ever greater responsibility for directly organizing investment."

It it possible to extend the debate one step further and argue that the now existing bias in favor of more governmental intervention owes much of its origin to the personality of the late President F. D. Roosevelt whose political philosophy, centered around Rousseau's concept of the general will, conceived of government as a service agency with political, economic, and social powers centralized in the executive branch. In his foreword to "On Our Way," the President defined his objective as "a measured control of the economic structure." He justified his stand by the scope of the emergency which, he asserted, "covered the whole economic and therefore the whole social structure of the country. It was an emergency that went to the roots of our agriculture, our commerce, and our industry. It could be cured only by a complete reorganization and a measured control of the economic structure. It called for a long series of new laws, new administrative agencies. It required separate measures affecting different subjects, but all of them component parts of a fairly definite broad plan. We could never go back to the older order."

There is no doubt that thinking requires time, but it is bound to be accelerated if you are pressed for the result. The severity of the depression of the thirties, followed by World War II, then the Korean war, and later the Soviet challenge, have all joined hands to consolidate and reinforce the centralization of immense economic powers in the hands of the Federal Government. This, of

course, did not go unnoticed; and heated debates and sharp controversies did develop among academicians and policymakers, but the trend toward increasing acceptance of the new philosophy continued to gain support. Furthermore, the change in objective: from avoiding deflation, to checking inflation, back to fighting recessions, and then crusading for a higher rate of economic growth, has offered ample evidence that human beings tend to be influenced most by their most recent experience. What seems to be urgently needed is more vigilance on the part of citizens, and a lot of farsightedness on the part of Government, with less reliance on short-term expediency in running the economic affairs of the state.

There are very few economists today who adhere to the extreme view that widespread unemployment for any length of time is an impossibility. But there are many who are convinced that individual initiative, regulated by competition, should be allowed a freer hand. Likewise, whereas it is true that the maxims of Adam Smith about the role of the state are relatively outmoded, yet the fabulous expansion in Government expenditures makes return to "more thrifty and economical" expenditures a paramount duty of Government. This is particularly true during wars and emergency periods when principles of expenditure become "demoralized," and when familiarity with larger figures of expenditure becomes the norm.

In its more permanent aspect, a policy of retrenchment has even had a well-intentioned theory of employment behind it. Its line of reasoning ran something like this: The best way to relieve the burden of laborers is, of course, to give them employment. The latter could only be insured by reducing taxes which press more immediately on the productive industry of the country. Retrenchment, heavily dwelling on the elasticity of demand for goods and for labor, argued from lower taxation to more employment, from more employment to more consumption, hence more revenue and to still lower rates of taxation.

Judged by current standards, the above line of reasoning is likely to invoke a big smile, but on second thought one is likely to find in it the germ of a big truth. Government tax policy should not dry up the streams which fertilize the whole field of employment and industry. Money ought to remain in the pockets of the people, there to fructify by use, to stimulate the efforts of their industry, and to add to the resources of the State. And this does not bar the effective use of fiscal and monetary measures as instruments of economic policy. Indeed, in an economic system where millions of people and business firms make free decisions about how much of their incomes they intend to spend or to save, there is no guarantee that there will be that exact balance of total spending which is required for full employment.

But to argue in this way does not mean that we should treat as permanent a tendency toward maladjustment in the economy. Commonsense would dictate that if unemployment or inflation is a sore spot on our side, we should strike at their respective causes. Unfortunately current attitude seems to be satisfied with recognizing symptoms of the disease, and trying to adopt measures to counterbalance them. By so doing, they tend to hide the symptoms, but also perpetuate the malady.

Straight Keynesian analysis argues that most unemployment is due to lack of effective demand. It argues further that demand for capital goods is subject to greater fluctuations than demand for consumer goods. Consequently, if the level of effective demand, and so of employment, were to be stabilized at a high level, it is the investment sector which needs treatment, and which will respond most readily to it. Assuming that we accept this diagnosis, the question may be posed: Is it unreasonable to assume that what widespread central planning and control is able to accomplish in this regard, private enterprise, operating within the framework of a flexible environment favorable to investment, wouldn't be able to accomplish?

The answer to this question is, of course, in the realm of guesswork; but the important thing is that strong forces collaborate together in order to prevent finding out the answer. All sorts of arguments, economic and otherwise, are used to defend rigidities. Rigidity of wages downward is an institutional fact, it will be argued, the persistence of which may be taken for granted. A parallel line of reasoning, but using different arguments, is usually applied to agriculture, and to a permanent subsidization of sources of waste, inefficiency, and monopoly power through a protective tariff policy. It makes little difference to which farmers the subsidy to agriculture is paid; and those who have benefited from tariff protection continue to resist abandoning their favored position even after their infant industries had grown to giants. Full implementation of the antitrust laws is considered to be a lengthy process and an expensive one. And when the need for tax reform is called for because of the heavy tax burden on incentive and the ability to finance risky investments, items such as "prior commitments," yield, administrative costs, and "practical considerations" which the policymaker must take into account are also called for.

The objective observer of the American scene cannot but conclude—having watched the characters of the play: the farm lobbyists, the oil and mining interests, the union officials, the business pressure groups, and the party doctrinaires—that the basic problem facing this country is fundamentally moral and ethical, rather than political or economic. Both sound economics and good politics are being flagrantly abused. Big Government could not survive without appealing to economic interest groups; continued support of the latter is only possible via the route of class conflicts; and in the midst of all this, economics is being asked to do the impossible of giving rationale to irrationality.

Good government, good judgment, and good economics would all dictate that monopoly power, rigidities, and sources of pressure and waste should be uprooted wherever they exist. Sources of rigidity, political and economic, should be removed; and although this may not sound "practical" politics, it still remains good politics, but it needs moral courage to do it, especially by the few at the top.

Mr. LANGEN. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Minnesota.

Mr. LANGEN. I want to commend the gentleman from North Dakota and the gentleman from Nebraska for the very eloquent manner in which they have presented these dissertations to the House on the unemployment problem today. It is most interesting and encouraging to note these remarks coming from Representatives of a rural area. So many times the unemployment problem is associated substantially with metropolitan areas; however, those of us who represent those areas have long since known the presence of the unemployment problem. One unemployed in a rural area is the same as in the metropolitan area if he does not have a job.

I have noticed the remarks referring to the matter of surgarbeets. It has long been my opinion that I do not know of anything that has the potential of either improving the unemployment problem or the agricultural economic problem as much as does the production of sugarbeets in the areas throughout the country that have the potential of raising beets. At this particular time, when we have recognized that we can no longer rely on Cuba for a substantial amount of sugar, this point we ought to emphasize and we ought to pay particular attention to today.

I have taken the occasion today to insert in the RECORD some remarks relating to this very same problem. I commend the gentleman for having made this very able dissertation today.

Mr. SHORT. I thank the gentleman from Minnesota.

In my opinion, it is fair to point out the very important fact that every man who can be employed somewhere in the rural area takes away one from the potentially unemployed in any city area or industrial area.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I want to commend and thank the gentleman from North Dakota and the gentleman from Nebraska for the work they have undertaken in going over this fine paper and preparing the remarks and the very cogent comments that have been made here on the floor today; also the contribution the gentleman has made to this overall study of such an important subject as employment in our dynamic economy.

Mr. SHORT. I thank the gentleman from Missouri for the leadership that he has offered in carrying out this entire project.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Minnesota.

Mr. NELSEN. I was particularly interested in the reference to sugarbeets. Last spring I attended a meeting of growers in Albert Lea, Minn. It was there pointed out to me that the farmers in order to get in line for production had to lay out quite a large investment. They were anxious to know what acreage they could get and how they could plan for production. Now we are living in a time when the agricultural economy of the United States is suffering from an accumulation of surpluses that we do not know what to do with. At the same time we must assure ourselves of an adequate supply of sugar. Certainly it would make sense for us to speedily move in the direction of getting some farmers of the United States started in the production of a commodity which we need, and take out of production some of the crops of which we have a surplus. I think it would be beneficial to discuss this aspect of the sugar problem, and I also think it important that the Congress of the United States move in this direction. I fail to understand the delay at this level of Government—this delay which has been expressed in conferences with the Secretary of Agri-

culture, and which also has been brought out in discussions of agricultural legislation here on the floor of the House.

I thank the gentleman.

Mr. SHORT. I thank the gentleman for his comments.

Mr. CURTIS of Missouri. Mr. Speaker, I should like to develop this further aspect of the importance of our sugar supply. Too often it has been forgotten that sugar becomes particularly important during wartime. We are all aware of the experience in both World War I and World War II where immediately there was a demand for sugar rationing. A study of the economics of sugar in World War II reveals how important it is, not just in making ammunition but for the industrial alcohol which is derived from it and used in making rubber and in many other war-essential products and industries. Apart from the economic picture and the importance of having a ready supply, sugar is important to the United States from a defense standpoint.

Mr. SHORT. I thank the gentleman.

I do not know whether the people understand this sugar situation as well as they should. I think few people realize that only about one-third of the sugar consumed domestically is produced in the United States. A great portion of our consumption was formerly produced in Cuba, only 90 miles off the shores of the United States. Now that supply is no longer available to us. We are reaching around the world for sugar that we formerly received from Cuba, some as far away as India, half or two-thirds the way around the world. Certainly that is not a very secure and dependable source of supply in the event of hostilities developing. In addition to being important from the aspect of adding to the possibility of employment in this country, certainly there are many other important aspects as to why we should produce a larger proportion of our sugar in this country.

Mr. BEERMANN. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Nebraska.

Mr. BEERMANN. By way of trying to get something done on this sugar legislation, four of us new members on the Committee on Agriculture on this side of the aisle, the gentleman from Kansas [Mr. DOLE], the gentleman from Illinois [Mr. FINDLEY], the gentleman from South Dakota [Mr. REIFEL], and myself, have written to the chairman of the Committee on Agriculture and suggested that we four Republican Congressmen would be glad to work on sugar legislation from now until next winter, when we go into session again, and have something available. As of this date we have received no reply. But, we would like to get this done, thereby contributing to a solution of this problem.

Mr. SHORT. I think you four Members are to be commended for taking this step in trying to help out with this sugar problem.

OPERATION EMPLOYMENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Minnesota [Mr. NELSEN] is recognized for 60 minutes.

Mr. NELSEN. Mr. Speaker, in "Operation Employment" as developed by the Republican policy committee of the House, I have been particularly interested in the subject of "New Approaches to Surplus Labor Areas" because in northern Minnesota we have a major case in point which requires intelligent action on the part of a variety of interests. I call attention to the following from the study on this subject by Dr. Donald H. Ackerman, Jr., staff director of the policy committee:

> The ultimate solution of depressed areas is not money haphazardly applied, but lies in a study of cause as well as effect. It must consist of efforts to release American enterprise from some of its restraints. It is incentive, industry, and imagination that is so necessary to solve the problem of depressed areas. Government assistance and Government bureaucracy must be the servant and not the master.

In the areas of northeastern Minnesota you will find the famous iron ore deposits which have been the major source of supply to the American steel industry for decades; you will find vast forest areas which are the sources of pulp and paper and lumber; you will find some of the finest recreational areas in a great wilderness which continues to be a tremendous potential; and you will find an agricultural activity which because of the nature of the area is not of the same productive capability as the richer farmlands in other parts of Minnesota.

But these same tremendous assets also create the problems for these northern counties: An iron mining industry subject to wide fluctuations in the production of steel and subject too to an immense increase in imports of iron ore; and great activities in mining, forestry, and recreation which are subject to seasonal influences.

Thus there are periods of relatively high employment, affected not only by seasons but by technological changes, and there are periods of low employment for a wide variety of reasons.

The factors involved in the problems of northeastern Minnesota are summarized in a provisional development plan submitted this week by Minnesota's Gov. Elmer L. Andersen, to the area redevelopment administrator, for the purpose of qualifying under the Area Redevelopment Act. It is evident from this submission, and from my own familiarity with the region, that high on the list of solutions of the area's problems are these:

First. A tax climate which will encourage vast new developments in an expanding taconite industry. This is the great new promise—the building of additional plants like some already developed for the beneficiation of taconite ore of which the reserves are virtually unlimited.

This is a question involving the State as an example of how local and State communities have the primary responsibility—so-called liberals in the Minnesota Legislature recently blocked a proposed constitutional amendment which would assure taconite developers the same tax treatment afforded other industry. I am told that the iron ore industry plans great new plants at large investments if such a favorable tax climate is developed—and that can mean many new jobs.

Second. Greater utilization of the skills of the manpower in the area by diversification of industry, by development of jobs of a nonseasonal character, by better utilization of the tremendous resources of the area both for industry and recreation.

Third. More effectively organized efforts in which the State and local communities will combine their leadership, research and promotion to assure adequate approach to the problems.

Thus, while Government can play a part, the task is one which requires the best of our talents at home, and a willingness to take the measures which will get at the cause and find the ways to assure stability and progress.

I now yield to the gentleman from Michigan [Mr. HARVEY].

EMPLOYMENT IN THE DYNAMIC AMERICAN ECONOMY

Mr. HARVEY of Michigan. Mr. Speaker, if this is not the last, it is one of the last papers to be introduced on employment in the dynamic American economy, which is a project of the House Republican policy committee.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include with my remarks the paper "New Approaches to Surplus Labor Areas," which was prepared by Dr. Donald H. Ackerman, Jr., staff director of the House Republican policy committee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HARVEY of Michigan. Mr. Speaker, Dr. Ackerman's paper is well written and is worthy of the time of all Members of the House in his treatment of this important subject. I don't have time here today to discuss it in all of its detail, but I do want to comment on some of Dr. Ackerman's conclusions.

On the final page of his discussion of this subject, Dr. Ackerman concludes:

> The ultimate solution of depressed areas is not money haphazardly applied, but lies in a study of cause as well as effect. It must take the form of exploring new tax incentives to cause business to move into these areas.

I wholeheartedly concur with these sentiments.

It is easy to lose sight of our goal in area redevelopment legislation. That goal should be to give industry incentive to build new plants and thereby create new jobs in these areas. How do you best give that incentive? The administration in its bill which was passed earlier this year proceeded on the mistaken premise that the extension of credit is the key factor in building new plants. I challenge that premise. Less than 400 new plants are built each year in this country. Literally thousands of industrial development agencies are competing for these few new plants. You can read the Wall Street Journal any morning and see where numerous communities are offering 100 percent financing

for the construction of new plants in order to attract them to these communities. No bill that this Congress can pass can offer more than this 100 percent financing, and so I submit to you that extension of credit is not the key factor.

Instead, we should recognize that almost 30 percent of our labor force today is in manufacturing, and the high unemployment figures testify to only one thing—the failure of the manufacturing industry to expand as it should. I do not believe the incentive to this expansion is the extension of credit for the construction of new plants, for industry can already secure this. I do believe the incentive necessary is a change in our thinking with regard to depreciation for tax purposes. It is important that we begin thinking in terms of "useful life" rather than "physical life," thus permitting a faster writeoff, and it is important that we think in terms of "replacement cost" rather than "original cost," thus protecting against inflation. We must show an understanding that it is through this process of depreciation that industry gets its capital for expansion. This is the incentive that the manufacturing industry needs. These simple changes in our philosophy will do more toward bringing about new plants and new jobs than any depressed areas bill.

Dr. Ackerman's paper is also valuable because it clarifies the role of the local community in relation to the Federal Government insofar as assistance is concerned. Essentially, he states that help from the Federal Government should come as a followup to self-help in the local community, and not as an alternative. The testimony upon which the administration's depressed areas bill was based demonstrated clearly that too few communities were prepared to accept this basic premise.

Finally, I think that Dr. Ackerman's paper points out that insofar as retraining new workers is concerned, there must be a survey of skills indicating which are in abundance and which are in short supply. I asked my question of Secretary of Labor Goldberg during the hearings as to whether such information was available, because in the Republican substitute for the depressed areas bill retraining was emphasized as a worthy feature. It is clear, however, from Dr. Ackerman's paper that there is not now a centrally located source for this information, and that any retraining program would thus be seriously handicapped.

Mr. Speaker, I have commented only generally upon this very fine paper covering this subject. I take great pleasure, however, in offering it to all Members of the House for their reading:

NEW APPROACHES TO SURPLUS LABOR AREAS

(By Dr. Donald H. Ackerman, Jr., staff director, House GOP policy committee)

From 1955 to date, annual attempts to enact so-called depressed areas legislation took place in the Congress of the United States. The Joint Economic Committee in 1955 called on the Federal Government to set up an area redevelopment program, but the bill to implement the committee's recommendations, introduced by Senator DOUGLAS, got no further than the Senate Labor and Public Welfare Committee. Following the recommendation of President Eisenhower for enactment of a more limited measure in 1956, a Senate-passed bill was not cleared for floor action in the House.

The next year, a version of the Douglas-Payne bill received hearings in the Senate Banking and Currency Committee, and in 1958 a bill passed both Houses only to be pocket vetoed on September 6 by President Eisenhower since it called, in his opinion, for too little local responsibility. The same fate met a 1960 bill, and attempts to override an Eisenhower veto failed by 11 votes in the Senate. Thus the entire matter became a subject of grave election controversy in the presidential campaign of that year.

During the campaign, then-candidate Kennedy made repeated references and promises in the field of depressed area legislation in Charleston, W. Va.; Lockport, N.Y.; Duluth, Minn.; Carbondale, Ill.; Evansville, Ind.; and Scranton, Pa. Senator Kennedy's aids felt that his discussion of the depressed-area theme had aided his cause in the West Virginia primary earlier. A typical statement was his promise at Evansville on October 5 that "I have pledged that if elected President, I will sign a bill to bring help to areas like Evansville—to rebuild the economies of our distressed areas—so that a strong and growing America can serve its own people—and serve the cause of freedom everywhere."

How strong a political mandate the Democrats may have received on this issue is somewhat questionable. President Kennedy carried Pennsylvania by 116,000; West Virginia by 45,000; Illinois by an almost microscopic margin. However, Republican congressional candidates more than held their own in these states and picked up seats in some of the most economically depressed districts. It must be remembered that many Republican candidates in these areas also advocated some form of depressed area legislation as well, however.

Be that as it may, 1961 saw the enactment of the first bill (S. 1) to aid chronically depressed areas. The details of this act are still fairly fresh in the minds of those who followed the issue in Washington, with the major provisions authorizing the Administrator to borrow $200 million from the Treasury to set up two revolving loan funds of $100 million each, one for industrial redevelopment and the other for rural redevelopment; authorizing the appropriation of up to $75 million in grants for public facilities in redevelopment areas which could not afford to repay Federal loans; authorizing annual appropriations of $4.5 million for vocational retraining; authorizing annual appropriations of $4.5 million for technical assistance to redevelopment areas; and other more detailed provisions. The act also set up an Area Redevelopment Advisory Policy Board, a 25-member National Public Advisory Committee on Area Redevelopment; and authorized the President to appoint an Area Redevelopment Administrator to serve under the Secretary of Commerce.

Minority House Members sought to substitute a bill for this $394 million act, and favored a larger sum for retraining and for industrial redevelopment loans, along with funds for a study of rural redevelopment in the place of an authorization for a program not specifically detailed in any way. They also objected to conference acceptance of the Senate version, authorizing direct borrowing from the Treasury to finance the three loan funds for industrial areas, rural areas and public facilities—so-called backdoor spending. However, they were defeated on the conference report, 224 to 193, and earlier on the substitute motion, 126 to 291. Republican Members sharply criticized featured which might lead to industrial relocation at the expense of other States; political definition of rural areas; insufficiency of funds for the problems at hand; etc., but several praised the strong antipiracy provision, placing of the administration in the Department of Commerce, and criteria for definition of depressed areas, all features of former Eisenhower recommendations.

In the debate on the bill itself, many overlooked the comments by Representative EDGAR W. HIESTAND, of California, when he said on March 28 that "it is variously estimated to take $10 to $15 billion to do the job that is outlined in the bill, and the proponents freely admit the authorized funds are vastly insufficient." Subsequent events, even with our recovery from the 1960–61 recession, indicate that chronic unemployment in surplus labor areas will be with us despite the passage of S. 1, and that money, as such, is not the answer to the problem of depressed areas. In fact, a division of the $100 million in loans for industrial area plants among the 20 major and 88 smaller industrial areas classified as "areas of substantial and persistent labor surplus" by the Labor Department Bureau of Employment Security on March 24, 1961, would allow loans of less than $1 million per area on an equated basis. Those testifying on behalf of some surplus labor areas before the House Committee on Banking and Currency earlier this year indicated that they would not be satisfied with less than $50 to $75 million this year for just one of these areas involved.

The author of this paper has some serious questions as to how best to approach this entire problem. The balance of the paper will consist of a short analysis and proposed recommendations for the solution of these problems along newer vistas than those enacted into law this year. Five main questions are summarized as follows:

1. What truly constitutes a depressed area and how can it legally be defined?

2. How can workers be retrained without a nationwide survey of available skills in various geographic areas?

3. What should be the role of private enterprise and community groups in the solution of the problems of depressed areas?

4. What is the relation between surplus labor areas and the trends in cyclical unemployment seen since World War II?

5. If money is to be used to help solve problems of depressed areas, how can it best be applied as a stimulant to industry rather than as another hobbling measure stifling growth and investment?

DEFINITION OF DISTRESSED AREAS

Any definition of a chronically distressed labor area must contain reference to both of these factors; namely, surplus labor and a period of persistence. Without safeguards to require both abnormally high unemployment as compared to a national average and lengthy duration of such unemployment, any period of recession would result in hundreds of areas being designated as chronic labor surplus areas, only to see these areas become prosperous or typical once normalcy returns to the economy.

This is why the Eisenhower administration objected to prior depressed areas bills which only used severity and duration without reference to a national average rate. Finally, the 1961 bill included the definition adopted the previous year by the U.S. Department of Labor, to wit, areas where unemployment is now 6 percent or more of the labor force, discounting seasonal factors, and where the annual unemployment rate, on the average, has been at least 50 percent above the national average for 3 of the last 4 years; 75 percent above for 2 of the last 3 years; or 100 percent above for 1 of the preceding 2 calendar years. Otherwise, the 103 areas which would have been automatically included in the criteria as of January 1961 would have been extended to include hundreds of other areas. As it is, many observers are struck by the presence of areas such as Atlantic City, N.J., and White Sulphur Springs, W. Va., in which resorts play a vital role on a seasonal basis and may provide

enough income in a few months for a year's livelihood.

Many were concerned when the Area Redevelopment Act, as it was signed into law by President Kennedy, not only set up this criterion as a minimum definition of depressed areas, but also put a political foot in the door by allowing the Secretary of Commerce to designate as "redevelopment areas" those other areas in which he determines that there has existed substantial and persistent unemployment for an extended period of time. This could be any reasonable or unreasonable area in the Nation under the terms of this law.

My fundamental suggestions would include the following:

1. Eliminate any administrative discretion at this point in view of the already small amount of money and large number of distressed areas provided for in the mandatory provisions of the act.

2. Begin gathering statistics for labor markets of fewer than 15,000 workers, in which 30 percent of the labor force resides and works, so that a determination of areas of chronic labor surplus may be made and not guessed at.

3. Study distressed areas at the source by attempting to aid production and marketing of the industries which have fallen off—a fact responsible for the great majority of our depressed areas at this time.

4. While continuing to use the mandatory definition given on the previous page for determination of distressed areas, the Labor Department should more regularly survey the extent of unemployment in so-called minor as well as major urban labor markets. As it is, smaller areas are only surveyed when special requests are made by Congressmen or other officials, leading to some confusion and favoritism almost inevitably.

SURVEY OF AVAILABLE SKILLS

Members of both political parties are agreed, in the main, about the following facts:

1. Most unemployment exists among the unskilled as compared to the semiskilled and especially the skilled.

2. Therefore, with automation and the decline of "production-line-type" industries, efforts must be made to retrain workers for skilled positions more in demand.

3. Though not so universally agreed upon, there is a sentiment that those retrained should be denied no unemployment insurance benefits, even when they must move from State to State for this retraining, and that the Federal Government might have to assist in relocation costs as well as costs involving retraining programs.

However, the sad fact of the matter is this—that no unskilled workers in the coal mining areas of Pennsylvania know what jobs to retrain for due to the fact that there is no comprehensive classification of skills or classification of areas certain skills are in demand around the Nation. Thus a coal miner in Scranton who retrains as a plumber will have difficulty if he later discovers that no plumber is in demand any closer than San Diego, Calif. How much better it would be if he could have found out that a new skill is now required in Philadelphia which he could have trained for and filled with far less expense and inconvenience.

In Secretary Goldberg's testimony before the House Banking and Currency Committee this year (p. 437, hearings) he was asked by Mr. Harvey, "I wonder if you could tell us are there shortages of certain classifications of workers throughout the country today?" His answer was that "there are undoubtedly some categories among skilled people still in short supply," but he complained that because of the shortage of help and appropriations for his Department it was not easy to collect such information on a Federal basis.

In response to my request, Secretary Goldberg wrote me on May 12 asserting that the Bureau of Employment Security and its affiliated State agencies develop considerable occupational information on manpower requirements and labor supply, but that these products of the employment security system are geared primarily to meeting community manpower problems and the operating needs of local public employment offices. Secretary Goldberg pointed out that the current labor market conditions in engineering, scientific and technical occupations, area labor market trends, and quarterly survey of local occupational shortages were designed to somewhat meet the need for classification of occupational shortages, but that all local occupational shortages are not reflected in these figures.

The Secretary mentioned the excellent skill surveys published by San Diego, Dallas, and Tucson, providing needed information for directing local educational and training objectives. I have examined these materials and several other sources of data, and have concluded:

1. Outside of some high spots provided by certain communities around the Nation, there has been no systematic attempt to classify the new skills coming into our occupational repertoire in the past few decades.

2. Outside of some attempts to draw together data from State and local agencies, there is no centrally located source (such as the Bureau of Employment Security or the U.S. Employment Service) in which a conscious attempt has been made to provide information as to what jobs (classified by skills rather than area) are in abundance and what training is necessary to obtain them.

3. Regardless of where a few workers are needed at this precise time, no long-range attempt has been undertaken, by skills and by areas, to predict the trends and needs for future employment and to collect this data on a nationwide basis.

4. I would thus conclude that retraining has some degree of handicap in that we must spend some of our energy detailing ways and means for determining what occupational skills and what areas of geographic location we must concentrate on in any retraining period.

5. Generally, I would make the point that retraining, where possible, should be worked out in cooperation with industry, community and labor in the form of collective bargaining agreements and conferences before Government necessarily steps in. Even then, retraining should not be a rigid thing applied to those who are not trainable, or to those who have no incentive for making the most of their opportunity. Certainly those deserving and receiving retraining for a useful purpose should not have their unemployment insurance cut off for this reason. In fact, it might well be a topic for debate as to whether requiring retraining as a condition of receiving unemployment benefits could be done in certain areas of the Nation.

THE ROLE OF THE COMMUNITY AND PRIVATE ENTERPRISE

A few simple and concise comments should be made at this point about the need for community and business action when labor surplus prevails. I might mention the activities of the Can Do organization, one of the industrial development arms of the Greater Hazleton, Pa., Chamber of Commerce, as detailed in "A Community Attack on Chronic Unemployment," a case study of Hazleton as published by the U.S. Department of Commerce. Another paper in this series will detail the community efforts of Wheeling, W. Va., in marshaling academic, professional, and civic leaders in a crusade for improving employment opportunities.

In the area of businesses, Sears, Roebuck has for years made strides in this area, as has the famous Armour experiment. Currently, in Wisconsin, cooperation between IBM and insurance companies has paved the way for retraining and relocation of employees from one industry to another. While there are examples, such as Scranton, Pa., where persistent community efforts have not solved the distressed area problem, the successful experiments and record to date indicate:

1. That when aid to distressed areas is to be apportioned, funds be concentrated on those areas which have made a maximum local effort to solve their problems by the use of community resources and cooperation between civic, business, and labor leaders. Mayor Mobley, of Flint, Mich., testified before the House Banking and Currency Committee this year that $50 million would help pay for the first stage of a new supply of water coming from Lake Huron into Flint. This would take half the entire authorization for the first fiscal year of operations under the new distressed areas bill, and apparently very little has been done by the community of Flint as compared to Hazleton, Scranton, or Wheeling in trying to launch an all-out civic attack on this problem. Government assistance should come as a followup to community assistance, not as an alternative.

2. Business and labor, where possible, should take the lead in predicting trends in a particular industry which will point up the need for retraining, relocation and other corrective measures before problems occur. If industry and its decline in certain areas is the main cause of chronic unemployment, as it seems to be, then the point at which problems can be solved with the least cost and problems would be at the business level. Excessive reliance on a single industry; technological advances; shifts in demand; migration of industry and depletion of natural resources all could be avoided in some cases by the proverbial "ounce of prevention" which is better applied by industrial study in cooperation with labor than is the "pound of cure" costing governmental agencies money, time, and personnel later on.

3. It is time that the entire problem of distressed areas is linked with business investment, taxation, incentive, and profits. Distressed area legislation should be combined with legislation dealing with accelerated tax amortization, along with similar measures to increase business motivation. There are areas not now recovering from the recession despite the ready availability of land, resources, empty buildings, markets, transportation, and all other factors so often mentioned. However, business will not take a gamble when a sure thing is at hand. They will not risk moving into a distressed area no matter how much is done for them when they will have to pay new taxes, and cannot depreciate new equipment that becomes obsolete rapidly in our age of technological change. Again, business must be unleashed and not hobbled. Bringing business into distressed areas has the same principle as improving our private enterprise system anywhere in the Nation, and the sooner this is realized the quicker labor surplus areas will disappear by their own devices rather than by bringing businesses in by Government subsidy and subsequently creating depressed areas elsewhere.

SURPLUS AREAS AND CYCLICAL UNEMPLOYMENT

Again I would point up the need for specific differentiation between true distressed areas and borderline cases which swell their unemployment rates in times of recession. For example, there were in 1951 about 15 major areas of substantial labor surplus, and 20 in 1952, and 18 in 1953; 1954 and 1955 saw a rise to 41 and 31, respectively, only to see the familiar ratio of 20 apply in both 1956 and 1957. Granted the figure rose to 76 in 1958, 52 in 1959, and 38 in 1960, and once more climbed to an all-time high by

January 1961. (Under a new system of classification, difficult to compare with previous listings.) Now, other than the persistent areas existing under good times and bad, are we talking about all those areas classified as "distressed areas" in 1961 or in 1957—in 1958 or in 1952? Congresswoman DWYER, of New Jersey, made a point of asking Secretary Goldberg about the availability of comprehensive data distinguishing between those areas where the present labor surplus is the result primarily of the present recession and areas where unemployment is caused chiefly by automation or other technological factors (so-called structural changes). He replied that no such data is available, other than for individual areas. Again this problem would seem to indicate the following recommendations:

1. In order to eliminate some of the pirating of industries which might inevitably result from distressed areas legislation, and in order to better maximize the effects of such Federal help as is deemed absolutely necessary, a limited number of truly chronically distressed areas might be selected for aid.

2. Further research is necessary to determine the actual cause of unemployment found in differing areas of our Nation in light of foreign competition, automation, shifts in market demand, and other similar factors which might be present in one area and not in another.

3. Rather than increase the rate of unemployment insurance, the amount of benefits, and the standards of State participation indiscriminately, as has recently been suggested, it would seem far wiser to investigate the possibility of setting up a permanent "temporary" unemployment compensation benefit program, with built-in provisions to extend benefits for an additional 13 to 26 weeks when it has been amply demonstrated that a recession has caused national labor surplus. This could be done in conjunction with present State programs and without additional Federal controls. This would mean that the Federal Government would at least formally differentiate between structural and cyclical unemployment, and this would further aid in a sharpening of definition of such unemployment in surplus labor areas.

4. Area redevelopment cannot be confused with the elimination of unemployment. It attacks different problems from different points of view. During the recovery of 1953, unemployment reached only 2.7 percent, while in the 1957 boom it reached 4.2 percent and in 1960 reached 4.8 percent. Long-term unemployment deserves and demands individual attention and it must be emphasized that the approach to distressed areas must be dissimilar.

ASSISTANCE TO INDUSTRY AS A STIMULANT

This is a problem which is far broader than mere area redevelopment legislation. It deals with tax policy and, more importantly, with a state of mind in America. Our economy today is a dynamic one, filled with improvements and changes. Any distress is a result of our progress, not of our weakness. The economists who note that our economy is a sluggish one would not for the world take us back into the days of bucket brigades to fight fires or offices full of clerks to make elementary statistical calculations. Why then do they insist on underplaying our strengths and leading from our weaknesses in insisting that we must close an alleged gross national product gap and use government spending to emerge from a recession which the forces of private enterprise have already long since overcome?

The ultimate solution of depressed areas is not money haphazardly applied, but lies in a study of cause as well as effect. It must consist of efforts to release American enterprise from some of its restraints. It must take the form of exploring new tax incentives to cause business to move into these areas, for as we have proven time and time again, buildings and public facilities do not cause industry to move into Scranton, Pa., or into Fall River, Mass.

New remedies must be tested. Perhaps in some areas schools might be held in session all year to relieve the drain on employment during the summer months. In other areas retraining, or relocation, or more rapid tax amortization would supply the answer. But I would emphasize that in the long run it is business itself that is the only factor acting as a relief or brake on depressed areas, and not mere stagnant factors of production.

It is incentive, industry and imagination that is so necessary to solve the problem of depressed areas. Government assistance, and Government bureaucracy, must be the servant and not the master in this instance.

Mr. LANGEN. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Minnesota.

Mr. LANGEN. I wish to compliment my colleague from Minnesota and my colleague from Michigan on the very eloquent remarks they have just made relating to the unemployment problem. I have noticed with particular interest their reference to the local communities. We have had several instances in my own district and other parts of Minnesota under the direction of our Governor in which they have answered in a very excellent manner to the needs of the communities by way of developing new processing plants relating to agricultural products, forest products, and so forth, which have rendered a real service to those communities. They have developed very well. This is a point to which we must give every consideration as we concern ourselves with this problem. Your endeavors in this respect have served the Congress and the Nation well today.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. CURTIS of Missouri. I, too, want to join in those last remarks and also express my appreciation for the diligent work of both the gentleman from Minnesota and the gentleman from Michigan.

I want to make two particular comments, one as to the work the gentleman from Michigan has been doing on the subcommittee in going into this specific problem and the knowledge he brings to the Congress in his remarks and in the printed remarks that will appear in the RECORD along with Dr. Ackerman's paper. It will be particularly valuable in the study.

May I say to the gentleman from Minnesota that as I understand some of the study is going into the mining area of Minnesota, the Mesabi Range area, which to me is one of the most interesting economic studies one can undertake. Some of the papers and the statistics that will be supplied for the record, as I understand, are original, and that material is not available anywhere else. Am I correct?

Mr. NELSEN. The gentleman is correct. It was my intention to develop some figures that would show the employment levels when our mines were in full operation, as compared to employment figures of today and to show, if possible, the amount of unemployment compensation payments now being paid to individuals in that area of Minnesota. Both the gentleman from Minnesota [Mr. LANGEN] and I served in the State legislature. We are well aware that State tax revenues fluctuate, and now because of certain tax conditions investment capital on the range has been hesitant. The result has been that we have lost taconite plants that should have gone to Minnesota but have gone elsewhere. We think some security should be established so that we can again develop the range properly.

As I pointed out when back home some time ago, the habit we are getting into here in the Congress is to pass out appropriations of sizable figures, which actually is only sugar coating. When we bite into the pill it is rather bitter, because we have been evading the question rather than finding jobs. We feel that the range area of Minnesota is a place where we need to do a great deal of work and develop conditions so that we can have work, instead of adding to the problems of our people back home.

Some years ago taconite legislation was enacted by the State legislature which gave tax credit where a great amount of labor was involved and this encouraged the establishment of the taconite industry. The past session of our State legislature considered an amendment that would have given long-term tax security and tax assurance to capital invested in taconite. Such a tax program would be beneficial to the range, but unfortunately the legislature adjourned without having taken action.

I thank the gentleman for his kind comment about our great State of Minnesota.

Mr. CURTIS of Missouri. One of the values of this overall study of some 50 Republican Congressmen has been on this very point that the gentleman from Minnesota now demonstrates. By drawing upon the information as you have in your own communities and your own State, and as other Congressmen who have participated in this effort by drawing on their experiences in their local communities, we are bringing together a great wealth of information along with the studies of the various professors and other students of this subject.

So that we can put them all together and take a good look at this complex problem which is really more one of employment and filling the jobs that exist today. These jobs are going unfilled. Skilled workmen, mechanics, technicians, doctors—we need more schoolteachers. Anyone reading the want ads in the newspapers today will see column after column of skilled jobs being unfilled. So the emphasis has been on employment, and we look to the unemployed as a source of getting these skills that we so badly need.

I thank both gentlemen for their contribution toward the solution of this very important problem.

IN OPPOSITION TO THE PROPOSED DEATH TAX ON THRIFT INSTITUTIONS—A BANKERS' BONUS BILL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, I will read for the RECORD, because I feel it is of sufficient importance, the testimony I gave this afternoon before the Committee on Ways and Means concerning the proposals to tax thrift institutions:

STATEMENT OF WRIGHT PATMAN OF TEXAS

Mr. Chairman, it is very generous of the committee to hear me.

I have the highest respect for the tax lawyers in the Treasury who are working so diligently to find ways to improve our tax laws.

I have no doubt these people are deeply committed to the principle of "tax neutrality." In proposing to increase taxes on the thrift institutions, which would shift competitive advantages to the commercial banks, these people are no doubt genuinely concerned with correcting what appears to them to be inequalities in the Government's treatment of competing classes of financial institutions.

The unfortunate fact is, however, that the nature of commercial banking is little understood, and a great many people mistakenly see similarities between commercial banking and the operations of the thrift institutions, where no similarity really exists. Furthermore, because the nature of commercial banking is so frequently misunderstood, a great many people who are otherwise well informed are not aware of the tremendous favoritism and the vast subsidies which the Federal Government pours into the commercial banks. Accordingly, it is my purpose today to invite the committee's attention to these subsidies and preferential laws so that the committee can better weigh the question of equity between the commercial banks and the thrift institutions.

I also have great respect for the two authors of the bills which the committee is considering, and I know they intend to do only what is fair.

Despite the authors' good intentions, however, these bills go a great deal farther and faster toward taxing the savings and loan associations and the mutual savings banks out of existence than anything the administration has suggested.

Furthermore, the immediate effect of these bills would be to raise interest rates in general, and home-mortgage rates in particular. They would increase the cost of the savings institutions and drive up their lending rates, which, of course, is one of the main reasons why the commercial bankers are demanding this legislation. When the savings institutions raise their lending rates, we can be sure the commercial banks will promptly raise theirs. This will happen even though the legislation contains no taxes for the commercial banks, closes none of the special tax loopholes the commercial banks enjoy, and even though the commercial banks pay no interest whatever on most of their deposits. In other words, this is banker legislation, and it would cost the general public several dollars in increased interest charges for every new dollar the legislation would bring into the Treasury.

The bankers have been beating the drums for this legislation for a long time, and, recently, beating them faster and faster. They have now worked themselves into such a frenzy that their cannibalistic instincts are showing. The feast dance is on. The bankers have their competitor in a pot—or so they think—and are about to boil him.

They tell me, Mr. Chairman, that out in real cannibal country, where I imagine things are relatively simple, a book which is at the top of the bestseller list is one titled "How To Serve Your Fellow Man."

My point, Mr. Chairman, is that I appreciate the difficulties of trying to legislate on such a complex matter in an atmosphere of hysteria. I hope that the committee will take plenty of time to consider, as I know you will, all of the equities at issue in this legislation.

This is not a case where tax neutrality in the usual sense of the term will provide or even permit nonpreferential Federal treatment of the commercial banks and the private thrift institutions. I have conservatively estimated the various Federal subsidies to the commercial banks at $5 billion per year. True, a large part of this subsidy can and should be eliminated. Furthermore, the big tax loopholes which have been put into the tax laws mainly for the benefit of the commercial bankers can and should be eliminated. I will offer some specific suggestions on this as I go along.

But the point is, even if the bankers' special tax loopholes were closed and all the Federal subsidies to the commercial banks that conceivably could be eliminated were actually eliminated, Federal subsidies to the commercial banks would still be overwhelming. In other words, this is not a case where the Ways and Means Committee can say we will have tax neutrality and let the other committees worry about neutrality in other Federal laws and programs. The Congress could not eliminate all of the preferential treatment which the Federal laws give to the commercial banks, as opposed to the thrift institutions, without overturning the whole banking system and recreating it on principles which would be new to any we have ever known in the banking system in this country.

The claim is being made, of course, that the commercial bankers are at a disadvantage with the thrift institutions under the present tax laws because, it is said, these laws permit the thrift institutions to accumulate money for lending faster than the banks can accumulate it. Let us examine that proposition and examine, also, the subsidies and preferential treatment which the commercial bankers enjoy under Federal laws.

SUBSIDY NO 1. FREE USE OF THE GOVERNMENT'S POWER TO CREATE MONEY

First and foremost, the commercial banks enjoy the free use of the Government's power to create money.

Mr. Chairman, you know that the commercial bankers are the only people who are permitted to manufacture money and who can manufacture money without the threat of going to the penitentiary.

The Constitution assigns to Congress the power to create money, but Congress has delegated this great power to the commercial banks. It has not delegated any of this power to the savings and loan associations or the mutual savings banks or the credit unions or any of the other competitors of the commercial banks. Only the Federal Reserve banks and the private commercial banks can use this privilege of creating money.

The committee knows, of course, that there have been societies in times past in which the government or the head of the government either sold or gave away the government's power to collect taxes. I am not suggesting that the committee would wish to sell or give away to private interests the Government's power to tax; but I do point out that if this privilege were given to some private group, it would be no greater privilege than the Federal Government has extended to the private commercial banks in delegating to them the Government's power to create money.

The Federal Reserve Bulletin of July 1961 reports that the commercial banks of the country have assets amounting to $252 billion. In contrast, the total capital accounts of these banks, plus their borrowed capital, amounted to only $23 billion. By total capital accounts we mean, of course, all of the stockholders' investment, plus the earned surplus of the banks, plus the undivided profits of the banks—in other words, every penny which the stockholders have any claim to in the banking enterprise. Where did the other $229 billion of assets come from—the difference between the banks' total assets and the stockholders' equity? The commercial banks have acquired these $229 billion of assets simply by manufacturing money out of nothing more than thin air and the Government's inherent and constitutional power to create money.

The previous Secretary of the Treasury, Mr. Anderson, understood this. Let me quote a passage from an interview with Secretary Anderson that appeared in the August 31, 1959, issue of U.S. News & World Report, page 68:

> Question. Do you mean that banks, in buying Government securities, do not lend out their customers' deposits? That they create the money they use to buy the securities?
>
> Answer. That is correct. Banks are different from other lending institutions. When a savings and loan asociation, an insurance company, or a credit union makes a loan, it lends the very dollars that its customers have previously paid in. But when a bank makes a loan, it simply adds to the borrower's deposit account in the bank by the amount of the loan. The money is not taken from anyone else's deposit: it was not previously paid in to the bank by anyone. It's new money, created by the bank for the use of the borrower.

I wonder how the bankers can keep a straight face while complaining that

the tax laws permit the thrift institutions to accumulate funds for lending faster than the commercial banks can accumulate them. The argument is utter nonsense. The commercial banks do not have to accumulate funds for lending; they create the money they lend, just with a stroke of a pen. When a commercial bank makes a loan to a business firm or to an individual, it creates the money loaned. When a commercial bank buys a Government security, it creates the money to buy it. When a commercial bank buys debt obligations of the State and local governments, it creates the money it uses to buy obligations.

While I am on this subject, let me clear up two other fallacies about commercial banking.

Fallacy No. 1: The commercial banks create money on their reserves against demand deposits only.

The fact is that commercial banks expand on their reserves against time deposits just as much, if not more so, as they expand on their reserves against demand deposits. I have questioned a great many commercial bankers, several Federal Reserve bank presidents and members of the Board of Governors of the Federal Reserve System, and they have all stated that reserves against demand deposits and time deposits are commingled and mixed. In point of fact, when a commercial bank computes its required reserves, it computes a single amount which is a weighted average of its required reserves against both demand and time deposits. In other words, when a commercial bank has an increase in time deposits, the reserves set aside against those time deposits permit the bank to create new money in the form of demand deposits.

Fallacy No. 2: Required reserves reduce the commercial bank's lending power.

This is completely untrue. Required reserves do reduce the lending power of the thrift institutions, but they do not reduce the lending power of the money-creating banks.

We have all heard the claim that the member banks of the Federal Reserve System are required to pay a large portion of their funds into the Federal Reserve banks as reserves, and we have also heard the complaint that the commercial banks receive no interest on these funds.

The truth of the matter is that the commercial banking system never paid any funds into the Federal Reserve banks to receive the reserve credits which they have with the Federal Reserve banks. The Federal Reserve banks created these reserves, using the Government's power to create money, just as the commercial banks have used the Government's power to create money when they have made loans or investments.

On April 12, 1961, member banks had $16.2 billion of reserves covering both time and demand deposits. Their time and demand deposits, on the other hand, amounted to $171.4 billion, meaning that they had used the Government's money-creating power to create $10 for each $1 the Government had itself created.

This brings me to subsidy No. 2.

SUBSIDY NO. 2. FEDERAL LAW GIVES COMMERCIAL BANKS INTEREST-FREE USE OF DEMAND DEPOSITS

The committee would be greatly surprised, I am sure, if someone proposed that we pass a law which would assure some manufacturer or some industry that it would receive its raw materials free of charge, at the expense of the people who own the raw materials. Some members of the committee might even be surprised to know that we have a Federal law which assures the commercial banks that they will have interest-free use of most of their depositors' funds. Yet that is the case.

Since the beginning of the capitalistic system, at the end of the Middle Ages, bankers in all capitalistic countries have paid interest for the use of depositors' money—that is, up until 25 years ago. Over these centuries bankers had to compete for the use of the public's money. The rate of interest a banker paid was his way of attracting funds, just as is true of the thrift institutions today.

But back a few years ago, the commercial bankers got a bright idea for a Federal law which would relieve them of the necessity for competing for depositors' funds. True, the bankers create the money they lend or invest. But such money, the moment it is created, becomes the property of some bank depositor. When a bank creates money to make a loan to a customer, that money then belongs to the customer. He can draw it out and put it in some other bank. And, of course, in theory he can keep it out of all banks, in cash; but as a practical matter individuals, and business firms have to have checking accounts these days, and the Government gives the commercial banks a monopoly on the demand deposit business.

Customers did move funds from one bank to another when banks were competing in the interest rates they paid on these deposits.

In the early 1930's, the bankers put on a drive to have Congress pass a law to make it illegal for them to pay any interest on demand deposits, which of course, accounts for most of the bank deposits. Congress finally passed that law.

The idea was not inspired by any early religious edict against interest taking. On the contrary, the law only forbids the banks to pay interest, not to take it. In fact, the bankers made two arguments for this law. First, they admitted its purpose was to stop competition between and among the banks to attract demand deposits, and the claim was that this was necessary to save the small banks. The second argument was that relieving the banks of the normal competitive free-enterprise burden of competing would compensate the banks for the cost of the FDIC insurance premiums which they were then expected to pay, to build up an adequate FDIC insurance fund.

Well, Congress passed that law in 1935, and the banks have had their demand deposits free of charge and at the depositors' expense ever since.

The savings and loan associations, on the other hand, paid an average of 3.7 percent on their funds in 1960, and the mutual savings banks paid an average of 3.6 percent.

As to the compensation for the FDIC insurance premium, this turned out to be much more than a free gift. All other kinds of business firms have to pay their own insurance premiums without reimbursement from the Government. An argument could be made that this ought to be the case with the commercial banks because the insurance is for their benefit. It gives people confidence to put their money in the bank who otherwise would not trust the bankers with their money.

More than that, the bankers have never built up an adequate insurance fund. They subsequently got Congress to pass a law which gives the FDIC the privilege of drawing on the Federal Treasury up to $3 billion any time the FDIC needs the funds to meet the insurance claims, and they pay nothing for this commitment. I will come back to this subject later.

It is enough to say now that the commercial bankers have a vast windfall in the Federal law which stops competition between and among the commercial banks themselves for deposits. They are going much too far, it seems to me, in asking now for a Federal law which will eliminate their competition from the thrift institutions.

Now let us consider just how great this subsidy to the commercial banks is. How much are commercial banks reaping in benefits at the expense of the public from the Federal law which denies the public the right to competition for demand deposits? The commercial banks now have $129.2 billion of demand deposits. If they were paying only the average rate which prevailed on 90-day Treasury bills during the first half of this year, they would be paying the depositors of these funds a yearly interest rate of 2.35 percent. In other words, the banks would be paying depositors over $3 billion a year for the use of their demand balances. In contrast, the total amount of their insurance premiums last year was only $70 million. So this Federal law not only has the effect of making the public pay the bankers' insurance premium, it has the effect of making the public pay the bankers another $43 bonus for each $1 of insurance premium.

Who is paying these benefits to the bankers?

The Federal Government itself maintained an average balance of $4 billion with the commercial banks during the past fiscal year. So if the banks had paid for the use of these funds at the Treasury bill rate, they would have paid the Federal Government $94 million a year. This is $94 million out of the taxpayers' pockets and into the pockets of the bankers.

Who else is subsidizing the bankers?

Interestingly enough, Mr. Chairman, the savings and loan associations and the mutual savings banks are themselves

forced to subsidize the commercial banks. They, too, must have checking accounts.

The last available report, which is for the end of last year, shows that the savings and loan associations had demand balances with the commercial banks amounting to $1.8 billion; and the mutual savings banks had demand deposits with these banks amounting to $557 million. At the Treasury bill rate, the commercial banks would be paying these thrift institutions $56 million a year for the use of these funds.

Finally—and this is to me most disturbing—the State and local governments have approximately $11.8 billion on deposit with the commercial banks in demand deposits, drawing no interest. In other words, Federal law also denies the State and local governments interest for the use of their funds. If the commercial banks were paying the Treasury bill rate for the use of State and local government funds, they would be paying the State and local governments $278 million a year.

It seems to me this law which prohibits the commercial banks from paying interest on demand deposits ought to be repealed, certainly as it applies to the funds of the State and local governments. If the Federal Government wishes to pour this vast subsidy into the commercial banks, then it ought to use its own funds for the purpose. But it seems to me the Federal Government has gone too far in denying the State and local governments any right to receive a revenue on their funds. The lost revenues are very badly needed by the State and local political subdivisions, for schools and other community facilities. I hope the Governors, the mayors and other local officials will interest themselves in seeing to it that the rights of the State and local governments are restored.

Mr. Chairman, I have secured from the Federal Deposit Insurance Corporation a breakdown of the demand deposits of the States and political subdivisions, on a State-by-State basis, which indicates how the various States are affected by this Federal law. With your permission, I will offer this tabulation for the record.

Demand deposits of States and subdivisions by State, insured commercial banks, Dec. 31, 1960

[In thousands]

State:	*Demand deposits*
Alabama	$256,597
Alaska	7,815
Arizona	105,217
Arkansas	101,941
California	778,568
Colorado	89,602
Connecticut	101,582
Delaware	24,524
District of Columbia	119
Florida	414,958
Georgia	241,105
Hawaii	62,037
Idaho	82,364
Illinois	702,058
Indiana	446,238
Iowa	203,131
Kansas	389,871
Kentucky	132,240
Louisiana	378,466
Maine	28,122
Maryland	135,463
Massachusetts	347,745
Michigan	$428,013
Minnesota	247,755
Mississippi	206,791
Missouri	378,767
Montana	72,368
Nebraska	110,026
Nevada	35,724
New Hampshire	31,898
New Jersey	417,822
New Mexico	89,494
New York	1,083,281
North Carolina	167,118
North Dakota	25,674
Ohio	535,035
Oklahoma	231,543
Oregon	145,076
Pennsylvania	420,551
Rhode Island	39,016
South Carolina	108,318
South Dakota	66,114
Tennessee	228,722
Texas	648,785
Utah	103,878
Vermont	17,697
Virginia	182,063
Washington	195,957
West Virginia	100,812
Wisconsin	183,511
Wyoming	47,270
Guam, Puerto Rico, and Virgin Islands	71,526
Total	11,650,373

Source: Division of Research and Statistics, Federal Deposit Insurance Corporation, Aug. 3, 1961.

I hope the committee will inquire very carefully into the reasons why the commercial bankers want this legislation. Is it really because the thrift institutions are taking lending funds away from the commercial banks? The thrift institutions do not destroy money; they do not absorb money and they are not depositories of money. In other words, all of the funds deposited or invested in these thrift institutions go immediately back into the commercial banks and are available to the commercial bankers for lending or investment.

The commercial banks have no less funds available for loans and investments than they would have if the thrift institutions did not exist. We must conclude, therefore, that the thrift institutions are cutting not into the amount of funds which the commercial banks have available for lending, but into the number of customers who might be knocking at the banks' doors asking for loans. In other words, these thrift institutions are an external force of competition which is helping to keep interest rates down.

As the committee considers the merits of the battle which the commercial bankers are waging against their great adversaries—I hope it will keep in mind just how formidable a foe of commercial bankers these institutions are. Let me put it this way: If the commercial banks were paying 3 percent interest on their demand deposits, instead of having these deposits free of charge—they would be paying the depositors $3.9 billion a year. In other words we accept 3 percent as a reasonable rate, then the benefits which the commercial banks are receiving from this one subsidy alone is $3.9 billion a year. That happens to be more than the gross income of all the savings and loan associations, before payment of operating expenses and payment of taxes. And it is almost as much as the gross income of the savings and loan associations and the mutual savings banks combined. In other words, the bankers are really waging war on a very tiny, infant foe.

SUBSIDY NO. 3: INTEREST ON U.S. GOVERNMENT DEBT OBLIGATIONS, ACQUIRED THROUGH FULL USE OF GOVERNMENT POWER TO CREATE MONEY

The commercial banks now hold $61 billion of U.S. Treasury obligations. Last year the Treasury, and the taxpayers, paid the banks the gigantic sum of $1.8 billion in interest on these obligations. This is another huge, outright subsidy.

As former Secretary of the Treasury Anderson has explained, the commercial banks acquired these Government obligations simply by creating the money. They used the Government's power to to create money to lend to the Government at a steep interest charge.

There is no reason whatever for the Federal Government to do business in this way, except for the reason of giving the commercial banks another subsidy. The Federal Government does not need to have the private commercial banks create money to buy its debt obligations, because the Government's own banks—the Federal Reserve banks—can do this. When the Federal Reserve acquires these securities, the interest payments go back into the Treasury, instead of out of the taxpayers' pockets and into bank profits.

Furthermore, the Federal Reserve banks could acquire these Federal obligations without increasing the money supply of the country by so much as a penny, so there can be no valid argument that this would be inflationary. The Federal Reserve has wide discretionary powers, not only to determine what the total money supply of the country will be at any given moment, but to determine how much of that money shall be of its own creation, and how much shall be of the commercial banks' creation.

In truth, the Federal Reserve banks now have some $27 billion of U.S. Government obligations, and they receive a very tidy interest income on these—enough that last year they paid their expenses of $154 million and returned $897 million to the Treasury. But for reasons best known to themselves the Federal Reserve people prefer to have any given money supply made up of a minimum of Federal Reserve bank money, and a maximum of private bank money.

SUBSIDY NO. 4: FREE FEDERAL RESERVE SERVICES

What do the costs of running the Federal Reserve banks go for? Why are Government funds used to pay these expenses instead of being paid back to the Treasury?

The fact is that approximately $120 million a year—which is most of the cost of operating the Federal Reserve banks—is the cost of providing free check clearing, free telegraph service, and other free services to the commercial banks. If the Federal Reserve did not provide these services, the commercial banks

would have to pay the expenses of private clearinghouse associations to perform these services. These free services, provided at taxpayers' expense, are not, however, just for the benefit of the member banks of the Federal Reserve System. The nonmember banks also enjoy their use, indirectly, through their correspondent banks.

This is another $120 million yearly subsidy to the commercial banks.

SUBSIDY NO. 5: INTEREST-FREE DRAWING PRIVILEGE ON THE FEDERAL TREASURY

Let us come back now to another aspect of the FDIC insurance fund.

Despite the fact that the Federal law arranged to have the general public pay the commercial banks for what was to be the cost of the FDIC insurance premiums, and also gave the banks a tremendous windfall in addition, the commercial banks have never really paid these insurance premiums—certainly not in amounts necessary to build up an adequate insurance fund.

The real insurance behind FDIC insurance is the fact that Public Law 363, approved in 1947, gives the FDIC the privilege of calling on the Federal Treasury for funds any time they are needed, up to an amount of $3 billion. In other words, the FDIC has a standing commitment on the Treasury in the amount of $3 billion. If you or I or any business firm obtained a loan commitment of this kind from a private bank, or from an insurance company, we would have to pay a commitment fee. The going rate of such commitment fees is 1 percent. Thus, if the FDIC were paying the going rate for its commitment on the Treasury, it would be paying the Treasury $30 million a year.

So this is another $30-million-a-year subsidy which the taxpayers are paying indirectly, to the commercial banks.

It may be only coincidence, but it happens that the Treasury is never empty of this $3 billion, should the banks need it. The Treasury keeps a minimum of $3.5 billion on deposit with the commercial banks at all times. So that $3 billion is, in effect, set aside, at all times, always available should the banks need it to meet their insurance demands. But it is costing the taxpayers much more than the 1 percent which I have suggested the banks should pay on it. These idle funds are costing the taxpayers the average interest rate they pay on the whole Federal debt, because if they were not kept in the banks, they would be used to reduce the national debt by this amount.

SUBSIDY NO. 6. SIX PERCENT INCOME FROM UNNEEDED INVESTMENT IN FEDERAL RESERVE STOCK

Federal Reserve banks sell a certain amount of stock in these banks to the private commercial banks that are members of the System. In fact, Federal law requires them to sell this stock and requires the member banks to buy it.

Yet the Federal Reserve System has no need whatever for the funds it derives from the sale of this stock. Indeed, the funds are not even invested. Yet Federal law requires that the private banks be paid an annual income of 6 percent of their investment in this so-called stock. In other words, the Federal Government pays the banks 6 percent on the safest investment in the world, which is an investment in the Government of the United States.

This Federal Reserve stock outstanding amounts to some $400 million; and banks receive an annual income of $24 million on this. This is another outright subsidy to the commercial banks of $24 million.

More than that, most of the $24 million is tax-free income to the banks. Federal law provides for this.

Mr. Chairman, it would not be possible to make an accurate dollars-and-cents total of all the Federal subsidies to the commercial banks. There are several which I have not yet mentioned. For example, there is one tremendous loophole in the tax laws which is of special benefit to the commercial banks, and it would be difficult to make a dollars-and-cents estimate of the value of this. Even more important, the commercial banks enjoy a limited monopoly in the banking business, by reason of the fact that the Federal Government maintains some stiff restrictions and barriers to keep new competitors out of the banking business. Banking is not the kind of free enterprise we know in farming, or in running a retail store, running a manufacturing business or any other kind of commercial enterprise. Any citizen can go into these businesses whenever and wherever he pleases, if he has the capital. Not so the banking business. The Federal Government keeps most of the would-be newcomers out of this field. I will come back to this protected monopoly status of the commercial banks later, and also to the tax loophole.

Let me sum up, however, those subsidies which I have mentioned so far, for which we do have dollars-and-cents estimates. Altogether, they come to more than $5 billion a year. I have recapitulated these Federal subsidies to the commercial banks in the table below.

Summary table of subsidies to commercial banks provided by Federal law and programs—(not counting tax loopholes and Federal barriers to keep out new competitors)

[In millions]

Value of interest-free use of demand deposits (computed at 2.35 percent or average rate on 90-day Treasury bills)	$3,036
On demand deposits of:	
(a) Savings and loan associations and mutual savings banks	56
(b) Federal Government	94
(c) State and local governments	278
(d) Other depositors, except banks	2,608
Interest received by commercial banks on U.S. Government obligations acquired with created money	1,800
Cost of free Federal Reserve services	120
Interest-free commitment on Treasury for $3 billion (computed at 1 percent commitment fee)	30
Interest on $400 million Federal Reserve bank "stock" (at 6 percent) (not including value of tax-free income status)	24
Total subsidies	5,010

SPECIAL TAX LOOPHOLE MAINLY FOR THE BENEFIT OF THE COMMERCIAL BANKS

As the committee knows, the general rule for taxpayers who trade in securities, or have gains or losses from the sale of other investments, is this: If a taxpayer's capital losses within the year exceed his capital gains, he can charge off the losses against ordinary, taxable income only up to $1,000 per year, regardless of the amount of his net loss.

But not so for the thrift institutions which are the subject of the present legislation and, coincidentally, the commercial banks also. These are permitted to charge off losses without limit against ordinary income.[1] This means that the commercial bankers, who are the main beneficiaries of this loophole, can, and do, engage in what are for all practical purposes "wash sales." When the market value of the securities they hold goes down, the banks can sell these securities, write off the loss against ordinary income, but immediately buy other securities which are for all practical purposes identical. Then when the value of these securities goes up again, they can sell the securities and pay only the 25-percent capital gains tax on their profits.

This loophole applies not just to Government securities. It applies to any and all types of debt obligations which the banks buy and sell. The loophole was put into the law in 1942, incidentally, on the advice of some of the bankers as to what should be done to assure the bankers' all-out cooperation in meeting the financing needs of World War II. That was almost 20 years ago and the financing needs of World War II have long since disappeared, but the loophole still remains in the law.

I wonder why the proposed legislation before the committee today makes no provision for closing this loophole.

In actual experience, the commercial banks paid last year an effective income tax rate of only 38.4 percent. Except for this loophole, the banks would have been paying more nearly in the neighborhood of the 52-percent rate.

Before leaving the matter of the bankers' taxes, Mr. Chairman, I cannot refrain from commenting on another tax angle which seems very wrong to me. This is the fact that they not only acquire the securities of the State and local governments with bank-created money, which costs them nothing, but they then pay no income tax on the interest they receive on these securities. The commercial banks now hold some $17.6 billion of State and local bonds, all acquired on bank-created money, all tax exempt.

Notwithstanding this tax loophole, and all the vast Federal subsidies to the commercial banks, the Treasury people seem to be laboring under the impression that the thrift institutions are taking lending funds away from the commercial banks, and also that the thrift institutions and the commercial banks are equally involved in the same kind of lending.

Thus, the Treasury Department's report of July 1961, titled "The Taxation of

[1] Sec. 582(b).

Mutual Savings Banks and Savings and Loan Associations," at page 3, speaks of "logical and equitable" application of taxes as between the thrift institutions and the banks as follows:

"From the viewpoint of a logical and equitable application of the Federal income tax, the mutual thrift institutions should be able to retain corporate earnings tax free only under a formula consistent with established concepts for computing bad debt reserves."

And, again at page 3, the report states:

"Moreover, other financial institutions which compete for the savers' dollars, such as commercial banks, do in fact have to depend primarily on surplus built up after taxes, rather than on access to the equity capital market, in order to obtain the protective capital cushions which all businesses need."

And finally, at page 11 of the report, we find this statement:

"It has been stated that a policy of tax neutrality toward competing financial intermediaries promotes a more efficient utilization of economic resources as established by the marketplace."

In plain words, Mr. Chairman, the Treasury people are under a misapprehension that cutting the allowable bad debt reserves of the thrift institutions will, insofar as the Federal Government's intrusions into the marketplace are concerned, better equalize competition between these institutions and the commercial banks.

But I submit, Mr. Chairman, the Federal Government's role in the marketplace is overwhelmingly on the side of the commercial banks. More than that, the thrift institutions are not taking lending funds away from the commercial banks. And they are not in the same kind of lending business to such an extent as to warrant the same ratio of reserves for bad debt, or what the Treasury calls "capital cushion."

The thrift institutions are in the long-term investment business, such as housing loans running for 20 to 30 years. Their investments are not liquid, and they are relatively high risk investments, being subject to the risks of the business cycle, relocations of population, the drying up of industry in particular areas, and even the possibility that within the next 20 to 30 years some entirely new type of shelter may be developed for both people and business. The commercial banks are supposed to be in the commercial banking business. They are supposed to be making short-term low risk loans. They have no business being in the investment business.

FEDERAL GOVERNMENT PROVIDES MONOPOLY POSITION FOR COMMERCIAL BANKS

Mr. Chairman, the commercial banks should not be aided and abetted in their effort to choke off competition from other types of financial institutions. Of course, this is a final step. They have already been extremely successful in throttling competition among themselves; and this has been achieved in large part through the assistance of the Government, particularly in setting up almost insuperable barriers to entry into the commercial banking business.

First, let us take a look at the sharp decline in the number of commercial banks in the United States. In 1920 there were nearly 31,000 banks. Today—according to the July 1961 issue of the Federal Reserve Bulletin—there are 13,465 commercial banks. In other words, there are only 43 banks today where there were 100 some 40 years ago.

But since 1920 our population has risen from 106 million to 179 million. The population per bank in the United States was only about 3,400 in 1920. Now the population per bank exceeds 13,000. So the average bank now has 3.8 times the customer potential that prevailed in 1920. That alone should put the commercial bankers in an enviable position. But that is not all that has happened.

In practically every community in this country the number of banks has been reduced to the point where only a very few control the business. Here are some figures from the 1960 annual report of the Federal Deposit Insurance Corporation:

In no less than 58 out of a total of 65 metropolitan areas surveyed, the 3 largest commercial banks have more than 50 percent of the deposits of all the banks in the area.

In 33 metropolitan areas, the 3 largest commercial banks have more than 70 percent of the deposits of all commercial banks in the area.

In 22 metropolitan areas, the 3 largest commercial banks own more than 80 percent of the deposits. And in six metropolitan areas, the three largest commercial banks hold over 90 percent of the deposits.

It is pretty hard to drum up any competition among commercial banks when so few control so much. And this concentration picture is bound to get worse before it gets better, as anyone can see by just looking at the newspapers day by day and noting the large number of bank mergers that are taking place.

Superimposed upon all these concentrations in local areas is the dominant position of the largest commercial banks in the country. The top 10 commercial banks—6 of which are located in New York City—on June 30, 1961, held $48.2 billion of deposits. This represents 21.7 percent of the $222 billion of deposits held by all commercial banks in the United States. These few giant commercial banks set the whole pattern of interest rates charged by commercial banks throughout the country.

ENTRY BLOCKADED

Nor is there much hope that the number of commercial banks will be increased in the foreseeable future, even though, as I have pointed out, there is nearly four times the potential business for the average bank there was 40 years ago. The Comptroller of the Currency and the Federal Deposit Insurance Corporation have set up more than ample barriers to new entrants. In fact, the only way you seem to be able to get into the banking business today is to be in it already.

But it has not been enough for the banks to cut down the number of competitors, increase concentration in the hands of a few of the largest banks, and to block the entry of new banks. Now they resort to the tax route to hobble the competition of the savings and loan companies and the mutual savings banks. What about the credit unions? They compete with commercial banks, and do a pretty good job of it. Will the commercial banks appeal to Congress to cripple the credit unions, too? They are probably next on their death tax list.

PROPOSAL WILL INCREASE MORTGAGE INTEREST RATES

The Treasury Department expresses concern over the impact this proposal may have on the housing program. The Treasury report states:

"The continuation of proper housing programs requires an adequate supply of funds for home mortgages. Consequently, from the viewpoint of our housing programs, any change in the current tax treatment of these institutions must be weighed in the light of its possible adverse effect on those programs."

The Treasury estimates that in a period of tight money, the proposal may cause a loss of anywhere from $500 million to $2 billion in the supply of mortgage money and that this might cause a reduction of from about 3 percent to as much as 10 percent in the volume of residential construction.

The Treasury Department does not carry its analysis to the point of the effect this proposal may have on mortgage interest rates.

We can be sure of one thing. It certainly will not contribute toward a decrease in mortgage rates, and I would remind the committee that an increase of 1 percent in mortgage interest rates can mean more than a year's pay of an average family added to the cost of a $15,000 30-year loan.

It is my prediction that this proposal will reverse the recent downward trend in mortgage interest rates.

PUBLIC INTEREST DEMANDS FAIR PLAY IN THE MARKETPLACE

There was a time when businessmen believed that the best way to get ahead was to produce a better product for a lower price. Now the technique seems to be to try to cripple one's competitors by some sort of a death tax. This is what the commercial bankers are trying to do in sponsoring legislation to increase taxes on savings and loan associations and mutual savings banks.

The commercial bankers who have over the years generated such intense hatred against thrift institutions by the use of misleading and distorted information should be ashamed of themselves.

The views of bankers' leaders in the American Bankers Association do not impress me as being in accordance with the views of bankers I know. Bankers are leaders in community life as well as in State and National affairs. It is seldom that you find them putting up such a terrific fight for something that is purely selfish and inimical to the general welfare.

If the attitude of the bankers is to be determined by their attitude in this case,

Congress must be more careful to safeguard the public interest against them. We cannot make a goose the guardian of the shelled corn.

Commercial bankers who really want to protect the public interest can find many subsidies to remove and many tax loopholes to close, without damaging the public interest as in the case of this legislation.

Forty percent—over 40 percent, Mr. Chairman—of the home loan financing is done through the institutions that the commercial banks are attempting to penalize and destroy in this attack.

My idea of bankers drawn from the image of the good bankers I have known all my life is contrary to what the leaders of the bankers are doing here. This is a bad proposal. It is a bank bonus bill. It should be rejected.

Thank you, Mr. Chairman.

ACTION ON THE CREATION OF A SPECIAL COMMITTEE ON CAPTIVE NATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, it was my privilege last March to introduce the original resolution, House Resolution 211, proposing the necessary establishment of a Special Committee on Captive Nations. Since then, over 35 similar resolutions have been submitted with the same objective in mind. I cannot thank my colleagues enough for their forceful expression of the mutual idea and common objectives in the national interest which we share alike. My deeply felt gratitude extends also to many other Members who, though they have not submitted resolutions toward this end, have nevertheless been outspoken in their full support of our proposal.

QUESTIONS AND DOUBTS TO BE RESOLVED

Since the beginning of May a number of hearings have been held on these resolutions before the Rules Committee. All the essentials of the proposal have been carefully covered and discussed. Indeed, as early as the end of May the distinguished chairman of the Rules Committee wisely suggested that final action be taken on these resolutions. Unfortunately, to this date no such action has been taken.

It is a fact that many Members and citizens throughout the country who have carefully followed these developments are mystified by this protracted delay. Many are disturbed by doubts over this inaction and numerous others are asking: "Why this delay, especially in these critical times? Is there a maneuver on to stall action on this vital proposal? Who seeks to prevent the formation of this special committee which is so necessary to our national interest? Is there a plan afoot to relegate this crucial subject of captive nations to a level of secondary importance by steering it to some subcommittee or a contrived ad hoc committee that could not possibly attend to the tasks demanded by this fundamental subject?"

These and similar questions have been put to me, as I know they have to other Members. We can resolve these questions and doubts quite easily by simply taking the long awaited action on these resolutions. And they can be best resolved by quick and favorable bipartisan action in the Rules Committee.

CONCLUSIVE EVIDENCE OF POPULAR SUPPORT

Mr. Speaker, the evidence of popular support for the formation of a Special Committee on Captive Nations is overwhelming and conclusive. Since last March, week after week letters of support have poured in from every section of the country. Week after week since last March some of these letters have been printed on the average twice a legislative week in the CONGRESSIONAL RECORD. Moreover, this widespread support was clearly crystallized in the nationwide observances of Captive Nations Week, a report of which I presented in this Chamber 2 weeks ago for all to read and analyze.

Needless to say, in these several months the addresses and statements of my many able colleagues on this tremendously important subject have rationally and empirically substantiated the urgent necessity of this special committee. Those who have read these addresses and their supporting material have quickly come to the realization that the aims and objectives of the proposed committee are solid, imaginative, and enormously promising. There can be no doubt that once the proposal is reported out of the Rules Committee, it will meet with the substantial support of this body.

IMPRESSIVE REASONS FOR THE COMMITTEE

Mr. Speaker, one need not go far to understand the basis for this general popular support and the exceedingly favorable response to the proposal among our Members. The basis rests primarily in the impressive reasons that have been advanced in behalf of a Special Committee on Captive Nations. Explicitly and forthrightly, these determining and justifying reasons are:

First. On the issue of war and peace, the moral and political principle of national self-determination is in many respects a weapon far more potent, far more determinative, than missiles, nuclear bombs, or war-equipped space satellites. This overpowering weapon is ours, not Khrushchev's. A Special Committee on Captive Nations would steadily expand the arsenal of this weapon for use either in the cold war or in a hot one.

Second. In two Captive Nations Week proclamations former President Eisenhower summoned the American people "to study the plight of the Soviet-dominated nations and to recommit themselves to the support of the just aspirations of the people of those captive nations." No better medium for this popular study can be provided than a Special Committee on Captive Nations.

Third. In the last campaign President Kennedy declared:

> I am, of course, in agreement with the Presidential proclamations. The captive nations should be studied intensively. If a joint congressional Committee on the Captive Nations is the best way to insure such popular study, I would naturally not be opposed to it.

We feel that a special committee formed by the House would reflect best the popular will and would perform the demanding tasks.

Fourth. In his 1961 Captive Nations Week proclamation, President Kennedy points out that "it is in keeping with our national tradition that the American people manifest its interest in the freedom of other nations" and urges them "to recommit themselves to the support of the just aspirations of all peoples for national independence and freedom." Mr. Speaker, by what better means can our people manifest this indispensable interest and recommit themselves than through their elected representatives, forming and working on a Special Committee on Captive Nations.

Fifth. It is an open secret that a hazardous gap exists in our official and private facilities as concerns this necessary task of studying systematically, objectively, and continuously all of the captive nations, especially those in the U.S.S.R. Nowhere is there any agency, public or private, performing this essential task. Only a special committee can do it effectively, seriously, and constructively.

Sixth. The formation of a special committee would be the first concrete implementation of the Captive Nations Week resolution passed by Congress in 1959. The fearful reaction of Moscow to this resolution shall never be forgotten. With all their missiles, satellites, and arms the Russian totalitarians show an uncanny fear of the captive nations and the idea of national self-determination. By forming a special commitee we can show in 1961 that we meant what we resolved in 1959.

Seventh. House Resolution 211 and the other resolutions are realistically based on the aggregate concept of captive nations—meaning those inside the U.S.S.R. as well as outside, in Asia as well as in Eastern Europe. It emphasizes the strategic importance—indeed, the primary strategic value—of all these nations for peace and also for cold and hot war purposes. A special committee would progressively unfold this importance and value of which Khrushchev is sensitively aware.

Eighth. As advocates of freedom everywhere, we must always realize that the cold war is not just between Moscow's totalitarian empire and the free world, but also and essentially between the captive peoples and their quisling governments. A special committee would produce results offering a necessary and prudent leverage for the captive nations in their cold war against colonial Russian domination.

Ninth. The enormous power of propaganda has long been a virtual Moscow monopoly. The studies, facts, and truths educed by a special committee would give the constant lie to the propagandized and overblown Russian image, particularly in the underdeveloped areas of Africa, Asia, and Latin America. One of the chief objects of the committee's inquiry would be the over 30 million captive Moslems in the U.S.S.R., a subject

which is almost totally overlooked in this country.

Tenth. A Special Committee on Captive Nations, which would be engaged in continuous study and investigation of the captive nations in the aggregate, would also serve as a rich reservoir of new dimensions of thought, of new and fresh ideas, about the extensive imperiocolonial system of Moscow. It would concentrate on the imperialism and colonialism of Soviet Russia and for the enlightenment of our own people as well as our friends abroad and it would demonstrate by contrasting data the colossal hoax of communism. The productive work of such a committee would serve our executive branch, our U.N. delegation, our representation in UNESCO and elsewhere.

Eleventh. The existence of a special committee would be a permanent reminder to Khrushchev that we do not now nor shall we ever write off the captive nations. This committee would give concrete evidence to the position expressed by the President in his state of the Union message:

> We must never forget our hopes for the ultimate freedom and welfare of the Eastern European peoples.

Twelfth. From all of this it should be evident that a Special Committee on Captive Nations would have definite legislative intent and purpose. Its extensive studies and investigations would lead to conclusions that in turn would justify recommendations upon which specific legislative proposals would be founded. Activities ranging from propaganda to economic assistance with regard to the Red totalitarian empire would come within the purview of the committee's investigations.

Thirteenth. The existence of a special committee would, in reality and function, encroach upon no standing committee. Its unique orientation toward the captive nations in the aggregate would allow it to uncover phenomena which have been left largely untapped by existing committees, as, for example, the phenomenon of rampant economic imperialism and colonialism within the U.S.S.R. itself.

Fourteenth. The range and depth of work that this proposed committee would be engaged in would require time, effort, and dedicated application that only a special committee could undertake. No existing or simply ad hoc committee could possibly manage this.

Fifteenth. Although in each session of Congress numerous resolutions are submitted for the establishment of select and special committees of various sorts, who would deny that in these days of the Berlin crisis, the various threats posed by Moscow, and the many critical spots appearing on the globe, the captive nations have a priority of value and importance for our national interest? This priority can be best utilized by a Special Committee of Captive Nations.

Mr. Speaker, these 15 reasons more clearly justify the establishment of such an essential committee. The relatively small costs of operating this committee would be heavily overshadowed by its productive and highly profitable results, in the interest of our Nation and in the interest of freedom generally. As I have done before, I offer further examples of the interest in these resolutions and additional material which elaborate on the points I have made here. I append the following items to my remarks, and request that they be printed as such at the conclusion of my address: First, my letter of August 2, 1961, to each member of the Rules Committee; second, the communication of the National Captive Nations Committee, Inc., to all members of the Rules Committee; third, the text of the Georgetown University Forum on the Captive Nations Committee; fourth, the Fort Wayne News-Sentinel editorial of July 19 on the "Vital Import of Captive Nations"; fifth, a release of the Assembly of Captive European Nations on Moscow's reactions to the 1961 Captive Nations Week; sixth, the Captive Nations Week proclamation by the Commissioners of the District of Columbia; seventh, an editorial in Freedom's Facts on "Captive Nations Week Draws Moscow's Ire"; eighth, an article which is very pertinent to our present discussion, "The Myth of Soviet Unity"; and ninth, a penetrating editorial in the Ukrainian Bulletin on "Captive Nations Week."

Khrushchev "got the message" in President Kennedy's speech and in the foreign ministers' position in Paris.

He told his people for the first time that there is a chance of war over Berlin. He must talk himself out of that one. So, he says let us talk about Berlin and everything else. We have taken another careful step in the initiative in this very tricky business of Alfonse and Gaston and the next move now must be Khrushchev's.

What does he do? I do not think he knows.

> There could be no greater error than to suppose that historical myths cannot be actually created by design, or that crudity of such special pleading necessarily always militates against its effectiveness.
>
> The image of Soviet-Western relations now being cultivated by Soviet historians is an important part of Moscow's contemporary political appeal to the peoples of countries just emerging to national consciousness and independence. Much of it appears to these people entirely plausible and creditable.—Quotation from "Russia and the West," by Mr. George Kennan, 1961.

The communications referred to are as follows:

AUGUST 2, 1961.

DEAR COLLEAGUE: In London last week, Lord Home, the British Foreign Secretary, said diplomatic negotiations are the way to settle the Berlin problem. The United States, in a note to Moscow, said the American people will defend their legal rights in Berlin, rights which "derive absolutely from the unconditional surrender of Nazi Germany." The U.S. note added, however, that the United States is always prepared to consider any "freely negotiated settlement" of German problems. In Moscow, the Communist newspaper Pravda said: "The sooner Western politicians agree to an international conference, the sooner will the black war clouds disappear from the horizon."

It seems clear, then, that those in authority in the major capitals of East and West see nothing inevitable about the threat of war, but look to diplomacy to find a solution. It is recognized that Khrushchev has made a diplomatic settlement difficult by putting a time limit (the end of this year) on Soviet toleration of the present situation in Berlin. Nevertheless, in the presence of appropriate counterpressure, a diplomatic solution is not impossible.

These counterpressures are building up now. The notes to Moscow by the Western leaders, stating they will not yield the freedom of West Berlin to the threat of Communist force, are an essential part of the picture. The tangible defense buildup now underway in the United States is another. The restiveness in East Germany, whose residents are seeking asylum in West Berlin at a rate of 30,000 a month, is another. The Communists cannot be sure that, in event of hostilities, the East Germans would not be fighting on the side of the free world. There also are legitimate Communist doubts about the safety of Soviet supply lines across Poland, if Poles sensed a chance for successful revolt.

In diplomatic negotiation, the West appears prepared to let Khrushchev save face. He wants a separate peace treaty with East Germany. We think it unwise. We will not fight over it. We would prefer a peace treaty with all the Germans, reunified on the basis of free elections. In the months ahead, increasingly, the West presumably will challenge the Communists to accept such an arrangement, in devotion to the cause of self-determination. That, in fact, will be the rallying cry of the free world as it seeks to regain the propaganda initiative in the cold war. A worldwide campaign for national self-determination can weaken none of the props of the Western alliance. It can, however, gnaw at the vitals of the Communist empire, particularly in the satellite states of Eastern Europe.

In view of the above, it is clear we are gradually and carefully assuming the initiative and forcing Khrushchev on the defensive. And instead of merely counterpunching, we are now clearly leading at different points in different ways.

Under all the circumstances, one of the most effective weapons in our new arsenal should be the creation of a Special Committee on the Captive Nations, the operation of which persistently, consistently and effectively, will do much to emphasize the principle of self-determination in the captive nations of Europe, and in this way gnaw at and weaken the whole satellite structure behind the Iron Curtain. This, as much as any military effort will make it clear to Khrushchev he dare not move against the Western World—this with our military might will permit our diplomatic negotiators to speak from strength on both sides of the Iron Curtain.

I would hope the Rules Committee would see fit to report out House Resolution 211 without delay, so as to add this additional string to our bow—vis-a-vis the Soviet.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

AUGUST 7, 1961.

Hon. HOWARD W. SMITH,
Chairman, House Rules Committee,
U.S. House of Representatives,
Washington, D.C.

DEAR JUDGE SMITH: On May 16 we addressed ourselves to you, seeking your support of the original House Resolution 211 and similar resolutions calling for the creation of a Special Committee on Captive Nations. We now urge that this vital proposal be favorably and expeditiously reported out of committee. It is mystifying to us that, although you wisely suggested final determination of this proposal back in May, action on it has been stalled.

With the Berlin crisis, Moscow's propaganda buildup of the 20-year plan, and further Soviet space achievements, the necessity of such a committee is greater than ever. Methodically uncovering the facts

about our natural allies, the captive nations—particularly those in the U.S.S.R. itself—the committee would provide not only the necessary enlightened perspective for our people but also the equally necessary hope of eventual freedom for these allies. It would be a watchdog committee on Moscow's colonial exploitation of the captive peoples, both within and outside the U.S.S.R. It would find ways and means to magnify the crucial asset of these natural allies to our national interest and, unquestionably, its new findings would lead to concrete legislative recommendations.

The utter necessity of this special committee is even borne out by these random items: (1) the President's fantastic statement in an otherwise excellent address on Berlin: "We recognize the Soviet Union's historical concerns about their security in central and eastern Europe, after a series of ravaging invasions." Since 1920 who invaded whom? (2) the chairman of the Senate Foreign Relations Committee laboring under the impression that there are "200 million Russians" (only about 100 million); and (3) the UNESCO Courier of October accusing the United States and other free nations of racism and anti-Semitism, but overlooking entirely the heinous crimes being committed in the Red totalitarian empire. When such misinformation persists on these levels, what can be expected elsewhere?

As shown week after week in the RECORD and during Captive Nations Week, popular support of these resolutions is widespread. It is generally recognized that only a special committee can devote the time and resources required and warranted by this vital subject. The captive nations, as a formidable weapon of free world security, deserve nothing else. We have no doubt that once reported out by the Rules Committee, this proposal will be overwhelmingly supported in the House. Many rightly view it as the first concrete implementation of the Captive Nations Week resolution for which they voted and which incited unprecedented fear in Khrushchev.

Trusting that you will not allow this invaluable opportunity to slip by and with grateful thanks for your wisdom in expediting this matter, I am,

Sincerely yours,

LEV E. DOBRIANSKY,
Chairman.

WHY A CAPTIVE NATIONS HOUSE COMMITTEE?

(The Georgetown University Forum broadcast, Washington, D.C.)

(Panel: Hon. Daniel J. Flood, Member of Congress from Pennsylvania; Hon. Silvio O. Conte, Member of Congress from Massachusetts; Dr. Lev E. Dobriansky, Economics Department, Georgetown University.)

Moderator MATTHEW WARREN. You will recall that in July 1959, the Congress of the United States unanimously passed the captive nations resolution. The act, now Public Law 86-90, authorized the President to issue a proclamation on the occasion, which he did. As a result, Captive Nations Week was celebrated nationally.

Two months ago, Congressman FLOOD, one of today's panelists, introduced a resolution in the House in which he proposed the formation of a House Captive Nations Committee for the purpose of "conducting an inquiry into and a study of all the captive non-Russian nations."

This is a new approach. Questions naturally arise. Why a special continuing committee? How would it get its information? What use could be made of results?

Today's panel will attempt to expound the nature of the proposed committee and to answer questions concerning its desirability and feasibility in relation to foreign policy and national security.

Congressman FLOOD, to begin, what prompted you to introduce such legislation?

Mr. FLOOD. Well. the success, the extraordinary success that we experienced when the resolution of which you spoke was passed by the Congress. By the way, that was 1959. Then in 1960 a second resolution was passed. President Eisenhower spoke favorably and strongly in support of both of these resolutions, and President Kennedy, to written inquiry made by me, indicated that he too would support such an idea—such a resolution. Well, the response not only in America but throughout the world, and the violent attacks made upon the resolution by Khrushchev himself and by the Russian Soviet generally, made it very clear that we should take the next step from the resolution, and that was to ask the House to create a select committee.

Mr. WARREN. Was it necessary to reintroduce these resolutions each time?

Mr. FLOOD. Yes. Because one Congress does not bind the last one, or the next one, don't you see. It was necessary to act independently in each Congress. The life of a resolution is specified in the purpose clause of the resolution itself.

Mr. WARREN. Congressman CONTE, what's your interest in this resolution?

Mr. CONTE. Well, I filed the resolution, along with Congressman DAN FLOOD. I feel, as DAN does, that this will focus the attention upon the Soviet Union throughout the world, that they are the real imperialists, and it will bring to light to the new building nations throughout the world what has happened to these people, these captive nations all over the world. The Republican platform committee, of which I was a member—I was vice chairman of the foreign policy subcommittee in the platform committee—came out very strongly in favor of such a resolution, as did the Democrats in Los Angeles during the campaign. I think both parties had pledged that they would form such a committee, made up of Members of the House, to investigate the captive nations and how they became captive nations.

Mr. WARREN. Dr. Dobriansky, you were personally involved, I believe, in Captive Nations Week, to a degree, and I know you support the captive nations resolution now before the House or which has been passed. But let me ask you what you propose to do with this resolution. Aren't we stepping on the toes of the Foreign Affairs Committee? Isn't this one of their functions?

Dr. DOBRIANSKY. Well, I don't know that this question should be directed to me rather than to the two congressional Members here. I'm just an outsider. But since you raised it, my feeling is that the resolution as it is stated makes allowances, you see, for members of the Foreign Affairs Committee to join this committee. Now one of the primary reasons for this resolution, as I understand it——

Mr. FLOOD. As a matter of fact, the resolution calls for 10 men, 10 people, 10 members, and 5 of them are to be from the Foreign Affairs Committee:

Dr. DOBRIANSKY. That is correct. But, as I was saying, one of the main reasons for this resolution, as it appears to me, is the fact that here in the United States—and I say this unequivocally—here in the United States we do not have a single agency in Government or in the private realm that carries out a study as contemplated by this resolution. What kind of a study? A study based first on the aggregative concept of the captive nations. Now this resolution expresses that aggregative concept. That same concept is in the Captive Nations Week resolution. And it means simply this: that the captive nations in central Europe are not the only captive nations. You have captive nations in Asia. But, in my opinion, primarily, the most important type of captive nations is within the Soviet Union itself.

Mr. FLOOD. Of course, what I think our moderator has in mind—the idea, and I know you agree—is to have the investigation conducted by a select committee as distinguished from a subcommittee of the Foreign Affairs Committee, so that it will be consistent, systematic, continuous, instead of just a shotgun, on just this one subject itself. The jurisdiction of the Foreign Affairs Committee embraces the entire spectrum of foreign affairs, and we think this subject is so important and so valuable that it should be dignified by a select committee.

Mr. WARREN. It seems to me that it would be a rather expensive function. You can't sit back and expect to get anything volunteered, anything sent to you from these captive nations. You will have to have investigations and inquiries. This should cost quite a good bit of money.

Mr. FLOOD. Oh, no, I had the Katyn Massacre Investigating Committee a few years ago, and we sat all over. we sat in Europe, and we sat in the United States, for many months. We were sitting for almost a year. We conducted elaborate, extensive hearings here and abroad and, as a matter of fact, turned back half the money appropriated. No, the only expenses incident to this sort of hearing investigation would be those directly concerned with the expenses of the operation of the committee; and if you are thinking of astronomical figures, that would not be the case at all. The best example I could give you is my own experience with the extremely successful Katyn Massacre Investigating Committee.

Mr. WARREN. What are the captive nations we are referring to, Dr. Dobriansky?

Dr. DOBRIANSKY. Well, the captive nations would be all the non-Russian nations that have been overrun, either directly or indirectly, by Russian imperialism and colonialism. Most Americans are familiar with the captive nations in what we call satellite Europe, meaning Poland, Czechoslovakia, Hungary, Bulgaria, Rumania, Lithuania, Latvia, Estonia—although I might say that too many Americans have already forgotten that there are three Baltic States which have been submerged in the Soviet Union. We are familiar, too, with North Korea, with North Vietnam, with Tibet, with mainland China, but some aren't familiar with Outer Mongolia or with Singkiang. And when we come to the Soviet Union, I think in this particular instance a committee of this sort can be vitally important in terms of American public enlightenment. Most of our people, unfortunately, are thoroughly unfamiliar with many of the captive nations within the Soviet Union. Their idea of the Soviet Union is that it is Russia, that it is made up largely of Russians, with a few ethnic groups, just as we have here in the United States. Whereas actually a study along these lines will reveal distinct groups, national groups—one, for example, Georgia, going as far back as 4,000 years.

Mr. FLOOD. May I suggest this, Doctor? You're an expert on this. I think if you make it clear that there are two distinct categories of captive nations. For instance, how many people who are listening to this broadcast ever heard of the Idel-Ural as a homogeneous nation? I'm sure only a very few. There are external and internal captive nations, two separate, distinct groups. The external, so to speak, is the one about which most of us are pretty conversant today. For instance, Poland, Czechoslovakia, Hungary, North Korea, North Vietnam and so on. But the internal captive nations are perhaps the most important for the purposes of this resolution. We must identify within what is known as the U.S.S.R. the existence of distinct, internal captive nations, homogeneous indigeneous nationals in race, custom, mores,

religion, culture, and ethnically and in every other way distinct. For instance, say, to walk up to one of these people—any one of a half dozen Lithuanians, or an Estonian, a Latvian, a Ukrainian, a man from Turkistan—and say he is a Russian, that's like saying to my Grandfather McCarthy that he's an Englishman because he came from Ireland, in the British Isles. You can't do this, and it makes no more sense. But this is not understood.

Mr. WARREN. Mr. CONTE, how would you get the information?

Mr. CONTE. Oh, we'd get it by having hearings here, and we'd have hearings over in Europe. Just recently—I'm on the Appropriations Committee, as DAN FLOOD is on the Defense Subcommittee and I'm on Foreign Aid. I happened to visit Austria, and while I was there I went up to the border of Czechoslovakia and Hungary. I took a great many pictures there, colored slides, which I brought back, and have given many speeches back home concerning them. I think that people back home and throughout the world wouldn't believe what I saw there. These poor, unfortunate human beings in Hungary, living behind this barbed wire fence in rows and rows of land mines, like animals. And these Russians stand on these high plateaus with police dogs and machineguns. In fact, while I was there I read an article in the Vienna paper in Austria that some of the Hungarians had tried to escape through these land mines and through this barbed wire fence, and two young Austrian boys saw them hooked up on the barbed wire fence and ran to them to help them.

Everytime they would approach them and reach down to grab the Hungarian boys the Soviets would open fire with their machineguns, and this lasted for about 36 hours until these unfortunate souls bled to death, underneath this barbed wire fence.

I think that we should expose these incidents, and we could hold hearings in countries surrounding the Iron Curtain, and bring out many facts that are unknown to the public.

Dr. DOBRIANSKY. I'd like to supplement the Congressman's remarks by pointing out that when I went through the Middle East, actually from Tunisia all the way over to India, and had an excellent occasion to speak to many heads of state, including Bourguiba and numerous others, I constantly posed the question as to how they felt about the 30 million Moslems in the Soviet Union. Much to my surprise, they expressed definite affinity. And, of course, once you get into areas such as Pakistan and Turkey you have areas where there is a great deal of information that has been untapped. In this instance you might recall, Mr. Warren, that Georgetown University was connected with the Select House Committee To Investigate Communist Aggression. We prepared many of the studies conducted by that committee in 1954 and 1955. And I can say this, on a basis of sheer empirical evidence, that there is still much work to be done. And in a sense this committee will take up the work left undone.

Mr. FLOOD. Let's go back to the purpose of this Captive Nations Committee. What is one of the first things that we must do? In military tactics or strategy, the first thing you do is you must identify the enemy. Now who is the enemy? Who is the target? What is the problem here, and why is there a problem? Well, the chief problem here is that the world does not know, and especially the new nations coming into being do not know, that there is no such thing as the U.S.S.R. as a homogeneous entity, similar to France or Italy or the United States or Japan, that the U.S.S.R. is a conglomeration of many—not tribes, not clans, but—ancient, independent, sovereign states who have been captured, who have been brutalized, and who have been destroyed in a political sense, by imperialistic, Bolshevist communism.

The great weapon, the one weapon, of Khrushchev in his appearance before the United Nations was to point the finger of scorn to the United States and say that we were a colonial power, or that we were the friends of a colonial power—colonialism became a very bad word.

The point is that we have never exposed the Soviet as the real top-dog colonial tyrant in the world. And what we must do, in this investigation, if and when this committee is born, is to unmask Khrushchev as the leading colonialist—strip naked the U.S.S.R. as the real dominant, colonial, tyrannical power in the world today. International communism is the chief exponent and practitioner of all the evils of colonialism. Now that's what must be done.

Mr. WARREN. We will assume, then, that this could embarrass or infuriate the Soviet Premier. Coming at this time, don't you suppose it might embarrass the President of the United States?

Mr. FLOOD. No——

Mr. CONTE. May I interrupt, DAN, to add to what you have said? There's another important point here, and that is the people of the captive nations themselves. It will show them that we haven't forgotten them, and that we're interested in them and in their cause.

Mr. WARREN. How will they be able to know about it?

Mr. CONTE. Oh, they'll be able to know about it. Through Radio Free Europe and what's the other program, DAN?

Dr. DOBRIANSKY. Through the select House committee several years ago they heard about it day in and day out—via their own radios, via their own publications.

Mr. WARREN. What caused the Hungarian revolt?

Dr. DOBRIANSKY. The Hungarian revolt is a case in itself. If you want a disposition on it I'd be more than glad to give it—that was a spontaneous affair. It wasn't premeditated in any way and it wasn't precipitated by the type of propaganda or dissemination of information that we had in this country.

Mr. FLOOD. Our purpose is not to stir up revolt and rebellion or to induce overt acts. However, as Mr. CONTE made very clear, it is important that the people in these countries are firm in their understanding that they are not abandoned by the United States, that this is a positive and affirmative act. We will make very clear what this program is.

If you think for one moment that there does not exist effective and good underground operations in all these nations, let me assure you that they do exist and these things will continue, so this is a means of sending words to our friends in these nations that they must not abandon hope, and that we would use every means, every weapon in our arsenal of propaganda. And this is propaganda. This is turning the Devil against himself in this case. And we propose to proceed in well-planned and well-authenticated investigatory methods.

Dr. DOBRIANSKY. Now, let me just give one illustration of what a committee of this sort could do. Recently Premier Khrushchev went down to Tiflis, Georgia, and into the area of Armenia, commemorating the 40th anniversary of both states. Now in Tiflis, Georgia, he almost talked himself hoarse telling these people how independent they are. In other words, a good deal of the internal propaganda within the U.S.S.R. repeats these things about being independent, about being in the happy coexistence of nations. Now, to the extent that we come out with the truth—in a true course, if you will, of developing a diplomacy of truth—to that extent we furnish definite leverage to these many captive non-Russian nations within the U.S.S.R. to assert themselves, to try to get as much as they possibly can out of colonial Moscow, and, as a consequence, you will have friction, but nothing in the nature of a Hungarian revolt, I'm sure.

Mr. FLOOD. Well, I remember when Mr. Nixon was behind the Iron Curtain—that was right after we passed this resolution in the House, you recall—and Khrushchev spent most of the time talking to Mr. Nixon, complaining about it being done, and explaining at great length that Russia was not a colonial power. And then he went to the United Nations, and we are convinced that the only reason he spent most of his time at the United Nations pointing out that they were not colonialists and that we were the bad guys, was because of the effect this resolution had, not only on the captive nations but upon his own people all through the world who are very upset about this.

Mr. CONTE. He spent a great deal of time trying to tell Nixon that these people were free.

Mr. FLOOD. And when you say for a moment that he would be upset or annoyed by anything like this and that this would embarrass Mr. Kennedy in any conversations he might have with him, well, you are simply suggesting that we are interfering with the domestic affairs of, say, a brigand, or bandit who objects to anybody who interferes with his domestic banditry. But we can't accept this, morally or any other way.

Mr. CONTE. And may I supplement here that during the campaign John F. Kennedy said that we must never, at any summit, in any treaty declaration, in our words or even in our minds recognize Soviet domination of Eastern Europe. Later, he said, "The Democratic platform speaks my own mind on this subject when it declares: 'We will never surrender positions which are essential for the defense of freedom. Nor will we abandon people who are behind the Iron Curtain through any formal approval of the status quo.' "

Mr. FLOOD. Can you imagine what Mr. Kennedy will say to Mr. Khrushchev if Mr. Khrushchev takes up too much time trying to point out to Mr. Kennedy that he is not a colonial power. Can you imagine what Mr. Kennedy will say, coming from Massachusetts, knowing all about the Poles, the Ukrainians, the Czechs, and the Slovaks, Lithuanians and the groups that he, like you and I, have been born and raised with? I just can't imagine that Mr. Khrushchev would expose himself to what he certainly would receive if he ever vehemently denies to Mr. Kennedy the colonial attributes.

Mr. CONTE. He may also say to Mr. Kennedy, DAN, that he shouldn't be interfering in Cuba. And at that point Mr. Kennedy could say to him, "How about Hungary, and all the other captive nations—Lithuania, Estonia, Rumania, Bulgaria, Armenia—all the other captive nations? You have interfered, you have not only interfered but you have captured these people, and you have strung an iron curtain around their land.

Mr. FLOOD. Suppose Mr. Kennedy would just say, "Very well. Let's have the U.N. conduct an open election in all of the captive nations—not only the external captive nations of Poland and Hungary and so on, but in the Ukraine." Can you imagine what the vote would be in the Ukraine?

Dr. DOBRIANSKY. I hope he would. As a matter of fact, he has adequate basis for such a suggestion. Right after the Captive Nations Week resolution was passed Mr. Khrushchev wrote that article, you remember, which appeared in Foreign Affairs, in which he raised the question, how would the American people and legislators supporting this resolution have felt if the Mexican Parliament has passed a similar resolution seeking the liberation of Americans from the slavery of capitalistic America. And then he referred to Texas, and to Arizona and

California. Now the question raised at that time was, let's challenge him on this, provided you have comparable areas within the Soviet Union subject under United Nations auspices to a plebiscite.

But I'd like to mention this, Congressmen. I think, from the point of view of a private American citizen, that it was most dismaying last autumn when Mr. Khrushchev took the floor up in the U.N. and carried on that onslaught against us, against Britain and others, on the matter of colonialism, putting us completely on the defensive. Not one of our spokesmen got up and actually put him where he belonged.

Mr. FLOOD. The Canadians and the Chileans, and the Filipinos, of course, did point that out—I don't think, Dr. Dobriansky, you could have done any better yourself, and that's going pretty far. They did answer him pretty well. And I believe it was by gentlemen's agreement that the so-called big powers did not attack, especially the United States did not attack, at that time. But there was considerable attack made against Khrushchev, although I wondered at the time why much more was not made of it than was.

I think one of the reasons why we should go ahead with very elaborate hearings by this proposed committee, is that I don't believe that the people of this Nation or the people of the new nations of Asia or the Mediterranean basis, or of Africa, especially of black Africa, have any idea that there is in the Soviet Union the most shocking exhibition of colonialism that the world has ever seen since the days of Rome—if you will pardon, Mr. CONTE.

Mr. CONTE. DAN, I think we ought to get a shot in here for our resolution. It is before the Rules Committee now. And I was one of the 22 Republicans that bolted my party to enlarge the Rules Committee so that these bills, such as this Captive Nations Committee bill, could come before the House and let the House work its will. And I hope that this Rules Committee will give us that opportunity, to bring this bill to the floor, at least let us work our will. And I'm sure that the House of Representatives, if the Rules Committee releases the bill, will vote in favor of this committee.

Mr. FLOOD. I hope that you get your hopes.

Dr. DOBRIANSKY. Judging by the display last March 8, when you brought this up on the floor of the House and over 25 or so Congressmen joined in that wonderful discussion, I think judging solely by that, my feeling is that if it should come before the House it would probably be passed.

Mr. FLOOD. And you will remember, Doctor—you were sitting in the balcony, as I recall—not only did 25 or 30 of our colleagues on both sides of the aisle participate in this, others were eager to. But may I have you recall the temper and tone of the speeches made by my colleagues—the great strength and power and belief in the idea of this resolution, to expose—I repeat for emphasis that we must expose—the Soviet as the arch-colonialist imperialist on the face of the earth today. This must be exposed.

Mr. WARREN. Why limit such a proposal to a study of captive nations? Why not a committee on the exposure, say, of Soviet tactics in general.

Mr. FLOOD. Well, because we believe that many of the standing committees are working on this all day and night all the time. But we think this element of colonialism is the Achilles' heel of the entire Soviet structure. This is the crack in their armor, and we must drive a wedge in there, and unravel the whole mess, from that standpoint. This calls for a rifle, not a shotgun.

Dr. DOBRIANSKY. The matter of tactics would come up anyway, in the course of the study. I might just suggest this, and I know this to be correct, on the basis of what has been said to me by many people in various parts of our administration, that nowhere in our administration is any study being carried out on the matter of economic colonialism within the U.S.S.R. Now we get a great deal of talk about relative rates of growth between the U.S.S.R. and the United States, and yet, if this is brought out, it would again deflate the overblown Russian image.

Mr. WARREN. Thank you very much, gentlemen, for your discussion of the topic, "Why a Captive Nations House Committee?" The Honorable Daniel J. Flood, Member of Congress from Pennsylvania; the Honorable Silvio O. Conte, Member of Congress from Massachusetts; and Dr. Lev. E. Dobriansky, Economics Department of Georgetown University.

This program has been presented in the interest of public education by Georgetown University. Your moderator, Matthew Warren.

[From the Fort Wayne News-Sentinel, July 19, 1961]

VITAL IMPORT OF CAPTIVE NATIONS

This is Captive Nations Week, but it is not just another of our many "weeks." Indeed, the ultimate fate of the captive nations could well determine the fate of the entire free world, including most importantly (to us, at least), the fate of the United States, and all of our own personal freedoms. And ironically, the eventual fate of the captive nations also holds the key to the future of Soviet Russia and the Communist world conspiracy that it embodies.

Captive Nations Week was born 2 years ago this week, when both Houses of Congress, without a dissenting vote passed what was called the captive nations resolution. No lesser authority than Dr. Clarence Manion, director of the nationwide Manion Radio Forum of the Air, and former dean of the Law College of the University of Notre Dame, evaluates this action as follows:

"Nothing that has happened—before or since—has served the cause of world freedom so spectacularly as this unanimous declaration of the American Congress. At long last our anti-Communist guns were 'on target' and hundreds of millions of enslaved people throughout a third of the world were inspired with new hopes for freedom."

But Dr. Manion cites that lamentably "we haven't followed through" but that there is hope that we might now soon do so, that the captive nations are still determined to be free, and that Khrushchev admits as much when he tells us that West Berlin is "a bone in the Communist throat."

In order to lend timely accentuation to Captive Nations Week this year, Dr. Manion brought to the Manion network at week's end, one whom he describes as "an ardent, eloquent champion of the captive nations, who is resolved to exploit this weakness in the Communist slave system with another congressional resolution, one which provides for continuous constructive action."

This man is Congressman DANIEL J. FLOOD, of Pennsylvania, who has introduced a resolution in the House of Representatives providing for the creation of a Special Captive Nations Committee which would provide a means of systematically and methodically reporting on these nations in the aggregate, and would maintain the spotlight of free world attention and opinion on Moscow's iniquitous colonial system. Congressman FLOOD pointed out how most importantly:

"A full-scale exposure of Moscow's extensive colonial rule is in the highest interest of securing peace with justice. Khrushchev's attempt to conceal the colonial and captive status of the many non-Russian nations within the U.S.S.R. must be exposed. Nothing can contribute more to a genuine and solid improvement of relations with the U.S.S.R. than an intelligent expression of our live awareness of Moscow's colonial and imperialist domination over nations both within and without the Soviet Union."

FLOOD said that such a committee engaged in continuous work based on the aggregate captive nations concept would become "a rich reservoir of new dimensions of thought, of new fresh ideas, of solid and grounded recommendations for positive and constructive action against the traditional imperialism and colonialism of Moscow."

FLOOD added that the functioning of such a committee would serve as a permanent reminder to Khrushchev that "we shall not now, nor shall we ever, write off the captive nations."

Both Dr. Manion and Congressman FLOOD indeed have added a lot to the vitally important meaning of Captive Nations Week. The enactment of Mr. FLOOD's resolution and the functioning of the Special Captive Nations Committee it would create, should add still more meaning to it in the years to come.

CAPTIVE NATIONS WEEK ATTACKED IN PRESS AND RADIO OF COMMUNIST BLOC

Captive Nations Week, 1961, promptly resulted in violent attacks behind the Iron and Bamboo Curtains both on President John F. Kennedy, the U.S. Congress, and the exile organizations. Examining the press and radio dispatches, it becomes evident that the campaign in all Communist bloc countries was centrally directed. Most articles and commentaries referred to the "poor lot of the Negroes" in the United States, to the desire of the Senate to restore capitalism in east-central Europe, and to the American support of dictatorships. Many of the dispatches spoke of the indifference of the American press and public toward the week, little knowing that Captive Nations Week would result in scores of editorials and hundreds of articles in the Nation's press, besides mass rallies and other observances in many major cities of the United States.

Izvestia, July 19, strongly criticized the "American ruling quarters" for starting Captive Nations Week. It said that the "filthy and dangerous game" can arouse only indignation: "It should be said clearly from the start: the whole idea of the week is a clear violation of basic international law—the doctrine of noninterference and consequently of the principles on which the U.N. is built. Who gave the American rulers the right to butt their noses into the internal affairs of other countries with whom, moreover, they maintain diplomatic relations?" After attacking the United States for its treatment of 20 million Negroes and for its support of dictatorships, Izvestia concluded: "No, the spurious American propaganda bout, Uncle Sam's alleged concern for the peoples of the Socialist countries, will fool no one. Only those who are politically blind or ignorant can fail to understand the meaning of the irreversible historical transformations in the Socialist countries of Europe and Asia. No one will succeed in dictating to the peoples what social system to choose."

The Bulgarian paper Zemedelsko Zname, July 19, reported that for several days now "the knights of cold war and the emigrant scum in the United States of America are again blowing their slanderous fanfares and engaging in a malicious campaign against the Socialist countries." The paper continued: "It is indeed difficult to find in the history of our times another instance of similar impudence and cynicism: the defenders of dictatorships, the chief organizers of subversive activities and espionage, the instigators of the arms race to amuse themselves in the role of freedom fighters. As much as it is mean, this campaign is no less foolish, because the peoples of the enslaved countries for whom the United States of America is shedding tears, know well enough the intentions of those who are praying for them

beyond the Atlantic." In conclusion the paper claimed that a "considerable number of bourgeois publishers must be realizing the absurdity of this 'farce' and prefer to pass over in silence the week."

Radio Tirana, July 19, said in a long commentary that the week concealed in fact the intention to restore capitalism in the Socialist countries and it also concealed war preparations. Kennedy's promise to the people that the United States of America would free them from Communist rule was another provocation of the U.S. imperialists. The week was, however, the paper said, not supported by the American people. Kennedy thus made himself a laughingstock. The week would be a shame for him and would show that the Kennedy administration was even worse than Eisenhower's.

Radio Sofia, July 19: "The whole campaign was arrogant and cynical. It was impertinent to speak about the enslaved East European peoples because they had freed themselves from capitalist oppression."

The Bulgarian paper Trud on July 16, in a political article by Apostolov said that the week was proclaimed by the President because of the necessity "to rescue the shattered foundations of the American position of strength." The writer said: "The winds Mr. Kennedy is sowing are not accidental—the time has come when the peoples should admonish the American rulers and their allies in London, Paris, and Bonn that 'He who sows winds will reap storms.' "

Nepszabadsag, Budapest, July 16, reported that by issuing the proclamation, the President "dealt a blow to the New Frontier policy" and the policy of the United States of America based upon "new and more realistic views." The organizing of Captive Nations Week proved that it contains "everything which is old and bad." Therefore it is a "hostile and provocative" gesture toward the countries of People's Democracy. "Many probably remember the new President's statement in which he expressed his desire to normalize U.S. relations with the countries of Eastern Europe. Well, the launching of the 'week' is a new proof that the deeds of today are different from the words of yesterday."

Tribuna Ludu, July 16: Its Washington correspondent, Z. Broniarek, said "For some years the most reactionary American Congressmen and Senators have been eager to worsen the relations between the East and West in this manner (Captive Nations Week), to poison the international atmosphere, and to hinder the search for a common language on the subject of a peaceful solution of controversial problems of international policy." The "propaganda week," the writer said, does not enjoy any exceessive popularity in the American community, continuing "Its character is too well known, as well as the moral criteria of many of its organizers. The ill-famed Senator DODD, of Connecticut, former FBI cooperator, is one of its leading spokesmen."

Mlada Fronta, the Czechoslovak youth paper, on July 16, disputed the right of the imperialist countries to fight for the liberation of the nations of Eastern Europe and recalled the year 1938 when the people of Czechoslovakia were thrown at the mercy of Hitler by the British and French allies who acted under the patronage of the United States.

Radio Budapest said on July 15 that the "obsolete weapons of the cold war have been set in motion again."

Hsinhua agency, of Communist China, on July 15, blamed President Kennedy for the provocative proclamation recalling that Captive Nations Week was created under a resolution of the U.S. Senate of 1959 with the outright wish to restore capitalism in the East European countries.

Radio Tirana, on July 15, said in a commentary that President Kennedy, by proclaiming the week against the Socialist camp, followed the Eisenhower pattern.

Radio Prague, said on July 15 that the Captive Nations Week campaign had been condemned by the world public and by the progressive circles in the United States as an attempt at interference in the internal affairs of countries which had gotten rid of the capitalist rule. These same circles had also urged the U.S. Government that instead it should pay attention to the poor situation of the colored population in its own country, and to the terrorist regimes of its own satellites which were merely preserved through the aid of American dollars and armed forces at foreign bases.

Radio Peiping, on July 17, in Serbo-Croat beamed to Yugoslavia, criticized the President for his proclamation, emphasizing that President Kennedy had inherited from President Eisenhower the hostile policy against socialist countries. The week has a provocatory aim, the broadcast emphasized.

Radio Moscow, July 17, said "the most inveterate knights of the cold war, the rabble of anti-Communist emigrants, had started a wicked campaign against the Socialist countries." The commentator referred to the rallies and meetings organized by various anti-Communist organizations and said that the provocative shouting in connection with the week of captive nations supported and backed by official American Government circles evaluate as an attempt aimed at kindling the cold war and poisoning the international atmosphere.

A PROCLAMATION BY THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA ON CAPTIVE NATIONS WEEK, JULY 16–22, 1961

Whereas by a joint resolution approved July 17, 1959, the Congress authorized and requested the President of the United States of America to issue a proclamation designating the third week in July as "Captive Nations Week," and to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all captive nations of the world; and

Whereas the chairman of the Washington Committee on Captive Nations Week has requested the Commissioners of the District of Columbia to designate the week commencing July 16, 1961, as "Captive Nations Week," to be observed with appropriate ceremonies and activities; and

Whereas there is a strong belief that the observance of Captive Nations Week throughout our country and our community will serve the cause of America and the entire free world; that the keeping alive of the spirit of liberation is the West's most effective instrument in the cold war and the chief deterrent to a shooting war; and that it will, in particular, strengthen the hand of the West with respect to the ever present critical situation facing Berlin; and

Whereas it is deemed appropriate and proper to extend to the peoples of the captive nations the support and sympathy of the people of our community for their just aspirations for freedom and national independence:

Now, therefore, we, the Commissioners of the District of Columbia, do hereby proclaim the week beginning July 16, 1961, as "Captive Nations Week," and invite the people of the Nation's Capital to participate in the observance of this period by offering prayers in their churches and synagogues for the peaceful liberation of the subjugated peoples from the godless tyranny which oppresses them.

COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
WALTER N. TOBRINER.
ROBERT E. MCLAUGHLIN.
F. J. CLARKE.

JUNE 29, 1961.

[From Freedom's Facts, August 1961]

CAPTIVE NATIONS WEEK DRAWS MOSCOW'S IRE

Moscow's answer to the millions of Americans who observed Captive Nations Week, July 16–22, was a violent charge that the United States was poking her nose into the internal affairs of other countries.

Alick de Montmorency, in the Washington Star, July 16, came much closer to the truth. He wrote: "A remarkable experiment, pitting the power of moral force against the military might of Soviet Russia, enters its third year today."

All over the Nation Americans representing many women's clubs, veterans organizations, trade unions, youth groups, and nationality associations took part in this effort. Special masses and prayers were said in churches. Special prayers were offered in synagogues. Everywhere there was an outpouring of support for the self-determination and national independence of countries now held captive by Communist power. They are:

Albania, Azerbaijan, Armenia, Bulgaria, mainland China, Cassakia, Croatia, Cuba, Czechia, East Germany, Estonia, Georgia, Hungary, Idel-Ural, Latvia, Lithuania, North Korea, North Vietnam, Poland, Rumania, Slovakia, Tibet, Turkestan and Ukraine. Total population, 910,698,000.

RED CONTROL—PERSUASION PLUS FORCE

Communists control all of these captive peoples by means of the Communist Parties backed up by the force of Communist-controlled arms. Arms alone are not enough to keep 910,698,000 people captive.

To succeed, Communists must convince at least a working minority of the captive peoples that they have no chance of victory if they do revolt, that their lives aren't so bad after all, that Communist world victory is inevitable, and that Communists have some right to rule because they are leading the people toward a better life.

Such have been the arguments Communist propagandists have put before the captive peoples. In the few months prior to Captive Nations Week this year the line was expanded. Khrushchev and others tried to convince the captive peoples that they "are the freest people in the world" and that the only enslaved peoples are those unfortunates outside of the Communist bloc.

The Kremlin's worry is that a great moral attack against the right of Communists to rule the captive nations, against the justice of their rule, against the oppressive political nature of their rule will have an effect. Communist leaders fear that effect will be to strengthen and crystallize opposition to Communist rule. At some moment of weakness, that opposition can change into action and the Communists era will be ended in revolution as it began.

The intensive propaganda attack against Captive Nations Week inside the Communist bloc is aimed to morally disarm captive peoples, to convince at least some of them that those outside who want to free them from Communist rule are mere troublemakers who, in any case, cannot succeed.

KHRUSHCHEV SOONER OR LATER WILL FAIL

Napoleon, who was the most feared tyrant of his day, the man seeking to rule the entire world, said that he had to keep delivering victories in order to satisfy the greed and ambition of those supporting him. Khrushchev is in the same position today. If he suffers a serious defeat, and the Communist position of invincibility is shattered, we can expect peoples in the captive nations to seek in action, the national and individual freedom they now nurture in their hearts.

Captive Nations Week observances in Washington, New York, Chicago, Buffalo, Syracuse, South Bend and in many other cities and in thousands of churches and synagogues throughout our Nation are the

means for strengthening captive peoples' will to be free. By so doing these observances are preparing the ground for the eventual total victory of freemen over Communist tyranny with a weapon which the Communists fear most—man's innate will to be free.

[From the Sign magazine, May 1960]

THE MYTH OF SOVIET UNITY

(By Lev Dobriansky)

The U.S.S.R. is a giant with clay feet—a restless conglomeration of many unwilling nations held in bondage by masters of deceit in Moscow. Soviet strength depends largely on hiding this fact from the world.

POPULATION FIGURES

The U.S.S.R.

Russians, 96 million.
Non-Russian, 114 million.

Non-Russian Nations Within U.S.S.R.

Estonia, 1,200,000.
Latvia, 2,100,000.
Lithuania, 2,700,000.
Byelorussia, 10,800,000.
Ukraine, 42 million.
Cossackia, 10 million.
Idel-Ural, 15 million.
Georgia, 4 million.
Armenia, 1,800,000.
Azerbaijan, 3,700,000.
Uzbek, 6,100,000.
Turkmen, 1,500,000.
Tadzhik, 2 million.
Kazakh, 9,300,000.
Kirghiz, 2 million.

Figures based on U.S.S.R. census, 1959.

Propaganda is the Russian Communists' most important weapon in the cold war. Out of a strange mixture of truths, half truths, and bald lies, they have cunningly devised an amazing system of deception. Chief among their deceits is the myth of Soviet unity.

This myth is kept alive only as long as we remain ignorant of the facts. It is high time we exploded the myth with knowledge of the truth.

What Americans do not know about Russia came to light painfully last July when a joint resolution, unanimously passed by Congress, called for the observance of Captive Nations Week. Now Public Law 86-90, this congressional act is the first official recognition which our Government has made of the existence of non-Russian nations within the Soviet Union.

The act of Congress mentions many captive nations without and within the U.S.S.R. borders. Deceived by Russian propaganda, Americans had long thought of captive nations only in terms of the satellites in eastern and central Europe.

When the resolution was made public, reporters, commentators, and the public inquired, "Where is White Ruthenia? Where is Cossackia?" Many admitted that they had never heard of Idel-Ural or Azerbaijan or even Turkestan. Meanwhile, a number of writers and analysts continued along their merry but blind way to apply this act of Congress solely to those minority captive nations in central Europe.

Those who investigated the situation were astonished to discover that there are more captive nations within the U.S.S.R. than there are without. They were surprised to learn that the people of those captive nations within the Soviet borders outnumber all the Russians combined.

When the joint resolution was passed, few Americans appreciated this fact. But Khrushchev did. Knowing the implications of President Eisenhower's proclamation of Captive Nations Week, he exploded.

Khrushchev was aroused because he wants to hide from the free world the fact that Russia, although a political giant, is a giant with clay feet—a giant whose framework is made up of many different strands.

We must understand some important distinctions between tribes, nations, states, voluntary federations, and tyrannically constructed empires.

The state, it should be noted, is simply the political aspect of the nation. Sometimes you have several nations voluntarily existing in one state, as in Switzerland. Again, you may have one nation being ruled, in separate parts, by two governments, as in Ireland. Again, many nations, against their will, may be politically and tyrannically controlled by one superimposed government, as in the Soviet Union.

After World War I, the present captive nations within the U.S.S.R., were newly independent states. In the collapsing Russian empire, after World War I, Lithuania, Georgia, Armenia, and other non-Russian nations, declared their political independence. They were free of czarist control. Furthermore, they had no mind to submit to Communist control from Moscow. They established themselves as free democratic republics. Ukraine and Georgia were even recognized as separate states by Lenin's Soviet Russia.

We remember well the tragic fate that overtook independent Lithuania, Poland, Hungary, and others in the forties. But what most of us forget is that similar tragedies befell Georgia, the Ukraine, White Ruthenia, and others in the early twenties. Trotsky's Red Russian Army had picked them off one by one after softening them up by infiltration, subversion, propaganda, etc.

By 1923, following the first wave of Red Russian imperialism, these non-Russian nations were forced into the spurious federation called the Union of Soviet Socialist Republics. Because of their large populations and their natural resources, these non-Russian nations formed the base for Moscow's further imperialist thrust into central Europe. Currently, they form the base for Russian colonial designs in the Middle East, Asia, and Africa.

Yet—and here is a basic point which Americans must grasp—these non-Russian nations within the U.S.S.R. have not passively accepted the Soviet yoke. Each decade, since the twenties, has been serious friction, resistance, even open rebellion, scald the hand of their Moscow masters.

This struggle continues. Not a month goes by that Moscow does not launch a fresh attack against this nationalistic trend. Indeed this opposition to Moscow pressured Stalin to bid for the inclusion of Ukraine and Byelorussia as original members of the United Nations. From time to time, Moscow finds it expedient to pretend that the non-Russian republics are independent. Amendments to the U.S.S.R. Constitution provide for these republics to have their own war ministries and to enter into direct diplomatic relations with other states. Moscow clearly does not underestimate the reality of these restless nations.

In December 1957, Khrushchev addressed the Supreme Soviet in Ukraine. He referred to Ukraine as "a truly free and independent nation."

But Nikita Khrushchev is not fooling the Ukrainians—and he dreads their genuine nationalism. Even during the illusory "spirit of Camp David" his agents in Munich assassinated the Ukrainian nationalist leader, Stefan Bandera, and, under the economic disguise of "voluntary resettlements," Khrushchev is currently engineering the deportation of families from western Ukraine to central Asia and the Crimea.

These non-Russian nations within the Soviet borders are ancient peoples with long histories and periods of national freedom. Ukraine has 42 million people, the biggest non-Russian nation within the U.S.S.R. The 3 Baltic nations number 6 million; White Ruthenia (Byelorussia), 10.8 million; Georgia, 4 million; Armenia, 1.8 million; Azerbaijan, 3.7 million; and Turkestan, purposely divided by Moscow into 5 "republics," (Kazakh, Tadzhik, Kirghiz, Turkmen, Uzbek), 22.9 million. Add to these some 10 million ethnic and nationally conscious Cossacks located above the Caucasus, and about 15 million Moslems concentrated in the Idel-Ural (Volga-Ural) country, and you wind up with the sizable figure, of about 114 million people. This figure covers only 11 compact ethnic and national non-Russian units. There are many small tribal units besides. The Russians number 96 million. Kremlin propaganda concerning the economic progress of the U.S.S.R. would take on a different color if it were subjected to the searching light of reality.

Moscow is supervising an uneasy conglomeration of many nations within the borders of the U.S.S.R. and a restless system of additional colonies outside its borders.

An economy based on extensive captive resources can hardly be compared with a free national economy. Most of the resources within the U.S.S.R. are concentrated in non-Russian areas: agriculture in Ukraine, Turkestan, and Georgia; coal in Ukraine and Turkestan; oil in Azerbaijan and Idel-Ural; 90 percent of the manganese in Georgia and Ukraine; iron ore in the Caucasus and Ukraine. Turkestan, three times the combined size of Britain, France, and Germany, alone accounts for about half the copper, lead, zinc output, and is also rich in bauxite and silver.

Soviet propaganda concerning the military might of the U.S.S.R. also acquires a different shade of meaning when confronted with facts. Forty-three percent of the Armed Forces of the U.S.S.R. is non-Russian. Even apart from likely Russian defections, this is most significant. As for potential Ukrainian, Russian, and other defections, Hungary has furnished the most recent example of what may happen.

Despite their inner weaknesses, the Russians have not only manufactured a myth of unity and invincible strength but they have managed to have the myth accepted by America. The myth has been swallowed not only by the public but by newsmen, commentators, columnists, and political leaders in high levels of Government. A few examples:

The New York Times, October 21, 1958: "Cardinal Agagianian is Russian by birth, having been born near Tiflis." This statement makes about as much sense as asserting that "Cardinal D'Alton is English by birth, having been born in the British Empire." Cardinal D'Alton is Irish and Cardinal Agagianian is Armenian.

Returning from a visit to the U.S.S.R., Adlai Stevenson wrote: "Russia is still a land of sharp and vivid contrasts." He meant the U.S.S.R.

Last July the Governors report on the Soviet visit was issued. Referring to the United States and the U.S.S.R., the report stated: "Ways must be devised for the people of these two major nations to understand each other." Even Khrushchev, speaking to various peoples within his empire, would not go so far as to call the U.S.S.R. a nation.

We would expect the U.S. Office of Education would be correctly informed. Yet, in its "U.S. Mission's Report on Education in the Soviet Union," we read: "The one fact that most impressed us in the U.S.S.R. was the extent to which the nation is committed to education as a means of national advancement." Actually, our Government still recognizes the free governments of Latvia, Lithuania, and Estonia.

I can almost hear my readers complaining that I am indulging in semantics. But this is not merely semantics. Senator John F.

Kennedy would resent it very much if people kept calling him Richard M. Nixon and vice versa. Everyone likes to retain his own identity, his own background, character, and intentions. So do peoples and nations.

The cold war today is being waged basically on the propaganda level. Hearts and minds of men are the primary targets. This has always been Russia's empire-building mode of attack. But Moscow's lies will eventually smash themselves against the hard reality of truth. Truth makes men free—and we can begin to triumph over imperialist Russian totalitarianism once we replace our misconceptions of Russia with knowledge of the truth. The captive nations resolution was a start. It is tragic that Moscow knows this better than we.

[From the Ukrainian Bulletin, July 15, 1961]

CAPTIVE NATIONS WEEK: BEACON OF FREEDOM

In his Captive Nations Week proclamation, President Kennedy invited Americans "to observe this week with appropriate ceremonies and activities" and urged them "to recommit themselves to the support of the just aspirations of all peoples for national independence and freedom."

Thus, in implementation of Public Law 86-90, Americans throughout the country observed Captive Nations Week, beginning July 16 through July 22, with mass rallies, concerts, special observances, as well as church services and public manifestations.

This year's observance of Captive Nations Week took on a special meaning and significance, as it took place at a time when a grave international crisis has developed as a result of the threats and blusterings of Khrushchev.

THE WEAPON OF FREEDOM

Two years ago, when the Captive Nations Week resolution was enacted by the U.S. Congress, it created a fury of violent protests and remonstrations in Moscow. For Khrushchev, more than Americans anticipated, felt the blade of this powerful psychological weapon.

The resolution, in effect, became the first American official document which bluntly characterized the Soviet Union as a predatory and wanton empire, built on the conquests and loot of the non-Russian nations and territories. It fearlessly pointed to Moscow as a center of slavery, when it described the enslavement of 22 countries:

"Since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

"The imperialistic policies of Communist Russia have led, through direct or indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam and others."

In his proclamation President Kennedy stated that the joint resolution of July 17, 1959, authorizes the Chief Executive of the United States of America to issue "a similar proclamation each year until such time as freedom and independence have been achieved for all in the captive nations of the world."

Thus the plight and suffering of the captive nations has become the concern of the American people and the U.S. Government as well.

It is as yet too early, at this writing, to assess the reaction, if any, of Moscow, against the Presidential proclamation. In 1959 and in 1960 Moscow raged violently and indignantly, when President Eisenhower issued similar Captive Nations Week proclamations.

Today, we may expect that Moscow will not keep silent and that sooner or later it will react against the Presidential proclamation as it reacted the two previous years.

In espousing the cause of the enslaved nations trapped behind the Iron Curtain of Europe and Asia, we are hitting the most vulnerable spot of the Russian slave empire. The proclamation reminds the American people and the world at large that America has not accepted as final the enslavement of the captive nations.

SUPPORT OF SILENT ALLIES

In conclusion, by observing Captive Nations Week we are serving notice to Moscow that we are not giving up hope for the eventual liberation of all the captive non-Russian nations.

Let us relentlessly keep driving home the point that the Communists of Moscow are for self-determination only in those parts of the world which are not under their control and supervision, and the Russians, while waving a banner of liberation among the African and Asian peoples, are denying the most elementary rights to the peoples whom they conquered and over whom they exercise a despotic rule.

Let us make sure that the concern over the captive nations is part and parcel of our foreign policy, and that it is not limited solely to speechmaking and other ceremonial manifestations, but that it is one of the basic tenets of our foreign policy objectives, one on which we cannot afford to compromise without losing our self-respect and our moral fiber.

For the captive peoples are our silent allies in the common struggle against the enemy of mankind.

The continued resistance of the enslaved nations is a great deterrent to any aggressive adventures which Khrushchev might foolishly undertake.

Therefore, firm U.S. support of the cause of liberation of all the captive nations would strengthen the will and determination not only of the German population of West Berlin, but the millions of our secret allies behind the Iron Curtain.

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain communications.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OF THE INTERNAL REVENUE CODE TO RESTORE CERTAIN PAST ADMINISTRATIVE PRACTICES IN COMPUTING GROSS INCOME FROM MINING FOR PERCENTAGE DEPLETION PURPOSES

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. KNOX] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNOX. Mr. Speaker, I introduced, on August 2, a bill, H.R. 8474, to restore certain past administrative practices in computing gross income from mining for percentage depletion purposes. In my opinion, this bill represents a reasonable solution to certain important problems that Congress, in all fairness, should solve. In order to help my colleagues understand these problems better, I would like to present for the record a brief summary of the historical background.

Effective for the year 1932, percentage depletion was substituted by Congress for discovery depletion in the case of coal, sulfur, and metal mines. The percentage depletion deduction—like the discovery depletion allowance before it—represents an allowance for the exhaustion of a wasting asset, somewhat similar in nature to the capital gains treatment afforded to a taxpayer who disposes of a capital asset. In addition, it represents an incentive taxation policy which is designed to make available to the Nation a plentiful supply of the minerals which we need to maintain our high standard of living.

Percentage depletion is computed as a fixed percentage of the gross income from mining, with an additional percentage limitation based on taxable income from mining. The "income from mining" was not defined in 1932, and the lack of definition resulted in various problems which Congress solved by enacting a statutory definition of "income from mining" in the Revenue Act of 1943.

The 1943 definition was reasonably satisfactory, and resulted in very little litigation, until Congress added a number of additional minerals—including nonmetallics such as brick and tile clay, refractory clay, limestone, dolomite, and so forth, in 1951 and 1954. Faced with a 1943 definition of income from mining that was not particularly designed to deal with some of these nonmetallics, the district courts and the courts of appeal relied upon the statutory language that "mining" was meant to include all processes normally applied by mineowners or operators in order to obtain the commercially marketable product or products. In interpreting this language, the lower courts held that "mining" went beyond the concept of mining which had been incorporated in Treasury Department rulings and administrative practices. They said, for example, that producers of calcium carbonates were entitled to include within mining the processes necessary to produce cement, whereas the Treasury had always maintained the position that crushing and grinding, which have traditionally been considered as part of the mining operation, were the "mining" processes in the production of cement. The courts also held, in view of the express language of Congress, that brick and tile clay producers were entitled to include within "mining" the processes necessary to produce their first commercially marketable product—finished brick. This went further than the Treasury's historical position, which was that brick producers were entitled to include within mining the crushing, grinding, and separating from waste. Other examples could be given. It is perhaps well to point out that all of the lower courts agreed upon "end product" interpretation of the congressional language.

In 1957 the Supreme Court of the United States denied the Government's request for certiorari in the two leading cases which interpreted the statutory

language as meaning "end product"—*Merry Bros. Brick and Tile Co.*, 242 Fed. (2d) 708 (CA 5), certiorari denied 355 U.S. 824, and *Dragon Cement Co., Inc.*, 244 Fed. (2d) 513 (CA 1), certiorari denied 355 U.S. 833.

When the Supreme Court refused to review these cases, a reasonably prudent man was entitled to believe that the courts had with finality interpreted the language of the law to mean in the case of brick to mean that the producers were entitled to compute their depletion allowance on the income from finished brick. Indeed, the Internal Revenue Service published Technical Information Release No. 62, on October 18, 1957, advising taxpayers that, in view of the Supreme Court's action in these two cases, the service would dispose of brick and tile clay claims in accordance with those decisions, and would amend its regulations accordingly. This published statement also applied to cement when produced from "cement rock."

There is no question that the service meant, in issuing Technical Information Release No. 62, that it was giving up the long judicial battle on brick and tile clay, and in the future would agree that depletion on brick and tile clay was to be computed on the basis of the selling price of brick and kindred products. This meaning was understood throughout the industry, and brick producers relied upon the Government's word in their financial planning. For 2 years after the issuance of Technical Information Release No. 62, the Government abided by its word—settling a large number of tax cases on the basis of finished brick.

In 1958 the administration asked Congress for a change in the law with respect to the meaning of "gross income from mining" for brick and tile clay and cement—again showing to the brick industry that it understood the judicial interpretation of the existing law to mean finished brick. No action was taken by Congress that year, so in 1959 the Treasury repeated its request for remedial legislation—this time on a much broader scale, affecting all minerals, to forestall the possibility that judicial interpretations might upset administrative precedents with respect to many other minerals. Hearings were held by the Ways and Means Committee in 1959, but no action was taken on the Treasury's request that year.

On December 14, 1959, the Supreme Court granted the Government's request for certiorari in Cannelton Sewer Pipe Co., involving the definition of gross income from mining for fire clay and shale. That was the first date on which a prudent man would have been justified in doubting the judicial interpretation that income from bricks formed the basis for depletion on brick and tile clay. It is important also to remember that, on that date, the Government was still living up to its word in Technical Information Release No. 62—it was computing depletion for brick and tile clay on the basis of income from brick.

Subsequently, in June 1960, two important things happened, almost simultaneously. On June 20 the Senate adopted, as an amendment to the Public Debt and Tax Rate Extension Act of 1960, the Gore amendment which was, word for word, identical to the Treasury Department's 1959 legislative proposal—spelling out in the law the Treasury's historical interpretation of the 1943 statute. The Gore amendment was adopted by Congress and approved by the President on June 30, 1960, but not until it had been substantially rewritten in conference. It was applicable only to 1961 and future years, and did not purport to cover the situation for past taxable years.

During debate on the Gore amendment, Congress was put on notice that the extreme haste with which the amendment was rewritten and passed might well result in unintentional inequities that would have to be corrected in the future, a prophecy that has proven all too correct. It is to certain major inequities that my bill is addressed.

On June 27, 1960—while Congress was in the process of adopting the Gore amendment as rewritten in conference—the Supreme Court of the United States handed down its decision in *U.S.* v. *Cannelton Sewer Pipe Co.*, 364 U.S. 76. This decision was a narrow one on its merits—holding that a producer of fire clay and shale was not entitled to depletion on its finished product merely because it could not sell its raw minerals at a profit. Nevertheless, the Supreme Court used very broad language in its opinion—language which touched upon many important principles which were not at issue and which were not argued before the Court. Lawyers realize that obiter dicta of this nature, not essential to the decision and promulgated without the benefit of argument before the Court, are not supposed to furnish guidelines for subsequent cases. As a practical matter, however, the district courts and the courts of appeals will generally follow the Supreme Court's obiter dicta when, as in this instance, they are not contradicted by statements of the Court in other cases. The net result, then, is that we find the lower courts in a position where they feel bound to follow statements of the Supreme Court which were not well considered, being issued gratuitously and without benefit of argument by counsel. Already, lower court decisions are being rendered which indicate quite clearly that the Supreme Court's decision will be used to disallow, as a part of "mining," some processes, such as crushing and grinding, which have always been considered as part of "mining" and which the Treasury has always allowed by regulation and by administrative practice before the Cannelton decision.

Late in 1960 the President approved Public Law 86-781, which contained, among other things, a special provision allowing the producers of minerals used in making cement to elect to apply, retroactively, the provisions of the Gore amendment. This option permitted the settlement of open taxable years prior to 1961 on the basis of kiln feed, which was the historical administrative position of the Treasury prior to the end-product cases. In this manner, the special legislation permitted the settlement of a large number of court cases, on a basis which conformed to the meaning which Treasury historically ascribed to the 1943 congressional definition of "mining." Almost all of the cement producers elected to use this settlement, resulting in additional tax collections running into the hundreds of millions of dollars.

The time has come when Congress should face the problem of correcting unintended inequities with respect to minerals generally, and also the problem of keeping the Government's word with the brick producers. The pendulum has swung too far, and we should correct the situation before it gets any worse.

With respect to minerals generally, legislation is needed to restore historical and well-founded administrative practices. In view of the sweeping statements contained in the Supreme Court's Cannelton decision, the lower courts are disallowing some processes that the Government always previously recognized as mining processes within the intent of the 1943 act.

In explaining the conference agreement on the Gore amendment to the Senate, Senator BYRD stated, in part, that—CONGRESSIONAL RECORD, volume 106, part 11, page 14514:

> The bill will, however, generally continue the treatment provided under the law prior to the court cases in recent years which have expanded the depletion base.

When our distinguished colleague from Arkansas who is chairman of the Committee on Ways and Means [Mr. MILLS] was explaining the conference agreement on the Gore amendment to the House, he was asked what the bill would do in the case of limestone producers who crush, grind, sort, screen, wash, dry, store, and load the material. Congressman MILLS stated, in response—CONGRESSIONAL RECORD, volume 106, part 11, page 14548—that:

> There is no change in the processes allowed under present law with respect to that operation.

Thus, it is clear that Congress in passing the Gore amendment intended to maintain historical interpretations and administrative practices. Yet in some important respects—primarily "crushing" and "grinding" of minerals which are "customarily sold in the form of a crude mineral product"—the Gore amendment has unintentionally cut back on previously allowed processes.

In the 1959 hearings before the Ways and Means Committee on the Treasury Department's proposals, the Treasury witness stated—page 9—that "processes such as crushing, grinding, and loading for shipment are recognized as mining processes when applied to a crude material."

Crushing and grinding were always allowed by the Treasury Department, in its administration of the 1943 act, as "mining" processes in the case of all minerals. Those processes would have been allowable as a part of "mining" under the 1959 Treasury proposal, and under the Gore amendment as it passed the Senate. However, the last-minute revision of the bill in conference, which I have already referred to, resulted in

changes which eliminated from the bill the allowability of crushing and grinding in the case of minerals customarily sold in the form of a crude mineral product. Moreover, the lower court interpretations of the Cannelton decision indicate that the allowability of these processes will be lost retroactively in the case of some taxpayers.

In 1960, when the House was considering the conference agreement containing the Gore amendment, my esteemed committee colleague from Wisconsin [Mr. BYRNES] stated—CONGRESSIONAL RECORD, volume 106, part 11, pages 14550–14551—that:

> We have been denied the opportunity to have the benefit of the views of expert and knowledgeable individuals on this very technical subject of depletion. We must stand ready next January to approve promptly any corrective legislation that may prove necessary as a consequence of the hasty action we are forced to take at this time on this important subject to depletion. * * * We can all hope that what we are doing is correct and equitable, but we must stand ready to correct any shortcomings that may develop in the light of more thorough examination in this area.

Mr. Speaker, I submit that serious and unintended shortcomings have developed from that hasty action, and I submit that the time has come to correct those shortcomings.

Turning now to the special case of brick and tile clay, I submit that Technical Information Release No. 62 should be followed for taxable years beginning before December 14, 1959—the date when the Supreme Court granted certiorari in Cannelton, and the first date when any brick producer had any reason to suspect that the Government would not keep its word as set forth in Technical Information Release No. 62. The question has been raised, from time to time, why brick and tile clay producers should get the full benefit of Technical Information Release No. 62 for those years, when the 1960 special legislation for cement gave cement producers much less than the full benefit. There is a very logical and practical answer.

First, cement is produced from several sources—including "cement rock" and "calcium carbonates." In Technical Information Release No. 62 the Government dealt only with "cement rock," a rather indefinite term subject to varying interpretations. As a result, the producers of cement were not in a position to prove that the Government had conceded the finished cement cutoff point for all of their minerals, and hence the compromise reached in 1960 was a reasonable one. On the contrary, Technical Information Release No. 62 was not subject to different interpretations in the case of brick and tile clay—the Government clearly stated it was conceding the computation of depletion based on finished brick.

In addition, it is important to note that the cement industry was treated as a unit for depletion purposes, while there will be great discrimination between members of the brick industry if the situation is not corrected. In a large number of cases members of the brick industry have closed many taxable years on the basis of finished brick, while others are unfortunate enough to have years clear back to 1951 subject to recomputation. The total revenue involved for all open years is somewhat less than $15 million, but the brick and tile clay industry is composed of large numbers of very small taxpayers, many of whom will be forced into bankruptcy if these additional sums are collected by the Government after all these years.

Under previous consent I include the text of a short memorandum I have had prepared explaining my bill, H.R. 8474, to be printed at this point in the RECORD:

EXPLANATION OF H.R. 8474

(1) The bill would allow, for 1961 and future years, crushing, grinding, separating the ore or mineral from waste, in the case of ores or minerals which are customarily sold in the form of a crude mineral product.

Under the Gore amendment, which is applicable to 1961 and future years, crushing and grinding are allowed only in the case of minerals not customarily sold in the form of a crude mineral product. Prior to the court decisions which culminated in the Cannelton decision, the Treasury always allowed crushing and grinding to all minerals—whether customarily sold in the form of the crude or not. In fact, the 1959 Treasury legislative proposal would have allowed crushing and grinding for all minerals. The Gore amendment as it passed the Senate would have allowed crushing and grinding for all minerals. In conference, when the Gore amendment was revised, changes were made which dropped crushing and grinding in the case of minerals customarily sold in the form of the crude mineral product.

The crushing and grinding provisions are necessary for the restoration of past practices, primarily in the case of refractory clay and nonmetallic minerals such as limestone, road stone, etc., which might otherwise be deprived of crushing and grinding if it is decided that they are customarily sold in the form of the crude mineral product.

(2) The law disallows fine pulverization unless it is necessary or incidental to some other process. H.R. 8474 would not change this provision, but it would define fine pulverization. At the present time no one—Treasury, industry, or the courts—knows what fine pulverization means, and there should be some definition in the law to avoid uncertainty and disputes.

(3) The bill would let any taxpayer (except cement producers, who were given a similar option in 1960 legislation) elect to have the Gore amendment, as changed by this bill, apply to all open years prior to 1961—the effective date of the Gore amendment.

This would be beneficial to the following groups of taxpayers:

(a) Taxpayers who are being denied crushing and grinding for past years, under the judicial interpretations of Cannelton. By electing retroactive application, they would get their crushing and grinding—as they always did under the Treasury's administration of the law prior to Cannelton. This group will include primarily the refractory clay and nonmetallic minerals.

(b) Taxpayers who are being challenged on processes named in the statute as mining, because of the possibility of a market for their mineral prior to the application of such processes. When a process is named in the law as a mining process, that should end it—but there is a threat that such processes will not be allowed for back years if the Government can show a market somewhere. By electing retroactive application, the marketability test will be eliminated and named processes will be allowed without litigation.

(4) The bill would treat as mining any process which would have been treated as mining under a published statement of the Internal Revenue Service which was not revoked prior to December 14, 1959. This has application only to brick and tile producers. In Technical Information Release No. 62, issued October 18, 1957, the Service publicly announced it would dispose of pending brick and tile clay and cement rock claims in accordance with the decisions in *U.S.* v. *Merry Brothers Brick & Tile Co.*, and *U.S.* v. *Dragon Cement*, and that it would amend its regulations accordingly. The cement problem has already been settled, by 1960 special legislation. However, it is clear the Service meant, in Technical Information Release No. 62, that it was going to allow depletion on income from brick—and this was well understood by the entire brick industry. For those years prior to December 14, 1950, when the Supreme Court granted certiorari in Cannelton, the brick producers were entitled to rely on the Government's word, and this reliance should not be upset by retroactive application of the Cannelton decision.

In effect, therefore, H.R. 8474 would confirm the allowance of brick for open years through 1959; for 1960 it would provide, as does the existing Gore amendment, that brick producers would be allowed "crushing, grinding, and separating the mineral from waste." The allowance of these processes for 1960 would follow from the retroactive election provisions of the bill.

In summary the bill would settle vexing administrative problems and would end substantial litigation, by restoring to the law the processes which were always granted by the Treasury Department prior to the end product cases which caused so much trouble to everyone.

In addition, it would provide that, in the case of brick, the Government would stand by its word—as Government should.

CASTRO—PROTECTOR OF PIRATES

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. JOHANSEN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JOHANSEN. Mr. Speaker, as matters now stand, in the plane hijacking affairs, Fidel Castro is obviously a receiver of stolen property and a protector of aerial pirates.

In the latest plane hijacking incident, he has compounded these offenses by a deliberate and studied insult to the U.S. Government. He did so by announcing that speedy release of the Pan American jetliner last night was granted in deference to the Colombian Foreign Minister, who was a passenger aboard the plane.

The U.S. Government should deliver an ultimatum for immediate return of the Eastern Air Lines Electra plane still held in Cuba and the hijackers of both planes, and military force should be used if necessary to back up this ultimatum.

We should recognize, of course, that Castro and his Communist regime are also the kidnapers of the people and island of Cuba and that there is going to be no end either to this Communist threat to the security of the United States and the Western Hemisphere or to the international brigandage centered in Cuba, until we take all necessary measures, including military force, to liberate Cuba.

SUGAR LEGISLATION DELAYED

Mr. LANGEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. LANGEN. Mr. Speaker, the Agriculture Department has made it official. It will not recommend expansion of U.S. beet sugar acreage until at least 1962. Secretary Freeman told a news conference that his Department will make no recommendations on sugar to Congress this year, but it is reasonable to expect that recommendations which will be made to Congress at its 1962 session will favor an expansion of beet sugar acreage.

It comes as a great disappointment that the American farmer must once more take a back seat to foreign producers. Secretary Freeman's statement comes despite all our requests to the Agriculture Department to make a recommendation now.

The delay will have a twofold effect on the Red River Valley sugar growers and on other domestic sugar interests. First, the failure of Congress to act this year leaves no planning time for next year's crop. The producer and processor alike suffer when there is no time to get ready. But, more important, Congress will again be faced with a deadline in 1962—the Sugar Act will expire June 30 of that year—and may be forced once more to act in a temporary manner that does not adequately solve the many sugar problems.

The Secretary of Agriculture says it is reasonable to expect that the recommendations made in 1962 will favor an expansion of beet sugar acreage. If it is reasonable in 1962, it should be reasonable right now. American farmers have already demonstrated the need, desire, and ability to produce a greater share of the Nation's sugar crop, and we should give them the chance to prove it with enough advance notice to be ready for it. I suggested as far back as May of this year that American farmers should be given a fair share of the increased market made possible by the termination of the Cuban quota and the increased consumptive needs of the American people. But the administration and Agriculture Department show increasing tendencies to give the "plum" to foreign interests. Secretary Freeman told newsmen that the Department is "prepared to cooperate fully with whatever proposals concerning agriculture may be approved at the Inter-American Conference at Punta del Este, Uruguay." We hope the U.S. farmer is being considered with at least equal cooperative intent.

Congressman HAROLD D. COOLEY, chairman of the House Committee on Agriculture, wrote to me 8 days ago; said he had previously been assured that he would receive sugar legislation recommendations by the middle of June 1961. But, Congressman COOLEY continues:

> On account of the uncertainties existing in many of the sugar-producing areas of the world, I doubt very much if the administration will submit recommendations during the present session of Congress.

The administration and the Department of Agriculture apparently could not care less about the uncertainties such a delay fosters upon the American farmer. We have no assurance that the world uncertainties will miraculously be cleared up anyway; and further delay is a disservice to the American farmer, who should be given first consideration.

The American farmer deserves to produce a larger share of the sugar consumed in this country. Increased domestic production of sugarbeets would be a relief to the taxpayer as well. In our Red River Valley area of northwestern Minnesota and eastern North Dakota, for example, every additional acre planted to sugarbeets will mean almost invariably 2 less acres planted to crops which are in surplus.

Time is rapidly running out for this session of Congress. It is apparent that no sugar legislation will be enacted unless the American people insist on it. There is still time before adjournment, but the action must be immediate.

THE RECORD OF REOPENING THE NSLI PROGRAM AND INCREASES FOR SERVICE-CONNECTED VETERANS

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SAYLOR] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SAYLOR. Mr. Speaker, on last June 5 the House passed by unanimous vote the bill, H.R. 879, which provides for an increase in the rates applicable to veterans with service-connected disabilities. In addition to providing for an increase for this group of veterans based on changes in the cost of living, the last increase having been in 1957, the House, following the leadership of the Committee on Veterans' Affairs, continued its general policy of providing the greatest increases for those veterans who had the most severe service-connected disabilities.

This was not a bill which was hastily considered but, in effect, represented months of work prior to its being reported and approved by the House. The Committee on Veterans' Affairs informally and formally received considerable information and numerous proposals before the bill was finally reported in the fashion passed by the House. Prior to that time, the leaders of the major veterans' organizations were consulted and advised of the limitations likely to be in the bill and the reasons why greater increases were not provided. Hearings were held for 3 days, in which testimony was received from all the major veteran organizations, the Veterans' Administration and, in addition, the author of each bill relating to service-connected compensation was invited to testify on his or her proposal. Many Members of the House took advantage of the opportunity.

Shortly after the convening of the 87th Congress, the chairman of the committee had a conference with the President concerning the needs of service-connected disabled veterans and expressed his hope that the administration would support a reasonable and equitable bill involving changes in the compensation structure. Following that conference, the President did include in the budget message an item indicating he would approve a bill raising the rates of compensation for service-connected veterans.

The bill, as I have indicated, passed the House on June 5 by unanimous vote and remained in the Senate Committee on Finance for a number of weeks where it was considered in executive session without any public hearings, but with closed-door testimony from representatives of the Veterans' Administration. Thereafter, the Senate Committee on Finance proceeded to reduce the rates for the 10-, 20-, and 30-percent disabled, adversely affecting approximately 1,300,000 veterans and saving approximately $12 million. The committee also struck from the bill a 7-year presumption for multiple sclerosis. The present limitation is 3 years and the House Veterans' Affairs Committee had acted only after receiving advice from the Director of the Neurological Institute of the National Institutes of Health that a 7-year presumption was entirely warranted. I think most Members will agree as to the standing and the integrity of the National Institutes of Health and the action of the House in this regard was based on solid fact and responsible representation.

The Senate Committee on Finance then proceeded to do what it had done in a number of instances before. It added as a rider to the compensation bill the so-called national service life insurance reopening amendment, advocated and sponsored by the junior Senator from Louisiana [Senator LONG]. This rider has an interesting history and is worth summarizing here. It has never been passed or reported in the Senate as a separate bill where it could be considered on its merits. Apparently its sponsor is so uncertain of his standing on this question that he feels he must have the support of other legislation if this matter is to be enacted into law. In the 84th Congress, the Long rider was added to H.R. 8079, which subsequently became the Survivors' Benefits Act, Public Law 881, 84th Congress. The rider was eliminated by the conference committee. In the 85th Congress, it was proposed as a rider to another insurance bill and here again the House rejected it and the Senate receded. In the 86th Congress, Senator LONG was successful in adding it to the pension bill which subsequently became Public Law 86–211. The House again rejected it and the Senate receded. In the 86th Congress, the Senate Finance Committee again added it to another insurance bill and when the chairman of the Veterans' Affairs Committee requested unanimous consent to take up this matter for consideration, it was blocked by an objection on the floor.

He, thereafter, asked for a rule from the Rules Committee to permit consideration of the proposal but a hearing on this question was not granted prior to adjournment of the 2d session, 86th Congress.

It will be noted from the above recital that on one occasion the House and the Senate voted affirmatively by adopting a conference report to strike out the Long rider. In the other instance, unanimous consent was required to take the action indicated. Thus it is not correct, as some proponents of the Long rider are charging, that the House of Representatives has never had an opportunity to vote on this question.

Strange as it may seem from all this activity, the Senate Committee on Finance has never held hearings on the question of reopening the national service life insurance program, except in the 87th Congress when the hearings were held 10 days after the committee had already reported the compensation bill with the Long rider attached. For a matter which has the merit its sponsor believes it to have, it is indeed strange and an unusual legislative procedural quirk that a responsible committee of the Senate has never held full-scale hearings on this question. In contrast to this procedure, the Committee on Veterans' Affairs in the 82d, 83d, 84th, 85th, and 86th Congresses has held hearings on this proposal. In each instance the bills seeking to accomplish this objective have been rejected by the Subcommittee on Insurance. In the present Congress, hearings have been held and the full committee, as well as the subcommittee, participated in these hearings. Every person wishing to be heard on this subject was invited to testify. The Veterans' Affairs Committee will meet in executive session in the near future to make a decision on this question.

It should be emphasized, too, that the Long proposal has never received the endorsement of any administration since it has been presented. In other words, the Truman, Eisenhower and Kennedy administrations have all opposed this proposal.

Aside from any merits that the so-called Long amendment might have, there are many serious questions in this problem which logic would seem to indicate would have long ago been solved by an interested sponsor. For example, the present proposal provides for a 2-year period within which veterans of World War II and the Korean conflict would have the right to reinstate or receive for the first time national service life insurance, but this would not apply to service-connected, impaired risk veterans of World War II—only to service-connected, impaired risk veterans of the Korean conflict. Why Senator LONG of Louisiana, makes this sharp distinction I do not know. It does not seem logical or equitable to me. Another discrepancy is that Senator LONG of Louisiana, continues to use an outmoded table of mortality, one which we cannot change insofar as past policies are concerned but which the Congress has changed insofar as the issuance of new insurance is involved. In my opinion, no useful purpose is served by requiring the veteran to pay higher premiums and then refunding a considerable portion in the form of dividends. If new insurance is to be provided, logic would seem to dictate the best thing to do from the standpoint of the veterans as well as the Government is to provide low-cost insurance for all those interested in having it. Another discrepancy in Senator LONG of Louisiana's proposal is the fact that the new group would bear the administrative cost of maintaining their policies. Nevertheless, this would require an immediate appropriation of over $7 million which would later be repaid by the policyholders. World War II and Korean policyholders do not have to pay their administrative cost and, while there are constitutional doubts as to whether or not this could be changed even if the Congress desired to do so, Senator LONG of Louisiana's proposal makes "fish" of one group of veterans and "fowl" of another.

From a personal standpoint, the thing that a veteran should realize and consider is how much of a favor Senator LONG of Louisiana is doing him by permitting this reopening. A few facts will suffice.

Approximately 14,000 World War I veterans are maintaining their policies on a term basis. Assuming that their average age is 67, which is the average age for World War I veterans, they are paying $55.87 a year for each $1,000 of insurance. At age 70 this will increase to $72.77 and at age 75 to $111.16. In other words, a veteran of World War I, who has kept his policy on a term basis, at age 75 would be paying more than $1,100 a year for a $10,000 policy.

The World War II veteran today is approaching an average age of 42 and the annual premium for $1,000 of insurance for this age is $10.54. When this veteran was discharged in 1945, 16 years ago, he was paying $8.05. When this veteran reached age 45, he will be paying $11.72; at age 50, $15.05; at age 55, $20.95; at age 60, $30.78; and at age 65, $47 annually for each $1,000 of insurance.

Many veterans apparently are under the misapprehension that they will pay the same rates they paid 15 years ago. I hope these figures will prove what is involved.

We are now spending on the veterans' program for compensation, pension, medical care, and other similar benefits just slightly under $5 billion. The program is under attack from time to time and any program of that magnitude has to be watched constantly to keep it in line and to see that it is administered as reasonably and efficiently as possible. It also has to be considered from the standpoint of "basics" and many Members do not consider insurance a basic veteran benefit. No Member, so far as I know, is carrying any torch for the private insurance companies. No Member has any objection to the maintenance of the present program or any strong criticism of it, but there is a real question as to why we should adopt a new program which some can and do charge with complete accuracy as being a gigantic socialistic step—directly in competition with private business. In view of such a charge, it is rather surprising that the conservative Senate Committee on Finance would so casually approve a measure of this type.

Insurance is available from private sources for the men who would be eligible under the Long proposal. True, the dividend experience from private companies has been and would be nothing like what the veteran could expect under the Long proposal, but I do not believe we are required or have any obligation to provide insurance dividends to veterans as a part of the veterans' program. An insurance dividend is not a basic veteran benefit.

Regardless of the above questions which I have endeavored to present and which I think are meritorious and warrant the closest consideration, I think that all reasonable men will agree that the question of reopening the national service life insurance program has no relation to meritorious increases for service-connected disabled veterans. The House of Representatives passed a bill which would have provided nearly $88 million the first year in additional benefits for these veterans and many millions of dollars over the next few years. There should be no doubt in the minds of Members of Congress or the veterans of this country as to who is responsible for the delay in receiving a worthwhile increase in service-connected compensation rates. The blame lies squarely with those individuals, both in and out of Congress, who are insisting on inclusion of unrelated and nongermane items to this compensation bill, H.R. 879.

I ask unanimous consent to include at this point a history showing the bills which have been passed by the House and Senate, beginning with the 80th Congress and down to the present time in the 87th Congress, and which have failed to become public laws. Also, I ask unanimous consent to include a recent memorandum prepared on this subject by the chairman of the Veterans' Affairs Committee.

	Committees	Congresses							
		80th	81st	82d	83d	84th	85th	86th	87th
House bills which died in Senate	Finance	3	13	8	1	17	10	5	6
	Labor and Public Welfare		5	3	1		1		4
	Other	3						1	1
Senate bills which died in House	Veterans' Affairs	6 4	18 7	11 4	2 2	17	11 3	6 2	[1] 11 [1] 1

[1] 1st sess. to Aug. 7, 1961.

Total number of bills which died in Senate, 80th–87th Congs., to date:

Committee on Finance	63
Committee on Labor and Public Welfare	14
Other	5
Total	82
Total number of bills which died in House, 80th–87th Congs., to date	23

EIGHTIETH CONGRESS

House bills which died in Senate:

H.R. 3814, authorizes $5,000,000 for Negro hospital at Franklin County, Va.

H.R. 4160, amended National Service Life Insurance Act extending application for waiver of premiums, Committee on Finance.

H.R. 4651, amended National Service Life Insurance Act to extend reinstatement of 5-year term insurance, Committee on Finance.

H.R. 5680, amended National Service Life Insurance Act to exclude beneficiary parents who abandoned family after 7 years, Committee on Finance.

H.R. 6439, directed VA Administrator to make investigation of West Virginia plan for low-cost housing.

H.R. 6958, authorized VA Administrator to transfer property at Naval Training Station, Great Lakes, Ill., to Navy Department.

Senate bills which died in House:

S. 86, naming hospital at Americus, Ga.

S. 1056, amend World War II GI bill of rights to reduce benefits for U.S. citizens who had allied service and comparable allied benefits.

S. 2772, amend administrative provisions for Veterans' Canteen Service in VA.

S. 2807, authorized VA Administrator to contract services for investigation reports on insurance claims.

EIGHTY-FIRST CONGRESS

House bills which died in Senate:

H.R. 1941, provide limiting participation as beneficiary under National Service Life Insurance Act, Committee on Finance.

H.R. 2108, redefine term "wife" to include "dependent husband," Committee on Finance.

H.R. 4617, liberalize payment for pension certain veterans and dependents, Committee on Finance.

H.R. 5853, relating to full-time institutional trade and industrial training, Committee on Labor and Public Welfare.

H.R. 5965, hospital construction, Committee on Labor and Public Welfare.

H.R. 6034, Negro hospital, Franklin County, Va., Committee on Labor and Public Welfare.

H.R. 6374, liberalize pension laws, Spanish War, Committee on Finance.

H.R. 6559, minimum compensation for arrested tuberculosis, Committee on Finance.

H.R. 6560, increased disability benefits under National Service Life Insurance Act, Committee on Finance.

H.R. 6561, benefits dependent husbands and widowers of female veterans, Committee on Finance.

H.R. 6562, additional compensation for loss of creative organ, Committee on Finance.

H.R. 6673, treble damage action under loans of GI bill, Committee on Labor and Public Welfare.

H.R. 7534, 3-year presumption for psychosis, Committee on Finance.

H.R. 7739, count service academy service as active service, Committee on Finance.

H.R. 8236, apply dividends to premium payments under NSLI, Committee on Finance.

H.R. 8576, burial benefits, Philippine veterans, Committee on Finance.

H.R. 8848, study physical effects of suffering of prisoners of war, Committee on Labor and Public Welfare.

H.R. 9911, gratuities indemnity payment, Committee on Finance.

Senate bills which died in House:

S. 372, naming hospital at Americus, Ga.

S. 672, educational benefits enlistees prior to October 1, 1945.

S. 745, naming hospital at Chicago, Ill.

S. 926, naming hospital at Wilmington, Del.

S. 1387, naming hospital at West Haven, Conn.

S. 3254, naming hospital at Buffalo, N.Y.

Senate Concurrent Resolution 107, interpretation of Public Law 610, 81st Congress, re education costs.

EIGHTY-SECOND CONGRESS

House bills which died in Senate:

H.R. 301, benefits dependent husbands, widowers of female veterans, Committee on Finance.

H.R. 302, redefine requirements for pharmacists in VA, Committee on Labor and Public Welfare.

H.R. 304, provide study physical effects of prisoners of war, Committee on Labor and Public Welfare.

H.R. 313, hospital construction, Committee on Labor and Public Welfare.

H.R. 316, minimum rate arrested tuberculosis, Committee on Finance.

H.R. 317, increased disability benefits under NSLI, Committee on Finance.

H.R. 318, additional compensation loss of creative organ, Committee on Finance.

H.R. 2384, count service academy service as active, Committee on Finance.

H.R. 4108, service connection less than 40 percent, Committee on Finance.

H.R. 5891, further presumption for psychosis, Committee on Finance.

H.R. 6167, prohibit reduction of rating in effect 25 years, Committee on Finance.

Senate bills which died in House:

S. 306, naming hospital at Birmingham, Ala.

S. 645, naming hospital at Seattle, Wash.

S. 2729, transfer hospital from VA to Army.

S. 2731, transfer of hospitals between VA and Defense.

EIGHTY-THIRD CONGRESS

House bills which died in Senate:

H.R. 3685, furnish space and facilities in VA to State agencies, Committee on Finance.

H.R. 9866, limitations on outpatient dental care, Committee on Labor and Public Welfare.

Senate bills which died in House:

S. 631, suspend or delay education while serving as missionary.

S. 2719, subversive activity bar to education benefits.

EIGHTY-FOURTH CONGRESS

House bills which died in Senate:

H.R. 735, increase pension for Medal of Honor recipients, Committee on Finance.

H.R. 1614, increase compensation for eye and limb loss, Committee on Finance.

H.R. 1821, authorize checks forwarded to addresses, Committee on Finance.

H.R. 2867, pension increase Spanish War widows, Committee on Finance.

H.R. 5055, count service academy service as active, Committee on Finance.

H.R. 7144, no application statutory awards prior to August 1, 1952, Committee on Finance.

H.R. 7886, increase pension rates, Committee on Finance.

H.R. 8458, marriage dates liberalized for Spanish War widows, Committee on Finance.

H.R. 9841, raise income limitation for certain widows, Committee on Finance.

H.R. 9922, permanent-total rating active tuberculosis while hospitalized, Committee on Finance.

H.R. 10046, uniformity in compensation laws, Committee on Finance.

H.R. 10238, land for cemetery use in North Carolina, Committee on Labor and Public Welfare.

H.R. 10477, ban pension to prisoners after 60 days, Committee on Finance.

H.R. 10478, disposition of benefits unpaid at death of beneficiary, Committee on Finance.

H.R. 10542, liberalize criteria for eligibility of widows, Committee on Finance.

H.R. 12038, increase compensation and dependency allowances, Committee on Finance.

House Joint Resolution 110, wartime status service in Moro Province, etc., Committee on Finance.

EIGHTY-FIFTH CONGRESS

House bills which died in Senate:

H.R. 65, benefits VA employees in Philippines, Committee on Finance.

H.R. 67, increase pension for Medal of Honor recipients, Committee on Finance.

H.R. 76, increase compensation for eye and limb loss, Committee on Finance.

H.R. 413, presumption for leprosy extended, Committee on Finance.

H.R. 1143, presumption for arthritis, psychosis, multiple sclerosis extended, Committee on Finance.

H.R. 1262, land for cemetery use in North Carolina, Committee on Labor and Public Welfare.

H.R. 1264, permanent-total active tuberculosis while hospitalized, Committee on Finance.

H.R. 2770, no application statutory awards prior to August 1, 1952, Committee on Finance.

H.R. 4214, increase compensation for deafness, Committee on Finance.

H.R. 12927, apportion compensation for missing veterans, Committee on Finance.

House Joint Resolution 110, wartime status for service in Moro Province, etc., Committee on Finance.

Senate bills which died in House:

S. 2467, contract sewage facilities at VA hospital, Sturgis, S. Dak., Committee on Labor and Public Welfare.

S. 4031, education change of program, Committee on Labor and Public Welfare.

S. 4213, vocational rehabilitation for 30 percent disability or more, Committee on Labor and Public Welfare.

EIGHTY-SIXTH CONGRESS

House bills which died in Senate:

H.R. 268, additional compensation for defense, Committee on Finance.

H.R. 283, increase compensation for eye and limb loss, Committee on Finance.

H.R. 5996, no application statutory awards prior to August 1, 1952, Committee on Finance.

H.R. 8098, credit service in two wars for pension purposes, Committee on Finance.

H.R. 9792, salary of managers in VA hospitals, Committee on Post Office and Civil Service.

H.R. 12556, findings of fact and conclusions of law in appeals, Committee on Finance.

Senate bills which died in House:

S. 1138, readjustment benefits for peacetime veterans.

S. 2201, definition of "Veterans' Administration facilities."

EIGHTY-SEVENTH CONGRESS

House bills pending in Senate:

H.R. 846, additional compensation for deafness, Committee on Finance.

H.R. 848, vocational rehabilitation peacetime veterans, Committee on Labor and Public Welfare.

H.R. 856, new modified plan NSLI term insurance, Committee on Finance.

H.R. 858, salary of managers VA, Committee on Post Office and Civil Service.

H.R. 859, repeal mustering out payment provisions, Committee on Labor and Public Welfare.

H.R. 860, repeal unemployment provisions, Committee on Finance.

H.R. 861, no application statutory awards prior to August 1, 1952, Committee on Finance.

H.R. 873, increase compensation for loss of eye and limb, Committee on Finance.

H.R. 3587, outpatient treatment Indian wars, Committee on Labor and Public Welfare.

H.R. 4539, dividend certain Korean NSLI policies, Committee on Finance.

House Joint Resolution 73, study problems of elderly and ill veterans, Committee on Labor and Public Welfare.

Senate bills pending in House:

S. 2051, education benefits children in Philippines.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS AFFAIRS,
Washington, D.C., August 3, 1961.

MEMORANDUM

To: All Members of the House of Representatives.

Subject: H.R. 879 (service-connected compensation increase bill, with national service life insurance amendment attached).

H.R. 879 has been passed by the House, amended by the Senate, and is now lying on the Speaker's table. This bill was developed through consultations with the President and the President agreed to recommend a cost-of-living increase in service-connected compensation. The bill as passed by the committee provided a minimum cost-of-living increase to all categories, with increased amounts to the high disability groups. The bill, passed on June 5, 1961, by the House, had a first year additional cost of $87,933,144.

On July 17, 1961, it was taken up by the Senate. The Senate Finance Committee held no hearings; however, it did hear statements by the Veterans' Administration and the Bureau of the Budget in a closed-door session. After considering the bill briefly, the Senate Finance Committee cut the increases of the House bill for the 10, 20, and 30 percent groups in half which effected a savings of approximately $12 million, added the national service life insurance reopening amendment advocated by Senator LONG of Louisiana, and ordered the bill reported.

During the same session the committee also voted to hold hearings on the insurance portion of H.R. 879 and one other insurance bill, despite the fact that the committee had already voted to report the bill. During this executive session it is understood that an attempt was made to add the national service life insurance amendment to all of the veterans' bills under consideration. This idea was rejected by the committee.

The cuts in compensation made by the Senate Finance Committee adversely affected 1,300,000 veterans with service-connected disabilities. The Veterans' Administration estimates that approximately 1 million veterans would avail themselves of the opportunity to reenter the national service life insurance program. This would require an immediate appropriation of $7,252,000, although most of this would be repaid later by the policyholders. This $7 million requirement would be an additional demand on the Veterans' Administration budget and is significant when it is realized that floor action was necessary this year to restore $5 million which had been cut from the Veterans' Administration budget for hospitals. The Bureau of the Budget, speaking for the administration, strongly recommended against enactment of the national service life insurance feature of the bill.

There are few pieces of legislation which have received as much consideration as the proposals to reopen the national service life insurance program, despite the claims of its Senate sponsor that the bill has not had fair consideration. The Committee on Veterans' Affairs has in the 82d, 83d, 84th, 85th, and 86th Congresses held hearings on proposals to reopen the national service life insurance program. In each instance these bills have been rejected by the Subcommittee on Insurance. The Veterans' Affairs Committee has held hearings on these proposals this session of Congress and all interested groups were afforded an opportunity to present their views. It is expected that the Veterans' Affairs Committee will meet in executive session to vote on this issue in the near future. Such a meeting would have been held earlier had not the Senate action on H.R. 879 complicated the picture.

The Senate Finance Committee has never held hearings on this insurance bill, with the exception of the one held several days ago by the committee after it had ordered the bill reported. In the 84th Congress the insurance reopening proposal was added by the Senate Finance Committee, without hearings, to H.R. 7089, an entirely unrelated bill having to do with service-connected benefits for surviving widows and children. In the 85th Congress, the proposal was added, without hearings, to H.R. 11382, an unrelated bill pertaining to another insurance question. In the 86th Congress, the national service life insurance reopening proposal was added to H.R. 7650, without hearings, an entirely unrelated bill making certain changes in the veterans' pension program. In the 2d session, 86th Congress, it was added to H.R. 11045, without hearings. This bill was an unrelated insurance proposal. In three instances the insurance rider was removed by a vote on the floor of the House and the bills to which they were attached were referred back to the Senate for consideration. In one case it was removed in conference.

The compensation increases for service-connected disabled veterans had the approval of the administration. The proposal to reopen the national service life insurance program is opposed by the administration. The two issues are entirely unrelated. Apparently the Senate Finance Committee has had such little interest in the national service life insurance reopening proposal over the years it has declined to hold hearings on these proposals. There is no merit in this attempt to saddle a worthwhile compensation increase bill for disabled veterans with an unrelated and controversial program, such as the national service life insurance reopening proposal. There are no plans at this time for further consideration of H.R. 879.

OLIN E. TEAGUE, *Chairman.*

TIME VOICE OF AMERICA REALLY SPEAKS FOR US

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FASCELL. Mr. Speaker, the Miami News—an outstanding newspaper in my district—has categorically stated that it is time to transform the whisper of America into the Voice of America.

In the battle for men's minds, our voice of freedom has carried its message to the peoples of Latin America about as well as my message is being heard by you here today. However, the voice of Radio Moscow and the voice of Radio Peiping reaches these people loud and clear 167 hours and 40 minutes a week, compared to only 73 hours and 30 minutes a week for the whisper of America.

In the battle against communism in the Western Hemisphere, we must speak up with a clear and loud voice. Congress must back the plans of USIA Director Murrow and the Voice of America.

Mr. Speaker, an editorial from the Miami News, entitled "Time Voice of America Really Speaks for Us," spells out our responsibility. It is so pertinent I would like to read it:

[From the Miami News, July 29, 1961]

TIME VOICE OF AMERICA REALLY SPEAKS FOR US

The cold war battle is not just one to come to terms with the Soviet Union. It is also—and certainly equally so—a battle to prevent further inroads of Communists in regions wavering still between East and West.

Thus, it must be fought not only over Berlin and other trouble spots but also over the uncommitted nations. The nations waiting to be won.

It is not merely a military contest and a political chess game. It is also, particularly on the very soil of those nations, a battle of ideologies. A battle for men's minds. For the minds of millions of men—in Asia, Central America, South America.

Our enemies have long understood that. Consequently, their voice in these regions has been strong.

We have never understood that; consequently our voice has been weak.

Evidently we still don't understand it.

While China and Russia and even Castro's Cuba are spending untold sums to broadcast to these nations in their native languages, we have either failed to do so altogether or done so at a trickle.

Why? Because our Congress has refused to appropriate the proper funds for the Voice of America operation which is part of the U.S. Information Agency.

Even now a request for little over $2 million, needed to step up our Spanish broadcasts and to begin broadcasting in Portuguese, is bottled up on Capitol Hill.

Yet, as the President told Congress when he made his request for the money, "Communist China alone does more public information broadcasting in our hemisphere than we."

Yet countries like Brazil—dominating Latin America in size and population—are waiting to hear from us.

It is urgent and imperative for Congress to provide the defense tools the President asked for.

It is equally urgent and important for Congress to transform the whisper of America into the Voice of America.

We have little time left to begin speaking up and being heard.

RESETTLEMENT PROGRAM FOR CUBAN REFUGEES

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and to revise and extend his remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FASCELL. Mr. Speaker, now that it appears a major resettlement program for Cuban refugees, who have fled Castro's Communist tyranny, is about to be undertaken by the Federal Government, I would like to take this opportunity to call the attention of the Congress to the many fine individuals, business firms, civic organizations, State and Federal agencies that have done such a splendid job—under the most trying of circumstances—in the

State of Florida, and particularly in Miami, in assisting these homeless people—victims of a terrible Communist betrayal.

First our thanks must go to President Kennedy and Secretary of Health, Education, and Welfare Abraham Ribicoff who immediately recognized the Cuban refugee problem as a national problem and undertook to immediately implement recommendations for the tremendous job of receiving, screening, feeding, clothing, and caring for these needy people.

However, notwithstanding this excellent work by the Department of Health, Education, and Welfare, the people of south Florida initially faced and continue to have a tremendous responsibility for the Cuban refugees.

I am very proud of the outstanding manner in which our citizens and our organizations met this challenge and responded to the needs of the men, women, and children fleeing their homeland and entering a new land of freedom.

The part which these people and organizations played is a message which should be brought to the people of the United States and the world.

It would be an impossible task for me to name every individual in Miami who has opened his heart to the Cuban refugees since they first fled to this country seeking safety—I would have to read the entire Miami telephone directory and still add several thousand names.

Mr. Chairman, since Castro came to power in Cuba in January 1959, over 130,000 citizens of that country have fled the Communist oppression which seized their homeland. Some 65,000 of these homeless, but courageous people, have sought the shelter of freedom in the Dade County area of Florida. Approximately 50,000 persons have been registered as refugees in the Cuban Refugee Center in Miami. They are still pouring into Miami at the rate of 1,200 weekly.

To any city—regardless of how prosperous it might be—such an influx of terrorized, heartsick people, most of whom had little, if any, funds, can bring tremendous problems. To a city such as Miami, Fla.—which has been gripped in the throes of unemployment—it could have been a backbreaker except for the hearts and courage of the citizens of Miami.

Late in 1959, the churches of Miami, recognizing this problem, opened centers to provide medical outpatient care, food, used clothing distribution, and home visits to serve the needs of the refugees who had begun arriving from Cuba.

Faced with thousands of Cuban citizens—many of whom had never traveled out of their native country—the Miami Herald and the Dade County Bar Association, in October 1960, cosponsored a Latin Legal Forum, which was conducted in the Spanish language at the Dade County Auditorium.

These two fine organizations realized that the Cuban refugees were confused by immigration laws, traffic laws, and many other new and strange daily events. They saw the immediate need for integrating these homeless people into the community and took positive action.

The Federal Government took cognizance of the enormity of the problem and on December 12, 1960, the Cuban Refugee Center was opened in Miami, with the local government officials, as well as Bazel Crowe, the city manager of Key West, Fla., and Dr. Joe Hall, the superintendent of the Dade County public school system promising the fullest of cooperation.

Private agencies came to the assistance and located at the center. Among these fine organizations are the Catholic Relief Services, an activity of the National Catholic Welfare Conference; the Protestant Latin-American Emergency Committee, affiliated with the Church World Service; the United HIAS Service, Inc., which is the Hebrew Immigrant Aid Society cooperating with the Greater Miami Jewish Federation; and the International Rescue Committee, a nonsectarian agency.

Other organizations which came to immediate assistance included the National Committee for Resettlement of Foreign Physicians and the Community Services division of the AFL–CIO.

The U.S. Employment Service established offices at the Cuban Refugee Center to promote job opportunities for employable refugees.

The U.S. Public Health Service, operating through the facilities of the Dade County Public Health Department, began medical care and treatment of these homeless, destitute people. Assisting these agencies in this fine job were such outstanding hospitals as Jackson Memorial, St. Francis, Mercy, Mount Sinai, and Gesu Medical Clinic.

The American Red Cross, of course, as it always is in a time of disaster, was on hand to deliver more than 16,000 men's, women's, and children's toilet article kits and over 6,000 blankets.

On January 27, 1961, President Kennedy formally instructed the Secretary of Health, Education, and Welfare Abraham Ribicoff to express his concern and sympathy for the Cuban refugees and to assure them that the United States would do everything possible to expedite their voluntary return to Cuba as soon as conditions there would permit.

By Presidential authority, over $5 million has been allocated to support the various cooperative programs of assistance relating to the health, education, and welfare of Cuban refugees in the United States. The estimated cost for a year of operation is between 20 and 30 millions of dollars.

The Federal Government has done a splendid job of utilizing these funds to administer a wide variety of programs, to wit: Operation of the Cuban Refugee Center; resettlement of refugee families; financial assistance to needy families in the Miami area and to resettled families in other areas; hospitalization and medical care of the sick; consultations and advisory services to the private agencies; the care and protection of unaccompanied children; distribution of surplus food commodities; emergency welfare services for American citizens repatriated from Cuba; educational loans to deserving Cuban students; an adult education program, as well as elementary and secondary education programs for the children; the retraining of Cuban refugee physicians, attorneys, and other professionals; and, finally, the establishment and operation of a Cuban Refugee Research Center.

At the State level, the Florida State Department of Public Welfare has been the principal agency for administering immediate relief to these refugees in the form of financial assistance, child welfare services, and distribution of food.

In January 1961 I proposed that a program be initiated for Cuban students to continue their college education in the United States and to utilize the skills of the Cuban professionals who had fled the Communist tyranny of Castro.

An immediate program along these lines was announced in January by Dr. Ralph Jones, the head of the medical department, and Homer F. Marsh, the dean of the school of medicine, at the University of Miami. They announced that a medical school training program was being set up to train the Cuban doctors and listed several generous, private, business organizations that were making it possible.

Among these public-spirited organizations were such firms as the Upjohn Co. and the Eli Lilly Co. Also assisting in the financing of the medical training program were the American College of Surgeons and the International Society for Cardiology.

Dr. Wright, at the University of Miami, began developing a program whereby members of the American College of Physicians came to Miami to present medical lectures to the Cuban doctors.

At the same time, Jay F. W. Pearson, president of the University of Miami, announced receipt of a $7,500 Federal grant to initiate a national defense education language development program, and a $75,000 Federal grant to aid Cuban scholars.

Miami television station WTVJ began a daily news program in January in the Spanish language to keep the Cuban refugees abreast of the latest developments and ran a highly successful TV marathon to raise money for the Cuban Refugee Children's Fund.

In February of 1961, the Dade County Bar Association established an eight-man committee to assist the Cuban refugees. The citizens who have devoted many hours of their time to this project are Jonathan Ammerman, Juan Carreras, Judge Frederick Barard, Oscar White, William Steel, Charles Kimbrell, John Hoehl, and Emery Dougherty, Jr.

A home economist from the Florida Power & Light Co. wrote a Spanish-language cookbook and the church groups began holding cooking classes to show the Cuban women how to eliminate waste in their cooking. Miami social workers, such as Mrs. Ana Andres, spent many hours—and still are—on this and many other projects.

M. T. Kelly, director of teacher education, certification and accreditation, of the Florida State Department of Education, began a program for relocation of Cuban teachers.

By February of 1961, pharmaceutical firms and professional organizations had contributed more than $60,000 to the Cuban refugee relief program, and the International Telephone & Telegraph Co. added another $40,000 during that month.

Also in February, President Kennedy spelled out his nine-point Federal program for assisting the Cuban refugees—an accounting program conducted by Cuban public accountants led by Hector de Lara and Manuel J. Coya was launched, and Nicholas Duke Biddle, chairman of the Caribbean refugee program of the International Rescue Committee, announced the commencement at the University of Miami, of training for physicians, lawyers, accountants, and dentists.

This broad program was financed by the generous contributions of two hotel companies, a pharmaceutical firm, and two book publishing houses.

The first Federal checks to the needy Cubans were distributed in February and the ICA began to investigate the possibility of employing Cuban refugees on U.S. aid programs in Latin America.

John Stadnick, the Miami Springs representative of the Board of Pharmacy for the State of Florida, and the American Pharmaceutical Association started a program to create employment opportunities for Cuban pharmacists.

Theodore Kischler, dean of the technical division of the Dade County Junior College, announced the opening of a course for Cuban civil engineers.

In March of 1961, the Miami Dental Society announced plans for a graduate course in dentistry for their Cuban counterparts in cooperation with the University of Miami. Organization of this program was handled by two Miami dentists, Dr. Charles Holt and Dr. Norman Alley.

Dr. Anthony R. Joffre, of the Dade County Dental Society, set up a dental clinic, staffed it with Cuban dentists, and the People-to-People Committee of Coral Gables passed a resolution urging steps be taken in the training and relocation of Cuban physicians in cooperation with the American Medical Association and the American Hospital Association.

The Du Pont Co. made a $5,000 grant to the chemistry department at the University of Miami, and the Miami Housing Authority acquired 64 downtown apartment units as housing for the Cuban refugees.

The story goes on and on, Mr. Speaker. Miami's citizens, churches, civic, and business organizations have generously opened their hearts and pocketbooks to the Cuban people.

Just 2 weeks ago, an aviation program, financed by an outstanding international businessman and citizen of Miami, Mr. William Pawley, was started at the Embry-Riddle School of Aviation in Miami. Through Mr. Pawley's fine effort, some 44 Cuban citizens will now be able to obtain aircraft operators' licenses and prepare themselves for future careers.

We are not through yet. Miami will continue to open its arms to the Cubans as it has done in the past.

Miami will remain a haven to people everywhere from Communist oppression of tyranny of any type.

In the past 6 months, alone, Mr. Speaker, some 24,000 Cubans have been helped financially in the amount of $2.5 million; about 40,000 have been given medical assistance and surplus food has been made available to many thousands.

In addition to this, some 6,000 refugees have been resettled in every State of the Union and Puerto Rico at a cost of approximately $600,000.

In closing, Mr. Speaker, I wish to say that there have been some complaints of abuses of the program by Cuban refugees; however, I wish to point out to the Congress that in the past 2 months—in Miami alone—more than $25,000 in relief checks have been spontaneously and voluntarily returned to the center by the Cuban refugees.

These people have made statements, such as in the case of a 60-year-old grandmother, who wrote:

> I've found a housekeeping job for $23 a week—there are others who may be in need of this aid.

Another Cuban refugee returned his check saying:

> I beg your generous people to stop my economic aid. I have found a small job to support myself in your great city of freedom.

The Federal Government is paying out about $600,000 a month to these victims of Communist tyranny—but this investment is paying off in dividends that we could not buy anywhere for any price at any time.

I am certain that you are all aware of the great number of Cubans who rushed to the recruiting centers to join the Army following President Kennedy's recent speech. These people were asking for a chance to help to defend the United States and the cause of freedom everywhere.

As these Cubans now begin leaving the Miami area for resettlement in other parts of the country, I wish to take this opportunity to express heartfelt thanks to the many individuals and organizations throughout the country—and in the Miami area especially—which have made the symbol of American humanitarianism and freedom under our system a living thing.

In conclusion, I wish to assure the Cubans—and the victims of oppression everywhere—that they have our deep concern and sympathy, and that the gateway of Miami, which has truly become the gateway to freedom, will always be open.

HIJACKING OF U.S. PLANE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that the gentleman from New Mexico [Mr. MORRIS] may extend his remarks at this point in the RECORD and to revise and extend his remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORRIS. Mr. Speaker, all of us are completely stunned by the recurrence of hijacking of our U.S.-owned plane yesterday. The fact that this DC–8 was released by Cuba does not alter the Castro pattern of confiscation and retention of American-owned planes and property. Castro-controlled Radio Havana announced release of this plane "out of deference to the Colombian Foreign Minister, Julio Cesar Turbay," one of the passengers.

The patience of our Nation with the pirateering actions of Fidel Castro must come to an end. Our lack of official action has lent completely disproportionate importance to the arrogant moves of a pipsqueak Cuban gangster. We have permitted a gnat to assume the magnitude of a giant and must take positive action immediately to show the entire world that America can and will protect American lives and property.

In my opinion, there is very little difference between an organized military campaign and this organized campaign of determined harassment of our country by Communist agents from Cuba, only 90 short miles from our shores. We have allowed this insignificant Red lackey, Fidel Castro, to expropriate millions of dollars in American property. That confiscation can only be the beginning unless immediate action is taken to curtail his activities. The hijacking of our planes is showing a definite pattern and we must realize there is no way to predict to what other American industry this type of banditry will spread.

We must take concrete action without further delay to put a stop to this international piracy. In my opinion, we must immediately invoke an embargo and blockade on Communist Cuba, obtaining the fullest possible support of the Organization of American States. However, regardless of the decision of that group of states, the United States must move now to protect the very security of our Nation which is in grave danger. I sincerely hope the administration will use whatever means required to eliminate the Castro threat, including military might, if necessary.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. YATES (at the request of Mr. LIBONATI), for Thursday, August 10, 1961, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HARVEY of Indiana (at the request of Mr. LANGEN), for 15 minutes, on August 15.

Mr. PELLY (at the request of Mr. LANGEN), for 15 minutes, on August 14.

Mr. DEVINE (at the request of Mr. LANGEN), for 30 minutes, on August 16.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL

RECORD, or to revise and extend remarks, was granted to:

Mr. MICHEL and include an editorial.

Mr. PELLY and to include a copy of a letter from Mr. FORD to the New York Times.

(The following Members (at the request of Mr. LANGEN) and to include extraneous matter:)

Mr. FINO.

Mr. KEITH.

Mr. MACGREGOR.

Mr. MORSE.

(The following Members (at the request of Mr. FLOOD) and to include extraneous matter:)

Mrs. GRANAHAN.

Mr. ANFUSO.

Mr. MULTER.

Mr. ALFORD.

Mr. DENT.

Mr. DELANEY.

Mr. GREEN of Pennsylvania.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1085. An act to provide for the disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes;

S. 1294. An act to supplement and amend the act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936; and

S. 1815. An act to provide for one additional Assistant Secretary of Labor in the Department of Labor.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 2925. An act to amend the act of March 8, 1922, as amended, pertaining to isolated tracts, to extend its provisions to public sales;

H.R. 5228. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1962 Girl Scouts senior roundup encampment, and for other purposes; and

H.R. 7445. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes.

ADJOURNMENT

Mr. FLOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p.m.) under its previous order, the House adjourned until Monday, August 14, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1215. A letter from the Acting Secretary of State, transmitting the ninth report on the extent and disposition of U.S. contributions to international organizations for the fiscal year 1960, pursuant to section 2 of Public Law 806, 81st Congress (H. Doc. No. 222); to the Committee on Foreign Affairs and ordered to be printed.

1216. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting the 41st report on property acquisition for the Office of Civil and Defense Mobilization, for the quarter ending June 30, 1961, pursuant to subsection 201(h) of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

1217. A letter from the Deputy Secretary of Defense, transmitting the semiannual report showing no necessity for transfer of funds for air defense missile installations as authorized in section 402 of Public Law 85–685; to the Committee on Armed Services.

1218. A letter from the Director, Executive Office of the President, Office of Civil and Defense Mobilization, transmitting a report of a claim paid under the Federal Tort Claims Act pursuant to section 2673 of that act; to the Committee on the Judiciary.

1219. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases of certain aliens pursuant to the provisions of section 212(a) 28(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

1220. A letter from the Deputy Administrator, Veterans' Administration, transmitting a draft of proposed legislation, entitled, "A bill to amend title 38 of the United States Code to provide for waiver of indebtedness to the United States in certain cases arising out of default on loans guaranteed or made by the Veterans' Administration"; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. S. 2051. An act to afford children of certain deceased veterans who were eligible for the benefits of the War Orphans Educational Assistance Act of 1956 but who, because of residence in the Republic of the Philippines, were unable to receive such assistance prior to enactment of Public Law 85–460, additional time to complete their education; without amendment (Rept. No. 874). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 1098. A bill to amend section 901 of title 38, United States Code, to provide that a flag shall be furnished to drape the casket of each deceased veteran of the Mexican border service; with amendment (Rept. No. 875). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 5939. A bill to amend chapter 35 of title 38, United States Code, to provide that after the expiration of the Korean conflict veterans' education and training program, approval of courses under the war orphans' educational assistance program shall be by State approving agencies; with amendment (Rept. No. 876). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 6969. A bill to amend section 417 of title 38, United States Code, to provide that death pension may be paid in lieu of dependence and indemnity compensation in certain cases involving service-connected deaths occurring after December 31, 1956; with amendment (Rept. No. 877). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 8414. A bill to amend section 5011 of title 38, United States Code, to clarify the authority of the Veterans' Administration to use its revolving supply fund for the repair and reclamation of personal property; without amendment (Rept. No. 878). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 8399. A bill relating to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes; without amendment (Rept. No. 879). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1873. An act to amend the act entitled "An act to authorize the Commodity Credit Corporation to donate dairy products and other agricultural commodities for use in home economics courses", approved September 13, 1960 (74 Stat. 899), in order to permit the use of donated foods under certain circumstances for training college students; without amendment (Rept. No. 881). Referred to the Committee of the Whole House on the State of the Union.

Mr. MACK: Committee on Interstate and Foreign Commerce. House Joint Resolution 438. Joint resolution to amend the Securities Exchange Act of 1934 so as to authorize and direct the Securities and Exchange Commission to conduct a study and investigation of the adequacy, for the protection of investors, of the rules of national securities exchanges and national securities associations; with amendment (Rept. No. 882). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 3879. A bill to authorize and direct the Secretary of Agriculture to convey to the State of Wyoming for agricultural purposes certain real property in Sweetwater County, Wyo.; without amendment (Rept. No. 883). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 4821. A bill to authorize the Secretary of Agriculture to convey a certain parcel of land to the town of Tellico Plains, Tenn.; without amendment (Rept. No. 884). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H.R. 6360. A bill to authorize an additional Assistant Secretary of Commerce; without amendment (Rept. No. 885). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 4939. A bill to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education; with amendment (Rept. No. 886). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 6193. A bill to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the county of Fremont, Wyo.; without amendment (Rept. No. 887). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 7622. A bill to amend section 1176 of the Revised Statutes of the United States relating to the District of Columbia to permit certain gift enterprises in the District of Columbia; with amend-

ment (Rept. No. 888). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8032. A bill to amend Healing Arts Practice Act, District of Columbia; with amendment (Rept. No. 889). Referred to the House Calendar.

Mr. FRIEDEL: Committee on House Administration. House Resolution 392. Resolution to provide for the further expenses of the investigation and study authorized by House Resolution 49; without amendment (Rept. No. 890). Ordered to be printed.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 256. A bill to amend the District of Columbia Alcoholic Beverage Control Act; with amendment (Rept. No. 891). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 6836. A bill to amend the Policemen and Firemen's Retirement and Disability Act; without amendment (Rept. No. 892). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8074. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, and the District of Columbia Business Corporation Act, as amended, with respect to certain foreign corporations; without amendment (Rept. No. 893). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8344. A bill for restoration of home of John Philip Sousa in the District of Columbia; with amendment (Rept. No. 894). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8444. A bill to amend the act of August 12, 1955, relating to elections in the District of Columbia; with amendment (Rept. No. 895). Referred to the Committee of the Whole House on the State of the Union.

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. H.R. 2470. A bill to provide for the establishment of the Lincoln Boyhood National Memorial in the State of Indiana, and for other purposes; with amendment (Rept. No. 896). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 3920. A bill to authorize an exchange of land at the Agricultural Research Center; without amendment (Rept. No. 897). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. House Resolution 414. Resolution providing for the consideration of H.R. 8400, a bill to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes; without amendment (Rept. No. 898). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H.R. 1375. A bill to provide for the conveyance of certain real property of the United States to the former owner thereof; without amendment (Rept. No. 880). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr BOYKIN:

H.R. 8632. A bill to amend section 510(1) of the Merchant Marine Act, 1936, relating to the exchange of vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. GARLAND:

H.R. 8633. A bill to authorize the improvement of Portland Harbor, Maine; to the Committee on Public Works.

By Mr. GLENN:

H.R. 8634. A bill to help maintain the financial solvency of the Federal Government by reducing nonessential expenditures through reduction in personnel in various agencies of the Federal Government by attrition, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. GREEN of Oregon:

H.R. 8635. A bill to authorize assistance to public and other nonprofit institutions of higher education in financing the construction, rehabilitation, or improvement of needed academic and related facilities, and to authorize scholarship grants for undergraduate study in such institutions; to amend Public Laws 815 and 874, 81st Congress, and for other purposes; to the Committee on Education and Labor.

By Mr. HALPERN:

H.R. 8636. A bill to amend section 601(a) of the Federal Aviation Act of 1958 so as to require air carriers to maintain route maps in conjunction with certain weather information for the benefit of their passengers; to the Committee on Interstate and Foreign Commerce.

By Mr. HOFFMAN of Illinois:

H.R. 8637. A bill to provide that until the national debt is retired, not less than 10 percent of the net budget receipts of the United States for each fiscal year shall be utilized solely for reduction of the national debt; to the Committee on Government Operations.

By Mr. IKARD of Texas:

H.R. 8638. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. KEITH:

H.R. 8639. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for one-half of the expenses incurred by him in the construction of a civil defense shelter of approved type and design; to the Committee on Ways and Means.

By Mr. PHILBIN:

H.R. 8640. A bill to amend title 10 of the United States Code to permit the loan of certain rifles to veterans organizations recognized by the Department of Defense; to the Committee on Armed Services.

By Mr. SAYLOR:

H.R. 8641. A bill to amend title 38, United States Code, to revise the effective date provisions relating to awards, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 8642. A bill to amend section 3203(d) of title 38, United States Code, to provide that there shall be no reduction of pension otherwise payable during hospitalization of certain veterans with a wife or child; to the Committee on Veterans' Affairs.

By Mr. TUPPER:

H.R. 8643. A bill to amend section 501 of title 38, United States Code, to provide medical care for veterans of service in Mexico after January 1, 1914, and before April 6, 1917, on the same basis as such care is provided for veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. SLACK:

H.R. 8644. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of California:

H.R. 8645. A bill to prohibit shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ZABLOCKI:

H.R. 8646. A bill to amend section 203(j) of the Federal Property and Administrative Services Act of 1949 so as to provide that certain surplus property of the United States shall be offered for sale to the States; to the Committee on Government Operations.

By Mr. ADDONIZIO:

H.R. 8647. A bill to amend the Home Owners' Loan Act of 1933 to broaden the investment powers of Federal savings and loan associations to include investments in corporations organized and solely owned by such associations for the furtherance of their development; to the Committee on Banking and Currency.

By Mr. CORBETT:

H.R. 8648. A bill to permit certain Government employees to elect to receive compensation in accordance with section 401 of the Federal Employees Pay Act of 1945 in lieu of certain compensation at a saved rate, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 8649. A bill to amend the Federal Employees' Group Life Insurance Act of 1954 to provide for escheat of amounts of insurance to the insurance fund under such Act in the absence of any claim for payment, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DIGGS:

H.R. 8650. A bill to provide for the establishment of the Frederick Douglass National Memorial in the District of Columbia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HALPERN:

H.R. 8651. A bill to amend section 601(a) of the Federal Aviation Act of 1958 to provide for the issuance of rules and regulations pertaining to the elimination or minimization of aircraft noise nuisance and hazards to persons or property on the ground, and to require the Administrator of the Federal Aviation Agency to issue certain regulations concerning air traffic at New York International (Idlewild) Airport in the State of New York, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KING of California:

H.R. 8652. A bill relating to the income tax treatment of certain losses sustained in converting from street railway to bus operations; to the Committee on Ways and Means.

H.R. 8653. A bill to provide that a foreign tax credit need not be adjusted where a difference between taxes accrued and taxes paid resulted from a difference in the rate of exchange and where the taxpayer was not permitted to convert the amount of the tax; to the Committee on Ways and Means.

By Mr. WIDNALL:

H.R. 8654. A bill to amend the Home Owners' Loan Act of 1933 to broaden the investment powers of Federal savings and loan associations to include investments in corporations organized and solely owned by such associations for the furtherance of their development; to the Committee on Banking and Currency.

By Mr. FASCELL:

H.R. 8655. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for public information and publicity concerning instances where competitors submit identical bids to public agencies for the sale or purchase of supplies, equipment, or services, and for other purposes; to the Committee on Government Operations.

By Mr. PILLION:

H.R. 8656. A bill to reduce nondefense personnel by 10 percent; to the Committee on Post Office and Civil Service.

By Mr. SAYLOR (by request):

H.R. 8657. A bill to amend section 359 of title 38, United States Code, to provide that such section shall become effective as of the date of its enactment; to the Committee on Veterans' Affairs.

By Mr. POFF:

H.J. Res. 528. Joint resolution declaring Communist arms and munitions contraband in the Western Hemisphere and making provisions to enforce the same; to the Committee on Foreign Affairs.

By Mr. HIESTAND:

H. Con. Res. 367. Concurrent resolution expressing the sense of the Congress with respect to the recovery of the aircraft seized and taken to Havana, Cuba, on July 24, 1961; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H.R. 8658. A bill for the relief of Mrs. Reiko Nakashima McIntyre; to the Committee on the Judiciary.

By Mr. BRUCE:

H.R. 8659. A bill for the relief of Jackie Bergancia Smith; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H.R. 8660. A bill for the relief of George C. Katsileros; to the Committee on the Judiciary.

By Mr. DULSKI:

H.R. 8661. A bill to exempt from taxation certain property of the American War Mothers, Inc.; to the Committee on the District of Columbia.

By Mr. LANE:

H.R. 8662. A bill for the relief of Jose Fuentes; to the Committee on the Judiciary.

H.R. 8663. A bill for the relief of Gurthrie Loyd Jones; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H.R. 8664. A bill for the relief of Martynas Vytautas Glasze; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 8665. A bill for the relief of A. A. Lindley; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

204. By Mr. BEERMANN: Petition of Mrs. Rudy Schacher of Monroe, Nebr., concerning congressional responsibility for the future of our Nation and our children; to the Committee on Foreign Affairs.

205. By Mr. RIEHLMAN: Petition of the Board of Supervisors of Onondaga County, N.Y., expressing the board's support for the President of the United States in his stand on the Berlin crisis; to the Committee on Foreign Affairs.

SENATE

THURSDAY, AUGUST 10, 1961

The Senate met at 10 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, into the calm and confidence of Thy waiting strength we would bring our drained resources that the benediction of Thy peace may fall upon our restless lives. For another day and for another chance to serve a world whose wounds are grievous and which so loudly calls for help, we are truly thankful.

We beseech Thee this day to free us from the hindering faults that so easily beset us. Deliver us from dread of the future, from the paralyzing fear of failure, from cowardice in face of danger, and from all compromise or appeasement with evil.

Grant us faith strong enough for the darkness through which we grope our way.

We pray, in the name of the Captain of our salvation. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of the legislative day of Tuesday, August 8, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 6302) to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1085. An act to provide for the disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes;

S. 1294. An act to supplement and amend the act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936; and

S. 1815. An act to provide for one additional Assistant Secretary of Labor in the Department of Labor.

HOUSE BILL REFERRED

The bill (H.R. 6302) to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes, was read twice by its title and referred to the Committee on Labor and Public Welfare.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on the Judiciary of the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

On request of Mr. GOLDWATER, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

George A. Bukovatz, of Montana, to be U.S. marshal for the district of Montana.

By Mr. JACKSON, from the Committee on Armed Services:

Finn J. Larsen, of Minnesota, to be Assistant Secretary of the Army.

By Mr. CASE of South Dakota, from the Committee on Armed Services:

Col. Roy E. Cooper, Wyoming Air National Guard, and sundry other officers, for appointment as Reserve commissioned officers in the U.S. Air Force.

By Mr. BYRD of West Virginia, from the Committee on Armed Services:

Brig. Gen. Thomas Patrick Carroll, Army National Guard of the United States, for promotion to major general, as a Reserve commissioned officer of the Army; and

Col. Thomas Joseph Donnelly, and sundry other officers, for appointment as Reserve commissioned officers of the Army, in the Adjutant General's Corps, Army National Guard of the United States.

EXECUTIVE REPORT OF COMMITTEE ON ARMED SERVICES

Mr. CASE of South Dakota. Mr. President, from the Committee on Armed Services, I report favorably 599 promotions to the grade of colonel in the Regular Air Force. All of these names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The VICE PRESIDENT. The report will be received, and the nominations will lie on the desk, as requested by the Senator from South Dakota.

The nominations are as follows:

Ben M. Adams, and sundry other officers, for promotion in the Regular Air Force.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

U.S. REPRESENTATIVE TO THE EUROPEAN COMMUNITIES

The Chief Clerk read the nomination of W. Walton Butterworth, of Louisiana, to be representative of the United States of America to the European communities.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

INTERNATIONAL MONETARY FUND

The Chief Clerk read the nomination of Frank A. Southard, Jr., of New York, to be U.S. Executive Director of the International Monetary Fund.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COLLECTORS OF CUSTOMS

The Chief Clerk proceeded to read sundry nominations of collectors of customs.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON TRANSFER OF FUNDS AUTHORIZED FOR AIR DEFENSE MISSILE INSTALLATIONS

A letter from the Deputy Secretary of Defense, reporting, pursuant to law, that the establishment of missile installations which have been required as a part of the Department of Defense air defense plan, has not necessitated the transfer of funds, during the 6-month period ending June 30, 1961; to the Committee on Armed Services.

AMENDMENT OF TITLE 38, UNITED STATES CODE, RELATING TO WAIVER OF INDEBTEDNESS IN CERTAIN CASES

A letter from the Deputy Administrator, Veterans' Administration, Washington, D.C., transmitting a draft of proposed legislation to amend title 38 of the United States Code to provide for waiver of indebtedness to the United States in certain cases arising out of default on loans guaranteed or made by the Veterans' Administration (with an accompanying paper); to the Committee on Finance.

REPORT ON U.S. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

A letter from the Acting Secretary of State, transmitting, pursuant to law, a report on the extent and disposition of U.S. contributions to international organizations, for the fiscal year 1960 (with an accompanying report); to the Committee on Foreign Relations.

REPORT ON EDUCATIONAL EXCHANGE PROGRAM

A letter from the Acting Secretary of State, transmitting, pursuant to law, a report on the educational exchange program, for the calendar year 1960 (with accompanying papers); to the Committee on Foreign Relations.

AUTHORIZATION FOR ANY FEDERAL AGENCY TO WAIVE PERFORMANCE AND PAYMENT BONDS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation to amend the act of April 29, 1941, as amended, to authorize any Federal agency to waive performance and payment bonds, and for other purposes (with an accompanying paper); to the Committee on Government Operations.

ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

SHRIMP IMPORTS—RESOLUTION OF TEXAS HOUSE OF REPRESENTATIVES

Mr. YARBOROUGH. Mr. President, I present, for appropriate reference, a resolution adopted by the House of Representatives of the State of Texas, relative to the importation of shrimp into the United States. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION 47

Whereas bills have been introduced in the Congress of the United States seeking to curb excessive imports of shrimp and to bring some measure of stability to the domestic shrimp market, such bills being exemplified by H.R. 6168 and S. 1571; and

Whereas the shrimp fishery of the State of Texas constitutes one of its most important industries and provides a wise utilization for this valuable natural resource; and

Whereas the shrimp fishery of the State of Texas has been adversely affected and financially crippled by unstable market conditions brought about in whole or in part by uncontrolled foreign imports of shrimp; and

Whereas it is the understanding of this legislature that it is unable to cope with the problem and afford to the shrimp fishery protection which it needs and that such remedial measures are within the power and the purview of the Federal Congress and the Executive: Now, therefore, be it

Resolved, That the House of Representatives of the 57th Legislature of the State of Texas, assembled in special session in Austin, Tex., does hereby petition the Congress of the United States and the departments of the executive branch of the Federal Government to exert their best efforts to bring about a measure of stability to the domestic shrimp market by a regulation of imports of shrimp so that the domestic shrimp industry may survive and prosper, giving employment to Americans, utilizing fully this valuable natural resource, and preserving and maintaining the individual and independent seamen and producers who wrest their living dangerously from the sea; and be it further

Resolved, That copies of this resolution be provided to the President and Vice President of the United States, the Secretary of each department of the executive branch, and to the Texas Members of the Congress of the United States.

JAMES A. TURMAN,
Speaker of the House.
DOROTHY HALLMAN,
Chief Clerk of the House.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CASE of South Dakota, from the Committee on Armed Services, without amendment:

H.R. 7725. An act to authorize the Secretary of the Army to reconvey to the town of Malone, N.Y., certain real property heretofore donated by said town to the United States of America as an Army Reserve Center and never used by the United States (Rept. No. 701).

By Mr. SALTONSTALL, from the Committee on Armed Services, without amendment:

H.R. 7721. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within the Fort Sheridan Military Reservation, Ill. (Rept. No. 702).

By Mr. CANNON, from the Committee on Armed Services, without amendment:

H.R. 6597. An act to amend title 10, United States Code, to permit the crediting of

certain minority service for the purpose of determining eligibility for retirement, and for other purposes (Rept. No. 703).

By Mr. THURMOND, from the Committee on Armed Services, without amendment:

H.R. 4786. An act to provide travel and transportation allowances for members of the National Guard and Reserve components when travel is performed in an active duty or inactive duty training status in compliance with Federal directives (Rept. No. 704).

By Mr. MAGNUSON, from the Committee on Commerce, with amendments:

H.R. 7391. An act to promote the conservation of migratory waterfowl by the acquisition of wetlands and other essential waterfowl habitat, and for other purposes (Rept. No. 705).

By Mr. HUMPHREY (for Mr. FULBRIGHT), from the Committee on Foreign Relations, with amendments:

S. 2000. A bill to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower (Rept. No. 706).

VETERANS' READJUSTMENT ASSISTANCE ACT OF 1961—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 700)

Mr. YARBOROUGH. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 349) to provide readjustment assistance to veterans who serve in the Armed Forces between January 31, 1955, and July 1, 1963, and I submit a report thereon. I ask that the report be printed, together with the minority views of Senators GOLDWATER, PROUTY, and TOWER.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Texas.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. HART:

S. 2399. A bill to provide for the establishment of the Frederick Douglass National Memorial in the District of Columbia, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. HART when he introduced the above bill, which appear under a separate heading.)

By Mr. PASTORE (by request):

S. 2400. A bill to amend the Communications Act of 1934 in order to provide for the regulation of networks; to the Committee on Commerce.

(See the remarks of Mr. PASTORE when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of South Dakota:

S. 2401. A bill to amend the National Labor Relations Act to provide that it shall be an unfair labor practice for a labor organization to call a strike in an industry if the President has certified that an interruption of work in such industry would threaten or impair the national security; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. CASE of South Dakota when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE (by request):

S. 2402. A bill to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia; to the Committee on the District of Columbia.

RESOLUTION

RECOVERY OR RETURN OF AMERICAN AIRPLANES ILLEGALLY HELD IN CUBA

Mr. KERR submitted a resolution (S. Res. 194) concerning action to be taken to secure the recovery or return of American airplanes illegally held in Cuba, which was referred to the Committee on Foreign Relations, as follows:

Resolved, That it is hereby declared to be the sense of the Senate that the President of the United States be requested to advise Castro and the Government of Cuba that unless the airplanes now in Cuba, which are the property of American citizens, which airplanes have been taken to Cuba without the consent of their American owners, be, within forty-eight hours, made available for return to the United States together with any of their passengers and crew in Cuba or that the Government of the United States will take such action as may be necessary to recover and return said airplanes, passengers, and crew to the United States.

PROPOSED FREDERICK DOUGLASS NATIONAL MEMORIAL IN DISTRICT OF COLUMBIA

Mr. HART. Mr. President, one of our American traditions is to give honor to those men and women in our history who have stood for something strong and valuable and truly American. Such a man I should like to honor today. Born a slave, Frederick Douglass rose to a high position in our country, serving as Recorder of Deeds in the District of Columbia, and as our Minister to Haiti. He was the friend of Abraham Lincoln.

The house in Southeast Washington where Mr. Douglass lived for many years still stands, cared for with loving devotion by the National Association of Colored Women's Clubs through voluntary contributions. In 1916, this organization paid off a $4,000 indebtedness on the mortgage. In addition, it has built a caretaker's cottage at a cost of $10,000 and over the years has spent several thousand more on repairs and upkeep. I suggest it is fitting, Mr. President, that this house at 1411 W Street SE., which contains in Mr. Douglass' library an important source of historical documents for the period in which he lived, should now be made a national historic shrine. Here in our Nation's Capital, where come people not only from all over the United States but all over the world, such a national historic shrine would bring home to countless thousands of visitors the true meaning of democracy, and make us even more its showcase.

The National Association of Colored Women's Clubs, now headed by a distinguished citizen of Michigan, Mrs. Rosa L. Gragg of Detroit, has rendered a wonderful service in preserving the house and grounds. But more is needed. More should be done.

Mr. President, I send to the desk, for appropriate reference, a bill to provide for the establishment of the Frederick Douglass National Memorial in the District of Columbia. Also, I should like to include in my remarks portions of a biography of Mr. Douglass prepared for me by the Legislative Reference Service of the Library of Congress.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2399) to provide for the establishment of the Frederick Douglass National Memorial in the District of Columbia, and for other purposes, introduced by Mr. HART, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The statement presented by Mr. HART is as follows:

EXCERPTS OF BIOGRAPHY OF FREDERICK DOUGLASS

(Prepared by Phyllis T. Piotrow)

Frederick Douglass was born sometime in February 1817 in Tuckahoe, Talbot County, on the Eastern Shore of Maryland. The child was brought up by his grandparents, Isaac, a free Negro, and Betsey Bailey, until the age of 7 when he was taken to the Lloyd Plantation run by his master, Capt. Aaron Anthony.

Although he always remembered the kindness of individual slaveowners, like his master's daughter, Mistress Lucretia Auld, he began to hate the system with a burning passion.

In 1825, the slave was sent to a relative of his master in Baltimore. There for 7 years he worked first as a house servant and then as a laborer in the shipyards. Being in Baltimore opened new horizons for the boy. His mistress finally agreed to teach him to read, but the master, upon discovery, forbade the practice completely. Nevertheless Douglass persevered, bought the Columbia Orator, and continued to observe and meditate upon cruelties of slavery.

In 1833, Captain Anthony's death brought him to a new master, Thomas Auld, who returned Douglass to the plantation, forbade his teaching Sunday school classes for the colored children, and hired a professional slavebreaker to teach him his place again. Douglass finally turned on him and beat him up. The struggle was a turning point in Douglass' thinking. As he later declared, "I now resolved that, however long I might remain a slave in form, the day had passed forever when I could be a slave in fact."

After an escape attempt had failed, Auld decided to try kindness and sent Douglass back to Baltimore with the promise of freeing him at the age of 25 if he behaved well. Douglass quickly became an expert caulker in the shipyards. He persuaded his master to let him hand over $3 a week and keep the remainder. Here Douglass came into contact for the first time with white laborers who hated Negroes because they worked for nothing as slaves and as a result depressed the wages of all. He also took a great interest in the various Baltimore societies for free Negroes and began to desire his own freedom most urgently. After a quarrel with Auld, Douglass planned his escape and left Baltimore and slavery on September 3, 1838.

At first, living was not easy for the former slave, but he soon came into contact with other free Negro groups, who sent him on to New Bedford, Mass. His first step was to change his name from Bailey to Douglass, after the hero in Sir Walter Scott's Lady of the Lake. He then married Anna Murray, a free Negro from Baltimore, and together they struggled to overcome the prejudice

against Negroes which even in the North made white workers reluctant to work beside black ones.

Gradually, Douglass began to attend the abolitionist meetings in the town. He was deeply moved by William Lloyd Garrison and finally, in 1841, he was summoned himself to the platform to describe his personal experiences as a slave. Although wholly inexperienced, he managed a creditable performance. The Massachusetts Anti-Slavery Society offered him a temporary position as lecturer, which he rather timidly accepted.

From this point on, Douglass devoted himself to the problems of his race and of all persecuted groups, becoming in America and in Europe, the most outstanding Negro spokesman of his race. In addition to the initial advantage which he claimed in being himself "a graduate from the peculiar institution with his diploma written on his back," Douglass rapidly became a very effective speaker, waxing eloquent over the wrongs of slavery, and illustrating very effectively that all slaves were not inferior.

When people suspected that he was too well read and intellectual to be convincing in his role of former slave, he wrote a "Narrative of the Life of Frederick Douglass." The book had a very wide sale in the North, but since it mentioned names and places, it put Douglass in danger of recapture and return to Auld as a runaway slave. To avoid this fate, his friends persuaded him to undertake a lecture tour in Europe. Speaking in Ireland, Scotland, and England, he was heard everywhere by large and sympathetic audiences. He came into some conflict with other American abolitionist groups and with temperance societies because of his passionate criticisms of American morality on the slave question and because of his insistence that freeing the slaves should take precedence over temperance activities. But on the whole, his trip was a great success, and he returned to America in 1846 with a greatly enhanced reputation.

On his return, against Garrison's advice, he first purchased his freedom from Auld and then decided to undertake an antislavery paper of his own to aim particularly at the free Negroes. The first issue of the North Star, which Douglass had decided to publish in Rochester, N.Y., came out on December 3, 1847, with the slogan, "Right is of no sex—truth is of no color—God is the Father of us all, and we are all brethren." For 13 years, Douglass edited the North Star, and took the lead in denouncing segregation practices of the North, slavery in the South, and urging Negroes themselves to take a more active role. Eventually, despite a large circulation, the paper was overcome by debt.

In his editorial columns Douglass supported innumerable reform movements—including pacifism, chartism, temperance, universal peace, land reform, abolition of capital punishment, and women's rights. Douglass also took an active part in the Negro convention movement, which aimed to eliminate all legal restrictions upon free Negroes, and was instrumental in persuading its supporters to forswear violence in their efforts to help enslaved brothers. He continually denounced churches which practiced segregation, but he did favor a separate Negro press and sought support and subscribers for his own paper.

Douglass was at the head of the group within the national convention movement to set up an industrial college for free Negroes which could prepare them for the difficult problem of finding work; but lack of funds, personal jealousies, and the fear that the new fugitive-slave laws might endanger the safety of those publicly associated with the struggle for Negro rights hampered his efforts.

The new fugitive slave laws of 1850 were a frequent target of Douglass' attacks. Both before and after their passage he took an active part in the Rochester Underground Railway activities.

During the early 1850's Douglass unfortunately became involved in a bitter conflict with his former associate, William Lloyd Garrison. After leaving the heatedly abolitionist atmosphere of New England and conferring with New York abolitionists like Gerrit Smith, Douglass altered his former opposition to the Constitution and to the churches because they appeared to condone slavery. Douglass decided it was wiser to work with existing forces, especially since the issue of slavery was beginning to divide the country more clearly on North-South lines, leaving northern churches and institutions more free to take an independent position. The Massachusetts abolitionists denounced this shift and also blamed Douglass for starting his own newspaper. Both Douglass and his foes were bitter and acrimonious in their dispute.

In political affairs, Douglass was becoming more and more active during the fifties. Originally a supporter of the Liberty Party, he turned in 1848 to the Free Soil Party, pledged to support the Wilmot Proviso. In 1852 he was elected secretary of the Free Soil convention. But the failure of that party to play a continuously strong role led Douglass in 1856 to welcome the founding of the Republican Party, even though he did not think that its desire to stop only the extension of slavery went far enough. Thus he continued to work for the radical abolitionists whenever they appeared to have a chance.

In 1859 Douglass was forced to return to England for a while because his name had been connected with John Brown and the raid on Harpers Ferry. The State of Virginia was preparing to try him for treason when he escaped into Canada and thence to Great Britain to renew old friendships and contacts. Actually, although John Brown had explained his plan to Douglass, the Negro had been somewhat skeptical and had tried to discourage the Harpers Ferry raid.

The outbreak of war roused Douglass from a growing discouragement. Even though the abolitionist greatly deplored Lincoln's hesitation in freeing the slaves, he personally was convinced that northern victory would inevitably have that result. Douglass lectured and toured the country trying to raise Negro interest and direct participation in the struggle. Resenting Lincoln's refusal to provide equal pay and equal treatment for Negro volunteers in the Union armies, Douglass finally secured an interview with the President in July 1863. He came away impressed by the President's sincerity, but impatient with Lincoln's desire to move slowly. Nevertheless, he took an active role in recruiting Negro fighters for the celebrated 54th and 55th Massachusetts Regiments, also sending his own two sons. In August 1864, he had a second interview with Lincoln, and continued to press for granting the franchise and all other rights of citizenship to Negroes in both the North and the South.

After the conclusion of the war Douglass refused to be satisfied just with the liberation of the slaves. He had an interview with President Johnson and was highly dissatisfied with the latter's tendency to appease the former slaveowners. Thus he refused an offer to head the Freedman's Bureau which he interpreted as a purely political move on Johnson's part. He was active with the radical Republicans in working for the election of General Grant and the passage of the 15th amendment. He also undertook another journalistic endeavor, the New National Era, which had only a brief career.

In the clash between Grant and Sumner over the annexation of Santo Domingo, Douglass was appointed by Grant an assistant secretary to the three commissioners sent there to investigate possibilities of annexation. During the trip, he was won over to Grant's policy.

In 1872, although himself nominated for Vice President on a woman's suffrage ticket headed by Victoria Claflin Woodhull, Douglass took an active part in backing Grant. At the same time the burning of his Rochester, N.Y., house convinced him that he should move to Washington. His first political assignment after being the official messenger of the New York electoral commission to the Senate was as president of the Freedmen's Bank. The bank, already thoroughly corrupt, collapsed shortly thereafter, causing all its investors, including Douglass, considerable loss.

Douglass continued to lecture throughout this period, emphasizing above all the need for Federal protection of the newly won Negro rights. He accepted the appointment in 1877 of the U.S. marshal of the District of Columbia when it was offered to him by President Hayes, but he continued to criticize the Government. In 1881 President Garfield requested that he take instead the office of Recorder of Deeds, to which Douglass agreed.

In 1882 Anna Douglass died. Two years later he married his secretary, Helen Pitts.

Upon his return from a trip with his new wife through Europe, he was offered the position of Minister-Resident and Consul General to the Republic of Haiti and Chargé d'Affaires for Santo Domingo. Douglass retained this position until a controversy with Secretary of State Blaine and others, who were trying to get possession of the harbor of Mole St. Nicolas as a naval base, led him to resign in opposition to a policy which he believed could only rouse Haitian nationalism.

Back in America, he continued to agitate for the protection of Negro rights, and most specifically, for a Federal antilynching law. He was still lecturing on the rights of women and of oppressed groups when he was stricken on the afternoon of February 20, 1895, with a heart attack at his home in Anacostia. The body lay in state in the Metropolitan African Methodist Episcopal Church, and then was transported to Mount Hope Cemetery in Rochester for burial.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, TO PROVIDE FOR THE REGULATION OF NETWORKS

Mr. PASTORE. Mr. President, recently, I submitted to the Federal Communications Commission a series of questions concerning television operations and other practices affecting the broadcasting industry.

In addition to responding to the specific questions, the Federal Communications Commission submitted a progress report indicating the various steps and the status of pending proceedings resulting from the Commission's continued study of network practices.

One of the recommendations contained in the Federal Communications Commission report involved the need for legislation to regulate the radio and television networks.

Therefore, at the request of the Federal Communications Commission I am introducing today such legislation and ask unanimous consent that the contents of the bill be made part of the RECORD at this point, together with the letter from the Federal Communications Commission to me under date of August 1, 1961.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 2400) to amend the Communications Act of 1934 in order to provide for the regulation of networks, introduced by Mr. PASTORE, by request, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Communications Act of 1934 (47 U.S.C. 153) is amended by adding at the end thereof the following:

"(hh) 'Network' means a person or organization which, as a part of its regular business, by contract or agreement, express or implied, with two or more affiliated broadcast stations, offers or supplies program service to such stations under prescribed conditions for the purpose of effecting a coordinated broadcast of identical programs by such stations."

SEC. 2. Title III of the Communications Act of 1934 is amended by adding a new part as follows:

"PART III—NETWORKS

"Information statements

"SEC. 380. Each network shall file an information statement with the Commission which shall contain such information and set forth such facts regarding (1) the ownership and (2) the operational policies, practices, and activities of such network which affect the ability of broadcast licensees to operate their stations in the public interest, as the Commission shall require; and each such network shall file with the Commission amendments to such statement, from time to time, as the Commission shall deem to be necessary to keep current the facts and information required in such statement. The Commission, at any time after the filing of such statement, may require the filing of further written statements of fact by each such network to assist the Commission in the enforcement of this Act and in determining whether such network has complied with the provisions of this Act and the rules and regulations thereunder. Each such statement, amendment thereto, or further statement shall be in writing and shall be signed by the principal officer of such network under oath or affirmation.

"Network ownership

"SEC. 381. No network shall be owned or operated by—

"(1) any alien or the representative of any alien;

"(2) any foreign government or the representative thereof;

"(3) any corporation organized under the laws of any foreign government;

"(4) any corporation of which any officer or director is an alien or of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives thereof or by any corporation organized under the laws of a foreign country; or

"(5) any corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens or of which more than one-fourth of the capital stock is owned of record or voted after June 1, 1935, by aliens or their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country.

"Classification and rules and regulations

"SEC. 382. The Commission shall, from time to time, as in its judgment, the public interest, convenience, or necessity may require (1) classify television and radio networks, and (2) issue such rules and regulations with respect to each such class of networks, as the Commission may determine to be necessary or appropriate to assure that the policies, practices, and activities of such networks shall not adversely affect the ability of broadcast licensees to operate their stations in the public interest. Such rules and regulations may include, but shall not be limited to, rules and regulations (A) to require networks to exercise supervision and control over the preparation of, and to prohibit discriminatory practices in the selection of, all matter supplied by such network to any licensee for broadcasting; (B) to prohibit any network from giving unfair advantage, by means of any matter supplied to any licensee for broadcasting, to any person affiliated with, controlling, controlled by, or under common control with such network or in which such network has any direct or indirect financial or beneficial interest, in connection with promoting the sale or distribution of any product or service of such person; (C) to prohibit networks from entering into a contract or understanding with any broadcast station licensee which would limit the ability of such licensee to operate his station in the public interest, including, without limitation, provisions relating to exclusive affiliation or territorial exclusively arrangements; the duration of affiliation agreements; the optioning of station broadcast time; the acceptance or rejection of network programs; or the controlling or influencing of nonnetwork rates; (D) to limit ownership of stations by networks; (E) to restrict the number of networks that may be owned or operated by any person; (F) to prohibit or limit network practices or activities in the representation of stations in the sale of nonnetwork time; (G) to require networks to make reasonable distributions of their programs to stations; (H) to prohibit discriminatory practices by networks in the selection of affiliates; (I) to require networks to provide equal opportunities to legally qualified candidates for public office in accordance with the provisions of section 315 of this Act; (J) to require networks to provide a fair opportunity for presentation of differing views concerning public issues; and (K) to require networks to identify the sponsor of and disclose the fact of payment with respect to matter supplied to any licensee for broadcasting, in accordance with the provisions of section 317 of the Act.

"Definition by Commission of certain terms

"SEC. 383. The Commission, as to matters within its jurisdiction, shall have power by rules and regulations to define technical, trade, accounting, or industry terms used in this Act insofar as such definitions are not inconsistent with the provisions of this Act.

"Enforcement provisions

"SEC. 384. Where any network has violated or failed to observe any of the provisions of this Act or of any rule or regulation of the Commission authorized by this Act, the Commission may issue either affirmative orders or cease and desist orders to any such network, to compel compliance with this Act or any regulations issued thereunder. Such process shall be instituted by the Commission by the issuance of an order to show cause to the person or persons affected to appear before the Commission at a time and place stated in the order, but in no event less than thirty days after receipt of such order, and give evidence upon the matters specified therein. The burden of proceedings with the introduction of evidence and the burden of proof shall be upon the Commission, except that the burden of proceeding with the introduction of evidence and the burden of proof shall be upon a network to establish that the contents of an information statement filed under section 380 of this Act are not materially false or misleading or incomplete."

The letter presented by Mr. PASTORE is as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., August 1, 1961.

Senator JOHN O. PASTORE,
Chairman, Communications Subcommittee of the Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of April 12, 1961, in which you quote from the April 18–24, 1961, issue of Television Guide, focuses attention on some of the most urgent and basic problems before the Commission.

Each of these matters has been the subject of testimony in the public proceedings of our program inquiry (docket No. 12782). Although much progress has been made, the record of that inquiry is not yet complete so that we are not, at this time, in a position to submit our final report and recommendations with regard to all the matters under inquiry. However, we have taken a number of remedial actions, detailed below, as a result of the information and data obtained thus far.

As you know, the Commission's network study, for which funds were provided by Congress, was conducted by a special staff under the direction of Dean Roscoe Barrow of the Law School of the University of Cincinnati. The network study staff report was filed with the Commission at the conclusion of that study in October 1957 and the special staff was disbanded. The Commission then formed the Office of Network Study as a division of its Broadcast Bureau. One of the duties of that office is to carry forward projects which had been initiated or suggested during the network study.

The Commission's program inquiry (docket No. 12782), while to some degree an outgrowth of the network study, is a separate proceeding initiated by order of the Commission on February 27, 1959, and is conducted by the Office of Network Study. Unlike the network study, it involves extensive public proceedings before the Commission's Chief Hearing Examiner sitting as presiding officer. I would like to call your attention to the fact that Dean Barrow has recently returned to the Commission on a temporary basis to act as consultant with regard to the various problems involved in network broadcasting.

Before the inquiry is complete we shall hear detailed testimony from representatives of all the principal components of the network television industry as to the part they play, and the responsibilities they assume in the network program process. As you can appreciate, to accomplish this task on a comprehensive basis and to afford all interested groups the opportunity to be fully heard is a large undertaking. Thus far the record of the public proceedings consists of 7,804 pages of transcript and includes 287 exhibits. We are making every effort to complete the record at the earliest feasible date.

Thus far public testimony has been taken (1) from the networks on a pro forma basis; (2) from certain of the principal advertising agencies engaged in national television; (3) from the main Hollywood film producers, as well as labor organizations, talent agents and other persons involved in west coast television program production; (4) certain of the New York elements of television program creation and production. Beginning on September 26, 1961, we shall hear from representatives of major national television advertisers and soon thereafter the three national television networks will be recalled to testify fully with regard to the maters under inquiry. It is our purpose to complete this public testimony early in 1962. Copies of the transcripts of the record to date have been made available to both the staff of your

committee and that of the House Committee on Interstate and Foreign Commerce.

Also, during a 3-month period beginning in December 1959, the Commission sat en banc as a part of the program inquiry and heard approximately 100 witnesses representing virtually all informed segments of our population, including representatives of the broadcast industry, to obtain their views as to the present state of television broadcasting and the proper regulatory role of the Government, represented by this Commission, in relation to the industry.

As a result of the earlier phases of the program inquiry, a number of actions have been taken:

1. In May 1960, the Commission submitted proposal legislation to the House Committee on Interstate and Foreign Commerce which, if enacted, would empower the Commission to make rules and regulations to govern those policies, practices, and activities of networks which affect the ability of station licensees to provide broadcast service in the public interest. This proposed legislation will be discussed later in this letter.

2. In June 1960, the Chief of the Office of Network Study submitted an interim report to the Commission, entitled "Responsibility for Broadcast Matter." This report traced the history of broadcast regulation particularly with regard to broadcast service, considered the evidence in the record of the program inquiry to that time, and made a number of recommendations to the Commission designed to make more effective the Commission's policies and procedures affecting licensee responsibility for broadcast matter.

3. In July 1960, the Commission issued its statement of policy with regard to station responsibility for broadcast matter in which, among other things, it (a) reaffirmed the Commission's authority and duty to review overall station performance in its licensing process; (b) clarified the Commission's policy in regard to station responsibility for broadcast matter; and (c) announced its intention to propose revision of its broadcast license application forms to provide the Commission with more pertinent information regarding the efforts of licensees to seek out and serve the needs and desires of their communities or service areas for broadcast programing. At the same time, the Commission made public the interim report referred to above.

4. On February 21, 1961, the Commission issued a notice of proposed rulemaking—which was revised and reissued on July 7, 1961—the objective of which is to encourage more effective action by licensees to seek out and serve the broadcast needs and desires of their audiences. This rulemaking proceeding is presently in process and will be concluded as promptly as possible.

5. Recently the Commission served notice on all broadcast licensees of the seriousness of their responsibility to seek out and serve the program needs and desires of their communities. On July 31, 1961, the Commission directed that its opinion and order in connection with the renewal of the license of KORD, Inc., in which this responsibility was restated and emphasized in detail, be mailed to all broadcast licensees. (In particular, see pars. 8, 9, and 10 of the attached opinion and order, FCC–61–878, docket 14003.)

For your information and files, copies of the above documents are included as attachments to this letter.

With these preliminary statements, the statements contained in Television Guide's open letter will now be considered in order and attention will be called to the consideration given in the program inquiry to the areas to which each such statement refers:

(a) "Program quality during peak viewing hours is supervised by networks, which are not directly licensed to operate in the public interest. Only stations are so licensed, and in practice they have no control over the network programs they carry."

The Commission recognized in its policy statement (see attachment), that the practical realities of modern commercial television broadcasting materially affect the ability of individual licensees effectively to make and implement program decisions involving their network offerings. Station licensees take no significant part in the decisional processes through which network programs are created, produced and selected for broadcast. Also, in the usual course of network-affiliate relations, licensees have little or no opportunity to see and judge such programing in advance of transmission.

On the basis of the information received during the earlier phases of the program inquiry, including the en banc proceedings before the Commission itself, we concluded that the present statutory pattern which places the entire responsibility for broadcast matter on individual station licensees has been so affected by the realities of network broadcasting that it no longer is adequate to provide reasonable assurance, solely through regulation of station licensees, that the airways will be used in the public interest. As a result, in May 1960, in commenting on H.R. 11340 (the Harris bill) and H.R. 5042 (the Bennett bill), 86th Congress, the Commission recommended to the Interstate and Foreign Commerce Committee of the House of Representatives that the Communications Act be amended to provide for the proper regulation of networks in the public interest. (See pp. 8 through 16 and app. B of the Commission's comments dated May 4, 1960, attached hereto.)

The amendments as proposed would give the Commission authority (a) to classify networks; (b) to require networks to file informational statements to advise the Commission of relevant network policies and operations (the information to be in accord with detailed requirements to be set out in rules); and (c) to make rules and regulations to regulate policies, practices, and activities of networks which adversely affect the ability of broadcast licensees to operate their stations in the public interest. This legislation would provide broad authority for the Commission to regulate networks in various areas, including those now covered in its chain broadcasting rules, and would enable the Commission to apply corrective rules directly to networks. In addition, it would permit appropriate regulation to place responsibility for broadcast matter on the network in those situations where the local licensee cannot effectively act. It is not the Commission's intent that the present responsibilities of station licensees under the act should, in any way, be diminished. Rather, the responsibilities which would be placed on networks under the proposed amendments would be designed to complement, and not displace, the existing responsibilities of broadcast stations.

In this connection, it should be pointed out that the Harris and Bennett bills would provide systems of network licensing. The Commission, while agreeing with the general objectives of these bills, believes that necessary regulation can be achieved without licensing. We will appreciate anything you and your committee can do to further adoption of legislation to that end.

FURTHER PURPOSE OF THE INQUIRY IN THIS AREA

With the adoption of the recommendations as to network regulation, a major question presented for consideration in the program inquiry was resolved.

The continuing purpose of the inquiry in this area is to provide the Commission with an adequate factual basis on which proper rules and regulations affecting the general area of responsibility for broadcast matter may be framed and adopted. Much additional work needs to be done to lay the groundwork necessary to enable the Commission to determine upon a regulatory pattern within the confines of the proposed legislation which will, at the same time, preserve the advantages of diversified responsibility for broadcast subject matter without substantially impairing essential network service. This presents a complex problem in poise and balance. Its solution requires detailed understanding of the many delicate relationships present in the creative and economic functioning of the industry. The regulatory pattern ultimately devised must provide adequate insurance that the public interest will again become paramount in the choice of broadcast matter at the national level. It must be sufficiently realistic and elastic to avoid stultification of a dynamic network industry, but at the same time, should insure the maximal community control of broadcast subject matter compatible with the realities of modern commercial broadcasting.

(b) "Tribute in the form of part ownership of shows is being paid to networks by producers in order to get their shows on the air."

NETWORK OWNERSHIP OF PROGRAMS

One of the problems which gave rise to the inquiry was that of program "tie-ins." In congressional hearings and in prior information obtained by the network study staff, there were several instances where the networks had apparently used the economic leverage derived from their control over broadcast time and facilities to acquire financial or proprietary interests in programs carried on their networks. The allegation had frequently been made that networks, as a general rule, acquired financial or proprietary interests in programing—on the basis of little or no consideration—from independent producers as a condition precedent to acceptance of programs. This allegation was vigorously denied by the networks.

Networks create and produce some of the programs they distribute to their affiliates. Others are produced in some form of joint venture between the networks and independent producers. Still other programs are produced independently and brought to the network by a sponsor. In such a situation the network merely provides time and facilities. It has been asserted by the networks that the amount of creative control they may exercise over their programs is related to their proprietary interest in the show. One purpose of our inquiry has been to explore the various relationships involved in the production, financing, and selection of television network programs to make an objective analysis of this matter. Much testimony has been taken from producers and other interested persons in this regard.

The extent to which network proprietary and financial interests in independently produced programs may be necessary or desirable to enable the networks to exercise a proper amount of control over the type, quality, subject matter, and scheduling of their programs and the extent, if any, to which the networks use the leverage of their control of the time and facilities of licensees as a means of acquiring such interest is actively being explored. Before the program inquiry is complete, we shall make a detailed study and analysis to determine the extent and relation to the public interest of the acquisition of proprietary interest in their programing by networks and the means through which such interests are acquired. If abuses exist in this area, we will take steps to remedy them through the adoption of appropriate rules.

(c) "Television violence is making our youth callous and damaging America's image abroad. Despite network efforts to curtail the violence there is still a cumulative emphasis of violence on television."

In the Commission's program inquiry, a number of responsible persons expressed alarm at the excessive depiction of crime and violence as regular fare on television.

Network representatives, program producers, and others concerned with program production stated that they seek to avoid unnecessary use of crime and violence in television programs. However, they point out that a certain amount of crime and violence is inherent in all literature and drama and that they cannot exclude all crime and violence without excluding large areas of legitimate drama, including the classics, from television.

This entire subject, as you know, is presently being considered by the Senate Committee on Juvenile Delinquency. We are following those hearings with care and have colaborated with the committee in this area.

In view of the provisions of section 326 of the Communications Act, it is uncertain, on the present state of the record, how the Commission can effectively deal with this problem. It is one thing to assert generally that excessive crime and violence in television programs is undesirable and perhaps socially damaging. In is quite a different thing for the Commission to attempt to establish processes for making the nice literary distinctions which apparently would be necessary to regulate crime and violence in television programing. It is difficult to see how this matter can be dealt with except on a program-by-program basis. In order to determine which programs involve excessive or unnecessary depiction of crime and violence it would be necessary to examine the detailed subject matter of each program and to make the appropriate literary judgments. For the Commission to do so would certainly involve grave questions of censorship in a form of direct prior restraint which it is specifically prohibited from doing by section 326 of the Communications Act.

While there does not appear to be any formal action which the Commission should take at this time, the fact remains that an increasing number of responsible persons feel that constant depiction of crime and violence in television programing produces damaging social effects, especially among the young, the unstable, and the impressionable. It is the Commission's view that in preparing television program schedules, networks and licensees should take careful account of the responsible opinions which have been expressed regarding this subject.

In the interim report, the attention of the industry was directed to the testimony regarding crime and violence which was received in the Commission's program inquiry, and it was strongly suggested that the industry should not ignore or reject these views without the most careful consideration. Since that time, we are informed that the National Association of Broadcasters has intensified its efforts to screen out excessive crime and violence from television programing. Also that the three national networks are taking similar steps. We believe that the self-interest of the industry requires that these efforts should be continued and expanded. The Commission will continue to follow developments in this area.

(d) "Informational shows have increased in quantity and quality on the networks this season but many of these programs are not carried by local stations."

This matter has been the subject of considerable testimony in the Commission's program inquiry. One indirect result in our inquiry has been the increase in prime evening hours of public affairs programs dealing with matters of concern to the national television audience. The networks have intensified their efforts in news and public affairs and have projected plans to continue and expand their informational service. However, the networks assert that in many instances their information programs—especially if carried on a sustaining basis—fail to clear many of their affiliates.

It has not been the Commission's policy to seek to require its licensees to exhibit any particular programs or particular types of programs. However, as stated earlier, the Commission is intensifying its efforts to see to it that the program proposals made by an applicant for a broadcast license are based on bona fide, diligent, and continuing surveys of his community to determine its programing needs. The new proposed program form calls for information on public affairs and instructive programs carried by stations, whether network originated or locally produced.

The Commission will attempt to see to it that its licensees perform their functions as broadcasters in the public interest, including adequate provision for program service in terms of the needs of the community for programing of an informational nature.

(e) "Rating services, however honest and accurate, are concerned only with numbers. By using these numbers as criteria for retaining or dropping programs, networks and advertisers are forcing down the quality of entertainment and restricting the variety of entertainment."

While the program inquiry will not include a definitive study of the methodology and accuracy of rating services as such, the extent to which audience measurement information is a decisive factor in the selection and retention of network television programing has been the subject of considerable testimony in the inquiry. We plan further to explore these matters in detail with the representatives of the national advertisers and the networks when they appear as witnesses.

Our staff has studied the report on "Evaluation of Statistical Methods in Obtaining Broadcast Ratings," recently published by the House Committee on Interstate and Foreign Commerce, and is following other developments in this field. This includes maintenance of liaison with the Federal Trade Commission which is investigating ratings, with particular emphasis upon the claims made by stations in their advertising which purport to reflect rating results.

We are, of course, aware of the allegations which have been made as to the misuse of rating information in television programing. We shall make every effort to determine whether, and the extent to which, the public interest in broadcast service is affected in this process.

(f) "A few talent agencies which control most of the important talent in television now reach into all aspects of the medium and often exercise almost dictatorial control over programing."

The activities and influence on the creation and production of television programs by talent agents have been the subject of interest and concern in the program inquiry.

Two talent agencies represent a large share of the talent which is available for television program production. These are MCA, Inc., and William Morris, Inc. Each of these agencies also engages in various activities connected with the creation, production, sale, and exhibition of a large part of the filmed programing which appears on network television. William Morris does not directly engage in the production of television programming but represents a number of program packagers. MCA is not only directly engaged in the production of filmed programs but also performs a number of other functions, including leasing of production facilities, syndication, etc.

Two principal executives of William Morris, Inc., in charge of its west-coast operations, voluntarily appeared in the program inquiry and testified in detail regarding their activities in television programing. MCA refused to supply any significant information although they were directly ordered to do so by the Commission. Steps are presently being taken to require MCA, Inc., to appear in the inquiry and provide the requisite information. It is problematical, however, when this can be accomplished as it may involve lengthy court proceedings. The Commission has referred the matter of the refusal of Taft Schreiber, vice president of MCA, Inc., to testify to the Department of Justice for appropriate action.

Because of this refusal of MCA, we have been unable to complete the record with regard to the activities of talent agencies which affect the television network program process. However, without going into details, the information presently available in the record of the program inquiry is sufficient to raise questions requiring further exploration as to the effect on the availability and quality of television programs, as well as competitive conditions in the industry, of talent agent-producer-packager relationships involved in the production of many mass-audience programs presently appearing on network television. We shall pursue this matter as rapidly as the circumstances permit.

In summary, we should like to emphasize that the Commission is cognizant of, and has under consideration in its program inquiry, the various problems which were raised in your letter. That inquiry was specifically directed to several of these problems and is designed to assist the Commission in determining the regulatory measures necessary to cope with these and other problems in television broadcasting. As stated above, the Commission has determined, on the basis of information thus far obtained, the need for authority to devise and promulgate rules and regulations with regard to networks. The proposed amendments to the Communications Act included with this letter would, we believe, if enacted, greatly facilitate a solution of the various problems arising in the area of network-affiliate relations. While the text of the amendments should, of course, be subject to the careful scrutiny of your committee and other interested committees of Congress, it is our view that the objectives included in our proposal should be retained.

If you or your committee wish any further assistance from the Commission or its staff, we shall, of course, be pleased to provide it.

The full Commission adopted this letter on August 1, 1961.

By direction of the Commission:

NEWTON N. MINOW,
Chairman.

AVOIDANCE OF STRIKES IN DEFENSE JOBS

Mr. CASE of South Dakota. Mr. President, I introduce, for appropriate reference, a bill which would provide the President with adequate legal authority to deal with those work stoppages that he considers to constitute a threat to our national security.

This bill, Mr. President, is very simple. It would amend the National Labor Relations Act to make it an unfair labor practice for a labor organization to call a strike in an industry if the President has certified that an interruption of work in this industry would threaten or impair the national security. It does not interfere with the injunctive provisions of the Taft-Hartley Act and in no way repeals or interferes with other provisions of the act.

Such a provision in the labor laws, Mr. President, would not impair the basic rights of labor to organize and to bargain collectively. It would only temporarily suspend the guarantee of collective bargaining if the President finds that irresponsible and shortsighted behavior by persons conducting labor negotiations is threatening the security of

the very nation which provides the guarantee.

This amendment to the labor law would supply the weapon for the President's emergency arsenal to which the Secretary of Labor recently alluded. Quick congressional passage of this provision would make the weapon available for the President to use if ever it is needed.

It will be remembered that in Omaha on July 31 President Kennedy's Secretary of Labor, Arthur J. Goldberg, sounded a note of warning on the no-strike, no-lockout pledge to which the labor and management interests who are constructing our missile bases have agreed. He said:

> There is no reason or justification for any worker walking off the job.

This no-strike pledge resulted from the recent Senate hearings which publicized the widespread lack of understanding and of respect for the national security on the parts of those persons who were responsible for these critical work stoppages.

Even after the pledge, however, during the month of July, according to the Federal Mediation and Conciliation Service, work stoppages on these missile bases caused the loss of 209 more man-hours. Evidently, the intimate interrelationship with national security which characterizes their work is still not clear to some people.

Mr. President, the Labor Secretary's warning was this: In case this no-strike pledge fails, "the President will have no hesitancy in going to Congress if necessary."

This willingness to go to Congress in the case of emergency is inadequate. National security is involved. These missile bases will be our ultimate defense. If at any place in this country there exists a need for patriotism and for responsibility—as the President has called for—it is in this construction of our strategic defense mechanism.

The time to place an emergency procedure in our statutes is now—not after an emergency arises. The remedy I have proposed is simple and fits into the form and concept of the National Labor Relations Act.

I ask unanimous consent that the text of the bill I am introducing may appear in the RECORD at this point:

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2401) to amend the National Labor Relations Act to provide that it shall be an unfair labor practice for a labor organization to call a strike in an industry if the President has certified that an interruption of work in such industry would threaten or impair the national security, introduced by Mr. CASE of South Dakota, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 8 of the National Labor Relations Act, as amended, is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting "; and" in lieu of such period, and by adding after paragraph (7) the following new paragraph:

"(8) to call or authorize any strike or other concerted stoppage of work, or the continuance thereof, in any industry (or segment thereof) during any period with respect to which there is in effect a certification by the President that, in his opinion, an interruption of work in such industry (or segment thereof) would threaten or impair the national security. Whenever the President determines that an interruption of work in any industry (or segment thereof) would threaten or impair the national security, he shall certify that fact to the Secretary of Labor, who shall cause the contents of the certification to be published in the Federal Register. Such a certification shall remain in effect for a period of three months or until rescinded by the President, whichever first occurs. Nothing in the preceding sentence shall be construed to prohibit the President from making subsequent certifications, in accordance with this paragraph, with respect to any industry (or segment thereof) after the effective period of a prior certification has expired or been rescinded."

AMENDMENT TO FEDERAL AIRPORT ACT

Mr. KEATING. Mr. President, I submit an amendment to the Federal Airport Act, S. 1703, which I ask to be printed and ordered to lie on the table.

This amendment, Mr. President, applies to a particular situation in a particular part of my State. It is based, however, on a generally valid principle which I would be glad to see applied to the whole of the Airport Act and, in fact, to most other Federal programs.

That is the historic principle of local self-determination, which is one of the fundamental pillars of our system of government in this country.

The effect of my amendment will be simply to prevent the Federal Aviation Administrator from using the funds provided in this act to maintain any airport project in Nassau County, N.Y., without the approval of the board of supervisors of that county.

This prohibition, quite frankly, is designed to head off an announced plan by the FAA to convert Mitchel Field in Nassau County into a general aviation airport.

Opinion on the wisdom of this conversion is divided in Nassau County. There are many citizens of the county who wish to protect their area from the baleful effects of airplane noise, against which I have recently been laboring in connection with La Guardia and Idlewild Airports.

I am delighted to hear that the House Committee on Interstate and Foreign Commerce will make an inquiry into this subject.

Some of these opponents of the airport have put forward a number of excellent alternative uses for the facilities that now exist there. Among these proposed alternatives are an industrial park, a hospital, and a YMCA recreation center.

On the other hand, there are quite a number of citizens of Nassau County who would like to go along with the FAA's plan for the airport. They argue that the future development of the county and of the remainder of Long Island requires aviation facilities of the kind that now are available at Mitchel Field.

It would not be appropriate for me to become involved in this controversy, and I do not wish to do so. I do, however, wish to make certain that the local consensus shall be decisive. Under my amendment, the FAA plan for Mitchel Field may be implemented, or the field may be used for any other purpose that is generally approved. The important thing is that the final decision will be made by the residents of Nassau County.

As I say, I would be glad to see this principle of self-determination applied to the whole of the Airport Act. It is an eminently sound principle which goes a long way toward answering the question of how we are to make use of the resources of the Federal Government without stifling grassroots democracy.

Indeed, I had in mind proposing a general amendment rather than a specific one. However, as a practical matter, I realize that to frame this amendment in language that would have universal application might raise problems for many of my colleagues. They would have to ask themselves how this amendment would affect projects in their own States. They would no doubt wish to make extensive inquiries before committing themselves to this application of the home rule idea, however much they may agree with it in principle. The result would be that we probably would not get immediate agreement on the amendment, and the cause of Nassau County might be lost while we were studying the larger question.

Therefore, I have framed my amendment so that it will apply only to Nassau County. An identical amendment was included by unanimous vote in the Airport Act that has already been passed by the other body. This amendment, thus, is an effective remedy to a particular problem.

I ask unanimous consent that this amendment be printed at this point in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment submitted by Mr. KEATING is as follows:

On page 6, after line 15 insert the following:

"(b) Section 11 of such Act is amended—

"(1) by striking out 'and' at the end of paragraph (7);

"(2) by striking out the period at the end of paragraph (8) and inserting in lieu thereof '; and'; and

"(3) by adding immediately after paragraph (8) the following new paragraph:

"'(9) with respect to any project in Nassau County, New York, the Board of Supervisors of Nassau County approves such project.'"

Redesignate "(b)" on page 6, line 16, as "(c)".

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENTS

Mr. SMATHERS submitted amendments, intended to be proposed by him, to the bill (S. 1983) to promote the foreign policy, security, and general welfare

of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which were ordered to lie on the table and to be printed.

U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY—ADDITIONAL COSPONSOR OF BILL

Mr. PASTORE. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the bill (S. 2180) to establish a U.S. Disarmament Agency for World Peace and Security.

The VICE PRESIDENT. Without objection, it is so ordered.

NOTICE OF HEARING ON NOMINATION OF JAMES B. PARSONS TO BE U.S. DISTRICT JUDGE, NORTHERN DISTRICT OF ILLINOIS

Mr. HART. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, August 17, 1961, at 10:30 a.m., in room 2300 New Senate Office Building, on the nomination of James B. Parsons, of Illinois, to be U.S. district judge, northern district of Illinois, vice Philip L. Sullivan, deceased.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Colorado [Mr. CARROLL], the Senator from Illinois [Mr. DIRKSEN], and myself, as chairman.

ANNOUNCEMENT OF HEARING ON SALINE WATER CONVERSION PROGRAM BILL

Mr. ANDERSON. Mr. President, I wish to announce, for the information of the Senate, that on August 22, at 10 a.m., in the Interior Committee hearing room, an open public hearing will be held on S. 2156, a bill to expand and extend the saline water conversion program being conducted by the Secretary of the Interior.

This announcement is intended to inform all Senators and others who wish to testify that they will be welcome to do so. Anyone wishing to testify should contact the committee staff, in order that proper arrangements can be made.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. YARBOROUGH:

Remarks of Secretary of Labor Arthur Goldberg, as read by Under Secretary of Labor Willard Wirtz, on acceptance of plaque at the Four Freedoms Award Dinner.

SENATOR PROXMIRE'S LONELY BATTLE

Mr. MANSFIELD. Mr. President, in the New York Post of Wednesday, August 9, appears a news story entitled "Senator PROXMIRE's Lonely Battle." The article was written by Milton Viorst.

I believe that the Senator from Wisconsin [Mr. PROXMIRE] performed a service in the long and lonely battle he carried on in behalf of his strongly held convictions. I know from speaking to the distinguished Senator from Wisconsin that he wishes Mr. O'Connor well in his new position, that he feels he has made the best fight possible, and that he accepts the verdict of his colleagues.

Therefore, I ask unanimous consent that the article from the New York Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR PROXMIRE'S LONELY BATTLE

(By Milton Viorst)

WASHINGTON, August 9.—As Senator PROXMIRE talked on in the Senate through the day, through the night, and then through the dawn he knew that he wouldn't win.

PROXMIRE, the Senator from Wisconsin, was quite adjusted to the probability of losing his fight to block the nomination of Lawrence O'Connor to the Federal Power Commission. PROXMIRE, on the other hand, will never adjust to the idea that a man, no matter how honest or intelligent, should be appointed to regulate an industry to which he has been beholden for years. O'Connor has served as vice president of the Independent Petroleum Association and has owned 29 oil and gas company stocks.

CONTENTED IN DEFEAT

So PROXMIRE conducted his one-man filibuster for better than 12 hours in the Senate through yesterday, last night, and today, and then he settled back to defeat satisfied he had done his best.

It is still somewhat incongruous that one of the Senate's most persistent liberals is the political heir of the late Joe McCarthy. Yet it is McCarthy's seat that PROXMIRE holds, earned in a landslide triumph following McCarthy's death in 1957.

Like other Congress liberals, PROXMIRE is a product of wealth and extensive education. His father was a prosperous Chicago physician. He went through the Hill School, Yale (as an undergraduate) and Harvard (as a graduate student). His first job was with J. P. Morgan Co. in New York. His connection with the underprivileged has always been marked by empathy rather than experience.

Yet he has given unstintingly of his energies since he was first elected to political office—to the Wisconsin Legislature a decade ago.

ATHLETES DEVELOPED STRENGTH

A filibuster is a grind, a wearing physical ordeal that normally leaves the Senator wilted and wan, but PROXMIRE appeared fit and strong as he spoke on through his last hours on the floor early this morning.

This is not surprising. PROXMIRE, a college athlete who won his "Y" in football despite the dubious distinction of dropping 10 straight forward passes in one practice session, has always worn down his associates with his inexhaustible energy.

PROXMIRE's objections to O'Connor for the FPC were based purely on the man's background. He admits this. He says he has no evidence that O'Connor is not honest, intelligent, or persevering. For that reason there was scant support for his opposition in the Senate.

PROXMIRE'S VIEWPOINT

To PROXMIRE it was the principle of the thing.

"I certainly would not question the character of Mickey Mantle or Roger Maris," he had said. "They are fine Americans. But I would not want them to umpire a Yankee baseball game."

Yet as the filibuster went on, doomed though its objective may be, PROXMIRE thought that the cloth of his defeat may contain threads of victory:

"I think it at least will have an impact on O'Connor and on his conduct in office," the Senator said.

DEATH OF GEN. WALTER BEDELL SMITH

Mr. MANSFIELD. Mr. President, last night a distinguished American and a dear and near neighbor of mine, Gen. Walter Bedell Smith, soldier and diplomat, died in the city of Washington.

General Smith was, in my opinion, not only one of this Nation's outstanding soldiers during World War II, but also in his tenure as Under Secretary of State and Ambassador to Russia he was one of the great diplomats of our time. He was also, for a time, the Chief of the CIA. The passing of this great American is a distinct personal loss, so far as my family is concerned and, I feel also, so far as this body and the Nation as a whole are concerned. His many contributions will be remembered for a long time to come. His devotion to duty was outstanding, and his patriotism was a byword.

General Smith rose from the rank of enlisted man in the Indiana National Guard to the rank of general, U.S. Army. I do not believe he ever went to college. But on the basis of ingenuity and ability, he was able to achieve outstanding positions, which he held in this Government under both Democratic and Republican administrations.

I ask unanimous consent that a news story, published today in the Baltimore Sun, covering the death of this well-known soldier, diplomat, and American, be incorporated at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WALTER BEDELL SMITH, SOLDIER AND DIPLOMAT, IS DEAD AT 65

WASHINGTON, August 9.—Gen. Walter Bedell Smith, General Eisenhower's Chief of Staff in Europe during World War II, died tonight at Walter Reed Hospital.

The 65-year-old former soldier and diplomat died at 11:30 p.m. tonight, the hospital reported. The cause of death was not learned immediately.

General Smith had served as an Under Secretary of State in the administration of President Harry S. Truman and as Ambassador to Russia for 3 years.

RETIRED IN 1954

He retired October 1, 1954, after 43 years in Government service.

General Smith earned the unofficial title of "general manager" of World War II and gained new prestige in the subsequent cold war. During 3 critical years of the uneasy peace period he served as Ambassador to Russia.

As Chief of Staff to General of the Army Eisenhower, Smith was responsible for handling the multitude of details involved in planning the invasion of Europe. He had been General Eisenhower's Chief of Staff also in the north African, Sicilian, and Italian campaigns.

Mr. Eisenhower once said that he knew only four men in the American Army capable

of being great Chiefs of Staff and that "Beedle," as he called his assistant, was the best of the four.

NEVER WENT TO COLLEGE

He served as General Eisenhower's Chief of Staff from September 1942, 2 months before the Allies' invasion of north Africa, through the European war and signed both the Italian and German documents for the United States.

Yet General Smith, unlike most high-ranking officers, never attended the U.S. Military Academy or even a civilian college. A first sergeant in the Indiana National Guard in 1917, he entered Federal military service shortly after the start of World War I.

Mr. KUCHEL. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. KUCHEL. Mr. President, all the Members of the Senate on this side of the aisle, as well as all those on the other side, join in the sentiments which have just now been so eloquently expressed by the majority leader.

The late General Smith was a great and distinguished American, who served his nation well in war and in peace. He was referred to as the "general manager" of the Allies' offensive in Europe. He was the Chief of Staff to the then General Eisenhower; and much of the success of the Allies against the forces of darkness in World War II in Europe was due to the abilities and the exertions of the late General Smith.

As the majority leader has said, in time of peace Walter Bedell Smith served this Government as Ambassador to the Soviet Union, and he also served our Government as Under Secretary of State to President Eisenhower.

The American people have lost a stanch advocate for their way of life; and the Nation mourns his passing.

Mr. CARLSON. Mr. President, I wish to add my words of regret at the passing of the great American who has just now been referred to by both the majority leader and the acting minority leader. Gen. Walter Bedell Smith was not only a great soldier; he was also a great diplomat. Those of us who serve on the Foreign Relations Committee had frequent opportunities to obtain the benefit of his views, judgment, and knowledge in regard to many of the problems affecting our country.

The entire Nation mourns the passing of Walter Bedell Smith; and the United States and all the other nations of the free world have suffered a great loss.

HIJACKING OF PLANES AN ACT OF PIRACY THAT MUST BE STOPPED

Mr. CARLSON. Mr. President, the hijacking of planes is an act of piracy that must be stopped. Our country and other nations have dealt with pirates before, and the penalty has been death.

The present situation in our Nation is such that Congress should enact legislation making hijacking of planes punishable by death.

Surely the time has not arrived in our Nation when individual citizens traveling in American aircraft should not have some feeling of security.

Some years ago there was a wave of placing bombs on planes in the United States; and after writing extreme penalties into the provision of the law, this danger was greatly minimized.

The situation in Cuba, 90 miles off our borders, is a festering sore that must be cleared up. Certainly as a great, powerful nation, we do not need to tolerate the insults and provocations that are presented to us by Fidel Castro.

These plane incidents are another evidence of the disrespect Castro shows to our Nation and its citizens; and unless we take firm and drastic steps, we shall lose our prestige and the respect of the nations of the world.

It would be better if the Organization of American States took a firm stand and stated that no Communist-controlled regime would be allowed to endanger the freedoms of the citizens of the countries of the Western Hemisphere. But if it does not, we as a nation must, in our own interest, self-defense, and prestige, take action.

At the meeting now being held in Montevideo, no greater service could be rendered than to take action on this matter.

Mr. KUCHEL. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. KUCHEL. I congratulate the able Senator from Kansas on what he has just said. I congratulate him for advocating the enactment of legislation to deal with the vicious epidemic of plane pirating, and I also congratulate him for what he has indicated is the need for joint action in this hemisphere by the Organization of American States.

Mr. President, I do not understand why we permit a continuance of any trade with Castro's Cuba. Every month some citizens of this country continue to purchase agricultural and other commodities from Cuba, to the extent of some $5 million. That is $60 million a year. That ought to stop. The Senator from Kansas is eternally right when he suggests that collective action should be taken by the Organization of American States; the Senator from Kansas is also correct in saying that, lacking joint action, this Government ought to take such action as is necessary and appropriate to prevent a continuation of commercial transactions or trade between this country and Cuba.

We believe in an economic blockade; and the time for that blockade is now.

I thank the Senator from Kansas.

Mr. CARLSON. Mr. President, I appreciate the comments of the Senator from California.

Mr. BUSH. Mr. President, apropos of what the distinguished Senator from Kansas has just said, I wish once more to call attention to a resolution I submitted in January 1960, and in January 1961, which bears upon this particular subject. In effect, it calls for a reactivation of the Monroe Doctrine. It says, in effect, that the Organization of American States should take cognizance of matters of this kind, but if an individual country feels its own security is threatened, it may take unilateral action.

I once again call upon the Foreign Relations Committee to hold hearings on the resolution. My mind has not changed in the last 18 months that some action such as this is necessary in connection with our foreign policy in the whole Latin American area.

VIEWS OF FORMER PRESIDENT HERBERT HOOVER ON HIS 87TH BIRTHDAY

Mr. BUSH. Mr. President, on another subject, in the New York Times of today there is a news story of Herbert Hoover's 87th birthday. Mr. Hoover discussed some of the important issues of the day in his apartment at the Waldorf Towers. At the age of 87, he is far removed from the turmoil of politics, and looks at world affairs with only one point of view; namely, what is best for the people of the United States.

I was not surprised to read that he said, in turning to domestic problems, that the most disastrous thing that is happening to us in the United States is the increase in crime. He said that this trouble arises from the restrictions upon our courts and the practices which have developed within them. The lag in court convictions is not within police control.

In 1957, 2,800,000 major crimes were committed in the United States, and there were only 300,000 convictions. He suggests that our bar associations look into the methods of the British courts, where there is no such appalling record as that in the United States. In Britain 85 percent of those arrested are convicted. He was dealing with what he calls the most disastrous thing that is happening to us in the United States.

I think those of us who live in the District of Columbia much of the year pick up our evening or morning papers with apprehension almost daily, wondering what the new crime of the day or week is going to be. I have noted that the Chief of Police in Washington has said repeatedly that he does not feel the police are adequately supported by the courts, and that is one of the major reasons for the increase in crime.

I ask unanimous consent that the article containing views of Mr. Hoover on this and other subjects may be printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOOVER, 87 TODAY, DOUBTS WAR WITH THE RUSSIANS IS IMMINENT—SCOFFS AT KHRUSHCHEV'S PROTESTATIONS OF NEW PROGRAMS OR POLICIES—SAYS AMERICANS HAVE NOT GROWN SOFT

(By Foster Hailey)

The once brown hair is thin and gray. The step is slow and deliberate. The voice is thin and lacks some of its old decisiveness. But the spirit still is vibrant.

At 87 years, Herbert Hoover, engineer, builder, wartime feeder of half a world, 31st President of the United States, still faces the coming years unafraid, proud of his country, confident in its strength, sanguine as to its future. And still busy.

In what has become a custom with him the last few years, he submitted Tuesday to a birthday interview. His birthday was not until today.

But to avoid the clutter of TV and newsreel cameras in his apartment in the Waldorf Towers and the insistent questions of newsmen, many of whom were not even born when he was in the White House, the interview was arranged in advance.

He was born in the little Iowa town of West Branch on August 10, 1874.

Puffing at a pipe, which he kept lit with old-fashioned, long-stemmed kitchen matches, he said war was not imminent because "the Russians most likely do not want a nuclear war any more than we do."

"President Kennedy's courageous statement as to Berlin should carry conviction to the Russians," he continued. "As long as the Russians are willing to negotiate over this problem, there is hope of solution."

He said he did not place much credence in Premier Khrushchev's protestations of new programs or policies. He said he found in them no repudiation of the important principle of Communist doctrine first stated by Lenin in 1920: that communism should "use any ruse, dodges, tricks, cunning, unlawful methods, and concealing of the truth" in its dealings with other nations.

Mr. Hoover said he had "never been keen on summit meetings."

"They put the President of the United States in a difficult position," he said. "The leaders of other countries always represent the dominant political party. They can make binding decisions. The President of the United States cannot. We have only to remember the tragic failure of Wilson and the League of Nations to realize that."

Turning to domestic problems, Mr. Hoover described the "most disastrous thing that is happening to us" as the increase in crime.

"Our trouble arises from the restrictions upon our courts and the practices which have developed within them. The lag in court convictions is not within police control," he said.

In 1957, he said, 2,800,000 major crimes were committed in the United States, and there were only 300,000 convictions.

"I suggest that our bar associations should look into the methods of the British courts, where there is no such appalling record as that in the United States."

In Britain, he said, 85 percent of those arrested are convicted.

He put in a plea for his own special interest, the Boys Clubs of America, of which he is a leader. There is, south of San Francisco, a chain of seven such clubs in seven towns, he said, and "the presidents of those clubs inform me that delinquency has practically disappeared in those areas."

As for the fitness of Americans, Mr. Hoover asserted they had not grown "soft" as so many said. "Too much attention is paid to what goes on in the cities," he said. "Out in the countryside, in the small towns, on the farms, Americans are just as patriotic as they ever were, ready to meet any emergency, any challenge."

As for his fitness, Mr. Hoover said he felt "as good as any man probably can at 87."

He said that the third volume of his memoirs, the general title of which is "An American Epic," would be in the book stalls September 11.

He said he was still busy with volume IV, which will carry through World War II.

Mr. Hoover has seven adoring women secretaries, under Miss Bernice Miller, who joined his staff 22 years ago "on a temporary basis."

A digest of his activities last year listed attendance at 26 public fetes; 7 major and 7 minor speeches (with no "ghost writers"); 34,805 letters answered; trips to Florida, Washington, California, and Philadelphia; the filming of a commentary for television, "The Ordeal of Woodrow Wilson," and participation in the educational and scientific work of 12 organizations, on which he either is a trustee or a director.

DALLAS WORKS FOR RACIAL HARMONY

Mr. TOWER. Mr. President, the city of Dallas, Tex., has quietly undertaken and, I am confident, is achieving a remarkable transition from racial segregation to desegregation in its community life. This is being accomplished by responsible leadership on the part of Dallas' own civic leaders, who recognize that racial differences can be resolved only in an atmosphere of good will and moderation.

Due to the existence of this healthy atmosphere of good will, the tensions that have accompanied desegregation in various other cities in every region of the Nation have been avoided in Dallas.

The full story was summarized in the Dallas Morning News last Sunday. I ask unanimous consent to have this account printed in the RECORD following my remarks. It proves my contention that it is possible to create the atmosphere of good will, to which I previously have referred, and that such an atmosphere—free from the influence of extremists on both sides, free from the intervention of outsiders, free from forced measures or threats of such measures—is conducive to lasting racial peace.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Dallas Morning News, Aug. 6, 1961]

DALLAS WORKS FOR RACIAL HARMONY

(By Dennis Hoover)

Details of a vast educational program to condition Dallas residents for peaceful acceptance of public school desegregation beginning September 6 were bared Saturday.

The program has been quietly underway for about 17 months, ramrodded by 250 of the city's supercivic dads who make up the Dallas Citizens Council.

Almost every organization in Dallas—civic, religious, service, fraternal, labor, and professional—has joined in a communitywide move to assure law-abiding transition to the new era, it was stressed in a press briefing held by DDC leaders.

Early in 1960 the DCC saw ultimate desegregation as inevitable. It vowed that for the well-being of Dallas the strife of a Little Rock or New Orleans must be avoided, absolutely.

Since then, plans have been carefully laid and carried out.

Cooperating have been such encompassing organizations as the Dallas Bar Association, Dallas County Medical Society, and Greater Dallas Council of Churches.

The inevitable became clear last April 6 when school authorities' last legal bastion in a 5½-year court battle crumbled.

The new era will start in about 4 weeks, when a 12-year stairstep desegregation plan, beginning with first graders at some of the district's 100 elementary schools, will be launched. A potential 10,858 white and 3,102 Negro first graders will be involved.

If the launching is minus brickbats, blood and mob hysteria, it will be because thousands of Dallas people, humble and prominent alike, agree with the DCC's central tenet. This is: Whether you favor desegregation or not, good citizens obey the law.

The DCC comprises the chief executives of Dallas' largest corporations. Many times in the past this organization has acted when it deemed the welfare of Dallas at stake.

EDUCATIONAL PROJECT UNVEILED

Last week President C. A. Tatum and other DCC leaders decided it was time to unveil formally the educational project—its mechanics, philosophy, and success to date. The conference of news media representatives was called at Hotel Adolphus.

A hint of the program's success is the fact that on July 26, a Wednesday, precisely 156 Negro men and women lunched alongside whites in 40 major restaurants and store eating places in downtown Dallas and suburban shopping areas.

There wasn't an incident. This was not a freak episode or a sit-in planned by agitators. It was a deliberately staged test by the city's most responsible white and Negro leaders. It proved, say these leaders, that desegregation of the city's major eating places has been accomplished, with Negro leaders, white proprietors, and the general public ready to behave responsibly.

Silence on the conditioning program has hitherto been observed for two reasons, it has been brought out. One, to avoid stirring up extremist elements; two, to avoid setting up personal targets for citizens rabid over the desegregation question.

But now all can be told. Here are the mechanics of "operation education for desegregation":

COMMITTEE MAPPED THE PLAN

Out of the deliberations that began 17 months ago inside the DCC came a seven-member committee.

This committee, after consultation with psychologists, law enforcement officials, and citizens of other communities that have faced desegregation problems, has been rallying organizations numbering tens of thousands of Dallas residents to the cause of peaceful compliance with the law.

Members of the committee are Karl Hoblitzelle, C. A. Tatum, W. W. Overton, James Aston, Carr P. Collins, Julius Schepps, and John E. Mitchell.

No major group of citizens, whether parent-teacher association, service club, women's club, or communications outlet, has been overlooked. All the sharpest tools have been used, including professional public relations guidance, to get across the message: Good citizenship and the well-being of Dallas necessitate respect for the law.

Among tools used in the program has been a potent, locally prepared documentary film entitled "Dallas at the Crossroads." The movie contrasts scenes of a happy, forward-marching Dallas with pictures of violence in other cities confronted with changes in their school systems. It contains personal pleas from top Dallas civic leaders to avoid making these mistakes.

The film has had scores of showings, and will have hundreds more between now and September 6. Its showing is always after an introduction by the leader of the group to which it is shown—a firm head, church rector, labor leader, women's club president, etc. Viewers are made conscious of the desegregation problem as it could affect them individually.

Today in churches over Dallas 100,000 "Dallas at the Crossroads" booklets are being distributed to church congregations with the enthusiastic approval of the clergy and lay religious leaders.

Inserts bearing the same message are to be distributed by many companies with their employees' paychecks. Thousands of posters presenting the face of a happy Dallas and urging that its citizens avoid violence, have been prepared for display in all public gathering places.

Typical of the reception accorded the movement, say its leaders, is that of Dallas organized labor. It voted overwhelmingly to help immunize Dallas against desegregation violence. Labor's viewpoint is that a city's reputation has definite bearing on job opportunities.

Most particularly, the otherwise unnamed DCC Committee of Seven has been working with a Negro committee of 7 that represents

125 Negro organizations numbering hordes of members.

As occasion required, the two committees have met to iron out problems and plan action. This action, as the July 26 luncheon test indicates, has been broader than that linked directly to mixing school classes.

Significantly, national organizations concerned with the desegregation dispute have been trusting the white and Negro civic committees to oversee desegregation in Texas' second largest city. This evidences the degree to which Dallas' effort to meet the question in advance is unique.

NEGRO COMMITTEE PLANS, TOO

W. J. Durham, regional counsel for the National Association for the Advancement of Colored People, is a member of the Negro committee. His associates on the panel are A. Maceo Smith, George Allen, Ed Reed, Jack Clark, Rev. Brooks Joshua, and Rev. E. C. Estell, Sr.

A tract widely distributed by the DCC committee puts the educational mission into focus. It reads in part:

"By law, white and colored children will attend school together in Dallas for the first time.

"Further, if Dallas' experience parallels that of other Southern cities—and there is no reason to suppose that it will not—the schools are only one area of community life in which Negro leaders will press for change. Restaurants, theaters, increased use of department store facilities, hotels, churches—all are likely targets. Here, as with the schools, the problem may ultimately have to be resolved by law.

"Respect for and acceptance of the law is a vital part of the American tradition. It is also a part of the American tradition that every citizen may hold whatever opinions he chooses on the questions of his time.

"Where his opinions differ from the law as defined by the courts, the good citizen does not resort to violence to express his disapproval or attempt to violate the law. He endeavors to change the law by peaceful and orderly means. This is his right as a free American.

"In the present problem, brought to a head by the court's decision, the Dallasite is not asked to change his opinion on the subject, be it 'pro' or 'con'. He is asked to respect the law."

DESEGREGATION VIOLENCE SHUNNED

Other written pieces and speakers on behalf of the opinion-molding program have been stressing the devastation wreaked by desegregation violence. They point out that not only has Little Rock lost in population and industry, but unofficial evidence points to widespread emotion illness among the populace—particularly children.

Warns a committee pamphlet entitled "Dallas Opportunity": "Violence is a problem that affects the whole community and not merely a few isolated segments of the school or business public. Violence destroys a community. It not only disrupts business and education, but undermines the health and moral fiber of all citizens. Extremist elements and self-seeking individuals come into control, and the city's children are forced to bear alone a burden which rightfully is an adult responsibility."

If the conditioning effort works as planned, extremists will feel lonely on desegregation day, the committee believes.

Because good citizens obey the law, those who do not will perforce be labeled as bad citizens and have difficulty gaining a following.

Moreover, via the documentary film and otherwise, potential troublemakers are being assured that every Dallas policeman has been specially trained to cope with disrupters of law and order.

With apparent understatement, former Mayor R. L. Thornton, Sr., noted at the briefing last week: "Our law enforcement authorities have ample means to be very helpful if a disturbance arises."

RACIAL BARS LIFTED ELSEWHERE

While the city's white and Negro leaders have addressed themselves to the main aim of a peaceful Sept. 6 in elementary school environs, other areas of racial discord have quietly been smoothed out in Dallas.

It is no mere fortuity that Dallas has had little sit-in trouble and been bypassed by freedom riders, say these leaders.

Also labeled products of the conditioning program are such changes as:

The recent shifting of Dallas Negro plainclothes policemen into uniforms.

Desegregation of the State Fair Musicals.

The reclassification of jobs by many Dallas employers. (It was found that 139 types of jobs over Dallas were being lumped under the titles of janitor and porter. Reclassification made one erstwhile porter a receiving clerk—the job he was actually performing.)

Desegregation of Fair Park's amusement area at the start of this summer season.

Progress being made toward accommodating mixed groups at Dallas hotels. Even now, visiting Negro government leaders and other dignitaries are being accommodated.

Those who have ramrodded the education project seem to be optimistic about its outcome.

They believe the doctrines of active acceptance of the inevitable by white Dallas people and "active containment" by Negroes of perhaps normal instincts will pay off in a continuing peaceful, progressing, and wholesome Dallas.

LONG-RANGE IMPACT OF FOREIGN-AID-CREATED INDUSTRY ON DOMESTIC ECONOMY

Mr. WILEY. Mr. President, in the face of great and growing threats to peace and security, the mutual security program—in my judgment—continues to be absolutely necessary for strengthening free world defenses.

In its present form, the bill, however, is not sacrosanct—that is, immune to modification. Rather, it should be analyzed to strengthen its effectiveness, to eliminate its shortcomings, and, insofar as humanly possible, to assure that it is the best vehicle for serving our national security.

There is, for example, a major aspect of the program which I believe deserves careful and analytical consideration of the Senate. That is the long-range impact upon the domestic U.S. economy of competition resulting from industries created abroad by the mutual security program.

For the years ahead, the American taxpayer is being asked to underwrite industrial-economic development of countries around the globe.

We realize, of course, that there must be economic progress in these nations—if they are to become self-sufficient; if they are to withstand the pressures of communism; if they are to make their contribution to world progress; if they are not to become breeding grounds of communism, or other threats to peace.

However, the American taxpayer, I believe, has a right also to expect protection against long-range damage, which could be inflicted upon the domestic economy.

Unless protective action is taken, the creation of greater productive capacity in other nations will turn out goods which ultimately will compete with, and perhaps undercut U.S. enterprises.

Now, what can be done?

Obviously, there are no panacea-type solutions. Nevertheless, we must, I believe, carefully consider courses of possible action to safeguard our domestic economy.

What are the alternatives? These could well include:

First. Appoint administrators with a deep sense of responsibility, a sense of trusteeship to the American taxpayer. The purpose would be to avoid irresponsible profligate spending, without regard to its consequences to our domestic economy.

Second. Establish criteria for investing in industries in less developed nations, taking into account the long-range impact which such foreign-made products could have on the domestic economy.

Third. As a requirement for obtaining loans, recipients could be requested to make agreements either (a) not to compete with us; or (b) to limit such competition.

Fourth. Efforts could be made to develop industries for which outputs would largely be consumed or utilized within the producing countries, or at least within the regional areas.

Fifth. Contracting nations could, by mutual agreement, establish quotas, or at least some types of limitations on products shipped to the United States, or earmarked for competition with U.S. goods on the world markets.

Unfortunately, these recommendations—either singly, or in toto—do not provide a magic solution. In fact, they themselves create special problems.

Nevertheless, I offer them as food for thought—to evoke discussion in the Senate on this aspect of the mutual security program.

In my judgment, it has been too little considered. To protect the domestic economy, we must here and now attempt to evaluate the long-range impact of the new enterprises on the American economy.

Again, I stress, I do not want to raise a "bugaboo" that would tend to cripple or kill the mutual security program.

I am hopeful, that the Senate will satisfactorily resolve these and other problems in the bill, and then "speak with one voice" in approval of the final version of the program.

GOODRICH W. LINEWEAVER

Mr. ANDERSON. Mr. President, Goodrich W. Lineweaver, who in April retired from the staff of the Senate Interior and Insular Affairs Committee, died Tuesday at Waverly Hospital outside Washington, at the age of 74.

I know that Goodrich will be mourned by all of the members of the Senate, and particularly by those of us in the 17 Western States which have benefited from the energy and the wisdom he contributed to the reclamation movement.

Mr. President, I shall ask unanimous consent to place in the RECORD a biographical sketch of Mr. Lineweaver, who came into the Government service in 1934, as Secretary of the Federal Power

Commission, subsequently became Assistant Commissioner of Reclamation, and in 1955 joined the staff of the Interior and Insular Affairs Committee.

Goodrich leaves many friends in the Department of the Interior, which cited him for his distinguished service in the reclamation field, and here in Congress, where he was a jolly, a wise, and an effective public servant.

Mrs. Lineweaver preceded Goodrich in death some months ago. He is survived by two sisters, Mrs. Mattie Bean, of Connecticut, and Mrs. Marietta Little of Williamsburg, Va., and by a number of nieces and nephews.

To all of these survivors I want to extend my heartfelt sympathy. I know that the Members of the Senate, to whom he was a familiar fellow worker, join me in that expression of sympathy.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a biographical sketch of Mr. Lineweaver, who came into the Government service in 1934, as Secretary of the Federal Power Commission.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SKETCH OF GOODRICH W. LINEWEAVER

Goodrich W. Lineweaver, former Assistant Commissioner of Reclamation, had wide experience in administration, research, and related economic problems in conservation, and resource development, especially in the reclamation program in the 17 Western States.

Mr. Lineweaver served as Secretary of the Federal Power Commission from 1934 to 1936. Subsequent to this assignment he became associated with the Institute of Government of the Brookings Institution in connection with the Federal reorganization survey of electric power and related conservation subjects. He later became consultant for National Power Policy Committee in connection with Bonneville Power Administration legislation. Later for the National Reclamation Association he conducted research, statistical, and legislative analyses of conservation and western resource development. He developed economic reports following an extensive review of reclamation and related problems affecting the Bureau of Reclamation and Indian irrigation projects.

Because of his experience and familiarity with the economic problems which were expected to confront the Reclamation Repayment Commission created by Congress in 1937, Secretary of the Interior Harold L. Ickes named Mr. Lineweaver to serve as Secretary of the Commission. The Commission made an economic analysis of all reclamation and Indian irrigation projects and recommended such revisions in the Reclamation law which became the basis for much of the Reclamation Project Act of 1939. The Commission was made up of three of the West's greatest authorities on irrigation and reclamation: Dr. Charles A. Lory, then president of Colorado State College of Agriculture, Fort Collins, Colo.; chairman, Mr. William R. Wallace, chairman of the Utah Water Conservation Board; and Mr. George T. Cochrane, former State water commissioner of Oregon.

In 1939, Mr. Lineweaver joined the Bureau of Reclamation staff as an economic consultant and in 1940 became Chief of Research.

During November and December 1941, Mr. Lineweaver testified for the Federal Government before the special master named by the Supreme Court of the United States in the widely discussed Tri-State case, (*Nebraska* v. *Wyoming and Colorado, United States, Intervener*), a controversy involving the water rights on the North Platte River. On the basis of his research and his presentation of factual data relating to reclamation, his testimony was of such import in this most complicated case that Mr. Lineweaver's handling of the subject was commended by the representatives of the Attorney General in letters to the Commissioner.

In 1942 Mr. Lineweaver became Chief of Information of the Bureau of Reclamation and served as coleader of the Columbia Basin joint investigations. Assistant Secretary of the Interior William E. Warne, who was then associated with the Bureau of Reclamation, previously headed up these studies with Dr. Barrows. However, Mr. Warne was called to the War Production Board to serve as production leader and Mr. Lineweaver took over the direction in the Commissioner's office of the Columbia Basin joint investigations which comprised the most extensive study ever undertaken to aid future farmers on reclamation developments to make a success. It was sponsored by the Bureau, first under the leadership of Barrows and Warne, then under Barrows' and Lineweaver's guidance, in cooperation with some 40 Federal, State, and local agencies. Subsequent to the completion of these studies Mr. Lineweaver was active in spearheading a similar process on the Central Valley project with Dr. Barrows and others.

Early in the World War II years Mr. Lineweaver also served as the Bureau of Reclamation's security officer along with his other duties. In 1943 he was appointed Assistant to the Commissioner for Liaison with field activities under the Bureau's new regionalized administration. In this position he coordinated the activities of the various branches then located in Denver and regional offices of the Bureau and was primarily responsible for getting the Bureau's war food program underway. This program with the sanction of the War Production Board resulted in continuing construction of a number of irrigation projects.

In 1945 Mr. Lineweaver was appointed Director of the Branch of Operation and Maintenance reactivated with headquarters in Washington. He represented the Commissioner not only in operation and maintenance problems through the seven regional directors of the Bureau, but in numerous special assignments related to the broader field of reclamation.

As Director of Operation and Maintenance, he was responsible for the development and coordination of irrigation systems now providing irrigation water for more than 5 million acres of land, as well as for the execution of repayment contracts and plans for the settlement of war veterans, and others on Federal reclamation project lands. He also represented the Commissioner in advancing a program of cooperation with western land grant colleges of agriculture and the Department of Agriculture.

On April 28, 1950 Mr. Lineweaver was appointed Assistant Commissioner of Reclamation. As Assistant Commissioner, he has supervision over administrative matters, including the program and finance operations of the Bureau, and appropriation presentations before the Bureau of the Budget and the Congress, in addition to special assignments.

Mr. Lineweaver was born in Harrisonburg, Va., and received his education in the public schools of that city. He was engaged in newspaper work in Virginia and West Virginia prior to World War I in which he served as a lieutenant in the Army for 3 years. At the close of the war he returned to newspaper work located in Norfolk, Va., where he specialized in resource and conservation development activities. The late Mrs. Lineweaver was the former Evelyn Koogler of Harrisonburg, Va. They resided at 5415 Connecticut Avenue NW., Washington, D.C., before the death of Mrs. Lineweaver a few months ago.

Mr. CASE of South Dakota. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. CASE of South Dakota. I wish to join the Senator from New Mexico in expressing my appreciation for the service and the life of Goodrich Lineweaver. He was a friend of everyone who wanted to have water conserved and used wisely.

Mr. ANDERSON. I thank the Senator from South Dakota.

Mr. CARROLL. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. CARROLL. I wish to associate myself with the remarks of the Senator from New Mexico. I knew Mr. Lineweaver, and I also knew his wife, who passed away last March.

Mr. Lineweaver was a dedicated public servant. He was of great help to some of the junior Senators, because of his broad knowledge of the field of reclamation and irrigation.

I read with deep regret the news of his passing; and I extend my personal sympathy to his survivors.

Mr. JACKSON. Mr. President——

Mr. ANDERSON. I yield to the Senator from Washington.

Mr. JACKSON. Mr. President, I, too, wish to associate myself with the remarks of the distinguished Senator from New Mexico.

I had the privilege of knowing Mr. Lineweaver when I served on the House of Representatives Appropriations Committee and was assigned to its Subcommittee on Appropriations for the Department of the Interior.

Mr. Lineweaver was well versed in the problems of water conservation and development.

Later, as all of us know, he served with distinction in the same field, as a staff member of the Senate Committee on Interior and Insular Affairs. He was a very able legislative technician. He knew his business, and he rendered great service to the Senate and to the country during his long period of public service.

I wish to extend my deepest sympathy to his survivors.

Mr. BYRD of Virginia. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. BYRD of Virginia. Mr. President, Goodrich Lineweaver was born in Virginia, and I have known him for many years.

I am deeply distressed at the news of his passing.

I wish to join my colleagues in expressing great appreciation of his fine service to this country.

We greatly mourn his passing.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

CHAMPION OF LIBERTY STAMP SERIES

Mr. DODD. Mr. President, the most effective way in which we can counter

Khrushchev's demands on Berlin is to demand the right to self-determination for the captive nations of Europe. We should make this demand not as a one-time diplomatic play, but as a cardinal principle of our foreign policy.

The crisis which confronts us demands a bold dedication to the principle of freedom. But there have been several indications that, instead of placing more emphasis on liberation, we are placing less emphasis on it. These indications disturb me.

Mr. President, on August 31, 1957, this Nation issued its first champion of liberty postage stamp which honored the late President of the Philippines, Ramon Magsaysay.

The concept of these stamps was to do honor to the memory of patriots of other countries who fought and, in some cases, died in the cause of freedom and justice.

It was the first time in the history of this Nation that citizens of other lands were so featured on our postage stamps. And it was a gesture on our part that had far-reaching results within the countries whose patriot leaders were thus honored.

The Post Office Department rightly assumed that the many millions of people, cut off from the normal free press, nevertheless receive letters from abroad and study the stamps affixed to these letters. They recognize the person pictured on the stamp and remember his role in their national life. The memory of freedom is thus strengthened, and the will to freedom thus encouraged.

The issuance of each series honoring a champion of liberty was tied to special announcements in his country of birth, wherever this was possible.

In the case of Simon Bolivar, who is regarded as a liberator throughout Latin America, special announcements were made in every Latin American country.

Official ceremonies highlighted the first day of issue of each of these series.

The stamps were issued in two denominations, 4-cent and 8-cent, the postage, respectively, of domestic and foreign regular first-class mail.

Since the series was initiated in 1957, only nine patriots have been honored by this Nation.

These nine, and the date of issuance of the stamps, were Ramon Magsaysay, August 1957; Simon Bolivar, July 1958; Lajos Kossuth, September 1958; Jose de San Martin, February 1959; Ernst Reuter, September 1959; Thomas Masaryk, March 1960; Jan Ignace Paderewski, October 1960; Giuseppe Garibaldi, November 1960; and Mohandas Gandhi, January 1961.

In a number of unforgettable ceremonies, former citizens of the lands now controlled by Communists expressed their deep and sincere thanks to this Nation for this memorial to the freedom fighters of their lands. In addition, thousands of dollars worth of stamps were purchased and used to mail untold thousands of letters to destinations behind the Iron Curtain.

As an example, more than 722,000 Kossuth stamps were purchased. Many, of course, were bought by collectors. But we can be certain that many also found their way into Hungary where the name of Kossuth will forever be linked with the cause of Hungarian freedom.

The present Government of Czechoslovakia returned a number of pieces of mail with Masaryk stamps on them, despite official protest by our Department of State. And there were reports, at the time, that letters were delivered within the country with the stamps deliberately torn off. These stamps, I would point out, bore no message, only the likeness of the particular patriot and the dates within which he lived.

I have heard some argue that these stamps should not be issued on the grounds that the governments concerned might be offended. Whether they realize this or not, those who make this argument are, in effect, arguing that we must never speak the truth if it offends the sensitivities of the tyrants.

Rather than cut down on the number of these Champion of Liberty stamps, I believe that their number should be increased.

I can appreciate the fact that we can issue too many stamps and thus lower their overall value and psychological impact.

But I am deeply concerned at the news that the Postmaster General plans to reduce the number of Champion of Liberty stamps to one a year, rather than two; and to issue that one, if it is at all issued, only in the 4-cent or domestic denomination.

When we speak of the struggle for freedom, we speak as one nation, not as one political party versus another. If this were the case, nothing could do the cause of freedom more harm.

The issuance of the Champion of Liberty series is in no sense a partisan matter.

That is why, Mr. President, I ask Postmaster General Day to review again the situation in which this important and effective series of stamps is being cut back.

Mr. President, I should like to propose that the next Champion of Liberty stamp be dedicated to the martyred Bulgarian peasant leader, Nicola Petkov, who has been described by Members of Congress who know of his deeds as the bravest democrat of all. I should further like to propose that the stamp be issued at the end of September, to mark the anniversary of the execution of this brave and noble man by the Bulgarian Communist regime.

Mr. President, his close friend and colleague, Dr. Georgi Dimitrov, described the tragedy of Nicola Petkov in these words in his obituary article in the Saturday Evening Post:

> No man believed more sincerely in the possibility of collaborating with the Soviets than did Nicola Petkov. No man paid more dearly for this belief. No man conducted himself with greater courage when once he discovered his error, nor confronted his executioners with greater dignity.
>
> His is a tragedy pregnant with significance for a democratic world that is still contemplating, Hamlet-like, the pros and cons of the very problem on which Petkov met his doom.

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, S. 1983, be laid aside temporarily, and that the hijacking bill, Calendar No. 670, Senate bill 2268, be laid before the Senate as the pending business.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert:

That section 902 of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new subsections:

"CRIMES ABOARD AIRCRAFT IN FLIGHT

"(i) (1) Whoever, while on board an aircraft in flight in air commerce, commits an act which, if committed within the special maritime and territorial jurisdiction of the United States, would be in violation of sections 113, 114, 1111, 1112, 1113, 1363, or 2111 of title 18, United States Code, shall be punished as provided therein.

"(2) Whoever, while on board an aircraft in flight in air commerce (A) attempts to obtain or obtains control of the aircraft by unlawful force or violence or the threat of force or violence; or (B) assaults, intimidates, or threatens so as to interfere with any flight crew member of such aircraft while engaged in the performance of his duties or lessen the ability of such flight crew member to perform his duties, shall be fined not more than $10,000 or imprisoned not more than twenty years, or both. Whoever in the commission of any such acts uses a deadly or dangerous weapon shall be imprisoned for life, or for not less than twenty years.

"(3) Whoever, while on board an aircraft in flight in air commerce, commits an act which if committed aboard a vessel on the high seas would constitute piracy as defined by section 1651 of title 18, United States Code, shall be imprisoned as provided therein.

"(4) Whoever willfully imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would constitute a violation of paragraphs (2) and (3) of this subsection shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(5) Violation of this subsection shall be investigated by the Federal Bureau of Investigation.

"CARRYING WEAPONS ABOARD AIRCRAFT

"(j) Except for law enforcement officers of any municipal or State government, or the Federal Government, who are authorized or required to carry arms, and except for such other persons as may be so authorized under regulations issued by the Administrator, whoever, while a passenger aboard an aircraft being operated by an air carrier in air transportation, carries on or about his person a concealed deadly or dangerous weapon

or attempts to board such an aircraft carrying such a weapon shall be fined not more than $5,000 or imprisoned not more than five years, or both. Violations of this subsection shall be investigated by the Federal Bureau of Investigation."

SEC. 2. Title XI of the Federal Aviation Act is amended by adding at the end thereof a new section as follows:

"AUTHORITY TO REFUSE TRANSPORTATION

"SEC. 1111. Any air carrier is authorized under regulations prescribed by the Administrator to refuse transportation to a passenger or to refuse to transport property when, in the opinion of the air carrier, such transportation would or might be inimical to safety of flight."

EAST GERMAN REFUGEES

Mr. HART. Mr. President, we live in a new age of migrations. The hundreds of thousands of refugees in every corner of the globe, from Miami to Hong Kong, readily indicate these migrations. Lately, we have been reading and hearing a great deal about the flight of refugees from Communist East Germany. A story by Flora Lewis on the front page of this morning's Washington Post, points out that the East German refugee flow is gaining momentum.

Another record stream of East German refugees—

Writes Miss Lewis—

poured into West Berlin overnight, frightened by recent Communist declaration—

And I might add, Premier Khrushchev's recent television address to the Russian people. Miss Lewis continues:

Between noon Monday and noon Tuesday, 1,741 people registered at the Marienfelde camp in West Berlin, the highest number of new arrivals on a weekday since the East German uprising in 1953. During the previous 24 hours the number of refugees was 1,468.

Mr. President, the growing confidence and enthusiasm generated by the Soviet leadership in the claimed invincibility of its goal, world domination, is being vetoed by these valiant refugees from communism. It is no secret that the Soviet leadership, and particularly the East German puppet regime, is embarrassed by the refugee flight. Obviously, it does not speak well for their totalitarian system. Consequently, the East German leadership is pressing for tougher restrictions to stem the flow of refugees.

In an unprecedented statement issued on July 29, the leadership bluntly stated that the Western rights in Berlin must be ended this year to halt the flight of refugees. The leadership admitted that the mass migration was shaking the foundations of the East German puppet state, was disrupting the economy, and was damaging the nation's standing abroad.

Spurious though it may be to the Communist leadership, we cannot stand idly by. Democracy and freedom embody not only a philosophical affirmation, but also an ethical commitment to support vigorously the migration from tyranny. What the free nations cannot do, under any circumstances, is frustrate the natural yearning of peoples for freedom, dim the attraction of liberty, or close the West German borders to refugees from oppression. If we fail in this respect, in Germany and throughout the world, we shall have lost a crucial round in the global conflagration between the free world and the totalitarian powers. Indeed, we shall have lost a round in the struggle for self-determination and national independence. Our obligation is clear.

The West German Government is to be commended for its efforts to resettle the refugees in an unflinchingly humane manner. Reports indicate that the East German refugees are being rapidly absorbed into West Germany. Miss Lewis points out that "the latest West German employment statistics assure refugees a quick new start in life. Registered job offers in July showed six jobs open for every person seeking work."

Mr. President, I ask unanimous consent that the excellent article by Miss Lewis be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALARMED BY K. THREATS, REFUGEES FLOCK TO WEST BERLIN—DEFIANCE GROWS AMONG PEOPLE STAYING BEHIND

(By Flora Lewis)

BONN, August 8.—Another record stream of East German refugees poured into West Berlin overnight, frightened by recent Communist declarations.

Between noon Monday and noon Tuesday, 1,741 people registered at the Marienfelde camp in West Berlin, the highest number of new arrivals on a weekday since the East German uprising in 1953. During the previous 24 hours the number of refugees was 1,468.

They told authorities that the latest statements from Moscow had made them fear the escape route might be closed in a few weeks. The refugees' stories indicated growing fears of Soviet Premier Nikita S. Khrushchev's belligerence and an increasingly defiant mood among those who have stayed behind in East Germany.

The weekend Warsaw pact communique and Khrushchev's speech last night demanding action on the Berlin crisis this year served to intensify the jitters sending people in headlong flight from their homes and jobs.

EACH REFUGEE INTERVIEWED

Each refugee arriving in the camp goes through a registration process that includes a hearing before a committee where the person's reason for coming, his background, living conditions and family situation are asked.

A number of the latest arrivals gave accounts of Communist organized meetings in factories and collective farms where the workers quarreled with party officials come to lecture them and voiced open criticism.

The East German news agency ADN denounced collective farmers in two unspecified villages for "trying to justify" withdrawal from collectives at open meetings.

REFUGEES GET JOBS

Further harrassment of border crossers, residents of East Berlin and East Germany who commute to work in West Berlin, also is reported. In the last week, an average of 260 border crossers have come to Marienfelde in the daily flow of refugees.

Although there is no evidence at all to back Communist charges that West Germany has been trying to lure people across, the latest West German employment statistics assure refugees a quick new start in life. The July figures, just published, show unemployment at 93,263, the lowest since the war. It represents 0.4 percent of the working population.

Registered job offers in July showed six jobs open for every person seeking work. The acute uneasiness in the East, reflected by the exodus of refugees, has not been paralleled in West Berlin and West Germany, where exodus now means the regular summer flood tide to Europe's coasts and mountains for vacations.

There were these other Berlin developments:

The East Germans reintroduced in some factories the type of hated wage rules that played a major role in touching off the revolt 8 years ago, the Herald Tribune News Service reported.

The move is being made in the name of "supporting the struggle for a German peace treaty." It consists of indirectly reducing wages by paying 100 percent of the usual wage only for output accepted as top quality. Second- and third-grade work would be paid for at the rate of 90 and 70 percent.

Judgment on the quality of work is left to the Communist inspectors.

The East German Parliament was called to meet in East Berlin on Friday to discuss "questions concerning a peace treaty," Reuters reported.

Observers believe the Central Committee of the Communist Party is in session and an important new step may be announced at the meeting.

CUBAN REFUGEES

Mr. HART. Mr. President, I would also call the Senate's attention to an excellent article on Cuban refugees in this morning's New York Times. The article, by Milton Bracker, points out that "a new type of Cuban refugee—fishermen, small farmers, laborers—has been arriving here in the last few weeks." This is in marked contrast to the early flow of refugees from Castroism, which was dominated by professional people and the well-to-do.

Most of this new wave of refugees are people who initially supported Castro fervently. They are the people who suffered most under the Batista regime, and looked upon Castro as the great liberator from want. But Castro has disappointed these people, and today they are risking their lives by fleeing to the Florida Keys, mostly in small craft.

Mr. Bracker's article is an account of his interviews with this new wave of Cuban refugees. I ask unanimous consent, Mr. President, that this telling article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORKERS AND PEASANTS FLEEING CUBA IN A NEW WAVE—POVERTY STRICKEN GET TO FLORIDA BY SEA, OFTEN WITH PETS

(By Milton Bracker)

MIAMI, FLA., August 8.—A new type of Cuban refugee—fishermen, small farmers, laborers—has been arriving here in the last few weeks.

These immigrants are in marked contrast to the wealthy and well-to-do who made up the bulk of the early exodus from the regime of Premier Fidel Castro.

The men, often accompanied by wives and children, and sometimes by pets, reach points along the Florida Keys in small craft. These may be powered by motor, by sail, or by oars.

One group of five rowers, including a sick man, hailed a flagless freighter in the hope of replenishing water supplies. The request was denied.

Cubans who had boarded the vessel said that her commander, learning that they were fleeing Cuba, called down to his deck officer to stop discussing the matter with the three men who had come aboard.

"Emigrantes, emigrantes, fuera," one of them said the orders were. This meant, "refugees, refugees—get them off."

The men could not read the name of the ship, inscribed on her black-streaked white hull. But they said they recognized the letters as Russian. The freighter was on the way to Havana.

The white-collar refugees who arrive here on the only two authorized flights daily are well dressed. Despite the difficulties they may have had in arranging to leave, they do not look particularly harassed or needy when they step down from the plane.

But the small boat traffic, which an official of the Federal Cuban refugee program says has "increased tremendously," uniformly involves poor people. They have sailed surreptitiously from some point on the north Cuban coast, usually between Matanzas and Caibarien.

The men are sunburned and unshaven, often with callused hands and square stubby nails. The women are campesinas, country girls, single-mindedly clutching their children and their belongings to them.

Born to poverty, most of these people were glad when Dr. Castro ousted Fulgencio Batista. They looked forward to getting a larger share of life. Those who are clambering ashore at Key West these days are disillusioned.

For example, Longino Dominguez, 44 years old, had worked with wood as long as he could remember. He built every piece of furniture in his small house at Mariel, in Pinar del Rio Province.

Not long ago, the Fidelistas told him he would have to join the National Revolutionary Militia.

"I told them, 'I'm a carpenter, not a politician,'" he recounted. "I'm independent. I don't belong to this government or any other government."

DOG ALSO TAKEN ALONG

The pressure increased. The idea was communicated to Senor Dominguez that if he did not join the militia, there might be no demand at all for a carpenter.

On July 23, with 16 others, Senor Dominguez reached Florida traveling in two small sailing craft with auxiliary motors. The party included his wife, Matilde, and three children; another pregnant woman, another child, and a dog called Joni.

A month ago this week a fisherman arrived, a short, strong-chested man with a nature suggesting what Santiago, "The Old Man of the Sea" in the Ernest Hemingway novel, might have been like at the age of 38. He sat stoically here and recalled the days when he and his boat brought back a good catch of bonito.

"I sold it to whoever paid most," he said.

But under Dr. Castro, he was forced to sell to the Government cooperative. It paid him a flat 15 cents a pound, then sold his catch for 25 cents.

However, he said, he had an even more compelling reason to flee. He has a 10-year-old daughter named Liseta, a child with big, glowing eyes.

"One day she came home from school," he said, "with a (Patrice) Lumumba poem, against this, against that, against this. She had to learn it by heart."

Mr. Lumumba was the first Premier of the Republic of the Congo. His death has been attributed by Communists to Western influence.

To Magdalino Olivero, Central Africa, was infinitely remote.

"Who was this Lumumba that my daughter should say his words that she did not understand?" he asked. "And everything was Lumumba, Che Guevara, Nikita Khrushchev."

" 'Patria o muerte, vengermos,' " he went on, repeating the slogan, "fatherland or death, we will triumph." "What does it mean in the mouth of a child?"

Magdalino's brother, Mariano, 42, had just finished paying for a 1958 Chevrolet truck.

"Then they told me it was nationalized," he said.

The brothers crossed to Key West in a party of 37.

In another group, Luis René Canizares, 20, a welder, and Jose Manuel Montero, 28, a riveter, had been embittered by factory rules preventing more than two men from talking to one another. Always the constant drive to make workers join the militia, they said; always those who had joined "listening."

MAKE OFF WITH ROWBOAT

Señor Canizares, Señor Montero, a plumber named José Gonzalez ———, 22, and two others, had had enough.

They stuffed basic supplies, including a vaccum bottle containing a liter and a half of water (less than half a gallon) into an inner tube. They took locker No. 213 at Varadero Beach, east of Havana, and hired rowboat No. 435 from the National Institute for the Tourist Industry.

The first night out, one of the men got sick; they gave him more water than his ration; they ran short.

The next day—Wednesday, July 19, at 3 p.m.—the white-hulled freighter hove into view. The men waved shirts.

With .38 caliber revolvers stuffed into their belts, Señor Canizares, Señor Montero, and Señor Gonzalez climbed a rope ladder.

No one aboard knew any Spanish. A deck officer knew a little English and so did Señor Gonzalez.

"Where are you headed?" the former asked.

"Miami or Key West. And you?"

"Havana."

The Cubans asked for water.

According to their version, the captain of the vessel called down to the deck officer to find out their status.

When he heard they were refugees, the men recounted, he ordered them off the ship at once.

There was no argument or any particular tension. The captain showed no more inclination to try to take the men back to Havana than to give them water.

Twenty miles off the keys, the rowboat was taken in tow by a motorboat fleeing the same way. The combined parties landed at Marathon, south of here.

And today, the word from Key West was that the one-way traffic across the 90-odd miles of water was continuing, and increasing.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(At this point Mr. HART took the chair as Presiding Officer.)

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT

The Senate resumed the consideration of the bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce.

Mr. MONRONEY. Mr. President, the pending business before the Senate is the bill (S. 2268). Before I start to explain the provisions of the bill, I yield to the distinguished majority leader, the Senator from Montana [Mr. MANSFIELD], with the understanding that I do not lose my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, it seems to me that the Senate owes a great debt of gratitude to the distinguished minority leader [Mr. DIRKSEN], the distinguished Senator from Oklahoma [Mr. MONRONEY], the distinguished Senator from California [Mr. ENGLE], the distinguished Senator from Tennessee [Mr. GORE], the distinguished Senator from New Mexico [Mr. ANDERSON], the distinguished Senator from Washington [Mr. MAGNUSON], the distinguished Senator from Kentucky [Mr. MORTON], the distinguished Senator from Oregon [Mr. MORSE], the distinguished Senator from New York [Mr. JAVITS], and to others, for the restraint which they urged upon us last night in an attempt to give more adequate consideration to the bill before us. Their purpose was to have on the desks of Senators today clean copies of the bill, the reports, and the hearings, which are now before every Senator. They refused to be stampeded as this body came very close to action in consideration of the hijacking situation.

I think we had better get clearly in mind that we are talking about two different problems. One is the question of the safety of aircraft in flight. The other is the state of our total relations with Cuba. They are quite different problems even though they appear to converge at this moment in time, at this low ebb of these relations.

The hijacking of a plane, whether it occurs within or outside our borders is a dangerous and revolting crime. It would be a dangerous and revolting crime even if our relations with Cuba should be as excellent as they now are bad. It is a crime whether the plane that might be hijacked is a U.S. plane bound for Dallas or Bogotá which winds up in Havana or a Cuban airliner, bound for Santiago de Cuba or Mexico City which winds up in Miami.

In short, Mr. President, the hijacking of a plane is a crime, notwithstanding Cuba or the state of our relations with that nation. It is a crime because civilized human beings will readily recognize it as such, wherever it may occur. It is a massive crime because innocent human life and valuable property are placed in great jeopardy in order to satisfy the mad whim, the lust for gain, the political beliefs or whatever of the perpetrators.

That reasoning underlies the legislation which the Commerce Committee has reported. The legislation appears to me to be sound in its approach. But it is also limited. It attempts to deal with the problem of hijacking insofar as the

problem can be dealt with on a domestic basis.

But it is clear, Mr. President, that the problem of hijacking has international ramifications as well. This legislation can only touch the fringes of those ramifications.

We come, therefore, to some of the amendments which were suggested in last night's discussions to meet the international ramifications which I think do not belong in this legislation.

If we wish to leave the difficult problem of our total relations with Cuba to the President, where it belongs at this point, while we concentrate on the problem of hijacking which has so deeply and properly aroused the people of the United States, I would suggest another course. I would suggest: First, that we pass this legislation which is now before us, as it emerged from committee; and, second, that the Foreign Relations Committee consider a resolution requesting the President to convene a conference of the signatories of the laws of the sea agreement, which we have ratified and which includes piracy in the skies, to determine whether it needs strengthening on this point and whether its applicability can be speeded up.

Mr. MONRONEY. Mr. President, I thank the distinguished majority leader for his statement and also for permitting this very important bill to come before the Senate at this time. It is important because, as the Senator from California [Mr. ENGLE] and members of our Subcommittee on Aviation have discovered, there are considerable gaps in the present legislation to deal with the crime of hijacking of aircraft, which is rather new in aviation history.

THE LESSON FOR DEMOCRACY IN THE BERLIN CRISIS

Mr. KEATING. Mr. President, the crisis in Berlin points up the fact dramatically and notably that free enterprise works. The thing that has really gotten under Khrushchev's skin is that hundreds of East Germans every day forsake family and friends and flee to freedom in West Berlin. On Tuesday, 1,741 fled East Berlin, the largest number for any weekday 24-hour period this year. I believe it was exceeded, perhaps, yesterday.

As we all know, there is a marked difference between East and West Berlin. In the East, goods are scarce, workers are under heavy restrictions, life is very largely controlled by the State. In West Berlin, consumer goods are plentiful, economic activity is sprightly and there is an atmosphere of excitement that marks West Berlin as being very different from its eastern counterpart.

This is not a new theme. It is obvious to anyone who has followed developments in the Berlin crisis. The question that it brings to mind is why this difference? What makes West Berlin a better place than East Berlin? What is the importance of this marked disparity for the United States?

It seems to me that there are two things that distinguish the free enterprise system of West Berlin. First of all, there is a limited amount of governmental control in the economy of West Berlin—limited in degree and in terms of the number of areas in which the government has a direct role to play. Second, there is a heavy emphasis on developing individual incentives, that is the right of every citizen to seek his just reward. This is basic to the meaning of free enterprise.

This vast difference between East and West Berlin has a meaning for every democracy, and indeed for every nation in the world today.

Let us look at our own country. The experts tell us that what we really have is a "mixed economy." It is a mixture of public activity and the free play of individual incentives. Assuming this is a correct designation, the really important determination is how much free enterprise and how much public control?

Unless we make the major part of our economy the free sector, we run the risk of undermining our strength and taking the excitement out of our free enterprise system. If a man cannot make a go of it through his own efforts, why should he try? It is this opportunity to succeed that motivates free men and gives West Berlin an atmosphere very different from that of the arbitrary classless state of Soviet East Berlin.

In the July 23 edition of the New York Times magazine, the members of the President's Council of Economic Advisers discussed with Times Editor Harry Schwartz the structure of our economy. They agreed that what is needed is more public investment, which they contend is possible without undermining our economy and without having to increase taxes. This was, of course, before the President's Berlin speech. It is altogether likely that the Council would take a different position now.

These are the men who on the basis of all of the reports which I have received have had the greatest influence on the President's decision to put off a tax increase in his Berlin message and to finance the increased armaments which he requested by deficit financing. This was a hard decision for the President. It is clear that he consulted many people and probed his own conscience before making it.

I do not want to see taxes increased. I think they are high enough. But, the question remains, what must we do to strengthen and maintain the free enterprise structure of our economy under the pressure of the Berlin crisis? It is a real dilemma. Will the President's decision not to increase taxes mean more inflation? It very well could. At the same time, would a tax increase sap the strength of the individual incentives which are so important to our economy?

Let us assume we are going to have a deficit of around $10 to $12 billion for fiscal 1962 because the President chose not to increase taxes. I say this: we have got to take steps now to avoid having the pressure of this deficit and the pressure of emergency Berlin spending at all levels force a new spiral of price erosion as it did in the Korean crisis.

On July 12, I addressed myself to this subject on the floor of the Senate, that is, the need to take long-range action to avoid further price erosion in the 1960's. In my speech, I called for a six-point program to fight inflation. I contend that these are practical and realistic steps, some of which should have been taken long ago and some of which are keyed specifically to the new conditions of the 1960's. I should like to reiterate these six points because they are especially important today. The lesson of the Berlin crisis is to a large part the lesson of feet—the economic lesson of people fleeing to opportunity and freedom. This is a challenge we can never forget. These are the six steps:

First. I propose the initiation of a massive Government-sponsored campaign to encourage merchants to expand their sales by lowering prices, wherever they can. This makes good sense. Inflation means increasing prices. What could be more logical as a means of combating inflation than cutting prices to expand sales and stimulate economic activity and growth? Where prices cannot be cut, I suggest that greater emphasis be placed upon the high values already available to consumers.

This can be a Government-sponsored project. Although the impetus for it may come from the Government, the final implementation of it rests in the private sector of our economy.

Second. A second area in which we must work to curb inflation concerns the structure and level of the Federal deficit. There is today a discouraging lack of interest in viewing the Federal budget as a whole. I favor a Joint Congressional Committee on the Budget. Such a committee would view the budget as a whole and determine whether it is in balance, or out of balance, and what will be the longrun effects of the condition of the budget. This proposal has passed the Senate several times, including this year. Despite the reluctance of the other body, where this measure is now pending in the Rules Committee, I think it is a much needed way in which Congress can determine just what the total impact of the budget will be in our economy.

I sincerely hope that the other body, in the light of the perhaps somewhat changed circumstances, will see its way clear to go along with the Senate on this proposal.

Third. I believe the administration should support the removal of the 4¼ percent interest rate ceiling so that the Federal debt can be financed on a longer term basis. This much needed fiscal reform was vigorously endorsed by former President Eisenhower.

Fourth. With important tax changes pending in the Congress, I also believe we should set up a Hoover-type commission at the Federal level to study our entire tax structure. Although the President has promised such a study, he has so far recommended only temporary piecemeal reforms. Legislation would speed the initiation of such a study and would broaden its scope to include participation by Members of the Congress as well as outside private experts.

Fifth. Another governmental reform which is badly needed is the adoption of the item veto, which has long been advocated not only by myself but by many other Senators, and which, in my judg-

ment, would be the single most effective move Congress could make to effectuate greater economy and efficiency in government.

Sixth. Finally, I suggest that serious consideration be given to the possibility of arranging a regular special session of Congress to focus on appropriations and related economic decisions. Such a session would be held for approximately 1 month following the adjournment of the regular session. At that session, we should have a much better opportunity to ascertain where we can and should decrease or defer certain expenditures in the interests of the overall fiscal position of the Federal Government.

Mr. President, I am happy to have had this opportunity to reiterate my six points and to relate the proposed program to the pressure of the Berlin crisis, which I believe makes it more important than ever that we act to keep our free economic system strong and vibrant. While there certainly are other steps which can be taken to curb price erosion, the essential point is that we must act decisively and promptly to prevent the now enlarged 1962 budgetary deficit from creating a wild inflationary spiral in the months ahead.

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURING ON BOARD AIRCRAFT

The Senate resumed the consideration of the bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce.

Mr. MONRONEY. Mr. President, I wish to express my appreciation to the leadership for providing time out of the program which was previously scheduled to enable the Senate to consider the bill originally introduced by the distinguished junior Senator from California [Mr. ENGLE] and many cosponsors (S. 2268).

Perhaps because of the worry and anxiety that was occasioned by the hijacking of the Pan American DC–8 plane yesterday, the Members of the Senate and the public, should again be assured that the bill is not the product of hasty action or brought to the Senate as a result of an emergency without proper consideration.

More than 4 weeks ago, the Senator from California discovered the lack of proper laws to deal with crimes committed in the air, and began a careful study of the problem. He conferred with the officials and attorneys in the Federal Aviation Agency and the Department of Justice, and made a study of the history of the Maritime Acts and of how they might be applied to the new threat due to crimes committed in the air.

In order that the Senate may understand the scope of the bill, I think it would be proper to explain that the main body of the proposed legislation, spelled out in paragraph (1) of the new subsection proposed in the committee amendments applies the various sections of existing law governing crimes committed in the special maritime and territorial jurisdiction of the United States to crimes committed in the air.

Thus the bill applies to section 113 of title 18 dealing with assaults, and section 114, dealing with maiming, to similar conduct on aircraft in flight in air commerce.

Sections 1111 and 1112, relating to murder, murder in the second degree, manslaughter, and other crimes of that nature; section 1113 relating to the attempt to commit murder or manslaughter; section 1363 dealing with willful or malicious damage to or destruction of property; section 2111 dealing with robbery—all are similarly made applicable to crimes aboard aircraft in flight.

Thus the bill applies to crimes in air commerce this very important body of law. There has been no criticism of the existing acts as they apply to the high seas. By applying them to crimes committed on aircraft in flight, the bill follows this well-recognized body of law.

Under the law of nations, and by international treaties, piracy is a well-recognized crime, and statutes pertaining to it are made applicable to aircraft in this bill.

The important new item in the bill relates to the crime of hijacking. In addition to the law of piracy, the bill makes an attempt to obtain control of an aircraft by unlawful force or violence or by threats of violence, or intimidation or threat, a crime punishable by imprisonment for life or not less than 20 years.

Amendments which will be offered propose the addition of the death penalty. One such amendment, offered by the Senator from Washington [Mr. MAGNUSON], is now, I believe, the pending order of business.

Another amendment will be offered by the distinguished Senator from Texas [Mr. YARBOROUGH].

Paragraph 4 makes it a crime to furnish false information, in the nature of a hoax by a person who knows it is false information, regarding an attempt to hijack a plane. This provision is almost identical to the language of the provisions of previous legislation which makes it a crime to supply false information concerning a threat of bombing a plane. Anyone who knowingly imparts false information concerning the hijacking of a plane would be guilty under this section.

The bill provides that the new laws, including the maritime provisions which would be made applicable to crimes in the air as well as on the high seas, will be enforcible by the Federal Bureau of Investigation.

The section dealing with the carrying of weapons aboard an aircraft is a very important provision of the bill. I believe that when an amendment to be offered by the Senator from Iowa [Mr. MILLER] is offered, the bill will be further clarified.

An additional section of the bill, written by the subcommittee, provides that an air carrier, under rules and regulations prescribed by the Administrator, may refuse transportation to any person when, in the opinion of the air carrier, such transportation would or may be inimical to safety in flight. This provision would give greater authority of surveillance, but without impinging upon a citizen's right against search and seizure.

Mr. COTTON. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I am happy to yield.

Mr. COTTON. As the ranking minority member of the Aviation Subcommittee, I wish to associate myself with the explanation which has just been made of the bill by the chairman of the subcommittee, the distinguished Senator from Oklahoma.

It has already been said, but I think it should be emphasized, that the Senate and the country should know that the bill now before the Senate is not a hastily prepared bill.

It is not in any sense "shooting from the hip." It is not in any sense the result of an emotional climax because of repeated so-called hijacking incidents. The distinguished Senator from Oklahoma [Mr. MONRONEY] and his subcommittee and its staff, and also the distinguished Senator from California [Mr. ENGLE], who many weeks ago introduced the first bill, which resulted in the beginning of the consideration which has led to the present bill, are to be commended for the care, the diligence, and the foresight which have characterized the entire preparation of the bill. The subcommittee worked several days considering similar bills by Senator BRIDGES, of New Hampshire, and others. Both the majority members and the minority members of the staff worked long and diligently.

Curiously enough, it was by coincidence that a hearing which had been arranged and advertised several days in advance, came the day after the hijacking incident in El Paso, Tex.

I mention these things because I think we cannot emphasize too strongly that this is not in any sense a crash program. Instead, this bill has been long and carefully prepared.

The amendment submitted by the Senator from Iowa [Mr. MILLER] is a technical one which is very necessary; and its omission was an oversight, even though we were carefully preparing the bill. The amendment offered by the distinguished Senator from Texas [Mr. YARBOROUGH], a member of the subcommittee, is one which was considered carefully, and it is a good amendment and is necessary.

Again I should like to compliment the Senator from Oklahoma [Mr. MONRONEY], on the care with which this bill has been prepared; and again I wish to emphasize that the measure is a carefully prepared one, and is not in any sense a hurried measure brought to the floor with haste, because of any recent occurrences.

Mr. MONRONEY. Mr. President, I thank my distinguished colleague, the ranking minority member of the Aviation Subcommittee, for his statement.

Certainly, among all the bills which he has so ably participated in preparing, this bill has received, for its size and content, as much line-by-line consideration and discussion as any other, and not—as sometimes occurs—with

only one or two members of the subcommittee present, but with the full subcommittee meeting early in the morning several times, to consider, examine, and reexamine the various provisions, and consider whether the language proposed was correct.

The reporting and consideration of the bill at a time of high tension over a recent hijacking were merely coincidental, for the fact is that the Senator from California [Mr. ENGLE] had started working on the bill 4½ weeks ago; and both the subcommittee and the Government agencies particularly concerned and the Department of Justice were deeply involved since then in trying to find the proper remedy.

Mr. JAVITS. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from Oklahoma yield to the Senator from New York?

Mr. MONRONEY. I yield.

Mr. JAVITS. I thank the Senator from Oklahoma for yielding to me.

I should like to point out that overnight we took a further look at the legal point of view; and we believe that the bill is all inclusive, under one heading; and certainly it does the job intended, and buttons up what obviously was an interstice in the law.

I may say that the atmosphere in this Chamber this morning is in quite sharp contrast to the atmosphere of yesterday; and those of us who yesterday counseled a little calm deliberation and obtaining of the facts before we jumped into some war attitude turned out to be correct. Of course, we might have turned out to be wrong; but this only emphasizes the fact that in the present dangerous world situation, we should let the two hotheads be Khrushchev and Castro; and let us be calm as we proceed to tighten up our laws and make our purposes clear and keep our wits sharp. Let us not panic.

Mr. MONRONEY. I thank the Senator from New York.

Certainly we were working with due diligence. The report was ready to be filed yesterday; and it was merely a coincidence that the filing of the report came at the time of the hijacking.

At this time I should like to yield to the one whose foresight and study led him to offer the bill, and who had already introduced one version of the bill prior, I believe, to any of the more recent hijackings.

Therefore, Mr. President, I now yield the floor to my distinguished colleague, the author of the bill, the Senator from California [Mr. ENGLE].

Mr. ENGLE. Mr. President, I thank my able friend, the Senator from Oklahoma, who has done an excellent job in describing and defining the remaining provisions of the bill on which I did not comment last night.

There is one section to which I wish particularly to refer; it is the section which defines a flight crew member. I call attention to the language on page 4 of the report, which reads as follows:

An act of violence directed against a flight crew member endangers not only such crew member but seriously jeopardizes the safety of every other person aboard the aircraft, as well as persons on the ground. Similar acts directed against passengers and members of the crew not directly involved in the safe operation of the aircraft are adequately covered under section 113 of title 18 of the United States Code, and incorporated by reference in this bill. The penalties imposed by section 113 are fully commensurate with the magnitude of the offenses.

I mention that because the Air Line Pilots Association asked to have included in the definition of "flight crew member" a stewardess. In other words, they wanted to strike out the word "flight," so as to have the phrase read "crew member."

The reason we did not do that was that we felt that the penalties provided for jeopardizing the actual safe flight of an airplane ought to be very much heavier than those provided for interfering with a stewardess, however important that may be; and section 1 of the bill, as drafted, would take care of any assaults or attempted assaults or any other action involving a steward or a stewardess, just as it would if the assault or attempted assault involved a passenger—as I indicated yesterday, in colloquy with the Senator from Massachusetts.

With reference to the section on piracy, this section, as indicated by the distinguished Senator from Oklahoma, was lifted out of the U.S. maritime law. In doing that and in applying the maritime law of piracy to air commerce, we have taken over an established body of law. It must be remembered that we have not had any law of this type dealing with air commerce and in picking up the maritime law provisions with reference to piracy, we have included an established body of law for which adequate penalties are provided.

I may state in passing that this is not unprecedented, in that under the present maritime law of the United States there is jurisdiction over airplanes flying over the high seas. That is included in title 18, United States Code.

I submit at this time, for printing in the RECORD, an excerpt from the code which defines the term "special maritime and territorial jurisdiction of the United States," as used and as incorporated in this bill.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

TITLE 18, UNITED STATES CODE

Section 7:

SPECIAL MARITIME AND TERRITORIAL JURISDICTION OF THE UNITED STATES DEFINED

The term "special maritime and territorial jurisdiction of the United States," as used in this title, includes:

(1) The high seas, any other waters within the admiralty and maritime jurisdiction of the United States and out of the jurisdiction of any particular State, and any vessel belonging in whole or in part to the United States or any citizen thereof, or to any corporation created by or under the laws of the United States, or of any State, Territory, District, or possession thereof, when such vessel is within the admiralty and maritime jurisdiction of the United States and out of the jurisdiction of any particular State.

(2) Any vessel registered, licensed, or enrolled under the laws of the United States, and being on a voyage upon the waters of any of the Great Lakes, or any of the waters connecting them, or upon the Saint Lawrence River where the same constitutes the international boundary line.

(3) Any lands reserved or acquired for the use of the United States, and under the exclusive or concurrent jurisdiction thereof, or any place purchased or otherwise acquired by the United States by consent of the legislature of the State in which the same shall be, for the erection of a fort, magazine, arsenal, dockyard, or other needful building.

(4) Any island, rock, or key containing deposits of guano, which may, at the direction of the President, be considered as appertaining to the United States.

(5) Any aircraft belonging in whole or in part to the United States, or any citizen thereof, or to any corporation created by or under the laws of the United States, or any State, Territory, district, or possession thereof, while such aircraft is in flight over the high seas, or over any other waters within the admiralty and maritime jurisdiction of the United States and out of the jurisdiction of any particular State. (As amended July 12, 1952, c. 695, 66 Stat. 589.)

Mr. ENGLE. Mr. President, there are pending at the present time amendments to increase the severity of the penalty for piracy of an airplane—to change it from life imprisonment to death. The reason the bill is written as it is is that traditionally the penalty for piracy has been life imprisonment, with no alternative. That is the provision of the maritime law. So when we picked up the provisions of the maritime law and applied them to air commerce, we included the penalty just as it was provided in that law.

The distinguished Senator from Texas [Mr. YARBOROUGH] wanted to have provision for imposition of the death penalty included as an alternative. Personally, I would have no objection to doing that, provided imposition of the death penalty was not made mandatory. In fact, I would prefer a system of penalties more flexible than that included in the bill.

Life imprisonment is the traditional penalty for piracy on the high seas. That is the way the maritime law now stands, and it is also the subject of international agreements to which the United States is a signatory. But it would be much more sensible, in my opinion, to have a penalty provision of greater flexibility, such as the one proposed by the Senator from Texas, so that the penalty would range from imprisonment for 5 years to life or the death penalty; and I would say the penalty for piracy of an airplane should be much more severe than the penalty for piracy of a ship. That is for the reason that if a ship is hijacked, it still floats. On the other hand, if an airplane is hijacked, the situation is much more dangerous, because interference with crew members could very seriously impair the safety of the airplane. If a ship that has been pirated runs out of fuel, it still floats. But if an airplane runs out of fuel—particularly a jet, and especially the 707's or the DC–8's or those which have been involved in the recent occurrences—the airplane would be in very serious danger if it were not in a place where it could land.

A ship can be contacted by other ships, and aid can get to it when there has

been piracy on the high seas. But when a plane is pirated, there is no way to get to it except by radio communication.

The consequent dangers of piracy and hijacking of an airplane while in flight are very much greater than the piracy and hijacking of a ship at sea, and therefore more stringent penalties, in my opinion, ought to be imposed. But they ought not to be mandatory; they ought to be subject to the discretion of the jury.

That is all I have to say regarding this measure. I think it has been adequately explained. I think it has been carefully studied and gone over by the Aviation Subcommittee and the full Committee on Commerce. I think it is a good bill, and, with minor amendments, I hope it will pass.

Mr. YARBOROUGH. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The Chair is advised that there is a pending amendment offered by the Senator from Washington. Disposition must be made of that amendment prior to further action on amendments.

Mr. ENGLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ENGLE. Has the committee amendment been adopted?

The PRESIDING OFFICER. The committee amendment has not been adopted.

Mr. ENGLE. Mr. President, I ask that the committee amendment be adopted.

The PRESIDING OFFICER. If the Senator will pause for a moment, the Chair wishes to state that he is advised the committee amendment is in the nature of a substitute and will be treated as a bill, and amendments can be offered to the committee amendment. One such amendment has been offered by the Senator from Washington, and is now pending. The question is on agreeing to that amendment.

Mr. ENGLE. Mr. President, I withdraw my request.

I have been informed the Senator from Washington [Mr. MAGNUSON] is willing to withdraw his amendment, and I ask unanimous consent that his amendment may be withdrawn.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is withdrawn.

Mr. ENGLE. I now yield to the Senator from Texas [Mr. YARBOROUGH].

Mr. YARBOROUGH. Mr. President, I call up my amendment to the committee amendment—which is offered on my behalf and on behalf of the distinguished senior Senator from Washington [Mr. MAGNUSON]—identified as 8-9-61—G.

The PRESIDING OFFICER. The amendment offered by the Senator from Texas will be stated.

The LEGISLATIVE CLERK. It is proposed in paragraph 2 of subsection 902(i) as proposed in the committee bill, to strike out the last sentence and insert:

Whoever in the commission of any such acts uses a firearm or other deadly or dangerous weapon, shall be punished by death, or by imprisonment for life, or for such term of years not less than twenty, as the jury may direct.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas to the committee amendment.

Mr. YARBOROUGH. Mr. President, I commend the distinguished majority leader for his statement this morning about the prompt consideration of this bill, the distinguished Senator from Oklahoma [Mr. MONRONEY], who is chairman of the Aviation Subcommittee of the Commerce Committee, and has been considering this matter for weeks, and the distinguished Senator from California [Mr. ENGLE], who has been working on legislation on this subject for weeks, and perhaps months.

As has been pointed out, this was no sudden, erratic legislation introduced because of the hijacking of the plane over Mexico yesterday. The distinguished Senator from California has had his bill in preparation for weeks. Hearings have been held on it by the Aviation Subcommittee, and the hearings have been printed. There is before the Senate a hearing of some 60 pages, and a printed report.

My original bill provided for the death penalty for only a limited type of crime hijacking, while this comprehensive bill of the Senator from California, covers many types of crimes against aircraft or its operators.

Mine was a limited bill (S. 2373), introduced on August 3, providing certain punishments for the seizure of aircraft by force. Hearings were held by the Subcommittee on Aviation, and the testimony was reported, and the subcommittee reported my bill (S. 2373), providing for an alternate death penalty for the hijacking of planes, to the full committee.

I would point out that my measure has never provided for a mandatory death penalty. In my experience as a trial judge for 5 years, one-third of which time was spent in the trial of criminal cases, I observed that too drastic a penalty defeated justice. If too drastic a mandatory penalty were provided, which the average jury considered too high, it would sometimes find the defendant not guilty, rather than find him guilty and have imposed on him a punishment they considered excessive. So my bill (S. 2373) provided for punishment by death, or life imprisonment, or a lesser term of imprisonment as the jury might direct, but not less than 5 years.

The amendment I have offered provides for a term of not less than 20 years.

The minimum punishment term was raised from 5 years to 20 years to fit into the body of the rest of the bill, which had been carefully worked out by the distinguished Senator from California, and also to fit in with the recommendations of the Department of Justice, and also fit in with existing laws pertaining to piracy on the high seas.

As a result of my experience as trial judge, where I saw criminal laws enforced by district attorneys, and saw their efforts fail sometimes, I think this amendment provides a sound, logical penalty, and is in conformity with the body of law applying in other situations.

The national bank robbery law now provides, in the event of robbery of a national bank, an optional death penalty if the robber takes hostages either during the robbery or in his getaway or in the disposal of the property. There is also a proviso for an optional death penalty in the Federal kidnaping laws, if the persons kidnaped are not released unharmed.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. MONRONEY. Do I correctly understand that the amendment offered by the distinguished Senator from Texas, and which is now before the Senate, amends the committee substitute language on page 3, at the top of the page, and follows the general provisions of the bill, and has been drafted with the assistance of the committee staff to fit into the context of this rather complicated bill?

Mr. YARBOROUGH. Yes; my amendment was drafted yesterday afternoon, patterned on the original bill I introduced on August 3, but it was redrafted yesterday afternoon in cooperation with the committee staff, the staff of the subcommittee chairman, to make it fit into the body of the rest of the law. I raised the minimum penalty from 5 to 20 years so it would fit in better with the body of the longer committee bill. I really thought the 5-year minimum I had originally provided was on a sounder basis, in view of my experience as a judge in criminal law cases.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. JAVITS. Is the 20-year sentence mandatory?

Mr. YARBOROUGH. No; it is 20 years to death.

Mr. JAVITS. But the 20-year sentence is mandatory; is it not?

Mr. YARBOROUGH. No. If the defendant is found guilty, that is the minimum penalty. That is in the existing bill without my amendment. My amendment merely raises the maximum penalty that might be inflicted from life imprisonment to a maximum punishment of death.

Mr. MONRONEY. The penalty, under the amendment, will be changed by adding the provision for the death penalty, which is not mandatory, to the provision for imprisonment for life or for a term of years not less than 20.

As chairman of the subcommittee, it is my understanding that this amendment is acceptable to the committee, and we are prepared to accept it.

Mr. JAVITS. Mr. President, I wish to be recognized. I shall not intrude very long.

Mr. MONRONEY. May the Senator yield to the Senator from Kansas [Mr. SCHOEPPEL], who is a member of the subcommittee and who has worked very diligently on this measure? I think he would like to express himself on the amendment before the Senate.

Mr. SCHOEPPEL. I thank the distinguished Senator from Oklahoma.

Mr. President, I wish to say, quite frankly and positively, I concur in the proposed legislation, especially with reference to the amendments and including the amendments which have been considered or will be considered by the Senate. Much work and effort has gone into preparing the measure. I know of no objection on our side on the Commerce Committee with reference to the proposed legislation or to the amendments.

Mr. JAVITS. Mr. President, I wish to address myself to some other matters very briefly, but first I should like to ask the proponent of the amendment to make clear for the RECORD the intent of the amendment, so that there may be no question about it in the future.

In view of the provisions which are in the Senator's amendment, separated by commas, is it the intention of the Senator, as the amendment is drafted, that the jury shall specify the term of years for which there shall be imprisonment, or is it the intention that the jury specify the punishment as among the three categories: death, imprisonment for life, or imprisonment for a minimum term of 20 years, or whatever other term the judge may see fit to specify?

Mr. YARBOROUGH. That would be left up to the jury.

Mr. JAVITS. It is intended that the jury is to make a specification by categories, and not to fix the exact penalty?

Mr. YARBOROUGH. The jury is to fix the category and also the number of years.

Mr. JAVITS. Would the jury determine the number of years more than 20? Is that the Senator's intention?

Mr. YARBOROUGH. Yes.

Mr. JAVITS. The jury would determine the punishment?

Mr. YARBOROUGH. Yes.

Mr. JAVITS. I should not think that would work out in practice in many States which do not give the juries that power. The juries have no probation reports or anything else.

Mr. YARBOROUGH. The jury fixes the penalty in my State.

I say to the distinguished Senator from New York, the bill as originally introduced on August 3 had a similar provision. That was drafted by the legislative drafting service, under the request that the bill be drafted in conformity with the existing Federal criminal law. The staff of the drafting service, along with the staff of the committee and the assistance of the staff of the subcommittee, drafted the amendment. Each of the provisions was drafted to conform to existing Federal practice.

Mr. JAVITS. I would doubt that any of us would take the position that the legislative drafting service, excellent as it is, is omniscient.

I simply say to the Senator that I obviously have not made a digest of the law, but I certainly hope that in the conference between the Senate and the House this question can be resolved in accordance with the settled practice of most States. That may be the practice in the Senator's State. It is not the practice in my State, and I do not think it is the practice in many other States for a jury to fix the exact punishment in terms of years.

I can understand a situation in which the jury would determine whether the punishment should be death, life imprisonment, or less than life imprisonment, and then the judge would fix the precise penalty within the limitations of law. I can hardly understand a jury saying the penalty shall be 22 years, 23 years, 21 years, or 30 years. I doubt very much that that would fit in with the practice of the courts in many States.

As I say, I am not prepared, because I have not researched the law on the subject, to argue the question with the Senator. I only state the expectation that in the conference this language may be refined so that the provision will be in accord with the practice of most States.

Mr. YARBOROUGH. It is my recollection that in most States the juries fix the sentences. That is a matter which we can ascertain by a telephone call. I would not want to guess, based simply on memory. I feel certain that was the condition before World War II, at the time I was serving as a judge in court.

Mr. JAVITS. Would not the Senator join me, as the proponent of the amendment, in stating the expectation that whatever is the situation in the bulk of the States will be squared with the provision we shall adopt when it finally goes through the congressional mill?

Mr. YARBOROUGH. Only if that is a provision which fits the situation under the current Federal law. I think the bill should fit in with the body of Federal law, the Code of Criminal Procedure.

Mr. JAVITS. We would both agree.

Mr. YARBOROUGH. I do not think we should introduce an innovation into Federal law. The amendment was drawn in an effort to make it conform only to existing Federal criminal statutes generally. The penalty provision conforms. The death penalty fits in with kidnaping and bank-robbing penalties.

Mr. JAVITS. We are not arguing about that at all. I am not raising that question. I raise the single, simple question as to whether the jury, under the established Federal practice, should fix the precise term of years, if it is a term of less than life and more than 20 years. I hope very much that question may be resolved.

Mr. YARBOROUGH. I will say to the Senator from New York——

Mr. JAVITS. If the Senator will permit me to finish, I do not wish to have this confused with some other idea about being soft on a penalty. I am speaking only about a single, clear, legal question. I hope that question can be clarified before we permit the legislation to get out of the hands of the Congress.

Mr. YARBOROUGH. I agreed with the distinguished Senator that it ought to be settled, and settled not in accordance with what the States have done in one State or in many States but with what is done in the body of Federal criminal law. We had the benefit of the services of legislative counsel and of counsel for the committee and of the subcommittee. I shall check it further. We have had different groups of counsel check, and to make sure it is in conformance with existing law, I shall check it personally.

Mr. JAVITS. I thank my colleague.

Mr. YARBOROUGH. I shall read the code. I think the provision should be in conformity with the body of the Federal criminal statutes.

Mr. JAVITS. I thank my colleague. I simply wish to have our intention made clear. I think it will be carried out.

EIGHTY-SEVENTH BIRTHDAY ANNIVERSARY OF HERBERT HOOVER

Mr. JAVITS. Mr. President, this is the 87th birthday of former President Herbert Hoover, now a resident of my town in New York. Many Senators will certainly wish to have noted for the RECORD that we congratulate him upon good health and long life, we pay tribute to his services to the Nation, and we signalize his birthday with a warm and very happy birthday greeting.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to my colleague.

Mr. KUCHEL. Mr. President, as a Californian and as an American I wish to join my colleague from New York on the occasion of the 87th birthday of that great and imposing world statesman and former President, Herbert Hoover, beloved by all humankind for a lifetime of devotion to the cause of free peoples.

Mr. Hoover was born in the State represented so ably by my colleagues from Iowa [Mr. HICKENLOOPER and Mr. MILLER]. As a young man he came to my State of California. There he attended and graduated from Stanford University. Shortly thereafter, he began a career which led to the greatest of success as an engineer, with worldwide experience, and which also led to a unique and splendid career of public service to the people of our Nation, culminating with his election as our Chief Executive.

Through the years since leaving public office Mr. Hoover has come to be recognized by the American people as one of our most distinguished and articulate exponents of the free way of life, which all of us revere and which all of us are prepared to maintain.

On the occasion of the birthday of this distinguished American I am sure I speak for all Senators, and indeed for all the people of our country, and in a very real sense for all people who enjoy freedom on this globe today, when I say to my colleague that I am quite honored to associate myself with his remarks. Happy birthday to President Hoover.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. JAVITS. I thank my colleague from California. I yield to my colleague.

Mr. MILLER. Mr. President, I certainly wish to associate myself with the remarks of the distinguished Senator from New York and of the distinguished Senator from California. As pointed out by my colleague from California, former President Hoover was born in Iowa, in the town of West Branch, where there will be a library dedicated to his honor sometime this fall.

Iowans certainly are more than proud that this distinguished statesman and American was born in our State. We wish to point out that as the years have gone by the outstanding qualities and foresight of Herbert Hoover have been brought to the forefront before the American people, at a time when our country is in a very serious situation.

Mr. President, many individuals do not receive recognition for their statesmanship until years after they have held office. This has been true in the case of Mr. Hoover. As years have gone on, the American people have begun to realize that his qualities of leadership and statesmanship were perhaps not recognized as much as they should have been many years ago. It is a wonderful thing that we are having the benefit of his wisdom with us today.

I thank the Senator from New York for yielding to me.

Mr. JAVITS. Mr. President, I yield to the distinguished Senator from New York.

Mr. KEATING. Mr. President, I am delighted that my distinguished colleague brought up this felicitous occasion today. I have the honor of considering former President Hoover as at least a partial constituent. I am afraid that he still votes in California. It is another respect in which we find ourselves at odds with California. California takes away from us not only our defense contracts, but also our citizens, and particularly our distinguished citizens. President Hoover very wisely spends most of his time in New York.

He has been a great mentor, a great source of inspiration and advice to many in public life, not only in New York, but also across the Nation. His career has been a stormy one at times. I know of no one in American history who has been through such criticism and invective as has President Hoover, and who has had greater reason to have the universal esteem and affection of the people. It is lese majesty to say anything else of President Hoover, which is as it should be. He was a great President. He is a great man. He is to be felicitated on the great strength and vigor and interest in world affairs which he is enjoying at this age, when some go into decline and do not take an interest in the problems of the day. I hope that we shall be able to stand on this floor for many years to come to felicitate this great man.

FEDERAL AID TO EDUCATION

Mr. JAVITS. Mr. President, I call attention to a subject on which I have spoken before, but which is now buttressed by a most interesting article that I shall ask to have printed in the RECORD. The subject is the essentiality to our posture in the field of national security and the means for defense which we must employ that is inherent in the three bills for Federal aid to education that have bogged down in Congress. These bills should rank with any other program which we have in Congress in the interest of national security; and if we needed to be reminded actually of that point, I call attention to an article published in yesterday's edition of the Washington Star, entitled "Soviet's New Schools Program; 20-year Plan To Serve Communist Aims Expected To Be Little Read in United States," by Ralph McGill.

The plan had better be much read, because it is a blueprint for what the Russians will do to us if we do not pay the most scrupulous attention to our educational plan.

Again I say that failure to act on Federal aid to education, which has now bogged down in Congress, is a check on an essential element of our national security. I cry out against it, and I hope the country will, because it can still be corrected at this session if the President gives the necessary leadership and the country gives the necessary demand.

I ask unanimous consent that the article to which I have referred be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET'S NEW SCHOOLS PROGRAM—20-YEAR PLAN TO SERVE COMMUNIST AIMS EXPECTED TO BE LITTLE READ IN UNITED STATES

(By Ralph McGill)

Under section five of his massive manifesto, Mr. Khrushchev devotes a very considerable space to education. It is too bad that this cannot be read by State legislatures and by the politically provincial-minded Members of the Congress.

We, the people of this country, will ignore the new Communist manifesto to our peril. Yet, it is quite likely the document will be less read here than anywhere else. That it will have a profound effect in those countries rather glibly described as underdeveloped or emerging, is unquestioned. It is a program tailor made to appeal to a country confronted with the desperate need to overcome illiteracy, poverty, and to find a lever with which to move mass inertia.

The Communist peoples are informed by Mr. Khrushchev that technology and science will be an increasing part of the future. Therefore, under subhead A of his manifesto, we read:

"In the next decade compulsory secondary, general, and polytechnical 11-year education is to be introduced for ALL (capitals mine) children of school age. * * *

"Secondary education must furnish a solid knowledge of the fundamentals of the basic sciences, an understanding of the principles of the Communist world outlook, and labor and polytechnical training in accordance with the rising level of science and engineering, with due regard to the needs of society and the abilities and inclinations of the students.

"In view of the rapid progress of science and engineering, the system of industrial and vocational training should be improved continuously, so that the production skills of those engaged in production may go hand in hand with their better general education in the social and natural sciences and with acquisition of specialized knowledge of engineering, agronomy, of medicine and other fields.

"There must be a considerable expansion of the network of evening schools which provide a secondary education in off-work hours."

This is the gist of the Soviet school plan. It is of men and women who will best serve Communist objectives. There is no concealment of this fact. It is candidly stated.

What about our system? Will we not also have an industrial future?

The key word in the Soviet's plan is "all." All children will be required to take secondary education. Those whose talents and abilities reveal the superior performer will go on to the various institutes (colleges) to become doctors, scientists, engineers, teachers, artists, et cetera. Others will be sent to the polytechnic schools to develop superior skills to enable them to cope with the new techniques of production, and with those yet to come.

One of the most serious problems of the Kennedy administration is to develop a program to care for the millions of unemployed who are the victims of neglect in the past decade or so. Perhaps 50 percent of our jobless are lacking in skills required for today's jobs. Many are not well educated enough to take training.

Yet, we have a Congress which has defeated Federal aid to education. We have men, themselves cogs in local situations, many of which are corrupt, who oppose Federal aid on the false and hypocritical premise that it will weaken local government.

There are States in the Nation (and not all are in the South) which, for two generations and more, have given their children second-rate education. The Southern States, which spend the least per pupil and pay teachers less, continue to try and maintain two generally inferior segregated systems instead of taking what money they have and building the best possible one to meet the needs of their children.

There is today a justified concern with Communist advances. But we are fools indeed if we blind ourselves to the fact that the most successful weapon the Soviets have is a system of education which, while slanted toward their needs, nonetheless gives to every child a chance at education.

Does this country have any less responsibility to educate all its children; to find the most able to serve us?

Mr. Khrushchev and his successors will have reason to be grateful to those who sabotage and delay Federal aid. In a time when we are seeking to ferret out the enemies of freedom, let us not overlook some of the more obvious and blatant ones.

NEWBURGH, N.Y., WELFARE

Mr. JAVITS. Mr. President, we have discussed the welfare rules of Newburgh in the Senate with contrary views from myself and others. We now have a dispassionate and objective appraisal of the situation in Newburgh by Eve Edstrom, staff reporter of the Washington Post. In the Sunday, August 6, 1961, issue of the Washington Post, I am glad to say, Miss Edstrom bears out the position of people like myself that though the motivation for what Newburgh did was understandable, in the main it was in a direction which was contrary to the concepts which we have today, and was on the whole justified by the basic and underlying facts in Newburgh itself.

I ask unanimous consent that an article entitled "Newburgh Is a Mirror Reflecting on Us All," by Eve Edstrom, published in the Washington Post on August 6, 1961, be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEWBURGH IS A MIRROR REFLECTING ON US ALL

(By Eve Edstrom)

The time was ripe for Newburgh, N.Y., to happen.

In towns and cities throughout the Nation, costs of municipal services have been going up, up, and up. But most aggravating to the American taxpayer has been the mounting cost of public relief.

In the three decades since this Nation adopted its public welfare programs, the

rank-and-file taxpayer never has accepted the notion that anyone need live on the dole.

And so when Newburgh announced its crackdown on welfare "chiselers," reaction was enormous. Newburgh was seized upon as an example of how to cut back mounting relief costs and teach a lesson to ne'er-do-wells.

In newspapers, in town halls, in forums across the Nation, the Newburgh story became the focus of a debate that grew more emotional, more politically charged, as each day passed. As if by a Pavlov dog reaction, conservatives grabbed the issue as ammunition for their particular outlook on the world; liberals, with the same conditioned reflex, sensed the need to rally in opposition.

An examination was begun of the facts behind the words. And with that closer look came a singular discovery: in the 3 weeks since its welfare crusade began, Newburgh has been unable to find one able-bodied male to put to work.

That fact, and others like it, began to give a different complexion to the Newburgh case.

FACT SHEET

Any discussion of Newburgh must take into consideration both the claims of Newburgh City Manager Joseph Mitchell and the facts as developed by New York State officials. These are:

Claim: Newburgh welfare rolls include many able-bodied recipients who should work for their relief checks. Mitchell estimated that these men could be drawn from at least 60 families.

Fact: One man, a white, unemployed steelworker who is a native of Newburgh, was considered able to work. But he was excused when he reported for duty because his wife was in the hospital and there was no one to care for their five children. This able-bodied man, incidentally, has one eye.

The absence of any appreciable number of able-bodied males on relief since Mitchell's crackdown began squares with the facts as they existed prior to the enactment of the controversial welfare code. For example, in July 1960, only one man was employed under Newburgh's work relief program. Despite national publicity crediting Mitchell with seeking to put relief "chiselers" to work, Newburgh had had a work relief program for some time.

Claim: Newburgh's relief rolls are loaded with "undesirable newcomers"—migrants from the South—who came to this Hudson River Valley city to get on relief.

Fact: In all of 1960, exactly $205 was paid by Newburgh to newcomers on home relief, the category of local aid for jobless families. Furthermore, New York State reimbursed Newburgh in full for that expenditure.

During that year, no payments were made to newcomers on aid to dependent children rolls, the category of aid for families whose fathers are dead, have deserted them or are incapacitated. For all categories of aid, including payments to the aged, Newburgh paid only $1,395 to newcomers in the last 2 years.

Claim: With 5 percent of Newburgh's 31,000 residents on relief, the city is suffering from an unusually heavy welfare burden.

Fact: The percentage of Newburgh's population on relief in 1960 was 2.9 percent, the lowest percentage of five comparable cities and a percentage which was below the Statewide average. Although 41 of the State's 65 welfare districts qualified for special welfare aid because home relief payments were made to more than 1 percent of the population last year, Newburgh was not among them.

Claim: It was necessary to muster welfare recipients at police stations because of the existence of possible fraud.

Fact: Although practically every adult who could walk was put through this procedure, not a single case of fraud was uncovered.

THE SYMBOL

Despite these facts, Mitchell's charges and his program for Newburgh emerged as a symbol of welfare reform.

Senator BARRY GOLDWATER, Republican, of Arizona, declared that every city should adopt the Newburgh program aimed at putting chiselers to work and denying aid to unwed mothers. GOLDWATER—voicing the views of many—said that he doesn't want his tax money spent for "children born out of wedlock" and he is "tired of professional chiselers walking up and down the street who don't work."

In similar vein, the Richmond Times-Dispatch, in applauding that Virginia city's efforts to adopt some features of the Newburgh plan, editorialized against the "shiftless, slothful parasites who make careers of milking the public."

This reaction was typical of that voiced throughout the Nation. In counties and cities in every section of the country, the public was told that those on relief live the life of Riley and this must stop. Short shrift was given to the arguments of social welfare leaders who insisted that Newburgh was far from a symbol of welfare reform but rather that its crusade was a hoax against the helpless.

But Charles Collingwood, in a New York CBS broadcast on the Newburgh affair, warned that before advocates "pick a symbol, make sure that it really symbolizes what you meant it to."

"The way to do that is to investigate your symbol pretty thoroughly in the beginning," Collingwood said.

Ostensibly, the Newburgh case had its beginning in the concern of citizens over alleged increases in welfare rolls which, according to Mitchell, would necessitate tax increases if public relief was not cut back.

A sort of white paper on Newburgh's welfare problems was drawn up by, it was believed, an impartial citizens committee. It was only late last month that Newburgh's press revealed that City Manager Mitchell served as secretary to the citizens' group and wrote its report.

On the basis of that report, Newburgh's four Republican city council members—over the strong objections of Democratic Mayor William Ryan—adopted a stringent 13-point welfare code, to be effective July 15.

The most controversial provisions of the code would cut off families from relief after 3 months of aid in any given year; deny relief to mothers of illegitimate children if additional children are born out of wedlock after the family has qualified for relief; require able-bodied males to work 40 hours weekly for their relief checks, and limit aid for newcomers to 1 or 2 weeks.

Such requirements are in conflict with New York State welfare laws. Consequently, New York State could lose its entire welfare allotment from the Federal Government because Federal rules require a State welfare program to be uniform for all political divisions. A child in Newburgh, in other words, must be treated the same as a child in Albany.

Therefore, the first step in testing the legality of the Newburgh code was taken Friday when New York State sought an injunction to block enforcement of the code.

However, Newburgh has been unable to take any appreciable action under its welfare regulations because, to date, it appears that the code is based on assumptions of conditions that don't exist.

One of these assumptions, as stated by New York State Welfare Board Chairman Myles Amend, was that "95 percent of those on relief are lazy bums and maybe 5 percent are decent people. I think they have their percentages reversed."

Amend's statement appears correct in light of the fact that Newburgh's screening of welfare cases has yet to produce a "lazy bum" to put to work.

The sum total of Newburgh's crackdown is this:

Two mothers of illegitimate children were urged to become self-supporting. They were warned that if they bore any more children out of wedlock, their home environment would be studied to determine if the children should continue to live at home.

One family receiving $60.27 a month in cash relief was told payment would be made by voucher until there was an explanation for the spending of an insurance check received last fall.

On the basis of the above it would appear that Rabbi Norman Kahan of Newburgh's Temple Beth Jacob is correct when he states the Newburgh relief crackdown is a "great deal to do about nothing."

But Rabbi Kahan, who is president of the city's ministerial association, does credit the Newburgh plan with an unpublicized product: Fear.

"People were afraid they would be socially and economically ostracized if they spoke out against the program," he said. "Initial reaction was definitely reminiscent of McCarthy days and, to some extent, it is still going on.

"For example, a teacher in one of our public school classrooms asked how many children belonged to Rabbi Kahan's congregation. After the children raised their hands, the teacher said, 'Your rabbi is wrong. He is condoning the behavior of immoral women and, as a man of the cloth, he should favor morality.' "

Such statements stem from the widespread belief that relief grants are bonuses for illegitimacy, that they encourage illicit sex behavior.

"It is not moral to finance bastardy," said Newburgh City Manager Mitchell in justifying his program.

But figures available at the Department of Health, Education, and Welfare show that it is not the relief rolls that are spawning this Nation's illegitimate children.

Eighty-seven percent of this country's illegitimate children are supported by parents, relatives, or by sources other than public relief. Only 13 percent are beneficiaries of the Federal-State relief grant programs in operation in the 50 States.

And if the relief program contributes in any way to the illegitimacy problem, it is through the inadequacies—and not the adequacies—of relief payments.

In Washington, for example, when relief grants fell 22 percent short of basic shelter and food needs, the grocery bag baby became a common phrase.

This phrase developed because mothers sometimes entered into illicit relationships in return for a bag of groceries. These mothers were motivated by the thought of food today, not payments for babies 9 months hence.

Even so, the majority of families on relief in Washington and the majority of families on relief in Newburgh—80 to 90 percent by City Manager Mitchell's own estimates—do not have illegitimate children.

It is politically unwise to suggest that the blind, disabled, or aged be denied relief, because such people appeal to our basic desire to be humane. Similarly, it is unwise to suggest that relief be denied to hungry, innocent children.

But denial in the latter instance becomes palatable to the public when justified on the grounds that either the children's father is a "lazy bum" or that the mother is an immoral woman. It is then that the desire to be humane is overshadowed by the American belief that anyone worth his salt should earn his keep.

This is the basic conflict in the administration of public welfare programs today—and it is this conflict that the Newburgh case has publicized.

But the motivations behind City Manager Mitchell's actions in the Newburgh case are more difficult to assess.

He has issued numerous conflicting statements. For example, he said that unless the welfare code was adopted, Newburgh's citizens faced a tax increase. But after the code was enacted, he still maintained that tax increases were necessary.

Similarly, Mitchell issued a statement reflecting a sizable drop in relief cases in June, but then the figures were retracted and only a nominal drop was shown.

To this reporter, Mitchell said that tax increases probably would not be needed because both the welfare code and publicity concerning it caused appreciable reductions in welfare cases. In 1960, he said, dependent children's cases rose from 90 in January to 116 in June, while in 1961 they decreased from 160 in January to 119 in June.

Mayor Ryan points out that welfare comparisons normally are made on a month-by-month basis. In the above instance, both the January and June figures for 1961 are higher than for the previous year.

Initially, Mitchell also announced that his 13-point code represented only the beginning of measures to curb welfare costs. But a few days later, he said that Newburgh would proceed slowly under the code.

However, Mitchell has remained consistent in stating that he always has been a Republican and "a conservative in my thinking."

And caught up in the Newburgh controversy with Mitchell are the two men who may well be rivals for the 1964 Republican Party presidential nomination.

Senator GOLDWATER, unchallenged leader of the Republican Party's right wing, first entered the Newburgh picture by writing a letter to Mitchell expressing admiration for him and his program. Subsequently, when Mitchell visited in Washington July 18, he had a much publicized meeting with GOLDWATER.

This caused many newspapers to criticize GOLDWATER for interfering in a local situation involving New York Gov. Nelson A. Rockefeller, who is the unchallenged leader of the Republican Party's liberal wing. GOLDWATER, in a letter to Rockefeller, declared he had no intention of "taking political shots at you."

Mitchell, however, has continued to embarrass the Rockefeller administration.

What Mitchell, a native of Chevy Chase, Md., hopes to gain from his many statements—other than continuing national publicity—is anybody's guess.

But the furor he has caused not only will be felt in many communities for a long time but in the Nation's Capital as well. The basic issue in the Newburgh case is not whether it is a hoax but whether it is not time to reexamine this Nation's welfare policies.

Even the friends of public welfare programs observe that they perpetuate dependency, that measures enacted 30 years ago are no answer to conditions as they exist today. And neither are the hit-and-miss solutions being tried in some communities.

That is why the Kennedy administration is reviewing the Nation's relief program.

AUTOMATION AND U.S. LAW

Mr. JAVITS. Mr. President, automation is one of the great problems before our country. It is the way in which we can make the most progress with our productivity, and it is the biggest challenge to us in terms of releasing our productive potential.

For example, on the calendar as item No. 626 is the bill, S. 1991, which relates to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes, which is critically important to the whole subject of the Nation's productive potential and the human adjustment to automation which must be made. We shall have many other measures on that problem. All the enlightenment we can get will hardly be enough to enable us to meet this great problem.

Today it is more important than ever before for the United States to maximize its productivity. Industrial investment and productivity are increasing by leaps and bounds in the Soviet Union as well as among our friendly trade rivals of the free world. In order to maintain our effective economic leadership we are obliged to utilize every bit of our productive potential.

Automation is one of the primary means by which we are seeking to expand production. In order to derive the fullest possible advantage from technological gains, the United States must develop effective programs for dealing with various problems which are caused by technological change or exist alongside it, and which lead to serious wastes and less-than-full utilization of our Nation's economic potential.

Among the problems to be faced are labor-management disputes, featherbedding in both labor and management, work stoppages in critical areas during critical times, less-than-full employment, waste and absenteeism, unsound wage and price policies, job discrimination because of race, creed, or color, problems of worker morale, lack of community interest in improving production, and hardships to workers and businessmen who are adversely affected by automation or relocation of industries. These problems must be confronted squarely, if the United States is to achieve the fullest possible mobilization of its productive potential in the bitter economic competition with the Soviet bloc. It is this conviction which led me to introduce two bills in this Congress, S. 1181, the National Productivity Council Act of 1961, and S. 2204, the Peace Production Act.

S. 1181 seeks to promote an increase in national productivity and to deal with the problems accompanying automation by establishing the National Productivity Council. This would be an independent agency which would have the authority to stimulate the organization of local councils, comprised of representatives of labor, management, government, and the public. These councils would seek to eliminate the economic sore spots which slow our productivity rate and would strive to remedy the dislocations and hardships caused by automation.

S. 2204 provides for a Peace Production Board to help promote maximum utilization of our Nation's productive forces. This board, comprised of the Vice-President, several Cabinet members, and representatives of large and small business, labor, agricultural management, agricultural labor, and the public, would be authorized to undertake a variety of activities to eliminate the manpower wastes which so impair our ability to compete with the Communist bloc. Its activities would include developing programs to train and reorient employees and management, providing transportation, safety, and health facilities for the labor force, developing production incentive programs, disseminating technical information, and revising building codes, zoning regulations, and other local ordinances in order to keep them responsive to changing economic conditions.

Special emphasis should be placed upon the fact that both of these measures rely largely upon local initiative to cope with the problems of automation.

I call attention to a newspaper article and to a recent address, both of which discuss the problems involved in our quest to make full use of the increased productive potential which automation has brought to our Nation and to eliminate the socio-economic evils which automation leaves in its wake. The article, written for the July 14 New York Mirror by Gov. Nelson A. Rockefeller of New York, stresses that automation is necessary to spearhead growth, but that with it arise human problems which must be solved. The address is a talk given on December 6, 1960, by John Diebold, president of the Diebold Group, Inc., to a meeting in Brussels, Belgium, of the leaders of the European Economic Community. John Diebold's corporation is an international management consulting company, and Mr. Diebold has been a major source of new ideas and activities designed to meet the problems accompanying technological progress. His address delineates the new challenges to management which automation brings. I ask unanimous consent to have these materials inserted in the RECORD at this point.

There being no objection, the article and address were ordered to be printed in the RECORD, as follows:

AUTOMATION IS HERE TO STAY

(By Gov. Nelson A. Rockefeller)

ALBANY, July 13.—Automation is the great promise of the American economic future—and one of our major problems of the present.

The fear of industrial machinery that enables fewer men to do more work is nothing new. Three hundred years ago, in Poland, the inventor of an automatic loom was put to death and his invention was suppressed.

Weavers in 19th century England resorted to rioting and arson in a vain effort to halt mechanization of the textile industry. Labor disputes in the United States today frequently involve the issue of work rules in relation to new and improved machines.

Technological change and advance, now popularly called automation, is no new phenomenon in America. But it has been accelerated in recent years and—with business recessions and a lack of sufficiently rapid national economic growth—has become identified in many minds as the economic villain causing most of our unemployment.

Actually, we don't really know enough about the extent to which unemployment is directly traceable to automation—especially the so-called hard core unemployment.

But the failure to automate, whether from management inertia or resistance by labor, is not the answer. The prime need is increased productive efficiency, not less, so automation can create far more and better paying jobs than it destroys.

We must also face the fact that postwar automation of new plants in Europe and Japan is one major reason that certain American products are having a tough time

competing with products of friendly nations in world markets. Moreover, the Soviets in their struggle for world domination have embraced automation as a prime weapon.

As one deeply concerned with this problem, I am convinced that an environment of accelerated, vigorous and sustained economic growth is the core of the solution—and that automation is essential to spearhead this growth.

Our objective, in short, should be to accelerate our rate of economic advance without inflation and to do so within the framework of our existing system of initiative and enterprise—with Government action in a complementary but never a dominating role.

Last year, in Cooperstown, New York State sponsored the Governor's Conference on Automation.

Management, labor, education and Government officials gave intensive attention to this subject. One of several group-discussion leaders at that conference was Arthur Goldberg, then general counsel to the United Steelworkers, but now, as Secretary of Labor, in an even more significant position to influence the Nation's approach to the automation problem.

The conferees, though often diverse in approach, emerged with certain recommended guideposts, the first of which was that automation was necessary and desirable, was here to stay, and should be the subject of continuing attention by industry, labor, education, and Government.

The need was stressed for advance planning to meet the human problems arising when a specific company moves forward with technological improvement—the development of a comprehensive and cooperative program by labor, management, and the community.

There is urgent need for assistance during the transition period including job counseling, retraining and placement, transfer of employees to other jobs, severance pay agreements to fit a particular situation, and the use of special unemployment insurance benefits for workers who make themselves available for retraining.

The State of New York is increasingly active in assuming its share of responsibility in these areas.

I firmly believe that industry, labor and management working closely together can solve the human problems created by automation, meet the problem of foreign competition and provide the jobs needed for the steadily increasing numbers of new workers as well as the existing unemployed in the labor force, if we make accelerated economic growth the central focus of our economic policies—private and public.

TECHNOLOGY'S CHALLENGE TO MANAGEMENT

(An address by John Diebold)

Our civilization is today reaching for the stars. And it is the technical progress made during our own lifetime that has brought them within the grasp of a generation already born.

When a society makes strides of this magnitude it is altogether fitting that we review our progress, consider what we can learn from it, and give thought to our role in the future. This conference is well timed. As the Swiss journalist Robert Jungk has so aptly phrased it, "tomorrow is already here."

To review American technology, as I have been asked to do, is a task that can be approached in many ways. I could, for example, discuss the developments of the past and coming decade—developments that have come upon us with increasing speed and consequence. Such a review might concern itself with:

Current revamping of U.S. automotive factories as unitized body construction—a European import—replaces the chassis construction around which the assembly line method was originally built.

Application to medical technology of techniques such as the transmission of light along curved paths by optical fibers which allow us to look directly at the internal functioning of the human heart.

Introduction into our classrooms of teaching machines which permit school children to learn mathematics and languages at twice the speed, and much more thoroughly, than classmates taught by conventional methods.

It might also be appropriate to discuss some of the more experimental work that is not yet entirely out of the laboratory nor entirely into the plant, but which is sufficiently proved that many of us believe it will become standard practice during the coming decade. Such developments include:

Control of a steel rolling mill, a petroleum cracking tower or an electric generating station by means of an electronic computer allowing continuous automatic optimization of operations as well as startup and shutdown of the plant.

Translating machines which can scan printed text; translate from one language to another; prepare an abstract from the translation; then cross index and store the information in a manner allowing retrieval by yet another machine.

Simulation of business and technical processes in a manner that allows experimentation and training under real conditions without jeopardizing plant investment or human lives—the compression of years of operating experience into days.

Long range weather forecasting by use of a system of satellites and high-speed computers—and most wondrous of all, the beginning of control over the weather itself.

Or, I could review truly advanced developments which, while not yet turned into products, or more than laboratory technology, have already laid the foundation for enormous technological change a decade from now. Such developments as:

The laser: A new components growing out of a union of electronics and optics—which makes possible an entirely new means of long distance communications through storage of electronic energy in a crystal and discharge as a high energy burst of light (visible or invisible to the human eye, as we will).

Cryogenics, or ultralow-temperature electronics where great increases become possible in speed of data storage and retrieval.

Molelectronics: An incredible phenomenon—substitution of the structure of the molecule itself as electronic circuitry in place of the subminiature component circuitry that is today considered the most advanced of methods.

But I have chosen yet a different approach. For the innovations themselves, while individually fascinating and of enormous importance, have been coming upon us with ever increasing speed.

It is the rate of change itself which I believe to be the most significant phenomenon of all. The increase in the rate of change is raising problems. These problems are as yet largely unrecognized and unexplored. They are fundamentally managerial in nature.

The technological changes which we have witnessed as a steady parade since the end of World War II are not a single burst originating from military work—a spurt from which we will recover. They are but the beginning of a continuum of fundamental change—a phenomenon that will continue at an increasing rate for as long ahead as we can see a future.

Every factor making for change is at work to produce even more change in the future:

Population is increasing in what has been referred to as an "explosion"—thus the probability of innovation increases, and already we see it in more simultaneous discoveries each year that goes by.

Education on a scale never before known—we are beginning to see the actuality of mass education on a high level.

Mobility of this more educated population.

Communication in every form, fostering an environment on one hand receptive to change and on the other conducive to the origin of innovation.

These factors, together with increasing emphasis upon science, increasing motivation, encouraged privately and by Government, is leading to a rate of change which we have difficulty comprehending.

We in the States did not really begin to devote large-scale effort to scientific research and development until World War II. In 1940, a total of $280 million was spent on research and development in the United States. But the military stimulus of World War II increased these expenditures to $1.8 billion in 1945, and $3.1 billion in 1949. Most of the developments I mentioned earlier are the fruits of but the first decade of large scale research effort. Last year $12 billion was expended in the United States by industry, Government, and universities. The rate promises to increase to well over $20 billion in 1970. Just think of the technology and products that we can begin to expect in future decades as a result of such effort.

This increasing rate of technological change seems to me to create some fundamental problems for management. In part, these are problems concerning the processes by which management puts the technology to work. And in part they concern the way in which the technological innovations themselves affect the very process of management. It is to these questions that I would like to address myself this evening.

The philosopher, Alfred North Whitehead, has stated in Science and the Modern World, one of the important facts differentiating our time is: "* * * that the rate of progress is such that an individual human being, of ordinary length of life, will be called upon to face novel situations which find no parallel in his past. The fixed person, for the fixed duties who, in older societies was such a godsend, in the future will be a public danger."

How much more accentuated is this challenge and burden for the manager who not only must face novel situations, but must organize his business structure so as to utilize and incorporate constant change as a regular modus operandi.

The magnitude of the management problem posed by this sudden increase in the rate of technological change has hardly begun to be recognized as a problem at all. It is frequently viewed as a fortuitous or onetime situation and is attacked in a fragmentary manner in one industry after another. But it is my impression that we shall soon begin to recognize and discuss this problem as one affecting the very roots of our management philosophy.

What I should like to do this evening is to discuss briefly four observations regarding this problem.

1. The planning process will assume a more critical role in determining management success or failure.

Though recently discovered by business, and still more honored in theory than practice by most managements, long range planning is certainly nothing new to our society. The magnificent parks surrounding the chateaux of France have always seemed to me a fine example of long-range planning—in many cases, the effects in composition envisioned by the original builder could not conceivably come into being until after his children had lived through the bulk of their lives. But such planning is based on complete confidence in the permanency of a way of life, or on the continuity of existing trends. What concerns me here is not necessarily long range planning, but planning

for change; and its counterpart, planning necessitated by change.

The onslaught of technological change is going to focus much more attention on the planning process. It is going to place a premium upon the ability to plan effectively. A few of the reasons why this is going to happen are:

Product life is being shortened. The traditional cycle of product innovation is being telescoped—not by planned obsolescence or styling changes, but by genuine technological innovation.

In many fields there is no longer time to sit back and profit by a competitor's mistakes. We may very well see a situation arise in which it is only the leader who has a chance to make a profit, not those who then copy him, for another basic change in technology will by then be taking place. As a secondary position becomes untenable, the risks of the leader increase; so must the possibility of profit or he should not enter the field.

The reaction time of management must shorten. The time for leeway in adapting to new technologies has disappeared. Companies must keep track of a number of fundamental areas of scientific work and must react rapidly to apply this work when the time is right. They must consciously plan to be the ones who obsolesce not only their own products, but their very industries.

The life of business and industrial processes, as well as products, are being both shortened and changed. Much of the new technology, particularly that part of it dealing with information processing, profoundly changes the manner in which business is conducted.

For example, the American Telephone & Telegraph Co. expects communication between machines in different cities to exceed voice communication over telephone lines by 1970. The consequences of such a change are staggering, not only for the telephone system, but for the procedures by which the remainder of U.S. business is conducted. It is only through a high order of planning that such a rate of change can be made to benefit a firm rather than its competitor.

The increased complexity and tightened interrelationship of functions within a single organization, together with the ever more complex relationships with other organizations means that successful—and successful is increasingly coming to mean rapid—adjustment to change is impossible without a high order of skill in planning.

For these reasons, and many more, I believe that planning as a process is a subject to which more attention must be given by business management.

2. Effective management of creative and service personnel is becoming an important determinant of business success.

While the early part of this century saw an employment shift in the United States from the farm to the factory, the 1950's brought a shift from the factory to the office. In 1959, only 30 percent of the U.S. gross national product was the result of manufacturing. Over 45 percent was value added by transport, commerce and other service activities, not including Government. Even within manufacturing, the factory worker is being replaced by clerical, technical, and managerial employees. Managerial, professional, and technical personnel alone increased from 7.4 percent of manufacturing employment in 1940 to 12.7 percent in 1959. This shift in the employment structure has occasioned an entire nexus of problems in how to manage service, technical, creative, and management personnel.

Our methods of management have not kept pace with this shift. America has entered this era with a legacy of concepts developed to meet the needs of the unskilled worker.

The results of labor-management relations to date might be summarized as the guarantee of equal treatment and the expectation of average performance. These concepts are already recognized as archaic in dealing with creative personnel. What must be encouraged is exceptional performance, and what may well be needed is individualized treatment.

The problems in this area are substantial and numerous. One is that the product, an idea, is so difficult to schedule; another that scientists tend to direct their prime loyalty to their professions, rather than their employers; a third is the magnitude of the task of integrating what must remain individualized effort; and a fourth, the lack of standards to measure performance.

There is also a communication impediment growing out of the diversity of background and aggravated by the growing interdependence of science and management.

Studies in human relations have done much to give us insight into the human requirements of effective organization. But this falls short of what is needed.

Too often management unconsciously assumes that spending a given percentage on research, or creating fine working conditions, will produce results. The prerequisites of genius follow—not precede—the essence of genius. Too often this fact is lost sight of. The fine equipment, campuslike plants, and company-paid university courses are but empty trappings if the human quality is not already present; and if the proper leadership is not present.

Few managements yet understand the essence of the task. The rewards of those that do will be greater as change increases.

3. Many accepted business concepts must change.

Even as fundamental a concept as the definition of a business can change through rapid shifts in technology. My friend Peter Drucker, in his book "The Practice of Management," states: "There is only one valid definition of business purpose: to create a customer—any business enterprise has two—and only these two—basic functions: marketing and innovation." Examples are all about us:

The packaging of equity investment with standard life insurance, in recognition of growing customer need for inflation protection.

A manufacturer of calculating machines had best view itself as being in the information handling business, and remain in the forefront of what a few years ago would have seemed unrelated technology, or it may not remain in business for long.

If the motion picture industry had defined its business as the supply of entertainment rather than film, it might now be the heart of the television industry rather than a contract supplier to it.

Among the other business concepts that must change are:

Return on investment must be higher in these new fields in order to justify the increased risk. Conversely, business must take bigger risks for sufficient return when technological change is great. A case in point is the computer business itself. The costs of entering this new industry have exceeded everyone's expectation. Those manufacturers who have planned for a low rate of return have already been forced out of the business.

Management may have to take a longer run view of profits. Instead of planning for a fixed percent return per year, it may well be necessary to reorient aims to a percent of profit over a given business cycle. (It is also possible, of course, that as labor becomes more fixed there may be a resultant lessening of cyclical business patterns.)

The concepts of overhead and of labor productivity must change as the direct laborer disappears. Allocation of overhead costs must reflect the tremendous and disproportionate increase in productivity of some sectors of a business.

Traditional office-plant distinction requires overhaul as production is increasingly controlled by a businesswide information system, through computer scheduling and actual factory control.

The role of middle management will change as the function of allocation of resources is performed by computers. Some predict the disappearance of middle management as a line function, and the growth of a new staffing function—the analysis and continuing reappraisal of the computer models and of the assumptions on which they are based in order to keep the system sensitive and itself receptive to change.

Management has a capacity never possible before either to centralize or decentralize its decision functions. The advances made in communications, among machines as well as people, now allow for direct, cheap, and immediate flow and feedback of information among any geographic points. Whether or not centralization is appropriate will vary with the situation, but the decision need no longer fall automatically to decentralization.

4. The new technology is itself changing the process of management.

The technology of information handling, communications, control, and related developments in information theory, at first applied crudely to the mechanization of work already performed manually, contains within it the basis for not only substantially changing the process of management, but for extending the range of man's capability. It is a development we are only beginning to understand.

Ten years ago when computers were new, it seemed to many that they were only useful for scientific purposes. One projection estimated the need for about a dozen in the United States. That was 10 years ago. Today we have over 5,000 computers actively at work. The projections of my own firm are that by 1965, there will be between 15,000 to 20,000 computers installed in the United States alone.

We are today using this technology in only the most elementary manner. New techniques, utilizing computer capabilities, are just beginning to appear on the business scene. Operations research, the building of mathematical models to solve business problems; simulation, using the computer to supply "what would happen if" answers to decision alternatives; gaming theory, to strategically plan in competitive markets. These are but a few.

The magnitude of change in business organization which will be brought about by this technology is far greater than most of us today recognize. For example:

Today's business organization structure is a legacy of the first industrial revolution in which specialization of labor was followed by mechanization around specialties. We are now in possession of technology which allows us to build information systems which transcend the compartmentalized structure of business organization.

Most of the difficulty that we have been experiencing in putting these new tools to work in recent years results from the fact that it clashes with our fundamental organization system. This is a problem that is not yet recognized by many of the organizations experiencing it. I know because my firm is regularly called upon to solve problems which are really symptoms of this more fundamental organizational conflict.

The challenge to management posed by technology is a challenge of basic theory as well as of operation. It is here that U.S. business is having the greatest difficulties in effectively putting the new technology to work. It is possible that our education system, which is empirically based, needs a more theoretical orientation. Here the advantage is with you.

These observations may help to illustrate the type of management problem that is being raised by the pace of today's technological change. In concluding I would like to turn briefly to another type of change—social change—which is at the same time a result of the technological change and the cause of its own set of management problems.

As important as is technological change, we must recognize that technology is merely an agent for social change. This social change will in turn result in more profound consequences for business than the technological change which spawned it.

I would like to make just two observations on social change:

1. Management must look to social change as an active agent in business planning.

Management has always known that changes in social structure change consumer demand. But as the rate of such social change increases—and it will change as fast as the technology—management must be able to anticipate such shifts and react with increasing speed. Some of these changes, as I see them are:

The tremendous increase in the standard of living (brought about by technological change) is creating whole new industries in discretionary goods—entertainment, sports, books, travel, service—it is predicted that by 1970 over half of disposable income in the United States will be discretionary.

The redistribution of wealth—with tremendous growth of the middle class—is creating a demand for higher quality durable goods.

Changes in taste will foster redesign of products—even the chrome on our cars is disappearing.

Shifts in population mix—with disproportionate increase in the old and young will require new consumer orientation (in the next 10 years we expect the group under 25 to increase 46 percent; the group over 45 to increase 20 percent; and the group between 35–44 to decrease 1 percent.

The decline in servants is in part responsible for growth in the appliance industry.

The growth of "suburbia"—made possible by the automobile, has in turn created the shopping center; brought about not the supermarket but new distribution methods to service the supermarket, and the decline in older marketing methods, such as the mail order catalog.

Increased leisure has not only created new industries, such as do-it-yourself, but changed old ones—last year Americans purchased twice as many books as 10 years ago. We now spend more on classical recordings than on our national sport, baseball.

2. Key to the social burden of change is education.

Economic growth depends on change. However, the transitional burdens of social change cannot be borne by labor or management or government alone, but only by the joint efforts of all. The main burden is education and reeducation, not only of the labor force, but of management and technical personnel as well.

I am happy to say that some recent progress has been made, at least in recognition of this problem, in my own country. For example:

The Armour Corp., one of our major meatpacking firms, as a result of collective bargaining, has set up a half a million dollar fund to study the problems posed by automation in the meatpacking industry, find work for displaced employees and inaugurate retraining programs.

The Pacific Maritime Association, in a contract recently negotiated with the Longshoremen's Union, agreed to contribute up to $5 million a year from savings resulting from new methods, to a union-operated fund with which to offset hardships resulting from technological unemployment.

A local of the International Brotherhood of Electrical Workers, in cooperation with the Federal Office of Apprentice Training and a local vocational school, has set up what it calls a postgraduate school for training in new electrical techniques because they are convinced that jobs will be created by the introduction of automation.

While I am not recommending any particular formula, I do think management must recognize a responsibility to plan for change with labor. For failure to so plan will only delay the benefits of this new technological revolution. Nothing can prevent it from occurring, as the hardships in transition could not prevent the industrial revolution. But planning and foresight can prevent the hardships.

If we adopt the long view of history it is to the social change brought on by technology that we must look for the real meaning of our current technological revolution. After all it is to this change that we really apply the word revolution—not to the machines.

The industrial revolution was revolutionary because it created a whole new environment for mankind—a whole new way of life. What it gave to history was much more than the steam engine and the cotton gin, the railway, and the power loom. It gave society a whole new tempo, a whole new outlook.

It took men off the fields and out of small shops and put them for the first time into factory life. Hence it gave us mass production, and through mass production the first civilization in history in which luxury was not confined to a few. It gave us as well a sense of hurry, of time, which is still unknown in countries that have not gone through an industrial revolution. It gave us a sense of material progress, an itch to get ahead, which is also unknown in those parts of the world which are still preindustrial.

In other words, the machines which it produced were agents for enormous social change. No one, least of all Richard Arkwright or James Watt, thought that they were changing civilization itself. Yet, for us, looking back, that is precisely what was revolutionary about the inventions they made.

The current technological revolution promises to have far wider effects than mere technology. Like James Watt and Richard Arkwright, many of our inventors have no intention of reshaping our entire world. Yet that is what they are unwittingly doing.

Two hundred years ago, when it was necessary for most people to put in 60 or 70 hours a week in miserable factories, just in order to survive, the question of what to do with nonwork—with leisure—never presented itself. Today, with our 40 hours of work a week, we are already facing the 2-day weekend with something of a self-conscious attitude. When leisure time spills over from the weekend to Monday and Friday, when a man leaves his desk or station after 6 hours of work still fresh and full of energy, then, for the first time in history, we will really face the problem of what to do with leisure. Here again the advantage may lie with you.

This is a revolution, in other words, which will take us beyond the civilization of an industrial society—a revolution in which human beings will be largely freed from the bondage of machines. It will raise an entirely new set of problems: business problems, social problems, economic problems. It will tax our ingenuity to its utmost. And it will bring about its changes—many of them, at least—within our own lifetime.

Like the pioneers of the industrial revolution in the 18th century, we face a world in which only one thing is certain: change, fundamental change.

I think it is fair to say that this new technological revolution offers as great a challenge and reward as any which we have ever known.

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT

The Senate resumed the consideration of the bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce.

Mr. YARBOROUGH. I have modified the amendment which I offered following my colloquy with the distinguished Senator from New York. I reoffer the amendment as modified.

I have made a quick check of the Federal Criminal Code, and I have found no uniformity in the way penalties are assessed, or the language in which they are provided for. It depends upon the particular offense. So I have rewritten the language to incorporate the suggestion of the distinguished Senator from New York, and also to follow the pattern in the Federal bank robbery statutes, in which there is provided a death penalty for taking hostages.

The PRESIDING OFFICER. The amendment, as modified, will be stated by the clerk.

The CHIEF CLERK. The Senator from Texas modifies his amendment by striking out the words "as the jury may direct," so that the amendment, as modified, reads in full as follows:

Whoever in the commission of any such acts uses a firearm or other deadly or dangerous weapon, shall be punished [by death or] by imprisonment for life, or for such term of years not less than twenty, or shall be punished by death if the jury shall so direct.

Mr. YARBOROUGH. On line 5, the third word from the end of the line, should be changed. Change the word "such" to "a"—"or for a term of years not less than 20."

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Texas.

Mr. JAVITS. Mr. President, I appreciate what the Senator from Texas has done. I think he reflects the highest traditions of the Senate. Often another Senator may have an idea or another point of view with respect to a particular piece of legislation; and it is a great pleasure to me when a Senator listens to the suggestion and acts on it.

Mr. YARBOROUGH. I thank the distinguished Senator from New York for his contribution. We want the bill, including the penalties, to be drafted in keeping with the experience of the Senate, more than half of whose Members are attorneys. The distinguished Senator from New York has been an attorney general of his State and has had much experience in the drafting of legislation.

Mr. MONRONEY. Mr. President, I ask for a vote on the Yarborough amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas, as modified.

Mr. KUCHEL. Mr. President, if the amendment is not too long, may we have it read again?

The PRESIDING OFFICER. The clerk will state the amendment.

The amendment was read as follows:

Whoever in the commission of any such act uses a firearm or other deadly or dangerous weapon shall be punished [by death or] by imprisonment for life or for a term of years not less than twenty, or shall be punished by death, if the jury shall so direct.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. JAVITS. I ask the Senator to consider for a moment a suggestion I have to make on that score. Perhaps there could be a quorum call while the Senator considers it. I wonder whether the words "if the jury shall so direct" should come after the first reference to "shall be punished by death."

Mr. YARBOROUGH. The first three words on line 5 should be deleted. That is the way I have modified my amendment. My corrected amendment reads as follows: "shall be punished by imprisonment for life or for a term of years not less than twenty, or punished by death if the jury shall so direct."

The PRESIDING OFFICER. The clerk will state the amendment as modified.

The amendment was read as follows:

Whoever in the commission of any such acts uses a firearm or other deadly or dangerous weapon shall be punished by imprisonment for life or for a term of years not less than twenty, or punished by death if the jury shall so direct.

Mr. YARBOROUGH. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment was agreed to.

Mr. ENGLE. Mr. President, on behalf of myself and the distinguished chairman of Committee on Commerce, the Senator from Washington [Mr. MAGNUSON], I send an amendment to the desk, and ask that its reading may be dispensed with, because it is identical with the one just adopted, except that it applies to paragraph 3 instead of paragraph 2 of section 1 of the bill. The purpose of the amendment is to provide the same penalty for violations of paragraph 3 as paragraph 2. If we do not adopt this amendment, we will provide a higher penalty for "piracy" committed within the territorial jurisdiction of the United States than for piracy committed on the high seas. This makes the penalty uniform.

The amendment reads as follows:

On page 3, line 7, after the word "be," add the following: "punished by imprisonment for life or for a term of years not less than twenty, or punished by death if the jury shall so direct."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MILLER. Mr. President, I have an amendment at the desk. I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 20, after "municipal" insert the word "county."

Mr. MILLER. Following my colloquy with the distinguished Senator from California yesterday, it was determined that the addition of the word "county" would make it clear that county law enforcement officers, such as sheriffs, should be exempted, and that it was a desirable amendment. I have discussed it with both the Senator from Oklahoma and the Senator from California. I understand that there is no objection to this clarifying amendment.

Mr. MONRONEY. We have no objection. We believe it is a valuable addition to the class of officers to be exempted by law. The Federal Aviation Administrator has a right to make further exemptions in the regulations if he finds it necessary to do so.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa.

The amendment was agreed to.

Mr. MONRONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERR. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

It is hereby declared to be the sense of the Senate that the President of the United States be requested to advise Castro and the Government of Cuba that unless the airplanes now in Cuba, which are the property of American citizens, which airplanes have been taken to Cuba without the consent of their American owners, be, within forty-eight hours, made available for return to the United States together with any of their passengers and crew in Cuba or that the Government of the United States will take such action as may be necessary to recover and return said airplanes, passengers, and crew to the United States.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. MANSFIELD. I have studied the amendment, and it seems to me that in reality it does not bear on the El Paso incident, which in effect is responsible for the proposed legislation now before the Senate, and not on the Pan American incident of yesterday, involving the airplane which was returned to Miami this morning, but, rather, to the Eastern Air Lines incident of several weeks ago.

I express the hope to my distinguished colleague from Oklahoma, in view of the fact that by and large the proposed legislation now pending is purely domestic legislation and has been carefully considered by the committee and reported by the committee yesterday under the sponsorship of the Senator's distinguished colleague from Oklahoma [Mr. MONRONEY], that, instead of offering his proposed amendment to the measure now before us, he submit it as a separate resolution, so that it may be referred to the appropriate committee, which I assume would be the Foreign Relations Committee, and receive consideration before that committee. If the Senator will do that, I can assure him, so far as I am capable of bringing it about, that the Foreign Relations Committee will give his proposal every possible consideration.

Mr. KERR. I feel very deeply about the matter referred to and contained in my amendment. I know that the people in Oklahoma feel very deeply about it also. Certainly I do not want in any way to interfere with the fine piece of legislation which is now before us, handled by my distinguished colleague from Oklahoma [Mr. MONRONEY]. Therefore, on the basis of the request of the majority leader, and on the assurance that if submitted as a resolution it will be referred to the Foreign Relations Committee and appropriately considered by that committee, I ask unanimous consent that it be considered as a resolution and referred to the Foreign Relations Committee for that purpose.

Mr. KEATING. Mr. President, reserving the right to object—and I do so for the purpose of saying that I thoroughly agree with the resolution. I hope it will have early and favorable consideration by the Foreign Relations Committee. The president of the Eastern Air Lines talked with me last night. The airline has been unable to get any action at all in retrieving this particular airplane, which is down in Cuba. It represents an investment of something like $2½ million. The airline could not obtain action by our authorities, or were not able to do so up until last night, in trying to get it back.

It is ridiculous for us to sit here, with Castro holding American property, and not do anything about it.

Mr. KERR. I thank the Senator from New York for his statement, because he expresses the thought in the mind of the Senator from Oklahoma. In my judgment the people of Oklahoma and the people of this country are sick and tired of the threat hanging over their heads, and that this hijacker down there would in the first place invite piracy of airplanes and invite that they be hijacked and the passengers kidnaped and brought to Cuba. It is a matter which should have the very speedy consideration of the Foreign Relations Committee. It should have the very serious and speedy consideration of the Chief Executive of our country, and this matter should be expedited. As long as the threat hangs over the heads of the American people and American commercial aviation and American aviation travel, it is a serious reflection upon the position of our country, upon our flag, and upon our people.

I regret that it cannot be passed upon by the Senate now, because I think it would be unanimously agreed upon. But if it is more orderly procedure to have it handled as requested by the distinguished majority leader, I will accede to that proposal.

Mr. MONRONEY. Mr. President, will my colleague yield?

Mr. KERR. I yield.

Mr. MONRONEY. I compliment the senior Senator from Oklahoma for his

diligence concerning this subject. Certainly the retrieving of the planes and other American property is of great concern to all of us, and some system of obtaining them must be provided if hijackings are not to continue. No one can deny responsibility for piracy if he accepts the benefits of piracy by retaining the pirated property.

It seems to me, however, that it is general legislation which is being considered, and under the rules of the House, which are very strict on the subject of germaneness of amendments, we would find ourselves in an impossible situation when we went to conference if the bill contained the amendment of the senior Senator from Oklahoma adding a resolution expressing the sense of the Senate. This resolution should receive every possible consideration. It might be misconstrued if it should be rejected in conference, because the House found it impossible under its rules to concur with the Senate, since the amendment would be nongermane to a purely legislative bill.

I believe the proposal would be more effective if it were considered as an individual measure and approved by the Committee on Foreign Relations than to have it tucked away in a piece of general legislation. Therefore, I must reluctantly agree that the course suggested by the distinguished majority leader, and concurred in by my senior colleague, may be more effective than to include in the bill a nongermane amendment in which the House could not concur.

I thank the Senator for yielding to me.

Mr. MORSE. Mr. President, will the distinguished Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. MORSE. Mr. President, I hope early action will be taken on the proposal of the senior Senator from Oklahoma. It should be presented to the Committee on Foreign Relations at the earliest possible moment, to enable the committee to consider the whole problem.

There is another phase of the problem which I think ought to be considered, so that we can get our answer before the world. It is very difficult for us in the United States to realize that Communist propoganda can be so effective as it is in some quarters in Latin America on a great many subjects, including the subject of hijacked planes.

When I was sent to Puerto Rico a few days ago, to represent the President at the ninth anniversary of the Commonwealth, many representatives of Latin American countries were in attendance at the conference. I was simply astounded, beyond my power of comprehension, that one piece of Communist propaganda has made the headway it has made in Latin America. We must provide an answer to it. We must get information to those people. If it is not already in documentary form, it ought to be prepared and should be on the desk of every U.S. Ambassador in Latin America. It simply does not do the United States any good to say that what those people believe is nonsense; that it does not amount to a hill of beans. Down there it is not nonsense, and it does amount to a hill of beans.

This is the widespread belief to which I refer: One Latin American representative after another says, in effect, "What is sauce for the goose is sauce for the gander. What are you crying about? You have permitted some 10 or more hijacked planes flown out of Cuba to land on U.S. territory, planes belonging to various Cuban interests, including the Cuban Government, some of them hijacked by Cuban defectors."

Just as so many Americans instantly assume that a hijacking here is being perpetrated by a Cuban and plotted by Castro, we simply have to face up to the almost unbelievable viewpoint in Latin America that the United States has been responsible for the hijacking of the Cuban planes; that it was a part of the Central Intelligence Agency program; and is a part of the espionage program of the United States toward Cuba. We ourselves know better, but that does not mean that our Latin American friends, the people who we hope are our friends, will accept our explanation.

Latin Americans will tell you that we have permitted those Cuban planes to be attached by persons who claim the Cuban Government is indebted to them. We have not sent them all back to Cuba. We have permitted those planes to be sold to American creditors, who have been allowed to collect on what the Latin Americans call hijacked planes. Yet, they say, when U.S. planes are hijacked and are taken to Cuba, we seek to use strong-arm methods to retrieve them.

What I urge is that the United States make its case by means of a documented memoradum which will show the complete difference between what has happened with respect to planes which were taken from the United States to Havana and planes which defectors and others have taken from Havana or other parts of Cuba into the United States. After all, a great contest is taking place in Latin America, and we should make it possible for our Latin American friends to understand that we stand for the processes of law and order in the settlement of our differences with Cuba, and not for the pirating and strong-arm methods of which the Cubans are guilty.

I should like to see the proposal of the senior Senator from Oklahoma come before the Committee on Foreign Relations, so as to enable the committee to prepare an American proposal for an orderly procedure of international law for the settling of such disputes, to stop, what I am afraid is a damaging of our prestige in Latin America, caused by Communist propaganda, to the effect that we do not want this situation to be a two-way street; we want it to be simply a matter of getting our planes back from Havana, but that the Cubans should receive no consideration in getting their planes back from the United States.

Mr. President, all we would have to do would be to state the facts. I speak most kindly about the Department of State in this respect, but I do not believe a good job has been done in preparing an official document which will present our view of the facts about this problem to the world. It will not make any difference what we in the United States believe. If what we believe is not accepted in Latin America, it will not help us there.

I am also much concerned, as chairman of the Subcommittee on Latin American Affairs, that we do not become involved in some entrapment procedure on the part of the Cubans while the Montevideo conference is in progress. The United States, at the Montevideo conference, is probably making the greatest progress in strengthening our relationships in Latin America and in demonstrating our good faith, good intentions, and good will that it has made in a long, long time with respect to United States-Latin American relations. The groundwork was pretty well laid at Bogotá last September, when the Act of Bogotá was adopted. The Montevideo conference is really an implementation of the principle of the Act of Bogotá, including the requirement that the Latin Americans themselves will have to adopt reform measures if they expect the taxpayers of the United States to continue to give them the millions, and now billions, of dollars of economic aid, called for by our plans announced at Montevideo.

There is no doubt about the fact that the progress we are making at Montevideo is not pleasing to either Havana or Moscow, or, for that matter, to the Red Chinese. I think they know we are giving clear proof of our desire to help the masses of Latin America help themselves.

FOREIGN ASSISTANCE ACT OF 1961

The PRESIDING OFFICER (Mr. GORE in the chair). The hour of 12 o'clock has arrived, and the morning hour is concluded.

The Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. A bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT

Mr. MONRONEY. Mr. President, will the Senator from Oklahoma yield, so that I may propound a unanimous consent request, with the understanding that in yielding for that purpose, he will not lose the floor?

Mr. KERR. Yes.

Mr. MONRONEY. Mr. President, on instructions of the majority leader, I ask unanimous consent that the regular business be laid aside, and that the Senate resume consideration of Calendar No. 670, Senate bill 2268, until the action of the Senate on it is completed.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce.

Mr. MORSE. Mr. President, let me say that I have almost completed my statement.

All I urge is that we watch out, and that these days the United States not follow a course of action which in any way would weaken the position of our delegation at Montevideo.

Later today, during the debate on the foreign aid bill, I shall read a wire I have received from Secretary Dillon. The wire relates to some of the problems which are confronting him at Montevideo. I assume that I received the wire because the Senator from Iowa [Mr. HICKENLOOPER] and I are official delegates to that conference—although we agreed with the President that we would not go to Montevideo until the foreign aid bill had been disposed of by the Senate. When it is disposed of, we intend to go to the conference.

The wire from Secretary Dillon compels me to make this observation: We should remember that when what is probably the most important conference held in Latin America in half a century is going on, we should not do anything that could be blown up into balloon proportions by the Cuban Communists in Montevideo in order to give the false impression that we are about to take over Cuba. Instead, on the contrary, following the very sensible proposal the Senator from Oklahoma is making, let us get that proposal before the Foreign Relations Committee, and let us use it to make clear to the rest of the world that we are acting only to protect our sovereign rights, and that we are willing to have the international hijacking issue handled in accordance with provisions of international law for the peaceful settlement of such matters. That is the only point I wish to make.

Mr. KERR. Mr. President, I thank the Senator from Oregon. I wish to state that his resolution will be considered when it reaches the Foreign Relations Committee, and its consideration will be expedited.

Mr. President, let me say that I think our great country should be generous and should be just and should be neighborly with the countries of Latin America; but I know, as does every other Member of the Senate, that the lawless are alert. They are alert to the finding of opportunities where lawlessness can be practiced and perpetrated at profit; and, Mr. President, the lawless operate in the presence of weakness and in the absence of vigorous enforcement of law and order.

Certainly the United States Government, as the great, powerful, and rich government it is, and as the leader of the free peoples of the world, has an opportunity to maintain our posture of friendliness and cooperativeness with the other nations in this hemisphere. But, Mr. President, in maintaining that posture, there is nothing more important than protection of the rights of American citizens and the validity of American citizens' property and the integrity of American sovereignty. It does not serve the posture of the United States of America to let there be developed, created, and maintained, an environment and atmosphere that the lawless can come to the United States, can hijack American airplanes, can kidnap American citizens, and can take them to a refuge, sanctuary, and haven provided by Castro, where the perpetrators of the crime will be rewarded and protected, and where the American citizens will be humiliated and American citizens' property rights violated, and the violators protected.

Therefore, Mr. President, I believe that while we do maintain our posture of generosity and our posture of justice and our posture of cooperativeness, we must also maintain the posture of guarding the rights of American citizens and American property and the prestige of our country and the prestige of the American flag, because, Mr. President, the lawless respect strength and law and order; but when they find an environment in which strength is neither displayed nor used and where law and order are not maintained, the outbreak of lawlessness will become an epidemic.

Mr. President, there is only one way to maintain law and order, whether it be local law and order, national law and order, or international law and order, and that is by means of the strong arm of justice, as well as the action of a generous Government in maintaining the posture of law and order and the integrity of our country, its flag, and the rights of its citizens.

Mr. KEATING. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. KEATING. I agree emphatically with the position of the distinguished Senator from Oklahoma.

According to press reports, Castro invited off the plane the Foreign Minister of Colombia, and wined and dined him, while the American citizens and other passengers waited. Such actions, regardless of whether Castro had any connection with the hijacking of the plane, certainly tend to make the other Latin American countries lose their respect for us. Only if we act firmly will they or other nations maintain their respect for the United States.

I have been informed that the State Department has only recently received from Cuba a note concerning the Eastern Air Lines plane. The State Department, perhaps understandably, declines to impart to me the contents of the note; but press reports issued at Havana at the time when the note was sent by Castro indicate that the Cuban Government would consider exchange of the Eastern Air Lines plane for a patrol boat which was brought to the United States by Cuban Navy defectors. In addition, in the press reports it is stated that the Cuban Government wants to enter into an agreement with our Government with regard to future incidents.

It seems to me that a note such as that suggests a new chapter in the hijacking of American planes, and proposes the blackjacking of the American Government. I understand that our State Department is now drafting an answer to this new Cuban note.

To me, it is incredible that the U.S. Government would enter into any such compromise agreement with this Communist dictator. The two cases are in no way parallel. Those who took the Eastern Air Lines plane to Cuba were not American defectors. That plane was hijacked and was taken there by persons acting in concert with the Cuban Government. There is no reason why we should not insist upon the immediate return of the plane.

I hope the resolution the distinguished Senator has introduced will have a powerful influence on getting the executive branch of our Government to take very firm action in this regard.

Mr. KERR. I thank the Senator from New York.

Mr. GOLDWATER. Mr. President, will the Senator from Oklahoma yield, so that I may ask a question of his colleague?

The PRESIDING OFFICER (Mr. METCALF in the chair). Does the Senator from Oklahoma yield to the Senator from Arizona?

Mr. KERR. Yes—or, Mr. President, I yield the floor.

Mr. GOLDWATER. Mr. President, inasmuch as the Senator from Oklahoma has withdrawn his amendment, I wonder how the bill will cover the situation in which we now find ourselves, inasmuch as the plane was not hijacked by an American, but was hijacked by one purportedly a French Algerian. How would the proposed law apply to a foreign national?

Mr. MONRONEY. One or the other provision of the law applies not merely to Americans, but to anyone who, in air commerce, which is defined in the act, commits the crimes of hijacking or piracy. It would be punishable now, as the bill reads, up to the death sentence.

Hijacking or piracy is a continuing crime. In case of hijacking of any plane in the territorial jurisdiction of the United States or piracy of an American-flag plane over the open seas, the jurisdiction of the crime would rest with the courts in the United States.

The jurisdiction in the most recent case also could be claimed, however, by the Government of Mexico, because the initiation of the hijacking occurred over Mexican territory. Or it could rest under the law of piracy with the Havana government if they, having the person of the culprit, determined to prosecute him there. But first there has to be an arrangement for the extradition to whatever jurisdiction is seeking to prosecute.

In this case, contrary to what might happen in other countries with whom we enjoy good diplomatic relations, there would be the problem of negotiating, through the Swiss Embassy, for the return and prosecution of the French Algerian, as I understand the situation. However, if the Government of Mexico desired to ask for the extradition, the situation would be the same as in the case of an arresting State within the

United States, when two or more States desired to take jurisdiction of a prisoner who had been captured by the other State.

We went into this bill very carefully. The important thing was not to confine the crime of hijacking or piracy to the air above the United States. That is quite important, because these airplanes cover the seven seas. It would be possible, if one were flying to Latin America, to be flying over a dozen national jurisdictions, and to fix a single jurisdiction for prosecution would be very difficult. So, therefore, it is a continuing crime, and it would be punishable in the country where the plane came to rest, or where the original act occurred, or any other country over which the plane flew while in the control of the pirate.

Mr. GOLDWATER. Does the junior Senator from Oklahoma feel that there is a better-than-even chance, first, of our apprehending the French Algerian, if he be a French Algerian, and having apprehended him, because of our relations with that country, does the Senator feel there is a better than 50–50 chance that we would ever bring this man to trial?

Mr. MONRONEY. That is a hypothetical question.

Mr. GOLDWATER. I realize that.

Mr. MONRONEY. And I could not answer it. All we can control here is the law, and I would say the law would give us equal right to request an extradition of this man from the Government of Mexico, or from Cuba, under international law of piracy, if the airplane came to rest there, and the right to try him here.

This is a matter that has not been completely settled as between the States of the Union. In international law, it would depend upon the international relations existing between the country that held the culprit prisoner and the countries that were seeking the right to prosecute him for the crime, which continued over the jurisdiction of many countries.

Mr. GOLDWATER. I am in complete sympathy with the bill. I intend to vote for it. I like what it is attempting to do. But I like particularly the amendment of the senior Senator from Oklahoma [Mr. KERR]—not so much because it would be a "big stick," in effect, but because it would warn the country where the plane might eventually go that it had better not accept it, because accepting it would bring down the wrath of the United States.

If I were one of Castro's men or one of Khrushchev's men and wanted to organize a series of hijacks, it would be very easy to get men from countries with whom we do not have particularly diplomatic relations. Therefore, if they were apprehended in the country of landing, it would be a virtual impossibility to do anything about it, and the hijacking could continue.

While we must admit that the amendment of the senior Senator from Oklahoma is a rather strong step, the junior Senator from Arizona feels in this particular instance, and in other instances similar to this, strong steps are the only steps that will be understood.

Contrary to what my good friend from Oregon said about the present conference creating an aura of good will throughout Latin America, the prevailing aura in Latin American remains that this Nation has been rabbitlike—that is, bunny rabbitlike—in doing anything about communism a few miles off its shores.

I can assure Senators that more money is flowing out of Latin America in the form of earned capital than we are going to put into it in the form of our taxpayers' money, and it is flowing out of Latin America for one reason. They are frightened about the proximity of communism in Cuba. Over $1 billion from Venezuela alone left Latin America for Canadian and Swiss banks. While I believe the Senator's proposal goes a long way toward stopping this kind of action, and is long overdue, I do feel rather sorry that the senior Senator from Oklahoma removed his amendment, because it is this kind of strength precisely that the Latin peoples recognize. I know of no people in the world who respect courage more and despise cowardice more than do the Latin people.

I may say, sadly, at this time, through a lifelong and initimate knowledge of the Latin countries, that we are despised more than we are respected; and $10 billion, $20 billion, or $50 billion is not going to correct that.

I feel a strong amendment such as that offered by the senior Senator from Oklahoma [Mr. KERR] would have stiffened the spines of the Latin countries, because I think it would have given us an additional instrument we ought to have. We still have an Electra airplane sitting on the airport in Cuba. Although Castro allowed the DC–8 to be returned, the question is still in Americans' minds, "What are we doing about other airplanes they took from us?"

I see no relationship between the 10 aircraft a private individual caused to be attached in Miami and this event, because Cuba owed the money, and they were Cuban-owned aircraft. Our aircraft are owned by stockholders of the United States, private individuals, and these aircraft are their property. When criminals steal an airplane from us, they are stealing a part of it from every stockholder in Eastern, or TWA, or any other airline.

When we apprehend, or shall I say attach, an aircraft for a personal debt owed by Cuba, we are merely taking property from a state that owes money to American citizens. It has been done time and time again.

Again, I intend to vote for the bill, and I will do so with all enthusiasm. I would have been much more enthusiastic about it had it contained the strong language of the senior Senator from Oklahoma, language that seems to indicate the backbone of America.

I have said this before. I frankly believe if we left it up to the American people to vote on this this afternoon, we would be in Cuba tonight. They are years ahead of this legislative body and this administration. This was true in 1898 when the Congress and the President were very reluctantly dragged into a conflict with Spain to free the people of Cuba.

I sincerely hope the American citizenry will be successful in causing this body and the President to do something about the repeated spitting in the face, the thumbing of the nose, the defaming of our flag which goes on 90 miles south of our shores.

While I think the Senator's bill will go a long way toward curing the wave of hijacking, I do not think we shall completely cure it until we can point our fingers at the country which ultimately receives the plane and say, "Country X, if you take this plane and do not release it within 24 hours, or 48 hours, we shall see that it is released."

Mr. MONRONEY. I thank the Senator from Arizona for his contribution.

Mr. President, I think the Senator had not arrived earlier when we were discussing this problem. The parliamentary situation is such that if the amendment of the senior Senator from Oklahoma remained in the bill, we would have a resolution to express the sense of the Senate as a part of the proposed legislation. The House has a very strict rule of germaneness and therefore cannot express, on a legislative bill, the opinion of the House. When we went to conference we would be in an embarrassing situation, and perhaps the House—knowing the House Members as I do, I think it is possible—would require us to delete the language. I did not wish to see it deleted. I should much prefer, as the Senator decided to do, to strengthen the Senate's expression by passing a formal resolution standing out in broad neon lights, to show that this Government is sick and tired of and completely out of patience with any country sharing in the benefits of piracy by accepting and retaining planes flown in.

I think we are following the proper legislative course, so that there may be a finality to the action by the Senate, under the course which the senior Senator from Oklahoma has taken, rather than a losing out in conference because of a lack of germaneness to a House-passed bill.

Mr. GOLDWATER. I am in complete agreement with the steps both Senators from Oklahoma have taken in this regard. I realize the parliamentary situation.

However, I do not think it hurts a bit to have individual Senators rise on the floor of the Senate, as they have done, and express their complete dissatisfaction with the way the whole Cuban business has been handled, not only by this administration, but also by my own administration. I think the American people are sick to the bone of the humiliation which they feel every time they pick up a newspaper and see that bearded, two-bit version of a dictator thumbing his nose at this country.

I do not think it hurts a bit for Senator after Senator to rise up to tell the way he feels, because they are speaking the feelings of the American people. I only wish it were possible for our State Department to take a little more stiff-backed attitude toward Cuba. I wish the State Department would forget the

troubles in Africa and Asia for only 5 or 10 minutes, and worry about the troubles which beset us in Cuba, a few miles off our southern shores, which troubles will, in my opinion, if allowed to continue, result in the beginning of troubles the like of which we have never known, because the Latin countries now can be furnished with the materiel for revolution they have never been able to receive before, because Russia and her satellites have not been able to sustain prolonged airlift or sealift to bring it about.

As I say, I know a little bit about the Latin countries. I probably knew the Mexican people before I knew my own people. I have traveled extensively in Latin countries, and I speak the language.

Mr. President, I can tell Senators definitely that when Mr. Stevenson came back to this country he did not tell us the feeling of the people of the countries of Latin America. He told us to the contrary. The people of the countries of Latin America are sick and tired of this great power seeming to be afraid to do something about a small country a few miles from our own shoreline.

It is not a fact that they would resent our doing something—they now resent our not doing anything, with the continuation of the policy, "Well, perhaps something will happen so that communism will disappear from Cuba."

That is the true situation in Latin America, rather than the situation which Mr. Stevenson, after his 22-day "quickie" tour, in which he probably visited only the embassies of the United States as he traveled around those countries, came back and reported to the President of the United States.

I think it might not be a bad idea for the President himself to take a prolonged visit through the Latin American countries, where he could personally visit not necessarily with every level of the people but with the people who have the best interests of the United States and of the Latin countries at heart; namely, the people who have worked for what they have, the so-called "white collar" class, to let him see the great wave of resentment which is sweeping over Latin America relative to our seeming timidity.

Mr. ALLOTT. Mr. President, I compliment the distinguished Senator from Arizona for what he has said. I should like to speak very briefly—and it will be brief—in regard to a couple of aspects of this problem.

Yesterday afternoon, when time was rushed, I mentioned a situation which occurred this spring, in which a young man from Colorado by the name of Lyndon Blue was flying a Twin Bonanza plane from Key West to Nicaragua. He received all proper clearances from Cuba for the flight nonstop over Cuba to Nicaragua, and had no material in his plane of any kind, nature, or description to which exception could possibly have been taken. As a matter of fact, the only material the plane contained was some tractor parts for use upon the plantation which this young enterprising man and his brother had established in Nicaragua and a machine of a food company in the United States for pureeing bananas.

Ninety minutes after the plane had taken off from Key West and had been cleared over Cuba the flight plan was canceled from Cuba. The plane was ordered down not only by radio but also by means of an F–80 jet fighter in the hands of Cubans. So the young man and his companion, who is an employee of the food company, were forced down and were incarcerated with political prisoners for 12 days. No charges were ever filed, nor have any charges been filed to date against either one of these men. Their release was effected as a result of the assistance of our Canadian friends and also of our Swiss friends, who have consulates in Cuba.

The point is that the problem is not limited alone to airliners. These two young men started out on a shoestring. They are 24 or 26 years old. They built a very successful plantation in Nicaragua, which has contributed greatly to the economic well being of that country. They have $50,000 tied up in that Twin Bonanza. The plane was forced down by a fighter, on orders from Cuban radio, to land at a Havana airport. The plane today, so far as we know, still sits on the field in Havana. Or, more probably it does not sit there, because it is probably being utilized by the Cubans. Certainly it has never been returned to the owners.

I wish to say, with respect to the situation we face when we try to pin this on the Cubans, that we have a problem when everybody says, "Well, we must go slow. We must go slow for we cannot prove this was a Cuban agent." Perhaps we cannot prove it was a Cuban agent. Perhaps we cannot prove the incident yesterday was brought about by a Cuban agent.

However, when a man takes a plane which has been pirated and puts it on his runway, retains control over it, and keeps it, he can only be regarded in the eyes of the law as an accessory after the fact. He cannot be regarded in any other way. Under the laws of most States of this Union, an accessory after the fact is chargeable and punishable in the same manner a principal to the crime is chargeable and punishable.

So let us not forget that it is very easy to say, "We have the plane back. Let us all settle back. Things are not so bad."

They are bad. We cannot realize in this country how bad they are. During the last 3 months at least six friends from South America have made trips to the United States, one of the main purposes of such trips being to tell me how bad things are in South America.

We have listened to the line of the Secretary of State, who has told us, "The tractor deal has shown up Castro for what he is. He is willing to trade lives for tractors, and this incident is bringing the South Americans over to our side."

Believe me, it is not. The reputation and prestige of the United States has never been lower in Latin and South America than it is today, and it is due to one thing. I pay tribute to and support the things the Senator from Arizona has just said about the courage of these people. They admire courage, and that is why they cannot even begin to understand why a nation as big, strong, and powerful as is this Nation, could be pushed and shoved around by the little bearded dictator down in Cuba. The Latin American people can understand a country as strong as we are acting forcefully and effectively, but they cannot understand vacillation. All we have done for the past 2 years is to vacillate with Cuba. So vacillation brings only disrespect, and we are despised.

If we act strongly but justly, some of the people may not like what we do. But they will respect us, and we shall get a great deal further in this world if we are respected than if we worry about whether people all over the world love us.

I do not know where the idea about world opinion suddenly came from. The guideline for our foreign policy from the State Department is plain, but those people would not love us if we did what is suggested. Our peace and position in the world will not be based upon this concept. It will be based upon respect.

We have been fools. During the year 1959, while the sugar bill reposed in the House of Representatives for many months, the Cubans harvested their cane and shipped it out of the country. Though many of us made efforts to move the sugar legislation, Congress actually financed the Cuban revolution to the tune of $150 to $160 million for sugar that came here. While that harvest occurred, we sat on our hands.

I am not afraid of brinkmanship. I am not a warmonger. Like almost every other Senator, I have served my time in the military service of this country, and I realize what it means. But I know that we cannot present to the countries of the world a picture of a nation which is big, strong, wealthy, and powerful, and continue to vacillate in our policies. Let us determine our policies. Let us assure ourselves that they are just and equitable. But let us quit doing a flip-flop every time someone in some country says, "Yanquis, go home," or, "We don't like America." Such an attitude will never make America great, our course cannot lie in currying favor. Our course of leadership lies in determining what is right but just; in pursuing our objectives to their end. Such an attitude will bring us respect and leadership without the despicable ideas that have been going through the minds of people in foreign countries.

We have been told that we have gained ground in Latin and South America. Let us not be fooled. Our whole position in the Southern Hemisphere is headed in the other direction, and unless we take a firm position upon this bill and upon subsequent resolutions which will come before the Senate, we will stand in the eyes of Latin America condemned as a nation which is too weak willed to act.

I yield the floor.

Mr. PASTORE. Mr. President, I have listened with a great deal of interest to the very eloquent oratory which has come from the other side of the aisle today. I can say I agree in substance with what the Senators have said. If we in America are to maintain the prestige that we have enjoyed through the years,

and if we are to maintain respect for the American flag and our own Nation, we shall have to be much firmer. We must demonstrate to the rest of the world that, while we do not intend to be bullies in our attitude, we must be strong and determined to protect all American rights.

But I remind Senators on the other side of the aisle that the chickens have come home to roost. What is happening to us today did not start in January of this year. What is occurring today started years ago. It was the vacillation of the previous administration, the lack of determination to do things that should have been done and that we did not do, that brought us to the point at which we find ourselves today.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. GOLDWATER. During the course of my remarks I think I made it abundantly clear that I did not think the present administration was responsible.

Mr. PASTORE. I thank my friend from Arizona. I thought he said that Mr. Stevenson returned to this country with a lot of untruths—telling us what is contrary to the situation in the Latin countries. I think Mr. Stevenson came back and told the truth to the American people. He told us that the conditions in Latin America were not too good. Conditions have been deteriorating for years in Latin American countries, and were much different from what he had found on previous occasions.

Mr. GOLDWATER. Mr. President, will the Senator yield further?

Mr. PASTORE. I yield.

Mr. GOLDWATER. I believe we are talking about two different things.

Mr. PASTORE. We are talking about the same thing.

Mr. GOLDWATER. The Senator is speaking about what Mr. Stevenson reported. I am in complete agreement with the Senator from Rhode Island when he says that the trouble started years ago. I would place the time when the trouble started as 40 years ago, at the signing of the peace treaty of Versailles. Through both Republican and Democratic administrations we have won wars, but I do not think we have won the peace. I am not charging the Kennedy administration. I am not charging the Eisenhower administration. I am trying the whole gamut of administrations that we have had since 1918, which have allowed us to lose our men on the battlefields and to lose the peace at the conference table.

Mr. PASTORE. I am happy that my friend from Arizona has cleared his position with regard to that point. He talked about what Mr. Stevenson reported. I believe he said that all Mr. Stevenson probably did was to visit the U.S. Embassy, and that he did not get out among the people. The Senator from Arizona knows the language and knows the people. As a matter of fact, one does not have to speak the language or know the conditions. All one needs is to read the newspapers.

Mr. GOLDWATER. If the Senator from Rhode Island wishes to defend Mr. Stevenson, I suggest that he go ahead and defend him.

Mr. PASTORE. I shall defend Mr. Stevenson as earnestly as my friend from Arizona will attack him.

Mr. GOLDWATER. I merely wished to correct the point that my friend was trying to make, which was that I had left the impression that the present situation is entirely the fault of the Kennedy administration. I thought I made that point adequately clear in my remarks, as I have made it adequately clear in my remarks on the entire subject throughout the time allotted to me.

Mr. PASTORE. All I desire to say is that it is high time that we on this side of the aisle began to have truth teams to tell the Americans what happened in the past, and the fact that what is happening today is not something that started in January of this year, but was the accumulation of mistakes made years before.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. PASTORE. If the Senator wishes to ask a question, I yield, but if he wishes to make a speech, I suggest that he do so on his own time. I will yield for a question.

Mr. KUCHEL. Does the Senator not believe that it is in the interest of American security in these dreadful and fateful days through which the world now passes to avoid any imprecation based upon partisan comments on both sides of the aisle which on extremely recent occasions, I think, merits——

Mr. PASTORE. My friend from California was not here. There is not a Member of the Senate who is not in favor of the bill. There is not a Senator who does not feel strongly on this hijacking matter. However, my friend from California was not here when Senators on his side used this occasion to make partisan speeches. The Senator from Rhode Island did not start it. I came here specifically to introduce a bill. It is most vexing and irritating, on occasions such as this, when we are speaking of America and the things that are good for America, to have this occasion seized for partisan advantage. That is precisely what took place here. That is what impelled me to rise and make the statement I have made. I quite agree with the Senator from California that this is not a time when we should indulge in partisan considerations or discussions.

That is precisely what I found taking place. I, as one Democrat, resent it.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. KUCHEL. I must say that I have been out of the Chamber during the last few moments.

Mr. PASTORE. I have the floor. The Senator has the right only to ask me to yield for a question.

Mr. KUCHEL. I ask the Senator to yield for a question.

Mr. PASTORE. I yield for a question.

Mr. KUCHEL. Then I ask the Senator if it is not true, since I was out of the Chamber and did not hear all that went on, that some of the comments which are made in this Chamber with respect to criticism of individuals in the Government ought not immediately to be interpreted as intemperate partisan comments?

Mr. PASTORE. All I can say to the Senator from California is: "Were you here, Charlie?"

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. KUCHEL. My name is not Charlie. The Senator from Rhode Island knows my name is not Charlie. I will put this in the form of a rhetorical question, because the Senator has put restrictions on my opportunity to speak. He knows that I will read this RECORD in a few minutes, just as the Senator has, and if I believe then that it merits any further comment on this situation, will not the Senator agree that I have the right to make comment?

Mr. PASTORE. The Senator has every right that he can support. One man who will stand up to support the Senator's right and be in the forefront of those who will see to it that he has that right is the senior Senator from Rhode Island.

Mr. KUCHEL. That is why I love my friend from Rhode Island, my friend.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. CARROLL. Mr. President, what is the parliamentary situation now?

The PRESIDING OFFICER. S. 2268, the so-called hijacking bill, has been read the third time. The question now is on passage of the bill.

Mr. RANDOLPH. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. CARROLL. Mr. President, only recently, within the hour, have I had an opportunity to read the report on the airplane hijacking bill. However, I have not been given the printed hearings. I wish now to call to the Senate's attention a conversation I had this morning with the Assistant Attorney General in charge of the Criminal Division of the Department of Justice. It will be observed that the title of the bill shows that it is a proposed amendment to the Federal Aviation Act. It is only that fact which gives jurisdiction to the Commerce Committee. Otherwise the bill, by its nature and contents, would have gone to the Senate Judiciary Committee.

I recognize the urgency of the bill. I commend the work of the able Senator from California [Mr. ENGLE] and of the able Senator from Oklahoma [Mr. MONRONEY] on this important piece of legislation. However, it would seem to me that this should have been a matter for consideration by Committee on the Judiciary. Why? Because it deals with numerous statutes under title 18 of the United States Code which are criminal statutes of this Nation.

I am reminded that in my own State, some 5 or 6 years ago, a young man took his mother to the airport, put her on a plane, along with baggage which contained a large amount of dynamite, which blew up the airplane while in flight and killed 44 persons. Congress then enacted new legislation concerning the willful destruction of airplanes, imposing heavy penalties, placing it under the Criminal Code, title 18, where it properly belonged.

That bill, as is the case with this legislation, originated in the Interstate and Foreign Commerce Committee. The then Attorney General vigorously protested the attempt to include in the Civil Aeronautics Act this major criminal law statute, insisting that such a law belonged in the Criminal Code under title 18. It is significant that the Commerce Committees of both the House and the Senate finally agreed with the Attorney General's viewpoint. This occurred in 1956. See Public Law 84–709 (70 Stat. 538). The legislative history of the new law is exactly in point with my discussion today.

No doubt other instances could be cited with respect to title 18. It is my information, based upon the testimony of Mr. Miller, who speaks for the Attorney General's Office in this matter, that their preference is to have the crimes proposed in this bill under title 18, the Criminal Code. That is not only for the purpose of codification but also for the purpose of informing the people of what the criminal statutes are, and more important, to avoid the pitfalls of prosecution.

The whole purpose of the codification of the Criminal Code is to draw the criminal statutes together within the books. The position of the Attorney General is to have these laws under title 18 where they can be reached and read and understood. We are confronted here with a situation of an emergency nature. I have talked to the chairman of my committee, the Committee on the Judiciary, and he does not want to make an issue of it. However, I say it is a bad precedent for the Senate to take a bill and place it in the jurisdiction of another committee because of some apparent emergency.

I wish to ask some questions about the concealed weapons charge. If I may ask a question of the Senator from Oklahoma or the Senator from California: Is the penalty for concealed weapons in the bill 5 years and $5,000?

Mr. ENGLE. That is the maximum.

Mr. CARROLL. Is it not true that under the present bill——

Mr. ENGLE. That is what the present bill provides.

Mr. CARROLL. A third reading having been had of the bill, there is no opportunity for an amendment, is there?

Mr. ENGLE. No; there is not. However, we had a lesser penalty in it, and there were bills which contained a higher penalty. The subcommittee, after thoroughly considering the matter, put in the provision that the penalty would be not more than $5,000 or imprisonment for not more than 5 years, or both. There is plenty of leeway for a court to exercise judgment.

Mr. CARROLL. What was the position of the Attorney General concerning the approval of the penalty?

Mr. ENGLE. I do not believe the Attorney General specified a penalty.

Mr. CARROLL. I shall be glad to have any Senator correct me, but it is my impression that the Attorney General felt that that penalty would create problems, first, from an investigative standpoint. It is my impression that the Attorney General put this crime in the category of a misdemeanor, which would carry a punishment of a fine of $1,000 or imprisonment for 1 year.

Mr. ENGLE. That was what my original bill provided. The testimony of the Assistant Attorney General begins on page 25 of the report of the hearings, which are before the Senator. I am not certain that he mentioned that point specifically. I do not recall it.

Mr. CARROLL. May I refresh the memory of the Senator from Oklahoma that on August 7 Mr. Miller, Assistant Attorney General, directed a letter to the Honorable A. S. MIKE MONRONEY, Senate Office Building, Washington, D.C., to which he attached a second proposed bill. In the bill he sets forth the very thing which I have said—"carries on or about his person a concealed deadly or dangerous weapon, or attempts to board such aircraft carrying such weapon, shall be fined not more than $1,000 or imprisoned not more than one year, or both."

We know what we seek to do. We seek to stop a person who is carrying a gun from boarding a plane. The Senator from California is an able lawyer and a former prosecutor. I ask him: What is a concealed weapon? A knife with a 3-inch blade? Is that set forth in the report? What is meant by a "concealed weapon" in the proposed statute?

This is why I believe proposed legislation of this type should be carefully considered by a group of lawyers, who are trained to think in terms of the law and its application to specific criminal offenses.

Mr. ENGLE. We assume that the general definition of "concealed weapon" would apply. We are not proposing anything special in the bill.

Mr. CARROLL. Weapons concealed where, and by whom? Where in the bill is the Federal concealed weapons statute? We know what the definition of "concealed weapons" is at common law and in the States. These are reasons why the Attorney General should have been further consulted.

A representative of the Attorney General and I discussed the question this morning, and he believes the matter should have been considered by the Committee on the Judiciary, to improve and modify it, if necessary. That is why I hoped there might have been a full discussion of the bill which was called up yesterday.

I know the able Senator from California has worked long and hard on the bill, as has the able Senator from Oklahoma, who is an expert in the field of aviation. I understand the urgency of the problem. However, it seems to me that a little more time could have been taken to consider the measure.

When the bill was brought up yesterday, only a mimeographed form, not a regular print, was available. It was only this morning, by virtue of the report, that I saw a list of the witnesses. I merely plead for proper procedure in the Senate. I do not say that the bill is not a good one. I raised another point about concealed weapons for an example. The Attorney General himself is confused about it.

Mr. ENGLE. If the Attorney General was confused, he did not indicate it when he appeared before our committee on August 4, which was last Friday. I ask the Senator to refer to page 27 of the hearings, where the testimony of Mr. Miller appears.

The committee had before it several bills, including the one I introduced four and a half weeks ago, which arose out of the incident in Los Angeles, an incident which presented great difficulties. Subsequent to that the committee received the amendment which I offered to cover piracy. Mr. Miller, the Assistant Attorney General, testified on the amended bill, which was introduced on July 31, 1961. I read from the hearings on page 27:

Senator MONRONEY. I thought you included some items that were not within the scope of the amended bill.

Mr. MILLER. I don't believe so, Senator.

Senator ENGLE. We reached the original and added some sections. S. 2268 as amended is the bill as originally introduced plus the new sections which related to pirating. In other words, S. 2268 is the original, plus the amendments.

Senator MONRONEY. The amendments are in addition to S. 2268?

Senator ENGLE. That is correct. What the amendment did, in effect, was to restate the bill introduced, whenever it was, and added sections with reference to pirating airplanes.

Mr. MILLER. That is correct.

So Mr. Miller, the Assistant Attorney General, who appeared before the committee, testified concerning a bill which contained a concealed weapons provision, and he did not at that time raise any question about the definition of "concealed weapons." That problem would be taken care of under the general definition of "concealed weapons," which is well known within the law.

Mr. CARROLL. Will not the Senator from California agree that each State might have a different concept of "concealed weapons" in its statutes? There are all kinds of judicial definitions of "concealed weapons." We know what we are trying to accomplish. We seek to reach a person who carries a loaded gun onto a plane. There is no question that that is what we have in mind. I commend the able Senator from California, who said yesterday that this item had reference to concealment rather than to the guns of some duck hunters or pheasant hunters who were flying on a commercial plane. I understand that. However, I believe there must be some refinement of the language. Still, I am experienced enough to know that with the present temper of the Senate, the bill will be passed. I do not know whether the yeas and nays have been ordered.

Mr. ENGLE. They have been ordered.

Mr. MANSFIELD. Mr. President, will the Senator from Colorado yield?

Mr. CARROLL. I yield.

Mr. MANSFIELD. First, I wish to make a unanimous-consent request, namely, that the vote on the pending measure be postponed until 2 o'clock. I make the request because a group of Senators is having an important meeting with an important guest at this time. It was thought inadvisable to break up that meeting until 2 o'clock.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, if I may answer what I believe the Senator from Colorado is driving at, generally speaking the question of the proposed legislation being referred to the Committee on the Judiciary was discussed among the chairman of the Subcommittee on Aviation of the Committee on Commerce, who is in charge of the bill; with the Senator from California [Mr. ENGLE], and myself. The question was brought to the attention of the chairman of the Committee on the Judiciary, the distinguished Senator from Mississippi [Mr. EASTLAND]. Certain testimony in the hearings was also brought to the attention of the Senator from Colorado. The chairman of the Committee on the Judiciary agreed to let the consideration of the bill proceed, and said he would not make a request that it be considered by his committee, although he felt he had justification to request that it be referred to the Committee on the Judiciary. I think that statement ought to be in the RECORD. That is why I have made it. I appreciate having the opportunity to do so.

Mr. CARROLL. I appreciate the remarks of the distinguished majority leader. However, as I view the facts, the bill would have gone to the Committee on the Judiciary except that it is proposed as an amendment to the Federal Aviation Act. I think I may say that the chairman of the Committee on the Judiciary had no previous notice that the bill would be referred to the committee which presented it. Only this morning—30 or 40 minutes ago—I learned that the Attorney General had testified concerning the bill.

The Attorney General was not in favor of the amendment of the criminal statutes by amending the Federal Aviation Act.

When I learned of this, I asked the Attorney General's Office to hand-speed to me their information and their testimony, because there were then no printed hearings. It was for that reason that I asked that the information be sped to me.

The minute it arrived, I called the chairman and other members of the Committee on the Judiciary and asked them if they knew exactly what the bill provided. They did not know, and there was nothing before them which could apprise them so that they could know.

In my opinion, this is not the way to legislate important new criminal statutes.

As I was about to say awhile ago, I am experienced enough to know that with all the inflammatory news we are receiving, Senators do not wish to be placed in the position of voting against this type of bill, even if they have some legal reservations about it, because such a position could easily be misconstrued.

Undoubtedly, the bill will be passed by the Senate, and perhaps we shall then ask the Attorney General to suggest refinements.

The Senator from Oklahoma has been asking me to yield; but first I wish to read, from page 28 of the hearings, an interchange between the Senator from Oklahoma [Mr. MONRONEY] and Mr. Miller, who appeared on behalf of the Attorney General and the Department of Justice:

> Senator MONRONEY. Then it is also your feeling that rather than amend the Federal Aviation Act, that these should fit into the Criminal Code, rather than become a part of the Aviation Act, because they would be easier to be found or identified; is that correct?
>
> Mr. MILLER. That is correct, Senator.
>
> There are two basic reasons. One, we prefer, where possible, that criminal statutes be included in title 18; simply because it is a proper codification.
>
> Secondly, if the bills are in title 18, then it will be clear that the Federal Bureau of Investigation will have investigative responsibility for these crimes. We think that this is the proper agency to investigate crimes of this nature.

Now I yield to the Senator from Oklahoma.

Mr. MONRONEY. We followed the suggestion of the Assistant Attorney General in charge of criminal investigations and included the provisions he suggested to give jurisdiction to the FBI. We felt that was a very excellent suggestion and that such a provision should be included.

We felt that thus we could properly handle the problem as an amendment to the Federal Aviation Act. Its provisions cover and define dozens of crimes, and the committee jurisdiction of measures dealing with such matters has never been questioned, and is not questioned today.

A great deal of work had been done on the bill—and let me say there was no usurpation by us of the jurisdiction of another committee. Senate bill 2268 was referred to our committee a number of weeks ago, and later there were also referred to our committee Senate bill 2370, Senate bill 2373, and Senate bill 2374—four bills dealing with these matters. In the judgment of the Parliamentarian, all four of those bills were properly referred to our committee, and they were referred to our committee without any request by us. Certainly we felt a most important matter was involved and that it should be given the best of attention.

With all due respect to the heavily overloaded Judiciary Committee—and certainly it is heavily overloaded—let me say that I was not aware that it had requested that the bill be referred to it.

The request comes now after the third reading of this bill. We had showed the bill to the chairman of the Judiciary Committee, and there was no objection. In fact, yesterday evening, when I asked the Senator if he had any suggestions to make, and suggested that if he did have some to make, he be here to present them or to submit or suggest amendments while the bill was still under consideration, I thought we were proceeding quite properly. We have worked in good faith on the bill and we have worked hard on it. I do not say we have worked harder than the Judiciary Committee would, but certainly we worked just as hard as we could. If the clerks of the Judiciary Committee felt that the jurisdiction of that committee was violated, certainly some member of that distinguished, high-level committee would have notified us that the Judiciary Committee wished to have jurisdiction of the bill—which could then have been shared with the Judiciary Committee.

Mr. CARROLL. Mr. President, the Senator from Oklahoma, who is an expert on the rules, knows that except for the fact that it was proposed as an amendment to the Federal Aviation Act, the bill would, in the normal course of events, have been referred to the Judiciary Committee.

Mr. MONRONEY. But the Senator from Colorado should realize that we cannot assume that the Judiciary Committee would take jurisdiction of all such proposed amendments. We merely have included by reference in this measure the body of law which has been generated over the years by the Judiciary Committee; and our position is that if such laws are good for application to crimes committed on the high seas, they are good for application to crimes committed in the air. Ninety percent of the thrust of the bill is based on that concept.

The bill simply applies the Criminal Code to some of the things that are likely to happen in the air. We also include in the bill provisions in regard to matters which do not come within the jurisdiction of the Judiciary Committee. For instance, I refer to the section authorizing the Federal Aviation Administrator, not the Attorney General, to rule that certain passengers cannot board a plane or cannot carry certain things aboard a plane. Measures dealing with such matters would not come within the jurisdiction of the Judiciary Committee.

Mr. GOLDWATER. Mr. President, will the Senator from Colorado yield, so that I may ask a question of the Senator from Oklahoma?

Mr. CARROLL. I shall yield in a moment.

Mr. President, in essence, this is not a question of jurisdiction; it is a question of careful and proper consideration of proposed criminal statutes. All measures in that area should be within the jurisdiction of only one committee, so that those interested will know where to go.

The Senator from Oklahoma said—although I do not know to whom he had reference—that an amendment would be put in the bill. I indicated that it was at only 11 o'clock this morning that I received from the Office of the Attorney General information as to where it stood and what it wanted, and only this morning did I get a copy of the hearings and a printed copy of the report. Certainly this is not the proper way for the Senate to legislate.

Now I yield to the Senator from Arizona.

Mr. GOLDWATER. Perhaps I can suggest a way to clear up this matter. Does not this measure amend the Federal Aviation Act of 1958?

Mr. MONRONEY. That is correct—and uses the definitions included in that act and its provisions as to various matters. We merely include the references from the code in order to make such actions crimes in the air, as well as on the high seas.

Mr. GOLDWATER. And is it not also true that after the hearings on the bill amending the Federal Aviation Act of 1958, the subcommittee favorably reported the bill to the full committee, and the Senator from Oklahoma himself has engineered the bill through the Senate?

Mr. MONRONEY. Yes. We included parts of several other bills—parts of the bill introduced by the Senator from Texas [Mr. YARBOROUGH], parts of the bill introduced by the Senator from New Hampshire [Mr. BRIDGES]—although the major part of the bill was introduced by the Senator from California [Mr. ENGLE]. The bill now before the Senate is the result of long and hard study and consideration.

Members of the Judiciary Committee perhaps could have done better, but I do not believe the Judiciary Committee would have come up with a different answer.

Mr. GOLDWATER. But the fact is that the bill now before the Senate is a creature of the Commerce Committee, is it not?

Mr. MONRONEY. That is correct.

Mr. GOLDWATER. And not a creature of the Judiciary Committee?

Mr. MONRONEY. That is correct.

Mr. GOLDWATER. Is it not also true that in the bill now before the Senate, crimes are defined in sections 113, 114, 1111, 1112, 1113, 1363 and 2111 of title 18 of the United States Code, which are applicable if the crimes are committed while a person is aboard an aircraft in air commerce?

Mr. MONRONEY. That is correct; those provisions are lifted verbatim from the criminal statutes, without any change—not even the dotting of an "i" or the crossing of a "t". Those applicable to crimes committed on the high seas are made applicable to crimes committed in the air.

Mr. GOLDWATER. And was it not——

Mr. CARROLL. Mr. President, I think I have the floor.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. GOLDWATER. Then I ask——

Mr. MONRONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield; and if so, to whom?

Mr. CARROLL. Mr. President, I thought the Senator from Arizona was going to ask questions of me.

Mr. GOLDWATER. No; I asked the Senator from Colorado to yield, so that I might ask questions of the Senator from Oklahoma.

Mr. CARROLL. All this colloquy is very pleasant, but I wish to clarify the RECORD.

This is the first time in the history of major criminal legislation affecting the maritime jurisdiction that a proposed law in that field has been handled in this way. Heretofore, such statutes have always been incorporated in the Criminal Code.

Mr. MONRONEY. And they still will be.

Mr. GOLDWATER. Mr. President, will the Senator from Colorado yield briefly at this point?

Mr. CARROLL. First, I wish to complete this record by emphasizing the point that the present procedure is an unusual one; and that is what the Attorney General was trying to say.

We have plowed this ground 15 or 20 times, in making statements about how the criminal statutes were moved into the first part of the bill, in addition to creating new criminal statutes.

The provisions in regard to the carrying of concealed weapons are not clear to me, and nothing in the record makes them clear; and perhaps the Attorney General himself has not clarified the record in regard to them.

As I have said before, I recognize that this bill is going to pass overwhelmingly. I hope the chairman of the Judiciary Committee, the able Senator from California [Mr. ENGLE], and the able Senator from Oklahoma [Mr. MONRONEY], who are responsible for this legislation, can sit down and work it out with the House Judiciary Committee or the Attorney General's Office. Having passed the bill in this hurried fashion, I think we have to sit down and refine it.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. ENGLE. As the Senator knows, this bill will be considered on the House side by the Interstate and Foreign Commerce Committee, our sister committee in the other body. So if there is any clarification needed with reference to the meaning of concealed weapons, Mr. Miller can attend to it. I emphasize that when Mr. Miller appeared before us, he did not raise that point, but if it has occurred to him subsequently, he can explain it over there. It can be done in conjunction with the Judiciary Committee in this body and the other body, so the law will be put into such shape as every Member of Congress agrees it should be.

Mr. CARROLL. I understand that this is the first step in the legislative process. I have commended the able Senator from California, the able Senator from Oklahoma, and the whole committee. As I have said, as we take the next step in moving to the House, we can have more time to study the hearings and reports. It will take some time, I suspect. I am certainly going to talk with members of the House Judiciary Committee and have them look into it. I will talk again with the Attorney General. If there are some defects in the bill, I think we can clarify them.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. MONRONEY. I do not agree that the bill has to be redone or overhauled by the House or the Judiciary Committee. Any time the Judiciary Committee wishes to embark on the project of codifying all the criminal laws scattered throughout the statute books, I will be glad to support them. But this is typical of the language which already appears in section 902(c) of the Federal Aviation Act of 1958 regarding interference with air navigation which reads:

> A person shall be subject to a fine of not exceeding $5,000 or to imprisonment not exceeding five years, or to both such fine and imprisonment, who—
>
> (1) With intent to interfere with air navigation within the United States, exhibits within the United States any light or signal at such place or in such manner that it is likely to be mistaken for a true light or signal established pursuant to this Act, or for a true light or signal in connection with an airport or other air navigation facility; or
>
> (2) After due warning by the Administrator, continues to maintain any misleading light or signal, or
>
> (3) Knowingly removes, extinguishes, or interferes with the operation of any such true light or signal.

We have this kind of language in almost every bill. The Civil Service and Post Office Committee considers bills embodying criminal offenses. While I grant the jurisdiction—and I helped to write the jurisdiction—of the Judiciary Committee, when there is a mixed bill, combining two or three fields, it is up to the Parliamentarian of the House and the Parliamentarian of the Senate to determine the proper committee.

This bill has been in committee for 4 weeks. Is that correct?

Mr. ENGLE. Four and a half weeks.

Mr. MONRONEY. Certainly, the Judiciary Committee should have been on notice of it before this morning. Certainly, the Attorney General should have asked for the jurisdiction to be transferred to the Judiciary Committee—that is, if anybody in the Justice Department reads the bills that the Senate is considering. I presume they do.

Why this last-minute effort by the Assistant Attorney General, who was invited to testify, who admitted that there was a gap in the law, whom we followed on everything except his wish to be sure that we had things nicely and completely indexed, as he would like them to be?

Mr. CARROLL. The truth is that the bill has been in the hopper, as we say, for 4 weeks, but it has been in the Aviation Subcommittee. It was not reported by the full committee until yesterday.

No Member of this body or of the House reads all of the bills, and usually does not consider a bill until the committee that is considering it makes its report. The report was not available until this morning. I did not know what the Attorney General had in mind. I have had no chance to consult with him except by telephone and by having him send his documents to me.

But, as I pointed out, and I repeat for the last time, in my opinion, this is not the way to legislate. We are entitled to have reports, and we are entitled to look at the hearings, especially when we are dealing with basic criminal statutes.

It is true that all through the field of administrative law there are civil and

criminal sanctions provided. Most of them deal with misdemeanors for violations of regulations. But that is not true of what are often referred to as basic common law crimes. The Judiciary Committee has always had jurisdiction of crimes of that type.

I am not saying that we would not have called upon the testimony and wisdom and experience of members of the Commerce Committee. Why did not the Judiciary Committee move in and ask the Parliamentarian for jurisdiction? Obviously, because the Parliamentarian would give this same decision, because I have talked to him on this question. Because it was a proposed amendment to the Federal Aviation Act, the Commerce Committee was the committee that would get the jurisdiction. I say this is not good practice when we are dealing with basic criminal statutes.

I have made a record here, which I hope will be studied by members of the House Judiciary Committee and other Members of the House.

Perhaps, as the Senator from Oklahoma has said, the bill does not need to be carefully reformed. I do call attention to the fact that there should be an explanatory statement in the RECORD about the meaning of a concealed weapon, and whether it means any knife, or a knife with a 3-inch blade, or what the extent of the blade must be. I think there ought to be some clarification of the meaning.

Mr. President, at this point in the RECORD I ask unanimous consent to have printed the letter of August 7 from Mr. Miller to the Senator from Oklahoma [Mr. MONRONEY], to which I previously referred, together with the proposed bill submitted by the Attorney General and made a part of that letter, and also a statement given to me this morning by the Assistant Attorney General, which was heretofore incorporated in the record of hearings before the Subcommittee on Aviation of the Senate Committee on Commerce on August 4, 1961.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AUGUST 7, 1961.

Hon. A. S. MIKE MONRONEY,
Senate Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed are two proposed statutes. The first is patterned after S. 2268 and contains certain language which will limit the application of the proposed statute.

A second proposed bill is a substantial redraft which has what the Department of Justice feels is an advantage in graduating the offense up to and including the death penalty in the event persons are killed in the course of the hijacking. This concept is patterned after the present kidnaping statute.

Sincerely,

HERBERT J. MILLER, Jr.,
Assistant Attorney General.

Chapter 2 of title 18 is amended by adding the following sections:

"Section 36. Whoever, while on board an aircraft in flight in air commerce, within the jurisdiction of the United States, commits an act which, if committed within the special maritime and territorial jurisdiction of the United States, would be in violation of section 113, 114, 1111, 1112, 1113, or 2111 of title 18, United States Code, shall be punished as provided therein.

"Whoever, while on board an aircraft in flight in air commerce, within the jurisdiction of the United States, including the special maritime and territorial jurisdiction, assaults, intimidates, threatens, or interferes with any flight crew member of such aircraft while engaged in the performance of his duties or in any way lessens the ability of such flight crew member to perform his duties, or attempts to obtain or obtains control of an aircraft by force or violence, shall be fined not more than $10,000 or imprisoned not more than twenty years, or both. Whoever in the commission of any such acts uses a deadly or dangerous weapon shall be imprisoned for life, or for not less than twenty years.

"Except for the employees or officials of any municipal or State government, or the Federal Government, who are authorized or required to carry arms, and except for such other persons as may be so authorized by the air carrier involved, whoever, while a passenger aboard an aircraft being operated by an air carrier in air transportation, carries on or about his person a concealed deadly or dangerous weapon or attempts to board such an aircraft carrying such a weapon shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"Section 36. (a) Whoever, while on board an aircraft engaged in air commerce in the United States, or on board an aircraft operated by a United States air carrier over the high seas—

"'(1) Attempts to obtain or obtains control of the aircraft by unlawful force and violence or the threat of unlawful force or violence while the aircraft is in flight or on the ground; or

"'(2) Assaults, intimidates, threatens or interferes with any flight crew member of the aircraft, while the aircraft is in flight, and the crew member is in the performance of his duties or in any way lessens the ability of such member to perform his duties,

shall be fined not more than $5,000 or imprisoned for not more than five years, or both.

"'(b) Whoever, (1) commits any act specified in subsection (a) which results in injury to any person, or (2) uses a dangerous or deadly weapon in the commission of such acts shall be fined not more than $10,000 or imprisoned for not more than twenty years or both.

"'(c) Whoever commits any act specified in subsection (a) which results in the death of any person shall suffer death unless the jury qualifies its verdict by adding thereto without capital punishment, in which event he shall be sentenced to imprisonment for life.'

and (b) amend section 1651 of title 18 to read as follows:

"'1651. Piracy under law of nations.

"'Whoever, on the high seas *or on board an aircraft over the high seas,* commits the crime of piracy as defined by the law of nations, and is afterward brought into or found in the United States, shall be imprisoned for life.'

"Section 37. Whoever while on board an aircraft in flight in air commerce commits an act which if committed aboard a vessel on the high seas would constitute piracy as defined by section 1651 of title 18, United States Code, shall be imprisoned as provided therein."

STATEMENT OF ASSISTANT ATTORNEY GENERAL HERBERT J. MILLER, JR., ON S. 2268 BEFORE THE SUBCOMMITTEE ON AVIATION, SENATE COMMITTEE ON COMMERCE, AUGUST 4, 1961

Mr. Chairman, my name is Herbert J. Miller, Jr., and I am Assistant Attorney General, in charge of the Criminal Division of the Department of Justice. Pursuant to the request of this subcommittee, I shall state the position of the Department of Justice with regard to S. 2268, which would amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce. My comments are directed to the July 31, 1961, amendment to the bill. First, I wish to emphasize that the Department of Justice endorses this bill but with certain amendments.

S. 2268 would amend the Federal Aviation Act of 1958 by adding a new subsection (i) to section 902 of that act. The new subsection would be further divided into four divisions. The first division would make criminal the actions proscribed by sections 113, 114, 1111, 1112, 1113, and 2111 of title 18, United States Code, when they occur on board an aircraft in air commerce. Section 113 deals with several types of assaults; 114, maiming; 1111, murder; 1112, manslaughter; 1113, attempts to commit murder or manslaughter; and 2111, robbery. It should be pointed out that most of the crimes listed in subsection (i)(1) are also crimes cognizable in State courts. For example, murder or manslaughter in an airplane above a State can be prosecuted in the State over which it occurred. The problem of venue is not obviated by making it a Federal crime. The Federal Government will still have to prove the State and district in which the crime was committed as required by the sixth amendment to the Constitution of the United States.

S. 2268 would apply to specified acts committed aboard any aircraft in air commerce. Air commerce is defined in the act (49 U.S.C. 1301(4)) to include oversea and foreign commerce, which are further defined to include commerce between the United States and any place outside of the United States. Thus, this subsection (1) of S. 2268 would extend Federal jurisdiction over the high seas as well as to foreign countries. As far as jurisdiction outside of the United States is concerned there are two problems. One, jurisdiction over crimes on airplanes of American registry over the high seas is already covered by title 18, United States Code, section 7. Secondly, with regard to jurisdiction over foreign countries it would cover any airplane flying from the United States over a foreign country. The latter extension may well be in conflict with the Convention on International Civil Aviation effective April 4, 1947, in which article 1 provides: "the contracting States recognize that every State has complete and exclusive sovereignty over the airspace above its territory." The Department of Justice is of the opinion that if the Federal Government is to enter this area this part of the bill should be limited to the airspace above the United States.

We also note that the crimes listed in this part of the bill are those commonly contained in title 18, Criminal Code, and, therefore, it would appear to be more appropriate to amend that title than the Federal Aviation Act. This would also clarify the investigative jurisdiction. We believe that these crimes should be investigated by the Federal Bureau of Investigation. If it is determined that this subsection is necessary and that the physical placement of it should be in the Federal Aviation Act, then the investigatory responsibility should be clearly spelled out.

Subsection (i)(2) makes it a crime to assault a flight crew member if the assault prevents the proper performance of duty by the flight crew member. This subsection specifically takes care of the problem posed by the recent occurrences which resulted in the introduction of S. 2268. We suggest that here also the offense should be limited to the United States for the reasons stated above. We also suggest that this subsection should specifically forbid the obtaining or the attempt to obtain control of an airplane

illegally by force and violence, even though such an act would probably include an assault.

The Department of Justice endorses subsection (i) (3) without change.

While the law of piracy in modern times has been found to be archaic and difficult of application (see revisor's headnote to ch. 81, title 18). A convention on the high seas was ratified by the Senate on May 26, 1960, which defined acts of piracy and brought such acts on airplanes within the term piracy. I am advised by the Department of State that this convention is not yet effective since it has not been ratified by the requisite number of countries. We do not object to this subsection.

The Department of Justice believes that the Congress should enact legislation which will permit quick and effective action against persons who endanger the lives and property of large numbers of persons both on board our airliners and on the ground over which the airliners fly. This despicable conduct which foreseeably can jeopardize the lives of more than 100 persons in one plane cannot be tolerated. If the bill is amended as suggested above it will be an effective means for curtailing this cowardly and irresponsible conduct or for punishing it when it does occur.

Mr. MONRONEY. Mr. President, will the Senator yield for a moment?

Mr. CARROLL. I yield.

Mr. MONRONEY. Does not the Senator think that it would be advantageous, for those reading the RECORD, to also include from the printed hearings the colloquy and interrogation of Mr. Miller and his amplification?

Mr. CARROLL. I quite agree. Will the Senator outline the pages he wishes to have in the RECORD?

Mr. MONRONEY. I refer to the hearings before the Aviation Subcommittee, beginning on page 27 and including pages 28, 29, 30, 31, 32, 33, 34, and the top half of page 35.

I only suggest this so that those reading the RECORD may find further amplification or emphasis as to the course of the interrogation, because we in no way wished to cut the Attorney General off. In fact, we were trying to get all the information that was humanly possible for him to give us at that time. As a matter of fact, one of the questions raised had to do with the carrying of a concealed weapon aboard an aircraft. I raised the question, during the interrogation, that the attempt to board an aircraft was just as important as boarding it in this particular case.

I ask unanimous consent to have the portions of the hearing to which I have referred printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Senator MONRONEY. You were testifying on the original bill, S. 2268, I believe?

Mr. MILLER. The amended bill, Senator, which was introduced on July 31, 1961.

Senator MONRONEY. I thought you included some items that were not within the scope of the amended bill.

Mr. MILLER. I don't believe so, Senator.

Senator ENGLE. We reached the original and added some sections. S. 2268, as amended, is the bill as originally introduced plus the new sections which related to pirating. In other words, S. 2268 is the original, plus the amendments.

Senator MONRONEY. The amendments are in addition to S. 2268?

Senator ENGLE. That is correct. What the amendment did, in effect, was to restate the bill introduced, whenever it was, and added sections with reference to pirating airplanes.

Mr. MILLER. That is correct.

Senator ENGLE. So that the testimony of Mr. Miller is relative to both bills.

Mr. MILLER. That is correct.

Senator MONRONEY. Is it your position that the bill does not have to include any area outside the territorial limits of the United States because those are already covered by existing law?

Mr. MILLER. At the present time, Senator, the special maritime jurisdiction of the United States includes aircraft of American registry flying over the high seas.

This bill, because of the definition of air commerce, which in turn is defined in the Federal Aviation Act of 1958, would include travel over the high seas and would also include, as I interpret the definition, travel over foreign countries.

So it is the position of the Department that the current provisions of criminal statutes applying to the special maritime provisions of the United States, extension of this bill beyond the continental limits of the United States would not be necessary.

Senator MONRONEY. Was it also your position that such well-defined crimes as murder, robbery, maiming, and other items like that are presently adequately covered by law and that the main thrust of this bill should be limited to assault aboard an airplane and things more generally covered in the amendments which Senator ENGLE has submitted to the bill?

Mr. MILLER. That is correct. We have no objection to making it a Federal crime to commit murder over the continental limits of the United States, for example, which would be in (i) (1) Senator Engle's bill. It includes murder, manslaughter, maiming, and several other crimes. We merely point out that this is already covered by reason of the definition of air commerce when the plane of American registry flies over the high seas. Thus, insofar as (i) (1) is concerned, if that were limited to the continental United States, as perhaps the rest of the bill should be, then there would be no problem.

Senator MONRONEY. How about the 113 assaults within the maritime and territorial jurisdiction?

Mr. MILLER. The sections listed here, 113, 4, 1111, 1112, 1113, and 2111 of title 18 would be applicable to the special maritime jurisdictions of the United States.

Senator MONRONEY. Then it is also your feeling that rather than amend the Federal Aviation Act, that these should fit into the Criminal Code, rather than become a part of the Aviation Act because they would be easier to be found or identified, is that correct?

Mr. MILLER. That is correct, Senator.

There are two basic reasons. First, we prefer, where possible, that criminal statutes be included in title 18; simply because it is a proper codification.

Second, if the bills are in title 18, then it will be clear that the Federal Bureau of Investigation will have investigative responsibility for these crimes. We think that this is the proper agency to investigate crimes of this nature.

If the committee should decide to leave this as a part of the Federal Aviation Act of 1958, then we would suggest that a specific provision be included which would vest investigatory jurisdiction in the FBI.

Senator MONRONEY. Senator Engle?

Senator ENGLE. Do you have that language?

Mr. MILLER. The specific language?

Senator ENGLE. Yes.

Mr. MILLER. I don't have it here, sir, but I would be very happy to sit down with members of the staff of the subcommittee and I think we could put it together in a very short time—by this afternoon.

Senator ENGLE. We would like to have that. This bill has been drafted to go to the Judiciary or come to this committee. I serve on this committee, and I think the conclusion is obvious.

Senator MONRONEY. Also the committee, as well as the distinguished author of the bill, is very much concerned with aviation safety. This has a very important bearing, as we heard this morning, upon the safety not only of the aircraft but also perhaps of a hundred persons who may be endangered by acts of violence aboard a plane in flight.

Senator ENGLE. At any rate, this legislation was drafted by attorneys in the FAA. I understood that they had talked to people in Justice, but I don't know who they talked to.

Mr. MILLER. They have indeed discussed the matter.

Senator ENGLE. Mr. Chairman, I would like to suggest that Mr. Miller sit down with Mr. Goodrich, or whoever it is in FAA, and our staff, and draft the necessary amendments to bring this bill into line so that we don't have overlapping jurisdiction.

There isn't any reason to having two laws over the open seas.

Mr. MILLER. I would be happy to do it.

Senator ENGLE. With reference to jurisdiction, I wish you would draft that language in such a way, that is, the FBI, that the FBI would make these investigations. We don't want to put this in as an amendment to the Federal Aviation Act, rather than title 18 to cut them out. We want to be sure they are in. It would be appreciated if you would draft that language for us so that it would be offered as an amendment.

There is another point that you raise and that is the business of how you establish the venue of a crime. From your testimony, I take it, it is just as necessary under Federal jurisdiction to establish the necessary Federal district in which the crime occurs as it is under State jurisdiction.

Mr. MILLER. Yes, sir. The Constitution, amendment VI, provides that the man must be tried in the State and in the district in which the offense was committed.

Senator ENGLE. Inasmuch as that is in the Constitution there isn't much we can do about it.

Mr. MILLER. Not without a constitutional amendment, Senator. I merely pointed out that we would still have the venue problem that you presently have when flying over a State. It is a little better, I might say, from a Federal standpoint, because you don't have as many Federal judicial districts as you have counties within a particular State. Plus the fact that in crimes of this nature, where they, in effect, have an interstate character, occasions arise where perhaps the police and the judiciary of the county involved would not be too interested in prosecuting something that did not occur on their soil, but actually occurred several miles in the sky.

So that even though you do have this identical problem, I still do not think that that runs against the passage of this legislation at all.

Senator ENGLE. I think we are in much better shape. The Federal judicial districts are much larger.

Mr. MILLER. That is correct.

Senator ENGLE. California, for instance, has 58 counties. You could fly over 16 of those while one of these crimes was in progress. A defense lawyer would have a field day making you prove just which county you were over.

Mr. MILLER. In that type of case, I would like to represent the defense instead of the prosecution.

Senator ENGLE. They could get very serious problems on that. I believe those problems are mitigated by a Federal jurisdiction.

Senator MONRONEY. Not only would they be mitigated by a Federal jurisdiction but you would have the same prosecution authority to follow the case if they claimed lack of jurisdiction because you were over the northern district of Iowa, instead of the western district.

Your prosecution could be shifted for the Federal Government to follow its crime through to its conclusion as the jurisdiction was finally defined, whereas the State has not necessarily great desire to prosecute this man who holds a switchblade knife on a crew flying over Nevada. This is an additional expense to them and they weren't aware of the crime happening, and it didn't endanger any of the citizens, at least who were on the ground within the sovereign State.

I feel that only by Federal jurisdiction can you even have a way of cracking this very difficult jurisdictional problem; plus the enforcement problem of that officer flying aboard a plane that is crossing Nevada. He would have great difficulty in establishing whether he was a peace officer or not, depending on whether he had crossed the boundary of the State, whereas a Federal officer would have this jurisdiction anywhere within the limits of the United States.

Mr. MILLER. That is correct, Senator. I don't think there is any question that this legislation is called for and should be enacted.

Senator ENGLE. Can we get these amendments that you suggest by the first of the week?

Mr. MILLER. Certainly.

Senator MONRONEY. We would like to have them before a meeting Monday afternoon at the very latest.

Mr. MILLER. As a matter of fact we will do our best to see if we can't get them up to you late this afternoon or perhaps tomorrow. If not, Monday morning certainly.

Senator MONRONEY. You keep referring to the fact that you want the FBI to be in on the investigations.

Mr. MILLER. Yes, sir.

Senator MONRONEY. The FBI is, of course, a branch of the Department of Justice and is charged with the duty of investigating Federal crimes.

Mr. MILLER. That is correct.

Senator MONRONEY. Would the use of the FBI to prevent the occurrence of a crime by the presence of special agents aboard planes in flight where there is a reasonable area where they may consider it more than normal exposure to hijack an aircraft, would that be a proper use of the FBI special agents?

Mr. MILLER. Senator, I would be perfectly frank with you. I don't know the answer to that. I would think that there would be some problems with it.

One, the Federal Bureau of Investigation is not normally engaged in that type of activity. They investigate; they do not guard.

The so-called guarding arm, which is a part of the Department of Justice, of course, would look to the marshal rather than to the Federal Bureau of Investigation.

Senator MONRONEY. But the marshals are tied down to their respective Federal districts.

Mr. MILLER. But they can be—we can appoint special marshals and they can be moved.

Senator MONRONEY. They could be appointed and could be moved; is that correct?

Mr. MILLER. Yes, sir.

Senator MONRONEY. But it would be beyond the scope or the legal power of the Department of Justice to assign a certain number of special agents to fly in plain clothes on these airplanes; is that it?

Mr. MILLER. As I say, I don't know the answer to that, Senator. My guess is that it would probably be beyond the scope of the power of the Department of Justice.

Senator MONRONEY. Because of the great respect the FBI enjoys, and the feeling that they are dead shots and would not kill any other passengers in case of a riot, as people unskilled with firearms might do, it also seemed to me that the presence or the suspected presence of an FBI agent on flights might have a tendency to dissuade men of these intents, or even psychopathic persons from committing the crime in the first place.

This is a problem that we have. I would think that the plainclothes aspect of the FBI perhaps, and the great reputation they enjoy, would be one of the best insurance policies we could buy to stop this wave which we have seen occur, and which may occur again.

Mr. MILLER. There is one problem which comes to mind, Senator. It is very obvious, and that is how far we can extend the present manpower of the Federal Bureau of Investigation. I don't know if they have the manpower to accomplish this or not, but one thing that always troubled me was that it would be expanded to the point that perhaps the high standards and traditions maintained by the FBI would start to come down. This is one thing that I know we in the Department of Justice, and I am sure Mr. Hoover, have always been very careful to consider.

Senator MONRONEY. Is there any type of commission that the Federal Government could give as you deputize a special officer, a special deputy sheriff, or, in the old two-gun days, the "high noon" type, where you could deputize marshals, that could be given to give legal authority to make arrests aboard a plane to persons selected and employed and screened by the airlines themselves.

Mr. MILLER. There is a provision and I believe it is in title 18. I could be wrong. I don't have the citation with me. It empowers, I believe it is the Attorney General, to appoint deputy marshals; and to swear them in.

If this plan were to be accomplished of course one question which would arise is where would you get the men and how would you make sure that they were adequately trained? That would be first and foremost in importance because you want the most reliable of individuals to serve in this capacity. If anything happened it would be a very trying assignment.

Secondly, of course the question of whether we could obtain additional appropriations to offer this type of activity.

Senator MONRONEY. I am speaking in this case of deputizing employees of an airline.

Mr. MILLER. Deputizing employees of an airline?

Senator MONRONEY. The railroads I know customarily have their special agents. Most of these men for law enforcement in railroad yards and otherwise carry special deputy sheriff commissions. I was wondering, since this transfers the enforcement of this phase to the Federal Government, if there is any mechanism by which some means of placement of officers abroad, particularly during spells when these seem to be occurring, could be provided for at airline expense but still carrying the authority of the Federal Government to make arrests.

Mr. MILLER. I believe Senator, that the mechanism does exist. Whether the practical problems could be obviated I do not know. I don't know, but I assume that the Attorney General would probably want to screen very carefully any individual who was appointed to a job like this for the simple reason that he would be acting as an agent of the United States and we would have to be very careful as to what individual was chosen and whether or not he would operate in the best interests of all concerned.

Because when he is on that plane, as a marshal, he is in effect representing the United States, and anything that he might accomplish of course the United States would be responsible for.

Senator MONRONEY. Let's not fall between two chairs. Let's not march up a hill and say the great powers of Federal enforcement have been met by passing a law through Congress and then not having any way, particularly in spots that appear to be more subject to hijacking of the fleet from abroad or stealing planes from foreign governments, not having any means of implementing it through proper armed guards.

Mr. MILLER. Senator, if I had realized that this subject was going to be discussed I would have been here to present the position of the Department on it. You must realize, of course, that I cannot bind the Attorney General on this particular aspect. But, at your sugestion, I would be very happy to study the problem.

Senator MONRONEY. Maybe the suggestion is not cogent. What do you think, as an Assistant Attorney General in charge of the Criminal Division? Is the passage of a law enough, or does it in your mind need to be implemented perhaps to some degree at least by the addition of some means of having the presence of armed officers aboard, either in plainclothes or as uniformed guards?

Mr. MILLER. I would say this, as a private citizen, Senator: There are two facets to this case, and I don't know sufficiently about one of them to really give an answer. The thing that disturbs me about armed guards or arms on the aircraft itself—certainly it may very well stop a hijacking, but what would happen if there were gunplay? This is the problem that I face.

I think the real solution to this problem is to establish some means—and perhaps it is going to need a vigorous surveillance before getting on the plane—to try to make sure that no weapons are aboard the aircraft. This is my private opinion, I hasten to suggest. But I don't know what happens, for example, if you are flying several miles up in a 707 and somebody pulls the trigger and a bullet goes through the side of the aircraft. I don't know if this affects the aircraft.

Senator MONRONEY. I think it would hold together and decompress slowly enough. They all carry oxygen masks which drop automatically in your lap.

So I am not too concerned about a bullet hole through the plane, and I doubt very seriously if it would puncture a fuel tank if there would be any danger there.

The feeling I have is that we may depend too much on the written word of law and find that we have just made a gesture at meeting what could be and what has been in the last 3 weeks a sort of a wave of this, a thing which stimulates those who are psychopathic to think it is a good idea and to see if they can get away with it.

Senator ENGLE. Will the Senator yield?

Senator MONRONEY. Yes.

Senator ENGLE. Let's assume that an airline came to the Attorney General right now and said, "We are running some flights which could be hijacked to go to Cuba. We think there is a plan afoot, or may be, to take on some of these airplanes. We want to put an armed guard in the cockpit with the pilots and would like to have him deputized." Is there present authority in the law for the Attorney General to do that?

Mr. MILLER. I would say that there is; yes. Subject to reading the actual language of the statute which I don't have with me.

Senator ENGLE. We would not have to amend this bill in order to do that?

Mr. MILLER. No; I don't think it would be necessary to amend this bill.

Senator ENGLE. Will you reassure your mind on that point?

Mr. MILLER. I certainly shall.

Senator ENGLE. If it appears necessary to give the Attorney General that authority, would you draft the language to do it?

Mr. MILLER. I certainly shall, Senator.

Senator ENGLE. I agree with the chairman, we ought to have that authority. The Attorney General ought to have it.

I agree that he is not going to hand just any joker a gun and tell him to ride shotgun, or whatever you want to call it, on an airplane. In particular cases he ought to have that authority, and under proper application from the airline he ought to be able to do it. If he doesn't now have it in the law, we can give it to him very quickly in this bill. It will probably be one of the most constructive things we can do. They talk of locking a cabin. That won't get the job done.

Somebody will put a gun to the head of the stewardess and she will open the door, or else. So that loses its effect.

I was impressed by Mr. Gilman's testimony. He said if those fellows knew the men in the cockpits were armed, it would deter them at least a little. In some instances if it was known that armed guards were riding an airplane that were capable of flying overseas or going to Havana or some place else, that has a deterrent effect. They will take a long look at it.

If it is not in the law now I would like to have an amendment drafted so that the committee at an appropriate time, Mr. Chairman, could consider it.

Mr. MILLER. We can take care of that.

As I say, I think it is in the law now. I haven't the statute with me, so I could give you a reading of it right here.

Senator MONRONEY. You envision now that since the bill would prohibit the carrying of concealed firearms aboard, that this would provide for Federal authority to stop a passenger or disarm a passenger who is seeking to board a plane with a weapon.

How would this be accomplished?

Mr. MILLER. If, for example, somebody was attempting to enter an aircraft, and he had a weapon on his person—I don't recall if this has an attempt provision in it—no, it does not—we would have to wait until he actually got on the plane before we arrested him.

Senator MONRONEY. In other words a man standing in the check-in line, surrenders his ticket, unless he was actually aboard the plane would not be subject to being stopped or asked to be searched?

Mr. MILLER. Senator, when you say would not be subject to being stopped, I am talking about a Federal agent. I would certainly think that the people working for the airline would have the jurisdiction.

Senator MONRONEY. Here again we fall between two chairs. The man is on the airplane and you can't stop him if he is armed. Maybe the door is closed and he then pulls out a gun. It is too late to do any good. If you observe a certain bulge under his shoulder, before he gets aboard, this law I think should be broad enough—do you not think so, Senator ENGLE—to where he would be subject to being detained at least from boarding the plane by officers of the law?

Mr. MILLER. It would be a very simple matter to amend subparagraph 3 to include "or attempts to." That should cover the problem.

Senator ENGLE. Senator BRIDGES has that in his bill, by the way. It is something it seems to me we ought to take a look at. Let's assume that I walked up to an airplane and I had what appeared to be a small violin case under my topcoat, but it could very well be a submachinegun covered up in that fashion. What authority would a law-enforcement officer have to determine whether or not it was a small violin or a small submachinegun?

Mr. MILLER. A Federal officer? Unless he had reason to believe that a crime was being committed, he would have no jurisdiction.

Senator ENGLE. That is precisely what I think. It would violate the laws against reasonable search and seizure, and we could get in trouble over that.

Senator MONRONEY. What I am pointing out is that the airline might have to make the decision to not let the passenger abroad. At that point you might get a bunch of solutions thrown around the loading ramp or something.

Senator ENGLE. Let me read the section in Senator BRIDGES' bill. I don't know where he got it. This is what he says, subsection (2), S. 2370:

"Any air carrier in air transportation may, under regulations prescribed by the Administrator, require that any person seeking to board an aircraft operated by such carrier, submit to a reasonable search for the purpose of ascertaining whether such person is carrying on or about his person a weapon in violation of this subsection."

And the preceding subsection relates to taking concealed weapons, concealed deadly or dangerous weapons, on an airplane.

Senator MONRONEY. Or attempting to board. It includes that language.

Senator ENGLE. Yes.

Is there anything about that particular language that violates the Constitution as far as you know?

Mr. MILLER. Under the circumstances, where you would in effect have a contractual relationship between the airline and the particular passenger, I would think that the airline itself would have the right to investigate the contents of the gentleman's baggage because it would be in effect a contractual agreement, and he would in effect waive his right not to be searched. Of course, the constitutional provision of unlawful search and seizure is primarily directed at the police, and not to private individuals.

Senator ENGLE. In other words it is your view that the language proposed by Senator BRIDGES does not violate the provisions of the Constitution against unlawful searches and seizures.

Mr. MILLER. That is my view at the present time. I would like to study it before I gave you a flat opinion. I just listened to you read it, Senator. I don't think it would.

Senator ENGLE. Can you study that between now and Monday?

Mr. MILLER. Yes, sir.

Senator ENGLE. If you would come up with an opinion on it, it would be very helpful to us in determining whether or not we should include this section from Senator BRIDGES' bill.

Mr. MILLER. May I ask what the number of the bill is?

Senator ENGLE. S. 2370, introduced by Senator BRIDGES yesterday, August 3, 1961.

Senator MONRONEY. Mr. SCHOEPPEL and Mr. WILLIAMS of Delaware are cosponsors of the bill.

Senator ENGLE. Yes.

Senator MONRONEY. Are there any further questions?

Senator ENGLE. No.

Senator MONRONEY. Thank you very much, Mr. Miller, for your very helpful testimony on this. We will try our best to cooperate with you.

Our next witness is Mr. John H. Wanner, General Counsel, Civil Aeronautics Board.

Senator ENGLE. Thank you, Mr. Miller. You have been very constructive in your help.

Mr. MILLER. Thank you.

Senator MONRONEY. We are happy to have you here, Mr. Wanner. You may proceed in your own way.

Mr. CARROLL. I intended to ask the Senator one more question. Under the bill we are about to pass, is the death penalty mandatory, or discretionary?

Mr. MONRONEY. It is discretionary, and only on the finding of the jury will the death penalty apply.

Mr. CARROLL. The Attorney General's Office had a very strong feeling that there should not be a mandatory death sentence.

Mr. MONRONEY. That is correct. I think the Senator will find we complied with every view and desire of the Department of Justice, except that the provisions be neatly indexed in title 18.

Mr. CARROLL. There is no doubt about the purposes of the bill. The Senators who have worked on the bill should be commended, as I have done today. I raise these questions with regard to procedure, so that the RECORD will properly reflect them. I urge the other body not to amend the Federal Aviation Act in this manner. Even though the Commerce Committees of the House and of Senate retains jurisdiction of this bill, in the interest of clarification and to avoid great confusion these new laws imposing extreme criminal penalties should become a part of the Criminal Code under title 18—I repeat study carefully the procedure and the legislative history of S. 2972 and the enactment of Public Law 709, 84th Congress, 2d session, 70th Statutes at Large, page 538.

Mr. GOLDWATER. Mr. President, I should like to direct a question to the junior Senator from Oklahoma, in order to clear up the matter at least in this layman's mind.

This is not a part of the question. If we were to follow the practices suggested by the Senator from Colorado, I suspect that the Judiciary Committee would never finish the work loaded on it during the course of a year.

The fact is that the Federal Aviation Act, passed in 1958, was the child of the Commerce Department——

Mr. MONRONEY. Of the Commerce Committee. The Commerce Department did not help us, because we took the authority away from them.

Mr. GOLDWATER. That is a dreadful misstatement on my part, and I apologize.

The attempt which is now being made is to amend the act by recognizing the crimes under title 18 of the United States Code.

Mr. MONRONEY. That is correct.

Mr. GOLDWATER. Is that not sufficient, in the mind of the Senator, to make the request conform to what the Department of Justice might favor?

Mr. MONRONEY. I think it is. I say to my distinguished colleague from Arizona that, actually, we did not amend the maritime law and make it apply to trucks, buses, streetcars, space vehicles, or things like that.

We were simply attempting to amend the Aviation Act. We felt it was in the interest of air safety, primarily, to do so, and that is how we approached the problem. There had been a few hijackings. The Senator from California [Mr. ENGLE] started to work on the bill, and started an investigation. The Senator talked not only to the Department of Justice but also to the attorneys for the Federal Aviation Agency. We felt this was the course to be followed, after much discussion.

Again I say, this was no hasty job. We decided on the course to be followed. The result, after hearing the Attorney General and others, was the direction,

"You can take either path." Since we are experienced in aviation, the path we chose was, we thought, the better one, rather than to transgress upon title 18 of the Criminal Code. We merely wished to apply to the Aviation Act those sections already in the Criminal Code which would have specific application to aviation.

Mr. GOLDWATER. I point out to my colleagues that this is not an unusual procedure. In fact, it is more usual than unusual. To prove the statement I merely refer to one instance, which is Public Law 101 of the 80th Congress, commonly known as the Taft-Hartley Act. That was written more on the floor of the Senate than it was in the committee. Section 304 of the Act amends section 313 of the Federal Corrupt Practices Act, 1925, United States Code, 1940, title II, section 251, and was never referred to the Committee on the Judiciary.

I was not a Senator at the time, but I have read enough of the history of the Taft-Hartley Act to know that the section was offered as an amendment on the floor. It did not even receive the benefit of formal hearings. In essence what the amendment did was to add to the criminal offenses the spending of money, either by a person or a corporation, for elections at the Federal level.

That act carried much the same penalty that parts of the Aviation Act carry; namely, $1,000 fine or imprisonment for not more than 1 year. Of course, the new proposal is more severe.

I am sorry my friend from Colorado [Mr. CARROLL] has left the Chamber, for I merely wished to point out that we do these things frequently. We amend completely unrelated acts by our actions on the floor. We amend related acts, and we shall continue to do so.

In the opinion of this layman, if we were to send every bill which pertained to established law to the Committee on the Judiciary the committee would be even further behind in its work than it is. The Lord knows, with the vast volume of work it has, the committee is behind today. I am not criticizing the committee. I think the committee is overburdened with legislative proposals.

I merely wished to make the point that what the Senator from Oklahoma is trying to do is not a new procedure and is not an unusual procedure. It is a procedure we have followed. It is not necessary to send the proposal to a group of lawyers to figure out. The American people are getting a little tired of having their destinations changed while they are in the air.

I do not know if the Senator saw the interesting cartoon in the New Yorker magazine the other day. It was a cartoon showing a group of passengers on an airliner, and a little man saying, "Buenos dias, amigos. This is your new captain, Pedro Gonzales."

I think Americans are getting a little tired of that. When I start to Arizona sometime in the near future—I hope—I do not wish to finish the trip in Cuba. I should like to finish the trip in Arizona.

I have a much greater affection for Arizona than I have for Cuba, even though I am quite sure Fidel Castro would love to see me walk down the gangplank in Havana.

Mr. ENGLE. He would no doubt rather see the Senator walk the wing.

Mr. GOLDWATER. I would have a better chance there.

That was the intention of my having the colloquy with the Senator. I merely wished to point out that what we are doing is something we do every day.

CITY OF CORPUS CHRISTI, TEX., SUPPORTS THE PRESIDENT IN HIS DEFENSE OF THIS COUNTRY

Mr. YARBOROUGH. Mr. President, the President of the United States recently made a stirring speech upon the Berlin crisis which has drawn the approval and overwhelming support of the citizens of this country.

The city of Corpus Christi, Tex., under the leadership of its dynamic and able mayor, Ben F. McDonald, elected this year, has approved a resolution of support for the President's program of national defense.

I ask unanimous consent to have this resolution printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the President of the United States has called upon the citizens to support the President and the National Government in this time of crisis in defending democracy from all enemies; and

Whereas the city of Corpus Christi and its citizens are ready and willing to cooperate in the national defense effort proposed by the President of the United States: Now, therefore, be it

Resolved by the City Council of the City of Corpus Christi, Tex.:

SECTION 1. That the City Council of the City of Corpus Christi, as the elected representatives of the citizens of the city of Corpus Christi, Tex., hereby announces the wholehearted support of the city of Corpus Christi and its citizens, as a community, of the President of the United States and the national leaders in their announced program of defense, and pledge the cooperation of all of the citizens of this community in the carrying out of this program, in remaining constantly alert and in carrying out such measures as may be proper and necessary for the national defense.

Passed this the 26th day of July 1961.

BEN F. MCDONALD,
Mayor, the City of Corpus Christi, Tex.

Attest:

T. RAY KRING,
City Secretary.

Approved as to legal form this the 26th day of July 1961.

I. M. SINGER,
City Attorney.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. MUSKIE. Mr. President, I rise today in support of the provision for long-term financing of the development loan program contained in the Foreign Assistance Act of 1961 as reported out by the committee.

Last Friday, August 4, the distinguished chairman of the Foreign Relations Committee [Mr. FULBRIGHT] made out an impressive case for this provision. His presentation was articulate, hardheaded commonsense. He met objections and answered questions with understanding and precision. One need not agree with his views in order to admire his sincerity, honesty, and intelligence. To any who have questions as to the basis for this provision of the bill, there is really no need for further exposition of the case. The case was made last Friday. Certainly I cannot improve upon it. I only hope that I do not detract from it.

I speak because I believe in it. I speak because it is easier to be against it than for it. I speak because foreign aid has no constituency in this country and that, as a consequence, there are political risks in giving it support. The courageous position taken by the distinguished Senator from Arkansas ought to have the support of those of us who agree with him.

And so I rise, Mr. President, to state my reasons for supporting this provision of the AID bill in my own way.

I support this section of the bill because I believe it will improve the effectiveness of our aid program, it will reduce waste and inefficiency, and it will apply a sound financing principle in our international lending operations. It is a sound technique which has worked with great success in a number of domestic lending programs.

The objective of development lending is similar to commercial bank lending to private business. It is designed to produce prosperous clients. The difference is that, in the case of the foreign aid program, the clients we want to prosper are the independent nations of the free world. Like a commercial bank, our new foreign aid program will require its clients to demonstrate that they have a plan for the future, that it is a reasonably good plan, and that they are working toward its fulfillment. They will also have to show that their proposed use of our loans is consistent with their plan.

If we are to expect the underdeveloped countries to act like bank clients and to engage in planning, we ourselves must act as any bank must and assure them that when they have their affairs in order and can qualify for loans, there will still be cash in the vault. This can only be done by providing long-term development financing authority.

The only meaningful type of long-term authority is authority to borrow from the Treasury. This can be done without loss of congressional control. Such control under the bill would be exercised in four ways:

First, by limiting the authorized annual rate of borrowing;

Second, by the enactment of lending standards into law;

Third, by the power of Congress to amend the authorizing legislation at any time; and

Fourth, by the necessity for Congress to approve each year's proposed development lending budget in accordance with

the provisions of the Government Corporation Control Act.

Yesterday, the distinguished chairman of the committee proposed another check. This amendment would provide for a 30-day advance notice and congressional review by the Senate Appropriations and Foreign Relations Committees and House Appropriations and Foreign Affairs Committees of any proposed loan exceeding $10 million. The loan could not be made until 30 days after a complete report on the purposes and terms of the proposed loan had been submitted to Congress. The amendment would further strengthen the reporting and congressional oversight provisions of the bill.

While, in the face of these controls, any long-term commitments made to other countries by the aid agency would be of a contingent nature, under multiyear borrowing authority there is a presumption that funds will be available in the long run unless Congress takes action to curtail or terminate the program. Recipient countries will recognize the possibility that Congress will change its mind. But they will also recognize that the Congress is not a capricious or arbitrary body, and that it will not take such action unless it finds good cause.

There are four principal reasons why the President has deemed it essential that the Congress commit itself unequivocally to a long-term foreign aid program for the United States, and why he feels that long-term borrowing authority is an indispensable part of such a commitment.

Mr. GRUENING. Mr. President, will the Senator yield for a question, or would he prefer to complete his address?

Mr. MUSKIE. I am happy to yield to the Senator from Alaska.

Mr. GRUENING. I have listened with great interest to the presentation of my good friend from Maine. I believe that all of us, who believe that a foreign aid program of some kind should be enacted, whatever has been its past errors, and view with sympathy the idea that long-range planning is necessary, would like to approach this plan with hopefulness, but we have certain questions which naturally arise if the program is to be carried out as the administration visualizes it, and if it is to produce the reforms necessary for its success.

This morning I noticed an article in the New York Times, a dispatch from Punta del Este, where the meeting with Secretary of the Treasury Dillon is taking place. The article is rather alarming because it indicates that the United States has already, even in this preliminary stage, weakened on what to me is the very essence of the success of the program so far as Latin America is concerned: The alliance of progress; namely, the assurance that in exchange for the $20 billion which we are offering over a 10-year program, we will see land reform, equitable taxation, and riddance of the longstanding abuses which we know exists, which have established a political and financial upper class of a few while the great mass of the people live in misery. The whole alliance for progress, according to this administration, is predicated on reform in these Latin American countries. Obviously it is not going to be easy to ask an entrenched aristocracy to get rid of its feudal structure and reduce its privileged status. Yet, instead of being firm, our representatives have already yielded. What chance of success is there under these circumstances? If we do not get these reforms, the result may well be communism in Latin America, which we—and presumably the Latin American governments—are trying to forestall.

I should like to quote briefly from the article because it is pertinent:

LATIN PLAN LACKS REFORM DETAILS

While calling for land and tax reform in participating Latin countries to insure that benefits of the 10-year program are enjoyed by persons at all social levels, the draft does not list specific goals in those areas.

U.S. sources gave this rough breakdown on how they expected the $20 billion economic and social development program to be financed annually at the rate of $2 billion a year: From U.S. Government lending agencies, about $1,100 million; from the International Bank for Reconstruction and Development, the Inter-American Development Bank, and other international lending agencies, about $300 million; from U.S. private capital sources, about $300 million, and from European public and private sources about $300 million.

The five-nation charter draft eliminates entirely an earlier recommendation for a seven-man special multinational committee of experts, which was to evaluate development plans submitted by participating nations. The United States had favored the seven-man committee, but in the interest of maintaining harmony with the participating nations abandoned the idea without a real struggle.

The substitute plan agreed to by the United States calls for development plans and projects to be submitted to Inter-American Development Bank, which would appoint experts to evaluate them. Under the substitute plan, participating nations may submit plans to these experts but are not forced to do so.

Some sources were describing the change in draft as a defeat for the United States. On the other hand, top U.S. delegates were making it clear that their main interest was in getting the alliance for progress program off the ground.

Mr. President, in other words, in the very preliminary stages, when we are supposed to be getting down to brass tacks and to justify these long-range commitments, the United States has already weakened; has already conceded. Nothing is specific as to what the Latin American governments will commit themselves to do in exchange for our billions.

Consider what has happened in one Latin American country—Guatemala. An article on Guatemala, written by Edwin A. Lahey, was published in the Washington Post a week ago Sunday. It shows precisely the proposals which were made, and that in this other Latin American country land reform and taxation were needed, but have not occurred. The writer of the article, who is a very responsible newspaper correspondent and is known to all of us as a journalist with a national reputation for reliability and effectualness, said:

The architects of President Kennedy's "alliance for progress" say that if we dangle the bait of more billions in aid before the oligarchic societies of Latin America, they will enact tax and other reforms needed to bring themselves into the second half of the 20th century.

The theory is that the propertied classes of Latin America, thoroughly frightened by the wave of Castroism, will give a little now rather than lose it all later to the Communists. The theory simply hasn't worked in Guatemala.

The owner of a Guatemalan coffee plantation with an assessed valuation of $100,000 pays a real estate tax of $300 a year—and that is only part of the picture. According to competent authority here, there are vast coffee estates paying the $3 per $1,000 tax rate on assessed valuations that were computed 150 years ago.

"Actually, this is Guatemala's own business. But since the United States helped overthrow the Communists here 7 years ago, the successor governments have informally promised"—

I note those words, Mr. President—

"informally promised to enact tax reforms so that the propertied class would share more of the burden of the aid program."

These promises have not been redeemed despite many apparently well-intentioned gestures.

In July of 1955, on the first anniversary of the liberation from communism, the late President Carlos Castillo Armas said privately that Guatemala would enact its first income tax law in a matter of months. When Castillo Armas was assassinated in 1957, he still dreamed wistfully of taxing the middle and upper classes.

President Ydigoras has also urged Congress to adopt income tax legislation, but without success. A cynical Guatemalan says:

"The deputies in Congress are lawyers, professional men, and friends of the propertied classes. They are not about to start taxing themselves."

Well, it can be said that this is Guatemala, and it was not spelled out quite as much there as it is to be henceforth. However, yesterday, in Uruguay, the United States yielded on its program under which Latin American nations were to be asked to submit their plans, do not now have to do so.

I am frankly very much distressed that so early in the game we are showing this kind of weakness. The President's program for 5-year loans will fail unless we exact specific conditions, and spell them out, and get firm commitments. We have not shown the necessary fortitude and firmness at this important conference and suggested merely that as in the past we are a soft touch.

The question I would like to ask the Senator is whether he has any suggestion as to how Congress can write into the pending bill conditions which will insure that things of this kind we say we require will be carried out. If we merely go ahead in a kind of hazy, fuzzy, wishful, and idealistic way hoping that what we hope for will happen, it will not happen. All history, which is the only record we have to go by, shows the contrary. I believe this goes to the heart of the question. I would like to support the 5-year program. I believe it is a good idea. I believe it is sound and that it is essential. The corollary to its success is that we must have some assurance that the other part of the program will also be carried out.

Mr. MUSKIE. Mr. President, first of all, I am in complete sympathy with the point of view which the Senator from

Alaska has expressed. I remind the Senator that one of the arguments for a long-term loan program is that it will make it possible to hold out long-term development plans as an inducement to recipient countries to develop essential internal reforms. I will cover that point in my prepared remarks later.

Mr. GRUENING. I ask unanimous consent that the article from the New York Times be printed in the RECORD at this point.

Mr. MUSKIE. I am glad to have that done.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LATIN PLAN LACKS REFORM DETAILS—BUT AID NEEDS ARE SPECIFIED IN URUGUAY PARLEY DRAFT

(By Edward C. Burks)

PUNTA DEL ESTE, URUGUAY, August 9.—The draft of an alliance for progress charter offered by Latin American nations today was specific on the foreign aid needed, but somewhat general as to social reform measures planned.

The draft, prepared by Argentina, Brazil, Chile, Mexico, and Peru states that at least $20 billion in foreign aid is to be invested in Latin America during the next 10 years. The United States participated actively in preparation of the draft but has decided to remain in the background and allow what purports to be an all-Latin document to be adopted by the Inter-American Economic and Social Conference of Finance Ministers here.

While calling for land and tax reform in participating Latin countries to insure that benefits of the 10-year program are enjoyed by persons at all social levels, the draft does not list specific goals in those areas.

U.S. sources gave this rough breakdown on how they expected the $20 billion economic and social development program to be financed annually at the rate of $2 billion a year: From U.S. Government lending agencies, about $1,100 million; from the International Bank for Reconstruction and Development, the Inter-American Development Bank and other international lending agencies, about $300 million; from U.S. private capital sources, about $300 million, and from European public and private sources about $300 million.

The five-nation charter draft eliminates entirely an earlier recommendation for a seven-man special multinational committee of experts, which was to evaluate development plans submitted by participating nations. The United States had favored the seven-man committee, but in the interest of maintaining harmony with the participating nations abandoned the idea without a real struggle.

The substitute plan agreed to by the United States calls for development plans and projects to be submitted to Inter-American Development Bank, which would appoint experts to evaluate them. Under the substitute plan, participating nations may submit plans to these experts but are not forced to do so.

Some sources were describing the change in the draft as a defeat for the United States. On the other hand, top U.S. delegates were making it clear that their main interest was in getting the alliance for progress program off the ground.

The seven-man committee would have operated between the countries applying for aid and the lending agencies. But the larger Latin American countries saw in it an infringement on their sovereignty and a hinderance to their development plans.

Although Secretary of the Treasury Douglas Dillon had described such a supranational screening committee as helpful and influential, the official U.S. stands today was that the killing of the committee plan was perfectly acceptable.

AID IS AVAILABLE

Under the loosely worded substitute plan, a nation applying for aid could, at its own request, submit its plan to experts who would be selected by the Inter-American Development Bank with the help of other inter-American agencies.

The ad hoc committee of specialists could then lend its services in studying the development plan. This is far short of the original conception of a body of seven "wise men" that would screen projects before passing them on to the bank or to other lending agencies.

Even with the watered-down substitute, U.S. officials expressed hope that the Latin nations would find it more fruitful and speedy to use the services of the bank's expert committees.

U.S. officials conceded that various reform measures were not specific in the charter draft and that "it is not going to be easy" to push them through reluctant national congresses. But pressure is mounting in all countries for the needed economic and social reforms, the U.S. sources added.

In his major address to the Conference, Secretary Dillon said the alliance for progress would require the following: Tax reforms so that evaders would know they faced strict penalties; assessment of taxes in accordance with ability to pay; land reform to put underutilized big lands to full use and to permit small farmers to own their plots; and lower interest rates on loans to small farmers, and small business.

The draft charter presented today says on the subject of land reform that "frequently" fundamental reforms of land tenancy will be required. One difficulty in Latin America today is lack of agreement on what constitutes agrarian and land reform in the various countries, where there are many tenant farmers.

STRICT MEASURES ASKED

On the subject of tax reform, the charter draft calls for applications of strict measures and provision for collecting adequate and equitable taxes on high incomes and on land.

On agrarian reform, the draft says that "where necessary" reforms in agricultural structures and systems of land tenancy will be carried out so that every farm family can live on a decent level.

U.S. sources say that the charter must of necessity be relatively general but that in cases of poor performance on reforms aid can simply be withheld on the grounds that the applicant did not comply with the charter.

Among the aims of the alliance outlined in the draft are the following: The spread of benefits to all sectors of the population; reduction of dependence on one or two primary export products; industrialization; low-cost housing; minimum of 4 years of education for all children by 1970; the ending of adult illiteracy; better access of Latin exports to United States and world markets; the end of price fluctuations of Latin export products.

The draft charter calls for participating nations to prepare comprehensive development programs in the next 18 months. In the meantime, they are to push short-range development plans.

Mr. MUSKIE. Mr. President, I was setting out, prior to this colloquy with the Senator from Alaska, the four reasons why the President has deemed it essential that Congress commit itself to long-term foreign aid.

First. A long-term commitment by the Congress would support the attempt by the executive branch to obtain a greater sharing of the foreign aid effort by such countries as our NATO allies and Japan. Negotiations looking toward this objective have produced a hopeful beginning with the creation of the Development Advisory Group, which recently met in Tokyo. However, unless the United States is forearmed with long-term development authority, it will be much more difficult to participate in joint development projects, much less to organize them.

Second. Long-term development financing authority is necessary if the United States is to succeed in assisting the underdeveloped countries to undertake the economic and social reforms that may be essential to their economic growth. This is the point which was raised by the Senator from Alaska.

In many underdeveloped countries, today, economic progress is held back by antiquated tax systems that deprive governments of the revenues needed to build the schools, roads, water supply systems, and other facilities that are the first steps to development. Outdated land tenure systems deprive farmers of any incentive for increasing or diversifying their production. And, entrenched interests also keep governments from adopting the budgetary and administrative measures that are a precondition for progress.

Long-term development financing authority will make it possible to give long-term commitments to underdeveloped countries. If they call upon their citizens to make the temporary sacrifices that are a part of reform, U.S. aid will be forthcoming to help them over the difficult readjustment period. The assurance of such U.S. aid will help the countries to build popular support for the reform efforts. Our assistance could well spell the difference between successful reform and failure.

Third. Long-term development financing authority will mean better value for the U.S. aid dollar. To plan the best use of a country's resources and to identify the highest priority projects takes study and time. Even after a project is selected, it may take months before all the conditions for a loan can be met. To allocate development loan money for only a single year, therefore, inevitably means that many projects will be selected hastily in order to qualify for loan funds before the funds run out. Under such conditions, it is no wonder that the priorities that make the most sense in terms of long-term development goals are often ignored.

Long-term development financing authority will eliminate the need for hasty decisions. Combined with strict lending criteria, it will give an incentive to countries to utilize their most talented civil servants in ascertaining how their resources, and ours, can be combined to produce the maximum benefits.

Finally, a long-term commitment by the Congress to a foreign aid program is one of the best ways to improve employee morale. This is essential to high performance and to the recruitment of outstanding public servants from other parts of the Government, from business, and from the universities and foundations.

These are, I submit, ample arguments on behalf of the long-term lending authority requested for the Development Loan Fund. As I have indicated earlier, in adopting this approach to the financing of foreign aid lending projects, we are using a sound and established principle already in use in about 20 domestic lending programs, including the loan program under the Area Redevelopment Act, which we passed earlier this year.

This is an approach which has been used by Republican as well as Democratic administrations. As has been pointed out in this debate, the technique was first used in 1932, under President Hoover, to provide funds for the Reconstruction Finance Corporation. Furthermore, President Eisenhower requested the borrowing authority for development loans in 1957.

Using borrowing authority for long-term foreign aid lending activities is not new. From 1948 to 1954, under the Marshall plan, borrowing authority was used to provide funds for long-term, dollar repayable loans to 13 European Nations and to Turkey. Loans under this program totaled almost $1.2 billion. Amortization of these loans began in 1956, with the exception of Turkey, which was granted a moratorium until 1966. As of June 30, 1961, all of these loan accounts were current, and a total of $62 million in principal and $213.6 million in interest payments had been made. It is estimated that during fiscal year 1962 payments of $19 million in principal and $26 million in interest will be made. All of this money has been deposited with the Treasury Department.

And yet, in spite of the successful use of this technique in domestic and international lending programs, there are those who tremble and quake at the suggestion that we enact such a provision in this bill. They conjure up images of bureaucrats from the Department of State creeping into the back door of the Treasury Department in the still of the night to spirit away funds for secret operations in far-off lands. We, as Members of Congress, are warned against giving up rights which were ours from the foundations of the Republic, even though authorizations and appropriations were not separated until 1922. We are told that this is but another wedge in the drive to take away Congress power over the purse strings. The rhetoric is magnificent, but the logic is weak.

Under the terms of the Act for International Development, the annual rate of borrowing is specific and limited. Section 202 of the bill provides:

> The President is authorized to issue, during the fiscal years 1962 through 1966, notes for purchase by the Secretary of the Treasury in order to carry out the purposes of this title. The maximum aggregate amount of such notes issued during the fiscal year 1962 shall be $1,187,000,000, and the maximum aggregate amount of such notes issued during each of the fiscal years 1963 through 1966 shall be $1,900,000,000: *Provided*, That any unissued portion of the maximum amount of notes authorized for any such fiscal year may be issued in any subsequent fiscal year during the note-issuing period in addition to the maximum aggregate amount of notes otherwise authorized for such subsequent fiscal year.

In other words, the flow of funds for lending operations has an outside limit each year, and their use will depend on the actual demands on the program.

Borrowing from the Treasury for the Development Loan Fund is done out in the open, through the front door; the amounts borrowed are treated as "public-debt transactions of the U.S. Government" and are carried on the budget books, just as are appropriated funds.

Mr. GORE. Mr. President, will the distinguished Senator from Maine yield?

Mr. MUSKIE. I am happy to yield.

Mr. GORE. I find it intriguing that we hear currently used the expressions "back-door financing" and "front-door financing." Is not this a public session of the U.S. Senate?

Mr. MUSKIE. The Senator is correct.

Mr. GORE. Is not the Senate now debating a proposal to act in the near future upon a measure, with our eyes wide open, in public session, in public debate, with recorded votes, to act upon this manner, this means, of making funds available for purposes which the Senate considers to be in the national interest?

Mr. MUSKIE. The Senator from Tennessee is absolutely correct. I would add that, as has been stated by the Senator from Tennessee and other Senators in the course of the debate, this method of financing important development programs, both domestic and foreign, is traditional and has been used for many years. The public is familiar with it, and Congress is familiar with it. So there is nothing secretive, hidden, or mystifying about it.

Mr. GORE. Does not the Senate now have full opportunity to reject or approve the proposal?

Mr. MUSKIE. Exactly. It will have a similar opportunity every year, if the proposal is enacted.

I thank the Senator from Tennessee for his contribution to the debate.

Mr. President, repayments on loans made under this authority are made directly to the Department of the Treasury in U.S. dollars. They are not deposited in revolving fund accounts as are some of our domestic lending programs.

Lending standards are set in the act. This is a most important feature. Under section 201:

> The President is authorized to make loans payable as to principal and interest in U.S. dollars on such terms and conditions as he may determine, in order to promote the economic development of less developed countries and areas, with emphasis upon assisting long-range plans and programs designed to develop economic resources and increase productive capacities. In so doing, the President shall take into account (1) whether financing could be obtainable in whole or in part from other free-world sources on reasonable terms, (2) the economic and technical soundness of the activity to be financed, (3) whether the activity gives reasonable promise of contributing to the development of economic resources or to the increase of productive capacities in furtherance of the purposes of this title, (4) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives.

Fifth—and this is responsive to the point raised by the Senator from Alaska—

> The extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear determination to take effective self-help measures, and (6) the possible effects upon the U.S. economy, with special reference to areas of substantial labor surplus, of the loan involved. Loans shall be made under this title only upon a finding of reasonable prospects of repayment.

In addition to the annual reports required from the President on the overall operations of the Act for International Development, section 204 of the act imposes the following requirement for quarterly reports:

> At the close of each quarter of the fiscal year, the President shall submit to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives a report of activities carried out in such a quarter under this title, including appropriate information as to the amount of loans made under section 201(b), and notes issued under section 202(a), as well as any undertakings which have committed the U.S. Government to future obligations and expenditures of funds.

In the third place, Congress may amend the basic authorization at any time, including the borrowing authority. We do not give up that power by giving the administrators of the program more flexibility in managing the flow of lending funds. Furthermore, I see no reason to raise questions by implication about the capacity of our colleagues on the Foreign Relations Committee to oversee the operation of the program.

Finally, Congress must approve each year's proposed development lending budget in accordance with the provisions of the Government Corporation Control Act. Section 203(b) of the Act for International Development is very specific on this point:

> In carrying out the purposes of this title, the President shall prepare annually and submit a budget program in accordance with the provisions of sections 102, 103, and 104 of the Government Corporation Control Act, as amended (31 U.S.C. 847–849).

Under the Government Corporation Control Act, the Development Loan Fund will be required to submit an annual business-type budget program to the Bureau of the Budget, containing "estimates of the financial condition and operations of the corporation for the current and ensuing fiscal years and the actual condition and results of operation for the last completed fiscal year. Such budget program shall include a statement of financial condition, a statement of income and expense, an analysis of surplus or deficit, a statement of sources and application of funds, and such other supplementary statements and information as are necessary and desirable to make known the financial condition and operations of the corporation, title 31, United States Code, section 847.

The President is required to submit the budget program "as modified, amended, or revised by the President, to the Congress as part of the annual

budget required by the Budget and Accounting Act, 1921," title 31, United States Code, section 848.

Congress, in turn, must consider and act upon the budget request. Section 103 of the Government Corporation Control Act—title 31, United States Code, section 849—is very specific on this point:

> The budget programs transmitted by the President to the Congress shall be considered and legislation shall be enacted making necessary appropriations as may be authorized by law, making available for expenditure for operating and administrative expenses such corporate funds or other financial resources or limiting the use thereof as the Congress may determine.

This authority gives the Appropriations Committees power to review and act upon the annual budget of the Development Loan Fund. As the Foreign Relations Committee has stated in its report, the Agency for International Development must "obtain from Congress authority to obligate funds to carry out this program. As with appropriations, the amounts to be borrowed must be included each year in the Federal budget as new obligational authority. Congress, if it chooses, can limit the funds, that otherwise would be available for use; consistent with legislative practice in the case of other Government agencies having borrowing authority, it is anticipated that this would be done only in unusual circumstances"—Senate Report No. 612, page 10.

Because of the general interest in the question of annual review of development lending activities by the Appropriations Committees of Congress, Mr. President, and because of the questions which have been raised about the application of the Government Corporation Control Act to the AID bill, I requested an analysis of this matter by the executive branch. In response to this request, I received an excellent memorandum which presents in great detail the kind of congressional control which will apply to the Development Loan Fund under the bill as reported by the Senate committee.

Mr. President, for the purpose of presenting the administration's interpretation of the requirements of the Government Corporation Control Act, I ask unanimous consent that a memorandum entitled "Annual Review of Development Lending Program by Appropriations Committees" be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ANNUAL REVIEW OF DEVELOPMENT LENDING PROGRAM BY APPROPRIATIONS COMMITTEES

Much of the discussion which has taken place thus far regarding the proposal of the AID bill to finance the development lending program by means of 5-year borrowing authority has proceeded on the assumption that the granting of such authority would result in the elimination of any review of the development lending program by the Appropriations Committees of the House and the Senate during the 5-year period. This assumption is not correct. As a result of the inclusion in the AID bill of a provision making applicable to the development lending program certain provisions of the Government Corporation Control Act, the exercise of the borrowing authority will in fact be subject to annual review by the Appropriations Committees of both Houses.

Section 203(b) of the AID bill provides, in substance, that the development lending program shall be subject to the budget provisions (secs. 102, 103, and 104) of the Government Corporation Control Act. Section 102 of the Control Act requires the annual submission to the Bureau of the Budget by each corporation or agency which is subject to such budget provisions of a business-type budget, containing, among other things, an estimate of the financial operations of the corporation or agency for the ensuing fiscal year, including a statement of income and expense and a statement of sources and application of funds. Section 103 provides that all such budget programs shall be transmitted to the Congress as part of the President's budget. Section 104 reads as follows:

"The budget programs transmitted by the President to the Congress shall be considered and legislation shall be enacted making necessary appropriations, as may be authorized by law, making available for expenditure for operating and administrative expenses such corporate funds or other financial resources or limiting the use thereof as the Congress may determine and providing for repayment of capital funds and the payment of dividends. The provisions of this section shall not be construed as preventing Government corporations from carrying out and financing their activities as authorized by existing law, nor as affecting the provisions of section 831(y) of title 16. The provisions of this section shall not be construed as affecting the existing authority of any Government corporation to make contracts or other commitments without reference to fiscal year limitations."

The language of section 104 contains certain ambiguities, and these ambiguities are not fully clarified by the legislative history of the Control Act. As a result, the meaning of section 104 has been the subject of disagreement in past years. The following discussion sets forth the views of the executive branch as to the proper interpretation of section 104.

The Government Corporation Control Act can best be understood in the light of the statement of policy which the Congress included in that act reading as follows:

"It is hereby declared to be the policy of the Congress to bring Government corporations and their transactions and operations under annual scrutiny by the Congress and provide current financial control thereof."

The procedures which are provided to accomplish the policy as set forth above are spelled out in a report by Senator FULBRIGHT on the Control Act for himself and Senator BUTLER of the Senate Committee on Banking and Currency (S. Rept. 694, 79th Cong., 1st sess., 1945). The report states:

"The President is directed to transmit to Congress, as a part of the annual budget required by the Budget and Accounting Act of 1921 the budget programs of the corporations as modified, amended, or revised to conform to his recommended program for the Federal Government as a whole. The Congress will consider these budget programs and enact legislation making available such funds or other financial resources, with such directives and limitations as it may deem necessary. In this manner Congress will for the first time have a systematic procedure for annually scrutinizing and passing upon the budgets of the Government corporations as it now does for the regular agencies of the Government. Only in this way can the operations of Government corporations be brought into balance and proportion with all other Federal activities and in harmony with the financial and economic policies of the Congress. The budget procedure established by the bill provides for the information and the facilities for the exercise of congressional control over the budget program of each of the wholly owned Government corporations in the manner and to the extent considered appropriate and desirable."

Ever since the enactment of the Control Act, it has been the consistent practice of the executive branch to lay before the Congress annually budget programs for all corporations or agencies covered by the budget provisions of the Control Act, which have included appropriate information on the programs and financial transactions contemplated. Moreover, it has been the consistent practice of the Congress to review such budget programs and to include in appropriation acts specific language authorizing the conduct of the programs for the ensuing fiscal year, and providing limitations where Congress has so decided. One instance is known in which Congress failed to enact the usual legislation for a particular year with respect to a particular agency (Institute for Inter-American Affairs.) It is understood, however, that this failure was the result of a clerical error by which the name of the agency in question was accidentally dropped from a list of agencies forwarded by the executive branch with the usual recommendation for legislation.

The customary language used by the Congress for approving budget programs is as follows:

"(Name of agency or corporation) is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such (agency or corporation)."

As applied to the proposed development lending program, it is understood by the executive branch that the following procedure would prevail:

1. The President would annually submit a budget showing both obligations and expenditures for the contemplated program, in accordance with law.

2. The Congress would have the responsibility of reviewing the program and acting to authorize the use of the borrowing authority year by year. In accordance with past practice, from which there has been no deviation, this review would take place in the first instance in the Appropriations Committees of the respective Houses in the same manner as all other budget proposals. The authorization for the use of funds would appear in an appropriation bill.

3. Congress could limit the use of funds in accordance with its judgment. Limitations could be proposed by the Appropriations Committees or by amendment to the bill on the floor of either House in the same manner as Congress acts with respect to all other items in an appropriation bill.

4. The executive branch would be limited, both as to obligations and expenditures, by the amounts made available in the AID Act or in the appropriation act, whichever is the more limiting.

5. The President has already transmitted to the Congress his amendments to the 1962 budget for foreign assistance, including proposed language for development loans. Until Congress enacts the necessary language approving the budget program, neither obligations nor expenditures can be incurred. If in some subsequent year Congress failed to enact the necessary language approving the budget program and making the funds available for that fiscal year, the development lending program could not enter into further obligations or make expenditures other than those necessary to liquidate obligations entered into under previously authorized programs.

As indicated in the foregoing numbered paragraphs, the contemplated procedure admits of the possibility that limitations on

the development lending program might be imposed by the annual section 104 legislation. This is in accordance with an explicit provision of section 104 to the effect that the use of funds may be limited where Congress determines. However, the executive branch understands that it was the intent of the Congress, in enacting section 104, that limitations on budget programs would be imposed only where affirmative reasons existed for imposing them. There is strong support in the legislative history for this position. Thus, the report of the House Committee on Expenditures in the Executive Departments which accompanied the control act bill in 1945 contained the following statement:

"Section 104 provides for the consideration by the Congress of the budget programs and the enactment of legislation, if necessary, making available such funds or other financial resources as the Congress may determine. Under this procedure, it is contemplated that the budget programs as transmitted by the President to the Congress would include, as in the case of estimates of appropriations, language suitable for enactment as the authorizing legislation. Such programs would be referred to the House Committee on Appropriations and, after hearings, be reported to the House, in the form of (1) simple authorizing legislation, showing that the Congress had considered and approved the budget program but not setting a limitation on the corporate financial activities other than that provided by substantive law, or (2) legislation incorporating such specific limitations as necessary to enforce the will of Congress in the carrying out of the corporate financial activities or to conform such activities to the general financial program of the Government." (H. Rept. No. 853, 79th Cong., 1st sess., p. 12).

In fact, as the practice has developed under section 104, limitations have regularly been imposed with respect to administrative expenses. However, only in a few instances (e.g., in the case of the Federal Home Loan Bank Board and of the Federal Prisons Industries, Inc.) have limitations been imposed with respect to operating expenses. It would be the expectation of the executive branch that, in the case of the development lending program, limitations would be imposed upon the development lending program by the annual section 104 legislation only if affirmative reasons existed for imposing such limitations in order to assure the carrying out by the executive branch of the will of the Congress with respect to the development lending program, as expressed in the AID bill, or to conform the activities of the development lending program to the general financial program of the Government.

It is worth pointing out, as a point which is separate from, although related to, the points which are made in this memorandum with respect to the application of the Government Corporation Control Act, that section 202(a) of the AID Act, which establishes the borrowing authority, places fiscal year limitations upon the availability of funds pursuant to such authority. The result of these provisions is that the executive branch could not in any event enter into firm obligations with respect to the funds provided for any fiscal year prior to the commencement of that fiscal year. In other words, any long-term commitment which the executive branch might make providing for the lending of funds becoming available in a future fiscal year would have to be made subject to the condition that the borrowing authority had not been revoked prior to the commencement of that fiscal year.

The net result of the factors considered in this memorandum is that the exercise of the borrowing authority provided under section 202(a) of the AID Act would be subject to annual Appropriation Committee review and congressional action pursuant to section 104 of the Control Act. Long-term commitments of funds provided by the borrowing authority would have to be made subject to such congressional review and action (as well as being made subject to the nonrevocation of the borrowing authority, as indicated in the preceding paragraph). However, the executive branch would consider the enactment of the borrowing authority in the AID Act to constitute an expression of intent on the part of the Congress to provide funds over the 5-year period in the aggregate amount of $8.8 billion, and it would feel free to enter into conditional commitments with respect to these funds. It would be the expectation of the executive branch that the level of these funds would not be reduced, so as to render it impossible for the commitments of the executive branch to be carried out, unless the Congress considered that affirmative reasons existed for such reduction.

Mr. GRUENING. Mr. President, will the distinguished Senator from Maine yield?

Mr. MUSKIE. I yield.

Mr. GRUENING. I wish to ask the Senator from Maine, and also the distinguished Senator from Alabama [Mr. SPARKMAN] and the distinguished Senator from Idaho [Mr. CHURCH], two members of the Committee on Foreign Relations whom I observe in the Chamber, whether they have read the article in the New York Times this morning, a special dispatch from Uruguay, which indicates that the U.S. delegation has already weakened with respect to the proposal to try to secure assurances that in exchange for the $20 billion the United States is offering, there will be land reform, tax reform, and a different attitude generally. I have already received unanimous consent to have the article printed in the RECORD. I hope every Senator will read it. It is a most factual article. It shows that the original proposal of the United States, which was an attempt to guarantee that the Latin American nations would agree to consider this proposal, has been weakened. They have refused to agree and have submitted an alternative plan, which is much weaker, and we have yielded.

I am very much distressed by this event. I hope other Senators also will note it. We who would like to support the 5-year loan program wish to be assured that there will be some definite guarantees which the beneficiaries of the program will comply with; that in exchange for this generous system of grants and loans there will be land reform and tax reforms, and that there will be a definite understanding that the program will be carried out, not, as in the case of Guatemala, merely a promise to let it be carried out.

Mr. SPARKMAN. Mr. President, will the Senator from Maine yield?

Mr. MUSKIE. I yield.

Mr. SPARKMAN. I call the attention of the Senator from Alaska to the fact that included in the bill is an amendment which I have proposed to it myself, conditioning the aid program for Latin America upon the Bogotá agreement, which was entered into a year ago. It provides that the nations participating will have to engage in tax reform, land reform, and similar activities. I believe what the Senator is referring to now—I have not read the particular article—is the reluctance of Latin American nations to accept the tight overseeing commission which the United States has proposed.

Mr. MUSKIE. Mr. President, I wish to complete my remarks within the time still available to me.

The PRESIDING OFFICER. The hour of 2 o'clock has arrived. Under the unanimous-consent agreement——

Mr. MANSFIELD. Mr. President, the meeting to which I referred earlier is still in progress. I, therefore, ask unanimous consent, in order to take care of the wishes of the Senator from Maine and the Senator from Virginia [Mr. ROBERTSON], that the vote on the passage of the pending bill be taken at 2:15 o'clock.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MUSKIE. Mr. President, the administration has offered a new aid program which makes use of sound banking procedures in our investment in the development of free nations.

This approach was advanced and strongly endorsed by Secretary of State John Foster Dulles. His statement before the Senate Foreign Relations Committee in 1957 is very pertinent:

The Development Loan Fund should be established upon a basis of continuity with sufficient capital for several years' operations. As I said here last month, economic development is a long-term process. It is not an annual event. If our assistance is to be useful at all, it should be provided on a sustained basis, that is consistent with the long-term nature of the job to be done.

It is not necessary that all the capital of the Fund be provided at once. But it is essential that there be initial provision for future availability. For this reason the President has asked that there be provided this year an appropriation of initial capital and the authority to borrow additional capital from the Treasury in the second and third years. Such borrowing authority has been used to capitalize other U.S. lending agencies. These additional funds which would be borrowed from the Treasury would not be available for obligation until such second and third years. However, the fact that they would be available will give the countries we wish to help and our own administrators the assurance they need to plan ahead.

The new approach we contemplate requires that we get away from the annual authorization or appropriations. These inevitably tend toward a system of illustrative programs as a basis for justifications. These are not compatible with the assurance of continuity essential to good planning and to the new long-term loaning concept. They are not compatible with cooperation with such organizations as the International Bank for Reconstruction and Development and Export-Import Bank which operate on a long-term businesslike basis, with established capital.

We can disagree—and do—as to the merits or the effectiveness of a national effort to assist underdeveloped countries. But surely we can agree that, once this effort is undertaken, it should be done effectively and efficiently. Surely we can agree that everything possible should be done to insure its success.

If, without relinquishing essential control, we can enable the administrators

to do a better job, to move more effectively toward the objective of the program, to get more results for the tax dollars expended, it seems to me it is our responsibility to do so. It is our duty to avoid waste of effort, waste of energy, waste of resources. Such waste is a disservice to our constituents. It dilutes our contribution on behalf of freedom, and economic and social growth in all parts of the globe.

It is because I believe the proposed long-term borrowing authority will promote efficiency and reduce waste that I support it.

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT

The Senate resumed the consideration of the bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce.

The PRESIDING OFFICER. The hour of 2:15 p.m. having arrived——

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, the recent hijacking of American passenger planes constitutes insults to the United States and seriously impairs our prestige in a family of nations. Further, it is a menace to the safety and welfare of our individual citizens. We owe them the utmost in protection.

No one can say exactly to what extent these events have been encouraged or participated in by the Castro regime. But it is certain that nothing has been done by the Castro government to discourage such incidents, and the evidence is clear that at least two of the incidents have been entirely condoned. In effect, the act of hijacking was approved and adopted by the Cuban Government when it failed to quickly repudiate it and to do everything possible to make restoration in every particular.

It is further clear that the quick return of the American plane and passengers, following the hijacking yesterday in Mexico City, was prompted by the fact that a high official of a South American country was aboard.

To protect our position and our individual citizens, the United States must announce our intentions and exactly what we will do if and when similar events again occur.

To this end, we must formulate and announce a policy that we shall follow in the event of recurrences. Our plan should include the announcement that we will keep military power standing by; that, in the event of recurrences, we will directly intervene and use, if necessary, force to protect the rights of our citizens.

Under present conditions, virtually every American citizen who boards a plane in this hemisphere runs the risk of being imperiled by this menace. No air traveler is safe. No longer can we afford to postpone a definite policy and firm action.

Perhaps these hijackings are all Communist inspired. The hour is already here when we must act in order to avoid what otherwise will be certain to come in the future. Frankly, I see no danger whatsoever of starting a war through protecting ourselves in this matter. In fact, the best way to avoid a war is to announce immediately our policy, and then follow with a plan of action from now on.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Kansas [Mr. CARLSON] is absent on official business.

The Senator from Maryland [Mr. BEALL] and the Senator from Kentucky [Mr. MORTON] are detained on official business.

If present and voting, the Senators from Maryland [Mr. BUTLER and Mr. BEALL], the Senator from Kansas [Mr. CARLSON], and the Senator from Kentucky [Mr. MORTON] would each vote "yea."

The result was announced—yeas 92, nays 0, as follows:

[No. 132]

YEAS—92

Aiken	Engle	Mansfield
Allott	Ervin	McCarthy
Anderson	Fong	McClellan
Bartlett	Goldwater	McGee
Bennett	Gore	McNamara
Bible	Gruening	Metcalf
Boggs	Hart	Miller
Bridges	Hartke	Monroney
Burdick	Hayden	Morse
Bush	Hickenlooper	Moss
Byrd, Va.	Hickey	Mundt
Byrd, W. Va.	Hill	Muskie
Cannon	Holland	Pastore
Capehart	Hruska	Pell
Carroll	Humphrey	Prouty
Case, N.J.	Jackson	Proxmire
Case, S. Dak.	Javits	Randolph
Church	Johnston	Robertson
Clark	Jordan	Russell
Cooper	Keating	Saltonstall
Cotton	Kefauver	Schoeppel
Curtis	Kerr	Scott
Dirksen	Kuchel	Smathers
Dodd	Lausche	Smith, Mass.
Douglas	Long, Mo.	Smith, Maine
Dworshak	Long, Hawaii	Sparkman
Eastland	Long, La.	Stennis
Ellender	Magnuson	Talmadge
Thurmond	Williams, N.J.	Young, N. Dak.
Tower	Williams, Del.	Young, Ohio
Wiley	Yarborough	

NAYS—0

NOT VOTING—8

Beall	Chavez	Neuberger
Butler	Fulbright	Symington
Carlson	Morton	

So the bill (S. 2268) was passed.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that my remarks on the foreign aid bill be printed in the RECORD after the taking of the vote on the aircraft hijacking bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. I also ask unanimous consent that if I am unable to conclude my remarks in 15 minutes, I may then yield, to permit the vote on the plane hijacking bill to be taken, with the understanding that following the vote, I shall have the floor again.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. Mr. President, I wish to register three objections to the pending bill to authorize an enlarged foreign aid program on a 5-year basis. In the first place, we are now spending a larger percentage of our gross national product, and needless to say by far the largest amount in the terms of money, than that being spent by any other nation in the world, to protect the free world from the encroachments of communism; and in view of the very large deficit that will be incurred by spending schemes already authorized, I do not feel that we are in a financial position to borrow additional money to be given away or loaned with little chance of repayment. In the second place, I have consistently opposed the financing of genuine revolving funds as well as outright grants and unsecured loans tantamount to grants by authorization to draw directly upon the Treasury, commonly referred to as back-door financing. And, last, but by no means least, I urged the then Administrator of foreign aid, Mr. Paul Hoffman, in the late fall of 1949, to provide no more of our money to be poured down the rathole of socialistic schemes.

But that protest had no effect then, nor has the overall policy in that regard been materially changed.

The tremendous spending program of the current session of the Congress, involving deficits which may become highly inflationary, is too well known to need discussion at this time. For instance, House and Senate conferees agreed yesterday on the defense appropriation bill authorizing very essential spending in behalf of national security, totaling about $46½ billion. The Berlin crisis is still a very real crisis; and when the President recommended that we

strengthen our defense posture by increasing the Eisenhower defense budget by approximately $5 billion, we dare not assume the responsibility of saying, in effect, that we have nothing to fear concerning the Berlin situation, and, therefore, we refuse to cooperate along the lines he suggests for its successful solution.

Mr. President, in the preceding speech on this subject made by the distinguished Senator from Maine [Mr. MUSKIE], he was asked by the Senator from Tennessee [Mr. GORE] whether the Senate could vote down the provision of the bill granting the privilege to draw directly on the Treasury. The answer is, of course, that the Senate could do so.

The burden of my remarks is to express the hope that the Senate will strike out that provision, by adopting the amendment proposed by my colleague, the senior Senator from Virginia [Mr. BYRD].

BACK-DOOR FINANCING

Mr. President, back-door financing ordinarily refers to authority to expend from public debt receipts—in other words, to borrow directly from the Treasury—and to contract authorizations, when these are part of legislative bills. The term "back-door financing" may also refer to the operation of certain revolving funds and the cancellation of notes of Government corporations or other agencies.

Back-door financing generally involves nonappropriated Treasury funds expended by Government corporations or other agencies, or appropriated Treasury funds expended under contracts entered prior to the time appropriations were made. Authorizations to expend from public debt receipts are usually reported by congressional committees other than the Committees on Appropriations.

The most extensive use of back-door financing involves contract authority and authority to borrow directly from the Treasury. Article I, section 9, of the Constitution of the United States requires that—

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

This constitutional provision has been implemented in both Houses of Congress by adopting rules establishing the standing Committees on Appropriations. Rule XXV of the Standing Rules of the Senate pertains to the jurisdiction of the Committee on Appropriations. The rules requires that there be referred to the committee "all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects: First, appropriation of the revenue for the support of the Government."

Both the Constitution and the Standing Rules of the Senate, in my opinion, require the adoption, wherever possible, of the annual appropriations process for all types of Federal programs. To the extent that a bill—by back-door Treasury financing provisions—calls for the payment of money from the Treasury without the necessity of further action by the Congress, both the mandate of the Constitution and the mandate of the Senate are bypassed. To the degree that proposed legislation permits, prior to appropriation, Government agencies or other bodies to enter into contracts for future expenditures, these same mandates go by the board. Now is the time for us to reaffirm the wisdom of the Founding Fathers, as well as to comply with the rules of the Senate itself, by calling for annual appropriations, and by rejecting the unsound principle of back-door Treasury financing.

If, on the other hand, we allow back-door Treasury financing to proliferate, the Congress will offer additional blank checks on the Treasury, payable on demand, and without notice, for any amount up to statutory limits. That, in my opinion, is no way for the Congress to legislate in connection with its power to spend, tax, and print money. Let us, rather, hold fast to the long-tested regular appropriations process. This gives the Congress a regular oportunity to review programs, to authorize expenditures of maximum amounts, to influence the timing of such expenditures within fiscal years, and to recommend changes whenever needed in the public interest.

Appropriations financing has always provided a direct method of redirecting, expanding, reducing, or calling a halt to a program, in accordance with the past experience of the program and the demands of the future. Back-door financing, however, means that the regular appropriations process is utilized only to provide a formal annual authorization, if any; control over the program may be effected only through indirect limitations over administrative expenses. To correct the administration of a back-door-financed program might well require a large-scale investigation, followed by legislation for its revamping. The delays and expenses inherent in such a process provide a sufficient argument against this method of congressional operation.

The Comptroller General of the United States for a number of years has criticized back-door financing as a method of bypassing the regular appropriations procedure. In a letter dated April 22, 1958, to the chairman of the Senate Committee on Banking and Currency, Comptroller General Campbell stated, in part:

> The General Accounting Office has for many years taken the position that funds to finance Government activities should be made available to the corporations and agencies responsible for administering the programs through the normal appropriations processes rather than through authorizations to finance through public debt transactions.
>
> Authorizations to finance through public-debt transactions result in moneys being expended without the initial review by the Appropriations Committees and are usually stated in terms of a continuing maximum amount of obligations to the Treasury which can be outstanding at any time, thus avoiding the annual reviews by the Appropriations Committees. We believe that the financing of loan programs through public debt transactions, by combining program authority with funding, tends to perpetuate programs that might not otherwise stand the test of continued congressional scrutiny.

Back-door Treasury financing has already grown to unreasonable dimensions. At the end of the fiscal year 1960, outstanding borrowings from the Treasury under public debt transactions exceeded $33 billion. Up to the same date, a cumulative total of $114 billion had been borrowed. At the same time, unused authorizations outstanding under which additional borrowings could be made were more than $25 billion. I shall offer for the RECORD a table showing public debt transactions by each fiscal year from 1932 through 1960.

Authorization to spend money borrowed directly from the Treasury was first granted to the Federal land banks in 1918. The RFC in 1932 represented the first more recent use of such authority. The proponents of back-door financing argue that these and more recent precedents justify additional back-door Treasury financing. On the contrary, they merely emphasize the necessity of going no further, lest the great majority of Federal agencies and other bodies eventually operate on the same basis.

Some persons advocate using the borrowing authority for loan programs, and using the appropriations process for expenditure programs. I do not agree with this position. Merely because a program operates to extend loans, there is no guarantee that such loans will be repaid. We know of many cases in which the making of a loan was not equivalent to the making of an investment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table which shows previous back-door financing amounts to $114,490 million.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Public debt transactions, June 30, 1932, to June 30, 1960

[In millions of dollars]

Fiscal year	Borrowings and other advances from Treasury during year	Unused authorizations outstanding at yearend	Outstanding borrowings from Treasury at yearend
1932	350	1,150	350
1933	1,235	2,537	1,585
1934	1,670	7,571	3,255
1935	825	5,590	3,655
1936	865	4,587	4,030
1937	227	4,998	3,630
1938	345	5,784	883
1939	426	6,235	273
1940	642	6,874	104
1941	798	9,374	302
1942	4,178	18,868	4,079
1943	6,969	15,775	7,519
1944	7,615	15,157	10,717
1945	4,149	16,810	12,169
1946	3,553	24,527	12,505
1947	7,347	21,206	16,590
1948	5,505	15,167	9,123
1949	5,851	13,474	13,184
1950	4,032	16,991	14,757
1951	3,781	17,605	15,361
1952	2,739	21,327	15,854
1953	4,420	20,006	18,369
1954	5,398	20,738	19,067
1955	6,224	19,245	22,348
1956	5,273	17,980	26,173
1957	6,078	19,834	28,888
1958	7,302	25,197	28,019
1959	9,950	25,186	32,828
1960	6,734	25,734	33,068
Total	114,490	----------	----------

Source: "Combined Statement of Receipts, Expenditures, and Balances of the U.S. Government for the Fiscal Year Ended June 30, 1960," U.S. Treasury Department, pp. 492-493.

Mr. ROBERTSON. Nor is there any reason why, in my opinion, Federal moneys advanced for loans should not be subject to the same annual scrutiny provided by the appropriations process for other types of outlays.

Recently, the Senate considered the omnibus housing bill, which committed the Federal Government to underwrite $9 billion in housing loans and grants over many years. Over $5 billion of this total was in the form of outright grants, and the remainder was in the form of loans. Nearly all this vast sum was authorized under some type of back-door-financing arrangement. When the Congress approved the bill, it in effect lost control, within specified limits, over the amount and timing of these back-door housing loans and grants, in some instances for as long as 40 years. It waived control for as long as one generation, despite whatever other demands might arise upon the Federal budget, and regardless of whatever future conditions might prevail in the general economy or in the housing market. Now is no time to compound this and other mistakes by authorizing additional use of back-door financing.

Our long-term commitments—even excluding the $26 billion in unused authorizations outstanding to draw funds directly from the Treasury, through back-door financing—are large, indeed. These commitments currently include approximately $9 billion in annual interest on the national debt, $1 billion in annual veterans' pensions, and other built-in expenditures over which the Congress holds no real control. We have already gone far enough—if not too far—in complicating Federal fiscal and monetary policy through the proliferation of different types of expenditure authority subject to little, if any, immediate congressional control.

Mr. President, my third objection is to the financing of socialistic projects.

THE FUTILITY OF FINANCING SOCIALISTIC PROJECTS

In the fall of 1949, other members of the Senate Appropriations Committee and I visited 14 countries in Europe, which were participating in what we then called the Marshall plan. I found evidences of lavish spending and inefficiency; and, immediately upon my return, I publicly advocated that the amount being appropriated should be reduced by at least a billion dollars. I also wrote to the then Administrator, Paul Hoffman, a long letter in which I commented upon the lavish use, by foreign governments, of American dollars, in the operation of socialistic enterprises which, in my opinion, could never successfully compete with the type of enterprise we have in this country; and I also predicted that there would be no real recovery in Western Europe unless and until the countries then receiving lavish help from us modified their extreme nationalism and promoted trade between themselves, by the reduction of tariff and currency barriers.

I wish to read that letter to the Senate, first, because everything I said has subsequently been proved to be true; and, second, because we are now engaged in making the same kind of mistake in South America, where our distinguished Secretary of the Treasury has promised not only a 5-year plan, but also a 10-year plan and a greatly increased contribution on our part, over and above the pending bill, unless European nations help out, which is most unlikely. Typical of the waste incident to socialistic operations are the tin mines in Bolivia, which under private ownership and operation were highly profitable, but under government operation and without any capital investment whatever have been kept afloat only through the use of our foreign aid funds.

And Chile is proposing to duplicate that unfortunate experiment where 90 percent of the tin-producing mines are now owned by American citizens. Chile plans to nationalize those tin mines either with a nominal payment to the present owners or through the issuance of bonds of the hope-long-deferred type, and eventually, like Bolivia, will wind up operating those mines through the use of the foreign aid recently promised them by Secretary Dillon. In the meantime, down the rathole of socialistic schemes will go our hard-earned American dollars. And the brave, eloquent words of Secretary Dillon: "We must add the new and broad dimension of social development in a conscious and determined effort to further social justice in our hemisphere" will become as a sounding brass and a tinkling cymbal. If there is any fundamental difference between the freedom of a representative democracy and the dictatorship of communism, it is the economic fact that social justice can neither be developed nor broadened by the state's taking over the instrumentalities of production, as recommended by Karl Marx.

In his new book entitled "George Mason: Reluctant Statesman," Dr. Robert A. Rutland, after quoting Mason's draft of Virginia's bill of rights concerning the inalienable rights of life, liberty, "and the means of acquiring and possessing property," said:

> Leave men alone and they will be clever enough to see that freedom and tolerance best serve their self-interests and permit them to enjoy the blessings of life and property. That is true liberty and the unfettered pursuit of happiness.

The pending foreign aid bill contemplates tremendous expenditures for military aid to Western Europe which has become so very prosperous since it eliminated the trade and currency barriers, to which I referred in the Paul Hoffman letter, that those countries are serious competitors of ours in the markets of the world and are sending textiles, steel, veneer, glass, and other imports into this country to an extent that it is creating genuine hardship among our domestic producers of the same products.

Mr. President, upon my return to the States after the inspection trip to Western Europe to which I referred, I wrote, on December 4, 1949, a letter to Hon. Paul G. Hoffman, Administrator of ECA. I ask unanimous consent that the letter may be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 4, 1949.

Hon. PAUL G. HOFFMAN,
Administrator, Economic Cooperation Administration, Washington, D.C.

DEAR PAUL: As the result of slightly more than a month in Western Europe, I feel that I have gained a better understanding of some of our economic and military problems in that part of the world. Surface impressions, of course, can be erroneous but, in addition to attending all official meetings, I made it a practice in each country to interview as many as I could with no government connections, hoping thereby to get an accurate cross section of opinion.

My visit to Europe has definitely convinced me that ECA was soundly conceived as an integral part of an overall peace program and has been as efficiently administered as so vast a program in a large number of foreign countries could hope to be. Our primary objective of stemming the onrushing tide of communism has been achieved.

The people of Western Europe now have, in an amount sufficient for a sustained effort, the three essentials of life—food, clothing, and shelter. Their productive capacity has not only been restored but in all countries except Germany and Greece, slightly exceeds the prewar level. Their chief problem now is one of exchanging items of which they have a surplus for items they do not possess or which are in short supply. In other words, the economic stability of Western Europe is now more dependent upon economic integration than upon our further dollar aid. The small nations of Western Europe favor economic integration but France and Great Britain pay lipservice to it only.

While there may be some lowering of trade restrictions in Western Europe before our aid ends, my present impression is that the program will be quite inadequate. The trend undoubtedly will be to unilateral trade agreements or small grouping, like Benelux, but nothing approaching free trade in Western Europe or free currency convertibility.

Anti-Communist governments are now safely entrenched in the area in question and have the ability, with such military aid as may be given them under the Atlantic Pact, to make it tough for a potential aggressor. But if the people of a given country do not prize their personal liberty enough to fight for it, American gold will not put that divine spark in their hearts.

I think that we have assumed at least a moral obligation to continue the ECA program through fiscal 1952. In fact, I personally feel that our own best interests would require us to do so. But I likewise feel that the time is approaching when we can make a substantial reduction in the dollar aid. When we told foreign representatives that our national debt was approaching $260 billion and that we would probably end the current fiscal year with a deficit of $5½ billion, it left them unimpressed. They seem to think we have the Midas touch and if we don't convert things into gold for them, it will be because we are selfish and want them to be underlings.

But I am deeply concerned over the fact that in the last few years, excluding strictly war expenditures, we have spent more than during the period from President George Washington to President Truman. I am convinced that if we go broke, which is a possibility, there is not a nation in the world that would lend us a thin dime. Consequently, as a member of the Appropriations Committee during the 2d session of the 81st Congress, I shall make the best fight of which I am capable for a reduced budget. Such a fight, of course, must include the next appropriation for ECA. I hope it will

be feasible for us to limit it to about $2½ billion and end it the following year with about $1 billion.

I realize, of course, that when the program ends, we will be cordially disliked in Europe and in some sectors actively hated. But Europe does not have our system of private enterprise as a stimulant to production, and never will, it does not have our area of free trade; no one country is so nearly self-contained with respect to raw materials as we; and, for other reasons needless to be enumerated, Western Europe did not have our standard of living before either of two World Wars and will never have it in the foreseeable future unless we are foolish enough to spend ourselves into bankruptcy.

As a means of curtailing ECA expenditures, I would recommend that ECA make no more loans, referring those who wish to borrow to the World Bank or the Export-Import Bank. We can't expect any European nation to go to the World Bank for 4½ percent money if we set up an agency to lend it at 2½ percent and possibly with a tacit understanding that it will never be repaid.

We should make every effort to establish satisfactory trade with India, from which country we can receive acceptable imports in exchange for surpluses we need to dispose of.

In the interests of a more stable world we should urge all nations who hold British war debts to refund those debts on a long-time basis and at an appropriate rate of interest. The Labor government of Great Britain will never realistically face the problem of competition in world markets so long as she can keep members of the labor unions employed in the production of high-priced goods for sale to sterling areas.

Spain desperately needs our wheat, cotton, and machinery, and never in her history has Spain defaulted on a debt. I would like to see Spain given an Export-Import Bank loan with a gentleman's agreement that the funds would be expended for the items mentioned.

When you have had an opportunity to reflect upon these suggestions, I shall welcome your reactions. As I said in the outset, they are merely surface impressions based upon an inadequate study, but I don't believe all of them can be wrong.

Cordially yours,

A. WILLIS ROBERTSON.

Mr. ROBERTSON. Mr. President, in that letter I called attention to the fact that our funds were being wasted in Europe on socialistic schemes, and how those countries needed to cut down their trade barriers. There was no real prosperity in Western Europe until the Common Market was created.

In Mr. Hoffman's letter in reply to my letter, he promised to cut out the program 2 years from that time. That would have been 10 years ago.

I ask unanimous consent that the letter from Mr. Hoffman in reply to mine be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ECONOMIC COOPERATION ADMINISTRATION,
Washington, D.C., December 13, 1949.

The Honorable A. WILLIS ROBERTSON,
U.S. Senate.

DEAR WILLIS: I am most grateful to you for your letter of December 4, 1949. In this complicated job ECA has to do it is of inestimable value to me to have the observations and conclusions of, intelligent, independent observers of the European scene. If such reports are available to us we have the means of verifying or correcting our own conclusions and as a result we are enabled both to avoid making continuing mistakes and to deal with new problems of which we may not have been fully aware.

I am also grateful to you for your kind words about the important place of the European recovery program in an "overall peace program" and for your endorsement of its administration.

I appreciate your suggestion to me that you would be glad to have my reactions to the points you make in your letter and I shall give these to you in complete frankness.

At the outset let me say that you have put your finger upon some of the most important questions and difficulties with which we are concerned. I fully agree with you that the success of the recovery program in Western Europe depends upon achieving effective economic integration, that we cannot permit the Western Europeans to overlook the conclusion that our aid must be a declining amount with a definite terminal date, that the future of the world depends upon the United States continuing strong and solvent and that the participating countries must realistically face the problem of increased dollar earnings and of competing in world markets. As you perhaps know, in my speech to the Council of the OEEC on October 31 I pounded hard on certain of these subjects and I believe with you that the participating countries must make substantial progress in dealing with these questions without delay.

I should now like to discuss in more detail some of the specific statements and conclusions in your letter.

You say, "But I likewise feel that the time is approaching when we can make a substantial reduction in the dollar aid." The context in which this appears in your letter might be taken to imply that you feel ECA does not agree with you on this point and will be reluctant to accept this policy. In fact, I feel as strongly as you do about this and I believe our actions bear this out. The first year of the program involved appropriations of roughly $5 billion, plus about $564 million for government and relief in Germany, which was contained in a separate appropriation for the Department of the Army. For the second year we requested about $4 billion and the Congress finally appropriated $3,778 million. This figure again was exclusive of a separate appropriation to cover expenditures for gvoernment and relief in Germany. If this latter item is added in, the total available for Western European recovery in the fiscal year 1949–50 comes to roughly $4,150 million. In testimony before congressional committees earlier this year, I stated my belief that further large cuts in subsequent fiscal years could be expected. Our continuing examination of the recovery program since that time confirms this belief. Though the President and the Bureau of the Budget have not as yet determined the amount to be requested for the fiscal year 1951, I can assure you that the request when submitted will show "a substantial reduction in the dollar aid."

You mentioned in your letter that you "hope it will be feasible for us to limit it to about $2½ billion." I assure you I should like nothing better than to be able to accomplish this but I believe that too large a cut would entail a most serious risk of failure in what I think we all agree has been a program of the greatest significance to world recovery and to the prospect of peace and security. I still believe that it does not make sense to use a 15-foot rope to rescue a man who is about to drown 20 feet from shore. I assure you we are not going to ask for a single dollar that we do not think is really needed for the purposes of successfully achieving our objective and I think you will agree that our record to date warrants confidence in us on this score. I would, therefore, urge you to preserve an open mind on this subject and not to conclude that $2½ billion will be enough until we have presented before you and others in Congress our detailed justification of our final budget estimates.

You are rightly concerned, as I am, with the tremendous expenditures of the U.S. Government and the possible consequences of such expenditures to our own stability and solvency. I assure you, however, that if enough funds are not appropriated to achieve European economic recovery and Europe relapses into the conditions of 1947 and early 1948, we should soon find communism on the march again with a consequent potentially disastrous threat to our own security. I for one am convinced that under these circumstances we should soon be forced to spend many times on increased military preparedness what we might have saved by relatively small reductions in ERP appropriations. Such a course, it seems to me, is not the way to protect either our solvency or our security or the peace of the world.

As I have already indicated both in this letter and in my speech to the Council of the OEEC, I agree with you concerning the vital importance of real progress toward economic integration in Western Europe. I have some disagreement with you, however, when you state "the economic stability of Western Europe is now more dependent upon economic integration than upon our further dollar aid." My view is that the economic stability of Western Europe is still dependent upon both and that it is impossible to say upon which of the two it is more dependent. It is quite true that an important element in recovery and stability will be the increase in exchange of goods between the participating countries. However, even with the maximum achievement in this respect there are certain goods needed by the participating countries for their recovery which are not produced in sufficient quantities anywhere in these countries and must be bought for dollars in the Western Hemisphere. If these countries were exchanging their surpluses either in Europe or elsewhere in the world for currencies convertible into dollars they would not require dollar aid but I am afraid this happy state of affairs is not immediately in prospect. In any event their continued recovery and stability cannot yet be fully achieved solely by improving exchanges among themselves and must for a while continue to depend upon some dollar aid.

You say in your letter, "While there may be some lowering of trade restrictions in Western Europe before our aid ends, my personal impression is that the program will be quite inadequate." I agree that this is a real danger. But at the same time I assert that, even though we may have some apprehension on this score, neither the Western European countries nor we ourselves can permit this program to be inadequate. Recovery and independence from our aid depends to such an important degree upon success in removal of trade restrictions that we just cannot accept the prospect of failure in this part of the program. I believe this is well understood by the leaders of the Western European nations and I for one believe that because it is so urgently necessary we shall see a real achievement in this respect.

You point out that, "Anticommunistic governments are now safely entrenched in the area in question and have the ability, with such military aid as may be given them under the Atlantic Pact, to make it tough for a potential aggressor." I submit that the main reason why this is so today is the improvement in economic conditions which has been brought about by the European recovery program. I think you will agree that without this improvement the condition you describe would not exist today. It seems to me that it follows inevitably that economic deterioration due to a failure to continue an adequate recovery program would soon

reverse the trend. Under such circumstances, even with continued military aid, I should doubt that we would find the anti-Communist governments very safely entrenched. I believe that in turning back the tide of communism the European peoples have demonstrated two things: first, that they do prize their liberties enough to work and fight for them, and second, that the stamina to make this major effort depends on the hope of tolerable and improving economic conditions. The economic prospects of Europe are not yet firmly enough based to survive the withdrawal of U.S. aid, nor an overdrastic cut in our support.

I think your statement that "we have assumed at least a moral obligation to continue the ECA program through fiscal 1952" needs some qualification. Our assumption of any obligations was contingent upon the participating countries performing their part of the bargain. So long as they do so and we see a reasonable prospect of success in the program, I do feel we have a moral obligation to continue. My view is that we must be able to continue to justify our participation as being in the interest of the United States and of a stable and peaceful world or we have no obligation. I may say that I presently think the continuation of the program can be abundantly justified on these grounds.

I note that you are disposed to recommend that ECA make no more loans and that we refer those who wish to borrow to the World Bank or to the Export-Import Bank. I should like to state that we have in fact constantly followed the policy of considering whether or not in any given situation a loan from these banks instead of an ECA loan was feasible. The problem is, however, that there are certain dollar expenditures of some of the participating countries which are essential to their recovery but which cannot properly be covered by bank loans. I think you will be able to repay loans and, therefore, it full agreement on this point. In these cases, however, the National Advisory Council has determined that the countries in question will be able to repay loans and, therefore, it is not necessary for ECA to furnish assistance on a grant basis. It seems to me better to obtain from these countries an obligation to repay than it is to give them the dollars without any repayment provision. If the problem were not handled in this way and in view of the fact that the necessary dollars could not be obtained from the banks, the result would be that certain countries would be short of dollars required for recovery purposes and thus the program would be threatened in these countries. I do not agree, therefore, that cutting out of ECA loans, even though these are a relatively small proportion of the total of recovery funds, would be a practicable way of curtailing ECA expenditures.

I quite agree that the British war debts constitute a very difficult problem. Both ECA and the Government of Great Britain are concerned with the so-called unrequited exports from Great Britain involved in this situation. As you correctly pointed out, the tendency is for British goods to move into certain parts of the world in payment for debts owed by Great Britain to these areas and as a result there is less incentive to the British exporter or manufacturer to compete in the tougher dollar market. I have, as you know, laid great stress on the importance of giving incentives and removing obstacles to greater sales in the dollar market and we do not propose to relax our efforts to deal with any situation which has a bearing on this problem.

I apologize to you for the length of this communication but you have raised such important and basic questions in your letter that they cannot be dealt with adequately in a few sentences. I should welcome very much the opportunity to discuss with you even more fully any of these points for it is vital that there be a real analysis of them and a thorough understanding as between the legislative and the executive branches of our Government concerning the objectives and requirements of the European recovery program for the coming year.

With kind regards.

Sincerely yours,

PAUL G. HOFFMAN,
Administrator.

Mr. ROBERTSON. I replied to that letter in a letter of December 19, 1949, which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON BANKING AND CURRENCY,
Lexington, Va., December 19, 1949.

Hon. PAUL G. HOFFMAN,
Administrator, Economic Cooperation Administration, Washington, D.C.

DEAR PAUL: Your letter of the 13th is intensely interesting to me. You need make no apology whatever for its length, because I know you realize that no Member of the Congress is more deeply interested than I in our whole program of international cooperation or more earnestly striving to get the type of information so essential for sound and wise conclusions. Even with the best efforts I can put forth in that behalf, I constantly feel the need, as expressed by Benjamin Franklin to the Philadelphia Constitutional Convention, for "the Father of Light to illuminate our understanding."

I am happy to learn from your letter that you and I are still in substantial agreement concerning the ECA program. Long ago I gave up any hope of comprehending the magnitude of a billion dollars and sometimes wonder if I really understand what even a million dollars means since it is so far beyond my personal transactions and experience. Consequently I take the position if one man says that the future foreign job can be done for $2½ billion and another says it should be $3 billion that neither is in position to be categorical about the exact amount. In dealing with sums beyond our finite grasp we can merely make guesses on the basis of the best available information: Therefore I hasten to assure you that I shall keep an open mind on the exact amount of the next ECA appropriation bill and shall closely follow the detailed information to be presented to our committee by your organization at that time, with full realization of the fact that no Member of the Congress spending 2 or 3 days in 12 ECA countries can come home with as much reliable information as you are able to present.

In my opinion, Mrs. Anna O'Hara McCormick of the New York Times is one of the best political commentators of the Nation. In a recent article on this subject, she took me gently to task for saying in my letter to you that Western Europe is more dependent upon economic integration than upon further dollar aid. The first letter that I prepared to send to you, written on the boat as we were returning from Europe, was twice as long as the second one which was mailed from New York. I frankly felt the second letter was too long to send to a man so busy as you, but in an effort to condense my views I made some sacrifice of clarity to brevity. I thought in other paragraphs that I had made it plain that our own self-interest as well as a moral obligation conditioned, of course, upon mutual performance required us to continue the program for the promised period. In the reference to economic integration and currency convertibility, which is a part of the mutual agreement, I merely sought to convey my personal impression that that type of self-help on the part of the Western Europeans was more important than a continuation of dollar aid in the present volume and that without it I did not see how any amount of dollar aid whatever would ever put Western Europe on a permanent self-supporting basis.

I went to Europe with the background of not only thousands of pages of testimony we had taken on the subject of ECA but with a previous experience of 10 years on the Ways and Means Committee of the House, during which I had made an eager and painstaking study of tariffs and international trade as well as our domestic tax structure. I went to Europe, therefore, knowing exactly the type of information I desired and was frankly flattered when other members of our party told me after each country we had visited that apparently I had been able to secure more information concerning economic conditions in the country visited than had they. In the course of my travels I asked pointed and searching questions not only of officials in our Government and officials of the country visited but of all the American and foreign businessmen I could reach. As indicated in my letter to you, I found the small countries are eager for freer trade in Western Europe but was frankly discouraged by what I found in France and Great Britain, without whose active cooperation the program cannot be a success. However, in the words of Robert Louis Stevenson, "I shall travel hopefully" with what you say in the second paragraph of page 3 concerning the success of that part of our program.

I also agree, with respect to Italy and France, with what you say in the following paragraph about the continuing danger of communism. But a great Greek fable writer wrote a story about a boy who cried wolf once too often, which I would like the present generation of Frenchmen to reread. I do not know what the official figures show but I was told in Paris that we are now putting up one-half of what the French Government is spending. If that be true and the statement is accompanied with a detailed analysis of what the French Government is spending on socialistic schemes instead of a rearmament program, it will be an issue next year a bit tough for the friends of the program to defend.

I am prepared to accept all that you say in the third paragraph on page 4 concerning loans, since the total thereof as you explained to me over the telephone in Washington is far less than I thought. I am also reassured to hear you say that your present loan program has the approval of the World Bank and the Export-Import Bank. I did not get the information from McCloy in Germany but did gather the impression from another responsible person in Europe that officials of the World Bank feel that 2½ percent ECA loans are making it tough for the World Bank to place loans at a much higher interest rate.

Since writing you the letter mentioning British war debts to India, Pakistan, Egypt, and so forth, totaling perhaps $3 billion, I heard a radio program in which the refunding of those debts is listed as a "must" for permanent British recovery. It, naturally, pleased me to have that information for it confirmed the information I had gotten on that subject in London.

As the late Dr. Alderman used to say, "I covet an opportunity" to more fully discuss these matters with you when I get back to Washington in January. In the meantime, I send you heartfelt wishes for a happy Christmas season and may a kind and graceous providence give you the wisdom to continue to lead us along the highroad to peace with the strength to be patient with those less informed than you but who, nevertheless,

seek to contribute to the success of the undertaking.

Faithfully yours,

A. WILLIS ROBERTSON.

Mr. ROBERTSON. Mr. President, on December 16, 1949, I addressed the student body of Washington and Lee University on this same subject, recounting how Senator STENNIS and I and others had visited Europe, that we had seen great cathedrals, but how they were all empty, and that the people there were not worshiping God any more, and that we had seen how our money was going down the rathole of socialistic schemes. I stated that we would not get any return on our lavish foreign aid expenditures unless we insisted that those funds be spent under a system of private enterprise, such as we had—which has not been done, and it is not going to be done in Latin America.

I ask unanimous consent to have printed in the RECORD at this point the speech I made at Washington and Lee University, Lexington, Va., on December 16, 1949.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR A. WILLIS ROBERTSON BEFORE THE STUDENT BODY OF WASHINGTON AND LEE UNIVERSITY, LEXINGTON, VA., AT TAP DAY CEREMONY OF ODK, FRIDAY, DECEMBER 16, 1949

Even in ruins, the monuments of ancient Greece and Rome are great but the visitor familiar with his ancient history knows that they are the products of slave labor, working under the lash of cruel taskmasters. When ancient Athens had a population of 1 million, 700,000 of them were slaves. As one Greek explained to me, on a recent visit to Athens, those slaves furnished the horsepower for the erection of the massive marble columns of the Parthenon and the Temple of Jupiter. History tells us that at one time every Roman Senator had a minimum of 400 slaves, the lives of whom had no value except at the caprice of the master.

It was the Christian religion, first brought to Rome by St. Peter and St. Paul, that eventually changed man's conception of human dignity and human rights. While in Rome this fall I visited the dungeon in which Peter and Paul had been imprisoned, the great cathedrals which bear their names and the picture galleries which reflect the sufferings of the early church. In Athens I visited Mars' Hill, where Paul addressed the men of Athens, and in Switzerland the dungeon of the Castle of Chillon, where Bonnivard was in prison for 6 long years because of his religious faith. As I stood before the bust of Lord Tennyson in Westminster Abbey, I recall that he had said, "We are the heirs of all the ages." The greatest thing that the British inherited from those ages is the Christian religion, on the basis of which we formulated our democratic institutions.

Communism cannot win in the world until the Christian religion has been destroyed—and that is one of the major objectives of the Soviet Politburo. In Europe are the largest and most beautiful cathedrals in the world, but they were virtually deserted. Consequently in our interview with Pope Pius, whose leadership of the Catholics of the world against communism is a major contribution to the present security of the world, I said that if the 600 million who profess Christianity would unite and become activated with the same zeal for their cause that motivates the 800 million or more Communists of the world we should have no difficulty in winning. With that Pope Pius agreed.

While I was in London the University of London conferred an honorary degree upon our Ambassador and my personal friend, Mr. Lewis W. Douglas. In presenting that degree the chancellor of the University of London referred to the material and spiritual forces which make up our world, to the fact that the University of London has always stressed the humanities and the social sciences and he said it did not intend to yield to the current pressure for emphasis upon the physical sciences.

One has to visit the wartorn areas of Europe to adequately appreciate the physical damage that was done. Those familiar with those areas told me that the Marshall plan aid worked a miracle in their restoration. Europe would not have won the war against communism without that aid and the aid was more than physical. It gave to the war-weary and depressed people of Europe a new hope. But apparently the political leaders of Europe are not giving it what it needs as much as dollar aid, namely spiritual leadership and a rebirth of the zeal and the courage of those early Christian leaders who were willing to die for their faith.

The people of Great Britain will fight for their freedom and so will those of the Scandinavian countries. My personal belief is that the divine spark of freedom still burns in the heart of the average Frenchman, but, with 182 Communists in the French Parliament and with the labor unions of France dominated by Communists, the picture there is far from clear.

Since the war we have spent through UNRRA, surplus military supplies, military relief in occupied areas, and the Marshall plan over $22 billion in our program of international cooperation. Industrial production in all Marshall aid countries, except Germany and Greece, is now above the prewar level while the acute need for food, clothing, and shelter has been met. Under these circumstances, I am satisfied that next year we can make a substantial reduction in our ECA appropriations and end the program in 1952.

While our Nation is blessed with vast natural resources and a large area of free trade, our world supremacy in productive capacity is not due to those two factors alone, and neither will those two factors be enough to maintain it. We excel in world production primarily because under our system of private enterprise we give the greatest incentive to the individual to produce. There is not a faint resemblance to that system anywhere in Western Europe or for that matter in the world. Each of the 14 countries we visited is socialistic to a greater or less degree. They do not have our standard of living now and the socialistic program will never produce it for them.

I had no opportunity, of course, to observe what communism had done to the countries behind the Iron Curtain, but all the evidence we could get on that subject led us to the belief that the standard of living in all Communist countries is below that of Western Europe.

But from our standpoint, the standard of living in Europe is bad enough and I returned home with the firm conviction to make the best fight of which I am capable to preserve American constitutional freedom and the American standard of living, based upon a system of competitive enterprise. The socialistic governments in Europe with our aid are trying to give the people what the government cannot afford to give and for which the people are not paying. The closest approach to paying is in Great Britain, the heaviest taxed country in the world outside of Russia. And yet, since the war, the Labor government has received dollar aid from the United States and Canada in the sum of $7 billion. As John T. Flynn, in his recent book, "The Road Ahead," says, "Socialism did not come to Great Britain by that name," and those who are trying to bring it to us have not so labeled it. With the exception of the liquor and tobacco monopolies in Italy, every nation in Europe is operating the enterprises owned by the government at a loss, or a profit that is nominal. Yet there are those in this country who would like for us to take over the utilities, the communications systems, the transportation systems, the coal mines, etc. And a bill was introduced in the House last year at the urgent request of the administration to authorize the appropriation of a vast sum of money to put our Government into the steel business.

Our salvation, as well as that of the remainder of the world, is for us to remain financially solvent. To do that the next session of the Congress must drastically curtail the spending program and make every effort to balance the budget, and it must likewise stoutly resist those bills, such as the civil rights bills, which all impartial lawyers recognize as being unconstitutional.

As a Member of the Senate I have been put on notice that, as soon as we meet, there will be brought up for action the pending FEPC bill, which is unconstitutional, economically and socially unsound and smells to high heaven of political demagogery.

We are living in a new world and it presents a challenge to the new generation. I give thanks for a school like Washington and Lee, which still trains young men in the humanities and the social sciences. They leave its sacred walls imbued with the spirit of Robert E. Lee, who taught the youth of the South after it had felt the iron heel of war, that if their fair Southland was to be rebuilt in a manner in which it could achieve its manifest destiny, it must be on the fundamental principle that duty is the sublimest word in the English language. No one knows how long the cold war will last or what it will cost. Those who passed on to us constitutional freedom and private enterprise sacrificed to do so. The cold war is a challenge to our democratic institutions and if we be unwilling to sacrifice to preserve them they could be lost forever.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. ERVIN. The Senator from Virginia made an allusion to the Secretary of State's suggestion that there should be social justice.

Mr. ROBERTSON. That is correct.

Mr. ERVIN. The record shows that the United States has been extending aid to Central American countries, under a similar plan, since 1954. Is that correct?

Mr. ROBERTSON. That is correct.

Mr. ERVIN. The owners of large coffee plantations in Central American countries pay taxes on their property at a rate of 30 cents for each $100 evaluation, and they pay no income tax whatsoever. In view of the fact that the average American pays taxes upon his property at a rate of approximately $2.25 for each $100 of the value of his property, and in addition to that, pays to the Federal Government a tax upon his income at a rate of from 20 percent to 91 percent of his net income, and in view of the fact that the average American taxpayer in most cases also pays a substantial amount of income tax to the State in which he lives, does not the Senator from Virginia think that somebody ought to be concerned about the social injustice of taxing American citizens in such an exorbitant fashion as

that for the purpose of giving the money they pay in taxes away to people who refuse to tax themselves?

Mr. ROBERTSON. Absolutely. There is a great misconception about the word "equal." The word "equal" never has meant that everybody should have equal wealth. The word "equal" has never meant that everybody is equal in character, mentality, and energy. Social justice should mean only the opportunity, as George Mason said in our Declaration of Rights, of a man to acquire and possess property. And if people do not work for it, if they do not have our private-incentive system, they will never achieve the standard of living we have achieved. And anybody who tries to equate social justice with an equal standard of living is trying to do what never has been done and what never will be done.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 26, 41, 54, 64, and 65 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 69, 71, 74, and 75 to the bill, and concurred therein, severally, with an amendment, in which it requested the concurrence of the Senate.

REORGANIZATION PLAN NO. 7, RELATING TO THE FEDERAL MARITIME BOARD

Mr. SCHOEPPEL. Mr. President, I move that the Committee on Government Operations be discharged from further consideration of Senate Resolution 186, covering Reorganization Plan No. 7, relating to the Federal Maritime Board.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kansas.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Must not the Senator who makes such a motion state that he supports the resolution?

The PRESIDING OFFICER. The rules so require. Does the Senator from Kansas support the resolution?

Mr. SCHOEPPEL. Yes.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Under the procedures by which it is proposed to consider the resolution, as I understand, there is to be an allocation of 1 hour of time, to be equally divided between the proponents and the opponents.

The PRESIDING OFFICER. Will the Senator from Montana permit the Chair to state the question?

The question is on the motion of the Senator from Kansas to discharge the Committee on Government Operations from further consideration of Senate Resolution 186, the subject of which is Reorganization Plan No. 7, relating to the Federal Maritime Board. The time will be equally divided between those favoring and those opposing the resolution, and debate thereon is limited under the law to not to exceed 1 hour.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time be allocated so that 30 minutes will be under the control of the Senator from Kansas [Mr. SCHOEPPEL], and 30 minutes under the control of the chairman of the Committee on Government Operations, the Senator from Arkansas [Mr. McCLELLAN].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from Arkansas yield to himself?

Mr. McCLELLAN. Three minutes.

The procedure now being followed is a special procedure, and not the general rule of the Senate. This is a procedure that is prescribed when a reorganization plan is submitted, and the committee to which the reorganization plan is referred fails to take action on a resolution of disapproval that may have been referred to that committee.

So I felt that in view of the special procedure that is now being undertaken, I, on behalf of the committee, should make a brief statement for the RECORD, so that all Senators will understand why this course of action is being pursued.

Reorganization Plans Nos. 6 and 7, providing for reorganizations of the Federal Home Loan Bank Board and of the Maritime functions of the Federal Government, respectively, were submitted to the Congress on June 12, 1961, and referred to the Committees on Government Operations.

Resolutions of disapproval were filed in the House on June 12 and 13—House Resolutions 335 and 337 on plan No. 6 and House Resolutions 336 and 338 on plan No. 7. Hearings on the plans were held before a subcommittee of the House Committee on Government Operations on June 27, and the full committee voted to table the resolutions of disapproval on July 14, 1961.

Extensive hearings were also held before the House Committee on Merchant Marine and Fisheries on plan No. 7 on July 11, 12, and 13, 1961. An executive session was also held on July 18.

Under the procedure prescribed by the provisions of the Reorganization Act, motions to discharge the committee and to call up the resolutions—House Resolution 336, providing for the disapproval of plan No. 7, and House Resolution 335, providing for the disapproval of plan No. 6—for floor action were defeated in the House on July 20 and August 3, 1961, respectively. These actions were tantamount to approval of both plans by the House of Representatives.

As chairman of the Senate Committee on Government Operations, I requested the respective chairmen of the committees having legislative oversight jurisdiction over plans No. 6—the Senate Committee on Banking and Currency—and No. 7—the Committee on Commerce—to submit their views and recommendations on the plans.

I understand the Senate Committee on Commerce held hearings on plan No. 7 on July 19, and, at an executive session held on August 1, 1961, failed to reach an agreement as to what specific recommendations should be made to the Committee on Government Operations.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLELLAN. Mr. President, I yield myself an additional 3 minutes.

I have since received letters from the chairman, submitting the views of eight members of the Committee on Commerce. The chairman informed me that a majority of the committee favored the plan.

A letter was received by me as chairman of the committee from Senator JOHN SPARKMAN, chairman of the Subcommittee on Banking and Currency which considered a similar request made to that committee, favoring plan No. 6.

Senate Resolution 186, disapproving plan No. 7, was filed in the Senate on July 28, 1961, by the Senator from Maryland [Mr. BUTLER]. Senate Resolutions 187 and 188, disapproving plan No. 6, were filed on July 28 and July 31 by Senators DIRKSEN and CAPEHART, respectively. The one by Senator DIRKSEN 13 days ago, and the one by Senator CAPEHART only 10 days ago. All three of these resolutions were referred to the Committee on Government Operations.

The committee has had no requests for hearings on either of these resolutions. No communications have been received expressing opposition to either plan No. 6 or No. 7 except one wire from Mr. Everett T. Winter, ex-vice president of Mississippi Valley Association, against plan No. 7 and one other letter from the Maritime Audit Service. Three savings and loan organizations have, however, expressed an interest in plan No. 6, relating to the Federal Home Loan Bank Board, indicating that it would, in their view, improve the administration of the Board, if permitted to go into effect.

Inasmuch as hearings have been held on both of these plans by House committees and on plan No. 7 by the Senate Commerce Committee, and resolutions of disapproval were filed in the Senate on the dates I have stated, and only 14 days prior to the date the plans will become effective—August 11, 1961—unless disapproved by the Senate, it is my view that there has not been either sufficient time or the necessity for the Committee on Government Operations to hold hearings and thus duplicate the hearings held by other committees, nor is there sufficient time left to prepare and submit adequate reports to the Senate.

I point out those circumstances so that the Senate may know that the Committee on Government Operations actually has not had the time to hold hearings in order to process properly the resolutions of disapproval.

Subsequent to the filing of the resolutions, the Committee on Government Operations had no requests to hold hearings on the resolutions. The procedure today is in accordance with the Reorganization Act. If the committee takes no action, it is proper procedure for any Senator favoring the resolution to move to discharge the committee and to have a vote. Therefore, I say there is no serious objection on the part of the committee to being discharged from further consideration of the resolution but I wanted the RECORD to show that the reason the committee has not taken action is that there was actually no request for it, and because the resolution of disapproval was filed so late that we have not had fair opportunity to do so.

Mr. President, I yield 4 minutes to the Senator from Alaska.

Mr. BARTLETT. Mr. President, I support Reorganization Plan No. 7 relating to Maritime and, consequently, oppose the resolution of disapproval. Basically at issue is that part of the plan which proposes to vest in the Secretary of Commerce the authority for promotion of the American merchant marine as embodied in the Merchant Marine Act of 1936. There appears to be substantial agreement that the separation of the functions—administrative from quasi-judicial—is desirable for better fulfillment of each. From this point it has been argued that since Congress can only accept or reject these plans it is the higher course of wisdom to take the bitter with the sweet and accept the new promotional structure.

It is my judgment that this argument overlooks the affirmative virtues of the plan before the Senate today. This was no hastily drafted or ill-thought-out product; it is perhaps the most carefully considered of all the plans submitted because it makes structural changes in an unusually sensitive field. The maritime industry and the agencies regulating it occupy positions where an atmosphere of public confidence is of the utmost importance. Theirs is a virtual partnership, frequently subjected to sharp criticism, but essential if the merchant marine is to fulfill its vital mission in both peacetime commerce and strategic emergency.

As I understand it, the initiative for defeating this plan comes from the merchant marine industry itself because of the fear that their substantial investments will be at the mercies of an arbitrary Secretary of Commerce. As the Senator from a noncontiguous State 99 percent dependent on service from an American merchant marine, no one realizes better than I do the need for protection and development of our privately owned ocean carriers. Primary assistance must be given to those long-term, responsible operators that will provide essential services despite the economic cycles common to trade by the seas. I would be as fearful as the industry if I thought that whim rather than fact, politics rather than principle, were to control the future course of their companies.

It is my firm belief that these fears are exaggerated. The Secretary of Commerce will have the affirmative function to promote the American merchant marine. And this is a measurable responsibility with reliable guides and standards developed over a period of time. Six, eight, twelve, or fourteen months from now Congress can evaluate how successful he has been—and Congress will be vigilant in this respect just as we have been a little negligent in the past. It can be determined readily whether the assigned function is being fulfilled—the Secretary is aware of this as well as the industry.

Moreover, one can hardly imagine a more forceful and powerful ally for this essential field than the Secretary of Commerce. Never before has this industry enjoyed a voice in the highest council of our Government, the Cabinet. Under this plan, they will have this representation. And far from him being a hostile spokesman, it has been the inevitable course of our administrative agencies for the sword to become a shield. Beginning with the ICC 80 years ago, the agencies always become the stanchest supporters and friend of the industry that originally imagined its death knell was sounding.

There is still another protection for the legitimate aims and investments in our merchant marine. In each case where a hearing is required or a hearing provided, the parties are entitled to and will receive all the guarantees of the Administrative Procedure Act. This act applies in every case unless specifically excepted—in the case of Reorganization Plan No. 7, there are no exceptions. As my colleagues know, these guarantees include appeal to the courts where abuse of discretion or arbitrariness can be corrected as in the case of other agencies.

The only argument advanced in opposition to plan No. 7 is that one man will now have the decisionmaking function previously exercised by a board of three. This appears to rest more on form than substance; however, to allay these fears the Secretary has agreed that the initial decision in subsidy matters should be made by the Maritime Administrator and his two top lieutenants. If he so chooses to exercise his authority it is an acceptable method. However, in the drafting of this plan extensive consideration was given to the problems of the past—mainly administrative delays and public distrusts of the exercise of the promotional functions. Many of us in this Chamber have at one time or another been sharply critical of the agency for deviations in these two particulars. And I believe this plan provides the mechanism for overcoming these shortcomings. When responsibility is diffused over a board of three—rather than centered in one man—there is the power to obstruct and delay. As we have experienced in the past, each points over his shoulder at the other but no decision ever appears. Finally, when one man is isolated with the decisionmaking power he is placed in a veritable glass cage where everyone can watch. He must of necessity place himself above suspicion of a decision influenced by ex parte representations or other communication. He can least afford the possibility of public distrust when he is above all the Secretary of Commerce.

Mr. President, far from this being a plan that is "livable," I believe it one that deserves the full support and cooperation of the Congress and the industry. It has been carefully designed to correct the failures of the old organization and prepare the groundwork for a more successful fulfillment of the ideals of the Merchant Marine Act, 1936. I hope that on closer examination all of my colleagues will find as I do that Reorganization Plan No. 7 deserves support.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that I may make a parliamentary inquiry without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Am I correct in stating that there is an hour's time for debate on the pending motion to discharge the committee, equally divided between the proponents and opponents of the motion?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. If the motion is adopted, that will automatically place the resolution on the calendar, will it not?

The PRESIDING OFFICER. That is correct.

Mr. McCLELLAN. Will a motion then be in order, after it is placed on the calendar, to call up the resolution for consideration?

The PRESIDING OFFICER. It is a privileged matter.

Mr. McCLELLAN. It is a privileged matter, but a motion would have to be made to call it up. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. It would be in order to call it up on motion.

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. After it is called up, 10 hours of debate on the merits of the resolution would be in order. Is that correct?

The PRESIDING OFFICER. A maximum of 10 hours.

Mr. McCLELLAN. To be equally divided?

The PRESIDING OFFICER. Yes. That would be the maximum time provided by the act. The time could be reduced.

Mr. McCLELLAN. It could be reduced. The only thing I want to do is to advise Senators who may be interested in this subject matter that there will be ample time for debate, and that we do not have to crowd it all into this 1 hour.

The PRESIDING OFFICER. The Senator is correct.

Mr. SCHOEPPEL. Mr. President, I yield myself 10 minutes. I appreciate the statement of the distinguished Senator from Arkansas [Mr. McCLELLAN]. I desire to state to the Senate that the resolution was submitted by the Senator from Maryland [Mr. BUTLER], who, if it were not for the fact that he is incapacitated and in the hospital at Baltimore, would be here in furtherance of the resolution. At the same time I wish to read, for the benefit of the Senate, a letter under date of August 4, which was sent to the Honorable WARREN G.

MAGNUSON, chairman of the Commerce Committee, by those of us who are on the minority side of the committee. The letter is as follows:

U.S. SENATE,
COMMITTEE ON INTERSTATE AND
FOREIGN COMMERCE,
August 4, 1961.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee,
Washington, D.C.

DEAR SENATOR MAGNUSON: In accordance with the invitation which you expressed during our executive session on Tuesday, August 1, we are submitting herewith our views on Reorganization Plan No. 7 relating to the Maritime Board.

It is our understanding that you will transmit these views to the chairman of the Committee on Government Operations for the consideration of his committee. For that purpose an additional copy is furnished.

In our judgment, Reorganization Plan No. 7 properly separates the regulatory and the promotional activities of the present Maritime Board. We approve the transfer of the regulatory functions to a new Federal Maritime Commission. However, the testimony offered during consideration of Reorganization Plan No. 7 by our Merchant Marine and Fisheries Subcommittee amply justifies our view that it would be unsound to remove functions with respect to determination of subsidies from a statutory board and place those functions in the hands of the Secretary of Commerce.

As the record before our subcommittee shows (pp. 121 and 135 of transcript), former President Truman, in transmitting his Reorganization Plan No. 21, rejected the vesting of subsidy functions in a single individual and in so doing adhered to the recommendation of the Hoover Commission.

No doubt because of his awareness of these authoritative objections the Secretary of Commerce, in his testimony before our Merchant Marine and Fisheries Subcommittee, declared his purpose to establish within his Department a panel of three officials specifically charged with administering subsidy functions. Such a panel would exercise a delegated authority which, by its very nature, would be subject to countermand in particular instances or to complete revocation. It is notable that the shipping industry, with its own billions of dollars in investments to be considered, testified to its distrust of giving one man ultimate and sole responsibility for subsidy functions.

In our judgment the present Maritime Board should be retained and should continue in possession of the powers it now administers with respect to both ship construction and operating differential subsidies.

It should be noted in connection with plan No. 7 that although the reorganization plan respecting the Federal Communications Commission was disapproved, the Senate promptly enacted legislation to put into effect most of the provisions of the reorganization plan.

We would welcome similar action with respect to the Maritime Board and to that end we are willing to give prompt consideration and support to a bill which would establish a new Federal Maritime Commission and endow it with regulatory authority.

We respectfully recommend that the Senate Committee on Government Operations report favorably Senate Resolution 186 disapproving Reorganization Plan No. 7.

Sincerely,

ANDREW F. SCHOEPPEL.
JOHN MARSHALL BUTLER.
NORRIS COTTON.
CLIFFORD P. CASE.
THRUSTON B. MORTON.
HUGH SCOTT.

Mr. President, the distinguished Senator from Kentucky [Mr. MORTON] is en route to the Chamber. It had been my intention to follow with my own remarks his statement in favor of Senate Resolution 186. In his absence, I shall proceed with my statement.

I wish to emphasize that the nub of the problem with respect to Reorganization Plan No. 7 is that it was drawn too hastily and contains defects. Because it is a reorganization plan rather than a bill, it is before the Senate on a take-it-or-leave-it basis. We are without power to correct its defects. All we can do is accept it or reject it.

We had a similar problem when the reorganization plan relating to the Federal Communications Commission was before the Congress. When it was disapproved, both Houses moved promptly to enact the legislation that is genuinely needed. We can do the same with respect to the Federal Maritime Board.

I have heard nobody complain about part 1 of Reorganization Plan 7. This part would place regulatory functions in a five-man independent agency to be called the Federal Maritime Commission. It may seem strange to increase the number of Board members while splitting the work. It seems especially so in view of testimony that the regulatory phase properly comprises no more than about 10 percent of the total job to be done. However, nobody challenges the President's right to prefer a five-man over a three-man Commission. The important thing is that he recognizes in part 1 of his plan the wisdom of using a bipartisan independent board.

The President forsakes this wisdom in part II of the plan, and I can only judge that this is due to haste and oversight. At any rate, the White House quickly saw the error of seeking to put the administration of subsidies under the Secretary of Commerce rather than under a statutory board. To cure this defect, Secretary of Commerce Hodges announced that he would call upon a three-man panel of his own choosing to to make initial decisions in the subsidy area. Of course, such a panel could not make final decisions, because plan No. 7 specifically vests the power of decision in the Secretary himself.

Instead of trying to patch and shore up Reorganization Plan No. 7, the administration would have been better advised to send to the Congress a Reorganization Plan No. 7–a. This could have provided for the panel that the Secretary of Commerce sought to append as an afterthought to plan No. 7.

However, we cannot legislate on speculation or enact from hindsight. The concrete problem before us is that an unwise and defective reorganization plan will take effect on August 12 unless we stop it today. We can take the first step toward stopping it by voting now to discharge the Committee on Government Operations from the further consideration of the resolution of the Senator from Maryland [Mr. BUTLER] disapproving the plan.

I hope that the pending resolution will be agreed to. If it is, we can then expeditiously vote on the plan itself. In my humble judgment, we would not need the 10 hours of debate authorized by the Reorganization Act. Just a few minutes more should suffice. That would clear the way for us to deal in a legislative way with the problems of the Federal Maritime Board and the Maritime Administration. I, for one, would be ready to act without further hearings and would give my support immediately to a bill enacting part 1 of Reorganization Plan No. 7. Part 2 of the plan is controversial and defective. It could well wait until the next session.

Mr. President, I understand the distinguished Senator from Illinois [Mr. DIRKSEN] desires to speak on the resolution. He is not in the Chamber at the moment. I ask unanimous consent that I may suggest the absence of a quorum, the time for the quorum call to be charged to neither side.

Mr. McCLELLAN. Mr. President, will the Senator from Kansas withhold his suggestion of the absence of a quorum? In the temporary absence of the Senator from Illinois, I should like to yield time to two other Senators. In the meantime, the Senator from Illinois may come to the Chamber.

Mr. SCHOEPPEL. Mr. President, I withhold my suggestion of the absence of a quorum.

Mr. McCLELLAN. Mr. President, I yield 2 minutes to the distinguished Senator from Washington.

Mr. MAGNUSON. Mr. President, the Senator from Arkansas [Mr. McCLELLAN] stated correctly in his opening remarks on the motion the situation between the two committees of the Senate, namely, the Committee on Government Operations and the Committee on Commerce, with respect to Reorganization Plan No. 7.

The Senator from Arkansas, chairman of the Committee on Government Operations, has always been solicitous of the legislative committees having jurisdiction of the various reorganization plans which are submitted to his committee. He has always sought the advice and consent of such committees, and has even suggested that they hold the hearings on the proposed reorganization plans and give the Committee on Government Operations the benefit of such advice as they see fit.

The Committee on Commerce held hearings on Reorganization Plan No. 7. All members of the committee were not present at all the hearings, but there was a substantial attendance at each session. The committee heard representatives of the industry, the Secretary of Commerce, and other persons interested in this reorganization plan.

Much of the history of the maritime boards and commissions as they have existed in the Government was considered carefully, especially the old Maritime Commission, with the abolition of which the Senator from Washington had something to do at one time, and also the creation of the present Board under the Department of Commerce.

The new plan was discussed at the hearings and among the members of the committee. There were several views in the committee regarding the plan and some of its features. Some committee members expressed the feeling that they did not know if it was a good plan or not,

but were willing to try it out to see if it worked. As a result, I asked the individual members of the Committee on Commerce to send their views to me, as chairman, so that I might transmit them to the Senator from Arkansas, the chairman of the Committee on Government Operations. That was done.

The views of several members of the committee have been read by the Senator from Kansas [Mr. SCHOEPPEL]. Other members of the committee said they did not have any particular view and, therefore, implied that they thought the plan should become effective. Other members of the committee has differing views, but I believe there was absolutely no opposition, on the part of anyone who understands the entire maritime field and the operations of maritime commissions and the interest of the Government in that subject to the main part of the proposal, which would create a five-member Maritime Board to replace the present three-member Board or commission, and to place the operational part in the Department of Commerce, and to provide for the appointment of a proper person to handle it there.

The PRESIDING OFFICER (Mr. PELL in the chair). The time yielded to the Senator from Washington has expired.

Mr. MAGNUSON. Will the Senator from Arkansas yield 2 more minutes to me?

Mr. McCLELLAN. I yield.

The PRESIDING OFFICER. The Senator from Washington is recognized for 2 more minutes.

Mr. MAGNUSON. Mr. President, the main basis of some difference of opinion—although in no case was it particularly strong, as the Senator from Kansas has well stated—was as to whether the promotional group in the Department of Commerce should be composed of three persons appointed by the Secretary of Commerce or one person—as suggested by the reorganization plan—with two deputies.

Secretary Hodges testified that he thought the appointment of one person with two deputies would result in some semblance of unity in regard to these matters. Others said they thought the appointment of three persons might be preferable. However, no one has suggested that the opinions arrived at under such circumstances would necessarily be bad. But, as I told the Senator from Arkansas, the majority felt that we should try this proposed arrangement and see how it works.

Everyone is agreed in regard to the real core of the proposal, which is to separate the two functions and to add two more members to the Federal Maritime Board. Of course, if serious defects develop under this arrangement, we can make the necessary changes at the proper time.

I would say that the majority of the committee either have supported the plan in writing, or have made no statement at all regarding it—which, by implication, means that they do not object to it.

So I hope the plan carries.

I say to the Senator from Arkansas that I realize that we are now speaking on a motion to bring up the resolution, rather than on the resolution itself. I know it will be difficult for the Senator from Arkansas to speak in approval of a motion to discharge his committee. But I hope the motion to have the Senate consider the resolution will be agreed to, so that the Senate can vote on the proposal itself.

Mr. McCLELLAN. Let me say that it would not be difficult for me to vote for a motion to discharge the committee, if I thought that was the proper course to take.

Mr. MAGNUSON. Of course I realize that.

Let me say that if there is any defect in connection with the reorganization plan, it is the provision of so short a time between the time of submitting the plan and the time of its going into effect.

The PRESIDING OFFICER. The additional time yielded to the Senator from Washington has expired.

Mr. LAUSCHE. Mr. President, will the Senator from Arkansas yield to me?

Mr. McCLELLAN. I yield.

Mr. LAUSCHE. What position does the Senator from Arkansas take in regard to the motion to discharge his committee, and why?

Mr. McCLELLAN. A moment ago I stated that this is a special procedure provided by the Reorganization Act. If the committee does not act on a resolution of disapproval, then a motion to discharge the committee is a privileged matter, and then is placed on the calendar, subject to immediate consideration.

I have no objection to having the Senate consider this matter on its merits. But these resolutions were filed only 10 days ago, and we have hardly had time to process them. We have not received a request for the holding of a hearing on the resolution.

Mr. LAUSCHE. Does the Senator think there should be hearings?

Mr. McCLELLAN. That is not the question now; in view of the fact that there is no time, we cannot hold hearings. These reorganization plans will go into effect tomorrow, unless the Senate first acts favorably upon a resolution of disapproval. But the Commerce Committee did hold a hearing.

Mr. LAUSCHE. I understand.

Mr. LONG of Hawaii. Mr. President——

Mr. McCLELLAN. I yield 2 minutes to the distinguished Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized for 2 minutes.

Mr. LONG of Hawaii. Mr. President, the acceptance of Reorganization Plan No. 7 is of urgent importance to me and to the people of my State.

We in Hawaii depend almost entirely on water transportation, in view of the fact that some two-thirds of our food and nine-tenths of other consumer commodities are imported by ship.

Further, our two major income-producing industries—sugar and pineapple—use ocean shipping entirely for moving hundreds of millions of dollars' worth of products to mainland markets.

Unfortunately, experience with the present organization shows that the problems of shipping between Hawaii and the mainland have never been afforded the expeditious treatment that they require. For example, our principal carrier filed a request for increased rates in September 1959; but still there is no decision from the Federal Maritime Board.

Other examples exist, with the result that neither consumers, shippers, nor carriers know where they stand. Such delays, Mr. President, impose an intolerable burden on our businessmen and consumers alike.

One of the main reasons for these inordinate delays is the fact that the present Board is charged with both promotional and regulatory functions. What we need—what we must have if we are to continue to prosper—is an agency that can and will give full-time attention to regulation in the public interest.

This, I firmly believe, will be the primary result of the implementation of Reorganization Plan No. 7.

I accept the statement of President Kennedy that promotional and regulatory functions should be administered by different agencies, in the interest both of efficiency and of single-minded regulation.

In this view Secretary Hodges fully concurs, as do the Bureau of the Budget and many others who are intimately acquainted with maritime problems.

I believe this reorganization is the first and most important step in securing the orderly regulation of shipping which the economy of Hawaii requires.

For these reasons, Mr. President, I am pleased to associate myself with other Senators who are supporting the administration in this matter, and I urge that the pending resolution of disapproval of the reorganization plan be defeated.

Mr. SCHOEPPEL. Mr. President, I allot 8 minutes to the distinguished Senator from Kentucky [Mr. MORTON].

Mr. MORTON. Mr. President, I shall try to confine my remarks to less than 8 minutes.

Mr. President, as stated in the resolution which has just been read, the President transmitted Reorganization Plan No. 7 to the Congress on June 12. This is the plan which would reorganize the Federal Maritime Board. Under the terms of the Reorganization Act, it would take effect this coming Saturday, August 12, unless disapproved by either the House or the Senate.

The House has already had an opportunity to express its views, and through its vote on a motion to discharge the Committee on Government Operations from further consideration of a resolution of disapproval, it decided not to disapprove Reorganization Plan No. 7.

In the Senate, hearings were held on July 19 by the Merchant Marine and Fisheries Subcommittee of the Committee on Commerce. No hearings on the plan have been held by the Committee on Government Operations, which, since July 28 has had before it Senator BUTLER'S Senate Resolution 186. As 10 days have now passed since the introduction of that resolution without action by the Committee on Government Operations,

it is now in order to discharge the Committee on Government Operations from further consideration of Senate Resolution 186. That is the purpose of the resolution now before us.

I have mentioned that hearings on Reorganization Plan No. 7 were conducted by our Subcommittee on Merchant Marine and Fisheries. However, neither that subcommittee nor the full Commerce Committee recommended either approving or disapproving the plan. Instead, the committee authorized its members to transmit their views through the chairman of the Committee on Commerce to the chairman of the Committee on Government Operations. I ask that there be printed in my remarks at this point a copy of a statement of views dated August 4, 1961, which was sent to the chairman of the Committee on Commerce by all the minority members of that committee.

There being no objection, the views were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON COMMERCE,
August 4, 1961.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee,
Washington, D.C.

DEAR SENATOR MAGNUSON: In accordance with the invitation which you expressed during our executive session on Tuesday, August 1, we are submitting herewith our views on Reorganization Plan No. 7 relating to the Maritime Board.

It is our understanding that you will transmit these views to the chairman of the Committee on Government Operations for the consideration of his committee. For that purpose an additional copy is furnished.

In our judgment, Reorganization Plan No. 7 properly separates the regulatory and the promotional activities of the present Maritime Board. We approve the transfer of the regulatory functions to a new Federal Maritime Commission. However, the testimony offered during consideration of Reorganization Plan No. 7 by our Merchant Marine and Fisheries Subcommittee amply justifies our view that it would be unsound to remove functions with respect to determination of subsidies from a statutory board and place those functions in the hands of the Secretary of Commerce.

As the record before our subcommittee shows (pp. 121 and 135 of transcript), former President Truman, in transmitting his Reorganization Plan No. 21, rejected the vesting of subsidy functions in a single individual and in so doing adhered to the recommendation of the Hoover Commission.

No doubt because of his awareness of these authoritative objections the Secretary of Commerce, in his testimony before our Merchant Marine and Fisheries Subcommittee, declared his purpose to establish within his Department a panel of three officials specifically charged with administering subsidy functions. Such a panel would exercise a delegated authority which, by its very nature, would be subject to countermand in particular instances or to complete revocation. It is notable that the shipping industry, with its own billions of dollars in investments to be considered, testified to its distrust of giving one man ultimate and sole responsibility for subsidy functions.

In our judgment the present Maritime Board should be retained and should continue in possession of the powers it now administers with respect to both ship construction and operating differential subsidies.

It should be noted in connection with plan No. 7 that although the reorganization plan respecting the Federal Communications Commission was disapproved, the Senate promptly enacted legislation to put into effect most of the provisions of the reorganization plan.

We would welcome similar action with respect to the Maritime Board and to that end we are willing to give prompt consideration and support to a bill which would establish a new Federal Maritime Commission and endow it with regulatory authority.

We respectfully recommend that the Senate Committee on Government Operations report favorably Senate Resolution 186 disapproving Reorganization Plan No. 7.

Sincerely,

ANDREW F. SCHOEPPEL.
JOHN MARSHALL BUTLER.
NORRIS COTTON.
CLIFFORD P. CASE.
THRUSTON B. MORTON.
HUGH SCOTT.

Mr. MORTON. Mr. President, I am certainly revealing no secret in pointing out that the administration is using all its influence to win approval, or rather to defeat disapproval of Reorganization Plan No. 7. There has been so much in the press about erosion of prestige through failure of the Congress to accept some of the reorganization plans that the White House has reacted with undue sensitivity. In consequence, it is prudent for the minority to reckon with the possibility that the only time we shall have to discuss Reorganization Plan No. 7 is the one-half hour accorded us on this motion to discharge. We are hopeful, of course, of winning enough Senators to our view so that the Committee on Government Operations will be discharged of further consideration and so that we shall then have an opportunity for a full debate on the merits. Nevertheless, I shall now seek to examine Reorganization Plan No. 7 as if this half hour will prove our only opportunity to debate it.

I am disturbed that we have been asked in Reorganization Plan No. 7 to approve sweeping changes in basic law with inadequate opportunity for detailed review of the effect of such changes on our maritime industry.

Briefly, Reorganization Plan No. 7 contains these proposals:

First. The plan would create a new Independent Statutory Board to administer the regulatory provisions in the Merchant Marine Act of 1916.

Second. The plan would abolish the present Federal Maritime Board and transfer to the Secretary of Commerce all of its promotional and administrative functions derived from the Merchant Marine Act of 1936.

These two proposals should be taken up separately, but the Congress, under the Reorganization Act must accept or reject plan 7 as a whole. Not so much as a comma in the President's proposal can be amended by the Congress, nor can we correct the technical and substantive deficiencies which exist in the plan.

At best, legislation by way of congressional inaction on reorganization plans is back-door legislation. The Reorganization Act of 1949 was intended to be limited to procedural and organizational changes necessary to increase efficiency in the executive branch. I should add that I am not against reorganization of Federal agencies as such. However, hastily drawn reorganization plans replete with deficiencies and incorporating sweeping changes in basic law amount to nothing less than the surrender of congressional authority and responsibility to the Executive.

Part 1 of plan No. 7 would establish a Federal Maritime Commission of five members and empower it to deal with regulatory matters under the Shipping Act of 1916.

Everyone agrees that effective regulation of the maritime industry is necessary, not only to protect the public, but also in the interest of the industry itself. However, effective regulation could be achieved without creating a new commission merely by increasing the number of regulatory employees available to the present Federal Maritime Board. This view is supported by Adm. Ralph E. Wilson, former Chairman of the Federal Maritime Board, and Adm. Emory S. Land, who in many quarters has been called the most able administrator we have ever had of our maritime programs.

Legislation is now before the Congress which would accomplish the administration objectives contained in part I of plan No. 7. If enacted, the Congress could then carefully consider the questionable and controversial features of part II. Further, through the legislative approach, it becomes possible to correct some technical deficiencies in part I which Congress is otherwise powerless to correct. For example, section 105 (b) and (c) provide a discretionary right of review by the Commission. If the Commission declines to exercise that right, the action of the subordinate "shall be deemed to be the action of the Commission." However, this conflicts with the Administrative Procedure Act. Under its section 8(b), parties have a statutory right to have an agency review their exceptions on appeal from a decision by subordinates in adjudicatory proceedings. The Attorney General's Manual on the Administrative Procedure Act, in this context says:

> Briefs on the law and facts which are filed by parties in support of their proposed findings and conclusions and exceptions, must be received and considered.

Part I of Reorganization Plan No. 7 would thus deprive parties in adjudicatory proceedings of rights which Congress has previously granted by law.

Part I also is deficient in transition language. To eliminate any question as to the status of orders already issued by the Federal Maritime Board, part I should provide that orders outstanding at the time of the transfer of responsibility to the proposed Federal Maritime Commission shall continue in force, subject to the same power of enforcement or review by the new agency as was vested in its predecessor. In the maritime industry, there is serious doubt whether existing rights to obtain judicial review of adverse agency decisions on regulatory matters are preserved by Reorganization Plan No. 7.

If the Congress avails itself of bills already introduced, or similar ones, there need be no delay in putting into effect part I of the proposed plan. We can do it before this session of the Congress adjourns. The maritime industry has indicated its support for this pro-

posal, and I believe it would receive the prompt support of both Houses of the Congress.

Part II of Reorganization Plan No. 7 presents far more serious problems than part I. Part II involves a basic revision of important features of the Merchant Marine Act, 1936. That act, Senators will recall, was specifically designed to develop and maintain an adequate and well-balanced American merchant marine sufficient to meet the economic and defense needs of the Nation. Accordingly, the Congress, after careful and extended review, decided that this purpose could best be accomplished by an act containing these safeguards:

First. The act is administered by an independent statutory board rather than by an individual.

Second. The Federal Maritime Board created by the 1936 act is an independent agency, its members being appointed by the President for a term of years with the advice and consent of the Senate. The Board is subject to the jurisdiction and supervision of the Congress, is free from subordination to the Executive, and its members are protected from removal by the President except for neglect of duty or malfeasance in office.

These requirements are expressly embodied in section 201 of the Merchant Marine Act of 1936.

Part II of plan No. 7 would abandon these basic concepts by transferring to the Secretary of Commerce all the functions and responsibilities now vested in the Federal Maritime Board excepting only such purely regulatory functions as would be transferred to the Federal Maritime Commission under part I. With one stroke of the pen there would be swept aside all of the many judicial and procedural protections inherent in an independent statutory board, and there would be substituted therefor executive branch determinations under the Secretary of Commerce.

The authority to be transferred from the independent Federal Maritime Board to the executive calls for the making of judgments on matters that can mean life or death to our American-flag merchant marine. The matters covered by the Merchant Marine Act of 1936 now within the jurisdiction of the statutory Federal Maritime Board which would be transferred to the Secretary of Commerce include the following:

First. The making, amending, and terminating of operating-differential and construction-differential subsidy contracts and conducting hearings related thereto.

Second. Make findings as to possible violations of contract provisions.

Third. Determining minimum manning scales, minimum wage scales, and minimum working conditions for all personnel employed on subsidized ships.

Fourth. Determining comparative foreign shipbuilding and operating costs.

Fifth. Determining relative costs of marine insurance.

Sixth. Approving characteristics and programing replacement shipping.

Seventh. Determining the adequacy of American-flag shipping on essential trade routes.

Decisions in these judgment matters can permanently affect the strength and adequacy of our American-flag merchant marine. They include the terms and conditions of long-range contracts and thus involve the commitment of large sums of money, both on the part of the Government and private contractors. The $4.5 billion long-range vessel replacement program undertaken by the industry in cooperation with the Government could be imperiled by injudicious or arbitrary handling of controversial issues which may arise between the principals and the Government.

In cases such as this impartial hearings are required under the safeguards provided in the 1936 act. Placing these important issues in the hands of a single administrator subject only to final review on appeal by superiors who do not have the time to deliberate and give comprehensive study to the issues is an invitation to pressure from all sides. Under the proposed plan, a presidentially appointed Maritime Administrator subordinate to the Secretary of Commerce, would be charged with all of these functions.

The Secretary of Commerce in testimony before the Senate Commerce Committee recognized that these quasi-judicial matters require consideration by more than a single official. He has stated that he will appoint two other officials in his department to serve as a panel with the Maritime Administrator in making these decisions. At best, however, this is a poor substitute for the statutory board which the plan would abolish.

While I realize that the Secretary of Commerce is trying to make the best of a bad plan, it must be remembered that a board which he says he would create and admits is necessary is not specifically included in the plan before us. It could be summarily abandoned even if it proved effective, at any time. In any event, such a panel would not have the bipartisan independent nature with continuity in office which the Congress has established as essential elements of the present Board. My distinguished colleague, Senator ENGLE, pointed out during hearings by the Commerce Committee on this proposal, that all three members of the Board proposed by the Secretary of Commerce will be his subordinates, so that if a secretary "wants to do some neckwringing he can do it all by himself." I noted myself, during the same hearings, that when I served in the executive branch of the Government, my assistants "jolly well agreed with me or they would not have been there very long."

The power to award operating differential subsidies and to fix the amount of operating differential and construction differential subsidies, closely parallels the granting of certificates of convenience and necessity or licenses by the Interstate Commerce Commission, the Federal Communications Commission, the Civil Aeronautics Board, and the Federal Power Commission. The grant of a subsidy, certificate, or license by these agencies, is tantamount to the power of life or death for the particular business entity involved. It is significant that all such licenses, certificates, or subsidies have been administered by statutory independent agencies. This is as it should be, especially where a choice must be made among mutually exclusive or conflicting applications.

Part II of Reorganization Plan No. 7 would reverse a carefully drawn and rarely violated historical legislative policy relating to quasi-judicial functions in the transportation area. One such instance I recall: Certain functions now under the Civil Aeronautics Board were once placed in the Department of Commerce. This proved unworkable and by Reorganization Plan No. 3, such authority was returned to the Civil Aeronautics Board. There has never been any explanation of why independent status is to be denied the agency controlling the maritime industry while it is retained for the agencies controlling all other forms of transportation.

The most difficult thing to understand is why a transfer of national maritime policy and program to the executive is now proposed since it has already been tried and found wanting. Prior to 1936, supervision of the national merchant marine policy program was actually in executive departments. The Post Office Department awarded and administered the ocean mail contracts authorized by the Merchant Marine Act of 1928. Effective in August 1933, the President, under statutory authority and by Executive Order 6166, abolished the U.S. Shipping Board and transferred its functions to the Department of Commerce. This method of administration was unsatisfactory. Following extensive departmental studies and recommendations and almost 2 years of congressional hearings, the Congress deliberately placed the administration of the Merchant Marine Act of 1936 in the hands of the independent statutory Federal Maritime Board. Through such action the Congress rejected the philosophy of executive control of the Merchant Marine Act of 1936 and instead placed responsibility under the statute in an independent agency composed of members appointed by the President with the advice and consent of the Senate for fixed and staggered terms.

In 1950, President Truman considered the advisability of transferring the Federal Maritime Board's function to the executive branch. He decided to retain an independent tribunal to handle subsidy matters and went to some lengths in submitting Reorganization Plan No. 21 to the Congress to emphasize:

> While the award of subsidies is a promotional rather than a regulatory function and might logically be assigned to the Maritime Administration instead of the Board, its impact on the shipping industry and on individual carriers is such as to make desirable the deliberation and combined judgment of a board. Accordingly, I have adhered to the recommendations of the Commission on Organization (the Hoover Commission) that this function be vested in a multiple body rather than a single official.

He also pointed out that the proposed reorganization would, as one of its "principal advantages, preserve the benefits of a bipartisan board for the determination of subsidies."

There has been no criticism of the functioning of the present Federal Maritime Board under the Merchant Marine Act of 1936 nor of the Maritime Administration. The extensive criticism which has received attention in the press relates to the regulatory activities of the Board under the 1916 Shipping Act. This is what is involved in part I of the President's proposed reorganization and has no bearing in any way upon part II. While no showing of necessity has ever been advanced for the sweeping changes proposed in part II, it has been suggested that placing these quasi-judicial responsibilities under the Secretary of Commerce would make for more efficient administration. This is a thin excuse for radical changes in national policy—it is small comfort to those who have invested their resources in our American merchant marine.

The administration has also urged, in principle, that a better job of promoting the American merchant marine can be accomplished under the administration of a single individual, the Secretary of Commerce. These assertions of high purpose without any specifics are vague in the extreme. What is overlooked in these arguments is that 11 years ago, by Reorganization Plan No. 21 of 1950, the Secretary of Commerce was vested with complete authority in the fields of research and development, and cargo and trade promotion. Such authority, however, has never been fully exploited in the past. It can and should be in the future. But the proposal made in part II of Reorganization Plan No. 7, to transfer quasi-judicial authority to the Secretary is in no way essential to this end.

The 15 private American steamship companies who have entered into subsidy contracts with the Government have committed almost a billion dollars toward the development of the finest peacetime fleet the United States has ever known. This heavy commitment, for what is in fact a rather small industry, relies upon a program of Government-industry cooperation grounded in the Merchant Marine Act of 1936. The industry is also under commitment to advance over $2 billion more during the next 10 or 12 years to complete the carefully programed fleet modernization now in progress. The confidence upon which this industry-Government partnership is grounded will be seriously shaken if one of the basic tenets of the partnership is radically changed as proposed in part II of Reorganization Plan No. 7.

I hope that the Senate will disapprove Reorganization Plan No. 7 and as a step in that direction will vote to discharge the Government Operations Committee from further consideration of the disapproval resolution. That will be our action if we heed the wise counsel of Adm. Emory Scott Land. Admiral Land was for 8 years Chairman of the U.S. Maritime Commission and was from February 9, 1942, until it was abolished, Chairman of the War Shipping Administration. More than any other man he deserves credit for the creation and successful operation of the vast fleets of merchant vessels which helped carry our forces to victory in World War II.

Admiral Land commented on Reorganization Plan No. 7 in a letter which he wrote to the chairman of the Senate Commerce Committee on July 6. He said in part:

> It is a step backward to the days before the 1936 act was enacted. It will not be slightly more expensive, but greatly more expensive.

If the Senate heeds Admiral Land's wise counsel, it will vote "aye" on the pending resolution.

Mr. President, in conclusion, I suppose I am for 90 percent of the proposal the administration has sent to Congress. Basically, what is concerned is that we have today a Maritime Board which handles not only regulation, but promotion. These two positions are incompatible. I think we all agree with that.

I commend the President and the members of his administration for sending to Congress the reorganization plan to do something about it. It takes the regulatory body outside of the Department of Commerce and sets it up independently. Its budget would be independently justified and would be included in the independent offices appropriation bill. But it leaves in the Department the promotional features. This I agree with.

However, I think there should be a board, rather than one man. What is proposed is to give one man the authority to spend $2 billion in the next 10 years. I myself would not want that job. Secretary Hodges, our very able Secretary of Commerce, realized this was a weakness, so when he came before our committee, he said:

> Well, I will appoint two deputies for him, so it will really be a three-man board.

Mr. President, I served in the administrative branch of Government. I had a deputy when I served as Assistant Secretary of State. We got together at staff meetings. We worked out policies. We reached certain conclusions. Once we had, he had to agree with me or he would be fired before dark. Providing two deputies under a man who has $2 billion at his disposal just would not get the job done.

I wish it were possible, under our procedures, to amend this measure, because I agree with the separation of the regulatory and promotional functions of the Board. However, that is not possible, but what we can do is what we did with the help of the Senator from Rhode Island [Mr. PASTORE]. We can write our own bill to reorganize the Maritime Commission, as we did the Federal Communications Commission. We have a bill introduced for that purpose today. We can get it passed and sent up to the White House and signed in a week.

I hope the Senate will think very carefully before it votes to give any one man the power of life and death over our great merchant marine. I do not know who would want the job. I would hate to take a job where I had to spend $2 billion on my own.

It is said that this will bring less pressure and less lobbying to bear, and will help the one man who has to make the decision. I think the decision should be made by three men, not more than two of them being from one political party. They should be appointed for a term of years, with the advice and consent of the Senate, so they will have some security there.

Mr. President, doling out $2 billion in the next 10 years is a great responsibility. I have great respect for the Secretary of Commerce. I point out that Henry Wallace was once Secretary. But one man with two deputies would make this decision.

I hope the Senate will reject the organization plan now before us.

Mr. SCHOEPPEL. Mr. President, I allocate 5 minutes to the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN].

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, first, I think we should clarify the parliamentary situation. The motion before us, as I understand it, is a motion to discharge the committee from further consideration of Reorganization Plan No. 7.

The PRESIDING OFFICER. That is correct.

Mr. DIRKSEN. If that motion prevails, that, of course, terminates any consideration of the plan.

Mr. McCLELLAN. No. If it prevails, the Senate goes right on.

Mr. DIRKSEN. If the motion does not prevail, then the plan will not be considered on its merits.

The PRESIDING OFFICER. If the motion is approved, then the measure is put on the calendar and can be taken up when called up. If the motion is not approved, the measure does not go on the calendar.

Mr. DIRKSEN. If the motion is voted down, then, of course, that is the end of the proceeding.

The PRESIDING OFFICER. That is correct.

Mr. DIRKSEN. Mr. President, I heard the inquiry addressed by the dinstinguished chairman of the Commerce Committee to the distinguished Senator from Arkansas that perhaps the plan ought to be discussed, rather than to sustain, or not, the motion to discharge the committee, so that it would not actually be before us.

Mr. MAGNUSON. To vote it up or down.

Mr. DIRKSEN. I did not catch the response of the distinguished Senator from Arkansas.

Mr. McCLELLAN. Mr. President, what was the question?

Mr. DIRKSEN. Whether or not the Senator from Arkansas shared the view expressed by the Senator from Washington.

Mr. McCLELLAN. What view? I made a statement a while ago.

Mr. DIRKSEN. I was not in the Chamber at the time.

Mr. McCLELLAN. I said I had no serious objections to the committee being discharged, and I had no serious objections to the resolution being considered on its merits. I explained why the committee had not acted, and why the motion was made.

Mr. DIRKSEN. I utter the hope that the committee will be discharged and that the plan will come up for further consideration, because there are a number of highly important elements of consideration involved.

In 1953 President Truman reduced the number on the Board from five to three. The proposal before us now is to raise the number from three to five. I thought President Truman, in 1953, was pretty explicit in his reasons for it and why he thought the Board ought to be reduced in number.

Certainly, among other things, one can point out that it is proposed to add several appointive jobs, at $20,000 a year, plus the cost that goes with it. I am fully aware of the fact that $20,000 is a drop in the bucket as we spend money today. Yet, in the same breath, we are talking about sacrifices which must be made in a time of crisis.

So I prefer the Truman viewpoint, and would retain the number at three, instead of raising the number to five.

The second, and more important, part of the question is the matter of subsidies. I had these figures looked up. In 1961, the construction differential subsidy was $126 million. In 1962 it was $98 million. The only reason for the diminution was that there were some funds not obligated in fiscal 1961.

The operating subsidies were $150 million in 1961 and $182 million in 1962.

Actually, under the plan, that whole subsidy matter is going to be determined by a single person rather than a multiple board or a number of people.

To be sure, one could add deputies. One could add other people to help resolve the problem of subsidies. However, I think, in the interest of the American taxpayers, to have that resolved by a number of people after careful consideration would be infinitely preferable to imposing the entire authority in the hands of a single person.

The third important reason why I think this ought to come before us on its merits, and why I think the plan ought to be rejected, is the same one found in respect to some other reorganization plans; namely, the delegation of power.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. SCHOEPPEL. Mr. President, I yield the Senator 3 more minutes.

Mr. DIRKSEN. Mr. President, actually the delegation of power was the real reason for the defeat of the SEC plan, of the Federal Communications plan, and also of the plan for the National Labor Relations Board.

I believe under section 105 that power can be delegated to a commissioner, to a group of employees, or even to a single employee. That would mean such broad powers as rate control, regulation of rates, practices, and agreements among maritime carriers could be committed to the hands of a single individual.

When we add to that the fact that there is no right of review, this would go a long, long way toward forestalling the right of the public to really get a day in court. The public would be cut off from a decision by the Commission itself, if that kind of power were delegated to an employee of the Board, and even more important is the fact that the right of review would be cut off. In the first instance, power could be delegated to an employee; and, in the second instance, if one came in for a review, the Commission would not be in a position even to review the action of one of its employees.

I do not believe anything more needs to be said, with one possible exception. A Maritime Administrator is set up under the plan, but is prescribed no duties whatsoever. The only duties he will have are the duties to be prescribed for him by the Secretary of Commerce. To me it is an amazing thing to set up a Maritime Administrator and then to prescribe no duties in the plan itself.

The PRESIDING OFFICER. The time of the Senator from Illinois has again expired.

Mr. SCHOEPPEL. Mr. President, I yield the Senator 1 additional minute.

Mr. DIRKSEN. Mr. President, I have stated the reasons why I think the plan ought to be rejected. There is the broad power to a single individual with respect to subsidies. There is delegation of power to lower levels, including to an employee, who might deal with rates, contracts, and practices in the shipping industry. There is the cutting off of the right of review by the Commission itself.

I know of no other reasons which need to be stated why the plan on the merits ought to be rejected. Therefore, the committee ought to be discharged so that the plan can come before the Senate.

Mr. McCLELLAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arkansas has 4 minutes.

Mr. McCLELLAN. Mr. President, I yield 2 minutes to the distinguished Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, I have been a member of the Committee on Commerce for 4½ years. During that period of time I have developed an attitude which has grown in doubt about the prudence with which our subsidy money for the merchant marine has been spent.

To speak with absolute sincerity, I have suffered anguish in observing the members of the merchant marine come before the committee and espouse every request for increased subsidies. It has been painful.

I do not subscribe to giving to one man the power to expend the huge sum of money involved, but in this instance I do not believe it will be any worse than the present situation. I have faith in the Secretary of Commerce. I believe he will do well.

I noted that in the previous administration the President of the United States did not want two passenger ships built, at a huge cost, but the merchant marine, in charge of the promotion, came in to advocate it.

I shall support the proposal made, and if it does not work we can subsequently, by statute, change it.

Mr. McCLELLAN. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. The Senator from Arkansas has 2 minutes remaining, and the Senator from Kansas has 8 minutes remaining.

Mr. McCLELLAN. Mr. President, I yield myself the 2 minutes.

Mr. President, I wish to make it clear to my colleagues that in my judgment, the Committee on Government Operations has in no way neglected its duty. The committee is not compelled under the law or under the rules to process reorganization plans in any way. The committee is not even compelled to process a resolution of disapproval.

In this instance, the resolutions were not received in time for consideration. Had they been received in time, the committee would have held hearings and would have undertaken to make a report.

I am placed in a peculiar position, Mr. President. As chairman of the Committee on Government Operations, I do not like to vote to discharge my own committee. I do not like to vote against giving Members of the Senate an opportunity to consider a resolution on its merits. I have no objection to the resolution being considered on its merits, or to the Senate using 10 hours or any part of the 10 hours to debate, in the consideration of the resolution on its merits.

The House voted down the motion to consider the resolution of disapproval in the House. This whole question can be ended by a vote against the motion to consider the resolution. If the motion fails, that will end all consideration of the plan, and the plan will go into effect tomorrow.

If the Senate wishes to debate the plan, the only way it can be debated on its merits, to be considered for the 10 hours or for any part of the 10 hours, as the law provides, is for the Senate to vote to discharge the committee.

I am going to ask, Mr. President, that I be excused from voting, for the reasons I have stated. I hope my colleagues, under the circumstances, will grant me that privilege.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. HOLLAND. How else may the Members of the Senate be given a right to pass favorably or unfavorably upon the reorganization plan, unless it comes before the Senate?

Mr. McCLELLAN. I am sure every Senator knows that. I was saying very definitely I had no objection to that being done. I do not personally wish to vote to discharge my own committee. If other Senators wish to do that, it is all right, under the circumstances.

Mr. HOLLAND. Mr. President, would the Senator have any objection to a unanimous-consent request?

Mr. McCLELLAN. I have said I would not. If I were in the Senator's position and wished to discuss the plan on its merits, I would vote to discharge the committee. This is a circumstance over which we do not have control. The procedure is provided by the rules, so as to make certain that the Senate or the

House of Representatives can vote on these plans, and no committee can kill them. I only wish to emphasize that the Committee on Government Operations, under no circumstances and in no manner, undertook to withhold action on these plans. We are perfectly willing for them to be considered by the Senate.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. Mr. President, will the Senator from Kansas yield me 1 minute?

Mr. SCHOEPPEL. I yield 1 minute to the Senator from Ohio.

Mr. LAUSCHE. While I favor the plan submitted, I still believe the Senate ought to have an opportunity to discuss the plan on its merits. Therefore, I shall vote to discharge the committee.

Mr. SCHOEPPEL. Mr. President, I allot myself 1 minute of my time.

I say to the Senators that I have profound respect and affection for the Senator from Arkansas, the chairman of the distinguished committee. Were it not for the procedural phase of the problem, to which we are forced to adhere in order to bring the resolution before the Senate, the motion to discharge the committee which operates under the distinguished Senator from Arkansas never would have been made. There is no recourse for us, other than to proceed along this line.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I am glad to yield to the Senator from Florida.

Mr. HOLLAND. I wonder if the distinguished Senator from Arkansas, the very able chairman of the committee which has done such a fine job in so many fields, would have any objection to a unanimous-consent request that the motion of the Senator from Kansas be agreed to so that the Members of the Senate may vote the reorganization plan up or down on its merits.

Mr. McCLELLAN. Mr. President, I have stated over and over again that I have no objection to the reorganization plan being considered on its merits. However, I do not feel that I should be required to go on record as voting to discharge my own committee.

Mr. HOLLAND. Mr. President, I make such a unanimous consent request, merely because I think that every Senator has a responsibility on this question, as has every member of the Committee on Government Operations a responsibility.

Mr. DOUGLAS. Mr. President, reserving the right to object, if we approve of the plan—and I personally do—we can show such approval in a simple way by voting down the motion of the Senator from Kansas. I object.

Mr. SCHOEPPEL. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kansas [Mr. SCHOEPPEL] to discharge the committee from further consideration of Senate Resolution 186, relating to Reorganization Plan No. 7.

The motion was agreed to.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1962—CONFERENCE REPORT

Mr. ROBERTSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. ROBERTSON. Mr. President, I wish to make a relatively brief statement on the conference action on H.R. 7851, the Defense Department appropriation bill for fiscal year 1962. I hope to cover all the major points contained in the conference. I shall be happy to attempt to answer any questions when I am finished.

The conference action which is before you contains a total of $46,662,556,000. This is an amount $3,951,451,000 over the action by the House and $185,736,000 under the action by the Senate. It represents the largest peacetime budget in the U.S. history. I hope that a future generation will be able to point to it as a significant and successful deterrent to war.

In round numbers, it contains $11.8 billion for the Army, $14.5 billion for the Navy, $18.8 billion for the Air Force, $1.3 billion for the Office of the Secretary of Defense, and $207,600,000 for civil defense.

I shall now describe briefly the major changes made in the bill by the conference committee. You will recall that on July 26 the President submitted a supplemental request to the Senate for funds totaling $3,454,600,000. The conferees agreed to all of these increases.

In general terms, the increases provided will strengthen the combat readiness of Army divisions, improve the sealift and antisubmarine warfare capability of the Navy, and improve the airlift and strengthen the nuclear strike and air defense capability of the Air Force. Since the acting chairman and others described these items in full detail only a few days ago when the bill was originally presented to the Senate, I shall not describe them more fully at this time, unless requested to do so.

Included also by the conference were $514,500,000 for the continued production of long-range bombers, and $400 million for the development, test, and evaluation of the B–70 weapons system. Ten million dollars was also included for utility transport aircraft procurement. It is the hope of the members that these funds, which exceed the budget request in some instances, will be utilized by the administration in the coming year.

The conference restored half of the $58 million reduction made by the House for major repair and modification of facilities and provided language which, while permitting the utilization of funds for needed repairs to facilities, tightened the controls in section 637 over abuses of that activity.

The $40 million which the Senate added for the Army deficiency in the 1961 military personnel account was not approved. Instead, the committee agreed that the Secretary of Defense should investigate thoroughly the causes and responsibilities related to this matter and take corrective action.

Senate action was approved relating to drill pay for Air Reserve recovery units; operational funds for transport aircraft apart from MATS, SAC, and TAC; increased fuel costs for the Naval and Marine Air Reserve; Naval Academy repairs; three aviation maintenance battalions of the Army National Guard; and the maintenance costs of stepped-up C–97 conversions in the Air National Guard. An increase over the House of $5 million for the Air National Guard was also approved.

You will recall that included in the President's July 26 submission was $207.6 million for civil defense, which the Senate approved. The House conferees did not feel that they could agree to this amendment and the item was taken back to the floor of the House in disagreement. The House has concurred in the Senate amendment, so that the $207.6 million remains in the bill.

The conference agreed upon a number of language changes in the bill. The research, development, test, and evaluation accounts, which the House had split into two sections in order to limit operation funds to 1 year's availability, were restored to their original form, but notice has been served in the report that the Congress expects the services to provide uniform procedures to control housekeeping functions.

In section 612(c) the conference approved Senate action requested by the President providing authority to increase the size of the Armed Forces if necessary.

The provision which the Senate added to section 623 regarding the awarding of contracts on a formally advertised competitive basis to the lowest responsible bidder was approved, as was the Senate proviso to section 632 which would permit the Secretary of Defense to waive the limitation on the hire of motor vehicles, if deemed in the national interest.

Because of a possible national emergency, the Senate action deleting the limitation on travel expenses was agreed to, but section 633 retained the earmarking of funds for commercial passenger sea transportation on American-flag vessels. Senate action deleting section 534, the flight pay limitation, was also approved.

The section dealing with advertising costs was amended in the conference by deleting the last two exceptions provided by the Senate. As agreed in the conference, the prohibition shall not apply to recruitment of personnel by a contractor, the procurement of scarce items, and the disposal of scrap or surplus materials.

Section 638, inserted by the Senate, providing for a 6½-percent payment to retirement systems for National Guard personnel was not approved. The House conferees were adamant on this matter. The conference committee approves in principal a retirement system for these employees, but feels that appropriate legislation should precede appropriations.

In section 640, the conference approved a limitation of $200 million and appropriate language permitting the Secretary of Defense to transfer appropriations if required in the national interest.

In section 641, the conference approved validation of foreign duty pay to enlisted personnel who served on Texas towers.

In other actions, the conference approved the biweekly pay period system, increased funds for rifles and ammunition for rifle clubs, expediting a study relating to missile site support aircraft, the House limitation on the funds for the Dyna-Soar program, and the House figure related to the limitation on oversea dependent school costs.

I wish to pay tribute to all the members of the conference and to the chairman of the Senate subcommittee, Senator DENNIS CHAVEZ, who worked so hard on this bill. Generally speaking, I believe that the measure has been materially strengthened by the action of the Congress on the budget requests.

I ask unanimous consent that a table showing the House, Senate, and conference action on the bill be inserted at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Congressional action on H.R. 7851, the Department of Defense appropriation bill for fiscal year 1962

TITLE I—MILITARY PERSONNEL

Item	Appropriations, 1961	Budget estimates, 1962 (revised through July 26, 1961)	House action	Senate action	Conference report
Military personnel, Army	[1] $3,254,548,000	[2] $3,697,000,000	[3] $3,202,000,000	[3] $3,737,000,000	[3] $3,697,000,000
Military personnel, Navy	[4] 2,523,244,000	[5] 2,692,000,000	[6] 2,600,000,000	[6] 2,692,000,000	[6] 2,692,000,000
Military personnel, Marine Corps	[7] 606,746,000	[8] 629,000,000	[8] 629,000,000	[8] 629,000,000	[8] 629,000,000
Military personnel, Air Force	[10] 4,019,676,000	[11] 4,197,000,000	[12] 4,033,000,000	[12] 4,197,000,000	[12] 4,197,000,000
Reserve personnel, Army	233,998,000	199,000,000	221,000,000	221,000,000	221,000,000
Reserve personnel, Navy	87,584,000	84,600,000	84,600,000	84,600,000	84,600,000
Reserve personnel, Marine Corps	24,831,000	26,400,000	26,400,000	26,400,000	26,400,000
Reserve personnel, Air Force	54,000,000	52,000,000	52,000,000	56,000,000	56,000,000
National Guard personnel, Army	230,277,000	202,000,000	235,000,000	235,000,000	235,000,000
National Guard personnel, Air Force	46,000,000	47,000,000	47,000,000	47,000,000	47,000,000
Retired pay, Department of Defense	[13] 789,500,000	[14] 920,000,000	920,000,000	920,000,000	920,000,000
Total, title I, military personnel	11,870,404,000	12,746,000,000	12,050,000,000	12,845,000,000	12,805,000,000

TITLE II—OPERATION AND MAINTENANCE

Operation and maintenance, Army	$3,208,522,000	[15] $3,716,000,000	$3,330,460,000	$3,747,710,000	$3,735,710,000
Operation and maintenance, Navy	2,598,297,000	[16] 2,905,000,000	2,695,885,000	2,896,900,000	2,889,535,000
Operation and maintenance, Marine Corps	176,725,000	[17] 188,000,000	186,700,000	187,900,000	187,300,000
Operation and maintenance, Air Force	4,315,398,000	[18] 4,542,000,000	4,299,740,000	4,498,541,000	4,486,740,000
Operation and maintenance, Army National Guard	166,316,000	171,300,000	169,900,000	173,300,000	171,600,000
Operation and maintenance, Air National Guard	189,481,000	193,400,000	193,600,000	206,400,000	199,600,000
National Board for the Promotion of Rifle Practice, Army	501,000	500,000	500,000	500,000	500,000
Operation and maintenance, Alaska Communication System, Army	7,230,000	6,300,000	6,300,000	6,300,000	6,300,000
Salaries and expenses, Secretary of Defense	19,850,000	21,000,000	20,000,000	20,000,000	20,000,000
Claims, Department of Defense	19,575,000	19,000,000	19,000,000	19,000,000	19,000,000
Contingencies, Department of Defense	15,000,000	30,000,000	15,000,000	15,000,000	15,000,000
Salaries and expenses, Court of Military Appeals	425,000	445,000	445,000	445,000	445,000
Total, title II, operation and maintenance	10,717,320,000	11,792,945,000	10,937,530,000	11,771,996,000	11,731,130,000

TITLE III—PROCUREMENT

Procurement of equipment and missiles, Army	$1,495,352,000	[19] $2,564,000,000	$1,901,360,000	$2,543,642,000	$2,532,602,000
Procurement of aircraft and missiles, Navy	2,141,760,000	[20] 2,735,600,000	2,148,160,000	2,691,760,000	2,680,888,000
Shipbuilding and conversion, Navy	2,316,360,000	[21] 2,915,000,000	2,897,860,000	2,897,860,000	2,897,860,000
Other procurement, Navy	420,980,000	[22] 860,400,000	689,920,000	855,320,000	852,012,000
Procurement, Marine Corps	91,180,000	[23] 270,000,000	198,940,000	265,940,000	264,600,000
Aircraft procurement, Air Force	3,251,449,000	[24] 3,200,500,000	[25] 2,916,684,000	[25] 3,223,444,000	[25] 3,199,614,000
Airlift modernization, Air Force	310,785,000	[26] 380,600,000	320,656,000	403,256,000	401,604,000
Missile procurement, Air Force	2,615,120,000	[27] 2,800,300,000	2,736,160,000	2,744,960,000	2,744,784,000
Other procurement, Air Force	877,171,000	[28] 1,124,100,000	981,274,000	1,103,374,000	1,100,932,000
Total, title III, procurement	13,520,160,000	16,860,000,000	14,881,014,000	16,729,556,000	16,674,896,000

[1] In addition $260,000,000 to be derived by transfer from stock fund. (Excludes $40,000,000 submitted in H. Doc. 180 which amount was recommended in Senate bill for fiscal year 1962, but excluded in conference.)

[2] Reflects decrease of $199,000,000 in H. Doc. 124. In addition, same document proposes increase of $215,000,000 to the $125,000,000 proposed in the January budget request to be derived by transfers. Includes increase of $495,000,000 in S. Doc. 39.

[3] In addition, $340,000,000 to be derived by transfer from stock and industrial funds.

[4] In addition, $75,000,000 to be derived by transfer from stock fund.

[5] Reflects decrease of $45,000,000 in H. Doc. 124. In addition, same document proposes $55,000,000 to be derived by transfer. Includes increase of $92,000,000 in S. Doc. 39.

[6] In addition, $55,000,000 to be derived by transfer from stock and industrial funds.

[7] In addition, $500,000 to be derived by transfer from stock fund.

[8] Reflects decrease of $3,000,000 in H. Doc. 124. In addition, same document proposes $11,000,000 to be derived by transfer. Also, includes increase of $12,000,000 in H. Doc. 179.

[9] In addition, $11,000,000 to be derived by transfer from stock fund.

[10] In addition, $30,000,000 to be derived by transfer from stock fund.

[11] Reflects decrease of $30,000,000 in H. Doc. 124. In addition, same document proposes increase of $39,000,000 in amount to be derived by transfer together with $25,000,000 proposed in the January budget request. Includes increase of $164,000,000 in S. Doc. 39.

[12] In addition, $64,000,000 to be derived by transfer from stock and industrial funds.

[13] Includes $14,500,000 granted in 4th supplemental appropriation bill, 1961.

[14] Includes $25,000,000 in H. Doc. 124.

[15] Includes $65,000,000 in H. Doc. 124. In addition, includes $394,000,000 in S. Doc. 39.

[16] Includes $94,000,000 in H. Doc. 124 and $3,000,000 in H. Doc. 179. In addition, includes $184,000,000 in S. Doc. 39.

[17] Includes $2,000,000 in H. Doc. 124 and $7,000,000 in H. Doc. 179.

[18] Includes $37,000,000 in H. Doc. 124. In addition, includes $165,000,000 in S. Doc. 39.

[19] Includes $109,000,000 in H. Doc. 124 and $160,000,000 in H. Doc. 179. In addition includes $552,000,000 in S. Doc. 39.

[20] Includes $192,000,000 in H. Doc. 124 and $543,600,000 in S. Doc. 39.

[21] Includes $1,090,000,000 in H. Doc. 124.

[22] Includes $79,000,000 in H. Doc. 124 and $165,400,000 in S. Doc. 39.

[23] Includes $25,000,000 in H. Doc. 124 and $38,000,000 in H. Doc. 179. In addition, includes $67,000,000 in S. Doc. 39.

[24] Includes decrease of $51,000,000 in H. Doc. 124 and increase of $211,500,000 in S. Doc. 39.

[25] In addition, $225,000,000 to be derived by transfer from funds appropriated in prior years.

[26] Includes $141,000,000 in H. Doc. 124 and $82,600,000 in S. Doc. 39.

[27] Includes decrease of $19,000,000 in H. Doc. 124 and increase of $8,800,000 in S. Doc. 39.

[28] Includes $25,000,000 in H. Doc. 124 and $122,100,000 in S. Doc. 39.

Congressional action on H.R. 7851, the Department of Defense appropriation bill for fiscal year 1962—Continued

TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Item	Appropriations, 1961	Budget estimates, 1962 (revised through July 26, 1961)	House action	Senate action	Conference report
Research, development, test, and evaluation, Army	$1,053,286,000	[29] $1,205,400,000	[30] $1,202,700,000	$1,203,700,000	$1,203,200,000
Research, development, test, and evaluation, Navy	1,218,624,000	[31] 1,306,000,000	[32] 1,300,937,000	1,302,000,000	1,301,470,000
Research, development, test, and evaluation, Air Force	1,552,863,000	[33] 1,943,000,000	[34] 2,002,924,000	2,452,440,000	2,403,260,000
Salaries and expenses, Advanced Research Projects Agency, Department of Defense	215,000,000	[35] 186,000,000	186,000,000	186,000,000	186,000,000
Emergency fund, Department of Defense	[36] 150,000,000	[36] 150,000,000	[36] 150,000,000	[36] 150,000,000	[37] 150,000,000
Total, title IV, research, development, test, and evaluation	4,189,773,000	4,790,400,000	4,842,561,000	5,294,140,000	5,243,930,000
Grand total, titles I, II, III, and IV	40,297,657,000	46,189,345,000	42,711,105,000	46,640,692,000	46,454,956,000

TITLE V—CIVIL DEFENSE

Civil defense		[38] $207,600,000		$207,600,000	$207,600,000
Grand total, titles I, II, III, IV, and V	$40,297,657,000	46,396,945,000	$42,711,105,000	46,848,292,000	46,662,556,000

[29] Includes $75,000,000 in H. Doc. 124.
[30] Includes $372,700,000 for operation and maintenance of facilities and installations.
[31] Includes $39,000,000 in H. Doc. 124.
[32] Includes $447,537,000 for operation and maintenance of facilities and installations.
[33] Includes $241,000,000 in H. Doc. 124 and $65,000,000 in H. Doc. 179.
[34] Includes $447,724,000 for operation and maintenance of facilities and installations.
[35] Includes $21,000,000 in H. Doc. 124.
[36] In addition, $300,000,000 to be derived by transfer from other appropriations available for obligation in the respective fiscal year; $150,000,000 for regular emergency fund purposes and $150,000,000 to accelerate missile or satellite programs.
[37] In addition, $500,000,000 to be derived by transfer from other appropriations available for obligation in the respective fiscal year, $150,000,000 for regular emergency fund purposes, $150,000,000 to accelerate missile or satellite programs, and $200,000,000 to further improve the readiness of the Armed Forces.
[38] Included in S. Doc. 39.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. HUMPHREY. Were the conferees unanimous in approving the report?

Mr. ROBERTSON. There was disagreement on the civil defense item. We disagreed on that item with the House conferees. The House, however, agreed to the position of the Senate conferees on the floor of the House today.

Mr. HUMPHREY. Mr. President, will the Senator tell the Senate whether the Senator from Massachusetts [Mr. SALTONSTALL], the ranking minority member of the conferees, supported the conference report?

Mr. ROBERTSON. There was one amendment that the Senator from Massachusetts [Mr. SALTONSTALL] took exception to, but the conferees agreed on it. The amendment related to the 1961 deficiency of $40 million for military personnel, Army. The remainder of the conferees agreed on it.

An amendment had been offered by the Senator from New Hampshire on exhibit advertising. The conference finally agreed that it be deleted.

Mr. HUMPHREY. The reason the Senator from Minnesota asked the question is to ascertain whether or not in the conference report the Senator from Virginia has the full support of both the majority and the minority.

Mr. ROBERTSON. All the conferees signed the report.

Mr. HUMPHREY. I call to the attention of the minority leader that all members of the conference signed the report.

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished Senator from Virginia concerning the item on civil defense. What was the nature of the compromise that was finally effected?

Mr. ROBERTSON. The compromise was that we agreed to the full amount that the President had requested.

Mr. DIRKSEN. The conference agreed to the full amount.

Mr. ROBERTSON. The conferees could not agree. The House conferees took the item back to the House, and the House moved to recede and to agree to the Senate position. The Senate position was that the entire amount of $207,600,000 be approved, so it all went in and is all agreed to now.

Mr. DIRKSEN. Mr. President, the $207,600,000 provided in the report is in addition to the amount that was requested in the first instance. The President made his supplemental request after he addressed the country, and I understood the amount was in addition to the original request.

Mr. HUMPHREY. The Senator is correct.

Mr. DIRKSEN. I wonder what the total amount for civil defense now is.

Mr. ROBERTSON. The President made a budget request earlier in another bill. We had a budget estimate for the Civil Defense Mobilization Director for a little over $85 million. That provision was in the independent offices bill. On July 26, the President recommend an additional $207,600,000, and that amount is in the present bill. That is all the civil defense money that is in the bill, and that was the President's last estimate.

Mr. DIRKSEN. Then the total amount provided for civil defense in the defense appropriation bill for 1962 and the independent offices appropriation bill aggregates something in excess of $300 million, as I recall?

Mr. ROBERTSON. The Senator is approximately correct.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. HUMPHREY. What is the total amount appropriated?

Mr. ROBERTSON. Forty-six billion six hundred and sixty-two million five hundred and fifty-six thousand dollars.

Mr. HUMPHREY. What was the total amount contained in the Senate bill before the bill went to conference?

Mr. ROBERTSON. Forty-six billion eight hundred and forty-eight million two hundred and ninety-two thousand dollars. The conference report is $185,736,000 below the Senate figure.

Mr. HUMPHREY. That was the result of the conference.

Mr. ROBERTSON. In the interest of economy, a 2-percent reduction was taken on all procurement items except two.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. MILLER. May I ask the Senator from Virginia what action was taken on the advertising problem?

Mr. ROBERTSON. The problem, the Senator understands, applies only to cost-plus contracts. If a man obtains a firm bid contract, he can advertise as he sees fit, but he is subject to the general provisions about advertising being deducted as a necessary item of doing business. On cost-plus contracts he can advertise for scarce materials. He can advertise to dispose of surplus material. He can advertise for needed personnel, subject to regulations to be issued by the Secretary of Defense.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. In a letter to the Secretary of Defense the committee chairman inserted a statement about exhibits at Government expense for advertising.

Mr. ROBERTSON. The Senator is correct. To make the point clear, it did not apply to the advertising that a man would do if he had a firm-bid contract.

Mr. SALTONSTALL. Mr. President, will the Senator yield further?

Mr. ROBERTSON. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. May I say to the chairman of the conference that he did an excellent job, and I think that in the conference report the position of the Senate came off substantially as we had voted.

Mr. ROBERTSON. I thank the distinguished Senator from Massachusetts.

Mr. SCHOEPPEL. I wish to express my appreciation to the distinguished Senator from Virginia for the excellent

job he has done with reference to the conference report.

Mr. ROBERTSON. I thank my friend.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7851, which was read, as follows:

Resolved, That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7851) entitled "An Act making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes."

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 26, 41, 54, 64, and 65 to the aforesaid bill, and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 69 to aforesaid bill, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert:

"SEC. 636. No part of the funds appropriated herein shall be available for paying the costs of advertising by any defense contractor, except advertising for which payment is made from profits, and such advertising shall not be considered a part of any defense contract cost. The prohibition contained in this section shall not apply with respect to advertising conducted by any such contractor, in compliance with regulations which shall be promulgated by the Secretary of Defense, solely for (1) the recruitment by that contractor of personnel required for the performance by the contractor of obligations arising under a defense contract, (2) the procurement of scarce items required by the contractor for the performance of a defense contract, or (3) the disposal of scrap or surplus materials acquired by the contractor in the performance of a defense contract."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 71 to aforesaid bill, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted, insert the following: "acquisition of new facilities, or alteration, expansion, extension or addition of existing facilities."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 74 to aforesaid bill, and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "SEC. 638. During the current fiscal year, the Secretary of Defense may, if he deems it vital to the security of the United States and in the national interest to further improve the readiness of the Armed Forces, including the reserve components, transfer under the authority and terms of the Emergency Fund an additional $200,000,000: *Provided*, That the transfer authority made available under the terms of the Emergency Fund Appropriation contained in this Act is hereby broadened to meet the requirements of this section: *Provided further*, That the Secretary of Defense shall notify the Appropriations Committees of the Congress promptly of all transfers made pursuant to this authority."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 75 to aforesaid bill, and concur therein with an amendment, as follows:

Change the section number to "639";

Agree to subsection "a";

Concur in subsections (b) and (c), amended to read as follows:

"(b) The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents, of the United States from accountability or responsibility for any payments described in the first paragraph of this section, and shall allow credits in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

"(c) Appropriations available to the United States Air Force for the pay and allowances of enlisted personnel shall be available for payments under this section."

Mr. ROBERTSON. Mr. President, these are language amendments, and I move that the Senate concur in the House amendments to the Senate amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia.

The motion was agreed to.

FOREIGN ASSISTANCE ACT OF 1961

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 1983), to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

REORGANIZATION PLAN NO. 7, RELATING TO THE FEDERAL MARITIME BOARD

Mr. SCHOEPPEL. Mr. President, I move that the Senate proceed to the consideration of Senate Resolution 186.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 186) disapproving Reorganization Plan No. 7 transmitted to Congress by the President on June 12, 1961.

Mr. SCHOEPPEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. What is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas that the Senate proceed to the consideration of Senate Resolution 186.

Mr. DIRKSEN. I understood the question before the Senate now to be the resolution to disapprove Reorganization Plan No. 7.

The PRESIDING OFFICER. The resolution is not yet before the Senate.

Mr. DIRKSEN. Then why do we not proceed to consider it?

The PRESIDING OFFICER. The question is whether the Senate will take it up.

Mr. DIRKSEN. I thought that question had been resolved. If not, I move that the resolution be laid before the Senate.

The PRESIDING OFFICER. That is the pending question. The Senator from Illinois has asked for the yeas and nays.

Mr. DIRKSEN. What is the pending business?

The PRESIDING OFFICER. The pending business is the consideration of the motion of the Senator from Kansas [Mr. SCHOEPPEL] to proceed to the consideration of Senate Resolution 186. The yeas and nays have been ordered.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the yeas and nays be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Is it now proper to make a motion to proceed to the consideration of the resolution?

The PRESIDING OFFICER. That motion has already been made by the Senator from Kansas [Mr. SCHOEPPEL].

Mr. McCLELLAN. Is it proper now to vote on that motion?

The PRESIDING OFFICER. It is proper to vote on it now.

Mr. McCLELLAN. I suggest that we vote on it.

Mr. DIRKSEN. Will the Chair state for the benefit of the Senate exactly what the proposition is before the Senate?

The PRESIDING OFFICER. The proposition before the Senate is the motion of the Senator from Kansas [Mr. SCHOEPPEL] to proceed to the consideration of Senate Resolution 186.

Mr. DIRKSEN. As I understand it now, the Chair has stated that the question is on agreeing to the motion to consider the resolution. I thought we had disposed of the motion to consider it. What we desire is a yea-and-nay vote on the proposal to disavow Reorganization Plan No. 7.

The PRESIDING OFFICER. First it must be taken up.

Mr. McCLELLAN. Mr. President, I shall state what I believe to be the parliamentary situation. The earlier motion that was adopted was the motion to discharge the committee. When the committee was discharged, the resolution was automatically placed on the calendar.

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. The resolution was then subject to being called up. The motion now is to call it up so that we can vote on it.

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the motion of the Senator from Kansas [Mr. SCHOEPPEL] that the Senate proceed to the consideration of Reorganization Plan No. 7.

The motion was agreed to.

Mr. DIRKSEN. Mr. President, on the question of agreeing to the resolution, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Washington will state it.

Mr. MAGNUSON. As I understand, Senators who favor Reorganization Plan No. 7 will vote "nay" on the resolution of disapproval; Senators who disapprove of the reorganization plan will vote "yea."

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. Mr. President, the question is still debatable, is it not?

The PRESIDING OFFICER. The Senator is correct. Ten hours of debate are provided under the rule.

Mr. SCHOEPPEL. Mr. President, I know of no Senator on this side of the aisle who desires to make a statement, unless he so indicates now.

Mr. DIRKSEN. Mr. President, I shall simply summarize what I said before. The reorganization plan proposes, first, to increase the membership of the Commission from three to five, which adds to the expense of the Commission. Second, it concentrates control over subsidies in the hands of one man. Third, it authorizes a delegation of power by the chairman not merely to a commissioner, but to a group of employees or to a single employee. It would make it possible to take away from the Board control over rates, contracts, and shipping practices and lodge it in the hands of a single employee of the Board. Fourth, that power could be lodged in the hands of a single employee, and no member of the public who might be aggrieved by such action could get a review by the Commission of any practice, any rate, any contract, or anything which appertains to the shipping industry.

It was for that reason that the plans to reorganize the Securities and Exchange Commission, the National Labor Relations Board, and the Federal Communications Commission were disapproved.

Finally, the proposal would create a Maritime Administrator, but would prescribe no duties for him except only those which may be assigned by the Secretary of Commerce.

Mr. President, this is, indeed, a very far reaching plan. In some respects, it goes infinitely further than some of the plans which were before the Senate before.

For these reasons, I believe the plan to reorganize the Maritime Commission should be disapproved and that the vote should be "yea."

The PRESIDING OFFICER. Do the Senators in control of the time yield back the remainder of their time?

Mr. HOLLAND. Mr. President, I wish to be heard on this question, but I am not quite ready. If some other Senator wishes to speak first, I shall be happy to defer to him.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield time to the Senator from Ohio?

Mr. LAUSCHE. Is the time allocated?

The PRESIDING OFFICER. The time is limited.

Mr. McCLELLAN. Automatically, by the rule relating to reorganizations, 10 hours of debate are allowed, 5 hours to each side. I shall be glad to yield to the Senator from Ohio as much time as he wishes.

INTIMIDATION OF SCHOOL-AID VOTES

Mr. LAUSCHE. Mr. President, last week a rather lengthy discussion took place in the Senate about the motives for inducing opposition to the efforts to add, by way of amendment, provisions which would enable the payment of moneys due to federally impacted school districts. Yesterday, August 9, the Washington Daily News published an editorial entitled "Intimidating School Votes." I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INTIMIDATING SCHOOL VOTES

Schemers for federalized public education, temporarily blocked in Congress, are threatening economic reprisals which fall little short of blackmail.

To coerce votes for $2.5 billion in general school subsidy, they are threatening to withdraw aid to the "impacted" areas. They insist the two be tied in the same package.

"Impacted" areas include districts whose schools have been swamped by children whose parents have moved in to work for Government installations. There have been abuses of the system, sought to be corrected by our last two Presidents, but the principle is just. Lacking this customary aid, these school districts would be in severe trouble. Some would not be able to operate.

And since the districts are widely scattered, the threat puts heavy pressure on many Congressmen.

While some of the poorer States need help and all have to sacrifice to pay for good schools, the propaganda concerning a national education emergency is a fake. School expenditures have grown many times faster than enrollments. Average teaching loads have been reduced and teacher salaries, though still low, are rising considerably faster than the national average.

Injustice to gifted teachers remains but hardly can be corrected so long as pay and recognition are linked to college degrees, rather than individual proficiency—a system comparable to gaging musical genius by the number of lessons taken.

As an obvious vote-catching device the school subsidy bill provides cash for the wealthy States, as well as the poor, again emphasizing the obvious fundamental aim of this campaign which is gradually to take control of the schools away from the local boards and turn it over to professional educator-bureaucrats. This would be accomplished through regulations which are bound to accompany subsidies.

If there were sincere desire to ease local school tax burdens, this could be accomplished without either Federal subsidies or Federal controls. Remission of a few excises, such as the taxes on telephone service, would permit the States to reimpose them and raise their own money. But this would bypass the Federal bureaucrats and is not even being considered.

PURCHASE OF RECREATION AREAS FROM NATIONAL LAND RESERVE

Mr. McGEE. Mr. President, Mr. James Howard, the editor of my hometown newspaper at Laramie, Wyo., on August 6, 1961, wrote an excellent editorial lauding the recent announcement by the Secretary of Interior that recreation areas may now be purchased from the national land reserve for $2.50 an acre or lease them for 25 cents an acre per year.

The editorial further compliments the Secretary for the recently announced public land pricing schedule that will permit States, local governments, and nonprofit private organizations to obtain land sites for school construction for $2.50 an acre.

As pointed out in the editorial, we in the Western States, which have a large amount of public lands within their borders, are very much pleased with these new proposals. They represent this administration's sincere efforts to encourage the development of recreational areas and assistance in our educational endeavors, while at the same time abetting the transfer of suitable public land to public use under State or local control.

The Laramie Boomerang clearly states that the Secretary of Interior and the administration is putting into practice the principle that public lands do indeed belong to the public. I ask unanimous consent, that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PUBLIC LANDS FOR THE PUBLIC

Two recent announcements from Secretary of the Interior Stewart L. Udall received practically no attention in the West where they will have their greatest effect.

One announcement from Udal' said State and local governments in public land States may purchase recreation areas from the national land reserve for $2.50 an acre or lease them for 25 cents an acre per year.

The other announcement told of a new public land pricing schedule that will permit States, and local governments and nonprofit private organizations to obtain land sites for school construction for $2.50 an acre.

Udall says the steps are another step in the Interior Department's program to encourage transfer of suitable public land to public use under State or local control.

Particularly in the West, and most particularly in the Rocky Mountain West these new proposals deserve acclaim.

This area certainly needs additional recreation areas and the demands on our education facilities are increasing daily.

For too many years public lands have not been used to their full capacity. Secretary Udall deserves our thanks for getting maximum benefits from these lands for the maximum number of people.

We hope he extends the present program even further. He is putting into practice the principle that public lands do indeed belong to the public.

CONVERSION, ALTERATION, AND REPAIR OF NAVAL VESSELS AT PRIVATE SHIP REPAIR YARDS

Mr. CANNON. Mr. President, recently I had the pleasure to sponsor together with Senator BUTLER and Senator BUSH, a bill, S. 721, to require the expenditure of 75 percent of the funds expended for the conversion, alteration, and repair of naval vessels to be expended with private ship repair yards.

A statement relative to this important subject matter of Navy yard competition with private enterprise was recently presented by the Shipbuilders Council of America before the special Subcommittee on Utilization of Naval Shipyard Facilities of the House Armed Services Committee, which sets forth the issues involved in an enlightened and clear perspective.

I ask unanimous consent that the statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY EDWIN M. HOOD, VICE PRESIDENT, SHIPBUILDERS COUNCIL OF AMERICA, BEFORE SPECIAL SUBCOMMITTEE ON UTILIZATION OF NAVAL SHIPYARD FACILITIES, HOUSE ARMED SERVICES COMMITTEE

Mr. Chairman, members of the subcommittee, my name is Edwin M. Hood. I am vice president of the Shipbuilders Council of America, a national trade association of shipbuilding, ship repairing and allied industry companies. Rather than take up your time unduly with testimony from a series of individual witnesses, I have been asked to state the collective position of the industry.

We deeply appreciate this opportunity to give you our views on shipyard facilities to support the naval fleet. But, first, may I say, with deep conviction and genuine sincerity, we have a healthy and abiding respect for the U.S. Navy, and a continuing admiration for the officials, officers, and men of the Navy. Under increasingly difficult circumstances, the Navy has maintained the fleet in a state of readiness capable of meeting any emergency despite totally inadequate appropriations to replace our rapidly aging World War II fleet. We recognize the practical problems with which the Navy is confronted and want to help in their solution.

Through the years, we have built and repaired many ships for the Navy. And we want to continue to do so. The Navy is our principal customer. But, as Admiral James has said many times, the Navy, by the operation of naval shipyards, is also the biggest competitor of the private shipyards. This situation is true of no other defense industry. This odd phenomenon has not diminished the high regard in which we hold the Navy and particularly the staff of the Bureau of Ships.

On the first day of your hearings, Assistant Secretary BeLieu applied the word "system" in describing the naval shipyard support complex, and then rhetorically asked: "Would a different course increase our national security?" He also added that the naval shipyards "form the logistic base upon which our fleet depends for needed shore support." But, later in the same testimony, Secretary BeLieu said:

"And if you remember, I spoke of our need to maintain not only trained people and modern ships, but a logistics base.

"And this logistics base includes the naval shipyards, it also includes private shipyards, and it includes the whole strength of the country, as far as that is concerned."

In this same regard, you, Mr. Chairman, in your telegram of July 21, very aptly referred to the importance and indispensability of the private shipyard industry in this country. But, unfortunately, the private yards are not being maintained at suitable levels to meet this logistical responsibility.

It is to these points, which in our judgment are basic, we should like to address ourselves.

A review of the Nation's shipyard capability, both privately owned and Government owned, to mobilize for all contingencies cannot ignore the larger issues of national survival under past, present and future circumstances. Particularly under cold war conditions, economic and military goals are inseparable. The capacity of our economic system to produce the wherewithal, in sufficient quantity and regularity, to pay for ever-increasing, more costly defense requirements is the proven alternative to national calamity and national insolvency.

We must have a sound and ever-expanding economy if we are to achieve fiscal stability and protect our way of life while undertaking added military burdens. Our private economy generates the tax revenues necessary to finance military programs. And profits provide the incentive and the means for expansion.

The Federal Government promotes economic growth mainly by the contributions that it makes to conditions favorable to the exercise of private individual initiative and effort. Government action is not the principal, let alone the sole, determinant of the rate of economic growth. In our competitive enterprise system, growth requires that productive job opportunities be created in private employment.

This economic system has historically placed supreme reliance on privately owned industrial, business and commercial enterprises. Our tremendous economic growth, our prosperity, our productive capacity, our high standards of living, have developed because free men and women have followed the precepts of our forebears who settled in this country to escape burdensome taxation, governmental restrictions and often governmental suppression of freedoms. Our people and our entire Military Establishment are committed to the preservation of a way of life by which this great Nation has become the envy of the balance of the world.

In preserving and expanding our great heritage, the private shipbuilding and ship repairing industry of the United States seek to cooperate with the Congress, the Department of Defense and the Department of the Navy in the development of appropriate policies affecting naval ship procurements. The privately owned shipyards of this country seek to cooperate in the development of sound policies which advance national objectives and which are in the best public interest.

It is to be regretted that all too frequently there are those in the Government who look upon private industry as a mortal enemy. This unfortunate attitude overlooks the source of revenues by which the manifold interests of the government, at all levels, are sustained.

The role of privately owned shipyard facilities in our economic and defense structure needs restatement. In truth, it is the private shipyards, not the Government-owned facilities, which fundamentally serve the economic well-being of the Nation. A free market economy, composed of privately owned facilities, produces taxes while public enterprise consumes taxes. It is the private plus naval shipyard complex, properly and equitably utilized, which supports the material readiness of the naval fleet and maintains the American tradition of victory at sea.

Oddly enough, this complex exists half free and half nationalized, in contradiction to the free, competitive economic system we cherish and strive to nourish. Oddly enough, we have the anomaly of nationalized industrial activity competing with private industry. If seminationalization is good for naval purposes, why, then, aren't all other industries furnishing weapons, aircraft, and other military materiel similarly nationalized? A report of the House of Representatives, Committee on Government Operations, dated July 21, 1954, gives a reasonable answer to that question:

"If Government competition with private enterprise were pushed to its logical conclusion, the Government would ultimately destroy its source of income—commit national economic suicide."

There is nothing sacrosanct about the Government-owned, Government-operated shipyards. They possess no vested rights. The naval shipyards duplicate all that the private shipyards can do. Or, said differently, the private yards can do all that the naval shipyards can do where shipbuilding, ship repairing, ship alterations, and ship conversions are concerned. There is no basic prohibition to a greater utilization of private shipyard facilities. More realistic practices would better serve the need for economic well-being. And, thereby, the capacity of our economic system to produce the funds to pay for military defense will be strengthened.

But, what of the military role of the private shipyards? Adm. Arleigh A. Burke, the retiring Chief of Naval Operations, in defining seapower, assigns to the Nation's shipbuilding capacity an importance equal to that of weapons, armament, ships, and geography. The former Deputy Chief of Naval Operations for Logistics, Vice Adm. Ralph E. Wilson, has publicly testified that "the Navy is dependent, as heretofore, on private shipyards to assist in the activation, conversion, construction, and modernization of public and merchant shipping needed to maintain a strong posture to deter a war, to fight a war, and to assist in achieving the national objectives in peace and war." In 1959, Admiral Wilson also assured the mobilization planners that "the private ship repair industry is essential in maintaining our mobilization potential."

Sir Winston Churchill and other leaders of the free world, on more than one occasion, have paid tribute to the American shipbuilding and production genius which made it possible for the Allies in the 1941–44 period to balance "current losses with new ships," and eventually to "replace all our earlier losses." That shipbuilding and production genius, I do not have to remind this distinguished committee, was provided by both the private and naval shipyards of the United States—but, in far greater measure, by the private shipyards.

High naval authorities attest to, and the path of history has proven, the essentiality of the private shipyards to the Nation's mobilization potential. But, idle capacity in the private yards—and there is considerable today—is hardly contributing to economic health, let alone to national security.

Compare this fact, if you will, with the situation in the Government yards. To support a fleet of 10,000 vessels in the last World War, 11 naval shipyards were required. Today, 16 years after the end of World War II, to support a fleet of 817 naval ships, the same 11 naval shipyards remain at relatively high levels of employment. In the last 15 years, more than 20 private yards on all coasts have gone out of business because of a lack of work, and most of the remaining yards are operating at far less than normal capacities. Curiously, in that period, not one naval shipyard has been obliged to shut down, and predetermined employment levels in these shipyards are maintained through the assignment of work with little reference to the ultimate cost of the Government, effect upon our economic

base, or availability of privately owned, tax-producing facilities.

Today, as was illustrated by the charts submitted earlier in these hearings, there are, in terms of Navy shipwork, twice as many people employed in the naval shipyards as in the private yards. The figures, as Admiral James gave them, are roughly 97,000 people in the naval shipyards and about 48,000 in the private yards. A correlation of these figures indicates that in World War II, under peak circumstances, the naval shipyards required 34 men per ship, but now nearly 120 men per ship are needed. One more comparison is striking. In the great port of New York, the Brooklyn Navy Yard now employs close to 13,000 people, but employment in all of the privately owned shipyard facilities totals only 2,350.

In the last analysis, a congressional committee is the "board of directors" of a national government business enterprise. The taxpayers—the stockholders if you will—have every reason to expect that their funds will be spent wisely and effectively. The naval fleet is confronted with the problem of bloc obsolescence, and more money for new ships is badly needed. It is for you, as members of the "board of directors," to decide whether or not there is too much, non-tax-generating capacity in the naval shipyards, and whether or not this country should proceed farther along the road to nationalized industries. It is for you, as members of the "board of directors," to decide whether or not in the national interest the naval shipyards are overutilized and the private yards underutilized. We firmly believe the naval shipyards to be overutilized and the private yards underutilized.

The private shipbuilding and ship repairing industry has not, and does not now, advocate the elimination of naval shipyards. Adoption of the Constitution put the Government in the business of minting money and running the postal service. And it is conceded that even within the framework of a free, competitive economic system, government and private industry must engage in certain partnerships with precise limitations for the public good. President Kennedy puts it this way: "Working together, business and Government must do better—putting people back to work, using plants to capacity and spurring savings and investments with at least a large part of our economic gains—beginning not when our economy is back at the top, but beginning now."

Private and naval shipyards can and do work together harmoniously and efficiently. They complement each other, provided means are taken to insure to each its due relative precedence and weight in the determination of practical questions. To this end, a realistic decrease in employment and work levels in the naval shipyards is advocated. Every dollar of ship procurement contracts awarded to private industry instead of Government-owned, Government-operated facilities travels a greater distance in supporting our economic and defense structure. We believe the naval shipyards to be overutilized, and we believe an opportunity to get more mileage out of appropriated dollars for the construction, repair, alteration and conversion of naval vessels through a greater utilization of private shipyard facilities is being overlooked.

REORGANIZATION PLAN NO. 7, RELATING TO THE FEDERAL MARITIME BOARD

The Senate resumed the consideration of the resolution (S. Res. 186) covering Reorganization Plan No. 7, relating to the Federal Maritime Board.

Mr. McCLELLAN. Mr. President, does the minority leader have any further requests for time to discuss the reorganization plan?

Mr. DIRKSEN. I have no further requests for time on this side of the aisle.

Mr. McCLELLAN. The Senator from Florida has requested some time. I yield to him as much time as he may desire.

Mr. HOLLAND. I thank the Senator from Arkansas.

Mr. President, I thoroughly agree with the policy of the reorganization plan in dividing into two appropriate portions the duties of the present Maritime Board. I think the regulatory duties should be in one place, and the other duties in another place. However, I do not believe it is sound government or that it is anything which the Senate would wish to approve to place in the control of any one man—I do not care how good a man he is—the authority for the expenditure of the vast sums of money which are included in the two subsidies which would be handled by the Maritime Administrator under the provisions of the plan. The amounts of those subsidies for this year alone are $98 million for the construction differential subsidy and $182 million for operating differential subsidies, a total of $280 million—more than a quarter of a billion dollars.

Lest there be some misunderstanding, I wish to make it very plain that I have complete and unlimited confidence in the present Secretary of Commerce.

He is one of the finest men in government. He made a superb Governor of North Carolina, which is one of the finest and best governed States. I applauded heartily when he was named to the secretaryship of the Department of Commerce. I handle the appropriations for that Department in the subcommittee of which I have the responsibility to serve as chairman. Our relations are most cordial. I reiterate that I have complete and unlimited confidence in his probity, his integrity, and his sound judgment. As a matter of fact, there are few other persons in Government whom I put on a par with him, so far as fine judgment and decency are concerned.

However, I do not believe it is sound Government to apportion or allot to any one public servant, particularly to an appointive public servant, one who may be changed from time to time, and in this instance one who, I regret to say, will not be Secretary of Commerce indefinitely or permanently—I wish he would be, and I wish we had the assurance that such a good man would be Secretary of Commerce always—it is not sound government to place in one public servant, who is an appointive political servant, and necessarily in one political party, the right to control the expenditure of so much public money. I do not care how much affection we may have for Secretary Hodges—and there is no Senator whose affection for him surpasses mine—it is not doing a kind thing to him, and certainly it is not doing a good thing in government, to give to him the responsibility of the apportionment of contracts among serious competitors, who are fighting all the time to see who will build the new, modern ships, and how much money they will get from the Federal Government to subsidize the payment for those ships, and who will get the money in the form of subsidies for the routes which are traveled by those ships.

I do not think it is sound government to give to one man the apportionment of all that money; and I think it is sure to lead to difficulties on the part of the Administrator, and to doubts and suspicions on the part of the general public. So I think it is not the right thing to do.

Mr. President, let me compare and contrast this situation with what happened in regard to the Civil Aeronautics Board. The Civil Aeronautics Board handles substantially smaller sums of money than these, in providing for the subsidization of our commercial air carriers. But in the case of the Civil Aeronautics Board we require not only that there be a Board to handle those sums; we also require that the Board be bipartisan. We insist that not more than a simple majority of the Board can be composed of persons who belong to the same political party. I think that is sounder government and will bring satisfactory results. I believe that no matter how exemplary the individual concerned may be, we set a wrong precedent when we give to one person, no matter how exemplary he may be—and certainly there is no better man in our Government than the present Secretary of Commerce—the right to apportion, hand out, and distribute $280 million of Federal funds to highly competitive industries which are fighting for business in connection with the construction of ships, in the course of 1 year.

Mr. President, 1 year involves only a part of the effort, only a bit of the time. The principle runs much longer. It may run much past the time of the service of the present Secretary of Commerce. But regardless of that, and despite the fact that I have the greatest respect, as he well knows, for the able chairman of the Senate committee, who, I understand, holds a contrary view, I wish to say that I do not think we would be practicing sound government to approve a reorganization plan which would take the handling of this matter away from a bipartisan board, and, instead, would give it to one appointive political servant of our country, no matter how fine he may be.

For that reason, I shall vote against this reorganization plan, despite the fact that I think it is sound in at least one of its proposals; namely, separating the regulatory functions from the others. I think that would be a wise approach to this program. I am very sorry that we cannot vote for parts of this program without voting for all of them, and I am sorry that it is not subject to amendment.

I believe the legislative committee can do a much better job in handling this program than the one which would be done by means of this reorganization plan. I do not believe that any Senator who considers this matter seriously will feel that it is sound government to turn over to one appointive political servant the expenditure of more than one-quarter of a billion dollars of Federal funds in 1 year, in distributing that amount

among the highly competitive industries—all highly suspicious of each other—that are covered by the operations of this Board.

So, Mr. President, I shall vote against approval of the reorganization plan.

Mr. McCLELLAN. Mr. President, let me ask whether Senators on the other side wish to use any further time.

Mr. SCHOEPPEL. I think not.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kansas will state it.

Mr. SCHOEPPEL. Have the yeas and nays been ordered on the question of agreeing to the resolution of disapproval of the reorganization plan?

The PRESIDING OFFICER. Yes, the yeas and nays have been ordered.

Mr. McCLELLAN. Mr. President, I have no other requests for time, from Senators on this side.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. On this question, a vote "yea," will be in disapproval of the reorganization plan; and a vote "nay" will be in approval of the reorganization plan. Is that correct?

The PRESIDING OFFICER. That is correct. A "yea" vote will be in disapproval of the reorganization plan.

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is all remaining time yielded back?

Mr. DIRKSEN. Mr. President, I yield back all remaining time under my control.

Mr. McCLELLAN. Mr. President, I yield back the remainder of the time available to those in opposition.

The PRESIDING OFFICER. All remaining time on this question has been yielded back.

The question is on agreeing to the resolution of disapproval of Reorganization Plan No. 7. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Maryland would vote "yea."

On this vote, the Senator from Missouri [Mr. SYMINGTON] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Missouri would vote "nay," and the Senator from Kansas would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Kansas [Mr. CARLSON] is absent on official business.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Missouri would vote "nay."

The result was announced—yeas 35, nays 60, as follows:

[No. 133]

YEAS—35

Allott	Curtis	Morton
Beall	Dirksen	Mundt
Bennett	Dworshak	Prouty
Boggs	Goldwater	Robertson
Bridges	Hickenlooper	Saltonstall
Bush	Holland	Schoeppel
Byrd, Va.	Hruska	Scott
Capehart	Javits	Smith, Maine
Case, N.J.	Keating	Tower
Case, S. Dak.	Kuchel	Wiley
Cooper	Long, La.	Young, N. Dak.
Cotton	Miller	

NAYS—60

Aiken	Hartke	Monroney
Anderson	Hayden	Morse
Bartlett	Hickey	Moss
Bible	Hill	Muskie
Burdick	Humphrey	Neuberger
Byrd, W. Va.	Jackson	Pastore
Cannon	Johnston	Pell
Carroll	Jordan	Proxmire
Church	Kefauver	Randolph
Clark	Kerr	Russell
Dodd	Lausche	Smathers
Douglas	Long, Mo.	Smith, Mass.
Eastland	Long, Hawaii	Sparkman
Ellender	Magnuson	Stennis
Engle	Mansfield	Talmadge
Ervin	McCarthy	Thurmond
Fong	McClellan	Williams, N.J.
Gore	McGee	Williams, Del.
Gruening	McNamara	Yarborough
Hart	Metcalf	Young, Ohio

NOT VOTING—5

Butler	Chavez	Symington
Carlson	Fulbright	

So the resolution of disapproval was rejected.

FOREIGN ASSISTANCE ACT OF 1961

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated by title for the information of the Senate.

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the four Byrd amendments be considered en bloc. I make that request with the full approval of the Senator from Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered.

REORGANIZATION PLAN NO. 6, RELATING TO FEDERAL HOME LOAN BANK BOARD

Mr. DIRKSEN. Mr. President, I do not see the distinguished chairman of the Committee on Government Operations in the Chamber, but I promised I would advise the Senate that with respect to Reorganization Plan No. 6, to reorganize the Federal Home Loan Bank Board, I did submit a resolution of disavowal, but I do not intend to press it. It was submitted only because of the time factor involved, to give an opportunity for some manifestation of interest by the building industry and others. There is no great interest in resisting that particular plan, and it is certainly not my intention to seek to have the resolution considered. I thought the Senate ought to be advised on that point.

COMMUNICATION SATELLITE

Mr. HUMPHREY. Mr. President, I wish to invite the attention of the Senate to a statement by Dr. Robert Larsen, who is associated with a Minnesota firm named Midwest Technical Development Corp.

Dr. Larsen is close to the electronic industry in Minnesota which, he points out, is the fourth largest in the United States and is made up of numerous small businesses. This statement was filed today with the Subcommittee on Monopoly of the Select Committee on Small Business. The Senator from Louisiana [Mr. LONG], who chairs this subcommittee, is doing a thorough and painstaking job of examining this complex subject. Much valuable information has been brought out on the economic effects of the ownership of a communications satellite system. This knowledge will prove very valuable to the Congress in making policy decisions in this area. Dr. Larsen points out that small equipment manufacturers have an interest in eventual ownership of the system as he believes that it will affect the ability of small manufacturers to participate in the program.

He also points out that the large international carriers have inhouse electronic capabilities and that precautions must be taken to safeguard the right of small equipment manufacturers to bid on the manufacture of equipment for the system.

I might also add that the policy of the Congress on the subject of ownership must be formulated very carefully. The ultimate solution of outer space activities and the formulation of international law are extremely complex subjects and they are inextricably bound up in the solution of our policies for the communications satellite.

Mr. President, I ask unanimous consent that the statement be inserted in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT PREPARED FOR THE SELECT COMMITTEE ON SMALL BUSINESS OF THE U.S. SENATE, JULY 31, 1961

Mr. Chairman, I am very appreciative for the opportunity to appear before this committee to present my views on the role that

can be played and the difficulties that confront small business in the procurement of electronic systems. In particular, I wish to address my comments to the proposed establishment of a communications satellite system, to the method by which it might be procured, and to the effect that the method of procurement might have on the possibilities of small businesses sharing in this program.

My knowledge in this area comes from my background as a director and consultant for the Midwest Technical Development Corp. This is a closed-end investment trust, located in Minneapolis, Minn. Midwest Tech's function is to supply venture capital for small, technically oriented companies with the thought that its investment will grow in value as the companies prosper. In this connection, we have made investments in some 17 electronic companies who would be classified as small business corporations. This has given us an insight into problems which are common to all as they seek business and attempt to grow. It has given us a base from which to generalize.

In some ways, the Midwest area as it pertains to the electronic industry is, at this point in time, unique. In particular, this statement applies to the area surrounding the Twin Cities of Minneapolis and St. Paul. Starting 10 years ago from a base of one large company and several smaller ones, the Twin Cities have developed an electronic capability that is thought to be the fourth largest in the United States. By necessity, this total potential is made up, mainly, of a large number of small, electronically oriented business companies who because they have been in business but for a few years are still relatively small in size.

I have attached a list of such concerns to this statement. This list was prepared for me by the Small Business Administration regional office in Minneapolis.

As I understand it, there is under consideration, three general methods for the procurement of the communications satellite system. The first is that this system be built by four companies now dominating the communications field in the United States. These are A.T. & T., Western Union, I.T. & T, and RCA Communications. A second is that the work on the system be divided among a number of large companies with perhaps no more than 10 percent of the system going to any one concern. The third is that the U.S. Government act as prime contractor of the communications satellite system.

Under which of these alternatives would small electronic companies have the best chance of getting part of this business on a subcontract basis? Experience dictates that the chances are the least for the first alternative, and that they are improved under the second and third alternatives.

The work on the communications satellite system by 10 or more companies would mean that each of these companies would have the responsibility for the building of sections of the system. It is likely that several of these business concerns would not have the inhouse capabilities for the building of the design and the building of all parts of their section of responsibility. For example, in the Twin City area, Minneapolis-Honeywell subcontracts between 50 and 80 percent of the work that they undertake. Quite naturally, if Minneapolis-Honeywell is to be a part of this program, they would turn to those small businesses adjacent to their facilities with which they have established a satisfactory vendor-buyer relationship. This situation would be repeated around the country.

If the Government were to own the system, then by the mechanism of open bid distributed through the Small Business Administration, each small business would have the opportunity of learning of the business to be had.

Under any procedure, it is apparent that a central coordinator would be required. In the latter case, an agency of the U.S. Government would serve this function. In the case of multiple ownership, either the Government or a business firm could serve this function.

It cannot be denied that the need for coordination is lessened if the communications industry are the only companies involved. These companies have large inhouse electronic capabilities, and it is only natural that they would turn to their own divisions, subsidiaries, and affiliates in order to accomplish the work. It will be difficult, however, for outside small business to break into this complex.

It can be argued that the small business clause in Government contracts will give relief to this problem. By so doing, open bids will be made upon which any interested party can bid. In practice, however, we have found that this system has serious drawbacks.

In such a subcontract bid the requirements of the contract are set out in a series of specifications. These specifications can be drawn in such a way so that only one or two companies are able to satisfy these requirements. In many cases, these requirements are important to the successful completion of the job. In others, however, they are not. In fact, it has been often said that the important job of a technical salesman in the electronic industry is to influence the drawing of specifications so that only the product of his company will comply. Let me cite two examples.

Most all electronic components are packaged in a certain form. Because of this, by the expedience of a size specification, it is possible to exclude from the design all products except those of a certain company. Often, a competing company can change their model to meet this specification but quite often this requires a complete change in electronic circuitry, and thus the expense of this change makes the small business concern noncompetitive.

Specifications are also written on facilities. While such requirements are often very meaningful, the requirements are not always so and they can be so written as to exclude the chances of a particular small company.

Quality control measures are an example. Many small houses depend upon the reliability checks of their suppliers. The small business depends upon the thorough check of the final device to assure workability. A specification can be written to require checks of the subcomponents as well as the final device, and a larger house which makes this subcomponent is the only one which can satisfy this requirement. The net effect is such a specification is a directed procurement even though the smaller house can do the same job and often at a lower price.

The solution to these problems is not an easy one. It is quite natural that companies should wish to work with those subcontractors which are most familiar to them. It is probably wishful thinking to hope that directed specifications can be avoided by arbitrary rules. Consequently, the solutions appear to be to place the prime contracts in the hands of a disinterested party; for example, the Government, or to spread the prime contracts among enough large companies so that on a geographical basis, all small business concerns have an opportunity to place subcontractual bids with companies with whom they were previously affiliated. This latter situation is more nearly met by the proposal that the communications satellite system be divided among at least 10 prime contractors.

Thus, if it is the desire that the work on the communications satellite system be placed so that small business concerns have the best chance of obtaining a piece of the work, then it would be my recommendation that the work on the sections of the total system be widely dispersed.

Dr. R. A. LARSEN.

SMALL BUSINESS ADMINISTRATION,
Minneapolis, Minn., July 28, 1961.

List of electronic firms registered with the Minneapolis office of Small Business Administration (region VIII) having research and development capabilities:

Acrometal Products, Inc., 616 North Fifth Street, Minneapolis, Minn., specialize in processing ultrafine magnet wire used in the electronic field.

ADC, Inc., 2833 13th Avenue South, Minneapolis, Minn., design and development of transformers and electromagnetic components for use in electronic equipment.

Advanced Scientific Instruments, Inc., 5249 Hanson Court, Minneapolis, Minn., design of computers for controlling industrial processes. Peripheral equipment for digital and analog computers.

American Monarch Corp., 2801 37th Avenue NE., Minneapolis, Minn., telephone control power equipment. Voltage and current regulations, switches. Converters, inverters, rectifiers, and transformers. Relays and amplifiers.

American Television & Radio Co., 300 East Fourth Street, St. Paul, Minn., design and development of electronic components and accessories such as inverters, powerpacks, and rectifier units.

Beck's, Inc., 300 East Fifth Street, St. Paul, Minn., research, design, and development of high-temperature printed circuitry of both imbedded and flush type circuits, production of miniaturized and microminiaturized circuitry, design and production of miniature electronic components such as resistors, capacitors, potentiometers, and switches.

Buckbee Mears Co., Toni Building, St. Paul, Minn., photographic processes, techniques, and equipment as applied to metal etching, electroformed masks, glass etching, glass reticles, micromesh sieves.

Bureau of Engraving, Inc., 504 Fourth Street South, Minneapolis, Minn., design, production, and development of special printed circuits.

Central Engineering Co., 417 Taylor Street NE., Minneapolis, Minn., design and development of ignitron power controllers and high voltage and high current power supply units.

Consolidated Engineering Service, Inc., 807 13th Avenue South, Minneapolis, Minn., design and development of instrumentation for testing of electronic equipment, on computers, missiles, and allied devices.

Data Display, Inc., 1820 Como Avenue, St. Paul, Minn., radio, radar, and telemetering systems and equipment utilized to discover and determine the existence of a target or object. Design of electronic components, circuit elements, basic electronics, interference elements, and circuitry. Computing machinery and devices for readout and display of computer information.

Electric Motor Supply Co., 100 Third Avenue North, Minneapolis, Minn., the design and manufacture of electric control panels and control centers for portable power and plant starting systems.

Electro Nuclear Systems Corp., 3054 Excelsior Boulevard, Minneapolis, Minn., research equipment design for computers, instrumentation, method, and techniques.

Electro-Craft Corp., 1015 South Sixth Street, Minneapolis, Minn., production and design of elapsed time indicators, servomotors, reactors, magnetic clutches and brakes, magnetic servoamplifiers, high-temperature solenoids, and flight instruments.

Electro-Mation Co., 1821 University Avenue, St. Paul, Minn., design and develop-

ment of electronic control devices for automation of industrial processes.

Electro-Med, Inc., 3300 University Avenue SE., Minneapolis, Minn., specialize in medical electronic devices in the field of bioelectricity and telemetering equipment for physiological reactions and electrocardiotachometers.

Electronic Medical Systems, Inc., 1449 University Avenue, St. Paul, Minn., specialize in complete instrunentation systems and central readout of medical data for hospitals and clinics.

FluiDyne Engineering Corp., 5740 Wayzata Boulevard, Minneapolis, Minn., experimental research in flight simulation facilities and test techniques, studies of equipment and techniques for simulating space flight and environments, reentry, space connections.

General Electronic Control, Inc., 8001 Access Road, Bloomington, Minn., design and engineering of industrial control equipment, servomechanisms and servosystems. Design of automatic antenna couplers, RF test sets and RF dummy loads. Develop and design of audio transducer and amplifiers, transistorized amplifiers, and discriminators.

General Magnetics, Inc., 2461 Louisiana Avenue South, Minneapolis, Minn., design and development of electronic equipment including pulse transformers, fluid flow sensors and switches, magnetic systems and components.

Graham Research, Inc., 666 22d Avenue NE., Minneapolis, Minn., design and development of electromechanical precision parts for use in instrument and control application.

Instrument Control Co., 2309 Snelling Avenue South, Minneapolis, Minn., electronic welding control system, pressure gages, and cycle counters. The design and development of data-computing and data-scoring equipment for intelligence and aptitude testing.

E. F. Johnson Co., Waseca, Minn., design and production of electronic circuits, components, and equipment.

Lightning & Transients Research Institute, Inc., 2011 Foshay Tower, Minneapolis, Minn., radio noise reduction and lightning protection for aircraft.

Magnetic Controls Co., 6405 Cambridge Street, Minneapolis, Minn., design and production of solid-state and iron-core reactor-type precision temperature control systems for missiles, aircraft, radar delay lines, etc., the development of digital and analog data-processing equipment for use in logic circuitry and for submitting data on carrier frequency.

Melco Products, Inc., 301 Fifth Avenue South, Minneapolis, Minn., design and production of transformers and coils.

Micronics, Inc., 2613 Fourth Street SE., Minneapolis, Minn., permanent marking of anodized aluminum nameplates, instrument dials and panels, measuring instruments, etc. Instrument for measuring gas conductivity. Measures and controls humidity, temperature, pressure, radiation, voltage, and current.

Minco Products, Inc., 740 Washington Avenue North, Minneapolis, Minn., research, design and development of miniaturized and subminiaturized thermistors, temperature sensors, and heaters and thermoribbons for airborne and industrial application.

Miniature Instruments, Inc., 9440 Science Center Drive, Minneapolis, Minn., electrical connectors and Swiss components for inertial guidance and computer systems. Gear drive and gear trains, miniature and microminiature components for missile and computer industry.

Miratel, First Street SE., and Richardson, New Brighton, Minn., electronic display units for TV and pulse code readout. HF and UHF transceivers. Major components and complete sets such as: transmitters, receivers, television cameras, etc., their design performance, operation, maintenance countermeasures, etc. Visual display units for infrared pickup devices. Television for hazardous area observance launching, handling, etc. Visual data reduction and television optical systems.

National Connector Corp., Science-Industry Center, Minneapolis, Minn., the design and production of special electrical connectors and insulating elements of silicon and apoxy laminates for electronic industry.

Nobles Engineering & Manufacturing Co., 645 East Seventh Street, St. Paul, Minn., research and development of sound recording and sound amplification systems.

Nu-Line Industries, Inc., 1015 South Sixth Street, Minneapolis, Minn., research and development of special connectors for electronic use, quick disconnect, RF breakaway, environment resistant, high and low voltage. Subminiature connectors for computers and missiles. Precision miniature electrical connectors for flight instrumentation and navigational control units.

Precision, Inc., 4748 France Avenue North, Minneapolis, Minn., electronic component manufacturers.

Professional Instrument Co., 6824 West Lake Street, Minneapolis, Minn., basic research in connection with development of ultra-accurate machines for producing spherical, cylindrical, and flat surfaces. Design and development of air bearing spindles, slides, and related devices for guidance and control systems.

Ramsey Engineering Co., 1853 West County Road C., St. Paul, Minn., design of components, systems, laboratory and testing devices for computers and instrumentation.

Raven Industries, Inc., Box 227, Sioux Falls, S. Dak., design and fabrication of "sky hook" balloon for high-altitude tests. Electromechanical components and assemblies, precision resistors, wiring harnesses.

Research, Inc., Post Office Box 6164, Edina Station, Minneapolis, Minn., analog computers and power controllers. Aircraft landing arrester systems, including complete electronic controllers, engagement devices, and energy-absorbing devices.

Rosemount Engineering Co., 4900 West 78th Street, Minneapolis, Minn., design and production of precision temperature transducers. Aeronautical research in areas of basic aeronautical and fluid flow.

G. T. Schjeldahl Co., 202 South Division Street, Northfield, Minn., design and development of pressure transducers, temperature sensers, infrared radiation devices, blood-flow meters, printed circuitry, mechanical variable speed transmissions. Research development, design, and manufacture of stratospheric balloons and flight instrumentation.

Setohall-Carlson, Inc., New Brighton, Minn., manufacture FM tuners (88 to 108 megacycles) also AM tuners (550 kilocycles to 1600 kilocycles), TV receivers (home), TV monitors. Television IF coils. High-voltage flyback transformers. Radio (AM and FM) IF and RF coils.

Superior Plating, Inc., 315 First Avenue NE., Minneapolis, Minn., electrical plating, space age metals. Application of metallic coatings to nonconductors with and without the usual silvering methods to obtain conductivity. High-temperature point circuits.

Terado Co., 1068 Raymond Avenue, St. Paul, Minn., design and development and manufacture of converters, battery chargers, and microminiature relays.

Tescom Corp., 2633 Fourth Street SE., Minneapolis, Minn., conduct studies of fluid control systems for ground support equipment.

Transistor Electronics Corp., design and production of miniaturized neon and incandescent indicator lights and digital display unit using transistor circuitry to operate lights from low signal and/or supply voltages. Design and production of semiconductor test instruments.

Washington Scientific Industries, Inc., 13111 Wayzata Boulevard, Minneapolis, Minn., airborne electromechanical instrumentation. Servomechanism controls. Precision miniature gear train assemblies.

The Waters Corp., Post Office Box 529, Rochester, Minn., design and production of electromedical instruments.

Winzen Research, Inc., 8401 Lyndale Avenue South, Minneapolis, Minn., research and development of stratospheric balloons and plastic containers, electronic instrumentation, radio beacons, altimeters, controls, and telemetering systems.

Wright Zimmerman, Inc., New Brighton, St. Paul, Minn., specialize in the design and development of RF coils, speakers, and flyback and pulse transformers and similar electronic equipment.

FREEDMEN'S HOSPITAL

Mr. HUMPHREY. Mr. President, I was extremely pleased to see that yesterday the House of Representatives passed the bill to build a new teaching and community service facility for Freedmen's Hospital and to transfer administrative control of the hospital from the Department of Health, Education, and Welfare to Howard University. From my inspection tour, I know the importance of this House action. I know the hope it must bring to those persons responsible for running Freedmen's. Now it is my hope that prompt Senate action can be secured this session.

As Senators know, I have introduced a bill, S. 2265, which is essentially the companion measure to H.R. 6302, the bill passed yesterday by the House. There is, however, one fundamental difference. Whereas the House bill authorizes a hospital of not to exceed 500 beds, including the 150 beds already existing in the 20-year-old annex, my bill sets an 850-bed limit, excluding the annex. I believe this is a very important difference.

The 500-bed figure was recommended by the Department of Health, Education, and Welfare. This particular figure stems from the Freedmen's Hospital Study Commission, which in 1955 reported on the critical lack of adequate facilities at Freedmen's and recommended that a 500-bed hospital be built immediately. Without criticizing the work of this Commission in any way, let me say in all frankness that I have been unable to find any justification for the 500-bed recommendation. Apparently this number was selected as a convenient and reasonable size to recommend. No departmental survey was undertaken to determine what really were the hospital's needs.

I have recently received a letter from Mr. Clifford E. Rucker, executive director of Minnesota's Human Rights Commission. Let me quote several illuminating sentences from Mr. Rucker's letter:

> At that time [1955], as our report indicated, Freedmen's Hospital was sorely in need of a new modern facility; and it is amazing that now 6 years later these same, or even more depressing, conditions prevail. Further, in 1955, there did not seem to be one decent reason why this antiquated and steadily deteriorating structure should not be replaced; and while our recommendation was for a new 500-bed hospital, that figure was not a substantiated one.

Mr. Rucker continues:

I am convinced the need for an 850-bed facility as proposed in your bill is much more realistic. * * * The needs of Freedmen's Hospital, serving unusually large clientele, and ineligible to receive Hill-Burton funds, were highly urgent then, and I am certain even more so now.

Mr. President, I think this is a very important statement from a member of the staff that prepared the Study Commission report. I ask unanimous consent that Mr. Rucker's letter be printed in full in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
GOVERNOR'S HUMAN RIGHTS COMMISSION,
St. Paul, July 21, 1961.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR HUBERT: I have just finished reading your remarks to the Senate on the Freedmen's Hospital situation as printed in the CONGRESSIONAL RECORD of Monday, July 17, 1961. Having been a staff member of the 1955 Freedmen's Hospital Study Commission appointed by the then Secretary Oveta Culp Hobby, your appraisal of the Howard University situation certainly rings a familiar note.

At that time, as our report indicated, Freedmen's Hospital was sorely in need of a new modern facility; and it is amazing that now 6 years later these same, or even more depressing, conditions prevail. Further, in 1955 there did not seem to be one decent reason why this antiquated and steadily deteriorating structure should not be replaced; and while our recommendation was for a new 500-bed hospital, that figure was not a substantiated one.

I am convinced the need for an 850-bed facility as proposed in your bill is much more realistic. It was clear to those of us who worked with the Study Commission in 1955 that the Federal Government had not met its responsibility to provide Freedmen's Hospital with an adequate physical plant. We noted, for example, that every other major hospital facility in the Washington metropolitan area had either constructed or had underway new physical plants.

The needs of Freedmen's Hospital, serving unusually large clientele, and ineligible to receive Hill-Burton funds were highly urgent then, and I am certain even more so now. I am hopeful the Congress of the United States will give immediate and favorable consideration to your bill S. 2265 in establishing an adequate teaching hospital for Howard University and a major hospital facility for the citizens of the District of Columbia.

With best wishes.

Sincerely yours,

CLIFFORD E. RUCKER,
Executive Director.

Mr. HUMPHREY. Mr. President, while a survey was not made in 1955, one has recently been completed by the medical staff of the hospital. A careful, scientific study of each medical department was made and sent to the Public Health Service for evaluation. This report has been printed in full in the RECORD on pages 12671–12674. On the basis of this departmental survey, 850 beds were recommended by the hospital's medical and teaching staff. I believe this evidence demands the most serious consideration before the authorized size of the new Freedmen's Hospital is finally established. Yesterday I sent a letter to Assistant Secretary of Health, Education, and Welfare Wilbur Cohen asking that their recommendation for 500 beds be reconsidered in light of the hospital's report. I am confident this request will receive the Department's prompt attention.

Why does Freedmen's need 850 beds? We must remember that Freedmen's is the teaching hospital for the Howard University School of Medicine. This is a most important point. In order to maintain accredited residency programs in various medical specialties, a certain minimum bed capacity must exist. To the layman it sounds somewhat crass, but medical students need a full supply of cases to work with. One cannot learn medical specialties without day-to-day exposure to a number of cases. This calls for a minimum number of beds in each department. When Freedmen's staff added everything up, the total requirements were 850 beds.

Moreover, as Mr. Rucker noted in his letter, the additional beds can be justified merely on the shortages of hospital space existing in the Washington metropolitan area at the present time. While Freedmen's has never been a segregated hospital, a large majority of its patients are Negroes. It is well known an above-average shortage of readily available hospital beds exists for most Negroes. Any reasonable act that will improve this situation should, in my opinion, be taken immediately.

Let us not forget that it takes about two generations of talking, planning, pleading, and working to build a hospital of this type. Once this pending measure has become law, it will be many, many years before any additional construction is even considered. Dedicated people have been actively working for this new building since 1938. Mr. President, that is 23 years to get where we are today. So let us act with foresight when we pass this bill. Let us build a hospital sufficiently large to last a few years before becoming critically overcrowded. In short, let us do the job right.

Again, I want to say how pleased I am about the House's action. The bill's sponsor, Mrs. GREEN, of Oregon, should be highly commended for her excellent leadership, both in committee and on the floor. She and her colleagues on the Education and Labor Committee have made a fine contribution, and they should be congratulated.

My bill must now be considered by the Labor and Public Welfare Committee. I do not know the committee work schedule at this time, but I sincerely hope this proposed legislation can be taken up by the committee in time for full Senate action this session. The committee has passed this general bill before—in 1958—and I know the able chairman, the Senator from Alabama, recognizes the importance of this bill in 1961. The hospital has had 3 more years to deteriorate.

I believe it will take about 5 years following this authorization to actually acquire a new, working hospital. Since this is the case, I sincerely hope Senate action will be possible this session.

Mr. President, I ask unanimous consent that news stories on Freedmen's Hospital printed in the Washington Post and Times Herald and the Washington Evening Star be printed in the RECORD.

There being no objections, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 10, 1961]

HOUSE PASSES BILL TO BUILD NEW FREEDMEN'S HOSPITAL—FIVE-HUNDRED-BED FACILITY WOULD COST UNITED STATES ABOUT $10 MILLION

(By Morton Mintz)

The House passed and sent to the Senate yesterday a bill to replace Freedmen's Hospital with a new 500-bed institution costing $9 to $10 million.

The bill passed on a rollcall vote of 321 to 61 after a floor debate that ranged into the question of what impact the new hospital would have on segregation of Negro physicians and patients throughout the District.

A companion bill has been introduced in the Senate by Senator HUBERT H. HUMPHREY, Democrat, of Minnesota.

During the House debate the need to replace Freedmen's was not challenged. Freedmen's was established by the Federal Government at the close of the Civil War to care for sick and destitute Negroes who poured into Washington.

CALLED A DUMP

Its main building was built 53 years ago. It has been termed a dump by, among others, Abraham A. Ribicoff, Secretary of Health, Education, and Welfare, who backed the legislation.

The provision of the bill which evoked considerable questioning, would convert Freedmen's into a medical school for Howard University.

Representative EDITH GREEN, Democrat, of Oregon, the bill's sponsor, said the overriding consideration is that Howard, which has trained about half the Nation's Negro physicians, have its own teaching hospital. She said this would provide "better administration, better care, and better training."

And, she added, the 437-bed Freedmen's is the only community hospital in the United States run by the Federal Government.

She told the House that her bill protects fully the salaries, retirement, and other rights which Freedmen's employees have under civil service.

EMBARRASSING CHATTEL

Representative ALBERT H. QUIE, Republican, of Minnesota, said that the administration wants to transfer Freedmen's because it is embarrassed to be the owner of a segregated institution.

Representative CHARLES E. GOODELL, Republican, of New York, said that only about 30 of the city's 270 Negro physicians have courtesy privileges in District hospitals other than Freedmen's.

He said he is fearful that the transfer would perpetuate the "pattern of discrimination" against Negro physicians.

Mrs. GREEN and Representative JAMES ROOSEVELT, Democrat, of California, disagreed, saying that Howard, which is federally financed, is integrated. "This will help," ROOSEVELT said of the transfer. "Howard University has made every effort not to be a segregated institution."

Many of the votes opposing the bill were cast by southern Democrats, including Chairman JOHN L. MCMILLAN, Democrat, of South Carolina, of the House District Committee and some committee members.

[From the Washington Evening Star, Aug. 10, 1961]

SENATE GETS BILL TO MOVE FREEDMEN'S—APPROVAL EXPECTED AFTER HOUSE PASSES MEASURE, 321 TO 61

(By John McKelway)

Freedmen's Hospital, frequently described as a dump and plagued by the joint direc-

tion of the Federal Government and a private institution, today seemed on the brink of becoming a major contributor to the advance of local medicine.

After a long, hard fight of more than 5 years, the House yesterday passed and sent to the Senate a bill which authorizes the transfer of the hospital to Howard University. The vote was 321 to 61.

Passage also is expected in the Senate. Senator HUMPHREY, Democrat, of Minnesota, has introduced a similar bill, to be screened by the Senate Education and Labor Committee.

The transfer was recommended by a special Study Commission set up in 1955 under former Health, Education, and Welfare Secretary Oveta Culp Hobby. The Commission recommended that to assure hospital discipline, effective coordination and control of good business management, the hospital's ownership and supervision should be vested in Howard.

BALKED BY EMPLOYEES

But the Federal employees of the hospital objected to the transfer, largely on the grounds they would lose their civil service benefits. Their argument impressed Members of Congress and the transfer never took place.

This year, however, Representative GREEN, Democrat, of Oregon, who was convinced Federal employees would lose little in the transfer, guided the bill through the House Education Committee and saw it pass the House yesterday.

In yesterday's House debate on the bill, Mrs. GREEN assured Members that hospital employees would not have their salaries reduced, they would continue their civil service retirement programs and they would retain seniority rights now enjoyed with service to the hospital.

AUTHORIZES NEW HOSPITAL

Even frugal Representative GROSS, Republican, of Iowa, had no objection to the bill, which authorizes a new 500-bed hospital to replace facilities most recently described by Welfare Secretary Ribicoff as in the dump category.

As Mrs. GREEN pointed out yesterday, Freedmen's is the only community hospital operated by the Federal Government.

This came about as a result of a flood of freed slaves who arrived in Washington shortly after the Civil War. Its purpose at that time was to care for sick and destitute Negroes.

Since that time, its control has passed among the old War Department, the Interior Department, the District government, the Federal Security Agency, and finally the Department of Health, Education, and Welfare.

As Mrs. GREEN put it yesterday, the bill gives the Government an opportunity to get out of the business of operating what was largely a private hospital.

She denied the assertion by Representative QUIE, Republican, of Minnesota, that the sole purpose of the bill was to free the Federal Government from the embarrassment of operating a segregated hospital for Negroes.

Mrs. GREEN said the hospital is not segregated and that it needs new facilities desperately.

THE ROLE OF MILITARY OFFICERS IN PUBLIC FORUMS

Mr. THURMOND. Mr. President, I note with some interest the comments of the President in his news conference today with regard to the role of military officers in public forums. I sincerely regret to see that the President apparently expressed himself as favorable to the modification of the 1958 National Security Council directive which established the policy whereby military leaders and facilities are to be used in the efforts to inform their personnel and the public on the menace of the cold war. I ask unanimous consent that the text of the Associated Press and United Press International reports of the President's press conference on this matter be printed in the RECORD at this point in my remarks.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

Kennedy was asked about the controversy which grew from a memo that Senator FULBRIGHT sent to Secretary of Defense McNamara protesting the role of military officers in public forums, which the Senator said had distorted their declared objective of educating Americans on the Communist menace.

The President said the Constitution wisely keeps the military out of politics. A problem will always exist, he went on, in enabling military men to express their views on great problems while keeping them out of political life and maintaining civilian control over the Armed Forces. But he said the National Security Council should clarify the directive on which the military services have based their educational programs.

President Kennedy said today the chief objective of a Defense Department directive about public statements by military officers is to prevent the exploitation of service leaders.

Kennedy told his news conference, in response to questions, that he believes that Senator FULBRIGHT performed a useful service in sending the Defense Department a memorandum on the matter.

FULBRIGHT, chairman of the Senate Foreign Relations Committee, wrote Secretary of Defense Robert S. McNamara that public forums held by the military in some cases were being given over to the dissemination of radical ideas by speakers who regard the internal Communist menace as greater than the external threat.

The Fulbright memorandum has been criticized by some Republicans and some Democrats as having contributed to a Defense Department directive they say has muzzled military officers on foreign and domestic issues.

Kennedy said McNamara had requested the memorandum from FULBRIGHT. He said that the administration will be glad to hear from other Senators and Members of Congress on the issue.

As far as he is concerned, Kennedy said he regards it as one of the wisest actions of the constitutional founders to have kept the military out of politics.

AUGUST 10, 1961.

WASHINGTON.—President Kennedy sided with Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas, today in a congressional dispute over whether military leaders should be allowed to speak out on political matters.

The President told his news conference that FULBRIGHT performed a service in challenging propaganda activities of some military officers.

He described the American tradition of keeping a military officer out of politics as a most important protection for both the country and for the military. FULBRIGHT sharply questioned indoctrination courses set up by some military commanders which have followed extreme rightwing views.

FULBRIGHT has been criticized by Senator STROM THURMOND, Democrat, of South Carolina, for issuing a memorandum condemning the activities of some officers. THURMOND charged the memorandum threatened to infringe on the rights of the military to speak out on matters of public concern.

Kennedy, asked about the dispute, said the U.S. Military Establishment, because of one of the wisest actions of our constitutional founders, has been kept out of politics.

He said he had no knowledge of the politics of the members of the Joint Chiefs of Staff, although he had appointed two of them.

"This is a most important protection for our country, and it is an equally important protection for the military," he said.

He added that this protection guards military officials against being exploited or discriminated against by politicians in either political party.

Kennedy said there is a constant problem about how to keep the military out of politics and maintain civilian control while having officers express their educated views on some of the great problems that face us around the world.

He said part of the current problem arose from a 1958 National Security Council assignment of special responsibility to military officers. He suggested that this Security Council decision should be clarified.

The President expressed the belief that FULBRIGHT had performed a service in advancing his viewpoint and said he hoped all Senators would give their opinions on this and other issues to the administration.

Mr. THURMOND. Mr. President, according to the wire service reports of the President's news conference, the President stated that the Secretary of Defense had requested the memorandum from the chairman of the Foreign Relations Committee on the subject of public expressions by military officers which has been discussed here on the floor in recent days and reported in the press. According to the wire service reports, the President also issued an invitation to other Senators and Members of Congress to express themselves on this issue to the administration. Perhaps I anticipated the invitation somewhat, for I have expressed my views on this issue to both the President and the Secretary of Defense, as well as to the Congress. I have written to both the President and the Secretary of Defense calling their attention to my remarks on the Senate floor of July 26, at which time I discussed the matter at some length. It is my hope that subsequent to an investigation of this matter by the Armed Services Committee, the Congress will see fit to express itself formally on this subject.

Mr. President, the issue at hand is not a conflict between civilian and military control of policy. This argument must not be permitted to shield the real issue involved in the current attempts to gag our military personnel. Not one shred of evidence has been produced that military personnel are attempting to usurp policymaking functions from civilian authorities, although it is readily apparent that efforts have been and are being made to substantiate such a charge through a campaign in the press utilizing innuendo and smears through associations.

The wire services report that the President said that the purpose of the new Defense Department directive is to prevent the "exploitation of service leaders." Mr. President, I do not believe for one second that our military leaders are so naive and gullible as to be subject to exploitation. If there is any evidence of any attempts to exploit our military

leaders, successful or unsuccessful, such evidence should be disclosed to the Congress and for that matter, to the public also by a duly authorized investigation where allegations will be subject to cross examination under oath. It would be very helpful to the Congress to know who it is, if anyone, who is attempting to exploit our military leaders.

Mr. President, I have no way of knowing whether the President has read the memorandum of the chairman of the Foreign Relations Committee and the attachments to it which were printed in the CONGRESSIONAL RECORD on August 2, 1961, and to which he directed his remarks in today's news conference. I also have no way of knowing whether he had in mind any of the civilians mentioned in the memorandum when he spoke in terms of "exploitation of service leaders." One of the organizations mentioned in the memorandum and singled out in the first attachment or list of "instances of education and propaganda activities of military personnel" is the Institute for American Strategy which conducts a program of military and industrial conferences across the country. I feel quite sure that the President is familiar with this organization, and the splendid work it is doing, even in the face of smear campaigns directed at it in the press. I base my assumption of the President's knowledge and approval of these military and industrial conferences by the Institute for American Strategy in part on a telegram directed to D. A. Sullivan, managing director, National Military Industrial Conference, Hotel Sherman, Chicago, Ill., dated April 10, 1961. The telegram reads:

> It is a pleasure to send greetings to this group of educators, business, and Government leaders as it begins its Seventh Annual National Military-Industrial Conference. It is important and vital work you are doing—alerting the attention of America's youth to the need for vigor as it prepares to face the realities of a world in conflict. This work of itself must give satisfaction. More rewarding still will be the satisfaction you derive from seeing our young people responding to the challenge of the times with increasing ability to meet that challenge.
>
> With every best wish.

The telegram is signed "John F. Kennedy."

Mr. President, I concur wholeheartedly in the President's commendation of this fine organization. So that all the Members of the Congress and the American public can better judge for themselves the activities of these conferences, the people who participate in them, and the organizations which sponsor them, I ask unanimous consent that the program of the Seventh Annual National Military-Industrial and Educational Conference held at the Sherman Hotel, Chicago, Ill., on April 10, 11, and 12, 1961, be printed in the RECORD at the conclusion of my remarks.

(See exhibit A.)

Mr. President, the American people need to know the facts on the total menace of communism. This need must not be frustrated by a pattern of censorship which goes far beyond either security reasons, or insuring that military personnel do not make statements in conflict with national policy established by civilian authorities.

Mr. President, the change in policy by the Department of Defense is going far beyond the requirements to insure that security considerations are protected and that military leaders do not usurp the policymaking function vested under our system of government in civilian authorities. It is my intention to address the Senate tomorrow with regard to this matter, and at that time I shall discuss a specific instance where this excessive zeal for gagging the military has resulted in the frustration of vital efforts in our drive to thwart the Communist threat to our own hemisphere.

EXHIBIT A

SEVENTH ANNUAL NATIONAL MILITARY-INDUSTRIAL AND EDUCATIONAL CONFERENCE, APRIL 10, 11, 12, 1961, SHERMAN HOTEL, CHICAGO, ILL.

"It is most urgent that the American educational system tackle in earnest the task of teaching American youth to confront the reality of totalitarianism in its toughest, most militant form, which is communism, with the facts and values of our American heritage."—President Kennedy.

COOPERATING AGENCIES

Educational:
U.S. Department of Health, Education, and Welfare.
Council of Chief State School Officers.
The National Association of Secondary School Principals.
The American Textbook Publishers Institute.
American University of Beirut, Lebanon.
American Vocational Association.
Armour Research Foundation of Illinois Institute of Technology.
Committee on Discussion and Debate Materials of the National University Extension Association.
DePaul University.
Freedoms Foundation at Valley Forge.
Foreign Policy Research Institute of University of Pennsylvania.
Foundation for Religious Action in the Social and Civil Order.
The Hoover Institution on War, Revolution, and Peace of Stanford University.
Illinois Institute of Technology.
Loyola University.
National Safety Council.
The Ohio State University.
Scientific Manpower Commission.
University of Notre Dame.
Industrial:
American Security Council.
American Society for Industrial Security.
American Society of Association Executives.
Armed Service Industrial Readiness Council.
The Associated General Contractors of America, Inc.
Association of Industrial Advertisers.
Defense Orientation Conference Association.
Chicago Association of Commerce and Industry.
Illinois Manufacturers' Association.
Illinois State Chamber of Commerce.
Public Relations Society of America (Chicago chapter).
National Association of Manufacturers.
National Defense Transportation Association.
National Sales Executives, Inc.
The Research Institute of America, Inc.
Civic:
AMVETS.
The American Legion.
Association of the U.S. Army.
Chicago Council of the Navy League of the United States.
4-H Girls Club, Barrington, Ill.
Reserve Officers Association of the United States.
Toastmasters International.
Governmental:
Chemical Corps, U.S. Army.
Corps of Engineers, U.S. Army.
Headquarters, 5th U.S. Army.
Headquarters, 9th Naval District.
Industrial College of the Armed Forces.
Illinois Civil Defense Agency.
Office of Civil and Defense Mobilization.
U.S. Air Force (Engineering).
U.S. Department of Commerce.

WHY THIS CONFERENCE?

"The purpose of our educational system is to communicate to the youth of the land the facts and ideas necessary both for abundant living and for meeting the issues of life and death in today's dangerous world."—President John F. Kennedy.

Of the issues of life and death in today's dangerous world the rapid expansion of totalitarianism is predominant. This issue absorbs nearly half of our annual national budget. It exacts 2 years or more out of the lives of most of our young men. It has placed a high demand on the scientific and management skills of the Nation.

Because this issue is so predominant in our lives, much effort has been devoted in the last 5 years by educators, businessmen, the Government and private organizations to improving our Nation's ability to produce young scientists and citizen-leaders who are as well equipped as possible to meet totalitarianism's challenge to freedom. Past annual national military, industrial, and educational conferences have been devoted to a discussion of the means of increasing our Nation's supply of scientists and technicians.

This year's conference is devoted to the social studies and the question of how our Nation can, through social studies programs, increase the number of well grounded citizen-leaders capable of effectively utilizing our national political, scientific, and military power in freedom's struggle against totalitarianism.

What role can the educator play in this? Mr. Allen Dulles, head of our Central Intelligence Agency, has put it this way: "Let us call on our educators to expand realistic teaching of the history and policies of communism." President Kennedy has said "It is most urgent that the American educational system tackle in earnest the task of teaching American youth to confront the reality of totalitarianism in its toughest, most militant form, which is communism, with the facts and values of our American heritage."

WHY IS THIS IMPORTANT?

Thirty years ago Americans of all ages forgot to do their homework on a matter of life and death. Most of us didn't read "Mein Kampf." We had never heard of Haushofer, Goebbels, or Schacht, the intellectual engineers of Nazi strategy for world domination.

Beguiled by a deep yearning for peace, we demobilized our armies, dismantled our navies, and engaged in business as usual. Instead of alerting our people to Nazi tactics while we still had time to build deterrents to avoid World War II, we tried appeasement, which only inflamed Nazi aspirations for world conquest.

CAN HISTORY REPEAT ITSELF?

The 1960's are much like the 1930's. We have peace. We have business as usual. We have another group of totalitarian dictators who have written a number of books prophesying our burial, books that are still not a part of our homework. In the past decade, communism has leapfrogged 10,000 miles across continent and ocean to Cuba. More than half of the world is tuned in to the dialectics of Marx and the psychological warfare of Khrushchev. The danger of 1960 is

equally as great to freemen as was the danger of 1939.

Unless we take up the hard intellectual work required by the impact of Communist philosophy and power politics on our world, history may very well repeat itself. Unless we undertake the task of preparing our youth to meet the challenge of a world of conflict, our 2,000 years of struggle to build a free society in the name of human dignity may have been in vain.

PREPARING OUR YOUTH TO MEET THE CHALLENGE

With increasing frequency, our Nation's educational, governmental, and business leaders have urged the need to strengthen our high school and college curriculums in the teaching of the nature, strategy, and tactics of modern communism. This suggestion has not been made with the notion of "teaching communism" to our young people. It is intended to indicate that a greater awareness of the Soviet threat on the part of our youth would enable them better to understand and appreciate our democratic system and how it can best be mobilized to meet that threat. Through a comparative teaching of democracy and communism the strengths of the former can be pitted in the classroom and in later life against the weaknesses of the latter. There is no doubt that the youth of the 1930's were taught as much about the democratic way as are our youth today. The school has been and still is the fount of American patriotism.

Youth's problem then was similar to that of today: its patriotism needed focusing on the major forces affecting the world. Surely, education for American citizenship should encompass an awareness of the ideological and military threat to our way of life, including an objective, systematic study of the goals and methods of communism.

Courses of such a nature are already being taught by earnest educators in a number of our high schools and colleges. It is an aim of this conference to present some of these models for circumspection in order that they may be expanded and improved upon in school systems across the land.

OBJECTIVES OF THE CONFERENCE

Here is a challenge to the best brains in America from our schools and government, from industry and research, from the military and communications:

How can we provide the citizens and statesmen of 1975—now in our schools—with an accurate and meaningful understanding of the nature of communism and its challenge to America and freedom?

How can we emphasize and revivify for them the fundamentals of our own political, social, and economic order and the democratic values inherent therein?

How can we instill in our youth the qualities of dynamic leadership which will enable them to demonstrate to the peoples of the world the efficacy of the values of the free society?

How can we find effective and efficient ways and means of introducing into our high schools and colleges training to develop in our youth such understanding and awareness?

If we, the educational, business, governmental, and community leaders of America, cannot meet this challenge, then humanity for a thousand years may be the loser. That is the why and hope of this conference.

ANNOUNCEMENT

We are proud to announce for the third time, the trustees, directors, and officers of Freedoms Foundation at Valley Forge announce with pleasure the selection of Institute for American Strategy by the distinguished national and school awards jury to receive the George Washington Honor Medal award for its national military, industrial, and educational conference.

An outstanding achievement in helping to bring about a better understanding of the American way of life.

School awards announcement on Benjamin Franklin's birthday, January 17.

National awards announcement on George Washington's birthday, February 22, at Valley Forge.

PROGRAM

MONDAY, APRIL 10

Registration: 8 to 10 a.m., mezzanine foyer.

Opening session: 9: 30 to 12 noon, Crystal Room.

"The nature of the threat to freedom"

Chairman: Edwin A. Locke, Jr., president, Union Tank Car Co.

Invocation: The Right Reverend Monsignor William E. McManus, superintendent, archdiocese of Chicago School Board.

Welcome: Mayor Richard J. Daley.

Cochairman: Frank S. Flick, president, Flick-Reedy Corp.

Speaker: Russell J. Humbert, president, De Pauw University—"Freedom Through Education: an Introduction to the Conference."

Speaker: William C. Sullivan, Chief of Research, Federal Bureau of Investigation, "Communism and Education in the United States."

Speaker: Dr. William Yandell Elliott, professor of government, Harvard University, "The Soviet Cultural Offensive Against Freedom."

Luncheon: 12:15 p.m., grand ballroom.

Chairman: Robert S. Ingersoll, president, Borg-Warner Corp.

Speaker: Charles H. Percy, president, Bell & Howell Co., "Democratic Versus Communist Values: The Challenge to American Educators."

Afternoon session: 2 p.m., Crystal Room.

"The goals of education in Russia and America—A comparative view"

Chairman: Dr. Charles A. Ford, vice president and editorial director, Compton's Pictured Encyclopedia.

Speaker: Dr. Samuel M. Brownell, superintendent of public schools, Detroit, Mich., "The Soviet Challenge to American Education."

Speaker: Dr. Benjamin C. Willis, general superintendent of schools, Chicago, Ill., "The Assets of the American Education System Available To Meet the Soviet Challenge."

Speaker: James E. Allen, Jr., commissioner of education of the State of New York, "Education: For the Nation or the Individual?"

Evening session: 7:30 p.m., grand ballroom.

Chairman: Dr. John T. Rettaliata, president, Illinois Institute of Technology.

Speaker: The Honorable WALTER H. JUDD, Member, House of Representatives, U.S. Congress, "The Ideological Struggle."

Panel: "Toward the development of a program for education about communism."

Moderator: Dr. William Yandell Elliott, professor of government, Harvard University.

Panelists: The Reverend Stanley J. Parry, C.S.C., head, Political Science Department, University of Notre Dame, "The Basic Issues To Be Taught."

Prof. Daniel J. Boorstin, Department of History, University of Chicago, "The Role of American Ideals in Teaching About Communism."

Prof. William M. McGovern, professor of political science, Northwestern University, "A Political Science Program at the College Level."

John C. Broger, Deputy Director, Office of Armed Forces Information and Education, Department of Defense, "Education About Communism."

Dr. Erling M. Hunt, chairman, Department of the Teaching of Social Studies, Teachers College, Columbia University, "High School Possibilities and Needed Teaching Resources."

W. Glenn Campbell, director, Hoover Institution on War, Revolution, and Peace, Stanford University, "Research Institutions as an Aid to Teachers and Administrators."

TUESDAY, APRIL 11

Morning session: 9:30 to 12 noon, Crystal Room.

"Education, communism, and our American heritage—Business, labor, and the military look at the problems"

Chairman: Edward G. Logelin, vice president, United States Steel Corp.

Speaker: Lemuel Boulware, retired vice president, General Electric Co., "Education at the Crossroads."

Speaker: Arthur G. McDowell, director, Department of Civic, Educational and Governmental Affairs, Upholsterers' International Union of North America—(subject to be announced).

Speaker: Lt. Gen. George W. Mundy, U.S. Air Force, commandant, Industrial College of the Armed Forces, "Education in Public Affairs: An Essential for Survival."

Luncheon: 12:15 p.m., grand ballroom.

Chairman: James E. Rutherford, vice president, Prudential Insurance Co. of America and president of the Chicago Association of Commerce and Industry.

Selections by the Culver Military Academy Glee Club, Claude Zetty, director.

Speaker: Adm. Arleigh Burke, Chief of Naval Operations, "Education for Responsibility—The Answer to the Communist Challenge."

Afternoon session: 2 p.m., Crystal Room.

Chairman and Moderator: Dr. Austin J. McCaffrey, executive secretary, the American Textbook Publishers Institute.

Panel: "Problems in Developing a Program for our Schools: Case Studies."

Panelists: Dr. James R. Hayden, assistant superintendent of schools, New Bedford, Mass., "A Program for the Junior High School."

Lewis W. Gilfoy, director of secondary school service section, Indianapolis public schools, "A Program for the High School."

A presentation of a typical class on communism by the Indianapolis public schools, "The Program in Action."

Dr. William J. Reid, coordinator of civic education, the school committee of the city of Boston, "A Program for the High School: Another View."

Maj. Gen. Delmar T. Spivey, U.S. Air Force, retired, superintendent, Culver Military Academy, "A Program for the Private School."

Dr. A. M. Woodruff, chairman, Department of Government, George Washington University, "A Program for the College."

The Reverend Timothy L. McDonnell, S.J., chairman, Department of Political Science, University of San Francisco, "A Program for the College: Another View."

Evening session: 7:30 p.m., Crystal Room.

"What is communism really like?—An eyewitness report"

A special seminar for teachers, students, and industry.

Chairman: Harry Henderson, vice president, Burson-Marsteller Associates.

Speaker: Robert J. Muntzel, president, Mission Development Co. of Kansas, "What I Saw and Heard in Russia and Its Satellite Countries."

Speaker: Charles Vetter, U.S. Information Agency, "What U.S. Officials Need To Know About Foreign Duty."

WEDNESDAY, APRIL 12

Morning session: 9:30 to 12 noon, Crystal Room.

"The philosophy of freedom"

Chairman: The Very Reverend James F. Maguire, S.J., president, Loyola University.

Speaker: Dr. Kenneth D. Wells, president, Freedoms Foundation at Valley Forge, "Freedom From Terror: A Basic Right of Man."

Speaker: Dr. Masamichi Inoki, professor of history, University of Kyoto, Japan, "The Communist View of Freedom: A Criticism."

Luncheon: 12:15 p.m., grand ballroom.

Chairman: James M. Barker, business consultant and former chairman of the board, Allstate Insurance Co.

Speaker: Herbert R. Mayes, editor, McCall's magazine, "Some Thoughts Most of Us Are Not Thinking Out Loud."

Afternoon session: 2 p.m., crystal room.

Chairman: Frank R. Barnett, director of research, the Richardson Foundation.

Cochairman: James M. Barker, business consultant and former chairman of the board, Allstate Insurance Co.

Committee report: "The Steps Ahead—Some Substantive and Organizational Prerequisites of a School Program for Teaching About Communism."

Report of the program development committee: Dr. William Yandell Elliott, chairman, and Dr. Gerhart Niemeyer, secretary.

Report of the educational advisory committee: Msgr. William E. McManus, chairman, and Dr. Don C. Rogers, secretary.

Speaker: Lyman B. Kirkpatrick, Inspector General, Central Intelligence Agency, "Teachers, Textbooks, and Travel: Communist Action in the World's Schools."

Speaker: Edward L. Katzenbach, Jr., Deputy Assistant Secretary of Defense for education and manpower resources (designate), "The Future Dimension of Education in the Services."

Speaker: Thomas H. Coulter, chief executive officer, Chicago Association of Commerce and Industry, "Education and Freedom in a World of Conflict: A Summary of the Conference."

Evening session: 7:30 p.m., grand ballroom.

Chairman: Morris I. Leibman, partner, Crowell & Leibman, representing the Chicago bar.

"The Spy Next Door," a documentary presentation of the ramifications of the Communist international espionage organization shown through courtesy of the Armstrong Cork Co.

Moderators: U.S. Senator ROMAN L. HRUSKA, of Nebraska; Congressman FRANCIS E. WALTER, of Pennsylvania; Congressman MORGAN MOULDER, of Missouri.

Educational advisory committee:

James E. Allen, Jr., commissioner of education of the State of New York.

Prof. Bower Aly, executive secretary, National University Extension Association, University of Oregon.

Clarence K. Anderson, principal, Roald Amundsen High School, Chicago.

Frederick C. Barghoorn, Department of Political Science, Yale University.

Dr. C. E. Barthel, Jr., program director for foreign science activities, National Science Foundation.

Frederick Bellinger, chief, Material Sciences Division, Georgia Institute of Technology.

Dr. George C. S. Benson, president, Claremont Men's College.

Prof. Daniel J. Boorstin, Department of History, University of Chicago.

Prof. Anthony T. Bouscaren, Department of History and Political Science, LeMoyne College.

Francis X. Bradley, Jr., assistant dean, University of Notre Dame.

Prof. Zbigniew Brzezinski, the Russian Institute, Columbia University.

Dr. Samuel M. Brownell, superintendent of public schools, Detroit.

Dr. Kenneth D. Colegrove, C. W. Post College of Long Island University.

The Rev. John F. X. Connolly, S.J., president, University of San Francisco.

G. E. Cornwell, first assistant superintendent of public instruction, State of Illinois.

Glenn S. Dumke, president, San Francisco State College.

J. W. Edgar, commissioner of education, State of Texas.

Dr. William Yandell Elliott, professor of government, Harvard University.

Prof. R. Barry Farrell, Department of Political Science, Northwestern University.

Dr. John H. Fischer, dean, Teachers College, Columbia University.

Prof. Ralph T. Fisher, Jr., center for Russian language and area studies, University of Illinois.

Lewis W. Gilfoy, director of secondary schools service section, Indianapolis public schools.

Svend A. Godfredsen, assistant to the president, Roosevelt University.

Dr. M. H. Groves, associate dean of the Graduate School, Illinois Institute of Technology.

Dr. Harold F. Harding, Department of Speech, the Ohio State University.

Dr. James R. Hayden, assistant superintendent of schools, New Bedford, Mass.

The Reverend Cletus Healy, S.J., Marquette University High School.

Dr. Erling M. Hunt, chairman, Department of the Teaching of Social Studies, Teachers College, Columbia University.

Dr. Evron Kirkpatrick, executive director, American Political Science Association.

Dr. Donald F. Kline, former Assistant U.S. Commissioner of Education.

Dr. Joseph Leese, professor of education, State University of New York.

Dr. William B. Logan, the Ohio State University.

Dr. Kurt London, George Washington University.

Dr. Charles W. Lowry, president, Foundation for Religious Action in the Social and Civil Order.

Thaddeus J. Lubera, associate superintendent, Board of Education, Chicago.

Prof. Axel Marin, University of Michigan.

The Right Reverend Monsignor William E. McManus, superintendent, Archdiocese of Chicago School Board.

L. S. Michael, superintendent, Evanston Township High School.

Frederick J. Moffitt, assistant to the Commissioner, Department of Health, Education, and Welfare, Office of Education.

John W. Morrison, Department of State.

The Reverend R. W. Mulligan, S.J., vice president and dean of faculties, Loyola University.

Dr. Gerhart Niemeyer, Department of Political Science, University of Notre Dame.

The Very Reverend Comerford J. O'Malley, C.M., president, DePaul University.

Noble J. Puffer, superintendent, Cook County Schools.

Dr. William J. Reid, coordinator of civic education, the school committee of the city of Boston.

Prof. Julius Rezler, Graduate School, Loyola University.

Dr. Don C. Rogers, retired assistant superintendent, Chicago public schools.

Dr. Warren W. Shearer, professor of economics, Wabash College.

James H. Smith, deputy superintendent, board of education, Chicago.

Dr. Paul E. Smith, secretary, International Relations Committee, National Education Association.

Maj. Gen. Delmar T. Spivey, U.S. Air Force, retired, superintendent, Culver Military Academy.

Dr. Robert Strausz-Hupe, director, Foreign Policy Research Institute, University of Pennsylvania.

Dr. Ernest van den Haag, New York University.

Dr. Ernest H. Volwiler, chairman of the board, Abbott Laboratories.

Dr. Richard L. Walker, University of South Carolina.

W. Allen Wallis, dean, Graduate School of Business, University of Chicago.

Dr. Kenneth R. Whiting, Research Studies Institute, Air University.

Dr. Benjamin C. Willis, general superintendent of schools, Board of Education, Chicago.

Dr. A. M. Woodruff, School of Government, George Washington University.

Prof. Arnold J. Zurcher, New York University.

Arrangements committee:

Capt. Carl J. Bordiga, U.S. Army, 5th U.S Army.

John L. Buckley, president, American Society for Industrial Security.

Col. J. B. W. Corey, Jr., U.S. Army, procurement officer, Chicago district, Corps of Engineers.

Virgil L. Couch; Director, Industry Office, Office of Civil and Defense Mobilization.

Thomas H. Coulter, chief executive officer, Chicago Association of Commerce and Industry.

Lt. Gen. Emerson L. Cummings, U.S. Army, commanding general, 5th U.S. Army.

Col. H. R. Eichenberg, U.S. Army Reserve, market development consultant.

David Ferguson, assistant to the vice president, United States Steel Corp.

Rear Adm. John M. Higgins, U.S. Navy, commandant, 9th Naval District.

Lt. Col. M. H. Manchester, Reserve Officers Association of the United States.

John O. Marsh, Jr., attorney at law, Strasburg, Va.

John C. Neff, Richardson Foundation.

Col. John T. O'Neill, U.S. Army, engineer, 5th U.S. Army.

Mrs. Milton E. Parker, 4–H Girls Club.

Carl Polaski, Chicago district, Corps of Engineers.

Henry Regnery, Henry Regnery Co.

Lt. Gen. Walter L. Weible, U.S. Army, retired, executive vice president, Association of the U.S. Army.

Roswell B. West, West & West.

Public information committee:

Chairman: Ivan Hill, executive vice president, Cunningham & Walsh, Inc.

Milburn P. Akers, editor, Chicago Sun-Times.

Col. Lee Baker, U.S. Air Force, Deputy Director of Information, Air Materiel Command.

Luke P. Carroll, managing editor, Chicago American.

Robert Cunningham, public relations director, Chicago Association of Commerce & Industry.

Col. H. R. Eichenberg, U.S. Army Reserve, chairman, National Education Committee (ROTC).

A. C. Field, Jr., manager, public affairs, station WGN.

Maurice Fisher, city editor, Chicago Daily News.

Owen Frisby, public relations, Standard Oil Co.

Clark George, vice president, Columbia Broadcasting System.

Alvin Kreig, district director of public relations, United States Steel Corp.

Sidney S. Lovitt, vice president, Julius Klein Public Relations, Inc.

Lt. Col. M. H. Manchester, U.S. Army Reserve, deputy director, Reserve Officers Association.

Howard Mayer, chairman, Mayer & O'Brien, Inc., public relations counsel.

Comdr. R. M. McCool, U.S. Navy, public information officer, 9th Naval District.

George Murray, columnist, Chicago American.

Hale Nelson, vice president for public relations, Illinois Bell Telephone Co.

Sterling Quinlan, vice president, American Broadcasting Co.

Harold B. Rorke, public information consultant.

Albert Rosenthal, public information director, Chemical Corps, U.S. Army.

Col. James Sheridan, U.S. Air Force, chief, Secretary of Air Force's Office of Information in Chicago.

Col. W. L. Slisher, U.S. Army, public information officer, 5th U.S. Army.

Godfrey Sperling, Chicago correspondent, Christian Science Monitor.

John Taylor, executive director, Chicago Educational Television Association.

John Hall Thompson, military affairs editor, Chicago Tribune.

John Van Zant, vice president for public relations, J. Walter Thompson Co.

Lloyd E. Yoder, vice president, National Broadcasting Co.

Washington liaison committee:

Secretary: Dr. C. E. Barthel, Jr., program director for foreign science activities, National Science Foundation.

Brig. Gen. Donald Armstrong, U.S. Army, retired, former commandant, Industrial College of the Armed Forces.

Thomas I. Bell, FBI, Washington, D.C.

Earl Emerson, director and former president, Armco International Corp.

E. B. English, manager, defense products department, Caterpillar Tractor Co.

Rear Adm. H. Arnold Karo, Director, Coast and Geodetic Survey, U.S. Department of Commerce.

Col. William R. Kintner, deputy director, Foreign Policy Research Institute, Unversity of Pennsylvania.

Fred T. Marshall, the B. F. Goodrich Co.

J. Lewis Powell, U.S. Department of Defense.

Adm. Arthur W. Radford, U.S. Navy, retired, former Chairman of the Joint Chiefs of Staff.

Dr. Marlin S. Reichley, director of instruction, Industrial College of the Armed Forces.

Conger Reynolds, Director, Office of Private Cooperation, U.S. Information Agency.

William C. Sullivan, Chief of Research, Federal Bureau of Investigation.

Lt. Gen. Arthur G. Trudeau, U.S. Army, Chief of Research and Development, Department of the Army.

Lt. Comdr. James C. Watkins, U.S. Navy, assistant director, the American Legion.

Lt. Gen. Walter L. Weible, U.S. Army, retired, executive vice president, Association of the U.S. Army.

James Wilson, Jr., director, National Security Commission, the American Legion.

ANNOUNCEMENTS

Question periods

The final portion of each session will be devoted to questions from the floor. In order to proceed in an orderly manner it is necessary to have these questions in written form. Please hand yours to an usher during the session, and please indicate your name and school or organization and to whom the question is addressed. The session chairman will read as many questions as possible during each question period.

Special Exhibit: "The Sights and Sounds of Communism"—Parlor "O", Mezzanine Floor.

A special exhibit on Communist propaganda, showing how the Communists utilize posters, newspapers, radio, motion pictures, pamphlets, and other communications media for political propaganda purposes in Europe, Asia, Africa, Latin America, and the United States will be on display in parlor "O", mezzanine floor, near the registration desk throughout the conference. Recent travelers to Communist countries will be present to answer questions about this unusually complete collection of current Communist propaganda.

Books and literature: The Institute for American Strategy has available for sale at the registration desk some of its publications, including "American Strategy for the Nuclear Age" ($1.45), "The U.S. Economy in a World of Conflict" ($2.00), and "Peace Is War" ($1). Additional copies of the educational materials distributed at the Monday evening and Tuesday afternoon sessions, (1) "Teaching About Communism and Democracy in Our Public Schools: The Problems Ahead—The Progress Thus Far," (2) "Teaching About Communism and Democracy: Case Studies," and (3) "World Communism: A Selected Bibliography," are available there at cost, as are copies of some conference talks.

Kroch's & Brentano's Bookstore has set up a booth in the mezzanine lobby with a selection of important books on foreign affairs and national security.

A free literature booth has been set up in the mezzanine lobby with a broad selection of publications from private and governmental sources on communism, foreign policy, and national security. Conferees are invited to browse through these literature displays and to visit the educational exhibits provided by the Army, Navy, and Air Force which are located on the mezzanine floor.

Conference registration fee: The registration fee admits registrants to all sessions of the conference (including evening sessions) and entitles each registrant to a copy of the conference proceedings which will be published and mailed this summer.

Evening sessions open to the public: The evening sessions are open to the public. There will be no charge for the Tuesday evening session. There will be a $2 charge—proceeds donated to Radio Free Europe and Radio Liberation—for the Monday and Wednesday evening sessions. Persons intending to attend these sessions are advised to register for the whole conference in order to receive the conference proceedings.

THE INSTITUTE FOR AMERICAN STRATEGY

The principal sponsor of the Annual National Military, Industrial, and Educational Conference is the Institute for American Strategy, a nonprofit, educational corporation, whose objective is furthering public understanding of the nature of the contemporary totalitarian challenge to American freedom. It seeks to accomplish this through education programs designed to increase public awareness of the nature, objectives, and methods of communism and of the ideals and assets inherent in our free society for meeting its challenge. The institute is a tax-exempt, nonpartisan, privately managed organization financed by the contributions of over 100 of America's corporations and a number of foundations.

Institute programs

The institute envisions the National Military, Industrial, and Educational Conference as an open forum for the free discussion by educational, governmental, and business leaders of the national security and foreign policy problems facing our Nation in this century of conflict. Past conferences have dealt with such subjects as the Soviet economy, the American economy, and mobilizing our technical manpower. Through the conference and its many other activities, the institute seeks to be an agency for the promotion of continuing close cooperation between education, the Government, and industry in the articulation for the public of our national goals and strategy in securing and expanding the domain of human freedom.

The institute has participated in and sponsored adult education programs, such as the Annual National Defense Strategy Seminar for Reserve Officers at the National War College and local and regional strategy seminars open to the public in over 25 cities across the land in the last year. These seminars are a cooperative effort of educators, businessmen, government, and military leaders and private educational, civic, and commercial organizations to bring to the public a discussion of communism, its threat, and the need for an American response thereto based on our democratic heritage and institutions.

Institute publications

In furtherance of this end the institute has published a Doubleday paperback, "American Strategy for the Nuclear Age," ($1.45), being a collection of articles for the layman and student on the political, economic, and military aspects of national strategy by such men as Dean Acheson, Walt W. Rostow, Dr. Robert Strausz-Hupe, Hanson Baldwin, Robert L. Garner, and Lt. Gen. Arthur Trudeau. The institute has distributed 10,000 copies of this book to high schools and colleges across the land. The institute has also published Ilusion Comunista y la Realidad Democratica, a translation of a speech by J. Edgar Hoover, which is being distributed via educational and business channels in Latin America.

THE INSTITUTE FOR AMERICAN STRATEGY—BOARD OF DIRECTORS

President: Lenox R. Lohr, president, Museum of Science and Industry.

Chairman, executive committee: Edwin A. Locke, Jr., president, Union Tank Car Co.

Robert C. Barker, vice president and general counsel, the Northern Trust Co.

Rear Adm. Rawson Bennett, U.S. Navy, Chief of Naval Research.

Frank R. Barnett, director of research, the Richardson Foundation, Inc.

Willard W. Brown, vice president, the Clevite Corp.

Harry A. Bullis, former chairman of the board of General Mills, Inc., chairman of World Tensions.

John L. Collyer, former chairman of the board, the B. F. Goodrich Co.

Edward J. Condon, former vice president for public relations, Sears, Roebuck & Co.

Thomas H. Coulter, chief executive officer, Chicago Association of Commerce and Industry.

John M. Fisher, chairman of the board, American Security Council.

James Cunningham, partner, Hayden, Stone & Co.

Fred M. Gillies, chairman of the executive committee, Acme Steel Co.

Lt. Gen. Leslie R. Groves, U.S. Army, retired, vice president, Remington Rand Division, Sperry Rand Corp.

Ivan Hill, executive vice president, Cunningham & Walsh, Inc.

Lt. Gen. E. C. Itschner, U.S. Army, Chief of Engineers, Department of the Army.

Rear Adm. H. Arnold Karo, Director, Coast and Geodetic Survey, U.S. Department of Commerce.

Allan B. Kline, former president, American Farm Bureau.

Dr. Haldon A. Leedy, director, Armour Research Foundation of Illinois Institute of Technology.

Morris I. Leibman, Crowell & Leibman.

Merrill C. Meigs, vice president, the Hearst Corp.

Lt. Gen. George W. Mundy, U.S. Air Force, commandant, Industrial College of the Armed Forces.

Gen. E. W. Rawlings, U.S. Air Force, retired, executive vice president, General Mills, Inc.

Gordon W. Reed, chairman of the board, Texas Gulf Producing Co.

Elmer Rich, Jr., chairman of the board, Simoniz Co.

H. A. Shepard, vice president, Thompson Ramo Wooldridge, Inc.

John Siezak, chairman of the board, Kable Printing Co.

Leonard Spacek, managing partner, Arthur Andersen & Co.

Maj. Gen. Delmar T. Spivey, U.S. Air Force, retired, superintendent, Culver Military Academy.

D. A. Sullivan, Armour Research Foundation—I.I.T.

Douglas L. Weart, major general, U.S. Army, retired.

Lawrence H. Whiting, president, Whiting & Co.

Robert E. Wood, retired chairman of the board, Sears, Roebuck & Co.

PROCLAMATION OF THE MAYOR, CITY OF CHICAGO

Whereas students everywhere are prime targets for Communist aggression in the cold war battle for the minds of men; and

Whereas a thorough understanding of the strengths which support our American way of life, as well as an understanding of the false pretensions and degrading actualities of existence under totalitarian Communist tyranny is their best personal defense against being deceived; and

Whereas American educators are continuously examining many ways in order to find the best way to guide our sons and daughters to a clearer perception of contemporary truth and social well-being; and

Whereas a significant gathering of distinguished educators will occur for this purpose in Chicago April 10–12 during the seventh annual National Military-Industrial-Educational Conference, which has as its theme "Education and Freedom in a World of Conflict";

Now, therefore, I, Richard J. Daley, mayor of the city of Chicago, do hereby proclaim the week beginning April 10, 1961, as Education for Freedom Week and urge the people of Chicago to join in support of the programs to be held during that week under the auspices of the Institute for American Strategy in cooperation with the U.S. Department of Health, Education, and Welfare.

RICHARD J. DALEY,
Mayor.

HONORARY CHAIRMAN OF CONFERENCE: MAYOR RICHARD J. DALEY

CONFERENCE PARTICIPANTS

Dr. James E. Allen, Jr., president of the University of the State of New York and commissioner of education, received his A.B. degree from Davis and Elkins College and studied economics and public finance in the Graduate School of Princeton University, before receiving the degrees of master of education and of doctor of education from Harvard University. Dr. Allen also holds honorary degrees from Syracuse, Alfred, Niagara, Yeshiva, Fordham, and Harvard Universities, as well as from Davis and Elkins, Hobart and William Smith, Hofstra, Marshall, Adelphi, and Middlebury Colleges. Dr. Allen has been West Virginia chief of State aid and statistics, research associate in the Princeton surveys, and secretary to the faculty and director of placement in the Harvard Graduate School of Education. From 1944 to 1945 Dr. Allen served in a civilian capacity as an operations analyst for the Air Force and later he became assistant professor of education and director of the bureau of school services at Syracuse University. He was appointed executive assistant to the New York State commissioner of education in 1947. Dr. Allen has received the Charles Evans Hughes Award, the Ninth Annual Award by the Times Square Club for outstanding service to American education, and the Distinguished Service to Education Award of the Education Societies of Long Island University. Dr. Allen is a member of the New York Civil Defense Commission, of the Committee on Social Education and Action of the Synod of New York of the Presbyterian Church in the United States of America and chairman of the New York Committee on Fulbright Scholarships, among many similar posts of honor. He and Mrs. Allen live in Albany, N.Y., with their son and daughter.

James M. Barker, retired chairman of Allstate Insurance Co., is an engineering graduate of Massachusetts Institute of Technology who was a designer-draftsman for American Bridge Co., an engineer for Canadian Pacific Railway and a New York City bureau, and a sales manager for a steel company before becoming an assistant professor of MIT and later at Harvard. Expenses of a growing family (now four children and six grandchildren) suggested a career change, but it was only after 2 years of study that he sought and got his job with Boston's First National Bank. As Buenos Aires manager, Banker Barker presently assisted Lessing Rosenwald in a survey of the Argentine market. A year later he was in Chicago as assistant to the then senior vice president of Sears, Roebuck and Co. Since November 1928, Mr. Barker assumed growing responsibilities with the mail order and store chain in retailing and finance. In 1935 he was treasurer of Sears, Roebuck and Co. and director of Allstate Insurance Co. His other directorships presently included railroad, oil, and banking enterprises. He also is trustee of Northwestern University and of five other seats of learning. Besides as economic consultant to the Governments of Turkey and Iran, Mr. Barker has served many American governmental and public service activities. He is an accomplished linguist.

Mr. Frank R. Barnett, director of research for the Richardson Foundation, Inc., is one of the Nation's leading experts on Russian affairs and psychological warfare. A former Rhodes scholar, college professor and military government official in Berlin, he is a cold war strategist and proponent of a plan to recruit Iron Curtain exiles into a Legion of Freedom. In addition to his duties with the Richardson Foundation, he is a director of the American Friends of Russian Freedom. Mr. Barnett served in World War II as a Russian interpreter with the first American division to meet the Red army at the Elbe River. He has received the Freedoms Foundation Award. Recently he has lectured to the Army War College and to national conventions of the NAM, the Reserve Officers Association and many other groups, on techniques of Soviet conflict management.

Dr. Daniel J. Boorstin has been professor of American history at the University of Chicago since 1944. He entered Harvard when he was not quite 16. After receiving highest honors from the college (1934) in English history and literature, he went as a Rhodes scholar to Balliol College, Oxford, England, where during 3 years of study he attained a double first (highest honors) in two law degrees (B.A. in jurisprudence, 1936; B.C.L., 1937). He was also enrolled as a student at the Inner Temple in London, and in 1937 was "called" as a barrister-at-law of the Inner Temple, becoming one of the few Americans qualified to wear a wig and plead in Her Majesty's high courts. He returned to a Sterling fellowship at Yale Law School (1937–38), from which he received a doctor's degree for his work in legal history. From 1938–42, he taught English and American history and literature at Harvard College and legal history at the Harvard Law School. Meanwhile, he was admitted to the Massachusetts bar, and worked for a while (1942) as a lawyer in the Office of General Counsel of Lend-Lease Administration and the Office of the Assistant Solicitor in Washington. He then taught European and American history in Swarthmore College (1942–44), until he was called to the University of Chicago in 1944. Dr. Boorstin was born in Atlanta, Ga., and schooled in Tulsa, Okla. He and Mrs. Boorstin have three sons, who made the trip too when Dr. Boorstin was visiting professor of American history at the University of Rome, consultant to the Social Science Research Center at the University of Puerto Rico, and visiting professor of American history at Kyoto University, Japan. He was sent under the auspices of the U.S. Department of State to lecture on American history and civilization (November 1959–March 1960) in Turkey, Iran, Nepal, India, and Ceylon. For several years, Boorstin was the editor of American history for Encyclopedia Britannica. He is editor of the Chicago History of American Civilization, a series of 20-odd volumes. His most recent book is "The Americans: The Colonial Experience."

Lemuel R. Boulware retired from business as vice president of General Electric and general manager of its subsidiary manufacturing corporations. He previously held similar positions with Celotex and Carrier Corps. following service as marketing manager for Easy washing machines and as public accountant, comptroller, purchasing agent and factory manager. From May 1947, through December 1960, Mr. Boulware helped General Electric pioneer new concepts in "Relations"—employee, community, union, investor, educational and public relations. A native of Springfield, Ky., he was graduated by the University of Wisconsin where he had been captain of the baseball team. He taught commercial law and accounting classes there, and also in night schools. Two honorary doctorates of law and an honorary degree of doctor of humane letters have been awarded Mr. Boulware. During World War I he served as captain of infantry, and in World War II he was Operations Vice Chairman of the War Production Board, a service recognized by the award of the Medal of Merit by the President and by a Navy citation. Although retired, Mr. Boulware is active as lecturer, author, and consultant.

Mr. John C. Broger is Deputy Director of the Defense Department's Office of Armed Forces Information and Education and Vice Chairman of the Armed Services Committee of the President's people-to-people program. Previously he served as consultant to the Joint Chiefs of Staff, a duty additional to those of the president (1945–59) of the Far Eastern Broadcasting Co., a nonprofit organization which operates 18 medium and shortwave transmitters in the Philippines, Taiwan and Okinawa. Born in Nashville and an alumnus of Georgia Institute of Technology, Southern California Bible College and Texas A. & M., Mr. Broger served as electronics officer in the Navy 1942–45. After writing and editing 38 texts and manuals then for Navy radio and radar training, he was attached to Night Torpedo Squadron 91 aboard aircraft carrier *Bon Homme Richard* in Task Force 38. A frequent lecturer at war colleges of all services, Mr. Broger has been honored by awards from AMVETS and the Freedoms Foundation.

Dr. Samuel Miller Brownell was born, educated through college and started his teaching in Nebraska. After serving as teacher and high school principal, he did his graduate work at Yale University. After 12 years, 11 of which were as superintendent of schools in Grosse Pointe, Mich., he returned to Yale as professor of educational administration in the graduate school, a position he held until September 1956 when he became superintendent of schools in Detroit. As a member of the Yale faculty he had served 7 years as President of New Haven State Teachers College, under a cooperative arrangement. During 1953–56 he was on leave of absence from Yale to serve as U.S. Commissioner of Education. His activities also included the direction of 23 surveys of school systems located in New England, New York, New Jersey, Nebraska, and Hawaii, and teaching in summer sessions in such universities as Cornell, Harvard, University of Southern California, Wisconsin, and Michigan. He has been active in church and community affairs, and is presently a Rotarian, on the board of directors or advisory boards of the YMCA, Boy Scouts, United Foundation, and Economic Club. He is the father of four children whose elementary and high school education has been in the public schools.

Adm. Arleigh A. Burke, U.S. Navy Chief of Naval Operations, was born in Boulder, Colo., on October 19, 1901. On June 8, 1923, he was graduated from the U.S. Naval Academy, commissioned ensign in the U.S. Navy,

and married to Miss Roberta Gorsuch of Washington, D.C. Throughout his professional career, Arleigh Burke served in battleships, destroyers, and studied to receive the degree of master of science in engineering at the University of Michigan. In World War II he successively commanded Destroyer Division 43, Destroyer Division 44, Destroyer Squadron 12, and Destroyer Squadron 23, known as the Little Beavers, which covered the initial landings in Bougainville in November 1943, and fought in 22 separate engagements during the next 4 months. Because he pushed his destroyers just under boiler-bursting speed, he became known as "31-knot Burke." From Destroyer Command in the South Pacific, he reported in March of 1944 as Chief of Staff to Commander, Fast Carrier Task Force 58, Adm. Marc Mitscher. He flew many combat missions and he was aboard both *Bunker Hill* and *Enterprise* when they were hit by Japanese suicide planes during the Okinawa campaign. At the outbreak of the Korean war, Adm. Forrest Sherman, then CNO, ordered Admiral Burke to duty as Deputy Chief of Staff to Commander Naval Forces, Far East. From there, he assumed command of Cruiser Division 5, and in July 1951 he was made a member of United Nations truce delegation to negotiate with the Communists for a military armistice in Korea. After 6 months in the truce tents, he returned to the Office of Chief of Naval Operations where he served as Director of Strategic Plans Division until 1954. In April 1954, he took command of Cruiser Division 6, and in January 1955 assumed command of Destroyer Force Atlantic Fleet in which capacity he served until he succeeded Adm. Robert B. Carney as Chief of Naval Operations in August 1955. Admiral Burke has received numerous combat awards during his 37 years in the Navy including the Distinguished Service Medal, the Navy Cross, the Legion of Merit, and the Purple Heart.

Dr. W. Glenn Campbell, director of the Hoover Institution on War, Revolution, and Peace at Stanford University, was born in Canada and received his A.B. at University of Western Ontario. His marriage occurred as he started earning his M.A. and Ph. D. at Harvard, and he became a U.S. citizen in 1953, just before the birth of the first of his three daughters. After teaching at Harvard, Dr. Campbell was research economist for the U.S. Chamber of Commerce, and research director for American Enterprise Association in Washington before going to Stanford last year. He is member of the Committee on Welfare of the Commission on Intergovernmental Relations, of the board of trustees of the Institute for Social Science Research, of the Advisory Committee on Medical Economics of the American Medical Association, and was codirector for the report on American competitive enterprise written for the Senate special committee studying foreign aid. He has lectured at the Industrial College of the Armed Forces and is a five-time author.

Thomas H. Coulter since 1954 has headed the largest chamber of commerce in America. As chief executive officer of the Chicago Association of Commerce and Industry, he directs an association of business leaders representing America's largest, most diversified manufacturing center. Mr. Coulter has a background in business as an executive and a management consultant. He has traveled extensively, built and operated plants in Australia and the Far East, and is well versed in the problems of world trade. Born in Canada but now an American citizen, he holds a degree in industrial engineering from Carnegie Institute of Technology. He also holds a master's degree in economics and business from the University of Chicago. Mr. Coulter has been honored by both of his alma maters for outstanding professional achievement and public service. Widely active as a civic leader, he is a director of the American Red Cross Chicago chapter, the Chicago Crime Commission, and the Economics Club. He is also a trustee of the Institute for Psychoanalysis. In 1956 Mr. Coulter was a member of a management seminar team sent to the Middle East under the sponsorship of the U.S. operations mission of the International Cooperation Administration. In 1958 he served in a similar capacity in a top management team sent to Japan.

Dr. William Yandell Elliott, Williams professor of government at Harvard University and director of the university summer school, is a Tennessee native who earned his A.B. and A.M. at Vanderbilt University and studied at the Sorbonne prior to reading for his Ph. D. at Balliol College, Oxford. Dr. Elliott taught at Vanderbilt and California universities before joining the Harvard faculty in 1925. He is proud of his five sons, and of many opportunities to serve the country as, in 1936, consultant to the President's Committee on Administration Management; in 1940, National Advisory Defense Commission; in 1941, Office of Production Management; in 1945–46, House Special Committee on Postwar Economic Policy and Planning. Dr. Elliott was member of Senator Tydings' mission to the Philippines in 1945, Director of the Stockpile and Transportation Division, WPB, and Vice Chairman for Civil Requirements. He was staff director of the House Select Committee on Foreign Aid, 1947–48; staff director of the House Committee on Foreign Affairs, 1947–49, and Assistant Director of ODM, 1951–53. He was member of the Planning Board of the National Security Council, 1953–57, and later consultant to the State Department. Dr. Elliott served with the 114th Field Artillery, 30th Division, AEF, as first lieutenant. He is graduate member of the Business Advisory Council, Department of Commerce, and member of Sigma Chi, Phi Beta Kappa, and the Disciples of Christ Church.

Frank Flick, president of the Flick-Reedy Corp. and chairman of the board of the Henry George School of Social Science, is a graduate of Loyola Academy and the University of Illinois. He also is president of the National Fluid Power Association and director of the National Committee for Economic Freedom and chairman of the education committee of the Northwest Traffic Safety Council. He has served as chairman for the March of Dimes and holds the distinguished service award of Theta Kappa Phi. He is a frequent writer on engineering subjects. With six children, Mr. and Mrs. Flick live in Oak Park, Ill.

Dr. Charles A. Ford, editorial director of "Compton's Pictured Encyclopedia," is a native of Columbus, Ohio, and earned all his degrees at Ohio State University. High school principal and superintendent of schools in Brown Township, Miami County, Ohio, Dr. Ford served as director of research for the Ohio Bureau of Juvenile Research. He then joined the Tulane University faculty where he was head of the psychology department, director of evening and extension classes, and administrative assistant to the president before becoming dean of Temple University's Community College and Technical Institute. For Pennsylvania's area college center program, Dr. Ford organized and operated Martin, Rittenhouse and Sproul Colleges. His World War II service was as a captain in naval communications, and he holds a Legion of Merit Award and a unit commendation. He and Mrs. Ford have two sons and live in Hubbard Woods, Ill.

Lewis W. Gilfoy, director of instruction, secondary schools service section, Indianapolis public schools, was graduated from Clinton, Ind., High School in 1929. He received his B.S. degree from Indiana State Teachers College in 1933 and his M.A. degree from the University of Michigan in 1939. Mr. Gilfoy began his teaching career in 1933 at Dana, Ind., joining the staff of the Indianapolis public schools in 1939 as a teacher of social studies at Thomas Carr Howe High School. He became head of the social studies department there in 1943. In 1946 Mr. Gilfoy left the Indianapolis public schools to become director of teacher placement and assistant to the director of the evening division at Butler University and later served as director of student teaching there. He became director of alumni relations and field specialist in social studies at Indiana State Teachers College in 1947. Mr. Gilfoy returned to the Indianapolis system in 1949 and was named vice principal of Harry E. Wood High School in 1953. He began his present assignment in 1955. Mr. Gilfoy has served as president of the Indiana State Teachers College Alumni Association, the Indianapolis Education Association, and at present is president of the Indiana unit of the Association for Supervision and Curriculum Development. Mr. Gilfoy served as a special consultant for the Association for Student Teaching at its national conference in Puerto Rico during the summer of 1959.

H. Harry Henderson, vice president and general manager of Burson-Marsteller Associates, received his B.S. degree in premed and geology from Valparaiso University and his master's degree in journalism from Northwestern University's Medill School of Journalism. He organized and directed the public relations-advertising department of the large YMCA of Chicago for 3 years and he was also Midwest public relations representative for Ford Motor Co. and manager of communications for Owens-Corning Fiberglas Corp. He also worked 2 years on the Chicago Sun in 1941 and 1942. During World War II, he was a radioman with Navy amphibious forces and underwater demolition teams or frogmen. He is a private pilot, a member of the Mach Busters Club. He participated in an atomic test series as the guest of the Federal Civil Defense Agency in recognition of his volunteer public relations services. He has raised prize hogs, lived (as part of a journalistic assignment) with bums on Chicago's Skid Row for 1 month, and was awarded the Toledo Community Chest bronze plaque for public service. Mr. Henderson has traveled throughout the world, including Russia and China, and has talked with some of the world's leading propagandists as part of his hobby of collecting propaganda. He lives in Park Forest, Ill., with his wife and three sons.

Dr. James R. Hayden is deputy director of civil defense for New Bedford, Mass., as well as assistant superintendent for secondary education in public schools there. Boston College awarded his A.B. and M.A. degrees, and Boston University conferred the Ed. D. degree. Dr. Hayden has been high school mathematics teacher, school system psychometrist, director of pupil personnel services, and visiting lecturer at Boston University Graduate School of Education. He served the U.S. Air Force in World War II in cryptographic and radio communications, and now Lieutenant Colonel Hayden is commander of the 9235th Air Reserve Squadron in New Bedford, as well as member of the board of directors of the New Bedford chapter of the Red Cross, junior achievement, Mental Health Clinic, Science Fair, and Educational Enrichment, Inc.

ROMAN L. HRUSKA, Republican Senator from Nebraska, was admitted to the bar in 1929 and practiced law in Omaha until his election to Congress in 1952. His public services includes terms as member, board of regents, University of Omaha, 1950–57; national vice president and legal counsel Western Bohemian Fraternal Association (Cedar Rapids, Iowa), since 1942; appointed in 1944 to Board of County Commissioners, Douglas County, Nebr., elected in 1946 and 1950,

served as chairman 1945–52; member advisory committee to the Nebraska Board of Control 1947–52. Mr. HRUSKA was elected to the 83d Congress November 4, 1952, elected to the U.S. Senate November 2, 1954, to serve unexpired term of the late Senator Hugh Butler, and reelected for a full term November 4, 1958. Senator HRUSKA is a member of the Senate Appropriations and Judiciary Committees and was chairman of the Nebraska State delegation to the Republican National Convention, 1960.

Dr. Russell J. Humbert, president of DePauw University since 1951, is a distinguished Methodist clergyman, author, speaker, and broadcaster. Bachelor of science at Wooster College and master of theology at Boston University, his doctorate of divinity was earned at Mount Union College precedent to award of doctorates from six other centers of learning. His pastorates were in Ohio and preceded his joining the faculty at DePauw. Dr. Humbert is national committeeman of the Boy Scouts and of the Advisory Mental Health Council, as well as of the Commission of Christian Higher Education, university senate of the Methodist Church and the Methodist Board of Education. He has served as chairman of the Indiana White House Conference Committee and of the Akron Community Chest as well as in many another post of religious and community responsibility.

Dr. Erling M. Hunt, chairman of the department of teaching social studies at the Teachers College of Columbia University, is also professor of history on the Jacob H. Schiff Foundation and a frequent author on historical, social science, and educational subjects. He is a New Hampshire native and was an alumnus of Dartmouth when he earned his master's degree and doctorate at Columbia. Dr. Hunt has been editor of Social Education, president of the National Council for Social Studies and, since 1953, chairman of the Public Affairs Committee of the American Association of University Professors. A bachelor, Dr. Hunt, has homes on Riverside Drive in New York City and in Norwich, Vt.

Robert S. Ingersoll, president and chief executive officer of Borg-Warner Corp., began his business career in 1937 when he was graduated with a bachelor of science degree from Sheffield Scientific School of Yale University. His first employer was the American Rolling Mill Co., (now Armco Steel Corp.) in Middletown, Ohio. In 1939 he joined Borg-Warner in the first of a long succession of positions which were eventually to qualify him for his present executive responsibilities. After serving in various managerial capacities at the division level, including research and development, production, and general administrative work, Mr. Ingersoll was named administrative vice president of the parent Borg-Warner Corp. in 1953. He was chosen a director in 1955, and president of the company in 1956. The additional responsibilities of chief executive officer were assigned to him in 1958. He is a director of several other large companies and a number of business organizations as well. He participates in educational, charitable, religious, and civic activities in Chicago and his home community of Winnetka, a northern suburb of Chicago.

Prof. Masamichi Inoki has held the chair of political science at Kyoto University, Japan, since 1949. This is his second visit to the United States, the first having been in 1957 as one of the Japanese leaders who come to this country as guests of the U.S. State Department. Professor Inoki was born in Kyoto and was graduated in economics by Tokyo University, after which he joined the Mitsubishi Trust Corp. and presently became fellow of the Mitsubishi Economic Research Institute. He taught 3 years at Seikei Junior College before joining the faculty at Kyoto University. He is author of seven authoritative books on political science subjects, including studies of Russian, Communist, and dictatorship histories. Professor and Mrs. Inoki have three daughters in college and 15-year-old Takenori Inoki in Viator High School, Kyoto.

Dr. WALTER H. JUDD, Republican Congressman from the Fifth District of Minnesota, was born in Rising City, Nebr., and worked on a farm every summer until he graduated from high school. Then he worked his way through the University of Nebraska and medical school by various jobs, including teaching zoology at the University of Omaha. He enlisted at a private in the U.S. Army during World War I and was discharged a lieutenant in the field artillery. In 1925, under the Foreign Mission Board of the Congregational Church, Dr. Judd went as a medical missionery to bandit- and malaria-infested south China. He survived the bandits and Communists but repeated malaria attacks forced his return after 6 years to the United States. He received a fellowship in surgery in 1932 at the Mayo Clinic at Rochester, Minn.; then in 1934 returned to Asia, this time to north China, where for 4 years he superintended a 125-bed hospital. He and his staff brought the hospital through a Communist revolution and the Japanese invasion, and at the same time improved its work from 33 to 83 percent self-supporting. When Japan's armies moved into his area he was under their control for 5 months and saw things which made him feel it imperative that we stop building up the Japanese war machine. He came home in 1938 to carry that message to more than 1,400 audiences in 46 States in 2 years. In January 1941 he took up his medical practice in Minneapolis. After Pearl Harbor, many individuals and groups representing all segments of the community urged Dr. JUDD to become a candidate for Congress from the Minnesota Fifth District. He was elected in 1942 and has been reelected every 2 years since then. Dr. JUDD is a member of the Committee on Foreign Affairs and served as delegate to the General Assembly of the United Nations in 1957 and delegate to the World Health Organization Assembly in 1950 and 1958. He made the keynote speech at the 1960 Republican convention.

Edward L. Katzenbach, Jr., Deputy Assistant Secretary of Defense for Education and Manpower Resources, attended Princeton University and received his doctorate in philosophy in 1953. Since then he has taught at Columbia, Brandeis, Princeton, and Harvard Universities. At Harvard he was director of the Harvard defense studies. For years Mr. Katzenbach has lectured and written on defense problems. He served in the Marine Corps in World War II and Korea, and is now a lieutenant colonel of Marine Reserves.

Lyman B. Kirkpatrick, Jr., Inspector General of the Central Intelligence Agency, is an editor who went to work for "Wild Bill" Donovan in 1942 when people called Donovan's organization the Office of the Coordinator of Information. By V–E Day, he was Major Kirkpatrick of the OSS, detailed to the General Staff Corps as briefing officer for General Bradley and wearing five battle stars, the Legion of Merit, Bronze Star, and the French and Belgian Croix de Guerre. A Rochester native who played football at Deerfield Academy and Princeton University, Major Kirkpatrick majored in international relations. He went to work for David Lawrence as assistant managing director of the Bureau of National Affairs, publisher of professional journals. From these duties and editing assignments for U.S. News, Mr. Kirkpatrick turned to problems of concern to General Donovan until, in 1945, he returned to World Report as an editor. In 1947, Gen. Hoyt Vandenberg asked Major Kirkpatrick to join the Central Intelligence Agency. Last year his services were recognized by awards from the National Civil Service League and from the Princeton class of 1938, which annually recognizes the graduate whose work personifies Woodrow Wilson's concept of "Princeton in national service." The Kirkpatrick family lives in Fairfax, Va., and includes two sons and two daughters.

Morris I. Leibman, is the senior partner of the Chicago law firm of Crowell & Leibman, which numbers among its clients a number of nationally and internationally known corporations. He graduated from the University of Chicago Law School in 1933 having received the degrees of Ph. B. and J.D. He has been active in all fields of the law and is a director of a number of corporations. He has served in the principal legal societies of his profession and is a fellow of the American Bar Foundation. Mr. Leibman has worked with a number of educational and charitable institutions and has lectured at many of the law schools in the Midwest. He has been active as a civilian in national strategy affairs, including participation in the Secretary of Defense's Joint Civilian Orientation Conference and the Defense Orientation Conference Association. He is a director of the Institute for American Strategy, serves on its executive committee and his firm is counsel for the institute.

Edwin Allen Locke, Jr., president of Union Tank Car Co., has a wide and varied background in business, finance, and government. Following graduation from Harvard in 1932, he joined the Chase National Bank in New York City. Part of his service with Chase was spent in oversea assignments in Paris and London. During World War II, Mr. Locke served in various capacities for the U.S. Government in Washington, D.C. Toward the end of the war, he became executive assistant to the personal representative of the President. He was named the President's personal representative in 1945 and his special assistant in 1946. In 1947 Mr. Locke returned to the Chase National Bank in New York City, as a vice president. In 1951 Mr. Locke was appointed special representative of the Secretary of State to the Near East, with the personal rank of Ambassador. Mr. Locke came to the Union Tank Car Co., Chicago, in 1953. He is director as well as president. In addition to his active participation in many Chicago charitable, civic, and political organizations, Mr. Locke is chairman of the executive committee, Institute for American Strategy.

Edward C. Logelin, vice president of United States Steel Corp., is a native Chicagoan who started as a stenographer, attended night school at Northwestern University and rose through the public relations department to the position of corporation vice president in Chicago. Starting in the advertising department of United States Steel's Universal Atlas Cement Co. in 1930, he transferred to public relations in 1937 and was appointed assistant director of public relations when that department was established in Chicago. He was named principal assistant in the corporation's public relations headquarters in New York in 1943 and remained there until his appointment as director of public relations in Chicago in 1946. He was promoted to his current position in 1954. The Logelins and their two children, Eleanor and Edward III, live in Riverside, Ill.

Maj. Lenox R. Lohr is an honor graduate from Cornell University who is distinguished as an engineer, scientist, author, and educator. He is president of the famous Museum of Science and Industry in Chicago's Jackson Park. This three-dimensional, actual encyclopedia of display and demonstration makes clear to children and adults alike the "hows" and "whys" of human accomplishment from Roman roadbuilding to the management of atomic energy. Major Lohr is remembered widely also as director of the Chicago Century of Progress in 1933–34, of the Railroad Fair in 1948–49, and of the Centennial of Engineering in 1952. He was once president of National Broadcasting Co. and formerly served as chairman of an Illinois

commission to serve higher education in the State. Prior to World War I, Major Lohr was on active duty with the Corps of Engineers, U.S. Army, and later was first executive secretary of the Society of American Military Engineers.

Loyola University's 20th president, the Very Reverend James F. Maguire, S.J., was born across the street from St. Ignatius High School on Chicago's west side in 1904. Later he received his secondary school education there, and joined the Society of Jesus in 1922. Before his ordination in 1937, Father Maguire attended St. Mary's College (Kansas) and the Jesuit seminary at Florissant, Mo. He received his bachelor's and master's degrees from St. Louis University. At the completion of his training after ordination he taught for a year at the University of Detroit High School and then became president of St. Xavier High School, Cincinnati. Before coming to Loyola University in July 1955, the Jesuit was president for 6 years of West Baden College, a Jesuit seminary in West Baden Springs, Ind., and president for another 6 years of Xavier University, Cincinnati. Under his guidance, Loyola University embarked in 1960 on a 40-year "Horizons for the Centuries" program providing expanded educational facilities and community services on four Chicago area campuses.

Herbert R. Mayes, editor of McCall's magazine, has been editor of one magazine or another since 1920, including 20 years as editor of Good Housekeeping. Currently and for the last 2 years editor of McCall's, he is vice president and director of the McCall Corp. Associate in journalism at Columbia University, Mr. Mayes was awarded the Editorial Management Medal in 1960, highest award by the Art Directors' Club of New York, and was voted Editor of the Year in 1960 by American and Canadian magazine editors and the Council for Periodical Distributors Association. He also has the Gold Medal Award for Editorial Achievement from University of Southern California. Mr. Mayes is author of "Horatio Alger, a Biography Without a Hero," and "Editor's Choice."

Dr. Austin J. McCaffrey, executive secretary of the American Textbook Publishers Institute, was born in Lincoln, N.H., and was educated in schools of that State until he took his B.A. and Ed. M. degrees from University of New Hampshire. He earned his Ed. D. at Harvard. Dr. McCaffrey has been a teacher, principal, and superintendent of schools in five New Hampshire communities, and in 1954 he became State commissioner of education, earning in the process the citation for Distinguished Service to Education of the New Hampshire Educational Association. Among many other professional and public service responsibilities, Dr. McCaffrey has served as president of the New England School Development Council. He and Mrs. McCaffrey now live with their four sons in New York City.

Rev. Timothy L. McDonnell, S.J., chairman of the Political Science Department of the University of San Francisco, was born in San Francisco and educated in San Francisco schools, entering the Jesuit novitiate in 1936. He earned a master's degree in philosophy at Gonzaga University with a thesis on "A Thomistic Criticism of Marxian Dialectical Materialism." He taught social sciences at St. Ignatius High School in San Francisco before earning another master's degree in government at St. Louis University. While he was studying theology at Alma College, Los Gatos, Calif., Father McDonnell was ordained to the priesthood in San Francisco in 1949. Graduate study at St. Louis University and Georgetown University earned him the Ph. D. in political science. Besides with his academic duties Father McDonnell is busy as a lecturer on communism on the radio and to professional and scholarly groups in the San Francisco Bay area.

Arthur G. McDowell, executive secretary-treasurer of the Council Against Communist Aggression with headquarters in Philadelphia, also is director of the Department of Civic Education and Governmental Affairs of the Upholsterers' International Union. Daughters of the American Revolution gave him the award for student achievement in history when young McDowell was graduated from high school in Butler, Pa. Two years later, the University of Pittsburgh disputed his activities on behalf of organized labor and civil liberties, ending McDowell's formal study. In 1930 he refused unconditional reinstatement offered by the university, for then he was directing the governorship campaign of the Socialist nominee who was president of the Pennsylvania's Federation of Labor. As trade union and Socialist Party leader, McDowell fought Communist attempts to penetrate and break up these organizations during 1933–37. The pacifist Socialist policy with respect to Hitler caused McDowell to resign Socialist offices in 1940, and to leave the party entirely in 1941 as a result of his advocacy of lend-lease. As a textile union official, he led the first successful attempt in 1943 to get a CIO group to condemn the Soviet Union for the secret execution of Polish and Jewish democratic and labor leaders. He remains active in national affairs of the AFL–CIO and as an author. In 1959, McDowell received the Freedom Book Award for Labor of the American Heritage Committee at New Bedford, Mass., and he holds a bipartisan Senate citation for his work in bringing the "Freedom Commission" bill before Congress and to unanimous passage by the Senate August 31, 1960.

Dr. William Montgomery McGovern, professor of political science at Northwestern University, could deliver his speech here as easily in Japanese, Chinese, or nine other languages as in English, as he intends. Born in Manhattan, he grew up in the Orient and studied at Oxford, University of London, the Sorbonne in Paris and the University of Berlin. Later he explored the Amazon, dug for Inca remains in Peru, did research work in the Balkans, the Near East and India, and penetrated the forbidden city of Lhasa in Tibet disguised as a coolie, reporting these experiences in many books and lectures. Commander McGovern, USN Reserve, was assigned to Joint Chiefs of Staff at the start of World War II and contributed to intelligence and strategic survey projects which caused him to visit every theater of combat. As consultant to the congressional Committee on Foreign Affairs, Dr. McGovern is famous for a report on the Far East that predicted the Communist invasion of South Korea among other foresights, all of which came true. His most recent book is "Strategic Intelligence and the Shape of Tomorrow."

Rt. Rev. Msgr. William E. McManus, superintendent of schools of the Archdiocese of Chicago, is a native Chicagoan educated at the Ascension Parochial School in Oak Park and at Quigley Preparatory Seminary, Chicago, and St. Mary of the Lake Seminary, Mundelein, Ill., before earning his M.A. at the Catholic University of America in Washington, D.C. Monsignor McManus fulfilled parish assignments in Chicago in 1939–45, and 1943–45, and served as assistant director, department of education, National Catholic Welfare Conference from 1945 to 1957. Monsignor McManus was a member of President Eisenhower's Advisory Committee for the White House Conference on Education, and also is active in many professional organizations concerned with the welfare of the Nation's schools.

MORGAN M. MOULDER, of Camdenton, Camden County, Mo., was born August 31, 1904, in Linn Creek, Mo. He was educated in the public schools of Linn Creek and Lebanon, Mo.; University of Missouri; and graduated from Cumberland University, Lebanon, Tenn., with a LL.B. degree. He was admitted to the bar, March 31, 1928; elected and served four terms as prosecuting attorney of Camden County; 3½ years as special assistant to the U.S. district attorney, western district of Missouri; and appointed judge of the 18th judicial circuit to fill an unexpired term, in which position he was serving when elected on November 2, 1948, to the 81st Congress. He has been reelected to each succeeding Congress. He serves on the Committee on Interstate and Foreign Commerce and is also the ranking Democratic majority member of the Committee on Un-American Activities of the U.S. House of Representatives.

Lt. Gen. George Warren Mundy, U.S. Air Force, commandant of the Industrial College of the Armed Forces, has behind him a balanced military career: senior command (commander, 2d Air Force, SAC); combat command in World War II (commander, 39th Bomb Group, and later 313th Bomb Wing—B–29's—in the air offensive against Japan); supply and services (Director of Supply, Maintenance and Services, AMC and Headquarters (USAF)); and research and development (commander, Air Proving Ground); as well as training (commander, 33d Flying Wing, Central Flying Training Command). He is a graduate of the U.S. Military Academy, the Army-Navy Staff College, and the National War College. He is rated a command pilot, combat observer, technical observer and is qualified in the current jet operational bombardment and transport aircraft. Among the decorations he has been awarded are the Silver Star, the Legion of Merit, Distinguished Flying Cross with one Oak Leaf Cluster, Air Medal with two Oak Leaf Clusters, the Bronze Star, Purple Heart, Distinguished Unit Citation with one Oak Leaf Cluster, and the Asiatic-Pacific Theater Ribbon with three Battle Stars. Since taking command of the Industrial College of the Armed Forces in 1957, General Mundy has made a determined and successful effort to instill in the curriculum a realistic appraisal of the U.S. position in the world, against the backdrop of the total power pattern—military, political, and economic.

Robert J. Muntzel, realty developer of Mission, Kans., is a Russian-speaking American who three times has visited the U.S.S.R., most recently in 1959 by auto for a 4,620-mile tour which took him and Mrs. Muntzel off beaten tracks and behind the scenes of setpiece displays contrived to impress visitors. Mr. Muntzel, is a member of the board of regents of Donnelly College and of Rockhurst College, and for 16 years has been chairman of the Missouri Valley Red Cross of 18 chapters. As Red Cross representative, Mr. Muntzell enjoyed unusual freedom from restraints by the totalitarian governments of U.S.S.R. and six satellite nations so as to obtain detailed understanding of the school systems of Stalingrad, Moscow, and Rotovon-Don, as well as notably clear impressions of unposed citizens as they actually live day by day. Mr. Muntzel is a frequent writer and lecturer on his experiences, and invites questions.

Dr. Gerhart Niemeyer, professor of political science at Notre Dame University, was born in Essen, Germany, and studied at Cambridge University, and the University of Munich, receiving his LL.B. and J.U.D. at Kiel University. He was an assistant to Prof. Herman Heller, Frankfurt, and later lecturer in law, University of Madrid; lecturer in politics, Princeton University; and professor of political science, Oglethorpe University. Professor Niemeyer was a member of the staff, U.S. Department of State, 1950–53, and of the Council on Foreign Relations, 1953–55. He has been professor of political science at Notre Dame University since 1955. In 1959 he took leave from this position to serve as a member of the Department of Political Affairs of the National War College for 1 year. He is author of "Law Without

Force"; the "Function of Politics in International Law" (Princeton University Press, 1941); "An Inquiry Into Soviet Mentality" (New York, Praeger, 1956); and coeditor, "Handbook on World Communism," published in Germany, 1958. He has served as a consultant on communism to the House Committee on Un-American Activities. This consultation was published as a committee print entitled "The Irrationality of Communism" (85th Cong., 2d sess.). He also prepared for them "Facts on Communism, Volume I: The Communist Ideology" (1960).

Rev. Stanley J. Parry, C.S.C., has been head of the Department of Political Science at the University of Notre Dame since 1953. A native of Mauch Chunk, Pa., Father Parry is a 1941 Notre Dame graduate. He received a master of arts degree in political science from Georgetown University in 1947, and a doctor of political science degree from Yale University in 1953. Father Parry entered the Holy Cross Fathers' novitiate in 1936 and was ordained to the priesthood in Notre Dame's Sacred Heart Church on June 10, 1945, by the Most Reverend Amleto Cicognani, former Apostolic delegate to the United States. The author of many scholarly articles, Father Parry wrote the introduction to Aquinas' "Treatise on Law," published in 1955 by Regnery Co. He is a member of numerous professional and public service organizations, including the American and the Midwestern Political Science Associations.

Charles Harting Percy, president of Bell & Howell Co. and chairman of the 1960 Republican Convention platform committee, was born in Pensacola, Fla., on September 27, 1919, the son of Edward H. and Elizabeth Harting Percy. He entered the cooperative training program of Bell & Howell Co. in 1936, while attending the University of Chicago, and was elected to the board of directors in 1942 at the age of 23. Upon his return from active duty with the Navy, which he started as apprentice seaman in 1943 and ended as lieutenant in 1945, he was made corporate secretary and was given responsibility for Bell & Howell's industrial relations and foreign manufacturing programs. He became president of the company at the age of 29 in 1949. Mr. Percy is director of the Burroughs Corp. and two banks, trustee of the University of Chicago; chairman of the board, Fund for Adult Education of the Ford Foundation; member of board, World Brotherhood, Inc., and member, special studies project, Rockefeller Bros. Fund, Inc. In 1949 he was named one of the 10 outstanding young men in the United States by the U.S. Chamber of Commerce. In 1956 he attended the Presidential inaugural ceremonies in Peru and Bolivia as a personal representative of President Eisenhower, with the rank of Special Ambassador. At the University of Chicago he was president of the Inter-Fraternity Council; and of the senior men's honorary society as well as captain of the university's Big Ten championship water polo team and university marshal. Percy lives in Kenilworth, Ill., with his wife and five children.

William J. Reid is head of the history department, Hyde Park High School, and coordinator of the civil education program of Boston public schools. A native Bostonian, graduate of Boston Latin School and Dartmouth College, he holds graduate degrees in education from Boston Teachers College and Harvard, with a Ph. D. in American history from Boston University. Dr. Reid began teaching in junior high schools, of Boston, moved to the high schools, and later became assistant professor at Boston Teachers College, before his present appointment. He is coauthor of a textbook, "Massachusetts, History and Government of the Bay State" (Oxford Book Co., 1956) and has contributed articles to the World Book Encyclopedia, Collier's Encyclopedia, and Collier's Encyclopedia Yearbook, 1960. Dr. Reid served with the Navy during World War II as officer-in-charge of the Naval Flight Preparatory School, College of Wooster, Ohio, and as operations officer with Acorn units in the Pacific. He was awarded the Bronze Star, and he is still a commander in the U.S. Naval Reserve.

President John T. Rettaliata of Illinois Institute of Technology is outstanding not only as an educator, but also as an engineer, industrialist, and community leader. Born in Baltimore, Dr. Rettaliata earned his degrees at Johns Hopkins University and then had honorary doctorates added by Michigan College of Mining and Technology and Valparaiso University. He has been head of the department of mathematics at Baltimore College Center, laboratory technician for the U.S. Department of Agriculture, manager of research and gas turbine development for Allis-Chalmers Co., and, since 1945, professor, dean, and president of I.I.T. He is president also of Armour Research Foundation of Illinois and the Institute of Gas Technology. President of the Western Society of Engineers and fellow of the American Association for the Advancement of Science and of the American Society of Mechanical Engineers, Dr. Rettaliata is member as well of the boards of directors of 12 financial and manufacturing corporations. He has guidance responsibilities with 28 civic organizations, and of his 9 clubs, he is on committees of 3 and president of the Economic Club of Chicago. Two sons and a daughter keep Dr. and Mrs. Rettaliata abreast of student opinion at elementary, secondary, and college levels.

Dr. Don C. Rogers, retired associate superintendent of Chicago Public Schools, has taught and earned degrees, including the Ph. D., at Northwestern, Chicago, Iowa State, and Wisconsin Universities. In Chicago he started as a classroom teacher and presently was responsible for 340 schools, 9,000 principals and teachers, and 290,000 pupils of the elementary system for 10 years. He has commanded his American Legion post, served as International President of Civitan service clubs, and been otherwise active in numerous civic and professional organizations. Dr. Rogers was in the Army in World War II, and, of his four children, three sons served in World War II. With Mrs. Rogers, he still lives in Chicago.

James E. Rutherford, vice president in charge of mid-America operations of the Prudential Insurance Co. of America, is a graduate of the University of Arkansas and of the Arkansas Law School. He began selling real estate while attending law school and continued in the real estate business until 1931, when he entered the life insurance business in Little Rock. In 1942, he was chosen the first executive vice president of the National Association of Life Underwriters (New York City) and served in that capacity until July 1, 1949, when he joined the Prudential Insurance Co. of America as a vice president in its home office in Newark, N.J. He was named vice president in charge of mid-America operations in February 1953, and moved to Chicago early in 1955. Mr. Rutherford served as chairman of the Chicago chapter of the American Red Cross and a trustee of the Community Fund-Red Cross joint appeal during 1957–58 and 1958–59 and has continued to be active in both organizations. He is president of the Chicago Association of Commerce and Industry, a member of the board of managers of the YMCA of Metropolitan Chicago, a director of the Economic Club, a member of many other community service and social groups. He and Mrs. Rutherford live on the near North Side of Chicago and their son is practicing medicine in New Canaan, Conn.

Maj. Gen. Delmar T. Spivey, U.S. Air Force, retired, is superintendent of Culver Military Academy, a former commandant of the Air War College of the Air University, and Chief of U.S. Air Force War Plans Division. Shot down over Germany in World War II, General Spivey spent nearly 2 years as prisoner of war. From William and Mary College, General Spivey entered West Point and served in the infantry before his flying training. He was flying instructor, executive officer of the Air Proving Ground and presently operations officer for Southeast Training Command before assignment to the 8th Air Force, which preceded his capture by the enemy. With the 5th Air Force, he commanded the 314th Air Division over Korea and later was responsible for airspace over 26 Central States in command of Central Air Defense Force in Kansas City. His decorations include the Distinguished Service Medal, Officer of the British Empire, and Purple Heart. General and Mrs. Spivey's son is 2d Lt. Delmar B. Spivey, U.S. Air Force.

William C. Sullivan is Chief of the Research Section, Domestic Intelligence Division, for the Federal Bureau of Investigation and has been associated with the FBI for the past 19 years. He was a teacher and a U.S. Internal Revenue Service representative before becoming a Federal investigator. Mr. Sullivan holds a bachelor of arts degree and a master of public education degree and has attended the American University, Clark University, George Washington University Graduate School, State Teacher's College at Fitchburg, Mass., and Boston College Graduate School at Newton, Mass. During World War II he served in all sections of the United States and overseas on many confidential assignments.

Charles T. Vetter, Jr., of the professional training faculty of the U.S. Information Agency is a Columbus, Ohio, native reared in Detroit and New York City. An A.B. at Hamilton College after war service as naval aviator, he attended the School of Advanced International Studies in Washington, D.C., Georgetown University Law School, the Academy of International Law at The Hague, and received his LL.B. from National University Law School in 1953. He was admitted to the bar of the District of Columbia in 1954 and received his LL.M. from George Washington University Law School in 1959. Mr. Vetter was adviser to the director of public relations of the government of East Pakistan and later an USIA lecturer in political science in West Pakistan. On his return from Pakistan in 1956 he joined the professional training staff of the U.S. Information Agency to teach international communications and communism. In 1959 he visited Czechoslovakia, Poland, and the Soviet Union on a 3-month assignment as a supervisor and training officer for the American guides at the American national exhibition in Moscow.

FRANCIS E. WALTER, chairman of the current Democratic caucus and rules committee and coauthor of the Walter-McCarran Immigration and Nationality Act, is the Pennsylvanian who ranks ninth in seniority among Democrats in the House of Representatives. Alumnus of Georgetown and George Washington Universities, Attorney WALTER was solicitor for Northampton County before his election to Congress. Seaman and ensign in World War I, he was lieutenant commander in World War II and later was member of the congressional committee which did the background work for the Marshall plan. A doctor of laws at Norwich University, Congressman WALTER'S 19 other awards and citations for distinguished service include recognition from Japan, the Netherlands and Italy, as well as from American patriotic and civic groups of many sorts. Congressman WALTER'S chairmanships have included that of the Un-American Activities Committee.

Dr. Kenneth D. Wells, president of Freedom Foundation at Valley Forge, is a Northwestern University alumnus whose doctor-

ate in humane letters was earned at Temple University prior to award of doctorates also from Florida Southern and from Trinity Colleges and Texas Christian University. Born in Akron, Dr. Wells was an oilfield roustabout in California at 14 and later an executive of Union Oil Co. there. He taught economics at University of Akron and at Southern California University and he also is an experienced advertising professional. His nine honor awards come from such distinguished sources as the Veterans of Foreign Wars, the Boy Scouts of America, the Poor Richard Club of Philadelphia, the Elks, and the National Shrine, for numerous public services. Dr. and Mrs. Wells have two sons and four foster children.

Dr. Benjamin C. Willis, general superintendent of Chicago public schools since 1953, also has been chief executive of the school systems of a Maryland county, of Yonkers, and of Buffalo, N.Y. He is president-elect of the American Association of School Administrators, and trustee of the Chicago Planetarium Society and of the Seabury-Western Theological Seminary. Among many positions of public service and responsibility, Dr. Willis is member of the National Advisory Committee of the Girl Scouts and of the Chicago executive branch of the Boy Scouts and the YMCA. He also is a director of Northwestern Mutual Life Insurance Co. A native of Baltimore, Dr. Willis was graduated from George Washington University, earned his master of arts at University of Maryland, and holds doctorates from Columbia, Northwestern, Bradley, and Harvard Universities and from Central Michigan College. Lecturer and writer, Dr. Willis also is at home on television, which particularly pleases his daughter and three grandchildren.

Dean A. M. Woodruff of the School of Government, Business, and International Affairs of George Washington University, is an alumnus of Williams College, and a doctor of philosophy from Princeton University. An executive of Prudential Insurance Co., he became professor of business administration at University of Pittsburgh and later joined the faculty at the Rutgers Graduate School of Banking before moving to his current post. Active in Pittsburgh civic affairs as an economist and as a tax and urban renewal expert, he also is director of the Washington Trust branch of the Western Pennsylvania National Bank. Since writing the David A. Wells prize essay on farm mortgages at Williams College, Dr. Woodruff has published a book on small factory management, many monographs and is about to publish a book on municipal, county, and State administration of the ad valorem tax.

THE UNITED NATIONS

Mr. ERVIN. Mr. President, the time-consuming nature of our work here is such that we frequently do not have the time to give our attention to writing and speaking about many of the pressing problems and institutions of our day.

From time to time, I have spoken on various aspects of the operations of the United Nations. Although I have not always been in full accord with its decisions, I have been steadfast in my thinking that it is making an outstanding contribution to mankind in providing a forum for discussing and negotiating the pressing world problems of today. The August 6 edition of the Raleigh (N.C.) News and Observer carried an article by Mr. Ralph McGill entitled "What If There Had Been No U.N.?"

It is my feeling that Mr. McGill, in a very succinct article, propounds the most salient contributions which the United Nations has made. It is these contributions to world peace which I feel make the United Nations an indispensable organization during the periods of tension and strife which have abounded since the advent of the United Nations.

I associate myself with the remarks of Mr. McGill for I feel that the United Nations is our last hope in solving many of the great and complex world problems confronting us.

I ask unanimous consent to have Mr. McGill's article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT IF THERE HAD BEEN NO U.N.?

(By Ralph McGill)

UNITED NATIONS, N.Y.—It is the alternatives which we must try to keep in mind these years of fear as we confront the fatalities brought on by collapsing empires and seek, through diplomacy, to bring into being new approaches short of the most dreadful alternative of all, nuclear war.

Here at this place, which the poets and idealists call "the City of Man," one may honestly pose the question, "What would have happened since 1945 had there been no United Nations?"

The answer is quite plain. The U.N. has saved the world from war. There is, perhaps, a paradox in saying it has not managed to bring peace to the world, but that it has prevented a vast and consuming war. But this is what it has done.

The United Nations is the place where a nation can save face. In a time of acute crisis, when all the explosives of national pride, prestige, and ambitions are involved, the U.N. provides a way out. The nations can thunder and talk big, but they also can speak piously and say they will, being members of the U.N., take the matter there.

So long as the U.N. is around, a nation doesn't have to chicken out in a tough situation.

Every day we see the continued disintegration of an old pattern of power and the appearance of new political and military power centers. In all of this, to be frank, the U.N. offers but a marginal hope. But at no other time in world history has there been even this. Whatever the causes which produced the fall of the Roman Empire, barbarism and intellectual darkness replaced it.

In point of sober fact, what the U.N. has accomplished, measured against the volume of change, is almost unbelievable. In just a little more than 15 brief years, we have seen Western Europe's control over Asia and Africa brought almost to an end. Here and there, as in Portuguese-Angola, it holds on bloodily and, of course, hopelessly. But all of Asia has emerged from colonial or semicolonial control. The travail of African emergence is before our eyes in the Congo, in Algeria, in Angola, and in smaller areas where the first stirrings of independence are seen.

If we look at the status of control as it was when the Second World War ended and view it now, we see that the process of disintegration and the growth of new forms has been vast almost beyond comprehension. There has been no slow, corallike growth. There has been, rather, a great deal of the business of springing full born from the forehead of the disturbing god of change.

In many of these moves to independence violence was a major element. Turbulence and disorder, some of it brutal affronts to the tenets of civilization, were and are in the headlines of our papers and in the voices of news commentators. That none of these produced a war into which the powers, large and small, were drawn is almost unbelievable. This is the more incredible when we consider that a corollary to this convulsive change was a tremendous increase in suspicion, hostility, and distrust. Radical shifts, revolutionary conditions, and the Wagnerian thunder of ill-prepared states filling the vacuum left by departing imperialisms did not bring us to nuclear war.

There was always the U.N. No matter how big the statesmen and the generals had talked, they didn't have to take the alternative of the big, hot, consuming nuclear weapons. They didn't have to chicken out. They could say, with perhaps phoney piousness, they would accept "the presence of the United Nations," or they would bring it before the General Assembly.

It has been, and will continue to be, a sort of cliff-hanging existence. In the past the decline of one power brought yet another to control. We are now trying something new. Communism thinks it can win, without war, by the strength of its Marxist promise to the poor and landless whose expectations are rising faster than reform.

We are, indeed, treading a new and difficult road. We are trying to move toward a form of international security instead of going to war to resolve the challenge of new powers. Mankind has had an evil inheritance of violence. The U.N. is the only alternative.

THE ENLARGEMENT OF FORT RALEIGH

Mr. ERVIN. Mr. President, I am certain that the Senate will be pleased to be advised, as I am, that H.R. 5518, providing for the establishment of additional acreage at Fort Raleigh on Roanoke Island, N.C., has been passed by both Houses of Congress and sent to President Kennedy for his signature. It is my sincere hope that the President's signature will be affixed to the same in order that a protective provision may be made for one of the Nation's most historic establishments.

It was on Roanoke Island that Sir Walter Raleigh, under the banner of Queen Elizabeth, set down the foundations of the New World. The original Fort Raleigh was constructed on the island 377 years ago, in 1584. The present fort was rebuilt in recent times as a monument to frontiersmen of an earlier day.

Ninety thousand Americans visited this unique area last year. The facilities are inadequate for the blossoming influx of our countrymen who annually make the hegira to this great American landmark. The bill which is now on the President's desk will enlarge the land area, which now stands at 18.5 acres, to 143.5 acres. The area surrounding the old fort will thus be protected and new possibilities for archeological investigation will be opened.

My enthusiasm for the legislation moves me to remark at this time on the enormous advantages which it provides. We seek to establish new frontiers, but the preservation of our old ones from the depredations of time and progress must not escape our caution.

I commend the Senate and the House for their early action on a matter of principal interest both to the people of North Carolina, and to the citizens of the Nation.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, I wish to make a unanimous-consent request. I have discussed it with the distinguished Senator from Virginia [Mr. BYRD], who is the author of the so-called Byrd amendment to the foreign aid bill, and also with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. I have tried to consult Senators on both sides of the aisle. The unanimous-consent request is that there be allowed 7 hours of debate on the Byrd amendment, beginning at the conclusion of the morning business tomorrow, the time to be equally divided between the Senator from Virginia [Mr. BYRD] and the Chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, for the further information of the Senate, it is anticipated that tomorrow the morning hour will be concluded as soon as possible. The Senate will remain in session tomorrow night until there is a vote on the Byrd amendment, and with that amendment out of the way, it is contemplated that the Senate will go over until Monday morning.

To make what I have said clear again, there will be a vote on the Byrd amendment before adjournment tomorrow night, and at the conclusion of the 7 hours, or whatever portion thereof is used in the discussion of the amendment.

The unanimous-consent agreement was subsequently reduced to writing, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Friday, August 11, 1961, at the conclusion of routine morning business, during the further consideration of the bill S. 1983, the Foreign Aid Act of 1961, debate on the pending amendment of the Senator from Virginia [Mr. BYRD] and all amendments thereto, or any motion or appeal, except a motion to lay on the table, shall be limited to 7 hours, to be equally divided and controlled by the mover of any such amendment or motion and Mr. FULBRIGHT: *Provided*, That in the event Mr. FULBRIGHT is in favor of the amendment or any amendment thereto or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said amendment shall be received.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it adjourns to meet at 11 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

RAYMOND MOLEY SUPPORTS ELECTORAL COLLEGE REFORM

Mr. MUNDT. Mr. President, the current issue of Newsweek contains a carefully written and highly informative commentary entitled "For a Better Republic" written by widely respected Raymond Moley. I recommend its serious reading by all who receive the CONGRESSIONAL RECORD.

Mr. Moley points out the necessity for electoral college reform in this country if our free institutions are to survive and succeed. He also emphasizes the dangers to freedom involved in the elimination of our electoral college safeguards through adopting a system of popular elections by a direct vote of the people. He points out how this must lead inevitably to the Federal control of elections and a final breakdown of States rights.

As author of the former Mundt-Coudert amendment and coauthor of Senate Joint Resolution 12, which is very similar to this earlier proposal for electoral college reform, I am, understandably, highly gratified by the support Mr. Moley gives this specific suggestion and I am likewise pleased and gratified by the enthusiastic support which former President Harry Truman gave Senate Joint Resolution 12 in the testimony he presented to the Senate Committee on the Judiciary.

I ask that the Moley article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOR A BETTER REPUBLIC

(By Raymond Moley)

A Senate subcommittee has held lengthy hearings on the long-needed reform in our method of electing Presidents and Vice Presidents. Thirteen proposed constitutional amendments are pending in the Senate. Former Presidents Hoover, Truman, and Eisenhower have called for reform.

To meet the need for public education and understanding of the problem, the American Good Government Society (810 Dupont Circle Building, Washington 6, D.C.) is organizing a committee representing every State and is issuing a fine statement of the problem and proposed remedies.

Since all efforts in earlier years have failed, the danger is that in frustration a method might be adopted which would be worse than the present system: Straight, popular election. In fact, two of the proposed amendments would provide just that.

One of these, sponsored by Senators SMITH, MORSE, BEALL, CHAVEZ, and AIKEN, would nominate candidates in a nationwide primary, with a runoff in case no candidate secured a majority in his party. Then there would be the election, with another runoff if no candidate received a majority. All these primaries and runoffs would be between July and December. Another popular-election proposal, by Senators KEATING and MANSFIELD, is only slightly less objectionable.

IRREPARABLE DAMAGE

Popular elections would irreparably damage the very nature of the Republic. The States would lose control of their own elections. The President and Vice President would be responsible only to a vague "general will" identical with Rousseau's plan for democratic despotism, the concept behind the French Revolution. Congress would continue to be a representative body. Thus there would remain only half a republic.

State laws would substantially be wiped out so far as presidential elections were concerned. Political-party organization, now based on a representative principle, would have to be reconstructed.

Most serious would be the practical impact upon those who might aspire to be candidates. Under the Smith-Morse plan, an aspirant would have to campaign over the Nation two and possibly four times in less than 4 months. Nobody but a Kennedy, a Rockefeller, a Ford, a Du Pont, or a Getty could afford the expense, unless he became obligated to vast special-interest groups. Nobody but a super Paul Bunyan could survive the physical strain.

The only one of the proposed plans which would retain the Federal, representative character of the Republic is that offered by Senators MUNDT, MCCLELLAN, HRUSKA, THURMOND, and MORTON. (This was formerly called the Mundt-Coudert plan.)

TRUMAN'S PLAN

It would presumably retain the present system of party nominations and elect electors in newly created districts equal in number to the Members of the House from each State, with two elected at large. If no candidate should receive a majority of electors, the President and Vice President would be selected by a joint session of Congress from among the three candidates having the highest number of votes. To prevent a deadlock, the choice on the fifth ballot would be between two candidates for President and Vice President, respectively.

Former President Truman's statement on the subject shows a most interesting maturity of judgment. He said that the present system of giving all electoral votes to the candidates with the popular majority in each State encourages "the emergence of the big cities into political overbalance, with the threat of imposing their choices on the rest of the country." He would follow the Mundt principle of election by districts with two electors elected at large in each State. But Truman would use the existing congressional districts rather than creating new ones. Also, in case there is no majority he would retain the old method of election by the House of Representatives, with one vote per State. In my judgment, his idea of using existing districts is better than MUNDT'S, but MUNDT'S plan of election by a joint session of Congress is preferable. Either the Mundt or Truman plan, however, is in the true principle of representative government.

SECRET BALLOT ON STRIKES

Mr. CASE of South Dakota. Mr. President, one great gap in our laws relating to strikes is the failure to provide adequate opportunity and procedures for secret balloting on strikes.

In January 1947 when the junior Senator from South Dakota introduced a bill in the House of Representatives as a followup to the so-called Case labor bill of 1946 which had been vetoed by President Truman, I included a provision to make an unfair labor practice of the calling of a strike without a secret vote by the persons who would be called out.

I have always regretted that such a provision was not included in the Taft-Hartley Act from the outset. Recent happenings in the field of industrial labor relations have pointed up the need for such legislation.

My colleague, the senior Senator from South Dakota [Mr. MUNDT], has introduced a bill which spells out in detail fair procedure for the conducting of strike elections in which secret ballots would be available to the membership. He has been joined in the sponsorship of that bill by a number of Senators including myself.

This proposal has attracted considerable editorial attention throughout the country. At this time I desire to place in the RECORD editorials from two daily newspapers in South Dakota, the Daily Plainsman of Huron, and the Argus-Leader of Sioux Falls, and ask unani-

mous consent that they may be printed at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Daily Plainsman, July 21, 1961]

MUNDT ASKS A VOICE FOR UNION MEMBERS

Individual union members participate by vote in authorizing a strike in a few unions, such as the Typographical and the Machinists Unions. The majority, however, have no such right. Strikes are called by union officials or the bargaining committee.

Since the average worker and his family carry the burden of any strike a half-dozen Senators are cosponsoring a bill introduced by Senator KARL E. MUNDT, South Dakota Republican, to require a secret ballot of union members to call a strike.

As a practical matter, notice of negotiations is usually given 60 days in advance. The strike vote would not be authorized until the 60 days had transpired, when the issues are drawn, and counterproposals made. The vote would be to strike or accept the proposals. It would put the responsibility for the decision on the members, who would be directly affected.

[From the Sioux Falls Argus-Leader, July 20, 1961]

WHO WILL OPPOSE SECRET STRIKE BALLOT?

U.S. Senator KARL MUNDT and six of his colleagues have introduced a bill which would help immeasurably in preventing costly strikes before they occur.

It is a bill to give union members the secret ballot in a vote to strike. The bill would guarantee the democratic procedure of the secret ballot and an honest count of those ballots in a strike vote.

The approach of this new measure is important. It provides both the union and the employer a better chance to effect a settlement before the strike, rather than trying to develop new procedures or authorities for ending the strike after it has begun.

Under the measure, collective bargaining negotiations would be carried on the same way as they are now conducted in the 60 days prior to the expiration of a contract. Any party desiring to modify or terminate the contract must serve written notice of such intent.

If, at the end of the negotiating period, the union representatives were not satisfied with the offer of the company, they could call for a referendum in which the worker could vote by secret ballot whether or not to strike.

Where appropriate, the union members would have a choice: to strike or to accept the employer's final offer. If the majority votes for a strike, the union representative has full legal authority to call a strike. He also has the option to continue negotiations as the strike authorization is good for a 60-day period.

If the majority vote of the union members is for acceptance of the employer's final offer, the employer is legally obligated to sign a contract containing such terms as extended in his final offer.

WHAT THE BILL PROTECTS

The prime purpose of the bill is one of protection.

It protects the right of free choice for the individual labor union member who is confronted with the question of striking and losing his paycheck during the strike, or seeking agreement.

It protects the labor leader against charges of making a decision not in keeping with the will of a majority of his union membership.

It protects the company involved in a collective bargaining dispute from an arbitrary action by a handful of labor representatives or one leader.

It protects the public from strikes which would not have been called in the first place had the decision been left in the hands of the membership.

As Senator MUNDT said on the Senate floor: "This bill does nothing more than to establish in the law a thoroughly democratic procedure for the authorization of strikes. * * * The right to strike is carefully and fully preserved and protected."

What is lost? The pressure of the group against the individual union member. Many members of labor unions are not provided with the opportunity to determine for themselves, in an atmosphere free from coercion, intimidation, and mob hysteria, whether or not they wish to strike.

Let any union man stand up and say why members of his union shouldn't have a chance to vote secretly on a strike.

CONGRESS SHOULD PASS IT

Cosponsors with Senator MUNDT of this bill are Senators FRANCIS CASE, of South Dakota; JOHN MCCLELLAN, of Arkansas; WALLACE BENNETT, of Utah; JAMES EASTLAND, of Mississippi; ANDREW SCHOEPPEL, of Kansas, and STROM THURMOND, of South Carolina. The measure has bipartisan support—three Democrats and four Republicans.

The strike ballot bill was introduced June 22 and has been referred to the Committee on Education and Labor in the Senate.

Congress would do well to pass this bill—and the sooner the better for our country.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate there will be no further votes this afternoon. For the further information of the Senate, the fact that when the Senate completes consideration of the Byrd amendment and votes on it tomorrow night the Senate will adjourn until Monday does not mean that I want Senators to get the idea that not meeting on Saturday is in the form of a "carrot." We had a very sorry experience with a Saturday session some time ago. I am sorry to say that not very much was accomplished in that Saturday session. That does not mean, however, that there will be no Saturday sessions in the future.

MAJOR LEGISLATIVE ACTION THUS FAR IN CONGRESS

Mr. MANSFIELD. Mr. President, I think every Member of the Senate can take pride in the record compiled by the Senate since it convened in January.

There have been many stories in the press about the success the President has enjoyed with his legislative program. They are true stories, and credit must certainly be paid those in the executive branch who have contributed to this success.

But an energetic and resourceful executive branch can accomplish little, Mr. President, without a similarly hard-working Congress. It requires thousands of hours of work—in holding hearings, in drafting bills, in preparing speeches, in debate—to accomplish the kind of record the Senate has made during this session. The President, as a former Senator who contributed much to the legislative record of past Congresses, understands this, and he has at all times displayed his grasp of the problems confronting the Congress as it labored to effectuate his program.

This record has been made, Mr. President, not by Democrats alone; on many occasions it was only because of the diligence and abilities of Members on the other side of the aisle that legislation was brought to fruition.

Mr. President, in order that the country may have this record before it in one document, I ask unanimous consent that a list of the major legislative actions taken by the 1st session of the 87th Congress be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MAJOR LEGISLATIVE ACTION, 87TH CONGRESS, 1ST SESSION, THROUGH AUGUST 7, 1961, SENATE DEMOCRATIC POLICY COMMITTEE

The Senate has passed 670 measures, confirmed 43,558 of the President's nominees and ratified 6 conventions or treaties. The Senate, at the present time, is working on the foreign aid program and following passage, we have ready for floor consideration the Peace Corps proposal, National Defense Education Act, the wilderness bill, the shorelines bill, Airport Extension Act, and numerous other proposals. The following summary includes some of the more important bills we have passed, on many of which final action has been completed.

In the economic area we have:

Omnibus farm bill: Enacted major farm bill designed to reduce wheat and feed grain surpluses; authorized Secretary to consult with farmers, farm organizations, and other groups to develop new farm programs; extended the Agricultural Trade and Development Act to December 31, 1964; consolidated and modernized the Farmers Home Administration; extended the Wool Act for 4 years to March 31, 1965; and extended Great Plains conservation program to December 31, 1971; authorized a 5-year extension of the school milk program to be paid by direct appropriations; and extends the Veterans' Administration and armed services milk program to 1964, with CCC furnishing the funds (Public Law 87–128).

Federal Aid Highway Act: Enacted the Federal Aid Highway Act of 1961, revising the original estimated authorization for 41,000-mile 13-year program of interstate highways by increasing the Federal Government's share from $25 billion to $37 billion. The measure also extended for 2 years the "incentive" bonus for States to enter into agreements for billboard controls (Public Law 87–61).

Housing Act of 1961: Enacted a housing program, authorizing $4.9 billion in new funds. The act provides for a new 2-year experimental plan of low-interest-rate, 35-year mortgage loans for middle-income housing (except in hardship cases the mortgages may be extended to 40 years); requires a 3-percent downpayment on low-income housing, with a permissive inclusion of settlement costs; authorizes $75 million for mass transportation systems, and $50 million for "open space" grants; and includes a reauthorization of approximately 100,000 public housing units (Public Law 87–70).

FHA: Increased by $1 billion the mortgage insurance authorization of FHA (Public Law 87–38).

Veterans' home loans: Extended direct and guaranteed home loan programs for World War II veterans to July 26, 1967, and for Korean conflict veterans to February 1, 1975; authorized an additional $1.2 billion for direct loan program through fiscal 1967 (Public Law 87–84).

Social security: Increased minimum old-age insurance benefits and benefits to widows

under the Social Security Act; provided reduced benefits to men at 62; liberalized disability provisions; increased tax for workers and employers by one-eighth of 1 percent; increased (for 1 year) the amount of public assistance payments for old-age assistance, aid to the blind, and aid to the permanently and totally disabled (Public Law 87–64).

Water pollution control: Authorized an additional $270 million to help communities construct sewage treatment plants to control water pollution, thus raising the annual limit on grants from $50 million yearly to $80 million for fiscal 1962, $90 million for fiscal 1963, $100 million for fiscal 1964, through and including 1967. In addition, this measure increased from $3 to $5 million the annual Federal matching grants to States to administer water pollution control programs and extended the program through June 30, 1968, and authorized $5 million a year for the Secretary to use to develop demonstration programs to treat sewage, to measure pollutants, and to evaluate the effects of sewage treatment (Public Law 87–88).

Debt limit: Increased the public debt limit by $13 billion to $298 billion through June 30, 1962 (Public Law 87–69).

Corporate-excise extension: Extended for an additional year the existing 52-percent corporate income tax rate, excise tax rates on automobiles, liquor, and tobacco, and taxes on local telephone calls and passenger transportation—thus preventing a loss of revenue of some $2.5 billion (Public Law 87–72).

Federal unemployment compensation: Authorized Federal advances to permit the States to extend unemployment benefits up to an additional 13 weeks for workers who have exhausted their regular benefits during the recession, thus providing an unemployed worker with benefits up to a total of 39 weeks—in an effort to ease the unemployment problem throughout the country (Public Law 87–6).

Railroad unemployment compensation: Approved benefits of a similar nature for unemployed railroad workers under the Railroad Unemployment Insurance Act (Public Law 87–7).

Aid to dependent children: Authorized a 14-month program, from May 1, 1961, through June 1962, an aid-to-dependent-children program, permitting States to aid needy unemployed persons and their children who are not now eligible for aid in which the Federal Government participates; and increased by $3 the minimum amount to which the Federal Government will participate on a matching basis in State programs carrying out the special medical care provision for recipients of old-age assistance.

Minimum wage: Increased minimum wage to $1.25 (from $1) and extended coverage to 3.6 million additional workers (Public Law 87–30).

Area redevelopment: Established the Area Redevelopment Administration in the Department of Commerce, and authorized a 4-year program of $300 million in loans and $94 million in grants for industrial plants and public facilities in economically distressed areas (Public Law 87–27).

ICC loans: Extended for 27 months (to June 30, 1963, authority of Interstate Commerce Commission to make loans to help ease the credit difficulties of railroads (Public Law 87–16).

Feed grain: Authorized a 1-year emergency price support for the 1961 crop of corn at $1.20 a bushel with the other feed grains to be supported at fair and reasonable levels in relation to corn in an effort to raise the incomes of feed-grain producers and to reduce the mounting surpluses of feed grains in Government hands (Public Law 87–5).

Drought relief: Enacted a temporary 1-year program authorizing the sale of Government surplus corn and feed grains to needy farmers and ranchers in drought areas at 75 percent of Government price support levels and permitting grazing of livestock on grasslands idled by the soil bank and other conservation programs or moving hay on these lands in or near drought areas (Public Law 87–62).

San Juan-Chama: Authorized $221 million in appropriations to construct the Navajo Indian irrigation project and the San Juan-Chama project, to irrigate land and help stabilize the economy of the water-deficient Rio Grande and Canadian Basins (S. 107).

Small towns and rural counties: Established a 20-member bipartisan Commission on Problems of Small Towns and Rural Counties to study and investigate Federal policies and programs relating to the needs and problems of such areas (S. 1869).

AEC sales: Accelerated property sales to stimulate the economic growth of atomic energy communities (S. 1622).

Metal scrap: Extended to June 30, 1962, the existing suspension of import duties on metal scrap (Public Law 87–110).

Farm loans: Increased proportion of appropriated farm loan funds available for individual farms with debt over $10,000 from 10 to 25 percent to help meet the rapidly increasing cost of farming (Public Law 87–8).

Cotton farmers' relief: Authorized emergency relief to cotton farmers where floods have made it impossible to plant (Public Law 87–37).

Duty-free allowance: Reduced the duty-free exemption from $500 to $100 through June 30, 1963, to counter our unfavorable balance of payments (Public Law 87–132).

In the international area we have:

Latin American aid: Appropriated $600 million for the Latin American aid program, which includes $100 million in disaster relief for Chile, $394 million for loans by the Inter-American Development Bank, $6 million for social and economic programs of the Organization of American States, and $100 million for loans and grants by the International Cooperation Administration (Public Law 87–41).

OECD: Ratified the creation of the Organization for Economic Cooperation and Development consisting of 18 European member nations, the United States, and Canada, to promote economic stability and an orderly growth of the economies of the member states.

Battle Act revision: Strengthened U.S. policy abroad by authorizing the President to permit economic aid to Iron Curtain countries, except the Soviet Union and Communist-held areas of the Far East, when he considers it important to U.S. security (S. 1215).

Foreign bank tax exemption: Exempted foreign central banks from payment of taxes in this country on interest accrued from ownership of U.S. Government securities not used or held for commercial purposes (Public Law 87–27).

U.S. Travel Service: Established a U.S. Travel Service in the Department of Commerce to promote and encourage tourist travel from abroad (Public Law 87–63).

Cultural exchange: Consolidated all cultural and educational exchange programs in an effort to promote these programs to a more important position in our foreign relations. The exchange programs combined are the Fulbright Act, the Smith-Mundt Act, the Finnish Debt Payments Act, the Mutual Security Act of 1954, as amended, the Agricultural Trade Development and Assistance Act of 1954, and the International Cultural Exchange and Trade Fair Participation Act of 1956 (S. 1154).

U.N. food reserve: Expressed an interest in exploring with other nations the possibility of establishing an international food and raw materials reserve under the United Nations and related international organizations to acquire and store in appropriate countries raw or processed farm products and other raw materials exclusive of minerals.

Red China: Expressed as the sense of Congress that:

1. The United States should continue to support the Government of the Republic of China as the representative of China in the United Nations;

2. The United States shall continue to oppose seating the Chinese Communist regime in the United Nations so long as that regime persists in defying the principles of the U.N. Charter; and

3. The American people support the President in not according diplomatic recognition to the Chinese Communist regime (S. Con. Res. 34).

Mercy fleet: Supported the establishment by the President of a White Fleet—a force of mercy ships to assist in disaster areas in any coastal region of the world, as well as to carry on a regular program of logistics support in the public health field and other works of technical assistance.

Inter-American Children's Institute: Continued U.S. participation in and contributions to the Inter-American Children's Institute (S.J. Res. 66).

Caribbean Organization: Authorized the President to accept on behalf of the United States the agreement establishing the Caribbean Organization; the participation of Puerto Rico and the Virgin Islands in the Organization; made available to the Organization the privileges, exemptions, and immunities conferred by the International Organizations Immunities Act; and authorized the Secretary of State to appoint a U.S. observer to the Organization. (Organization is to concern itself with social, cultural, and economic matters of common interest to the Caribbean area) (Public Law 87–73).

Fulbright Act: Authorized legally classified American nationals to qualify and receive financial assistance under the Fulbright Act for advanced education abroad (S. 539).

Agricultural aid: Authorized the administration to continue and expand the use of our agricultural abundance in helping needy people in the less-developed countries through development programs under title II of Public Law 480, Agricultural Trade Development Act (Public Law 87–92).

Repatriation assistance: Enacted an emergency 1-year repatriation assistance program to provide temporary assistance to U.S. citizens and dependents of U.S. citizens returning from abroad without available resources. Aid can consist of money payments, medical care, temporary billeting, or other goods or services needed for the health and welfare of the recipients (Public Law 87–64).

Surplus as aid: Authorized disposal of additional $2 billion in surplus commodities under the Agricultural Trade Development and Assistance Act (Public Law 87–27).

Sugar Act: Extended the Sugar Act of 1948 for 15 months to June 30, 1962, fixing quotas of domestic and foreign producers; and continuing the President's authority to exclude Cuban sugar imports and reallocate its quota (Public Law 87–15).

Brazil: Ratified a treaty of extradition with Brazil.

Columbia River: Ratified a treaty between the United States and Canada for cooperative development of the Columbia River.

German war bonds: Ratified a second agreement with Germany for the validation of East German dollar bonds to enable owners of these bonds to establish they were acquired from legitimate sources and not through Soviet sources in Berlin at close of World War II.

Loadline: Ratified a modification to the International Load Line Convention.

Oil pollution: Ratified the International Convention for the Prevention of Pollution of the High Seas by Oil.

NATO: Extended through June 30, 1962, the life of the U.S. Citizens Commission on NATO, a Commission established to explore means of increasing cooperation and unity of purpose among NATO countries (Public Law 87–116).

In the area of welfare and general government we have:

Aid to education: Enacted a $2,550 million 3-year Federal aid to education program for school construction and inceasing teachers salaries (S. 1021).

College housing: Increased the loan authorization by $300 million for each of the 4 years beginning July 1, 1961, through 1964 (Public Law 87–70).

Circuit judges: Created 73 additional U.S. district and circuit court judgeships to help ease the present workload and overcrowded court calendars (Public Law 87–36).

Mass transit: Authorized a new $75 million program to help overcome commuting problems in cities. The $25 million is authorized for demonstration grants (covering up to two-thirds of project cost) for projects to explore ways of overcoming mass transit problems. Authorized $50 million for low-interest loans to public bodies for the acquisition, construction, and improvement of transportation facilities and equipment (Public Law 87–70).

Government reorganization: Restored the authority of the President to submit plans for the reorganization of the Government (Public Law 87–18).

HEW: Authorized two additional Assistant Secretaries—one to handle international affairs—the second to handle medical and scientific matters (S. 2073).

Labor: Authorized an additional Assistant Secretary to perform functions relating primarily to the employment and effective utilization of women in our labor force (S. 1815).

FTC reorganization: Provided for the reorganization of the Federal Trade Commission to expedite the present workload (plan No. 4). Effective July 9.

CAB reorganization: Authorized the reorganization of the Civil Aeronautics Board to provide greater flexibility and a more expeditious handling of CAB cases (plan No. 3). Effective July 3.

Maritime reorganization: Authorized reorganization of Maritime Board (plan No. 7). Effective August 12.

FCC reorganization: Authorized FCC to delegate functions in adjudicatory cases to expedite and improve the administrative process (S. 2034).

Hijacking: Established criminal penalties for hijacking aircraft and for various other crimes committed on board aircraft in flight (S. 2268).

Educational TV: Authorized Federal grants up to $1 million for any State to purchase TV transmission equipment for educational purposes, providing the State or sponsoring agency to furnish the land, building, and guarantee to operate and maintain the channel (S. 205).

Disabled veterans' compensation increase: Provide increases in rates of service-connected disability compensation (to reflect cost of living increases since last compensation raise in 1957) ranging from 2.6 to 16.7 percent, depending upon degree of disability; restores for 2 years after January 1, 1962, the eligibility of veterans who served between October 8, 1940, and April 24, 1951, to apply for national service life insurance (H.R. 879).

Disability benefits: Increased weekly disability benefits for longshoremen and harbor workers to $70 (from $54); provided comparable increases in death case from $81 to $105; and increased statutory maximum compensation payable for all injuries other than cases of permanent total disability or death from $17,280 to $24,000 (Public Law 87–87).

Travel expenses: Increased the allowances of Government employees for traveling expenses when on official business. Increases include from $10 to $16 per diem allowances and from 10 to 12 cents a mile by private automobile (H.R. 3279).

Jury commissioners: For the first time since 1884, increased the fees of jury commissioners in the U.S. district courts from the present $5 to $10 per diem for each day employed in the performance of duties (S. 1899).

Postal pay: Eliminated discrimination against postal employees with respect to longevity pay increases by providing benefits comparable to those enjoyed by regular civil service employees (S. 1459).

Oceanography: Established a national 10-year program of oceanographic and Great Lakes research to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources and to enhance the public health and general welfare (S. 901).

Wabash River Commission: Established a Wabash Basin Interagency Water Resources Commission to coordinate Federal, State, and local plans for developing the water and land resources in the Wabash River Basin (S. 811).

Cape Cod Park: Established Cape Cod National Seashore Park to preserve for public enjoyment the scenic, scientific, and historic features of the cape (Public Law 87–126).

Juvenile delinquency: Authorized a program of Federal grants to communities and nonprofit agencies of $5 million a year for 4 years to aid in financing projects to combat juvenile delinquency (S. 279).

Geodetic Survey: Improved and expanded the Coast and Geodetic Survey Act of 1948 to induce qualified scientists and mathematicians to join the service (S. 685).

Nurses' scholarships: Extended for 4 years (to June 30, 1965), $5 million a year program for grants and scholarships for train- of practical nurses under Vocational Education Act (Public Law 87–22).

Vocational teacher training: Authorized two 1-year programs of Federal grants for training teachers of the deaf, and advanced training of speech pathologists and audiologists (S. 336).

Internal Revenue employees: Appropriated funds for an additional 4,265 Internal Revenue Service employees (H.R. 5954).

Rural carriers: Increased equipment allowance for rural mail carriers to 12 cents a mile (S. 189).

In the area of defense and space exploration we have:

Ready Reserves: Granted authority, requested by the President, to call to active duty up to 250,000 ready reservists, authority to continue until July 1, 1962, and to grant discretionary authority to the Secretary of Defense to extend enlistments, appointments, and other service obligations up to 12 months, which would otherwise expire on July 1, 1962 (Public Law 87–117).

Military procurement: Authorized $12.4 billion procurement program for aircraft, missiles, and naval vessels for fiscal 1962 (Public Law 87–53).

Additional military procurement authorizations: As requested by the President, authorized additional funds to provide for additional equipment primarily to improve the nonnuclear defense capabilities of our ground forces and of the Navy and Air Force; to provide increased airlift and sealift; and to expand our antisubmarine warfare program. The overall request for additional authorization for procurement of weapons, equipment, and ammunition was for $1,753 million; however, of this amount, additional authorizations are required only for $958,-570,000 (Public Law 87–118).

Military construction: Authorized $831 million for construction and improvement projects at military bases at home and abroad, including missile sites and nuclear submarine bases (Public Law 87–57).

Aeronautics and Space Council: Reactivated and strengthened the usefulness of the Aeronautics and Space Council, and provided that it be administered by the Vice President (Public Law 87–26).

NASA authorization: Authorized $1,784,-300,000 for the National Aeronautics and Space Agency (Public Law 87–98).

Civil aviation insurance: Extended until 1966, for 5 years, title XIII of the Federal Aviation Act of 1958, which provides that in the event of war the Nation's civil air fleet would have adequate insurance coverage for war risks (Public Law 87–89).

Marine Corps: Improved the combat effectiveness of the Marine Corps by providing for the expanded assignment of supply-duty-only officers to unrestricted duty (Public Law 87–123).

AEC authorization: Authorized $370,440,-000 for a total of 40 AEC projects including the Stanford linear electron accelerator and electric-generating facilities for the new production reactor at Hanford, Wash. (H.R. 7576).

Reserves: Reduced from 8 to 6 years the total Reserve obligation of certain military personnel and improved certain Armed Forces Reserve policies (H.R. 5490).

CRIME

Agency investigations: Prohibits obstruction of any lawful inquiry or investigation by the Departments of Justice or Treasury and strengthens prohibitions against injuries to persons furnishing information in connection with the inquiry (S. 1665).

Gambling devices: Broadened the definition of "gambling devices" to cover additional types of machines manufactured for gambling purposes, and requires detailed records of all such devices shipped in interstate commerce (S. 1658).

Racketeering enterprises: Prohibits the use of the mail or any transportation in interstate or foreign commerce for the purpose of distributing the proceeds of any unlawful activities (business enterprises involving gambling, bootlegging, narcotics, etc.) (S. 1653).

Transmission of bets: Forbids the use of wire communications (telephone, telegraph, or any other means of interstate wire communications) for gambling. Exempts information carried for use of the press and wireless communication (S. 1656).

Wagering paraphernalia: Prohibits interstate transportation of wagering paraphernalia for bookmaking, wagering pools, numbers game, or similar games carried by means other than common carrier in the usual course of its business, but allows transportation of equipment from a State where it is manufactured into a State where parimutuel betting is legal.

APPROPRIATIONS FOR FISCAL 1962

H.R. 7444: Agriculture and related agencies (Public Law 87–112).

H.R. 7577: General government matters (Public Law 87–125).

H.R. 7445: Independent offices (Public Law 87–141).

H.R. 6345: Interior appropriations (Public Law 87–122).

H.R. 7035: Labor-HEW (Public Law 87–290).

H.R. 7208: Legislative (in conference).

H.R. 7371: State, Justice, judiciary (passed House 6 to 1).

H.R. 5954: Treasury-Post Office (in conference).

H.R. 7581: Defense (in conference).

H.R. 8072: District of Columbia appropriation for 1962 (passed House July 12, 1961).

H.R. 8230: Military construction for 1962 (passed House July 12, 1961).

THE CONGRESSIONAL FELLOWSHIP PROGRAM

Mr. HUMPHREY. Mr. President, I rise to acknowledge the conclusion of another highly successful congressional fellowship program and to express the thanks and appreciation of the Senate to the congressional fellows and to the American Political Science Association for again sponsoring this outstanding program in education and public service.

I know most Members of this body are thoroughly familiar with the congressional fellowship program. It began in 1953–54 with a grant from the Edgar B. Stern Family Fund of New Orleans and its purpose was to bring outstanding young political scientists and political journalists to work with us in Congress and thereby develop greater knowledge and insights into the legislative process.

The more accurately and incisively these teachers and writers of American politics understand our labors in Washington, the more effectively they can communicate with their students and readers in future years. Mr. President, if more teachers and reporters of American government possessed this understanding today, I am convinced that this Nation would comprehend more clearly the problems and challenges which confront the free world.

In addition to broadening their understanding of Congress, these highly talented and highly skilled political scientists, journalists, and law school faculty members make substantial contributions as staff members in the various offices and committees. Surely this is an arrangement where everyone benefits.

Since 1953 when the first six congressional fellowships were awarded, the program has grown impressively in terms of numbers and reputation. This past year eight political scientists, seven journalists, and two law school faculty members participated in the program. The congressional fellowship program was originally financed by the Edgar Stern Family Fund. The financial resources of this outstanding family carried the program through the formative years until its continued survival was assured. In 1957–58 the program was financed jointly by the Stern Family Fund and the Ford Foundation. Beginning in 1958, the program was principally financed by the Ford Foundation, as well as such other foundations as the Courier-Journal and Louisville Times Foundation, the New York Times Foundation, the Shinner Foundation, the Poynter Fund, the Revlon Foundation, the Helen Dwight Reid Foundation, Time, Inc., and Cyrus Eaton. I think we owe these foundations a sincere expression of thanks for providing the financial resources which makes it possible for us to have the services of the fellows for a session of Congress. This is, I might add, the equivalent of having an unpaid staff member in the office.

I can speak for my office by saying that I have had a very outstanding staff member, Mr. John G. Stewart, who has been working closely with me, confining much of his attention to the work of the Appropriations Committee. I have had good fortune indeed with these congressional fellows, and I rise to pay personal tribute to them.

Congressional fellows are selected from several hundred applicants through an intensive series of screenings and personal interviews throughout the United States. Final selections are made by the advisory committee to the congressional fellowship program. This is an outstanding group of public servants, scholars, and political analysts. This past year the advisory committee included Roger Hilsman, Director of Intelligence and Research, State Department, as chairman; Senators Gene McCarthy and John Williams; Representatives John Brademas and John Lindsay; Douglas Cater of the Reporter magazine; Marquis Childs, columnist for the St. Louis Post-Dispatch; Richard Scammon, Director of the Census Bureau; Harold Green, noted attorney and professor of law at George Washington University; and Joseph McCaffrey, television commentator for the American Broadcasting Co.

Following their arrival in Washington in November, the fellows participate in a 1-month orientation program which acquaints them with the general political scene in Washington. During this period they also make arrangements for their assignments in the House. During the Easter recess the group moves to Senate offices and committees, and the program concludes on August 15.

In conjunction with the opportunity for practical working experience, the fellows also meet as a group for interviews with a number of Senators, Congressmen, and other Washington political figures. I have met with the group for a number of years and I am always impressed by their grasp of the legislative process on the Hill, by their critical awareness of what is going on up here. Often their questions make a session of "Meet the Press" seem like a picnic by comparison.

I wish to emphasize that these people do not come to Washington to observe Congress in action. You never learn by just observing. They come to work with us and they make valuable contributions to the operation of an office or committee staff. In my office I have turned over entire areas of legislative staff work to congressional fellows. They learn a great deal from their experiences but they also teach us a great deal. Every office on the Hill can always use some fresh perspective, some fresh insights, and a fresh viewpoint in its day-to-day operations. A congressional fellow is well equipped to provide this valuable change of pace.

I wish to emphasize strongly that the program is rigidly nonpartisan in nature. Congressional fellows work in both Republican and Democratic offices. I understand that the issues we debate so vigorously here on the Senate floor are just as enthusiastically argued among the congressional fellows.

Mr. President, I ask unanimous consent that a list of the congressional fellows for 1960–61 be printed in the RECORD at this point, together with a list of their offices. Both Democratic and Republican offices are listed here.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL FELLOWS OF THE AMERICAN POLITICAL SCIENCE ASSOCIATION FOR 1960–61

Lee Anderson, 26, research assistant in political science, University of Illinois; Representative Robert Giaimo, of Connecticut, Senator Frank Church, of Idaho.

Avard W. Brinton, 27, teaching fellow in government, Harvard University; Representative Ed Edmondson, of Oklahoma, Senate Interstate and Foreign Commerce Committee.

Patrick J. Conklin, 32, assistant professor of political science, University of Tulsa; House majority whip office, Mr. Albert, of Oklahoma. Senate majority whip office, Mr. Humphrey, of Minnesota.

Samuel Halperin, 30, assistant professor of political science, Wayne State University; House Committee on Education and Labor; Senate Subcommittee on Education and Special Committee on Aging.

Ronald H. McDonald, 25, teaching assistant and Ph. D. candidate, University of California, Los Angeles; Representative Peter Frelinghuysen, of New Jersey, Senator Thomas H. Kuchel, of California.

David M. Olson, 30, research assistant and Ph. D. candidate, University of California, Berkeley; Representative Homer Thornberry, of Texas, Senator Vance Hartke, of Indiana.

John G. Stewart, 25, Ph. D. candidate, University of Chicago; Representative Richard Bolling, of Missouri, Senator Hubert H. Humphrey, of Minnesota.

Seth P. Tillman, 29, assistant professor of political science, Massachusetts Institute of Technology; Representative John Lindsay, of New York, Senate Committee on Foreign Relations.

Luther J. Carter, 32, reporter, Virginian-Pilot, Norfolk, Va.; Representative Charles E. Bennett, of Florida, Senator Lee Metcalf, of Montana.

Lorraine E. Geittmann, 26, reporter, South Bay Daily Breeze, Redondo Beach, Calif.; Representative B. F. Sisk, of California, Senator Edmund Muskie, of Maine.

Ivan N. Kaye, 28, reporter, United Press International; Representative Robert Kastenmeier, of Wisconsin, Senator William Proxmire, of Wisconsin.

Eugene Lichtenstein, 30, assistant editor, Esquire magazine; Representative Chet Holifield, of California, Senator Claiborne Pell, of Rhode Island.

William R. MacKaye, 26, reporter, Minneapolis Star; Representative Frank Thompson, of New Jersey, Senator Joseph S. Clark, of Pennsylvania.

Robert A. Popa, 29, reporter, Detroit News; Representative Robert P. Griffin, of Michigan, Senate Antitrust Subcommittee.

Daniel S. Greenberg, 29, reporter, Washington Post; Representative John Brademas, of Indiana, Senate Antitrust Subcommittee.

Arthur E. Ryman, Jr., 31, professor of law, Cumberland University; Representative Peter Dominick, of Colorado, Senator Spessard L. Holland, of Florida.

John D. Scarlett, 37, associate professor of law, Wake Forest College; Representative Torbert H. Macdonald, of Massachusetts, Senator Thomas J. Dodd, of Connecticut.

Mr. HUMPHREY. Mr. President, in conjunction with the Asia Foundation, the American Political Science Association also sponsors several Asian fellows as part of the program. Everyone concerned with creating better understanding between the United States and the countries of Asia will immediately see the value of this program. It is a fine program. During 1960–61 the American Friends of the Middle East added a fellow from Iran. This aspect of the program will continue in 1961–62. Mr.

President, I ask unanimous consent that a list of the Asian fellows also be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

FELLOWS OF THE ASIA FOUNDATION AND THE AMERICAN POLITICAL SCIENCE ASSOCIATION FOR 1960–61

Abdullah Ahmad, Republic of Malaya; Representative John Kyl, of Iowa, Senator Oren E. Long, of Hawaii, and Vice President Lyndon B. Johnson.

Shariff Ahmad, Republic of Malaya; Representative Clem Miller, of California, Senator Howard W. Cannon, of Nevada.

Matine-Daftary Hedayatollah, Iran; Representative Samuel Stratton, of New York, Senator Edward V. Long, of Missouri.

Miss Kimiko Okamura, Japan; Representative Sidney R. Yates, of Illinois, Senator Ernest Gruening, of Alaska.

Abdul Kadir Shaikh, Pakistan; Representative Dante Fascell, of Florida, Senate Subcommittee on Education.

Dong Suh Bark, Korea; Senator William Proxmire, of Wisconsin.

Mr. HUMPHREY. Mr. President, the congressional fellows for next year have already been selected. In order to introduce them to you and to make their names known to you and your staffs, I ask unanimous consent that a list of the 1961–62 congressional fellows, including their present academic and journalistic affiliations, be included in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL FELLOWS OF THE AMERICAN POLITICAL SCIENCE ASSOCIATION FOR 1961–62

Donald C. Bacon, 26, reporter, Wall Street Journal, Jacksonville, Fla.

James H. Chubbuck, 27, graduate assistant, department of government, Louisiana State University, and former reporter, Beaumont, Tex., Journal and Enterprise.

Michael N. Danielson, 27, metropolitan region fellow, Columbia University and Ph. D. candidate in political science, Princeton University.

Charles A. Frye, 24, Ph. D. candidate in political science, Yale University.

Daniel S. Guy, 33, assistant professor of law, Ohio Northern University.

Jack I. Heller, 29, teaching fellow and research assistant, Harvard Law School.

Fredrick P. Jellison, 29, research assistant and Ph. D. candidate in political science, University of Michigan.

James R. Kerr, 30, Ph. D. candidate in political science, Stanford University.

Edmund B. Lambeth, 29, reporter, Milwaukee (Wis.) Journal.

Teddy Roe, 27, formerly reporter for Des Moines Register and Tribune and Great Falls (Mont.) Leader.

John S. Saloma, 26, teaching fellow and Ph. D. candidate in political science, Harvard University.

David J. Stern, 33, Ph. D. candidate in political science, Claremont Graduate School.

Donald G. Tacheron, 33, copy editor and reporter, Eugene (Oreg.) Register-Guard.

Frank Tysen, 29, Ph. D. candidate in political science, Claremont Graduate School.

Richard D. Warden, 29, reporter, Great Falls (Mont.) Tribune.

David Welborn, 26, research associate and lecturer in government, Indiana University.

Wesley P. Willoughby, 31, reporter, San Francisco News-Call Bulletin.

Dr. Evron Kirkpatrick, the executive director of the American Political Science Association—and, I might add, a loyal Minnesotan, a former professor of mine at the University of Minnesota, and a very dear and close friend; and Mr. Mark Ferber, director of the congressional fellowship program, are to be congratulated for their fine direction and administration of this program. As the present congressional fellows return to their teaching and reporting assignments throughout the nation, they merit our congratulations and appreciation for a job well done.

Mr. President, I ask unanimous consent that various items describing the purpose and operation of the congressional fellowship program be printed in the RECORD.

There being no objection, the memorandums were ordered to be printed in the RECORD, as follows:

FACTS ABOUT THE CONGRESSIONAL FELLOWSHIP PROGRAM

HOW THE PROGRAM OPERATES

The congressional fellowship program, sponsored by the American Political Science Association since 1953,

(a) Provides practical experience working with Members of Congress or congressional committees for younger political scientists, journalists, and law school teachers. Such experience, combined with earlier training, is designed to improve the participant's understanding of the organization, procedures and problems of Congress and to provide a broader and deeper knowledge of American politics and the problems confronted by Congressmen.

(b) Aims to provide an experience of both depth and breadth. Depth is achieved by long periods of service in single offices in the House and Senate. Breadth results from an initial 1-month "orientation program," followed by a continuing series of conferences during the year with distinguished Members of Congress, congressional staff, political journalists, political scientists, and others closely associated with the functioning of Congress.

The orientation program, which begins in the middle of November, is intended to provide a limited theoretical framework relative to the structure and functions of Congress; the role of Congress in the American system of government; political behavior in the congressional context; the political decision making process as it operates within Congress, and between Congress and other institutions within the total structure of American Government; and other related aspects of what some would call the congressional, or legislative process. During the orientation program the group meets morning and afternoon for informal discussions with a wide variety of persons associated with Congress, or with congressional relations in the executive branch.

By the first week in January, all fellows are at work with a Representative or a House committee of their choice, with whom they serve for the 3½ months the group spends on the House side. About the time of the Easter recess the group moves to the Senate, where members of the group work either for Senators or Senate committees. Fellows remain in Senate offices until the conclusion of the program around the middle of August. Services of the fellows are made available free of charge to congressional committees and the Members of Congress for whom they work.

HOW CONGRESSIONAL FELLOWS ARE SELECTED

Congressional fellows are selected in nationwide competition from among political journalists, political scientists, and law school teachers, in the 23 to 35 age range with superior training and experience.

Applications are first screened by a committee of three persons in Washington, consisting of a journalist, a political scientist, and a Government official. Between 35 and 50 applicants are then invited to appear before regional interviewing boards usually consisting of a political scientist, a journalist, and a third member selected from a related field. These boards submit reports on all interviews, which are then reviewed by the original screening committee. The screening committee drafts a recommended list of winners and alternates, which is given final review and approval by the advisory committee for the congressional fellowship program. The advisory committee, in addition to selecting the fellows, is responsible for helping the association determine policy for the program. It consists of two Members of the House and two of the Senate, divided equally between the two parties; three journalists; and two political scientists.

Announcement of winning fellows is made in the early spring, immediately following final selection. Winners are notified immediately, but they do not have to appear in Washington until the beginning of the orientation program in the fall.

TYPES OF SERVICES PERFORMED BY CONGRESSIONAL FELLOWS

Congressional fellows perform a wide variety of services for the Members of Congress or committees for whom they work. One fellow, who worked in the office of the chairman of the subcommittee responsible for the legislation, was given major responsibility for a bill extending the Surplus Agricultural Disposal Act. During his 4 months in the office, he followed the entire path of action of the bill in the Senate. He began by studying and digesting more than 35 documents, speeches, and hearings from previous years. Then he proceeded to sound out Government departments and private agencies, and to construct a list of possible witnesses. From that point to the adjournment of Congress, he was immersed in preparing questions for the hearings, drafting speeches and press releases, talking to Government representatives as well as private parties, inviting various witnesses to testify, preparing opening statements for the hearings, handling all telephone and mail inquiries and keeping in touch with the companion bill as it made its way through the House.

Other illustrations are contained in the following excerpts from reports by fellows on their activities:

"There is no point in listing the many varied duties I have performed for the Congressman. I think it more appropriate for me to state that he and I have enjoyed a close personal relationship; that we have spent a good deal of time together discussing pending legislation which could have a serious effect politically on his career. He values my judgment as a home State newsman who is familiar with the problems and personalities of his constituency. * * * During the past 4 months, I have written his weekly newsletters, his press releases and radio scripts, roughly a dozen extension of remarks for the CONGRESSIONAL RECORD, a number of extremely important letters to committee chairmen and heads of Federal agencies, and assisted with a myriad of other public relations chores.

"On legislative matters, one of my jobs is to sift the CONGRESSIONAL RECORD daily for items of special interest to the Congressman. More important is my regular attendance at the open session of the Foreign Affairs Committee and my perusal of the transcripts of the executive sessions—especially those which have recently begun on the foreign aid bill. Sometimes I sit right behind the Congressman at hearings and feed him suggested questions to put to the witnesses. More often we take time before or after a hearing and discuss the pattern of testimony and the issues it raises, and I then suggest matters which I think he should try to get clarified in the record.

"One of the best meetings was a briefing on the White House Conference on Education, which I followed up with press releases on the Senator's backing for a State conference. The State had taken no action, so I wrote some letters for him to the proper officials, got their plans, released them to the press also, and followed up with another statement. As a result the Senator got a letter telling him they got faster action in less than a week from his State than they could have gotten in 6 months."

THE SPONSOR

The American Political Science Association, founded in 1903, is the professional organization for political science within the United States. Its series of distinguished presidents has included: A. Lawrence Lowell, Woodrow Wilson, Charles E. Merriam, Charles A. Beard, Edward S. Corwin, Robert E. Cushman, Arthur W. Macmahon, and Ralph J. Bunche, to mention a few. It has performed numerous tasks for the President, for executive departments, congressional committees, Members of Congress, and State teachers of politics, Government administrators, Cabinet officials, university presidents, lawyers, and those active in the business world. It is the American affiliate of the International Political Science Association.

SOURCES OF FUNDS FOR THE CONGRESSIONAL FELLOWSHIP PROGRAM

For the first several years of its operation, the congressional fellowship program was financed by the Edgar Stern family fund of New Orleans. In 1957–58, the program was financed by both the Stern family fund and the Ford Foundation. Beginning with 1958, the program was financed by the Ford Foundation, as well as such other foundations as the Courier-Journal and Louisville Times Foundation, the New York Times Foundation, the Shinner Foundation, the Poynter Fund, the Revlon Foundation, and the Helen Dwight Reid Foundation.

ASIAN FELLOWS

Beginning with the 1958–59 program, the Asia Foundation has sponsored several Asian fellows who are affiliated with the overall congressional fellowship program but who receive special assistance. The applications and selection of the Asian fellows are handled jointly by the Asia Foundation and the association.

Mr. HOLLAND. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I am glad to yield.

Mr. HOLLAND. I wish to associate myself with the Senator from Minnesota in warmly praising the congressional fellow program of the American Political Science Association and those persons and agencies which have made the program possible. One of the fellows under this program, Arthur E. Ryman, Jr., Esq., is now working in my office. We have found his services to be most helpful, and I trust that the experience has been of value to him from an educational and experience standpoint. Mr. Ryman is an outstanding young man who received his master of laws degree from Yale University. He served last year on the faculty of Cumberland Law School at Lebanon, Tenn. Beginning in September, he will join the faculty of Drake University Law School, Des Moines, Iowa.

Mr. Ryman has been particularly helpful in conducting thorough and detailed research of the type which my staff has difficulty in finding time to perform. He has made a thorough study of the Senate rule pertaining to unlimited debate, airline labor problems, the funding of civil service retirement payments, and similar complex subjects.

Mr. Ryman's service in my office should be beneficial to his law students by giving him a firsthand practical view of the making of Federal statute law. I appreciate the opportunity I have had of having his able assistance in the work of my office.

Mr. METCALF. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. METCALF. The Senator from Minnesota has performed a valuable service in calling to the attention of the Senate and of the country the fine group of young men and women who have served us so well during the past few months. The program is one with which I have been familiar since it was started. I have been fortunate to have three of these young men serve in my office. I have observed a number of the congressional fellows, including a few young women, who have served in the program during the years it has been in existence.

Among the young men who have been associated with me is Mr. Luther Carter, of Norfolk, Va., who has served in my office diligently and as a good right hand. As the Senator from Minnesota has said of the fellows who serve on his own staff, Mr. Carter has been a mighty fine member of my staff.

Before that, I had as an assistant Mr. Boyd Finch, of Ventura, Calif., a newspaper reporter. When Mr. Finch finished his service with me, he returned to his work in Ventura and is now one of the New Frontiersmen, working with Secretary Udall in the development of natural resources. His first interest in natural resources was gained in Montana, where he learned of our interest in the forests, rivers, streams, and mountains of that western part of our country.

Then I had on my staff Mr. Charles Young, of California, who returned to the University of California. He is now an assistant to the president. Here he learned about the various educational programs. He served well in spreading the same sort of gospel about which the Senator from Minnesota has spoken.

So these young men, I know from personal experience, have been devoted and dedicated in performing their research service. I know the country is better off because of the program instituted by the American Political Science Association. I am glad the Senator from Minnesota has placed in the RECORD the list of the fellows for next year, because I am proud that two of them will be Montanans, who, as have their predecessors, will delve into the mysteries of congressional procedure which are not taught in colleges and universities. I look forward to working with them.

I thank the Senator from Minnesota for yielding.

Mr. HUMPHREY. The fellows, I feel certain, will be more than grateful for the remarks made by the distinguished Senator from Montana, and the American Political Science Association will be doubly grateful for this testimonial as to the quality, caliber, and effectiveness of the congressional fellows.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KUCHEL. The congressional fellows perform an excellent service for the Members of Congress with whom they are associated. I think it may be said that the Members of Congress, in their day-by-day deliberations, in their research, in their quest to find what is in the public interest in the bill which will be pending before them on the morrow, give to those young people in America who are able to participate in the program a unique education in the processes of the Republic, particularly as they receive those processes, parliamentarywise, with which we deal in the Senate and House of Representatives every day.

The Senator from Minnesota deserves congratulations for indicating the breadth of the program and the fact that it will be a continuing one.

I must say, speaking personally, that the very fine young man, Ronald H. McDonald, who has been associated with me for some time, will, as he leaves my office shortly to return to his homeland—California—take with him the best wishes of the personnel of my office and certainly the best wishes of the Senator from California.

In discussions which take place in my office with members of my staff, to determine what policy this one Senator should follow with respect to proposed legislation which, in many instances, is somewhat perplexing, Ron McDonald has participated. I feel certain that that pattern is followed throughout the entire congressional organization.

I speak as a Republican. I wish to see two strong parties in the Nation. I do not want this Nation ever to become a one-party country or to have a one-party government. Neither do I desire to see a multiplicity of splinter parties, from which one of our gallant neighbors across the seas suffered for so long a time.

When the Senator from Minnesota and other Senators representing the great Democratic Party, participate in this program, and when many of us on this side of the aisle participate in the same program, and have the joint opportunity to demonstrate, in some areas of legislation that there are conflicting views, honorably arrived at, then I think there is a keener appreciation of the fact that on the anvil of debate is the truth hammered out, not merely in theory, but usually also in actuality. From that experience these young people, men and women alike, return to their homelands refreshed and invigorated from an experience which I feel certain will permit them to invigorate both political parties in America in the days ahead.

Mr. HUMPHREY. I thank the Senator from California. I wish to associate myself with the views he has expressed in terms of the vitality of the two-party system.

I would be remiss if I did not pay special thanks to Mr. Patrick J. Conklin, of the University of Oklahoma, Tulsa, who worked with me in the office of the majority whip. He studied during the first period of his congressional service in the

office of the House majority whip, under Representative ALBERT, of Oklahoma. He then came to me and asked to have an opportunity to work in the office of the Senate majority whip. I was more than happy to agree, and I found Mr. Conklin to be a remarkable man. He will be all the better as a teacher and a professor. He did some splendid research work, not only upon the activities of the office of the majority whip now, but also in relation to the whole history of the office background and in terms of congressional life. He also gave me great help in the field of foreign policy, particularly as it relates to Latin America. He is a keen student of that area of the world; and I am deeply indebted to him.

I also wish to mention the name of Mr. John G. Stewart, a candidate for a doctor's degree at the University of Chicago. He has worked with me in recent months. Prior to that, he worked with Representative RICHARD BOLLING, of Missouri. He found a very rewarding experience with that splendid, brilliant, outstanding Member of the House of Representatives.

I wish to say publicly to Mr. Stewart that I shall ever be indebted to him for his diligence, for his concentration on the subject matters assigned to him, and for his splendid work generally, and particularly as it related to the activities of the Senate Appropriations Committee. I am a new member of that committee, and I needed help; and I found in Mr. John Stewart a reliable associate.

I am confident that he will return to his work better prepared and enriched in experience and in spirit. Surely he has made a great contribution to my office; and I know my constituents appreciate his kindness and his helpfulness.

Mr. PELL. Mr. President, I, too, would like to associate myself with the remarks of the Senator from Minnesota [Mr. HUMPHREY] in commending and praising the program providing for Government fellows. For their generosity in this respect, I wish to praise particularly the Stern family—and particularly Philip Stern, a good friend of mine, for whom I have great respect and great admiration—who have done so much to bring about this program.

My own office has been helped by the presence of Eugene Lichtenstein, who has helped us immeasurably in the last several months with his research, his knowledge, and, more particularly, his writing ability.

This program seems to me to be a very good one, because it encourages these young men to have an interest in government; and without the program, they might not have such an interest. In fact, in not too many years some of us may have the privilege of being defeated by some of them.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. ROGERS of Texas, Mr. FLYNT, Mr. MOSS, Mr. ROGERS of Florida, Mr. BENNETT of Michigan, Mr. SPRINGER, Mr. YOUNGER, and Mr. THOMSON of Wisconsin, were appointed managers on the part of the House at the conference.

THE RECORD OF THE KENNEDY ADMINISTRATION ON BEHALF OF AGRICULTURE

Mr. HUMPHREY. Mr. President, I wish to have printed in the RECORD certain material relating to the agricultural program.

The Congress has passed and the President has signed the most important agricultural legislation since the passage of the basic Agricultural Act of 1938. The passage of the Agricultural Act of 1961 represents a singular achievement on the part of the Congress and the administration. Credit is due in particular to the Secretary of Agriculture, Mr. Orville Freeman, for the manner in which he presented the administration's farm program, and for the broad and comprehensive understanding of agricultural problems and policies that he so fully revealed in his testimony before the committees of the Senate and the House.

Mr. President, I wish to commend also the chairman of the Senate Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], and the chairman of the House Committee on Agriculture, Representative COOLEY, and their associates on both sides of the aisle, for the work they have done at this session on the Agricultural Act. I have served for 8 years on the committee, and I can assure all my colleagues that the work on it requires a great many hours, much concentration of effort, and a considerable amount of judgment in the designing of agricultural and conservation policy.

In my opinion, the Agricultural Act of 1961 represents a major step forward in this administration's program for improving farm income. The act strengthens the agricultural economy and provides the Department of Agriculture with the facilities, the authority, and the means to bring about a better relationship between producers and consumers, with adequate regard for strategic food stockpiles reserves, our foreign policy commitments, and the use of American food and fiber as an instrument of economic and social development at home and abroad.

The President, in signing this important legislation, properly heralded it as a program of far-reaching importance not only to the farmer, but to the consumer; not only to agriculture, but to industry: not only to rural America, but to the urban areas and, indeed, to the entire Nation and the world.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the President's statement at the time of the signing of the bill and also the statement of the Secretary of Agriculture.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Is there objection?

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

REMARKS OF THE PRESIDENT ON SIGNING S. 1643—THE AGRICULTURAL ACT OF 1961

The Agricultural Act of 1961 is a major step toward a sound agricultural economy and a better life for the farmers of this country. It is designed to improve farm income, expand the markets for agricultural products, reduce our stocks of grains and wheat, and relieve our taxpayers of carrying some of the costs of carrying these stocks. I believe these objectives are in the best interests of our farmers and our country.

Of particular significance is the extension of the use of marketing orders to additional farm commodities. This will offer producers an opportunity to influence the market and offer the consumers advantage in quality, regularity of supply and stability of prices. I am also pleased that the act permits us to increase the present scope of our program for the distribution of agricultural commodities abroad, and extends the school lunch program to assure millions of our children better nutrition and better health.

These programs have long proved their merit and in these critical times and days they do assume significance for the welfare of our Nation. The benefits of the farm program that will result from this act are all in the right direction. They should help us toward the achievement of our goals for American agriculture, because American agriculture is of concern to us all, whether we live on the farm or in the city, and of concern to hundreds of millions of people around the world who look to this tremendous capacity which we have, with a relatively limited number of people, to produce food for ourselves and a good portion of the world. This is really a most outstanding accomplishment of our civilization in this century, to produce more food with less people than any country on earth. And it contrasts to the efforts of those behind the Iron Curtain in Russia and China where by entirely different systems they have had great difficulty. We wish for them well in this area because we want food available for all people.

We do point with pride to the record the American farmers have made and I hope that this legislation—I am sure and I know it will keep to increase that record. So that in this bill today we serve our people, our farmers and also people around the globe.

STATEMENT BY SECRETARY FREEMAN ON THE SIGNING OF THE AGRICULTURAL ACT OF 1961

I regard the Agricultural Act of 1961 as the most constructive and promising farm legislation in many years. It is a significant step toward a healthier farm economy and will therefore strengthen the economy of the entire Nation. It represents real progress in the right direction, and can serve as a stimulus for further steps toward achieving the goals we seek for agriculture.

I am of course disappointed that the act does not include the President's recommendations to enable farmers to adjust their production and marketing more effectively on a long-term basis, with sufficient flexibility to meet changing needs and conditions. However, this disappointment is tempered by a recognition that the gains already achieved are such that the downward trend in farm income over the years just past can be reversed, and progress toward greater gains lies ahead.

I should like to highlight a few of the most constructive aspects of this new legislation.

First, the Agricultural Act of 1961 will bring about very substantial gains to the farmers of our Nation. These gains will result from the provisions relating to wheat and feed grains, the expansion of marketing order programs, and the improvements in our program for rural credit.

We expect that income for producers of wheat and feed grains should be increased by $600 to $800 million in the 1962 wheat year. We know that marketing trends, forces of nature and international affairs may be involved. But if farmers participate as enthusiastically as they have in this year's feed grains program their incomes will be increased as our stockpiles are reduced.

Marketing orders, which have already assisted producers of many commodities in achieving better incomes, can be extended to more commodities. This will give farmers greater influence on the marketing of these commodities, and at the same time offer consumers better and more consistent quality, greater regularity of supply and more stable prices.

In the long run, the significance of these measures may lie in the fact that they represent an implicit recognition by the Congress of the need for adjusting our abundant agricultural productivity to existing need and for encouraging balanced marketing programs for farm commodities. In the two areas in which the imbalance was in greatest need of correction—wheat and feed grains—this act confirms the principle of supply adjustment.

Better farm incomes can also be expected as the result of provisions in the new act that expand and improve the supervised credit service of the Farmers Home Administration. Loan limits have been modernized to meet the changing and increasing requirements for capital on the farm. The act removes restrictions that have in the past kept the agency from serving large numbers of family farmers who urgently need supervised credit to work their way out of their difficulties. We will now be able to be far more effective in meeting credit needs of young farmers struggling to get started and of established farmers who need to make major adjustments in their operations. Supervised credit will now be a more powerful instrument in eliminating rural poverty, strengthening family farms, and revitalizing rural communities.

Second, the act includes measures to expand consumption of our farm products. Most important is its extension and improvement of the Agricultural Trade Development and Assistance Act, a significant feature of the Agricultural Act of 1961. The 3-year extension of the programs under Public Law 480 gives us greater opportunities to expand the utilization of our agricultural abundance to help further economic growth in other nations of the free world. At the same time we contribute to our own national interest and security by raising standards of nutrition and health for the people of friendly nations. We look forward to facing, squarely and constructively, the interrelationship that exists between, on the one hand, the capacity of our agriculture to produce more than our domestic needs, and, on the other, the unmet needs existing in the rest of the world. We seek to resolve this situation in the best interests of both the American farmer and our national security.

Extension of the school milk program for 5 years will contribute better health and nutrition to millions of American children.

Third, the wheat and feed grain programs under the new act will result in substantial savings to the taxpayers by reducing storage costs for these commodities. For the 1962 grain crops alone the savings over the amount the old programs would have cost, will be between $750 million and $1 billion.

The U.S. Department of Agriculture will seek to carry out its responsibilities under the new programs with maximum concern for their success. We shall seek to consult and cooperate with farmers wherever appropriate, and to welcome suggestions from producers and groups of producers who seek to improve programs that affect their economic welfare. We shall seek effective implementation of the intent of the Congress as expressed in this act. We expect to learn from our experience under these programs, to the end that they may be improved and perfected.

We regard the period immediately ahead as an opportunity for further study and evaluation of proposed policies and programs, and most particularly for further efforts to build greater public understanding of the farm situation. We regard it as a challenge to formulate the next steps in seeking to reach our goals.

Mr. HUMPHREY. Mr. President, I have asked the Department of Agriculture to prepare a summary of the Agricultural Act of 1961, and also to prepare a summary of the achievements and the progress of this administration in the field of agriculture in the past 6 months. I ask unanimous consent that the record of the Kennedy administration of the past 6 months be printed in the RECORD at this point in my remarks, and also that the thoughtful summary and highlights of the Agricultural Act of 1961 be printed at this point in my remarks.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE, REPORT, JULY 1961, THE FIRST 6 MONTHS

This administration has set forth positive goals for its agricultural programs. It is the purpose of this report to summarize progress made during the past 6 months toward the achievement of these goals.

The goals might be expressed as follows:

I. Better utilization of the Nation's abundant agricultural productivity to achieve:

A. Improved levels of consumption and nutrition in the United States.

B. Increased use of U.S. farm commodities to improve nutritional and living levels and to support economic development in underdeveloped parts of the world.

II. The strengthening of the agricultural economy by:

A. Assuring to the efficient, adequate-sized family farm the opportunity to achieve parity of income by adjusting production to the kinds and quantities that can be used under this expanded demand.

B. Strengthening and improving agricultural services in research, marketing, extension, and credit, with emphasis on cooperatives, the Rural Electrification Administration, and Farmers Home Administration.

C. The eradication of poverty in agriculture through assistance to low-production farmers and emphasis on rural area development.

III. The recognition of agriculture as an integral and indispensable part of the Nation's entire economy and future well-being.

A. Development, in cooperation with all appropriate agencies, of a program for land, water, and forest resource conservation and utilization that is consistent with the long-term social goals and national requirements of the United States, particularly for the production of food, fiber, and forest products, for recreation, for general economic well-being and for national security.

B. A recognition of the need for strategic security reserves in agricultural products.

C. Public understanding of the contributions of agriculture to the American economy and standard of living, and a recognition on the part of the public of the importance of solving the farm problem.

D. Cooperation and coordination of agricultural programs and policies with those other national programs and policies directed toward the solution of common problems: e.g., how Americans jointly meet the challenge of automation and technological revolution that brings about unemployment in industry and underemployment in agriculture; and how the United States gears our agricultural programs and policies to maximize their contribution to international needs and national security.

ACTION BY THE U.S. DEPARTMENT OF AGRICULTURE TOWARD THE ACHIEVEMENT OF THESE GOALS

I

A. Better utilization of abundant agricultural productivity to achieve improved levels of consumption and nutrition in the United States.

1. Distribution to those in need:

(a) Food procurement operations expanded: Two days after President Kennedy issued Executive Order No. 1 calling for an expansion in the volume and types of food to be distributed to needy families, the Agricultural Marketing Service launched into procurement operations to obtain the additionally needed supplies. The foods bought provide a substantial supplement to the commodities such as flour, cornmeal, rice, and nonfat dry milk which previously had been made available to needy families. Foods bought for this expanded distribution included 84 million pounds of dried beans, 47.2 million pounds of rolled oats, 76.5 million pounds of lard, 22.2 million pounds of dried eggs, 68.8 million pounds of canned pork and gravy, 40.3 million pounds of canned chopped meat, and 23.5 million pounds of peanut butter.

Additional purchases included 12.3 million pounds of carcass lamb for distribution to eligible nonprofitable charitable institutions, 7.1 million pounds of young chickens for the school lunch program, and 2.4 million pounds of cabbage principally for the school lunch program.

Purchases of livestock products alone, including meats, lard, dried eggs, and poultry have exceeded $105 million since the issuance of Executive Order No. 1.

(b) More food for more needy families: The distribution of food to needy families has been rapidly expanded both in terms of the number of people benefiting and the volume and variety of foods distributed to them. Total distribution in the last 6 months has amounted to about $101 million or more than three times the level in the same period of the previous year. In addition, the number of people receiving commodities has increased from 4 million persons in January to about 6½ million in June.

(c) Areas of special need: The U.S. Department of Agriculture is launching a special effort to distribute food to needy families in Fayette and Haywood Counties, Tenn., in these cases providing labor costs and supervisory assistance which are not locally available. It is expected that 7,000 persons in each of these counties will immediately benefit from this distribution, and that this figure could easily double by fall.

(d) Pilot food stamp projects: Arrangements have been completed for the operation of the food stamp program in eight pilot areas. The project in southern Illinois opened July 12, and was the last project in the series to get underway. The first to open was in McDowell County, W. Va., on May 29. Others in operation are in Floyd County, Ky.; Virginia-Hibbing-Nashwauk and adjacent areas in Minnesota: Silver Bow County, Mont.; San Miguel County, N. Mex.; Fayette County, Pa.; and the city of Detroit, Mich. At the present time, close to 200,000 persons have been certified to participate in the program.

Carefuly study is being made of these pilot programs as a basis for further planning and policy determination.

(e) Special milk program: Legislation has been passed to extend this program through the fiscal year 1962, with an increase in the authorization from $95 million to $105 million. Through this program children in 85,500 schools, child-care institutions and summer camps were provided the opportunity of obtaining increased quantities of milk at nominal cost. It is estimated that more than 25 million children drank milk daily the past year under the school lunch and special milk programs—consuming more than 4.7 billion half pints, the equivalent of about 4 percent of the total nonfarm consumption of milk.

(f) School lunch program: Congressional action is pending on the administration's request to increase the regular national school lunch program appropriation, and to add $10 million to be directed to schools in distressed areas. Also before Congress is the administration's recommendation for the first major change in the National School Lunch Act since it was passed in 1946. The proposed amendment would result in a more equitable distribution of funds. Pilot projects have been initiated in two counties in West Virginia and one county in eastern Kentucky, in cooperation with appropriate State and local officials, to provide lunches to children in especially needy areas where a lunch-time food service is not available.

2. Research and educational activities to improve quality and utilization for American consumers.

(a) The Agricultural Research Service publicizes nutritional information indicating how the nutritional health of many adolescents and adults in the Nation could be improved by adding more fruits and vegetables and more milk and milk products to the daily diet. It also releases menus and other information to help families use to best advantage the foods now offered in the distribution program.

(b) The Department, in cooperation with the U.S. Atomic Energy Commission and the Department of Health, Education, and Welfare, is testing an ion-exchange method for removing strontium-90 from milk, designed to provide a practical method of assuring a safe milk supply in case of a nuclear attack.

(c) The Agricultural Research Service has developed a new method of dehydrating potatoes, carrots, and other vegetables that will improve the quality and decrease the cooking time for such products; and a new method for spray drying cottage cheese whey, which for the first time opens up the possibility of large scale commercial use of this dairy product. Whey is now mainly a waste product and disposal is frequently costly. High protein cottage cheese whey powder could find a use in both foods and feeds.

B. Better utilization of the Nation's abundant agricultural productivity to increase use of U.S. farm commodities abroad, both in commercial markets and to improve nutritional and living levels, and to support economic development in underdeveloped parts of the world.

1. Agricultural exports in fiscal year 1961 broke all previous records in both value, estimated at $4.9 billion, and volume. The increase over the previous year was in both dollar sales and special programs. Wheat and cotton accounted for most of the increased exports, with wheat exports being a record 650 million bushels.

2. The food-for-peace program was stepped up. High on the priority list for new legislation was an increase of $2 billion in authority under title I of Public Law 480, to permit the signing of programs in the remainder of calendar year 1961. This authority was enacted by the Congress in April. Programs in negotiation against the new authorization total about $1.1 billion, and programs under active consideration total an additional $0.7 billion. One of those in negotiation is the multiyear program with Pakistan which will total about $950 million.

3. The barter program, title III of Public Law 480, was the subject of a public meeting for the first time since its inception. At this meeting importers, exporters, suppliers and others were consulted on how to improve and expand the barter program. From this group a private trade task force was appointed to consider helping U.S. distressed areas by processing foreign raw materials; reducing the outflow of dollars for offshore defense and other procurement; assisting the less-developed countries by trading for their materials; and streamlining the procedures for barter for export of U.S. agricultural commodities.

4. Market development has been given increased emphasis.

(a) A joint Government-industry task force was called to review the cooperative program of oversea market development. This not only helped streamline the program but also helped expand it more than 50 percent over any previous year.

(b) In June USDA opened in London its first oversea trade center, operated jointly with the Department of Commerce, to promote the sale of food products and agricultural commodities.

(c) A marketing specialist was stationed in Hamburg, Germany, in April 1961, to work closely with the food-importing trade in this large-consuming, hard-currency area. It is planned to expand this program by placing other marketing specialists in key trading areas overseas.

(d) In the search for expanded markets USDA is aggressively investigating the use of new food products, such as bulgur wheat, to assure wider use of abundant food supplies.

5. Trade agreements that will expand U.S. exports have been vigorously sought. By aggressive pressure through GATT and with individual countries for reduction or elimination of trade barriers to U.S. agricultural exports, specific food items have been liberalized in the important dollar markets of Germany, Japan, Italy, and the United Kingdom. Acceptable tariffs affecting $500 million in agricultural trade have been negotiated with the Common Market, and negotiations are continuing on an additional $200 million worth of trade.

6. World food budget: Maximum utilization of agricultural productivity to meet human needs must be predicated upon an appraisal of what those needs are. Upon taking office in January, the administration was amazed to learn that there was no estimate of world food needs. USDA initiated a world food budget survey. The preliminary results show a free world deficit in 1962 equivalent to 50 million metric tons of wheat, 3.9 million metric tons of vegetable oil, 1.8 million metric tons of nonfat milk solids and 0.6 million metric tons of dry beans and peas. The Department is seeking estimates of needs, not only for 1962, but the years immediately ahead. On the basis of the final estimate of world food needs it will be possible to plan more intelligently and effectively how to gear programs to meet those needs.

7. The extension of Public Law 480, with certain essential improvements, notably long-term authorization, is incorporated in the omnibus agriculture bill now before Congress.

II

A. The strengthening of the agricultural economy by assuring to the efficient, adequate-sized family farm the opportunity to achieve parity of income by adjusting production to the kinds and quantities that can be used under this expanded demand.

1. To raise farm income we have raised support levels under existing authority and secured the passage of the 1961 feed grain program. Estimates now indicate that the farm operators' realized net income in 1961 will be at least a billion dollars higher than in 1960—an increase of about 10 percent—with this increase largely the result of action taken by this administration.

Original estimates were that the feed grain program would not only increase farm income but would enable the Government to save at least $500 million. It now appears that these estimates were conservative and that savings will be even greater.

To help farmers meet spring planting and other costs there was made available to them before the end of the storage year one-half the payments earned by storage of grain on farms under the reseal program—the advances totaling about $25 million. The reseal program was extended and broadened so as to permit, along with a continuation of the 1-year program for oats, barley, and rye, a 2-year program for corn, wheat, and grain sorghums—thus encouraging farmers to plan ahead for adequate storage facilities.

2. An important development in connection with support programs is the action by the new administration to revitalize the farmer committee system for the administration of farm programs. Regulations of the Department have been revised to return to farmers complete responsibility for the election of their own ASC committeemen.

3. Immediate assistance in drought and flood disaster has been provided.

4. The Department drafted, and supported vigorously before the Congress, an omnibus agriculture bill which would provide farmers with tools by which production could be adjusted, commodity by commodity, to quantities that can be used. While the Congress is apparently not ready at this session to provide the major enabling legislation asked for, it appears that it will still enact the most constructive farm legislation since 1938. Two major accomplishments are in sight: (a) the acceptance of the principle of supply adjustment by the enactment of such provisions applying to wheat and feed grains—the commodities most in surplus at present; and (b) the awakening of interest in and understanding of the need for the incorporation of that principle in legislation that is flexible enough and broad enough to apply to all commodities where supply adjustment is needed—the beginning of an educational process that will bear fruit in later sessions.

B. Strengthening and improving agricultural services.

1. Research and regulatory activities have scored progress in pest and disease control and greater productive efficiency.

2. The Rural Electrification Administration has been revitalized. The electrification loan program is being administered with a view to protecting the security and effectiveness of REA-financed systems, and generation and transmission loans are being evaluated from that point of view. Since January 20, REA has approved 145 loans for $166,901,218 for rural electrification purposes. These included the largest single loan ever approved by REA—for $60,225,000—to finance a 198,000-kilowatt generating plant in Indiana and a transmission line network to bring adequate, low-cost power to 16 REA-financed cooperatives in 44 counties.

REA has completed plans for a broad reorganization of the agency to enable it to be of more effective assistance to borrowers. It has redirected its power use promotion and education activities to help member-consumers make more effective use of power in the home and on the farm. A special promotion plan is being developed for farm water systems.

The telephone loan program has resulted in REA's approval, since January 20, 1961, of 126 telephone loans totaling $40,926,000. This total includes one of REA's largest telephone loans to date, to a North Carolina

borrower, which will provide new or improved service to 12,000 subscribers.

3. The Farmers Home Administration has expanded its farm housing loan program. In February, President Kennedy made available through the Farmers Home Administration an additional $50 million for farm housing loans. These funds had been appropriated by Congress but were withheld by the previous administration.

With the aid of the funds released in February, the Farmers Home Administration advanced more funds for farm housing in fiscal 1961 than in any previous year—a total of approximately $70.5 million.

In June, following recommendations made by President Kennedy, the Congress passed an omnibus housing bill which further expanded the farm housing program. The new legislation makes approximately $430 million available for farm housing loans over the next 4 years, and broadens the eligibility requirements to include families living in rural areas even though not engaged in farming.

The Housing Act marks another advance in housing legislation by authorizing the Farmers Home Administration to make small improvement loans without taking a mortgage on the farm for security, and permits the making of farm housing loans without taking a mortgage on the entire farm. This will cut down loan closing costs and speed up loanmaking.

The new legislation also authorizes extensive research in farm housing needs, construction and design, permits housing loans to farmers who do not own their land but have long-term leases, and authorizes the Farmers Home Administration to insure loans for housing and related facilities for domestic farm labor.

Operating loan program expanded

In February the administration made available an additional $35 million for farm operating loans. These funds had been appropriated by Congress but were withheld by the previous administration.

With the aid of the funds released in February, the Farmers Home Administration advanced more money to farmers to help defray operating expenses in fiscal 1961, than in any previous fiscal year. Operating loans made during the year totaled approximately $233.5 million.

The Farmers Home Administration also amended its regulations for making operating loans so as to use all of the authority granted by Congress and serve the needs of all farmers who could profitably use the credit and repay debts.

In addition the agency reversed the policy of the previous administration and instructed its field staff to concentrate on assisting those farm families most in need of supervised credit.

In March President Kennedy signed Public Law 87-8 authorizing the Farmers Home Administration to use up to 25 percent of the funds annually appropriated for operating loans to make loans that would bring the borrower's indebtedness above the $10,000 level. Previously only 10 percent of the funds could be used for this purpose.

Total lending operations in fiscal 1961 reached alltime high

The funds released in February for farm housing, and farm-operating loans increased the total amount of credit available to farmers through the Farmers Home Administration by 28 percent.

By June 30, 1961, the agency had advanced a total of $396 million for all loan purposes. This is the largest amount loaned by the agency in any fiscal year.

Loan appropriation for fiscal 1962 increased

The Agriculture Appropriation Act for 1962 will provide, when approved, $321.5 million for farm operating, farmownership, soil and water conservation, and watershed loans. This compares to the $186 million requested for fiscal 1962 by the previous administration.

Farmers now know their credit needs are recognized

As a result of the way the administration is administering the Farmers Home Administration's credit program, farmers now know the Federal Government recognizes their credit needs. The mail received in the national office from farmers needing credit assistance rose 450 percent during the first 2 weeks in March compared to the same period the previous year.

Total applications for loans during the spring of 1961 increased 50 percent over those of the previous spring.

Drought-stricken farmers quickly assisted

To meet the needs of drought-stricken farmers the Farmers Home Administration has streamlined emergency loan area designations. Field offices have been told to reduce the time previously consumed in surveying the need for emergency credit. During May and June 180 counties in 7 States were designated as areas where emergency loans can be made to help farmers fight the effects of the drought.

Agency mobilizes to take part in rural areas development

The Farmers Home Administration is moving rapidly to carry out its assigned duties in the rural areas development program. All field personnel were immediately notified of the duties assigned to the agency by Agriculture Secretary Freeman. State directors have been told how to set up the technical assistance panels needed to implement the program.

Watershed loan program speedup

Under the small watershed loan program the Agency helps local organizations finance the construction of dams, drainage canals, and similar improvements. Steps have been taken to speed the processing of these loans. Since January as many small watershed loans have been approved as had been approved in the previous year and a half.

C. Strengthening the agricultural economy by the eradication of poverty in agriculture through assistance to low-production farmers and emphasis on rural area development.

1. Since January 20 the Department has taken important steps to mobilize its resources and personnel for a greatly expanded program of rural areas development. The Secretary has issued directives indicating clearly to all departmental personnel that this program is a major responsibility of the Department and cooperating State agencies.

2. A special Rural Areas Development Board, representing 12 agencies, was set up to coordinate and give leadership to the program. Adequate staffing was provided the Board through establishment of a new Office of Rural Areas Development. This Office includes five area specialists who work closely with State and local leaders in promoting rural development.

3. With the assistance of departmental agencies, State leaders are currently taking steps to establish broad rural areas development programs in all States.

The Board and Office of Rural Areas Development are providing assistance of their resources into "area development" type programs, such as community assistance, rural industrialization, improvement of farm and nonfarm housing, small watershed development, improved marketing and processing of products produced in rural areas, and economic research on low-income problems.

Important accomplishments toward rural area development have already been reported for the Farmers Home Administration and for the Rural Electrification Administration. The FHA is moving rapidly toward carrying out other phases of the rural areas development program. The agency has issued instructions to the field staff on how to establish an efficient technical assistance panel to the State rural areas development committees. This panel will assist rural areas development committees in developing and carrying out all phases of the rural areas development program, conducting studies to identify problems, including areas economic development programs and the extension of program projects.

The Federal Extension Service has developed a set of suggested guidelines for extension's organizational and educational responsibilities in the rural areas development program for the State cooperative extension services to use in implementing the rural areas development program. The guidelines provide suggestions to States as to the functions of State and area rural areas development committees, how they are to be organized and their relationship to other USDA agencies. It puts emphasis on area planning and points out that the major emphasis and purpose of rural areas development are to stimulate economic activity for the purpose of increasing incomes, increasing employment and reducing underemployment through economic development and resource adjustment.

The States are moving ahead in reorganizing their State rural area development committees. Many have expanded the membership to include wider interests and competencies, and are in the process of delineating rural-area-development areas and in incorporating some existing economic development areas into rural-area-development areas.

Beginning this week, Federal Extension Service is holding regional meetings with State directors of extension to discuss their responsibilities to the rural-area-development program and means of getting areas organized and underway in line with the objectives of rural areas development and the guidelines.

The Soil Conservation Service has continued to promote its programs of resource development in rural areas. The increased emphasis on multipurpose watershed structures will help develop rural America. These structures will provide protection against flood damage, water for industrial uses, water for recreation and wildlife. In addition, Soil Conservation Service will make major contributions in the planning of overall economic development programs for all rural areas.

The Forest Service has prepared a number of suggested pilot projects to aid in providing employment in underemployed areas. These projects would add to the industrialization of low-income areas and would aid in the overall economic development.

The Economic Research Service has assisted the rural area development program by:

(a) Preparation of the task force report, "Guides to Development in Depressed Rural Areas."

(b) A program of research in some 20 low-income farm areas of the United States. Greater emphasis has been placed on the problem of low income in agriculture by organizing and giving greater impetus to this activity in the establishment of a new branch entitled Rural Development Branch with a professional research staff of approximately 30 people.

(c) Preparation of income data for every county in the United States for all families and for farm families, and furnished further analysis of these data to establish criteria for designation of rural development areas.

(d) Preparation of a suggested outline for rural development plan. This has been published under the title "Suggested Content of an Overall Rural Areas Economic Development Program," Office of Rural Areas Development, June 1961.

(e) Serving as consultants to the Office of Rural Areas Development in its negotiations with the Area Redevelopment Administration, Department of Commerce.

The Farmer Cooperative Service has prepared a kit to provide source information on setting up and operating a cooperative association. This will be of assistance to groups interested in forming cooperatives in rural areas.

The agency is also revising information folders to reflect current information on cooperative meat processing and rural credit unions.

The Agricultural Conservation and Stabilization Service has sharpened its farm development and improvement programs to fit the needs of low-income areas.

Other agencies including particularly the Statistical Research Service, the Agricultural Research Service, and the Agricultural Marketing Service, have contributed to the study of the overall needs of areas of underemployment and low income.

Area Redevelopment Act. Rural activities under the Area Redevelopment Act are awaiting decisions and delegations of authority to the U.S. Department of Agriculture from the U.S. Department of Commerce. The Department of Agriculture has made recommendations on designations of areas to receive assistance for acceptance by the Department of Commerce.

III

A. Recognition of agriculture as an integral and indispensable part of our Nation's entire economy and future well-being by an emphasis on conservation of forest, land, and water resources.

1. In the field of forestry, principal accomplishments since January 20, 1961, may be summarized as follows.

(a) The small woodlands program is being expanded in accord with the direction given in the President's messages on natural resources and agriculture, and the current budget was revised to help small woodland owners particularly in depressed areas.

(b) The national forest short-range program has been revised to broaden its coverage to include increased emphasis on the recreation resources, including a Visitor Information Service to provide interpretive programs on the ground, increased access road developments, a more rapid consolidation of national forest areas and other changes. The revision has been submitted to the Secretary and was made to meet President Kennedy's natural resource recommendations for giving more attention to the forest resources of the country.

(c) To meet this greater emphasis on recreation the Department has, in the past 6 months, reconstructed 1,800 family camping space units and has constructed 1,200 new units. Plans for fiscal year 1962 call for rehabilitation of an additional 10,000 existing units and construction of 1,700 new ones.

(d) The Forest Service is working with State fish and game departments in planning improvements for each area. Highlights of the program include: planting shrubs, grasses, and herbaceous plants on 1.5 million acres of game range; clearing openings, food patches, and game ways for wildlife in dense vegetation on 400,000 acres; and improvement of 7,000 miles of fishing streams and 56,000 acres of lakes by stabilizing banks, planting streamside cover, and constructing channel improvements.

(e) Increased coordination between the Departments of Agriculture and Interior is directed toward uniform forest management procedures.

(f) Forest Service research programs are being developed on fire protection; transport of woodpulp chips in water pipelines and other means to make timber harvest more efficient; disease and insect control by antibiotic and chemical means; intensified research on the utilization of abundant but little used species and low quality timber, especially in areas of underemployment.

(g) A new national forest was established in Oregon.

2. In the field of soil and water conservation:

(a) The Department entered into cooperative working relationships with 17 new soil conservation districts during the first half of 1961;

(b) It entered into contracts with 1,090 farmers and ranchers in the 10 Great Plains States to carry out complete conservation plans under the Great Plains conservation program;

(c) It stepped up the small watershed program in response to President Kennedy's messages on natural resources and agriculture. On May 19 USDA transmitted to Congress 20 watershed work plans; it presented a revised budget request to increase the watershed appropriation by $7.5 million for fiscal year 1962 which was unanimously accepted by Congress. During the past 6-month period the Soil Conservation Service authorized the planning of an additional 55 watersheds, as compared with 38 approvals in the previous 6 months.

The most significant speedup has been in completion of plans and the stepping up of construction activities. During the first 6 months of 1961, 23 additional projects were authorized for operations. A much larger number of completed plans were in process of approval, which is expected before the adjournment of this session of Congress. Committees of the Congress had 15 plans before them for approval. The Bureau of the Budget had 10 plans ready to transmit to the Congress early in July. An additional 18 plans under review by other Federal agencies and the States will be ready for transmittal to Congress by the middle of August. If all of these 52 plans are approved by the Congress, this will represent the largest increment to the small watershed program since it was authorized in 1954.

Total obligations for watershed construction—$20.5 million during the first half of 1961—also establishes a new record for any 6-month period since the program began. During the last 6 months 43 projects made new construction starts as compared with 6 in the prior 6 months. More new construction starts normally occur during the last half of a fiscal year than during the first half.

3. USDA is launching a comprehensive study of the entire question of land utilization, with emphasis both on desirable long-term goals and short-term programs where the need is crucial.

B. The Department is engaged in a study of the need for strategic security reserves in agricultural products to meet the needs of the Nation in case of war. USDA soon will have plans and recommendations for action in this area.

C. USDA regards as extremely important the function of increasing public understanding of the contributions of agriculture to the American economy and to the U.S. standard of living; and of increasing public recognition of the importance of solving the farm problem. Efforts to promote this increased understanding, and to thus create a new attitude toward the farmer and farm problems and a new sense of common interest and interdependence, are constantly being made through every appropriate means.

Achievement in this field is hard to measure. In terms of articles and editorials in publications ranging from the Saturday Evening Post to the New Republic, the U.S. News & World Report, and the New York Times, it seems that real progress is being made. USDA believes that this is a major effort that must be kept up if long-term goals are to be achieved.

D. USDA is emphasizing means of developing cooperation with other departments and agencies in order to coordinate agricultural problems and policies with other national programs and policies directed toward solution of common problems.

USDA is especially concerned with two areas:

1. How can the Department jointly meet the challenge of automation and the technological revolution that brings about both unemployment in industry and underemployment (accompanied by low income and surpluses) in agriculture? There is too little general recognition of how much the frontier, with its homesteads and farm opportunities, delayed and mitigated unemployment problems in the past, and of the modern corollary of how much a homesteads-in-reverse movement of people off the farms could add to the unemployment problem today. In other words, there is too little general recognition of the interdependence—and of the concern—that both labor and agriculture should share in problems of technological advance, increasing productivity, and their effects and demands on U.S. social and economic order. A common attack on these problems could be most productive.

2. How can USDA gear agricultural programs and policies to maximize their contribution to international needs and national security? The answer to this requires interdepartmental and interagency cooperation which USDA seeks to develop in every way.

SUMMARY AND HIGHLIGHTS, THE AGRICULTURAL ACT OF 1961

The Congress now has enacted S. 1643 after thorough study and hearings based on the proposals submitted by President Kennedy on March 16, 1961. While this amended bill does not contain all of the provisions recommended by the President, it still is comprehensive farm legislation.

It will provide during the next crop year a successful method of reducing the Nation's most pressing overproduction problems in feed grains and in wheat. Billions of dollars and millions of acres are involved in these major commodities, and effective handling of these problems will have far-reaching consequences for virtually every American citizen. Programs of the last several years have only magnified the problems. The new legislation guided by the dramatic success of the 1961 feed grain program, which is reducing production and simultaneously increasing the level of farm income for the crops involved, will have great assurance of success. The principle of the 1961 feed grain program has been followed in developing a wheat program for 1962.

If farmers vote "yes" in the national wheat referendum on August 24, 1961, and subsequently cooperate fully in the 1962 acreage retirement program, their incomes will increase by 10 to 15 percent. At the same time their voluntary actions will bring about a decrease of about 100 million bushels in Government wheat stocks. When coupled with the 1962 feed grain program, the gain in farm income could reach $600 to $800 million next crop year and ultimate costs to the Government could be reduced by from about $750 million to $1 billion.

Marketing order programs—self-help in a true sense—are being authorized on more commodities.

Important measures are provided to strengthen our Agricultural Trade Development and Assistance Act (our use of food for peace), credit programs for farmers who lack sufficient private credit, and the Wool Act, the Great Plains program, and the school milk program.

This legislation also helps assure consumers of fair and stable prices. Taxpayers will be benefited by savings of as much as $1 billion. Finally, as the sagging farm economy

is made healthy once more, farmers will increase their purchases of all kinds of industrial manufactured products, thereby benefiting wage earners, and so the entire Nation will receive great additional long-range benefits.

TITLE I

A. Authorizes Secretary to consult with farmers, farm organizations, processors, and others in connection with the formulation of legislative proposals and to pay transportation expenses and per diem as authorized under the Travel Expense Act of 1949 for Federal employees.

Significance: Farmer participation in formulating programs is essential if progams are to be successful.

B. Establishes 1962 crop wheat program. Provides a mandatory acreage retirement of 10 percent if farmers adopt marketing quotas by a two-thirds majority vote; voting eligibility for the 1962 wheat marketing quotas specified for producers who had over 13.5 acres of wheat in at least one of years 1959, 1960, or 1961; price supports available only to cooperators in commercial producing areas (if producers should disapprove quotas, price support would be available to cooperators at 50 percent of the parity price of wheat); a voluntary reduction of an additional 30 percent of 10 acres whichever is higher; 15-acre exemption reduced to either 13.5 acres or the highest acreage planted to wheat on the farm in 1959, 1960, or 1961; payment for diverted acres to be made in the 10-percent reduction bracket at 45 percent of the value (in cash or kind as the Secretary may direct) of the basic county support rate per bushel; producers diverting up to an additional 30 percent (or the balance of the small farm 10-acre maximum) of the farm wheat acreage would be paid at rate of 60 percent of the value of the yield per acre for the farm; for those who wish to use wheat entirely on their farm, not more than 30 acres may be produced for human or animal consumption; durum wheat, now in short supply, will be subject to a special program.

Significance: Government stocks of wheat, now 1¼ billion bushels, would probably increase by another 100 million bushels from the 1962 crop if the program were changed. Under this bill, stocks could be reduced by more than 100 million bushels rather than increased by nearly 100 million. This will result in savings on this one crop of $50 million in the first crop year and ultimately $258 million. The previous program offered little hope of increasing farm income. The new program will increase net farm income for wheat producers 10 to 15 percent. Under the new program, price supports will be set at about $2 a bushel; retired acreage percentages will be 10 up to 40 for 1962 with opportunity to reduce as much as 10 acres on small farms.

C. Establishes feed grain program. Provides for price support on corn at not less than 65 percent of parity. Limits price support for corn, grain sorghums, and barley to the normal production of the 1962 acreage of each eligible farm and requires as a condition of eligibility for price support on corn and grain sorghums that the producer participate in the special 1962 program for corn and grain sorghums and not knowingly exceed his base acreage of barley. Similarly, as to barley, the producer must participate in the special 1962 program for barley and not knowingly exceed his base acreage of corn and grain sorghums. Authorizes a special program under which payments will be made to producers who divert acreage from the production of corn and grain sorghums, and barley, respectively, to an approved conservation use and make an equivalent increase in their average acreage of cropland devoted in 1959 and 1960 to approved soil conserving crops or practices. (Special provisions are made for producers of malting barley.) Diverted acreage shall be devoted to conservation uses including summer fallow and measures to control insects, weeds, and rodents shall be taken. Such acreages may be used for castor beans, guar, safflower, sunflower, or sesame but no payment shall be made for acreage so used. (Guar is a bean cash crop as well as a soil-building legume. It can provide high protein meal and a valuable gum for manufacturers.) Payments on the first 20-percent diversion are determined on the basis of the basic county support rate and an amount of the commodity not in excess of 50 percent of the normal production of the diverted acreage. Payments on an additional 20-percent diversion are determined on the basis of the basic county support rate and an amount of the commodity not in excess of 60 percent of the normal production of the diverted acreage. The feed grain provisions are substantially the same as for 1961 except for the addition of the provisions relating to barley.

Significance: During the 1961 emergency feed grain program, due to excellent cooperation among farmers, stocks are being reduced, and taxpayers are probably saving about $750 million as compared with costs that would have been incurred under the previous program. Here, again, as in the wheat program previously mentioned, the level of farmer income will rise substantially in the 1962 crop year. Nationally, for both wheat and feed grains programs, the increase in income of producers of these grains above that which they would receive under existing law will probably be about $600 to $800 million in the 1962 crop year. The two programs should reduce ultimate costs to the Government, as compared to existing law, by between $750 million and $1 billion.

D. Extends to additional commodities the authority for marketing orders and agreements (without producer quotas) originally enacted in 1937. Marketing order authority is extended to peanuts by areas of production, turkeys, and turkey hatching eggs, cherries and cranberries for canning or freezing, and apples, both fresh and for canning or freezing, and products (except canned or frozen products), produced in Michigan, New York, New England, Maryland, New Jersey, Indiana, and California. The present existing authority under the act for orders applicable to soybeans is terminated. There are added to the commodities subject to import regulation under the act, when marketing orders are in effect on the same commodities in the United States, oranges, onions, walnuts, and dates (except dates for processing).

Significance: Self-help through marketing orders has proved invaluable to producers of some commodities. Experience with milk, citrus fruit, vegetables, and other important commodities indicates that additional benefits may be realized. The principle of self-help as contained in marketing orders is an important means available to farmers for developing and adjusting their industry. Consumer interests also are adequately protected in these orders.

E. Extend the Wool Act for 4 years.

Significance: This act has been a successful one. It is carried on through annual incentive payments to domestic producers. A self-help program for advertising, promotion and related market activities on wool and lambs is authorized, if approved by producers. The 4-year extension should tend to improve and stabilize the industry.

TITLE II

A. Extends for 3 years Public Law 480 (Agricultural Trade Development Act) and provides additional money for title I sales (up to $4.5 billion in total with not more than $2.5 billion in 1 year); authorizes the use of foreign currencies for dollar sales to American tourists; improves agricultural marketing development activities in foreign nations by setting aside 5 percent of the foreign currencies acquired each year for this purpose. (Public Law 480 has been in existence 7 years. It provides for constructive means of utilizing U.S. agricultural commodities. Title I programs—sales for foreign currencies, have been the largest under this act with exports directed largely to underdeveloped countries and distributed through private trade channels. Foreign currency proceeds from sales of U.S. agricultural commodities are used to accelerate economic development in the countries where the sales are made and to finance U.S. work in those countries. Title II permits the President to help friendly peoples in case of natural disasters. Title III authorizes donations of CCC-owned commodities in the United States and abroad through nonprofit U.S. voluntary relief agencies and intergovernmental organizations; it also authorizes barter of CCC commodities for strategic or other materials. Title IV provides for long-term supply and credit contracts to expand or maintain export sales of agricultural commodities for dollars.)

Significance: Extension of Public Law 480 affords opportunity for better planning. It will be a key instrument in U.S. foreign relations. It is essential in implementing the food for peace program in expanding exports of food and fiber, and assuring emerging nations of our continuing interest in supplying agricultural commodities for economic growth. It is also essential to the establishment of a national food policy and development of a world food budget.

TITLE III

A. Consolidated lending authorities of Farmers Home Administration for making farmownership, operating, disaster and water facility loans, with some easing of credit for farms of less than family size and for nonterm operating loans. This title is a consolidation and modernization of statutes authorizing loans to eligible farmers who cannot obtain credit elsewhere for acquisition, improvement, and operation of farms. It will not, of itself, increase the cost of these credit programs.

1. Real estate loans would be available to persons who are or will become owner-operators of not larger than family farms. Available to all farmowners and tenants for soil- and water-conservation measures. Loans may be made to certain nonprofit organizations for conservation, drainage and flood control with insured loan limit of $1 million and direct loan limit of $500,000. Sets limits on loans to individuals for land acquisition at $60,000. Both insured and direct loans may be made up to 100 percent of normal value of the farm. Provides interest rate not to exceed 5 percent plus fees.

2. Operating loan limit increased from $20,000 to $35,000 and limits loan to 7 years at 5 percent. Single loans cannot exceed $35,000 and outstanding indebtedness and total loans cannot exceed $500,000 in any one year in the case of soil conservation districts.

3. Emergency loans not to exceed 3 percent interest under terms applicable to real estate and operating loans.

Significance: A sharp increase in demand for credit has resulted from low farm incomes of recent years along with the rapid development of machines, chemicals, and other elements of modern technology. The farmer who does not have the necessary credit to adopt the new technology or reorganize his farming when necessary cannot compete. Those who cannot produce efficiently at commercial levels cannot benefit adequately from other farm programs which are aimed at increasing farm income. Improved credit and related service for those who cannot obtain sufficient credit from cooperative and private sources are essential and would be provided by this legislation. Young farm people especially would benefit.

TITLE IV

A. Extends to December 31, 1971, the period that contracts may be entered into under the Great Plains program rather than the final date such contracts can remain in effect.

Significance: This program is completely voluntary; it helps landowners and operators in the Great Plains to achieve a more stable production to protect the lands from erosion, to develop farming and ranching practices more adequate to cope with the hazards of climate which characterize the area, and generally to stabilize the economy of the region. The program supplements other conservation programs and activities in 361 counties of 10 States. Farmers and ranchers may enter into cost-sharing contracts for a minimum of 3 and a maximum of 10 years. A good start has been made toward helping the farmers of the plains adapt their agriculture to the dangers of recurring droughts and other hazards peculiar to the area. Continuation of the program is essential for the development of a sound permanent agriculture.

B. Extends school milk program 5 years, to June 30, 1967, and veterans and Armed Forces dairy programs 3 years, through December 31, 1964.

Significance: These milk programs have found nationwide acceptance, and their continuance is a recognition of their value. The school milk program is a prime example of wise use of the farmers' abundant production.

Mr. HUMPHREY. Mr. President, I thank my colleagues for their patience while permitting me to make these statements and to request the making of these insertions in the RECORD.

THE PRESIDENT'S FOREIGN AID PROGRAM

Mr. PELL. Madam President——

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The Senator from Rhode Island.

Mr. PELL. Madam President, when the Senate passed the area redevelopment bill, we recognized that distressed areas in any part of our country weaken the country as a whole. We are now considering the act for international development; and I believe it most important that we keep in mind the same principle—namely, that distressed areas in any part of the free world weaken the strength of the whole free world. To put it bluntly, even if there were no threats from international communism, America and the other developed nations of the world simply can no longer afford to live in an island of comparative luxury in the midst of a sea of poverty and disease.

Moreover, it is interesting to note that the only—the only—areas of the world where the Communists have succeeded in securing power in the last decade have been those in which the people have been poorly fed and poorly educated.

There are no exceptions to that; and it is because of that situation that we would like to see more peoples in the world well fed, well housed, and well educated, because in those circumstances communism has little chance.

Madam President, when we discussed the area redevelopment bill, we debated at length the question of Treasury borrowing. During the course of that debate, an amendment to strike out the Treasury borrowing provision was defeated. I am confident that the Senate, in its wisdom, will defeat similar proposals to strike the Treasury borrowing provision from the Act for International Development which we are now considering.

The distinguished chairman of the Senate Foreign Relations Committee and other able Senators have cited many precedents for Treasury borrowing. It has been pointed out that the concept of using Treasury borrowing for foreign assistance is not new, and that President Eisenhower's administration made the same recommendation.

Madam President, many distinguished observers of world affairs have expressed the hope that the United States will take more initiative. I share this point of view, and believe that by authorizing Treasury borrowing for long-term dollar loans we shall indeed be taking the initiative. Admittedly, if we enact this provision, we shall be doing something we have never done before in our foreign-assistance program. This does not make me apprehensive. I think we must do—and I stress the word "do"—new things if we are effectively to meet new challenges and opportunities. In today's fast-moving world, what was sufficient in 1951 is not sufficient in 1961. This is true, not only of the world of space, but also of the underdeveloped world right here on this planet.

When we discuss Treasury borrowing to enable us to make long-term dollar loans to be repaid in dollars, we are talking about putting our assistance program on a businesslike basis. No business and no country can plan on a year-to-year basis. Giving the President authority to negotiate long-term dollar loans which will be repaid in dollars, will greatly strengthen our foreign-assistance program in two principal ways:

1. When negotiating loans with countries who have not made the necessary internal reforms to insure that our aid reaches the grass roots, our representatives will have the leverage of being able to offer long-term assurances if certain reforms are undertaken.

2. Governments assisted will be able to engage in long-range planning which will make our aid far more effective and will generally encourage a sounder attitude toward economic development questions.

Madam President, development loans are the heart of the President's program for the decade of development. They will be our principal tool for enabling the peoples of Asia, Africa, and Latin America, who now know it is possible to improve their lot, to do so without resort to authoritarian means and without succumbing to the blandishments of the Soviet bloc. One of the central questions we are dealing with today is whether the economic conditions of over one and a half billion people will improve under a non-Communist system. The people who will be affected by our decisions have per capita incomes ranging as low as $50 a year, compared to the $2,500 average in the United States.

The Development Loan Fund can provide such an alternative in those countries, where the principal bottleneck to advancement is a low rate of investment. As we know, investment can rise by one of two means: either through increased domestic savings or from external aid. To raise the level of savings sharply in many of these less-developed countries is virtually impossible. When one's income is barely enough to sustain mind and body, saving is academic. We have an obligation not only to provide an alternative to such desperation measures, but to identify our own Nation with the forces of change and to play a role in channeling toward constructive political, economic, and social solutions the energies which have now been unleashed throughout the world.

Madam President, we often hear the question: "Can the United States afford this program?" The simple answer, it seems to me, is that the United States can afford whatever is needed for our national future and survival—just as we were able to "afford" World War II and the Marshall plan, and just as we were able to afford this year's Defense Department appropriations of $46,848,292,000 which we passed by a vote of 85 to 0 last Friday.

Actually, the burden of the Marshall plan was really much greater than that now contemplated by President Kennedy's proposals. References to our current Federal debt burden often overlook the significant fact that it now stands at about 58 percent of our gross national product for 1 year, whereas, at the start of the Marshall plan, the percentage of our Federal debt in relation to our gross national product was more than 96 percent. The foreign assistance, both military and economic, proposed in the legislation now before this body is approximately 1 percent of our national income, or about one-tenth of the Biblical tithe. By contrast, foreign assistance appropriations in 1949 were about 2½ percent of our national income.

An economic assistance program which holds out a reasonable prospect for success will cost less over the entire decade of the sixties than our defense budget for 1962. There is no question of the need for our defense budget. There should also be no question of the need to win the long, hard struggle for development and progress on which the survival of the free world ultimately depends.

Our objective should be that the people of the whole world eventually will be fairly well educated and reasonably prosperous.

Madam President, yesterday I received from the Textile Workers Union of America a most thoughtful communication which I am anxious to share with all of my colleagues.

As my colleagues know, the textile industry has many problems and the workers in this industry have suffered severe hardships. Therefore, I was particularly struck by the truly statesmanlike passage in Mr. Pollock's telegram which refers to the difficulties of the industry, and then states, "However, we realize that an even bigger issue for all Americans is to take steps to prevent many underdeveloped countries from being drawn into Communist orbit by promises of economic aid."

Therefore, I ask unanimous consent that a telegram from William Pollock,

general president, Textile Workers Union of America, AFL–CIO, supporting the proposed Foreign Assistance Act, S. 1983, be inserted in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

Despite fact that Textile Workers Union has fought to limit imports of textile products we earnestly request and urge that you vote for S. 1983 in form presented to Congress. We shall continue our efforts for protection of domestic textile industry. However, we realize that an even bigger issue for all Americans is to take steps to prevent many underdeveloped countries from being drawn into Communist orbit by promises of economic aid. Our union has debated this issue at several conventions and has always voted overwhelmingly to endorse type of program embodied in S. 1983. We believe that it is in the interest of membership and indeed of all citizens of free world to support broadest possible long-term assistance programs aimed pressing needs of peoples of newer countries in Asia, Africa, and Latin America.

WILLIAM POLLOCK,
General President, Textile Workers Union of America, AFL–CIO, Washington, D.C.

Mr. CASE of New Jersey. Madam President, I rise in opposition to the amendments offered by the Senator from Virginia to the Foreign Assistance Act of 1961.

The bill before the Senate—the Foreign Assistance Act of 1961—is, I believe, one of the most important pieces of legislation that will come to this Congress.

We are going to have a foreign aid program: I think everybody concedes that. We are going to have to have it, because it is necessary. But the pending bill contains several controversial provisions, the most important of which is the proposal to give the Development Loan Fund authority to borrow from the Treasury to cover its commitments over a 5-year period. To me, this borrowing authority is the heart of the bill, and it would be eliminated by the Byrd amendment.

This long-term feature is not, as some have indicated, a new proposal. In 1957 the Eisenhower administration proposed a long-term program which was approved by a bipartisan majority in the Senate. Unfortunately, this provision was lost in conference. Again in 1959, the idea was considered but a House amendment deleted the long-term commitment plan.

This year a 5-year program has been proposed. Secretary of the Treasury Douglas Dillon, who served as Under Secretary of State in the Eisenhower administration, supported the long-term commitments before the Senate Foreign Relations Committee in the following words:

Long-term financing authority is an essential tool for the achievement of our foreign policy objectives. I am equally convinced, as Secretary of the Treasury, that this is the most efficient and least costly method of providing development assistance.

In recent years the problem of making our foreign aid program more effective has been the subject of extensive studies both in the executive and legislative branch of our Government. Without exception, they have resulted in the recommendation that the program be put on a long-term basis. Thus, the weight of expert opinion supports the recommendation of both the Eisenhower and Kennedy administrations on this point.

There are a number of reasons for this consensus. I should like briefly to refer to several of them.

First, the bill's provision for long-term lending authority will give the aided governments confidence that they can rely on firm commitments from the United States in carrying out their own long-term programs. Economic and social development is not an easy task. Most of these countries face an enormous job. Their willingness to undertake it, and their ability to accomplish it, will be greatly strengthened by the assurance of our continuing support—assurance that is not subject to the hazards of a yearly appropriation process.

If they are to achieve real economic and social progress, these countries have to provide for tax reforms, agricultural reforms, and administrative reforms, and take many other difficult but essential steps. Without the confidence that can be supplied by long-term U.S. commitments, these countries can hardly be expected to put out the effort and take the political risks which will be required.

Perhaps the best way to illustrate the advantages of long-term commitments would be to quote an unidentified Foreign Minister who said of himself and his people:

In the past, not knowing the exact volume of aid to be received, we were often forced to be either too conservative, thereby missing opportunities for fruitful investments, or to be overoptimistic in our expectations and commit ourselves too deeply. Under the proposed plan, by knowing several years in advance the exact amount of U.S. aid, we would be in a position to draw more accurate plans in accordance with financial responsibility and to get the greatest returns out of every aid dollar invested.

Even as we debate now there is in progress a meeting of the Inter-American Economic and Social Council in Uruguay where plans are being made for the long-term reforms necessary for Latin American development. Secretary of the Treasury Dillon heads the U.S. delegation to that meeting. From Uruguay, Secretary Dillon has cabled the chairman of the Foreign Relations Committee as follows:

Three days here have heavily underlined the overriding importance of our having authority to make long-term commitments to match the major effort which Latin-American countries are now prepared to make on their own behalf.

Secretary Dillon is not given to overstatement. It seems clear that the success of the conference in Uruguay will depend in large measure upon our action here. And what is true of Latin America is equally true of all the other underdeveloped areas of the world.

By putting the lending program on a long-term basis, Congress will give the executive branch the tools it has long sought and needed. In return the Congress can and should hold the administration responsible for:

First. Good administration.

Second. The economic soundness of the activities to be financed.

Third. The consistency of such activities with other plans proposed or performed.

Fourth. The recipient's responsiveness and his clear determination to take effective self-help measures.

Fifth. The effect on the U.S. economy.

Moreover, the long-term commitments will assure our allies of our continuing interest in the underdeveloped areas. This can and should be useful in persuading them to do their share toward the development of these areas.

Finally, if we would help the developing nations maintain their freedom and independence in their quest for economic and social progress, the aid we offer must be no less adequate to their needs than the long-term assistance held out by Soviet Russia and Communist China.

All in all, it is both to our benefit and to the benefit of the aided countries to be able to give multiyear commitments with the assurance they will be fulfilled.

But the 5-year program is meaningless without the provision for borrowing from the Treasury. This borrowing has been labeled "back-door financing." It is not. Congress will not lose control.

The President must make quarterly reports on lending operations to the Congress. Furthermore, under the Government Corporations Control Act the President must include, as part of each annual budget, the proposed lending program of the Development Loan Fund for the coming year. In the Appropriations Committees these programs will be reviewed annually, and any limitations whatever can be recommended by the committees and enacted by Congress as a part of the annual appropriation bills.

But while the proposal would not take from Congress its ultimate control over foreign aid, it is true that under the bill the burden would be on Congress of justifying to itself any action it might take to cut any proposed program which is within the general lending authority provided by the bill. It would prevent a few individuals in strategic positions who oppose the whole foreign aid program from using their power over appropriations to make arbitrary reductions and eliminate programs without specific and affirmative reasons for such action.

The Committee on Foreign Relations is, in my judgment, to be congratulated upon presenting to us a formula which will provide both the benefits of the long-term lending authority and, at the same time, retain basic congressional control.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. CASE of New Jersey. I am happy to yield.

Mr. JAVITS. I remained for a while, since the Senator was kept waiting. I was anxious to state to the Senator what I shall now state.

We who are going to back this provision of the bill are a relatively small band on this side of the aisle. We are likely to prove to be a very important and critical small band in regard to the vote.

I must say that personally I welcome the Senator's position, and find therein deep gratification and confirmation of my own position. He has a longstanding record of being one of the most enlight-

ened public servants in our country. What he is stating as his view typifies this position.

Does the Senator feel, as I do, in view of the fact that there will be fundamental congressional control, except that Congress will have to be self-activating? As the Senator says, a very few Members of Congress will not be given rather heavy powers over the rest of us through their positions on committees. The issue of congressional control is an illusory issue. The real issue is whether one is for or against a substantial, major commitment in the foreign aid field, over a period of years, which will provide the amount of time required for the purpose of using the aid the most advantageously in order to meet the needs of the free world and the competition of the Communists, both in Red China and in the Soviet Union. Does the Senator agree with me that is the issue, rather than congressional control?

Mr. CASE of New Jersey. The Senator from New York has put his finger on the very heart of the problem. That is exactly the point. I do not characterize any of the opponents, nor do I single out anyone, but the opponents, I think, are really opposed to this provision in the bill because they are opposed to long-term financing and because they are opposed to foreign aid in their very deep philosophical beliefs. Even those who do not think this is the reason, if they should succeed in putting the Byrd amendments into the bill, in my judgment would be playing directly into the hands of the small group of people who, in my opinion, have been misusing the power given to them. I do not characterize their motives, and the power was given to them by virtue of their positions in the Congress, so Congress is responsible. They have used the power to prevent the will of the Congress from being fulfilled.

In my judgment, also, this has been much to the detriment of our foreign policy for many years.

I think it would be a tragedy if the Byrd amendments were adopted either in the Senate, or their equivalent, in substance, in the other body, because I think we have at long last an opportunity to put this program on such a basis as to really serve the needs it must serve if we are to succeed in maintaining a decent, stable world, one in which peace is possible.

Mr. JAVITS. I should like to have the Senator address himself to another question. Is it not a fact that the appropriations for the Development Loan Fund have been cut to ribbons since 1958, and that, therefore, there could be no reasonable expectation of other countries relying upon our authorizations? I have the record. It is being compiled now. I shall put it into the RECORD in the course of my own argument tomorrow.

The record shows that the appropriations, no matter how close to the date of the authorizations, have been cut to ribbons.

Mr. CASE of New Jersey. There is no doubt about it. We shall be in much worse shape if we adopt the Byrd amendments. As the Senator from New York has pointed out, there is a record of constant reductions in the appropriation process of the amounts authorized in the basic legislative acts. On the basis of that record, and against that background, no country could possibly assume that the future course of Congress would not be the same as it has been in the past.

We would be in very bad shape if the Byrd amendments were agreed to, against the background which the Senator has mentioned. I am glad the Senator is going to put the specific facts in the RECORD tomorrow. It would be very difficult to induce the Latin American countries or any of the rest of the underdeveloped areas of the world to accept assurance of the executive branch of the Government on the basis of history.

Mr. JAVITS. I consider it an honor to stand shoulder to shoulder with my colleague in this very major effort for our country. This is the real offensive of the free world of which we are now talking. I consider it quite typical of the statesmanship and character of the Senator to find him enrolled in this fight in the way he is.

Mr. CASE of New Jersey. Madam President, I am most grateful to my colleague. I can think of no one whose commendation is more precious to me. It is typical of his generosity. The fact that he happens to agree with me—as happens, I am glad to say, on a good many occasions—strengthens my own convictions that I am correct.

Madam President, opponents of foreign aid have suggested that Treasury borrowing is a new, untried method of obtaining funds. This is not true. The Reconstruction Finance Corporation, formed under the Hoover administration, was the first agency to use this system. Since that time the Federal National Mortgage Association, the Federal Savings and Loan Insurance Fund, the investment guaranty program, the Export-Import Bank, the Area Redevelopment Act and many others have used this same system. As a matter of fact the proposed lending program would consume each year only one-eighth of the average annual amount borrowed from the Treasury during the latter part of the last administration.

No one is under any illusions concerning the effectiveness of past foreign aid programs. No one is happy with the waste and mismanagement that have occurred. Yet the way to improve matters is not to make it more difficult to operate but rather to provide basic procedures which promise a better opportunity for maximum efficiency. This, I believe, the pending bill will do.

No one can be sure that even with this we can attain the goals we seek. But these goals are crucially important to us and to the entire free world. It is unthinkable that we should refuse to give ourselves the best possible chance of reaching them.

Madam President, I urge the Senate to reject the Byrd amendments.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 10, 1961, he presented to the President of the United States the following enrolled bills:

S. 82. An act for the relief of Naoko Ishiwatari White;

S. 207. An act for the relief of Jean Goedicke;

S. 231. An act for the relief of Helga G. F. Koehler;

S. 435. An act for the relief of Knud Erik Didriksen;

S. 489. An act for the relief of Dellarose J. Dowler;

S. 700. An act for the relief of Fung Wan (Mrs. Jung Gum Goon);

S. 825. An act for the relief of Vasiliki Yeannakopoulos;

S. 944. An act for the relief of Mr. Najm Boulos Rihani;

S. 1085. An act to provide for the disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes;

S. 1294. An act to supplement and amend the act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936;

S. 1373. An act for the relief of Giuseppa Lanza Lascuola;

S. 1673. An act for the relief of Blagoje Popadich; and

S. 1815. An act to provide for one additional Assistant Secretary of Labor in the Department of Labor.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. SMITH of Massachusetts. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn until 11 o'clock a.m. tomorrow, pursuant to the order previously entered.

The motion was agreed to; and (at 5 o'clock and 30 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, August 11, 1961, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate, August 10, 1961:

THE JUDICIARY

James B. Parsons, of Illinois, to be U.S. district judge for the northern district of Illinois, vice Philip L. Sullivan, deceased.

FEDERAL RESERVE SYSTEM

George W. Mitchell, of Illinois, to be a member of the Board of Governors of the Federal Reserve System for the remainder of the term of 14 years from February 1, 1948, vice M. S. Szymczak, resigned.

The following-named persons, now Foreign Service officers of class 2 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Joseph F. Donelan, Jr., of New York.
Joseph J. Jova, of New York.
Alexander Schnee, of New York.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

Roger C. Dixon, of Virginia.
Turner B. Shelton, of California.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Arthur B. Allen, of Virginia.
John Calvin Hill, Jr., of South Carolina.
Homer W. Lanford, of Alabama.
Lawrence Koegel, of Maryland, for appointment as a Foreign Service officer of

class 3, a consul, and a secretary in the diplomatic service of the United States of America.

Maurice J. Scanlon, of Wisconsin, for appointment as a Foreign Service officer of class 4, a consul, and a secretary in the diplomatic service of the United States of America.

Edward J. Chesky, Jr., of Kansas, for promotion from Foreign Service officer of class 6 to class 5 and to be also a consul of the United States of America.

John J. Helble, of Illinois, now a Foreign Service officer of class 6 and a secretary in the diplomatic service, to be also a consul of the United States of America.

Mrs. Winona Eyre Hanlin, of Colorado, for appointment as a Foreign Service officer of class 7, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 8, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Kenneth E. Block, of Maryland.
Paul H. Boeker, of Ohio.
Kenneth L. Brown, of California.
Balfour B. Cassen, of California.
Joseph R. Chesen, of Wisconsin.
James R. Cobbledick, of Connecticut.
Robert G. Davis, of Nebraska.
Gerald de Santillana, of California.
David K. Edminster, of Virginia.
Frederick D. Elfers, of New York.
Otho Evans Eskin, of the District of Columbia.
Robert E. Ezelle, of California.
David J. Fischer, of the District of Columbia.
Frederick A. Hahn, of New York.
Robert F. Illing, of California.
Robert H. Knickmeyer, of Missouri.
C. William Lafe, of Pennsylvania.
Stephen R. Lyne, of Vermont.
Richard H. Melton, of Maryland.
Bert C. Moore, of Ohio.
James H. Moss, of Colorado.
Ernest C. Ruehle, of Missouri.
Peter Bird Swiers, of New York.
Charles T. Sylvester, of Rhode Island.
Haven N. Webb, of Tennessee.
Richard L. Wilson, of Iowa.
Warren Zimmermann, of the District of Columbia.

The following-named Foreign Service Reserve officers to be consuls of the United States of America:

William C. Buell, of Washington.
Milton M. Chase, of Ohio.
Harold E. Engle, of the District of Columbia.
Thomas J. Flores, Jr., of New York.
Richard M. Long, of Colorado.
Paul E. A. Van Marx, of Connecticut.
Earl J. Wilson, of Maryland.
John R. Wood, of Georgia, a Foreign Service Reserve officer, to be a consul general of the United States of America.
Albert S. Bonner, Jr., of Maryland, a Foreign Service Reserve officer, to be a consul and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service Reserve officers to be vice consuls of the United States of America:

William D. Carey, of Virginia.
Peter B. Edmonds, of New York.
Robert L. Fambrini, of California.
Stephen R. Gibson, of California.
Mrs. Lillian L. P. Mullin, of Virginia.
Patrick H. Ramsey, of Texas.
James Frederick Smith, of Ohio.
James K. Welsh, Jr., of New York.
Stephen Winsky, of Maryland, a Foreign Service Reserve officer, to be a vice consul and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Edwin F. Atkins, of the District of Columbia.
William V. Broe, of Maryland.
William B. Caldwell, of Texas.
G. Huntington Damon, of Maryland.
Ralph J. Katrosh, of Pennsylvania.
John P. Markham, of the District of Columbia.
Gray M. Randall, of Washington.
Carl R. Sharek, of New Hampshire.
Eugene S. Staples, of the District of Columbia.
Ernest G. Weidul, of the District of Columbia.

The following-named Foreign Service staff officers to be consuls of the United States of America:

John J. Curtis, of Ohio.
Samuel P. Dieli, of Michigan.

The following-named Foreign Service officers for promotion from class 8 to class 7:

James A. Placke, of Nebraska.
Herbert E. Wilgis, Jr., of Maryland.

IN THE NAVY

The following-named officers for temporary promotion in the Medical Corps of the U.S. Navy, in the grades indicated, subject to qualification therefor as provided by law:

To be captains

Allebach, Newton W.	Hodges, James C., Jr.
Aune, Edwin F.	Ingram, William B.
Brown, Roy G.	Jenkins, Judson H.
Cowart, Elgin C., Jr.	Nelson, Albert D., Jr.
Garland, Charles M., Jr.	Nielsen, Orville F.
	Rulon, David B.
Giknis, Francis L.	Taylor, George W., Jr.
Gray, Oscar, Jr.	Waite, Charles L.

To be commanders

Bernstine, Richard L.	Martin, Stuart H.
Johnson, Burt C.	Milnes, Roger F.

To be lieutenant commanders

Ciliberti, Angelo A.	Kibbey, Ianthus I.
Hurvitz, Seymour A.	Stinely, Regis W.

The following-named officers for temporary promotion in the Dental Corps of the U.S. Navy, in the grades indicated, subject to qualification therefor as provided by law:

To be captains

Armstrong, Lloyd M.	Mumme, Henry T., Jr.
Brigance, Frederick W.	Naylor, Merlin E.
Brown, James J., Jr.	Nelson, Wayne A.
Carmen, Marvin	Newman, Dwight W.
Conglis, Peter C.	Nystul, Oliver G.
Cordonier, Louis H.	Pape, Thomas J.
Elder, Stewart T.	Papera, Fiore A.
Ellis, Frank N.	Peterson, William A.
Folkers, Charles W.	Pfaffmann, George A.
Hagerman, Wade H., Jr.	Ralls, Walter E.
	Roveistad, Gordon H.
Hancock, Joseph G.	Sedlacek, James W.
Hanson, Thomas J.	Smith, John H.
Hawkins, Donald C.	Sochowski, Richard T.
Hicks, Henry H.	Stolitsky, Justin F.
Hodder, Edwin J.	Suehs, Leon G.
Hoffman, Seymour	Thimes, Carl B.
Hoyt, Joseph J.	Valentin, Enrique, Jr.
Hurka, Joseph S.	Wheat, Alva A.
Hutton, Edward G.	Wilhelm, Carl L.
Mayo, Thomas H.	Williams, Leonard E.
Monroe, William A., Jr.	Wood, Quentin L.

To be commanders

Beall, Frank P., Jr.	Swanson, Carl J.
Hutchinson, William G.	Zustiak, Michael

The following-named officers for temporary promotion to the grade of lieutenant in the line of the U.S. Navy, subject to qualification therefor as provided by law:

Cracknell, William H., Jr.
McMichael, William L.

The following-named officers for temporary promotion to the grades indicated subject to qualification therefor as provided by law:

To be chief warrant officers, W–2

Aldrich, Marvin M.	Ellis, John W., Jr.
Allen, Raymond S.	Enzminger, Kenneth A.
Allerdings, Robert D.	Epoch, Paul
Anderson, James C., Jr.	Erdner, Homer F.
Arnett, William C.	Esenwein, Robert G.
Baca, Raymond W.	Evans, Lockwood F.
Bacha, Michael	Felder, Kelly R.
Bailey, Howard L.	Ferguson, John R.
Baker, Oscar M.	Fickett, Lawrence E.
Baney, Richard L.	Filina, George F.
Barlow, Gerald F.	Fortney, Doyle W.
Barnett, Bryan R.	Foster, Russell L.
Barratt, James F.	Friel, Joseph A., Jr.
Barrett, James L.	Fuller, Laverne H.
Bates, Arthur H.	Gall, Ernest R.
Beckley, Wendell	Ganey, Walter F.
Bishop, John F.	Garrett, Kenneth E.
Blankman, Ernest R., Jr.	Gerbis, Daniel
	Giglio, John R
Block, Marvin G.	Giles, Guy M.
Bober, John T.	Gilligan, Thomas F.
Bodge, George R.	Gilmore, Fredrick W.
Boehle, William A.	Glaab, George W.
Boesenhofer, Karl, Jr.	Gleason, Albert J., Jr.
Bolling, Fredrick M.	Gohrband, Howard F., Jr.
Booth, Thomas G.	
Borer, William J.	Gomez, Fabian J.
Bostick, Daniel C.	Gonzalez, Ernest G.
Boucher, Leonard R.	Graham, Frank
Boyer, Robert E.	Gudger, Floyd H.
Briody, John H.	Hafslund, Robert H.
Brockman, Edward B.	Haldeman, Leonard D.
Brown, Albert L., Jr.	Hamlett, Clyde, Jr.
Brown, Charles D.	Hamlin, William R.
Brown, Edward C.	Hanna, Adrian L.
Brown, Hall G.	Hardin, Billie R.
Brown, William H., Jr.	Haskins, Richard L.
	Hathcock, Milton T.
Bruce, Hance R.	Heckman, Robert J.
Budacki, Frank J.	Hedrich, Charles L.
Budrevich, John P.	Hendricks, Jack M.
Bull, Charles H.	Hendricks, Roy L.
Burnett, Lee R.	Hendricks, Thomas B.
Burns, John C.	Hillhouse, William C.
Butler, Henry C.	Hoffman, Richard P.
Butler, Kelly, Jr.	Hofmann, Clifford H.
Cady, Howard P.	Hogle, Walter D.
Carl, Charles L., Jr.	Hohe, Joseph D.
Carlin, John T., Jr.	Holdridge, Oscar A.
Carlson, Kenneth L., Jr.	Holzinger, John J.
	Hornbuckle, John D.
Carr, Robert G.	Hornick, James F.
Carson, Joe W.	Huffman, James W.
Cassie, Lawrence	Hughes, John C.
Castleberry, Noble R.	Hughes, Raymond F.
Cedarstaff, Carl A.	Hutchins, Elmer S., Jr.
Chandler, Neil B.	Hyatt, Gerald C.
Chastain, Edward C.	Isebrands, Arthur B.
Chatterton, Edward M.	Jacobs, Meredith D.
Cisio, Walter J.	Jaggard, Joseph F.
Clark, "J" "B"	James, Howard L.
Clark, Lloyd E.	Jensen, Dana C.
Clarke, George E., Jr.	Johnson, Charles J.
Cochrane, James E.	Johnson, Roland L.
Coke, Carroll E.	Jones, John D.
Correll, James A.	Jones, Willard E.
Cote, Roland F.	Jones, William W.
Cox, James H.	Jordan, Robert L.
Creel, Winford L.	Julius, Paul A., Jr.
Crisler, Clifton C.	Kamperschroer, Glenn N.
Davenport, William K.	
Deming, Robert L.	Kellner, Edward J.
Dersham, Dayton L.	Kemske, William M.
Dick, Gene R.	Kesterson, Joseph A.
Dickerson, Roy E.	Ketels, Yung H.
Disney, Charles	Ketterer, Frank R.
Dodson, Ola A.	Kimble, Kenneth K.
Dolan, John	Kimbrough, Edward L.
Donahue, Donald J.	King, Alfred E.
Dore, John C.	Kinnie, Phillip B., Jr.
Dowdey, Jesse C., Jr.	Kitch, Dale
Duncan, Burrell E.	Kliem, Arnold W.
Duncan, Floyd A.	Knight, Edwin L., Jr.
Durland, Ray M.	Koehler, Merle H.
Durren, Richard L.	Koenig, Robert L.
Dutcher, Clinton E.	Kosley, Andy D.
Dyer, William J.	Kraft, James R.
Early, George, Jr.	Kremsner, Carl J.
Edwards, Charles R.	

Kubovsak, Joseph E.
Kulik, Charles A.
Kunkel, Melvin L.
Kunold, Gerald J.
Kurrus, John B.
Lamb, Gerald M.
Lamb, Harold E.
Landon, Stewart N.
Largent, Gilbert M.
Larrin, John A.
Lasater, Marion H.
Layel, Coy L., Jr.
Leach, Rudolph D.
Leduc, Donald E.
Lee, Willard
Lewis, John A.
Lindholm, Garth F.
Luther, Bert S.
Malley, James O.
Mann, Arthur M., Jr.
Marlin, Richard E.
Martin, Robert J.
Martin, Virgil, Jr.
Martinez, Roy B.
Mathews, Donald B.
Mattox, Lewis E.
McBride, Gene
McFarland, Archie P.
McGowen, George F.
McKellips, Charles M.
McKimens, Paul K.
McKinley, Robert N.
McKnight, William N.
McMahill, Thomas A., Jr.
McMurrain, Robert L.
McNease, Sollie, Jr.
Megil, Thomas L.
Melvin, Van
Meyer, Harry W.
Mikesell, Robert H.
Milne, Douglas S.
Minard, Glenn F., Jr.
Minges, Edward H.
Minor, Robert G.
Mitchell, Harold J.
Mitchell, Robert F.
Moniot, James L.
Morton, Joseph W.
Moss, Clarence D.
Munger, Robert H.
Murphy, William J.
Murray, Douglas L.
Myers, Paul R., Jr.
Myers, Wayne E.
Myers, William H.
Nadal, Jaime B.
Neely, Benjamin C.
Neil, Richard C.
Nelson, Warren H.
Newton, Killraine, Jr.
Nicholas, Harry J.
Nicholas, Robert M.
Nichols, William E.
Nickens, Samuel L.
Oakes, Glenn N.
Oates, Bob, Jr.
Olmsted, Andrew R.
Olmsted, Stanley H.
Orr, Charles P.
Pace, James C., Jr.
Page, Harold D.
Parrish, Solomon A.
Patton, Kuemen B.
Peacock, Virgil N.
Pehosh, Nicholas
Pelkey, Frank D.
Pendleton, Edmund P., Jr.
Perkins, Daniel J.
Perry, Roy L.
Peters, Randolph
Peterson, Donald L.
Peterson, Richard N.
Pettigrew, Melvin N.
Pierce, Burton M.
Pike, Clifford L., Jr.
Pink, William E.
Player, Charles E.
Plummer, Willis R.
Powell, Claudious A., Jr.
Powell, Morrison, Jr.
Powers, Kenneth W.
Preston, William J.
Probst, Richard W.
Proctor, Marlow
Putnam, Charles M.
Quicker, Joseph M.
Radliff, Eugene J.
Rathke, John E.
Reber, Forrest C.
Reynolds, Dexter H., Jr.
Roberts, Alvin E.
Roberts, Clinton O.
Robinson, Paul
Roche, Patrick J.
Ross, Ralph
Saffell, Charles R.
Salamon, William
Saunders, James H. E.
Scales, John W., Jr.
Scarlett, Bernard
Schardein, Edgar A.
Schmidt, Christopher G., Jr.
Schneider, James M.
Schuman, Daniel D.
Scott, Lawrence J.
Shaffer, Charles T.
Shew, Henry C.
Shultz, Robert C.
Sleeper, Joseph R.
Sluss, Charles S.
Smith, Charles S.
Smith, David N.
Smith, George D.
Smith, Henry A.
Smith, James E.
Smith, Randell C.
Smith, Roy B.
Specht, Kenneth W.
Spencer, Robert R.
Stanton, Robert E.
Steadman, Joseph D.
Steagall, Inman
Steele, Olson R.
Stiles, Roger L.
Stowers, Bernard L.
Stuart, Edward W.
Talley, Richard M.
Tarkington, Dewey A.
Taylor, Harley V.
Teagle, Fred J.
Teal, Roy A.
Tenerowicz, Walter J.
Terry, Donald L.
Terry, James
Thomas, Richard E.
Thomas, Robert C.
Thomas, Welcome J.
Thompson, Robert J.
Thornley, Robert, Jr.
Thornton, Terrence E.
Torres, Edward G.
Trivett, Donald H.
Tuegh, David E.
Turetz, Richard
Turner, Jack D.
VanArtsdalen, John P.
Varnado, Richard A.
Ventresca, Arthur
Wagner, Charles P., Jr.
Walker, Robert O.
Walker, Willie A.
Waller, James R.
Ward, Charles W.
Wass, Merle S.
Waters, Daniel L.
Wheless, Willie R.
Whitcomb, Winfield J.
Wilkens, Bernard H.
Wilkes, Roy W.
Witte, Ernest R.
Woodford, Duval S.
Wyatt, Robert N.
Yarborough, Lawrence B.
Youngdahl, Robert J.
Zack, Henry C.
Zielinski, Raymond J., Jr.
Zulick, Paul

To be chief warrant officers, W–3

Anagnostou, Angelo
Bagwell, Carols D. T.
Baldasari, Nilo J.
Behrens, Clifford H.
Bowman, Glenn P.
Boyce, John H., Jr.
Butler, Creighton F.
Campbell, William H.
Canfield, Glenn R.
Carryl, James J.
Case, Joseph R.
Connery, Robert E.
Daniels, William J.
Dignon, Donald H.
Donovan, Peter B.
Doss, Edward H.
Faini, Orlando R.
Floyd, James H.
Gay, William C.
Gilbert, Grady E.
Goldberg, Sol
Golden, Edward L.
Goodwin, William H.
Gurecki, Thaddeus J.
Hamilton, Frank P., Jr.
Hixson, James T.
Hutchison, Frank
Karl, Walter L.
Kear, Kenneth L.
Leu, Walter P.
Lind, John J.
Martz, Donald B.
McGroarty, Edward J.
Mitchell, Leonard T.
Molloy, Stephen J.
Murray, Leo J.
Nagle, Richard R.
Neyer, Arthur E.
Powell, Norman R.
Pyke, Ross M.
Reeves, Howard S.
Seppe, Angelo L.
Shrum, Wayne A.
Smith, George H.
Spriggs, Max E.
Stewart, George W.
Swanson, Joseph L.
Warnes, William K.
White, Charles R.
Whitt, William F.
Wright, Scott E.

To be chief warrant officers, W–4

Adams, Nicholas, Jr.
Adcock, Cecil A.
Anderson, Frank C.
Anderson, Kenneth E.
Anderson, Rodger W.
Albert, Cyril H.
Arnn, Clifton J.
Asseier, August H.
Atwood, Ellsworth L.
Bacon, Everett R.
Baldwin, Joseph C.
Barksdale, Leon K.
Beardsley, Francis L.
Birchard, Mervale B.
Blaess, Archie
Book, Mac
Bowen, William D.
Bowker, Elmer E.
Brad, Carl
Brinson, Marion H.
Brock, Woodrow W.
Brooks, Loyn R.
Bruno, Dominic P.
Burdyshaw, Loyd R.
Cariquist, Robert A.
Case, Alexander
Chapman, Raymond L.
Chisholm, Perry L.
Christensen, Knud H.
Clarke, Wiot L.
Corday, Earl F.
Cornelison, Charles H.
Crawford, Gorden H.
Crosthwaite, Frederick N.
Cunningham, Albert L.
Danaher, John S.
Davis, Clifford
Deraham, George E.
Dickenson, Waldo E.
Dmoch, John
Dorton, Charles C.
Drechsler, Max K., Jr.
Ettling, Sheldon
Evans, Joseph L
Falconer, Leroy D.
Farmer, Eddie L.
Farmer, Paul E.
Farmer, Walter E.
Farmer, William L.
Garrison, Randolph J.
Groff, Edward A.
Grunwald, Otto A., Jr.
Hamilton, Donald L.
Hammock, James C.
Harrell, Dexter E.
Hart, Robert N.
Hayes, William R.
Heifner, Raymond B.
Hill, James A.
Holden, James B.
Holewinski, Joseph J.
Holland, John W.
Howard, John R.
Ischar, Douglas H.
Jackson, George H.
Jackson, Wilfred R.
Jones, Harold E
Kalberg, Kenneth O.
Karetnuk, Anthony
Kline, Eugene R.
Knight, Lyle G.
Knutson, Orton L.
Lalley, James M.
Lankford, John R.
Lasley, Claude H.
Lazenby, James H.
Lewis, Don E., Jr.
Little, Richard W.
Ludwig, Russell L.
Maroney, Frank J.
Marshall, Ancel V.
Maurer, Richard H.
Malik, Joseph, Jr.
Martin, Clarence J.
Mathews, Kenneth C.
McGraner, Everett J.
Messersmith, Eugene K.
Miller, Andrew J., Jr.
Moon, William N.
Moore, Forrest D.
Morrow, Paul E.
Neth, Robert L.
O'Connell, William E.
Oulie, Keith N.
Padget, Bernard B.
Palmer, Robert W.
Parker, Guy J.
Pratt, Andrew C.
Radcliff, George T.
Red, Samuel C.
Rice, Roy L.
Riposa, Guiseppe
Rivers, Lee D.
Robinson, James W.
Rosko, Walter P.
Schardin, Roy K., Jr.
Seacrist, Richard L.
Shannon, Mark L.
Shick, Clifford D.
Shurick, George A.
Smith, Thurlow S.
Snoey, Jakob
Stark, George R.
Stone, Lewis H., Jr.
Styers, Roy W.
Sutton, Delmar F.
Svenningsen, Arne R.
Swartz, Charles W.
Swisher, Glenn A.
Taft, Harold E.
Trotter, Roy W.
VanAuken, Merrill J.
VanOrden, Gene R.
Wicks, Clifford C.
Wininger, Darrell
Wright, Robert

The following-named officers for permanent promotion to the grade of chief warrant officer, W–4, in the U.S. Navy, subject to qualification therefor as provided by law:

Clarke, Wiot L.
Jackson, Wilfred R.
Mathews, Kenneth C.
Palmer, Robert W.

The following-named officers for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

LINE

Church, Edgar C
Fleming, James J.
Hoene, Edward R.
Johnson, Robert D.
Kelley, Robert D.
Kopec, Thad L.
Rocray, Samuel E.
Thorne, Charles E.
Yetter, William S.

SUPPLY CORPS

Leeson, Donald D.
Lytle, James A.
Overman, Douglas R.

NURSE CORPS

Warner, Patricia A.

Franklin B. Shakespeare for transfer to and appointment in Supply Corps of the U.S. Navy in the permanent grade of lieutenant.

Richard A. Hough, for temporary promotion to the grade of lieutenant in the U.S. Navy, subject to qualifications therefor as provided by law.

The following named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Alan S. Lammey
Malcolm B. Moore
William L. Mosteller
Samuel L. Vernallis

John A. Spear (Naval Reserve Officers Training Corps candidate) to be a permanent ensign in the Civil Engineer Corps of the Navy, subject to the qualifications therefor as provided by law.

The following-named graduates from naval enlisted scientific educational program to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Owens, Thomas
Sekula, Basil, Jr.

The following named (Naval Reserve officers) to be permanent lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Peter J. Anastasia
Lee E. Bockhacker
Gregory H. Cross
James R. Dickson
Clinton M. Furuya
Robert E. Mammen
George A. Pohle
Mario E. Rosa-Garcia

The following named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Martin L. Fackler, Jr.
Henry T. H. Grant
Howard "D" Kurland
Carl R. Peterson
Charlie O. Sennett, Jr.
Herbert A. Steimel

The following named (Naval Reserve officers) to be permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

William C. Best
Dudley E. Brown, Jr.
George M. Kroncke
Theodore J. Trumble

James F. Scott (Naval Reserve officer) to be a lieutenant commander in the Dental Corps of the Navy, for temporary service, subject to the qualifications therefor as provided by law.

Gertrude H. Nelson, U.S. Navy retired officer, to be reappointed a permanent commander in the Nurse Corps of the Navy, pursuant to title 10, United States Code, section 1211.

The following-named lieutenants (junior grade) USN(T) to be lieutenants in the

Navy, limited duty only, for temporary service in the classification electronics in lieu of avionics as previously nominated and confirmed to correct classification, subject to the qualifications therefor as provided by law:

Jack Hamer.
Chester A. Murphy.

IN THE MARINE CORPS

The following-named officers for temporary appointment to the rank of captain in the Marine Corps, subject to the qualifications therefor as provided by law:

Busch, Peter M.	Jacobsen, Donald E.
Driscoll, Bruce W.	Lockwood, Robert H.

The following-named officers for temporary appointment to the rank of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Armentrout, Terrence J.	Letchworth, Rodney R.
Chancey, John A.	Lewis, Dayton A.
Delbert, John C., III	McBrien, Thomas P.
Grissett, Larry K.	Mead, William H.
	Melville, Robert H.
Nebel, Rudolf M.	Schwenkler, Ronald G.
Omer, Jack L.	Seward, William H.
Peters, Thomas H.	Simpson, James D.
Rever, William H., Jr.	Strawn, James E.
Schober, Frederick J.	

The following-named officers for permanent appointment to the rank of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Buchanan, John H.	Laughlin, William S.
Cox, George F.	Marshall, William H.
Davis, Jay M.	Stein, William L.
Ditto, John H.	Taffe, Henry W.
Eichelberger, John M.	Wood, David V.
Hart, George R.	

CONFIRMATIONS

Executive nominations confirmed by the Senate August 10, 1961:

U.S. REPRESENTATIVE TO THE EUROPEAN COMMUNITIES

W. Walton Butterworth, of Louisiana, to be the representative of the United States of America to the European communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

INTERNATIONAL MONETARY FUND

Frank A. Southard, Jr., of New York, to be U.S. Executive Director of the International Monetary Fund for a term of 2 years.

COLLECTOR OF CUSTOMS

John Frank Kovacic, of Ohio, to be collector of customs for customs collection district No. 41, with headquarters at Cleveland, Ohio.

Marguerite R. Benson, of Wisconsin, to be collector of customs for customs collection district No. 37, with headquarters at Milwaukee, Wis.

Earl D. Roberts, of California, to be collector of customs for customs collection district No. 25, with headquarters at San Diego, Calif.

DuBrutz Cutlar Moore, Sr., of North Carolina, to be collector of customs for customs collection district No. 15, with headquarters at Wilmington, N.C.

EXTENSIONS OF REMARKS

Lindsay Asks Rusk, Is Bobby Meddling Again?—No Reply

EXTENSION OF REMARKS
OF
HON. ROBERT H. MICHEL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 10, 1961

Mr. MICHEL. Mr. Speaker, during the course of the Cuban tractor fiasco, I called attention to Bobby Kennedy's pathetic attempt to direct from behind the scenes, Mr. Hooker's futile blackmail negotiations with Castro. I need not emphasize the fact that the aforementioned activity ended with the administration in complete disgrace.

Now I find that my good friend and colleague, JOHN LINDSAY, has written to Secretary Rusk in order to obtain his thoughts regarding Bobby's behind-the-scenes maneuvering on the Berlin question. Mr. Rusk's silence has expressed more than any number of words.

Mr. Speaker, under unanimous consent, I include an article by Doris Fleeson from the Washington Star dated August 9, 1961, discussing the Lindsay letter, to be reprinted at this point in the RECORD.

LINDSAY AWAITS RUSK'S REPLY—DELAY IS CITED IN ANSWERING CRITICISM OF ROBERT KENNEDY-MENSHIKOV MEETING

(By Doris Fleeson)

When a Member of Congress does not receive a reply to a letter he has written a member of the President's Cabinet it is news, for Congress controls the purse strings.

It is especially noteworthy when this occurs in the Kennedy administration, which is justly renowned for its personal courtesy to Senators and Representatives. The noteworthiness increases when the letter is written by a liberal internationalist who is also a Republican.

Few Democrats receive from their President and his aids the tender loving care accorded such Republicans, who are all too few for Kennedy purposes in this session of Congress. They are particularly treasured in the House where the Kennedy "Waterloos" most frequently take place.

Still it is possible that Representative JOHN V. LINDSAY, of New York City's silk stocking district, was not too surprised when Secretary of State Rusk failed to answer his letter of July 27 last though a reply was requested before the Secretary left the country.

The letter follows:

"DEAR MR. SECRETARY: First I should like to congratulate you for the splendid off-the-record presentation that you gave to the Senate-House foreign policy group at luncheon last week. As I wrote you when you first took office, I was delighted with your appointment and I have no cause for regret over my vote of confidence. I increasingly like your brand of 'quiet diplomacy.'

"Therefore, I was all the more disturbed when I read yesterday, in a column by Joseph Alsop, of a meeting, apparently supported by the President, between the Attorney General, unaccompanied by anyone else, and the Soviet Ambassador to the United States, Mr. Menshikov. According to the Alsop report, Berlin and related matters of the greatest sensitivity, possibly affecting the safety of the entire world, were discussed, the Attorney General reportedly authorized to speak for the President.

"If the report is correct, I am deeply disturbed about this turn of events.

"First, it bypasses your office and your Department, and in so doing runs great risks.

"Second, it appears to be part of a growing pattern—namely, the conduct of foreign relations in a casual or loose-reined ad hoc manner, too often involving personalities untrained in foreign policy and the art of diplomacy.

"Third, it makes it difficult for those of us who have a responsibility to our constituents and to the country to make sound evaluations which should lead to bipartisan support on foreign policy.

"I should be pleased if you would advise me whether the meeting occurred as reported. If so, I would like to know the circumstances surrounding it and your frank opinion as to whether this is a proper way in which to conduct foreign policy in general or to negotiate on the explosive question of Berlin.

"Respectfully yours,
"JOHN V. LINDSAY,
"*Member of Congress.*"

The Attorney General is, of course, the President's brother, Robert.

A Distinct Public Service Performed by WIP

EXTENSION OF REMARKS
OF
HON. KATHRYN E. GRANAHAN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 10, 1961

Mrs. GRANAHAN. Mr. Speaker, as the Eichmann trial draws to a close following many weeks of almost unbelievable testimony, I would like to take this opportunity to call attention to the distinctive public service performed by an independent radio station in Philadelphia—WIP—which has been rebroadcasting the complete trial with concurrent English translation every night on its FM facility.

I do not know whether any other radio stations in the Nation, or anywhere in the world outside of Israel, for that matter, have carried this entire historic proceeding. Mr. Harvey Glascock, vice president and general manager of WIP, is to be congratulated, along with his entire staff, for their initiative and resourcefulness as well as spirit of public service in carrying the details of the trial of the hideous exterminator of millions of people during World War II.

WIP engaged an Israeli electronic engineer and shipped him hundreds of reels of recording tape as well as recording equipment in order to have every word of the trial on tape for rebroadcast in Philadelphia. This is in keeping with the station's tradition of broadcasting in full every session of the United Nations General Assembly and Security Council, and the President's news conferences.

Normally I would hesitate to single out a single station among the many good ones in Philadelphia for a tribute of this nature, but the circumstances are such in connection with the Eichmann trial that I feel justified in doing so.

Voters for the Constitution

EXTENSION OF REMARKS
OF
HON. DALE ALFORD
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 10, 1961

Mr. ALFORD. Mr. Speaker, within the past 48 hours I have issued a statement calling for the formation of groups known as Voters for the Constitution, whose objective would be to elect men to public office who are pledged to restore the Constitution through valid measures for its enforcement. Many interpretations have been placed on this statement, and so that Members of this House may have the benefit of the full statement, I include it, under unanimous consent, in the RECORD.

The statement follows:

VOTERS FOR THE CONSTITUTION

A recent memorandum published in the CONGRESSIONAL RECORD of August 2, 1961, is truly shocking. Under the beguiling cover of reiterated assertions about the constitutional principle of civilian superiority over the military, it attempts to discredit the professional officers of our armed services for their strong stand in support of the Constitution and their opposition to internal communistic subversion in the United States. The same paper urges programs that could only result in further impairment of the sovereignty of our country by progressive weakening through various socialistic and international undertakings.

An insidious attack on the officer corps and a clandestine assault on the very foundations of our system of government, what could be better calculated to silence our officers sworn to support and defend the Constitution against all enemies, foreign and domestic? The case of General Walker is but one example in what appears to be a pattern of organized intimidation to prevent our officers from alerting their commands and the public to the menace that they are sworn to oppose?

The silencing effect of that memorandum on the freedom of our officers to discharge their duty to speak, suggests that the hour is late. It also emphasizes the necessity for our sovereign people to protect themselves against further impairment of their system of government through valid enforcement of the Constitution.

With this objective, I urge the citizens in all States, in line with those of Texas and Virginia, to organize groups known as Voters for the Constitution.

I urge also that these voter organizations undertake to retire from public office, both State and Federal, all those who have been unable or unwilling to initiate and enact measures to defend our people and the States from tyrannical usurpations and to replace them with those who can and will.

The resulting lineup would be between (1) those who wish to maintain our liberties and freedom under the Constitution as was carefully provided for by the founders, and (2) those who accept or welcome Federal usurpation which aims at overthrowing the Constitution and establishment of autocratic rule.

In the final issue, which would be constitutional liberty against centralist slavery, the people of the United States, acting in their highest sovereign capacities through their legislatures, can and must restore the Constitution through valid measures for its enforcement.

Four Freedoms Awards Go to Four Great Americans

EXTENSION OF REMARKS
OF
HON. RALPH YARBOROUGH
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Thursday, August 10, 1961

Mr. YARBOROUGH. Mr. President, last evening the Four Freedoms Award dinner was held here in Washington, at which function the Four Freedoms Awards for 1961 were presented to the Honorable Abraham A. Ribicoff, Secretary of Health, Education, and Welfare; our genial colleague, the senior Senator from Michigan, Senator Pat McNamara; Dr. Robert C. Weaver, Administrator of the Housing and Home Finance Agency; and the Secretary of Labor, Arthur Goldberg, for their work on behalf of the solution of some of the pressing problems of the aged in America. The Four Freedoms Foundation is making great progress in its building of housing for the elderly at Miami, Fla., at Detroit, Mich., and at other places.

Secretary of Labor Arthur Goldberg's remarks were delivered for him by Under Secretary of Labor Willard Wirtz which seem to me to catch the spirit of the program for the aged in America.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD Secretary of Labor Goldberg's remarks as read for him by Under Secretary Willard Wirtz.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS ON ACCEPTANCE OF PLAQUE AT THE FOUR FREEDOMS AWARD DINNER BY THE HONORABLE ARTHUR GOLDBERG, SECRETARY OF LABOR, AS READ BY UNDER SECRETARY OF LABOR WILLARD WIRTZ

I accept this award gratefully, proudly, but most of all humbly.

Such recognition can be only in the smallest measure a reflection of anything I have done to further the purpose of meeting the problems brought by advancing years—for I have done all too little.

My feeling is rather of being invited to participate in a program others have already instituted; and it is this opportunity for which I am grateful.

Older people have become in many ways our most underprivileged minority—a universal minority to which we all seek membership, sometimes desperately, but which, when we enter upon it, more often than not turns desire to disillusion and dashes hope with heartbreak.

To believe deeply that life has a divine pattern is to deny the completeness of today's design of it for so many—a design which commits one of every four people over 65 to living alone, which denies medical aid to so many just when they need it most, deprives people of recreational opportunity just when they are free to enjoy it, faces them with stairs—literally and figuratively—just when it is hardest to climb those stairs.

Life was not given man on terms that make it a bitter disillusionment. What failure there has been is ours, and ours to repair.

President Kennedy has committed himself and this administration to those changes in our system of things which will let the evenings of our lives be times of new opportunity, new activity, new usefulness, new belief in ourselves. This is part of what freedom must mean.

But government can only be the agent of national purpose, helping to carry forward people's enterprise. Four Freedoms House, Inc., reflects the willingness of the American labor movement to accept responsibility in matters which go beyond the concerns of the bargaining table, and fail, instead, within the realm of public service.

I think of Robert Frost's poem about the homeless hired man, who returned, mortally tired, to the farmhouse where he had once worked. He had, in the poet's phrase, "nothing to look backward to with pride, nothing to look forward to with hope." The farmer wanted not to take him in; this was not, he said, the hired man's home; and "Home," he added, "is the place where, when you have to go there, they have to take you in." But his wife replied, "I should have called (home) something you somehow haven't to deserve."

This is the spirit which inspires Four Freedoms House, and to which we all here subscribe.

Federal Aid to Education

EXTENSION OF REMARKS
OF
HON. JAMES J. DELANEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 10, 1961

Mr. DELANEY. Mr. Speaker, last week I issued a statement, giving my views on Federal aid to education. Because of the widespread interest that has been expressed, under leave to extend my remarks, I should like to make it available to readers of the RECORD.

STATEMENT ON SCHOOL BILL BY HON. JAMES J. DELANEY, OF NEW YORK

Good education is an absolute necessity for the welfare and future of our country. We all agree on this.

We can, and do, disagree as to methods. There are those who oppose Federal aid to education of any kind, fearing Federal control, and who feel that education must remain the responsibility of the States and local communities. Others are convinced that Federal aid is imperative, but should be extended only to the public school systems. Still others, and I am among them, have an equally strong conviction that if Federal aid is to be granted, then it should be made available to all students.

In a democracy there should be freedom of choice in education. If and when the Federal Government is to contribute to education, it should do so without discrimination.

At the present time there is no Federal public school system of education in the United States. Rather, our educational system is a pluralistic one.

In addition to the 50 different public school systems in the 50 States, there is a vast system of privately controlled schools in the country.

If it is in the interest of national defense or in the interest of the general welfare to aid education, then the Federal Government should accept as a fact the pluralistic educational system that now exists and help each and every pupil attending any and all of these schools.

A most potent objection to the "public school bill" is that it offends justice by including private and parochial school children in the formula which determines the amount of aid which goes to public schools.

Under this bill, the Federal Government is saying to the parents of 7 million children in private and parochial schools: "We are going to give your State so many dollars a year for every child in a private or parochial school, but we have made sure that not a penny of this aid can be used for their education in these schools."

So long as these children are excluded, it violates logic and justice to count them for the purpose of increasing the aid which goes to public schools.

This is discrimination, and I shall not vote to legislate discrimination.

The problem of aid to education must be related to the problem of democratic survival. It must be hinged upon the concept that if we are to survive as a free people we must develop individuals who are creative, each according to his or her God-given endowments.

In a free society, the individual is the prime concern. In a totalitarian system it is only the state that counts.

The existence of a free society is conditioned upon the existence of unshackled individuals with differing views and different approaches. Diversity is the quintessence of democracy. Uniformity is the hallmark of totalitarianism.

We, therefore, cannot solve this problem in terms of shibboleths and slogans such as "separation of church and state." It must be solved in terms of people and how best they can be trained and developed, each to contribute his best to the common problem that confronts our Nation and the free world.

If we are to give aid only to children who attend public schools, and exclude all others who also contribute to the making of our national life, we shall be taking the first long step in the direction of rigid uniformity, which is the thing we are striving to avoid.

Democracy is predicated upon diversity. Our Nation was built upon diversity. The production and reconciliation of diverse views is what makes for progress and vitality and freedom.

If we are now to impose a rule of thumb that only public school children shall be aided by the Federal Government, we shall be paving a road that can lead only to a totalitarian result.

The great generalities of the Constitution interpreted narrowly and rigidly can lead to disaster.

But here not even constitutional principles are involved. There is not a single word in our Constitution about schools and education. Public schools came long after the Constitution was written.

The tragedy here lies in the fact that proponents of strictly public school aid rely upon extraconstitutional slogans that have no relation to the real issue at hand—and that issue is whether we shall maintain in our national life that measure of diversity which is so essential to democratic survival.

Freedom of mind and freedom of religion are the essence of a free and open society. An open society is legally tolerant of varying ideas and beliefs. In an open society there is not, nor can there be, a state-established orthodoxy of belief to which all must conform. A free and open society provides constitutional guarantees to protect the rights and liberties of the individual.

The rationale behind separation of church and state is equally applicable to separation of school and state. State monopoly in education is not desirable in a democracy. To maintain a totalitarian state, a monolithic school system is necessary.

In case it be suggested that fear of a monolithic system is exaggerated, attention is called to a brochure issued last April by the Department of Health, Education, and Welfare. It is entitled, "A Federal Education Agency for the Future," and is the report of a committee appointed to make recommendations for the reorganization of the U.S. Office of Education.

This report should be studied by all who are concerned with the future of education. It gives detailed plans, which, if put into effect, would have the Federal Government reach into every public school classroom in the country, dominate the teachers, establish required teaching techniques, and dictate the curriculums. The language is suave and sometimes oblique, but the purpose is clear.

Examine this paragraph: "In summary the committee recommends a new and significant role for the Federal education agency in the 1960's. This agency must, over the next decade, not only perform its traditional functions, it must also prepare itself to assume larger responsibilities in carrying out Federal policy through the administration of operating programs. It must assume a new role, speaking within the Federal Government for the long-term interests of education. And it must render assistance in the development of public educational policy."

It is interesting to consider 11 future programs that are suggested:

1. Grants to States for elementary and secondary education.

2. Grants for higher education physical facilities.

3. Grants to States for vocational education.

4. Increased aid to graduate education.

5. Expanded educational research in all areas, including graduate education.

6. Strengthening of educational statistics programs.

7. Increased financial assistance to students for higher education.

8. Increased financial assistance for teacher education.

9. Broadening of Federal interest in curriculum and improvement of instruction.

10. Marked increase in international educational assistance.

11. Broadening of Federal interest to include educational activities and service outside the structure of organized education.

On the surface, all of these suggested programs have merit. But add them all up, and the result will be Federal dominance of education, and, eventually, Federal control.

In contrast to this, there are at the present time some 11 Federal education programs which respect the right of the student to select the school of his own choice, and which steer away from Federal control.

All of these programs have worked well and are in keeping with the American tradition. These existing programs serve as an exemplar for any Federal aid to education and avoid the monolithic character of the education program of the Soviet Union. These programs respect the civil rights of some 7 million students attending nonpublic schools and will give to the Nation the benefits of their God-given talents.

There are other objections to the public school aid proposals which I have not discussed in this presentation. There is the matter of double taxation. There is the question of equitable distribution of aid to the States. These subjects can be developed at another time.

The heart of the issue is that if we surrender freedom of choice in education, a totalitarian system of education will become inevitable. Freedom and coercion cannot live side by side. We cannot preserve a free society by following totalitarian methods.

(NOTE.—Eleven present Federal programs: (1) GI students, (2) National Youth Administration students, (3) congressional and Supreme Court page boys, (4) V–12 officers training students, (5) war orphans, (6) ROTC students, (7) NDEA fellows, (8) NDEA loan students, (9) NROTC students, (10) NDEA institute students, (11) National Science Foundation students.)

Lindsay Awaits Rusk's Reply—Delay Is Cited in Answering Criticism of Robert Kennedy-Menshikov Meeting

EXTENSION OF REMARKS
OF
HON. CLARK MacGREGOR
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 10, 1961

Mr. MACGREGOR. Mr. Speaker, along with many other Republican Members, I have a high regard for the competence of the Secretary of State. This stems in part from the opportunity I had to serve with Mr. Dean Rusk for a time during World War II. Lately, a justified concern has arisen about the State Department's control over the conduct of American foreign policy in the Kennedy administration. This concern is highlighted by the following Doris Fleeson article from the Washington Star of August 9. Representative LINDSAY'S letter deserves a prompt and complete reply:

LINDSAY AWAITS RUSK'S REPLY—DELAY IS CITED IN ANSWERING CRITICISM OF ROBERT KENNEDY-MENSHIKOV MEETING

(By Doris Fleeson)

When a Member of Congress does not receive a reply to a letter he has written a member of the President's Cabinet it is news, for Congress controls the purse strings.

It is especially noteworthy when this occurs in the Kennedy administration, which is justly renowned for its personal courtesy to Senators and Representatives. The noteworthiness increases when the letter is written by a liberal internationalist who is also a Republican.

Few Democrats receive from their President and his aids the tender loving care accorded such Republicans, who are all too few for Kennedy purposes in this session of Congress. They are particularly treasured in the House where the Kennedy "Waterloos" most frequently take place.

Still it is possible that Representative JOHN V. LINDSAY, of New York City's silk stocking district, was not too surprised when Secretary of State Rusk failed to answer his letter of July 27 last, though a reply was requested before the Secretary left the country.

The letter follows:

"DEAR MR. SECRETARY: First I should like to congratulate you for the splendid off-the-record presentation that you gave to the Senate-House foreign policy group at luncheon last week. As I wrote you when you first took office, I was delighted with your appointment and I have no cause for regret over my vote of confidence. I increasingly like your brand of quiet diplomacy.

"Therefore, I was all the more disturbed when I read yesterday, in a column by Joseph Alsop, of a meeting, apparently supported by the President, between the Attorney General, unaccompanied by anyone else, and the Soviet Ambassador to the United States, Mr. Menshikov. According to the Alsop report, Berlin and related matters of the greatest sensitivity, possibly affecting the safety of the entire world, were discussed, the Attorney General reportedly authorized to speak for the President.

"If the report is correct, I am deeply disturbed about this turn of events.

"First, it bypasses your office and your Department, and in so doing runs great risks.

"Second, it appears to be part of a growing pattern—namely, the conduct of foreign relations in a casual or loose-reined ad hoc

manner, too often involving personalities untrained in foreign policy and the art of diplomacy.

"Third, it makes it difficult for those of us who have a responsibility to our constituents and to the country to make sound evaluations which should lead to bipartisan support on foreign policy.

"I should be pleased if you would advise me whether the meeting occurred as reported. If so, I would like to know the circumstances surrounding it and your frank opinion as to whether this is a proper way in which to conduct foreign policy in general or to negotiate on the explosive question of Berlin.

"Respectfully yours,

"JOHN V. LINDSAY,
"Member of Congress."

The Attorney General is, of course, the President's brother, Robert.

Family Fallout Shelters

EXTENSION OF REMARKS
OF
HON. HASTINGS KEITH
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 10, 1961

Mr. KEITH. Mr. Speaker, the House today has approved the expenditure of $200 million primarily for planning purposes, for civil defense. The fact is, Mr. Speaker, that the only practical insurance we can have against the wholesale death that would result from a thermonuclear attack is the simple, inexpensive family fallout shelter—self-constructed and self-financed.

Official estimates place the possible casualty toll as high as 70 million Americans in a full-scale attack. A group shelter program, currently stressed by the administration, is designed to save from 10 million to 15 million lives. The cost would exceed $200 million.

But, mass shelter would be of little value to the suburban or rural family. In less than 24 hours from the hour of attack they would be just as subject to the lethal rays of nuclear fallout as any city dweller—no matter how remote their homes from actual target areas.

President Kennedy proposes to spend $93 million for survey purposes alone in his group shelter program. From this we can assume the total cost of the completed program would run into the billions, if it is intended to protect a major segment of the population.

We face a dangerous enemy; an enemy armed with the destructive force of the atomic age. It would be suicidal to ignore this threat or to fail to recognize that Berlin or some future world crisis might provoke a nuclear exchange.

By law and tradition the Federal Government bears the burden of providing for the national defense. But, with the mounting costs of maintaining military supremacy, the race for space, expanded foreign aid programs and other expenditures directly tied to our security and survival, the Government cannot afford to assume the additional cost of a truly adequate nationwide shelter program.

The individual, whenever possible, should be given the opportunity to share the cost and responsibility of providing for his own protection and the protection of his family.

With this view in mind, today I filed a bill which I hope will prove the needed spur to such an individual effort. It would allow taxpayers a deduction from gross income for one-half the expenses incurred in the construction of a fallout shelter of approved design. The allowance would be granted for the taxable year in which the shelter was completed, but would also include expenses incurred during the preceding year. Private corporations which lease property for residential purposes as well as individual taxpayers would be eligible for the deduction.

I hope the day never comes when American families are forced to retreat to such shelters, but I feel they are sufficiently important to our national defense to provide the public with whatever incentive is necessary. The possible loss of tax revenue would be insignificant compared to the number of lives such shelters could save, or when compared to the cost of a federally financed shelter project that could offer equivalent protection.

The gentleman from Massachusetts, Congressman MORSE, filed a similar bill last week. He urged then, as I do now, that the distinguished members of the Committee on Ways and Means give this legislation their prompt attention and consideration.

Lindsay Awaits Rusk's Reply

EXTENSION OF REMARKS
OF
HON. F. BRADFORD MORSE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 10, 1961

Mr. MORSE. Mr. Speaker, our distinguished and hard-working colleague, the gentleman from New York, Congressman LINDSAY, has identified, in a recent letter to the Secretary of State, a most remarkable development in the conduct of the foreign affairs of our Nation—a development which, I am sure, has caused Secretary Rusk as much concern as it has caused Congressman LINDSAY and other thoughtful Members of Congress.

Although I can readily appreciate the difficulties which the Secretary is experiencing in framing a responsive reply to Congressman LINDSAY's letter, the situation is one of grave import which demands an explanation.

Doris Fleeson in her column which appeared in the Washington Star of August 9, 1961, points up the matter in her usual crisp fashion:

LINDSAY AWAITS RUSK'S REPLY—DELAY IS CITED IN ANSWERING CRITICISM OF ROBERT KENNEDY-MENSHIKOV MEETING

(By Doris Fleeson)

When a Member of Congress does not receive a reply to a letter he has written a member of the President's Cabinet it is news, for Congress controls the purse strings.

It is especially noteworthy when this occurs in the Kennedy administration, which is justly renowned for its personal courtesy to Senators and Representatives. The noteworthiness increases when the letter is written by a liberal internationalist who is also a Republican.

Few Democrats receive from their President and his aids the tender loving care accorded such Republicans, who are all too few for Kennedy purposes in this session of Congress. They are particularly treasured in the House where the Kennedy "Waterloos" most frequently take place.

Still it is possible that Representative JOHN V. LINDSAY, of New York City's silk stocking district, was not too surprised when Secretary of State Rusk failed to answer his letter of July 27 last though a reply was requested before the Secretary left the country.

The letter follows:

"DEAR MR. SECRETARY: First I should like to congratulate you for the splendid off-the-record presentation that you gave to the Senate-House foreign policy group at luncheon last week. As I wrote you when you first took office, I was delighted with your appointment and I have no cause for regret over my vote of confidence. I increasingly like your brand of 'quiet diplomacy.'

"Therefore, I was all the more disturbed when I read yesterday, in a column by Joseph Alsop, of a meeting, apparently supported by the President, between the Attorney General, unaccompanied by anyone else, and the Soviet Ambassador to the United States, Mr. Menshikov. According to the Alsop report, Berlin and related matters of the greatest sensitivity, possibly affecting the safety of the entire world, were discussed, the Attorney General reportedly authorized to speak for the President.

"If the report is correct, I am deeply disturbed about this turn of events.

"First, it bypasses your office and your Department, and in so doing runs great risks.

"Second, it appears to be part of a growing pattern—namely, the conduct of foreign relations in a casual or loose-reined ad hoc manner, too often involving personalities untrained in foreign policy and the art of diplomacy.

"Third, it makes it difficult for those of us who have a responsibility to our constituents and to the country to make sound evaluations which should lead to bipartisan support on foreign policy.

"I should be pleased if you would advise me whether the meeting occurred as reported. If so, I would like to know the circumstances surrounding it and your frank opinion as to whether this is a proper way in which to conduct foreign policy in general or to negotiate on the explosive question of Berlin.

"Respectfully yours,

"JOHN V. LINDSAY,
"Member of Congress."

The Attorney General is, of course, the President's brother, Robert.

Statement in Opposition to H.R. 6747, Which Would Abolish the Juvenile Court in the District of Columbia

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 10, 1961

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following statement which I submitted to the Judiciary Subcommittee of the Senate District of Columbia Committee. Unfortunately I was not able to

appear in person to present my statement and the subcommittee chairman, the gentleman from Indiana, Senator HARTKE, has graciously agreed to make my remarks a part of the permanent record.

The statement follows:

STATEMENT OF HON. ABRAHAM J. MULTER, OF NEW YORK, BEFORE THE SUBCOMMITTEE ON THE JUDICIARY OF THE SENATE DISTRICT OF COLUMBIA COMMITTEE ON THE JUVENILE COURT IN THE DISTRICT OF COLUMBIA, AUGUST 10, 1961

Mr. Chairman, I want to thank you for affording me this opportunity to submit a statement on proposals to amend the Juvenile Court Act of the District of Columbia.

You are considering here today two bills which are of great importance to the District of Columbia: H.R. 6747, which would destroy the years of good work and nullify all of the experience already gained by the juvenile court of the District of Columbia, and S. 486, introduced by your distinguished chairman, Senator ALAN BIBLE of Nevada, and cosponsored by you, Mr. Chairman. The future of the juvenile court in the District of Columbia depends upon which of these two bills the Congress enacts.

H.R. 6747 would abolish the juvenile court, transfer its jurisdiction to the criminal court, and reduce the age limit from 18 to 16 so as to preclude those over 16 years of age being treated as juveniles and requiring that they be treated as criminals as a matter of law.

At the present time the juvenile court is swamped with cases and the sole juvenile court judge cannot possibly handle the situation, although his efforts have been heroic. Funds and facilities for handling the juvenile delinquency problem in the District of Columbia are woefully inadequate.

This situation, however, does not offer itself as evidence that the court should be abolished—on the contrary, we should strengthen it and provide it with necessary funds so that it will become a model for all juvenile courts throughout the country.

The present judge—the one person who is most familiar with this situation—has often stated his support of additional judges and facilities. Many, many of the civic organizations in the District of Columbia have spoken out in opposition to H.R. 6747. The National Council on Crime and Delinquency adopted a resolution in opposition to this bill on May 10, 1961.

Recognizing the need for a renewed and vigorous attack on the problem of juvenile delinquency, President Kennedy, on May 11, established by Executive order, the President's Committee on Juvenile Delinquency and Youth Crime.

This committee will study all of the aspects of the juvenile delinquency problem in this country and report its findings to the President. This, Mr. Chairman, is the first time that the Federal Government has ever coordinated its efforts in this field.

Heretofore several agencies of the executive have handled these problems as best they could. In the Senate of the United States you have had for some years now a subcommittee of the Senate Judiciary Committee which has been charged with the responsibility of investigating the juvenile delinquency problem.

Without adequate funds to handle the enormous problems presented by juvenile delinquency in the United States, this subcommittee has long done excellent work within the limited scope permitted it by its investigative mandate.

Similiarly, I applaud your efforts, Mr. Chairman, in opening this investigation into juvenile crime and delinquency in the District of Columbia.

H.R. 6747 would—to a large extent—negate all of these splendid beginnings and put us back where we started.

It is respectfully suggested that the proper procedure for us to follow is not one which would destroy the present system but rather one which would strengthen it.

With that purpose in mind I have proposed that the Congress consider and pass a bill which would provide for the appointment of two additional judges for the juvenile court of the District of Columbia, on a temporary basis, to serve until such time as the President's Committee on Juvenile Delinquency and Youth Crime shall submit its recommendations. Bills which would, in part, do this have been introduced in both the House and the Senate. The distinguished chairman of the Senate District Committee has introduced S. 486; the Honorable JAMES MORRISON of Louisiana, the Honorable EDITH GREEN of Oregon, and I have introduced similar measures in the House (H.R. 5988, H.R. 7012, and H.R. 7020).

Mr. Chairman, the 1960 report of the Fulton County, Ga., juvenile court, should prove of great interest to this committee. This court, which is located in Atlanta, is one of the finest examples of how a juvenile court should be operated. Under the able leadership and guidance of Judge William W. Woolfolk, Fulton County is making great strides in its treatment of the juvenile delinquency problem.

At this moment Fulton County is fast completing the modern child treatment center you see illustrated on the cover of the 1960 report.

Fulton County has recognized the problem and sought to solve it. There has been no backsliding in Fulton County.

I submit that we cannot afford to destroy the juvenile court of the District of Columbia—the court which should become the model for all other juvenile courts in the United States. The additional provision of H.R. 6747 which would reduce the age limit to 16 is without question a step in the wrong direction. To permit this is to deny all of the evidence which years of experience has taught us is the proper procedure with regard to juvenile crime.

Thank you.

Foreign-Made Consumer Goods

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 10, 1961

Mr. DENT. Mr. Speaker, the opposition to the Subcommittee on the Impact of Imports and Exports on American Employment—of which I am chairman—is beginning to show its poisonous fangs in the form of unwarranted, unproved charges of bias and discrimination against importer groups. This is an old story in government: when you cannot fight opposition with the facts, destroy the opposition with untruths or half-truths.

No person, no group has been denied the witness chair; and while all have been invited, most of the witnesses have been Americans injured by imports. It is no fault of the committee that the free trade advocates have not accepted invitations to appear. If any group refuses to come before the committee and still criticizes its procedures, it must have something to hide.

The largest and most powerful group of lobbyists in and out of official Government is at work to counteract the effects of the study on imports. There are at least three official studies being made by the administration spending hundreds of thousands of dollars. The list of registered foreign lobbyists will fill a catalog. Some of the largest law firms in the country are representatives of foreign governments, importer groups, and exporters with their fees running into huge sums of money.

The story of imports can never be fully told, because the man who loses his job to a foreign worker has absolutely no voice on the American scene. How can the unemployed glassworker in Arnold, Pa., or Charleston, W. Va., pit himself against the foreign trade representative whose foot presses open almost any door on Capitol Hill?

How can an American worker who fought valiantly for years under the banner of "Buy union-made goods," "Shop at union served stores," "Build with union craftsmen," understand the new philosophy which makes it almost treasonable to suggest that American-made goods create better working conditions for American workers than goods imported from low standard countries.

If this Nation continues the trend to foreign-made consumer goods, the American producer will be forced to step up his program of automation, more workers will be thrown out of work, and within 5 years the country will be in the worst economic mess of its entire industrial life.

This Nation has no monopoly on brains, skill or production processes. There is nothing to stop every nation from overproducing its requirements and to let any nation build its economy on an expectation of flooding the American market with its surplus is unfair to both the American as well as the foreign nations' economies.

I recognize the lift that will come to our industrial picture with the additional defense spending and the position of Secretary of the Treasury Dillon who wrote me just last week defending foreign aid spending because it makes jobs for Americans.

However, I also recognize the simple economic facts of life. You can't buy from yourself with money you receive from selling to yourself without running out of one or the other, either money or customers. When I am told that unless we buy from other countries, they couldn't buy from us, I have to admit it doesn't impress me. Why? Simply because every nation on earth protects its employment by tariff, embargos, money convertibility, or quotas on foreign goods coming into their country in competition with domestic industries.

The simple answer—but, of course, simple answers are not desirable—is for the world to be cut into hemispheres or continental trade areas. The only protection against the trade and economic groupings being set up in Europe and South America is for this Nation to create a North American trade area with Canada, Mexico, Central America, and Caribbean Islands. Each trade group

must have its own money exchange, its own external protections.

It is plain horsesense to recognize the need for protection within the trade group of countries. What good will it do a nation producing goods for trade with its member nations if an outside nation has the free entry into the trade group with a competitive product produced under conditions of lower wages, lower taxes and, in most cases, subsidized by the producer nation.

The member nation can produce and sell in competition with other member nations because they will and must be competing in a production climate of basic equality in exchange values, wages, taxes and a common military as well as economic front.

This does not bar outside trade but it will force all nations into trade groups that will become self-sufficient in both consumption as well as production. If a trade group lacks certain products it will certainly remove all restrictions against the importation of the things the member countries need and in turn other trade groups will do the same.

Does it not seem silly for any nation with the means, the men, the money and the market, to idle the means and the men and give the money to another nation along with its market, exposing its economy to the creeping paralysis of depression, recession and oblivion.

The theory of world free trade is idealistic and a worthy goal for mankind. However the proponents of theoretical utopia must recognize the realistic and practical results that must follow the attainment of the goal. It means that no nation can live better than another economically. It means that free enterprise as we have known it will be wiped from the face of the earth. It means that all trade, all production, all consumption, all profits, wages, and transportation will be directed, dictated, and regulated by government—not for the betterment of the individual but for the stability and security of the governments.

I am not one who shouts against communism or socialism as an answer to every question I cannot answer. I cannot help but observe in passing, however, that the end result of an equalized world economy may well be the end of personal freedom, personal ambition and personal fortunes. This may be what we are seeking and if it is, the people ought to know.

When you stop to think about the number of laws and regulations passed by the Congress and State legislatures to keep competition in the United States within limits and then say that it is fair to force American industry and workmen to compete with competitive industry and workmen not bound by the same rules, you are either plain stupid or intentionally dishonest.

I prefer to believe the first, but I am getting mighty suspicious of the influence of the second reason.

The same freetraders and Government officials who promote the idea of GATT and OCED sit idly by while Florida puts a one-eighth-cent-a-pound—tariff—fee on imported chickens from Georgia, and Georgia retaliates with a 5-cent-a-box—tariff—in the form of sales tax or inspection fee against the importer of goods from another State.

For instance, if you live in one State with a sales tax and buy a set of furniture in another State, you have to pay 4 percent of your cost to the State residence before you can import the furniture.

Another prime example is whisky. Whisky produces more national and State revenue per ounce than any other volume product in America and yet it cannot be moved across most State lines without violating a protective State tariff law—State tax.

The proponents of free trade in our Government told a glassmaker that the copying of his exclusive design by a foreign glassmaker, who was flooding the American market at a price about one-third his cost of production, was allowable because it gave the American consumer a bargain and it added to the purchasing power of the housewife's dollar.

Why then does not the same administrative body force the governments of the various States to relinquish their taxing powers when such powers are used to protect their merchants and State revenues by prohibiting the personal purchases by citizens who move across State lines unless they pay equalizing taxes—tariffs—as they reenter their respective home States?

Why does one State put up protective barriers against milk from another State?

In plain words, Mr. Gullible—the average American—is told that it is all right for the Nation to close its plants, cut its revenue and add to its unemployed in order to give the American housewife a cheaper, foreign-made product, but that it is wrong for that same housewife to buy a cheaper product in one State if she lives in another.

A Canadian may sell gas to American buyers without paying one cent to the American Government but an American cannot buy one cubic foot of gas from an American gas distributor or producer without paying a tax or tariff.

You can go on for days and never run out of examples of the double standard practiced by the very Government departments and officials that demand a practical administration of economic laws nationally while completely ignoring the economic application of international laws.

For instance, the Government sets a quota on the importation of foreign oils—crude and residual—and yet sits idly by while importers practice a type of smuggling that brings into the United States millions of barrels above the set quotas.

This well-known, but somehow not seen, operation is known as the "Brownsville loop" operation. Ships come into Brownsville, Tex., stop but do not unload for a limited time period. Then they move the oil on to their point of destination not as foreign oil but as part of the domestic oil supply.

The coal miner who loses his job because of this illegal operation is ridiculed as a selfish man without regard for his lesser endowed neighbor in Venezuela and the coal mine operator who claims "foul" is told that he is more interested in his profits than in the goodwill we are buying with his taxes. Funny thing, in most instances, I have found that the only reason oil is shipped here is because there is profit in it.

Goodwill is a wonderful thing, but try and make a profit out of a bankrupt coal mine with a lot of goodwill on the books.

Another great fooler that is fed to Mr. Gullible is that the exportation of goods creates jobs for Americans while the importation of goods does not take jobs from Americans.

For instance, the auto workers are told that it is all right for Volkswagens to come into America at a price less than the auto worker can make the American car for because they buy the steel from America and it makes jobs for the steelworkers. The steelworker is told that it is all right for foreign steel to come into America because the foreign country is buying cotton and giving the cotton workers a job. The shirt maker is told it is all right for the 11 cents an hour Hong Kong shirt to be sold in America because Hong Kong buys its coal from the United States.

The one thing that everybody seems to forget is that if Volkswagens did not come into the United States, the American auto worker would make that many more cars and would use the steel that is sold to Germany. The same is true of cotton. If Japan did not ship in millions of yards of textiles, the American textile workers would buy the cotton here in America. If Hong Kong was not shipping shirts, more shirt plants would open here and buy the coal now purchased by Hong Kong. This could go on and on. You say, how can you justify or prove your case? My answer is simple and true. Read American history. In spite of arguments to the contrary, very few advocates of free trade that I know personally are not paid in one form or another for advocating free trade.

I am compiling a list of law firms, individuals and organizations, that represent or front for foreign-made goods, foreign nations, and foreign trade organizations for the information of the House of Representatives.

State Department Official Tips Hand Over Borrowing Authority in Foreign Aid Bill

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1961

Mr. PELLY. Mr. Speaker, in the August 9 issue of the New York Times, Mr. Theodore Tannenwald, special assistant to the Secretary of State with intimate responsibilities in the foreign aid program, took the able and respected Arthur Krock to task for his recent column on the administration's demand that Congress give it authority to commit the Treasury to $8,800 million for foreign nations development loans over the next 5 years. He accused Mr. Krock of indulging in the omission of pertinent facts

and inaccurate statements of facts. Some of Mr. Tannenwald's statements had the familiar ring of extravagance so characteristic of the executive branch in its insistence that it be given this carte blanche authority. So I discussed it with my colleague, the gentleman from Michigan, Hon. GERALD FORD, a ranking member of the Committee on Appropriations and one who has heard the testimony on foreign aid budgets for several years past, and again this year. He was appalled that such a high ranking official, although conforming to the bureaucratic pattern, would indulge in the very thing he deplored—omission of pertinent facts and inaccurate statements.

Congressman FORD felt compelled to try to correct the record of misinformation and inaccuracies spread by this high official here on the eve of floor debate in the House. His refutation is in the mail today and I asked him for a copy of it. Using the administration's own testimony, Congressman FORD conclusively and, to me unassailably, proves that all the reassurances offered about Congress having full control of the use of the $8.8 billion is an unvarnished red herring.

Dissemination of the truth about the matter is so vital to orderly and responsible disposition of the question that I take the liberty of inserting Congressman FORD's letter at this point:

AUGUST 10, 1961.

To the EDITOR OF THE NEW YORK TIMES:

I do not recall an important issue before the Congress in recent years on which there has been more confusion, so much uncertainty, and so many conflicting statements from responsible sources as currently pervades the Halls of Congress on the administration's urgent request for authority to borrow $8.8 billion from the Treasury over the next 5 years for foreign aid development loans. The letter of Mr. Tannenwald, Special Assistant to the Secretary of State, in your August 9 issue epitomizes the situation. It is appalling, but not exactly surprising, that a high official of the administration—he is closely identified with the foreign aid program—would make some of the statements he does in a letter denouncing Arthur Krock's August 4 column as "omitting a number of pertinent facts and not stating accurately other facts." Pertinency is often a matter of opinion; on occasion, so is accuracy. For my part, Mr. Tannenwald is in some respects guilty of what he deplores, and the average reader, not intimately acquainted with the hard and practical legislative facts of life, the technicalities of legislative procedures, or the machinations of bureaucracy, might be moved to wonder why Mr. Tannenwald apparently was not fully conscious of the impact of all he said. As I shall submit, he even went so far as to put himself in direct opposition to testimony of his superiors. And as others have done, he hangs on legalisms and indulges in technicalities.

I will say this: Near the end, he voluntarily tipped his hand. He revealed that the administration proposal is an all-out effort to secure, right now, $8.8 billion without the Congress—short of most extreme circumstances—interfering with its use by the executive branch over the next 5 years.

1. Mr. Tannenwald correctly notes that, as now written, the legislation requires the President to annually submit a budget to Congress under the Corporation Control Act showing how the funds are to be used, etc. Then he says:

"The President will not be able to obligate or spend these funds until Congress has enacted an authorization in an appropriation bill for the use of the funds."

There are many Members of Congress who regard this as opposite to what no less an authority than Treasury Secretary Dillon told the Senate Committee on Foreign Relations in the following exchange taken from the printed record:

"Senator WILLIAMS. As I understand it, and I think we ought to get this clear, you come back each year and report to Congress, but you do not need any additional action on the part of the Congress to get the money, if we approve this bill as it is written; is that correct?

"Secretary DILLON. That is correct."

I fail to see how both can be right.

2. As others have done, Mr. Tannenwald indulges the obvious when he asserts that Congress would have full legal power to limit the use of these funds. Of course, it would. It is a rare occasion when the Congress is without raw legal power—note the word "legal"—to change its mind and amend a law in practically any way it deems appropriate. But hanging on legalisms here substantially begs the question—certainly where delicate and far-reaching arrangements with sovereign foreign nations are involved. Listen to what his superior, Secretary Rusk, told the House Committee on Appropriations on this question of annual congressional control over these funds:

"Secretary RUSK. As a matter of the law and the Constitution, it [Congress] would have the same control. However, I would be less than candid if I did not say that the exercise of that control by the Congress on an annual basis would be a more serious step in terms of our commitments and relations with other governments than would be true under the present arrangement."

3. This very question of control by Congress is so crucial to the understanding and consideration of the proposition that I again quote from Secretary Dillon. He was asked what would be the situation if Congress decided to cut a part of the $8.8 billion but in the meantime under long-range programing, commitments had been made with foreign countries. Could Congress then limit expenditures below what had been committed? Would these commitments not be obligations of this country with each nation with which we had made them? Listen to the reply:

"Secretary DILLON. I would like to be perfectly clear on that, Senator. Congress does have the authority to limit it, and could limit it, but it would have the effect of the United States not living up to its commitments. So I believe there would be very strong pressure on Congress not to have the United States default on a commitment which it had legally made."

In the face of that statement, Mr. Tannenwald says Mr. Krock was "incorrect" when he suggested that if Congress were to limit or terminate the previously granted borrowing authority the United States would be in default in its foreign aid commitments. Then hanging on technicalities, he concludes that "there could be no question of a default."

Well, Secretaries Rusk and Dillon say otherwise.

4. Then Mr. Tannenwald takes Mr. Krock to task for suggesting that the alternative proposal for a 5-year authorization for appropriation, to be followed by annual appropriations as at present, would "commit Congress morally" to supply the actual appropriation. Well, I readily concede it is a proper question to consider and that there should be a clear understanding at the outset, but I would recall that in this current session, when the $500 million special aid for Latin America was up under essentially identical circumstances, much was made of the moral commitment to supply the funds which the Congress had authorized to be appropriated last year. And every dollar was supplied.

But there seems to be no doubt in the executive branch about the moral commitment question if this 5-year, $8.8 billion direct Treasury borrowing proposition is adopted. Secretary Dillon again:

"I think there is a strong moral obligation to put that money up, and I do not think we should try here to say anything else than that at all."

5. Yet Mr. Tannenwald persists. He says: "This is not so" to this statement:

"Since technically the Executive could commit in 1 fiscal year the entire $8.8 billion Congress had given it for 5 years, there conceivably could be no money left for Congress to recapture."

He suggests ignorance of the difference between the commitment and the legal obligation of funds. Well, once again, let's call on the Secretaries. They are the two highest officials of the administration actively supporting the proposition before the Congress and they have been up and down every side and facet of the matter. I have already offered several quotes that bear rather realistically on this point—so realistically in fact that they satisfy me that here again the criticism hangs largely on legalisms and technicalities. But here is another from the printed committee hearings:

"Mr. PASSMAN. In effect, the executive branch could if it should so determine, commit the entire $8.8 billion during fiscal year 1962 on a conditional basis?

"Secretary DILLON. They could commit $1,187 million firmly, and they could commit the rest of it conditionally.

"Mr. PASSMAN. It could be committed, nevertheless?

"Secretary DILLON. Conditionally, it could be."

Unquestionably, the several quotes from the two Secretaries are ample basis for the conjecture that there conceivably could be no funds left to recapture.

In conclusion, this long-term financing proposition, and some others similar to it and now rather commonly known as back-door financing, raises questions vital to the orderly processes of representative government. The Congress, as the directly elected representatives of the people, has but one certain and continuing way to effectively control the Government. That is the power of the purse. No other certain way exists. So when such a proposition as the pending $8.8 billion, 5-year borrowing authority is submitted, above all things we must know its full dimensions and characteristics before we vote. Do what we will—but know what we are doing. The legislative committees have submitted it to the two Houses of Congress in essentially the form advocated by the executive branch and without substantial alteration of the intents which accompanied it. It comes to the floor for debate heavily clouded by confusion, by uncertainty, and by conflicting statements—assurances on the one hand that Congress will retain control and warnings on the other that if it does exercise its powers to limit the funds, it will be accused of defaulting on commitments. Mr. Tannenwald's letter in substantial measure follows the pattern.

I am honestly convinced that the administration on the one hand when making commitments to foreign governments maximizes the difference between its new back-door method of financing a substantial part of the foreign aid program and the traditional congressional method of funding where true legislative control exists. On the other hand the executive branch minimizes the difference between the alternative methods of funding or downgrades the uniqueness or lack of congressional control of its proposal when submitting the proposition to the Congress. The executive branch seems to want it both ways.

Sincerely,

GERALD R. FORD, JR.,
Member of Congress.

Youth and Government

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 10, 1961

Mr. ANFUSO. Mr. Speaker, under leave to extend my remarks, I wish to insert into the RECORD the text of an address which I delivered at a luncheon today at the Mayflower Hotel given in honor of 135 Civil Air Patrol cadets who are visiting this country in connection with the annual international air cadet exchange. The luncheon was sponsored by Mr. Sam Pryor, Jr., of Pan American World Airways. The address was as follows:

YOUTH AND GOVERNMENT

(Address by Congressman VICTOR L. ANFUSO, Democrat, New York, at luncheon for Civil Air Patrol cadets, August 10, 1961, Mayflower Hotel, Washington, D.C.)

First of all, I wish to take this opportunity of congratulating Mr. Sam Pryor, who has sponsored this luncheon, for his great interest in matters of public benefit. This is not the first time that Mr. Pryor has been in the forefront where the U.S. Government and the American people have been involved. He has successfully contributed toward keeping America's prestige high throughout the world by his invaluable suggestions, his sound advice, and his patriotic deeds.

And you, Mr. Toastmaster, should come in for your share of the bows because of your long devotion to the problems facing this great city of Washington, as well as our Nation. You have indeed, in my estimation, earned the title of "Mr. Washington, D.C." I want to commend you also for your many years of work with the Civil Air Patrol, particularly in furthering these exchange tours which have become an important program in our efforts to strengthen the friendship and understanding between the people of America and the nations participating in this problem.

Whenever I get involved in anything related to airplanes, I am reminded of a rather unusual airfield, connected with the CBI theater of operations in World War II. This field was located smack in the middle of the Indian jungle, with wildlife surrounding its perimeter and one lone Air Force sergeant in charge.

The sergeant got so lonely he adopted a lion cub, and brought it up as a domestic animal, which is no mean trick in itself. But the lion respected the sergeant and did what he was told. And one of the cardinal rules he learned in cubhood was to keep off the landing strip at all times.

Well, one day, just as a plane was approaching, the sergeant saw the lion stretched full length on the strip. Shouting and waving his arms, the sergeant charged the lion, but the lion wouldn't move. So the sergeant kicked him and cuffed him, but the lion only growled a little and still wouldn't move. Flabbergasted by the crisis, the sergeant seized the lion by the tail, dragged him forcibly from the strip and kicked him into the underbrush, then raced to the control tower just in time to make contact with the incoming plane. When he got to his office at the top of the tower, there, in one corner, lay his lion, fast asleep. Which goes to prove what can happen when you provide the proper training in youth.

Well, the subject at hand today is youth and government, on the one hand, airplanes on the other. Personally, I have always been a strong advocate of the entrance of youth into government here in the United States, in the interest of world progress.

It is therefore no surprise to me that the youth of the world is vitally interested today in the development of the airplane as the chief beast of burden in the present century.

This of course was the cornerstone of the movement that grew into being as the Civil Air Patrol, to which you all belong. Born in the critical period immediately prior to World War II, the Civil Air Patrol performed many functions and services contributing both directly and indirectly to the ultimate victory of the Allied cause.

One of the most important services in this respect was the patrolling of the Atlantic coast, in search of submarines. The coastal patrol was carried on for 18 months before Regular units of the armed services were in a position to take over. During this period CAP pilots flew more than 86,000 missions, reported 173 submarine sightings, destroyed two submarines with bombs and depth charges, and reported information to Regular Army and Navy bombers that led to the destruction of many more. So important were the services of the CAP in the eyes of the Federal authorities that the 80th Congress passed Public Law 557, establishing the organization as a permanent civilian auxiliary of the U.S. Air Force.

Now, that is what I would call a prime example of success in the field of volunteer endeavor; a glowing example of what can be done by civilian volunteers with the interest of the Nation at heart.

And as one to whom our Government is of prime concern, I can only wish that American youth would enter into politics and government with the same idealistic zeal as that demonstrated by the young members of the CAP back in the 1940's.

The need for youth in government today is greater, perhaps, than ever before and I am glad that the recent presidential election emphasized this point. Both the presidential aspirants presented a far more youthful element than is generally the case in our presidential contests.

When John F. Kennedy became President of the United States, I was delighted that one of the first programs to be introduced by the new administration was the Youth or Peace Corps program. Never before in American history has the Government sought to employ the youth of the Nation in a more constructive purpose. And to my way of thinking, the move could well have been inaugurated a long time ago.

It is a sad but true observation that over the past 40 years the Soviet Union has given high priority to youth programs, injecting its propaganda stream into virtually every country on the globe, while we, with immense publication and distribution services at our command, have failed to match their output or even come close to matching it.

Consequently, the view of the United States among the underdeveloped countries of the world is one based largely upon the works of writers unfriendly to our cause.

In a recent visit to Japan an American official was engaged in a discussion with a group of college students, who constantly made reference to the great American historian, Foster. Puzzled, the official inquired as to whom Foster was, since he knew of no such great American historian. As it turned out, Foster was none other than William Z. Foster, chairman of the American Communist Party, whose books on American history had been translated into Japanese. With so-called histories of this nature filling the bookshelves of foreign libraries, no wonder there are some strange ideas afloat as to the goals and principles of this great Nation.

In conceiving the Youth Corps idea, the Kennedy administration has decided to fight Communist falsehood with the vigor and fire of youthful enthusiasm, employing the resources of the country to its best advantage at a time when nothing but the best will do. In every country where the Youth Corps sends its representatives, Communist falsehoods will topple in the face of truth. For, as every American knows, the so-called "Ugly American," despised on foreign shores, has virtually nothing to do with Americans in reality. Indeed, the "Ugly American" is largely the figment of anti-American propaganda, palmed off on persons who have seen very few flesh and blood Americans, if any at all. The impression created by the real thing, as represented by the Peace Corps, should go far in destroying the myths fostered upon the people of Europe, Africa, and Asia by those who would defame us at every opportunity.

With the passage of time it has grown clear that the youthful people are not quite so foolish and the older generation not quite so wise as once was generally believed. In the days when there were relatively few executive jobs available in the fields of industry and commerce, the old men seized them and held on for dear life, establishing an artificial framework to sustain themselves in office to prevent the young men from challenging their authority. But with the advent of mass production, mass buying, and a greatly accelerated economic pace, executive jobs multiplied in the economic field to a point where young men were at last allowed to demonstrate their mental capacity along that line. And, lo and behold, they turned out to be the equals of their elders in many instances and their superiors in others.

So clear was this result in commerce and industry, as measured in terms of dollars and cents, that the old barriers suddenly collapsed and youth moved in to assume a place of consequence.

In government, however, there was no such measuring stick, and there the young men and women were shunted aside in the traditional manner, to such an extent that they came to feel unwanted. This is not so today, however, with the advent of the Kennedy administration.

And President Kennedy has been proven absolutely right in encouraging youth. The American Government needs the fire of youth to spur it forward to meet the tasks ahead. It is, therefore, significant that the Peace Corps idea evolved under the administration of a youthful President, whose interest in the talents of youth has been clearly in evidence from the moment he assumed office.

I can only hope, with the pressure of the times bearing down upon us in the years ahead, that the accent on youth is to be stepped up here and in the other free nations of the West. For strength and clarity are what will be needed in these times, and youth has demonstrated, beyond the shadow of a doubt, its readiness in both respects.

H.R. 4580: A Bill To Aid Rehabilitation of the Blind

EXTENSION OF REMARKS
OF
HON. WILLIAM J. GREEN, JR.
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 10, 1961

Mr. GREEN of Pennsylvania. Mr. Speaker, for many years my State of Pennsylvania and the State of Missouri have maintained aid to the blind programs financed entirely from State funds. These programs were established, not merely to provide subsistence to needy blind persons, they were established and have been maintained as rehabilitatively

oriented public assistance programs—directed toward assisting needy blind persons to work their way from dependence upon blind aid to the achievement of economically independent lives.

But, for the past 10 years the Federal authorities have threatened these State blind aid programs with extinction, and they have only been saved from extinction by congressional action. However, these congressional actions have served but to save these programs for the time being. The bill I have introduced today is designed to permanently grant to the States of Pennsylvania and Missouri the right to continue to operate their State financial blind aid programs, free from further Federal interference. My bill also would allow other States to establish programs with the distinctive features of the Pennsylvania-Missouri plans.

How do the solely State supported aid to the blind programs in Pennsylvania and Missouri differ from blind aid programs financed in part by Federal participating funds?

The entirely State financed blind aid programs in these States are more liberal in their eligibility requirements than those pertaining under Federal law and regulations; these same States also maintain federally supported blind aid programs and these jointly operated programs are run in compliance with the rigid eligibility standards required by Federal law and regulations.

For more than 10 years Pennsylvania and Missouri have been threatened by the loss of Federal funds employed in their Federal-State blind aid programs unless they would adopt the Federal eligibility standards for their completely State financed blind aid programs.

For more than 10 years Pennsylvania and Missouri have persisted in their determination to retain the more liberal eligibility standards in the programs which were paid for by their own funds. They have continued to refuse to accept Federal standards in programs which did not use Federal money.

The bill I have introduced today would recognize the right of these two States to operate their State blind aid programs in accordance with their own determinations; it would settle the perennial Pennsylvania-Missouri aid to the blind problem permanently, and it would permit other States to establish programs with the unique features of the Pennsylvania-Missouri programs.

Adoption of my bill would settle the following issues which have been raised in title X, the blind aid title of the Social Security Act:

First. It would recognize and protect the right of States to use their own money in the establishment and operation of improved and enlightened social welfare programs for their blind citizens.

Second. It would recognize the right of Pennsylvania and Missouri to continue permanently their rehabilitatively oriented, entirely State financed aid the blind programs free from further Federal interference; and it would recognize the right of any other State to establish similar programs with the distinctive features of the Pennsylvania-Missouri State blind aid plans.

Third. The amount of each State's Federal grant for its federally supported aid to the blind programs would continue to be determined by the prevailing Federal standards and on like terms to all States. The means test established by Federal law and regulations would apply to all States for the purpose of determining the part of any State's expenditures that would be covered by the Federal grant.

Fourth. No limitation or requirement on the allowance exceptions from the means test in the direction of greater liberality would be imposed upon any State plan in order to retain a title X Federal grant for federally eligible cases.

In order to prevent the States from circumventing the minimum standards of the Federal program by transferring blind aid recipients to a drastically less adequate State program, the States would be permitted to increase, but not decrease the extent to which the recipients' earnings, income, or resources might be excepted from the means test.

Fifth. Not only would the enactment of my bill protect and preserve the solely State supported blind aid programs in Pennsylvania and Missouri, but it would serve to encourage other States to develop their plans of aid to the blind in the direction of rehabilitation, and away from the lesser goal of providing marginal subsistence to their clients.

The constructive character and the rehabilitative orientation of the State plans of aid to the blind in Pennsylvania and Missouri are in full accord with the repeatedly expressed intention of Congress that the federally supported aid to the blind programs in the States should be constructive in character and rehabilitative in orientation—that they should be a help to blind persons to the attainment of self-support.

In the 1950 amendments to the Social Security Act, Congress incorporated the exemption of earned income principle in the aid-to-the-blind title as an encouragement to blind persons and a help to them to work their way off the public assistance rolls.

In the 1960 Social Security Act amendments the exemption of the earned income of blind aid recipients concept was again endorsed as a rehabilitative measure when the exemption of a fixed amount of monthly earnings was abandoned in favor of a sliding-scale formula which would permit a gradual transition from dependence upon blind aid to economic independence.

In the 1956 Social Security Act Amendments "self-care" and "self-support" were added to the purpose clauses of the public assistance titles and declared to be among the objectives to be served by these Federal-State programs.

Why should the blind aid programs in Pennsylvania and Missouri, which are paid for entirely from State funds, which have as their purpose the assisting of blind persons toward the congressionally approved goals of "self-care" and "self-support" be threatened by Federal authorities and be in danger of extinction simply because these completely State-financed programs have more liberal eligibility requirements?

Instead of being threatened with extinction these programs deserve the commendation of the Federal authorities because of their high purposes, because of their congressionally endorsed purposes; and other States should be encouraged by the Federal authorities to establish programs for their needy blind citizens similar to those in Pennsylvania and Missouri—and they should be helped by the Federal authorities to establish such programs.

Sixth. The bill I have introduced today would restore to the States their right to establish public assistance programs for their blind citizens with standards more liberal than those permitted under Federal law and regulations.

My bill would restore to the States their right to spend their own funds as they choose in such programs.

All this can be done without any cost to the Federal Government since my bill provides that Federal participating money may only be used for cases which would qualify under the Federal definition of need.

I believe that, because the State blind aid programs in Pennsylvania and Missouri have been geared toward rehabilitation, they have been responsible for the successful restoration of many blind persons to useful, productive lives.

It is my hope that Congress will approve my bill, thus assuring the blind people of Pennsylvania and Missouri the continuance on a permanent basis of the programs of aid in their States which have had such a beneficial effect upon their lives.

It is my hope that Congress will adopt my bill so that blind men and women in other States may benefit by the establishment of public assistance programs similar to the Pennsylvania-Missouri plans—plans operated at State expense—plans oriented and operated to assist blind people to realize their fullest potential as participating, contributing, responsible citizens, freed from dependence upon programs of public assistance, living normal lives, working and living to the full in all activities in our society.

The Lotteries of Switzerland

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1961

Mr. FINO. Mr. Speaker, I should like to tell the Members of this House about the lotteries of Switzerland. There is no national lottery in Switzerland, but a number of the cantons have grouped together to run several regional lotteries.

Gross receipts in 1960 came to about $5 million. Profits amounted to some $1.2 million. Some of the cantons use their share of the income for private charity cases, while others use it for public charities or cultural organizations.

The Swiss are widely and rightfully famed for their interest in charitable causes. In addition, they have recognized that lotteries can be helpful devices to assist their endeavors in this direction. When will America wake up to the worth of State and national lotteries?